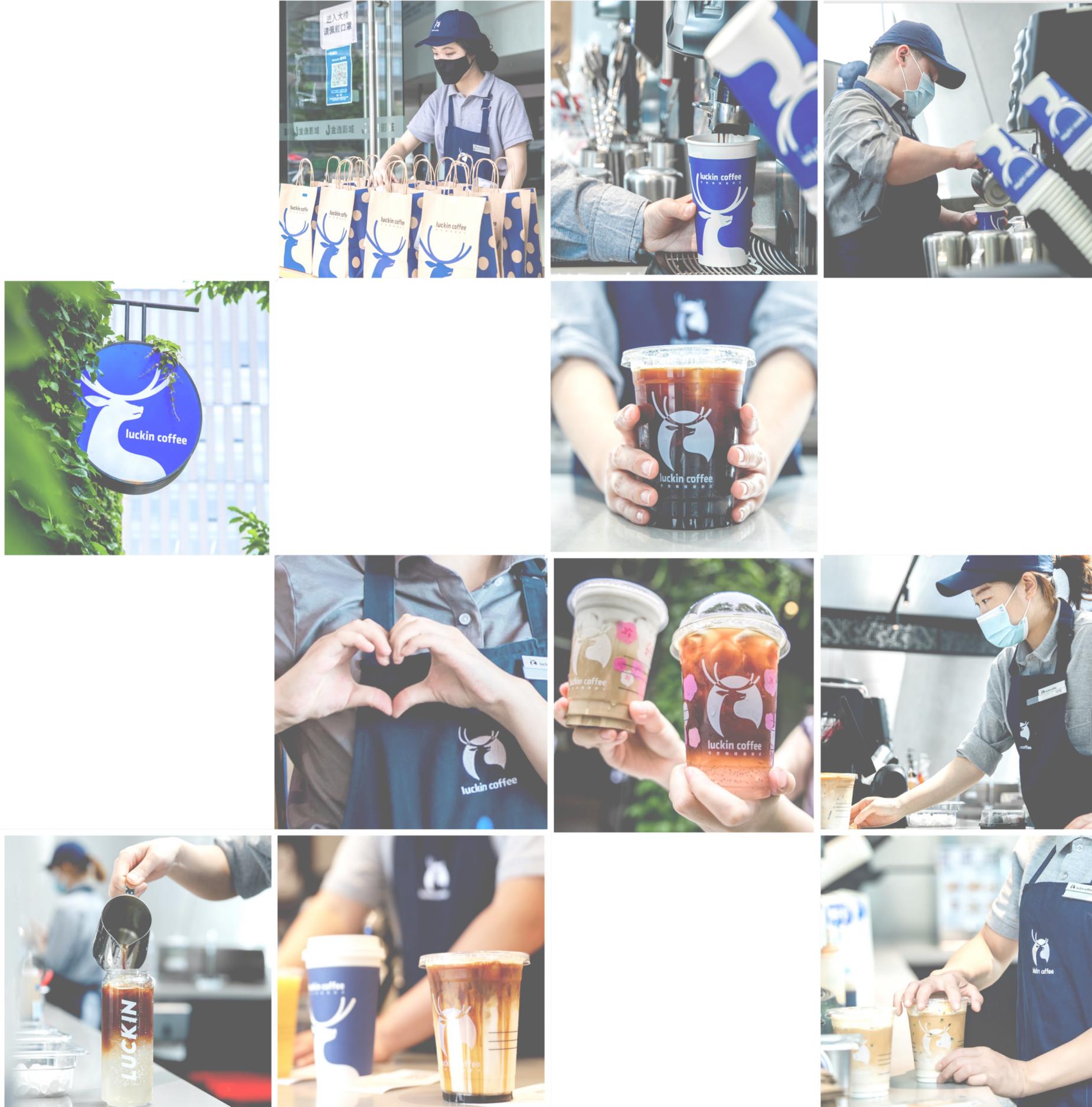




# LKNCY 2023Q1 Earning Presentation

May 1, 2023



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**BUSINESS  
UPDATE**

2

**FINANCIAL  
HIGHLIGHTS**



1

# BUSINESS UPDATE

# Robust Q1 results performance with accelerated store expansion

## Total net revenues

**RMB4,436.7 million**

**+84.5% YoY increase**

## Average monthly transacting customers<sup>(1)</sup>

**29.5 million**

**+84.6% YoY increase**

## SSSG<sup>(2)</sup> (self-operated stores)

**29.6%**

## Store-level operating profit<sup>(3)</sup> (self-operated stores)

**25.2%**

store-level profit margin<sup>(4)</sup>

**RMB791.6 million**

## GAAP Operating income

**15.3%**

operating income margin

**RMB678.4 million**

## Store footprint<sup>(5)</sup>

**9,351 stores**

**+1,137 net new store openings<sup>(6)</sup> QoQ**

### Notes:

(1) The total of each month's number of transacting customers divided by the number of months during the period (includes those of partnership stores and those only paid with free-coupons).

(2) Defined as the growth rate of total revenue from self-operated stores that has been in operation as at the beginning of the comparable period and was not closed before the current period ending with the number of average operating days over 15 per month over both the current period and last year's comparable period.

(3) Calculated by deducting cost for self-operated stores including cost of direct materials (including wastage in stores), cost of delivery packaging materials, storage and logistics expenses, commissions to third-party delivery platforms related to revenues from self-operated stores, store depreciation expense (including decoration loss for store closure), store rental and other operating costs, delivery expense, transaction fees, store preopening and other expenses from the Company's self-operated store revenues.

