

LION E-Mobility AG

Automotive - Germany



NuWays

by Hauck Aufhäuser Lampe

Buy (old: Buy)

04.04.2025

EUR 3.20 (old: EUR 3.60)

Weak Q4 prelims, op. trough should have passed; chg.

FY24 preliminary sales came in at a mere € 16.9m, implying a 70% yoy decline (falling short of our € 33.2m estimate) as a result of a strongly declined sentiment across the company's most important end markets, storage solutions and mobility. The latter was strongly impacted by weakened demand for end products (e.g. electric mini buses), falling battery prices with the resulting "wait and see" mentality of customers but also several insolvencies. **Preliminary Q4 sales stood at only € 4.5m, down 78% yoy.**

FY24 prelim. EBITDA was negative at € -4.2m as a result of the negative operating leverage but also development work for the new chemistry cells, especially NMC+ (eNuW ~ € 1.5m). The **€ 1.9m positive EBITDA figure in Q4** can be explained by book gains related to the divestment of LION's stake in TÜV SÜD Battery testing. Also, during the earnings call, management highlighted **renegotiated supplier contracts**, which positively impacted the group's gross margin and should be sustainable going forward.

Good start into the year. Positively, it seems like the company has passed the market's trough as reflected by the good start into the year with € 6.4m sales (vs. € 1.2m in Q1 2024) and a "clearly positive EBITDA" (vs. € -2.6m in Q1 2024). This positive momentum is expected to persist throughout FY25 as **management guides for € 28-35m sales** (eNuW: € 32m) and **positive EBITDA** (eNuW: break-even).

Portfolio expansion ongoing. LION will deliver first orders of its new higher energy density battery pack (NMC+) in April, with a further ramp up throughout 2025. With this, the company will also introduce "narrow packs", increasing the addressable markets. During the earnings call, management also presented a new project. As per request from a major German truck OEM, LION is working on a 540kWh battery for trucks that can charge >400km range within the legally required 15 minute break of truck drivers.

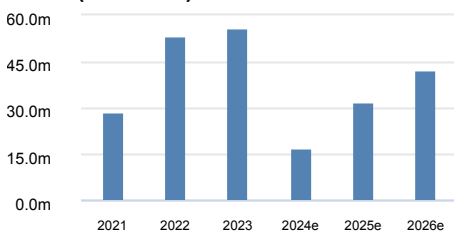
Immersion cooled batteries retain game changer potential. With last year's Q3 results, management shared promising testing results of the "LIGHT Battery". Despite some delays (potential series application), the prospects remain significant. Targeting only PHEV and BEV cars with > € 100k selling prices, the market should reach up to € 1.4bn by 2030. Assuming further positive testing results, first small test-volumes could already impact LION's 2026 P&L, in our view. This should serve as proof-of-concept and hence justify the inclusion within our long-term growth estimates.

BUY with a new € 3.20 PT (old: € 3.60) based on DCF.

Y/E 31.12 (EUR m)	2021	2022	2023	2024e	2025e	2026e
Sales	28.4	53.8	56.1	16.9	32.0	42.6
Sales growth	54.3%	89.1%	4.3%	-69.9%	89.7%	33.4%
EBITDA	-1.2	0.5	0.0	-4.4	0.3	2.8
Net debt (if net cash=0)	-0.2	4.4	13.6	21.2	20.3	16.5
FCF	-0.6	-9.4	-9.2	-9.9	0.9	3.8
Net Debt/EBITDA	0.0	9.5	2728.6	-4.8	72.5	5.8
EPS pro forma	-0.12	0.03	-0.08	-0.63	-0.16	-0.00
EBITDA margin	-4.3%	0.9%	0.0%	-26.4%	0.9%	6.7%
ROCE	-14.3%	1.9%	-3.4%	-23.2%	-3.7%	4.5%
EV/sales	1.1	0.5	0.6	2.5	1.3	0.9
EV/EBITDA	-25.1	53.5	6804.5	-9.4	145.3	13.0
PER	-13.6	54.5	-20.7	-2.5	-9.8	-1295.4
Adjusted FCF yield	-3.2%	-4.3%	-2.8%	-12.3%	1.1%	6.3%

