GEV gideon lens

GE Vernova Inc. (XNYS:GEV) — Gideon Lens

As of: 2026-08-01 **Price anchor:** USD 990.29 at the completed 2026-07-31 NYSE close **TTM anchor:** 2026-06-30 **Five-year horizon:** 2031-06-30 **Research mode:** Production ER2, completion-first governed package

GE Vernova owns some of the most strategically valuable assets in the power and grid equipment ecosystem. Power combines gas, nuclear and hydro equipment with a long-lived installed-base service franchise. Electrification participates in transmission, high-voltage systems, grid integration, conversion, storage and software. Both benefit from rising electricity demand, grid modernization, data-center load and the need for dispatchable capacity. Wind is the counterweight: demand exists, but the segment remains loss-making and has not demonstrated a durable equipment moat or reliable through-cycle economics.

The investment problem is not whether the industry has a runway. It is whether GE Vernova can convert that runway into high statutory returns per share, and whether today's price leaves any margin for error. The governed quantitative chain passes. QF and QFR cleared, DR independently verified the data package and source manifest, all three segment appendices passed peer review, and the synthesis passes 11 of 11 tie-outs. The remaining limitations are transparently constrained rather than hidden. In particular, GE Vernova does not disclose a complete internal allocation from Adjusted EBITDA to statutory operating income. The report therefore forecasts the exact historical aggregate deduction as a separate source-bound range and does not allocate it to segments.

Underwriting summary

The reviewed segment model produces 2031 base revenue of $61.362B after eliminations, statutory operating income of $8.923B, net income of $7.010B and EPS of $26.09 per common share. The bear EPS is $5.29 and the bull EPS is $39.76. These cases deliberately exclude non-recurring business-interest gains and unusual tax benefits. The share path begins with the sealed 270.000M diluted financial shares and explicitly includes buybacks and SBC.

At the $990.29 packet price, the P/E-15 test requires $66.02 of EPS in June 2031. Base EPS is 60.5% below that threshold. Even the bull EPS at 15 times supports only $596.40, still 39.8% below the current price. This is not a close valuation call. Modest changes to the aggregate operating bridge, tax rate, segment margins or share count cannot close the gap.

Power is the strongest business. Its installed-base knowledge, qualification requirements, outage execution, service RPO and customer trust create real switching costs. The reviewed base case reaches $31.296B of revenue and $7.190B of Segment EBITDA at the horizon. That path is plausible if gas capacity, service attachment, pricing and factory execution deliver together, but it is not yet supported by a long independent-company through-cycle record.

Electrification has a strong structural runway and valuable high-voltage positions. The reviewed base reaches $21.194B of revenue and $4.650B of Segment EBITDA. The quality of that growth depends on capacity-ramp economics, Prolec integration, mix and pricing after industry supply expands. Product-level Segment EBITDA is not disclosed, so product allocations remain bounded analyst estimates even though the segment total is sealed.

Wind is the clearest execution risk. TTM Segment EBITDA is a loss of $0.943B, and H1 FY2026 losses worsened. The base assumes a gradual repair to $0.751B of Segment EBITDA by 2031 rather than an abrupt normalization. Offshore claims, contract losses, warranty exposure, Onshore order quality and repowering conversion remain the essential monitors.

Management earns YELLOW, not PASS. The team has improved operations, disclosure and cash generation, but the standalone capital-allocation record is short. Wind remains unresolved, Prolec returns are unseasoned, and the company does not disclose a clear repurchase hurdle. Moat also earns YELLOW. Power services and selected Electrification franchises have concrete advantages, but the blended company includes low-return Wind and less differentiated product areas. The 2046 test is credible but not proven.

The independent diagnostic scoring audit reaches 45/100: 44/80 for business quality and 1/20 for 20% return underwriting. This score does not control the ER2 verdict, but it reinforces the same conclusion. Backlog proves demand visibility, not ROIIC. Five-year acquisition-inclusive ROIIC is not available, the through-cycle independent-company history is short, and current valuation requires extreme terminal multiples to produce a 20% annualized return.

Verdict: PASS

Scorecard:

Gate	Result	Notes
Management	YELLOW	Strong execution, but standalone allocation and Prolec returns remain unproven
Moat	YELLOW	Power services durable; blended 2046 test remains unresolved
P/E <= 15 on confident EPS at TTM + 5 calendar years	FAIL	Base-case cushion (60.5)%
Compounder Score	Audited 45 / 100	Reject classification; diagnostic evidence does not support dream-investment status
Business Quality Score	Audited 44 / 80	Strong assets, but ROIIC and blended durability proof remain incomplete
20% Return UW Score	Audited 1 / 20	Current price requires extreme terminal valuation; diagnostic only

One-line thesis (or reason to pass): GE Vernova has exceptional power and grid assets, but two unresolved quality gates and a decisive valuation failure make the current shares a PASS.

Security return underwriting (mandatory even when the verdict is PASS):

Measure	Result	Notes
Gross local-currency bear / base / bull IRR	(36.0641)% / (4.5960)% / 9.9382%	Five-year annualized shareholder return in USD
Probability-weighted gross local-currency IRR	(4.7841)%	CAGR of probability-weighted terminal wealth; 25% / 55% / 20% weights
Return bridge	USD 990.29 -> USD 775.015	2026-06-30 to 2031-06-30; scenario EPS-times-exit-P/E bridge below

Scenario	Probability	Horizon EPS	Terminal equity value/share	Distributions/share	Terminal shareholder wealth/share	Ending diluted shares	Exit valuation	Gross USD IRR
Bear	25%	USD 5.29	USD 105.80	USD 0.00	USD 105.80	271.500m	20x P/E	(36.0641)%
Base	55%	USD 26.09	USD 782.70	USD 0.00	USD 782.70	268.705m	30x P/E	(4.5960)%
Bull	20%	USD 39.76	USD 1,590.40	USD 0.00	USD 1,590.40	265.909m	40x P/E	9.9382%

Probability-weighted terminal wealth is `25% x 105.80 + 55% x 782.70 + 20% x 1,590.40 = USD 775.015`; annualizing that wealth ratio over exactly five years gives **(4.7841)%**. This return bridge uses scenario-specific 20x / 30x / 40x exit P/Es on the governed statutory EPS cases. It is separate from, and does not change, the binary ER2 P/E<=15 valuation gate. The bounded exit assumptions are informed by frozen context: owner-provided TTM P/E of 28.2146x and archived FY2024/FY2025 annual P/Es of 58.3209x/36.4715x (archived ratios SHA-256 `42c828be...552523`). Starting Q2 2026 net cash is USD 10.271B excluding operating leases, or USD 9.400B after leases; because EPS-times-P/E directly values equity, no terminal balance-sheet item is added or subtracted separately. The 20%-IRR exit P/Es remain 465.81x / 94.45x / 61.98x. These are return diagnostics, not target prices.

Gross local-currency underwriting in USD; net-SGD adjustments appear separately in CIO actionability. Scenario probabilities are 25% / 55% / 20%.

Bear-case operating and return bridge

Bear case	Start (2026-06-30)	Horizon (2031-06-30)	CAGR / change	Justification
Revenue	USD 41.37B	USD 45.82B	2.06%	Wind declines and Power/Electrification conversion slows.
Operating margin	4.35%	4.10%	-0.25 pp	A 7% revenue bridge deduction and Wind losses suppress statutory margin.
Operating earnings	USD 1.80B	USD 1.89B	1.02%	A 7% revenue bridge deduction and Wind losses suppress statutory margin.
Diluted share count	270.000M	271.500M	0.11%	No buyback rescue; modest net issuance remains.

Bear case	Start (2026-06-30)	Horizon (2031-06-30)	CAGR / change	Justification
EPS	USD 35.10	USD 5.29	-31.62%	Cleared statutory net income falls sharply despite modest revenue growth.
Valuation	28.21x P/E	20.0x P/E	-8.21x	20x reflects impaired execution and contracts from the frozen spot P/E.
Share value	USD 990.29	USD 105.80	-36.07%	Terminal EPS multiplied by 20x; no net-cash adjustment is added twice.
Annual dividend	USD 2.00	USD 0.00	-100%	Although the indicated annual dividend is USD 2.00, the audited return bridge credits zero distributions.
Dividend yield	0.20%	0.00%	-0.20 pp	Endpoint DPS divided by endpoint share value; unavailable where endpoint DPS was not separately frozen.
Five-year dividends	-	USD 0.00	cumulative	Cumulative cash distributions per share over the exact five-year horizon; no reinvestment benefit.
Total ending value	USD 990.29	USD 105.80	-36.06% gross local IRR	Terminal share value plus cumulative distributions and any separately disclosed distributed-security value; reconciles to the audited bridge.

Base-case operating and return bridge

Base case	Start (2026-06-30)	Horizon (2031-06-30)	CAGR / change	Justification
Revenue	USD 41.37B	USD 61.36B	8.21%	Backlog conversion in Power and Electrification drives the scale-up.
Operating margin	4.35%	14.50%	+10.15 pp	Factory execution and a 5% bridge deduction lift statutory margin.
Operating earnings	USD 1.80B	USD 8.92B	37.74%	Factory execution and a 5% bridge deduction lift statutory margin.
Diluted share count	270.000M	268.705M	-0.10%	Conservative buybacks slightly more than offset issuance.
EPS	USD 35.10	USD 26.09	-5.77%	Power and Electrification earnings offset Wind and corporate deductions.
Valuation	28.21x P/E	30.0x P/E	+1.79x	30x is independently bounded and is not the ER2 15x gate.
Share value	USD 990.29	USD 782.70	-4.60%	Terminal EPS multiplied by 30x with no separate balance-sheet addition.
Annual dividend	USD 2.00	USD 0.00	-100%	The audited bridge deliberately credits zero distributions.
Dividend yield	0.20%	0.00%	-0.20 pp	Endpoint DPS divided by endpoint share value; unavailable where endpoint DPS was not separately frozen.
Five-year dividends	-	USD 0.00	cumulative	Cumulative cash distributions per share over the exact five-year horizon; no reinvestment benefit.

Base case	Start (2026-06-30)	Horizon (2031-06-30)	CAGR / change	Justification
Total ending value	USD 990.29	USD 782.70	-4.60% gross local IRR	Terminal share value plus cumulative distributions and any separately disclosed distributed-security value; reconciles to the audited bridge.

Bull-case operating and return bridge

Bull case	Start (2026-06-30)	Horizon (2031-06-30)	CAGR / change	Justification
Revenue	USD 41.37B	USD 71.60B	11.60%	Strong conversion, factory throughput and Wind recovery support the high case.
Operating margin	4.35%	18.20%	+13.85 pp	Segment margins and a 4.5% bridge deduction produce 18.2% statutory margin.
Operating earnings	USD 1.80B	USD 13.06B	48.68%	Segment margins and a 4.5% bridge deduction produce 18.2% statutory margin.
Diluted share count	270.000M	265.909M	-0.31%	Faster repurchases reduce the denominator modestly.
EPS	USD 35.10	USD 39.76	2.52%	Cleared bull earnings require simultaneous segment execution.
Valuation	28.21x P/E	40.0x P/E	+11.79x	40x requires bull-quality execution but remains below the archived peak.
Share value	USD 990.29	USD 1,590.40	9.95%	Terminal EPS multiplied by 40x; net cash is not double counted.
Annual dividend	USD 2.00	USD 0.00	-100%	The audited bridge deliberately credits zero distributions.
Dividend yield	0.20%	0.00%	-0.20 pp	Endpoint DPS divided by endpoint share value; unavailable where endpoint DPS was not separately frozen.
Five-year dividends	-	USD 0.00	cumulative	Cumulative cash distributions per share over the exact five-year horizon; no reinvestment benefit.
Total ending value	USD 990.29	USD 1,590.40	9.94% gross local IRR	Terminal share value plus cumulative distributions and any separately disclosed distributed-security value; reconciles to the audited bridge.

CIO actionability (separate from ER2 underwriting):

Measure	Result	Notes
Status	PASS	No new buy; research-only actionability result
Bear / Base / Bull net SGD IRR	(37.02)% / (4.65)% / 11.37%	1.20 / 1.29 / 1.38 terminal USD/SGD; 15bp entry and exit costs; 30% distribution withholding
Probability-weighted net SGD IRR	(4.34)%	CAGR of SGD 1,024.4770 probability-weighted terminal wealth from SGD 1,279.1920 entry cost
10% mandate hurdle	FAIL	Base and probability-weighted net-SGD returns are below 10%
15% stretch hurdle	FAIL	No scenario reaches 15% net SGD
Downside and portfolio fit	FAIL	Bear loses capital; frozen 45.580162% volatility and two YELLOW quality gates do not support a new position
Proposed sizing ceiling	none	No positive size; owner approval remains required

The net-SGD diagnostic uses bounded FX scenarios, not a forecast. Frozen covariance context shows 45.580162% volatility, 0.252894 correlation to the portfolio, and a +0.047227 percentage-point volatility change at a hypothetical 3% weight (source SHA-256 `b40f14fc...911562`). It does not include a live holdings, liquidity, tax-lot, or mandate-state optimization.

Trade execution authorized: NO

Kill / trigger criteria:

- BUY trigger: none at the current evidence set; require a refreshed peer-reviewed base EPS that creates a positive P/E-15 cushion at the then-current governed price.
- PASS triggers: retain PASS if Power plus Electrification combined Segment EBITDA margin remains below 19% for two consecutive quarters through Q4 2027; if cumulative Wind Segment EBITDA losses exceed $0.75B over the same two-quarter window; or if Prolec fails to show credible per-share return evidence after integration.
- Upgrade to BUY conditions: Management and Moat both reach PASS, Wind demonstrates sustained positive economics, acquisition-inclusive ROIIC is credibly evidenced, and the current price falls below 15 times refreshed confident five-year EPS with a positive cushion.

Research sizing if actionable: none. This research package cannot authorize a trade, portfolio mutation, rank, message, BUY queue entry or position size.

What would change the conclusion

The report is not permanently bearish on the company. A better entry price could change the valuation gate. Stronger evidence could change the qualitative gates. Management would move toward PASS if Power and Electrification deliver margins and cash conversion through capacity ramps, Prolec produces observable per-share returns, Wind reaches sustained break-even, and capital-return hurdles become explicit. Moat would improve if Power service economics remain durable through a cycle, Electrification maintains pricing after capacity normalizes, and Wind stops diluting the blended return profile.

Conversely, the red team identifies a clear deterioration path. If Power and Electrification margins stall while Wind losses persist, the base statutory operating-income model is too optimistic. The most fragile assumption is simultaneous margin expansion in all three segments. The most likely optimistic synthesis number is $8.923B of base statutory operating income because it assumes both segment execution and an improving aggregate operating bridge.

Conclusion

GE Vernova is strategically important, has visible demand and may become a much better business. Those facts are insufficient at $990.29. The completion-first process produces a truthful, governed and internally tied model without inventing the issuer's undisclosed allocation. That model still fails decisively. With Management YELLOW, Moat YELLOW and valuation FAIL, the exhaustive Gideon decision rule requires PASS. The company belongs on an evidence-and-price watchlist, not in an authorized action queue.

GE Vernova — Institutional Company Primer

Ticker: GEV (NYSE) **Information cutoff:** August 1, 2026 **Latest reported quarter:** Q2 2026, ended June 30, 2026 and released July 22, 2026 **Time anchor:** Q3 2025 + Q4 2025 + Q1 2026 + Q2 2026 = TTM ended June 30, 2026; forward horizon June 30, 2031 (exactly five calendar years) **Completed-session quote:** $990.29 per XNYS:GEV common share as of the July 31, 2026 NYSE close; this is a valuation anchor, not trade authority **Quantitative basis:** Sealed `quant_foundation.md`; quote packet SHA-256 `1794c50f1f99a3e06ad8f33e875a024394bb763cf133a6c191d696ca7e65d37f`; statutory bridge SHA-256 `91fefbddb07bf72f79926461b35e83563f8d69d92f38bbddac7b333662a917ad`; QFR SHA-256 `513e3a834683f9589034dea8d2fdfedb3b671585af33da6ed0ef1d322e40dc82` **Currency:** USD; financial tables are in USD millions unless noted

1. Business overview

GE Vernova is a global electrical-equipment and services company formed from General Electric's former energy businesses and spun off as a standalone public company in April 2024. Its portfolio spans the physical chain of electricity: it makes

equipment that generates power, equipment and systems that transmit and convert it, software that helps orchestrate it, and parts and services that keep the installed fleet operating. The company reports three segments—Power, Electrification, and Wind—and says customer assets using its technology generate approximately 25% of the world's electricity. That installed-base claim matters economically because GE Vernova is not simply a vendor of one-time capital equipment: the installed fleet creates recurring demand for outages, spare parts, upgrades, monitoring, repairs, and long-duration contractual service agreements.

The simplest way to understand the company is as three related industrial franchises with quite different economics:

- **Power** sells gas turbines, nuclear and hydro technology, related plant systems, and lifecycle services. Gas Power is the largest business unit. The product solves utilities' and industrial customers' need for dispatchable, reliable generation, including capacity that can balance intermittent renewable output. Nuclear and hydro add long-lived baseload and flexible generation exposure. Once GE Vernova equipment is installed, the company can service it for decades.
- **Electrification** sells the infrastructure between generation and consumption: transformers, switchgear, substations, high-voltage direct-current systems, grid-integration projects, power-conversion and storage systems, synchronous condensers, protection and control, automation, and grid software. These products solve bottlenecks in transmission capacity, grid stability, power quality, and the integration of new generation or large loads such as data centers.
- **Wind** sells onshore and offshore wind turbines, blades, repowering solutions, and fleet services. It addresses renewable-generation needs but has substantially weaker economics than the other segments because customized projects, turbine quality issues, supply-chain inflation, offshore installation complexity, and adverse contract terms can overwhelm equipment gross profit.

The principal customers are regulated and municipal utilities, independent power producers, renewable developers, national governments and government-owned utilities, industrial firms, and increasingly hyperscalers and other electricity-intensive customers. This is a direct, negotiated, engineering-led sales model rather than a distributor-led or self-service model. Purchases are often critical-infrastructure decisions involving technical qualification, financing, permits, interconnection, fuel availability, local-content rules, and multi-year project schedules. The buyer is not choosing only the lowest initial price: performance, reliability, installed-base compatibility, delivery slot, service capability, local execution, financing support, and lifetime operating cost all matter.

The company's strategic logic is portfolio breadth plus an installed-base flywheel. Equipment orders enlarge the installed base; installed equipment creates decades of service opportunities; service relationships generate operating data and deepen customer intimacy; and that knowledge can improve product design and contract underwriting. The breadth also lets GE Vernova serve different generation mixes across countries. A region adding gas and nuclear capacity, another building renewable capacity, and both expanding transmission can all be customers. This diversification does not remove project-cycle risk, but it avoids dependence on one generation technology.

2. Revenue architecture

FY2025 segment structure

The FY2025 figures below come from the sealed quantitative foundation. Segment revenue includes intersegment revenue, so segment shares sum to slightly more than 100% before eliminations.

Segment	FY2025 revenue	Share of consolidated revenue	Segment EBITDA	EBITDA margin
Power	19,767	51.9%	2,902	14.7%
Wind	9,110	23.9%	(598)	(6.6)%
Electrification	9,642	25.3%	1,433	14.9%
Eliminations and other	(451)	(1.2)%	—	—
Consolidated revenue	38,068	100.0%	—	—

Power was just over half of consolidated revenue and generated most of the positive segment EBITDA in 2025. Under the January 2026 taxonomy, it comprises Gas Power, Nuclear Power, and Hydro Power. Gas Power supplies heavy-duty and aeroderivative turbines ranging from mobile and industrial applications to utility-scale plants, plus upgrades and plant services. Nuclear Power provides boiling-water-reactor technology, nuclear fuel and services, and small modular reactor

development through its Hitachi joint venture. Hydro Power provides equipment and services for large and small hydropower plants. The segment is service-heavy: in the FY2025 filing taxonomy, services were roughly two-thirds of Power revenue before intersegment items. That mix is important because mature turbines require recurring parts and outage work, and contractual service agreements can last 5–25 years.

Wind was almost one-quarter of FY2025 revenue but destroyed segment EBITDA. It includes Onshore Wind and Offshore Wind under the current taxonomy; the former LM Wind Power blade activities were combined into Onshore Wind from January 2026. The product portfolio has been narrowed toward repeatable "workhorse" designs rather than a proliferation of bespoke variants. Onshore offerings include turbine platforms, repowering, and services that use monitoring and analytics to improve fleet output. Offshore Wind centers on the Haliade-X platform and completion of an existing project backlog. The economic problem is not lack of revenue; it is the gap between contract price and the eventual cost of engineering, manufacturing, logistics, quality remediation, and installation.

Electrification was approximately one-quarter of FY2025 revenue and had a margin similar to Power. The current organization comprises Power Transmission, Grid Systems Integration, Power Conversion & Storage, and Grid Automation & Software. The product set includes transformers and switchgear, AC substations, HVDC systems, synchronous condensers, industrial power conversion, storage, protection and control, automation, and software. The acquisition of the remaining half of Prolec GE in February 2026 expanded transformer and switchgear exposure and is included in the latest reported results.

Latest TTM structure

The current run uses exactly Q3 2025, Q4 2025, Q1 2026, and Q2 2026. Because GE Vernova realigned business units from January 1, 2026 and restated comparative information, the table uses the latest revised segment series rather than the older 2025 annual allocation.

Segment	TTM revenue	Share of consolidated revenue	TTM segment EBITDA	EBITDA margin
Power	21,087	51.0%	3,475	16.5%
Electrification	12,082	29.2%	2,080	17.2%
Wind	8,473	20.5%	(943)	(11.1)%
Eliminations and other	(274)	(0.7)%	—	—
Consolidated revenue	41,368	100.0%	—	—

This bridge highlights the current operating shape: Power remains about half the company; Electrification has become materially larger; and Wind has shrunk in revenue while losses have deepened. At the consolidated level, TTM equipment revenue was $23,556 million, services were $17,811 million, and eliminations/other were $1 million. Equipment therefore represented 56.9% of revenue and services 43.1%.

Backlog is a core part of the revenue architecture, but it should be interpreted as contracted work rather than near-term revenue. The live [Q2 2026 Form 10-Q](https://www.sec.gov/Archives/edgar/data/1996810/000199681026000148/gev-20260630.htm) reported total remaining performance obligations (RPO) of $176.3 billion at June 30, 2026: $87.8 billion of equipment and $88.5 billion of services. Power accounted for $111.6 billion, including $72.4 billion of services; Wind had $20.4 billion; the balance was primarily Electrification. RPO excludes orders that customers can cancel without a substantive penalty, making it firmer than a broad commercial pipeline, but timing still depends on manufacturing schedules, project milestones, permitting, and asset utilization.

Geographic footprint

GE Vernova is globally diversified, although the United States is the largest individual market. Live FY2025 SEC disclosure, used because geography is not tabulated in the sealed foundation, showed:

Geography	FY2025 revenue	Share of consolidated revenue
United States	17,341	45.6%
Europe	7,594	19.9%
Middle East and Africa	5,389	14.2%
Asia	4,629	12.2%
Americas excluding U.S.	3,116	8.2%
Total	38,068	100.0%

This spread diversifies end demand but introduces currency, sovereign-credit, local-content, tariff, sanctions, and execution risks. The [2025 Annual Report](https://www.gevernova.com/sites/default/files/gevernova_2025_annual_report.pdf) listed 91 manufacturing facilities—41 serving Power, 17 Wind, and 33 Electrification—and operations across more than 100 countries.

3. Unit economics

GE Vernova's reported segment profit measure is segment EBITDA, not GAAP operating income. It excludes depreciation and amortization and includes certain investment and interest items, so segment margins should not be confused with consolidated operating margins. FY2025 provides a clean view of how each revenue dollar was consumed:

FY2025 share of segment revenue	Power	Wind	Electrification
Cost of revenue	74.0%	98.9%	68.9%
SG&A	9.3%	5.8%	14.0%
R&D	2.8%	1.8%	4.4%
Other segment items	(0.7)%	0.1%	(2.2)%
Segment EBITDA margin	14.7%	(6.6)%	14.9%

Power economics

Power combines lower-frequency, high-ticket equipment with recurring aftermarket revenue. New turbines are economically valuable beyond the initial sale because they seed future demand for parts, upgrades, inspections, and major outages. Contractual service agreements typically run 5–25 years. Customer payments may be linked to turbine utilization or major maintenance events, while revenue is recognized using cost-based percentage of completion. Profitability therefore depends on fleet utilization, the timing and scope of outages, parts cost, labor productivity, pricing, and accurate estimates of lifetime contract costs.

The installed base creates switching costs. A utility can competitively bid some service work, but the original equipment manufacturer owns design knowledge, engineering data, specialized parts, field-service experience, and performance guarantees. Availability is mission-critical, so buyers often value proven execution over a small price difference. Conversely, service contracts create long-tailed obligations: a poor estimate of utilization, outage cost, or component life can trigger catch-up adjustments. Power's margin expansion from 9.9% in 2023 to 12.5% in 2024 and 14.7% in 2025 reflects favorable mix, price, productivity, and better underwriting, but the durability of that improvement depends on converting backlog without recreating legacy contract problems.

Electrification economics

Electrification includes both standardized factory products and complex engineered systems. Transformers and switchgear benefit from manufacturing scale, capacity scarcity, product qualification, and favorable pricing in tight markets. Larger substation and HVDC projects are more engineering- and project-intensive; their margins depend on disciplined scope definition, milestones, procurement, and field execution. Software and service revenue add attractive recurring or repeat business, but the segment is still primarily an industrial equipment and systems franchise, not a pure software model.

The segment's margin rose from 3.7% in 2023 to 9.0% in 2024 and 14.9% in 2025, reaching 17.2% on the latest TTM basis. The mechanisms are volume leverage on a fixed factory and engineering base, pricing negotiated when capacity is scarce, productivity, and portfolio mix. Electrification's relatively high SG&A and R&D intensity reflects sales engineering, complex project support, and investment in grid technology and software. The principal risk to unit economics is that aggressive capacity expansion, project overruns, acquisition integration, or a normalization of industry lead times erodes recent price and utilization benefits.

Wind economics

Wind's FY2025 cost of revenue absorbed essentially the entire revenue dollar before SG&A and R&D, producing a negative EBITDA margin. The economics are most fragile where contracts are customized, fixed-price, long-duration, and exposed to commodity, logistics, warranty, installation, and regulatory changes. Offshore projects magnify these risks because turbines are larger, vessels and weather windows are constrained, and field remediation is costly. The 2025 annual filing reported incremental Offshore Wind contract losses of $637 million in 2025, after $1,005 million in 2024, demonstrating that revenue and backlog can carry negative economic value if estimated completion costs rise.

Management's remedy is selectivity: fewer product variants, workhorse platforms, fewer geographies, pricing and contract terms that clear internal hurdles, better quality, and a greater service contribution. Onshore service has a more attractive model because monitoring, maintenance, parts, repairs, and repowering monetize a large installed base. Yet service coverage is not universal: the 2025 filing described service agreements on roughly 24,000 onshore turbines versus an installed wind base of approximately 59,000 units. Wind should therefore be assessed through loss reduction, quality, cash burn, and backlog risk—not merely orders or revenue growth.

4. Customers and buying process

GE Vernova's buyer is typically a sophisticated institution with a multiyear capital plan. Utility and government procurement can involve formal tenders, technical prequalification, local partners, financing packages, environmental review, grid-interconnection approval, and regulatory cost recovery. Independent power producers and renewable developers must also secure land, fuel or resource rights, offtake, financing, and interconnection before a project becomes executable. Hyperscalers and industrial customers may buy directly when power availability constrains a data-center or manufacturing project, adding a newer class of counterparties with different speed and contracting expectations.

The commercial sequence is generally:

- A customer identifies a generation, transmission, stability, or service requirement and evaluates technology choices.
- GE Vernova works through technical design, performance guarantees, scope, delivery schedule, local requirements, and price. Larger projects may include consortium partners or engineering, procurement, and construction firms.
- For scarce production capacity, customers may make progress collections to reserve manufacturing slots. Equipment contracts may recognize revenue over time when the product is customized and GE Vernova has an enforceable right to payment, or at delivery/control transfer for standardized products.
- Billing is tied to milestones, delivery, or customer acceptance. Liquidated-damage provisions can penalize late delivery or failure to meet performance specifications.
- After installation, the customer can buy transactional parts and labor, upgrades, monitoring, flexible maintenance, or a long-term service agreement. Power contracts can link billing to hours of operation or major outages.

This process gives GE Vernova pricing power when capacity, certification, and technical expertise are scarce, but it also transfers execution risk to the vendor. Upfront customer collections can make growth cash-generative before revenue recognition, while a later slowdown or contract cancellation can reverse working-capital benefits. The company also sells to sovereign and state-owned entities, where payment collection, local politics, and trade finance can be material. Customer concentration is better understood at the project and country level than as a classic single-buyer concentration: a small number of very large infrastructure contracts can materially affect a business unit even when consolidated revenue is broadly diversified.

5. Industry structure and competitive position

The industry has high barriers to entry. Utility-scale turbines, nuclear systems, HVDC equipment, large transformers, and offshore wind platforms require deep engineering, certification, specialized factories, field-service networks, balance-sheet support, and years of operating references. Customers expect equipment to function for decades and may require guarantees, bonding, or parent-company credit support. Installed-base compatibility and service infrastructure further favor incumbents.

Competition is nevertheless intense. GE Vernova identifies Siemens Energy, Mitsubishi Power, Westinghouse, Framatome, and Rolls-Royce as major Power competitors; Vestas, Siemens Gamesa, Nordex, Envision, and Goldwind in Wind; and Hitachi Energy, Siemens Energy, Siemens, Schneider Electric, Mitsubishi Electric, and ABB in Electrification. Chinese competitors are improving quality and expanding internationally, sometimes with state support or financing advantages. Competitive variables include efficiency, output, reliability, price, delivery time, service coverage, product bankability, financing, and compliance with local-content requirements.

GE Vernova's principal advantages are:

- **Scale and breadth:** few peers cover dispatchable generation, wind, transmission equipment, grid integration, conversion, storage, and software at comparable scale.

- **Installed base:** approximately 7,000 gas turbines and 59,000 wind turbines create service opportunities and operating data.
- **Technical know-how and references:** decades of engineering, manufacturing, and field experience matter in risk-averse infrastructure procurement.
- **Service network and customer proximity:** outages and critical repairs reward global parts availability and field expertise.
- **Capacity and backlog visibility:** tight gas-turbine and grid-equipment supply can improve price and order quality when the company resists low-return contracts.
- **Customer relationships:** utilities and governments repeatedly procure equipment and services across multidecade investment programs.

These are not unqualified moats. A large installed base can become a liability when warranties or service terms are mispriced. Scale can magnify fixed costs. Breadth creates operational complexity. Backlog can include low-margin legacy work. The right competitive lens is not simply market share but whether GE Vernova can convert technical position and scarce capacity into acceptable contractual returns.

The long-cycle demand backdrop is favorable. Electricity demand is being supported by industrialization, data centers and AI infrastructure, transport and building electrification, aging-grid replacement, renewable interconnection, and energy-security policy. GE Vernova's [Q2 2026 earnings materials](https://www.gevernova.com/sites/default/files/gev_webcast_presentation_07222026.pdf) showed equipment RPO rising sharply, especially in gas power and Electrification. However, electricity "supercycle" language should not obscure supply response or politics: customers can defer projects, competitors can add capacity, policy can change, and higher power prices or financing costs can destroy project economics.

6. Regulation and cyclicality

Regulation influences both demand and execution. Utilities' capital spending is shaped by allowed returns, rate cases, reliability standards, emissions rules, renewable mandates, tax credits, and government procurement. Nuclear products face country-specific licensing and safety regimes, including U.S. Nuclear Regulatory Commission oversight. Wind demand can be highly sensitive to production tax credits, permitting, leasing, tariffs, and local-content rules. Grid projects require siting and interconnection approvals. Gas demand can rise when reliability is prioritized or fall when financing restrictions and carbon policies tighten.

GE Vernova is also regulated as a manufacturer handling hazardous and radioactive materials, a global exporter, a government contractor, a software provider processing critical-infrastructure data, and an employer in many jurisdictions. Relevant regimes include environmental and safety rules, nuclear controls, export restrictions and sanctions, anti-bribery law, cybersecurity and privacy requirements, public-procurement rules, and the EU's chemical and foreign-subsidy regulations. Compliance is therefore embedded in both product design and the sales process.

The cycle is unusual because end demand may be secularly strong while reported results remain lumpy. Factory products move through capacity and inventory cycles; large projects depend on milestones; gas-turbine shipments are determined by reserved slots; service revenue depends partly on customer utilization and outage schedules; and working capital can swing with advance collections. Backlog gives visibility, not smoothness. Power and Electrification currently benefit from tight supply and strong demand, while North American onshore wind orders and offshore execution illustrate how policy and project cycles can diverge from the broader electricity theme.

7. Capital intensity, cash flow, and balance-sheet characteristics

GE Vernova is operationally capital-intensive but currently enjoys favorable customer-funding characteristics. It requires specialized factories, tooling, test facilities, inventory, supplier advances, engineering talent, field-service infrastructure, and R&D. The 2025 annual filing described approximately $20 billion of annual material and component purchases from more than 100 countries. Capital requirements are rising as the company expands gas-turbine and Electrification capacity.

The sealed foundation shows FY2025 operating cash flow of $4,987 million, capex of $1,277 million, and free cash flow of $3,710 million. For the TTM ended June 2026, reported operating cash flow was $14,139 million, capex $1,701 million, and free cash flow $12,438 million. That extraordinary TTM cash flow should not be annualized mechanically: large customer

collections and contract liabilities can front-load cash ahead of equipment delivery and revenue. Likewise, TTM attributable net income of $9,529 million contains large non-operating Prolec GE remeasurement gains and is not a clean measure of recurring earnings.

At June 30, 2026, cash was $13,120 million and borrowings including finance leases were $2,849 million, leaving net cash of $10,271 million before operating leases. Operating lease liabilities were $871 million, and committed facilities totaled $6 billion. This balance sheet provides capacity to fund factories, R&D, project bonding, acquisitions, and shareholder returns, but capital allocation must be judged against the long-duration liabilities embedded in service and project contracts.

Share count has fallen materially due to repurchases: ending common shares declined from 275.880 million at December 2024 to 266.334 million at June 2026. TTM repurchases were $5,406 million and dividends paid were $409 million. Those uses of cash are substantial relative to normal earnings and should be evaluated alongside elevated advance collections, capacity investment, and potential warranty or contract-loss claims.

8. Key performance indicators

An investor should monitor a compact set of operating indicators rather than headline revenue alone:

KPI	Why it matters	Current interpretation
Equipment and services RPO	Revenue visibility and installed-base seed	$176.3bn total at Q2 2026; equipment and services are nearly balanced
Orders and book-to-bill	Demand, pricing, capacity loading	Strong in Gas Power and Electrification; weaker in North American Wind
Gas-turbine orders, GW, and deliveries	Factory demand and future service base	Order growth is outpacing near-term deliveries
Power service mix and RPO	Recurrence and margin resilience	Large service RPO supports long-duration revenue
Electrification equipment backlog	Grid-cycle duration and pricing	Rapid growth indicates tight capacity and strong demand
Segment EBITDA margin	Contract quality and operating leverage	Power/Electrification improving; Wind remains negative
Wind contract losses and cash burn	Turnaround credibility	More important than Wind revenue growth
Pricing versus inflation/productivity	Margin durability	Favorable recently; must persist through backlog conversion
Capex and capacity milestones	Ability to convert demand into shipments	Higher investment is necessary but carries utilization risk
Contract assets/liabilities	Cash timing and estimate risk	Large advance collections can inflate current FCF
Warranty reserves and estimate revisions	Product quality and latent liabilities	Critical across turbines and long-term service contracts
Share count and net cash	Capital allocation and risk capacity	Buybacks reduce shares but compete with organic investment

9. Principal risks

- **Contract execution and estimation:** Fixed-price, milestone, and long-term service contracts require forecasts of labor, materials, utilization, outages, logistics, and completion. Small estimate changes across a large backlog can move profit materially.
- **Wind turnaround failure:** Offshore contract losses, onshore order weakness, quality issues, or failure to improve services could prolong cash losses.
- **Product quality and warranty exposure:** Defects in turbines, blades, transformers, nuclear equipment, or grid systems can cause outages, remediation costs, liquidated damages, regulatory action, and reputational harm.
- **Backlog quality and timing:** RPO is not equivalent to near-term revenue or profit. Customers can delay projects, milestone timing can move, and legacy backlog can carry weak margins.
- **Supply chain and capacity:** Specialized forgings, castings, electronics, copper, steel, blades, transformers, vessels, and skilled labor may be constrained. Tariffs and geopolitical restrictions can raise cost or disrupt delivery.
- **Policy and permitting:** Wind subsidies, offshore leases, nuclear approvals, carbon rules, public procurement, and interconnection delays can change project economics or schedules.

- **Competitive response:** Incumbents and expanding Chinese suppliers may add capacity, cut price, bundle financing, or improve technology, reducing current scarcity economics.
- **Cyclical overbuild:** Strong orders can encourage too much factory investment. When customer additions slow, underutilization and price normalization could compress margins.
- **Acquisition integration:** Prolec GE increases Electrification scale but adds integration, purchase-accounting, execution, and capital-allocation risk.
- **Cash-flow normalization:** Advance collections and working-capital inflows can reverse as equipment is produced. Current TTM FCF is not a safe steady-state base.
- **Legacy separation liabilities:** GE credit support, indemnities, pensions, environmental obligations, and standalone-system costs can create claims or restrict flexibility.
- **Cyber and critical-infrastructure risk:** Grid software and connected industrial assets are high-value attack targets; failures could disrupt customers and trigger regulatory or liability consequences.

10. Glossary

Term	Meaning
Aeroderivative	A compact gas turbine derived from aircraft-engine technology; valued for fast start and flexible operation
Backlog / RPO	Remaining performance obligations: firm, non-cancellable or substantively penalized unfulfilled equipment and service orders
Book-to-bill	Orders divided by revenue in a period; above 1.0 indicates backlog growth
Contract asset	Revenue recognized before the contractual right to bill the customer
Contract liability	Customer cash or billings received before related revenue is recognized
Contractual service agreement / CSA	A Power service contract, generally 5–25 years, covering maintenance, outages, and performance support
EBITDA	Earnings before interest, taxes, depreciation, and amortization; GE Vernova's segment measure has company-specific inclusions
Flexible service agreement	A Wind long-term maintenance arrangement, generally recognized straight-line as service is provided
Gas turbine GW	Generating capacity represented by gas-turbine orders or deliveries
HA turbine	GE Vernova's high-efficiency heavy-duty gas-turbine platform
HVDC	High-voltage direct current, used to transmit large amounts of electricity efficiently over long distances
Installed base	Customer equipment already in operation; the foundation for parts, upgrades, repairs, monitoring, and service revenue
Liquidated damages	Contractually specified payments for missed delivery or performance commitments
OEM	Original equipment manufacturer
Percentage of completion	Revenue recognition based on costs incurred relative to estimated total contract cost
Power Conversion	Equipment that changes electrical energy's voltage, frequency, or form for industrial and grid applications
Repowering	Upgrading existing wind turbines to increase output, reliability, or useful life
Slot reservation	A customer commitment and often advance payment that secures a future manufacturing position
SMR	Small modular reactor, a standardized nuclear design intended for factory-oriented construction and shorter project cycles
Synchronous condenser	Rotating grid equipment that supports voltage, inertia, and stability without generating net real power
Workhorse product	A standardized, repeatable turbine platform intended to reduce variants, improve quality, and lower cost

Source note

All financial figures and reconciliations not explicitly identified as supplemental live SEC data come from the sealed quantitative foundation. Qualitative support was checked live against GE Vernova's [2025 Annual Report](https://www.gevernova.com/sites/default/files/gevernova_2025_annual_report.pdf), [Q2 2026 Form 10-Q](https://www.sec.gov/Archives/edgar/data/1996810/000199681026000148/gev-20260630.htm), [Q2 2026 earnings presentation](https://www.gevernova.com/sites/default/files/gev_webcast_presentation_07222026.pdf), and [Q2 2026 results release](https://www.gevernova.com/news/articles/ge-vernova-releases-second-quarter-2026-financial-results). No local warehouse cache or unfinished `data_package.md` was used.

GE Vernova Inc. — Management Assessment

Assessment date: 2026-08-01 **TTM endpoint:** 2026-06-30 **Explicit horizon:** 2031-06-30 **Management gate: YELLOW**

Executive conclusion

Scott Strazik and Ken Parks have so far behaved like credible industrial operators. They have converted a troubled inherited portfolio into sharply better Power and Electrification economics, supplied unusually granular demand and backlog disclosures, raised guidance rather than reset it downward, and spoken plainly about Wind failures. The team has also made one strategically coherent acquisition, Prolec GE, rather than pursuing unrelated deals. Incentives, board independence, clawbacks, ownership requirements, and minority-shareholder protections are generally sound.

The evidence does **not** yet clear a PASS. GE Vernova has existed as an independent public company only since April 2, 2024, so the team has less than two-and-a-half years of observable standalone capital allocation. Wind still carries unresolved project, warranty, and execution risk; the company spent $3.671 billion repurchasing shares in H1 2026 after spending $3.316 billion in FY2025, without disclosing an intrinsic-value or prospective-return hurdle; and compensation rewards aggregate adjusted EBITDA and free cash flow but not ROIC or per-share value. Prolec's first operating data are encouraging, but six months of consolidation is not an acquisition track record. These are bounded, monitorable uncertainties rather than evidence of untrustworthiness or serial value destruction, so **YELLOW—not FAIL—is the calibrated gate**.

1. Who is running the company

Scott Strazik, CEO and president. Strazik became CEO of the pre-spin GE Vernova organization in November 2021, CEO of the listed company at the April 2024 separation, and added the president title in July 2025. His operating ownership is longer than the public-company record: he became CEO of GE Gas Power in 2018 and expanded to all GE Power businesses in 2021. He therefore owns the Gas Power turnaround, the choice to scale the HA platform, the decision not to add Offshore Wind backlog under the inherited risk terms, the post-spin capital-return framework, and the purchase of the remaining half of Prolec GE. His official biography records more than 20 years in operations and finance, including CFO of GE Aviation Commercial Engine Operations. [GE Vernova CEO biography](https://www.gevernova.com/company/leadership/scott-strazik)

Ken Parks, CFO. Parks became CFO of the GE Vernova businesses in October 2023 and of the public company at the spin. He has decades of finance experience and previously served as CFO of Owens Corning, Mylan, and Wesco. At GEV he owns the balance-sheet architecture, dividend and repurchase programs, debt/cash mix used for Prolec, guidance construction, and investor disclosure. The 2026 proxy also assigns him digital technology, sourcing, business development, and business-process transformation. [2026 proxy statement](https://www.sec.gov/Archives/edgar/data/1996810/000199681026000049/gev-20260402.htm)

Segment leadership. Eric Gray is CEO of Power after more than 25 years at GE/GE Vernova and leadership of Gas Power since 2022. Vic Abate has led all Wind since 2023, after taking Onshore Wind in 2022; his earlier roles included GE Renewable Energy and Gas Power Systems. Philippe Piron became CEO of the full Electrification segment in January 2026 after leading Electrification Systems, Grid Solutions, and Power Conversion. Their tenures fit their assignments: Gray is a Gas execution veteran, Abate is responsible for Wind remediation, and Piron owns the enlarged Prolec-integrated Electrification portfolio. [Current leadership roster](https://www.gevernova.com/company/leadership)

Board accountability. Steve Angel is independent non-executive chair, so a separate lead independent director is unnecessary. Eight of nine directors are independent, every director joined in 2024, and the key committees are independent. The lack of tenure avoids entrenchment but also means the board has not governed through a full industrial cycle. The board is classified only during the post-spin transition and is scheduled to be fully declassified by the 2029 annual meeting. Kim Rucker's service on three other public boards in addition to GEV is the main overboarding watch item. There is no controlled-company status, dual-class stock, poison pill, or supermajority provision.

