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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 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.

Business Overview

Q3 earnings highlights: strong performance across all key metrics



Financial Metrics

Total net revenues from products ⁽¹⁾

RMB1,493.2mn

+557.6% YoY increase

Store level operating profit ⁽²⁾

+12.5% store level profit margin ⁽³⁾

RMB186.3mn



Operational Metrics

Store footprint

3,680 stores ⁽⁴⁾

+717 net new stores QoQ

Cumulative transacting customers ⁽⁵⁾

~30.7mn

+7.9mn new customers QoQ

Average monthly total items sold ⁽⁶⁾

~44.2mn items

+470.1% YoY increase

Average monthly transacting customers ⁽⁷⁾

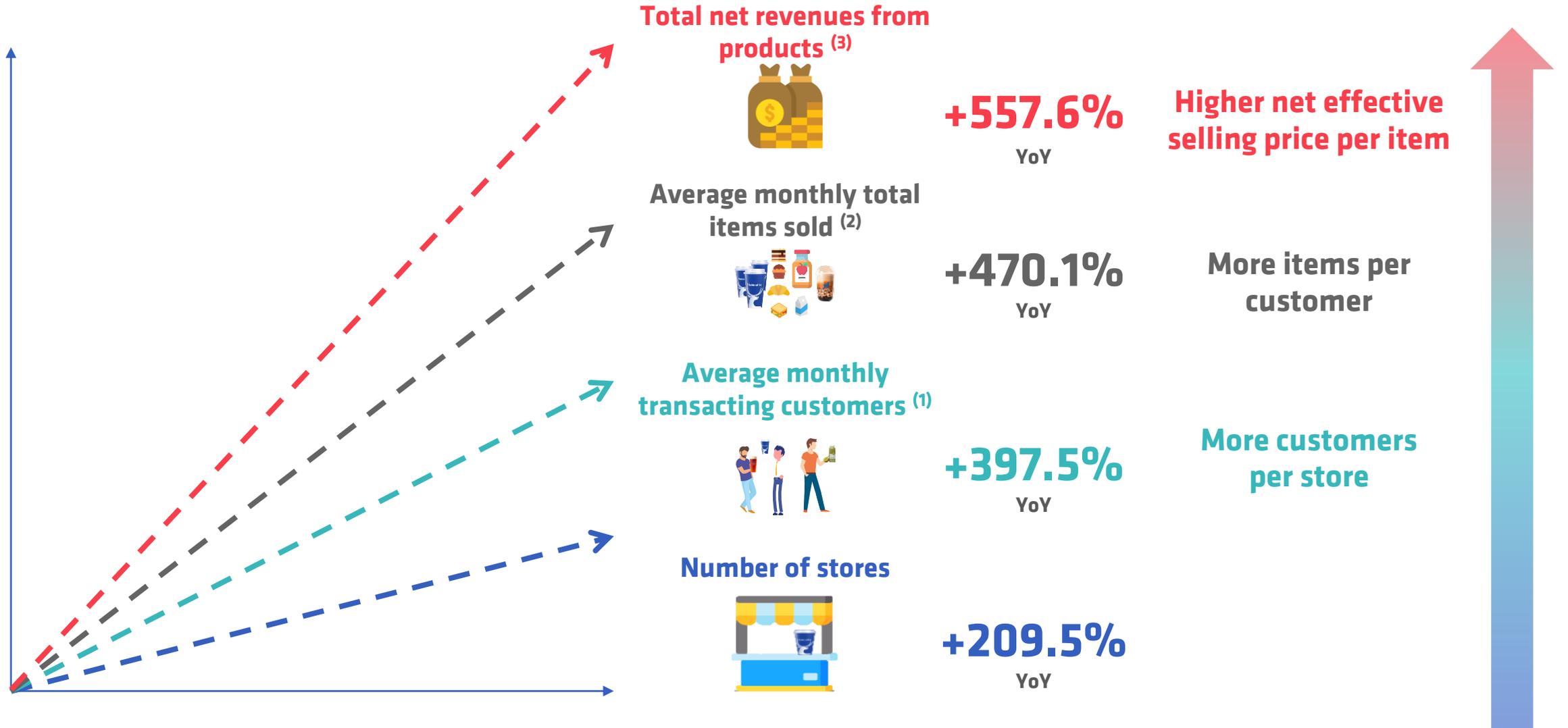
~9.3mn

+397.5% 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 profit by total net revenues from products
- (4) Number of stores as of September 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

High growth with significant improvement in efficiency



Notes:
(1) The number of average monthly transacting customers in the three months during the quarter
(2) Calculated by dividing the total number of items sold during the quarter by three
(3) Calculated as the sum of net revenues from freshly brewed drinks and net revenues from other products

Continued strategic investments in branding

Continued investments in Luckin Coffee



New spokesperson for Luckin Coffee



刘昊然

<p>《瑞幸咖啡宣言》</p> <p>“好的咖啡其实不贵”</p> <p>国外好饮品，何必非要找国内的替代品。</p>	<p>《瑞幸咖啡宣言》</p> <p>“你喝的是咖啡还是咖啡馆？”</p> <p>我们不靠装修为空间付费。</p>	<p>《瑞幸咖啡宣言》</p> <p>“好咖啡的味道喝久了你就会知道”</p> <p>好拿 (AAC 金奖)，在无法一开始就取悦每个人。</p>
<p>《瑞幸咖啡宣言》</p> <p>“喝咖啡不太健康？”</p> <p>你喝多了！欧美日韩每人平均饮用100多杯。</p>	<p>《瑞幸咖啡宣言》</p> <p>“中国人没有喝咖啡的习惯？”</p> <p>在欧美，80%都是回头客。</p>	<p>《瑞幸咖啡宣言》</p> <p>“中国咖啡和美国咖啡比差距在哪？”</p> <p>差别在谁。</p>

