

What’s Hot Today:

► Robosense (2498 HK, HK\$34.30, HK\$16bn)

ADAS pressure remained, profitability improvement on track

**Topline declined yet profitability improved.** Robosense is a Chinese technology company, which engages in selling LiDAR products mainly to advanced driver assistance systems (ADAS) usages. Revenue in 1Q25 declined by 9% YoY to RMB328mn, mainly due to a 25% drop in ADAS LiDAR. However, GPM nearly doubled to 23.5%, which helped narrowing the quarterly net loss by 24% YoY to just below RMB100mn. The sharp growth in GPM was mainly due to a 23ppts YoY jump to 52% in the GPM of robot LiDAR products. Meanwhile, GPM of ADAS LiDAR stood at 15.1%, up 4.5ppts YoY, thanks to the lower raw material costs and the adoption of self-developed chips.

**The robot LiDAR becomes a new driver.** Revenue for this segment surged by 87% YoY to RMB73mn, accounting for 22% of total, with the sale volume up 183% YoY to 11,900 units. Robosense has been expanding its product offering to capture opprotunities in various niche sectors. For exmpale, new launches such as model E1R and Airy are to target industrial warehousing, delivery robots and commercial cleaning. There are already over 2,800 customers using its products. The company also made a breakthrough in gardening application, with exclusive partnerships with two global leading lawn mower robot manufacturers. In May, Mammotion Technologies placed an order for 1.2mn units of LiDAR for the next three years.

**Softer ADAS LiDAR.** Revenue from ADAS LiDAR decreased to RMB229mn, accounting for 70% of total. Sales volume dropped 17% YoY to 96,700 units in 1Q25, due to the loss of one customer. Nevertheless, Robosense is still actively exploring the Robotaxi business, having collaboration with over 90% of the major global Robotaxi players, such as Pony.AI, WeRide, DiDi.

China & HK Indices	CLOSE	1D	YTD
HSI	23,289	-1.2%	16.1%
HSCBI	8,432	-1.5%	15.7%
HSCCI	3,973	-0.8%	5.1%
CSI300	3,840	-0.5%	-2.4%
Shanghai A	3,508	-0.5%	-3.9%
Shanghai B	256	-1.4%	-3.9%
Shenzhen A	2,062	-1.1%	0.7%
Shenzhen B	1,182	-1.9%	-2.5%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	42,270	0.1%	-0.6%
S&P 500	5,911	-0.0%	0.5%
Nasdaq	19,113	-0.3%	-1.0%
Nikkei Index	37,495	-1.2%	-6.0%
FTSE Index	8,772	0.6%	7.3%
CAC Index	7,751	-0.4%	5.0%
DAX Index	23,997	0.3%	20.5%

Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	3,289	-0.9%	26.0%
STEEL (US\$/oz.)	1,864	-1.3%	4.4%
SILVER (US\$/oz.)	32	-1.0%	14.4%
CRUDE OIL (US\$/bbl)	60	-0.2%	-13.3%
COPPER (US\$/oz.)	9,498	-0.7%	8.3%
ALUMINIUM (US\$/oz.)	2,444	-1.0%	-4.2%
PLATINUM (US\$/oz)	1,057	-2.6%	16.6%
ZINC (US\$/oz.)	2,620	-2.5%	-12.0%
WHEAT (US\$/bu)	534	0.0%	-2.9%
CORN (US\$/bu)	444	-0.7%	-5.2%
SUGAR (US\$/lb)	N/A	N/A	
SOYBEAN (US\$/bu)	1,041	-1.0%	0.5%
PVC (US\$/t.)	N/A	N/A	-5.4%
CRB	290	-0.1%	3.0%
BDI			42.2%

