



GROW ICONIC RESTAURANT BRANDS GLOBALLY



Chris Turner
Chief Executive Officer
Yum! Brands, Inc.

Dear fellow stakeholders:

At Yum! Brands, our mission is to grow iconic restaurant brands globally. We do that by creating the most **Loved**, most **Trusted** and most **Connected** Brands through our **Recipe for Good Growth**. As the world's largest restaurant company, we lead a diversified global system of approximately 1,500 franchisees who operate the majority of our over 63,000 restaurants across 155 countries and territories. Every day, our iconic brands serve millions of consumers with craveable food and memorable experiences. Together with our franchisees, we are proud to offer meaningful careers and invest in opportunities that support our team members and the communities where we operate.

Our **Recipe for Good Growth** reflects the belief that lasting growth and brand relevance come from being responsible and responsive to the evolving needs of our employees, franchisees and stakeholders. Our **Unrivaled Culture & Talent** gives us the competitive edge needed to grow our business. This strong foundation positions Yum! to deliver sustainable performance, accelerate same-store sales growth, and expand our global footprint with discipline and confidence.

Highlights from 2025: This year, we continued to deliver meaningful growth and innovation across our global system, reflecting the strength of our portfolio and the consistency of our execution. We opened more than 4,500 new restaurants around the world. That's equivalent to a new store opening every two hours for the fifth consecutive year, demonstrating the durability of our brands and the power of our franchise-led model. Digital remained a powerful growth engine, with systemwide digital sales nearing \$40 billion for the year, reflecting a 20% increase year over year and strong performance across all channels.

We also marked an important milestone with the launch of Byte by Yum! at the beginning of the year - a comprehensive suite of proprietary Software-as-a-Service and AI-driven products designed to enhance the consumer experience, streamline restaurant operations, and empower our teams. By bringing our technology systems together into a single, end-to-end platform supported by a unified global team, we are positioned to scale Byte by Yum! across our system. Today, more than 38,000 restaurants are using at least one Byte by Yum! product, representing a 50% increase year over year and reinforcing the growing impact of our digital and technology capabilities.

To bring these accomplishments to life, let me share specific highlights across our Loved, Trusted, and Connected strategic drivers:

LOVED

KFC delivered another standout year of growth and brand momentum. The brand achieved record-breaking unit development with nearly 3,000 new restaurant openings during the year, including the opening of its 30,000th international restaurant - a significant milestone that underscores KFC's global scale and appeal. During the year, the brand leaned into relevant limited-time offerings and disruptive value platforms across key markets, including the U.K., where these strategies helped drive strong sales growth for the year. Looking ahead, KFC continues to build on this momentum by accelerating innovation, expanding loyalty, and unlocking more sales layers to drive sustainable growth and deepen consumer connection.

Taco Bell is truly a Category of One for Everyone and is inspiring and enabling the world to Live Más. Taco Bell delivered exceptional same-store sales growth of 7% for the year, reflecting strong consumer demand and disciplined execution. Continued innovation, including the successful expansion of chicken offerings, supported market share gains and reinforced the brand's relevance with consumers. Building on this momentum, Taco Bell remains on a clear path toward its 2030 ambitions, including reaching \$3 million in average unit volumes in the U.S. and expanding to 3,000 international restaurant locations.

Pizza Hut is focused on connecting people through the joy of pizza, delivering a craveable, reliable and fun experience every time. Pizza Hut delivered a year of steady progress, with sales strength across key international markets, including the Middle East, Latin America, and Asia. This progress reflects the brand's continued focus on relevance, innovation, and execution across diverse consumer markets.

Drawing inspiration from the vibrant spirit of Southern California, **Habit Burger & Grill** is dedicated to delivering fresh, high-quality food and warm hospitality at affordable prices with its made-to-order chargrilled burgers cooked over an open flame and handcrafted sandwiches. For the second consecutive year, Habit Burger & Grill was recognized as the No. 1 Best Burger for its Double Char Burger and No. 1 Best Side for its Tempura Green Beans, and this year the brand also earned the distinction of being named the No. 1 Best Fast Casual Restaurant by USA TODAY's 10 Best Readers' Choice Awards. These recognitions highlight Habit's commitment to quality, craveability, and delivering standout experiences for consumers.

