



GE VERNOVA

GE Vernova 2Q 2026 Results & Outlook

Wednesday, 22nd July 2026

Opening Remarks

Michael Lapidès

Vice President of Investor Relations, GE Vernova

Welcome to GE Vernova's Second 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.

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

Positioned to create substantial value

Thank you, Michael. Good morning, and welcome to GE Vernova's 2Q '26 Earnings Call. Our team is executing well as the demand for our solutions in Power and Electrification accelerates.

In 2Q, our equipment orders more than doubled and service orders grew 15%. Our total backlog has reached \$176 billion with improving margins. This is up \$13 billion from last quarter and is on track to reach \$200 billion in 2027. The long cycle electric power industry is in the early stages of a multi-decade growth opportunity, and we are well-positioned to create substantial value.

Let me walk through the demand environment across our three segments.

In Power, we continue to see strong global demand for our equipment and services. In Gas Power, we shipped three gigawatts while signing 20 gigawatts of orders and slot reservation agreements in the quarter in countries like the US, Brazil and Qatar to grow our total gigawatts under contract from 100 to 116 gigawatts sequentially. This includes orders for 52 heavy-duty units and 61 aeroderivatives in the quarter. More than half of the gigawatts that are now under contract are for our largest, most efficient HA turbines, units expected to run base load and provide substantial services growth for us in the next decade.

Backlog grew from 44 to 53 gigawatts, and SRAs increased from 56 to 63 gigawatts. For our total gigawatts under contract, demand remains diverse with approximately 100 customers in 26 different countries, of which approximately 80% are traditional customers and 20% are for data centers. We now expect at least 125 gigawatts under contract by the end of the year.

We had a strong first half and now have agreements signed into '31. In the second half of the year, we expect to convert many of these SRAs into orders, driving continued growth in our backlog while achieving an important inflection point with gigawatts and backlog greater than SRAs.

In '27, we expect our combined gigawatts under contract to continue to grow. We continue to see strong pricing in Gas to deliver and service our critical equipment needed to electrify the world. On the equipment side, first half 2026 orders were priced more than 20% above 4Q '25 equipment orders, reflecting a conversion of higher-priced SRAs to backlog.

In 2Q, we booked a higher dollar per kW price in orders, given a higher mix of aeroderivatives versus heavy-duty gas turbines and incremental combined cycle equipment as SRAs converted to orders.

Given our large SRA balance, we would expect gas equipment orders in the second half to have a dollar per kW that is at the higher end of the range of 10 to 20 points versus 4Q'25 orders. For services, we continue to benefit from increased volume and solid pricing. This is happening not only on long-term service agreements, but also on transactional orders. We've seen transactional orders per unit continue to rise by double digits annually as customers invest in upgrades and greater scope and outages, all at higher prices.

In Electrification, we continue to see robust demand from unprecedented electricity demand growth, increasing grid stability needs, and national security interests. Our backlog growth at Electrification has been driven from both traditional customers and data centers, with equipment backlog rising above \$40 billion.

In 2Q, we booked \$2.7 billion of data center orders in Electrification, bringing total segment data center orders to over \$5 billion in the first half of 2026, more than double full-year '25. Prolec is also performing well, and we like the early traction we are seeing in this business's integration and how it equips us to better serve our customers, especially in North America.

In the first half of the year, we have booked \$800 million in orders for transformers in the US that will be fulfilled by our global factories, something we could not do when we did not fully own Prolec.

In Wind, the team is executing with discipline and focused on the factors within our control. In Onshore, we continue to drive a more profitable service business with significant margin expansion versus the prior year for the third quarter in a row.

While the US market for new onshore equipment remains soft, we are monitoring the outcome of 232 tariffs that impact wind development, which could lead to more orders clarity in the second half of the year. We are also making progress in how we integrate solutions as one GE Vernova to bring incremental value to our customers. For example, our Electrification team sees up to \$500 million in incremental orders each year as they partner with the Gas Power aeroderivative team to align turbine, electrical, and control interfaces together as one.

The opportunity to create value for our customers with integrated solutions across GEV is meaningful, but there's still so much more we can and will do.

We're also delivering continued significant margin expansion. In the first half of '26, we have grown margins to 10.5%, up 360 basis points from the first half of '25, even as equipment revenue grows faster than services and becomes a larger percentage of total revenue. We are benefiting from strong volume and price in Power and Electrification, while driving productivity and operational improvements across the company.

