

RLX TECH

Earnings Presentation

First Quarter 2025



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Performance Highlights

2025 Q1

Since the beginning of 2025, the e-vapor industry has faced growing global scrutiny and an increasingly stringent regulatory environment. E-vapor exports from China decreased year-over-year in the first quarter. As a brand with advanced in-house product development capabilities, a robust inventory management system, and operations in multiple global markets, we remain committed to our goal of growing at a pace that outperforms the industry.

Profitability

Net Revenues

808

RMB million

47%

YoY Growth

Gross Profit

231

RMB million

62%

YoY Growth

Non-GAAP Operating Profit

106

RMB million

354%

YoY Growth

Capital Resources

Total Capital Resources*

16.2

RMB billion

Cash and Cash Equivalents

4.7

RMB billion

Operating Cashflows

0.2

RMB billion

Shareholder Value

Total Cash Returned to Shareholders Since IPO (as of 2024 Q4)

332

USD million

92%

in the form of share repurchases

Cash Cycle

Inventory Turnover Days

25

Days

Receivable Turnover Days

13

Days

Payable Turnover Days

81

Days

*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

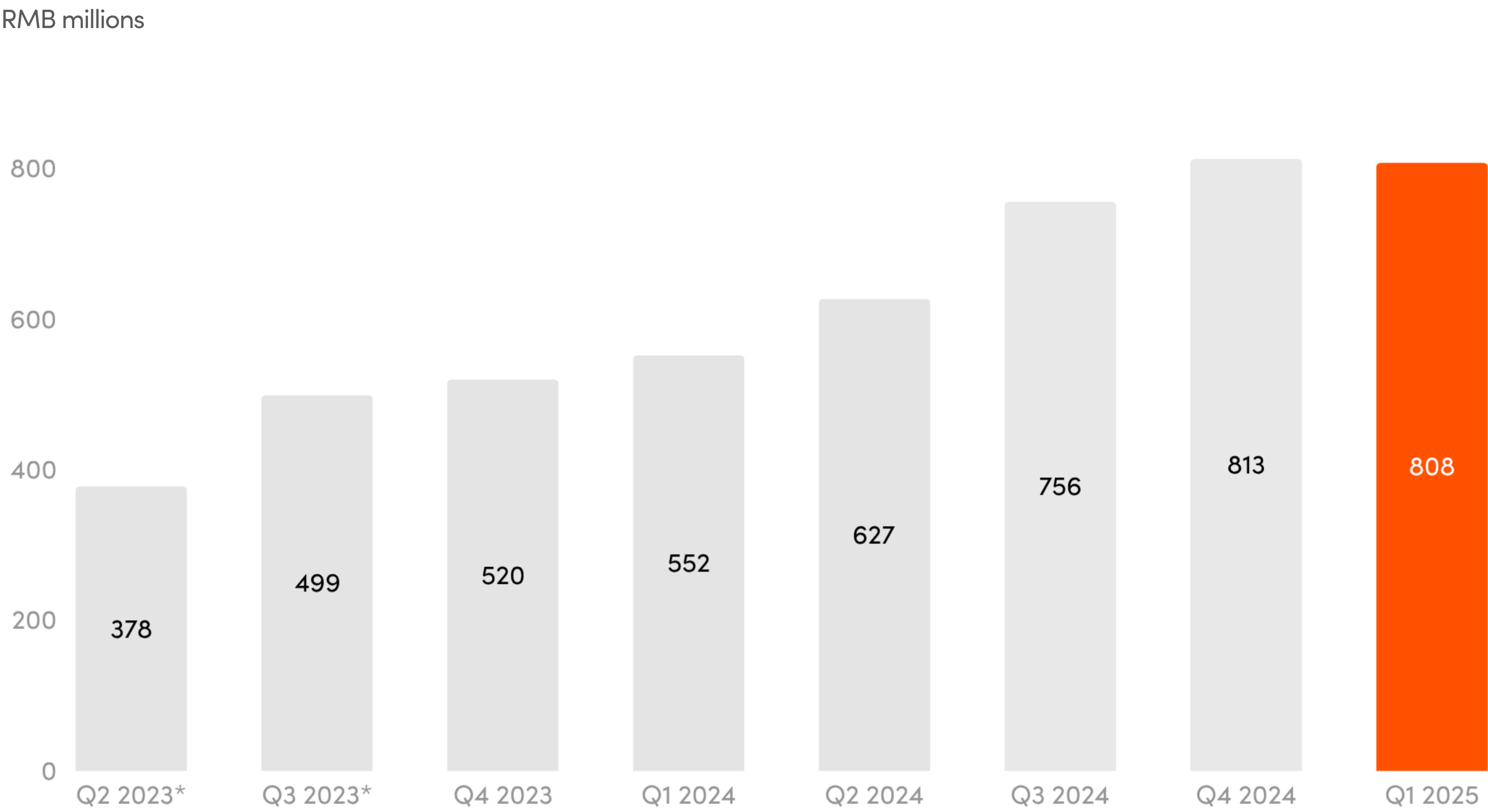
Financial Highlights

- Revenues
- Gross Profit
- Non-GAAP Operating Expenses
- Profitability
- Revenues
- Gross Profit Breakdown
- OP Margin By Region
- Capital Resources



