Weebit Nano

WBT.AX

MST Access
A research platform of MST Financial

19 October 2026

A step closer to royalties

NEED TO KNOW

- onsemi (NASDAQ:ON) hits key milestone which increases certainty of royalties - we think by FY28
- Progress with Texas Instruments (TI) continues, as it does with DB Hitek's product customers - royalties are expected in 2027
- Weebit is targeting multiple new licence agreements in FY27 even as the booming chip prices keep the industry focussed on production.

onsemi has started the Qualification process - a key milestone on the path to royalties. Its timetable to date is matching DB HiTek's, which if it continues would result in it achieving Qualification in 4Q FY27. We expect it would be a only be a further 12 months to production and royalties given it is an integrated device manufacturer (IDM) and not a foundry (like DB HiTek).

A product company that is already a Weebit licensee (we assume it is a DB HiTek customer) has received chips with Weebit's embedded ReRAM and is now in the validation process. Weebit expects royalties from one of DB HiTek's customers in 2027. However, we think royalty potential from onsemi is potentially orders of magnitude higher than existing DB HiTek customers.

Industry demand has driven up the price of chips and kept chip manufacturers focussed on maximising production. R&D projects that uses product capacity (such as required to integrate Weebit's ReRAM) is being delayed and slowing Weebit's signing of new customers.

Investment Thesis

Leadership position in AI hardware at the edge: Weebit 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.

Delivering, with more catalysts to come: Additional licence agreements with major chip manufacturers and design licences with product companies are expected. Progress with existing customers creates a path to royalties in 2028.

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. Weebit has important strategic relationships with firms such as French-based CEA-Leti.

Valuation and Risks

Our forecasts and $8.06 valuation remain unchanged. Catalysts include additional licence agreements in FY27 and achieving milestones with TI and onsemi. Key risks include successful Qualification of its technology with existing licensees, attracting additional chip manufacturers and product companies, and successful manufacturing of chips with its ReRAM technology.

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Technology Hardware & Equipment

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Weebitnano
THE NEXT NVM IS HERE

Weebit Nano is a developer of advanced semiconductor memory technology which 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.weebit-nano.com

Valuation	**A$8.06** *(unchanged)*
Current price	**A$2.88**
Market cap	**A$692m**
Cash on hand	**A$164m** *(as at 30 Sep)*

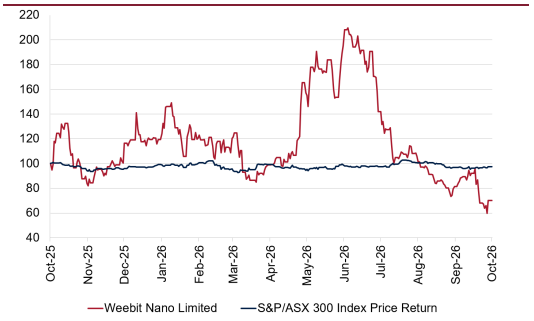
Additional Resources

Corporate videos	- We've got what it takes
	- Meet the CEO
Background	- Blog

Upcoming Catalysts / Next News

Period	
2026	more licensing agreements
4Q FY27	Qualification at onsemi

Share Price index



Source: CapIQ, MST Access

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Financial Summary - Weebit Nano Limited

Year end 30 June		FY24A	FY25A	FY26A	FY27E	FY28E
Core PE	x	n/m	n/m	n/m	n/m	n/m
EV/EBIT	x	n/m	n/m	n/m	n/m	n/m
EV/EBITDA	x	n/m	n/m	n/m	n/m	n/m
EV / Rev	**x**	**594.1x**	**137.1x**	**39.6x**	**19.7x**	**14.2x**
FCF Yield	%	n/m	n/m	n/m	n/m	n/m

Stock information	
Share Price (A$)	A$2.88
Market capitalisation (A$m)	**692**
Valuation (A$)	**$8.06**
Shares on issue (Basic) (m)	240.4
Shares on issue (diluted) (m)	266.4

