



YumChina



LAVAZZA
TORINO, ITALIA, 1895

Fourth Quarter and Fiscal Year 2025 Results

February 4, 2026

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, including statements relating to our projected capital returns. 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, net new stores, franchise mix of net new stores, capital expenditures, capital returns, dividend and share repurchase plans, CAGR for system sales, operating profit and EPS, earnings, performance and returns, anticipated effects of population and macroeconomic trends, execution of the Company's RGM 3.0 strategy, 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, changes in political, economic and regulatory conditions in China and the U.S., as well as changes in political, business, economic and trade relations between the U.S. and China, and those set forth under the caption "Risk Factors" in our most recent 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.

Q4 Posted Strong Sales and Operating Profit Growth

Sales Growth		Margin Expansion		Profit Growth	
System Sales Growth ¹	Same-store Sales Growth ¹	OP Margin	Restaurant Margin	Operating Profit	Diluted EPS
+7%	+3%	6.6%	13.0%	\$187 mn	\$0.40
Q4 YoY		+80 bps	+70 bps	+25%	+33%
3 consecutive quarters of Same-store sales growth		Mainly driven by improvements in cost of sales & operational efficiency		Q4 YoY	
12 consecutive quarters of Same-store transaction growth					
+29% Ex impact of F/X		+21% Ex impact of F/X and mark-to-market equity investments			

Solid Growth and Capital Returns Delivered in Full Year 2025



\$11.8 bn

Revenue +4% YoY

**System Sales
Growth¹**

+4%

**Same-store
Sales Growth¹**

+1%

YoY

**Net new
stores**

1,706

\$1.3 bn

Operating Profit +11% YoY

**OP
Margin**

10.9%

**Restaurant
Margin**

16.3%

+60 bps

+60 bps

YoY

Mainly driven by improvements in
cost of sales & operational efficiency

\$1.5 bn

Capital Returns

**~8% of Market
Capitalization²**

Diluted EPS

+8%

+14%

YoY

YoY, ex impact of F/X
and mark-to-market
equity investments

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

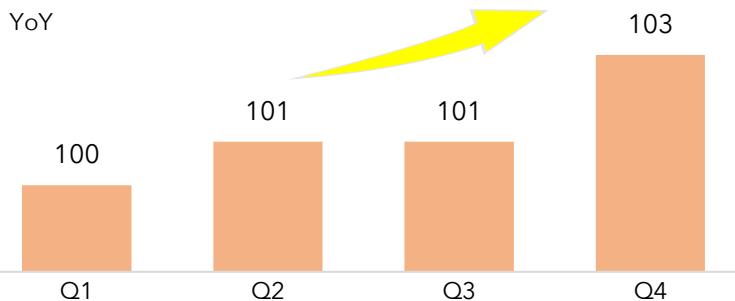
² \$1.5 billion is equivalent to 8% of market capitalization as of February 3, 2026

