Jinko Holdings (Q3 2026 Earnings)
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Corporate Speakers

- Stella Wang; Jinko Holdings Limited; Investor Relations Manager
- Dimi Du; Jinko Holdings Limited; Chief Executive Officer
- Craig Zhang; Jinko Holdings Limited; Acting Chief Financial Officer
- Charlie Cao; Jinko Holdings Limited; Chief Executive Officer of JinkoSolar Company Limited

Participants

- Unidentified Participant; Roth Capital Partners; Analyst
- Rajiv Chaudhri; Sunsara Capital; Analyst

PRESENTATION

Operator^ Hello, ladies and gentlemen. And thank you for standing by for Jinko Holdings Third Quarter 2026 Earnings Conference Call. (Operator Instructions)

As a reminder, today's conference call is being recorded.

I would now like to turn the meeting over to your host for today's call Ms. Stella Wang, Jinko Holdings Investor Relations Manager.

Please proceed, Stella.

Stella Wang^ Thank you, Operator. Hello, everyone, and thank you for joining us today for Jinko Holdings' third quarter 2026 earnings conference call.

The company's results were released earlier today and available on the company's IR website at ir.jinkosolar.com as well as on newswire services.

We have also provided a supplemental presentation for today's earnings call which can also be found on the IR website.

Joining us today are Mr. Dimi Du, CEO of Jinko Holdings Limited; Mr. Craig Zhang, acting CFO of Jinko Holdings Limited; Mr. Charlie Cao, CEO of JinkoSolar Company Limited; and Mr. Gener Miao, CMO of JinkoSolar Company Limited.

Mr. Du will discuss the groups business operations, company highlights and key product developments, followed by Mr. Zhang, who will go through the financials.

Management will be all available to answer your questions during the Q&A session.

Please note that today's discussion will contain forward-looking statements made under the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements involve inherent risks and uncertainties -- as such, our future results may be materially different from the views expressed today.

Further information regarding this and other risks is included in Jinko Holdings' public filings with the Securities and Exchange Commission. Jinko Holdings does not assume any obligation to update any forward-looking statements except as required under the applicable law.

It's now my pleasure to turn the call over to Mr. Dimi Du, CEO of Jinko Holdings Limited.

Please go ahead, Dimi.

Dimi Du^ Hello, everyone. This is Dimi Du. And thank you for joining Jinko Holdings Third Quarter 2026 Earnings Call.

Last Friday, we announced the completion of our name change to Jinko Holdings Limited. And today is the first time we are speaking with you under the new name.

For us, the change is not simply the adoption of a new name. It marks a new start point in our development.

Our recent Jingo 2026 Global Tech Day underscored how quickly energy and technology are converging from PV to energy storage and from energy supply to ever-growing demand for computing power in the AI era. Technological innovation continues to expand the boundaries of energy industry.

We believe that truly valuable innovation lies not only in pushing the limits of technology, but in bringing that technology into application, embedding across in the industry and creating long-term value.

Going forward, we will continue to focus on our core solar and energy storage business while taking a more open approach to opportunities in AI, advanced materials, commercial space and other frontier technologies.

We aim to connect our industry expertise with external sources of innovation to support technologies and companies with long-term potential through disciplined capital allocation and advance both industrial development and long-term shareholder value through ongoing portfolio management.

Let me begin by reviewing the operational performance of our solar and energy storage business and then update you on our strategic investments.

In the third quarter, we continued to deploy an operating strategy that balances sales volume and profitability, advancing the integration and upgrade of our high-efficiency products and the development of our energy storage business. benefiting from higher shipments of high-efficiency

products, the continued cost optimization of TOPCon and improved profitability in our energy storage businesses.

Our operating performance improved significantly both year-over-year and sequentially.

Gross margin was 12.3% in the third quarter, up approximately 8% points sequentially and 5% points year-over-year. Net loss and adjusted net loss both narrowed significantly on both a year-over-year and sequential basis to USD 25.4 million and USD 1.2 million, respectively.

Looking ahead, we will build on three core pillars, namely technical innovation, globalization and AI transformation. to drive integrated solar plus storage development and to convert our technology, manufacturing capability and global network into a stronger and systematic solution.