2. Tenure and track record

The public-company-history limitation is load-bearing. Standalone results since April 2024 can be attributed to this team; pre-spin figures demonstrate operating capability but not an independent record of choosing among M&A, repurchases, dividends, and reinvestment. A five-year stewardship test is therefore impossible today.

Strazik's three largest decisions are observable:

- **Gas Power turnaround and HA scaling, 2018 onward.** Under his operating tenure, Power revenue rose from $16.7 billion in 2021 to $19.8 billion in 2025, while segment EBITDA margin rose from 8.4% to 14.7%. Gas equipment backlog plus slot-reservation agreements reached 83 GW at FY2025 and 116 GW at Q2 2026. Power's Q2 2026 EBITDA margin was 18.8%. This is real execution, pricing, service mix, and capacity discipline, not merely cyclical revenue growth.
- **Contain rather than grow Offshore Wind risk, 2024 onward.** Management stopped pursuing new Offshore backlog on the old contractual model and is running off challenged work. The result remains mixed: Wind EBITDA improved from a $2.24 billion loss in 2022 to a $598 million loss in 2025, but H1 2026 lost $657 million. Incremental Offshore contract losses were $379 million, $1.005 billion, and $637 million in 2023-2025. The Q3 2024 call called the period difficult, disclosed an approximately $700 million additional charge, identified a manufacturing deviation in a low-single-digit share of reviewed blades, and explained remediation. This is candid handling of failure, not proof that it is solved.
- **Prolec GE buyout and Electrification expansion, announced October 2025 and closed February 2026.** GEV paid $5.275 billion for the remaining 50%, funded with cash and $2.6 billion of senior notes. At Q1 2026, Prolec delivered about $500 million of revenue at just over 20% EBITDA margin for its first two months, and backlog had risen from approximately $4 billion at announcement to $5 billion. Management did not include synergies in the 2028 outlook. The deal is strategically coherent, but acquisition ROIC cannot yet be measured.

Parks' post-spin allocation record is internally consistent: preserve investment-grade credit, fund organic capacity and R&D, execute one adjacent acquisition, and return at least one-third of cash generation. The weakness is not inconsistency; it is the absence of a disclosed return hurdle for repurchases and too little elapsed time to judge Prolec.

3. Capital allocation behavior

The following figures are from the DR-cleared `data_package.md`, Sections 7 and 9; they were not re-fetched for this role.

Fiscal period	Capex	R&D	Buybacks	Dividends	M&A
FY2021	$0.577B	$1.008B	N/A pre-spin	N/A pre-spin	Not separately disclosed
FY2022	$0.513B	$0.979B	N/A pre-spin	N/A pre-spin	Not separately disclosed
FY2023	$0.744B	$0.896B	N/A pre-spin	N/A pre-spin	Not separately disclosed
FY2024	$0.883B	$0.982B	$0.043B	$0.000B	No material disclosed cash deal
FY2025	$1.277B	$1.197B	$3.316B	$0.275B	Prolec announced
H1 FY2026	$0.783B	About $0.575B	$3.671B	$0.273B	$5.275B Prolec consideration

Reinvestment supports the strategy. Capex/revenue rose from 1.7% in 2021 to 3.4% in 2025, while R&D remained near 3% of revenue. Management's 2025 Investor Update framed approximately $10 billion of capex and R&D for 2025-2028, and the Prolec plan adds roughly $1 billion of investment. The business is adding Gas output, transformer and switchgear capacity, automation, and robotics. The small Robotech Automation acquisition completed in early July 2026 also fits the factory-productivity agenda.

The shareholder-return record deserves a yellow flag. GEV spent approximately $6.99 billion on repurchases across FY2025 and H1 2026, far more than dividends. The program has reduced the share count, so it is not merely offsetting dilution. Yet purchase intensity increased after a sharp share-price advance, and management has not published a FCF-yield, IRR, or intrinsic-value hurdle. That looks formulaic rather than demonstrably opportunistic. The dividend, doubled to $0.50 quarterly, remains modest and well covered. The China XD stake monetization and Proficy sale are coherent portfolio simplification, but neither proves repeatable reinvestment skill.

4. Compensation alignment and ownership

The 2025 annual incentive used 40% free cash flow, 40% adjusted EBITDA, and 20% organic revenue growth, with an individual-performance factor and a safety/sustainability adjustment; total payout is capped at 200%. Long-term incentive value is 50% PSUs, 30% RSUs, and 20% options. The PSUs use three-year cumulative adjusted EBITDA and FCF equally, with a relative-TSR modifier. Seventy-five percent of CEO target compensation is LTI and 90% of target CEO pay is variable.

That design is better than revenue-only pay and has genuine long-duration equity. The omission is **ROIC, acquisition return, and per-share FCF/EPS**. Aggregate EBITDA and FCF can rise after a large acquisition even when per-dollar returns are mediocre, while options and headline FCF can reward repurchases at elevated prices. Strazik's 2025 annual incentive paid the 200% maximum, including a 130% individual factor; reported total compensation was about $18.0 million. Strong results justify an above-target outcome, but a maximum individual result while Wind remained materially loss-making illustrates the metric gap.

Actual ownership is meaningful but not controlling. At March 3, 2026, Strazik directly or beneficially owned 135,690 issued shares, excluding 273,832 near-vesting RSUs/options; Parks owned 18,744 issued shares, excluding 9,084 near-vesting units/options. The policy requires 6x salary for the CEO and 3x for other executives, but unvested RSUs count, making it less stringent than an issued-share test. The company prohibits hedging and pledging, requires 50% net-share retention until the guideline is met, and applies an NYSE-compliant three-year clawback after a restatement.

Share-based compensation was $155 million, or 0.44% of revenue, in 2024 and $257 million, or 0.68%, in 2025; H1 2026 expense was about $140 million, or 0.68% of revenue. Comparable standalone amounts for 2021-2023 do not exist because GEV was part of GE. Current dilution is disciplined, and repurchases have more than offset issuance.

5. Disclosure quality and candor

The preserved evidence covers the eight official quarterly transcripts from Q3 2024 through Q2 2026. Management answers with more numbers than narrative. Voluntary disclosures include total and segment RPO, equipment/services RPO, Gas backlog and reservation GW, backlog margin dollars, switchgear backlog, data-center orders, turbine units, Prolec revenue and margin, and quarterly segment-margin expectations. True omissions remain—customer concentration, a Wind-only warranty reserve, product-level revenue, and a clean H1 2026 Offshore contract-loss dollar—but the package classifies these as non-disclosures rather than filling them with estimates.

Wind is the best candor test. In Q3 2024 Strazik called the situation difficult, quantified the charge and blade deviation, and said the team had not rushed root-cause work. In Q4 2024 management disclosed approximately $1 billion of 2024 Offshore losses and said it would not add backlog without substantially different economics. In Q2 2025 it acknowledged that Dogger Bank completion had slipped into 2027. In Q3 2025 Strazik said the Onshore volume trajectory was “too difficult to call.” In Q1 and Q2 2026 management again declined to predict a U.S. inflection, quantified Wind losses, and maintained an approximately $400 million FY2026 loss outlook. The Q2 2026 10-Q names outstanding Vineyard claims and counterclaims. This is candid, although project-timeline slippage means words still require validation by closure.

Across the transcript set, management generally uses explicit descriptions such as “additional contract losses,” “difficult,” and “too difficult to call” rather than euphemisms. Parks typically provides the requested margin, backlog, cash, or timing number. When a precise product figure is unavailable, Strazik frames the operational constraint rather than implying certainty.

Guidance has been disciplined. Q3 2024 reaffirmed revenue toward the high end of $34-$35 billion and $1.3-$1.7 billion FCF; actual 2024 revenue was $34.94 billion and FCF $1.70 billion. The January and April 2025 calls maintained the initial outlook, July raised it, October held the raised range, and actual 2025 revenue of $38.07 billion and FCF of $3.71 billion exceeded the latest $36-$37 billion and $3.0-$3.5 billion ranges. The January, April, and July 2026 calls each raised some combination of revenue, margin, or FCF. The current $45.5-$46.5 billion revenue and $11.5-$12.5 billion FCF outlook is not yet earned and includes unusual working-capital benefits. There has been no same-period downward reset in the reviewed eight-call set.

6. Strategic coherence

The 2025 10-K describes GEV as a purpose-built electric-power company whose products “generate, transfer, orchestrate, convert, and store electricity,” while the corporate mission is to “electrify to thrive and decarbonize.” [FY2025 Form 10-K](https://www.sec.gov/Archives/edgar/data/1996810/000199681026000015/gev-20251231.htm)

The portfolio and spending fit that statement. Power monetizes an installed base and expands Gas capacity; Electrification adds grid equipment, automation, and Prolec transformer capacity; Wind is being narrowed to contracts and markets where risk-adjusted economics work. The 2025 Investor Update set a coherent destination: $52 billion of revenue and a 20% adjusted EBITDA margin by 2028 before Prolec, then $56 billion including Prolec, with Power and Electrification at 22% and

Wind at 6%. Management also projected at least $22 billion of cumulative FCF from FY2025 through FY2028 after substantial reinvestment.

Management names real constraints: tariffs, supplier capacity, permitting, Onshore order uncertainty, nuclear timing, Offshore project losses, and factory throughput. The strategy is not a sequence of pivots. The open question is whether a favorable power-demand cycle is masking the true returns on incremental capacity and repurchases.

7. Governance flags

The structure is minority-shareholder friendly: one share/one vote, no dual class, no poison pill, no supermajority clauses, proxy access, and a 25% special-meeting right. The proxy disclosed two related-person arrangements: non-executive employment of Vic Abate's son and Pablo Koziner's spouse, each receiving $120,000-$400,000 plus customary benefits. The Audit Committee approved both. They are not financially material, but their continuation should remain visible.

The FY2025 10-K reports effective disclosure controls and ICFR, an unqualified audit, no restatement checkbox, and no material weakness. The Q2 2026 10-Q again reports effective disclosure controls. Prolec will be excluded from the 2026 annual ICFR assessment under permitted acquisition guidance while integration work proceeds; that is standard but monitorable. No material SEC enforcement matter was disclosed in the checked 10-K, 10-Q, or proxy.

The preserved Form 4 review for the 12 months to late July 2026 found no open-market sale by Strazik. Parks sold 3,300 shares at $620 in August 2025; Steven Baert sold 5,300 at $850 in March 2026; controller Matthew Potvin sold 2,333 at $1,059 in May; and Abate sold 4,819 at about $948 in June. Other dispositions were principally tax withholding on vesting or option net settlement. The isolated sales are not a clustered CEO/CFO exit signal, although the open-market sale forms did not identify 10b5-1 plans.

8. Peer comparison

CEO / company	Capital allocation and execution	Disclosure	Relative stewardship
Christian Bruch / Siemens Energy	Five-plus years as CEO and a strong grid/gas recovery, but the Siemens Gamesa takeover exposed severe quality and guarantee risk.	Explicit on Gamesa remediation and segment targets.	Strazik currently ranks ahead on execution quality, but Bruch has the longer public-cycle record.
Duke Austin / Quanta Services	CEO since 2016; repeatable acquisition and decentralized execution model with a decade-long record.	Clear organic/acquired growth bridges.	Austin ranks ahead on proven duration and per-dollar capital allocation.
Paulo Ruiz / Eaton	CEO since June 2025, inheriting a high-return portfolio and disciplined predecessor system.	Strong segment and compensation disclosure.	Ruiz and Strazik are both short-tenured public allocators; Strazik has stronger in-seat turnaround evidence, Eaton the stronger inherited system.

Strazik is competitive with this peer group operationally and more candid about project failures than many industrial CEOs. He does not yet rank first as a steward because Austin's record spans a full decade and Bruch has governed through a longer listed-company stress cycle. GEV's management case rests on execution quality plus disclosure, not yet on demonstrated through-cycle compounding.

9. Management gate verdict

YELLOW. Strazik and Parks have earned credibility through the Power turnaround, accelerating Electrification economics, disciplined guidance, and unusually direct disclosure of Wind failures. Governance and ownership alignment are adequate, and there is no evidence of serial M&A, chronic dilution, evasive communication, or minority-shareholder abuse that would justify FAIL. However, the independent public-company allocation record is too short, Prolec is unseasoned, Wind has not reached terminal execution, incentives omit ROIC and per-share returns, and high-price repurchases lack a disclosed hurdle. We would follow the team operationally, but cannot yet grant the decade-long capital-allocation presumption required for PASS.

Upgrade to PASS only if all three conditions are met:

- **Wind closure:** FY2026 loss remains near the approximately $400 million guide, no new single-project charge above $250 million emerges, and Wind produces positive full-year EBITDA by 2027 with Vineyard claims resolved and Dogger Bank on the disclosed completion path.

- **Prolec earns its price:** 2026 contribution holds near or above 20% EBITDA margin, and by 2028 the incremental after-tax operating return on the $5.275 billion purchase plus approximately $1 billion planned investment exceeds GEV's cost of capital.
- **Per-share allocation discipline:** the board adds an explicit ROIC or per-share FCF measure to long-term pay and demonstrates that remaining repurchases are conditioned on a stated valuation/return hurdle rather than executed mechanically as the share price rises.

Downgrade to FAIL if management adds new Offshore backlog on similarly asymmetric terms, cumulative new Wind project or warranty charges exceed $1 billion without a governance response, Prolec integration produces sustained sub-15% EBITDA margins or a write-down, or repurchases continue to absorb several billion dollars at low prospective FCF yields while crowding out higher-return capacity investment.

Source and integrity note

Capital allocation and corporate actions use the DR-cleared `data_package.md`, including its completion-first, source-bound aggregate operating bridge. Current leadership, proxy, filing, transcript, investor-update, and Form 4 conclusions preserve and adapt the prior reviewed appendix against the canonical local evidence set. No preferred-source failure was treated as grounds to release or downgrade the work, no missing disclosure was filled with invented data, and the immutable quote and statutory-bridge packets were not edited.

GE Vernova — Moat and 2046 Durability

Assessment date: 2026-08-01. Twenty-year test date: 2046-08-01. Historical financial evidence comes from the DR-cleared `data_package.md`; segment judgments integrate the completed attempt-1 Power, Electrification, and Wind appendices because their canonical attempt-2 replacements were still being written concurrently. The current primer and sealed data package reconcile the segment names and numerical anchors used below. No new external fetch was required, and the immutable quote and statutory-bridge packets were not modified.

1. Moat taxonomy applied

Network effects — absent. GE Vernova does not become more valuable to each customer merely because more customers buy its equipment. Fleet growth improves operating data, failure-mode learning, parts pooling, technician utilization, and the usefulness of monitoring tools, but those are scale and learning effects rather than a true two-sided network. Grid software may improve with more connected assets, yet customers do not face an ecosystem in which other users compel adoption. The valuation should receive no stand-alone network-effect credit.

Switching costs — strong in Power services, moderate elsewhere. A utility can competitively tender a new turbine, transformer, or wind farm before design freeze. After installation, switching is harder because the OEM owns design records, validated parts, outage procedures, fleet experience, control logic, and warranty interfaces. Power is the clearest case. Contractual service agreements can run for many years and Power service RPO was $72.388 billion at Q2 2026, 64.8% of segment RPO. The cost of an unplanned outage can dwarf a modest parts discount, so customers accept some OEM premium. Electrification switching costs become meaningful after an HVDC, transformer, protection, or substation design is qualified, but buyers can dual-source later projects. Wind has installed-base and repowering advantages, but independent service and competing OEMs prevent hard lock-in.

Scale economies — real, but shared by several incumbents. GE Vernova spreads research, specialized factories, global field service, test facilities, engineering, procurement, and compliance across a vast fleet. Its approximately 7,000 gas turbines and roughly 59,000 wind turbines support parts availability and service density. Scale also permits investment in HA capacity, transformer and switchgear output, nuclear engineering, and grid laboratories that a new entrant could not justify. This is oligopoly scale, not unique scale: Siemens Energy, Mitsubishi, Hitachi Energy, Vestas, and other established suppliers also operate seasoned fleets, factories, and service networks. Scale raises the entry barrier without eliminating credible peer competition.

Brand and bankability — meaningful high-trust procurement, not consumer brand. Utilities, governments, developers, lenders, industrial buyers, and hyperscalers buy equipment expected to operate for decades. They care about reference projects, reliability, performance guarantees, cyber controls, local service, balance-sheet capacity, and the ability to fund warranty campaigns. GE's name and installed references reduce perceived project risk. This matters most in nuclear, gas

turbines, HVDC, and complex substations. It is a qualification advantage rather than an unlimited pricing license because several established rivals are also bankable.

Regulatory and qualification barriers — strong in nuclear and high-voltage systems, moderate in Wind. Nuclear safety culture, regulator acceptance, documentation, qualified components, and outage performance require years to establish. Grid products must satisfy grid codes, national standards, cybersecurity requirements, local-content rules, and utility-specific qualification. Turbine platforms require certification and proven field performance. These barriers shrink the credible supplier set, but they do not grant GE Vernova an exclusive license; national champions and qualified global peers already clear them.

IP and engineering know-how — moderate to strong, mostly tacit. Patents matter less than validated designs, materials science, turbine cooling, blades and coatings, controls, transformer insulation, protection settings, manufacturing recipes, test data, and field feedback. Four million HA commercial operating hours by Q2 2026 improve the understanding of failure modes and maintenance intervals. In Electrification, test bays, winding capability, HVDC controls, commissioning, and interface management are difficult to reproduce. Wind also has blade and system expertise, but repeated quality and contract losses show that technical breadth has not translated into protected returns. Engineering know-how supports an oligopoly rather than monopoly economics.

High-trust procurement — the strongest company-wide barrier. A large turbine, nuclear outage, HVDC link, transformer, or offshore project can affect a city, industrial complex, or national grid. The buyer's loss from failure is far greater than the upfront price difference. Procurement therefore involves technical prequalification, design reviews, financing, bonding, performance guarantees, local partners, and long execution references. Once a supplier is designed into a project, bargaining power improves. The same trust can disappear after systemic quality failures; the moat is partly a promise to absorb engineering and warranty risk, not merely a right to collect premium pricing.

2. Per-segment moat

Power — strongest moat; 20-year installed-base durability and roughly 5–10-year equipment-price durability. The moat is the installed fleet, $72.388 billion service RPO, accumulated operating data, qualification, certified parts, global field service, and a limited set of credible large-turbine OEMs. Nuclear qualification is deeper still. New equipment is not captive: Siemens and Mitsubishi offer seasoned large-frame platforms, and independents can attack parts and service. Manufacturing slots sold through the end of the decade enhance today's pricing, but scarcity is not permanent. The earliest break signals are HA availability or warranty problems, weakening service RPO or attachment, slot-reservation conversion falling while peers retain orders, and a competitor achieving materially better efficiency or delivery.

Electrification — real but uneven; 10–20 years in complex high voltage and 5–10 years in scarcity-exposed products. The moat resides in qualification, failure cost, engineering and test infrastructure, project references, installed-base knowledge, and bankability. HVDC, large transformers, protection, and complex substations have the strongest defense; standardized conversion hardware, storage integration, and stand-alone software have less. Q2 2026 equipment RPO was $40.589 billion but service RPO was only $3.974 billion, so this segment is less contractually recurring than Power. Competitors are investing heavily in transformer and switchgear capacity. Earliest break signs are shorter industry lead times, lower backlog margins, book-to-bill below one, price concessions, project provisions, or hyperscalers forcing open, dual-sourced architectures.

Wind — narrow service moat, no demonstrated equipment moat. GE Vernova has a large fleet, site knowledge, technicians, tooling, parts, operating data, bankability, and repowering relationships. Those assets can support recurring service economics. They have not protected equipment returns: Wind EBITDA margins were negative in four consecutive years through 2025 and Q2 2026 was negative 13.6%. Offshore remains outside the demonstrated profit pool; the workhorse-platform strategy is not yet evidence. The earliest break signals are persistent warranty additions, further contract losses, falling service profitability, loss of North American repowering share, and continued weak orders after policy effects normalize.

The blended company moat is weaker than Power alone. On the current 2026 taxonomy, FY2025 revenue was approximately 52% Power, 25% Electrification, and 24% Wind. Nearly one quarter of revenue came from a business with no demonstrated equipment moat, while Electrification's exceptional current margins have not been tested after competitor capacity arrives. The economic moat therefore resides mainly in Power services and selected high-voltage/grid profit pools, not in the corporate portfolio indiscriminately.

3. Margin persistence evidence

Only five comparable audited years are available because GE Vernova's stand-alone and combined reporting does not provide a clean ten-year series. Segment margins are EBITDA margins and the 2021–2025 annual history uses the old taxonomy; Q2 2026 uses the current taxonomy.

Margin	FY2021	FY2022	FY2023	FY2024	FY2025	Q2 FY2026
Consolidated operating	(2.7)%	(9.7)%	(2.8)%	1.3%	3.6%	5.9%
Power segment EBITDA	8.4%	10.3%	9.9%	12.5%	14.7%	18.8%
Electrification segment EBITDA	(8.7)%	(3.2)%	3.7%	9.0%	14.9%	18.4%
Wind segment EBITDA	1.5%	(19.2)%	(10.5)%	(6.1)%	(6.6)%	(13.6)%

Power supplies the best moat evidence: a profitable five-year floor and broadly rising margins despite inflation and execution demands. Electrification's turnaround is impressive, but negative margins in 2021–2022 and rapid expansion alongside a transformer and grid shortage do not prove through-cycle persistence. Wind is direct counterevidence. Consolidated margins only became positive in 2024, and normalized ROIC was 10.5% in 2025 after negative or low returns in 2022–2024. GE Vernova has demonstrated improving execution and price realization, not yet a decade of high-return compounding.

The latest numbers contain genuine pricing but heavy cycle exposure. Q2 2026 Power and Electrification EBITDA margins reached 18.8% and 18.4%, respectively, while peers also reported strong gas and grid order books. That cross-check points to an industry upcycle in addition to company execution. The moat must be judged on what remains after supply expands and down payments convert into factory work, not on peak backlog alone.

4. AI disruption stress test

Power is physical chokepoint economics, not a prompt-to-output workflow. A foundation model cannot manufacture turbine hot-section parts, qualify nuclear components, perform a major outage, guarantee availability, or replace installed-fleet knowledge. AI should improve predictive maintenance, engineering search, outage planning, sourcing, factory automation, and service productivity. It may reduce some informational advantage if customers and independent service providers gain better diagnostics, but liability, physical parts, certified procedures, and field execution remain the bottleneck. Power services and nuclear are the most protected businesses.

Electrification is also primarily physical and qualification-constrained, with one vulnerable layer. Transformers, HVDC converters, switchgear, substations, protection systems, test capacity, and commissioning cannot be replicated by a model. AI-driven data centers are platform-adjacent demand: they require generation, interconnection, medium-voltage distribution, stability, backup, and control. Grid Automation & Software does contain workflows—forecasting, optimization, alarms, asset analytics, and energy management—that cloud, specialist, or AI-native vendors can reproduce if they obtain the same telemetry and interfaces. GE's defense must be trusted critical-infrastructure integration, proprietary asset data, cyber qualification, and hardware/service bundling, not the software workflow alone.

Wind is physically protected from direct AI substitution but economically exposed for other reasons. AI can improve siting, blade inspection, predictive maintenance, controls, and service scheduling; it cannot build or replace a turbine. Better analytics may lower independent-service barriers and make OEM monitoring less proprietary. Wind's core risk is competitive pricing, policy, project execution, quality, and capital intensity rather than AI disintermediation.

The segment most exposed to AI disruption is Grid Automation & Software within Electrification because application workflows and analytics can be replicated or unbundled. The most protected is Power services, especially nuclear and large-gas outage work, where certified physical execution and liability-bearing field capability remain decisive. AI and data-center demand are tailwinds, not moats: sophisticated buyers can defer projects, dual-source, change architecture, or use their scale to sponsor new supplier capacity.

5. The 2046 test

2046-08-01 business description. GE Vernova supplies and services the machinery and electrical infrastructure that generate, transmit, stabilize, convert, and control power for utilities, governments, industrial operators, and large digital-load customers. Power earns mainly from inspections, hot-section parts, upgrades, outage services, life extension, and performance guarantees across a large gas, nuclear, hydro, and legacy-steam fleet, while selling fewer but more standardized new gas or low-carbon firm-power systems. Electrification sells transformers, HVDC and AC grid systems, switchgear, substations, stability equipment, power electronics, and secure grid controls, with a larger lifecycle-service layer. Nuclear and grid activities have grown; conventional steam new-build has withered; Wind is smaller and centered on profitable onshore

platforms, repowering, and service, with loss-making offshore exposure exited or ring-fenced. Directionally, consolidated operating margins are higher than FY2025 because recurring service and qualified grid systems form more of the mix, but below any scarcity-inflated peak. The intact moat is the installed fleet, certified parts and procedures, trusted engineering references, high-voltage manufacturing and test infrastructure, field-service density, and customers' unwillingness to risk critical assets on an unqualified vendor.

That description is specific and plausible because equipment commissioned through the early 2030s will still require service in 2046, nuclear and hydro lives extend for decades, and grids must be maintained regardless of generation mix. It does not require gas generation to grow forever. It does require GE to migrate service know-how toward lower-carbon fuels, carbon capture, nuclear, and grid stability without destroying returns through premature technology bets.

2046 bear case. Gas-fleet utilization and new-unit demand fall faster than expected as storage, transmission, demand response, advanced nuclear, or other firm-power technologies displace gas; third-party service captures more parts and outages; and poorly priced long-term contracts require repeated charges. Transformer and switchgear capacity overshoots demand, Chinese and state-backed vendors internationalize, open architectures reduce hardware/software bundling, and hyperscalers use procurement scale to compress margins. Wind remains a warranty and project-loss sink. GE Vernova still exists, but as a cyclical capital-goods supplier with low-double-digit or lower margins rather than a durable compounder. This is a meaningful rather than remote outcome—approximately a one-in-three durability risk—because the current margin record is short and partly scarcity-driven.

6. Competitive threat inventory

Threat	Mechanism	Segment(s) affected	Earliest observable signal	Plausibility
Capacity expansion and price normalization	GE, Siemens, Mitsubishi, Hitachi, and others add factories and output; lead times fall and scarce slots lose value	Power equipment; Electrification	Shorter lead times, falling backlog margin, weaker price/cost, book-to-bill below 1.0	High
Technology, architecture, and state-backed competition	Better turbine efficiency; open grid/data-center designs; Chinese OEM quality and financing gains; alternative firm power	All, especially Electrification and Wind	Share loss despite market growth, slot-reservation cancellations, dual-source awards, lower service attachment	Medium-high
Quality and long-duration contract mispricing	Warranty campaigns, outage failures, fixed-price overruns, utilization or cost estimates prove wrong	Wind; Power services; grid projects	Warranty reserve additions, loss-contract charges, adverse service-agreement revisions, liquidated damages	High

7. Pricing power verification

Pricing power is observable today in Power and Electrification, but its durability is not fully verified. GE Vernova reported that Q2 2026 price remained positive and that price, volume, and productivity more than offset inflation; Power and Electrification margins expanded sharply. FY2025 equipment margin in backlog improved six percentage points year over year, and management stated in early 2026 that gas slot-reservation pricing was materially above the existing backlog. These are stronger signals than a generic assertion of pricing.

Contract structure provides partial protection. Large-equipment customers make progress collections and slot payments; Power contractual service agreements can span many years and bill largely with utilization or major outages. Design freeze, qualification, and scarce capacity create practical commitments. However, the annual report emphasizes fixed-price risk, and GE Vernova does not disclose a portfolio-wide contractual escalator rate, minimum-volume commitment, price realization by segment, service renewal rate, or customer churn. It would be wrong to assume every long-term contract passes through inflation. Price escalators and current-cost underwriting are part of the defense, but their coverage is not quantified.

Electrification's current pricing power is strongest in large transformers, HVDC capacity, selected switchgear, and scarce engineering slots; it is weaker in standardized conversion, storage integration, and stand-alone software. Wind's improved bid selectivity has not produced positive margins, so pricing power there remains unproven. The correct conclusion is observable scarcity-enhanced pricing in two segments, not blanket corporate pricing power.

8. Moat verdict

Moat gate: YELLOW. Power has a concrete, durable installed-base and high-trust service moat, and complex Electrification products have real qualification and engineering barriers. The gate does not pass yet because consolidated margin

persistence is short, Electrification has not been tested after competitor capacity arrives, and roughly one quarter of FY2025 revenue was Wind, where equipment economics remain unprotected. Upgrade to PASS if Power sustains mid-teens-or-better margins and service RPO or attachment through a delivery cycle, Electrification keeps mid-teens margins after 2027–2029 capacity additions, and Wind reaches durable break-even without reserve releases. Downgrade to FAIL if backlog pricing reverses with lead-time normalization, Power service revisions or HA quality impair installed-base economics, or Wind continues consuming the profit pool.

2046 test: YELLOW. A specific, credible 2046 GE Vernova exists: a service-heavy Power franchise, a qualified grid-equipment and control supplier, a larger nuclear/grid role, and a smaller, disciplined Wind business. The description rests on physical assets, qualification, and trust rather than a generic demand forecast. It remains YELLOW because the transition from today's gas/grid scarcity to through-cycle returns has not been observed, and the bear case of gas substitution, grid overcapacity, open architectures, and persistent Wind losses is materially probable rather than merely theoretical.

Source note

Quantitative historicals, current segment composition, backlog, service mix, operating margins, and Q2 2026 operating indicators are from the DR-cleared local `data_package.md`. Competitive orientation and business-process context are from the current `appendix_A_primer.md`. Segment-level mechanism analysis was preserved from the attempt-1 Power, Electrification, and Wind appendices and reconciled to the current taxonomy and sealed data anchors. Those preserved appendices relied principally on GE Vernova's FY2025 annual report, Q2 2026 earnings materials, and named peer and industry primary sources; this repair introduces no new external evidence.

Power — Segment Deep Dive

Company: GE Vernova Inc. (GEV) **Analysis date:** 2026-08-01 **TTM anchor:** Q3 FY2025 + Q4 FY2025 + Q1 FY2026 + Q2 FY2026, ending 2026-06-30 **Forward horizon:** 2031-06-30, exactly five calendar years after the TTM end **Profit convention:** GE Vernova discloses segment EBITDA rather than segment operating income. Accordingly, this appendix labels the modeled profit measure as segment EBITDA and EBITDA margin throughout; no segment figure should be read as GAAP operating income. Depreciation, corporate costs, interest, tax, stock compensation, capital expenditure, and working capital are outside this segment appendix. **Sealed upstream controls:** The DR-cleared `data_package.md` SHA-256 is `985f11204d273f7aaf005726dc20de12da7fa78102cceed1a178ac242ec99138`. The QFR-sealed `statutory_bridge.json` SHA-256 is `91fefbddb07bf72f79926461b35e83563f8d69d92f38bbddac7b333662a917ad`. The common issuer-disclosed profit metric is **Segment EBITDA**. The derived aggregate Adjusted-EBITDA-to-statutory-operating-income deduction remains a separate consolidated line; it is not allocated to Power or its analytical product lines because GE Vernova does not disclose a supportable internal allocation. This appendix does not use or modify the immutable quote packet, whose SHA-256 is `1794c50f1f99a3e06ad8f33e875a024394bb763cf133a6c191d696ca7e65d37f`.

0. Segment boundary and taxonomy note

Power is a reportable segment, but its business-unit boundary changed on January 1, 2026. Before that date, annual disclosure separated Gas Power, Nuclear Power, Hydro Power, and Steam Power. Under the current taxonomy, Steam Power was allocated into Gas, Nuclear, and Hydro; one component of former Electrification Software also moved into Gas. The data package states that the clean current-taxonomy quarterly history begins with Q1 FY2025 and that historical information in the Q2 FY2026 10-Q conforms to the new structure. Therefore this appendix keeps two bases visibly separate: the FY2021-FY2025 annual history and FY2023-FY2025 product history use the old taxonomy, while the TTM segment anchor and H1 FY2025/H1 FY2026 business-unit comparisons use the current taxonomy. The forward model retains a “Steam analytical bridge” only to expose the economics of the legacy installed base; it is not represented as a current reported business unit. No old-taxonomy product dollars are silently described as current-taxonomy dollars.

1. What this segment actually is

Power sells and services the physical systems that make electricity dispatchable. Its customers are utilities, independent power producers, industrial operators, national power authorities, engineering and construction contractors, and nuclear or hydro plant owners. These customers do not buy a commodity turbine in isolation. A typical relationship includes equipment selection and engineering, manufacturing, installation support, controls, commissioning, long-term service agreements, outage work, replacement parts, upgrades, digital monitoring, and performance guarantees. The purchase decision is

consequently based on lifetime reliability, efficiency, availability, emissions compliance, financing and execution credibility—not merely the upfront turbine price.

Gas Power is the economic center. It supplies heavy-duty gas turbines for large combined-cycle and simple-cycle plants, aeroderivative turbines for fast-start and smaller applications, generators, heat-recovery and balance-of-plant components, controls, and a long-duration service stream. Heavy-duty equipment is capacity intensive and sold through a limited number of manufacturing slots. Aeroderivatives address peaking, mobile, distributed, industrial, and data-center use cases where speed and flexibility matter. Once commissioned, a turbine can generate decades of inspection, parts, repair, upgrade, and contractual-service revenue. GE Vernova's HA fleet had four million operating hours, 130 commissioned units, and 195 units under contract at Q2 FY2026 [data_package §4, "HA installed base" row]. That growing installed base is economically more important than a single year's equipment deliveries because it expands the future service pool.

Nuclear Power supplies equipment and services to the installed nuclear fleet. The revenue stream includes outage services, parts, component work, modernization, fuel-adjacent and plant-life-extension support, and selected new-build or advanced-reactor opportunities. Nuclear work carries high qualification and safety requirements. The owner's switching cost is not simply the price of a component; it includes licensing, engineering validation, outage timing, and operational risk. This makes the existing-fleet service opportunity more durable than headline new-reactor awards, although project timing is episodic.

Hydro Power provides turbines, generators, controls, plant services, refurbishment, modernization, and pumped-storage-related equipment. Hydro is a smaller and more project-dependent business. Its opportunity set combines selective new-build projects with an aging installed base that needs efficiency upgrades, digital controls, rewinds, turbine replacements, and life extension. The economics can be attractive when work uses standardized technology and service content, but large civil-interface projects can absorb engineering hours and create execution risk.

Steam Power historically included services and legacy activities for steam turbines and generators used across coal, gas combined-cycle, nuclear, and industrial applications. GE Vernova no longer reports Steam as a standalone unit after the 2026 realignment. Economically, however, the installed base still matters: a declining new-equipment category can retain a durable, cash-generative service tail. The forward model therefore isolates a Steam analytical bridge to prevent its expected decline from being hidden inside Gas, Nuclear, or Hydro. It is an analytical allocation, not a claim about reported current-taxonomy revenue.

Pricing has two distinct mechanisms. Equipment pricing is negotiated around scarce delivery slots, configuration, input costs, efficiency, output, warranties, liquidated damages, and customer deposit terms. Services pricing reflects scope, fleet condition, outage windows, parts availability, contractual escalation, and performance commitments. The Q2 FY2026 Power order book illustrates the difference: $12.650B of equipment orders and $4.078B of services orders in the quarter, but Power RPO was $39.261B equipment and $72.388B services [IR2Q26 presentation via data_package §0a, "Latest-quarter segment orders, RPO, and margin," Power row]. Equipment orders can arrive in large bursts; the service RPO is longer duration and creates the earnings ballast.

Go-to-market is direct and technically intensive. Sales teams work with customers years before notice to proceed because site permits, interconnection, gas supply, financing, EPC selection, and grid planning must align. A slot reservation agreement, or SRA, is an intermediate commercial instrument that reserves manufacturing capacity before becoming a firm equipment backlog order. Management described customer funding as "nonrefundable" [data_package §6 Power quote 2], which makes an SRA more credible than an informal pipeline, but it still is not equivalent to a completed shipment or an unconditional revenue guarantee. The model therefore gives SRAs demand-signaling value while retaining conversion, cancellation, delay, and scope-change risk.

2. Current economics: TTM ending 2026-06-30

Power generated $21.087B of TTM revenue, calculated from the four current-taxonomy quarters: $4.863B in Q3 FY2025, $5.776B in Q4 FY2025, $4.971B in Q1 FY2026, and $5.477B in Q2 FY2026 [IR3Q25, IR4Q25, IR1Q26, and IR2Q26 presentations; revised dollars in IR2Q26; data_package §5 Power table]. The sealed statutory bridge reports exactly $3.475B of TTM Power Segment EBITDA [data_package §3a, TTM bridge Power row], equal to a 16.48% margin on the $21.087B revenue anchor. The rounded quarterly margins—13.4%, 17.0%, 16.3%, and 18.8%—independently reproduce approximately $3.474B, with the immaterial difference caused by rounded disclosure. The sealed $3.475B value controls. FY2025 old-taxonomy revenue of $19.767B and 14.7% margin [SEC25 Summary of Reportable Segments via data_package §3] remain useful history, but they are not substituted for the later TTM.

The quarterly progression shows both growth and mix improvement. Power's period-reported organic growth was 14% in Q3 FY2025, 5% in Q4, 10% in Q1 FY2026, and 14% in Q2 [data_package §5, Power quarterly table]. The data package warns that Q3 and Q4 organic percentages were reported before the realignment and must not be recomputed from revised dollars. The appendix therefore uses those percentages only as reported directional evidence; it does not use them to manufacture product revenue.

Demand visibility is extraordinary relative to the revenue base. Q2 FY2026 Power orders were $16.729B, while segment RPO was $111.649B [data_package §0a, latest-quarter segment table, Power row]. RPO equals roughly 5.29 times the $21.087B TTM revenue anchor. Services were $72.388B, or 64.8% of Power RPO; equipment was $39.261B, or 35.2%. The mix of Q2 orders was the inverse—approximately 75.6% equipment and 24.4% services—because large equipment awards entered the book rapidly. This divergence is economically sensible: equipment orders are lumpy, whereas service obligations stretch across long contract lives. RPO is a stock of unsatisfied performance obligations, not a five-year revenue forecast or a disclosed margin pool: recognition timing can extend beyond 2031, and cancellations, scope changes, variable consideration, intersegment activity, and cost-to-serve can differ. It supports duration and demand visibility, but the model does not convert the $111.649B total or $72.388B services portion directly into forecast revenue or EBITDA.

Gas contracts plus SRAs reached 116 GW at Q2 FY2026, split between 53 GW in firm backlog and 63 GW in SRAs [data_package §0a, latest backlog and contract inventory, Gas row]. The total increased from 55 GW in Q2 FY2025 to 62 GW in Q3, 83 GW in Q4, 100 GW in Q1 FY2026, and 116 GW in Q2. The 116 GW equals 5.8 times management's 20 GW stated annual output capacity for 2026, but this is only a capacity-equivalent demand indicator: it combines firm backlog with reservations, does not disclose unit configuration or revenue per GW, and is neither an annual shipment schedule nor 5.8 years of guaranteed output. Management said the company was "mostly sold out through 2030" and planned 30 GW of annual output in 2030 [data_package §6 Power quotes 7-8]. The data package's interpretation supplies the intermediate capacity path: 20 GW in 2026, 24 GW in 2028, and 30 GW in 2030. Equipment growth is therefore constrained more by manufacturing ramp and execution than by a lack of customer interest.

The old-taxonomy FY2025 product mix was Gas $16.006B, Nuclear $1.018B, Hydro $0.806B, and Steam $1.937B [SEC25 Note 24 via data_package §4, dollar-disclosed annual Power rows]. Gas represented 81.0% of the old-taxonomy total; Nuclear 5.2%; Hydro 4.1%; and Steam 9.8%. Current-taxonomy H1 FY2026 revenue was $8.493B Gas, $1.575B Nuclear, and $0.382B Hydro, compared with $7.516B, $1.310B, and $0.407B in H1 FY2025 [SEC2Q26 Note 24 via data_package §4, current-taxonomy H1 Power rows]. Those figures imply disclosed H1 changes of 13.0%, 20.2%, and negative 6.1%, respectively, but Steam allocations are embedded and the H1 numbers cannot be spliced into the old annual product series.

[DATA GAP: Power does not disclose segment revenue split between equipment and services, nor standalone revenue for heavy-duty turbines, aeroderivatives, HA, or service agreements. The model uses the disclosed equipment/service order and RPO mix to frame durability and margin, not to fabricate a historical revenue split.]

Capital intensity is rising but remains manageable relative to backlog. Power PP&E additions increased from $0.202B in FY2021 to $0.203B, $0.319B, $0.380B, and $0.573B through FY2025; H1 FY2026 additions were $0.357B [FORM10, SEC24, SEC25 Note 24, and SEC2Q26 Note 24 via data_package §0a reinvestment table]. Power-funded R&D moved from $0.303B in FY2021 to $0.308B, $0.324B, $0.391B, and $0.550B, with $0.286B in H1 FY2026 [FORM10, SEC24, SEC25, and SEC2Q26 Note 24 via data_package §0a R&D table]. FY2025 PP&E additions and R&D together were about 5.7% of Power revenue. This is not a software-like model: factories, test infrastructure, supply-chain tooling, engineering, and product certification require real reinvestment. Yet customer deposits, milestone billing, and long-lived services can make cash economics better than the asset additions alone suggest.

3. Unit economics

Equipment economics

Equipment revenue is earned through a long-cycle chain: reservation, engineering configuration, component procurement, manufacturing, testing, delivery, commissioning, and contractual acceptance. Profit depends on price locked at order, commodity and labor inflation, supplier performance, factory utilization, design maturity, warranty scope, liquidated-damage exposure, and the number of units moving through the same production system. A scarce slot can carry pricing power, but the order may be recognized years later. Backlog margin therefore matters more than the current spot bid environment.

The current cycle offers three margin levers. First, management said "Pricing does continue to strengthen" [data_package §6 Power quote 3], which indicates newer backlog should carry better economics than older deliveries. Second, output capacity rising from 20 GW in 2026 to 30 GW in 2030 creates fixed-cost absorption if factories ramp without disproportionate rework.

Third, a growing share of HA and aeroderivative deliveries expands the installed base for future services. Against these are execution risks: rapid hiring, supplier qualification, late components, expedited freight, commissioning delays, and warranty provisions can consume the apparent price benefit.

The equipment order book is not risk free. Of 116 GW under contract or reservation, 63 GW—54%—was still in SRAs rather than firm backlog at Q2 FY2026 [data_package §0a, Gas backlog/SRA row]. Customer funds may be nonrefundable, but customers can delay final investment decisions, fail to secure permits or interconnection, resize plants, or negotiate scope changes. In the bear case, the model assumes some SRAs convert more slowly and the 2030 factory plan creates under-absorption. It does not assume that all 116 GW cancels, which would be inconsistent with deposits, firm backlog, and global demand.

Service economics

Service revenue is generated from long-term contractual service agreements, planned and unplanned outages, replacement parts, component repair, upgrades, controls, monitoring, and performance work. The installed asset is costly and mission-critical; downtime can cost the plant owner far more than the price difference between service vendors. Original equipment manufacturers retain engineering data, certified repair processes, parts knowledge, and fleet-performance experience. Those characteristics support attractive pricing and repeat business.

The $72.388B service RPO is the best disclosed evidence of duration [data_package §0a, Power RPO mix]. It is 3.43 times Power TTM revenue by itself and nearly twice the equipment RPO. That does not mean service revenue will equal $72.388B within five years; some contracts span far longer. It does mean that the future mix has a substantial contracted service reservoir. The HA installed base also expands with each delivery, creating a service annuity that can outlast the equipment upcycle.

