

GOLDWIND (2208.HK)

Resonance of Domestic and International Demand Drives High Growth
Momentum in the Wind Power Sector, enhancing the company's competitive position

China | Power Equipment and New Energy

Overview

The company is committed to building a clean energy-centric business portfolio, spanning four key sectors: Energy Development, Energy Equipment, Energy Services, and Energy Applications. In Energy Development, the company focuses on in-depth localized clean energy resource development and management. This empowers regional energy structure optimization and delivers efficient, secure energy asset management services. In Energy Equipment, adhering to stringent intelligent manufacturing quality control standards and a green supply chain management system, the company provides smarter, more reliable, and cost-effective energy equipment, making clean energy production and access readily available. In Energy Services, leveraging its professional expertise and experience across the clean energy value chain, the company offers integrated service solutions—from planning and design, engineering and construction, to energy plant operation and maintenance which ensure consistently standardized, efficient, intelligent, transparent, and flexible customized service capabilities. In Energy Applications, the company optimizes and innovates across all energy segments—generation, grid, storage, and load—actively developing zero-carbon solutions for the new-type power system.

Industry Analysis

Data from the National Energy Administration shows that from January to November 2025, China's total electricity consumption reached 9,460.2 billion kWh with a year-on-year increase of 5.2%. Electricity generated by industries above a designated scale amounted to 8,856.7 billion kWh. A breakdown by sector reveals the following consumption and growth: Primary Industry: 137.4 billion kWh, up 10.3%. Secondary Industry: 6,043.6 billion kWh, up 3.7%, among which Industrial consumption grew by 3.9%; consumption by high-tech and equipment manufacturing surged by 6.4%. Tertiary Industry: 1,820.4 billion kWh, up 8.5%, among which, electricity use by battery charging/swapping services and the information transmission, software & IT services sectors soared by 48.3% and 16.8%, respectively; residential consumption: 1,458.8 billion kWh, up 7.1%. Installed Power Capacity: The national total installed power generation capacity reached 3.79 billion kW with a year-on-year increase of 17.1%. Wind power capacity stood at 600 million kW, marking significant growth of 22.4%. Newly added national power generation capacity was 445.57 million kW, an increase of 128.91 million kW from the previous year, which included 82.5 million kW of new wind power capacity (up 30.76 million kW). A Historic Milestone: In Q1 2025, the combined installed capacity of wind and solar power reached 1.482 billion kW, surpassing the total installed thermal power capacity (1.45 billion kW) for the first time in history. This milestone signifies that clean energy has become the mainstay of the power system, a trend expected to continue. Wind Power Performance (Jan-Sept 2025): New Grid-Connected Capacity: 61.09 million kW total (57.59 million kW onshore; 3.5 million kW offshore). Cumulative Grid-Connected Capacity: Reached 582 million kW by end-September, a 21.3% increase. This comprises 537 million kW onshore and 44.61 million kW offshore. Power Generation & Utilization: Cumulative wind power output was 813.7 billion kWh, up 14.3%. The national average wind power utilization rate was 94.0%. Implication: The data demonstrates synchronous improvement in both the scale and efficiency of wind power, indicating a potential acceleration in the energy substitution process. Global Outlook: The Global Wind Energy Council (GWEC), in its 2025 Global Offshore Wind Report, states that most governments and developers remain committed to offshore wind, maintaining firm optimism about the medium-term global prospects. Offshore wind is projected to achieve a CAGR of 28% through 2029 and 15% through 2034. Global annual new offshore wind capacity is forecast to surpass the 30 GW milestone by 2030 and reach 50 GW by 2033.

16 Jan 2026

Buy

CMP HK\$14.21
(Closing price as of 15 Jan)
Target 19.21 HKD (+35.2%)

COMPANY DATA

O/S SHARES (MN) :	4225.1
MARKET CAP (HKD bn) :	60.04
52 - WK HI/LO (HKD):	18.49/3.64

SHARE HOLDING PATTERN, %

Xinjiang Wind Energy Co., Ltd	11.78%
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PRICE VS. HSI



Source: Phillip Securities (HK) Research

KEY FINANCIALS

RMB mn	FY24	FY25E	FY26E	FY27E
Revenue	56516	76340	92537	106622
Net profit	1861	3425	4584	5567
EPS (RMB)	0.42	0.81	1.09	1.32
P/B ratio, x	1.39	1.30	1.20	1.11
Dividend Yield, %	1.1%	2.2%	2.9%	4.2%

Source: Company reports, Phillip Securities Est.

