



# LKNCY 2023Q3 Earnings Presentation

November 1, 2023





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**BUSINESS  
UPDATE**

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**FINANCIAL  
HIGHLIGHTS**



**1**

**BUSINESS  
UPDATE**





# Another strong quarter with record high average monthly transacting customers

Total net revenues

**RMB7.2 billion**

**+84.9% YoY increase**

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

**58.5 million**

**+132.9% YoY increase**

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

**19.9%**

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

**23.1%**

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

**RMB1,185.4 million**

GAAP Operating income

**13.4%**

operating income margin

**RMB961.7 million**

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

**13,273 stores**

**+2,437 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.

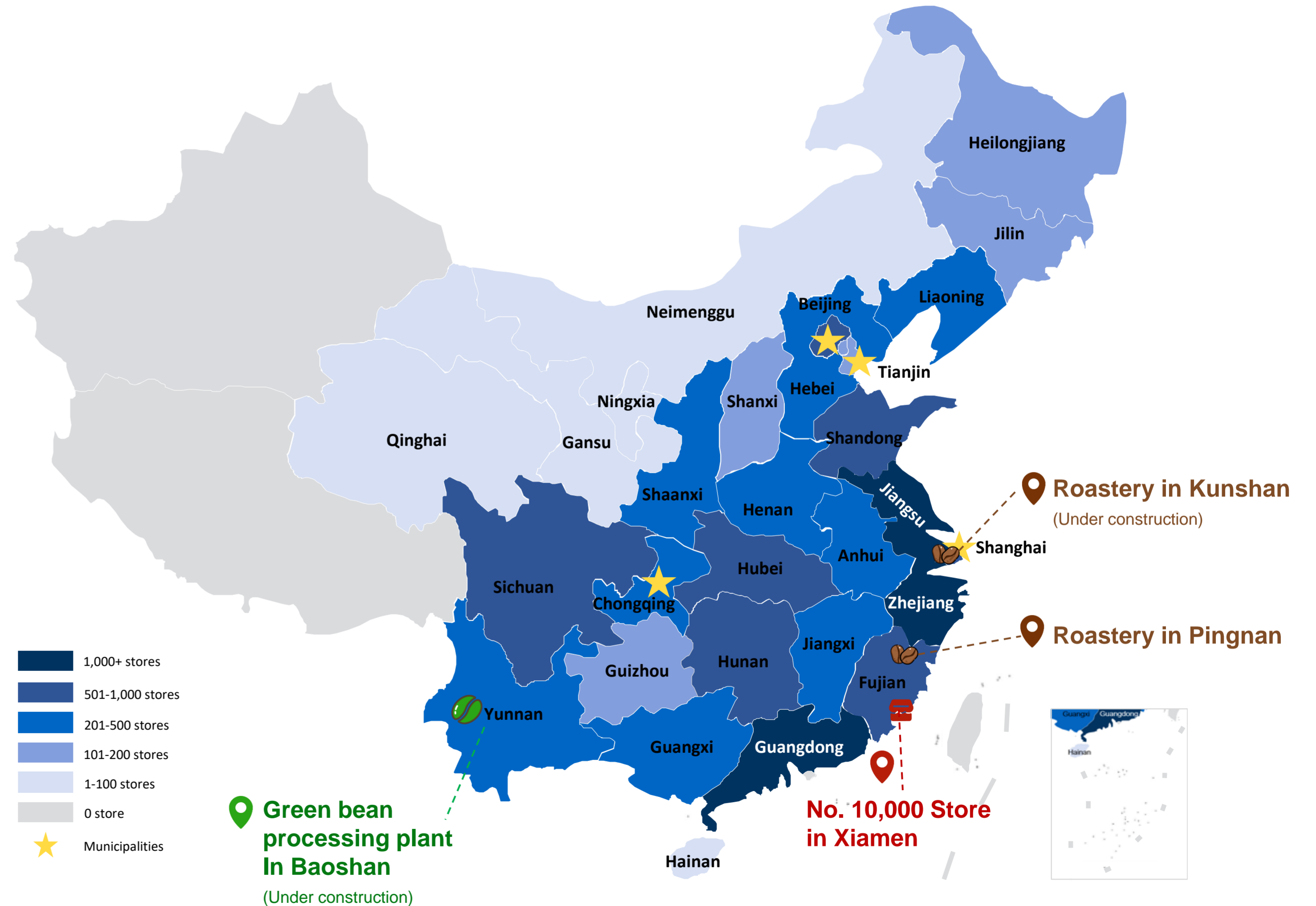
(6) The number of gross new stores (including stores in the overseas market) opened during the period minus the number of stores (including stores in the overseas market) permanently closed during the period.

# Rapid expansion with more than 2,400 net new store openings in Q3 2023

## Footprint in China



## Footprint outside China



Notes:  
 (1) The number of gross new stores opened during the quarter minus the number of stores permanently closed during the quarter.  
 \* As of September 30, 2023.



# Maotai latte brews up new craze with record high sales in a day

luckin coffee × MOUTAI

美酒加咖啡 就爱这一杯

## 酱香拿铁

JIANGXIANG FLAVORED LATTEE

*New Record for the 1<sup>st</sup> day of launch*

**5.42+ million cups**

**RMB 100+ million**

每杯都含 贵州茅台酒

贵州茅台酒 KWEICHOW MOUTAI CO., LTD. 53% vol. 100% GRAIN NEUTRAL SPIRITS

让高品质咖啡进入【9.9时代】

**New transacting customers acquired**

**30+ million**

**Cumulative transacting customers<sup>(1)</sup>**

**200+ million**

**Average monthly transacting customers<sup>(2)</sup>**

**58+ million**

Notes:  
 (1) As of September 30, 2023.  
 (2) 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).



# Luckin Coffee Sustainable Development Strategy released and the first company carbon emission verification and product carbon footprint verification

## Being a force for brighter future

Digital and Intelligent Empowering

### Boosting the Sustainable Business

Enhancing corporate governance, continuously pursuing product quality, and providing an inclusive and expansive development platform for employees to lay the foundation for the company's long-term growth and drive sustainable value creation.