Looking at the details, module shipments were 15 gigawatts in third quarter with a strong brand and product capabilities, we continue to expand our footprint in high-value overseas market.

In the third quarter, overseas markets were the primary destination for shipments, accounting for around 70% of the total.

We continue to optimize our product mix with the shipments of Tiger Neo 3 modules exceeding 5 gigawatts during the quarter and commanding a premium for approximately USD 0.01 per watt over conventional modules. We also made progress with the capacity ramp-up with Tiger Neo 3 with production cost continuously improving.

We are well aware that technological innovation with well long-term competitiveness should not pursue efficiency breakthrough alone.

It must also meet customer needs across different application scenarios and deliver tangible economic benefits through scaled mass production.

Recently, we launched the next-generation Tiger Neo 5 all black premium rescue module based on the TAC tech technology platform, featuring power output of up to 510 watts and module efficiency of up to 25.52%. Leveraging our core tech technology, we will focus on our global premium distributed market segment, particularly residential rooftop applications.

We are planning to gradually ramp up production and shipments over the next two years, in line with the market demand and industry conditions.

At the same time, we will continue to strengthen our network to relationships with installers and end customers and improve both product competitiveness and local service capability so that our technological advantages translates more effectively into a commercial value.

We are pleased to see our energy storage business delivered growth in both sales volume and profit in third quarter.

We recognized approximately 1.75 gigawatt hour of energy storage shipments as revenue, matching the total recognized for the whole of last year with the business also generating positive quarterly operating profit for the first time. We are actively advancing the application of our proprietary [PPS] products and continuing to explore opportunities in emerging scenarios such as data centers.

Going forward, we will further optimize our geographic and order book mix and deepen the synergies between solar and storage across customer resources, sales channels and technical services in order to deliver more sustainable growth and profit contribution.

The TV industry is at a critical stage of supply and demand adjustment as the relevant national authorities continue to promote the orderly and well-regulated development of the industry through stricter standards and higher technical and energy efficiency requirements.

We expect these measures to support the gradual phaseout of less efficient capacity and competition to focus more on technological innovation, product quality and customer value.

We will maintain our operating strategy of balancing sales volume and profitability, continue to optimize our product and order book and exercise strict control over capital expenditure in order to make the improvement in our operating performance more sustainable.

We expect module shipments of between 16 gigawatts and 18 gigawatts in fourth quarter. For full year 2026, we expect energy storage system shipments POD of approximately 10 gigawatt hour.

By the end of 2026, we expect to have approximately 40 gigawatts of high-efficiency capacity that meet level one national energy efficiency requirements. Alongside the progress in our core solar and energy storage business, we continue to invest in semiconductors, AI, energy storage and other frontier technologies in third quarter with total and follow-on investments of approximately RMB 330 million, of which approximately RMB 254 million came from the company's own capital.

This includes KiwiMoore, a product of full-stack AI networking products and solution specializing in advanced chipsets and chip interconnection technologies, and TIGSTOR, a company focused on the development and application of super competitor technologies.

We also saw continued progress across our strategic investment portfolio during the quarter. Silicon Flow completed the second tranche of its Series B+ financing round and its Series C financing round in September 2026.

StepFun launched its STEPX terminal brand and related AI terminal products in July, further expanding the application of its large language models in end-user devices. More recently, ADAS Space Technology, another of our portfolio companies passed the listing hearing of Hong Kong Stock Exchange.

In terms of the portfolio management and value realization at the end of third quarter of 2026, the fair value of our strategic investment portfolio was approximately RMB 2.05 billion.

During the first nine months of 2026, our portfolio generated gains of approximately RMB 327 million, compromising approximately RMB 82 million in realized gains and approximately RMB 244 million in unrealized fair value gains.

Over the same period, portfolio exits generated approximately RMB 386 million in cash proceeds. Notably, having divested a substantial proportion of our equity interest in LAPLACE in the first half, we completed the exit from our remaining equity interest in third quarter, generating additional cash proceeds of approximately RMB 38.7 million.

Our initial investment in LAPLACE was approximately RMB 65 million, and investment generated cumulative gains of approximately RMB 357 million.

Looking ahead, we will remain selective in pursuing investment opportunities, balancing new investments against exits based on operating performance and value realization path of each portfolio company and improving capital utilization efficiency.

