



YumChina

RESILIENCE GROWTH

MOAT 2.0

2023 YUM CHINA INVESTOR DAY

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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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Prospect: Huge Potential Ahead

Strategy: RGM 2.0

Vision: The Leading Brand in China's Restaurant Industry



Grow with China

Store Development

1987
1st store opened
in Beijing

1,900+
cities and towns¹

Food Innovation

2003
Innovated local
style products

>15 products in
the "\$100mn
sales" club²

More Occasions

2006
Launched
delivery services

~\$3bn
delivery sales²

Digitalization

2015
Rolled out
digital payment

~89%
digital orders³

1. As of 2023 1H, by YUMC city definition
2. Rolling 12 months from Jul 1, 2022 to Jun 30, 2023
3. 2023 1H



Build to Last

Store Footprint¹

Transactions²

Members¹

Super APP MAU³

9,500+

1.3bn+

410mn+

28mn+

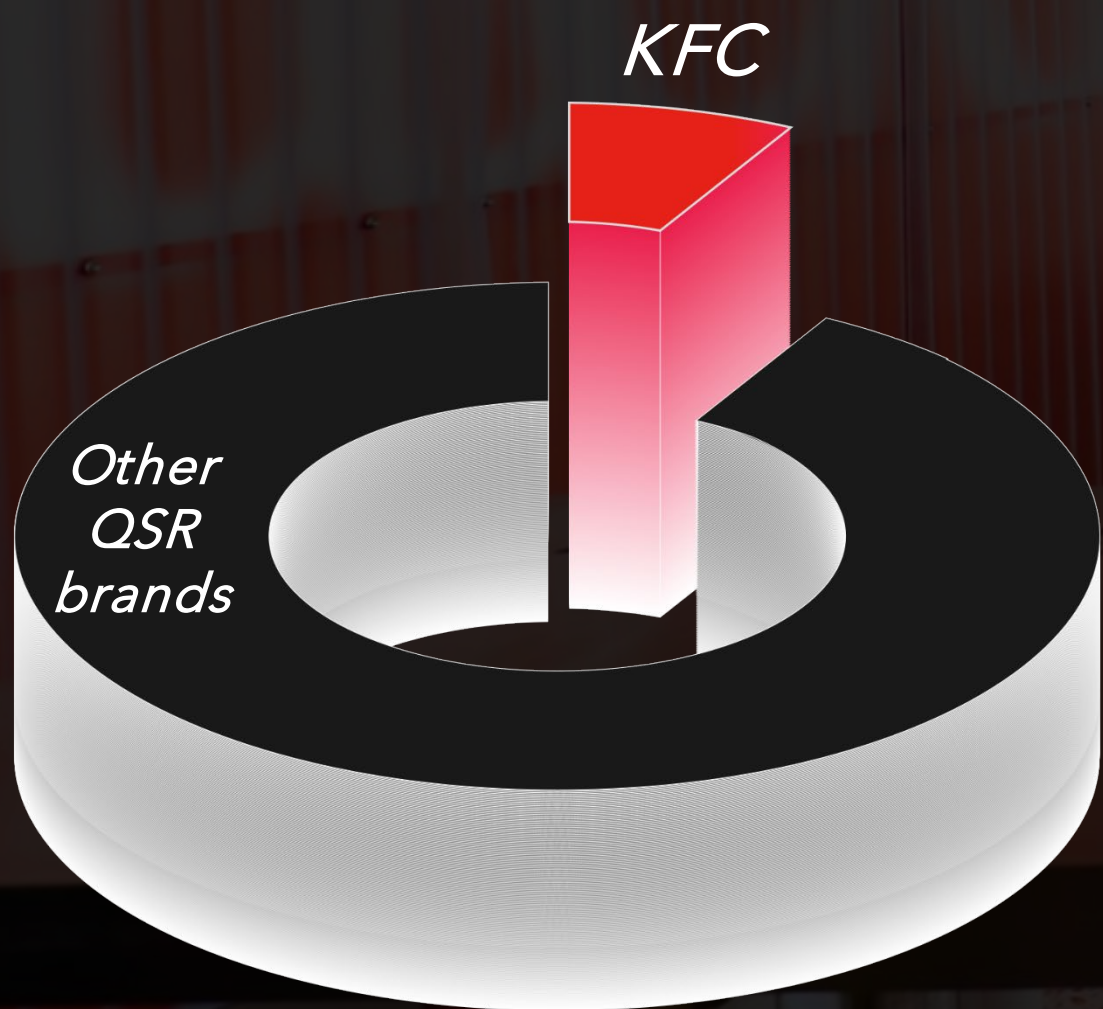
KFC has proudly served Chinese consumers for 36 years

