GE Vernova 1Q 2026 Financial Results & Outlook

Wednesday, 22nd April 2026

Opening Remarks

Michael Lapides

Vice President of Investor Relations, GE Vernova

Thank you. Welcome to GE Vernova's First Quarter 2026 Earnings Call. I'm joined today by our CEO, Scott Strazik, and CFO, Ken Parks.

Our conference call remarks will include both GAAP and non-GAAP financial results. Reconciliations between GAAP and non-GAAP measures can be found in today's Form 10-Q, press release and presentation slides, all of which are available on our website.

Please note that unless otherwise specified, our year-over-year commentary or variances on orders, revenue, adjusted and segment EBITDA and margin discussed during our prepared remarks are on an organic basis, which includes the removal of the impact of our Prolec GE acquisition.

In addition, we realigned the reporting of certain business units to reflect how we are managing the company. Notably in Power, we integrated the Steam business primarily into our Nuclear business. In Electrification, we realigned the segment into four distinct business units to provide investors with greater visibility. This included revising our former Grid Solutions and Electrification Software business units into three separate business units: Power Transmission, Grid Systems Integration and Grid Automation & Software. A portion of our Electrification Software was also moved to Gas Power.

Finally, in Wind, we simplified our reporting by integrating LM Wind into Onshore Wind.

These changes are reflected in our first quarter '26 10-Q and throughout our slide deck. We have posted a financial supplement on our IR website, reflecting our realigned 2025 segment results. And please note, there were no changes to our 2025 total company results.

We will make forward-looking statements about our performance. These statements are based on how we see things today. While we may elect to update these forward-looking statements at some point in the future, we do not undertake any obligation to do so. As described in our SEC filings, actual results may differ materially due to risks and uncertainties.

With that, I'll hand the call over to Scott.

Overview

Scott Strazik

CEO, GE Vernova

Solid Start to 2026

Thank you, Michael. Good morning, and welcome to GE Vernova's Q1 '26 earnings call. We've had a solid start to '26. As global electrification accelerates, the structural drivers underpinning demand for our solutions continue to strengthen. The growth is just starting, and there is no company better positioned to serve and transform the global electricity system than GE Vernova.

Since our spin, we launched with $116 billion backlog. We've grown this backlog to $163 billion, with an 80% increase in our equipment backlog at considerably better margins. In the last 90 days, we've added $13 billion to our total backlog and now expect to reach $200 billion in backlog in '27 versus our previous expectation of '28.

In Power, we delivered strong results and further margin expansion in 1Q, even with the continuing investments in capacity expansion and SMR.

In Gas Power, we continue to see significant demand and favorable pricing trends for both equipment and services. This demand is global and spans a diverse set of customers. We saw continued strength in new gas turbine agreements in Q1, signing 21 gigawatts in countries like the US, Vietnam, Mexico, Brazil and Canada to grow our total gigawatts under contract from 83 to 100 gigawatts sequentially.

Backlog grew from 40 to 44 gigawatts and slot reservation agreements increased from 43 to 56 gigawatts. Approximately 80% of our total gigawatts under contract are with traditional customers, with the remaining 20% explicitly supporting data centers.

Our momentum has continued into April. Quarter-to-date, we have booked more power equipment orders in terms of value than we did in all of Q1'26. On pricing, we expect our orders in the first half of '26 to be priced 10 to 20 points higher than our 4Q'25 orders on a dollar per kW basis. We now expect to book 10 to 15 gigawatts of contracts in Q2 and to end '26 with at least 110 gigawatts under contract.

On production capacity, we now have installed over 280 new machines in our Gas Power factories and remain on track to reach 20 gigawatts of annualized output by 3Q.

Delivering on our growing backlog in the second half of this decade will lead to a larger and even more profitable service book that will benefit us in the 2030s and beyond.

On the Nuclear front, let's start with our operational progress in Canada on Unit 1 of the SMR project at OPG's Darlington site. With the recent regulatory approvals received by our customer, installation will soon begin on the two million-pound basemat, a pedestal that will serve as the reactors' foundation. This is a critical milestone and serves as a great illustration of the progress we're making on the first SMR and construction in North America.

We also continue to make progress on our commercial pipeline in North America as well as Europe. We are inspired and appreciative of the US and Japanese government's announcement of up to $40 billion for GE Vernova Hitachi to build SMRs in the U.S. This represents the best of government leadership to reindustrialize an industry that matters to the world's future, and we continue to work hard to advance next steps with both governments.

In parallel, we continue to work with TVA and the Nuclear Regulatory Commission, and we expect the NRC to issue the license to construct for Clinch River in Tennessee as soon as the second half of '26.

In Electrification, we achieved significant growth and margin expansion in Q1 as customers work to keep pace with increasing electricity demand, grid stability needs and national security interests. This is a large and growing market, where we continue to see strong demand for our portfolio of solutions.

We'll approach $14.5 billion in revenue this year, but project an annual addressable market by the end of the decade of approximately $300 billion based on what we offer today. Point being, there remains substantial opportunity for us to grow.