Revenues

Steady Recovery
and Growth since
2023



(1)%

QoQ Growth

47%

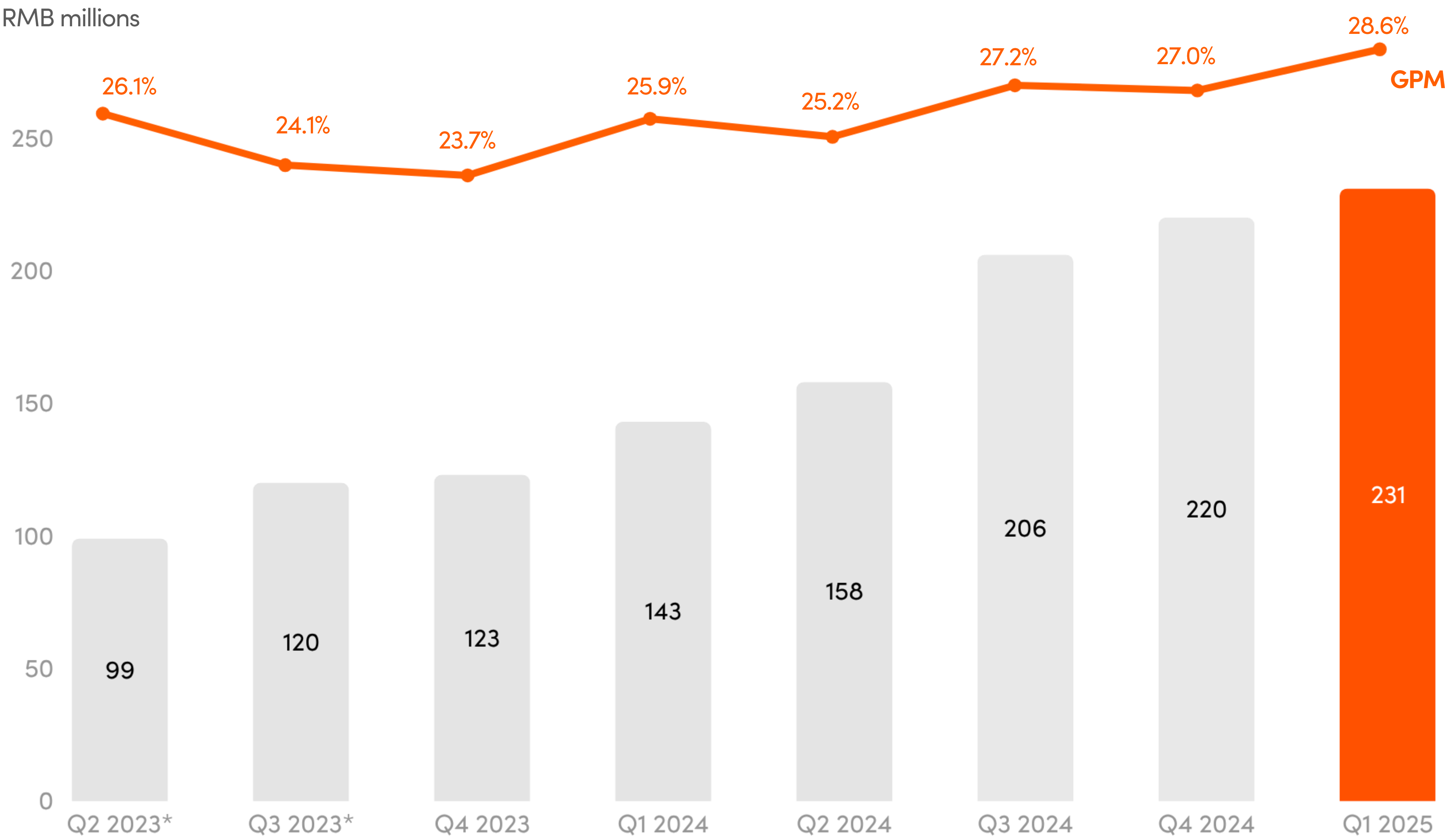
YoY Growth

The YoY increase in quarterly net revenues was primarily due to our international expansion. The QoQ decrease in quarterly net revenues was mainly due to seasonality.

*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 unaudited condensed consolidated statements of comprehensive income in the prior quarter.

Gross Profit

Maintaining Stable
Gross Profit Margin



5%

QoQ Growth

62%

YoY Growth

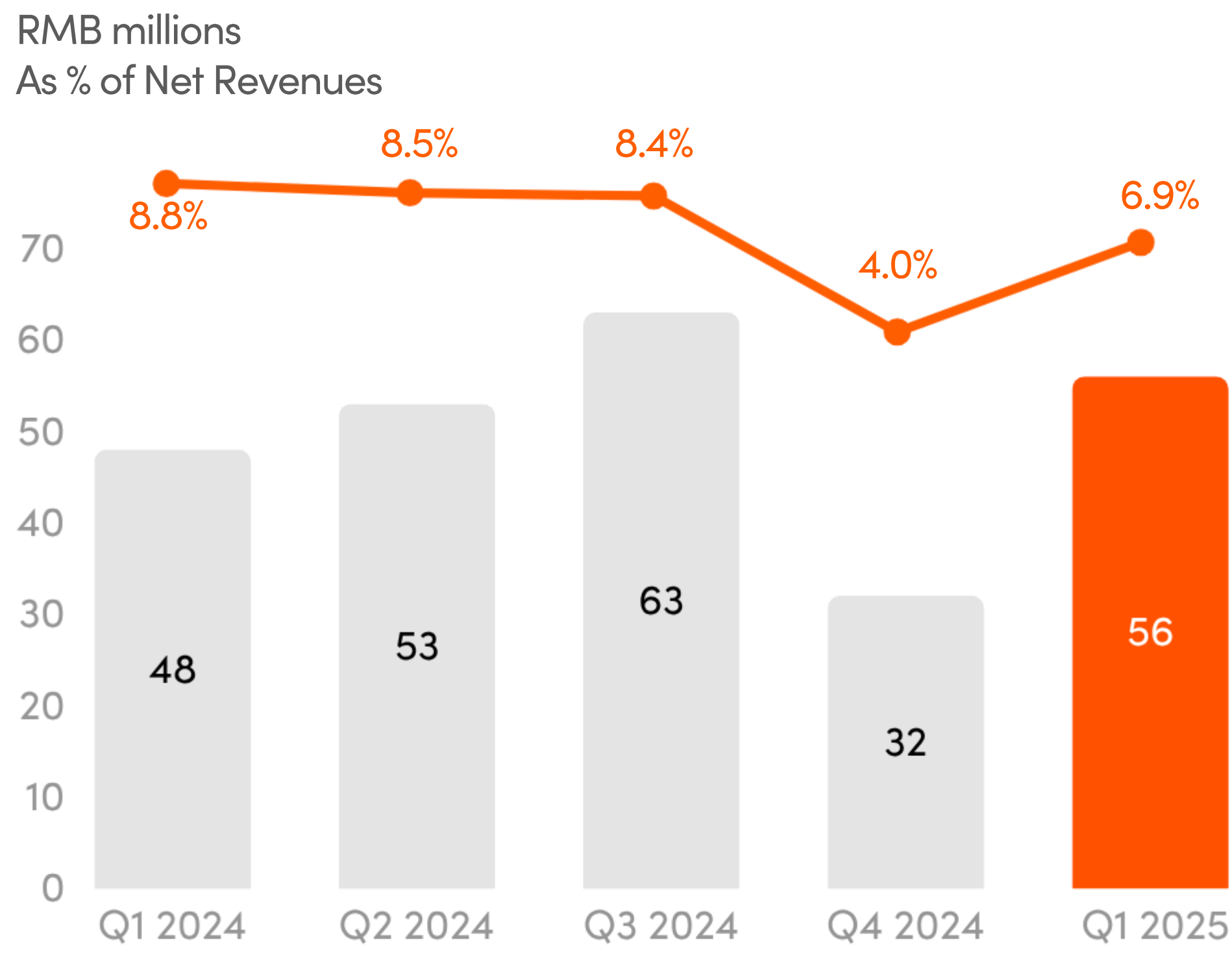
The YoY increase in quarterly gross profit was primarily due to a favorable change in the revenue mix and cost optimization initiatives

*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 unaudited condensed consolidated statements of comprehensive income in the prior quarter.

