RoboSense Technology Co (2498 HK)

2Q26: Results Miss On ASP And Margins; Cut Target Price To HK$33

Highlights

- 2Q26 results missed expectations with revenue growing 23.2% yoy to Rmb561m and net loss increasing 88.8% yoy to Rmb97m.
- ASP plummeted 49.8% yoy, beating gross margin down by 5.8ppt yoy.
- We maintain 2026-28 sales volume growth at 152%/65%/53% based on design wins, new project ramps, and launches of EOCENE SPAC-SoCs.
- We cut 2026-28 bottom line estimate to -Rmb286m/Rmb150m/Rmb474m respectively, based on lower ASP and gross margin.
- Maintain BUY and cut target price from HK$50 to HK$33.

2Q26 Results

Year to 31 Dec (Rmbm)	2Q26	yoy %	qoq %	1H26	yoy %	2026F	yoy %	1H26/2026
ADAS LiDAR	291.8	135.7	101.5	436.6	98.0	1,500.0	146.3	0.29
Robotic LiDAR	97.1	182.3	(47.7)	282.6	510.4	800.0	164.0	0.35
Total sales volume ('000 units)	388.9	145.8	17.7	719.2	169.6	2,300.0	152.2	0.31
Blended ASP (Rmb)	1,329	(49.8)	(0.5)	1,332	(50.7)	1,472	(26.1)	0.91
Net profit per unit (Rmb)	(249)	(23.2)	28.3	(224)	(60.4)	40	n.a.	(5.67)
Revenue	561	23.2	22.3	1,019.7	30.2	3,515.0	81.1	0.29
Gross profit	123	(2.8)	23.1	222.2	9.4	1,019.4	98.3	0.22
Gross margin (%)	*21.9*	*(5.8)*	*0.1*	*21.8*	*(16.0)*	*29.0*	*9.5*	0.75
EBIT	(95)	25.1	24.3	(171.8)	(12.9)	14	n.a.	(12.22)
EBIT margin (%)	*(17.0)*	*(0.3)*	*(0.3)*	*(16.8)*	*(33.1)*	*0.4*	*9.9*	(42.11)
Net profit (GAAP)	(97)	88.8	51.0	(161.2)	6.8	90.9	*n.a.*	*n.a.*
Net profit – adj	(79)	232.5	79.4	(122.7)	7.3	90.9	*n.a.*	*n.a.*
Net margin (%)	*(17.3)*	*382.6*	*228.9*	*(15.8)*	*3.5*	*2.6*	*10.1*	(6.11)
Core net margin (%)	*(14.0)*	*1,002.1*	*356.4*	*(12.0)*	*2.6*	*2.6*	*5.3*	(4.65)

Source: RoboSense, Bloomberg, UOB Kay Hian

Analysis

- **2Q26 results missed expectations with revenue growing 23.2% yoy to Rmb561m and net loss increasing 88.8% yoy to Rmb97m.** This brings 1H26 revenue to Rmb1,020m (+30.2% yoy, 29% of our full-year estimate) and 1H26 net loss to Rmb161m, vs our estimated 2026 net profit of Rmb91m.
  - **Sales volume of LiDARs grew 145.8% yoy and 17.7% qoq to 388,900 units in 2Q26**, including 291,800 units of ADAS LiDARs (+135.7% yoy/+101.5% qoq) and 97,100 units of robotic LiDARs (+182.3% yoy/-47.7% qoq). 1H26 LiDAR sales volume grew 169.6% yoy to 719,200 units, representing 31% of our full-year estimate.

Key Financials

Year to 31 Dec (Rmbm)	2024	2025	2026F	2027F	2028F
Net turnover	1,649	1,941	3,140	4,470	5,965
EBITDA	(451)	(85)	(238)	258	622
Operating profit	(584)	(184)	(356)	98	429
Net profit (rep./act.)	(482)	(146)	(286)	150	474
Net profit (adj.)	(396)	(54)	(286)	150	474
EPS (Fen)	(111.0)	(31.6)	(60.6)	31.8	100.3
PE (x)	n.a.	n.a.	n.a.	51.4	16.3
P/B (x)	2.5	2.0	2.2	2.1	1.9
EV/EBITDA (x)	n.a.	n.a.	n.a.	23.5	9.8
Dividend yield (%)	-	-	-	-	-
Net margin (%)	(29.2)	(7.5)	(9.1)	3.4	7.9
Net debt/(cash) to equity (%)	(86.6)	(56.5)	(44.5)	(32.1)	(27.2)
Interest cover (x)	n.a.	n.a.	n.a.	(1.9)	(9.7)
ROE (%)	n.a.	(4.3)	(7.9)	4.2	12.2
Consensus net profit	-	-	55	318	584
UOBKH/Consensus (x)	-	-	(5.23)	0.47	0.81

