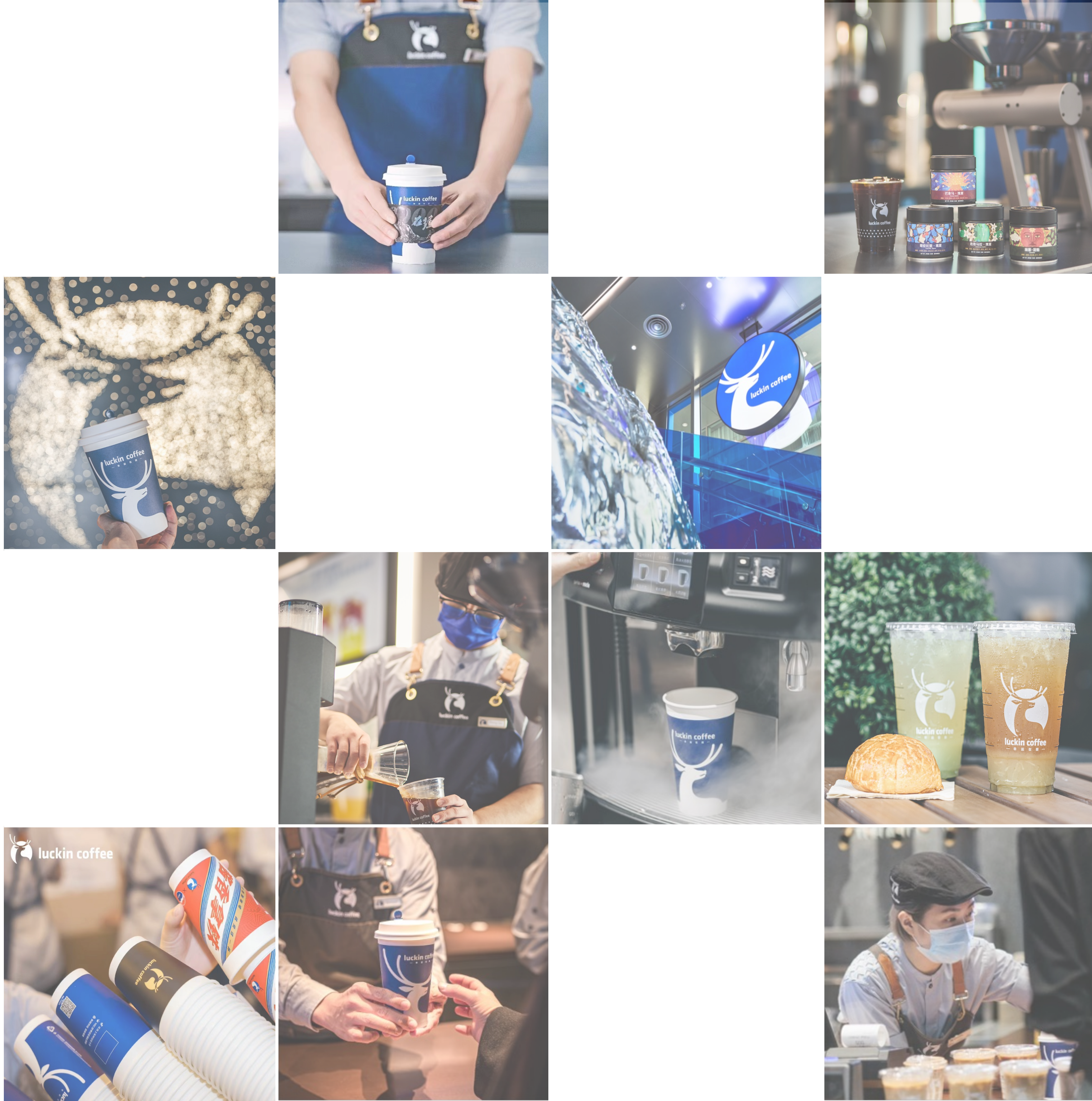
luckin coffee

# Luckin Coffee
# 2025Q1 Earnings Presentation

April 29, 2025



# 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 or 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 the coffee industry or the 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; governmental policies and regulations relating to Luckin Coffee’s industry; 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.

1 | BUSINESS UPDATE

2 | FINANCIAL HIGHLIGHTS

# 1 BUSINESS UPDATE

# Strong quarterly performance featuring robust growth and expanded market share

**Total net revenues**

**RMB8.9 billion**

*+41.2% YoY increase*

**GMV**[1]

**RMB10.4 billion**

*+42.0% YoY increase*

**Average monthly transacting customers**[2]

**74.3 million**

*+24.0% YoY increase*

**SSSG**[3]
(self-operated stores)

**8.1%**

**Store-level operating profit**[4]
(self-operated stores)

**RMB1,106.3 million**

*+244.8% YoY increase*

**17.1%**

*Store-level operating margin*[5]

**GAAP operating income**

**RMB737.2 million**

*+1,232.2% YoY increase*

**8.3%**

*Operating margin*

**Global store footprint**[6]

**24,097 stores**

*+1,757 net new store openings*[7] *QoQ*

Notes:
(1) GMV (gross merchandise value) refers to the transaction amount from the sales of freshly brewed and non-freshly brewed items through self-operated stores and partnership stores.
(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 the growth rate of total revenue from self-operated stores that (i) were in operation at the beginning of the comparable period and were not closed before the end of the current period and (ii) maintained an average of at least 15 operating days per month over both the current and comparable periods.
(4) 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.
(5) 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.
(6) The number of stores (including stores in the overseas market) open at the end of the period, excluding unmanned machines.
(7) 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.

