

The image features a white coffee cup with a blue Lavazza logo on the side, tilted and overflowing with a dynamic splash of dark coffee. The background is a large window with a grid pattern, reflecting a cityscape. The Lavazza logo and the text 'TORINO, ITALIA, 1895' are prominently displayed in the upper center of the window.

LAVAZZA
TORINO, ITALIA, 1895

**RESILIENCE
GROWTH
MOAT 2.0**
2023 YUM CHINA INVESTOR DAY

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Cautionary Statements



Forward-Looking Statements. This presentation 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. 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, pace of recovery of Yum China's business, the anticipated effects of our innovation, digital and delivery capabilities and investments on growth, beliefs regarding the long-term drivers of Yum China's business and sustainability goals. 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 presentation are only made as of the date of this presentation, 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.

Non-GAAP Measures. This presentation includes certain non-GAAP financial measures. Reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measures are included in this presentation where indicated. You are urged to consider carefully the comparable GAAP measures and reconciliations.

Market and Industry Data. Unless we indicate otherwise, we base the information concerning our industry contained on this presentation on our general knowledge of, and expectations concerning, the restaurant industry in China. Our market position and market share is based on our estimates using data from various industry sources and assumptions that we believe to be reasonable based on our knowledge of the industry. We have not independently verified the data obtained from these sources and cannot assure you of the data's accuracy or completeness. Trademarks, logos, service marks, materials, designs and other intellectual property used in this presentation are owned by Yum China Holdings, Inc. and its affiliates, or their use has been officially authorized by their respective owners. This presentation also may refer to brand names, trademarks, service marks and trade names of other companies and organizations, and these brand names, trademarks, service marks and trade names are the property of their respective owners.

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Encouraging Progress Has Been Achieved



**2 Growth Engines
(Coffee Shop + Retail)**



**~100 Stores in
11 Cities¹**



>2x Revenue YoY²



~70% Digital Orders³



2.4mn+ Members¹



~37% Delivery Sales³

1. As of Jun 30, 2023
2. 2023 1H vs 2022 1H
3. In 2023 1H. Digital orders include delivery and mobile orders

"Four-Pillar" Strategy Fueling Our Growth

Brand Building

- ✓ *Strengthen brand equity*
- ✓ *The Italian Coffee Icon*
- ✓ *Co-branding*

Digital & Delivery

- ✓ *Diversified digital presence*
- ✓ *Core member repeat purchases*
- ✓ *Delivery excellence*

Menu & Calendar

- ✓ *Who We Are*
- ✓ *How We Differentiate*
- ✓ *"Blend" with Local Market*

Store Models

- ✓ *Upgrade store design & experience*
- ✓ *Enhance unit economics*



I. BRAND BUILDING

Blend Inventor



Master of Espresso



Continuous Innovation



Brand Assets

Target Consumers

Young White-Collar

Affluent Middle Class



Gen-Z Coffee Lovers

Family-Oriented



Accessible Premium, Contemporary Italy & Embrace Local Market

Brand Experience



An Immersive Experience to Bring Our Brand Essence to Life





Building Emotional Engagement with Consumers





Capitalizing on Co-Branding to Enrich Brand Awareness





PRESTIGE SPONSOR

Harnessing Athletic Sponsorships to Amplify Brand Exposure

A Holistic Way to Build Our Brand Equity in China



Consumer Feedback Ratings¹



1. Average customer satisfaction ratings (out of 5) by brand (based on available scores) as of June 2023; Dianping scores are rated on the overall store experience while Meituan and Eleme scores are rated on the delivery experience

II. MENU & CALENDAR

"Me-First" / "Me-Only"

"Me-Better"

"Me-Also"

Who We Are

- ✓ Italian-ness identity



Cappuccino



Cornetto

How We Differentiate

- ✓ Bean expertise & Italian Ritual



KAFA Beans



Affogato

"Blend" with Local Market

- ✓ True local relevance



Buffalo Milk Latte



Breakfast Toast

WHO WE ARE



Espresso



Cappuccino



Emiliano



Panettone



Tigelle



Cornetto

HOW WE DIFFERENTIATE

First Coffee on Earth¹



KAFA Beans

Blended Coffee
Bean Inventor



Roma Beans

First Lavazza Bean
Sourced from China



Yunnan Beans



Croissant "Inzuppo"



Latte "Macchiato"

1. The term "First Coffee on Earth" refers to the origin of Kafa coffee beans, which derive from the world's first coffee plants

"BLEND" WITH LOCAL MARKET



Buffalo Milk



Coconut



Bignola (Italian Puff)