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Curbing Cutthroat Competition Drives Price Recovery

In response to national policies guiding orderly industry development, the wind power sector has actively promoted self-regulation to reverse the previous trend of low-price competition. Major players have collaboratively optimized tender rules by increasing the weighting of technical standards. Leading turbine manufacturers have proactively withdrawn from vicious price wars, shifting their focus towards value-based competition. Driven by both policy and market forces, wind turbine prices have gradually returned to rational levels. Data from International Wind Power Network shows the following average winning bid prices from January to November: Onshore Wind (including tower): RMB 2,078.17/kW; Onshore Wind (excluding tower): RMB 1,526.97/kW; Offshore Wind (including tower): RMB 3,123.49/kW; Offshore Wind (excluding tower): RMB 2,713.5/kW. The average prices for both onshore wind and offshore wind (including towers) have seen a significant recovery compared to the average price of the previous year.

Document No. 136 Encourages Concurrent Pursuit of Larger-Scale and Smarter Wind Turbines

Document No. 136 explicitly states that, in principle, all grid-connected electricity from new energy projects must enter the power market. It sets a revenue boundary through a "mechanism-based electricity price" bidding process—a difference is subsidized when the market trading price falls below this benchmark, and excess revenue is deducted when it exceeds it. This "refund or clawback" mechanism ends the previous guaranteed fixed-price scheme, forcing companies to directly face market volatility and incentivizing technological upgrades and voluntary energy storage allocation. Under this market-based competition, companies must reduce their leveled cost of energy through technological iteration to cope with electricity price pressures. The policy promotes the commercialization of technologies like larger-scale turbines and floating offshore wind power, while simultaneously accelerating the phase-out of inefficient capacity. We believe that the trend towards larger-scale wind turbines will transition from a phase of rapid growth to one of stable optimization. However, the overall trend toward upscaling remains unchanged. GOLDWIND's accelerated R&D efforts are expected to further solidify its competitive advantage in this large-scale turbine segment.

Resonance of Domestic and International Demand Drives High Growth Momentum in the Wind Power Sector

In 2024, China added 79.82 million kW of new wind power capacity with a year-on-year increase of 6%, comprising 75.79 million kW of onshore and 4.04 million kW of offshore wind. The 2025 Energy Work Guidance targets national installed power generation capacity to exceed 3.6 billion kW, with over 0.2 billion kW of new renewable energy capacity. It also aims for total power generation to reach approximately 106,000 Trillion kWh and calls for continuous enhancement of inter-provincial and inter-regional transmission capabilities. The Beijing Wind Energy Declaration 2.0 proposes that to achieve the 1.5°C target, global cumulative wind power development must reach 2.7 billion kW by 2030 and exceed 4.3 billion kW by 2035. For China, it outlines that annual new wind installations during the 15th Five-Year Plan period should be no less than 0.12 billion kW, including no less than 15 million kW of new offshore wind annually. This ensures China's cumulative wind capacity reaches 1.3 billion kW by 2030, no less than 2 billion kW by 2035, and 5 billion kW by 2060. We believe that with strong policy support, domestic wind power demand is expected to maintain a high growth trajectory. National policies support companies in going global with a full industry chain encompassing "equipment + production capacity + services". According to statistics from BJX Wind Power Network, Chinese enterprises secured a cumulative 23.043 GW of international wind turbine orders in the first three quarters of 2025, with export order volume surging 100% year-on-year in the first half. Policies like Europe's Renewable Energy Acceleration Act are driving growth in offshore wind installations. As of the end of Q3 2025, GOLDWIND's total external order backlog stood at 38,861.14 MW. Its cumulative

international installed capacity reached 11,214.62 MW, exceeding 3 GW in Asia (excluding China), over 2 GW each in South America and Oceania, and over 1 GW each in North America and Africa. The company's overseas external order backlog totaled 7,161.72 MW as of September 30, 2025, representing a 29.4% year-on-year increase. We are convinced that the resonance of robust domestic and international demand is creating a period of high prosperity for the wind power industry, positioning the company for sustained order growth.