Brand advertising



China Open



NASA store



Branding initiatives for Luckin Tea



New spokesperson for Luckin Tea

For Luckin Tea products

For Luckin Tea stores and partnership model

Luckin Tea has seen strong growth since launch

Luckin's Advantages

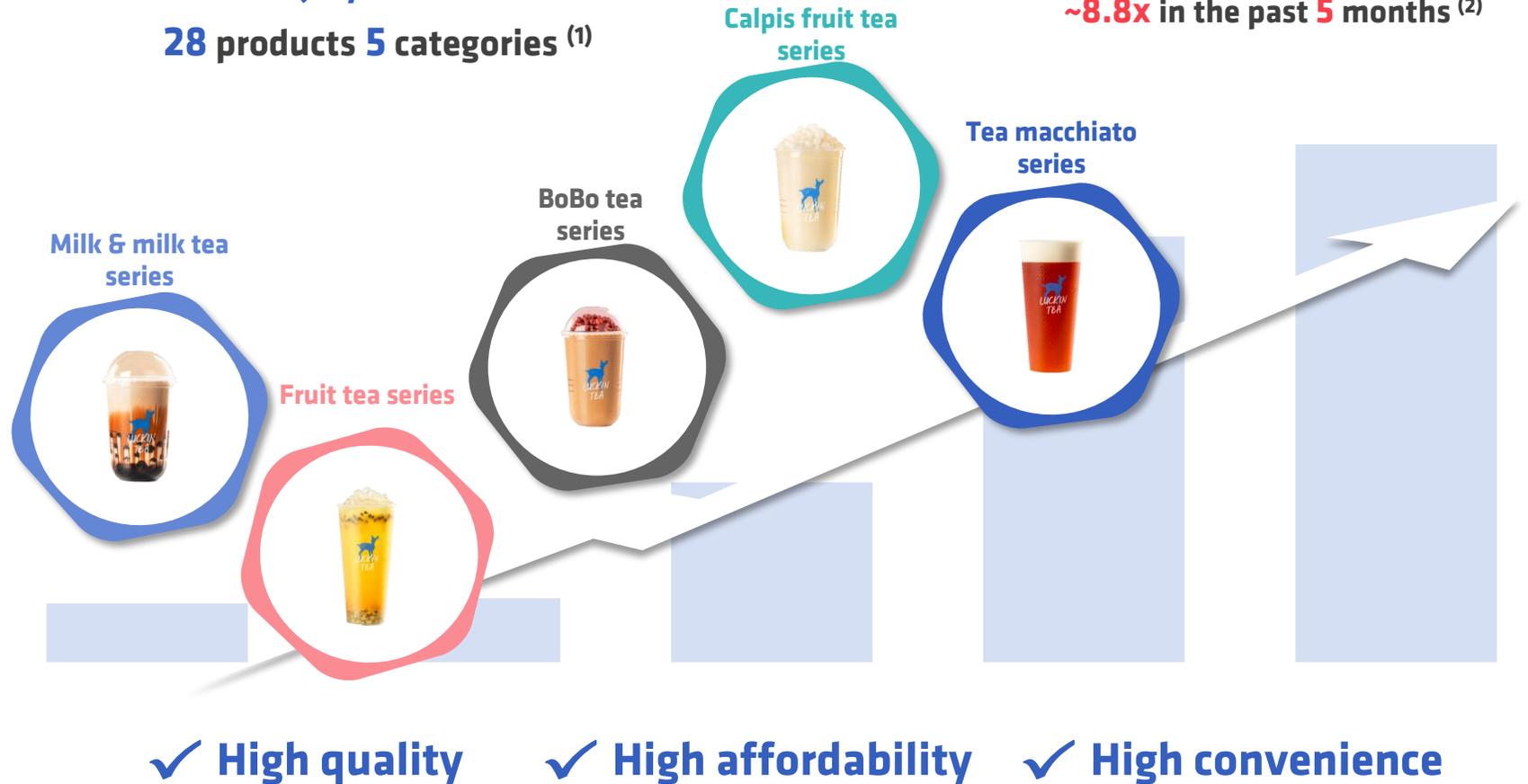
- ✓ Customer base 
- ✓ Store footprint 
- ✓ Supply chain 

Benefits to Luckin

- ✓ Customer retention 
- ✓ Store throughput 
- ✓ Profitability 

Tested in **April 2019** in 2 cities
 Launched in **July 2019** nationwide
28 products 5 categories ⁽¹⁾

No. of cups sold grew
~8.8x in the past **5 months** ⁽²⁾



Notes:

(1) As of September 30, 2019
 (2) From May to September 2019

Introducing Luckin Tea stores

First store opened in Oct 2019



Expand coverage and deepen penetration in lower-tier cities

Offer more products to serve more consumption scenarios

Cultivate consumption habit for coffee in lower-tier cities

Product focus



Tea focused
(fewer coffee SKUs)

Geographic focus



Nationwide
(incl. lower-tier cities)

Store operation



Mainly via
partnership model



Coffee focused
(fewer tea SKUs)



More economically
vibrant regions



Mainly self-operated
stores



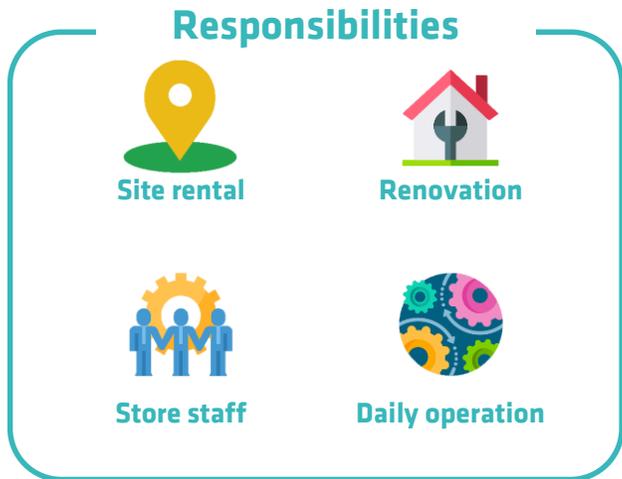
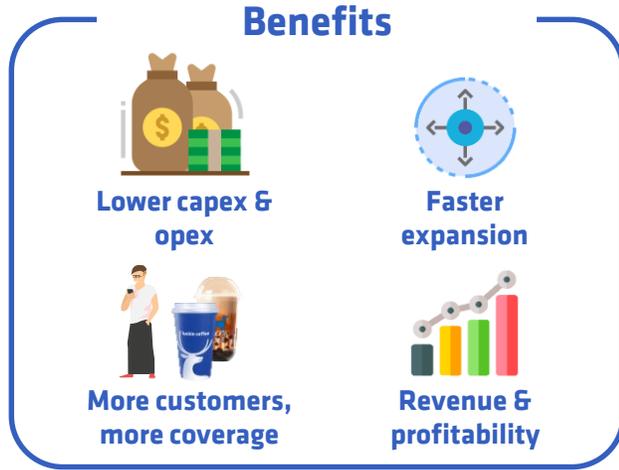
Supported by the same
**technology & supply
chain** network



