



First Quarter 2024 Results

30 April 2024

NYSE: YUMC and HKEX: 9987

Cautionary Statement

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, investments, store openings, capital expenditures, dividend and share repurchase plans, CAGR for system sales, operating profit and EPS, 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 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, changes in public health conditions, our ability to control costs and expenses, including tax costs, as well as changes in political, economic and regulatory conditions in China, and those set forth under the caption “Risk Factors” in our Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q. 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 caption “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. 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.

A Solid First Quarter 2024



YumChina

Solid Growth Despite High Base Last Year

System Sales Growth¹
On top of 17% growth in Q1'23

+6% YoY

Diluted EPS
Grew YoY to \$0.71

+4% or +10% ex F/X

Operating Profit
OP Core OP²

\$374 mn \$396 mn

Fueling Growth and Returning to Shareholders

Net New Stores
Record Q1 openings

378

Total Stores
Reached key milestone

15,022

Dividends & Share Repurchases
~2 times Q1 Operating Profit

\$745 mn

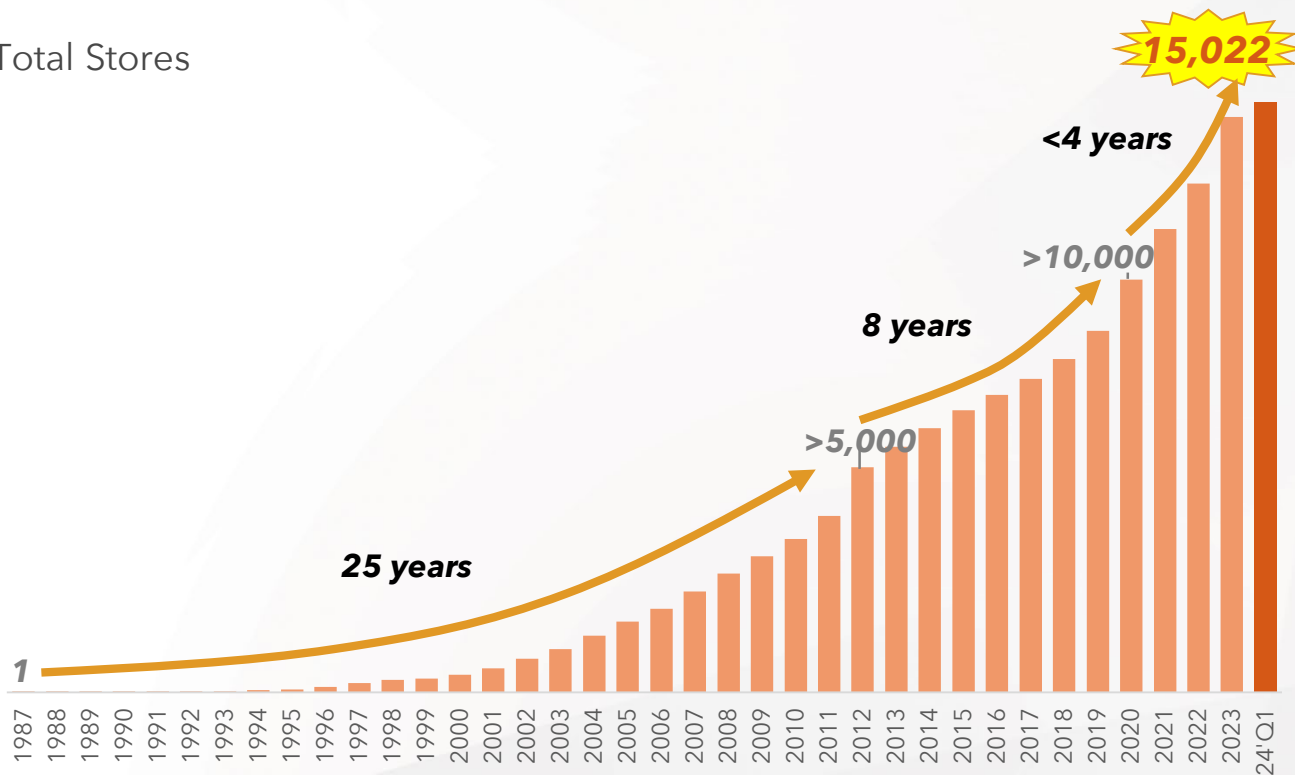
¹ Exclude the impact of foreign exchange

² Core Operating Profit is defined as Operating Profit adjusted for Special Items, further excluding items affecting comparability and the impact of F/X. The Company uses Core Operating Profit for the purposes of evaluating the performance of its core operations.

