



# Restaurant Sector

**Global Bites: Crafting Success in  
International Restaurant Expansion**  
Part II: What Good Looks Like

# Global Bites: Crafting Success in International Restaurant Expansion

Globalization has become necessary for growth. Delve into the **international expansion of restaurant brands**, from the drivers of global outreach to profiles of successful market leaders.

Examine the **strategies and enablers** to succeed in international markets, and gain valuable insights needed to navigate this complex journey.

**Part II: What Good Looks Like** takes a deep dive into several restaurant companies that have found international success.

Be sure to check out [Part I: Overview of International Expansion](#) and **stay tuned for Part III** in the coming weeks, which will discuss building out your company's own blueprint for success abroad.



## Part I Overview of International Expansion

Explore the **accelerating trend of international expansion** among restaurant brands, examining the drivers behind this strategic shift towards global markets.

As brands seek new growth avenues, we explore the dynamics of global consumer markets and the **factors propelling restaurants to embrace internationalization** as a vital growth engine.

What's the context for international growth over the past few years?



## Part II What Good Looks Like

Take a closer look at the strategies, overcome challenges, and the key factors behind the success of **five restaurant brands that have set benchmarks in international expansion**.

From leveraging local market insights to implementing innovative global strategies, these profiles provide a **comprehensive view of what constitutes excellence** in global market penetration.

What does best-in-class look like across the industry?



## Part III Blueprint for International Success

Understand the crucial enablers that restaurant brands contemplating or pursuing global expansion must consider.

It emphasizes the importance of considering local cultures, adopting technological advancements, and maintaining brand integrity, among other strategies, as **foundational pillars for thriving in diverse international markets**

How do we start thinking through key strategic choices?



# Part II: What Good Looks Like

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# Common Threads of Success

## COMPANIES FINDING LONG TERM INTERNATIONAL SUCCESS



Despite the challenges noted in [Part I: Overview of International Expansion](#), many U.S.-based restaurants have stayed the course and expanded internationally; this will likely be the largest source of growth for major players over the next five years\*



While numerous companies operate internationally, several large franchisors, primarily within the QSR space, have excelled at growing internationally: **Yum Brands, McDonald's, Starbucks, RBI, and Domino's**



Each company executes its own **firm-specific strategy** abroad, but there are **common enablers** that each company has utilized to grow and expand internationally

## ENABLERS OF INTERNATIONAL GROWTH

### Target Market Entry & Localization Strategy



Understands **target markets and tailors offerings** to suit local preferences and market dynamics

### Franchise Strategy & Expansion Agreements



Forms strategic partnerships and agreements to enter and scale in new markets, leveraging **local expertise and capital**

### Digital Transformation & Technology Focus



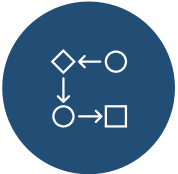
Utilizes digital platforms and technology to **enhance operations and customer experience**

### Brand Strength & Recognition



Harnesses strong brand equity and global recognition as a cornerstone for successful **expansion and market penetration**

### Operational Excellence & Efficiency



Emphasizes efficiency and profitability and **replicates best practices globally** to achieve operational excellence

\*Source: G4621-GL: Global Fast-Food Restaurants. IBISWorld. September. 2023; Company earnings calls; Ankura analysis

# Common Threads of Success @ Yum Brands

## YUM BRANDS OVERVIEW



**International Units**  
40,534

**Non-International Units**  
18,174  
*Includes US locations*

Co-operated (#)

Franchised (#)

910

39,624

408

17,766

*Includes estimates based on Company filings*

### Select Financial Data (\$ in millions)

- ▶ Enterprise Value: \$48,230
- ▶ Revenue: \$7,076
- ▶ Market Cap: \$37,547
- ▶ EBITDA: \$2,519

## ENABLERS OF INTERNATIONAL GROWTH

Target Market Entry & Localization Strategy



Utilizes **"Recipe for Good" strategy** across the globe to tailor market strategies, recognizing the **significance of local insights** in driving growth

Franchise Strategy & Expansion Agreements



Establishes strong franchise partnerships and emphasizes **capable, committed, and well-capitalized franchisees**

