



LAVAZZA
TORINO, ITALIA, 1895

RESILIENCE GROWTH MOAT 3.0

Innovation & Operational Efficiency

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2025

YUM CHINA
INVESTOR DAY

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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 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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For the purpose of this presentation, "China" refers to the People's Republic of China, excluding Hong Kong SAR, Macau SAR, and Taiwan.

What is Authentic Italian Coffee?

ESPRESSO

**Small Universe of Flavor
Unique Soul of Italian Coffee**

Strong
Flavor

Rich
Crema

Smooth
Foam

The Essence of Each Coffee





***WHEN
LAVAZZA*** ***MEETS
CHINA***

After 5 years, Bamboo is Ready to Grow

Lavazza Has “Broken the Ground” and is Poised to Speed Up

118

Total Stores

2025 Q3

111

Same-Store Sales Index

2025 Q3

5.8%

Restaurant Margin in 2025 Q3

New Stores Opened in Jun 2024 - Aug 2025¹

+38%

Retail Sales

2025 Q3 YTD YoY

8.8%

Retail OP Margin

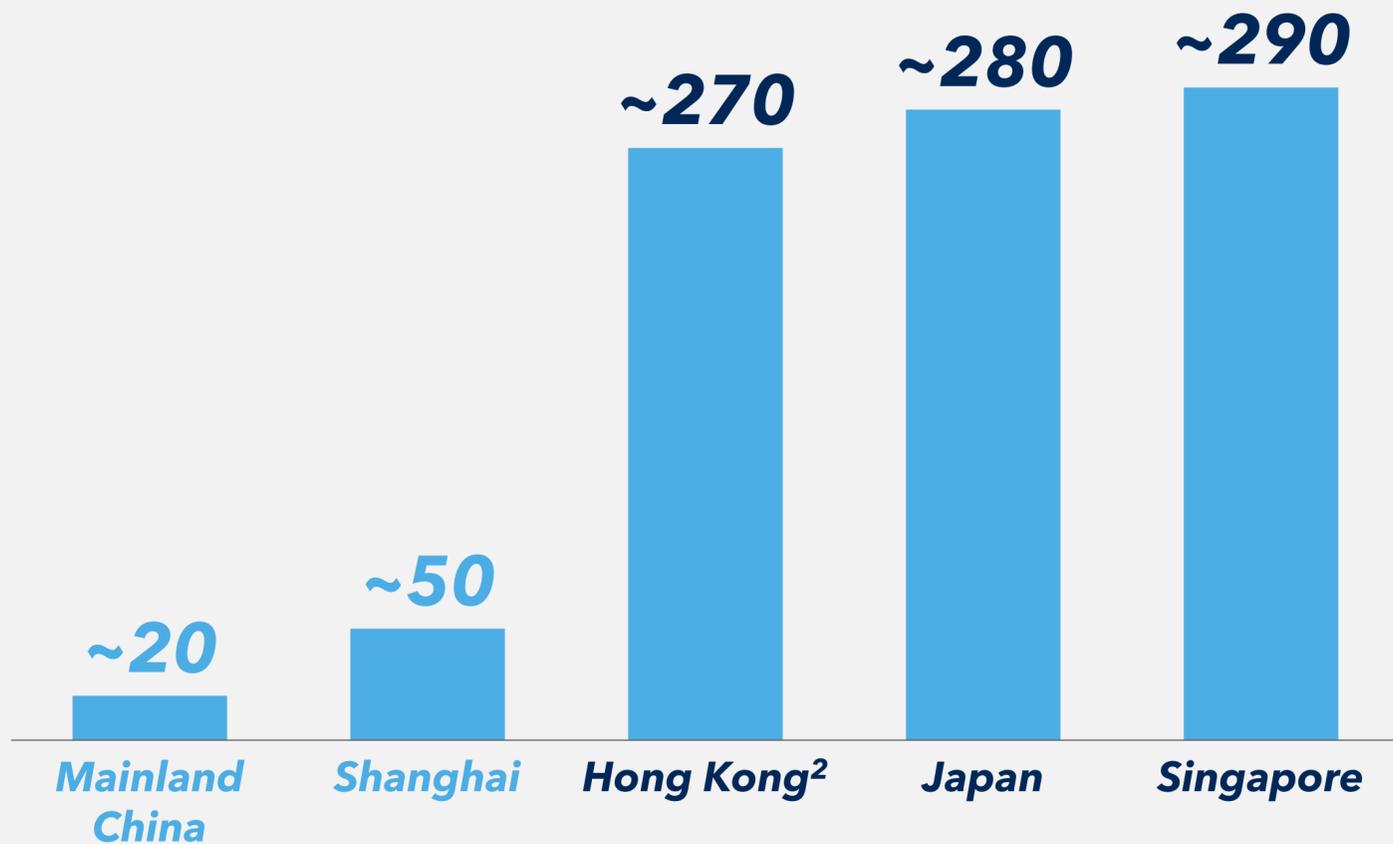
2025 Q3 YTD

1. Refer to stores opened after first light format Pinzun in June 2024 with at least one full month of operations

Lavazza Resonating with Chinese Customers

China Market Has a Long Runway for Growth

of coffee cups per year per capita¹
(2024)