A live competitor comparison reinforces the model logic without being used as GEV history. Siemens Energy reported that services were 66% of its Gas Services revenue in FY2025 and that Gas Services had €54B of backlog, a 1.89 book-to-bill ratio, and a 13% profit margin before special items ([Siemens Energy FY2025 annual report](https://assets.siemens-energy.com/dam/32b27e9a-af91-4915-8b51-b3af012d0d98/A-Siemens_Energy_Annual_Report_2025-pdf_Original%20file.pdf), pp. 19-20). Its November 2025 Gas Services capital-markets presentation showed about 78 GW of secured turbine backlog, approximately €30B of revenue potential, around a 20-year service lifecycle, and a five-percentage-point improvement in new-unit backlog margin versus FY2024 ([Siemens Energy Gas Services CMD](https://assets.siemens-energy.com/dam/5fc093ca-4fd8-482c-8390-b39b004f66f3/251120_CMD-2025_Gas_Services_FINAL-pdf_Original%20file.pdf), pp. 4-5). The direct read-through is not that GEV must have the same service share or margin; it is that a large-frame gas OEM can translate scarce equipment capacity into decades of service economics.

Product-specific economics

Gas combines lower-margin equipment with higher-duration service, so revenue growth can initially dilute margins if new-unit shipments outrun service. The opposite occurs as the installed base matures and high-priced backlog flows through. The margin model therefore does not jump immediately to the horizon margin. It assumes gradual improvement through mix, backlog pricing, and factory absorption.

Nuclear economics are weighted toward installed-base service and high-value engineering. Safety qualification, outage discipline, and licensing create barriers, but work can be episodic and project-specific. A failed outage milestone or cost overrun is financially meaningful. The base case assigns Nuclear a high margin but does not assume software-like economics.

Hydro has an attractive modernization tail but more exposure to civil works, bespoke engineering, site conditions, and emerging-market funding. Refurbishment and controls are better economics than greenfield turnkey exposure. Hydro’s base margin rises modestly as service and modernization improve mix, while the bear case retains low-single-digit profitability because project losses can overwhelm a small revenue base.

Steam’s economic profile is harvesting rather than expansion. New coal-linked activity faces structural pressure, but the installed steam-turbine and generator base requires parts and outages across multiple fuel types, including nuclear and combined-cycle plants. A declining revenue line can still improve margin if low-return new-build work falls away faster than services. The model therefore uses negative base revenue growth but a 13% horizon margin for the analytical Steam bridge.

4. Competitive dynamics

Power equipment is an oligopoly rather than a monopoly. In large gas turbines, the main global competitors are Siemens Energy and Mitsubishi Heavy Industries, with regional and product-specific competition from Ansaldo Energia and others. Baker Hughes competes in aeroderivative and industrial turbine applications. Nuclear services face Westinghouse, Framatome, Mitsubishi, BWX Technologies, local national champions, and specialist component providers. Hydro competes with Voith, ANDRITZ, Toshiba, Harbin, Dongfang, and regional engineering groups. Steam services face Siemens Energy, Mitsubishi, Doosan, and independent service providers.

Demand is strong across the oligopoly. Mitsubishi Heavy Industries reported in November 2025 that Energy Systems orders rose ¥674.5B year over year in H1 FY2025, primarily due to GTCC demand, and that it booked 23 large-frame gas turbines, 14 more than the prior-year period ([MHI H1 FY2025 results](https://www.mhi.com/news/25110701.html)). Mitsubishi's installed-order record listed 1,776 gas turbine systems, including 1,162 heavy-duty and 614 aeroderivative units as of January 2025 ([Mitsubishi Power order summary](https://power.mhi.com/products/gasturbines/global-experience/)). The implication is two-sided: GE Vernova is participating in a genuine market cycle, but customers have credible alternatives. GE's pricing power comes from capacity scarcity, proven fleet performance, delivery timing, and service capability—not captive demand.

Siemens Energy's FY2025 Gas Services backlog of €54B and approximately 78 GW secured backlog confirm that GE's 116 GW is not an isolated artifact. Both competitors are expanding capacity and monetizing better-priced backlog. This supports a favorable industry structure through the five-year horizon, but it also limits the bull case. If every OEM adds capacity simultaneously and data-center or utility demand normalizes, the market can move from scarcity to excess slots around 2030-2031.

Mitsubishi's J-Series had more than three million operating hours in its 2025 integrated report, while GE's HA fleet had four million by Q2 FY2026. Operating history is a key competitive currency because customers are making multi-decade reliability decisions. No single operating-hours statistic proves superior lifecycle cost; it does show that both major platforms are sufficiently seasoned to compete. Product differentiation is meaningful but not absolute.

The demand backdrop is supportive. The IEA's July 2026 update forecast global electricity demand growth of 3.6% in 2026 and 3.8% in 2027, up from 3.0% in 2025, driven by industry, cooling, electrification, and data centers ([IEA Electricity Mid-Year Update news](https://www.iea.org/news/global-electricity-demand-growth-set-to-accelerate-as-power-systems-adjust-to-recent-shocks)). The IEA's Electricity 2025 report expected gas-fired generation to grow only about 1% annually in 2025-2027, but emphasized its continuing flexibility and backup role even in regions where output declines ([IEA Electricity 2025](https://www.iea.org/reports/electricity-2025/executive-summary)). Capacity demand can therefore outgrow gas generation volume because systems need firm capacity that runs at variable utilization. That distinction is crucial: turbine orders do not require gas generation to grow at the same rate forever.

Gas also faces substitution. Batteries, demand response, interconnections, renewable overbuild, and grid modernization can displace some peaking needs. Nuclear restarts and new-build can provide firm low-carbon power. In markets with high gas prices or carbon constraints, gas utilization and plant economics can deteriorate. The segment's advantage is portfolio breadth: gas, nuclear, hydro, and legacy steam services address different forms of dispatchability. The disadvantage is that no product is immune from policy, fuel, and financing cycles.

Nuclear has stronger regulatory barriers but longer lead times. The IAEA's 2025 outlook projected global nuclear capacity in a high case reaching 950 GW by 2050 and stated that realizing it would require plant-life management, modernization, license extensions, supply-chain resilience, and about 640 GW of new build ([IAEA 2025 report](https://www.iaea.org/sites/default/files/gc/gov-inf-2025-8-gc69-inf-4.pdf)). The installed-base portion is most relevant to the five-year Power model. New reactors can create upside, but permitting and construction timelines make it inappropriate to capitalize the entire long-term policy ambition into 2031 revenue.

Hydro benefits from the need for storage and flexibility but competes on engineering execution. The International Hydropower Association reported global hydro capacity of 1,469 GW at the end of 2025, 28 GW of additions during the year, more than 200 GW of pumped storage, and a 1,127 GW development pipeline ([IHA 2026 Outlook release](https://www.hydropower.org/news/year-of-the-water-battery-global-pumped-storage-capacity-surpasses-200-gw)). It also estimated nearly 40% of hydro plants were at least 40 years old, creating modernization opportunity ([IHA modernization analysis](https://www.hydropower.org/blog/digital-twins-and-doubling-efforts-to-modernise-hydropower)). However, ANDRITZ reported that its Hydro revenue grew 12.5% in 2025 and hydro order intake grew 16%, evidence that competitors are also capturing the cycle ([ANDRITZ FY2025 results](https://www.andritz.com/newsroom-en/news/2026-03-05-results-2025-group)).

5. Moat at the segment level

Power has a real segment moat, but it is an installed-base and execution moat rather than an unassailable technology monopoly. Its strongest elements are the installed fleet, service RPO, accumulated operating data, qualification requirements, global field-service network, and limited set of credible large-turbine OEMs. The weakest element is new-equipment exclusivity: sophisticated customers can choose Siemens or Mitsubishi and can pressure terms when capacity loosens.

The installed base creates recurring economic advantages. A turbine owner values availability, certified parts, engineering knowledge, outage speed, and fleet learning. Switching to an independent service provider can reduce price but may introduce technical, warranty, and performance risk. Each HA commissioning increases the population that may buy future inspections, hot-gas-path parts, upgrades, and performance services. The four million HA operating hours are valuable because failure modes and maintenance intervals become better understood across the fleet [data_package §4, HA installed-base row].

Service RPO is evidence of customer commitment. At $72.388B, it is larger than many industrial companies' total backlog and 64.8% of Power RPO [data_package §0a, Power RPO row]. Contract duration reduces revenue volatility and gives GE planning visibility. The moat is not equivalent to guaranteed margin: long-term agreements can become underpriced if inflation, technical scope, or utilization differs from assumptions. Good contract structuring and escalation clauses are therefore part of the moat.

Manufacturing capacity is a temporary moat enhancer. Being mostly sold out through 2030 makes an available, proven slot valuable. Customers with urgent load needs—especially data centers, utilities facing reserve-margin pressure, and countries replacing oil or coal—may pay for schedule certainty. Yet capacity scarcity attracts supply. GE, Siemens, and Mitsubishi all have reason to expand, so the moat must survive after the slot shortage eases. Installed-base services and fleet performance are more durable than the current equipment-price umbrella.

Nuclear qualification creates deeper switching costs. Safety culture, documentation, regulator acceptance, and outage performance take years to establish. The market is smaller and project timing is lumpier, but a trusted vendor can retain a role across decades of plant life. Hydro's moat is narrower: references, engineering experience, and installed-base familiarity matter, but large national and global competitors have comparable credentials. Steam's moat is strongest in proprietary parts and installed-base knowledge, while revenue is structurally challenged.

The five-to-ten-year durability test is positive with caveats. It is difficult to reproduce GE Vernova's global fleet, field organization, validated designs, and service RPO quickly. It is not difficult for existing peers to compete aggressively, nor is it impossible for customers to use independent services. The segment should sustain above-industrial-average returns if execution remains sound, but margins above the mid-20s would invite scrutiny because equipment cycles, warranty risk, and customer bargaining power prevent a perpetual monopoly outcome.

The principal moat-break signals are: HA availability or warranty problems that damage fleet confidence; SRA conversion falling while competitors retain their contracts; service RPO declining without revenue conversion; factory ramp causing cost overruns; or competitors offering meaningfully better efficiency and delivery. None is visible in the data package today, but the five-year model probabilities reflect the possibility.

6. Historical growth rates

The table below reproduces old-taxonomy annual disclosure. "Three-year CAGR" means the annualized growth from FY2023 to FY2025 across two compounding intervals, consistent with the three disclosed year-end observations. Every value is traced to the specific data-package row. The current-taxonomy H1 figures are discussed separately and are not inserted into this table.

Product / sub-segment	FY2023 revenue	FY2024 revenue	FY2025 revenue	FY2023-FY2025 CAGR	Most recent YoY	Data package cite
Gas Power	$13.220B [DP §4 Gas row]	$14.465B [DP §4 Gas row]	$16.006B [DP §4 Gas row]	10.0% [calculated from same row]	10.7% [calculated from same row]	SEC25 Note 24 via data_package §4, Gas Power row
Nuclear Power	$0.827B [DP §4 Nuclear row]	$0.819B [DP §4 Nuclear row]	$1.018B [DP §4 Nuclear row]	10.9% [calculated from same row]	24.3% [calculated from same row]	SEC25 Note 24 via data_package §4, Nuclear Power row
Hydro Power	$0.887B [DP §4 Hydro row]	$0.781B [DP §4 Hydro row]	$0.806B [DP §4 Hydro row]	(4.7)% [calculated from same row]	3.2% [calculated from same row]	SEC25 Note 24 via data_package §4, Hydro Power row
Steam Power	$2.502B [DP §4 Steam row]	$2.063B [DP §4 Steam row]	$1.937B [DP §4 Steam row]	(12.0)% [calculated from same row]	(6.1)% [calculated from same row]	SEC25 Note 24 via data_package §4, Steam Power row

Product / sub-segment	FY2023 revenue	FY2024 revenue	FY2025 revenue	FY2023-FY2025 CAGR	Most recent YoY	Data package cite
Power segment	$17.436B [DP §3 Power row]	$18.127B [DP §3 Power row]	$19.767B [DP §3 Power row]	6.5% [calculated from same row]	9.0% [DP §3 Power YoY row]	FORM10, SEC24, and SEC25 via data_package §3, Power row

Arithmetic checks all fall within the required 2%:

- Gas: $13.220B × 1.0942 = $14.465B; $14.465B × 1.1065 = $16.006B.
- Nuclear: $0.827B × 0.9903 = $0.819B; $0.819B × 1.2430 = $1.018B.
- Hydro: $0.887B × 0.8805 = $0.781B; $0.781B × 1.0320 = $0.806B.
- Steam: $2.502B × 0.8245 = $2.063B; $2.063B × 0.9389 = $1.937B.
- Segment: $17.436B × 1.0396 = $18.127B; $18.127B × 1.0905 = $19.767B.

No historical dollars were back-solved. The FY2025 old-taxonomy product rows sum exactly: $16.006B + $1.018B + $0.806B + $1.937B = $19.767B. The current-taxonomy FY2025 Power total is $19.873B, a $0.106B increase explained by the disclosed realignment bridge [data_package §1, FY2025 composition table and §3 restatement bridge].

7. Management guidance

All Power guidance below is quoted only from data_package §6; no transcript was re-fetched.

- **Gas backlog, Q3 FY2025:** Scott Strazik said “backlog grew this quarter from 29 to 33 gigawatts.” [data_package §6, Power quote 1] The firm order book was already expanding before the subsequent SRA acceleration.
- **SRA firmness, Q3 FY2025:** Ken Parks described customer funding as “nonrefundable.” [data_package §6, Power quote 2] Deposits strengthen the economic quality of reservations, but they do not eliminate project delay or conversion risk.
- **Gas pricing, Q4 FY2025:** Strazik said “Pricing does continue to strengthen.” [data_package §6, Power quote 3] The base margin case assumes newer backlog recognizes above older-book margins; the bear case assumes execution costs absorb much of the benefit.
- **Contract mix, Q4 FY2025:** Strazik cited “backlog increasing from 33 to 40 gigawatts and SRAs increasing from 29 to 43 gigawatts.” [data_package §6, Power quote 4] Nearly half the then-83 GW headline remained reservations.
- **Firm backlog, Q1 FY2026:** Strazik said “Backlog grew from 40 to 44 gigawatts.” [data_package §6, Power quote 5] Backlog expanded even as SRAs grew faster.
- **Contract outlook, Q1 FY2026:** Strazik said “at least 110 gigawatts under contract.” [data_package §6, Power quote 6] Q2’s 116 GW subsequently exceeded that threshold.
- **Capacity visibility, Q2 FY2026:** Strazik said Power was “mostly sold out through 2030.” [data_package §6, Power quote 7] The five-year model is supply constrained through most of its horizon, making capacity execution the central variable.
- **Capacity target, Q2 FY2026:** Strazik said “30 gigawatts of annual output in 2030.” [data_package §6, Power quote 8] The base gas path follows the staged 20 GW in 2026, 24 GW in 2028, and 30 GW in 2030 plan rather than assuming instantaneous capacity.

At the company’s December 2025 Investor Update, management targeted a 22% Power EBITDA margin in 2028 [data_package §6, Investor Update anchor]. This is the most explicit segment profitability guide. It is not a product-revenue guide. The base model reaches a 23.0% blended margin in 2031, consistent with achieving approximately 22% by 2028 and earning modest additional service mix and fixed-cost leverage thereafter. The bull reaches 26.1%, which requires sustained scarcity and clean execution. The bear falls to 15.9%, roughly the current TTM level.

8. Forward growth assumptions

TTM analytical product anchors

[DATA GAP: Current-taxonomy Q3/Q4 FY2025 product revenue by Gas, Nuclear, and Hydro is not included in the data package, and Steam is no longer reported separately. To keep the forward model reconstructable without fabricating reported

history, the $21.087B TTM segment total is allocated for modeling using the disclosed FY2025 old-taxonomy product shares. The resulting mutually exclusive anchors are analytical allocations only: Gas $17.075B, Nuclear $1.086B, Hydro $0.860B, and Steam bridge $2.066B. They sum to $21.087B. The current-taxonomy H1 FY2026 Gas/Nuclear/Hydro dollars cannot be inserted into this four-line bridge because they already embed allocated Steam and the moved software component; doing so while retaining Steam would double count. In particular, the $1.086B analytical Nuclear anchor is not comparable with the $1.575B reported current-taxonomy H1 Nuclear line. Without the allocation keys, old-share allocation is the neutral reconstructable bridge, and only the $21.087B segment total is a reported TTM anchor.]

The base case translates the 116 GW demand signal into a capacity-constrained rather than demand-unlimited path. Gas growth decelerates from 12% in the first forward year to 11%, 10%, 8%, and 6.5%, producing a 9.5% five-year CAGR. The decline is not generic “maturation”; it reflects the approach to the 30 GW capacity target, harder comparisons, and the possibility that some later SRAs shift beyond 2031. The peer comparison is supportive: Siemens Energy guided FY2026 Gas Services growth of 16%-18% and a mid-teens CAGR to FY2028 from FY2025 in its November 2025 presentation, so GE’s 9.5% five-year gas assumption is below a comparable’s nearer-term path and explicitly decelerates.

Base case

Product	FY2023-FY2025 historical CAGR	Latest old-taxonomy YoY	Management FY+1 guide	Base CAGR TTM to TTM+5y	Justification
Gas analytical line	10.0%	10.7%	No revenue guide; 20 GW 2026 capacity, 24 GW 2028, 30 GW 2030	9.5%	116 GW contracts/SRAs and sold-out slots support growth; staged capacity and later normalization drive 12%, 11%, 10%, 8%, 6.5% annual growth.
Nuclear analytical line	10.9%	24.3%	No product revenue guide	8.0%	Installed-fleet work and life extensions are durable, but FY2025 growth is too lumpy to extrapolate; annual path is 10%, 9%, 8%, 7%, 6%.
Hydro analytical line	(4.7)%	3.2%	No product revenue guide	4.0%	Aging plants and pumped-storage demand reverse historical decline, tempered by project timing; annual path is 6%, 5%, 4%, 3%, 2%.
Steam analytical bridge	(12.0)%	(6.1)%	No standalone guide after realignment	(3.0)%	Service tail declines slower than old new-build activity; annual path is 0%, (1)%, (3)%, (5)%, (6)%.

Bull case

Product	FY2023-FY2025 historical CAGR	Latest old-taxonomy YoY	Management FY+1 guide	Bull CAGR TTM to TTM+5y	What changes versus base
Gas analytical line	10.0%	10.7%	Capacity plan, not revenue guide	12.5%	Capacity reaches targets early, SRAs convert, data-center demand persists, and price/mix lift revenue; growth stays near 14%, 14%, 13%, 11%, 10.5%.
Nuclear analytical line	10.9%	24.3%	No product revenue guide	11.0%	More life-extension, uprate, outage, and selected new-build work converts; annual path is 13%, 12%, 11%, 10%, 9%.
Hydro analytical line	(4.7)%	3.2%	No product revenue guide	7.0%	Pumped storage and modernization awards accelerate with clean project execution; annual path is 9%, 8%, 7%, 6%, 5%.
Steam analytical bridge	(12.0)%	(6.1)%	No standalone guide	0.0%	Service, generator, and nuclear/combined-cycle steam work fully offset structural coal decline; annual path averages flat.

Bear case

Product	FY2023-FY2025 historical CAGR	Latest old-taxonomy YoY	Management FY+1 guide	Bear CAGR TTM to TTM+5y	What changes versus base
Gas analytical line	10.0%	10.7%	Capacity plan, not revenue guide	4.0%	SRA conversion slows, permitting delays push deliveries, competitors add slots, and post-2029 demand normalizes; annual path is 7%, 6%, 4%, 2%, 1%.
Nuclear analytical line	10.9%	24.3%	No product revenue guide	3.0%	Outage and modernization work persists, but new projects slip and the FY2025 step-up reverses; annual path is 5%, 4%, 3%, 2%, 1%.
Hydro analytical line	(4.7)%	3.2%	No product revenue guide	(1.0)%	Financing, permitting, and civil-interface delays outweigh modernization; annual path is 1%, 0%, (1)%, (2)%, (3)%.
Steam analytical bridge	(12.0)%	(6.1)%	No standalone guide	(8.0)%	Coal retirements and independent-service competition overwhelm the remaining service tail; decline accelerates.

The bear is intentionally not a demand-collapse scenario. Fifty-three GW was already in backlog, service RPO was $72.388B, and deposits support the SRA book. A 4% gas CAGR still allows growth but assumes much less conversion and no durable scarcity rent. Conversely, the bull does not capitalize all 116 GW immediately; it respects factory capacity and keeps the forecast within plausible delivery throughput.

9. Forward segment EBITDA-margin assumptions

The sealed TTM Segment EBITDA margin is 16.48%. Product margins are not disclosed. The analytical starting margins below—Gas 17.7%, Nuclear 20.0%, Hydro 7.0%, and Steam 8.5%—are calibrated solely to reproduce the disclosed TTM segment result when weighted by the analytical product anchors. They are not presented as reported margins. The calibration produces about $3.475B of Segment EBITDA; rounded quarterly revenue and margin disclosures independently produce approximately $3.474B, an immaterial disclosure-rounding difference.

Product	Analytical TTM Segment EBITDA margin	Bear 2031 Segment EBITDA margin	Base 2031 Segment EBITDA margin	Bull 2031 Segment EBITDA margin	Specific mechanism
Gas analytical line	17.7%	17.0%	24.0%	27.0%	Bear loses price to ramp costs and excess slots; base captures priced backlog, service mix, and fixed-cost absorption; bull adds flawless ramp and sustained scarcity.
Nuclear analytical line	20.0%	17.0%	24.0%	27.0%	Qualification and service mix support margin; project delays hurt bear, while life-extension and high-value outage work lift base/bull.
Hydro analytical line	7.0%	5.0%	12.0%	16.0%	Standardization, modernization, and controls improve mix; bear retains civil and project-loss pressure.
Steam analytical bridge	8.5%	4.0%	13.0%	17.0%	Base/bull harvest higher-margin service as low-return new work declines; bear suffers volume deleverage and third-party competition.

The base Gas improvement of 630 basis points is the most important assumption. Three mechanisms are required. First, management’s strengthening pricing must be present in recognized backlog, not merely current bids. Second, output capacity must rise without proportional indirect cost and rework. Third, service growth from the installed base must offset any equipment-mix dilution. If only one or two mechanisms occur, Gas is unlikely to reach 24%.

The greater-than-100-basis-point product moves require explicit analytical bridges. In the base case, Gas’s 630-basis-point increase is attributed approximately to 250 basis points of priced-backlog recognition, 200 basis points of service mix, and 180 basis points of factory absorption; Nuclear’s 400 basis points to roughly 250 basis points of installed-base/outage mix and 150 basis points of utilization; Hydro’s 500 basis points to about 300 basis points of modernization/controls mix and 200 basis

points of project selection and standardization; and Steam's 450 basis points to about 300 basis points from exiting low-return new activity and 150 basis points of service mix. These are scenario-attribution assumptions, not disclosed product margins or management guidance.

The bull adds specific upside rather than a uniform margin scalar: versus base, Gas gains 300 basis points from sustained slot scarcity and a low-rework capacity ramp; Nuclear gains 300 basis points from more life-extension/uprate and high-value outage work; Hydro gains 400 basis points from pumped-storage/modernization mix with no major project loss; and Steam gains 400 basis points from a more resilient service tail and less volume deleverage. The bear reverses those mechanisms through excess slots, ramp costs, project delays or losses, and third-party service competition.

The segment's 22% 2028 management target constrains the model. The 22.98% base result is the revenue-weighted rollup—not an assumed segment plug: Gas plus Nuclear are 91.0% of 2031 base revenue at 24.0%, Hydro is 3.3% at 12.0%, and Steam is 5.7% at 13.0%. The 26.05% bull is likewise mechanical: Gas plus Nuclear are 90.9% of bull revenue at 27.0%, Hydro is 3.4% at 16.0%, and Steam is 5.8% at 17.0%. The bull is deliberately demanding and is not justified by direct comparison with Siemens Energy's differently defined Gas Services margin; it requires every named scarcity, mix, and execution lever and therefore carries only a 20% probability. The bear's 15.86% is slightly below the TTM segment margin, consistent with backlog supporting revenue while ramp costs and price normalization prevent leverage.

Capital investment is embedded in the margin logic rather than ignored. The output ramp requires tooling, suppliers, test capacity, automation, and people. PP&E additions and R&D together were about $1.123B in FY2025 [data_package §0a, Power reinvestment rows]. Segment EBITDA does not deduct capital expenditure, so a higher EBITDA margin is not automatically equivalent to higher free-cash-flow conversion. The synthesis agent should carry capex and working-capital implications at the consolidated level.

10. Segment rollup

All revenue figures below compound the analytical TTM product anchors for exactly five years to 2031-06-30. Modeled Segment EBITDA equals horizon revenue multiplied by the analytical product margin on the sealed Segment EBITDA basis in Section 9. No residual, plug, or sixth year is included.

Bear rollup

Product	TTM anchor	Five-year CAGR	2031 revenue	2031 Segment EBITDA margin	2031 Segment EBITDA
Gas analytical line	$17.075B	4.0%	$20.774B	17.0%	$3.532B
Nuclear analytical line	$1.086B	3.0%	$1.259B	17.0%	$0.214B
Hydro analytical line	$0.860B	(1.0)%	$0.818B	5.0%	$0.041B
Steam analytical bridge	$2.066B	(8.0)%	$1.362B	4.0%	$0.054B
Power total	**$21.087B**	**2.8%**	**$24.213B**	**15.86%**	**$3.841B**

Bear arithmetic: $20.774B + $1.259B + $0.818B + $1.362B = $24.213B. Segment EBITDA is $3.532B + $0.214B + $0.041B + $0.054B = $3.841B. $3.841B / $24.213B = 15.86%.

Base rollup

Product	TTM anchor	Five-year CAGR	2031 revenue	2031 Segment EBITDA margin	2031 Segment EBITDA
Gas analytical line	$17.075B	9.5%	$26.880B	24.0%	$6.451B
Nuclear analytical line	$1.086B	8.0%	$1.596B	24.0%	$0.383B
Hydro analytical line	$0.860B	4.0%	$1.046B	12.0%	$0.126B
Steam analytical bridge	$2.066B	(3.0)%	$1.774B	13.0%	$0.231B
Power total	**$21.087B**	**8.2%**	**$31.296B**	**22.98%**	**$7.190B**

Base arithmetic: $26.880B + $1.596B + $1.046B + $1.774B = $31.296B. The displayed product Segment EBITDA values sum to $7.191B because each product is rounded independently; the unrounded product calculations sum to $7.190B, which controls the total. $7.190B / $31.296B = 22.98%. The five-year segment revenue CAGR is 8.22%.

Bull rollup

Product	TTM anchor	Five-year CAGR	2031 revenue	2031 Segment EBITDA margin	2031 Segment EBITDA
Gas analytical line	$17.075B	12.5%	$30.769B	27.0%	$8.308B
Nuclear analytical line	$1.086B	11.0%	$1.830B	27.0%	$0.494B
Hydro analytical line	$0.860B	7.0%	$1.206B	16.0%	$0.193B
Steam analytical bridge	$2.066B	0.0%	$2.066B	17.0%	$0.351B
Power total	**$21.087B**	**11.2%**	**$35.872B**	**26.05%**	**$9.346B**

Bull arithmetic: $30.769B + $1.830B + $1.206B + $2.066B = $35.871B; the displayed $35.872B total reflects unrounded product calculations, a $0.001B rounding difference well inside the 1% contract. Segment EBITDA is $8.308B + $0.494B + $0.193B + $0.351B = $9.346B. $9.346B / $35.872B = 26.05%.

The model's probability-weighted Power outcome is approximately $30.4B revenue and $6.8B Segment EBITDA using 25% bear, 55% base, and 20% bull probabilities. Those figures are the direct weighted sums of the displayed case totals: $30.440B revenue and $6.784B Segment EBITDA before rounding. The base remains the synthesis input unless the orchestrator chooses an explicit probability-weighted framework. The probabilities reflect strong backlog and capacity visibility but meaningful execution and cycle risk.

11. Key risks and wildcards

Gas SRA conversion and cancellation [bear]. Fifty-three GW was firm backlog and 63 GW was in SRAs at Q2 FY2026. Nonrefundable funding improves quality, but final orders can be delayed by permits, interconnection, financing, gas supply, EPC capacity, or customer changes. A useful monitor is the quarterly bridge from SRA to backlog, not the 116 GW headline alone.

Factory and supplier ramp [bear/base]. Moving from 20 GW output in 2026 to 30 GW in 2030 is a 50% capacity increase. If suppliers, skilled labor, testing, or quality systems lag, expedited freight, rework, liquidated damages, and warranty expense can consume pricing. The base case requires ramp discipline; the bull requires near-flawless execution.

Capacity overshoot [bear]. All major OEMs are responding to demand. If GE, Siemens, and Mitsubishi capacity arrives as data-center or utility orders normalize, delivery slots can lose scarcity value near the horizon. The bear’s 4% Gas CAGR and 17% margin reflect this risk without assuming a collapse of the installed-base service stream.

Gas policy and fuel-price risk [bear]. High gas prices, carbon policy, methane regulation, permitting constraints, and renewable-plus-storage economics can weaken plant utilization or final investment decisions. The IEA still sees gas as essential flexibility, but only modest generation growth. A capacity order boom is not proof of permanently high utilization.

Data-center concentration [bull/bear]. Rapid AI and cloud load growth can sustain urgency and pricing. It can also produce clustered customers, aggressive schedules, and a capex correction if demand forecasts overshoot. The data package does not disclose customer-level concentration, so diversification cannot be assumed.

Service-contract inflation [bear]. Long-term service RPO is a moat only if escalation, scope, and operating assumptions are adequate. Unplanned failure patterns, utilization above contract assumptions, or input inflation can turn visible revenue into weak margin. Monitoring service RPO growth and realized segment margin together is more informative than backlog alone.

HA fleet reliability and warranty [bear]. Four million operating hours improve validation, but any systemic component issue across a growing fleet could create direct warranty cost and reputational damage. The data package discloses only a company-wide warranty liability, not a Power-only reserve. [DATA GAP: Power-specific warranty provisions and liability are not separately disclosed.]

Nuclear life extension and new build [bull]. License extensions, uprates, SMRs, and new-reactor supply-chain work can push Nuclear above the base case. However, projects are politically and financially sensitive and frequently move beyond five years. The bull assumes selective conversion, not wholesale realization of the IAEA 2050 outlook.

Nuclear execution and liability [bear]. Safety-critical projects have severe consequences for quality or schedule failures. Qualification is a moat, but it raises the cost of mistakes. A few delayed outages or fixed-price projects can move a $1B-scale analytical revenue line materially.

Hydro modernization and pumped storage [bull]. A large aging installed fleet and over 200 GW of global pumped storage capacity create a credible service and equipment runway. GE can outperform if it focuses on modernization, controls, and standardized scope rather than risky civil interfaces.

Hydro project risk [bear]. Permitting, geotechnical conditions, civil contractors, local-content rules, and sovereign funding can delay revenue and create claims. The small scale of Hydro means one project can dominate a year.

Steam decline and service harvesting [base/bear]. Steam is no longer separately reported, reducing transparency. The base assumes service revenue declines slowly and margins improve as low-return activity falls away. If independent service providers take share or coal retirements accelerate, the bear's 8% annual decline is more appropriate.

Taxonomy opacity [all cases]. The 2026 realignment improves current reporting but eliminates standalone Steam disclosure and embeds a software component in Gas. Current-taxonomy Q3/Q4 FY2025 product dollars are missing from the data package. The analytical allocations make the model reconstructable, but future reported product mix may not match these bridge buckets. The segment total is more reliable than any analytical product anchor.

Margin-definition risk [all cases]. Segment profit is EBITDA, not GAAP operating income. Power's capital needs, depreciation, corporate costs, interest, tax, and stock compensation are handled elsewhere in the full-company model. The synthesis must not treat $7.190B base Power EBITDA as GAAP operating income or free cash flow.

Summary

Case	Segment TTM+5y Revenue	Exact profit metric	Segment TTM+5y Profit Margin	Segment TTM+5y Profit	Probability
Bear	$24.213B	Segment EBITDA	15.86%	$3.841B	25%
Base	$31.296B	Segment EBITDA	22.98%	$7.190B	55%
Bull	$35.872B	Segment EBITDA	26.05%	$9.346B	20%

Power's central case is a capacity-constrained industrial compounder rather than an unconstrained demand story. The 116 GW gas contract/SRA book, $111.649B Power RPO, $72.388B service RPO, expanding HA fleet, and sold-out position through 2030 support an 8.2% segment revenue CAGR and a 23.0% 2031 EBITDA margin. The principal underwriting question is execution: whether GE Vernova can expand annual gas output from 20 GW to 30 GW, convert SRAs into backlog, deliver better-priced units without quality leakage, and translate the installed base into service earnings. The base case assumes it can; the 25% bear probability recognizes that capacity ramps and equipment cycles often destroy part of the apparent pricing benefit.

GE Vernova Electrification — Segment Deep Dive

Model anchor: trailing twelve months ended **June 30, 2026**, comprising Q3 FY2025, Q4 FY2025, Q1 FY2026, and Q2 FY2026. **Forecast endpoint: June 30, 2031**, exactly five calendar years later. Currency is U.S. dollars. Unless explicitly identified as an external industry comparison, every GE Vernova historical dollar, rate, KPI, and management quotation comes from `data_package.md`, the DR-cleared single source of truth.

Governed inputs as of 2026-08-01: DR-cleared `data_package.md` SHA-256 `985f11204d273f7aaf005726dc20de12da7fa78102cceed1a178ac242ec99138`; sealed `statutory_bridge.json` SHA-256 `91fefbddb07bf72f79926461b35e83563f8d69d92f38bbddac7b333662a917ad`. The bridge's aggregate Adjusted-EBITDA-to-statutory-operating-income deduction is not allocated to Electrification.

0. Segment boundary and taxonomy note

Electrification has a mandatory taxonomy boundary at **January 1, 2026**. Before that date, annual disclosure comprised Grid Solutions, Power Conversion & Storage, and Electrification Software. On the current taxonomy, Grid Solutions was separated into **Power Transmission**, **Grid Systems Integration**, and **Grid Automation & Software**; former Electrification Software was split, with one component moved to Gas Power and the rest combined with Grid Automation & Software. The clean restated quarterly boundary is Q1 FY2025 onward. Therefore, this appendix never splices old-taxonomy annual business-unit dollars into current-taxonomy product history. It uses the old taxonomy solely to show FY2023-FY2025 disclosed growth, uses current-taxonomy H1 comparisons for the new business units, and estimates the TTM product allocation transparently from disclosed segment totals. The FY2025 old-taxonomy segment total of $9.642B is not treated as comparable to the restated current-taxonomy $9.487B. [data_package §1, "Realignment flag"; §3, "Restatement bridge for FY2025"]

GE Vernova discloses segment profit as **Segment EBITDA**, not segment operating income. Every historical, forecast, rollup, and summary table therefore uses the exact label **Segment EBITDA** and **Segment EBITDA margin**. The aggregate statutory-operating-income bridge remains a separate consolidated line for synthesis; it is not allocated into Electrification.

1. What this segment actually is

Electrification sits between power generation and the end user. It supplies the hardware and control layer that moves electricity across long distances, transforms voltage, connects generation and large loads, stabilizes alternating-current networks, converts electricity between forms, stores energy, and tells grid operators what is happening. The customer base includes investor-owned and state-owned utilities, transmission system operators, independent system operators, engineering-procurement-construction contractors, renewable developers, industrial sites, marine and mining customers, and increasingly hyperscale data-center developers.

The current portfolio has four business units:

- **Power Transmission** includes high-voltage equipment, air-insulated and gas-insulated switchgear, circuit breakers, power and distribution transformers, and associated services. Prolec GE, consolidated from February 2, 2026, materially expands the transformer position, particularly in North America.
- **Grid Systems Integration** designs and delivers high-voltage direct-current links, substations, flexible AC transmission systems, synchronous condensers, and complex turnkey grid-integration projects. Revenue is project based, milestone driven, and engineering intensive.
- **Power Conversion & Storage** provides power electronics, drives, motors, converters, battery-energy-storage integration, and related systems for industrial, marine, renewable, and grid applications.
- **Grid Automation & Software** provides protection, controls, supervisory and energy-management software, grid orchestration, automation, and digital tools. It is the smallest revenue line but strategically important because it can increase the usable capacity and reliability of installed grid assets.

The pricing model differs sharply by product. Standardized breakers and switchgear are configured equipment sold against specifications and delivery slots. Large transformers are engineered-to-order assets with long lead times, high freight and test requirements, and price escalation or indexed input clauses where disciplined underwriting permits. HVDC and substation projects are multiyear contracts in which engineering, procurement, site work, commissioning, and customer acceptance determine revenue and cash milestones. Software carries license, subscription, maintenance, and implementation elements, but GE Vernova does not separately disclose recurring revenue or ARR. Services include inspection, parts, upgrades, field support, and life extension. They are currently a minority of segment RPO but should produce steadier and higher-margin revenue than original equipment.

Go-to-market is direct for utilities and major projects. Qualification, technical studies, bankability, local-content rules, and a supplier’s record of delivering high-voltage projects matter more than broad consumer-style distribution. Large buyers may standardize on several approved suppliers to reduce dependency, but switching is slow once a design is engineered, tested, certified, and embedded in protection and control schemes. For data centers, GE Vernova can sell at several layers: utility interconnection, grid reinforcement, transformers, switchgear, synchronous condensers, substations, conversion systems, and automation. The segment is therefore not merely a data-center electrical-components vendor; it is a grid bottleneck and integration platform with data-center demand as one increasingly material source of orders.

2. Current economics: TTM ended June 30, 2026

Electrification generated **$12.082B** of TTM revenue: $2.565B in Q3 FY2025, $2.921B in Q4 FY2025, $2.959B in Q1 FY2026, and $3.637B in Q2 FY2026. The sealed statutory bridge reports exact TTM **Segment EBITDA of $2.080B**, equal to a **17.22% Segment EBITDA margin**. Applying the rounded quarterly margins gives $2.077B; the $3M difference is disclosure rounding, so the sealed $2.080B controls. [data_package §3a, TTM bridge, Electrification Segment EBITDA row; §5, Electrification quarter rows]

The recent growth rate is unusually high. Q1 and Q2 FY2026 organic revenue growth were each 29% on the current taxonomy; Q3 and Q4 FY2025 were each reported at 32% on the period taxonomy and cannot be recomputed from the revised dollars. The important analytical point is not to extrapolate 29%-32% for five years. It is that backlog conversion, price, factory throughput, and Prolec make a double-digit medium-term growth runway plausible even after a deliberately modeled deceleration.

Demand visibility is exceptional. At Q2 FY2026, Electrification had **$44.563B** of RPO, of which **$40.589B** was equipment and **$3.974B** services. Total RPO equals 3.69 times TTM revenue, while equipment alone equals about 3.95 times the estimated TTM equipment revenue used below. These are coverage ratios, not 3.69 or 3.95 years of executable revenue: conversion

timing, cancellations, scope changes, price, and the duration of service obligations can all make realized revenue differ from a simple run-rate comparison. Q2 orders were **$6.347B** against $3.637B of revenue, a 1.75x quarterly book-to-bill; equipment orders were $5.667B and services orders $0.680B. These are visibility indicators, not a promise that every dollar will convert on schedule. [data_package §0a, “Latest-quarter segment orders, RPO, and margin”]

The segment’s disclosed business-unit dollars do not yet provide four full quarters under the current taxonomy. H1 FY2026 revenue was $3.256B in Power Transmission, $1.497B in Grid Systems Integration, $1.016B in Power Conversion & Storage, and $0.827B in Grid Automation & Software, totaling $6.596B. H2 FY2025 restated segment revenue was $5.486B, equal to FY2025 restated revenue of $9.487B less H1 FY2025 current-taxonomy revenue of $4.001B. To create a reconstructable TTM product anchor, this model allocates that disclosed H2 total 40% to Power Transmission, 28% to Grid Systems Integration, 17% to Power Conversion & Storage, and 15% to Grid Automation & Software. The 68% combined assignment to Power Transmission and Grid Systems Integration approximates old-taxonomy Grid Solutions’ 68.7% share of FY2025 segment revenue; the 40:28 split within that pool is 58.8%/41.2%, close to the disclosed H1 FY2025 Power Transmission/Grid Systems Integration split of 60.0%/40.0%. The remaining 17%/15% reflects Power Conversion & Storage’s slight lead over Grid Automation & Software in H1 FY2025. This is a bounded analyst allocation, not a hidden management disclosure or a claim that old and current taxonomies are directly interchangeable.

The resulting TTM product anchors are **$5.450B Power Transmission**, **$3.033B Grid Systems Integration**, **$1.949B Power Conversion & Storage**, and **$1.650B Grid Automation & Software**. They sum exactly to $12.082B. Forecast error in the allocation affects product detail, but not the segment starting total. As a sensitivity, allocating H2 FY2025 at the disclosed H1 FY2025 current-taxonomy mix instead would produce approximately $5.246B, $2.824B, $2.102B, and $1.910B, respectively; under the same base growth and margin assumptions, TTM+5 revenue would be about $21.016B rather than $21.194B, a 0.8% difference. This limitation is preferable to silently presenting old Grid Solutions dollars as if they were Power Transmission.

The segment is becoming more capital intensive as it expands scarce manufacturing capacity. Electrification PP&E additions rose from $0.074B in FY2023 to $0.153B in FY2024 and $0.273B in FY2025. H1 FY2026 additions were $1.134B, although $0.942B of that amount was acquired Prolec PP&E; the remaining approximately $0.192B reflects continuing organic investment. Segment R&D was $0.430B in FY2025 and $0.219B in H1 FY2026. [data_package §0a, “Segment reinvestment history”] The capital program is not optional: factories, winding capacity, test bays, clean assembly, switchgear lines, field engineering, and skilled labor are the physical conversion mechanism from backlog to revenue.

At the sub-product level, air-insulated switchgear alone represented about **$5B of backlog**. Production was approximately **9,000 units in FY2025**, with about **10,500 planned for FY2026**, a 16.7% unit increase. Data-center solution orders were approximately $0.4B in Q3 FY2025, more than $2B in all of FY2025, and more than $5B in H1 FY2026. These figures are orders, not standalone revenue, and they must not be inserted into the product revenue model as though already recognized. [data_package §4, “Sub-products with operating or growth disclosure but no standalone revenue,” rows Air-insulated switchgear and Data-center solutions]

Estimated equipment and services overlay

GE Vernova does not disclose Electrification revenue by equipment and services. To model the economics, the TTM is allocated 85.1% to equipment and 14.9% to services, using the product mix and the fact that services are 8.9% of segment RPO and 10.7% of Q2 orders but likely a higher percentage of currently recognized revenue. The table is explicitly an analyst estimate and is not used to override the disclosed total.

Business unit	Estimated TTM equipment revenue	Estimated TTM services revenue	Estimated service share	Rationale
Power Transmission	$4.905B	$0.545B	10%	Large transformer and switchgear backlog is equipment led
Grid Systems Integration	$2.790B	$0.243B	8%	Turnkey HVDC and substation projects dominate
Power Conversion & Storage	$1.676B	$0.273B	14%	Installed conversion systems support field service
Grid Automation & Software	$0.907B	$0.743B	45%	Software maintenance, upgrades, controls, and support raise recurring mix
Segment	$10.278B	$1.804B	14.9%	Sums to the disclosed $12.082B segment TTM

An estimated 26% Segment EBITDA margin on services and 15.68% on equipment produces approximately $0.469B and $1.611B of Segment EBITDA, respectively, or $2.080B combined. These are modeling allocations rather than disclosed product margins; they are constrained to the sealed TTM segment total and illustrate why expanding the service and software base matters even while equipment drives most incremental revenue.

3. Unit economics

Power Transmission

Revenue begins with an approved technical design and a production slot. The customer often orders far in advance because transformer, breaker, and switchgear lead times constrain the entire project schedule. Value is created through electrical design, steel-core and winding engineering, insulation systems, high-voltage testing, reliability, and the ability to ship and commission safely. Direct costs include copper, electrical steel, insulation, tanks and enclosures, bushings, labor, freight, test capacity, warranty, and supplier quality. Large transformers are heavy, bespoke, and expensive to transport, which favors a regional footprint and makes Prolec strategically useful.

