

The logo for RLX TECH, featuring the letters 'RLX' in a bold, sans-serif font, followed by 'TECH' in a similar font. The 'R' and 'L' are connected, and the 'X' is formed by two intersecting lines. The 'T' and 'E' are also connected, and the 'C' and 'H' are connected. The logo is white and centered on a dark blue background.

RLX TECH

Earnings Presentation Fourth Quarter and Fiscal Year 2023

Disclaimer

The following presentation has been prepared by RLX Technology Inc. (“RLX Technology” or the “Company”) solely for informational purposes and should not be construed to be, directly or indirectly, in whole or in part, an offer to buy or sell and/or an invitation and/or a recommendation and/or a solicitation of an offer to buy or sell any security or instrument or to participate in any investment or trading strategy, nor shall any part of it form the basis of, or be relied on in connection with, any contract or investment decision in relation to any securities or otherwise.

This presentation does not contain all relevant information relating to the Company or its securities, particularly with respect to the risks and special considerations involved with an investment in the securities of the Company. Nothing contained in this document shall be relied upon as a promise or representation as to the past or future performance of the Company. Past performance does not guarantee or predict future performance.

You acknowledge that any assessment of the Company that may be made by you will be independent of this document and that you will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the business of the Company.

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 “may,” “will,” “expect,” “anticipate,” “aim,” “estimate,” “intend,” “plan,” “believe,” “is/are likely to,” “potential,” “continue” and similar statements. Among other things, quotations from management in this announcement, as well as the Company’s strategic and operational plans, contain forward-looking statements. The Company may also make written or oral forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission, in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. 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. 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: the Company’s growth strategies; its future business development, results of operations and financial condition; trends and competition in China’s e-vapor market; changes in its revenues and certain cost or expense items; PRC governmental policies, laws and regulations relating to the Company’s industry, and general economic and business conditions globally and in China and assumptions underlying or related to any of the foregoing. Further information regarding these risks, uncertainties or factors is included in the Company’s filings with the U.S. Securities and Exchange Commission. All information provided in this press release and in the attachments is current as of the date of this press release, and the Company does not undertake any obligation to update such information, except as required under applicable law.

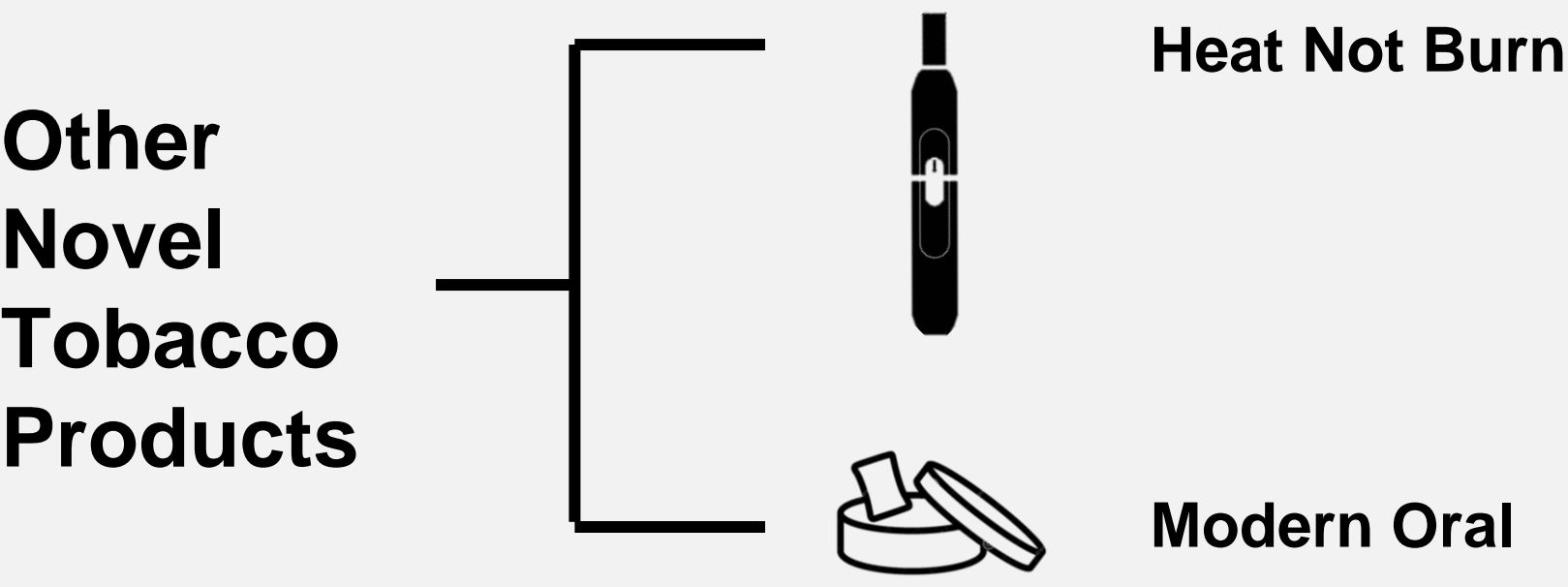
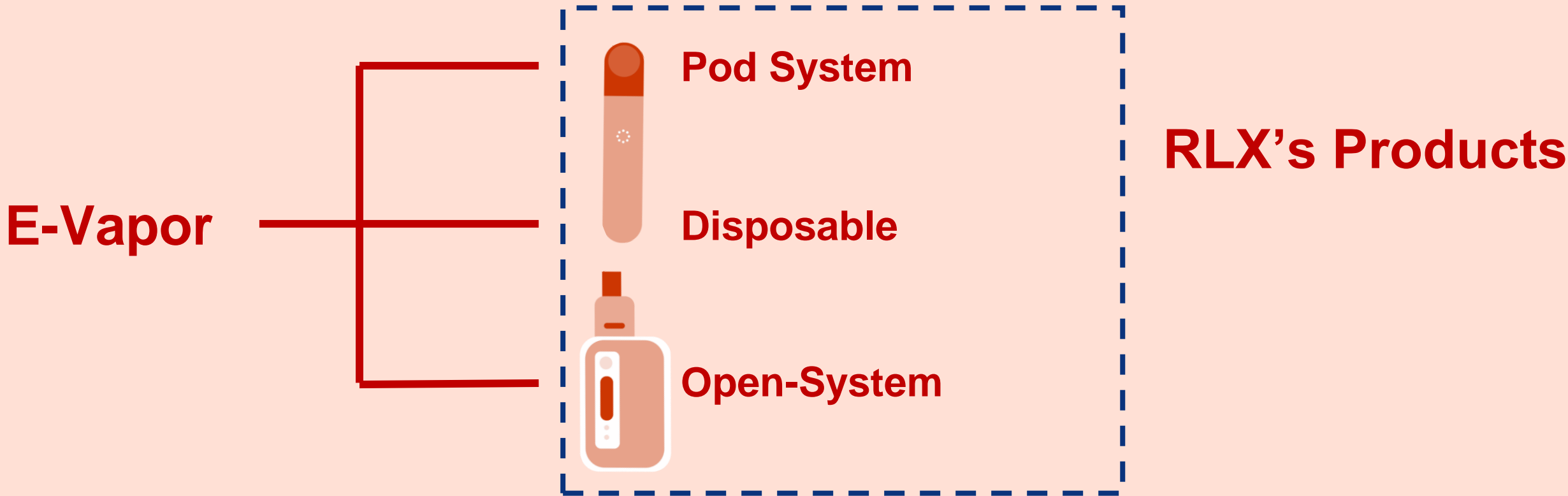
This presentation also contains non-GAAP financial measures, the presentation of which is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with U.S. GAAP. In addition, the Company’s calculation of these non-GAAP financial measures may be different from the calculation used by other companies, and therefore comparability may be limited. The reconciliation of those measures to the most comparable U.S. GAAP measures is contained within this presentation or the earnings press release.



OPERATIONAL HIGHLIGHTS

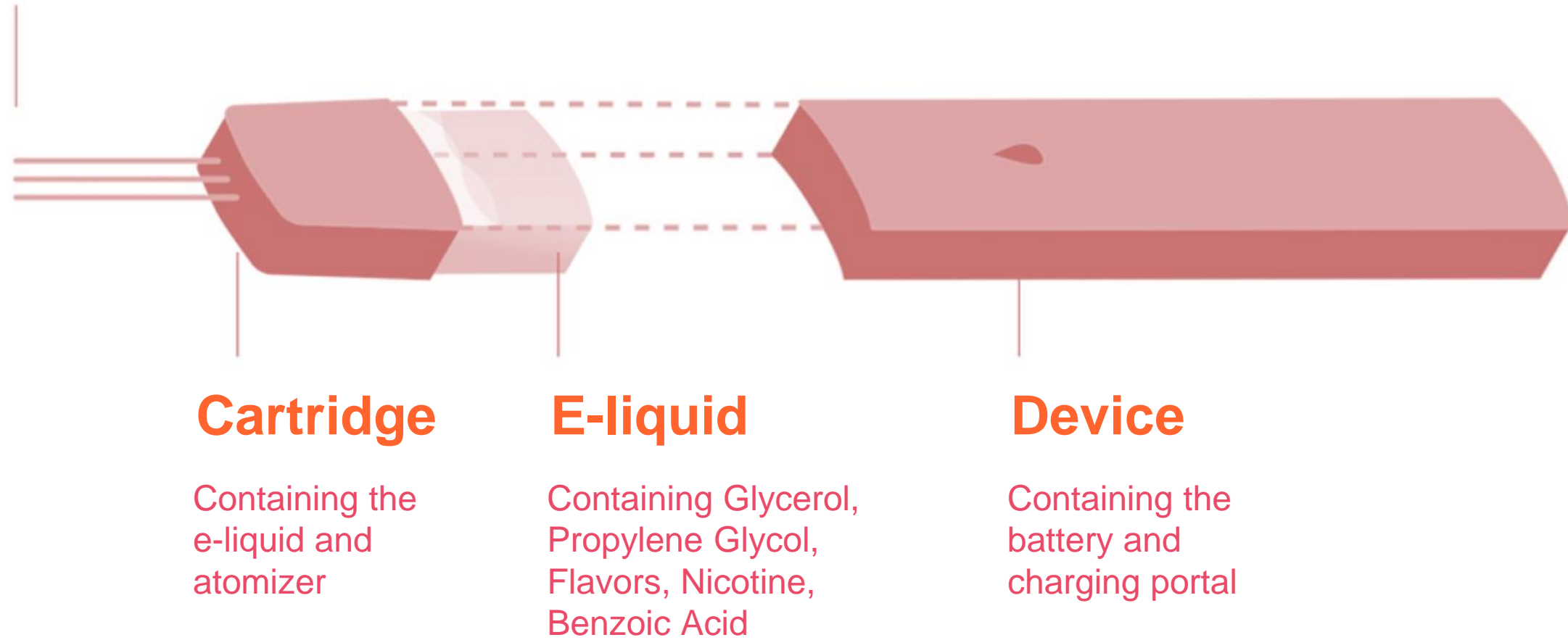
RLX TECH

E-cigarettes Product Overview



From E-liquid to Aerosol

Using an atomizer to heat up e-liquid in a cartridge to produce aerosol without fire, flame, tobacco, tar, carbon monoxide, and other chemicals found in combustible tobacco products.



