



Luckin Coffee, Inc.
Q3 2025 Earnings Conference Call
Transcript

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PARTICIPANTS

Jinyi Guo *Co-founder and CEO, Luckin Coffee*

Jing An *CFO, Luckin Coffee*

Nancy Song *Investor Relations Director, Luckin Coffee*

Ethan Wang *Analyst, CLSA*

Sijie Lin *Analyst, CICC*

Huayi Li *Analyst, Sinolink Securities*

PRESENTATION

Operator

Ladies and gentlemen, welcome to Luckin Coffee's third quarter 2025 earnings conference call. All participants will be in listen-only mode during management's prepared remarks, and there will be a question-and-answer session to follow. Please be advised that today's call is being recorded. Now, I'd like to turn the call over to Ms. Nancy Song, Head of Investor Relations for Luckin Coffee. Nancy, please go ahead.

Nancy Song

Investor Relations Director, Luckin Coffee

Thank you, and hello, everyone.

Welcome to Luckin Coffee's third quarter 2025 earnings conference call. We announced our financial results earlier today before the US market opened. The earnings release is now available on our IR website and via newswire services.

Today, you will hear from Dr. Guo Jinyi, co-founder and CEO of Luckin Coffee, who will share a strategic overview of our business. Following that, Ms. An Jing, our CFO will discuss our financial results in greater detail. Afterwards, we will open up the call for questions.

During today's call, we will be making some forward-looking statements regarding future events and expectations. Any statements that are not historical facts, including but not limited to statements about our beliefs and expectations, are forward-looking statements. These statements involve inherent risks and uncertainties. Further information regarding these and other risks is included in our filings with the SEC. In addition, for non-GAAP measures discussed today, the reconciliation information related to those measures can be found in our earnings press release.

During today's call, Dr. Guo will speak in Chinese, and his comments will be translated into English. Now I'd like to turn the call over to Dr. Guo Jinyi, co-founder and CEO of Luckin Coffee. Dr. Guo, please go ahead.

Jinyi Guo

Co-founder and CEO, Luckin Coffee

(Translated) Hello, everyone. Welcome to today's earnings conference call. Thank you for your continued interest in and support of Luckin Coffee.

大家好，欢迎参加今天的业绩沟通会，感谢各位对瑞幸咖啡的持续关注和支持。

In the third quarter, our scale-driven strategy continued to yield strong results as we capitalized on the rapid expansion of China's freshly-brewed beverage market. Our revenue continued its solid momentum, increasing by 50% year-over-year to around RMB15.3 billion, while same-store sales growth in our self-operated stores further improved to 14.4%. During the quarter, as food delivery platforms intensified their subsidy campaigns, we saw the shift in volume share toward delivery continued at the current stage. Despite this temporary challenge, we maintained healthy profitability, achieving an operating profit of around RMB1.8 billion.

三季度，在现制饮品行业快速扩容的市场机遇下，我们聚焦规模增长的核心战略，持续产生积极成效。收入增长延续强劲势头，同比增速50%，达到约153亿元；自营同店销售增长率进一步提速，达到14.4%。期间，随着外卖平台补贴深化，杯量结构继续阶段性向外卖迁移，遇到了阶段性的挑战，但我们仍然保持了健康的盈利表现，实现营业利润约18亿元。

More importantly, in response to the rising demand in China's coffee market, we accelerated our network expansion to strengthen store coverage and proactively secure white-space locations for future growth. As of the third quarter end, our total store count surpassed 29,000, enabling us to effectively meet robust consumer demand. Our scale advantage drove record-high new customer acquisition of 42 million, supporting a milestone achievement of over 100 million average monthly transacting customers. This scaled growth across both store footprint and customer base has expanded Luckin's competitive edge and market share, placing us on a stronger footing for long-term sustainable growth.

更重要的是，面对中国咖啡行业持续增长的消费需求，我们加速门店交付覆盖，主动抢占市场空间，面向未来布局长期发展。截至三季度末，门店总数已超2.9万家，有效承接了强劲增长的市场需求。这不仅带来超4,200万的新增交易客户、创下了历史新高，更有力支撑了平台月均交易客户总规模破亿的里程碑式发展。恰恰得益于供需两端的规模化增长，瑞幸的竞争优势持续扩大，市场份额进一步提升，为我们的长期可持续发展打下了更坚实的基础。

I will now share an update on our operations, and our CFO, An Jing, will present the financials later. This quarter, powered by Luckin's strong digital capabilities, we continued to enhance our core strengths across "people, products, and places," scaling our business at a faster pace and strengthening our market leadership.

