



2017 Yum China Investor Day

Digital & Delivery Update

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OCT. 18 Shanghai

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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.

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Non-GAAP Measures. Our presentation includes certain non-GAAP financial measures. Reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measures are included on our presentation where indicated. Investors are urged to consider carefully the comparable GAAP measures and reconciliations.

Digital



Building a digital ecosystem across all points of the consumer journey

Before Store

Efficiency and Reach

- *Mobile pre-order*
- *Virtual store geo-targeting*



In Store

Enhanced Experience

- *Diversified ordering options*
- *Digital menu boards*
- *Pick-up*
- *Payment*
- *Entertainment*

After Store

Customized Service and Engagement

- *Customized membership services*
- *Real time customer feedback*

KFC offers a complete digital consumer journey today

Before Store Virtual stores



5,300+ virtual stores

Pre-Orders Mobile



Pre-order From 1Q17

In Store Digital ordering



Kiosks and Signage

Payment Mobile Payment



45% of sales

After Store Membership



97MM+ Members

Gifting E-gifting Card



4,000+ Stores

Entertain Wi-Fi / K-music



First month songs 570K+

Key Focus Areas

Pre-orders increase consumer convenience and transaction efficiency

Easy to order

三步点餐 一步取餐

 或门店扫描二维码均可使用手机自助点餐



1

选餐厅/取餐时间

2

点餐

3

在线支付



4

专用通道
快速取餐

Multiple occasions



In-store digitization improves efficiencies and reinforces young and trendy image

