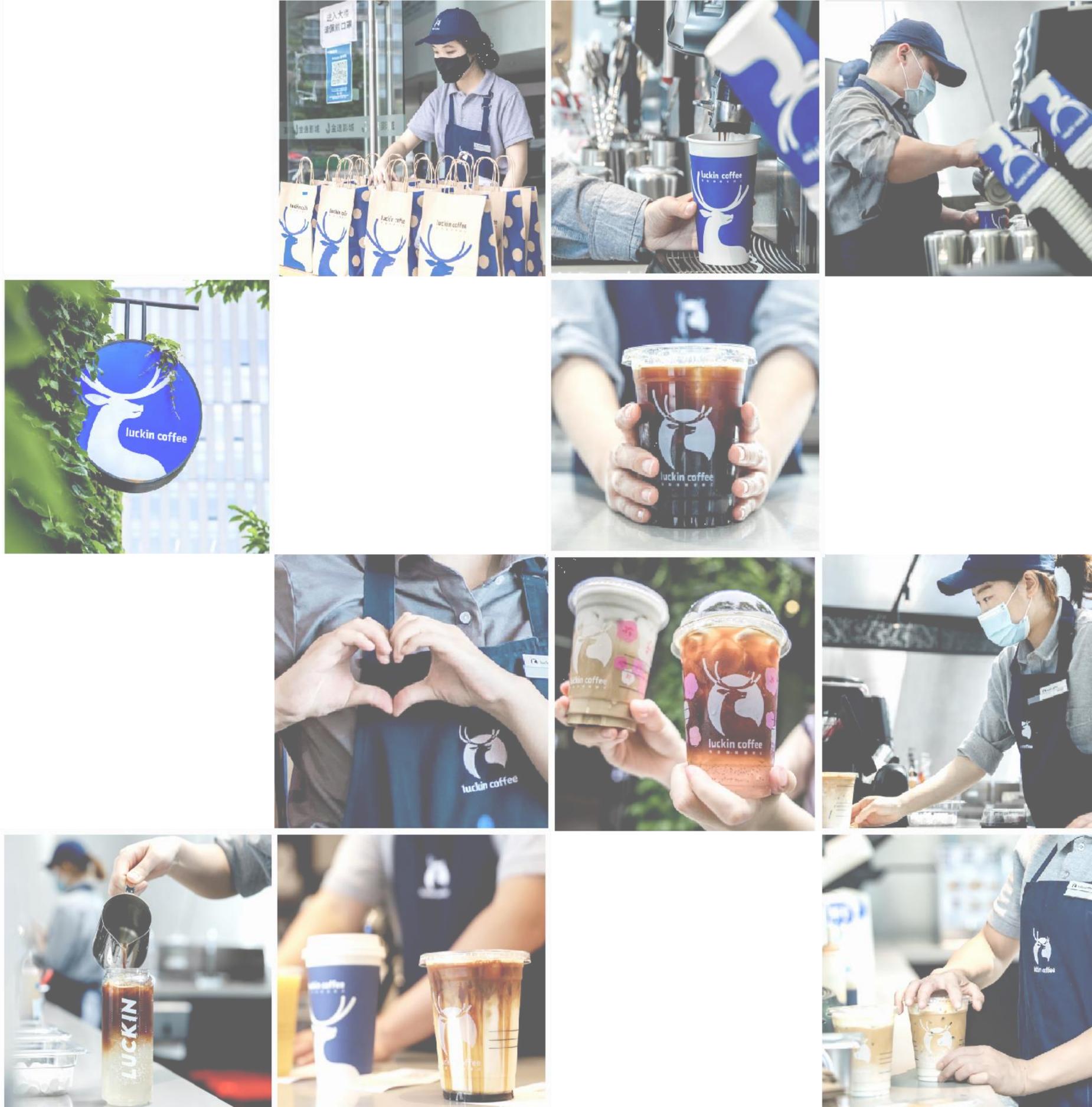




# LKNCY Q4 and Fiscal Year 2022

Earnings Presentation

March 2, 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**

2

**FINANCIAL  
HIGHLIGHTS**



# 1 BUSINESS UPDATE

# Continued improvements in operating results in the fourth quarter, despite material COVID-19 impact

## Total net revenue

**RMB3,695 million**

**+51.9% YoY increase**

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

**24.6 million**

**+51.3% YoY increase**

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

**9.2%**

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

**23.6%**

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

**RMB614.5 million**

## GAAP Operating income

**8.5%**

operating income margin

**RMB313.2 million**

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

**8,214 stores**

**+368 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 (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.

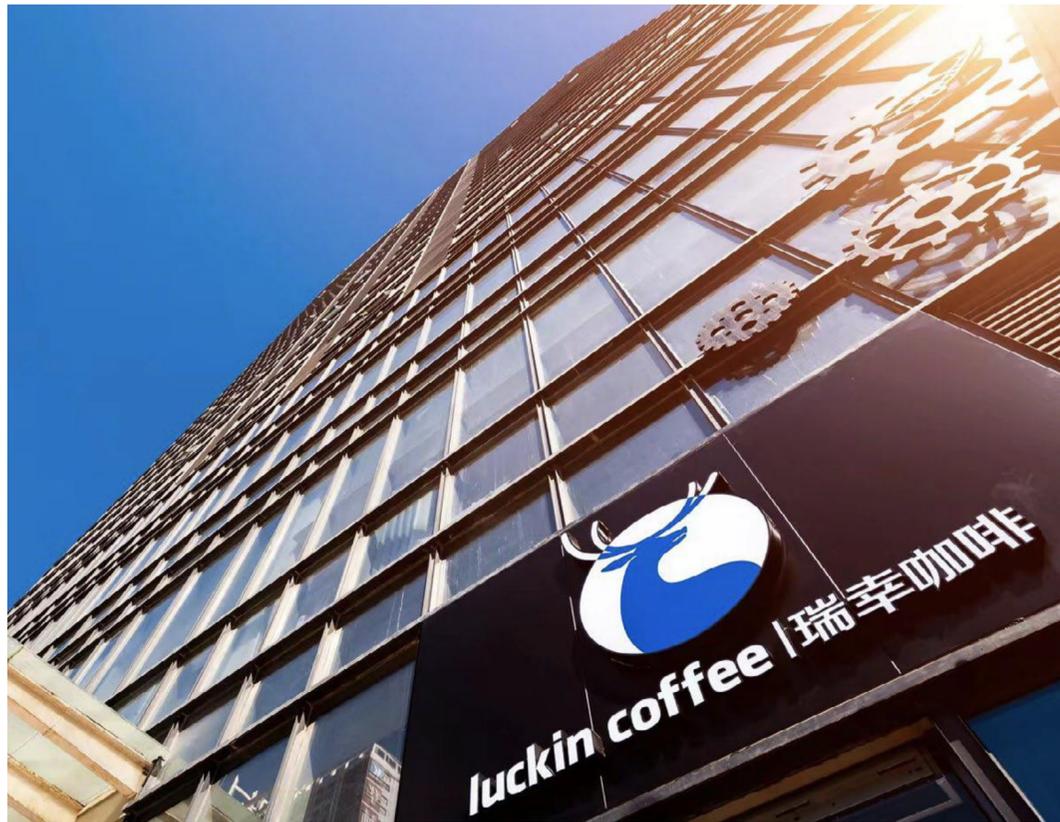
(3) Calculated by deducting cost for self-operated stores including cost of direct materials (including wastage in stores), cost of delivery packaging materials, storage and logistics expenses, store depreciation expense (including decoration loss for store closure), store rental and other operating 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 end 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.

# Great achievements in fiscal year 2022



Full Year Total Net Revenue  
**RMB13+ billion**

Full Year  
**Profitable** with **8.7%** operating  
profit margin

Full year net new store openings<sup>(1)</sup>  
**+2,190 net new stores**

Cups sold  
**~900 million cups**

Customer served<sup>(2)</sup> *(since inception)*  
**~135 million customers**

Launched  
**~140 SKUs**



Notes:

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

(2) Refers to Cumulative transacting customers.