GE Vernova is operating from a position of financial strength, and we are executing our capital allocation strategy with discipline. Year-to-date, we have generated approximately \$10 billion in free cash flow, more than 2.5 times our '25 results, as well as realizing \$1.5 billion from dispositions as we further simplify our businesses.

In early July, we completed an acquisition of Robotech Automation, a specialized team of engineers that can accelerate deployment of robotics and automation across GEV. This is a small transaction, but one that can help us improve our productivity and deliver more for our customers.

We've grown our cash balance to \$13 billion while investing \$1.4 billion in R&D and CAPEX combined, all while returning approximately \$4 billion to shareholders this year through share repurchases and the dividend, already more than the full-year of '25. We are in the early stages of this electricity investment super cycle, and we continue to see significant opportunity ahead.

Given the strength of first half performance and confidence in our full-year trajectory, and as Ken will go into further detail, we are raising our revenue and free cash flow guidance for '26.

Multiple catalysts for long-term growth

Turning to page four. I will discuss multiple catalysts we see for long-term growth and how we are investing to meet this moment.

First, to serve this accelerating demand, we are expanding our production capacity in Power and Electrification through lean and capital-efficient investments. In Gas Power, given that we've now reached our 20-gigawatt annualized run rate and are on track for 24 gigawatts in '28, we now see further opportunity to serve this growing demand with 30 gigawatts of annual output in '30 in a capital-efficient manner, utilizing lean and incremental machinery in our existing factory footprint, and have already secured significant supply chain capacity, all funded by customer down payments.

As I mentioned earlier, we expect to end the year with at least 125 gigawatts under contract, making us mostly sold out through '30, and to have sold more than half of the 30 gigawatts of '31 production slots by the end of this year. Customers face growing electricity demand and see real economic value in deploying new gas turbines to serve this demand.

In Electrification, we are increasing our output across multiple product lines. To highlight one example, air-insulated switchgears comprise approximately \$5 billion of Electrification's equipment backlog that will drive revenue growth for multiple years. We shipped approximately 9,000 units last year, plan to do approximately 10,500 this year and expect growth to accelerate in '27 from our existing factories, including our Pennsylvania facility. We've done this utilizing lean, adding shifts, and incorporating more automation and robotics into the factory.

Our large and growing install base is positioning us well to continue generating growth at healthy margins, both on equipment and services.

We reached four million operating hours for our HA this quarter, up one million hours in just over a year, a significant milestone since its launch nearly 10 years ago. This growth in HA provides us with a strong foundation for service agreements and lifecycle support. We expect the HA fleet size to double in the years to come based on units under contract today.

We are also investing in aeroderivative services, increasing and further industrializing our in-house capabilities to significantly expand our shop visit capacity by the end of the decade. Both HA and aero will lead to growth in high-margin services revenue well into the 2030s.

In Onshore Wind, we see opportunity as customers repower their existing projects. In our installed base in the US, there are approximately 10 gigawatts of units with repowering potential, projects that have already qualified for the new production tax credits.

Finally, we are investing for the long term. On Nuclear, we continue advancing the SMR for industrialization at scale, as evidenced by our progress on the existing project underway in Ontario. In 2Q, we secured two more tech selects in early work agreements for our SMR in the US.

In Electrification, we're making progress on solid state transformers. Last week, I saw the complete build-out of our five megawatt SST prototype for indoor application that will be delivered to our first hyperscaler later this year and in parallel have started development of a six megawatt SST for outdoor applications.

We're also developing solutions like medium-voltage uninterruptable power supply blocks. It would improve the electrical efficiency and resiliency of data centers.

In summary, we are improving how we operate, generating better returns while expanding the platform of solutions we provide customers as their need for infrastructure accelerates. We are allocating capital in a disciplined manner that will create substantial value going forward.

With that, I'll turn the call over to Ken for more details on our 2Q performance as well as our financial outlook.

Financial Review

Ken Parks

CFO, GE Vernova

Financial Snapshot

Thanks, Scott. Turning to slide five. We delivered strong results in 2Q 2026 with robust orders, growing backlog and revenues, margin expansion and significant free cash flow generation.

In the second quarter, we booked orders of \$24.2 billion, an 88% increase year-over-year, and a book-to-bill ratio of slightly more than 2 times with growth in both equipment and services. As Scott mentioned, our backlog expanded to \$176 billion, a significant year-over-year and sequential increase.

