



DIGITAL TRANSFORMATION & DISRUPTION

Steven Li | CMO

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Innovation Powering Growth



Cautionary Statements

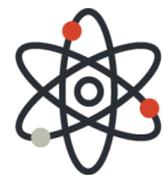
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Forward-looking statements include, without limitation, statements regarding the future business plans, earnings, performance and returns of Yum China, statements regarding the revitalization of Pizza Hut and collaboration with Sinopec and CNPC, anticipated effects of population and macroeconomic trends, the capital structure and effective tax rate of Yum China, the anticipated effects of our digital and delivery capabilities 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, our ability to control costs and expenses, including tax costs, as well as changes in political, economic and regulatory conditions in China. 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 captions “Risk Factors” and “Forward-Looking Statements” in our Annual Report on Form 10-K) for additional detail about factors that could affect our financial and other results.

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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 industry. 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.

KEY TAKEAWAYS



Powerful
Digital
Ecosystem



Digital Assets
Driving Results



Disruptive Innovation
Extending the
Runway
for Growth

Transformational Digital Evolution Since 2015

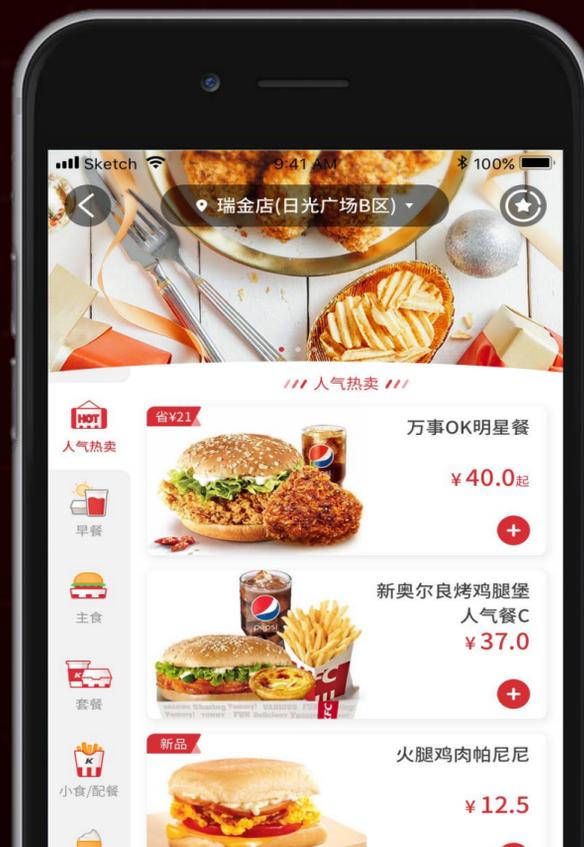
	2015	2016	2017	2018	2019
 Omnichannel virtual store	 KFC Super APP	 KFC Tmall	 Pizza Hut Super APP  Pizza Hut Tmall	 KFC/Pizza Hut Koubei	
 Digital ordering		 KFC Pre-order		 Pizza Hut Tableside order	 KFC Mobile-order AI Personalized Menu
 Digital Payment	 Alipay 1 st chain store	 Wechatpay			 YUMC Pay
 Membership		 KFC Member Program	 Pizza Hut Member Program	 KFC/Pizza Hut Privilege Program	
 Delivery	KFC pioneer from 2007   Aggregator partnerships			 Delivery2.0 Auto Dispatch	 Delivery3.0 Trade zone & multi-brand platform
# of member					
- KFC	3mn	60mn+	110mn+	160mn+	
- Pizza Hut	1mn	20mn+	35mn+	50mn+	
% digital payment	~20%	43%	72%	86%	

