



YumChina



LAVAZZA
TORINO, ITALIA, 1895

Fourth Quarter and Fiscal Year 2024 Results

6 February 2025

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, franchise mix of net new stores, 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. 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.

Improved Same-store Sales Index and Strong Profit Growth in Q4

Sales Improvement		Margin Expansion		Strong Profit Growth	
System sales growth¹	Same-store sales index¹	OP Margin	Restaurant Margin	Operating Profit	Core Operating Profit⁴
+4%	99%	5.8%	12.3%	+36%	+35%
YoY	Of 2023 level			YoY	YoY
Outpaced China's restaurant industry revenue ² +3%	Improved from 97% in Q3	+140 bps	+160 bps	Net Income	Diluted EPS
		YoY	YoY		
8 consecutive quarters of same-store transaction growth		+140 bps	+180 bps	+18%	+30%
		YoY on a comparable basis ³		YoY	YoY

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

² Sourced from National Bureau of Statistics of China

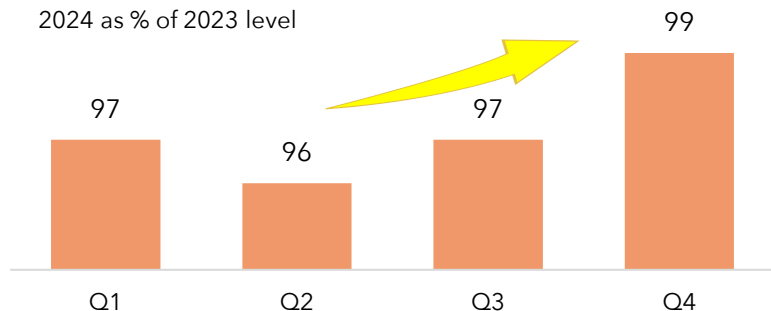
³ Restaurant Margin on a comparable basis excludes Items Affecting Comparability. OP margin on a comparable basis is defined as Core Operating Profit divided by Total revenues, excluding the impact of F/X.

⁴ 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.

Quarterly Improvement Throughout 2024

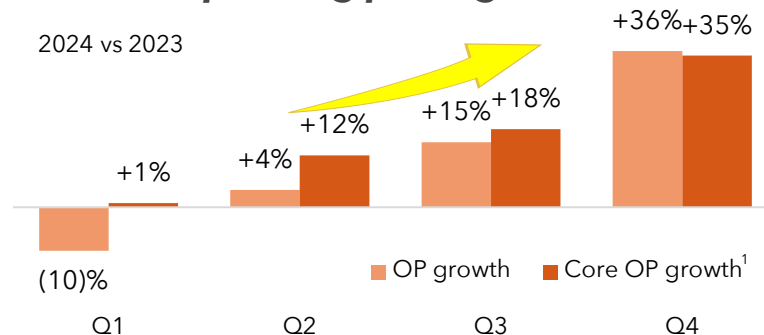
Same-store sales index

2024 as % of 2023 level



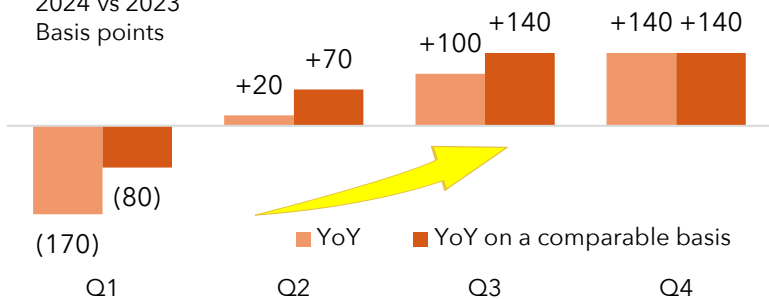
Operating profit growth

2024 vs 2023



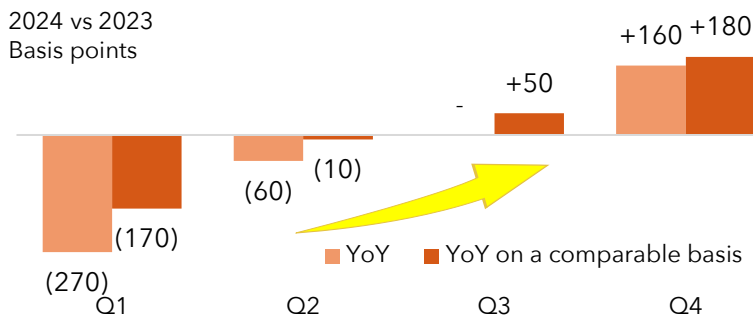
OP margin

2024 vs 2023
Basis points



Restaurant margin

2024 vs 2023
Basis points



¹ Core OP growth compares current year Core Operating Profit to the prior year Operating Profit, adjusted only for any prior year Special Items and Items Affecting Comparability.