Equipment backlog increased to \$88 billion, up approximately \$12 billion sequentially and 77% year-over-year, driven by both Power and Electrification, which incorporates Prolec's backlog.

Equipment backlog margins remain healthy, reflecting favorable price and our continued focus on disciplined underwriting.

Our services backlog grew approximately \$10 billion or 12% year-over-year to \$88 billion, led by Power. Revenue increased 12%. Equipment revenue rose 14% year-over-year as 36% growth at Electrification and 30% growth at Power more than offset anticipated lower Wind revenues.

Services revenue increased 10% year-over-year, with growth in all segments led by Power and Onshore Wind. Price remained positive. Adjusted EBITDA grew 61% year-over-year to \$1.2 billion, led by Power and Electrification. Adjusted EBITDA margin expanded 340 basis points with more profitable volume, higher price, and further productivity more than offsetting inflation.

We're in the early stages of driving sourcing savings and variable cost productivity using lean tools with more ahead. We're standardizing and evaluating our sourcing spend data in order to leverage our scale. As a result, we've negotiated approximately 20% savings on an additional approximately \$300 million of spend. These savings will flow through in future periods.

The strong adjusted EBITDA and working capital management drove \$5.1 billion of free cash flow in the second quarter. Working capital was a \$6.4 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 \$4.9 billion, driven by higher positive benefits from working capital and stronger adjusted EBITDA, partially offset by higher taxes and CAPEX investments supporting capacity expansion. We also made a voluntary contribution of approximately \$500 million to our largest pension plan to reduce future funding requirements and annual plan premiums. With our strong cash position, we'll continue to seek opportunities to utilize cash proactively when those opportunities generate solid economic returns.

We continue to make progress in simplifying our portfolio. This quarter, we completed the disposition of our remaining ownership stake in the China XD Grid business for approximately \$600 million of pre-tax proceeds.

We ended 2Q with a healthy cash balance of approximately \$13 billion, a \$3 billion increase from the end of 1Q, after returning \$2.5 billion of cash to shareholders through share repurchases and dividends in the quarter. Under our \$10 billion share repurchase program, we've returned approximately \$7 billion in share repurchases in total, representing 12.4 million shares at an average price of \$560 per share. With \$3 billion remaining, we'll continue to be disciplined in returning capital to shareholders.

Importantly, we remain committed to maintaining a strong investment-grade balance sheet. We're encouraged by our strong financial performance in the first half of the year. Our growing backlog with healthy margin continues to provide an excellent foundation for further improvement in our financial performance moving forward.

Power

Turning to Power on slide six. The segment delivered another strong quarter with robust demand, strong revenue growth and solid EBITDA margin expansion. Power orders more than

doubled as Gas Power equipment increased by approximately 4 times year-over-year on higher volume and pricing from both HA and aeroderivative units.

Power services orders increased 12%, driven by Nuclear Power and Gas Power. Revenue increased 14%. Equipment revenue increased primarily from Gas Power, driven by higher turbine volume and favorable price. We shipped a total of 29 gas turbines in the quarter, a 38% increase year-over-year, including 16 aeroderivatives. Services revenue also increased due to growth at Nuclear Power and Gas Power.

EBITDA margins expanded 320 basis points to 18.8%, mainly driven by favorable price and higher volume, more than offsetting inflation, as well as additional expenses to support capacity investments at Gas along with R&D.

Looking to the third quarter of 2026 at Power, we expect continued strong Gas equipment orders. We also anticipate 17% to 19% revenue growth driven by higher equipment as we increase our annualized run rate for Gas Power equipment shipments and continued higher services. We expect an 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. As we've previously discussed, 3Q is our seasonally lowest quarter in services.

Electrification

Turning to Electrification on slide seven. We had another quarter of significant orders and revenue growth, as well as EBITDA margin expansion. Orders remained strong at roughly 1.7 times revenue and increased 66% year-over-year to approximately \$6.3 billion due to growing grid equipment demand, partially to support data center development.

We saw significant growth in substations, switchgear and transformers. Equipment orders growth was particularly strong in North America, up approximately 4 times year-over-year. With this strong performance in orders, North America, which includes Prolec's backlog, is now the largest portion of our Electrification equipment backlog, while all regions, including Europe, are still growing.

Electrification equipment orders continued outpacing revenue and further increased our equipment backlog to \$41 billion, up 69%, or roughly \$17 billion compared to the second quarter of 2025.

