JinkoSolar Holding (Q1 2026)
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Corporate Speakers

- Stella Wang; JinkoSolar Holding Company Limited; Investor Relations
- Xiande Li; JinkoSolar Holding Company Limited; Chairman and Chief Executive Officer
- Gener Miao; JinkoSolar Holding Company Limited; Chief Marketing Officer
- Charlie Cao; JinkoSolar Company Limited; Chief Executive Officer

Participants

- Philip Shen; ROTH Capital Partners; Managing Director, Senior Research Analyst
- Alan Lau; Jefferies; Vice President, Equity Research
- Rajiv Chaudhri; Sunsara Capital; President

PRESENTATION

Operator^ Hello, ladies and gentlemen, and thank you for standing by for JinkoSolar Holding Company Limited's First 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 to Ms. Stella Wang, JinkoSolar's Investor Relations. Please proceed, Stella.

Stella Wang^ Thank you, operator. Thank you, everyone, for joining us today for JinkoSolar's First Quarter 2026 Earnings Conference Call.

The company's results were released earlier today and available on the company's IR website at www.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.

On the call today from JinkoSolar are Mr. Xiande Li, Chairman and CEO of JinkoSolar Holding Company Limited; Mr. Gener Miao, CMO of JinkoSolar Company Limited; Mr. Pan Li, CFO of JinkoSolar Holding Company Limited; and Mr. Charlie Cao, CEO of JinkoSolar Company Limited.

Mr. Li will discuss JinkoSolar's business operations and company highlights, followed by Mr. Miao, who will talk about the sales and marketing; and then Mr. Pan Li will go through the financials. They will all be available to answer your questions during the Q&A session that follows.

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 JinkoSolar's public filings with the Securities and Exchange Commission. JinkoSolar does not assume any obligation to update any forward-looking statements, except as required under the applicable law.

It's now my pleasure to introduce Mr. Xiande Li, Chairman and CEO of JinkoSolar Holdings. Mr. Li will speak in Mandarin, and I will translate his comments into English. Please go ahead, Mr. Li.

Xiande Li^ (Interpreted) In the first quarter, total module shipments reached 13.7 gigawatts, ranking first in the industry with over 80% shifted to overseas market. We closed the quarter as the world's first module manufacturer to surpass 400 gigawatts in cumulative deliveries and also became the industry leader with our Tiger Neo series, contributing to approximately 240 gigawatts to that total.

Module prices rebounded sequentially, driven by stronger supply and demand dynamics, especially from overseas. This improved our operating performance sequentially with our gross margin increasing to 8.3% and our net loss narrowed.

Recent geopolitical disruptions have impacted key logistics lines, adding temporary pressure on our shipping costs and delivery schedules. At the same time, these directions have increased the importance of energy security globally.

We are seeing growing momentum among industrial, commercial, residential and utility customers to adopt solar plus storage solutions.

In addition, regulators in China outlined further policy guidance on April 17, strengthening regulations on competition across the solar industry to support its high-quality development. We believe these measures will help improve supply and demand dynamics and support a more rational competitive environment.

In response to market dynamics, we continue to optimize our production pipeline and the geographic mix and remain in close communication and negotiations with our customers.

With the industry competition gradually normalizing as we scale up our high-efficiency Tiger Neo series, we expect the module prices to remain relatively stable. We continue to grow our footprint in the distributed solar market and are further expanding into diverse niche application scenarios that align with rising power demand globally and a shift towards cleaner and more distributed energy systems.

This trend, combined with our deep technological expertise and brand strength will allow us to continue enhancing our competitiveness in the global market.

By the end of the first quarter, average power output for our Tiger Neo, the first-generation Tiger Neo series reached 655 watts to 660 [watts peak] and we continue to ramp up our capacity.

We expect the production capacity for this high-efficiency products with power output above 650 [watts peak] to exceed 40 gigawatts by the end of this year.

As capacity gradually ramps up and generate economies of scale in the second half of this year, we expect the cost structure to continue to improve.

In the first quarter, high-efficiency products above 640 [watts peak] increased sequentially and accounted for nearly 25% of the total shipments. This product also command a premium, reflecting the differentiated advantages built through our continued technical iteration and product upgrades.