(4) Calculated by dividing store level operating profit by total revenues from self-operated stores, which include net revenue from the sales of freshly brewed and non-freshly brewed items through self-operating stores, and delivery fees derived from self-operated stores paid by the Company's customers.

(5) The number of stores open at the end of the period, excluding unmanned machines.

(6) The number of gross new stores opened during the period minus the number of stores permanently closed during the period.

## Commenced taking comprehensive carbon inventory



In 2023, Luckin Coffee will continue to deepen its sustainable development efforts across all business areas, including.

- ✓ In March 2023, we initiated the development of **sustainable development goals and commitments** across key business units
- ✓ We also started to take **carbon inventory** across our entire business for the first time



### Initiate taking **carbon inventory** across entire business

- ✓ Established a Climate Change and Carbon Neutrality subcommittee. The subcommittee will be responsible for the overall planning of our company's carbon peaking and carbon neutrality, as well as the identification and control of climate change risks and opportunities.
- ✓ Established a “climate change and carbon neutrality” team covering key business sectors to actively promote carbon reduction efforts.

# First step in international expansion with store openings in Singapore



## Our Vision

*“ To build a world-class coffee brand and become a part of everyone’s daily life. ”*

# Product quality and innovation is our greatest brand power

Cumulative transacting customers  
(Since inception)

**150+ million**



Blockbuster product in Q1  
**4.47 million** Cups  
sold in the first week



Minty Coconut Latte  
**6.66 million** Cups  
sold in the first week



 Coconut Milk Latte  
**300 million** Cups  
sold in two years



Continued investment in  
the highest-quality coffee beans  
sourced around the world