Our Evolving Product Portfolio

RLX TECH

Pod System

Disposable

E-liquid

Closed System



Open System

FINANCIAL HIGHLIGHTS

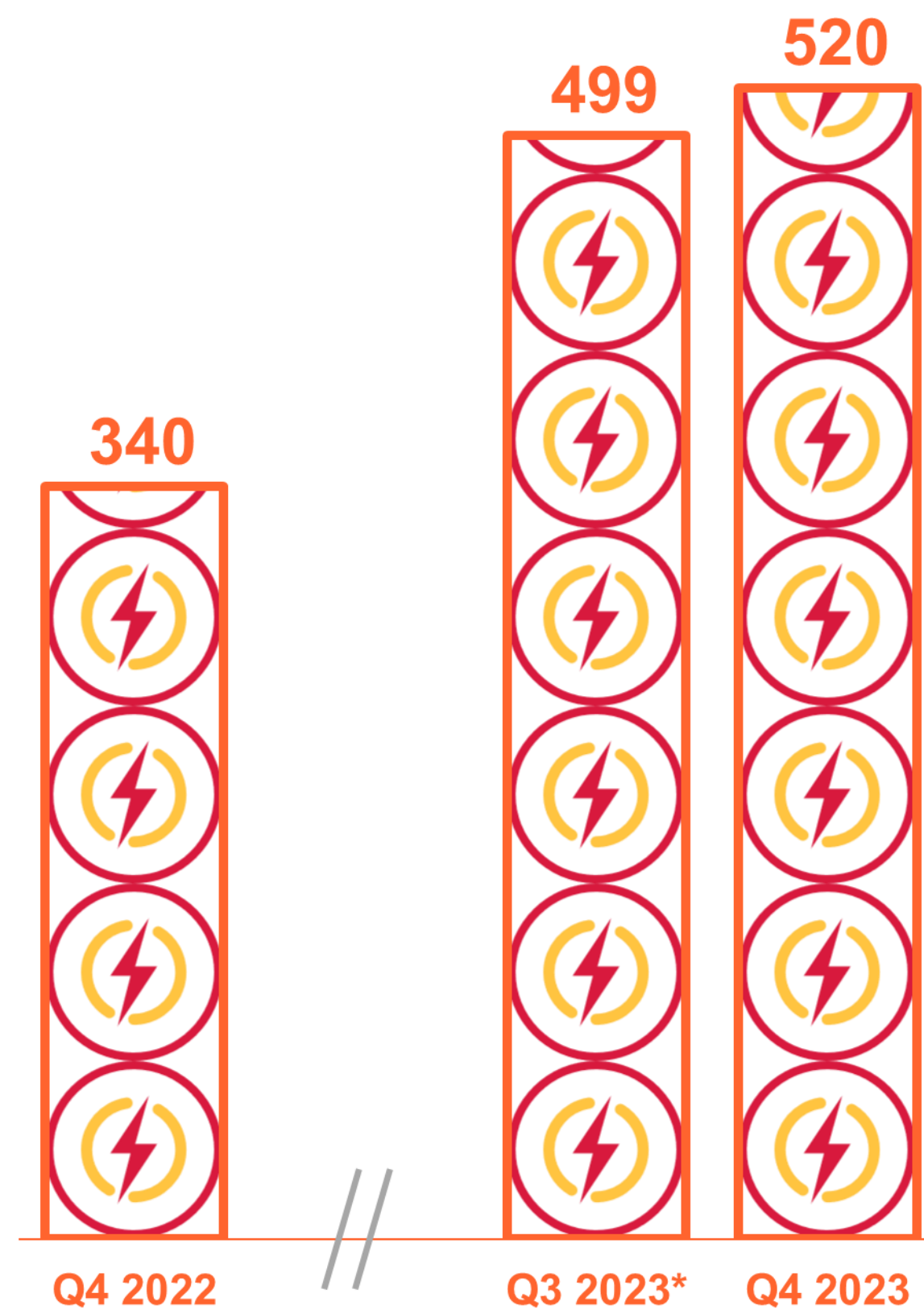


Fourth Quarter 2023 Financial Highlights

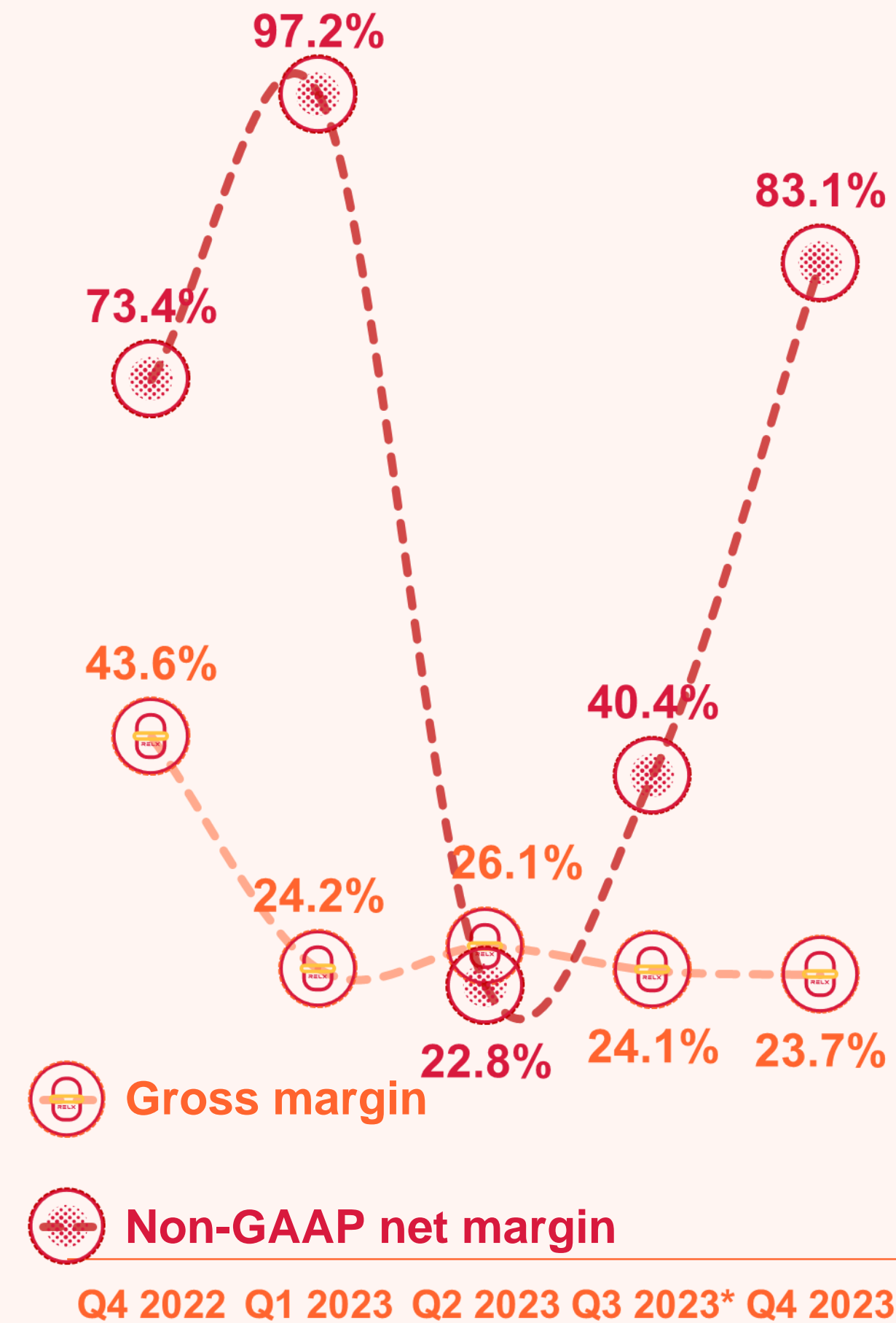
RLX TECH

Net Revenues

RMB millions

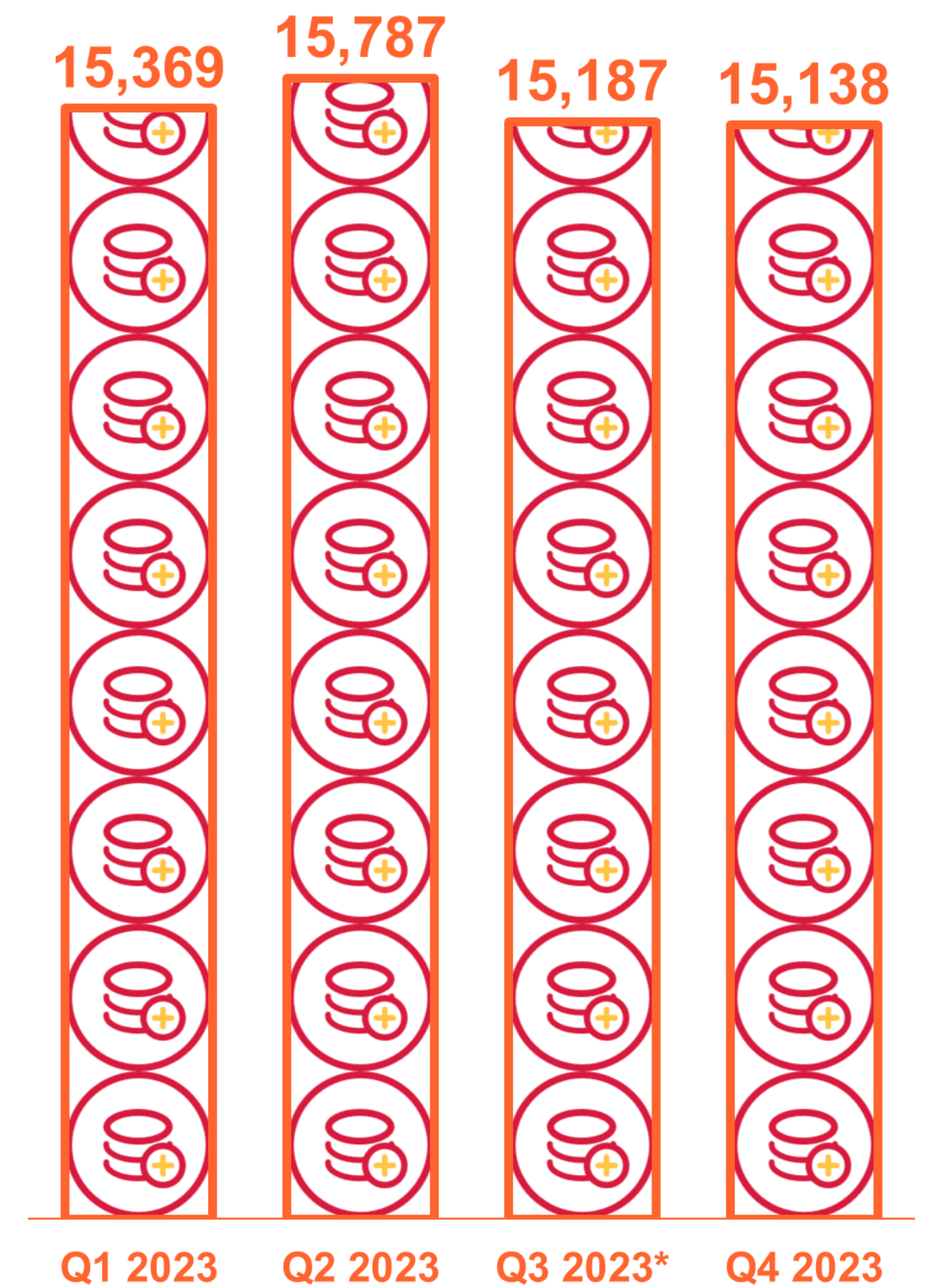


Profitability



Capital Resources

RMB millions



- “Electronic Cigarette” Mandatory National Standards took effect from **October 1, 2022**.
- Excise Tax: E-cigarette manufacturers/importers are subject to ad valorem tax at the rate of 36% on the production or import of e-cigarettes from **November 1, 2022**.

