



YumChina



黃記煌

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TORINO, ITALIA, 1895

Second Quarter 2026 Results

July 30, 2026

Cautionary Statement

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, including statements relating to our projected capital returns. 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, investments, store openings, net new stores, franchise mix of net new stores, capital expenditures, capital returns, dividend and share repurchase plans, CAGR for system sales, operating profit and EPS, earnings, performance and returns, anticipated effects of population and macroeconomic trends, execution of the Company’s RGM 3.0 strategy, 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 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, our ability to control costs and expenses, including tax costs, as well as changes in political, economic, trade relations, regulatory conditions in China and the U.S., and those set forth under the caption “Risk Factors” in our most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q. Our plan of capital returns to shareholders is based on current expectations, which may change based on market conditions, capital needs or otherwise. 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 caption “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. 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.

Strong Q2 Results: Ninth Consecutive Quarter of System Sales Growth, OP Growth and OP Margin Expansion



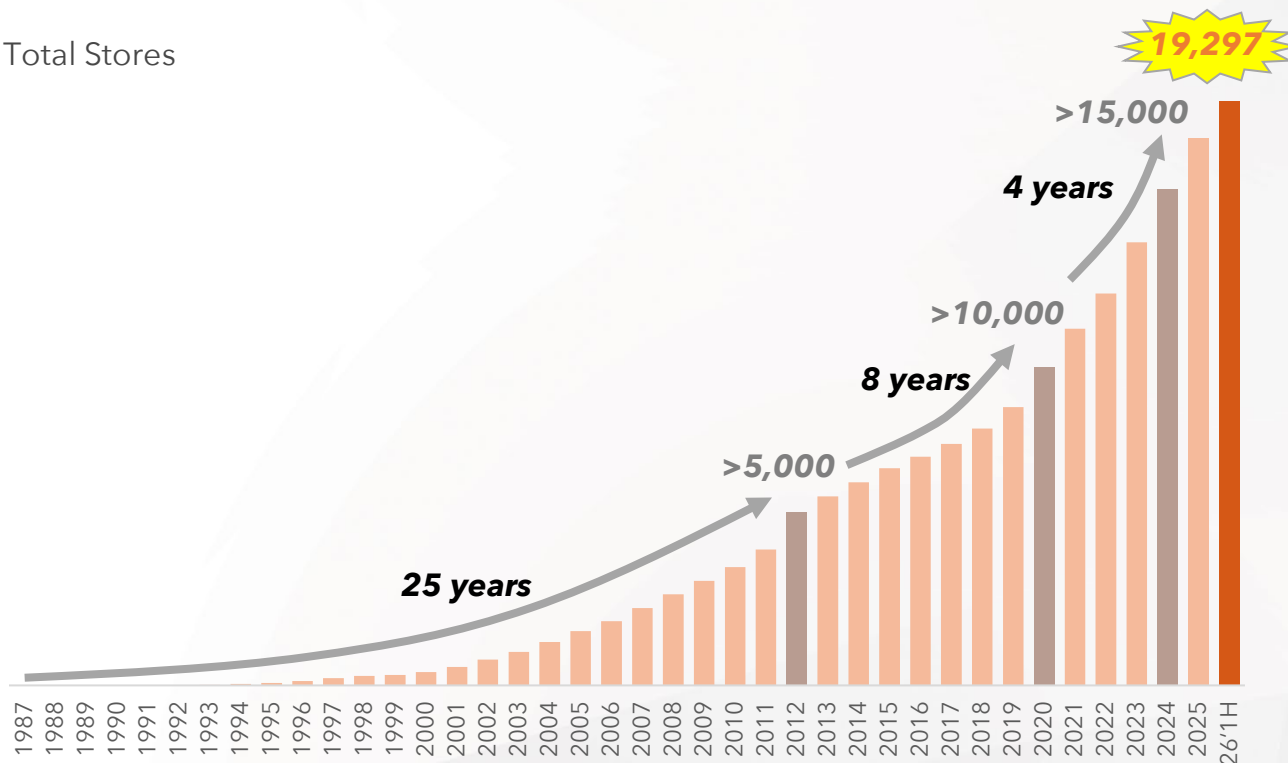
Strong Sales		Resilient Margins		Strong Profit Growth	
System Sales Growth ¹	Revenue Growth	OP Margin	Restaurant Margin	Record Q2 OP \$348mn	
+6%	+13%	11.1%	16.1%	Operating Profit	Core Operating Profit ²
				+14%	+7%
Same-Store Sales Growth ¹		+20 bps	Flat	Q2 YoY	
+1%					
Q2 YoY					
14th consecutive quarter of Same-store transaction growth		YoY OP margin expansion despite significant cost pressure from a higher delivery mix		Diluted EPS Grew to \$0.70	
				+21%	+10%
				Excl. F/X & mark-to-market impact	
				Q2 YoY	

