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China Industrials | Asia Pacific

Read Across From Unitree IPO

Unitree's first-day surge highlights strong capital-market enthusiasm for humanoid robotics. More importantly, we see the industry shifting from education/R&D toward commercial applications.

The share price of Unitree (not covered) surged +460% on its first day of trading, reaching a market cap of Rmb342bn/US\$51bn. This implies 116x/69x P/S on FactSet's revenue estimate of Rmb2.9bn/4.9bn for 2026/27, the highest among peers ([Exhibit 1](#)). Retail enthusiasm was particularly strong, with extremely high public awareness of the Unitree brand, especially with the company appearing on CCTV's Chinese New Year Gala in 2025 and 2026; >8,000x oversubscribed on the retail end, while free float accounted for 7.4% of TSO, according to Wind.

What are the implications for the humanoid industry?

- **Focus shifting toward commercial use cases.** Unitree's revenue growth slowed to +49% YoY in 1H26 from +76% in 2025 YoY. The industry's shift in shipment mix is important here: 1H26 shipments increasingly moved toward industrials and commercials from education, R&D, entertainment and data collection (~65%, [Exhibit 6](#)), compared to Unitree's heavy exposure to education and R&D, (76% of its humanoid revenue in 2025, [Exhibit 7](#)). In our view, this points to a transition toward real-world applications, which we expect to further accelerate in 2H26 and onwards.
- **Models and data becoming the focus.** Industry competition is shifting toward models and data. 48% of Unitree's ~Rmb6bn IPO proceeds will be deployed toward "brain" R&D ([Exhibit 8](#)). Data remains a key bottleneck. From our conversations with the industry, a "GPT-3 moment" could emerge when training data reaches ~10mn hours. The scaling law for robots is a key point to monitor, whether data scale is translating to generalization capabilities. Leading companies have already accumulated hundreds of thousands to millions of training hours, with the 10mn-hour level potentially achievable by 2027/28. We don't know if it can reach the GPT-3 moment that quickly, but we are watching robot performance closely.
- **The gap between players should widen.** According to SAG, the top five Chinese humanoid integrators accounted for 87% of global shipments in 1H26. As the industry transitions from demos and prototypes toward commercialization, we expect scale, data accumulation and access to capital to increasingly differentiate leading players from the rest.

Initial thoughts from WRC Day 1 (Aug 19). We continue to see strong public interest, broader company participation, and expanding product and application offerings, although human-level capabilities remain some distance away. Among rapidly increasing use cases, logistics sorting stood out as one of the fastest-improving applications, with efficiency increasingly approaching commercial levels.

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Industry View

In-Line

Read more: [Implications from Unitree IPO](#)

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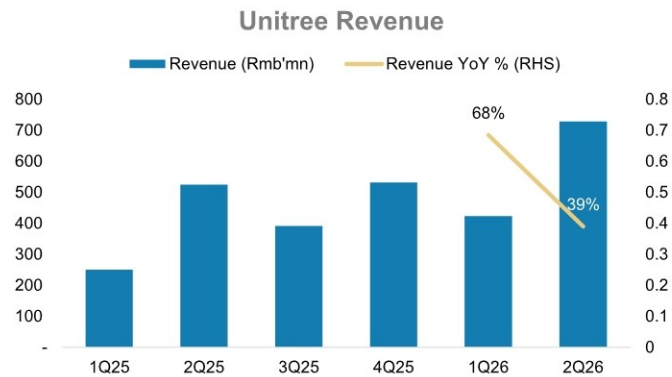
Given Unitree is one of the largest humanoid players globally, its financials and updates are useful for the stocks in our coverage that have humanoid exposure, including Leaderdrive, Hengli Hydraulic and Shuanghuan.

