

01 September 2025

Not just play money

NEED TO KNOW

- We estimate that there has been a 4 - 6x increase in the fees that chip manufacturers are prepared to pay to gain access to Weabit's ReRAM
- onsemi (ON.US) on track to pay \$6m - \$7m pa in fees to Weabit providing additional validation of Weabit's technology
- Weabit is looking for a big finish to 2025 with 4 more licences and a DB HiTek Qualification milestone.

Weabit's FY25 accounts reveal revenue from onsemi (ON.US) of \$3.6m in 2H FY25, implying licence fees and non-recurring engineering (NRE) fees of \$10m - \$15m over the period to Qualification. This is 4 - 6x the size of what we estimate is being paid by DB HiTek. Note the comparison with our previous estimate that the upfront cash licence fee paid by onsemi was 6 - 9x what was paid by DB HiTek (refer [here](#) for details).

We estimate that the annual fees likely to be paid to Weabit represent ~2% of onsemi's \$224m R&D budget (2025). This supports our view about the seriousness of the commitment being made by onsemi and provides additional validation to Weabit's technology and likely success.

Weabit's targets by 31 December include licence agreements with 2 more chip manufacturers and 2 more product companies and completion of Qualification by DB HiTek.

Investment Thesis

Leadership position in AI hardware at the edge: Weabit is the leading independent proponent for the #1 next-generation memory solution called ReRAM, which is crucial in solving the constraints of current memory technology (Flash) in Edge network devices.

Significant near-term catalysts: Weabit is on the verge of achieving Qualification with DB HiTek, has now signed with onsemi, and we expect additional licence agreements with major chip manufacturers and product companies. This will serve to validate the technology in the market, and crystallise the pathway to sustainable long-term royalties.

Highly credentialed board and management: Chair was previously #2 at Intel Corporation and critical to the development of the Pentium chip. Experience of the other directors includes President and COO of AMD, Inc., founder of Tower Semiconductor Ltd, and broad C-suite experience in tech start-ups and exits. Weabit has important strategic relationships with firms such as French-based CEA-Leti.

Valuation and Risks

Our near term EBITDA forecasts increase with higher forecast fees per customer partly offset by a slower than forecast customer acquisition rate and higher R&D and marketing costs. Our valuation remains unchanged given that most revenue is expected to come from royalties and we have not reviewed those forecasts. The key risk is acceptance of Weabit's ReRAM technology by chip manufacturers and product companies.

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Weabit Nano is a developer of advanced semiconductor memory technology. The company's Resistive RAM (ReRAM) addresses the growing need for higher performance and lower power memory solutions in a range of new electronic products such as Internet of Things (IoT) devices, smartphones, robotics, autonomous vehicles, 5G communications and artificial intelligence. www.weabit-nano.com

Valuation	A\$8.07 (unchanged)
Current price	A\$2.83
Market cap	A\$590m
Cash on hand	A\$88m

Additional Resources

Corporate videos - [We've got what it takes](#)
- [Meet the CEO](#)
Background - [Blog](#)

Upcoming Catalysts / Next News

Period

late-2025	Qualification with DB HiTek
by 31 Dec-25	4 Licensing agreements
Nov-25	AGM and quarterly update

Share Price (A\$)



