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Robotics & Automation

What's changing, what's working, and who to watch next: MIR latest insights, WRC2026 Fieldwork and 2Q26 results wrap

In this report, we provide a comprehensive update on China's FA and robotics sector, structured around four core themes: (1) a close look at MIR's 2Q26 data and what it signals for the cycle; (2) the latest MIR full-year forecasts, which have been revised down for FA growth in 2026E by 3ppts to c.10% (from 13%), and for 2027E/28E to 6%/3% (from 10%/6%), while IA and PA forecasts for 2026E have been revised up by 1ppt and 3ppts, respectively; (3) a summary of what leading FA and robotics companies are actually reporting and saying in their 2Q26 results and briefings; and (4) our on-the-ground takeaways from WRC 2026 in Beijing, where we see the sector's commercialization, pricing, and supply chain dynamics evolving rapidly.

Stock view: We continue to see the FA upcycle as intact and the sector's shift toward higher-value, innovation-driven growth accelerating, but recent market performance in China has been mixed. Our Overweight calls on Leader Drive, Estun Automation, and Orbbec have outperformed YTD, reflecting strong execution, margin delivery, and leadership in high-content automation and robotics. However, in recent weeks, we have seen profit taking and sector rotation, with these names consolidating after a strong run. Fundamentals remain solid, and robotics commercialization is progressing, but the market is now rewarding laggards and under-owned names as investors rotate exposure.

For the remainder of the year, we recommend revisiting laggards and supply chain beneficiaries, especially those exposed to the Tesla bot ecosystem, such as Sanhua Intelligence and Hengli Hydraulic, as well as UBTech and Inovance in the FA sector. While we have downgraded Yiheda to Neutral due to ongoing investment and margin pressure, we continue to favor quality leaders with clear innovation and execution advantages. With sector rotation and sentiment driving near-term performance, we see the best risk-reward in selectively adding to names that have lagged but are poised to benefit as the cycle matures and investor focus returns to fundamentals and supply chain leverage.

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Table 1: MIR's latest full-year forecasts and sector signals

Key Area	Details
2Q26 sales trend	FA sales up 8.0% Y/Y; IA market flat at +0.2% Y/Y; PA down -4% Y/Y
Product-level growth	AC servo +25% Y/Y, Small PLC +15% Y/Y, Mid-to-Large PLC +14% Y/Y, industrial robots +17% Y/Y
MIR full-year forecast	FA sales growth revised to c.10%/6%/3% for 2026E/27E/28E (from 13%/10%/6%); IA revised up to 6% (from 5%), PA to 5% (from 2%)
Sector message	Cycle is improving but recovery is increasingly selective; strongest stock implications in high-content, quality-driven segments
Demand drivers	AI-related capex, lithium battery, AIDC, electronics, PCB, semiconductors, and laser cutting
Margin/quality focus	Companies prioritizing margin quality, product mix, and disciplined project selection

Source: MIR databank 2Q26 review, Full-Year Outlook.

See page 14 for analyst certification and important disclosures, including non-US analyst disclosures.

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Table 2: WRC 2026 Beijing – Key Takeaways

Theme/Trend	Details
Sector focus shift	Industry moving from "can move" to "can work"; Unitree, Engine AI, LimX lead in locomotion; UBTech excels in interaction
Demo maturity	Athletic capabilities near human level, but fine manipulation and dexterous hand control still lag
Embodied AI & data loops	Real-world data loops and embodied AI are next key differentiators; most demos still scripted, few long-sequence tasks
Pricing discipline	Most humanoid robots priced Rmb400k-800k; performance robots ~Rmb300k; Unitree R1 at Rmb40k; GPM profile ~50%
Cost-down benchmark	Unitree stands out for motion-performance and cost-down; sets industry reference for hardware
Vertical integration	Vertical integration more about reliability, iteration, and supply chain security than immediate cost-down
Commercialization progress	OEMs piloting robots in real-world industrial/logistics/warehouse/assembly/eldercare/education settings; most demos below human benchmarks but some show competitive productivity
Monetization strategies	Some OEMs monetizing through hand/glove/data-collection modules; building data loop for future AI iteration
Supply chain beneficiaries	Upstream suppliers (harmonic reducers, joint modules, sensors, 3D vision, LiDAR, MCUs) benefit earlier and more broadly than full robot OEMs

Source: J.P. Morgan research

High frequency data continues to reinforce the strength and selectivity of the FA upcycle

- **Japan's latest JMTBA machine-tool data (released on Sept 3) provides compelling evidence that AI and robotics demand is already translating into real capital-equipment orders.** July 2026 machine-tool orders reached ¥193.09B, down 5.1% M/M but up a robust 50.4% Y/Y, marking the 13th consecutive month of Y/Y growth. Total orders have now remained above ¥120B for 17 straight months, reaching the third-highest level since records began. As machine tools are a leading indicator for factory capex, production expansion, and automation-enabling investment, this trend offers tangible proof that the AI TAM is expanding. JMTBA's forward-looking commentary explicitly links future overseas demand to AI- and robotics-related sectors, with management expecting capital-equipment demand to continue growing—supported domestically by policy and overseas by the ongoing boom in AI and robotics.

- **MIR's August high frequency data further confirms that the FA upcycle remains intact, but leadership is increasingly selective.** Panasonic and Delta's August AC servo sales continued to surge, up 20% Y/Y and 23% Y/Y, respectively. In contrast, Yaskawa's AC servo declined at a single-digit Y/Y rate, but the underlying sector trends remain aligned: AI-related capex in semiconductors, ARVR, and energy storage/lithium battery continues to drive the cycle. On the project-based side, shipbuilding and port-related demand stood out as bright spots, while chemical engineering, oil & gas, mining, and electricity generation lagged. Industrial robot sales showed diverging performance across players (Fanuc -5% Y/Y, KUKA +35% Y/Y, Yamaha -3% Y/Y), mainly reflecting market share shifts—most notably KUKA's gains in Automotive, as it localizes its supply chain and enhances cost competitiveness.