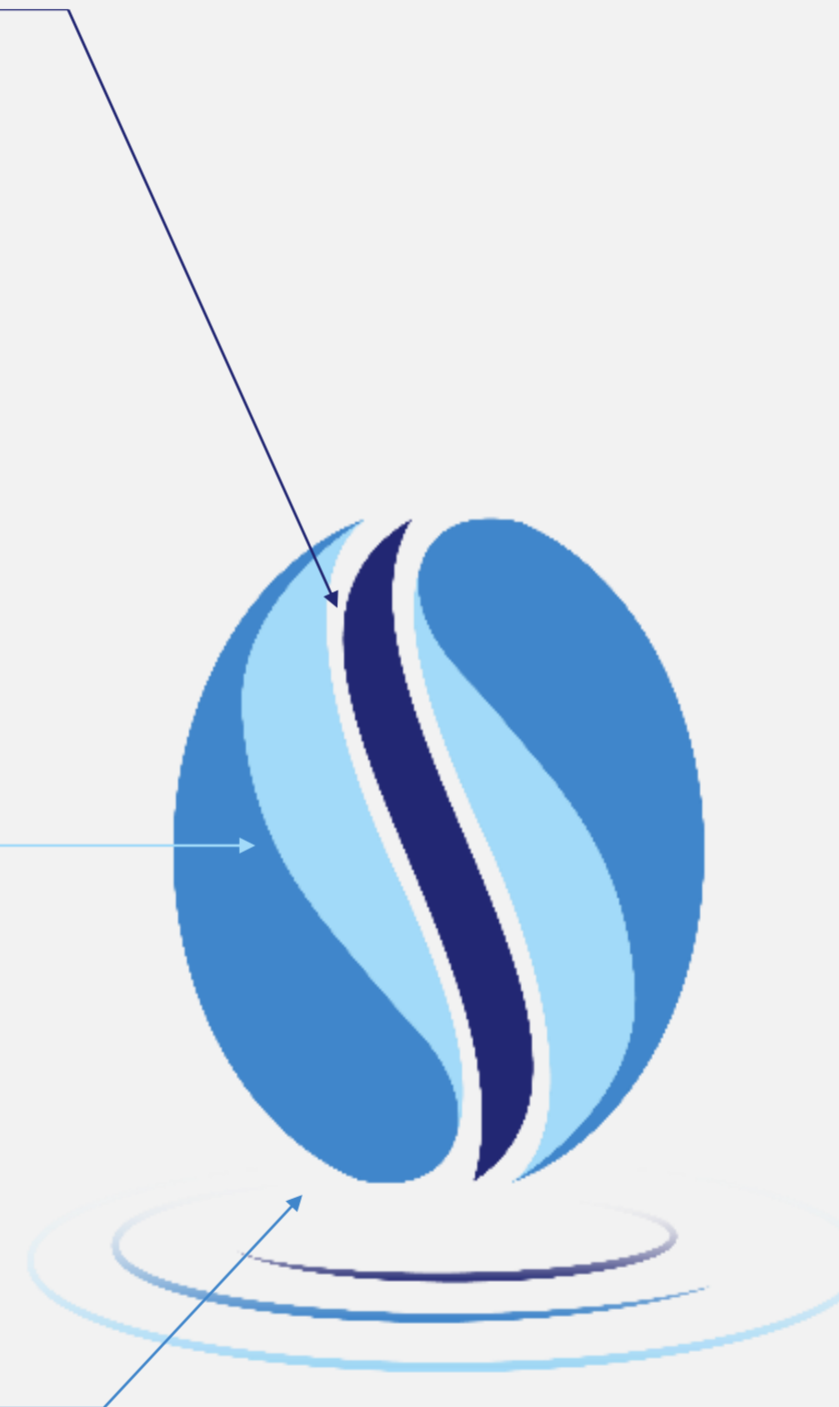
### Co-building a responsible value chain

Continuously strengthening the sustainability and resilience of the supply chain, creating a better consumer and service experience, and collaborating with value chain partners to promote high-quality industry development.



### Improving a better planet

Supporting the global actions on climate change and biodiversity conservation, conveying sustainable and healthy lifestyle philosophy, proactively taking responsibility for social contribution, to promote the co-prosperity of people and ecosystems.

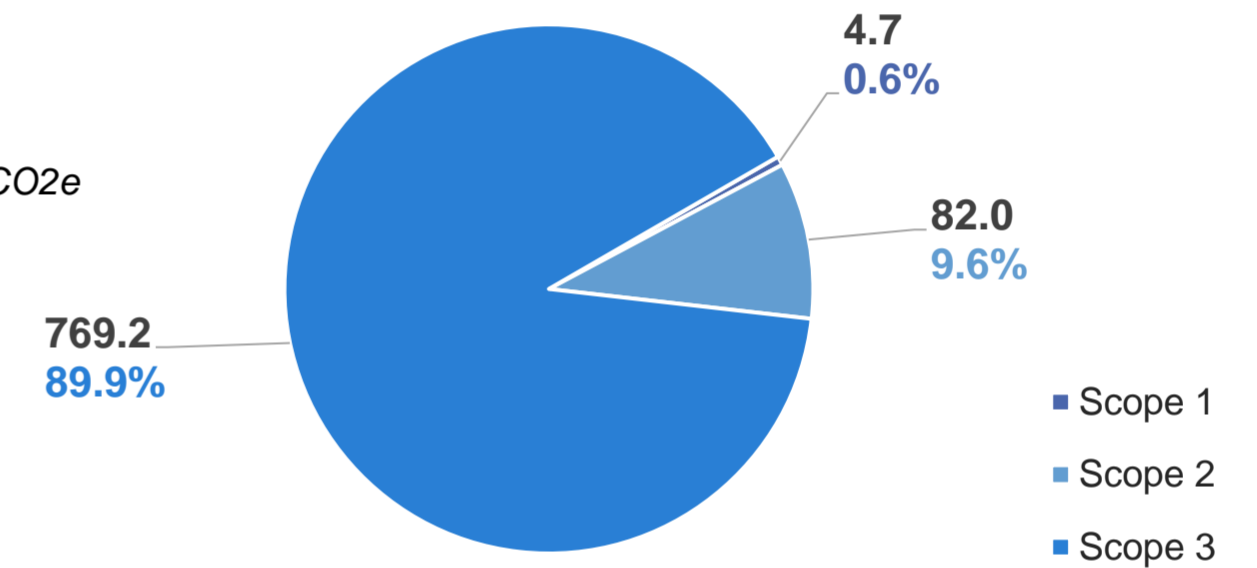


### Completed company carbon inventory and verification by Bureau Veritas for the first time

The scope of the verification includes Luckin Coffee's office areas, factories and stores in 2022, laying the development foundation for the of future carbon reduction targets.