Note: % digital payment refers to Q4 of each year

Delivering Results Across the Business

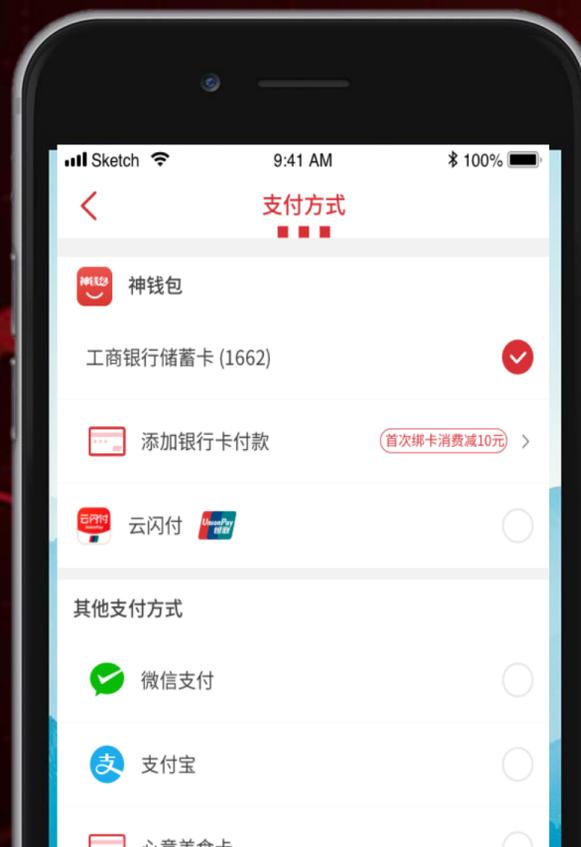
46%

Digital
Ordering



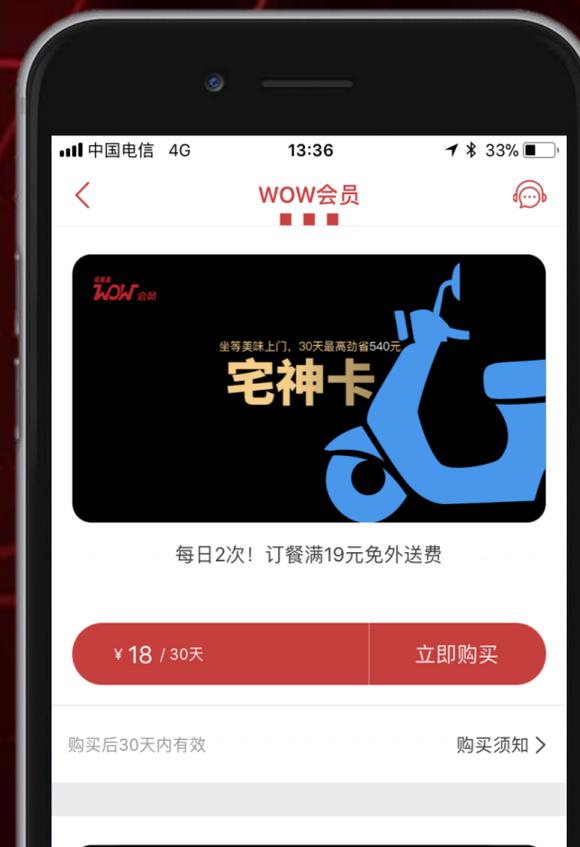
86%

Digital
Payment



47%

Digital
Member Sales



~60%

Digital
Marketing



A Powerful Digital Ecosystem

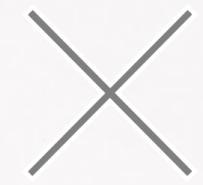


Throughout Customer Journey

Various Dining Occasions

Broad Customer Needs

Amplified Through Strategic Partnerships



Tencent 腾讯

- Payment (WeChat Pay icon)
- Ordering (KFC QR code icon)
- Animation & Gaming (League of Legends icon)
- CSR (99公益日 icon)

美团

- Delivery (Meituan Delivery icon)
- Review (Meituan Review icon)

阿里巴巴 Alibaba.com

- Payment (Alipay icon)
- Ecommerce (Taobao icon)
- Delivery (Ele.me icon)
- Membership (Tmall icon)
- Finance (DAMO Academy icon)

网易 NETEASE www.163.com

- Ecommerce (Yanxuan icon)
- Music (Netease Music icon)
- Animation & Gaming (Netease Animation & Gaming icon)

iQIYI 爱奇艺

- Joint membership (iQIYI icon)
- Celebrity (GRAMARIE 果然娱乐 icon)

Four Digital Assets Powering Digital Ecosystem



Super APP / Lite APP

- **87mn** downloads
Super APP
- **62mn** monthly active users
Super APP + lite APP