- **Airtac's August sales sustained a strong 27% Y/Y increase, with 8M26 sales up 25% Y/Y**, providing another encouraging signal for the continuation of robust FA momentum. Management believes the upcycle can be extended at least into 2027, citing strong August performance underpinned by electronics, textile, machine tool, and lithium battery. The data supports two key drivers for the current upcycle: (1) AI-related capex is now having multiplier effects upstream, notably into machine tool; and (2) traditional sectors, such as textile equipment, are benefiting from overseas expansion and rising global competitiveness, which in turn supports FA as an upstream component supplier.

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MIR 2Q26 findings highlight a selective upcycle, with growth and quality increasingly concentrated in high-value automation and robotics segments

MIR databank's quarterly update shows a clear pattern for the 2Q26: headline FA sales growth remains solid at +8.0% Y/Y, but the real momentum is concentrated in high-content, quality-driven segments. AC servo, PLCs, and industrial robots are all delivering accelerating growth, while process automation and project-sensitive lines are lagging. A closer look at the 2Q26 results just concluded, management teams from the automation & robotic companies we cover are highlighting a more selective recovery, with demand strongest in lithium battery, AIDC, and electronics, and a clear focus on margin quality, product mix, and disciplined project selection. Companies are openly acknowledging that the upturn is broad-based: they are seeing robust order flow and solid execution in high-value categories, but are also flagging ongoing cost pressures, supply chain constraints, and the need to walk away from low-margin or slow-paying business. Several management teams (notably Estun and Yiheda) are emphasizing that they are prioritizing sustainable profitability and cash flow over chasing every order, while others (like Inovance and Leader Drive) are calling out share gains in motion/control and new business wins in robotics and international markets. The overall tone is constructive but realistic—leaders are leaning into innovation and quality, but are also managing expectations for a more selective, disciplined cycle ahead.

- **The latest MIR 2Q26 data confirms the FA upcycle is intact, but growth is now highly selective and focused on the right product categories and end-markets.** FA sales rose 8.0% Y/Y, but the broader IA market was flat at +0.2% Y/Y, and PA declined 4.0% Y/Y. The strongest demand is coming from lithium battery (including battery-swapping stations), as leading automakers accelerate full-line equipment procurement, and AIDC-related investment is driving a sharp increase in electronics sector demand, especially for PCB and semiconductors. Even as competition intensifies in traditional industries like laser cutting, shipment volumes are rising. With demand picking up across multiple industries, MIR maintained its c.10% Y/Y FA market growth forecast for 2026E.

- **MIR's latest forecast revisions reinforce that the FA recovery is real, but increasingly selective rather than broad-based, and management is now more cautious on multi-year acceleration.** Compared to 1Q26, MIR cut its FA sales growth forecast to c.10%/6%/3% for 2026E/27E/28E (from 13%/10%/6%), even as 2Q26 demand signals remain constructive. In contrast, MIR revised up its 2026E IA and PA forecasts, with IA lifted to 6% (from 5%) and PA to 5% (from 2%), pointing to broader near-term improvement in industrial automation. The overall message is clear: the cycle is improving, but the best stock implications remain in segments with stronger end-market exposure, higher automation content, and quality share gains, rather than broad FA growth alone.

- **The most robust demand is coming from segments where automation content and payback are highest, and this is driving a clear product and end-market hierarchy.** PCB surged 56% Y/Y, making it the top-performing end-market, while lithium battery demand rose 35% Y/Y, supported by overseas capacity expansion for energy storage and EV battery. Industrial robot-related

demand climbed 25% Y/Y, electronics/semiconductor rose 20% Y/Y, logistics equipment increased 14% Y/Y, and machine tools grew 9% Y/Y. These categories are all tied to productivity, throughput, and manufacturing upgrades, and they require higher automation content, which in turn supports demand for servo, PLCs, robots, motion components, and control systems. The weaker PA trend is due to slower capex in verticals like metallurgy, mining, oil & gas, and petrochemical.

- **Product momentum is strongest in control and motion layers, with servo and PLCs leading the upcycle and signaling a shift toward higher automation content and more advanced factory control systems.** AC servo posted a clean 25% Y/Y gain in 2Q26, Small PLC grew 15% Y/Y, and Mid-to-Large PLC increased 14% Y/Y. This strength is not just about Inovance's share gains—global and domestic players like Siemens, Panasonic, Xinje, HCFA, Estun, and Leisai are all participating, suggesting genuine demand expansion rather than just share redistribution. This broad participation points to healthier end-demand from precision manufacturing, battery equipment, robots, electronics, and other high-automation applications. Low-voltage inverter growth of 6.5% Y/Y was positive but more moderate, reflecting its greater exposure to PA and sensitivity to project cadence, export demand, and customer capex timing. The product hierarchy in 2Q26 is clear: servo, PLC, and robots are leading, while inverter is recovering but not leading.

- **Industrial robotics growth remains solidly double-digit, but the quality of share is now the key differentiator, not just unit growth.** Industrial robots grew 17% Y/Y in 2Q26, confirming robotics as a main pillar of the FA cycle. MIR expects the industry to maintain a mid-teens growth pace for the full year, driven by investment in electronics, lithium battery, and semiconductor. However, management commentary highlights that robotics demand is increasingly application- and customer-specific, with payload mix, application mix, customer mix, integrated solution, and after-sales/service attach all determining the quality of earnings. Domestic leaders are gaining relevance, with Estun retaining the top market position at 10% share and focusing on application depth and quality of share, not just volume.

- **Market share shifts are becoming more visible, and domestic leaders are consolidating their positions as the market structure continues to favor scaled platforms.** Inovance remains the clearest share-gain name in 2Q26 motion/control, with its AC servo share rising to 37% (from 33% in 1Q26) and Small PLC share up to 15% (from 14%). These share levels reinforce Inovance's strength in motion and control, and reflect a market where customers increasingly value local delivery, product reliability, solution capability, and supply-chain control. For smaller players, the risk is that market growth does not translate into margin expansion if they lack pricing power or are forced to compete mainly on price.

