



YumChina

RESILIENCE GROWTH MOAT 2.0

2023 YUM CHINA INVESTOR DAY

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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," "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, investment, dividend and share repurchase plans, earnings, performance and returns of Yum China, anticipated effects of population and macroeconomic trends, pace of recovery of Yum China's business, the anticipated effects of our innovation, digital and delivery capabilities and investments on growth, beliefs regarding the long-term drivers of Yum China's business and sustainability goals. 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, including the COVID-19 pandemic, 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 "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.

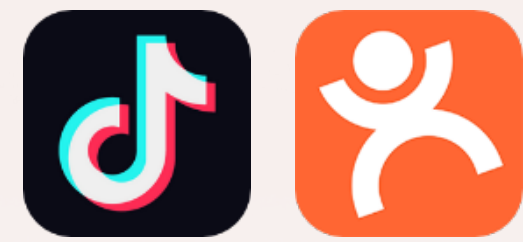
Non-GAAP Measures. This presentation includes certain non-GAAP financial measures. Reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measures are included in this presentation where indicated. You are urged to consider carefully the comparable GAAP measures and 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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The Power of Digital: From Customer Experience to Operations



Multi-Channel Engagement



Super APPs



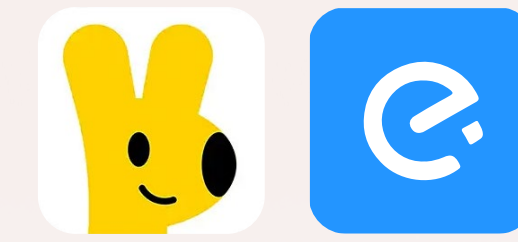
Mini Programs



Membership Experiences



Delivery Services



3rd Party Delivery

Customer-Facing Digitalization

Store & Enterprise Digitalization



Pocket Manager



Remote Store Management



Cloud Based POS System



Enterprise Systems



YUMC Cloud

Build an End-to-End Store-Focused Digital Value Chain

1 Digitalized Supply Chain & Food Safety



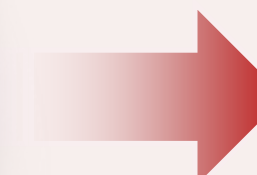
Suppliers



Logistics



Company-owned Stores



3 Digitalized Franchise Development & Management



Franchise Stores



4

YUMC Cloud



① Streamline Supply Chain Operations and Ensure Food Safety

**Real-Time,
Automatic
Store Inventory
Monitoring**



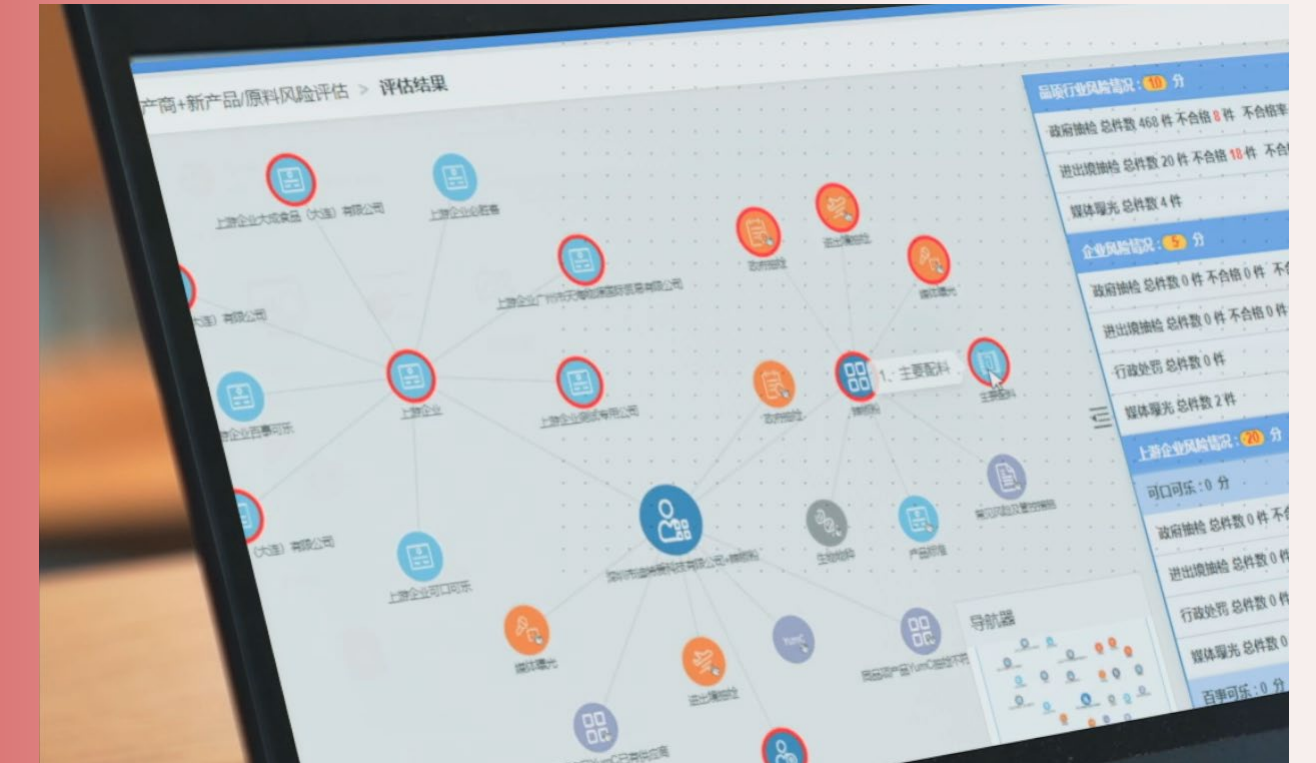
**Integrated
Data Control
from Suppliers
to Stores**