Non-GAAP Operating Expenses

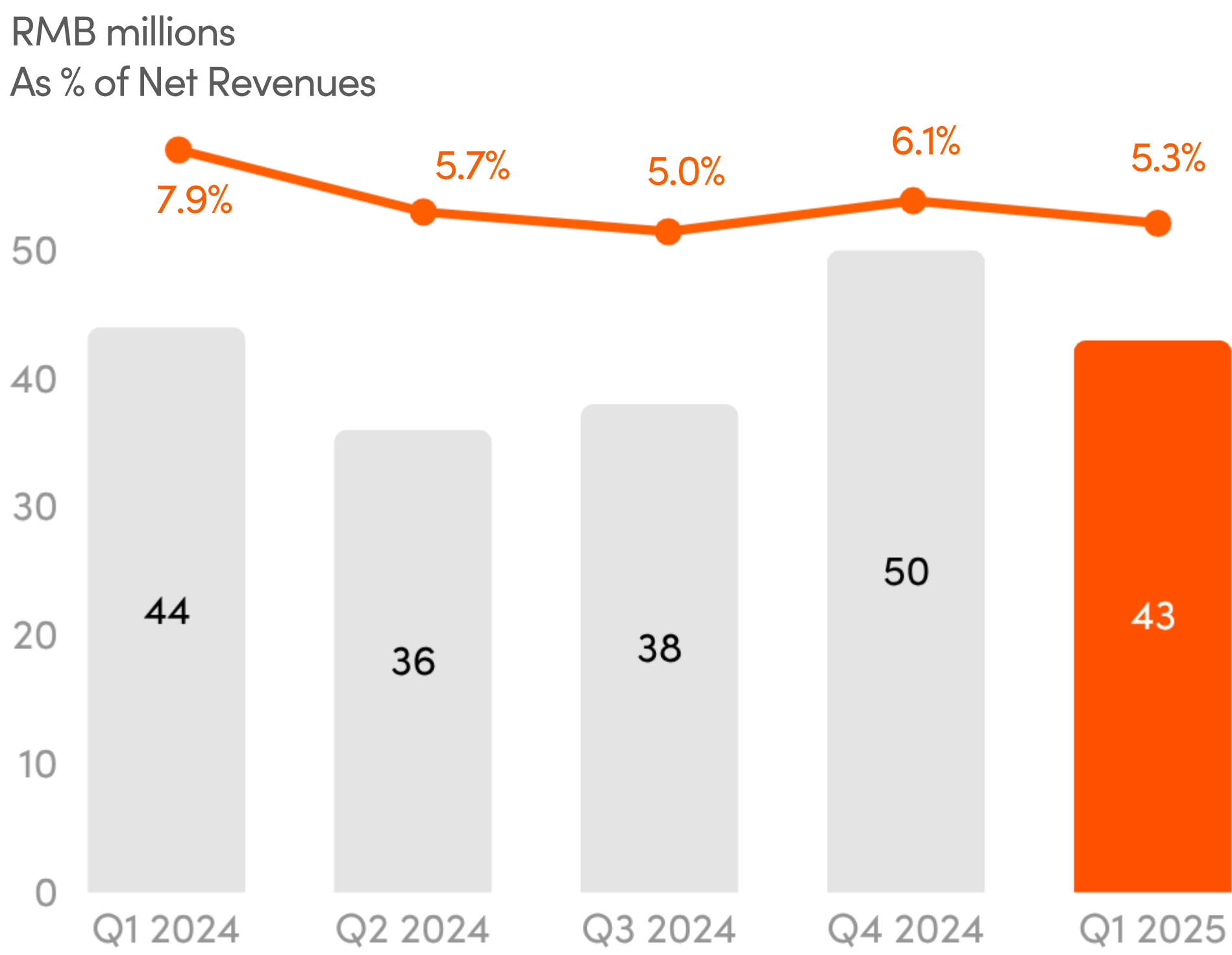


Selling Expenses



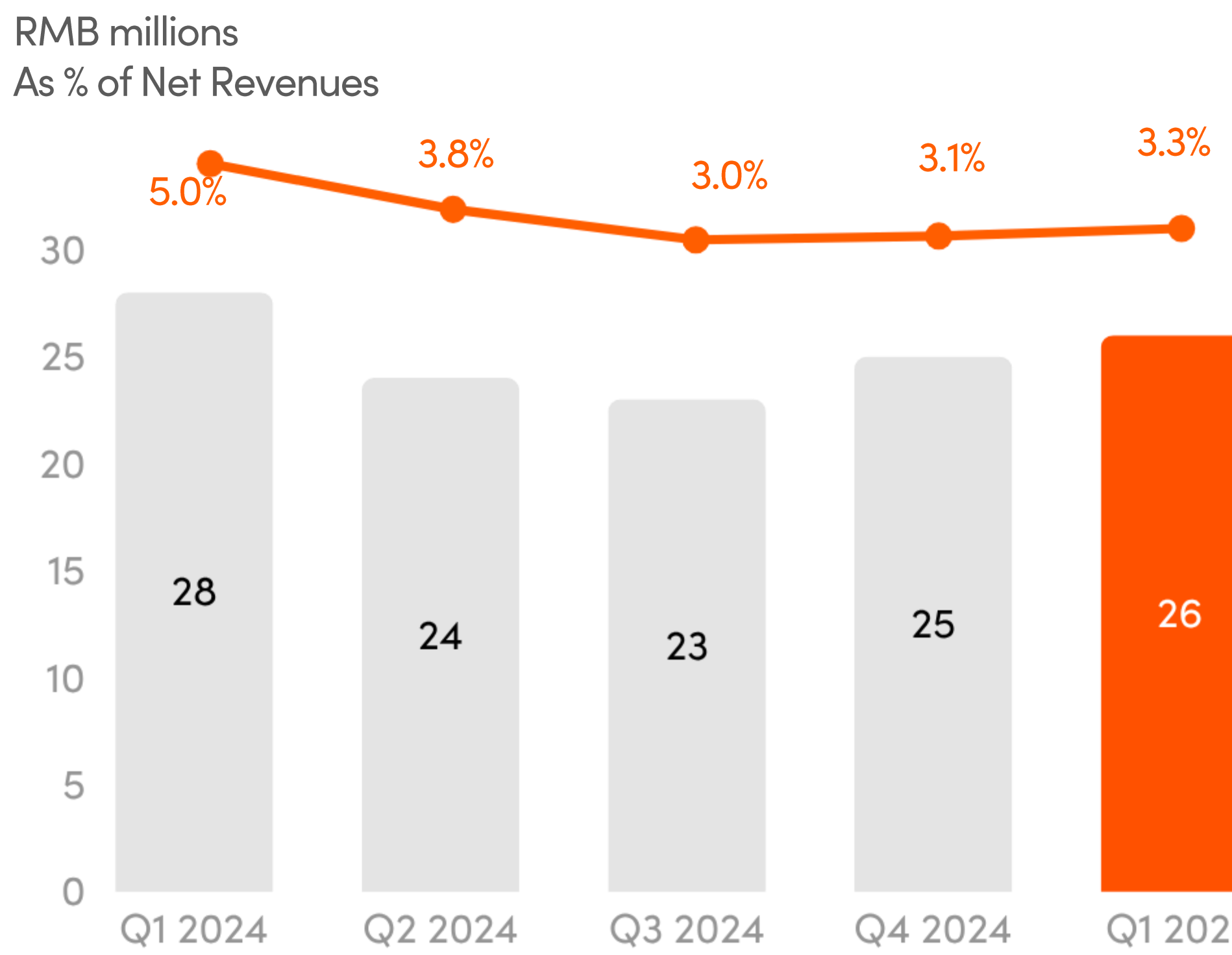


General and Administrative Expenses





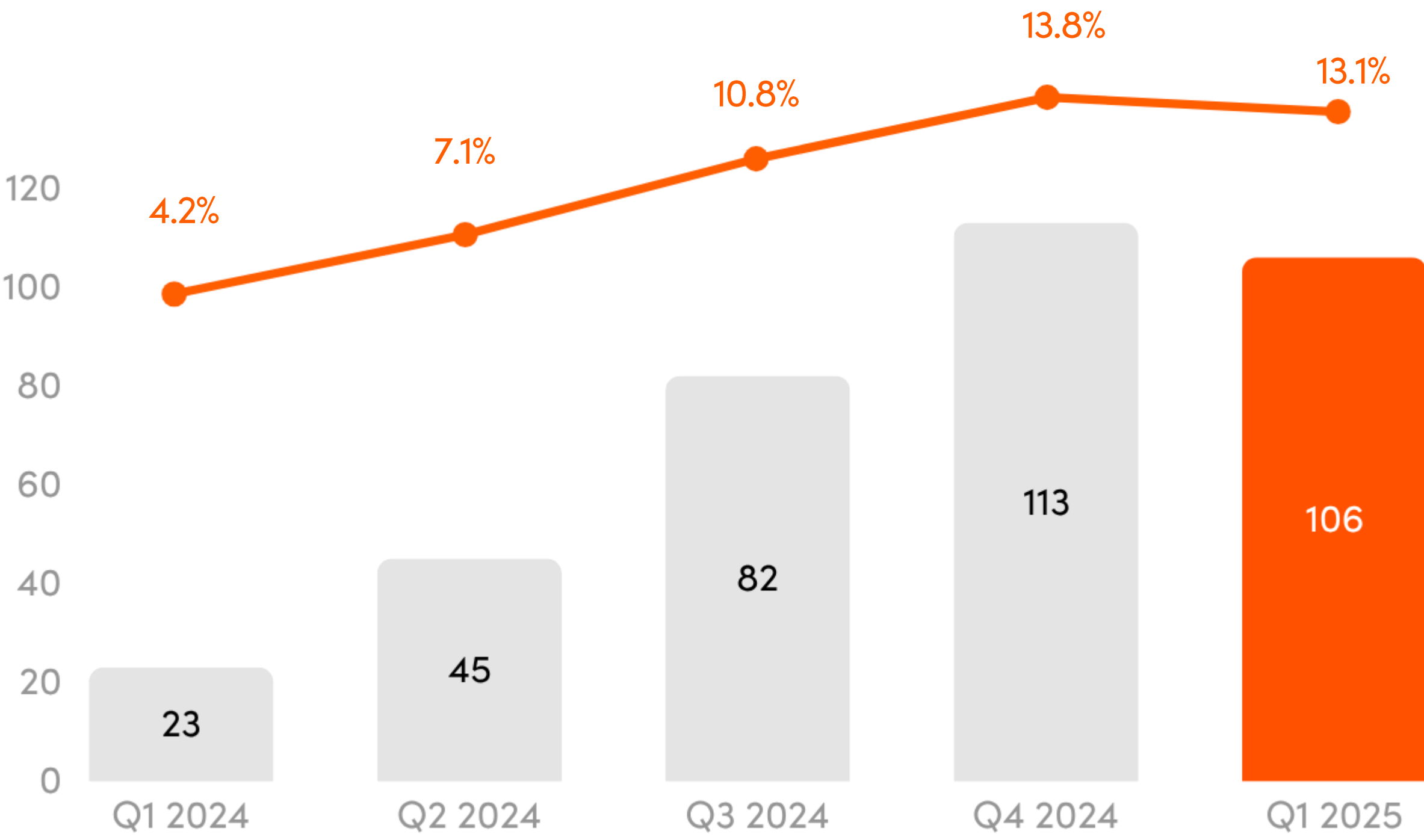
Research and Development Expenses



Profitability

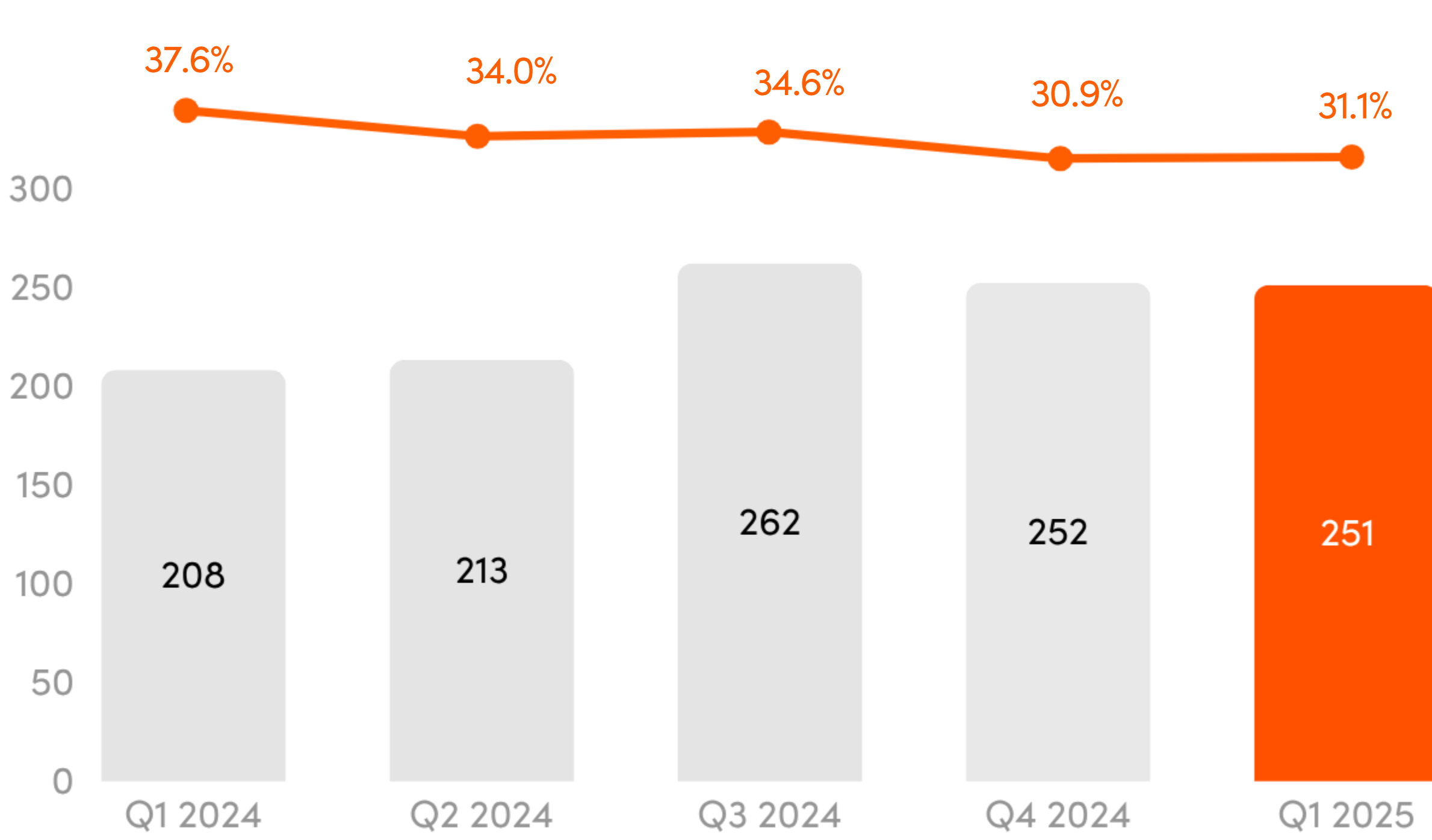
Non-GAAP Operating Income & Margin

RMB millions
As % of Net Revenues



Non-GAAP Net Income & Margin

RMB millions
As % of Net Revenues



Capital Resources

Fortified Cash Position:
Underpinning Financial
Strength & Stability

16.2B

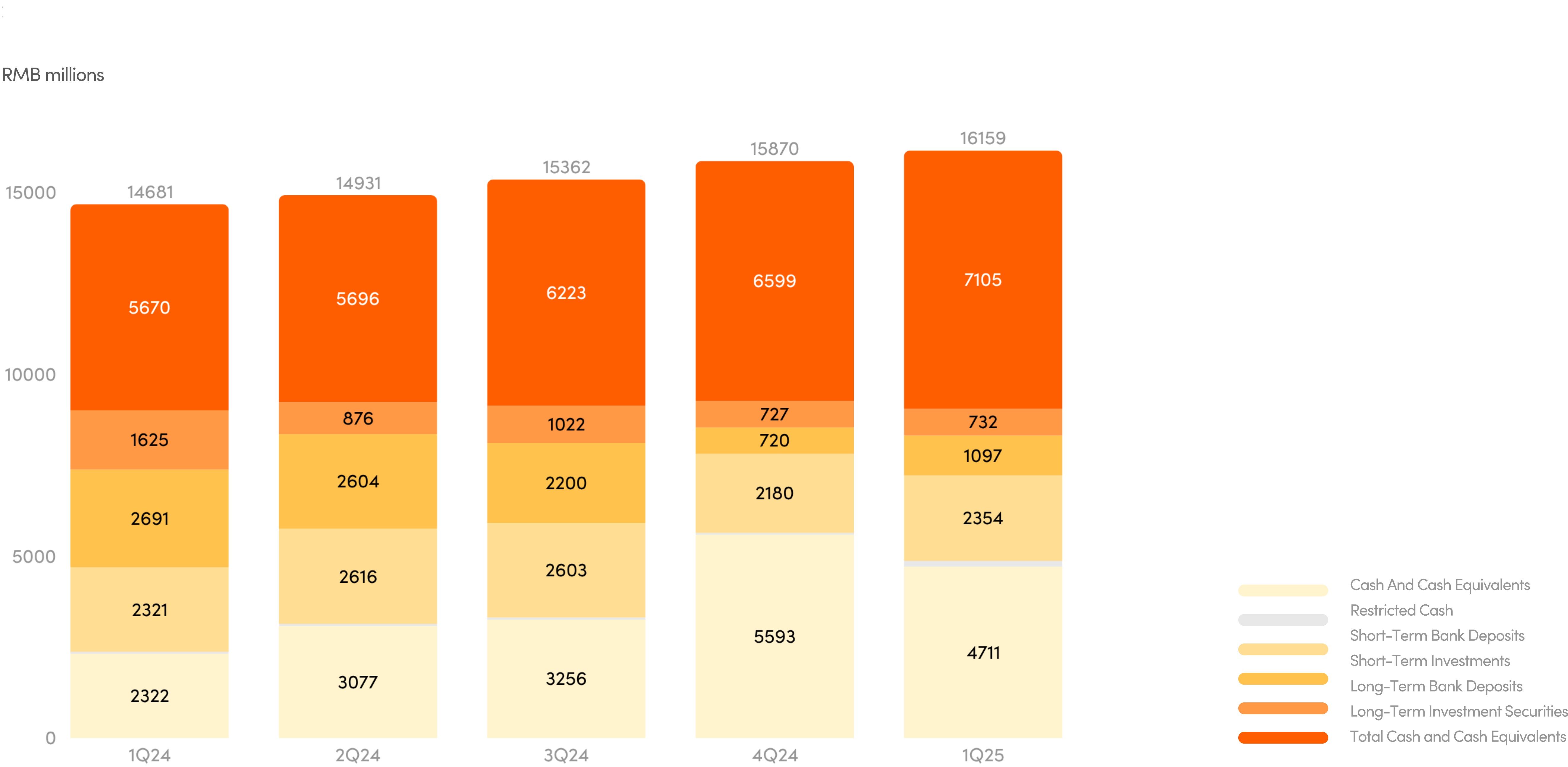
Capital resources

(in RMB, 2025 Q1)

207M

OCF generated