Kiosk ordering



Pick-up board



Digital menu board



Mobile ordering



Mobile payment



K-music

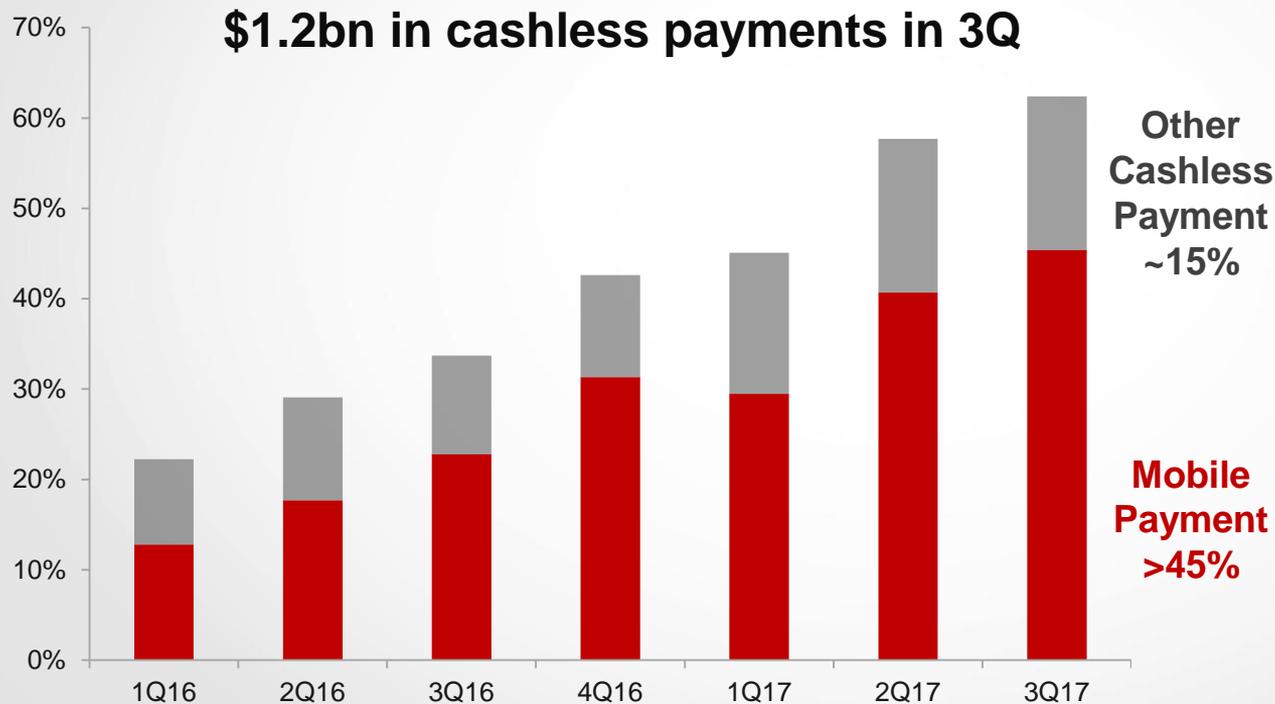


In-store WiFi

China is the world leader in mobile payment

YUMC is one of the leaders in China

Mobile & other cashless payments as % of company sales



Payment Channels



KPRO – A full digital experience

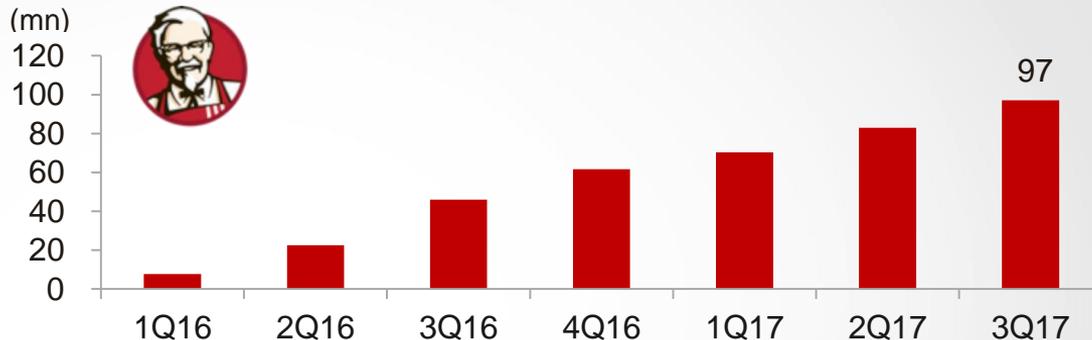


Further digital evolution to enable ordering across multiple party sizes and occasions

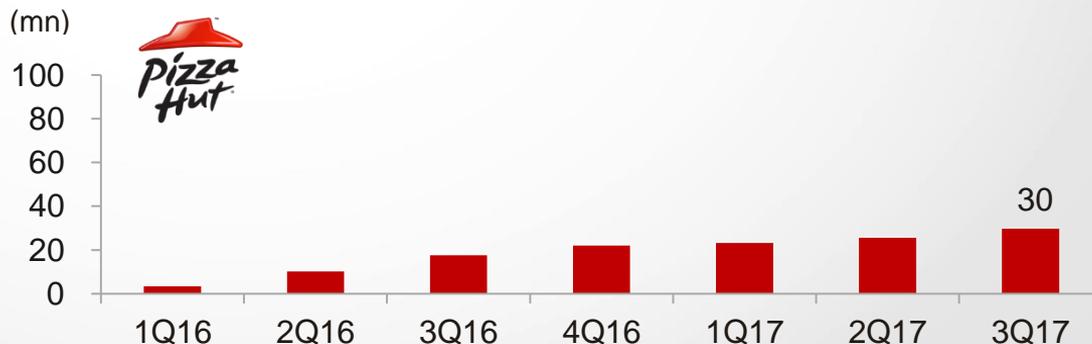


Membership programs are key enabler of the digital experience: 120MN members cultivated in two years

