

06 May, 2025

RoboSense | 02498.HK

From standardization to customization

STOCK RATING

BUY

TARGET PRICE

HK\$ 43.50

RoboSense (02498.HK) reported a YoY 47.2% revenue increase of 47.2%, reaching RMB 1,648.9mn in 2024. A significant 93.0% of this revenue was derived from the sales of LiDARs for ADAS, Robotics and others. The gross margin for FY 2024 improved substantially, reaching 17.2%, while the net loss narrowed to RMB 481.8mn.

Impacts of intense international conflicts: The ongoing international tariff negotiations have led to increased caution among US customers, potentially causing a low single-digit impact on the Group's performance and delaying new project timelines. However, given the inelastic supply of LiDAR and the expanding applications in robotics, we assess that the current effects of tariff negotiations are limited.

A temporary deceleration in Q4: In 2024 Q4, RoboSense (02498.HK) reported sales of 153,900 units of LiDAR for ADAS. The modest growth in sales can be attributed to heightened competition and alternative solutions in the market. While the M1P model remains the primary revenue driver, it is expected that the MX model will gradually take its place. The declining costs of LiDAR are anticipated to enhance market penetration, with design wins for mass production exceeding 100 vehicle models as of 31 Mar 2025. The recent introduction of the EM4 ultra-long-range digital LiDAR, capable of emitting 1,080 laser beams with a detection range of up to 600 meters, further strengthens the Group's product portfolio.

Aggressive sales target of LiDAR for robotics: RoboSense (02498.HK) achieved sales of 8,300 units of LiDAR for robotics in Q4 2024, with slower growth attributed to postponed deliveries. The Group maintains an optimistic outlook for LiDAR shipments. While sales of mechanical LiDAR are expected to remain stable, the E1R, a modified version of E1 for robotic uses, is anticipated to drive growth, alongside potential contributions from the Airy and AC1 models. In the long term, the growing adoption of robotics in industrial and commercial applications presents substantial market opportunities for LiDAR.

From standardization to customization: The Group's strong R&D capabilities enable it to adapt to market trends and offer competitive solutions. However, the need for standardized solutions may not fully address the diverse requirements of various applications. The Group plans to provide configurable solutions to meet specific customer needs, particularly in the automotive market, which requires a good balance between cost and effectiveness. Besides, the ADAS LiDAR market remains more concentrated and oligopolistic, allowing OEMs to maintain a better balance to mitigate concentration risk. We believe that RoboSense (02498.HK) is well-positioned to maintain its leadership in the LiDAR sector. We have adjusted our forecasts based on the evolving product mix and the anticipated explosive growth in robotics-related LiDAR applications. We maintain our projection that the Group can achieve break-even in 2026. Consequently, we have revised our TP to HKD 43.50 per share and reaffirmed "BUY" rating.

UPDATE REPORT

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RoboSense (02498.HK)

Stock Rating (Previous Rating) **BUY** (BUY)

Target Price (Previous TP) **HK\$ 43.50** (32.80)

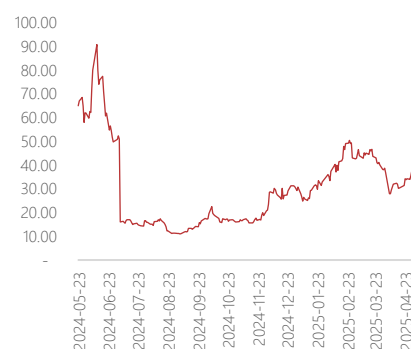
Current Price HK\$ 38.70

52-Week Range HK\$ 10.82 – 137.50

Market cap. (HKD, bn) HK\$ 18.3

RMB, mn	24(A)	25(E)	26(E)	27(E)
Revenue	1,648.9	2,502.7	3,425.3	5,199.2
Gross Profit	283.6	540.9	852.1	1,371.5
Gross Margin	17.2%	21.6%	24.9%	26.4%
Profit Attr.	(481.8)	(189.0)	77.0	446.1

Performance	1 mth	3 mth	6 mth	1 year
Absolute	-0.1%	17.8%	140.7%	-3.0%
Relative to HSI	4.5%	8.4%	132.8%	-24.5%



Peers comparison

		Mkt. Cap.	P/E	Fw. P/E	P/B	P/S	Revenue	GM	ROE
		(HKD, mn)	(x)	(x)	(x)	(x)	(HKD, mn)	(%)	(%)
300552.CH	Vanjee	6,024.3	-	-	3.0	-	1,008.1	33.6	(17.5)
AEVA.US	Aeva	3,057.0	-	-	3.9	52.0	70.7	(41.8)	(92.9)
FR.FP	Valeo	18,825.6	13.1	-	0.6	0.1	181,412.9	19.0	4.4
HSAI.US	Hesai	17,819.1	-	48.3	4.2	7.8	2,251.2	42.6	(2.6)
INVZ.US	Innoviz	1,087.5	-	-	1.5	4.9	189.4	(4.8)	(81.6)
LAZR.US	Luminar	1,294.9	-	-	-	1.6	588.3	(34.1)	-
LIDR.US	AEye	106.8	-	-	0.7	29.6	1.6	(285.1)	(160.6)
OUST.US	Outster	3,161.3	-	-	2.2	3.2	866.9	36.4	(53.8)
	<i>Average</i>	<i>6,422.1</i>	<i>13.1</i>	<i>48.3</i>	<i>2.3</i>	<i>14.2</i>	<i>23,298.6</i>	<i>(29.3)</i>	<i>(57.8)</i>
02498.HK	RoboSense	18,297.9	-	-	5.3	9.6	1,787.0	17.2	-

