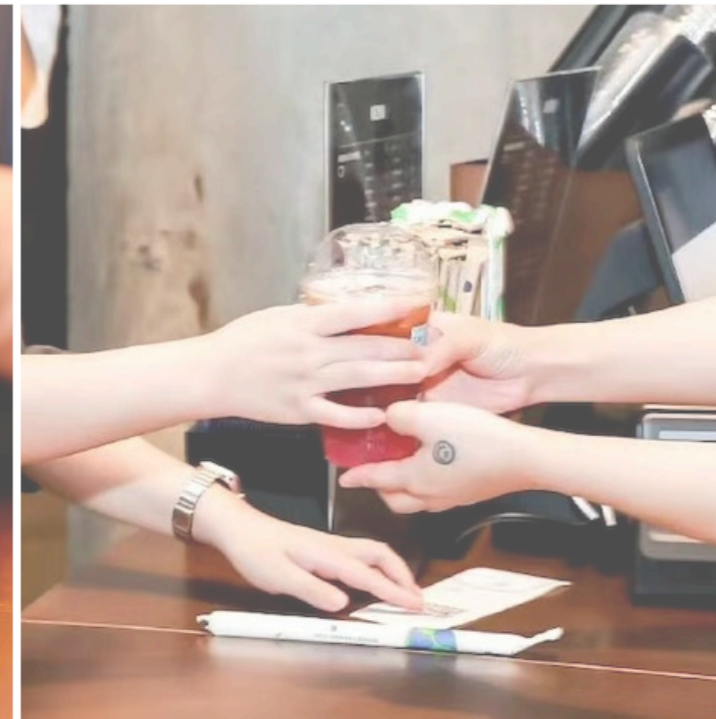




# LKNCY 2023Q2 Earnings Presentation

August 1, 2023



# 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.

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## BUSINESS UPDATE

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## FINANCIAL HIGHLIGHTS

**1**

**BUSINESS  
UPDATE**



# Another strong quarter with record high profit profile

## Total net revenues

**RMB6,201.4 million**

**+88.0% YoY increase**

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

**43.1 million**

**+107.9% YoY increase**

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

**20.8%**

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

**29.1%**

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

**RMB1,307.5 million**

## GAAP Operating income

**18.9%**

operating income margin

**RMB1,172.8 million**

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

**10,836 stores**

**+1,485 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 (including those of partnership stores and those paid with free-coupons).

(2) Defined as the growth rate of total revenue from self-operated stores that have been in operation at the beginning of the comparable period and were not closed before the current period ending with the number of average operating days exceeding 15 days per month in 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-operated stores, and delivery fees derived from self-operated stores paid by the Company's customers.

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

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

# Strive for sustainable growth by completing the UNGC audit

**May 15**   **Luckin Coffee Officially Became a Participating Company of UNGC**

Work on the *Ten Principles of the UNGC*



HUMAN RIGHTS   LABOUR   ENVIRONMENT   ANTI-CORRUPTION

*We will leverage digital technology and continue to increase investments in:*



- *Sustainable Business Model*
- *Sustainable Value Chain*
- *Sustainable Social Ecology*



### Company Information



# Achieved 10,000 store milestone and became the largest coffee chain in China<sup>(1)</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 June 30, 2023.

# Launched a new brand proposition - LUCK IN HAND



**万店同庆  
幸运在握  
LUCK IN HAND**

**10,000 Stores Milestone! RMB 9.9 Every Week!**



*Luckin office  
Established in  
Ethiopia*

Cumulative transacting customers surpassed

**170 million\***



Cups sold during the 2023 May Holiday

**23.07+ million**

*+113% YoY increase*

**luckin coffee** | 瑞幸咖啡

Note:  
\* As of June 30, 2023.