Topline and Bottomline Set New Records in 2024

Dual Focus on Growth and Capital Returns

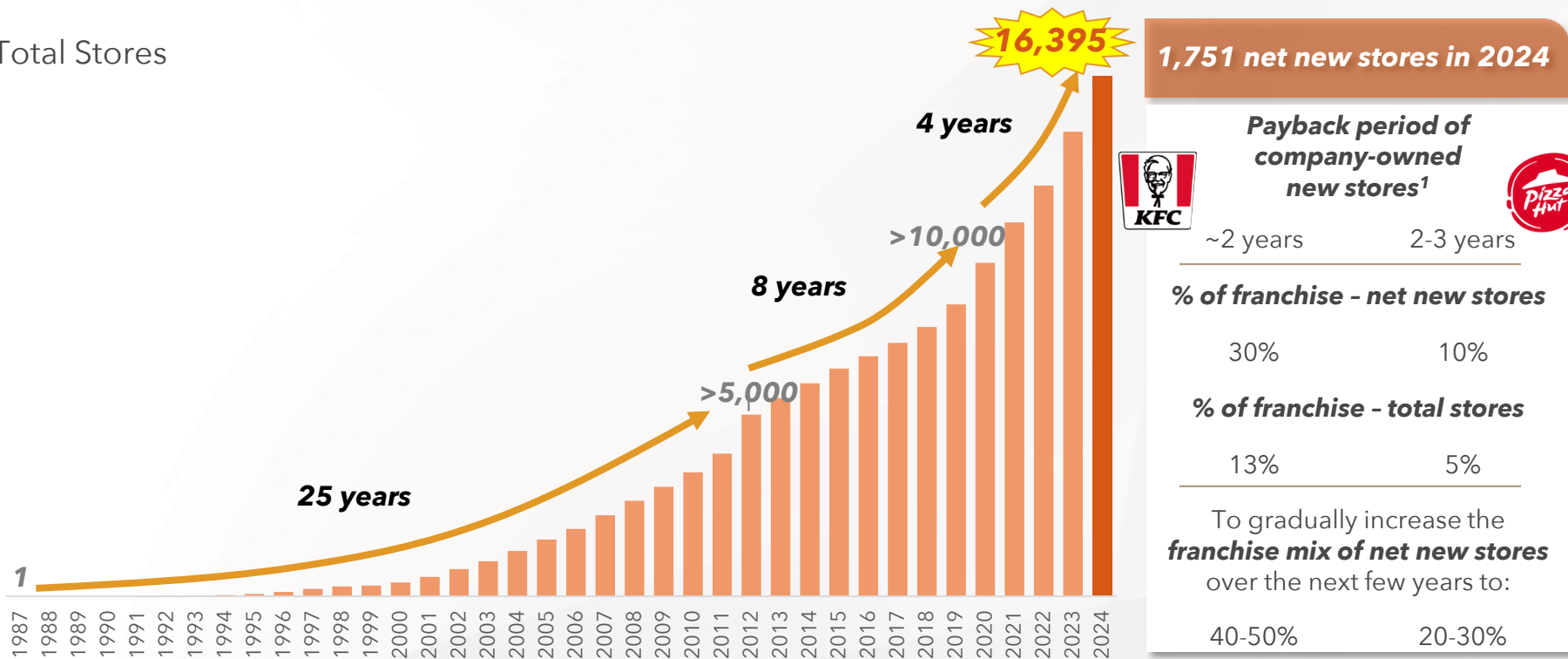


\$11.3 bn Record Revenue		\$1.2 bn Operating Profit		\$1.5 bn Record Capital Returns to Shareholders	
System sales growth	Same-store sales index	OP Margin	Record Adjusted OP	Cash Dividends	Share Repurchases
+5% YoY	97% Of 2023 level	10.3%	\$1.2bn	\$248mn	\$1.24bn
Record Net new stores	Same-store trx growth	+20 bps YoY	+5% Reported OP growth	~9% of market capitalization ¹	
1,751	+4% YoY	+70 bps YoY on a comparable basis	+12% Core OP growth	Diluted EPS	+18% YoY

¹ \$1.5 billion is equivalent to 9% of market capitalization as of Dec 31, 2024

Rapid and High-Quality Footprint Expansion

Total Stores



¹ 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 October 2022 to September 2023.