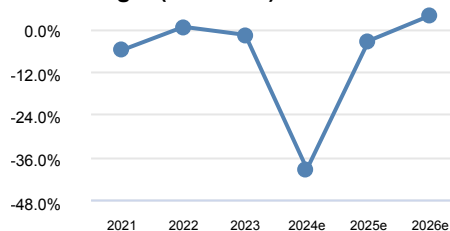
Source: Company data, NuWays, Close price as of 01.04.2025

Sales (2021-26e)



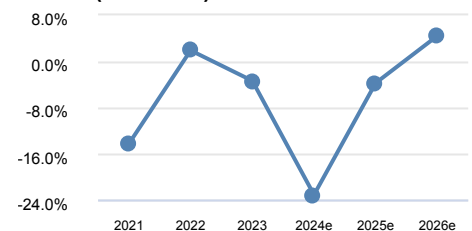
Source: NuWays Research

EBIT margin (2021-26e)



Source: NuWays Research

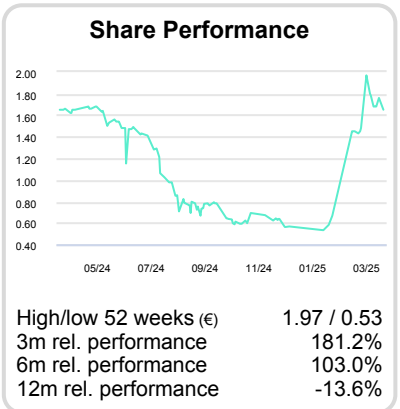
ROCE (2021-26e)



Source: NuWays Research

Company description

LION is a fully automated producer of lithium-ion battery packs for a wide range of applications such as buses, commercial vehicles, marine, industrial vehicles but also stationary energy storage with an annual production capacity of 2 GWh, the equivalent to 45k battery packs.



Market data

Share price (in €)	1.65
Market cap (in € m)	19.7
Number of shares (in m pcs)	12.4
Enterprise value (in € m)	40.7
Ø trading volume (6 months)	10,500

Identifier

Bloomberg	LMIA GR
Reuters	LMIA.F
WKN	A2QH97
ISIN	CH0560888270

Key shareholders

Ian Mukherjee	38.7%
Founders	6.0%
Free Float	55.3%

Estimates changes

	2024e	2025e	2026e
Sales	-49%	-34%	-38%
EBIT	-20%	61%	67%
EPS	-44%	46%	98%

Comment on changes

- Adjusted estimates to reflect the weaker than expected market sentiment.

Guidance

- Sales 2025: € 28-35m
- EBITDA 2025: clearly positive

Financials

Profit and loss (EUR m)	2021	2022	2023	2024e	2025e	2026e
Net sales	28.4	53.8	56.1	16.9	32.0	42.6
<i>Sales growth</i>	54.3%	89.1%	4.3%	-69.9%	89.7%	33.4%
Increase/decrease in finished goods and work-in-process	0.5	0.3	1.3	2.7	1.0	0.0
Total sales	28.9	54.1	57.4	19.6	33.0	42.6
Other operating income	1.5	0.4	1.5	3.6	1.6	1.3
Material expenses	25.9	46.5	48.3	14.7	23.7	30.7
Personnel expenses	3.1	3.9	5.7	6.2	6.1	6.5
Other operating expenses	2.6	3.7	4.9	6.7	4.5	3.8
Total operating expenses	30.1	53.6	57.4	24.0	32.7	39.8
EBITDA	-1.2	0.5	0.0	-4.4	0.3	2.8
Depreciation	0.5	0.1	0.9	2.2	1.3	1.2
EBITA	-1.7	0.3	-0.9	-6.6	-1.1	1.6
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	-1.7	0.3	-0.9	-6.6	-1.1	1.6
Interest income	0.1	0.1	0.1	0.1	0.1	0.1
Interest expenses	0.0	0.1	1.5	2.5	2.0	2.2
Investment income	0.1	0.1	0.7	0.0	0.4	0.5
Financial result	0.2	0.1	-0.7	-2.4	-1.5	-1.6
Recurring pretax income from continuing operations	-1.5	0.4	-1.6	-9.0	-2.6	-0.0
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-1.5	0.4	-1.6	-9.0	-2.6	-0.0
Income tax expense	-0.4	0.0	-0.7	-1.2	-0.6	-0.0
Net income from continuing operations	-1.2	0.4	-1.0	-7.8	-2.0	-0.0
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	-1.2	0.4	-1.0	-7.8	-2.0	-0.0
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	-1.2	0.4	-1.0	-7.8	-2.0	-0.0
Average number of shares	10.0	12.4	12.4	12.4	12.4	12.4
EPS reported	-0.12	0.03	-0.08	-0.63	-0.16	-0.00

