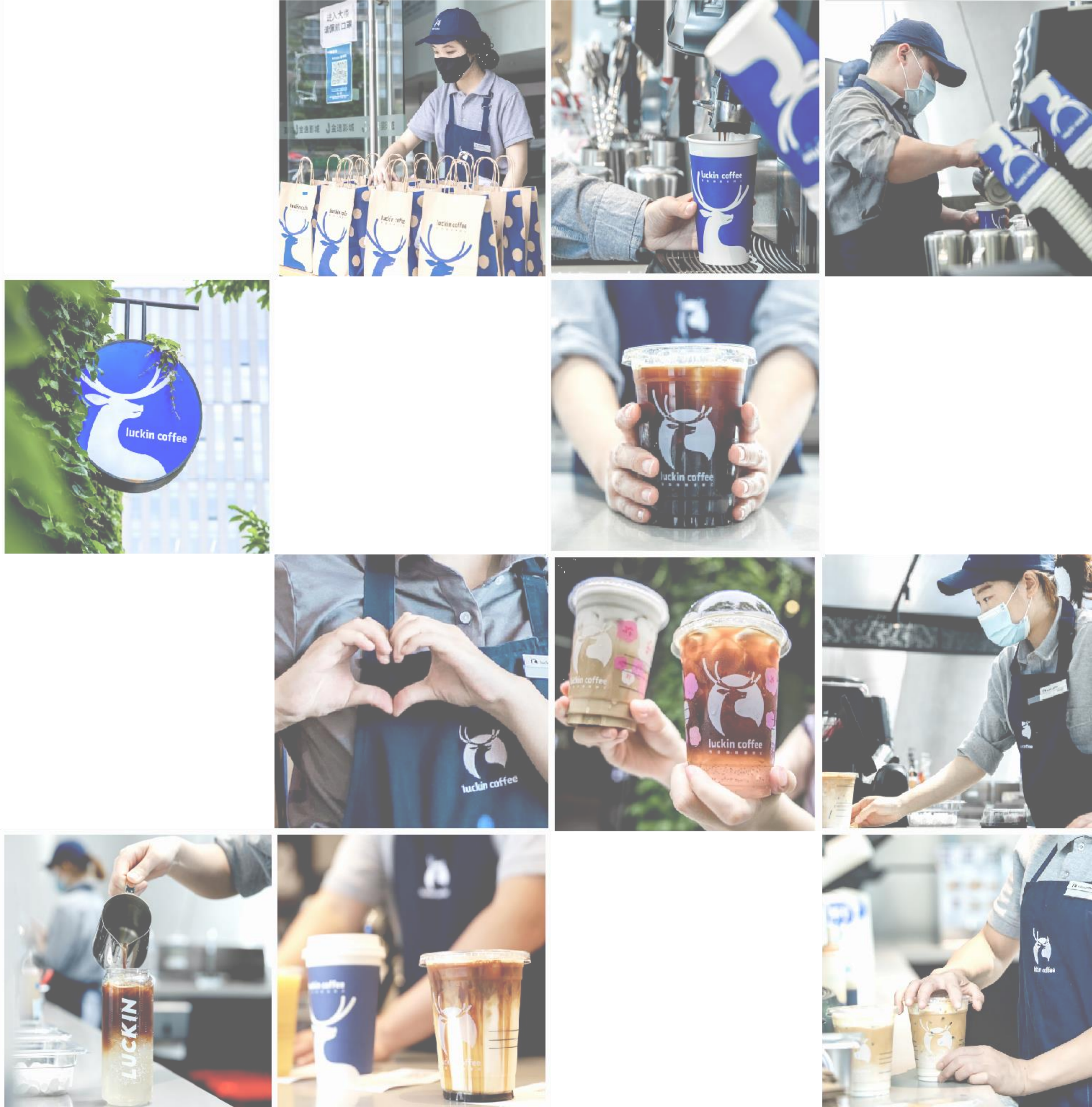




luckin coffee



LKNCY 2022Q3 Earnings Presentation

November 22, 2022

DISCLAIMER

This presentation contains certain financial measures that are not recognized under generally accepted accounting principles in the United States (“GAAP”), including non-GAAP operating income/(loss), non-GAAP net income/(loss), non-GAAP basic and diluted net income/(loss) per ADS. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP. For a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measures, please see the table captioned “Reconciliation of Non-GAAP Measures to the Most Directly Comparable GAAP Measures” in the earnings release.