Expanding Our Reach to Capture Significant Growth Opportunities



2024 FY

	Total Stores	Net New Stores
Total	11,648	1,352
% in Tier 3-6	56%	55%

Average capex per new store¹: ~RMB 1.5mn

Penetrate more locations with flexible models

2,200+

Cities with KFC

~800

Cities without KFC

2025 Targets:

1,600-1,800

Net new stores



2024 FY

	Total Stores	Net New Stores
Total	3,724	412
% in Tier 3-6	46%	62%

Average capex per new store¹: ~RMB 1.2mn

800+

Cities with Pizza Hut

~1,400

Cities with KFC but no Pizza Hut

\$700-800mn

Capital expenditure

(includes new stores, store remodel, IT, supply chain and other infrastructure)

¹ Refers to stores opened in 2024.

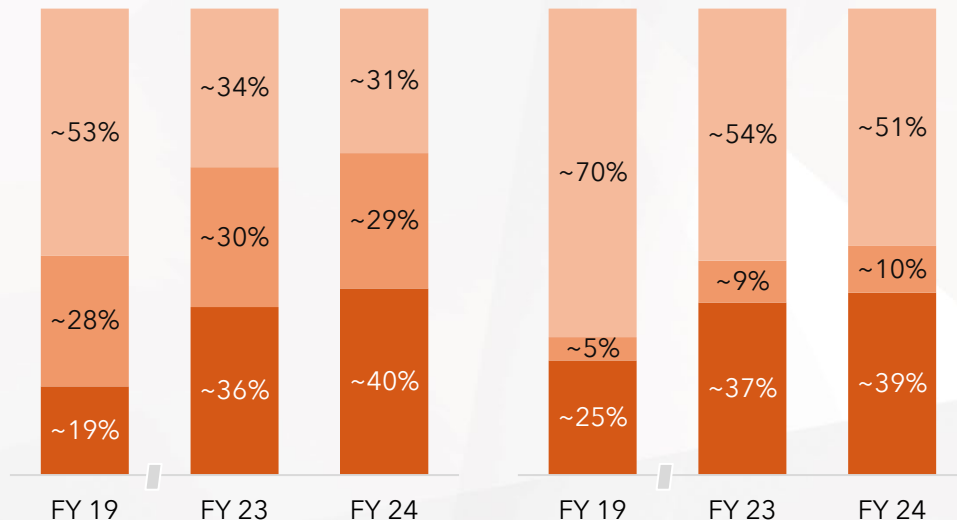
Achieved Double-Digit Delivery Sales Growth

Delivery

- Sales grew 14% YoY in Q4 and full year
- Gained market share on delivery platforms

Takeaway

- KFC: ratio remains relatively stable
- Pizza Hut: ratio doubled from 2019 to 2024



Sales mix by channels

% of Company sales

■ Dine-in

■ Takeaway

■ Delivery

KFC Delivered Strong Performance

FULL
YEAR
2024

+6%

System sales
growth

1,352

Net new stores

14.0%

OP margin

\$1,192mn

Operating profit

98%

Same-store
sales index

11,648

Total stores

16.9%

Restaurant margin

(1)%

OP growth

+6%

Core OP
growth



Q4 Operating Profit Improved Significantly

+5% YoY

System sales
growth

99%

Same-store
sales index

+3% same-store transaction
growth (8 consecutive
quarters of growth)

