CHINA SOLAR: TRACKING PROFITABILITY INFLECTION

Oct-26: Profitability deteriorated in Wafer/Glass due to higher cost; Poly inventory rises despite production cuts

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Our China Solar Profitability Tracker follows **monthly supply/demand and inventory dynamics by sub-sector, and spot prices/input costs implied cash GP & EBITDA margin trends for companies under our coverage.**

Key highlights in Oct MTD:

- **Wafer/Glass profitability weakened due to higher cost:** Throughout the month, value chain prices were largely stable with Poly/Glass pricing sustained at higher levels of Rmb43/kg and Rmb10.5/sqm at end-Sep, but transactions have been muted due to weak downstream demand expectations. Moreover, spot price implied cash profitability deteriorated in Wafer (-8pp) and Glass (-5pp) due to higher cost in Poly (+24% monthly mom) and LNG (+17% MTD), respectively.
- **Poly inventory rises despite production cuts**: Oct production across the value chain is expected to decline by avg. 3% mom (vs. flat mom in Sep), mainly driven by -23% mom in Poly segment. However, we believe these cuts are insufficient to alleviate high inventory pressure for Poly players given the sluggish pace of downstream procurement. By late Oct, Poly inventory rose by 8% MTD, while downstream segments saw an average decline of 3%.
- **Global Module demand recovery tracking weaker than seasonality:** Sep global Module demand rose by 3% yoy to 44GW, though this remains significantly below the historical seasonal average of +34% yoy (2021-25). Additionally, while China's solar installations rose 41% yoy to 14GW in Sep, 9M26 still declined by 54% yoy to 111GW, tracking below our FY26E forecast of -26% yoy.
- **What to do from here?** Across our coverage, we prefer Maxwell (on new application opportunity), Hangzhou First (on solar film price hike and unit profitability expansion potential), Xinyi Solar (on glass price inflection) and Longi (on ESS potential and more resilient EBITDA driven by upstream price decline with mid-cycle BC upside). We stay cautious on Rod Poly (Sell on Daqo ADR/A, and Sell on Tongwei).

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Profitability deteriorated in Wafer/Glass in Oct

Exhibit 1: Value chain prices were largely stable with Poly/Glass pricing sustained at higher levels in Oct
Summary of the latest pricing across the solar value chain