Surpassed 15,000 Stores with Accelerated Store Openings



Total Stores



378 net new stores in Q1

8% net new unit contribution to sales in Q1¹

- Targets**
- To open **1,500-1,700 Net New Stores in 2024**
 - To reach **20,000 stores by 2026**

¹ Sales contribution from net new stores (YoY)

Maintaining Healthy New Store Payback Through Flexible Store Formats and Reduced Capex



#1 Western QSR in China¹



10,603 Total Stores

307 Net New Stores

#1 Casual Dining in China¹



3,425 Total Stores

113 Net New Stores

Penetrating into More Cities
Leveraging Franchisees Strategically

Reduced
Average Capex

Healthy New
Store Payback³

24 Q1

Net New Stores
Total Stores

% in Tier 3-6

68%

56%

% of franchisee

19%

11%

2,000+
cities

~1.5 mn
RMB / store²

~2 years

24 Q1

Net New Stores
Total Stores

% in Tier 3-6

60%

45%

% of franchisee

-

5%

750+
cities

~1.2 mn
RMB / store²

~2-3 years

¹ In terms of system sales

² Refers to stores opened in full year 2023

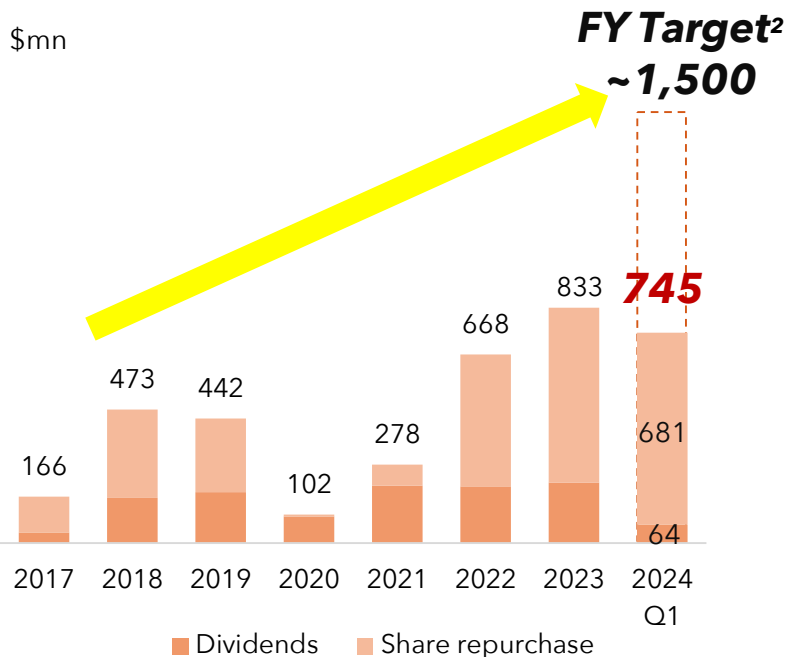
³ Refers to Average Pre-tax Cash Payback Period assuming yearly cashflow is same as year 1, after deduction of 3% license fee and before G&A expenses and income tax; based on stores opened between January 2022 to December 2022.

Record Cash Return to Shareholders, Supported by Strong Cash Generation and Healthy Cash Position



Returns to Shareholders¹

\$mn



\$3.7bn

Returned since spin-off

\$3bn+

Target to return in 2024-26²

\$3.1bn

Net Cash by end of Mar 2024

Quarterly Cash Dividends

+23%

\$0.10 → **\$0.12** → **\$0.13** → **\$0.16**

Q4 2017 Q4 2018 Q1 2023 Q1 2024

Share Repurchases Plan in 2024

\$1.25bn = \$750mn + \$500mn

Rule 10b5-1

Rule 10b-18

In the U.S. & Hong Kong

¹ Includes dividends and share repurchases. Share repurchase amount excludes 1% excise tax and commissions.

² Based on current expectations, which may change based on market conditions, capital needs or otherwise. Subject to Board approval on dividends & share repurchases, as well as shareholders' approval on share repurchases.