By improving the performance of our core solar and energy storage business and progressively realizing the value of our portfolio, we remain committed to creating sustainable long-term value for our shareholders.

This concludes my remarks, and I will turn the call over to Craig.

Craig Zhang^ Thank you, Dimi.

With our focus on high-efficiency products and high-value markets, the continued growth in revenue contribution from our energy storage business and unremitting cost control initiatives, we achieved a steady improvement in our financial performance.

Gross margin was 12.3% in the third quarter, up 8.1% sequentially and 5% year-over-year. Loss from operations and net loss narrowed significantly both sequentially and year-over-year Operating cash flow was approximately $91 million for the first nine months of year '26 as we continued to optimize our cash flow management.

We will continue to balance sales volume and profitability and to control cash flow. And we expect full year operating cash flow to improve compared to last year.

Now let me walk you through our third quarter financial results in more detail.

Please note that all year-over-year and sequential percentage changes in monetary figures are calculated based on an RMB basis and the corresponding U.S. dollar amounts are provided for reference only.

Total revenue was $2.03 billion, up 10.2% sequentially and down 15.7% year-over-year. The sequential increase was mainly attributable to growth in revenue generated from our energy storage system and an increase in the average selling price of solar modules. while the year-over-year decrease was primarily due to a decrease in the shipment volume of solar modules.

Gross margin was 12.3% compared with 4.2% in the second quarter of year ' 26 and 7.3% in the third quarter of year '25. The sequential and year-over-year increase were mainly driven by continued cost optimization in our high-efficiency production lines and increased share of high-efficiency product shipments and a greater contribution from higher-margin energy storage system revenue.

Total operating expenses were $261.2 million, down 10.2% sequentially and 32.3% year-over-year. The sequential decrease was primarily due to lower expected credit loss in the third quarter of year '26, while the year-over-year decline was mainly due to a reduction in the impairment of unlived assets and lower expected credit losses.

Operating expenses account for 12.9% of total revenue compared to 50.8% in the second quarter of year '26 and 16% in the second quarter of '25. The recovery in gross margin and the decrease in operating expenses together narrowed our losses from operations to $11.9 million in the third quarter.

Operating loss margin was 0.6% compared with 11.6% in the second quarter of '26 and 8.7% in the third quarter of year '25. Net loss attributable to Jinko Holdings Limited ordinary shareholders was $25.4 million in the third quarter of year '26 compared with $103 million in the second quarter of year '26 and $105 million in the third quarter of year '25, improving both year-over-year and sequentially.

Excluding the impact of the change in fair value of long-term investments, gain from disposal of subsidiaries, impairment of long-life assets and share-based compensation expenses, adjusted net loss attributable to Jinko Holdings Limited ordinary shareholders was $1.2 million in the third quarter of year '26 compared with $134 million in the second quarter of year '26 and $57.5 million in the third quarter of '25, improving both year-over-year and sequentially.

Now moving to the balance sheet.

At the end of the third quarter, our cash, cash equivalents and restricted cash was $2.32 billion in total compared with $2.1 billion at the end of the second quarter of year '26. Accounts receivable turnover days were 103 days compared with 113 days in the second quarter of year '26.

Inventory turnover days were 133 days compared to 125 days in the second quarter of year '26.

At the end of the second -- third quarter, total interest-bearing debt was $6.73 billion compared to $6.62 billion at the end of the second quarter of year '26. Net debt was $4.41 billion compared to $4.12 billion at the end of the second quarter of year '26.

This concludes our prepared remarks. We are now happy to take your questions.

Operator, please proceed.

QUESTIONS AND ANSWERS

Operator^ (Operator Instructions) Your first question comes from Philip Shen with ROTH Capital Partners.

Unidentified Participant^ This is [Oscar Chen] on for Philip Shen. The first question is on margin for your core business. Just want to know do you see further opportunities to improve your margin by optimizing your product and geographic mix in 2027, even if that means -- even if that could mean lower shipment volume versus '26? And then what is your outlook for module ASP in Q4 '26 and 2027?

And then I have follow-up questions.

Charlie Cao^ This is Charlie talking.