Profit & Loss Statement	A$m	FY24A	FY25A	FY26A	FY27E	FY28E
Revenue & Other Income		1.0	4.4	15.3	30.7	42.5
Change pcp	%	*n/m*	*333.2%*	*246.5%*	*101.1%*	*38.4%*
R&D		(21.7)	(25.0)	(37.9)	(49.3)	(61.6)
Grants		1.6	8.6	0.5	0.7	0.8
Share-based payments		(8.2)	(6.7)	(10.2)	(13.2)	(16.5)
Net R&D		(28.3)	(23.0)	(47.6)	(61.8)	(77.3)
Other overheads		(17.9)	(21.6)	(26.0)	(29.2)	(32.8)
EBITDA		**(45.1)**	**(40.2)**	**(58.3)**	**(60.3)**	**(67.6)**
margin	%	*n/m*	*n/m*	*n/m*	*n/m*	*n/m*
Depreciation & Amortisation		(0.2)	(0.4)	0.6	0.8	1.0
EBIT		**(45.3)**	**(40.6)**	**(57.7)**	**(59.5)**	**(66.6)**
Net interest		4.1	2.6	3.2	7.6	6.5
Pretax Profit		(41.2)	(38.0)	(54.4)	(51.9)	(60.1)
Tax		-	(0.4)	(0.5)	-	-
NPAT (underlying)		**(41.2)**	**(38.4)**	**(54.9)**	**(51.9)**	**(60.1)**
Significant items		-	-	-	-	-
NPAT (Reported)		(41.2)	(38.4)	(54.9)	(51.9)	(60.1)

1H24A	2H24A	1H25A	2H25A	1H26A	2H26A
0.2	0.9	0.7	3.7	5.6	9.6
n/m	*n/m*	*341.4%*	*331.7%*	*734.6%*	*158.0%*
(17.3)	(4.4)	(13.6)	(11.4)	(23.8)	(14.1)
-	1.6	4.5	4.1	3.0	(2.5)
(0.8)	(7.4)	(4.0)	(2.7)	(3.0)	(7.2)
(18.1)	(10.2)	(13.1)	(10.0)	(23.8)	(23.8)
(8.9)	(9.0)	(12.1)	(9.5)	(12.5)	(13.5)
(26.8)	**(18.3)**	**(24.5)**	**(15.7)**	**(30.7)**	**(27.6)**
n/m	*n/m*	*n/m*	*n/m*	*n/m*	*n/m*
(0.1)	(0.1)	(0.2)	(0.2)	(0.3)	0.9
(26.9)	**(18.4)**	**(24.7)**	**(15.9)**	**(31.0)**	**(26.7)**
1.7	2.4	2.0	0.6	0.9	2.3
(25.2)	(16.0)	(22.7)	(15.3)	(30.0)	(24.4)
-	-	(0.3)	(0.2)	(0.3)	(0.2)
(25.2)	**(16.0)**	**(22.9)**	**(15.5)**	**(30.3)**	**(24.6)**
-	-	-	-	-	-
(25.2)	(16.0)	(23.2)	(15.2)	(30.5)	(24.6)

Note: some 1H expenses are estimates

Per Share Data		FY24A	FY25A	FY26A	FY27E	FY28E
Shares on issue (basic)	m	188.9	208.4	240.4	276.8	316.0
Underlying EPS	**cps**	**(21.8)**	**(18.4)**	**(22.8)**	**(18.8)**	**(19.0)**
growth pcp	%	*n/m*	*n/m*	*n/m*	*n/m*	*n/m*
Reported EPS	cps	(21.8)	(18.4)	(22.8)	(18.8)	(19.0)
growth pcp	%	*n/m*	*n/m*	*n/m*	*n/m*	*n/m*
DPS (declared)	cps	**-**	**-**	**1.0**	**-**	**-**
Payout	%	0%	0%	-4%	0%	0%