(in RMB, 2025 Q1)



Operational Highlights


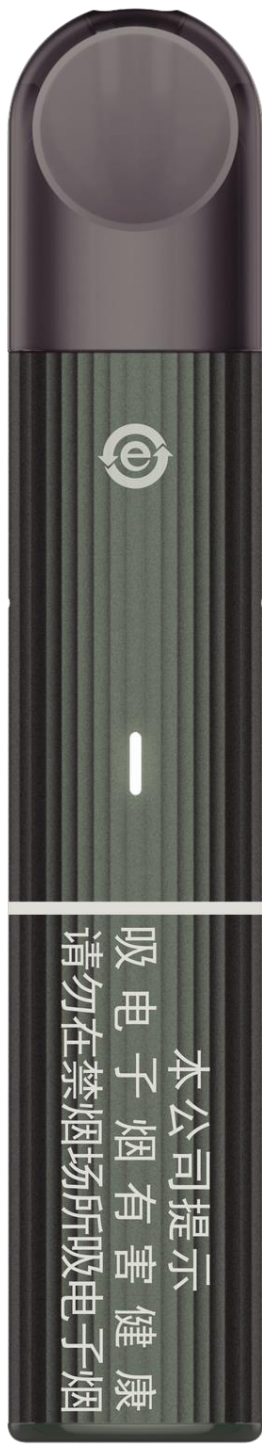



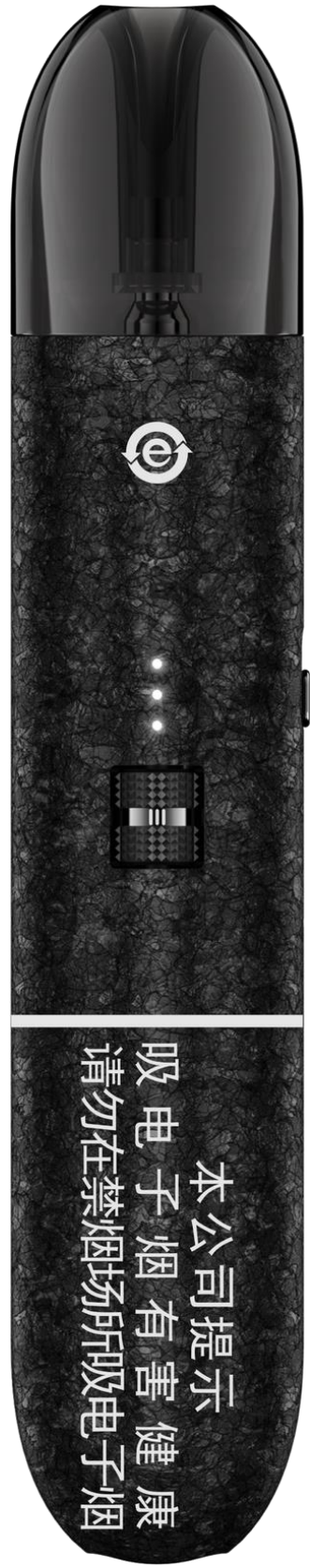


Our Product Portfolio: Always Evolving

Covers All Key Segments of NGP to Better Meet Diverse Consumer Needs



Domestic Products

					
<ul style="list-style-type: none">• Large capacity, easy to carry• Rechargeable, fits in one hand• Type-C charging• Battery: 380mAh• Full charged in about 45 minutes	<ul style="list-style-type: none">• Low entry costs• Meets basic usage needs• Type-C charging• Battery: 350mAh• Full charged in about 45 minutes	<ul style="list-style-type: none">• Large capacity, high power• 2-level adaptive power• Type-C charging• Battery: 800mAh• Full charged in about 60 minutes	<ul style="list-style-type: none">• Trendy battery indicator light• Sleek design• Type-C charging• Battery: 380mAh• Full charged in about 45 minutes	<ul style="list-style-type: none">• 3-level power adjustment• Trendy battery light with 3-color power indicator• Type-C fast charging• Battery: 440mAh• Full charged in about 27 minutes	<ul style="list-style-type: none">• Power and airflow mechanically adjustable• High power, dense vapor• Type-C upgraded fast charging• Battery: 800mAh• Full charged in about 45 minutes
Portable	Beginner	Best Value	Mainstream	Advanced	Flagship

