

Yum China delivers strong Q2 with 14% profit growth and digital sales surge

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Yum China Holdings reported robust second-quarter results for the period ending June 30, 2025, achieving record operating profit and steady expansion across its restaurant portfolio. The company attributed its solid performance to a dual focus on innovation and operational efficiency.

Key Highlights (Q2 2025):

- Total system sales grew 4 per cent year-over-year (YoY), driven by net new unit contribution and a 1 per cent increase in same-store sales.
- Operating profit surged 14 per cent YoY to a second-quarter record of \$304 million, with operating margin rising 100 basis points to 10.9 per cent.
- Total revenues climbed 4 per cent YoY to \$2.8 billion.
- The company opened 336 net new stores during the quarter, bringing the total store count to 16,978, including 12,238 KFC and 3,864 Pizza Hut outlets.
- Same-store transactions rose 2 per cent YoY, marking the tenth consecutive quarter of growth.
- Restaurant margin improved to 16.1 per cent, up 60 basis points YoY, supported by cost savings in food, paper, and occupancy.
- Diluted EPS increased 5 per cent YoY to \$0.58, reaching another second-quarter record.

Digital & Delivery Gains:

Digital sales reached \$2.4 billion, accounting for 94 per cent of total company sales, while delivery sales soared 22 per cent YoY, contributing approximately 45 per cent of total sales. Yum China's loyalty programs continued to thrive, with total KFC and Pizza Hut membership reaching 560 million, up 13 per cent from last year. Member sales contributed around 64 per cent of system sales.

Joey Wat, CEO of Yum China, said, "We are pleased to report solid Q2 results, highlighted by a return to same-store sales growth and record operating profit. KFC remained resilient, Pizza Hut sustained momentum, and our innovations like the Crazy Spicy Zinger and revamped thin-crust pizzas continued to delight customers."

Wat noted the success of KFC's expansion of KCOFFEE to over 1,300 stores and Pizza Hut's menu revamp, which helped attract new customer segments. "We are reinforcing our strategic moat through membership programs, Super Apps, and full-scale digitalisation," she added.