



LION E-MOBILITY

FIRST IMPRESSION

INDUSTRIALS

15 DEC 2023 15:11 - PRODUCTION
15 DEC 2023 15:13 - DISSEMINATION

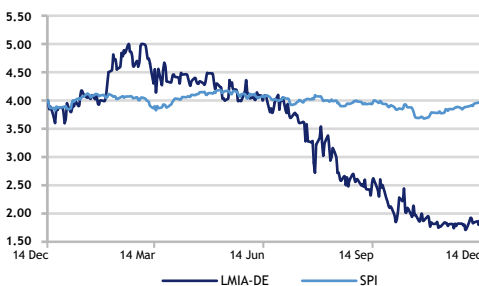
BUY

9M23 RESULTS: MORE CONCRETE FY24 SALES GUIDANCE. ANTICIPATING A GOOD 4Q23.

KEY DATA

| | |
|------------------------|---------|
| Share Price (EUR) | 1.85 |
| Target Price (EUR) | 5.30 |
| Upside / Downside | 186.5% |
| Ticker | LMIA GR |
| Market Cap (EUR m) | 23 |
| Shares Outstanding (m) | 12.35 |

SHARE PRICE PERFORMANCE (12M)



PRICE PERFORMANCE TABLE

| % | YTD | 1M | 3M | 12M |
|-----------------|-------|------|-------|-------|
| Absolute | -53.2 | 1.1 | -29.4 | -53.8 |
| Relative to SPI | -54.8 | -2.8 | -29.8 | -53.7 |

All sources unless otherwise stated: Company data, FactSet, Mirabaud Securities. All data as of 14 December 2023

ANALYSTS

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- **9M23 total revenues of EUR 30.2m**, below the EUR 46.5m a year ago. Reasons: the pull-forward effect considering the takeover of the production from BMW, & the destocking during 1H23 before production ramped up in the new facility (May).
- **9M23 EBITDA reached break even** (EUR 0.1m) and improving EUR -0.04m at 1H23. Gross margin has achieved a sound 18.9%, above FY22 with 13.9%.
- **Technology update:** Further achievements with immersion cooling based on functional prototypes **successfully** tested by a **large OEM**.
- **Management update:** Appointment of a new CEO to be announced very soon. Board is in talks with an experienced candidate to guide the company through its next phase of growth and development.
- **Increased focus on Investor Relations (IR)** to strengthen relationship with investors. Examples of initiatives: reporting of group **consolidated figures** on a regular basis and the release of a **new IR deck** as of these 9M23 results; and a **new IR website & CMD for 1Q24**.
- **FY guidance: Supported on very robust sales developments booked for 4Q23 so far** (EUR 20m, c. 2x each of the previous quarters of the year) and **considering the remaining shipments to be completed** (EUR 5m), more specific guidance has been provided. From the previous range EUR 55-65m; to **surpassing just over EUR 55m. Consequently, the new figure tilts to the lower end and is below our estimates** that where at the midpoint (**EUR 60m**).
- **Recommendation and target price.** We will lower our FY23 revenues to converge with current guidance. We reiterate BUY recommendation and TP of EUR 5.3/share. **4Q23 seems to be a very strong quarter and should the trend continue, year 2024 could achieve very re-assuring figures.**

EBITDA BREAK-EVEN DILUTED BY HIGHER DDA AND FINANCIALS

For the 9M23 period LION has achieved EUR 30.2m of total revenues, with an EBITDA of EUR 0.1m and a **margin of 0.3%** which compares to -0.2% at 1H23. Also, on the positive, **other operating income has reached EUR 1.8m**, a substantial rise vs. FY22 at EUR 0.3m. Regarding the main cost items: **materials remain with a pretty stable weight**, 81.1% sales (vs. 1H23 at 80.1%) while personnel costs have increased to 14.2% sales (vs. 13.8% at 1H23). Gross margin is attractive at 18.9% vs. our FY expectations at c. 14%.

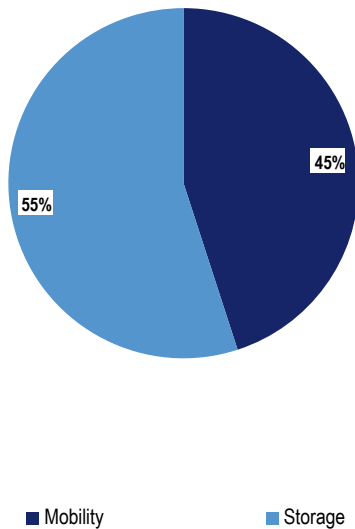
Below the EBITDA line, an **increase in the DDA** associated to the new production facility has prevented EBIT from reaching break even and has led to a negative EUR -0.5m and EBIT margin of -1.7%, vs. -0.6% at 1H23. Even further down the income statement, **financial expenses have increased substantially** to EUR -1.0m (vs. EUR -0.1m FY22) leading to a **net loss of EUR -0.7m**, with a margin of -2.3%, slight improvement vs. -2.9% at 1H23. Other aspects to highlight are the **positive operating cash flow** (EUR 1.1m) for the three quarters in a row; and the **substantial investment cash outflow** of EUR 10.3m in the period.