Digital Transformation & Technology Focus



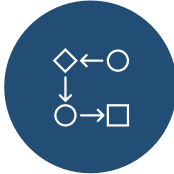
Prioritizes global growth through digital transformation, utilizing **proprietary tech like Yum! Commerce** and AI-driven platforms such as **Dragontail**

Brand Strength & Recognition



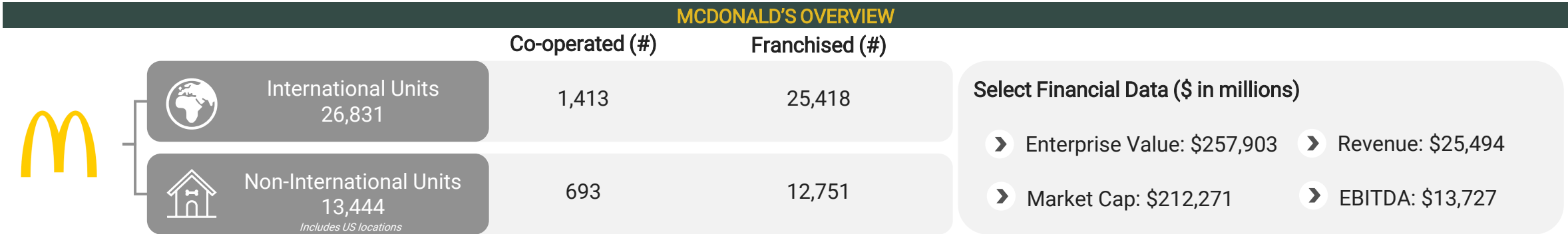
Leverages **KFC's global impact**, a major contributor to Yum! Brands' growth, reflects brand strength and recognition

Operational Excellence & Efficiency





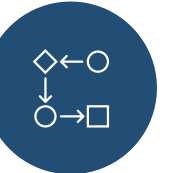


Focuses on **2024 international development, scaling tech, AI initiatives, and leveraging data insights**

# Common Threads of Success @ McDonald's



**ENABLERS OF INTERNATIONAL GROWTH**

<p><b>Target Market Entry &amp; Localization Strategy</b></p>  <p><b>Tailors strategies to local preferences,</b> emphasizing consistent global approaches, and franchise partnerships</p>	<p><b>Franchise Strategy &amp; Expansion Agreements</b></p>  <p><b>Ensures consistent global strategies</b> with the "One McDonald's Way"</p>	<p><b>Digital Transformation &amp; Technology Focus</b></p>  <p>Invests heavily in technology, exemplified by the "Accelerating the Arches" strategy</p>	<p><b>Brand Strength &amp; Recognition</b></p>  <p>Leverages global brand recognition, <b>iconic golden arches, consistent quality,</b> and a strong association with convenience and affordability</p>	<p><b>Operational Excellence &amp; Efficiency</b></p>  <p>Emphasizes "Value Focus," <b>loyalty programs, and innovative restaurant formats,</b> even amidst margin pressures</p>
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Source: Company filings (10K or 10Q) and earning call transcripts per CapitalIQ as of Feb. 21, 2024; Ankura analysis

# Common Threads of Success @ Starbucks

## STARBUCKS OVERVIEW



 International Units  
20,228

 Non-International Units  
17,810

	Co-operated (#)	Licensed (#)
International Units	8,964	11,264
Non-International Units	10,628	7,182

### Select Financial Data (\$ in millions)

- Enterprise Value: \$126,933
- Revenue: \$36,687
- Market Cap: \$105,815
- EBITDA: \$7,247

## ENABLERS OF INTERNATIONAL GROWTH

### Target Market Entry & Localization Strategy



Strategically **targeted China** as significant growth market and adapts offerings to local tastes

### Franchise Strategy & Expansion Agreements



Blends **market-specific strategies, social media, and franchise partnerships**

### Digital Transformation & Technology Focus



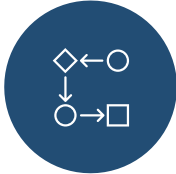
Prioritizes **digital and rewards program growth**, emphasizing market-specific strategies, menu localization, and **social media influencers**