# Leading store-opening pace fueled by ample market prospects

## Footprint in China

**24,032**
Total store count*

**+1,743**
Net new store openings[(1)] QoQ

**15,541** *(+1,001 QoQ)*
Self-operated stores

**8,491** *(+742 QoQ)*
Partnership stores

## Footprint outside China

**65**
Total store count*

**+14**
Net new store openings[(1)] QoQ

LK Store in Nanjing

LK Store in Wuhan

LK Store in Jiangsu


LK Store in Zhejiang

Notes:
- As of March 31, 2025

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

# Persistent product innovation along with a distinctive brand concept


**Coconut Milk Latte**

**1.3+ billion cups**

**Cumulative cup sold since launch**

(as of March 31, 2025)


**Freshly Gentle Jasmine Milk Tea**

**1.67 million cups**

**New single-day sales record for Luckin tea product in 2025**

## #From the Origin to You

- **Luckin Exclusive Coconut Island**


- **Luckin Exclusive Jasmine Production Area**

# Unwavering commitment to sustainability

## Sustainability Certification & Commitment

***LEED[(1)] ID+C Platinum certification***


*Luckin Coffee No. 20000 Store*

***LEED Volume[(2)]***

- **Gold-level prototype store model**

**+15** ***new LEED-certified stores planned for 2025***

## Luckin Coffee x Earth Hour 2025

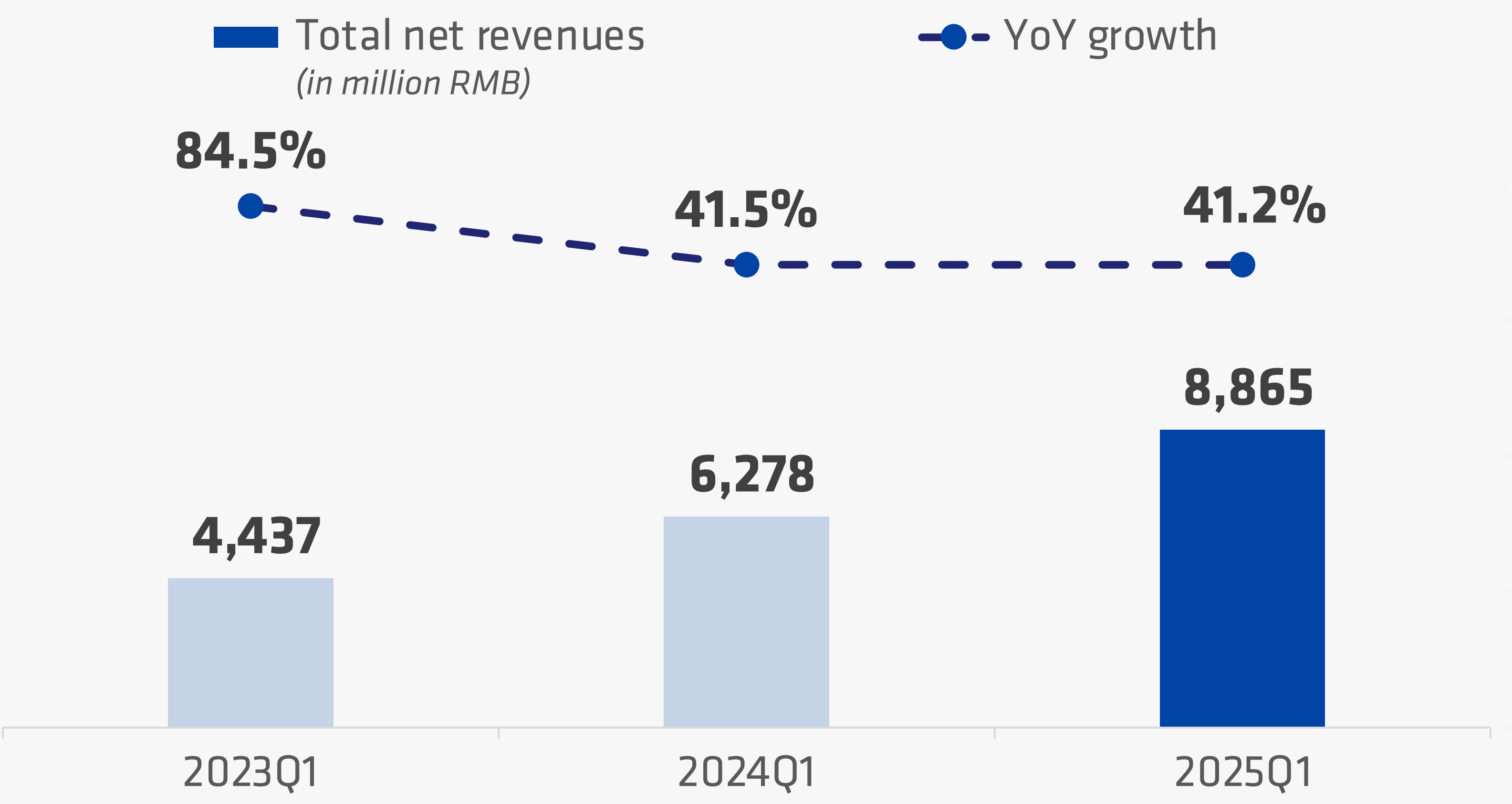

*Luckin Coffee is one of the*
***Annual Promotion Partners***
*of Earth Hour 2025 in China*

Notes:
(1) LEED, Leadership in Energy and Environmental Design, the widely used green building rating system.
(2) LEED volume is a portfolio-level approach to certification that streamlines the process. The program is based on the concept of a LEED prototype, a framework of pre-approved strategies that can then be applied across a group of projects that have major elements in common and can therefore pursue a common set of LEED credits.