This presentation contains forward-looking statements within the meaning of Section 21E of the U.S. Securities Exchange Act of 1934, as amended. These forward-looking statements are made under the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. These statements can be identified by terminology such as “will,” “expects,” “anticipates,” “future,” “intends,” “plans,” “believes,” “estimates,” “potential,” “continue,” “ongoing,” “targets,” “guidance” and similar statements. Luckin Coffee may also make written or oral forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission (the “SEC”), in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Any statements that are not historical facts, including statements about Luckin Coffee’s beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: the expense, timing and outcome of existing or future legal and governmental proceedings, investigations in connection with Luckin Coffee; the outcome and effect of the restructuring of Luckin Coffee’s financial obligations; Luckin Coffee’s growth strategies; its future business development, results of operations and financial condition; the effect of the non-reliance identified in, and the resultant restatement of, certain of Luckin Coffee’s previously issued financial results; the effectiveness of its internal control; its ability to retain and attract its customers; its ability to maintain and enhance the recognition and reputation of its brand; its ability to maintain and improve quality control policies and measures; its ability to establish and maintain relationships with its suppliers and business partners; trends and competition in China’s coffee industry or China’s food and beverage sector in general; changes in its revenues and certain cost or expense items; the expected growth of China’s coffee industry or China’s food and beverage sector in general; Chinese governmental policies and regulations relating to Luckin Coffee’s industry; the potential effects of COVID-19; and general economic and business conditions globally and in China and assumptions underlying or related to any of the foregoing. Further information regarding these and other risks, uncertainties or factors is included in Luckin Coffee’s filings with the SEC. All information provided in this presentation is as of the date of this presentation, and Luckin Coffee undertakes no obligation to update any forward-looking statement, except as required under applicable law.



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**BUSINESS
UPDATE**

2

**FINANCIAL
HIGHLIGHTS**



1 BUSINESS UPDATE

Another strong quarter with continued improvement in both operation and financials

Total net revenue

RMB3,895 million

+65.7% YoY increase

Average monthly transacting customer⁽¹⁾

25.1 million

+70.5% YoY increase

SSSG⁽²⁾
(self-operated stores)

19.4%

Store-level operating profit⁽³⁾
(self-operated store)

29.2%

store-level profit margin⁽⁴⁾

RMB807 million

GAAP Operating income

15.0%

operating income margin

RMB585 million

Store footprint⁽⁵⁾

7,846 stores

+651 net new store openings⁽⁶⁾ 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 growth rate of total revenue from self-operated stores that has been in operation as at the beginning of comparable period beginning and was not closed before current period ending with the number of average operating days over 15 per month over both current period and last year's comparable period.

