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MarketLine Industry Profile

Global Restaurants

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MarketLine

EXECUTIVE SUMMARY

Market value

The global restaurants industry grew by 6.2% in 2014 to reach a value of $2,737.1 billion.

Market value forecast

In 2019, the global restaurants industry is forecast to have a value of $3,805.8 billion, an increase of 39% since 2014.

Market volume

The global restaurants industry grew by 1.8% in 2014 to reach a volume of 65,461.9 thousand employees.

Market volume forecast

In 2019, the global restaurants industry is forecast to have a volume of 70,624.4 thousand employees, an increase of 7.9% since 2014.

Category segmentation

Restaurants and cafes is the largest segment of the global restaurants industry, accounting for 44.3% of the industry's total value.

Geography segmentation

Asia-Pacific accounts for 46.9% of the global restaurants industry value.

Market rivalry

The lack of switching costs incurred for buyers means that rivalry is intensified between players.

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MARKET OVERVIEW

Market definition

The restaurants industry is valued according to total sales of all food and drink (soft and alcoholic) in or through restaurants and cafes, fast food retail, drinking places, and other. The restaurants & cafes industry includes full-service restaurants, commercial cafeterias and snack bars. Fast food retail consists of all limited service restaurants, takeaways, street & mobile and leisure vendors. Drinking places are defined as bars, taverns and nightclubs. Other includes home delivery/takeaway, catering, self service, street stalls and kiosks. Sales through vending machines are not included. All sales are valued at the prices paid by consumers, not the prices paid by restaurant operators to their suppliers. Market volumes are classed as the number of individuals employed in foodservice locations.

All currency conversions were carried out at constant 2014 average annual exchange rates.

For the purposes of this report, North America consists of Canada, Mexico, and the United States.

South America comprises Argentina, Brazil, Chile, Colombia, and Venezuela.

Europe comprises Austria, Belgium, the Czech Republic, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Norway, Poland, Portugal, Russia, Spain, Sweden, Switzerland, Turkey, and the United Kingdom.

Scandinavia comprises Denmark, Finland, Norway, and Sweden.

Asia-Pacific comprises Australia, China, Hong Kong, India, Indonesia, Kazakhstan, Japan, Malaysia, New Zealand, Pakistan, Philippines, Singapore, South Korea, Taiwan, Thailand, and Vietnam.

Middle East comprises Egypt, Israel, Saudi Arabia, and United Arab Emirates.

Market analysis

The global restaurants industry has experienced strong growth in recent years. This is predicted to continue in the forecast period, albeit at a slightly accelerated rate.

The Asia-Pacific region is the largest worldwide, accounting for nearly half of sales. The region is also likely to grow its geography share as it has the highest expected growth in the forecast period.

The global restaurants industry had total sales of $2,737.1bn in 2014, representing a compound annual growth rate (CAGR) of 6.4% between 2010 and 2014. In comparison, the Asia-Pacific and US industries grew with CAGRs of 9.3% and 4.1% respectively, over the same period, to reach respective values of $1,284.7bn and $683.4bn in 2014.

Industry volume increased with a CAGR of 2% between 2010 and 2014, to reach a total of 65,461.9 thousand employees in 2014. The industry's volume is expected to rise to 70,624.4 thousand employees by the end of 2019, representing a CAGR of 1.5% for the 2014-2019 period.

The restaurants and cafes segment was the industry's most lucrative in 2014, with total sales of $1,213.1bn, equivalent to 44.3% of the industry's overall value. The fast food segment contributed sales of $848.1bn in 2014, equating to 31% of the industry's aggregate value.

The performance of the industry is forecast to accelerate, with an anticipated CAGR of 6.8% for the five-year period 2014 - 2019, which is expected to drive the industry to a value of $3,805.8bn by the end of 2019. Comparatively, the Asia-Pacific and US industries will grow with CAGRs of 8.5% and 4.3% respectively, over the same period, to reach respective values of $1,927.5bn and $842.1bn in 2019.

MARKET DATA

Market value

The global restaurants industry grew by 6.2% in 2014 to reach a value of $2,737.1 billion.

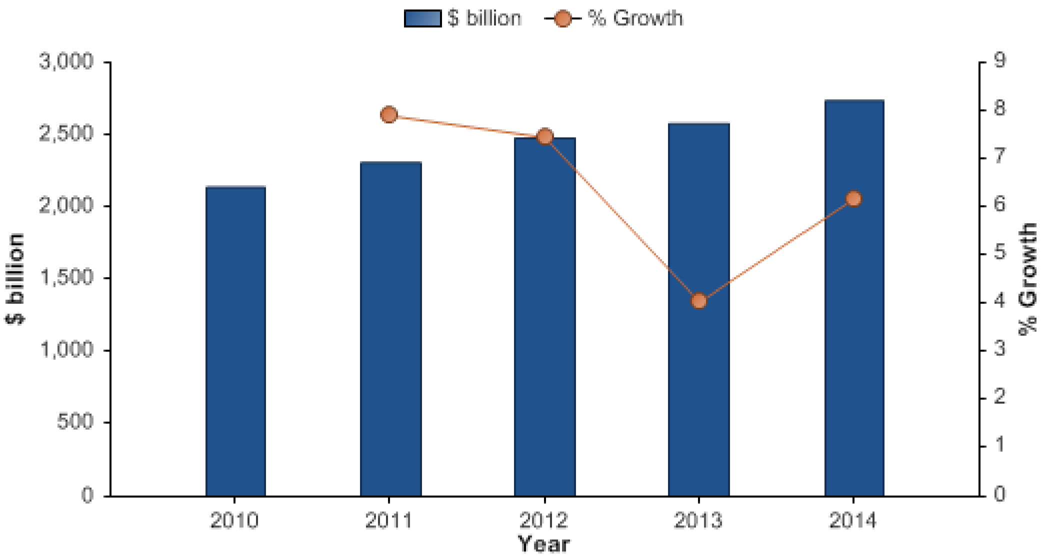
The compound annual growth rate of the industry in the period 2010–14 was 6.4%.

Table 1: Global restaurants industry value: $ billion, 2010–14

Year	$ billion	€ billion	% Growth
2010	2,137.4	1,608.3	
2011	2,306.1	1,735.2	7.9%
2012	2,477.8	1,864.4	7.4%
2013	2,577.8	1,939.7	4.0%
2014	2,737.1	2,059.5	6.2%
CAGR: 2010–14			6.4%

SOURCE: MARKETLINE MARKETLINE

Figure 1: Global restaurants industry value: $ billion, 2010–14



SOURCE: MARKETLINE MARKETLINE

Market volume

The global restaurants industry grew by 1.8% in 2014 to reach a volume of 65,461.9 thousand employees.

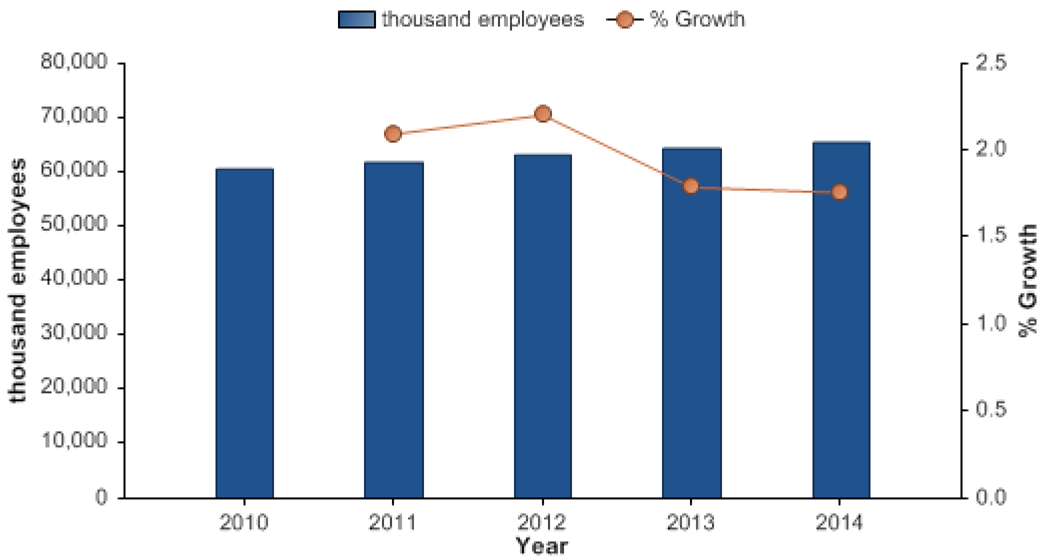
The compound annual growth rate of the industry in the period 2010–14 was 2%.