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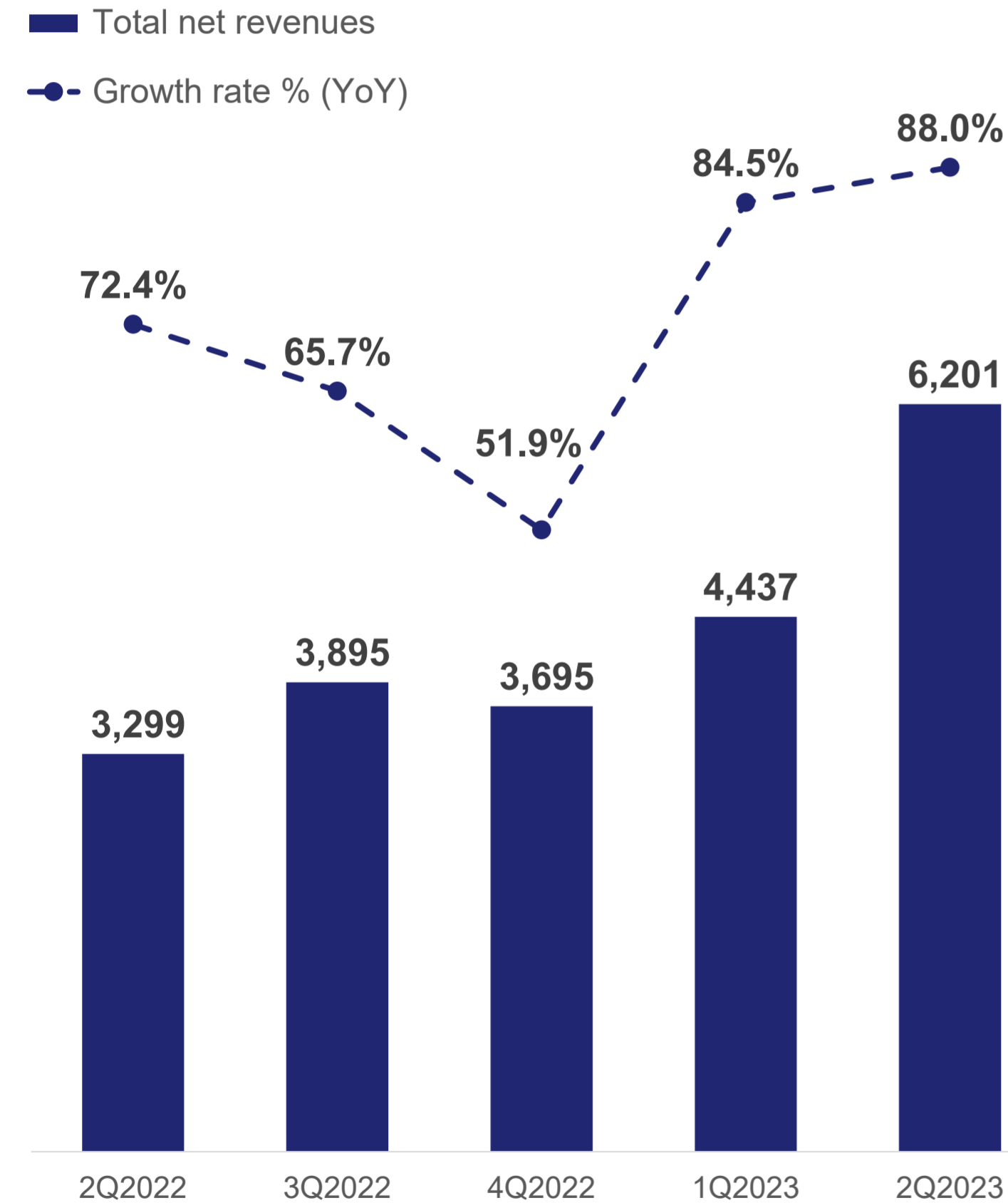
**FINANCIAL  
HIGHLIGHTS**



# Record-breaking results in 2Q23 despite fierce competition

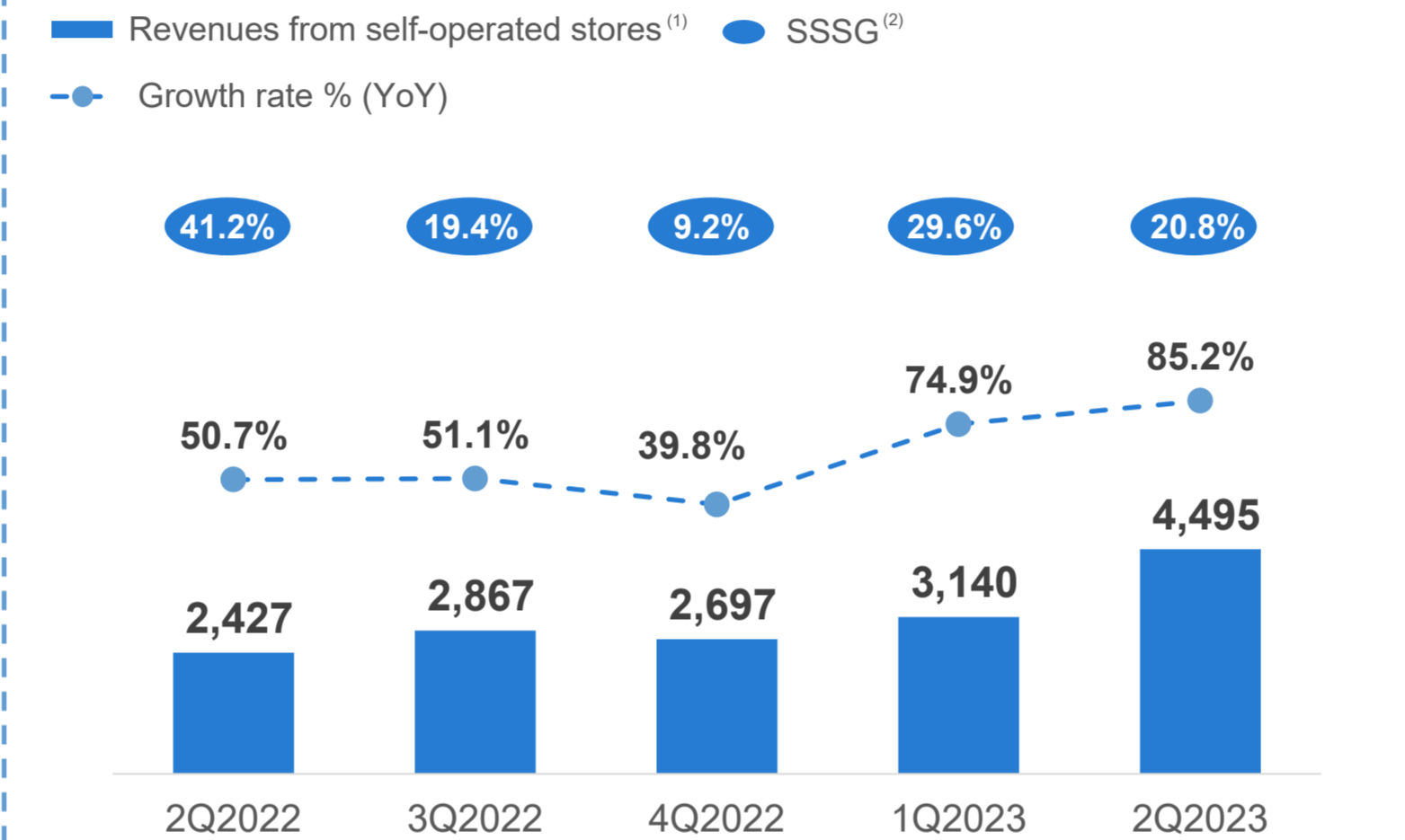
## Total net revenues

(in million RMB)