Our Core Initiatives Drove Positive Momentum in 2025

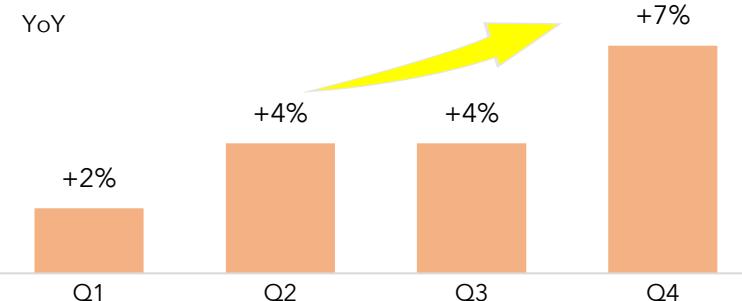


YumChina

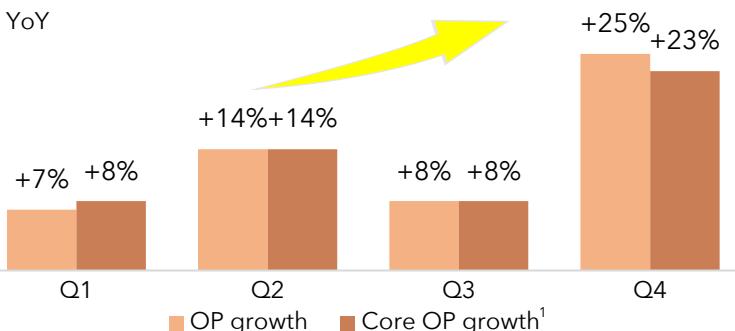
Same-store Sales Index



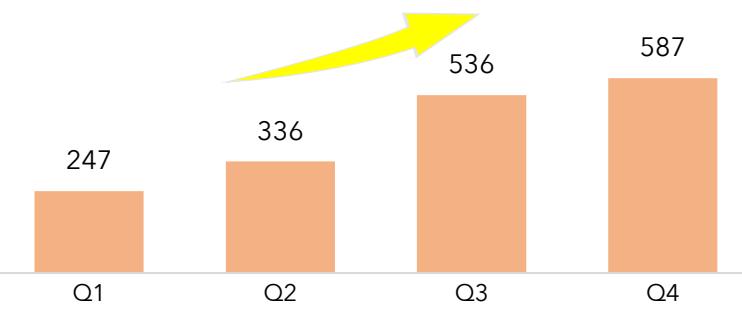
System Sales Growth



Operating Profit Growth



Net New Stores



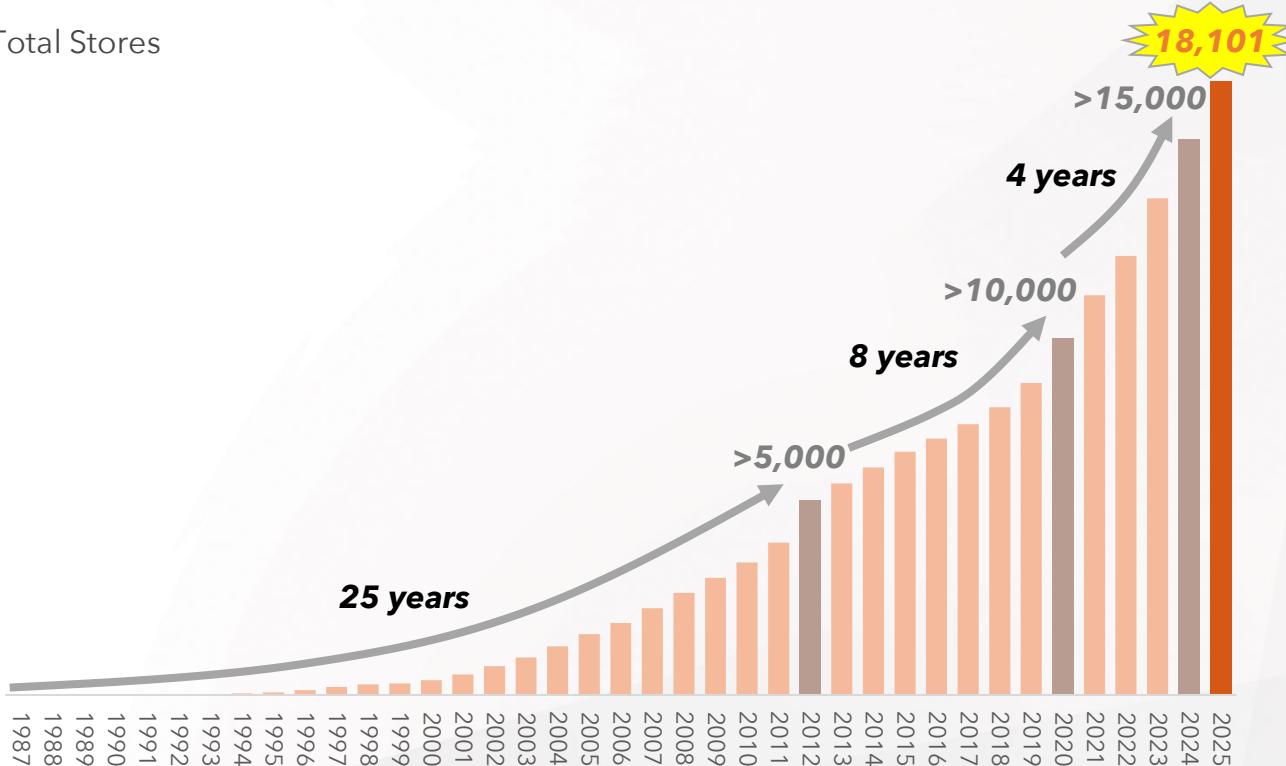
¹ Core OP growth compares current year Core Operating Profit to the prior year Operating Profit, adjusted only for any prior year Special Items and Items Affecting Comparability.