**AI Enabled
Inventory
Replenishment for
KFC and Pizza Hut**



**Knowledge
Graph Based
Food Safety and
Quality Solutions**



② Empowering Store Staff with Intelligent Solutions



AI-backed Operation Analysis



Remote Store Supervision



Intelligent Monitoring



**Improved Operational Efficiency via Empowerment of Store Management:
Enabled **80%** Store Growth with Relatively **FLAT** Headcount¹**

1. Store count and headcount comparison: Jun 30, 2023 vs Dec 31, 2016

③ Enabling Franchise Store Expansion

Customized APP
For franchisees



"One System, One Process"



"悟空" CPOS¹ + "掌柜"

Empower Franchise Store Operations

Enhance Franchise Management

100% of Franchise Stores Use YUMC Franchise Systems²

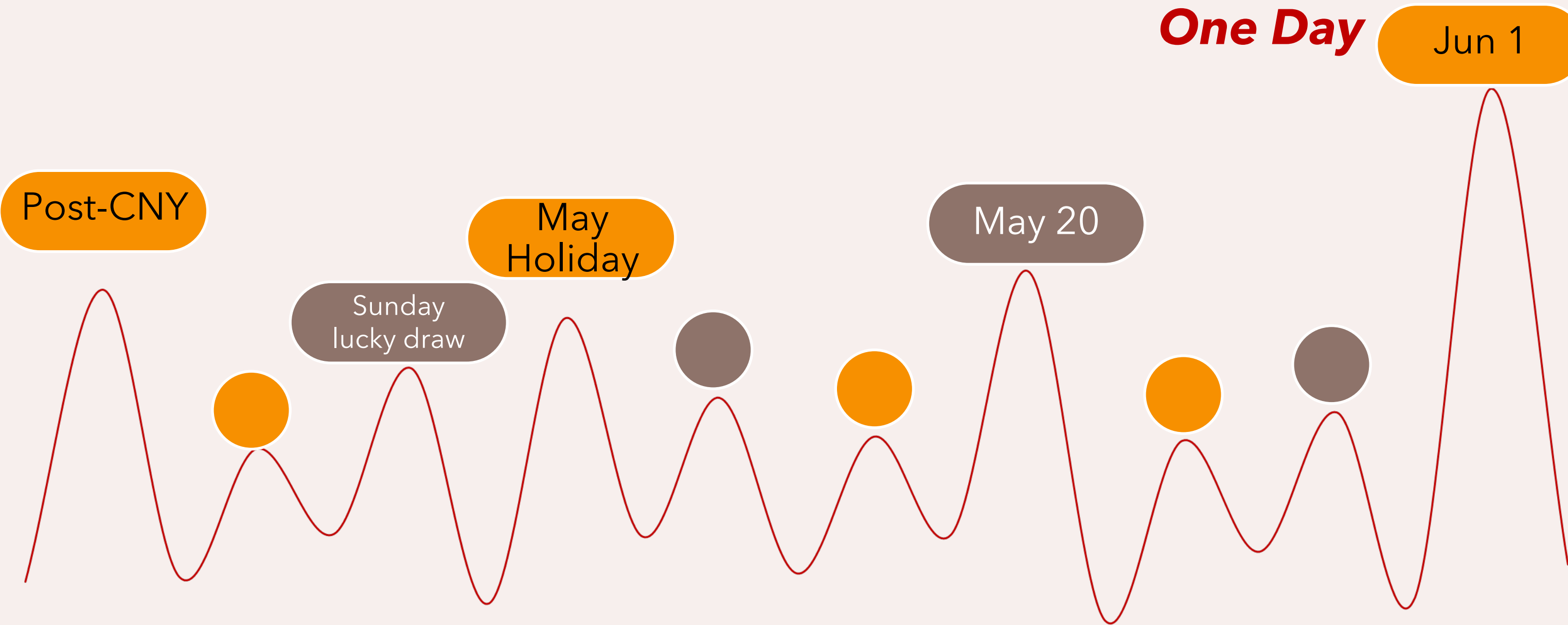


Ensure Consistency of Customer Services

1. Cloud-based Point-of-Sales system
2. Full integration at KFC, Pizza Hut and Huang Ji Huang stores; Little Sheep integration is expected to be completed by year end

④ Ensuring Reliability, Efficiency, and Security with YUMC Cloud

8.5mn+
Transactions in
One Day



**Exceptional
Customer
Experience**



**Cost-
Effectiveness**



**Integrated
Security**

 **百胜云** *Support Spikes in Order Transactions*

● Thursday
● Weekend

Migrating Towards Digitalization 3.0 - A New Era of AI

1.0 Digital Store
From 2016

2.0 Intelligent Store
From 2021

3.0 New Era of AI
From 2023

K COFFEE
专业的K咖啡来了
新鲜现磨咖啡。

~7,000 stores

~10,000 stores

~13,000 stores

~20,000
stores (2026E)



