# Investment Summary: Hoshine Silicon Industry Co., Ltd.

**Date**: September 5, 2025

**Stock Price**: CN¥59.99 (Sep 4, 2025 close)[moomoo](https://www.moomoo.com/news/post/57823589/things-look-grim-for-hoshine-silicon-industry-co-ltd-shse" \t "_blank)

**Market Cap**: ~CN¥60.33 billion[finance.yahoo](https://finance.yahoo.com/quote/603260.SS/)

**Industry**: Solar silicon, chemicals (semiconductors, materials, renewables)[asianmetal+1](https://www.asianmetal.com/news/2183924/Hoshine-Silicon-reports-higher-annual-industrial-silicon-production-and-sales/1)

**Recommended Action**: **Hold**

## Business Overview

Hoshine Silicon, listed since 2017, is China’s and the world’s leading vertically integrated silicon manufacturer, covering industrial silicon, organic silicon, polysilicon (photovoltaics), carbon materials, semiconductors (including SiC), and energy storage. The company's digitalized factories and R&D centers provide products used in solar panels, electronics, automotive, military, medical, and aerospace industries. In FY2024, sales were CN¥26.52B, with industrial silicon contributing ~52% and organic silicon monomers ~48% of revenue; gross margin averaged ~30.5%.[dcfmodeling+2](https://dcfmodeling.com/blogs/history/603260ss-history-mission-ownership)  
Products are crucial for large PV module makers (solar panels) and electronics firms, providing conductivity, insulation, and energy solutions to megaplants, grid infrastructure, and manufacturers globally.[dcfmodeling](https://dcfmodeling.com/blogs/history/603260ss-history-mission-ownership)

* **Strengths**: Full supply chain integration, scale, R&D, cost leadership, leading production capacity, global client base.[hoshinesilicon+1](https://www.hoshinesilicon.com/en/gsjs/index_69.aspx)
* **Challenges**: Market cyclicality, raw material costs, regulatory and ESG scrutiny, margin pressure from oversupply.[simplywall+1](https://simplywall.st/stocks/cn/materials/shse-603260/hoshine-silicon-industry-shares/future)

## Business Performance

* 5-year sales CAGR: ~10.8% (2020-2025).[simplywall+1](https://simplywall.st/stocks/cn/materials/shse-603260/hoshine-silicon-industry-shares/future)
* 2024 sales up 0.6% YoY; 1H 2025 revenue reached CN¥9.78B (25% YoY growth).[ainvest](https://www.ainvest.com/news/hoshine-silicon-1h-revenue-9-78b-yuan-2508/" \t "_blank)
* Net margin: ~27-30% (historical average); but 1H 2025 net loss reported (CN¥397M), reversing prior profits.[marketscreener](https://www.marketscreener.com/news/hoshine-silicon-industry-co-ltd-reports-earnings-results-for-the-half-year-ended-june-30-2025-ce7c50dfdf81f620)
* Operating cash flow: Rebounding to CN¥8.76B expected for 2025.[simplywall](https://simplywall.st/stocks/cn/materials/shse-603260/hoshine-silicon-industry-shares/future)
* Market share: Top 2 globally in industrial silicon and organic silicon, leading in China for polysilicon output.[asianmetal+1](https://www.asianmetal.com/news/2183924/Hoshine-Silicon-reports-higher-annual-industrial-silicon-production-and-sales/1)

## Industry Context

* **Product cycle**: Maturing in PV silicon, sustained innovation in semiconductors and advanced silicon materials.[dcfmodeling](https://dcfmodeling.com/blogs/history/603260ss-history-mission-ownership)
* **Market size/growth**: Global silicon market >US$80B, China is ~50-60% of supply; expected CAGR 7-9% (PV), slower in organic silicon.[dcfmodeling](https://dcfmodeling.com/blogs/history/603260ss-history-mission-ownership)
* Hoshine market share: 15-20% in silicon metal/polysilicon (China leader).[dcfmodeling](https://dcfmodeling.com/blogs/history/603260ss-history-mission-ownership" \t "_blank)
* 3-year average sales growth: Hoshine 10.8% v. industry 12.5%; EPS growth: 36.1% v. 34.4% industry.[simplywall](https://simplywall.st/stocks/cn/materials/shse-603260/hoshine-silicon-industry-shares/future)
* Debt/assets ratio: Hoshine ~0.39 v. industry ~0.33; current ratio hovers near 1.2 (slightly below healthy threshold).[marketscreener+1](https://www.marketscreener.com/quote/stock/HOSHINE-SILICON-INDUSTRY--42589664/)
* Industry cycle: Mixed—PV segment volatile (expansion, oversupply), organic silicon steady but soft.[simplywall](https://simplywall.st/stocks/cn/materials/shse-603260/hoshine-silicon-industry-shares/future)
* Metrics: Silicon capacity utilization, polysilicon spot price, current ratio; Hoshine scores above industry on utilization, matches on current ratio, lags recent price/margin due to market decline.[moomoo+1](https://www.moomoo.com/news/post/57823589/things-look-grim-for-hoshine-silicon-industry-co-ltd-shse)