Reached 18,101 Stores in 2025

On Track for 20,000+ Stores in 2026



Total Stores



Targeting

20,000+ stores by 2026

30,000+ stores by 2030

2026 - 2028 franchise mix
of KFC & Pizza Hut
net new stores:

40%-50%

Reaching More Cities with Diverse Store Formats and Both Equity and Franchise Stores



Total Stores **Net New Stores in 2025**

Expanding into More Cities

Reduced Average Capex

Healthy New Store Payback³



12,997 **1,349**

15% Franchise 37% Franchise

2,500+

Cities with KFC

270+

New cities entered in last 12 months

~1.3 mn¹
RMB / store

(From ~1.5 mn)²

~2 years



4,168 **444**

8% Franchise 31% Franchise

1,000+

Cities with Pizza Hut

200+

New cities entered in last 12 months

~1.0 mn¹
RMB / store

(From ~1.2 mn)²

~2-3 years

¹ Refers to stores opened in 2025.

² Refers to stores opened in 2024.

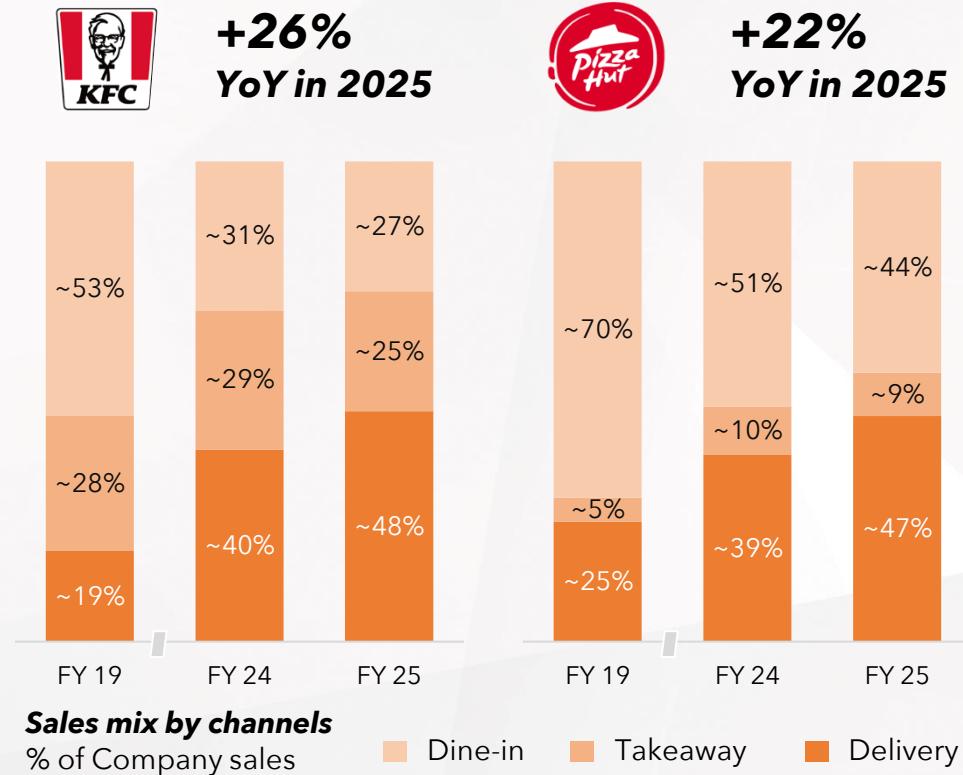
³ Refers to Average Pre-tax Cash Payback Period assuming yearly cashflow is same as year 1, after deduction of 3% license fee and before G&A expenses and income tax; based on stores opened between July 2023 to June 2024.

Balanced and Disciplined Delivery Approach: Driving Top-line Growth While Protecting Margins



Delivery Sales +25%¹ YoY in 2025

- Delivery mix increased from 42% in Q1 to 53% in Q4, yet restaurant margins sustained YoY improvement every quarter in 2025.
- Core brands maintained a balanced approach.
- KCOFFEE Cafe and Lavazza took the opportunity to increase exposure and drive traffic.



¹ Delivery sales at Company-owned stores.

Building Our Virtual Space to Deepen Consumer Connections



Expanded Membership and Digitalization

590 mn+

Total Members¹
+13% YoY

265 mn+

Active Members²
+13% YoY

94%

Digital Ordering³
+4pt YoY

\$10.4 bn

Digital Sales
+8% YoY

Smart K AI-Enabled Ordering Agent



2 mn+ members⁴ have used Smart K

¹ KFC and Pizza Hut loyalty programs combined, as of period-end.

² Active Members, defined as those who transacted in the past 12 months, of KFC or Pizza Hut.