Launched in Oct 2015

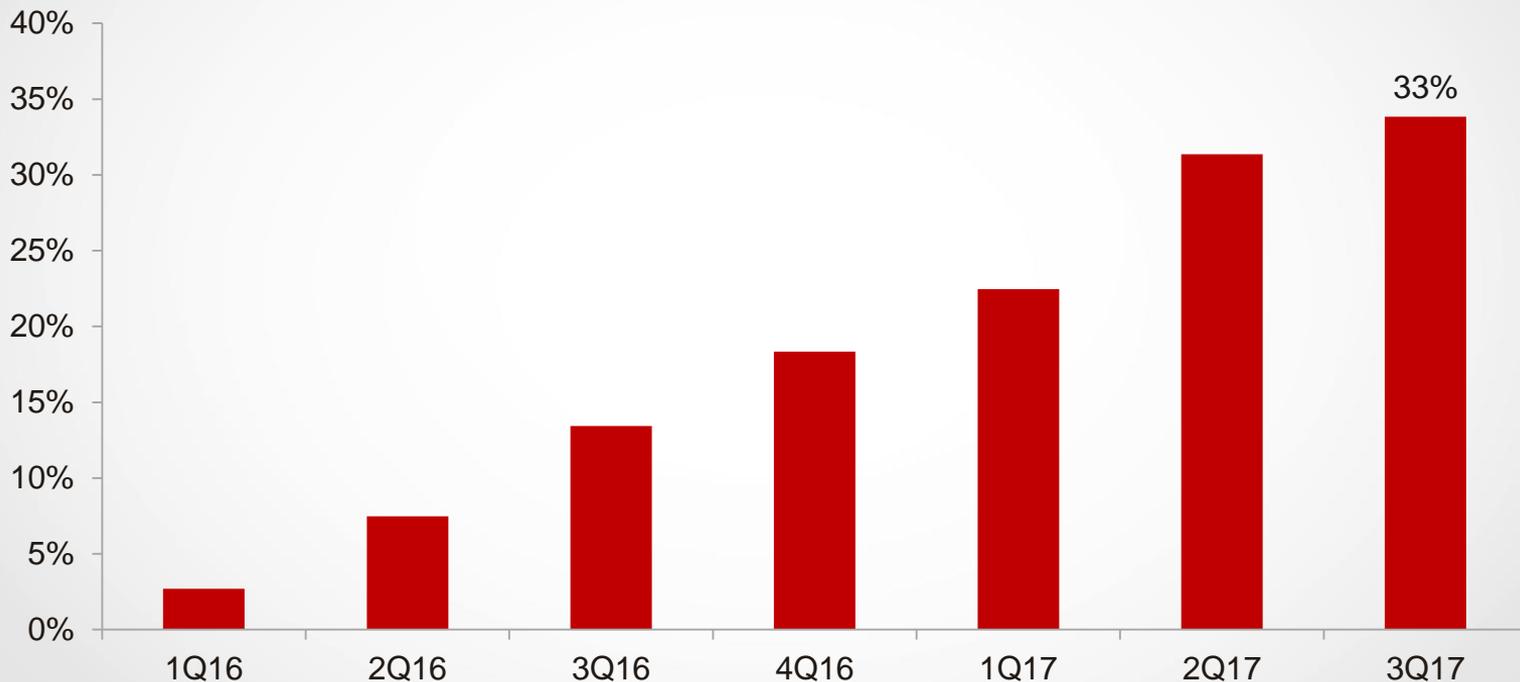


Launched in Nov 2015



Currently a significant contribution to KFC system sales

Member sales as % of system sales



Member exclusive campaigns drive loyalty and frequency

2016 Nov
Member Anniversary

会员周年庆 双十一大狂欢
11/7-11/13 招牌美味
天天半价
立即打开“我的卡包”，凭券

11/7 周一 11/8 周二 11/9 周三
11/10 周四 11/11 周五 11/12 周六 11/13 周日

特别为你 美味加
会员凭“我的卡包”内半价券，前往肯德基餐厅或网上点餐即可享受优惠

2017 Feb
Spring Rising Day

龙抬头·新彩头
迎春美味 买一送一
会员打开卡包(凭券购买)
2月 26-28 仅3天

3月 1-2 仅2天

香辣鸡翅/新奥尔良烤翅2块 买一送一
葡式蛋挞(经典)1只装 买一送一
香辣鸡腿堡/劲脆鸡腿堡1个 买一送一

2017 Mar
30th Anniversary

肯德基 中国 30年
你好, 1987
2017/3/24-3/31
两款经典美味 价格重回1987年
2017/3/21前加入的会员(凭券)专享

0.8元/杯 仅限手机支付 /1987经典价/

2.5元/块 /1987经典价/

2017 Sept
30th Anniversary

那些年, 拉琴换一顿肯德基
如今, 用这曲换回忆
2017/9/10-9/15
经典土豆泥 价格重回1987年
招牌香辣鸡翅 价格重回1991年
会员(凭券)专享

0.8元/杯 仅限手机支付 /1987经典价/

3.2元/2块 仅限手机支付 /1991经典价/

Customized offers increase consumer engagement...