# Largest coffee chain in China<sup>(1)</sup> with substantial expansion opportunities through optimized store mix

## Self-operated stores:

6,308 stores in 60 cities\*

## Partnership stores:

3,041 stores in 232 cities\*

## Footprint in China

9,349

Total stores\*

+1,135

Net new store openings<sup>(2)</sup>



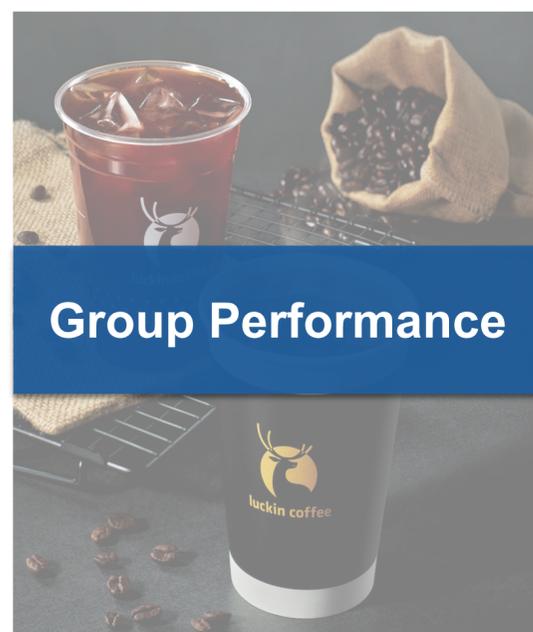
Notes:  
 (1) Based on publicly available information, in terms of # of stores  
 (2) The number of gross new stores opened during the quarter minus the number of stores permanently closed during the quarter  
 \* As of March 31, 2023



# 2

## FINANCIAL HIGHLIGHTS

# Strong revenue growth and increased profitability in the first quarter of 2023



## Group Performance



## Self-operated Stores



## Partnership Stores

	Q1'21	Q1'22	Q1'23
<b>Total stores at end of the quarter <sup>(1)</sup></b>	4,951	6,580	9,351
<b>Net new store openings # <sup>(2)</sup></b>	148	556	1,137
<b># of average monthly transacting customers ('000) <sup>(3)</sup></b>	8,728	15,975	29,489
<b>Revenue (RMB million)</b>	1,269	2,405	4,437
<b>Revenue growth (%)</b>	124.5%	89.5%	84.5%
<b>Operating profit (RMB million)</b>	(364)	16	678
<b>Operating profit margin (%)</b>	(28.7)%	0.7%	15.3%
<b>Revenue - self-operated stores (RMB million)<sup>(4)</sup></b>	1,090	1,795	3,140
<b>Revenue growth (%)</b>	102.1%	64.6%	74.9%
<b>Same-store sales growth (%) <sup>(5)</sup></b>	94.5%	41.6%	29.6%
<b>Store level profit margin <sup>(6)</sup></b>	5.3%	18.5%	25.2%
<b>Revenue - partnership stores (RMB million)</b>	162	549	1,135
<b>Revenue growth (%)</b>	683.8%	239.3%	106.7%

Notes:

(1) The number of stores open at the end of the period, excluding unmanned machines.

(2) The number of gross new stores opened during the period minus the number of stores permanently closed during the period.

(3) The total of each month's number of transacting customers divided by the number of months during the period (includes those of partnership stores and those only paid with free-coupons).

(4) Defined as net revenue from the sales of freshly brewed and non-freshly brewed items through self-operating stores, and delivery fees derived from self-operated stores paid by the Company's customers.

(5) Defined as the growth rate of total revenue from self-operated stores that has been in operation as at the beginning of the comparable period and was not closed before the current period ending with the number of average operating days over 15 per month over both the current period and last year's comparable period.

(6) Calculated by dividing store level operating profit, which is calculated by deducting cost for self-operated stores including cost of direct materials (including wastage in stores), cost of delivery packaging materials, storage and logistics expenses, commissions to third-party delivery platforms related to revenues from self-operated stores, store depreciation expense (including decoration loss for store closure), store rental and other operating costs, delivery expense, transaction fees, store preopening and other expenses from the Company's self-operated store revenues, by total revenues from self-operated stores.

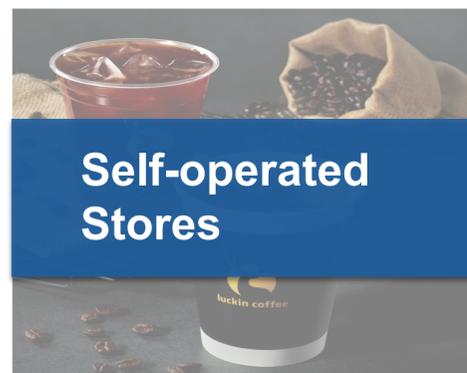
# Store expansion: 1,137 net new store openings in Q1 and increased our expansion pace post COVID