Our Target Customer

Quality Seeker

What We Offer

**Professional Coffee
Italian Coffee Pleasure
within Daily Reach**

1. Coffee total consumption, including on-premise coffee, instant coffee, coffee beans, pods, powder, and RTD coffee beverages

2. Refer to the Hong Kong Special Administrative Region of the PRC.

Source: Euromonitor, <China Coffee Cities Development Report>

Italian Coffee x Chinese Tastes Enhance Coffee Bean Expert Image with "Heirloom" KAFA

Signature

KAFA Beans

The First Coffee Bean on Earth



1 in 5 of Our Coffee Users
Trade up with KAFA

Pioneer innovation

KAFA Gesha Beans



Record High Repeat Purchase Rate in
the Recent Two Years¹

1. The highest repeat purchase rate of all limited-time offerings during 2024-2025 Q3 YTD

Italian Coffee x Chinese Tastes Differentiate Ourselves as Inventor of Blends since 1895

Global-grade Blending Expertise Combined With Local Market Insights

Permanent Offering



Signature Blend
Roma Beans



Much-loved Seasonal Blend



Summer Strawberry Beans



Winter Melody Beans



Italian Coffee x Chinese Tastes Build Iconic Drinks Enhanced by Local Innovation

Best Seller

1.5mn+ Cups¹

**25% of Total
Beverage Cups Sold¹**

100% Buffalo Milk Coffee



Target customer
**Health Conscious
White-collar**

1. Cups sold during 2024 Q4 - 2025 Q3

Italian Coffee x Chinese Tastes

Reimagine Italian Signature Dessert into Beverage Format



***Pure Italian Indulgence
Pleasure in Every Sip***

***A Treat for Every Season Available
in Hot / Iced and Flavored Versions***

Liquid Tiramisu

Italian Coffee x Chinese Tastes

Reach Customers Where Their Interests and Consumption Moments Meet

LAVAZZA
TORINO, ITALIA, 1895
拉瓦萨咖啡



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MOSCHINO



The Winning Shot



Shake the Taste and Lead the Way



Big Shot, Big Fantasy



Italian Coffee x Chinese Tastes

Michelin Chef-Themed Food via Innovation and Standardization



LAVAZZA



Italian Coffee x Chinese Tastes

Elevate the Icons of Italian Food Culture for All Dayparts



Pizza al Padellino

Lunch & Supper

New Launch



Panettone

Afternoon



Toast Dolce

Afternoon



Focaccia

Breakfast

Inspired by Chef from Michelin-Starred Restaurant

Igor Macchia



Bring Italy to Life in Every Sip and Every Bite

HI SUMMER



Liquid Tiramisu



Tiramisu

Pistachio Tiramisu



Gelato



Frullato

Lemon Mint Sparkling
Americano



***WHEN
LAVAZZA*** ***MEETS
CHINA***

Italian Coffee Accelerates with Lighter Steps

Continue to Iterate Store Models to Align with Our Positioning

Store Model Evolution

1.0 2019 - 2021



Specialty Café

- 120+m², large store equipped with full kitchen

2.0 2022 - May 2024



Experiential Coffee Shop

- 90m², kitchen size reduced by 20-25%
- Optimized investment with CAPEX reduced by 40+%

3.0 June 2024 onwards



Professional Coffee Shop

- 60m², light store model
- CAPEX reduced by 47%
- Store location close to traffic flow, meeting everyday needs

Develop Model 3.0 with Flexibility and Better Economics

Model 3.0 - Light Store Model



Pinzun Shanghai | First light format opened in June 2024



Xinchenhui, Beijing



Jing'an SOGO, Shanghai

25

Stores

Opened after Pinzun

~0.5_{mn} RMB

New Store Investment

Model 3.0 vs model 2.0 **-47%**

5.8%

Restaurant Margin in 2025 Q3

New Stores Opened in Jun 2024 - Aug 2025¹

1. Refer to stores opened after first light format Pinzun in June 2024 with at least one full month of operations

Double Down on High-Tier and Composite Trade Zone

Looking ahead: Next 3-5 Years

Focus on Tier 1 and Selective Tier 2

Focus on Office & Commercial Composite Trade Zone with Expansion into Strategic Locations