Member's day



肯德基 **WOW** 会员

就来 **肯德基** 过瘾季

周1 会员日

周一没有错 来必胜客准没错

上海市

HOT 热门

周1 会员日 周一没有错 来必胜客准没错

48元享 人气 美式黑椒牛排

兑换时间: 9月18日/9月25日/10月2日/10月9日/10月16日

Birthday offering



肯德基 **WOW** 会员·生日礼

会员打开卡包 凭券 专享, 生日当月有效

会员专享 生日桶半价券

会员生日礼

生日当月凭券享堂食全单88折起 外送凭券享6寸比萨1份

Free trial



肯德基 **WOW** 会员

2017/6/1

会员 限量免费试吃券

500元 限时兑

11:00 14:00 17:00

芝士培根 至尊无惧披萨 CHIZZA ¥23 单点价

长按图片, 进入K金商城。

2017年6月11:00-14:00、17:00, 限时限量餐厅限量兑换100份试吃券, 先到先得, 兑完即止。

2017年6月14:00-20:00 全国17家指定餐厅限量5100份试吃券。

立即兑 免费试吃券

...while segmentation enables multiple brand objectives



Objectives

**Brand
Champion**

Brand lovers
Enhance Online Brand Image

**Privilege
Member**

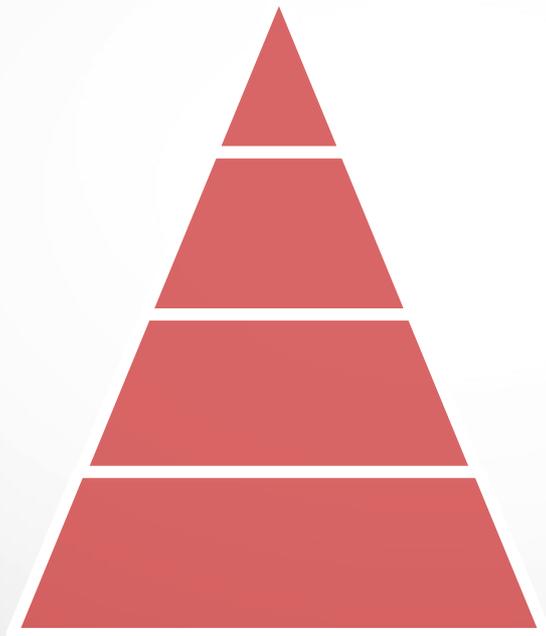
Heavy users
Lock Share of Wallet

**Welcome
Member**

Frequent users
Increase Frequency

**Fans/
Customer**

Mass consumer
Lower Cost of Reach



And further segmentation driven by differentiated offers

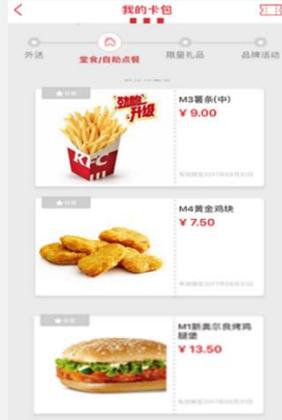
Welcome Member

1 Pilot Product Launch



Welcome Member

2 Data Driven Coupon



Privilege Member

3 Interaction via K-gold



Privilege Member

4 K-Lifestyle



Brand Champion

5 Brand Champion



Pizza Hut Super App launched integrating CRM & delivery

>3mn downloads in two months

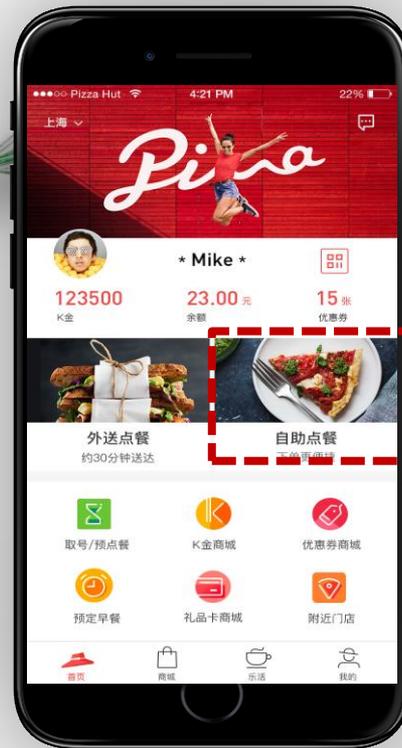
Delivery →



Launched on 1st July



← Mobile self-ordering



Next version: November

First steps in digital vision



Pioneering our digital vision



Leveraging KFC experience



Delivery

KFC and Pizza Hut are the #1 delivery brands in their respective categories with key value differentiators

No.1 single brand delivery platform

KFC 宅急送
尽情送自在

Pizza Hut
Delivery

No.1 pizza delivery brand

Food

- Curated delivery menu
- Specific packaging for hot and cold products



Service

- Speed, satisfaction, and engagement focus
- Constant customer feedback



Network

- 5,100+ delivery units*
- Over 800 cities
- Cooperate with all major delivery aggregators
- >90% delivery sales online