Note: capital resources include cash and cash equivalents, restricted cash, short-term bank deposits, net, short-term investments, long-term bank deposits, net and long-term investment securities

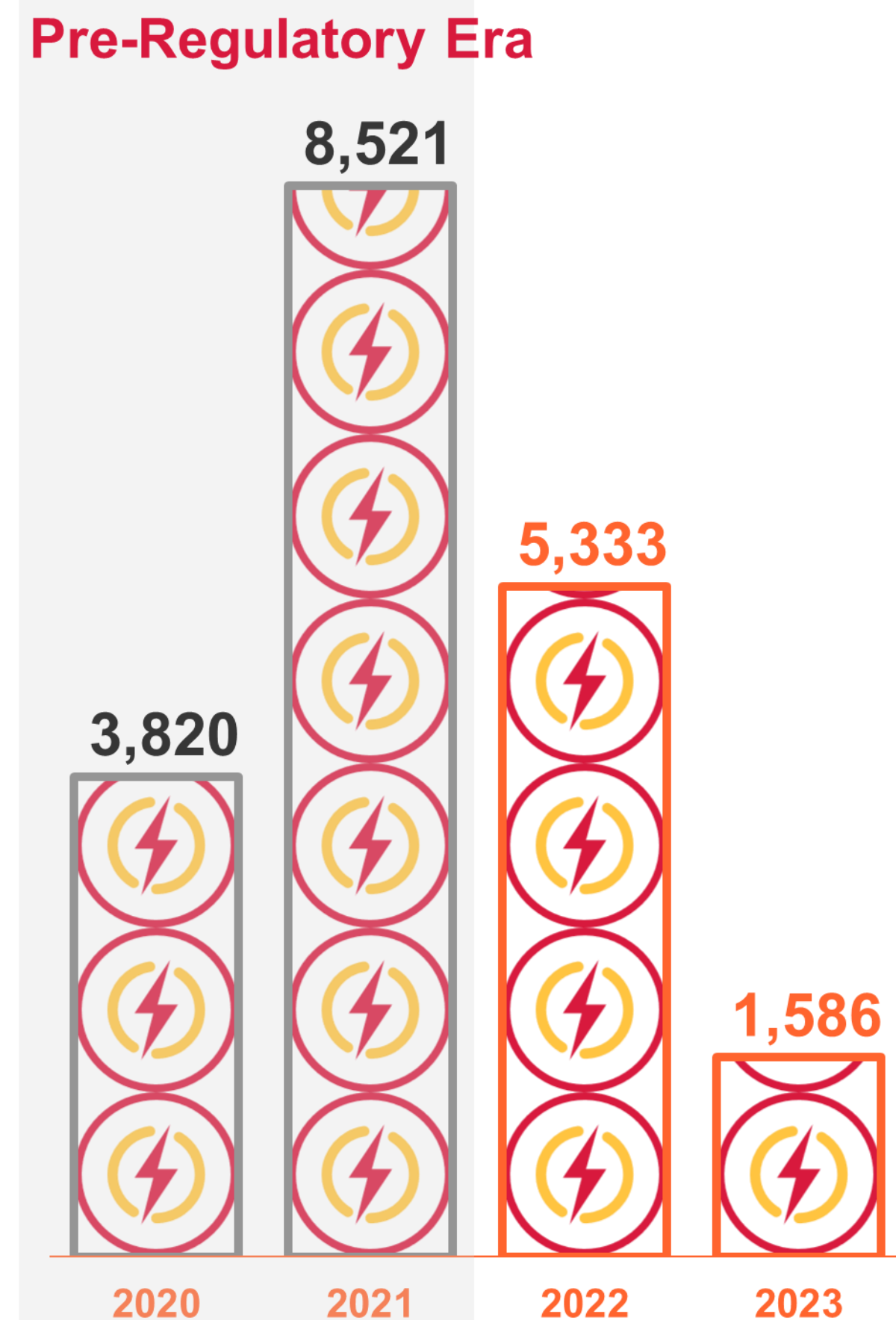
*The Company acquired various companies on December 13, 2023, which was accounted for as an under common control transaction in accordance with ASC 805-50. The Company retrospectively adjusted the above comparative consolidated statements of comprehensive (loss)/income and consolidated balance sheets in prior quarters/year.

Fiscal Year 2023 Financial Highlights

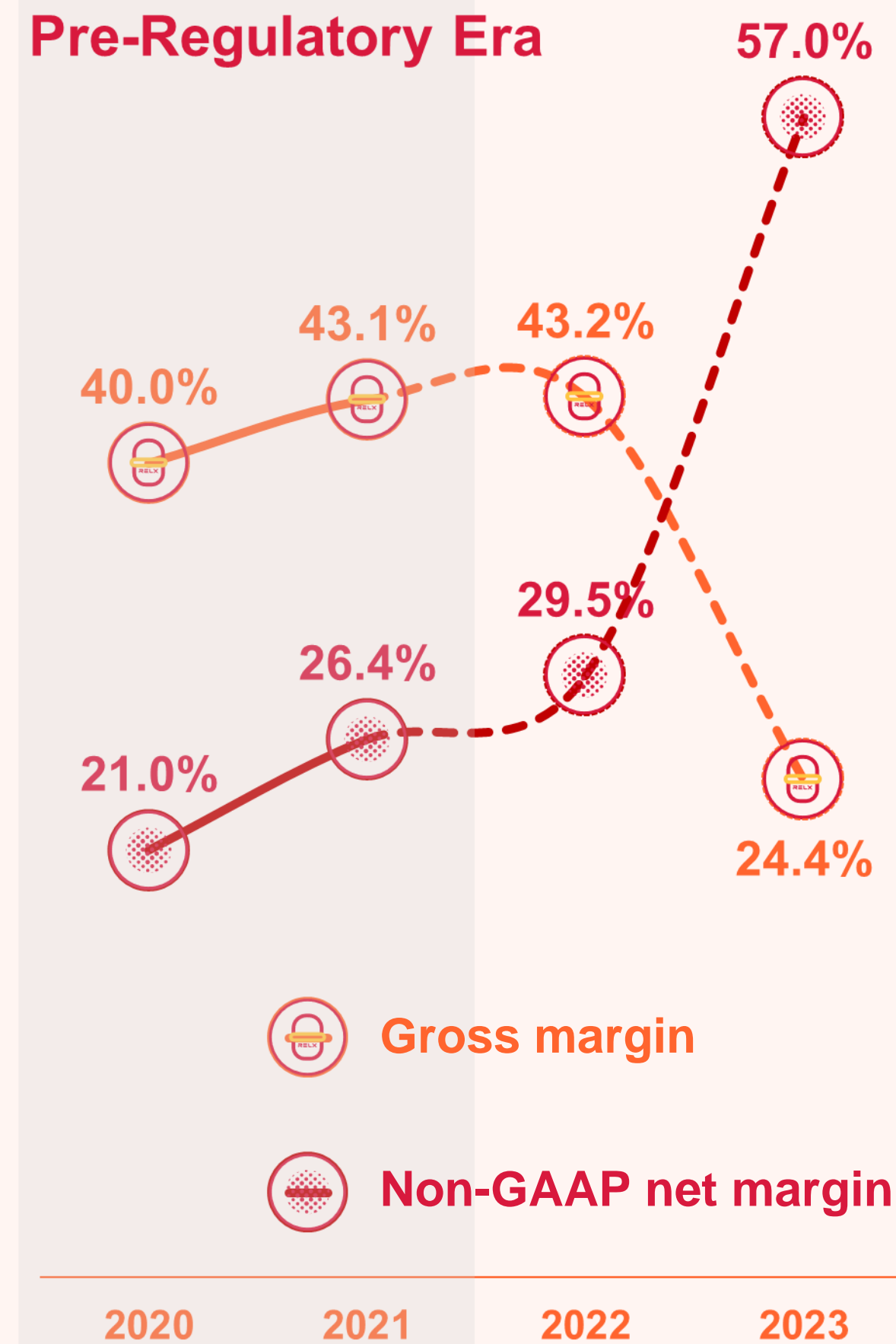
RLX TECH

Net Revenues

RMB millions



Profitability



Capital Resources

RMB millions

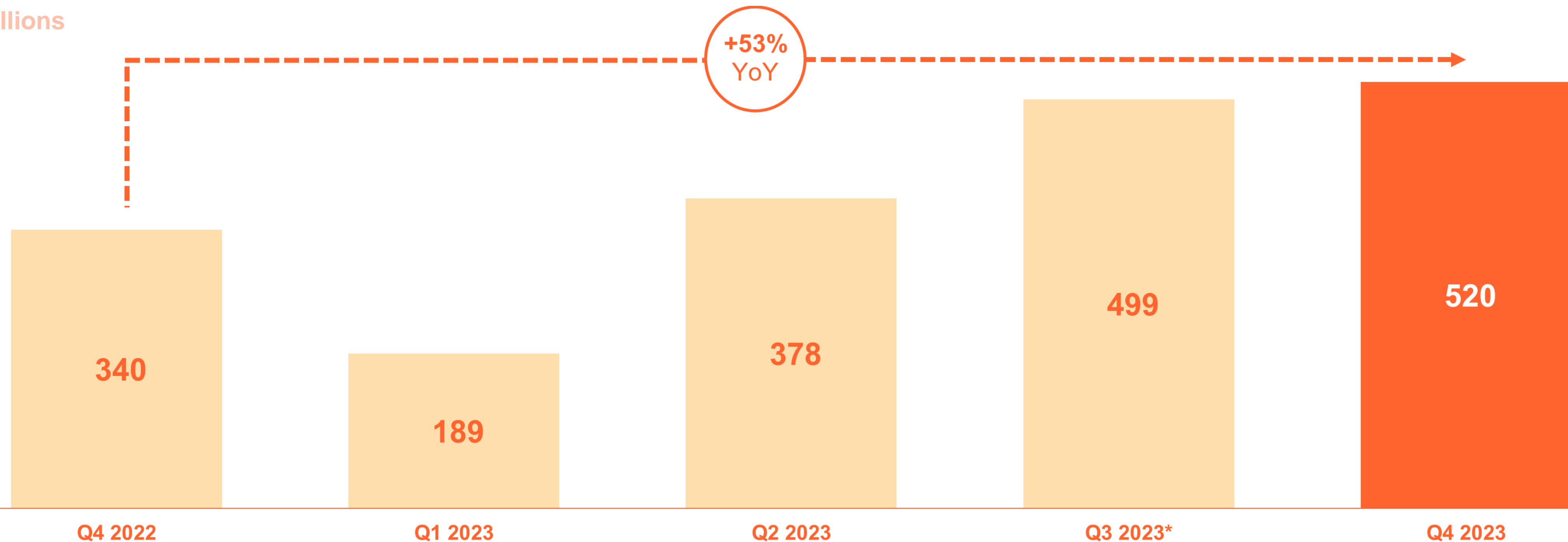


- “Electronic Cigarette” Mandatory National Standards took effect from **October 1, 2022**.
- Excise Tax: E-cigarette manufacturers/importers are subject to ad valorem tax at the rate of 36% on the production or import of e-cigarettes from **November 1, 2022**.

