QSR Industry

Earnings season **2026 Q2**

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INTRODUCING

A streamlined approach to the earnings scramble

Every earnings seasons, major QSR earnings reports drop over a few short weeks. You've likely spent weekends buried in RBI's 34-page report and Yum!'s earnings transcripts while leadership asks ”Is my competitive landscape overview ready yet?”

What you'll find in the pages ahead is a streamline approach to the earnings season scramble; 70% of the quarterly analysis work has been done for you — consolidated, validated, and reviewed by industry analysts — leaving you time for the strategic thinking about what this means for your business.

Synthesis

Q2 2026 - Earnings season QSR

Emerging markets remain the sector's clearest growth engine

Growth continues to concentrate outside mature Western markets, with China, India outperforming U.S. and UK trends:

- Yum China posted record store openings and a ninth straight quarter of margin expansion, contrasting with U.S. softness
- RBI's International segment grew system-wide sales at nearly double its home-market pace.
- Devyani International and Sapphire Foods both frame India as a multi-decade growth opportunity.

Cost discipline, not pricing, is protecting margins

Facing persistent cost inflation, operators are leaning on efficiency and lighter promotions rather than price hikes:

- Sapphire Foods and Devyani International cut discounting to drive India margin gains despite rising LPG and wage costs.
- Greggs lifted operating profit via structural cost savings, even as UK food-to-go demand stayed soft.
- Wendy's and Jack in the Box show the downside when efficiency alone can't offset inflation.

Portfolio restructuring reshaping brand ownership

Rather than incremental tweaks, major operators pursued outright divestiture, acquisition, or merger activity:

- Yum! Brands finalized the sale of Pizza Hut, split between a PE buyer and Yum China, closing a lengthy strategic review.
- Devyani International and Sapphire Foods are progressing toward a merger targeted for fiscal year-end.
- Americana Restaurants' Malak Al Tawouk buy and new ADNOC tie-up extend its Middle East reach.

Dine-In and takeaway recovery drives same-store sales

Operators rebuilding value around in-store and takeaway - not delivery discounting - are seeing the clearest sales recovery:

- Sapphire Foods and Devyani International revived KFC India by shifting spend from delivery discounts to dine-in visits.
- CAVA and Chipotle keep posting strong traffic gains via disciplined value offers and digital engagement.
- Wendy's and Jack in the Box show the inverse: declining traffic tied to reduced promotions.

What's the sentiment?

QSR - 2026 Q2

REVENUE GROWTH	Growth skewed positive across the group, led by international and value-led operators. Yum China and CAVA posted the sharpest gains on unit expansion and guest traffic, while Devyani International delivered double-digit growth in India on a recovering same-store sales base. The clearest laggards shared declining U.S. traffic as the common thread, pointing to a widening split between operators executing well on value and those still working through a diluted proposition.
PROFITABILITY	Outcomes were genuinely split rather than uniformly positive. Yum China and Greggs posted standout margin and earnings growth on operating leverage and cost discipline, while Sapphire Foods saw sharp EBITDA gains in India as reduced discounting restored restaurant-level economics. Against that, several U.S. operators reported outright profit declines as commodity and labor inflation outpaced pricing, and Pizza Hut's margins stayed under pressure across multiple markets.
MARKET DYNAMICS	Conditions were broadly described as stable-to-challenging rather than clearly improving. Greggs pointed to persistent pressure on disposable income, while operators in India flagged energy and currency-driven inflation tied to Middle East tensions. Elsewhere, commentary pointed to a more promotional, price-sensitive landscape in developed markets, while larger global operators characterized the environment as dynamic but manageable.
GROWTH OUTLOOK	Forward guidance leaned constructive across most of the portfolio. Several large operators reaffirmed or raised sales targets, citing continued unit growth, expanding digital engagement, and improving guest traffic as the basis for confidence, while value-oriented fast-casual names pointed to strong new-unit performance and continued portability of their concept into new markets. A handful of U.S. names stood apart, withdrawing or cutting guidance as persistent traffic softness and a cautious consumer clouded visibility into the second half.
PROFITABILITY OUTLOOK	Forward profit commentary was more mixed than the growth outlook. Several large operators expect continued margin expansion through cost efficiencies already underway. Operators in India guided to further gains as leadership changes and cost discipline mature, though full recovery remains a few quarters away. A cluster of U.S. names stood out as negative outliers, citing sustained commodity and labor cost inflation as a constraint on near-term margins.

