4Q & Full Year 2025 Financial Results & Outlook

Wednesday, 28th January 2026

Introduction and Disclaimer

Michael Lapides

Vice President, Investor Relations

Welcome and disclaimer

Welcome to GE Vernova's fourth quarter 2025 earnings call. I am 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 press release and presentation slides, both of which are available on our website. Please note that 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 unless otherwise specified. In addition, our 2026 guidance and our by 2028 outlook being presented today include the 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 will hand it over to Scott.

Summary

Scott Strazik

CEO

Productive 2025 positioning company for future

Thanks, Michael. Good morning, everyone, and welcome to our fourth quarter earnings call. We have been busy since our December 9th investor update, and I thought I would start with progress since the event.

First, on the positive, we continue to see very strong new Gas contracts, with an incremental 6 GW signed in the last three weeks of December, for a total of 24 GW of new contracts in 4Q 2025 alone. We also ended the year with strong orders in both Electrification and Wind. Electrification had its largest order quarter in its history, and Wind had its largest order quarter of 2025.

On the negative, we have been impacted by the US government's halting of all Offshore Wind activity on December 22nd, which led to us booking an incremental accrual in 4Q for costs associated with the delay on the Vineyard Wind project. Ken will talk more about this in his section.

I am pleased that our Prolec GE acquisition has received rapid approval from all required jurisdictions. This will allow us to close the acquisition on Monday, February 2nd.

Taking all this into consideration, we are raising our full year 2026 financial guidance, which now includes GE Vernova's full ownership and operation of Prolec for 11 months in 2026.

Taken in totality, the last three weeks of December since our last update were a reasonable proxy for our 2025 performance in total. Strong growth in our largest, most profitable businesses with momentum continuing. Challenges in Wind that we are continuing to combat with accretive capital allocation with the approvals required to close our first sizable acquisition as a standalone public company. 2025 sets us up for substantially more profitable growth moving forward.

In 2025, we increased our total backlog by over 25%, or $31 billion, to $150 billion, with robust, profitable order growth in Power and Electrification further underscoring our momentum as we kick off 2026.

In Power, we continue to see accelerating demand and favorable pricing trends for both equipment and services as customers invest in new units and existing assets. In 4Q, Gas Power equipment backlog and slot reservations increased from 62GW to 83GW sequentially, primarily due to strong US demand, but also with agreements in the Middle East, Vietnam and Taiwan, with backlog increasing from 33GW to 40GW and SRAs increasing from 29GW to 43GW. We expect to reach approximately 100GW under contract in 2026, under the assumption we'll ship high teens in gigawatts this year, with new contracts north of 30GW.

In 4Q, we grew our Power services backlog to $70 billion, up $5 billion sequentially and $9 billion year-over-year. This increase was mainly driven by strength in Gas, with customers investing in fleets and signing new long term service agreements at favorable pricing, which drove strong, high margin services backlog growth.

In Electrification, customers are working to keep pace with growing electricity demand, grid stability needs and national security interests. In 4Q, we grew the segment's total backlog to $35 billion, up $4 billion sequentially and $11 billion year-over-year, representing Electrification’s largest growth quarter on a dollar basis in 2025. Importantly, we are seeing demand across the segment for grid and data center equipment, both with traditional customers globally and hyperscalers primarily in the US. Of note, over $2 billion of Electrification’s orders were signed directly for data centers in 2025, more than triple the 2024 total. We also signed large deals for providing grid resilience and reliability solutions in Saudi Arabia and Australia, an HVDC contract in Germany, and a large grid equipment contract in Iraq in the year.

In Wind, we received approximately $3 billion of orders in 4Q, the largest of the year for the segment. In Onshore, we continue to receive tech selects for repowering and new units, as customers utilize safe harbor and initiate physical work for approximately 10GW of repowering opportunities in the US. The team is focused on what we can control.