1. As of 2023 1H
2. Rolling 12 months from Jul 1, 2022 to Jun 30, 2023
3. 2023 1H



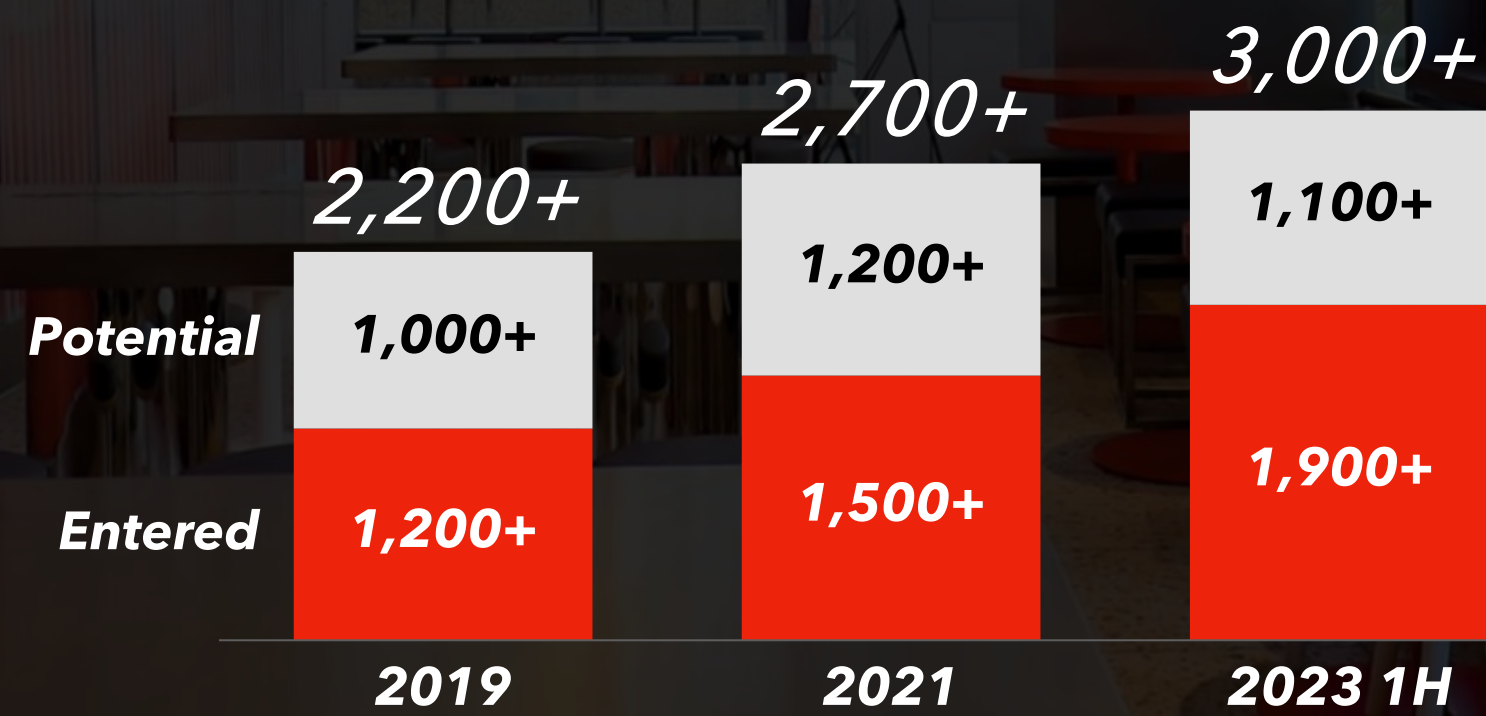
Huge Potential Ahead

Build Market Share

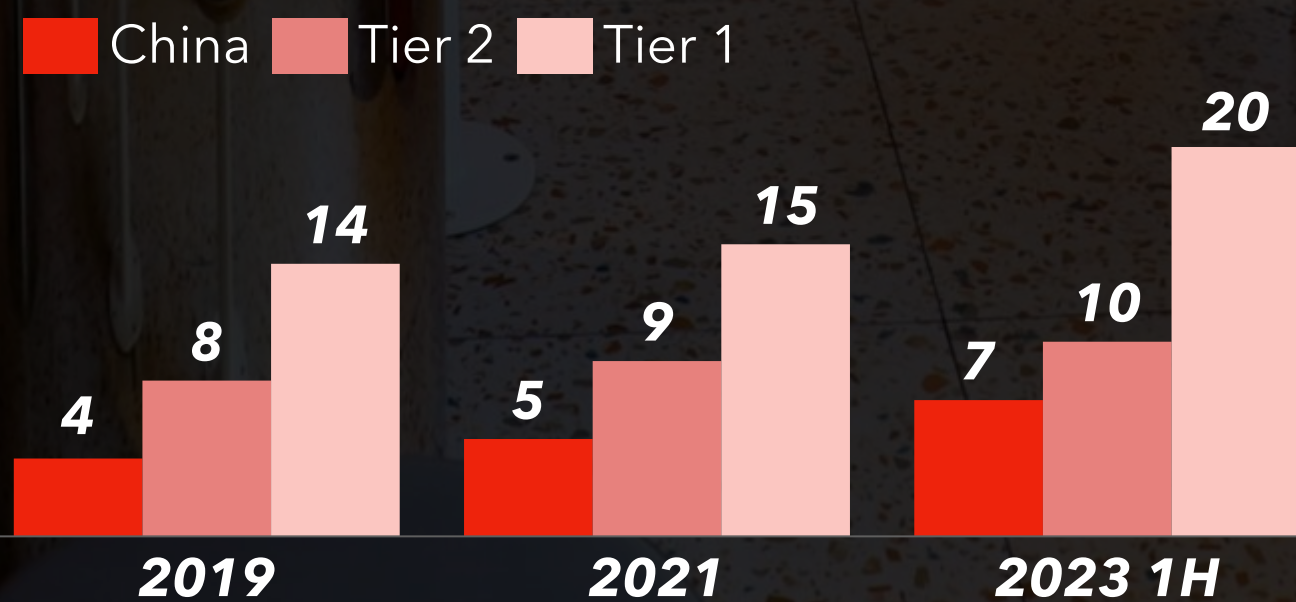


More Footprint

KFC city coverage



KFC stores per mn people



More Trade Zones

New trade zones for KFC

Highway service centers



Entered: 190+ stores
Total: 6,600+

Hospitals



Entered: 220+ stores
Total: 36,000+

College campuses



Entered: 210+ stores
Total: 3,000+