Margin expands when price locked into the backlog exceeds current input and labor cost, throughput rises faster than fixed factory expense, lean reduces cycle time, and standardized platforms reuse engineering. It contracts when material inflation outruns contractual protection, factories ramp inefficiently, scarce labor causes rework, or a failed factory test delays acceptance. Backlog alone is not profit: an undisciplined contract signed several years earlier can lock in poor economics. The data package says management has grown equipment backlog with disciplined underwriting based on current costs and has pursued lean, robotics, automation, and scale sourcing; the forward model allows meaningful but not frictionless margin expansion.

Grid Systems Integration

Grid Systems Integration earns an engineering and execution return for designing a complete system that must operate reliably for decades. HVDC and substation projects combine proprietary converter, protection, control, and high-voltage technology with purchased equipment, civil works, construction partners, site commissioning, and project management. Revenue is recognized over time as performance obligations are satisfied. Cash can arrive early through customer advances, but profitability depends on engineering hours, milestone achievement, supply availability, change orders, claims management, and final acceptance.

This business can have strong barriers but also the widest outcome range. Scale and reference projects increase win probability; however, a single multiyear fixed-price project can absorb engineering capacity and produce cost overruns. Offshore cable delays, permits, geopolitical restrictions, civil-work problems, or customer scope changes can move the schedule without reducing ultimate demand. Because backlog can be both a moat and a liability, the base case models margin improvement to 20%, below the best component peers and only modestly above Siemens Energy Grid Technologies' 17.1% Q2 FY2026 margin.

Power Conversion & Storage

Power Conversion & Storage turns semiconductors, controls, motors, drives, converters, batteries or battery systems, enclosures, cooling, and application engineering into power-quality and conversion solutions. Growth is tied to industrial electrification, renewable integration, marine propulsion, energy storage, and high-power applications. Hardware can commoditize, particularly where inverters or storage integration face Asian competition. Differentiation comes from reliability, control algorithms, safety certification, system integration, installed-base knowledge, and the ability to support mission-critical equipment.

Margins depend on power-electronics availability and cost, warranty performance, project mix, software content, and whether GE Vernova supplies a differentiated system or merely integrates competitive hardware. The five-year base margin rises from an estimated 13% to 18%, reflecting scale and mix but recognizing that this line lacks the same bottleneck pricing as transformers.

Grid Automation & Software

Software and automation monetize engineering knowledge with less physical material and freight. Products monitor assets, protect networks, manage outage and dispatch information, and optimize the use of constrained grids. Gross margin should exceed equipment, but segment EBITDA also reflects sales, implementation, support, cloud and cybersecurity expense, product development, and the cost of maintaining legacy systems across many utility environments. The customer is

conservative because failure can interrupt critical infrastructure; that slows sales but increases retention after qualification.

Recurring software economics are not separately disclosed, so the model does not assign an implausible pure-software margin. The estimated TTM business-unit margin of 18% includes lower-margin automation hardware and implementation. The base case reaches 23% by 2031 as maintenance and upgrade revenue grows, while remaining below enterprise-software benchmarks.

Segment-wide conversion

Four mechanisms govern the segment's incremental margin:

- **Pricing and backlog quality:** long lead times allow suppliers to capture scarcity value, but only if escalation clauses and current-cost underwriting protect the contract.
- **Factory throughput:** more units through the same footprint create fixed-cost leverage; poorly sequenced expansions create under-absorption, overtime, and rework.
- **Mix:** transformers, services, and software should be accretive; turnkey systems can be attractive but volatile; lower-differentiation conversion hardware can dilute.
- **Execution quality:** project loss provisions, warranty, late penalties, liquidated damages, and customer claims can erase several points of reported margin.

The segment's margin rose from negative 8.7% in FY2021 to 14.9% in FY2025 under the old taxonomy, then to 18.4% in Q2 FY2026 on the current taxonomy. That history proves operational leverage can be large, but it also warns that the current level already embeds pricing, volume, and execution improvement. [data_package §3, Electrification rows Segment EBITDA and EBITDA margin; §5, Q2 FY2026 Electrification quarter]

4. Competitive dynamics

Electrification competes in several overlapping markets rather than one clean category. The most important direct competitors are Hitachi Energy and Siemens Energy in power transformers, HVDC, switchgear, and grid integration; Eaton, Schneider Electric, ABB, Siemens, and Mitsubishi Electric in low- and medium-voltage distribution, breakers, controls, and data-center electrical systems; and a wide set of power-electronics, storage-integration, and utility-software vendors in conversion and grid orchestration.

Siemens Energy Grid Technologies is the closest public operating comparable for high-voltage grid equipment and projects. In Q2 FY2026 it reported €6.996B of orders, up 41.5% on a comparable basis, €3.067B of revenue, up 12.3%, and a 17.1% profit margin before special items. The order-to-revenue ratio was 2.28x, directionally similar to GEV's backlog-rich environment. Siemens has stated that every fifth power transformer and 30% of installed HVDC systems come from its factories, is investing more than €2B in transformer and switchgear capacity, and targets high-teens Grid Technologies growth with an 18%-20% margin. [Siemens Energy Q2 FY2026 shareholder letter](https://assets.siemens-energy.com/dam/352bf02e-bbc1-4061-b00d-b45200cd6b3b/2026-05-22-Shareholder-Letter-Q2-FY2026_EN-pdf_Original%20file.pdf); [Siemens Energy FY2025 shareholder letter](https://assets.siemens-energy.com/dam/9478ef65-c3f9-49de-97b0-b3aa00d5712d/2025-11-14--Shareholder-Letter-Q4-FY2025-EN_final-pdf_Original%20file.pdf)

That comparable supports three conclusions. First, GEV's demand is industry-wide, not share gains alone. Second, a high-teens to roughly 20% margin is plausible for scaled grid equipment and projects. Third, every major competitor is adding capacity, so scarcity pricing should eventually normalize. The base case therefore decelerates segment growth and limits the blended margin to 21.9%; the bull case requires GEV to execute above the currently stated Siemens target.

Hitachi Energy is the strongest pure-play grid-technology competitor. It announced more than $250M of additional transformer-component investment by 2027 on top of a $6B portfolio program, including $1.5B for transformer production. It describes a global transformer shortage and operates more than 60 transformer factories and 30 service centers. In 2025 it raised the wider program to more than $9B and committed over $1B in the United States, including $457M for a large power-transformer plant in Virginia. That plant broke ground in June 2026 and is intended to become the largest U.S. large-transformer facility. [Hitachi Energy transformer-shortage release](https://www.hitachienergy.com/us/en/news-and-events/press-releases/2025/03/hitachi-energy-invests-additional-250-million-usd-to-address-global-transformer-shortage); [Hitachi Energy U.S. investment](https://www.hitachienergy.com/us/en/news-and-events/press-releases/2025/09/hitachi-announces-historic-1-billion-usd-manufacturing-investment-to-power-america-s-energy-future-through-production-of-critical-grid-infrastructu

re); [Hitachi Energy Virginia groundbreaking](https://www.hitachienergy.com/news-and-events/press-releases/2026/06/hitachi-energy-breaks-ground-on-the-nation-s-largest-facility-for-the-production-of-large-power-transformers-in-south-boston-virginia)

The investment validates demand and simultaneously defines the medium-term competitive risk. Transformer capacity cannot appear instantly because it requires specialized tooling, test bays, skilled labor, component supply, and customer qualification. Yet capacity opening in 2027-2029 can shorten lead times and weaken price. GE Vernova's Prolec footprint, installed base, and backlog provide protection, but not permanent exemption from industry supply response.

Eaton is the relevant profitability ceiling for data-center and distribution exposure. In Q1 FY2026, Electrical Americas sales grew 20%, including 14% organic growth, while the rolling twelve-month orders measure rose 42% and backlog grew 44%. The segment earned a 25.6% operating margin. Electrical Global grew 21%, including 9% organic, with a 19.2% margin. Eaton's electrical backlog and data-center strength show that mid-teens growth can coexist with mid-20s margins in standardized, well-run electrical products, but Eaton has a different mix from GEV's engineering-heavy HVDC and integration contracts. It is an upper bound, not a like-for-like margin entitlement. [Eaton Q1 FY2026 earnings release](https://www.eaton.com/us/en-us/company/news-insights/news-releases/2026/eaton-reports-record-first-quarter-2026-results.html)

Schneider Electric and ABB compete around the data-center architecture and distribution edge. Schneider reported Q1 FY2026 Energy Management organic growth of 12.8%, led by data centers, with Power & Grid also strong. ABB presents itself as a global number one or two in electrification and automation and expects data-center power capacity potentially to exceed 200 GW, nearly four times the current base. ABB argues that AI data centers will use more medium-voltage distribution, fewer conversion stages, and more integrated automation. Those product architectures could enlarge the market while moving value toward vendors with complete medium-voltage, UPS, cooling, control, and service portfolios. [Schneider Electric quarterly results](https://www.se.com/ww/en/about-us/investor-relations/financial-results/); [ABB electrification growth profile](https://global.abb/group/en/investors/abb_equity_story/growth)

Pricing power is currently strongest in large transformers, HVDC converter capacity, selected switchgear, and scarce engineering slots. It is weaker in standardized power electronics, storage integration, and software where customers can solicit multiple solutions. The buyer's counterweight is scale: major utilities and hyperscalers can dual-source, negotiate framework agreements, provide demand forecasts, and fund suppliers' capacity. Even so, a qualified high-voltage supplier cannot be replaced quickly during a project, giving vendors bargaining power after the specification and design freeze.

Substitution risk is mostly architectural, not the elimination of electricity infrastructure. Grid-enhancing technologies can postpone some new-build transmission. More distributed generation can reduce certain long-distance flows, while direct on-site generation at data centers could bypass portions of utility infrastructure. Conversely, those changes still require protection, conversion, interconnection, controls, and often transformers. The IEA estimates that dynamic ratings, power-flow controls, topology optimization, storage as transmission, reconductoring, and voltage uprating could unlock 450-700 GW of advanced-stage queued capacity. That opportunity supports Grid Automation & Software, even if it reduces the need for some greenfield equipment. [IEA, Electricity 2026 — Grids](https://www.iea.org/reports/electricity-2026/grids)

5. Moat at the segment level

Electrification has a **real but uneven moat**. It is strongest in complex high-voltage equipment and systems, moderate in installed-base services and automation, and weakest in undifferentiated power conversion or storage integration.

The first defense is **qualification and failure cost**. A large transformer, HVDC link, or protection system sits in critical infrastructure for decades. Failure can interrupt power to cities, industries, or data centers and create far more economic loss than the purchase-price difference. Customers therefore value reference projects, testing, reliability records, cybersecurity, engineering support, and a supplier's balance-sheet capacity to honor warranties. Qualification can take years and must often satisfy national standards, grid codes, utility engineering practices, and local-content rules.

The second defense is **manufacturing and engineering scarcity**. High-voltage test labs, transformer winding and insulation capability, large component supply, expert project engineers, and experienced commissioning teams cannot be replicated with generic contract manufacturing. Prolec gives GEV more North American transformer capacity and local customer access. The $5B switchgear backlog and the step from 9,000 to 10,500 planned air-insulated switchgear units show that available throughput, not merely sales coverage, is a competitive asset. [data_package §4, Air-insulated switchgear row]

The third defense is **installed-base and lifecycle knowledge**. Service teams understand equipment condition, protection settings, failure histories, and upgrade paths. A customer may competitively bid replacement equipment, but an incumbent can diagnose, supply compatible parts, modernize controls, and execute outages with less risk. Grid Automation & Software

can reinforce that relationship by creating data and workflows tied to the physical asset. The moat is strongest when hardware, service, and software work together; it is weaker if software remains fragmented and hardware is sold as one-off projects.

The fourth defense is **bankability and project references**. HVDC and complex substations involve long schedules, government or regulated-utility funding, and many contractors. The supplier must demonstrate technology at scale, provide performance guarantees, and manage interfaces. Only a handful of global vendors can credibly lead the most difficult projects. This oligopoly supports pricing, but project complexity also transfers execution risk back to the vendor.

The moat is not invulnerable. Competitors are committing billions to capacity. China-based suppliers can be cost-competitive in accessible markets, and governments may favor domestic champions. Customers can standardize designs and dual-source. Data-center buyers may push vendors toward open architectures and use their scale to demand price reductions. In power conversion and storage, semiconductor and battery ecosystems evolve quickly, so proprietary advantage can erode. In software, specialist vendors and cloud providers can attack point solutions.

Over five to ten years, the segment should retain above-average returns if GEV converts backlog without quality failures, integrates Prolec, and attaches services and software. The base-case 21.9% TTM+5 margin assumes that moat generates pricing and mix benefits but stops short of the 25%-plus margins seen at Eaton Electrical Americas. The bull-case 25.1% margin requires sustained scarcity, disciplined contracts, excellent execution, and higher recurring mix. The bear-case 13.9% reflects a moat that protects revenue but not margins when capacity comes on, projects slip, and price normalizes.

6. Historical growth rates

The annual table below reproduces the only clean dollar-disclosed three-year business-unit history, which is the **old taxonomy**. “Three-year CAGR” means the two compounding intervals from FY2023 to FY2025 across three disclosed year columns. Every historical value cites its exact data-package row. No amounts are back-solved.

Product or sub-segment	FY2023 revenue	FY2024 revenue	FY2025 revenue	3-year historical CAGR	Most recent YoY	Data package cite
Grid Solutions, old taxonomy	$3.955B [§4 row Grid Solutions]	$4.957B [§4 row Grid Solutions]	$6.620B [§4 row Grid Solutions]	29.4% [calculated from same row]	33.5% [calculated from same row]	data_package §4, Dollar-disclosed annual business units, Grid Solutions row
Power Conversion & Storage	$1.549B [§4 row Power Conversion & Storage]	$1.676B [§4 row Power Conversion & Storage]	$2.049B [§4 row Power Conversion & Storage]	15.0% [calculated from same row]	22.3% [calculated from same row]	data_package §4, Dollar-disclosed annual business units, Power Conversion & Storage row
Electrification Software, old taxonomy	$0.874B [§4 row Electrification Software]	$0.917B [§4 row Electrification Software]	$0.973B [§4 row Electrification Software]	5.5% [calculated from same row]	6.1% [calculated from same row]	data_package §4, Dollar-disclosed annual business units, Electrification Software row
Electrification segment, old taxonomy	$6.378B [§3 Electrification revenue row]	$7.550B [§3 Electrification revenue row]	$9.642B [§3 Electrification revenue row]	23.0% [calculated from same row]	27.7% [§3 Electrification YoY row]	data_package §3, Electrification Revenue and YoY rows

Arithmetic checks: Grid Solutions $3.955B × 1.253 = $4.956B, approximately $4.957B, and $4.957B × 1.335 = $6.618B, approximately $6.620B. Power Conversion & Storage $1.549B × 1.082 = $1.676B and $1.676B × 1.223 = $2.050B, approximately $2.049B. Electrification Software $0.874B × 1.049 = $0.917B and $0.917B × 1.061 = $0.973B. Segment $6.378B × 1.184 = $7.551B, approximately $7.550B, and $7.550B × 1.277 = $9.641B, approximately $9.642B. All rows tie within 0.1%, well inside the 2% contract.

The current-taxonomy H1 comparison is shown separately and is not treated as a continuation of the table above.

Current business unit	H1 FY2025 revenue	H1 FY2026 revenue	Reported change	Data package cite
Power Transmission	$1.451B	$3.256B	124.4%; includes Prolec	data_package §4, Current-taxonomy business units, Power Transmission row
Grid Systems Integration	$0.968B	$1.497B	54.6%	data_package §4, Current-taxonomy business units, Grid Systems Integration row

Current business unit	H1 FY2025 revenue	H1 FY2026 revenue	Reported change	Data package cite
Power Conversion & Storage	$0.792B	$1.016B	28.3%	data_package §4, Current-taxonomy business units, Power Conversion & Storage row
Grid Automation & Software	$0.790B	$0.827B	4.7%	data_package §4, Current-taxonomy business units, Grid Automation & Software row

Power Transmission's 124.4% change must not be read as organic growth because Prolec closed in February 2026. The 29% organic segment growth in Q2 is the more reliable underlying signal. Grid Systems Integration's 54.6% H1 change shows strong project conversion but is too volatile to extrapolate. Power Conversion & Storage remains healthy, while Grid Automation & Software is the slowest line.

7. Management guidance and forward anchors

The following are all eight Electrification forward quotations in data_package §6. They are reproduced verbatim from that cleared package and not re-fetched.

- **Q3 FY2025, 2025-10-22, Scott Strazik:** "doubling in size by 2030." [data_package §6 Electrification row 1] This refers to the North American addressable market and supports a prolonged transformer and grid-equipment runway, not a promise that GEV revenue itself doubles.
- **Q3 FY2025, 2025-10-22, Ken Parks:** "a sizable backlog." [data_package §6 Electrification row 2] Prolec brought real demand visibility, but acquired backlog and purchase accounting must be separated from organic growth.
- **Q4 FY2025, 2026-01-28, Scott Strazik:** "largest growth quarter on a dollar basis." [data_package §6 Electrification row 3] Backlog was accelerating before Prolec consolidation, evidence that the demand surge was not acquisition-only.
- **Q4 FY2025, 2026-01-28, Scott Strazik:** "more than triple the 2024 total." [data_package §6 Electrification row 4] FY2025 data-center orders became material. The model nevertheless caps long-run growth because orders can be lumpy and hyperscaler projects can shift.
- **Q1 FY2026, 2026-04-22, Ken Parks:** "Orders remained strong at roughly 2.5 times revenue." [data_package §6 Electrification row 5] Book-to-bill far above one supports several years of growth and increases the need for capacity and execution.
- **Q1 FY2026, 2026-04-22, Scott Strazik:** "This includes $5 billion of backlog from Prolec." [data_package §6 Electrification row 6] A meaningful part of the Q1 backlog step-up was acquired. The model does not label that amount organic.
- **Q2 FY2026, 2026-07-22, Scott Strazik:** "approximately $5 billion of Electrification's equipment backlog." [data_package §6 Electrification row 7] This refers to switchgear, showing deep visibility in one product family but also concentration in factory execution.
- **Q2 FY2026, 2026-07-22, Ken Parks:** "equipment backlog to $41 billion." [data_package §6 Electrification row 8] The rounded statement matches the $40.589B disclosed figure and makes growth supply constrained rather than demand constrained in the near term.

Management's broader 2025 Investor Update projected a 22% Electrification margin in 2028. [data_package §6, Investor Update anchor] The base model reaches 21.9% in 2031, roughly sustaining that ambition after allowing for competitive capacity and project mix. The bull reaches 25.1%; the bear falls to 13.9%.

8. Forward growth assumptions

The model compounds each estimated TTM business-unit anchor for exactly five years. The historical CAGR for Power Transmission and Grid Systems Integration uses old-taxonomy Grid Solutions as a proxy because separate annual histories do not exist. This is explicitly a taxonomy proxy, not a claim that either current business unit independently achieved 29.4%.

Base case

Product	3-year historical CAGR	Latest YoY	Management FY+1 guide	Base CAGR TTM to TTM+5y	Justification
Power Transmission	29.4% Grid Solutions proxy	124.4% H1 reported; acquisition distorted	No unit guide; switchgear 10,500 planned FY2026	13.0%	Backlog, Prolec, transformers, and switchgear sustain growth; new industry capacity and tougher comps force deceleration
Grid Systems Integration	29.4% Grid Solutions proxy	54.6% H1 reported	No dollar guide	14.0%	HVDC, substations, and synchronous condensers benefit from multiyear orders; project timing and engineering capacity cap conversion
Power Conversion & Storage	15.0% old-taxonomy CAGR	28.3% H1 reported	No dollar guide	9.0%	Electrification and storage demand remain healthy; power-electronics competition and mix lower growth from the recent pace
Grid Automation & Software	5.5% old software proxy	4.7% H1 reported	No dollar or ARR guide	7.0%	Grid-enhancing technology and service attachment lift growth modestly; conservative utility adoption prevents a software-style forecast

The base case has explicit annual deceleration. Power Transmission grows 17%, 14%, 12%, 11%, and 11% from the TTM anchor; the product is 13.0% on a compounded basis. Grid Systems Integration grows 18%, 16%, 13%, 12%, and 11%, a 14.0% compound rate. Power Conversion & Storage grows 13%, 10%, 8%, 7%, and 7%, a 9.0% compound rate. Grid Automation & Software grows 10%, 8%, 6%, 6%, and 5%, a 7.0% compound rate. This is not an abrupt unsupported fall from 29% segment growth: it is a five-year fade as the backlog converts and competitor factories enter service.

Bull case

Product	3-year historical CAGR	Latest YoY	Management FY+1 guide	Bull CAGR TTM to TTM+5y	Justification
Power Transmission	29.4% Grid Solutions proxy	124.4% H1 reported; acquisition distorted	No unit guide; switchgear 10,500 planned FY2026	17.0%	Transformer scarcity persists, Prolec cross-selling wins, and automation raises capacity faster without sacrificing price
Grid Systems Integration	29.4% Grid Solutions proxy	54.6% H1 reported	No dollar guide	18.0%	HVDC and grid-stability awards remain above capacity and GEV executes projects without major slippage
Power Conversion & Storage	15.0% old-taxonomy CAGR	28.3% H1 reported	No dollar guide	13.0%	Storage, marine, industry, and data-center power conversion maintain growth near the historical rate
Grid Automation & Software	5.5% old software proxy	4.7% H1 reported	No dollar or ARR guide	11.0%	Grid optimization accelerates and GEV attaches automation, service, and software to the equipment installed base

The bull annual sequences are 22%, 19%, 17%, 14%, and 13% for Power Transmission; 24%, 21%, 18%, 15%, and 13% for Grid Systems Integration; 17%, 15%, 13%, 11%, and 10% for Power Conversion & Storage; and 15%, 13%, 11%, 9%, and 8% for Grid Automation & Software. The sequence still decelerates. It does not assume that 29% segment organic growth persists unchanged.

Bear case

Product	3-year historical CAGR	Latest YoY	Management FY+1 guide	Bear CAGR TTM to TTM+5y	Justification
Power Transmission	29.4% Grid Solutions proxy	124.4% H1 reported; acquisition distorted	No unit guide; switchgear 10,500 planned FY2026	6.0%	New transformer capacity, project cancellations, Prolec integration friction, and weaker scarcity pricing sharply reduce conversion
Grid Systems Integration	29.4% Grid Solutions proxy	54.6% H1 reported	No dollar guide	7.0%	HVDC awards persist, but permitting, cable, civil works, and execution delays push revenue beyond the horizon

Product	3-year historical CAGR	Latest YoY	Management FY+1 guide	Bear CAGR TTM to TTM+5y	Justification
Power Conversion & Storage	15.0% old-taxonomy CAGR	28.3% H1 reported	No dollar guide	3.0%	Power-electronics commoditization and storage-pricing pressure overwhelm end-market growth
Grid Automation & Software	5.5% old software proxy	4.7% H1 reported	No dollar or ARR guide	2.0%	Utility budgets favor physical bottlenecks and fragmented software limits cross-selling

Bear annual growth is 8%, 7%, 6%, 5%, and 4% for Power Transmission; 10%, 9%, 7%, 5%, and 4% for Grid Systems Integration; 5%, 4%, 3%, 2%, and 1% for Power Conversion & Storage; and 4%, 3%, 2%, 1%, and 0% for Grid Automation & Software. The bear is not a collapse in end demand. It is a case in which the 44.6B RPO still converts, but later, at lower price, and with fewer replacement orders.

The industry comparison supports these fades. Siemens Grid Technologies' Q2 revenue grew 12.3% while orders grew 41.5%; Eaton Electrical Americas grew 14% organically despite orders rising 42%. These are observable examples of backlog and orders growing much faster than current revenue. The model therefore does not require a historically unprecedented sudden stop, nor does it turn current order growth directly into revenue.

9. Forward Segment EBITDA margin assumptions

The starting product margins are estimated allocations constrained to the sealed **17.22% TTM Segment EBITDA margin**. Power Transmission starts at 20.0%, Grid Systems Integration at 14.5%, Power Conversion & Storage at 13.0%, and Grid Automation & Software at 18.0%. Revenue weighting produces 17.22% and $2.080B of Segment EBITDA, matching the sealed bridge within rounding.

Product	Estimated TTM Segment EBITDA margin	Bear TTM+5y Segment EBITDA margin	Base TTM+5y Segment EBITDA margin	Bull TTM+5y Segment EBITDA margin	Primary mechanism
Power Transmission	20.0%	16.0%	24.0%	27.0%	Price, transformer and switchgear mix, Prolec synergies, factory throughput
Grid Systems Integration	14.5%	12.0%	20.0%	23.0%	HVDC project underwriting, engineering reuse, milestone execution, claims
Power Conversion & Storage	13.0%	10.0%	18.0%	22.0%	Scale, product mix, semiconductor cost, storage and converter competition
Grid Automation & Software	18.0%	15.0%	23.0%	26.0%	Recurring mix, installed-base attachment, R&D leverage, implementation cost

Power Transmission: the base improvement of 400 basis points comes from higher-priced backlog, factory utilization, lean, automation, sourcing, and Prolec integration. The bull adds 700 basis points and approaches Eaton Electrical Americas, requiring continued scarcity and excellent integration. The bear loses 400 basis points as new industry capacity weakens price while ramp expense and integration costs persist.

Grid Systems Integration: the 550-basis-point base increase reflects better project selection, standardized engineering blocks, procurement scale, and utilization. The bull assumes change orders and commissioning are well controlled. The bear allows project slippage and loss provisions to reduce the estimated starting margin by 250 basis points. This is the segment's most important downside swing factor because systems projects have large contract values and multiyear cost exposure.

Power Conversion & Storage: the 500-basis-point base improvement requires mix shift toward differentiated systems and services, not just volume. The bull assumes stronger proprietary controls and data-center or industrial applications. The bear reflects price competition and adverse warranty or battery-system integration.

Grid Automation & Software: the 500-basis-point base improvement is driven by subscription, maintenance, upgrades, and R&D leverage. Because standalone ARR and revenue are undisclosed, even the bull margin of 26% stays far below pure-software economics. The bear falls to 15% if implementation remains labor intensive and the portfolio fails to integrate.

The base blended Segment EBITDA margin reaches 21.94%, a 472-basis-point increase from the sealed 17.22% TTM margin. That bridge requires the product-level changes shown above—Power Transmission +400 basis points, Grid Systems Integration +550, Power Conversion & Storage +500, and Grid Automation & Software +500—rather than relying on mix alone; it is close to management's 22% 2028 target and then holds rather than expanding indefinitely. The bull reaches

25.08%, a 786-basis-point increase, and requires the specific product outcomes of 27%, 23%, 22%, and 26%, respectively: sustained scarcity pricing, Prolec and factory productivity, clean HVDC execution, differentiated conversion systems, and higher recurring attachment. The bear falls to 13.93%, still profitable because high-voltage qualification and backlog protect gross value even when execution deteriorates.

10. Segment rollup

Product revenue and EBITDA by case

Case	Product	TTM revenue	Five-year CAGR	TTM+5y revenue	TTM+5y Segment EBITDA margin	TTM+5y Segment EBITDA
Bear	Power Transmission	$5.450B	6.0%	$7.294B	16.0%	$1.167B
Bear	Grid Systems Integration	$3.033B	7.0%	$4.254B	12.0%	$0.510B
Bear	Power Conversion & Storage	$1.949B	3.0%	$2.259B	10.0%	$0.226B
Bear	Grid Automation & Software	$1.650B	2.0%	$1.822B	15.0%	$0.273B
Base	Power Transmission	$5.450B	13.0%	$10.042B	24.0%	$2.410B
Base	Grid Systems Integration	$3.033B	14.0%	$5.840B	20.0%	$1.168B
Base	Power Conversion & Storage	$1.949B	9.0%	$2.998B	18.0%	$0.540B
Base	Grid Automation & Software	$1.650B	7.0%	$2.314B	23.0%	$0.532B
Bull	Power Transmission	$5.450B	17.0%	$11.950B	27.0%	$3.226B
Bull	Grid Systems Integration	$3.033B	18.0%	$6.939B	23.0%	$1.596B
Bull	Power Conversion & Storage	$1.949B	13.0%	$3.590B	22.0%	$0.790B
Bull	Grid Automation & Software	$1.650B	11.0%	$2.780B	26.0%	$0.723B

Case	Product revenue sum	Segment revenue	Difference	Product Segment EBITDA sum	Blended Segment EBITDA margin
Bear	$15.629B	$15.629B	$0.000B	$2.177B	13.93%
Base	$21.194B	$21.194B	$0.000B	$4.650B	21.94%
Bull	$25.259B	$25.259B	$0.000B	$6.335B	25.08%

All product revenues are calculated as TTM anchor × (1 + case CAGR)^5. All Segment EBITDA figures are TTM+5 revenue × TTM+5 Segment EBITDA margin. The blended Segment EBITDA margin is the product Segment EBITDA sum divided by the product revenue sum. Totals reconcile exactly before rounding and within 0.1% after rounding.

The base case implies an 11.9% segment revenue CAGR from $12.082B to $21.194B. It is below the recent 29% organic pace, below the old-taxonomy FY2023-FY2025 23.0% CAGR, and consistent with a backlog-led fade toward industry growth. The bear produces a 5.3% segment CAGR. The bull produces a 15.9% CAGR and would make Electrification one of GEV's largest profit pools.

The equipment and service overlay offers an independent economics check. In the base case, service and software attachment should increase the segment's service-like share from roughly 14.9% toward the high teens, while equipment remains the overwhelming source of revenue growth. If equipment margins reach approximately 20.5% and service-like margins reach approximately 29%, a roughly 83.5% equipment and 16.5% service mix yields about 21.9% blended margin. The product and mix views therefore point to the same base outcome.

11. Key risks and wildcards

1. Backlog cancellation, scope reduction, and deferral — bear. RPO is not cash in the bank. Utilities can delay permits or funding, governments can alter procurement, and data-center developers can phase or cancel campuses. Orders may contain termination provisions, negotiated settlements, or milestone conditions. A large equipment backlog protects visibility but can also create schedule congestion. The bear assumes some projects move beyond 2031 or are replaced at less favorable economics.

2. Data-center concentration and double ordering — bear and base. H1 FY2026 data-center solution orders exceeded $5B, but standalone revenue and customer concentration are not disclosed. [data_package §4, Data-center solutions row; §10 customer-concentration gap] Hyperscalers may reserve capacity across suppliers, making gross order signals larger than eventual installed demand. Interconnection queues, permitting, power availability, and AI efficiency advances can slow deployment even if long-term electricity demand remains high.

3. Capacity-ramp execution — all cases. Switchgear production is planned to rise from roughly 9,000 to 10,500 units. Prolec integration, hiring, shifts, robotics, test equipment, and supplier qualification must scale together. A fast ramp can cause rework, warranty, late delivery, and under-absorption. The bull needs automation to raise throughput and quality; the bear assumes the ramp consumes price gains.

4. Transformer and HVDC supply chain — bear and base. Electrical steel, copper, bushings, insulation, semiconductors, large castings, cables, specialized transport, and skilled labor can bottleneck delivery. Competitor investments validate shortages but can also compete for the same inputs. Tariffs and local-content rules may protect regional factories while raising cost.

5. Project losses and claims — bear. Grid Systems Integration carries civil, cable, converter, substation, commissioning, and interface risk. Even proprietary technology does not eliminate fixed-price exposure. A small number of troubled HVDC or substation projects could erase expected margin expansion. The model's 12% bear margin for this line is not a floor.

6. Pricing normalization — bear. Grid component prices have nearly doubled in five years, according to the IEA. Competitors are expanding global capacity, including Hitachi's multibillion-dollar program and Siemens' more than €2B investment. When lead times normalize, customers will seek price givebacks. Base assumes only a gradual fade; bear assumes competition arrives before GEV fully harvests backlog economics.

7. Prolec integration and purchase accounting — bear and base. The $5B acquired backlog is genuine visibility but not organic demand. Integration can create procurement and commercial benefits, yet systems, culture, labor, warranty, and channel alignment can take longer than expected. The TTM margin already includes only five months of ownership, so future comparisons will mix organic growth, full-year consolidation, and synergy.

8. Technology architecture — bull or bear. Medium-voltage data-center designs, direct grid connections, solid-state transformers, advanced power electronics, grid-forming inverters, direct current, and storage can alter where value sits. GEV benefits if high-voltage and automation content rises. It loses if standardized electronics commoditize the conversion layer or hyperscalers insource more system design.

9. Grid-enhancing technologies — bull for software, bear for selected hardware. Dynamic ratings, power-flow controls, topology optimization, reconductoring, and storage can unlock capacity faster than greenfield lines. This expands Grid Automation & Software but may defer some traditional transmission projects. The portfolio hedge is strategically valuable, though revenue may shift from large equipment to smaller digital projects.

10. Cyclicality and policy — bear. Regulated utility returns, interest rates, government transmission planning, renewable policy, industrial demand, and trade restrictions affect project sanctioning. The IEA estimates annual grid investment must rise about 50% from roughly $400B by 2030, but need does not guarantee timely budgets or permits. [IEA, Electricity 2026 — Grids](https://www.iea.org/reports/electricity-2026/grids)

11. Customer concentration opacity — bear. GE Vernova discloses no customer-level revenue table and identifies no greater-than-10% customer. [data_package §10, customer concentration] Absence of disclosure is not proof of diversification. The segment's growing hyperscaler exposure may increase negotiating leverage on the customer side.

12. Quality, cybersecurity, and reliability — bear. Transformer or switchgear defects can create large warranty and outage costs. Protection and grid software are cybercritical; a vulnerability can impose remediation expense and damage qualification. Reliability is a moat only while the record remains strong.

13. Service attach upside — bull. Equipment deliveries expand the installed base available for inspections, parts, upgrades, monitoring, protection retrofits, and software. Services were only $3.974B of $44.563B RPO at Q2 FY2026, leaving room for attach and renewal. [data_package §0a, Latest-quarter segment orders, RPO, and margin] If GEV raises service density, the bull margin becomes more plausible.

14. Factory automation upside — bull. Robotech Automation can accelerate robotics, tooling, and repeatable production methods. The opportunity is not simply headcount reduction; it is shorter cycle time, consistent quality, and better use of scarce skilled labor. The bull assumes these gains arrive before industry capacity erodes price.

Summary

Case	Segment TTM+5y Revenue	Exact profit metric	Segment TTM+5y Profit Margin	Segment TTM+5y Profit	Probability
Bear	$15.629B	Segment EBITDA	13.93%	$2.177B	25%
Base	$21.194B	Segment EBITDA	21.94%	$4.650B	55%
Bull	$25.259B	Segment EBITDA	25.08%	$6.335B	20%

The probability-weighted outcome is approximately **$20.616B of TTM+5 revenue** and **$4.369B of Segment EBITDA**, equivalent to a 21.2% ratio on probability-weighted revenue. Electrification has one of the strongest demand environments in global industrials, but the investment question is execution: convert a $44.6B RPO into high-quality revenue, add transformer and switchgear capacity without quality failures, complete HVDC projects on budget, and attach service and software before competing factories normalize scarcity.

Data gaps: `[DATA GAP: GE Vernova does not disclose current-taxonomy quarterly business-unit revenue for Q3 and Q4 FY2025; TTM product anchors allocate the disclosed H2 segment total and are clearly estimated.]` `[DATA GAP: Electrification equipment-versus-services revenue and product margins are not separately disclosed; the overlay is constrained to the disclosed segment total and margin.]` `[DATA GAP: standalone transformer, HVDC, switchgear, substation, and data-center solution revenue is not disclosed.]` `[DATA GAP: customer-level revenue concentration and software ARR are not disclosed.]`

GE Vernova Wind — Segment Deep Dive

Model date: 2026-08-01 **TTM anchor:** Q3 FY2025 + Q4 FY2025 + Q1 FY2026 + Q2 FY2026, ending 2026-06-30 **Forecast horizon:** 2031-06-30, exactly five calendar years after the TTM end date **Currency:** USD billions unless otherwise stated **Controlling inputs:** DR-cleared `data_package.md` SHA-256 `985f11204d273f7aaf005726dc20de12da7fa78102cceed1a178ac242ec99138`; sealed `statutory_bridge.json` SHA-256 `91fefbddb07bf72f79926461b35e83563f8d69d92f38bbddac7b333662a917ad`

This appendix models Wind as an operating business, not as a derivative of the valuation. GE Vernova reports Wind segment profit as **Segment EBITDA**, not GAAP operating income. Accordingly, every forecast table below is labeled as Segment EBITDA or Segment EBITDA margin; none is presented as EBIT or GAAP operating income. [DATA GAP: Wind depreciation and amortization are not disclosed separately, so exact segment EBIT or GAAP operating income cannot be derived.] That distinction matters because a loss-making, warranty-intensive industrial business can show a meaningful gap between EBITDA and EBIT, but it does not change the core conclusion: the current Wind economics are deeply negative, and the path to acceptable returns depends on quality, services and contract discipline rather than market growth alone.

Statutory-bridge discipline. Wind is forecast only on the sealed issuer-disclosed Segment EBITDA basis. `Corporate and other` and the derived aggregate operating deduction from Adjusted EBITDA to statutory operating income remain separate company-level lines for synthesis. This appendix does not allocate either item to Wind and does not invent any internal component of the aggregate bridge.

0. Segment boundary and taxonomy note

The taxonomy boundary is **January 1, 2026**. Before that date, annual disclosures separated Onshore Wind, Offshore Wind and LM Wind Power. Under the new structure, LM Wind Power is combined into Onshore Wind. The clean revised quarterly series begins with Q1 FY2025, but full annual history before FY2025 remains on the old taxonomy. This appendix therefore uses the old-taxonomy annual series only for like-for-like historical comparisons and explicitly bridges FY2025 Onshore plus LM into the current Onshore definition. It never compares old-taxonomy Onshore dollars directly with current-taxonomy Onshore without that bridge. The current forecast has two additive revenue lines: **Onshore Wind, including former LM Wind Power**, and **Offshore Wind**. Services and equipment are modeled as non-additive economic overlays because GE Vernova discloses Wind RPO and orders by equipment/services, but not Wind revenue by those categories.

1. What this segment actually is

Wind designs, manufactures, sells and services wind turbines and blades. Onshore customers are utilities, independent power producers and project developers that buy turbines for new farms or repower aging fleets. The installed base then

creates a long-duration service opportunity: scheduled maintenance, replacement parts, remote monitoring, performance upgrades and availability commitments. Offshore customers are large developers and utilities building capital-intensive multi-gigawatt projects with long construction cycles, marine installation dependencies and highly bespoke contracts. LM Wind Power historically manufactured blades for GE Vernova and third parties; from 2026 it sits inside Onshore, so its economics must be evaluated as part of turbine-system quality and vertical integration rather than as an independent growth line.

The commercial model has two very different profit pools. Equipment is project-like. Revenue depends on unit deliveries and acceptance milestones, while margin depends on price, bill of materials, freight, factory utilization, site execution and warranty assumptions. A small design defect can affect hundreds of turbines and years of installed-base obligations. Services are recurring and installed-base driven. Contracts may span many years, with revenue from inspections, planned maintenance, unplanned repairs, parts, software and repowering. Service margins can be attractive when failure rates are controlled and pricing reflects risk, but a poorly performing fleet can reverse the economics through field campaigns and warranty provisions.

Go-to-market is concentrated and technical. Turbine awards are not simple catalog sales: buyers assess bankability, certification, energy yield, availability guarantees, service capability and the OEM's balance sheet. Developers also require confidence that an OEM can manufacture blades, nacelles and towers on schedule and remain solvent for decades of service support. In Onshore, standardized "workhorse" platforms and large repeat orders can create purchasing and factory benefits. In Offshore, each project is exposed to ports, vessels, foundations, seabed conditions and regulatory timing; contract complexity and turbine gigantism magnify execution risk.

Pricing is therefore negotiated at the project level, usually before delivery. The key discipline is to refuse low-return volume. An order can increase backlog while destroying value if raw-material escalation, logistics, liquidated damages, warranty exposure or vessel delays are underpriced. GE Vernova's recent strategy is consistent with this lesson: shrink unprofitable Offshore backlog, improve Onshore pricing and quality, and grow the service stream. The segment's revenue can fall while intrinsic economics improve; conversely, volume growth can conceal a renewed underwriting problem.

2. Current economics: TTM through 2026-06-30

Wind generated **$8.473B** of TTM revenue using the rounded revised quarterly revenue disclosures: Q3 FY2025 $2.647B, Q4 FY2025 $2.368B, Q1 FY2026 $1.432B and Q2 FY2026 $2.026B [data_package §5, Wind quarterly table]. The product bridge in the next paragraph gives $8.474B because independently rounded business-unit disclosures differ by $1M; the model uses that $8.474B product total. The sealed bridge fixes Wind TTM Segment EBITDA at **$(0.943)B**, or **(11.1)%** of the product revenue anchor [data_package §3a, TTM Wind Segment EBITDA row; statutory_bridge.json TTM Wind line]. The rounded quarterly-margin construction implies approximately $(0.944)B, a $1M difference that is not used as the controlling profit figure. SEC2Q26 reports an actual **$0.657B H1 FY2026 Segment EBITDA loss**, versus $0.312B in H1 FY2025 [data_package §0a, Wind execution-risk note]. The loss is not a temporary optical effect: Q1's (26.7)% and Q2's (13.6)% margins show that execution and contract costs overwhelmed the benefit of service improvement.

The current-taxonomy revenue bridge is reconstructable. FY2025 old-taxonomy Onshore revenue of $8.241B plus LM revenue of $0.217B equals $8.458B of current-definition Onshore; Offshore was $0.652B [SEC25 Note 24, total segment revenues by business unit]. H1 FY2025 current-taxonomy Onshore was $3.665B and Offshore was $0.430B, while H1 FY2026 was $2.908B and $0.551B, respectively [SEC2Q26 Note 24, total segment revenues by business unit]. Subtracting H1 FY2025 from FY2025 yields H2 FY2025 current-definition Onshore of $4.793B and Offshore of $0.222B. Adding H1 FY2026 produces TTM anchors of approximately **$7.701B Onshore including former LM** and **$0.773B Offshore**. Their $8.474B sum differs from the rounded quarterly segment total by only $1M.

These anchors show the mixed mechanism beneath the headline decline. H1 current-definition Onshore revenue fell 20.7% year over year, while Offshore rose 28.1%. The Offshore increase is not evidence of healthy demand conversion; it reflects execution of a small, remaining project book whose costs are still loss-making. Onshore remains 90.9% of TTM revenue and thus controls the segment's long-run scale. Offshore is only 9.1% of TTM revenue but can dominate losses because a few contracts carry large remediation, delay and claim exposures.

Demand visibility looks large in absolute terms but weak at the margin. Q2 FY2026 Wind RPO was **$20.388B**, comprising $8.197B equipment and $12.191B services, versus modeled TTM revenue of $8.474B [IR2Q26 presentation, Q2 orders and RPO tables]. The 2.4x RPO/revenue ratio is supportive, and the service share of RPO is a long-duration asset. Yet Q2 orders were only $1.249B against $2.026B of revenue, a 0.62x quarterly book-to-bill; equipment orders were $0.721B and service orders $0.528B. Total Wind RPO declined from $22.508B in Q2 FY2025 to $20.388B in Q2 FY2026 [IR2Q26 six-quarter trend presentation]. The backlog is being consumed faster than it is replenished.

Unit volume confirms that near-term revenue pressure is physical, not merely accounting. H1 FY2026 turbine orders fell to 293 units from 404, repower orders fell to 49 from 205, turbine units sold fell to 490 from 627, and repower units sold fell to 27 from 286. Ordered turbine/repower capacity fell to 1.2 GW from 1.8 GW and sold capacity to 2.0 GW from 3.0 GW [SEC2Q26 MD&A, Wind unit tables]. A revenue model that assumes a near-term U.S. volume rebound would contradict both management and the latest unit evidence.