WRC 2026 Beijing: Our key observations highlight a sector pivoting from "can move" to "can work"

At WRC 2026 in Beijing, the sector's evolution was on full display. The focus is clearly shifting from "can move" to "can work," with Chinese players like Unitree, Engine AI, and LimX demonstrating world-class locomotion and athletic capabilities, while UBTech and others are pushing the envelope on interaction and

scenario-specific design. However, most demos remain scripted or teleoperated, and the gap in fine manipulation and dexterous hand control is still notable. Exhibitors are increasingly showcasing embodied AI and real-world data loops, but management commentary and live demos both confirm that true brain intelligence and long-sequence autonomy are still at an early stage. Pricing discipline is holding up, with most humanoid robots at Rmb400k-800k and no evidence of aggressive ASP collapse, while Unitree's R1 stands out as a cost-down benchmark. Commercialization is progressing, with more robots being piloted in logistics, industrial inspection, and warehouse settings, but most management teams are candid that reliability, speed, and adaptability still lag human benchmarks. The supply chain is emerging as a key beneficiary, with strong activity across harmonic reducers, joint modules, sensors, and 3D vision, and upstream suppliers poised to benefit earlier and more broadly than full robot OEMs.

- **The sector's competitive edge is shifting from pure locomotion to scenario-specific, real-world functionality, with Chinese players leading in motion but still facing gaps in dexterity and autonomy.** Unitree, Engine AI, and LimX delivered high-impact dynamic demos, showcasing advanced motion control and athletic capabilities—such as jumping and agile maneuvers—while UBTech and others demonstrated strong interaction, facial expression, and reception skills. However, most demos remained scripted or teleoperated, with little evidence of real-world, long-sequence autonomy. The industry has reached a notable level of athletic maturity, increasingly close to human standards, but fine manipulation and dexterous hand control remain clear gaps. For humanoid OEMs with strengths in locomotion, competitive differentiation is now fragmented into scenario-specific niches, such as application-tailored designs, which are poised to be the key near-term differentiators as the R&D and performance landscape matures, even as broad commercialization still awaits true autonomy and task generalization.

- **Embodied AI and real-world data loops are emerging as the next battleground for differentiation, but true brain intelligence remains at an early stage.** Many exhibitors emphasized the importance of embodied AI and live data feedback, with some model-based companies using live demos to showcase progress in environmental perception and self-correction in crowded venues. Compared to WRC 2025, more demos have moved from "can walk" to "can work," but the number of robots capable of long-sequence, unscripted tasks remains close to zero. The most visible gaps are in generalization and edge-case handling, underscoring that brain intelligence development is still in its infancy.

- **Industry pricing discipline remains healthy, supporting margin profiles and dispelling fears of aggressive price wars.** Most humanoid robots at WRC are still priced in the Rmb400k-800k range, with performance-oriented robots averaging around Rmb300k and Unitree R1 as a clear low-cost outlier at c.Rmb40k. This pricing structure supports a GPM profile of c.50% for the foreseeable future. While some domestic companies have released lower-priced humanoids, these are typically smaller, performance- or education-focused models, not designed for complex real-world work. We do not see evidence of an industry-wide ASP collapse, which allows Unitree to maintain a unique price-performance leadership position.

- **Unitree stands out as the cost-down and performance benchmark, setting the standard for motion-centric humanoid hardware.** Despite the disruptive R1 price, Unitree's kinetic performance was the best among all demos, excelling in action fluidity, motion explosiveness, and core stability. Our three-metric comparison across all performance-oriented robots at WRC confirms Unitree's leadership, positioning it as the reference hardware platform for the industry.

- **Vertical integration is more about product iteration, reliability, and supply-chain security than immediate cost-down, with most companies still outsourcing mass production.** Many exhibitors highlighted self-developed joints, hands, control systems, and data loops, but end-product pricing still clusters around c.Rmb500k for complete humanoid platforms. Financial delivery across the supply chain remains sound, and Unitree again stands out for higher margin, leveraging its deeper vertical integration. The current wave of vertical integration is focused on controlling product iteration and coupling hardware with software/data, rather than rapidly compressing component value or ASPs.

- **Commercialization is progressing, but most real-world deployments remain at the pilot stage, with practical demos focused on logistics, industrial inspection, warehouse picking, assembly, eldercare, education, and commercial reception.** Humanoid and mobile dual-arm platforms are moving from pure motion showcases to real use-case validation, but most demos still fall short of human benchmarks in reliability, speed, and adaptability. The industry is still testing whether humanoid or wheeled-arm platforms can deliver sufficient ROI versus traditional automation or human labor, especially in less controlled environments. That said, some demos—particularly in logistics sorting—are beginning to show competitive productivity.

- **Before the sector achieves a "ChatGPT moment" for embodied intelligence, some OEMs are monetizing through hand, glove, and data-collection modules to support near-term survival and ecosystem building.** With general-purpose robot intelligence still a bottleneck, several OEMs are taking pragmatic steps by selling dexterous hands, glove-based teleoperation kits, arm-hand modules, and developer platforms. This approach generates revenue, builds a user base, and helps OEMs collect the data needed for future AI iteration, even before full humanoid autonomy is commercially viable.

- **The component supply chain is emerging as a key early beneficiary, with demand extending well beyond humanoid OEM shipments.** WRC 2026 showcased active development across harmonic reducers, joint modules, planetary roller screws, dexterous hands, tactile and force sensors, 3D vision, LiDAR, and motor-control MCUs. Upstream suppliers are poised to benefit earlier and more broadly than full humanoid OEMs, as these components are used across humanoids, quadrupeds, wheel-arm robots, industrial arms, research platforms, and data-collection systems.

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FA & robotics 2Q26 wrap

Company highlights and sector trends underscore a selective, quality-driven upcycle

- **Inovance's 2Q26 results and management commentary reinforce its leadership in motion/control and its ability to capture share in high-value segments.** Inovance's share in AC servo rose to 37% in 2Q26 (from 33% in 1Q26), and Small PLC share increased to 15% (from 14%). The company is also making visible progress in humanoid robotics, securing orders from Xiaopeng and focusing on higher-margin international projects. Management maintained its full-year guidance for both revenue and profit in the 10–30% Y/Y range, highlighting that IA continues to anchor group results, with solid order flow and pricing actions supporting a margin recovery. The company is prioritizing pricing discipline, cost controls, and selective abandonment of low-margin domestic business, while ramping up overseas opportunities and new product launches in lithium battery, 3C, machine tools, and HVAC. Inovance's diversified growth and robust Op-CF generation stand out among peers, providing comfort for investors amid rising macro headwinds.