Driving Incremental Transactions and Sales

Q1
2024

+6% System Sales Growth

+15% System Transactions Growth

+5% Same-store Transactions Growth

Exciting New Products



Happy fried egg in spicy sauce chicken burger

Widen Price Range



Double layer beef burger combo at RMB 19.9

Collaborate with IPs



Chinese New Year combo with SHANGHAI ANIMATION FILM STUDIO Co.Ltd toys

Expand Customer Base

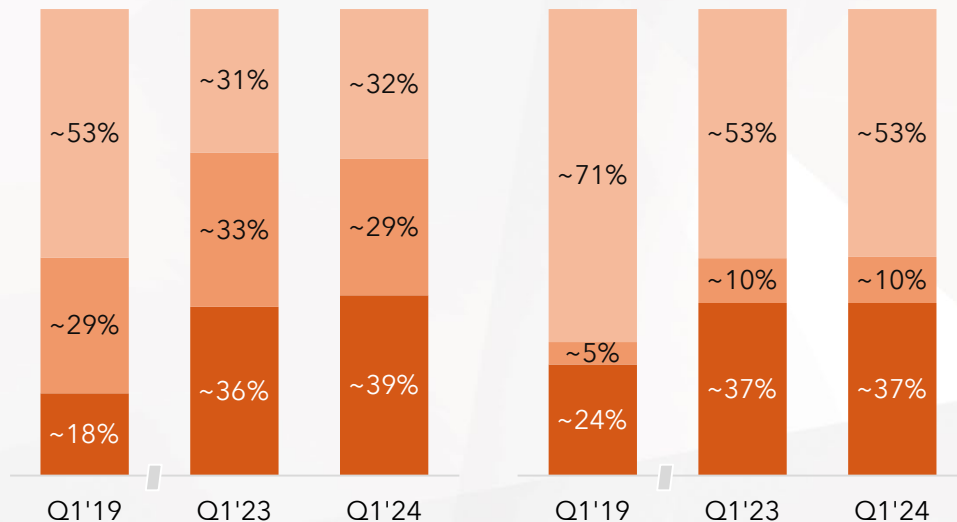


Semester card at RMB 19.9

Delivery Sales Grew Double Digits

Delivery Sales +12% YoY in Q1

- KFC lowered delivery fee and expanded one-person meal options to attract smaller orders
- Took actions to reduce rider costs - e.g., introducing platform riders at select locations, where their quality matches our dedicated riders



Sales mix by channels

% of Company sales

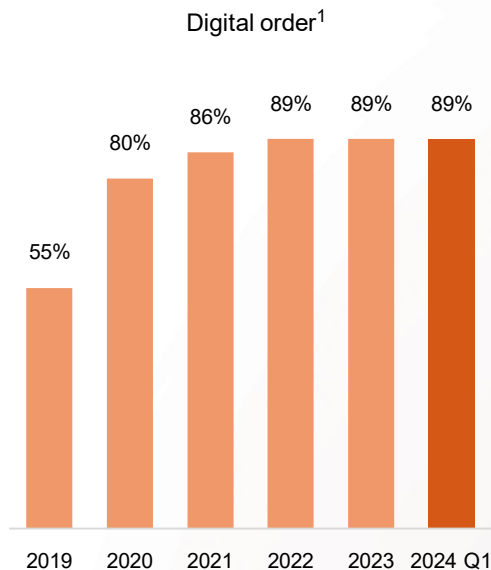
■ Dine-in

■ Takeaway

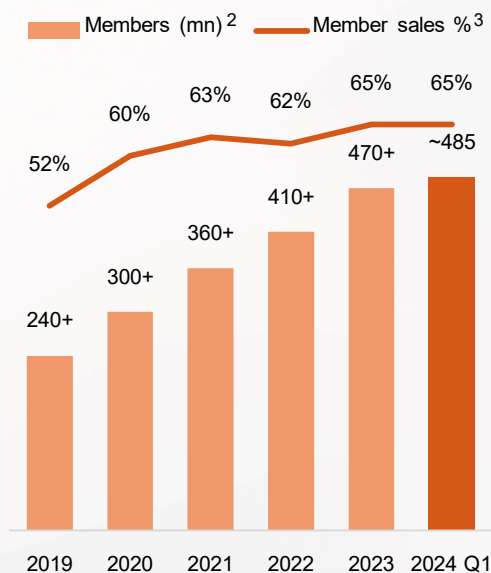
■ Delivery

Engaging Members to Enhance Loyalty

Grow Digital Sales



Grow Members



Drive Online Traffic



¹ Includes KFC (Hangzhou KFC since December 2021 and Suzhou KFC since August 2020) and Pizza Hut.

² KFC and Pizza Hut loyalty programs combined, as of period-end.

³ Includes KFC and Pizza Hut. From 2022, in addition to transactions in which members self-identified as members (i.e., through member QR code, using member coupons/vouchers, ordering via Super-Apps or other own channels), member sales also include 1) transactions in which members order using our coupons/vouchers through third party e-commerce platforms, 2) Pizza Hut tableside orders paid through POS terminals, provided members could otherwise be identified as members. 2021 data restated to reflect this change. Before restatement it was 61% in 2021 Q1 for KFC and Pizza Hut combined.

KFC Continues to Thrive



Q1 2024

+7%

System sales growth¹

307

Net new stores

19.3%

Restaurant margin

\$372mn

Operating profit

Photo: KFC store in Wuhan MAX Zone (武汉MAX科技园)

