20 Apr 2026

CMB International Global Markets | Equity Research | Company Update

Hesai Group (HSAI US)

Takeaway from 2026 Investor Day & Technology Open Day

We attended Hesai Group (Hesai)'s 2026 Investor Day and Technology Open Day. During the events, Hesai: 1) unveiled Picasso SPAD-SoC, the world's first 6D full-color LiDAR ultra-sensitive chip, and announced the ETX series LiDAR will be fully upgraded with the Picasso SPAD-SoC, supporting up to 4,320 lines of full-color 4K ultra-high-definition perception, with mass production and delivery scheduled for 2H26; 2) announced a strategic upgrade from "spatial perception" to "spatial intelligence", and showcased Kosmo, a spatial intelligence AI hardware product, which is expected to be officially launched in 2H26; 3) announced expansion into the new business field of robot power modules, viewing it as one of the core infrastructures of the physical AI era. Regarding business deployment on becoming a key enabler in physical AI era, Hesai will focus on enhancing immersive interactive experiences in the first phase, while the second phase will be dedicated to enabling physical AI training. We rate BUY on Hesai with a target price of US$29.3 based on 7.5x 2026E P/S.

- **Picasso: achieves the fusion of color perception and distance measurement at the hardware level.** Picasso SPAD-SoC supports up to 4,320 laser channels and 4K ultra-high-definition perception. According to Hesai, the photon detection efficiency (PDE) of Picasso has exceeded 40%, reaching an industry-leading level. The new ETX LiDAR, powered by the Picasso chip, will integrate spatial and color detection, and is expected to enter mass production in 2H26.
- **Kosmo: targets to support the development of physical AI systems.** Kosmo is designed to collect real-world 3D data for creating "digital twins" of physical spaces. The device aims to support the development of physical AI systems, including humanoid robots, by enabling a better understanding in real-world environments. The product will initially focus on small business customers, before targeting the broader consumer market over the medium to long term, supported by scale effects and lower supply-chain costs.
- **TP of US$29.3 based on 7.5x 2026E P/S.** For 2026E, we expect 101%/46% YoY growth in LiDAR shipment volume/total revenue for Hesai. Key catalysts include: 1) faster-than-expected adoption of L3 vehicles, which could increase LiDAR units per vehicle and drive higher dollar content per car; 2) ramp-up in physical AI-related product revenue and increasing contribution from international ADAS expansion.

Earnings Summary

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	2,077	3,028	4,407	6,016	8,019
YoY growth (%)	10.7	45.8	45.6	36.5	33.3
Net profit (RMB mn)	(102.4)	435.9	507.6	913.6	1,393.0
Adjusted net profit (RMB mn)	13.7	550.5	657.5	1,055.5	1,533.9
EPS (Adjusted) (RMB)	0.11	3.96	4.04	6.56	9.53
Consensus EPS (RMB)	na	3.96	3.97	6.36	10.16

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price	**US$29.30**
Up/Downside	**26.0%**
Current Price	**US$23.25**

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Stock Data

Mkt Cap (US$ mn)	3,742.7
Avg 3 mths t/o (US$ mn)	39.3
52w High/Low (US$)	29.80/11.61
Total Issued Shares (mn)	161.0

Source: FactSet

Shareholding Structure

Fermat Star Limited	6.1%
Galbadia Limited	5.9%

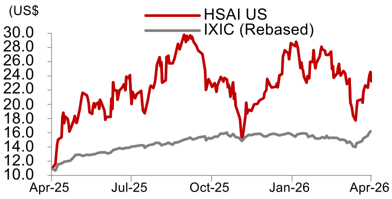
Source: NASDAQ

Share Performance

	Absolute	Relative
1-mth	-5.4%	-13.1%
3-mth	-18.6%	-21.7%
6-mth	3.6%	-4.0%

Source: FactSet

12-mth Price Performance



Source: FactSet

Figure 1: Hesai: Picasso SPAD-SoC

Source: Company data, CMBIGM

Figure 2: Hesai: customer list in Humanoid robot industry

Source: Company data, CMBIGM

Financial Summary

INCOME STATEMENT	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Revenue	**1,877**	**2,077**	**3,028**	**4,407**	**6,016**	**8,019**
Cost of goods sold	(1,216)	(1,193)	(1,762)	(2,666)	(3,669)	(4,928)
Others	0	0	0	0	0	0
Gross profit	**661**	**885**	**1,265**	**1,741**	**2,347**	**3,091**
Operating expenses	**(1,233)**	**(1,089)**	**(1,096)**	**(1,288)**	**(1,361)**	**(1,439)**
Selling expense	(149)	(193)	(192)	(221)	(232)	(243)
SG&A expense	(320)	(317)	(289)	(332)	(349)	(366)
R&D expense	(791)	(856)	(797)	(916)	(962)	(1,010)
Others	27	276	181	181	181	181
Operating profit	**(572)**	**(205)**	**169**	**453**	**986**	**1,652**
EBITDA	**(485)**	**(73)**	**169**	**585**	**1,150**	**1,844**
Depreciation	86	132	0	132	165	192
Interest income	100	104	130	179	149	109
Interest expense	(3)	(13)	(19)	(21)	(21)	(21)
Net Interest income/(expense)	**97**	**92**	**111**	**159**	**129**	**89**
Foreign exchange gain/loss	(0)	15	2	0	0	0
Other income/expense	0	(2)	185	0	0	0
Pre-tax profit	**(475)**	**(101)**	**467**	**612**	**1,114**	**1,741**
Income tax	(1)	(1)	(31)	(104)	(201)	(348)
Others	0	0	0	0	0	0
Net profit	**(476)**	**(102)**	**436**	**508**	**914**	**1,393**
Adjusted net profit	**(241)**	**14**	**551**	**658**	**1,056**	**1,534**