Profit and loss (common size)	2021	2022	2023	2024e	2025e	2026e
Net sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<i>Sales growth</i>	54.3%	89.1%	4.3%	-69.9%	89.7%	33.4%
Increase/decrease in finished goods and work-in-process	1.7%	0.6%	2.4%	16.0%	3.1%	0.0%
Total sales	101.7%	100.6%	102.4%	116.0%	103.1%	100.0%
Other operating income	5.2%	0.8%	2.7%	21.4%	5.0%	3.0%
Material expenses	91.2%	86.4%	86.2%	87.2%	74.3%	72.0%
Personnel expenses	10.8%	7.2%	10.1%	36.8%	19.0%	15.3%
Other operating expenses	9.2%	6.9%	8.7%	39.8%	14.0%	9.0%
Total operating expenses	106.0%	99.8%	102.4%	142.4%	102.3%	93.3%
EBITDA	-4.3%	0.9%	0.0%	-26.4%	0.9%	6.7%
Depreciation	1.6%	0.3%	1.7%	13.1%	4.2%	2.8%
EBITA	-5.9%	0.6%	-1.7%	-39.4%	-3.3%	3.8%
Amortisation of goodwill	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Amortisation of intangible assets	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Impairment charges	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBIT (inc revaluation net)	-5.9%	0.6%	-1.7%	-39.4%	-3.3%	3.8%
Interest income	0.2%	0.1%	0.2%	0.6%	0.3%	0.2%
Interest expenses	0.1%	0.2%	2.7%	14.8%	6.3%	5.3%
Investment income	0.5%	0.2%	1.2%	0.0%	1.3%	1.2%
Financial result	0.6%	0.1%	neg.	neg.	neg.	neg.
Recurring pretax income from continuing operations	-5.4%	0.7%	-2.9%	-53.7%	-8.0%	-0.0%
Extraordinary income/loss	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Earnings before taxes	-5.4%	0.7%	-2.9%	-53.7%	-8.0%	-0.0%
Tax rate	23.5%	9.1%	41.7%	13.3%	22.0%	22.0%
Net income from continuing operations	-4.1%	0.7%	-1.7%	-46.5%	-6.3%	-0.0%
Income from discontinued operations (net of tax)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net income	-4.1%	0.7%	-1.7%	-46.5%	-6.3%	-0.0%
Minority interest	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net profit (reported)	-4.1%	0.7%	-1.7%	-46.5%	-6.3%	-0.0%

Source: Company data, NuWays

Balance sheet (EUR m)	2021	2022	2023	2024e	2025e	2026e
Intangible assets	3.1	4.7	12.4	13.2	14.0	14.8
Property, plant and equipment	0.4	2.2	5.2	9.4	8.5	7.8
Financial assets	4.4	5.6	5.7	0.7	0.7	0.7
FIXED ASSETS	7.9	12.5	23.4	23.3	23.2	23.3
Inventories	0.2	6.5	13.8	3.7	6.4	7.8
Accounts receivable	4.2	4.4	24.9	2.3	4.4	5.8
Other assets and short-term financial assets	2.4	1.0	0.7	2.0	4.0	8.0
Liquid assets	1.2	3.0	4.4	-2.9	0.1	3.8
Deferred taxes	2.2	2.3	2.1	2.0	2.0	2.0
Deferred charges and prepaid expenses	0.1	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	10.3	17.2	46.0	7.2	16.8	27.4
TOTAL ASSETS	18.2	29.8	69.4	30.6	40.0	50.8