## 1,137

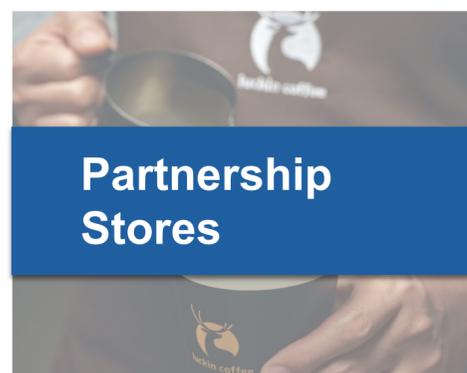
Q1'23 Net new store openings<sup>(1)</sup>

## 9,351

Total # of stores as of 31 Mar. 2023



**Self-operated  
Stores**



**Partnership  
Stores**

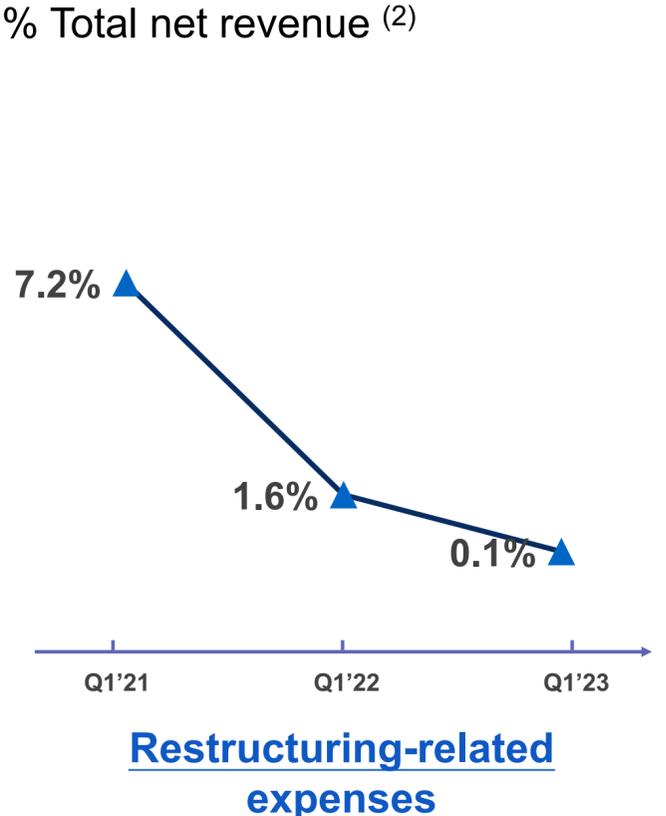
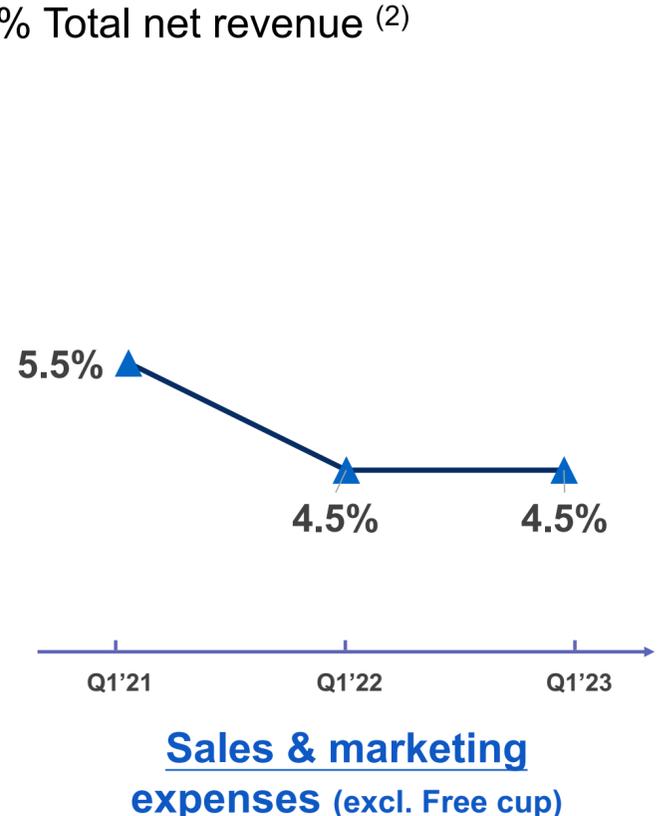
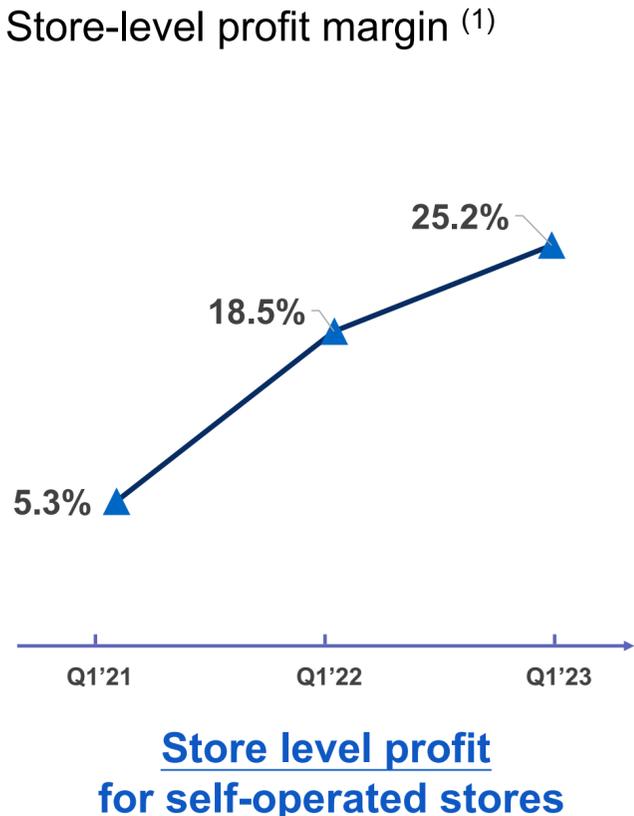
 Chinese Market	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23
Total stores at end of the quarter	4,675	4,968	5,373	5,652	6,308
Net new store openings	+278	+293	+405	+279	+656
Total cities covered at end of the quarter	56	59	59	60	60
Total stores at end of the quarter	1,905	2,227	2,473	2,562	3,041
Net new store openings	+278	+322	+246	+89	+479
Total cities covered at end of the quarter	220	231	232	232	232

