

Physical AI

Who Builds the Brain That Runs Every Robot?

Nineteen thousand humanoids shipped in six months, seven companies financed above US\$3bn, one listed pure-play that doubled and halved inside a fortnight — and not one published fleet statistic. A sector map, and a closer look at two companies attacking the same problem from opposite ends.



EXECUTIVE VIEW

The Robots Are Shipping. The Business Model Is Not.

Hardware volume is a Chinese story, model capital is an American story, and paid robot-hours are nobody's story yet. The sector is priced for the loop to close; the evidence is one plant in South Carolina.

19,100

HUMANOIDS SHIPPED
GLOBALLY, 1H 2026 — 97%
FROM CHINA

7

PRIVATE PHYSICAL-AI
COMPANIES MARKED AT
US\$3BN OR MORE

\$53bn

UNITREE DAY-ONE CLOSE —
THE SECTOR'S FIRST PUBLIC
ANCHOR (AUG 2026)

1

CORROBORATED MULTI-
MONTH PRODUCTION
DEPLOYMENT IN THE WEST
(BMW)

Our Core View

Physical AI is one thesis financed many ways. The thesis: a single learned model can run any robot, and whoever gathers the most useful physical data compounds fastest. The financing has split into three camps. Chinese hardware makers — AgiBot, Unitree, UBTech — ship at volume with thin disclosed AI investment. American model-first labs — Physical Intelligence, Skild, Generalist — raise at US\$3–14bn without owning a robot. And a small set of full-stack players — Figure, Tesla, Apptронik, Agility, 1X, Genesis — own the model, the body and the deployment, and are priced on the belief that owning the whole loop is the moat.

- Volume is real and Chinese: 18,500 of 19,100 units shipped in 1H 2026 came from China; AgiBot alone shipped 8,400. Western volume is measured in hundreds.
- Capital is concentrated and American: Figure at US\$39bn, Skild US\$14bn, Physical Intelligence US\$11bn, 1X in talks at US\$6bn, Apptронik US\$5.5bn, Generalist and Genesis at US\$3bn. Only Agility, at a US\$2.5bn SPAC, has disclosed booked revenue (US\$300mn, ~1,000 robots).
- Proof is thin everywhere: one corroborated production deployment (Figure at BMW), one disclosed revenue backlog (Agility), no published uptime, intervention rate or gross margin from any company.
- The two companies examined here sit at the ends of the full-stack camp: Figure started with the robot and is buying the data; Genesis started with the model and is building the robot. Their marks are thirteen times apart.

OUTRIDGE VIEW The right unit of analysis is not the robot or the company but the loop: data → model → hardware → deployment → data. Volume without a model is a hardware business; a model without deployments is a research lab. The companies that close the loop will set the sector's valuation, and the next twelve months of fleet data — not the next round — will show which ones are closing it.

MARKET TIMING

Why 2026 Is the Year the Demos Stopped Mattering

Four things converged: models that learn from demonstration, data that no longer needs a robot to collect, labor economics that clear at a US\$100k robot-year, and a public market that finally put a price on the category.

01	02	03	04
MODEL CAPABILITY	DATA SUPPLY	LABOR ECONOMICS	PRICE DISCOVERY
Vision-language-action models link perception, instruction and full-body or full-hand control in one policy	Human video, egocentric capture and gloves are replacing teleoperation as the training source	Multi-shift roles at US\$80k+ per shift make a US\$100k robot-year arithmetically attractive	Unitree listed; Agility is going public; the private marks now have a public comparable

What Changed in 2026

- **The model became the product.** Helix, GENE, π -series, Skild Brain and Gen 1.5 are all bets that a learned policy — not an engineered work-cell — is the unit of value. Hardware strategy now follows from the model; a year ago it was the reverse.
- **Data supply diversified.** Figure's Index app crowdsources task video from 108 countries and processes 30 minutes of it per second. Genesis's glove maps a worker's hand motion and contact 1:1 onto a robot hand. Generalist trains on video clips of 3–12 seconds. The teleoperation bottleneck that defined 2024 is being engineered around from three directions at once.
- **Shipments tripled — in China.** Global humanoid shipments reached ~19,100 units in 1H 2026, up from ~5,100 a year earlier, with China at 97% of volume. TrendForce expects Unitree and AgiBot to hold nearly 80% of Chinese output this year.
- **Capital concentrated.** Seven private names now sit above US\$3bn. Company materials cite industry estimates of ~US\$56bn raised by robotics and physical-AI start-ups in 2025, a record.
- **The public market spoke twice.** Unitree priced at ~US\$9bn on 19 August, closed day one at ~US\$53bn after a 629% intraday surge, and gave back half its peak by 2 September. Agility announced a US\$2.5bn SPAC with US\$620mn of proceeds and US\$300mn of booked revenue. The sector now has a volatility benchmark and a revenue benchmark.