Looking to next year, 2027, we did, I think, have the opportunity to optimize the product mix, shipment to different regions and including the segment utilities and distributed generation segment. That will be the key driver for Jinko. And we are on track to have the mass production for Tiger 3. This is this year, the key products, and we believe next year, we are in a good product mix and the capacity mix.

And the next key task will be optimize the mix of the shipment to different customers, regions and segments.

So if we're talking about ASP, we believe it's already bottom up, and we expect it's going to be stabilized and with the capacity based on next year, we strongly believe the current profit margin and the price is not sustainable and we need to have kind of the recovery next year.

Unidentified Participant^ Okay. And then second question, could you quantify any impact of freight or elevated energy costs on your Q3 gross margins? And then do you think those impacts could proceed into 2027?

Charlie Cao^ It did have because in the shipments, particularly, I think the most important significant impact is the shipment logistic cost in the Middle East conflict and a very high price for the oil and gas. And -- but we build the base case, it could be the high energy price will be last for a few quarters.

But second half year or next year, we believe it's going to be -- get back to normal status.

Unidentified Participant^ Okay. That's helpful. And then last question for me.

I'm interested in your strategic investment business. And then now with the strategic investment becoming an additional value driver, like how significant do you expect this platform to become

relative to your solar -- core solar business over the next few years in terms of maybe capital deployment or earnings contribution?

And then how is the management team allocating the time and resources between the core and investment business?

Charlie Cao^ Before talking to details of strategic investment, and I'd like to highlight two parts Jinko Holding is kind of holding company, one of the assets is 55% roughly equity of China-based JinkoSolar which -- whose business is integrated solar plus storage business. And that is one of the key assets.

But from the JinkoSolar holding company perspective, I believe from long term, there is just kind of the controlling shareholders and it's not kind of have the plan to make the additional allocation of capital to the JinkoSolar manufacturing business, okay?

On top of that, because they have the sizable resources and cash resources in the last few years, they started to build a very strong investment teams starting from initially it's kind of the focus on the key equipment and the material and kind of start-up companies for the solar storage business. And gradually, they expand the investment group scope and to the AI kind of large model companies and a lot of chip companies, industries.

So back to your question, they're not going to allocate additional capital to the manufacturing business and the focus will be the kind of strategic investment and including traditional solar storage related and to more broad high-tech sectors.

Operator^ Your next question comes from Rajiv Chaudhri with Sunsara Capital.

Rajiv Chaudhri^ First of all, congratulations on a very strong performance across both storage and the basic module business.

So that's the first thing. The question I want to ask first is about storage actually. You're suggesting that the shipments in the fourth quarter will be around 5.5 gigawatts hours to get you to the 10 gigawatt hours for the year.

But in terms of recognizing revenues, you have a lot of revenues from last year that probably still have not been recognized and your shipments this year have also been ahead of your revenue recognition.

So when you combine all that with a very strong shipment quarter in the fourth quarter alone, what sort of revenue recognition should we be expecting? Is it going to be in the six or seven or eight gigawatt hours of revenue recognition which would be 3x to 4x what you recognized in the third quarter? Can you give us a sense of that?

Charlie Cao^ Okay.

For the big picture, the storage business is kind of like be like the solution turnkey business, so it's going to be go through a lot of procedures, shipment acceptance and commissioning. Typically, different regions, it takes about six months to 12 months to fulfill the obligations and recognize revenue on the financial statements.

So it's a little bit late recognition nature. And so back to your question and last year, 2025, we have 5 gigawatt hours shipments and 1 gigawatt hours revenue recognitions. So the gap delayed last year from last year's 4 gigawatt hours.

For this year, the shipment is 1 gigawatt, but we roughly estimate the revenue recognition could be six to 7 gigawatts. So if you look at two years together, we have five plus 10, 15 gigawatt hours shipments in two years and revenue recognition is roughly seven to 8.

So there's roughly 7 gigawatt hours will be delayed to next year for commissioning and for revenue recognition.

Rajiv Chaudhri^ Great. That also means that you will recognize about three to 4 gigawatt hours in the fourth quarter is what you're suggesting?

Charlie Cao^ I think the first nine quarters for the first nine months and we have roughly, I think, 3 gigawatt hours, a little bit over than 3 gigawatt hours for the three quarters.