# Continued strong performance as a result of our core competitive advantages

## Increasing brand momentum

- Brand collaborations have been well-received by consumers



*People*



*Places*

## Nationwide store footprint

- Leading position with 8,214 stores

*Products*

## Professional & Good flavor

- ~140 SKUs



# Product quality and innovation is our greatest brand power



Power of Branding & Product

Continued Investment in Coffee Professionals



Cheese Flavored Latte sold **6.59+ million cups** in the **1<sup>st</sup> week**



48



Q-Grader certified employees

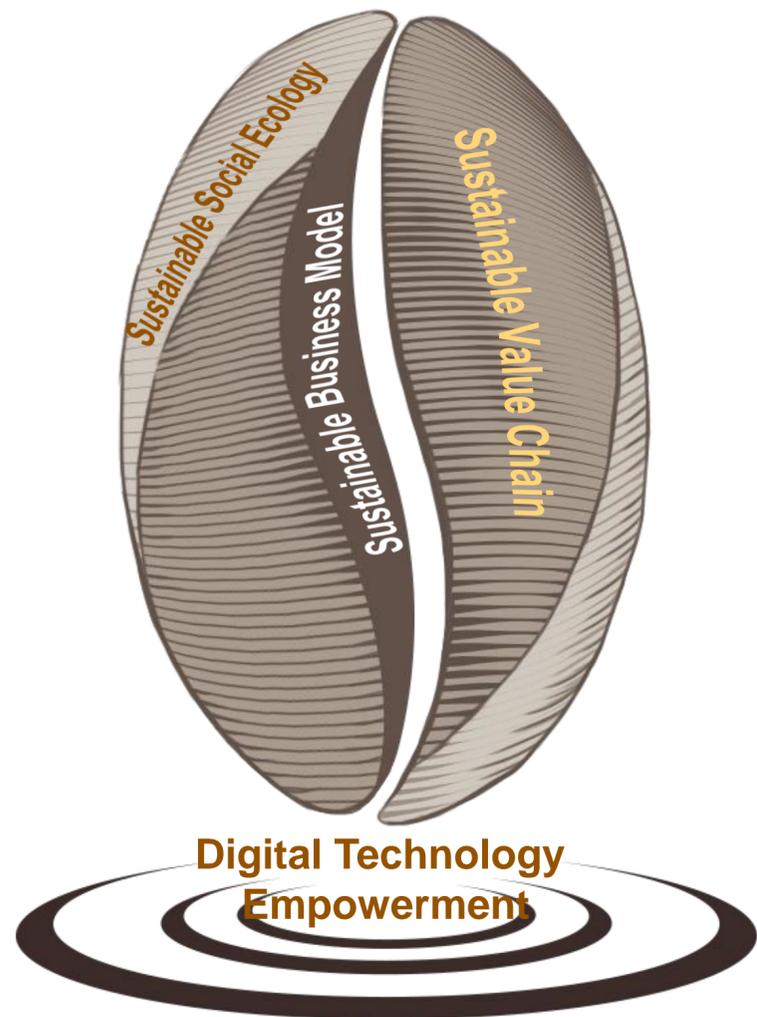


Won the **IIAC Gold Medal** for the **5th** consecutive year



# Luckin Coffee sustainability strategic direction

*“Leveraging our advantages in the field of digitalization and internet, we will strive to create value for the economy, society and environment with wider range of partners through the promotion of sustainable business model, the construction of sustainable value chain, and the cultivation of sustainable social ecology.”*



Digital Technology Empowerment



## Sustainable Business Model

We will continue to improve corporate governance, actively explore low-carbon operation measures, strive to provide excellent consumer experience through the innovation of products and services, and also provide broad development platform for employees.



## Sustainable Value Chain

We will collaborate with our value chain partners to engage in sustainable practices, conduct responsible sourcing and advocate for a healthy lifestyle to our customers and broader public sector.