Table 2: Global restaurants industry volume: thousand employees, 2010–14

Year	thousand employees	% Growth
2010	60,569.3	
2011	61,838.2	2.1%
2012	63,201.0	2.2%
2013	64,331.2	1.8%
2014	65,461.9	1.8%
CAGR: 2010–14		2.0%

SOURCE: MARKETLINE   MARKETLINE

Figure 2: Global restaurants industry volume: thousand employees, 2010–14



SOURCE: MARKETLINE   MARKETLINE

MARKET SEGMENTATION

Category segmentation

Restaurants and cafes is the largest segment of the global restaurants industry, accounting for 44.3% of the industry's total value.

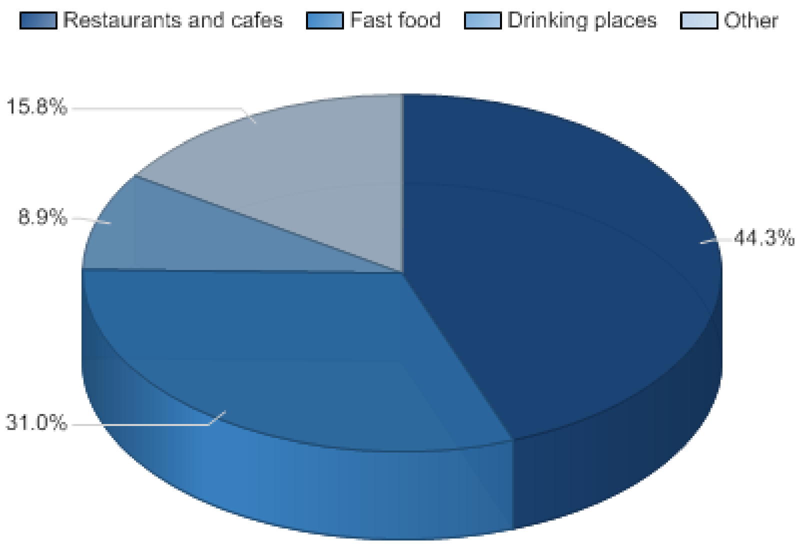
The Fast food segment accounts for a further 31% of the industry.

Table 3: Global restaurants industry category segmentation: $ billion, 2014

Category	2014	%
Restaurants and cafes	1,213.1	44.3%
Fast food	848.1	31.0%
Drinking places	242.8	8.9%
Other	433.0	15.8%
Total	2,737	100%

SOURCE: MARKETLINE MARKETLINE

Figure 3: Global restaurants industry category segmentation: % share, by value, 2014



SOURCE: MARKETLINE MARKETLINE

Geography segmentation

Asia-Pacific accounts for 46.9% of the global restaurants industry value.

United States accounts for a further 25% of the global industry.

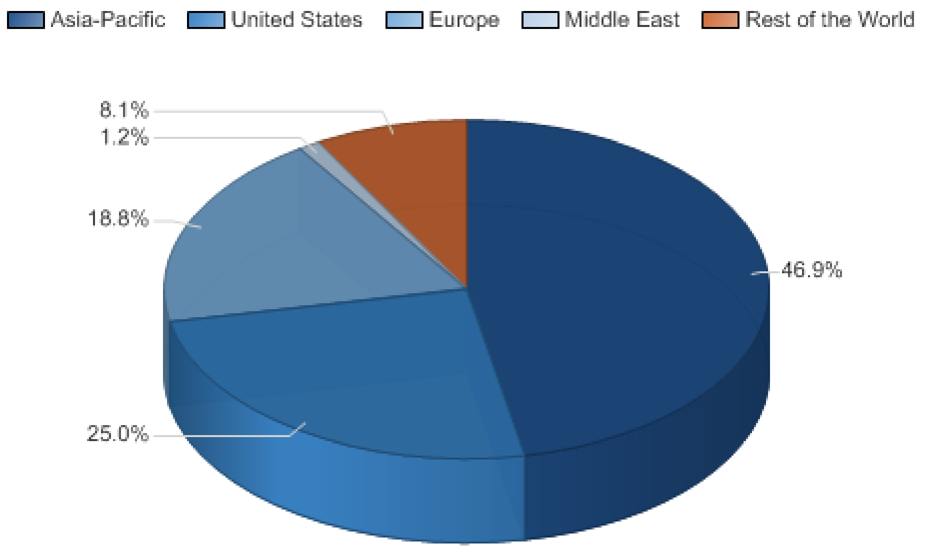
Table 4: Global restaurants industry geography segmentation: $ billion, 2014

Geography	2014	%
Asia-Pacific	1,284.7	46.9
United States	683.4	25.0
Europe	514.9	18.8
Middle East	31.4	1.1
Rest of the World	222.7	8.1
Total	2,737.1	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 4: Global restaurants industry geography segmentation: % share, by value, 2014



SOURCE: MARKETLINE

MARKETLINE

MARKET OUTLOOK

Market value forecast

In 2019, the global restaurants industry is forecast to have a value of $3,805.8 billion, an increase of 39% since 2014.

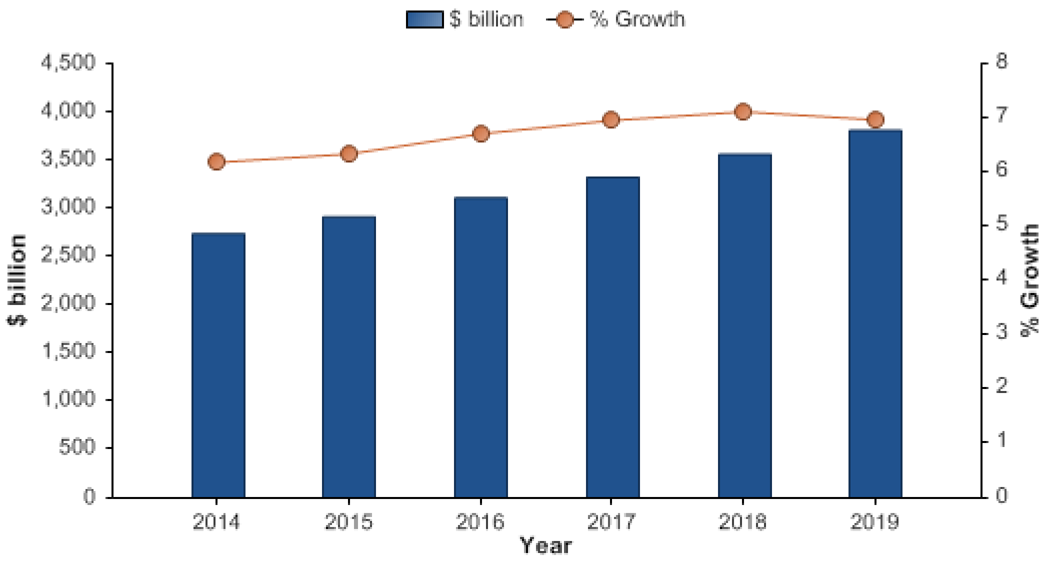
The compound annual growth rate of the industry in the period 2014–19 is predicted to be 6.8%.

