



GE VERNOVA

GE Vernova 3Q 2025 Financial Results & Acquisition of Prolec

Wednesday, 22nd October 2025

Opening Remarks

Michael Lapidès

Vice President of Investor Relations, GE Vernova

Introduction

Welcome to GE Vernova's Third Quarter 2025 Earnings Call and the planned acquisition of the remaining 50% of Prolec GE. I'm joined today by our CEO, Scott Strazik and our CFO, Ken Parks.

Today's remarks include GAAP and non-GAAP measures, including stand-alone forecast of the Prolec GE joint venture. Reconciliations of GAAP to non-GAAP measures and related information are in our Form 10-Q press releases and presentation slides available on our website. Our Prolec GE comments reflect expectations for the transaction and the joint venture's business cost and revenue synergies from the transaction and capital allocation plans.

Unless otherwise noted, year-over-year changes in orders, revenue, adjusted and segment EBITDA and margin are on an organic basis. We will make forward-looking statements based on how we see things today. We may update these statements in the future but undertake no obligation to do so. Actual results may differ materially due to risks and uncertainties described in our SEC filings.

With that, let me turn the call over to Scott.

Prolec GE Acquisition

Scott Strazik

CEO, GE Vernova

Acquiring the remaining 50% stake of Prolec GE

Thank you, Michael. We are excited to update you on our announced acquisition of the remaining 50% of the Prolec GE joint venture from our partner, Xignux. We partnered with Xignux for 30 years to build a world-class transformer business. This is a business we know well and is an attractive acquisition for GE Vernova consolidating a leading grid equipment provider that produces transformers to serve North American utilities, industrials and data centers. While Ken will go into the details, we're paying \$5.275 billion planned to be funded 50% with cash and 50% with debt. We expect the transaction will close by mid-'26.

This acquisition fully aligns with our strategic and financial objectives. Prolec will further strengthen our capabilities in the grid equipment market, primarily for transformers in North America, but also over time, beyond North America, accelerating the growth trajectory of our fastest-growing segment, Electrification.

The acquisition is immediately accretive to EBITDA before synergies. We are confident in the cost synergies and expect to drive revenue synergies over the medium to long-term after bringing Prolec fully into GE Vernova. This transaction is also consistent with the disciplined capital allocation strategy discussed at our December '24 Investor Update, where we highlighted our commitment to fund organic growth, return at least one-third of cash generated

to shareholders and execute on targeted M&A like this transaction, which aligns with our core and adds to the Electrification product solution we can deliver to customers.

Prolec GE

Turning to slide five. We expect Prolec to generate \$3 billion in revenue this year at strong EBITDA margins of 25%, making this a margin-accretive business to GE Vernova overall. Prolec is focused on producing transformers across most high, medium and low voltages with approximately 10,000 employees across seven sites, including five in the U.S. and one in Mexico, which is USMCA compliant.

Prolec's largest product offerings is power transformers, which many energy-intensive customers rely upon, including data centers. While GE Vernova sells transforms internationally, this joint venture sells almost all of its volume to U.S. customers and is the exclusive way we've delivered transformers into North America.

We value our relationship with Xignux, our partner in the Prolec GE venture and the management team at Prolec and are excited to build on the 30-year foundation built to-date.

Why customers win with this transaction

Turning to the next slide, customers should clearly benefit from our full ownership of Prolec GE. We anticipate being able to streamline the customer experience by fully integrating Prolec into GE Vernova's commercial activities and product development. This transaction removes existing contractual limitations and creates an opportunity to better serve customers in North America and across the world.

Prolec is investing in its factories to meet the increasing need for transformers. For example, in North Carolina, a recently announced expansion is already underway, and Prolec has also completed expansions in Louisiana and in Mexico. Not only are there further opportunities to expand capacity at Prolec's sites, we also expect to incorporate our Lean culture into how we operate these facilities.

Lean has helped GE Vernova expand capabilities in places like Charleroi, which makes circuit breakers outside of Pittsburgh, a facility where we are doubling output and adding jobs. We expect to drive attractive outcomes over time at the Prolec facilities.

Longer term, we see a real potential to increase volume and improve lead times from executing on disciplined capacity additions and leveraging our global footprint. We also expect to integrate parts of Prolec with GE Vernova's existing businesses. And not just with our growing switchgear and transformer businesses within Grid Solutions, but also Grid Automation, which will help customers in the monitoring and performance management of their assets.

Prolec also expands our product offerings within distribution transformers to customers outside of North America. We have talked recently about our expected higher R&D next year to develop and deliver more products to data centers and going beyond the transmission substations we provide today. Prolec will help deliver an even more robust range of product offerings.

Today, GE Vernova's Electrification segment focuses primarily on transmission technologies and Prolec's North American factories could provide an opportunity to produce HVDC transformers locally.

Further accelerating our Electrification segment's growth trajectory

Moving to slide seven. We've discussed the attractiveness of the Electrification equipment market. In North America alone, we're seeing significant investment in electrification, where we expect our combined serviceable addressable market to grow at an approximately 10% compounded growth rate, doubling in size by 2030.

There are three primary drivers increasing demand for grid investment. First, electricity demand is increasing from expanded electrification needs, data center growth and rising digitization levels. There is also a need for increased grid stability and flexibility, especially as more distributed resources come online and as voltage or frequency support becomes even more critical. Reliability is paramount and maintaining reliability requires modernizing aging infrastructure.

Finally, we see growing demand from the energy transition and increased national security interests.

Now I'll hand it over to Ken to walk through the financial details.

Financial Review

Ken Parks

CFO, GE Vernova

Financial Profile

Thanks, Scott. On slide eight, let me highlight for you the financials of Prolec GE and our expectations for the next few years before synergies or integration costs.

The business has strong fundamentals and a sizable backlog. Prolec had an equipment backlog of approximately \$4 billion at the end of the second quarter. In addition, they maintain frame agreements with their key customers, which are not in backlog, representing strong relationships that will continue to drive growth going forward.

We expect low double-digit revenue growth driven by volume and pricing with revenue increasing from \$3 billion this year to over \$4 billion in 2028.

During the same time frame, Prolec should see robust EBITDA growth to over \$1 billion in 2028 before incorporating anticipated cost and revenue synergies.

