



Luckin Coffee, Inc.
Q1 2026 Earnings Conference Call
Transcript

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PARTICIPANTS

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PRESENTATION

Operator

Ladies and gentlemen, welcome to Luckin Coffee's first quarter 2026 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 of Luckin Coffee. Nancy, please go ahead.

Nancy Song

Investor Relations Director, Luckin Coffee

Thank you, and hello, everyone.

Welcome to Luckin Coffee's first quarter 2026 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) Good day, everyone, and welcome to today's earnings conference call. Thank you for your continued interest in and support for 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与支持。

We began 2026 with robust momentum. In the first quarter, we remained focused on executing our core strategy of high-quality, scaled growth and delivered solid results. Amid an increasingly diverse and dynamic competitive landscape, we leveraged our end-to-end digital capabilities to expand our store network, grow our customer base, increase consumption, and strengthen our supply chain. Together, these multi-dimensional scaling efforts create a system-wide competitive advantage across our core pillars of people, products and places.

2026 年第一季度，我们聚焦执行高质量规模增长的核心策略，实现业绩稳健开局。在愈发多元的竞争环境中，我们利用全链路数字化的运营能力，稳步推进门店规模、客户规模、消费规模和供应链规模的协同发展，构建人、货、场端到端的长期竞争壁垒。

In the first quarter, total net revenues grew 35% year-over-year to approximately RMB12 billion. We continued to expand our store network at an industry-leading pace, while remaining disciplined on store quality and operational efficiency. Same-store sales for our self-operated stores remained broadly stable, and store-level operating expense ratios improved compared to last year. From a sales channel perspective, the delivery volume mix declined sequentially but remained well above last year's level, reflecting a temporary, mix-driven impact. As a result, operating income reached around RMB710 million, representing an operating margin of around 6%. Looking ahead, we expect our scale advantages and operating capabilities to become increasingly evident, supporting improvements in same-store performance, efficiency, and profitability over time.

一季度，公司总净收入同比增长 35%，达到约 120 亿元。我们继续保持行业领先的开店节奏，并紧密关注门店质量与效率，实现了自营门店同店销售基本稳定，门店运营相关费用率同比优化。从杯量结构看，一季度外卖占比继续回落，但仍然显著高于去年同期水平。受此阶段性影响，营业利润约 7.1 亿元，营业利润率约 6%。着眼长期，我们相信，瑞幸的规模与运营体系优势将持续体现，并有效的驱动长期同店表现、运营效率与盈利水平的稳步提升。

Grounded in our solid fundamentals and strong confidence in our strategy and long-term prospects, we launched our first share repurchase program of up to \$300 million over a one-year period. This marks an important step in our efforts to enhance shareholder returns and reaffirms our commitment to long-term value creation.

立足扎实的基本面，以及对公司战略和长期发展前景的坚定信心，我们正式启动了首次总额3亿美金的一年期股票回购计划。这既是公司持续优化股东回报的重要举措，也体现了我们为股东创造长期价值的承诺。

Next, I will walk you through our quarterly progress across the three core dimensions of our scaled growth strategy: people, products, and places. Following that, our CFO, An Jing, will provide more detailed review of our financial performance.

接下来，我将围绕规模增长战略，从人、货、场三大核心维度，介绍本季度的运营进展，稍后 CFO 安静会分享更详细的财务数据。

Starting with stores, we continued to expand at a competitive pace while maintaining a clear focus on healthy store-level performance. We further deepened our network coverage across both high-tier and lower-tier cities, enhancing convenience, strengthening brand accessibility and improving our ability to capture demand, which ultimately reinforces our long-term market leadership. By the end of the first quarter, our total store count reached 33,596, representing 39% year-over-year growth. Our expanding store network will continue to support customer acquisition, higher purchase frequency, and improved scale efficiencies over time.