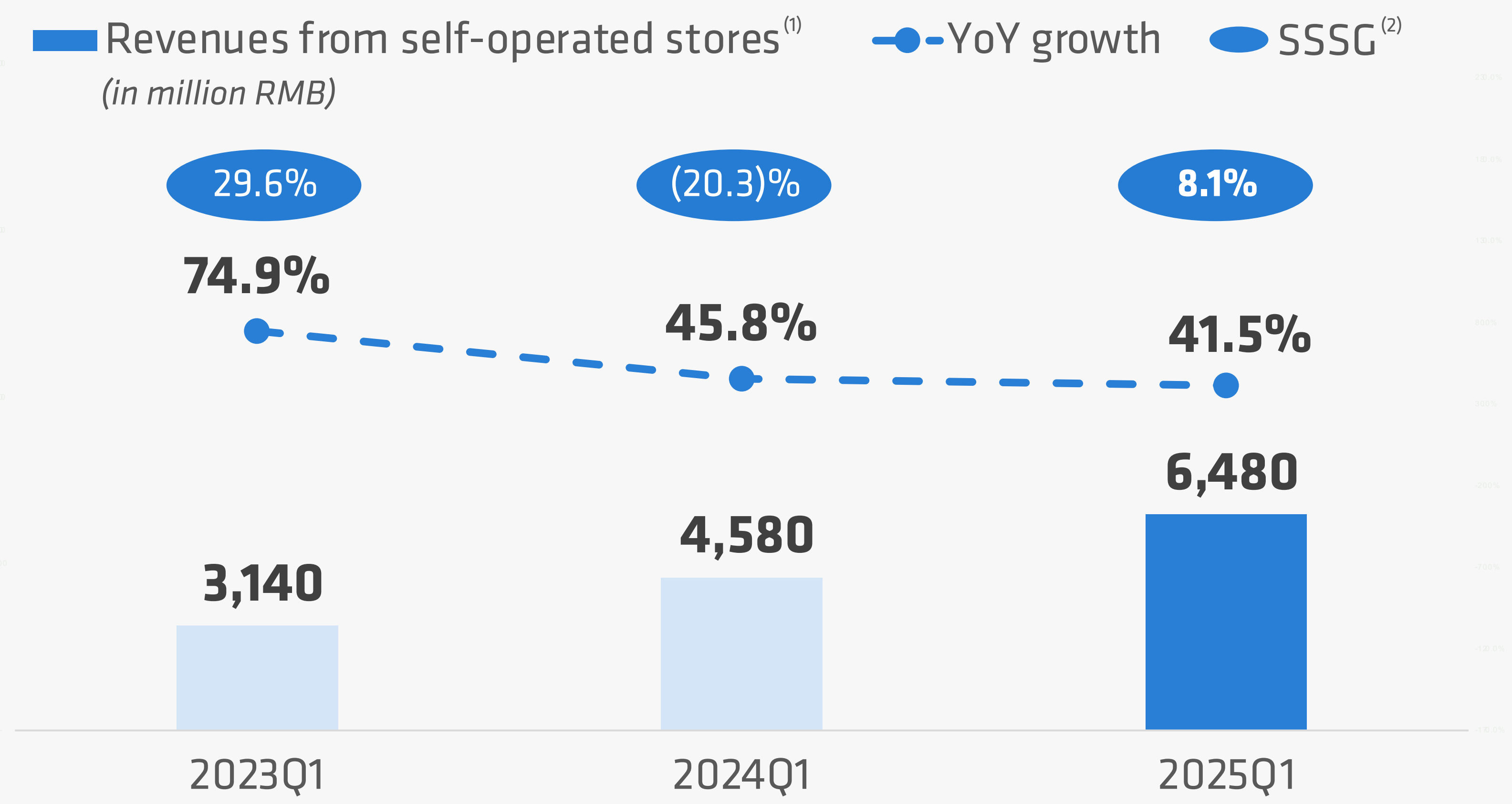
# 2 | FINANCIAL HIGHLIGHTS

# Impressive Q1 performance with steady revenue growth and healthy margin profile

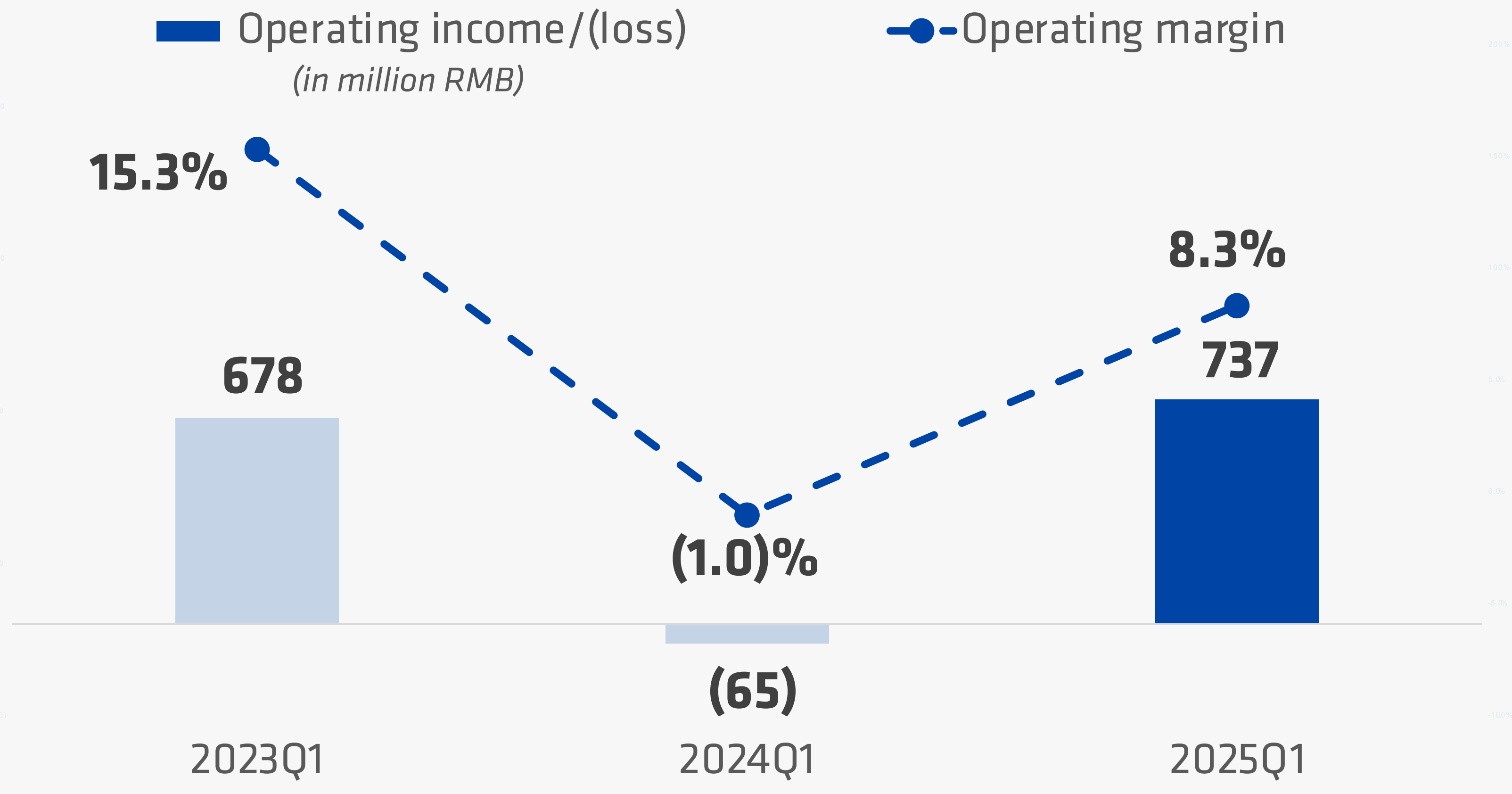