International Products

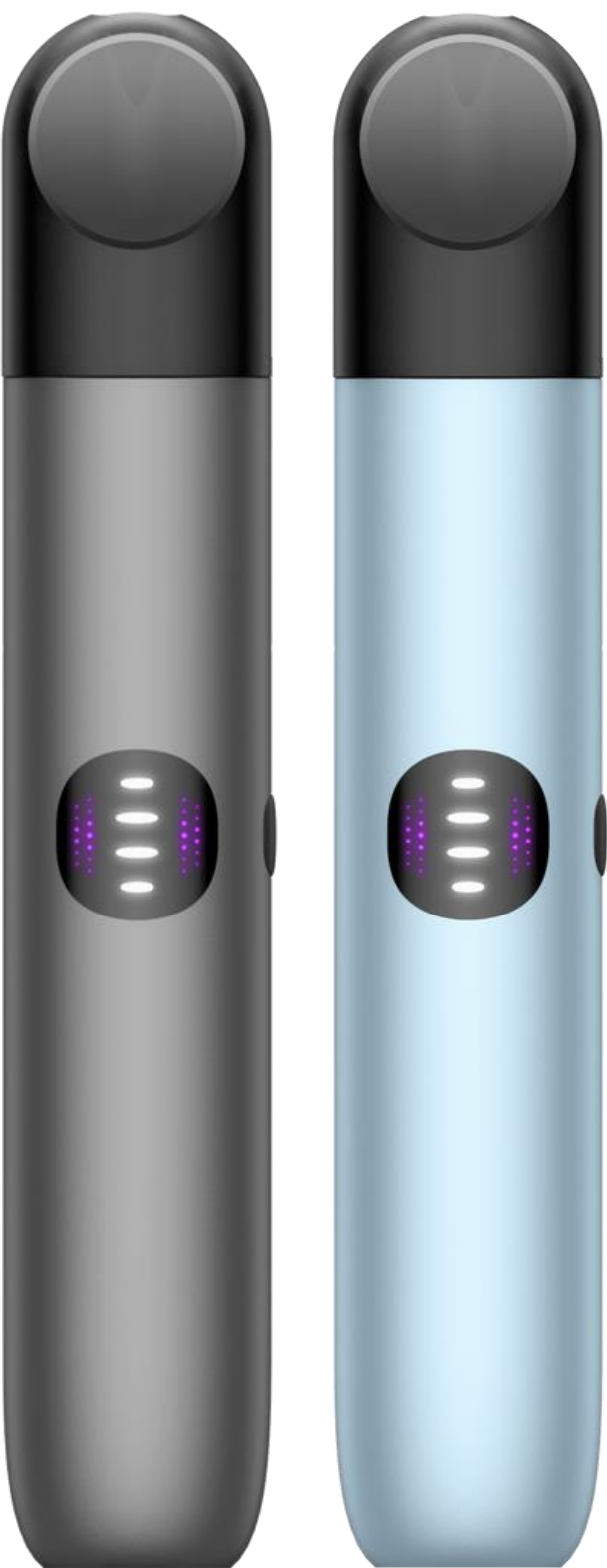
Pod System



Mini



Essential



Infinity 2



Artisan



Creator



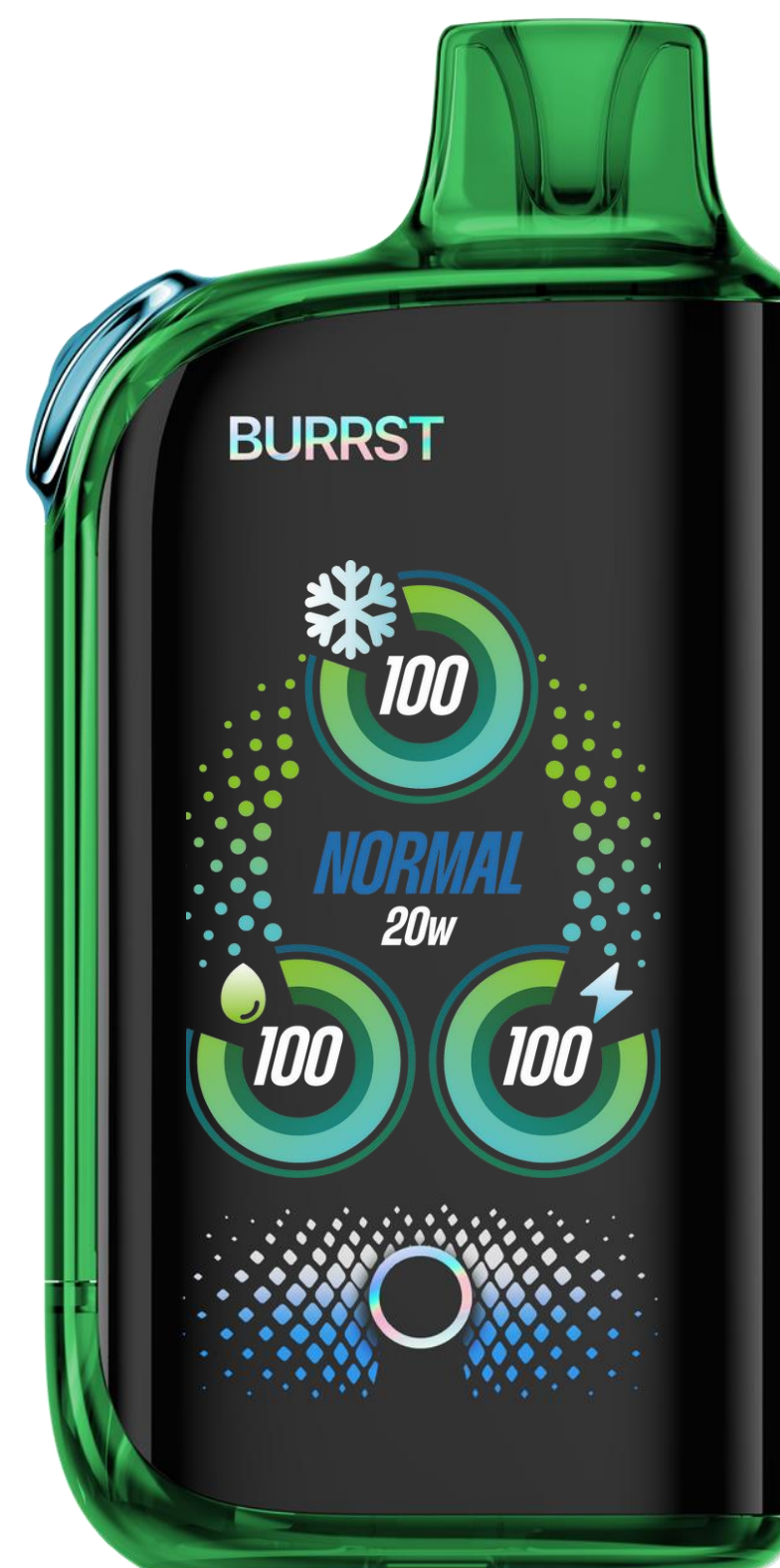
Spin

International Products

Disposable



soPro DM41i



BURST



DUO



Smash



DM02i



RELX 2ml



soPro 1000



PA10000

International Products

Open System & E-liquid



E-liquid



Prime



Spin mini

[Key Ratios](#)[Income Statements](#)[Balance Sheets](#)[Statements of Cash Flows](#)[E-cigarettes Product Overview](#)[Vaping Myth and Facts](#)[R&D Capability](#)[Management Team](#)[Disclaimer](#)

Appendix



Key Ratios

	For the Three Months Ended	Changes	
	Mar 31, 2025	QoQ	YoY
(In RMB thousands)			
Gross Margin	28.60%	+1.5pct	+2.7pct
Non-GAAP Operating Expense Ratio	15.49%	+2.3pct	-6.2pct
Non-GAAP Operating Profit Margin	13.08%	-0.8pct	+8.9pct
Non-GAAP Net Profit Margin	31.06%	+0.1pct	-6.6pct