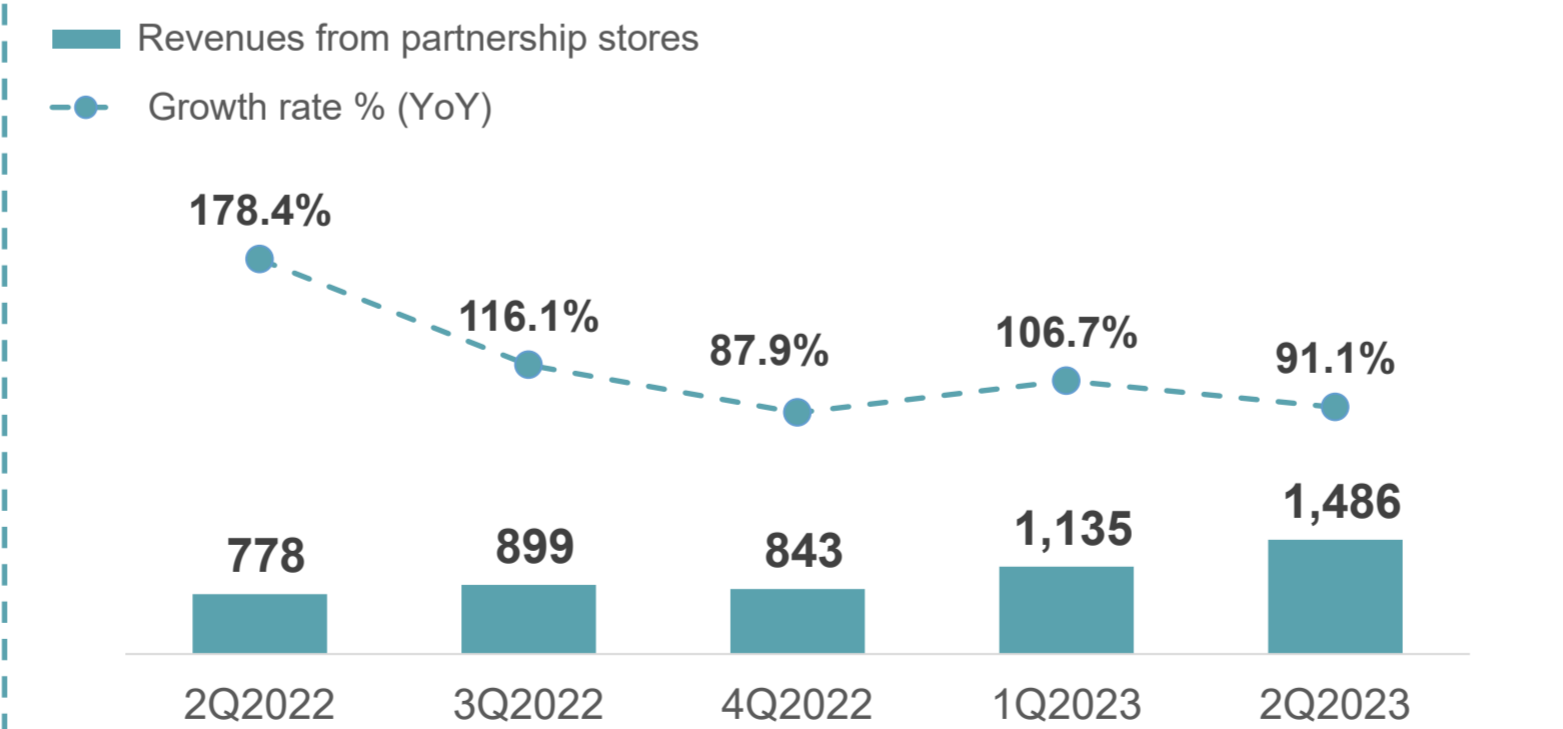
## Self-operated stores

(in million RMB)