³ Digital ordering of total Company sales

⁴ From Smart K's trial launch on July 14, 2025 to January 31, 2026.



KFC Maintained Strong Performance

FULL
YEAR
2025

+5%

*System Sales
Growth YoY*

+1%

*Same-store Sales
Growth YoY*

14.5%

*OP Margin
+50 bps YoY*

17.4%

*Restaurant Margin
+50 bps YoY*

3 consecutive
quarters of growth

1,349

Net New Stores

12,997

Total Stores

\$1,285mn

Operating Profit

+8%

*OP/Core OP¹
Growth YoY*

¹ 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.



Accelerated Sales Growth in Q4

Q4
2025

+8%

**System Sales
Growth YoY**

+3%

**Same-store Sales
Growth YoY**

3% same-store
transaction growth YoY

10.5%

**OP Margin
+60 bps YoY**

14.0%

**Restaurant Margin
+70 bps YoY**

+16%

OP Growth YoY

+14%

Core OP Growth YoY





Hero Products and Their Inspired Innovations Drove Meaningful Sales Uplift and Repeat Purchases

KFC

吮指原味鸡 85周年

原味鸡诞生85周年

首次变辣

Spicy Original Recipe Chicken

吮指原味鸡 辣味版

·超细辣粉浸润酥皮 ·原味鸡专属辣味

KFC

Crazy Spicy Zinger

疯辣鸡腿堡

更辣

一口爆辣上头

烹鸡 专家

Crackling Golden Chicken Wings

新薄脆金沙鸡翅

- 薄浆轻裹
- 味滋清脆
- 薄脆锁汁

现点现做 自选十翅一桶 41.9元

经典十翅一桶 6块香辣鸡翅 4块新奥尔良鸡翅 39.9元

Aromatic Paper-Wrapped Baked Chicken

全新 香焗纸包鸡

- 无油焗烤 好香
- 锡纸锁香 好嫩
- 灵魂原汁 好入味

全鸡还吃肯德基



Celebrate CNY with Our Signature Bucket

KFC



新春的仪式感
肯德基乒乓乒乓大金桶 送全鸡



139元足足17件
送全鸡



KCOFFEE Cafe Rolled Out to 2,200 Locations in 2025



Daily Cups per Store +25%¹





KPRO Expanded Footprint to 200+ Locations in 2025



Focus on Higher-Tier Cities

能量碗
Energy Bowl
烤鸡腿肉烤蔬 Roasted Chicken Energy Bowl
谷物能量碗

热酱意面碗
Warm Pasta
Roasted Chicken with Tomato Pasta Bowl
番茄烤鸡肉
意面碗

超级食物 酸奶昔
Super Food Smoothie
香烤三文鱼 香烤三文鱼
Salmon & Edamame Braised Rice Bowl
巴西莓混合莓果 酸奶昔
Açaí Mixed Berry Yogurt Smoothie
羽衣甘蓝牛油果 酸奶昔
Kale Avocado Yogurt Smoothie



Pizza Hut: Record Expansion and Margin Breakthrough

FULL
YEAR
2025

+4%

**System Sales
Growth YoY**

+1%

**Same-store Sales
Growth YoY**

7.9%

**OP Margin
+110 bps YoY**

12.8%

**Restaurant Margin
+80 bps YoY**

3 consecutive
quarters of growth

Highest since
2016

444

Net New Stores

Record annual
openings

4,168

Total Stores

\$183 mn

Operating Profit

+19%

**OP Growth
YoY**

+20%

**Core OP
Growth YoY**



Solid Q4 Performance

Q4
2025

+6%

*System Sales
Growth YoY*

+1%

*Same-store Sales
Growth YoY*

3.7%

*OP Margin
+110 bps YoY*

9.9%

*Restaurant Margin
+60 bps YoY*

+52%

OP Growth YoY

+51%

Core OP Growth YoY

13% same-store transaction
growth YoY, the 12th
consecutive quarter of growth





Enhanced Pizza Expertise and Value-for-money Broadened Addressable Market and Drove Strong Traffic