What’s the sentiment?

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	OVERALL	rbi	Yum!	YumChina			PAPA JOHNS		AMERICANA RESTAURANTS	CHIPOTLE MEXICAN GRILL
REVENUE GROWTH	Positive	Positive	Positive	Positive	Positive	Negative	Negative	Positive	Positive	Positive
PROFITABILITY	Neutral / Mixed	Positive	Neutral / Mixed	Positive	Positive	Negative	Neutral / Mixed	Negative	Positive	Negative
MARKET DYNAMICS	Neutral / Mixed	Neutral / Mixed	Neutral / Mixed	Neutral / Mixed	Neutral / Mixed	Negative	Negative	Neutral / Mixed	Neutral / Mixed	Neutral / Mixed
GROWTH OUTLOOK	Positive	Positive	Positive	Positive	Positive	Negative	Negative	Neutral / Mixed	Positive	Positive
PROFITABILITY OUTLOOK	Neutral / Mixed	Positive	Positive	Positive	Neutral / Mixed	Negative	Negative	Neutral / Mixed	Positive	Neutral / Mixed

Positive Neutral / Mixed Negative

What’s the sentiment?

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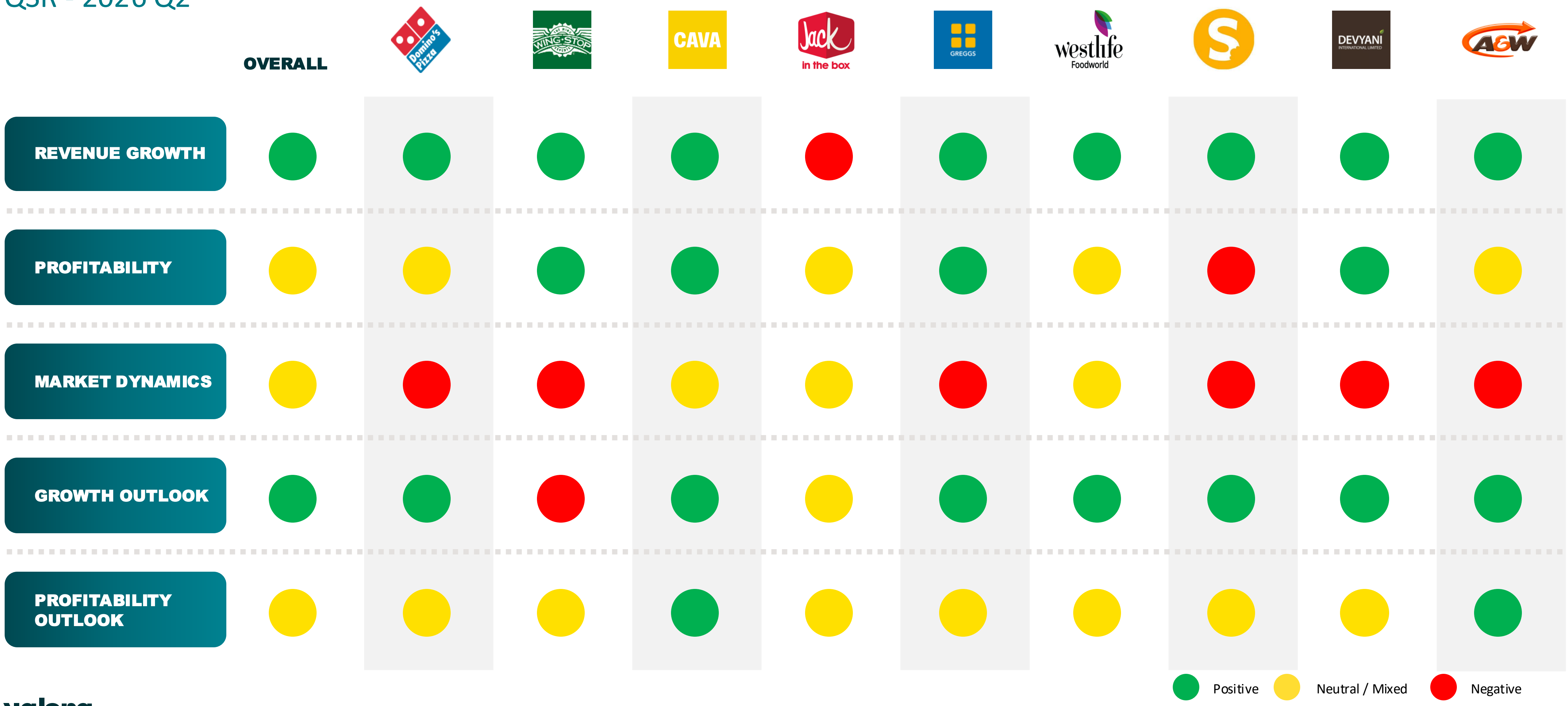

