

19 June 2023

Price (US\$)	1.27
Shares in issue (m)	375
Mkt Cap (\$m)	506
Net debt (\$m)	0
EV (\$m)	506
BVPS (c)	159.4

Share price performance

1m	5.8%
3m	67.7%
12m	-52.8%
12 m high/low	3.3/0.4
Ave daily vol (30D)	4,044,628

Shareholders

Tencent Holdings	24.9%
Atomico Guernsey	10.9%
Lgt Global Invest	6.5%
Born Sebastian	4.6%
Meiner Matthias	4.6%
Baillie Gifford & Co	4.3%
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	60.7%
Free float	47.6%
Source: Bloomberg	19 Jun 23

Next news Ints Q3

Business description

eVTOL developer and regional air mobility operator



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ENTRY INTO CHINESE MARKET

Lilium has announced it has entered into a sales agreement with Heli-Eastern, a low-altitude general aviation and helicopter company operating in China, for 100 Lilium jets. This is the first sale into China for Lilium and is accompanied by the signing of an MOU with the Bao'an District of Shenzhen to build a regional headquarters. The MOU and sales agreement provide a promising first entry into China for Lilium and lays the foundations for further growth in a market that could account for up to 25% of eVTOL demand in future.

First Sales in Chinese Market

Heli-Eastern mainly operate in the Greater Bay Area, Yangtze River Delta and the Beijing-Tianjin-Hebei Area with the Lilium eVTOLS expected to serve the Greater Bay Area initially. Under the agreement Heli-Eastern will purchase 100 jets whilst also helping Lilium to identify potential sites and partners for vertiports and other ground infrastructure in the region, as well as providing crewing and maintenance services.

MOU for Regional Headquarters

Lilium have also announced that they have signed an MOU with the Bao'an District of Shenzhen to base a regional headquarters in the district. The headquarters will be used to facilitate jet sales, service provision and support the expansion in the Guangdong-Hong Kong-Macao Greater Bay Area which has a population of over 85 million people. Lilium will also work with the district to develop further infrastructure and launch routes as part of the wider development of the low-altitude economy in the region.

€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	-1.4	-7.9	-7.2	-6.5	-10.0
EV/EBITDA	-0.7	-1.3	1.3	0.3	-1.4	-12.7
EV/sales	3957.9	n/a	n/a	n/a	0.7	0.1
FCF yield	-1.5%	-0.2%	-0.1%	-0.1%	-0.2%	-0.2%
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	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	-0.16	-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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