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," "likely," "will," "continue," "should," "forecast," "outlook," "ongoing" 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 business plans, earnings, performance and returns of Yum China, statements regarding the revitalization of Pizza Hut and collaboration with Sinopec and CNPC, anticipated effects of population and macroeconomic trends, the capital structure and effective tax rate of Yum China, the anticipated effects of our digital and delivery capabilities 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, 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 “Forward-Looking Statements” in our Annual Report on Form 10-K) 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 industry. 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.
Our First KFC Store in Shanghai
Meet Our Experienced Leadership Team

Joey Wat  
Chief Executive Officer

Jacky Lo  
Chief Financial Officer

Johnson Huang  
General Manager KFC China

Jeff Kuai  
General Manager Pizza Hut China

Ted Lee  
General Manager Little Sheep & East Dawning

Angela Ai  
Chief Development Officer

Steven Li  
Chief Marketing Officer

Shella Ng  
Chief Legal Officer & Corporate Secretary

Danny Tan  
Chief Supply Chain Officer

Alice Wang  
Chief Public Affairs Officer

Aiken Yuen  
Chief People Officer

Leila Zhang  
Chief Technology Officer
The World’s Most Innovative Pioneer In The Restaurant Industry
Largest Restaurant Company in China

- 5,900+ KFC stores
- 2,200+ Pizza Hut stores
- 1,200+ cities with stores
- 1,100+ cities with delivery service
- 20 Logistics centers
We’ve Proven We Can Grow at Scale

- **8,484**: total stores by the end of 2018
- **9**: consecutive quarters of system sales growth since spin-off
- **160 MN**: more KFC members compared with four years ago
- **50 MN**: more Pizza Hut members compared with four years ago
- **3X**: delivery sales in 2018 vs. 2014
- **48%**: operating profit growth from 2016 to 2018\(^1\)

\(^1\) Reported currency
Yum China Has a Long Runway for Growth
## China Restaurant Market: Growing to be The World’s Largest

The China restaurant market is expected to be the world’s largest by 2023. Here are the growth outlooks for top three restaurant markets from 2018 to 2023:

<table>
<thead>
<tr>
<th>Market</th>
<th>Total Restaurant Market 2023 ($ billion)</th>
<th>CAGR 2018-23 (%)</th>
<th>Delivery Market Size 2023 ($ billion)</th>
<th>CAGR 2018-23 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>~990</td>
<td>8%</td>
<td>~55</td>
<td>15%</td>
</tr>
<tr>
<td>United States</td>
<td>~970</td>
<td>3%</td>
<td>~21</td>
<td>8%</td>
</tr>
<tr>
<td>Europe</td>
<td>~580</td>
<td>2%</td>
<td>~15</td>
<td>10%</td>
</tr>
</tbody>
</table>

SOURCE: iResearch, National Restaurant Association of USA, Statista
Yum China: Lots of Growth Still Ahead

Room to increase penetration
Number of KFC and Pizza Hut stores per million people, 2018

- China: 5.8
- UK: 22.8
- Malaysia: 33.5
- USA: 35.5

Urbanization Rate, 2018
- 60%
- 81%
- 77%
- 84%

And ~1,000 more cities to penetrate

Our Strategy for Profitable Growth

SUSTAINABLE PLATFORM FOR GROWTH

YUM CHINA BRAND PORTFOLIO

ENABLED BY THREE PILLARS ACROSS BRANDS

AND CROSS FUNCTIONAL CAPABILITIES

SUPPORTED BY FOUNDER’S MENTALITY CULTURE
Four Key Differentiators

- Hard-to-Match Capabilities
- Disruptive Innovation
- Unique Culture & Talent
- High-impact Partnerships
Best-in-Class Development Capabilities

- ~1,000 development and asset managers
- 10+ store formats developed for KFC and Pizza Hut to meet different consumer needs
- 900+ stores remodeled in 2018
- ~30% cost savings of new store build for KFC and Pizza Hut

1 Comparison between stores opened in two periods, period 1: Oct 2013 to Sept 2014, period 2: Oct 2016 to Sept 2017
Aggressively Expanding Store Portfolio

Yum China new openings, 2016-18
Number of stores

- 2016: 575 stores
- 2017: 691 stores
- 2018: 819 stores

~2 new stores a day
Advanced Nationwide Supply Chain

- 1,200+ current cities
- 1,000+ greenfield cities
- 20 Logistics centers
- 24x7 monitoring of refrigerated trucks
- ~50% lower cost than industry average
Continuously Enhancing Our Digital Capabilities

- 160mn KFC and 50mn Pizza Hut members
- Multiple privilege programs
- Digital ecosystem
- Seamless online and offline experience
- AI forecasting
- Dynamic dispatching and scheduling
Committed to Disruptive Innovation
Committed to Disruptive Innovation
Committed to Disruptive Innovation

Hub and Spoke Model

Dessert & Drink
Dessert & Drink
Delivery Support Store

Traditional Dine-in Store
Leveraging Capabilities to Accelerate Growth Opportunities
High Impact Partnerships with Industry Leaders

Formed strategic partnerships\(^1\) for a period of **20 years**

Agreed on *exclusive* rights with CNPC in franchise business

Target to open **100+** stores at gas stations over the next 3 years

1 With Sinopec sales company and CNPC
Building a Better Work Environment

**Top Employer 2019 in China**
- Recognize commitment to creating a diverse and inclusive space

**Bloomberg Gender-Equality Index 2019**
- 1 of 3 Chinese companies selected

**RGM NO.1 (Restaurant General Manager)**
- Provide qualified RGMs with family health insurance (incl. their spouses, parents and children)
Strengthening the Communities We Serve

One Yuan Donation Charity
- Provided training to 860 local farmers in Yunan
- 40+ million nutritious meals provided

Grow Local Initiative

KFC Reusable Basket
- Target to reduce 2,000 tons of paper packaging

KFC Angel Restaurants
- Offered 200+ jobs for staff with special needs
We Have a Long Runway for Growth

- Unrivalled position in China
- Hard-to-match capabilities
- Disruptive innovation
- High-impact partnerships
- Unique culture and talent