接下来，我将详细介绍公司的运营进展，稍后 CFO 安静会和大家分享财务数据。本季度，基于瑞幸强大的数字化能力，我们继续强化“人”、“货”、“场”三个方面全面联动的核心竞争力，加速业务规模扩张，夯实市场领导地位。

On the store front, we maintained industry-leading store growth, continuing to strengthen our presence across high-quality locations in high-tier cities while penetrating lower-tier markets. As a result, our store network continued to expand rapidly. By the end of the third quarter, Luckin's total store count reached 29,214, maintaining leadership in China's coffee market with growing customer reach and enhanced fulfillment capabilities.

在门店方面，我们保持行业领先的开店速度，继续加快高线城市优质点位的布局和拓展下沉市场的节奏，持续扩大门店网络规模。截至三季度末，瑞幸门店总数达到 29,214 家，规模继续领跑中国咖啡市场，客户覆盖和交付优势持续扩大。

Domestically, we achieved 2,979 net openings, bringing our total store count in China to 29,096 – including 18,809 self-operated stores and 10,287 partnership stores, which has now surpassed the 10,000-store milestone as well. As coffee-drinking habits continue to take hold and consumer demand grows strongly, China's coffee market still offers vast room for growth. Leveraging Luckin's strong brand influence and data-driven site selection capabilities, we can systematically and swiftly identify customer demand, enabling us to open high-quality stores efficiently and in convenient locations that closely align with customer demand. In the foreseeable future, we will maintain a competitive pace of expansion to fully capture the structural opportunities in China's coffee market.

具体来看：中国市场净增 2,979 家门店，门店总数达到 29,096 家，其中自营 18,809 家，联营门店数也已正式破万，达到 10,287 家。在当前的市场环境下，随着咖啡饮用习惯持续被培养，客户需求被不断激发和强劲增长，中国市场依然存在广阔的成长空间。依托瑞幸强大的品牌力和数字化选址能力，我们能够系统地、快速地了解客户需求，最大程度地贴近客户，持续精准、高效地开出优质门店。未来一段时间，我们会持续保持有竞争力的扩张速度，充分把握中国咖啡市场的时代红利。

Internationally, we had 29 net openings this quarter, bringing our total overseas store count to 118, including 68 self-operated stores in Singapore, 5 self-operated stores in the U.S., and 45 franchise stores in Malaysia. As our first overseas market, Singapore has been steadily improving its performance and initially built a mature and efficient localized operating infrastructure. This has demonstrated the early signs that our digital business model is adaptable and replicable across diverse markets and set an impactful benchmark for our future expansion across the Asia-Pacific region. Meanwhile, our U.S. business remains in the early stages of exploration, with performance across various areas broadly in line with our expectations and overall consumer feedback being positive. We will continue to take a

disciplined and steady approach, accumulating local market insights and enhancing our localized operational capabilities to lay the foundation for long-term sustainable growth.

国际市场方面，我们继续保持稳健发展的节奏，本季度净增 29 家门店，门店总数达到 118 家，其中包括：新加坡自营门店 68 家、美国自营门店 5 家，马来西亚加盟门店 45 家。新加坡作为我们海外拓展的起点，业务表现持续提升。目前已初步形成较为成熟高效的本地化运营体系，初步验证了瑞幸数字化商业模式在多元市场环境中的适配性和可复制性，也为我们进一步辐射亚太地区树立了标杆示范。另一方面，美国市场目前仍在早期探索阶段，业务各方面表现符合我们的预期判断，美国消费者的反馈总体积极正面。我们将继续稳扎稳打，积累对当地用户的理解，持续打磨提升本地化运营能力，布局长期的规模化发展。

On the product front, we launched nearly 30 new freshly brewed beverages and several snack items in the third quarter, continuously driving coffee innovation and shaping market trends. We also diversified our summer lineup with a wider selection of non-coffee options to enrich the customer experience. In September, we partnered with our longtime brand ambassador Tang Wei to launch Luckin's "Drink from Origin" campaign, promoting a healthy lifestyle through high-quality, locally-sourced ingredients and reinforcing our brand concept, "From the Origin to You." For example, we launched Guanxi Honey Pomelo Latte, featuring famous Guanxi honey pomelos from Fujian Province. We also selected Aksu apples from Xinjiang to upgrade our popular Apple C Americano and to launch our new Aksu Apple Latte. These products expanded our flavored coffee portfolio and received encouraging customer feedback. In addition, our Little Butter series surpassed 200 million cumulative cups sold in its first year on the market, underscoring our strong product innovation capabilities and ability to set category trends, which continues to strengthen Luckin's brand leadership. On the non-coffee side, leveraging our fresh coconut sourcing advantage, we introduced the popular Mango Pomelo Sago, which sold over 12 million cups during the National Day holiday, once again demonstrating our broad customer base and strong market appeal.