¹ Excludes the impact of foreign exchange ("F/X").

² Core Operating Profit is defined as Operating Profit adjusted for Special Items, further excluding Items Affecting Comparability and the impact of F/X. The Company uses Core Operating Profit for the purposes of evaluating the performance of its core operations.

Strong Momentum in Footprint Growth; Record Net New Openings in 1H 2026

Total Stores



Net new stores

560 in Q2

1,196 in 1H

(~**63%** of full year target)

Targets

- To reach **20,000+** stores by 2026
- To reach **30,000+** stores by 2030

Accelerated Expansion Across Equity and Franchise Stores Through Diverse Store Formats



Total Stores **Net New Stores in 1H**

Penetrating More Cities

Reduced Average Capex

Healthy New Store Payback³



13,789

792

2,700+

330+

~1.2 mn¹
RMB / store

~2-3 years

17% Franchise

41% Franchise

Cities with KFC

New cities entered in last 12 months

(From ~1.4 mn)²



4,549

381

1,200+

330+

~0.9 mn¹
RMB / store

~2-3 years

11% Franchise

46% Franchise

Cities with Pizza Hut

New cities entered in last 12 months

(From ~1.1-1.2 mn)²

¹ Refers to stores opened in 1H 2026.

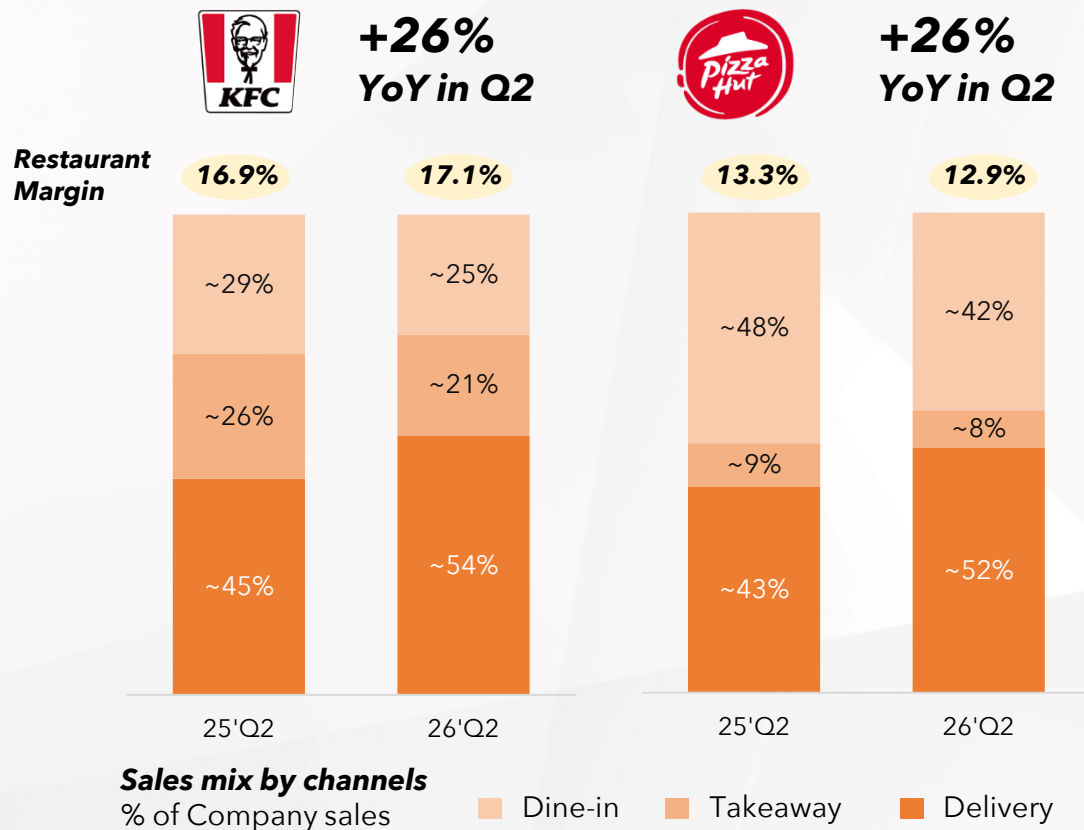
² Refers to stores opened in 1H 2025.