Performance ratios	FY24A	FY25A	FY26A	FY27E	FY28E
ROE	n/m	n/m	n/m	n/m	n/m
ROA	n/m	n/m	n/m	n/m	n/m
Net Debt / EBITDA	n/m	n/m	n/m	n/m	n/m
Fixed Charge Cover	n/m	n/m	n/m	n/m	n/m
Price to Book	8.8x	6.7x	4.5x	6.3x	9.1x
Net debt /(cash)	(62.9)	(88.3)	(168.3)	(144.8)	(119.8)

Balance sheet	A$m	FY24A	FY25A	FY26A	FY27E	FY28E
Cash		62.9	88.3	168.3	144.8	119.8
Receivables		1.0	6.1	8.4	3.1	4.3
PPE		1.2	1.2	1.9	4.0	6.8
Right-of-Use		0.4	0.5	0.4	0.5	0.6
Other Assets		0.6	0.9	0.6	1.1	1.5
Total Assets		**66.0**	**96.9**	**179.5**	**153.5**	**133.0**
Payables		2.6	3.7	13.4	2.5	1.9
Borrowings		-	-	-	-	-
Lease Liabilities		0.4	0.5	0.4	0.5	0.6
Provisions / other		1.1	2.6	13.0	23.0	30.7
Total Liabilities		**4.1**	**6.8**	**26.8**	**26.1**	**33.2**
Shareholders' Funds		61.9	90.2	152.8	127.5	99.7
Net Debt (incl. Lease Liab)		**(62.4)**	**(87.8)**	**(168.0)**	**(144.3)**	**(119.2)**

Customers and targets

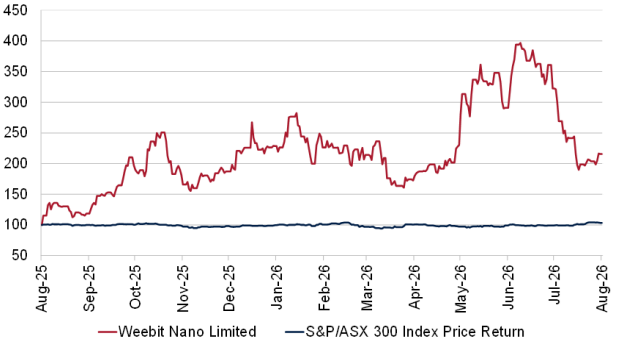
Customer	Type #	Date signed	Status
DB HiTek	foundry	19-Oct-23	Qualified
onsemi	IDM	31-Dec-24	Qualifying
PC 1, 2, 3	Product Co	Jul - Dec 25	Designing
Texas Instruments	IDM	Dec-25	Pre-Qual

2026 targets	Status
signing 1 new foundry or IDM	Negotiations
sign additional product companies	Negotiations
Achieving Qualification at onsemi	Testing chips
FY26 revenue >$13.5m	On track

#
foundry - manufactures chips for third parties
IDM - integrated device manufacturer: chips and devices

Cashflow statement	A$m	FY24A	FY25A	FY26A	FY27E	FY28E
EBITDA		(45.1)	(40.2)	(58.3)	(60.3)	(67.6)
Net interest and tax		3.1	3.2	3.1	7.6	6.5
Working capital movements		(2.4)	(3.9)	17.4	3.9	5.4
Share based payments (and other)		20.1	17.8	19.4	27.3	33.0
Operating CF		**(24.4)**	**(23.1)**	**(18.4)**	**(21.5)**	**(22.6)**
Capital expenditure		(1.0)	(0.3)	(1.1)	(1.4)	(1.7)
Investments & Other		0.0	0.0	(0.6)	-	-
Investing CF		**(1.0)**	**(0.2)**	**(1.7)**	**(1.4)**	**(1.7)**
Borrowings & leases		(0.3)	(0.4)	(0.4)	(0.6)	(0.7)
Equity		0.5	47.7	100.5	-	-
Dividend		-	-	-	-	-
Financing CF		**0.2**	**47.3**	**100.1**	**(0.6)**	**(0.7)**
Effects of FX fluctuations		0.1	1.5	-	-	-
Net change in cash		**(25.1)**	**25.5**	**80.0**	**(23.5)**	**(25.0)**

Share price index vs S&P/ASX 300



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1Q FY27 Update

Cash flow statement

Most cash items are lumpy and within that context there were no surprises in the cash flow.