Table 5: Global restaurants industry value forecast: $ billion, 2014–19

Year	$ billion	€ billion	% Growth
2014	2,737.1	2,059.5	6.2%
2015	2,910.5	2,190.0	6.3%
2016	3,105.8	2,337.0	6.7%
2017	3,321.8	2,499.5	7.0%
2018	3,558.1	2,677.3	7.1%
2019	3,805.8	2,863.7	7.0%
CAGR: 2014–19			6.8%

SOURCE: MARKETLINE MARKETLINE

Figure 5: Global restaurants industry value forecast: $ billion, 2014–19



SOURCE: MARKETLINE MARKETLINE

Market volume forecast

In 2019, the global restaurants industry is forecast to have a volume of 70,624.4 thousand employees, an increase of 7.9% since 2014.

The compound annual growth rate of the industry in the period 2014–19 is predicted to be 1.5%.

Table 6: Global restaurants industry volume forecast: thousand employees, 2014–19

Year	thousand employees	% Growth
2014	65,461.9	1.8%
2015	66,802.8	2.0%
2016	67,687.2	1.3%
2017	68,743.2	1.6%
2018	69,785.4	1.5%
2019	70,624.4	1.2%
CAGR: 2014–19		1.5%

SOURCE: MARKETLINE MARKETLINE

Figure 6: Global restaurants industry volume forecast: thousand employees, 2014–19

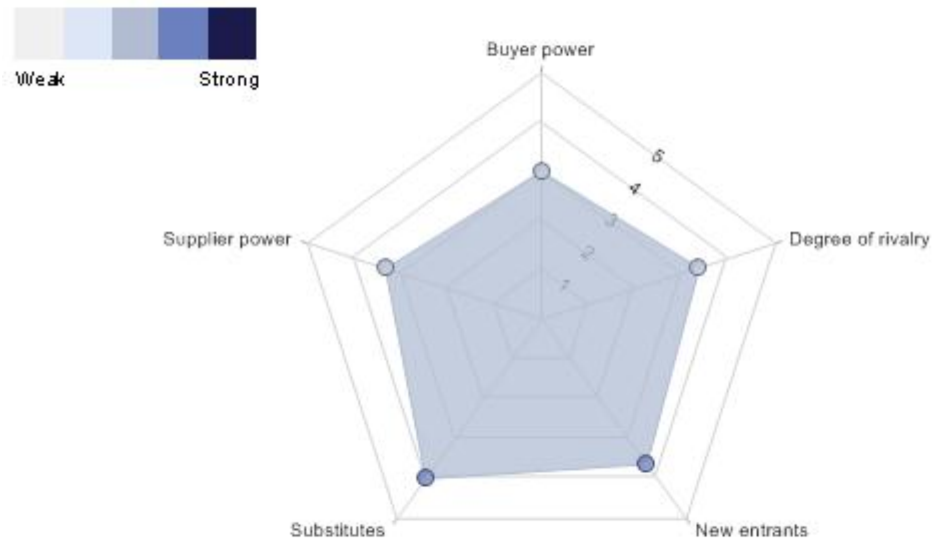
SOURCE: MARKETLINE MARKETLINE

FIVE FORCES ANALYSIS

The restaurants market will be analyzed taking providers of food service including restaurants and cafes, fast food retailers, and caterers as players. The key buyers will be taken as individual consumers, and food wholesalers and distributors as the key suppliers.

Summary

Figure 7: Forces driving competition in the global restaurants industry, 2014



SOURCE: MARKETLINE

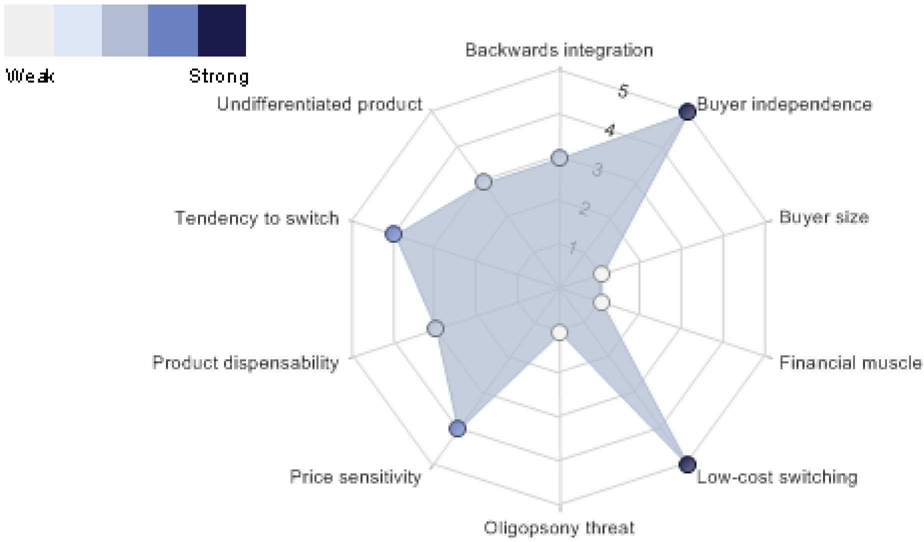
MARKETLINE

The lack of switching costs incurred for buyers means that rivalry is intensified between players.

The buyers in this industry are small and numerous, and lack any significant financial muscle. Foodservice businesses tend to be low margin and rely on sourcing food stuffs of varying quality at the lowest prices to secure the margin and continue to attract consumers. This, along with the fact that many suppliers are large corporations, strengthens supplier power. New entrants may be put off by strict regulations regarding food safety and hygiene in some regions, and must also comply with country-specific minimum-wage legislation. Eating out as a social activity can be easily substituted by activities such as movie and theatergoing. Buyers may also favor cooking food at home and can be seen to turn to this method during economic downturns and when food prices rise.

Buyer power

Figure 8: Drivers of buyer power in the global restaurants industry, 2014



SOURCE: MARKETLINE

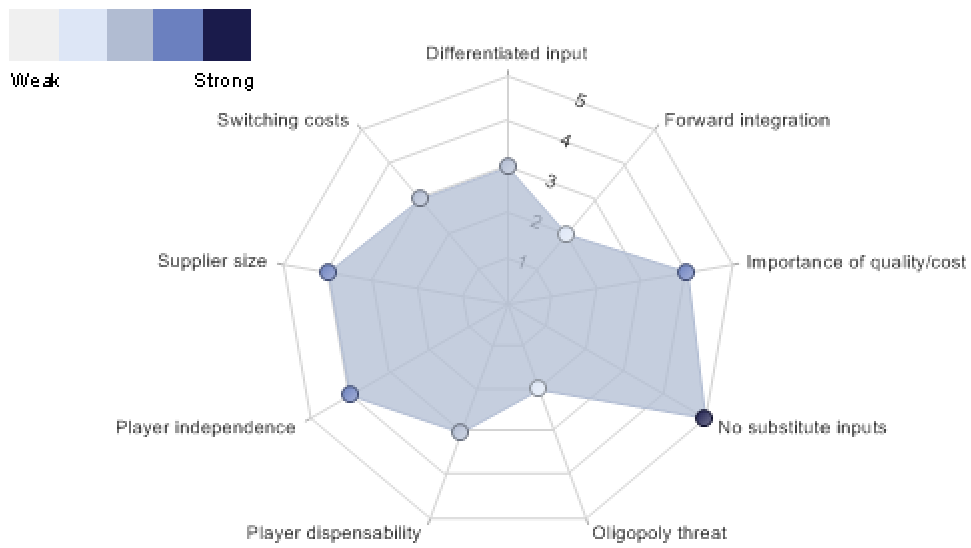
MARKETLINE

Buyers in this industry are individual consumers: they are vast in number and hold little financial muscle. The large number of transactions means that the impact of any single customer on revenues is likely to be fairly small. The exception here can be in the case of premium-price, non-chain restaurants, whose business model relies on low-volume, high-margin sales. This general lack of financial muscle minimizes the power of buyers, although they benefit from the lack of costs incurred by switching from one foodservice player to another.

