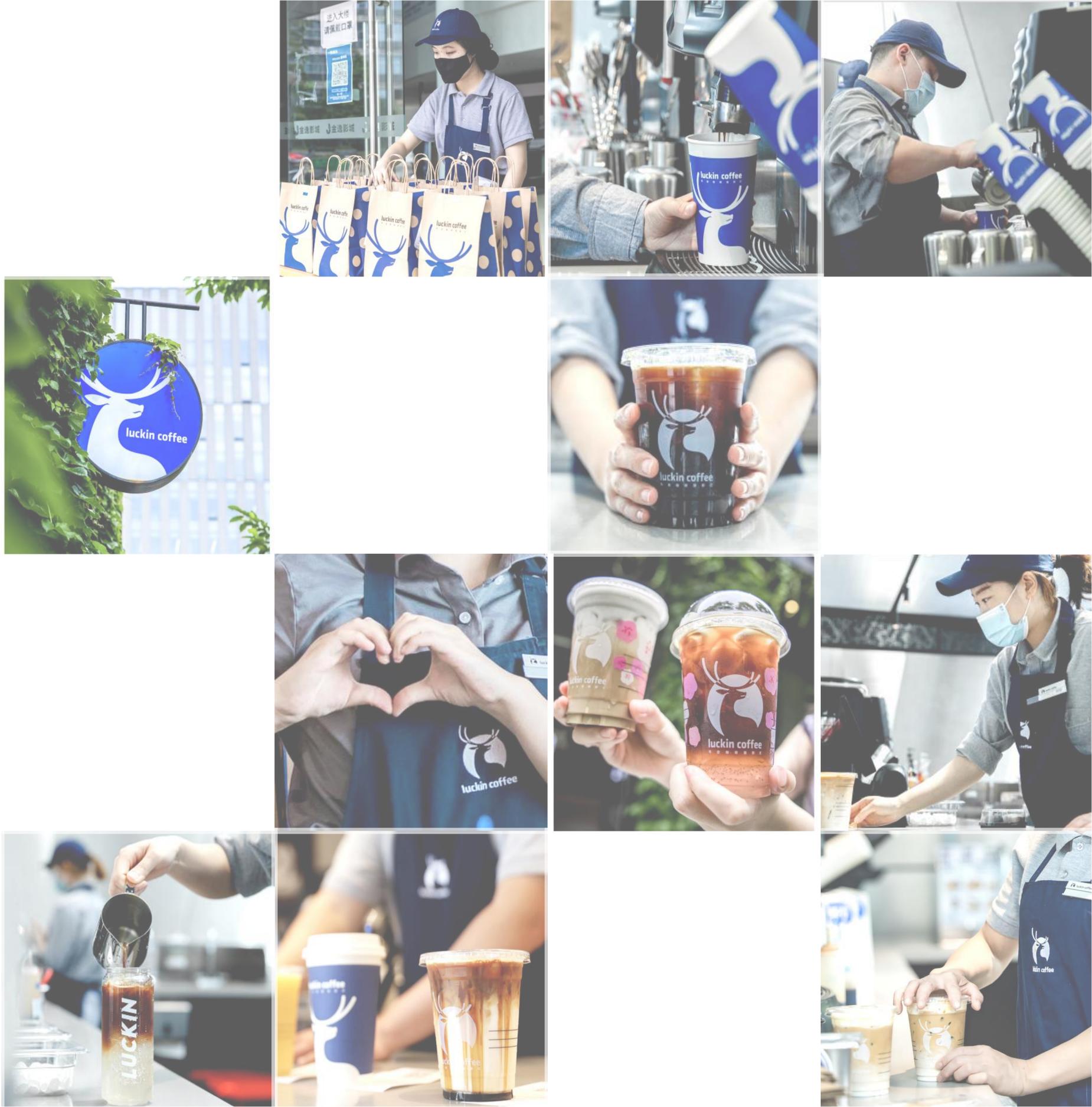




# LKNCY 2022Q2 Earnings Presentation

August 8, 2022



# 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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1

**BUSINESS  
UPDATE**

2

**FINANCIAL  
HIGHLIGHTS**



# 1 BUSINESS UPDATE

# Solidified management team under an enhanced organizational structure



**Jinyi GUO**

Chairman &  
Chief Executive Officer



**Reinout SCHAKEL**

Chief Strategy Officer



**Wenbao CAO**

Director & SVP



**Shan JIANG**

SVP



**Fei YANG**

Chief Growth Officer



**Weiming ZHOU**

SVP



**Gang WU**

SVP



**Jing AN**

Chief Financial Officer

# Continued strong performance despite COVID headwinds

Total net revenue

**RMB3,299 million**

**+72.4% YoY increase**

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

**20.7 million**

**+68.6% YoY increase**

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

**41.2%**

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

**30.6%**

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

**RMB712 million**

GAAP Operating income

**7.3%**

operating income margin

**RMB242 million**

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

**7,195 stores**

**+615 net new store opening<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 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.