Exhibit 1: Trading comparables - Unitree is trading at 116x/69x 2026/27 P/S

Ticker	Company Name	MS Rating	Trading Curr	Last close 8/20/26	Mkt Cap US\$ (mn)	EPS Growth (%)		P/E (x)		P/B (x)		P/S (x)		EV/EBITDA (x)		ROE (%)	
						2026E	2027E	2026E	2027E	2026E	2027E	2026E	2027E	2026E	2027E	2026E	2027E
China Industrial Robot / Cobot																	
002747.SZ	Estun	UW	CNY	36.0	4,646	470%	48%	122x	82x	16x	14x	5x	4x	76x	62x	12%	16%
2432.HK	Dobot	NC	HKD	24.7	1,242	-	-	-	-	4x	4x	11x	7x	-	-	-4%	-2%
1021.HK	Huayan	NC	HKD	8.7	598	-	212%	164x	53x	5x	4x	7x	4x	200x	45x	2%	6%
Average						470%	130%	143x	68x	8x	7x	8x	5x	138x	53x	3%	7%
Specialized Robot																	
2590.HK	Geekplus	OW	HKD	9.8	1,674	-	-	-	42x	3x	3x	3x	2x	66x	27x	-1%	9%
6600.HK	OneRobotics	NC	HKD	59.0	1,696	-	-	-	113x	8x	7x	8x	5x	1,995x	149x	0%	6%
2729.HK	Galaxis	NC	HKD	34.6	1,888	-	-	-	-	-	-	11x	8x	-	-	-	-
Average						-	-	-	78x	6x	5x	7x	5x	1,031x	88x	0%	7%
Humanoid Robot																	
9880.HK	UBTECH	NC	HKD	85.5	5,489	-	-	-	156x	6x	6x	8x	5x	-	53x	-3%	3%
688836.SS	Unitree	NC	CNY	845.0	50,770	120%	87%	541x	289x	102x	74x	116x	69x	443x	245x	19%	26%
Average						-	-	-	222x	54x	40x	62x	37x	-	149x	8%	15%
Overseas Industrial Robot																	
6954.T	Fanuc	EW	JPY	6063.0	35,445	21%	14%	28x	25x	3x	3x	6x	5x	20x	18x	11%	12%
6506.T	Yaskawa	OW	JPY	4929.0	8,009	44%	13%	25x	22x	2x	2x	2x	2x	14x	13x	10%	11%
ABB.N.S	ABB	EW	CHF	80.4	181,162	24%	24%	25x	20x	10x	9x	5x	4x	21x	17x	34%	39%
Average						30%	17%	26x	22x	5x	5x	4x	4x	18x	16x	18%	20%
Autonomous Driving																	
TSLA.O	Tesla	EW	USD	346.2	1,191,846	-35%	7%	449x	420x	13x	12x	12x	10x	139x	121x	3%	3%
MBLY.O	Mobileye	EW	USD	9.1	7,236	864%	32%	77x	58x	1x	1x	4x	3x	-	18x	1%	2%
WRD.O	WeRide	OW	USD	6.1	6,143	-	-	-	-	6x	8x	38x	19x	-	-	-22%	-22%
9660.HK	Horizon Robotics	OW	HKD	4.8	8,925	-	-	-	-	6x	6x	10x	6x	-	-	-24%	-11%
6880.HK	Momenta	NC	HKD	266.0	6,996	-	-	-	-	8x	8x	12x	7x	-	-	-13%	-2%
2026.HK	Pony AI	NC	HKD	58.6	2,641	-	-	-	-	19x	23x	18x	9x	-	-	-21%	-25%
Average						-	-	-	239x	9x	10x	15x	9x	-	70x	-13%	-9%
LLM																	
0100.HK	Minimax	OW	HKD	292.4	13,013	-	-	-	-	6x	7x	33x	11x	-	-	-	-33%
2513.HK	Z.AI	OW	HKD	1012.0	60,050	-	-	-	-	13x	14x	77x	26x	-	-	-	-13%
Average						-	-	-	-	9x	11x	55x	19x	-	-	-	-23%

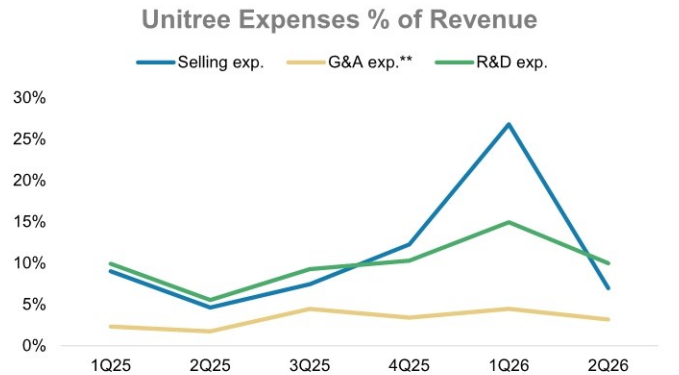
Source: FactSet as of Aug 19, 2026 close, Morgan Stanley Research. Note: Morgan Stanley Research estimates for covered companies. FactSet estimate for non-covered (NC) companies.