But the fourth quarter should roughly be, I think, three -- one quarter roughly equal to the last three quarters.

Rajiv Chaudhri^ Okay. Next question I have is about the geographic distribution of module sales.

Could you tell us about the sales that you had? I know you said 70% outside of China. But how much of it was in the U.S.?

Charlie Cao^ For the third quarter, roughly, I think (inaudible).

Rajiv Chaudhri^ So third quarter was 1 gigawatt. And what do you expect the fourth quarter to be in the U.S.

Charlie Cao^ (inaudible)

Rajiv Chaudhri^ Okay. And also, can you comment on your shipments into India? What kind of shipment did you do in India in Q3? And what do you expect in Q4?

Charlie Cao^ Okay.

I think the number maybe (inaudible) to China in China products.

So our shipment -- module shipment to India is not so significant.

But we look at the big region that is Asia Pacific region is our big market, but India is very small, not so big.

Rajiv Chaudhri^ I see.

Okay. And moving on to the -- previously you used to break out the shipments of wafers and cells. You have not broken them out in the last two quarters.

Is that because they are close to 0 or you have changed your reporting policy?

Charlie Cao^ I think we didn't change the reporting policies. And -- but the majority of 90% -- 95% is module revenue.

So I think we did emphasize the wafer sales revenue because it's typically, it's kind of low inflation products.

Rajiv Chaudhri^ Right. Okay. And final question is on the gross margin.

There was a nice improvement in gross margin in Q3. And I suspect that was -- even though the module margins were up very nicely, the gross margin in storage is still higher than the gross margin in modules right now?

Charlie Cao^ Yes. The gross margin storage business roughly 15% to 20% which is the 10% the module gross margin. Revenue contribution is not significant, roughly 5% to 6%.

So I think from margin perspective, combined together from the module storage business, maybe 1% to 2% impact.

Rajiv Chaudhri^ I see. And my final question is on the gross margin expectation for the fourth quarter. You said that Tiger Neo 3.0 modules exceeded 5 gigawatts in Q3.

What kind of shipment number are you thinking for Q4?

Charlie Cao^ You mean gross margin or shipments?

Rajiv Chaudhri^ Well shipments first. And then related to that, I guess, would be the impact on the gross margin, right?

Charlie Cao^ Yes. Yes. We did have more the Tiger Neo 3 product shipments and the Q3 roughly 30% and Q4 roughly 40%.

So gradually increased 10%, that will have impact on the gross margin as well.

But the Q4, the gross margin, we did see some pressure, particularly we expect more -- relatively more shipment to the China as well as we have some contracts, long-term contract we signed in the beginning of this year.

We may need to deliver by the end of this year.

So back to your question, but it's kind of one quarter impact, but we expect with the relatively higher mix percentage from high-margin products to help the gross margin.

But from the country shipments with more shipments in China, typically, Q4 is the peak season for China, it have some kind of (inaudible)

Rajiv Chaudhri^ So when you net it all out and also you'll have more shipments of storage, we should still expect gross margin to improve sequentially?

Charlie Cao^ It did have. It did have.

But we think Q4, we did face some pressure on the gross margin overall, particularly more shipments to China.

Rajiv Chaudhri^ I see. So the higher shipments to China will bring the gross margin overall down from the third quarter level?

Charlie Cao^ It's dependent on...

Rajiv Chaudhri^ Or you are not allowed to expand?

Charlie Cao^ Yes. There's a lot of factors, particularly if you look at the commodity price, it looks like some material cost is up, some is down.

So anyway, we think Q4, we giving more shipment to China, we face some headwinds for the gross margin.

Rajiv Chaudhri^ I see. And my final question is on shipping costs.

Can you tell us what's been happening with shipping costs in Q3 and what we should expect in Q4?

Charlie Cao^ It's stable, but it's on the high level, particularly for the shipment to the Middle East regions. It has kind of the ripple effect because the oil price is high.

Now it's kind of $100, right? And it's going to have impact on the overall shipment to different regions.

But the most impact countries and regions in the Middle East, the Red Sea regions.

Operator^ (Operator Instructions) We are showing no further questions at this time. That does conclude our conference for today. Thank you for participating.

You may now disconnect.