

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 loss, non-GAAP net loss, non-GAAP basic and diluted net loss per ADS. 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. These statements are made under the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as “will,” “expects,” “anticipates,” “future,” “intends,” “plans,” “believes,” “estimates,” “potential,” “continue,” “ongoing,” “targets,” “guidance” and similar statements. Among other things, statements that are not historical facts, including statements about Luckin’s strategies and business plans, Luckin’s beliefs, expectations and guidance regarding the growth of its business and its revenue, the business outlook and quotations from management in this presentation, as well as Luckin’s strategic and operational plans, are or contain forward-looking statements. Luckin may also make forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission (the “SEC”), in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. 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: Luckin’s expected revenue growth; Luckin’s goals and strategies; Luckin’s future business development; Luckin’s ability to maintain the its reputation and brand; risks associated with increased investments in Luckin’s business and new business initiatives; risks associated with strategic acquisitions and investments; Luckin’s ability to retain or increase engagement of customers; Luckin’s ability to maintain or grow its revenue or business; changes in laws, regulations and regulatory environment that affect Luckin’s business operations; privacy and regulatory concerns; competition; security breaches; the continued growth of the coffee market in China and globally; risks associated with the performance of our business partners; and fluctuations in general economic and business conditions in China and globally and assumptions underlying or related to any of the foregoing. Further information regarding these and other risks is included in Luckin’s filings with the SEC. All information provided in this results announcement is as of the date of this results announcement and are based on assumptions that we believe to be reasonable as of this date, and Luckin does not undertake any obligation to update any forward-looking statement, except as required under applicable law.

Agenda

Business Overview

Jenny Zhiya Qian
Co-Founder and Chief Executive Officer

Financial Results Overview

Reinout Schakel
Chief Financial Officer & Chief Strategy Officer

Business Overview

Q2 Earnings Highlights: strong performance across key metrics



Financial Metrics

Total net revenue from products⁽¹⁾

RMB870.0mn

+698.4% YoY increase

Store level operating loss⁽²⁾

RMB(55.8)mn

(6.4)% store level loss margin⁽³⁾



Operational Metrics

Store footprint

2,963 stores⁽⁴⁾

+593 net new stores QoQ

Cumulative transacting customers⁽⁵⁾

~22.8mn

+5.9mn new customers QoQ

Average monthly total items sold⁽⁶⁾

~27.6mn items

+589.7% YoY increase

Average monthly transacting customers⁽⁷⁾

~6.2mn

+410.6% YoY increase

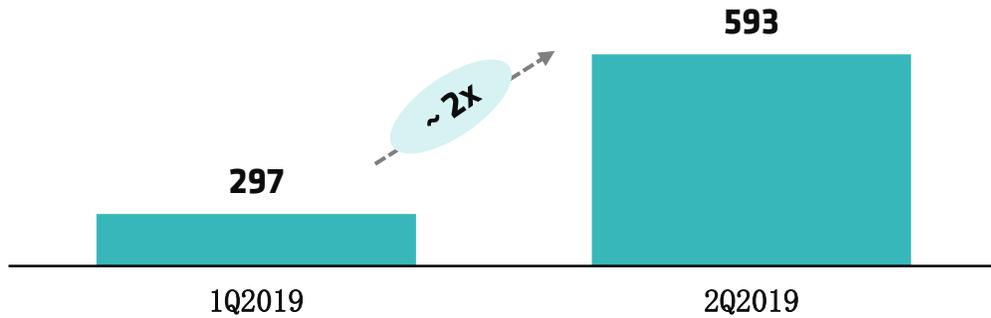
Notes:

- (1) Calculated as the sum of net revenues from freshly brewed drinks and net revenues from other products
- (2) Calculated by deducting cost of materials, store rental & other operating costs and depreciation expenses from net revenues from freshly brewed drinks and from other products
- (3) Calculated by dividing store level operating loss by total net revenue from products
- (4) Number of stores as of June 30th, 2019
- (5) Number of cumulative transacting customers refers to the total number of transacting customers since our inception
- (6) Calculated by dividing the total number of items sold during the quarter by three
- (7) The number of average monthly transacting customers in the three months during the quarter

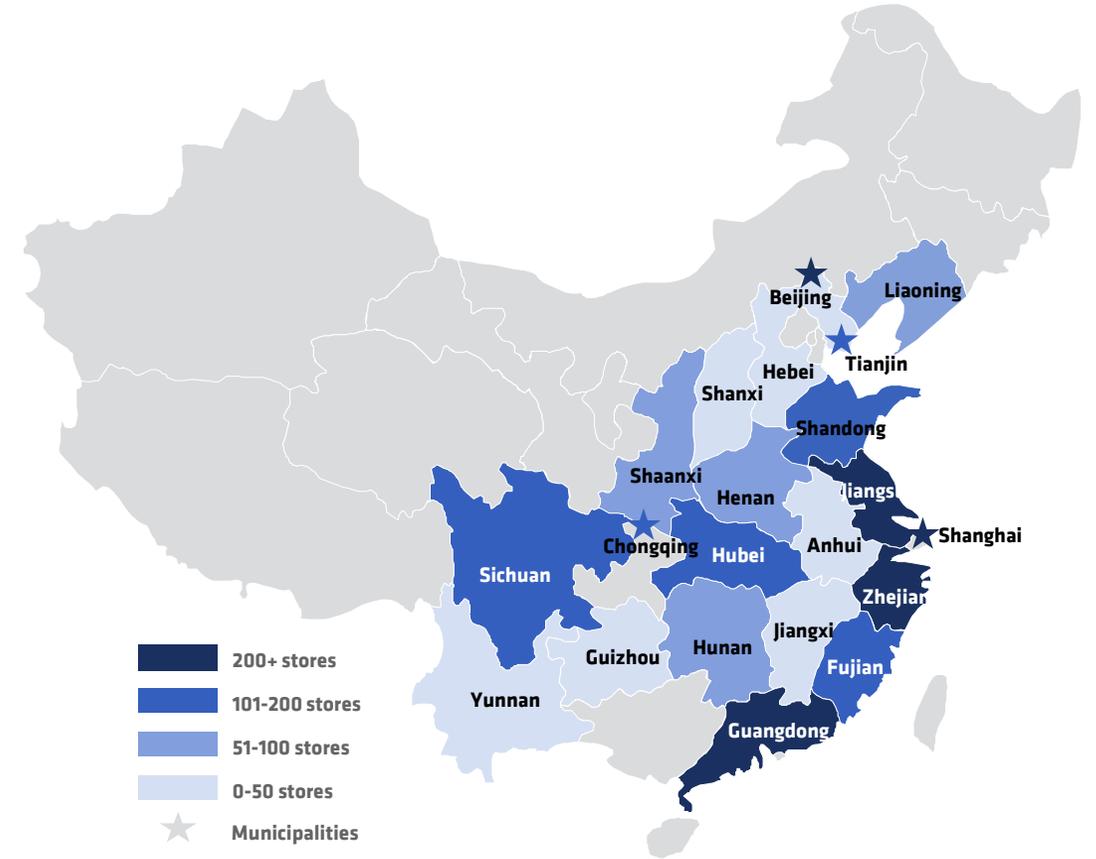
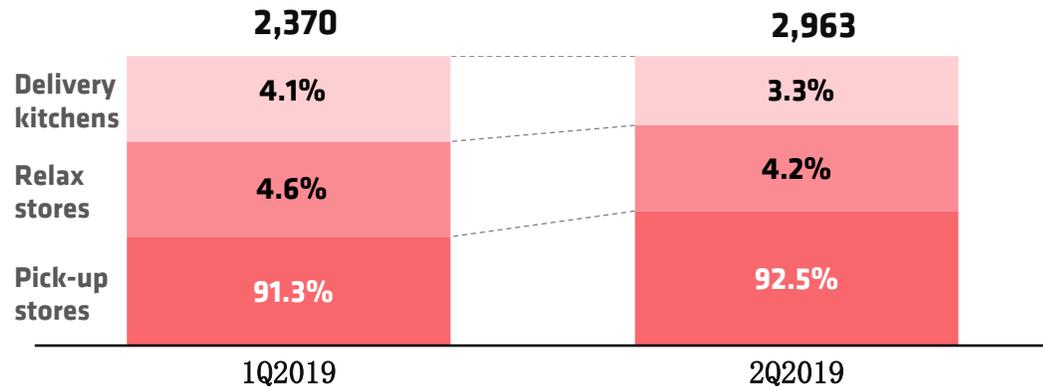
On track to become #1 coffee network in China by the end of 2019