## Total net revenues



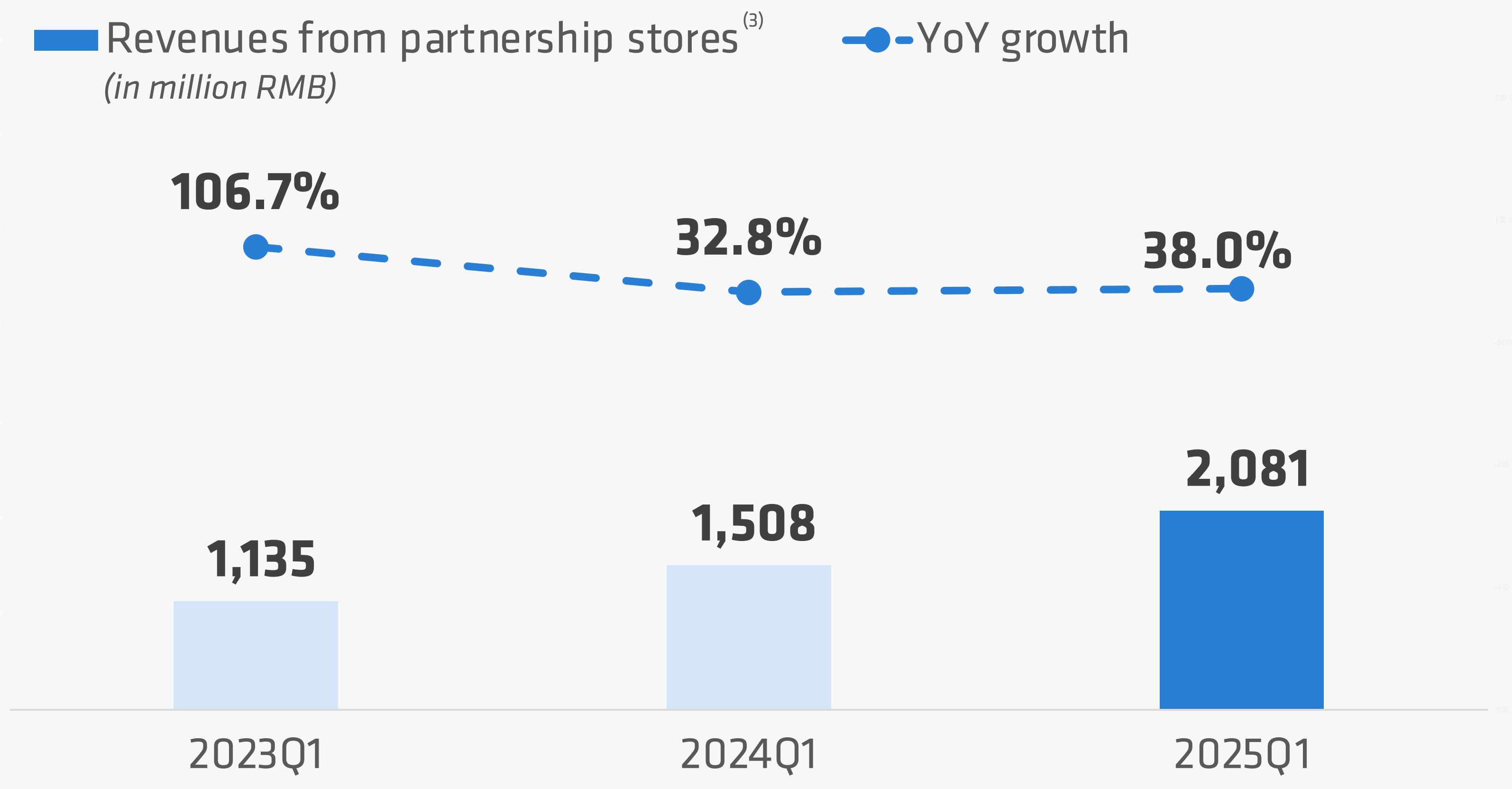

## Self-operated stores




## Operating income/(loss)




## Partnership stores*




Notes:

* Including partnership stores operated in China and franchise stores operated outside China.