³ Refers to Average Pre-tax Cash Payback Period assuming yearly cashflow is same as year 1, after deduction of 3% license fee and before G&A expenses and income tax; based on stores opened April 2024 to March 2025.

Balanced Delivery Strategy: Driving Sales Growth While Mitigating Margin Impact

Delivery Sales +26%¹ YoY in Q2

- Delivery mix increased by 9ppts YoY to 54% in Q2
- Driving top-line growth while margin impact was mitigated through our balanced approach
- Relatively stable delivery mix vs Q1 despite more normalized delivery platform subsidies



Sales mix by channels

% of Company sales

Dine-in Takeaway Delivery

¹ Delivery sales at Company-owned stores.



KFC Delivered Strong Sales Growth and Expanded Margins

Q2
2026

+7%

System Sales
Growth YoY

335

Net New Stores

+14%

OP Growth
YoY

+7%

Core OP
Growth YoY

14.2%

OP Margin
+20 bps YoY

+1%

Same-Store Sales
Growth YoY

13,789

Total Stores

\$332mn

Operating Profit

17.1%

Restaurant Margin
+20 bps YoY

5th consecutive quarter of growth, driven by 4% same-store transaction growth YoY



Platform Innovation Drives Strong Sales and Repeat Purchases

"Zinger" Platform
More Fragrant, Spicier

KFC
Spicier Zinger
更香更辣
鸡腿堡

· 创新红色鳞片 ·
· 满满芝麻香气 ·

一口爆辣上头
一口糯辣下牙

"Whole Chicken" Platform
Aromatic Paper-Wrapped Roasted

KFC
纸包鸡有伴了!
汤汁配碳水，美味又满足

解锁美味三步曲

第一步 鸡腿鸡翅撕着吃
第二步 鸡胸肉蘸着吃
第三步 土豆泥拌着吃

+3元 得 醇香土豆泥

香辣纸包鸡
限时特惠 17:00前
¥34.9/只
夜间好价 17:00后
¥29.9/只

"Wings" Platform
New Crackling Salted Egg Yolk

决战薄脆翅之巅

新薄脆
咸蛋黄鸡翅

VS

薄脆
金沙鸡翅



KCOFFEE Cafe Targets RMB ~2bn Sales in 2026 and 5,000 Locations by 2027

肯悦咖啡 同字店

Total Locations

3,300+

by the end of Q2

- Delivered mid-single-digit sales uplift to parent KFC stores
- Module showing solid margin improvement
- Enriched non-coffee offerings including tea and food options



**Iced Americano
With Milk Cap**



**Passion Fruit & Pineapple
Sparkling Americano**



**Lemon Rooibos
Sparkling Tea**



**Strawberry White Choco
Caramel Egg Tart**



KPRO Year-End Target Raised to 800 Locations, Up from 600

Total Locations

450+

by the end of Q2

- Delivered ~20% sales uplift to parent KFC stores
- Module showing solid margin improvement
- Expanding into Tier 1, 2 and select lower-tier cities
- Target sales to quadrupled YoY in 2026 and reach RMB 1bn+ in 2027

Energy PRO Sandwich



**High-Protein
Yogurt Smoothie**



Energy Bowl



Super Food Smoothie





Pizza Hut Same-Store Sales Grew 1% YoY in Q2; OP Margin Expanded by 60 bps YoY in First Half 2026