Tier 1

**Increase density in Tier 1
(150-200 stores in each city)**



Tier 2

**Expand to selective
Tier 2 (5-6 cities)**



Office | Zhonghai Wealth Center, Beijing



Campus | Fudan University, Shanghai

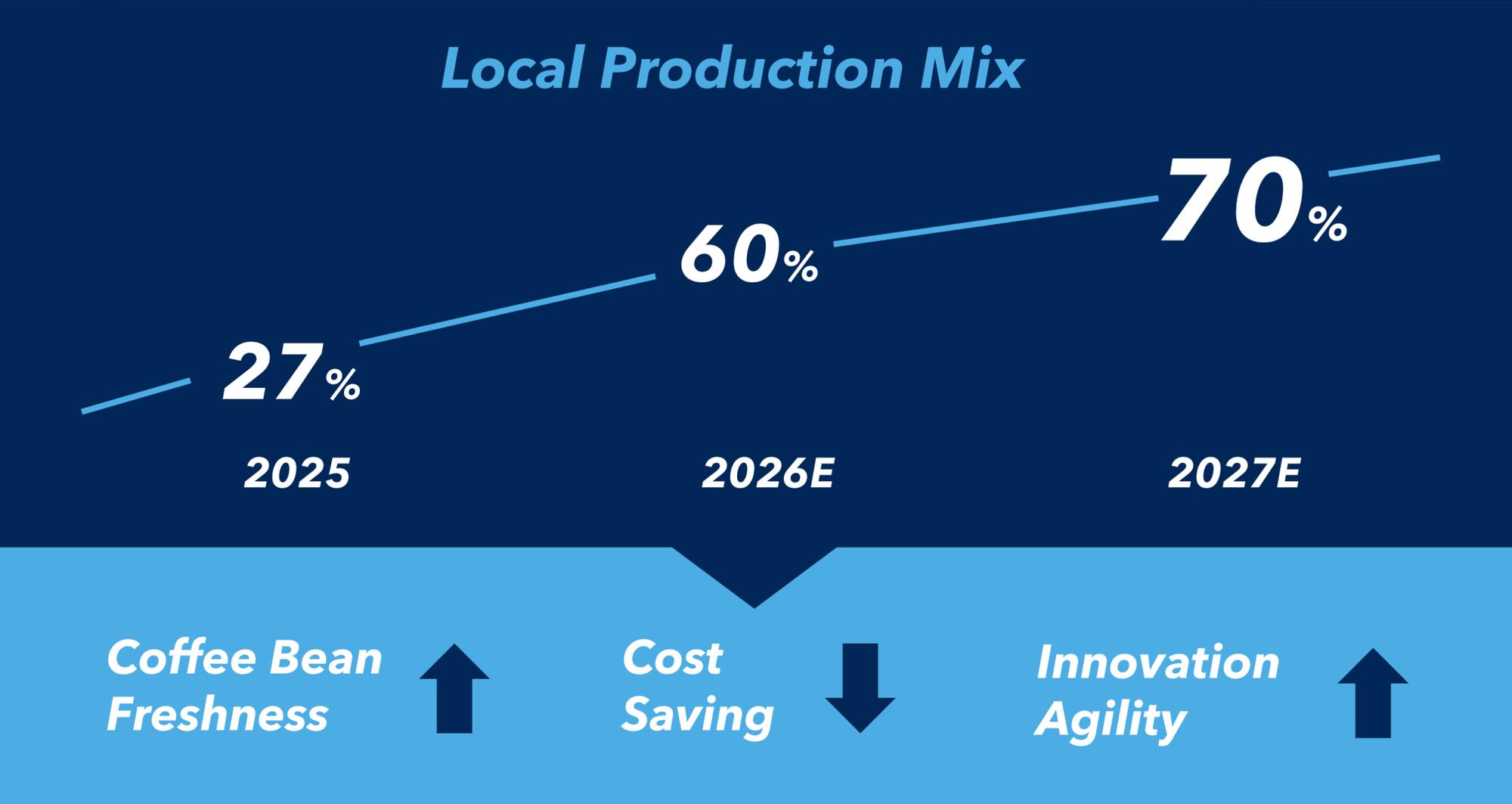


Culture | Bay Area Book Mall, Shenzhen



Tourist Site | West Bund, Shanghai

Leverage Local Production to Enhance Competitive Moat





***WHEN
LAVAZZA*** ***MEETS
CHINA***

**Italian Coffee Appears
in Unexpected Moments**

Diversify Retail Offerings Beyond On-Premise Occasions

Doubled Retail Sales in the Past Three Years

New SKU #

2023
Imports Only
3

2024
Local Production
9

2025
Local Innovation
35

2026
Synergy & Expansion
25



Sam's Club
Tailor made for retailer



1. Ready-to-drink

Build Multi-Channel Reach Centered around Consumers

To-B



Premium hotel



Office



VIP Lounge



Sports Club

200+ Upscale and Luxury Hotels

To-C Offline & O2O

Sam's Club

Freshippo

Costco

Olé

Metro

Xiaoxiang Supermarket

RT-Mart

Apita

Takashimaya

900+ Premium Hyper & Supermarkets

To-C Online

Tmall

Taobao

Douyin

JD

Top 2 Roasted & Ground Coffee Bean Brand in E-commerce in China¹

1. GMV as of 2025 Q3 YTD on E-commerce platforms (Tmall, JD and Douyin)

2029 Business Goal: Scaling up with Two Growth Engines



World-Class Coffee, Part of Everyday Life

