



YumChina

# FORTIFYING RESILIENCY, ACCELERATING GROWTH

2021 YUMC INVESTOR DAY

**Joey Wat**

Chief Executive Officer





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**11,023**

Total stores<sup>1</sup>

**~3,500**

Net new adds<sup>2</sup>

**\$8.3 bn**

Total revenue<sup>3</sup>

**50%+**

OP growth<sup>4</sup>

**\$4.5 bn**

Operating Cash Flows<sup>5</sup>



1. As of June 30, 2021  
 2. Cumulative from Jan. 1, 2017 to June 30, 2021, including Huang Ji Huang  
 3. As of Dec. 31, 2020, in reported currency  
 4. Reported currency 2020 vs. 2016  
 5. 2017 to 2020 in reported currency  
 General note - \$ refers to US Dollar in the presentation



Fortify business

# Resiliency



Accelerate

# Growth



Widen strategic

# Moat



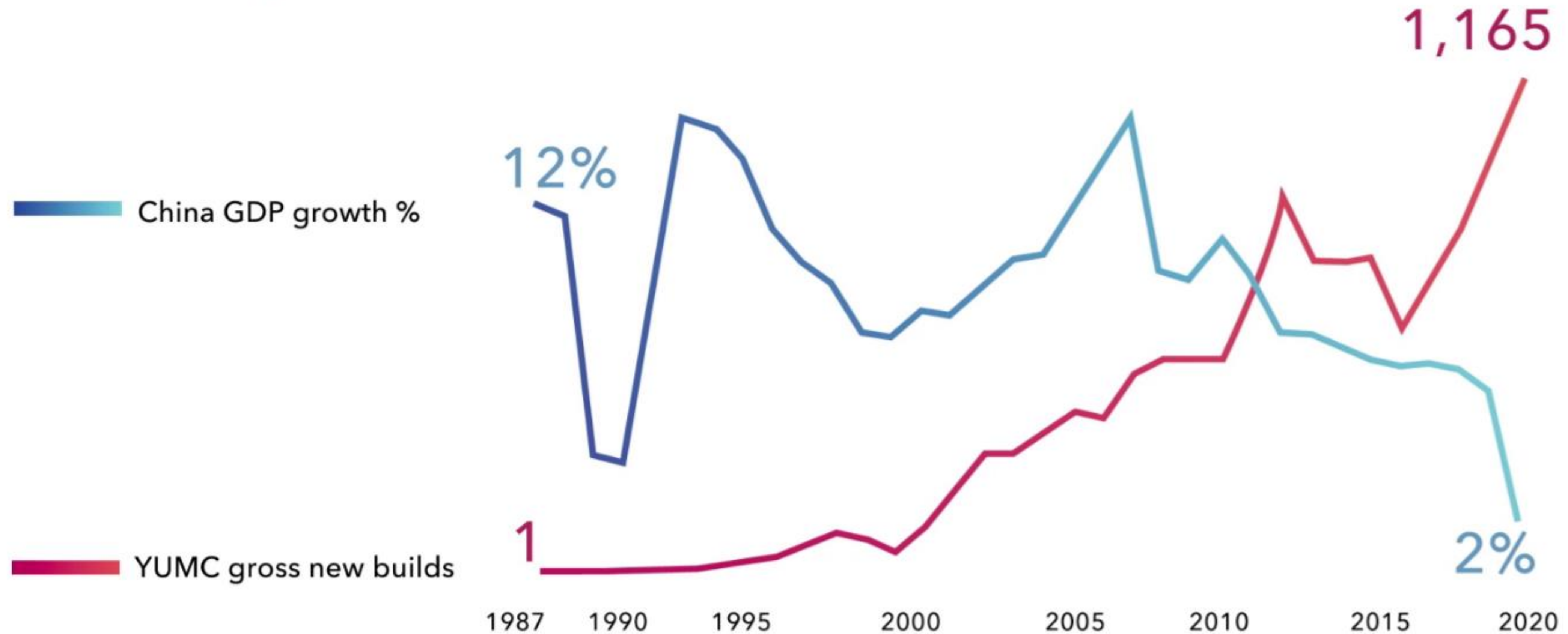




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# Unprecedented Store Expansion Pace