在门店方面，我们以单店健康表现为基础，保持有竞争力的开店速度，深化高低线城市的网络覆盖和便捷性，强化品牌触达与需求承接能力，夯实长期市场领先地位。截至一季度，公司门店总数达到 33,596 家，同比增长 39%。持续扩大的门店网络，将为客户拉新提频，以及逐步释放规模效应奠定坚实基础。

In China, we added 2,531 net new stores during the quarter, bringing our total store count to 33,419. This included 21,713 self-operated stores and 11,706 partnership stores, forming a well-balanced footprint across all city tiers nationwide. Our deeply penetrated national store network strengthens the structural resilience of our business, allowing us to better absorb seasonal and holiday demand volatility while sustaining stable overall performance. For example, during this year's Chinese New Year holiday, as consumers in higher-tier cities returned to their hometowns, and coffee consumption habits continued to gain traction, demand in lower-tier markets was fully activated, with our partnership stores performing particularly well. This performance underscores the significant long-term potential of China's coffee market and highlights the strength of our brand momentum, scale advantages, and well-rounded product portfolio in driving growth.

具体来看：中国市场净增 2,531 家，门店总数达到了 33,419 家，其中自营 21,713 家，联营 11,706 家，初步形成了各线城市相对均衡的网络布局。这种全国性纵深渗透的门店网络，让瑞幸的业务经营具备更强的系统性韧性，能够更好的应对季节性、节日类的需求波动，保持整体大盘的稳健发展。例如，今年春节期间，伴随着高线城市人口返乡，叠加咖啡消费习惯的持续普及，下沉市场的消费活力得到了充分释放，低线城市联营门店的表现尤为亮眼。这既体现了中国咖啡市场巨大的需求潜力，也再次印证了瑞幸的品牌势能、规模优势与全品类协同驱动增长的综合能力。

Internationally, we continued to expand in a disciplined and measured manner. During the quarter, we added 17 net new stores, bringing our total overseas store count to 177. This includes 82 self-operated stores in Singapore, 12 self-operated stores in the U.S., and 83 franchised stores in Malaysia. During the quarter, we also completed the integration of our international centralized “middle-office” functions, further enhancing our global operating and management capabilities. Looking ahead, we will continue to deepen our presence in existing markets through flexible localized operating models, optimize store-level performance, and build further overseas operating experience and customer insights, while prudently exploring overseas expansion.

国际市场方面，我们延续稳健的拓展节奏，季度净增 17 家，门店总数达到了 177 家，其中包括：新加坡自营门店 82 家、美国自营门店 12 家，马来西亚加盟门店 83 家。本季度，我们完成了国际化业务中台的整合，提升了海外拓展的运营管理能力。在系统化中台的支持下，我们将继续以灵活的本地化运营模式深耕现有市场、优化单店表现，积累海外运营经验和用户理解，稳步探索推进海外市场扩张。

On the product front, we continued to drive higher engagement, purchase frequency, and overall consumption through ongoing innovation and an increasingly diversified product portfolio, supporting long-term same-store performance. In the first quarter, we launched 26 new freshly brewed beverages, and more than ten snack items. Since the beginning of the year, we have focused on strengthening Luckin Coffee’s positioning as a professional coffee brand by continuously upgrading our bean flavor profiles and overall coffee experience. We introduced a range of classic offerings, including Light Roast Americano, Ethiopian Blonde Americano and Ethiopian Blonde Latte. Our customization options now cover multiple roast profiles, including espresso blend, dark roast, and Ethiopian Blonde, allowing us to meet increasingly sophisticated consumer preferences. In addition, we continued to refresh our coffee lineup with new products such as the Belgium Dark Chocolate Flavored Latte, Raspberry Americano, and Qiantang Longjing Latte, keeping our menu innovative and engaging. In non-coffee categories, we continued to enrich our product matrix and enhance quality, including the launch of our Cheese Covered series and a full upgrade of our matcha lineup supported by origin-based sourcing. These innovations further expanded our coverage of all-day, multi-occasion consumption demand, which strongly support new customer acquisition and repeat purchases from existing customers.

