

RESILIENCE GROWTH MOAT 3.0

2025 INVESTOR DAY

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Pizza Hut



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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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Key Take-Aways

No.1 WCDR Brand, Accelerate Growth

Vast Untapped Market Potential

Ambitious Strategy for the Future



4,000th Store in Sanya

Pizza Hut

4000



No.1 Western Casual Dining Restaurant in China¹ And Accelerate Growth

Sustained Transaction Growth

+17%

Same-Store Transaction Count (TC)
2025 Q3YTD vs. 2024 Q3YTD

11

Consecutive
Quarters

with Positive
Same Store TC

Improved Profitability

+90bps
(13.7%)

Restaurant Margin
2025 Q3YTD vs. 2024 Q3YTD

+16%
(~\$163mn)

Operating Profit
2025 Q3YTD vs. 2024 Q3YTD

Navigate Through Cycles With Strong Team and Trustworthy Brand

Team

Brand



The Favorite Western Casual Dining Restaurant Brand in China¹



Leading Position in Multiple Categories¹





Strong Capabilities in Omni-Channels and Digital

Channel Expansion

Digital Capability

Off-premise Sales Mix

Member Count

Member Sales Mix

2025
Q3YTD

~53%

200mn+

~58%

2019 – 2025
Q3YTD Growth

+24pt

~3X

+13pt

2019
Q3YTD

~29%

65mn+

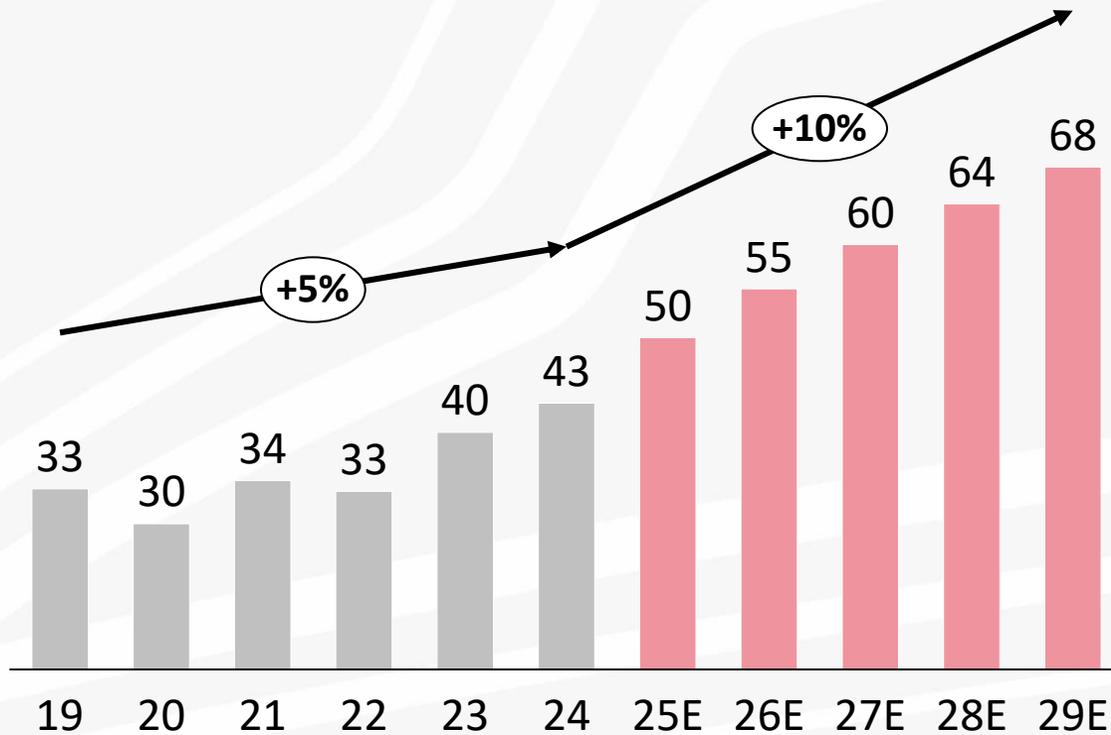
~45%



Vast Untapped Market Potential In Both Pizza and Burger Sectors

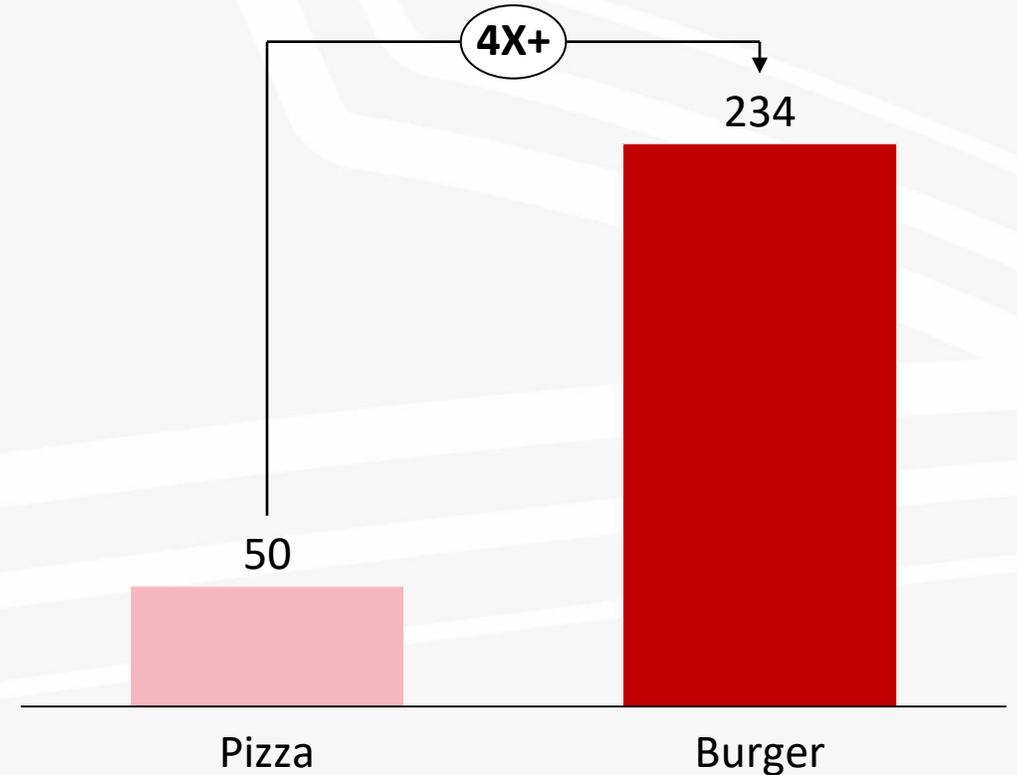
Pizza Category: Robust Growth Momentum

China Pizza Restaurant Market¹ (RMB bn)



Burger Category: Huge Potential Ahead

Pizza and Burger 2025E Addressable Market² (RMB bn)

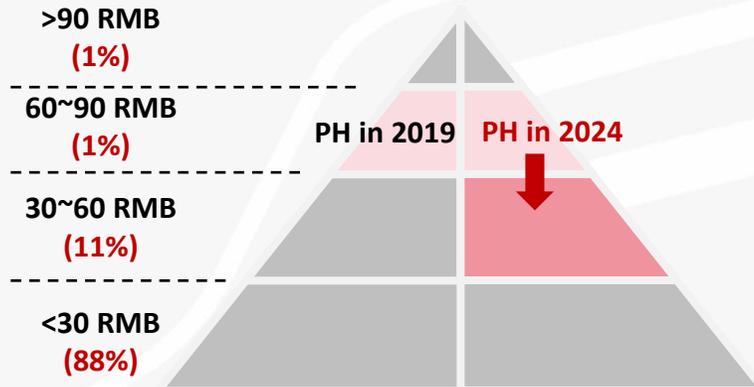




Broaden Coverage Across Price Ranges, Cities, Occasions, And Customers

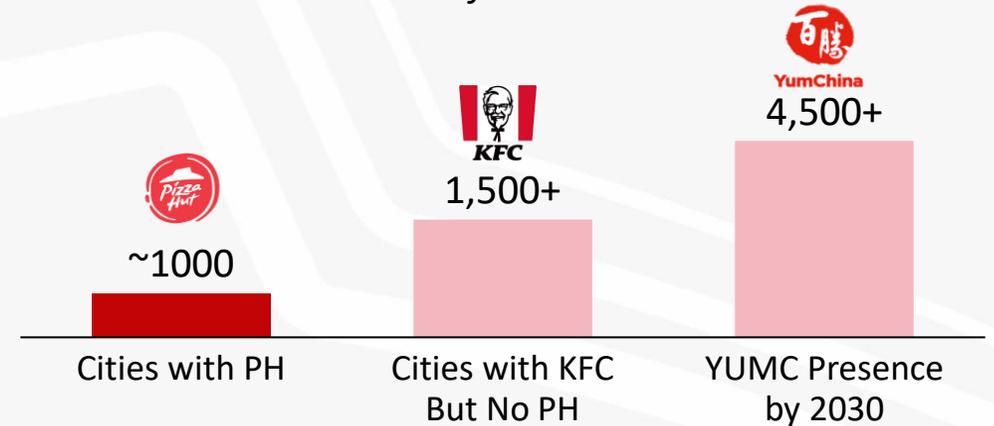
Broader Price Tiers

Dine-in Order Distribution by Per Person Spending on Meituan¹



More Cities

Number of Cities & Towns²



More Occasions

More Customers



Solo Dining Market

800bn RMB³



Single-Person Household

58mn → 125mn⁴

(6th Census) (7th Census)



