

LKNCY 2024Q3 Earnings Presentation

October 30, 2024



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FINANCIAL HIGHLIGHTS

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**BUSINESS
UPDATE**



Record RMB 10 billion in revenue with solid growth and sustained healthy profits

Total net revenues

RMB10.2 billion

+41.4% YoY increase

Average monthly transacting customers⁽¹⁾

79.8 million

+36.5% YoY increase

SSSG⁽²⁾ (self-operated stores)

(13.1)%

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

23.3%

store-level profit margin⁽⁴⁾

RMB1,745.6 million

GAAP operating income

15.3%

operating margin

RMB1,557.5 million

Store footprint worldwide⁽⁵⁾

21,343 stores

+1,382 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 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) Store level operating profit - self-operated stores. 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. Before the first quarter of 2023, commissions to third-party delivery platforms related to revenues from self-operated stores was not deducted when calculating this term. Comparative figures from previous periods presented were also adjusted to be consistent.
- (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.

Steady domestic growth with expansive market potential and gradual international exploration

Footprint in China

21,298

Total store count*

+1,374

Net new store openings⁽²⁾ QoQ



13,891 (+872 QoQ)
Self-operated stores



7,407 (+502 QoQ)
Partnership stores

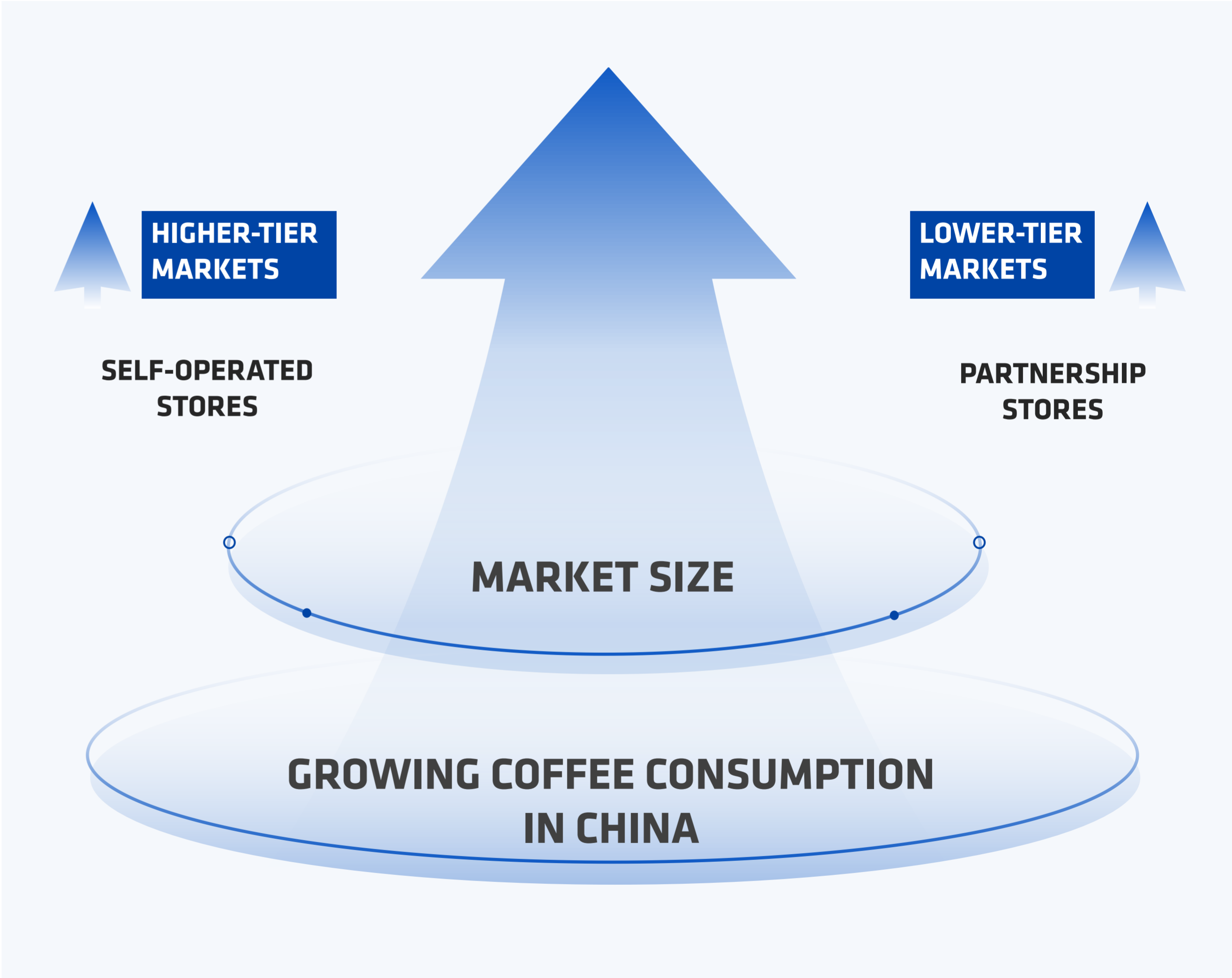
Footprint outside China

45

Total store count*

+8

Net new store openings⁽²⁾ QoQ



Notes:
 • As of September 30, 2024
 (1) In terms of total number of stores in China, based on public information.
 (2) The number of gross new stores opened during the quarter minus the number of stores permanently closed during the quarter.

Enhancing sustainability through origin cooperation in coffee production

Empowerment and Ecological Protection

Yunnan, China



Capacity Building for Coffee Farmers

- Trained local coffee representatives about the coffee industry, sustainable agriculture and ecological diversity conservation with the experts from related fields¹.