Source: FactSet, MST Access

Figure 1: Financial Summary - Weabit Nano Limited

Year end 30 June		FY23A	FY24A	FY25A	FY26E	FY27E	Stock information						
Core PE		x	n/m	n/m	n/m	n/m	Share Price (A\$)						
EV/EBIT		x	n/m	n/m	n/m	n/m	Market capitalisation (A\$m)						
EV/EBITDA		x	n/m	n/m	n/m	n/m	Valuation (A\$)						
EV / Rev		x	n/m	492.9x	116.5x	27.5x	12.3x	Shares on issue (Basic) (m)					
FCF Yield		%	n/m	n/m	n/m	n/m	0.0x	Shares on issue (diluted) (m)					
Profit & Loss Statement		A\$m	FY23A	FY24A	FY25A	FY26E	FY27E	1H23A	2H23A	1H24A	2H24A	1H25A	2H25E
Revenue & Other Income		-	1.0	4.4	18.6	48.0	-	-	0.2	0.9	0.7	3.7	
Change pcp		%	n/m	333.2%	322.7%	157.4%			n/m	n/m	341%	332%	
R&D			(27.8)	(21.7)	(25.0)	(28.8)	(36.1)	(19.3)	(8.6)	(14.0)	(7.7)	(9.1)	(15.9)
Grants			5.7	1.6	8.6	3.0	3.0	5.7	-	-	1.6	-	8.6
Share-based payments			(4.6)	(8.2)	(6.7)	(8.0)	(8.0)	(2.3)	(2.3)	(4.1)	(4.1)	(4.0)	(2.7)
Net R&D			(26.7)	(28.3)	(23.0)	(33.8)	(41.1)	(15.9)	(10.8)	(18.1)	(10.2)	(13.1)	(10.0)
Other overheads			(13.3)	(17.7)	(22.0)	(24.0)	(28.2)	(6.5)	(6.8)	(8.8)	(8.9)	(12.3)	(9.6)
EBITDA		(40.0)	(45.0)	(40.6)	(39.2)	(21.4)		(22.4)	(17.6)	(26.7)	(18.2)	(24.7)	(15.9)
margin		%	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m
Depreciation & Amortisation			(0.3)	(0.4)	(0.4)	(0.8)	(0.8)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
EBIT		(40.3)	(45.3)	(41.0)	(40.0)	(22.2)		(22.5)	(17.8)	(26.9)	(18.4)	(24.9)	(16.1)
Net interest			1.3	4.1	2.6	3.8	3.3	0.3	1.0	1.7	2.4	2.0	0.6
Pre-tax Profit			(39.0)	(41.2)	(38.4)	(36.2)	(18.9)	(22.3)	(16.8)	(25.2)	(16.0)	(22.9)	(15.4)
Tax			-	-	0.4	-	-	-	-	-	-	-	0.4
NPAT (underlying)		(39.0)	(41.2)	(37.9)	(36.2)	(18.9)		(22.3)	(16.8)	(25.2)	(16.0)	(22.9)	(15.0)
Significant items		-	-	(0.5)	-	-	-	-	-	-	-	-	-
NPAT (Reported)			(39.0)	(41.2)	(38.4)	(36.2)	(18.9)	(22.3)	(16.8)	(25.2)	(16.0)	(23.2)	224.5
Per Share Data		A\$m	FY23A	FY24A	FY25A	FY26E	FY27E	Performance ratios					
Shares on issue (basic)		m	187.5	188.9	208.5	208.5	208.5	ROE	n/m	n/m	n/m	n/m	n/m
Underlying EPS		cps	(22.2)	(21.9)	(18.2)	(17.4)	(9.1)	ROA	n/m	n/m	n/m	n/m	n/m
growth pcp		%	n/m	n/m	n/m	n/m	n/m	Net Debt / EBITDA	n/m	n/m	n/m	n/m	n/m
Reported EPS		cps	(22.2)	(21.9)	(18.2)	(17.4)	(9.1)	Fixed Charge Cover	n/m	n/m	n/m	n/m	n/m
growth pcp		%	n/m	n/m	n/m	n/m	n/m	Price to Book	6.3x	8.7x	6.6x	8.2x	8.1x
DPS (declared)		cps	-	-	-	-	-	Net debt /(cash)	(88.0)	(62.9)	(87.9)	(75.8)	(76.8)
Payout		%	0%	0%	0%	0%	0%						
Balance sheet		A\$m	FY23A	FY24A	FY25A	FY26E	FY27E	Customers and targets					
Cash			88.0	62.9	88.3	76.1	77.2	Customer					
Receivables			1.0	1.0	6.1	2.0	2.0	Type #	foundry	19-Oct-23	Qualifying		
PPE			0.3	1.2	1.2	0.6	0.1	onsemi	IDM	31-Dec-24	Qualifying		
Right-of-Use			0.3	0.4	0.5	0.5	0.5	PC 1	Product Co	Jul-25	confirming		
Other Assets			-	-	-	-	-	Dec 2025 targets (excluding signed to date)					
Total Assets			89.5	65.5	96.1	79.2	79.7	signing new foundries or IDMs			2		
Payables			4.4	2.6	3.7	4.0	4.0	signing new product companies			2		
Borrowings			-	-	0.4	0.4	0.4	Achieving Qualification at DB HiTek					
Lease Liabilities			0.3	0.4	0.5	0.5	0.5	#					
Provisions / other			-	1.1	2.2	2.2	2.2	foundry - manufactures chips for third parties					
Total Liabilities			4.7	4.1	6.8	7.1	7.1	IDM - integrated device manufacturer: chips and devices					
Shareholders' Funds			84.8	61.3	89.3	72.2	72.6						
Net Debt (incl. Lease Liab)			(87.7)	(62.4)	(87.4)	(75.3)	(76.3)						
Cashflow statement		A\$m	FY23A	FY24A	FY25A	FY26E	FY27E	Share price and volume					
EBITDA			(40.0)	(45.0)	(40.6)	(39.2)	(21.4)	Volume (Thousands)					
Net interest and tax			1.4	3.1	3.2	3.8	3.3	Price (AUD)	4.00				
Working capital movements			7.8	(1.9)	(4.0)	4.4	-	3.50					
Other			10.3	19.1	18.2	18.8	19.3	3.00					
Operating CF			(20.5)	(24.7)	(23.1)	(12.1)	1.3	2.50					
Capital expenditure			(0.0)	(1.0)	(0.3)	(0.3)	(0.3)	2.00					
Investments & Other			(0.0)	0.0	0.0	-	-	1.50					
Investing CF			(0.1)	(1.0)	(0.2)	(0.3)	(0.3)	1.00					
Borrowings / Funding			-	(0.3)	(0.4)	-	-						
Equity			57.7	0.5	47.6	-	-						
Dividend			-	-	-	-	-						
Financing CF			57.7	0.2	47.3	-	-						
Net change in cash			37.1	(25.5)	23.9	(12.4)	1.0						