Revenue increased 68% on a reported 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 \$900 million of revenue. Grid Systems Integration revenue increased due to higher substation and HVDC equipment volumes.

Electrification segment EBITDA more than doubled year-over-year with margin expansion of 700 basis points to 18.4%, led by strong volume, productivity, and favorable pricing.

Looking to the third quarter of 2026, we anticipate continued solid equipment orders with healthy margins. Third quarter Electrification revenues should be between \$3.8 billion and \$4 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 continuing to expand modestly above 2Q 2026 levels.

Wind

Turning to slide eight on Wind. We remain focused on what we can control. In the second quarter, the team continued to deliver improving performance in Onshore Wind services while making good progress on Dogger Bank B installations and commissioning.

Wind orders declined 40%, mainly due to lower Onshore equipment orders, primarily in North America, partially offset by higher services. It remains difficult to call an inflection point in US orders as customers still face permitting delays and tariff uncertainty. Wind revenue decreased 11% 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 as well as Offshore revenues, driven by higher deliveries and installations at Dogger Bank B.

Wind EBITDA losses were \$275 million in the quarter, in line with our expectations. The anticipated year-over-year increase in losses was primarily the result of lower equipment deliveries at Onshore Wind and higher projects cost at Offshore Wind, partially offset by improved Onshore services. For third quarter 2026, we anticipate Wind revenue to decline at a low double-digits rate year-over-year due to lower Onshore equipment deliveries.

We expect EBITDA to be approximately break-even due to continued improvement in Onshore services, profitability, and lower project costs for Offshore, partially offset by lower Onshore equipment deliveries.

We expect improvement in Wind revenue and EBITDA in the second half of the year, given 70% of 2025 equipment orders were in the second half and will be delivered in the second half of 2026. Also, the volume we've shipped in this first half had fewer contractual protections for tariffs since we signed these orders before their implementation.

Raising 2026 guidance

Now, moving to slide nine to discuss 2026 GE Vernova guidance. For the third quarter, we expect continued year-over-year revenue growth and adjusted EBITDA margin expansion based on our expectations for the segments as we just outlined. We also expect to deliver positive free cash flow 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 first half results and the continued momentum we see in our business. For revenue, we now expect to be in the range of \$45.5 billion to \$46.5 billion, up \$1 billion compared to our previous expectation due to additional growth at Electrification and Power. We're maintaining our EBITDA margin guidance of 12% to 14%.

Given the strength we've seen in orders and resulting down payments, in addition to the higher adjusted EBITDA, we're increasing our 2026 free cash flow guidance to between \$11.5 billion and \$12.5 billion, up from \$6.5 billion to \$7.5 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. In addition, we've substantially completed previously announced restructuring actions expected to generate approximately \$250 million in annual savings, the majority of which will impact G&A.

We remain on track to achieve our \$600 million G&A cost reduction target by 2028. By segment for 2026, we now expect 18% to 20% of organic revenue growth in Power, largely driven by higher volume and price in both equipment and services. We continue to anticipate Power EBITDA margins to be between 17% to 19% as we see the benefits of our productivity efforts.

In Electrification, we're raising our revenue expectations by \$0.5 billion to \$14.5 billion to \$15 billion due to accelerated output on our capacity plans and better Prolec revenue. We continue to expect Electrification EBITDA margin to be 18% to 20%.

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, as we increase annual production capacity to 20 gigawatts starting this quarter.

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 products. And as mentioned earlier in Wind, we expect higher second half Onshore turbine shipments 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.

In terms of our 2026 cash profile, in the first half of the year, we received a significant amount of down payments for the large number of slot reservation agreements signed at Gas Power. As a result, and as our guidance implies, we expect our free cash flow in the first half of the year to be substantially higher than the second half, as many of these slot reservations convert to orders.

Overall, we delivered strong results in the first half of the year. The combination of rising demand with 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. Around the world, electricity demand is accelerating, driven by economic growth, grid modernization, electrification, data center expansion, and the need for more reliable,

resilient power. As we've seen over the past few quarters, these trends are creating sustained demand for our platform of solutions. With our scale, technology, installed base and backlog, GE Vernova is uniquely positioned to help meet this moment and lead the transformation of the global electricity system.