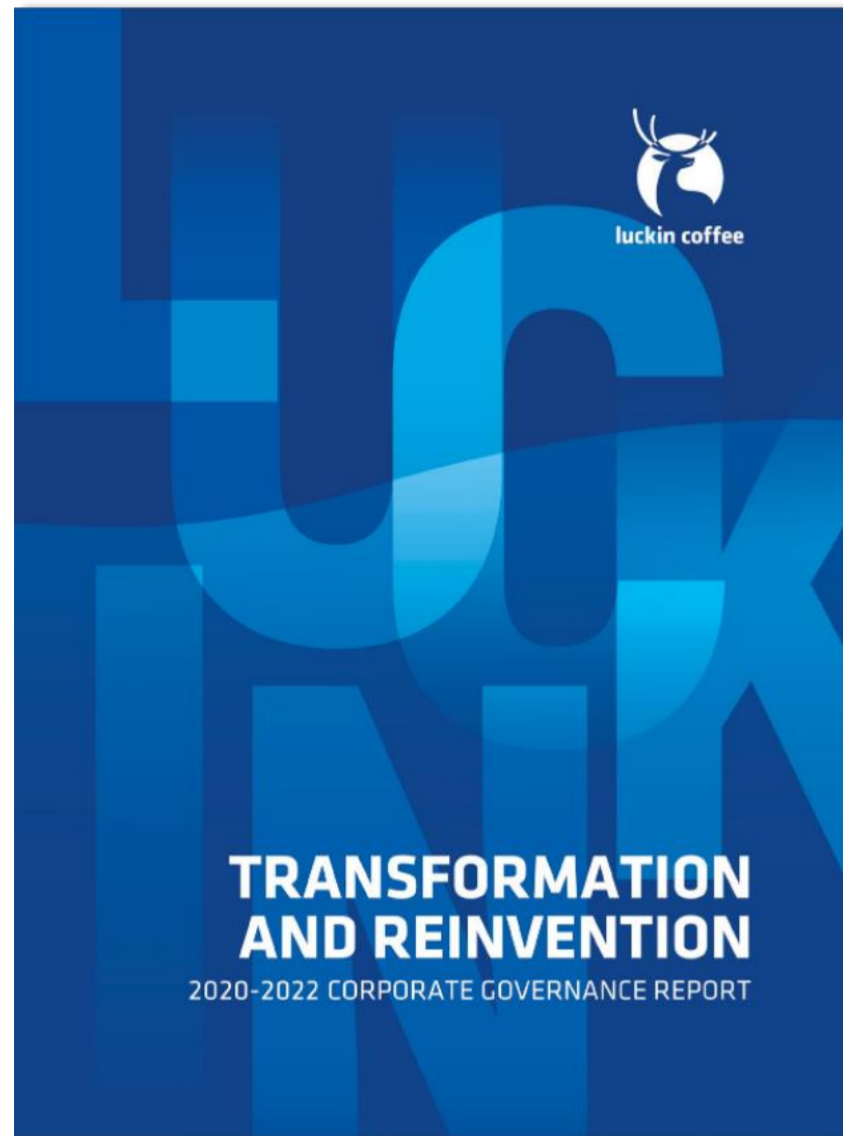
(3) Calculated by deducting cost for self-operated stores including cost of direct materials (including wastage in stores), cost of delivery packaging materials, storage and logistics expenses, store depreciation expense (including decoration loss for store closure), store rental and other operating costs, net delivery expense, transaction fees, store reopening and other expenses from our self-operated store revenues.

(4) Calculated by dividing store level operating profit by total revenues from self-operated stores.

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

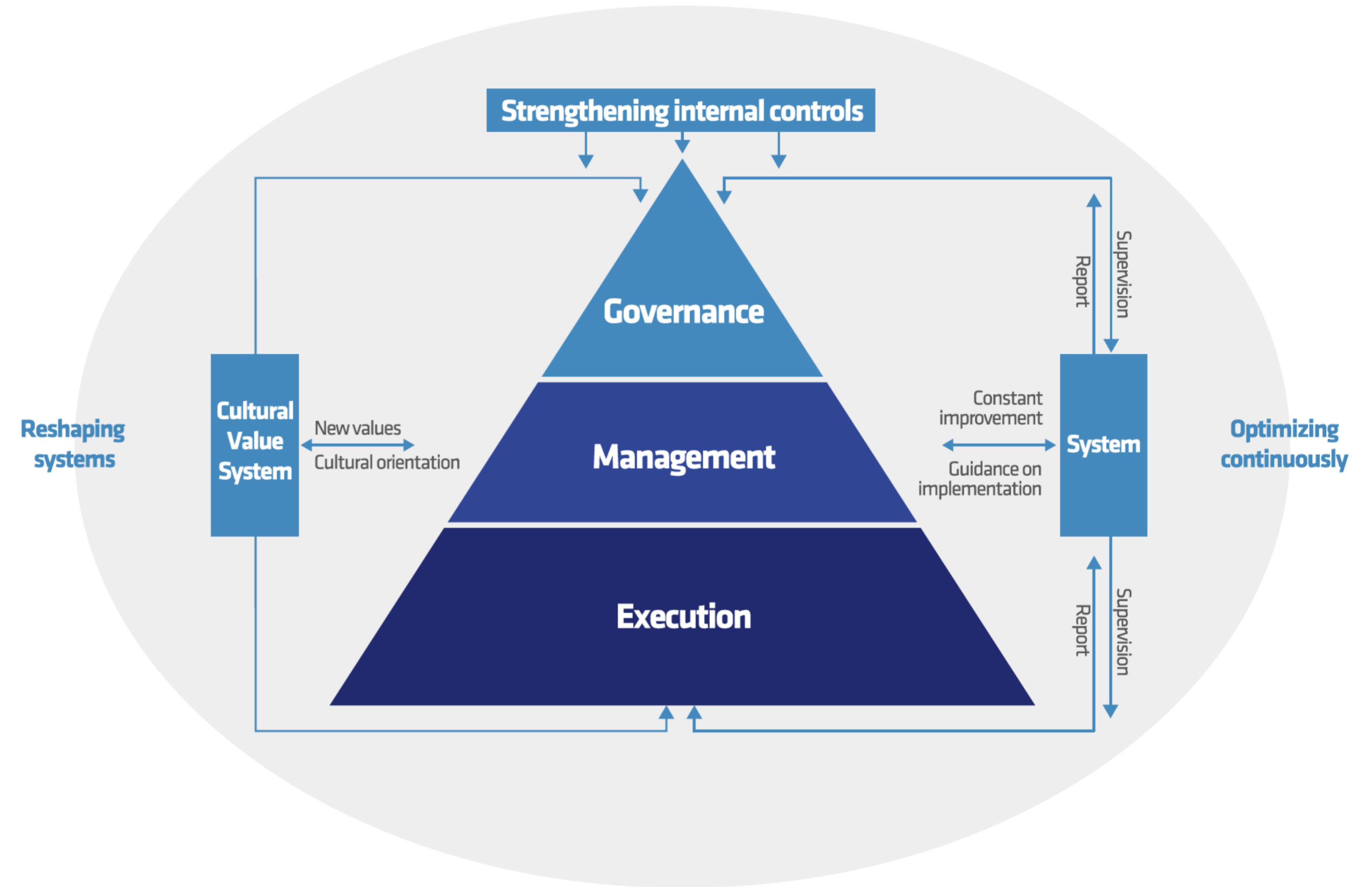
(6) The number of gross new stores opened during the period minus the number of stores permanently closed during the period.