The first two months of running the Prolec business since closing the acquisition have only reinforced the substantial opportunity ahead. I will talk more about Electrification in two pages.

In Wind, the team is executing with discipline and is focused on the factors within our control. After successfully completing installation of the remaining wind turbines at Dogger Bank A and Vineyard Wind in Q1, we now have moved to the remaining commissioning activities for both projects. We are off to a very strong start on the installation of Dogger Bank B and continue to expect Dogger Bank B and C to take us through the better part of '27 to complete.

In Onshore, we continue to drive a more profitable service business with double-digit margin expansion versus the prior year for the second quarter in a row. While the US market for new onshore equipment remains soft, we are monitoring the outcome of 232 wind and solar tariffs, which could lead to more orders clarity in the second half of the year.

As our total company backlog builds, we remain focused on driving even stronger execution. In Q1, we held a CEO Kaizen Week with almost 2,000 team members doing roughly 200 Kaizens with a focus on improving safety, quality, delivery and cost.

Coming out of the Kaizen Week, we see the opportunity for over $100 million in EBITDA improvement in future years, driven from the lower cost and better quality performance. For example, we held our first series of Kaizens at Prolec post-acquisition. In one Kaizen, we focused on improving our subassembly process for transformer tanks, decreasing our rework hours by nearly 70% and delivering a nearly 40% output improvement. In another, we use lean manufacturing methods to reduce cycle times in the winding process for transformer production.

These advances are helping us meet the growing demand for transformers as we accelerate the ramp and capacity to grow this business. We're also deploying AI to enable our employees, improve how we run our businesses and accelerate innovation. We entered the year with 13 AI-based process transformations we are focused on executing, and the team is now working to double the transformations to 26 across GEV.

If I spend a minute to try to make this real for you all with two examples. In our Gas Power business, where we have the largest installed base of gas turbines, steam turbines and generators of any OEM in the world, one of our real challenges is to project demand and timing of needed investments in our customer fleets, and ensure we have the right parts and resources available when a customer needs us.

We utilize our decades worth of data and are building AI tools to automate our ability to match installed base demand with our planning, to deliver better performance for customers, as well as a higher scope per outage for GEV. This is a very real customer example. But we also see substantial opportunity with sourcing as we leverage AI to drive parts rationalization and more intelligent bidding, while further automating manual processes like invoice matching.

We expect to save tens of millions of dollars every year going forward with these new tools, while freeing up tens of thousands of hours of manual work. I give these two examples to reinforce for you that when you think about AI and GE Vernova, do not just think about AI as

a demand driver for our equipment and solutions. We are running this company with a very determined focus on meeting the demand for growing electricity for AI while simultaneously incorporating the technology into how we work to transform our company.

GE Vernova is operating from a position of financial strength and executing our capital allocation strategy with discipline. In Q1, we invested approximately $700 million in R&D and CAPEX combined with R&D growing by roughly 25%, including work to commercialize new technologies. We also further simplified the organization with business dispositions that generated approximately $900 million in pretax cash. We also returned approximately $1.4 billion to shareholders, including the dividend, and $1.3 billion in share repurchases.

Strong 1Q'26 results

Turning to the first quarter financial results. We are executing well in the growing long-cycle electric power industry. We booked $18 billion of orders in Q1, up 71% year-over-year. We also grew revenue by 7% year-over-year with growth in both equipment and services, while increasing our adjusted EBITDA margin by 390 basis points.

We generated $4.8 billion in free cash flow in the first quarter, meaningfully above our full year '25 free cash flow of $3.7 billion. This robust performance was driven by strong orders and slot reservations of Power and Electrification as demand continues to accelerate.

Regarding recent conflicts in the Middle East, the safety and well-being of our employees and partners in the region remains our top priority, and we continue operations in the region where it is safe to do so. We are monitoring the situation closely and have seen minimal impact to our business and financial performance to-date.

Given the strength of our first quarter performance and confidence in our full year trajectory, we are raising our revenue, adjusted EBITDA and free cash flow guidance for the full year of '26, reflecting higher revenue growth in Electrification, as well as further margin expansion at Power and Electrification.

Electrification well-positioned for growth

On the next slide, I want to spend some time on Electrification. This segment is the biggest beneficiary of how we are operating GE Vernova today as one focused and integrated company.

Electrification's growth trajectory has been significant. Since year-end '22, its backlog has grown from $9 billion to $42 billion, and we expect substantially more growth moving forward. This has being driven not just by traditional customers, but also data centers, which accounted for approximately $2.4 billion in orders in Q1, more than the full year of '25. Just to repeat that, our Q1 Electrification orders to the data centers were more than full year '25 results.

Additionally, Electrification's backlog in North America is now nearly as large as its backlog in Europe, following a strong Q1 and the addition of Prolec. This growth is underpinned by our integrated, diverse product offerings and productivity-driven capacity expansions to fulfill rising demand for grid infrastructure.

Let me expand on these business units for those less familiar with our Electrification segment.

