



YumChina



黄記煌

LAVAZZA
TORINO, ITALIA, 1895

Third Quarter 2024 Results

4 November 2024

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. Our proposed returns to shareholders may also be adjusted based on business needs and market conditions. 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. Our plan of capital returns to shareholders is based on current expectations, which may change based on market conditions, capital needs or otherwise. 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.

Strong Results 3Q24 Amid Challenging Market Conditions



Robust Sales Growth

	System sales growth¹	Same-store sales growth¹	7 consecutive quarters of same-store transaction growth
Q3 YoY:	+4%	-3% -4% in Q2 2024	

Margin Expansion

	OP Margin	Restaurant Margin
Q3 YoY YoY on a comparable basis ²	+100 bps +140 bps	Steady +50 bps

Strong Key Metric Performance

	Operating Profit	Core Operating Profit³	Net Income	Diluted EPS
Q3 YoY:	+15%	+18%	+22%	+33%

¹ Excludes the impact of foreign exchange ("F/X").

² Restaurant Margin on a comparable basis excludes Items Affecting Comparability. OP Margin on a comparable basis further excludes foreign exchange impact and special items.

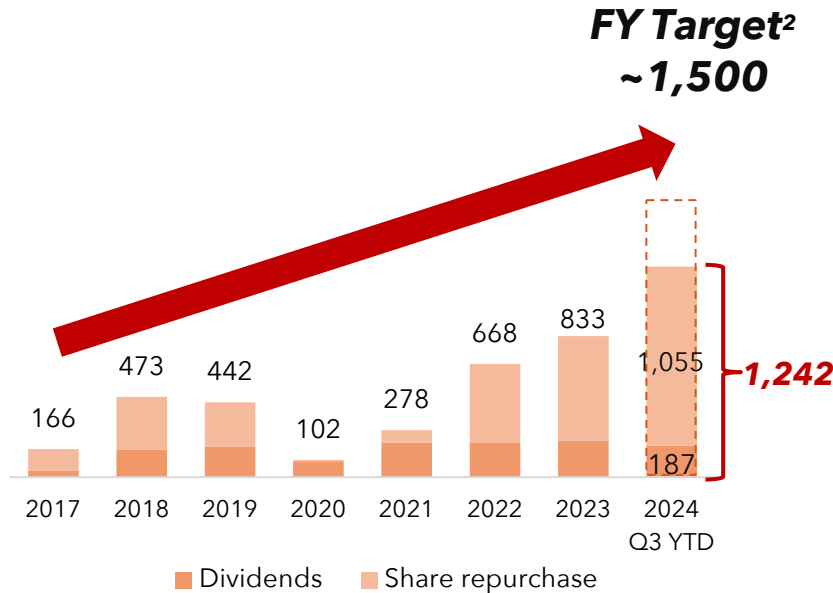
³ Core Operating Profit is defined as Operating Profit adjusted for Special Items, further excluding Items Affecting Comparability and the impact of F/X. The Company uses Core Operating Profit for the purposes of evaluating the performance of its core operations.

Upsizing Capital Returns to Shareholders for 2024 - 2026



Capital Returns to Shareholders¹

\$mn



Total Capital Returned
(From 2017 to Nov 1st 2024)

\$4.3bn

Net Cash³
(By end of Sep 2024)