Separately, we continue to make solid progress in the mass production of silver-coated copper technology, where our pace and scale are leading the industry.

In terms of our ESS business, first quarter ESS shipments on a POD basis reached approximately 1.42 gigawatt hours with around 520 megawatt hours recognized as revenue. A higher contribution from high-value overseas markets such as Europe and the United States supported a more optimized market mix and drove a sequential improvement in our gross margin. Because of the time lag in revenue recognition of some projects, profit contribution has yet to be fully realized.

In 2026, we will continue to optimize our ESS capacity and supply chain footprint and focus on high-value markets to drive improvements in both scale and profitability. We expect the ESS shipments to be -- to more than double year-over-year in 2026, enhancing our profitability profile and contribute meaningfully to our overall bottom line.

Before I turn it over to Gener, I would like to go over our guidance for the second quarter and the full year of 2026. We expect annual integrated production capacity to reach approximately 100 gigawatts by the end of this year, including 14 gigawatts from overseas facilities.

We expect module shipments to be between 14 gigawatts and 16 gigawatts for the second quarter of 2026 and between 75 gigawatts and 85 gigawatts for the full year 2026, with high-efficiency products accounting for over 60%.

We will continue to enhance our technological leadership and product competitiveness, deepen our global footprint, accelerate the development of our integrated solar-plus storage strategy, improve operating efficiency and drive gradual improvement in profitability.

Gener Miao^ Thank you, Mr. Li. Total module shipments were 13.7 gigawatts in the first quarter. We capitalized on opportunities arising from demand shift in overseas markets by leveraging our outstanding global sales network and product competitiveness.

Non-China market accounted for over 80% of our total shipments over the quarter, mainly from Europe, Asia-Pacific and the emerging markets.

Shipments to the United States accounted for about 4%. For the full year, we expect overseas markets to remain our primary growth driver as domestic demand faced temporary pressure while overseas demand grows steadily.

The proportion of high-efficient product shipment continued to rise sequentially. This included deliveries of a small amount of 3.0 products. High-efficient products command a premium of approximately $0.01 over conventional products.

With capacity of Tiger Neo 3.0 series gradually ramping up and being released, we expect high-efficient product shipments to account for over 60% of total shipments for the full year.

To address the increasing scenario-based nature of PV demand, we launched a series of specialized products in the first quarter, including anti-glare, fire-resistant, dust-resistant and AIDC modules. These products are designed to target premium and high-specification application segments with more demanding requirements so far.

The products have been widespread market interest and positive customer feedback. This will further strengthen our premium positioning and market reach as we continue to build on years of accumulated technology, expertise and advantage in product performance.

Global computing power demand continues to grow. Data centers are becoming a major new category of power consumption. To address this shift, we launched a full scenario PV plus energy storage solution tailored for AIDC, which provides all-weather renewable energy security for power demands requiring high reliability and continuously expand the boundaries of PV applications.

Recently, we have made significant progress in our strategic markets. For example, in the Middle East, we supplied our high-performance Tiger Neo modules to a world-leading solar-plus-storage benchmark project that integrates energy and computer applications. This will further validate our competitive advantages in large-scale project delivery and global service capabilities.

With deep market insights and disciplined efficient execution, we are confident we will continue to capture opportunities for market and industry shifts. By continuously enhancing our technologies, products and brand strength, we will continue to deliver high-performance, high-reliability solar plus ESS solutions while continuously growing our market competitiveness.

Charlie Cao^ Thank you, Gener. We're pleased to report steadily improving financial results, driven by our high-performance products and expanding footprint in high-value markets.

Gross profit increased by 17x sequentially and fourfold year-over-year, while gross margin expanded by 8 percentage points sequentially and 10.8 percentage points year-over-year.

Operating loss margin improved both sequentially and year-over-year. As we head into 2026, we are focused on improving our operating performance, optimizing our asset and liability structure and maintaining healthy operating cash flow to enhance our resilience against the risks.

Looking at our first quarter results in more detail. Total revenue was $1.78 billion, down 13% sequentially and 11.5% year-over-year, driven primarily by lower solar module shipment volumes.