OUTRIDGE INSIGHT The question has moved from "can a robot do the task?" to "how fast can a fleet repeat it — safely, economically and with declining human intervention?" That question is form-factor neutral and geography neutral. It is answered in robot-hours, and no company in the sector has yet published them.

THE LANDSCAPE

Three Camps, Two Continents, One Unproven Loop

Twelve companies that define the sector, sorted by what they own.

Company	Camp	Owns	Latest Mark / Status	Read
Figure AI	Full stack · US	Model, humanoid, factory, data app, contracted compute	US\$39bn Series C (Sep 2025); secondary -11% to +2%	Sector leader on proof and scale; priced as a platform
Tesla Optimus	Full stack · US	Model, humanoid, fleet data, factories — inside Tesla	Not separately valued	Deepest data and balance sheet; not investable on its own
Genesis AI	Full stack · FR/US	Model, simulator, glove data engine, wheeled robot, hand	US\$105mn seed (Jul 2025); in talks at ~US\$3bn pre (Jul 2026)	Youngest full-stack; cheapest disclosed data route
Apptронik	Full stack · US	Apollo humanoid; Google DeepMind model partnership	US\$520mn at ~US\$5.5bn (Feb 2026)	Automotive and logistics pilots; model partly outsourced
Agility Robotics	Full stack · US	Digit humanoid; RaaS deployments	US\$2.5bn SPAC (Jul 2026); US\$300mn booked revenue, ~1,000 robots	Only Western name with disclosed backlog; going public
1X	Full stack · NO/US	NEO home humanoid; teleop fallback	Sought US\$10bn (2025); majority-stake talks at ~US\$6bn (Aug 2026)	Home-first; the sector's first down-valuation signal
Physical Intelligence	Model-first · US	π-series models; hardware-agnostic	US\$11bn (Aug 2026)	Strongest research brand among the labs
Skild AI	Model-first · US	Skild Brain; hardware-agnostic	US\$14bn (Aug 2026)	Highest-valued model-first lab
Generalist	Model-first · US	Gen 1.5 model; short-video learning	US\$600mn at US\$3bn (Aug 2026)	Price comparable to Genesis, without hardware
Unitree	Hardware-first · CN	Quadrupeds and humanoids at volume; limited disclosed AI	IPO ~US\$9bn → ~US\$53bn day one → ~50% off peak; 5,900 units 1H26	Public anchor; best hardware business; thinnest AI investment
AgiBot	Hardware-first · CN	Humanoid lines at volume; open data sets	Private; 8,400 units 1H26 (44% global share)	Volume leader; model depth undisclosed
UBTech	Hardware-first · CN	Walker humanoids; listed in Hong Kong	HKEX-listed; ~5% global share 1H26	Listed comparable for Chinese humanoids

OUTRIDGE INSIGHTS The table has a shape: Chinese companies lead on units and trail on disclosed model investment; American labs lead on model capital and own no hardware; full-stack players carry the highest marks and the heaviest burn. The two companies examined next are the full-stack camp's two ends — the most proven and the most recent.

THE DATA PROBLEM

Robots Have No Internet to Learn From

Language models trained on text that already existed. Robot models need physical demonstrations that must be manufactured — and the cost of manufacturing them is the sector's central variable.

Data Route	How It Works	Cost & Scale	Fidelity	Who Uses It
Teleoperation	An operator drives the robot; every hour of data costs an hour of robot and operator time	High cost; robot-bound; slow	Highest — real robot, real actions	Figure fleet logs; Tesla; 1X; most 2024-era labs
Handheld gripper (UMI)	A person uses a handheld device shaped like the robot's gripper	Moderate; scales with people, not robots	Good for grippers; weak for dexterous hands	Physical Intelligence; Generalist
Instrumented glove	A worker wears a sensing glove during normal work; motion and tactile data map 1:1 to a human-scale robot hand	Company-reported ~100× cheaper than robot hardware; ~5× teleop throughput	High for dexterity when the robot hand matches the human hand	Genesis (GENE-26.5; Data Foundry program)
Consumer video app	Public contributors film everyday tasks on a phone; an automated pipeline filters, deduplicates and annotates	Lowest unit cost; 264k downloads in 108+ countries; US\$15mn paid to creators	Lower — third-person video, no force or tactile signal	Figure (Index)
Short video clips	The model learns a task from a demonstration of a few seconds	Very low; depends on model sample-efficiency	Limited by what video shows	Generalist (Gen 1.5)
Fleet data	Deployed robots log their own work	Free at the margin — but only after deployment	Highest for the deployed task	Tesla; AgiBot; Figure at BMW; Agility across ~1,000 units
Simulation	Policy trains in a physics engine; the sim-to-real gap decides transfer	Near-zero marginal cost; compute-bound	Depends on engine realism	Genesis World; NVIDIA Isaac users including Figure