Source: Company, MST Access

Report prepared by MST Access, a registered business name of MST Financial Services Limited ABN 54 617 475 180 AFSL 500 557.

Result reveals big uplift to customer fees

Analysis of the FY25 result revealed a valuable insight into Weebit's increasing bargaining power with customers and provides additional validation to its technology and progress in gaining customer traction.

The annual report revealed the revenue split by geography with \$0.769 from South Korea and \$3.641m from the US. We assume that Skywater is not generating any revenue for Weebit. An appreciation of the accounting standards and their application in relation to Weebit licence agreements means that revenue recognition of cash payments from customers are spread over the expected life of the contract based on the percentage of work completed to fulfil the contract.

Weebit has stated that the revenue earned in FY25 is from licence and NRE fees. If we assume that Weebit's work is spread evenly over the 18 months to 2 years to achieve qualification, then the total fees that onsemi (which signed the licence agreement on 31 Dec 2024) is likely to pay Weebit is likely to be between \$10m and \$15m. This compares with our estimate of the DB HiTek licence fee of ~\$2.6m (this may include NRE fees as well). Refer [here](#) for our analysis.

Figure 2: Revenue by customer

Period end	Dec-23	Jun-24	Jun-24	Dec-24	Jun-25	Jun-25
Period (A\$m)	1H24	2H24	FY24	1H25	2H25	FY25
Revenue						
SkyWater	0.153		0.153			
DB HiTek		0.865	0.865	0.676	0.092	0.769
onsemi					3.641	3.641
Total	0.153	0.865	1.018	0.676	3.733	4.409

Source: Company, MST Access

Cash receipts from customers

We had previously estimated the upfront fee licence fees that DB HiTek and onsemi paid to Weebit by analysing (and making a number of assumptions) around the quarterly cash payments. Refer [here](#) for details. While the upfront fee paid by DB HiTek appears fairly clear (\$0.293m), there were a number of assumptions required to be made to estimate onsemi's upfront fee of a range between \$1.8m - \$2.6m which is 6 - 9x higher than the fee paid by DB HiTek.

The increase in both upfront and total licence and NRE fees, in our view, demonstrates the increasing market acceptance and validation of Weebit's ReRAM.

FY25 result

Weebit released its 4Q result at the end of Jul-25 and so there were a limited number of insights (see our quarterly report [here](#)).

We summarise the result in the following table.

Figure 3: FY25 result summary

(A\$m, y/e Jun)	Units	FY24A	FY25A	vs. pcp	MSTe	vs. MST #
Revenue	A\$m	1.0	4.4	333.2%	3.9	12.7%
R&D	A\$m	(28.3)	(23.0)	-18.6%	(27.2)	15.4%
Sales & Marketing	A\$m	(6.6)	(10.7)	61.0%	(12.4)	13.6%
G&A	A\$m	(11.1)	(11.3)	1.8%	(11.3)	0.6%
EBITDA	A\$m	(45.0)	(40.6)	-9.8%	(47.0)	13.7%
NPAT (reported)	A\$m	(41.2)	(38.4)	-6.9%	(43.6)	12.0%
Operating Cash Flow	A\$m	(24.7)	(23.1)	-6.3%	(23.0)	-0.7%
# positive numbers represent benefit to P&L						

Source: Company, MST Access

Forecasts, valuation, catalysts and risks

Forecasts

We had previously estimated that licence and NRE fees paid by chip manufacturers to get to Qualification would be \$2.6m based on payments by DB HiTek. We increase that to \$10m - \$15m following the revenue recognised from onsemi in the 6 months since the licence agreement was signed. This is partly offset by a slower than forecast rate of new licence agreements with chip manufacturers. At this stage we make the assumption that most of the additional revenue will be used to provide further sales and technical support to drive the sales process and accelerate the closure of new licence agreements and the Qualification process.