\$3.1bn

**Target to increase capital returns
by 50% in 2024-26²**

\$3bn ► **\$4.5bn**

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

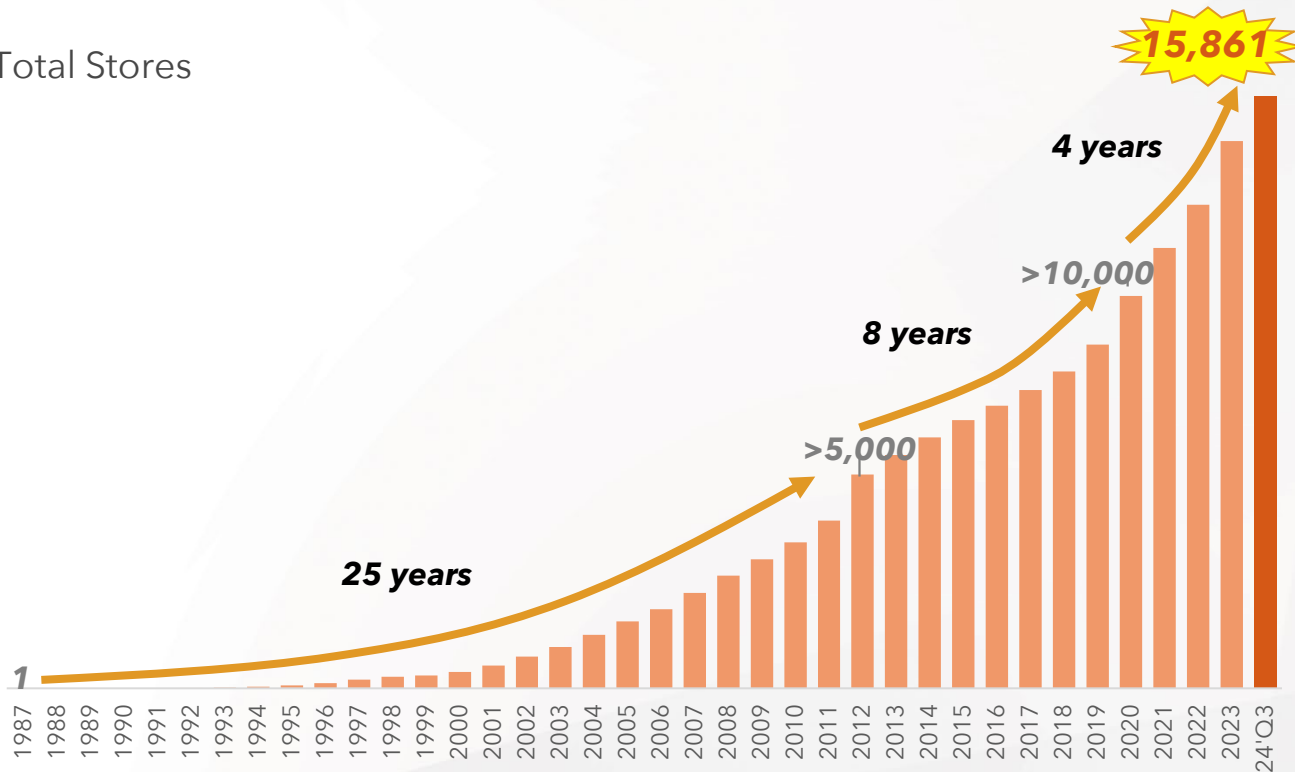
² Based on current expectations, which may change based on market conditions, capital needs or otherwise. Subject to Board approval on dividends and share repurchases, as well as shareholders' approval on share repurchases.

³ Refers to \$1,193mn cash, \$1,338mn short-term investments and \$933mn long-term bank deposits and notes, net of \$315mn in short-term borrowings.

Opening New Stores to Capture Long-Term Opportunities



Total Stores



Net new stores
438 in Q3
1,217 Q3 YTD

Net new unit
 contribution to sales
7% in Q3¹

¹ Sales contribution from net new stores (YoY).

Penetrating into More Cities - Good New Store Returns

Penetrating More Cities

Healthy New Store Payback²

#1 Western QSR in China¹



987 **11,283** **~2,200**

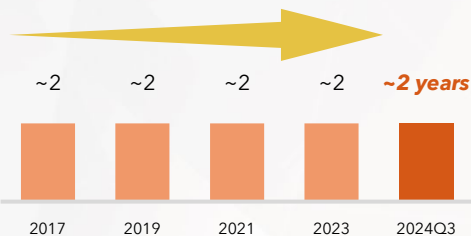
Net New Stores **Total** **Cities**
Q3 YTD **Stores**

24 Q3 YTD

Net New
Stores Total
Stores

% in Tier 3-6 58% 56%

% of franchise 27% 12%

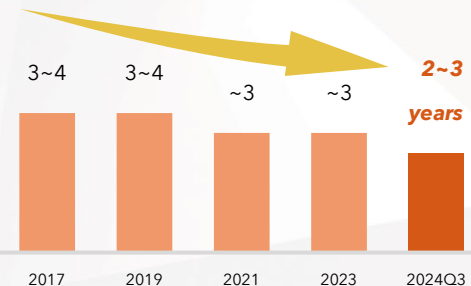


24 Q3 YTD

Net New
Stores Total
Stores

% in Tier 3-6 60% 45%

% of franchise 7% 5%



#1 Casual Dining in China¹



294 **3,606** **800+**

Net New Stores **Total** **Cities**
Q3 YTD **Stores**

~80% of new stores³ turned profitable within 3 months of opening

¹ In terms of 2023 system sales.

² 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 July 2022 to June 2023.

³ Refers to stores opened in the past two years.