Net new store openings

Increased by ~ 100% QoQ



Strategic focus on pick-up stores



+12 New cities⁽¹⁾

+5 New provinces⁽¹⁾

Note:
(1) Since March 31st, 2019

Strong brand identity and awareness driving customer growth

Distinguished value propositions

1 《瑞幸咖啡宣言》
The Declaration of Luckin coffee

“好的咖啡
其实不贵”
国外街头饮品，何必非要卖成国内的奢侈品。

2 《瑞幸咖啡宣言》
The Declaration of Luckin coffee

“你喝的是咖啡
还是咖啡馆？”
我们不需要你为空间付费。

3 《瑞幸咖啡宣言》
The Declaration of Luckin coffee

“好咖啡的味道
喝久了你就会知道”
即使 IIAC 金奖豆^{*}，也无法一开始就取悦每个人。
* IIAC 国际咖啡品质大赛 (International Coffee Quality Institute)

4 《瑞幸咖啡宣言》
The Declaration of Luckin coffee

“喝咖啡
不太健康？”
你想多了！欧美日韩每人年均饮用300多杯^{*}。
* 数据来源：2018年世界咖啡消费量报告 (World Coffee Consumption Report)

5 《瑞幸咖啡宣言》
The Declaration of Luckin coffee

“中国人
没有喝咖啡的习惯？”
在瑞幸，89.6%都是回头客。

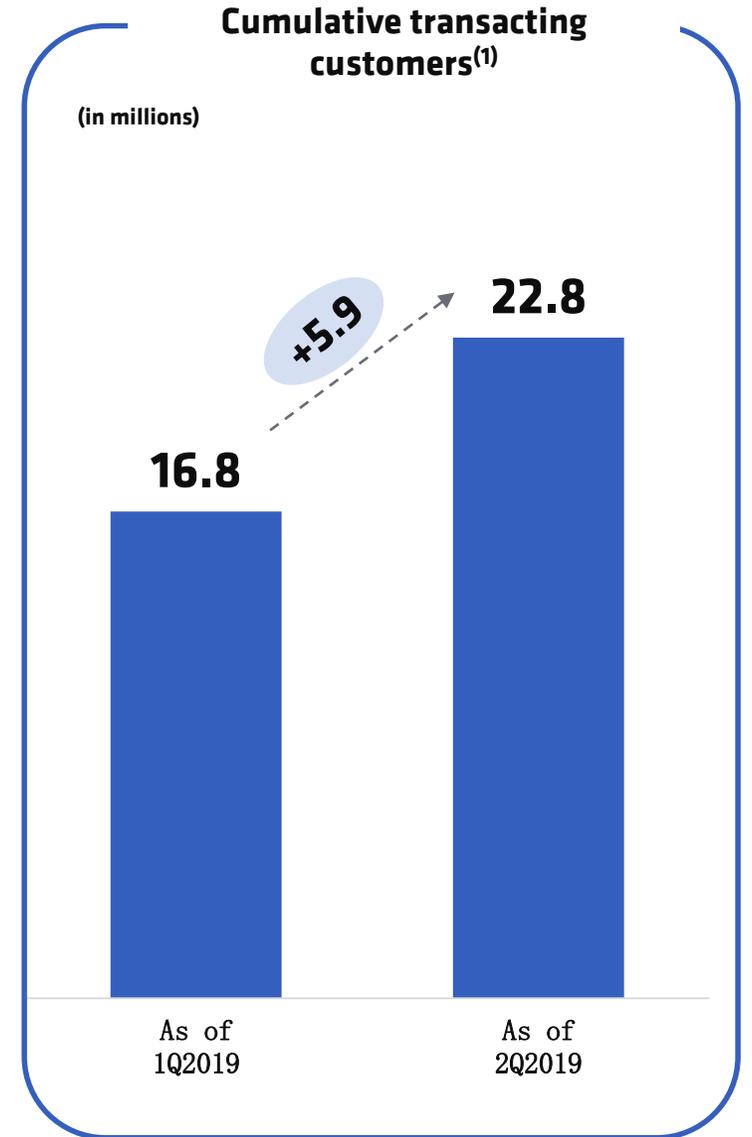
6 《瑞幸咖啡宣言》
The Declaration of Luckin coffee