Volume or Fidelity

Every route is a bet on how robots learn. **Volume bets** — Figure's Index, Generalist's clips, AgiBot's open data sets — assume breadth of environments and objects matters more than precision, and that missing force and tactile signals can be recovered from fleet data once robots are deployed. **Fidelity bets** — Genesis's glove, Physical Intelligence's grippers — assume dexterous manipulation is where value concentrates and that a smaller quantity of precise, in-context data beats a larger quantity of video. Language models suggest scale wins eventually and quality wins first; if that pattern holds, fidelity produces the earlier usable skills and volume produces the broader eventual model.

OUTRIDGE INSIGHTS The routes converge on deployment: a deployed fleet generates high-fidelity data at volume. That is why every camp is racing to the same place — paid robots in customer sites — and why the first company to publish a fleet statistic will re-price the whole table.

FORM FACTOR

Legs Buy Reach. Wheels Buy Uptime. Nobody Owns Distribution.

The humanoid debate is usually argued on aesthetics. It should be argued on the share of tasks each body can reach, what it costs to keep it running, and who owns the customer.

Dimension	Bipedal Humanoid Figure, Tesla, Apptronik, Agility, 1X, Unitree, AgiBot	Wheeled Manipulator Genesis Eno; most lab and logistics pilots	Model Only Physical Intelligence, Skild, Generalist
Environment coverage	Stairs, ladders, uneven floors, vehicle cabins — every space built for a human	Flat floors: factories, warehouses, labs; adjustable height covers most bench and shelf work	Whatever the partner's hardware reaches
Balance and safety	Dynamic balance consumes a control layer and battery; a fall is a liability event	Statically stable; back-drivable arms rated for human proximity; no fall mode	Inherits the partner's safety case
Bill of materials	Legs, hips and balance sensors add cost, mass and failure points	Fewer actuators; company materials for Eno cite a ~US\$21k unit cost target	None — but no hardware margin either
Uptime and service	More joints to maintain; gait wears actuators	Simpler drivetrain; folds for storage; easier field service	Depends on the integrator
Customer perception	High — the humanoid form is the demand signal that opened enterprise doors	Appliance-like by design — Genesis calls it "the opposite bet"	Invisible to the end customer
Who owns the deployment data	The robot maker	The robot maker	Contested — the hardware partner sees the same data

Why the Debate Matters Less Than It Seems — and More

Every full-stack company says the model is the asset and the body is a delivery mechanism, and every one has designed the body around its model. If the model generalizes, the body is a product-line decision — Genesis's materials already describe a bipedal version to follow Eno; Agility's chief executive says home robots are a decade away. If the model does not generalize, no form factor matters. The debate that does matter is the third column: a model-only lab must share its deployment data with whoever built the robot, and deployment data is the asset the whole sector is chasing.

OUTRIDGE INSIGHTS Unitree's debut showed the market pays a premium for the humanoid form itself; 1X's talks at US\$6bn against a US\$10bn ask a year earlier show it also takes the premium back. Wheels give up the halo and keep the engineering — conservative in a hot market, prudent in a cold one.

CLOSER LOOK I · FIGURE AI

Figure Built the Robot First and Is Now Buying the Brain at Hyperscale

Four years, a factory, an automotive customer and a US\$39bn mark — followed in 2026 by a consumer data app, a 100,000-GPU compute contract and the sector's first public generalization claim.

S2 / THINK	S1 / ACT	S0 / EXECUTE	HELIX 2.5
7B · 7–9 Hz	80M · 200 Hz	10M · 1 kHz	30 HOMES
Scene, language and long-horizon reasoning	Reactive visuomotor policy and joint targets	Balance, contact and full-body execution	Zero-shot generalization, company-reported (17 Sep 2026)