Both Revenue and Profit Achieved High Growth

In the first three quarters of 2025, the company achieved high-speed growth in both revenue and profit. Revenue reached RMB 48.147 billion, representing a year-on-year increase of 34.34%. Revenue for the third quarter alone was RMB 19.61 billion, up 25.4% year-on-year. This growth was primarily driven by an increase in the scale of sales of wind turbines and components. External sales volume for the January-September period reached 18.45 GW, a significant increase of 90.01% year-on-year. Net profit attributable to shareholders was RMB 2.584 billion, marking a 44.21% year-on-year growth. The net profit for the third quarter was particularly strong at RMB 1.097 billion, surging 170.64% year-on-year, a growth rate significantly higher than the overall figure for the first nine months. The profit growth was mainly attributable to an increase in gross profit and gains from changes in fair value, despite a decrease in investment income.

Gross Margin Declined While Net Profit Margin Improved, Showcasing Effective Cost Control

A divergence was observed between gross margin and net profit margin. The gross margin for the first three quarters of 2025 was 14.39%, down 2.04 percentage points year-on-year. However, the net profit margin attributable to shareholders improved to 5.37%, up 0.37 percentage points year-on-year. This improvement was mainly due to a decline in the period expense ratio, with financial expenses decreasing by 47.3% year-on-year, demonstrating the effectiveness of the company's expense control measures.

Operating Cash Flow Significantly Improved, Indicating Enhanced Operational Efficiency

Net cash outflow from operating activities in the first three quarters of 2025 was RMB 633 million, a substantial 90.27% improvement compared to the net outflow of RMB 6.507 billion in the same period last year. This improvement was primarily driven by a year-on-year increase in cash received from selling goods and providing services. Operational efficiency showed signs of improvement, with inventory turnover days decreasing by 28% to 119.47 days and accounts receivable turnover days decreasing by 13% to 195.07 days. The asset-liability ratio stood at 73.11%, remaining relatively stable around the 70% level for multiple years.

Company valuation

As a global leader in wind power, we believe that with the support of relevant policies, wind power demand will grow steadily, overseas orders are expected to increase gradually, and the company's future growth exhibits strong certainty, with robust development prospects.

We forecast the company's revenue for 2025-2027 to be RMB 76.34 billion, RMB 92.537 billion, and RMB 106.622 billion, respectively, with EPS of RMB 0.81, RMB 1.09, and RMB 1.32. We employ the Discounted Cash Flow (DCF) method for absolute valuation.

Key assumptions in the DCF analysis:

WACC: Calculated using the formula $WACC = K_d * W_d (1-T) + K_e * (1-W_d)$, resulting in 10.23%.

Discounting Period: From 2025 to 2031.

Perpetual Growth Rate: 2%.

With a WACC of 10.23% and a perpetual growth rate of 2%, the company's fair value per share is estimated at HKD 19.21. We initiate coverage with a "Buy" rating.

Under the scenario where WACC ranges from 9.21% to 11.25% and the perpetual growth rate ranges from 1.8% to 2.2%, the fair value per share falls within the range of HKD 14.72 to HKD 25.28.

		g				
		1. 60%	1. 80%	2. 00%	2. 20%	2. 40%
WACC	8.29%	25.4	26.3	27.3	28.4	29.5
	9.21%	20.3	21.0	21.7	22.5	23.3
	10.23%	16.0	16.5	17.1	17.6	18.2
	11.25%	12.7	13.1	13.5	13.9	14.3
	12.38%	9.8	10.1	10.4	10.7	11.0

Risk factors

- 1) Intensifying industry competition may lead to price wars and margin compression;
- 2) Policy adjustments could affect the pace of industry development;
- 3) Fluctuations in raw material prices may impact cost control;
- 4) Geopolitical risks could hinder overseas business expansion;
- 5) Uncertainties arising from changes in technological roadmaps.

Financial

Consolidated Statement of Profit or Loss

Dec Y/E, RMB mn	FY23	FY24	FY25E	FY26E	FY27E
Total Revenue	50244	56516	76340	92537	106622
Cost of sales	-43899	-48800	-65355	-78193	-89349
Gross profit	6345	7717	10985	14343	17273
Operating expenses	-5186	-6256	-7230	-8578	-9671
Finance costs	-1374	-1217	-1261	-1693	-1993
Profit before tax	2519	2104	4097	5484	6659
Income tax expense	-997	-247	-492	-658	-799
Profit for the year	1522	1856	3606	4826	5860
Profit for the year attributable to					
– Owners of the Company	1331	1861	3425	4584	5567
EPS(RMB)	0.29	0.42	0.81	1.09	1.32
DPS(RMB)	0.10	0.14	0.27	0.37	0.53
Dividend payout ratio	34%	33%	34%	34%	40%
Weighted shares outstanding	4225	4225	4225	4225	4225