Volunteer Team for Ecological Protection

- Formed a volunteer service team to protect the ecological environment of the place of origin, together with volunteers from the factory and the surrounding communities

Coffee Quality Pursuit and Farmer Support

Brazil



Luckin & Brazil Coffee Culture Festival

- August 29, Luckin Coffee and Brazilian Embassy Launch Luckin Coffee Brazil Coffee Culture Festival



Further Action Plan in Brazil

- Open an office and a coffee farmer support center
- Promote research and in-depth cooperation
- Promote the exchange, learning and implementation of advanced sustainable practices

Notes:

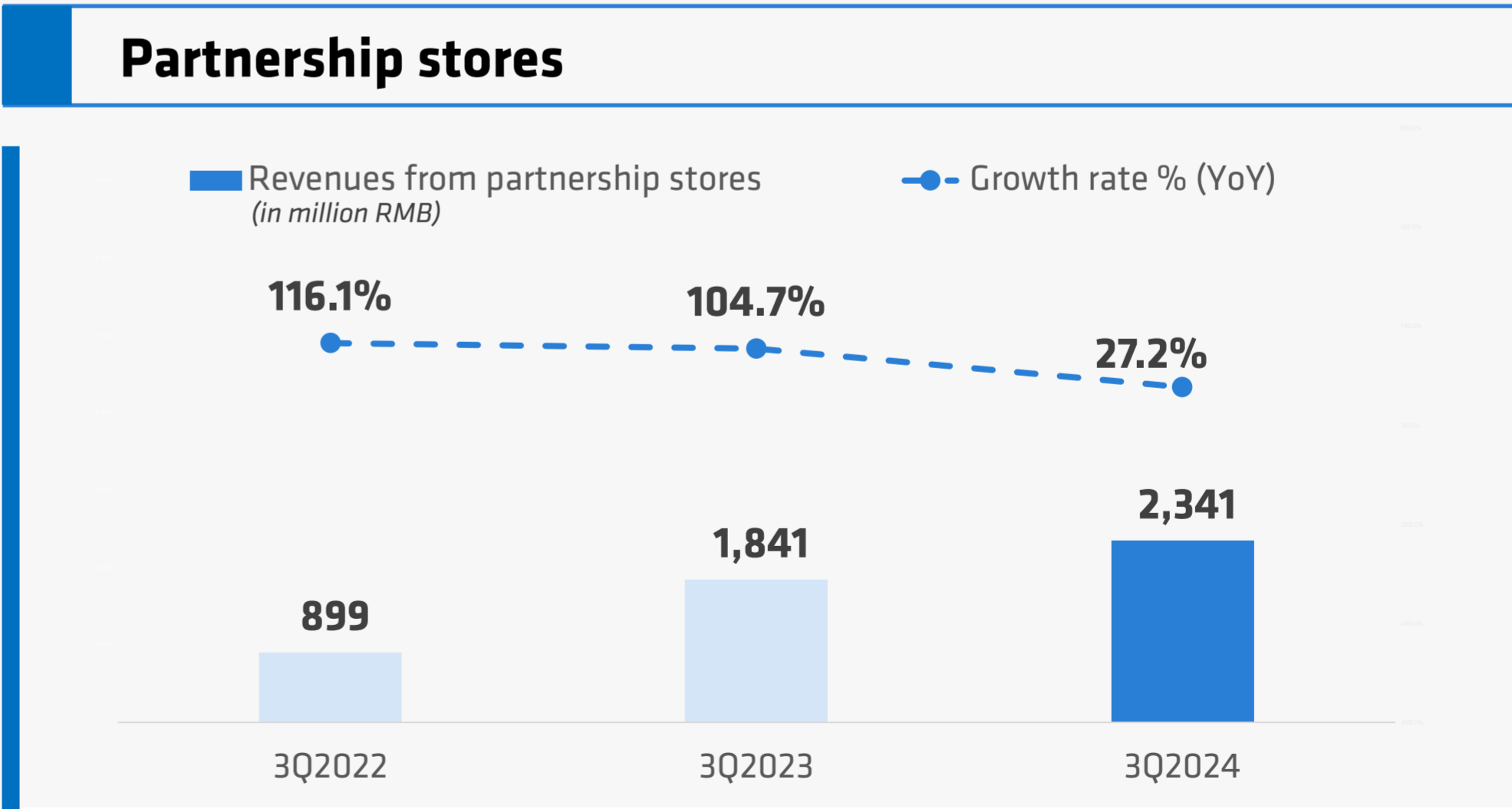
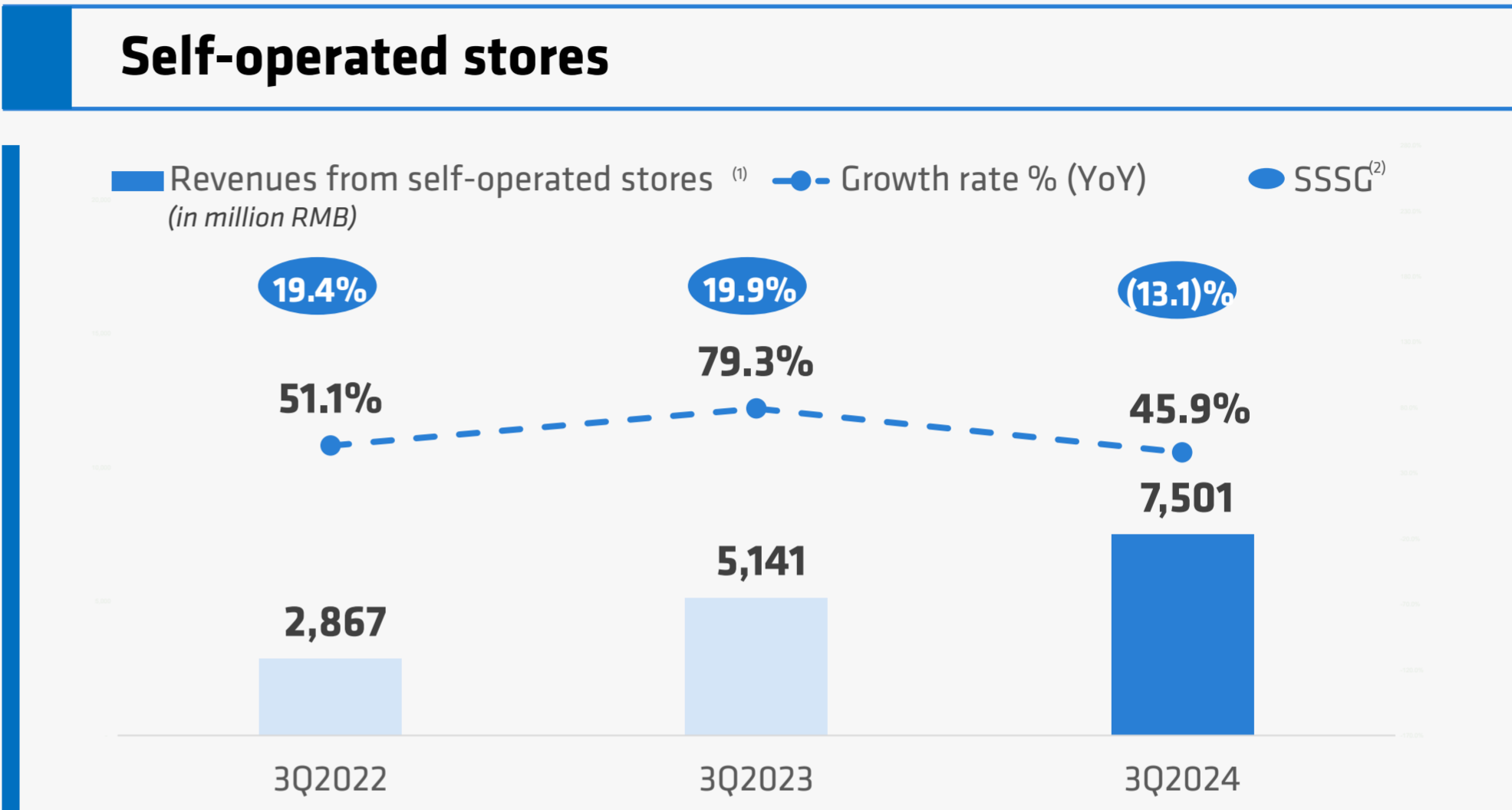