Q2
2026

+6%

**System Sales
Growth YoY**

+1%

**Same-Store Sales
Growth YoY**

13% same-store transaction
growth YoY (14th consecutive
quarter of growth)

174

Net New Stores

4,549

Total Stores

+11%

**OP Growth
YoY**

\$51 mn

Operating Profit

+5%

**Core OP
Growth YoY**

8.3%

**OP Margin
Flat YoY**

+60bps YoY in
1H'26

12.9%

**Restaurant Margin
-40 bps YoY**

+10bps YoY in
1H'26



新 多谷物手拍饼底



Multi-grain Crust with
Protein and Vegetable
Toppings



多谷物手拍

Newly-Launched Multi-Grain Crust Became Our Best-Seller in June

10种天然优质
谷物籽类



亚麻籽



南瓜籽



葵花籽



黑麦粉



黑芝麻



白芝麻



荞麦粉



麦芽粉



小麦胚



玉米糝



Strengthening the Core While Unlocking New Growth Drivers

Enriched Protein Platforms to Enhance Dine-In Experience



New Multi-Grain Crust Pizzas to Capture Lighter Meal Occasions



New Pizza Hut Burgers at Great Prices





Pizza Hut Burger Bar Expanded to 200+ Locations, Driving Double-Digit Incremental Sales to Parent Stores



- Tight menu centered on made-to-order burgers
- Great taste, amazing value for money and quick-service convenience
- Utilize space in existing stores with light investment
- Target 500-600 locations by the end of 2026



Buns Baked Freshly
In-Store Daily



牛肉历经瞬时压制，225°C煎烤，释放肉香和焦香。
现点现做，肉大块，汁水足。

Patties Straight Off
the Griddle



Acquisition of the Pizza Hut Brand in Mainland China Expected to Close in August 2026

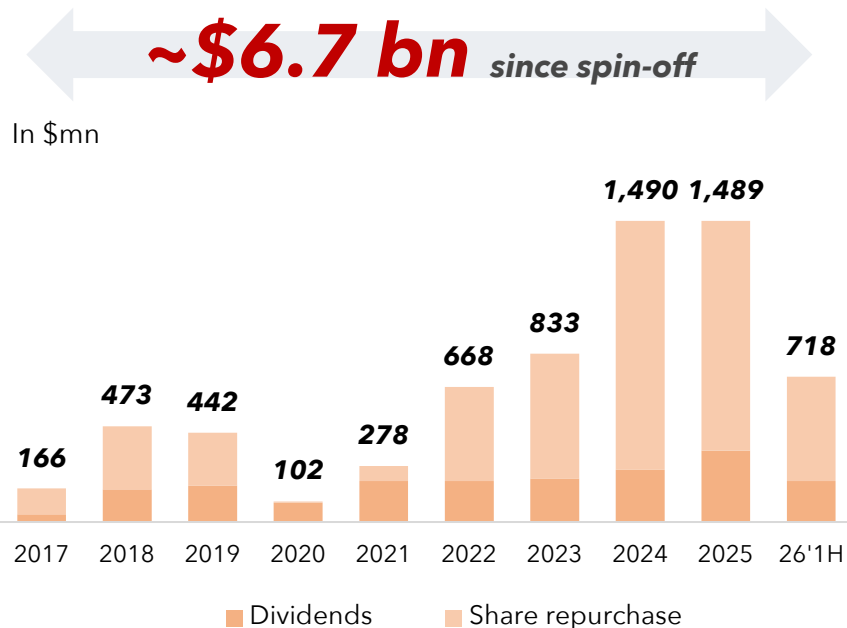


- In the near term, expect the **savings in license fee** to enhance store economics and lower the threshold for new store openings. More potential new stores are expected to meet our payback requirements of 2-3 years.
- In the longer term, brand ownership will give us **greater strategic flexibility** to drive innovation across the menu, store formats, new modules, and operations.
- Expected to be **immediately accretive to diluted EPS** in 2026 following closing, and mid-single-digit accretive to diluted EPS in 2027 and 2028.
- Target to **accelerate net new openings to 800+ per year** in 2027 and 2028, up from our original target of over 600.
- Plan to borrow an approximately \$1.2 bn equivalent offshore bridge loan to finance the transaction.