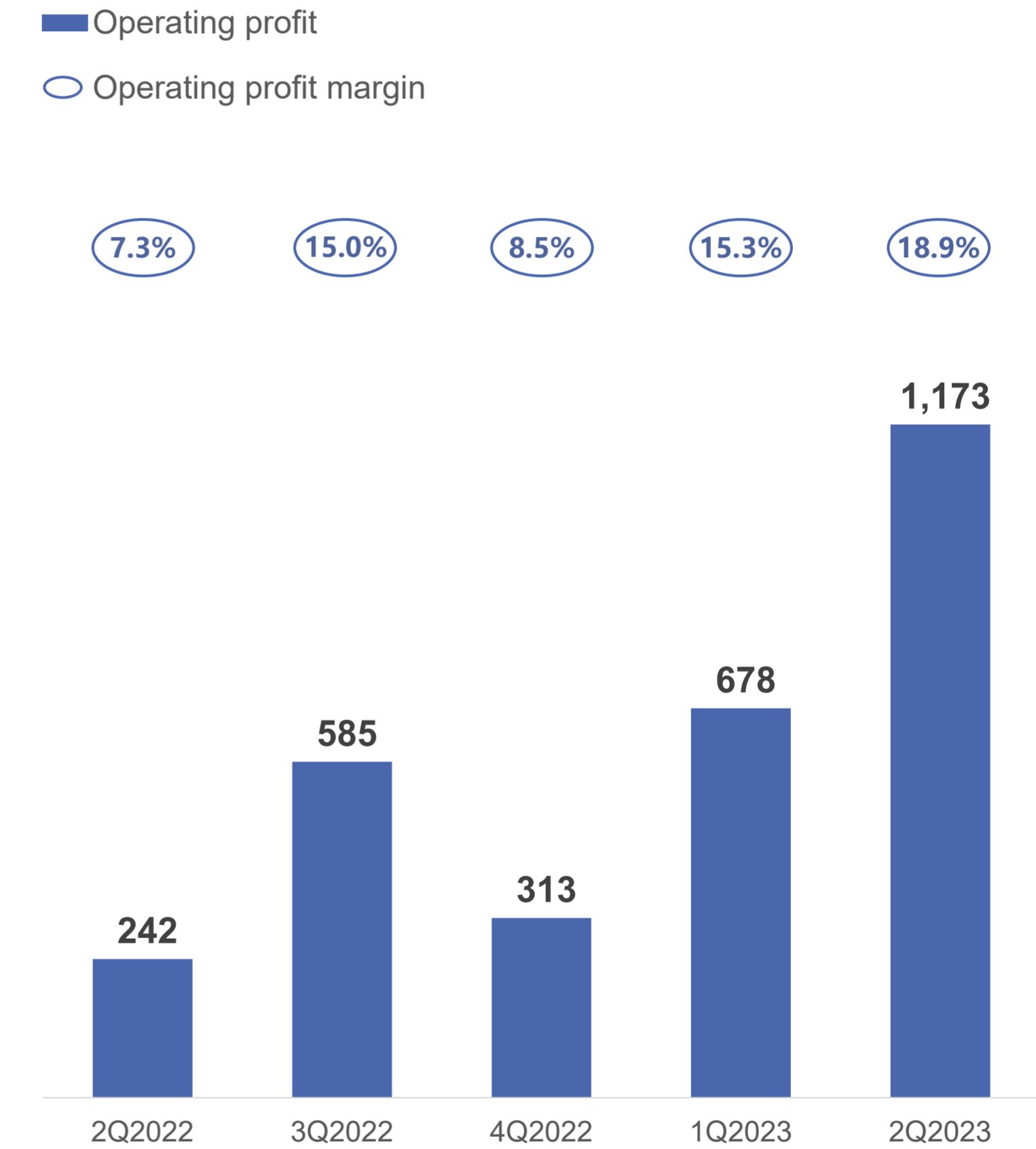
## Partnership stores

(in million RMB)



## Operating profit

(in million RMB)



Notes:

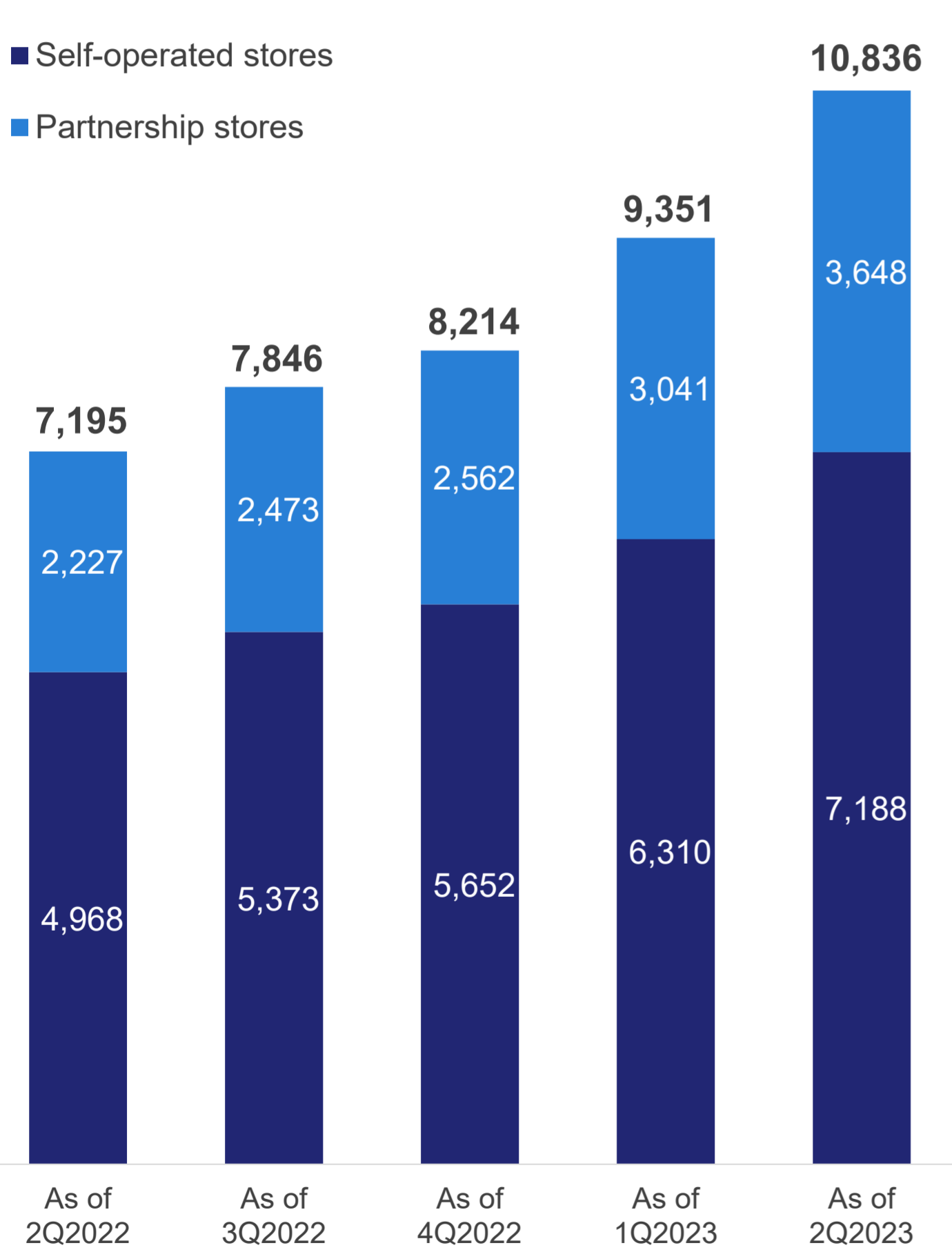
(1) Defined as net revenue from the sales of freshly brewed and non-freshly brewed items through self-operated stores, and delivery fees derived from self-operated stores paid by the Company's customers.