- **Estun's 2Q26 results highlight a deliberate shift toward margin quality and sustainable profitability, even at the expense of near-term revenue growth.** Management is walking away from low-margin and slow-paying business, including large customers like BYD and CATL, and focusing on higher-value applications and better customer mix. 2Q26 revenue grew 4% Y/Y, but consolidated GPM reached c.33%, up c.3ppts Q/Q and c.6ppts Y/Y, and Op-CF turned positive at Rmb191MM. Management is targeting a 5% NPM for FY26E and expects to improve by c.1ppt each year in FY27/28E. The company's strategy is to avoid margin-dilutive volume chasing and instead focus on segments and geographies where it can defend economics and build recurring, higher-quality revenue streams. Estun's positioning is increasingly about application depth and quality of share, not just unit growth.

- **Yiheda's 2Q26 performance demonstrates robust top-line growth but also highlights the cost of ongoing investment in talent, digitalization, and new business initiatives.** Revenue rose 32% Y/Y in 2Q26 and 27% Y/Y in 1H26, but margin pressure is evident as SG&A ratios climbed to 19% in 1H26, up 2ppts Y/Y, and management expenses rose c.Rmb54MM. Management is prioritizing international growth, with Japan and Vietnam each contributing c.10MM in revenue in 1H26, and is investing in 3D printing and digital tools to serve long-tail, non-standardized demand. The company's moat remains its ability to serve complex, flexible demand, but the need for ongoing investment raises questions about sustainable margin improvement. Management expects scale benefits and product mix improvements to help support margins over time, even as cost pressures persist.

- **Leader Drive's 2Q26 results and sector read-throughs highlight robust revenue growth and a deliberate shift toward new applications, especially in the humanoid and embodied AI space.** Sales grew 36% Y/Y in 2Q26, and management attributed 1H26 revenue growth to increased market share in industrial robots, significant scale-up in the humanoid robot business, and ongoing capacity and efficiency improvements. The company is investing in

R&D and production, expanding its product portfolio into planetary roller screws and actuators, and forming a JV with SKF to scale up in the global humanoid supply chain. Despite near-term margin pressure from upfront investment, management remains constructive on long-term growth and global leadership in the robotics supply chain.

- **UBTech's 1H26 results and management briefing show the company is maintaining full-year guidance and expects a strong ramp in 2H26, despite a slight delay at the Liuzhou factory.** 1H revenue grew 104% Y/Y to Rmb1,267MM, gross margin expanded 9.7ppts Y/Y to 44.7%, and net loss narrowed 25% Y/Y. Management is focused on industrial applications and new product launches, with a robust backlog and high-GPM product mix. UBTech is also investing in component localization and capacity build-out to support cost-down and margin sustainability, aiming for breakeven in 2027. The company's technology roadmap is centered on full-stack capability and manufacturing scale, not just single-point technical wins.

- **Orbbec's 2Q26 update underscores its dominant position in robot-embodiment vision and its ability to connect front-end data collection with back-end robot perception solutions.** The company's gross margin improved to 48.5% in 2Q26, and management expects a clear inflection in 4Q26 as new capacity comes online. Orbbec is investing in next-generation sensor fusion and expanding its "dual factory" model to support both domestic and international demand. The company is seeing strong adoption by both model companies and robot OEMs, and is focused on high-quality data collection and platform stickiness as key drivers for future growth.

Key trends observed from the briefings:

- **The FA upcycle is increasingly selective, with growth and margin expansion concentrated in high-content, quality-driven segments such as AC servo, PLCs, and industrial robots.** Companies are prioritizing margin quality, product mix upgrades, and disciplined project selection, with many openly walking away from low-margin or slow-paying business. The strongest demand is coming from lithium battery, AIDC, and electronics, while process automation and project-sensitive lines are lagging.

- **Management teams are candid about ongoing cost pressures, supply chain constraints, and the need for sustainable profitability.** Several companies are investing heavily in R&D, digitalization, and new business lines (such as 3D printing and embodied AI), even as this weighs on near-term margins. The focus is on building platforms and capabilities that can capture the next leg of value creation as the cycle matures.

- **Market share shifts are becoming more visible, with domestic leaders consolidating their positions and global players increasingly participating in the upcycle.** Customers are placing greater value on local delivery, product reliability, solution capability, and supply-chain control, favoring scaled platforms over smaller, price-driven competitors.

- **For humanoid robot, commercialization is progressing, but most real-world deployments remain at the pilot stage, with practical demos focused on logistics,** industrial inspection, warehouse picking, assembly, eldercare, education, and commercial reception. The industry is still testing whether

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humanoid or wheeled-arm platforms can deliver sufficient ROI versus traditional automation or human labor, especially in less controlled environments.

- **The component supply chain is emerging as a key early beneficiary, with demand extending well beyond humanoid OEM shipments.** Upstream suppliers are poised to benefit earlier and more broadly than full humanoid OEMs, as their products are used across a wide range of robotics and automation platforms.

