

Physical AI in China: three companies, three paths

Publié le 21 mai 2026

Baoqi Zhu

Associate Director, Quantitative Research & Multi Asset Solutions

Points clés

- China is becoming an increasingly important market for Physical AI, supported by its manufacturing ecosystem, hardware supply chain and industrial automation demand.
- UBTech illustrates how humanoid robotics is moving from demonstrations towards early industrial deployment, particularly in manufacturing and logistics environments.
- Pony AI shows that autonomous mobility is already entering commercial operation, with robotaxi services expanding across selected cities in China and overseas markets.
- Shenzhen Dobot represents the more commercially established side of Physical AI, with collaborative robots already deployed in factories and broader embodied-AI applications still at an early stage.
- Related Products [WisdomTree Physical AI, Humanoids and Drones UCITS ETF - USD Acc](#) Find out more

During CES 2026, Jensen Huang stated that ‘we’re entering the era of Physical AI’. The remark was a strong reminder that artificial intelligence (AI) applications are expanding from the digital world into the physical world. As AI becomes increasingly integrated into robotics, autonomous vehicles and smart factories, the AI megatrend is entering a new phase.

On the other side of the Pacific, Physical AI is also developing rapidly. Supported by a deep hardware supply chain, large-scale manufacturing capacity, competitive technology firms and industrial policy support, China is playing an increasingly important role in the development of Physical AI.

My recent trip to China made the theme feel even more tangible. Watching humanoid robot demonstrations during onsite visits to robotics companies, taking robotaxi trips, or simply ordering bubble tea delivered by drone all reinforced the same point: Physical AI is beginning to move beyond research labs into real commercial settings. Against this backdrop, the three Chinese companies discussed below illustrate distinct stages in the commercialisation of Physical AI.

Three Companies, three paths to Physical AI

UBTech: scaling humanoid robotics

UBTech is now closely associated with humanoid robotics, but the company's origins are more conventional. Its earlier businesses in education, cleaning and logistics robots provided engineering experience, manufacturing know-how and relationships with industrial customers before humanoids became commercially relevant. These legacy businesses also provided a more resilient revenue base while humanoid robotics remained at an early stage.

What structurally changed in 2025 was UBTech's revenue contribution. According to its earnings for FY2025, revenue from full-size humanoid robots rose sharply to 41% of group revenue, compared with only 3% in 2024. More than 1,000 humanoid units were shipped during the year, suggesting the industry is moving toward early deployment.

UBTech's investor relations team appeared more convinced, when I visited them, that the near-term use cases for humanoids are in factories rather than households. The Walker S series is being tested in manufacturing and logistics scenarios, including Foxconn's 3C electronics factories, for tasks including handling, sorting and quality inspection. This may reflect a broader trend: factory environments are comparatively structured and repetitive, making them a more realistic starting point for humanoid adoption.

The next challenge is scale rather than proof of concept. Management is targeting 5,000 humanoid shipments in 2026, with planned production capacity of 10,000 units. The latest Walker S2 can also autonomously swap its own batteries, helping improve uptime in industrial settings.

UBTech's strategy is not only about hardware. The company has developed its own Physical AI model, Thinker, while also building a broader automation ecosystem combining humanoid robots and autonomous logistics vehicles. On manufacturing, UBTech mainly designs key humanoid components while relying on suppliers for production, but its recent acquisition of Fenglong Electric suggests a move toward greater supply-chain integration.

UBTech's humanoid strategy builds on capabilities developed through its earlier robotics businesses, but applied to a far more ambitious and still early-stage market.

Pony AI: robotaxis beyond pilot programmes

Pony AI represents the autonomous mobility side of Physical AI. Founded by former Baidu autonomous-driving engineers, the company develops software for robotaxis, robotrucks and autonomous-driving licensing, with robotaxis increasingly becoming the spotlight of the investment case.

Pony AI's autonomous vehicles are now operating in designated areas across multiple Chinese cities. Pony AI has also started expanding internationally, launching commercial robotaxi services in Croatia, while pursuing deployments and partnerships in the United Arab Emirates and Singapore. Autonomous driving is not only a technology challenge, but also a regulatory and local operating capability. Expanding across different road systems and regulatory frameworks is an important test of scalability.