Evidence Quality	Item	What Is Known
CORROBORATED	BMW production	F.02: 1,250+ runtime hours over eleven months at Spartanburg, 90,000+ parts moved, 30,000+ X3 vehicles supported; F.03 deployed 30 June 2026. Early-2025 press checks found the first deployment narrower than initially described.
COMPANY DISCLOSED	BotQ · Index · Helix	350+ F.03 units delivered by April 2026; ~1 robot per hour reported; 12,000 initial annual capacity. Index: 16mn videos, 44k+ weekly contributors, 30 minutes of video processed per second (25 Aug 2026).
ANNOUNCED	Nscale compute	Up to 100,000 NVIDIA Vera Rubin GPUs from 2H 2027; US\$3.5bn initial commitment with intent to exceed US\$6bn; Nscale to make a strategic investment (3 Sep 2026).
HEADLINE POTENTIAL	US\$12bn contract value	Company materials cite US\$12bn across five enterprise customers; public detail on commitments, schedules and revenue recognition remains limited.
COMPANY DISCLOSED	Transfer regime	On 8 July 2026 the company stated that any transfer of its stock not approved by its board is void and named three venues it believes facilitated unauthorized sales.

What Figure Has and Has Not Shown

Figure is the only Western full-stack humanoid outside investors can own, and it has the strongest external reference in the sector. What it has shown: a robot running a repeated task inside a live automotive plant for close to a year, a second-generation unit in the field, and a third party committing billions behind its training roadmap. What it has not shown: paid robot-hours per unit, an intervention rate, a renewal, or a margin. The US\$12bn headline, the 350 units and the 30-home result are all inputs; the outputs remain undisclosed.

OUTRIDGE INSIGHTS Figure's integration is a manufacturing and deployment achievement — the hardest thing in the sector to copy in the next two years. Its capital intensity is the price: more than US\$1bn a year on data and compute before the Nscale commitment, and a valuation that assumes the platform has already scaled.

CLOSER LOOK II · GENESIS AI

Genesis Built the Brain First and Is Now Building the Robot to Deliver It

A two-year-old lab from the teams that built the field's simulators and models, a glove that turns any worker's hands into training data, and a wheeled robot designed to be an appliance rather than a person.

GENE	GLOVE	GENESIS WORLD	ENO
ROBOTICS-NATIVE MODEL	1 : 1 : 1	OWN SIMULATOR	WHEELED · 2 ARMS
Video, robot-state, control and tactile encoders plus a value critic; GENE-26.5 released May 2026	Glove, human hand and 22-DoF robot hand share one mapping; tactile e-skin	Descended from the open-source Genesis engine the CEO led; smaller sim-to-real gap claimed vs Isaac Sim and MuJoCo	Articulated tower, adjustable height, folds for storage; production from end-2026

Evidence Quality	Item	What Is Known
ANNOUNCED	LG CNS partnership	Multi-phase strategic partnership announced 16 June 2026: evaluation across LG affiliates → pilot and a joint deployment playbook → rollout across manufacturing and logistics, starting in the US.
COMPANY DISCLOSED	GENE-26.5 · Eno	Demonstrations of wire harnessing, a 20-step meal, lab pipetting and a Rubik's cube; Eno unveiled 16 June 2026 with a hand co-developed with a hardware partner.
COMPANY DISCLOSED	Funding	US\$105mn seed (July 2025) led by Eclipse and Khosla, with Bpifrance, HSG and individual investors; talks to raise ~US\$500mn at ~US\$3bn pre-money reported in July 2026.
HEADLINE POTENTIAL	Data Foundry commitments	Company materials cite partner commitments to deploy up to ~112,000 data-collection kits, targeting 1,000 in use by end-2026 and 10,000 by end-2027. No partner has confirmed publicly.
HEADLINE POTENTIAL	Design-partner pipeline	Company materials describe further design partners in final selection, together representing several hundred thousand workers; none beyond LG CNS is announced. Treated as company-reported and unverified.

What Genesis Has and Has Not Shown

Genesis owns every component — model, simulator, data engine, hand, robot — and has assembled a research team of roughly sixty from the labs that built the field's tools, per company materials. What it has shown: the most dexterous public demonstrations in the sector, a credible enterprise partner, and a cost stack for the robot-year. What it has not shown: a production deployment, a fleet, or revenue. Every commercial figure beyond LG CNS is a company plan, and the round that funds the compute is not closed.

OUTRIDGE INSIGHTS Genesis's integration is a research-team achievement — the hardest thing in the sector to copy in the next five years, and the easiest to under-price while there is no fleet to point to. Its wheeled, tactile-first design is the clearest statement in the sector that the hand, not the gait, is where value sits.

SIDE BY SIDE

Same Loop, Opposite Starting Points

Both companies own every layer. One built outward from the robot, the other outward from the model — and the sector's open questions sit exactly where they differ.