¹Exclude the impact of foreign exchange



Establishing Successful Product Categories

Crayfish Chicken Burger

KFC | 长沙文和友

口味虾风味 小龙虾烤鸡腿堡

7年坚持手工剥虾

连续7年陪你跨年 7年始终好滋味



7年不变足量虾

地道长沙文和友香辣风味

Changsha-style spicy flavor

Beef Burger

肯德基汁汁牛堡系列

为牛堡爱好者制作 年度销量突破1亿个

新 黑金脆薯 汁汁厚牛堡 3月11日上市 敬请期待



新 超级菠 汁汁厚牛堡 2月26日 全新上市



KFC NBA

New pineapple/crunchy fries beef burgers

Juicy Whole Chicken

KFC

慢蒸快炸 香嫩多汁

全鸡还吃肯德基

两款全鸡 · 天天售卖

招牌 秘汁全鸡 周末特惠 29.90



新 川香盐帮秘汁全鸡 周末特惠 29.90



Original and spicy whole chicken, Weekend special price at RMB 29.9

Double Down

KFC DOUBLE DOWN

放纵吃肉 重磅享受 肯德基肉霸堡

重磅上新 榴莲芝士肉霸堡 ¥24/个



经典回归 培根鸡腿肉霸堡 ¥24/个



New durian cheese and bacon chicken double down at RMB 24



Capturing Diverse Occasions with Wide Range of Choices

Crazy Thursday
Since 2018

KFC 疯狂情人节
2.14 疯狂星期四
2.15 疯狂星期四
连疯两天 戒么爱你

肯德基爱心鸡块
20块 19块9
¥19.9/20块

2.14-2.15
节日限定

疯狂情人戒套餐
1份 49块9
¥49.9/1份

吮指原味鸡*2块
可乐(中)*2杯
戒指周边

Valentine Day's promotion with heart-shaped chicken nuggets at RMB 19.9

CNY Buckets &
Combos

KFC
合家欢乐 岁岁平安
祝你 KUAIFACAI
祝你快发财

新 七味干碟香骨鸡
新 黄金玉米脆骨风味鸡 夜鸡
新 蟹柳脆皮鱼

新 黑椒汁汁双层嫩牛堡
新 川博辣口水鸡鸡腿堡

¥39.9 十指一抓

新 川香豉汁炸全鸡

New beef burger, chicken burger, single-bone chicken, crispy chicken, etc.

Weekday Value
Combo

KFC 工作日正餐时段供应
肯德基OK三件套
¥19.9

新 黑椒汁汁双层嫩牛堡 *薯条(中) *可乐(中)

限时2周

滋滋YES烤鸡腿堡 *薯条(中)*可乐(中)

黄金SPA鸡排堡 *薯条(中)*可乐(中)

更多OK之选

| | | | |
|-----|-----|-----|-----|
| 20元 | 20元 | 26元 | 30元 |
|-----|-----|-----|-----|

New double beef burger combo at RMB 19.9

Spring Bucket

KFC 一桶放飞快发财
春日风筝桶
¥79.9起 畅选10件

3月27日-4月6日

劲省62!

五龙龙珠
代言人徐若琳先生作品

10 signature products at RMB 79.9, save up to RMB 62.1



KCOFFEE Entering New Growth Phase

Innovative products & affordable price:
+30% YoY in cups sold in Q1 2024



Sparkling apple americano



RMB 9.9 per cup
(3/29-4/7)

Side-by-side KCOFFEE stores anchoring in our KFC stores;
Distinct store front, dining area and menu



Over 100 Side-by-side KCOFFEE stores



KCOFFEE exclusive
gigantic egg tart

Pizza Hut Accelerating Growth

必胜客

Q1 2024

+4%

System sales growth¹

113

Net new stores

12.5%

Restaurant margin

\$47mn

Operating profit

Photo: Pizza Hut store in Hubei province Lichuan The Landmark (利川置地广场)

¹Exclude the impact of foreign exchange



Enriching Entry Price Offerings and Value Proposition

Entry Price Point Pizzas

必胜客

披萨 39 新时代

韩式双重风味炸鸡披萨

爆香大粒鸡披萨

路易斯安那风味牛肉酱披萨

德克萨斯风味烤肉披萨

New pizzas from RMB 39.9

Buy One Get One Free

必胜客

披萨 | 牛排

买1送1

低至**59元2件** 第二份30天享**会员券**

2.22-3.13工作日 | 堂食/外带/外送同享

2 items for RMB 59, 2nd item redeemable within 30 days

All-you-can-eat

必胜客

一年仅此**5**元 **3.23-3.29**

自助餐「显眼包又回来了」

扫码点餐

限时爆品 CP

惠灵顿牛排 (原单1份)

小食畅吃

牛排

饮料

甜品

披萨

178. 畅享 40 美味

文明用餐 | 光盘行动 | 杜绝浪费

服务时间 90分钟

RMB 178 per person 5 days only

Scream Wednesday

必胜客

尖叫星期三

普装披萨 **29.9**

可外送 可堂食

29.9

薯角培根披萨 (原单半份)

加购可升级口味卷边

39.9

经典夏威夷风味披萨 (原单半份)

39.9

新奥尔良风情烤肉披萨 (原单半份)