New Thin-Crust -
Now Our Best-selling Pizza Crust¹



New Menu Features
Products at Great Prices

Spicy Pepper Butterfly
Drumettes



15/19元
蝴蝶翅川香傲椒

French Butter Flavored
Chicken Pizza



39元
法式黄油风味嫩鸡披萨

Bird's Nest
Oolong Milk Tea



19元
燕窝轻雨·云袍暖

Secret Sauce Charcoal-
Grilled Beef Burger



19.9元
秘汁炭烤风味牛堡



Celebrating CNY: Super Supreme Pizza with New Twists

超级至尊披萨。贺新春。

一口必胜。万事必胜



新 金运熔岩山
超级至尊披萨
Super Supreme Pizza with
Crunchy Chips and Salted
Egg Yolk Sauce



Pizza Hut WOW Expanded into ~100 New Cities in 2025



Lavazza's Dual Growth Engines Have Made Steady Progress

Coffee Shop:
Improved Store Economics

146 **+34**

Total Stores Net New Stores

Positive
*Same-store Sales
Growth YoY*

47%

Lower New Store Capex¹

Retail Business²:
Profitable Growth

>40%

*Retail Sales
Growth YoY*

>2x

*Retail Operating
Profit YoY*

Full year 2025

LAVAZZA
TORINO, ITALIA, 1895



¹ Model 3.0 vs model 2.0

² Refer to packaged coffee products

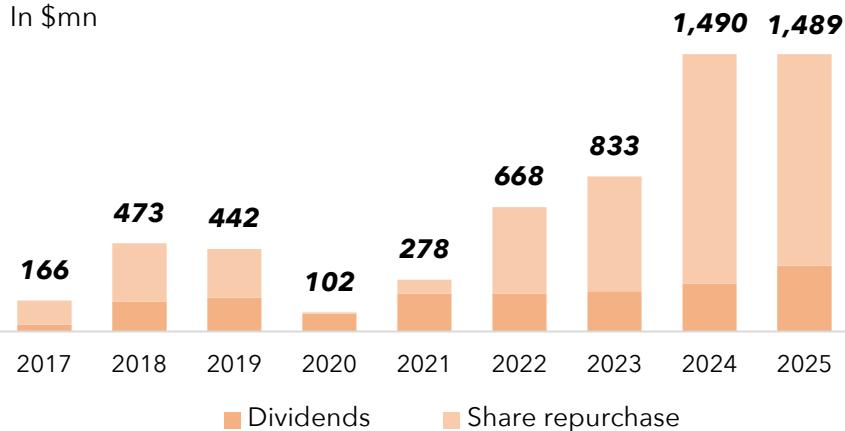
Photo: Lavazza Pinzun Shanghai (上海品尊)

Significant Capital Returns to Shareholders

Capital Returns to Shareholders in 2017-2025¹

~\$6 bn since spin-off

In \$mn



Target Capital Returns in 2024-26²

\$1.5 bn

Each year

Increase in Quarterly Cash Dividends

+21%

To \$0.29 in Q1 2026

2027 & Beyond Outlook

Target to Return ~100% of Free Cash Flow to ParentCo³

Estimated Average Annual Return of ~\$900-1,000 mn+ in 2027-2028

Free cash flow⁴ of \$840 mn in 2025

Net cash⁵ of \$2.0 bn by 2025 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 operating cash flow less capital spending and dividends paid to non-controlling interests, which is associated with our consolidated JVs including KFC JVs.

⁴ Refers to cash flow from operating activities minus capital expenditure.

⁵ Refers to \$506 mn cash and cash equivalents, \$878 mn short-term investments and \$678 mn long-term bank deposits and notes, net of \$30 mn in short-term borrowings.

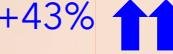
Appendix

- ***Supplemental Financial Information***
- *2025 Investor Day Highlights*
- *Key Sustainability Updates*
- *Reconciliation of Reported GAAP Results to Non-GAAP Measures*

Fourth Quarter Grew YoY and vs 2019

Fourth Quarter	2019	2024	2025	2025 vs 2024	2025 vs 2019
No. of Stores	9,200	16,395	18,101	+10% 	+97% 
Total Revenues (\$ mn)	2,029	2,595	2,823	+9% 	+39% 
Members (mn)	240+	525+	590+	+13% 	+146% 
Member Sales %	56%	64%	55%	(9) ppt 	(1) ppt 
Operating Profit (\$ mn)	94	151	187	+25% 	+98% 
OP Margin (% of revenue)	4.7%	5.8%	6.6%	+0.8 ppt 	+1.9 ppt 