User accounts
linked across
apps

We aim to become China's largest freshly made tea player

Introducing our New Retail Partnership model

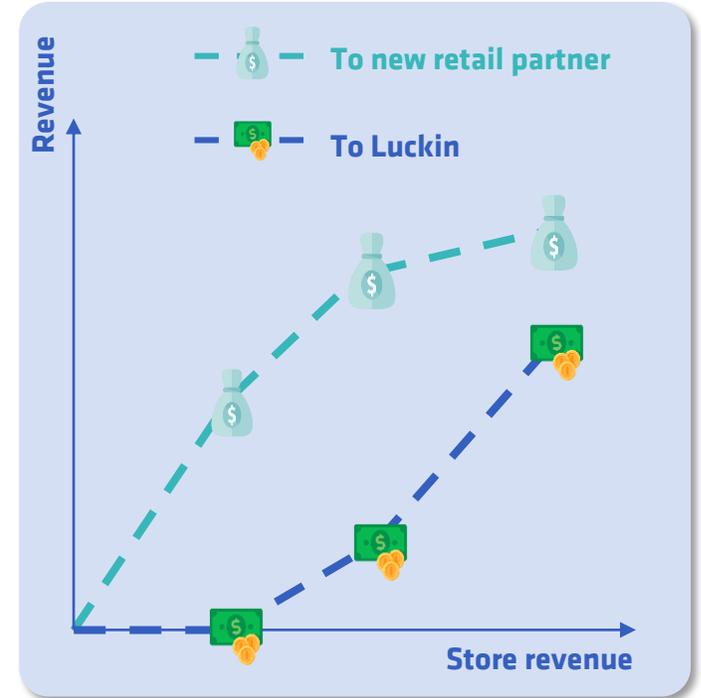


✓ **Faster expansion**

✓ **More customers**

✓ **Asset-light approach**

How revenue sharing works



No initial fee to Luckin



Tiered revenue sharing

Continue to enrich product offerings

Selected non-coffee product categories



Juices



Juice bottling plant
joint venture with LDC



Nuts

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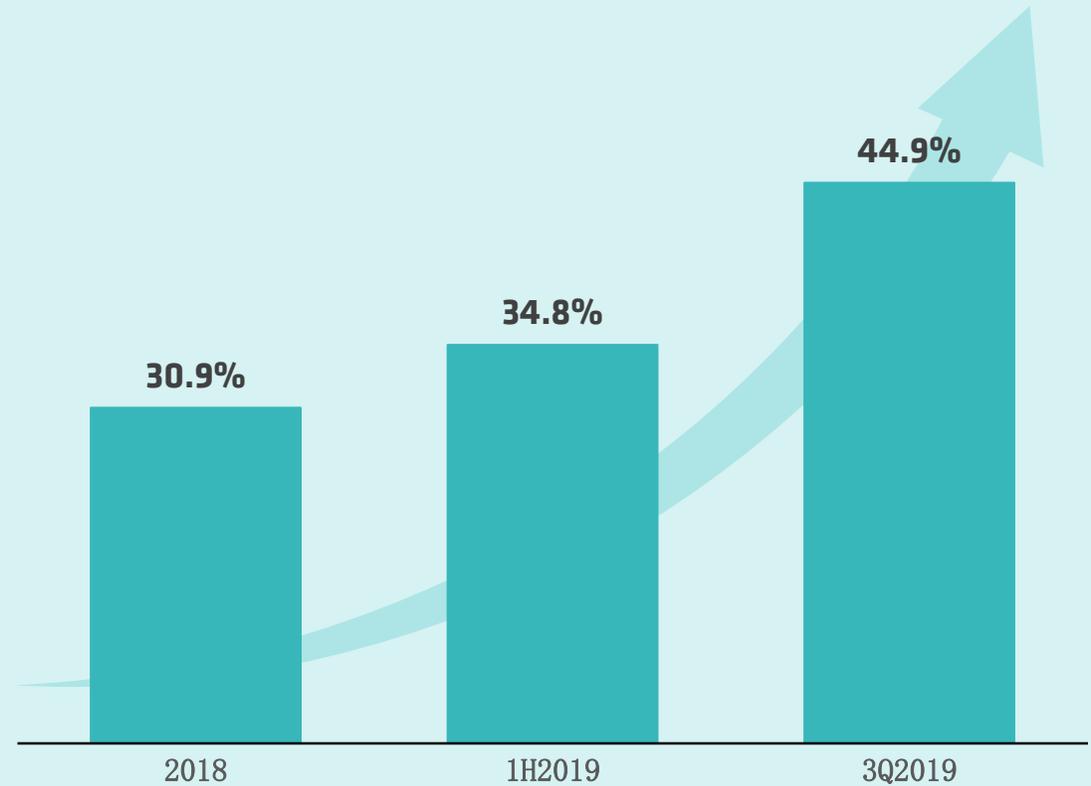


Cups

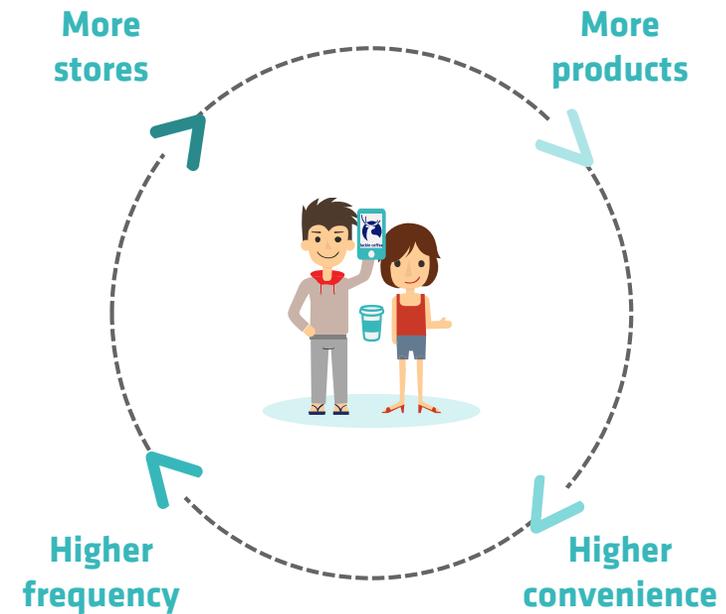
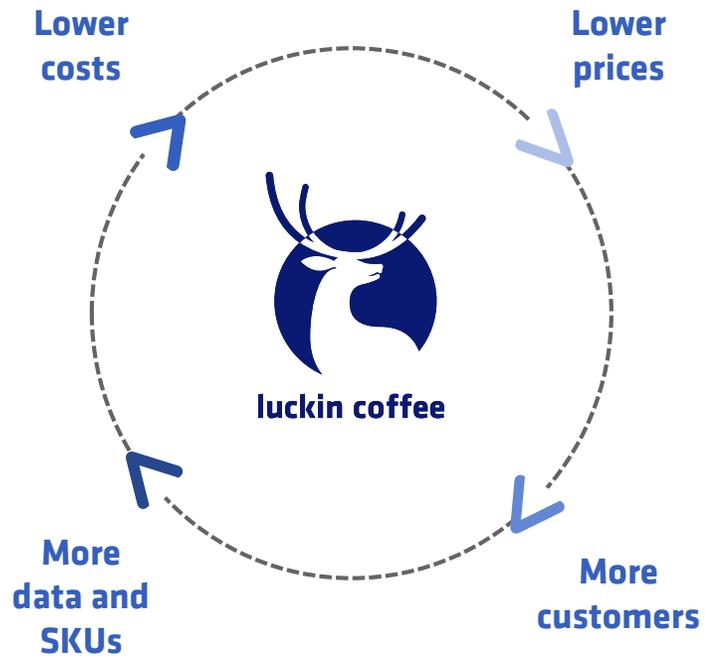
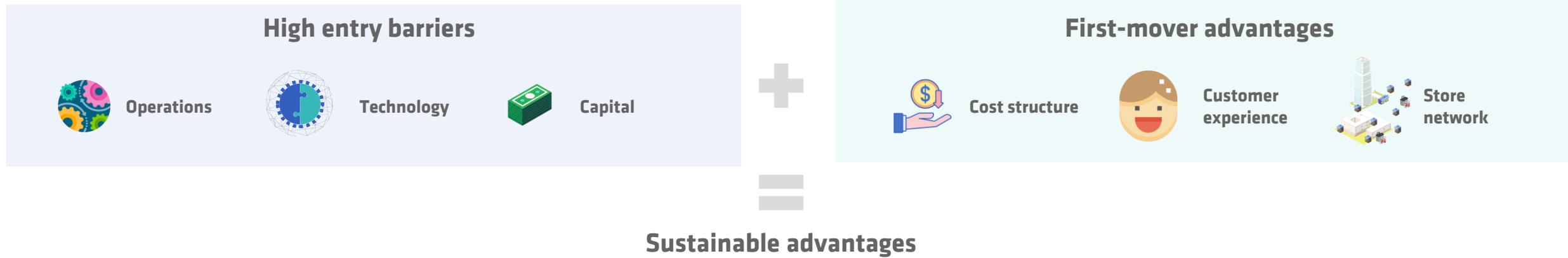


High quality spill proof
straw tumblers

Percentage of non-coffee items sold



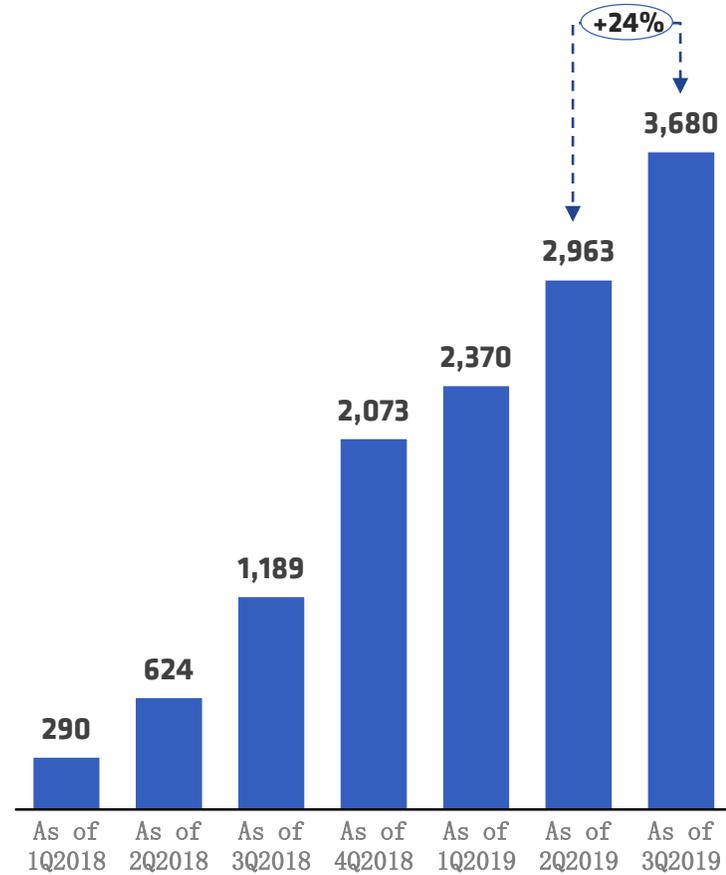
Sustainable advantages creates a virtuous cycle