Uni-Databank

- **180mn+** unique members across KFC and Pizza Hut
- **~3mn** privilege program members across KFC and Pizza Hut



Payment Options



Delivery Platform

- Delivery 3.0
Trade zone and multi-brand platform

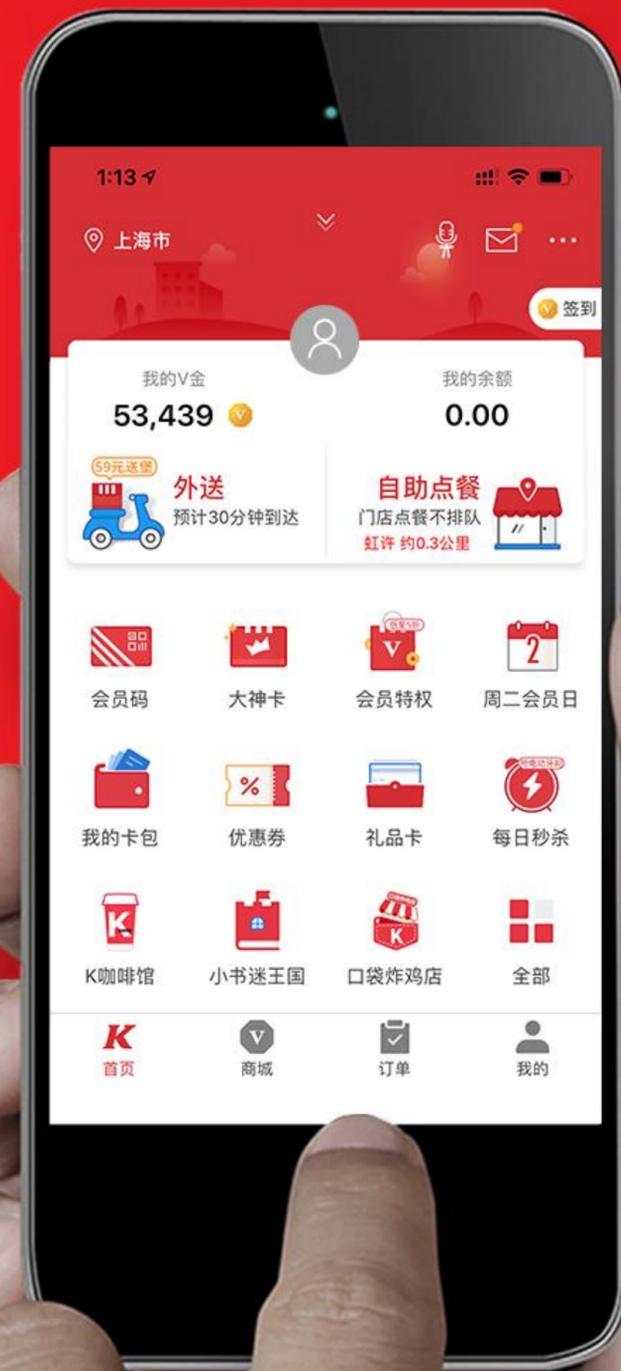
Super APP is at the Core of Ecosystem

KFC Super



3.0

>160 million memberships



Innovation
Powering
Growth

2019 YUM CHINA INVESTOR DAY



PIZZA HUT

**SUPER
APP**



>50 million Memberships