First corporate government report published and more to come



First Corporate Governance Report

“TRANSFORMATION AND REINVENTION”



GOVERNANCE STRUCTURE

* The Corporate Governance Report is now available on company IR website <https://lkcoffee.com/>.

Continued strong performance thanks to our competitive advantages

Products

Professional + Good flavors



People

Brand name recognized by the industry



Places

7,846 stores* with +651 net new store openings in Q3



Self-operated stores: 5,373 stores in 59 cities*

Partnership stores: 2,473 stores in 232 cities*

* As of September 30, 2022

Continue to deepen our strategic cooperation in supply chain

Continued investment in supply chain

- Stabilize quality
- Better cost-control



✓ In Sep 2022, reached an understanding for strategic cooperation with world-leading companies to purchase Brazilian coffee beans



✓ Roasting facility in Kunshan estimated in production in 2024

Ability to launch hit products

- Tech & Data supported R&D Mechanism
- Virtuous circle among back- & front-desk



Newer Latte



Velvet Latte



Coconut Milk Latte



Coconut Cloud Latte



SOE series GESHA



Amori Apple Velvet Latte

Strong emphasis on the protection of users' privacy information and data security



Data Security

CCRC
移动互联网应用程序 (App)
安全认证证书

证书编号: CCRC-APP-IOS-2022-0040
App名称及版本 瑞幸咖啡 5.0.35
操作系统平台 iOS

CCRC
移动互联网应用程序 (App)
安全认证证书

证书编号: CCRC-APP-Android-2022-0051
App名称及版本 瑞幸咖啡 5.X.X
操作系统平台 Android

bsi.  

Certificate of Registration

信息安全管理体系 - GB/T 22080-2016 / ISO/IEC 27001:2013

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持有证书: **IS 765594**





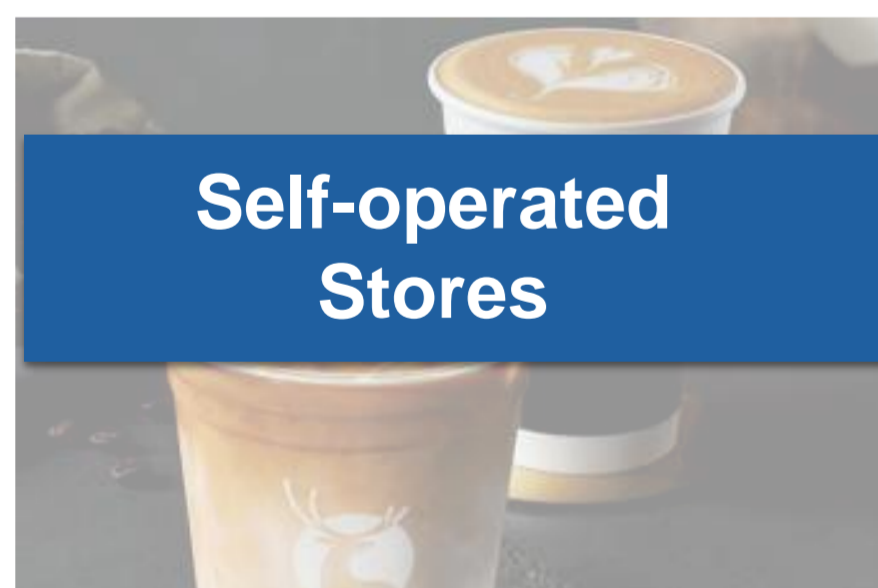
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FINANCIAL HIGHLIGHTS