Financial Results Overview

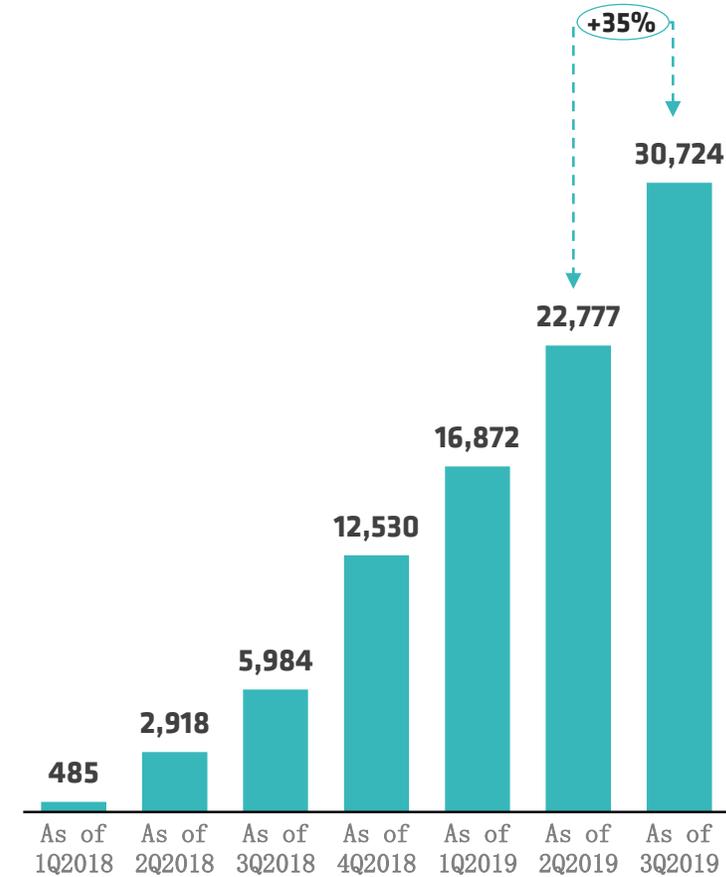
Strong momentum across all key metrics

Number of stores



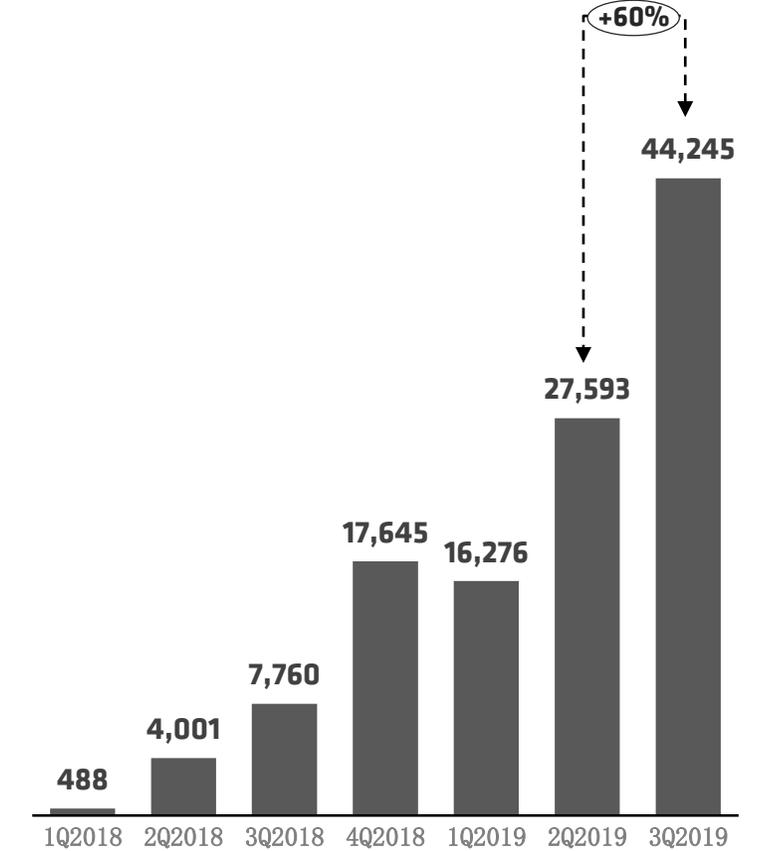
Cumulative number of transacting customers ⁽¹⁾

(thousands)



Average monthly items sold ⁽²⁾

(thousands)

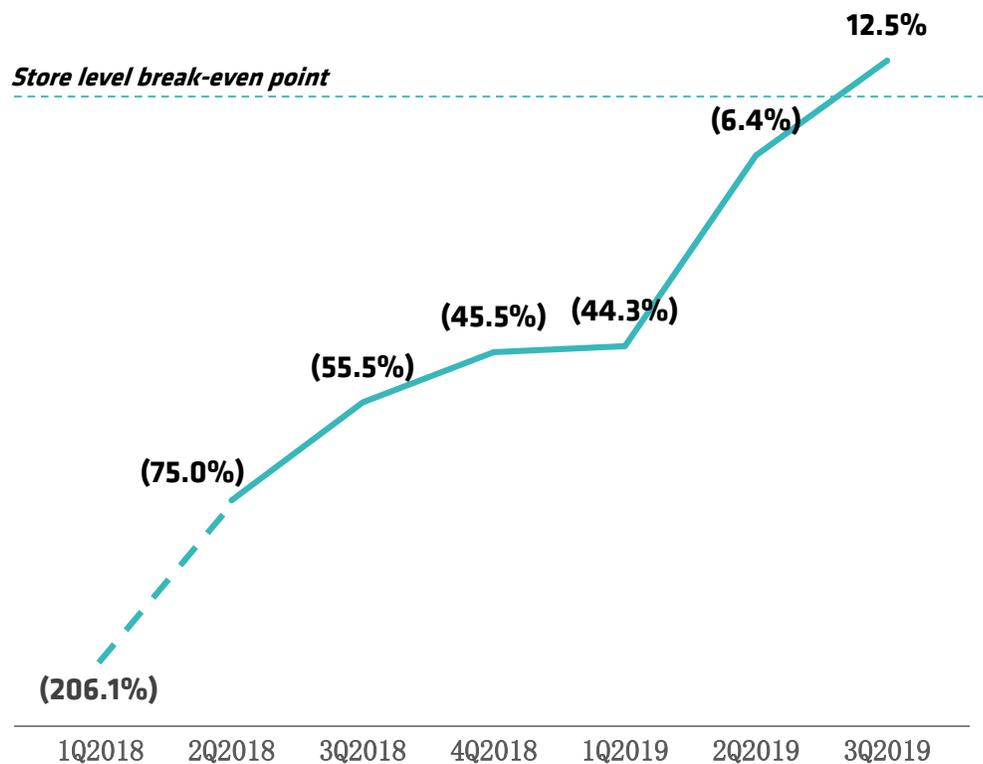


Notes:

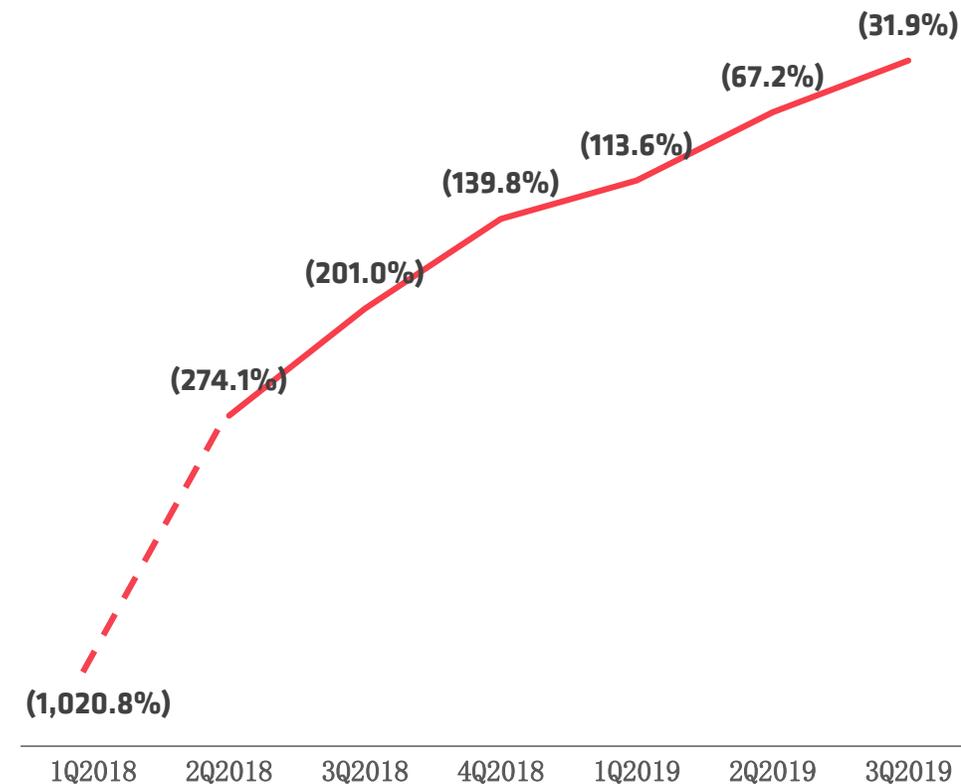
- (1) Number of cumulative transacting customers refers to the total number of transacting customers since our inception
- (2) Calculated by dividing the total number of items sold during the quarter by three

Store level profit ahead of guidance

Store level profit margin ⁽¹⁾



Non-GAAP net profit margin ⁽²⁾



Notes:

- (1) Calculated as (net revenues from products - cost of materials - store rental and other operating costs - depreciation expenses) / net revenues from products
- (2) 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)

Product revenue beat our Q3 guidance as a result of strong business fundamentals

Net revenues breakdown and growth

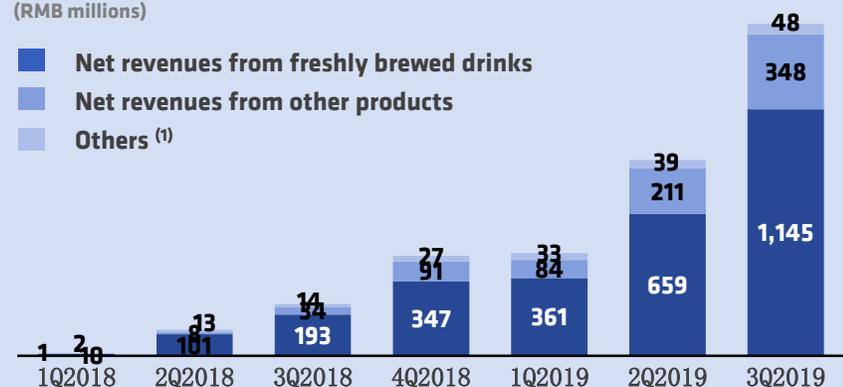
Product revenue growth

QoQ	893%	108%	93%	2%	95%	72%
YoY	-	-	-	3955%	698%	558%

Breakdown of total revenue

(RMB millions)

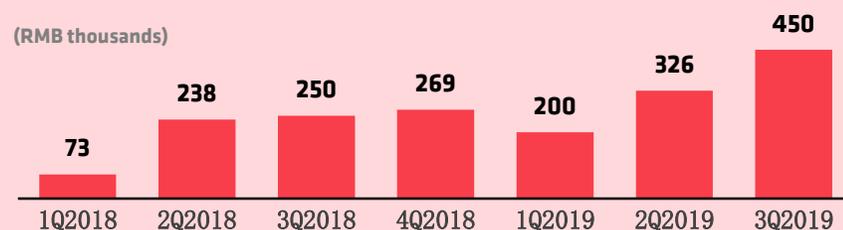
- Net revenues from freshly brewed drinks
- Net revenues from other products
- Others ⁽¹⁾



Average product revenue per store per quarter ⁽²⁾

YoY	-	-	-	173%	37%	79%
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(RMB thousands)



Notes:

- Mainly include delivery fees paid by customers
- Calculated by dividing net revenues from products during the period by the average number of stores during the period
- The number of average monthly transacting customers in the three months during the quarter
- Calculated as total items sold over the period divided by total transacting customers over the period
- Calculated as total net revenues from products over the period divided by total items sold over the period