(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, 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

(5) The number of stores open at the ending 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.

# Established sustainable development committee dedicated to sustainable growth



**Go Big !**  
**Do Good !**  
**All Together !**



# Breakthroughs in technology to further enhance business operations



## Hybrid MultiCloud

- IT infrastructure milestone
- Officially launched in June
- Capacity improvement
  - ~ support 5-10 mn orders/day
- Cost effective



## Block Chain

- Data reliability
- Pioneer in Block Chain X Fin
- Data verification
- Finance & IC enhancement

# Strong performance during pandemic-related headwinds due to our unique business model

Popular among younger generation

*People*



Integrated supply chain & hit products

*Products*



*Places*



Store-mix & business model

# Strengthened our brand awareness supported by successful new product launches

**年轻!** LIVIN' YOUNG  
**就要瑞幸** LUCKIN ON

- **Professionalism**
- **Youth**
- **Fashion**
- **Wellness**



New transacting customers in Q2

**10+ million**

Official account followers

**30+ million**

# Product strategy: continue to focus on professionalism and good flavors



## Successful products



Coconut cloud latte **HOT**



## LK roasting facilities



1<sup>st</sup> Roastery @  
**Pingnan**

2<sup>nd</sup> Roastery @

**Kunshan**



# Extensive nationwide footprint provides us with significant competitive advantages

 **7,195 Stores**



**Self-operated stores:**

**4,968** stores in **59** cities

**Partnership stores:**

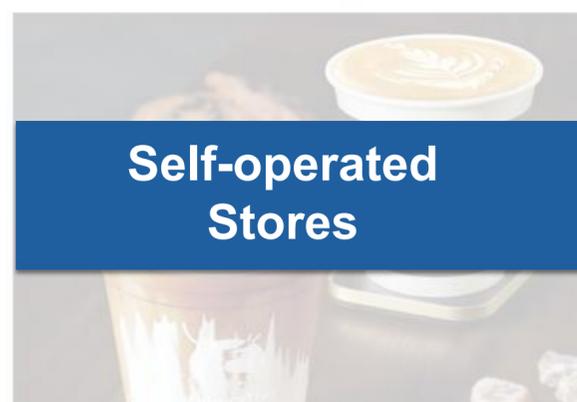
**2,227** stores in **231** cities



# 2

## FINANCIAL HIGHLIGHTS

# Another quarter of strong results: Over 70% growth in net revenues and continued improvement in profitability profile, despite pandemic-related headwinds



	Q2 '20	Q2 '21	Q2 '22
<b>Total stores at end of quarter <sup>(1)</sup></b>	5,091	5,259	7,195
<b>Net new stores #</b>	79	308	615
<b># Average monthly transacting customers ('000) <sup>(2)</sup></b>	8,945	12,285	20,712
<b>Revenue (RMB million)</b>	979	1,914	3,299
<b>Revenue growth (%)</b>	49.9%	95.4%	72.4%
<b>Operating profit (RMB million)</b>	(762)	(48)	242
<b>Revenue - self-operated stores (RMB million)</b>	843	1,529	2,331
<b>Revenue growth (%)</b>	37.3%	81.4%	52.4%
<b>Same-store sales growth (%) <sup>(3)</sup></b>	(6.8)%	71.8%	41.2%
<b>Store level profit margin <sup>(4)</sup></b>	(18.6)%	23.1%	30.6%
<b>Revenue - partnership stores (RMB million)</b>	76	279	778
<b>Revenue growth (%)</b>	n.a.	268.9%	178.4%

**Notes:**

(1) The number of stores open at the ending 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).