Achieved Double-Digit Delivery Sales Growth over the Past Decade



Delivery Sales Growth YoY

+18%
Q3

+14%
Q3 YTD

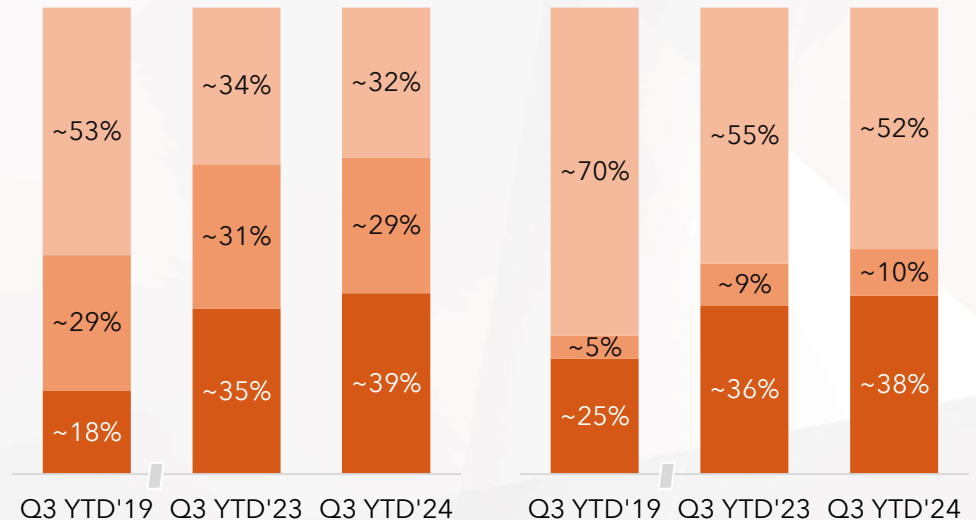
- KFC and Pizza Hut both gained market share on delivery platforms
- Took actions to reduce rider costs - e.g., introducing platform riders at select locations, where their quality matches our dedicated riders



+19%
YoY in Q3



+11%
YoY in Q3



Sales mix by channels

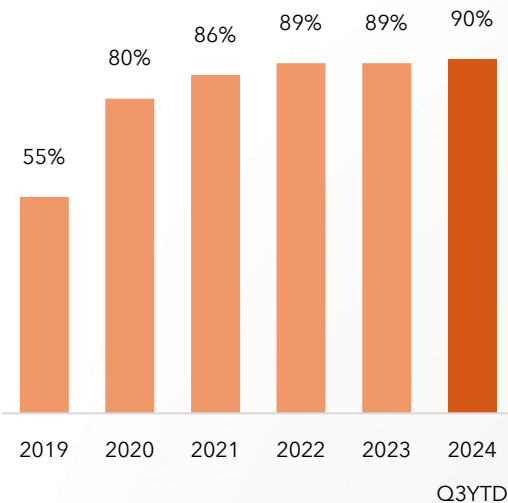
% of Company sales

■ Dine-in
 ■ Takeaway
 ■ Delivery

Digital Sales Exceeded \$7 Billion in First Nine Months; Total Members Surpassed 510 Million

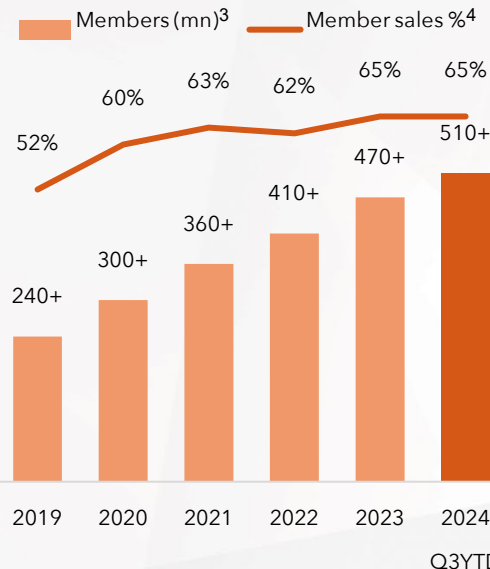
Digital Sales Growth

Digital orders¹



>\$7bn
Digital Sales²
Q3 YTD

Member Growth



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

² Sales at Company-owned stores where orderings were placed digitally.

³ KFC and Pizza Hut loyalty programs combined, as of period-end.

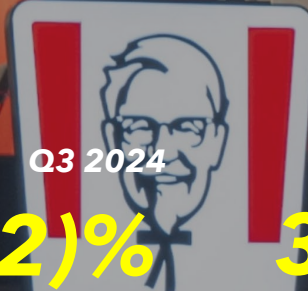
⁴ As a percentage of KFC and Pizza Hut's system sales in aggregate. From 2022, in addition to transactions in which members self-identified as members (i.e., through member QR code, using member coupons/vouchers, ordering via Super-Apps or other own channels), member sales also include 1) transactions 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 Q3 YTD for KFC and Pizza Hut combined.