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2019 YUM CHINA INVESTOR DAY

Digital Assets Drive Stronger Member Sales



YUMC ARPU of KFC active members



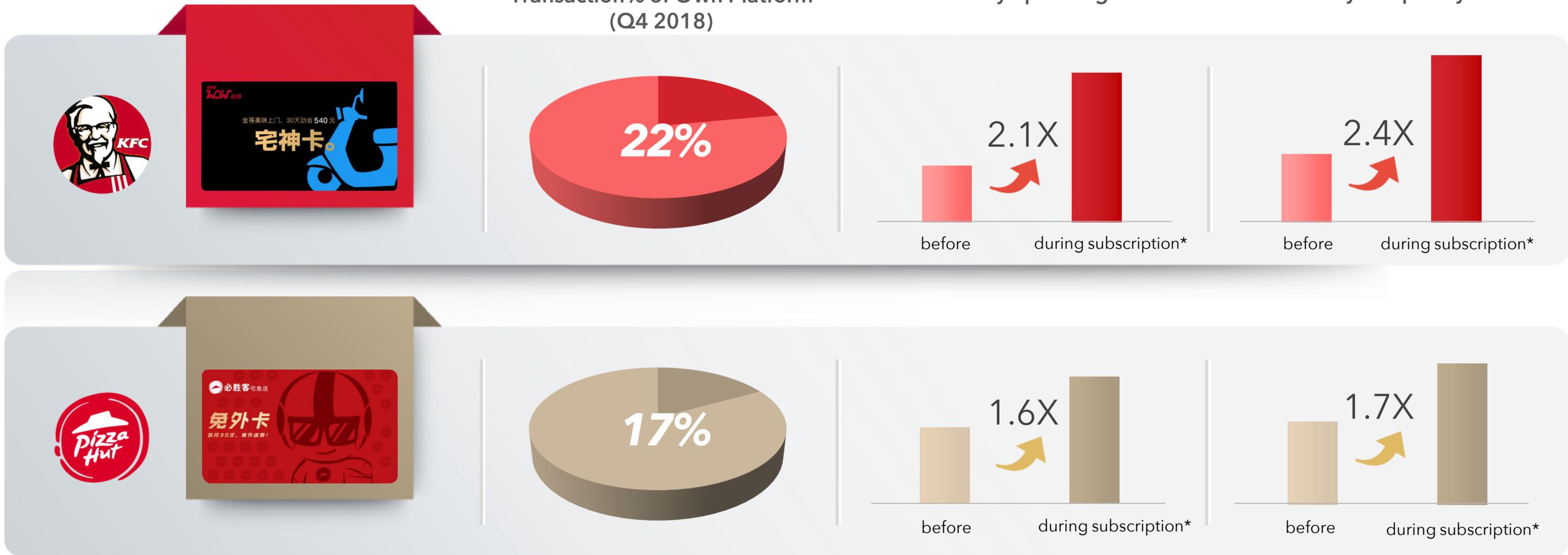
YUMC ARPU of Pizza Hut active members



Note: ARPU refers to annual spending per active member; active member defined as who transacted in the past 6 months

Privilege Memberships Drive Increased Frequency and Spend

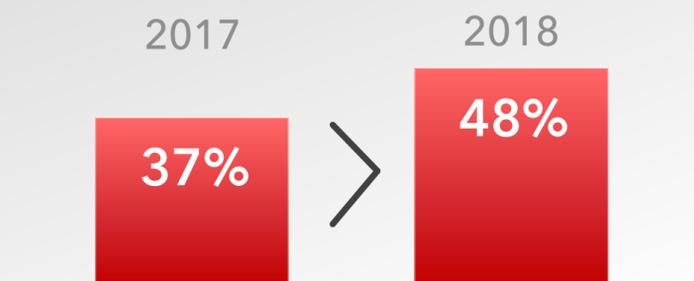
Delivery Privilege Program
Transaction% of Own Platform
(Q4 2018)



