

29 May 2024

Price (US\$)	0.93
Shares in issue (m)	593
Mkt Cap (\$m)	575
Net debt (\$m)	-186
EV (\$m)	390
BVPS (c)	159.4

Share price performance	
1m	-0.4%
3m	-2.6%
12m	-15.1%
12 m high/low	1.9/0.6
Ave daily vol (30D)	3,593,661

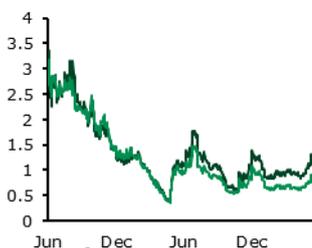
Shareholders (pre-raise)	
Tencent Holdings	21.2%
LGT Global Invest	10.8%
Founders	8.3%
Atomico	7.8%
Daniel Wiegand	4.4%
Earlybird/UVC	3.0%

Free float 56.6%

Next news Q2 Results

Business description

eVTOL developer and regional air mobility operator



Research
Adam Forsyth — Relative
adam.forsyth@longspur.com
+44 (0) 131 357 6770

Max Campbell
max.campbell@longspur.com
+44 (0) 7900 206039

Distribution
Adam Robertson
adam.robertson@longspur.com
+44 (0) 203 940 6602

FORGING AHEAD AFTER FINANCING

Following Lilium’s announcement that it was raising US\$114m, comprising of a US\$40m underwritten public offering of shares and warrants, a US\$50m private placement of shares and warrants and a US\$24m pre-paid warrant, the company has shown that it remains focused on advancing its capabilities ahead of the first manned flight in 2024. From a financing perspective, Lilium is now looking to secure debt financing, particularly from the German development bank (KfW) who have commenced DD for a loan to the company. From an operational perspective, the company has made a series of announcements at the EBACE conference including a new purchase agreement with eVolare, and partnerships with Luxavaition Group and UrbanV and Aeroports de La Cote d’Azur.

Raise to Support Ongoing Development

As of 31 March Lilium had cash of US\$110m and combined with the net proceeds from the raise this rises to a theoretical US\$218m, albeit not accounting for spending post Q1 24. Net of fees Lilium raised \$108m, with investors in the private placement including BIT Capital, Earlybird Venture Capital and Tencent Holdings (through its Aceville vehicle) along with several Lilium board members. Tencent have also supported the entirety of the pre-paid warrant. Lilium have loosely guided to a H2 spend in the same ballpark as H1 i.e \$170-\$180m and this raise combined with the existing cash balance should go some way to supporting that. Management are targeting a minimum €100m (c.US\$108m) KfW loan, secured by the Federal Government and State of Bavaria to cover the remaining development spend before the company beings to unlock pre-delivery payments upon meeting certain commercial milestones such as the first manned flight targeted for the end of this year.

eVolare Purchase Agreement

Lilium has announced eVolare are to purchase four Lilium Jets with the option to follow on with an additional 12 aircraft. Based in Oxford, UK, eVolare plans to operate Lilium Jets in the London area, connecting London with outer cities and the coastal areas of England. Importantly, the purchase agreement includes pre-delivery payments which will help to support the Lilium working capital position as they scale up production. This announcement follows an initial partnership formed with eVolare in 2022 which has now been converted into a firm order, and we expect to see more conversions moving forwards.

€m, Dec	2021a	2022a	2023a	2024e	2025e	2026e
Sales	0	0	0	0	0	405
EBITDA	-284	-273	-260	-285	-372	-408
PBT	-299	-253	-389	-305	-421	-512
EPS	-1.4	-0.9	-0.7	-0.5	-0.6	-0.7
CFPS	-1.9	-0.2	-0.4	-0.2	-0.4	-0.3
DPS	0.0	0.0	0.0	0.0	0.0	0.0
Net Debt (Cash)	-320	-171	-75	-68	135	398
Debt/EBITDA	1.1	0.6	0.3	0.2	-0.4	-1.0
P/E	-0.6	-0.9	-1.2	-1.7	-1.4	-1.2
EV/EBITDA	-0.4	-1.0	-1.4	-1.3	-1.5	-2.0
EV/sales	na	na	na	na	na	0.6
FCF yield	-236.9%	-29.2%	-53.5%	-18.8%	-49.5%	-40.1%
Div yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Luxaviation Group Partnership To Develop Infrastructure

The partnership with Luxaviation is an expansion on one previously announced, which will look to to expand the ExecuJet network of Fixed Base Operations (FBOs) in order to create electrified groun operations. ExecuJet has 141 FBOs an is looking to grow, and this network will serve as a key foundation for the Lilium Jet's operational effectiveness.

Network Development in the South of France

Lilium, UrbanV and Aeroports de la Cote d'Azur have announced a partnership to develop a regional air mobility network in Southern France, with plans to bring Lilium Jet flights to the region in 2026. The new vertiport network is aiming to connect the French Riviera with key destinations in the south of France. Lilium is in talks with several operators in the region to run operations and utilise the network, as the company looks to build its presence in the France.