Youth



Value-conscious Groups

1. 2024 Snacks & Fast Food Per Person Spending by Meituan; 2. by YUMC definition 3. China IRN, in 2024; 4. National Bureau of Statistics, China's 6th and 7th Population Census

Beyond Inflection Point:

2026-28 Aspirational Goal¹

System Sales² CAGR

High Single Digit

Same-Store Sale Index YoY

100-102

Operating Profit³ CAGR

Double Digit

Store Units

6000+ (by 2028)

Double PIZZA HUT Operating Profit In 5 Years (2029 vs 2024)

From RGM2.0 to RGM3.0

Resilience

Growth

Moat

R - G - M **3.0**

INNOVATION

**OPERATIONAL
EFFICIENCY**

Long-term Strategic Priorities



Resilience

Expand
Restaurant
Margin

Accelerate
New Store
Development



Growth

Keep
Elevating
Food Taste
and Value-
for-Money

Drive
Delivery
Growth

Enhance
Digital
Capabilities

Develop New
Categories,
Occasions,
Channels &
Customer
Groups



Moat

Relentless
Focus on In-
store
Customer
Experience

Promote
"People First"
Culture



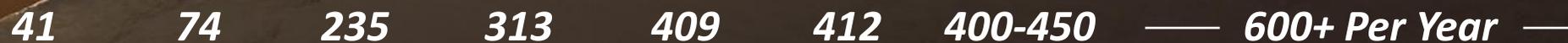
Accelerating High Quality New Store Development

Targeting **Net New Builds 600+ Per Year**,
 And Maintaining **New Store Payback Period of 2-3 Years**

Total Store Count



Net New Builds





Focus on 4 Key Levers to Accelerate New Store Development

Where to Expand

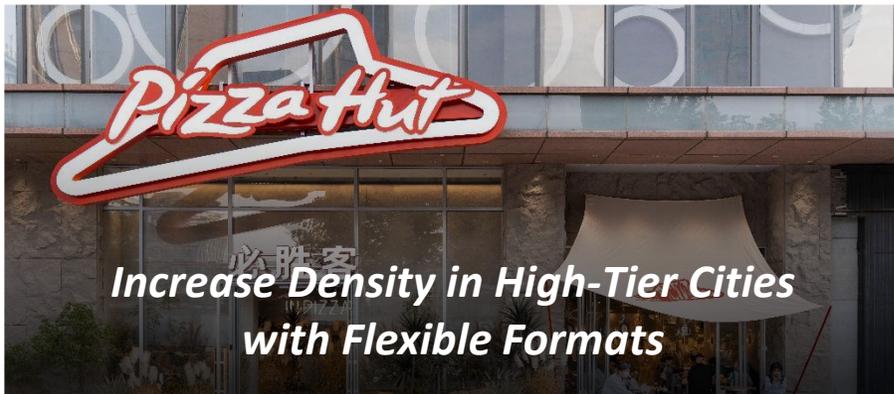
~1000
Existing Cities with PH

~3500
New Cities without PH

1000

4500

How to Expand



Increase Density in High-Tier Cities
with Flexible Formats



Penetrate Lower-Tier Cities
with WOW Model



Store Asset Optimization



Accelerate Franchise

Increase High-Tier Density & Penetrate Low-Tier Cities Using Flexible Formats



Positioning	Dine-in for Family & Group Diners	Off-premise Consumption	Young & Solo Diners in Low Tier
Delivery Mix	Low to Mid	High	Low
Pricing	Mid-low Pricing	Mid-low Pricing	Everyday Low Pricing
Service Model	Table Service	Delivery Focus	Table Service/Counter Service
Investment	0.8-1.2mn RMB	0.5-0.8mn RMB	0.65-0.85mn RMB