Layer	Figure AI	Genesis AI	What Differs
Model	Helix: three timescales for whole-body humanoid control; Helix 2.5 reports zero-shot generalization across 30 homes	GENE: tactile-first foundation model with a value critic; dexterity demonstrations on the hardest manipulation tasks	Helix is built around the body; GENE around the hand
Data	Index consumer app + fleet logs + teleoperation — volume	Glove data engine + egocentric video + partner sites — fidelity	The sector's two data philosophies, one each
Simulation	NVIDIA Isaac Sim, per NVIDIA statements	Genesis World, owned	Genesis owns its simulator; Figure rents one
Hardware	Figure 03 bipedal humanoid; hands, sensors and safety in-house	Eno wheeled manipulator; 22-DoF back-drivable hand; optional chest screen	Reach versus reliability (p.6)
Manufacturing	BotQ, in-house US plant; 12,000 initial annual capacity	Electronics and joint modules in production per company materials; volume from end-2026	Four years' head start for Figure; a simpler machine for Genesis
Compute	Up to 100,000 GPUs contracted via Nscale from 2H 2027	Self-described GPU-constrained; the current round is the compute budget	Contracted versus not yet funded
First customer	BMW: eleven months in production; F.03 on site	LG CNS: three-phase program signed, first phase in 2026	Has run versus has signed
Mark	US\$39bn post (Sep 2025)	~US\$3bn pre, in talks (Jul 2026)	Thirteen times — a factory, a customer and four years

OUTRIDGE INSIGHT Figure has closed the loop at one site and is scaling the inputs. Genesis has built every component and is about to run the loop for the first time. Neither has reported the output — robot-hours — and until one does, the thirteen-fold gap prices time and proof, not the quality of the approach.

UNIT ECONOMICS

Everyone Is Selling the Same US\$100k Robot-Year

Figure, Genesis and Agility all price a robot against a multi-shift human position. The arithmetic works on paper for every one of them; the four variables that decide whether it works in a plant have not been disclosed by any.

A Robot-Year Against a Multi-Shift Human Position

Illustrative annual cost per staffed position · US\$ thousand · company-stated assumptions

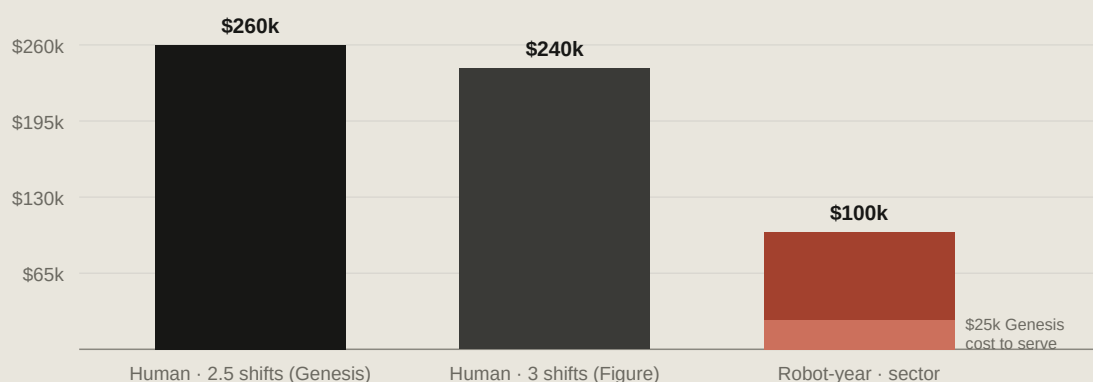


Figure 1: Illustrative. Figure's materials assume US\$80k all-in per shift × 3 shifts against a US\$100k robot-year. Genesis's materials assume US\$30/hour, 35% benefits, 25% overhead and 2.5 shifts (~US\$260k) against a US\$100k RaaS fee and ~US\$25k annual cost to serve (US\$21k robot amortized over five years, deployment support, maintenance, tele-operation at ~1:40). Agility's ~US\$300mn over ~1,000 robots implies a similar order of magnitude per robot-contract. None is disclosed customer pricing.

Variable	Why It Moves the Answer	Where the Sector Stands
Uptime	A robot at 60% availability costs the same as one at 95% and delivers a third less	Undisclosed by every company; BMW hours are the only public data point
Human intervention	Teleoperation and exception handling load directly into the robot's cost	Genesis budgets 1:40; 1X uses teleop as a fallback in homes; no company has published a rate
Task coverage	A robot replacing fragments of a role cannot be compared with three full shifts	Genesis targets uncontested tasks (wiring, cabling); Figure and Agility target whole positions
Lifecycle cost	Maintenance, batteries, spares, insurance, integration	Only Genesis has shown a cost stack, in its materials; Agility's RaaS backlog is the only disclosed revenue

OUTRIDGE INSIGHTS The arithmetic is identical across the sector and the ambition is identical. What differs is disclosure: Genesis has shown its working, Figure has shown its customer, Agility has shown its backlog. A 75% gross margin on a US\$100k robot-year is a company plan until a fleet reports it — for every name on page 4.

