Company Overview

We are the largest restaurant company in mainland China, with 10,506 restaurants in over 1,500 cities at the end of December 2020. We have the exclusive right to operate and sublicense the KFC, Pizza Hut and Taco Bell brands in China and own the intellectual property of the Little Sheep, Huang Ji Huang, East Dawning and COFFii & JOY concepts outright. In addition, we have partnered with Lavazza to explore and develop the Lavazza coffee shop concept in China.

Joey Wat – CEO of Yum China

2020 was an unprecedented year that tested our people, systems and capabilities. I would like to express my heartfelt appreciation to our employees and business partners. Through their dedication, creativity, and tireless efforts, we overcame numerous challenges and demonstrated our ability to succeed in the face of adversity. Fourth quarter results marked a strong finish to 2020, with same-store sales recovering sequentially and double-digit operating profit growth. Our foremost priority remains the safety of our employees and customers. The COVID-19 pandemic reinforced our determination to look after our employees and strive to be a responsible corporate citizen, an effort that is recognized by our industry.

2020 Highlights

<table>
<thead>
<tr>
<th>New Stores</th>
<th>Revenue</th>
<th>Operating Profit</th>
<th>Net Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>10,506</td>
<td>KFC 275+</td>
<td>$8.3 bn</td>
<td>$961 mn</td>
</tr>
<tr>
<td>New/Upgraded Products</td>
<td>$784 mn</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: 2020 Operating Profit and Net Income included special items of $229mil and $169mil respectively, primarily due to the re-measurement gain of Suzhou KFC acquisition.

Growth Initiatives

1. Grow store footprint
2. Develop emerging brands
3. Digital and Delivery

Digital and Delivery

Member sales as % of system sales: ~60%
Delivery as % of Company sales: ~30%
Members (millions): >300
Privilege Subscriptions (millions): 38

Awards and Recognition

- Ranked #361 in the Fortune 500
- Industry Leader for the Restaurant and Leisure Facilities industry of DISI in 2020
- Certified as Top Employer China for the third year in 2021 - Top Employers Institute
- Bloomberg Gender Equality Index for the third year in 2021

Milestones

- 2020
  - 10,000th restaurant in China
  - First Lavazza store opened
  - Acquired a controlling interest in Huang Ji Huang
- 2019
  - Opened an Innovation Center in Shanghai
- 2018
  - First COFFii & JOY store opened in Shanghai
- 2016
  - Rolled out loyalty program for KFC and Pizza Hut
- 2015
  - Separated from YUM and listed on NYSE as YUMC
- 2013
  - 5,000th KFC restaurant in China
- 2012
  - 10,000th Pizza Hut restaurant in China
- 2004
  - Acquired Little Sheep
- 1990
  - First Pizza Hut restaurant opened in Beijing
- 1987
  - First KFC restaurant opened in Beijing

2021 Outlook

- ~1,000 Gross new stores
- $~600M Capex
### Key Financial Highlights

#### Units by Brand

- **YUMC**: 8,484 (FY18), 9,200 (FY19), 10,506 (FY20)
- **KFC**: 5,910 (FY18), 6,534 (FY19), 7,166 (FY20)
- **Pizza Hut**: 2,281 (FY18), 2,355 (FY19)

#### Revenue % by Brand

- **KFC**: 70%
- **Pizza Hut**: 21%
- **All Other Segments**: 6%
- **Others**: 3%

#### Same-Store Sales Growth

- **YUMC**: 1% (FY18), 3% (FY19), 1% (FY20)
- **KFC**: 2% (FY18), 4% (FY19), -5% (FY20)
- **Pizza Hut**: -9% (FY18), -8% (FY19), -14% (FY20)

#### Total System Sales Growth

- **YUMC**: 5% (FY18), 9% (FY19), 7% (FY20)
- **KFC**: 2% (FY18), 3% (FY19), 11% (FY20)
- **Pizza Hut**: -5% (FY18), -5% (FY19), -1% (FY20)

#### Restaurant Margin

- **YUMC**: 16% (FY18), 15% (FY19), 16% (FY20)
- **KFC**: 18% (FY18), 18% (FY19), 16% (FY20)
- **Pizza Hut**: 10% (FY18), 11% (FY19), 11% (FY20)

#### Operating Margin

- **YUMC**: 12% (FY18), 11% (FY19), 13% (FY20)
- **KFC**: 16% (FY18), 16% (FY19), 14% (FY20)
- **Pizza Hut**: 5% (FY18), 6% (FY19), 4% (FY20)

#### Diluted EPS

- **FY18**: $1.79
- **FY19**: $1.84
- **FY20**: $1.95

#### Adjusted Diluted EPS

- **FY18**: $1.53
- **FY19**: $1.53
- **FY20**: $1.53

#### Cash Dividends and Share Repurchases

- **FY18**: $473
- **FY19**: $442
- **FY20**: $102

---

**Disclaimer:**
Caution concerning Forward Looking Statement: This document contains "forward-looking statements" to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. 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 Form 10-K, subsequent Quarterly Reports on Form 10-Q and other reports we file with SEC) for additional detail about factors that could affect our financial and other results.