Aiming to delight customers throughout the whole delivery experience

KFC 宅急送
尽情送自在



I know
Unique delivery
brands

I love
Fun and abundant
value to me

I can order it
anywhere anytime

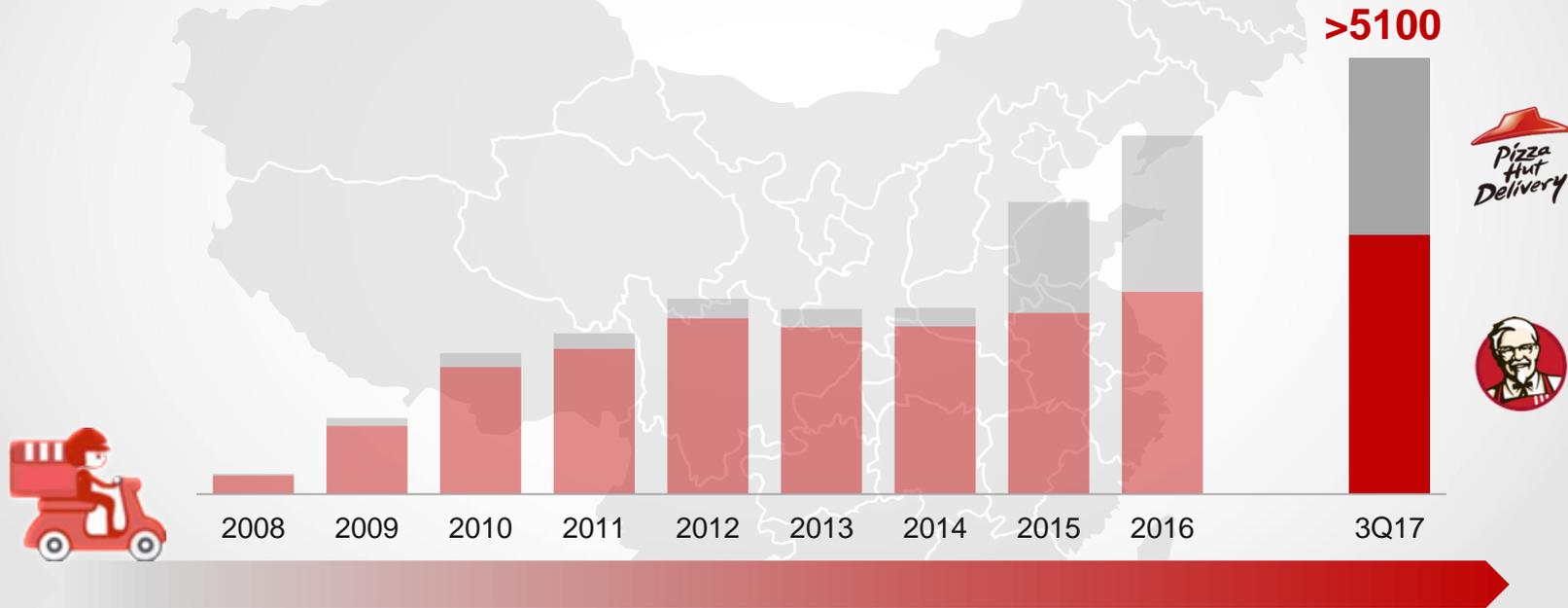
Easy
to order

Professional
packaging

Innovative
products