2024年2月21日, 周三

Pizza at RMB 29.9 or 39.9

Lavazza is Making Good Progress

Store Format Innovation



Menu Innovation



Whiskey barrel-aged coffee



Chicken wrap and beef rolls

Pursuing Greater Operational Efficiency to Make our Business Even More Resilient

Best in class



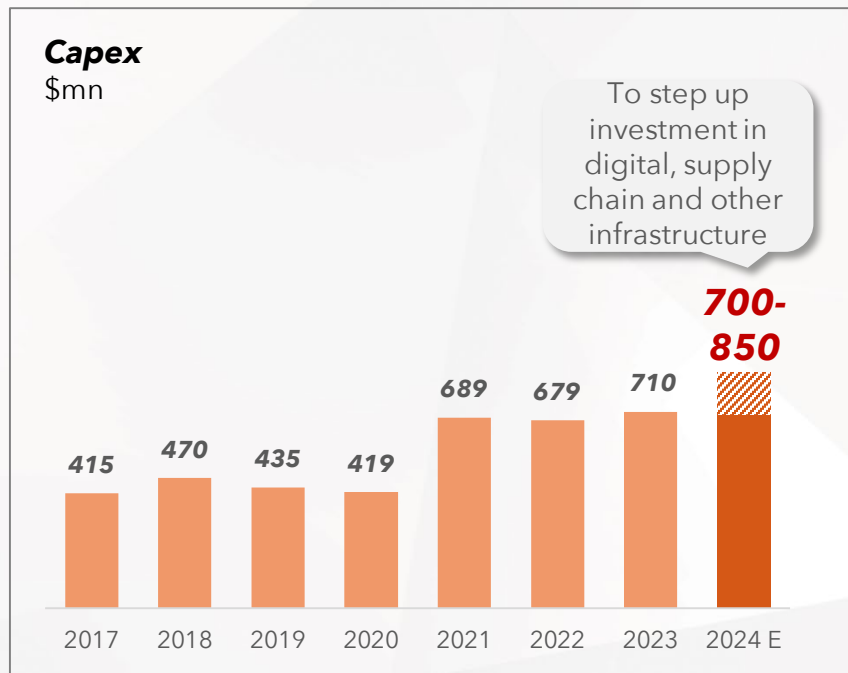
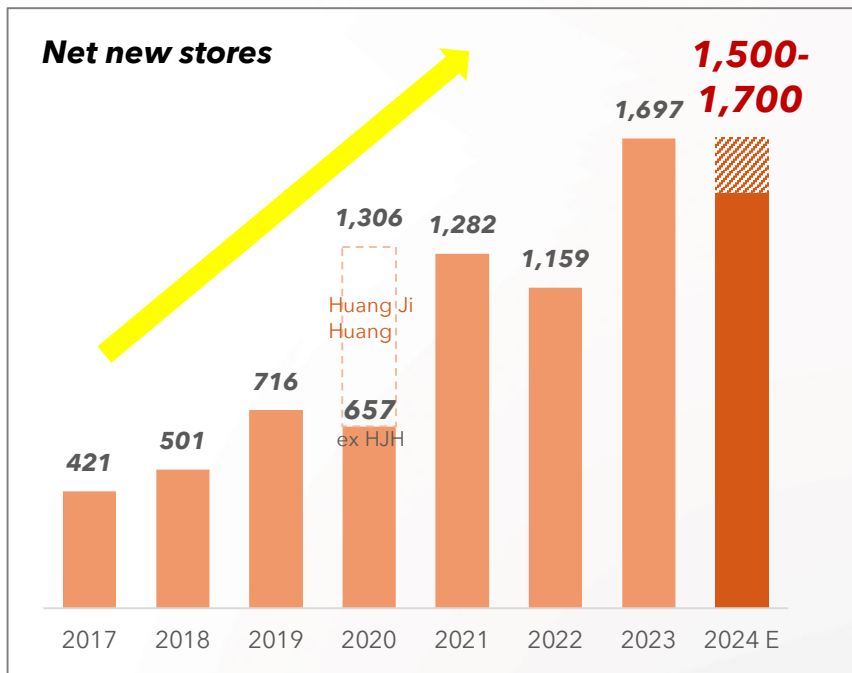
Best in cost

Assess our
operational
processes through
**the eyes of our
Restaurant General
Managers**

Focus on
improving
efficiency,
enhancing **agility**
and driving cost
effectiveness

Pass on **savings to
customers** and **other
stakeholders**

2024 Targets Remain Unchanged



~\$1.5bn Targeted return of cash to shareholders¹

¹ Includes dividends & share repurchases, subject to Board approval on dividends & share repurchases, as well as shareholder's approval on share repurchases.

2024-2026 Growth Targets

20,000 Stores by 2026

3-Year Growth Targets (CAGR) on 2023 Base¹

**High Single to
Double Digits**

System Sales

**High Single to
Double Digits**

Operating Profit

Double Digits

EPS

\$3bn+ Targeted return of cash to shareholders²

¹ Exclude the impact of foreign exchange

² Based on current expectations, which may change based on market conditions, capital needs or otherwise. Subject to Board approval on dividends & share repurchases, as well as shareholders' approval on share repurchases.