Source: Frost & Sullivan, National Bureau of Statistics

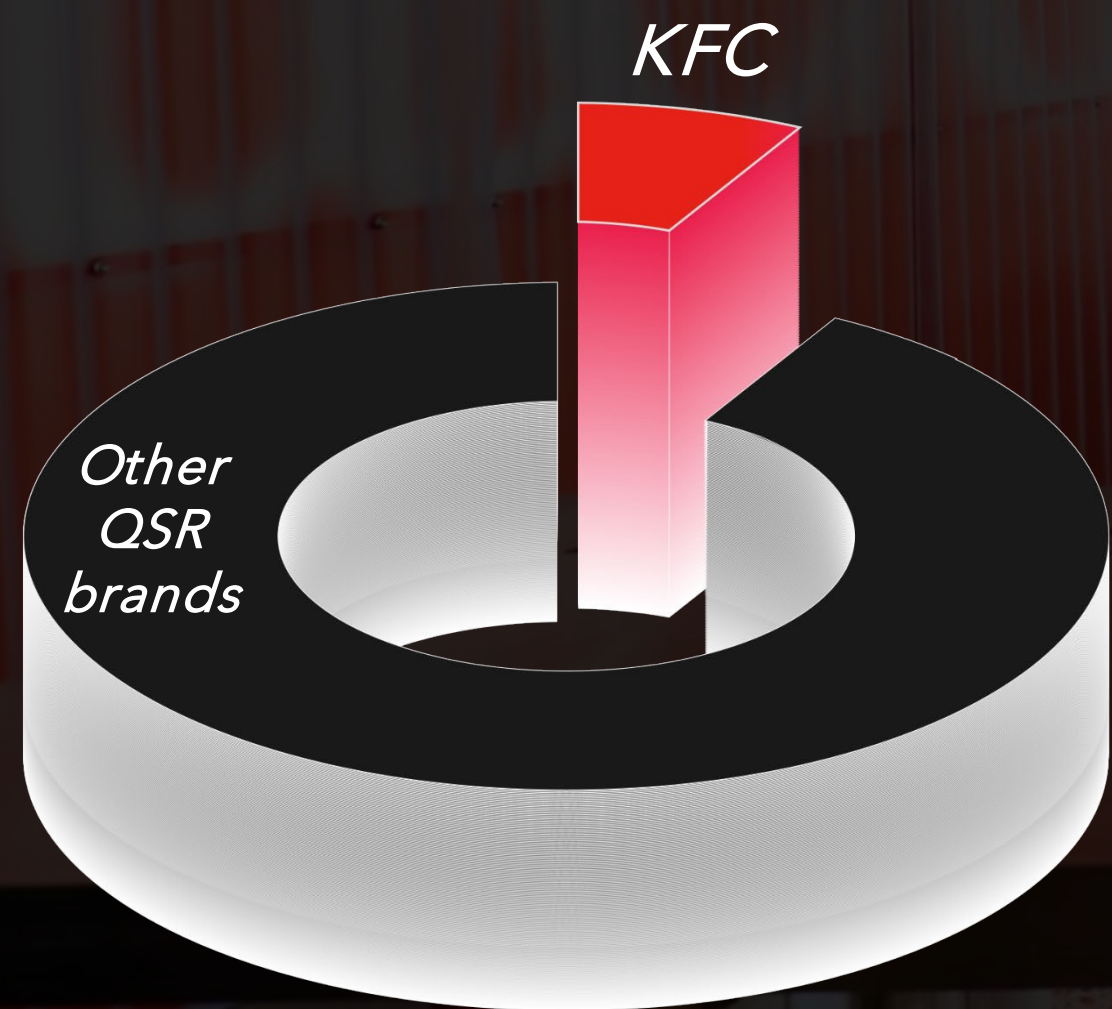


Huge Potential Ahead

Build Market Share

More Target Consumers

Higher Frequency



College students

Small-town youth

Value conscious group

Seniors

Annual Frequency¹

K Friends ~100

Privilege Members ~26

Existing Members ~6

New and Reactivated Members ~3



1. Rolling 12 months from Jul 1, 2022 to Jun 30, 2023

Source: Frost & Sullivan



Going Forward: From RGM1.0 to RGM2.0

Resilience
R

Growth
G

Moat
M