*30 days after purchasing privilege

Memberships Promote Daypart and Category Expansion

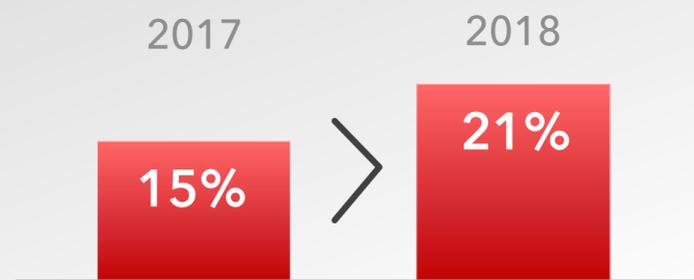
LUNCH participation



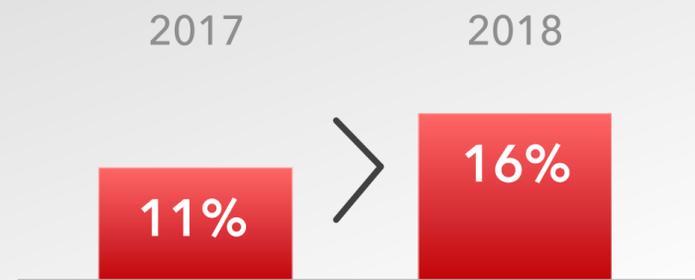
BREAKFAST participation



DELIVERY participation



COFFEE participation



Comprehensive Omni-channel Drives Sustainable Traffic

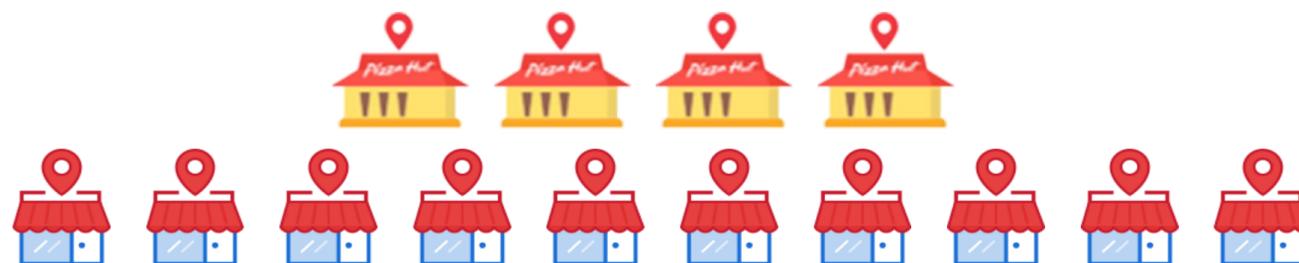
Virtual
stores



Traffic

Consumer Preference

~8,500 Physical stores



Open my own pocket KFC!