Enabled by AI-powered Site Selection, Investment Reduction & Rent Optimization

Initial Performance of Pizza Hut WOW in Low-Tier Cities is Encouraging



Spicy Chicken Pizza
RMB 19



Beef Curry Rice
RMB 21



Matcha Cake
RMB 15



Meat Lovers' Melts
RMB 19



Grilled Chicken Skewer
RMB 12



Grape Cold Brew Coffee
RMB 9

Capital
Expenditure

0.65-0.85m RMB

Estimated
Payback Period

2-3 Years

Optimize Existing Restaurant Assets



必胜客

PIZZA



Zero-based Network Planning



50%+ *Stores Use New Design¹*

Enhance The Core and Expand Adjacencies to Drive SSSG

- Large Party/Social Events
- Small Gatherings
- Solo Indulgence
- Everyday Routine

Tier 1/2 Cities

Enhance the Core

- Product
- Value
- Delivery

Expand Adjacencies

- New Category
- New Occasion
- New Channel
- New Customer

Tier 3 And Below Cities

Enhance the Core

- Expanded Price Range
- Lower-tier City Penetration

Enhance The Core: Strengthen Leadership in Pizza Category



Dough Innovation

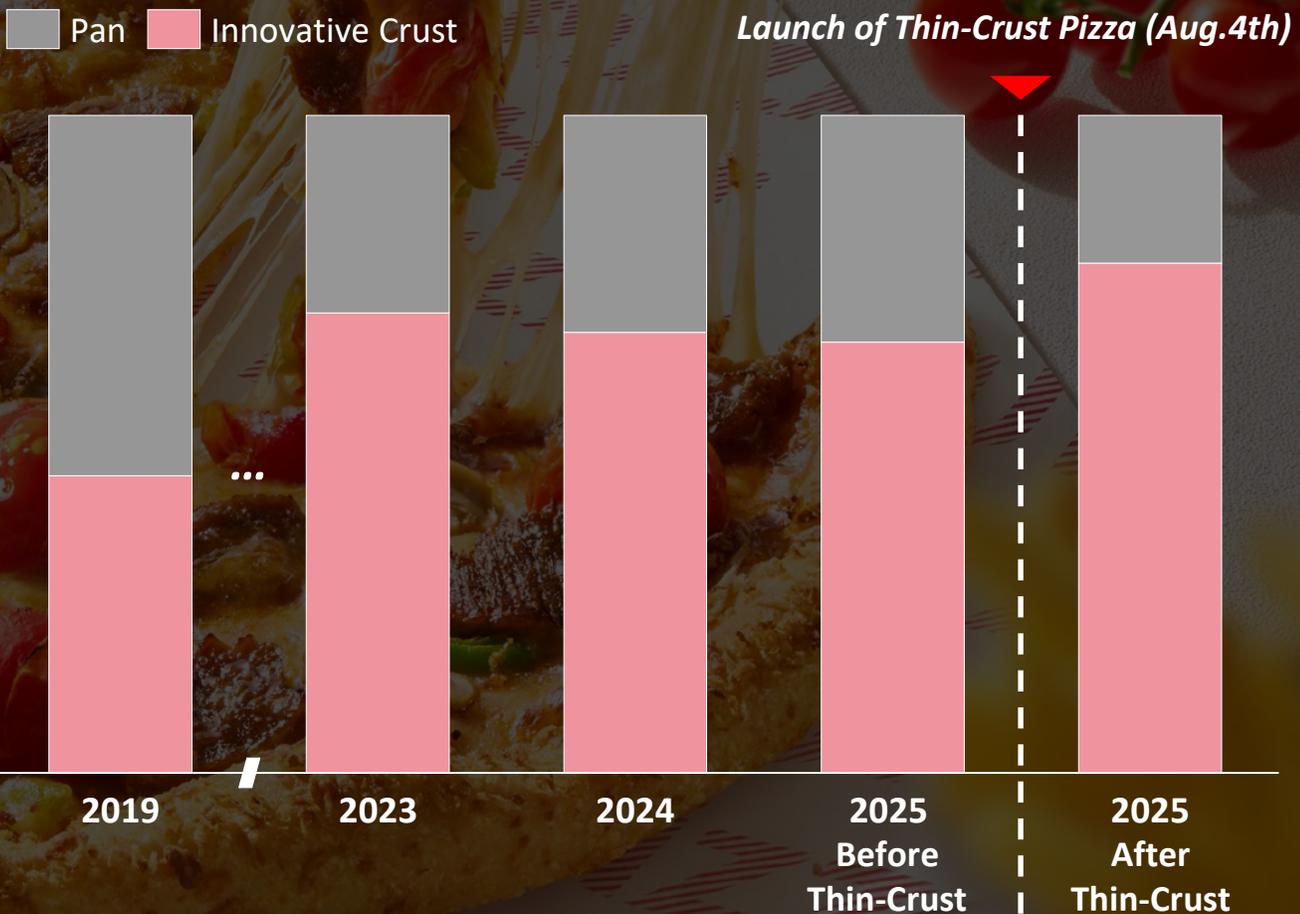


Flavor Innovation



Value-for-Money

Pizza Sales Mix





Enhance The Core: Develop Hero Products

Product Sales¹

100mn USD



50mn USD



.....

