

Investments - Flash

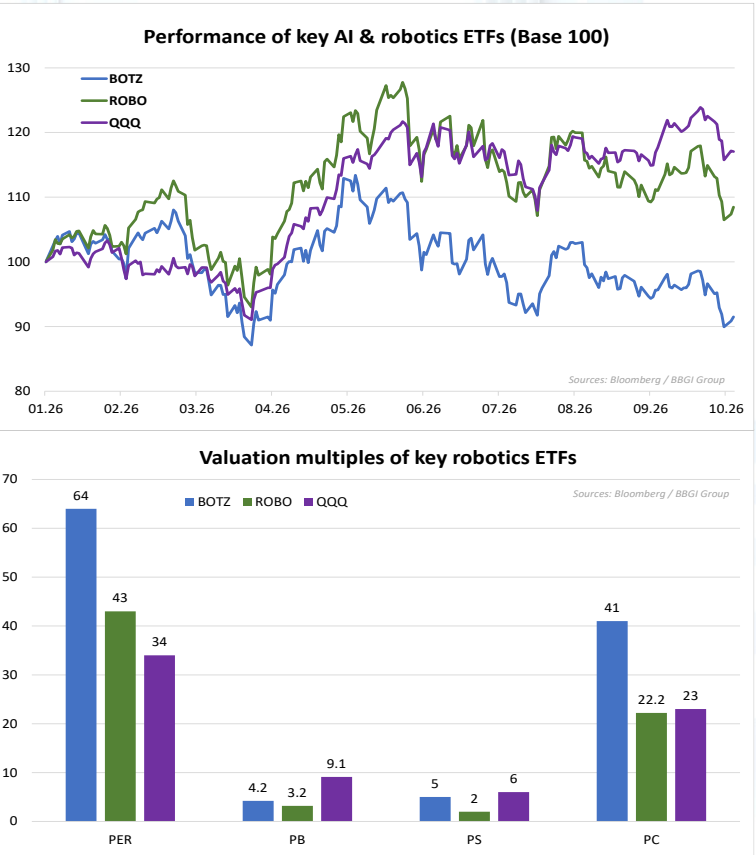
FROM INTANGIBLE AI TO PHYSICAL AI: THE GREAT STRATEGIC DECISION Navigating the AI Bubble to Seize the Robotics Opportunity

The repeated warnings and calls for a slowdown issued by top executives at AI labs, though motivated by concerns over security, energy supply, and governance, serve as a reminder that the development of state-of-the-art models is not linear and faces insurmountable regulatory, physical, and infrastructure constraints. The investment cycle in data centers, computing power, and AI infrastructure has reached historic proportions, with cumulative capital expenditures amounting to hundreds of billions, which have sustained investor interest thus far. However, an accounting reality is beginning to set in, represented by the mismatch between depreciation expenses and expected revenues. Massive depreciation charges projected for 2026–2027 will impact net profitability and free cash flow, potentially triggering a “reality check” that could derail the sector’s momentum. This situation opens an ideal strategic window of opportunity to reposition portfolio allocations away from the QQQ’s flagship stocks toward physical AI and industrial robotics, which now offer attractive valuations. While valuation multiples in the traditional software sector are approaching challenging highs, with price-to-earnings (P/E) ratios often exceeding 45x and price-to-sales (P/S) ratios regularly surpassing 12x, the robotics and automation sector has just gone through a six- to nine-month consolidation phase, which has brought its financial

ratios back to levels that are now very attractive. Among the leading investment vehicles, the ROBO ETF offers the most balanced and least overvalued exposure, with a forward P/E of around 26x, a measured price-to-book (P/B) ratio of approximately 3x, a price-to-cash-flow (P/CF) ratio of around 18x, and a P/S ratio close to 2x. This financial moderation stems from its low dependence on U.S. tech giants, favoring Japanese and European mechanical equipment manufacturers instead. For its part, the BOTZ ETF, which is more heavily weighted toward leaders in computer vision, semiconductors, and medical robotics, has slightly tighter multiples but is clearly decoupling from the pure-play software sector, with a P/E ratio in the range of 29x to 32x, a P/B ratio of 3.8x, a P/E ratio hovering around 20x, and a P/S ratio of approximately 3.5x. By reallocating profits accumulated from overvalued software stocks to invest these cash reserves in physical AI, investors can benefit from an attractive tactical entry point in the medium term to capitalize on the next wave of real productivity driven by humanoid robots, autonomous logistics, and factory automation. Our strategy favors a more diversified portfolio with greater exposure to Chinese and Japanese leaders.

	BOTZ	ROBO	QQQ
Performance			
YTD 2026	-7.95%	9.54%	17.33%
Since 31 March 2026	0.44%	10.95%	24.72%
Valuation			
P/E (average)	64	43	34
P/B (average)	4.2	3.2	9.1
P/S	5	2	6
P/CF	41	22.2	23
Composition			
Total holdings	80	80	100
Top 10 weight	58.10%	16.90%	47.20%
Top 10 holdings			
1	Intuitive Surgical (9.5%)	Intuitive Surgical (2.1%)	Nvidia (8.2%)
2	Keyence (8.7%)	PTC (1.8%)	Apple (7.8%)
3	Fanuc (8.7%)	Fanuc (1.8%)	Microsoft (6.2%)
4	Nvidia (7.9%)	Illumina (1.8%)	Amazon (4.4%)
5	ABB (7.9%)	Rockwell Automation (1.7%)	Micron (4.4%)
6	SMC (4.8%)	Emerson Electric (1.6%)	AMD (3.8%)
7	Daifuku (3.5%)	Novanta (1.6%)	Meta (3.3%)
8	Shenzhen Inovance (2.5%)	Hon Hai Precision (1.5%)	Alphabet A (3.2%)
9	Cognex (2.4%)	IPG Photonics (1.5%)	Tesla (3.0%)
10	Aurora Innovation (2.2%)	GEA Group (1.5%)	Alphabet C (2.9%)

Sources: Bloomberg / BBGI Group



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