“中国咖啡和美国咖啡比
差距在哪？”
差在自信。

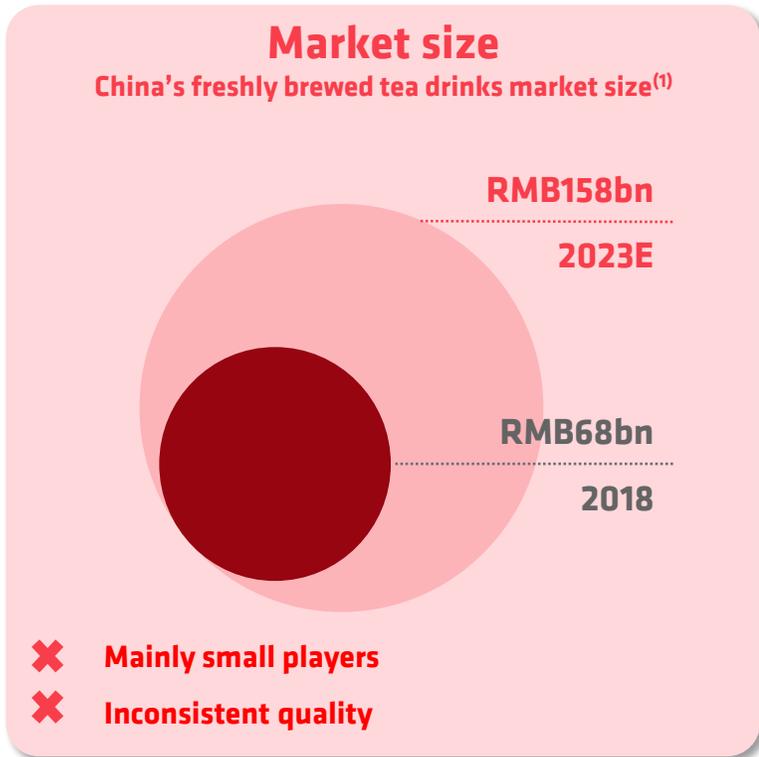
Increased awareness from IPO



Note:
(1) Number of cumulative transacting customers refers to the total number of transacting customers since our inception



Strategic new product launch - Luckin Tea (小鹿茶)



Luckin's Advantages

- ✓ Value proposition
- ✓ Store footprint
- ✓ Supply chain

Benefits to Luckin

- ✓ Higher customer retention
- ✓ Different consumption moments
- ✓ Higher per store revenue



11 products

3 categories

More coming soon...

Note:
(1) Market size represents the revenue from retail sales of freshly made tea drinks; source Frost & Sullivan

Continue to strengthen our supply chain

Luckin's Global Partner Conference (May 29th, 2019)



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瑞幸咖啡2019全球合作大会
暨全球咖啡产业发展论坛

Luckin coffee 2019 Global Partner Conference &
Coffee Industry Development Forum

2019.05.29 中国·厦门



1,000+ representatives from
top-tier suppliers across
the value chain

Selected "Partners of the Blue"

Raw Materials



Equipment



Logistics & Warehouse



Construction



Appliances



300+ Global
Blue Partners

Signed MoU with Americana as a first step to expand outside China



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Technology



Supply chain



Branding



Signed MoU with
Americana for Greater
Middle East and India

Local know-how



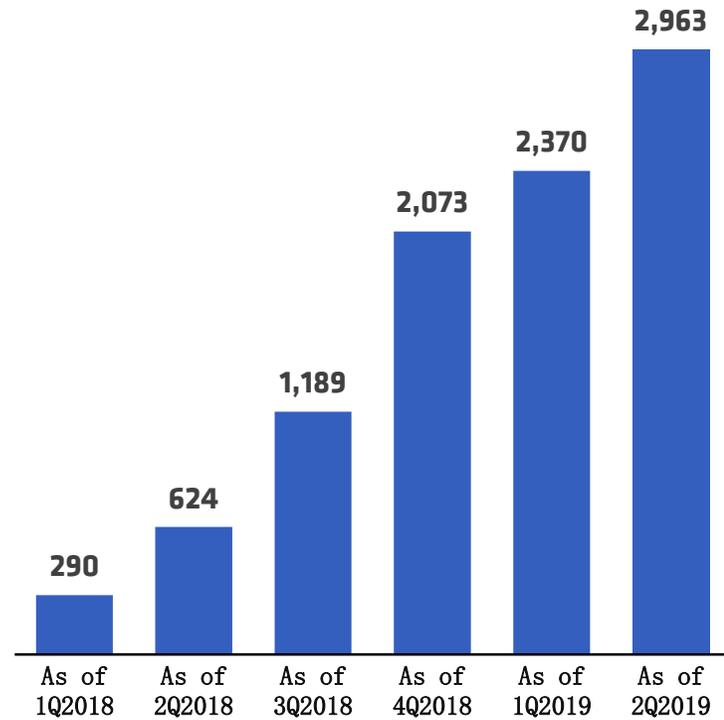
Local resources



Financial Results Overview

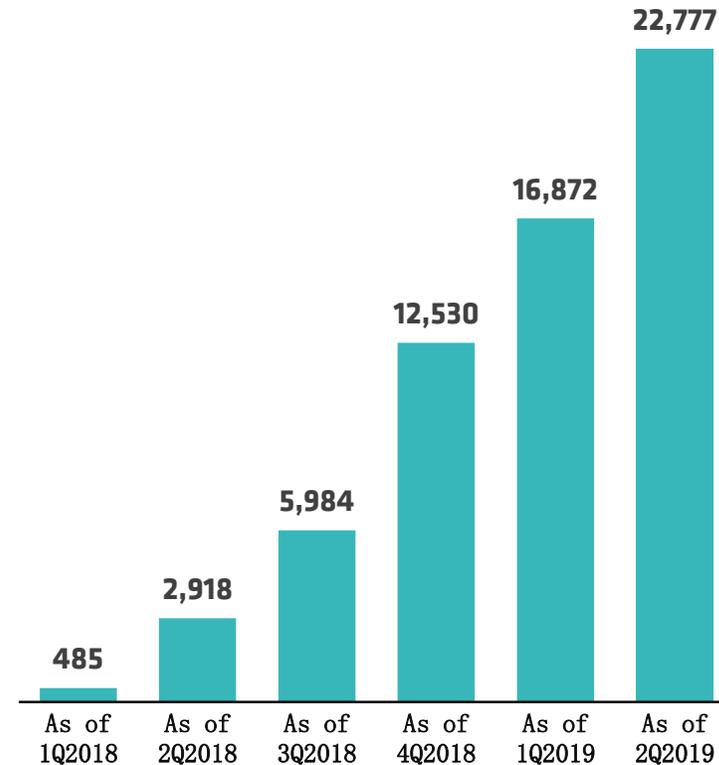
Strong growth resumed after seasonally low Q1 2019