 International Market	Q1'23
Total stores at end of the quarter	2
Net new store openings	+2
Total market entered at end of the quarter	1
Total stores at end of the quarter	/
Net new store openings	/
Total market covered at end of the quarter	/

Notes:  
(1) The number of gross new stores opened during the period minus the number of stores permanently closed during the period.

# Continued improvement in our profitability profile, with record-high operating margin

## Record-high operating margin of 15.3% in the first quarter of 2023



Notes:  
 (1) Calculated by dividing store level operating profit, which is calculated by deducting cost for self-operated stores including cost of direct materials (including wastage in stores), cost of delivery packaging materials, storage and logistics expenses, commissions to third-party delivery platforms related to revenues from self-operated stores, store depreciation expense (including decoration loss for store closure), store rental and other operating costs, delivery expense, transaction fees, store preopening and other expenses from the Company's self-operated store revenues, by total revenues from self-operated stores.  
 (2) As a percentage of net revenue.

# Balance sheet, liquidity and cash generation

## Cash and cash equivalents<sup>(1)</sup>



RMB  
**4,386** million

## Cash flow from operating activities



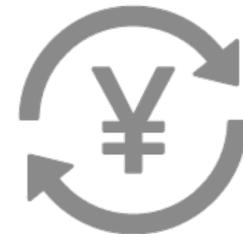
RMB  
**1,073** million

## Interest-bearing debt



USD  
**0** *Full redemption  
of Senior Notes B  
in 3Q22*

## Change in cash



RMB  
**807** million

Notes  
(1) Includes restricted cash and short-term investments.



# Q&A