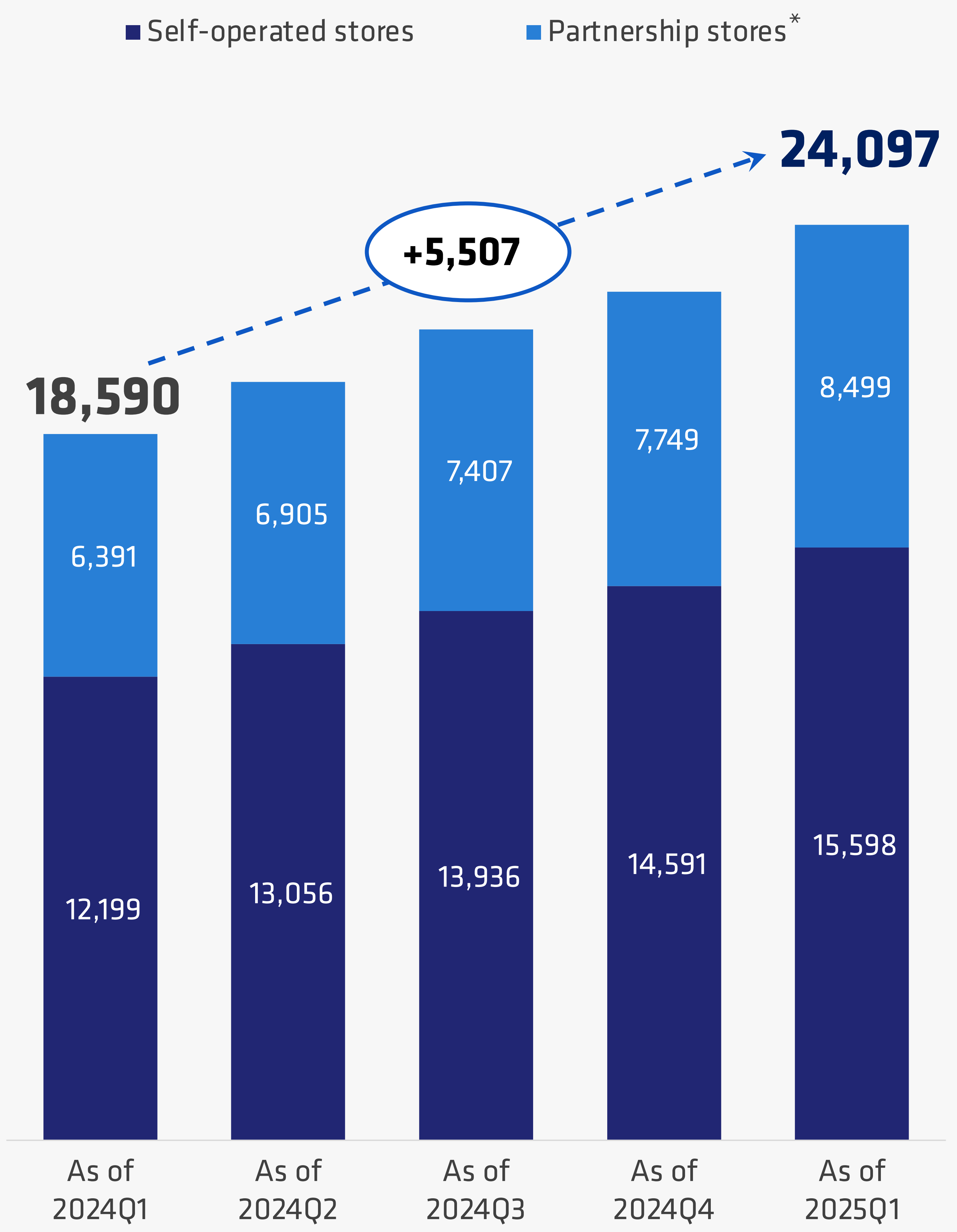
(1) Revenues from self-operated stores include net revenue from the sales of freshly brewed and non-freshly brewed items through self-operated stores, and delivery fees derived from self-operated stores paid by the Company's customers.

(2) Defined as the growth rate of total revenue from self-operated stores that (i) were in operation at the beginning of the comparable period and were not closed before the end of the current period and (ii) maintained an average of at least 15 operating days per month over both the current and comparable periods.

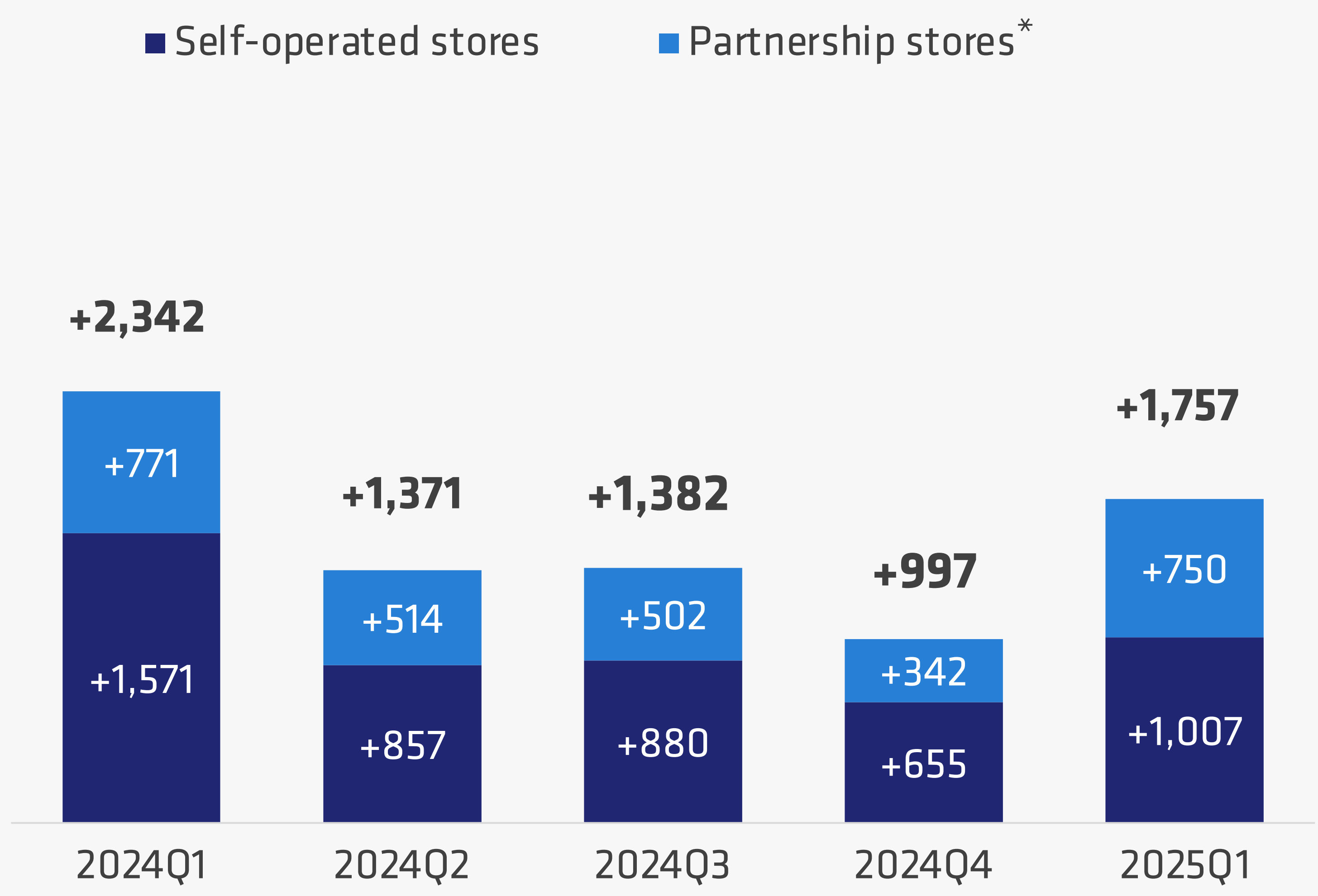
(3) Revenues from partnership stores include net revenue from the sales of materials, equipment, delivery services, profit sharing and royalty fees, franchise and other services from partnership stores.