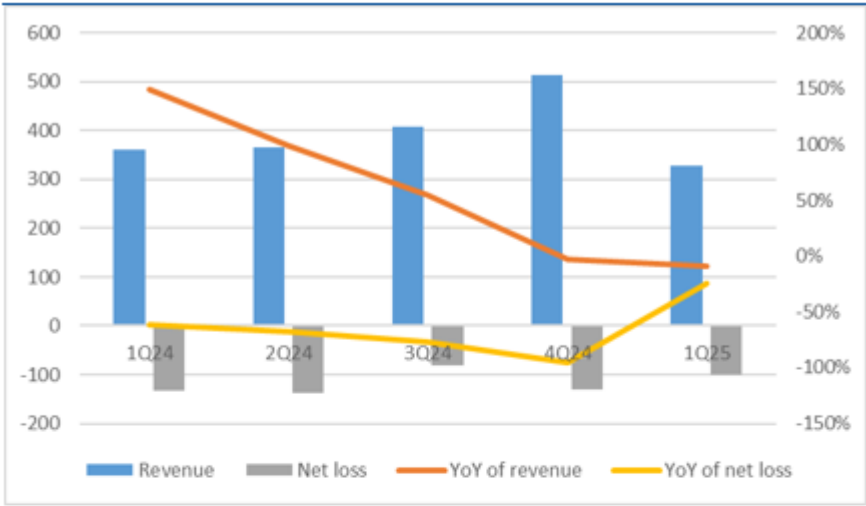
Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.841	0.881	144.020	0.822	7.199
HKD	0.128		0.112	18.373	10.491	0.918
EUR	1.135	8.898		163.460	1.072	8.178
JPY	0.007	5.443	0.612		0.571	0.050
CHF	1.216	9.532	1.072	175.220		8.752
RMB	0.139	1.089	0.122	19.983	0.114	

Market Sentiment	CURRENT	5D
CDS Monitor - USD SR 5Y		
Greece	N/A	N/A
Ireland	83	-2.4%
Italy	139	-0.6%
Portugal	207	-0.0%
Spain	108	0.3%
VIX	18	-8.4%

Source: Bloomberg

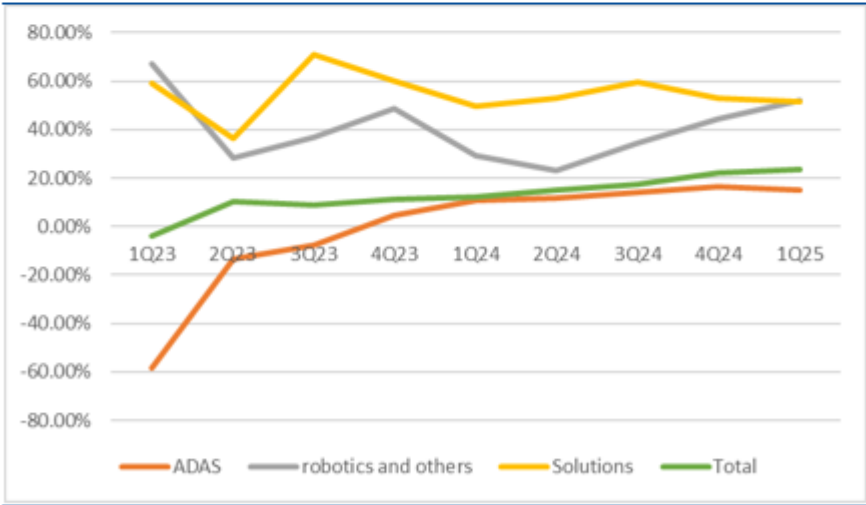
**Our view:** Although the ADAS LiDAR business faces some pressure due to intense market competition in the near term, Robosense has successfully identified other growth drivers. Benefiting from the lower raw material costs and the optimization of the product mix, its profitability is expected to continue to improve. As at the end of March 2025, the company had RMB3.2bn cash in hand whereas the net operating cash outflow for 1Q25 amounted to RMB463mn. As at end of April 2025, the company had some 472.81mn in issued which is approaching the current authorized capital of 500mn shares. As such the company has proposed to increase the authorized capital by 300mn shares to 800mn shares. (Ensley LIU)