KFC Continuing to Thrive



肯悦咖啡

Q3 2024



+6%

System sales growth¹

(2)%

Same-store sales growth¹

352

Net new stores

18.3%

Restaurant margin

(30) bps YoY

+30 bps YoY on a comparable basis²

15.7%

OP margin

+10 bps YoY

+60 bps YoY on a comparable basis²

+6% YoY

Operating profit

+9% YoY

Core operating profit³

¹ Excludes the impact of foreign exchange.

² Restaurant Margin on a comparable basis excludes Items Affecting Comparability. OP Margin on a comparable basis further excludes foreign exchange impact and special items.

³ Defined as Operating profit adjusted for Special Items, further excluding Items Affecting Comparability and the impact of F/X.

Photo: KFC store in Chengdu City Center (成都领地中心)



Offering Innovative Products and Great Value

Breathing Fresh Energy into our Flagship Products

KFC
原味鸡 新发明
汤咖喱原味鸡
新
原味鸡·土豆泥·咖喱
三大神仙搭配

Original recipe chicken with curry gravy and mashed potatoes

KFC
川辣嫩牛五方
经典回归! 9月20日牛粉集结!
川辣嫩牛五方
¥18.5/个
APP 超值价
单人餐 ¥29.8/份
百事可乐

Spicy beef wrap

Providing Great Value-for-money and Emotional Value

KFC
疯狂星期四
粒粒孜然鸡块
9块9 9块9
'9.9/9块 (限时)
葡式蛋挞 (到店专享)
8只 29.9
'29.9/8只
热辣香骨鸡
15块 19.9
'19.9/15块
吮指原味鸡
4块 29.9
'29.9/4块

Crazy Thursday - chicken nugget with cumin, egg tart, single-bone chicken and original recipe chicken

奇迹瞬间 美味再现
KFC | 原神

Genshin Impact campaign includes themed stores, special combos, souvenirs and game pack



Side-by-side KCOFFEE Cafes Reached 500 Locations



Note: Side-by-side KCOFFEE Cafes are considered part of existing KFC stores and are not counted separately in Yum China's total store count.

Photos: KFC store in Chengdu City Center (成都领地中心)



KCOFFEE Cafe Features a Distinct Menu and Stunning Value for Money

Unique Product



Original recipe chicken latte

Stunning Value for Money



Sparkling Americano at RMB 9.9



Coffee and hot dog combo at RMB 9.9

Driving Repeat Purchase



Privilege subscription: RMB 8.8 for 30 days, coffee from RMB 5

Pizza Hut Becoming More Resilient and Profitable

Q3 2024

+2%

System sales
growth¹

(6)%

Same-store
sales growth¹

102

Net new stores

12.8%

Restaurant margin

+10 bps YoY

+60 bps YoY on a
comparable basis²

8.6%

OP margin

+80 bps YoY

+140 bps YoY on a
comparable basis²

+13% YoY

Operating profit

+20% YoY

Core operating profit³

¹ Excludes the impact of foreign exchange.

² Restaurant Margin on a comparable basis excludes Items Affecting Comparability. OP Margin on a comparable basis further excludes foreign exchange impact and special items.

³ Defined as Operating profit adjusted for Special Items, further excluding Items Affecting Comparability and the impact of F/X.



Introducing Innovative Products and Outstanding Value

Durian Pizza and Burger for the Durian Lovers



Durian pizza with new flavors



Pizza dough beef burger with durian and pineapple

Driving Traffic with Exceptional Value



All-you-can-eat for a limited time



Buy one get one free for a limited time



Pizza Hut WOW Model Reached 150 Stores in November



Guangzhou Aeon Mall (广州金沙洲永旺)



Shanghai Qibao Powerlong City (上海七宝宝龙)

Covering 10 provinces, from Tier 1 cities to lower-tier towns



品质好价 尽享在 WOW

- 天天好价 每日超值
- 全球甄选食材 每一口都美味
- 好披萨 就该现点现做

WOW「人气」-推荐

人气美味随心点，买即吃即自由

POPULAR

大红袍奶茶
甄选大红袍茶底，搭配新鲜牛奶，口感醇厚，茶香四溢。

¥9

南法风味香酥鸡腿排
甄选新鲜鸡腿肉，经南法风味腌制，外皮酥脆，肉质鲜嫩。

¥19

四喜冰爽柠檬水
甄选新鲜柠檬，搭配进口糖浆，口感清爽，解渴消暑。

¥7

托斯卡纳风味烤蜗牛

¥18

橄榄油焗菠菜
甄选新鲜菠菜，搭配橄榄油，口感清爽，营养丰富。

¥9

韩式风味炸鸡
(加酱/加薯/3只)