## Resilient expansion model



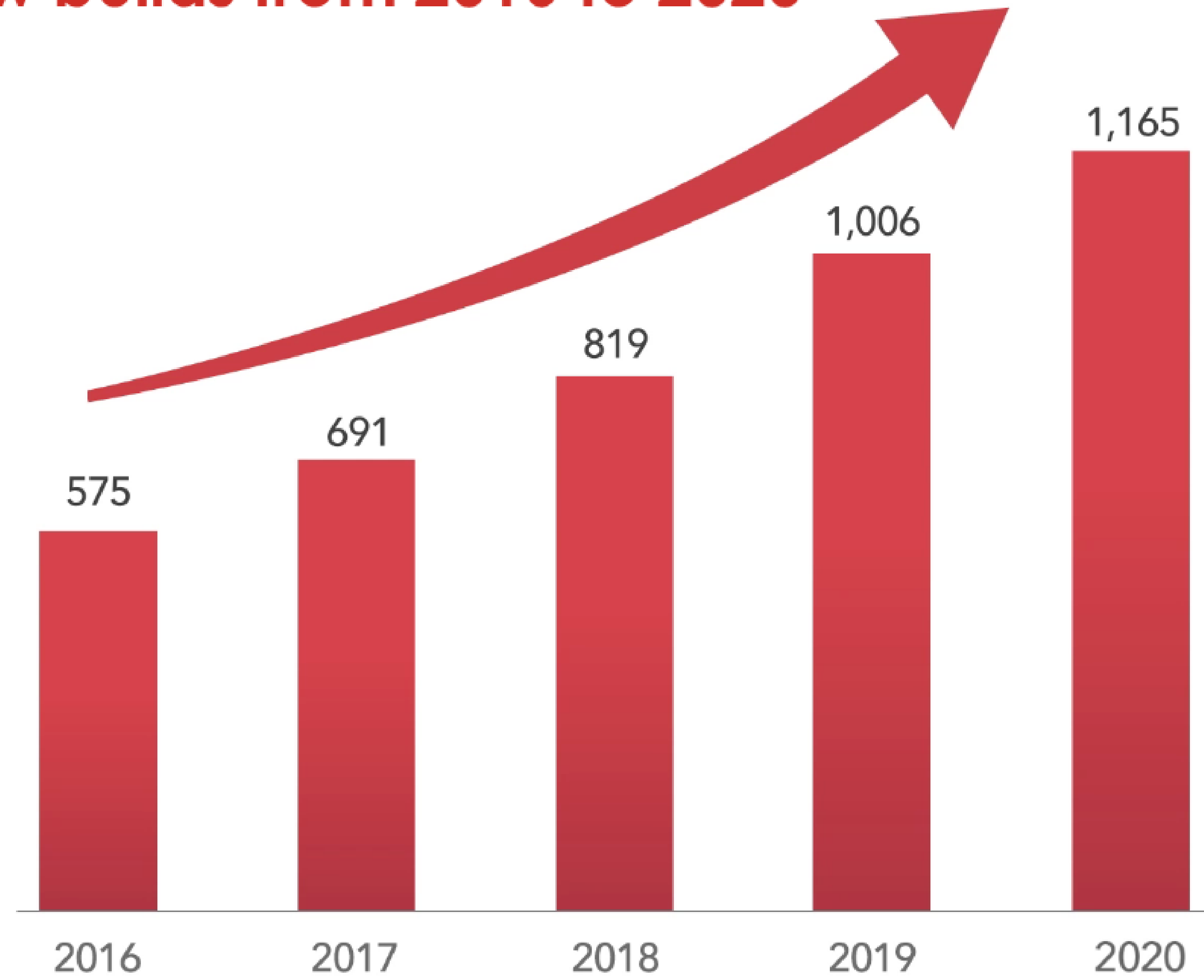




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# Unprecedented Store Expansion Pace