Overview of results (1/9)

COMPANY	PERIOD	NET SALES (€M AND % DEV.)	OPER. PROFIT (%PT. DEV.)	GROWTH DRIVERS	INSIGHTS & OUTLOOK
Restaurant Brands International	2026 - Q2 3 months	*Systemwide* € 11,259M (+7.2%) *Consolidated* € 2,234M (+4.6%)	Adj. EBIT* 28.4% (+0.7%)	• +3.8% comparable sales • +2.9% net restaurant growth • +2.8% sales USA • +4.5% Canada	• Comparable sales accelerated globally, with Burger King's standout performance and continued International strength anchoring results across a diversified brand portfolio. • Adjusted operating income rose, with growth outpacing revenue gains and pointing to underlying margin expansion, even as Pizza Hut and the new China joint venture diluted the overall mix. • The "Reclaim the Flame" investment plan and ongoing restaurant remodels remain central to Burger King's turnaround, alongside continued capital returns to shareholders.
[Restaurant Brands International] Burger King (US, CA)	2026 - Q2 3 months	*Systemwide* € 2,830M (+8.2%) *Consolidated* € 352M (+2.3%)	Adj. EBIT* 34.5% (+3.3%)	• +8.0% comparable sales • -0.8% net restaurant growth	• U.S. performance led a standout acceleration in comparable sales, as turnaround initiatives gained visible traction. • Adjusted operating income climbed, with growth outpacing the more modest rise in revenue, pointing to underlying margin gains as company-restaurant costs normalized following refranchising. • The multi-year "Reclaim the Flame" plan, spanning remodels and technology investment, was credited as the primary driver behind sustained momentum and improving franchisee economics.
[Restaurant Brands International] Tim Hortons (US, CA)	2026 - Q2 3 months	*Systemwide* € 1,775M (+0.4%) *Consolidated* € 1,008M (+5.0%)	Adj. EBIT* 25.2% (-0.4%)	• +0.1% comparable sales • +1.1% net restaurant growth	• System sales growth cooled to 0.4% versus a stronger prior-year comparison, with comparable sales momentum in Canada softening. • Adjusted operating income still edged higher, though the margin gain was modest as rising commodity prices lifted supply chain costs at a similar pace to revenue. • Steady network expansion continued even as same-store growth decelerated relative to recent quarters.
[Restaurant Brands International] Popeyes (US, CA)	2026 - Q2 3 months	*Systemwide* € 1,355M (-3.1%) *Consolidated* € 176M (-5.2%)	Adj. EBIT* 31.7% (+0.2%)	• -5.1% comparable sales • +0.5% net restaurant growth	• System-wide sales declined as comparable sales fell in both the U.S. and international markets, reflecting softer guest traffic. • Weaker sales translated directly into margin pressure, as franchise and property revenue contracted alongside the topline decline. • The brand stood out as the clear underperformer within an otherwise stronger RBI quarter.