		Spot price										Average price		
Price		Weekly 10/22/2026	Monthly Oct-26	QTD 2026Q4	YTD 2026	MTD Oct-26	QTD 2026Q4	YTD 2026	Since anti-involution 1.0 7/2/2025	Since anti-monopoly 1/7/2026	Since anti-involution 2.0 7/29/2026	MoM Oct-26	QoQ 2026Q4	YTD yoy 2026
Poly						0%	0%	-20%	22%	-20%	32%	17%	26%	-12%
N+Granular Poly	Rmb/kg	40.3	40.3	40.3	38.0	0%	0%	-20%	20%	-20%	30%	16%	24%	-11%
N+Rod Poly	Rmb/kg	43.0	43.0	43.0	39.5	0%	0%	-20%	24%	-20%	34%	18%	28%	-12%
Poly Future Quotes (Max)	Rmb/kg	38.0	39.6	39.6	43.5	-8%	-8%	-37%	3%	-38%	-4%	-5%	-5%	-10%
Poly Future Quotes (Median)	Rmb/kg	36.6	38.7	38.7	41.1	-10%	-10%	-39%	5%	-39%	11%	-6%	1%	-11%
Poly Future Quotes (Min)	Rmb/kg	33.7	34.9	34.9	38.6	-8%	-8%	-42%	-1%	-42%	3%	-6%	-3%	-15%
Non-China produced Poly	US$/kg	18.5	18.5	18.5	18.5	0%	0%	3%	-3%	3%	0%	0%	0%	-3%
Spread: Rod-Granular	Rmb/kg	2.7	2.7	2.7	1.4	0.0	0.0	-0.7	1.5	-0.7	1.7	1.0	1.5	-1.0
Spread: Max Future - Spot	Rmb/kg	-5.0	-3.4	-3.4	4.0	-3.4	-3.4	-11.4	-7.4	-12.2	-12.6	-8.8	-11.3	n.a.
Spread: Median Future - Spot	Rmb/kg	-6.4	-4.3	-4.3	1.6	-4.3	-4.3	-12.3	-6.7	-12.5	-7.2	-9.0	-8.9	n.a.
Spread: Min Future - Spot	Rmb/kg	-9.3	-8.1	-8.1	-0.9	-2.9	-2.9	-13.6	-8.5	-13.4	-9.9	-8.7	-10.5	n.a.
Wafer						0%	0%	-21%	6%	-27%	15%	0%	4%	-15%
N+M10 (EX China)	Rmb/pc	1.0	1.01	1.01	1.01	0%	0%	-16%	17%	-23%	26%	0%	8%	-13%
N+G12L (USS)	Rmb/pc	1.2	1.15	1.15	1.26	0%	0%	-24%	-3%	-31%	5%	0%	0%	-16%
N+G12R (DS)	Rmb/pc	1.0	1.03	1.03	1.08	0%	0%	-21%	3%	-27%	14%	0%	4%	-15%
Cell-China						1%	1%	-11%	23%	-20%	15%	-2%	3%	19%
Topcon G12L-China (USS)	Rmb/w	0.30	0.29	0.29	0.34	2%	2%	-13%	20%	-22%	11%	-3%	0%	18%
Topcon G12R-China (DS)	Rmb/w	0.31	0.31	0.31	0.34	0%	0%	-9%	27%	-18%	19%	0%	6%	21%
Cell-Ex-China						0%	0%	12%	n.m.	n.m.	n.m.	-1%	4%	29%
Topcon M10-Ex-China	US$/w	0.05	0.05	0.05	0.05	0%	0%	12%	n.m.	n.m.	n.m.	-1%	4%	29%
Module-China						0%	0%	5%	6%	4%	0%	0%	0%	5%
Bifacial Topcon-China	Rmb/w	0.72	0.72	0.72	0.74	-1%	-1%	3%	6%	3%	0%	0%	0%	6%
NBC-China	Rmb/w	0.86	0.86	0.86	0.85	0%	0%	13%	8%	10%	0%	0%	0%	11%
Topcon USS-China	Rmb/w	0.71	0.71	0.71	0.70	0%	0%	3%	5%	3%	1%	0%	0%	3%
Topcon DS-China	Rmb/w	0.74	0.74	0.74	0.75	0%	0%	6%	10%	6%	0%	0%	0%	8%
Spread: NBC-Topcon	Rmb/w	0.12	0.12	0.12	0.10	0.00	0.00	0.06	-0.01	0.04	0.00	0.00	0.00	0.03
Module-Export						0%	0%	18%	n.m.	n.m.	n.m.	-1%	-2%	15%
Topcon Export	US$/w	0.11	0.11	0.11	0.11	0%	0%	28%	n.m.	n.m.	n.m.	0%	-1%	23%
BC C&I EU	US$/w	0.13	0.13	0.13	0.13	0%	0%	12%	n.m.	n.m.	n.m.	-2%	-3%	14%
BS Resi EU	US$/w	0.19	0.19	0.19	0.19	0%	0%	15%	n.m.	n.m.	n.m.	-3%	-3%	9%
Module-US						0%	0%	0%	n.m.	n.m.	n.m.	0%	0%	7%
Imported from Ex-China	US$/w	0.27	0.27	0.27	0.27	0%	0%	0%	n.m.	n.m.	n.m.	0%	0%	7%
Local assembled	US$/w	0.30	0.30	0.30	0.30	0%	0%	0%	n.m.	n.m.	n.m.	0%	0%	8%
Module-India						-4%	-4%	-7%	n.m.	n.m.	n.m.	-2%	-5%	-2%
Local assembled	US$/w	0.14	0.14	0.14	0.14	-4%	-4%	-7%	n.m.	n.m.	n.m.	-2%	-5%	-2%
Glass						0%	0%	-7%	0%	0%	20%	0%	9%	-22%
2.0mm PV glass	Rmb/sqm	10.5	10.5	10.5	9.6	0%	0%	-7%	0%	0%	20%	0%	9%	-22%
Film						4%	4%	15%	11%	17%	8%	3%	5%	8%
EVA film (Transparent)	Rmb/sqm	6.4	6.3	6.3	6.2	5%	5%	19%	12%	22%	15%	4%	8%	5%
EVA film (White)	Rmb/sqm	6.9	6.8	6.8	6.7	4%	4%	17%	11%	20%	13%	4%	7%	5%
POE film	Rmb/sqm	9.0	8.8	8.9	9.3	4%	4%	10%	10%	10%	-3%	2%	-1%	13%
Spread: POE-EVA	Rmb/sqm	2.4	2.3	2.3	2.9	0.0	0.0	-0.2	0.0	-0.5	0.2	-0.1	-0.5	0.8
EVA resin	Rmb/ton	11,315	11,010	11,112	10,302	6%	6%	26%	16%	25%	15%	6%	12%	-1%
POE resin	Rmb/ton	12,672	12,672	12,672	12,427	0%	0%	37%	20%	39%	-1%	0%	-1%	18%
Spread: POE-EVA resin	Rmb/ton	1,357	1,662	1,560	2,125	-611	-611	1,102	-937	-1,477	1,248	-632	-1,274	2,016