On Track to Return \$1.5Bn to Shareholders in 2026, Around 10% of Market Capitalization¹



Capital Returns to Shareholders in 2017-2026^{1H2}



Target Capital
Returns in 2024-26³

\$1.5 bn

Each year

Increase in Quarterly
Cash Dividends

+21%

To \$0.29 in Q1 2026

2027 & Beyond Outlook

Target to Return ~100% of Free
Cash Flow to ParentCo⁴

Estimated Average Annual Return of
~\$900-1,000 mn+ in 2027-2028

Net Cash⁵

(By end of Jun 2026)

\$2.0 bn

¹ Market capitalization as of July 29, 2026.

² Includes dividends and share repurchases. Share repurchase amount excludes 1% excise tax and commissions.

³ Based on current expectations, which may change based on market conditions, capital needs or otherwise. Subject to Board approval on dividends and share repurchases, as well as shareholders' approval on share repurchases.

⁴ Refers to operating cash flow less capital spending and dividends paid to non-controlling interests, which is associated with our consolidated JVs including KFC JVs.

⁵ Refers to \$485 mn cash and cash equivalents, \$901 mn short-term investments and \$688 mn long-term bank deposits and notes, net of \$66 mn in short-term borrowings.

Appendix

- ***Supplemental Financial Information***
- *2025 Investor Day Highlights*
- *Key Sustainability Updates*
- *Reconciliation of Reported GAAP Results to Non-GAAP Measures*

Second Quarter Grew YoY and vs 2019

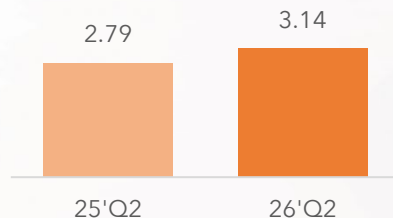
Second Quarter	2019	2025	2026	2026 vs 2025		2026 vs 2019	
No. of Stores	8,751	16,978	19,297	+14%	↑↑	+121%	↑↑↑↑
Total Revenues (\$ mn)	2,124	2,787	3,138	+13%	↑↑	+48%	↑↑↑
Member Sales %	52%	64%	55%	(9) ppt	↓	+3 ppt	↑
Operating Profit (\$ mn)	204	304	348	+14%	↑↑	+70%	↑↑↑
OP Margin (% of revenue)	9.6%	10.9%	11.1%	+0.2 ppt	↑	+1.5 ppt	↑↑

Sales and Profit Grew YoY in Second Quarter

Revenue/Sales YoY

Revenue growth (reported)	+13%
Revenue growth (ex F/X)	+6%
System sales growth	+6%

Total Revenue (\$bn)



Key factors for Revenue year-over-year change

- + Net new unit contribution
- + Same-store sales growth
- + Foreign exchange impact

Operating Profit/Core OP YoY

OP growth (reported)	+14%
OP growth (ex F/X)	+7%
Core OP growth	+7%

\$mn	25'Q2	26'Q2
Operating Profit	304	348
Special items	-	-
Items affecting comparability	-	-
Foreign currency translation	-	(20)
Core operating profit	304	328

Key factors for Core OP year-over-year change

- + Increase in total revenue
- + Efficiency improvement from streamlined operations
- + Favorable commodity prices
- Higher delivery cost due to increased delivery mix
- Value-for-money offerings

Second Quarter Key Performance Highlights - KFC & Pizza Hut



26'Q2

	YoY Sales Growth				Channel Mix		Digital orders
	System Sales YoY	Same-store sales YoY	Same-store transactions YoY	Average ticket YoY	Delivery	Total off-premise	Sales %
	+7%	+1%	+4%	(3)%	54%	75%	94%
				26'Q2 RMB 36 25'Q2 RMB 38	Mainly due to incremental smaller orders		
	+6%	+1%	+13%	(11)%	52%	60%	96%
				26'Q2 RMB 68 25'Q2 RMB 76	In line with strategy to target mass market		

