

EQUITY: TECHNOLOGY

Initiating coverage on China's embodied-AI leader

Profitable humanoid maker at scale with cost leadership, faster iteration, and matrix breadth

Initiate at Buy with a TP of CNY370; hardware cost moat plus rapid product iteration

We initiate coverage of Unitree Robotics, a leading global manufacturer of humanoid robots (according to its IPO prospectus, shipments in 2025 were >5,500, #1 globally), with a Buy rating and a TP of CNY370 (145% implied upside), based on 25x 2027F P/S, at a premium to peers as we consider its pure-robotics status and fast sales growth outlook at 101%/144% in 2027F/28F. Our investment thesis rests on two pillars: (1) full-stack mechanical design and in-house hardware give Unitree a structural cost advantage that converts into mass-delivery capability – outsourced components account for only 10-20% of total cost, and gross margin expanded from 44% in FY22 to 60% in FY25; and (2) rapid product iteration and continuous innovation have repeatedly allowed Unitree to reach new application scenarios ahead of peers, giving it a first-mover advantage as fresh demand pockets emerge.

In-house hardware know-how drives costs down; iteration widens the lead

On the first pillar, Unitree self-designs and self-produces the core elements, leaving outsourced components at only 10–20% of total cost. We see two implications: (1) keeping the joint module in-house retains the know-how and resists the modularisation of core components that elsewhere in advanced manufacturing has commoditized the assembler and moved value to specialist suppliers; and (2) this further drives the costs down (gross margin rose from 45% in FY22 to 60% in FY25 even as humanoid and quadruped product prices declined). On the second pillar, iteration is fast on both lines: four humanoid series in the 26 months from the H1 (August 2023) through the G1 nine months later to the R1 and the H2 in 2025, alongside a quadruped cadence running from Laikago (2017) to the Go2 (2023). That consumer-plus-industrial matrix already spans research and education, environmental inspection and emergency response, and we expect Unitree to enter each new demand scenario quickly as it opens.

Market access erodes structurally; watch demand breadth & brain development

The FCC (Federal Communications Commission) Covered List entry of 28 July 2026 leaves Unitree's authorised in-market models saleable, but would block newly developed ones (*FCC: forward-looking; structurally binding*). The near-term constraint, in our view, is demand rather than access: 73.6% of humanoid revenue still came from research institutes in 9M25, while new end-market growth catalysts remain scarce. We would therefore watch the “brain” — commercial rollout of WVLA2.0 and industrial deployment of UnifoLM-X1-0 – which could unlock new application scenarios capable of driving volumes.

Year-end 31 Dec	FY25		FY26F		FY27F		FY28F
Currency (CNY)	Actual	Old	New	Old	New	Old	New
Revenue (mn)	1,699	0	2,687	0	5,396	0	13,184
Reported net profit (mn)	278	0	532	0	1,086	0	2,662
Normalised net profit (mn)	278	0	532	0	1,086	0	2,662
FD normalised EPS	76.00c		1.45		2.97		7.27
FD norm. EPS growth (%)	189.8		91.2		104.1		145.3
FD normalised P/E (x)	198.4	–	103.8	–	50.8	–	20.7
EV/EBITDA (x)	-4.0	–	-2.7	–	-1.7	–	-1.2
Price/book (x)	21.2	–	17.6	–	13.1	–	8.0
Dividend yield (%)	–	–	–	–	–	–	–
ROE (%)	14.3		18.5		29.5		47.9
Net debt/equity (%)	net cash		net cash		net cash		net cash

Source: Company data, Nomura estimates

Rating Starts at	Buy
Target price Starts at	CNY 370.00
IPO price 19 August 2026	CNY 150.80
Implied upside	+145.4%
Market Cap (USD mn)	

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Key data on Unitree Robotics

Performance

(%)	1M	3M	12M	
Absolute (CNY)				M cap (USDmn)
Absolute (USD)				Free float (%)
Rel to CSI 300				3-mth ADT (USDmn)

Income statement (CNYmn)

Year-end 31 Dec	FY24	FY25	FY26F	FY27F	FY28F
Revenue	393	1,699	2,687	5,396	13,184
Cost of goods sold	-168	-672	-1,130	-2,369	-6,140
Gross profit	225	1,027	1,556	3,027	7,044
SG&A	-156	-692	-991	-1,856	-4,140
Employee share expense					
Operating profit	69	335	565	1,171	2,904
EBITDA	78	358	591	1,202	2,939
Depreciation	-8	-23	-25	-30	-35
Amortisation	0	-1	-1	-1	0
EBIT	69	335	565	1,171	2,904
Net interest expense	-17	1	-20	-25	-30
Associates & JCEs					
Other income	49	33	81	131	258
Earnings before tax	101	368	626	1,277	3,132
Income tax	-5	-90	-94	-192	-470
Net profit after tax	95	278	532	1,086	2,662
Minority interests	0	0	0	0	0
Other items					
Preferred dividends					
Normalised NPAT	95	278	532	1,086	2,662
Extraordinary items					
Reported NPAT	95	278	532	1,086	2,662
Dividends					
Transfer to reserves	95	278	532	1,086	2,662

Valuations and ratios

Reported P/E (x)	575.0	198.4	103.8	50.8	20.7
Normalised P/E (x)	575.0	198.4	103.8	50.8	20.7
FD normalised P/E (x)	575.0	198.4	103.8	50.8	20.7
Dividend yield (%)	-	-	-	-	-
Price/cashflow (x)	285.3	82.4	134.5	76.6	35.2
Price/book (x)	42.9	21.2	17.6	13.1	8.0
EV/EBITDA (x)	-7.3	-4.0	-2.7	-1.7	-1.2
EV/EBIT (x)	-8.2	-4.2	-2.8	-1.8	-1.2
Gross margin (%)	57.2	60.4	57.9	56.1	53.4
EBITDA margin (%)	19.8	21.1	22.0	22.3	22.3
EBIT margin (%)	17.6	19.7	21.0	21.7	22.0
Net margin (%)	24.3	16.4	19.8	20.1	20.2
Effective tax rate (%)	5.1	24.5	15.0	15.0	15.0
Dividend payout (%)	0.0	0.0	0.0	0.0	0.0
ROE (%)	12.1	14.3	18.5	29.5	47.9
ROA (pretax %)	12.2	24.3	27.0	37.5	50.3
Growth (%)					
Revenue	146.8	332.6	58.1	100.8	144.3
EBITDA	-	361.8	65.0	103.3	144.6
Normalised EPS	-	189.8	91.2	104.1	145.3
Normalised FDEPS	-	189.8	91.2	104.1	145.3

Source: Company data, Nomura estimates

Cashflow statement (CNYmn)

Year-end 31 Dec	FY24	FY25	FY26F	FY27F	FY28F
EBITDA	78	358	591	1,202	2,939
Change in working capital	1	222	-149	-399	-1,132
Other operating cashflow	114	89	-32	-82	-240
Cashflow from operations	192	670	410	721	1,568
Capital expenditure	-10	-50	-80	-100	-130
Free cashflow	183	620	330	621	1,438
Reduction in investments	0	0	0	0	
Net acquisitions					
Dec in other LT assets	-708	-143	-131	-122	
Inc in other LT liabilities	39	2	2	2	
Adjustments	-704	248	-2	-2	-2
CF after investing acts	-521	198	188	489	1,315
Cash dividends	0	0	0	0	0
Equity issue					
Debt issue					
Convertible debt issue					
Others	867	656	1	-1	0
CF from financial acts	867	656	1	-1	0
Net cashflow	346	853	189	488	1,315
Beginning cash	220	566	1,419	1,608	2,096
Ending cash	566	1,419	1,608	2,096	3,412
Ending net debt	-561	-1,419	-1,608	-2,096	-3,412

Balance sheet (CNYmn)

As at 31 Dec	FY24	FY25	FY26F	FY27F	FY28F
Cash & equivalents	566	1,419	1,608	2,096	3,412
Marketable securities					
Accounts receivable	21	59	88	177	433
Inventories	141	368	588	1,201	3,028
Other current assets	543	374	537	1,079	2,637
Total current assets	1,271	2,220	2,822	4,553	9,510
LT investments					
Fixed assets	13	36	91	161	256
Goodwill					
Other intangible assets	1	2	1	0	0
Other LT assets	242	951	1,094	1,225	1,347
Total assets	1,528	3,209	4,007	5,939	11,113
Short-term debt	0	0	0	0	0
Accounts payable	90	245	402	844	2,187
Other current liabilities	148	311	418	821	1,988
Total current liabilities	238	556	820	1,665	4,175
Long-term debt	0	0	0	0	0
Convertible debt					
Other LT liabilities	10	48	50	52	54
Total liabilities	247	604	870	1,717	4,229
Minority interest					
Preferred stock					
Common stock	3	364	364	364	364
Retained earnings	61	166	699	1,784	4,447
Proposed dividends					
Other equity and reserves	1,217	2,074	2,074	2,074	2,074
Total shareholders' equity	1,281	2,605	3,137	4,222	6,885
Total equity & liabilities	1,528	3,209	4,007	5,939	11,113

Liquidity (x)

Current ratio	5.34	3.99	3.44	2.73	2.28
Interest cover	4.0	-	28.3	46.8	96.8

Leverage

Net debt/EBITDA (x)	net cash	net cash	net cash	net cash	net cash
Net debt/equity (%)	net cash	net cash	net cash	net cash	net cash

Per share

Reported EPS (CNY)	26.23c	76.00c	1.45	2.97	7.27
Norm EPS (CNY)	26.23c	76.00c	1.45	2.97	7.27
FD norm EPS (CNY)	26.23c	76.00c	1.45	2.97	7.27
BVPS (CNY)	3.52	7.12	8.57	11.54	18.81
DPS (CNY)	0.00	0.00	0.00	0.00	0.00

Activity (days)

Days receivable	19.1	8.5	10.0	9.0	8.5
Days inventory	307.0	138.2	154.4	137.8	126.0
Days payable	195.4	90.9	104.5	96.0	90.3
Cash cycle	130.7	55.8	59.8	50.8	44.2

Source: Company data, Nomura estimates

Company profile

Unitree Robotics develops, manufactures, and sells legged and humanoid robots. The company offers quadruped robots, humanoid robots, robotic arms, and high-performance actuators and motors, as well as robotics components. Its products are used in research and education, industrial inspection, public safety, logistics, entertainment, and consumer applications. Unitree Robotics was founded in 2016 and is based in Hangzhou, China.

Valuation Methodology

Our TP of CNY370 is based on 25x 2027F P/S, higher than China robotics P/S average at 9x, which is supported by Unitree's 2026-28F sales CAGR at 122%, backed by fast adoption of humanoid robot and company's capacity expansion to fulfill the demand. The benchmark index is CSI300.

Risks that may impede the achievement of the target price

Downside risks include: 1) slower overseas growth due to policy risk (for example, Federal Communications Commission covered list); 2) unclear new growth driver, as more than 70% of humanoid revenue tied to research buyers; 3) intensifying competition and pricing pressure.

ESG

Unitree Robotics demonstrates commitment to ESG by developing general-purpose humanoid and quadruped robots deployed in inspection and survey, firefighting and rescue, and public services, delivering safer and more efficient solutions to energy, chemicals and smart-city operators. The company operates an assembly-based, non-heavy-polluting production model and reported no environmental or work-safety violations during the reporting period.

Investment considerations

Full-stack mechanical design and hardware; cost control and mass-delivery capability

Full-stack hardware drives absolute pricing power

In our view, Unitree's core moat is full-stack in-house hardware. The company self-develops and self-produces the four elements of a robotic joint module — motors, reducers (harmonic/planetary), drivers and even LiDAR (Light Detection And Ranging) — on a self-developed electric-drive route, complemented by proprietary power/thermal management and lightweight structures. This vertical integration compresses outsourced-component cost to just 14%-18% of total cost, giving Unitree what we regard as decisive pricing power in a joint module where motors, reducers, drivers and encoders account for roughly 35%, 40%, 10% and 15% of value, respectively, based on our estimates. Cross-product technology reuse between quadrupeds and humanoids further amortises R&D. The result is industry-leading pricing — the Go2 quadruped fell below CNY10,000 and the R1 humanoid launched at CNY29,900 — enabling a >90% production-to-sales ratio and, uniquely among peers, positive profitability at scale.