Number of stores



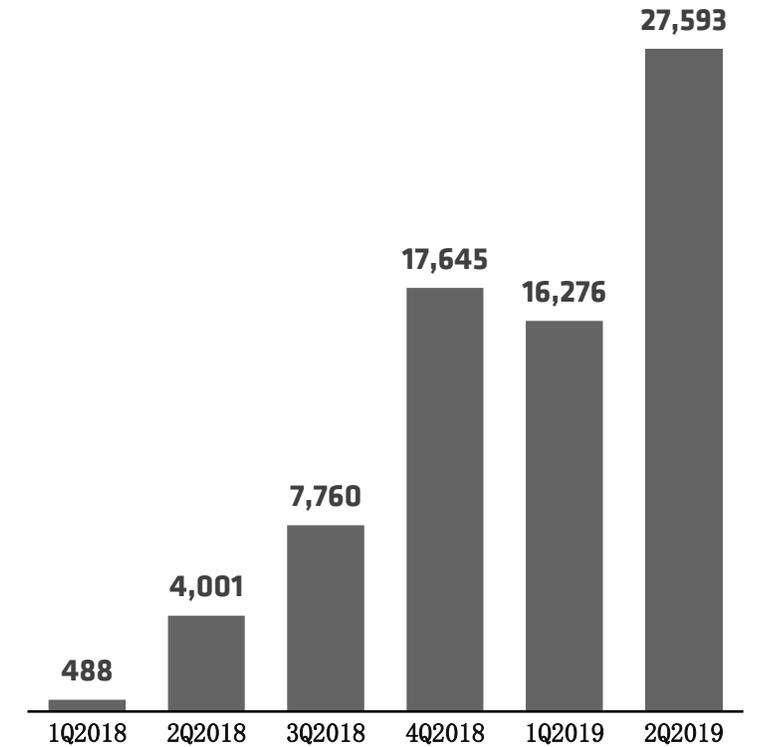
Cumulative number of transacting customers⁽¹⁾

(in thousands)



Average monthly items sold⁽²⁾

(in thousands)



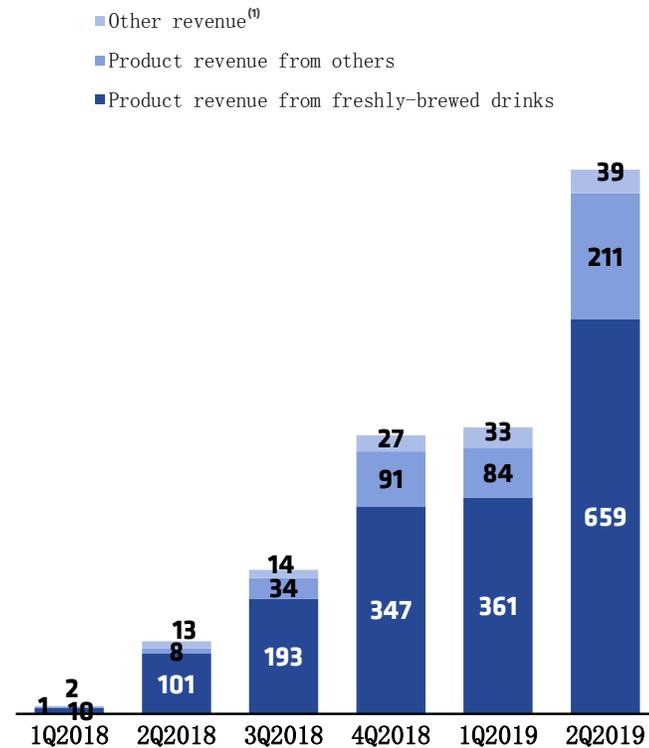
Notes:

- (1) Number of cumulative transacting customers refers to the total number of transacting customers since our inception
(2) Calculated by dividing the total number of items sold during the quarter by three

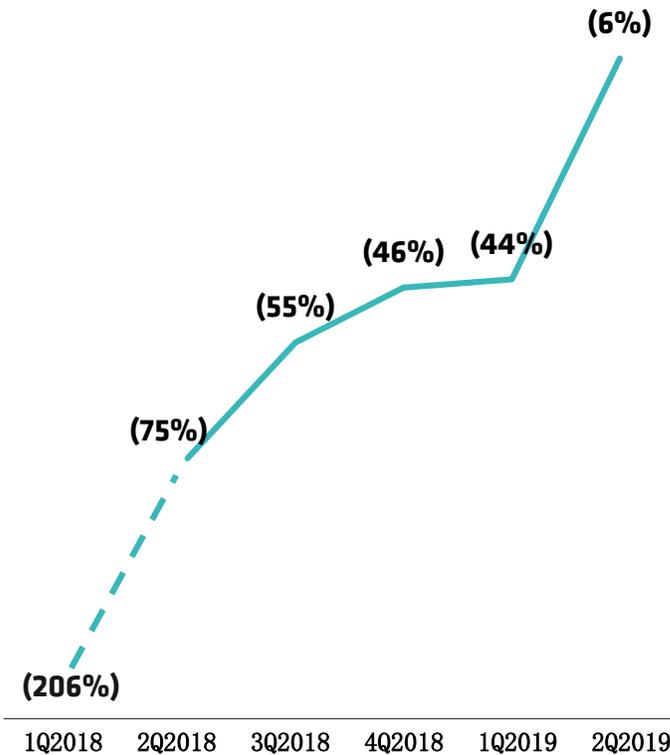
Rapid improvement in profitability and store level break-even within reach

