

24 May 2023

<b>Price (US\$)</b>	<b>1.20</b>
Shares in issue (m)	375
Mkt Cap (\$m)	477
Net debt (\$m)	0
EV (\$m)	477
BVPS (c)	159.4

<b>Share price performance</b>	
1m	183.7%
3m	15.4%
12m	-54.7%
12 m high/low	3.4/0.4
Ave daily vol (30D)	5,197,117

<b>Shareholders</b>	
Tencent Holdings	25.0%
Atomico Guernsey	10.9%
Lgt Global Invest	6.5%
Born Sebastian	4.6%
Meiner Matthias	4.6%
Baillie Gifford & Co	4.4%
B Riley Financial In	2.5%
Millennium M'ment	0.9%
683 Capital M'ment	0.8%
Allianz Se	0.7%
Total for top 10	60.8%
Free float	47.5%
Source: Bloomberg	24 May 23

**Next news** Ints Q3

**Business description**

eVTOL developer and regional air mobility operator



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## Q1 2023 SHAREHOLDER LETTER

Q1 has marked a period of strong financial, operational and commercial progress for Lilium. The company has secured US\$100m of financing and is in active discussions for a further US\$150m, there has been significant test work undertaken as progress against the EASA certification continues and two new firm sales agreements have been announced in addition to the potential order pipeline of 645 orders. This is a useful update that displays the progress being made whilst also sticking to the announced budgeted spend for H1.

### Progress Remains on Track

EASA (European Union Aviation Safety Agency) certification of the Means of Compliance, has increased from 72% as at March 2023 to 78% this along with remaining certification plans are forecast to complete in H2 2023. Significant R&D has been undertaken in the period, with prototype CustomCells batteries continuing to be delivered for battery pack testing, a scale model aircraft commencing aerodynamics testing in Europe's largest wind tunnel and a full size prototype engine commencing early propulsion testing. The company remains on target to reach its key milestones as previously flagged, with the first manned flight in H2 2024 and type certification in late 2025.

### Sales Agreement with ASL

Lilium has also announced today a sales agreement with ASL Group for six Lilium Pioneer Edition aircraft having converted a previously announced MoU. ASL is a Benelux based jet operator and intends to use the Lilium eVTOLS for transport across the major hubs in the region. As with the recently announced deal with Air Dynamic, ASL will be pre-paying a portion of the cost, again helping to maintain the working capital balance for Lilium as they reach the key production scale up stage. It is pleasing to see the company convert an MoU into a fixed sales agreement and we hope to see further firm sales orders from the pipeline of 645 potential orders as the company moves towards its first manned flight.

### Cash Spend Remains Under Control

Period end liquidity stood at €143m and the company had a cash spend of €62m in the period, leaving the company on track for its H1 budgeted spend of €125m. Lilium continues discussions to raise a further US\$150m, following the confirmed raise of US\$100m in the year, leaving the company with a sufficient cash runway to continue progressing at pace into 2024.

€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	-0.9	-1.3	-7.5	-6.8	-6.2	-9.5
EV/EBITDA	-0.6	-1.2	1.4	0.4	-1.4	-12.3
EV/sales	na	na	na	na	-0.6	-0.1
FCF yield	-1.6%	-0.2%	-0.1%	-0.1%	-0.2%	-0.2%
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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