¥9

新奥尔良风味鸡肉意面

¥15

WOW「畅吃」-前菜

小食、浅尝、打开生活的快乐开关

APPETIZER

蜜汁香烤鸡翼(2只)

¥12

意式风情香烤香骨鸡(3只)

¥12

韩式风味炸鸡
(加酱/加薯/3只)

¥9

美式宽薯条

¥9

孜然香烤鸡翅

¥12

新奥尔良风味香骨鸡(3只)

¥12

美式甘梅红薯条

¥12

超值四选拼盘
(新奥尔良、韩式、意式、芝士)

¥25

经典三鲜拼盘
(孜然鸡翅、薯条、意面)

¥19

香骨鸡双拼盘
(3只新奥尔良风味鸡+3只意式风情香骨鸡)

¥19

茄汁焗肉排

¥15

茄汁焗肉排

¥9

橄榄油焗菠菜

¥12

罗马风味香骨鸡

¥12

橄榄油焗菠菜

¥9

MORE



高温现烤

蜜汁干排

¥20

230度高温现烤，肉质鲜嫩，香气四溢。

¥20

WOW「肉食」-主菜

畅享大口吃肉的乐趣，大快朵颐，滋滋有味

MAIN COURSE

蜜糖沙朗干排
甄选新鲜沙朗肉，经蜜糖腌制，肉质鲜嫩，香气四溢。

¥49

避风塘风味帝王蟹块

¥49

里斯本风味蒜香鸡腿排

¥19

芝士焗三文鱼

¥49

猪肉排双拼盘
(牛柳排、香骨鸡腿排、北式鸡柳)

¥39

芝香小青龙配脆脆薯条

¥49

蜜汁焗烤黑椒干肉排

¥29

WOW「能量」-面饭

轻食浓郁风味，用丰盛感满满填满

PASTA

那不勒斯风味培根意面
(可选加薯条、芝士碎)

¥19

奶油菌菇鸡肉培根意面

¥15

米兰式肉酱芝士焗饭
(可选加薯条、芝士碎)

¥17

奶油菌菇培根焗饭

¥17

安格斯肉酱芝士焗饭
(可选加薯条、芝士碎)

¥19

每一个披萨都是

现点现做

模拟柏三厘手法手工 100%现场制作

1924年的传统制饼

传统手工揉面

100%现场制作

传统手工揉面

传统手工揉面

传统手工揉面

WOW「轻享」-披萨

现点现做，轻享多重美味，欢聚无忧时光

奶香芝士披萨

¥19 轻享装

BBO嘉年华披萨
(可选加薯条、芝士碎)

¥29 轻享装 / ¥48 重装

孟菲斯风味牛腩披萨

¥25 轻享装 / ¥38 重装

芝香牛腩披萨
(可选加薯条、芝士碎)

¥29 轻享装 / ¥48 重装

夏威夷风味披萨

¥25 轻享装 / ¥38 重装

Pursuing Greater Operational Efficiency to Make our Business Even More Resilient



Assess our operations from:

