

DEFINITIONS OF MARKETS

KFC

Africa includes Angola, Botswana, Gabon, Ghana, Ivory Coast, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Nigeria, Reunion Island, Rwanda, Senegal, South Africa, Sudan, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe

Asia includes Brunei, Cambodia, Guam, Hong Kong, Indonesia, Japan, Korea, Macau, Malaysia, Mongolia, Myanmar, Philippines, Saipan, Singapore, Taiwan and Vietnam

Australia includes Australia and New Zealand

Canada

China

Europe includes Albania, Austria, Belarus, Belgium, Bosnia, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, French Guiana, Germany, Greece, Guadeloupe, Hungary, Iceland, Israel, Italy, Kosovo, Latvia, Lithuania, Macedonia, Malta, Martinique, Moldova, Netherlands, Poland, Portugal, Romania, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Ukraine and West Bank

India includes Bangladesh, India, Maldives, Nepal and Sri Lanka

Latin America includes Antigua, Argentina, Aruba, Bahamas, Barbados, Bermuda, Bolivia, Bonaire, Brazil, Chile, Colombia, Costa Rica, Curacao, Dominica, Dominican Republic, Ecuador, El Salvador, Grand Cayman, Grenada, Guatemala, Guyana, Honduras, Jamaica, Mexico, Panama, Paraguay, Peru, Puerto Rico, St. Kitts, St. Lucia, St. Maarten, St. Vincent, Suriname, Trinidad, U.S. Virgin Islands and Venezuela

Middle East / Turkey / North Africa includes Armenia, Azerbaijan, Bahrain, Egypt, Georgia, Iraq, Jordan, Kazakhstan, Kuwait, Kyrgyzstan, Lebanon, Morocco, Oman, Pakistan, Qatar, Saudi Arabia, Tajikistan, Tunisia, Turkey, United Arab Emirates and Uzbekistan

Thailand

United Kingdom includes Ireland and United Kingdom

United States

PIZZA HUT

Asia includes Australia, Brunei, Cambodia, Hong Kong, Indonesia, Japan, Korea, Macau, Malaysia, Mongolia, Myanmar, New Zealand, Philippines, Singapore, Taiwan, Thailand and Vietnam

Canada

China

Europe includes Albania, Andorra, Armenia, Azerbaijan, Belgium, Cyprus, Czech Republic, Finland, France, Germany, Gibraltar, Hungary, Iceland, Ireland, Israel, Luxembourg, Malta, Poland, Portugal, Romania, Slovakia, Spain, Sweden, United Kingdom and West Bank

India includes Bangladesh, India, Maldives, Nepal and Sri Lanka

Latin America includes Aruba, Bahamas, Bolivia, Brazil, Chile, Colombia, Costa Rica, Curacao, Dom. Republic, Ecuador, El Salvador, Grand Cayman, Grenada, Guatemala, Guyana, Honduras, Jamaica, Mexico, Nicaragua, Paraguay, Peru, Puerto Rico, Suriname, Trinidad, USVI and Venezuela

Middle East / Africa includes Algeria, Angola, Bahrain, Djibouti, Egypt, Ethiopia, Gabon, Ghana, Iraq, Ivory Coast, Jordan, Kazakhstan, Kenya, Kuwait, Lebanon, Mauritius, Morocco, Nigeria, Oman, Qatar, Saudi Arabia, Somaliland, South Africa, Sudan, Tanzania, Turkey, Uganda, United Arab Emirates and Zimbabwe

United States includes Guam, Saipan and United States

2023 THIRD-QUARTER DEFINITIONS

Company Restaurant Profit is defined as Company sales less Company restaurant expenses, both of which appear on the face of our Condensed Consolidated Statements of Income. Company restaurant expenses include those expenses incurred directly by our Company-owned restaurants in generating Company sales, including cost of food and paper, cost of restaurant-level labor, rent, depreciation and amortization of restaurant-level assets and advertising expenses incurred by and on behalf of that Company restaurant. Company restaurant margin as a percentage of sales ("Company restaurant margin %") is defined as Company restaurant profit divided by Company sales. We use Company restaurant profit for the purposes of internally evaluating the performance of our Company-owned restaurants and we believe Company restaurant profit provides useful information to investors as to the profitability of our Company-owned restaurants. In calculating Company restaurant profit, the Company excludes revenues and expenses directly associated with our franchise operations as well as non-restaurant-level costs included in General and administrative expenses, some of which may support Company-owned restaurant operations. The Company also excludes restaurant-level asset impairment and closures expenses, which have historically not been significant, from the determination of Company restaurant profit as such expenses are not believed to be indicative of ongoing operations. Company restaurant profit and Company restaurant margin % as presented may not be comparable to other similarly titled measures of other companies in the industry.

Core Operating Profit. Core Operating Profit excludes Special Items and F/X and we use Core Operating Profit for the purposes of evaluating performance internally.

Ex F/X represents the percentage change excluding the impact of foreign currency translation ("F/X"). These amounts are derived by translating current year results at prior year average exchange rates. We believe the elimination of the F/X impact provides better year-to-year comparability without the distortion of foreign currency fluctuations.

Franchise Restaurants include franchise and license restaurants.

Franchisee Sales represent combined estimated sales of restaurants operated by franchisees and licensees. Franchisee sales, which are not included in the Company sales we present in our Condensed Consolidated Statements of Income, generate franchise and license fees (typically at a rate of 3% to 6% of sales) that are included in the Company's revenues.

Gross New Restaurants include company-owned, franchise, and license restaurants.

Operating margin is defined as Operating Profit divided by Total Revenue.

Same-store sales growth is the estimated percentage change in sales of all restaurants that have been open and in the YUM system for one year or more, including those temporarily closed. From time-to-time restaurants may be temporarily closed due to remodeling or image enhancement, rebuilding, natural disasters, health epidemic or pandemic, landlord disputes or other issues. The system sales of restaurants we deem temporarily closed remain in our base for purposes of determining same-store sales growth and the restaurants remain in our unit count. We believe same-store sales growth is useful to investors because our results are heavily dependent on the results of our Concepts' existing store base. Additionally, same-store sales growth is reflective of the strength of our Brands, the effectiveness of our operational and advertising initiatives and local economic and consumer trends.

Special Items are not included in any of our Division segment results as the Company does not believe they are indicative of our ongoing operations due to their size and/or nature. Our chief operating decision maker does not consider the impact of Special Items when assessing segment performance.

System Restaurants include company-owned, franchise and license restaurants.

System sales and System sales excluding F/X. System sales include the results of all restaurants regardless of ownership, including Company-owned and franchise restaurants. Sales at franchise restaurants typically generate ongoing franchise and license fees for the Company at a rate of 3% to 6% of sales. Increasingly, customers are paying a fee to a third party to deliver or facilitate the ordering of our Concepts' products. We also include in System sales any portion of the amount customers pay these third parties for which the third party is obligated to pay us a license fee as a percentage of such amount. Franchise restaurant sales and fees paid by customers to third parties to deliver or facilitate the ordering of our Concepts' products are not included in Company sales on the Condensed Consolidated Statements of Income; however, any resulting franchise and license fees we receive are included in the Company's revenues. We believe System sales growth is useful to investors as a significant indicator of the overall strength of our business as it incorporates our primary revenue drivers, Company and franchise same-store sales as well as net unit growth.