Flavored Cold Brew



"Have It All" Set



Cube Cornetto

III. DIGITAL & DELIVERY

Digital Ecosystem Partners Help Drive Our Digital & Delivery Sales

2.4mn+ Total Members¹

~80% Non-Delivery Member Sales^{2,3}

~70% Digital Orders²

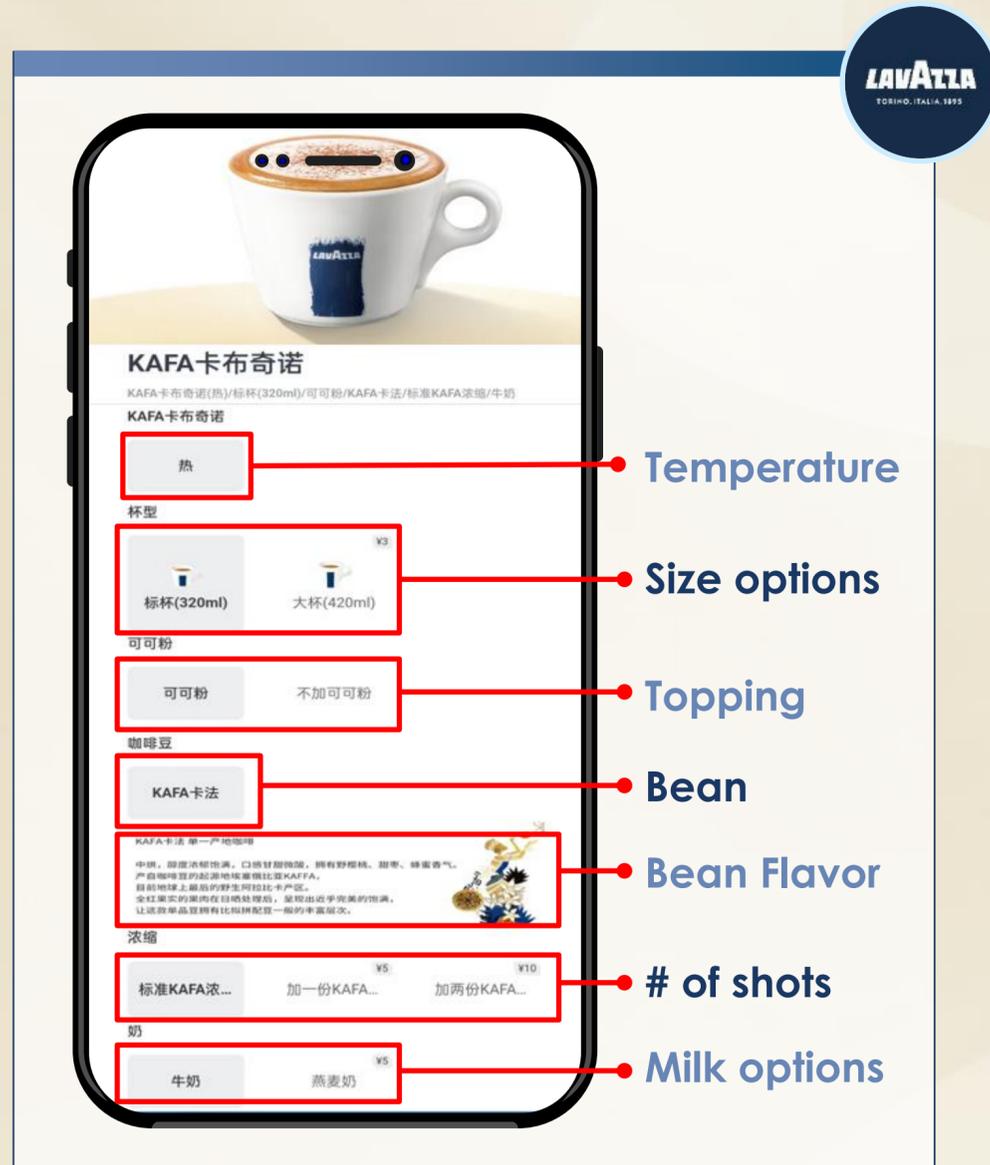