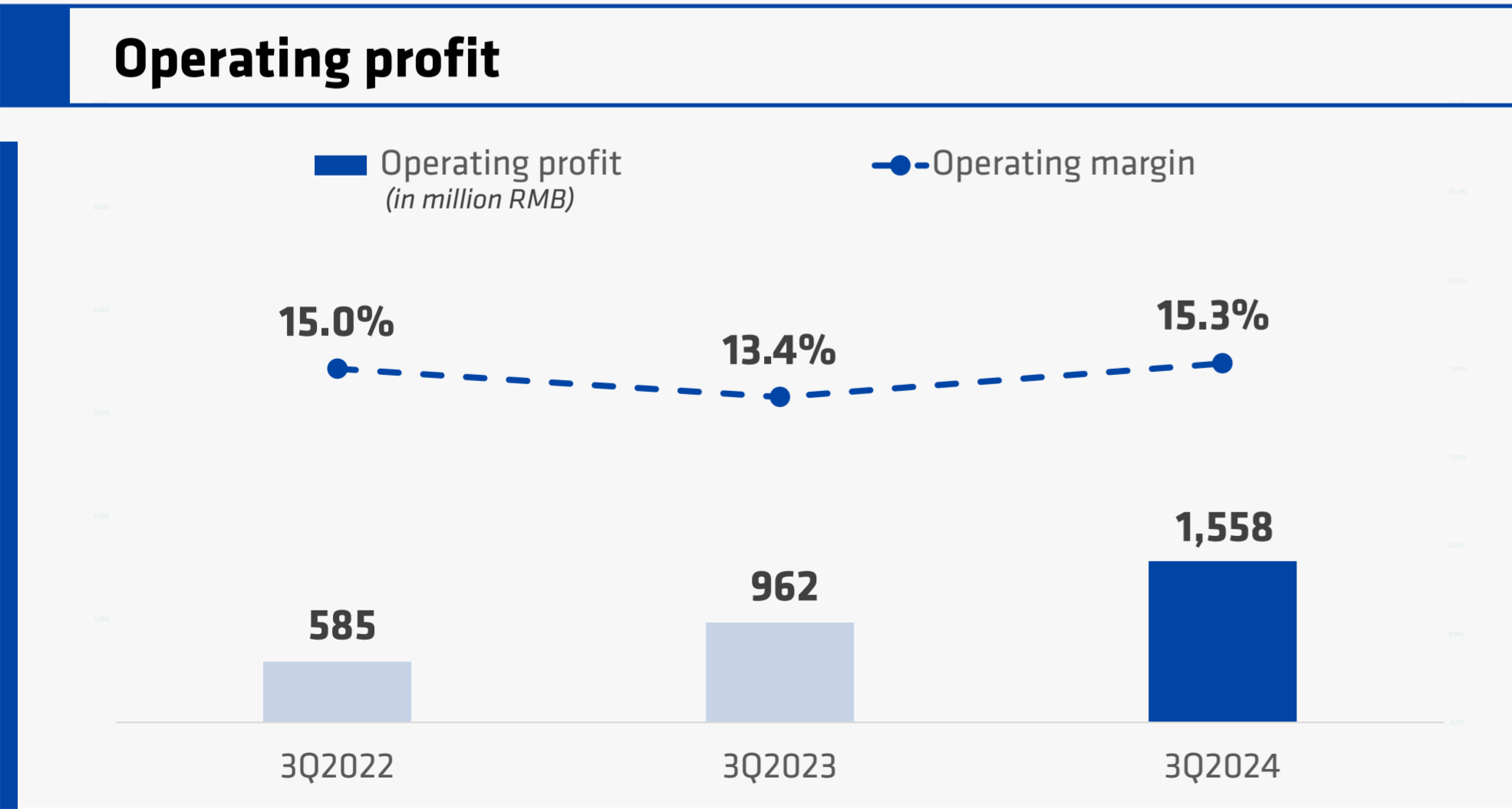
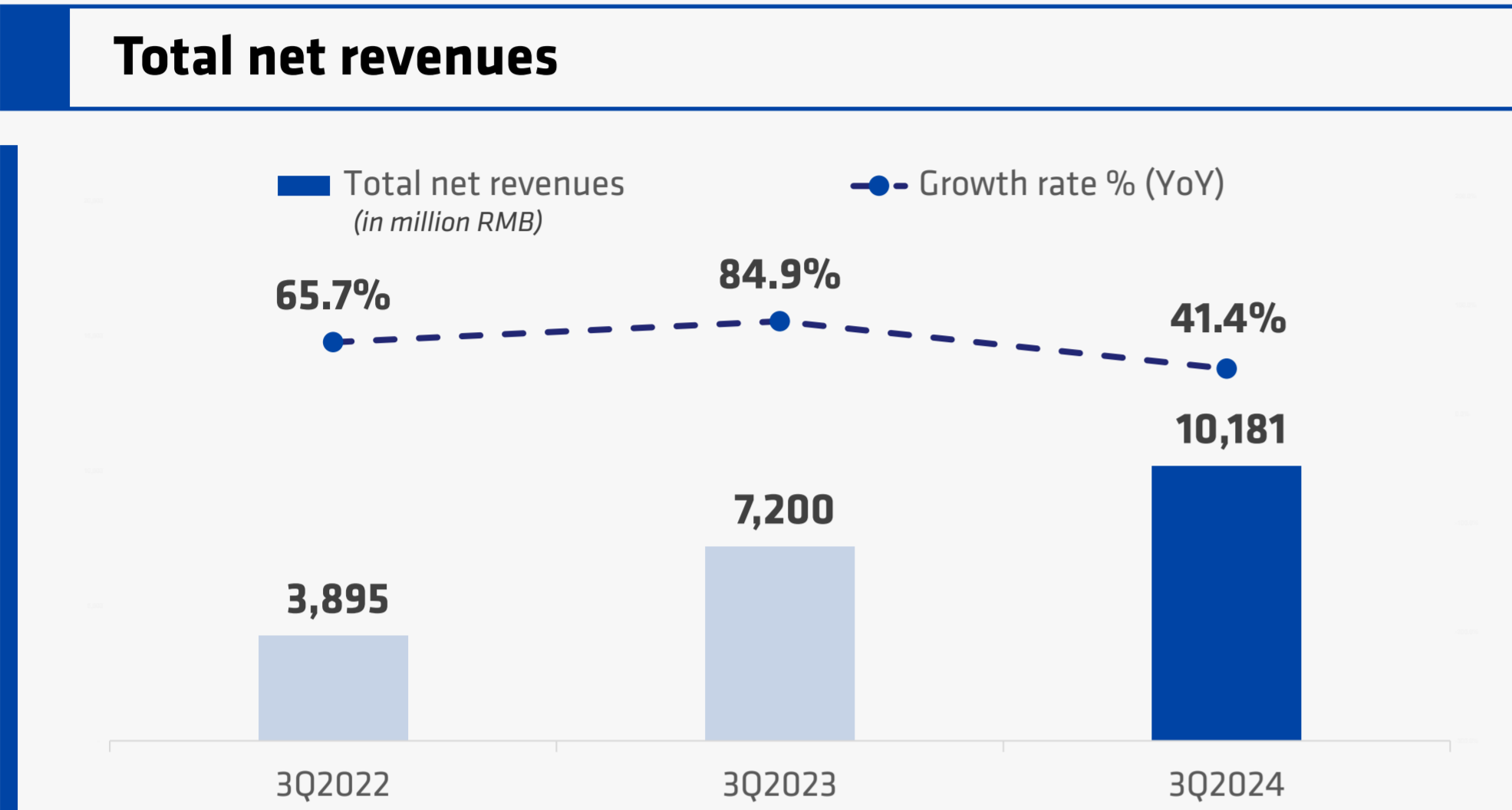
(1) . Experts are from The Tropical and Subtropical Economic Crops Research Institute of the Yunnan Academy of Agricultural Sciences, Longyang Branch of the Baoshan Management Bureau of Yunnan Gaoligong Mountain National Nature Reserve, World Wildlife Fund(WWF) and One Planet Foundation(OPF)