Footprint Growth | Sales Growth | Profit Growth



Footprint GROWTH

Accelerate Store Growth and Maintain Healthy Store Economics

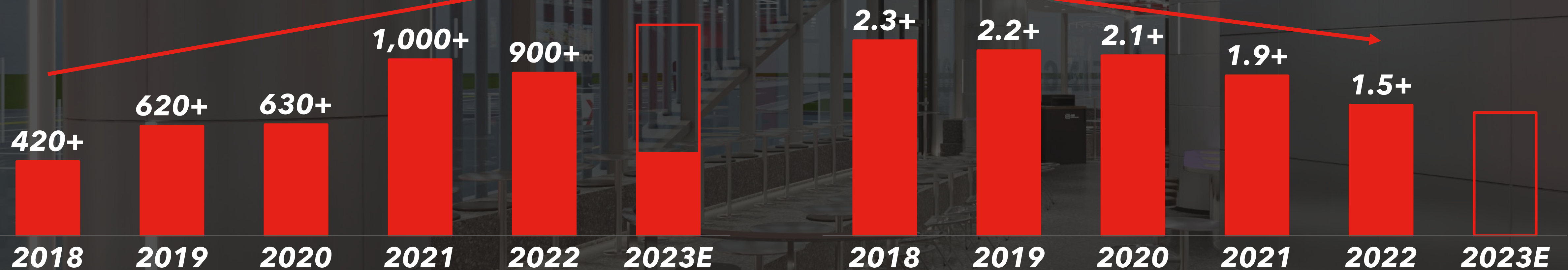
Annual KFC Net New Stores

Average New Store Cash Investment¹

RMB mn

CAGR 22%

CAGR (-9%)



Maintain new store payback at **2 years**

1. Excludes VAT



Footprint GROWTH

Flexible Store Models with Multiple Add-on Options

4 Store Models



Standard (~180m²)



Future (Customized design)



Mini (~120m²)



Low-tier (150~200m²)