Exhibit 2: Unitree Revenue: +39% YoY in 2Q26 vs. 68% in 1Q26



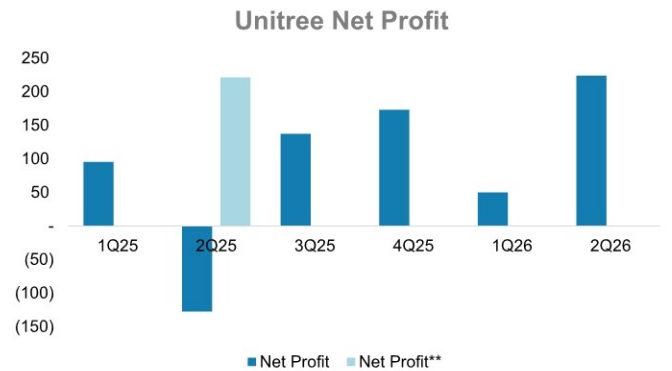
Source: Wind, Company Data, Morgan Stanley Research

Exhibit 3: Unitree Expense Ratio: Increased R&D expense in 1H26 (12% vs. 9% in 2025)



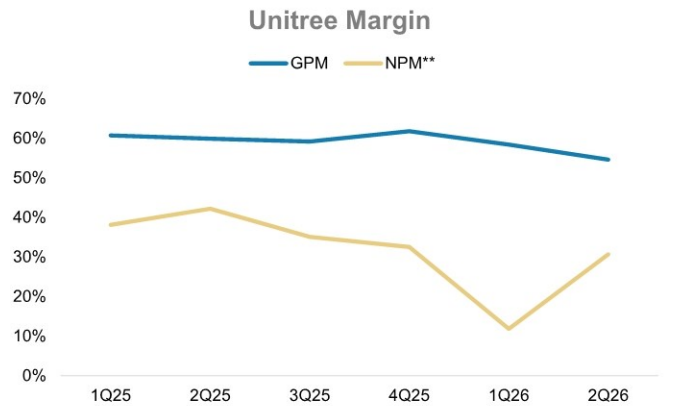
Source: Wind, Company Data, Morgan Stanley Research. Note: **excluded Rmb349mn one-off ESOP expense in June 2025.

Exhibit 4: Unitree - Net profit (1Q26 was dragged by high selling/promotional expenses)



Source: Wind, Company Data, Morgan Stanley Research. Note: **excluded Rmb349mn one-off ESOP expense in June 2025.

Exhibit 5: Unitree - Strong margin



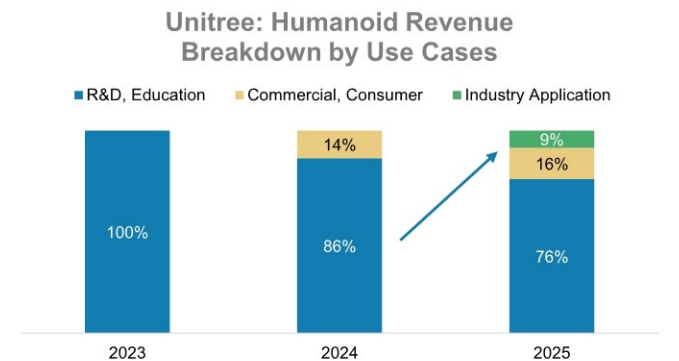
Source: Wind, Company Data, Morgan Stanley Research. Note: **excluded Rmb349mn one-off ESOP expense in June 2025.

Exhibit 6: We saw more commercial use cases in 1H26 at an industry level...



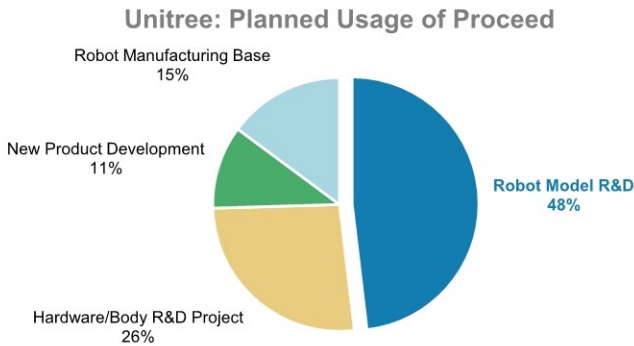
Source: MIR Databank, Morgan Stanley Research

Exhibit 7: ...compared to Unitree revenue heavily skewed toward R&D and education in 2025



Source: Unitree, Morgan Stanley Research.