Fig. 1: In-house vs third-party procurement

	Humanoid	Quadruped	Details
BOM covered by in-house design	80-90%	c.90%	Motors, encoders, driver boards, main board, battery pack (In-house integration), power distribution unit, DC-DC, other power control, planetary reducer, joint structural parts, body structural parts, cross-roller bearing
BOM covered by in-house designed and manufacturing	c.50%	55-60%	Motors, encoders, driver boards, main board, battery pack (In-house integration), PDU 500 + DC-DC 480 + other power control 200
Third-party modules	10-15%	5-10%	3D LiDAR - DJI Livox MID360, RealSense D435i, Orbbec, Sharp
US content, % of BOM	2-8%	1-5%	TI / ADI / ON Semi, RealSense
Humanoid: G1 basic edition; Quadruped: Go2 Air/Pro			
US content, % of BOM	10-20%	5-15%	Nvidia, TI / ADI / ON Semi, RealSense
Humanoid: G1 EDU			

Source: Company data, Nomura estimates

Fig. 2: G1 bill-of-materials

Parts	Line item	Cost (CNY)	% of BOM
Joint modules	9 large joints	13,500	32.5%
Joint modules	14 small joints	14,000	33.7%
Sensing components	3D LiDAR - DJI Livox MID360	3,840	9.2%
Sensing components	Depth camera - Intel RealSense D435i	1,869	4.5%
Structure parts	Structural parts	2,000	4.8%
Structure parts	Outer shell	500	1.2%
Structure parts	Other structure/misc	1,000	2.4%
Power	Battery pack (13S, 9,000mAh, 0.42kWh, 2.5kg)	2,000	4.8%
Power	PDU	500	1.2%
Power	DC-DC	480	1.2%
Power	Other power control	200	0.5%
Computing	Main SoC (8nm, 6 TOPS NPU)	380	0.9%
Computing	DRAM 8GB	75	0.2%
Computing	Storage 64GB	60	0.1%
Computing	Other main-board content	900	2.2%
Wire harness	XT30 harness	90	0.2%
Wire harness	Harness terminals	150	0.4%
Wire harness	End-of-limb capacitive buffer	30	0.1%
Total BOM		41,574	100.0%

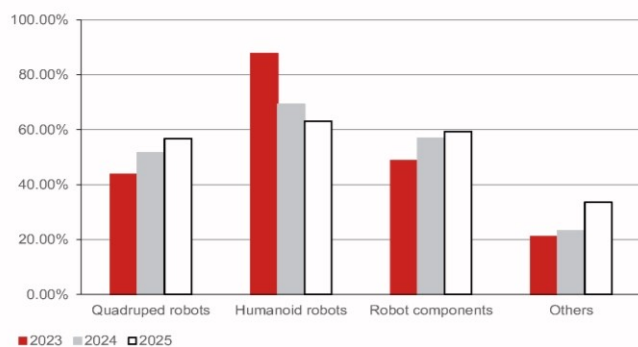
Source: Company data, Nomura estimates

Cost leadership funds a self-reinforcing mass-production cycle

We believe this cost structure converts directly into financial resilience. Unitree's main-business gross margin expanded from 44% (FY2022) to 60% (FY2025), and it earned non-recurring net profit of CNY590.8mn in FY25 (~35% net margin) — extraordinary in a

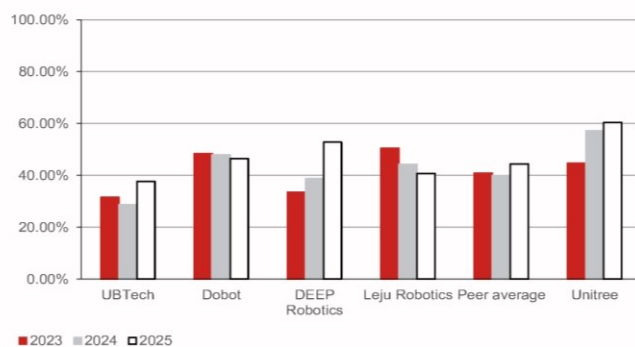
field where global peers remain loss-making. Management attributes the high margin to in-house motors/reducers, keeping purchased cost low, plus scale effects diluting depreciation. Critically, Unitree runs a "self-develop to cut cost, extreme value-for-money to drive volume, scaled data feedback to train models" closed loop: the mature quadruped cash-flow business funds humanoid R&D and market development. With a full-size humanoid bill-of-materials (BOM) now below CNY100,000 and continued cost-down initiatives, Unitree is, in our view, structurally positioned to be among the first to gain share whenever pricing becomes the swing factor in adoption. We view this cost-driven, cash-generative model as more durable than capital-dependent peers.

Fig. 3: Unitree gross margin by segment



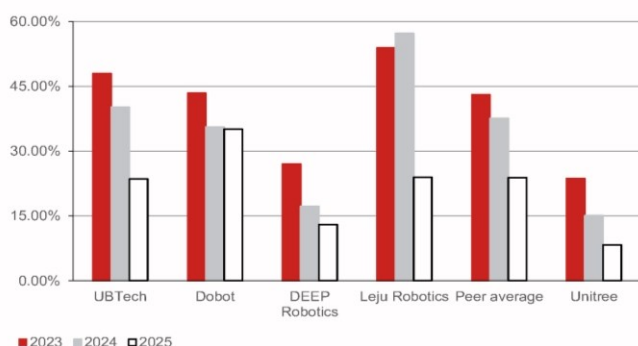
Source: Company data, Nomura research

Fig. 4: Unitree gross margin vs peers



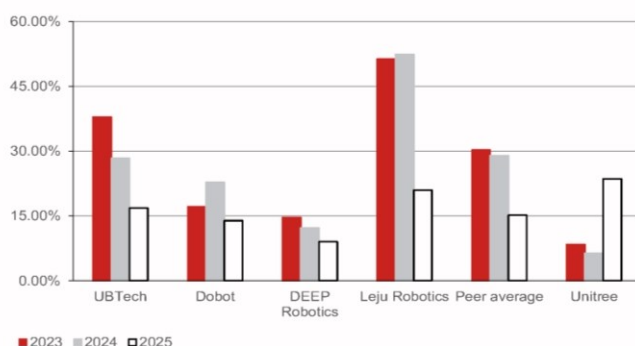
Source: Company data, Nomura research

Fig. 5: Unitree selling expense ratio vs peers

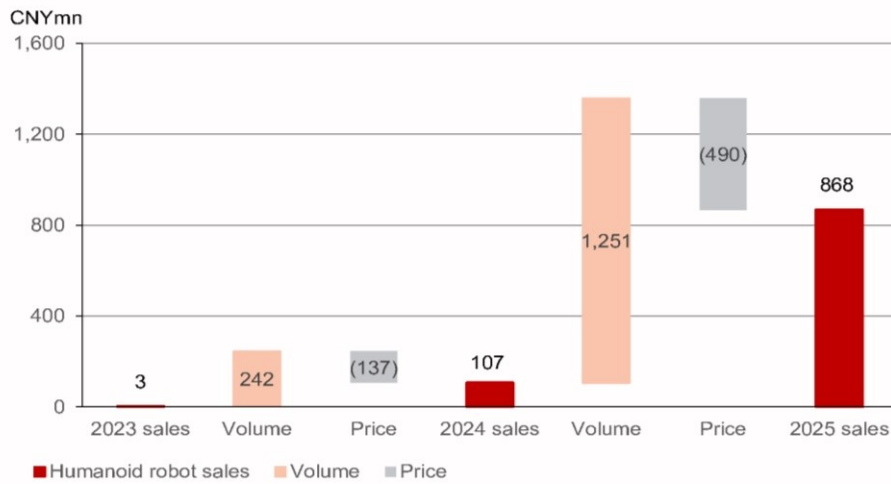


Source: Company data, Nomura research

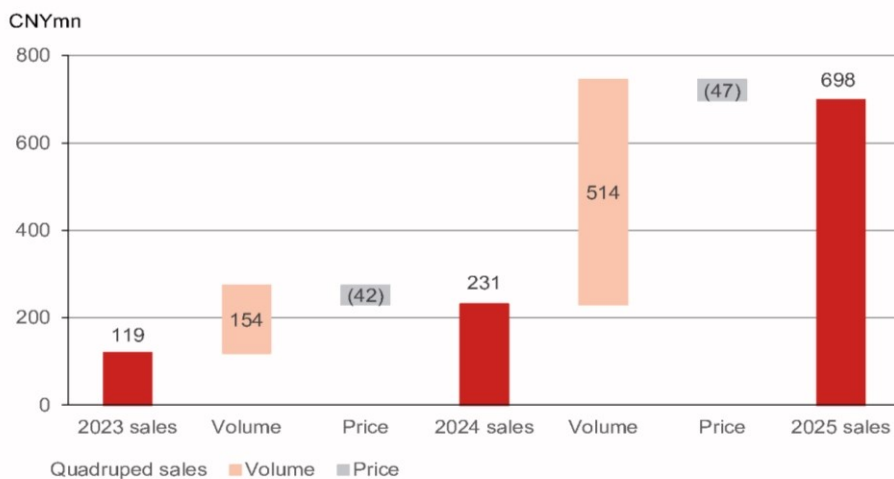
Fig. 6: Unitree admin expense ratio vs peers



Source: Company data, Nomura research

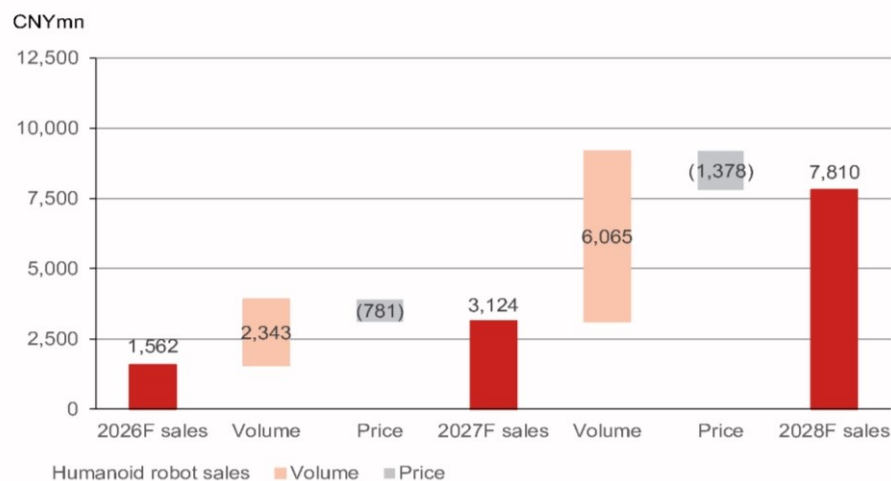
Fig. 7: Humanoid revenue bridge, 2023-2025

Source: Company data, Nomura research

Fig. 8: Quadruped revenue bridge, 2023-2025

Source: Company data, Nomura research

We estimate Unitree's total revenue will rise from CNY1,699mn in 2025 to CNY2,687/5,396/13,184mn in 2026/27/2028F, 58%/101%/144% y-y, with most volume-led rather than price-led. The historical pattern shows a similar trend: humanoid ASP fell from CNY260.4k in 2024 to CNY166.4k in 2025 while unit sales rose from 412 to 5,215, and the company attributes 110% of its 2025 quadruped revenue growth to volume against a -10% price contribution. We believe the pattern is sustainable because it rests on cost. Management puts self-made content at 80-90% of core components, including joint motors, reducers and encoders. We credit this vertical integration with the cost decline to the deliberate 2025 price cuts, while humanoid gross margin held at 63.2%; hence, we model humanoid ASP declining 40%/20%/15% in 2026/27/28F, more than offset by shipment volumes of 15.6k/39.1k/115.0k units. We expect capacity to support the 2027/28F volume step-up: the company's IPO prospectus details a CNY624mn, two-year IPO-funded manufacturing base and flags current leased facilities as a binding constraint, which we expect additional capacity will come onstream in 2027F.

Fig. 9: Humanoid revenue bridge, 2026F-2028F

Source: Company data, Nomura estimates

Fig. 10: Quadruped revenue bridge, 2026F-2028F

Source: Company data, Nomura estimates

Rapid product iteration and continuous innovation; first-mover advantage and broad product matrix

Fastest iteration and the broadest product matrix

Unitree's flat organisation enables faster-than-industry iteration, evidenced by a track record of world firsts: the first full-size electric-drive humanoid backflip (Mar 2024), an H1 running record (later exceeding 10 m/s by early 2026), and four golds at the 2025 World Robot Games. This velocity is underpinned by a founder-led team — 90s-born founder Wang Xingxing, who built a bipedal robot as early as 2009 — with R&D staff at ~36% of headcount at end-2025. We believe iteration speed is a compounding advantage in embodied AI, where the valuation anchor is shifting from "limbs" (running, backflips) toward "brains and cerebellum" (world-model/VLA), and where Unitree's large real-machine data fleet — which cloud-only model vendors cannot replicate — accelerates model improvement.

First-mover breadth: from quadruped roots to a full-spectrum matrix

Early quadruped leadership (global No.1 for several years, >33,000 cumulative units, according to the IPO prospectus) extended into humanoids, with the H1 mass-produced from 2023 (prospectus). Unitree now offers a "mobility + manipulation + interaction" matrix

spanning Go/A/B-series quadrupeds, H/G/R-series humanoids, plus Dex-series dexterous hands, the Z1 arm and self-developed LiDAR. In 2025, it shipped >5,500 pure-humanoid units (global No.1), with humanoids overtaking quadrupeds as the largest revenue line at 51.8% (prospectus). Against a China humanoid market that our estimate ~14,000–15,000 units in 2025F — when Unitree and AgiBot (unlisted) together held a ~70% share — and rising to an estimated 25,000–30,000 units in 2026F, we view this breadth as decisive.