# Strengthened market leadership through store expansion and customer growth

## Number of stores[(1)]




## Net new store openings[(2)]



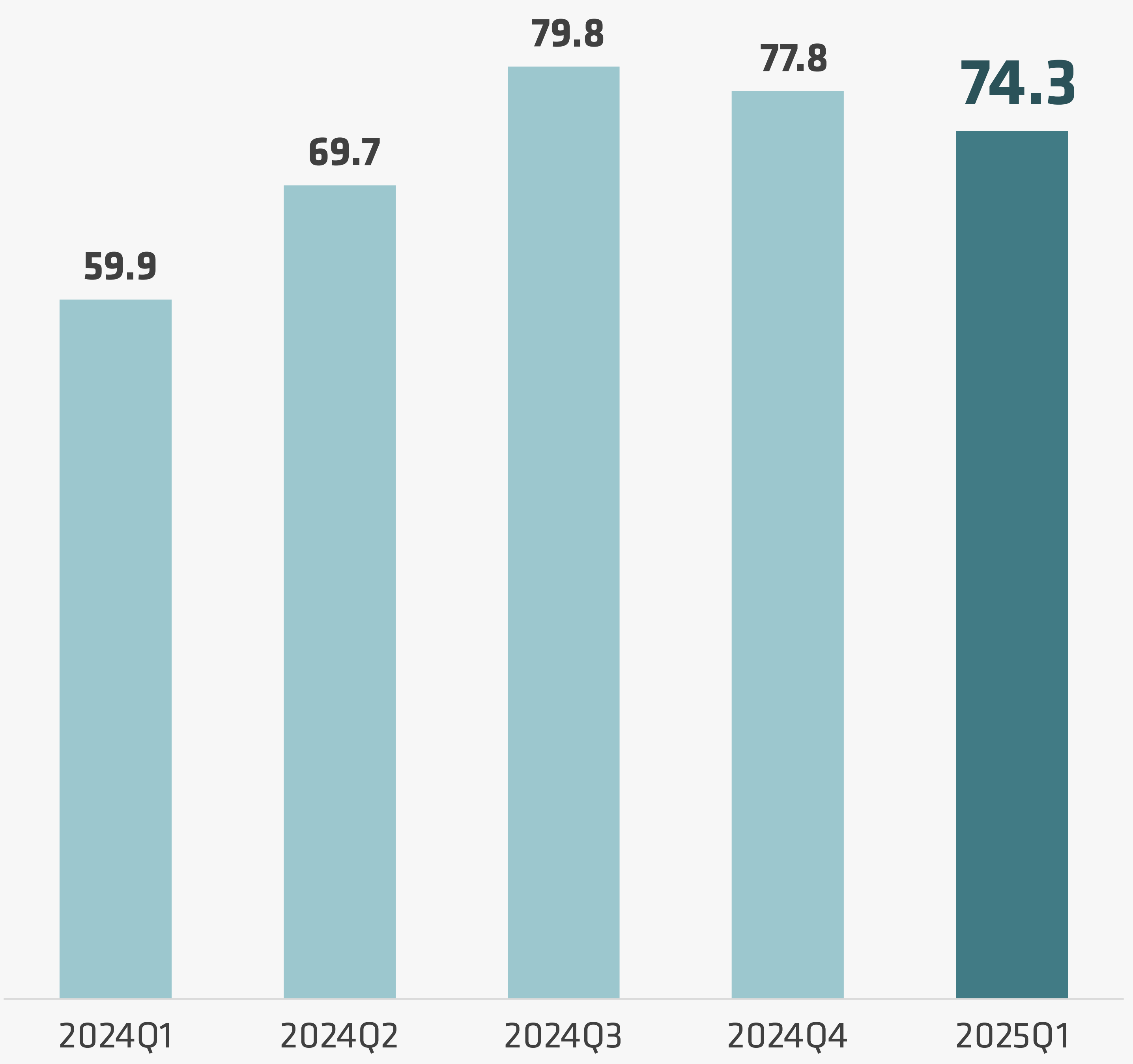

## Cities or markets entered as of 1Q2025

| Self-operated stores | Partnership stores* |
|---|---|
| **80+** cities in China | **300+** cities in China |
| **1** overseas market | **1** overseas market |

## Average monthly transacting customers[(3)]

*(in million)*

*As of 2025Q1, the number of cumulative transacting customers increased to* ***354+ million***