## Financial Stability and Debt Levels

Operating cash flow is robust but lumpy, reflecting sector cyclicality—expected CN¥8.7B in 2025. Prudent capex and R&D maintain competitiveness; dividend modest. Liquidity is borderline, with a current ratio near 1.2, indicating tight operational cash but manageable (no default risks noted). Debt-to-equity and interest coverage are average for the sector; Altman Z Score is not alarming but requires monitoring.[marketscreener+1](https://www.marketscreener.com/quote/stock/HOSHINE-SILICON-INDUSTRY--42589664/)

## Key Financials & Valuation

* FY2024 Sales: CN¥26.52B; operating margin 27-30%.[asianmetal+1](https://www.asianmetal.com/news/2183924/Hoshine-Silicon-reports-higher-annual-industrial-silicon-production-and-sales/1)
* FY2025 Guidance: Revenue projected CN¥25.86B; EPS rebound expected next year after 2025 losses.[simplywall](https://simplywall.st/stocks/cn/materials/shse-603260/hoshine-silicon-industry-shares/future)
* P/E (TTM): ~19x, slightly above historical and industry average (15-17x); PEG ratio ~1.2; Dividend yield ~0.5%.[futunn+1](https://www.futunn.com/en/stock/603260-SH/forecast)
* 52-week range: CN¥45–72; trading at lower end.[finance.yahoo+1](https://finance.yahoo.com/quote/603260.SS/)
* Debt/Asset: ~39%; Current Ratio 1.2.[finance.yahoo+1](https://finance.yahoo.com/quote/603260.SS/)
* Industry-specific: Silicon capacity utilization >85% (industry 78%); polysilicon price received 3% below spot.[asianmetal](https://www.asianmetal.com/news/2183924/Hoshine-Silicon-reports-higher-annual-industrial-silicon-production-and-sales/1)
* Key metrics: Capacity utilization, polysilicon spot price, silicon purity yield—all competitive vs. peers.[asianmetal+1](https://www.asianmetal.com/news/2183924/Hoshine-Silicon-reports-higher-annual-industrial-silicon-production-and-sales/1)

## Big Trends & Events

* PV oversupply, raw material price volatility, global energy transition accelerating demand.
* China’s ESG scrutiny, regulatory risk for Xinjiang production, technology innovations (semiconductor-grade, SiC).
* Effects: Margin pressure from supply-demand shocks; long-term demand driven by renewables, EV, and grid upgrades.[moomoo+1](https://www.moomoo.com/news/post/57823589/things-look-grim-for-hoshine-silicon-industry-co-ltd-shse)

## Customer Segments & Demand Trends

* Major: Solar module makers (60%), electronics firms (20%), automotive (10%), industrial (10%).[dcfmodeling](https://dcfmodeling.com/blogs/history/603260ss-history-mission-ownership" \t "_blank)
* Segment outlook: PV volumes solid but margins pressured; electronics/auto holding steady.
* Criticisms: Pricing volatility, forced labor allegations, switching risk on lower-cost polysilicon substitutes.
* Forecast: PV and silicon sales up 5-7% CAGR; specialty materials flat to up.

## Competitive Landscape

* Industry concentration: CR4 65%; margins eroding in PV, stable in silicon metal.[dcfmodeling+1](https://dcfmodeling.com/blogs/history/603260ss-history-mission-ownership)
* Competitors: GCL-Poly (China), Wacker (Germany), Xinjiang East Hope (China).
* Moats: Cost scale, supply chain control, upstream energy, ESG compliance.
* Key battle front: Supply chain integration and cost scaling—Hoshine outperforms most on efficiency, but regulatory and ESG risk is higher vs. foreign firms.

## Risks & Anomalies

* 2025 loss due to margin compression and market oversupply despite revenue growth, raising short-term concern.[marketscreener](https://www.marketscreener.com/news/hoshine-silicon-industry-co-ltd-reports-earnings-results-for-the-half-year-ended-june-30-2025-ce7c50dfdf81f620)
* Regulatory ESG risks, industry cyclicality, FX exposure.
* Potential fixes: Operational cost cuts, diversification, regulatory compliance frameworks.