VALUATION & PRIVATE-MARKET LIQUIDITY

Priced for a Platform, Traded Like a Restricted Stock

Figure's mark has stepped up fifteen-fold twice and its secondary market clears only with board approval. Genesis enters at Figure's 2024 level with no secondary market at all. Unitree's listing showed what the public market does with the category — in both directions.

Where the Sector Is Marked

Latest reported valuation · US\$bn · log scale · private unless noted

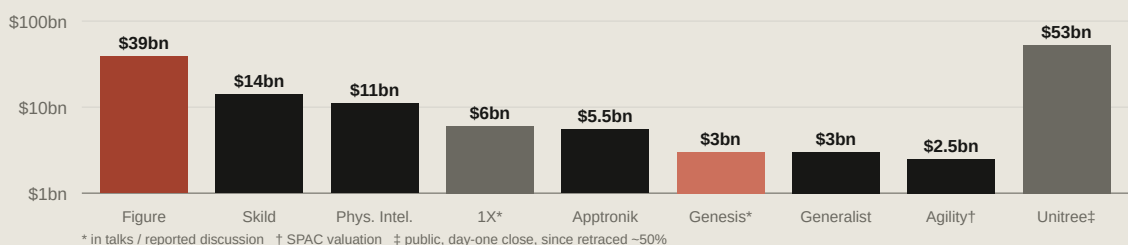


Figure 2: Figure Series C post-money as reported (Forge charter data implies US\$42.5bn at US\$194.93/share on the enlarged count); Skild, Physical Intelligence and Generalist per TechCrunch (Aug 2026); 1X per reported SoftBank talks (Aug 2026); Aptronik per Bloomberg (Feb 2026); Genesis per Bloomberg (Jul 2026, in talks); Agility at SPAC valuation; Unitree at day-one close (19 Aug 2026), since retraced ~50%. [6][7][10][11][12]

Reference	Level	vs Last Primary	Note
Figure · Forge Price	US\$174.00	−10.7%	Model-derived indication; unchanged 18–23 Sep 2026; activity described as limited
Figure · Hiive	US\$198.75	~+2%	Indicative blend of trades and bid/ask; 29 live orders; 18 Sep 2026
Figure · Notice	US\$149.41	−23%	Thin data; platform reports no current trading; 19 Sep 2026
Genesis · secondary	None	—	No platform coverage; the primary round in market is the only price

- **Figure's transfer regime is the price.** Any transfer not approved by the board is void (8 July 2026). The dispersion across platforms — −23% to +2% — is the signature of a thin, restricted market with no clearing print; a modest discount to the round is market-normal, not distress.
- **Genesis's price is the round.** Company materials describe it as substantially oversubscribed with existing backers doubling down; there will be no secondary reference until the round closes and a lock-up passes.
- **The public market has spoken twice.** Unitree: ~US\$9bn IPO → ~US\$66bn intraday peak → half of that by 2 September. 1X: a US\$10bn ask in 2025, a US\$6bn discussion in 2026.

OUTRIDGE INSIGHTS Figure at US\$39bn is priced as a scaled platform that has not yet reported scale. Genesis at US\$3bn is priced as a research lab that has not yet reported a customer. The first needs the evidence to catch up with the mark; the second needs the mark to catch up with the evidence. Both are hostage to the same fleet data.

THE CASE FOR EACH

Which Risk Would You Rather Underwrite?

Figure is de-risked on execution and exposed on price. Genesis is de-risked on price and exposed on execution. Stated as an investor would argue them, not as either company would.

Figure AI — the scale route

Case for

- The only Western full-stack humanoid outside investors can own; the strongest external reference in the sector.
- Four years of manufacturing learning at BotQ; a second-generation robot already in a customer plant.
- Data and compute financed at hyperscale, with a third party investing behind the roadmap.
- A functioning — if restricted — secondary market, and a possible Series D or listing that would reset the reference price.

Case against

- The mark assumes a scaled platform; corroborated revenue exists at one plant.
- Capital intensity is structural: more than US\$1bn a year on data and compute, plus a multi-billion compute commitment.
- Headline numbers have been walked back before; the US\$12bn contract figure has limited public support.
- Founder concentration — the chief executive also leads a second US\$6bn company — and every transfer needs board approval.