Table 3: Industrial Automation comp table

	BBG Ticker	JPM rating	Last Price LC	JPM PT LC	Upside/ Downside	Mkt Cap US$Mn	Daily turnover US$Mn	YTD Stock perf.	P/E (x) FY26E	P/E (x) FY27E	EPS growth Y/Y FY26E	EPS growth Y/Y FY27E	PEG(x) FY26E	ROE (%) FY26E	ROE (%) FY27E	P/B (x) FY26E	P/B (x) FY27E
China/HK automation																	
Inovance	300124 CH	OW	56	84	50%	22,599	314.9	-26%	25	20	20%	23%	1.2	16.2	17.4	3.8	3.3
Estun	002747 CH	OW	30	52	73%	4,097	459.1	27%	120	85	507%	42%	0.2	10.9	11.6	8.5	7.8
OPT	688686 CH	NC	144	NA	NA	2,618	46.2	16%	70	49	35%	43%	2.0	8.0	10.2	5.4	5.0
Yiheda	301029 CH	N	24	24	1%	2,303	66.6	-8%	25	21	19%	21%	1.4	13.6	15.5	3.4	3.2
Hongfa	600885 CH	OW	35	43	21%	8,178	95.6	17%	25	20	19%	10%	1.3	16.0	17.7	3.8	3.3
Leader Drive	688017 CH	OW	291	546	88%	7,944	682.0	51%	360	236	64%	53%	5.6	5.8	8.4	14.5	13.7
Sanhua-A	002050 CH	OW	36	51	41%	21,690	517.5	-35%	35	28	-1%	25%	-36.5	12.8	14.6	4.4	3.9
Sanhua-H	2050 HK	OW	25	38	49%	21,690	35.5	-34%	21	17	-1%	25%	-22.0	12.8	14.6	2.6	2.3
Jiangsu Hengli	601100 CH	OW	102	121	19%	20,325	130.8	-8%	46	34	9%	36%	5.2	16.4	19.8	7.1	6.2
HCFA	688320 CH	NC	32	NA	NA	718	27.0	-15%	51	NA	NA	NA	NA	NA	NA	NA	NA
SUPCON	688777 CH	NC	87	NA	NA	10,210	293.3	75%	104	72	48%	45%	2.2	6.3	8.7	6.6	6.3
Shuanghuan Driveline	002472 CH	NC	37	NA	NA	4,719	207.6	-21%	22	19	11%	18%	2.0	13.1	13.7	2.8	2.5
Zhongda Leader	002896 CH	NC	63	NA	NA	1,838	142.2	-30%	110	92	78%	19%	1.4	8.7	9.7	9.6	8.9
UBTech	9880 HK	OW	86	118	38%	5,551	95.0	-32%	-91	178	48%	151%	-1.9	-5.7	2.9	5.4	5.2
Zhongda Leader	002896 CH	NC	63	NA	NA	1,838	142.2	-30%	110	92	78%	19%	1.4	8.7	9.7	9.6	8.9
Guomao Reducer	603915 CH	NC	13	NA	NA	1,320	16.3	-28%	26	24	40%	12%	0.7	8.2	8.8	2.2	2.0
Average									66	66	65%	36%	-2.4	10.1	12.2	6.0	5.5
Asia (ex-China) automation																	
Delta	2308 TT	OW	1795	2500	39%	148,174	739.9	86%	42	27	86%	53%	0.5	37.4	44.6	14.1	10.6
Hiwin	2049 TT	UW	371	160	-57%	4,166	47.4	91%	68	58	27%	18%	2.5	5.2	6.0	3.5	3.4
Airtac	1590 TT	OW	1330	1350	2%	8,453	36.1	43%	27	25	17%	10%	1.6	18.1	18.4	4.7	4.4
Keyence	6861 JP	NC	76280	NA	NA	120,812	308.5	35%	33	29	27%	12%	1.2	15.5	15.7	4.8	4.3
FANUC	6954 JP	NC	5848	NA	NA	37,408	257.2	-4%	26	25	24%	7%	1.1	10.9	11.4	2.8	2.7
NSK	6471 JP	NC	1061	NA	NA	3,453	16.8	9%	16	12	44%	27%	0.4	4.9	6.0	0.8	0.7
SMC	6273 JP	NC	67890	NA	NA	28,237	133.1	25%	20	19	30%	6%	0.6	10.1	10.1	1.9	1.8
Harmonic Drive System	6324 JP	NC	5820	NA	NA	3,650	69.3	54%	84	57	310%	47%	0.3	8.1	10.9	6.5	6.1
Yaskawa	6506 JP	NC	4503	NA	NA	7,820	203.5	-5%	25	20	33%	24%	0.8	9.3	10.9	2.3	2.1
THK	6481 JP	NC	6149	NA	NA	4,769	47.7	53%	17	16	NA	5%	NA	15.6	16.3	2.3	2.1
MISUMI	9962 JP	NC	3550	NA	NA	6,596	33.5	45%	19	17	23%	14%	0.8	12.4	13.7	2.4	2.3
Nabtesco	6268 JP	NC	4530	NA	NA	3,483	34.2	21%	20	19	70%	8%	0.3	8.6	8.9	1.8	1.7
Sumitomo	8316 JP	OW	6801	8220	21%	168,348	529.9	35%	14	12	17%	17%	0.8	11.2	12.4	1.5	1.5
Average									32	26	59%	19%	0.9	12.9	14.3	3.8	3.4

Source: Bloomberg Finance L.P, as of September 9, 2026. J.P. Morgan estimate for covered names.

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Table 4: Humanoid robotics comp table