Strong revenue and profit growth: 66% YoY growth in net revenues and double-digit operating margin for the first time



	Q3 '20	Q3 '21	Q3 '22
Total stores at end of quarter ⁽¹⁾	4,831	5,671	7,846
Net new stores #	(260)	412	651
# of average monthly transacting customers ('000) ⁽²⁾	8,215	14,722	25,103
Revenue (RMB million)	1,143	2,350	3,895
Revenue growth (%)	35.6%	105.6%	65.7%
Operating profit (RMB million)	(462)	(7)	585
Operating profit margin (%)	(40.5)%	(0.3)%	15.0%



Revenue - self-operated stores (RMB million)	976	1,795	2,761
Revenue growth (%)	23.1%	83.8%	53.9%
Same-store sales growth (%) ⁽³⁾	0.3%	75.8%	19.4%
Store level profit margin ⁽⁴⁾	(0.2)%	25.2%	29.2%



Revenue - partnership stores (RMB million)	91	416	899
Revenue growth (%)	n.a.	355.0%	116.1%

Notes:

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

(2) 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).

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

(4) Calculated by dividing store level operating profit/(loss), 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, store depreciation expense (including decoration loss for store closure), store rental and other operating costs, net delivery expense, transaction fees, store preopening and other expenses from our self-operated store revenues, by total revenues from self-operated stores.

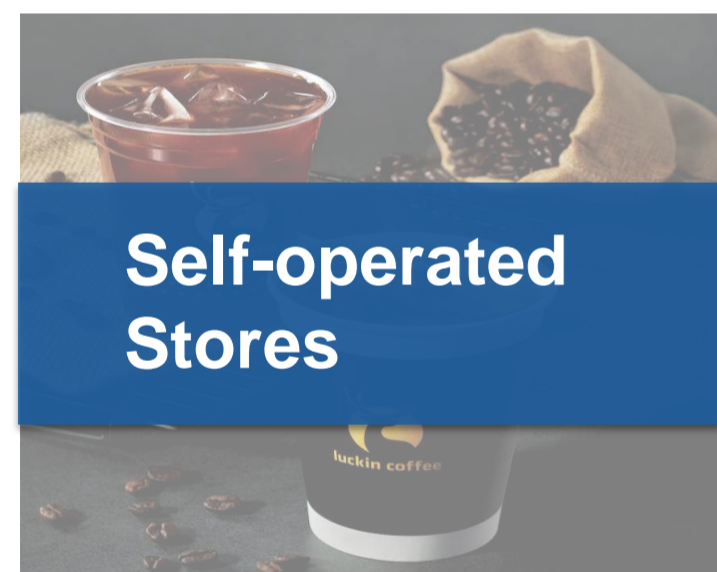
Further store expansion: 651 net new store openings covering more than 200 cities