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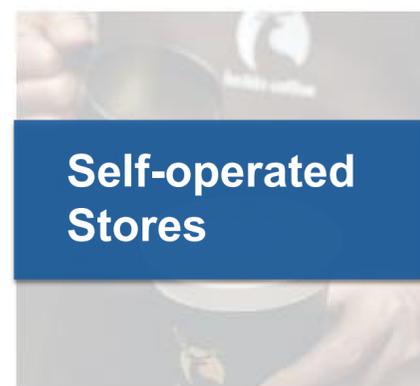
# Accelerated store growth: opened 615 net new stores and entered 14 new lower-tier cities during the second quarter

## 615

Q2 '22 Unit Growth

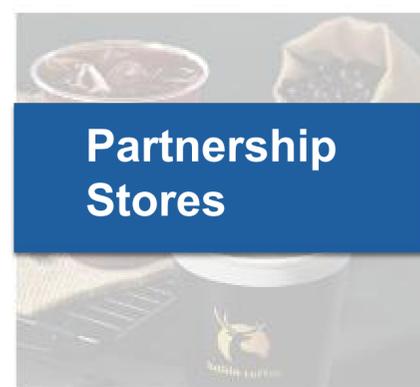
## 7,195

Total # of stores as of 30 June 2022



**Self-operated  
Stores**

	Q2 '21	Q3 '21	Q4 '21	Q1 '21	Q2 '22
Total stores at end of the quarter	4,018	4,206	4,397	4,675	4,968
Net new openings	+79	+188	+191	+278	+293
Total cities at end of the quarter	56	56	56	56	59

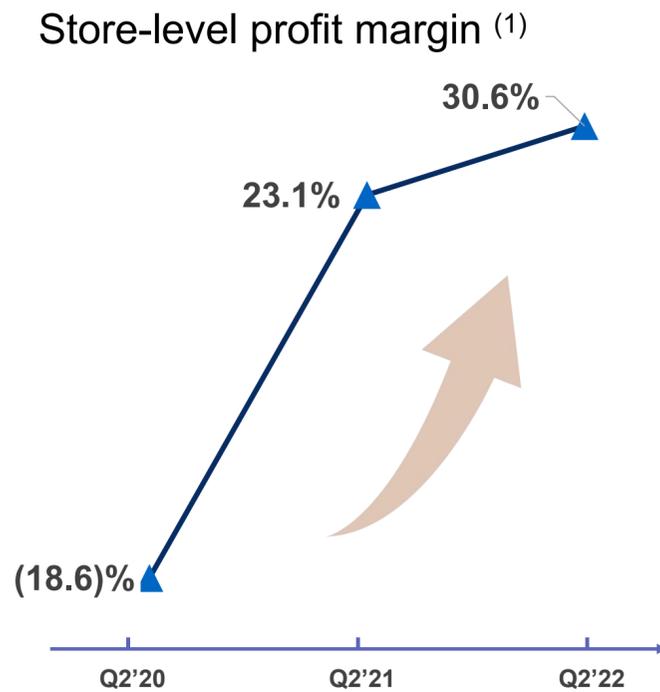


**Partnership  
Stores**

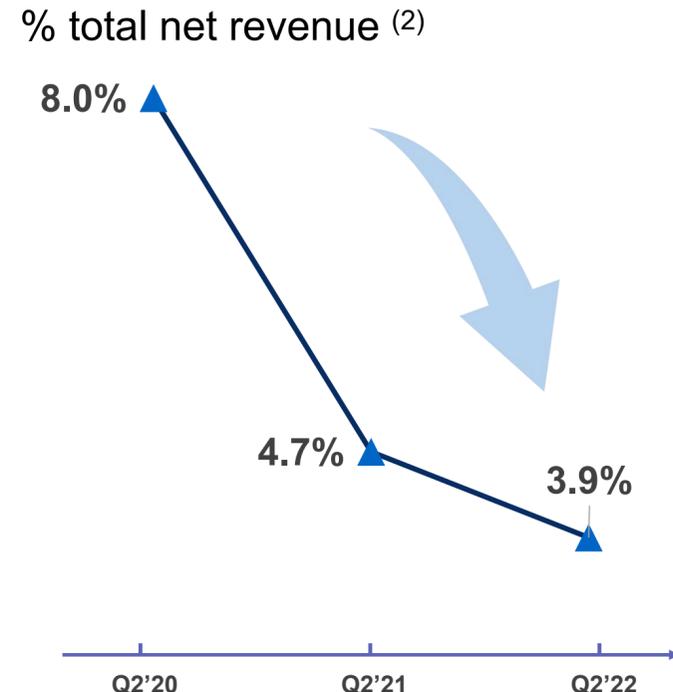
Total stores at end of the quarter	1,241	1,465	1,627	1,905	2,227
Net new openings	+229	+224	+162	+278	+322
Total cities at end of the quarter	213	218	220	220	231