Grid Systems Integration, the largest part of Electrification's backlog, delivers integrated solutions for large-scale electrification. This business sells HVDC systems and substations, including key data center solutions, all areas which have driven significant backlog and revenue growth as well as margin accretion.

Today, our HVDC backlog represents approximately $10 billion to be delivered in the coming years and is located primarily in Europe, but we are seeing increasing momentum in other regions, including Asia, where we booked another large HVDC order this quarter. We expect to continue growing this portion of our backlog as we benefit from accelerating demand and investment in new products to expand our offerings for data centers.

Power Transmission produces high and medium voltage transformers as well as switch gear and capacitors to modernize the grid and expand global electrification. We continue to drive productivity to increase volumes into this attractive market with healthy margins. With our acquisition of Prolec, this business now has increased offerings, scale, and strategic flexibility in transformers, a product category seeing robust demand and a backlog that is approaching the size of GSI.

This includes $5 billion of backlog from Prolec, up $1 billion since we announced the transaction at 3Q'25 earnings. This 25% growth in the Prolec backlog since announcing the acquisition well illustrates the customer enthusiasm for this acquisition and the opportunity ahead.

Power Conversion and Storage helps customers to improve grid resiliency and industrial power stability through advanced electrical solutions, including rotating machines, power electronics and battery systems. Within PCS, synchronous condensers are critical product needed for markets experiencing increased intermittency representing a $5 billion-plus annual market opportunity.

Overall, we see industry demand for grid resiliency products as growing low double digits through the end of the decade.

Finally, we've combined our businesses to provide asset intelligence, monitoring and grid software into Grid Automation and Software. Real synergies exist between our GridOS software and GridBeats that can help improve how the grid thinks, learns and acts to enable utilities to move from reactive operations to predictive, autonomous grid management.

We are also making investments in technologies that will define the next chapter of this segment's growth. For example, our historical business of the data centers has been the substation electrical equipment outside the data center, which remain the majority of our Q1 orders for this customer type. However, we also closed our first Energy Management System or EMS order and complement with substation equipment for a data center customer in Q1.

EMS incorporates solutions from Power Conversion and Grid Automation and Software to seamlessly integrate GEV assets with load requirements in the data center. This first order is part of a larger project that also includes our Gas Power equipment and substation electrical equipment. In dollars, EMS is a small part of this large order, but illustrates well the unique opportunity we have as GEV to provide integrated solutions that span power generation, electrical equipment and automation and software solutions.

With that, I will turn the call over to Ken for more details on our Q1 performance as well as our financial outlook.

Financial Review

Ken Parks

CFO, GE Vernova

Financial Snapshot

Thanks, Scott. Turning to slide six. We delivered a strong start to 2026 with robust orders, growing backlog and revenues, margin expansion and significant free cash flow generation.

In the first quarter, we booked orders of $18.3 billion, a 71% increase year-over-year and a book-to-bill ratio of approximately 2.

Equipment orders more than doubled while services orders increased 25%. All three segments delivered significant orders growth. As Scott mentioned, our backlog expanded to $163 billion, a significant year-over-year and sequential increase. Equipment backlog increased to $76 billion, up approximately $12 billion sequentially and 67% year-over-year, driven by both Electrification, which now incorporates Prolec's backlog and Power.

Equipment backlog margin remains healthy, reflecting favorable price and our continued focus on disciplined underwriting.

Our services backlog grew $9 billion or 12% year-over-year to $87 billion led by Power. Revenue increased 7%, equipment revenue rose 10% year-over-year as 39% growth at Electrification and 25% growth at Power more than offset anticipated lower Wind revenues.

Services revenue increased 4% year-over-year led by Power and Onshore Wind. Price remained positive.

Adjusted EBITDA grew 87% year-over-year to $896 million, led by Electrification and Power. Adjusted EBITDA margin expanded 390 basis points with higher price, more profitable volume and further productivity more than offsetting inflation, including the impact of tariffs which started in the second quarter of 2025.

We remain on track to achieve our $600 million G&A reduction target by 2028. We're executing on our road map to drive simplification and reduction of data platforms through numerous kaizens. For example, in 1Q'26, we launched a comprehensive company-wide data lake that enables us to retire 15 legacy data platforms, which we expect will reduce costs by approximately $15 million annually and significantly upgrade our technology to position us well for AI-enabled solutions.

The strong adjusted EBITDA and working capital management drove $4.8 billion of free cash flow in the first quarter. Working capital was a $5.3 billion cash benefit, driven primarily by higher down payments on increased orders and slot reservations at Power, as well as higher orders at Electrification.

Year-over-year free cash flow increased $3.8 billion, driven by higher positive benefits from working capital and stronger adjusted EBITDA, partially offset by higher taxes and CAPEX investments supporting capacity expansion.

As Scott mentioned, we completed the acquisition of the remaining 50% ownership stake of Prolec for $5.3 billion. We also made further progress in simplifying our portfolio. We completed the sale of our manufacturing software business for approximately $600 million of pretax proceeds. We also sold an additional ownership stake in our China XD grid business and our interest in a merchant transmission facility, which together resulted in approximately $300 million of pretax proceeds.