在产品方面，我们持续以创新驱动与全品类布局为举措提升用户活跃、消费频次与整体消费规模，为同店表现提供长期支撑。一季度共上新 26 款现制饮品及十几款轻食。今年以来，我们聚焦强化瑞幸咖啡的专业品牌心智，持续提升咖啡豆风味和专业体验，先后推出浅烘美式、埃塞金烘美式、埃塞金烘拿铁等多款经典产品。目前，我们的客制化选项已覆盖意式拼配、深烘和埃塞金烘三种不同烘焙程度的咖啡豆，全面满足消费者风味进阶的专业品质需求。此外，我们还推出了比利时黑巧拿铁、树莓美式、钱塘龙井拿铁等新产品，为不同咖啡系列注入了活力。非咖啡方面，我们持续丰富产品矩阵和品质体验，一季度推出了雪酪芝士系列、依托原产地布局全线升级抹茶产品。通过这些多元化的产品创新，强化覆盖全时段、多场景的消费需求，有力支撑了新客获取与老客复购。

On the customer front, we remain committed to a customer-first approach, delivering a compelling value proposition across quality, affordability, convenience, and emotional engagement. This enables us to translate our store network advantages into sustainable growth in both customer scale and consumption. During the first quarter, we further upgraded our customization offerings. In addition to the expanded coffee bean selection, we also rolled out larger cup sizes across a broader range of hot and iced SKUs. These larger-size offerings have been well received by customers, with encouraging early adoption rates, and positive contribution to overall average selling price during the quarter. We continued to deepen emotional connections with younger consumers through collaborations with well-known artists and pop culture IPs, as well as our creative “Coconut Latte 5th Anniversary” campaign. Supported by these initiatives, we added more than 21 million new transacting customers during the quarter, and average monthly transacting customers increased 25% year-over-year to over 93 million. Benefiting from product innovation, brand engagement, and network convenience, average cups purchased per customer increased year-over-year across both new and existing customers, validating the positive flywheel between scale expansion and demand growth.

在客户方面，我们坚持以客为先，持续打造高品质、高性价比、高便利性、高情绪价值的综合消费体验，将门店网络优势转化为客户规模和消费规模的可持续增长。一季度，我们重点升级客制化体验，除了持续扩充咖啡豆选择外，还推出了冷热饮等更多 SKU 的升杯选项。这些超大杯产品上线后广受客户喜爱，初期升杯率表现亮眼。这一围绕用户需求的体验升级，也为本季度整体的客单价提供了有力支撑。此外，我们通过和知名艺术家、潮玩 IP 的跨界联名，以及近期“生椰上市五周年庆生官”等创意活动，持续深化品牌与年轻用户的情感连接与共鸣。在这些举措的推动下，一季度新增交易客户超 2,100 万；月均交易客户同比增长 25%，超 9,300 万。得益于产品吸引力、品牌创新力、以及交付便利性，本季度新老客户人均杯量同比均有提升，进一步验证了规模扩张与消费增长的良性循环。

In addition, on the sustainable supply chain front, we continued to strengthen our proprietary supply chain centered around coffee beans, deepening our presence in origin regions and translating our scale into greater system-wide resilience. Recently, our Qingdao Innovation Production Center commenced operations, becoming our third roasting facility to come online. With facilities in Qingdao, Pingnan, and Kunshan fully operational, and Xiamen under construction, we are building a coordinated roasting network with total annual capacity reaching 155,000 tons. This further enhances the flexibility and reliability of our core supply chain, providing strong support for our continued scale expansion. At the same time, we continue to leverage our scale to deepen collaboration across the value chain and support the development of coffee origin regions. During the current harvest season, we increased our domestic sourcing, procuring over 30,000 tons of coffee beans from Yunnan. This not only strengthens the diversity and resilience of our sourcing network across both domestic and international origins, but also provides stable income and long-term confidence for local growers. In addition, through partnerships with research institutions and support for professional coffee competitions, we are integrating our supply chain capabilities into our

ESG initiatives, contributing to the sustainable and high-quality development of China's coffee industry.