The restaurant industry is not essential to consumers; it tends to be seen as a leisure activity that can be forgone in difficult financial times. Most consumers cook their own food at home. Large players in the restaurants industry invest heavily in brand-building, particularly in the low- and medium- price segments. Such branding helps to drive customer loyalty which, along with social functions and the convenience of foodservice, means the industry represents more to the consumer than a simple source of food. Overall, buyer power is assessed as moderate.

Supplier power

Figure 9: Drivers of supplier power in the global restaurants industry, 2014



SOURCE: MARKETLINE MARKETLINE

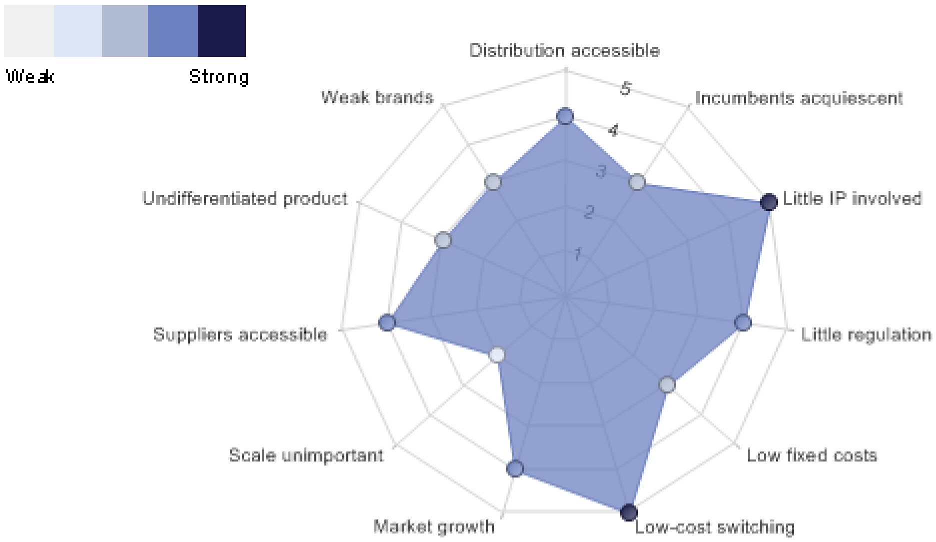
The restaurants industry is a labor-intensive industry, with workers' wages forming a significant proportion of operating costs. The existence of a statutory minimum wage in many countries increases the need for players to keep other costs as small as possible. Consequently, this increases the importance of suppliers. Foodservice companies tend to be low-margin businesses, and it is important for them to be able to source good quality food at low prices. Switching costs may be increased by supply chain disruption, or the inability of a supplier to offer food of adequate quality.

Many of the foodservice suppliers are large companies who serve numerous businesses. This means that they are under less pressure to keep their prices down, as the loss of business with any one contract is unlikely to affect revenues too much. Consequently, these companies are able to exert significant negotiating power, thereby enhancing supplier power. Chain restaurants like McDonald's, however, exert much more power than suppliers. In March 2015, McDonald's announced that in the US it would be focusing on using chicken free of antibiotics within two years, meaning producers will have to adhere to this new practice or lose McDonald's as a buyer.

Overall, supplier power is assessed as moderate.

New entrants

Figure 10: Factors influencing the likelihood of new entrants in the global restaurants industry, 2014



SOURCE: MARKETLINE

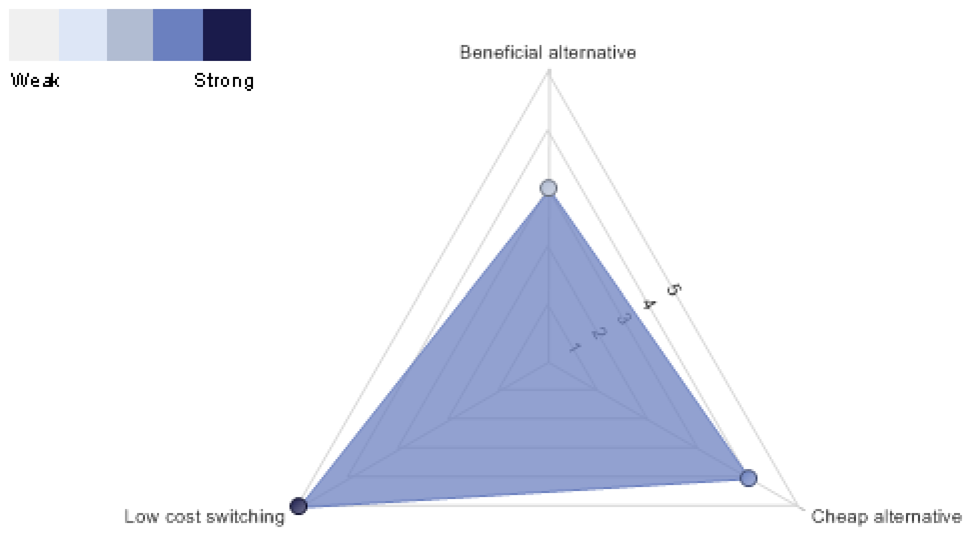
MARKETLINE

Despite the recent financial crisis, which strongly affected many markets and industries, the global restaurants industry has seen good growth in recent years. Moreover, low asset specificity, an abundant amount of suppliers, low levels of capital outlay needed, and the inability of many players to establish a true competitive advantage further entice new entrants. Despite these enabling factors, there are many barriers to this industry. In a generally low-margin industry, new entrants will face large, multi-national incumbents, such as McDonald's and Yum! Brands. Such incumbents benefit from scale economies that allow them to negotiate with suppliers, submit highly competitive bids to price-sensitive customers and, therefore, improve their profitability.

The restaurants industry is a highly regulated one, and is subject to strict regulations on matters of food hygiene. Such regulations are stringent because of the risk to human health associated with poor hygiene. Although compliance imposes costs, many aspects of hygiene require good working practices rather than costly expenditure on equipment. Such costs can be externalized to some extent, perhaps by only recruiting key staff who have already had appropriate training. Although labor intensive, the industry rarely needs large numbers of highly-paid staff, and can rely instead on large numbers of less-skilled employees, perhaps temporary or part-time. In countries where there exists minimum wage legislation, or collective wage agreements, the barriers to market entry are raised. Overall, the likelihood of new entrants is assessed as strong.

Threat of substitutes

Figure 11: Factors influencing the threat of substitutes in the global restaurants industry, 2014



SOURCE: MARKETLINE

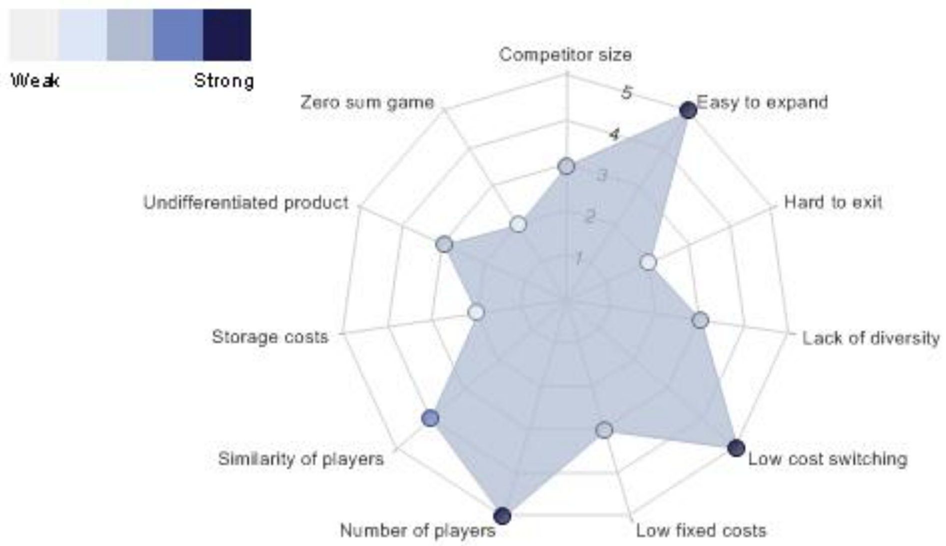
MARKETLINE

The restaurants industry is not essential to consumers, as they are able to cook their own food. The main switching cost for consumers is the time and effort spent in the kitchen. Home-cooked food tends to be cheaper than buying a meal in a restaurant. Additionally, non-home-cooked food, especially food from fast food and takeaway outlets, tends to be unhealthier than home-cooked food, with more calories, fat and salt content. Furthermore, a cultural increase in snacking and 'eating on the go' has tended to reduce the number of formal meal occasions in the consumer's week and driven business to retailers instead.