The attraction of robotaxis is straightforward. Unlike many AI applications that remain digital, autonomous vehicles interact directly with the physical world. That creates a much higher technical and regulatory hurdle, but also a clearer commercial use case if deployment costs continue to fall.

Pony AI's recent results showed strong growth in robotaxi revenue from a small base, although robotruck and licensing revenue still account for a meaningful share of the business. The debate now is less about whether robotaxis can technically operate, and more about whether utilisation rates, regulation and fleet economics can support sustainable returns on capital.

Compared with humanoid robotics, autonomous mobility appears further along in commercialisation, with operating services already providing a clearer indication of potential adoption.

Shenzhen Dobot: the more tangible side of Physical AI

Shenzhen Dobot represents the more tangible side of Physical AI. Its core business is collaborative robots, used in manufacturing, education and commercial settings. These robotic arms are already deployed for tasks such as assembly, inspection, sorting and material handling, particularly in automotive, electronics and semiconductor production.

Unlike many humanoid robotics companies, Dobot already generates revenue from established factory automation products. The company is not relying entirely on future humanoid adoption, but is also gaining exposure to current industrial automation demand and factory spending cycles.

Traditional industrial robots are often expensive to install and designed for narrowly defined tasks. Cobots are easier to integrate into existing production lines and can adapt more quickly to changes in workflow, making adoption more realistic beyond large-scale factories. Dobot already has an installed base of more than 100,000 cumulative shipments across multiple countries. Existing customer relationships may also help the company introduce more advanced embodied-AI products over time.

The company is also exploring broader embodied-AI applications. Management describes a 'one brain, multiple bodies' approach, using shared software architecture across robotic arms, humanoids and mobile robots. In 2025, Dobot launched products including a humanoid, but the revenue contribution remains small.

Compared with humanoid robotics, Dobot offers more direct exposure to current automation spending and factory upgrades, where commercial adoption is already taking place.

Conclusion

Together, UBTech, Pony AI and Dobot show that Physical AI is not a single product category, but a transition across different machine types and end markets. UBTech brings AI into humanoid robots, Pony AI brings AI into vehicles and Dobot brings AI into factory automation.

The common thread is embodiment: AI is connected to hardware that can interact with the physical world. These companies also illustrate why China is becoming increasingly important to the theme. China's

manufacturing ecosystem, fast product iteration and domestic automation demand make it a key market for early Physical AI deployment.

Investing in the opportunity with WisdomTree

[WisdomTree Physical AI Humanoids and Drones UCITS ETF \(WPAI\)](#) provides targeted exposure to the Physical AI transformation by investing across the ecosystem, spanning humanoid robotics, drones, autonomous mobility, smart manufacturing, logistics automation, and emerging real-world AI applications. All three companies in this blog are also included in WPAI1.

Physical AI remains an emerging and rapidly evolving theme. Companies operating in robotics, autonomous mobility and AI-enabled automation may face significant risks including technological hurdles, regulation, supply-chain disruption, competitive pressures and slower-than-expected commercial adoption. Many companies in the sector remain exposed to high research and development spending and may experience elevated share-price volatility.