Appendix

Solid Q1 Performance Despite High Base



YumChina

| Q1 | 2019 | 2023 | 2024 | Highlights |
|--|-------|--------|--------|--|
| Total stores | 8,653 | 13,180 | 15,022 | Record level! |
| Net new stores | 169 | 233 | 378 | Record level for Q1! |
| Revenue (\$bn) | 2.30 | 2.92 | 2.96 | Record level! |
| System sales growth ¹ | +9% | +17% | +6% | +28% 2024 vs 2019 |
| Same-store sales growth ¹ | +4% | +8% | (3)% | Same-store trx +5% YoY |
| Operating profit (\$mn) | 303 | 416 | 374 | +24% 2024 vs 2019 |
| Adjusted operating profit (\$mn) | 303 | 419 | 374 | 2 nd highest in 30 quarters |
| Core operating profit ² (\$mn) | NM | 392 | 396 | +1% growth YoY |
| Diluted EPS (\$) | 0.57 | 0.68 | 0.71 | +4% or +10% ex F/X YoY |
| Restaurant margin (% of company sales) | 18.5% | 20.3% | 17.6% | |
| OP margin (% of total revenues) | 13.1% | 14.3% | 12.6% | |
| Core OP margin (% of total revenues ex F/X) ³ | N.A. | 13.5% | 12.7% | |
| 1 USD to RMB ⁴ | 6.75 | 6.84 | 7.19 | (5)% YoY, (7)% vs 2019 |

¹ Exclude the impact of foreign exchange

² Excludes the impact of special items, items affecting comparability and foreign currency translation. The Company provides Core Operating Profit for the purposes of evaluating the performance of core operations.

See "Reconciliation of Operating Profit to Core Operating Profit" for more information.

³ See "Reconciliation of Reported GAAP Results to Non-GAAP Measures" included in the Appendix tables for further details.

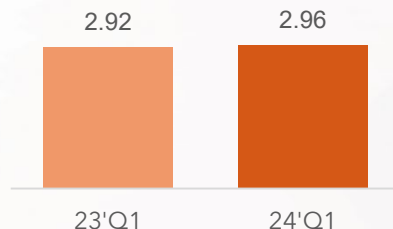
⁴ Sourced from Bloomberg

Solid Results in First Quarter

Revenue/Sales YoY

| | |
|----------------------------------|-----|
| Revenue growth (reported) | +1% |
| Revenue growth (ex F/X) | +7% |
| System sales growth ¹ | +6% |

Total Revenue (\$bn)



Key factors for Revenue year-over-year change

- + Net new unit contribution
- Same-store sales decline
- Foreign exchange impact

Operating Profit/Core OP YoY

| | |
|--------------------------|-------|
| OP YoY (reported) | (10)% |
| OP YoY (ex F/X) | (5)% |
| Core OP ² YoY | +1% |

| \$mn | 23'Q1 | 24'Q1 |
|-------------------------------|------------|------------|
| Operating Profit | 416 | 374 |
| Special items | 3 | - |
| Items affecting comparability | (27) | - |
| Foreign currency translation | - | 22 |
| Core operating profit | 392 | 396 |

Key factors for Core OP year-over-year change



- + Net new unit contribution
- + Operational efficiency improvement
- + Favorable commodity prices
- + G&A expense savings
- Increased value-for-money offerings
- Sales deleveraging
- Wage inflation

¹ Exclude the impact of foreign exchange

² Core Operating Profit growth excludes the impact of special items, items affecting comparability and foreign currency translation. The Company provides Core Operating Profit for the purposes of evaluating the performance of core operations. See "Reconciliation of Operating Profit to Core Operating Profit" below for more information.

First Quarter Key Performance Highlights - KFC & Pizza Hut



| 24'Q1 | YoY Sales Growth | | | | Channel Mix | | Members | | Digital order |
|---|------------------|----------------------|-----------------------------|-------------------------------|--|-------------------|---------|----------------|---------------|
| | System Sales YoY | Same-store sales YoY | Same-store transactions YoY | Average ticket YoY | Delivery | Total off-premise | Million | Member sales % | Sales % |
|  | +7% | (2)% | +4% | (6)% | 39% | 68% | 450+ | 64% | 89% |
| | | Lapping +8% in 23'Q1 | | 24'Q1 RMB 42 19'Q1 RMB 39 | Relatively stable | | | | |
|  | +4% | (5)% | +8% | (12)% | 37% | 47% | 160+ | 66% | 89% |
| | | Lapping +7% in 23'Q1 | | 24'Q1 RMB 90 19'Q1 RMB 119 | In line with strategy to be more mass market | | | | |

Reconciliation of Reported Results to Non-GAAP Measures



(in \$mn)

| | Quarter Ended | |
|--|---------------|-----------|
| | 3/31/2024 | 3/31/2023 |
| Non-GAAP Reconciliations | | |
| Reconciliation of Operating Profit to Adjusted Operating Profit | | |
| Operating Profit | \$ 374 | \$ 416 |
| Special Items, Operating Profit | – | (3) |
| Adjusted Operating Profit | \$ 374 | \$ 419 |