Collectively, we recognized $4.5 billion of gains from M&A transactions, primarily resulting from the acquisition of Prolec, which were excluded from adjusted EBITDA.

In addition, we issued $2.6 billion of debt in 1Q and remain below 1 times gross debt to adjusted EBITDA. Importantly, we are committed to maintaining a strong investment grade balance sheet.

We ended 1Q with a healthy cash balance of approximately $10.2 billion after returning $1.4 billion of cash to shareholders through share repurchases and dividends in the quarter. We're encouraged by our strong financial performance to start off the year. Our growing backlog with healthy margin provides an excellent foundation for continued improvement in our financial performance moving forward.

Power

Turning to Power on slide seven. The segment delivered another strong quarter with robust demand, continued revenue growth and significant EBITDA margin expansion. Power orders grew 59%, led by Gas Power equipment more than doubling year-over-year on higher pricing and HA units ordered.

Power services orders increased 29%, driven by Nuclear Power given orders for upgrades as well as continued growth at Gas Power. Revenue increased 10%. Equipment revenue increased from higher volume and price, driven by both heavy-duty gas turbine and aeroderivative growth at Gas Power.

We shipped a total of 25 gas turbines in the quarter, a 32% increase year-over-year. Services revenue also increased due to growth at Nuclear Power. EBITDA margins expanded 500 basis points to 16.3%, mainly driven by favorable price and higher volume, more than offsetting inflation as well as additional expenses to support capacity investments at Gas and R&D at Nuclear.

Looking to the second quarter of 2026 at Power, as Scott mentioned, we expect continued strong growth in Gas equipment orders. We also anticipate 15% to 17% revenue growth driven by both higher equipment and services and EBITDA margin of approximately 17% to 18%, as volume, price and productivity should more than offset inflation as well as additional expenses to support capacity and R&D investments.

Year-over-year EBITDA margin expansion should be less than 1Q’26, largely given the timing of planned outages relative to last year.

Electrification

Turning to Electrification on slide eight. We had another quarter of significant orders and revenue growth and EBITDA margin expansion. Orders remained strong at roughly 2.5 times revenue and increased 86% year-over-year to approximately $7.1 billion due to growing grid equipment demand partially to support data center development.

We saw significant growth in substations, HVDC, switchgear and transformers. Equipment orders growth was particularly strong in North America and Asia, both roughly tripling year-over-year.

Electrification equipment orders continued outpacing revenue, which combined with Prolec further increased our equipment backlog to $39 billion, up 75% or roughly $17 billion compared to the first quarter of 2025.

Revenue increased 61% on a US GAAP basis, inclusive of Prolec, and 29% organically with growth across all regions. We saw increased volume at Power Transmission, primarily from switchgear and transformers. Prolec also delivered solid performance with nearly $500 million of revenue at just over 20% EBITDA margin since the acquisition that was completed in early February.

Grid Systems Integration revenue increased due to higher substation and HVDC equipment volumes. Electrification segment EBITDA more than doubled in the quarter with margin expansion of 590 basis points to 17.8%. The margin expansion was led by strong volume, productivity and favorable pricing.

Looking to the second quarter of 2026, we anticipate continued solid equipment orders with healthy margins. Second quarter Electrification revenues should be between $3.3 billion and $3.5 billion, a significant year-over-year increase. We also expect strong year-over-year EBITDA margin expansion from higher volume, productivity and favorable price with a margin rate modestly above 1Q'26 levels.

Wind

Turning to slide nine on Wind. We continue to focus on what we can control. In the first quarter, the team delivered stronger performance in Onshore Wind services and successfully completed installation of both the Dogger Bank A and Vineyard Wind Offshore projects. Wind orders increased 85%, mainly due to improved Onshore equipment orders, primarily in North America off of a low year-over-year comparison. However, for now, it's still difficult to call an inflection point in US orders as customers still face permitting delays and tariff uncertainty.

Wind revenue decreased 25% in the quarter, given lower onshore equipment deliveries as a result of soft orders in the first half of 2025, partially offset by higher Onshore services and Offshore revenues.

Wind EBITDA losses were $382 million in the quarter, in line with our expectations. The anticipated year-over-year increase in losses was primarily a result of lower equipment deliveries and the impact of tariffs at Onshore Wind as well as higher contract losses at Offshore Wind, partially offset by improved Onshore services.

For 2Q'26, we anticipate Wind revenue to decline at a mid-teens rate year-over-year due to lower Onshore equipment deliveries. We expect EBITDA losses to be between $200 million and $300 million. The year-over-year increase in losses is primarily the result of the lower Onshore equipment volume, partially offset by higher services profitability.

We continue to expect significant improvement in Wind revenue in the second half of the year, given only 30% of our expected Onshore turbine shipments are in the first half, as almost 70% of our 2025 equipment orders came later in the year.