此外，在可持续供应链方面，我们深化以咖啡豆为核心的自主供应链建设，强化原产地布局，将规模优势转化为系统性的经营韧性。近期，瑞幸咖啡青岛创新生产中心正式投产，成为公司第三座投产的烘焙基地。至此，青岛、屏南、昆山、在建的厦门四地协同、总产能 15.5 万吨的烘焙供应矩阵进一步成型，核心供应链弹性与稳定性显著增强，为业务规模化扩张提供了更坚实的支撑。同时，我们依托供应链规模优势深化产业链协同，助力原产地产业升级。本产季，我们加大国内采购力度，采购云南咖啡豆超 3 万吨，构建了更加多元稳健的海内外产区协同的供应体系，也为云南咖啡种植者提供了稳定收入与长期信心。我们还通过搭建产学研合作平台、支持咖啡专业赛事等多样化举措，将瑞幸的供应链规模优势融入 ESG 实践，推动中国咖啡产业可持续高质量发展。

In summary, China's coffee market remains in a rapid growth phase, with consumer demand continuing to expand and significant long-term potential ahead. At this stage, we remain firmly focused on high-quality, scaled growth, maintaining a dynamic balance among expansion pace, store quality, and operational efficiency. Our digitally driven business model, built on high efficiency and convenience, positions us well to capture structural growth opportunities and deliver sustainable long-term growth. Amid a dynamic and evolving competitive landscape, as well as a high comparison base created by last year's delivery subsidies, we believe our industry-leading scale will enable us to navigate near-term volatility while unlocking long-term growth and profitability. Looking ahead, we will continue to drive innovation across product development, brand engagement, and customer experience to further unlock consumption potential, support sustained business growth, and strengthen our leadership position in the market.

总结来看，中国咖啡市场仍处于需求持续释放的快速发展期，长期增长空间十分广阔。当前阶段，我们坚定聚焦高质量规模增长，保持扩张速度、门店质量与运营效率的动态平衡，依托数字化驱动的高效率、高便利性的商业模式，把握行业结构性机遇，实现长期可持续增长。面对复杂多变的市场竞争环境、以及去年外卖补贴带来的高基数影响，我们相信，瑞幸行业领先的规模化布局，将支撑公司穿越短期波动，并逐步释放长期增长与盈利潜力。未来，我们将持续通过产品创新、品牌创新和体验创新，不断挖掘消费潜力，推动业务稳健发展，进一步巩固市场领先地位。

Finally, we would like to thank our customers, partners, and investors for your continued trust and support, as well as our 190,000 Luckin team members for your dedication and hard work. We remain committed to supporting the healthy development of China's coffee industry, building a world-class coffee brand, and creating sustainable long-term value for our customers, partners, and shareholders.

最后，再次感谢各位消费者、合作伙伴与投资者的信任与支持，感谢 19 万瑞幸伙伴的辛勤付出。我们将继续全力以赴，推动中国咖啡行业健康发展、打造世界级咖啡品牌，为客户、伙伴与股东创造可持续的长期价值。

Jing An

CFO, Luckin Coffee

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

We delivered solid top-line growth while maintaining financial discipline in the first quarter. Despite the impact of higher delivery mix, underlying operating efficiency improved both at the store and group levels. As we continue to scale our business and strengthen our market leadership, we believe we are well positioned to drive operation leverage and profitability over time supported by our sustained quality growth.

Let's now look at our financial performance in detail. In the first quarter, total net revenues increased by 35% year-over-year to around RMB12 billion, primarily driven by a 35.8% year-over-year increase in GMV to RMB14.1 billion. This growth was supported by higher cup volume across our self-operated and partnership stores, a result of our expanding store network and growing base of active transacting customers.