Net revenues

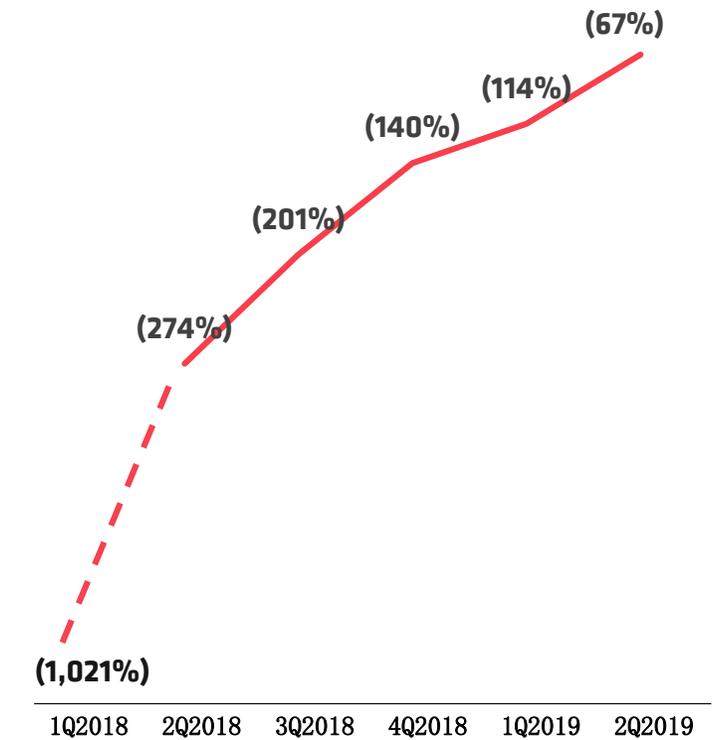
(RMB in millions)



Store level profit margin⁽²⁾



Non-GAAP net profit margin⁽³⁾



Notes:

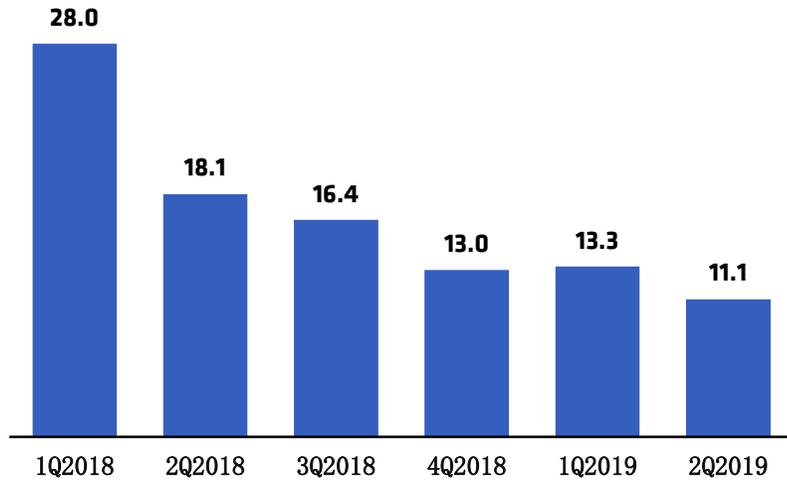
- (1) Mainly include delivery fees paid by customers
- (2) Calculated as (product sales revenues - cost of materials - store rental - other operating costs - depreciation expenses) / product sales revenues
- (3) Calculated as non-GAAP net loss (by adjusting net loss for non-cash share-based compensation and change in the fair value of warrant liability) divided by net revenues (including other revenue)

Further reduction in unit costs

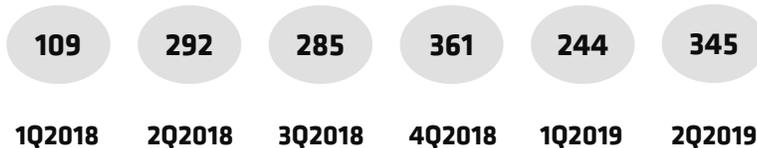
One cup costs – freshly brewed drinks

One cup costs⁽¹⁾

(RMB)



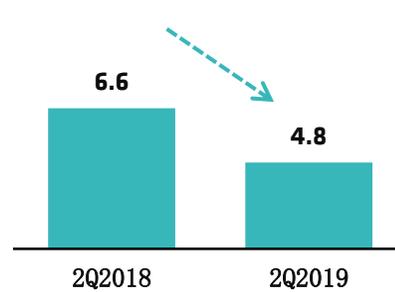
Number of items per store per day⁽²⁾



Cost breakdown

Cost of raw materials⁽³⁾

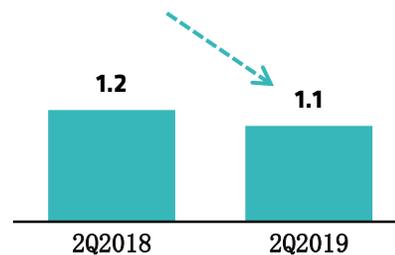
(RMB)



- ✓ Reduction of wastage
- ✓ Enhanced bargaining power

Depreciation⁽⁵⁾

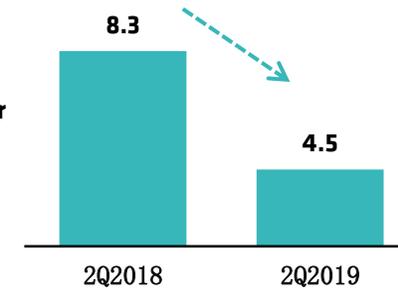
(RMB)



- ✓ More items sold per store per day

Store rental and operating expenses⁽⁴⁾

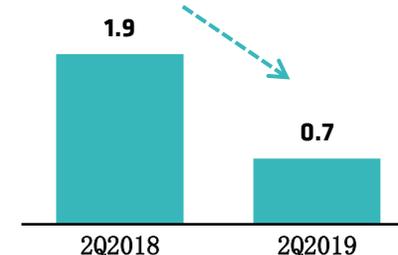
(RMB)



- ✓ Higher operating efficiency
- ✓ More items sold per store per day
- ✓ More efficient staff scheduling

Low value consumables, logistic, storage⁽⁶⁾

(RMB)