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**FINANCIAL
HIGHLIGHTS**



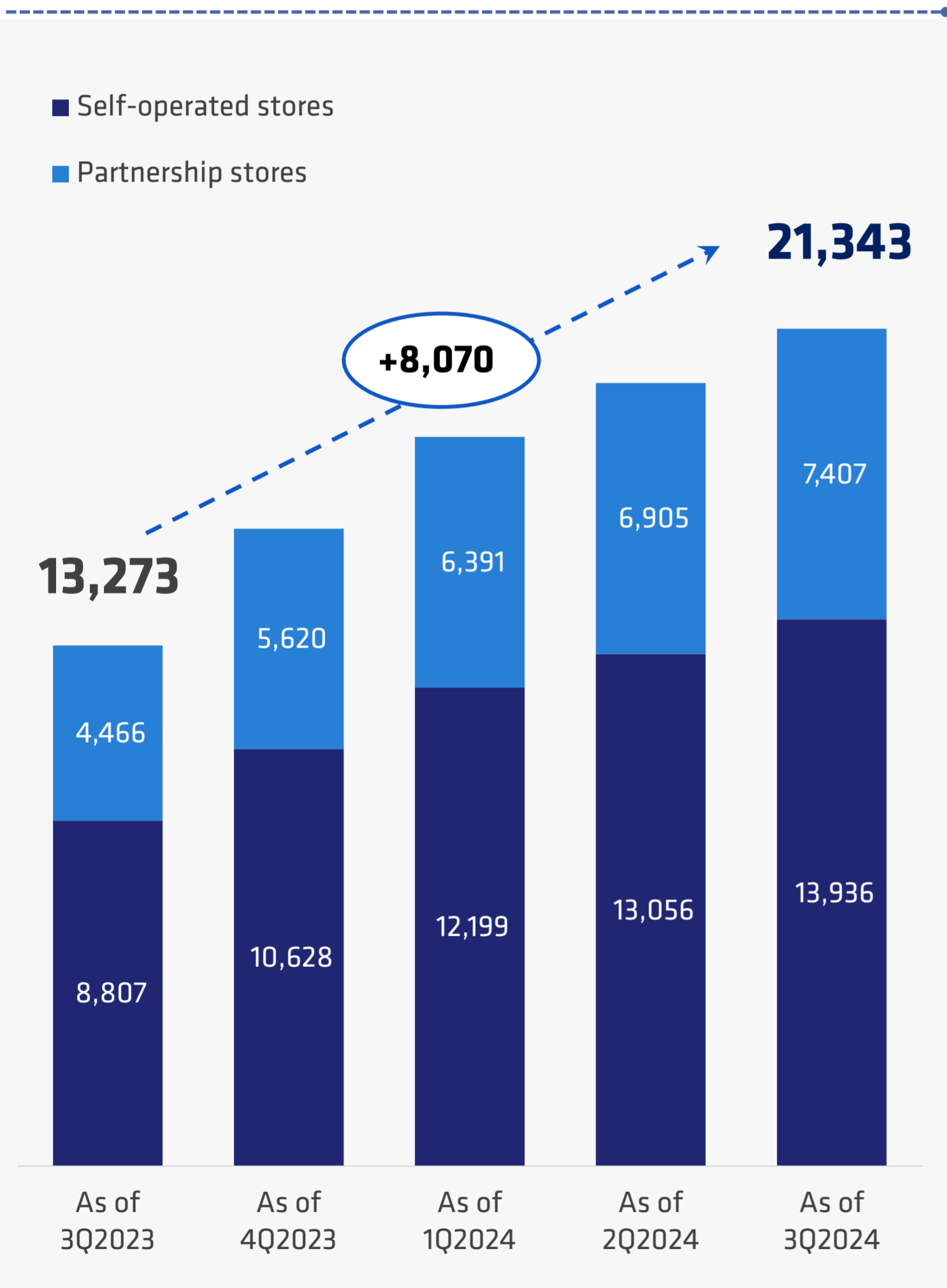
Record Q3 results fueled by steady market expansion and rising coffee consumption



Notes:
 (1) Revenues from self-operated stores include net revenue from the sales of freshly brewed and non-freshly brewed items through self-operating stores, and delivery fees derived from self-operated stores paid by the Company's customers. Before the first quarter of 2023, revenues from self-operated stores only included net revenue from the sales of freshly brewed and non-freshly brewed items through self-operating stores, and beginning from the first quarter of 2023, we added delivery fees derived from self-operated stores paid by the Company's customers to this definition. Comparative figures from previous periods presented were also adjusted to be consistent.
 (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.

Achieving new heights in transacting customers alongside increased store penetration

