



Luckin Coffee, Inc.
Q1 2024 Earnings Conference Call
Transcript

Tuesday, April 30, 2024 / 8:00 AM ET.

PARTICIPANTS

Jinyi Guo *Chairman and CEO, Luckin Coffee*

Jing An *CFO, Luckin Coffee*

Alicia Guo *Investor Relations Director, Luckin Coffee*

PRESENTATION

Operator

Ladies and gentlemen, welcome to Luckin Coffee's first quarter 2024 earnings conference call. All participants will be in listen-only mode during management's prepared remarks, and there will be a question-and-answer session to follow. Today's conference is being recorded.

At this time, I would like to turn the call over to Ms. Alicia Guo, the head of Investor Relations of Luckin Coffee, for prepared remarks and introductions. Please go ahead, Alicia.

Alicia Guo

Investor Relations Director, Luckin Coffee

Hello, everyone, and thank you for joining us on today's call. Luckin Coffee announced its first quarter 2024 financial results earlier today.

Today, you will hear from Dr. Guo Jinyi, Chairman and CEO of Luckin Coffee and Ms. AN Jing, CFO of Luckin Coffee. After the Company's prepared remarks, the management team will conduct a question-and-answer session based on questions submitted via the Company's webcast.

We will be referring to a slide presentation on today's call, which can be found via a conference call webcast link as well as on the Company's IR website. The IR website link is investor.lkcoffee.com.

During today's call, the Company will be making some forward-looking statements regarding future events and results. Statements that are not historical facts, including but not limited to statements about the Company's beliefs and expectations are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. Further information regarding these and other risks is included in the company's filings with the SEC.

With respect to any non-GAAP measures discussed during the call today, the accompanying reconciliation information related to those measures can be found in the earnings press release issued earlier today.

During today's call, Dr. Guo will speak in Chinese, and his comments will be translated into English. Now I would like to turn the call over to Dr. Guo Jinyi, Chairman and CEO of Luckin Coffee. Dr. Guo, please go ahead.

Jinyi Guo

Chairman and CEO, Luckin Coffee

(Translated) Hello everyone, welcome to today's earnings conference call, and thank you for continuing to support Luckin Coffee. I am Luckin Coffee's Chairman and CEO, Guo Jinyi.

大家好，欢迎参加今天的业绩沟通会，感谢各位对瑞幸咖啡的持续关注与支持。我是瑞幸咖啡的董事长兼 CEO，郭谨一。

This quarter, despite a market landscape filled with both opportunities and challenges, Luckin Coffee continued to achieve rapid revenue growth and reached a new record high in our total number of stores. This was made possible by leveraging our unique business model, continuous product innovation, and scale advantages. However, as industry competition intensifies and macroeconomic conditions fluctuate, we have experienced a slight dip in profits. Adjusting to the current market environment, Luckin Coffee has quickly recalibrated its approach and solidified a resilient, sustainable expansion strategy so as to lay a solid foundation for the company's sustainable growth.

本季度，面对机遇与挑战并存的市场环境，瑞幸咖啡依然凭借先进的商业模式、层出不穷的产品创新及规模优势，实现了收入高速增长，门店数量再创新高。然而，随着行业竞争日趋激烈以及宏观环境的波动，利润有所回落。面对多变的市场环境，公司适时调整并确立了稳健可持续的拓展策略，使公司的基本盘更加稳定和平衡。

Meanwhile, Luckin Coffee continues to reward its customers by offering promotions like the "Ten thousandth store celebration event", ensuring more people can enjoy high-quality coffee at affordable prices. With the rapid expansion of our stores, we've achieved a new historic high in cumulative transacting customers. We'll continue to maintain a steady progress moving forward based on our established strategy. While continuing to reward our customers, we'll also focus on expanding our market share and consistently providing consumers with high-quality, affordable, and convenient coffee offerings. Through these efforts, we aim to drive continuous development of the Chinese coffee market.