Other substitutes include alternative leisure pursuits, such as movie and theater going, in the sense that consumers could socialize there as opposed to, for example, meeting friends for a meal in a restaurant. One strategy adopted to deal with these types of threats is to sell an experience, as well as food and drink. Chains may achieve this through investment in brand building and advertising. Independent, full service restaurants may develop a more individualized identity, perhaps focusing on the influence of a particular style of cooking. The threat of substitutes is assessed as strong.

Degree of rivalry

Figure 12: Drivers of degree of rivalry in the global restaurants industry, 2014



SOURCE: MARKETLINE MARKETLINE

With the exception of a small number of large, multinational chains, many competitors in the restaurants industry are usually small to medium businesses, although there are a very large amount of them. Thus, within any segment in this industry, there are numerous companies with similar structures, offering similar products at similar prices. As consumers incur no switching costs when changing their foodservice providers, rivalry is intensified among players. However, it is possible to differentiate, in terms of the types of food sold, the establishment, and the price of the food.

Players benefit from the relative ease of expansion. Exit costs are not unduly expensive: physical assets such as restaurants do not represent significant sunk costs, even if owned rather than rented. They can usually be sold for a good price. Additionally, most employees laid off will not be eligible for costly redundancy payments. Overall, rivalry in the restaurants industry is assessed as moderate.

LEADING COMPANIES

Doctor's Associates Inc.

Table 7: Doctor's Associates Inc.: key facts

Head office:	325 Bic Drive, Milford, Connecticut 06461, USA
Telephone:	1 203 877 4281
Fax:	1 203 876 6674
Website:	www.subway.com

SOURCE: COMPANY WEBSITE MARKETLINE

Doctor's Associates, trading as SUBWAY, is a privately-held company that operate and franchises a chain of quick service restaurants. It provides a range of products including sandwiches, salads, apple slices, bacon slices, breads and toppings, cheese, chips, coffee, fountain sodas, milk, oven roasted chicken, pepperoni, pizzas, roast beef, and roasted chicken. The company offers its products through various brands including Breakfast B.M.T., Dasani, Italian B.M.T., Subway Melt, Subway Club, Sunrise Subway Melt, SUBWAY FRESH FIT, and Veggie Delite. SUBWAY also provides catering services. The company operates in Europe, Asia, Africa, North America and Australia. It is headquartered in Milford, Connecticut.

Key Metrics

As a privately-held company, Doctor's Associates is not obliged to release its financials.

McDonald’s Corporation

Table 8: McDonald’s Corporation: key facts

Head office:	One McDonald's Plaza, Oak Brook, Illinois 60523, USA
Telephone:	1 630 623 3000
Website:	www.mcdonalds.com
Financial year-end:	December
Ticker:	MCD
Stock exchange:	New York

SOURCE: COMPANY WEBSITE MARKETLINE

McDonald's franchises and operates McDonald's branded fast food restaurants all over the world. The company is one of the world's largest food service retailing chains, preparing and serving a range of food products and beverages. At the end of December 2014, the company operated over 36,000 restaurants in over 100 countries, out of which 57% were conventional franchisees, around 24% licensed to foreign affiliates, and over 18% company operated.

Under the conventional franchise arrangement, McDonald's owns or secures leases for the land and building while franchisees provide a portion of initial capital in the form of equipment, signs, seating, decor and maintenance. These franchisees, in turn, contribute to the company's revenue through the payment of rent and royalties based on a percentage of sales along with minimum rent payments and initial fees.

Under the developmental license arrangement, licensees provide capital for the entire business, including the real estate interest. For this type of franchises, McDonald's receives an initial fees as well as a royalty based on a percentage of sales. The company's largest developmental license arrangement operates more than 2,100 restaurants across 19 countries in Latin America and the Caribbean. Also, the company owns an equity investment in some of the foreign affiliated markets, referred to as affiliates. The company receives a royalty based on a percentage of sales in these markets. At the end of FY2013, Japan was the largest affiliates market with approximately 3,200 McDonald's restaurants.

The company reports its revenues based on four geographic segments: Europe, the US, Asia/Pacific, Middle East and Africa (APMEA), and other countries and corporate. Other countries and corporate includes Canada and Latin America, as well as corporate activities and certain investments.

McDonald's restaurants offer a standardized menu, although geographic variations exist. McDonald's key product offerings include hamburgers and cheeseburgers, chicken sandwiches, French fries, wraps, chicken nuggets, salads, oatmeal, desserts, sundaes, soft serve cones and pies. It also offers beverages such as shakes, soft drinks, coffee, flavored tea and others. McDonald's restaurants in the US and many international markets also offer a breakfast menu. The company's breakfast offerings include muffins, biscuits, hotcakes, and bagel sandwiches.

McDonald's markets its products under a wide range of brand names that include Big Mac, Filet-O-Fish, Chicken McNuggets, McFlurry, McMuffin, McGriddles, and McCafe among others.

Key Metrics

The company recorded revenues of $27,441 million in the fiscal year ending December 2014, a decrease of 2.4% compared to fiscal 2013. Its net income was $4,758 million in fiscal 2014, compared to a net income of $5,586 million in the preceding year.

Table 9: McDonald's Corporation: key financials ($)

$ million	2010	2011	2012	2013	2014
Revenues	24,075.0	27,006.0	27,567.0	28,106.0	27,441.3
Net income (loss)	4,946.0	5,503.1	5,465.0	5,586.0	4,757.8
Total assets	31,975.0	32,989.9	35,386.5	36,626.0	34,281.4
Total liabilities	17,341.0	18,599.7	20,092.9	20,616.6	21,428.0
Employees	400,000	420,000	440,000	440,000	420,000