9.9%

OP margin

13.3%

Restaurant margin

+100 bps YoY

+120 bps YoY on a
comparable basis

+130 bps YoY

+160 bps YoY on a
comparable basis

+15% YoY

Operating profit

+18% YoY

Core operating profit

Q4
2024





Breathing Fresh Energy Into Our Flagship Categories

KFC

原味鸡汉堡
Original Recipe chicken burger

- 坚持手工裹粉
- 特调风味土豆泥
- 高压低温烹饪
- 11种秘制香料

— 蛋挞之神 —
焦糖厚蛋挞
无与伦比的酥脆 超乎想象的浓郁
Caramel egg tart

巨大的蛋挞
Gigantic egg tart
尺寸超乎想象 每一口都足人满足

ST CHAMPIONS OF
CHEESE AWARDS
2022
GOLD
新西兰西兰金奖动物产品

KFC

肯德基出
薄脆炸全鸡了!
Crispy whole chicken

全鸡还吃肯德基

ST CHAMPIONS OF
CHEESE AWARDS
2022
GOLD
新西兰西兰金奖动物产品



肯悦咖啡



Breakthrough KCOFFEE Cafe Rolled Out to ~700 Locations

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



Bringing Back Crayfish and Golden Bucket in CNY



Pizza Hut Has Achieved Significant Progress



必胜客

FULL
YEAR
2024

+2%

System sales
growth

412

Net new stores

6.8%

OP margin

\$153mn

Operating profit

+50bps YoY
+90bps YoY on a
comparable basis

95%

Same-store
sales index

3,724

Total stores

12.0%

Restaurant margin

+20bps YoY
+60bps YoY on a
comparable basis

+7%

OP growth

+19%

Core OP growth



Operating Profit Doubled in Q4

Q4
2024

+3% YoY
System sales
growth

98%
Same-store
sales index

+9% same-store transaction
growth (8 consecutive
quarters of growth)

2.6%
OP margin

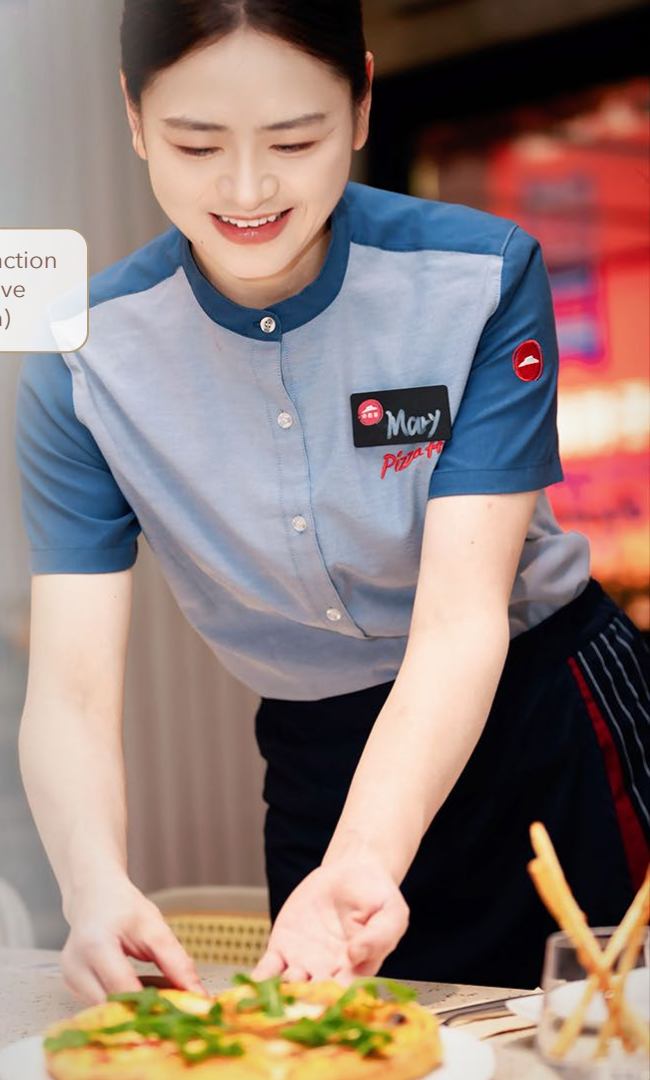
9.3%
Restaurant margin

+160 bps YoY
+170 bps YoY on a
comparable basis

+200 bps YoY
+220 bps YoY on a
comparable basis

+156% YoY
Operating profit

+226% YoY
Core operating profit





Broadening Addressable Market by Widening Price Range and Enhancing Menu

Entry-Price Pizzas



Sales of pizzas priced under RMB50 +50% year-over-year

Pizza Dough Burgers



17mn burgers sold since launch!



Pizza Hut WOW Surpassed 200 Stores

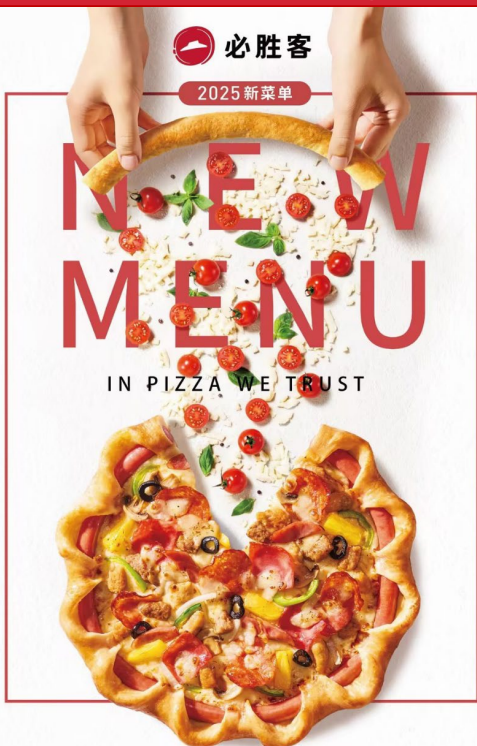


New Menu: Exciting New Products and Amazing Value

40

Delicious new products

- Lower prices on iconic products while protecting margins
- More straight-forward value-for-money communication