Fig 1: Revenue and Net loss(RMB mn)



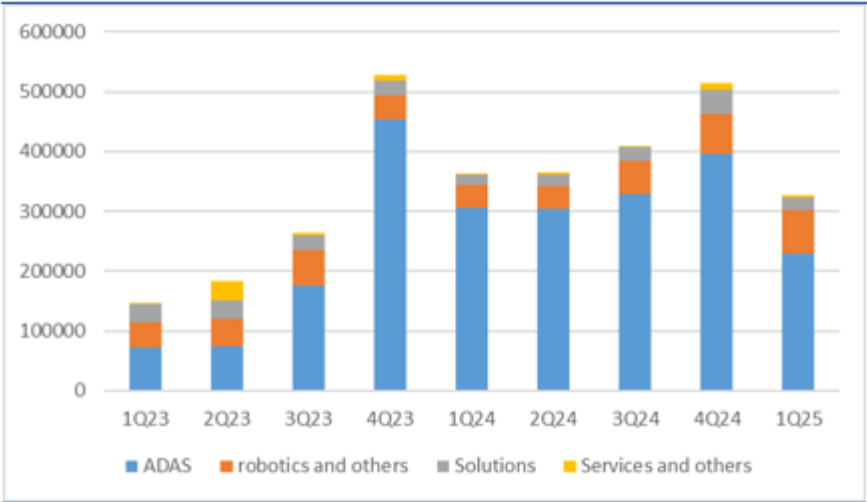
Source: Company Data, Sunwah Kingsway Research

Fig 2: GPM of each segment



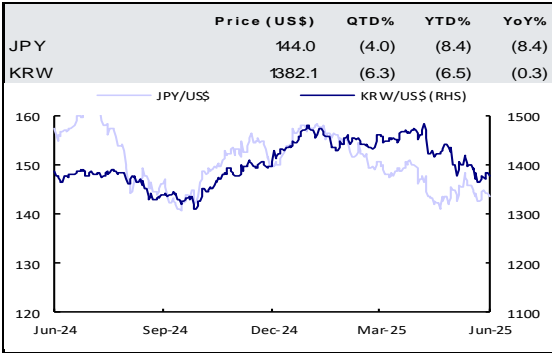
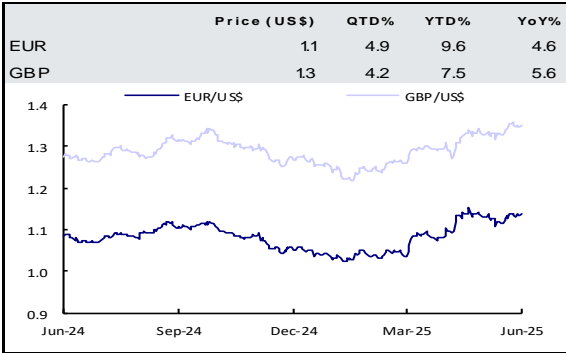
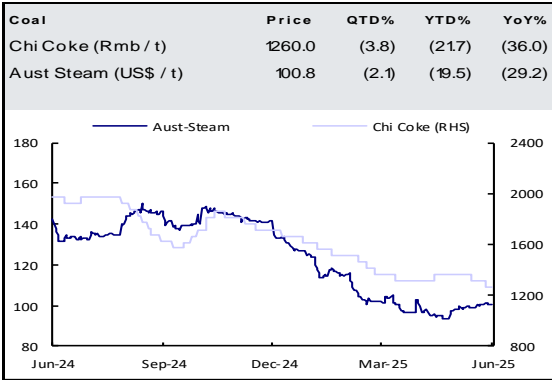
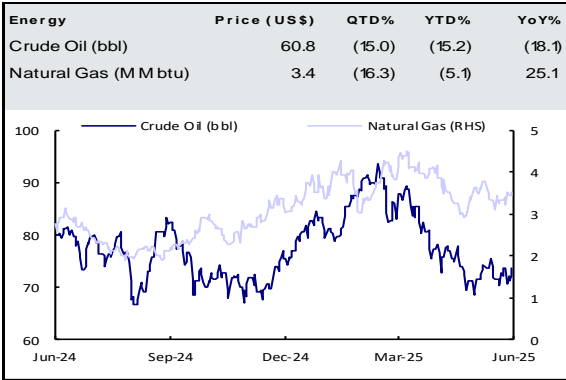
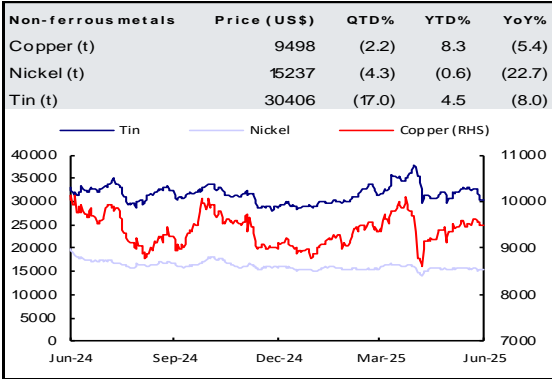
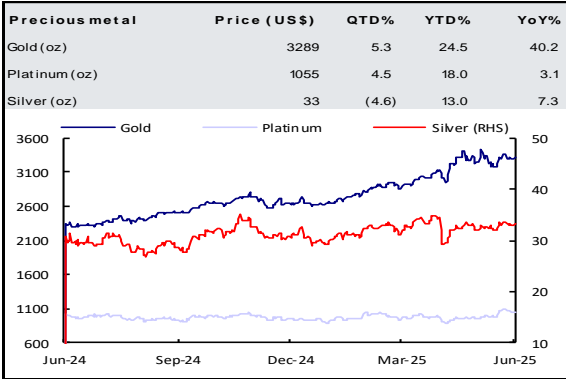
Source: Company Data, Sunwah Kingsway Research