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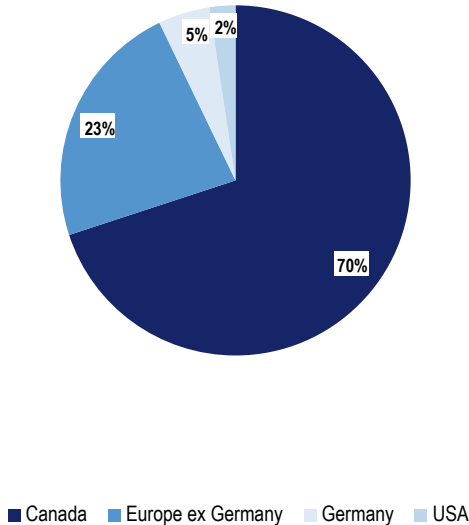
Fiscal Year ending December 31

CALENDAR

SALES BREAKDOWN BY SEGMENT



OPERATING RESULT BREAKDOWN BY MARKET



| VALUATION (x) | FY 2021 | FY 2022 | FY 2023E | FY 2024E | FY 2025E |
|----------------|---------|---------|----------|----------|----------|
| P / E | nm | nm | nm | nm | nm |
| P / E adjusted | nm | nm | nm | nm | nm |
| Dividend yield | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |

| INCOME STATEMENT (EUR m) | FY 2021 | FY 2022 | FY 2023E | FY 2024E | FY 2025E |
|--------------------------|---------|---------|----------|----------|----------|
| Revenue | 29 | 54 | 60 | 75 | 146 |
| Gross profit | 3 | 8 | 8 | 11 | 22 |
| EBITDA | -1 | -0 | -0 | 1 | 3 |
| EBIT | -2 | -1 | -1 | -1 | 1 |
| Pre-tax profit | -2 | -1 | -2 | -2 | -0 |
| Income taxes | 0 | -0 | 0 | 0 | 0 |
| Net income | -1 | -1 | -2 | -2 | -0 |
| EPS (EUR) | -0.12 | -0.07 | -0.19 | -0.16 | -0.02 |
| Adjusted EPS (EUR) | -0.12 | -0.07 | -0.19 | -0.16 | -0.02 |
| Fully diluted EPS (EUR) | -0.12 | -0.07 | -0.19 | -0.16 | -0.02 |
| DPS (EUR) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Payout ratio | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Margins | | | | | |
| Gross profit | 10.4% | 13.9% | 13.9% | 14.4% | 15.1% |
| EBITDA | -4.3% | -0.4% | -0.2% | 0.7% | 1.8% |
| EBIT | -5.8% | -1.1% | -2.2% | -0.9% | 1.0% |
| Pre-tax profit | -5.3% | -1.2% | -3.9% | -2.6% | -0.2% |
| Tax rate | 23.5% | 24.6% | 0.0% | 0.0% | 15.0% |
| Net income | -4.0% | -1.5% | -3.9% | -2.6% | -0.1% |
| Growth rates | | | | | |
| Revenue | 67.7% | 87.5% | 11.0% | 25.0% | 94.3% |
| EBITDA | -43.4% | 80.6% | 40.2% | 461.1% | 412.8% |
| EBIT | -57.9% | 63.5% | -112.1% | 50.1% | 324.7% |
| Net income | -11.2% | 29.8% | -187.9% | 15.9% | 90.0% |
| EPS | -11.2% | 43.0% | -187.9% | 15.9% | 90.0% |

| BALANCE SHEET (EUR m) | FY 2021 | FY 2022 | FY 2023E | FY 2024E | FY 2025E |
|-----------------------|---------|---------|----------|----------|----------|
| Non-current assets | 11 | 15 | 15 | 19 | 20 |
| Current assets | 7 | 15 | 10 | 12 | 21 |
| Current liabilities | 6 | 5 | 5 | 7 | 15 |
| Long-term liabilities | 1 | 2 | 0 | 0 | 0 |
| Shareholders' equity | 9 | 14 | 12 | 10 | 10 |
| Net debt | 1 | 7 | 7 | 13 | 16 |
| Net debt / EBITDA (x) | -1.1 | -29.0 | -50.8 | 25.4 | 6.0 |

| CASH FLOW (EUR m) | FY 2021 | FY 2022 | FY 2023E | FY 2024E | FY 2025E |
|--|-----------|-----------|-----------|-----------|-----------|
| Net income | -1 | -1 | -2 | -2 | -0 |
| Depreciation & amortisation | 0 | 0 | 1 | 1 | 1 |
| Other operating cash flow | 0 | 0 | 0 | 0 | 0 |
| Change in working capital | 1 | -7 | 3 | 0 | -2 |
| Cash flow from operating activities | 0 | -8 | 1 | -1 | -1 |
| Capex | 0 | -3 | -2 | -5 | -2 |
| Cash flow from investing activities | -0 | -3 | -2 | -5 | -2 |
| Cash flow from financing activities | 2 | 10 | 9 | 15 | 17 |
| Change in cash | 2 | -1 | 9 | 9 | 14 |
| FCF | 0 | 0 | 0 | 0 | 0 |
| FCF/sales | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |

Sources: FactSet, Company data, Mirabaud estimates

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DISCLAIMER

RECOMMENDATIONS HISTORY

LION E-Mobility

Market Index: SPI

| Date | Market Index Level | Stock Price (EUR) | Target Price (EUR) | Recommendation |
|-------------|--------------------|-------------------|--------------------|----------------|
| 23 Oct 2023 | 652 | 1.86 | 5.30 | Buy |

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- BUY:** The stock is expected to generate absolute positive price performance of over 10% during the next 12 months.
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- SELL:** The stock is expected to generate absolute negative price performance of over 10% during the next 12 months.
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