#### Luckin Carbon Emission<sup>1</sup>

Unit: 1,000 ton CO<sub>2</sub>e



### Completed product carbon footprint<sup>2</sup> verification for the first time

Compared to regular Latte, one cup of Coconut Milk Latte has

(hot drink)

**- 55% carbon footprint**

(iced drink)

**- 42% carbon footprint**



Notes:

(1) Carbon emission

- Scope 1 emissions are direct emissions from owned or controlled sources.
- Scope 2 emissions are indirect emissions from the generation of purchased energy.
- Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

(2) Product carbon footprint, or product life cycle emissions, are all the emissions associated with the production and use of a specific product, from cradle to grave, including emissions from raw materials, manufacture, transport, storage, sale, use and disposal.



2

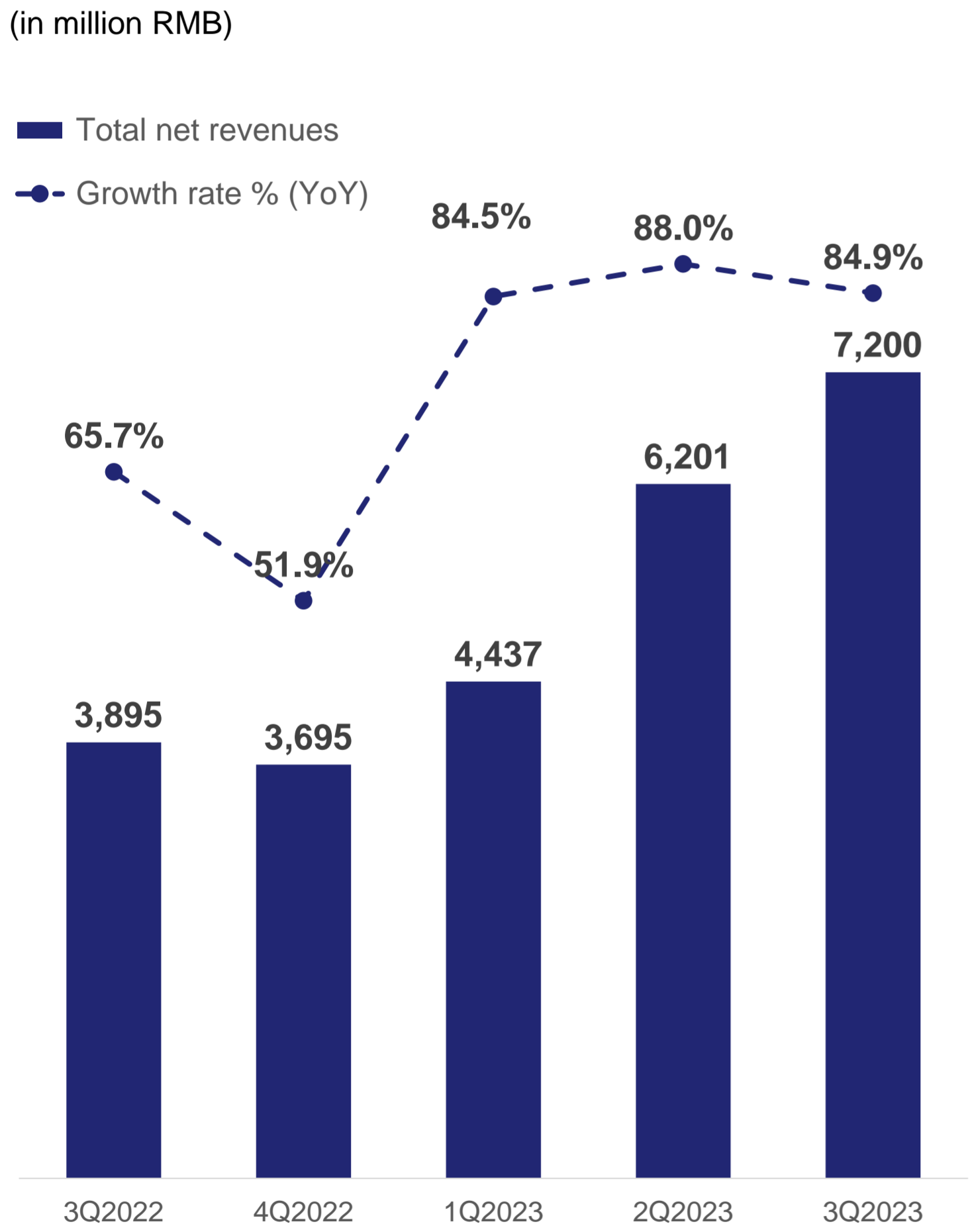
**FINANCIAL  
HIGHLIGHTS**



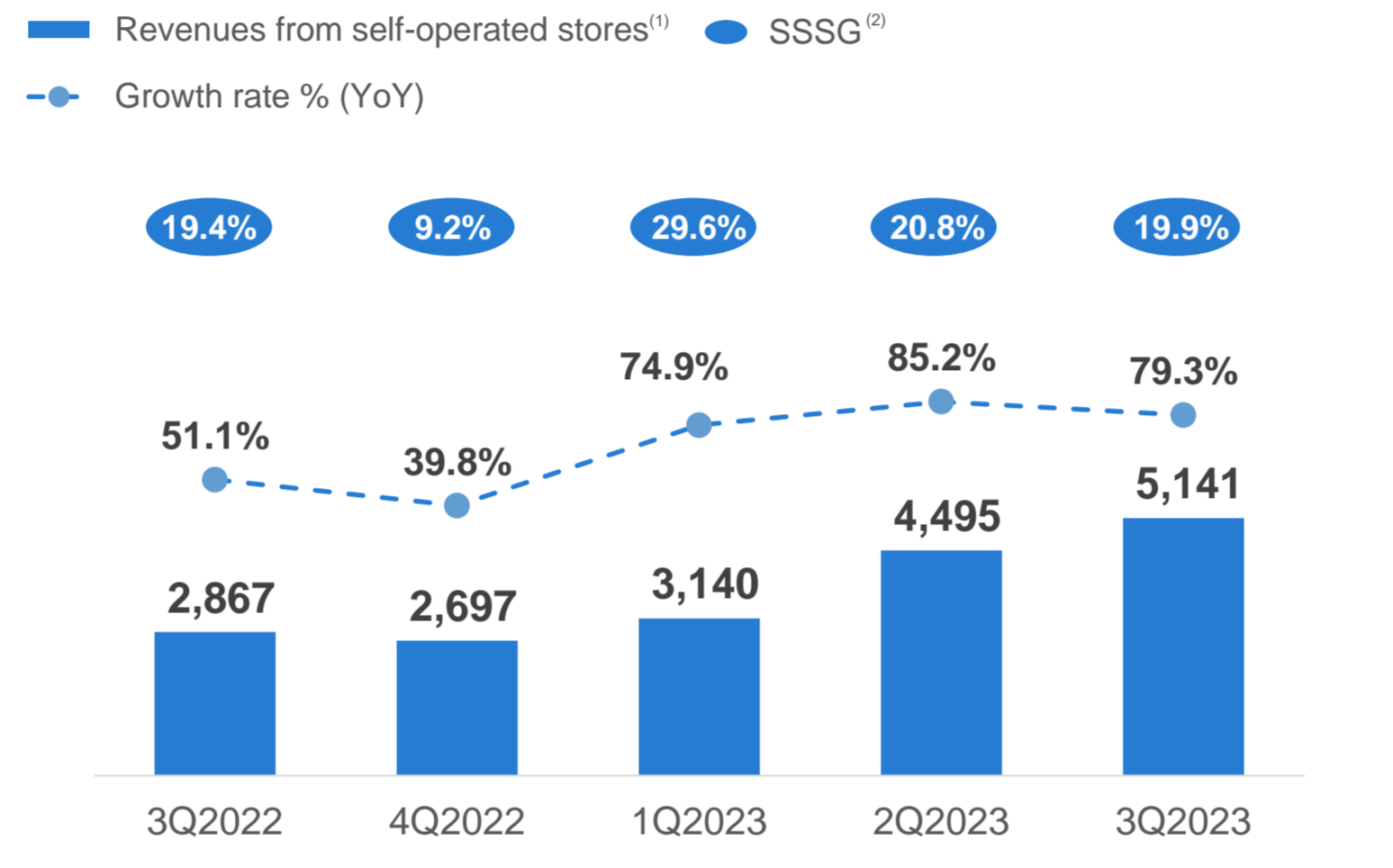


# Strong revenue growth driven by rapid market expansion and rising monthly transacting customers

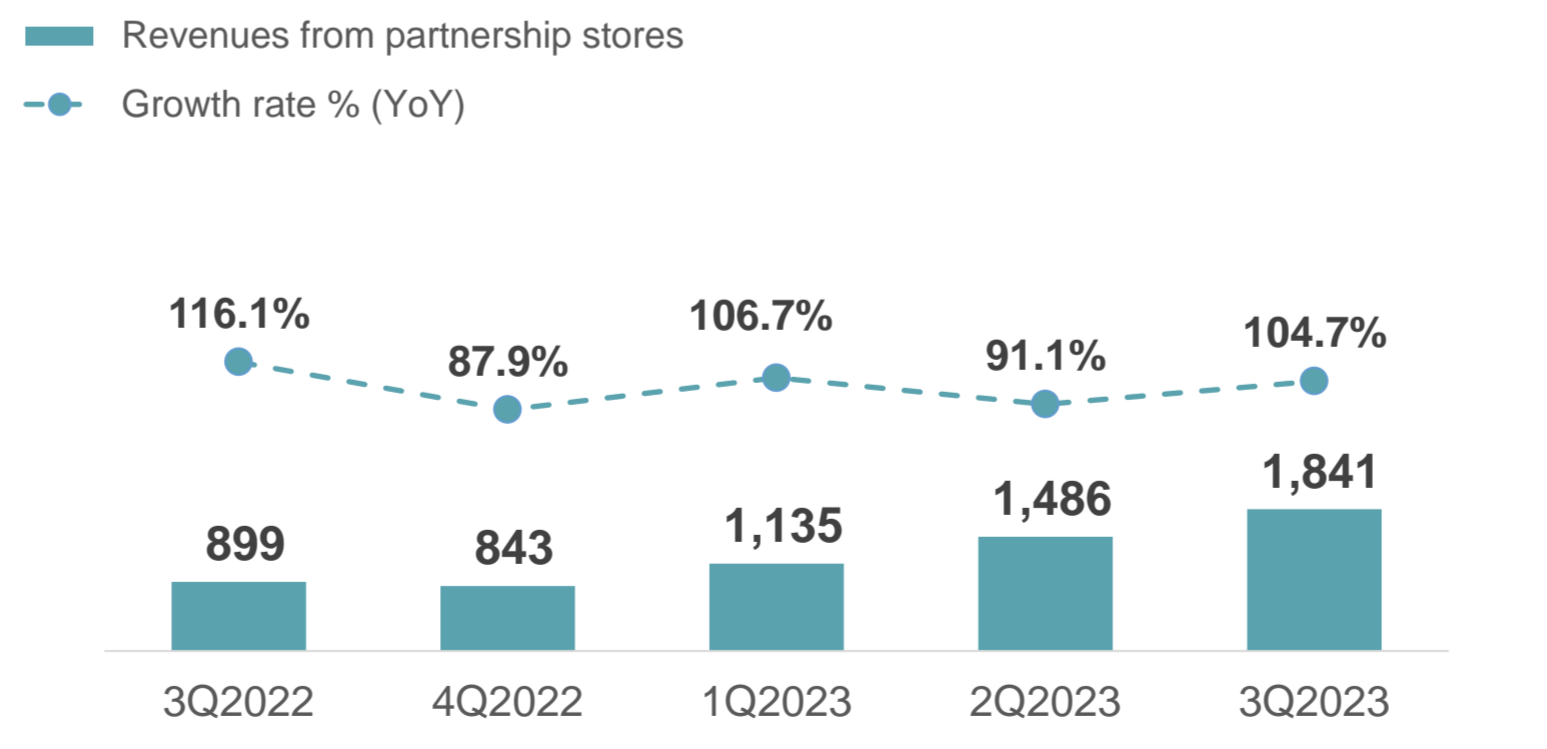