First to every new demand pocket

In our view, the strategic implication is that when a new demand pocket emerges, Unitree is likely to be first to gain share and offer solutions thanks to its rapid product iteration and continuous innovation capabilities. Management guides industrial manufacturing — joint-motor assembly, loading, fixture handling — as the earliest commercial landing zone given its in-house factories, followed by logistics sorting, flexible 3C assembly, and later home and healthcare scenarios (WVLA2.0 test note; Nomura Physical AI note). Because Unitree already spans research, industrial and consumer tiers with the lowest-cost bodies and an open developer ecosystem (the CNY26,900 R1-D lowers the WVLA2.0 entry barrier), we believe it is structurally best-placed to convert the next wave of demand — whether in EV/battery plants or public-service pilots — into share gains, ahead of single-scenario or prototype-stage peers.

Fig. 11: Humanoid models

Model	H1	G1	R1	H2	G1-D
Category	Full-size humanoid	Mid-size humanoid	Small/mid humanoid	Full-size general humanoid	Humanoid (wheeled base)
Launch date	Aug 2023	May 2024	Jul 2025	Oct 2025	—
Key parameters	Height: ~180cm	Height: ~132cm	Height: ~123cm	Height: ~182cm	Size: 168x50x50cm
	Weight: ~47kg	Weight: ~35kg	Weight: ~25kg	Weight: ~70kg	Weight: ~50kg
	Max speed: 5m/s	Leg DoF: 6	Leg DoF: 6	Leg DoF: 6	Total DoF: 17
	Leg DoF: 5	Arm DoF: 5-7	Arm DoF: 5	Arm DoF: 7	Arm DoF: 7
	Arm DoF: 4	Waist DoF: 3	Waist DoF: 2	Waist DoF: 3	Waist DoF: 2
		Dexterous-hand DoF: 6-20	Head DoF: 2	Head DoF: 2	
Key features	Advanced power system, stable gait and highly agile motion; high standards in speed, strength, mobility and flexibility; can walk and run autonomously across complex terrain and environments.	Very large joint motion range and high flexibility; AI-accelerated robot imitation and reinforcement learning; force-position hybrid control enables precise, human-like object manipulation. Best-selling humanoid globally 2024-25.	Lightweight build with outstanding motion performance; dual-DoF head enhances perception; fully open joint/sensor control interfaces; supports mainstream simulation platforms. Named a TIME Best Invention of 2025.	Precisely reproduces complex, highly dynamic movements; suited to deploying diverse embodied-AI models; empowers varied work scenarios. 31-DoF anthropomorphic configuration.	Hard to topple on flat ground, lower energy use, height-adjustable; rapidly deployable in workshops; supports the full workflow from data processing to model training, simulation evaluation and one-click deployment; integrates seamlessly with mainstream open-source robot model frameworks.

Source: Company data, Nomura research

Fig. 12: Quadruped models

Model	GD01	AlienGo	B1	Go2	Go2-W
Category	Biped/quadruped convertible	Quadruped (2nd model)	Industrial quadruped	New-gen consumer quadruped	Consumer wheeled-leg
Launch date	—	2019	2022	2023	—
Key parameters	Weight: ~420kg	Standing size: 65x31x60cm	Standing size: 112.6x46.7x63.6cm	Standing size: 70x31x40cm	Standing size: 70x43x50cm
	Walking speed: ~5km/h	Weight (w/ battery): ~21.5kg	Weight (w/ battery): ~50kg	Weight (w/ battery): ~15kg	Weight (w/ battery): ~18kg
		Max speed: ~1.5m/s	Sustained walking load: >20kg	Max load: 12kg	Max load: 12kg
		Slope walking: ~25°	Operating temp: -5°C~45°C	Step-up height: ~20cm	Step-up height: ~70cm
		Unloaded endurance: 3 hrs	Unloaded endurance: 2-3 hrs	Slope angle: 40°	Slope angle: 35°
				Unloaded endurance: 2-4 hrs	Unloaded endurance: 2-3 hrs
Key features	Capable of switching between biped and quadruped forms with strong adaptability to complex environments; usable as a research and civilian mobility vehicle.	Compact layout with excellent mobility and strong impact resistance; body withstands shock loads when running, jumping, colliding or falling; supports walking, running and other high-performance gait development.	Adapts to complex terrain and harsh weather; high mobility and flexibility.	Meets basic motion, dance, obstacle detection/avoidance, voice interaction and intelligent-following; supports secondary development by universities and research institutes.	Meets consumers' basic motion, obstacle avoidance and voice-interaction needs; also supports secondary development by universities and research institutes.

Source: Company data, Nomura research

Fig. 13: Quadruped models

Model	B2	B2-W	A2	As2	Z1
Category	New-gen industrial quadruped	Industrial wheeled-leg	New-gen mid industrial quadruped	Small open-ecosystem quadruped	Collaborative arm
Launch date	2023	2024	2025	—	—
Key parameters	Standing size: 109.8×45×64.5cm Weight (w/ battery): ~60kg Sustained walking load: >40kg Step-up height: 40cm Slope angle: ~45° Operating temp: -20°C~55°C Unloaded endurance: >5 hrs Range @20kg load: >15km Max ingress protection: IP68	Standing size: 109.8×55×75.8cm Weight (w/ battery): ~85kg Sustained walking load: >40kg Max speed: ~15km/h Step-up height: 40cm Slope angle: ~45° Operating temp: -20°C~55°C Unloaded endurance: 5 hrs Range @40kg load: 25km Max ingress protection: IP67	Standing size: 82×44×57cm Weight (w/ battery): ~37kg Sustained walking load: >25kg Max speed: ~5m/s Step-up height: ~1m Slope angle: ~45° Operating temp: -20°C~55°C Unloaded endurance: 5 hrs Range @25kg load: 12.5km Max ingress protection: IP67	Standing size: 72×37.8×45.7cm Weight (w/ battery): ~18kg Sustained walking load: >10kg Max speed: ~3.7-5m/s Slope angle: ~40° Operating temp: -20°C~50°C Unloaded endurance: 2-4 hrs Range @15kg load: 13km Max ingress protection: IP54	DoF: 6-axis Weight: 4.5kg Payload: ≥3kg Max reach: 740mm
	Stable traversal of complex rugged and structured terrain; industrial-grade agility and stability; strong obstacle avoidance; sustained endurance under heavy load; all-weather autonomous mobility.	Stable traversal of complex rugged and structured terrain; industrial-grade agility and stability; strong obstacle avoidance; excellent range under heavy load; all-weather autonomous mobility; stable high-speed movement.	Applicable across logistics, industrial inspection and emergency rescue; adapts to climbing and walking in complex extreme environments; long endurance and hot-swappable dual-battery system.	Compact size and open ecosystem; usable in inspection, research and education; good environmental adaptability; moves across gullies, snow, jungle, rocky roads and other complex terrain and harsh weather.	Compact, lightweight and dexterous; works with quadrupeds and other mobile robots on complex tasks; friendly secondary-development and expansion interfaces; interchangeable end-effectors.

Source: Company data, Nomura research

Fig. 14: Components

Model	L1	L2	Dex1-1	Dex3-1	Dex5-1
Category	LIDAR	LIDAR	Gripper (dexterous)	Three-finger dexterous hand	Five-finger dexterous hand
Launch date	—	—	—	—	—
Key parameters	Size: 75×75×65mm Scan range: 30m FoV: 360°×90° Accuracy: ±2.0cm Min blind zone: 0.05m Sampling rate: 43,200 pts/s Effective rate: 21,600 pts/s Horizontal scan: 11Hz Vertical scan: 180Hz Range resolution: 8mm	Size: 75×75×65mm Scan range: 30m FoV: 360°×96° Accuracy: ±2.0cm Min blind zone: 0.05m Sampling rate: 128,000 pts/s Effective rate: 64,000 pts/s Horizontal scan: 5.55Hz Vertical scan: 216Hz Range resolution: 4.5mm	Weight: 550g Size: 143×78×67mm Grip force: 5~120N Speed: 50~375 mm/s Max load: 20kg Fingertip resolution: 0.1mm Min full-stroke close time: 0.24s	Weight: 710g Size: 175×88×77mm DoF: thumb 3 / index 2 / middle 2 Fingertip repeatability: ±2mm Max load: ~500g	Weight: 1,000g Size: 217.3×127.5×72.1mm DoF: thumb 4 / index 3 / middle 3 / ring 3 / little 3 Four-finger abduction: ±22° Fingertip repeatability: ±1mm Max load: 4.5kg
	Omnidirectional ultra-wide-angle scanning with a minimal blind zone and stable operation; open-source SLAM solution; fast, high-precision 3D environment capture for localization and autonomous navigation; non-repetitive scanning yields high-precision, high-density point clouds for image-grade scanning.	Omnidirectional ultra-wide-angle scanning with a minimal blind zone and stable operation; open-source SLAM solution; fast, high-precision 3D capture for localization/navigation; resists indoor ambient and outdoor strong light for stable ranging and high-precision mapping; non-repetitive scanning yields high-density point clouds for image-grade scanning.	High fingertip travel handling a wide range of objects; built-in self-developed joint motor with strong grip force; supports position/speed/torque/stiffness/damping control for high precision; usable standalone or with humanoid robots.	7 DoF with 33 tactile sensors per hand; usable with humanoid robots to perform complex hand movements; supports secondary development of tactile algorithms.	20 DoF with 94 tactile sensors per hand; enables finger abduction for more reliable grasping; supports secondary development of tactile algorithms; used with humanoid robots.

Source: Company data, Nomura research

FCC Covered List addition reshapes Unitree's US market access pathway

Covered List entry defined by production location, not by corporate entity

On 28 July 2026, the FCC's (Federal Communications Commission) PSHSB (Public Safety and Homeland Security Bureau) added foreign-produced advanced robotic devices and power inverters to the Covered List (DA 26-786), implementing two NSDs (National Security Determinations) transmitted on 27 July by a White House-convened Executive Branch interagency body. Scope is set by production location rather than corporate identity: the FCC clarifies that entity-level Covered List obligations do not attach, but the entry captures all foreign production regardless of producer nationality. The robotics NSD defines the category functionally – ground-mobile devices weighing over 4.4lbs including any docking station, carrying an environmental sensor, network connectivity of at least 200kbps and control software – and expressly excludes fixed, stationary industrial robots such as SCARA (selective compliance assembly robot arm), Cartesian and gantry units, so the perimeter is mobile robotics rather than factory automation. Unlike the UAS (uncrewed aircraft systems) entry, robots receive no transitional domestic-end-product carve-out, and the sole exemption is a DoW (Department of War) Conditional Approval. The Third FNPRM (Further Notice of Proposed Rulemaking), filed 6 August, would bifurcate the Covered List and codify “produced in a foreign country” as a two-limb test

adding a design-and-development nexus.

Grandfathering protects in-market models but is conditional, not settled

According to Unitree, its principal in-market models – G1, H2 and R1 humanoids and Go2, B2 and A2 quadrupeds – already hold FCC authorization and fall within the advanced robotic device definition, so the rule does not currently affect their continued US sale, while newly developed models would be blocked absent an exemption. The company has stated that its US revenue accounted for 18.39%/19.54%/13.30% of the overall revenue in 2023/2024/2025, with overseas revenue of CNY731.7mn accounting for 43.65% of its main-business revenue in 2025. We treat that grandfathering as conditional rather than settled. The 6 August FNPRM proposes a streamlined revocation process allowing grantees only 10 days to respond, and seeks comment on a tentative 10-year term limit on authorizations that are currently perpetual. It would also cut the import allowance for unauthorized covered equipment from 4,000 to 40 units and require online marketplaces to verify, not merely display, authorization status – directly relevant to the Amazon (AMZN US, Not rated) and Shopify (SHOP US, Not rated) channels, according to the company.

Structural, not cyclical: risks on compliance costs, BOM disclosure, and client adoption

The binding long-term constraint is structural (*FCC: forward-looking; structurally binding*), in our view: authorisation attaches to a model rather than a company – so in a category refreshing roughly annually, the grandfathering benefit decays each cycle, and the proposed 10-year term limit would eventually retire it outright. Because “foreign-produced” is defined by the “Buy American” domestic end-product test at 48 CFR 25.101(a), based on our estimates, one likely durable compliance route is US manufacturing content – the NSD itself describes Conditional Approval as a bridge, while producers “work to onshore manufacturing.” That route looks practically inaccessible to Unitree: DoW is the sole gatekeeper for robots, and the DoD (Department of Defense) added the company to its Section 1260H Chinese military companies list in June 2026. Proposed HBOM/SBOM (hardware and software bill of materials) disclosure of component producer, production location and value share, alongside a US-based liable party requirement, raises the bar further for a PRC issuer. On inbound exposure, approximately 20% of raw material purchases are imported through domestic agents and electronic components were 22.40% of 2025 raw material spend, with Go2 and G1 education variants running Nvidia (NVDA US, Not rated) Jetson Orin modules. We would frame the structural debate as whether overseas growth can be sustained outside the US.