Full Year Grew YoY and vs 2019

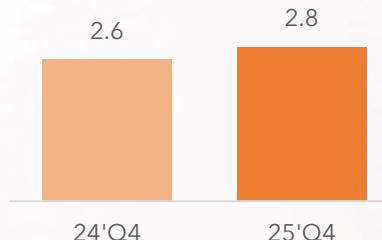
Full Year	2019	2024	2025	2025 vs 2024	2025 vs 2019
No. of Stores	9,200	16,395	18,101	+10% 	+97% 
Total Revenues (\$ mn)	8,776	11,303	11,797	+4% 	+34% 
Members (mn)	240+	525+	590+	+13% 	+146% 
Member Sales %	52%	65%	61%	(4) ppt 	+9ppt 
Operating Profit (\$ mm)	901	1,162	1,290	+11% 	+43% 
OP Margin (% of revenue)	10.3%	10.3%	10.9%	+0.6 ppt 	+0.6ppt 

Sales and Profit Grew YoY in Fourth Quarter

Revenue/Sales YoY

Revenue growth (reported)	+9%
Revenue growth (ex F/X)	+7%
System sales growth	+7%

Total Revenue (\$bn)



Key factors for Revenue year-over-year change

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

Operating Profit/Core OP YoY

OP growth (reported)	+25%
OP growth (ex F/X)	+23%
Core OP growth	+23%

	24'Q4	25'Q4
\$mn		
Operating Profit	151	187
Special items	-	-
Items affecting comparability	-	-
Foreign currency translation	-	(2)
Core operating profit	151	185

Key factors for Core OP year-over-year change

- + Efficiency improvement from streamlined operations
- + Favorable commodity prices
- + Sales leveraging
- Higher delivery cost due to increased delivery mix
- Value-for-money offerings

Fourth Quarter Key Performance Highlights

- KFC & Pizza Hut



25'Q4

	YoY Sales Growth				Channel Mix		Members		Digital orders
	System Sales YoY	Same-store sales YoY	Same-store transactions YoY	Average ticket YoY	Delivery	Total off-premise	Million	Member sales %	Sales %
	+8%	+3%	+3%	Flat	53%	75%	550+	56%	95%
	+6%	+1%	+13%	(11)%	54%	62%	210+	50%	96%

25'Q4 RMB 38

24'Q4 RMB 38

Stable

25'Q4 RMB 69

24'Q4 RMB 78

In line with strategy to target mass market

Appendix

- *Supplemental Financial Information*
- **2025 Investor Day Highlights**
- *Key Sustainability Updates*
- *Reconciliation of Reported GAAP Results to Non-GAAP Measures*

RGM 3.0 for the Future



R

G

M

- *Front-End Segmentation & Back-End Consolidation*
- *Go Deep with Core Brands*
- *Equity & Franchise Hybrid Model as an Accelerator*
- *Physical Store + Virtual Space*
- *Integrated & Agile Supply Chain*
- *Unleash the Power of Agentic AI*



Franchising as an Incremental Growth Lever to Accelerate Expansion



2025

Incremental Franchising Impact
(2026-2028)

2028E

Unit Mix	13%
System Sales Mix	9%
Revenue¹ Mix	4-5%
OP² Mix	3-4%
OP Margin³	8%

3,000+ Net New Franchise Stores

Franchise Mix of Net New Stores



40-50%



40-50%

(up from 20-30%)

1/3 - 2/3 of Average Sales
of Existing Standard Stores

~50% Franchise Store Sales
Recognized as YUMC Revenue

Twenties

Mid-teens

High-single

High-single

~10%

Note: Figures on this page represent KFC and Pizza Hut and their contribution to YUMC total, except for OP margin

¹Revenue from franchise business includes Franchise fees and income and Revenues from transaction with franchisees included in KFC and Pizza Hut reportable segments, revenue for delivery services provided to franchisees and included in All Other Segments, and revenue from sale of food and paper products to franchisees and included in Corporate and Unallocated

²The Operating Profit ("OP") of franchise business is defined as revenue from franchise business, less Franchise expenses and Expenses for transactions with franchisees in respective segments, and G&A attributable to franchisee business

³OP Margin of franchise business is defined as OP of franchise business divided by Revenue from franchise business

Our Pathway to Value Creation: 2026-2028 Outlook

2026-2028 Growth Targets on 2025 Base:

Same-Store
Sales Index YoY

System Sales¹
CAGR

Operating
Profit²
CAGR

EPS³
CAGR

Free Cash Flow
Per Share
CAGR

100-102

Mid- to High-
single-digit%

High-single-
digit%

Double-digit%

Double-digit%

¹System sales excluding F/X

²Operating profit excluding special items and F/X

³Diluted EPS excluding special items and F/X

Appendix

- *Supplemental Financial Information*
- *2025 Investor Day Highlights*
- ***Key Sustainability Updates***
- *Reconciliation of Reported GAAP Results to Non-GAAP Measures*