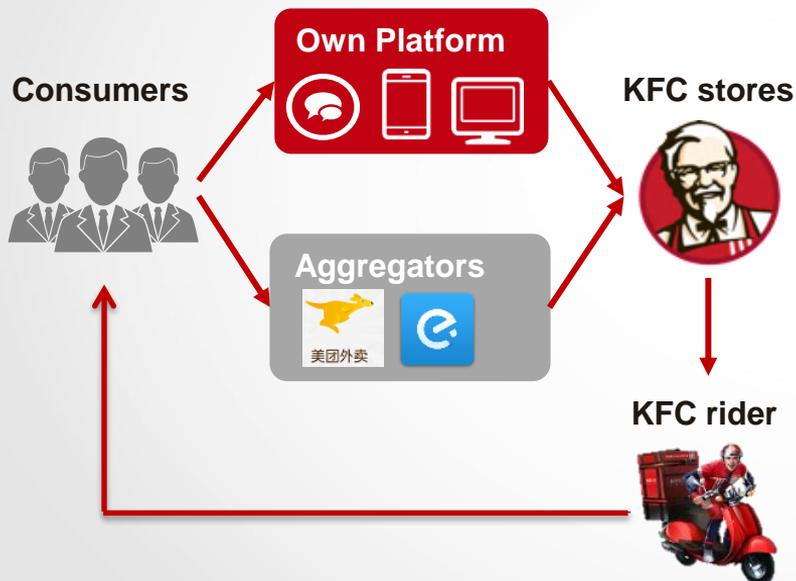
Delivery network expansion has been the key driver of growth

Number of stores offering delivery



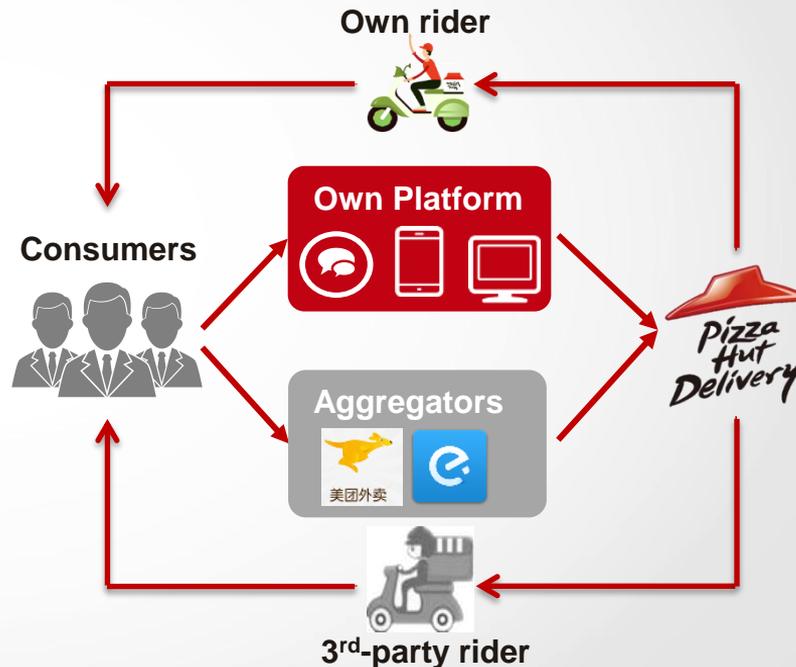
Own riders are key to maintaining quality, service and control while leveraging aggregator traffic