I want to thank our team of 85,000 people around the world for their ongoing commitment to excellence. We see significant opportunities ahead, and collectively continue to take actions to drive efficiencies on the top and bottom line and create value for all our stakeholders.

Our potential continues to grow, and we are investing to make our businesses leaner, more profitable, and a great place for talent. This includes investing in capacity expansions to meet growing demand from our customers, investing in R&D, robotics and AI to work smarter, and continue driving financial and operational performance through lean, and pursuing opportunistic inorganic growth, especially in Electrification.

These initiatives will better our businesses while simultaneously enabling us to continue returning capital to our shareholders through buybacks and dividends. This is an exciting time for us, and I look forward to our Q&A discussion.

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

Michael Lapedes: 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. Operator, please open the line.

Q&A

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

Scott Strazik: Good morning, Nicole.

Ken Parks: Good morning, Nicole.

Nicole DeBlase: Hi there. If we could just talk a little bit more about the capacity discussion in the slides. I think the 30 gigawatts by 2030 is new, although not surprising. We kind of knew that lean would be a factor here over time. I guess, Scott, can you talk a little bit more about like your view on major capacity adds, confirm that that's still kind of off the table versus what you're seeing now, and update us on Greenville? Sounds like that's kind of on track to come online as expected in 3Q.

Scott Strazik: You bet, Nicole. I'd start exactly as where you ended. We will make the jump from where we've been, which has been about three gigawatts of output a quarter to five gigawatts of output a quarter, starting in the third quarter. That's very well on track, and we will deliver that in the second half of the year, both in 3Q and 4Q on the 20 gigawatts annualized that we've talked about.

We have 325 machines in our gas factories that have now been installed, and we're on track to have approximately 400 new machines installed in Gas Power by the end of this year. What we also can see at this point is the progress the supply chain is making to meet our next step in the ladder. And what I mean by that is we can see clearly the castings and forgings arriving in '27 for that next step-up in output in '28 to 24 gigawatts annualized.

So in all these regards, things are on track. And as we continue to reach operationally where we are today, we continue to identify opportunities to drive efficiency. We've created more space in our factories by driving lean. We just closed on the Robotech Automation acquisition in July, and we're making real progress with automation into our factories that gives us more capacity within our existing footprint.

And over the course of the last 90 days have continued to make progress for later in the decade to get incremental supply output that can support this 30 gigawatts. Now, as we said on the call, to start, most of that 30 gigawatts for '30 will already be sold this year, and over half of the '31 gigawatts will be on contract by the end of this year.

The only other thing that I do think is really important to note here, Nicole, and for everyone, is we're going to ultimately need some of this capacity as you look over the long-term next decade for the services business. I mean, we only have 130 of our HA units running right now. We have 325 units that either commissioned or under contract. As these run baseload and every four years they go through a major outage. By the time you get to the middle of the next decade, the outage profile with the HAs and the service revenue we need to fulfill, that's driving some of this investment also that we'll need to utilize. But that's more of a middle of the next decade dynamic once these units are all running by, call it, the beginning of next decade, and then four years later, they reach their first outage cycle.

So we're very pleased with where we are operationally. We're very pleased with our ability to continue to serve this market with growing demand, and we'll continue to look for efficiency and opportunity in our supply chains to serve the market.

Scott Strazik: Morning, Andrew.

Andrew Obin (Bank of America): Good morning. Just a follow-up to Nicole's question, maybe. When we've been marketing, we've been getting questions, I think, there is visibility on North American demand. Folks are asking, what kind of demand are you seeing outside of North America to drive these capacity additions? Because I would imagine in the US, we are constrained in terms of grid. So you must be seeing something in terms of long-term outside of the US. Can you just talk about international opportunities over the next five years on Gas? Thank you.

Scott Strazik: You bet, Andrew. We continue to see a very healthy pipeline of opportunities in Taiwan. That's an important market for us, where we have north of 10 gigawatts of Hs on contract already that are either running or in execution right now. We continue to see real demand in Saudi. There's a lot of iteration happening in Mexico right now, as an example, to support that administration as they revitalize their electric grid.

There are more discussions happening within customers today on gas build-out in Southeast Asia. Now those discussions are less about the grid and more about Southeast Asian EPC capability to utilize gas build-out in other parts of the world. And those discussions, I would say, are a little bit louder today than maybe they were even 90 days ago for Southeast Asia.

We've signed contracts in Qatar this quarter as an example. So we continue to see very healthy demand, not just in the US, but in a number of our global markets, and are going to work really hard to serve those global markets.