Also the volume we're shipping in the first half has fewer contractual protections for tariffs, since we signed these orders before their implementation. As a result, we expect EBITDA losses in the first half to be partially offset by profitability in the second half.

Raising 2026 guidance

Moving now to slide 10 to discuss GE Vernova guidance. For the second quarter of 2026, based on our expectations for the segments, as outlined, we expect continued year-over-year revenue growth and adjusted EBITDA margin expansion. We also expect to deliver positive free cash flow in 2Q'26, given our ongoing focus on aligning the timing of inflows and outflows along with the impact of down payments, which correlate with the timing of orders.

For the full year, we're raising our guidance based on the strong 1Q results and the continued momentum we see in our business. For revenue, we now expect to be in the range of $44.5 billion to $45.5 billion, up $500 million compared to our previous expectation due to additional growth at Electrification.

We're raising adjusted EBITDA margin by 1 point at both ends of the range to 12% to 14%, driven by Power and Electrification. Given the accelerating strength in orders and down payments in addition to the higher adjusted EBITDA, we're increasing our 2026 free cash flow guidance to between $6.5 billion and $7.5 billion, up from $5 billion to $5.5 billion. We're generating significant margin expansion and cash flow this year while still investing in the business.

Our 2026 guidance includes an approximately 30% year-over-year combined increase in R&D and CAPEX to support innovation and growth. By segment for 2026, we continue to expect 16% to 18% of organic revenue growth in Power, driven by Gas Power. We now anticipate Power EBITDA margins to be between 17% to 19%, up from our previous range of 16% to 18% as we continue to see the benefits of our productivity efforts.

In Electrification, we're raising our revenue expectations from $13.5 billion to $14 billion to $14 billion to $14.5 billion as the team continues to deliver its growing more profitable backlog. We continue to expect Prolec to contribute approximately $3 billion of revenue this year. Given higher top line expectations, we're increasing Electrification EBITDA margin to 18% to 20%, up from 17% to 19%.

In Wind, we continue to anticipate organic revenue to be down low double digits due to decreased Onshore equipment revenues given the softness in orders. We still expect EBITDA losses to be approximately $400 million in 2026 as improvement in Onshore Wind services and Offshore Wind offset the lower Onshore equipment volume.

We continue to expect 2026 GE Vernova adjusted EBITDA to be more second half-weighted than 2025 with the highest revenue and EBITDA in 4Q'26. We expect higher second half Gas Power revenue as we ship more gas turbines in the second half of the year and as we increase annual production capacity to approximately 20 gigawatts starting in mid-year '26.

We also anticipate typical Gas services seasonality with the highest outage volume in the fourth quarter. We continue to expect Electrification EBITDA to increase sequentially through

the year, even while we invest in our ongoing capacity expansions and new potential products.

As mentioned earlier, in Wind, we expect higher second half Onshore turbine shipments given our recent orders profile and better services profitability.

At Corporate, costs are typically uneven across quarters due to compensation timing and portfolio activity at our financial services business. We continue to expect full year 2026 corporate costs to be between $450 million and $500 million as we continue investing in AI, robotics and automation to drive productivity over the medium and long term.

Overall, the combination of rising demand, combined with the consistently stronger execution, investments into our business, and the completed acquisition of Prolec sets us up nicely going forward.

With that, I'll turn it back to Scott.

Conclusion

Scott Strazik

CEO, GE Vernova

Wrap-up

Thanks, Ken. We've had a solid start to '26, but it is just that, a start. We see significant opportunity to continue to improve how we serve our customers and expand our margins. I shared just a few examples of this earlier in the discussion with Lean and AI. With over $10 billion in cash in our updated '26 guide and the team just starting to get their feet under them with the significant opportunity ahead of us, we continue to make investments for the short, medium and long term.

We talked earlier about Nuclear SMR and our Electrification EMS solutions for data centers as two examples with tangible Q1 progress, but there are many more. As the opportunity for us to serve this growing market expands, our humility and hunger to meet this moment only becomes a larger and more important part of who we are.

This is just the beginning, and look forward to our Q&A discussion.

With that, I'll hand it over to Michael.

Michael Lapides: Before we open the line, I'd ask everyone in the queue to consider your fellow analysts and ask just one question, so we can get to as many people as possible. Please return to the queue if you have follow-ups.

With that, operator, please open the line.

Q&A

Mark Strouse (JP Morgan): Yes. Good morning, everybody. Scott, I wanted to start maybe with your latest thoughts on Gas Power capacity. So you're talking more and more about AI, about automation. Just curious how we should think about that compared to the 24 gigs that you're targeting over the next several years? Is AI and automation, should we think

about that kind of measured in maybe in hundreds of megawatts? Is that potentially in gigawatts?

And then kind of just your latest thoughts on the lead times that you're thinking about might be needed before you would consider adding further physical capacity? Thank you.

Scott Strazik: Sure, Mark. I think if I work backwards from the question on lead times, I mean, we're directionally at about three years lead time today. We're sitting in the spring of '26, and we do still have capacity in both '29 and '30.