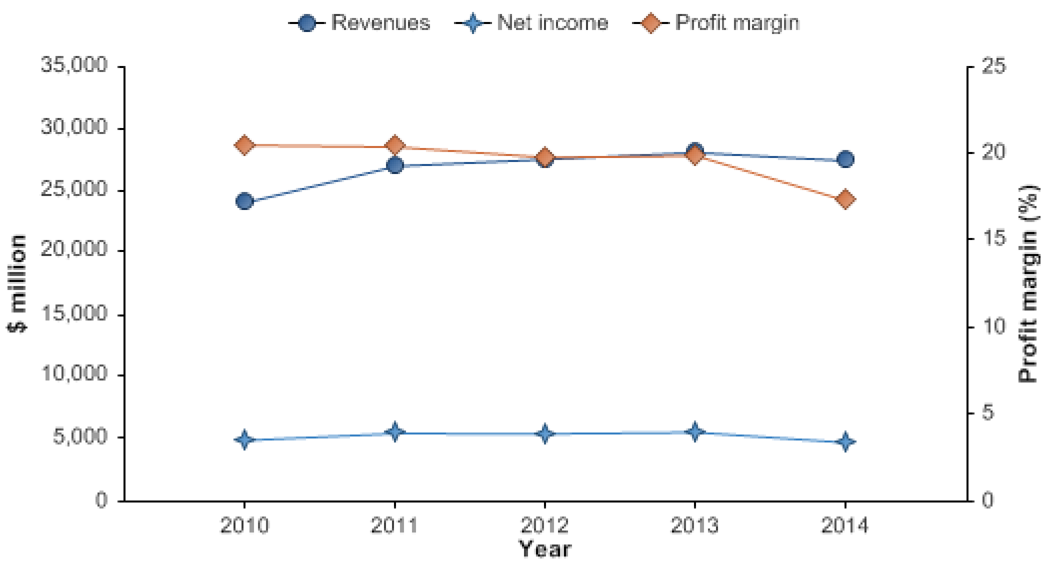
SOURCE: COMPANY FILINGS MARKETLINE

Table 10: McDonald's Corporation: key financial ratios

Ratio	2010	2011	2012	2013	2014
Profit margin	20.5%	20.4%	19.8%	19.9%	17.3%
Revenue growth	5.8%	12.2%	2.1%	2.0%	(2.4%)
Asset growth	5.8%	3.2%	7.3%	3.5%	(6.4%)
Liabilities growth	7.1%	7.3%	8.0%	2.6%	3.9%
Debt/asset ratio	54.2%	56.4%	56.8%	56.3%	62.5%
Return on assets	15.9%	16.9%	16.0%	15.5%	13.4%
Revenue per employee	$60,188	$64,300	$62,652	$63,877	$65,336
Profit per employee	$12,365	$13,103	$12,420	$12,695	$11,328

SOURCE: COMPANY FILINGS MARKETLINE

Figure 13: McDonald's Corporation: revenues & profitability



SOURCE: COMPANY FILINGS MARKETLINE

Figure 14: McDonald's Corporation: assets & liabilities

SOURCE: COMPANY FILINGS

MARKETLINE

Starbucks Corporation

Table 11: Starbucks Corporation: key facts

Head office:	2401 Utah Avenue South, Seattle, Washington 98134, USA
Telephone:	1 206 447 1575
Website:	www.starbucks.com
Financial year-end:	September
Ticker:	SBUX
Stock exchange:	NASDAQ

SOURCE: COMPANY WEBSITE MARKETLINE

Starbucks is a global coffee retail chain that specializes in coffee and other related beverages. The company purchases, roasts and sells whole bean coffees along with handcrafted coffee, tea and other beverages and a variety of fresh food items, through its 21,366 retail stores (as of September 2014). 14,191 stores are in the Americas, 2,140 in Europe, Middle East, and Africa (EMEA), 4,624 in China/Asia-Pacific (CAP), and 411 under 'all other segments'. The company also sells a variety of coffee and tea products and licenses its trademarks through other channels such as licensed stores, grocery and national foodservice accounts. Some of the key brands under which the company offers its products include Starbucks, Teavana, Tazo Tea, Seattle's Best Coffee, Starbucks VIA Ready Brew, Starbucks Refreshers (beverages), Evolution Fresh, La Boulange (bakery products) and Verismo (coffee makers).

The company operates through four segments: the Americas, channel development, EMEA and China/Asia Pacific (CAP).

Across the Americas, EMEA and CAP regions, Starbucks sells coffee and other beverages, complementary food, packaged coffees, single serve coffee products and a selection of merchandise through company-operated stores and licensed stores. The Americas and EMEA segments also include foodservice accounts, primarily in Canada and the UK. The Americas segment also includes the company's La Boulange stores.

The channel development segment sells whole bean and ground coffees as well as a range of premium Tazo teas and Starbucks and Tazo-branded single serve products, globally. The segment also produces and sells a variety of ready-to-drink beverages, such as Starbucks Refreshers beverages, and other branded products through various channels including grocery stores, warehouse clubs, specialty retailers, convenience stores, and US foodservice accounts.

In terms of revenue generation, the company has four channels: company-operated stores, licensed stores, consumer packaged goods (CPG) and foodservice operations.

Starbucks company-operated retail stores are located in high-traffic, high-visibility locations, such as downtown and suburban retail centers, office buildings, university campuses, and in select rural and off-highway locations. The company also operates drive-thru retail stores to provide a greater degree of access and convenience for its non-pedestrian customers. The company-operated stores offer a choice of regular and decaffeinated coffee beverages, a wide range of Italian-style espresso beverages, cold blended beverages, iced shaken refreshment beverages, premium teas, roasted whole bean and ground coffees, a variety of Starbucks VIA Ready Brew soluble coffees, Starbucks coffee and Tazo tea K-Cup portion packs, and Starbucks Refreshers beverages. The company-operated stores also offer a variety of fresh food items, such as pastries, prepared breakfast and lunch sandwiches, oatmeal and salads, as well as juices and bottled water. The company-operated stores also sell a variety of beverage-making equipment and accessories apart from providing free access to wireless internet. By the end of FY2013, the company had a total of 10,194 company-operated stores across the world.

The licensed-stores are operated in combination with the company's local partners, while each of them leverages the respective operating and store development experiences. As part of licensing agreements with prominent retailers in the market, the company receives royalties and license fees and sells coffee, tea and related products for resale in licensed locations. For Teavana and Seattle's Best Coffee brand, as well as Starbucks in the UK, the company uses traditional franchising. By the end of FY2013, the company had 5,415 licensed stores in the Americas, 1,116 in the EMEA region and 2,976 in the CAP region. It also had 28 Teavana stores and 38 Seattle's Best Coffee stores.

CPG includes both domestic and international sales of packaged coffee and tea as well as a variety of ready-to-drink beverages and single-serve coffee and tea products to various retail channels such as grocery, warehouse club and specialty retail stores. It also includes revenues from product sales to and licensing revenues from manufacturers that produce and market Starbucks and Seattle's Best Coffee branded products through licensing agreements.

Through the foodservice channel, the company sells Starbucks and Seattle's Best Coffee whole bean and ground coffees, a selection of premium Tazo teas, Starbucks VIA Ready Brew, and other coffee and tea related products to institutional foodservice companies that service business and industry, education, healthcare, office coffee distributors, hotels, restaurants, airlines and other retailers. The company also sells the Seattle's Best Coffee branded products through arrangements with national accounts. Key customers in this channel are SYSCO Corporation, US Foodservice, and other distributors.

Key Metrics

The company recorded revenues of $16,448 million in the fiscal year ending September 2014, an increase of 10.4% compared to fiscal 2013. Its net income was $2,068 million in fiscal 2014, compared to a net income of $9 million in the preceding year.

