EDISON

Spotlight — flash

Nanoco Group

Tech hardware and equipment

19 August 2025

Encouraging commercial progress continues

Nanoco's trading update indicates that the business is making encouraging commercial progress since Dmitry Shashkov took over as CEO in October 2024. If all goes to plan, this should result in further commercial agreements with existing and new customers and applications in H225. Meanwhile, cash burn remains well under control, with net cash of £14.0m at period end versus £15.2m at the interims.

The company has reported good progress with its existing joint development agreements (JDAs) and is in discussions to extend work on the short-wave infrared JDA with its first Asian partner (before the current contract expires in October 2025). Notably, JDA discussions are also underway with a number of other companies, some in markets beyond sensors and display which, if successful, will diversify Nanoco's risk profile and provide further near-term service revenue.

Litigation action against LG Display has been served and is also progressing as expected. As previously reported, litigation costs are being largely offset by revenues from Nanoco's second sensor JDA, which was announced at the same time

Apart from the LG litigation, there is no update on developments in display, but we understand that Nanoco remains engaged with players in the supply chain, with the goal of introducing cadmium-free quantum dot film into the TV/display market.

Nanoco's strategic review with CDX is ongoing, and discussions with a number of interested parties are underway. The process is expected to conclude before the end of FY25, with several outcomes possible. The expansion of the company's JDA customer base should support these negotiations.

Nanoco also announced the retirement of founder and CTO Dr Nigel Pickett, effective February 2026. His successor, Dr Ombretta Masala, has been with Nanoco for 18 years and will assume the role of director of technology, reporting to the CEO but not joining the board.

FY25 revenue is expected to be £7.6m, which is ahead of consensus – largely due to faster-than-expected recognition of Samsung licence revenues (£0.3m), plus an additional £0.1m in product and service revenue. As a reminder, Samsung licence revenue is drawn down from deferred revenues and therefore has no current cash impact. Cash burn remains well under control, with net cash of £14.0m at the period end versus £15.2m at the interims, reflecting lower-than-anticipated litigation costs and cash receipts from the Asian customer, as well as the additional product and service revenues.

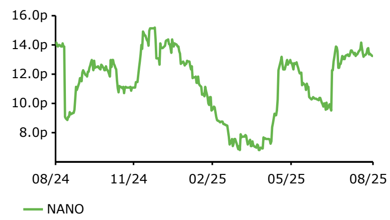
Historical financials/consensus estimates

Year end	Revenue (£m)	EBITDA (£m)	Net cash (£m)	EPS (p)	P/E (x)
7/22	2.5	(3.2)	2.8	(1.20)	N/A
7/23	5.6	(0.4)	3.6	(1.80)	N/A
7/24	7.9	1.2	20.3	0.02	N/A
7/25e	7.6	1.5	14.0	0.25	53.0

Source: Company data, LSEG Data & Analytics

Price	**13.25p**
Market cap	**£26m**

Share price performance



Share details

Code	NANO
Listing	LSE
Shares in issue	194.6m
Net cash/(debt) 31 Jun 25	£14.0m

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.

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