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2. The profitability margin shows relates to operating profit, unless otherwise specified.
All foreign currencies are converted to USD using flat rates. (see appendix for flat rates)

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Overview of results (2/9)

COMPANY	PERIOD	NET SALES (€M AND % DEV.)	OPER. PROFIT (%PT. DEV.)	GROWTH DRIVERS	INSIGHTS & OUTLOOK
Restaurant Brands International	2026 - Q2 3 months	Systemwide € 11,259M (+7.2%) Consolidated € 2,234M (+4.6%)	Adj. EBIT* 28.4% (+0.7%)	• +3.8% comparable sales • +2.9% net restaurant growth • +2.8% sales USA • +4.5% Canada	• Comparable sales accelerated globally, with Burger King's standout performance and continued International strength anchoring results across a diversified brand portfolio. • Adjusted operating income rose, with growth outpacing revenue gains and pointing to underlying margin expansion, even as Pizza Hut and the new China joint venture diluted the overall mix. • The "Reclaim the Flame" investment plan and ongoing restaurant remodels remain central to Burger King's turnaround, alongside continued capital returns to shareholders.
[Restaurant Brands International] Firehouse Subs (US, CA)	2026 - Q2 3 months	Systemwide € 320M (+7.4%) Consolidated € 55M (+5.1%)	Adj. EBIT* 27.4% (+2.0%)	• +0.4% comparable sales • +8.1% net restaurant growth	• System-wide sales growth was led primarily by continued restaurant count expansion. • Adjusted operating income increased in line with the larger restaurant base, reflecting a brand still in an earlier, unit-growth-led stage of its development. • Recent momentum, including a new national sports partnership, points to growing brand visibility as the segment works to build comparable sales alongside its expanding footprint.
[Restaurant Brands International] International	2026 - Q2 3 months	Systemwide € 4,978M (+12.5%) Consolidated € 243M (+9.6%)	Adj. EBIT* 70.8% (+2.0%)	• +5.5% comparable sales • +5.1% net restaurant growth	• Comparable sales and system-wide sales accelerated, with continued Burger King strength outside the U.S. and the resumption of royalty revenue from the Burger King China joint venture anchoring results. • Adjusted operating income rose faster than revenue, pointing to underlying margin expansion even as higher compensation-related costs partially offset the gain. • Sustained net restaurant growth across a broad international footprint remains the segment's core structural driver, reinforcing its role as RBI's most consistent growth engine.

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Overview of results (3/9)

COMPANY	PERIOD	NET SALES (€M AND % DEV.)	OPER. PROFIT (%PT. DEV.)	GROWTH DRIVERS	INSIGHTS & OUTLOOK
Yum! Brands	2026 - Q2 3 months	Systemwide € 15,205M (+5.4%) Consolidated € 1,923M (+12.2%)	30.2% (-2.0%)	• +3% SSSG • +5% new units	• Worldwide system sales grew 5% excluding currency effects, powered by Taco Bell's strength and steady unit expansion at KFC. • Core operating profit rose 5%, with growth roughly tracking revenue gains as a higher digital sales mix helped offset continued margin pressure at Pizza Hut. • The defining move of the quarter was the agreement to divest Pizza Hut to two separate buyers, sharpening the company's focus on KFC and Taco Bell going forward.
[Yum! Brands] KFC	2026 - Q2 3 months	Systemwide € 8,479M (+9.7%) Consolidated € 819M (+8.8%)	44.4% (+1.6%)	• +2% SSSG • +7% new units	• System sales improved on continued unit growth and steady same-store gains, particularly across Latin America, the Middle East, and India. • Operating profit and outpacing revenue growth lifted operating margin by 1.6 points, even as company-owned restaurant margins slipped slightly. • A refreshed global brand identity and menu overhaul centered on boneless chicken, sauces, and beverages is set to roll out across top markets through 2027.
[Yum! Brands] Taco Bell	2026 - Q2 3 months	Systemwide € 4,146M (+9.4%) Consolidated € 756M (+20.0%)	36.5% (-0.4%)	• +7% SSSG • +3% new units	• Both systemwide and same-store sales grew, the standout performance within the Yum! portfolio, alongside solid unit expansion at home and abroad. • Operating profit surged well ahead of revenue growth, though operating margin dipped slightly as investment kept pace with sales. • Sustained U.S. strength and accelerating international growth underscore the brand's continued momentum within the group.
[Yum! Brands] Pizza Hut	2026 - Q2 3 months	Systemwide € 2,755M (-0.3%) Consolidated € 225M (+6.3%)	27.6% (-5.9%)	• -1% SSSG • +1% new units	• System sales were roughly flat, as international gains offset persistent U.S. softness. • Operating profit fell with margin contracting nearly six points as profitability pressure, most pronounced in the U.S., outpaced the modest topline decline. • The headline development was the agreement to sell Pizza Hut - split between a private equity buyer outside Mainland China and Yum China for the Mainland China business, closing out a lengthy strategic review.