Pocket store #:
1.5 million

Peak Daily Active Users:
2 million



想“加盟”肯德基吗？
扫码开店赚福利

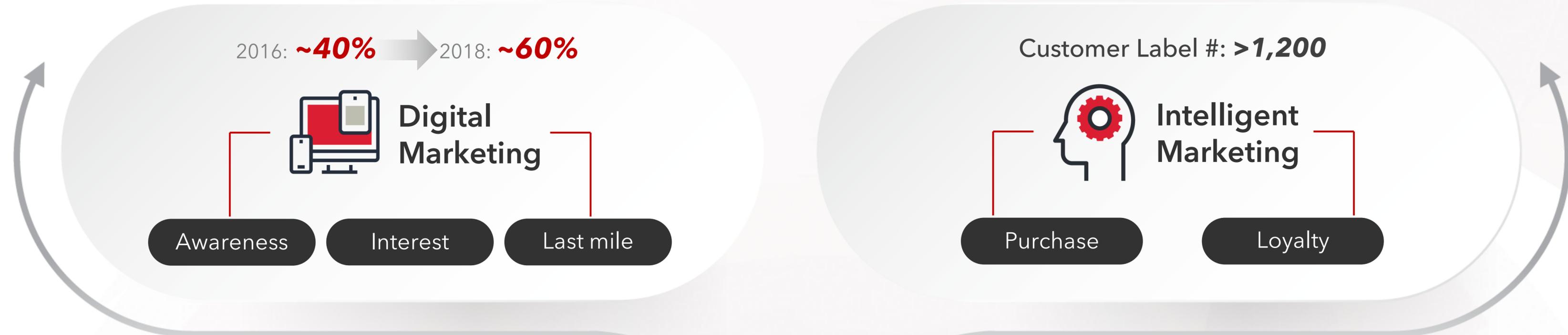


Creating Unique Personalized Experiences

K-music monthly order#: 800,000 times

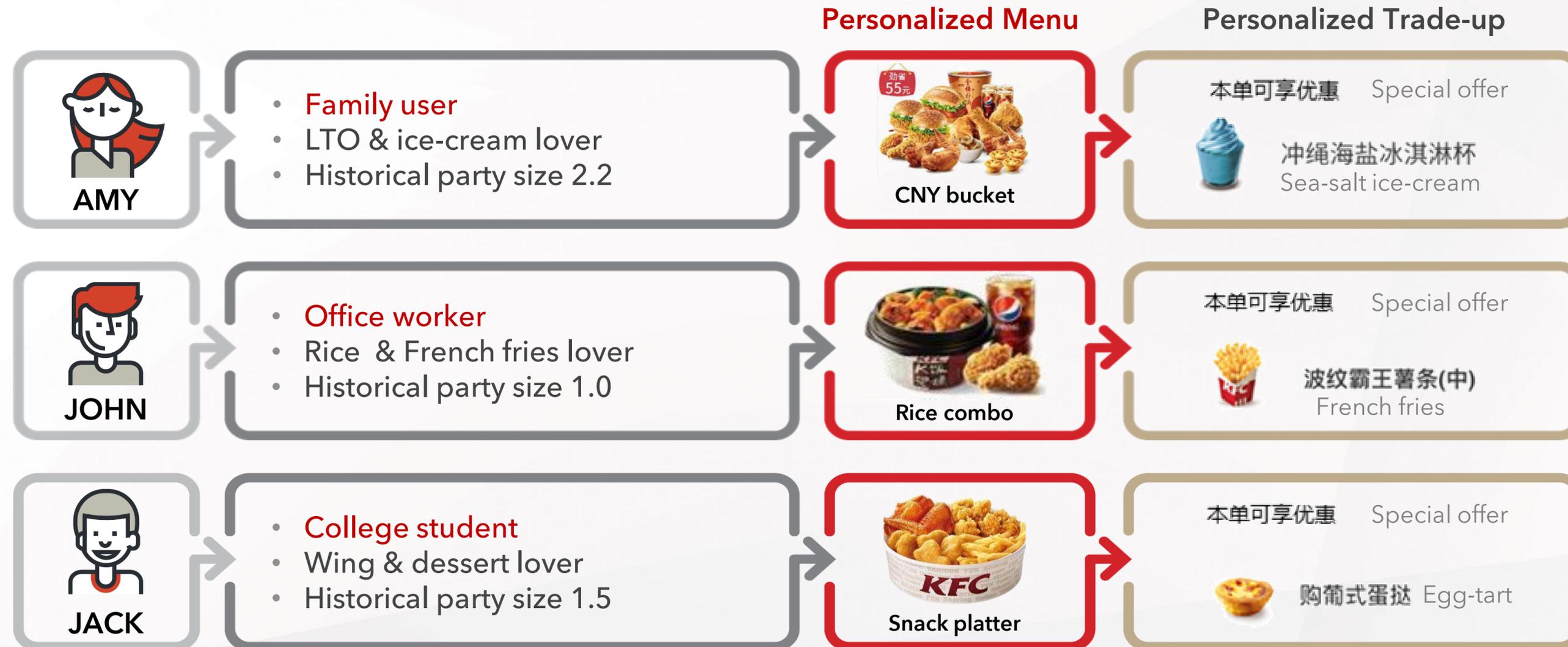


Intelligent Marketing Increases Effectiveness



Uni-Data Bank

AI Menu: Personalizing the Consumer Experience



In-store Digital Transforms Store Efficiency

5,600+ KFC stores with 50% POS reduction