Figure 4: Changes to forecasts

(A\$m, y/e Jun)	Units	Previous		Current		Change #	
		FY26e	FY27e	FY26e	FY27e	FY26e	FY27e
Revenue	A\$m	9.5	29.9	18.6	48.0	97.2%	60.6%
R&D	A\$m	(29.4)	(29.4)	(33.8)	(41.1)	-15.0%	-40.1%
Sales & Marketing	A\$m	(12.2)	(12.5)	(13.1)	(17.0)	-6.9%	-35.6%
G&A	A\$m	(11.0)	(11.2)	(11.0)	(11.2)	0.0%	0.0%
EBITDA	A\$m	(43.1)	(23.2)	(39.2)	(21.4)	9.1%	8.0%
NPAT (reported)	A\$m	(40.2)	(21.0)	(36.2)	(18.9)	9.9%	10.1%
<i># - positive percentage change indicates positive to profit</i>							

Source: MST Access

Valuation

Given that the change to near term revenue forecasts had little impact on our cash forecasts, our DCF-based valuation remains unchanged. A deeper analysis of our forecasts may warrant a review of our valuation.

Refer [here](#) for details of our DCF valuation.

Catalysts

With significant revenue and earnings still a number of years away, we identify the following events that prove up the business model and are likely to be share price catalysts.

- Qualification with DB HiTek and progress to Qualification with onsemi
- Establishing licence agreements with chip manufacturers (foundries and IDMs) especially global leaders
- Foundries and IDM's producing wafer's with Weebit's ReRAM even if they are not licensees – similar to the path taken by Global Foundries
- Licence agreements with product companies
- The embedding of Weebit's ReRAM in products and the start of royalty revenues
- Progress towards Weebit's ReRAM being used in discrete memory applications
- Progress towards ReRAM being the memory technology of choice for neuromorphic computing

Risks & sensitivities

The remaining risks are typical of the risks that face a global company operating in a high growth environment.

The industry in which the Company is involved is subject to global competition with a variety of companies that are working to develop alternative data storage solutions, including the development of technologies that are based on the concept of ReRAM.

Even if the commercialisation of ReRAM proves successful, there remains a risk of not achieving an acceptable commercial return, especially if newer technologies overtake the Company's innovations.

The key risks to the success of Weabit and our valuation are based around the ability of the Company to continue the development of its ReRAM technology and to successfully commercialise it with foundries and IDM's licencing the technology and ultimately using it to produce chips for their customers.

- Currency exchange rate risk: the Company anticipates generating the majority of its revenue in US dollars. Costs are denominated mainly in ILS, USD, EURO and AUD.
- Capital risk: There are both market and company specific risks around Weabit's ability to raise capital if it is required, albeit this is unlikely in the near term.
- Key personnel: success is reliant on the Company being able to attract and retain qualified and capable staff.
- Cybersecurity and data protection: As its memory technology is applied to electronic products, Weabit Nano collects a substantial amount of confidential data. Human or system errors exposing this data could breach these confidentiality requirements and could expose Weabit to loss of IP and penalties from third parties.
- Regulatory and compliance: these risks cover: bribery and corruption regulations; privacy, taxation legislation; and accounting standards.

The situation in Israel presents a specific risk although that risk is subsiding. Weabit Nano's operations in Israel remain unaffected by military activities. The Company's lab is operating in a secure facility inclusive of a bomb shelter, uninterruptible power supply, and constant software and data backup to the server. All employees have a home office setup in which they can work remotely if needed, with access to a nearby bomb shelters in case of emergencies. In the event that conditions in Israel escalate to the point of operational challenges, Weabit Nano is strategically prepared to relocate to France and sustain its operations. However, any escalation of military activities and attacks in Israel could adversely affect the Company's Israel operations and could negatively impact its financial performance.

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Andrew Johnston received assistance from the subject company or companies in preparing this research report. The company provided them with communication with senior management and information on the company and industry. As part of due diligence, they have independently and critically reviewed the assistance and information provided by the company to form the opinions expressed in this report. They have taken care to maintain honest and fair objectivity in writing this report and making the recommendation. Where MST Financial Services or its affiliates has been commissioned to prepare content and receives fees for its preparation, please note that NO part of the fee, compensation or employee remuneration paid has, or will, directly or indirectly impact the content provided in this report.

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Weabit Nano (WBT.AX) | Price A\$2.83 | Valuation A\$8.07;

Price and valuation as at 01 September 2025 (not covered)*

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