Revenues from product sales increased by 32% year-over-year to around RMB9 billion, mainly reflecting the solid performance of our self-operated stores. Breaking down our product sales into three streams:

Net revenues from freshly brewed drinks were RMB8.3 billion, representing about 69% of total net revenues. Net revenues from other products were RMB566 million, or about 5% of total net revenues. Net revenues from others were RMB157 million, or roughly 1% of total net revenues.

Looking at product sales from the perspective of company-owned stores, revenues from self-operated stores increased by 33% year-over-year to RMB8.6 billion. Same-store sales growth was largely stable for this quarter amid the rapid expansion of our store network. Store-level operating profit increased by 6% year-over-year at RMB1.2 billion, with self-operated store-level operating margin of 13.6%.

Revenues from partnership stores increased by 45% year-over-year to around RMB3 billion, accounting for 25% of total net revenues. The strong growth was mainly supported by increased sales of materials and improved contributions from profitable partnership stores, particularly reflecting the outperformance of partnership stores in the lower-tier cities during the Chinese New Year holiday seasons.

Cost of materials as a percentage of total net revenues remained stable year-over-year at around 40%. In absolute terms, cost of materials increased by 36% year-over-year to RMB4.9 billion, in line with our business expansion.

Store rental and other operating costs as a percentage of total net revenues decreased to 25.5% from 26.3% in the same period of 2025. In absolute terms, these expenses increased

by 31% year-over-year to RMB3.1 billion, driven by higher payroll costs from cup volume growth and rising rental expenses due to continued store expansion.

Delivery expenses increased by 90% year-over-year to RMB1.3 billion, driven by a significant increase in delivery orders through food delivery platforms. As a result, delivery expenses as a percentage of total net revenues increased to around 11% from around 8% in the same period of 2025. However, our delivery cost per order declined year-over-year, reflecting better efficiency as we scaled our operations.

Sales and marketing expenses as a percentage of total net revenues was 6.1%, compared to 5.6% in the same period of 2025. In absolute terms, S&M expenses rose 48% year over year to RMB732 million, mainly driven by increased advertising and promotion expenses as well as higher commission fees paid to food delivery platforms as delivery volumes increased.

General and administrative expenses as a percentage of total net revenues decreased to around 7% from around 8% in the same quarter of 2025. In absolute terms, G&A expenses rose 25% year-over-year to RMB851 million, mainly driven by higher payroll costs and share-based compensation, as well as increased investments in research and development.

Our GAAP operating profit was RMB716 million, with an operating margin of around 6%, compared to RMB735 million and 8.3% in the prior-year period, mainly reflecting higher delivery-related expenses as delivery volumes increased. On a non-GAAP basis, operating profit was RMB898 million, with a margin of 7.5%.

Net profit was at RMB506 million, with a net margin of 4.2%, compared to RMB524 million and 5.9% in the prior-year period. On a non-GAAP basis, net profit was RMB686 million, with net margin of 5.7%.

Finally, looking at our balance sheet and cash flow, we generated around RMB791 million in net operating cash during the first quarter of 2026. As of March 31, 2026, our total cash position, which includes cash and cash equivalents, restricted cash, term deposits and short-term investments, was about RMB9.1 billion, compared to around RMB9 billion as of December 31, 2025. Our healthy cash position provides flexibility to support continued business expansion while allowing us to enhance shareholder returns.

In closing, this quarter's continued momentum validates our long-term growth strategy. We remain dedicated to quality-led expansion while optimizing operational efficiency at every step, ultimately delivering sustainable value to our shareholders.

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

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) The first question comes from Jessie Xu of JP Morgan. Jessie, please go ahead.