2015: average 6 POS, large ordering area
Cashier order 100%



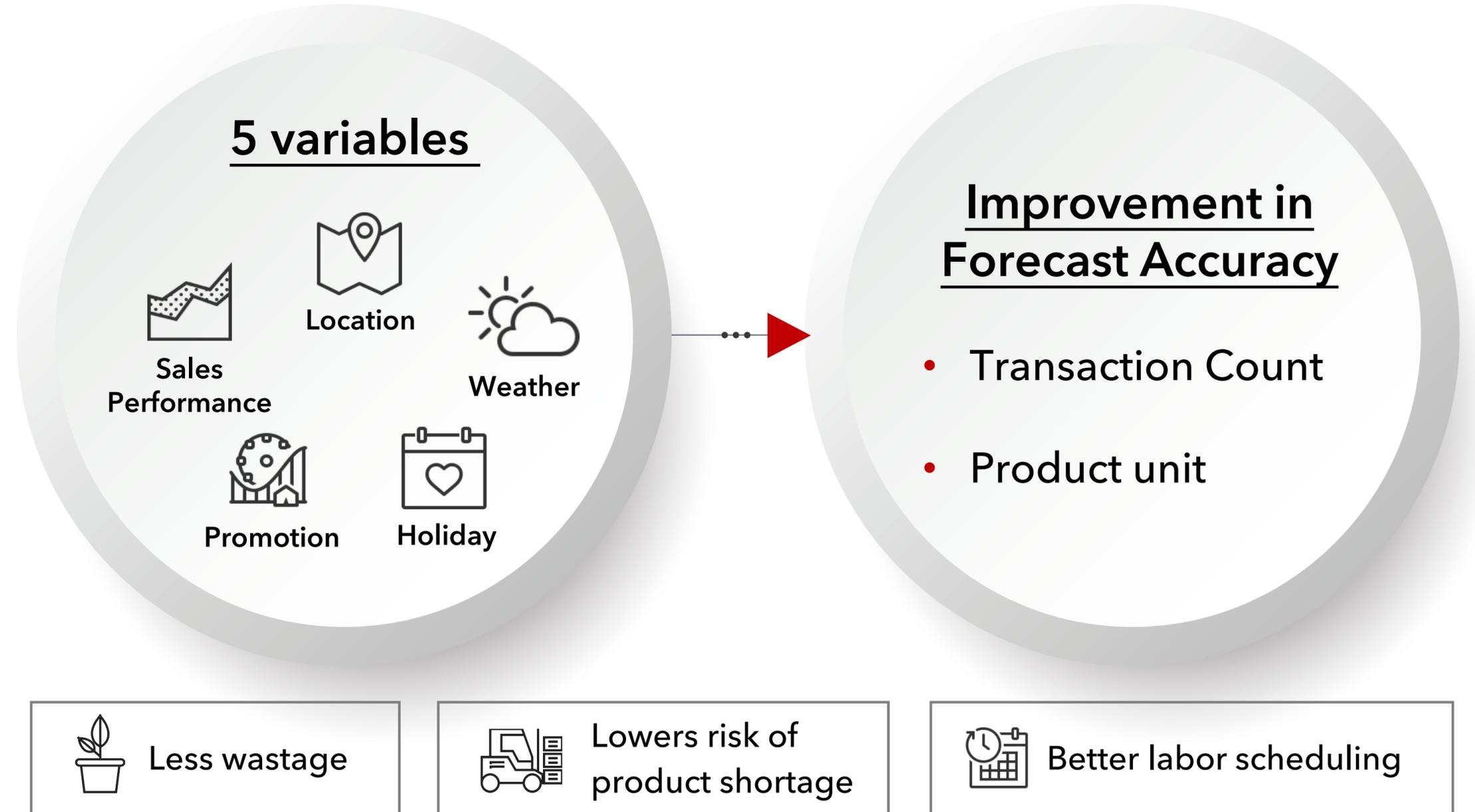
2018: average 2-3 POS, large assembling area
Digital order 75%* (Metro City store, Shanghai)

* Since the store re-opened in early 2019



**Fully Integrated
AI Platforms Drive
Operational
Efficiencies**

AI Transaction & Product Forecasting



Taking Delivery To The Next Level

Intelligent rider platform transforming the relationship between customers, riders and stores