If I compare where we were in our January earnings call in the fourth quarter, we talked to you then about having about 10 gigawatts of capacity remaining in 2029. What's happened in the first quarter is we sold a lot of 2030 slots because the reality is we had a lot of customers that looking at planning with EPC schedules and other dynamics needed the '30 slot more than '29. So what's changed is we still have about 10 gigawatts remaining cumulatively in '29 and '30 together, whereas in the course of where we were in January earnings, we had 10 gigawatts in total for '29.

So, we need to keep seeing where this market takes us. At the end of the day, in many of the cases with these projects, the gas turbines are really not the gating item. When you're talking about a three-year cycle from when a project starts, the EPC buildout, the permitting, the fuel availability, but we'll keep working with our customers, and we're also going to learn a lot more on the first part of your question, 280 new machines installed in our Gas factories over the last directionally 15 months. We'll have added about 1,800 production workers in the US between '25 and '26. So the largest portion of them being in our Gas Power factories.

And I do expect that we'll drive more productivity as we start to execute with those new machines and those new production workers that we'll start to see in the third quarter of this year. So quantifying that productivity opportunity, we need time. But as we continue to learn how much more we can get out of the investments we've already made, we'll also learn more about where this market takes us as we sell out of '29 and '30 and the timing of really when the incremental gas turbines are really needed.

Julian Mitchell (Barclays): Hi. Good morning. My question really is on the Electrification segment, where you provided some additional welcomed color this morning. But I guess a couple of follow-ups. I think one would be in the Power Transmission part of it that you called out on slide five. It does seem like you're very well placed and are taking a lot of market share. We met with a number of your competitors there at Data Center World yesterday. So maybe help us understand kind of why you think it's so well placed to continue to take more share in that Power Transmission kind of sleeve of the segment?

Also wondered across the segment, if you could flesh out the capacity expansion plans in any detail.

And lastly, on Prolec, any issues or major tariff mitigation needed in light of the Section 232 changes? Thank you.

Scott Strazik: Thanks, Julian. I would say, at the start, we don't really internally talk a lot about taking share per se when we're thinking about where we are with the PT business. This is really about continuing to do good business. And what is very clearly playing out is where we're doing really good business is where we're attaching that electrical equipment to the

power generation solutions. And that integrated solution, and that's why in the prepared remarks, we talked a little bit about a project where we were getting the power generation, the electrical substation and the EMS solution, we're clearly gaining momentum with integration of our products. And in that regard, I expect a lot more to follow.

On capacity, we are investing in our existing factories. Clearly, we've got our $5.3 billion we just spent to add three more factories in the US in Shreveport, North Carolina and Wisconsin through Prolec in addition to factory capacity in Mexico and Brazil that allows us to serve this market more effectively, where I would tell you a few months into the acquisition, we continue to see more operational opportunity to get more out of those factories, just applying Lean. And that's why I included in my prepared remarks a few of those examples that will bear fruit for us.

On the tariffs, I'm going to hand it to Ken to give a little bit of incremental context.

Ken Parks: Yes. No, a great question. The reality is that the tariff landscape has continued to move both with the changes in the country tariffs as well as the 232s. Our total number of tariffs last year, we said was about a net $250 million impact on the company. We guided to $250 million to $350 million net impact on the company in 2026.

The structure of those tariffs have moved around, but the absolute number is about exactly where we thought it would be. To your specific question on Prolec, certainly with how the 232s have been defined, there's a little bit more impact on the Prolec numbers, whereas we've seen lesser impact on some of the other businesses.

But I would just tell you that where we sit today, that outlook for $250 million to $350 million is fully built in our outlook. We'll continue to work mitigating plans through alternate sourcing, through also finding contractual provisions, where we have the ability to work with our customers to pass a piece of this along. But we are managing through the landscape just like we did last year.

Nicole DeBlase (Deutsche Bank): Thanks. Good morning guys.

Scott Strazik: Good morning.

Nicole DeBlase: I'd like to go back to Gas Power. So just thinking about, could we get a little bit more color on what you're hearing through customer conversations, pipeline growth, if the demand outlook remains as robust as ever?

And then just an update on the pricing environment as well. It was really helpful, the pricing data point of 10 to 20 percentage points that you provided about the early part of 2026. I guess what are the expectations for pricing to continue to move higher beyond that? Thank you.

Scott Strazik: Nicole, I'd say through the first four months of this year now on new bidding activity, which is probably a forward-looking indicator, we continue to be in that 10 to 20-point growth in price on new bidding and winning activity today relative to where we were in the backlog in the fourth quarter of last year.

You're going to start to see that cutting through in orders in the second quarter, and that's why we had included that context on the 10 to 20-point improvement in dollars per kilowatt

through the first half of 2026, inclusive of Q1 and Q2, which is really telling you that the dollar per kilowatt growth is going to be very healthy in the second quarter of this year.