### Brand Strength & Recognition



Maintains **premium status**, prioritizing high-quality coffee and exceptional customer experiences

### Operational Excellence & Efficiency



**Invests in supply chain and tech**, navigating disruptions and focusing on new store economics

Source: Company filings (10K or 10Q) and earning call transcripts per CapitalIQ as of Feb. 21, 2024; Ankura analysis



# Common Threads of Success @ Restaurant Brands International

## RESTAURANT BRANDS INTERNATIONAL OVERVIEW



**International Units**  
13,600

**Non-International Units**  
16,525  
*Includes North America locations*

	Co-operated (#)	Franchised (#)
International Units	-	13,600
Non-International Units	137	16,388

*Includes estimates based on Company filings*

### Select Financial Data (\$ in millions)

- Enterprise Value: \$38,904
- Revenue: \$7,022
- Market Cap: \$23,853
- EBITDA: \$2,328

## ENABLERS OF INTERNATIONAL GROWTH

### Target Market Entry & Localization Strategy



Focuses on adaptation to local dynamics through **master franchise agreements**, allowing brands Burger King, Tim Hortons, and Popeyes to navigate diverse markets

### Franchise Strategy & Expansion Agreements



Relies on **master franchise and development agreements**, reflecting a commitment to global presence through franchise partnerships and local expertise

### Digital Transformation & Technology Focus



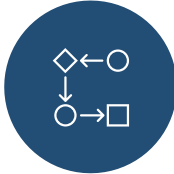
Invests in overseas **digital transformation**, boosting sales and enhancing customer experience

### Brand Strength & Recognition



Emphasizes brand recognition and strength, driving awareness in new markets with **Burger King and Tim Hortons**

### Operational Excellence & Efficiency



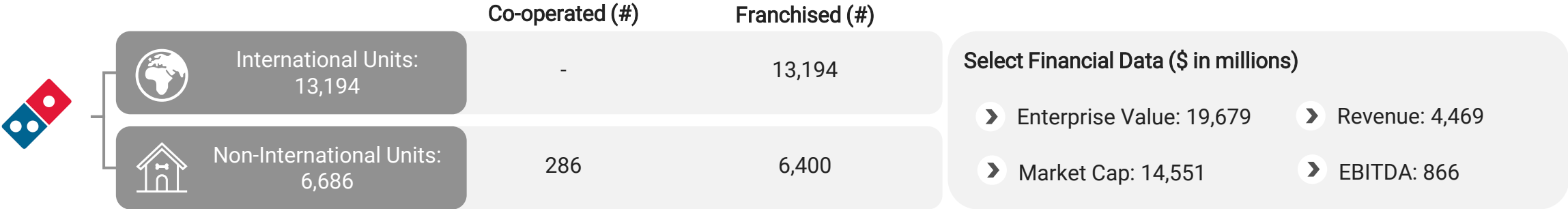
**Operational excellence is key** (e.g., BK's "Reclaim the Flame"), emphasizing efficient service and monitoring metrics to replicate best practices globally

Source: Company filings (10K or 10Q) and earning call transcripts per CapitalIQ as of Feb. 21, 2024; Ankura analysis



# Common Threads of Success @ Domino's

## DOMINO'S OVERVIEW



## ENABLERS OF INTERNATIONAL GROWTH

Target Market Entry & Localization Strategy	Franchise Strategy & Expansion Agreements	Digital Transformation & Technology Focus	Brand Strength & Recognition	Operational Excellence & Efficiency
Employs its proprietary store siting model when entering new markets, ensuring strategic localization and effective adaptation	Fosters expansion through strategic collaborations, exporting its successful store siting model and forming mutually beneficial agreements with master franchisees	Employs an internally developed store siting model, incorporating advanced data analytics and digital tools to optimize the placement of stores globally	Uses fortress thinking strategy to place stores and uphold a robust brand presence to solidify its global identity as a leading pizza brand	Achieves an 80% incrementality through a focus on carryout services, emphasizing operational efficiency and ensuring a positive order count for global profitability

Source: Company filings (10K or 10Q) and earning call transcripts per CapitalIQ as of Feb. 21, 2024; Ankura analysis