Table 12: Starbucks Corporation: key financials ($)

$ million	2010	2011	2012	2013	2014
Revenues	10,707.0	11,700.0	13,300.0	14,892.0	16,447.8
Net income (loss)	946.0	1,246.0	1,384.0	9.0	2,068.1
Total assets	6,386.0	7,360.0	8,219.0	11,517.0	10,752.9
Total liabilities	2,711.0	2,976.0	3,110.0	7,034.0	5,480.0
Employees	137,000	149,000	160,000	182,000	191,000

SOURCE: COMPANY FILINGS

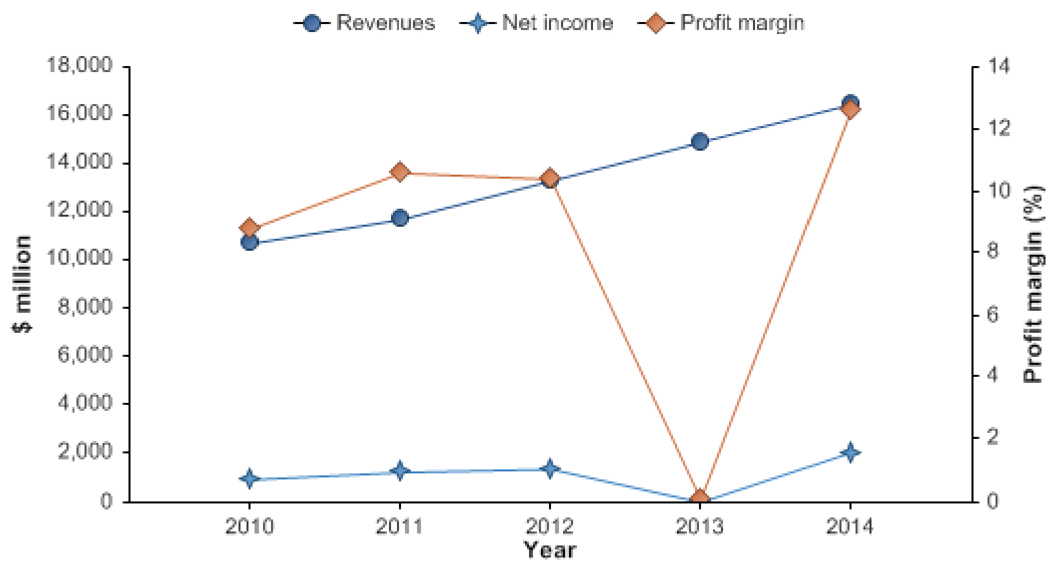
MARKETLINE

Table 13: Starbucks Corporation: key financial ratios

Ratio	2010	2011	2012	2013	2014
Profit margin	8.8%	10.6%	10.4%	0.1%	12.6%
Revenue growth	9.5%	9.3%	13.7%	12.0%	10.4%
Asset growth	14.5%	15.3%	11.7%	40.1%	(6.6%)
Liabilities growth	7.1%	9.8%	4.5%	126.2%	(22.1%)
Debt/asset ratio	42.5%	40.4%	37.8%	61.1%	51.0%
Return on assets	15.8%	18.1%	17.8%	0.1%	18.6%
Revenue per employee	$78,153	$78,523	$83,125	$81,824	$86,114
Profit per employee	$6,905	$8,362	$8,650	$49	$10,828

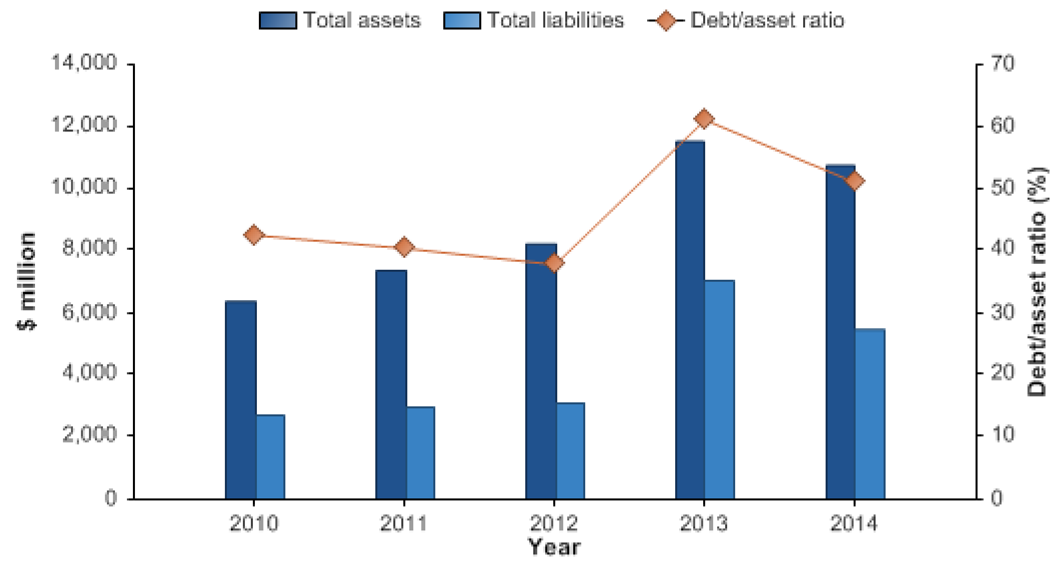
SOURCE: COMPANY FILINGS MARKETLINE

Figure 15: Starbucks Corporation: revenues & profitability



SOURCE: COMPANY FILINGS MARKETLINE

Figure 16: Starbucks Corporation: assets & liabilities



SOURCE: COMPANY FILINGS MARKETLINE

Yum! Brands, Inc.

Table 14: Yum! Brands, Inc.: key facts

Head office:	1441 Gardiner Lane, Louisville, Kentucky 40213, USA
Telephone:	1 502 874 8300
Website:	www.yum.com
Financial year-end:	December
Ticker:	YUM
Stock exchange:	New York

SOURCE: COMPANY WEBSITE MARKETLINE

Yum! Brands develops, operates, franchises and licenses a worldwide system of restaurants that prepare, package and sell various food items. It operates more than 41,000 restaurants in over 125 countries and territories.

The company operates through four operating segments: Yum Restaurants China (China), Yum Restaurants International (YRI), the US, and Yum Restaurants India (India). The China segment consists of the company's operations in mainland China; the India segment includes India, Bangladesh, Mauritius, Nepal and Sri Lanka; and YRI includes the remainder of the company's international operations. In 2014, almost 70% of the company's profits came from outside the US. On average, five new restaurants opening per day outside the US in 2014.

The company operates primarily through the following three branded restaurant concepts: KFC, Pizza Hut and Taco Bell.

KFC restaurants across the world offer fried and non-fried chicken products such as sandwiches, chicken strips, chicken-on-the-bone products, and other chicken products marketed under a variety of names. KFC restaurants also offer a variety of entrees and side items. As of September 2014, KFC had 13,961 restaurants. 25% of sales came from the US, 11% from developed Asia markets (e.g. Japan, South Korea, and Taiwan), and 10% from Australia.

The Pizza Hut restaurant chain sells a variety of pizzas marketed under various names. Many Pizza Huts also offer pasta and chicken wings, including over 4,800 stores offering wings under the brand WingStreet, primarily in the US. Outside the US, Pizza Hut casual dining restaurants offer a variety of core menu products other than pizza, which are typically suited to local preferences and tastes. Pizza Hut operates in 91 countries throughout the world. As of September 2014, Pizza Hut had 13,393 restaurants. 55% of sales came from the US, 10% from developed Asia markets (e.g. Japan, South Korea, and Taiwan), and 6% from the UK.

Taco Bell specializes in Mexican-style food products. Taco Bell operates in 21 countries and territories throughout the world. As of September 2014,Taco Bell had 6,109 restaurants. 55% of sales came from the US, 10% from developed Asia markets (e.g. Japan, South Korea, and Taiwan), and 6% from the UK.

In addition, the company owns a controlling interest in Little Sheep Group Limited (Little Sheep), a casual dining concept headquartered in Inner Mongolia, China. The company also owns non-controlling interests in Chinese entities. The Chinese entities operate in a manner similar to KFC franchisees, and a meat processing entity that supplies lamb primarily to the company's Little Sheep business.

Effective January 2014, Yum Brands combined its YRI and the US individual divisions for KFC, Pizza Hut and Taco Bell. Yum Restaurants China and Yum Restaurants India continue to remain separate divisions of the company.

Key Metrics

The company recorded revenues of $13,279 million in the fiscal year ending December 2014, an increase of 1.5% compared to fiscal 2013. Its net income was $1,051 million in fiscal 2014, compared to a net income of $1,091 million in the preceding year.