And from a pipeline perspective, we continue to be very actively iterating with a very diverse set of customers to meet this moment. And I think it's important to contextualize that the 100 gigawatts we have on contract today is with almost 90 distinct customers in 24 different countries.

So I give that context to just say there's a need for incremental electrons for many different applications in many different countries, which has us continuing to work hard to figure out how, in a very capital-efficient way, we meet this moment and serve this market, which is exactly what we intend to do.

Ken Parks: Maybe I'll just add just one data point, because I know I think I did this last quarter to kind of help you kind of size the pricing on the Power orders because we do disclose to you Power orders. We don't specifically disclose to you Gas Power orders. But because it is important to see what's happening in the pricing trends, what we show you, the Power orders, we also give you gigawatts. Well, the gigawatts obviously relate to Gas Power orders.

So it's important as you're doing the math based upon the information we provided you in the earnings release to know how much there is to back out of those power orders that are not Gas Power. And last quarter, it was about $0.5 billion related to Hydro and Nuclear. This quarter, I'll give you the number, and it's a couple of hundred million dollars to back out there.

I want to give you that because I know it's an important metric to track. And so if you take those pieces of data that we just provided to you, you'll see exactly what Scott just outlined to you, which is now we see the pricing in our orders actually look relatively consistent to what we had in the fourth quarter, maybe up just a little bit. But what we're seeing is we have the opportunity as these SRAs continue to convert that are in 10 to 20 full points above what we have in the order book already to see incremental pricing start to flow to our backlog.

Andy Kaplowitz (Citigroup): Good morning, everyone.

Scott Strazik: Good morning.

Andy Kaplowitz: Just focusing on your comments that Electrification focused orders on data centers in Q1 were larger than all of '25. I know you said in the past, I think you've got a $200 million to $300 million per gigawatt of entitlement and electrification for data centers. I think you're probably already higher than that now, but maybe you can talk about your progress on entitlement and what you see going forward?

Scott Strazik: You bet. I mean I think Philippe Piron, the business leader and his management team are doing an excellent job really systematically building a string of pearls here of incremental products from power generation through to the data center. That's where the EMS solution is an example that we were able to cut in, in orders in the first quarter. We've already secured a second order with that product already in April and expect more there, which is taking our entitlement per gigawatt up.

But we're not stopping there. I mean we're making progress with a stability block solution that complements what we're doing that is MV UPS solution, a combination of medium voltage electrical equipment with storage and software that we're gaining real traction on with end customers. We've talked to you in the past about the solid-state transformer investment. That remains on track. We'll deliver the first product to a hyper-scaler in the fall of this year, in which they'll then have six months of testing of that product before it can play into a potential order really in the first half of '27.

But operationally, we're making progress there. And the SST would be the first example inside the data center of scope for us. But when you take that step back, and it's why we've invested real money into the EMS solution, when you are doing the power generation, the substation equipment, and you're providing a lot of the software solutions to help the hyperscaler manage the load requirements they want with our equipment, it's giving you the enablement to then attach more LEGO blocks or that string of pearls I'm referencing to give them a more integrated solution.

It doesn't come at once. EMS, good wins here early in the year. The stability block with MV UPS is something we could see incremental orders on, I would say, second half of this year if things go our way. SST would be next year. And there's more stuff we're working on because when you see that 25% R&D growth in the company, the largest proportion of that R&D is in Electrification because we see real opportunities to organically invest in this business and serve this customer need, and we're very determined to do that.

So there's a lot more to come in this business, but I continue to have more conviction with humility that we've got a very unique shot to deliver integrated solutions over time that few companies in the world could do.

David Arcaro (Morgan Stanley): Thanks so much. Good morning. I was wondering if you could comment on what your progress has been and the customer appetite for framework agreements around turbine orders, especially as you're getting booked further and further out? And curious if there's any pricing trade-offs that might come in those conversations?

Scott Strazik: In those conversations – thank you, David. Conversations have generally centered on securing long-term commitments at today's pricing through generally a five-year period of time during the first half of the next decade that would give us volume clarity in that period of time to continue to sustain our investments to meet this moment.

We have not closed one of those transactions to-date. Admittedly, we've been having these conversations for a period of time, and what continues to happen is incremental orders, let's call it by the drink. And that was the reference to a lot of 2030 contracts that were signed in the course of the first quarter, including with the hyperscalers. It's about 20% of our 100 gigawatts are direct to the data centers. And the conversations continue on, call it, 30 to 35 framework agreements, but we haven't closed one to-date and are continuing to iterate both strategically on the gas turbine content but also the attach potential with the electrical equipment and some of the other solutions we're talking about.

And in some fashion, that expanded scope, including Electrification in some of the discussions even further is elongating the iteration that's happening, but it is a productive iteration we're going to keep working hard on.

Joe Ritchie (Goldman Sachs): Hi guys. Good morning.

Scott Strazik: Good morning, Joe.

Joe Ritchie: So look, obviously, a big uptick in SRAs. One of your biggest competitors has talked about not taking orders beyond 2030 because they want to make sure that the supply chain can deliver on anything beyond 2030. I'm just wondering what your approach is going to be? Are you planning on limiting any type of order intake? Just any thoughts around that would be helpful.