Note: capital resources include cash and cash equivalents, restricted cash, short-term bank deposits, net, short-term investments, long-term bank deposits, net and long-term investment securities

Net Revenues by Quarter

RMB millions



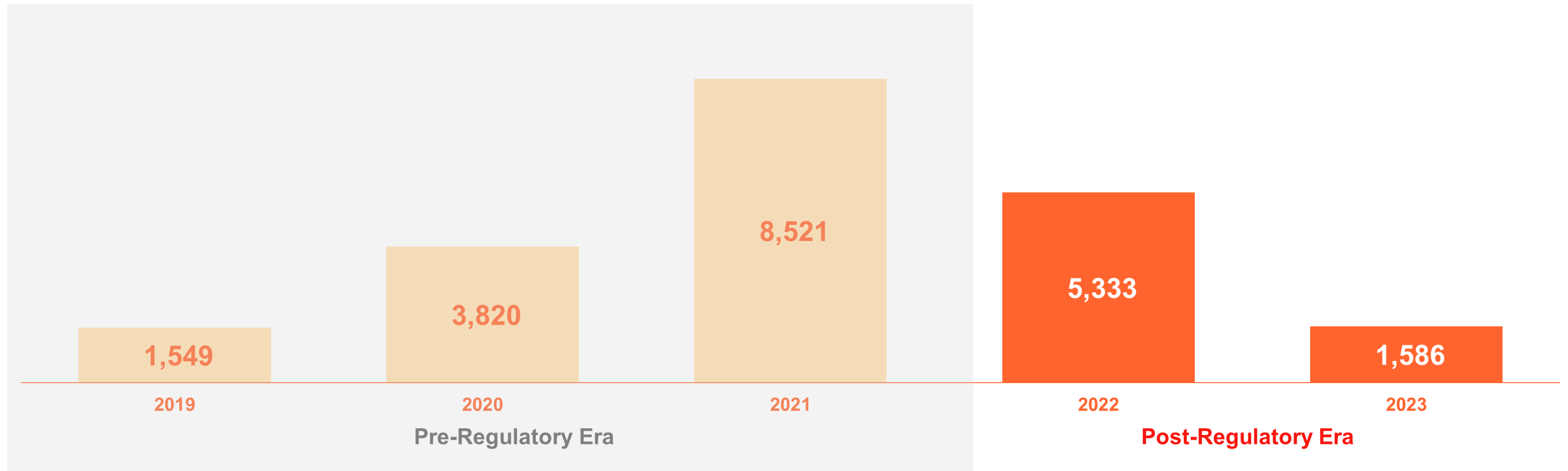
The YoY increase in quarterly net revenues was primarily due to:

- Our international expansion in Southeast and North Asia.

*Note: The Company acquired various companies on December 13, 2023, which was accounted for as an under common control transaction in accordance with ASC 805-50. The Company retrospectively adjusted the above comparative consolidated statements of comprehensive (loss)/income in prior quarters/year.

Net Revenues by Year

RMB millions



The YoY increase in quarterly net revenues was primarily due to:

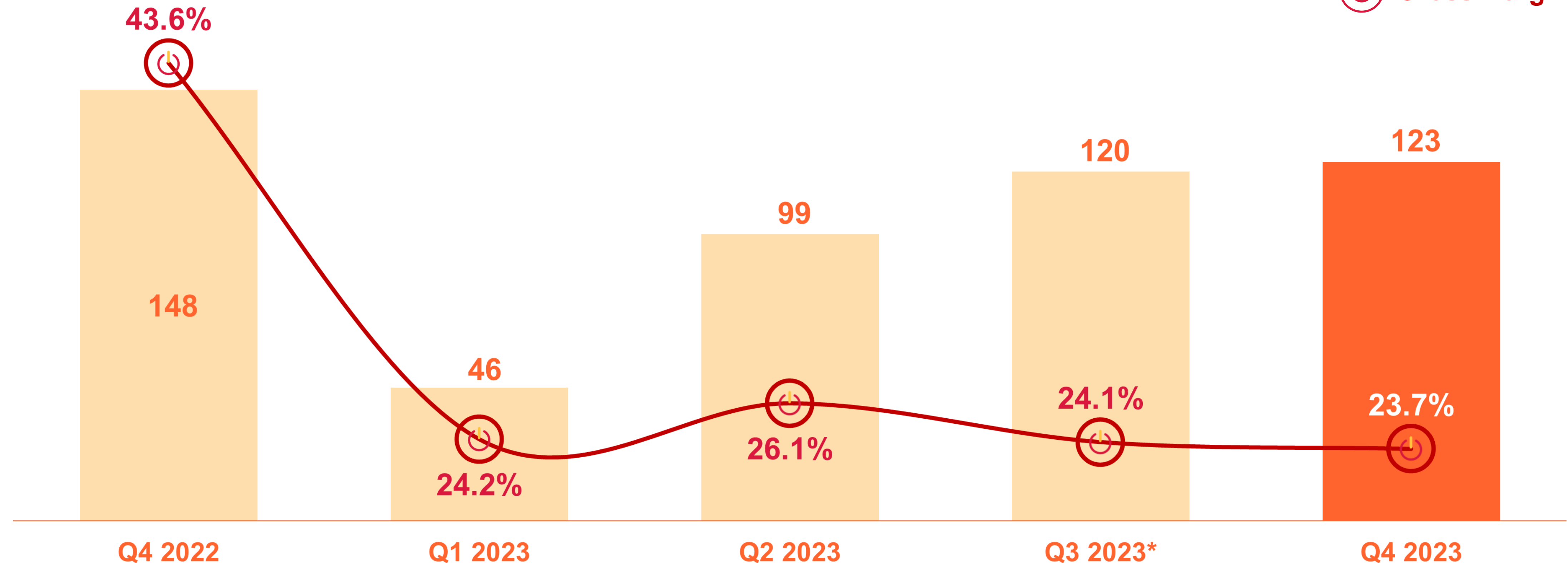
- The discontinuation of older products.

Gross Profit and Gross Margin

Gross Profit and Gross Margin

RMB millions

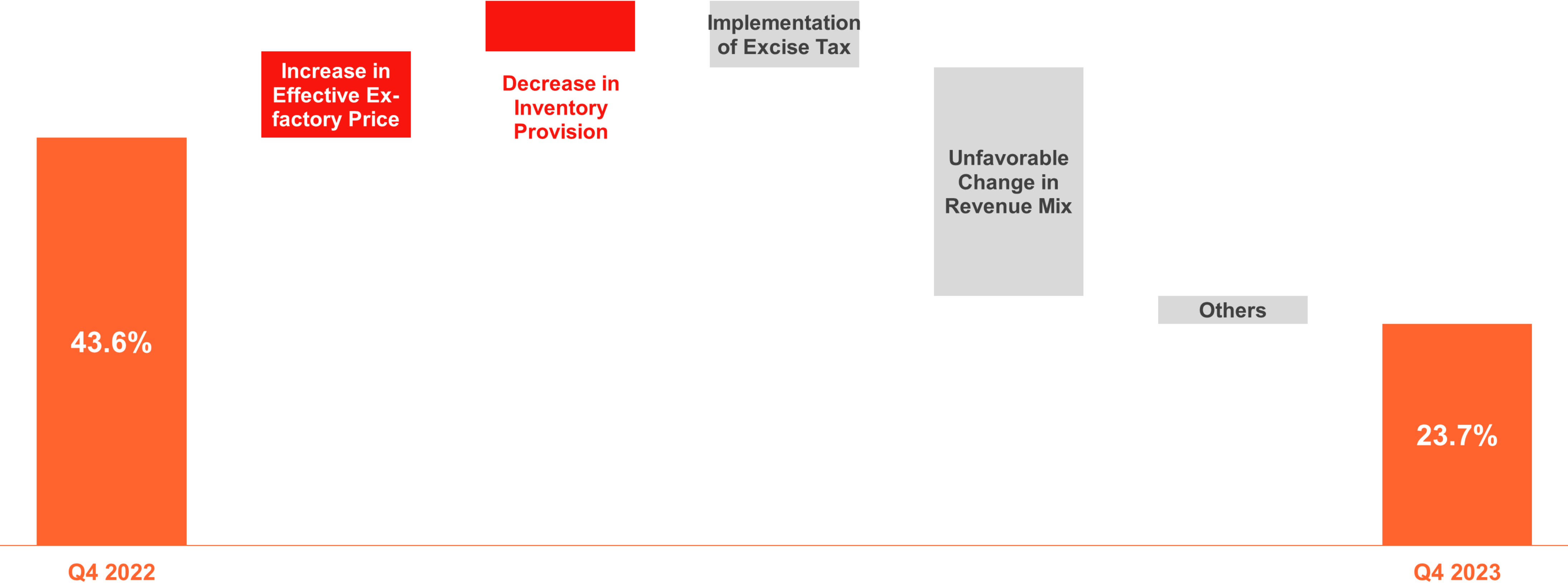
 Gross Margin



- Excise Tax: E-cigarette manufacturers/importers are subject to ad valorem tax at the rate of 36% on the production or import of e-cigarettes from November 1, 2022.

*Note: The Company acquired various companies on December 13, 2023, which was accounted for as an under common control transaction in accordance with ASC 805-50. The Company retrospectively adjusted the above comparative consolidated statements of comprehensive (loss)/income in prior quarters/year.

Quarterly Gross Margin Waterfall Analysis



The decrease was primarily due to the imposition of a 36% excise tax which came into effect on November 1, 2022 and an unfavorable change in revenue mix.

Annual Gross Margin Waterfall Analysis



The decrease was primarily due to the imposition of a 36% excise tax which came into effect on November 1, 2022.

