

25 July 2023

Price (US\$)	1.26
Shares in issue (m)	381
Mkt Cap (\$m)	509
Net debt (\$m)	0
EV (\$m)	509
BVPS (c)	159.4

Share price performance

1m	0.0%
3m	200.0%
12m	-54.3%
12 m high/low	3.3/0.4
Ave daily vol (30D)	7,541,629

Shareholders

Tencent Holdings	24.5%
Atomico	10.7%
Lgt Global Invest	6.4%
Meiner Matthias	4.6%
Born Sebastian	4.6%
Baillie Gifford & Co	4.3%
B Riley Financial In	2.4%
Millennium	0.9%
683 Capital	0.8%
Allianz Se	0.7%
Total for top 10	59.8%
Free float	48.4%
Source: Bloomberg	25 Jul 23

Next news Ints Q3

Business description

eVTOL developer and regional air mobility operator



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CAPITAL, CERTIFICATION AND CHINA

Lilium's Q2 shareholder letter follows the successful \$192m capital raise which, together with the earlier \$100m raise in May leaves the company well-funded to move the certification process forward and towards first manned flight in H2 2024. We expect to see further spending on both manufacturing design and commercial development building on recent progress, notably in China. While spend will rise it has been well controlled to date and we expect FY 23 costs to remain in line with our forecasts while delivering against key targets.

Increased capital allows certification progress

The funding will allow the company to increase spending as required to work through the approval processes including aircraft development and testing. The period has seen wind tunnel testing confirming modelling of hover and high-speed flight and motor testing of the DENSO-built e-motor. On the regulatory front the final audit for EASA Design Organisation Approval (DOA) has been completed and DOA is expected later this year. This allows development of a type-conforming aircraft rather than just the demonstrators seen under the FAA process. The FAA has also issued G-1 certification basis for the Lilium Jet. Additionally, the EASA requirements for propulsion batteries have been reconfirmed with the Third Publication of Means of Compliance following extensive industry consultation.

Commercial progress notably in China

Some funding will also enable an expansion of business development activities. This will build on existing successes which in the quarter include the first preliminary agreement for the sale of 100 Lilium Jets in China and a partnership with Shenzhen municipality. The company estimates that the Chinese market could eventually represent up to 25% of the global eVTOL market.

Spending well-disciplined

We expect spending to be well-disciplined following the first half where cost control kept cash spending to €113m against a budget plan of €125m. Lilium expects cash spend in the second half to be €170m giving a total spend for the year of €283m against which we feel comfortable with our forecast of €288m.

€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	-344	-376	-243
EPS	-1.4	-0.9	-0.6	-0.5	-0.2	-0.1
CFPS	-1.9	-0.2	-0.6	-0.4	-0.3	-0.3
DPS	0.0	0.0	0.0	0.0	0.0	0.0
Net Debt (Cash)	-320	-142	-135	31	-69	501
Debt/EBITDA	1.1	0.5	0.5	-0.1	0.2	-6.3
P/E	-0.9	-1.4	-2.0	-2.5	-5.8	-9.0
EV/EBITDA	-0.7	-1.3	-1.3	-1.7	-1.4	-12.7
EV/sales	na	na	na	na	0.7	0.1
FCF yield	-1.5%	-0.2%	-0.4%	-0.3%	-0.2%	-0.3%
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
Turnover						
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
Total	0	0	0	0	280	1,268
Operating profit						
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
Operating profit	-289	-279	-307	-343	-370	-221
P&L Account						
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	-0.64	-0.51	-0.22	-0.14
EPS (c) (FRS3)	-1.91	-0.90	-0.64	-0.51	-0.22	-0.14
FCFPS (c)	-1.94	-0.24	-0.56	-0.42	-0.30	-0.32
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	172	5	212	12
Borrowing <1yr	23	29	29	29	29	29
Borrowing >1yr	10	8	8	8	115	484
Net Borrowing	-320	-142	-135	31	-69	501
Share Capital	40	53	55	55	59	59
Share Premium	779	843	1,102	1,222	1,848	1,848
Retained Earnings	-717	-970	-1,278	-1,622	-1,998	-2,241
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	219	58	376	202
Total Equity	343	204	219	58	376	202

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 2024

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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