KFC delivery business model



>3,000 delivery stores nationwide

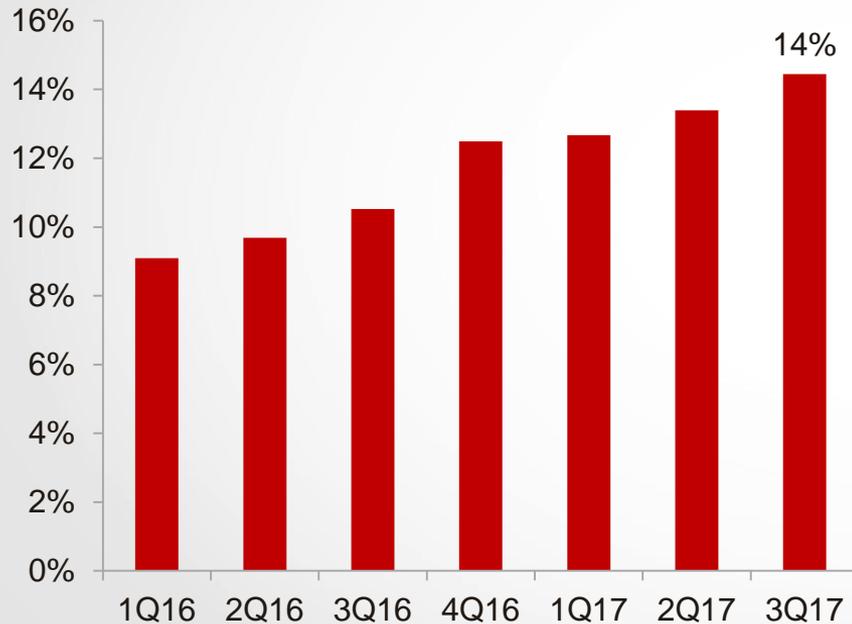
Pizza Hut delivery business model



>2,000 delivery stores nationwide

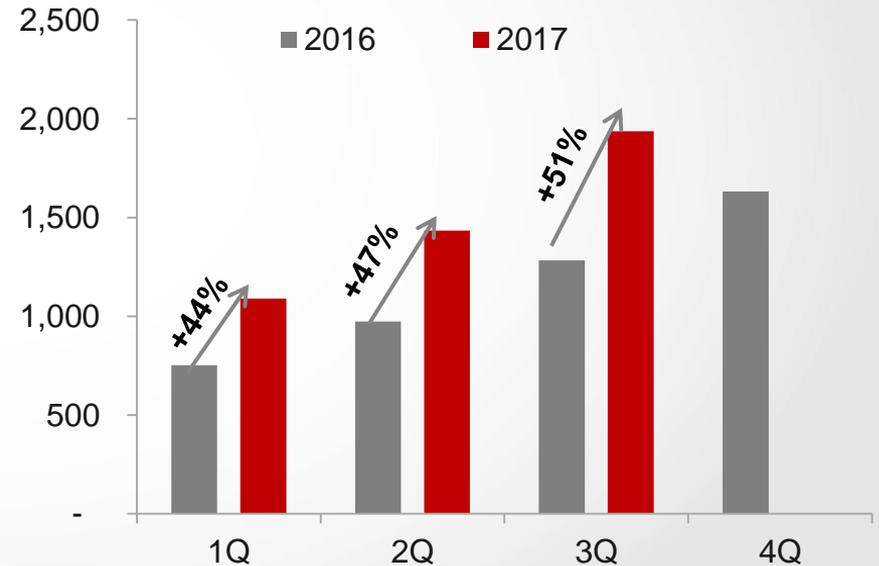
Quality, service and network sustain sales growth

Delivery as % of company sales



Delivery sales growth

(Rmb mn)