Income Statements

	For the Three Months Ended		
	Mar 31, 2024	Dec 31, 2024	Mar 31, 2025
(In RMB thousands)			
Net Revenues	551,623	813,489	808,300
Cost of Revenues	(327,610)	(516,305)	(477,526)
Excise Taxes on Products	(81,240)	(77,278)	(99,823)
Gross Profit	142,773	219,906	230,951
Operating Expenses:			
Selling Expenses	(52,887)	(45,369)	(58,989)
General and Administrative Expenses	(109,954)	(153,710)	(67,467)
Research and Development Expenses	(31,540)	(32,374)	(27,055)
Total Operating Expenses	(194,381)	(231,453)	(153,512)
Loss From Operations	(51,608)	(11,547)	77,439
Other income:			
Interest Income, net	158,858	146,664	135,953
Investment Income	12,776	11,072	8,386
Others, net	28,943	7,497	29,143
Income Before Income Tax	148,969	153,686	250,921
Income Tax Expense	(16,344)	(26,303)	(28,181)
Net Income	132,625	127,383	222,740
Less: Net Income Attributable to Noncontrolling Interests	717	5,422	700
Net Income Attributable to RLX Technology Inc.	131,908	121,961	222,040
Other Comprehensive Income / (Loss) :			
Foreign Currency Translation Adjustments	12,706	268,079	(15,671)
Unrealized Income/(Loss) on Long-term Investment Securities	(13)	(8,151)	2,067
Total Other Comprehensive Income / (Loss)	12,693	259,928	(13,604)
Total Comprehensive Income / (Loss)	145,318	387,311	209,136
Less: Total Comprehensive Income Attributable to Noncontrolling Interests	730	5,442	636
Total Comprehensive Income / (Loss) Attributable to RLX Technology Inc.	144,588	381,869	208,500

Balance Sheets

(In RMB thousands)	As of	
	Dec 31, 2024	Mar 31, 2025
ASSETS		
Current Assets		
Cash and Cash Equivalents	5,593,492	4,711,236
Restricted Cash	50,867	159,517
Short-Term Bank Deposits, net	2,179,886	2,354,329
Receivables From Online Payment Platforms	4,722	1,754
Short-Term Investments	719,755	1,097,481
Accounts and Notes Receivable, net	78,484	145,383
Inventories	142,552	116,495
Amounts Due From Related Parties	346,132	184,608
Prepayments and Other Current Assets, net	185,091	223,593
Total Current Assets	9,300,981	8,994,396
Non-Current Assets		
Property, Equipment and Leasehold Improvement, net	50,787	46,783
Intangible Assets, net	52,796	50,290
Long-Term Investments, net	8,000	8,330
Deferred Tax Assets, net	38,067	38,067
Right-of-Use Assets, net	24,110	26,855
Long-Term Bank Deposits, net	727,448	732,237
Long-Term Investment Securities, net	6,599,365	7,104,813
Goodwill	59,581	59,728
Other Non-Current Assets, net	9,914	11,979
Total Non-Current Assets	7,570,068	8,079,082
Total Assets	16,871,049	17,073,478
Cash and Cash Equivalents	5,593,492	4,711,236
Restricted Cash	50,867	159,517
Short-Term Bank Deposits, net	2,179,886	2,354,329
Short-Term Investments	719,755	1,097,481
Long-Term Bank Deposits, net	727,448	732,237
Long-Term Investment Securities, net	6,599,365	7,104,813
Total Cash and Cash Equivalents	15,870,813	16,159,613

Balance Sheets (Cont'd)

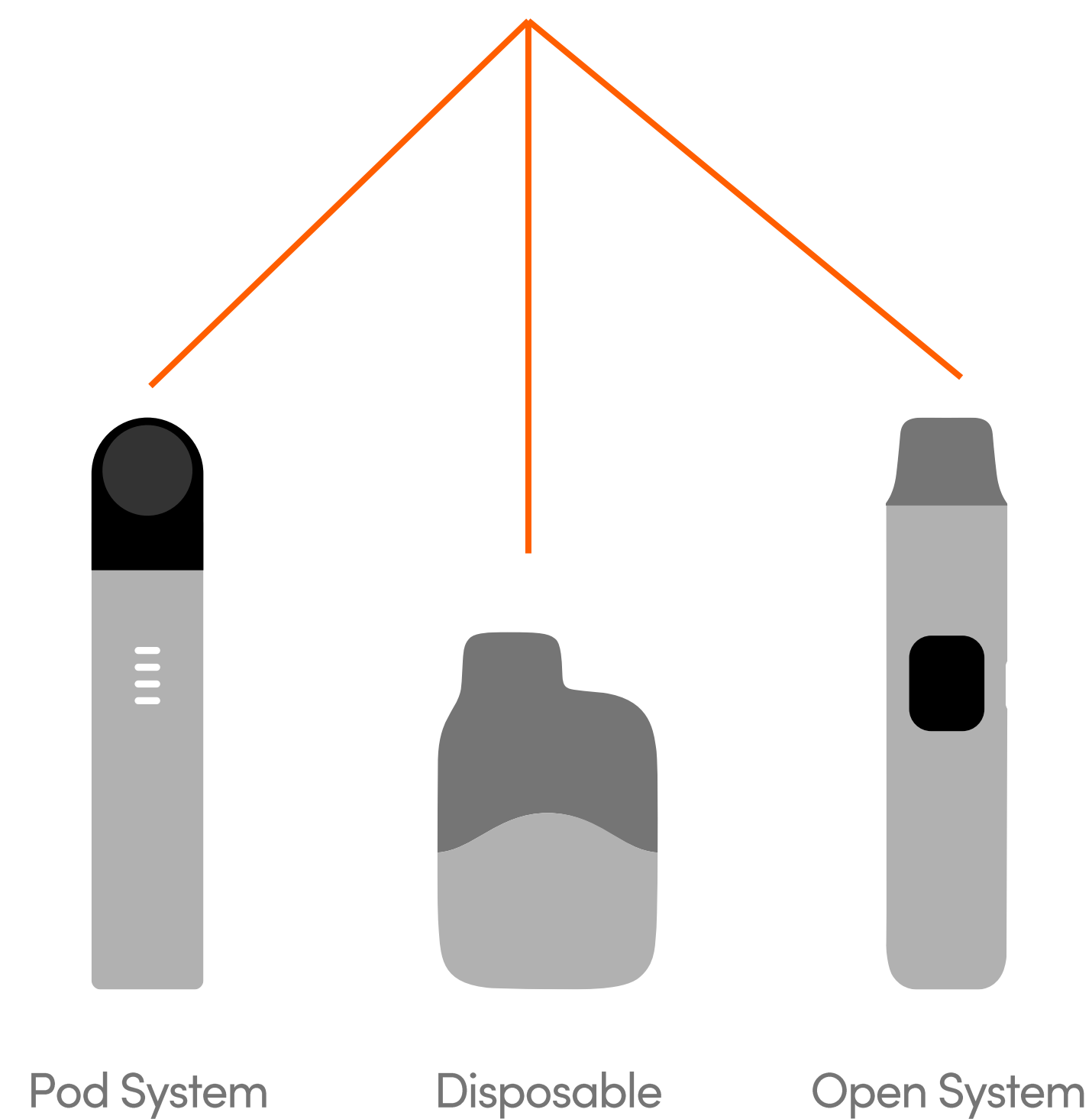
(In RMB thousands)	As of	
	Dec 31, 2024	Mar 31, 2025
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts and Notes Payable	458,538	396,163
Contract Liabilities	10,610	5,554
Salary and Welfare Benefits Payable	73,740	64,829
Short-term Loan	40,000	60,000
Taxes Payable	126,154	152,153
Amounts Due to Related Parties	27,401	25,347
Dividend Payable	1,144	-
Accrued Expenses and Other Current Liabilities	108,816	105,298
Lease Liabilities – Current Portion	11,447	10,303
Total Current Liabilities	857,850	819,647
Non-Current Liabilities		
Deferred Tax Liabilities	16,196	16,226
Lease Liabilities – Non-Current Portion	7,050	13,259
Other non-current liabilities	-	-
Total Non-Current Liabilities	23,246	29,485
Total Liabilities	881,096	849,132
Shareholders' Equity:		
Total RLX Technology Inc. shareholders' Equity	15,988,216	16,221,973
Noncontrolling Interests	1,737	2,373
Total Shareholders' Equity	15,989,953	16,224,346
Total Liabilities and Shareholders' Equity	16,871,049	17,073,478