Key drivers

1 Average monthly transacting customers ⁽³⁾

9.3mn

QoQ Increase
~ 51%

YoY Increase
~ 397%

2 Average monthly items per transacting customer ⁽⁴⁾

4.7 items

QoQ Increase
~ 6%

YoY Increase
~ 15%

3 Net selling price per item ⁽⁵⁾

11.2 RMB

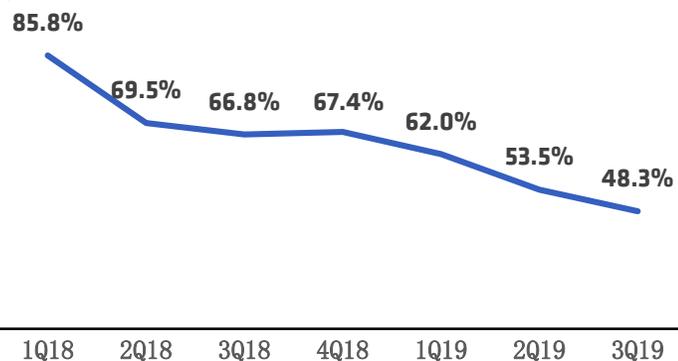
QoQ Increase
~ 7%

YoY Increase
~ 15%

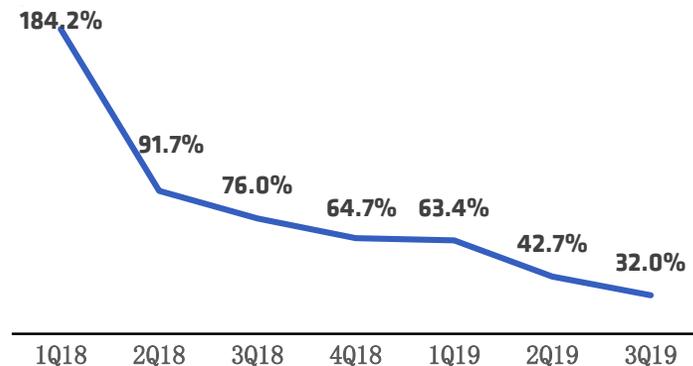
Material improvement in cost structure

Operating expenses as a percentage of net revenues from products

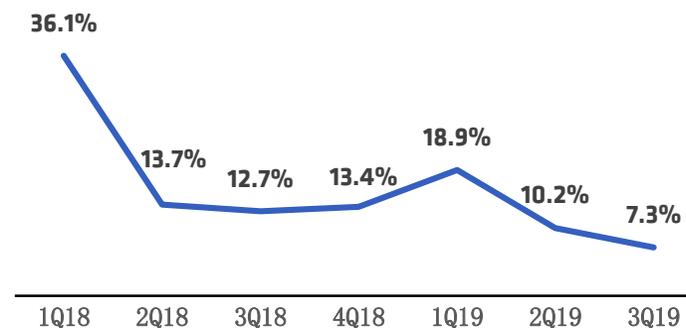
Cost of materials ⁽¹⁾



Store rental & other operating costs ⁽¹⁾

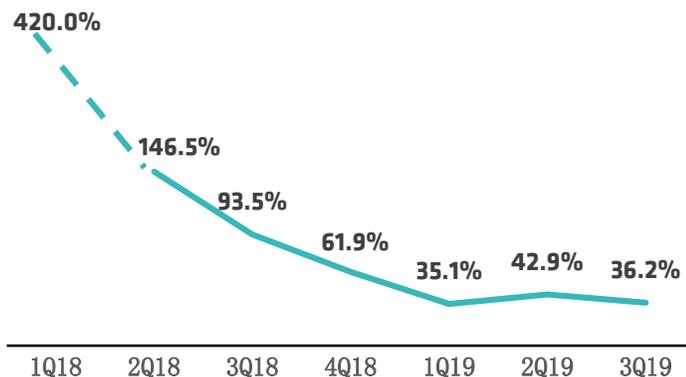


Depreciation expenses ⁽¹⁾

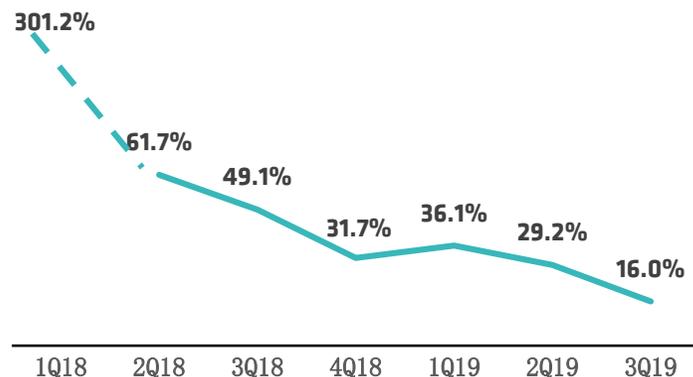


Operating expenses as a percentage of total net revenues

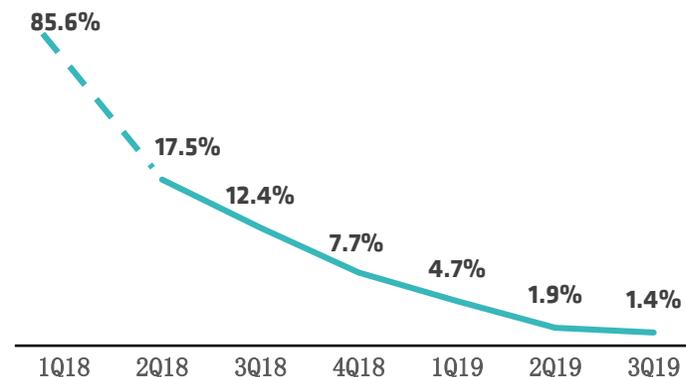
Sales and marketing expenses ⁽²⁾



General and administrative expenses ⁽²⁾



Store preopening and other expenses ⁽²⁾



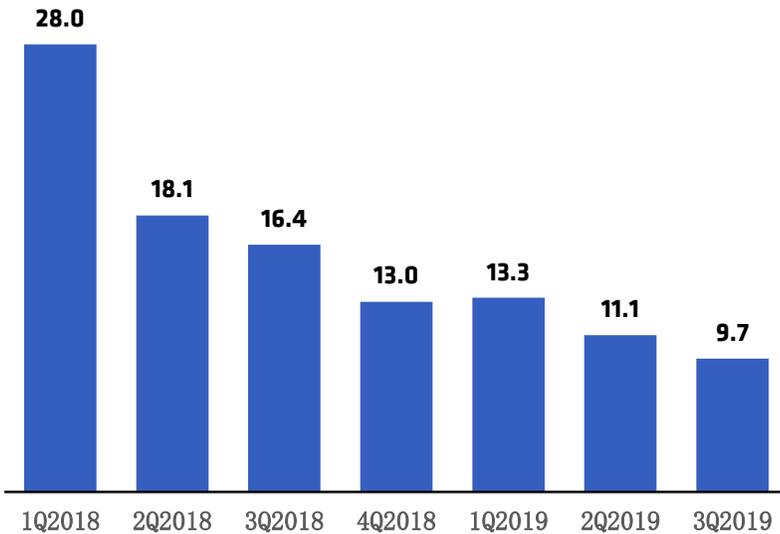
Notes:
 (1) As a percentage of net revenues from products
 (2) As a percentage of total net revenues

Further reduction in unit costs driven by material increase in # of items sold per store

One cup costs – freshly brewed drinks

One cup costs ⁽¹⁾

(RMB)



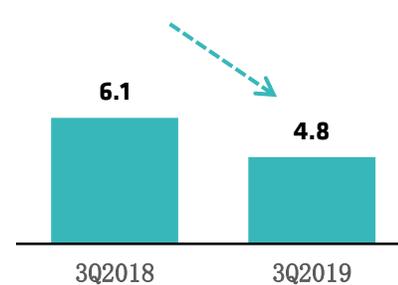
Number of items per store per day ⁽²⁾



Cost breakdown per cup

Cost of raw materials ⁽³⁾

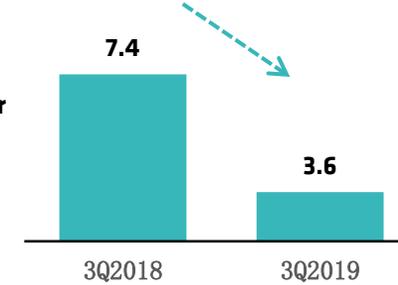
(RMB)



- ✓ Reduction of wastage
- ✓ Enhanced bargaining power

Store rental and operating expenses ⁽⁴⁾

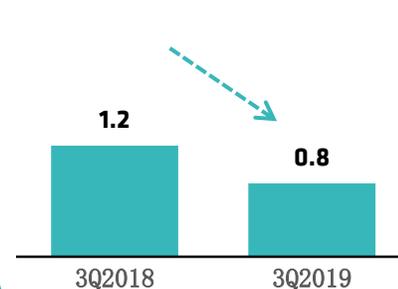
(RMB)



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

Depreciation ⁽⁵⁾

(RMB)



- ✓ More items sold per store per day

Low value consumables, logistic, storage ⁽⁶⁾

(RMB)