TRUSTED

We remain committed to fostering trust with our customers, communities, and partners through social responsibility, risk management, and sustainable stewardship. These priorities are at the center of how we are building a resilient business. Those efforts were recognized by The Conference Board, which presented Yum! with its Corporate Responsibility Award in 2025. The award celebrates organizations that have embedded responsible business practices into their core strategies, driving business efficiencies and creating long-term value.

By focusing on people, we and our franchisees are creating tens of thousands of jobs worldwide each year and have created skill-building and training programs for those who need it most. In 2025, our corporate-supported programs resulted in expanded access to education, skills, and employment for more than 400,000 people across 17 countries. In times of need, we stood alongside our communities and supported our team members impacted by over 20 disasters around the world. In addition, through both financial contributions and hands-on volunteerism, we generously supported nearly 500 charitable organizations, reinforcing our belief in giving back to the communities where we live and work.

Our commitment to serving food that people trust means we carefully select our ingredients and partner with suppliers to promote responsible sourcing. We continued to make progress in advancing our nutrition commitments by simplifying ingredients across our menu items. In addition, we're making progress with approximately one-third of core menu offerings now including lower-calorie options, consistent with our ongoing focus on providing choice and transparency for consumers.

When it comes to the planet, we are thoughtful about the way we build, operate, and power our restaurants around the world and are always working to reduce the environmental impact of our supply chain. We continue to reduce emissions across our corporate and franchisee restaurants through energy efficiency and renewable energy adoption. Flagship restaurants, like our LEED Gold-certified Pizza Hut in Vietnam and a first-of-its-kind, all-electric Taco Bell in California that's integrating geothermal and solar energy, demonstrate how sustainable design can drive operational and cost efficiencies. We also continue working to reduce overall usage and improve the recoverability of our packaging suite through a combination of operating procedures and design principles. For example, Pizza Hut introduced a new wing bowl in the U.S. with recyclable packaging and increased recycled content. These actions reflect our broader commitment to climate leadership and our focus on reducing our environmental footprint across our global system.

CONNECTED

We are advancing our ability to serve every consumer, everywhere, at any time. Byte by Yum! continued to scale and deliver impact across brands and markets. The Byte Digital Ordering Bundle processed more than 370 million digital transactions during the year, representing over 60% year-over-year growth driven by both broader geographic expansion and deeper adoption within existing markets. At KFC, digital sales increased more than 20% year over year, supported by kiosks now available in more than one third of global restaurants. Taco Bell further strengthened its digital and loyalty capabilities, with U.S. loyalty membership growing more than 20% year over year and the launch of the Live Más Club in the U.K., laying the foundation for deeper consumer engagement and expanded e-commerce integration. At Pizza Hut, Byte Coach is now used in over 80% of restaurants outside of China to analyze consumer sentiment, performance data, and overall guest readiness, helping teams tailor store visits and operations to what matters most in each restaurant. Habit Burger & Grill also continued to build digital momentum, with digital mix reaching approximately 50% for the year with growth across multiple digital channels.

In closing, we remain committed to growing iconic restaurant brands that are the most loved, most trusted and most connected in the world. In my first letter to you as shareholders, I'm humbled by the privilege and energized by the responsibility of leading Yum! and building on our momentum through sustainable, long-term growth. As we look to the future, we will be focused on **Raising the B.A.R.** - a clear set of priorities that will guide how we drive growth and value creation:

- B**attle for the Future Consumer by staying relentlessly focused on their needs and wants
- A**ccelerate Restaurant Unit Economics for our franchisees and maximize performance of every restaurant, serving as a catalyst for new unit development and keeping our franchise system healthy
- R**each the full potential of Byte by Yum! by effectively operating, innovating and expanding our connected platform built by restaurant operators for restaurant operators to unlock its full potential for our franchise partners and our business

Together, these priorities and our Unrivaled Culture & Talent position Yum! to deliver durable performance and create long-term shareholder value. Thank you to our shareholders, franchisees, consumers, and the entire Yum! family for your continued trust, partnership, and belief in what we are building together.



Chris Turner, Yum! CEO