# Continued improvement in our profitability profile

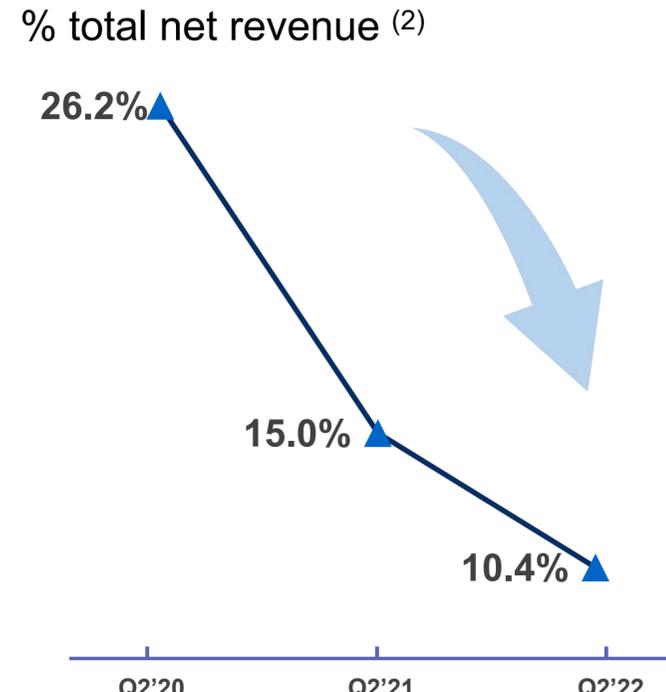
Reached operating profit margin of 7.3% in Q2, a material improvement YoY



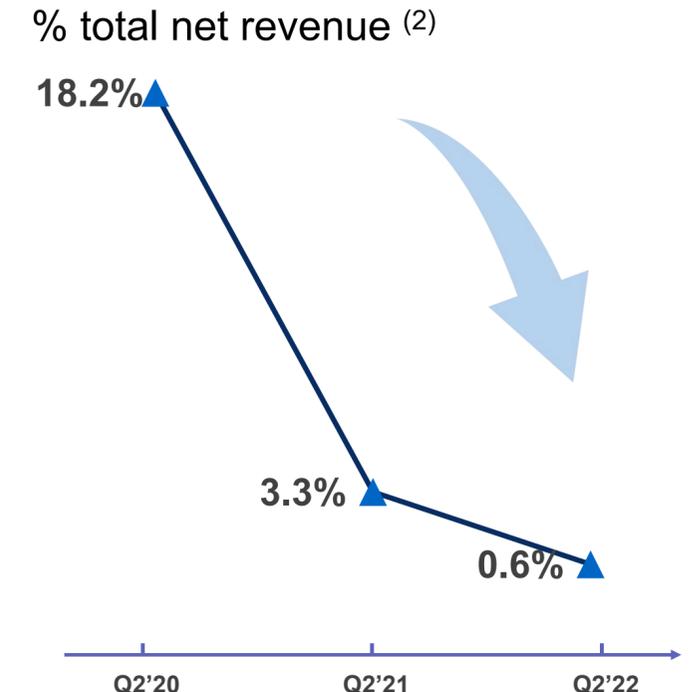
**Store level profit for self-operated stores**



**Sales & marketing expenses (excl. Free cup)**



**General & administrative expenses**



**Restructuring-related expenses**



***RMB 221.8 mn impairment loss of Luckin Express machines was booked in Q2 2022.***

Notes:

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(2) As a percentage of net revenue.

# Balance sheet, liquidity and cash generation

## Cash and cash equivalents<sup>(1)</sup>



RMB  
**4,474** million

## Cash flow from operating activities

RMB  
**(553)**  
million

*As reported*

Adjusted for  
USD175 million  
settlement payment<sup>(2)</sup>

RMB  
**619**  
million

+70.7% YoY  
increase

## Interest-bearing debt



USD  
**109.9** million

## Free cashflow

RMB  
**(548)**  
million

Adjusted for  
USD175 million  
settlement payment<sup>(2)</sup>

RMB  
**625**  
million

+136.8% YoY  
increase

### Notes

(1) Includes restricted cash and liquid investments. Investments do not include TRUSTs that were subsequently impaired.

(2) The USD175 million settlement payment for the federal class settlement, which company has funded into an escrow account prior to June 30, 2022.



# Q&A