RGM's point of view

Customer's point of view



***Reduce business
complexity***

***Simplify menu &
operations***

***Uplift operational
efficiency***

Best in class

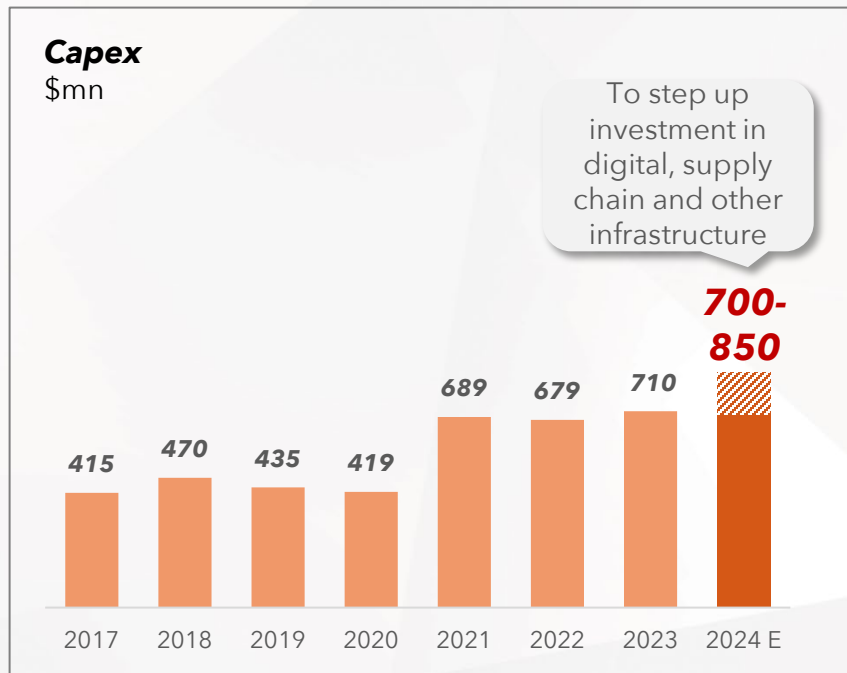
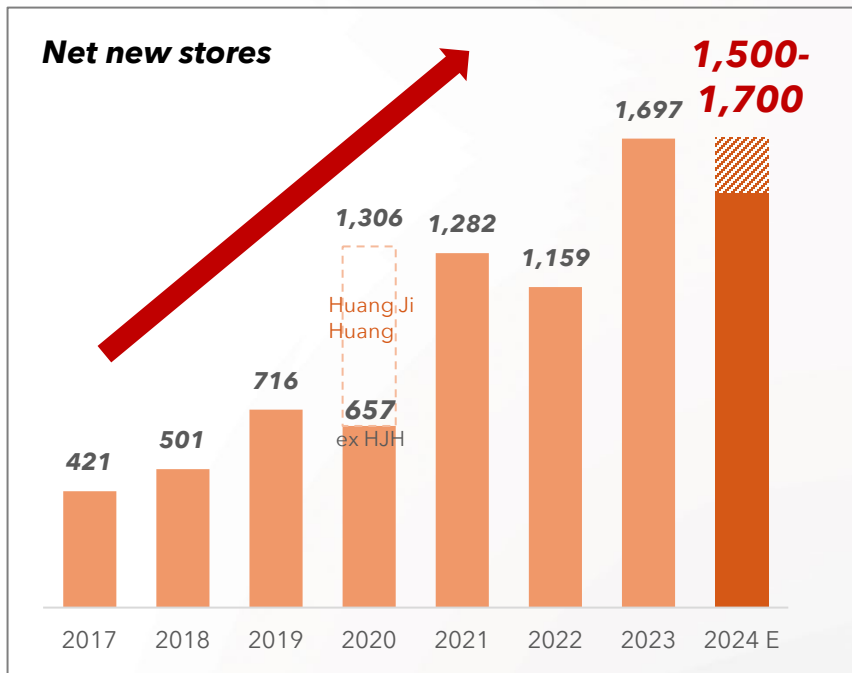
Best in cost

Spend better

Buy better

Pass on savings to customers and other stakeholders

2024 Targets Remain Unchanged



~\$1.5bn Targeted capital returns to shareholders¹

¹ Includes dividends and 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

\$4.5bn Targeted capital returns to shareholders²

¹ Excludes 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 and share repurchases, as well as shareholders' approval on share repurchases.

Appendix

Third Quarter Grew YoY and vs 2019

Third Quarter	2019	2023	2024	2024 vs 2023		2024 vs 2019	
No. of Stores	8,917	14,102	15,861	+12%	↑	+78%	↑↑↑↑
Revenue (\$ mn)	2,319	2,914	3,071	+5%	↑	+32%	↑↑↑
Members (mn)	230+	460+	510+	+11%	↑	+122%	↑↑↑↑↑
Member Sales %	53%	65%	64%	(1) ppt	~	+11ppt	↑↑
Operating Profit (\$ mm)	300	323	371	+15%	↑	+24%	↑↑
OP Margin (% of revenue)	12.9%	11.1%	12.1%	+1.0ppt	↑	(0.8)ppt	↓

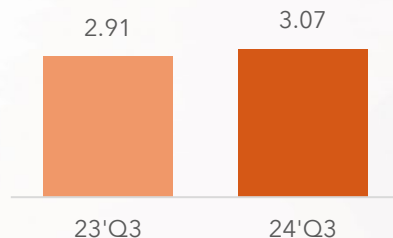
Core OP Margin
+1.4ppt YoY

Sales and Profit Grew YoY in Third Quarter

Revenue/Sales YoY

Revenue growth (reported)	+5%
Revenue growth (ex F/X)	+4%
System sales growth ¹	+4%

Total Revenue (\$bn)



Key factors for Revenue year-over-year change

- + Net new unit contribution
- Same-store sales decline

Operating Profit/Core OP YoY

OP YoY (reported)	+15%
OP YoY (ex F/X)	+14%
Core OP ² YoY	+18%

\$mn	23'Q3	24'Q3
Operating Profit	323	371
Special items	4	-
Items affecting comparability	(15)	-
Foreign currency translation	-	(2)
Core operating profit	312	369

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 Excludes 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" for more information.