在产品方面，三季度，我们共上新近 30 款现制饮品和多款轻食，持续引领咖啡产品的创新和流行趋势，并于夏季推出多款非咖选择，进一步丰富客户的消费体验。9 月，我们携手老朋友汤唯开启了“就喝原产地节”的系列活动，不仅以高品质、在地化的原材料传递健康生活方式，也进一步强化瑞幸“要喝就喝原产地”的品牌心智。例如，我们选材福建琯溪蜜柚，上新琯溪蜜柚拿铁；严选新疆阿克苏苹果，升级回归人气产品苹果 C 美式，全新推出了阿克苏苹果拿铁。这些产品既扩充了我们风味咖啡的产品组合，也获得了积极的客户反馈。此外，我们的小黄油系列在上市一周年之际，累计销量突破 2 亿杯，充分体现了我们在产品创新、引领品类趋势发展的实力，持续巩固瑞幸品牌的市场领导地位。非咖啡方面，依托瑞幸在生椰原产地的优势，我们新增杨枝甘露这一主流系列产品，十一假期销量超过 1,200 万杯，再次展现了瑞幸产品强大的客户基础和号召力。

On the customer front, we remained aligned with diversified and youth-driven consumption trends, capturing market buzz and evolving customer preferences through engaging and emotionally resonant marketing campaigns. With these initiatives, we achieved impressive results in customer acquisition, engagement, and purchase frequency during the quarter. For

example, we partnered with a wide range of popular IPs, such as hit movies, blockbuster games, and classic animated series, effectively reaching a broader audience, strengthening brand influence, and stimulating customer demand. Building on these efforts, we added over 42 million new transacting customers in the third quarter and achieved an average of over 110 million monthly transacting customers, both record highs. By quarter end, our cumulative transacting customer base surpassed 420 million, further strengthening our ability to cultivate a high-frequency, loyal customer cohort – a key driver of our long-term, high-quality growth.

在客户方面，我们继续围绕多样化、年轻化的消费趋势，捕捉市场热点与用户偏好，开展生动有趣且富含情绪价值的营销活动，本季度在获客、活跃和提频等方面都有亮眼表现。例如，我们与热门院线电影、爆款游戏、经典动画片等多类跨界高热度 IP 开展联名合作，有效触达了更广泛的客群，提升品牌影响力的同时，也进一步激发了消费需求。在此基础上，三季度我们的新增交易客户数超 4,200 万，月均交易客户数超 1.1 亿，这两个指标均创历史新高。截至季度末，瑞幸的累计交易客户数已突破 4.2 亿，为我们持续培养高频成熟客群奠定了更扎实的基础，也为公司长期高质量发展提供了源源不断的动力。

In addition, we remain committed to our sustainability strategy, “Being a Force for a Brighter Future,” and continue to fulfill our corporate social responsibilities through charitable initiatives that support communities across our upstream supply chain. To mark Luckin Coffee’s eighth anniversary, we partnered with the China Red Cross Foundation’s Hao Fund to launch the “Philanthropy Campus Health Initiative,” building multiple “Philanthropy Health Centers” in schools across Yunnan and Xinjiang. This program enhances campus healthcare infrastructure in coffee origin and other key sourcing regions, helping safeguard the healthy development of local youth. Moreover, as part of our ongoing focus on children’s health in origin regions, we have sponsored the “Angel Journey” project for two consecutive years, funding screening and treatment for local children with congenital heart disease. Moving forward, we will continue to deepen our engagement in origin communities, giving back to society through charitable efforts to build a brighter future together.