Wind's disclosed reinvestment is moderate relative to revenue, but this understates the economic cost of fixing quality. FY2025 Wind PP&E additions were $0.193B and GEV-funded R&D was $0.161B, equivalent to 2.1% and 1.8% of FY2025 segment revenue. H1 FY2026 PP&E additions were $0.151B and R&D expense was $0.070B [SEC25 Note 24 and R&D table; SEC2Q26 Note 24]. These figures exclude the working-capital, field-service and warranty cash burden of failure campaigns. The company-wide warranty liability was $1.595B at Q2 FY2026, but it is not Wind-only and must not be assigned wholesale to this segment [SEC2Q26 Note 22; Wind allocation is a true non-disclosure in data_package §10].

3. Unit economics

Onshore equipment

Onshore equipment economics start with price per MW and end with the cost of delivering a reliable fleet. Revenue is recognized as turbines and repower kits are delivered and contractual milestones are met. The direct cost stack includes steel, castings, gearboxes, generators, power electronics, towers, blades, freight and factory labor. Project engineering, installation support and liquidated-damage exposure sit on top. The margin levers are platform standardization, volume through factories, procurement, product cost-out and commercial pricing.

GE Vernova's "workhorse" approach is economically sensible: fewer configurations allow longer production runs, more predictable suppliers, repeatable field procedures and a better data set for reliability. But scale only helps if demand is sufficient. H1 unit declines imply under-absorption of factory and engineering costs. A volume recovery with weak pricing would improve absorption but could repeat the historical mistake of selling risk too cheaply. The model therefore gives no credit for volume unless price and quality improve together.

LM Wind Power and blades

LM is not a separate forecast business after January 1, 2026; it is a cost, quality and technology component of Onshore. Its old-taxonomy revenue collapsed from $0.610B in FY2023 to $0.217B in FY2025 [SEC25 Note 24, total segment revenues by business unit]. That decline reflects strategic contraction and the absorption of activities, not a basis for projecting a standalone zero. Vertically integrated blade capability can lower interface risk between turbine and blade design, improve time to root-cause analysis, and retain intellectual property. It also internalizes defect liability. A blade issue can require inspections, repair crews, replacement inventory, cranes and lost-generation compensation across a fleet.

The model therefore treats former LM as a **margin mechanism**. In the bull case, blade quality stabilizes, design variants fall and internal manufacturing supports reliable workhorse platforms. In the base case, costs decline gradually but warranty and field campaigns continue through the first half of the horizon. In the bear case, another systemic quality issue turns vertical integration into concentrated liability. No standalone LM revenue is added after 2025 because that would double count current Onshore.

Onshore services and repowering

Services should be the best profit pool. Wind service RPO of $12.191B exceeds equipment RPO of $8.197B, showing the durability of contractual work [IR2Q26 presentation, Q2 orders and RPO tables]. Q2 FY2026 services revenue grew 39% within the Wind mix, although dollars were not disclosed [IR2Q26 presentation]. CFO Ken Parks reported services orders up 27% year-to-date on 2025-10-22, and CEO Scott Strazik and Parks described service improvement on the 2026-04-22 and 2026-07-22 calls [IR3Q25, IR1Q26 and IR2Q26 transcripts].

The service flywheel is not automatic. A long-term service agreement earns attractive margin only if expected failure rates, parts inflation and technician hours were correctly priced. GE Vernova's company-wide warranty liability and Wind's history of quality campaigns demonstrate the adverse case. The external benchmark is useful: Vestas reported a **16.3% Service EBIT margin** in Q1 2026 while its group margin was only 3.2%, alongside €39.8B of expected service-agreement revenue. This shows the profit pool available to a disciplined OEM, not a margin that GE Vernova can simply assume ([Vestas Q1 2026 official release](https://www.vestas.com/en/media/company-news/2026/vestas---interim-report--first-quarter-2026-c4344988)).

Repowering replaces major components or whole turbines at existing sites, potentially reusing land, roads and interconnection. CEO Scott Strazik identified about 10 GW of U.S. opportunities qualified for production tax credits on 2026-01-28, but called it opportunity rather than booked revenue [IR4Q25 transcript; reiterated in IR2Q26 materials]. Repowering can carry better customer knowledge and permitting economics than greenfield construction, while adding service scope. The model gives measured credit only after orders emerge.

Offshore

Offshore combines high turbine selling prices with extreme tail risk. Large nacelles and blades must be manufactured, transported to ports, installed using scarce vessels and commissioned in narrow weather windows. A late component can delay an entire project. Contract-loss accounting brings the expected lifetime loss forward when it becomes probable, so estimates can move sharply with revised schedules, supplier costs and claims.

GE Vernova recorded incremental Offshore contract losses of $0.379B, $1.005B and $0.637B in FY2023-FY2025 [SEC25 Note 2]. Vineyard Wind moved from installation to commissioning by Q2 FY2026, but outstanding claims and counterclaims remained and higher Offshore contract losses hurt H1; SEC2Q26 did **not** disclose a clean H1 incremental contract-loss dollar comparable with the annual series [SEC2Q26 MD&A]. The correct economic response is not to normalize these costs away merely because the projects will end. The base model carries negative Offshore margin through 2031; only the bull case reaches modest profitability after the legacy backlog is largely extinguished.

Margin bridge

The TTM loss has four interacting sources: lower Onshore equipment volume, weak absorption; Offshore contract losses; quality/warranty field costs; and a service mix that is improving but not yet large or profitable enough to offset the first three. The path to profit requires all four to move in the right direction. Revenue growth alone is neither necessary nor sufficient. A smaller Offshore business, stable Onshore volume, better service pricing and lower defect costs can produce a much better segment. Conversely, even a growing installation market can leave GE Vernova unprofitable if awards are underpriced or quality fails.

4. Competitive dynamics

Wind is a concentrated global manufacturing industry but not a uniformly attractive one. The main Western competitors are Vestas, Siemens Gamesa, Nordex and Enercon; Chinese leaders include Goldwind, Envision, Mingyang, Windey and several state-linked OEMs. GE Vernova has an installed-base and service position, especially in North America, but does not have global cost leadership.

At the end of 2024, GWEC's cumulative installed-base table ranked GE Vernova fourth with **119.7 GW**, or **9.90%** of cumulative global capacity, behind Vestas at 15.62%, Siemens Gamesa at 11.82% and Goldwind at 11.07% ([GWEC supply-side data](https://marketintelligence.gwec.net/wp-content/uploads/2025/05/GWEC-Supply-Side-Data-2024-_-final.pdf)). Cumulative share overstates current competitive momentum because it includes old installations. In 2025, Chinese OEMs captured 78% of 176 GW of global additions, while Vestas retained the broadest international footprint across almost 40 markets ([Wood Mackenzie 2025 OEM release](https://www.woodmac.com/press-releases/chinese-oems-secure-78-of-the-176-gw-wind-additions-in-2025/)). GE Vernova's defensible addressable market is therefore narrower than the global installation headline: regions where bankability, local content, security policy, service presence and financing offset Chinese cost advantage.

Vestas provides the clearest Western operating benchmark. Its Q1 2026 revenue grew 14.4%, turbine orders rose 44% to 4.5 GW, total backlog reached €76.1B and group EBIT margin before special items reached 3.2%; full-year guidance was 6%-8%. The same release attributed progress to execution and commercial discipline, precisely the areas GE Vernova must repair. Siemens Gamesa is a warning that scale and installed base do not guarantee profit: Siemens Energy guided Gamesa to 3%-5% FY2026 revenue growth but only break-even profit before special items ([Siemens Energy Q2 FY2026 official release](https://www.siemens-energy.com/global/en/home/press-releases/earnings-release-q2-fy-2026.html)).

Pricing power is conditional. Customers will pay for energy yield, reliability, bankability, timely delivery, local-content compliance and a credible service guarantee. They will not pay a premium indefinitely for technology that suffers quality problems. Switching costs are meaningful after a project selects a turbine because foundations, layouts, logistics and financing are designed around it. Before award, however, developers can compare OEM bids aggressively. Price discipline must therefore be exercised at the bid gate, not assumed after contract signing.

Onshore entry barriers include certification, engineering breadth, supply-chain qualification, a service network and a bankable operating history. These barriers protect the Western installed-base service pool more effectively than new-equipment margins. Chinese manufacturers' scale creates a cost and innovation challenge, particularly in price-sensitive markets, though trade and security barriers may restrict access in the U.S. and parts of Europe. GE Vernova's North American fleet and repowering eligibility are valuable, but U.S. policy now cuts both ways.

The IRS states that the 45Y and 48E clean electricity credits terminate for applicable wind and solar facilities placed in service after December 31, 2027 when construction begins after July 4, 2026. Guidance also removed the general five-percent safe harbor for proving start of construction, with limited exceptions ([IRS Notice 2025-42](https://www.irs.gov/irb/2025-36_IRB)). This creates a near-term rush for qualifying projects but a post-2027 U.S. demand cliff risk. GE Vernova's 10 GW repowering opportunity may contain projects that started in time, but "qualified opportunity" is not synonymous with customer financing, permits or a turbine order.

Global market demand remains positive. GWEC reported record 2025 installations of 165 GW on its public 2026 report page, while IEA expects annual Offshore installations to rise from 9.2 GW in 2024 to more than 37 GW in 2030. Nearly half of the increase is expected in China, and Europe approaches 14.6 GW ([GWEC Global Wind Report 2026](https://www.gwec.net/reports/globalwindreport); [IEA Renewables 2025](https://www.iea.org/reports/renewables-2025/renewable-electricity)). These figures create opportunity but cannot be mapped directly to GE Vernova revenue. The company has limited exposure to the Chinese OEM-dominated market and is deliberately running down unprofitable Offshore backlog.

Substitution risk is material. Solar plus storage can be faster to permit and build in many regions. G…1491 tokens truncated…wth model would miss this. [IR4Q25 transcript.]

- **Q1 FY2026, 2026-04-22 — CFO Ken Parks:** "Wind EBITDA losses were $382 million in the quarter, in line with our expectations." The severe Q1 loss was planned, but planned losses are still economic losses and should not be excluded from the TTM. [IR1Q26 transcript.]
- **Q1 FY2026, 2026-04-22 — CEO Scott Strazik:** "stronger performance in Onshore Wind services." This supports a favorable service mix, not a claim that the whole segment has turned. [IR1Q26 transcript.]
- **Q2 FY2026, 2026-07-22 — CFO Ken Parks:** "continued improvement in Onshore services." The base margin recovery requires this improvement to persist and eventually outrun equipment under-absorption. [IR2Q26 transcript.]
- **Q2 FY2026, 2026-07-22 — CFO Ken Parks:** "approximately break-even." This referred to Q3 FY2026 EBITDA outlook. Quarterly volatility is high; break-even Q3 must not be annualized. [IR2Q26 transcript.]

The broader Investor Update target is also binding context: management projected **6% Wind adjusted EBITDA margin in 2028** [IU25 presentation and transcript, 2025-12-09]. The model treats 6% as a demanding checkpoint, not a guaranteed outcome. Base remains below 6% at June 2028 and reaches approximately 6% in the TTM year ending June 2029; bull reaches it earlier; bear never reaches it. Base therefore embeds a modest delay versus management's calendar-2028 target rather than assuming the target is delivered.

5. Moat at the segment level

Wind's moat is **narrow and uneven**, not equivalent to GE Vernova's stronger Gas Power position. There are four assets: installed base, service infrastructure, customer bankability and engineering know-how. Each can support recurring revenue, but each is impaired when product quality is poor.

The installed base is the best moat. GE Vernova's cumulative 119.7 GW creates proprietary operating data, parts demand and customer relationships. Technicians, tooling, remote monitoring and spare-parts inventories are difficult for a new entrant to replicate. Repowering reinforces the advantage because the incumbent understands site layouts, failure history and grid interconnection. The service RPO is therefore more durable than the equipment backlog.

Bankability is the second moat. Developers and lenders care whether an OEM can honor a 20-year service obligation and fund warranty campaigns. GE Vernova's balance sheet and broader power franchise provide assurance. Yet bankability is a threshold asset, not an unlimited pricing license. Vestas and Siemens Gamesa also possess large installed bases; Nordex is credible in Onshore; Chinese OEMs increasingly combine scale with financing.

Engineering and certification form a third barrier. Turbine controls, blades, drivetrain systems and grid-code compliance require accumulated know-how. Former LM's blade capability can integrate design and manufacturing. But the same

integration creates liability when the system fails, and the decline in LM revenue plus historical warranty provisions suggests the asset has not produced a durable cost advantage.

The fourth potential moat is the standardized workhorse platform. Fewer variants can create learning-curve advantages and higher reliability. This is a strategy, not yet proven moat. The H1 2026 loss and falling unit orders show that evidence of superior economics is not yet sufficient.

The five-to-ten-year durability judgment is therefore cautious. Services can earn attractive returns if quality normalizes, and Western local-content/security barriers may preserve regional share. New equipment remains competitive, cyclical and exposed to policy. Offshore presently has no demonstrated moat in profit terms; a large turbine and backlog are not valuable if the contract economics are negative. The base case assumes a narrow service moat emerges, while equipment earns only mid-single-digit through-cycle economics and Offshore remains subscale.

6. Historical growth rates

The annual history below is reproduced from the DR-cleared data package and preserves the old taxonomy. "Disclosure-window CAGR" spans FY2023 to FY2025, which is two compounding intervals. The segment row also shows the true three-year FY2022-to-FY2025 CAGR because five years of segment history are available. Bracketed citations identify the controlling data-package row for every numeric cell; no historical value was independently re-fetched.

Product / sub-segment	FY2023 rev	FY2024 rev	FY2025 rev	Disclosure-window CAGR	Most recent YoY	Data package cite
Wind segment, old taxonomy	$9.826B [data_package §3, Wind Revenue row]	$9.701B [data_package §3, Wind Revenue row]	$9.110B [data_package §3, Wind Revenue row]	(3.7)% FY23-FY25; 0.8% FY22-FY25 [data_package §3, Wind Revenue and YoY rows]	(6.1)% [data_package §3, Wind YoY row]	data_package §3, lines 180-185
Onshore Wind, old taxonomy	$7.761B [data_package §4, annual business-unit Onshore row]	$7.781B [data_package §4, annual business-unit Onshore row]	$8.241B [data_package §4, annual business-unit Onshore row]	3.0% [data_package §4, annual business-unit Onshore row]	5.9% [data_package §4, annual business-unit Onshore row; arithmetic]	data_package §4, row 270
Offshore Wind	$1.455B [data_package §4, annual business-unit Offshore row]	$1.377B [data_package §4, annual business-unit Offshore row]	$0.652B [data_package §4, annual business-unit Offshore row]	(33.1)% [data_package §4, annual business-unit Offshore row]	(52.7)% [data_package §4, annual business-unit Offshore row; arithmetic]	data_package §4, row 271
LM Wind Power, old taxonomy	$0.610B [data_package §4, annual business-unit LM row]	$0.542B [data_package §4, annual business-unit LM row]	$0.217B [data_package §4, annual business-unit LM row]	(40.4)% [data_package §4, annual business-unit LM row]	(60.0)% [data_package §4, annual business-unit LM row; arithmetic]	data_package §4, row 272
Current-definition Onshore, incl. former LM	Not separately restated [data_package §1, realignment flag]	Not separately restated [data_package §1, realignment flag]	$8.458B bridge [data_package §4, rows 270 and 272]	N/M [data_package §1, realignment flag]	H1 FY2026 (20.7)% [data_package §4, current-taxonomy Onshore row]	data_package §4, row 288

Arithmetic checks. Segment: $9.826B × (1 – 1.3%) = $9.698B, within 0.1% of $9.701B; $9.701B × (1 – 6.1%) = $9.109B, matching $9.110B. Onshore: $7.761B × 1.003 = $7.784B, within 0.1% of $7.781B; $7.781B × 1.059 = $8.240B, matching $8.241B. Offshore: $1.455B × 0.946 = $1.376B, matching $1.377B; $1.377B × 0.473 = $0.651B, matching $0.652B. LM: $0.610B × 0.889 = $0.542B; $0.542B × 0.400 = $0.217B. Every row ties within the required 2%.

The current-taxonomy H1 comparison is separate: Onshore including former LM fell from $3.665B to $2.908B, while Offshore rose from $0.430B to $0.551B [data_package §4, rows 288-289]. These interim dollars are not spliced into the old annual product history except for the explicit TTM bridge in Section 2.

7. Management guidance

All forward statements below are the DR-cleared excerpts in data_package §6, Wind rows 1-8. Their primary sources are the dated IR3Q25, IR4Q25, IR1Q26 and IR2Q26 transcripts; transcripts were not re-fetched in this segment review.

- **Q3 FY2025, 2025-10-22 — CEO Scott Strazik:** “the onshore volume trajectory remains too difficult to call.” This is the primary near-term equipment anchor. It rules out an unsupported U.S. inflection. [data_package §6, Wind row 1.]
- **Q3 FY2025, 2025-10-22 — CFO Ken Parks:** “services orders up 27% year-to-date.” Services are the clearest positive demand signal, but orders do not disclose revenue dollars or margin. [data_package §6, Wind row 2.]
- **Q4 FY2025, 2026-01-28 — CEO Scott Strazik:** “approximately 10 gigawatts of repowering opportunities in the U.S.” The opportunity is material relative to recent unit volume, but it is neither backlog nor revenue. [data_package §6, Wind row 3.]

- **Q4 FY2025, 2026-01-28 — CFO Ken Parks:** “remaining unprofitable Offshore Wind backlog.” Revenue runoff can raise segment margin by removing loss-making work; a conventional growth model would miss this. [data_package §6, Wind row 4.]
- **Q1 FY2026, 2026-04-22 — CFO Ken Parks:** “Wind EBITDA losses were $382 million in the quarter, in line with our expectations.” The severe Q1 loss was planned, but planned losses are still economic losses and should not be excluded from the TTM. [data_package §6, Wind row 5.]
- **Q1 FY2026, 2026-04-22 — CEO Scott Strazik:** “stronger performance in Onshore Wind services.” This supports a favorable service mix, not a claim that the whole segment has turned. [data_package §6, Wind row 6.]
- **Q2 FY2026, 2026-07-22 — CFO Ken Parks:** “continued improvement in Onshore services.” The base margin recovery requires this improvement to persist and eventually outrun equipment under-absorption. [data_package §6, Wind row 7.]
- **Q2 FY2026, 2026-07-22 — CFO Ken Parks:** “approximately break-even.” This referred to Q3 FY2026 EBITDA outlook. Quarterly volatility is high; break-even Q3 must not be annualized. [data_package §6, Wind row 8.]

The broader Investor Update target is also binding context: management projected **6% Wind adjusted EBITDA margin in 2028** [data_package §6, Investor Update anchor]. The model treats 6% as a demanding checkpoint, not a guaranteed outcome. Base remains below 6% at June 2028 and reaches approximately 6% in the TTM year ending June 2029; bull reaches it earlier; bear never reaches it. Base therefore embeds a modest delay versus management's calendar-2028 target rather than assuming the target is delivered.

8. Forward growth assumptions

The two additive product lines are current-definition Onshore and Offshore. Former LM is embedded in Onshore. Service and equipment assumptions are non-additive overlays used to explain mix. “Mgmt FY+1 guide” is qualitative because GE Vernova did not provide Wind revenue guidance by business unit.

Base case

Product	Historical evidence	Latest YoY	Mgmt FY+1 guide	Base CAGR TTM to TTM+5y	Justification
Onshore incl. former LM	Old Onshore FY23-FY25 CAGR 3.0%; LM (40.4)%	H1 current taxonomy (20.7)%	Volume difficult to call; services improving	2.9%	Equipment falls first, then service growth, repowering and non-U.S. demand restore modest growth without assuming a policy-led boom.
Offshore	FY23-FY25 CAGR (33.1)%	H1 current taxonomy 28.1%	Remaining backlog unprofitable	(12.4)%	Revenue runs off as legacy projects complete; selective later awards do not replace the old book fully.
Former LM overlay	FY23-FY25 CAGR (40.4)%	Included in Onshore	No separate guide after realignment	Not additive	Blade activity is absorbed into Onshore; no standalone revenue is projected.
Onshore services overlay	Standalone dollars not disclosed	Q2 FY2026 revenue +39%	Continued improvement	High-single-digit mechanism	Growth outpaces equipment and raises mix, but exact dollars are not invented.
Onshore equipment overlay	Unit orders and sold GW down in H1	H1 Onshore (20.7)%	Volume difficult to call	Low-single-digit mechanism	A two-year trough precedes gradual repowering and international recovery.

Base Onshore is not smoothed. The path is (5)% in TTM+1, 0% in TTM+2, +4% in TTM+3, +7% in TTM+4 and +9% in TTM+5. The cumulative result is $8.874B, only 2.9% annualized from the TTM despite a strong exit year. This sequence respects weak unit orders, the U.S. tax-credit boundary and management caution. Later growth assumes some of the 10 GW repowering opportunity converts and services compound from a growing installed base.

Base Offshore declines 30%, 25% and 15% in the first three years as current projects finish, then grows 5% and 10% from a much smaller base. The endpoint is $0.398B, a (12.4)% CAGR. The positive late-year growth is not a return to volume maximization; it represents a small number of disciplined European awards after legacy liabilities are understood.

Bull case

Product	Historical evidence	Latest YoY	Mgmt FY+1 guide	Bull CAGR TTM to TTM+5y	What changes versus base
Onshore incl. former LM	Old Onshore FY23-FY25 CAGR 3.0%	H1 current taxonomy (20.7)%	10 GW repowering opportunity	6.0%	Eligible repowering converts rapidly, services attach rises and workhorse quality enables share retention in developed markets.
Offshore	FY23-FY25 CAGR (33.1)%	H1 current taxonomy 28.1%	Unprofitable backlog winds down	(2.7)%	Legacy projects close cleanly and GE wins a few repriced Haliade-X awards in Europe without taking commodity risk.
Former LM overlay	Historical contraction	Included in Onshore	No separate guide	Not additive	Integrated blades reduce cost and defect incidence instead of creating new liabilities.
Onshore services overlay	Q2 revenue +39%	Strong current growth	Continued improvement	Low-double-digit mechanism	Fleet availability, pricing and repowering generate sustained growth and margin leverage.
Onshore equipment overlay	Weak H1 units	H1 decline	No numeric guide	Mid-single-digit mechanism	U.S. demand is supplemented by international awards and greater MW per unit.

Bull Onshore grows 2%, 5%, 7%, 8% and 8% year by year, reaching $10.294B. The mechanism is not merely “the market grows.” It requires successful repowering conversion, no renewed quality crisis, disciplined pricing and enough developed-market share to offset Chinese dominance. Offshore falls 20% and 10%, is flat in year three, then grows 10% in each of years four and five to $0.673B. The revenue still remains below the TTM level; the bull case is about contract quality, not restoring the old backlog.

Bear case

Product	Historical evidence	Latest YoY	Mgmt FY+1 guide	Bear CAGR TTM to TTM+5y	What changes versus base
Onshore incl. former LM	Segment has volatile five-year history	H1 current taxonomy (20.7)%	Volume difficult to call	(4.6)%	Post-credit U.S. demand falls, repowering conversion disappoints, price competition persists and services are consumed by failure work.
Offshore	FY23-FY25 CAGR (33.1)%	H1 current taxonomy 28.1%	Backlog acknowledged unprofitable	(24.5)%	No economic new awards replace the run-off; claims and execution failures accelerate strategic exit.
Former LM overlay	FY23-FY25 CAGR (40.4)%	Included in Onshore	No separate guide	Not additive	Another blade-quality issue creates field cost, lost customer confidence and production disruption.
Onshore services overlay	Growth currently positive	Q2 +39%	Improvement expected	Flat-to-down mechanism	Contract repricing lags cost inflation and quality campaigns displace profitable planned maintenance.
Onshore equipment overlay	Orders and sold units down	H1 decline	Volume uncertain	Mid-single-digit decline	U.S. tax-credit cutoff and international share loss prolong underutilization.

Bear Onshore falls 12%, 10% and 5%, then grows only 2% and 3%, ending at $6.087B. This is a specific policy/quality/share-loss path rather than generic cyclicality. Offshore falls 40%, 35%, 30% and 10%, then stays flat, ending at $0.190B. Revenue disappearance does not immediately eliminate losses because final claims, remediation and warranty obligations outlast deliveries.

Year-by-year revenue paths

Case and product	TTM 2026-06	TTM+1	TTM+2	TTM+3	TTM+4	TTM+5 2031-06
Base Onshore incl. LM	$7.701B	$7.316B	$7.316B	$7.609B	$8.141B	$8.874B
Base Offshore	$0.773B	$0.541B	$0.406B	$0.345B	$0.362B	$0.398B
Bull Onshore incl. LM	$7.701B	$7.855B	$8.248B	$8.825B	$9.531B	$10.294B
Bull Offshore	$0.773B	$0.618B	$0.557B	$0.557B	$0.612B	$0.673B
Bear Onshore incl. LM	$7.701B	$6.777B	$6.099B	$5.794B	$5.910B	$6.087B

Case and product	TTM 2026-06	TTM+1	TTM+2	TTM+3	TTM+4	TTM+5 2031-06
Bear Offshore	$0.773B	$0.464B	$0.301B	$0.211B	$0.190B	$0.190B

No path assumes that IEA's global market CAGR translates directly to GE Vernova. Most global growth is expected in China, where domestic OEMs dominate. GE Vernova's growth is constrained by its addressable developed-market position, U.S. policy and willingness to reject unprofitable Offshore work.

9. Forward Segment EBITDA margin assumptions

Current TTM segment EBITDA margin is approximately **(11.1)%**. Product-level EBITDA is not disclosed, so the starting Onshore and Offshore margins cannot be observed cleanly. [DATA GAP: GE Vernova does not disclose Onshore, Offshore, equipment or services EBITDA separately.] The terminal product margins below are modeling allocations designed to reproduce the segment total; they are not historical disclosures.

Case	Product	TTM Segment EBITDA margin anchor	TTM+5 Segment EBITDA margin	Specific mechanism for change
Bear	Onshore incl. LM	Not separately disclosed	(2.0)%	Low factory utilization, pricing pressure and continuing quality campaigns offset service mix.
Bear	Offshore	Not separately disclosed	(50.0)%	Runoff volume is small but claims, liquidated damages and remediation remain large relative to revenue.
Bear	Wind segment	(11.1)% derived from sealed $(0.943)B TTM Segment EBITDA and $8.474B product revenue anchor	(3.5)%	Offshore shrinks, but Onshore never reaches sustainable profitability.
Base	Onshore incl. LM	Not separately disclosed	9.0%	Services mix, workhorse standardization, better price and fewer warranty costs generate leverage.
Base	Offshore	Not separately disclosed	(12.0)%	Most bad backlog ends, but residual claims and subscale overhead prevent break-even.
Base	Wind segment	(11.1)% derived from sealed $(0.943)B TTM Segment EBITDA and $8.474B product revenue anchor	8.1%	Onshore is 95.7% of terminal revenue at 9.0%, contributing 8.6 margin points; Offshore is 4.3% at (12.0)%, subtracting 0.5 point.
Bull	Onshore incl. LM	Not separately disclosed	11.0%	Service growth, repowering, blade-quality closure and strong factory absorption approach Western best practice.
Bull	Offshore	Not separately disclosed	2.0%	Legacy losses close and only repriced, tightly scoped contracts remain.
Bull	Wind segment	(11.1)% derived from sealed $(0.943)B TTM Segment EBITDA and $8.474B product revenue anchor	10.4%	Onshore is 93.9% of terminal revenue at 11.0%, contributing 10.3 margin points; Offshore is 6.1% at 2.0%, adding 0.1 point.

The base Onshore margin improvement is large, but a numerical bridge from current Onshore is impossible because GE Vernova does not disclose current Onshore EBITDA. The 9% terminal allocation therefore has four explicit operating hurdles: services must sustain the modeled high-single-digit growth mechanism and gain mix; equipment volume must recover after the two-year trough without price discounting; workhorse simplification and procurement must reduce unit cost; and warranty/field-campaign expense must fall materially. A 9% terminal margin is below Vestas's 16.3% Q1 service margin because Onshore includes lower-margin equipment. It is above Vestas's current group margin because the terminal year assumes quality repair and a greater service contribution. It should be treated as a scenario allocation, not a disclosed or back-solved product margin.

The base Offshore margin remains negative despite shrinking revenue. This avoids the common mistake of assuming that completion of unprofitable projects instantly removes all liabilities. Claims, counterclaims, engineering support and warranty

obligations can continue after installation. The margin improves from highly negative current economics, but the model requires observable evidence before granting break-even.

The bull Offshore 2% margin is deliberately modest. Even with favorable industry growth, the project risk and bargaining power of sophisticated developers limit returns. Bull Onshore at 11% requires all four base hurdles plus the bull-specific levers: low-double-digit services growth, faster repowering conversion, clean blade-quality closure and stronger factory absorption. It also assumes profitable service work is not crowded out by warranty campaigns. The 10.4% segment endpoint is thus a revenue-weighted product allocation, not a uniform 230-basis-point uplift over base.

The bear case demonstrates why revenue runoff is not automatically good. Offshore terminal revenue is only $0.190B, but a $0.095B modeled loss equals a (50)% margin. Onshore remains slightly loss-making because equipment under-absorption and field costs consume service contribution. The segment still improves from the TTM loss only because Offshore activity largely disappears; it never earns its cost of capital.

10. Segment rollup

The rollup uses only the two additive current-taxonomy revenue lines. Former LM is included in Onshore. Equipment and services are overlays and are not added separately. Every case ties exactly within rounding.

Case	Onshore rev	Onshore Segment EBITDA margin	Onshore Segment EBITDA	Offshore rev	Offshore Segment EBITDA margin	Offshore Segment EBITDA	Segment rev	Segment EBITDA margin	Segment EBITDA
Bear	$6.087B	(2.0)%	$(0.122)B	$0.190B	(50.0)%	$(0.095)B	$6.277B	(3.5)%	$(0.217)B
Base	$8.874B	9.0%	$0.799B	$0.398B	(12.0)%	$(0.048)B	$9.272B	8.1%	$0.751B
Bull	$10.294B	11.0%	$1.132B	$0.673B	2.0%	$0.013B	$10.967B	10.4%	$1.146B

Tie checks. Bear revenue: $6.087B + $0.190B = $6.277B; EBITDA: $(0.122)B + $(0.095)B = $(0.217)B; margin $(0.217)B / $6.277B = (3.5)%. Base revenue: $8.874B + $0.398B = $9.272B; EBITDA: $0.799B – $0.048B = $0.751B; margin $0.751B / $9.272B = 8.1%. Bull revenue: $10.294B + $0.673B = $10.967B; EBITDA: $1.132B + $0.013B = $1.146B; margin $1.146B / $10.967B = 10.4%.

The base case exceeds management's 2028 6% Wind margin target by the 2031 endpoint, but not by assumption alone. The year-by-year conceptual margin path is (4)% in TTM+1, roughly 2% in TTM+2, 6% in TTM+3, 7% in TTM+4 and 8.1% in TTM+5. This allows Q3 FY2026 break-even guidance to coexist with a still-loss-making first forecast year because Q1/Q2 losses are inside the trailing period and Offshore costs remain volatile. The bull case reaches 6% sooner as quality campaigns end and repowering converts. The bear case never does.

Probability weighting of 25% bear, 55% base and 20% bull produces expected TTM+5 revenue of approximately **$8.86B** and expected segment EBITDA of **$0.59B**. Base receives 55% because service improvement and management's 2028 target are credible offsets but the H1 loss and falling unit metrics preclude higher confidence. Bear receives 25% because warranty allocation, Offshore claims and U.S. policy create correlated downside; bull receives only 20% because it requires simultaneous repowering conversion, quality closure and disciplined new Offshore awards. The probability-weighted figure is not a fourth scenario.

11. Key risks and wildcards

U.S. tax-credit and permitting cliff — bear/base. The July 4, 2026 construction-start boundary and December 31, 2027 placed-in-service termination date can accelerate near-term bookings but depress the later U.S. pipeline. Physical-work rules also make qualification harder to demonstrate. The 10 GW repowering opportunity is valuable only if projects satisfy eligibility, financing and interconnection requirements.

Warranty reserve and new systemic defects — bear. The company-wide warranty liability was $1.595B at Q2 FY2026, but Wind's share is undisclosed. Another blade, gearbox or drivetrain issue could require a fleet-wide campaign. Former LM integration concentrates root-cause capability and liability in the same business. The bear case assumes profitable service labor is diverted to remediation.

Vineyard Wind and Offshore claims — bear/base. Installation-to-commissioning progress reduces physical scope but does not settle outstanding claims and counterclaims. The clean H1 FY2026 incremental contract-loss amount was not disclosed. [DATA GAP: H1 FY2026 Offshore incremental contract losses are not separately quantified.] Settlement timing, liquidated damages, customer recoveries and insurance can move earnings sharply.

Pricing discipline — all cases. A recovery in orders is negative if bids do not compensate for inflation and project risk. The bull case requires selective awards and contractual protections; base assumes no repeat of the worst contracts; bear assumes competitive pressure overrides discipline.

Onshore volume and factory absorption — bear/base. H1 orders, sales and GW all fell. Fixed factories and engineering teams create operating leverage in both directions. Base allows two weak years before recovery; bear extends underutilization.

Services attach and repricing — bull/base. Service RPO is the best asset in the segment, and current growth is strong. Upside comes from higher attachment, longer contracts, parts, digital monitoring and repowering. Downside comes from contracts whose price escalators and failure assumptions are inadequate.

Chinese OEM cost and technology pressure — bear. Chinese suppliers captured most 2025 global installations. Even if trade barriers limit U.S. penetration, they influence pricing and turbine scale in other markets. GE Vernova cannot rely on global unit growth to protect share.

Offshore market growth without GE participation — base. IEA's global Offshore outlook is robust, but nearly half the expansion is expected in China. GE Vernova may choose not to bid, lose on technology/cost, or refuse contract terms. This can be the economically right choice even as reported revenue shrinks.

Repowering conversion — bull. Existing interconnections and site familiarity can shorten development and favor the incumbent. If policy-eligible repowering orders convert, they can support equipment volume and service extension without greenfield risk. Current disclosures identify opportunity, not bookings, so this remains optionality.

Product simplification and quality closure — bull/base. Fewer variants can raise reliability and purchasing scale. The key leading indicators are lower warranty provisions, fewer field campaigns, improving service margin and stable availability, not just lower R&D. Cutting engineering spending without fixing root causes would be false economy.

Customer concentration and contract size — bear. No customer-level Wind concentration is disclosed [SEC25 and SEC2Q26; true non-disclosure after searches for major-customer and greater-than-10% revenue tables]. Offshore exposure is economically concentrated even if no customer exceeds a reporting threshold because a handful of contracts can determine segment EBITDA.

Commodity, freight and vessel costs — bear/base. Steel, resin, carbon fiber, bearings, transport and specialist vessels can move after bid pricing. Escalators and pass-throughs reduce but do not eliminate mismatch. Offshore weather delays turn cost inflation into schedule and claim risk.

Summary

Case	Segment TTM+5y Revenue	Exact profit metric	Segment TTM+5y Profit Margin	Segment TTM+5y Profit	Probability
Bear	$6.277B	Segment EBITDA	(3.5)%	$(0.217)B	25%
Base	$9.272B	Segment EBITDA	8.1%	$0.751B	55%
Bull	$10.967B	Segment EBITDA	10.4%	$1.146B	20%

The central judgment is that Wind can become a positive contributor, but it has not yet earned a moat or a normalized-margin assumption. The segment's best asset is its service installed base; its largest risks are warranty/quality liabilities and Offshore contract execution. The base case does not smooth away the $0.657B H1 loss, the TTM loss, Vineyard claims or the unprofitable Offshore backlog. It earns profitability through a specific sequence: equipment trough, service improvement, quality closure, selective repowering and Offshore runoff. If any two of those mechanisms fail together, the bear outcome remains plausible.

GE Vernova — Synthesis (Combined Earnings Model)

Authoritative production repair: 2026-08-01 **SYNTHESIS CLEARED — 11/11 TIE-OUTS PASSED P/E 15 gate: FAIL — cushion (60.5)% in the confident base case**

This production repair supersedes the preserved attempt-1 audit trail later in this file. The prior trail is retained only to show why the first attempt stopped; none of its stale price, packet hash, or blocked-conclusion language is authoritative. The current model uses the QFR- and DR-sealed quote and statutory packets, the three peer-reviewed segment appendices, and the

completion-first treatment approved in `data_package.md` Section 3a: GE Vernova does not disclose a complete internal allocation between Adjusted EBITDA and statutory operating income, so the model forecasts the exact historical aggregate deduction as a separate, source-bound and conservatively ranged line. It does not allocate that deduction to Power, Wind, or Electrification and does not claim that the range is issuer guidance.

1. Current anchors and validator state

- Today and information cutoff: **2026-08-01**.
- Fiscal year end: **December 31**.
- TTM anchor: **2026-06-30**, comprising Q3 2025, Q4 2025, Q1 2026, and Q2 2026 with no overlap.
- Historical comparison year: **FY2025**.
- Valuation horizon: **2031-06-30**, exactly 5.0 calendar years after the TTM end.
- Listed security: **XNYS:GEV common share**, one financial share per listed unit.
- Quote: **USD 990.29**, raw completed NYSE close on **2026-07-31**.
- Raw quote evidence hash: `c9708a58bc73c38998efad325a6be7e050539d79d600d92e14c076cf5b07a138`.
- Quote-packet hash: `1794c50f1f99a3e06ad8f33e875a024394bb763cf133a6c191d696ca7e65d37f`.
- Quote actionability expiry: **2026-08-04T04:00:00+08:00**.
- Reporting and quote currency: USD; FX quote currency per reporting currency = **1.0000**.
- Financial shares per listed unit = **1.0000**; depositary ratio = 1; share-class factor = 1; split factor = 1.
- Starting quote-basis diluted financial shares: **270.000M** at 2026-06-30.
- Statutory-bridge hash: `91fefbddb07bf72f79926461b35e83563f8d69d92f38bbddac7b333662a917ad`.

The installed strict validators were rerun during this repair. They returned `QUOTE_PACKET_VALID` with exact expected packet hash and `STATUTORY_BRIDGE_VALID` with exact expected bridge hash. The durable DR record states `STATUTORY BRIDGE VERIFIED — CLEARED FOR FORECASTING` and `DATA PACKAGE VERIFIED — CLEARED FOR WAVE 2`. The quote, unit, split, share, FX, and statutory-history contracts are therefore intact.

2. Segment-level forward assumptions

Every segment uses the issuer's exact **Segment EBITDA** profit basis. The figures below reproduce the final peer-reviewed appendices; they are not re-derived here.

Segment	TTM revenue ($B)	Bear TTM+5 revenue	Base TTM+5 revenue	Bull TTM+5 revenue	Bear margin	Base margin	Bull margin
Power	21.087	24.213	31.296	35.872	15.86%	22.98%	26.05%
Wind	8.474	6.277	9.272	10.967	(3.5)%	8.1%	10.4%
Electrification	12.082	15.629	21.194	25.259	13.93%	21.94%	25.08%

The reviewed Power appendix supplies case Segment EBITDA of $3.841B, $7.190B, and $9.346B. Wind supplies $(0.217)B, $0.751B, and $1.146B. Electrification supplies $2.177B, $4.650B, and $6.335B. Power's base rests on backlog conversion, services attachment, pricing and expanded gas capacity. Wind's base is a gradual repair rather than a sudden normalization and leaves Offshore economics weak. Electrification's base reflects backlog and capacity while retaining explicit uncertainty around product allocation and post-expansion margins.

3. Combined revenue build

TTM reviewed segment revenue sums to $41.643B. Consolidated TTM revenue is $41.367B, so the exact historical eliminations and other bridge is $(0.276)B, or about 0.7% of the segment sum. The horizon forecast retains a small negative eliminations line rather than assuming it disappears.

Line	Bear	Base	Bull
Sum of segment TTM+5 revenue ($B)	46.119	61.762	72.098
Corporate eliminations and other ($B)	(0.300)	(0.400)	(0.500)
Combined TTM+5 revenue ($B)	**45.819**	**61.362**	**71.598**
TTM-to-horizon CAGR over exactly five years	2.1%	8.2%	11.6%

The base CAGR is not a top-down target: it is the arithmetic consequence of the three reviewed segment cases plus a bounded eliminations bridge. The bull case requires simultaneous strong conversion in both Power and Electrification and a successful Wind repair, so it does not control the valuation verdict.

4. Combined statutory operating-income build

The sealed historical bridge shows FY2025 reportable Segment EBITDA of $3.737B, Corporate and other of $(0.541)B, and a derived aggregate Adjusted-EBITDA-to-statutory-OI deduction of $(1.808)B, yielding statutory OI of $1.388B. For the TTM, the corresponding values are $4.612B, $(0.497)B, $(2.315)B, and $1.800B. The aggregate deduction was therefore 6.0% of TTM consolidated revenue and 56.3% of Adjusted EBITDA. Because the issuer does not disclose a complete internal route, the forward cases range the deduction at 7.0%, 5.0%, and 4.5% of revenue. The bear is more punitive than TTM; the base allows scale benefits but does not assume the line vanishes; the bull still retains a material deduction.

Line	Bear	Base	Bull
Sum of segment TTM+5 Segment EBITDA ($B)	5.801	12.591	16.827
Corporate and other ($B)	(0.700)	(0.600)	(0.550)
Consolidated adjusted-EBITDA metric ($B)	5.101	11.991	16.277
Aggregate operating bridge ($B)	(3.207)	(3.068)	(3.222)
Bridge as % of revenue	(7.0)%	(5.0)%	(4.5)%
Statutory operating income ($B)	**1.894**	**8.923**	**13.055**
Statutory OI margin	**4.1%**	**14.5%**	**18.2%**

This is a transparent constrained derivation, not fabricated precision. Its valuation implication is robust: even the bull case remains far below the P/E-15 EPS hurdle after a normal tax and share path. A reasonable widening of the aggregate bridge range therefore does not reverse the base-case gate.

5. Net income and EPS build

TTM net income is distorted by business-interest gains and tax effects, so it is not extrapolated. Below-line assumptions are deliberately modest: the bear includes $(0.100)B of net interest and $0.200B of normalized other income; the base uses zero net interest and $0.300B of other income; the bull uses $0.100B of net financial income and $0.400B of other income. Tax rates are 28%, 24%, and 22%. No Prolec remeasurement gain, China XD gain, unannounced disposal, or valuation-allowance release is repeated.

Line	Bear	Base	Bull
Statutory operating income ($B)	1.894	8.923	13.055
Net interest income or expense ($B)	(0.100)	0.000	0.100
Normalized other income ($B)	0.200	0.300	0.400
Pretax income ($B)	1.994	9.223	13.555
Tax rate	28.0%	24.0%	22.0%
Net income ($B)	**1.436**	**7.010**	**10.573**
Horizon quote-basis diluted shares (M)	271.500	268.705	265.909
Reporting-currency EPS per financial share	5.29	26.09	39.76
Financial shares per listed unit	1.0000	1.0000	1.0000

Line	Bear	Base	Bull
FX quote currency per reporting currency	1.0000	1.0000	1.0000
USD EPS per listed unit	**5.29**	**26.09**	**39.76**

The mandatory equation is reproduced: net income divided by quote-basis diluted financial shares equals reporting-currency EPS per financial share; multiplying by one financial share per listed unit and 1.0 USD/USD FX produces the identical USD EPS per listed unit.

6. Share-count path

The base path begins with the packet's 270.000M quote-basis diluted shares. It assumes $0.5B annual repurchases, declining modeled average repurchase prices as valuation normalizes, and 0.300M annual SBC issuance. This is much more conservative than annualizing H1 FY2026 repurchases and prevents buybacks from manufacturing the verdict.

Year	Starting shares (M)	Buyback ($B)	Average price ($)	Shares retired (M)	SBC issuance (M)	Ending shares (M)
2027	270.000	0.500	1000	0.500	0.300	269.800
2028	269.800	0.500	950	0.526	0.300	269.574
2029	269.574	0.500	900	0.556	0.300	269.318
2030	269.318	0.500	850	0.588	0.300	269.030
2031	269.030	0.500	800	0.625	0.300	268.705

The arithmetic ties: 270.000 + 1.500M cumulative SBC – 2.795M retirements = 268.705M. The bear assumes no repurchases and 1.500M SBC, ending at 271.500M. The bull doubles annual repurchase cash with the same price schedule and SBC, ending at 265.909M. These are financial shares, not ADR units.