Table 15: Yum! Brands, Inc.: key financials ($)

$ million	2010	2011	2012	2013	2014
Revenues	11,343.0	12,626.0	13,633.0	13,084.0	13,279.0
Net income (loss)	1,158.0	1,319.0	1,597.0	1,091.0	1,051.0
Total assets	8,316.0	8,834.0	9,011.0	8,695.0	8,345.0
Total liabilities	6,647.0	6,918.0	6,699.0	6,490.0	6,789.0

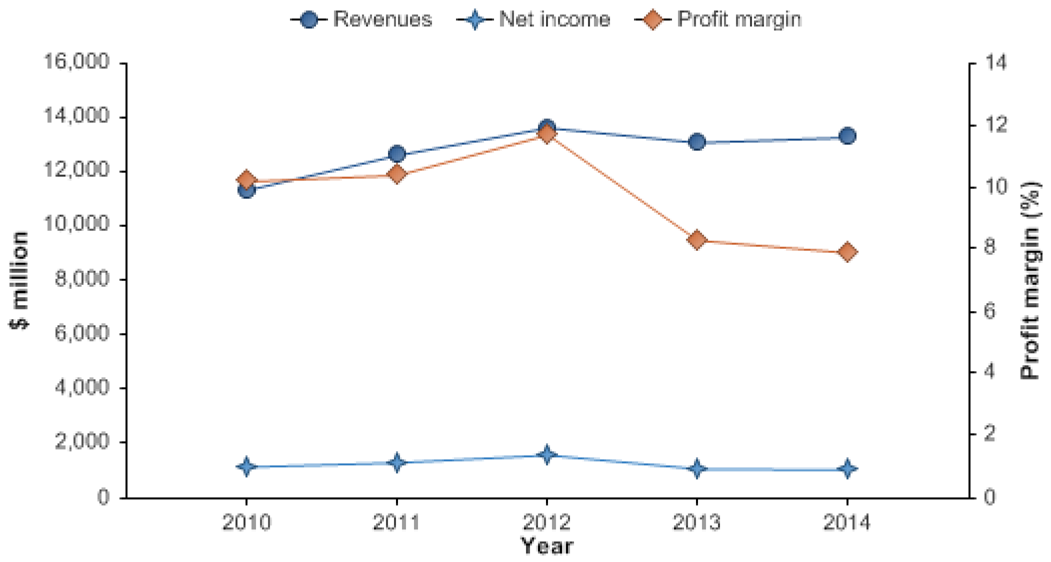
SOURCE: COMPANY FILINGS MARKETLINE

Table 16: Yum! Brands, Inc.: key financial ratios

Ratio	2010	2011	2012	2013	2014
Profit margin	10.2%	10.4%	11.7%	8.3%	7.9%
Revenue growth	4.7%	11.3%	8.0%	(4.0%)	1.5%
Asset growth	16.3%	6.2%	2.0%	(3.5%)	(4.0%)
Liabilities growth	8.6%	4.1%	(3.2%)	(3.1%)	4.6%
Debt/asset ratio	79.9%	78.3%	74.3%	74.6%	81.4%
Return on assets	15.0%	15.4%	17.9%	12.3%	12.3%

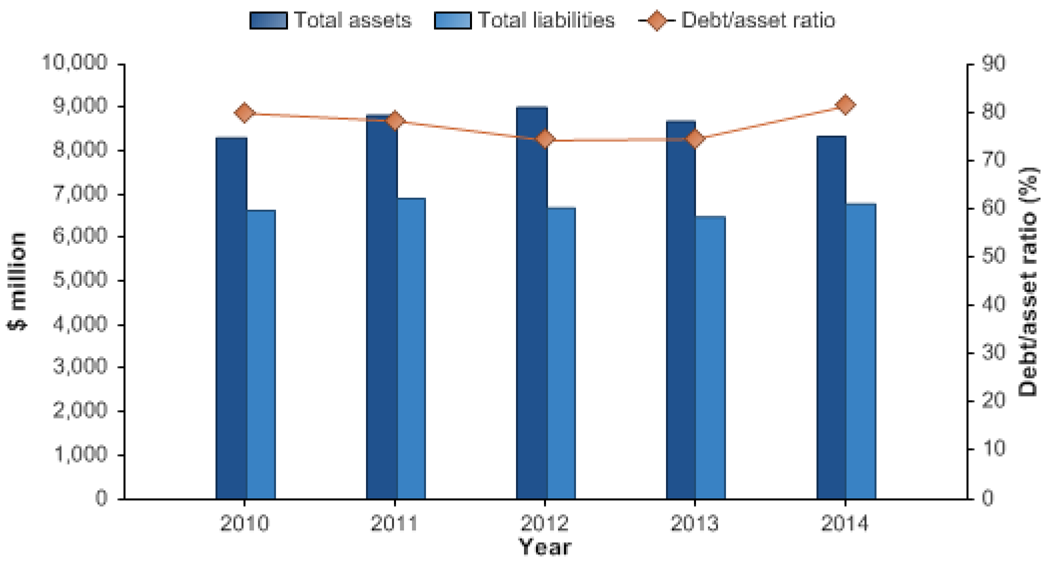
SOURCE: COMPANY FILINGS MARKETLINE

Figure 17: Yum! Brands, Inc.: revenues & profitability



SOURCE: COMPANY FILINGS MARKETLINE

Figure 18: Yum! Brands, Inc.: assets & liabilities



SOURCE: COMPANY FILINGS MARKETLINE

METHODOLOGY

MarketLine Industry Profiles draw on extensive primary and secondary research, all aggregated, analyzed, cross-checked and presented in a consistent and accessible style.

Review of in-house databases – Created using 250,000+ industry interviews and consumer surveys and supported by analysis from industry experts using highly complex modeling & forecasting tools, MarketLine's in-house databases provide the foundation for all related industry profiles

Preparatory research – We also maintain extensive in-house databases of news, analyst commentary, company profiles and macroeconomic & demographic information, which enable our researchers to build an accurate market overview

Definitions – Market definitions are standardized to allow comparison from country to country. The parameters of each definition are carefully reviewed at the start of the research process to ensure they match the requirements of both the market and our clients

Extensive secondary research activities ensure we are always fully up-to-date with the latest industry events and trends

MarketLine aggregates and analyzes a number of secondary information sources, including:

- National/Governmental statistics
- International data (official international sources)
- National and International trade associations
- Broker and analyst reports
- Company Annual Reports
- Business information libraries and databases

Modeling & forecasting tools – MarketLine has developed powerful tools that allow quantitative and qualitative data to be combined with related macroeconomic and demographic drivers to create market models and forecasts, which can then be refined according to specific competitive, regulatory and demand-related factors

Continuous quality control ensures that our processes and profiles remain focused, accurate and up-to-date

Industry associations

International Hotel & Restaurant Association

48 Boulevard de Sébastopol, 75003 Paris, FRA

Tel.: 33 1 4488 9220

Fax: 33 1 4488 9230

www.ih-ra.com

European Modern Restaurant Association

37 Rue des Seringas, 1950 Kraainem, BEL

Tel.: 32 2731 32 81

Fax: 32 2731 58 43

www.emrarestaurants.com

US National Restaurant Association

1200 17th St., NW   Washington, DC 20036, USA

Tel.: 1 202 331 5900

www.restaurant.org

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Restaurants in Europe

Restaurants in Asia-Pacific

Restuarants in the United States

APPENDIX

About MarketLine

In an information-rich world, finding facts you can rely upon isn't always easy. MarketLine is the solution.

We make it our job to sort through the data and deliver accurate, up-to-date information on companies, industries and countries across the world. No other business information company comes close to matching our sheer breadth of coverage.

And unlike many of our competitors, we cut the 'data padding' and present information in easy-to-digest formats, so you can absorb key facts in minutes, not hours.

What we do

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Our dedicated research professionals aggregate, analyze, and cross-check facts in line with our strict research methodology, ensuring a constant stream of new and accurate information is added to MarketLine every day.

With stringent checks and controls to capture and validate the accuracy of our data, you can be confident in MarketLine to deliver quality data in an instant.

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Disclaimer

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