Multiple Modules



Drive-Through



To-Go Window



Side by Side



KCOFFEE Truck



Mini Station



Footprint GROWTH

Collaborate with Local Operators to Expand Footprint

Strategic Locations



Taizhou Service Center



Highway Service Centers



Tai Mountain Resort



Tourist Locations

Lower-tier Cities & Remote Areas



Nagqu, Tibet



Lower-tier Cities



Wenzhou Small Town



Hainan Sinopec



Gas Stations



Xiamen University



College Campuses



Jade Dragon Snow Mountain



Remote Areas



Zhongwei, Ningxia

15~20% new stores contributed by franchise model



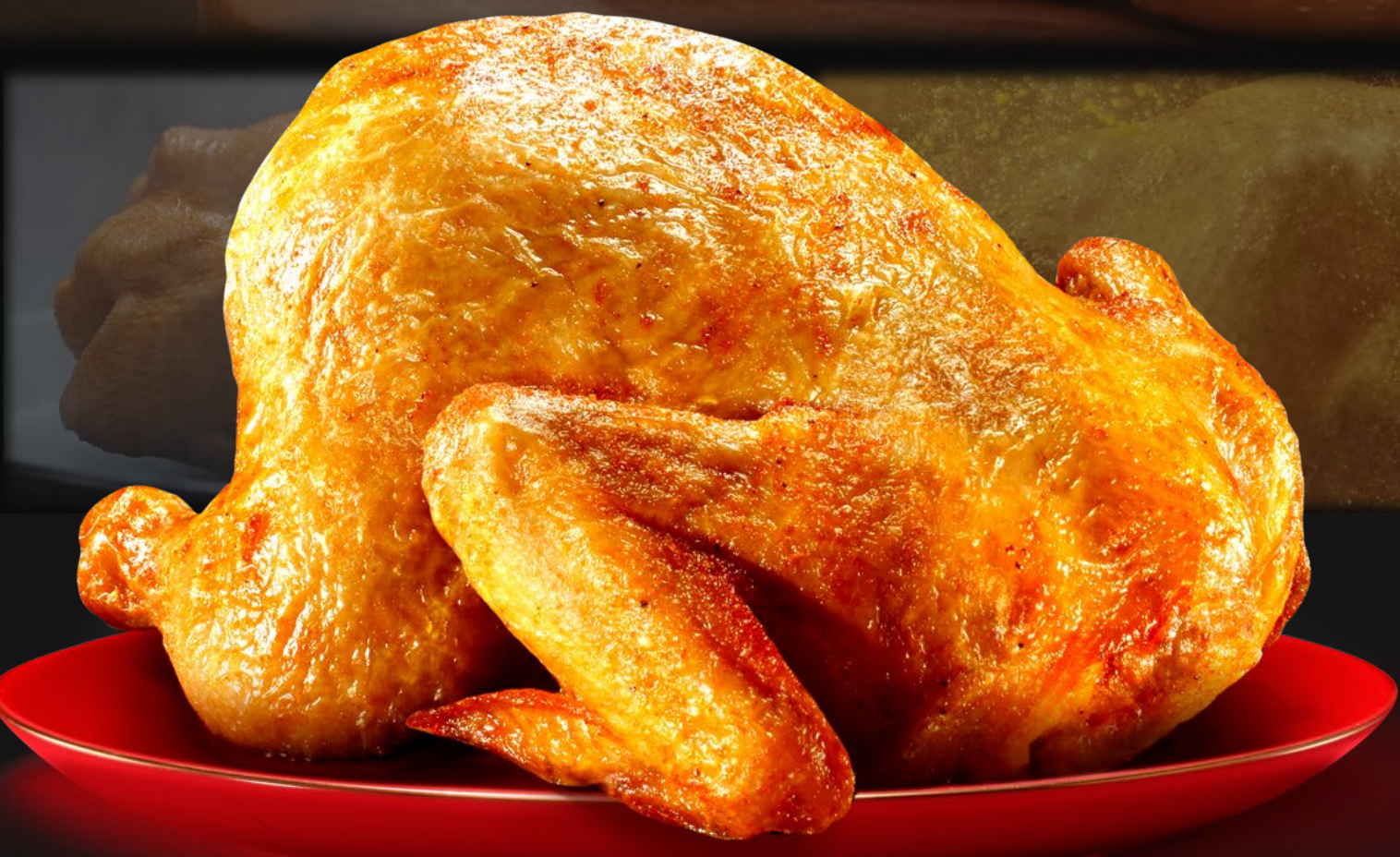
Sales **GROWTH**

New Categories Offer More Variety

Whole Chicken

Launched in 2022¹

\$100mn+²



Beef Burger

Launched in 2021¹

\$250mn+²



1. Launched as permanent menu items
2. 2022 sales



Sales GROWTH

Expanded Price Ranges: From Entry to Premium

Sales Mix¹

Premium



12%

Core



80%