现拍现烤·披萨专家





Introducing Delicious and Festive Food

Fortune cat
pistachio stuffed
crust pizza



Golden salty egg
chicken pizza



Emerging Brands Made Meaningful Progress in 2024

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Dual growth engines - coffee shops and retail

Meaningfully improved store economics

Retail sales +30% YoY



黄記煌

55 net new stores

Profitable for 5 consecutive years since acquisition

小肥羊

LITTLE SHEEP

20 net new stores

Innovative conveyor belt hotpot model



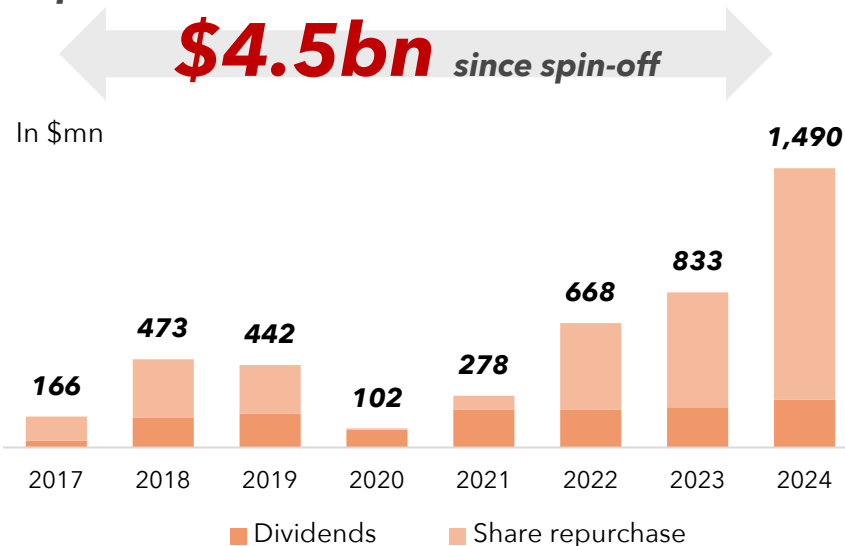
TACO BELL

Refining business model and store portfolio

Improved operating results

Significant Capital Returns to Shareholders

Capital returns to shareholders in 2017-2024¹



Target capital returns²

\$4.5bn

in 2024-26

\$3bn

in 2025-26

① Increase in Quarterly Cash Dividends

\$0.16 → **\$0.24** **+50%**

Q1 2024

Q1 2025

② Share Repurchases

\$360mn

Agreements for 1H 2025
in the U.S. & Hong Kong

Free cash flow³ of \$714 mn in 2024

Net cash⁴ of \$2.8 bn by 2024 year-end

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 cash flow from operating activities minus capital expenditure.

⁴ Refers to \$723mn cash and cash equivalents, \$1,121mn short-term investments and \$1,088mn long-term bank deposits and notes, net of \$127mn in short-term borrowings.

Proactive Measures have Led to Favorable Results and Positioned Us for Future Success

Pursue greater operational efficiency by taking the perspectives of:

RGM's point of view

Customer's point of view



***Reduce business
complexity***

***Simplify menu &
operations***

***Centralize, automate,
redesign key processes***

Best in class

Best in cost

Spend better

Buy better

***Pass savings on to customers and reinvest into business
for long-term competitiveness***

Appendix



YumChina

Fourth Quarter Grew YoY and vs 2019

Fourth Quarter	2019	2023	2024	2024 vs 2023	2024 vs 2019
No. of Stores	9,200	14,644	16,395	+12% ↑	+78% ↑↑↑↑
Total Revenues (\$ mn)	2,029	2,493	2,595	+4% ↑	+28% ↑↑
Members (mn)	240+	470+	525+	+11% ↑	+119% ↑↑↑↑↑
Member Sales %	56%	65%	64%	(1) ppt ~	+8ppt ↑↑
Operating Profit (\$ mm)	94	110	151	+36% ↑↑	+61% ↑↑↑
OP Margin (% of revenue)	4.7%	4.4%	5.8%	+1.4ppt ↑↑	+1.1ppt ↑↑