Jessie Xu

Analyst, J.P. Morgan

Thanks for taking my question, this is Jessie Xu from JP Morgan. Congrats on a very strong results in a very dynamic and competitive quarter, especially on margin side. Share repurchase is also a positive surprise. I'm sure shareholders are very happy today. My question is on growth and quality. So first quarter seems to be another fast quarter as we recorded another 2.5K net opening, a similar pace to the past few quarters. At the same time, same-store sales stayed relatively stable, which is not bad. So if we look into the rest of the year, how should we think about the expansion pace -- and what's your strategy in balancing scale market share and average store performance. Thank you.

Jinyi Guo

Co-founder and CEO, Luckin Coffee

(Translated) Thank you for your question. I will answer your question. So first, on the store expansion and same-store sales, we remain focused on our core strategy of high-quality, scaled growth. As we continue to expand, we focus on maintaining a dynamic balance across these important metrics between the pace of expansion, store quality, operating efficiency, and same-store performance.

非常感谢您的提问，我来回答一下这个问题。首先，关于大家都非常关注的开店与同店，我们始终都是围绕着高质量规模增长这一公司的核心策略，在持续的扩张过程中，我们总体非常注意动态平衡开店速度、开店质量、运营效率和同店表现等几个关键的指标。

In the first quarter, we continued to execute on our established strategy and maintained a relatively fast pace of expansion. Fundamentally, our store expansion is a strategic investment based on our long-term view of China's coffee consumption demand. While maintaining a healthy unit economics, we are building our store network at a competitive pace to strengthen Luckin Coffee's scale advantage and long-term market positioning.

从一季度表现来看，我们延续了前期的既定的战略，整体上保持了相对较快的扩张。从本质来看，门店的扩张是基于我们对于中国咖啡消费长期需求的判断所做出的战略性的投入。所以在确保单店模型健康的前提下，以一个有竞争力的速度推进门店网络的建设，这也是持续强化瑞幸的规模优势和长期市场布局的一个重要手段。

Recently, the delivery war has created very strong growth opportunities in China's coffee consumption. Accordingly, we have been in a phase of relatively rapid expansion, and this momentum continued into the first quarter. So in this backdrop, some level of fluctuation in

our same-store performance is normal. And also this is well in line with our business expectations. Having said that, same-store sales for our self-operated stores remained broadly stable in the first quarter, we believe it also reflects the resilience of our overall operations.

所以在过去的一年左右的时间里，面对整个外卖大战给中国咖啡消费需求带来的强劲增长机遇，瑞幸整体上处于一个较快的扩张阶段，同时第一季度延续了这一节奏。在这种背景下，同店出现一定的波动，也是比较正常的，也完全符合我们的业务预期。从结果来看，一季度自营门店同店基本保持稳定，我们认为也体现了瑞幸整体经营的韧性。

From a demand perspective, as mentioned earlier, the strong performance in lower-tier markets during the Chinese New Year further validated the ability of our nationwide, well-balanced store network as we capture and convert demand. At the same time, we don't view demand as static. In addition to a natural increase in the consumer purchase frequency as coffee consumption habits develop, our ongoing supply-side investments, including our store network expansion and our product innovation, also help with stimulation and creation of new demand. This underpins our confidence in our long-term same-store performance as well.

另外从需求侧来看，如刚才我提到的，今年的春节期间下沉市场表现尤其亮眼，这也进一步验证了我们全国相对均衡的门店网络在承接需求和转化需求方面的能力。同时我们认为，需求并不是静态的，除了咖啡消费习惯逐步养成带来的频次提升外，我们在供给侧的持续投入，包括门店网络的拓展和产品的持续创新，也在不断激发和创造新的消费需求。这也是我们对于长期同店表现保持信心的一个重要的基础。

In the following quarters, as we move into the comparison period impacted by last year's elevated delivery subsidies, our same-store sales may face some short-term volatility. At the same time, we are actively managing this through product innovation, continued enhancement of our professional coffee offerings, expansion of our non-coffee portfolio, as well as further improved customization. With all these efforts, we think we will help broaden consumption scenarios, improve conversion, and increase frequency.