Gross new builds from 2016 to 2020



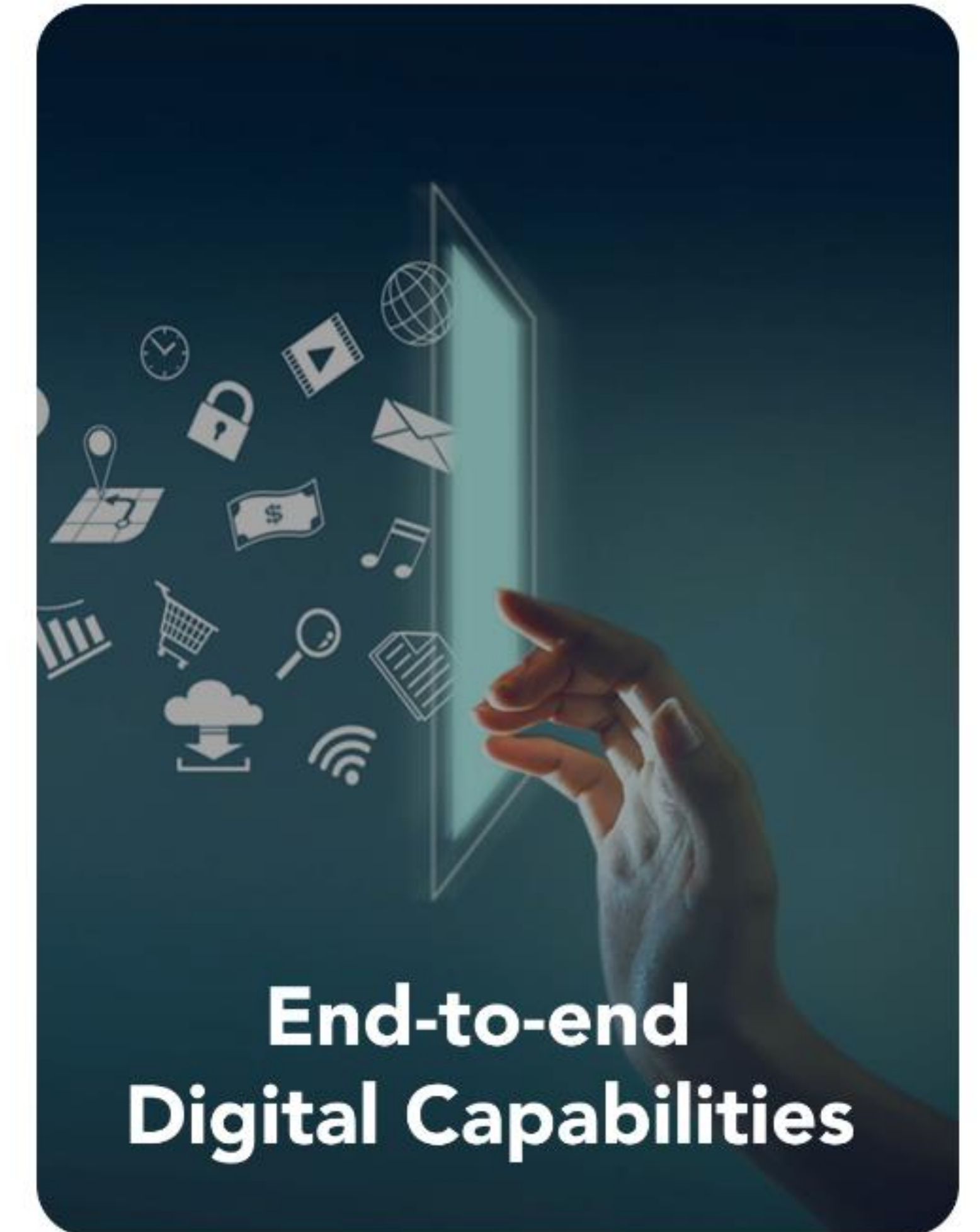