We include our 50% share of equity income in GE Vernova's adjusted EBITDA. Consolidating Prolec will add an incremental \$800 million for GE Vernova in 2028. The business also generates positive and growing free cash flow. Additionally, the numbers provided today include the estimated impact of tariffs as currently outlined.

We plan to fund the acquisition of Prolec using an equal mix of debt and cash on hand for the just under \$5.3 billion payment. We remain committed to maintaining an investment-grade balance sheet. Even after issuing roughly \$2.6 billion in debt resulting from the acquisition, we expect to remain below 1 times on a debt-to-adjusted-EBITDA basis. Again, this is an immediately accretive transaction to EBITDA, before synergies.

Acquisition synergies

On this next slide, I'll walk through some of the expected synergies, starting with cost. We expect to apply proven practices that have helped GE Vernova, across all three segments, improve margins. For Prolec, we plan to implement common design practices in terms of how we develop and manufacture transformers helping drive down cost and become even more efficient.

We'll also leverage our sourcing practices and expand Lean to drive process improvements that will lead to increased productivity. Many of you have heard us talk about the work we've done to improve output from our Electrification facilities. We expect to take those learnings and best practices and incorporate them at the Prolec sites.

Opportunities clearly exist to optimize R&D, especially as we integrate Prolec's processes with the work our Electrification team undertakes to design and deliver new technologies and product offerings. We also expect to realize G&A-related savings, both from process leveraging and the use of technology and systems.

On the right-hand side of the page, we highlight the opportunities to drive revenue-related synergies, which provides upside to our financial outlook. For example, full ownership of Prolec enables GE Vernova to leverage our combined global factory footprint to provide even more transformers into North America. We also see opportunities to harmonize our go-to-market strategy and expand our services offerings in North America.

There are further investments that can drive future growth such as opportunity to eventually market and sell Prolec's transformers, including low to medium transformers outside of North America. We also anticipate expanding and improving our grid automation offerings with products Prolec provides today.

In summary, we expect to realize \$60 million to \$120 million of annualized cost synergies by 2028. And as we integrate Prolec, we see real opportunities to drive additional revenue synergies ahead.

We're working hard to execute a smooth integration, which includes retaining talent and ensuring continuity, while also evaluating systems integrations and the sharing of best practices across engineering and operations to increase productivity, reduce costs and leverage our scale, all to deliver value after the deal closes.

With that, let me turn it back to Scott.

Summary and Outlook

Scott Strazik

CEO, GE Vernova

Acquisition Summary

Thanks, Ken. A few closing thoughts on the transaction. We are excited to acquire the remaining 50% of Prolec GE, which will help us gain scale and strategic flexibility in North America, our largest market, while providing customers with benefits as well.

We will focus in the near-term on streamlining the customer experience and on improving performance across safety, quality, delivery and cost, by applying our Lean playbook. We expect to deliver on the cost synergies outlined today and to drive revenue synergies as well,

and we are excited to grow our low to medium voltage technology offerings to serve select industries in global markets over time.

This is an immediately accretive acquisition before synergies, and we are highly confident in our ability to deliver Prolec's financial outlook. We're already seeing attractive organic growth in our Electrification segment, and this transaction will add to our growth runway and to expanding margins ahead.

3Q 2025 Financial Results & Outlook

Now with that, let's shift to our 3Q results on page 12.

Market demand and stronger operations driving a unique value creation opportunity

Put simply, 3Q was another productive quarter. We are running the company from a position of financial strength, focused on long-term growth and returns and 3Q is another affirmation of the potential ahead.

Based upon our execution, combined with this era of increased electricity investment, our growth trajectory is accelerating. Customers are relying more on our equipment and services and we've grown our backlog \$16 billion in '25 with \$7 billion increase in our backlog in 3Q alone.

We see continued strength in Gas Power demand and pricing, having signed 12 gigawatts of new contracts in 3Q, after securing nine gigawatts of new contracts in 2Q. Our gas turbine backlog grew this quarter from 29 to 33 gigawatts and our slot reservation agreements increased from 25 to 29 gigawatts, building our total gigawatts of backlog and slot reservation agreements to 62 gigawatts from 55, when we talked about - that we talked about at 2Q earnings.

As expected, we are seeing significant strength in the US, but also signed contracts for our HA gas turbines, our largest and most efficient baseload units this quarter in Mexico, Kuwait, Poland and Malaysia. We now expect to approach 70 gigawatts of contractual Gas Power commitments by the end of '25, with significant momentum into '26.

We are seeing customers invest in both new units and their existing assets, driving services growth with solid pricing. Year-to-date, our Power services backlog has increased \$4 billion with growth in Gas and Steam.

On Electrification, the breadth of market strength and increasing margins continues to reinforce our conviction in investing in this business. We're seeing demand strength across the globe, in the Middle East, North America and Europe.

Equipment orders more than doubled year-over-year with healthy growth and positive orders price across multiple product lines in Grid Solutions and Power Conversion and Storage, where we sell products that help stabilize the grid, like inverters and synchronous condensers. This quarter, we secured \$1.6 billion of orders for synchronous condensers in Saudi Arabia with more to come.

Hyperscalers increasingly are turning to us for their electrification needs with \$400 million of orders in 3Q alone. So far this year, we've booked roughly \$900 million in Electrification orders with hyperscalers, compared to \$600 million in all of '24.

In Wind, the onshore volume trajectory remains too difficult to call. In the U.S., Onshore equipment orders remained soft as we shared in September. Customers still face permitting delays and tariff uncertainty that will likely weigh on our '26 Onshore revenue. We are closing deals with growing opportunities for services, repowering in the U.S. and new units in attractive international markets.

If we shift towards our ability to fulfill on the strong growth across our businesses, we had a very productive last 100 days. I had the ability to spend time in our two largest Gas Power facilities in both Greenville, South Carolina, and in Budapest, and I'm very pleased with the progress. We've installed almost 200 new machines in our Gas Power factories this year and added approximately 800 production workers and remain on track to meet the run rate of 20 gigawatts annualized production by 3Q '26. My visit at Stafford in the UK this month reinforced my confidence and our Grid business's ability to meet the ramp in HVDC. I also visited critical suppliers in 3Q, we are relying upon and the supply chain is keeping pace. Visiting our Offshore marshalling harbor in the UK this month, continue to give me conviction. We will be materially complete with Dogger Bank A and Vineyard this year.