Entry



8%

1. Percentage based on 2023 1H sales from main course items



Sales **GROWTH**

Innovative Products

Chicken Taco

~ 19mn Units sold¹



Double Down

~ 9mn Units sold¹



K-zza

~ 7mn Units sold¹



1. Units sold during limited-time-offer window in 2023



Sales GROWTH

Strengthen KFC's Unique Brand Identity with Signature Campaigns

疯狂星期四



KFC

2022.12.29 20:00

一年一度 疯狂星期四 盛典

谢谢, 所有❤️爱

疯狂星期四的你们

Crazy Thursday
User Generated Content

周日疯狂拼

KFC x 携程旅行

世界游不停

KFC 周日疯狂拼

共计60x2个马尔代夫豪华海岛游

4.16-5.21
连续六个周日
疯狂抽!
10:00-22:00, 点购周日疯狂拼*

4拼 66折 6拼 55折 8拼 5折

BOARDING PASS

Sunday
Buy More Save More
Lucky Draw

疯狂老友季

肯德基疯狂老友季·以经典致老友

超值全家桶 经典重回 59元

7月3日-7月5日
会员凭券专享
11件美味

- 5块吮指原味鸡
- 3份香辣鸡翅(2块装)
- 1个粟米棒
- 1.25升装百事可乐
- 1个醇香土豆泥

好滋味永不变
TASTE GUARANTEE

每一桶都生
一丁小肉感

百事可乐

Classics at Old Prices



Sales GROWTH

Never Stop Seeking New Growth Pillars

Toys & Games



Psyduck/Sanrio



Haikyuu!!