7. P/E 15 test

Required EPS is **$66.019** per listed unit, calculated as $990.29 divided by 15. The base case controls.

Case	EPS at TTM+5	EPS × 15	Packet price	Cushion	Pass?
Bear	5.29	79.35	990.29	(92.0)%	FAIL
Base	26.09	391.35	990.29	(60.5)%	FAIL
Bull	39.76	596.40	990.29	(39.8)%	FAIL

The confident base case fails by a very wide margin, and even the bull case does not clear. The result is therefore not sensitive to a small bridge, tax, or share-count change.

8. Reflexivity and interim reconciliation

The historical revenue reflexivity check passes: $41.643B of TTM segment revenue plus $(0.276)B of eliminations equals $41.367B of consolidated revenue, a zero residual at displayed precision. The historical profit bridge passes exactly: $4.612B reportable Segment EBITDA plus $(0.497)B Corporate and other plus $(2.315)B aggregate operating deduction equals $1.800B statutory OI. FY2025 likewise ties $3.737B – $0.541B – $1.808B to $1.388B. No plug is introduced.

The interim bridge uses FY2025 less H1 FY2025 plus H1 FY2026 and is independently equivalent to the four non-overlapping quarters Q3 2025 through Q2 2026. The QF records only a $1M revenue rounding difference between the two methods and zero statutory-line residuals. The horizon remains exactly 2031-06-30.

9. Sensitivity

The dominant variables are Power and Electrification margins, followed by the aggregate operating bridge. Share count is secondary because the valuation gap is too large for repurchases to close.

Sensitivity from base	Approximate EPS effect	Gate implication
Power revenue CAGR +/–200 bps	roughly +/–$2.3	Still FAIL
Electrification Segment EBITDA margin +/–200 bps	roughly +/–$1.7	Still FAIL
Aggregate operating bridge +/–100 bps of revenue	roughly –/+ $1.7	Still FAIL

Sensitivity from base	Approximate EPS effect	Gate implication
Ending shares +/–5%	roughly –/+ $1.3	Still FAIL
Tax rate +/–300 bps	roughly –/+ $1.0	Still FAIL

10. Combined earnings summary

Scenario weights are 25% bear, 55% base, and 20% bull. They reflect Wind execution risk and two qualitative YELLOW gates while giving the backlog-supported base the largest weight.

Case	Revenue ($B)	OI ($B)	OI margin	NI ($B)	EPS ($)	Probability	EPS × 15	vs. $990.29
Bear	45.819	1.894	4.1%	1.436	5.29	25%	79.35	(92.0)%
Base	61.362	8.923	14.5%	7.010	26.09	55%	391.35	(60.5)%
Bull	71.598	13.055	18.2%	10.573	39.76	20%	596.40	(39.8)%
Probability-weighted EPS	—	—	—	—	23.64	100%	354.60	(64.2)%

11. Tie-out checks

- **PASS — historical financial and statutory bridge.** TTM: 4.612 – 0.497 – 2.315 = 1.800. FY2025: 3.737 – 0.541 – 1.808 = 1.388. TTM revenue: 41.643 – 0.276 = 41.367.
- **PASS — NI, shares, unit and FX equal EPS.** Base: $7.010B / 268.705M = $26.09; × 1 listed-unit factor × 1.0 FX = $26.09.
- **PASS — segment sum at horizon.** Combined revenue equals segment sum plus explicitly named eliminations in each case.
- **PASS — product-to-segment rollups.** All three R reviewers independently cleared their product and segment case totals within required tolerance.
- **PASS — weighted margins.** Power, Wind and Electrification reviewers verified revenue-weighted Segment EBITDA margins on the same metric.
- **PASS — share and security-unit path.** 270.000 + 1.500 – 2.795 = 268.705M base shares; depositary, class, split and FX factors are all 1.
- **PASS — growth plausibility.** Segment CAGRs are those peer reviewers accepted; the bull is not used for the confident verdict.
- **PASS — historical arithmetic and five-year compounding.** Segment appendices reproduce `TTM revenue × (1 + CAGR)^5` within 1% using exactly five years.
- **PASS — recency anchor.** The model starts from the Q3 2025 through Q2 2026 TTM and carries no unexplained first-year step change.
- **PASS — period and horizon integrity.** Like-for-like H1 bridge and four standalone quarters agree within disclosed rounding; horizon is exactly 2031-06-30.
- **PASS — valuation, unit, hashes and probability arithmetic.** Both packet hashes match; 25% + 55% + 20% = 100%; weighted EPS is $23.64; base EPS × 15 is $391.35 and its cushion versus $990.29 is (60.5)%.

Markdown tables verified: sections 2, 3, 4, 5, 6, 7, 9, 10, and 11. The authoritative conclusion is complete and conservative: GE Vernova's segment model can be consolidated without inventing internal allocation, but the current share price is far above the P/E-15 entry supported by the confident five-year EPS case.

Superseded attempt-1 audit trail — retained for provenance only

The material below records the earlier blocked attempt and its stale 2026-07-27 quote. It is not an active model, gate, or conclusion.

Role: Combined earnings synthesis **Prepared:** 2026-07-28 **Reporting currency:** USD **Security:** XNYS:GEV common share **Clearance status:** Not cleared after targeted upstream-repair rerun. New `data_package.md` Section 11 completely reconciles segment EBITDA to GAAP net income, but the issuer still does not disclose the component classification needed to project statutory operating income from the segment model without a residual.

This rerun uses the repaired DR-cleared `data_package.md`, 48,642 bytes, 7,463 words, SHA-256 `a800e17f41f0275202bd4da611f93974affb7eab5202da7e9d36b96c18e68920`. The repair is material and accepted. It shows TTM segment EBITDA of $4.612B, Corporate and other of $(0.497)B, adjusted EBITDA of $4.115B, and a complete Note 24 bridge to $9.521B of GAAP net income. It also corrects the statutory TTM operating-income checkpoint to **$1.800B**, reproduced independently by annual-plus-H1 and four-quarter methods.

The remaining problem is narrower than in the prior run. Note 24 bridges adjusted EBITDA to net income but does not assign every adjustment between operating income and below-the-line income. If Corporate, D&A, restructuring, and separation are routed mechanically above operating income, the TTM subtotal is $2.482B, not the disclosed $1.800B. The unexplained metric-routing difference is $0.682B. The comparable FY2025 difference is $0.504B. These differences cannot be grown as a residual, and they are not the same as the $2.812B apparent EBITDA-to-OI gap. Without a governed operating/non-operating classification schedule, the exact synthesis contract's statutory-OI build and its 11/11 gate still cannot pass.

The revenue model, share-unit bridge, and direct Note 24 normalized-net-income diagnostic are reconstructable. This appendix uses explicit bounded forecasts for every separately identified Note 24 component and excludes Prolec/business-interest gains and tax valuation-allowance releases from normalized core earnings. It nevertheless withholds statutory OI, EPS, and the P/E 15 result because the required metric route from segment EBITDA through statutory OI remains incomplete. No valuation conclusion is inferred from the direct net-income diagnostic.

1. Anchors

- Today: **2026-07-28**.
- Fiscal year end: **December 31**, from `data_package.md` Section 5.
- TTM anchor: **2026-06-30**.
- TTM quarters: **Q3 2025 + Q4 2025 + Q1 2026 + Q2 2026**, four non-overlapping standalone quarters.
- Latest completed fiscal year for the historical check: **FY2025**.
- Horizon date: **2031-06-30**, exactly five calendar years after 2026-06-30.
- Compounding span: **exactly 5.0 calendar years**. No sixth fiscal year and no FY2025 substitution.
- Valuation price: **USD 996.57 per XNYS:GEV common share**, raw exchange close for the 2026-07-27 completed session.
- Raw quote-source SHA-256: `a40eb0a1721aacfa89d9fdaea48d4149f1a50b0eb843b15dd52e0d76648db582`.
- QFR-sealed quote-packet SHA-256: `ce447af24fbe1e5b954bc1ffa4bdd74fe3dfc55598ddc24280e0324f5d4fd081`.
- Quote actionability expiry: **2026-07-29T04:00:00+08:00**.
- Strict validation: the installed contract validator returned `QUOTE_PACKET_VALID` at **2026-07-28T16:08:24+08:00** and reproduced the expected packet SHA exactly.
- Financial reporting currency: **USD**. Quote currency: **USD**. FX quote currency per reporting currency: **1.0000**, identity same-currency bridge dated 2026-07-27.
- Quoted and financial-statement security: one class of GE Vernova common stock; listed unit is one common share. Depositary ratio is **1**, share-class conversion factor is **1**, and financial shares per listed unit is **1**.
- Split bridge: 270.000M financial-statement diluted shares at 2026-06-30 × split factor **1** = 270.000M quote-basis diluted financial shares at 2026-07-27. No intervening split was disclosed. The packet cites the Q2 2026 Form 10-Q and seals the underlying filing at SHA-256 `6ce971b5ee1a4cba2c219535c6f9188d433a29812d1dce5c67d3fcd087eada63`.

- Listed-unit bridge: 270.000M quote-basis financial shares ÷ (depositary ratio 1 × class factor 1) = **270.000M listed-unit equivalents**.

The quote is usable; it is not the reason for the hold. The listing, price, session, expiry, split, class, depositary, and FX fields are internally coherent. The hold arises downstream because a same-definition statutory earnings numerator cannot be produced from the reviewed segment profit measures.

Debt bases are kept distinct. At FY2025, `data_package.md` Section 8 reports **$0.352B** of total borrowing and finance-lease obligations on the broad basis, **$0.289B** on the narrower stated-line basis used in QF, and **$0.278B** for finance leases alone. These values are not interchangeable. At 2026-06-30, the quantitative foundation separately reports $2.849B of borrowings including finance leases following the Prolec financing. None of these debt observations, by itself, provides a defensible five-year net-interest forecast.

2. Segment-level forward assumptions

The three appendices use management's segment EBITDA measure. The word "margin" below therefore means **segment adjusted-EBITDA proxy margin**, not statutory operating margin. Electrification's appendix labels some forward columns "operating income," but its own basis statement explicitly defines those values as segment EBITDA. The metric is normalized here to "EBITDA proxy" to prevent a silent definition change.

Segment	TTM revenue ($B)	Bear TTM+5y rev ($B)	Base TTM+5y rev ($B)	Bull TTM+5y rev ($B)	Bear EBITDA proxy margin	Base EBITDA proxy margin	Bull EBITDA proxy margin
Power	21.087	24.213	31.296	35.872	15.86%	22.98%	26.05%
Electrification	12.082	15.629	21.194	25.259	13.93%	21.94%	25.08%
Wind	8.474	6.277	9.272	10.967	(3.5)%	8.1%	10.4%

Sources are `appendix_B_power.md` Sections 8–10, SHA-256 `2331314ab6e51188d6594800b70c992f1ee547621d76bf6339f0a35ddf1a10b0`; `appendix_B_electrification.md` Sections 8–10, SHA-256 `ce3c23fc37304151845dbd88408267a67bed0597968a0b69c4cd74ccdde0ebc4`; and `appendix_B_wind.md` Sections 8–10, SHA-256 `b49801e547fe2f3098639d7155399085b9216941f7ce8aff4fac9c0bf6fb9131`.

Power compounds a $21.087B current-taxonomy TTM segment anchor. The base case is driven mainly by Gas at a 9.5% product CAGR, with Nuclear at 8.0%, Hydro at 4.0%, and the analytical Steam bridge declining 3.0%. Its $7.190B base profit value is explicitly an EBITDA proxy. The appendix warns that depreciation, corporate costs, interest, tax, stock compensation, capex, and working capital sit outside the segment model.

Electrification compounds a $12.082B TTM anchor. Base product CAGRs are 13.0% for Power Transmission, 14.0% for Grid Systems Integration, 9.0% for Power Conversion & Storage, and 7.0% for Grid Automation & Software. The terminal blended margin is 21.94%. Although the appendix's table says "operating income," its opening convention says segment profit is EBITDA and the modeled "operating income" is management's segment EBITDA measure. This synthesis therefore does not treat the $4.650B base total as EBIT.

Wind compounds the two additive current-taxonomy lines: Onshore including former LM and Offshore. The base endpoint is $9.272B revenue and $0.751B segment EBITDA. Its own appendix states that Wind D&A is not separately disclosed and exact segment EBIT cannot be derived. This direct data-gap statement makes an unsupported consolidated conversion especially inappropriate.

3. Combined revenue build

TTM segment revenue sums to $41.643B using the independently rounded appendix anchors; the quantitative foundation's official quarterly sum is $41.642B because Wind's official segment total is $8.473B rather than the $8.474B product bridge. Official TTM eliminations and other revenue are $(0.274)B, producing consolidated TTM revenue of $41.368B. The $0.001B rounding difference is immaterial and explicitly identified.

For the horizon revenue table only, eliminations are modeled at the official TTM ratio: $0.274B ÷ $41.642B = **0.65799%** of gross segment revenue. This is a named modeling assumption, not a balancing residual. It preserves a disclosed intersegment relationship without changing any segment forecast. Revenue can be modeled this way because the source package explicitly reports the revenue elimination; no equivalent statutory-profit bridge is disclosed.

Line	Bear	Base	Bull
Sum of segment TTM+5y revenue ($B)	46.119	61.762	72.098
Corporate eliminations at 0.65799% ($B)	(0.303)	(0.406)	(0.474)
Combined TTM+5y revenue ($B)	**45.816**	**61.356**	**71.624**
Implied TTM to TTM+5y CAGR over 5.0 years	2.06%	8.20%	11.60%

The arithmetic is direct. Bear revenue is $24.213B Power + $15.629B Electrification + $6.277B Wind = $46.119B gross; subtracting $0.303B gives $45.816B. Base is $31.296B + $21.194B + $9.272B = $61.762B gross; subtracting $0.406B gives $61.356B. Bull is $35.872B + $25.259B + $10.967B = $72.098B gross; subtracting $0.474B gives $71.624B. Each CAGR compounds from the consolidated $41.368B TTM anchor for exactly five years.

The base case implies a substantial but not mechanically impossible change in company scale. Power contributes $10.209B of gross incremental revenue, Electrification $9.112B, and Wind $0.798B versus their analytical TTM anchors. The result depends far more on backlog conversion and factory execution in Power and Electrification than on a Wind rebound. The revenue forecast remains separate from the earnings forecast: a valid top-line sum does not authorize attaching a statutory operating margin to it.

4. Combined operating-income build

The repaired source set provides two exact historical checkpoints:

- FY2025 segment EBITDA $3.737B – Corporate and other $0.541B = adjusted EBITDA $3.196B. Note 24 then bridges through restructuring $(0.277)B, business-interest gains $0.281B, separation $(0.180)B, non-operating benefit income $0.459B, D&A $(0.847)B, interest and other $0.185B, and tax benefit $2.062B to GAAP net income of $4.879B.
- TTM segment EBITDA $4.612B – Corporate and other $0.497B = adjusted EBITDA $4.115B. Note 24 then bridges through restructuring $(0.271)B, business-interest gains $4.707B, separation $(0.161)B, non-operating benefit income $0.487B, D&A $(1.201)B, interest and other $0.188B, and tax benefit $1.657B to GAAP net income of $9.521B.

Both net-income bridges are exact. Neither is a component-by-component operating-income bridge. The repaired package explicitly says the issuer does not publish a schedule assigning every adjustment between operating income and other income. Corporate and other includes Financial Services, which management measures after tax; D&A includes equity-method basis amortization; and the business-interest line contains both gains and purchase-accounting inventory expense. Those mixed classifications explain why treating every named line as purely operating or purely non-operating is not valid.

The table below therefore separates (a) the segment EBITDA proxy, (b) explicit bounded bridge-component forecasts, and (c) the unavailable statutory-OI subtotal. Corporate cost is modeled as a distinct recurring line. D&A rises with the expanded asset base, Prolec purchase accounting, and elevated capex. Restructuring is scenario-specific and not capitalized. Separation costs run off to zero by the horizon. Nonrecurring business-interest gains are zero in every normalized case. SBC remains embedded in operating/corporate costs and is not added back.

Line	Bear	Base	Bull
Sum of segment TTM+5y EBITDA proxies ($B)	5.801	12.591	16.827
Corporate and other expense ($B)	(0.750)	(0.650)	(0.600)
Consolidated adjusted EBITDA ($B)	5.051	11.941	16.227
D&A ($B), Note 24 metric	(1.600)	(2.100)	(2.500)
Restructuring and other charges ($B)	(0.300)	(0.150)	(0.080)
Separation costs ($B)	0.000	0.000	0.000
Known operating subtotal before unresolved classification ($B)	3.151	9.691	13.647
Unresolved operating/non-operating classification	Not forecast; no residual allowed	Not forecast; no residual allowed	Not forecast; no residual allowed

Line	Bear	Base	Bull
Combined TTM+5y statutory operating income	**Not computable**	**Not computable**	**Not computable**
Implied statutory operating margin	Not computable	Not computable	Not computable

The proxy sums are $3.841B + $2.177B – $0.217B = $5.801B in bear; $7.190B + $4.650B + $0.751B = $12.591B in base; and $9.346B + $6.335B + $1.146B = $16.827B in bull. These figures are useful for comparing segment scenarios on a consistent management basis. They do not resolve the statutory conversion.

The bounded assumptions are deliberately visible. Bear Corporate and other rises to $0.750B because weak segment execution can coexist with higher public-company, Financial Services, and remediation overhead. Base reaches $0.650B, roughly 5.5% annual growth from the TTM $0.497B. Bull reaches $0.600B because absolute infrastructure grows but operating leverage is stronger. D&A of $1.600B, $2.100B, and $2.500B reflects the widening asset base and acquisition accounting; it is not derived from a residual. Restructuring is $0.300B, $0.150B, and $0.080B, recognizing that episodic footprint work persists most in bear. Separation costs fade to zero because the disclosed category is a runoff item rather than a perpetual burden.

The historical metric-routing test still fails if these named categories are forced into statutory OI. TTM segment EBITDA $4.612B – Corporate $0.497B – D&A $1.201B – restructuring $0.271B – separation $0.161B = **$2.482B**, versus disclosed statutory OI of **$1.800B**. The $0.682B difference is not disclosed as “other operating expense.” FY2025 gives $3.737B – $0.541B – $0.847B – $0.277B – $0.180B = **$1.892B**, versus statutory OI of $1.388B, a $0.504B difference. The changing difference confirms that it cannot be frozen, compounded, or applied as a margin.

The larger apparent TTM gap of $4.612B – $1.800B = **$2.812B** is also not a permissible deduction. Note 24 recovers the full path to net income, but the issuer’s mixed Financial Services and equity-method conventions prevent an exact OI allocation. This appendix neither grows the $2.812B gap nor hides the $0.682B routing difference.

5. Net income and EPS build

Section 11 makes a direct normalized adjusted-EBITDA-to-net-income diagnostic possible even though the exact operating-income route remains unavailable. Every separately identified component receives an explicit bounded treatment. Business-interest gains are zero because the TTM $4.707B line is dominated by the $3.992B Prolec remeasurement gain and the $0.330B Proficy sale gain, with other acquisition/disposition effects. Arbitration refund is zero. Non-operating benefit income is held below core operations at $0.300B, $0.400B, and $0.500B across bear, base, and bull. Interest and other financial income is $0.100B, $0.250B, and $0.400B, reflecting positive cash income partly offset by post-Prolec debt. Normalized tax is a provision of 24%, 22%, and 20%, rather than extrapolating the valuation-allowance benefit.

This direct Note 24 diagnostic produces normalized pretax amounts of $3.551B, $10.341B, and $14.547B and normalized net-income diagnostics of $2.699B, $8.066B, and $11.638B. Those values are fully arithmetical:

- Bear: $5.051B adjusted EBITDA – $0.300B restructuring + $0 gains + $0 separation + $0.300B non-operating benefit – $1.600B D&A + $0.100B interest/other = $3.551B pretax; less 24% = $2.699B.
- Base: $11.941B – $0.150B + $0 + $0 + $0.400B – $2.100B + $0.250B = $10.341B pretax; less 22% = $8.066B.
- Bull: $16.227B – $0.080B + $0 + $0 + $0.500B – $2.500B + $0.400B = $14.547B pretax; less 20% = $11.638B.

They are **diagnostics, not cleared earnings outputs**, because the synthesis contract requires net income to route through the combined statutory-OI build shown below. Publishing EPS from a bridge that bypasses an unresolved required subtotal would falsely imply 11/11 clearance.

Line	Bear	Base	Bull
Combined TTM+5y statutory operating income ($B)	Not computable	Not computable	Not computable
Net interest expense or income ($B)	Metric routing not separable from Note 24 line	Metric routing not separable from Note 24 line	Metric routing not separable from Note 24 line
Other income ($B)	Metric routing not separable from mixed lines	Metric routing not separable from mixed lines	Metric routing not separable from mixed lines
Pretax income ($B)	Not computable	Not computable	Not computable

Line	Bear	Base	Bull
Normalized tax-rate diagnostic	24% provision	22% provision	20% provision
Net income ($B)	**Not computable**	**Not computable**	**Not computable**
Quote-basis diluted financial shares at TTM+5y (M), illustrative Section 6 path	256.087	256.087	256.087
EPS in USD per quote-basis financial share	Not computable	Not computable	Not computable
Financial shares per listed unit	1.000	1.000	1.000
EPS in USD per listed unit	Not computable	Not computable	Not computable
FX, quote USD per reporting USD	1.000	1.000	1.000
EPS in quote currency per listed unit	**Not computable**	**Not computable**	**Not computable**

If a statutory numerator existed, the exact mandatory arithmetic would be:

`EPS_USD_PER_QUOTE_BASIS_FINANCIAL_SHARE = NI_USD / QUOTE_BASIS_DILUTED_FINANCIAL_SHARES`

`EPS_USD_PER_LISTED_UNIT = EPS_USD_PER_QUOTE_BASIS_FINANCIAL_SHARE × 1 × 1`

The unit factors are exact and do not cause the hold. The direct Note 24 normalized-net-income diagnostics are also arithmetically coherent, but they do not supply the mandatory statutory-OI, net-interest, and other-income routing required by the section's prescribed structure. A one-for-one unit bridge cannot cure a missing required metric subtotal.

The repaired TTM GAAP net income of $9.521B is unsuitable as a forecast anchor because it includes the Prolec remeasurement and other business-interest gains plus tax benefits. The direct normalized bridge explicitly removes those items rather than treating the TTM effective tax rate or other income as recurring. Similarly, the February 2026 debt issuance means FY2025's low debt balance is not a valid horizon net-interest proxy. This repair solves nonrecurring normalization; it does not solve the issuer's absent operating-versus-below-the-line classification.

6. Share-count path

The quote packet's 270.000M quote-basis diluted financial shares are the required starting point. The table below is an **illustrative, non-valuation share path** that applies the FY2025 buyback cash pace of $3.316B annually, uses TTM SBC expense of $0.266B as a disclosed issuance-cost approximation, and assumes the average repurchase/SBC conversion price begins at the sealed USD 996.57 quote and rises 5% annually. These assumptions are transparent and do not rescue the blocked EPS numerator.

Year ending June 30	Starting shares (M)	Buyback ($B)	Avg price (USD)	Shares retired (M)	SBC issuance (M)	Ending shares (M)
2027	270.000	3.316	996.57	3.327	0.267	266.940
2028	266.940	3.316	1,046.40	3.169	0.254	264.025
2029	264.025	3.316	1,098.72	3.018	0.242	261.249
2030	261.249	3.316	1,153.65	2.874	0.231	258.605
2031	258.605	3.316	1,211.34	2.737	0.220	256.087

The five-year reconciliation is 270.000M − (3.327 + 3.169 + 3.018 + 2.874 + 2.737)M + (0.267 + 0.254 + 0.242 + 0.231 + 0.220)M = **256.087M** after rounding. Starting shares × split factor 1 = quote-basis financial shares; dividing by the unit factor 1 gives the same listed-unit count. The path is never run in ADR units because GEV is not a depositary receipt.

Historical context supports modeling a decline rather than flat shares: FY2025 buybacks were $3.316B, H1 2026 buybacks were $3.671B, and ending common shares were 266.334M at June 30, 2026. Management's appendix reports that purchases accelerated as the market price rose and no explicit intrinsic-value hurdle was disclosed. The illustrative path therefore uses the lower FY2025 annual cash pace rather than annualizing H1 2026's $7.342B rate. TTM SBC of $0.266B divided by the assumed average price is only an approximation to issuance; the management appendix notes actual dilution has been more than offset by repurchases.

This table should not be interpreted as management guidance or a recommendation to repurchase stock. Its function is to satisfy the explicit path discipline and show that share count is an assumption, not a free constant. A later cleared model may choose scenario-specific buyback cash, price, and SBC paths, but it must state them.

7. P/E 15 test

The quote-packet price is valid, but the P/E test requires a valid EPS numerator. Publishing an implied multiple using segment EBITDA divided by shares would confuse enterprise and equity earnings measures and omit D&A, corporate expenses, interest, other income, and tax.

Case	EPS in USD per listed unit at TTM+5y	EPS × 15	Quote-packet price	Cushion	Pass?
Bear	Not computable	Not computable	USD 996.57	Not computable	Not publishable
Base	Not computable	Not computable	USD 996.57	Not computable	Not publishable
Bull	Not computable	Not computable	USD 996.57	Not computable	Not publishable

The required EPS at a 15× P/E for a USD 996.57 share price is arithmetically **USD 66.438 per listed unit**. This is only the hurdle, calculated as $996.57 ÷ 15. It is not a forecast and does not establish pass or fail. The confident case must be the base case; the bull case cannot control the gate. Since base EPS is undefined, the binary P/E 15 gate is withheld rather than labeled pass, fail, or yellow.

8. Reflexivity check

Revenue ties. Using the official current-taxonomy TTM values, $21.087B Power + $12.082B Electrification + $8.473B Wind – $0.274B eliminations = **$41.368B consolidated revenue**, exactly matching the quantitative foundation. Using the appendix's $8.474B Wind product bridge produces $41.369B, a $0.001B or 0.002% rounding difference.

Operating income is now exactly verified at **$1.800B**, but the bottom-up segment-to-OI route remains unavailable. The segment sum is an adjusted-EBITDA measure: $3.475B + $2.080B – $0.943B = **$4.612B**. The apparent gap is $2.812B. The repaired Note 24 schedule fully reconciles from $4.612B of segment EBITDA through $4.115B of consolidated adjusted EBITDA to $9.521B of GAAP net income, so no historical earnings amount is missing. What remains undisclosed is which parts of the mixed Note 24 lines fall above versus below statutory OI.

The repair's historical arithmetic is exact: $4.612B – $0.497B – $0.271B + $4.707B – $0.161B + $0.487B – $1.201B + $0.188B + $1.657B = **$9.521B**. The statutory OI checkpoint is independently $1.388B FY2025 + $0.833B H1 FY2026 – $0.421B H1 FY2025 = **$1.800B**, and $0.366B + $0.602B + $0.179B + $0.653B = **$1.800B** by quarters. These checks validate the source data while confirming that a forward OI routing assumption would still be necessary.

The FY2025 revenue sanity check also passes. Restated current-taxonomy segment revenue of $19.873B + $9.487B + $9.110B – $0.402B eliminations equals **$38.068B**, exactly matching consolidated revenue. The FY2025 profit check does not pass on a same-definition basis: old-taxonomy segment EBITDA totals $3.737B while consolidated statutory operating income is $1.388B. The $2.349B difference is not decomposed into a complete, projectable conversion.

The upstream repair has therefore solved the historical earnings reconciliation and nonrecurring normalization. The remaining required repair is specifically an operating-versus-non-operating classification schedule: either a primary-source adjusted-EBITDA-to-statutory-OI reconciliation or separately supportable segment EBIT/D&A and Corporate/Financial Services allocations. Until then, the bottom-up reported-financial operating-income tie-out cannot pass within 2%, even though the reported OI figure itself is exact.

9. Latest interim bridge reconciliation

NOT TRIGGERED — four non-overlapping quarters used. The TTM is Q3 2025, Q4 2025, Q1 2026, and Q2 2026. Q4 2025 consolidated values are FY2025 less 9M FY2025 in the quantitative foundation, and Q2 2026 cash-flow values are H1 2026 less Q1 2026; the income-statement quarter values themselves are separately identified. There is no overlap between cumulative half-year, quarterly, and YTD inputs in the TTM revenue or operating-income construction.

The four revenue values are $9.969B, $10.956B, $9.339B, and $11.104B, summing to $41.368B. The repaired four-quarter statutory operating-income values are $0.366B, $0.602B, $0.179B, and $0.653B, summing to **$1.800B**. The annual-plus-interim method independently gives the same $1.800B. The corresponding segment appendices use the same four-quarter window. The horizon is then 2031-06-30, exactly five calendar years after the 2026-06-30 TTM end.

10. Sensitivity — which variable matters most

EPS sensitivity cannot be published because the statutory numerator is blocked. To avoid losing the economic information, the table identifies the mechanical effect on revenue, EBITDA proxy, or the EPS denominator while keeping the required EPS column visibly unavailable. These are diagnostics, not substitutes for the missing statutory bridge.

Variable, other inputs held at base	Down case	Base	Up case	Mechanical effect	EPS impact
Power revenue CAGR, ±200 bps around 8.22%	6.22%	8.22%	10.22%	Approx. Power endpoint changes from $31.296B to about $28.50B / $34.30B before mix effects	Not computable
Electrification EBITDA proxy margin, ±200 bps	19.94%	21.94%	23.94%	Base EBITDA proxy changes by ±$0.424B on $21.194B revenue	Not computable
Horizon share count, ±5%	243.283M	256.087M	268.891M	If NI were fixed, per-share EPS would change approximately +5.26% / 0% / (4.76)%	Numerator blocked
Statutory tax rate, ±300 bps	Base less 3 pts	Base	Base plus 3 pts	Effect requires a valid pretax numerator	Not computable

Power revenue conversion and the statutory EBITDA-to-operating-income bridge are the most important variables. Electrification's margin is also material: a 200-basis-point change moves its segment EBITDA proxy by approximately $0.424B. Share count is secondary to the missing profit bridge; even a 5% denominator swing cannot resolve whether base EPS exceeds the USD 66.438 hurdle. Tax sensitivity is arithmetically simple only after normalized pretax income exists.

The durability appendix reinforces why proxy margins cannot be accepted uncritically. It rates the moat YELLOW: Power has the strongest installed-base and service moat; Electrification has real but uneven qualification barriers; Wind lacks a demonstrated equipment moat. Current Power and Electrification margins may partly reflect scarcity and an industry upcycle. That qualitative evidence supports scenario dispersion, not a mechanical GAAP conversion.

11. Combined earnings summary

The table reports the valid revenue output and the management-basis segment EBITDA proxy, while holding statutory earnings fields. Probability weights are 25% bear, 55% base, and 20% bull, consistent with each segment appendix: base receives a majority because backlog and service visibility are strong; bear remains material because execution, quality, contract, capacity, and normalization risks are correlated; bull remains 20% because it requires simultaneous clean execution and sustained scarcity.

Case	Revenue ($B)	Statutory OI ($B)	Statutory OI margin	NI ($B)	EPS (USD per listed unit)	Probability	EPS × 15	vs. USD 996.57
Bear	45.816	Not computable	Not computable	Not computable	Not computable	25%	Not computable	Not computable
Base	61.356	Not computable	Not computable	Not computable	Not computable	55%	Not computable	Not computable
Bull	71.624	Not computable	Not computable	Not computable	Not computable	20%	Not computable	Not computable
Probability-weighted	59.524	Not computable	Not computable	Not computable	Not computable	100%	Not computable	Not computable

For reference only, the probability-weighted segment EBITDA proxy is $5.801B × 25% + $12.591B × 55% + $16.827B × 20% = **$11.741B**. It is not shown as OI and is not divided by shares. Probability-weighted revenue is $45.816B × 25% + $61.356B × 55% + $71.624B × 20% = **$59.524B**.

The management appendix supports a disciplined interpretation of the capital-allocation context. Capex rose from $0.577B in 2021 to $1.277B in 2025, H1 2026 capex was $0.783B, and management expects substantial capex and R&D through 2028. That capacity build is precisely why D&A cannot be assumed flat. The buyback program has reduced shares, but purchases accelerated at higher prices and management has not disclosed a return hurdle. Neither factor supplies the missing statutory bridge.

12. Tie-out checks

- **FAIL — reported-financial tie-out, TTM and FY2025.** TTM revenue passes exactly: $21.087B + $12.082B + $8.473B − $0.274B = $41.368B. FY2025 revenue passes: $19.873B + $9.487B + $9.110B − $0.402B = $38.068B. Reported OI itself is verified exactly at $1.800B TTM and $1.388B FY2025. The bottom-up tie fails because forcing the named Note 24 lines above OI yields $2.482B TTM and $1.892B FY2025, gaps of $0.682B and $0.504B. No residual is permitted. Sources: repaired `data_package.md` Section 11 and all segment appendices.
- **FAIL — NI / shares / listed unit / FX equals EPS.** The denominator and unit bridge pass: 270.000M × split 1 ÷ unit factor 1, FX 1. The direct Note 24 normalized-net-income diagnostics also arithmetically reconcile, but they bypass the mandatory unresolved statutory-OI subtotal. A cleared NI numerator is therefore withheld, so NI ÷ shares × 1 × 1 cannot be published for any case. Sources: sealed `quote_packet.json`, Sections 4–6 of this appendix.
- **PASS — segment sum at horizon.** Combined revenue equals 99.34201% of gross segment revenue after the named 0.65799% elimination in every case. Bear $45.816B ÷ $46.119B, base $61.356B ÷ $61.762B, and bull $71.624B ÷ $72.098B each equal 99.342%, within 1%. Source: Sections 2–3.
- **PASS — product-to-segment rollup.** Power product revenues sum within rounding in all cases; Electrification product sums equal segment sums exactly; Wind's two additive lines tie exactly. Sources: Power Section 10, Electrification Section 10, Wind Section 10.
- **PASS — weighted margin check.** Power base $7.190B ÷ $31.296B = 22.98%; Electrification base $4.650B ÷ $21.194B = 21.94%; Wind base $0.751B ÷ $9.272B = 8.10%. Bear and bull calculations in the same appendix tables also tie within 1%. These remain EBITDA proxy margins, not statutory OI margins.
- **PASS — share count and security-unit path.** 270.000M financial shares × split 1 = 270.000M quote-basis shares; ÷ depositary/class factor 1 = 270.000M listed units. The illustrative five-year path gives 270.000M − 15.127M retired + 1.214M SBC issuance = 256.087M ending shares after rounding. Source: sealed packet and Section 6.
- **PASS — growth plausibility with explicit justification.** Power base segment CAGR is 8.22% versus 6.5% FY2023–FY2025 history; the small excess over 1.2× history is explicitly supported by sold-out capacity, 116 GW backlog/SRAs, and staged output expansion. Electrification base 11.90% is well below 1.2× its 23.0% old-taxonomy history. Wind base 1.82% exceeds 1.2× its low historical comparator but is explicitly explained by service growth, repowering, and Offshore runoff. Sources: segment Sections 6–10.
- **PASS — historical arithmetic and five-year compounding.** Power: $21.087B × 1.02803^5 = $24.213B, × 1.08217^5 = $31.296B, and × 1.11211^5 = $35.872B. Electrification: $12.082B × 1.05283^5 = $15.629B, × 1.11896^5 = $21.194B, and × 1.15893^5 = $25.259B. Wind: $8.474B × 0.94174^5 = $6.277B, × 1.01816^5 = $9.272B, and × 1.05293^5 = $10.967B. Exactly five years are used.
- **PASS — recency anchor.** The base first-forward-year gross segment run rate is $23.296B Power + $13.973B Electrification + $7.857B Wind = $45.126B. Applying the 0.65799% elimination gives $44.829B, 8.37% above the $41.368B TTM run rate and within the 10% limit. Sources: product annual sequences in segment Section 8 and Section 3 here.
- **PASS — period and horizon integrity.** Four non-overlapping quarters form the TTM. Q4 and H1 subtraction bridges are explicitly identified in the quantitative foundation. 2031-06-30 is exactly five calendar years after 2026-06-30. No six-year compounding and no FY2025 re-anchoring appear. Source: quantitative foundation P4, segment anchors, and Sections 1 and 9 here.
- **FAIL — valuation, unit bridge, packet hash, and probability arithmetic.** Packet SHA, price, listing, split, unit, and FX all pass. Strict validation at 2026-07-28T16:30:35+08:00 reproduces SHA `ce447af24fbe1e5b954bc1ffa4bdd74fe3dfc55598ddc24280e0324f5d4fd081`. Probabilities sum to 25% + 55% + 20% = 100%, and probability-weighted revenue is $59.524B. However, EPS × 15, cushion, and the binary base-case result are withheld because statutory EPS is not cleared through the required OI route. A required sub-check fails, so the full check fails. Sources: sealed packet and Sections 5, 7, and 11.

13. Required repair and conclusion

The repaired Section 11 has solved the former broad earnings-reconciliation problem. It provides a complete primary-source bridge from segment EBITDA to adjusted EBITDA and GAAP net income, including exact FY2025 and TTM arithmetic. It also identifies the treatment and forecastability of Corporate, D&A, restructuring, separation, business-interest gains,

non-operating benefits, interest/other, tax, arbitration refunds, and SBC.

The remaining blocked item is the exact metric routing required by the synthesis contract: obtain a governed bridge from reportable-segment EBITDA or consolidated adjusted EBITDA to consolidated statutory operating income. The missing schedule must separate Financial Services and equity-method effects and assign mixed acquisition, D&A, restructuring, and other adjustments above or below OI. A single $0.682B TTM residual, the $2.812B apparent gap, or a percentage-of-EBITDA deduction is not sufficient.

The direct normalized Note 24 diagnostics demonstrate that core earnings can be modeled without the Prolec gain or tax release, but they do not authorize skipping the statutory-OI table. The revenue work remains usable: base combined revenue is $61.356B at 2031-06-30, with $12.591B of summed segment EBITDA proxies before Corporate and bridge items. The share and unit mechanics are also usable. The correct production outcome is to hold clearance rather than manufacture an 11/11 result.

Markdown tables verified: sections 2, 3, 4, 5, 6, 7, 10, and 11 all contain blank-line-separated GitHub-flavored Markdown tables with consistent cell counts.

GE Vernova Inc. — Compounder Score

Analysis date: 2026-08-01 **Ticker:** XNYS:GEV **Price anchor:** USD 990.29 at the completed 2026-07-31 close **Compounder Score: 48 / 100 Business Quality Score: 47 / 80 20% Return Underwriting Score: 1 / 20 Score-implied classification: Reject**

1. Executive verdict

GE Vernova has attractive long-cycle demand, a strong Power service franchise, a large grid backlog, and improving consolidated cash generation. The evidence does not yet establish the high, persistent ROIIC, through-cycle Wind economics, or post-capacity-expansion margins required for dream-business status. More decisively, the current price capitalizes an outcome far beyond the conservative five-year earnings model. The authoritative synthesis produces base EPS of $26.09 and bull EPS of $39.76 at 2031-06-30, versus $66.02 required merely to own the shares at 15 times horizon EPS. The diagnostic therefore rejects the current entry point even before applying a 20% annualized return hurdle.

This score is diagnostic only. It does not override the ER2 gates. Management and moat are YELLOW, and the P/E-15 gate is FAIL, so the ER2 verdict is independently PASS.

2. Data source map

Item	Governing source	Confidence
Price, listing, unit and shares	QFR-sealed `quote_packet.json`	High
Income statement, cash flow and balance sheet	DR-cleared `data_package.md` and QF	High
Segment revenue and Segment EBITDA	Three R-cleared segment appendices	High at segment total; medium at product allocation
Management and capital allocation	`appendix_management.md`	Medium-high
Moat and durability	`appendix_moat.md`	Medium
Five-year combined model	Authoritative top section of `appendix_synthesis.md`	Medium-high; aggregate bridge explicitly ranged
Long-history ROIIC	Available filing series, but insufficient acquisition-inclusive detail	Low-medium

3. Key financial and quality metrics

FY2025 revenue was $38.068B, statutory operating income $1.388B, FCF $3.710B and normalized ROIC 10.5%. The TTM statutory bridge ended 2026-06-30 with $4.612B of reportable Segment EBITDA, $(0.497)B of Corporate and other, a $(2.315)B source-bound aggregate operating deduction, and $1.800B statutory operating income. The company moved from negative operating profit in FY2021-FY2023 to positive profit in FY2024-FY2025, but this short positive record does not justify a high median-ROIC or ROIIC score.

Cash conversion improved materially, yet working-capital timing, customer advances, separation, Prolec integration, and Wind losses reduce confidence that recent FCF is a normalized steady-state measure. Acquisition-inclusive ROIIC cannot be

calculated credibly from the currently disclosed post-close record. That gap sets the ROIIC subscore to zero and caps capital-allocation credit.

4. Rubric scorecard

Category	Score	Maximum	Evidence judgment
Incremental returns on capital	10	25	FY2025 normalized ROIC is 10.5%; ROIIC is not sufficiently evidenced
Reinvestment runway	16	20	Power and grid backlogs support a long runway; Wind consumes execution capacity
Durability of moat	8	15	Strongest in Power services and high-voltage systems; blended moat is YELLOW
Accounting and financial quality	7	10	Primary-source bridge is exact; recurring earnings require normalization
Capital allocation discipline	6	10	Investment is coherent, but standalone and Prolec return records are short
Business Quality Score / 80	**47**	**80**	Strong assets and runway, but incomplete ROIIC and blended durability proof
20% Return Underwriting Score / 20	**1**	**20**	Base and bull earnings do not support the current price at 15 times EPS
Compounder Score / 100	**48**	**100**	**Reject**

5. ROIIC and reinvestment analysis

Reported/simple ROIC and adjusted ROIC are improving from a loss-heavy base. FY2025 normalized NOPAT is about $1.097B using statutory operating income and a 21% normalized tax rate, divided by $10.416B of invested capital for 10.5% ROIC. A credible five-year ROIIC requires a stable opening NOPAT, cumulative reinvestment, working-capital adjustments, capitalized R&D treatment, acquisitions and disposals. Those inputs are not complete on a comparable independent-company basis. Prolec is material and recent, so excluding it would overstate organic capital efficiency; including it before post-close earnings mature would imply false precision. ROIIC receives zero points rather than an invented number.

The positive case is that Power service attachment, gas capacity expansion, transformers, HVDC, switchgear and grid integration can absorb capital at attractive incremental returns. The negative case is that Wind losses, warranties, capacity ramps and acquisitions can dilute those returns. The evidence supports a runway, but not yet proven high ROIIC at scale.

6. Runway analysis

Power has $111.649B of Q2 2026 RPO and a large services component, while Electrification has $44.563B of RPO and structural grid spending. These are unusually visible demand anchors. The risk is not lack of demand; it is conversion economics, customer timing, factory execution and the durability of pricing after capacity normalizes. Wind RPO is not automatically valuable because execution and contract quality determine profit. The runway score is high but stops short of full credit.

7. Moat analysis

Power's installed-base knowledge, qualification requirements, outage execution and long-lived services relationships create credible switching costs and high-trust procurement. Electrification has defensible positions in high-voltage systems and integration, with weaker differentiation in standardized equipment and software. Wind equipment has not demonstrated durable economic protection. AI is a demand tailwind for physical power and grid capacity but may unbundle software workflows. The W appendix's Moat YELLOW and 2046 YELLOW are appropriate and cap the category.

8. Accounting and capital allocation

The source chain is strong: QF and QFR passed, DR independently cleared the data package, and the statutory packet has zero residuals. The aggregate operating bridge is transparent and validator-cleared. Earnings quality nevertheless needs normalization because recent net income includes business-interest gains and unusual tax effects. SBC is treated as an economic cost through the explicit share path. The balance sheet is not a near-term solvency concern, but acquisition

financing and Wind liabilities matter.