Third Quarter Key Performance Highlights - KFC & Pizza Hut



24'Q3

	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 %
	+6%	(2)%	+1%	(3)%	40%	68%	475+	65%	90%
				24'Q3 RMB 38 19'Q3 RMB 36	Relatively stable				
	+2%	(6)%	+4%	(9)%	39%	49%	175+	63%	91%
				24'Q3 RMB 82 19'Q3 RMB 110	In line with strategy to target mass market				

Reconciliation of Reported Results to Non-GAAP Measures



(in \$mn)

	Quarter Ended		Year to Date Ended	
	9/30/2024	9/30/2023	9/30/2024	9/30/2023
Non-GAAP Reconciliations				
Reconciliation of Operating Profit to Adjusted Operating Profit				
Operating Profit	\$ 371	\$ 323	\$ 1,011	\$ 996
Special Items, Operating Profit	–	(4)	–	(9)
Adjusted Operating Profit	<u>\$ 371</u>	<u>\$ 327</u>	<u>\$ 1,011</u>	<u>\$ 1,005</u>

Details of Special Items

	Quarter Ended		Year to Date Ended	
	9/30/2024	9/30/2023	9/30/2024	9/30/2023
Share-based compensation expense for Partner PSU Awards ⁽¹⁾	\$ –	\$ (4)	\$ –	\$ (9)
Special Items, Operating Profit	–	(4)	–	(9)
Tax effect on Special Items ⁽²⁾	–	–	–	–
Special Items, net income - including noncontrolling interests	–	(4)	–	(9)
Special Items, net income - noncontrolling interests	–	–	–	–
Special Items, Net Income -Yum China Holdings, Inc.	<u>\$ –</u>	<u>\$ (4)</u>	<u>\$ –</u>	<u>\$ (9)</u>
Weighted-average Diluted Shares Outstanding (in millions)	<u>385</u>	<u>420</u>	<u>393</u>	<u>421</u>
Special Items, Diluted Earnings Per Common Share	<u>\$ –</u>	<u>\$ (0.01)</u>	<u>\$ –</u>	<u>\$ (0.02)</u>

(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)	Year to Date Ended		% Change B/(W)
	9/30/2024	9/30/2023		9/30/2024	9/30/2023	
Operating profit	\$ 371	\$ 323	15	\$ 1,011	\$ 996	1
Special Items, Operating Profit	-	4		-	9	
Adjusted Operating Profit	\$ 371	\$ 327	13	\$ 1,011	\$ 1,005	1
Items Affecting Comparability						
Temporary relief from landlords ⁽¹⁾	-	-		-	(10)	
Temporary relief from government agencies ⁽²⁾	-	(1)		-	(4)	
VAT deductions ⁽³⁾	-	(14)		-	(42)	
Amortization of reacquired franchise rights ⁽⁴⁾	-	-		-	2	
F/X impact	(2)	-		29	-	
Core Operating Profit	\$ 369	\$ 312	18	\$ 1,040	\$ 951	10
Total revenues	3,071	2,914	5	8,708	8,485	3
F/X impact	(31)	-		208	-	
Total revenues, excluding the impact of F/X	\$ 3,040	\$ 2,914	4	\$ 8,916	\$ 8,485	5
Core OP margin	12.1%	10.7%	1.4 pts.	11.7%	11.2%	0.5 pts.

Note: (1) (2) (3) (4) Please refer to the Company's earnings release issued on November 4, 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)

KFC	Quarter Ended		Year to Date Ended	
	9/30/2024	9/30/2023	9/30/2024	9/30/2023
GAAP Operating Profit	\$ 364	\$ 342	\$ 1,000	\$ 1,035
Special Items, Operating Profit	–	–	–	–
Adjusted Operating Profit	\$ 364	\$ 342	\$ 1,000	\$ 1,035
Items Affecting Comparability				
Temporary relief from landlords	–	–	–	(9)
Temporary relief from government agencies	–	–	–	(3)
VAT deductions	–	(10)	–	(34)
Amortization of reacquired franchise rights	–	–	–	2
F/X impact	(2)	–	27	–
Core Operating Profit	\$ 362	\$ 332	\$ 1,027	\$ 991

Note: (1) (2) (3) (4) Please refer to the Company's earnings release issued on November 4, 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)

Pizza Hut	Quarter Ended		Year to Date Ended	
	9/30/2024	9/30/2023	9/30/2024	9/30/2023
GAAP Operating Profit	\$ 52	\$ 47	\$ 139	\$ 137
Special Items, Operating Profit	–	–	–	–
Adjusted Operating Profit	\$ 52	\$ 47	\$ 139	\$ 137
Items Affecting Comparability				
Temporary relief from landlords	–	–	–	(1)
Temporary relief from government agencies	–	(1)	–	(1)
VAT deductions	–	(3)	–	(6)
F/X impact	–	–	4	–
Core Operating Profit	\$ 52	\$ 43	\$ 143	\$ 129