## Sustainable Social Ecology

We will proactively address the challenges of climate change and biodiversity, craft a low-carbon transformation strategy, build a long-term management mechanism of public benefit activities, to continuously expand our sustainability impact and help create a sustainable social ecology.

# Continued investments in our supply chain to achieve further integration

## Luckin's 2<sup>nd</sup> Roasting Facility ---- Kun Shan



Designed capacity  
**30,000 tons**

Area of occupancy  
**50,000+ m<sup>2</sup>**

Expected to put into operation in  
**2024**

Concept of  
**Environmentally Friendly & Low-carbon Emission**

“ *To be a company that leads in corporate social responsibility and actively spread positive energy, with commitment, responsibility and care* ”



# Largest coffee network in China by store count<sup>(1)</sup> with substantial expansion opportunities through optimized store mix

**8,214 stores\*** with **+368** net new store openings in Q4

**Self-operated stores:**

**5,652** stores in **60** cities\*

**Partnership stores:**

**2,562** stores in **232** cities\*



Partnership business  
REOPEN the partner recruiting channels in  
**~80 cities**

And more to come...

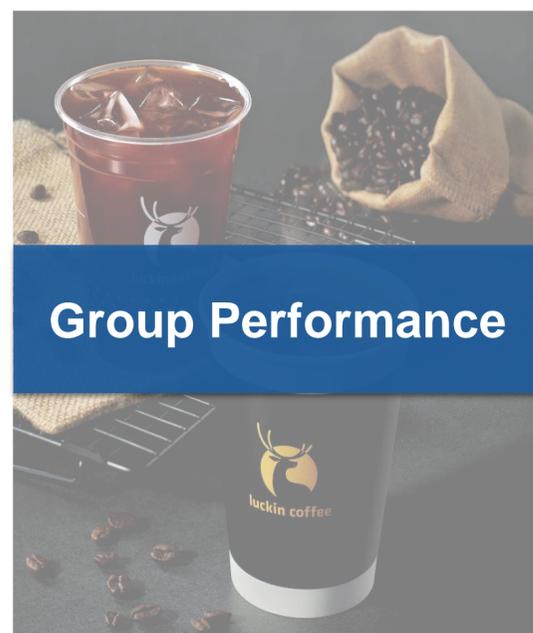
Notes:  
(1) Based on publicly available information, in terms of # of stores  
\* As of December 31, 2022



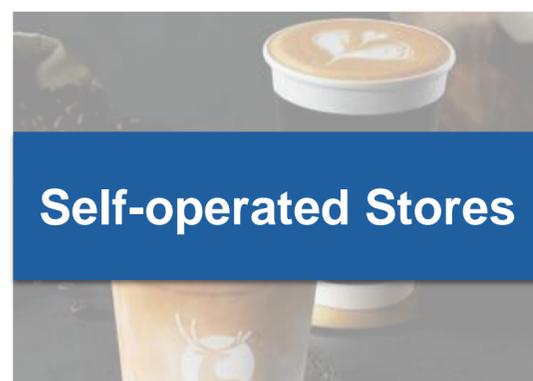
# 2

## FINANCIAL HIGHLIGHTS

# Strong full year operational and financial performance despite being materially impacted by COVID-19 in the fourth quarter of 2022



	Q4'20	Q4'21	Q4'22	FY22
Total stores at end of the quarter <sup>(1)</sup>	4,803	6,024	8,214	8,214
Net new store openings #	(28)	353	368	2,190
# of average monthly transacting customers ('000) <sup>(2)</sup>	9,712	16,229	24,559	21,587
Revenue (RMB million)	1,346	2,433	3,695	13,293
Revenue growth (%)	28.2%	80.7%	51.9%	66.9%
Operating profit (RMB million)	(489)	(121)	313	1,156
Operating profit margin (%)	(36.3)%	(5.0)%	8.5%	8.7%



Revenue - self-operated stores (RMB million)	1,141	1,837	2,607	9,414
Revenue growth (%)	17.5%	61.0%	41.9%	52.0%
Same-store sales growth (%) <sup>(3)</sup>	9.2%	43.6%	9.2%	20.6%
Store level profit margin <sup>(4)</sup>	8.7%	20.9%	23.6%	26.4%



Revenue - partnership stores (RMB million)	129	449	843	3,069
Revenue growth (%)	739.5%	248.4%	87.9%	135.0%

Notes:

(1) The number of stores open at the end 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 reopening and other expenses from our self-operated store revenues, by total revenues from self-operated stores.

