

7 December 2023

<b>Price (US\$)</b>	<b>1.11</b>
Shares in issue (m)	496
Mkt Cap (\$m)	576
Net debt (\$m)	0
EV (\$m)	576
BVPS (c)	159.4

**Share price performance**

1m	26.7%
3m	9.9%
12m	-12.6%
12 m high/low	1.9/0.4
Ave daily vol (30D)	4,127,231

**Shareholders**

Tencent Holdings	29.3%
Atomico	10.7%
Lgt Global Invest	6.4%
Meiner Matthias	4.6%
Born Sebastian	4.6%
Baillie Gifford & Co	1.2%
B Riley Financial In	0.8%
Millennium	0.7%
683 Capital	0.6%
Allianz Se	0.4%
Total for top 10	59.2%
Free float	56.6%
Source: Bloomberg	7 Dec 23

**Next news** Q4 Results

**Business description**

eVTOL developer and regional air mobility operator



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**MoU SIGNED WITH LUFTHANSA**

A MoU with Lufthansa is an important development for Lilium in our view. The company expects the European market to see eVTOL demand of 9,200 aircraft to 2035 so we see this agreement as an important move in laying the ground for a supportive environment for operation of the Lilium Jet in a major market.

**MoU to Explore a Strategic Partnership on eVTOL Operation**

Lilium has signed a Memorandum of Understanding with the Lufthansa Group to explore a strategic partnership on operation of electric Vertical Take-Off and Landing aircraft (eVTOL) aircraft in Europe. The scope of the work is comprehensive including infrastructure, airspace, maintenance and flight operations. A key part of the work will be to investigate the groundwork to enable eVTOLs to operate safely and efficiently.

**A Major Partner With a Strong Decarbonisation Trajectory**

Lufthansa group includes Lufthansa, Austrian Airlines and Eurowings as well as aviation service businesses including Lufthansa Technik, the world's largest maintenance, repair and overhaul (MRO) provider. The group of airlines are also the largest mainline carrier outside the US with over 700 aircraft in operation. Lufthansa is targeting a 50% cut in net carbon emissions by 2030 as part of a path to full carbon neutrality by 2050.

€m, Dec	2021a	2022a	2023e	2024e	2025e	2026e
Sales	0	0	0	0	280	1,268
EBITDA	-284	-273	-273	-285	-305	-80
PBT	-299	-253	-293	-314	-376	-243
EPS	-1.4	-0.9	-0.6	-0.5	-0.2	-0.1
CFPS	-1.9	-0.2	-0.5	-0.2	-0.3	-0.3
DPS	0.0	0.0	0.0	0.0	0.0	0.0
Net Debt (Cash)	-320	-142	-150	-102	-127	456
Debt/EBITDA	1.1	0.5	0.5	0.4	0.4	-5.7
P/E	-0.7	-1.1	-1.7	-2.2	-4.7	-7.3
EV/EBITDA	-0.8	-1.4	-1.4	-1.5	-1.3	-12.4
EV/sales	na	na	na	na	0.8	0.2
FCF yield	-188.7%	-23.2%	-51.1%	-23.8%	-33.6%	-31.5%
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	-292	-313	-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>-292</b>	<b>-313</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	-292	-313	-370	-221
Investment income	-1	-3	0	0	0	0
Net Interest	-9	28	-1	-1	-6	-22
Pre Tax Profit (UKSIP)	-299	-253	-293	-314	-376	-243
Goodwill amortisation	0	0	0	0	0	0
Exceptional Items	-111	0	0	0	0	0
Pre Tax Profit (FRS3)	-410	-253	-293	-314	-376	-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	-293	-314	-376	-243
Dividend	0	0	0	0	0	0
Retained	-411	-253	-293	-314	-376	-243
EBITDA	-284	-273	-273	-285	-305	-80
EPS (c) (UKSIP)	-1.40	-0.90	-0.61	-0.46	-0.22	-0.14
EPS (c) (FRS3)	-1.91	-0.90	-0.61	-0.46	-0.22	-0.14
FCFPS (c)	-1.94	-0.24	-0.49	-0.25	-0.35	-0.33
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	-74	-188	-205	-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	69	-11	282	703
Cash etc	353	180	202	149	282	57
Borrowing <1yr	23	29	29	29	29	29
Borrowing >1yr	10	8	8	8	115	484
Net Borrowing	-320	-142	-165	-112	-138	456
Share Capital	40	53	55	55	59	59
Share Premium	779	843	1,102	1,222	1,848	1,848
Retained Earnings	-717	-970	-1,263	-1,577	-1,952	-2,195
Other	240	278	339	401	466	535
Minority interest	0	0	0	0	0	0
Capital Employed	22	61	69	-11	282	703
Net Assets	343	204	234	102	420	247
Total Equity	343	204	234	102	420	247

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	-292	-313	-370	-221
Depreciation	6	8	19	28	65	141
Provisions	2	-2	-2	-2	-2	-2
Other	61	23	62	62	64	69
Working capital	4	-8	40	114	-121	-67
Operating cash flow	-215	-257	-173	-111	-364	-79
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	-1	-6	-22
Net dividends	0	0	0	0	0	0
Residual cash flow	-419	-67	-238	-172	-604	-594
Equity issued	0	120	261	120	630	0
Change in net borrowing	189	178	-22	52	-26	594
Adjustments	-36	-231	0	0	0	0
Total financing	153	67	238	172	604	594

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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