此外，我们秉持“以赴美好明天”的可持续发展战略，持续践行企业社会责任，以公益行动反哺产业链上游。在瑞幸咖啡成立八周年之际，我们携手中国红十字会基金会昊基金，共同启动了“博爱校园健康行动计划”，向云南、新疆等地区捐建多所“博爱校医室”，助力提升咖啡及其他主要原材料产地的校园卫生保障水平，守护青少年健康成长。同时，围绕原产地儿童健康主题开展公益合作，我们连续两年资助“天使之旅”项目，支持当地先心病患儿筛查与救治。未来，我们将继续深耕原产地，以公益回馈社会，共创美好未来。

This year, fueled by food delivery platform subsidy campaigns, China’s coffee industry has seen accelerated growth, with consumer demand demonstrating strong elasticity. These trends further validate the enormous potential of China’s coffee market. Amid this complex environment, we have remained focused on our established growth strategy, adjusting our operations dynamically to seize emerging opportunities. As a result, we achieved faster business growth and market share gains in the third quarter, effectively meeting our strategic goals. At the same time, as temperatures have dropped and the freshly-brewed beverage industry has entered its seasonal slowdown, we have observed food delivery platforms

rapidly scaling back their subsidies, which are expected to become more targeted and refined going forward. In addition, international green coffee bean prices have remained elevated this year, with no signs of moderation at the moment. These factors will introduce new dynamics and create headwinds for industry, and pose challenges to our fourth quarter, or even next year's business development. In this evolving landscape, we will focus more on our long-term growth trajectory. We believe our continued strategic focus and enhanced operational excellence will enable us to weather short-term fluctuations and navigate various external environments. We will continue to strengthen our product and brand innovation, offering high-quality, affordable, and convenient products that better meet diverse customer needs and support store performance. We will also leverage Luckin's robust digital capabilities and deep customer insights to enhance retention and repeat purchases, fully unlocking long-term consumption potential.

今年以来，在外卖平台补贴活动的推动下，中国咖啡行业加速发展，消费需求呈现出巨大弹性，这都再次印证了中国咖啡市场的巨大潜力。面对复杂的市场环境，我们始终围绕既定增长战略，动态调整运营节奏和策略，积极把握行业发展机遇，三季度业务持续提速，实现了市占率持续提升的核心目标。同时我们也看到，随着天气转冷、现制饮品行业已进入淡季，平台补贴力度也开始快速收缩，预计未来的补贴形式也会更为精细化，叠加今年以来国际咖啡生豆价格持续在高位运行，并且暂无趋缓迹象，这些因素都将给咖啡行业带来新的变化和压力，也会给我们的四季度甚至明年的业务发展带来挑战。在多变的 market 形势下，我们会更加关注长期发展，相信只有战略聚焦、不断提升自身经营水平才能对抗短期波动，穿越各种外部环境。一方面，我们会持续强化产品创新和品牌创新，以高品质、高性价比、高便利性的产品，更好地满足客户的多元需求以支撑门店表现。另一方面，也会持续发挥瑞幸强大的数字化运营能力，结合对用户需求偏好的深刻洞察，做好留存复购，充分挖掘客户的长期消费潜力。

Finally, we would like to extend our sincere gratitude to our customers, partners, and investors for their continued trust in and support of Luckin, as well as to our 170,000 Luckin team members who stand with us through their dedication and hard work. Together, we will continue building a world-class coffee brand and making Luckin a part of everyone's daily life. As we move forward, we remain committed to long-term value creation for our customers, partners, and shareholders.

最后，再次感谢一如既往信任支持瑞幸的各位消费者、合作伙伴和投资人，感谢我们 17 万并肩作战、辛勤付出的瑞幸伙伴。我们将继续一起携手致力于打造世界级咖啡品牌，让瑞幸成为人们日常生活的一部分。同时也会持续努力，为客户、伙伴和股东创造长期价值。

With that, I will now turn the call over to An Jing to go through our financial results in detail.

接下来，有请安静向大家介绍详细的财务数据。

Jing An

CFO, Luckin Coffee

Thank you, Jinyi. Good day, everyone. Thank you for joining today's call.

We delivered another strong quarter, underscoring our sustained momentum and competitive strengths. With a continued focus on scale and operational excellence, we achieved record highs in both customer acquisition and monthly transacting customers. These achievements further strengthen the foundation for our future store performance and long-term growth.

Let's now look at our financial performance in detail. In the third quarter, total net revenues increased by 50% year-over-year to RMB15.3 billion, primarily driven by a 48% year-over-year increase in GMV to RMB17.3 billion. This accelerated growth reflected strong performance across both self-operated and partnership stores, supported by our record monthly transacting customer count and expanded store network to better meet rising demand.