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Overview of results (4/9)

COMPANY	PERIOD	NET SALES (€M AND % DEV.)	OPER. PROFIT (%PT. DEV.)	GROWTH DRIVERS	INSIGHTS & OUTLOOK
Yum China	2026 - Q2 3 months	*Consolidated* € 2,782M (+12.6%)	11.1% (+0.2%)	• +6% system-sales growth • +1% same-store sales growth • +560 net new stores	• Transaction growth extended an unbroken multi-year streak, with same-store sales improving sequentially and store openings hitting a second-quarter record, over a third of them opened by franchisees. • Profitability reached a fresh quarterly high, with margin expanding even as heavier delivery mix put some strain on restaurant-level profitability. • The pending transfer of Pizza Hut brand ownership in Mainland China stands out as the next catalyst, expected to unlock further margin gains and greater strategic flexibility.
[Yum China] KFC	2026 - Q2 3 months	*Consolidated* € 2,072M (+11.5%)	14.2% (+0.3%)	• +6% system-sales growth • +1% same-store sales growth • +174 net new stores	• Same-store sales growth extended into a fifth consecutive quarter, with smaller, more frequent orders from newer occasions like KCOFFEE and KPRO drawing in transactions even as average ticket size eased. • Streamlined operations and favorable input costs helped lift both restaurant and overall margins, offsetting the drag from a growing delivery mix. • Newer formats and deeper penetration into lower-tier cities continue to widen the brand's reach across the market.
[Yum China] Pizza Hut	2026 - Q2 3 months	*Consolidated* € 543M (+10.6%)	8.3% (0.0%)	• +7% system-sales growth • +1% same-store sales growth • +335 net new stores	• Same-store sales returned to growth after a prolonged rough patch, with transaction gains far outweighing a pullback in average ticket as value-for-money pricing took hold. • Profit grew roughly in line with revenue, leaving margin steady, though investment in the new Burger Bar concept and a heavier delivery mix pressured restaurant-level profitability. • Store openings nearly doubled from the prior year, positioning the brand for a stronger growth trajectory once ownership transfers to Yum China.

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Overview of results (5/9)