All that said, we are running the company to simply sell and fulfill on the business in front of us. We are investing in the long-term future. We signed our first technology collaboration funding agreement with a hyperscaler for scope inside the data center as an example. We also announced a strategic alliance with Samsung this month to advance our BWRX-300 Nuclear SMR outside North America. Our investments in artificial intelligence are gaining real traction as we gain engineering productivity through AI to meet the unprecedented demand in gas turbine controls engineering requests associated with the surge in both new unit and upgrade order activity. We are using AI in our bidding activity today to ensure we get customer requirements right the first time and for design verification and validation. Physical automation, using machines, robots and mechanical systems to perform physical tasks that would otherwise require human labor is gaining traction across areas such as material handling, inspection, surface treatment and assembly. Our AI and physical automation investments are just starting but will drive substantial value for our customers and owners in the back half of the decade.

We make all these investments while further strengthening our balance sheet, closing the quarter with approximately \$8 billion of cash. This enables us to grow both our R&D and capex over 20% this year, while we have also repurchased over six million shares for roughly \$2.2 billion year-to-date at an average price of \$357.

We are and will continue operating GE Vernova from a position of financial strength with substantial opportunity ahead of us.

Strong 3Q'25 results

Turning to the next slide on our third quarter results. We are building a larger, higher margin backlog that positions us for future growth and margin expansion. We've grown our total equipment backlog to \$54 billion in the third quarter, an increase of \$11 billion so far this year. Within that, Electrification equipment backlog has grown by over \$6 billion, roughly the same amount it increased in each of the last two full years. This equipment backlog was \$6 billion entering '23 and is now more than \$26 billion. We are growing our equipment backlog with improved margins and will highlight the change in equipment margin in our fourth quarter

earnings call. Our services backlog also grew \$2 billion sequentially and \$5 billion for the year, primarily in Power.

Power and Electrification are delivering increasingly stronger results while we're executing our win strategy. Electrification revenue increased over 30%, and margins expanded to over 15%, while Power in its traditionally lightest quarter due to the seasonality of outages, expanded margins to north of 13%.

In Onshore Wind, we are encouraged with our services orders up 27% year-to-date, with solid progress in repowering in the U.S. and the availability of our fleet improving, while down turbines and cost per job is reducing.

In the third quarter, GE Vernova revenue grew 10% organically with double-digit growth in both equipment and services, and EBITDA margins expanded 600 basis points, while delivering another quarter of strong positive free cash flow.

Finally, we are reaffirming our '25 GE Vernova guidance for revenue, adjusted EBITDA margins and free cash flow.

With that, I'm going to hand it over to Ken to provide more details.

Financials

Ken Parks

CFO, GE Vernova

Financial Snapshot

Thanks again, Scott. Turning to slide 14. Third quarter results were strong with robust orders, backlog expansion, solid revenue growth, adjusted EBITDA margin expansion and another quarter of strong free cash flow generation.

We booked orders of \$14.6 billion, a 55% increase year-over-year, and a book-to-bill ratio of approximately 1.5. Equipment orders almost doubled with significant growth in both Power and Electrification. Services orders increased 5% and grew in all three segments.

As a result, our backlog expanded to \$135 billion, a year-over-year and sequential increase led by both Power and Electrification. As Scott mentioned, equipment backlog grew to \$54 billion, up approximately \$12 billion year-over-year, and equipment backlog margin remains healthy reflecting favorable price and our continued focus on disciplined underwriting. Our services backlog grew more than \$5 billion year-over-year to approximately \$81 billion led by Power.

Revenue increased 10%, with double-digit growth in both equipment and services. Higher equipment revenue was driven by 37% growth at Electrification and 22% growth at Power, more than offsetting anticipated lower Wind revenues. Services revenue growth was led by Power. Price was positive in all segments.

Adjusted EBITDA more than tripled year-over-year to \$811 million, with each segment delivering significant growth. Adjusted EBITDA margin expanded 600 basis points with higher price, more profitable volume, and productivity more than offsetting investments in innovation

and capacity. Margin also benefited from lower Offshore Wind contract losses, net of the contract settlement gain recorded in the prior year.

The strong adjusted EBITDA and working capital management drove positive free cash flow of approximately \$730 million in the third quarter. Working capital was a nearly \$300 million cash benefit, driven primarily by down payments on higher orders and slot reservations at Power, as well as higher orders at Electrification. Free cash flow was lower than the prior year as stronger adjusted EBITDA was offset by lower positive benefits from working capital, given actions we're taking to improve cash flow linearity along with higher capex investments supporting capacity expansion.

We're also simplifying our portfolio to generate cash and invest in our core businesses. In the third quarter of 2025, we reached an agreement to sell our Manufacturing Software business for approximately \$600 million. We expect to complete this transaction during the first half of 2026.

We also sold an additional ownership stake in our China XD grid business and generated approximately \$100 million of pretax proceeds. The proceeds are classified outside of free cash flow and the gain was removed from adjusted EBITDA.

We ended the third quarter with a healthy cash balance of nearly \$8 billion, giving us confidence to continue investing in our core businesses, such as the targeted M&A we've discussed already today and returning cash to shareholders through dividends and share repurchases while maintaining an investment-grade balance sheet.

During the third quarter, we returned approximately \$730 million of cash to our shareholders through share repurchases and dividends. Year-to-date, we've repurchased \$2.2 billion of stock and expect to continue to repurchase shares opportunistically as we firmly believe there is incremental value embedded in our stock. We're encouraged by our strong financial performance year-to-date, delivering 12% organic revenue growth, 290 basis points of adjusted EBITDA margin expansion and nearly \$2 billion of free cash flow generation.

Our growing backlog with healthy margin provides an excellent foundation for continued improvement in our financial performance moving forward.

Power

Now turning to slide 15. Power delivered another strong quarter with robust demand, continued revenue growth and further EBITDA margin expansion.

Power orders grew 50%, led by Gas Power equipment, more than doubling year-over-year on higher volume and pricing. We booked 20 heavy-duty gas turbines, including 13 HA units, a 40% year-over-year increase in both.

Revenue increased 14%, led by Gas Power. Power equipment revenue increased from higher heavy-duty gas unit deliveries, project commissioning and price. Power services revenue increased mainly from higher transactional volume and price.

