Yum! Brands Inc (YUM)

"Yummy" and Defensive During Market Pullback



Tradingview

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Yum! Brands Inc

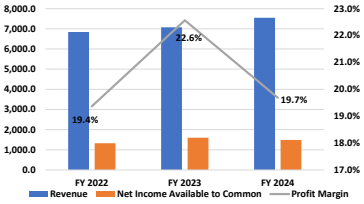
Company profile

Yum! Brands (YUM) operates as a global franchisor of quick-service restaurants with iconic brands including KFC, Taco Bell, Pizza Hut, and Habit Burger Grill across more than 155 countries, with over 62,000 restaurants worldwide.

Technical Data	
Price	149.21
R1	154.19
R2	163.30
S1	147.85
S2	146.34

M+ Research, Bloomberg

Financial Snapshot



M+ Research, Bloomberg

Technical Outlook

Price is well-supported above the support zone with MA200 sloping up. Price is expected to test its next resistance around USD154.2, followed by its 52-week high resistance at USD163.3. A break below the USD146.3-147.9 support zone will invalidate the setup.

Trading Catalysts

- **Defensive pick amid a risk-off market.** Given the recent pullback in overstretched tech and AI-related stocks, YUM stands out as a defensive preference given its diversified global quick-service restaurant (QSR) portfolio of KFC, Taco Bell and Pizza Hut. Demand for affordable QSR dining remains resilient across economic cycles.

- **Asset-light model supporting strong fundamentals.** YUM's 98% franchised structure enables minimal capital requirements, which would translate into consistent cash generation and high-margin earnings, hence allowing the group to enjoy steady dividend growth and strong free cash flow visibility.

- **Growth driven by KFC and Taco Bell.** Forward growth will continue to be led by KFC's strong international expansion and Taco Bell's consistent same-store sales outperformance driven by menu innovation and digital engagement. Together contributing ~90% of divisional operating profit, both brands provide multi-year visibility for the group.

Peer Comparison

	Ticker	Price (USD)	Market Cap (USD'bn)	P/E (x)	Forward P/E (x)	ROE (%)	NP Margin (%)	RSI	ST Trend
Yum! Brands Inc	**YUM**	**149.2**	**41.4**	**25.8**	**23.2**	**N/A**	**19.7**	**Positive bias**	**Up**
McDonald's Corporation	MCD	304.2	216.6	25.4	23.5	N/A	31.7	Positive bias	Up
Domino's Pizza Inc	DPZ	397.2	13.4	22.1	21.2	N/A	12.4	Negative bias	Down
Chipotle Mexican Grill Inc	CMG	30.4	40.1	26.6	26.1	45.0	13.6	Oversold	Down
Wendy's Company	WEN	7.9	1.5	33.4	28.9	100.8	8.7	Negative bias	Down
Avg ex-Yum! Brands Inc			**67.9**	**26.9**	**24.9**	**72.9**	**16.6**		

Source: Bloomberg, M+ Research

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