651

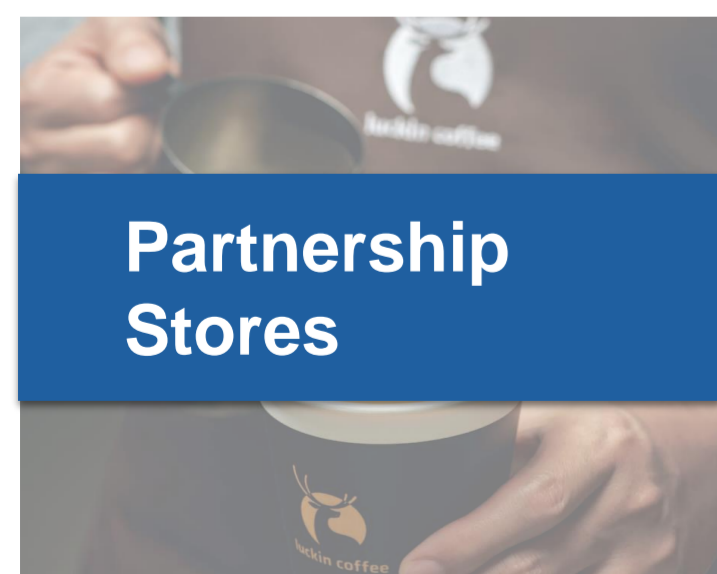
Q3 '22 Net new openings

7,846

Total # of stores as of 30 Sep. 2022



**Self-operated
Stores**



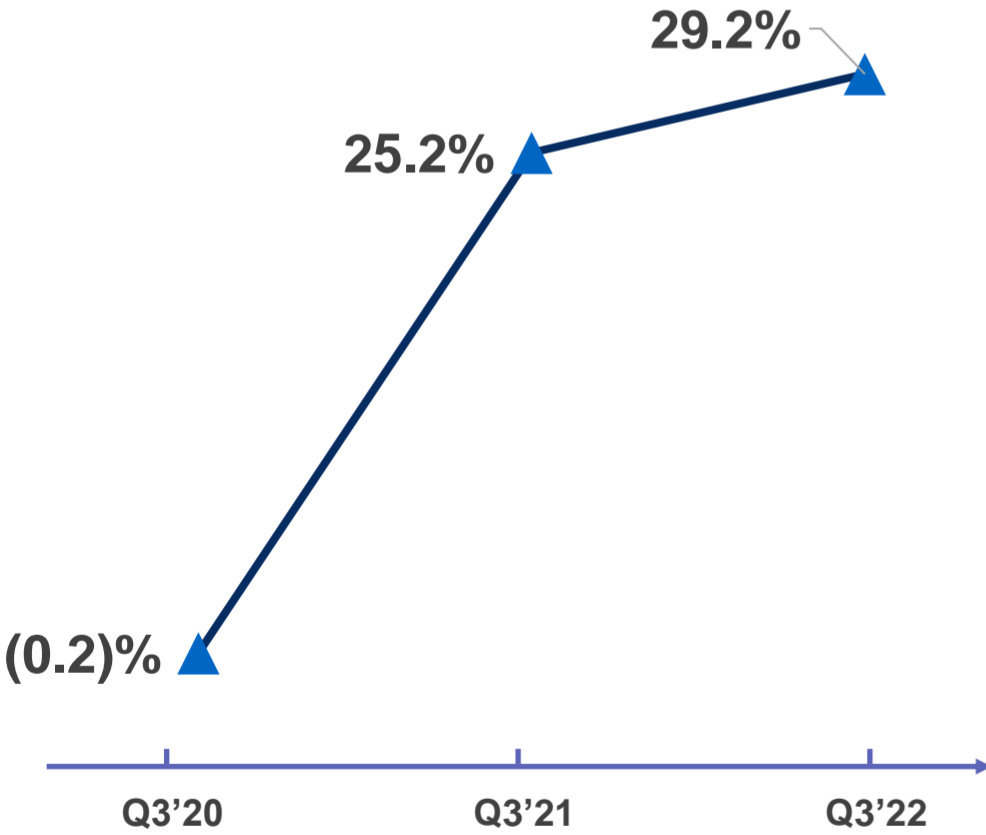
**Partnership
Stores**

	Q3 '21	Q4 '21	Q1 '22	Q2 '22	Q3 '22
Total stores at end of the quarter	4,206	4,397	4,675	4,968	5,373
Net new openings	+188	+191	+278	+293	+405
Total cities at end of the quarter	56	56	56	59	59
Total stores at end of the quarter	1,465	1,627	1,905	2,227	2,473
Net new openings	+224	+162	+278	+322	+246
Total cities at end of the quarter	218	220	220	231	232