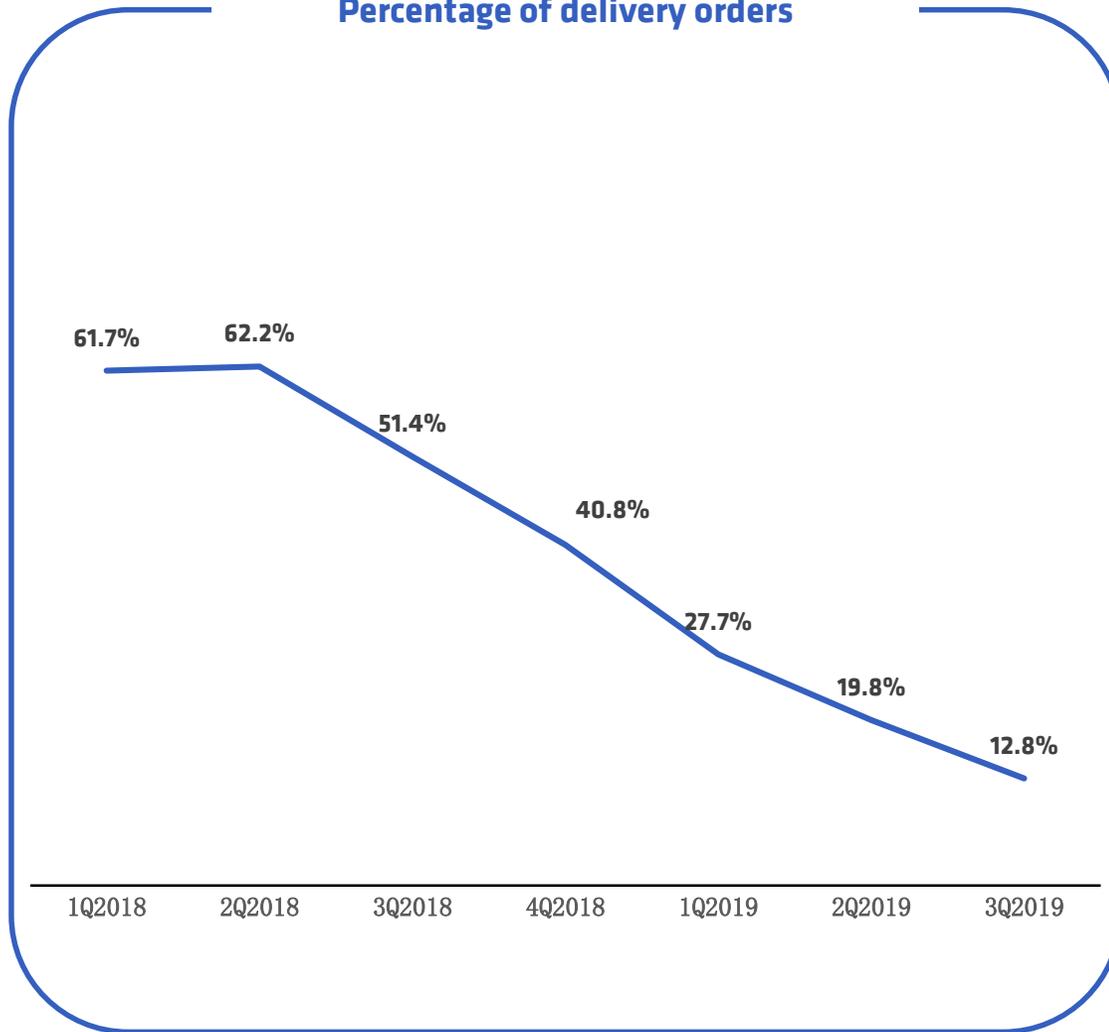
- ✓ Operating efficiency
- ✓ Economies of scale
- ✓ Enhanced bargaining power

Notes:

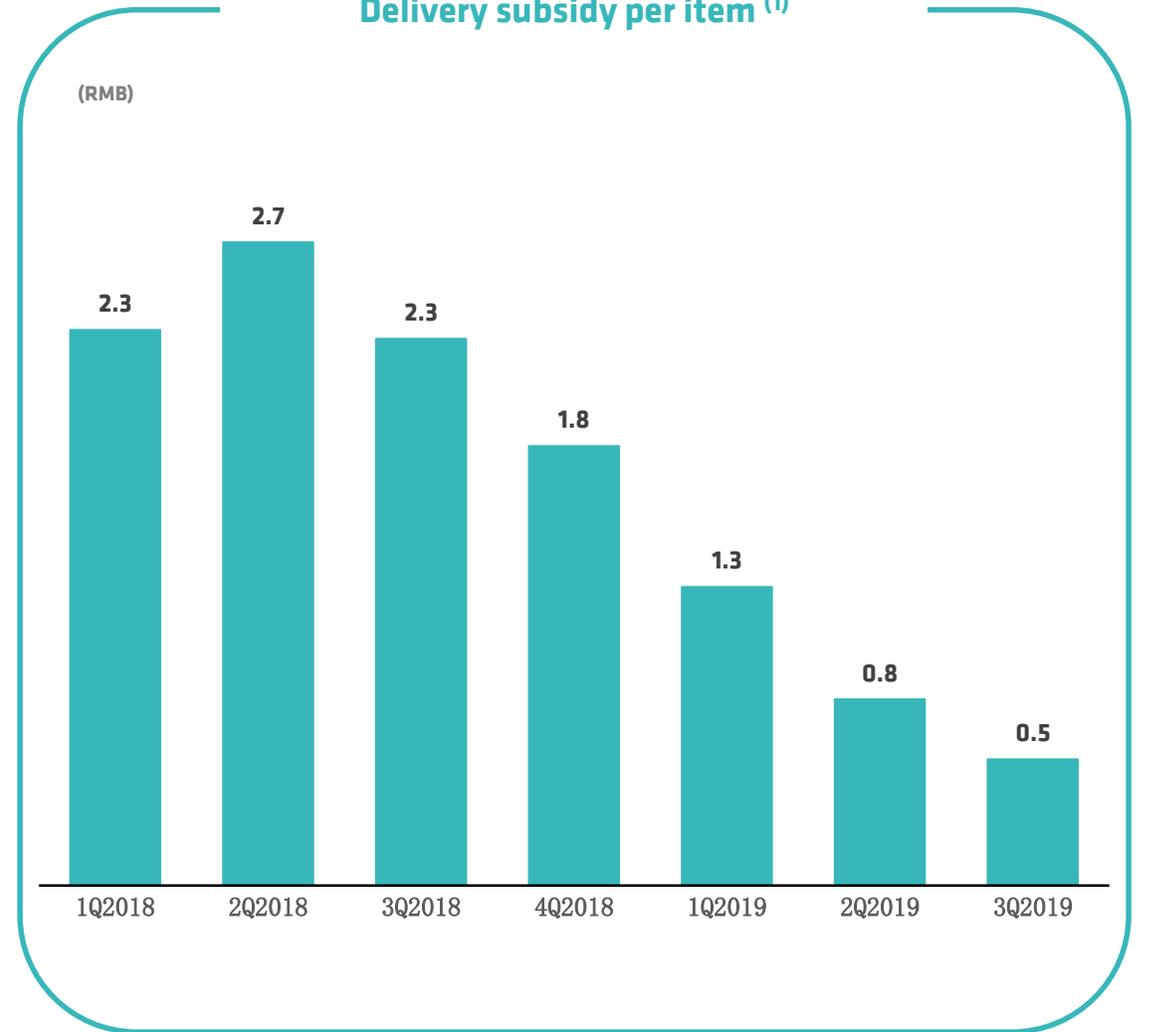
- (1) Calculated as (cost of raw materials of freshly brewed drinks + free product promotion expenses) / number of freshly brewed drinks sold + (low value consumables + storage fees + logistic fees + store rental + payroll + utilities and other store operating expenses + depreciation expenses) / number 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⁾



