



The Rise of Physical AI: Why the Edge Is the New Frontier

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By Synaptics IR | February 2026

A defining theme at CES 2026 - and across the technology industry - was the accelerating shift toward Physical AI: the movement of artificial intelligence from the cloud to the physical world, where it operates at the Edge, inside the devices we interact with every day.

For years, the AI conversation has been dominated by large language models, cloud compute, and data center GPUs. Those capabilities are transformative. But they represent only half of the story. The other half - the half that we believe could touch billions of devices and influence entire industries - is happening at the Edge. It's happening in the processors, sensors, and wireless connectivity inside robots, appliances, vehicles, industrial equipment, and the next generation of intelligent consumer electronics.

The Shift from Cloud AI to Physical AI

Cloud AI excels at tasks where network latency is acceptable, compute budgets are unlimited, and connectivity is reliable. Physical AI operates under fundamentally different constraints. It demands real-time processing, ultra-low power consumption, reliable operation in environments with on-demand connectivity, and the ability to fuse multiple sensor inputs - vision, audio, touch, motion - into coherent, actionable intelligence.

This isn't a theoretical distinction. It's a market reality that's accelerating. Industry analysts estimate that the number of connected IoT devices is expected to exceed 30 billion by 2030^[1], and the vast majority of them will require some form of on-device intelligence. Many of these devices are designed to operate without continuously relying on cloud connectivity for processing. They need AI that works at the point of interaction - at the Edge.

Why Synaptics Is Positioned for This Moment

Synaptics has spent more than three decades building expertise in the technologies that make Physical AI possible: multimodal sensing (touch, display, vision, audio, biometrics). In recent years, Synaptics has added AI-native embedded processing, and wireless connectivity. Our portfolio is designed to address many of the core components in intelligent Edge devices.

Our newest platform, Synaptics [Astra™](#), represents the convergence of these capabilities in a family of AI-native processors designed specifically for the Edge. The [Astra SL2600 series](#) is designed to deliver competitive power-to-performance characteristics, incorporates Synaptics' neural processing unit, and includes what we believe to be the first production implementation of [Google Research's Coral NPU](#).

Paired with Synaptics Connectivity solutions and our market-leading multimodal sensing technologies, Synaptics aims to provide an integrated platform approach for building intelligent, connected, sensing devices at the Edge.

Robotics: Where Physical AI Gets Real

Perhaps nowhere is the Physical AI opportunity more tangible than in robotics. Humanoids, autonomous mobile platforms, and intelligent industrial machines all require exactly the capabilities Synaptics has been building low-power AI processing, precise sensor fusion, and reliable wireless communication.

We are actively engaged in this space. Synaptics is currently sampling silicon for evaluation and pilot builds of humanoid robots with a leading industry participant. These activities do not guarantee future production volumes or revenue. The requirements of robotics applications - real-time multimodal processing, power efficiency, robust connectivity - align closely with the capabilities of our platform architecture.

The Market Opportunity Ahead

Our recent financial results demonstrate growth in certain product categories aligned with these market trends. In our most recent quarter, Synaptics delivered revenue of \$302.5 million, up 13% year over year, with our Core IoT products growing 53% year over year. This was our fifth consecutive quarter of double-digit year-over-year revenue growth.

The recent consolidation activity in our sector - including significant M&A in the wireless IoT connectivity space - may indicate continued strategic interest in the markets we serve. As the industry consolidates, customers increasingly need partners who combine innovation speed with platform breadth. Synaptics' independent, innovation-focused approach positions us to compete for design opportunities in this evolving market.

Looking Ahead

We believe Physical AI is emerging as an important industry trend. It is happening now, in our design pipelines, our customers' product roadmaps, and in the financial results we are delivering to shareholders. We expect intelligence to be increasingly distributed between cloud and Edge environments. It will live at the Edge - in the devices, machines, and systems that interact with the physical world.

Synaptics is developing silicon, connectivity, and sensing technologies intended to support this evolution. We invite investors, customers, and partners to explore what Physical AI means for their industries - and how Synaptics intends to help lead the way.