Scott Strazik: We feel better and better, Joe, about our ability to meet this moment for the long term. We continue to invest in our suppliers and our partners that are making very good progress. I spend a substantial amount of time within that supply chain. And we do continue to expect to take on orders for '31 and beyond.

We referenced earlier, we have about 10 gigawatts remaining of '29 and '30 capacity. And generally speaking, don't find our heavy-duty gas turbines to be the gating item on a directionally three-year cycle time right now, and we'll continue to invest to meet this moment sustaining the demand.

Now in our case, the dynamic will be different than our competitors because our installed base is so much larger. And when you have an exponentially larger installed base than the other OEMs, we have to continue to partner with our supply chain to support a growing fleet.

I mean, we have 231 HA units cumulatively ordered right now. Over 100 of those haven't been commissioned yet. And that number is going to grow substantially through the rest of the year. That very large installed base relative to anyone else, whether we talk HA or total gas turbines is a luxury because it provides a financial floor of demand we already have contracted in our service book that gives us a little bit more optionality to play to win and to serve this market, which is exactly what we're going to do.

Ken Parks: And I think that the other thing that's really important, I think as you think about Vernova, we talk about Lean a lot and we do that not just for the words but because it is a part of our culture. And so, we told you last time, we said that we were going to reach our approximately 20 gigawatts of capacity in the middle of this year. And then that would step up to 24 gigawatts in 2028. A couple of gigawatts from Lean, a couple of gigawatts from some incremental capacity.

I think it's just important to think to your question about what do we do past 2030. Lean is not something that we do in only events. It's something that we do continually and we'll continue to add capacity at a very attractive value play by continuing to grow our Lean initiatives. So there's the opportunity there as well, Joe.

Michael Lapides: Operator, we have time for one last question, please.

Alexander Virgo (Evercore ISI): Thanks very much for squeezing me in. Good morning, gentlemen. I wondered if you could just clarify your comments around April in terms of the power turbine or the turbines that you've already signed in April? And if you could just touch on the Vietnam order for us, Scott? I think you also referred in your comments about questions – some questions over availability of fuel. I think there's been a little bit of debate over what is – what the complexion of that Vietnam order actually looks like with one of the

slugs of the 4.8 gigawatts I think being questioned over whether or not they change it to renewables. So I appreciate any color you can give us on that. Thank you.

Scott Strazik: You bet, Alexander. I think it's an important point to close on in the sense that when I am iterating with our Asian customers right now and you think about LNG opportunities in a place like Vietnam or Japan, I was with one of our largest Japanese customers last week, you're talking about gas turbine deliveries in 2030 and beyond right now and commissioning projects for 2032 and 2033.

For those customers, the LNG dynamic in the moment with the crisis in the Middle East, they're not really changing their underwriting assumptions for LNG economics in 2032 today. So we aren't seeing a change in buying behavior, I would say, in LNG-oriented markets like that in Asia, at least to-date by any means.

Now we have talked in the past about the fact that we have commissioned our first LNG to power project in Vietnam, 1.6 gigawatts. We have an incremental three projects on contract that are more an SRA category right now that will evolve into orders over time.

Alexander, I have seen and we've been iterating with our customers on some of what you could be citing in the press on one of the customers evaluating gas relative to a shift to renewables. And I would just tell you, there are more projects that our customers are talking about than what we have on contract today.

So our 4.8 gigawatts that we've cited in the past are all continuing to progress. Frankly, there's more than those three projects that are being negotiated with the government in Vietnam that is more relevant to your question. But we'll continue to work with our customers in Vietnam and throughout the world on the dynamics that they're facing to get projects done and are highly confident that we can do that.

Ken Parks: And a quick one, just to answer your first question, the clarification on April orders was that we said that, in April, we have booked Power equipment orders a value equivalent to what we booked in the full first quarter.

Michael Lapides: Before we wrap up, let me turn it back to Scott for closing comments.

Scott Strazik: Everybody, we appreciate you giving us the time this morning. Similar to our Capital Markets Day in New York City in December at the end of last year, we talked a lot about giving being an important part of the culture we're building in the company. In December, we had done the STEM Toy Drive that led to 80,000-some-odd toys ultimately contributing.

We've got a team at the New York Stock Exchange this morning announcing a $4.5 million commitment to the Engineering of Change program that's going to touch 6,000 students over the next four years in some important markets for us in the US and the UK. And I just wanted to reinforce that and share that announcement that will be made today through our foundation. It's just an important part of who we are and the company and culture we're building.

For our customers, we continue to appreciate their trust in us. For our employees, I personally thank each and every one of them for their work every day, and I'm proud of the team that we're building. We need our partners and are appreciative of them. And for all of

you, our investors, thank you for your continued commitment to Vernova and continued interest in the company.

We're appreciative and proud of our start, but it's just that, a start. This is just the beginning, and we've got substantial opportunity ahead. So thanks, everyone.