- Customer cash receipts of $6.1m, which is down 17% from 1Q26 but this was an exceptionally strong quarter. Cash receipts up $2.7m on 4Q26 (80%)
    - cash flow receipts are based on milestone payments and is significantly more variable than revenue
- Higher R&D costs compared to 1Q FY26 likely reflect increased investment to accelerate product commercialisation, however, these costs include payments to R&D partner CEA Leti, which are based on achieving particular goals.
- Weebit received a $3.7m R&D related grant from the French Tax Authority during the quarter
    - these payments usually occur in the first quarter
- At the close of the quarter, Weebit had a healthy cash balance of $164.2m, slightly below their FY26 closing balance of $168.3m.

Figure 1: 1Q FY27 cash flow

A$m	1Q FY26	4Q FY26	1Q FY27	vs pcp (%) #	vs last qtr (%) #
Customer receipts	7.3	3.4	6.1	-17%	80%
R&D costs	(2.1)	(4.6)	(3.7)	-75%	20%
Staff costs	(4.0)	(5.1)	(5.0)	-25%	3%
Admin & Corp	(1.2)	(2.2)	(1.8)	-44%	19%
Gov grants and tax incent.	4.2	-	3.7	-11%	n/m
Other	(0.2)	4.3	(2.6)	n/m	n/m
Net operating cash flow	**3.9**	**(4.2)**	**(3.2)**	**n/m**	25%
# positive %age indicates improvement					

Source: Company, MST Access

Business update

Onsemi hits kev milestone

Onsemi has now moved into the Qualification stage - a major milestone on the path to Qualification and royalties. This is the last milestone before the final achievement Qualification and our previous industry research (here) indicated this process can take 9 - 21 months however, for DB HiTek, this was 7 - 8 months. Onsemi's time table has been similar to DB HiTek with both taking just over 9 months to get from signing the licence agreement to Tape out and also both taking a further ~10 months to get to the start of the Qualification process. If that pattern continues, we would expect Onsemi to complete the Qualification process by 4Q FY27.

As an integrated device manufacturer (IDM), we would expect a much shorter timeframe from Qualification to production and royalties to start flowing to Weebit. For foundries such as DB HiTek, there is a 12 - 18 months period where the product customers need to validate the technology prior to the start of production. We expect that this will be ~12 months for onsemi which would put first royalties in the last quarter of FY28.

Other chip Manufacturers

Texas Instruments is progressing well with the technology transfer process. We think it is roughly 12 months behind onsemi. However, we note that it can be difficult for Weebit to get its customers to agree to disclosure of progress, so while we expect that Weebit will announce the tape out milestone, this is not guaranteed.

Weebit continues to work closely with DB HiTek as its customers (the product companies) validate the ReRAM technology.

Product Companies

We have inferred from Weebit announcements that DB HiTek has three product companies that are working to integrate Weebit's ReRAM into their products.

The second of these has received chips with embedded ReRAM and they have been operating well. Production is expected to commence by the end of this calendar year from this customer or the other customers that has also received chips.

Guidance

Weebit's August guidance commentary included the comment that “multiple licencing agreements” are expected in FY27, however global chip pricing and demand continues to delay Weebit’s signing new licensees – no new chip manufacturers or product companies have been signed up yet.

Weebit reaffirmed 1H FY27 revenue guidance of at least $7.1m, but the market is likely expecting much more than that given FY26 revenue of $15.3m. We are currently forecasting FY27 revenue of $30.7m.