SHAREHOLDERS EQUITY	9.3	14.4	13.5	5.9	10.9	19.9
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0
Long-term liabilities to banks	0.0	0.0	7.5	4.3	4.3	4.3
Bonds (long-term)	0.0	0.0	0.0	0.0	0.0	0.0
other interest-bearing liabilities	1.1	1.4	1.6	0.0	0.0	0.0
Provisions for pensions and similar obligations	0.6	0.9	0.7	0.7	0.7	0.7
Other provisions and accrued liabilities	0.0	0.0	0.0	0.0	0.0	0.0
NON-CURRENT LIABILITIES	1.7	2.3	9.7	5.0	5.0	5.0
Short-term liabilities to banks	0.0	6.0	9.1	14.1	16.1	16.1
Accounts payable	5.9	4.6	35.8	2.8	5.3	7.0
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0
Accrued taxes	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	0.6	1.5	1.2	2.8	2.8	2.8
Deferred taxes	0.7	1.0	0.0	0.0	0.0	0.0
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT LIABILITIES	7.2	13.0	46.1	19.6	24.1	25.9
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	18.2	29.8	69.4	30.6	40.0	50.8

Balance sheet (common size)	2021	2022	2023	2024e	2025e	2026e
Intangible assets	17.3%	15.7%	17.9%	43.2%	35.0%	29.2%
Property, plant and equipment	2.0%	7.5%	7.5%	30.8%	21.2%	15.4%
Financial assets	24.1%	18.9%	8.3%	2.3%	1.7%	1.4%
FIXED ASSETS	43.4%	42.1%	33.7%	76.4%	58.0%	46.0%
Inventories	0.9%	21.9%	19.9%	12.3%	16.0%	15.3%
Accounts receivable	23.3%	14.8%	35.9%	7.6%	10.9%	11.5%
Other assets and short-term financial assets	13.1%	3.4%	1.1%	6.5%	10.0%	15.8%
Liquid assets	6.8%	10.2%	6.4%	-9.4%	0.2%	7.6%
Deferred taxes	12.0%	7.7%	3.1%	6.5%	4.9%	3.9%
Deferred charges and prepaid expenses	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%
CURRENT ASSETS	56.6%	57.9%	66.3%	23.5%	42.0%	54.0%
TOTAL ASSETS	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

SHAREHOLDERS EQUITY	50.9%	48.4%	19.5%	19.3%	27.2%	39.1%
MINORITY INTEREST	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Long-term liabilities to banks	0.0%	0.0%	10.8%	14.1%	10.7%	8.5%
Bonds (long-term)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
other interest-bearing liabilities	5.9%	4.8%	2.2%	0.0%	0.0%	0.0%
Provisions for pensions and similar obligations	3.5%	3.1%	1.0%	2.4%	1.8%	1.4%
Other provisions and accrued liabilities	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
NON-CURRENT LIABILITIES	9.4%	7.9%	14.1%	16.5%	12.6%	9.9%
Short-term liabilities to banks	0.0%	20.3%	13.1%	46.0%	40.1%	31.6%
Accounts payable	32.3%	15.4%	51.6%	9.1%	13.1%	13.8%
Advance payments received on orders	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accrued taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other liabilities (incl. from lease and rental contracts)	3.5%	4.9%	1.7%	9.0%	6.9%	5.4%
Deferred taxes	4.0%	3.2%	0.0%	0.1%	0.1%	0.1%
Deferred income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CURRENT LIABILITIES	39.7%	43.7%	66.4%	64.2%	60.2%	51.0%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Company data, NuWays

Cash flow statement (EUR m)	2021	2022	2023	2024e	2025e	2026e
Net profit/loss	-1.2	0.4	-1.0	-7.8	-2.0	-0.0
Depreciation of fixed assets (incl. leases)	0.5	0.1	0.9	2.2	1.3	1.2
Amortisation of goodwill & intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Other costs affecting income / expenses	-0.5	0.0	0.0	0.0	0.0	0.0
Cash flow from operating activities	-0.1	-8.8	1.3	-9.1	1.7	4.6
Increase/decrease in inventory	-0.0	-6.4	-7.3	10.0	-2.6	-1.4
Increase/decrease in accounts receivable	-0.8	-0.2	-20.5	22.6	-2.1	-1.5
Increase/decrease in accounts payable	2.6	-1.3	31.2	-33.0	2.5	1.8
Increase/decrease in other working capital positions	-0.7	-0.5	0.4	-3.0	5.0	5.0
Increase/decrease in working capital	1.1	-8.3	3.8	-3.4	2.8	3.9
Cash flow from operating activities	-0.1	-6.8	2.8	-7.3	2.1	5.1
CAPEX	0.5	2.6	11.9	2.6	1.2	1.4
Payments for acquisitions	0.0	0.1	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	0.8	0.0	0.0	0.0
Income from asset disposals	0.3	0.0	1.9	5.2	0.0	0.0
Cash flow from investing activities	-0.2	-2.7	-10.8	2.6	-1.2	-1.4
Cash flow before financing	-0.3	-9.5	-8.1	-4.7	0.9	3.8
Increase/decrease in debt position	0.4	6.0	10.0	0.3	2.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	4.7	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Others	-0.1	5.4	-0.5	-7.5	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from financing activities	0.3	11.4	9.5	-2.5	2.0	0.0
Increase/decrease in liquid assets	-0.0	1.9	1.4	-7.2	2.9	3.8
Liquid assets at end of period	1.2	3.0	4.4	-2.8	0.1	3.8