Key Financial Data

Dec Y/E	FY23	FY24	FY25E	FY26E	FY27E
Valuation Ratio					
P/B ratio	1.42	1.39	1.30	1.20	1.11
Dividend Yield, %	0.8%	1.1%	2.2%	2.9%	4.2%
Per share data(RMB)					
EPS	0.29	0.42	0.81	1.09	1.32
BVPS	8.9	9.1	9.8	10.5	11.3
DPS(RMB)	0.10	0.14	0.27	0.37	0.53
Growth & Margin					
Growth					
Revenue Growth	8.6%	12.5%	35.1%	21.2%	15.2%
Gross Profit Growth	-21.1%	21.6%	42.4%	30.6%	20.4%
EBITDA Growth	-2.3%	0.1%	47.0%	26.6%	18.7%
Net Profit Growth	-37.5%	22.0%	94.2%	33.8%	21.4%
Margin					
Gross Profit Margin	12.6%	13.7%	14.4%	15.5%	16.2%
EBITDA Margin	13.3%	11.9%	12.9%	13.5%	13.9%
Net Profit Margin	3.0%	3.3%	4.7%	5.2%	5.5%
Key Ratios					
ROE	3.54%	4.83%	8.30%	10.33%	11.62%
ROA	0.93%	1.20%	1.85%	2.19%	2.41%

Consolidated Statement of Financial Position

Dec Y/E, RMB mn	FY23	FY24	FY25E	FY26E	FY27E
Current assets					
Inventories	15257	14828	20877	23759	28542
Accounts receivable	26503	33263	42411	51858	57754
Cash and cash equivalents	13694	11133	20449	27380	33938
Others	8376	9378	11149	12638	13931
Total current assets	63829	68601	94886	115634	134165
Non-current assets					
PPE	41805	45974	49436	52725	55825
Others	37860	40649	40717	40839	41089
Total current assets	79665	86623	90153	93564	96914
Total Assets	143494	155224	185039	209198	231079
Current liabilities					
Accounts and bills payables	41645	40779	53521	64035	71707
Short-term Bank and other loans	4685	5817	7488	9077	10458
Others	16690	25278	25060	25338	25580
Total current liabilities	63020	71874	86089	98450	107745
Non-current liabilities					
Long-term Bank& other loans	34158	36233	48942	57373	66106
Others	6088	6691	6691	6691	6691
Total non-current liabilities	40246	42923	55632	64063	72796
Total liabilities	103266	114797	141702	162513	180542
Equity attributable to equity holders of the Company	37610	38529	41259	44366	47926
Non-controlling interests	2619	1898	2078	2319	2612
Total equity	40229	40427	43338	46685	50538
Total liabilities and equity	143494	155224	185039	209198	231079

Consolidated Statement of Cash Flow

Dec Y/E, RMB mn	FY23	FY24	FY25E	FY26E	FY27E
CFO					
Net profit before tax	1854	2316	5268	9157	10369
Change in working capital&others	2519	2104	4097	5484	6659
-3305	-8048	-4227	-3303	-4300	
Depreciation and Amortization	2799	3377	4486	5287	6139
Others	-159	4883	912	1689	1871
CFI					
Purchase of PP&E	-1824	-5724	-8196	-8834	-9631
Others	-6579	-7292	-8016	-8698	-9489
4756	1568	-180	-135	-142	
CFF					
Cash payments for distribution of dividends, profits or repayment of interest	-1993	1650	12244	6608	5821
-781	-602	-875	-1719	-2301	
Net Borrowings	660	3206	14381	10020	10115
Others	-1872	-954	-1261	-1693	-1993
Net increase in cash and cash equivalents	-1963	-1758	9316	6931	6558

Current Price as of: 15 Jan

Exchange rate: HKD/RMB = 0.89

Source : PSHK Est.

PHILLIP RESEARCH STOCK SELECTION SYSTEMS

Total Return	Recommendation	Rating	Remarks
>+20%	Buy	1	>20% upside from the current price
+5% to +20%	Accumulate	2	+5% to +20% upside from the current price
-5% to +5%	Neutral	3	Trade within ± 5% from the current price
-5% to -20%	Reduce	4	-5% to -20% downside from the current price
<-20%	Sell	5	>20% downside from the current price

We do not base our recommendations entirely on the above quantitative return bands. We consider qualitative factors like (but not limited to) a stock's risk reward profile, market sentiment, recent rate of share price appreciation, presence or absence of stock price catalysts, and speculative undertones surrounding the stock, before making our final recommendation

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