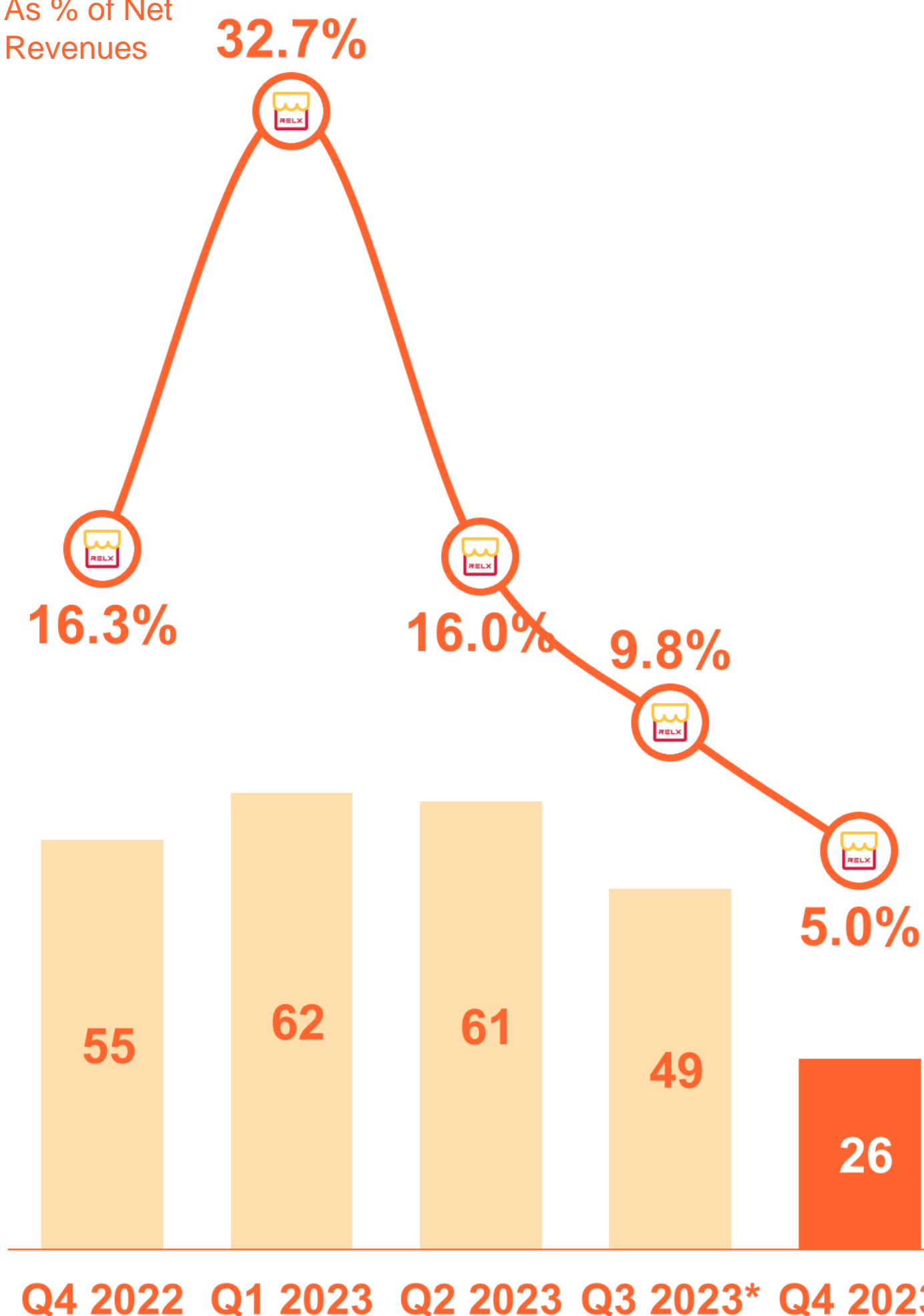
Quarterly Non-GAAP Operating Expenses

RLX TECH

Non-GAAP Selling Expenses

RMB millions

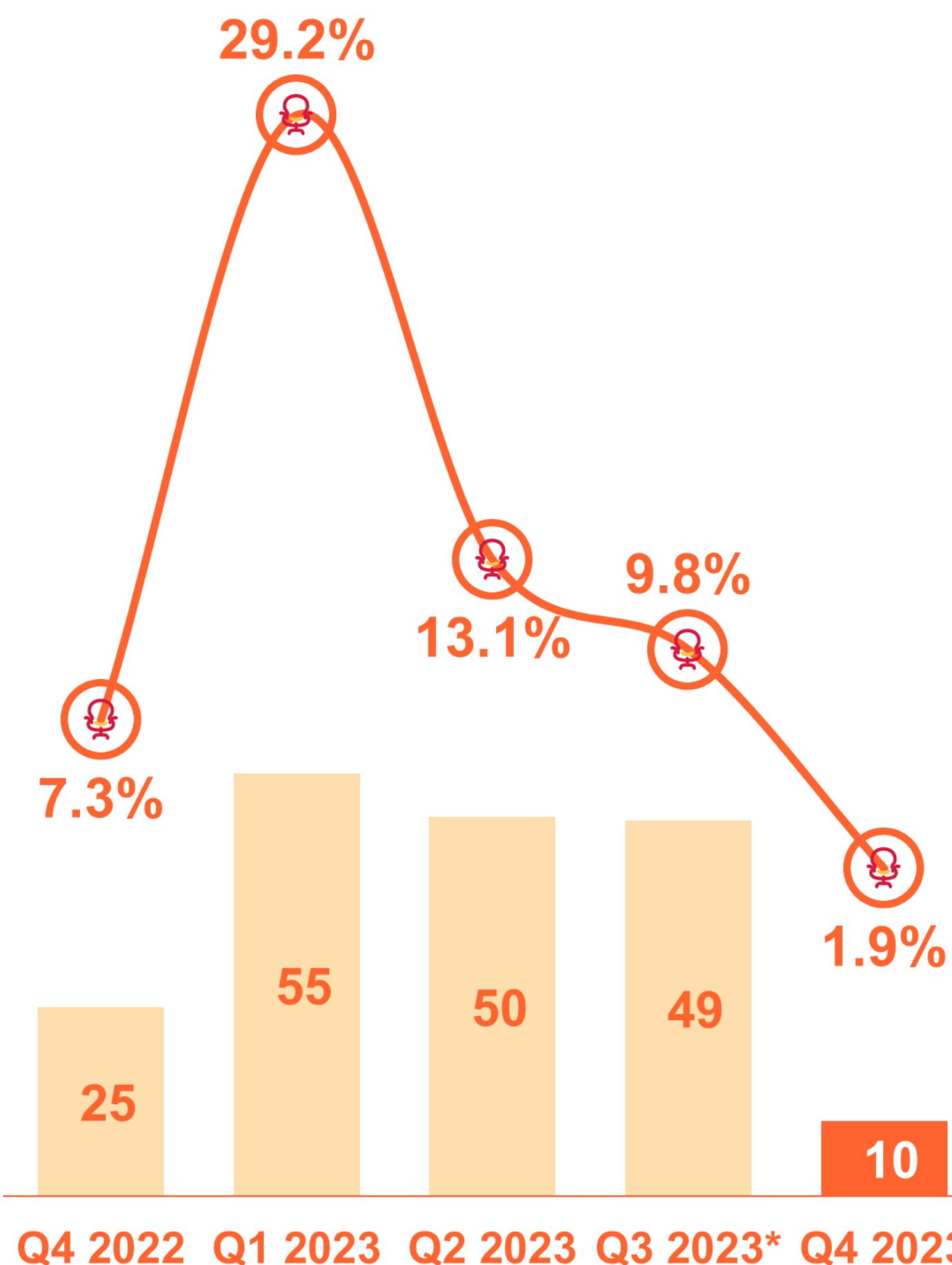
As % of Net Revenues



Non-GAAP General and Administrative Expenses

RMB millions

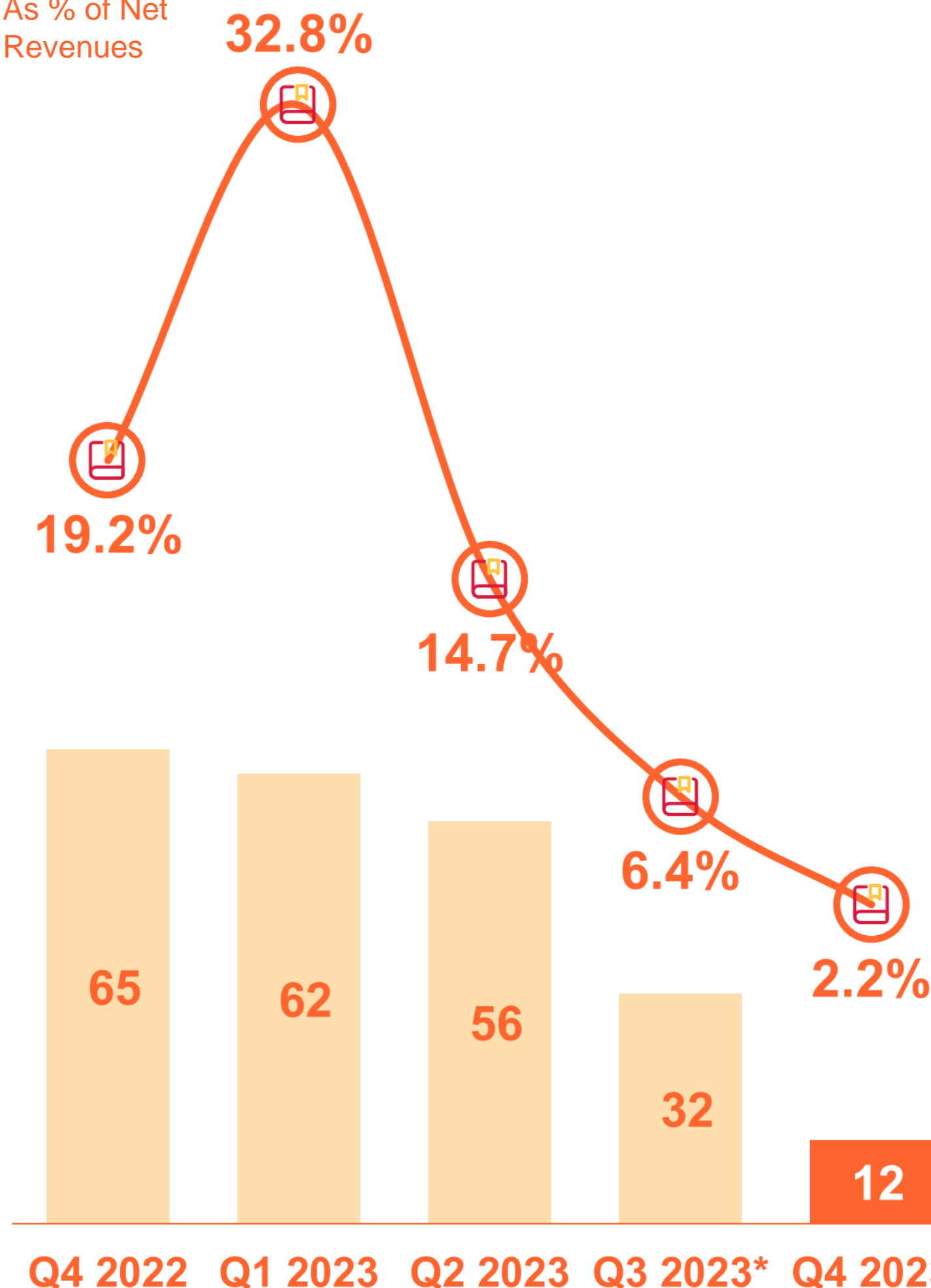
As % of Net Revenues



Non-GAAP Research and Development Expenses

RMB millions

As % of Net Revenues



*Note: excluding share-based compensation expenses

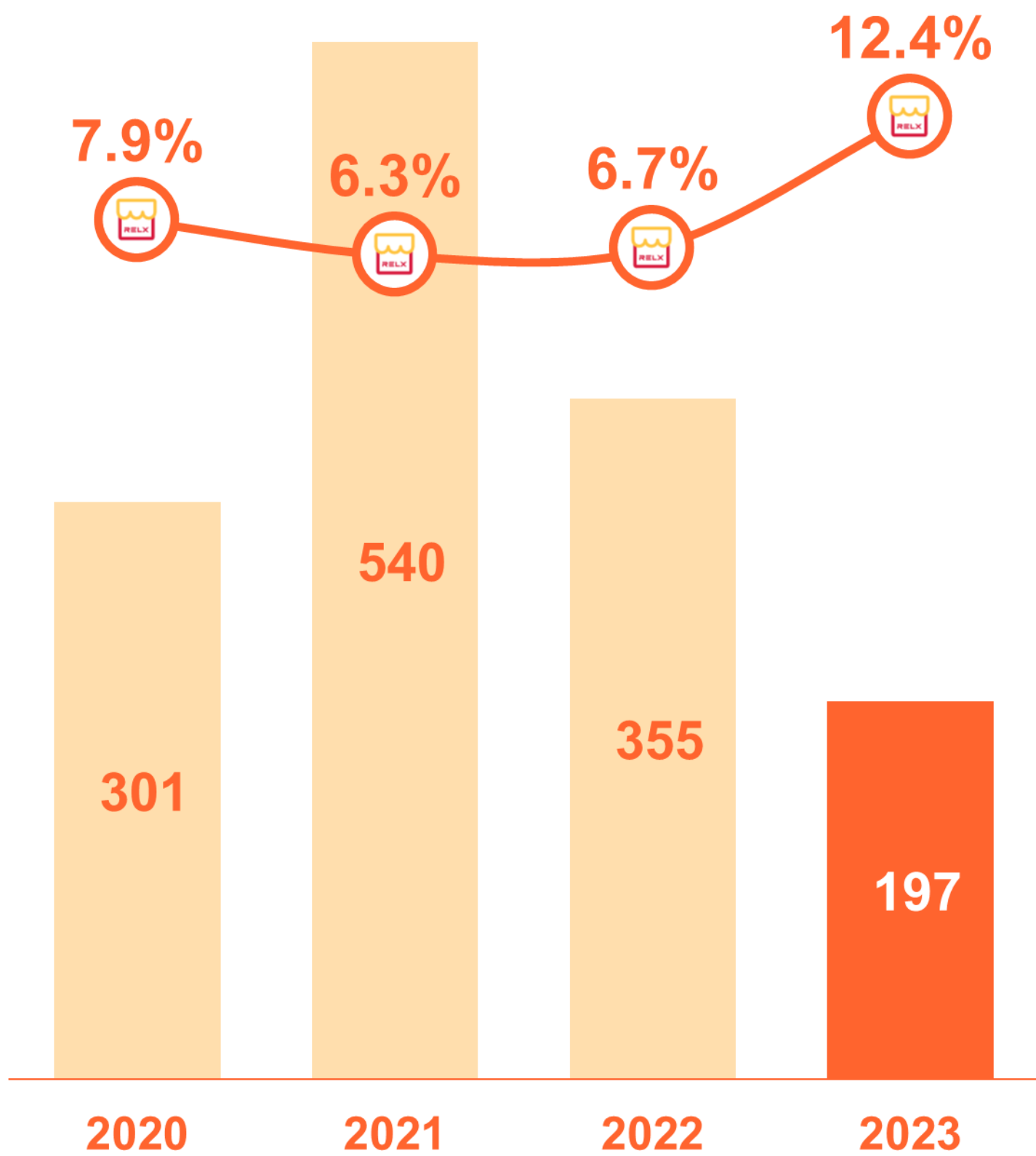
The Company acquired various companies on December 13, 2023, which was accounted for as an under common control transaction in accordance with ASC 805-50. The Company retrospectively adjusted the above comparative consolidated statements of comprehensive (loss)/income in prior quarters/year.