1 WisdomTree, as of 11 May 2026.

Important Risks Related to this Article

IMPORTANT INFORMATION

Marketing communications issued in the European Economic Area (“EEA”): This document has been issued and approved by WisdomTree Ireland Limited, which is authorised and regulated by the Central Bank of Ireland. **Marketing communications issued in jurisdictions outside of the EEA:** This document has been issued and approved by WisdomTree UK Limited, which is authorised and regulated by the United Kingdom Financial Conduct Authority. WisdomTree Ireland Limited and WisdomTree UK Limited are each referred to as “WisdomTree” (as applicable). Our Conflicts of Interest Policy and Inventory are available on request. This marketing communication is intended for all investors; however, the WisdomTree products described in this document and related materials may be restricted in certain jurisdictions and may only be available to particular categories of investors in accordance with applicable laws and regulations. Where a product is not authorised or its distribution is restricted in your jurisdiction, it is the responsibility of any person or entity in possession of this information to inform themselves of, and comply with, all relevant restrictions. Before making any investment, investors should seek appropriate legal, regulatory, tax and investment advice to assess the suitability and implications of investing in these products. Information about WisdomTree products is available at [wisdomtree.eu](https://www.wisdomtree.eu). WisdomTree does not offer investment advice tailored to individual circumstances. Past performance is not a reliable indicator of future performance. Any historical performance included in this document may be based on back testing. Back testing is the process of evaluating an investment strategy by applying it to historical data to simulate what the performance of such strategy would have been. Back tested performance is purely hypothetical and is provided in this document solely for informational purposes. Back tested data does not represent actual performance and should not be interpreted as an indication of actual or future performance. The value of any investment may be affected by exchange rate movements. Any decision to invest should be based on the information contained in the appropriate prospectus and after seeking independent investment, tax and legal advice. The content of this document does not constitute investment advice nor an offer for sale nor a solicitation of an offer to buy any product or make any investment. An investment in exchange-traded products (“ETPs”) is dependent on the performance of the underlying index, less costs, but it is not expected to match that performance precisely. ETPs involve numerous risks including among others, general market risks relating to the relevant underlying index, credit risks on the provider of index swaps utilised in the ETP, exchange rate risks, interest rate risks, inflationary risks, liquidity risks and legal and regulatory risks. The information contained in this document is not, and under no circumstances is to be construed as, an advertisement or any other step in furtherance of a public offering of shares in the United States or any province or territory thereof, where none of the issuers or their products are authorised or registered for distribution and where no prospectus of any of the issuers has been filed with any securities commission or regulatory authority. No document or information in this document should be taken, transmitted or distributed (directly or indirectly) into the United States. None of the issuers, nor any securities issued by them, have been or will be registered under the United States Securities Act of 1933 or the Investment Company Act of 1940 or qualified under any applicable state securities statutes. This document may contain independent market commentary

prepared by WisdomTree based on publicly available information. Although WisdomTree endeavours to ensure the accuracy of the content in this document, WisdomTree does not warrant or guarantee its accuracy or correctness. Any third party data providers used to source the information in this document make no warranties or representation of any kind relating to such data. Where WisdomTree has expressed its own opinions related to product or market activity, these views may change. Neither WisdomTree, nor any affiliate, nor any of their respective officers, directors, partners, or employees accepts any liability whatsoever for any direct or consequential loss arising from any use of this document or its contents. This document may contain forward looking statements including statements regarding our belief or current expectations with regards to the performance of certain assets classes and/or sectors. Forward looking statements are subject to certain risks, uncertainties and assumptions. There can be no assurance that such statements will be accurate and actual results could differ materially from those anticipated in such statements. WisdomTree strongly recommends that you do not place undue reliance on these forward-looking statements. WisdomTree Issuer ICAV Certain funds referred to in this document are issued by WisdomTree Issuer ICAV ("WT Issuer"). WT Issuer is an open-ended, umbrella-type Irish Collective Asset-management Vehicle with segregated liability between sub-funds and is authorised by the Central Bank of Ireland ("CBI") as an Undertaking for Collective Investment in Transferable Securities ("UCITS") under Irish law. Each fund is represented by a separate class of shares (the "Shares") issued by WT Issuer.

The Fund is described in a Key Information Document (KID) or Key Investor Information Document (KIID) for UK investors, and the prospectus of WT Issuer ("WT Prospectus"). A copy of the WT Prospectus and the KID / KIID is available, for EEA/UK only, in English at www.wisdomtree.eu. Where required under national rules, the KID will also be available in the local language of the relevant EEA Member State. Investors should read the WT Prospectus before investing and should refer to the section of the WT Prospectus entitled »Risk Factors¼ for further details of risks associated with an investment in the Shares. The [summary of investor rights](#) associated with an investment in the fund is available in English on WisdomTree Europe¼s website. WisdomTree Management Limited may decide to terminate the arrangements made for the marketing of its collective investment undertakings. In such circumstances, shareholders in the affected EEA Member State will be notified of this decision and will be provided with the opportunity to redeem their shareholding in the fund free of any charges or deductions for at least 30 working days from the date of such notification. For Investors in Switzerland: This document constitutes an advertisement of the financial product(s) mentioned herein. The prospectus (in English only) and the key investor information documents (KID) (in German, French and Italian) are available from WisdomTree¼s website <https://www.wisdomtree.eu/en-ch/resource-library/prospectus-and-regulatory-reports> **For WisdomTree UCITS products only:** the representative and paying agent of the ETPs in Switzerland is Société Générale Paris, Zurich Branch, Talacker 50, PO Box 5070, 8021 Zurich, Switzerland. The prospectus, the key investor information documents (KIID), the articles of association and the annual and semi-annual reports of the sub-funds are available free of charge from the representative and paying agent. As regards distribution in Switzerland, the place of jurisdiction and performance is at the registered seat of the representative and paying agent. Some of the sub-funds referred to in this document may not have been registered with the Swiss Financial Market Supervisory Authority ("FINMA"). In Switzerland, such sub-funds that have not been registered with FINMA may only be available to Qualified Investors.