EBITDA margins expanded 120 basis points to 13.3%, mainly driven by continued strength at Gas Power. For the segment, higher price and productivity more than offset additional expenses to support capacity investments at Gas and R&D at Nuclear along with inflation. The positive impact of volume was offset by mix.

For the full year 2025, we continue to expect organic revenue growth at Power to be between 6% and 7%. We also still expect EBITDA margin to be in the range of 14% and 15%.

Wind

Turning to Slide 16. We're executing on our Wind strategy and improving profitability. Onshore Wind margin expanded in the quarter, and we remain focused on executing our challenged Offshore Wind backlog.

Wind orders increased 4% year-over-year. Higher Onshore services were partially offset by lower Onshore equipment, which included higher repowering orders.

Wind revenue decreased 9% in the quarter due to the absence of a settlement from an Offshore contract cancellation of approximately \$500 million, as well as charges for the impact of blade events, both recorded in the third quarter of 2024, partially offset by higher Offshore deliveries and increased Onshore services. Excluding the impact of the prior year Offshore settlement, Wind revenue grew low double digits.

Wind EBITDA losses improved by approximately \$250 million year-over-year. At Onshore, margin expanded from productivity, price and favorable mix, partially offset by the impact of tariffs. At Offshore, EBITDA losses improved, given lower contract losses, net of the contract cancellation settlement gain recorded in the third quarter of last year.

For the full year 2025, we now anticipate Wind revenue to be down high single digits organically compared to our previous expectation of down mid-single digits due to the softness in Onshore equipment orders continuing through the year. As a result, we expect Wind EBITDA losses of approximately \$400 million.

Electrification

Turning to Electrification on slide 17. We had another quarter of robust demand with significant revenue growth and EBITDA margin expansion.

Orders remained strong at roughly 2 times revenue, and more than doubled year-over-year to approximately \$5.1 billion, driven by the growing need for Grid investment. We saw strong orders growth in the Middle East, primarily due to \$1.6 billion of orders for synchronous condensers in Saudi Arabia, as well as growth in both North America and Europe.

Electrification equipment orders continue outpacing revenue, further expanding the equipment backlog to approximately \$26 billion, up almost \$8 billion compared to the third quarter of 2024.

Revenue increased 32% with growth across all regions. We saw strong volume and higher price at Grid Solutions with meaningful growth in HVDC and switchgear equipment as well as Power Conversion and Storage.

The segment is executing well on its capacity expansion plans, leveraging Lean as we continue to increase output. For example, the team at our Stafford UK facility that manufactures HVDC systems executed a series of Kaizens during the third quarter that improved their standard work, further optimized site layout, reduced cycle times, and as a result, increased production capacity for valve modules by approximately 40%.

EBITDA doubled in the quarter with margin expansion of 550 basis points to 15.1%. Margin expansion was led by more profitable volume, productivity and favorable pricing, primarily at Grid Solutions.

For the full year, we now expect Electrification organic revenue growth to trend towards 25%, compared to our previous expectation of approximately 20%, as we're achieving better than anticipated output on our capacity expansion. Given the higher revenue growth, we now expect Electrification EBITDA margin to be in the range of 14% to 15%, raising the lower end of the prior guidance.

2025 guidance

Moving to guidance on slide 18. Based on the full-year segment expectations, which I've already outlined, we're reaffirming our GE Vernova financial guidance. For revenue, we continue to trend towards the higher end of our \$36 billion to \$37 billion guidance range. And we expect adjusted EBITDA margin to be in the range of 8% to 9%.

In addition, we anticipate our full year free cash flow guidance to be in the range of \$3 billion to \$3.5 billion. Our 2025 guidance also includes the impact of tariffs, as currently outlined, which we estimate to be trending towards the lower end of our \$300 million to \$400 million range, net of mitigating actions. They're expected to be relatively similar across the last three quarters of 2025.

Corporate costs are typically uneven across quarters due to compensation timing and portfolio activity at our Financial Services business. We expect 2025 corporate costs to increase year-over-year, driven primarily by higher stock-based compensation and incentives based on performance. In addition, we've increased our AI, robotics, and automation investments to drive productivity over the medium and long term.

For the fourth quarter, we expect growth in adjusted EBITDA, adjusted EBITDA margin expansion and positive free cash flow. 4Q revenue may be slightly lower year-over-year, primarily due to the improved linearity of Gas Turbine deliveries through 2025, compared to 2024, as well as continued softness in Onshore Wind, mostly offset by continued strong volume growth at Electrification.

We're very encouraged by the rising demand, combined with the consistently stronger execution across the business. Together, they're driving strong results again in 2025 and setting us up nicely for 2026.

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

Conclusion

Scott Strazik

CEO, GE Vernova

Executing our disciplined capital allocation strategy

Thanks, Ken. Turning to slide 19. At our December Investor Update last year, we highlighted our strategic principles for capital allocation. These principles remain unchanged. We will use our free cash flow and balance sheet strength to fund organic investments that drive profitable

growth while also returning at least one-third of our cash generation to shareholders. After this, we still expect over \$10 billion of incremental capital to deploy by '28.

Since our spin, we've announced and/or successfully divested assets or businesses to generate roughly \$2.5 billion of cash we can opportunistically redeploy for future growth. Through the third quarter this year, we've returned \$2.4 billion to shareholders in dividends and buybacks.

For M&A, we generally pursue opportunities that can increase scale at attractive returns, further integrate our supply chain or accelerate R&D that will benefit us longer term. Prolec fits nicely into this as it's a business we know well. It aligns with our core business and creates customer and valuation benefits.

We are acting on the capital allocation principles we laid out for you last year: we're streamlining the company, generating significant cash, returning capital to shareholders, all while executing on M&A opportunities to strengthen our core business.

GE Vernova well-positioned

If we shift to the wrap-up page, you can hear in our voices our excitement about the Prolec GE acquisition. We're also pleased with delivering another productive quarter.

But this is about our future potential, and the reality is our potential has grown faster than our performance since the spin. We are appreciative of the faith our customers have put in us, prideful of the work our employees do across the world every day, while remaining focused on getting better today and chasing our potential tomorrow.

We are still early in the journey to reach this potential. But with the right combination of humility and ambition, I like our chances.

We look forward to seeing many of you at our investor event in New York on December 9th, when we will discuss our '26 guidance and provide an update to our outlook by '28.

With that, I will hand it back to Michael for the Q&A portion of the call.