Annual Non-GAAP Operating Expenses

Non-GAAP Selling Expenses

RMB millions

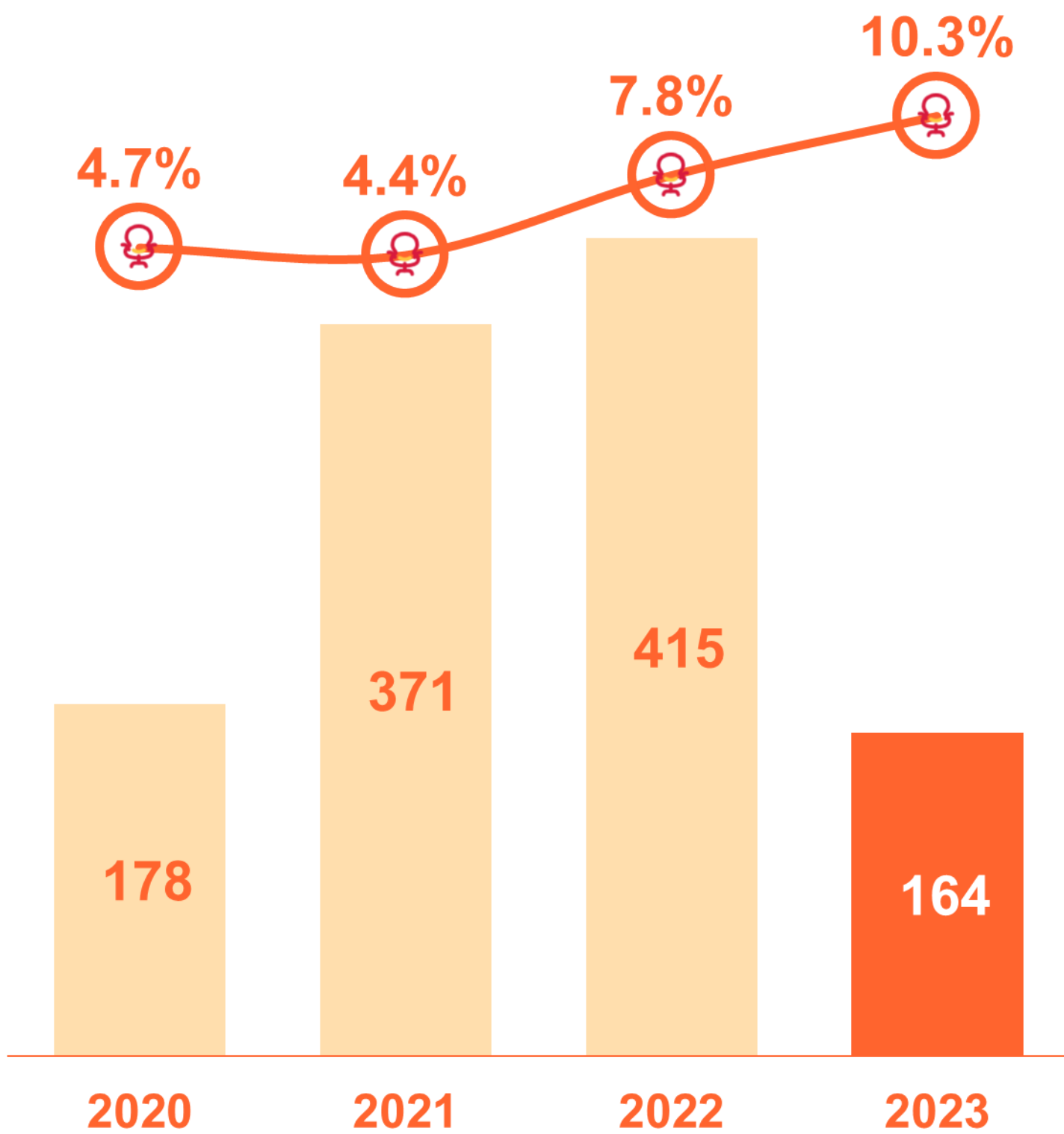
As % of Net Revenues



Non-GAAP General and Administrative Expenses

RMB millions

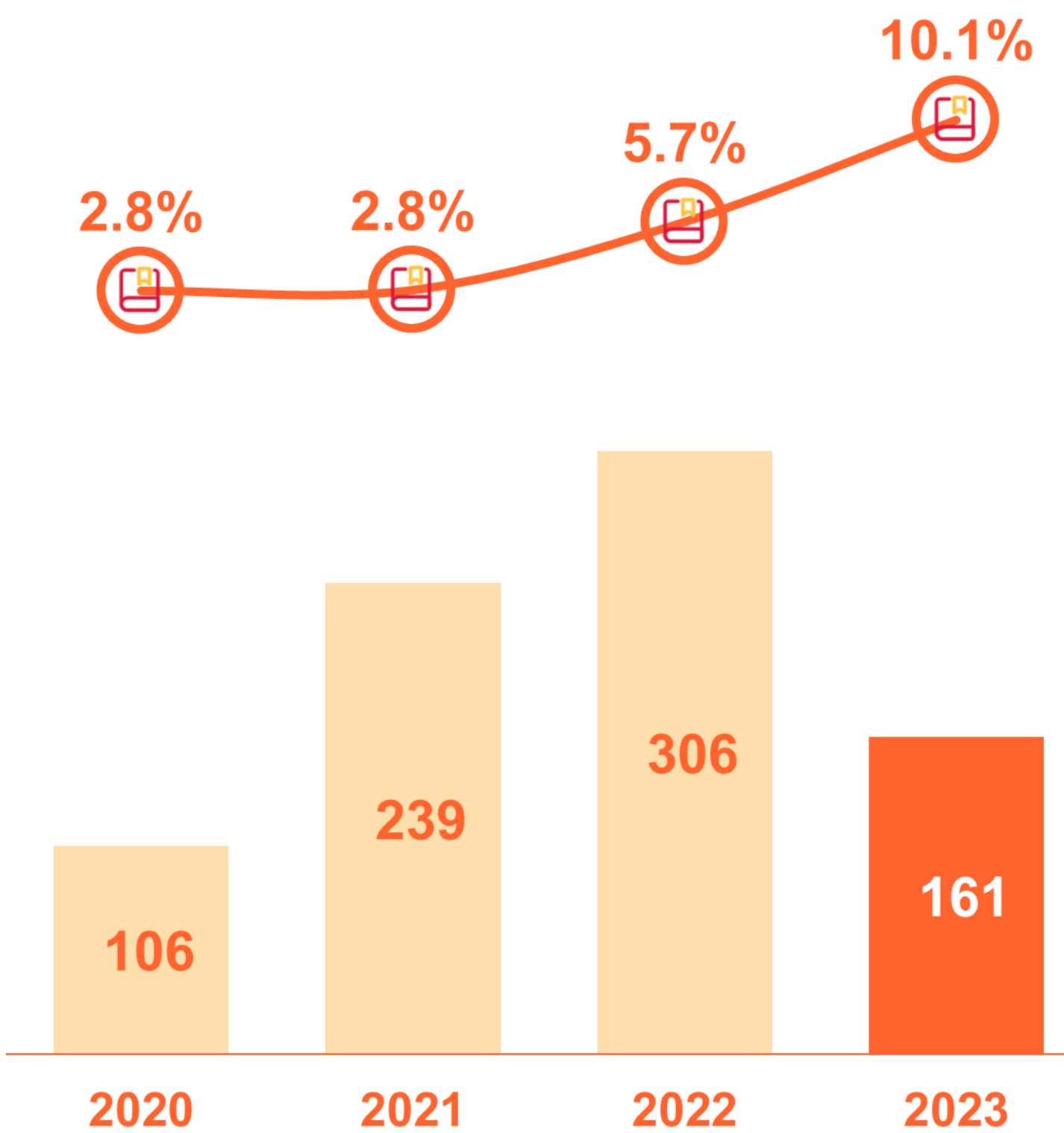
As % of Net Revenues



Non-GAAP Research and Development Expenses

RMB millions

As % of Net Revenues



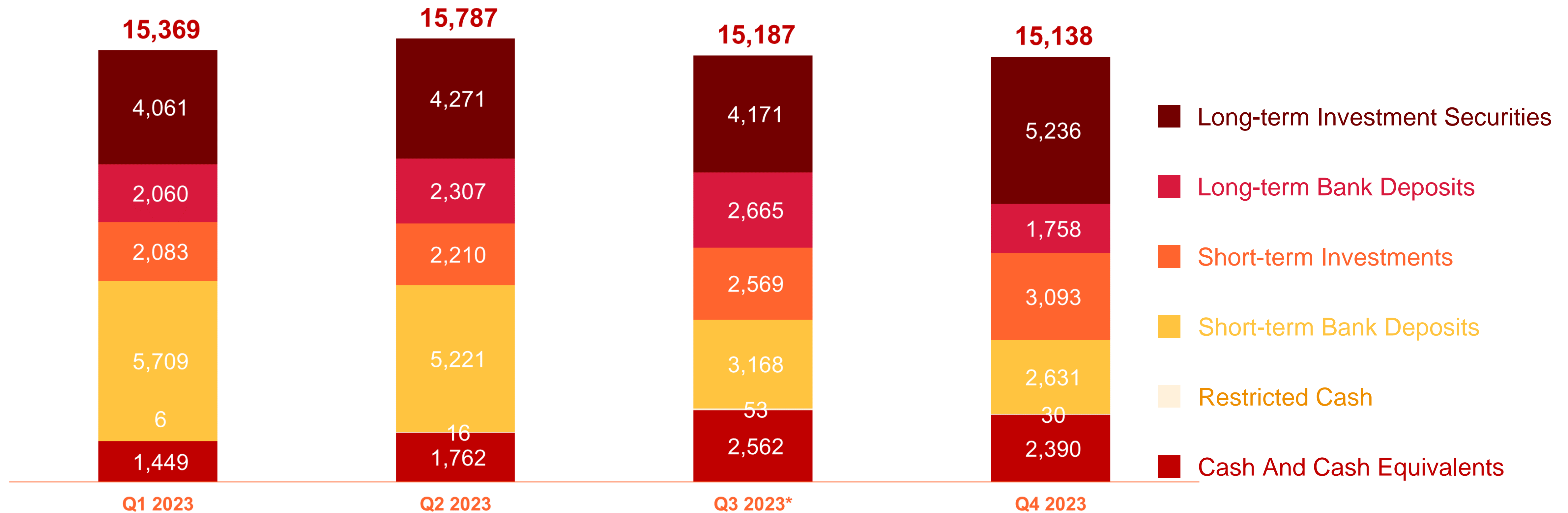
*Note: excluding share-based compensation expenses