Fig 3: Revenue breakdown(RMB k)



Source: Company Data, Sunwah Kingsway Research

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
ISM Manufacturing PMI	MoM		2-Jun-25
Durable Goods Orders	MoM		3-Jun-25
Factory Orders	MoM		3-Jun-25
Trade Balance	MoM		5-Jun-25
Initial Jobless Claims	WoW		5-Jun-25
Employment Report	MoM		6-Jun-25
Wholesale Inventories	MoM		9-Jun-25
CPI	MoM		11-Jun-25
PPI	MoM		12-Jun-25
Business Inventories	MoM		17-Jun-25
Retail Sales	MoM		17-Jun-25
Industrial Production	MoM		17-Jun-25
Housing Starts / Building Permits	MoM		18-Jun-25
Existing Home Sales	MoM		23-Jun-25
Consumer Confidence	MoM		24-Jun-25
New home Sales	MoM		25-Jun-25
GDP	QoQ		26-Jun-25
Personal Income & Spending	MoM		27-Jun-25
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Foreign Exchange Reserves	QoQ		7-Jun-25
Money Supply - M2	MoM		9-Jun-25
Trade Balance	MoM		9-Jun-25
PPI	MoM		9-Jun-25
CPI	MoM		9-Jun-25
Retail Sales	MoM		16-Jun-25
Industrial Production	MoM		16-Jun-25
PMI Manufacturing	MoM		30-Jun-25
GDP	YoY		15-Jul-25

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Retail Sales	MoM		2-Jun-25
PMI	MoM		4-Jun-25
Foreign Currency Reserve	MoM		6-Jun-25
Producer Prices Index	QoQ		12-Jun-25
Industrial Production	QoQ		12-Jun-25
Unemployment Rate	MoM		17-Jun-25
CPI	MoM		20-Jun-25
Trade Balance	MoM		26-Jun-25
Money Supply - M2	MoM		30-Jun-25
GDP	QoQ		31-Jul-25
Composite Interest Rate	MoM		

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