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

# Strong growth driven by expansion efforts and market presence

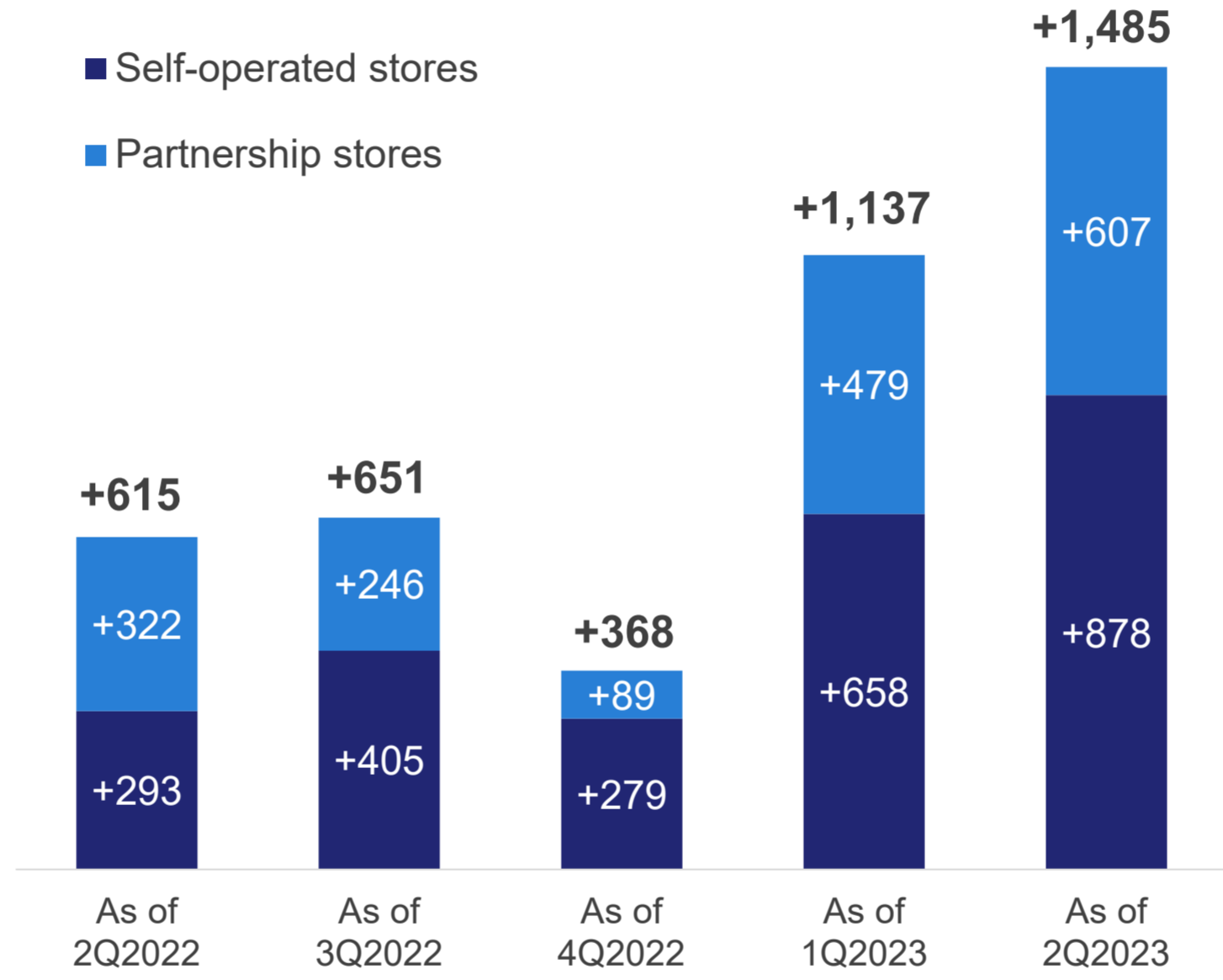
Number of stores<sup>(1)</sup>

■ Self-operated stores  