COMPANY	PERIOD	NET SALES (€M AND % DEV.)	OPER. PROFIT (%PT. DEV.)	GROWTH DRIVERS	INSIGHTS & OUTLOOK
McDonald's	2026 - Q2 3 months	Systemwide € 34,432M (+5.1%) Consolidated € 6,293M (+3.7%)	47.0% (-0.2%)	• +0.8% US comparable sales • +1.5% International Operated Markets • +2% FX effect	• Revenue growth stayed steady, led by strong franchised restaurant performance even as U.S. guest counts softened. • Operating margin was essentially flat, tilting slightly negative, as cost pressures offset the benefit of pricing actions and franchised margin gains. • Continued restaurant reimaging and loyalty program expansion remain the priority, alongside plans to reaccelerate U.S. performance under new leadership.
Wendy's	2026 - Q2 3 months	Systemwide € 3,034M (-6.5%) Consolidated € 506M (+1.7%)	13.9% (-4.7%)	• -6.3% same restaurants sales growth • -8.2% systemwide sales US • +3.4% systemwide sales International • -71 net stores	• Wendy's reported a marked decline in systemwide sales, driven by steep U.S. same-restaurant sales and traffic declines alongside store closures. • Profitability fell sharply as commodity and labor inflation outweighed efficiency gains, compounded by lower franchise royalty revenue. • Management withdrew full-year guidance and reduced the dividend to fund a forthcoming turnaround plan, citing inconsistent operations and a diluted value proposition.
Papa John's	2026 - Q2 3 months	Systemwide € 1,064M (-4.8%) Consolidated € 428M (-8.8%)	4.8% (+0.2%)	• -8.3% North America comparable sales • +1.5% International comparable sales • -42 net systemwide restaurants	• Papa John's revenue declined, weighed down by softer domestic company-owned restaurant and commissary performance, even as North America franchising held up better. • Profitability was roughly stable, as international growth offset North America weakness, though margins remained pressured by input costs. • Management lowered full-year guidance, citing a softer U.S. consumer and aggressive competitor promotions, while continuing to invest in technology to support stabilization.
Shake Shack	2026 - Q2 3 months	Systemwide € 555M (+13.8%) Consolidated € 370M (+17.2%)	5.0% (-1.3%)	• +3.5% SSSG • +16 company operated Shacks and +11 new licenced Shacks	• Shake Shack delivered strong revenue growth, driven by continued new Shack openings and positive same Shack sales gains. • Operating income and net income declined slightly despite the top-line growth, though adjusted EBITDA still improved. • The company continued its expansion pace, opening new company-operated and licensed locations both domestically and internationally.

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Overview of results (6/9)

COMPANY	PERIOD	NET SALES (€M AND % DEV.)	OPER. PROFIT (%PT. DEV.)	GROWTH DRIVERS	INSIGHTS & OUTLOOK
Americana Restaurants	2026 - Q2 3 months	Consolidated € 634M (+11.0%)	14.6% (+3.0%)	• +7.0% KFC LFL revenue growth (H1) • +1.6% Pizza Hut • +5.8% Krispy Kreme	• Americana delivered strong double-digit revenue growth in the first half, driven by solid like-for-like sales gains and continued network expansion. • Margins expanded meaningfully, supported by operating leverage and cost management, translating into a sharp increase in net income. • The Malak Al Tawouk acquisition and a new distribution partnership with ADNOC stood out as key strategic moves, alongside continued guidance for mid-single-digit sales growth and further store expansion.
Chipotle	2026 - Q2 3 months	Systemwide € 2,968M (+9.3%) Consolidated € 2,968M (+9.3%)	15.7% (-2.6%)	• +2.2% comparable restaurant sales • +100 new company-owned restaurants	• Chipotle posted solid revenue growth, driven by new restaurant openings and improved comparable sales, supported by menu innovation and digital engagement. • Operating margin declined as labor and commodity inflation, along with a brief foodborne illnessrelated sales disruption, weighed on profitability. • Full-year comparable sales guidance was raised, with continued momentum from the "Recipe for Growth" strategy and expanded high-efficiency kitchen equipment cited as the drivers.
Domino's Pizza	2026 - Q2 3 months	Systemwide € 34,432M (+5.1%) Consolidated € 6,293M (+3.7%)	47.0% (-0.2%)	• +290 new stores globaly • +0.1% U.S. Same-store sales growth • -0.1% International Same-store sales growth	• Revenue grew modestly, as strong order counts and franchise royalties were partially offset by a samestore sales miss tied to tough prior-year comparisons. • Operating margin was nearly flat, edging slightly lower, as franchise royalty and supply chain gains were offset by higher administrative costs. • Order-count growth through aggregator partnerships and loyalty programs, alongside a revamped value promotion and new pizza innovation planned ahead, anchor the growth push
Wingstop	2026 - Q2 3 months	Systemwide € 1,251M (+5.3%) Consolidated € 165M (+6.5%)	29.4% (+3.5%)	• +102 net new openings • -7.5% domestic SSSG • +5.3% system-wide sales	• Wingstop grew revenue on continued franchise development, even as domestic samestore sales declined amid softer consumer transaction volumes. • Profitability improved as lower chicken wing input costs supported margin gains despite the sales pressure. • The national launch of Club Wingstop and continued Smart Kitchen investment stood out as key growth levers, alongside guidance pointing to a same-store sales decline for the year.