Details of Special Items

| | Quarter Ended | |
|--|---------------|-----------|
| | 3/31/2024 | 3/31/2023 |
| Share-based compensation expense for Partner PSU Awards ⁽¹⁾ | \$ – | \$ (3) |
| Special Items, Operating Profit | – | (3) |
| Tax effect on Special Items ⁽²⁾ | – | – |
| Special Items, net income - including noncontrolling interests | – | (3) |
| Special Items, net income - noncontrolling interests | – | – |
| Special Items, Net Income -Yum China Holdings, Inc. | \$ – | \$ (3) |
| Weighted-average Diluted Shares Outstanding (in millions) | 403 | 423 |
| Special Items, Diluted Earnings Per Common Share | \$ – | \$ (0.01) |

(1) In February 2020, the Company granted Partner PSU Awards to select employees who were deemed critical to the Company's execution of its strategic operating plan. These PSU awards will only vest if threshold performance goals are achieved over a four-year performance period, with the payout ranging from 0% to 200% of the target number of shares subject to the PSU awards. These awards vested as of December 31, 2023 with a payout in the first quarter of 2024. Partner PSU Awards were granted to address increased competition for executive talent, motivate transformational performance and encourage management retention. Given the unique nature of these grants, the Compensation Committee does not intend to grant similar, special grants to the same employees during the performance period. The impact from these special awards is excluded from metrics that management uses to assess the Company's performance.

(2) The tax expense was determined based upon the nature, as well as the jurisdiction, of each Special Item at the applicable tax rate.

Reconciliation of Operating Profit to Core Operating Profit*



(in \$mn)
Yum China

| | Quarter ended | | % Change B/(W) |
|--|---------------|-----------|-------------------|
| | 3/31/2024 | 3/31/2023 | |
| Reconciliation of Operating Profit to Core Operating Profit | | | |
| Operating profit | \$ 374 | \$ 416 | (10) |
| Special Items, Operating Profit | – | 3 | |
| Adjusted Operating Profit | \$ 374 | \$ 419 | (11) |
| Items Affecting Comparability | | | |
| Temporary relief from landlords ⁽¹⁾ | – | (8) | |
| Temporary relief from government agencies ⁽²⁾ | – | (2) | |
| VAT deductions ⁽³⁾ | – | (19) | |
| Amortization of reacquired franchise rights ⁽⁴⁾ | – | 2 | |
| F/X impact | 22 | – | |
| Core Operating Profit | \$ 396 | \$ 392 | 1 |
| Total revenues | 2,958 | 2,917 | 1 |
| F/X impact | 154 | – | |
| Total revenues, excluding the impact of F/X | \$ 3,112 | \$ 2,917 | 7 |
| Core OP margin | 12.7% | 13.5 | (0.8) ppts. |

Note: (1) (2) (3) (4) Please refer to the Company's earnings release issued on April 29, 2024 U.S. time for detailed explanation.

* Current period amounts are derived by translating results at average exchange rates of the prior year period.

Reconciliation of Operating Profit to Core Operating Profit



(in \$mn)

| | Quarter Ended | | | |
|---|---------------|-----------|-----------|-----------|
| | KFC | | Pizza Hut | |
| | 3/31/2024 | 3/31/2023 | 3/31/2024 | 3/31/2023 |
| GAAP Operating Profit (Loss) | \$ 372 | \$ 420 | \$ 47 | \$ 55 |
| Special Items, Operating Profit | – | – | – | – |
| Adjusted Operating Profit | \$ 372 | \$ 420 | \$ 47 | \$ 55 |
| Items Affecting Comparability | | | | |
| Temporary relief from landlords | – | (7) | – | (1) |
| Temporary relief from government agencies | – | (2) | – | – |
| VAT deductions | – | (17) | – | (2) |
| Amortization of reacquired franchise rights | – | 2 | – | – |
| F/X impact | 20 | – | 3 | – |
| Core Operating Profit (Loss) | \$ 392 | \$ 396 | \$ 50 | \$ 52 |

Reconciliation of Operating Profit to Restaurant Profit



(in \$mn)
Yum China

| | Quarter Ended | |
|--|---------------|-----------|
| | 3/31/2024 | 3/31/2023 |
| GAAP Operating Profit (Loss) | \$ 374 | \$ 416 |
| Less: | | |
| Franchise fees and income | 25 | 25 |
| Revenues from transactions with franchisees ⁽¹⁾ | 107 | 93 |
| Other revenues | 32 | 27 |
| Add: | | |
| General and administrative expenses | 140 | 163 |
| Franchise expenses | 10 | 10 |
| Expenses for transactions with franchisees ⁽¹⁾ | 104 | 91 |
| Other operating costs and expenses | 29 | 24 |
| Closures and impairment expenses, net | 1 | 3 |
| Other expenses (income), net | (1) | 1 |
| Restaurant profit (loss) | \$ 493 | \$ 563 |
| Company sales | 2,794 | 2,772 |
| Restaurant margin % | 17.6% | 20.3% |

(1) Primarily includes revenues and associated expenses of transactions with franchisees derived from the Company's central procurement model whereby the Company centrally purchases substantially all food and paper products from suppliers and then sells and delivers to KFC and Pizza Hut restaurants, including franchisees.