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RGM 3.0 for the Future

R

- *Front-End Segmentation & Back-End Consolidation*

G

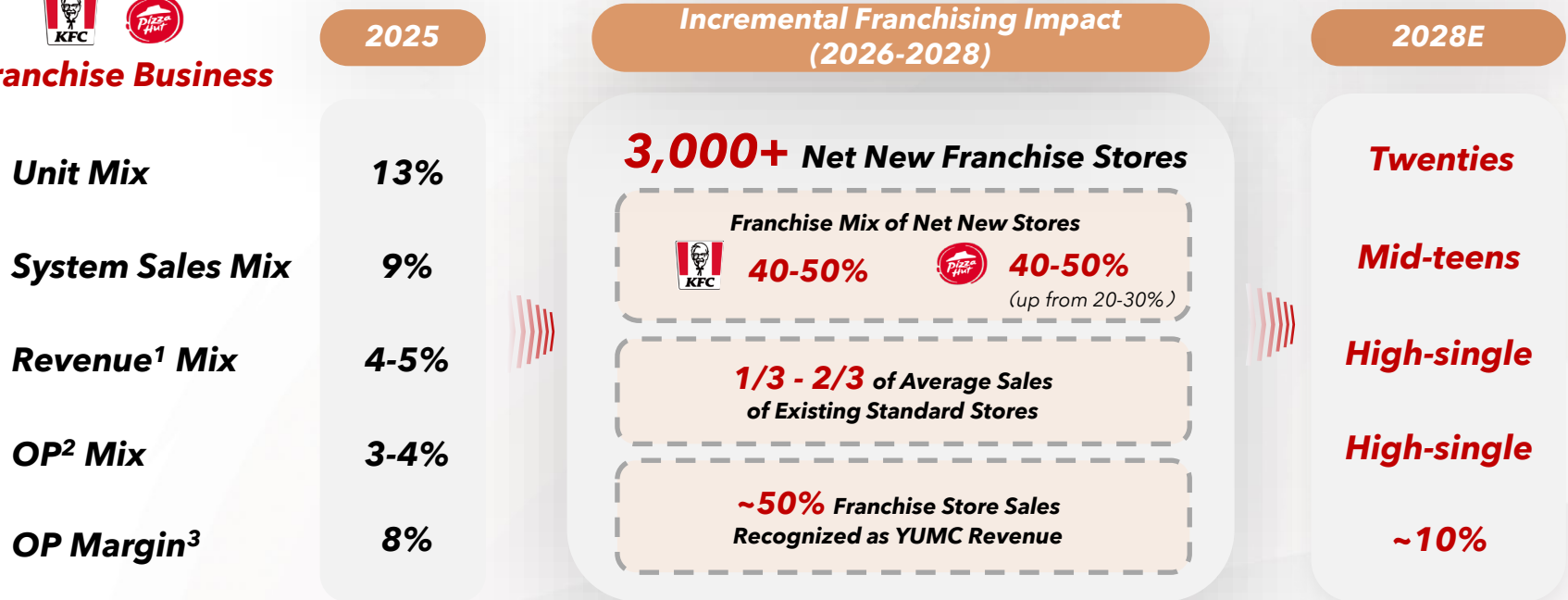
- *Go Deep with Core Brands*
- *Equity & Franchise Hybrid Model as an Accelerator*

M

- *Physical Store + Virtual Space*
- *Integrated & Agile Supply Chain*
- *Unleash the Power of Agentic AI*



Franchising as an Incremental Growth Lever to Accelerate Expansion



Note: Figures on this page represent KFC and Pizza Hut and their contribution to YUMC total, except for OP margin

¹Revenue from franchise business includes Franchise fees and income and Revenues from transaction with franchisees included in KFC and Pizza Hut reportable segments, revenue for delivery services provided to franchisees and included in All Other Segments, and revenue from sale of food and paper products to franchisees and included in Corporate and Unallocated

²The Operating Profit ("OP") of franchise business is defined as revenue from franchise business, less Franchise expenses and Expenses for transactions with franchisees in respective segments, and G&A attributable to franchisee business

³OP Margin of franchise business is defined as OP of franchise business divided by Revenue from franchise business

Our Pathway to Value Creation: 2026-2028 Outlook

2026-2028 Growth Targets on 2025 Base:

**Same-Store
Sales Index YoY**

**System Sales¹
CAGR**

**Operating
Profit²
CAGR**

**EPS³
CAGR**

**Free Cash Flow
Per Share
CAGR**

100-102

**Mid- to High-
single-digit%**

**High-single-
digit%**

Double-digit%

Double-digit%

¹System sales excluding F/X

²Operating profit excluding special items and F/X

³Diluted EPS excluding special items and F/X

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ESG Ratings and Awards

Industry No.1 on S&P Global CSA for the 6th Year

- ✓ **Industry No.1** in S&P Global 2025 Corporate Sustainability Assessment (CSA)
- ✓ **Dow Jones Best-in-Class World Index*** member for the 6th Year
- ✓ Included in the S&P Global Sustainability Yearbook 2026



"Top Employer" in China for the 8th Year

- ✓ **8** consecutive years of "Top Employer" recognition from the Top Employers Institute
- ✓ **#1** in the restaurant industry for the 5th consecutive year



One of the Most Sustainable Companies by TIME

- ✓ TIME World's Best Companies of 2025
- ✓ TIME Top 500 World's Most Sustainable Companies List (2024-2025)

Support UN SDG



5th consecutive year

MSCI
ESG RATINGS



Industry Leader





Key ESG Initiatives

Food

Food Safety as Top Priority

End-to-end food safety and quality management system with tech-enabled controls across the value chain

Healthy & Balanced Meals

Offer healthier, more balanced choices and diverse menu options to support a healthy lifestyle

Environment

Climate Action

China's first restaurant company with approved near-term SBTs and committed to achieving net-zero by 2050

Circular Economy

Strive to create "zero-waste restaurants" by adhering to the 4R principle (Reduce, Reuse, Replace, Recycle)

People

"People First" Philosophy

Provide comprehensive support to ensure the well-being of employees - e.g., medical insurance coverage for RGMs, eligible employees, and their families

Diversity, Equity & Inclusion

Foster a fair and inclusive workplace;
~80 "Angel Restaurants" nationwide*

Community

Rural Revitalization

One Yuan Donation - 18 years of commitment, RMB280mn+ raised benefitted 1mn+ children*

Community Support

Food banks in 1,300+ locations across 190+ cities*
Little Migratory Birds Fund benefitted ~6.5mn children*

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Reconciliation of Operating Profit to Core Operating Profit*

(in \$mn)

Yum China

	Quarter ended		% Change	Year to Date Ended		% Change
	6/30/2026	6/30/2025	B/(W)	6/30/2026	6/30/2025	B/(W)
Operating Profit	\$ 348	\$ 304	14	\$ 795	\$ 703	13
Special Items, Operating Profit	—	—		—	—	
Adjusted Operating Profit	\$ 348	\$ 304	14	\$ 795	\$ 703	13
Items Affecting Comparability	—	—		—	—	
F/X impact	(20)	—		(44)	—	
Core Operating Profit	\$ 328	\$ 304	7	\$ 751	\$ 703	7
Total revenues	3,138	2,787	13	6,409	5,768	11
F/X impact	(183)	—		(342)	—	
Total revenues, excluding the impact of F/X	\$ 2,955	\$ 2,787	6	\$ 6,067	\$ 5,768	5
Core OP margin	11.1%	10.9%	0.2 ppts	12.4%	12.2%	0.2 ppts.

* Current period amounts are derived by translating results at average exchange rates of the prior year period.

Reconciliation of Operating Profit to Core Operating Profit

(in \$mn)

KFC

	Quarter ended		Year to Date Ended	
	6/30/2026	6/30/2025	6/30/2026	6/30/2025
GAAP Operating Profit	\$ 332	\$ 292	\$ 749	\$ 678
Special Items, Operating Profit	—	—	—	—
Adjusted Operating Profit	\$ 332	\$ 292	\$ 749	\$ 678
Items Affecting Comparability	—	—	—	—
F/X impact	(19)	—	(40)	—
Core Operating Profit	<u>\$ 313</u>	<u>\$ 292</u>	<u>\$ 709</u>	<u>\$ 678</u>