Genesis AI — the model route

Case for

- The cheapest disclosed data route in the sector; a hand and glove designed together so data maps 1:1 to the robot.
- Owns its simulator — the component most rivals rent — with a team drawn from the labs that built the field's tools.
- Targets uncontested tasks where the competition is human labor, not other robots.
- Entry at a tenth of Figure's mark and level with a model-only comparable; a credible enterprise partner in LG CNS.

Case against

- No production deployment, no fleet, no revenue; every commercial figure beyond LG CNS is a company plan.
- Eno production starts at end-2026; wheels cede the environments where humanoids are expected to win.
- Compute-constrained by its own description; the round that funds it is not closed.
- A two-year-old company against a leader with a four-year head start and a customer that has already scaled.

OUTRIDGE INSIGHTS An investor choosing between the two is choosing which risk to underwrite, not which company is better. The same choice runs through the whole sector: proof at a premium (Figure, Agility) or approach at a discount (Genesis, Generalist) — with the Chinese hardware names offering volume without a disclosed brain, and the model labs a brain without a body.

RISKS & COUNTER-THESIS

The Sector's Risks Are Shared. The Exposure Is Not.

One risk map for the sector; the ratings show where each of the two companies is more exposed today.

#	Risk	Transmission Mechanism	Figure	Genesis	Observable Mitigant
01	Autonomy	Long-tail exceptions; intervention rate stays high outside controlled sites	High	High	A disclosed intervention rate; third-party replication of generalization claims
02	Hardware reliability	Actuator and hand durability; uptime; service burden	Medium	Med-High	Figure: BMW runtime data · Genesis: first Eno fleet hours
03	Manufacturing	Yield, cost-down, supplier depth, field service at scale	Medium	High	Figure: BotQ output · Genesis: end-2026 production start held
04	Commercial conversion	Pilot to rollout; headline value to recognized revenue	Med-High	High	Renewals; a second corroborated site; LG CNS reaching phase 3
05	Capital & price	Data and compute burn; premium mark; dilution; a round that does not close	High	Med-High	Figure: Series D leads and mark · Genesis: round closed at or above the reported level
06	Transfer & liquidity	Board consent; void transfers; no secondary market; lock-ups	High	High	Company-sanctioned processes; a priced round or a listing
07	Key person & disclosure	Founder concentration; walked-back claims; governance without independent checks	Med-High	Medium	Independent directors; audited disclosures; claims that hold up over time
08	Competitive compression	Chinese volume commoditizes the body; model labs commoditize the brain; the public multiple compresses (Unitree, 1X)	Medium	Med-High	A sustained lead on a disclosed benchmark; pricing power in renewals

BEAR CASE — SECTOR If intervention rates stay high outside controlled environments, robot output outruns paid demand, headline contracts convert slowly, and the next rounds are priced off Unitree's post-listing multiple rather than off fleet evidence, private marks across the sector could stall for years while the underlying businesses grow — and the highest-priced names would stall longest.

COUNTER-THESIS — MODEL-FIRST If the brain generalizes faster than the body scales, hardware-agnostic labs win and every factory in the sector becomes a cost center. Against it: no model-first lab has yet shown a licensed model on generic hardware reaching production reliability, and both companies examined here concluded the body must be designed around the model.

OUTRIDGE POSITIONING

Constructive on the Sector, Milestone-Based on Every Name

Investable today; conviction in any single company builds with disclosed fleet evidence, not the size of its last round.

SECTOR VIEW Physical AI has crossed from demonstration to first deployment. Volume is Chinese, model capital is American, proof is scarce everywhere. Exposure to the sector is warranted; concentration in one route is a bet on data philosophy the evidence does not yet support.

Four Proof Points, Applied Across the Sector

#	Proof Point	What It Demonstrates	Figure — Metric	Genesis — Metric
01	Customer scale	Paid fleet expansion	F.03 units at BMW; a second corroborated site; renewals	First Eno units at an LG affiliate; LG CNS phase 3; a second announced partner
02	AI economics	Autonomy converts to ROI	Intervention rate; productive hours per unit; Helix results replicated by a third party	Glove-to-deployment hours per task; GENE success rate on wiring tasks in a customer plant
03	Scale readiness	Manufacturing compounds	BotQ monthly output; yield; COGS	Eno production start held to end-2026; unit cost against the stated target
04	Price discipline	Entry preserves asymmetry	Series D mark and leads; board-approved transfer pathways	Round closed at the reported level; post-round information rights

Current Read

	Technical Lead	Industrial Proof	Scale Economics	Contract Visibility
Figure AI	✓ Confirmed	✓ Confirmed (one site)	△ Unproven	△ Unproven
Genesis AI	✓ Confirmed (demonstrations)	△ Program signed, not run	△ Cost stack stated, not reported	△ One partner announced

Recommended Posture

- Treat physical AI as a sector position with more than one leg — proof at a premium, approach at a discount — sized by the risk the investor prefers to underwrite (p.12).
- Add to any name on a disclosed fleet statistic — intervention rate, uptime or renewal — not on a funding announcement or a listing pop.
- A Figure position must sit within a board-approved transfer process; a Genesis position needs post-round information rights, since no secondary market will price the name for some time.
- Catalysts, next two quarters: Figure's second site and any Series D; Genesis's round close and first Eno deliveries; Agility's listing; Unitree's post-listing multiple as the anchor for all.