Exhibit 8: Unitree plans to invest nearly half of its IPO proceeds in "brain" R&D



Source: Unitree, Morgan Stanley Research

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Not-Rated/Hold	3	0%	1	0%	33%	1	0%
Underweight/Sell	560	15%	97	10%	17%	217	12%
Total	3,674		936			1741	

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INDUSTRY COVERAGE: China Industrials

COMPANY (TICKER)	RATING (AS OF)	PRICE* (08/19/2026)
Chelsea Wang		
China Railway Group (601390.SS)	E (05/12/2022)	Rmb4.31
China Railway Group (0390.HK)	E (08/11/2025)	HK\$3.34
China State Construction Engineering (601668.SS)	U (08/11/2025)	Rmb4.41
Han's Laser (002008.SZ)	O (10/02/2025)	Rmb88.20
Hefei Meyer Optoelectronic Technology (002690.SZ)	E (09/08/2025)	Rmb15.50
iRay Technology Company Limited (688301.SS)	O (07/07/2026)	Rmb96.33
Neway Valve (Suzhou) Co., Ltd (603699.SS)	O (09/12/2025)	Rmb53.33
Shanghai BOCHU Electronic Technology (688188.SS)	O (08/22/2024)	Rmb102.40
Shenzhen Envicool Technology Co Ltd (002837.SZ)	O (08/19/2024)	Rmb52.59
Sheng Zhong		
Beijing Geekplus Technology Co., Ltd. (2590.HK)	O (08/07/2025)	HK\$9.82
Centre Testing International Group (300012.SZ)	E (11/18/2024)	Rmb15.04
CRRCLtd (1766.HK)	U (01/22/2026)	HK\$5.14
CRRCLtd (601766.SS)	U (01/22/2026)	Rmb6.09
DR Laser (300776.SZ)	E (12/17/2021)	Rmb115.66
Estun Automation Co Ltd (002747.SZ)	U (06/30/2022)	Rmb36.04
Haitian International Holdings Limited (1882.HK)	E (09/08/2025)	HK\$20.16
Hongfa Technology Co Ltd (600885.SS)	O (05/23/2023)	Rmb35.21
Jiangsu Guomao Reducer Co Ltd (603915.SS)	U (01/08/2025)	Rmb12.87

Jiangsu Hengli Hydraulic Co.Ltd (601100.SS)	O (05/23/2023)	Rmb101.00
Jingsheng Mechanical & Electrical Co (300316.SZ)	U (01/08/2025)	Rmb43.83
Leader Harmonious Drive Systems (688017.SS)	O (01/22/2026)	Rmb313.53
Sany Heavy Industry Co., Ltd. (600031.SS)	O (01/08/2025)	Rmb18.93
Shenzhen Inovance Technology (300124.SZ)	++	Rmb59.75
Shenzhen SC New Energy Technology Corp (300724.SZ)	U (09/08/2025)	Rmb59.41
Sinotruk (Hong Kong) Limited (3808.HK)	E (05/19/2025)	HK\$38.60
Suzhou Maxwell Technologies Co Ltd (300751.SZ)	U (09/15/2023)	Rmb189.50
Times Electric (3898.HK)	E (01/22/2026)	HK\$34.72
WeiChai Power (2338.HK)	O (03/30/2026)	HK\$32.20
WeiChai Power (000338.SZ)	O (03/30/2026)	Rmb28.38
Wuxi Autowell Technology Co Ltd (688516.SS)	U (09/08/2025)	Rmb40.86
Wuxi Lead Intelligent (300450.SZ)	O (09/08/2025)	Rmb33.52
Zhejiang Dingli Machinery Co Ltd. (603338.SS)	O (11/05/2025)	Rmb55.35
Zhejiang Hangke Technology (688006.SS)	O (09/08/2025)	Rmb23.80
Zhejiang Shuanghuan Driveline Co. Ltd. (002472.SZ)	O (08/25/2023)	Rmb36.30
Zoomlion Heavy Industry (1157.HK)	O (09/08/2025)	HK\$6.81
Zoomlion Heavy Industry (000157.SZ)	O (09/08/2025)	Rmb6.87

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