	BBG Ticker	JPM rating	Last Price LC	JPM PT LC	Upside/ Downside	Mkt Cap US$Mn	aily turnov US$Mn	YTD stock perf.	P/E (x) FY26E	P/E (x) FY27E	EPS Growth FY26E	EPS Growth FY27E	ROE (%) FY26E	ROE (%) FY27E	P/S (x) FY26E	P/S (x) FY27E	Revenue growth Y/Y FY26E	Revenue growth Y/Y FY27E
China																		
Unitree	688836 CH	NC	514	NA	NA	31,004	679.7	NA	346.5	185.3	NA	87%	13.2	17.8	70.5	40.9	NA	72%
Leader Drive	688017 CH	OW	291	481	66%	7,944	682.0	51%	257.1	167.9	53%	53%	5.8	8.4	55.9	38.1	67%	47%
Estun	002747 CH	OW	30	41	36%	4,097	459.1	27%	99.0	71.0	507%	39%	10.1	10.4	5.1	4.5	13%	13%
Sanhua Intelligent-A	002050 CH	OW	36	51	41%	21,690	517.5	-35%	32.0	27.4	17%	17%	12.8	14.6	4.3	3.8	9%	13%
Sanhua Intelligent-H	2050 HK	OW	25	38	49%	21,690	35.5	-34%	19.3	16.5	17%	17%	12.8	14.6	3.0	2.7	9%	13%
Ningbo Tuopu	601689 CH	UW	46	48	5%	11,895	268.2	-51%	28.7	25.1	-1%	14%	11.1	11.7	2.3	2.1	16%	13%
Minth	425 HK	OW	25	54	115%	3,750	18.4	-21%	8.3	7.0	7%	18%	12.3	13.2	0.9	0.8	9%	14%
Zhongda Leader	002896 CH	NC	63	NA	NA	1,838	142.2	-30%	110.0	92.2	23%	19%	8.7	9.7	9.5	7.6	25%	25%
Shuanhuan	002472 CH	NC	37	NA	NA	4,719	207.6	-21%	22.3	19.0	13%	18%	13.1	13.7	3.1	2.7	8%	14%
Ningbo Joyson	600699 CH	N	20	20	1%	4,367	95.9	-37%	17.6	14.5	16%	21%	8.8	9.9	0.5	0.4	2%	4%
Hengli Hydrulic	601100 CH	OW	102	121	19%	20,325	130.8	8%	45.8	33.5	1%	36%	16.4	19.8	10.0	8.2	26%	22%
Robosense	2498 HK	OW	18	45	151%	1,077	15.7	-51%	NM	29.4	26%	-260%	-2.5	6.5	2.5	1.6	45%	57%
Johnson Electric	179 HK	N	20	21	7%	2,331	19.2	-34%	11.3	9.6	NA	18%	7.4	8.2	0.6	0.6	NA	4%
Wolong Electric	600580 CH	N	28	31	9%	6,598	247.1	-22%	54.5	34.5	-37%	58%	7.3	10.7	2.9	2.6	-4%	12%
Orbbec	688322 CH	OW	93	140	51%	5,696	277.8	8%	148.5	67.4	104%	120%	7.5	13.1	29.6	15.9	48%	86%
Horizon Robotics	9660 HK	OW	4	11	143%	8,845	111.8	-50%	NM	NM	31%	43%	-24.6	-17.4	11.2	6.7	62%	67%
UBTech robotics	9880 HK	OW	86	118	38%	5,551	95.0	-32%	NM	178.4	62%	-51%	-5.7	2.9	9.3	5.8	99%	59%
Shenzhen Dobot	2432 HK	NC	23	NA	NA	1,147	10.3	-40%	NM	NM	-86%	99%	-4.2	-0.8	9.8	6.9	54%	43%
Geekplus	2590 HK	NC	9	NA	NA	1,553	13.1	-57%	242.2	31.6	-58%	667%	1.6	9.1	2.5	1.9	30%	32%
Xpeng	9868 HK	OW	42	94	122%	10,336	94.9	-47%	NM	NM	-28%	74%	-15.8	-4.5	0.8	0.5	11%	54%
Xpeng	XPEV US	OW	11	24	120%	10,472	91.4	-46%	NM	NM	-28%	74%	-15.8	-4.5	0.8	0.5	11%	54%
Average									78.3	51.6	34%	58%	3.4	7.5	8.2	5.7	28%	32%
Asia (ex-China)																		
Hiwin	2049 TT	UW	370.50	160	-57%	4,166	47.4	91%	67.9	57.7	37%	18%	5.2	6.0	4.9	4.6	9%	8%
Bizlink	3665 TT	OW	1975.00	3,100	57%	12,526	216.7	30%	28.3	16.0	50%	77%	25.4	33.8	3.7	2.5	48%	50%
Sinbon	3023 TT	N	329.00	235	-29%	2,510	16.3	71%	24.9	21.0	5%	19%	19.3	21.6	2.4	2.2	6%	9%
TM Robot	4585 TT	NC	292.00	NA	NA	971	3.1	-14%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
HDS	6324 JP	NC	5820.00	NA	NA	3,650	69.3	54%	83.6	56.9	NM	47%	8.1	10.9	7.5	6.5	28%	15%
Nidec	6594 JP	UW	2591.00	1,800	-31%	20,119	80.6	22%	14.8	13.0	61%	14%	10.3	10.6	1.1	1.0	7%	6%
Yaskawa	6506 JP	NC	4503.00	NA	NA	7,820	203.5	5%	25.0	20.1	27%	24%	9.3	10.9	2.0	1.9	12%	7%
Fanuc	6954 JP	NC	5848.00	NA	NA	37,405	257.2	4%	26.4	24.6	28%	7%	10.9	11.4	5.9	5.5	15%	7%
Minebea Mitsumi	6479 JP	OW	3377.00	5,500	63%	9,391	84.8	8%	14.8	12.6	33%	17%	9.9	10.5	0.8	0.8	5%	5%
Hyundai Mobis	012330 ks	OW	415500.00	710,000	71%	27,892	223.6	11%	7.6	6.8	20%	11%	9.1	9.3	0.5	0.5	3%	3%
HL Mando	204320 ks	N	49700.00	50,000	1%	1,744	53.8	-16%	12.3	11.0	13%	12%	6.5	6.9	0.2	0.2	5%	4%
Hyundai motor	005380 KS	OW	386500.00	540,000	40%	59,145	531.1	30%	10.7	9.4	-9%	14%	7.9	8.5	0.4	0.4	5%	6%
Average									28.8	22.6	27%	24%	11.1	12.8	2.7	2.4	13%	11%

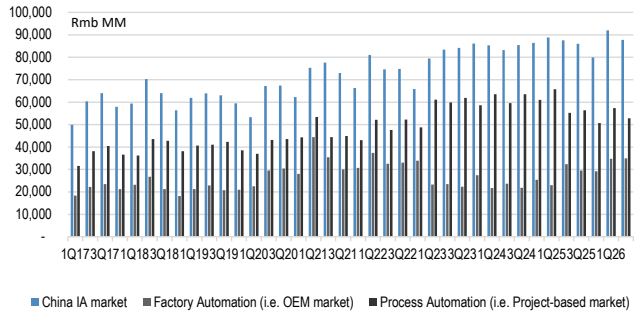
Source: Bloomberg Finance L.P, as of September 9, 2026. J.P. Morgan estimate for covered names.