ESG Ratings and Awards

Industry No.1 on DJSI for the 5th Year

- ✓ **Industry No.1** in S&P Global 2024 Corporate Sustainability Assessment
- ✓ The only Mainland China consumer services company included in the DJSI World



"Top Employer" in China for the 8th Year

- ✓ **8th** consecutive year of "Top Employer" recognition from the Top Employers Institute
- ✓ **#1** in the restaurant industry for the 5th year



Named Again to the "Change the World" List

- ✓ **The second time** the Company has been included in Fortune's "Change the World" ranking
- ✓ The KFC Food Bank program was highlighted, following the feature of the One Yuan Donation Program in 2023

Support UN SDG



Industry Highest Ranking

MSCI
ESG RATINGS



CCC B BB BBB A AA AAA

Industry Leader

ISS ESG ▶



Key ESG Initiatives

Food

Food Safety as Top Priority

End-to-end food safety and quality management system with tech-enabled controls across the value chain

Healthy & Balanced Meals

Offer healthier, more balanced choices and diverse menu options to support a healthy lifestyle

Environment

Climate Action

China's first restaurant company with approved near-term SBTs and committed to achieving net-zero by 2050

Circular Economy

Strive 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 employees - e.g., medical insurance coverage for RGMs, eligible employees, and their families

Diversity, Equity & Inclusion

Foster a fair and inclusive workplace;
75+ "Angel Restaurants" nationwide*

Community

Rural Revitalization

One Yuan Donation - 18 years of commitment, RMB280mn+ raised benefitted 1mn+ children*

Community Support

Food banks in ~1,300 locations across 190+ cities* Little Migratory Birds Fund benefitted ~6.5mn children*

Appendix

- *Supplemental Financial Information*
- *2025 Investor Day Highlights*
- *Key Sustainability Updates*
- **Reconciliation of Reported GAAP Results to Non-GAAP Measures**

Reconciliation of Operating Profit to Core Operating Profit*



(in \$mn)

Yum China

	Quarter Ended		% Change B/(W)	Year Ended		% Change B/(W)
	12/31/2025	12/31/2024		12/31/2025	12/31/2024	
Operating Profit	\$ 187	\$ 151	25	\$ 1,290	\$ 1,162	11
Special Items, Operating Profit	—	—		—	—	
Adjusted Operating Profit	\$ 187	\$ 151	25	\$ 1,290	\$ 1,162	11
Items Affecting Comparability	—	—		—	—	
F/X impact	(2)	—		2	—	
Core Operating Profit	\$ 185	\$ 151	23	\$ 1,292	\$ 1,162	11
Total revenues	2,823	2,595	9	11,797	11,303	4
F/X impact	(43)	—		(15)	—	
Total revenues, excluding the impact of F/X	\$ 2,780	\$ 2,595	7	\$ 11,782	\$ 11,303	4
Core OP margin	6.6%	5.8%	0.8 ppts	11.0%	10.3%	0.7 ppts.

* 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 Ended	
	<u>12/31/2025</u>	<u>12/31/2024</u>	<u>12/31/2025</u>	<u>12/31/2024</u>
GAAP Operating Profit	\$ 223	\$ 192	\$ 1,285	\$ 1,192
Special Items, Operating Profit	—	—	—	—
Adjusted Operating Profit	<u>\$ 223</u>	<u>\$ 192</u>	<u>\$ 1,285</u>	<u>\$ 1,192</u>
Items Affecting Comparability	—	—	—	—
F/X impact	(3)	—	—	—
Core Operating Profit	<u>\$ 220</u>	<u>\$ 192</u>	<u>\$ 1,285</u>	<u>\$ 1,192</u>
Pizza Hut	Quarter Ended		Year Ended	
	<u>12/31/2025</u>	<u>12/31/2024</u>	<u>12/31/2025</u>	<u>12/31/2024</u>
GAAP Operating Profit	\$ 20	\$ 14	\$ 183	\$ 153
Special Items, Operating Profit	—	—	—	—
Adjusted Operating Profit	<u>\$ 20</u>	<u>\$ 14</u>	<u>\$ 183</u>	<u>\$ 153</u>
Items Affecting Comparability	—	—	—	—
F/X impact	—	—	1	—
Core Operating Profit	<u>\$ 20</u>	<u>\$ 14</u>	<u>\$ 184</u>	<u>\$ 153</u>

Reconciliation of Operating Profit to Restaurant Profit

(in \$mn)