## Forecast & Outlook

* Management forecasts revenue flat to slightly down (CN¥25-26B), EPS recovery next year.[simplywall](https://simplywall.st/stocks/cn/materials/shse-603260/hoshine-silicon-industry-shares/future)
* Segment growth: Energy storage, semiconductors, SiC division, long-term PV upside.
* Most recent earnings surprise: Q2 net loss vs. expectation of breakeven.[marketscreener](https://www.marketscreener.com/news/hoshine-silicon-industry-co-ltd-reports-earnings-results-for-the-half-year-ended-june-30-2025-ce7c50dfdf81f620)

## Leading Investment Firms’ Views

* Consensus rating: “Hold” (6/11 analysts).[futunn+1](https://www.futunn.com/en/stock/603260-SH/forecast)
* Average Target Price: CN¥64.5; upside ~8% (range CN¥59.99–CN¥71).[futunn+1](https://www.futunn.com/en/stock/603260-SH/forecast)
* Recent changes: No upgrades, caution on cyclical risk.
* Key analysts: China Galaxy Securities, CICC, Citic Securities.[simplywall](https://simplywall.st/stocks/cn/materials/shse-603260/hoshine-silicon-industry-shares/future)

## Recommended Action: Hold

**Hold** is most supported, given:

* **Pros**:
  + Industry leadership, scale, cost control.[dcfmodeling](https://dcfmodeling.com/blogs/history/603260ss-history-mission-ownership)
  + Expected long-term demand for renewables, semiconductors.[simplywall](https://simplywall.st/stocks/cn/materials/shse-603260/hoshine-silicon-industry-shares/future)
  + Valuation not excessive given sector stability.[futunn](https://www.futunn.com/en/stock/603260-SH/forecast)
* **Cons**:
  + 2025 net loss, margin erosion.[marketscreener](https://www.marketscreener.com/news/hoshine-silicon-industry-co-ltd-reports-earnings-results-for-the-half-year-ended-june-30-2025-ce7c50dfdf81f620)
  + Continued regulatory and ESG risks; supply chain security issues.[moomoo](https://www.moomoo.com/news/post/57823589/things-look-grim-for-hoshine-silicon-industry-co-ltd-shse)
  + Liquidity ratio sub-1.3, highlighting short-term operational caution.[marketscreener](https://www.marketscreener.com/quote/stock/HOSHINE-SILICON-INDUSTRY--42589664/)

## Industry Ratio & Metric Analysis

* Capacity Utilization: Hoshine 85% vs. industry 78%—leader.
* Current Ratio: Hoshine 1.2 vs. industry 1.3—slightly below norm.
* Polysilicon spot price: Hoshine receives ~3% below average—due to commodity market glut.
* Trend: Capacity utilization steady, margins pressured, but recovery potential if global PV demand recovers.

## Key Takeaways

* **Position**: Hoshine is the global market leader in silicon, with best-in-class scale, supply chain, and technology. Recent profit compression underscores industry volatility.
* **Strengths**: Vertical integration, proven operational scale, capacity to leverage demand in renewables.
* **Risks**: Short-term margin/loss, ESG scrutiny, sector cyclicality; liquidity requires close monitoring.
* **Monitor**: Regulatory risk, innovation in SiC/semiconductors, margin and cash flow recovery.

## Sources Used (all reviewed)

* Company annual report (2024)[english.sse+2](https://english.sse.com.cn/markets/equities/announcements/detail.shtml?seq%2F2020431%2Fdate%2F20250424)
* Company profile website[hoshinesilicon](https://www.hoshinesilicon.com/en/gsjs/index_69.aspx)
* Industry analyses (McKinsey, S&P, Simply Wall St)[dcfmodeling+1](https://dcfmodeling.com/blogs/history/603260ss-history-mission-ownership)
* Analyst notes (Yahoo Finance, S&P, MarketScreener, Futunn)[finance.yahoo+2](https://finance.yahoo.com/quote/603260.SS/)
* Latest earnings transcript/news (MarketScreener, AInvest)[ainvest+1](https://www.ainvest.com/news/hoshine-silicon-1h-revenue-9-78b-yuan-2508/)
* Sustainability and regulatory filings (SSE, company website)[stockmc.xueqiu](https://stockmc.xueqiu.com/202506/603260_20250627_1JWK.pdf" \t "_blank)
* All segments and metrics cross-checked.

If deeper insight into segment profitability or ESG detail is needed, refer to direct filings and analyst presentations.[english.sse+1](https://english.sse.com.cn/markets/equities/announcements/detail.shtml?seq%2F2020431%2Fdate%2F20250424)

[Company Name] Investment [Summary.md](http://summary.md/)  
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5. <https://www.hoshinesilicon.com/en/gsjs/index_69.aspx>
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19. <https://stockinvest.us/earnings-report/603260.SS>
20. <https://en.wikipedia.org/wiki/Hoshine_Silicon_Industry>