# About Ankura

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# Ankura Restaurant Solutions

## Our Restaurant Experts

We deliver experienced talent to the table. Our operators dig in and get their hands dirty to resolve pressing issues, uncover and fix inefficiencies, and bring strategic initiatives to the finish line. Our restaurant team's in-depth experience includes:

- Operational experts who have sat in the chairs and addressed industry issues first-hand
- Trusted advisors during industry ups and downs, executing business strategies, fostering growth, managing costs, and protecting asset value
- Accounting and finance specialists with restaurant specific knowledge and insights

## Diverse Engagement Profiles

We understand and solve for the issues restaurants are facing at all stages of the business lifecycle. Our clients come from a variety of backgrounds including:

- Multi-Billion Dollar Franchises
- Large Hospitality Groups
- Mid-Sized Regional Chains
- Small Privately-Owned Companies

## Client Partnership Approach

To succeed, the team needs to be deeply involved in the process. Our philosophy is founded on putting people first and working together with our clients to deliver value while fostering lasting partnerships:

- Establishing a communicative relationship to co-navigate the rapidly evolving industry
- Collaborating to drive and enable effective, maintainable, and enduring improvements
- Delivering valuable tools and critical training necessary to ensure self-sufficiency

## How We Provide Support

### Financial Planning & Analysis

- Implement Master Data Management strategy, institute single source of the truth
- Institute driver-based budgeting/forecasting models, build "four-wall" store analysis

### Accounting and Cash Management

- Evaluate controls; develop robust accounting policies and guidelines
- Rationalize bank accounts, develop automated reconciliation and reporting cadences
- Standardize franchisee reporting and implement tools to support management

### Business Process Improvement

- Redesign finance operating model, implement strategies to manage working capital
- Streamline accounting operations enabling restaurants to focus on core activities
- Conduct full technology assessment and provide recommendations/initiatives roadmap

### Digital Solutions

- Develop KPI dashboards to analyze digital engagement and online marketing performance
- Analyze consumer target markets, online customer conversion rates and website/app traffic

### Labor and Capacity

- Develop dashboards to optimize workforce; determine staffing required for effective teams
- Determine turnover drivers; identify potential acquisition and retention strategies

### Third-Party Delivery

- Develop system requirements; identify improvements/enhancement opportunities
- Establish standardized processes to track adjustments, discounts, cancellations, taxes, fees

### Gift Card Programs

- Conduct program assessment, evaluate breakage methodology and recognition process
- Streamline accounting month-end and balance sheet reconciliation processes

# Ankura's Restaurant Practice

## Performance Improvement



**Keith Jelinek**  
Senior Managing Director | New York



**Rick Maicki**  
Senior Managing Director | Florida



**Michael Casey**  
Managing Director | Kansas



**Frank Jones**  
Managing Director | Virginia



**Chris Ventry**  
Managing Director | New York



**Laura Wheeler**  
Managing Director | New York

## Ankura Office of the CFO®



**Lauren Herder**  
Senior Managing Director | Georgia



**JoLynn Brown**  
Managing Director | Illinois



**Jason Kaspar**  
Managing Director | Georgia



**Brad Portnoy**  
Senior Director | Ohio



**Ryan Patrick**  
Director | Texas



**Jordan Concolino**  
Associate | New York

## Labor Strategy



**John Frehse**  
Senior Managing Director | New York



**Sean Ennis**  
Senior Associate | Illinois

## Global Strategic Advisory



**Chris Caulfield**  
Managing Director | Washington DC





# Ankura Global Reach

35+

offices globally



44

languages spoken

2,000+ professionals

serving 3,000 clients

across 115+ countries

- Ann Arbor • Atlanta • Beijing • Boston • Brussels • Chicago • Dallas • Denver • Dubai • Fairfield • Frankfurt am Main • Gurugram
- Hong Kong • Houston • Irvine • London • Los Angeles • Melbourne • Miami • Mumbai • Nashville • New York • Orlando • Perth
- Philadelphia • Phoenix • Riyadh • San Francisco • San Juan • Seattle • Shanghai • Singapore • Sydney • Tampa • Toronto • Vancouver • Washington, DC

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