Continued improvement in our profitability profile

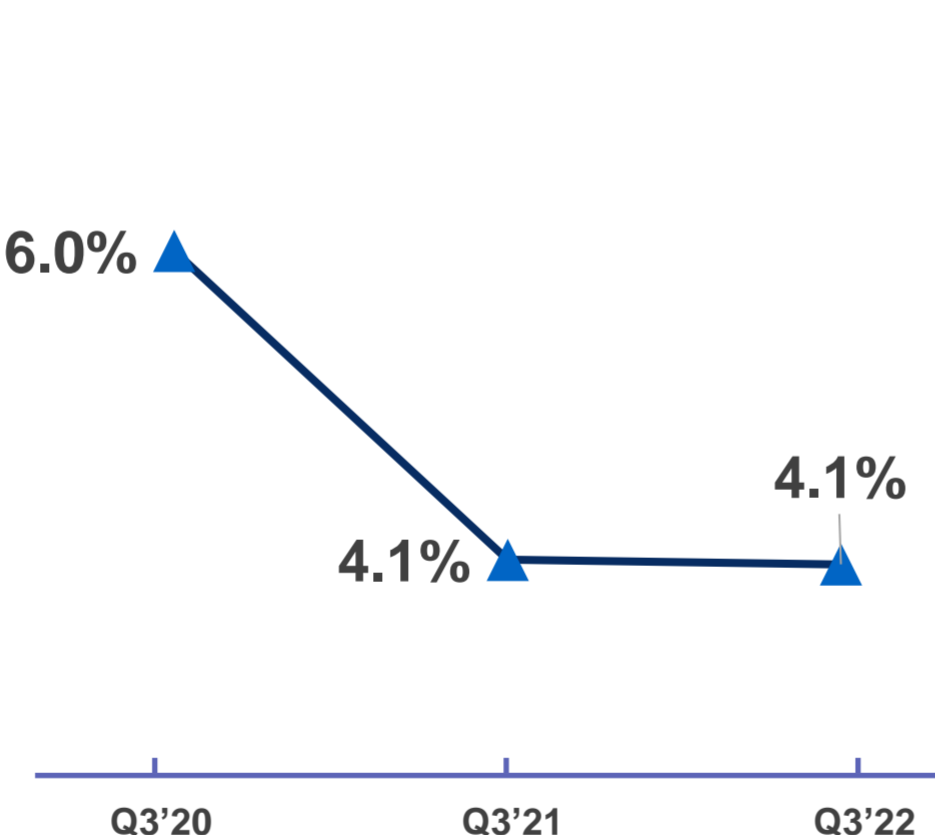
Reached double-digit operating profit margin of 15% for the first time

Store-level profit margin (1)



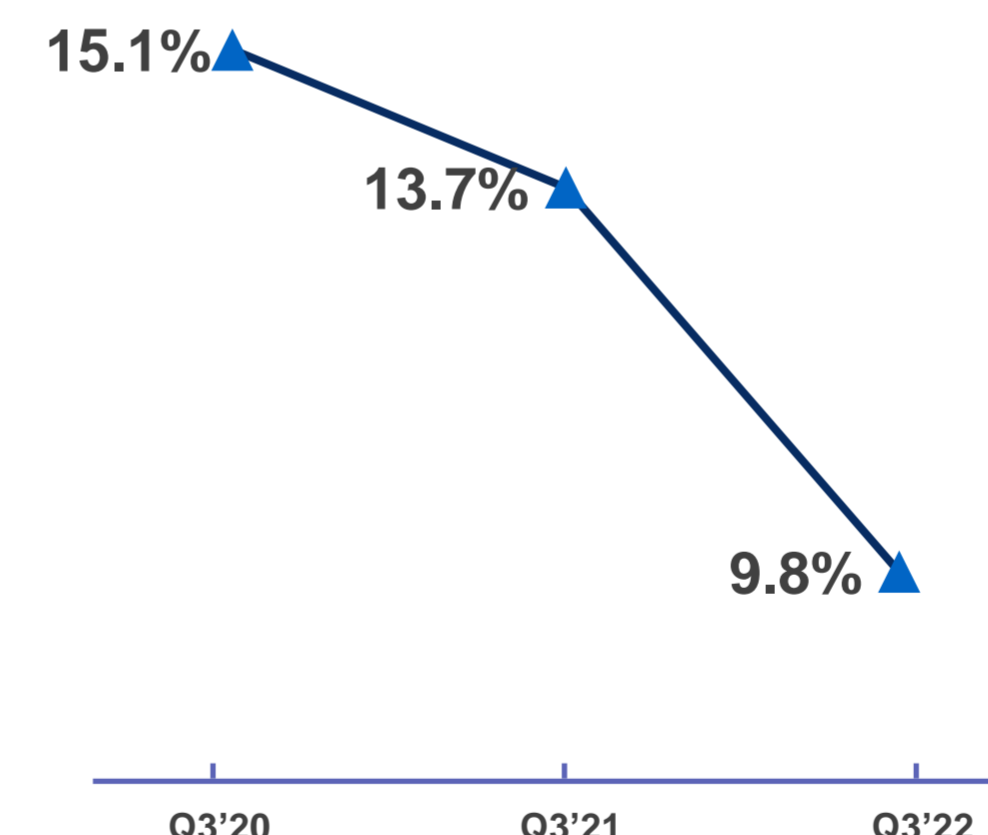
Store level profit for self-operated stores