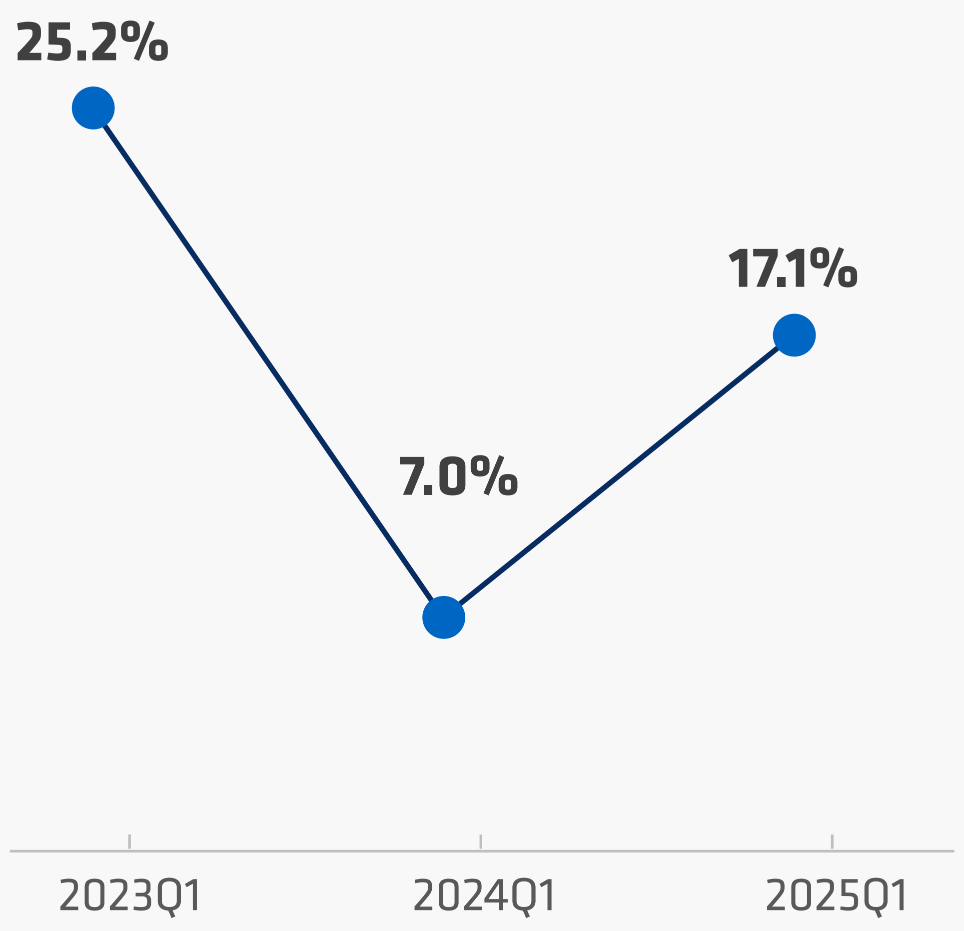

Notes:
* Including partnership stores operated in China and franchise stores operated outside China.
(1) The number of stores (including stores in the overseas market) open at the end of the period, excluding unmanned machines.
(2) The number of gross new stores (including stores in the overseas market) 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 (includes those of partnership stores and those only paid with free-coupons).

