

Nanoco Group

Approaching scale-up phase with Asian partner

Nanoco's H126 results show continued delivery on its joint development agreement (JDA) engagements, with its lead programme progressing towards scale-up and negotiations ongoing for further work with its second. With a strong balance sheet and enterprise value near zero, further milestones could act as catalysts for upside.

Delivering on JDAs - progressing to scale up with the first

The collaboration with Nanoco's first Asian chemical customer remains its most advanced, with all JDA milestones delivered and the project now nearing completion of the R&D phase. The agreement, extended in November 2025 to support progression through to production, is expected to transition into scale-up in the coming months, with final material selection anticipated during the first year. If progress remains on track, we estimate commercial volume shipments could start in 2028. The company has also delivered all milestones with its second Asian chemical customer and is in discussions regarding a potential extension, while broader engagement across multiple applications, including early-stage MWIR work, provides scope to expand JDA revenues. The company also retains some potential in LCD display markets through ongoing engagement with Asian partners exploring cadmium-free alternatives.

Balance sheet strong, progressing to break-even

Revenues of £7.7m (H125: £3.4m) comprised product and service revenue of £0.84m (H125: £0.44m) and £3.8m of licensing income from the LG litigation. The remaining c £3.0m relates to licence revenue from the Samsung agreement, recognised from deferred income and therefore with no cash impact, making P&L profitability relatively uninformative. The company's balance sheet remains strong, with net cash expected to be £10.4m at 30 April 2026, down from £14.4m at H126, reflecting £3.2m of Shoei litigation costs (now settled at no value to either party, alongside a mutual covenant not to sue). With the cost base reduced by c 30% versus FY25 to £0.3–0.4m per month and further JDA work likely, the company remains well funded to pursue volume production, with the board targeting breakeven in the medium term.

Valuation: Further milestone delivery key to upside

While the company's process to divest its operating business did not result in any offers being made, the board continues to explore all opportunities to maximise shareholder value. With an enterprise value of essentially zero, we believe that further milestones demonstrating progress towards volume production could act as a catalyst for upside, either through improved expectations for organic growth or by stimulating strategic interest.

Historical financials				
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	21.4
7/26e	7.6	1.8	0.36	14.9

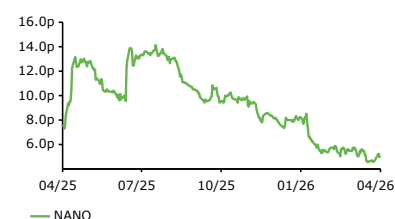
Source: Company data, LSEG Data & Analytics consensus estimates. Note: EPS is adjusted.

Tech hardware and equipment

20 April 2026

Price 5.36p
Market cap £10m

Share price performance



Share details

Code	NANO
Listing	LSE
Shares in issue	195.5m
Net cash as expected at 30 April 2026	£10.4m

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

- Two joint development agreements 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.

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