10mn USD



.....



Newly passed threshold during 24Q4-25Q3

Gain Traction Through Menu Innovation and Signature Value Platform

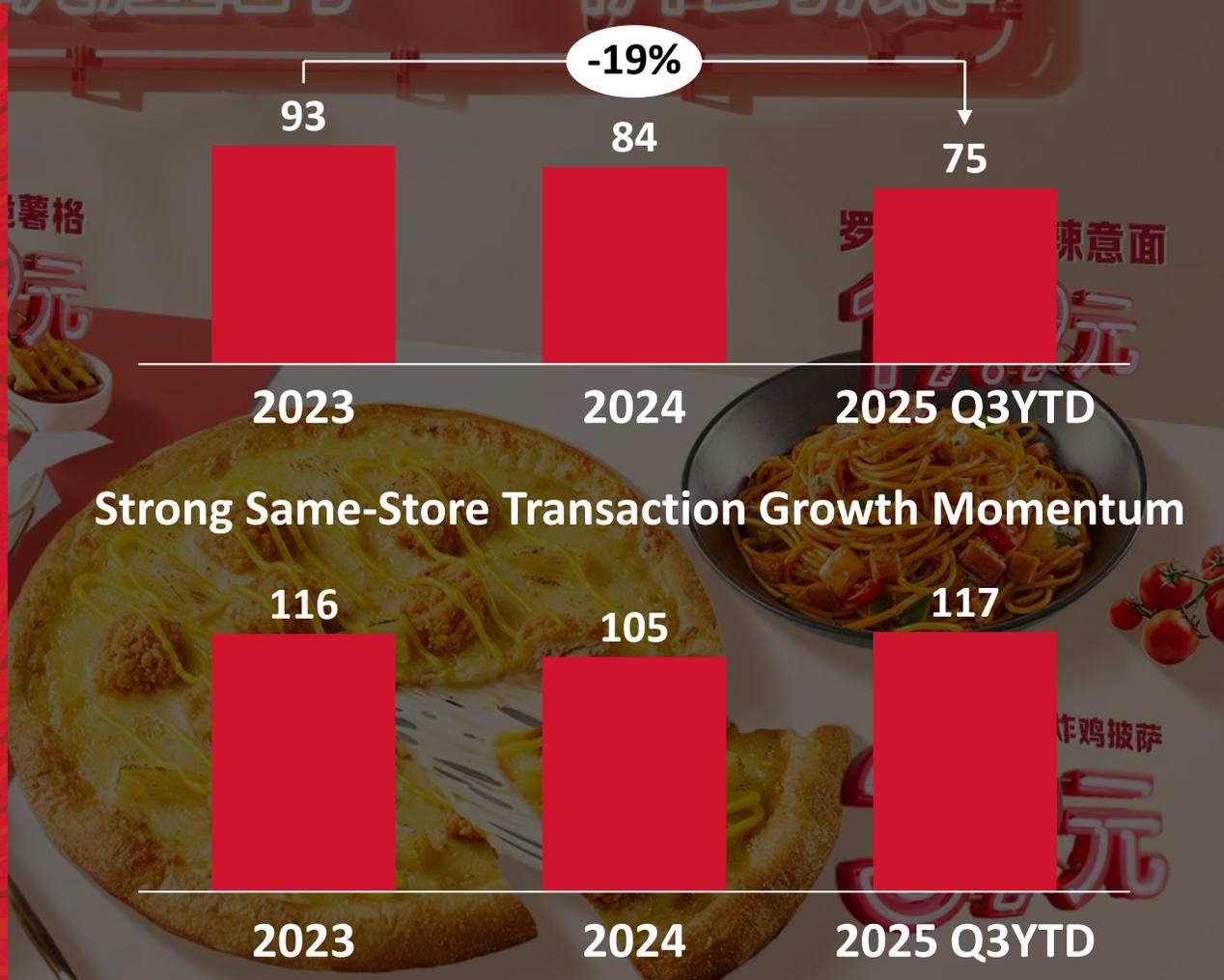
New Key-Value-Item Menu



Scream Wednesday

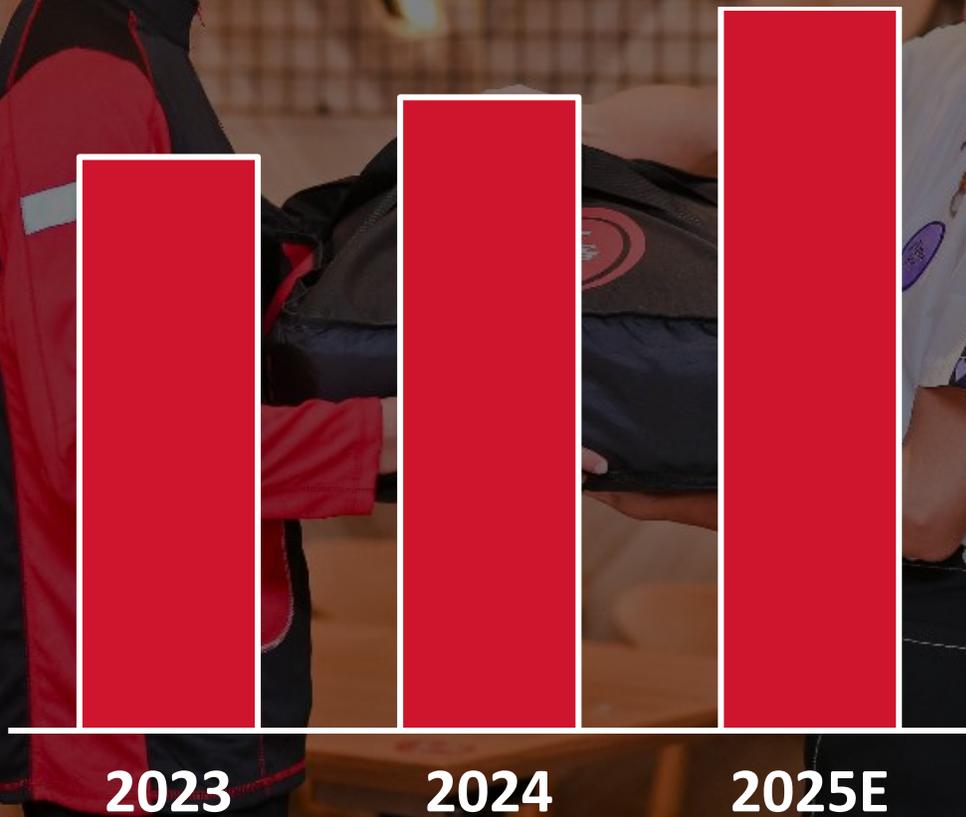


Lower TA to Improve Value Perception



Drive Delivery Growth Through 4 Key Levers

PH Delivery SSSG



Improve Fundamentals



Roll Out Aggregator Rider



Win in Public Domain



Strengthen Own Channel

Enhance Digital Capabilities



Milestone

200,000,000+ Members



Enhance Membership Program

- **VIP Program Upgrade**
- **Boost Privileged and Prepaid Card Sales via Digital Channels**



Enhance Private Domain

- **More Traffic**
- **Exclusive Discounts**
- **Better Experience**

Expand Adjacencies: Develop New Categories, New Occasions, New Channels, and New Customer Groups