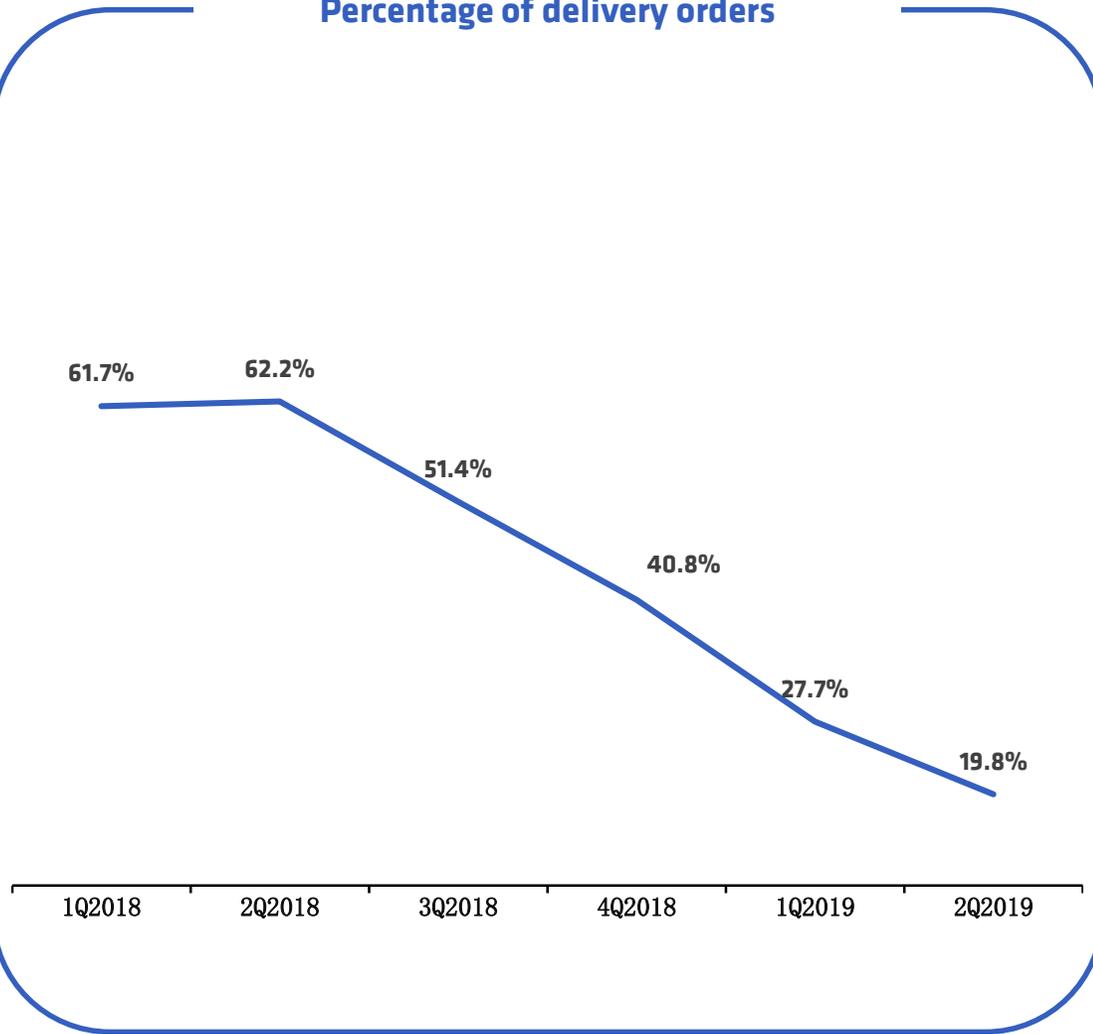
- ✓ Operating efficiency
- ✓ Economies of scale
- ✓ Enhanced bargaining power

Notes:

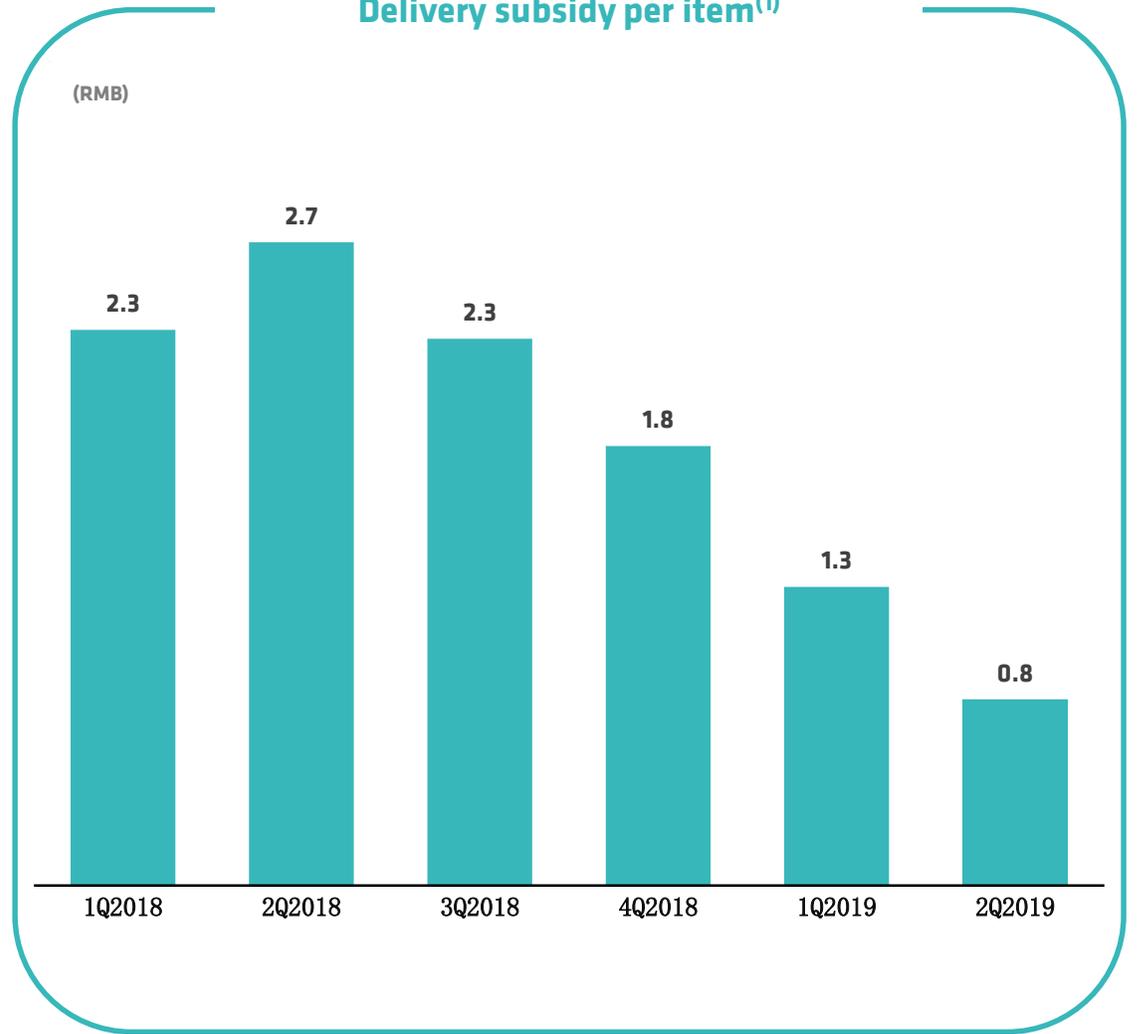
- (1) Calculated as (cost of raw materials of freshly brewed drinks + free product promotion expenses) / number of freshly brewed drinks sold + (low value consumables + storage fees + logistic fees + store rental + payroll + utilities and other store operating expenses + depreciation expenses) / number of total items sold
- (2) Calculated as the total number of items sold during the period / the average number of stores (beginning of period and end of period) / number of days during the period (assuming 30 days per month)
- (3) Calculated as (cost of raw materials of freshly brewed drinks + free product promotion expenses) / number of freshly brewed drinks sold
- (4) Calculated as (cost of store rental expenses + payroll (storefront) + utilities and other store operating expenses) / number of total items sold
- (5) Calculated as (total depreciation expenses, including depreciation of equipment and depreciation of leasehold improvement and others) / number of total items sold
- (6) Calculated as (low value consumables + logistic expenses + storage fees) / number of total items sold