■ Partnership stores



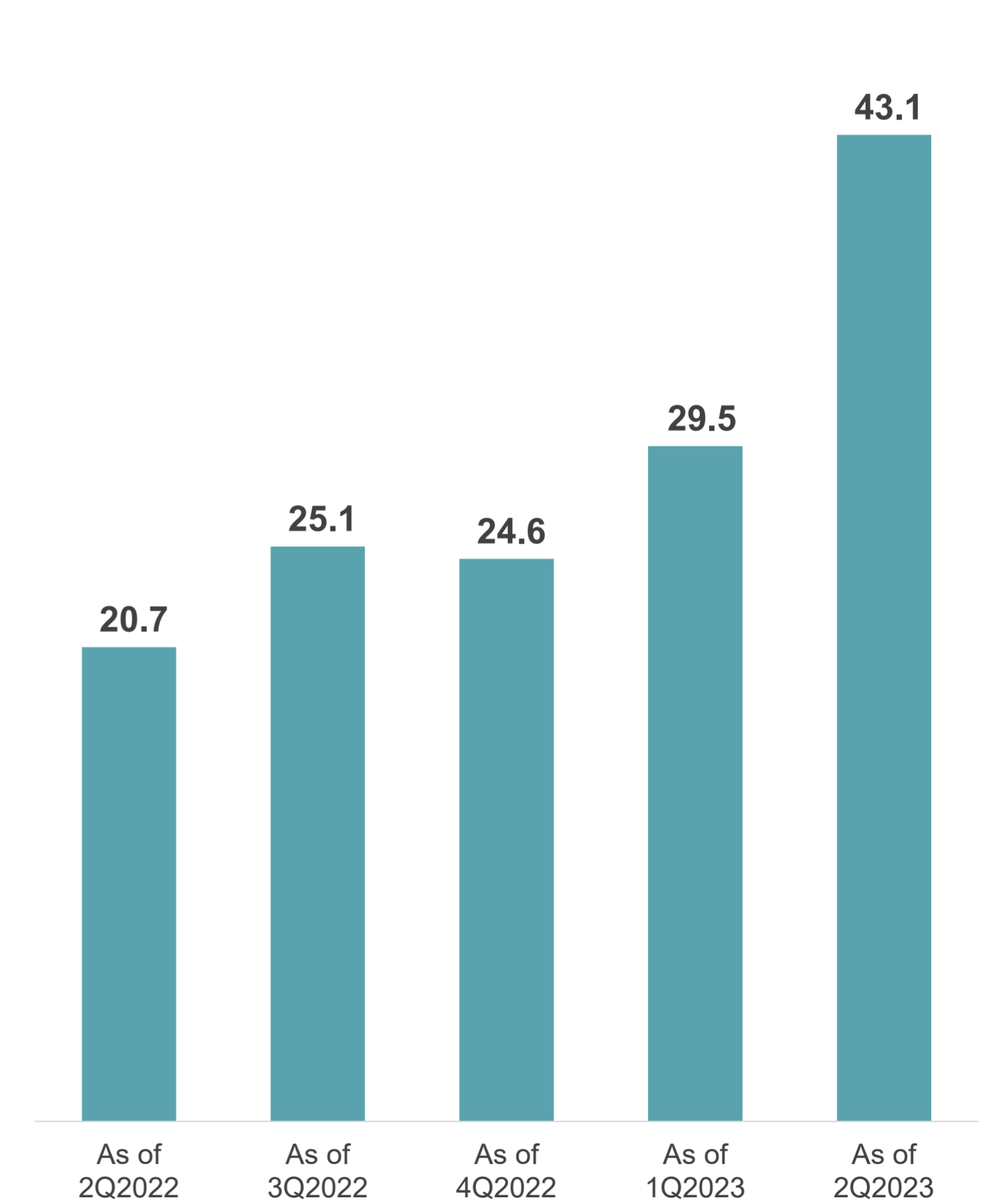
Net new store openings<sup>(2)</sup>

■ Self-operated stores  
■ Partnership stores



Average monthly transacting customers<sup>(3)</sup>

(in million)