Number of stores⁽¹⁾



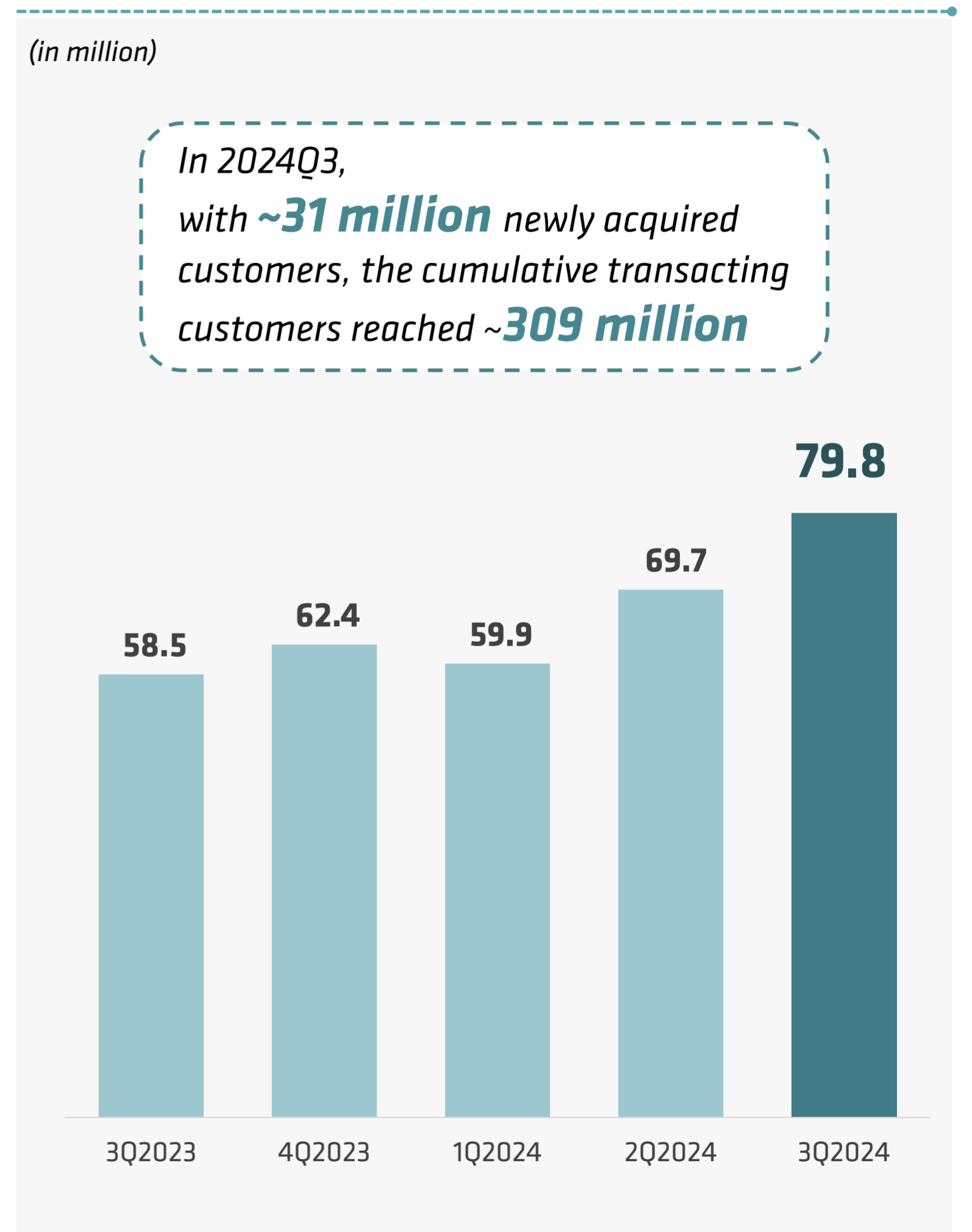
Net new store openings⁽²⁾



Cities or markets entered as of 2024Q3



Average monthly transacting customers⁽³⁾



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 (includes those of partnership stores and those only paid with free-coupons).

Resilient margin profile attributable to operational efficiency and scale benefits