Michael Lapides: Before we open the line, I'd ask everyone in the queue to consider your fellow analysts and ask 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

Operator: Our first question comes from Mark Strouse with JP Morgan. Please proceed.

Mark Strouse (JP Morgan): Good morning. Thanks very much for taking our questions. Maybe starting with the acquisition. Can you just talk about, on slide 8, the visibility that you have into those 2028 targets? I appreciate it seems like you're trying to be conservative not baking in any revenue synergies. But just kind of given where the backlog is, can you talk about what gives you the confidence in putting that number out there for the out years? Thank you.

Scott Strazik: You bet, Mark. I'll start. Ken can add perspective. Part of why we put the '28 marker out there now is just to match with the fact that we've got by '28 financial guidance out for the rest of the business that we'll update in December. So, we thought it was practical to match today where we see the Prolec JV cutting in and we'll complement that on December 9th.

Now you can see on the pages we've got \$4 billion of explicit backlog today with Prolec. So by no means is in our backlog today, the '28 financials. But at the same time, we have a number of framework agreements that are in place with a number of the utilities where they're able to draw upon their framework agreement at set cycle time commitments that through a lot of our interactions with the end customers as we evaluated this acquisition, gave us a lot of confidence in the growth of this business, both with our traditional customers like the utilities, but also, frankly, with our new archetype of customers like the data centers.

I mean that's a part of the customer base that a year ago in 2024 was about 10% of Prolec's business. This year, it will be closer to 20% of Prolec's business. And as we project forward, as we integrate solutions for that customer set, we see that as a growing part of the business. So, we like the trends. We're very confident in the numbers that we put on those pages, but we've got to earn it every day by securing those orders in framework agreements and working new customer sets like the hyperscalers.

Ken Parks: Yes. I mean I think I'd just add one small point as you think about the amount of growth that we have and are projecting on that page is that Prolec – which obviously, we've been a partner in for this last 30 years that we've talked about – Prolec over the last few years has been and continues to invest in capacity. They've invested about \$300 million in existing or active programs to expand capacity to support the growth that Scott outlined.

Scott Strazik: These are factories we know well, everyone. We've spent a lot of time there. We see the potential. Just to reinforce another thing that we talked about in our prepared remarks, we're really excited about the medium and low-voltage technology that comes with this acquisition that for our business, we have not sold internationally.

Now over the medium to long term, we think that's a real growth opportunity for us is taking some of that medium and low-voltage technology and selling internationally, but none of that is embedded in the financial guide. All we've included from a synergy perspective is the cost synergies that Ken outlined with real opportunity to lean into this business over the long-term. Thanks for the question, Mark.

Operator; The next question comes from Nigel Coe with Wolfe Research.

Nigel Coe (Wolfe Research): Thanks for the question guys. Prolec acquisition seems like a home run. So congratulations on that. Can you maybe - Scott, it seems that you're really excited about the potential in the low-voltage, medium voltage and perhaps some of the industrial verticals. Can you just maybe just lay out where the mix is today and where you think that could be over time? And then just maybe talk about the - where capacity is today for Prolec, any investments that are required – that would be really helpful. Thanks.

Scott Strazik: I'll start again. Ken, please complement. But there are a number of investments that Prolec has made that we have been funding through the joint venture that really cut in over '26 and '27 that are aligned with the financials that are on the pages going out to '28. So largely, that revenue that we project through '28 is our programs that are in the process of being funded or already funded, being, we do see Prolec peak capex in 2026 to support that '28 revenue stream.

Now their business - in totality, the biggest proportion of their business is with the higher voltage power generation piece, but they do low and medium voltage today. What I would say

on where my excitement sits, Nigel, to be very explicit, is probably not that we're going to lean and even more aggressively to residential low voltage plays. It's really where we see integrated solutions with power gen and the electrical equipment specific to certain industries that are very electro-intensive or data centers that are coming to us and saying, co-create with us the power-to-rack solution. And in that vein, we are motivated to invest further in lower voltage solutions more than I foresee us playing on the core residential space that I think we're going to continue to leave to others from here.

Ken Parks: As Scott mentioned in his comments at the beginning of the call, the ability for us to take and really leverage a global consolidated GEV transformer footprint, right? So this low to medium-voltage products – due to the arrangements around the joint venture – are primarily in the North America markets. And while, again, revenue synergies not built into the case that you're seeing, we see the opportunity to take those products, not only into the areas that Scott just outlined and into data centers and other places like that, not only in North America but also outside of the North America geography.

There's a lot of opportunities in bringing this business together, and we're excited about the opportunity to continue to work with the team there.

Operator: The next question comes from Moses Sutton with BNP Paribas.

Moses Sutton (BNP Paribas): Thanks for taking the question. Congrats on that deal on Prolec. On Gas Turbines, we're starting to hear pricing for U.S. gas turbines are perhaps peaking and softening a bit. So really a two-part question here. A, has CCGT build truly served to \$2,500/kW in the US, it's the type of number out there with GE capturing 30% of that in the turbine sale typically? And B, is that number softening a bit in new negotiations? And if so, by how much? Thanks.

Scott Strazik: So, the directional number of \$2,500/kW, I think, is a practical illustration of where the market is today and our directional share, I agree with. So I would say yes to both A and B. What I would not say is that we're experiencing any softening.

I can understand how you can look at the orders amount in the gigawatts and any orders booked in the quarter come to that conclusion, but it's more mix. In the second quarter, as an example, we had substantially more smaller gas turbines, more aeroderivatives that are higher priced per megawatt than the baseload units.

In totality, we continue to see price accelerating in Gas. And as an illustration, when we look at the profitability and price in our slot reservation agreements – that 29 gigawatts that's not yet an order – relative to the 33 gigawatts that is on order, the slot reservation agreements are at higher price and more attractive margins that will translate to orders in directionally in the next 12 months. We continue to see price accelerating.

But in any 90 days, we've got to kind of govern the mix dynamics, which is why I understand the question. But the explanation for it in the third quarter with still strong trends ahead.

Operator: The next question comes from Julian Mitchell with Barclays.