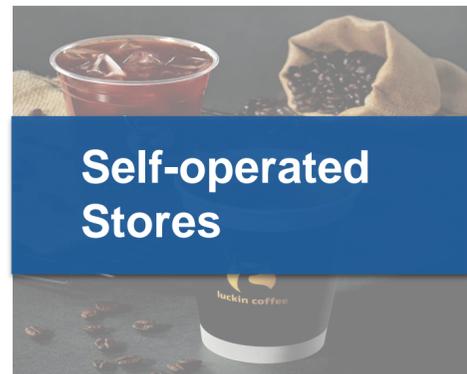
# Store expansion: opened 368 net new stores in the fourth quarter and picked up our expansion pace as the recovering of consumption demand in early 2023

## 368

Q4 '22 Net new store openings

## 8,214

Total # of stores as of 31 Dec. 2022



**Self-operated  
Stores**

	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22
Total stores at end of the quarter	4,397	4,675	4,968	5,373	5,652
Net new store openings	+191	+278	+293	+405	+279
Total cities covered at end of the quarter	56	56	59	59	60

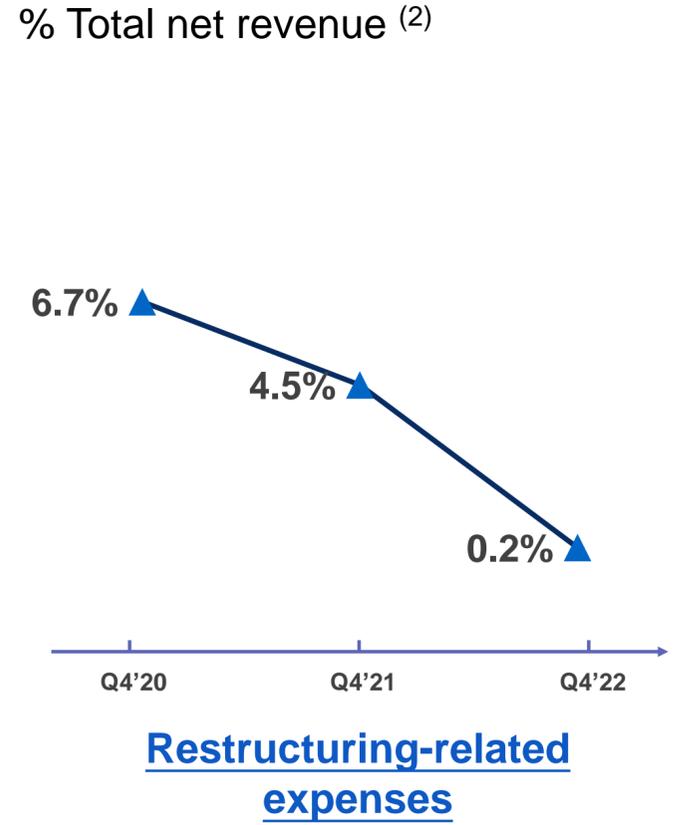
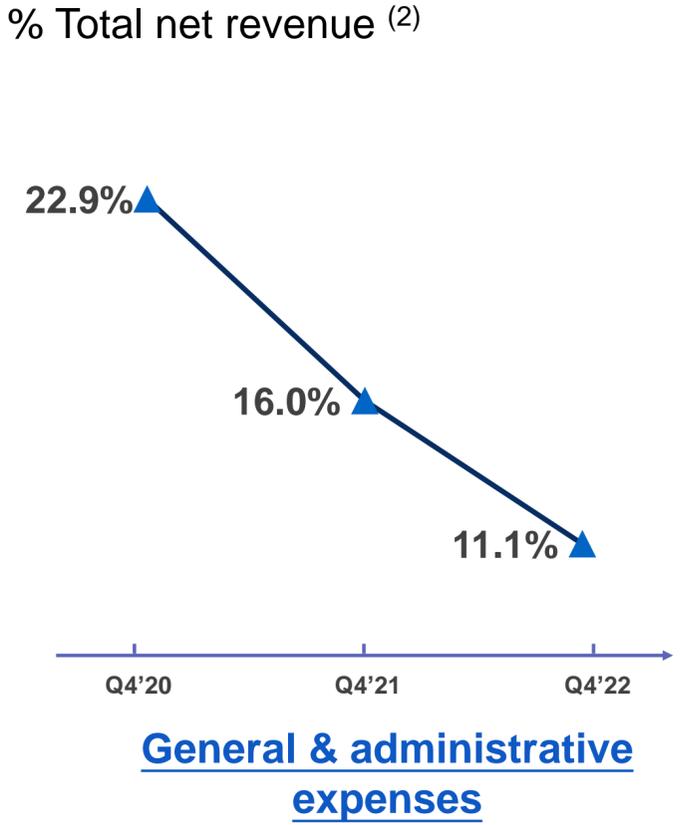
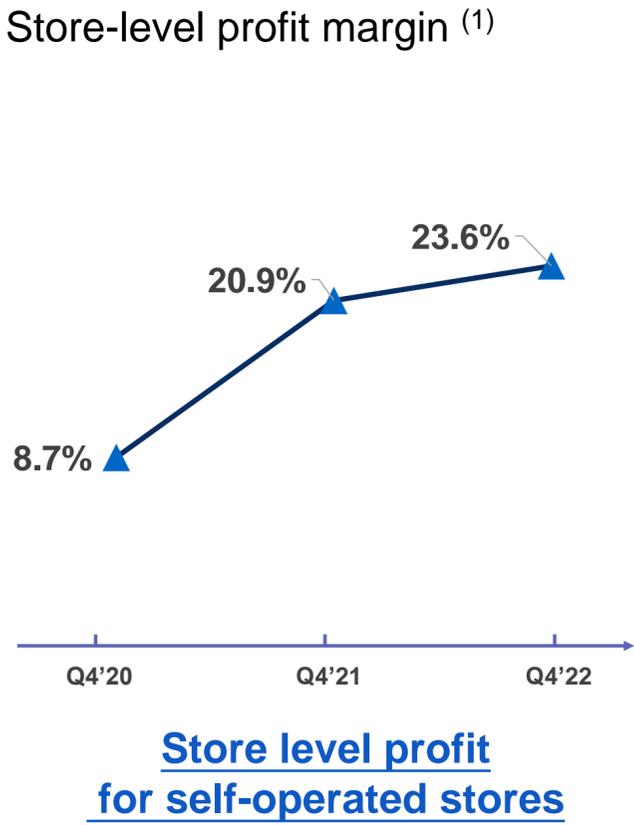


**Partnership  
Stores**

Total stores at end of the quarter	1,627	1,905	2,227	2,473	2,562
Net new store openings	+162	+278	+322	+246	+89
Total cities covered at end of the quarter	220	220	231	232	232

# Continued improvement in our profitability profile, despite significant challenges provided by COVID situation in the fourth quarter

Operating margin in the fourth quarter was 8.5% and reached 8.7% for the full year of 2022



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<sup>(1)</sup>



RMB  
**3,578** million

## Cash flow from operating activities

RMB  
**48**  
million

*As reported*

Adjusted for  
RMB122 million  
payment to  
equity litigants<sup>(2)</sup>

RMB  
**170**  
million

## Interest-bearing debt



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

## Change in cash

RMB  
**(403)**  
million

Adjusted for  
RMB122 million  
payment to  
equity litigants<sup>(2)</sup>

RMB  
**(281)**  
million

Notes

(1) Includes restricted cash.

(2) Payment to equity litigants of RMB121.5 million in Q4 2022



# Q&A