2024Q3

Operating margin

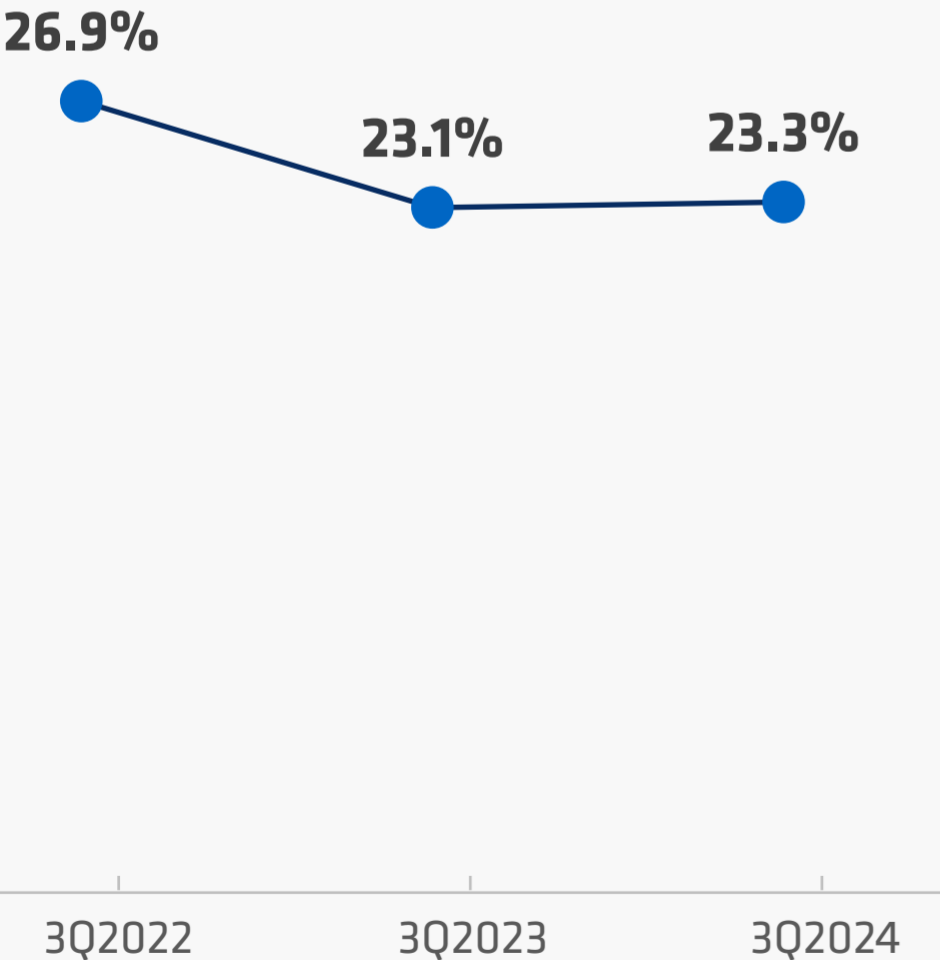
15.3%

2024Q3

Net margin

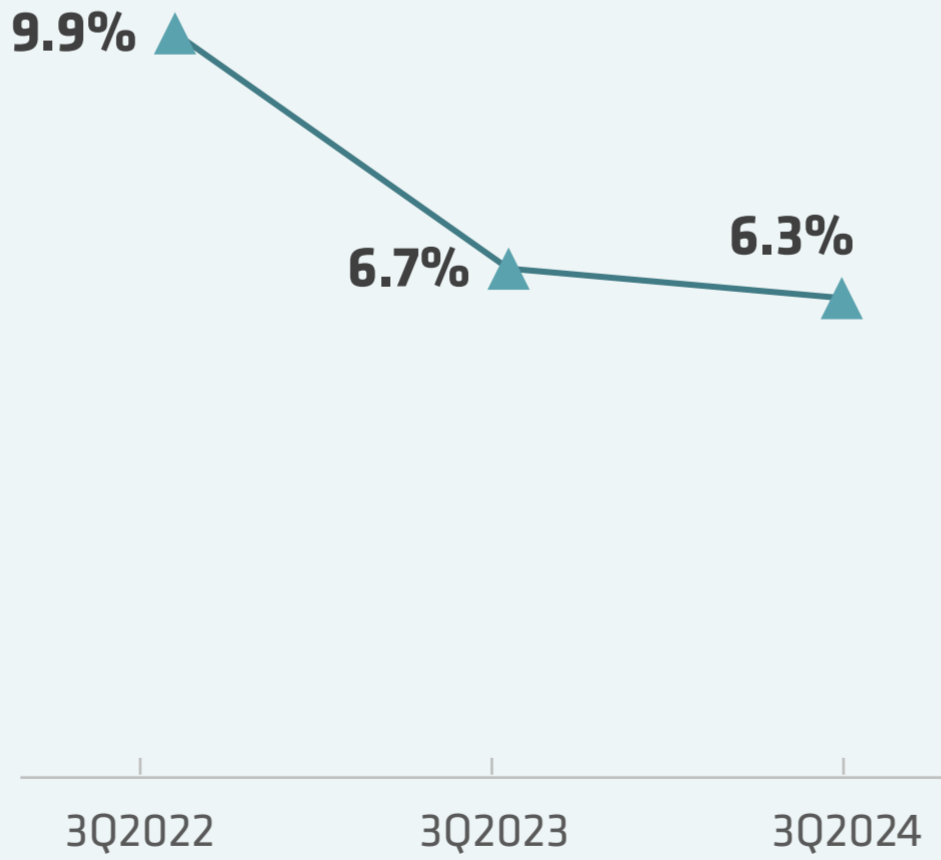
12.8%

Store-level operating profit margin⁽¹⁾
(self-operated stores)



