EDISON

QuickView

Nanoco Group

Tech hardware and equipment

19 August 2026

Nanoco – JDA on track, cash burn reduced

Nanoco's FY26 trading update confirms that joint development agreement activity remains on track, while cash consumption remains well controlled.

Nanoco expects to achieve all first-year milestones under its three-year joint development agreement with its first Asian chemical customer, with volumes expected to more than double in FY27 from a relatively small base. If progress remains on track, we estimate commercial volume shipments could start in 2028.

Discussions are continuing with the second Asian chemical customer following a small programme extension in June, whereas the company reports ongoing engagement with other potential customers, primarily in sensing.

Excluding licence income of £9.8m, revenue was £1.5m, in line with expectations. The company ended FY26 with £9.3m of cash, £0.5m ahead of consensus and compared to £10.4m on 30 April. Following the restructuring, completed during FY26, the gross cash cost base has reduced to £0.3–0.4m per month from £0.5m in FY25, further extending the company's runway to progress its development programmes towards commercial material revenues.

The shareholder consultation, launched on 26 June following opposition to the proposed delisting and return of capital, remains ongoing as the board considers submissions from shareholders before determining its next steps.

At the current share price, the company is valued at only c 55% of its £9.3m year-end cash balance, effectively assigning a negative value to its IP portfolio and ongoing commercial opportunities.

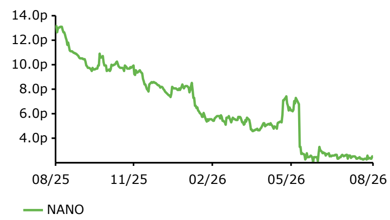
Please note reported and estimate financials include licence income relating to the Samsung litigation settlement, for which cash was received in FY23 and FY24; therefore P/E is not a meaningful valuation metric.

Year end	Revenue (£m)	EBITDA (£m)	EPS (p)	P/E (x)
7/24	7.9	1.2	0.02	N/A
7/25	7.6	1.5	0.25	10.6
7/26e	11.3	6.1	1.80	1.5

Source: Company data, LSEG Data & Analytics consensus estimates. Note: EPS is adjusted. Reported revenues include licence income relating to the Samsung litigation settlement, for which cash was received in **FY23 and FY24**.

Price	2.66p
Market cap	£5m

Share price performance



Share details

Code	NANO
Listing	LSE
Shares in issue	195.5m
Net cash - 31 July 26	£9.3m

Business description

Nanoco Group is a global leader in the development and manufacture of cadmium-free quantum dots and other nanomaterials. Focus applications are advanced sensing and displays, with the potential to expand the latter through development work with new partners.

Bull points

- Joint development agreement for developing materials for the infrared sensor market have the potential to deliver significant high-margin revenues.
- Proven intellectual property and successful litigation track record.
- Strong balance sheet, low cash burn and low enterprise value.

Bear points

- Uncertainty of pioneering new markets.
- Technology and commercial risk is significant.
- Previous initiatives have not progressed to volume production.

Analyst

Dan Ridsdale +44 (0)20 3077 5700

tmt@edisongroup.com

Edison profile page

Nanoco Group is a research client of Edison Investment Research Limited

General disclaimer and copyright

This report has been commissioned by Nanoco Group and prepared and issued by Edison, in consideration of a fee payable by Nanoco Group. Edison Investment Research standard fees are £60,000 pa for the production and broad dissemination of a detailed note (Outlook) following by regular (typically quarterly) update notes. Fees are paid upfront in cash without recourse. Edison may seek additional fees for the provision of roadshows and related IR services for the client but does not get remunerated for any investment banking services. We never take payment in stock, options or warrants for any of our services.

Accuracy of content: All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report and have not sought for this information to be independently verified. Opinions contained in this report represent those of the research department of Edison at the time of publication. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations.

Exclusion of Liability: To the fullest extent allowed by law, Edison shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by you arising out or in connection with the access to, use of or reliance on any information contained on this note.

No personalised advice: The information that we provide should not be construed in any manner whatsoever as, personalised advice. Also, the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The securities described in the report may not be eligible for sale in all jurisdictions or to certain categories of investors.

Investment in securities mentioned: Edison has a restrictive policy relating to personal dealing and conflicts of interest. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report, subject to Edison's policies on personal dealing and conflicts of interest.

Australia

Edison Investment Research Pty Ltd (Edison AU) is the Australian subsidiary of Edison. Edison AU is a Corporate Authorised Representative (1252501) of Crown Wealth Group Pty Ltd who holds an Australian Financial Services Licence (Number: 494274). This research is issued in Australia by Edison AU and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. Any advice given by Edison AU is general advice only and does not take into account your personal circumstances, needs or objectives. You should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Product Disclosure Statement or like instrument.

New Zealand

The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are "wholesale clients" for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). This is not a solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned or in the topic of this document. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a "personalised service" and, to the extent that it contains any financial advice, is intended only as a "class service" provided by Edison within the meaning of the FAA (i.e. without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision.

United Kingdom

This document is prepared and provided by Edison for information purposes only and should not be construed as an offer or sol icitation for investment in any securities mentioned or in the topic of this document. A marketing communication under FCA Rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This Communication is being distributed in the United Kingdom and is directed only at (i) persons having professional experience in matters relating to investments, i.e. investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "FPO") (ii) high net-worth companies, unincorporated associations or other bodies within the meaning of Article 49 of the FPO and (iii) persons to whom it is otherwise lawful to distribute it. The investment or investment activity to which this document relates is available only to such persons. It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of persons and in any event and under no circumstances should persons of any other description rely on or act upon the contents of this document.

This Communication is being supplied to you solely for your information and may not be reproduced by, further distributed to or published in whole or in part by, any other person.

United States

Edison relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. This report is a bona fide publication of general and regular circulation offering impersonal investment-related advice, not tailored to a specific investment portfolio or the needs of current and/or prospective subscribers. As such, Edison does not offer or provide personal advice and the research provided is for informational purposes only. No mention of a particular security in this report constitutes a recommendation to buy, sell or hold that or any security, or that any particular security, portfolio of securities, transaction or investment strategy is suitable for any specific person.

London | New York | Frankfurt
20 Red Lion Street
London, WC1R 4PS
United Kingdom