同时，瑞幸持续回馈消费者，通过“万店同庆”等优惠活动，让更多的消费者以更优惠的价格享受到了高品质咖啡。随着门店的迅速扩张，我们的累计交易用户数再创历史新高。未来，我们还将按照既定战略稳步推进，在回馈客户的同时继续扩大市场份额，持续为消费者带来高品质、高便利性、高性价比的优质咖啡，推动中国咖啡市场持续向前发展。

Looking further into our numbers, we experienced robust year-over-year growth in revenue for the first quarter. However, profits saw a slight decline due to factors such as seasonality and rising competition within the industry. Our total net revenue reached RMB6.28 billion, representing a year-over-year growth of 41.5%. Operating profit stood at negative RMB65.1 million, with an operating profit margin of -1.0%. Self-operated store operating profit was RMB320.8 million, with a self-operated store operating profit margin of 7.0%. In the first quarter, the total number of net new stores opened was 2,342, and the number of monthly average transacting customers was 59.91 million.

具体来看，一季度收入同比增长强劲。但受季节性以及激烈的行业竞争等因素影响，利润有所回落。其中，总净收入 62.8 亿元，同比增长 41.5%；营业利润-6,511 万元，营业利润率-1.0%。自营门店利润 3.2 亿元，自营门店利润率 7.0%；一季度总净增门店数为 2,342 家；月均交易客户数 5,991 万。

Our CFO AN Jing will share further financial details later on this call.

更详细的财务数据，稍后我们的 CFO 安静会和大家进行分享。

In the first quarter, Luckin Coffee added 2,342 new stores, bringing our total number of stores to 18,590. Among these stores, there are 12,199 self-operated stores and 6,391 partnership stores. We continue to lead the market, expanding our comparative advantage over competing brands. As competition intensifies in the Chinese coffee market, we will remain vigilant in addressing customer needs and adhering to a prudent and sustainable store expansion strategy. While we plan to increase our number of stores in high-tier cities, we will also accelerate expansion into lower-tier cities through our partnership model. Based on our analysis, we observed surging consumer purchasing power in lower-tier cities during Chinese New Year, and the emergence of these holiday consumption patterns highlights the immense growth potential of the coffee market in these cities. This further corroborates the direction of Luckin Coffee's development strategy.

一季度，瑞幸咖啡净增 2,342 家门店，总门店数达到 18,590 家，其中自营门店 12,199 家，联营门店 6,391 家。我们持续领先市场，扩大了与竞争品牌的相对优势。随着中国咖啡市场竞争加剧，我们会持续关注客户需求，践行稳健及可持续的开店策略，在加密高线城市门店数量的同时，通过联营模式加速拓展下沉市场。根据观察，春节期间下沉市场购买力凸显，假日消费形态的出现，证明了咖啡市场发展的广阔空间，也进一步证明了瑞幸发展战略的前瞻性。

At the end of March, Luckin Coffee officially opened its “Four Seasons and Eight Solar Terms” theme store in Shenzhen in partnership with Kweichow Moutai. The Jiangxiang Flavored Latte, a collaboration between Luckin Coffee and Kweichow Moutai, has become a favorite among the younger generation, and the customer base of this product has surpassed 25 million. As leading brands in the Chinese coffee and Baijiu sectors,

respectively, Luckin Coffee and Kweichow Moutai are united by their commitment to high quality, further strengthening their long-term strategic partnership.

3 月底，瑞幸咖啡与贵州茅台合作的“四时八节”主题店在深圳正式开业。瑞幸咖啡与贵州茅台合作推出的酱香拿铁深受年轻一代消费者喜爱，目前用户已突破 2,500 万。作为中国咖啡和白酒领域的领军品牌，瑞幸咖啡与贵州茅台持续以高品质为纽带，推动长期战略合作关系进一步的深入发展。

In terms of our product offerings, Luckin Coffee launched 22 new products in the first quarter, including the Chu's Orange Latte, Pear Flavored Velvet Latte, and new Gesha series. Among them, the Pear Flavored Velvet Latte sold more than 7.24 million cups in its first week alone. Consumers have also widely praised Luckin Coffee's classic products. In April, marking the third anniversary since the launch of our Coconut Milk Latte, total sales of this product surpassed 700 million cups. The Orange Americano also reached annual sales exceeding 100 million cups. Going forward, we will continue to uphold product innovation, consistently providing customers with high-quality products and a more satisfying consumption experience.