Source: Oilchem, SiliconChina, PVInfolink, SMM, Solarbe

Exhibit 2: Profitability deteriorated in Wafer/Glass due to higher cost in Oct
Summary of spot price implied cash GPM and unit GP across the solar value chain

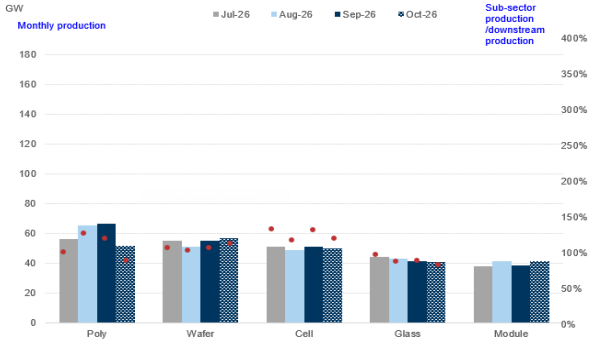
	Spot price implied cash GPM				Spot cash GPM change (in ppt)						Average cash GPM change (in ppt)		
	Weekly 10/22/2026	Monthly Oct-26	QTD 2026Q4	YTD 2026	MTD Oct-26	QTD 2026Q4	YTD 2026	Since anti-involution 1.0 7/2/2025	Since anti-monopoly 1/7/2026	Since anti-involution 2.0 7/29/2026	mom Oct-26	qoq 2026Q4	YTD yoy 2026
Poly-Tier 1	**27%**	**25%**	**27%**	**16%**	**0ppt**	**0ppt**	**-8ppt**	**23ppt**	**-11ppt**	**26ppt**	**13ppt**	**22ppt**	**-5ppt**
Rod Poly	23%	20%	23%	7%	0ppt	0ppt	-5ppt	31ppt	-8ppt	31ppt	13ppt	27ppt	-5ppt
Granular Poly	31%	31%	31%	25%	0ppt	0ppt	-12ppt	16ppt	-14ppt	21ppt	13ppt	17ppt	-5ppt
Wafer-Tier 1	**-11%**	**-8%**	**-10%**	**-3%**	**-8ppt**	**-8ppt**	**-7ppt**	**0ppt**	**-19ppt**	**0ppt**	**-12ppt**	**-8ppt**	**-6ppt**
M10	-9%	-7%	-8%	-6%	-7ppt	-7ppt	-2ppt	11ppt	-14ppt	11ppt	-11ppt	-3ppt	-5ppt
G12	-12%	-10%	-11%	1%	-8ppt	-8ppt	-11ppt	-12ppt	-23ppt	-12ppt	-13ppt	-14ppt	-7ppt
Cell-Tier 1	**3%**	**3%**	**3%**	**3%**	**0ppt**	**0ppt**	**-3ppt**	**10ppt**	**3ppt**	**14ppt**	**3ppt**	**6ppt**	**5ppt**
Topcon G12R China (USS)	4%	4%	4%	3%	0ppt	0ppt	-2ppt	12ppt	4ppt	16ppt	3ppt	7ppt	6ppt
Topcon G12L China (DS)	2%	2%	2%	2%	1ppt	1ppt	-4ppt	9ppt	2ppt	13ppt	3ppt	5ppt	4ppt
Module-Tier 1	**8%**	**9%**	**8%**	**7%**	**-1ppt**	**-1ppt**	**3ppt**	**1ppt**	**16ppt**	**-3ppt**	**0ppt**	**-1ppt**	**3ppt**
Topcon China (pure module)	8%	8%	8%	5%	-1ppt	-1ppt	5ppt	-1ppt	17ppt	-7ppt	0ppt	-3ppt	2ppt
Topcon China (poly to module integrated)	9%	9%	9%	8%	-2ppt	-2ppt	1ppt	3ppt	13ppt	-1ppt	0ppt	-1ppt	3ppt
Topcon China (wafer to module integrated)	7%	8%	8%	7%	-2ppt	-2ppt	2ppt	1ppt	14ppt	-3ppt	-1ppt	-2ppt	3ppt
Topcon China (cell to module integrated)	9%	9%	9%	7%	0ppt	0ppt	3ppt	3ppt	19ppt	-1ppt	1ppt	0ppt	5ppt
Glass-Tier 1	**-8%**	**-6%**	**-6%**	**-11%**	**-5ppt**	**-5ppt**	**-22ppt**	**0ppt**	**-16ppt**	**13ppt**	**-2ppt**	**6ppt**	**-20ppt**
2.0mm PV glass	-8%	-6%	-6%	-11%	-5ppt	-5ppt	-22ppt	0ppt	-16ppt	13ppt	-2ppt	6ppt	-20ppt
Film-Tier 1	**19%**	**19%**	**19%**	**23%**	**1ppt**	**1ppt**	**-6ppt**	**-3ppt**	**-5ppt**	**0ppt**	**1ppt**	**-1ppt**	**2ppt**
EVA film	12%	12%	13%	15%	0ppt	0ppt	-2ppt	-1ppt	1ppt	2ppt	0ppt	-1ppt	4ppt
POE film	27%	25%	26%	31%	3ppt	3ppt	-11ppt	-4ppt	-12ppt	-1ppt	2ppt	0ppt	-1ppt
EVA resin	11%	7%	8%	3%	6ppt	6ppt	5ppt	3ppt	4ppt	6ppt	2ppt	4ppt	-11ppt

