



YumChina

RESILIENCE GROWTH MOAT 2.0

2023 YUM CHINA INVESTOR DAY

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Chief People Officer



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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Future-Ready People Strategy for Sustainable Growth

***Ensuring a
Sustainable
Workforce***

***Fostering
Employee
Engagement***

***20,000 stores
by 2026***

Sustainable Workforce

Labor Sharing Models Drive Strategic Agility and Operational Efficiency

40%

**Centralized
recruitment¹**

Maximize talent pool
and enhance recruitment
effectiveness

30%

**Store management
team sharing²**

Unleash the full potential
of internal talent
resources

65%

**Part-time
employment³**

Draw on external
resources to fulfill
business requirements

1. % of recruited employees through centralized recruitment for KFC, as of Jun 30, 2023
2. % of KFC and Pizza Hut stores covered, as of Jun 30, 2023
3. % of part-time employees, as of Jun 30, 2023

Sustainable Workforce

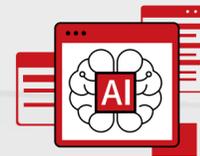
Invest in Digital, AI & Automation to Enhance Efficiency and Capabilities

01

Super Brain



AI-enabled data analytics



AI-enabled decision making

02

Visibility



Consistently track & monitor operational excellence

03

Operational Tools



Delivery



Inventory



People



Equipment



Sales



Action List

04

Marketing Tools



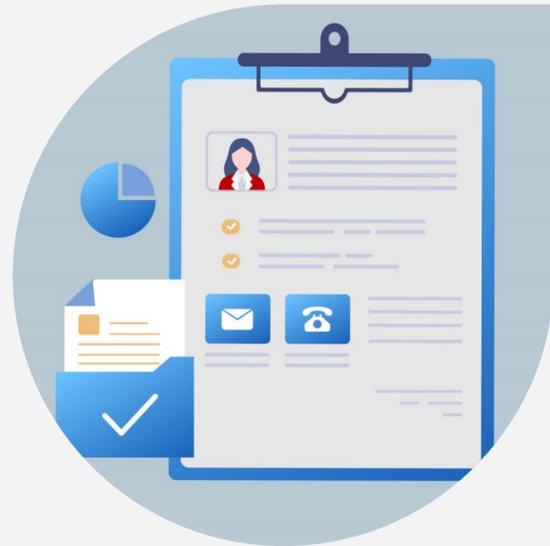
05

Automation



Sustainable Workforce

Leverage the Power of Innovation in Hiring and Improve Candidate Experience



1

AI-enabled Resume Screening

4% increase in overall interview attendance



2

AI Chat-bot

Reach candidates within **2 hours**



3

AI-enabled Interview

Reduce **40%** time spent by interviewers



4

VR On-the-job Experience

Provide an interactive experience



5

E-offer & Online Onboarding Platform

Save **25 minutes** in each process

Reduce recruitment lead time by 60%¹

1. Refer to the lead time of one position alone - Operations Management Trainee, the average lead time used to be 12 days compared to 5 days with AI enablement; receive ~300,000 offers each year

Sustainable Workforce

High Employee Engagement Enables Exceptional Customer Experience

Total training and development related investment ¹

~\$50mn



GES ² 5-star rating

~87%

1. Calculated based on the training hours and infrastructure investments across YUMC in 2022
2. Guest Experience Survey - % of customers with 5 star rating based on a 5-star rating scale, including KFC, Pizza Hut and Taco Bell in 2022

Sustainable Workforce

Cultivate Top Operations Talent Through Structured Training & Career Path

Brand Management Leaders

Career
Development
Path

Market General Manager

District Manager

Area Manager

Restaurant General Manager

Sr. Assistant Manager

Assistant Manager

Operations Management Trainee

20+ years
Average tenure for
senior operations
leaders¹

100%
Market Manager
grown from
operations teams²

~28%
Annual promotion rate of
store management team³

Proven track record from
Operations Management
Trainees to
senior management team

1. Senior Operations Leaders include Market Managers and Regional Vice President
2. Include both KFC and Pizza Hut, as of Aug2023
3. The number of restaurant management team members promoted in 2022 divided by the total number of restaurant management team employed as of the end of 2022

"People First" Philosophy to Foster Employee Engagement

FAIR

CARE

PRIDE

Employee Engagement

Promote Fairness through Diversity, Equity & Inclusion



50%+

Female employees¹

~2,000

Employees with disabilities
gained employment support
including
signature angel restaurants²

5,000+

Employees earned higher
education degrees through
Yum China

1. As of Jun 30, 2023
2. Total number of employees with disabilities as of the end of 2022
3. Accumulated total number of employees receiving subsidies from 2018 to 2022

Employee Engagement

Embody the RGM No.1 Principle with Best-in-class Employee Care Programs



Upon Promotion

Up to 1mn RMB medical insurance coverage



Year 1&5

YUMC restricted stock grant



Year 2

Critical illness coverage for parents



Year 3

Housing subsidy

9%

Restaurant General Manager
(RGM) turnover in 2022



Employee Engagement

Nourish A Sense of Purpose and Impact



top
EMPLOYER
中国杰出雇主
CHINA
2023
CERTIFIED EXCELLENCE IN EMPLOYEE CONDITIONS

**5 Consecutive Years;
Ranked 1st in the
industry in
2022&2023**



Bloomberg
Gender-Equality
Index
2023
Member

5 Consecutive Years



**2022 China Best
ESG Employers
Award from Aon**

Proud of the Company

Going Forward: From RGM1.0 to RGM2.0

Growth

Resilience

R

***Cornerstone of
Resilience***

G

Pillar of Growth

Moat

M

***Foundation of
Strategic Moat***