Source: RoboSense, Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	HK$18.83
Target Price	HK$33.00
Upside	75.3%
Previous TP	HK$50.00

Stock Data

Sector	Consumer discretionary
Bloomberg ticker	2498 HK
Shares issued (m)	472.2
Market cap (HK$m)	8,891.5
Market cap (US$m)	1,147.3
3-mth avg daily t'over (US$m)	18.4

Price Performance (%)

52-week high/low: HK$46.50/ HK$17.85

1mth	3mth	6mth	1yr	YTD
(14.6)	(43.1)	(48.0)	(51.3)	(48.6)

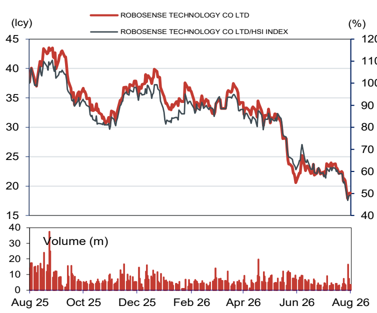
Major Shareholders (%)

Qiu Chunxin	10.19
Zhu Xiaorui	6.11

Balance Sheet Metrics

FY26 NAV/Share (HK$)	9.45
FY26 Net Debt/Share (HK$)	4.80

Price Chart



Source: Bloomberg

Company Description

RoboSense Technology Co develops and manufactures ADAS LiDARs, robotics LiDARs, and robotic parts and components.

- **ASP below estimate.** Blended ASP plummeted 49.8% yoy and dipped 0.5% qoq to Rmb1,329 in 2Q26 and by 50.7% yoy to Rmb1,332 in 1H26, below our full-year estimate.
- **Gross margin squeezed by ASP decline and spikes in chip prices.** Gross margin edged up 0.1ppt qoq to 21.9%, but was still down 5.8ppt yoy.
- **Less-than-expected operational leveraging.** Opex/revenue ratio dipped 1.9ppt yoy and 3.8ppt qoq to 48.7%, above our full-year assumption. EBIT margin edged down 0.3ppt yoy and 0.3ppt qoq to -17.0%.

• **We maintain 2026-28 LiDAR sales volume estimates at 2.3m/3.8m/5.8 units respectively (up 152%/65%/53% yoy),** compared with the company's target of 2m-2.8m units for 2026. The sales growth will be driven by design wins, the EOCENE□based Peacock and Phoenix chips.

- **Design wins** have reached 194 models, including 37 from overseas OEMs in Japan, North America and Europe, and new models like Xiaomi SkyNomad N90 Max. The ramp□up of these programmes, along with deeper penetration into overseas markets, will underpin the volume growth.
- **The Peacock□powered E2 digital solid□state LiDAR,** which supports humanoid, quadruped and lawn□mowing robots, commenced volume shipments in 3Q26, with over 200,000 units expected in 2H26.
- **The Phoenix chipset** will see its first automotive start-of-production (SOP) in 4Q26. Sales of the LiDARs equipped with Phoenix SoC will ramp up in 2027.

• **We cut 2026-28 ASP estimates by 11%/11%/14% to Rmb1,309/Rmb1,142/Rmb1,006 respectively (down 34%/13%/12% yoy),** based on lower-than-expected 1H26 ASP. The ASP will be pressured by the shift in sales mix toward the cheaper blind-spotting LiDARs and competition.

• **We cut 2026-28 gross margin assumptions to 17.1%/26.5%/27.5%,** from 29%/30%/31% respectively, based on lower ASP estimates. Additionally, the recent recalls of 92,915 vehicles by Geely Galaxy and Lynk & Co for the defects of the power source integrated circuilts (ICs) in Robosense's LiDARs will likely add to the pressure on the company's 2H26 gross margin. We estimate an additional COGS of about Rmb145m to be booked in 2H26, which explains our estimated much lower 2026 gross margin relative to 2027-28. For 2027-28, management expects gross margin to improve due to the launches of the in-house SPAC SoCs (Peacock and Phoenix), the digitalised products scaling up, platformisation, and growing overseas orders for robotic LiDARs.