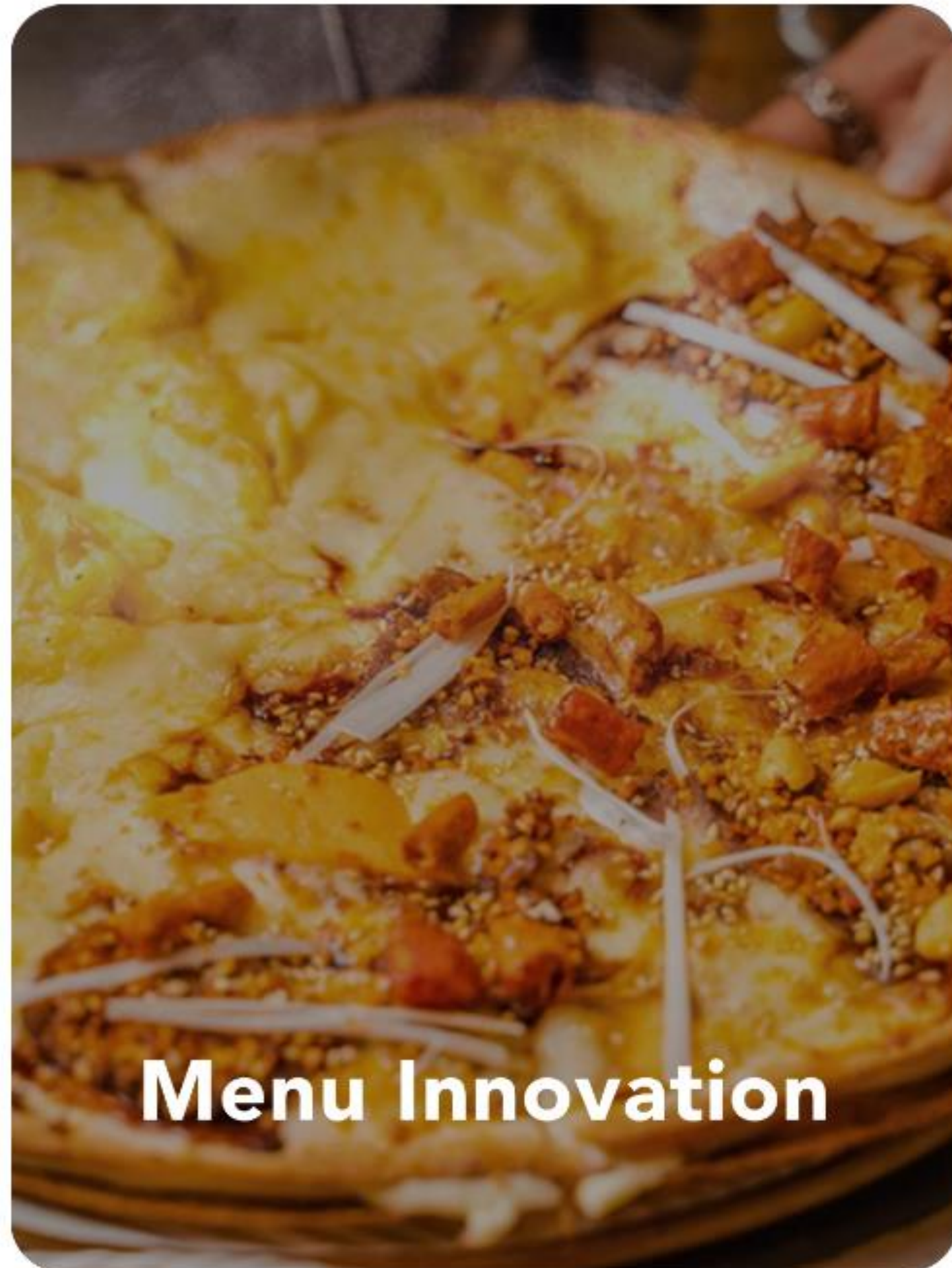
**3** new locations every day