AI is Revolutionizing Our Customer Journey

Enhance

AI Community Assistant &
AI Recommendations



*Customer
Operations*



AI-enabled
Customized Interface



*Order & Delivery
Services*



AI Chat-bot



*Customer
Support*

&

Innovate

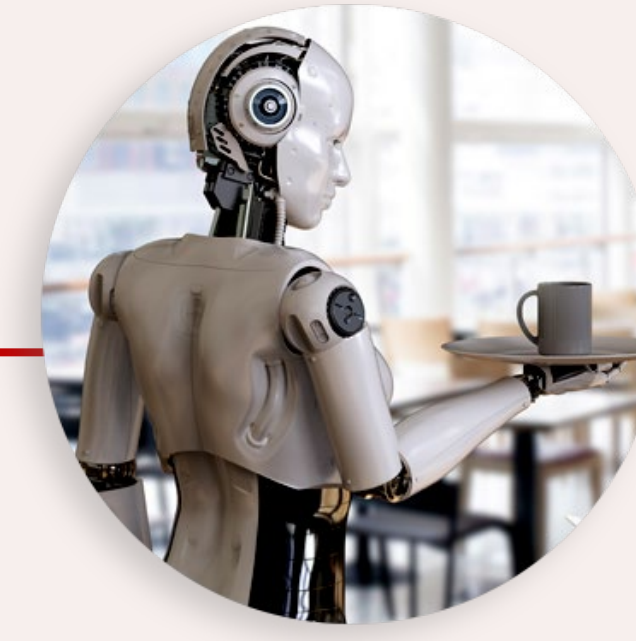
*Customer
Engagement*



AI-enabled Creations
& Livestreams



*Restaurant
Services*



AI Service Assistant with
Natural Conversation



AI is Transforming Support to Our Store Staff



Enhance the Support

Action recommendations provided by AI to improve store operations



Broaden the Application

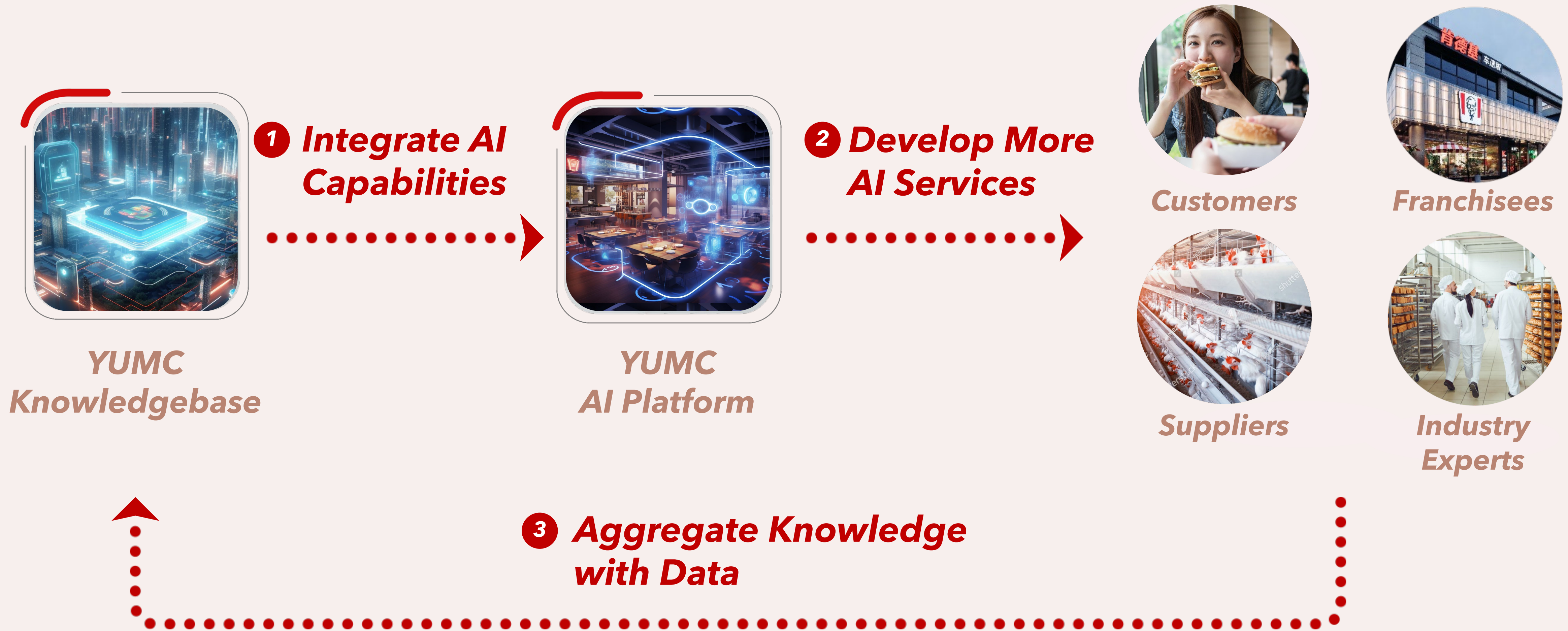
AI-enabled recruitment, training, appraisal and promotion, etc.



Discover and Innovate

e.g., Preemptive equipment maintenance and dynamic delivery planning

Knowledge-Based AI Will Drive the Evolution of Our Ecosystem



Leveraging In-House Digital Capabilities to Continuously Innovate

YumChina
数字化研发中心

**AI
Algorithm**

**Data
Integration**

**End-to-End
Digitalization**

**Data, AI, and Engineering
Professionals**

**Digital Service and
Support Taskforce¹**

~1,000

**YUMC
Cloud**

**Cyber
Security**

1. As of Jun 30, 2023

Enhancing YUMC Infrastructure for AI





Embracing the New Era of AI

***Widening Our Strategic Moat
to Support 20,000 Stores***