Core OP Margin
+1.4ppt YoY

Full Year Grew YoY and vs 2019

Full Year	2019	2023	2024	2024 vs 2023	2024 vs 2019
No. of Stores	9,200	14,644	16,395	+12% ↑	+78% ↑↑↑↑
Total Revenues (\$ mn)	8,776	10,978	11,303	+3% ↑	+29% ↑↑
Members (mn)	240+	470+	525+	+11% ↑	+119% ↑↑↑↑↑
Member Sales %	52%	65%	65%	On par ~	+13ppt ↑↑
Operating Profit (\$ mm)	901	1,106	1,162	+5% ↑	+29% ↑↑
OP Margin (% of revenue)	10.3%	10.1%	10.3%	+0.2ppt ↑	On par ~

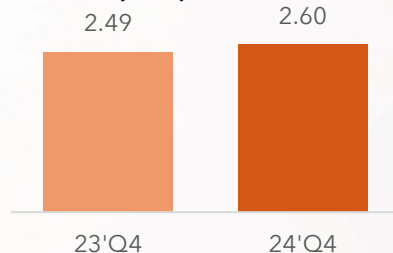
Core OP Margin
+0.7ppt YoY

Sales and Profit Grew YoY in Fourth Quarter

Revenue/Sales YoY

Revenue growth (reported)	+4%
Revenue growth (ex F/X)	+4%
System sales growth	+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 growth (reported)	+36%
OP growth (ex F/X)	+35%
Core OP growth	+35%



\$mn	23'Q4	24'Q4
Operating Profit	110	151
Special items	6	-
Items affecting comparability	(6)	-
Foreign currency translation	-	(1)
Core operating profit	110	150

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

Fourth Quarter Key Performance Highlights - KFC & Pizza Hut



24'Q4	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 %
	+5%	(1)%	+3%	(4)%	42%	71%	~490	66%	91%
				24'Q4 RMB 38 19'Q4 RMB 37	Relatively stable				
	+3%	(2)%	+9%	(10)%	42%	51%	180+	58%	93%
				24'Q4 RMB 78 19'Q4 RMB 108	In line with strategy to target mass market				

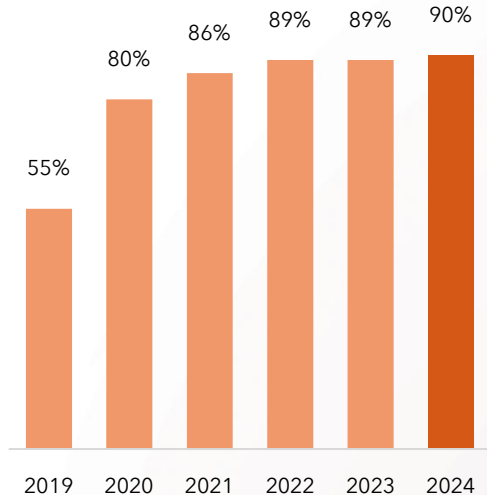
Digital Sales Reached \$9.6 Billion in 2024

Total Members Surpassed 525 Million



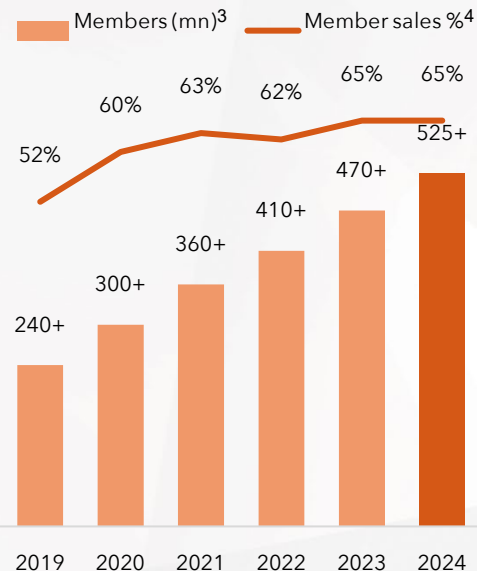
Digital Sales Growth

Digital orders¹



\$9.6bn
Digital Sales²
2024 FY

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 for KFC and Pizza Hut combined.



Yum! China

YUM CHINA
RGM CONVENTION

聚能创新 笃行致远

YUM CHINA
RGM CONVENTION

2024

聚能创新 笃行致远

YUM CHINA
RGM CONVENTION

2024

聚能创新 笃行致远

YUM CHINA
RGM CONVENTION

ESG Key Initiatives

Food

Food Safety as Top Priority

End-to-end food safety and quality management system and technology-enabled food safety control throughout our value chain

Healthy & Balanced Meals

Offer diverse menu options and use various cooking methods. Promote healthy lifestyle.