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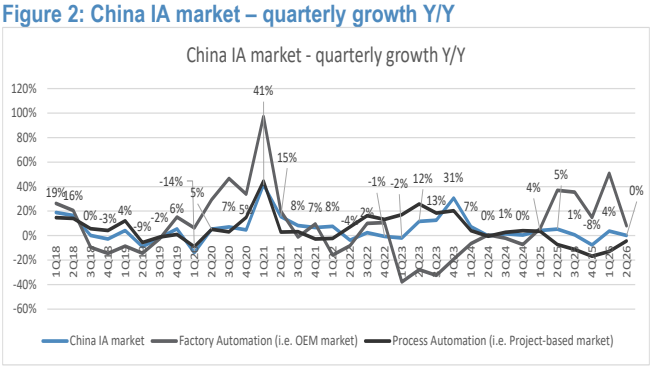
Key trends for Industrial Automation Demand

Figure 1: China IA market – market size



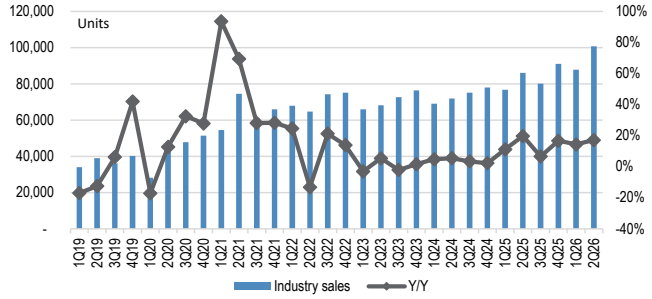
Source: MIR databank, J.P. Morgan.

Figure 2: China IA market – quarterly growth Y/Y



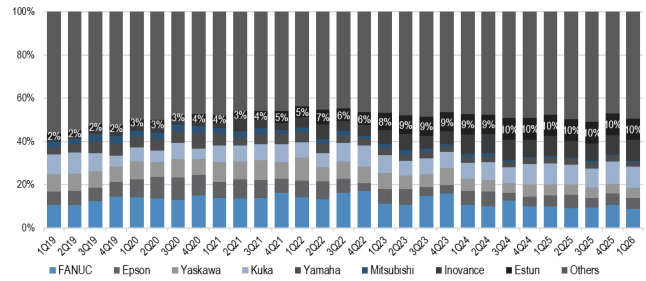
Source: MIR databank, J.P. Morgan.

Figure 3: China industrial robot market – industry sales



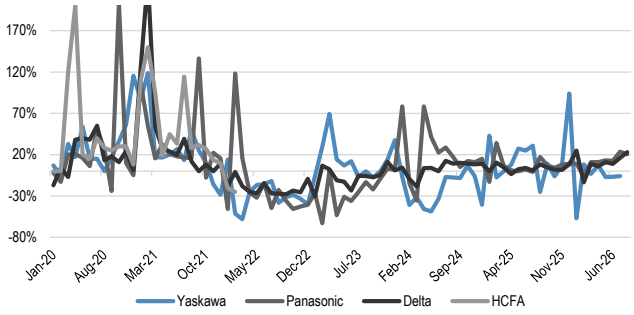
Source: MIR databank, J.P. Morgan

Figure 4: China industrial robot market – quarterly market share



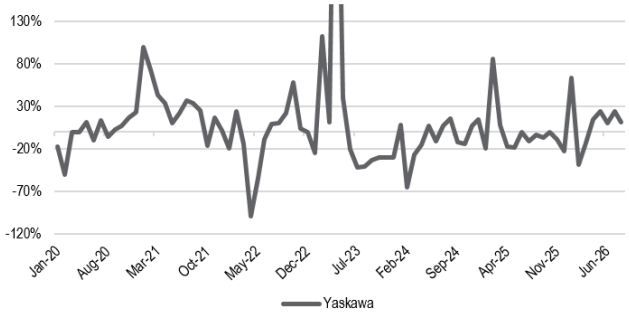
Source: MIR databank, J.P. Morgan. Note that data labels showcased the market share trends of Estun

Figure 5: AC servo monthly sales of selective overseas players



Source: MIR databank

Figure 6: Low voltage inverter sales Yaskawa (Overseas Player)



Source: MIR databank

Figure 7: JMTBA (Japan) Monthly Machine Tool Orders

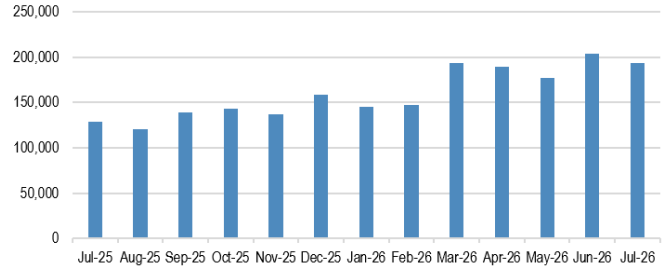
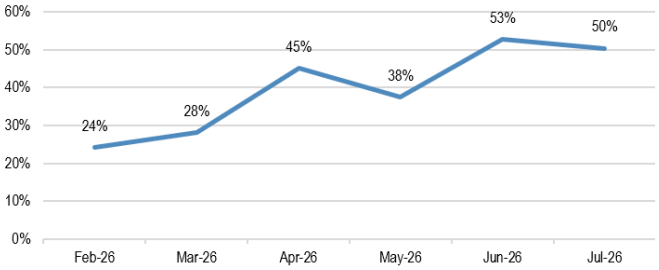