Management receives credit for operational improvement, candor, investment in capacity, and a coherent energy-infrastructure strategy. Credit is capped because the standalone allocation record is short, Prolec returns are unseasoned, buyback hurdles are not disclosed, and Wind execution remains unresolved.

9. 20% return underwriting

The 20% case does not clear. At $990.29, a five-year 20% annualized return requires a terminal value of about $2,464 per share before dividends. The synthesis's base EPS of $26.09 would require roughly 94 times terminal earnings to reach that value; even bull EPS of $39.76 would require roughly 62 times. Both require heroic terminal valuation, not a flat or lower multiple. The P/E-15 framework yields $391 in the base and $596 in the bull, far below today's price.

The owner-required security return is separately underwritten from the unchanged binary ER2 P/E<=15 gate. The bridge applies bounded scenario exit P/Es of 20x / 30x / 40x to the synthesis's governed statutory bear/base/bull EPS. The archived valuation evidence records FY2024/FY2025 annual P/Es of 58.3209x/36.4715x (SHA-256 `42c828be...552523`), while the owner-frozen TTM context is 28.2146x. These observations inform scenario bounds; they are not target prices or a replacement for the 15x gate. The current Q2 2026 balance sheet has USD 10.271B net cash excluding operating leases, or USD 9.400B after operating leases. Because EPS-times-P/E directly values equity, no terminal net-cash amount is added or subtracted separately.

Security-return diagnostic	Bear	Base	Bull
Scenario probability	25%	55%	20%
Governed horizon EPS per diluted share	$5.29	$26.09	$39.76
Ending diluted shares	271.500M	268.705M	265.909M
Exit valuation	20x P/E	30x P/E	40x P/E
Terminal equity value per share	$105.80	$782.70	$1,590.40
Cumulative distributions per share	$0.00	$0.00	$0.00
Terminal shareholder wealth per share	$105.80	$782.70	$1,590.40
Gross USD annualized shareholder IRR	(36.0641)%	(4.5960)%	9.9382%
Exit P/E required merely to break even	187.20x	37.96x	24.91x
Exit P/E required for a 20% IRR	465.81x	94.45x	61.98x

Using the same 25% bear, 55% base, and 20% bull weights as the cleared synthesis, probability-weighted terminal shareholder wealth is `0.25 x $105.80 + 0.55 x $782.70 + 0.20 x $1,590.40 = $775.015` per share. Against the governed $990.29 price over the exact five-year horizon, `(775.015 / 990.29)^(1/5) - 1` gives a **(4.7841)% probability-weighted gross USD IRR**. Mechanical 20%-IRR exit P/Es are 465.81x / 94.45x / 61.98x; these expose the gap rather than forecast it.

The bounded CIO diagnostic begins at SGD 1,279.191956 per share using USD/SGD 1.2898 and a 15bp entry cost. It applies 15bp exit cost, 30% distribution withholding, zero distributions, and terminal USD/SGD of 1.20 / 1.29 / 1.38. Terminal SGD wealth is 126.769560 / 1,008.168476 / 2,191.459872, producing net-SGD IRRs of **(37.02)% / (4.65)% / 11.37%** and a probability-weighted net-SGD IRR of **(4.34)%**. Both the 10% mandate hurdle and 15% stretch hurdle fail; bear downside is unacceptable. Frozen covariance context (45.580162% volatility, 0.252894 portfolio correlation, +0.047227 percentage-point volatility change at 3%) does not support positive sizing. CIO status is **PASS/no new buy**, proposed size is none, approval remains required, and trade authority remains false.

10. Hard-veto checklist

Veto	Result	Reason
ROIIC below cost of capital	Insufficient evidence	Five-year and acquisition-inclusive ROIIC are not established
Growth requires external financing	Watch	Prolec used debt, but core balance sheet remains manageable
Material dilution	Pass	Explicit share path includes SBC; repurchases more than offset recent issuance

Veto	Result	Reason
Serial M&A without returns	Watch	Prolec is material and too recent to judge
Structural FCF lag	Watch	Recent FCF is strong but normalization window is short
Permanent impairment vector	Watch	Wind, warranties and execution remain material
20% case requires multiple expansion	**Fail**	Current price requires extreme terminal valuation
Flawless execution priced	**Fail**	Even bull EPS at 15 times is below current price
Moat cannot be explained	Watch	Blended moat is YELLOW, not absent
Accounting trust issue	Pass	Governed source chain and bridge are transparent
Balance-sheet wipeout risk	Pass	No evidence of near-term equity impairment

11. Final decision

The evidence supports a valuable infrastructure franchise with a real runway, but not a dream investment at the current price. The score is capped by missing acquisition-inclusive ROIIC, short through-cycle proof, qualitative YELLOW gates, and a decisive valuation veto. Classification: **Reject**.

Compounder Score note: 48 / 100 implies the evidence does not support dream-investment status. Business Quality Score note: 47 / 80 implies promising assets but incomplete quality, moat, and ROIIC proof. 20% Return UW Score note: 1 / 20 implies the current price does not support a 20% return without extreme terminal valuation.

12. Machine-readable JSON

The governing machine-readable record is `compounder_score.json` beside this appendix.

GE Vernova Inc. — Scoring Audit

Audit date: 2026-08-01 **Original score:** 48/100 **Audited score: 45/100 Audited business quality: 44/80 Audited 20% return underwriting: 1/20 Audited classification: Reject**

1. Original vs audited scores

Item	Original	Audited	Notes
Business Quality Score / 80	47	44	Runway and capital-allocation credit reduced for incomplete ROIIC proof
Valuation / 20% Return UW Score / 20	1	1	Already appropriately severe
Total Score / 100	48	45	Three-point evidence cap applied
Classification	Reject	Reject	Threshold and hard-veto result unchanged

2. Score reductions and reasons

The original score was conservative, but it still awarded 16/20 to reinvestment runway while five-year and acquisition-inclusive ROIIC are unavailable. Backlog demonstrates demand visibility, not returns on the capital required to serve that demand. The runway category is reduced from 16 to 14. Capital allocation is reduced from 6 to 5 because Prolec is material, recently closed, debt-financed in part, and does not yet have a post-close per-share return record. No other category is increased.

Incremental returns remain 10/25. The scorer correctly set ROIIC to zero and did not fabricate acquisition-inclusive ROIIC. FY2025 normalized ROIC of 10.5% supports only modest credit, especially after loss years. Durability remains 8/15 because the W appendix independently concludes Moat YELLOW and 2046 YELLOW. Accounting remains 7/10 because the governed packet is strong but recurring earnings require normalization. Valuation remains 1/20 because the current price cannot support the required return without extreme terminal valuation.

3. Unsupported claims

No decisive score rests solely on a management TAM assertion. The largest potential overreach was treating Power and Electrification RPO as proof of high-return reinvestment; the audit corrects that by reducing runway credit. A backlog establishes contracted or expected activity, but not the incremental margin, working-capital burden, warranty cost or factory utilization ultimately earned.

The original JSON's simple market-cap field is an estimate from price times packet shares and is not used to award points. Enterprise value is left null, so EV/NOPAT and reverse-DCF metrics are not presented with false precision. The original scorer also left scenario IRRs null rather than invent an EV/NOPAT terminal multiple. The owner-required repair now calculates a separate conservative diagnostic from the already-governed 15x P/E terminal equity values with zero distributions; it does not claim a new EV/NOPAT model or change the score.

4. Calculation audit

- **Normalized NOPAT and ROIC:** FY2025 statutory OI of $1.388B × 79% = about $1.097B NOPAT; divided by $10.416B invested capital = 10.5%. Supported.
- **ROIIC:** not calculated because comparable five-year and acquisition-inclusive reinvestment data are insufficient. The zero subscore is required.
- **FCF conversion:** recent FCF is observable, but a stable multi-year independent-company conversion record is not complete. No high score is awarded from one year.
- **SBC and dilution:** the synthesis explicitly models SBC issuance and quote-basis shares. Supported.
- **P/E-15 mechanics:** base EPS $26.09 × 15 = $391.35; versus $990.29, cushion is (60.5)%. Supported.
- **20% hurdle:** five-year compounding at 20% requires about 2.488 times the starting value. Base earnings would require an extreme terminal multiple, so the hurdle fails.
- **Share path:** base 270.000M + 1.500M issuance – 2.795M retirements = 268.705M. Supported.

5. Missing data

The most important missing evidence is a five-year acquisition-inclusive ROIIC series. Other gaps are a long independent-company through-cycle ROIC record, product-level Segment EBITDA, the return earned on Prolec, factory-ramp unit economics, and a full issuer-disclosed internal routing from Adjusted EBITDA to statutory OI. The last item does not invalidate the synthesis because the DR-cleared aggregate deduction is source-bound and conservatively ranged, but it prevents a more granular quality score.

6. Hard-veto and threshold audit

The 20% return case requires terminal multiple expansion and near-flawless execution. Those are hard valuation vetoes under the diagnostic rubric. Total score is below 70, business quality is below 65/80, valuation score is below 15/20, ROIIC plus runway does not reach 35/45, no base-case 20% IRR is demonstrated, and no acceptable bear-case IRR is demonstrated. Every threshold required for `Investable now` fails.

7. Final 20% hurdle result

FAIL. Even the synthesis bull EPS of $39.76 produces only $596.40 at 15 times, below today's $990.29 price. A 20% annualized result would require a much higher terminal multiple or materially higher earnings than the reviewed bull case. The audit agrees that the current price does not support the stretch hurdle.

8. Dream-business and dream-investment classification

GE Vernova is **neither** under this strict rubric today. It has dream-business ingredients in Power services and selected Electrification franchises, but the blended evidence is capped by Wind, incomplete ROIIC, and limited through-cycle proof. It is not a dream investment because valuation fails by a wide margin.

9. Stage 7 scorecard notes

Compounder Score note: Audited 45 / 100; the evidence does not support dream-investment status. Business Quality Score note: Audited 44 / 80; strong assets and runway are offset by incomplete ROIIC and durability proof. 20% Return UW Score note: Audited 1 / 20; today's price does not support a 20% return without extreme terminal valuation.

10. Auditor JSON

The governing audit record is `compounder_score_audit.json`.

11. Mandatory Security-Return Repair Addendum

At the frozen USD 990.29 price and exact five-year horizon ending 2031-06-30, the return bridge applies scenario exit P/Es of 20x / 30x / 40x to governed statutory EPS of USD 5.29 / USD 26.09 / USD 39.76. Terminal equity and shareholder wealth are USD 105.80 / USD 782.70 / USD 1,590.40 per diluted share because distributions remain zero. Ending diluted shares are 271.500m / 268.705m / 265.909m. The EPS-times-P/E method directly values equity, so the starting USD 10.271B net cash excluding operating leases (USD 9.400B after leases) is disclosed but not separately added. This scenario return bridge is distinct from the unchanged binary ER2 P/E<=15 gate.

The resulting gross USD IRRs are **(36.0641)% / (4.5960)% / 9.9382%**. With weights of 25% / 55% / 20%, probability-weighted terminal wealth is USD 775.015 and the required wealth-CAGR method gives **(4.7841)%**. Archived annual valuation evidence is hash-bound by `42c828be...552523`; the frozen covariance row is bound by `b40f14fc...911562`.

The separate CIO diagnostic uses starting USD/SGD 1.2898, terminal 1.20 / 1.29 / 1.38, 15bp entry/exit costs, and 30% withholding. Terminal SGD wealth is 126.769560 / 1,008.168476 / 2,191.459872; net-SGD IRRs are **(37.02)% / (4.65)% / 11.37%**, and probability-weighted net-SGD IRR is **(4.34)%**. All IRRs are finite. The 10% and 15% hurdles fail, downside is unacceptable, size is none, approval is required, and trade authorization remains false. CIO actionability is therefore **PASS/no new buy**. The audited 45 / 100 score, ER2 PASS verdict, and binary valuation gate do not change.

GE Vernova Inc. — Red Team

Analysis date: 2026-08-01 **Security:** XNYS:GEV at USD 990.29 **Red-team conclusion: Thesis does not survive at the current price.**

1. The most fragile assumption

The most fragile assumption is not one number in Wind. It is the synthesis's simultaneous base-case margin delivery in both Power and Electrification while Wind also repairs. Power reaches a 22.98% Segment EBITDA margin by June 2031 from a 16.48% TTM margin. Electrification reaches 21.94% from 17.22%. Wind moves from a negative 11.13% TTM margin to positive 8.1%. Each path has an argument; requiring all three to work together is the vulnerability.

Power's margin path depends on gas backlog conversion, services attachment, favorable pricing, SRA conversion and factory capacity arriving without a warranty or execution penalty. Electrification's path depends on rapid revenue growth, mix, price, Prolec integration and capacity additions while the industry is expanding supply. Wind's path requires a loss-making business to reverse quality, project-cost and Offshore problems. These are correlated through the same management system, supplier base, labor market and capital-allocation budget.

The synthesis sensitivity says a 200-basis-point Power revenue-growth change moves EPS by roughly $2.3, a 200-basis-point Electrification margin change moves EPS by about $1.7, and a 100-basis-point aggregate operating-bridge change moves EPS by about $1.7. The risk is that these do not move one at a time. If Power's horizon margin is four points below base, Electrification is four points below base, and Wind only reaches break-even, base EPS can lose roughly $7-$10 before second-order tax and share effects. That moves already inadequate $26.09 EPS toward the high teens. The P/E-15 value would then be around $270-$300, not $391.

2. The most-likely-to-be-optimistic Stage 5 number

The single most likely optimistic number is **$8.923B of base statutory operating income**, a 14.5% margin on $61.362B of revenue in 2031. This number requires $12.591B of segment EBITDA, only $(0.600)B of Corporate and other, and an aggregate Adjusted-EBITDA-to-statutory-OI deduction equal to 5.0% of revenue. The TTM deduction is 6.0% of revenue. The model assumes scale and normalization improve the ratio even as GE Vernova builds factories, integrates Prolec, carries Wind remediation, and increases the asset base that drives depreciation.

The 5.0% bridge is transparent and permitted, but it is still an analyst assumption. If the ratio stays at the TTM 6.0%, base operating income is about $0.614B lower and EPS falls roughly $1.7. If the asset and integration burden makes the deduction 7.0%, EPS falls about $3.5. This does not change the already negative verdict; it widens the gap.

The deeper issue is that a 14.5% statutory operating margin would be a large transformation from FY2025's 3.6% and the TTM 4.4%. Backlog and adjusted EBITDA improvement support direction, but they do not prove statutory margin conversion. Depreciation, restructuring, integration, warranties and Corporate costs are real economic burdens. Treating the base statutory margin as highly confident would be a mistake.

3. Strongest bear case

GE Vernova is a capital-goods cycle, turnaround and capacity-ramp story priced as if it were already a mature high-return compounder. Power and grid demand are real, but current valuation discounts years of flawless backlog conversion, price realization, margin expansion and capital discipline. The largest profit pools are moving through the most favorable demand and pricing environment in decades, inviting capacity expansion by GE Vernova and competitors. As new supply arrives, customer urgency and pricing can normalize before the new factories reach full utilization.

At the same time, Wind remains a material loss center. H1 FY2026 Wind Segment EBITDA loss was $0.657B versus $0.312B a year earlier. Offshore project costs, claims, warranty exposure and execution timelines can consume cash and management attention. A Wind recovery is plausible, but the base case assigns positive 8.1% Segment EBITDA margin without a through-cycle record that shows this business can consistently earn it.

The bear mechanism is straightforward. Over the next six to eight quarters, Power and Electrification orders remain high but revenue conversion stretches, factory and supplier costs rise, and Wind continues to report project losses. Segment adjusted EBITDA may still grow, but statutory operating income lags because depreciation, integration and other operating burdens scale with the asset build. Investors then stop valuing the stock on distant backlog and apply a normal industrial multiple to observable earnings. With base five-year EPS only $26.09 and bull EPS $39.76, the share price has no fundamental P/E-15 support near $990.29.

4. Cross-examination of management commentary

Management's strongest statements center on unprecedented demand, backlog visibility, gas capacity, grid investment and improving profitability. The skepticism is not that these statements are false. It is that demand statements are being converted into return assumptions too quickly.

First, large Power RPO and gas contracts show customers want equipment and services. They do not establish that incremental factory capacity earns high ROIIC after working capital, warranty reserves, supplier costs and execution risk. The first disconfirming signal would be orders and RPO remaining strong while Power Segment EBITDA margin stops expanding for two consecutive quarters.

Second, Electrification's backlog and data-center-related demand support revenue growth. Yet competitors and customers are also investing in capacity and dual-sourcing. The first sign that the model overstates economics would be a book-to-bill still above one but margin guidance flattening as capacity comes online, or a widening gap between equipment growth and free-cash-flow conversion.

Third, Wind improvement language must be tested against reported losses, not project milestones. Vineyard Wind commissioning or fewer new Offshore awards can reduce risk, but they do not erase warranty and contract-loss economics. The first warning is another half-year in which Wind Segment EBITDA loss exceeds $0.5B or Onshore order intake fails to replace deliveries.

Management is not accused of dishonesty. The red-team point is that the market can hear accurate operational optimism and still overpay by capitalizing the best interpretation of every statement.

5. Stage 5 tie-out reverification

The mechanical Stage 5 model is internally coherent. TTM segment revenue of $41.643B less $0.276B of eliminations ties to $41.367B consolidated revenue. TTM Segment EBITDA of $4.612B, Corporate and other of $(0.497)B and aggregate operating bridge of $(2.315)B tie to $1.800B statutory operating income. The quote and statutory hashes validate. There is no arithmetic reason to reject the synthesis.

The concern is economic rather than mechanical. The base model compounds from the latest TTM and avoids repeating non-recurring gains and tax benefits. That is correct. It also uses a conservative share path, ending at 268.705M rather than assuming H1 2026 repurchases continue at full speed. That is also correct. Because the model is already reasonably conservative on shares, buybacks cannot rescue the valuation.

The potential optimism sits in the combined operating-income conversion. The aggregate bridge is ranged honestly, but the base requires substantial segment-margin improvement while the bridge improves as a percentage of revenue. In a heavy investment and integration period, those assumptions may be negatively correlated: stronger growth can require more depreciation, start-up cost, working capital and warranty exposure.

The product CAGRs have been peer-reviewed, and none needs to be rejected as fabricated. The red team instead challenges the simultaneous realization of each segment's base case. Power at $31.296B revenue, Electrification at $21.194B, and Wind at $9.272B are individually plausible. The combination with 23.0%, 21.9% and 8.1% Segment EBITDA margins deserves a lower joint probability than a simple base label implies.

6. Score-derived 20% return claim most likely to be wrong

The audited score does not claim the 20% hurdle clears. It gives only 1/20 to return underwriting and classifies the shares Reject. The red team agrees. The assumption most likely to make any contrary 20% argument wrong is the terminal multiple.

At $990.29, a five-year 20% annualized return requires a terminal value of roughly $2,464 per share before dividends. Base EPS of $26.09 would need a terminal P/E near 94. Bull EPS of $39.76 would need about 62. Neither represents flat or lower multiple underwriting. A proponent could argue that GE Vernova deserves a structurally premium multiple because of power scarcity and grid demand. That is a narrative, not a conservative 20% return case.

The score's illustrative discounted 15-times base EPS points toward a dramatically lower entry level, but the red team does not turn that illustration into a trading target. The exact safe entry depends on revised earnings, downside, distributions and required return. What is certain is that the current price embeds a very large duration and multiple bet.

7. The signal that forces an exit or continued avoidance

Because the ER2 verdict is PASS, the relevant instruction is a continued-avoidance signal rather than an authorized sell. The decisive operating signal is:

If, over any two consecutive quarters through Q4 2027, Power plus Electrification combined Segment EBITDA margin fails to exceed 19% while Wind records cumulative Segment EBITDA losses greater than $0.75B, the 2031 base margin stack should be cut and the shares should remain PASS regardless of a backlog increase.

This signal is quantitative and time-bound. It tests the two load-bearing claims simultaneously: that the moated segments can convert demand into margin and that Wind's loss burden is contained. A combined margin below 19% would show insufficient conversion relative to the modeled horizon path. Wind losses above $0.75B over the same period would show that turnaround resources continue to leak. Together they invalidate the idea that statutory operating margin can reach 14.5% on schedule.

A price-only reconsideration should also be disciplined. The stock should not be upgraded merely because it falls 20% or 30%. An upgrade requires both improved qualitative gates and a price that produces a positive P/E-15 cushion on refreshed, peer-reviewed base EPS. With current base EPS $26.09, that condition is far away.

8. Conviction at the end of red team

Thesis does not survive at the current price. The business may execute well and still produce an inadequate return because today's valuation is far above the conservative earnings support. Management and moat are both YELLOW, Wind economics are unresolved, acquisition-inclusive ROIIC is unavailable, and the P/E-15 gate fails even in the bull case.

The report should be written around valuation discipline, not around a debate over whether the energy-infrastructure cycle is attractive. Power demand and grid demand can both be excellent. GE Vernova can be strategically important. Neither fact makes $990.29 a conservative purchase price. The single strongest bear argument is that the equity prices a transformed, high-margin compounder before statutory returns, Wind durability and post-Prolec capital efficiency have been proven.

The most-likely-to-be-optimistic Stage 5 number is $8.923B of base statutory operating income because it requires simultaneous segment-margin expansion and an improving aggregate operating bridge. The score-derived 20% claim most likely to be wrong is any version that relies on a 60-90 times terminal P/E. The monitorable forcing signal is combined Power and Electrification margin below 19% for two quarters alongside more than $0.75B of cumulative Wind losses. Until the

valuation and evidence change materially, PASS is the only defensible conclusion.

GE Vernova — Data Package

Information cutoff: 2026-08-01 11:03 SGT. Currency is USD. Tables use billions unless marked `$M`, `M shares`, units, or GW. This same-stage repair preserves the valid attempt-1 live-source data package and updates its controlling anchors to the QFR-sealed attempt-2 quantitative foundation, quote packet, statutory bridge, and source manifest. No historical number is silently reclassified, no internal segment-to-GAAP allocation is invented, and the immutable packets are not modified.

Stage 0 anchor. Today is 2026-08-01. GE Vernova's fiscal year ends December 31. The latest completed period is Q2 FY2026 ended 2026-06-30. TTM is Q3 FY2025 + Q4 FY2025 + Q1 FY2026 + Q2 FY2026, ending 2026-06-30. The forward horizon is 2031-06-30, exactly five calendar years after the TTM endpoint.

Current sealed controls. `quant_foundation.md` SHA-256 is `cd673542d10165ac625cce0e309431508017bedd4d53e01a23cb16b62cf56682`; `quote_packet.json` SHA-256 is `1794c50f1f99a3e06ad8f33e875a024394bb763cf133a6c191d696ca7e65d37f`; `statutory_bridge.json` SHA-256 is `91fefbddb07bf72f79926461b35e83563f8d69d92f38bbddac7b333662a917ad`; and `source_manifest.json` SHA-256 is `c23c6ee8bbf8d4d0a94b3706cbf73396070a9b8bcc7fce545696befbf63cd8bc`. QFR cleared all gates. The exact completed-session valuation quote is **$990.29 per XNYS:GEV common share as of the 2026-07-31 close**. USD/USD FX, share-class factor, depositary factor, and split factor are all 1; the Q2 diluted-share basis is 270.000 million.

Source key and live-fetch record

- **FMP-A:** live FMP stable endpoints `income-statement`, `balance-sheet-statement`, `cash-flow-statement`, `key-metrics`, and `revenue-product-segmentation`, symbol GEV, annual, fetched 2026-07-28; D archive `D_raw_20260728_1438\fmp_*_annual_live.json`.
- **FMP-Q:** the same stable statement and product endpoints, period=quarter, fetched 2026-07-28; D archive `D_raw_20260728_1438\fmp_*_quarter_live.json`.
- **FMP-T:** live FMP stable `earning-call-transcript` for Q3 FY2025, Q4 FY2025, Q1 FY2026, and Q2 FY2026. The Q2 response identifies `period=Q2`, `year=2026`, and `date=2026-07-22`.
- **SEC25:** [GE Vernova FY2025 Form 10-K](https://www.sec.gov/Archives/edgar/data/1996810/000199681026000015/gev-20251231.htm), fetched live; D archive `D_raw_20260728_1438\sec_gev_20251231_10k_live.htm`.
- **SEC24:** [GE Vernova FY2024 Form 10-K](https://www.sec.gov/Archives/edgar/data/1996810/000199681025000011/gev-20241231.htm), fetched live.
- **FORM10:** [GE Vernova 2024 Form 10 information statement](https://www.sec.gov/Archives/edgar/data/1996810/000119312524059354/d542465dex991.htm), fetched live; supplies the audited 2021-2023 combined history.
- **SEC2Q26:** [Q2 FY2026 Form 10-Q](https://www.sec.gov/Archives/edgar/data/1996810/000199681026000148/gev-20260630.htm), fetched live.
- **IR3Q25:** [Q3 FY2025 earnings release](https://www.gevernova.com/sites/default/files/gev_webcast_pressrelease_10222025.pdf), [presentation](https://www.gevernova.com/sites/default/files/gev_webcast_presentation_10222025.pdf), and [transcript](https://www.gevernova.com/sites/default/files/gev_webcast_transcript_10222025.pdf), fetched live.
- **IR4Q25:** [Q4/FY2025 earnings release](https://www.gevernova.com/sites/default/files/gev_webcast_pressrelease_01282026.pdf), [presentation](https://www.gevernova.com/sites/default/files/gev_webcast_presentation_01282026.pdf), and [transcript](https://www.gevernova.com/sites/default/files/gev_webcast_transcript_01282026.pdf), fetched live.

- **IR1Q26:** [Q1 FY2026 earnings release](https://www.gevernova.com/sites/default/files/gev_webcast_pressrelease_04222026.pdf), [presentation](https://www.gevernova.com/sites/default/files/gev_webcast_presentation_04222026.pdf), and [transcript](https://www.gevernova.com/sites/default/files/gev_webcast_transcript_04222026.pdf), fetched live.
- **IR2Q26:** [Q2 FY2026 earnings release](https://www.gevernova.com/sites/default/files/gev_webcast_pressrelease_07222026.pdf), [presentation](https://www.gevernova.com/sites/default/files/gev_webcast_presentation_07222026.pdf), and [transcript](https://www.gevernova.com/sites/default/files/gev_webcast_transcript_07222026.pdf), fetched live.
- **IU25:** [2025 Investor Update presentation](https://www.gevernova.com/sites/default/files/gev_webcast_presentation_12092025.pdf) and [transcript](https://www.gevernova.com/sites/default/files/gev_webcast_transcript_12092025.pdf), fetched live.

The immutable current quote packet was not modified. Its SHA-256 was checked against the QFR seal `1794c50f1f99a3e06ad8f33e875a024394bb763cf133a6c191d696ca7e65d37f`.

0a. Industry classification and disclosure inventory

Classification and regime. GE Vernova is a U.S. domestic industrial equipment and long-cycle energy-infrastructure issuer reporting under U.S. GAAP, with a December 31 fiscal year. Core economics are not adequately represented by generic FMP segment fields: orders, remaining performance obligations or backlog, equipment versus services, gas-turbine contracts and slot reservations, unit capacity, Wind project losses and warranty exposure, grid backlog, and segment EBITDA are load-bearing. FMP product segmentation is sparse: it provides only consolidated `Product` and `Service` and introduces invalid `$11M/$12M` “Power Segment” rows in Q1/Q2 2026. Official filings and earnings materials therefore control segment, business-unit, backlog, margin, and operating-KPI data.

Live source inventory. Checked SEC25, SEC24, FORM10, SEC2Q26, the four latest official earnings releases/presentations/transcripts, and the 2025 Investor Update. Search terms and table names were: `SUMMARY OF REPORTABLE SEGMENTS`, `TOTAL SEGMENT REVENUES BY BUSINESS UNIT`, `SEGMENT EBITDA`, `orders`, `backlog`, `remaining performance obligation`, `equipment`, `services`, `slot reservation`, `gigawatts under contract`, `heavy-duty`, `aeroderivative`, `capacity`, `output`, `warranty`, `quality`, `Vineyard Wind`, `contract losses`, `Power Transmission`, `Grid Systems Integration`, `switchgear`, `transformers`, `data center`, `customer concentration`, `10% customer`, `capital expenditures`, `R&D`, and `realigned`.

Completeness matrix

Dataset / table family	Official source searched	Search terms or table names	Years available	Included?	If excluded, why	Downstream relevance
Consolidated statements	SEC25, SEC24, FORM10	Income, cash flow, financial position	FY2021-FY2025; Q2 FY2026	Yes	—	Model anchors, ROIC, FCF
Segment economics	SEC25, SEC24, FORM10, SEC2Q26	Summary of reportable segments, segment EBITDA	FY2021-FY2025; H1 FY2026	Yes	FY2021-FY2025 uses pre-2026 taxonomy; bridge shown	Segment model
Business-unit revenue	SEC25, SEC24, FORM10, SEC2Q26	Total segment revenues by business unit	FY2021-FY2025; H1 FY2026	Yes	Taxonomy boundary explicitly separated	Revenue build
Orders and total RPO	Annual and quarterly IR decks	Orders, RPO, backlog	FY2023-FY2025; six quarters to Q2 FY2026	Yes	FY2021-FY2022 total history not found	Demand and visibility
RPO by segment and mix	IR2Q26	Equipment RPO, services RPO, segment RPO	Q2 FY2025 and Q2 FY2026	Yes	Longer clean segment history not in one taxonomy	Moat, margin visibility
Gas contracts / SRAs	Four call transcripts	GW backlog, slot reservations, under contract	Q2 FY2025-Q2 FY2026	Yes	Earlier comparable series not found	Power capacity and pricing
Equipment / services revenue	SEC filings and IR2Q26	Equipment revenues, services revenues	FY2021-FY2025; six quarters to Q2 FY2026	Yes	—	Mix and margin
Wind quality and losses	FORM10, SEC25, SEC2Q26	Warranty provisions, Offshore contract losses, Vineyard	FY2021-FY2025; H1 FY2026 liability	Yes	Warranty is company-wide, not allocated by segment	Risk and normalization
Electrification capacity	IR calls and Investor Update	switchgear units, transformer backlog, data centers	FY2025-Q2 FY2026	Yes	No standardized five-year unit series	Capacity and moat

Dataset / table family	Official source searched	Search terms or table names	Years available	Included?	If excluded, why	Downstream relevance
Segment R&D and capex	SEC25, SEC24, FORM10, SEC2Q26	GEV-funded R&D, segment R&D expense, PP&E additions	FY2021-FY2025; H1 FY2026	Yes	Basis bridge shown below; H1 Electrification PP&E includes acquired Prolec assets	Reinvestment
Customer concentration	SEC25 and SEC2Q26	major customer, 10%, concentration	FY2025 and Q2 FY2026	No dollar table	True non-disclosure: no customer revenue table or identified greater-than-10% customer	Concentration risk
Segment realignment	SEC2Q26 Note 1	January 1 2026, realigned	Q1 FY2025 onward restated	Yes	Annual pre-2025 restatement not supplied	Comparability

Industrial KPI history

KPI family	Granularity	FY2021	FY2022	FY2023	FY2024	FY2025	Latest interim	Source
Total orders ($B)	Company	True non-disclosure	True non-disclosure	41.6	44.1	59.3	42.5 H1 FY2026; 24.2 Q2	SEC24 annual report; IR4Q25; IR2Q26
Total RPO / backlog ($B)	Company	True non-disclosure	True non-disclosure	115.6	119.0	150.2	176.3 Q2 FY2026	SEC24; IR4Q25; IR2Q26
Equipment revenue ($B)	Company	18.831	15.819	18.258	18.952	20.934	11.713 H1 FY2026	FORM10; SEC25; SEC2Q26
Services revenue ($B)	Company	14.175	13.835	14.981	15.983	17.134	8.729 H1 FY2026	FORM10; SEC25; SEC2Q26
FCF ($B)	Company	(2.237)	(0.627)	0.442	1.700	3.710	9.897 H1 FY2026	FMP-A checked to SEC cash flow; IR2Q26
FCF / attributable net income	Company	NM, both negative	22.9%	NM, positive FCF / loss	109.5%	76.0%	183.4% H1; distorted by Prolec remeasurement gain	Calculated from official statements
Capex ($B)	Company	0.577	0.513	0.744	0.883	1.277	0.783 H1 FY2026	FMP-A; FORM10; SEC25; SEC2Q26
Company-funded R&D ($B)	Company	1.008	0.979	0.896	0.982	1.197	0.575 H1 FY2026	FORM10; SEC25; SEC2Q26
Warranty liability ($B)	Company	1.197	1.430	1.414	1.370	1.573	1.595 at Q2 FY2026	FORM10 Note 20; SEC25 Note 22; SEC2Q26 Note 22
Warranty provisions ($B)	Company	0.440	0.928	0.684	0.687	0.760	Not separately disclosed	FORM10; SEC25
Offshore Wind incremental contract losses ($B)	Wind	Not fetched	Not fetched	0.379	1.005	0.637	Higher project costs/losses disclosed, no clean H1 dollar	SEC25 Note 2; SEC2Q26 MD&A
Gas equipment backlog + SRAs (GW)	Gas Power	True non-disclosure	True non-disclosure	True non-disclosure	True non-disclosure	83	116 at Q2 FY2026; 53 backlog + 63 SRAs	IR4Q25; IR2Q26
Electrification equipment backlog ($B)	Segment	Not fetched	About 6 at FY2022 reference point	Not fetched	Not fetched	About 30 including total segment reference	40.6 at Q2 FY2026	IU25; IR2Q26

The 2022 warranty provision was substantially due to estimate changes on pre-existing Onshore Wind warranties and corrective actions. SEC25 records Offshore Wind incremental contract losses of $0.379B, $1.005B, and $0.637B in FY2023-FY2025, including Vineyard Wind blade-remediation effects. These are separate from the company-wide warranty reserve.

Latest backlog and contract inventory

Metric	Q2 FY2025	Q3 FY2025	Q4 FY2025	Q1 FY2026	Q2 FY2026	Source
Total RPO ($B)	128.650	135.269	150.238	163.276	176.284	IR2Q26 six-quarter trend
Equipment RPO ($B)	49.712	54.092	64.245	75.924	87.821	IR2Q26
Services RPO ($B)	78.938	81.177	85.993	87.352	88.463	IR2Q26
Gas contracts + SRAs (GW)	55	62	83	100	116	Four official transcripts

Metric	Q2 FY2025	Q3 FY2025	Q4 FY2025	Q1 FY2026	Q2 FY2026	Source
Gas backlog / SRAs (GW)	Not split here	33 / 29	40 / 43	44 / 56	53 / 63	Four official transcripts
Electrification segment RPO ($B)	27.118	About 30.2	About 34.7	42.4	44.563	Quarterly presentations
Wind segment RPO ($B)	22.508	About 21.5	About 21.6	21.3	20.388	Quarterly presentations

Latest-quarter segment orders, RPO, and margin

Segment / company	Q2 FY2026 orders ($B)	Equipment orders ($B)	Services orders ($B)	Q2 FY2026 RPO ($B)	Equipment RPO ($B)	Services RPO ($B)	Q2 EBITDA margin
Power	16.729	12.650	4.078	111.649	39.261	72.388	18.8%
Electrification	6.347	5.667	0.680	44.563	40.589	3.974	18.4%
Wind	1.249	0.721	0.528	20.388	8.197	12.191	(13.6)%
Company	24.216	18.941	5.275	176.284	87.821	88.463	11.3% adjusted

Source: live-fetched IR2Q26 presentation and SEC2Q26. Segment figures include intersegment activity; company totals include eliminations and other, so segment orders and RPO must not be summed without the official bridge.

Segment reinvestment history

PP&E additions are the segment asset-addition disclosure, not cash capex. H1 FY2026 Electrification includes $0.942B of PP&E acquired with Prolec GE.

PP&E additions ($B)	FY2021	FY2022	FY2023	FY2024	FY2025	H1 FY2026
Power	0.202	0.203	0.319	0.380	0.573	0.357
Wind	0.286	0.231	0.325	0.250	0.193	0.151
Electrification	0.058	0.052	0.074	0.153	0.273	1.134
Other	0.001	0.001	0.020	0.093	0.214	0.063
Official total	0.547	0.487	0.738	0.877	1.253	1.706

GEV-funded / segment R&D ($B)	FY2021	FY2022	FY2023	FY2024	FY2025	H1 FY2026
Power	0.303	0.308	0.324	0.391	0.550	0.286
Wind	0.390	0.368	0.248	0.222	0.161	0.070
Electrification	0.315	0.303	0.324	0.349	0.430	0.219
Other / Advanced Research	0.000	0.000	0.000	0.020	0.056	0.000
Company total	1.008	0.979	0.896	0.982	1.197	0.575

Sources: FORM10 R&D and segment PP&E tables; SEC24 and SEC25 R&D and Note 24; SEC2Q26 Note 24. FY2021-FY2025 R&D is the GEV-funded table; H1 FY2026 is the segment-expense table and sums to company R&D. Customer/partner-funded R&D is excluded from the company-funded series. SEC25 reports a FY2024 PP&E-additions total of $0.877B even though its displayed segment cells sum to $0.876B; the table preserves the official total and does not conceal that $1M filing-level discrepancy.

Wind unit volume and execution risk

Wind operating KPI	Q2 FY2025	Q2 FY2026	H1 FY2025	H1 FY2026
Turbine units ordered	381	147	404	293
Repower units ordered	205	0	205	49
Ordered turbine / repower GW	1.6	0.6	1.8	1.2
Turbine units sold	351	336	627	490
Repower units sold	156	27	286	27
Sold turbine / repower GW	1.7	1.4	3.0	2.0

SEC2Q26 reports an H1 FY2026 Wind segment EBITDA loss of $0.657B versus $0.312B in H1 FY2025. It also states that Offshore Wind remained under project-cost and execution-timeline pressure, that Vineyard Wind had moved from installation to commissioning with outstanding claims and counterclaims, and that higher Offshore contract losses hurt H1 results. The $1.595B Q2 FY2026 warranty liability is company-wide and must not be presented as Wind-only.

1. Reporting structure and taxonomy

Current segments.

- **Power:** gas, nuclear, and hydro equipment and services; dispatchable generation and a long-lived installed-base service stream.
- **Electrification:** Power Transmission, Grid Systems Integration, Power Conversion & Storage, and Grid Automation & Software; transmission, distribution, conversion, storage, and grid orchestration.
- **Wind:** Onshore and Offshore wind turbines and blades, including the former LM Wind Power activities within Onshore.

FY2025 segment composition on the current 2026 taxonomy

The FY2025 restated values below sum the six-quarter revised series in IR2Q26. Segment revenue includes intersegment revenue, so the percentages plus eliminations reconcile to consolidated revenue.

Segment	FY2025 restated revenue ($B)	% of consolidated revenue	Description / bridge
Power	19.873	52.2%	Q1-Q4 revised series; includes Steam allocation and a software component
Electrification	9.487	24.9%	Revised Grid businesses and software allocation
Wind	9.110	23.9%	Onshore includes former LM Wind Power
Eliminations and other	(0.402)	(1.1)%	Intersegment and other bridge
Consolidated	38.068	100.0%	SEC25

Realignment flag. Effective January 1, 2026, Steam Power was allocated into Nuclear, Hydro, and Gas Power; one component of former Electrification Software moved to Gas Power and another to Grid Automation & Software; Grid Solutions was separated into Power Transmission, Grid Systems Integration, and Grid Automation & Software; and LM Wind Power was combined with Onshore Wind. SEC2Q26 says historical information within that report conforms to the new structure. The clean revised quarterly boundary is Q1 FY2025 onward. Annual FY2021-FY2025 tables below retain the taxonomy actually disclosed in SEC25/SEC24/FORM10 and are marked old taxonomy. Do not splice old annual business-unit dollars into the revised quarterly run-rate without a bridge.

Geography. FY2025 U.S. revenue was $17.341B or 45.6%; non-U.S. was $20.728B or 54.4%, comprising Europe $7.594B, Asia $4.629B, non-U.S. Americas $3.116B, and Middle East/Africa $5.389B. Source: SEC25 Note 24. No customer-level revenue concentration table was disclosed.

2. Consolidated historicals

Metric	FY2021	FY2022	FY2023	FY2024	FY2025	Source
Revenue ($B)	33.006	29.654	33.239	34.935	38.068	FMP-A; official overrides FORM10/SEC24/SEC25
Operating income ($B)	(0.884)	(2.881)	(0.923)	0.471	1.388	FMP-A; SEC statements control
Operating margin	(2.7)%	(9.7)%	(2.8)%	1.3%	3.6%	Calculated
Net income attributable to GEV ($B)	(0.633)	(2.736)	(0.438)	1.552	4.884	FMP-A; official attributable numerator
Diluted EPS ($)	(2.33)	(10.00)	(1.60)	5.58	17.69	FMP-A; FORM10/SEC24/SEC25
Diluted shares (M)	272.1	274.0	274.0	278.0	276.0	FMP-A; filings
Capex ($B)	0.577	0.513	0.744	0.883	1.277	FMP-A; official cash flows
FCF ($B)	(2.237)	(0.627)	0.442	1.700	3.710	FMP-A; OCF less capex

Metric	FY2021	FY2022	FY2023	FY2024	FY2025	Source
ROIC, normalized	N/M	(22.1)%	(8.3)%	2.9%	10.5%	Calculation below

FMP discrepancy controls. Live FMP reports FY2024 revenue $34.943B and operating income $0.787B; SEC25 reports $34.935B and $0.471B. Official values control. FMP also reports no FY2025 debt despite official borrowings and finance leases; Section 8 uses SEC25.

ROIC calculation. For comparability, normalized NOPAT is GAAP operating income multiplied by 79%, using a constant 21% U.S. statutory tax rate rather than loss-year tax benefits or FY2025's valuation-allowance benefit. Invested capital is the live FMP key-metrics year-end value: FY2022 $10.302B, FY2023 $8.829B, FY2024 $12.694B, and FY2025 $10.416B. Thus FY2025 NOPAT is $1.097B and ROIC is $1.097B / $10.416B = 10.5%; FY2024 is $0.372B / $12.694B = 2.9%; FY2023 is $(0.729)B / $8.829B = (8.3)%; FY2022 is $(2.276)B / $10.302B = (22.1)%. FY2021 is not meaningful because FMP returns zero invested capital and audited year-end 2020 comparatives were not in the live source set.

3. Segment historicals

The five-year annual series is the old taxonomy. Segment profit is segment EBITDA, not GAAP operating income.

Power	FY2021	FY2022	FY2023	FY2024	FY2025	Source
Revenue ($B)	16.729	16.124	17.436	18.127	19.767	FORM10; SEC24; SEC25
YoY	—	(3.6)%	8.1%	4.0%	9.0%	Calculated
Segment EBITDA ($B)	1.407	1.655	1.722	2.268	2.902	FORM10; SEC24; SEC25
EBITDA margin	8.4%	10.3%	9.9%	12.5%	14.7%	Calculated

Wind	FY2021	FY2022	FY2023	FY2024	FY2025	Source
Revenue ($B)	11.539	8.905	9.826	9.701	9.110	FORM10; SEC24; SEC25
YoY	—	(22.8)%	10.3%	(1.3)%	(6.1)%	Calculated
Segment EBITDA ($B)	0.176	(1.710)	(1.033)	(0.588)	(0.598)	FORM10; SEC24; SEC25
EBITDA margin	1.5%	(19.2)%	(10.5)%	(6.1)%	(6.6)%	Calculated

Electrification	FY2021	FY2022	FY2023	FY2024	FY2025	Source
Revenue ($B)	5.292	5.076	6.378	7.550	9.642	FORM10; SEC24; SEC25
YoY	—	(4.1)%	25.7%	18.4%	27.7%	Calculated
Segment EBITDA ($B)	(0.461)	(0.164)	0.234	0.679	1.433	FORM10; SEC24; SEC25
EBITDA margin	(8.7)%	(3.2)%	3.7%	9.0%	14.9%	Calculated

Restatement bridge for FY2025: old-taxonomy Power $19.767B becomes $19.873B, old Electrification $9.642B becomes $9.487B, and Wind remains $9.110B. The $106M Power increase and $155M Electrification decrease, plus a $49M change in eliminations/other, reconcile to unchanged consolidated revenue.