Note: (1) (2) (3) (4) Please refer to the Company's earnings release issued on November 4, 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 Restaurant Profit



(in \$mn)

Yum China	Quarter Ended		Year to Date Ended	
	9/30/2024	9/30/2023	9/30/2024	9/30/2023
GAAP Operating Profit	\$ 371	\$ 323	\$ 1,011	\$ 996
Less:				
Franchise fees and income	25	23	72	69
Revenues from transactions with franchisees	116	100	319	282
Other revenues	35	32	100	86
Add:				
General and administrative expenses	139	169	412	485
Franchise expenses	10	9	29	28
Expenses for transactions with franchisees	110	95	306	270
Other operating costs and expenses	32	29	90	77
Closures and impairment expenses, net	8	–	22	17
Other expenses (income), net	–	–	(1)	1
Restaurant profit	\$ 494	\$ 470	\$ 1,378	\$ 1,437
Company sales	2,895	2,759	8,217	8,048
Restaurant margin %	17.0 %	17.0 %	16.8 %	17.9 %

Reconciliation of Operating Profit to Restaurant Profit



(in \$mn)

KFC	Quarter Ended		Year to Date Ended	
	9/30/2024	9/30/2023	9/30/2024	9/30/2023
GAAP Operating Profit	\$ 364	\$ 342	\$ 1,000	\$ 1,035
Less:				
Franchise fees and income	19	16	53	48
Revenues from transactions with franchisees	15	12	41	33
Other revenues	1	4	9	13
Add:				
General and administrative expenses	62	68	183	203
Franchise expenses	8	8	25	24
Expenses for transactions with franchisees	13	11	36	29
Other operating costs and expenses	1	3	7	11
Closures and impairment expenses, net	4	—	11	9
Other expenses, net	—	—	—	2
Restaurant profit	\$ 417	\$ 400	\$ 1,159	\$ 1,219
Company sales	2,276	2,154	6,452	6,274
Restaurant margin %	18.3 %	18.6 %	18.0 %	19.4 %

Reconciliation of Operating Profit to Restaurant Profit



(in \$mn)

Pizza Hut	Quarter Ended		Year to Date Ended	
	9/30/2024	9/30/2023	9/30/2024	9/30/2023
GAAP Operating Profit	\$ 52	\$ 47	\$ 139	\$ 137
Less:				
Franchise fees and income	2	2	6	6
Revenues from transactions with franchisees	2	1	4	3
Other revenues	5	5	17	13
Add:				
General and administrative expenses	26	30	80	89
Franchise expenses	1	1	3	3
Expenses for transactions with franchisees	1	1	3	3
Other operating costs and expenses	5	4	16	11
Closures and impairment expenses, net	1	–	6	5
Restaurant profit	\$ 77	\$ 75	\$ 220	\$ 226
Company sales	606	591	1,723	1,728
Restaurant margin %	12.8 %	12.7 %	12.8 %	13.1 %

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	Nutrition & Food Safety	People
<p>151 stores & 3 logistics centers completed renewable energy purchases for 2024¹</p> <p>1st successful collaboration with landlord for 12 stores in Jilin to purchase renewable energy¹</p> <p>> 50% suppliers in Yum China DPV² & VPPA³ Alliance applied DPV system with > 280MM kWh of green power generated annually¹</p>	<p>Coffee ground recycling extended to ~8,700 KFC stores nationwide, started pilot test at Lavazza stores¹</p> <p>Aprons made with coffee grounds recycled at our disposal centers used at KCOFFEE Cafes nationwide</p> <p>Food Bank expanded to 22 new cities in 2024¹</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>Encourage active engagement through RGM Voice initiative</p> <p>Implemented AI-enabled solutions to ensure equitable hiring and unbiased selection processes</p> <p>Established interactive training platform to improve employee experience</p>

¹ As of the end of Sep 2024

² Distributed Photovoltaic

³ Virtual Power Purchase Agreements

ESG Ratings and Awards

ESG Rating

4th Year

Industry highest score



Industry No. 1

MSCI ESG 'AA' rating



People & Community

6th Year

Industry best for the 3rd year



Joined in August 2023

To support UN SDG¹



Industry No.1

'Low' ESG risk



Industry Leader

E - 1, S - 1, G - 1



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

~2,200 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 8288 / +852 2267 5807

¹ In terms of system sales.