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Overview of results (7/9)

COMPANY	PERIOD	NET SALES (€M AND % DEV.)	OPER. PROFIT (%PT. DEV.)	GROWTH DRIVERS	INSIGHTS & OUTLOOK
CAVA Group	2026 - Q2 3 months	Consolidated € 327M (+31.3%)	7.3% (+0.3%)	• +9.0% SSSG • +5.3% guest trafic growth • +17 net new restauratnts	• Revenue grew strongly, driven by robust guest traffic gains and continued new restaurant openings that outperformed expectations. • Operating margin was nearly flat, tilting slightly positive, even as restaurant-level margin edged lower on new menu launches and a higher delivery mix, with margin dollars still growing alongside sales. • Full-year guidance was reaffirmed, with the brand's differentiated Mediterranean positioning and continued new-market portability cited as the drivers.
Jack in the Box	2026 - Q3 3 months	Systemwide € 837M (-1.4%) Consolidated € 228M (-1.8%)	20.5% (+2.1%)	• -1.1% SSSG • -13 net restaurants	• Systemwide sales continued to decline, though the drop eased meaningfully from the steep declines seen a year earlier, as fewer transactions were only partly offset by higher prices. • Earnings from operations improved despite the softer topline, as lower administrative expenses and a swing to other operating income offset continued commodity cost inflation. • The company completed a major refinancing of its long-term debt during the quarter and continued closing underperforming locations and selling real estate, as new leadership focused on strengthening franchisee
Greggs	2026 - H1 6 months	Systemwide € 1,286M (+7.2%) Consolidated	7.9% (+1.0%)	• +34 net openings • +2.1% LFL company-managed shop sales growth • +1.3% LFL franchised shop sales growth	• Greggs delivered solid first-half sales growth, with like-for-like gains across company-managed and franchised shops, supported by continued estate expansion. • Profitability improved, aided by a softer prior-year comparison, grocery channel growth, and strong cost control amid easing inflation. • Management highlighted continued menu innovation, growing loyalty app engagement, and new formats such as "bitesize Greggs" and "Greggs Express" as drivers of market share gains in a food-to-go market.
Westlife Foodsworld	2027 - Q1 3 months	Consolidated € 75M (+11.9%)	EBITDA* 12.9% (-0.1%)	• +4.3% SSSG driven by double-digit guest count growth • +5 new stores	• Westlife delivered strong revenue growth driven by double-digit guest count increases and balanced momentum across on-premise, delivery, and McDelivery channels. • Margins remained broadly stable despite input cost pressures, supported by cost governance and operating leverage. • The restaurant network kept expanding toward its long-term target, with confidence in sustained guest count growth underpinned by value and premium gross margins.

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Overview of results (8/9)

