

13 June 2024

<b>Price (US\$)</b>	<b>0.84</b>
Shares in issue (m)	593
Mkt Cap (\$m)	516
Net debt (\$m)	-184
EV (\$m)	332
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



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**Q1 UPDATE HIGHLIGHTS PROGRESS**

Lilium has released its Q1 shareholder letter, recapping a busy quarter for the company. Lilium has completed a US\$114m fundraise and progressed discussions with the French and German Governments to secure debt financing for c.€300m. From an operational perspective, strides have been made in the construction of the Lilium Jet as it moves towards first manned flight at the end of 2024. Construction progress has been matched with numerous partnerships to develop the ground network and support services required for successful commercial operations ahead of entry into service in 2026. Cash spend is ahead of guidance for H1 24 at €185-195m and management is guiding to a slightly higher spend in Q2 as activity ramps up towards the first manned flight, and we have updated our forecasts to reflect this and our central case valuation moves to \$10.4.

**On Track for First Manned Flight**

Lilium has commenced construction of both the first aircraft on the final assembly line and production of the first battery pack. Key structures and components have been received from Lilium's partners at the production facility in Munich as construction of the first of six Lilium Jets required for the test campaign advances. The remaining steps to the first manned flight this year include commencing construction of the propulsion unit, ground testing and receipt of the permit to fly.

**Testing Now Key for Certification Progress**

The focus is now on testing capabilities for Lilium, in order to obtain the permit to fly for the prototype Lilium Jet. Lilium is significantly expanding its test facilities to support this, including developing the first of two propulsion testing facilities and starting construction of an advanced test facility that will house a full-scale aircraft for flight simulation and to verify aircraft performance. Additionally Lilium successfully completed its first EASA audit of its Design Organisation compliance, displaying continued compliance with EASA standards which continues to lead the FAA in the development of eVTOL regulations.

**Progress Supported by Growing Order Pipeline**

The development of the Lilium Jet and the associated ground infrastructure and services has seen the order pipeline for Lilium increasing and discussions remain ongoing with major operators to continue adding to this. The order book now sits at 780 Lilium Jets comprised of MOUs and firm orders.

€m, Dec	2021a	2022a	2023a	2024e	2025e	2026e
Sales	0	0	0	0	0	405
EBITDA	-284	-273	-260	-418	-408	-408
PBT	-299	-253	-389	-452	-493	-546
EPS	-1.4	-0.9	-0.7	-0.7	-0.7	-0.8
CFPS	-1.9	-0.2	-0.4	-0.6	-0.6	-0.1
DPS	0.0	0.0	0.0	0.0	0.0	0.0
Net Debt (Cash)	-320	-171	-187	122	455	581
Debt/EBITDA	1.1	0.6	0.7	-0.3	-1.1	-1.4
P/E	-0.6	-0.9	-1.1	-1.1	-1.1	-1.0
EV/EBITDA	-0.6	-1.1	-1.1	-1.4	-2.3	-2.6
EV/sales	na	na	na	na	na	0.6
FCF yield	-249.2%	-30.7%	-56.3%	-79.0%	-73.5%	-16.0%
Div yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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## FINANCIAL MODEL

### Profit and Loss Account

€m, Dec	2021a	2022a	2023a	2024e	2025e	2026e
<b>Turnover</b>						
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
<b>Total</b>	0	0	0	0	0	405
<b>Operating profit</b>						
eVTOL	-289	-279	-271	-447	-472	-510
CO2	0	0	0	0	0	0
Other	0	0	0	0	0	0
Other	0	0	0	0	0	0
<b>Operating profit</b>	-289	-279	-271	-437	-472	-510
<b>P&amp;L Account</b>	<b>2021a</b>	<b>2022a</b>	<b>2023a</b>	<b>2024e</b>	<b>2025e</b>	<b>2026e</b>
Turnover	0	0	0	0	0	405
Operating Profit	-289	-279	-271	-447	-472	-510
Investment income	-1	-3	-2	0	0	0
Net Interest	-9	28	-116	-5	-21	-36
Pre Tax Profit (UKSIP)	-299	-253	-389	-452	-493	-546
Goodwill amortisation	0	0	0	0	0	0
Exceptional Items	-111	0	0	0	0	0
Pre Tax Profit (IFRS)	-410	-253	-389	-452	-493	-546
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	-452	-493	-546
Dividend	0	0	0	0	0	0
Retained	-411	-253	-389	-452	-493	-546
EBITDA	-284	-273	-260	-418	-408	-408
EPS (p) (UKSIP)	-1.40	-0.90	-0.71	-0.72	-0.68	-0.76
EPS (p) (IFRS)	-1.91	-0.90	-0.71	-0.72	-0.68	-0.76
FCFPS (p)	-1.94	-0.24	-0.44	-0.62	-0.57	-0.12
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. €400m cost outflow rising ahead of launch in 2026

## Balance Sheet

€m, Dec	2021a	2022a	2023a	2024e	2025e	2026e
Fixed Asset Cost	42	55	84	188	410	657
Fixed Asset Depreciation	-11	-18	-20	-50	-113	-216
Net Fixed Assets	31	37	64	138	297	441
Goodwill	0	0	0	0	0	0
Other intangibles	1	1	0	0	0	0
Investments	15	39	19	19	19	19
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	-67	-220	-915
Other Creditors <1yr	-15	-33	-217	-267	-267	-267
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	-150	-147	-142	-493
Cash etc	353	180	195	6	8	222
Borrowing <1yr	23	0	0	0	0	0
Borrowing >1yr	10	8	8	127	463	803
Net Borrowing	-320	-171	-187	122	455	581
Share Capital	40	53	6	6	7	7
Share Premium	779	843	1,009	1,089	1,188	1,188
Retained Earnings	-717	-970	-1,359	-1,811	-2,304	-2,850
Other	240	278	382	447	513	582
Minority interest	0	0	0	0	0	0
Capital Employed	22	38	-150	-147	-142	-493
Net Assets	343	209	37	-269	-597	-1,073
Total Equity	343	204	37	-269	-597	-1,073

Source: Company data, Longspur Research estimates

## KEY POINTS

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

## Cashflow

€m, Dec	2021a	2022a	2023a	2024e	2025e	2026e
Operating profit	-289	-279	-271	-447	-472	-510
Depreciation	6	8	13	29	64	102
Provisions	2	-2	0	0	0	0
Other	61	23	138	65	65	69
Working capital	4	-8	5	73	153	496
Operating cash flow	-215	-257	-116	-280	-190	157
Tax paid	0	0	-1	0	0	0
Capex (less disposals)	-17	-9	-29	-104	-222	-247
Investments	-185	200	-95	0	0	0
Net interest	-2	0	4	-5	-21	-36
Net dividends	0	0	0	0	0	0
Residual cash flow	-419	-67	-236	-389	-433	-126
Equity issued	0	120	259	80	100	0
Change in net borrowing	189	149	-16	309	333	126
Adjustments	-36	-231	0	0	0	0
Total financing	153	38	243	389	433	126

Source: Company data, Longspur Research estimates

## KEY POINTS

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

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