	Spot price implied unit cash profit				Spot cash profit change (in $)						Average cash profit change (in $)		
	Weekly 10/22/2026	Monthly Oct-26	QTD 2026Q4	YTD 2026	MTD Oct-26	QTD 2026Q4	YTD 2026	Since anti-involution 1.0 7/2/2025	Since anti-monopoly 7/2/2025	Since anti-involution 2.0 7/2/2025	mom Oct-26	qoq 2026Q4	YTD yoy 2026
Poly	**9.8**	**10.5**	**11.1**	**6.1**	**0.0**	**0.0**	**-6.3**	**8.9**	**-7.5**	**9.6**	**6.5**	**9.7**	**-2.0**
Rod Poly	8.8	8.7	9.9	2.6	-0.1	-0.1	-4.5	11.1	-5.9	10.9	6.3	11.0	-2.2
Granular Poly	10.9	12.3	12.3	9.6	0.0	0.0	-8.2	6.6	-9.1	8.2	6.8	8.4	-1.9
Wafer	**-0.01**	**-0.01**	**-0.01**	**0.00**	**-0.01**	**-0.01**	**-0.01**	**0.00**	**-0.02**	**0.00**	**-0.01**	**-0.01**	**-0.01**
N+M10 Wafer	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01	0.00	0.01	-0.02	0.01	-0.01	0.00	-0.01
N+G12 Wafer	-0.01	-0.01	-0.01	0.00	-0.01	-0.01	-0.01	-0.01	-0.03	-0.01	-0.01	-0.01	-0.01
Cell	**0.01**	**0.01**	**0.01**	**0.01**	**0.00**	**0.00**	**0.26**	**2.13**	**-0.55**	**1.86**	**0.01**	**0.01**	**0.01**
Topcon G12R China (USS)	0.01	0.01	0.01	0.01	0.00	0.00	0.21	2.10	-0.82	1.60	0.01	0.02	0.02
Topcon G12L China (DS)	0.01	0.00	0.00	0.01	0.00	0.00	0.32	2.17	-0.29	2.13	0.00	0.00	0.01
Module	**0.05**	**0.05**	**0.05**	**0.04**	**-0.01**	**-0.01**	**0.02**	**0.01**	**0.09**	**-0.02**	**0.00**	**-0.01**	**0.02**
Topcon M10 (pure module)	0.05	0.05	0.05	0.03	0.00	0.00	0.03	0.00	0.11	-0.04	0.00	-0.02	0.01
Topcon (poly to module)	0.06	0.06	0.06	0.05	-0.01	-0.01	0.01	0.02	0.08	-0.01	0.00	0.00	0.02
Topcon (wafer to module)	0.05	0.05	0.05	0.05	-0.01	-0.01	0.01	0.01	0.09	-0.02	-0.01	-0.02	0.02
Glass	**-0.8**	**-0.5**	**-0.6**	**-0.9**	**-0.5**	**-0.2**	**-2.1**	**0.0**	**-1.5**	**0.8**	**-0.2**	**0.5**	**-1.9**
2.0mm PV glass	-0.8	-0.5	-0.6	-0.9	-0.5	-0.5	-2.1	0.0	-1.5	0.8	-0.2	0.5	-1.9
Film	**0.7**	**0.7**	**0.7**	**0.8**	**0.0**	**0.17**	**0.02**	**0.0**	**0.2**	**0.2**	**0.0**	**0.0**	**0.3**
EVA film	0.7	0.7	0.7	0.8	0.0	0.0	0.02	0.0	0.2	0.2	0.0	0.0	0.3
POE film	2.1	2.0	2.0	2.6	0.3	0.3	-0.6	-0.1	-0.7	-0.2	0.2	0.0	0.3