COMPANY	PERIOD	NET SALES (€M AND % DEV.)	OPER. PROFIT (%PT. DEV.)	GROWTH DRIVERS	INSIGHTS & OUTLOOK
Sapphire Foods India	2027 - Q1 3 months	*Consolidated* € 90M (+14.6%)	EBITDA* 12.8% (-1.9%)	• +22 new stores	• Delivered strong growth driven by improved dine-in and takeaway traction at KFC, a return to positive same-store sales at Pizza Hut India following new product launches, and continued strong footfall in Sri Lanka • Profitability jumped, with adjusted EBITDA growth hitting a multi-quarter high on reduced discounting, modest price hikes, and better channel mix. • A "dine-in forward" omni-channel strategy stands out as the primary driver of the recovery, even as Sri Lanka's margins remain squeezed by currency depreciation and inflation.
[Sapphire Foods India] KFC India	2027 - Q1 3 months	*Consolidated* € 63M (+17.2%)	EBITDA* 16.9% (+1.2%)	• +5% SSSG • +16 new stores	• Same-store and system sales both grew noticeably, led by improved dine-in and takeaway performance. • Restaurant margins widened as lighter discounting and a modest price increase lifted gross margin despite rising energy costs. • A two-pronged value-and-advertising approach stands out as the key driver behind new customer recruitment, with momentum expected to carry into coming quarters.
[Sapphire Foods India] Pizza Hut India	2027 - Q1 3 months	*Consolidated* € 14M (+3.0%)	EBITDA* -3.6% (-1.1%)	• +1% SSSG • +2 new stores	• Same-store sales turned positive after a long stretch of declines, with dine-in and delivery contributing similarly. • Restaurant margins stayed negative, as higher energy costs outweighed gains from reduced discounting and price hikes. • New product launches keep dine-in experience and innovation at the center of the brand's strategy to close the gap with the category leader.
					• Westlife delivered strong revenue growth driven by double-digit guest count increases and balanced momentum across on-premise, delivery, and McDelivery channels. • Margins remained broadly stable despite input cost pressures, supported by cost governance and operating leverage. • The restaurant network kept expanding toward its long-term target, with confidence in sustained guest count growth underpinned by value and premium gross margins.

Overview of results (9/9)

COMPANY	PERIOD	NET SALES (€M AND % DEV.)	OPER. PROFIT (%PT. DEV.)	GROWTH DRIVERS	INSIGHTS & OUTLOOK
Devyani International	2027 - Q1 3 months	*Consolidated* € 163M (+16.7%)	5.8% (+0.8%)	• +110 net new stores • +14.9% revenue India • +20.7% revenue International	• Revenue grew, driven by improved dine-in traction and same-store sales gains at KFC India following a shift in marketing spend away from delivery discounting, sequential improvement at Pizza Hut India • Profitability strengthened, with gross margin and brand contribution both expanding as cost discipline offset inflation in commodities, wages, and LPG. • A newly settled leadership team and steady progress toward the Sapphire Foods merger, targeted for completion by fiscal year-end, underpin the turnaround narrative.
[Devyani International] KFC India	2027 - Q1 3 months	*Consolidated* € 70M (+11.7%)	n/a	• +90 net new stores • +3.3% SSSG	• Delivered strong growth, driven by a rebalancing of marketing spend toward dine-in visits rather than delivery discounting, alongside double-digit same-store sales growth and improving dine-in salience. • Gross and brand contribution margins both improved as more disciplined discounting helped restore profitability, even amid cost inflation on LPG and wages. • The brand's dine-in push is expected to remain the key margin lever ahead, with average daily sales growth seen as the primary path toward higher long-term contribution margins.
[Devyani International] Pizza Hut India	2027 - Q1 3 months	*Consolidated* € 19M (-1.6%)	n/a	• +8 net new stores • -2.2% SSSG	• Revenue consistently declined, with same-store sales negative but improving sequentially, supported by higher average daily sales per store. • Brand contribution margin eroded slightly, tipping into a loss, as higher costs and operating deleverage outpaced the gains from a stabilizing top line. • A "back to basics" reset centered on product quality and value is underway, with a broader strategy overhaul expected once the Sapphire Foods merger completes.
A&W Canada	2026 - Q2 3 months	*Systemwide* € 298M (+3.8%) *Consolidated* € 45M (+2.9%)	Adj. EBITDA* 34.5% (-2.6%)	• +2.1% SSSG • +23 new A&W restaurants • +3.9% system sales growth	• A&W delivered system sales growth driven by strong performance from franchised restaurants, continued consumer demand, and new restaurant openings, including several in partnership with Petro-Canada. • Adjusted EBITDA margin slipped as higher general and administrative expenses outweighed the margin gains. • Continued rollout of the exclusive Pret A Manger rights in Canada stands out as the key growth initiative ahead, with further franchised locations planned by year-end.

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