Ken Parks: Hey, Nigel.

Scott Strazik: Morning, Nigel.

Nigel Coe (Wolfe Research): Thanks. Good morning, guys. How are you? I wanted to go back to the capacity expansion, Scott, and I just want to make sure that you're achieving this with the existing machines installed by year-end. I'm assuming there's going to be some labor ramp ups associated with this. Just wanted to get a bit more information in terms of how you're achieving a six gigawatt increase in capacity on existing infrastructure. But it sounds like it's capital-light, but just want to make sure that's the case.

And then just maybe just think about the appetite for project bookings beyond 2031, because it sounds like you're going to be pretty much booked out on 2031 by year-end. So I'm just wondering what the appetite is out there right now for 2032, 2033.

Scott Strazik: Nigel, I think, as we said, for '31, yes, we'll be more than halfway contracted by the end of the year. There are active discussions for '32 and beyond, but I would say we need more time before we can articulate the timing of contracting '32. I mean, I think we have to remember when you go six years out, we'll learn a lot more the second half of the year.

But what we are highly confident in is more than 50% of '31 will be contracted, and there's healthy discussions for '32 and beyond, but let us do that work with our customers.

Now, on the machines, we'll be through about 400 machines installed into our Gas factories by the end of this year. That largely supports a lot of the growth next year at 20 gigawatts and the ramp-up in castings and forgings for '28. We will invest in incremental machines beyond 400 to ultimately get to the 30 gigawatts, very much the same equipment that we are installing today, leveraging the existing industrial footprint we have.

So within the same walls, we won't be done at 400 machines, but certainly when we project our continued progress streams relative to the CAPEX required, the CAPEX with the incremental machines beyond this year relative to the backlog and progress streams, the CAPEX is modest.

Ken Parks: And Nigel, to your question on labor, we've been actually investing in labor to support this transition from the 15 to 20 gigawatts out of Greenville well back a year ago. We started hiring labor in to make sure that we were training them, and they were sitting alongside our existing workforce. So that way, as that incremental labor came – as that incremental capacity came on board, we had trained workers ready to help with the productivity ramp as quickly as we could.

And we've referenced that just lightly as we've gone through the quarters to talk about the fact that even with that incremental labor, which in the early stages is relatively underutilized because they're in a training mode, the business has continued to see margin expansion through those periods.

Scott Strazik: Morning, Andrew.

Andrew Kaplowitz (Citi): Good morning, everyone. So, Scott, I think you mentioned you now have this year over \$5 billion of orders for data center customers. I think that's versus \$13.5 billion in total. I know you've been focused on improving your integrated solution capability, particularly to data center customers, but again, this seems like a lot more than that original \$200 million to \$300 million per megawatt of entitlement that you gave us, and that's before an impact from SSTs in development and the MV-UPS. So maybe just help us think

about what entitlement might be moving forward or maybe what that entitlement can mean versus the \$20 billion annual electrification revenue you're projecting to reach by '28.

Scott Strazik: Andrew, all your numbers are exactly right. I mean, about \$5 billion of our Electrification orders the first half of the year with data centers on the about \$14 billion of orders in total in the first half. So that gives you the directional amount of the first half, how important this customer set is and the progress we're making with them.

We are making real progress within our scope today. We've talked in the past on our EMS solutions, our Energy Management Solution that integrates more. It's really more software and controls between the data center and the power generation equipment.

You're right, in our orders still in the first half of the year, the \$5 billion, there isn't an SST order. I cited that – I saw the physical build-out of the five megawatt SST last week, and we'll deliver it to the customer later this year, but '27 is as early as orders will come.

The medium voltage uninterruptible power supply block, the stability block, also we're driving real progress with customers, and it's possible orders come for that before the SST. We continue to work our way through that and are having encouraging conversations. But that \$300 million directional of scope per gigawatt today, if you include the MV-UPS, if you include the SST and some of the other things we're working on, we certainly think entitlement just with the things we're already investing in is two to three times what our scope per gigawatt is today, and none of that is in the \$5 billion.

Potentially, MV-UPS starts to come through the second half of the year, but I think about that incremental scope at two to three times being more credibly expected in our '27 orders than in '26, at least based on where our iteration is today with the customers.

Scott Strazik: Morning, Ameet.