Source: Oilchem, SiliconChina, PVInfolink, SMM, Solarbe, Wind, Goldman Sachs Global Investment Research

Kindly note that our estimates may vary from actual results, as i) our estimated spot price implied GPMs do not factor in company-level price discounts or premiums; and ii) our analysis might be varied vs. the company's actual operations due to production suspension or maintenance schedules of specific plants during the month.

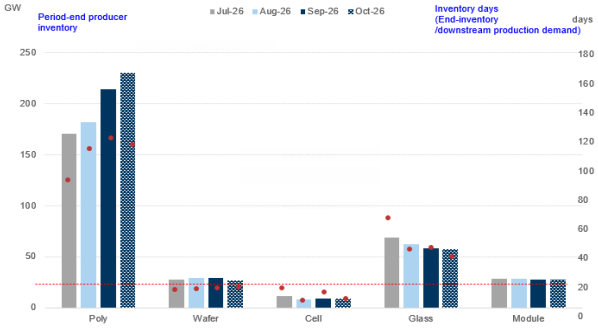
Exhibit 3: Sub-sector production to demand ratio improved to 102% in Oct from 115% in Sep
Summary of sub-sector production vs. module production across the solar value chain



Red dots refer to sub-sector production/downstream production (RHS).

Source: Oilchem, SMM, Goldman Sachs Global Investment Research

Exhibit 4: Producer-side inventory days (vs. demand) improved to 48 days in Oct from 52 days in Sep
Summary of sub-sector production and beginning inventory vs. module production across the solar value chain



Red dots refer to inventory days (RHS).