FY26 result comments

Following our 4Q report that comprehensively discussed the full year activities and progress (see here), Weebit's full year results provided some further information and was incrementally positive on the 4Q update.

Revenue of $15.3m was well ahead of guidance of >$13.5m provided on 31 July 2026 in their 4Q update. Weebit is also now targeting first royalties in 2027. We expect these royalties will come from DB HiTek customers given the progress to date. As discussed above, we don't expect royalties from onsemi until the end of FY28; it would take a significantly compressed time frame for onsemi to deliver royalties in 2027 (by 2Q FY28).

Weaker than expected earnings reflect the higher R&D costs, as part of their push to accelerate product development, lower grants, and 7% higher G&A and marketing expenses. We think that at this stage, earnings are not meaningful measure of progress. We welcome the higher R&D costs as we expect that this will accelerate the acquisition of customers and the pathway to royalties.

Figure 2: FY26 results summary

(A$m, y/e Jun)	Units	FY25A	FY26A	vs. pcp	MSTe	vs. MST #
Revenue	**A$m**	**4.4**	**15.3**	**247.2%**	**13.8**	**10.7%**
R&D	A$m	(25.0)	(37.9)	51.8%	(32.5)	-16.6%
Grants	A$m	8.6	0.5	-94.2%	6.9	92.8%
Share-based payments	A$m	(6.7)	(10.2)	53.3%	(11.2)	8.9%
Net R&D	A$m	(23.0)	(47.6)	106.7%	(36.8)	-29.3%
Other overheads	A$m	(21.6)	(26.0)	20.6%	(24.3)	-7.0%
EBITDA	**A$m**	**(40.2)**	**(58.3)**	**45.1%**	**(47.0)**	**-24.0%**
NPAT (reported)	A$m	(38.4)	(54.9)	43.0%	(43.6)	-25.9%
Operating Cash Flow	A$m	(23.1)	(18.4)	-20.4%	(23.0)	19.9%
# positive numbers represent benefit to P&L						

Source: Company, MST Access

Apart from the 1H FY27 revenue guidance of $7.1m, Weebit's guidance for FY27 is just that they expect to it be above FY26 revenue of $15.3m.

Industry updates

Compute-in-memory technology (CIM) (or in-memory compute (IMC)) is still a long way from being commercially viable, but Weebit notes ongoing research has provided encouraging indications of ReRAM's potential in next-gen computing solutions, particularly as they related to AI. For more information on compute-in-memory, including the selection of Weebit's ReRAM technology in a Korean government funded program on compute in memory, see our report published earlier this year here.

There haven't been any other major updates or developments of note in the ReRAM space other than the developments made by Weebit.

Forecasts, valuation, catalysts and risks

We have not changed our forecasts following the 1Q FY27 announcement.

Our valuation remains unchanged. Refer to our previous report here for details on the current 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.

- Establishing licence agreements with additional chip manufacturers (foundries and IDMs) especially global leaders
- Licence agreements with product companies
- The embedding of Weebit's ReRAM in products and the start of royalty revenues
- Progress towards ReRAM being the memory technology of choice for neuromorphic computing

Risks & sensitivities

The key risks to the success of Weebit 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.

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 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.

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

- 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.
- 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, Weebit Nano collects a substantial amount of confidential data. Human or system errors exposing this data could breach these confidentiality requirements and could expose Weebit 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.

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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.

Company disclosures

The companies and securities mentioned in this report, include:

Weebit Nano (WBT.AX) | Price A$2.88 | Valuation A$8.06;

Price and valuation as at 19 October 2026 (not covered)*

Additional disclosures

Within the past 12 months, MST and its associates have provided and received compensation for investment banking services, including acting as Joint Lead Managers for the Marah 2026 capital raising of approximately A$80 million for the subject company. Weebit Nano (WBT.AX)

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