Cities or markets entered as of 2Q2023

**Self-operated stores**

**70** cities in China  
**1** overseas market

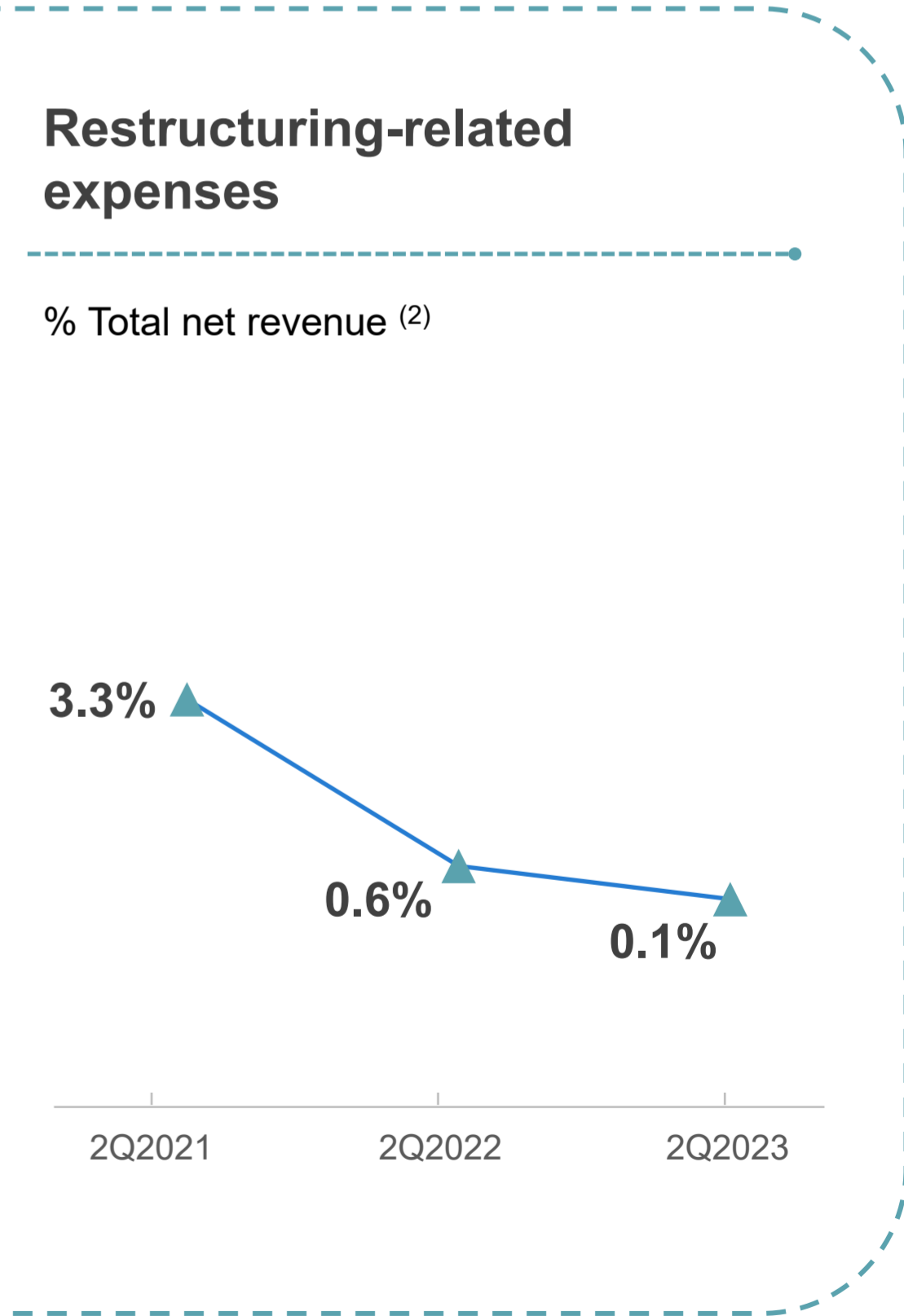
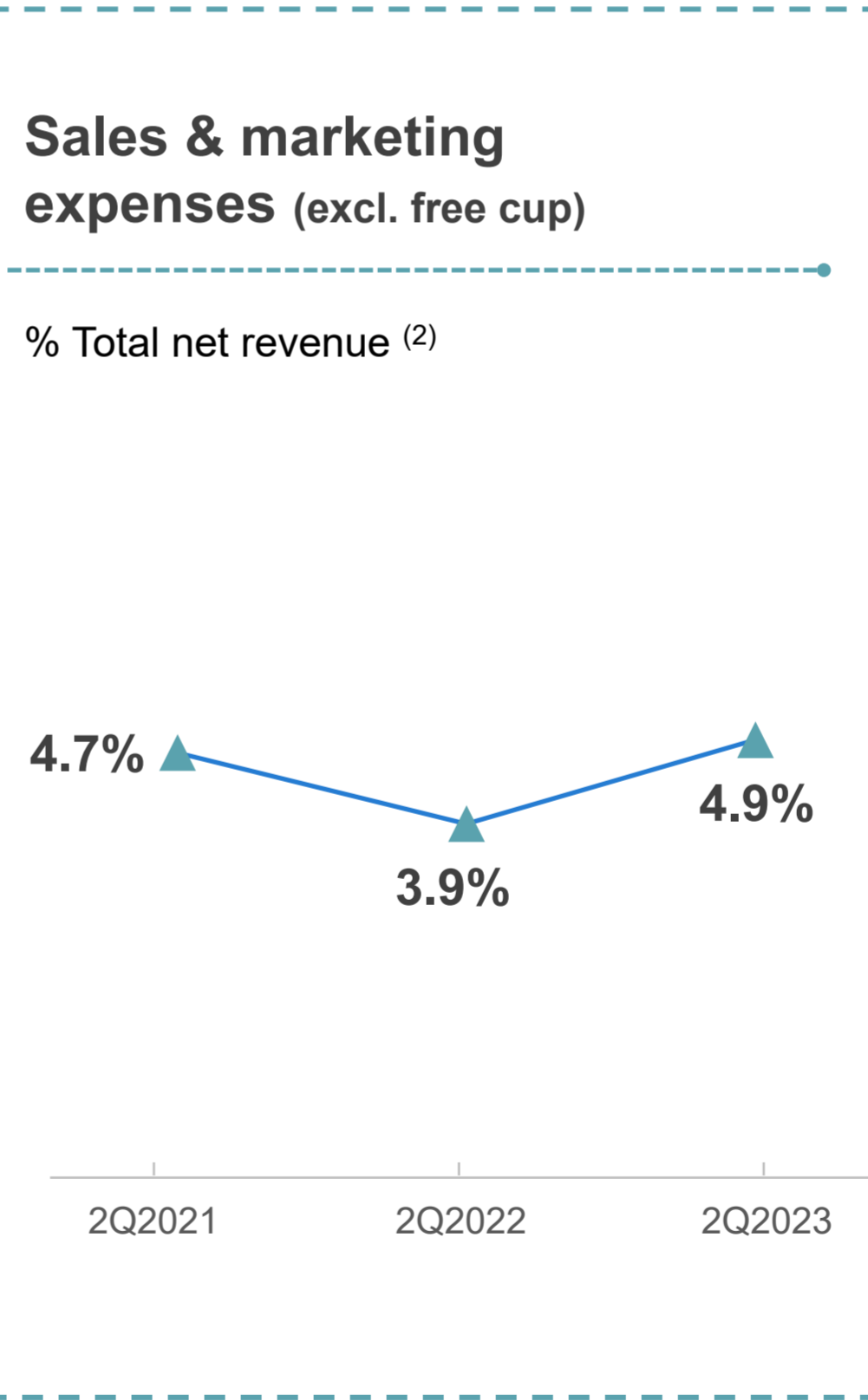
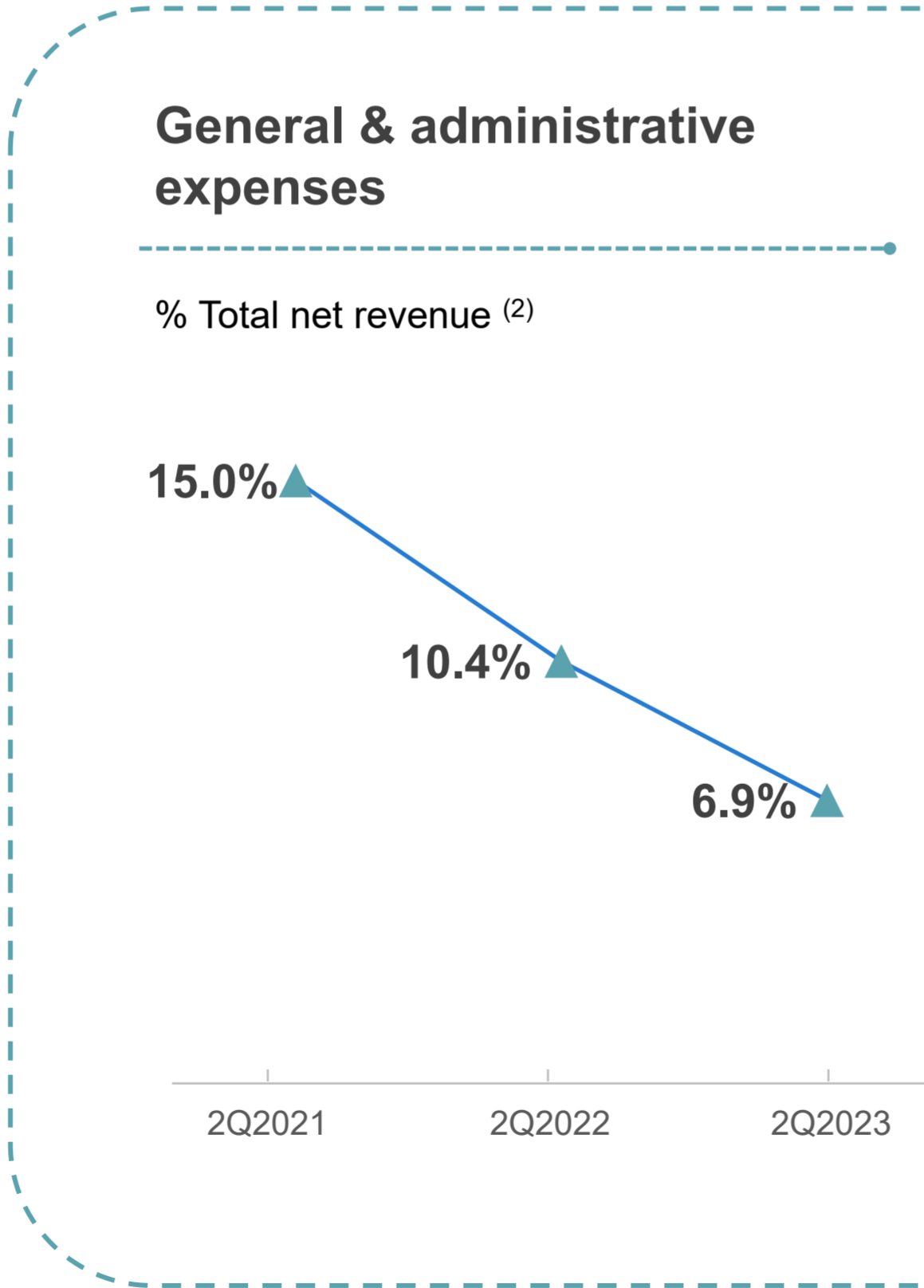
**Partnership stores**

**265** cities in China

Notes:  
 (1) The number of stores (including stores in the overseas market) open at the end of the period, excluding unmanned machines.  
 (2) The number of gross new stores (including stores in the overseas market) opened during the period minus the number of stores (including stores in the overseas market) 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 (including those of partnership stores and those paid with free-coupons).

# Improved margin profile thanks to economies of scale

## Outstanding net profit margin of 16.1% in the second 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 at bank and on hand<sup>(1)</sup>



RMB  
**5,256.4** million

## Cash flow from operating activities



RMB  
**1,444.4** million

## Interest-bearing debt



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

## Free cashflow<sup>(2)</sup>



RMB  
**768.4** million

Notes:  
(1) Includes cash and cash equivalents, restricted cash, short-term investments and term deposit.  
(2) Calculated by adding depreciation and amortization expenses to the operating cash flow without changes in working capital, and deducting the capital expenditure.



# Q&A