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# Enabled by Key Competitive Advantages





# Unwavering Commitment to Menu Innovation

Strengthen  
Core Categories



Crispy Air chicken on-the-bone

Expand  
Dayparts



Late night street food

Broaden  
Food Choices



Coconut drink

Explore  
Regional Menu



Hot and dry noodle



Hand-tossed pizza dough



Afternoon tea

植世代川辣嫩牛五方  
植世代牛肉为别样肉客™牛肉风味植物蛋白制品



Plant-based meat

新 肯德基小笼



Steamed dumplings



# Our World-class Supply Chain Enables Accessibility, Reliability & Agility





# Using Digitalization to Transform Store Operations



Super brain



Pocket manager



Smart delivery







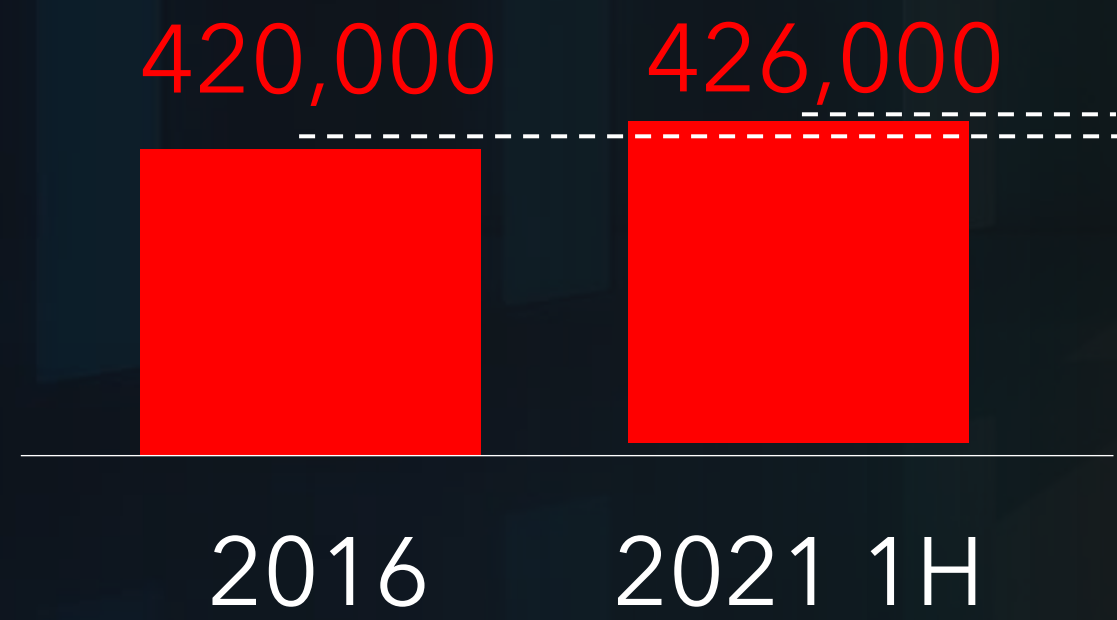
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### Stores