Fig. 15: FCC rule timeline

Date	Event	Implication for Unitree	Status
Mar-26	US House Homeland Security subcommittee hearing: DeepSeek and Unitree	No direct legal effect	Occurred
Jun-26	DoD adds Unitree to the Section 1260H Chinese military companies list	DoW Conditional Approval / Blocks the DoW Conditional Approval route	In force
Jul-26	FCC adopts (22 Jul) and releases (23 Jul) FCC 26-50 Third R&O + Third FNPRM	Bars new equipment authorizations for devices containing Covered List entities' logic-bearing hardware - conditional, hardware only	R&O adopted
Jul-26	White House interagency body transmits two National Security Determinations to the FCC	Sets the 'foreign-produced' test and Conditional Approval mechanism	In force
Jul-26	FCC PSHSB adds foreign-produced advanced robotic devices to the Covered List	New models cannot be authorised; existing models may continue	In force
Jul-26	Unitree prospectus discloses the FCC risk factor	Confirms six principal in-market models are authorised	Disclosed
Aug-26	Third FNPRM filed with the Federal Register (published 7 August)	See proposal list below	Proposal

Source: Federal Communications Commission, Nomura research

Fig. 16: Principal proposals in the 6 August 2026 FNPRM

Rule	Proposal	What it touches	Materiality
2.1204(c)(2)	Import allowance for unauthorised covered equipment cut from 4,000 to 40 units	Research buyers, demo units, channel stocking	High
2.939(c)-(d)	Streamlined revocation; grantee has only 10 days to respond	Revocability of existing authorisations	High
Term limits	Tentative 10-year term limit on equipment authorisations (currently perpetual)	Converts grandfathering into a wasting asset	High
2.932(b)(4)	Software/firmware permissive-change safe harbour limited to producer/provider-based entries, excluding production location-based entries	Security patches and firmware updates to in-market models	High
2.804(c)(2)	Online marketplaces must 'verify', not merely display, authorisation status	Amazon and Shopify channels (10.72% of 2025 revenue)	Medium
2.911(d)(9)-(11)	Certification applicants must file HBOM/SBOM naming component producer, production location and value share	Supply-chain disclosure burden	Medium
2.909(b)	Foreign certification grantees must designate a US-based liable party	Cost of establishing a compliant entity	Medium
2.902	'Produced in a foreign country' codified as two limbs: not a domestic end product AND designed or developed abroad	US-manufactured but foreign-designed products may fall outside	Medium
2.907(c)	Devices in a Covered List sector must use certification (no SDoC, no exemption)	Closes the modular-transmitter workaround	Medium

Source: Federal Communications Commission, Nomura research

Industry overview

Market size, growth, end-markets, trends and drivers

A nascent market on the cusp of scale, led by China

The general-purpose robot market spans quadruped and humanoid robots and remains early-stage. For quadrupeds, IDC estimated the 2024 global market at ~USD180mn (~CNY1.3bn) on ~20,000 units, of which consumer-grade units were 72.1% of shipments, according to Unitree. GII projects global quadruped sales to exceed 560,000 units and CNY8bn by 2030E, with China reaching ~400,000 units (71% of global volume) and ~CNY4.8bn (~60% of value), becoming the largest market. Humanoids are the faster-growing frontier: GII forecasts the global humanoid market will reach USD15bn with 605,700 units by 2030E, and the China market ~CNY38bn with 271,200 units. We note demand concentrates in industrial manufacturing and warehousing/logistics first, then consumer/public services. Our industry survey from China humanoid robotics firms corroborate the trajectory.

Structural trends and demand drivers

In our view, five structural trends underpin the demand outlook. First, an embodied-AI inflection: multimodal large models and reinforcement learning are converting robots from pre-programmed machines into general-purpose agents, driving R&D demand from universities, research institutes and developers — Unitree's core near-term buyers. Second, aggressive cost-down initiatives: humanoid bills-of-materials are falling (we expect a ~40% BOM reduction to underpin a >3mn unit shipment in 2030E), while Unitree's own quadruped ASPs fell below CNY10,000, expanding the addressable base. Third, China's manufacturing depth: IFR data show China installed ~295,000 industrial robots in 2024 (54% of global installations), giving a supply-chain and labour-substitution backdrop. Fourth, labour-substitution economics in high-intensity/hazardous tasks (power, oil, inspection). Fifth, ecosystem/platformization via open-source software. We expect these to lift penetration across manufacturing, logistics and public-service end-markets through 2030E.

Three shifts for China robotics: bodies scale, brains lag, data bottlenecks bind

Mass production inflects, demand remains uncertain

In our view, embodied AI has crossed the mass-production inflection, shifting the narratives from TAM (total addressable market) to shipments, ASPs and margins, and actual deployment. For example, AgiBot (unlisted) reported 15,000 cumulative units produced; on-site, nearly 60 humanoids performed real services among 1,100+ exhibitors, and management framed reliable manufacturing, delivery and integration as the new yardstick. We see a replay of the 2019-20 EV (electric vehicle) playbook on the manufacturing side, with thematic investing entering the order-verification stage. That said, current shipments of humanoids validate manufacturability, not demand durability. Based on our industry survey, 2026E demand still skews toward entertainment/performance (~30%), consumer (~30%), government procurement (~20%) and education (~15%), with industrial/commercial at only ~5%. We flag order composition (paying-customer mix, to-G/related-party share) and per-unit economics as the next milestones to monitor, as it may determine whether the volume story converts into earnings.

Humanoids meet the factory test: MTBF, takt time, and the payback wall

Technology roadmaps have converged on industrial and logistics settings — predictable, repeatable environments — rather than open-ended use cases: AgiBot's G2 Max and OmniHand 3, MagicLab's (unlisted) wheeled MagicBot D1, and dexterous-hand firms mostly target factories, while consumer launches — Fourier's (unlisted) companion GR Nano and Unitree's GD01 rideable mecha — remain sideshows. Wheeled form-factors becoming the industrial workhorse is itself a signal, in our view: vendors are trading anthropomorphism for reliability and cost, deferring bipeds. Yet, we think, "labor" and "industrial-robotic-arms" substitution economics remain unproven: industrial buyers purchase on ROI, MTBF (mean time between failures) and takt time, and at current humanoid ASPs vs labor costs, payback periods at most workstations have yet to reach adoption thresholds, while grippers suffice at structured stations, leaving five-finger hands over-engineered. Real demand today is data collection and training grounds, OEM-subsidised pilots and to-G showcases — funded by robot-maker capex and policy money,

not factory labor budgets — reconciling strong shipments with unproven economics; we view this as a supply-side, not demand-side, inflection. The signal that this flips: the first repeat order from a non-related industrial customer, paid out of an operating budget rather than a pilot budget.

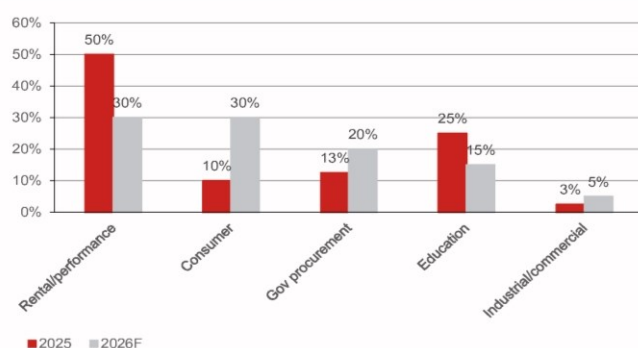
Data is one binding constraint for embodied AI

We note competitive focus is shifting from bodies to brains: the debate between VLA (vision-language-action) and world models settled on fusion — Spirit AI's (unlisted) v1.6 already runs a fused architecture, while Ant Group's (unlisted) LingBot-VLA 2.0 spans 17 OEMs and 20+ configurations. Our industry survey shows the binding constraint is high-quality real physical-interaction data, not architecture or compute: 2026E demand of ~10mn hours vs ~0.5mn hours of global high-quality stock, a 20x gap, with 2,000-5,000 hours needed per deliverable skill. For data collection, we assume a ~CNY4-5bn 2026F China market size, and with 20+ city-level data factories under construction plus offshore crowdsourcing; we expect unit price to decline within 12-24 months. However, cheaper data only eases collection costs — it neither closes the data gap nor unlocks the collect-train-deploy-feedback loop — we expect robot 'brain' maturity to take years: leading robotics firm's estimates point to an embodied-AI 'ChatGPT moment' in 2-3 years and scaled adoption later, as the effective data feedback from deployed fleets is still low of today's data mix.

Headline shipments mask a demand base dominated by non-productive use

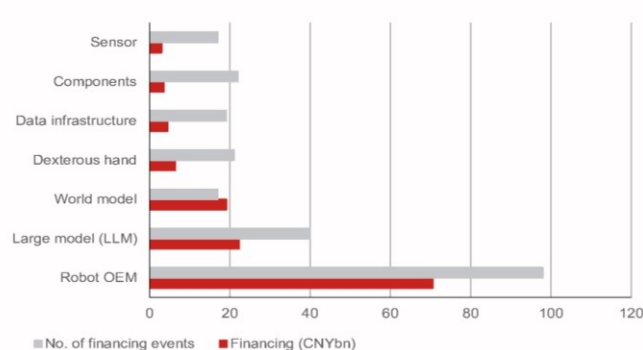
Beneath the headline volumes, our survey work points to a demand base still dominated by non-productive use. We forecast 2026 industry shipments of 45-50k units — below the ~100k media narrative — driven by accelerating government procurement and consumer demand inflection from low-priced product launches (*Optimus ramps; China scales up as cost curves bend lower* published on 28 June 2026). Based on our industry survey, 2026E demand still skews toward entertainment/performance (~30%), consumer (~30%), government procurement (~20%) and education (~15%), with innovative scenarios (industrial/commercial) at only ~5% — a rotation away from 2025's rental-led mix (45-50%), but not yet toward productive use. Rental economics illustrate the fragility: humanoid day-rates of CNY4,000-20,000 are down 50-60% y-y, stabilising only because OEM selling prices have already fallen; the market remains local and fragmented — too small, per the expert, to support platform-style rental businesses — and rising per-event robot counts (one unit in 2025 to four in 2026, occasionally 20-30) drive volume without recurring revenue. Government-backed data-collection factories, ~20% of 2026F demand, carry 3-5-year paybacks, and we expect humanoid data-collection procurement to be soft in 2027F as body-free collection scales. Capital formation, meanwhile, is running well ahead of this demand reality: according to GGII, humanoid OEMs raised CNY70.5bn across 98 deals in 1H26 (53% of total sector financing), with embodied foundation models (CNY22.3bn/40deals), world models (CNY19.1bn/17 deals) and data infrastructure (CNY4.4bn/19 deals) absorbing much of the remainder. The funding mix is effectively underwriting a model-driven capability inflection that the shipment mix has yet to validate. We therefore treat repeat orders from non-related industrial customers as necessary for companies' earnings.

Fig. 17: End market demand mix



Source: Company data, Nomura research

Fig. 18: 1H26 financing by sub-segment

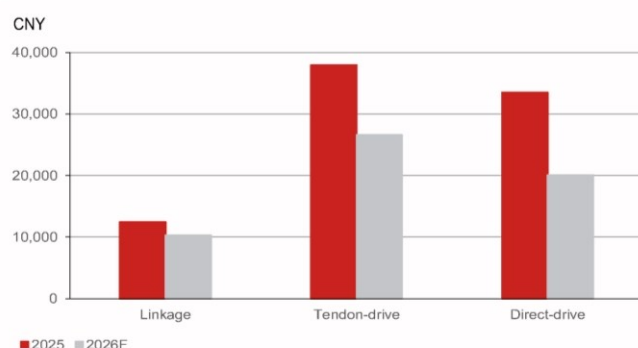


Source: Company data, Nomura research

Dexterous hands: three routes converge, hardware iterates faster than demand

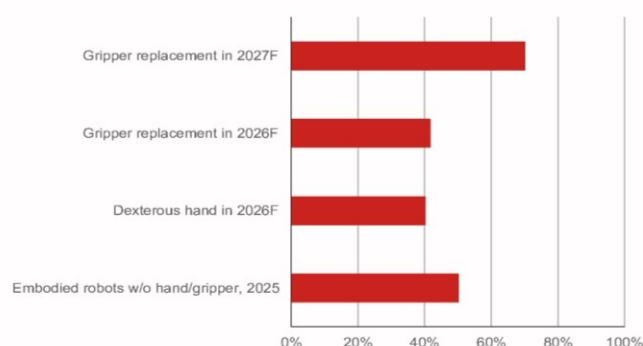
Dexterous hands are converging on a three-route roadmap. Linkage hands — low-DOF (≤ 12 degrees of freedom), ASPs of CNY12,000-13,000 and over 80% of industry shipments — form the commoditizing legacy base, led by Inspire Robots (unlisted), with OYMotion (unlisted) and Zhaowei (003021 CH, Not rated) following, according to the companies; we note sub-CNY10k pricing has already emerged. The high-DOF battleground is tendon-drive versus direct-drive. Tendon designs (15-19 DOF, ~CNY38,000 ASP) most closely replicate the human hand — which proponents argue eases training on human-collected data — championed by LinkerBot (unlisted) and Dexterous Intelligence (unlisted), but face tendon creep and ~2-month lifespans. Direct-drive (20+ DOF, CNY33,000-34,000, volume from 4Q26) is favored by algorithm teams for per-joint force control and RL (reinforcement learning) friendliness — Sharpa (Unlisted) leads, with Sudo's (Unlisted) 22-DOF/840g hand and Kinetix AI's (unlisted) 37-DOF in-palm-motor design at World Artificial Intelligence Conference (WAIC) — but motor heat binds: vendors face a heat-force-size triangle in which only two can be optimized, so hybrid architectures are proliferating. Tactile sensing is consensus at fingertips only; full-palm schemes still diverge. With OEMs such as AgiBot iterating in-house hands (OmniHand 3) and industry shipments guided +80-100% in 2026, hands are the fastest-iterating link in the chain — though supply still runs ahead of end-demand.