% total net revenue (2)



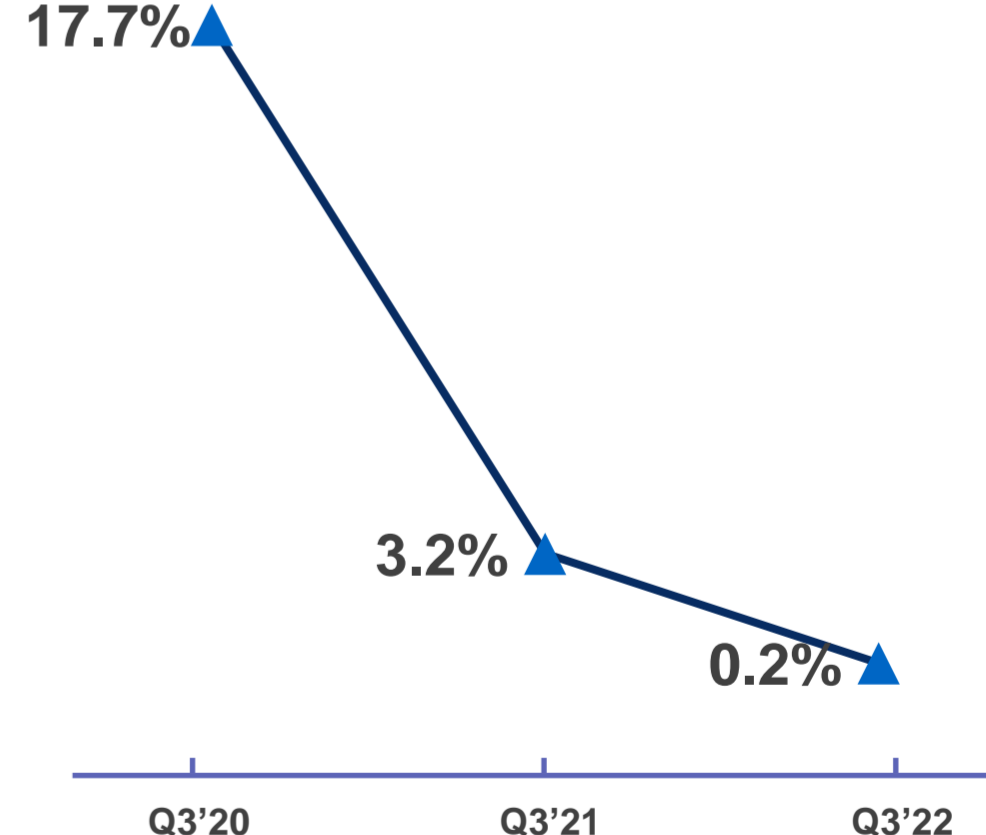
Sales & marketing expenses (excl. Free cup)

% total net revenue (2)



General & administrative expenses

% total net revenue (2)



Restructuring-related expenses

Notes:
 (1) Calculated by dividing store level operating profit/(loss), 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, store depreciation expense (including decoration loss for store closure), store rental and other operating costs, net delivery expense, transaction fees, store preopening and other expenses from our 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⁽¹⁾



RMB
3,993 million

Cash flow from operating activities

RMB
417
million

As reported

Adjusted for
RMB385 million
payment to
equity litigants⁽²⁾

RMB
802
million

Interest-bearing debt



USD
0 *Full redemption
of Senior Notes B
in Q3.*

Free cashflow

RMB
209
million

Adjusted for
RMB385 million
payment to
equity litigants⁽²⁾

RMB
594
million

Notes
(1) Includes restricted cash and liquid investments. Investments do not include TRUSTs that were subsequently impaired.
(2) Payment to equity litigants of RMB385.2 million in Q3 2022



Q&A

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