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Yum China Acquires Pizza Hut China Business for $1.2Bn

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Yum China Holdings announced that it has completed the acquisition of the ownership of the Pizza Hut brand in Mainland China from Yum! Brands, for $1.2 billion.

The acquisition was first announced on June 16, 2026.

Joey Wat, CEO of Yum China, said, "Becoming the owner of the Pizza Hut brand in Mainland China is a breakthrough for us, after operating the brand in the market for 36 years. In the near term, the savings in license fee payments to Yum! Brands are expected to make Pizza Hut's restaurant margin closer to KFC's. This should enable more potential new stores to meet our payback goal of 2-3 years. Over the longer term, we expect that brand ownership will give us greater strategic flexibility and allow us to respond more nimbly to market opportunities and consumer needs. In 2027 and 2028, we expect to accelerate Pizza Hut's net new store openings from the original target of over 600 to more than 800 per year."

The savings from the 3 per cent license fee payments to Yum! Brands is expected to add 2.8 per cent to Pizza Hut's restaurant and OP margins net of VAT. After accounting for deal-related costs, interest and financing expenses, taxes, and without considering potential higher growth of Pizza Hut, the deal is expected to be accretive to diluted EPS – slightly accretive in 2026, and mid-single-digit accretive in 2027 and 2028.

To fund this transaction, the Company secured an offshore RMB-denominated bridge loan, equivalent to approximately $1.2 billion, with a tenor of up to 12 months and an interest rate of around 2 per cent. For longer-term financing, all options remain under consideration. The Company will evaluate its financing plans in light of market conditions and capital requirements, to act in the best interests of its shareholders.