Burger

Strengthen Beef Burger

Make-to-Order CDR¹ Quality

LTO Campaigns



Solo Meal

Build Solo Meal Value Platform

Enhance Value-for-Money

Improve Customer Experience



Takeaway

Awareness Building

Speed of Service

Pick-Up Experience



IP Collaboration

Enhance Family-Oriented IP

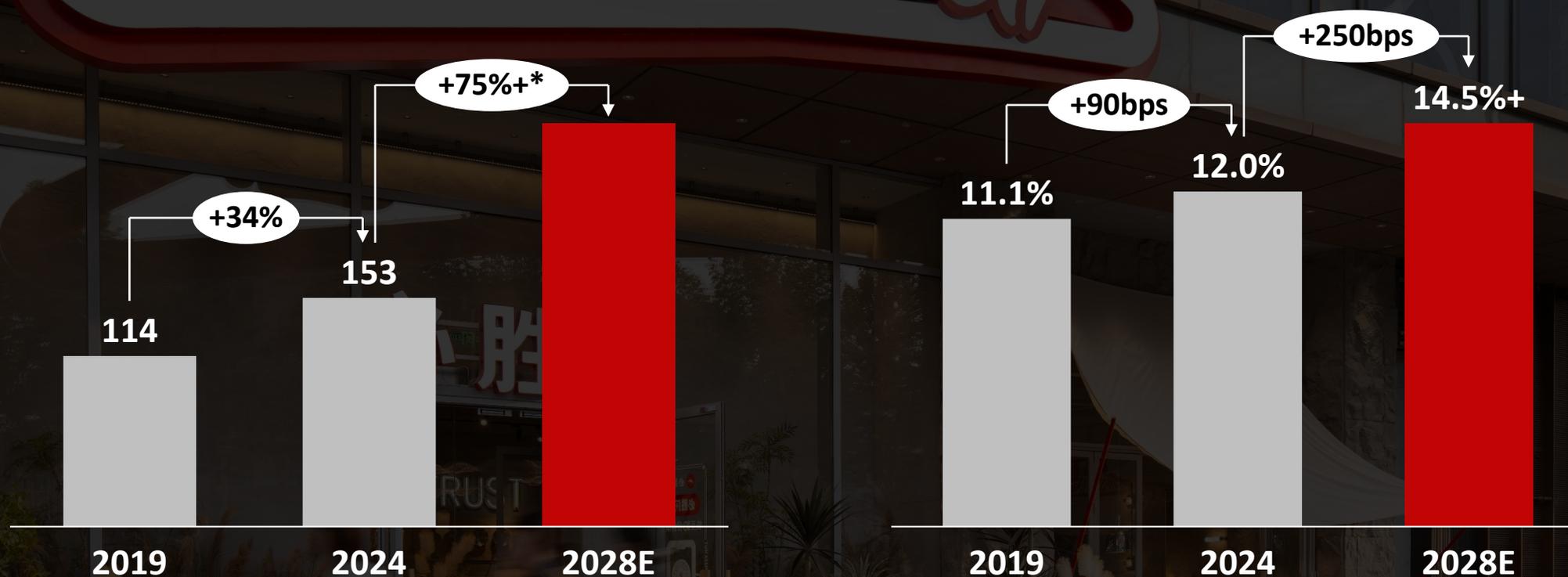
Explore Game & Comic IP



Expanding Restaurant Margin and Operating Profit

Operating Profit (mn USD)

Restaurant Margin (%)