Key ratios (EUR m)	2021	2022	2023	2024e	2025e	2026e
P&L growth analysis						
Sales growth	54.3%	89.1%	4.3%	-69.9%	89.7%	33.4%
EBITDA growth	-22.2%	-138.0%	-98.9%	-88999.6%	-106.3%	913.7%
EBIT growth	-10.3%	-119.2%	-384.9%	617.6%	-84.0%	-252.6%
EPS growth	26.4%	-125.0%	-363.8%	724.9%	-74.5%	-99.2%
Efficiency						
Sales per employee	1,137.3	1,536.0	992.1	220.3	365.3	426.5
EBITDA per employee	-49.2	13.4	0.1	-58.1	3.2	28.4
No. employees (average)	25	35	56	76	88	100
Balance sheet analysis						
Avg. working capital / sales	-1.7%	5.0%	1.2%	28.5%	13.1%	11.6%
Inventory turnover (sales/inventory)	181.0	8.3	4.1	4.5	5.0	5.5
Accounts receivable turnover	54.4	29.9	162.2	50.0	50.0	50.0
Accounts payable turnover	75.3	31.1	233.2	60.0	60.0	60.0
Cash flow analysis						
Free cash flow	-0.6	-9.4	-9.2	-9.9	0.9	3.8
Free cash flow/sales	-2.0%	-17.5%	-16.4%	-58.8%	2.8%	8.9%
FCF / net profit	49.4%	neg.	965.4%	126.4%	neg.	neg.
Capex / sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Solvency						
Net debt	-0.2	4.4	13.6	21.2	20.3	16.5
Net Debt/EBITDA	0.0	9.5	2728.6	-4.8	72.5	5.8
Dividend payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest paid / avg. debt	3.4%	2.4%	15.7%	19.4%	10.5%	11.6%
Returns						
ROCE	-14.3%	1.9%	-3.4%	-23.2%	-3.7%	4.5%
ROE	-12.6%	2.5%	-7.0%	-133.0%	-18.4%	-0.1%
Adjusted FCF yield	-3.2%	-4.3%	-2.8%	-12.3%	1.1%	6.3%
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
DPS	0.0	0.0	0.0	0.0	0.0	0.0
EPS reported	-0.12	0.03	-0.08	-0.63	-0.16	-0.00
Average number of shares	10.0	12.4	12.4	12.4	12.4	12.4
Valuation ratios						
P/BV	1.7	1.4	1.5	3.3	1.8	1.0
EV/sales	1.1	0.5	0.6	2.5	1.3	0.9
EV/EBITDA	-25.1	53.5	6804.5	-9.4	145.3	13.0
EV/EBIT	-18.3	76.9	-36.7	-6.3	-38.2	22.7

Source: Company data, NuWays

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Company	Disclosures
LION E-Mobility AG	2,8

Historical target price and rating changes for LION E-Mobility AG

Company	Date	Analyst	Rating	Target Price	Close
LION E-Mobility AG	05.08.2024	Sandherr, Christian	Buy	EUR 3.60	EUR 1.02
	13.05.2024	Sandherr, Christian	Buy	EUR 7.00	EUR 1.66

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According to Article 4(1) No. i of the delegated regulation 2016/958 supplementing regulation 596/2014 of the European Parliament, further information regarding investment recommendations of the last 12 months are published under: www.nuways-ag.com

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