Statements of Cash Flow

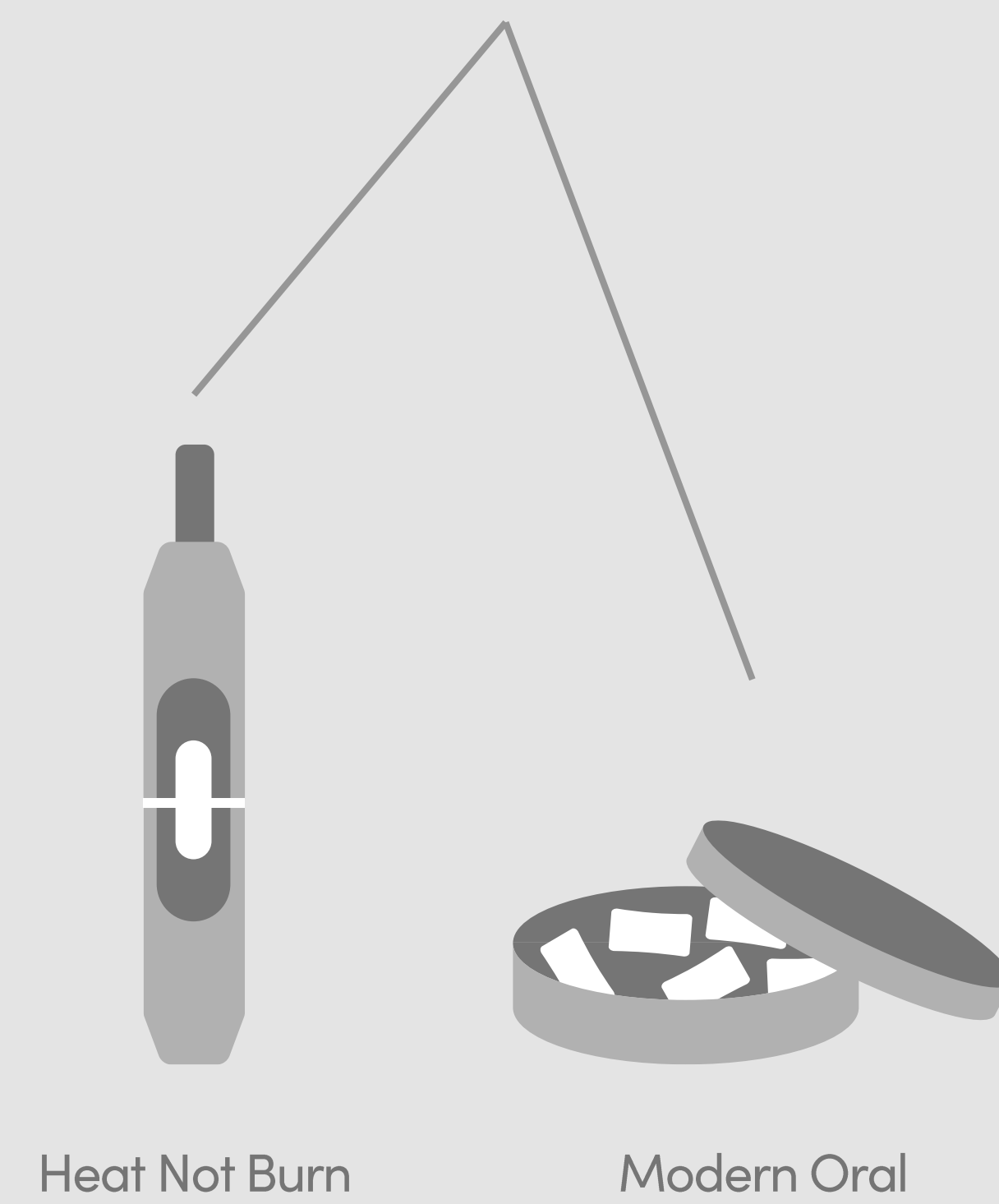
	For the Three Months Ended		
	Mar 31, 2024	Dec 31, 2024	Mar 31, 2025
(In RMB thousands)			
Net Cash Generated From Operating Activities	4,020	497,011	207,165
Net Cash Generated From Investing Activities	420,665	1,901,084	(987,166)
Net Cash Used In Financing Activities	(472,885)	(130,366)	14,435
Effect of Foreign Exchange Rate Changes On Cash, Cash Equivalents And Restricted Cash	2,903	62,865	(8,040)
Net Increase / (Decrease) In Cash and Cash Equivalents and Restricted Cash	(45,297)	2,330,594	(773,606)
Cash, Cash Equivalents and Restricted Cash at the Beginning of the Period	2,420,058	3,313,765	5,644,359
Cash, Cash Equivalents and Restricted Cash at the End of the Period	2,374,761	5,644,359	4,870,753

E-cigarettes Product Overview

E-Vapor - RLX's Products



Other Novel Tobacco Products



From E-liquid to Aerosol

Uses 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.



Vaping Myths and the Facts🔍

Myths

Vaping is just as harmful as smoking

Nicotine is very harmful to health

Vaping does not help people quit smoking

Vaping causes 'popcorn lung'

Exposure to vape aerosol is harmful to people around you

Facts

- ➔ Nicotine vaping is not risk-free, but it is **substantially less harmful** than smoking
- ➔ Although nicotine is addictive, it is **relatively harmless** to health
- ➔ Nicotine vapes are **one of the most effective aids in quitting smoking**
- ➔ Vaping does **not cause** "popcorn lung"
- ➔ There is **no evidence** so far that vaping is harmful to people around you

Our Robust R&D Capabilities

We apply the “1+4” Scientific Research Matrix. We strictly adhere to regulatory requirements and ensure product quality at every stage. This includes stringent standards in raw material control, product design, comprehensive quality management, quality inspections, and after-sales support, all to ensure reliable quality and provide consumers with better products.

The Birth of an RLX Product

30 Days

to complete the R&D process

Formula Adjustments

100+

Product Testing

197

discrete tests

User Evaluations

500+

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.

Product Quality

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

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.

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.



Top Quality Certifications



Compliance Verifications & Certifications including TPD/CE/UKCA/RoHS/FCC/ECAS, etc.

Management Team with Proven Track Record

We believe in change. Hence, our crew is composed of diverse, flexible, forward-looking professional who think outside the box.

This makes us unique



Ying (Kate) Wang

Co-founder
Chief Executive Officer

- Former head of Didi Youxiang / head of Uber China at Didi Chuxing/ regional general manager at Uber China.
- Bachelor's degree in finance and law/ master's degree in management from Xi'an Jiaotong University; MBA from Columbia Business School.



Long (David) Jiang

Co-founder
Head of APAC Sales

- Former 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.
- Bachelor's degree in mechanical engineering from Tsinghua University/ master's degree in scientific policy strategy and management from the Chinese Academy of Sciences.



Yilong Wen

Co-founder
Head of supply chain and R&D

- Former regional general manager at Didi Chuxing, a vehicle simulation engineer at Mercedes-Benz.
- Bachelor's degree in mechanical engineering from Shanghai Jiao Tong University/ bachelor's degree in mechanical engineering from the University of Michigan/ master's degree in mechanical engineering, design, and manufacturing from the University of Michigan.



Chao Lu

Chief Financial Officer

- Former Managing Director and Head of Asia Healthcare Investment Banking at Citigroup; former banker in Morgan Stanley Investment Banking, CICC Investment Banking, and the private equity investment industry.
- Bachelor's degree in operations research and financial engineering from Princeton University.

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