产品方面，一季度，瑞幸咖啡上新了 22 款新产品，推出了褚橙拿铁、小白梨拿铁、瑰夏系列等新品。其中，小白梨拿铁首周销量突破 724 万杯。瑞幸经典产品也广受消费者的好评，今年 4 月，生椰拿铁推出三周年之际，单品销量突破 7 亿杯。橙 C 美式年销量也破亿杯。未来，我们将坚持产品创新，持续为客户提供高品质、更有获得感的消费体验。

Behind the rapid growth of our products lies the love and support of our consumers. In the first quarter, we had about 22.92 million new transacting customers. While continuously acquiring new customers, we also maintain our ongoing brand promotion efforts, continually deepening the popularization of coffee culture. This year, Luckin Coffee's team of professional bean hunters once again gathered to kick off the 2024 Global Bean Search Journey ("Odyssey to the God Shot") in Yunnan, embarking on a journey to uncover high-quality coffee beans. In April, we were pleased to announce that Luckin Coffee became the exclusive official coffee partner of the 2024 BADMINTON ASIA CHAMPIONSHIPS.

产品高速增长的背后，离不开消费者的喜爱与支持，本季度瑞幸新增交易用户数约 2,292 万。我们在新用户不断增长的同时也持续进行品牌推广，不断深化咖啡文化普及，今年，瑞幸咖啡的专业寻豆师团队再次集结，在云南开启 2024 全球寻豆计划，深入源头挖掘高品质咖啡豆。4 月，瑞幸咖啡成为亚洲羽毛球锦标赛官方咖啡独家合作伙伴。

Luckin Coffee remains proactively committed to China's "Carbon Peak and Neutrality Targets." As part of this effort, we are dedicated to incorporating the principles of low carbon and sustainability across all aspects of our raw material procurement, manufacturing processes, operational activities, and consumer interactions.

在可持续发展方面，为积极响应国家“碳达峰、碳中和”目标，我们会将低碳、可持续的理念融入原材料采购、生产、运营以及与消费者沟通的各个环节。

In March 2024, Luckin Coffee was proud to commence the trial operation of its first green coffee bean processing plant in Baoshan City, Yunnan Province. The Plant utilizes world-class technology in coffee cherry processing with an annual processing capacity of up to 5,000 tons. This plant enables Luckin Coffee to further optimize its high-quality supply chain, enhance the overall quality of Yunnan coffee beans and drive the scale, standardization, and sustainable growth of Yunnan's coffee industry. This new plant employs water-efficient coffee cherry processing production lines and achieves zero industrial wastewater discharge, resulting in a significant reduction of exhaust emissions during the drying process of coffee beans. Additionally, Luckin Coffee plans to establish a training center in our new location, providing training lessons related to coffee planting and processing-related knowledge for Luckin Coffee's employees and local farmers, teaching concepts relating to regenerative agriculture and sustainable production.

今年3月，瑞幸咖啡位于保山的首个鲜果处理加工厂正式进入试运营。该加工厂年鲜果处理量可达到5,000吨，处理加工技术在全球处于领先水平，助力瑞幸咖啡进一步优化完善高品质供应链，并推动云南咖啡产业的规模化、标准化和可持续健康发展。该处理工厂采用微水鲜果处理生产线，并推动实现工业污水零排放；在咖啡豆的干燥处理环节最大化地减少废气排放。工厂还将建设培训中心，面向企业员工以及当地咖农进行咖啡种植、加工等相关知识的培训，传递再生农业及可持续生产理念。

On April 20th, we officially commenced operations of the Luckin Coffee (Jiangsu) Roasting Plant in Kunshan, Jiangsu Province. The plant has received a total planned investment of \$120 million and has an annual roasting capacity of 30,000 tons. This plant stands as the largest coffee roasting plant in China's domestic coffee industry to date. Leveraging our industry knowledge and operational scale, our new site is deeply integrated with the coffee industry vertical supply chain, empowering industry-wide quality upgrades with new technology-driven productivity. These developments demonstrate Luckin Coffee's industry leadership in promoting high-quality sustainable development. The new roasting plant integrates green operational concepts throughout its production processes. For example, it employs sponge city design for rainwater recycling; utilizes solar photovoltaic power systems for electricity, makes use of eco-friendly low-energy air conditioning systems, and performs intelligent energy consumption monitoring to reduce factory energy consumption and enhance energy management. It also promotes dust-free exhaust emissions from production and reduces waste gas emissions.