Source: Oilchem, SMM, Goldman Sachs Global Investment Research

Exhibit 5: Comp sheet

Company	Ticker	PCY	RCY	Primary Analyst	Last closing price	12m-Target price	+/-%	Rating	Mkt Cap (USD bn)	P/B				EV/EBITDA				ROE			
										2024A	2025A	2026E	2027E	2024A	2025A	2026E	2027E	2024A	2025A	2026E	2027E
Solar main value chain																					
Longi	601012.SS	CNY	CNY	Mengwen Wang	11.30	13.6	20%	Buy	12.8	1.4x	1.6x	1.9x	2.0x	n.m.	n.m.	n.m.	n.m.	-13%	-11%	-19%	-6%
Tongwei	600438.SS	CNY	CNY	Mengwen Wang	11.45	4.2	-63%	Sell	7.7	0.9x	1.0x	1.3x	1.8x	n.m.	n.m.	n.m.	n.m.	-11%	-17%	-21%	-24%
Daqo US	DQ	USD	USD	Mengwen Wang	10.20	10.0	-2%	Sell	0.7	0.1x	0.1x	0.1x	0.1x	n.m.	n.m.	n.m.	n.m.	-4%	-2%	-5%	-5%
Daqo A	688303.SS	CNY	CNY	Mengwen Wang	16.67	7.6	-54%	Sell	5.3	0.9x	0.9x	1.0x	1.1x	n.m.	n.m.	n.m.	n.m.	-6%	-3%	-8%	-6%
GCL Tech	3800.HK	HKD	CNY	Mengwen Wang	0.60	0.79	32%	Buy	2.2	0.3x	0.3x	0.3x	0.3x	n.m.	n.m.	n.m.	n.m.	-10%	-5%	-9%	-7%
Canadian Solar US	CSIQ	USD	USD	Brian Lee, CFA	9.23	10.0	8%	Sell	0.6	0.2x	0.2x	0.2x	0.2x	12.9x	11.4x	11.0x	8.9x	-2%	-4%	-5%	n.a.
First Solar	FSLR	USD	USD	Brian Lee, CFA	171.99	272.0	58%	Buy	18.5	2.3x	1.9x	1.6x	1.3x	11.2x	8.4x	6.5x	5.0x	18%	17%	19%	n.a.
Jinko Solar US	JKS	USD	USD	Brian Lee, CFA	8.41	8.0	-5%	Sell	0.5	0.7x	0.8x	1.0x	1.0x	10.6x	n.m.	15.4x	9.5x	0%	-23%	-13%	n.a.
Median							**3%**		**3.8**	**0.8x**	**0.8x**	**1.0x**	**1.0x**	**11.2x**	**9.9x**	**11.0x**	**8.9x**	**-5%**	**-4%**	**-8%**	**-6%**
Solar inverter/PCS																					
Sungrow	300274.SZ	CNY	CNY	Jacqueline Du	72.20	114.0	58%	Neutral	22.4	3.7x	3.0x	2.6x	2.2x	9.9x	11.6x	9.1x	8.4x	32%	30%	20%	19%
Kstar	002518.SZ	CNY	CNY	Hao Chen	28.57	60.0	110%	Buy	2.5	3.8x	3.4x	3.1x	2.7x	26.8x	24.3x	16.2x	11.4x	9%	13%	15%	19%
Kehua	002335.SZ	CNY	CNY	Hao Chen	26.50	32.0	21%	Neutral	3.0	3.8x	3.1x	2.9x	2.8x	15.4x	27.1x	18.9x	14.1x	7%	7%	10%	11%
Enphase Energy	ENPH	USD	USD	Brian Lee, CFA	31.60	47.0	49%	Buy	4.3	5.2x	3.9x	3.2x	2.6x	87.6x	23.2x	25.8x	28.3x	11%	18%	7%	n.a.
SolarEdge	SEDG	USD	USD	Brian Lee, CFA	33.32	29.0	-13%	Sell	1.9	2.9x	4.6x	5.6x	5.4x	n.m.	n.m.	n.m.	-35.0x	-118%	-75%	-39%	n.a.
Median							**49%**		**3.0**	**3.8x**	**3.4x**	**3.1x**	**2.7x**	**21.1x**	**23.7x**	**17.6x**	**11.4x**	**9%**	**13%**	**10%**	**19%**
Solar Material																					
Flat Glass A	601865.SS	CNY	CNY	Mengwen Wang	9.17	8.3	-9%	Neutral	3.2	1.0x	1.0x	1.0x	1.0x	16.2x	13.4x	14.4x	11.2x	5%	4%	-2%	0%
Flat Glass H	6865.HK	HKD	CNY	Mengwen Wang	5.13	5.7	11%	Neutral	1.5	0.4x	0.4x	0.4x	0.4x	9.9x	8.6x	9.3x	7.0x	5%	4%	-2%	0%
Hangzhou First	603806.SS	CNY	CNY	Mengwen Wang	13.17	21.0	59%	Buy	5.2	2.1x	2.1x	1.9x	1.7x	20.2x	28.2x	11.9x	8.4x	8%	5%	12%	14%
Xinyi Solar	0968.HK	HKD	CNY	Mengwen Wang	1.82	3.0	65%	Buy	2.1	0.4x	0.4x	0.4x	0.3x	10.3x	6.1x	5.6x	3.2x	4%	9%	2%	5%
Median							**35%**		**2.6**	**0.7x**	**0.7x**	**0.7x**	**0.7x**	**13.3x**	**11.0x**	**10.6x**	**7.7x**	**5%**	**5%**	**0%**	**3%**
Solar Equipment																					
Maxwell	300751.SZ	CNY	CNY	Mengwen Wang	138.40	270.0	95%	Buy	5.8	5.1x	4.9x	4.5x	3.8x	22.6x	15.5x	20.5x	12.0x	13%	9%	10%	19%
Shenzhen S.C	300724.SZ	CNY	CNY	Mengwen Wang	51.55	60.0	16%	Neutral	2.7	1.6x	1.3x	1.3x	1.3x	4.4x	6.8x	13.9x	14.5x	28%	21%	5%	6%
Lead Intelligent	300450.SZ	CNY	CNY	Jacqueline Du	30.40	50.9	67%	Buy	7.6	4.1x	3.6x	2.7x	2.4x	41.1x	29.0x	18.9x	12.5x	2%	13%	14%	17%
Median							**67%**		**5.8**	**4.1x**	**3.6x**	**2.7x**	**2.4x**	**22.6x**	**15.5x**	**18.9x**	**12.5x**	**13%**	**13%**	**10%**	**17%**