Revenues from product sales increased by 47% year-over-year to RMB11.5 billion, mainly driven by stronger sales performance in our self-operated stores. Breaking down our product sales into three streams:

Net revenues from freshly brewed drinks were RMB10.6 billion, representing about 70% of total net revenues. Net revenues from other products were RMB622 million, or roughly 4% of total net revenues. Net revenues from others were RMB233 million, or about 1% of total net revenues.

Looking at product sales from the perspective of company-owned stores, revenues from self-operated stores increased by 48% year-over-year to RMB11.1 billion. Same-store sales growth reached 14.4% for this quarter, driven by increased cup sales and an ASP reflecting a shift in volume mix toward delivery. Store-level operating profit grew 10% year-over-year to RMB1.9 billion, with self-operated store-level operating margin of 17.5%.

Revenues from partnership stores increased by 62% year-over-year to RMB3.8 billion, accounting for 25% of total net revenues. This impressive growth was primarily driven by higher material sales, profit-sharing from strong partnership store performance, and increased delivery service fees resulting from greater delivery volumes.

Cost of materials as a percentage of total net revenues decreased to 36% from 39% in the same period of 2024, mainly due to our enhanced supply chain advantages. In absolute terms, cost of materials increased by 41% year-over-year to RMB5.5 billion, in line with our business expansion.

Store rental and other operating costs as a percentage of total net revenues decreased to 20% from 22% in the same period of 2024, mainly driven by improved operational efficiency

and scale benefits from increased cup sales. In absolute terms, these costs increased by 36% year-over-year to RMB3.1 billion, reflecting higher payroll costs tied to cup sales growth and increased rental costs from ongoing store expansion.

Delivery expenses increased by 211% year-over-year to RMB2.9 billion due to a significant increase in delivery orders from food delivery platforms. As a result, delivery expenses as a percentage of total net revenues sharply rose to 19% from 9% in the same period of 2024. However, on a per-order basis, delivery expenses decreased year-over-year, reflecting improved efficiency at scale.

Sales and marketing expenses as a percentage of total net revenues decreased to 5% from 6% in the same period of 2024, mainly driven by enhanced operating efficiency and leverage from accelerated revenue growth. In absolute terms, S&M expenses increased by 28% year-over-year to RMB751 million, mainly due to higher commission fees paid to food delivery platforms as a result of rising delivery volumes.

General and administrative expenses as a percentage of total net revenues decreased to 5% from 6% in the same period of 2024, mainly driven by enhanced operating efficiency and leverage from accelerated revenue growth. In absolute terms, G&A expenses increased by 25% year-over-year to RMB793 million, primarily due to increased payroll expenses and share-based compensation, as well as greater investments in research and development.

As a result, our GAAP operating profit increased by 13% year-over-year to RMB1.8 billion. Operating margin was 11.6%, compared to 15.5% in the prior-year period, mainly impacted by a significant increase in delivery expenses. On a non-GAAP basis, operating profit increased by 15% year-over-year to RMB1.9 billion, with operating margin at 12.6%.

Net profit was at RMB1.28 billion, with a net margin of 8.4%, compared to RMB1.31 billion and 12.9% in the prior-year period, mainly due to a higher effective tax rate. On a non-GAAP basis, net profit was RMB1.4 billion, with net margin at 9.3%.

Finally, turning to our balance sheet and cash flow items. Our net operating cash inflow was around RMB2.1 billion in the third quarter of 2025. As of September 30, 2025, we had RMB9.3 billion in cash, including cash and cash equivalents, restricted cash, term deposits, and short-term investments, compared to RMB5.9 billion as of December 31, 2024. Our robust cash generation ability and strong cash reserves enabled us to flexibly adapt our business expansion pace to different market conditions, letting us fully capitalize on emerging opportunities.

In closing, our solid third-quarter results reaffirm our market leadership and business resilience. We are particularly encouraged by the potential of our growing customer base, especially as we continue to expand loyal cohorts. This gives us greater confidence in capturing the vast opportunities in China's coffee market despite evolving external dynamics, while maintaining disciplined cost management and operational efficiency.

With that, we will open the call for questions. Operator, please go ahead.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Our first question comes from Ethan Wang with CLSA, please go ahead.