4月20日，瑞幸咖啡（江苏）烘焙基地在苏州昆山正式投产。总投资1.2亿美元，年烘焙产能3万吨，是国内咖啡行业迄今已投产产能最大的单体咖啡烘焙基地，以智能化优势深度整合咖啡垂直供应链，以新质生产力赋能行业品质升级，引领行业高质量可持续发展的新趋势。该基地将绿色运营理念贯穿于各个生产关节：使用海绵城市设计，对雨水进行回

收利用；使用太阳能光伏发电系统供电、环保型低能耗空调系统以及能耗智能监控，降低工厂能源消耗，加强能源管理；推动生产尾气无尘排放，同时减少废气排放。

These are the key highlights of our performance in the first quarter. Next, I would like to invite our CFO AN Jing to present the financial data and commentary.

以上是一季度业绩的主要情况，下面，请 CFO 安静向大家介绍财务数据。

Jing An

CFO, Luckin Coffee

Thank you Jinyi. Good morning, afternoon, and evening everyone. Thank you for today's call. We appreciate your continued interest and support.

I'm Jing An, the CFO at Luckin Coffee, and I will share our first quarter of 2024 financial performance. Before we dive into our financial results, I'd like to extend a heartfelt thank you to our dedicated employees, loyal customers, and valued investors. Your ongoing support is instrumental to our success, and we remain committed to delivering value and innovation in the coffee industry. Now, I will take some time to highlight our 2024 first quarter results in detail.

Let's start with our financial highlights.

In the first quarter of 2024, the total net revenues for the quarter reached RMB6.3 billion, marking an increase of 41.5% compared to the same period last year. The growth was primarily driven by a surge in product sales, the expansion of our store network, and a substantial increase in monthly transacting customers.

Revenues from self-operated stores totaled RMB4.6 billion, reflecting a 45.8% increase from the first quarter of 2023. However, the same-store sales growth for self-operated stores stood at -20.3% compared to 29.6% of the same quarter last year. Additionally, our store level operating profit for self-operated stores stood at RMB320.8 million, with a store level operating profit margin of 7.0%. Furthermore, revenues from partnership stores contributed significantly, totaling RMB1.5 billion, representing a substantial 32.8% increase from the same quarter last year.

Operating loss for the quarter was RMB65.1 million, primarily due to increased operating expenses associated with our business expansion efforts.

Turning to our operational results, we are pleased to report a substantial increase in our store footprint. During the first quarter, we opened a total of 2,342 net new stores, including two new store openings in Singapore, bringing our global store count to 18,590. This includes 12,199 self-operated stores and 6,391 partnership stores.

By the end of the first quarter, our stores were operational in more than 315 cities throughout China, along with one overseas market. We view our expansion into additional

cities as a clear demonstration of our dedication to diversifying our geographical footprint and seizing fresh market opportunities.

In the first quarter, our average monthly transacting customers reached 59.9 million, representing a staggering 103.2% increase from the same quarter last year. This underscores the continued strength of our brand and the growing demand for our products and services across diverse markets. Despite facing certain challenges due to cold weather in the first quarter, we are optimistic in our steadfast business growth and the ongoing expansion of our operations. Nonetheless, our commitment to operational excellence and customer satisfaction remains unwavering as we navigate through these challenges and pursue strategic growth opportunities.

Next, I would like to delve into the details of our margin performance.

From a group level perspective, our reported overall operating loss for the first quarter of 2024 was RMB65.1 million, equating to an operating margin of -1.0%, a stark contrast to the positive 15.3% in the same period last year. Meanwhile, we observed a net profit margin of -1.3% this quarter, as opposed to the positive 12.7% in the same quarter of the previous year. This significant shift in our profitability was largely attributed to the reduced average selling price of our products amid our ongoing “RMB9.9 High-Quality Coffee” campaign, coupled with heightened store rental, labor, and material costs stemming from our rapid store expansion strategies. However, these impacts were partially mitigated by the advantages presented by economies of scale.

From a store level view, our store level profit margin of self-operated stores was 7.0% this quarter, compared to 25.2% in the same period last year. The primary cause for this downturn was the aforementioned reduction in the average selling price of our products.

The Company’s overall operating expenses surged by about 69% year-over-year, mainly due to our business expansion endeavors.