APPENDIX

Data Definitions, Methodology and Key Sources

All conclusions should be read in light of data dates, third-party estimates and the disclosure limits of private companies.

Methodology Notes

- Companies are private unless stated. Unit counts, contract value, capacity, dataset size, cost stacks and model results are company statements unless a third party is named, and have not been independently verified.
- "Corroborated": confirmed by a customer, counterparty or tier-one press. "Company disclosed": stated publicly by the company. "Announced": a signed agreement with a named third party. "Headline potential": a company figure with limited public support. "Company materials": information made available through a channel partner, used with permission.
- Secondary reference prices are model-derived platform indications on the dates shown, not transaction prints or executable prices.
- Figure's last primary is the Series C at the reported ~US\$39bn post-money (Forge charter data implies US\$42.5bn on the enlarged share count). Genesis's ~US\$3bn and 1X's ~US\$6bn are reported discussions, not closed transactions.
- Shipment figures are third-party estimates. Unit economics are illustrative assumptions from company materials, not customer pricing. Unitree figures are converted from renminbi and rounded.

Key Sources

- [1] Figure AI newsroom — Index (25 Aug 2026); Nscale partnership (3 Sep 2026); Helix 2.5 (17 Sep 2026); F.03 at BMW (30 Jun 2026). <https://www.figure.ai/news>
- [2] Figure AI, "Notice Regarding Unauthorized Attempts to Sell Figure Stock," 8 July 2026. <https://www.figure.ai/news/notice-regarding-unauthorized-attempts-to-sell-figure-stock>
- [3] Genesis AI press releases — GENE-26.5 (May 2026); LG CNS partnership and Eno launch (16 June 2026). <https://www.genesis.ai/press>
- [4] Humanoids Daily, "Genesis AI Unveils Eno," June 2026.
- [5] Bloomberg, "Robotics Startup Genesis in Talks to Raise at \$3 Billion Valuation," 23 July 2026; 36Kr, 2026.
- [6] TechCrunch, "Robotics startup Generalist reaches \$3B valuation, sources say," 25 August 2026 — includes Physical Intelligence (US\$11bn) and Skild AI (US\$14bn) marks.
- [7] Forge Global, Figure AI stock and funding-history pages, Forge Price US\$174.00, 18–23 September 2026; Hiive, Figure AI, US\$198.75, 18 September 2026; Notice, Figure AI, US\$149.41, 19 September 2026.
- [8] Sacra, Figure AI company profile — funding rounds, BMW deployment statistics, BotQ capacity.
- [9] CNBC (6 Aug 2026), SCMP (19 Aug 2026), Bloomberg (2 Sep 2026), Value Add VC — Unitree IPO, debut, retracement, 2025 revenue.
- [10] The Information, via Tech Startups, SoftBank–1X talks at ~\$6bn, 27 August 2026; Humanoids Daily on 1X's 2025 US\$10bn target.
- [11] Bloomberg / CNBC, Apptronic US\$520mn raise, 11 February 2026; TechCrunch, Agility Robotics SPAC with Churchill Capital XI, 5 July 2026.
- [12] Smart Analytics Global, 1H 2026 humanoid shipment estimates, 10 August 2026; TrendForce, China humanoid output outlook, 9 April 2026.
- [13] Bloomberg, Figure AI cease-and-desist letters to secondary brokers, 30 April 2025; Fortune and The Wall Street Journal on Figure's early BMW deployment, 1Q 2025.
- [14] Figure AI company materials, August 2026 — unit-economics assumptions and contract-value figure.
- [15] Genesis AI company materials, June–September 2026, made available through a channel partner. Used with permission; not independently verified.

Disclaimer

This report is for Outridge research and discussion only. It does not constitute an offer of securities, investment advice, or a guarantee of any transaction price. Third-party data may differ by sample, attribution and statistical methodology. None of the companies discussed has reviewed or endorsed this document. Readers should complete full legal, financial, tax and commercial due diligence before investing.