For Investors in France: The information in this document is intended exclusively for professional investors (as defined under the MiFID) investing for their own account and this material may not in any way be distributed to the public. The distribution of the Prospectus and the offering, sale and delivery of Shares in other jurisdictions may be restricted by law. WT Issuer is a UCITS governed by Irish legislation, and approved by the Financial Regulatory as UCITS compliant with European regulations although may not have to comply with the same rules as those applicable to a similar product approved in France. The Fund has been registered for marketing in France by the Financial Markets Authority (Autorité des Marchés Financiers) and may be distributed to investors in France. Copies of all documents (i.e. the Prospectus, the Key Investor Information Document, any supplements or addenda thereto, the latest annual reports and the memorandum of incorporation and articles of association) are available in France, free of charge at the French centralizing agent, Societe Generale at 29, Boulevard Haussmann, 75009, Paris, France. Any subscription for Shares of the Fund will be made on the basis of the terms of the prospectus and any supplements or addenda thereto. **For Investors in Malta:** This document does not constitute or form part of any offer or invitation to the public to subscribe for or purchase shares in the Fund and shall not be construed as such and no person other than the person to whom this document has been addressed or delivered shall be eligible to subscribe for or purchase shares in the Fund. Shares in the Fund will not in any event be marketed to the public in Malta without the prior authorisation of the Maltese Financial Services Authority. **For Investors in Monaco:** This communication is only intended for duly registered banks and/or licensed portfolio management companies in Monaco. This communication must not be sent to the public in Monaco. **For Investors in Israel:** Offering materials for the offering of the Shares and securities have not been filed with or approved or disapproved by the United States Securities and Exchange Commission or any other state or federal regulatory authority, nor has any such regulatory authority passed upon or endorsed the merits of this offering or passed upon the accuracy or completeness of any offering materials. Any representation to the contrary is unlawful. The products mentioned herein have not been approved by the Israel Securities Authority and will only be distributed to Israeli residents in a manner that will not constitute “an offer to the public” under sections 15 and 15a of the Israel Securities Law, 5728-1968 (“the Securities Law”) or section 25 of the Joint Investment Trusts Law, 5754-1994 (“the Joint Investment Trusts Law”), as applicable. The products are being offered to a limited number of investors (35 investors or fewer during any given 12 month period) and/or those categories of investors listed in the First Addendum (“the Addendum”) to the Securities Law, “Sophisticated Investors”) who in each case have provided written confirmation that they qualify as Sophisticated Investors, and that they are aware of the consequences of such designation and agree thereto; in all cases under circumstances that will fall within the private placement or other exemptions of the Joint Investment Trusts Law, the Securities Law and any applicable guidelines, pronouncements or rulings issued from time to time by the Israel Securities Authority. This prospectus or this document may not be reproduced or used for any other purpose, nor be furnished to any other person other than those to whom copies have been sent. Any offeree who purchases a product is purchasing such product for its own benefit and account and not with the aim or intention of distributing or offering such product to other parties (other than, in the case of an offeree which is a Sophisticated Investor by virtue of it being a banking corporation, portfolio manager or member of the Tel-Aviv Stock Exchange, as defined in the Addendum, where such offeree is purchasing a product for another party which is a

Sophisticated Investor). Nothing in this document should be considered investment advice or investment marketing as defined in the Regulation of Investment Counselling, Investment Marketing and Portfolio Management Law, 5755-1995. Investors are encouraged to seek competent investment counselling from a locally licensed investment counsel prior to making the investment. A recipient of this document may be required to provide confirmation that it is a Sophisticated Investor purchasing a product for its own account or, where applicable, for other Sophisticated Investors.