Ethan Wang

Analyst, CLSA

Good evening, management. In terms of delivery subsidies, we understand it helps our revenue to grow very strongly in this quarter and the last quarter as well, but it also has a negative impact on our margins. The CEO mentioned that going into the fourth quarter the subsidies have faded a bit, is it because of seasonal effect or some structural changes behind, and going into next year shall we worry about high base effect?

Jinyi Guo

Co-founder and CEO, Luckin Coffee

(Translated) Regarding the potential impact of the subsidies situation, we think it's important to see this issue through the nature of the coffee business and we need to evaluate it within the context of broader industry trends as well as our own operational capabilities.

谢谢，感谢您的提问。对于我们现在看到的外卖补贴的整体情况，以及对于瑞幸未来业务的影响，我觉得对于这个问题是要回到整个咖啡业务的商业本质，再结合整个中国咖啡行业趋势以及瑞幸我们自身能力来综合判断。

First, coffee is inherently a location-based, store-driven consumer product. So this means that pickup will remain the primary consumption format over the long term, while delivery serves more as a supplemental channel at certain stages as the market evolves. So there are two reasons for this. One is delivery fulfillment costs are disproportionately high compared to China's mainstream price range of freshly-brewed coffee, so delivery is highly sensitive to per-cup pricing and its unit economics are less favorable. The second is, longer delivery times can compromise the immediacy and coffee taste experience that consumers expect, so which makes it a less ideal consumption model. Luckin's pickup-oriented store format actually allows us to densely open stores across nearly all of the consumption scenarios, it keeps us as close to customers as possible. So this is actually the core advantage of Luckin and that underpins our long-term growth. So, we believe the coffee business will naturally return to a pickup-oriented model over time, although this transition period will take longer time to happen.

首先，咖啡本质是基于位置、也就是基于线下门店点位的消费品类，这决定了咖啡行业的长期发展仍将以自提为核心，外卖更多是阶段性补充。这主要有两方面理由：一方面，外卖履约成本和目前中国咖啡主流价格带其实是不匹配的，外卖成本对于单位价格过于敏感，所以基于外卖的经济学模型，单杯经济模型并不是一个最优解；另一方面，配送时长会影响用户对于咖啡这种即时消费需求满足的影响，也会影响到咖啡产品的口感体验，从这个角度来看，也不是最理想的体验模式。而瑞幸是以快取店型为主的门店模型体系，这样就可以密集分布在几乎全部场景，能最大程度贴近客户，这是支撑瑞幸业务长期发展的核心优势。因此我们判断咖啡业务长期也将逐步回归到以自提为主的常态，当然这确实还需要很长的发展周期。

This year's large-scale subsidies have driven a significant surge in the overall the order volumes on food delivery platforms. So next year, these platforms are expected to adopt a more refined and ROI-driven operational strategies, and the promotion intensity likely to taper gradually as well. Under such an ROI-focused approach, platforms will likely prioritize partnerships with brands who demonstrate high order density, strong fulfillment efficiency, and effective subsidy conversion. With our extensive store network, efficient operations at the storefront, and our reliable fulfillment infrastructure, I believe Luckin remains a preferred partner for food delivery platforms.

另外，经过今年二季度开始外卖平台的大规模补贴，整个外卖平台的业务总量激增，从目前的趋势来看，明年外卖平台补贴必将转为更为精细化的运营策略，预计补贴力度也会逐步收紧。在整个以 ROI 为导向的补贴策略下，平台预计更倾向于和订单密度高、交付效率高、补贴转化效果好的品牌合作。瑞幸凭借庞大的门店网络、高效门店运营、以及稳定的交付体系，我相信还会是外卖平台补贴的最优选择。

At the same time, we also see that food delivery platforms offered substantial subsidies in the early stages of their campaigns, which objectively fueled a sharp increase in our order volume and customer base, creating a relatively high comparison base. As platforms they have already scaled back their subsidies and will shift toward a more refined approach next year, the industry's overall growth trajectory will differ from this year, and our same-store sales growth next year will also face challenges and pressure. As I mentioned earlier, in this evolving landscape, we believe that only focusing on long-term development is the key to navigating external changes. This means we continuously strengthen our product and brand competitiveness, and unlock customers' consumption potential, which we see this as the key driver of our long-term sustainable growth. Thank you.