Julian Mitchell (Barclays): Good morning, and congratulations on the Prolec transaction. I just wanted to maybe stick with the Power equipment point. So maybe flesh out a little bit some of what you just discussed, because, yes, if we look at the Power equipment dollar orders year-to-date or in the third quarter and that increase versus the gigawatt orders in gas, there

is a very large positive delta on that dollar growth versus the gigawatt growth. So maybe shed some light on that sort of price versus mix tailwind there for the dollars versus the gigawatts. And maybe it pertains to it somewhat, but aeroderivatives are getting a lot more attention now, strong demand growth, a lot of competition. Maybe help us understand your plans for capacity additions in aeroderivatives vis-à-vis the demand outlook?

Scott Strazik: Yeah. I would say let's work it backwards. Aeroderivatives do continue to experience very strong demand. We do expect to continue to experience and deliver growth in that business line. That's both in orders and ultimately in revenue, as you project out to '26, '27 and beyond.

As I said in the prepared remarks, I spent a lot of time in our large gas turbine factories over the summer, and our business is very well prepared for that growth. So, we're encouraged with where we are on aeroderivatives.

On the orders gigawatt triangulation, again, the big dynamic is aero versus heavy-duty mix. Even within a heavy-duty mix, there's also the dynamic between simple cycle relative to combined cycle, because remember, we always talk in just gas turbine terms in simple cycle when we talk about orders, irrespective of whether the bottoming cycle is attached in any one quarter or not. And depending on the quarter, there can be more or less of the combined cycle that gets booked in that quarter, i.e., the steam turbines and generators that can sway the orders to gigawatt interconnection.

What I can tell you is that we continue to see stronger price and stronger margin trends in the third quarter in the business for gas turbines, both in orders and also in slot reservation agreements that will turn into orders in the subsequent 12 months. I look forward to getting to our next earnings call in January and showing you, as we've committed every year, the change in margin in backlog, equipment backlog across our businesses and we've framed up in the past that the \$6 billion margin growth in equipment backlog the prior two years will be at least sequentially as large this year on an annualized basis. We sit here today, probably even more confident that that is a floor with an opportunity for it to be substantially higher than that.

Ken Parks: And maybe I'll just give you just a couple of points, because I know that if you look at the surface of the numbers that we provide you, I'm going to give you a couple of sequential numbers. You look at what happens to total orders in Power and you'll see that, obviously, you referenced the growth, and you'll see the gigawatt growth. The math at a Power level is going to show a slight decline, right? So that's just the math.

But as Scott mentioned, if you're looking at the quarter-to-quarter back out enough of non-Gas Power orders that have really no gigawatts related to it. If you're trying to model back to order per gigawatt, you'll get back to a number that you should see as relatively flat quarter-to-quarter sequentially. But as Scott mentioned, what's happening is we're still continuing to see good positive growth both on heavy-duty gas turbines in orders per gigawatt dollars, as well as on the aero side.

It's just that it's mixed this quarter a little bit more heavily to the heavy-duty gas turbines versus the aeroderivative orders, which tend to be slightly lower dollars per gigawatt. I know that's a lot of calculations there. But I know that each of you are following it closely. If you kind of take those two or three pieces, you'll kind of substantiate the numbers.

Operator: The next question comes from Amit Mehrotra with UBS.

Amit Mehrotra (UBS): Thanks. Good morning. I wanted to ask about margins. I know we'll get more on this on December 9th. But maybe just from like a structural or conceptual perspective, Scott, when I look at the last cycle, I think Power margins peaked maybe approaching 25%, if I remember correctly. I know we're all fixated on this 2028 number, but I assume the runway is kind of long and wide beyond '28 just given the service stream. Is there any reason we can't exceed kind of the peak of the last cycle just structurally, given all the pricing that you've been talking about. Just talk to us about the structural opportunity relative to previous cycle.

Scott Strazik: Thanks, Amit. I would say the answer to that is no. We're not sitting here today trying to rationalize any reason we can't meet or exceed previous "peak margin levels" in this business. When you think about any prior cycles, the reality is that the revenue on the services side would have been substantially smaller then because our install base is substantially smaller. And we have a much larger install base today with a much larger, more profitable services business while our equipment revenue is growing into becoming a very attractive economic driver for us as we start to get into the second half of '26 and beyond when really the new price paradigm orders start to come into revenue.

Now I think a lot of the December 9th update is, yes, as we outlined, Ken and I will frame up our '26 commitments and our updated by '28 guide. But we're also going to spend more time with you on why we're so excited and have so much confidence on the trajectory of this business beyond 2028.

Now we're not going to put financial numbers out beyond '28 this year, but we are going to try to help you understand why we have so much confidence and conviction on how exciting this business is going to be through the next decade. And these are some of the dynamics that we'll hit on more then but I don't want any of you believing that we're running this business trying to rationalize anything other than a better performance than previous peak cycles. We just have to go earn that every day, and that's what we're intending to do.

Operator: The next question comes from Nicole DeBlase with Deutsche Bank.

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

Ken Parks: Hi, Nicole.

Nicole DeBlase: Congrats on the Prolec deal. I just wanted to come back and had a couple of tie-ups on that. I guess first on the cost synergy realization, any help on the cadence of realizing those savings? Like what can be done faster, what takes more time? And then you talked a lot about capacity expansion that you guys have done in Prolec and that that remains a focus. What have you seen from the industry as a whole? And what has that meant for pricing within the Prolec business? Thank you.

Ken Parks: I'll start out and cover the synergies. I think we said by 2028. We haven't put a real timing around it. We'll come back to you a little bit in December 9th, because we've still got a lot of work to do to hammer out kind of working through synergy road map. So, we said \$60 million to \$120 million.

The types of things that we're talking about are not large investments to drive synergies on the cost side. It's leveraging things on the G&A side of the equation. It's doing things as far as

leveraging what we're doing in the design space, which obviously, both businesses know well. So as soon as we can kind of start to get the teams to really be active in discussions on those synergies, I think they'll start to flow relatively soon. I don't think you'll see a huge hockey stick. I'm not sure I could commit to you today that it's going to be ratable, but you will begin to see synergies pretty soon after we complete the acquisition.

Scott Strazik: And just to complement that, Nicole, I mean, we like this team a lot. We are very drawn towards how they've been running the JV. I mean 25% EBITDA margins today. We're not acquiring a business where there's a huge swath of cost that comes out the next day. At the same time, frankly, the Prolec business is larger than our transformer business. I mean we are larger with switch gears and circuit breakers.