GAAP to Non-GAAP Net Income Reconciliation **RLX TECH**

(In RMB thousands)	For the Three Months Ended			For the Year Ended	
	Dec 31, 2022	Sep 30, 2023	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023
	(As adjusted)	(As adjusted)		(As adjusted)	
Net (Loss)/Income	(225,125)	176,609	215,968	1,408,732	540,988
Add: Share-based Compensation Expenses					
Selling Expenses	41,239	(4,045)	12,128	(6,993)	16,700
General and Administrative Expenses	369,447	29,771	194,153	162,229	334,344
Research and Development Expenses	64,165	(936)	10,335	10,925	11,824
Non-GAAP Net Income	249,726	201,399	432,584	1,574,893	903,856
Non-GAAP NPM (%)	73.4%	40.4%	83.1%	29.5%	57.0%
Net (Loss)/Income Attributable to RLX Technology Inc.	(228,480)	175,030	213,477	1,441,219	534,328
Add: Share-based Compensation Expenses	474,851	24,790	216,616	166,161	362,868
Non-GAAP Net Income Attributable to RLX Technology Inc.	246,371	199,820	430,093	1,607,380	897,196
Non-GAAP Net Income per Ordinary Share/ADS					
- Basic	0.188	0.152	0.335	1.218	0.684
- Diluted	0.186	0.149	0.325	1.210	0.669
Weighted Average Number of Ordinary Shares/ADSs					
- Basic	1,310,229,331	1,316,452,743	1,285,752,182	1,319,732,802	1,311,401,901
- Diluted	1,324,475,455	1,344,359,144	1,324,466,240	1,328,144,092	1,340,445,653

Note: The Company acquired various companies on December 13, 2023, which was accounted for as an under common control transaction in accordance with ASC 805-50. The Company retrospectively adjusted the above unaudited reconciliation of GAAP and Non-GAAP results in prior quarters/year.

Capital Resources



*Note: The Company acquired various companies on December 13, 2023, which was accounted for as an under common control transaction in accordance with ASC 805-50. The Company retrospectively adjusted the above comparative consolidated balance sheets in prior year.

Income Statements

RLX TECH

(In RMB thousands)	For the Three Months Ended			For the Year Ended	
	Dec 31, 2022 (As adjusted)	Sep 30, 2023 (As adjusted)	Dec 31, 2023	Dec 31, 2022 (As adjusted)	Dec 31, 2023
Net Revenues	340,012	498,929	520,468	5,332,779	1,586,397
Cost of Revenues	(139,073)	(278,578)	(327,325)	(2,974,981)	(856,329)
Excise Taxes on Products	(52,668)	(100,313)	(69,730)	(52,668)	(342,354)
Gross Profit	148,271	120,038	123,413	2,305,130	387,714
Operating Expenses:					
Selling Expenses	(96,673)	(44,751)	(37,985)	(347,798)	(213,723)
General and Administrative Expenses	(394,207)	(78,849)	(204,030)	(576,811)	(498,015)
Research and Development Expenses	(129,558)	(30,783)	(21,904)	(317,110)	(172,686)
Total Operating Expenses	(620,438)	(154,383)	(263,919)	(1,241,719)	(884,424)
(Loss)/Income From Operations	(472,167)	(34,345)	(140,506)	1,063,411	(496,710)
Other Income:					
Interest Income, net	54,617	158,260	157,928	180,729	627,879
Investment Income	25,557	21,028	182,699	136,531	245,700
Others, net	150,625	33,412	30,925	399,641	214,874
(Loss)/Income Before Income Tax	(241,368)	178,355	231,046	1,780,312	591,743
Income Tax Benefit/(Expense)	16,243	(1,746)	(15,078)	(371,580)	(50,755)
Net (Loss)/Income	(225,125)	176,609	215,968	1,408,732	540,988
Less: Net Income/(Loss) Attributable to Noncontrolling Interests	3,355	1,579	2,491	(32,487)	6,660
Net (Loss)/Income Attributable to RLX Technology Inc.	(228,480)	175,030	213,477	1,441,219	534,328
Other Comprehensive (Loss)/Income:					
Foreign Currency Translation Adjustments	(215,246)	(83,978)	(132,470)	937,428	198,534
Unrealized (Loss)/Income on Long-term Investment Securities	(5,425)	3,508	(11,288)	(5,425)	632
Total Other Comprehensive (Loss)/Income	(220,671)	(80,470)	(143,758)	932,003	199,166
Total Comprehensive (Loss)/Income	(445,796)	96,139	72,210	2,340,735	740,154
Less: Total Comprehensive Income/(Loss) Attributable to Noncontrolling Interests	3,355	1,579	2,491	(32,487)	6,660
Total Comprehensive (Loss)/Income Attributable to RLX Technology Inc.	(449,151)	94,560	69,719	2,373,222	733,494

Note: The Company acquired various companies on December 13, 2023, which was accounted for as an under common control transaction in accordance with ASC 805-50. The Company retrospectively adjusted the above comparative consolidated statements of comprehensive (loss)/income in prior quarters/year.

Balance Sheets

RLX TECH

(In RMB thousands)	As of	
	Dec 31, 2022 (As adjusted)	Dec 31, 2023
ASSETS		
Current Assets		
Cash and Cash Equivalents	1,268,512	2,390,298
Restricted Cash	20,574	29,760
Short-Term Bank Deposits, net	7,084,879	2,631,256
Receivables From Online Payment Platforms	3,000	6,893
Short-Term Investments	2,434,864	3,093,133
Accounts and Notes Receivable, net	51,381	60,482
Inventories	130,901	144,850
Amounts Due From Related Parties	5,112	118,736
Prepayments and Other Current Assets, net	198,932	508,435
Total Current Assets	11,198,155	8,983,843
Non-Current Assets		
Property, Equipment and Leasehold Improvement, net	87,871	77,358
Intangible Assets, net	7,552	69,778
Long-Term Investments, net	8,000	8,000
Deferred Tax Assets, net	63,894	58,263
Right-of-Use Assets, net	75,008	52,562
Long-Term Bank Deposits, net	1,515,428	1,757,804
Long-Term Investment Securities, net	3,409,458	5,236,109
Goodwill	-	66,506
Other Non-Current Assets, net	13,458	4,874
Total Non-Current Assets	5,180,669	7,331,254
Total Assets	16,378,824	16,315,097
Cash and Cash Equivalents	1,268,512	2,390,298
Restricted Cash	20,574	29,760
Short-Term Bank Deposits, net	7,084,879	2,631,256
Short-Term Investments	2,434,864	3,093,133
Long-Term Bank Deposits, net	1,515,428	1,757,804
Long-Term Investment Securities, net	3,409,458	5,236,109
Total Cash and Cash Equivalents	15,733,715	15,138,360

Note: The Company acquired various companies on December 13, 2023, which was accounted for as an under common control transaction in accordance with ASC 805-50. The Company retrospectively adjusted the above comparative consolidated balance sheets in prior year.

Balance Sheets (Cont'd)

RLX TECH

(In RMB thousands)	As of	
	Dec 31, 2022 (As adjusted)	Dec 31, 2023
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts and Notes Payable	269,346	266,426
Contract Liabilities	75,226	49,586
Salary and Welfare Benefits Payable	127,749	39,256
Taxes Payable	109,676	77,164
Amounts Due to Related Parties	423	101,927
Dividend Payable	-	881
Accrued Expenses and Other Current Liabilities	161,455	103,996
Lease Liabilities - Current Portion	45,955	29,435
Total Current Liabilities	789,830	668,671
Non-Current Liabilities		
Deferred Tax Liabilities	8,653	23,591
Lease Liabilities - Non-Current Portion	39,968	24,419
Total Non-Current Liabilities	48,621	48,010
Total Liabilities	838,451	716,681
Shareholders' Equity:		
Total RLX Technology Inc. shareholders' Equity	15,569,060	15,609,393
Noncontrolling Interests	(28,687)	(10,977)
Total Shareholders' Equity	15,540,373	15,598,416
Total Liabilities and Shareholders' Equity	16,378,824	16,315,097

Note: The Company acquired various companies on December 13, 2023, which was accounted for as an under common control transaction in accordance with ASC 805-50. The Company retrospectively adjusted the above comparative consolidated balance sheets in prior year.

Statements of Cash Flows

RLX TECH

(In RMB thousands)	For the Three Months Ended			For the Year Ended	
	Dec 31, 2022 (As adjusted)	Sep 30, 2023 (As adjusted)	Dec 31, 2023	Dec 31, 2022 (As adjusted)	Dec 31, 2023
Net Cash (Used In) / Generated From Operating Activities	(248,866)	82,853	305,197	486,829	198,703
Net Cash Generated From / (Used In) Investing Activities	752,545	967,234	310,274	(4,133,040)	2,091,145
Net Cash Used In Financing Activities	(150,647)	(206,577)	(791,905)	(477,270)	(1,193,216)
Effect of Foreign Exchange Rate Changes On Cash, Cash Equivalents And Restricted Cash	29,287	(5,918)	(18,544)	203,100	34,340
Net Increase / (Decrease) In Cash and Cash Equivalents and Restricted Cash	382,319	837,592	(194,978)	(3,920,381)	1,130,972
Cash, Cash Equivalents and Restricted Cash at the Beginning of the Period	906,767	1,777,444	2,615,036	5,209,467	1,289,086
Cash, Cash Equivalents and Restricted Cash at the End of the Period	<u>1,289,086</u>	<u>2,615,036</u>	<u>2,420,058</u>	<u>1,289,086</u>	<u>2,420,058</u>

Note: The Company acquired various companies on December 13, 2023, which was accounted for as an under common control transaction in accordance with ASC 805-50. The Company retrospectively adjusted the above comparative consolidated statements of cash flows in prior quarters/year.

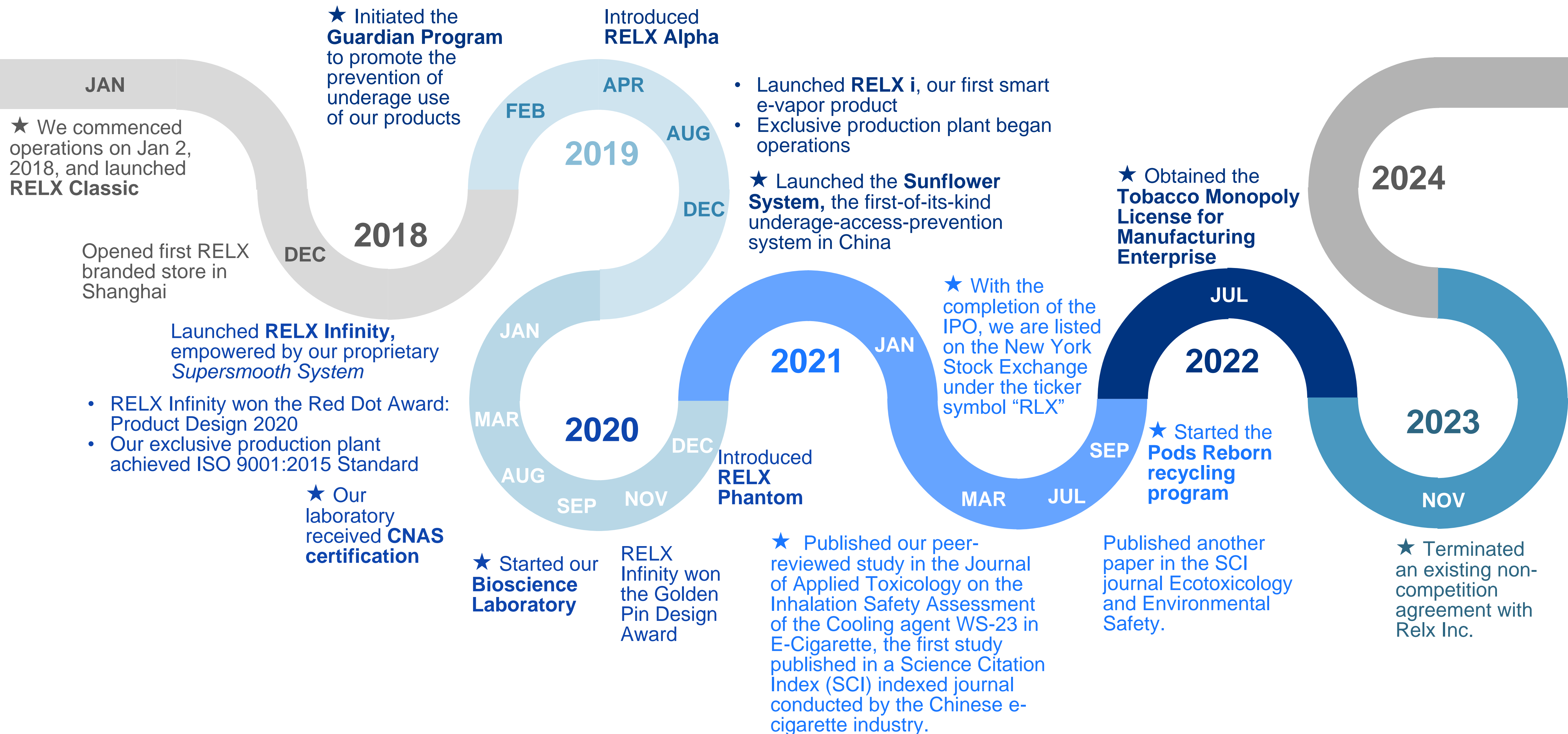
WAKA IS HERE!