Ameet Thakkar (BMO Capital Markets): Good morning. Thanks for the updates today. Just I guess, kind of moving on from solid state transformers to one of the other kind of new product developments you highlighted back in December was, I think solid oxide fuel cells. It's been kind of eight or nine months. So I was just wondering if you had an update there on what you think that product could or could not be. Thanks.

Scott Strazik: Very encouraged with the technical progress. I would say what we had in December was more of a research lab in development. Now we have an automated line that we are building. I visited the line in July. We have a number of test labs right now that are challenging ourselves on what I think is the fundamental question with fuel cells generally, which is life.

We talked about in December that we were going to use the better part of '26 into '27 to gain conviction on the life durability of our fuel cells. But we continue to see real CAPEX efficiency using the thermal spray efficiency technology that we are for this technology. And as we sit here today, that's something that's more of a '27 discussion with customers than '26.

'26 this continues to be about technology validation. But I'm very pleased with the progress that we've made from a technology perspective in '26. We're going to keep going and start to advance commercial discussions in '27 with the benefit of another full year of testing here right now.

Scott Strazik: Morning, David.

Ken Parks: Morning, David.

David Arcaro (Morgan Stanley): Hi. Thanks so much. Good morning. I was wondering if you could characterize whether 2026 could be the year of peak orders for gas turbines. Just how you think about that, putting it into context, what does it mean for the growth outlook?

Scott Strazik: Well, what I would say, David, is we articulated earlier in the discussion that we see a very clear pathway to continuing to grow our contracted gigawatts on order beyond this year. So we sit here at 116 gigawatts right now. We'll end the year with at least 125 gigawatts. We can look ahead the next year and a half and tell you with confidence, with the ramp-up to 20 gigawatts annualized for the second half of this year and next year, i.e., that we're going to ship over the next six quarters at least 30 gigawatts of output, right, now that we're at this annualized rate, that with the pipeline we see, we continue to see very healthy growth above 125 gigawatts in '27 relative to year-end '26.

Now, a lot of this comes down to how many years out are customers ready to contract, and also, from peak orders perspective, how quickly they can get the commitment with the EPCs for us to transition things also from slot reservation agreement to orders. Because we're not putting things in our order book without a firm pathway to the schedule, which includes the pipelines, it includes the EPCs, and we're going to have to monitor that.

So what we are confident of is very clearly continuing to grow the contracted backlog for the better part of the next six quarters that we see in front of us, even with the higher output. And we're going to monitor that from there. And as all of that happens, as I said earlier, what we also have is you take a step back in that \$176 billion backlog, it's about 50% equipment, 50% services. We don't spend as much time talking about that 50% that's services, but all of this incremental equipment is going to drive a lot more services growth into the next decade.

Scott Strazik: Morning, Joe.

Joe Ritchie (Goldman Sachs): Hi guys. Good morning. So clearly, look, the capacity. A lot of focus on the capacity that's been here. You guys have said in the past when your backlog and SRAs get above kind of like 5x your capacity, that you could potentially see some additional capacity increases going forward. I guess, my question is really just around like the industry capacity. And Scott, I'd be curious to hear like what level of concern you have based on the plans that are out there today, and obviously consistent with like the demand environment that you're seeing.

Scott Strazik: Certainly from a heavy-duty equipment capacity that we've got very sound, we call them box charts, Joe, views on available industry capacity for the next six years. We feel very balanced with demand relative to supply.

I think where it can get a little bit less clear to us is exactly how much supply can be created with much smaller applications that are trying to take advantage of the market, where there's only so much heavy-duty output. And that's a little harder for me to know exactly how much output there will be here five to six years.

But what I'll tell you is I love our economic positioning relative to that part of supply, and it's less of a competition and more complementary. But the efficiency levels on where we are with our heavy-duty gas turbines are incredibly competitive. And when we look at that landscape

in totality, we're very comfortable looking out over the next five to six years with supply relative demand.

And again, we're going to need some of this capacity, even the 30 gigawatts we'll be able to deliver in '30 and '31 for outages by the time you get to the middle of the next decade. And a lot of the 325 units that are either commissioned or under contract today start to go through their first outage event.

Scott Strazik: Morning, Julien.