当然与此同时我们的确也看到，今年外卖渠道的补贴力度在起步阶段确实较大，客观上也推动了我们订单量与客户数量的爆发式提升，也形成了相对较高的业务基数。随着平台开始收补，明年补贴向精细化方向调整，行业整体的增长节奏可能会呈现出与今年不同的阶段性特征，我们明年的同店增长也将遇到挑战和压力。但正如我前面所提到的，在不断变化的行业环境中，我们相信关注长期发展，持续聚焦自身产品力和品牌力，持续释放客户的消费潜力才是穿越外部环境变化的核心所在，这也是支撑瑞幸业务长期可持续增长的源动力。

Operator

Our next question comes from Sijie Lin of CICC, Sijie, please go ahead.

Sijie Lin

Analyst, CICC

My question is about long-term development strategy. We have constantly faced and may continue to face external environmental changes, such as competitive landscape and delivery platform subsidies; how will we balance different targets including scale, same stores sales growth, and profit? Thank you.

Jinyi Guo

Co-founder and CEO, Luckin Coffee

(Translated) Thank you for your question. This is a very good question, and it's always on top of our mind. We need to take a longer-term perspective when evaluating the relationship among scale, same-store sales growth, and our profitability, considering the current stage of China's coffee industry and Luckin's own development trajectory. China's coffee market is still in its early stages of development and remains in a high-growth phase with vast market opportunities and potential. For us, it's very crucial to capture this historic opportunity and maximize the long-term benefits from these structural trends. In particular, this year's food delivery platform subsidies have further accelerated industry consolidation as well as increased market concentration. As these subsidies gradually phase out, this trend is expected to continue as well. Against this backdrop, our strategic focus will remain on growth and market share. We will continue to steadily expand our store footprint, building a high-quality, and efficient store network to meet growing customer demand and pave the way for our long-term growth.

感谢您的提问，这是个很好的问题，也是我们长期思考中的一个问题。对于这个问题，我们需要从更长期的发展视角，特别是要结合中国咖啡行业目前所处的发展阶段和瑞幸咖啡自身实际情况来看待规模、同店、和利润之间的关系。一方面，总体来看当前中国咖啡市场我们觉得还是在一个刚刚起步的阶段，仍然处在快速发展的红利期，市场空间无比广阔。因此对于我们而言，如何把握住这一历史机遇、能够获得行业发展的最大红利是最重要的。特别是今年的外卖补贴进一步加速了整个行业资源整合，提升了行业集中度，未来随着补贴退坡，我们相信，集中度进一步加剧的这一趋势可能会进一步持续。在此背景下，我们会重点聚焦增长、持续关注份额。继续稳步扩大门店规模，努力通过高质量的门店网络承接住未来更多的客户需求，当然这也为长期发展能够打下一个更为坚实的基础。

Regarding the same store growth, we'd like to emphasize that since the financial issue in 2020, maintaining a high store quality has always been the top priority in our expansion. On one hand, new stores can leverage our mature operational framework to quickly ramp up and improve their performance. On the other hand, we continue to improve customer loyalty and repeat purchases through continuous product innovation and brand innovation, driving steady and sustainable store performance. As I mentioned earlier, taking into account the factors above, our same-store sales growth metric in the fourth quarter and even next year will face short-term fluctuations and pressure. However, from a long-term perspective, more convenient store fulfillment and improved customer reach play a very positive and important role in fostering coffee-drinking habits as well as naturally increasing consumption frequency among customers. This in turn can provide lasting momentum for the continued improvement of our store performance over time.

从同店的指标来看，首先需要强调的是，瑞幸在 2020 年发生财务事件之后，我们的门店扩张始终以保证质量作为第一重要前提。一方面，新店开业后会依托我们庞大成熟的运营体系，快速爬坡提升门店表现；另一方面，也会通过持续的产品与品牌创新，不断提升客户复购和消费频次，从而推动门店表现持续稳健发展。如我前面提到，今年四季度和明年，由于受到多种因素叠加的影响，同店增长指标短期可能会出现波动和压力。但是从长期来看，更便捷的门店交付以及带来的更方便的客户触达，对于咖啡饮用消费习惯的逐渐养成、对于客户消费频次的天然提升，有着积极正向作用，这也会给我们长期的门店向好带来持续动力。

So regarding margins, in the short term, the notably higher mix of our delivery orders has put some pressure on margins, fully reflected in the decline of our third quarter operating margin compared to the previous quarter. The positive impact of our improved operational efficiency was actually completely offset by the significantly higher delivery expenses as a percentage of total revenues quarter over quarter. But, we view this as a temporary and expected impact reflecting both the current stage of industry development and our strategic execution process. At the same time, as I mentioned earlier, international green coffee bean prices have remained elevated with no signs of moderation, which could also pose some challenges to our coffee bean costs next year, which can also affect margins. In this environment, we will continue to optimize cost structure through refined operations, leveraging our digital capabilities to further enhance operational efficiency and strengthen our supply chain management. As we scale, we will strive to maintain a healthy and sustainable profit profile.