Prolec has the larger transformer piece of the equation. So some of the synergies, are going to be reverse synergies based on what we learn from the JV and where we can leverage a lot of their best practices. So we clearly see opportunities to drive more of our learnings on some of the factories with quality that we framed up that we think can accelerate fulfillment even more.

And exactly, as Ken said, let's assume we get this deal closed in the first half of '26, we're going to use the rest of '26 to set ourselves up for success, and you should expect to start to see those synergies cut in, in '27 and beyond.

Operator: The next question comes from Joe Ritchie with Goldman Sachs.

Joseph Ritchie (Goldman Sachs): Good morning, guys, and kudos. So, congratulations on the deal. Just a two-part question on Prolec. Scott, maybe you can double-click a little bit on the commercial limitations that currently exists under your agreement. And then as you kind of think about getting after that \$80 billion addressable opportunity by 2030, I just want to know like you're - like how you're going to get after it, like the ability to really kind of accelerate the profitability of the business?

Scott Strazik: Thanks, Joe. So Prolec had exclusivity for transformers in the North America market. So as an example, if customers wanted fast shift short-cycle transformers that the Prolec factories were at capacity on, it wasn't easy for us to fulfill on those opportunities even if, as an example, we had capacity in some of our factories from outside the US, because we provided exclusivity to them to serve that market.

Now there were times, there were exceptions, we were able to work through that dynamic with Prolec when they were at capacity and that we did leverage our global factories. But I would say it was more the exception than the rule. This eliminates that dynamic. All of a sudden, we're able to take their North America factories and the capacity, but also our global capacity and especially where cycle time is at a premium, leverage that global capacity to improve the profitability of our collective business.

There also are dynamics where although we were a 50% owner of the JV, we weren't in control. And that included on the front-end commercially on pricing and commercial strategy, and candidly, with the customer experience in totality. This streamlines that customer experience. And a lot of where we've yielded real benefit with switch gears and circuit breakers, now we can bundle together into one more integrated solution that with a more integrated solution, we

have confidence we can do that in an even more attractive price and economic way for us and, ultimately, an easier customer experience for our market.

There also are a number of customers, as an example, that are either larger Prolec Transformer customers or on the inverse larger GE Vernova circuit breaker and switchgear customers. Well, the reality is, unless it's fixing something that's in the field, both are needed every single time to provide that solution. On a go forward basis, I have a very high degree of expectations that we will converge that scope in both cases, where either Prolec or GE was larger and get the other half, so to speak.

So, these are all opportunities in, I would say, North America in the medium term, that will yield even more opportunity. What we've shared with you today is basically our core baseline JV financials as a 50% owner of this business on the as-is business to a large extent. So, we haven't embedded these things into the numbers we've shared with you. And as we talked about earlier, we haven't embedded the opportunity to take some of this technology and ultimately export it internationally with medium and low voltage.

Now I do think that takes longer. The near-term benefits are going to be the North America commercial synergies that I started with. Medium to long term, as you get into later in the decade, we can capacitate some of our existing international factories with incremental technology and get an incremental boost. But I think that's chapter two to chapter three.

What we're really going to focus on over the next 12 months is to really take advantage of those North America commercial synergies that should give us an opportunity to outperform in '27 and '28 once we get there.

Operator: The next question comes from Andy Kaplowitz with Citigroup.

Andy Kaplowitz (Citigroup): Good morning, everyone. Thanks for fitting me in.

Scott Strazik: Hi, Andy.

Andy Kaplowitz: Scott, so you said you're expecting 70 gigawatts between the end of the year - at the end of the year between slot reservations and backlog in Gas Power. I know you said in the past that you'd be comfortable capacity when JV gets to 100 gigawatts. And when you get to that 20-gigawatt annual run rate in the second half of '26. But are there any situations where you'd actually begin to ramp capacity get to higher than 20 gigawatts annually before you have that much backlog, especially given you're already getting pretty close by the end of this year?

Scott Strazik: Andy, at the moment, I would say no. I don't see that materializing. And just to be fair, and I don't want to pick on the words, but I wouldn't say that we've been saying we'll be comfortable to add capacity when we get to 80 to 100. We said we'll evaluate it at 80 to 100. Because at the end of the day, what keeps playing out here is we're booking more orders and more specifically, at this point, slot reservation agreements out longer.

And we continue to like the economics of what we're booking and don't necessarily see us losing parts of the market that we care about. So, at the end of the day, as we continue to see growth but that it's for fulfillment later at even more attractive economics, I'm not sure that necessarily justifies increasing capacity today because we're not the only long lead item.

At the end of the day, the customers need to secure the EPC build-out. They need to secure the gas pipelines. We're pleased that we're going to end the year closer to 70 gigawatts with momentum into 2026 that does say to you that we do see that 70 gigawatts going higher over the course of 2026. The good news for us is as we're flirting with that 80-plus gigawatt number as we're projecting out another year or thereabouts, that is the same time that we'll be on this 20-gigawatt run rate.

And when we're there, simultaneously as we're pushing our commercial teams to continue to create value every day, rest assured we're pushing our supply chain to continue to find productivity. And as we do that, and I think we will, because as I mentioned earlier, the 200 machines we've installed already year-to-date in these factories, I don't think our supply chain has fully quantified the productivity benefits of that can give us a modest capacity lift.

We'll know a lot more about that about this time next year, as I would say it. But we'll keep scrutinizing the right investment return dynamics. But today, I view the likely outcome is our capex peak for the Gas buildout is 2026.

Same answer for Grid. We see the capex peaking in 2026, both the organic business and with the Prolec JV and that positions us very, very well to serve this market. But we're committed to continuing to update you on where we are and where we're going, but we actually feel very good not only on where we are right now – both with the build-out, peak capex in '26 – but within our ability to serve these markets for the long term.

Operator: The next question comes from Chris Dendrinis with RBC Capital Markets.

Chris Dendrinis (RBC Capital Markets): Good morning, and thank you. I wanted to follow up again just on Prolec and looking at that low double-digit revenue CAGR through 2028. And I think in a previous question, you suggested that maybe there was some capacity constraints. So, is that growth outlook capacity constrained? And then how does the growth outlook for Prolec compare to the growth opportunity for the rest of the Electrification portfolio? Thanks.

Scott Strazik: We'll triangulate with the rest of the Electrification portfolio, Chris, on December 9th and the growth outlook we project in Electrification. The reality is that business has continued to outperform our own growth expectations really for 18 months. I mean, that's why Ken framed up, again, raising the revenue expectations of the business for this year.