APPENDIX



Company Milestones

RLX TECH



Strong R&D Capability

RLX TECH


The Birth of an RLX Tech Product

The Whole R&D Process	User Evaluation	Formula Adjustments	Product Tests
80 days	500+	100+	197 items

R&D Indicators

By June 2022:	In 2021:
Patents Filed Globally	Cooperative Research Projects
610	13

“1+4” Science Research Matrix



Product Quality

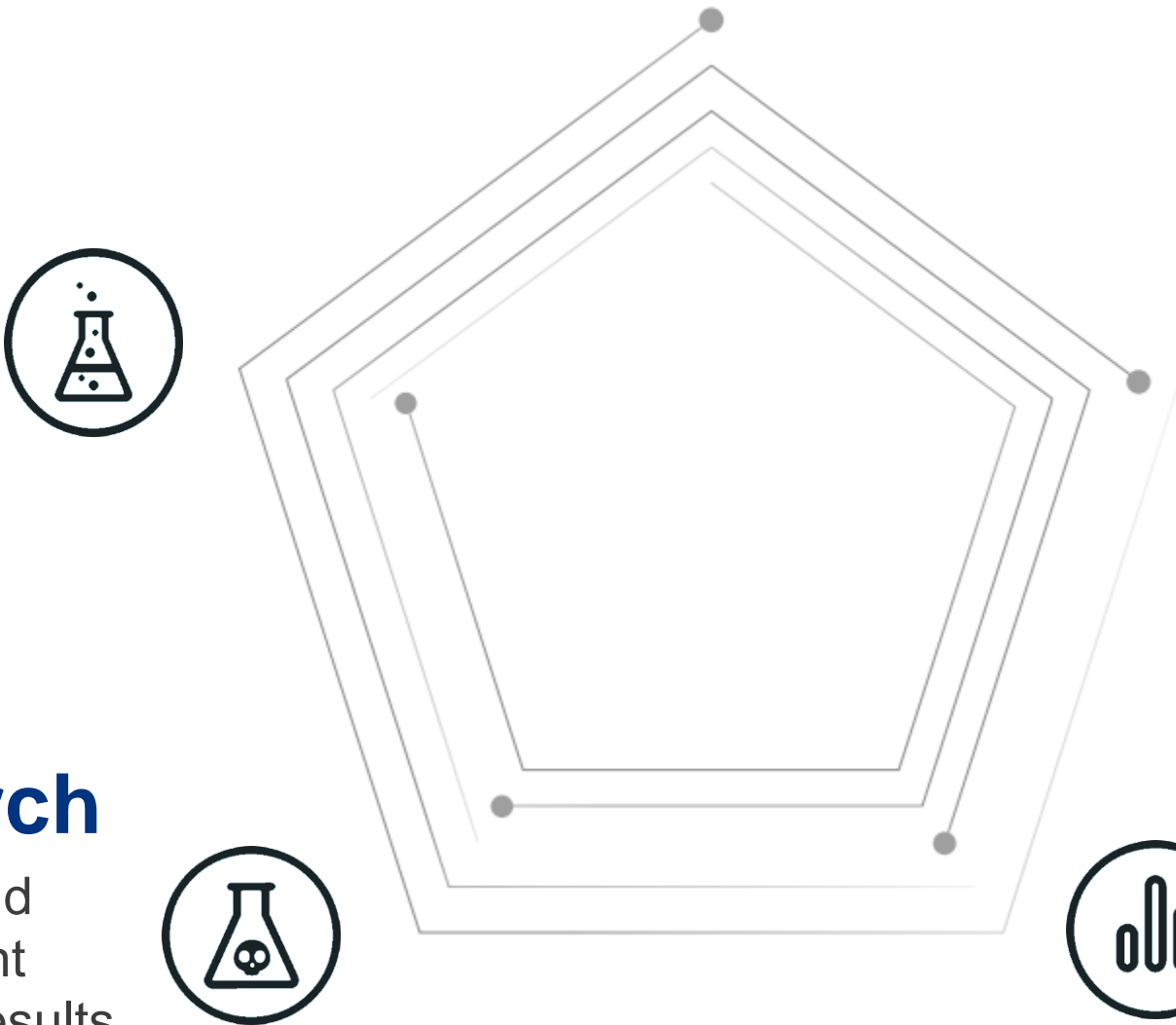
Stable product quality is the cornerstone of scientific research.
The only way to draw meaningful scientific conclusions is by ensuring stable quality.

Physiochemical Research

Relying on RLX Tech’s Chemistry Laboratory, we study the content of various chemical components in aerosols. We focus on the potential risk components in the released content and accumulate data for our quantitative risk assessment and clinical experiments.

Toxicology Research


We systematically evaluate the toxicity of e-liquid and aerosols, exploring their impacts on different body tissues and in different dimensions. The results can also serve as prerequisites for clinical research.





Long-term Impact Assessment

We study changes in the user group’s characteristics from a public health perspective. We build comprehensive and complex analytical models and predict the public health impacts of our e-vaping products based on our toxicological and clinical findings.



Clinical Research

We track users regularly to monitor changes in physiological indicators and relevant biomarkers in the body. We carry out research on user vaping behavior and nicotine pharmacokinetics.

Management Team with Proven Track Record

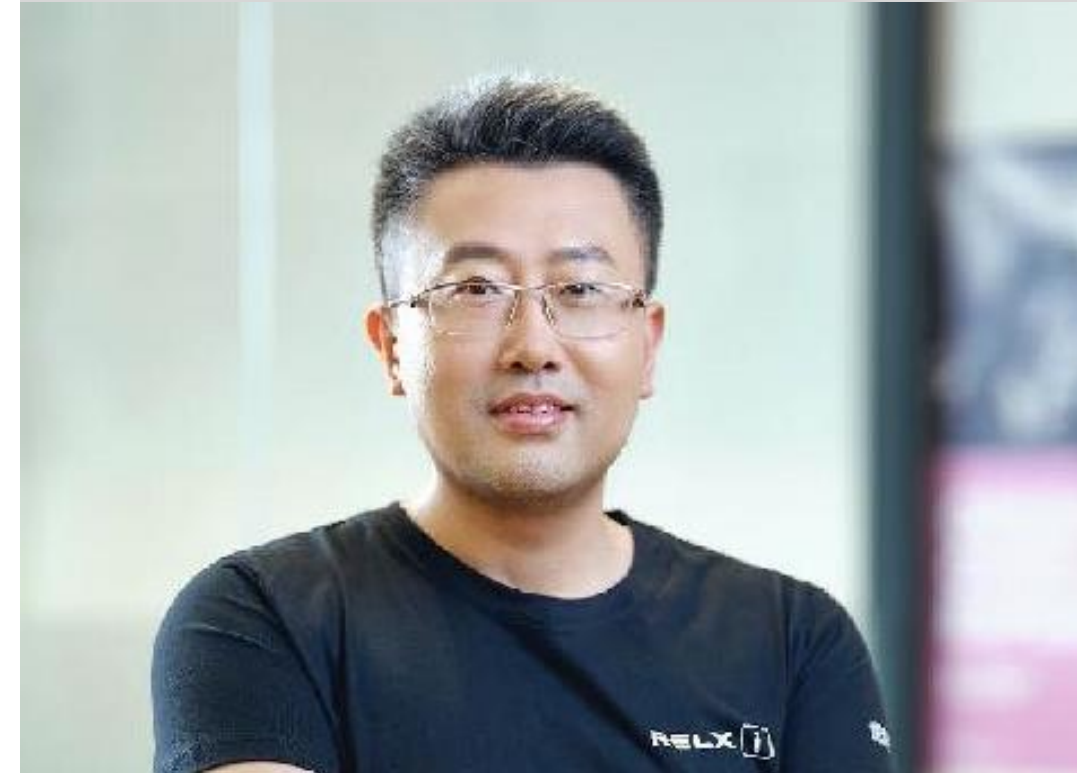
RLX TECH



Ms. Ying (Kate) Wang

Co-founder
Chief Executive Officer

- Ms. Wang served in several leadership roles, including the head of Didi Youxiang and head of Uber China at Didi Chuxing, and as a regional general manager at Uber China, from December 2014 to April 2018. Before joining Uber China, Ms. Wang was a consultant at Bain & Company from October 2013 to December 2014.
- Ms. Wang received a bachelor's degree in finance and law from Xi'an Jiaotong University, a master's degree in management from Xi'an Jiaotong University, and an MBA from Columbia Business School.



Mr. Long (David) Jiang

Co-founder
Head of China Sales

- Mr. Jiang is responsible for our distribution and retail management in China. Mr. Jiang has 17 years of extensive experience in fast-moving consumer goods and technology industries, including as a regional general manager at Didi Chuxing, national head of customer marketing and channel in China at Bacardi, senior group key accounts manager at L'Oréal, and senior key account manager at Procter & Gamble.
- Mr. Jiang received a bachelor's degree in mechanical engineering from Tsinghua University and a master's degree in scientific policy strategy and management from the Chinese Academy of Sciences.



Mr. Yilong Wen

Co-founder
Head of supply chain, product development and scientific research

- Mr. Wen is responsible for our supply chain, product development, and scientific research. Mr. Wen has nine years of experience in fast-moving consumer goods, technology, and automobile industries, including as regional general manager at Didi Chuxing, a vehicle simulation engineer at Mercedes-Benz.
- Mr. Wen received a bachelor's degree in mechanical engineering from Shanghai Jiao Tong University, a bachelor's degree in mechanical engineering from the University of Michigan, and double master's degrees in mechanical engineering, design, and manufacturing from the University of Michigan.



Mr. Chao Lu

Chief Financial Officer

- Before joining the Company, Mr. Lu served as Managing Director and Head of Asia Healthcare Investment Banking at Citigroup, where he was responsible for healthcare client coverage at Citigroup across the Asia Pacific region, education, and other selective consumer client coverage worked in Morgan Stanley Investment Banking, CICC Investment Banking, and the private equity investment industry.
- Mr. Lu received a bachelor's degree in operations research and financial engineering from Princeton University.

RLX Technology Inc.

Earnings Presentation Fourth Quarter and Fiscal Year 2023

RLX TECH