Fig. 19: Average ASP for different technology route



Source: Company data, Nomura estimates

Fig. 20: Dexterous hand gripper penetration in humanoid



Source: Company data, Nomura estimates

Fig. 21: Technology roadmap of dexterous hands

Items	Linkage (screw+rod)	Tendon (motors in forearm)	Direct-drive (motors in hand)	Hybrid (DD-led + tendon)
DoF (degree of freedom)	Low-DoF (≤ 12)	High-DoF (active ≥ 16)	High-DoF	High-DoF solution
2025 shipment share	>80% (all low-DoF)	Small; LinkerBot ~80%	Ramping-up since 4Q25	Emerging in 2026
Lifespan	Mature	~30 days → 2 months+	~4 months	TBD; heat now well-managed
Key bottleneck	Ceiling on DoF	Tendon life / creep / derailing	Heat / weight	Life + cost
Force control & training	Easy	Needs creep-compensation	Joint-level force control	Easier than pure tendon
Cost / ASP	CNY12-13k; sub-10k models emerging	~CNY38k	CNY33-34k	<10% premium vs pure DD; performance +30-40%
Key players	Inspire / OYMotion / Zhaowei / BrainCo (low-DoF)	LinkerBot / DexRobot	Sharpa / Wuji / Sudo / BrainCo Rev3	Xynova Flex2 / AgiLink

Source: Company data, Nomura research

The brain race runs through data: brain maturity may take years on scarce feedback

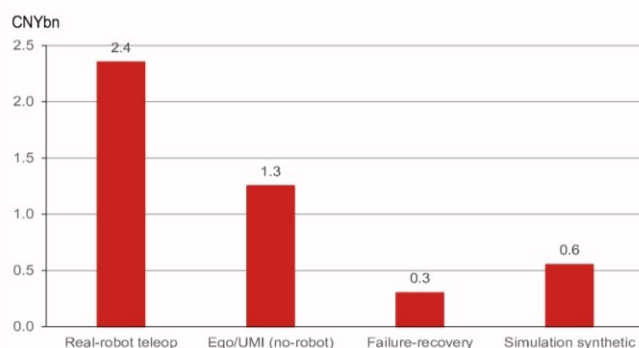
WAIC made the data bottleneck visible on the show floor, where data tooling emerged as a product category in its own right (*Data emerges as the critical part for robotics* published on 5 July 2026). Exhibitors moved beyond robots to full acquisition stacks — PsiBot's (unlisted) SynCap system synchronizing vision, language, tactile and motion streams, BrainCo's (unlisted) training-platform-plus-collection solution and a cluster of exoskeleton-glove and teleoperation rigs — while DexForce (unlisted) open-sourced a human-simulation-real aligned dataset and one e-commerce company was reported to be building a large-scale collection center, signaling platform capital entering the trade.

Standardized collection-simulation-evaluation-deployment pipelines have been a common

pitch — echoing the closed-loop model we favor — and are gaining regulatory scaffolding: a national standard on humanoid dataset quality evaluation was formally initiated in July 2026 (under China's robotics standards committee TC591), alongside an MIIT industry standard on training-data management now in public consultation—though vendors guarding private standards may slow adoption.

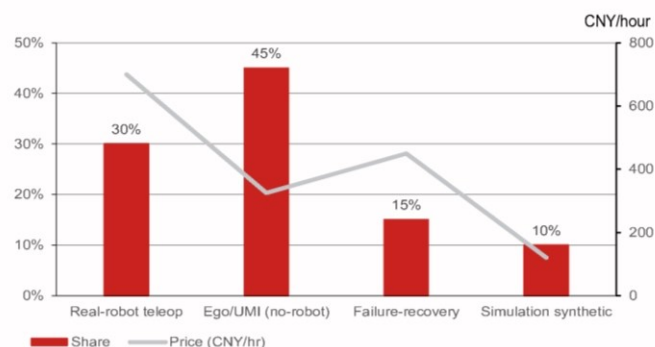
We expect that VLA's generalization and long-horizon limits, acknowledged since 4Q25, are at core a data problem, pushing vendors toward world-model fusion — pretraining corpora already run near 1:9 real-to-synthetic, lowering but not eliminating real-data needs — while the simulation-heavy US route contrasts with China's real-machine teleoperation weighting.

Fig. 22: Data collection market size



Source: Company data, Nomura estimates

Fig. 23: Share and ASP in different data collection types



Source: Company data, Nomura estimates

Government policies

A state-backed strategic industry

Chinese policy is a structural tailwind, in our view, positioning embodied intelligence as a priority future industry. The 2026 Government Work Report and the CPC's 15th Five-Year Plan recommendations both explicitly name embodied intelligence as a new growth engine, calling for future-industry investment and risk-sharing mechanisms.

MIIT's "Guiding Opinions on Humanoid Robot Innovation and Development" targets an initial innovation system by 2025 — with breakthroughs in "brain, cerebellum, body" technologies and batch production — and, by 2027, a globally competitive industrial ecosystem with world-advanced comprehensive strength, aiming to nurture 2–3 globally influential ecosystem enterprises.

In addition, sector policy quantifies end-demand. The "Robot+ Application Action Plan" targets a doubling of China's manufacturing robot density versus 2020 by 2025 and the rollout of 200+ benchmark application scenarios across 10 priority fields. The NDRC's (National Development and Reform Commission) 2024 consumption-scenario measures explicitly promote AI-large-model-based humanoid robots in cleaning, elderly/disabled care and education. In our view, these mandates translate into incremental total addressable market by de-risking demand (public-sector and industrial pilots) and supply (component localisation), supporting GGII's CNY38bn China humanoid forecast for 2030.

Fig. 24: Government policies

Authority	Policy	Details
State Council (2026)	2026 Government Work Report of the State Council	Foster and strengthen emerging industries and future industries. Establish mechanisms for growing investment in and sharing risk of future industries, and cultivate future industries such as future energy, quantum technology, embodied intelligence, brain-computer interfaces, and 6G.
Central Committee of the CPC (2025)	Recommendations of the CPC Central Committee on Formulating the 15th Five-Year Plan for National Economic and Social Development	Proactively plan future industries, exploring diverse technology paths, typical application scenarios, feasible business models, and market regulatory rules; promote embodied intelligence as new economic growth drivers. Promote the development of specialized, refined SMEs with distinctive strengths, and cultivate unicorn enterprises.
Ministry of Industry and Information Technology (MIIT) and six other departments (2024)	Implementation Opinions on Promoting the Innovative Development of Future Industries	In response to major national strategic needs and the people's aspirations for a better life, accelerate the implementation of major technology and equipment breakthrough projects, achieving breakthroughs in high-end equipment products such as humanoid robots, so that finished products drive the industrialization of new technologies and build a globally leading high-end equipment system.
National Development and Reform Commission (NDRC) and four other departments (2024)	Measures on Creating New Consumption Scenarios and Cultivating New Consumption Growth Drivers	Create new consumption scenarios for electronic products: expand the functions of intelligent robots in cleaning, entertainment and leisure, elderly and disability care, and education and training, and explore the development of humanoid robots based on large AI models.
Ministry of Industry and Information Technology (MIIT) (2023)	Guiding Opinions on the Innovative Development of Humanoid Robots	By 2025, an initial innovation system for humanoid robots will be established, with breakthroughs in key technologies such as the "brain, cerebellum, and limbs," ensuring the safe and effective supply of core components. Finished products will reach an internationally advanced level and achieve mass production, with demonstration applications in special operations, manufacturing, and public services, while exploring effective governance mechanisms.
Ministry of Industry and Information Technology (MIIT) and sixteen other departments (2023)	Implementation Plan for the "Robot+" Application Action	By 2025, the density of manufacturing robots will double compared with 2020, the depth and breadth of application of service robots and specialized robots will be significantly improved, and the ability of robots to promote high-quality economic and social development will be markedly enhanced.
Ministry of Industry and Information Technology (MIIT) (2023)	2023 Future Industry Innovation Task Open Competition and Leadership Program	By 2025, establish high-dynamic walking control algorithms for humanoid robots that can support humanoid bionic structures with no fewer than 28 degrees of freedom, including legs, arms, waist, hips, knees, and ankles. Support humanoid robots in achieving high-dynamic walking on flat ground, slopes, steps, uneven surfaces, and soft surfaces, with a maximum walking speed on flat ground of $\geq 4\text{km/h}$ and a maximum running speed of $\geq 9\text{km/h}$.
Ministry of Science and Technology (MOST) and five other departments (2022)	Guiding Opinions on Accelerating Scenario Innovation to Promote High-Quality Economic Development through High-Level Application of Artificial Intelligence	In the manufacturing sector, priority is given to exploring intelligent scenarios such as industrial brains, robot-assisted manufacturing, machine vision-based industrial inspection, and equipment interconnection management.

Source: MIIT, State Council, Nomura research

Valuation and risks

TP of CNY370 based on 25x 2027F P/S

We initiate coverage of Unitree with a Buy rating and a target price of CNY370, implying 145% potential upside. Our TP of CNY370 is based on 25x 2027F P/S applied to our 2027F revenue estimate of CNY5.4bn, implying a CNY150bn market cap on 404,464,340 post-issue shares. We prefer P/S for three reasons. First, Unitree is reinvesting through an earnings trough: 1Q26 revenue rose 68.5% y-y, but recurring net profit fell 52.6% on a step-up in R&D and selling expenses. Second, 2025 reported net profit of CNY278mn is distorted by a CNY349mn non-cash share-based payment charge, against recurring net profit of CNY591mn. Third, the sales line is a clear anchor, and it is growing fast: revenue at a 226.8% CAGR over 2023-25 to CNY1,699mn at a 60.1% gross margin, and we forecast CNY2.7/5.4bn in 2026/27F. Our TP implies 145% potential upside from the current price and 25x 2027F P/S.

Premium to peers justified by shipment leadership and fast sales growth

Unitree is the sector leader on volume and is a pure-robotics play: cumulative shipments exceed 6,200 humanoid units by end-2025, ranking first globally, and it has held top global quadrupled market share for consecutive years, according to IPO prospectus. The comparable set supports a premium for Unitree. On 17 Aug 2026 pricing, global robotics peers traded at an average 12.5x/8.9x 2026E/27E P/S and China-listed peers at 14.3x/10.0x, but that blend is dominated by component suppliers such as Sanhua (002050 CH, Neutral) at 4.2x/3.7x and Tuopu (601689 CH, Neutral) at 2.8x/2.6x. The relevant comparators are the humanoid players: UBTEch (9880 HK, Not rated) at 10.6x/7.0x with 2027E Bloomberg consensus y-y sales y-y growth estimates at 51%, and Dobot (2432 HK, Not rated) at 12.5x/8.8x with 2027E Bloomberg consensus y-y sales growth estimates at 42%. By comparison, we forecast 101% revenue growth for Unitree in 2027F, ahead of the 30% implied by China domestic peers' 2027F growth rate, and Unitree already earns a 60.1% gross margin and a positive bottom line while some peers carry negative 2026E net margins.