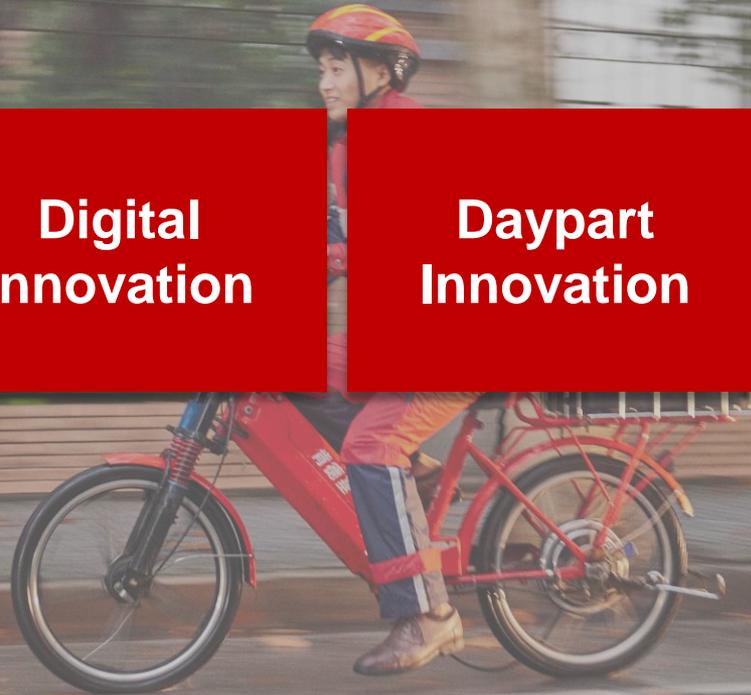
Future delivery growth will be driven through four initiatives

**Campaign
Innovation**

**Digital
Innovation**

**Daypart
Innovation**

**Network
Expansion**



Campaign
Innovation

Digital
Innovation

Daypart
Innovation

Channel
Expansion

Social Bucket to make young consumers “WOW”



Campaign
Innovation

Digital
Innovation

Daypart
Innovation

Channel
Expansion

Signature Smart Value

driving sales during off peak periods and dayparts

Everyday One Yuan

天天1元
官网订餐 专享
满额即享1元产品1份, 每单限1份。
KFC 官方微博
KFC 官方微信
KFC 官方微信小程序
KFC 官方微信APP
KFC 官方微信H5
KFC 官方微信小程序
KFC 官方微信APP
KFC 官方微信H5

Joint promotions

年中比萨狂欢节
Give Me 5折
超级满减
60-30吃到嗨!
(6月16日-18日)
5款明星美食全5折!
大牌也亲民
之心陪你变
扫码上饿了么点
扫码上饿了么点

Targeted promotions backed by enhanced IT system

Leverage membership program



Enhance IT system



Targeted daypart promotions to build delivery awareness

Breakfast

KFC 宅急送
KFC Home Delivery

会员外送专享
新早餐

饭团帕尼尼双人餐 现售 **46元**
*单品89.9元
凭券购买 仅在6月26日-6月28日 6:00-9:14

肉酥油条饭团 1份
芝士猪柳蛋帕尼尼 1份 / 太阳蛋 1份
葡式蛋挞(经典) 1只 / 绿豆浆(冰) 2杯

立减 11元
(比单品总价)

新疆的大饭团

优惠券已发送到“我的卡包”
长按二维码打开卡包, 凭券购买

*活动地区: 哈尔滨市, 青岛市, 石家庄市, 成都市, 广州市, 大连市

Afternoon Tea

下午茶时段

1元嗨杯鲜果茶
限时限量抢

6月8日-6月10日 13:30-16:30

1元

每单仅限一杯
3天全国共有18000杯

C饿了么 必得餐 搜索

本活动仅限饿了么外卖必胜客欢乐餐厅 活动详情以饿了么外卖平台为准

Coffee

外送 COFFEE

打败高溢价 人人有券

☀ ☁

KFC COFFEE

Special Occasion

鸡年吉栗

恭贺新春 烤全鸡大礼盒

火热预约中

预约时间: 2017年1月13日-2月3日 10:00-22:00

188元

KFC 圣诞新年 烤全鸡大礼盒

以上均以官网预约页面显示为准。

KFC offering in-train delivery at >20 stations across China



- Station expansion (>20 stations currently)
- Enhance operational efficiency
- New consumer-friendly package
- Optimizing menu according to consumer preferences





STAY TRUE AIM HIGH

