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Hesai Group | Asia Pacific

NVIDIA validation unlocks humanoid upside for Hesai

Key Takeaways

- On NVIDIA's GTC, Sharpa's Wave hand became the official dexterous standard on the Isaac GROOT Reference Humanoid Robot.
- Hesai, as Sharpa's contracted manufacturer of precision actuators and assembly, should gain incidental upside from Wave hands shipped on GROOT.

NVIDIA's pick of Sharpa as reference design is a likely catalyst for Hesai's humanoid revenue, converting a related-party supply agreement into favourable exposure to the validated humanoid platform. The thesis compounds across contracted actuator sell-through, ecosystem lock-in, and consumer optionality.

Strong reference – the dexterous-hand market is crowded, yet NVIDIA offers initially chose Sharpa. Sharpa sells an integrated intelligence system, consisting of precision mechanical architecture, sensory intelligence, and CraftNet (Sharpa's end-to-end Vision-Tactile-Language-Action) AI model, transforming raw sensory data into dexterous rules.

Being commercially bound by a supply framework with Sharpa, Hesai supplies proprietary actuator modules with margins locked at 40-50% cost-plus (or 30-35% GpM). The company's Strategic Growth Initiatives 2026 annual revenue target of Rmb100mn (~US\$14.8mn) was set previously, and we see upside potential to its humanoid-related revenue in the next 12-18 months. Moreover, revenue from this reference design would make Hesai's actuator revenue a recurring stream for every commercial humanoid built on NVIDIA's stack.

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China Autos & Shared Mobility | China

Stock Rating	Overweight
Industry View	In-Line
Price target	US\$30.00
Up/downside to price target (%)	50
Shr price, close (Jun 1, 2026)	US\$20.03
52-Week Range	US\$30.85-14.69
Sh out, dil, curr (mn)	125
Mkt cap, curr (mn)	Rmb16,908
EV, curr (mn)	Rmb13,967
Avg daily trading value (mn)	US\$59

Fiscal Year Ending	12/25	12/26e	12/27e	12/28e
EPS (Rmb)**	3.13	5.73	9.90	13.59
Revenue, net (Rmb mn)	3,028	4,521	6,445	8,290
EBITDA (Rmb mn)	315	836	1,458	2,032
ModelWare net inc (Rmb mn)	436	797	1,377	1,891
P/E	50.0	23.6	13.7	10.0
P/BV	5.0	3.7	2.9	2.2
RNOA (%)	10.1	35.6	80.7	362.2
ROE (%)	11.1	18.3	26.7	28.9
EV/EBITDA	59.8	15.5	7.4	4.3
Div yld (%)	0.0	0.0	0.0	0.0
FCF yld ratio (%)**	1.2	5.4	11.6	10.1
Leverage (EOP) (%)	(62.9)	(73.1)	(91.2)	(93.4)

investors should be aware that the firm may have a conflict of

Research as only a single factor in making their investment decision.

For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report.

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framework
** = Based on consensus methodology

Valuation Methodology and Risks

Hesai Group (HSAI.O)

Base case, discounted cash flow valuation. Our key assumptions include a 11.2% WACC and a 3% terminal growth rate.

Risks to Upside

- Market share gain from global peers
- Faster-than-expected adoption of LiDARs by traditional OEMs
- Sustainable pricing power from product strength and manufacturing edge

Risks to Downside

- Slower adoption of LiDARs or faster ASP decline as OEMs cut costs amid price reductions
- Potential threat of substitution from emerging technologies.
- Shifts in LiDAR technology standards away from Hesai's current specs