Fig. 25: Comparable peer valuation

Company	Ticker	Market Cap (USD mn)	Rating	Local Price	P/S (x)		Sales growth (%)		OPM (%)		EV/EBITDA (x)		P/E (x)		EPS growth (%)		P/B (x)	
					FY26F	FY27F	FY26F	FY27F	FY26F	FY27F	FY26F	FY27F	FY26F	FY27F	FY26F	FY27F	FY26F	FY27F
China: Robot OEM																		
Estun	002747 CH	4,940.5	Not Rated	36.4	5.8	5.0	280.5	15.7	5.6	6.3	66.2	55.0	134.3	103.7	442.0	29.5	12.5	11.2
Shenzhen Dobot	2432 HK	1,394.4	Not Rated	27.8	12.5	8.8	0.0	42.3	(13.3)	(5.3)	(127.3)	(165.1)	n.a.	n.a.	36.8	(56.6)	4.2	4.2
UBTech Robotics	9880 HK	6,028.8	Not Rated	92.8	10.6	7.0	174.9	50.9	(7.3)	6.6	(267.4)	77.9	n.a.	417.8	(56.1)	(130.1)	5.7	5.3
China: Robot component																		
Inovance Technology	300124 CH	24,899.9	Buy	62.0	3.08	2.71	20.6	14.0	11.0	11.0	21.9	18.9	28.2	24.6	15.3	14.8	3.9	3.3
Zhejiang Sanhua	002050 CH	23,248.4	Neutral	39.0	4.22	3.70	13.8	13.9	15.7	15.7	27.8	24.3	44.4	39.1	13.0	13.6	8.0	6.8
Ningbo Tuopu	601689 CH	12,974.6	Neutral	50.3	2.75	2.56	7.5	7.6	10.2	10.7	17.9	15.5	35.7	31.4	0.2	13.5	3.8	3.5
Orbbec Inc	688322 CH	6,922.9	Buy	113.0	25.84	15.99	61.6	35.9	16.1	17.4	132.1	78.7	125.0	75.1	179.7	66.5	13.4	11.4
Shuangghuan Driveline	002472 CH	4,875.3	Buy	38.7	3.22	2.72	12.0	18.4	16.5	16.2	11.9	10.2	20.7	17.7	15.3	16.4	2.4	2.1
Leader Harmonious Drive	688017 CH	9,853.2	Not Rated	362.2	74.6	49.8	293.6	49.9	21.3	22.0	251.3	166.4	342.0	228.4	52.9	49.8	17.9	17.0
Zhaowei Machinery & Electronics	003021 CH	3,411.8	Not Rated	82.0	11.7	10.0	0.0	17.1	11.7	14.5	61.3	47.2	82.2	60.4	(6.8)	36.1	n.a.	3.9
Zhejiang Rongtai	603119 CH	3,882.6	Not Rated	55.3	14.0	9.6	n.a.	46.5	23.0	22.4	51.1	35.0	68.9	47.6	35.6	44.7	10.4	8.8
RoboSense	2498 HK	1,352.4	Not Rated	22.5	3.0	2.1	429.2	42.9	(1.2)	5.2	123.8	20.2	200.7	28.6	(132.3)	602.7	2.4	2.3
China average					14.3	10.0	117.6	29.6	9.1	11.9	30.9	32.0	108.2	97.7	49.6	58.4	7.7	6.7
Korea																		
Hyundai Motor	005380 KS	66,656.4	Buy	459,500.0	0.5	0.5	4.6	4.9	6.0	6.4	12.9	12.4	11.3	10.6	10.9	7.1	1.0	0.9
Kia Corp	000270 KS	39,193.1	Buy	141,700.0	0.5	0.4	6.6	4.2	7.8	8.0	2.8	2.6	6.3	6.0	6.9	6.2	0.8	0.7
Hyundai Mobis	012330 KS	35,354.3	Buy	550,000.0	0.8	0.7	5.6	4.9	5.6	5.9	6.7	6.2	10.6	10.1	12.6	5.4	0.8	0.8
HL Mando	204320 KS	1,899.6	Neutral	57,100.0	0.3	0.3	1.8	5.3	4.0	4.3	5.6	4.3	15.1	12.8	80.2	17.6	1.1	1.1
Hyundai Glovis	086280 KS	11,291.1	Not Rated	212,500.0	0.5	0.5	296.5	4.2	6.7	6.8	5.2	4.8	9.6	8.5	(4.1)	13.1	1.4	1.2
Rainbow Robotics	277810 KS	6,913.3	Not Rated	593,000.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Hyundai AutoEver	307950 KS	9,549.3	Not Rated	491,500.0	2.8	2.5	311.7	13.1	6.0	6.6	26.4	23.2	61.7	50.8	19.7	21.5	6.7	6.1
Doosan Robotics	454910 KS	3,637.1	Not Rated	79,200.0	83.5	53.5	282.3	56.1	(71.1)	(20.6)	(138.0)	(488.5)	n.a.	n.a.	(25.2)	(52.0)	16.5	17.2
Hyundai Wia	011210 KS	1,317.8	Not Rated	68,400.0	0.2	0.2	298.7	5.7	2.7	2.9	3.6	3.3	12.1	10.1	52.3	20.2	0.5	0.5
Korea average					0.8	0.7	132.2	6.1	5.5	5.8	9.0	8.1	18.1	15.5	25.5	13.0	1.8	1.6
US																		
Tesla	TSLA US	1,351,811.6	Not Rated	342.3	12.8	11.2	282.3	13.6	3.6	4.9	96.5	76.5	201.2	150.6	44.2	33.6	13.3	12.2
Teradyne	TER US	65,473.9	Not Rated	418.8	13.0	10.5	306.2	23.5	32.7	34.5	36.3	28.4	47.5	36.6	153.2	30.0	17.6	14.3
Rockwell Automation	ROK US	49,901.9	Not Rated	449.4	5.5	5.2	276.8	5.5	20.8	21.9	24.2	22.0	34.1	30.4	71.5	12.0	13.2	11.9
Symbolic	SYM US	25,849.4	Not Rated	42.7	9.2	7.1	261.3	30.0	2.5	9.5	71.9	47.1	98.8	67.8	(370.0)	45.8	10.3	3.6
US average					10.1	8.5	281.7	18.1	14.9	17.7	57.2	43.5	95.4	71.3	(25.3)	30.4	13.6	10.5
Global average					12.5	8.9	157.7	21.9	5.7	9.7	21.9	5.3	75.7	66.7	27.0	35.9	7.3	6.3

Note: Source: Pricing as of 17 July 2026; Bloomberg consensus estimates for Not rated companies
Source: Bloomberg Finance L.P., Nomura estimates

Unitree's product competitiveness rests less on leading specs than on price-to-performance delivered at scale. The global humanoid comparison puts the H2 at 31 DoF (degrees of freedom), a roughly 15kg peak arm payload and 5.4km/h walking speed, mid-pack against the Walker S2 (52 DoF, 15kg, 7.2km/h) and Atlas (56 DoF, 50kg lift). Yet the H2 launched at CNY199k, about USD28k, against roughly USD80-90k for the Walker S2 and an estimated USD130-150k for Atlas. Tesla's sub-USD20k Optimus remains a target rather than a list price, with Gen3 production guided for 2H26F (*Optimus ramps; China scales up as cost curves bend lower*). IPO prospectus shows Unitree shipped over 5,500

humanoids in 2025, the industry's highest, against 1,079 full-size units disclosed by UBTech. We attribute this cost-and-delivery position to full-stack in-house development: joint motors, reducers, encoders and LiDAR are self-made, and component commonality between the quadruped and humanoid lines lowers unit costs further. That cost base held humanoid gross margin at 63.2% in 2025. We think this price-to-performance edge, rather than spec leadership, is what makes our 2027-28F volume-led revenue growth of 101% and 144% y-y defensible.

Fig. 26: Global humanoid comparison

Company	Boston Dynamics	Tesla	UBTech Robotics	Unitree Robotics	Figure AI
Humanoid model	Atlas	Optimus Gen 3	Walker S2	H2	Figure 03
Launch / status	Product version unveiled at CES, Jan-26; 2026 output fully committed to Hyundai and Google DeepMind	V3 production guided for summer-26; first-gen lines being installed (Q2-26 earnings); Gen 3 hands (22 DoF per hand) shown Feb-26	Launched 2025; factory deployments under way (lead customer BYD); autonomous battery swap	Launched Oct-25	Launched Oct-25; 350+ units built at BotQ by Apr-26; logistics work at BMW Spartanburg
Price	USD130-150k (estimated)	No list price; Musk long-term target now <USD20k at scale	~USD80-90k (Jun-26)	CNY199k at launch, Oct-25 (~USD28k); ~CNY300k, Jun-26; US pre-order from USD40.9k	Not published; ~USD20k at-scale ambition (BotQ)
Degrees of freedom	56	28+ body; 22 per hand (Gen 3 hands)	52 (22 in hands)	31 (leg 6 / arm 7 / waist 3 / head 2)	n.a. (not published; ~30 unofficial)
Number of actuators	31; fully rotational joints	28+ body; 50 across forearms/hands (Gen 3)	n.a.	n.a.; in-house joint modules	n.a.; in-house
Payload	50kg lift	20kg carry (Gen 2); ~68kg deadlift reported, unconfirmed	15kg	~15kg peak per arm (distributor data); 7kg nominal (listings)	20kg (official spec card)
Walking speed (km/h)	n.a.	~8 (target)	7.2	5.4	4.3 (1.2m/s, official)
Run time	~4h typical; autonomous battery swap	~8h target (2.3kWh pack)	2h per charge; autonomous hot-swap <3 min (near 24/7)	~3h; quick-release 15Ah battery	5h (2.3kWh); 2kW wireless charging
Key suppliers	Hyundai Mobis (actuators, confirmed Jan-26); LG Innotek (vision); NVIDIA (compute); Google DeepMind (AI partnership); Samsung SDI (battery)	In-house AI5 chip (tape-out Apr-26); Grok/xAI (AI). Reported: Tuopu, Sanhua (actuators); Shuanghuan, Nidec, Leaderdrive (reducers); Moons' (motors); LGES (batteries)	In-house actuators; NVIDIA Jetson AGX Orin (compute); Intel (processor); Huawei	In-house joint motors, reducers, encoders (80-90% self-made, mgmt Jul-26); self-developed LiDAR (L1/L2); Intel Core i5 (standard); NVIDIA Jetson AGX Thor (optional, 7070 TDP)	In-house actuators; Helix VLA in-house (OpenAI partnership ended 2025); LG Innotek (camera); NVIDIA (compute)
Auto OEM partner	Hyundai Motor Group (tens of thousands of units planned; 30k/yr robotics plant targeted for 2028E)	In-house (Tesla plants)	BYD (lead); Geely, NIO; FAW-VW, Foxconn (reported)	Dongfeng, Li Auto, NIO, Geely	BMW

Source: Company data, Nomura research

Key risks include: 1) policy risks, which may create obstacles for market-access. On 28 July 2026 the FCC's Public Safety and Homeland Security Bureau added "foreign-produced advanced robotic devices" to the Covered List, implementing a 27 July 2026 National Security Determination by a White House-convened interagency body. 2) Brain (embodied-AI model) development risk: Unitree's R&D ratio may be slightly low for large-model compute needs, risking disruption by software leaders like Google (GOOGL US, Not rated) —while ramping up spend would erode margins. 3) Unclear new growth driver: With over 73% of humanoid revenue tied to research buyers, Unitree's next growth leg hinges on unproven industrial adoption, and failure to break out within 12–24 months could trigger deceleration as the research market saturates. 4) Intensifying competition and ASP pressure: the prospectus explicitly flags Tesla's (TSLA US, Not rated) Optimus Gen-3 pilot production alongside domestic automakers/consumer-electronics entrants, and humanoid ASPs already fell from CNY593k in FY23 to CNY166k in FY25. 5) Margin risk: as noted, gross margin (60.1% FY2025) could retreat under price competition and rising R&D.

Catalysts include: 1) Embodied large-model upgrades: Rollout of self-developed WMA/VLA models and the industrial-grade UnifoLM-X1-0 (already piloted in-house for motor assembly) shifts the valuation anchor toward the "brain". 2) Better-than-expected quarterly results driven by humanoid volume surge: A steep humanoid price cut from CNY260k to CNY160k made humanoids overtake quadrupeds as the core growth engine in 2025, and the resulting volume ramp could push 1H26 revenue above guidance. 3) New product launches / price points — watch for volume ramp-up of the CNY29,900 R1 and the H2 humanoid, plus any successor to G1; unit-shipment disclosures are the key monitorable. 4) Global market ramp-up: Expansion of overseas revenue and customer diversification beyond academia represents an under-monetized growth lever.

Financial analysis

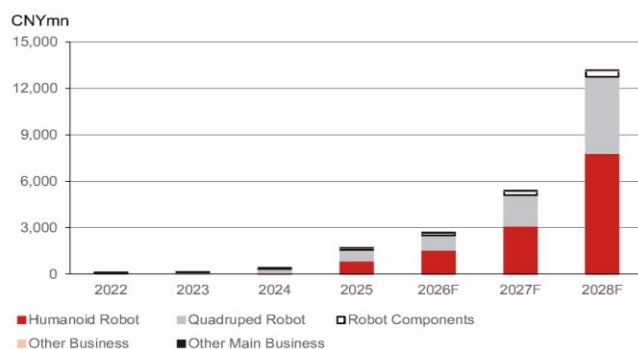
Revenue breakdown: the shifting engine of growth

Unitree grew total revenue from CNY159.1mn in 2023 to CNY392.8mn in 2024 (+146.8% y-y) and CNY1,699.3mn in 2025 (+332.6% y-y), a striking ~227% FY23-25 CAGR, with humanoids overtaking quadrupeds as the largest line. Within 2025 principal revenue of CNY1,676.1mn, humanoid robots reached CNY867.8mn (51.8% mix, up from 1.9% in FY2023), driven by mass production of the H1 and G1 and a 5,215-unit sell-through (vs. 5 units in 2023). Quadrupeds contributed CNY697.6mn (41.6% mix) on 23,037 units, underpinned by sub-CNY10,000 consumer pricing and B2/B2-W industrial adoption. Robotic components added CNY103.7mn (6.2%). We note growth is normalizing sharply: 1Q26 revenue of CNY422.8mn rose 68.5% y-y (versus 332.6% in FY2025), and management guides for 1H26 revenue of CNY1,052-1,128mn (+35.6-45.4% y-y), reflecting a higher base and intensifying competition, in our view.