Gross margin was 8.3% compared with gross margin of 0.3% in the fourth quarter of '25 and gross loss margin of 2.5% in the first quarter of '25. The sequential and year-over-year increases were primarily due to the higher average selling prices of solar modules.

Total operating expenses were about $233 million, down 51.5% from $473.6 million in the fourth quarter last year and 36% from $346 million in the first quarter last year. The sequential decreases were primarily due to the impairment of long-lived assets in the fourth quarter, while the year-over-year decrease was primarily driven by lower expected credit losses in the first quarter this year.

Total operating expenses accounted for 13.1% of total revenues during the quarter, compared 18.9% in the fourth quarter of '25 and 18.1% in the first quarter of '25.

Operating loss margin was 4.8%, compared with 18.6% in fourth quarter last year and 20.7% in the first quarter. Excluding the impact of changes in the fair value of convertible notes issued by JinkoSolar in 2023, changes in the fair value of long-term investments and share-based compensation expenses, adjusted net loss attributed to JinkoSolar Holdings of ordinary shareholders was about $79.6 million in the first quarter, compared with $119.8 million in the fourth quarter of last year and $147.4 million in the first quarter last year, representing a significant improvement both sequentially and year-over-year.

Net loss attributed to JinkoSolar Holdings ordinary shareholders was $67.2 million in the first quarter compared with $214.5 million in the fourth quarter of '25 and $181.7 million in the first quarter of '25, improving significantly both sequentially and year-over-year.

Moving to the balance sheet. As of the end of the first quarter this year, cash and cash equivalents were $3.3 billion compared with $3.28 billion at the end of fourth quarter of '25.

AR turnover days was 128 days compared with 94 days in the fourth quarter of last year. Inventory turnover was 142 days compared to 75 days in the fourth quarter of last year.

As of the end of the first quarter, total debt was $6.85 billion compared to $6.72 billion at the end of the fourth quarter of '25. Net debt was $3.5 billion compared to $3.4 billion at the end of the fourth quarter of '25.

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.

Philip Shen^ First one is just on margins. I was wondering if you could give us your outlook for margins for Q2, 3 and 4. You just hosted your Q4 call and your Q1 margin came in much better than expected. So I was wondering if Q2 should be at a similar level or if not maybe better? And then what's your sense for Q3 and 4?

Charlie Cao^ Yes, Philip, this is Charlie. And the Q4 gross margin jumped a lot, quarter-by-quarter. And it's -- I think it is a combination of the efforts we are trying to push up the price as well as optimize the cost.

And looking to the second quarter, we expect it relatively stable, because we're still facing -- we need to manage some of the impact from the old orders. But looking to the second half year, given our new capacity, new high inflation capacity platform is going to deliver more and more percentage as well as we optimize the cost structures and we expect the gross margin in second half year will jump compared to the first half year.

Philip Shen^ Okay. Next one for me is on your full year guidance of 80 gigawatts. The run rate in the first half is 14 gigawatts. So then you might need more than 25 gigawatts on a quarterly run rate in the second half of 2026. Is this expected to come from -- like think of this growth in quarterly run rate from 14 to 25 gigawatts, is that expected to come from market growth? Or do you think you take share or maybe another source?

Charlie Cao^ I think the first half year and each quarter, we get roughly 15 gigawatts. And China, the market is relatively soft, right, given last year's very, very high numbers.

And on top of that, a lot of projects in China is expected to be implemented in the second half of the year. And -- but for the market out of China, we expect relatively in growth.

And so back to your question and we guide 75 to 85. And I think the first priority for us is to improve the gross margin capabilities and we will be more selective on top. I think one of the factors we are very confident for the shipment is we get a very, very strong demand for the Tiger Neo 3, the next-generation TOPCon products.

And the second one is we believe we're relatively good position to take the market shares from our peers. So it's a combination.

But back to your questions and we are -- second half year, we definitely will have more shipments for first half year and it's a relatively higher shipment, but we are quite flexible in terms of range, 75 to 85. And we expect to get more customers from the next-generation TOPCon customers and get more market share from our peers.

Operator^ (Operator Instructions) Your next question comes from Alan Lau with Jefferies.