Source: Bloomberg, West Bull Securities

Risk factors

- High uncertainties brought by the international conflicts
- Unable to maintain a strong market share and leading position
- Keen competition brought by the peers and alternative solutions
- Slow penetration of robots

Financial Statement

PnL					Balance Sheet				
(RMB, mn)	2024 (A)	2025 (E)	2026 (E)	2027 (E)	(RMB, mn)	2024 (A)	2025 (E)	2026 (E)	2027 (E)
Revenue	1,648.9	2,502.7	3,425.3	5,199.2	PPE	271.6	311.4	365.1	422.2
YoY growth	47.2%	51.8%	36.9%	51.8%	Others	223.6	217.6	223.6	245.8
COGS	(1,365.3)	(1,961.7)	(2,573.3)	(3,827.6)	Non-current assets	495.1	528.9	588.7	668.0
Gross profit	283.6	540.9	852.1	1,371.5	Inventories	202.9	316.9	443.8	669.2
Other income	33.7	41.7	44.6	47.5	Trade receivables	462.2	726.8	968.7	1,490.0
Operating expenses	(901.4)	(932.7)	(1,019.4)	(1,167.5)	Cash & cash equivalents	2,836.0	3,433.4	3,517.4	4,053.2
Operating profit	(584.2)	(350.1)	(122.8)	251.6	Others	143.0	309.7	374.9	538.3
Finance expenses	99.7	155.0	192.0	197.6	Current assets	3,644.0	4,786.9	5,304.8	6,750.7
JV & Ass.	10.5	12.0	16.4	24.9	Total assets	4,139.1	5,315.9	5,893.6	7,418.7
FV changes	(2.8)	-	-	-	LT borrowings	28.2	11.5	3.8	1.4
Profit before tax	(476.8)	(183.2)	85.6	474.1	Others	126.6	153.8	188.3	260.8
Tax	(5.0)	(2.0)	(4.3)	(23.7)	Non-current liabilities	154.8	165.3	192.1	262.2
Net profit	(481.8)	(185.2)	81.3	450.4	Trade payables	475.8	723.6	973.3	1,547.1
YoY growth	-88.9%	-61.6%	-143.9%	453.9%	ST borrowings	121.2	49.3	16.5	6.0
					Others	314.2	449.7	598.2	924.7
					Current liabilities	911.2	1,222.6	1,588.0	2,477.7
					Total liabilities	1,066.0	1,388.0	1,780.1	2,740.0
					Non-controlling interests	15.9	19.7	24.0	28.3
					Controlling interests	3,057.3	3,908.2	4,089.5	4,650.5
					Total equities	3,073.2	3,927.9	4,113.4	4,678.8

Cash Flow					Financial Ratio				
(RMB, mn)	2024 (A)	2025 (E)	2026 (E)	2027 (E)		2024 (A)	2025 (E)	2026 (E)	2027 (E)
Profit before tax	(476.8)	(183.2)	85.6	474.1	Gross margin	17.2%	21.6%	24.9%	26.4%
Finance expenses, net	(100.0)	(155.0)	(192.0)	(197.6)	Operating margin	-35.4%	-14.0%	-3.6%	4.8%
D&A	125.2	116.7	118.0	123.2	Net profit margin	-29.2%	-7.4%	2.4%	8.7%
Others	189.6	234.0	273.5	261.2	Return on Equity	16.1%	-5.3%	2.0%	10.2%
Change in working capital	196.9	(2.3)	14.9	71.5	Return on Assets	-13.0%	-3.9%	1.5%	6.8%
CFO	(65.1)	10.2	300.0	732.5	Current ratio	399.9%	391.5%	334.1%	272.5%
					Quick ratio	377.7%	356.3%	298.6%	240.4%
CAPEX	(107.1)	(128.5)	(150.5)	(162.5)	Cash ratio	311.2%	280.8%	221.5%	163.6%
Others	(13.3)	-	-	-	Debt-to-Equity ratio	4.9%	1.5%	0.5%	0.2%
CFI	(120.4)	(128.5)	(150.5)	(162.5)	Net Debt-to-Equity ratio	-87.4%	-85.9%	-85.0%	-86.5%
					Inventory turnover days	53.7	48.4	54.0	53.1
Shares issuance	1,215.0	945.4	-	-	Receivable turnover days	126.2	86.7	90.3	86.3
Net borrowings	149.4	(88.7)	(40.6)	(13.0)	Payable turnover days	129.1	111.6	120.3	120.2
Interest paid	-	-	-	-					
Dividend paid	-	-	-	-					
Others	(206.2)	(141.0)	(25.0)	(21.2)					
CFF	1,158.1	715.6	(65.7)	(34.1)					
FCFE	(22.8)	(206.9)	109.0	557.0					
FCFF	(167.5)	(110.0)	155.2	575.5					

Source: Company data, West Bull Securities

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STRONG SELL	: absolute downside of >50% over the next 12 months

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