Figure 8: JMTBA (Japan) Monthly Machine Tool Orders Y/Y

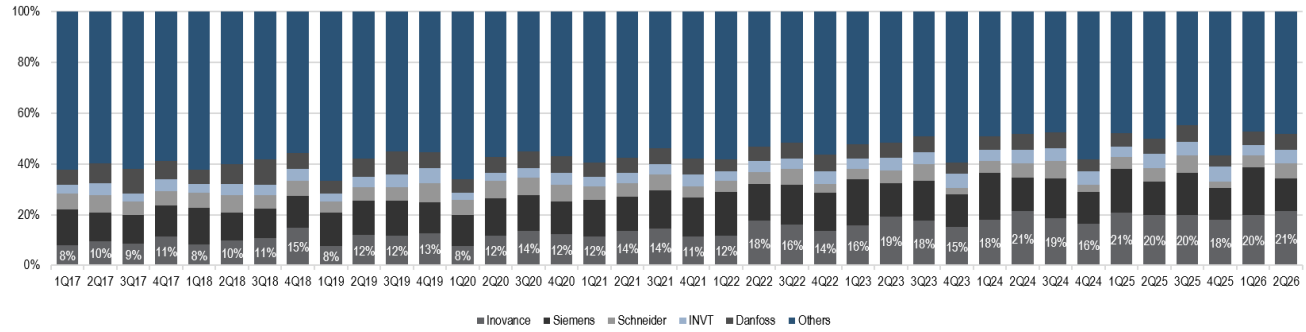


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Source: JMTBA, J.P.Morgan

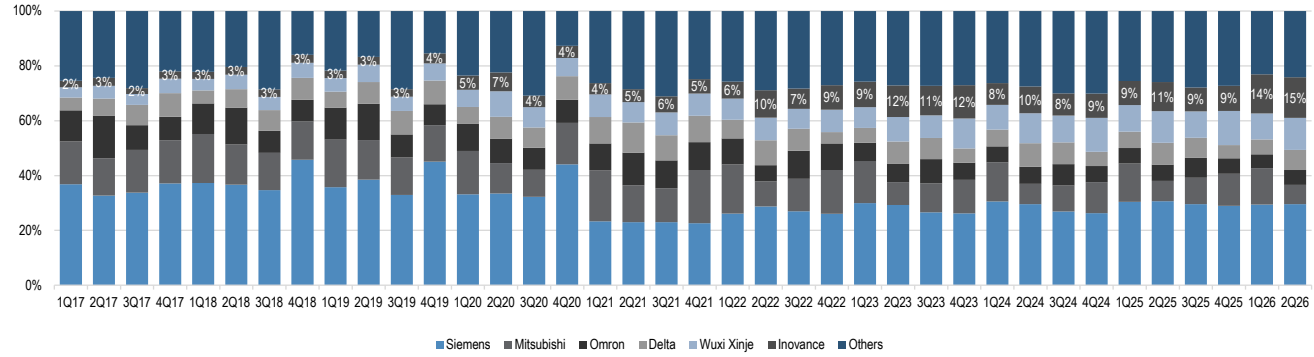
Source: JMTBA, J.P.Morgan

Figure 9: Low voltage inverter market – quarterly market share



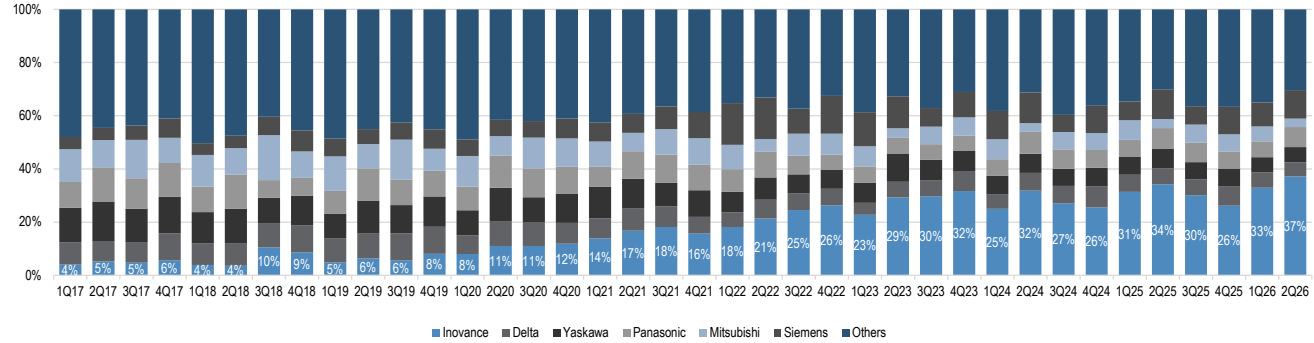
Source: MIR databank, J.P. Morgan.

Figure 10: Small PLC market – quarterly market share



Source: MIR databank, J.P. Morgan.

Figure 11: AC servo market – quarterly market share

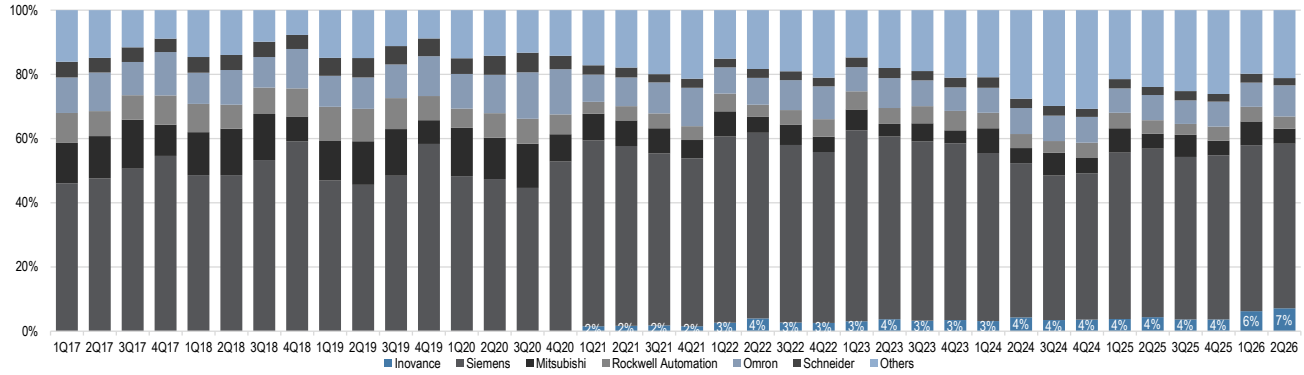


Source: MIR databank, J.P. Morgan.

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Figure 12: Mid-to-large PLC market – quarterly market share



Source: MIR databank, J.P. Morgan.