Alan Lau^ So actually seeing quite strong momentum in ESS business for the company, would like to know if there's any updates on to the order book the company has on ESS and the regional split or anything to share because I'm seeing in the results that [resi] ESS is also quite strong in Europe. So wonder if there's any updates on ESS.

Charlie Cao^ Yes. Definitely, we are expecting more business opportunities in Europe, particularly the impact from the Middle East conflict. And in terms of the global mix from different regions and we are trying to minimize the China exposure. It's roughly 10% to 15%. So the remaining part, 85%, it's a combination of the first target market in Europe as well as we have relatively good targets for the Asia-Pacific regions and the Middle East and Latin America. And we also expect some shipments in the U.S. as well.

Alan Lau^ So how is the margin profile across these regions?

Charlie Cao^ In Europe and U.S., it's relatively higher, it's over 30%. In other regions and it's relatively lower, and I think roughly 10% to 15%.

And in the first quarter, we delivered 60% gross margin. I think we expect a continuous challenge from the higher material cost. So combination-wise, we shipped 10 gigawatt hours shipment this year, it's roughly 15% gross margin.

Alan Lau^ Understood. So this has already factored in the increase in lithium carbonate cost, right, the 15% gross margin guidance?

Charlie Cao^ Yes.

Alan Lau^ Understood. So switching gears to solar business, I would like to know what's the view of the company on the field of compliance and also on the Section 232 investigation on polysilicon?

Charlie Cao^ I think 232, we don't know what exactly the timetable the policy will come out. But we have, I think, separate independent suppliers from polysilicon to the manufacturing wafer cell module. So if 232 come out, I think we have plan B and to deal with the situation.

And so your first question is talking about non-FEOC, right, in the U.S.?

Alan Lau^ Yes, yes, non-FEOC as well.

Charlie Cao^ You mean the supply side or the manufacturing side?

Alan Lau^ How confident is the company to get the credits? And at the same time, are your clients confident that using Jinko's product will also enable them to get the AIDC as well?

Charlie Cao^ Yes, yes, I think for the -- in the next two years, I think there's a lot of demand for the pair of modules because of safe harbor regulations. And at the same time and we have

manufacturing in the U.S. and we expect to convert to non-FEOC joint venture manufacturing very soon by the end of second quarter. And it's highly possible the joint venture, the majority of the newcomer is going to expand the capacity as well.

And from the supply side, we have several non-FEOC still solar cell manufacturing suppliers in different regions out of China, out of the Asia-Pacific regions. And so we are confident for the shipment in this year as well as we try to build more resources and to have a good foundation for next year.

Alan Lau^ So the JV partner will be known by end of second quarter, which is basically two months from now. And is it a U.S. player?

Charlie Cao^ It's an investor -- China investor is definitely compliant with the [OBBB] regulations.

Alan Lau^ Understood. So -- but we will know in two months?

Charlie Cao^ Yes, yes.

Alan Lau^ Understood. And is there any plan for capacity expansion like? And speaking of capacity expansion, there is quite some concern on the export of solar equipment from China. So wondering what's your view on that like?

Charlie Cao^ Yes, there's a -- I think in the news and in the public medias, there's may be possible some kind of export restrictions. And -- but we didn't get the final confirmation through any signed documents.

And -- but in terms of what I'm talking about the capacity expansion, they could be go through the merger acquisition, existing module capacity in the U.S. So I think it's a -- and I think the joint venture is not looking for very big expansion. It's not -- it's doable through other ways.

Alan Lau^ Understood. So -- and switching gears to space-based solar. So what is the progress on that front? Like are there any products dedicated to AI data centers in space? And are there any relevant updates on that part of the business?

Charlie Cao^ I think our R&D team has done some kind of preparations for the solar panels depending on different technologies like the silicon, like the perovskite. And we've made some progress on the silicon-based technology for space testing. And our target is by the end of the second quarter, we can get the example ready and to be worked with some space companies to do the testing.

Alan Lau^ Understood. So there will be -- so the panels will be launched in satellites and be tested in Q2?

Charlie Cao^ It's not determined, but it's going to -- we are trying to explore the different [panels]. But definitely, when we do some space-based solar panels, definitely, we try to test in the space.