Decreasing importance of delivery orders

Percentage of delivery orders



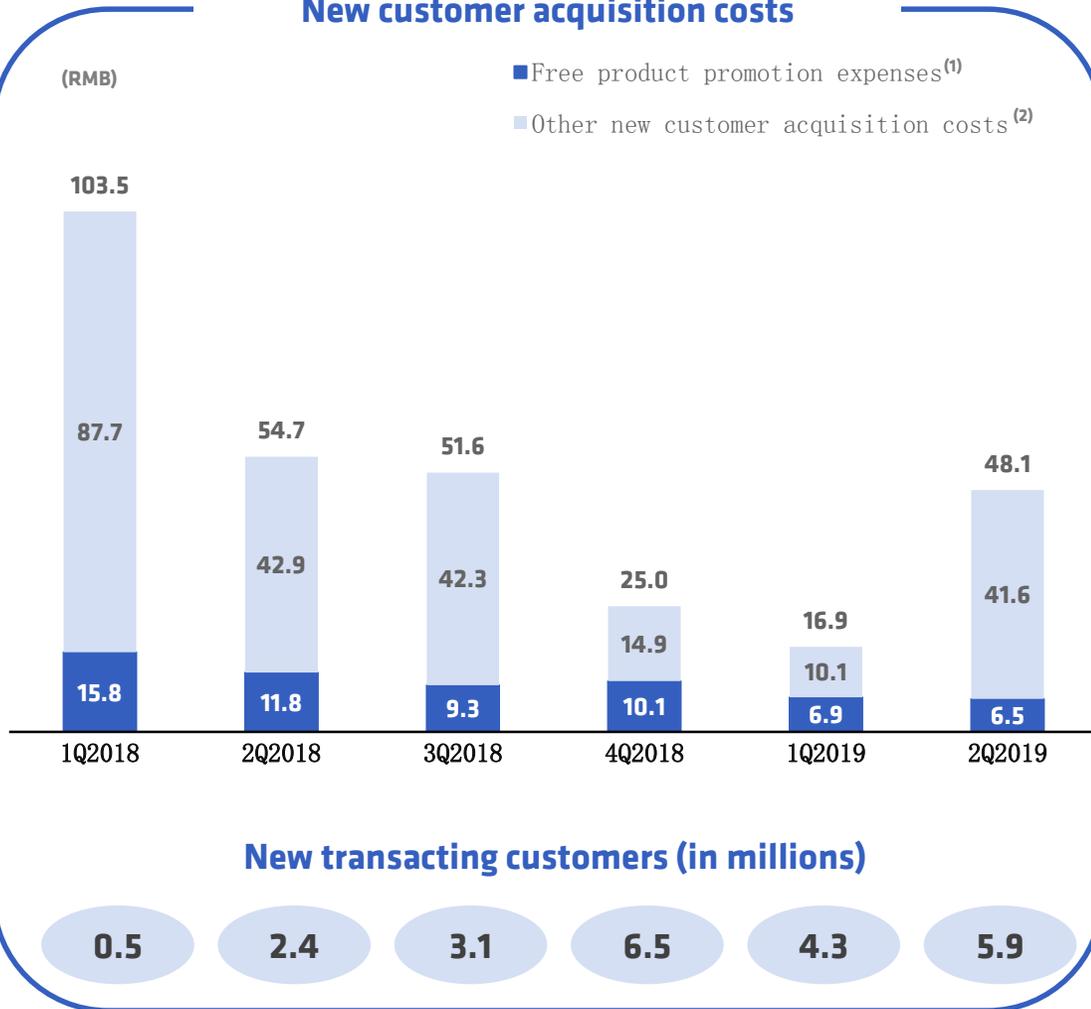
Delivery subsidy per item⁽¹⁾



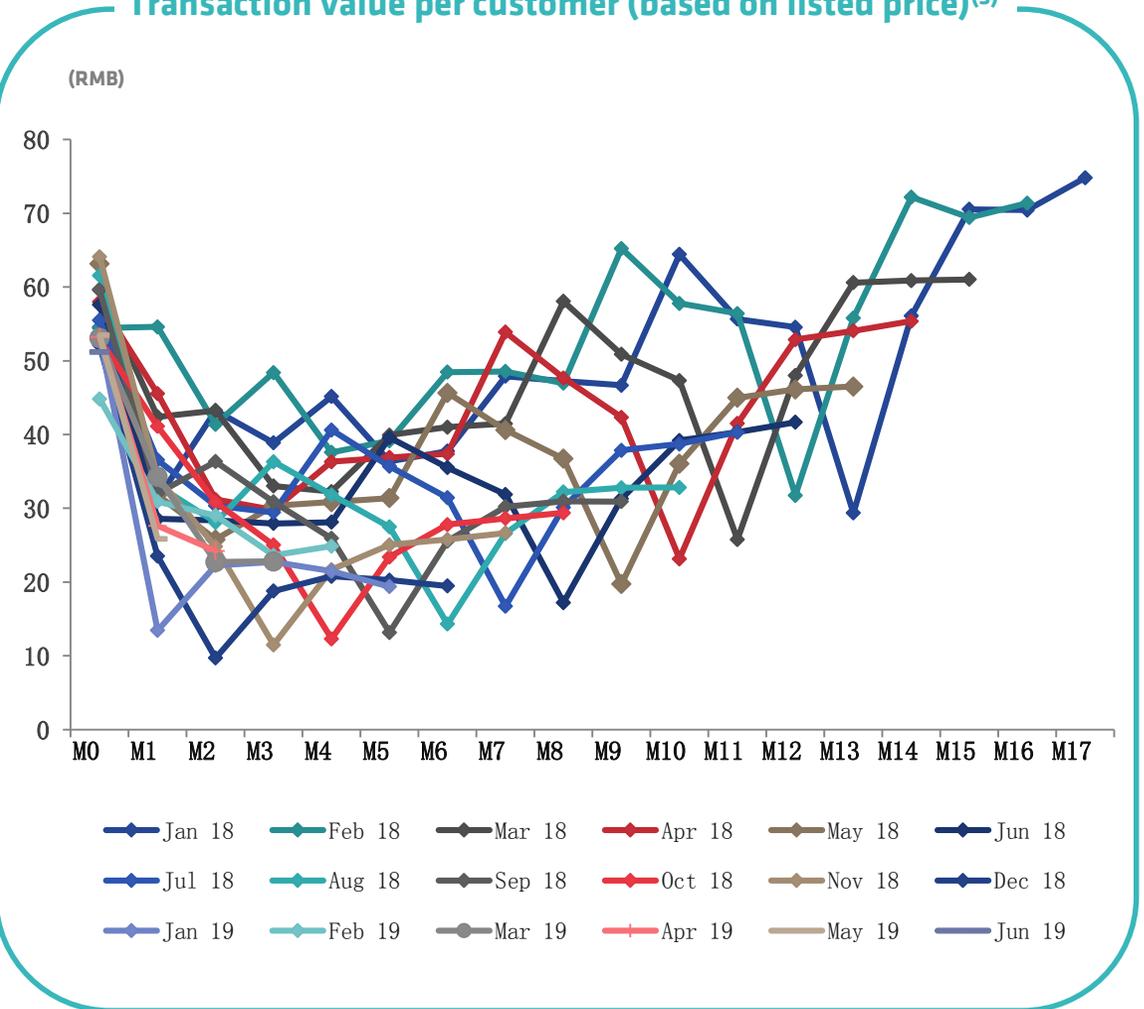
Note:
(1) Calculated as delivery expenses subtracted by delivery revenues. Delivery subsidy per item during each quarter is calculated as (delivery expenses - other revenues) / (average monthly items sold during the period * 3)

Strong customer growth and higher repeat spending

New customer acquisition costs



Transaction value per customer (based on listed price)⁽³⁾



Notes:

(1) Calculated as free product promotion expenses / number of new transacting customers during the period