Reconciliation of Operating Profit to Restaurant Profit



(in \$mn)

| | Quarter Ended | | | |
|--|---------------|-----------|-----------|-----------|
| | KFC | | Pizza Hut | |
| | 3/31/2024 | 3/31/2023 | 3/31/2024 | 3/31/2023 |
| GAAP Operating Profit (Loss) | \$ 372 | \$ 420 | \$ 47 | \$ 55 |
| Less: | | | | |
| Franchise fees and income | 18 | 17 | 2 | 2 |
| Revenues from transactions with franchisees ⁽¹⁾ | 14 | 10 | 1 | 1 |
| Other revenues | 5 | 5 | 5 | 3 |
| Add: | | | | |
| General and administrative expenses | 61 | 68 | 27 | 29 |
| Franchise expenses | 9 | 9 | 1 | 1 |
| Expenses for transactions with franchisees ⁽¹⁾ | 12 | 9 | 1 | 1 |
| Other operating costs and expenses | 4 | 4 | 5 | 3 |
| Closures and impairment expenses, net | 1 | 1 | – | 1 |
| Other expenses (income), net | – | 2 | – | – |
| Restaurant profit (loss) | \$ 422 | \$ 481 | \$ 73 | \$ 84 |
| Company sales | 2,193 | 2,166 | 587 | 591 |
| Restaurant margin % | 19.3% | 22.2% | 12.5% | 14.2% |

(1) Primarily includes revenues and associated expenses of transactions with franchisees derived from the Company's central procurement model whereby the Company centrally purchases substantially all food and paper products from suppliers and then sells and delivers to KFC and Pizza Hut restaurants, including franchisees.

Items Affecting Comparability - 2023 by Quarter



(in \$mn)

Yum China

| | 23Q1 | 23Q2 | 23Q3 | 23Q4 |
|---|----------------|----------------|----------------|---------------|
| Items Affecting Comparability | | | | |
| Temporary relief from landlords | (8) | (2) | – | (1) |
| Temporary relief from government agencies | (2) | (1) | (1) | (3) |
| VAT deductions | (19) | (9) | (14) | (2) |
| Amortization of reacquired franchise rights | 2 | – | – | – |
| Total | \$ (27) | \$ (12) | \$ (15) | \$ (6) |
| 1USD to RMB¹ | 6.84 | 7.02 | 7.25 | 7.22 |

ESG Key Initiatives

| Climate Action | Circular Economy ¹ | Nutrition & Food Safety | People |
|---|---|---|--|
| <p>2050 net-zero targets submitted to SBTi for validation</p> <p>112 stores & Nanning logistics center finished renewable energy purchase for 2024¹</p> <p>Expanded Supplier Carbon Footprint Scorecard program to more supplier categories</p> | <p>Baskets and serving trays containing recycled coffee ground rolled out in over 1,500 KFC stores</p> <p>800+ ton of packaging waste recycled from 108 stores² in Shanghai</p> <p>Expanded ISCC³ certified stores from Sichuan to 3 more markets</p> <p>Expanded Food Bank Program to 118 cities</p> | <p>Published Yum China Nutrition and Health Commitments to promote healthy lifestyle</p> <p>End-to-end food safety and quality management system</p> <p>Explore the application of AIGC in food safety control</p> | <p>People First: Fair, Care & Pride</p> <p>Committed to positive social impact: e.g., One Yuan Donation, Book Kingdom, Angel Restaurants, Grow Local</p> <p>Published zero tolerance policy against discrimination and harassment in 2023</p> |

¹ As of the end of 2023

² Packaging waste recycled at 81 KFC and 27 PH stores in Shanghai by end of 2023, with a total of >1200ton of wastage collected and ~65% recycled

³ ISCC: International Sustainability and Carbon Certification

ESG Ratings and Awards

ESG Rating

4th Year

Industry highest score



Industry Best

MSCI ESG 'AA' rating



People & Community

6th Year

Industry best for the 3rd year



Joined in August 2023

To support UN SDG¹



Industry Leader

'Low' ESG risk



Leadership

Climate Supplier Engagement
'A-' rating



5th Year

One of the only three companies
from mainland China



2nd Year

China Best ESG Employers
Award



¹ United Nations Sustainable Development Goals

About Yum China

Largest restaurant company in China¹

Fortune 500 company

6 restaurant brands



15,000+ restaurants

2,000+ cities in China

400,000+ employees



Vision: To be the world's most innovative pioneer in the restaurant industry

Strategic Moat:

World-class, digitalized supply chain

Strong digital capabilities & loyalty program

Company website:

Investor Relations Contact:

Media Contact:

<http://ir.yumchina.com>

IR@YumChina.com

Media@YumChina.com

Tel: +86 21 2407 7556

Tel: +86 21 2407 7875

¹ In terms of system sales