~37% Delivery Sales²



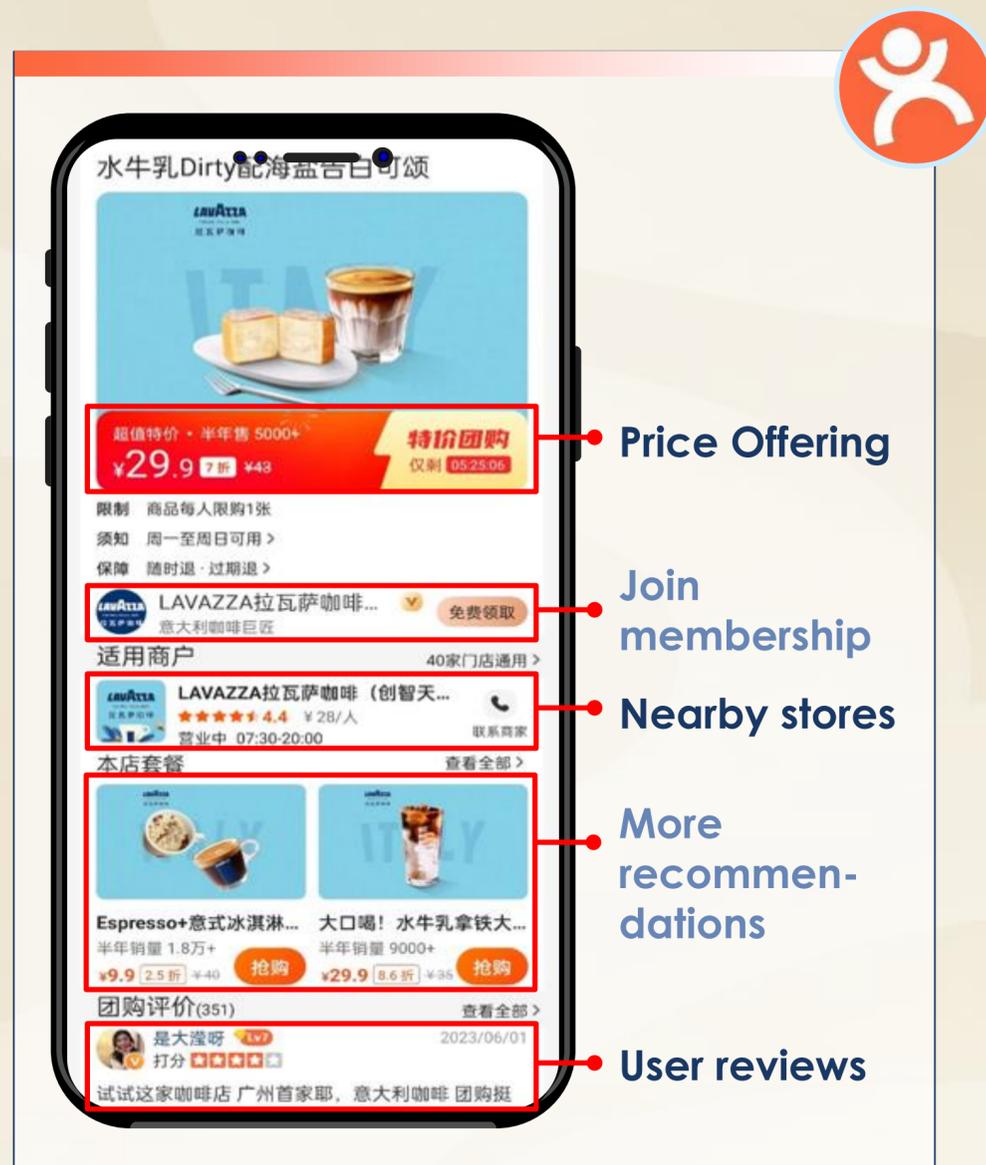
* Douyin Local Services

1. As of Jun 30, 2023
2. In 2023 1H. Digital orders include delivery and mobile orders
3. Members sales from non-delivery channels as percentage of total non-delivery sales