未来的几个季度，随着马上进入去年外卖补贴较高的一个对比的阶段，同店的指标在短期内可能仍会受到一定的基数影响，出现一定的波动。但与此同时，我们也正在持续通过一系列的经营举措进行对冲，包括强化产品的创新能力、提升咖啡产品的专业度、丰富非咖啡产品的产品矩阵等等，以及优化客制化的体验，从而不断地拓展消费的场景、提升转化效率和消费的频次。

In conclusion, while same-store performance may fluctuate in the short term with our rapid growth, we believe the longer-term trend will remain healthy and upward. We remain confident in our same-store performance in the long run. This is my response to your first question, thank you.

总结一下，我们相信在高速发展的过程中，同店表现即使短期有所波动，但从更长的周期来看，整体趋势走向必然会是健康向上的。我们对长期的同店表现充满了信心。这是对于第一个问题的回答，谢谢。

Operator

Our next question comes from Linda Huang with Macquarie. Linda, please go ahead with your question.

Linda Huang

Analyst, Macquarie

This is Linda Huang from Macquarie. So we are very pleased to see the company's launch of the share repurchase scheme. So I would like to know that about the key considerations and the strategic motivation behind initiating this repurchase program. And additionally, I also want to know whether the company will consider adapting other shareholder reward initiatives such as the cash dividend distribution going forward? Thank you very much.

Jinyi Guo

Co-founder and CEO, Luckin Coffee

(Translated) Thank you for your question. Fundamentally, our decision to launch the \$300 million share buyback program at this stage reflects our strong confidence in the long-term potential of China's coffee market, also in our own growth prospects and our ability to create long-term value. Over the past six years, we have built a very solid fundamentals, with improving operating performance and increasingly healthy cash flow, which supports our ability to return capital to shareholders.

谢谢您的提问。首先我们在这个阶段推出了 3 亿美金的股票回购的计划，核心还是源于我们对于中国咖啡市场长期潜力的一个坚定的看好，以及对于公司未来增长前景和长期价值的充分的信心。经过过去 6 年多的发展，瑞幸建立了扎实的基本面，经营业绩持续提升，现金流的状况也更加健康，这些都为我们进行股东回报提供了坚实的基础。

As we enter a more mature stage of development, we are placing greater emphasis on capital allocation discipline and the efficient use of our capital. While continuing to support our strategic investments and steady business growth, we aim to enhance long-term shareholder value in a more proactive and sustainable way. So our buyback program is a key step in optimizing our capital structure and strengthening shareholder returns.

随着公司进入了更加成熟的发展阶段，我们对于资本配置纪律和资本使用效率的重视程度也在持续提升。在确保长期战略投入、支撑业务稳健的前提下，我们希望通过更加积极、也更可持续的方式，提升股东的长期价值，所以本次回购正是公司优化资本配置、强化股东回报的一个重要举措。

Looking ahead, we remain open to various shareholder return options. Due to historical reasons, we are not able to pay dividends in the short term, but we will continue to evaluate all the alternatives, including buybacks and further dividends, in the context of our operating performance, cash flow, and long-term development needs. Our goal is to continue delivering sustainable and long-term value to our shareholders while maintaining an appropriate balance between our business growth and shareholder returns, thank you.

另外关于未来股东的回报安排，我们始终保持着开放和积极的态度。由于众所周知的历史原因的影响，目前公司短期还不具备分红的条件，但我们未来会结合经营表现、现金流的状况、长期发展的需求，综合评估包括回购、分红在内的各类股东回报方式。在平衡业务发展与股东回报的基础上，持续为股东创造长期、可持续的价值，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

Once again, the conference has now concluded. You may disconnect your line. Thank you.

[END OF TRANSCRIPT]