



Pizza Hut Celebrates the Opening of its 3,000th Store in China

6/16/2023

SHANGHAI, June 16, 2023 /PRNewswire/ -- Yum China Holdings, Inc. (NYSE: YUMC and HKEX: 9987, "Yum China" or the "Company") today celebrated the opening of Pizza Hut's 3,000th store in China, located in Qinhuangdao, a coastal city in Hebei province. It marks a significant milestone in Pizza Hut's 33-year growth journey in China.

The new restaurant enjoys a sweeping view of the sea. Not only does it provide a contemporary dining experience, but also showcases advanced sustainability solutions, including an IoT-based intelligent energy management system and outdoor solar lamps. The restaurant also incorporates renewable and recycled materials in its decoration and layout, aiming to inspire consumers to embrace low-carbon and sustainable living.



"The opening of Pizza Hut 3,000th store is more than a landmark moment for store expansion. It demonstrates Pizza Hut's strength as a "pizza expert" and reaffirms our commitment to growing the brand in China. This milestone also underscores our focus on continuous innovation, from menu innovation and digitalization, to a range of new store formats," said Joey Wat, CEO of Yum China. "We believe the brand holds tremendous growth potential in China, and we are committed to actively pursuing expansion opportunities to further grow the brand."



Since opening its first location in Beijing in 1990, Pizza Hut has grown into the largest casual dining restaurant brand in China, both in terms of system sales and number of restaurants.

"Pizza Hut is extremely proud of its heritage as the first restaurant chain to introduce pizza and Western-style casual dining to China," said Jeff Kuai, General Manager of Pizza Hut China. "From our first store in Beijing to now 3,000 stores nationwide, we have always grown together with our customers. We'll continue to expand our store portfolio, while staying true to our commitment to innovating great food and experiences for our customers."



Pizza Hut China offers an extensive range of pizzas, steaks, pasta, rice dishes and other delectable entrees, along with appetizers, beverages, and desserts. Through relentless food innovation, Pizza Hut has strengthened its leadership in the pizza category while also establishing itself as one of the leading steakhouses in China. Pizza Hut launched its new 2023 menu in May and introduced 24 brand new items, covering 9 categories, such as Neapolitan-style meatball pizza and Cheese and pineapple roll. Pizza Hut is dedicated to fueling growth across different dayparts and through diverse channels, encompassing dine-in, delivery, takeaway as well as offering packaged foods such as read-to-cook steak and pasta.



Pizza Hut China has also transformed its digital capabilities over the past few years. This includes notable achievements in establishing a robust digital ecosystem, expanding its membership base, and enhancing the overall customer experience. As of the end of March 2023, Pizza Hut had more than 135 million members in China, nearly doubling the count at the end of 2019. During the first quarter of 2023, digital orders accounted for approximately 91% of company sales, representing a substantial increase from 31% in 2019.

On the restaurant front, Pizza Hut China also leverages its digital capabilities to drive sales and operational excellence. Pizza Hut rolled out i-Kitchen, the Back of House operation management system, at all Pizza Hut stores across China. The system uses AI, IoT and machine learning algorithms to help restaurant managers effectively manage inventory levels and automate the order sequence and production process. The system also helps to perform food safety and quality assurance checks, reinforcing Pizza Hut's firm commitment to deliver high standards to customers.

Over the past 33 years, Pizza Hut China has built on its rich brand heritage, while constantly innovating and adapting to evolving customer demands. Moving ahead, strong branding, great food, and customer experience, will continue to be the three key catalysts for Pizza Hut China's long-term growth.

Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including under "2023 Outlook." We intend all forward-looking statements to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally can be identified by the fact that they do not relate strictly to historical or current facts and by the use of forward-looking words such as "expect," "expectation," "believe," "anticipate," "may," "could," "intend," "belief," "plan," "estimate," "target," "predict," "project," "likely," "will," "continue," "should," "forecast," "outlook," "commit" or similar terminology. These statements are based on current estimates and assumptions made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate and reasonable under the circumstances, but there can be no assurance that such estimates and assumptions will prove to be correct. Forward-looking statements include, without limitation, statements regarding the future strategies, growth, business plans, investment, dividend and share repurchase plans, earnings, performance and returns of Yum China, anticipated effects of population and macroeconomic trends, the expected impact of the COVID-19 pandemic, pace of recovery of Yum China's business, the anticipated effects of our innovation, digital and delivery capabilities and investments on growth and beliefs regarding the long-term drivers of Yum China's business. Forward-looking statements are not guarantees of performance and are inherently subject to known and unknown risks and uncertainties that are difficult to predict and could cause our actual results or events to differ materially from those indicated by those statements. We cannot assure you that any of our expectations, estimates or assumptions will be achieved. The forward-looking statements included in this press release are only made as of the date of this press release, and we disclaim any obligation to publicly update any forward-looking statement to reflect subsequent events or circumstances, except as required by law. Numerous factors could cause our actual results or events to differ materially from those expressed or implied by forward-looking statements, including, without limitation: whether we are able to achieve development goals at the times and in the amounts currently anticipated, if at all, the success of our marketing campaigns and product innovation, our ability to maintain food safety and quality control systems, changes in public health conditions, including the COVID-19 pandemic, our ability to control costs and expenses, including tax costs, as well as changes in political, economic and regulatory conditions in China. In addition, other risks and uncertainties not presently known to us or that we currently believe to be immaterial could affect the accuracy of any such forward-looking statements. All forward-looking statements should be evaluated with the understanding of their inherent uncertainty. You should consult our filings with the Securities and Exchange Commission (including the information set forth under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q) for additional detail about factors that could affect our financial and other results.

About Yum China Holdings, Inc.

Yum China is the largest restaurant company in China with a mission to make every life taste beautiful. The Company has over 400,000 employees and operates over 13,000 restaurants under six brands across 1,800 cities in China. KFC and Pizza Hut are the leading brands in the quick-service and casual dining restaurant spaces in China, respectively. Taco Bell offers innovative Mexican-inspired food. Yum China has also partnered with Lavazza to develop the Lavazza coffee concept in China. Little Sheep and Huang Ji Huang specialize in Chinese cuisine. Yum China has a world-class, digitalized supply chain which includes an extensive network of logistics centers nationwide and an in-house supply chain management system. Its strong digital capabilities and loyalty program enable the Company to reach customers faster and serve them better. Yum China is a Fortune 500 company with the vision to be the world's most innovative pioneer in the restaurant industry. For more information, please visit <http://ir.yumchina.com>.

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