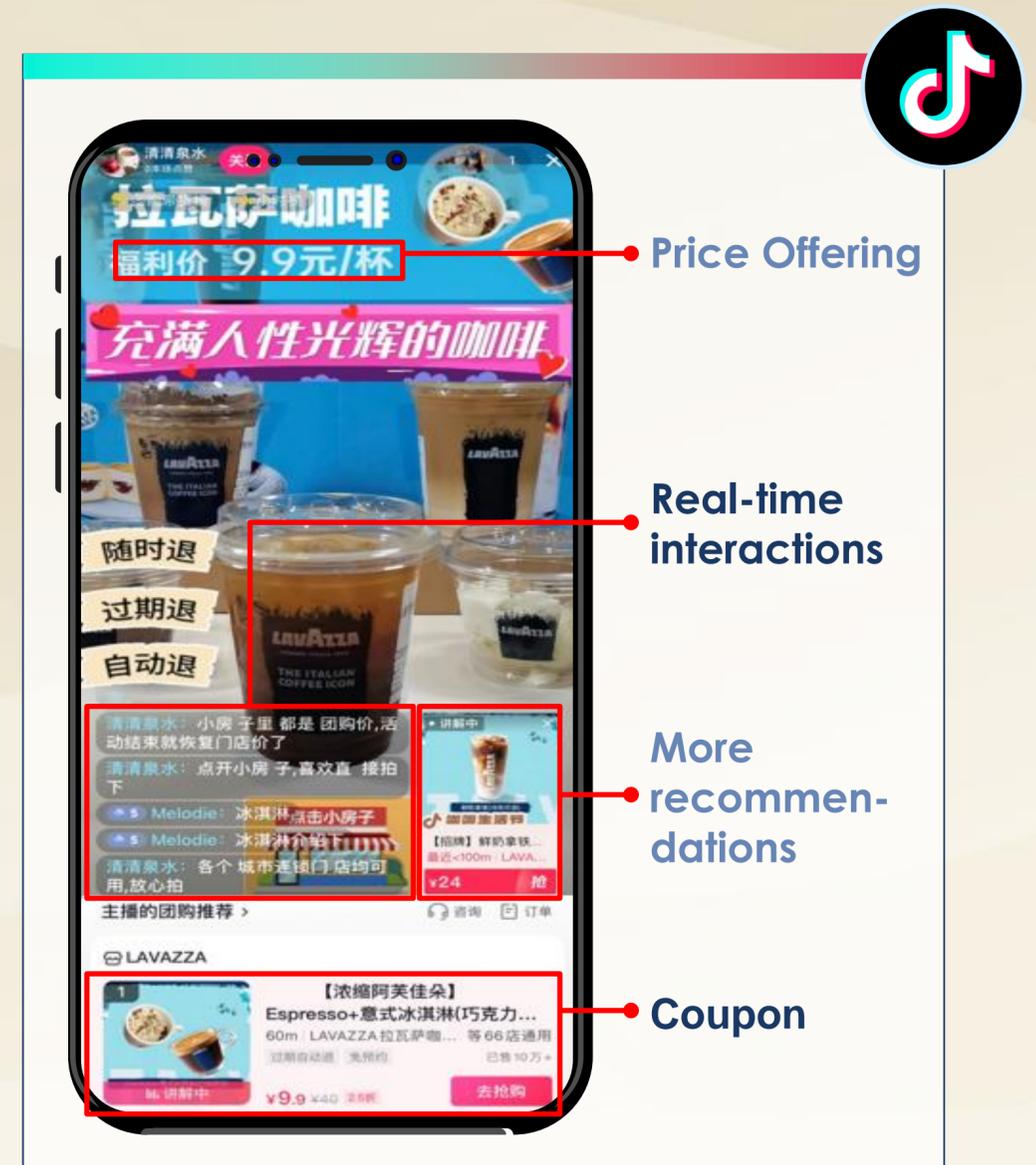
Leverage Various Digital Channels to Enhance Sales



Mini Program
Customized Options & Story-telling Interface



Dianping
Redeemable Coupon



Douyin
Live-streaming Promotion

* Douyin Local Services

Strong Delivery Capabilities Add Business Resiliency

Delivery



Takeaway

Dine-in



Close partnership with 3rd-party aggregators



Leverage cross-platform events and traffic flow



Operational excellence to improve customer experience

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IV. STORE MODELS

Keep Upgrading Store Models

1 Model 1.0 (2020 - 2021)

- Debut of three store formats
- Generic features
- Classic design



2 Model 2.0 (2022)

- Four differentiated formats
- Store capex reduced by 20%+¹
- Contemporary design



3 Model 2.5 (2023 onwards)

- Store design, consumer experience & cost structure further improved
- More store variants for different sites



1. Per-store capex reduced by 20%+ on average for comparable Model 2.0 formats vs. Model 1.0

Distinct Store Formats Catering to Different Sites

BRANDING



Lavazza Hangzhou Tower 501 Plaza Store, Hangzhou

**FLAGSHIP
& LARGE**

120m²+
Prime, high traffic
locations

BACKBONE



Lavazza Golden Wheel-in Citi Store, Nanjing

STANDARD

80-120m²
Composite
trade zones

FLEXIBILITY



Lavazza Art Park Store, Shanghai

COMPACT

40-80m²
Increase density in
various trade zones

CONVENIENCE



Lavazza Xiangyu Store, Xiamen

LOBBY

25-40m²
Offices & community
spaces

Lavazza Springs Plaza Store, Shanghai



Lavazza Golden Elephant City Store, Nanjing



Lavazza GE World Store, Nanjing



Contemporary Italian Design

Strategic Footprint in Key Cities

CHENGDU

CHANGSHA

WUHAN

BEIJING

NANJING

SHANGHAI

GUANGZHOU

SHENZHEN

HANGZHOU

XIAMEN

FUZHOU



~100 Lavazza Stores in 11 Cities¹

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1. Store count as of Jun 30, 2023

Go Beyond Stores with Lavazza Retail Business



Roast & Ground Beans



Coffee Capsules



Other Coffee Categories¹

Make retail coffee a meaningful part of our consumers' daily lives

To-B

- PREMIUM HOTEL
- VIP LOUNGE
- FINE DINING
- OFFICE

To-C

- E-COMMERCE
- SUPERMARKET

¹. Graphs shown for illustrative purpose only

Become a Leading Experiential Coffee Brand in China



Aiming to reach 1,000+ Lavazza stores in the next 3-5 years