从利润率方面来看，短期来看外卖占比显著提升的确会对利润率造成一定的负面影响，三季度营业利润率较上季度略有下滑，也正是由于配送费用率环比有明显提升所导致的，这项费用完全抵消了我们运营提效所带来的正面影响。但这是行业发展阶段和战略推进过程中的阶段性情况，总体我觉得是可以接受的。同时也如刚才提到，由于国际咖啡生豆价格当前仍处于高位，而且也没有趋缓迹象，预计明年咖啡豆成本可能依旧存在一定压力，这也可能会影响到利润率。在此背景下，我们将通过精细化运营持续优化成本结构，依托数字化能力提升运营效率、优化供应链管理。我们会争取在规模扩张的同时，努力保持一个合理健康的利润水平。

Based on the above, in conclusion, business growth and market share expansion remain our strategic priorities at this stage. We will continue to ensure our store quality while driving product and brand innovation amid our robust expansion. During this period of rapid growth, even if same-store performance shows some fluctuations, the overall trajectory remains within our expectations. At the same time, we will strive to maintain healthy and sustainable profit levels and remain confident in our long-term profitability potential. Thank you.

基于以上，我总结一下，当前阶段业务增速和市场份额仍然是瑞幸的战略发展重点。我们会在持续扩张中持续关注门店质量，并坚持产品与品牌创新。在高速发展过程中，同店表现即使有些波动，但整体趋势走向判断是可以接受的。与此同时，我们会努力保持合理健康的利润水平，也对未来长期的利润表现充满信心。谢谢。

Operator

Our next question comes from Huayi Li with Sinolink Securities, Huayi, please go ahead.

Huayi Li

Analyst, Sinolink Securities

Good evening, management. I'd like to ask about the Company's capital markets strategy. At the Xiamen Entrepreneurs' Day Conference a few days ago Dr. Guo mentioned the company's intention to pursue a relisting on a major US exchange, could management please share an update on the current status of this initiative? Thank you.

Jinyi Guo

Co-founder and CEO, Luckin Coffee

(Translated) Thank you for your question. Luckin is headquartered in Xiamen, where we received holistic and tremendous support since our inception. Especially after the financial issue in 2020, with Xiamen's continued support and guidance, Luckin has consistently delivered strong performance and achieved a successful turnaround.

感谢您的提问。瑞幸总部位于厦门，自从公司成立以来，就得到了厦门市各方面的全力支持。特别是2020年瑞幸发生财务事件以后，在厦门市始终如一的支持和指导下，瑞幸业务持续向好发展，实现了涅槃重生。

Regarding this question, as we mentioned before, we remain committed to the U.S. capital markets, though we currently have no specific timeline or schedule for up-listing on the main board. Our top priority at current stage remains focusing on our strategy execution and

business development. Through offering our customers exceptional products and services, we aim to fully capture the long-term growth opportunities in China's coffee market and expand our market share, creating sustainable long-term value for our shareholders. Thank you.

对于这个问题，和我们之前和市场沟通是一致的，我们会持续关注美国资本市场，但公司目前对于重返主板上市没有明确的时间表。公司现阶段的首要任务仍是践行公司的业务战略、聚焦发展。通过向客户提供卓越的产品和服务，充分把握中国咖啡市场的长期发展机遇，努力争取更高的市场份额，为公司股东持续提供可持续的长期价值。谢谢。

Operator

Due to time constraints, no further questions will be taken at this time. This concludes the question and answer session. I'd like to turn the call back to the management team for any closing remarks.

Nancy Song

Investor Relations Director, Luckin Coffee

Thank you, everyone for joining our call today. If you have any further questions, please feel free to contact our IR team. This concludes today's call. We look forward to speaking with you again next quarter. Thank you.

Operator

This conference has now concluded. You may now disconnect.

[END OF TRANSCRIPT]