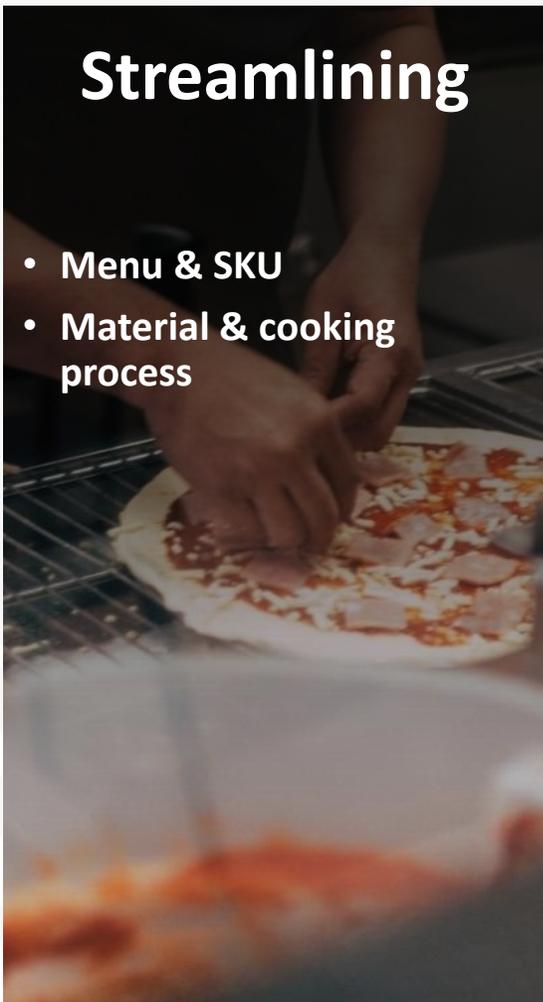


Focus on Driving Operational Efficiency



Streamlining

- Menu & SKU
- Material & cooking process



Technology



- I-kitchen
- AI-empowered operation management and analysis



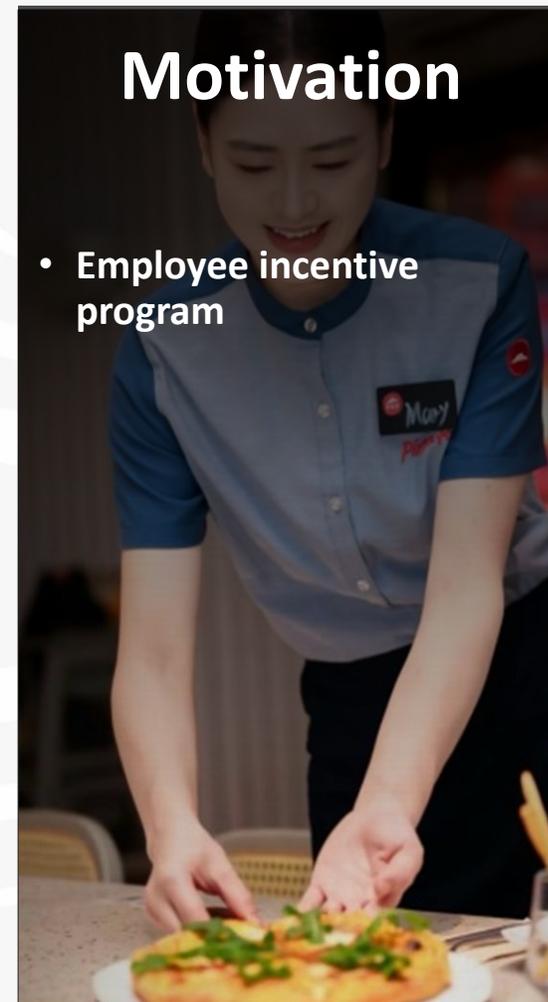
Centralization & Synergy

- Mega RGM
- Centralized recruitment, training and new store preparation



Motivation

- Employee incentive program

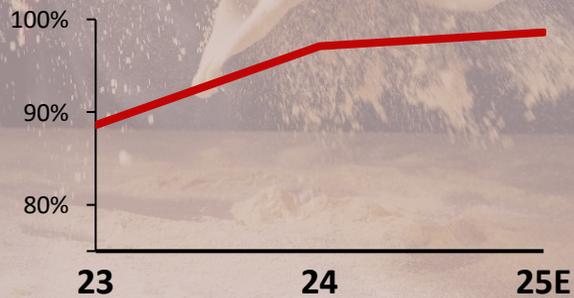




Relentlessly Improve Customer Experience

Food Quality

AI Inspection Passing Rate



Speed of Service

Average Order Preparation Time (min)



Customer Satisfaction

Guest Experience Score 5-Star Rating





The Core of R.G.M 3.0 Strategy is RGM And The Culture





Key Take-Aways

1

No.1 WCDR Brand¹, Accelerate Growth

Leading Market Position

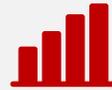


#1
WCDR
in China¹

Hit **4,000**
Store Milestone

2

Vast Untapped Market Potential



Robust Pizza Sector Growth

More Cities

More Occasions

More Customers



High Potential for Penetration

1,000 -> 4,500+

Solo Dining

Youth & Value Conscious

3

Ambitious Strategy to Build the Next Pizza Hut

Store Model

Pizza Hut
(Classic + Satellite)

Footprint

Increase
High-tier Density

Business Model

Optimize
Company-owned

Technology

Strengthen Digital

+

PH WOW

Scale Up in
Low-tier

Accelerate
Franchise

Leverage Generative AI

Our Vision

The Most Innovative Pizza Brand in the World

1. Largest western casual dining restaurant brand in China in terms of 2024 system sales and store count, Frost & Sullivan

The image is a composite. The top half shows a view of Earth from space, with the sun rising over the horizon on the right side, casting a golden glow. The bottom half shows a dark, starry space with a prominent, glowing orange and yellow spiral galaxy on the left side. The text is overlaid on the Earth portion of the image.

To Double PIZZA HUT Operating Profit In 5 Years!



Appendix: Reconciliation of Pizza Hut Restaurant Margin

(\$ mn)	FY19	FY24	24Q3 YTD	25Q3 YTD
GAAP Operating Profit	\$114	\$153	\$139	\$163
Less:				
Franchise fees and income	4	8	6	7
Revenues from transactions with franchisees	4	5	4	5
Other revenues	1	24	17	19
Add:				
General and administrative expenses	101	110	80	79
Franchise expenses	2	4	3	3
Expenses for transactions with franchisees	4	4	3	5
Other operating costs and expenses	1	22	16	17
Closures and impairment expenses, net	14	12	6	5
Restaurant profit	\$227	\$268	\$220	\$241
Company sales	2,045	2,223	1,723	1,753
Restaurant margin	11.1%	12.0%	12.8%	13.7%