• **New physical AI products to debut in 2H26.** Robosense will launch intelligent skins and space cameras by 3Q26 and actuators by 4Q26 with a 2027 target sales revenue of Rmb100m for the three products.

• **We raise 2026-28 opex/revenue ratio to 34.0%/27.5%/23.5%** from 31.8%/26.8%/23.7% respectively, based on lower revenue estimate.

• **We lift 2026-28 capex estimates to Rmb300m/Rmb300m/Rmb300m** from Rmb120m/Rmb130m/Rmb180m, as management raised 2026 capex guidance to Rmb300m-400m.

Earnings Revision/Risks

• **We cut 2026-28 bottom line estimates to a net loss of Rmb286m, and a net profit of Rmb150m/Rmb474m respectively,** from a net profit of Rmb91m/Rmb395m/Rmb678m.

• **Risks:** Bigger-than-expected ASP decline, hikes in chip prices, further recalls by OEM customers.

Catalysts

• Sales volume growth, confirmations of supply contracts with renowned custmomers.

Profit & Loss

Year to 31 Dec (Rmbm)	2025	2026F	2027F	2028F
Net turnover	1,941	3,140	4,470	5,965
EBITDA	(85)	(238)	258	622
Deprec. & amort.	(67)	(93)	(137)	(171)
EBIT	(184)	(356)	98	429
Total other non-operating income	-	-	-	-
Associate contributions	(13)	-	-	-
Net interest income/(expense)	89	69	52	44
Pre-tax profit	(126)	(286)	150	474
Tax	(19)	-	-	-
Minorities	(1)	-	-	-
Net profit	(146)	(286)	150	474
Net profit (adj.)	(54)	(286)	150	474

Balance Sheet

Year to 31 Dec (Rmbm)	2025	2026F	2027F	2028F
Fixed assets	293	499	662	791
Other LT assets	72	62	52	43
Cash/ST investment	2,098	1,519	1,134	1,084
Other current assets	2,540	3,021	3,561	4,189
Total assets	5,266	5,360	5,664	6,361
ST debt	290	290	290	290
Other current liabilities	884	1,265	1,419	1,642
LT debt	157	157	157	157
Other LT liabilities	36	36	36	36
Shareholders' equity	36	36	36	36
Minority interest	17	17	17	17
Total liabilities & equity	5,266	5,360	5,664	6,361

Cash Flow

Year to 31 Dec (Rmbm)	2025	2026F	2027F	2028F
Operating	(582)	(268)	(76)	260
Pre-tax profit	(126)	(286)	150	474
Tax	(19)	-	-	-
Deprec. & amort.	67	93	137	171
Associates	13	-	-	-
Working capital changes	-	-	-	-
Non-cash items	(517)	(75)	(363)	(385)
Other operating cashflows	-	-	-	-
Investing	(1,256)	(310)	(310)	(310)
Capex (growth)	(86)	(300)	(300)	(300)
Investments	6	-	-	-
Others	(1,176)	(10)	(10)	(10)
Financing	1,155	-	-	-
Dividend payments	-	-	-	-
Proceeds from borrowings	748	136	136	136
Loan repayment	(450)	(136)	(136)	(136)
Others/interest paid	857	-	-	-
Net cash inflow (outflow)	(682)	(578)	(386)	(50)
Beginning cash & cash equivalent	2,836	2,098	1,519	1,134
Changes due to forex impact	(56)	-	-	-
Ending cash & cash equivalent	2,098	1,519	1,134	1,084

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	(4.4)	(7.6)	5.8	10.4
Pre-tax margin	(6.5)	(9.1)	3.4	7.9
Net margin	(7.5)	(9.1)	3.4	7.9
ROA	(3.1)	(5.4)	2.7	7.9
ROE	(4.3)	(7.9)	4.2	12.2
Growth				
Turnover	17.7	61.8	42.4	33.4
EBITDA	n.a.	n.a.	n.a.	140.6
Pre-tax profit	n.a.	n.a.	n.a.	215.0
Net profit	n.a.	n.a.	n.a.	215.0
Net profit (adj.)	n.a.	n.a.	n.a.	215.0
EPS	n.a.	n.a.	n.a.	215.0
Leverage				
Debt to total capital	9.1	9.0	8.5	7.6
Debt to equity	12.6	13.8	13.2	11.7
Net debt/(cash) to equity	(56.5)	(44.5)	(32.1)	(27.2)
Interest cover (x)	n.a.	n.a.	(1.9)	(9.7)

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