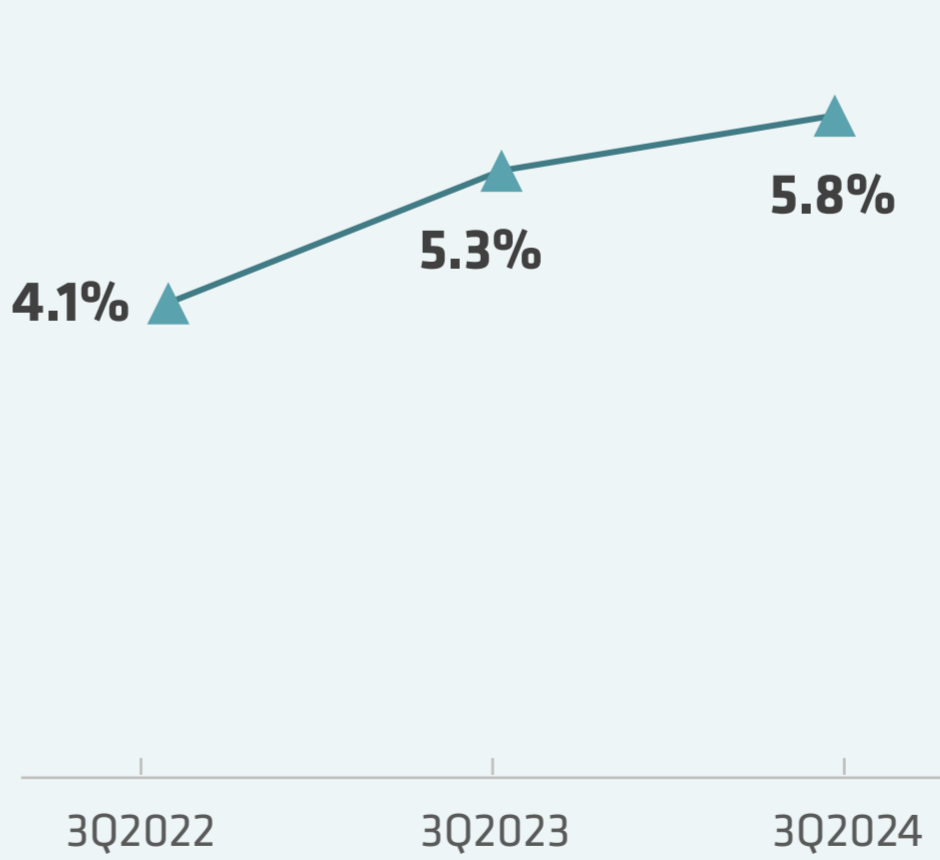
General & administrative expenses

% Total net revenue ⁽²⁾



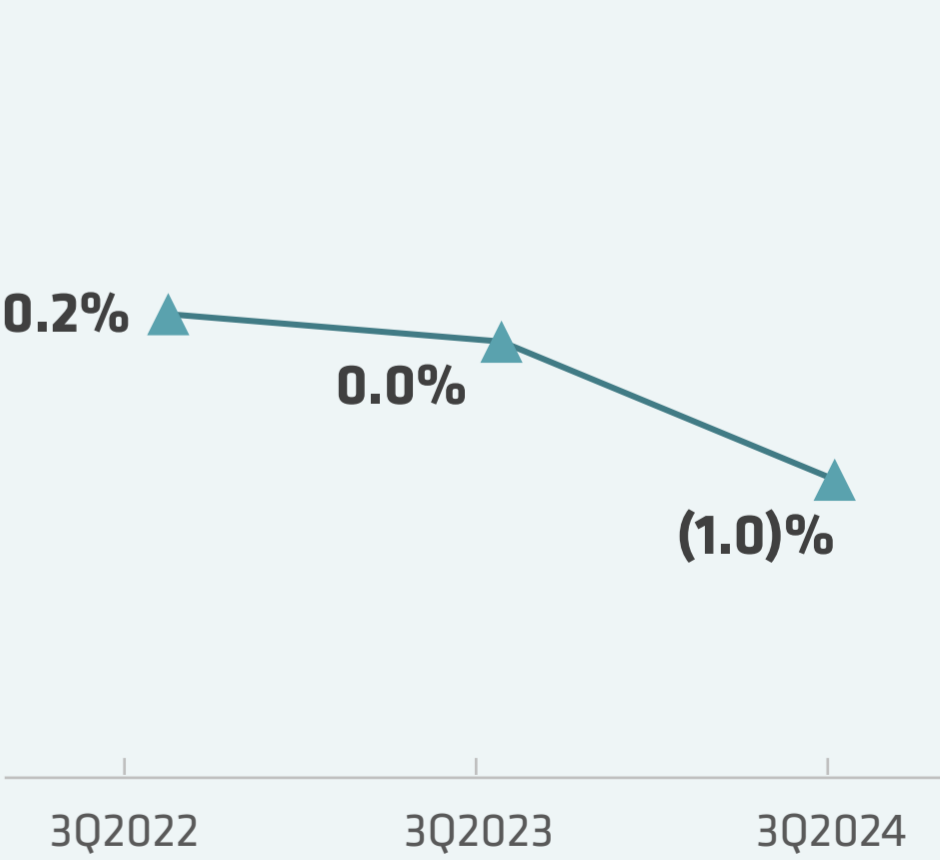
Sales & marketing expenses

% Total net revenue ⁽²⁾



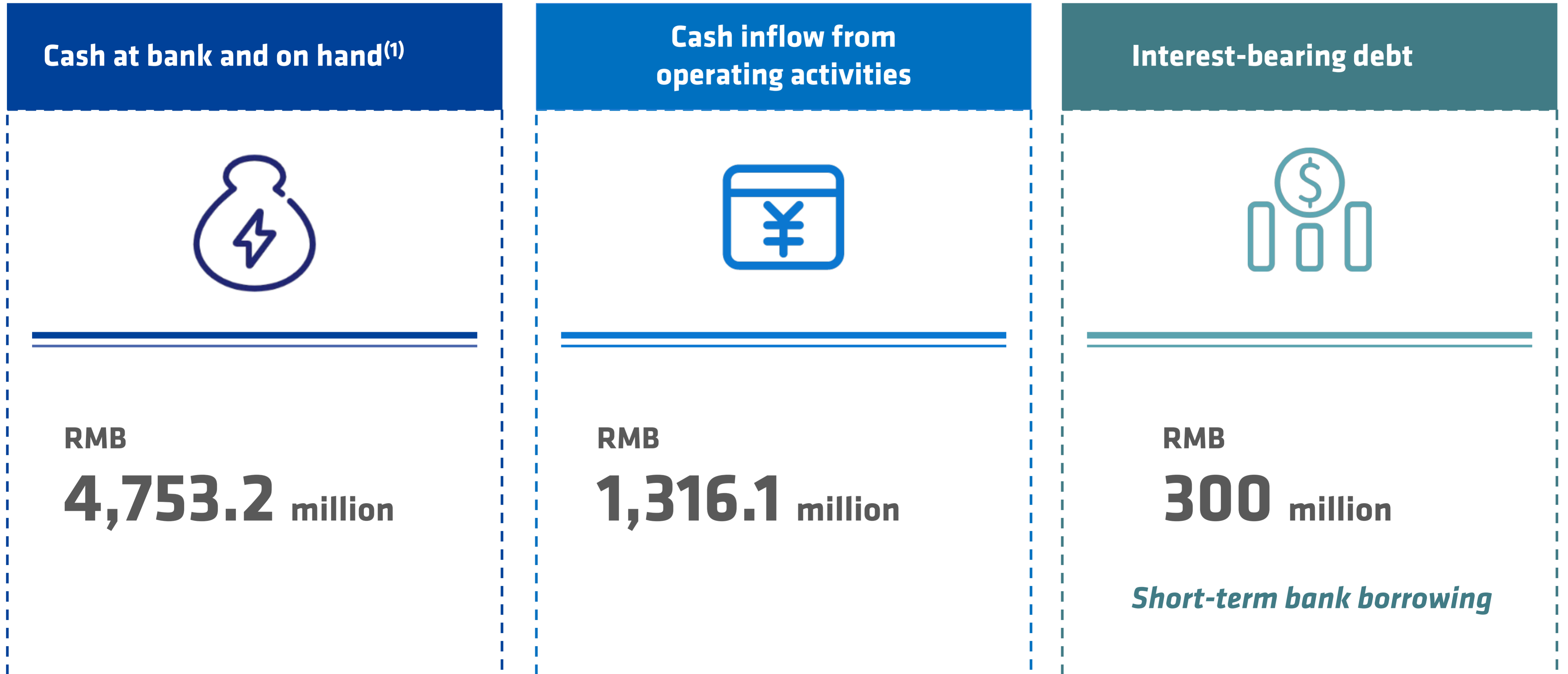
Restructuring-related expenses

% Total net revenue ⁽²⁾



Notes:
 (1) Calculated by dividing store level operating profit by total revenues from self-operated stores.
 (2) As a percentage of net revenue.

Robust cash reserve and healthy balance sheet



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



Thank you !



Q&A