

Starbucks' China challenger Luckin to raise up to \$800 million in U.S. IPO: sources

Luckin Coffee Inc, the Chinese challenger to Starbucks Corp, filed on Monday for a U.S. initial public offering (IPO) through which, sources said, it is looking to raise up to \$800 million.

The Beijing-based coffee chain set a placeholder amount of \$100 million to indicate the size of the IPO and did not disclose the number of shares it would offer, a filing with the U.S.

Securities and Exchange Commission showed.

securities 证券

Luckin has **waged** its cash-burning caffeine war with generous subsidies, speedy delivery and viral promotions on social media, which in turn has also pushed Starbucks to form a tie-up with local tech giant Alibaba to deliver coffee to customers.

wage 发动; 开展

According to the **prospectus**, its acquisition cost per new customer decreased to 16.9 yuan (\$2.52) in the first quarter of 2019 from 103.5 yuan in the year-ago quarter, helped by the growth of its network and improved brand recognition.

prospectus 简介; 招股书; 计划书

"The big question for the brand long term is if, when it rolls back discounts, enough customers stick around," said Ben Cavender, Shanghai-based principal at China Market Research Group, "But the company has completely rewritten the rules for the coffee business in China and has impacted Starbucks as well as a host of smaller players."