From four legs to two: the humanoid pivot

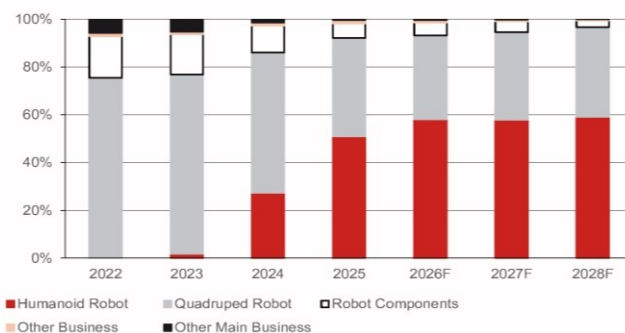
Since 2023, Unitree has pivoted from a quadruped-centric model toward high-performance general-purpose humanoids, a shift that reshaped its revenue mix in just two years. Quadrupeds, which were 75.8% of principal revenue in 2023, fell to 41.6% by 2025 even as their absolute revenue grew ~6x, because humanoids scaled far faster — from CNY0.3mn to CNY867.8mn during the period— to become the 51.8% majority. The pivot was enabled by the August 2023 H1 launch and the sub-CNY100,000 G1 (May 2024), which broadened the addressable market from research quadrupeds toward a far larger embodied-intelligence opportunity. In our view the pivot is strategically sound; however, humanoid ASPs fell sharply (CNY593k to CNY166k per unit in 2023–25) as the mix shifted to mid-size G1 and the CNY29,900 R1, and management's decision to keep pushing price points suggests future growth will lean more on volume than on pricing.

Fig. 27: Unitree revenue by segment, 2022-2028F



Source: Company data, Nomura estimates

Fig. 28: Unitree mix by segment, 2022-2028F



Source: Company data, Nomura estimates

Based on our sensitivity analysis, as shown in below tables, 2026-28F revenue is a volume story: (1) flexing 2028F product growth by 25-75pp around the base case puts total revenue between CNY10,633mn and CNY17,011mn against our CNY13,184mn base, and the gradient is dominated by humanoid: each 25pp of humanoid growth moves 2028F total revenue by roughly CNY781mn, 1.6x the CNY494mn impact of the same move in quadruped; (2) the volume-versus-price tables make the strategic point. Even the mildest volume ramp shown, +144% y-y, paired with the deepest ASP cut, -25%, still yields 2028F humanoid revenue of CNY5,720mn, up 83% y-y; at +269% volume with flat ASP, the figure reaches CNY11,532mn; and (3) the IPO prospectus attributes 110% of 2025 quadruped revenue growth to volume. We expect self-design and self-made component content at 80-90%. We read the ASP axis as largely a strategic choice and the volume axis is a potential growth driver. According to management, IPO-funded manufacturing base will come onstream in 2027E, which should further support Unitree's volume growth, in our view.

Fig. 29: 2026F revenue sensitivity: humanoid vs quadruped

Hum 26F Quad 26F	-15%	10%	35%	60%	85%	110%
30%	1,904	2,078	2,253	2,427	2,601	2,776
55%	2,121	2,295	2,470	2,644	2,818	2,993
80%	2,338	2,512	2,687	2,861	3,035	3,210
105%	2,555	2,729	2,903	3,078	3,252	3,427
130%	2,772	2,946	3,120	3,295	3,469	3,644
155%	2,989	3,163	3,337	3,512	3,686	3,861

Source: Company data, Nomura estimates

Fig. 30: 2028F revenue sensitivity: humanoid vs quadruped

Hum 28F Quad 28F	100%	125%	150%	175%	200%	225%
100%	10,633	11,128	11,622	12,117	12,611	13,105
125%	11,414	11,909	12,403	12,898	13,392	13,886
150%	12,195	12,690	13,184	13,679	14,173	14,668
175%	12,976	13,471	13,965	14,460	14,954	15,449
200%	13,757	14,252	14,746	15,241	15,735	16,230
225%	14,538	15,033	15,527	16,022	16,516	17,011

Source: Company data, Nomura estimates

Fig. 31: 2028F humanoid revenue sensitivity: volume vs price

Vol growth ASP change	-25.0%	-20.0%	-15.0%	-10.0%	-5.0%	0.0%
144.1%	5,720	6,101	6,483	6,864	7,245	7,627
169.1%	6,306	6,726	7,147	7,567	7,987	8,408
194.1%	6,892	7,351	7,810	8,270	8,729	9,189
219.1%	7,477	7,976	8,474	8,973	9,471	9,970
244.1%	8,063	8,601	9,138	9,676	10,213	10,751
269.1%	8,649	9,226	9,802	10,379	10,955	11,532

Source: Company data, Nomura estimates

Fig. 32: 2028F quadruped revenue sensitivity: volume vs price

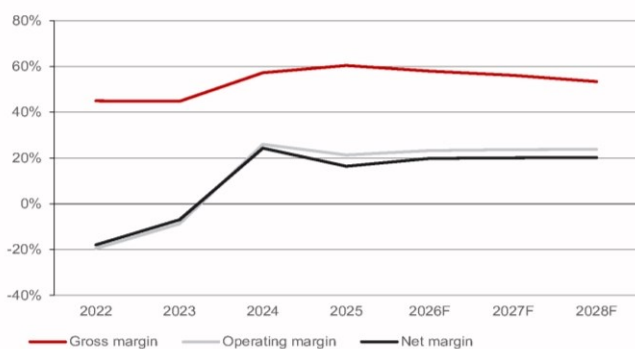
Vol growth ASP change	-25.0%	-20.0%	-15.0%	-10.0%	-5.0%	0.0%
144.1%	3,621	3,862	4,104	4,345	4,587	4,828
169.1%	3,992	4,258	4,524	4,790	5,056	5,323
194.1%	4,363	4,654	4,944	5,235	5,526	5,817
219.1%	4,734	5,049	5,365	5,680	5,996	6,311
244.1%	5,104	5,445	5,785	6,125	6,466	6,806
269.1%	5,475	5,840	6,205	6,570	6,935	7,300

Source: Company data, Nomura estimates

Margins: from red ink to sector-leading returns

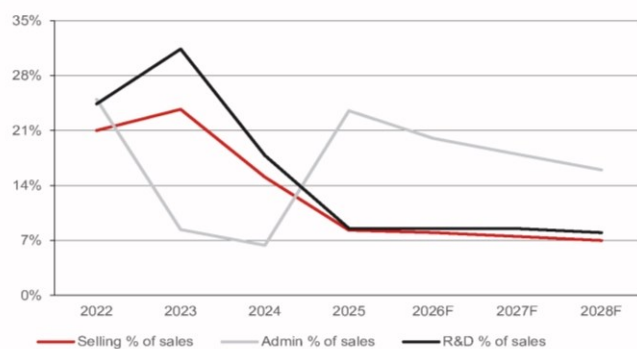
Unitree's profitability inflected decisively over 2023–25: principal-business gross margin expanded from 44.2% to 56.7% to 60.1%, driven by quadruped margins rising to 56.7% on scale and B-series mix, partly offset by humanoid margins normalising from a rarity-inflated 87.7% in 2023 to 66.9% in 2025 as G1/R1 diluted ASPs. The company swung from a 2023 net loss of CNY11.1mn to net profit of CNY278.2mn in 2025; however, reported net margin optically fell to 16.4% (from 24.3% in 2024) because of a one-off CNY349.1mn share-based-payment charge booked to admin expense. Stripping this out, non-GAAP net profit reached CNY590.8mn (34.8% margin) and non-GAAP ROE hit 28.7%, with EBITDA of CNY368.7mn. We expect margins to plateau near current levels, as rising R&D and selling costs — 1Q26 non-GAAP profit already fell 52.6% y-y — offset further gross-margin gains.

Fig. 33: Unitree margin profiles, 2022=2028F



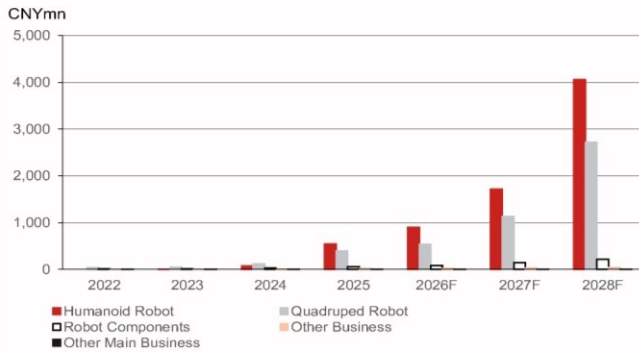
Source: Company data, Nomura estimates

Fig. 34: Unitree expenses ratio, 2022-2028F

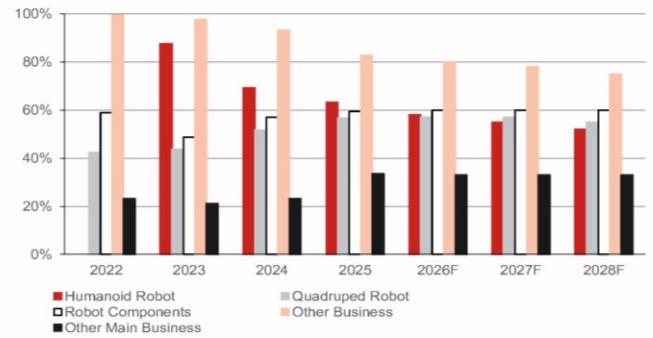


Source: Company data, Nomura estimates



Fig. 35: Unitree gross profit by segment, 2022=2028F

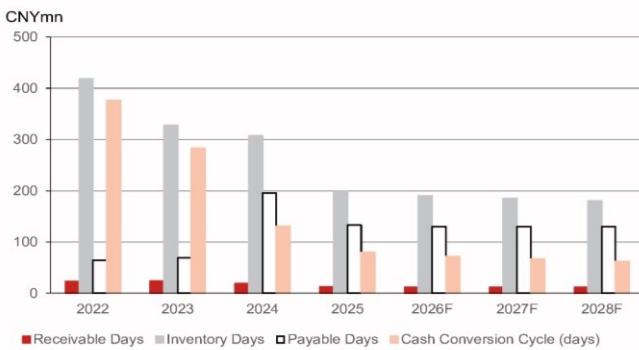
Source: Company data, Nomura estimates

Fig. 36: Unitree gross margin by segment, 2022=2028F

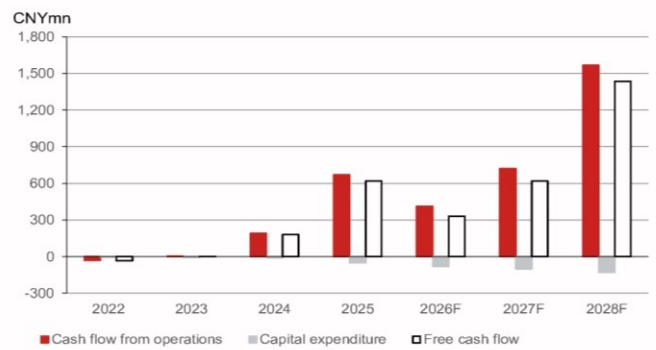
Source: Company data, Nomura estimates

Self-funded scale: cash-rich, debt-light

Unitree enters its IPO from a fortress balance sheet: total assets of CNY3,208.5mn in 2025 against equity of CNY2,604.7mn, a low 18.8% gearing (liability-to-asset) ratio, and no meaningful debt — interest coverage of 341.8x confirms a net-cash position, with cash of CNY1,419.3mn. Operating cash flow scaled from CNY4.9mn in 2023 to CNY192.4mn in 2024 to CNY670.0mn in 2025, comfortably exceeding capex of just CNY50.4mn, implying robustly positive free cash flow that has funded growth internally since 2023. Working capital is efficient: receivables turned 40.5x (~9 days) in 2025, though inventory turnover of 2.64x (~138 days) and one client's consignment stock lengthened the cycle; we estimate a cash conversion cycle near ~14 days, aided by payables of CNY244.8mn and contract liabilities of CNY137.0mn. In our view, the ~CNY4.2bn IPO further supports Unitree's R&D development and its modest capex needs.