Yum China	Quarter Ended		Year Ended	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024
GAAP Operating Profit	\$ 187	\$ 151	\$ 1,290	\$ 1,162
Less:				
Franchise fees and income	25	22	104	94
Revenues from transactions with franchisees	126	101	502	420
Other revenues	45	38	152	138
Add:				
General and administrative expenses	169	156	581	568
Franchise expenses	9	8	41	37
Expenses for transactions with franchisees	120	98	481	404
Other operating costs and expenses	38	32	132	122
Closures and impairment expenses, net	15	17	37	39
Other income, net	–	–	(1)	(1)
Restaurant profit	\$ 342	\$ 301	\$ 1,803	\$ 1,679
Company sales	<u>2,627</u>	<u>2,434</u>	<u>11,039</u>	<u>10,651</u>
Restaurant margin	13.0%	12.3%	16.3%	15.7%

Reconciliation of Operating Profit to Restaurant Profit

(in \$mn)

KFC	Quarter Ended		Year Ended	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024
GAAP Operating Profit	\$ 223	\$ 192	\$ 1,285	\$ 1,192
Less:				
Franchise fees and income	19	16	81	69
Revenues from transactions with franchisees	18	14	69	55
Other revenues	1	1	4	10
Add:				
General and administrative expenses	74	65	260	248
Franchise expenses	8	7	36	32
Expenses for transactions with franchisees	14	13	58	49
Other operating costs and expenses	–	1	3	8
Closures and impairment expenses, net	11	8	26	19
Restaurant profit	\$ 292	\$ 255	\$ 1,514	\$ 1,414
Company sales	<u>2,087</u>	<u>1,923</u>	<u>8,717</u>	<u>8,375</u>
Restaurant margin	14.0%	13.3%	17.4%	16.9%

Reconciliation of Operating Profit to Restaurant Profit

(in \$mn)

Pizza Hut

	Quarter Ended		Year Ended	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024
GAAP Operating Profit	\$ 20	\$ 14	\$ 183	\$ 153
Less:				
Franchise fees and income	3	2	10	8
Revenues from transactions with franchisees	2	1	7	5
Other revenues	6	7	25	24
Add:				
General and administrative expenses	31	30	110	110
Franchise expenses	1	1	4	4
Expenses for transactions with franchisees	1	1	6	4
Other operating costs and expenses	6	6	23	22
Closures and impairment expenses, net	3	6	8	12
Restaurant profit	<u>\$ 51</u>	<u>\$ 48</u>	<u>\$ 292</u>	<u>\$ 268</u>
Company sales	<u>529</u>	<u>500</u>	<u>2,282</u>	<u>2,223</u>
Restaurant margin	<u>9.9%</u>	<u>9.3%</u>	<u>12.8%</u>	<u>12.0%</u>

Reconciliation of Return on Invested Capital (ROIC)

(in \$mn)

	FY 2025	FY2024	FY2023
<i>Calculation of adjusted net operating profit after taxes</i>			
Operating Profit	1,290	1,162	
Special Items - Operating Profit	—	—	
Adjusted Operating Profit	<u>1,290</u>	<u>1,162</u>	
<u>Adjustments to remove:</u>			
Interest on operating lease liabilities	94	108	
Computed Income tax	(376)	(339)	
Net income - noncontrolling interests	(75)	(69)	
Adjusted net operating profit after taxes	<u>933</u>	<u>862</u>	
Adjusted ETR	27.2%	26.7%	
Calculation of invested capital			
Total Yum China Holdings, Inc. Stockholders' Equity	5,379	5,728	6,405
Short-term borrowings	30	127	168
Operating lease liabilities	2,261	2,233	2,325
Cash & cash equivalents	(506)	(723)	(1,128)
Short-term investments	(878)	(1,121)	(1,472)
Long-term bank deposits and notes	(678)	(1,088)	(1,265)
Invested capital	<u>5,608</u>	<u>5,156</u>	<u>5,033</u>
Average invested capital	<u>5,382</u>	<u>5,095</u>	
Return on Invested Capital (ROIC)	<u>17.3%</u>	<u>16.9%</u>	

About Yum China

Largest restaurant company in China¹

Fortune 500 company

18,000+ restaurants

2,500+ cities in China

6 restaurant brands



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

Company website:

<http://ir.yumchina.com>

Investor Relations Contact:

IR@YumChina.com

Media Contact:

Media@YumChina.com

Tel: +86 21 2407 7556

Tel: +86 21 2407 3824