## Total net revenues



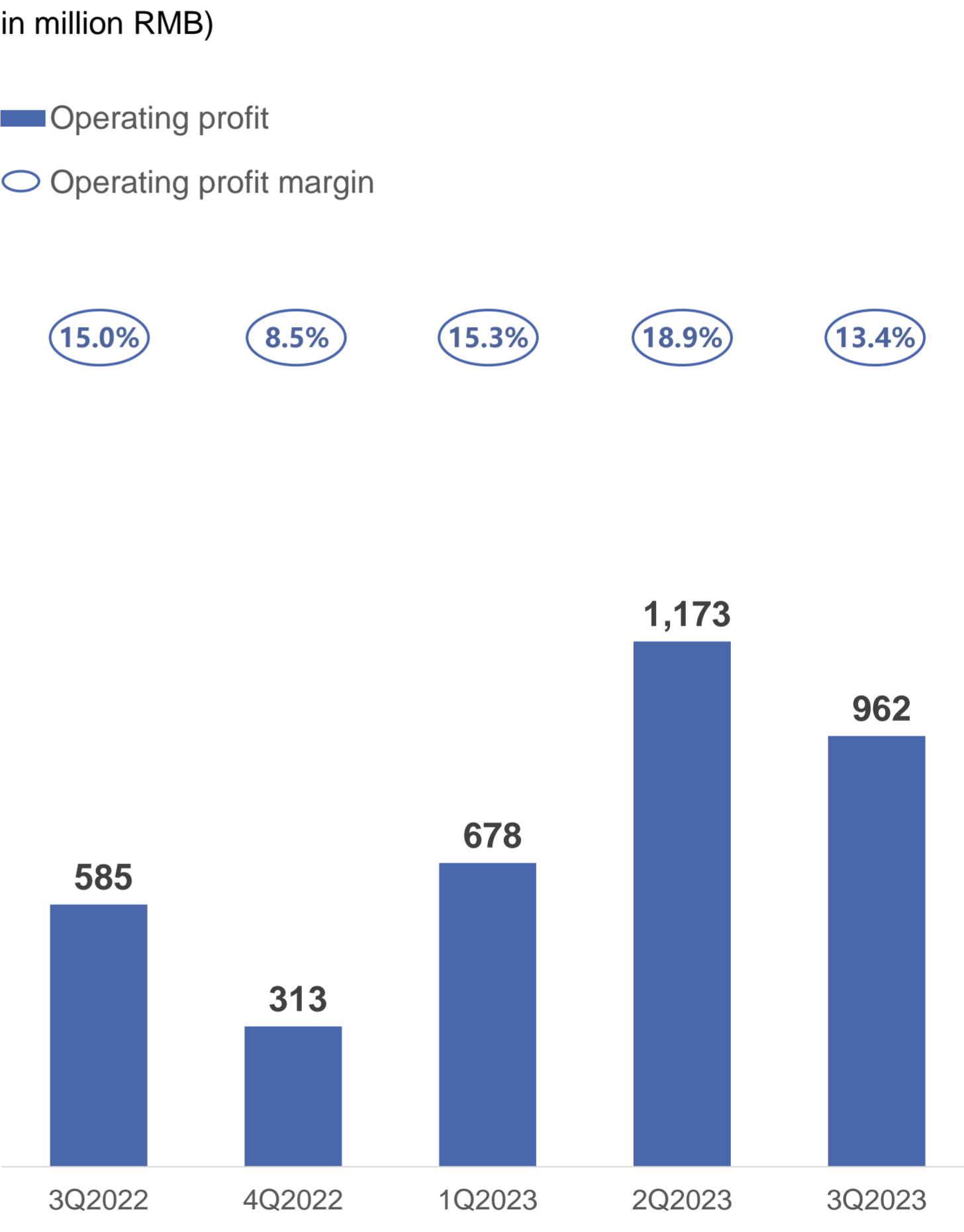
## Self-operated stores (in million RMB)



## Partnership stores (in million RMB)



## Operating profit



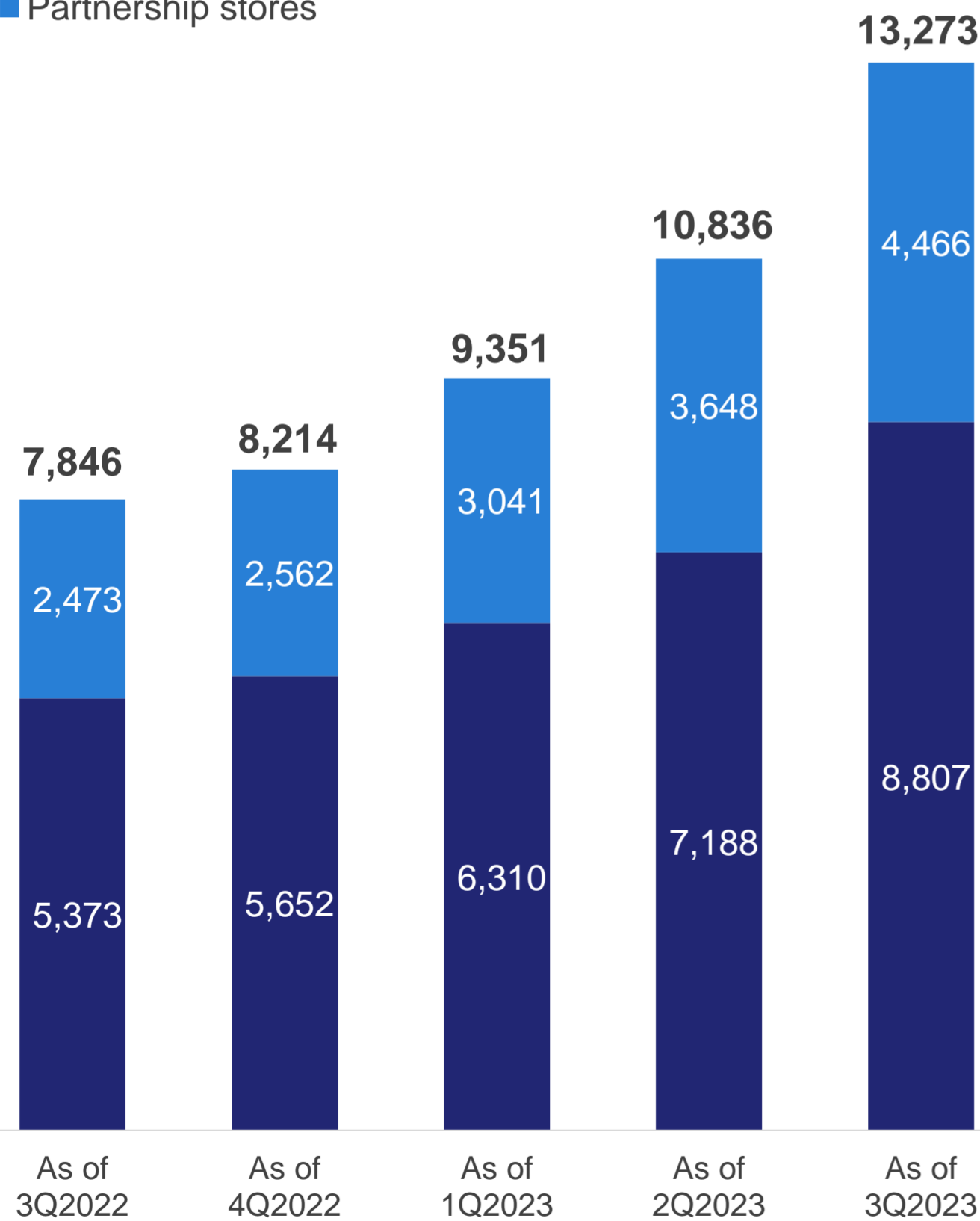
Notes:  
 (1) Defined as net revenue from the sales of freshly brewed and non-freshly brewed items through self-operated stores, and delivery fees derived from self-operated stores paid by the Company's customers.  
 (2) Defined as the growth rate of total revenue from self-operated stores that have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