We owe you an update on the revenue expectations of the business by '28 on December 9th and a macro view on what it can mean even beyond that. But clearly, our core business has been growing at even higher than that the Prolec growth rate as you've seen over the previous 18 months. And there's a lot of momentum there.

I mean you look at the third quarter where the organic book, and I mean, our orders grew more than 100%. That is generally stuff that's going to cut in, on average, two years from now, depending on products. Some of its longer, some of its shorter, but directionally two years.

And when you think about another quarter where the orders are demonstrating that much growth, what it's kind of telling you is that the revenue growth rate of our core business and Electrification is likely going to be higher for longer. And at least in those numbers higher than what we're showing you at Prolec.

Now just to repeat again, on Prolec, like we've been managing with our core business, we're often trying to provide floors on day one and then to build off of them. What we're sharing with

you today is really the JV strategy financials over the next three years without embedding us leaning into a lot of the things we talked about in this call. We'll have another conversation on what this can mean when we're into the business and owning and controlling it versus sharing with you what we see every day as a 50% owner. And I hope you can hear the excitement in both of our voices that we like our chances on what we can create here to try to converge those growth rates but we need some time before we lean into that.

Ken Parks: And Chris, I think the only point that I would add just because of your specific question around capacity constraints within the Prolec numbers, I'll repeat again what I said earlier. They've already launched, completed and/or have investments to expand capacity across their, call it, most of the facilities, but specifically Mexico and the US, valued at \$300 million, which is looking at the projections that they have and ensuring that they have the capacity to get there.

A lot of words to say, no, we do not feel like we're capacity constrained. They are not capacity constrained to meet the numbers.

Scott Strazik: And as a team, just to reinforce. I mean, there is solid lean foundation within the Prolec JV today. I mean this is a JV that already is very well-run with a team we like immensely. Now we see opportunities where we can help those factories. I also am highly confident that there are management practices at the JV that are going to help our core business and that all boats are going to rise as we learn from each other.

But having spent time myself in a number of these factories over the last three years as a 50% owner, they're well-run factories but we also see opportunities to further invest in them and serve this market. And that's exactly what we're going to do.

Operator: The next question comes from Michael Blum with Wells Fargo.

Michael Blum (Wells Fargo): Thanks. Good morning, everyone. I wanted to ask another question on the gas turbine business. Can you speak to why most of the backlog increase is slot reservations as opposed to orders? Is that just a function of timing? Are there other dynamics going on there?

And then can you just level set us, is '26 to '28 basically sold out and you're more or less selling '29 and beyond at this point? Thanks.

Scott Strazik: Sure. I mean I think we naturally start the funnel with slot reservation agreements because our customers want to secure their long lead equipment. Now we don't want to put things into backlog until the customers to secure their EPC contracts until we have transparency on their gas availability until the permitting process is progressing. So, the orders classification to be candid is more our classification than the customers, right? Because in many cases, they're providing us enough financial capital on day one that one could argue we could be booking these things as orders.

But we've made the decision as the surge in activity started that we did expect within what we're calling slot reservation agreements still some level of movement on timing because I think it can be hard to build gas plants and secure the things that I just framed up. So, there's a level of conservatism on our end to check those boxes before we move them to backlog because we don't want to see much backlog volatility.

Now we have not. And frankly, to-date, we haven't seen much slot reservation volatility either. But there's just been so much growth we've been wanting to be cautious for that. So, I wouldn't be surprised if you continue to see slot reservations growing faster than orders, because candidly, it's easier to secure the equipment with us by giving a deposit. It's harder to then to secure that EPC schedule, the gas pipelines are progressed with the air permits and there's a lag factor there. But the benefit of the customers cutting those checks is they know they've got the equipment while in parallel, they work those other solutions.

Ken Parks: A point that we made a couple of times maybe in previous calls, I'll add to this because there's usually a follow-on question that says, are slot reservation a little bit less sure than the orders piece of it? But the reality is, in both slot reservations and in the orders that are going into backlog, as Scott mentioned, there's a measurable amount of cash funding upfront and down payments. And in both cases, they're non-refundable.

So, the customers are making our commitment, both at the slot reservation point as well as at the order point.

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

Operator: This question comes from the line of David Arcaro with Morgan Stanley.

David Arcaro (Morgan Stanley): Thanks much. Morning. I was wondering if you could maybe just elaborate a little bit more on how you think about modular power that's behind the meter power that we're seeing, things like your aeroderivatives but also smaller scale gas turbines, engines, even fuel cells? How do you see those? Is that a longer-term competitive threat to the larger frame gas turbines? Do you see an opportunity to expand capacity and actually go after more volume in that side of the market? I would be curious to your strategic thoughts on that element of the market right now?

Scott Strazik: David, I think over time, when I talk to the team about all the time economics rule the day, not style points. And I would say that the economics of the larger gas turbines are just so much more economically efficient because they consume so much less fuel to produce so much more output that over the medium to long term, heavy-duty gas turbines are going to carry the day. These are customers that are underwriting business cases for 20-year - 20-plus year economics.

Now that said, there's a very aggressive surge for near-term power that smaller applications that can provide bridges, even if those bridges are economically less efficient, will get moved in this environment, and then over the medium term will shift towards backup power. We see that with some of our smaller applications, some of our aeroderivatives, but for the next five years, will likely run closer to base load and then heavy-duty will follow over time, and they'll shift to being the backup power.

And what's really happening with aeroderivatives and some of the other solutions that you're talking about is they will replace what has been the diesel gen sets of the past that many of the hyperscalers and data centers were using for backup power and some of these other solutions will become that reliability support.

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

Scott Strazik: Michael, I appreciate it. Everybody, thank you for giving us the time. I just want to again thank our customers for their continued faith in us. I continue to have a lot of

pride with our employees and our partners that are working with us every day to position ourselves to meet this ramp.

Another productive quarter for us, an important step forward on our value creation journey with the announcement of Prolec, both value creation with customers but also with our investors. We talked a lot about the prior 90 days, but I would just emphasize that this is about where this company is going for the future. The opportunity we have to serve this market and our very high confidence and conviction with the right balance of humility that we're the right company for this moment.

So, thank you for giving us this time today, and we look forward to seeing you all on December 9th.