# Notable improvement in profitability driven by scale advantage and enhanced efficiency

***Operating margin*** — *2025Q1* **8.3%**

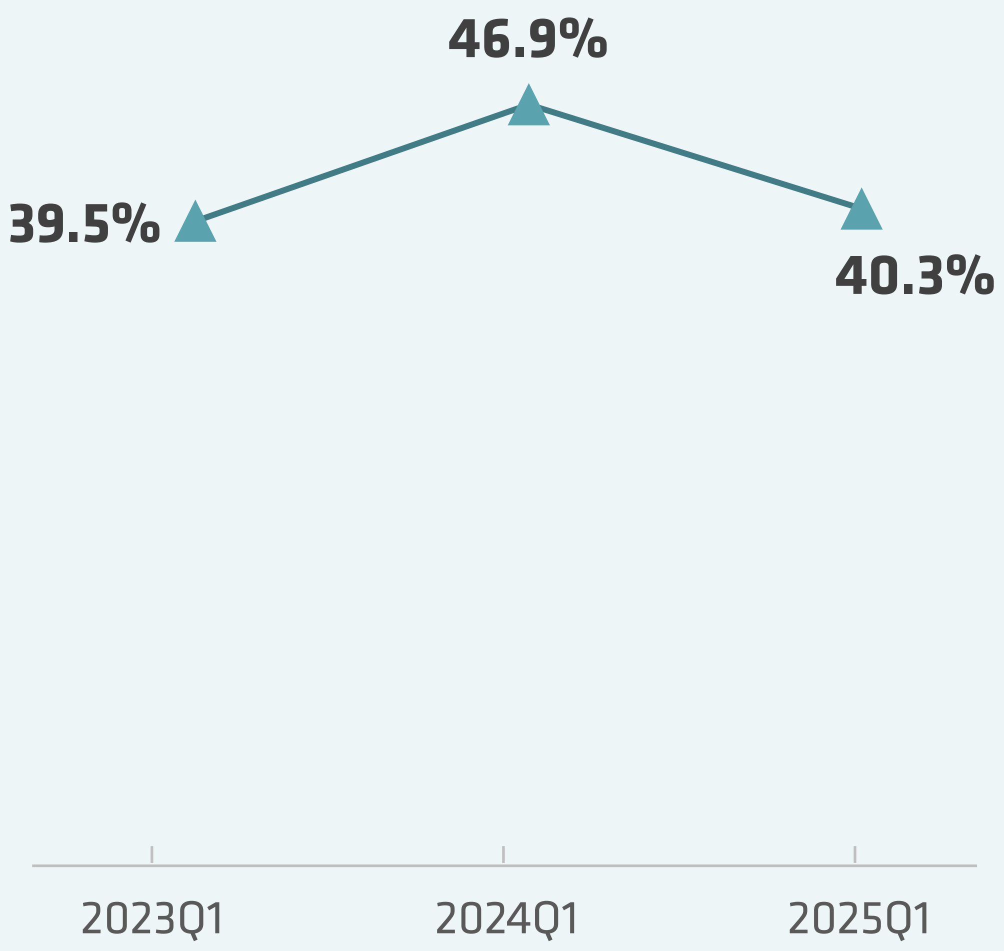
***Net margin*** — *2025Q1* **5.9%**

**Store-level operating margin[(1)]**
(self-operated stores)



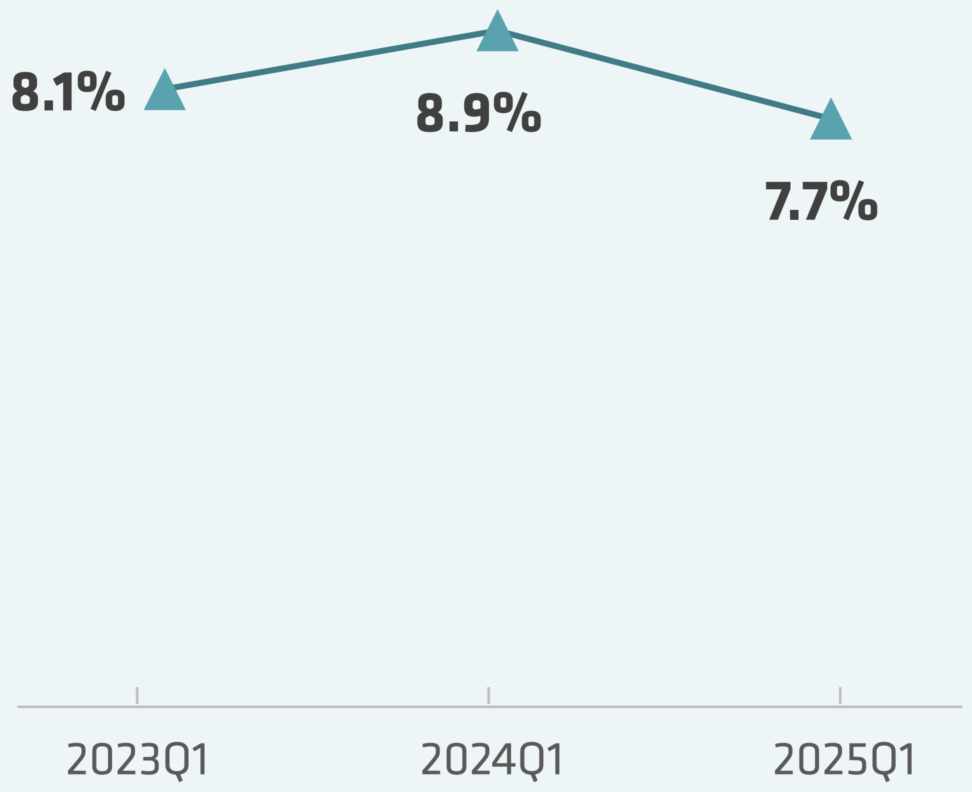

**Cost of Materials**

% of total net revenue



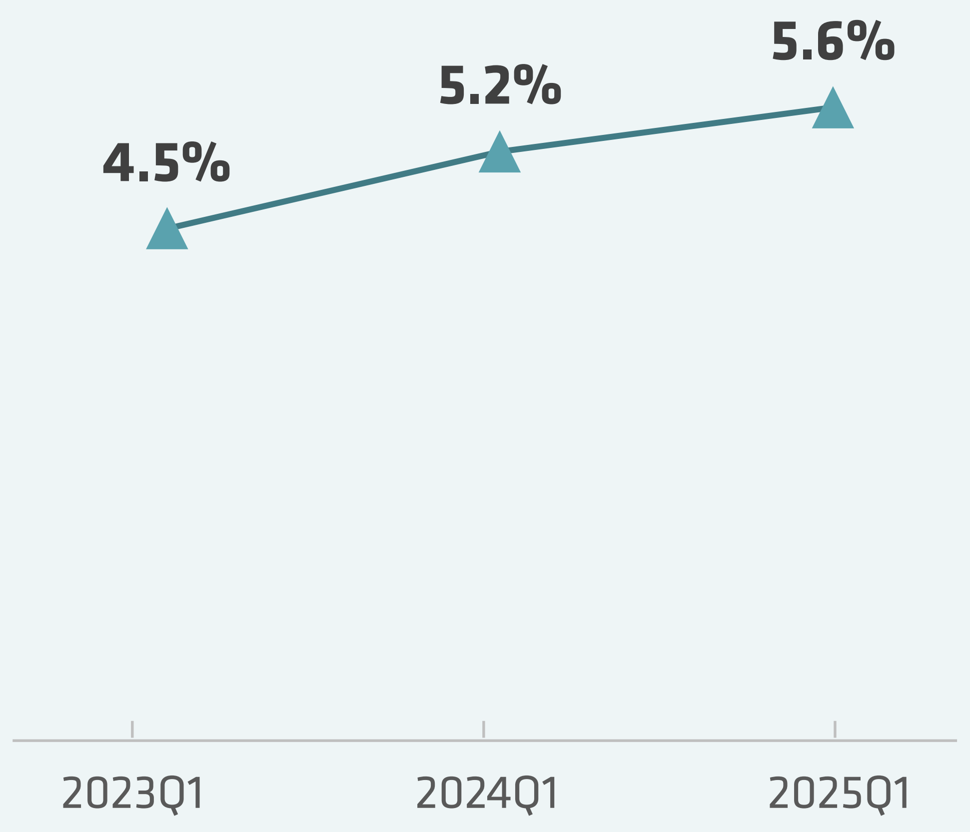

**General & administrative expenses**

% of total net revenue




**Sales & marketing expenses**

% of total net revenue




Notes:
(1) 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.

# Solid cash reserve and robust cash generation capability

## Cash at bank and on hand[1]

*As of March 31, 2025*

RMB
**6,130.1 million**

## Cash inflow from operating activities

*2025Q1*

RMB
**896.6 million**

## Interest-bearing debt

*As of March 31, 2025, there is no outstanding interest-bearing debt*

Notes:
(1) Includes cash and cash equivalents, restricted cash, term deposits and short-term investments.



# Thank you ！