Restaurant Research®

Concept Analysis & Benchmark Report

Pizza Hut 2026

Executive Summary

Pizza Hut is an iconic brand with great worth as the 2nd largest national player by domestic system sales in the $1B+ chain pizza segment. However, the chain remains a complicated story of 2 different systems within a single brand umbrella comprised of older sit-down Red Roof restaurants typically located in rural markets which contrasts with the system's more modern Delco delivery units. This is well illustrated by a highway just outside of Charlotte NC which features an older outdated Red Roof not far past a modern, smaller footprint store located closer to the city that offers sit-down, take-out & delivery as part of an impressive experience in terms of food quality, service and ambience. This system bifurcation creates challenges as it relates to marketing & national value messaging given the sharp differences in cost structures and target demos of the 2 sub-systems. This challenge has manifested itself in an ongoing and material system sales comp underperformance that must finally be addressed. Last year, we suggested that Pizza Hut should consider spinning off its Red Roof division and it appears that management may leave that decision to a new buyer which may come as part of Yum's ongoing strategic review of its Pizza Hut division.

Parent Company Summary

Parent Company	Ticker	Corp. Debt Rating	Net Debt [(1)]/ EBITDA	EV/ EBITDA	Stock Performance		
					2024	TTM	Dec-25
Yum! Brands, Inc.	YUM	Ba2	4.26	19.00	2.7%	12.8%	
$1B+ Chains			5.40	14.47	-3.8%	-12.3%	

Table of Contents

	Page		Page		Page
Strengths & Challenges	2	Operations	11 - 12	Closings	20
RR Dashboard	3	Tech & Equipment	13	Remodeling	21
System Statistics	4	Sales & Market Share	14	Franchise Summary	22
Marketing Strategy	5	Unit Economic Summary	15	Menu Exhibit	23 - 24
Marketing Spend	6	Unit Economic Trends	16	State Unit Map	25
Menu Strategy	7	New Build Costs	17	State Unit Detail	26
Menu Trends	8	New Build vs. Buy Analysis	18	Photos	27
New Products & Promotions	9 - 10	Development	19	RR Overview	28

(1) Net Debt includes operating leases.

Table of Contents

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