

28 March 2023

<b>Price (\$)</b>	<b>0.67</b>
Shares in issue (m)	373
Mkt Cap (\$m)	267
Net debt (\$m)	0
EV (\$m)	267
BVPS (c)	159.4

**Share price performance**

1m	-33.4%
3m	-40.0%
12m	-83.2%
12 m high/low	5.5/0.7
Ave daily vol (30D)	1,518,359

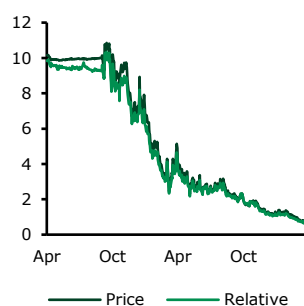
**Shareholders**

Tencent Holdings	23.5%
Zennstrom Niklas	11.0%
Atomico Guernsey	11.0%
LGT Global Invest	6.5%
Baillie Gifford & Co	4.7%
Meiner Matthias	4.6%
Born Sebastian	4.6%
B Riley Financial In	4.3%
Invesco Ltd	2.4%
683 Capital	0.8%
Total for top 10	73.3%
Free float	38.2%
Source: Bloomberg	28 Mar 23

**Next news** Ints Q3

**Business description**

eVTOL developer and regional air mobility operator



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## SHAREHOLDER LETTER SHOWS PROGRESS

Lilium’s annual shareholder letter shows the company making real progress towards the eventual aim of a type rating in 2025 leading to commercial flight. A pipeline now at 640 aircraft shows the market opportunity is strengthening and recent progress on the range-enabling battery is encouraging and will help to deliver operators a cost of \$2 per passenger kilometre. A cost management programme leaves the company able to keep the development pace on track and the November financing has resulted in a strong year-end liquidity position.

### Regulator and commercial progress

Lilium has released its annual letter to shareholders covering the year to 31 December 2022. The year has been an important one with the completion of the preliminary design review for the Lilium Jet, the establishment of advanced sourcing and manufacturing for assembly of the type conforming aircraft and the successful flight of the demonstrator aircraft including full transition from hover to wing-borne cruise flight at 250 km/h. The company has also seen significant commercial traction with the pipeline now at 640 aircraft including advanced orders for the Lilium Pioneer Edition and a first commercial contract with pre-delivery deposits.

### €206m of liquidity at year end

Lilium had €206m of liquidity at the year end following the November \$119m capital raise and a cash spend of €250m in the year. This is slightly above our liquidity forecast of €198m. For 2023 Lilium has a H1 budget of €125m in line with FY 22 with higher supplier costs offset by the cost management programme. The year has already seen first receipt of customer pre-delivery deposits for and government grant income. The company remains in active discussions on follow up funding.

### First manned flight in H2 24

2023 is progressing well with 100% of aircraft airworthiness Certification Plans now submitted up from 80% in December and Lilium is on track for the final agreement of the certification program in H2 23. The final DOA audit is also on track for H1 23. Lilium also plans to have its first type-conforming aircraft in production by the year end with the first manned flight in H2 24. The company is now ramping up battery production with Customcells. Recent independent laboratory testing has confirmed 88% energy retention after 800 cycles on the cells produced by Customcells using Ionblox silicon anode technology. Our recent site visit to Customcells highlighted the sector beating range and traceability benefits of these cells.

€m, Dec	2020pf	2021a	2022e	2023e	2024e	2025e
Sales	0	0	0	0	0	280
EBITDA	-292	-284	-265	-280	-307	-297
PBT	-342	-299	-282	-307	-345	-369
EPS	-1.2	-1.4	-1.0	-1.1	-0.2	-0.2
CFPS	-1.0	-1.9	-0.9	-0.8	-0.1	-0.3
DPS	0.0	0.0	0.0	0.0	0.0	0.0
Net Debt (Cash)	-509	-320	-198	32	-1,720	-1,210
Debt/EBITDA	1.7	1.1	0.7	-0.1	5.6	4.1
P/E	-0.6	-0.5	-0.7	-0.6	-3.5	-3.3
EV/EBITDA	0.8	0.2	-0.3	-1.1	4.7	3.2
EV/sales	na	na	na	na	na	1.0
FCF yield	-1.6%	-2.9%	-1.3%	-1.2%	-0.2%	-0.4%
Div yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