Alan Lau^ Understood. That's clear. So my final question is, what's your view on the demand, second half, because the demand now is quite weak. So wondering if you are expecting any policies or any signs that demand will recover in second half on solar?

Gener Miao^ Yes. Yes, so from demand side, we expect the current slowing down in Q2 or early Q2 is perfectly natural because of the rush hour by end of Q1 has pulled in a lot of demand from Q2, right?

So everyone tried to get a benefit for the last-minute rush before the China VAT policy change. So I think that the slowing down in Q2 is within the expectations. But we still are looking to the whole year demand, especially for second half, we are still kind of optimistic.

I think three reasons behind it. One reason is because after the recent conflict in the Middle East, we heard a lot of energy security topics, right, solar or wind, [batts] can provide more energy securities. Many countries put that into a national strategy. So that potentially trigger more demand.

And secondly is because of the rising demand from AIDC topics, we see a massive upcoming projects combined between renewables and AIDCs all over the world.

And the third important reason is because of the -- we call it the C&I or distributed generation market demand is still very robust. And we -- now, we have -- we can feel a very strong demand from that perspective. Many -- like even in the emerging markets, the C&I sectors, DG sectors, demand are pretty solid and robust for the -- for the whole year.

So combine everything together, we still expect a healthy or at least a solid demand in second half. That's from the high levels.

If you break it into details because of the strong demand in China in last year, we believe the China demand will drop roughly 20% compared to last year. But if we're talking about the non-China demand, we can see a roughly 10% increase year-over-year.

So combine everything together, I think it will be roughly 5% to 10% demand decrease in 2026 versus '25. But if you look into the seasonality, the second half definitely will be stronger than first half.

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

Rajiv Chaudhri^ So my question -- the first question I have is about average selling prices. You have mentioned that prices are stable in the -- going into the second quarter versus the first quarter. And -- but I want to get your sense on how the second half pricing is going to be.

And also, you have been doing a lot of product development, focusing on higher end [facilities] or better positioning of the product in terms of market segments, like trying to aim for markets where there's a lot of dust, for example. So you have been positioning -- segmenting the market and trying to bring out products for these different use cases.

My question is, does this allow you to get better pricing than the market on average? And could we see your average selling prices actually be inching up, both because of higher performance as well as because of market segmentation as we go through the year? That's my first question.

Gener Miao^ Yes. Thank you for the question and thank you for your insight. Actually, that's our target. What you're just saying is exactly what we are targeting at, but nobody has a crystal ball to know the future. So we are working hard.

On one side, there's a strong government push in China, trying to have the whole industry get rid of or get out from the price competition. Another way we are looking to is we try to target the customers and the business as a value-added perspective instead of price competition perspective. So in that case, we hope we can work with the scenario of a steady, healthy market prices.

Actually, if you take a deeper look into the prices, recent days versus the price in Q1, you can feel that actually even the policy change in demand is weak in Q2, actually, the market price is not dropping as many people expected, right? So it's really because of the manufacturer side has suffered so much and nobody would like to sell at huge loss-making.

Another reason is really the market itself -- the market demand itself is still capable to absorb the higher prices. It doesn't have to be a price competition. We could make the market competition more healthy way instead of a number game.

So yes, back to your question, personally, I'm optimistic about the market prices in the rest of the year. And hopefully, it would remain at a healthy range for everyone.

Rajiv Chaudhri^ Great. And my second question is about costs. As you are pushing towards the higher value-added products, does that automatically mean that your costs will also be higher or the costs are going to keep on coming down because you are just getting better and the scale is getting better in terms of the size of the business?

Gener Miao^ So the high inflation product like the Neo 3 definitely is going to generate more profitability than gross margins. And you are talking about the scenario-based product, right? That is what we are trying to build in different use for different scenario like AIDC, like [acid, dust] or and whatever and the channel penetrations, which will definitely bring, I think, additional capabilities.

And with -- I think we are upgrading our capacity to the next high-efficiency products and the cost with the scale -- economy of scale, the cost will be optimized as well.

Operator^ There are no further questions at this time. With that, we conclude our conference for today. Thank you for participating and you may now disconnect.