As of Oct 23, 2026 closing.

Source: Wind, Company data, Refinitiv Eikon, Goldman Sachs Global Investment Research

Sep-26 Global demand rose by 3% yoy to 44GW

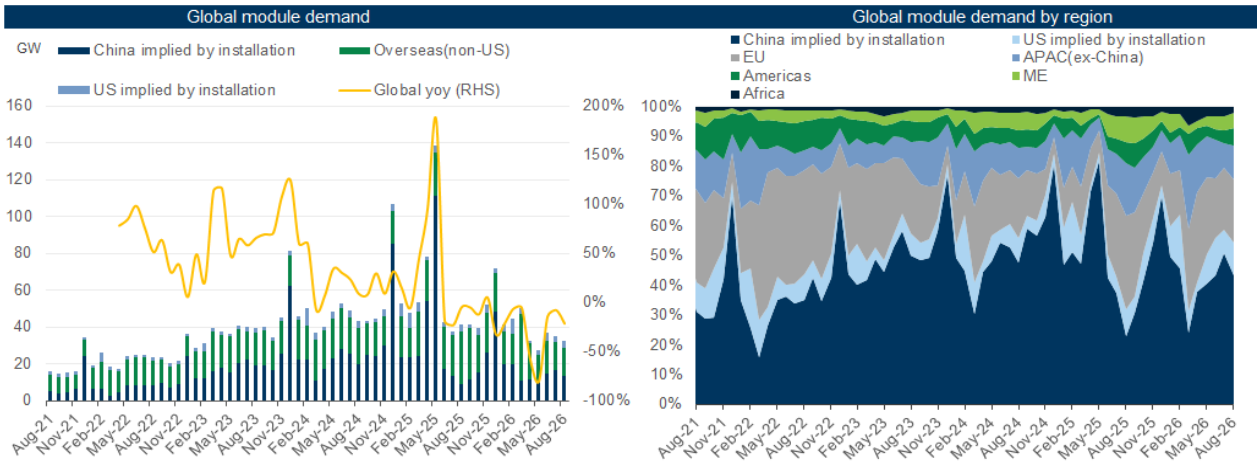
Global Module demand (derived by the aggregate of China installation implied module demand, China export volume, and US AC-side installation implied module demand) rose by 35% mom and 3% yoy to 44GW in Sep 2026, sending 9M26 down by 36% yoy to 339GW, which is tracking below our FY26E forecast of -12% yoy.

Specifically:

i) China installation in Sep increased by 41% yoy to 14GW (vs. +50% yoy to 11GW in Aug), sending 9M26 down by 54% yoy to 111GW, tracking below our FY26E forecast of -26% yoy.