# Continuously leading the market with more than 13,000 stores at the end of Q3 2023

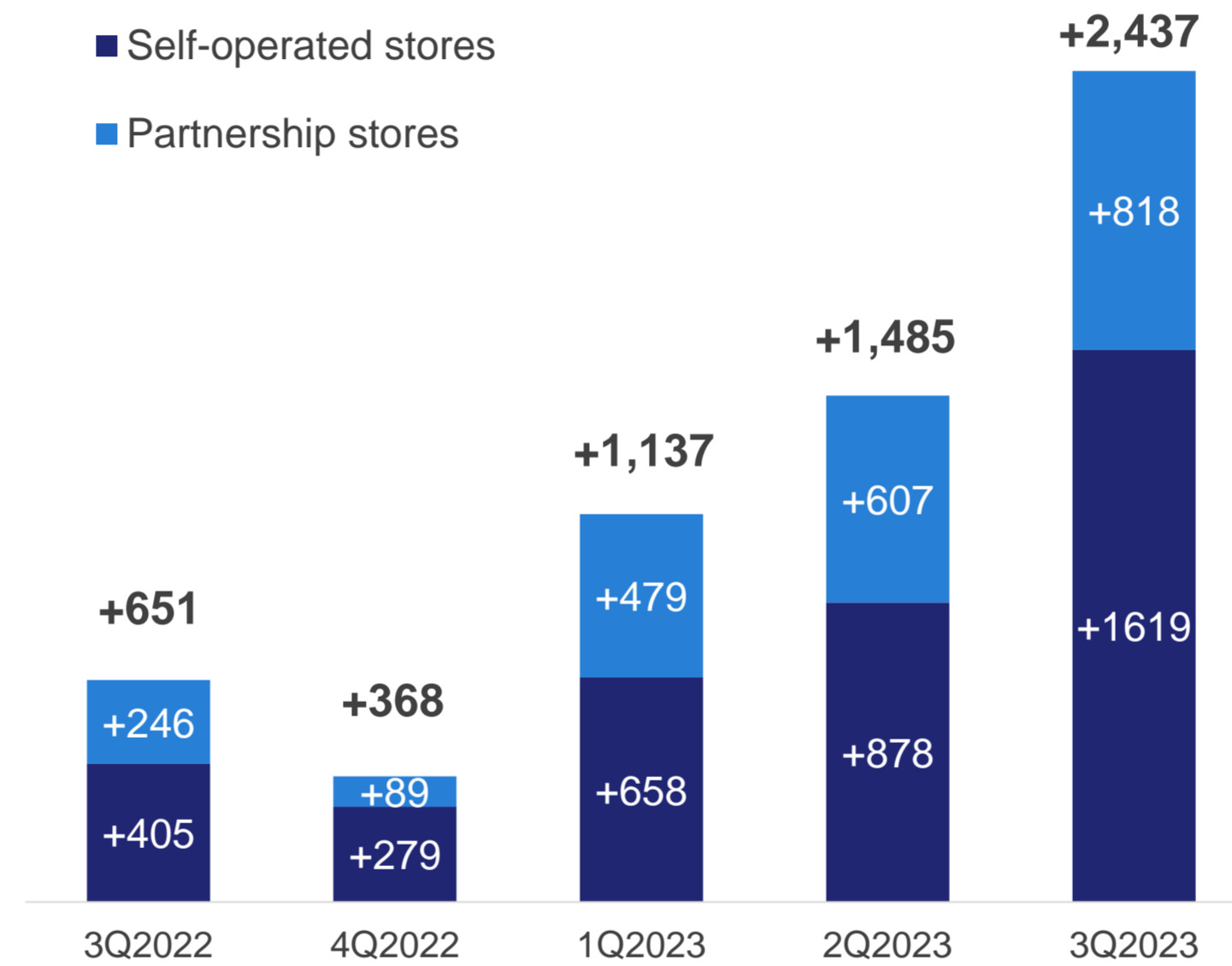
## Number of stores<sup>(1)</sup>

- Self-operated stores
- Partnership stores



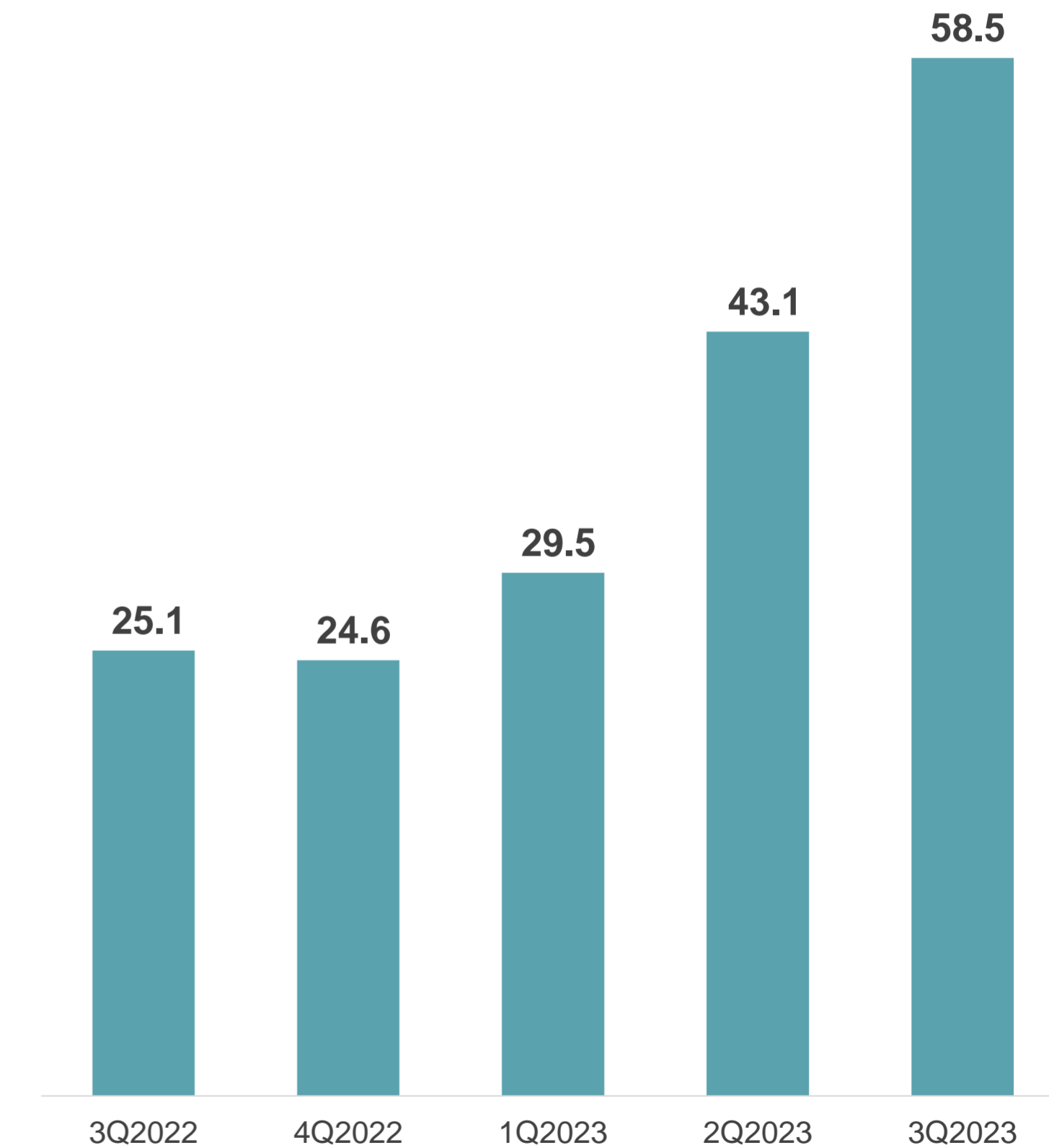
## Net new store openings<sup>(2)</sup>

- Self-operated stores
- Partnership stores



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

(in million)