**+45%**

### Employees



**Flattish**





# Going Forward, We Face Challenges & Opportunities

Regional  
Outbreak



Consumer  
Sentiment



Intensified  
Competition





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# Resiliency



Accelerate

# Growth



Widen strategic

# Moat



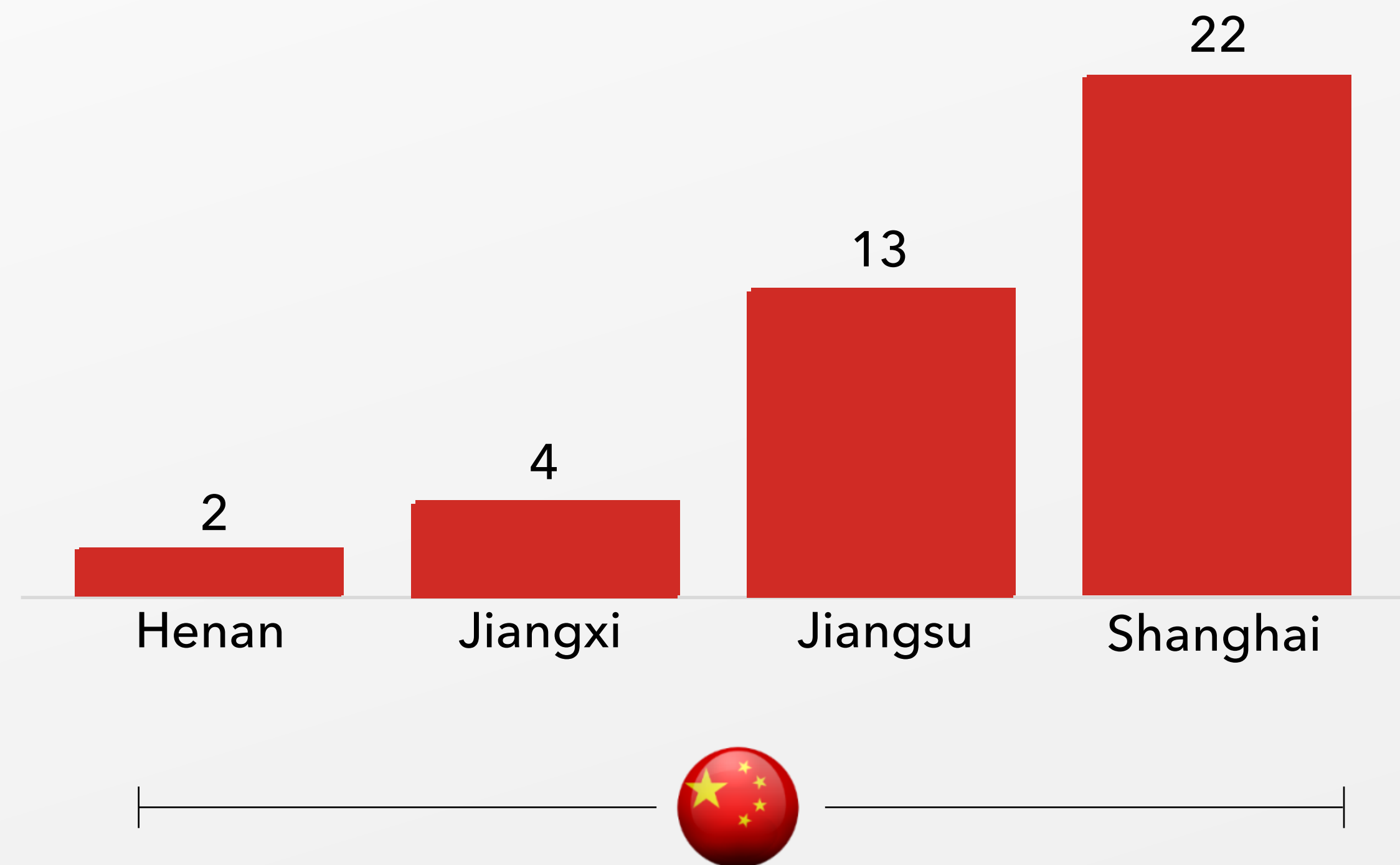


# China Macro Economy Continues to Support Growth

■ Annual urban population increase (2021-2025)



■ Total KFC & Pizza Hut stores per mn people<sup>1</sup>



1. As of Dec. 31, 2020

Source: National Bureau of Statistics, CBN, Public data on Yum! Brands' IR website



# Embrace Opportunities in the New Normal



**Off-Premise**

**RMB660 bn+**  
Market size  
representing 15-20% of the  
overall foodservice market<sup>1</sup>



**New Retail**

**25-35%**  
expected average  
annual growth from  
2020-2025<sup>2</sup>



**One-Person  
Meal**

**Single-dining**  
trend is rising



**Aim to Reach 20,000 Store Milestone**





# KFC

## KFC Remains Resilient and Nimble



**7,600+**

Total stores <sup>1</sup>

**1,430**

Net new adds <sup>2</sup>

**+75%**

Delivery sales growth <sup>3</sup>

**+15%**

Operating profit growth <sup>4</sup>

1. As of June 30, 2021; 2. Net new adds from July 1, 2019 to June 30, 2021; 3. 2021 1H vs 2019 1H in constant currency; 4. 2021 1H vs. 2019 1H in reported currency



# Pizza Hut Innovates to Grow

Pizza Hut

**2,400+**

Total stores <sup>1</sup>

**170+**

Net new adds <sup>2</sup>

**+40%**

Delivery sales growth <sup>3</sup>

**+25%**

Operating profit growth <sup>4</sup>

1. As of June 30, 2021; 2. Net new adds from July 1, 2019 to June 30, 2021; 3. 2021 1H vs 2019 1H in constant currency; 4. 2021 1H vs. 2019 1H in reported currency



# Make Coffee a Meaningful Part of Yum China



低酸度。莓果甜。焦糖香。

阿拉比卡  
和阿拉比卡是  
不一样的。

新。  
K  
COFFEE

K COFFEE 你喝咖啡 我喝K咖啡



TEA COFFEE  
柚香茉莉茶咖

COFFii & JOY  
精品咖啡





# Capitalize on At-home Occasion with Retail Products



Product Portfolio



Omni-channels



Fortify business

# Resiliency



Accelerate

# Growth



Widen strategic

# Moat







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# Explore Opportunities in Supply Chain