Fig. 37: Unitree cash conversion cycle, 2022=2028F

Source: Company data, Nomura estimates

Fig. 38: Unitree free cash flow, 2022=2028F

Source: Company data, Nomura estimates

Fig. 39: Unitree income statement, 2022-2028F

CNYmn	2022	2023	2024	2025	2026F	2027F	2028F
Revenue	123	159	393	1,699	2,687	5,396	13,184
Humanoid Robot	0	3	107	868	1,562	3,124	7,810
Quadruped Robot	93	119	231	698	942	1,978	4,944
Robot Components	2	2	5	23	30	39	51
Others	28	35	50	111	153	255	378
COGS	-68	-88	-168	-672	-1,130	-2,369	-6,140
Gross profit	55	71	225	1,027	1,556	3,027	7,044
Operating items	-79	-85	-123	-665	-931	-1,750	-3,912
Operating income	-24	-14	102	362	625	1,277	3,132
Finance costs	-3	-7	-17	1	-20	-25	-30
Other income/expenses	0	0	16	5	21	26	31
Profit before taxes	-28	-21	101	368	626	1,277	3,132
Income taxes	6	10	-5	-90	-94	-192	-470
Net income	-22	-11	95	278	532	1,086	2,662
EPS	n.a.	n.a.	n.a.	0.76	1.45	2.97	7.27
Margin							
Gross margin	45%	45%	57%	60%	58%	56%	53%
Operating margin	-20%	-9%	26%	21%	23%	24%	24%
Pretax margin	-23%	-13%	26%	22%	23%	24%	24%
Net margin	-18%	-7%	24%	16%	20%	20%	20%
y-y growth							
Revenue		29%	147%	333%	58%	101%	144%
Gross profit		29%	216%	357%	52%	94%	133%
Operating income		42%	837%	255%	73%	104%	145%
Profit before taxes		23%	569%	266%	70%	104%	145%
Net income		50%	956%	191%	91%	104%	145%

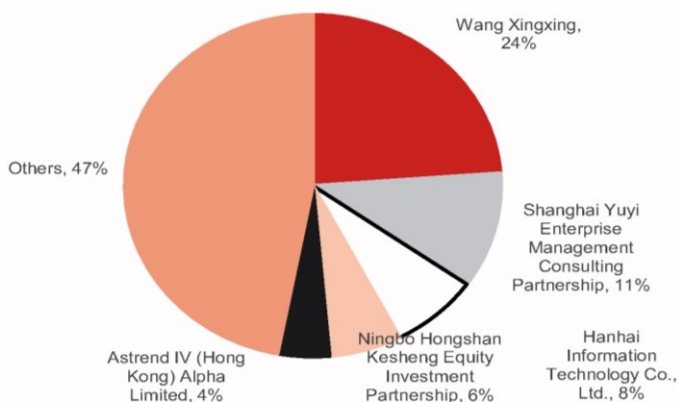
Source: Company data, Nomura estimates

Company background

Unitree Robotics, founded on 26 August 2016 by Wang Xingxing and headquartered in Hangzhou, Zhejiang, is a full-stack developer, manufacturer and seller of high-performance general-purpose robots, spanning humanoid robots, quadruped robots, robotic components and embodied-intelligence models. The company reached three defining milestones over its first decade: the 2017 commercial delivery of Laikago, its first quadruped product; the August 2023 launch of the H1, its first full-size humanoid, and the May 2024 launch of the mid-sized G1, which the company describes as the world's best-selling humanoid in 2024–25. Unitree will be listed on the Shanghai STAR Market on 19 August, issuing 40,446,434 new shares (10% of post-issue capital) to raise proceeds earmarked across four projects totaling CNY4,201.7mn — robot-model R&D (CNY2,022.5mn), robot-body R&D (CNY1,109.7mn), new-product development (CNY445.4mn) and a smart-manufacturing base (CNY624.1mn). In our view, Unitree's scale advantage and full-stack development capabilities underpin its first-mover advantage.

Unitree operates a "consumer-grade + industry-grade" dual-track matrix built around five flagship families: the Go series (Go1/Go2) and B series (B1/B2/B2-W) quadrupeds, and the H1, G1, R1 and H2 humanoids, complemented by components including the Z1 collaborative arm, L1/L2 LiDAR and the Dex1/Dex3/Dex5 dexterous hands. The technology stack is fully self-developed and vertically integrated, encompassing embodied-intelligence and motion-control algorithms, thermal and power-management systems, and core hardware such as high-torque motors, reducers, dexterous hands and sensors; the company held 262 patents (20 domestic invention patents) as of 31 January 2026 and ran a 184-strong R&D team (35.7% of 516 employees). Unitree deploys a flexible production model without fixed designed capacity, shipping 26,032 quadruped units and 5,716 humanoid units in 2025. This vertical integration drove aggressive price points — Go2 broke below CNY10,000 (RMB9,997) in 2023 — while differentiating features such as full-size electric-drive backflips (H1, an industry first) target research, education, inspection, cultural-performance and emerging service end-markets.

Unitree's customer base is notably diversified: its top-five customers contributed just 12.08% of 2025 revenue, with no single client above ~3.1%, and its 2025 disclosed names span an unnamed European client (3.11%), one e-commerce company (2.88%), an Asian client (2.52%), Beijing Chaoyuan Times Technology (Unlisted) (1.81%) and a second Asian client (1.77%). Products reach a broad mix of domestic and overseas universities, research institutions, technology enterprises and global developers, with overseas revenue exceeding 40% throughout the review period — a rare export profile among Chinese robot makers, in our view. Rather than relying on named co-development alliances with global tech leaders, Unitree pursues a hybrid direct-plus-distributor, online-plus-offline go-to-market model, selling through platforms such as Tmall, Amazon (AMZN US, Not rated), and Shopify (SHOP US, Not rated), and cultivating an open-source developer ecosystem (its models feature on the R1 open platform). By revenue mix, 2025 sales split humanoids CNY867.8mn (51.8%), quadrupeds CNY697.6mn (41.6%) and components CNY103.7mn (6.2%); we believe the low concentration and developer breadth de-risk the top line.

Fig. 40: Shareholder structure

Source: Company data, Nomura research

Fig. 41: Management and Board of Directors (BoD) profile

Name	Title	Background
WANG Xingxing	Chairman, General Manager & Chief Technology Officer	Mr. Wang has served as the Company's Chairman, General Manager, and Chief Technology Officer since August 2016. He is the Company's controlling shareholder and actual controller.
YANG Zhiyu	Director & Head of Mechanical Structure	Mr. Yang has worked at the Company since October 2016 and currently serves as Director and Head of Mechanical Structure.
CHEN Li	Director & Head of Sales and Service	Mr. Chen has worked at the Company since May 2018 and currently serves as Director and Head of the Sales and Service System.
ZHANG Yangguang	Director & Head of Algorithms and Software	From July 2015 to March 2017, Mr. Zhang served as an algorithm engineer at Qinu (Beijing) Technology Co., Ltd.; from April 2017 to October 2017, as an algorithm engineer at Sinovation Medical Technology (Beijing) Co., Ltd.; and since January 2018 has worked at the Company, currently serving as Director and Head of Algorithms and Software. He is the employee representative director elected by the Company's Employee Representative Congress (since September 2025).
CUI Wenhan	Director	From July 2016 to August 2019, Mr. Cui served as head of early-stage projects at Shanghai Ziyu Investment Management Co., Ltd.; from August 2019 to May 2021, as Investment Director and Assistant President at Ningbo Plum Angel Investment Management Co., Ltd.; and since May 2021 has served as Senior Vice President of CITIC Jinshi Investment Co., Ltd. He has served as a Company director since January 2024. Nominated by Jinshi Chengzhang.
LIANG Wangnan	Director	From August 1996 to October 2022, Mr. Liang held positions at Beijing Grain Group Co., Ltd., the Beijing Municipal Committee's Commerce and Trade Work Commission, the Beijing Municipal State-owned Assets Supervision and Administration Commission, and the Beijing State-owned Capital Operation and Management Center (Beijing State-owned Capital Operation Management Co., Ltd.); since October 2022, he has served as Director and General Manager of Beijing Jingguorui Equity Investment Fund Management Co., Ltd.; since February 2026, as Deputy General Manager of Beijing State-owned Capital Operation Management Co., Ltd. He has served as a Company director since May 2025. Nominated by Robot Fund.
LI Zongyan	Independent Director	From August 2001 to December 2013, Mr. Li was a lecturer at Nanjing Audit University; since January 2014, he has worked at Zhejiang University of Finance & Economics, currently serving as Deputy Dean and Professor of the School of Accounting. He has served as the Company's Independent Director since September 2025 and serves as convener of the Audit Committee. Nominated by Wane Xinexine and Shanghai Yuyi.
NI Chenkai	Independent Director	From August 2014 to April 2016, Mr. Ni was a lecturer at Renmin University of China; since May 2016, he has worked at Fudan University, currently serving as a Professor at the Fudan University School of Management. He has served as the Company's Independent Director since September 2025 and is a member of the Audit Committee. Nominated by Wang Xinexine and Shanghai Yuyi.
SONG Huasheng	Independent Director	Since April 2006, Mr. Song has worked at Zhejiang University, currently serving as Professor at the Zhejiang University School of Economics and Executive Director of the Zhejiang University Institute for International Economic Studies. He has served as the Company's Independent Director since September 2025. Nominated by Wang Xingxing and Shanghai Yuyi.
WANG Feng	Chief Financial Officer	From July 2006 to May 2009, Mr. Wang was Assistant to the Director at Chun'an Zhenye Tax Agent Firm Co., Ltd.; from June 2009 to April 2014, Finance Manager at Ningbo Xintai Machinery Co., Ltd.; from April 2014 to May 2015, CFO at Hangzhou Feizhu Technology Co., Ltd.; from May 2015 to March 2021, CFO at Zhejiang Shuanglin Environment Co., Ltd. He has worked at the Company since March 2021 and currently serves as Chief Financial Officer.
FU Fenghua	Board Secretary	From September 2010 to May 2018, Mr. Fu successively held roles as Auditor, Senior Auditor, Project Manager, and Senior Project Manager at RSM China Certified Public Accountants (Special General Partnership); from June 2018 to May 2025, as Deputy CFO, CFO & Board Secretary, and Deputy General Manager at Zhejiang Hangke Technology Co., Ltd. He has worked at the Company since May 2025 and currently serves as Board Secretary.

Source: Company data, Nomura research

Appendix A-1

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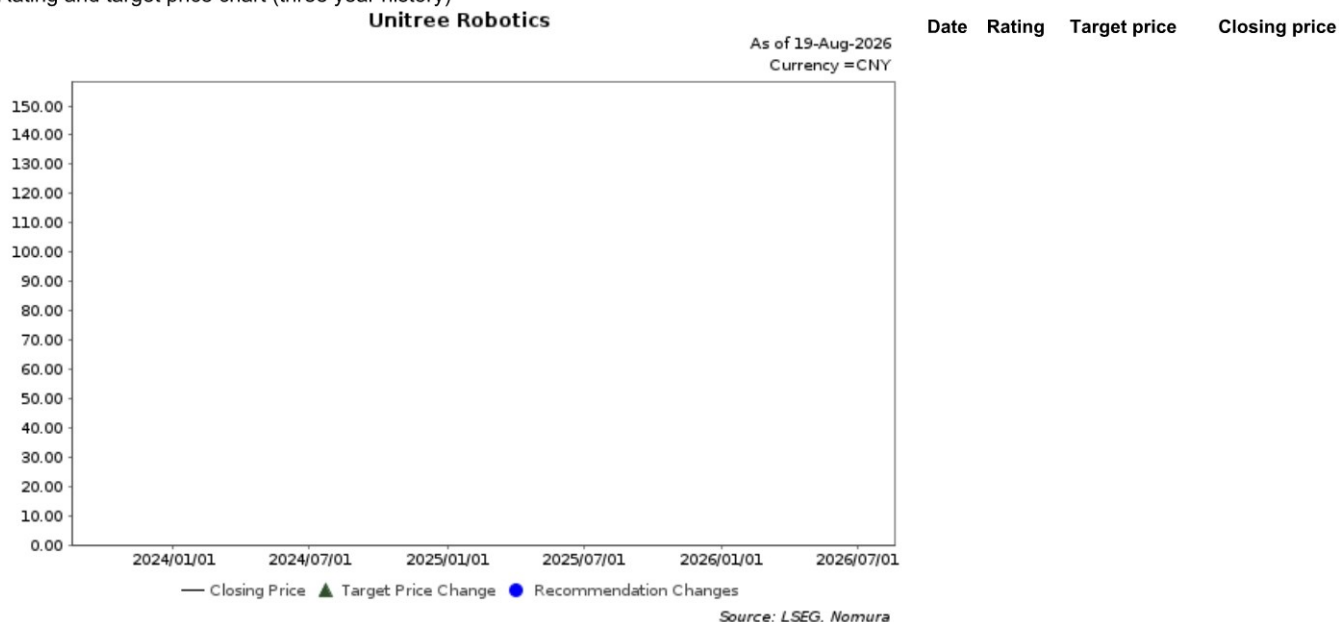
Materially mentioned issuers

Issuer	Ticker	Price	Price date	Stock rating	Sector rating	Disclosures
Unitree Robotics	688836 CH	CNY 150.80	19-Aug-2026	Buy	N/A	

Unitree Robotics (688836 CH)

CNY 150.80 (19-Aug-2026) Buy (Sector rating: N/A)

Rating and target price chart (three year history)



For explanation of ratings refer to the stock rating keys located after chart(s)

Valuation Methodology Our TP of CNY370 is based on 25x 2027F P/S, higher than China robotics P/S average at 9x, which is supported by Unitree's 2026-28F sales CAGR at 122%, backed by fast adoption of humanoid robot and company's capacity expansion to fulfill the demand. The benchmark index is CSI300.

Risks that may impede the achievement of the target price Downside risks include: 1) slower overseas growth due to policy risk (for example, Federal Communications Commission covered list); 2) unclear new growth driver, as more than 70% of humanoid revenue tied to research buyers; 3) intensifying competition and pricing pressure.

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As at 30 June 2026.

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