## FINANCIAL MODEL

### Profit and Loss Account

€m, Dec	2020pf	2021a	2022e	2023e	2024e	2025e
<b>Turnover</b>						
eVTOL	0	0	0	0	0	279
CO2	0	0	0	0	0	1
Other	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total	0	0	0	0	0	280
<b>Operating profit</b>						
eVTOL	-292	-289	-282	-307	-343	-371
CO2	0	0	0	0	0	1
Other	0	0	0	0	0	0
Other	0	0	0	0	0	0
Operating profit	-292	-289	-282	-307	-343	-370
<b>P&amp;L Account</b>						
Turnover	0	0	0	0	0	280
Operating Profit	-292	-289	-282	-307	-343	-370
Investment income	0	-1	0	0	0	0
Net Interest	-50	-9	0	0	-1	2
Pre Tax Profit (UKSIP)	-342	-299	-282	-307	-345	-369
Goodwill amortisation	0	0	0	0	0	0
Exceptional Items	0	-111	0	0	0	0
Pre Tax Profit (FRS3)	-342	-410	-282	-307	-345	-369
Tax	0	-1	0	0	0	0
Post tax exceptionals	0	0	0	0	0	0
Minorities	0	0	0	0	0	0
Net Profit	-342	-411	-282	-307	-345	-369
Dividend	0	0	0	0	0	0
Retained	-342	-411	-282	-307	-345	-369
EBITDA	-292	-284	-265	-280	-307	-297
EPS (c) (UKSIP)	-1.22	-1.40	-1.01	-1.10	-0.19	-0.20
EPS (c) (FRS3)	-1.22	-1.91	-1.01	-1.10	-0.19	-0.20
FCFPS (c)	-1.04	-1.94	-0.86	-0.82	-0.14	-0.28
Dividend (c)	0.00	0.00	0.00	0.00	0.00	0.00

Source: Company data, Longspur Research estimates

### KEY POINTS

- Company pre-revenue while it develops until 2025 when we assume first revenue begins
- C. €200m cost outflow rising ahead of launch in 2025

## Balance Sheet

€m, Dec	2020pf	2021a	2022e	2023e	2024e	2025e
Fixed Asset Cost	29	42	109	174	235	470
Fixed Asset Depreciation	-6	-11	-28	-55	-91	-164
Net Fixed Assets	23	31	81	119	143	305
Goodwill	0	0	0	0	0	0
Other intangibles	1	1	1	1	1	1
Investments	0	15	15	15	15	15
Stock	0	0	0	0	0	92
Trade Debtors	0	0	0	0	0	46
Other Debtors	6	31	31	31	31	31
Trade Creditors	-8	-35	-62	-113	-170	-262
Other Creditors <1yr	-5	-15	-15	-15	-15	-15
Creditors >1yr	0	-3	-3	-3	-3	-3
Provisions	0	-3	-5	-8	-10	-12
Pension	0	0	0	0	0	0
Capital Employed	16	22	44	28	-7	199
Cash etc	620	353	231	1	1,752	1,349
Borrowing <1yr	101	23	23	23	23	23
Borrowing >1yr	10	10	10	10	9	116
Net Borrowing	-509	-320	-198	32	-1,720	-1,210
Share Capital	38	40	41	41	52	52
Share Premium	837	779	897	897	2,886	2,886
Retained Earnings	-459	-717	-999	-1,306	-1,651	-2,020
Other	110	240	302	364	427	491
Minority interest	0	0	0	0	0	0
Capital Employed	16	22	44	28	-7	199
Net Assets	526	343	241	-4	1,714	1,409
Total Equity	526	343	241	-4	1,714	1,409

Source: Company data, Longspur Research estimates

## KEY POINTS

- Fixed assets grow with capex accelerating from 2024 with assumed network capex
- Cash is adequate but tight in 2023
- Equity raise assumed in 2024 to fund network capex

## Cashflow

<b>€m, Dec</b>	<b>2020pf</b>	<b>2021a</b>	<b>2022e</b>	<b>2023e</b>	<b>2024e</b>	<b>2025e</b>
Operating profit	-292	-289	-282	-307	-343	-370
Depreciation	0	6	17	27	36	73
Provisions	0	2	2	2	2	2
Other	0	61	62	62	63	64
Working capital	0	4	27	51	57	-46
Operating cash flow	-292	-215	-174	-164	-185	-277
Tax paid	0	0	-1	0	0	0
Capex (less disposals)	0	-17	-67	-65	-61	-235
Investments	0	-185	0	0	0	0
Net interest	0	-2	0	0	-1	2
Net dividends	0	0	0	0	0	0
Residual cash flow	-292	-419	-241	-230	-248	-510
Equity issued	0	0	119	0	2,000	0
Change in net borrowing	0	189	122	230	-1,752	510
Adjustments	0	-36	0	0	0	0
Total financing	0	153	241	230	248	510

Source: Company data, Longspur Research estimates

## KEY POINTS

- Operating cash outflow and capex dominate ahead of launch
- Capex for network from 2025 assumed in our forecasts but could be external
- Working capital impact with first revenue in 2025

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