## Cities or markets entered as of 3Q2023

### Self-operated stores

**73** cities in China  
**1** overseas market

### Partnership stores

**287** 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).



# Healthy margin profile attributable to operational efficiency and scale benefits

## Net profit margin

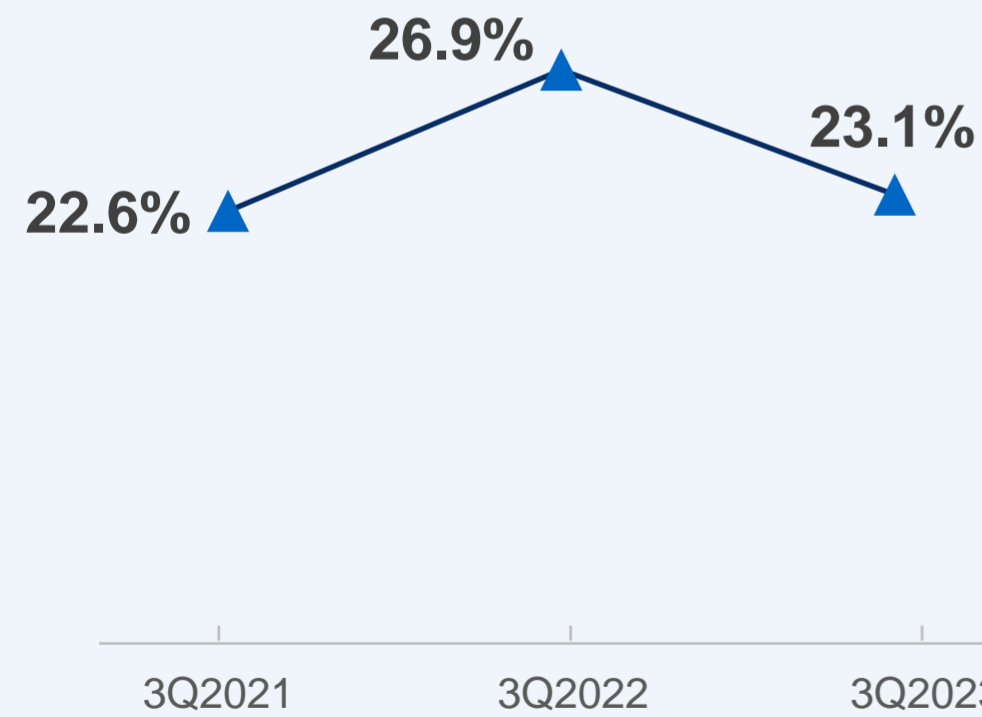
(As reported)  
**13.7%**  
RMB988million