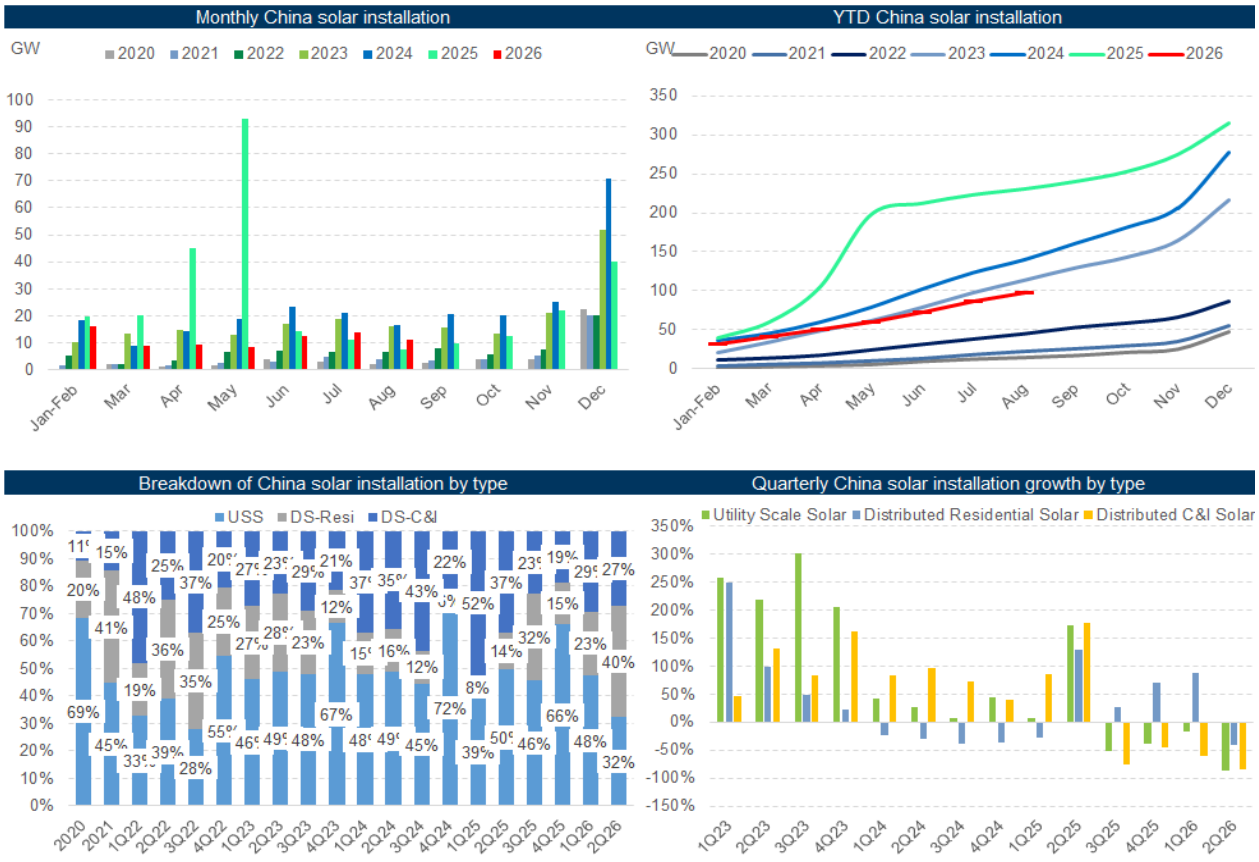
ii) China Module export volume in Sep declined by 18% yoy to 23GW (vs. -45% yoy in Aug), sending 9M26 down by 15% yoy to 176GW (vs. -15% yoy in 8M26), according to China Customs and PVInfolink. Specifically, demand softened yoy across Africa (-29%), EU (-26% yoy), APAC (-16% yoy) while increased in Middle East (+26% yoy).

Exhibit 6: Global Module demand rose by 35% mom and 3% yoy to 44GW in Sep 2026, sending 9M26 down by 36% yoy to 339GW
Global Module demand



Source: EIA, PV Infolink, NEA, Data compiled by Goldman Sachs Global Investment Research

Exhibit 7: China installation in Sep increased by 41% yoy to 14GW, sending 9M26 down by 54% yoy to 111GW
China solar module monthly new installations



Source: NEA, Data compiled by Goldman Sachs Global Investment Research