Delivery 1.0



Manual Dispatch

Restaurant base
Exclusive rider

Delivery 2.0



Automatic Dispatch

Restaurant base
Exclusive rider

Delivery 3.0



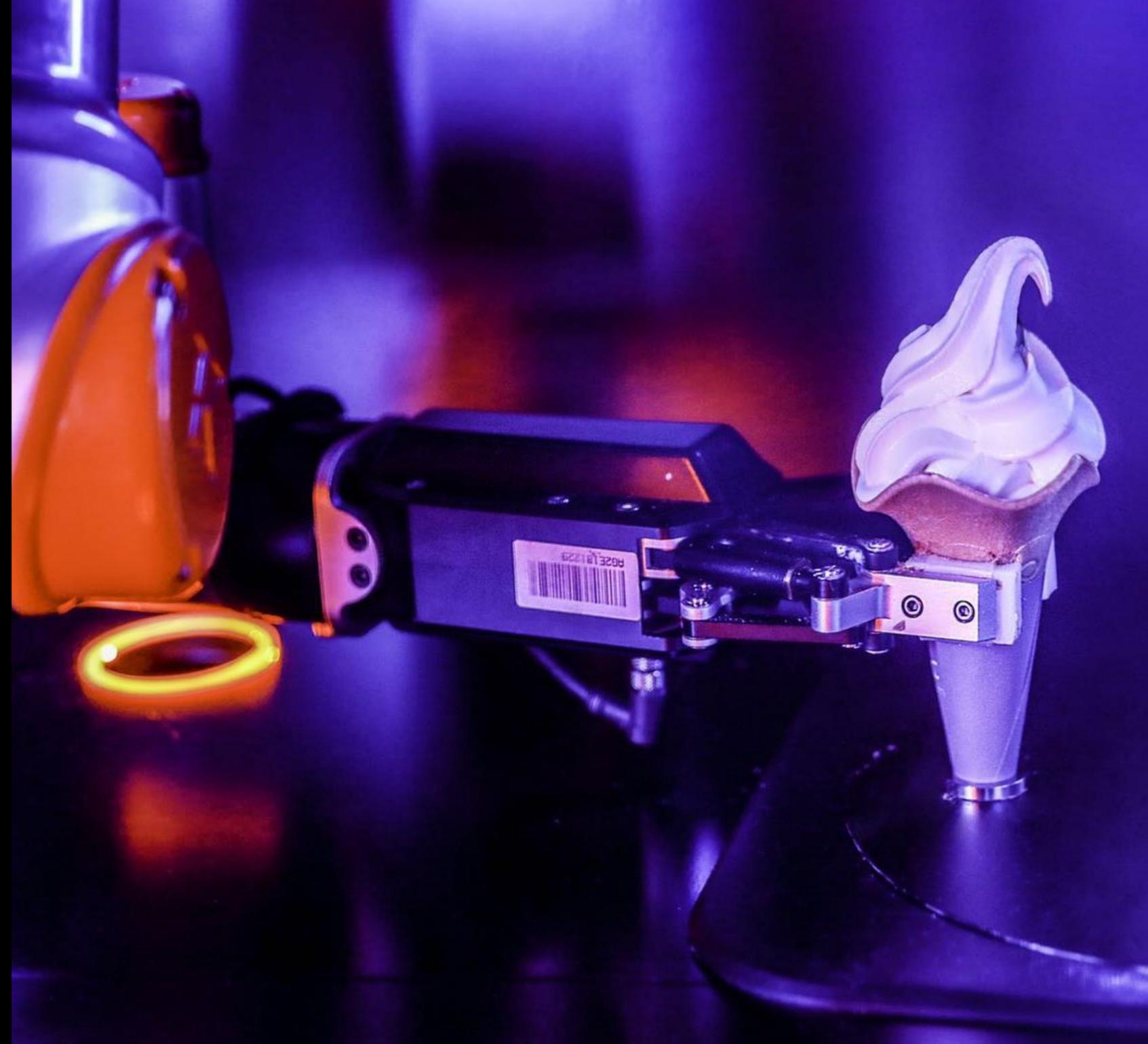
Trade zone & Multi-brand Platform

Trade zone based
AI dispatching system
Logistics overflow support



Disruptive Retail :

- Fully automated dessert station in Suzhou
- 100 days in operation
- Maximum 300 ice-cream cones sold per day



Data and AI Support Across the Business

4 BUSINESS DOMAINS



Intelligent Marketing

- AI+ Personalized Menu + Trade up Recommendations
- AI+ Media Optimization
- AI+ Consumer Insight
- AI+ Media monitoring
- Personalized Coupon



Intelligent Store

- AI+ Sales Forecasting
- AI+ Operation Analysis
- AI+ Store Inventory Management
- AI+ Shift Planning



Intelligent Service

- AI+ Dynamic Delivery Routing
- AI+ Mobile Operation
- AI+ Digital Customer Service



Intelligent Enterprise

- AI+ Risk Management
- AI+ Store Recruitment
- AI+ Outlier Transaction Detection
- AI+ Supply Chain Management
- AI+ Site Finding
- AI+ Digital System Operation

YUMC Digital Operating System - New Retail



1.4 billion+ transactions in 2018

D A T A B A N K

INNOVATION POWERING GROWTH

01 **World Leader in
Restaurant Membership**

02 **Powerful Digital
Ecosystem**

03 **Industry Leading
Data + AI Capabilities**



2019 PRIORITIES

- **Drive Frequency**
- **Expand Daypart**

- **Marketing and
Operational Efficiency**

- **Accelerate New Brand Growth**



YumChina

Thank You

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