Our general and administrative (G&A) expenses, as a percentage of revenue, stabilized at 8.9% in the first quarter of 2024, marginally increasing from 8.1% in the same quarter of 2023. In absolute terms, our G&A expenses experienced a 54.2% increase year-over-year, driven by augmented payroll costs, R&D expenditures, office supplies, and the rise in share-based compensation from restricted share units and options granted to management and employees.

Store rental and other operating costs roughly doubled this quarter compared to the same period last year. This uptick correlates with expansion in the number of operational stores and volume of items sold this year, which resulted in the increase of payroll expenses, store rentals, utilities, and other operational costs.

Compared to the previous year, our sales and marketing expenses, as a percentage of revenue, increased from 4.5% to 5.2% and the absolute value of such expenses rose by roughly 63.4% year-over-year. This increase is reflective of our strategic investments in enhancing brand recognition, expanding product education outreach, and reinforcing our market position through diverse channels, thereby attracting new customers and retaining

current customers. Concurrently, commission fees paid to third-party delivery platforms saw a sustained increase to accommodate the increased number of delivery orders.

Loss and expenses related to the previously reported fabricated transactions and related restructuring were negative RMB52.5 million, as the Company was entitled to receive approximately US\$7.3 million (RMB52.7 million) from its primary D&O insurance carriers pursuant to an arbitration award in the first quarter of 2024.

Then, let's move on to balance sheet and cash flow statement.

Following our restructuring in 2022 and the settlement of the federal class action suit, we have fully redeemed the offshore notes. This has enabled us to sustain a robust balance sheet while unlocking flexibility to allocate excess financial capacity towards shareholder value.

As of March 31, 2024, our financial reserves, inclusive of cash, cash equivalents, restricted cash, and short-term investments, stood at approximately RMB2.4 billion. This represents a reduction from the RMB3.8 billion recorded at the close of 2023. This decrease was mainly attributable to the purchase of property and equipment and raw materials to meet the Company's rapid footprint expansion.

During the first quarter, we had net operating cash outflow of RMB264.4 million, compared to a net operating cash inflow of RMB1.1 billion in the same quarter of 2023. Our substantial cash reserves, coupled with a sound balance sheet, provide a solid foundation that enables us to navigate risks effectively and secure a competitive edge in this unpredictable market environment.

The modest start to our first quarter aligns with our internal projections, given our ongoing rapid expansion of store locations. The overall coffee market in China continues to exhibit robust growth, with the industry trending towards more sustainable levels. Despite anticipating continued volatility in market dynamics and competition, we remain confident in our brand, our products, and our dedicated employees. We are optimistic about our future growth as we are leading the industry with innovative and popular products and strategic promotional initiatives, all of which hold the promise of further propelling our business forward.

I will now turn it over to Jinyi for concluding remarks followed by Q&A.

Jinyi Guo

Chairman and CEO, Luckin Coffee

(Translated) China's coffee industry is currently at a pivotal phase, characterized by significant growth and strategic opportunities. Despite intense competition, Luckin Coffee, as a leading brand in the coffee market in China, is committed to expediting the expansion of our store network, enhancing our supply chain, fortifying our digital prowess, streamlining costs, and elevating efficiency. These concerted efforts are designed to

extend and cement our competitive lead, consolidate our market leading position and realize sustained, robust, and rapid growth over the long term.

目前，中国咖啡市场已进入高速发展的重要战略机遇期，面对激烈的行业竞争，瑞幸作为中国咖啡市场最大的连锁品牌，将通过不断加速门店网络布局、加大供应链布局投入、持续强化数字化优势，优化成本提升效率，进一步扩大和巩固领先优势，稳固市场领先地位，实现高速、健康、可持续的业绩增长。

We are steadfast in our commitment to drive business expansion and increase market share, ensuring enduring value for our customers, shareholders, and all other stakeholders. We also remain dedicated to social responsibility and the pursuit of sustainable practices. Our ongoing mission is to offer superior quality at more attractive prices, providing customers with coffee that is both “delicious and affordable”. With the vision of becoming a globally recognized coffee brand, we are making daily strides towards achieving our goal of becoming a globally renowned century-old brand with enduring prosperity.