Teens in Times

KCOFFEE



Product



Campaign



Model

New Explorations



New Retail



KFC Grandpa's Tea



KPRO



Rebasing Cost Structure

Added Flexibility with

- Mega RGM
- Variable lease components

More Centralized

- Recruiting
- Training
- Ingredients marinating

Cost elasticity

Tech-empowered efficiency

Rebase cost structure

Centralization

Resource pooling

Increased Automation in

- Cleaning
- Inventory replenishment
- Labor scheduling

Greater Consolidation in

- Discount management
- Productivity management

KFC
2023
聚焦的力量

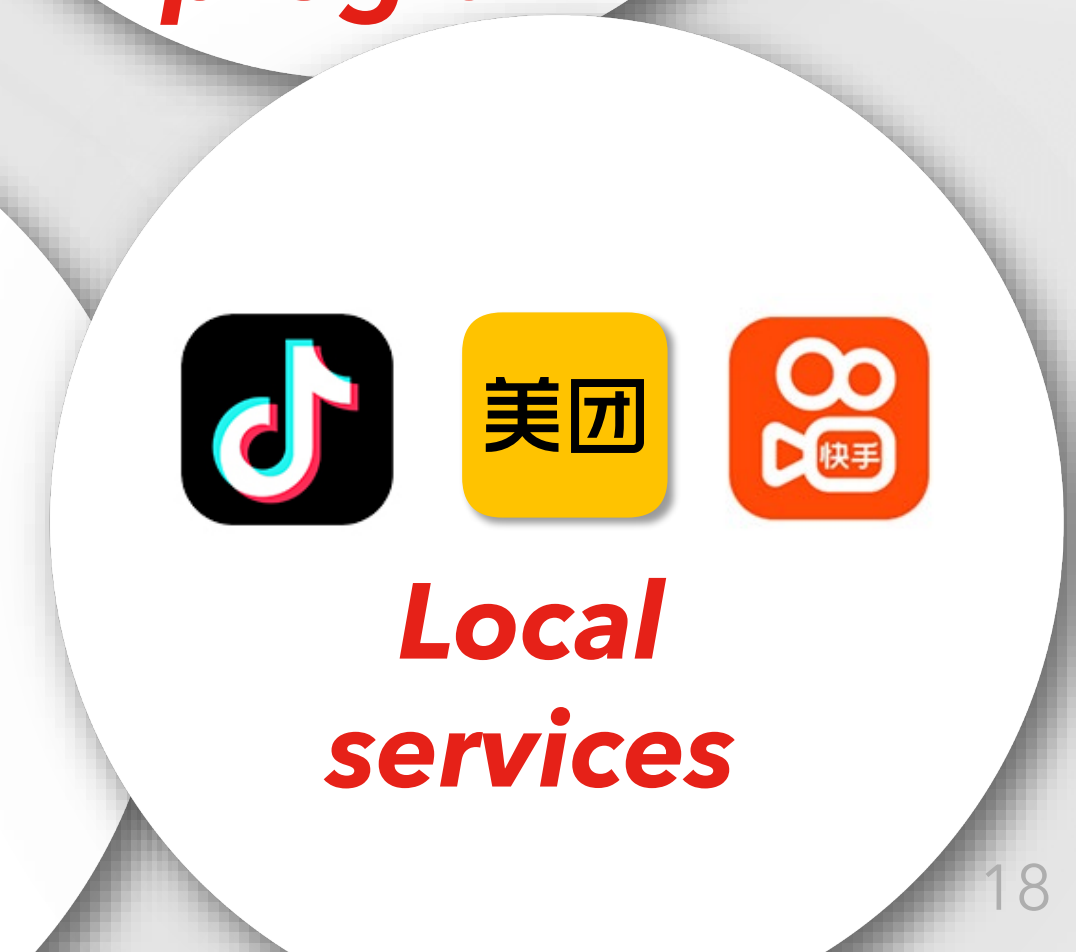
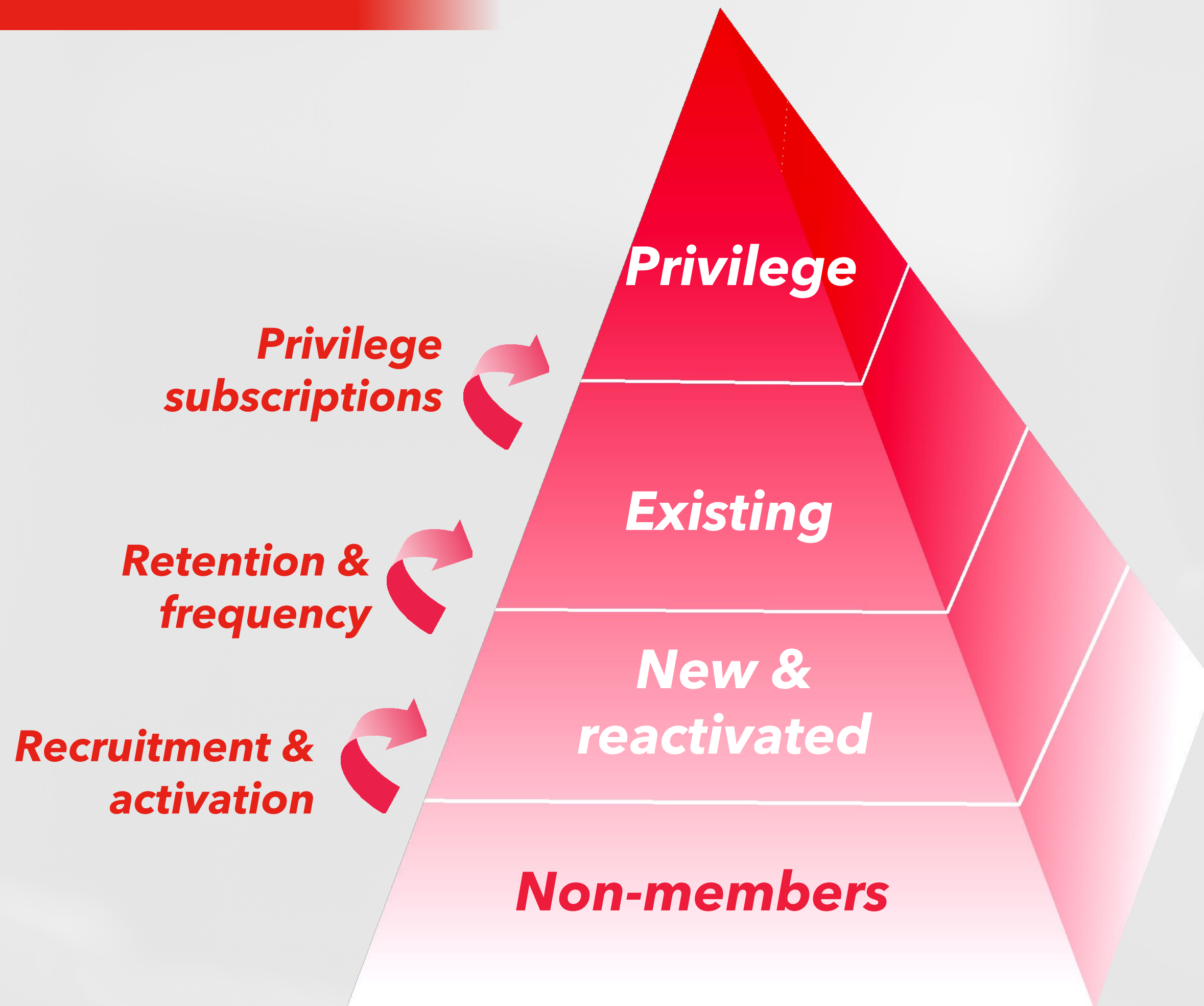


Widening Strategic Moat

Through Loyalty Programs & Digital Stores

Members

Digital Stores





Widening Strategic Moat

Customer Mania 2.0

RGM No. 1

Hear from customers

Enhance transparency

Focus



“台原本”



Solve problems

Respond quickly



Empowerment

Communication



Next Milestone - 10,000 Stores

KFC 10000



Our Vision

The Leading Brand in China's Restaurant Industry





Forever Tasty



传承经典



Time-honored Classics



现烤而出



牛蛙塔可重磅首发



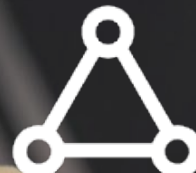
创新不止



Non-stop Innovation



出品稳定



Consistent Taste





Forever with You



买得起 ✓
*Affordable
everyday*



随时随地 📱
*Accessible
anywhere*





Forever Love and Care



尊重为先 
Respect First



为顾客疯狂 
Customer Mania



相互温暖 
Caring Community



社会责任 
Social Responsibility





心怀美好，倾心向前

Go Forward with A Heart of Love