POPULATION

0%

0

FOOD PRODUCTS

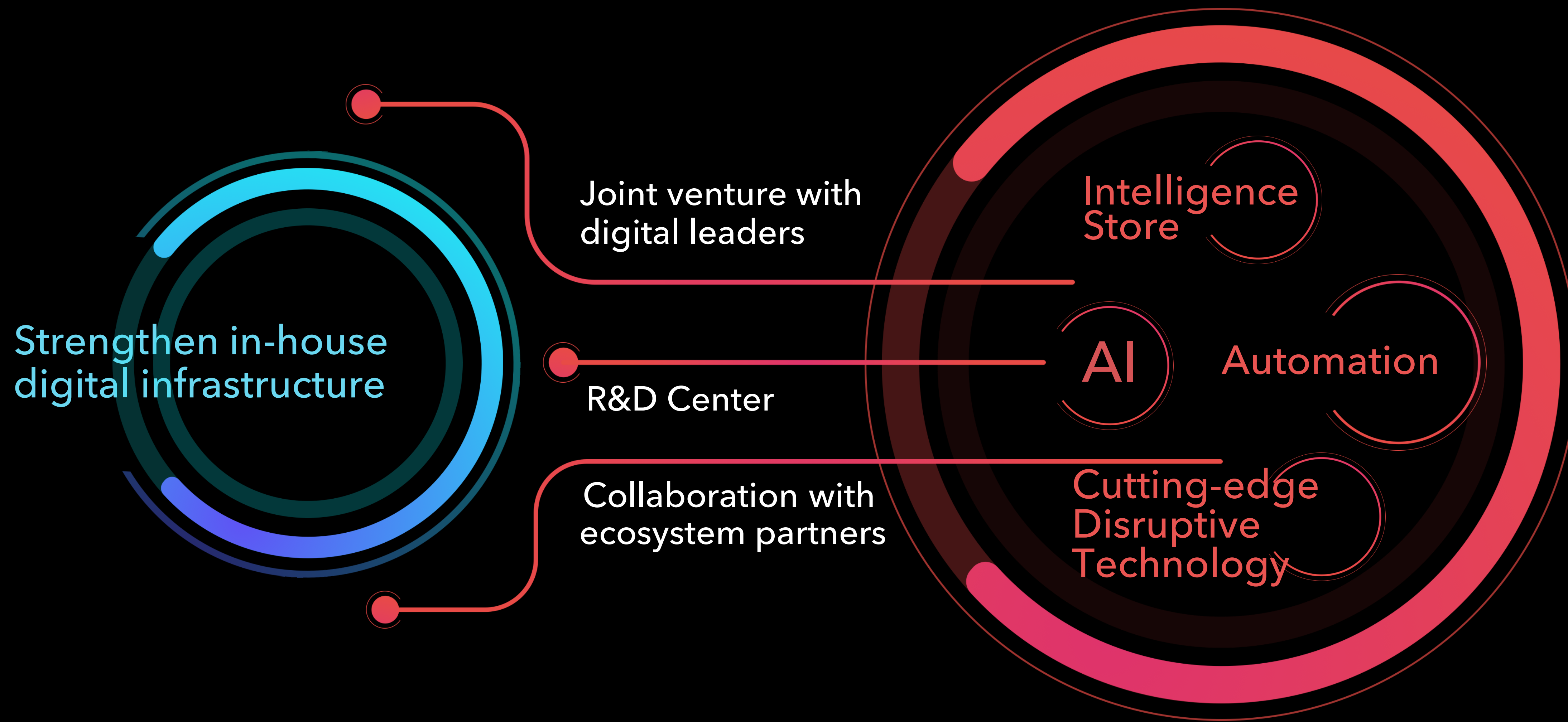
10%

7698





# Strengthen Digital Capabilities to Empower Growth





# Create a Responsible Ecosystem



**Environment**



**Food**



**People**

## Goals and commitments



Commit to setting **science-based** emissions reduction targets, in line with SBTi (Science Based Target initiative) criteria



Reach **net-zero** value chain Greenhouse Gas (GHGs) emissions by 2050



# Strive to Make the World a Better Place

One-Yuan Donation  
14 years of commitment



COVID-19 Support



Community Support



Employee Empowerment



Top Employer in  
China for the third  
consecutive year



Only Mainland China  
company included in  
2021 Bloomberg GEI



Industry Leader for the  
Restaurant & Leisure Facilities  
Industry in the 2020 Dow  
Jones Sustainability Indices





# Reinforce RGM#1 Culture







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