

2 May 2023

<b>Price (p)</b>	<b>0.38</b>
Shares in issue (m)	375
Mkt Cap (£m)	152
Net debt (£m)	0
EV (£m)	152
BVPS (p)	159.4

**Share price performance**

1m	-41.0%
3m	-71.2%
12m	-88.9%
12 m high/low	3.6/0.4
Ave daily vol (30D)	2,465,773

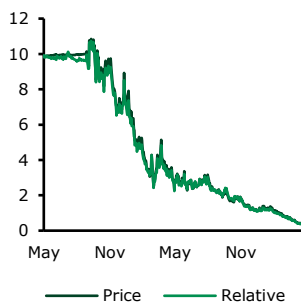
**Shareholders**

Tencent Holdings	23.4%
Atomico Iv	10.9%
Lgt Global Invest	6.5%
Baillie Gifford & Co	4.7%
Born Sebastian	4.6%
Meiner Matthias	4.6%
B Riley Financial In	4.3%
Invesco Ltd	2.4%
683 Capital Manag't	0.8%
Allianz Se	0.7%
Total for top 10	62.8%
Free float	49.0%
Source: Bloomberg	02 May 23

**Next news** Ints Q3

**Business description**

eVTOL developer and regional air mobility operator



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**FUNDED TOWARDS MANNED FLIGHT**

Lilium has today announced it has secured US\$100m of equity funding from existing shareholder Tencent, with the intention of raising a further US\$150m. The raise ought to see Lilium nearly financed through to its first manned flight in H2 2024, after which the company can benefit from pre-delivery payments from customers with a view to commercial operations commencing in 2025. In our view this de-risks the development and ought to allow for Lilium to focus on reaching its first manned flight as scheduled.

**Tencent Leading Funding**

Lilium has announced it has secured US\$100m in equity financing from existing shareholder Tencent who will provide a further US\$75m in matched funding, provided Lilium can raise the remaining US\$75m through either debt, equity or grants. If successful in raising the entire US\$250m, we expect this to give Lilium a sufficient cash runway to reach its first manned flight in 2024, with our forecasts having c. €200m (US\$219) of cash outflows required to reach first revenues in 2025. This funding round de-risks the development in our view and allows Lilium to focus on reaching the major milestone of its first manned flight. Lilium had cash of US\$157.5m as at 31 March 2023.

€m, Dec	2021a	2022a	2023e	2024e	2025e	2026e
Sales	0	0	0	0	280	1,268
EBITDA	-284	-273	-288	-315	-305	-80
PBT	-299	-253	-308	-341	-373	-243
EPS	-1.4	-0.9	-0.2	-0.2	-0.2	-0.1
CFPS	-1.9	-0.2	-0.1	-0.1	-0.3	-0.3
DPS	0.0	0.0	0.0	0.0	0.0	0.0
Net Debt (Cash)	-320	-142	-874	-591	-64	505
Debt/EBITDA	1.1	0.5	3.0	1.9	0.2	-6.3
P/E	-0.3	-0.4	-2.4	-2.2	-2.0	-3.0
EV/EBITDA	0.6	0.0	2.5	1.4	-0.3	-8.3
EV/sales	na	na	na	na	-0.6	-0.1
FCF yield	-5.1%	-0.6%	-0.4%	-0.4%	-0.7%	-0.7%
Div yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

## FINANCIAL MODEL

### Profit and Loss Account

€m, Dec	2021a	2022a	2023e	2024e	2025e	2026e
<b>Turnover</b>						
eVTOL	0	0	0	0	279	1,262
CO2	0	0	0	0	1	6
Other	0	0	0	0	0	0
Other	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>280</b>	<b>1,268</b>
<b>Operating profit</b>						
eVTOL	-289	-279	-307	-343	-371	-227
CO2	0	0	0	0	1	6
Other	0	0	0	0	0	0
Other	0	0	0	0	0	0
<b>Operating profit</b>	<b>-289</b>	<b>-279</b>	<b>-307</b>	<b>-343</b>	<b>-370</b>	<b>-221</b>
<b>P&amp;L Account</b>						
Turnover	0	0	0	0	280	1,268
Operating Profit	-289	-279	-307	-343	-370	-221
Investment income	-1	-3	0	0	0	0
Net Interest	-9	28	-1	2	-4	-22
Pre Tax Profit (UKSIP)	-299	-253	-308	-341	-373	-243
Goodwill amortisation	0	0	0	0	0	0
Exceptional Items	-111	0	0	0	0	0
Pre Tax Profit (FRS3)	-410	-253	-308	-341	-373	-243
Tax	-1	0	0	0	0	0
Post tax exceptionals	0	0	0	0	0	0
Minorities	0	0	0	0	0	0
Net Profit	-411	-253	-308	-341	-373	-243
Dividend	0	0	0	0	0	0
Retained	-411	-253	-308	-341	-373	-243
EBITDA	-284	-273	-288	-315	-305	-80
EPS (c) (UKSIP)	-1.40	-0.90	-0.16	-0.18	-0.19	-0.13
EPS (c) (FRS3)	-1.91	-0.90	-0.16	-0.18	-0.19	-0.13
FCFPS (c)	-1.94	-0.24	-0.14	-0.15	-0.27	-0.29
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	2021a	2022a	2023e	2024e	2025e	2026e
Fixed Asset Cost	42	55	120	181	416	909
Fixed Asset Depreciation	-11	-18	-37	-65	-130	-271
Net Fixed Assets	31	37	83	116	286	638
Goodwill	0	0	0	0	0	0
Other intangibles	1	1	1	1	1	1
Investments	15	39	39	39	39	39
Stock	0	0	0	0	92	417
Trade Debtors	0	0	0	0	46	208
Other Debtors	31	32	32	32	32	32
Trade Creditors	-35	-34	-59	-88	-180	-625
Other Creditors <1yr	-15	-10	-10	-10	-10	-10
Creditors >1yr	-3	-4	-4	-4	-4	-4
Provisions	-3	-1	0	2	4	5
Pension	0	0	0	0	0	0
Capital Employed	22	61	84	89	307	703
Cash etc	353	180	912	628	208	8
Borrowing <1yr	23	29	29	29	29	29
Borrowing >1yr	10	8	8	8	115	484
Net Borrowing	-320	-142	-874	-591	-64	505
Share Capital	40	53	59	59	59	59
Share Premium	779	843	1,837	1,837	1,837	1,837
Retained Earnings	-717	-970	-1,278	-1,618	-1,992	-2,235
Other	240	278	340	403	467	536
Minority interest	0	0	0	0	0	0
Capital Employed	22	61	84	89	307	703
Net Assets	343	204	958	680	371	197
Total Equity	343	204	958	680	371	197

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

€m, Dec	2021a	2022a	2023e	2024e	2025e	2026e
Operating profit	-289	-279	-307	-343	-370	-221
Depreciation	6	8	19	28	65	141
Provisions	2	-2	-2	-2	-2	-2
Other	61	23	62	63	64	69
Working capital	4	-8	25	29	-46	-42
Operating cash flow	-215	-257	-203	-224	-289	-55
Tax paid	0	0	0	0	0	0
Capex (less disposals)	-17	-9	-65	-61	-235	-493
Investments	-185	200	0	0	0	0
Net interest	-2	0	-1	2	-4	-22
Net dividends	0	0	0	0	0	0
Residual cash flow	-419	-67	-268	-283	-527	-570
Equity issued	0	120	1,000	0	0	0
Change in net borrowing	189	178	-732	283	527	570
Adjustments	-36	-231	0	0	0	0
Total financing	153	67	268	283	527	570

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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