FINANCIAL MODEL

Profit and Loss Account

€m, Dec	2021a	2022a	2023a	2024e	2025e	2026e
Turnover						
eVTOL	0	0	0	0	0	405
CO2	0	0	0	0	0	0
Other	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total	0	0	0	0	0	405
Operating profit						
eVTOL	-289	-279	-271	-305	-414	-488
CO2	0	0	0	0	0	0
Other	0	0	0	0	0	0
Other	0	0	0	0	0	0
Operating profit	-289	-279	-271	-305	-414	-488
P&L Account						
Turnover	0	0	0	0	0	405
Operating Profit	-289	-279	-271	-305	-414	-488
Investment income	-1	-3	-2	0	0	0
Net Interest	-9	28	-116	0	-7	-24
Pre Tax Profit (UKSIP)	-299	-253	-389	-305	-421	-512
Goodwill amortisation	0	0	0	0	0	0
Exceptional Items	-111	0	0	0	0	0
Pre Tax Profit (IFRS)	-410	-253	-389	-305	-421	-512
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	-389	-305	-421	-512
Dividend	0	0	0	0	0	0
Retained	-411	-253	-389	-305	-421	-512
EBITDA	-284	-273	-260	-285	-372	-408
EPS (p) (UKSIP)	-1.40	-0.90	-0.71	-0.48	-0.58	-0.70
EPS (p) (IFRS)	-1.91	-0.90	-0.71	-0.48	-0.58	-0.70
FCFPS (p)	-1.94	-0.24	-0.44	-0.15	-0.41	-0.33
Dividend (p)	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 2026 when we assume first revenue begins
- C. €300m cost outflow rising ahead of launch in 2026

Balance Sheet

€m, Dec	2021a	2022a	2023a	2024e	2025e	2026e
Fixed Asset Cost	42	55	84	131	272	518
Fixed Asset Depreciation	-11	-18	-20	-41	-83	-164
Net Fixed Assets	31	37	64	90	189	355
Goodwill	0	0	0	0	0	0
Other intangibles	1	1	0	0	0	0
Investments	15	39	131	131	131	131
Stock	0	0	0	0	0	133
Trade Debtors	0	0	0	0	0	67
Other Debtors	31	32	33	33	33	33
Trade Creditors	-35	-34	-45	-217	-370	-915
Other Creditors <1yr	-15	-33	-217	-217	-217	-217
Creditors >1yr	-3	-4	-3	-3	-3	-3
Provisions	-3	-1	-2	-1	-1	-1
Pension	0	0	0	0	0	0
Capital Employed	22	38	-38	-184	-238	-417
Cash etc	353	180	84	75	20	127
Borrowing <1yr	23	0	0	0	0	0
Borrowing >1yr	10	8	8	7	155	525
Net Borrowing	-320	-171	-75	-68	135	398
Share Capital	40	53	6	6	7	7
Share Premium	779	843	1,009	1,098	1,198	1,198
Retained Earnings	-717	-970	-1,359	-1,665	-2,085	-2,597
Other	240	278	382	444	508	577
Minority interest	0	0	0	0	0	0
Capital Employed	22	38	-38	-184	-238	-417
Net Assets	343	209	37	-116	-373	-815
Total Equity	343	204	37	-116	-373	-815

Source: Company data, Longspur Research estimates

KEY POINTS

- Fixed assets grow with capex accelerating from 2024 with assumed capex
- Increase in other creditors driven by warrants issued in 2023
- Cash adequate across period after assumed funding including PDPs

Cashflow

€m, Dec	2021a	2022a	2023a	2024e	2025e	2026e
Operating profit	-289	-279	-271	-305	-414	-488
Depreciation	6	8	13	20	42	81
Provisions	2	-2	0	0	0	0
Other	61	23	138	62	64	69
Working capital	4	-8	5	172	153	346
Operating cash flow	-215	-257	-116	-51	-155	7
Tax paid	0	0	-1	0	0	0
Capex (less disposals)	-17	-9	-29	-46	-141	-247
Investments	-185	200	-95	0	0	0
Net interest	-2	0	4	0	-7	-24
Net dividends	0	0	0	0	0	0
Residual cash flow	-419	-67	-236	-97	-303	-263
Equity issued	0	120	259	90	100	0
Change in net borrowing	189	149	96	7	203	263
Adjustments	-36	-231	0	0	0	0
Total financing	153	38	355	97	303	263

Source: Company data, Longspur Research estimates

KEY POINTS

- Operating cash outflow and capex dominate ahead of launch
- Capex for production assumed from 2025 with grand support
- Working capital positive due to PDPs

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Longspur Research
10 Castle Street,
Edinburgh. EH2 3AT
UK

20 North Audley Street,
London. W1K 6WE
UK