DTA valuation allowance release  
RMB252 million

**10.2%**  
RMB736 million

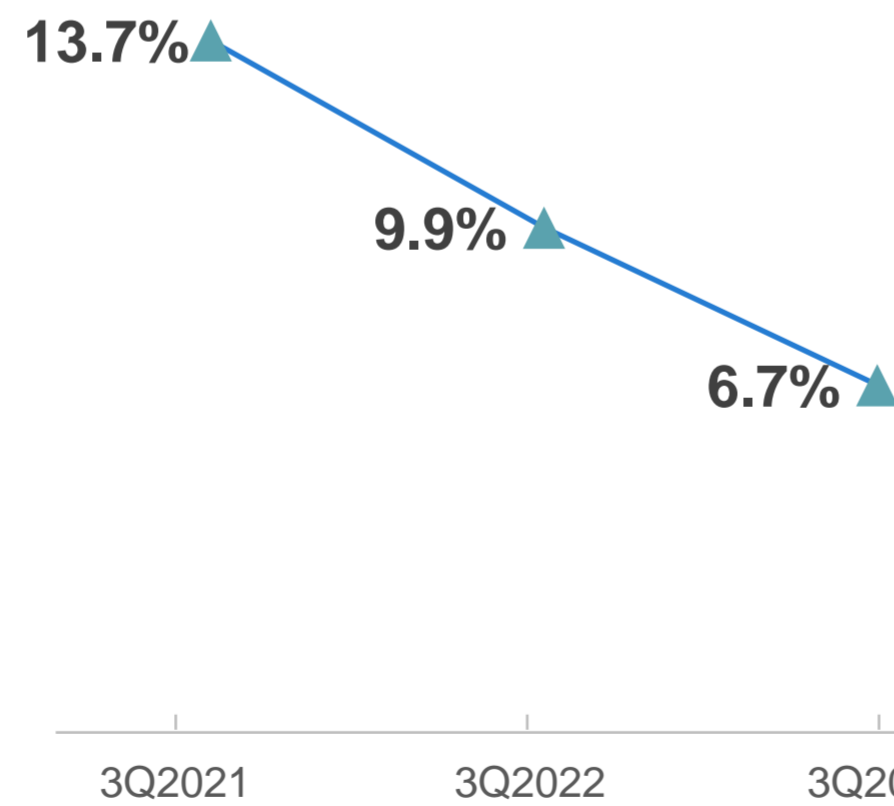
### Store-level operating profit (self-operated stores)

Store-level profit margin <sup>(1)</sup>



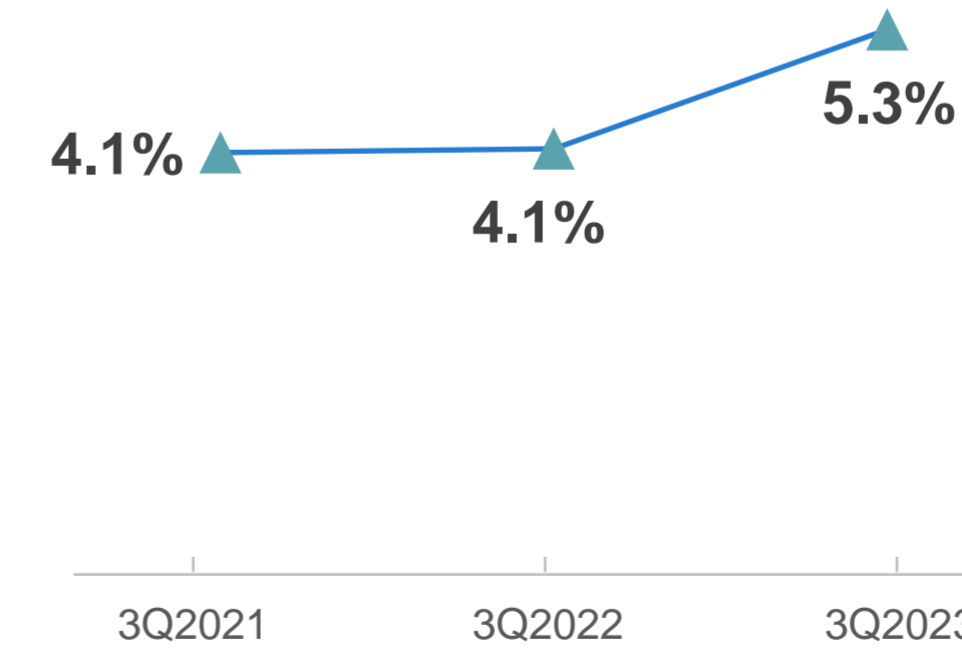
### General & administrative expenses

% Total net revenue <sup>(2)</sup>



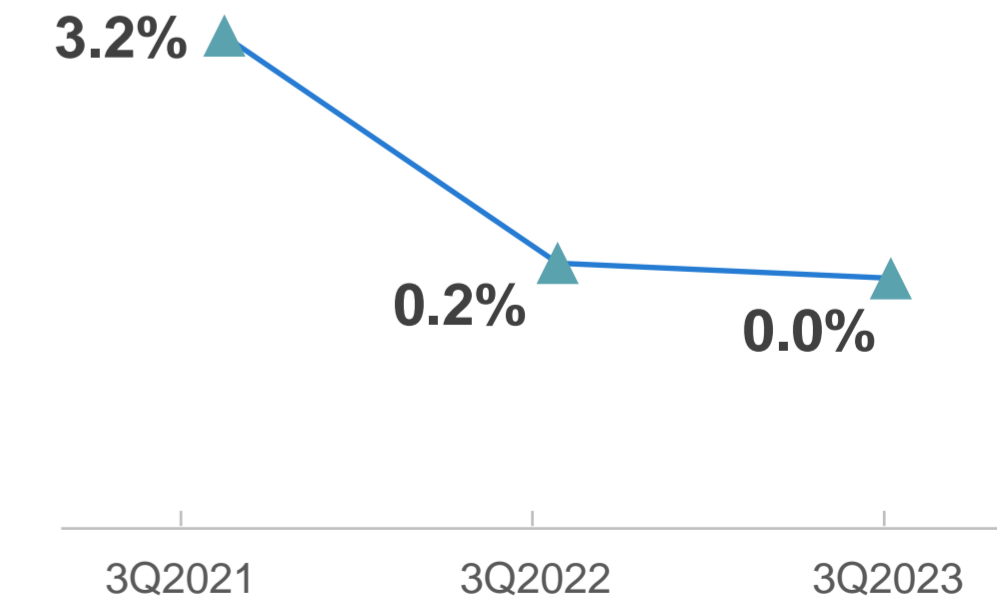
### Sales & marketing expenses (excl. free cup)

% Total net revenue <sup>(2)</sup>



### Restructuring-related expenses

% Total net revenue <sup>(2)</sup>



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  
**5.7** billion

## Cash flow from operating activities



RMB  
**1.3** billion

## Interest-bearing debt



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

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



RMB  
**402.3** 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.



# Leadership updates: promoted young talents to aid future growth



THINK BIG!  
GROW TOGETHER!







# Q&A