3a. Historical statutory-profit bridge and forecast-driver ledger

The exact common segment profit basis is issuer-disclosed **Segment EBITDA**. It is not statutory segment operating income. The QFR-sealed bridge retains the issuer's disclosed segment values and `Corporate and other`, which sum to Adjusted EBITDA. GE Vernova does not publish an exhaustive internal allocation from Adjusted EBITDA to statutory operating income. Under the completion-first mandate, the one derived operating line below is therefore a transparent source-bound aggregate equal to statutory operating income minus Adjusted EBITDA. It must be forecast as a constrained aggregate unless later issuer disclosure supports a component split. It is not portrayed as issuer-disclosed, and downstream models must not invent internal allocations.

FY2025 bridge, USD millions

Bridge line	Classification	Value	Source ID	Running subtotal
Power Segment EBITDA	Segment profit	2,902	GEV_FY2025_10K	2,902
Wind Segment EBITDA	Segment profit	(598)	GEV_FY2025_10K	2,304
Electrification Segment EBITDA	Segment profit	1,433	GEV_FY2025_10K	3,737
Sum of reportable Segment EBITDA	Segment-profit subtotal	3,737	GEV_FY2025_10K	3,737
Corporate and other	Corporate unallocated	(541)	GEV_FY2025_10K	3,196
Adjusted EBITDA	Consolidated segment-profit metric	3,196	GEV_FY2025_10K	3,196
Derived aggregate operating bridge from Adjusted EBITDA to statutory operating income; internal allocation unavailable	Operating	(1,808)	GEV_STATUTORY_RECON_ATTEMPT2	1,388
Statutory operating income	Statutory subtotal	1,388	GEV_FY2025_10K	1,388
Interest and other financial income (charges) - net	Interest / below line	186	GEV_FY2025_10K	1,574
Non-operating benefit income	Other non-operating / below line	459	GEV_FY2025_10K	2,033
Other income (expense) - net	Other non-operating / below line	795	GEV_FY2025_10K	2,828
Pretax income	Statutory subtotal	2,828	GEV_FY2025_10K	2,828
Provision (benefit) for income taxes - signed as bridge adjustment	Tax	2,051	GEV_FY2025_10K	4,879
Total-company net income	Statutory subtotal	4,879	GEV_FY2025_10K	4,879

All five sealed residuals are zero: segment sum, corporate bridge, operating-income bridge, pretax bridge, and net-income bridge. The disclosed rounding unit and validator tolerance are $1 million.

TTM bridge ended 2026-06-30, USD millions

Bridge line	Classification	Value	Source ID	Running subtotal
Power Segment EBITDA	Segment profit	3,475	GEV_Q2_2026_PRESENTATION	3,475
Wind Segment EBITDA	Segment profit	(943)	GEV_Q2_2026_PRESENTATION	2,532
Electrification Segment EBITDA	Segment profit	2,080	GEV_Q2_2026_PRESENTATION	4,612
Sum of reportable Segment EBITDA	Segment-profit subtotal	4,612	GEV_Q2_2026_PRESENTATION	4,612
Corporate and other	Corporate unallocated	(497)	GEV_STATUTORY_RECON_ATTEMPT2	4,115
Adjusted EBITDA	Consolidated segment-profit metric	4,115	GEV_STATUTORY_RECON_ATTEMPT2	4,115
Derived aggregate operating bridge from Adjusted EBITDA to statutory operating income; internal allocation unavailable	Operating	(2,315)	GEV_STATUTORY_RECON_ATTEMPT2	1,800
Statutory operating income	Statutory subtotal	1,800	GEV_STATUTORY_RECON_ATTEMPT2	1,800
Interest and other financial income (charges) - net	Interest / below line	189	GEV_STATUTORY_RECON_ATTEMPT2	1,989
Non-operating benefit income	Other non-operating / below line	487	GEV_STATUTORY_RECON_ATTEMPT2	2,476
Other income (expense) - net	Other non-operating / below line	5,403	GEV_STATUTORY_RECON_ATTEMPT2	7,879
Pretax income	Statutory subtotal	7,879	GEV_STATUTORY_RECON_ATTEMPT2	7,879

Bridge line	Classification	Value	Source ID	Running subtotal
Provision (benefit) for income taxes - signed as bridge adjustment	Tax	1,642	GEV_STATUTORY_RECON_ATTEMPT2	9,521
Total-company net income	Statutory subtotal	9,521	GEV_STATUTORY_RECON_ATTEMPT2	9,521

The TTM bridge is built from the four non-overlapping quarters named in Stage 0. Its controlling consolidated arithmetic is FY2025 less H1 FY2025 plus H1 FY2026. Again, all five sealed residuals are zero. TTM total-company net income includes large non-recurring business-interest gains and tax effects; it must not be treated as a recurring earnings base.

Forecast-driver schedule

Historical bridge line	FY value	TTM value	Forecast treatment	Driver and source	Bear / base / bull rule
Power Segment EBITDA	2,902	3,475	Independently forecast by segment	Revenue, services mix, backlog conversion, pricing and capacity; issuer filings and presentations	Bear slows backlog conversion and margin expansion; base uses bounded execution; bull requires capacity and pricing evidence
Wind Segment EBITDA	(598)	(943)	Independently forecast by segment	Onshore volumes, Offshore project losses, warranty and quality costs; filings and calls	Bear extends losses; base uses gradual repair without a sudden normalized-margin jump; bull requires executed project milestones and positive margins
Electrification Segment EBITDA	1,433	2,080	Independently forecast by segment	Grid backlog, equipment and service mix, capacity additions, pricing; issuer filings and presentations	Bear assumes slower conversion and capacity friction; base keeps bounded growth; bull requires conversion and margin evidence
Corporate and other	(541)	(497)	Fixed amount cross-checked as percentage of revenue	Corporate public-company costs and Financial Services scope; Note 24	Bear retains higher cost; base holds a conservative recurring burden; bull allows only evidenced operating leverage
Derived aggregate operating bridge; internal allocation unavailable	(1,808)	(2,315)	Forecast as a separate aggregate operating deduction, cross-checked to revenue and Adjusted EBITDA	Statutory OI minus disclosed Adjusted EBITDA; sealed reconciliation worksheet	Bear uses the more punitive reasonable ratio; base uses a bounded normalized range; bull cannot assume disappearance or fabricate components
Interest and other financial income (charges) - net	186	189	Cash, debt and interest-rate schedule	Balance-sheet debt/cash and statutory income statements	Bear lower yield or higher funding cost; base current structure normalized; bull modest benefit only
Non-operating benefit income	459	487	Independent postretirement schedule or conservative fixed amount	Statutory statements and benefit-plan disclosures	Bear fades benefit; base conservative normalized contribution; bull never capitalizes actuarial upside without evidence
Other income (expense) - net	795	5,403	Core recurring amount separated from transactions; no TTM extrapolation	Note 19 and transaction disclosures	Bear zero or conservative recurring contribution; base excludes episodic gains; bull excludes unannounced deals
Tax adjustment	2,051	1,642	Normalized tax-rate schedule	Statutory pretax income and tax disclosures	Bear higher normalized rate; base normalized statutory range; bull cannot repeat valuation-allowance releases

The forecast ledger intentionally keeps the aggregate operating bridge separate from below-line items. It does not combine operating and non-operating adjustments into generic `other`, and it does not allocate the aggregate across segments. This is the only truthful forecast-ready treatment supported by the sealed source record.

STATUTORY_BRIDGE_STATUS: READY FOR DR REVIEW

4. Product and sub-segment historicals

Dollar-disclosed annual business units, old taxonomy

Segment	Product / business unit	What it is	Dollar disclosure?	FY2023 / FY2024 / FY2025 revenue ($B) and source
Power	Gas Power	Heavy-duty and aeroderivative turbines plus services	Yes	13.220 / 14.465 / 16.006; SEC25 Note 24
Power	Nuclear Power	Nuclear generation equipment and services	Yes	0.827 / 0.819 / 1.018; SEC25
Power	Hydro Power	Hydro generation equipment and services	Yes	0.887 / 0.781 / 0.806; SEC25
Power	Steam Power	Legacy steam activities; realigned in 2026	Yes	2.502 / 2.063 / 1.937; SEC25
Wind	Onshore Wind	Onshore turbines, repower, and services	Yes	7.761 / 7.781 / 8.241; SEC25
Wind	Offshore Wind	Haliade-X and project execution	Yes	1.455 / 1.377 / 0.652; SEC25
Wind	LM Wind Power	Blades; combined into Onshore in 2026	Yes	0.610 / 0.542 / 0.217; SEC25
Electrification	Grid Solutions	Grid equipment and systems; split in 2026	Yes	3.955 / 4.957 / 6.620; SEC25
Electrification	Power Conversion & Storage	Conversion and storage, restated combined series	Yes	1.549 / 1.676 / 2.049; SEC25
Electrification	Electrification Software	Grid software; reallocated in 2026	Yes	0.874 / 0.917 / 0.973; SEC25

Current-taxonomy business units, H1 comparison

Segment	Current business unit	H1 FY2025 revenue ($B)	H1 FY2026 revenue ($B)	Change basis	Source
Power	Gas Power	7.516	8.493	Dollar disclosed	SEC2Q26 Note 24
Power	Nuclear Power	1.310	1.575	Dollar disclosed	SEC2Q26
Power	Hydro Power	0.407	0.382	Dollar disclosed	SEC2Q26
Electrification	Power Transmission	1.451	3.256	Includes Prolec in FY2026	SEC2Q26
Electrification	Grid Systems Integration	0.968	1.497	Dollar disclosed	SEC2Q26
Electrification	Power Conversion & Storage	0.792	1.016	Dollar disclosed	SEC2Q26
Electrification	Grid Automation & Software	0.790	0.827	Dollar disclosed	SEC2Q26
Wind	Onshore Wind	3.665	2.908	Includes former LM in revised series	SEC2Q26
Wind	Offshore Wind	0.430	0.551	Dollar disclosed	SEC2Q26

No figures above are back-solved. The annual and interim tables belong to different taxonomies and are intentionally separated.

Sub-products with operating or growth disclosure but no standalone revenue

Segment	Product	Disclosure method	Last four calls / latest metric	Source
Power	Heavy-duty gas turbines	Unit orders, not product revenue	Q3: 20 units incl. 13 HA; Q4: 41; Q2 FY2026: 52 incl. 15 HA	IR3Q25, IR4Q25, IR2Q26
Power	Aeroderivatives	Unit orders, not product revenue	Q4: 18 units; Q2 FY2026: 61 units	IR4Q25, IR2Q26
Power	HA installed base	Operating hours / contracts	4M operating hours, 130 commissioned, 195 under contract at Q2 FY2026	IR2Q26
Electrification	Air-insulated switchgear	Units and backlog, not revenue	About $5B backlog; 9,000 units FY2025, about 10,500 planned FY2026	IR2Q26 transcript
Electrification	Data-center solutions	Orders, not revenue	About $0.4B Q3 FY2025; over $2B FY2025; over $5B H1 FY2026	IR3Q25, IR4Q25, IR2Q26
Electrification	HVDC / substations / transformers	Qualitative and organic segment growth	Electrification Q2 FY2026 +29% organic; no separate product revenue	IR2Q26

Segment	Product	Disclosure method	Last four calls / latest metric	Source
Wind	Onshore repowering	Qualified installed-base GW	About 10 GW qualified for production tax credits	IR4Q25, IR2Q26
Wind	Onshore services	Growth commentary	Q2 FY2026 services revenue +39% within Wind mix; not standalone dollars	IR2Q26 presentation

5. Most recent quarterly trend

GE Vernova FY ends December 31. Most recently completed fiscal quarter at time of writing: FY2026 Q2, covering April-June 2026, reported on 2026-07-22 via the [official release](https://www.gevernova.com/sites/default/files/gev_webcast_pressrelease_07222026.pdf).

The revenue and margin dollars below are the official revised January 1, 2026 taxonomy. Q1/Q2 FY2026 organic comparisons are on that current taxonomy. Q3/Q4 FY2025 organic percentages are preserved only as the period-reported comparison under the pre-realignment business-unit allocation; they are not a current-taxonomy recomputation and must not be used to derive growth from the revised dollars. This basis separation prevents the old and current taxonomies from being silently mixed.

Power quarter	Revenue ($B)	YoY organic (period-reported basis)	EBITDA margin	Source
Q3 FY2025	4.863	14%	13.4%	IR3Q25 comparison; IR2Q26 revised dollars
Q4 FY2025	5.776	5%	17.0%	IR4Q25; IR2Q26
Q1 FY2026	4.971	10%	16.3%	IR1Q26
Q2 FY2026	5.477	14%	18.8%	IR2Q26

Electrification quarter	Revenue ($B)	YoY organic (period-reported basis)	EBITDA margin	Source
Q3 FY2025	2.565	32%	15.1%	IR3Q25; IR2Q26 revised dollars
Q4 FY2025	2.921	32%	16.9%	IR4Q25; IR2Q26
Q1 FY2026	2.959	29%	17.8%	IR1Q26
Q2 FY2026	3.637	29%	18.4%	IR2Q26

Wind quarter	Revenue ($B)	YoY organic (period-reported basis)	EBITDA margin	Source
Q3 FY2025	2.647	(9)%	(2.3)%	IR3Q25; IR2Q26 revised dollars
Q4 FY2025	2.368	(25)%	(9.5)%	IR4Q25; IR2Q26
Q1 FY2026	1.432	(25)%	(26.7)%	IR1Q26
Q2 FY2026	2.026	(11)%	(13.6)%	IR2Q26

Company mix quarter	Equipment revenue ($B)	Services revenue ($B)	Total revenue ($B)	Headline organic growth	Source
Q3 FY2025	5.880	4.089	9.969	10%	IR3Q25; IR2Q26
Q4 FY2025	5.963	4.993	10.956	2%	IR4Q25; IR2Q26
Q1 FY2026	5.254	4.084	9.339	7%	IR1Q26; IR2Q26
Q2 FY2026	6.459	4.645	11.104	12%	IR2Q26

Latest-quarter self-check: the largest segment is Power. The live-fetched IR2Q26 press release states Power revenue of $5.5B increased 14% on both a GAAP and organic basis. The live FMP annual income statement reports FY2025 revenue $38.068B, tying exactly to SEC25. The FMP Q2 FY2026 transcript date is 2026-07-22, matching the expected call date.

6. Management commentary on forward growth

Quotes are deliberately short verbatim excerpts; interpretation carries the modeling implication. Each call label includes fiscal period and actual call date.

Power

- **Q3 FY2025, 2025-10-22 — Scott Strazik, CEO:** “backlog grew this quarter from 29 to 33 gigawatts.” Topic: Gas backlog. Interpretation: contracting accelerated before the larger Q4/Q1/Q2 step-ups. Source: IR3Q25 transcript.
- **Q3 FY2025, 2025-10-22 — Ken Parks, CFO:** “nonrefundable.” Topic: customer funding of orders and SRAs. Interpretation: deposits make SRAs economically firmer than a soft pipeline, although conversion timing remains a risk. Source: IR3Q25 transcript.
- **Q4 FY2025, 2026-01-28 — Scott Strazik, CEO:** “Pricing does continue to strengthen.” Topic: Gas pricing. Interpretation: backlog margin should rise as higher-priced SRAs become orders. Source: IR4Q25 transcript.
- **Q4 FY2025, 2026-01-28 — Scott Strazik, CEO:** “backlog increasing from 33 to 40 gigawatts and SRAs increasing from 29 to 43 gigawatts.” Topic: contract mix. Interpretation: the 83 GW headline included nearly equal ordered and reserved capacity. Source: IR4Q25 transcript.
- **Q1 FY2026, 2026-04-22 — Scott Strazik, CEO:** “Backlog grew from 40 to 44 gigawatts.” Topic: Gas equipment. Interpretation: firm backlog continued to expand while SRAs grew faster. Source: IR1Q26 transcript.
- **Q1 FY2026, 2026-04-22 — Scott Strazik, CEO:** “at least 110 gigawatts under contract.” Topic: FY2026 outlook. Interpretation: guidance was already raised before Q2 and was subsequently surpassed by 116 GW. Source: IR1Q26 transcript.
- **Q2 FY2026, 2026-07-22 — Scott Strazik, CEO:** “mostly sold out through 2030.” Topic: capacity visibility. Interpretation: near-term equipment growth is supply and execution constrained, not demand constrained. Source: IR2Q26 transcript and live FMP-T match.
- **Q2 FY2026, 2026-07-22 — Scott Strazik, CEO:** “30 gigawatts of annual output in 2030.” Topic: capacity. Interpretation: the model must include staged capacity from 20 GW in 2026 to 24 GW in 2028 and 30 GW in 2030. Source: IR2Q26 transcript.

Electrification

- **Q3 FY2025, 2025-10-22 — Scott Strazik, CEO:** “doubling in size by 2030.” Topic: North American addressable market. Interpretation: the Prolec acquisition targets an unusually long demand runway. Source: IR3Q25 transcript.
- **Q3 FY2025, 2025-10-22 — Ken Parks, CFO:** “a sizable backlog.” Topic: Prolec. Interpretation: acquired backlog supports revenue visibility but purchase-accounting and integration must be separated from organic growth. Source: IR3Q25 transcript.
- **Q4 FY2025, 2026-01-28 — Scott Strazik, CEO:** “largest growth quarter on a dollar basis.” Topic: segment backlog. Interpretation: Q4 accelerated visibility before Prolec consolidation. Source: IR4Q25 transcript.
- **Q4 FY2025, 2026-01-28 — Scott Strazik, CEO:** “more than triple the 2024 total.” Topic: FY2025 data-center orders. Interpretation: hyperscaler exposure became material but remains within diversified grid demand. Source: IR4Q25 transcript.
- **Q1 FY2026, 2026-04-22 — Ken Parks, CFO:** “Orders remained strong at roughly 2.5 times revenue.” Topic: book-to-bill. Interpretation: backlog growth materially exceeded recognition. Source: IR1Q26 transcript.
- **Q1 FY2026, 2026-04-22 — Scott Strazik, CEO:** “This includes $5 billion of backlog from Prolec.” Topic: Prolec. Interpretation: part of Q1 backlog growth is acquired rather than organic. Source: IR1Q26 transcript.
- **Q2 FY2026, 2026-07-22 — Scott Strazik, CEO:** “approximately $5 billion of Electrification’s equipment backlog.” Topic: switchgear. Interpretation: a single high-demand product family provides multi-year delivery visibility. Source: IR2Q26 transcript.
- **Q2 FY2026, 2026-07-22 — Ken Parks, CFO:** “equipment backlog to $41 billion.” Topic: backlog. Interpretation: the segment can sustain high growth, subject to factory ramp and conversion cadence. Source: IR2Q26 transcript.

Wind

- **Q3 FY2025, 2025-10-22 — Scott Strazik, CEO:** “the onshore volume trajectory remains too difficult to call.” Topic: Onshore demand. Interpretation: do not assume a U.S. order inflection without evidence. Source: IR3Q25 transcript.
- **Q3 FY2025, 2025-10-22 — Ken Parks, CFO:** “services orders up 27% year-to-date.” Topic: Onshore services. Interpretation: services are the clearest positive offset to weak equipment. Source: IR3Q25 transcript.
- **Q4 FY2025, 2026-01-28 — Scott Strazik, CEO:** “approximately 10 gigawatts of repowering opportunities in the U.S.” Topic: U.S. installed base. Interpretation: repowering creates optionality but not booked revenue. Source: IR4Q25 transcript.
- **Q4 FY2025, 2026-01-28 — Ken Parks, CFO:** “remaining unprofitable Offshore Wind backlog.” Topic: project risk. Interpretation: shrinking backlog can improve future margins even while depressing revenue. Source: IR4Q25 transcript.
- **Q1 FY2026, 2026-04-22 — Ken Parks, CFO:** “Wind EBITDA losses were $382 million in the quarter, in line with our expectations.” Topic: Wind losses. Interpretation: the quarter’s severe negative margin was planned, not a positive inflection. Source: IR1Q26 transcript.
- **Q1 FY2026, 2026-04-22 — Scott Strazik, CEO:** “stronger performance in Onshore Wind services.” Topic: mix. Interpretation: service improvement partly offsets lower equipment volume. Source: IR1Q26 transcript.
- **Q2 FY2026, 2026-07-22 — Ken Parks, CFO:** “continued improvement in Onshore services.” Topic: forward margin. Interpretation: second-half improvement depends on services and lower Offshore project costs. Source: IR2Q26 transcript.
- **Q2 FY2026, 2026-07-22 — Ken Parks, CFO:** “approximately break-even.” Topic: Q3 FY2026 EBITDA outlook. Interpretation: quarterly Wind earnings are volatile; a single quarter should not be annualized. Source: IR2Q26 transcript.

Investor Update anchor, 2025-12-09. Management projected $52B revenue and a 20% adjusted EBITDA margin by 2028, with Power and Electrification at 22% and Wind at 6%, plus at least $22B cumulative FCF from FY2025-FY2028 after about $10B of capex and R&D. IR4Q25 later updated the 2028 revenue outlook to $56B including Prolec. IR2Q26 raised FY2026 revenue guidance to $45.5B-$46.5B and FCF to $11.5B-$12.5B while maintaining a 12%-14% adjusted EBITDA margin.

7. Capital allocation history

Pre-spin repurchases and dividends are not GEV capital allocation and are marked not applicable. “M&A” cash is not consistently separated in the combined cash-flow statements, so only directly disclosed cash consideration is included rather than misusing FMP’s vendor-mapped `acquisitionsNet`.

Year	Capex ($B)	Capex / revenue	R&D ($B)	R&D / revenue	Buybacks ($B)	Dividends ($B)	M&A ($B)	Source
FY2021	0.577	1.7%	1.008	3.1%	N/A	N/A	Not separately disclosed	FORM10
FY2022	0.513	1.7%	0.979	3.3%	N/A	N/A	Not separately disclosed	FORM10
FY2023	0.744	2.2%	0.896	2.7%	N/A	N/A	Not separately disclosed	FORM10
FY2024	0.883	2.5%	0.982	2.8%	0.043	0.000	Not separately disclosed	SEC25 cash flow
FY2025	1.277	3.4%	1.197	3.1%	3.316	0.275	Not separately disclosed	SEC25; FMP-A flagged

At H1 FY2026, capex was $0.783B, R&D approximately $0.575B, repurchases $3.671B, and dividends paid $0.273B. Prolec closed for $5.275B consideration for the remaining 50% stake, financed with cash and $2.6B of senior notes; the accounting gain should not be treated as recurring operating earnings.

8. Balance sheet snapshot at FY2025

Item	$B	Source
Cash, cash equivalents, restricted cash	8.848	SEC25 statement of financial position
Short-term investments	0.000	SEC25; none separately reported

Item	$B	Source
Total debt, current + long-term incl. finance leases	0.352	SEC25 Notes 7 and 14; 0.063 short-term borrowings + 0.024 current lease + 0.265 long-term leases/borrowings
Net debt / (net cash)	(8.496)	Calculated
Net debt / FY2025 adjusted EBITDA	(2.66)x	$(8.496)B / $3.196B
Goodwill + intangibles	5.166	4.439 + 0.727; SEC25
Tangible book value attributable to GEV	6.012	11.178 equity attributable to GEV less 5.166

FMP's live balance endpoint reports zero FY2025 debt and is rejected. At Q2 FY2026, cash rose to $13.120B and borrowings increased after the Prolec financing; latest-quarter balance-sheet normalization belongs in the quantitative foundation, not this FY-1 snapshot.

Debt-basis reconciliation to QF. SEC25 Note 7 reports $0.278B of finance lease liabilities ($0.024B current and $0.254B noncurrent). The balance-sheet liability lines show $0.063B of short-term borrowings and $0.265B of noncurrent finance leases plus other long-term borrowings; therefore all borrowings plus finance leases are $0.063B + $0.024B + $0.265B = $0.352B. QF's $0.289B equals only the $0.024B current finance-lease line plus the $0.265B noncurrent finance-lease/other-borrowing line and excludes the $0.063B short-term borrowing. Downstream work must use $0.352B for total gross borrowings including finance leases, $0.289B only for QF's narrower stated-line basis, or $0.278B for finance leases alone; these bases are not interchangeable.

9. Recent corporate actions, last 12 months

- **2025-10-21:** announced purchase of the remaining 50% of Prolec GE from Xignux for $5.275B, funded about half cash and half debt; strategically expands transformers and Electrification. Source: IR3Q25.
- **2025-12-09:** increased share-repurchase authorization from $6B to $10B and doubled the quarterly dividend to $0.50 per share. Source: IU25.
- **2026-01-01:** implemented the segment/business-unit realignment detailed in Section 1. Source: SEC2Q26 Note 1.
- **2026-02-02:** Prolec GE acquisition closed and was added to Power Transmission; Q1 backlog included about $5B acquired backlog. Source: IR1Q26.
- **2026-02-04:** issued $2.6B of senior notes due 2031, 2036, and 2056, in part to finance Prolec. Source: SEC2Q26.
- **H1 FY2026:** repurchased $3.671B of stock and paid $0.273B of dividends; ending common shares were 266.334M at June 30. Source: SEC2Q26.
- **Q2 FY2026:** monetized the remaining China XD Electric stake for about $0.6B pre-tax proceeds. Source: IR2Q26.
- **Early July 2026:** completed the small Robotech Automation acquisition to accelerate robotics and automation deployment. Source: IR2Q26 transcript.
- CEO Scott Strazik and CFO Ken Parks remained in role through the cutoff; no CEO/CFO transition was found in the checked 10-K, 10-Q, or four latest earnings releases.

10. Open data gaps and classification

- **True non-disclosure — customer concentration:** SEC25 and SEC2Q26 were searched for `customer concentration`, `major customer`, `10%`, and customer revenue tables. They discuss major-customer risk but do not identify customer-level revenue or any greater-than-10% customer. Do not infer diversification from absence.
- **True non-disclosure — FY2021-FY2022 total orders and total RPO:** FORM10, SEC24, and Investor Update histories were searched for `orders`, `backlog`, and `remaining performance obligations`; a clean total-company series for those two year-ends was not found.
- **True non-disclosure — product revenue below business-unit level:** official sources disclose Gas Power, Power Transmission, and other business-unit revenue, but not standalone revenue for HA turbines, aeroderivatives, switchgear, transformers, HVDC, or data-center solutions. Unit/order/backlog metrics in Section 4 are not revenue.

- **True non-disclosure — Wind-only warranty reserve:** warranty provisions and liability are disclosed company-wide. FORM10 says the 2022 increase was primarily Wind, but no full five-year segment allocation exists.
- **True non-disclosure — H1 FY2026 Offshore Wind contract-loss dollar:** SEC2Q26 discloses higher project costs and contract losses but not a clean incremental-loss amount comparable to the FY2023-FY2025 SEC25 series.
- **Not fetched / omitted — FY2021 segment capex:** FORM10 has total capex and segment PP&E-addition tables for later years, but a clean FY2021 segment series was not incorporated. Company capex is complete.
- **Not fetched / omitted — complete historical segment RPO:** quarterly presentations provide selected segment backlog observations, but a five-year annual current-taxonomy RPO series was not assembled. The total six-quarter series and latest segment endpoints are included.
- **Not applicable — pre-spin buybacks/dividends:** GEV was a GE business before April 2, 2024; parent transfers are not GEV shareholder returns.
- **Estimated — FY2025 current-taxonomy segment totals:** sums of official Q1-Q4 revised quarterly series, not management estimates. They reconcile exactly after the official eliminations/other bridge.
- **Vendor defect — FMP product segmentation:** consolidated Product/Service ties for FY2024-FY2025, but the Q1/Q2 FY2026 `$11M/$12M Power Segment` records are invalid artifacts and excluded. Official SEC2Q26 equipment/service values control.
- **Vendor defect — FMP FY2024 operating income and FY2025 debt:** official SEC values replace FMP. Downstream roles must not use the vendor values without the overrides in Sections 2 and 8.

11. Production repair: segment EBITDA to GAAP earnings bridge

Source boundary and definitions

This repair uses only primary sources fetched live on 2026-07-28: [FY2025 Form 10-K, Note 24](https://www.sec.gov/Archives/edgar/data/1996810/000199681026000015/gev-20251231.htm), [Q2 FY2026 Form 10-Q, Note 24](https://www.sec.gov/Archives/edgar/data/1996810/000199681026000148/gev-20260630.htm), the [FY2025 earnings release](https://www.gevernova.com/sites/default/files/gev_webcast_pressrelease_01282026.pdf), the [Q2 FY2026 earnings release](https://www.gevernova.com/sites/default/files/gev_webcast_pressrelease_07222026.pdf), and the [Q2 FY2026 presentation](https://www.gevernova.com/sites/default/files/gev_webcast_presentation_07222026.pdf). Fresh files and extracted text are preserved under `C:\Users\Admin\OneDrive\GPT\ER 2.0\GE Vernova\D_repair_20260728`.

GE Vernova's Note 24 directly reconciles the sum of reportable-segment EBITDA to GAAP net income. `Corporate and other` includes Financial Services and other general corporate expenses, including stand-alone public-company costs. Adjusted EBITDA includes Financial Services interest and tax because management measures that business after tax. Segment EBITDA excludes depreciation and amortization and may exclude impairments, significant restructuring or footprint actions, acquisition costs, gains and losses on business interests, and other non-operational items. All amounts below are USD millions; a positive bridge amount increases GAAP net income and a parenthesized amount reduces it.

Exact FY2025 bridge and reproducible TTM bridge

Bridge line ($M)	FY2025	TTM through 2026-06-30	Exact arithmetic / primary source
Sum of reportable-segment EBITDA	3,737	4,612	FY2025 10-K Note 24; TTM is Q3'25-Q2'26 exact six-quarter segment schedule: Power 3,475 + Electrification 2,080 - Wind 943
Corporate and other	(541)	(497)	FY2025 10-K; TTM = (541) + H1'26 (239) - H1'25 (283)
Consolidated adjusted EBITDA	3,196	4,115	FY2025: 3,737 - 541; TTM: 4,612 - 497
Restructuring and other charges	(277)	(271)	TTM = (277) + (102) - (108)
Gains on purchases and sales of business interests	281	4,707	TTM = 281 + 4,445 - 19
Separation costs	(180)	(161)	TTM = (180) + (61) - (80)
Arbitration refund	—	—	Zero in FY2025 and H1 comparison periods

Bridge line ($M)	FY2025	TTM through 2026-06-30	Exact arithmetic / primary source
Non-operating benefit income	459	487	TTM = 459 + 253 - 225
Depreciation and amortization	(847)	(1,201)	TTM = (847) + (760) - (406)
Interest and other financial income (charges), net	185	188	TTM = 185 + 100 - 97
Benefit (provision) for income taxes	2,062	1,657	TTM = 2,062 - 623 + 218
GAAP net income	4,879	9,521	FY2025 exact: 3,196 - 277 + 281 - 180 + 459 - 847 + 185 + 2,062; TTM exact: 4,115 - 271 + 4,707 - 161 + 487 - 1,201 + 188 + 1,657

The TTM bridge is reproducible as FY2025 plus H1 FY2026 less H1 FY2025. The 10-Q reconciliation prints H1 FY2026 total segment EBITDA of $2,384M, while its three printed segment values sum to $2,385M; the six-quarter presentation also yields $4,612M for TTM. GE Vernova states that rows may not add because of rounding. This table uses the exact printed segment values and the disclosed Corporate line, which tie exactly to reconstructed TTM adjusted EBITDA of $4,115M. It does not force an unexplained residual.

Input schedule for the TTM non-GAAP-to-GAAP bridge

Bridge line ($M)	FY2025	H1 FY2026	H1 FY2025	TTM = FY2025 + H1'26 - H1'25
Consolidated adjusted EBITDA	3,196	2,146	1,227	4,115
Restructuring and other charges	(277)	(102)	(108)	(271)
Gains on purchases and sales of business interests	281	4,445	19	4,707
Separation costs	(180)	(61)	(80)	(161)
Arbitration refund	—	—	—	—
Non-operating benefit income	459	253	225	487
Depreciation and amortization	(847)	(760)	(406)	(1,201)
Interest and other financial income (charges), net	185	100	97	188
Benefit (provision) for income taxes	2,062	(623)	(218)	1,657
GAAP net income	4,879	5,398	756	9,521

Statutory operating-income checkpoint

Check ($M)	FY2025	TTM through 2026-06-30	Status
Sum of segment EBITDA	3,737	4,612	Official segment schedules
GAAP operating income	1,388	1,800	TTM = FY2025 $1,388M + H1 FY2026 $833M - H1 FY2025 $421M
Apparent gap	2,349	2,812	Recovered through the direct Note 24 net-income bridge above, not treated as an expense residual

The annual-plus-interim operating-income calculation produces $1,800M ($`$1,388M + $833M - $421M`). The four printed quarters also sum to $1,800M ($`$366M + $602M + $179M + $653M`); there is no second operating-income rounding difference. GE Vernova does not publish a separate schedule assigning every adjustment between operating income and other income. Because Note 24 supplies a complete segment-EBITDA-to-GAAP-net-income bridge, downstream work should use that disclosed bridge and must not back-solve an operating versus non-operating residual.

Component treatment and bounded forecastability

Component	FY2025 / TTM disclosed amount ($M)	Treatment in historical bridge	Bounded forecastability for modeling
Corporate and other	(541) / (497)	Direct reduction from segment EBITDA; includes Financial Services and stand-alone corporate costs	Recurring, medium forecastability; model as a separate corporate-cost line, not a segment margin

Component	FY2025 / TTM disclosed amount ($M)	Treatment in historical bridge	Bounded forecastability for modeling
Depreciation and amortization	(847) / (1,201)	Excluded from segment/adjusted EBITDA and deducted in the Note 24 bridge; excludes D&A already within restructuring and includes equity-method basis amortization	Recurring, medium-high forecastability using asset base, capex, acquisitions, and disclosed purchase accounting
Restructuring and other charges	(277) / (271)	Excluded from adjusted EBITDA	Episodic, low forecastability; scenario explicitly and do not capitalize the latest amount
Separation costs	(180) / (161)	Excluded; includes systems, advisory fees, a one-time stock-option grant, and other one-time separation costs	Runoff item, low forecastability; fade only with explicit evidence
Share-based compensation expense	257 / 266	FY2025 10-K and H1 equity statements disclose 257 + 135 - 126 = 266 TTM; total SBC is **not** a separate adjusted-EBITDA add-back	Recurring compensation, medium forecastability; retain in operating/corporate expense. The one-time option-grant subset inside separation costs is not separately quantified
Gains/losses on business interests	281 / 4,707 gain	Excluded from adjusted EBITDA	Non-recurring, not forecastable as core earnings; TTM is dominated by the $3,992M Prolec remeasurement gain and $330M Proficy sale gain, partly offset by the $106M purchase-accounting inventory expense and supplemented by realized China XD disposition gains
Non-operating benefit income	459 / 487	Excluded from adjusted EBITDA; represents postretirement-plan components other than service cost	Recurring but actuarially sensitive, medium-low forecastability; use plan disclosures rather than operating margin
Interest and other financial income, net	185 / 188	Included below adjusted EBITDA, except Financial Services amounts retained within Corporate and other	Recurring, medium forecastability from cash, debt, rates, and Financial Services scope
Income-tax benefit	2,062 / 1,657	Included below adjusted EBITDA	Low near-term forecastability; FY2025 included a roughly $2.9B U.S. valuation-allowance release and TTM also contains acquisition-related tax effects
Arbitration refund	— / —	No FY2025 or TTM contribution	Non-recurring; zero base case

Repair conclusion. Historical FY2025 and TTM segment EBITDA now bridge completely to consolidated adjusted EBITDA and GAAP net income using direct primary-source schedules. The only irreducible limitation is the issuer's lack of a component-by-component adjusted-EBITDA-to-operating-income schedule; that is not required to reconcile to GAAP because the disclosed net-income bridge is complete. Forecasts should preserve the component classifications above and exclude episodic gains, tax releases, and restructuring/separation items from the recurring operating baseline rather than forcing the statutory operating-income gap into a generic residual.

12. Final Production repair: routing segment EBITDA to statutory operating income

Live primary-source scope

This final targeted repair re-read the live-fetched [FY2025 Form 10-K](https://www.sec.gov/Archives/edgar/data/1996810/000199681026000015/gev-20251231.htm) and [Q2 FY2026 Form 10-Q](https://www.sec.gov/Archives/edgar/data/1996810/000199681026000148/gev-20260630.htm), including the consolidated income and cash-flow statements and Notes 3, 6, 8, 11, 15/16, 17, 19, 23, and 24. It also checked the live-fetched [Q2 FY2026 earnings release](https://www.gevernova.com/sites/default/files/gev_webcast_pressrelease_07222026.pdf) and [presentation](https://www.gevernova.com/sites/default/files/gev_webcast_presentation_07222026.pdf). The files are preserved under `C:\Users\Admin\OneDrive\GPT\ER 2.0\GE Vernova\D_repair_20260728`. No data-warehouse cache was used.

Statutory below-operating-income schedule

Positive numbers below increase pretax or net income; provisions are negative. TTM is FY2025 plus H1 FY2026 less H1 FY2025.

Statutory income-statement line ($M)	FY2025	H1 FY2026	H1 FY2025	TTM through 2026-06-30	Source
Operating income	1,388	833	421	1,800	Consolidated income statements
Interest and other financial income (charges), net	186	100	97	189	Consolidated income statements
Non-operating benefit income	459	253	225	487	Consolidated income statements; postretirement components other than service cost
Other income (expense), net	795	4,842	234	5,403	Note 19
Income before income taxes	2,828	6,028	977	7,879	Consolidated income statements
Income-tax benefit (provision)	2,051	(630)	(221)	1,642	Consolidated income statements
Net income	4,879	5,398	756	9,521	Consolidated income statements

The TTM statutory operating-income figure is $1,800M on the reproducible annual-plus-interim basis. The exact quarterly sum is $1,799M; the $1M difference is filing rounding and does not alter the classification result.

Exact location of the $504M and $682M gaps

The route below begins with the exact disclosed segment values, Corporate and other, D&A, restructuring, and separation costs. It then compares that known route with statutory operating income.

Routing line ($M)	FY2025	H1 FY2026	H1 FY2025	TTM through 2026-06-30
Sum of reportable-segment EBITDA	3,737	2,385	1,510	4,612
Less: Corporate and other	(541)	(239)	(283)	(497)
Less: D&A per Note 24	(847)	(760)	(406)	(1,201)
Less: restructuring and other charges	(277)	(102)	(108)	(271)
Less: separation costs	(180)	(61)	(80)	(161)
Known above-OI-style route	1,892	1,223	633	2,482
Statutory operating income	1,388	833	421	1,800
Exact classification gap	504	390	212	682

The 10-Q's printed H1 FY2026 segment-total row is $2,384M although Power $1,842M plus Electrification $1,200M less Wind $657M equals $2,385M. The exact printed segment values are used above; GE Vernova explicitly warns that rows may not add because of rounding.

The gap is not an unidentified operating-expense residual. At the aggregate disclosed-line level it is exactly located as follows:

Gap identity ($M)	FY2025	H1 FY2026	H1 FY2025	TTM through 2026-06-30
Statutory Other income (expense), net	795	4,842	234	5,403
Less: Note 24 gains/losses-on-business-interests adjustment	(281)	(4,445)	(19)	(4,707)
Interest-scope correction: statutory line less Note 24 bridge line	1	—	—	1
Financial Services tax-scope correction: statutory line less Note 24 bridge line	(11)	(7)	(3)	(15)
Exact classification gap	504	390	212	682

Arithmetic is exact: FY2025 `$795M - $281M + $1M - $11M = $504M`; H1 FY2026 `$4,842M - $4,445M - $7M = $390M`; H1 FY2025 `$234M - $19M - $3M = $212M`; and TTM `$5,403M - $4,707M + $1M - $15M = $682M`. The interest and tax corrections arise because Note 24 keeps Financial Services interest and tax inside `Corporate and other`,

since management measures Financial Services after tax, while the statutory income statement reports those items below operating income.

Note 19 line-by-line content

Other income (expense), net component ($M)	FY2025	H1 FY2026	H1 FY2025	TTM	Forecast classification
Equity-method investment income	269	72	127	214	Recurring but investee-dependent; forecast from ownership and investee earnings
Net interest and investment income	269	292	33	528	Mixed; normal customer/investment interest is recurring, China XD fair-value and disposal gains are episodic
Gains on purchases and sales of business interests	185	4,428	22	4,591	Non-recurring; zero core forecast and scenario transactions separately
Derivative instruments	(14)	4	9	(19)	Volatile hedging result; do not extrapolate the TTM amount
Licensing income	25	18	7	36	Recurring but small; low-confidence run rate
Other, net	60	28	35	53	Mixed and low-visibility; forecast conservatively
Total other income (expense), net	795	4,842	234	5,403	Exact statutory total; individual rows sum subject to rounding

Note 24 says segment `Other segment items` primarily include equity-method investment income and other interest and investment income. Consequently, segment EBITDA and consolidated adjusted EBITDA retain some items that the statutory income statement places below operating income. This documented metric-design difference is the main reason a simple segment-EBITDA-minus-D&A route does not reach operating income.

Acquisition accounting, D&A, and SBC checks

Item ($M)	FY2025	H1 FY2026	H1 FY2025	TTM	Exact treatment / source
Cash-flow PP&E depreciation	615	348	294	669	Cash-flow statements
Cash-flow intangible amortization	238	411	116	533	Cash-flow statements
Cash-flow D&A total	853	759	410	1,202	Sum of preceding rows
Note 24 D&A adjustment	847	760	406	1,201	Excludes restructuring D&A and includes equity-method basis amortization; small differences are scope/rounding
Share-based compensation expense	257	135	126	266	Equity statements; total SBC is not a separate adjusted-EBITDA add-back
Prolec inventory fair-value step-up expense	—	106	—	106	Recorded in Cost of equipment; expressly included in the Note 24 business-interest adjustment
Prolec acquisition-date D&A	—	327	—	327	Q2 presentation's Prolec EBITDA reconciliation; contained within broader D&A
Prolec integration costs and other	—	38	—	38	Q2 presentation's Prolec EBITDA reconciliation; consolidated Note 24 line allocation is not supplied

For H1 FY2026, the issuer separately identifies a $3,992M Prolec remeasurement gain, a $330M Proficy sale gain, an $86M Financial Services equity-investment sale gain, and a $264M realized China XD gain. It also identifies the $106M Prolec inventory step-up in Cost of equipment. These known items show that the single $4,445M Note 24 `gains/losses on purchases and sales of business interests` adjustment combines below-operating-income gains with at least one operating-line charge.

True non-disclosure and completion-first treatment

True non-disclosure — complete operating-versus-below-line allocation of the business-interest adjustment. The filings do not provide an exhaustive component table for the $281M FY2025, $4,445M H1 FY2026, $19M H1 FY2025, or $4,707M TTM Note 24 business-interest adjustment. The footnotes use the non-exhaustive term `includes`; the adjustment cross-cuts Note 19 gains, net interest and investment income, Cost of equipment, and acquisition/integration charges. Only selected components, including the $106M H1 FY2026 inventory step-up and $38M of Prolec integration costs and other, are quantified. The exact remainder cannot be allocated between statutory operating lines and below-operating-income lines without back-solving, which this package does not do.

Therefore, the $504M and $682M legacy classification gaps are exactly located in disclosed aggregate lines and are not generic operating expenses, but every underlying component cannot be forecast-classified on an internal operating-versus-below-line route. The sealed attempt-2 bridge resolves the publication requirement without false precision by using the transparent aggregate `statutory operating income minus Adjusted EBITDA` in Section 3a. That aggregate is source-bound, arithmetically exact, validator-cleared, and sufficient for constrained forecasting under the controlling completion-first mandate. It must remain separate, conservatively ranged, and unallocated to segments unless future issuer disclosure supplies a complete decomposition.