Environment

Climate Action

Committed to greenhouse gas emission reduction (first restaurant company in China with approved near-term SBTs)

Circular Economy

To create “zero-waste” restaurants by adhering to the 4R principle (Reduce, Reuse, Replace, Recycle)

People

“People First” Philosophy

Provide comprehensive support to ensure the well-being of our employees - e.g., medical insurance coverage for RGM’s, eligible employees and their families

Diversity, Equity & Inclusion

Foster a supportive workplace;
60+ Angel restaurants nationwide*

Community

Rural Revitalization

One Yuan Donation - 17 years of commitment, RMB270mn+ raised, benefitting 1mn+ students*

Community Support

Food banks in ~1,000+ locations across 150+ cities*
Little Migratory Birds Fund benefitted 5mn+ children

ESG Ratings and Awards

Industry No. 1 on DJSI for the 5th Year

#1 Globally for the Restaurant & Leisure Facilities Industry in the S&P Global 2024 Corporate Sustainability Assessment

The only company from the Chinese mainland in the consumer services industry included in the DJSI World Index



"Top Employer" for the 7th Year, #2 in China

Named as "China Top Employer" by the Top Employers Institute

#1 for the restaurant industry for the 4th year

#2 in China, among 156 companies



Industry #1



Industry #1



Industry Leader



YUM China's Distinct Competitive Advantages

Resiliency and profitability

Outperformed the industry in good times and bad

Tremendous growth potential

Target 20,000 stores by 2026

Significant capital returns to shareholders

Target to return ~\$4.5bn in 2024-2026¹

Commitment to Building Long-lasting Excellence

Operational efficiency and discipline

Project Fresh Eye & Red Eye transformed the business ahead of times

Innovation & consumer-centric mindset

Good food, great value & breakthrough business models

Integrated supply chain mgmt system

Key enabler of food safety, innovations & cost competitiveness

Pioneering end-to-end digitalization

Embrace & unleash the power of technologies

Reconciliation of Reported Results to Non-GAAP Measures



(in \$mn)

	Quarter Ended		Year Ended	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Non-GAAP Reconciliation				
Reconciliation of Operating Profit to Adjusted Operating Profit				
Operating Profit	\$ 151	\$ 110	\$ 1,162	\$ 1,106
Special Items, Operating Profit	–	(6)	–	(15)
Adjusted Operating Profit	<u>\$ 151</u>	<u>\$ 116</u>	<u>\$ 1,162</u>	<u>\$ 1,121</u>

Details of Special Items

	Quarter Ended		Year Ended	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Share-based compensation expense for Partner PSU Awards ⁽¹⁾	\$ –	\$ (6)	\$ –	\$ (15)
Special Items, Operating Profit	–	(6)	–	(15)
Tax effect on Special Items ⁽²⁾	–	–	–	–
Special Items, net income - including noncontrolling interests	–	(6)	–	(15)
Special Items, net income - noncontrolling interests	–	–	–	–
Special Items, Net Income -Yum China Holdings, Inc.	<u>\$ –</u>	<u>\$ (6)</u>	<u>\$ –</u>	<u>\$ (15)</u>
Weighted-average Diluted Shares Outstanding (in millions)	<u>382</u>	<u>415</u>	<u>390</u>	<u>420</u>
Special Items, Diluted Earnings Per Common Share	<u>\$ –</u>	<u>\$ (0.02)</u>	<u>\$ –</u>	<u>\$ (0.03)</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 Ended		% Change B/(W)
	12/31/2024	12/31/2023		12/31/2024	12/31/2023	
Operating Profit	\$ 151	\$ 110	36	\$ 1,162	\$ 1,106	5
Special Items, Operating Profit	–	6		–	15	
Adjusted Operating Profit	\$ 151	\$ 116	29	\$ 1,162	\$ 1,121	4
Items Affecting Comparability						
Temporary relief from landlords ⁽¹⁾	–	(1)		–	(11)	
Temporary relief from government agencies ⁽²⁾	–	(3)		–	(7)	
VAT deductions ⁽³⁾	–	(2)		–	(44)	
Amortization of reacquired franchise rights ⁽⁴⁾	–	–		–	2	
F/X impact ⁽⁵⁾	(1)	–		28	–	
Core Operating Profit	\$ 150	\$ 110	35	\$ 1,190	\$ 1,061	12
Total revenues	2,595	2,493	4	11,303	10,978	3
F/X impact ⁽⁵⁾	(8)	–		200	–	
Total revenues, excluding the impact of F/X	\$ 2,587	\$ 2,493	4	\$ 11,503	\$ 10,978	5
Core OP margin	5.8%	4.4%	1.4 ppts.	10.4%	9.7%	0.7 ppts.