BALANCE SHEET	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Current assets	**4,398**	**4,683**	**7,069**	**7,292**	**8,470**	**10,234**
Cash & equivalents	3,141	3,246	4,850	4,659	4,970	5,651
Account receivables	525	765	1,262	1,475	2,014	2,685
Inventories	496	482	670	872	1,200	1,611
Other current assets	236	190	286	286	286	286
Non-current assets	**872**	**944**	**944**	**1,166**	**1,293**	**1,360**
PP&E	1,026	1,026	944	1,284	1,560	1,804
Other non-current assets	(154)	(82)	0	(117)	(267)	(444)
Total assets	**5,663**	**5,990**	**11,261**	**11,701**	**12,927**	**14,712**
Current liabilities	**1,335**	**1,629**	**1,895**	**1,983**	**2,295**	**2,687**
Short-term borrowings	112	345	448	448	448	448
Account payables	277	355	743	830	1,143	1,535
Other current liabilities	947	929	704	704	704	704
Non-current liabilities	**465**	**429**	**407**	**407**	**407**	**407**
Long-term borrowings	286	269	279	279	279	279
Other non-current liabilities	179	160	128	128	128	128
Total liabilities	**1,800**	**2,058**	**2,303**	**2,390**	**2,703**	**3,095**
Share capital	7,424	7,577	11,926	11,926	11,926	11,926
Retained earnings	(3,562)	(3,645)	(2,967)	(2,615)	(1,701)	(308)
Other reserves	0	0	0	0	0	0
Total shareholders equity	**3,862**	**3,932**	**8,959**	**9,311**	**10,225**	**11,618**
Minority interest	0	0	0	0	0	0
Total equity and liabilities	**5,663**	**5,990**	**11,261**	**11,701**	**12,927**	**14,712**

CASH FLOW	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	**(476)**	**(102)**	**436**	**508**	**914**	**1,393**
Depreciation & amortization	86	132	0	132	165	192
Change in working capital	181	(148)	(298)	(327)	(554)	(690)
Others	266	180	(128)	0	0	0
Net cash from operations	**57**	**64**	**10**	**313**	**524**	**895**
Investing						
Capital expenditure	(415)	(271)	(284)	(504)	(213)	(213)
Acquisition of subsidiaries/ investments	(622)	1,227	0	0	0	0
Others	(24)	0	0	0	0	0
Net cash from investing	**(1,060)**	**956**	**(284)**	**(504)**	**(213)**	**(213)**
Financing						
Dividend paid	0	0	0	0	0	0
Net borrowings	377	354	112	0	0	0
Share repurchases	1,225	0	4,298	0	0	0
Others	(12)	(104)	0	0	0	0
Net cash from financing	**1,590**	**251**	**4,410**	**0**	**0**	**0**
Net change in cash						
Cash at the beginning of the year	913	1,558	2,828	6,965	6,774	7,084
Exchange difference	58	14	0	0	0	0
Others	0	0	0	0	0	0
Cash at the end of the year	**1,558**	**2,828**	**6,965**	**6,774**	**7,084**	**7,766**
GROWTH	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
YE 31 Dec						
Revenue	56.1%	10.7%	45.8%	45.6%	36.5%	33.3%
Gross profit	40.1%	33.7%	43.0%	37.6%	34.8%	31.7%
Operating profit	na	na	na	168.2%	117.7%	67.7%
EBITDA	na	na	na	246.5%	96.7%	60.4%
Net profit	na	na	na	16.5%	80.0%	52.5%
Adj. net profit	na	na	3,921.7%	19.4%	60.5%	45.3%
PROFITABILITY	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
YE 31 Dec						
Gross profit margin	35.2%	42.6%	41.8%	39.5%	39.0%	38.5%
Operating margin	(30.5%)	(9.9%)	5.6%	10.3%	16.4%	20.6%
EBITDA margin	(25.9%)	(3.5%)	5.6%	13.3%	19.1%	23.0%
Adj. net profit margin	(12.9%)	0.7%	18.2%	14.9%	17.5%	19.1%
Return on equity (ROE)	(132.7%)	(2.6%)	6.8%	5.6%	9.4%	12.8%
GEARING/LIQUIDITY/ACTIVITIES	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
YE 31 Dec						
Current ratio (x)	3.3	2.9	3.7	3.7	3.7	3.8
Receivable turnover days	98.2	113.3	122.2	122.2	122.2	122.2
Inventory turnover days	171.6	149.7	119.3	119.3	119.3	119.3
Payable turnover days	72.6	96.7	113.7	113.7	113.7	113.7
VALUATION	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
YE 31 Dec						
P/E	ns	ns	50.7	48.8	27.1	17.8
P/E (diluted)	ns	ns	50.7	50.9	28.0	18.3

Source: Company data, CMBIGM estimates. Note: The calculation of net cash includes financial assets.

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