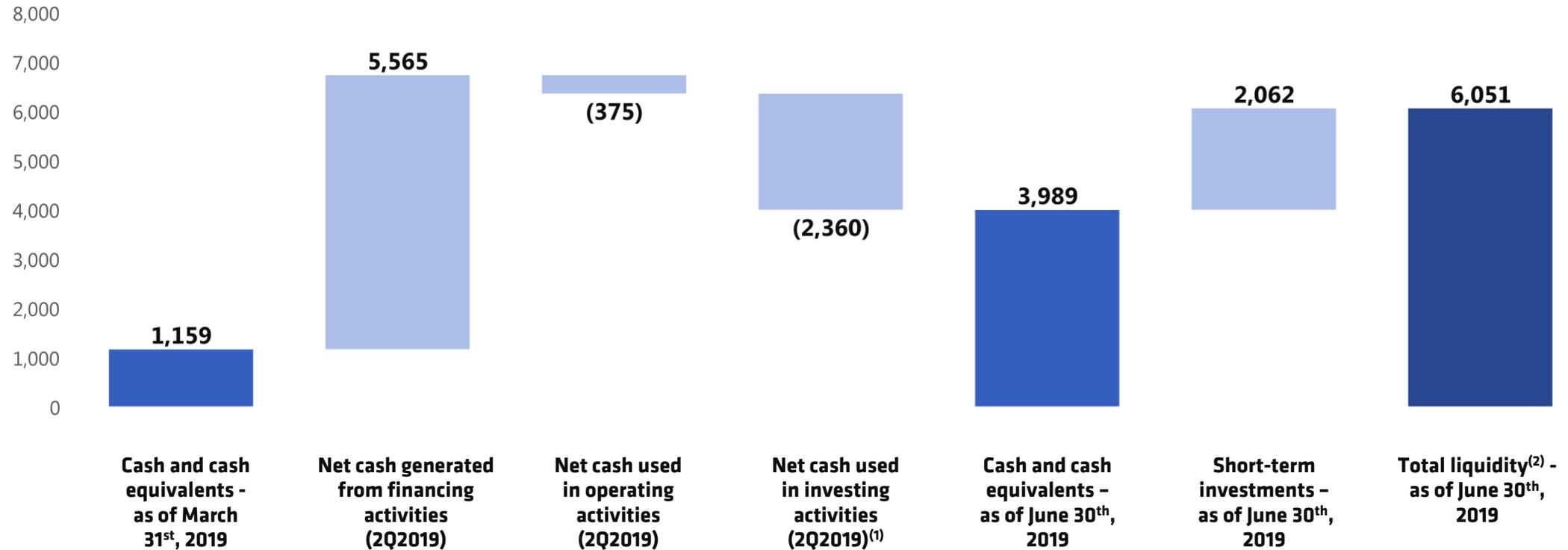
(2) Calculated as (advertising expenses + other sales and marketing expenses) / number of new transacting customers during the period

(3) Calculated as total value of items sold to customer in a cohort (defined as the new transacting customers during a specific month as a cohort) during the month based on listed price divided by the total number of customers from the cohort

Strong liquidity profile

Total Liquidity as of June 30th, 2019

(RMB millions)



Notes:

(1) Including net effect of foreign exchange rate changes of RMB4.8 million

(2) Liquidity is defined as the sum of cash and cash equivalents and short-term investments

Q&A