未来，我们将持续关注业务增长和市场份额，为客户、股东及其他利益相关方提供长期价值。也会更加关注社会责任，践行可持续发展实践。我们希望用更优质的产品、优惠的价格，为大家提供“好喝不贵”的咖啡。我们的愿景是“创造世界级咖啡品牌”，也一直在向着成为一家基业长青的世界级百年品牌而努力。

QUESTIONS AND ANSWERS

Operator

Ladies and gentlemen, we will now begin the Q&A session. I will turn the call over to Alicia Guo at Luckin Coffee who will moderate today's Q&A session.

Alicia Guo

Investor Relations Director, Luckin Coffee

Thank you. Now, let's begin with the first question.

How does the Company view the significant drop in profit in the first quarter of 2024? Will there be any adjustments regarding the store-expansion strategy?

Jinyi Guo

Chairman and CEO, Luckin Coffee

(Translated) Thank you for your question. The profit drop in the first quarter of 2024 was attributable to a combination of objective factors and deliberate strategic adjustments. Objectively, the cold weather and considerable temperature variations in the previous quarter had a tangible impact on customer visits. Concurrently, the Chinese coffee industry is undergoing a period of rapid expansion, brimming with strategic opportunities, which has led to fierce competition. In light of these dynamics, our company has prioritized the market share as the core focus of our growth strategy and recalibrated the pace of our store expansion. This aggressive expansion strategy has allowed us to widen the gap with our competitors. The reorganization of our store portfolio has accentuated the seasonal nature of our stores, particularly those in malls and on street fronts. Nevertheless, the emergence of holiday shopping trends has contributed to a more stable foundation for the Company. With the onset of spring and warmer temperatures, we have seen an uptick in sales volumes, yet we continue to anticipate more challenges in the upcoming second quarter similar to our first quarter challenges.

感谢您的提问。一季度利润有所回落既受到客观因素的影响，也是主动调整的结果。客观方面，一季度受冬季寒潮及较大的温度波动导致客群出行受到影响。同时，中国咖啡行业正处在高速增长的战略机遇期，行业竞争也日益激烈。面对机遇与竞争，公司将市场占有率作为公司发展的核心目标，调整了开店节奏。通过迅速拓店，进一步拉开了我们和竞争对手的距离。由于门店结构调整，商场及街边店的季节性更强。但随着节假日消费形态的出现，公司的基本盘也更加平衡。目前，随着气温上升，整体杯量有所改善，但二季度业务依然面临诸多挑战。

In the current increasingly competitive landscape, Luckin Coffee, as the leader in the Chinese coffee market, is committed to a robust and sustainable store expansion strategy, while maintaining our high standards for new stores, guaranteeing the excellence of each establishment. We will continue to solidify our leading position in the industry through innovative products and customer-focused pricing strategies, as we persist in our pursuit of generating substantial long-term value.

在目前竞争加剧的环境下，瑞幸咖啡作为中国咖啡市场的领跑者，将会坚持稳健可持续的开店策略，坚守开店标准，保证开店质量。我们会通过持续的创新产品、回馈客户的定价策略，持续巩固市场领先地位，努力创造长期价值。

Alicia Guo

Investor Relations Director, Luckin Coffee

Thank you, Dr Guo. Let's move on to the next question.

Are there any updates to the Company's Capital Strategy?

Jinyi Guo

Chairman and CEO, Luckin Coffee

(Translated) As we have mentioned before, we will continue to monitor the U.S. capital markets but our current emphasis is on the execution of our business strategy, which centers on the enhancement of our operational and developmental pursuits. We have no specific timeline or schedule for up-listing on any main board market currently. Our current focus is on executing our strategic plan through the provision of superior products and services to our customers, with the objective of increasing our market penetration and ensuring consistent, long-term returns for our investors.

如我们此前的沟通，我们会持续关注美国资本市场，但是当前我们的首要任务还是践行公司的业务战略、聚焦发展，目前对于返回主板没有明确的时间表。当前，我们的首要任务依然是通过向客户提供卓越的产品和服务来践行公司战略，争取更高的市场份额，为公司股东提供可持续的长期价值。谢谢。

Alicia Guo

Investor Relations Director, Luckin Coffee

Thank you, Dr. Guo, Ms. An. That is all the time we have for today's earnings conference call. We thank you for your participation on today's call. We look forward to providing you with regular business updates and look forward to speaking with you again next quarter.

Operator

This concludes our call today. You may now disconnect.

[END OF TRANSCRIPT]