Pizza Hut

	Quarter ended		Year to Date Ended	
	6/30/2026	6/30/2025	6/30/2026	6/30/2025
GAAP Operating Profit	\$ 51	\$ 46	\$ 122	\$ 106
Special Items, Operating Profit	—	—	—	—
Adjusted Operating Profit	\$ 51	\$ 46	\$ 122	\$ 106
Items Affecting Comparability	—	—	—	—
F/X impact	(3)	—	(7)	—
Core Operating Profit	<u>\$ 48</u>	<u>\$ 46</u>	<u>\$ 115</u>	<u>\$ 106</u>

Reconciliation of Operating Profit to Restaurant Profit

(in \$mn)

Yum China

	Quarter ended		Year to Date Ended	
	6/30/2026	6/30/2025	6/30/2026	6/30/2025
GAAP Operating Profit	\$ 348	\$ 304	\$ 795	\$ 703
Less:				
Franchise fees and income	29	24	59	51
Revenues from transactions with franchisees	155	115	311	236
Other revenues	44	35	82	67
Add:				
General and administrative expenses	139	131	276	269
Franchise expenses	12	10	24	21
Expenses for transactions with franchisees	148	110	298	227
Other operating costs and expenses	38	30	69	59
Closures and impairment expenses, net	12	12	12	18
Other income, net	—	(1)	—	(1)
Restaurant profit	<u>\$ 469</u>	<u>\$ 422</u>	<u>\$ 1,022</u>	<u>\$ 942</u>
Company sales	<u>2,910</u>	<u>2,613</u>	<u>5,957</u>	<u>5,414</u>
Restaurant margin	<u>16.1%</u>	<u>16.1%</u>	<u>17.2%</u>	<u>17.4%</u>

Reconciliation of Operating Profit to Restaurant Profit

(in \$mn)

KFC

	Quarter ended		Year to Date Ended	
	6/30/2026	6/30/2025	6/30/2026	6/30/2025
GAAP Operating Profit	\$ 332	\$ 292	\$ 749	\$ 678
Less:				
Franchise fees and income	24	19	47	40
Revenues from transactions with franchisees	19	17	38	33
Other revenues	1	1	2	2
Add:				
General and administrative expenses	67	61	128	120
Franchise expenses	10	9	21	19
Expenses for transactions with franchisees	15	15	30	29
Other operating costs and expenses	1	1	1	2
Closures and impairment expenses, net	10	8	10	13
Restaurant profit	<u>\$ 391</u>	<u>\$ 349</u>	<u>\$ 852</u>	<u>\$ 786</u>
Company sales	<u>2,294</u>	<u>2,059</u>	<u>4,704</u>	<u>4,267</u>
Restaurant margin	<u>17.1%</u>	<u>16.9%</u>	<u>18.1%</u>	<u>18.4%</u>

Reconciliation of Operating Profit to Restaurant Profit

(in \$mn)

Pizza Hut

	Quarter ended		Year to Date Ended	
	6/30/2026	6/30/2025	6/30/2026	6/30/2025
GAAP Operating Profit	\$ 51	\$ 46	\$ 122	\$ 106
Less:				
Franchise fees and income	3	2	6	4
Revenues from transactions with franchisees	3	1	5	3
Other revenues	3	6	6	13
Add:				
General and administrative expenses	28	26	54	52
Franchise expenses	2	1	3	2
Expenses for transactions with franchisees	2	1	4	3
Other operating costs and expenses	3	5	5	11
Closures and impairment expenses, net	1	3	1	3
Restaurant profit	<u>\$ 78</u>	<u>\$ 73</u>	<u>\$ 172</u>	<u>\$ 157</u>
Company sales	<u>604</u>	<u>545</u>	<u>1,231</u>	<u>1,129</u>
Restaurant margin	<u>12.9%</u>	<u>13.3%</u>	<u>14.0%</u>	<u>13.9%</u>

About Yum China

Largest restaurant
company in China¹

Fortune 500
company

19,000+
restaurants

2,700+
cities in China

6 restaurant brands



Vision: To be the world's most innovative pioneer in the restaurant industry

Company website:

Investor Relations Contact:

Media Contact:

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