

18 July 2023

<b>Price (US\$)</b>	<b>1.35</b>
Shares in issue (m)	381
Mkt Cap (\$m)	545
Net debt (\$m)	0
EV (\$m)	545
BVPS (c)	159.4

**Share price performance**

1m	6.3%
3m	186.0%
12m	-47.3%
12 m high/low	3.3/0.4
Ave daily vol (30D)	6,287,889

**Shareholders**

Tencent Holdings	24.6%
Atomico Guernsey	10.8%
Lgt Global Invest	6.4%
Born Sebastian	4.6%
Meiner Matthias	4.6%
Baillie Gifford & Co	4.3%
B Riley Financial In	2.4%
Millennium M'ment	0.9%
683 Capital M'ment	0.8%
Allianz Se	0.7%
Total for top 10	59.8%
Free float	48.3%
Source: Bloomberg	18 Jul 23

**Next news** Ints Q3

**Business description**

eVTOL developer and regional air mobility operator



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**UPSIZED FINANCING OF \$192M**

Lilium has raised \$192m having announced the pricing of its latest round of funding. Shares are being issued at \$1.30 with an underwritten \$75m public offering, combined with an additional \$75m from existing shareholder Tencent through warrants and a further \$42m coming from a private placement (PIPE). The addition of the \$42m PIPE takes the total fundraising first announced in May 2023 to \$292m, above the \$250m initial target. The additional capital from the PIPE is a positive sign and the total balance ought to cover most of the estimated capital required for Lilium to reach its first manned flight in H2 2024.

**Additional Financing Takes Lilium Closer to First Manned Flight**

Lilium announced its target to raise \$250m in May 2023 with an initial \$100m commitment from shareholder Tencent. The remaining \$150m was to be a split of \$75m raised by Lilium and a further \$75m of matched funding from Tencent. These have now both been achieved and Lilium have also secured a further \$42m in funding through a private placement. The PIPE has been funded by a number of prominent German VCs and tech investors, signalling both a vote of confidence in the Lilium concept and technology but also perhaps a growing willingness to invest in the eVTOL space in continental Europe. The initial \$250m target was expected to take Lilium close to its first manned flight in H2 2024 and we expect the additional \$42m in funds to provide increased headroom in reaching this point, at which point the company investment case will be significantly de-risked.

**Valuation Update**

We have updated our financial model following the raise and our base case valuation has moved to \$8.2 from \$7.4 on account of a marginally better assumed financing costs arising from the above.

€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	-344	-376	-243
EPS	-1.4	-0.9	-0.6	-0.5	-0.2	-0.1
CFPS	-1.9	-0.2	-0.6	-0.4	-0.3	-0.3
DPS	0.0	0.0	0.0	0.0	0.0	0.0
Net Debt (Cash)	-320	-142	-135	31	-69	501
Debt/EBITDA	1.1	0.5	0.5	-0.1	0.2	-6.3
P/E	-1.0	-1.5	-2.1	-2.7	-6.2	-9.6
EV/EBITDA	-0.8	-1.5	-1.4	-1.8	-1.6	-13.1
EV/sales	0	0	0	0	0.8	0.2
FCF yield	-1.4%	-0.2%	-0.4%	-0.3%	-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>	<b>2021a</b>	<b>2022a</b>	<b>2023e</b>	<b>2024e</b>	<b>2025e</b>	<b>2026e</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	-0.64	-0.51	-0.22	-0.14
EPS (c) (FRS3)	-1.91	-0.90	-0.64	-0.51	-0.22	-0.14
FCFPS (c)	-1.94	-0.24	-0.56	-0.42	-0.30	-0.32
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	172	5	212	12
Borrowing <1yr	23	29	29	29	29	29
Borrowing >1yr	10	8	8	8	115	484
Net Borrowing	-320	-142	-135	31	-69	501
Share Capital	40	53	55	55	59	59
Share Premium	779	843	1,102	1,222	1,848	1,848
Retained Earnings	-717	-970	-1,278	-1,622	-1,998	-2,241
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	219	58	376	202
Total Equity	343	204	219	58	376	202

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	-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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