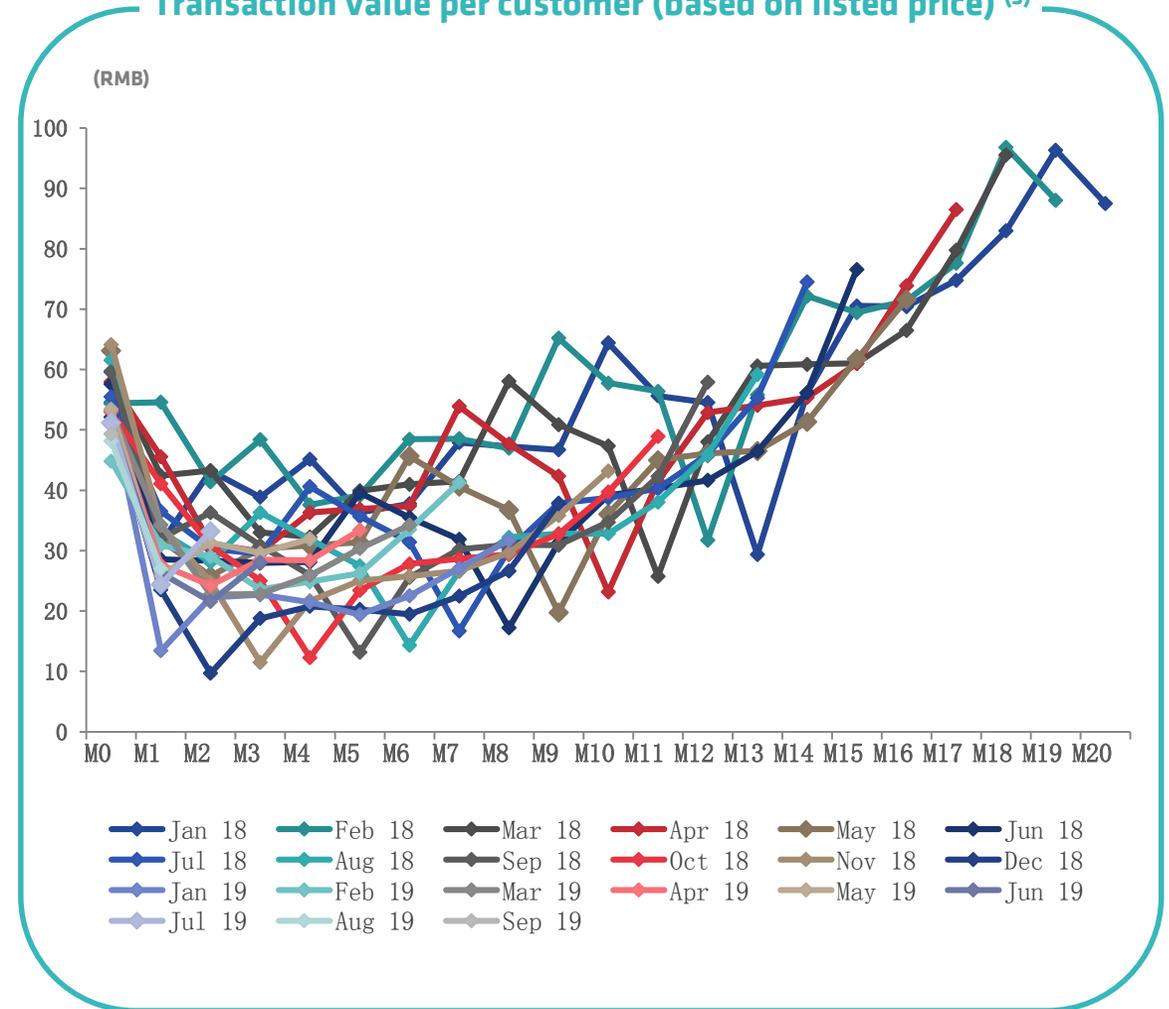
Note:
(1) Calculated as delivery expenses subtracted by delivery revenues. Delivery subsidy per item during each quarter is calculated as (delivery expenses - other revenues) / (average monthly items sold during the period * 3)

Strategic investment in branding resulting in increase in new transacting customers and higher repeat spending

New customer acquisition costs



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



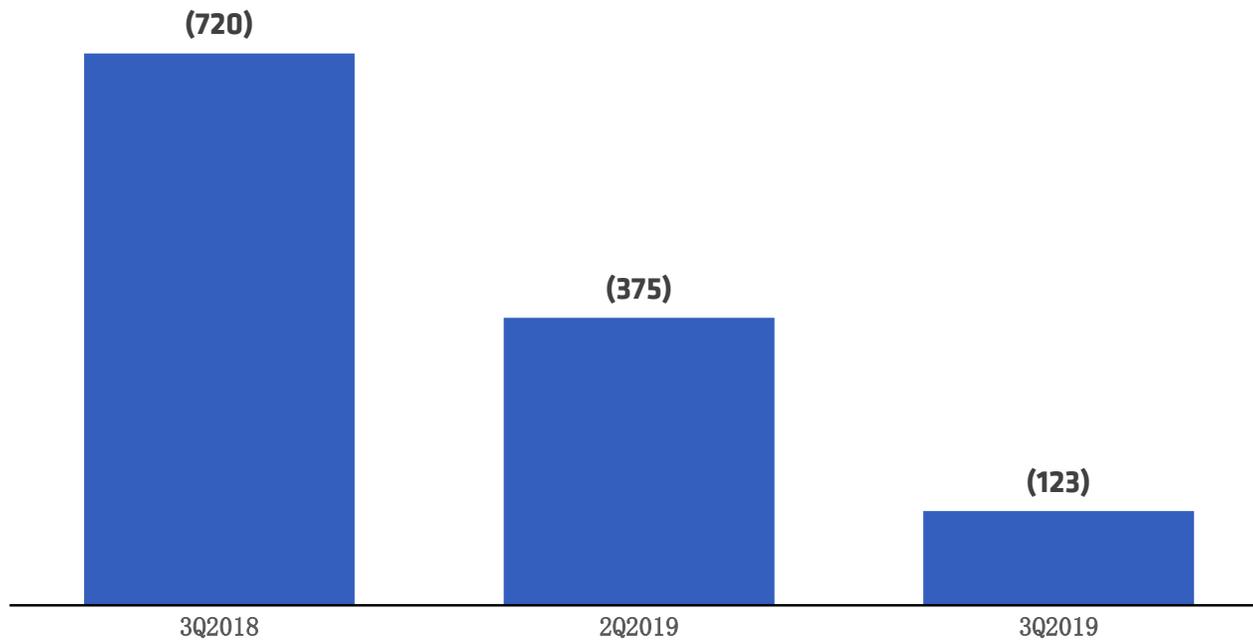
Notes:

- (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 excluding delivery) / 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

Continued reduction in net cash used in operations and strong liquidity position

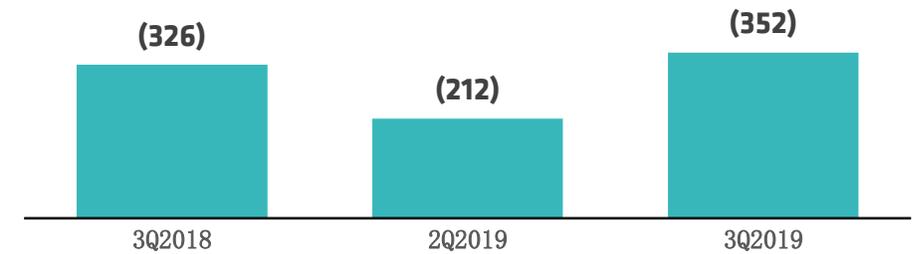
Net cash used in operating activities

(RMB millions)



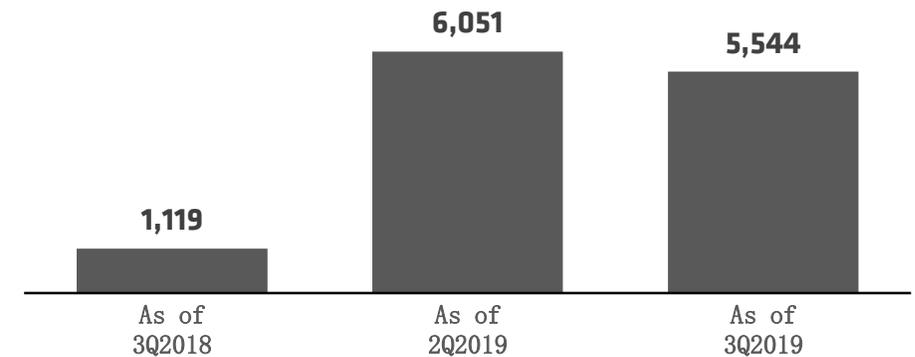
Capex ⁽¹⁾

(RMB millions)



Total liquidity ⁽²⁾

(RMB millions)



Notes:

- (1) Capex is composed of renovation investment, investment in coffee machine and other equipment
- (2) Liquidity is defined as the sum of cash and cash equivalents and short-term investments

Q&A