Julien Dumoulin-Smith (Jefferies): Good morning, team. Thank you, guys. Very much appreciated. Let me break down that peak 2026 order question a little bit, if you don't mind. Can you elaborate a little bit more about how you think about the other pieces, the non-turbine components into that peak order debate? And then also, can you answer a little bit more about how labor and that duration question is going? And as much as clearly it's just been an exceptional year as you layer in '31, and then obviously you made your commentary earlier about the '29 and '30. And then maybe within that, can you elaborate a little bit about the EPC dynamics in '29 specifically in the back half of this year?

Scott Strazik: Yeah. I mean, our customers in partnership with us are making very good progress on operationalizing the slot reservations into projects that are on schedule largely. And that's why we said in the earlier comments that we're going to reach a very important inflection point as I see it, the second half of this year, where orders in backlog will be greater than gigawatts on slot reservation agreement. That is happening because the convergence of customers with slot reservation agreements on long cycle are making progress operationally, and that's what's driving the conversion to orders in the second half of the year.

Now that I think is going to continue from here, and I would say we've generally been encouraged with that progress.

Scott Strazik: Good morning, Chris.

Chris Dendrinis (RBC Capital Markets): Yeah. Thank you. Morning. I wanted to follow-up just on the orders here for HD turbines and aeroderivatives, and this quarter was heavy on the aeroderivatives side. So can you maybe just speak to the kind of trends or conversations you're having with customers? Is there still a very heavy focus on getting HD turbines? Are you seeing a stronger demand component from the aero space? Thanks.

Scott Strazik: Demand is very strong for the heavy-duty. In a number of cases, the aero are complementary to the heavy-duty over the longer term. So think to yourself, customers in earlier periods leveraging the aeroderivatives until the heavy-duty can ultimately be installed and commissioned. Because we also need to remember, even if the shipments are 24 months apart between an aero and a heavy-duty, the commissioning of that aeroderivative is reasonably quick. It could be six months, whereas the ultimate commissioning of the heavy-duty could take another 18 months at site after it's actually shipped from Greenville.

So they're, in very real ways, providing another level of integrated solutions for us where the aeroderivatives are providing the bridge. They're buying customer time with the first tranche of incremental electrons while they're securing the EPC capacity for the early 2030s. On those contracts that we're citing today are already signed for '30 and '31 and that will be largely sold out of '30 and more than half of '31.

Part of that dynamic is the complement of aero that comes first and heavy-duty that will be shipped in '30, '31, but then really commissioned in '32 and '33 at site.

Michael Lapidès: Liz, we have time for about one more question, please.

Scott Strazik: Good morning.

Sunaina Ocalan (Bernstein): Morning, Scott and team. Thank you for squeezing me in. Quick question on, maybe I'll move it back to Electrification for just a second. On the solid state transformers, how should we think about this opportunity once it moves past testing? And since it's first-of-a-kind, is there any shared development cost or risk-sharing agreement that you're thinking about with the customer during the test period? How are you thinking about this?

Scott Strazik: Yeah. The first five megawatt indoor application SST is R&D shared with a hyperscaler that will receive it later this year and then go through a testing period. On the other side of that, the orders would be traditional transaction at that point, no different than other business.

What I cited in the prepared remarks earlier with a six megawatt outdoor application is with a different hyperscaler that also would have R&D sharing attached with the development of the product over the better part of the next 18 months. But then on the other side of the prototype would be, again, very traditional supply and demand business. So we're very motivated with the innovation that we're seeing from our teams there.

As I said on the earlier comment, the stability block technology, the MV-UPS, medium voltage-uninterruptible power supply, we're also making real progress with, and that could cut into traditional orders even sooner than SST. I think SST, the open question that I do think is still remaining is how quickly do the AI factories shift towards 800 volt DC?

And as that conviction happens, that will be more of a triggering to go from where we are right now with SST, which is more prototype R&D sharing, to orders at scale. And again, I think for SST, you have to think '27 and beyond. For MV-UPS, we're working really hard for that to cut into our orders book as quickly as possible.

Michael Lapidès: Operator, thank you. Before we wrap up, let me turn it back to Scott for closing comments.

Scott Strazik: Michael, team, everyone, I appreciate everyone giving us the time today. I would just reinforce for my teams, I appreciate what you're doing every day. For our customers, your faith in us motivates us to help you meet this moment together. For our partners, we can only do this with you and are humbled and appreciative with all the stakeholders along on these early stages of a very exciting journey we're on in GE Vernova. So for all of you that are giving us time today for this hour, thank you, and we look forward to the opportunity to talk further in the days and weeks ahead. Thanks, everyone.