Note: (1) (2) (3) (4) (5) Please refer to the Company's earnings release issued on February 6, 2025 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		Year Ended	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
KFC				
GAAP Operating Profit	\$ 192	\$ 167	\$ 1,192	\$ 1,202
Special Items, Operating Profit	–	–	–	–
Adjusted Operating Profit	\$ 192	\$ 167	\$ 1,192	\$ 1,202
Items Affecting Comparability				
Temporary relief from landlords	–	(1)	–	(9)
Temporary relief from government agencies	–	(2)	–	(5)
VAT deductions	–	(2)	–	(36)
Amortization of reacquired franchise rights	–	–	–	2
F/X impact	(1)	–	26	–
Core Operating Profit	\$ 191	\$ 162	\$ 1,218	\$ 1,154

Reconciliation of Operating Profit to Core Operating Profit



(in \$mn)

	Quarter Ended		Year Ended	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Pizza Hut				
GAAP Operating Profit	\$ 14	\$ 5	\$ 153	\$ 142
Special Items, Operating Profit	–	–	–	–
Adjusted Operating Profit	\$ 14	\$ 5	\$ 153	\$ 142
Items Affecting Comparability				
Temporary relief from landlords	–	–	–	(2)
Temporary relief from government agencies	–	(1)	–	(2)
VAT deductions	–	–	–	(6)
Amortization of reacquired franchise rights	–	–	–	–
F/X impact	–	–	4	–
Core Operating Profit	\$ 14	\$ 4	\$ 157	\$ 132

Reconciliation of Operating Profit to Restaurant Profit



(in \$mn)

Yum China

	Quarter Ended		Year Ended	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
GAAP Operating Profit	\$ 151	\$ 110	\$ 1,162	\$ 1,106
Less:				
Franchise fees and income	22	20	94	89
Revenues from transactions with franchisees	101	90	420	372
Other revenues	38	40	138	126
Add:				
General and administrative expenses	156	153	568	638
Franchise expenses	8	8	37	36
Expenses for transactions with franchisees	98	86	404	356
Other operating costs and expenses	32	35	122	112
Closures and impairment expenses, net	17	12	39	29
Other income, net	–	(1)	(1)	–
Restaurant profit	\$ 301	\$ 253	\$ 1,679	\$ 1,690
Company sales	2,434	2,343	10,651	10,391
Restaurant margin %	12.3 %	10.7 %	15.7 %	16.3 %

Reconciliation of Operating Profit to Restaurant Profit



(in \$mn)

KFC	Quarter Ended		Year Ended	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
GAAP Operating Profit	\$ 192	\$ 167	\$ 1,192	\$ 1,202
Less:				
Franchise fees and income	16	14	69	62
Revenues from transactions with franchisees	14	12	55	45
Other revenues	1	4	10	17
Add:				
General and administrative expenses	65	60	248	263
Franchise expenses	7	7	32	31
Expenses for transactions with franchisees	13	10	49	39
Other operating costs and expenses	1	4	8	15
Closures and impairment expenses, net	8	3	19	12
Other expenses, net	-	-	-	2
Restaurant profit	\$ 255	\$ 221	\$ 1,414	\$ 1,440
Company sales	1,923	1,842	8,375	8,116
Restaurant margin %	13.3 %	12.0 %	16.9 %	17.7 %

Reconciliation of Operating Profit to Restaurant Profit



(in \$mn)

Pizza Hut	Quarter Ended		Year Ended	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
GAAP Operating Profit	\$ 14	\$ 5	\$ 153	\$ 142
Less:				
Franchise fees and income	2	1	8	7
Revenues from transactions with franchisees	1	1	5	4
Other revenues	7	8	24	21
Add:				
General and administrative expenses	30	29	110	118
Franchise expenses	1	1	4	4
Expenses for transactions with franchisees	1	1	4	4
Other operating costs and expenses	6	8	22	19
Closures and impairment expenses, net	6	3	12	8
Restaurant profit	\$ 48	\$ 37	\$ 268	\$ 263
Company sales	500	486	2,223	2,214
Restaurant margin %	9.3 %	7.3 %	12.0 %	11.8 %

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

About Yum China

Largest restaurant company in China¹

Fortune 500 company

16,000+ restaurants

2,200+ cities in China

6 restaurant brands



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

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