Taken together, our pathway to substantially more profitable growth is right in front of us. I will talk about this more on page five with the growth of margin in our equipment backlog, including $8 billion of incremental margin added to our equipment backlog in 2025.

I am also pleased with the returns that our 2025 investments are yielding. On the capex side, we remain on track to see a substantial step up in gas turbine output in 3Q’26. We installed over 200 new machines in our factories while adding nearly 1,000 new production workers in 2025. We plan on adding an incremental 200 machines in over 500 production workers in 2026. Electrification is on track with its growth delivering more than 25% revenue growth in 2025, with a clear pathway to deliver $13.5 to $14 billion in revenue, representing 20% organic growth, plus approximately $3 billion from Prolec GE in 2026. Our investments in automation and robotics are advancing at scale, and AI is starting to gain momentum in our engineering organization and back office functions. Our advanced research center is progressing future businesses for us. This includes direct air capture, where we already have facility up and running. Real momentum in our solid state transformer program. And a good technical progress on our fuel cell program in Malta, New York.

We are making all of these investments from a position of financial strength, ending the year with almost $9 billion in cash. In 2025, we were able to return $3.6 billion to our shareholders, while repurchasing more than 8 million of our shares. We continue to see substantial opportunity to create value, including through incremental investments with strong returns.

Delivered strong performance in 2025

A few more comments on our financial performance on page four. We booked $59 billion of orders, up 34% year-over-year. We also grew our revenue by 9% year-over-year to $38 billion, with growth in both equipment and services, while increasing our adjusted EBITDA margin by 210 basis points year-over-year.

We generated $3.7 billion in free cash flow, more than double our prior year, while investing more than $2 billion in R&D and capex.

We are increasing our 2026 guidance and by 2028 outlook, which now includes Prolec GE. Ken will speak to this more in a moment. And as announced, we are doubling our dividend in 2026 versus 2025 and have increased our stock buyback authorization to $10 billion from the previously approved $6 billion program.

One of the primary drivers of our conviction on our path forward is the significant growth and margin expansion in our equipment backlog again in 2025, which I will touch on in the next page.

Margin in equipment backlog increased $8 billion in 2025

On page five, we show the growth of margin in our equipment backlog consistent with our practice from last January. We started 2025 with the expectation to increase our margin dollars in equipment backlog above our run rate in the prior two years. We achieved that expectation, adding $8 billion in equipment backlog margin dollars in 2025, more than the prior two years combined.

We ended 2025 with $64 billion in equipment backlog, an increase of approximately 50% year-over-year with an incremental six points in equipment margin expansion. This included 11 points of growth in Power, mainly driven by our Gas Power business.

We expect significant growth again in Power and Electrification’s backlog in 2026 at better margins as we convert higher priced gas slot reservation agreements into orders and benefit from strong demand and pricing for grid equipment. These businesses’ longer equipment cycles mean that we will not begin delivering on the majority of the higher margin orders placed in 2024 and 2025 until 2027 and beyond.

In Wind, we expect relatively stable margins this year and for backlog to decrease as we execute on the remaining unprofitable Offshore Wind backlog and project a smaller Onshore Wind backlog given the recent softness in US orders.

As we noted in December, we see incremental opportunity for the teams to expand margins that are not projected in our backlog today. This includes our operating teams delivering our backlog with variable cost productivity versus known cost today, accelerating capacity additions, leveraging lean to sell incremental slots, and a recovery in US Onshore Wind orders.

In summary, good progress in 2025 and we are excited about what's ahead. With continued strong demand and pricing in Gas, the strong demand environment across multiple products in Electrification, and my expectation for the team to drive variable cost productivity not embedded in our backlog margins today, we expect to add at least as much equipment margin dollars in backlog in 2026 as in 2025, setting us up for even more profitable growth over the long term. Said differently, in totality the equipment margin backlog from 2023 to 2026, those four years will add at least $22 billion in equipment margin, driving future profitable growth.

With that, I will turn the call over to Ken for more details on our full year and fourth quarter performance, as well as our financial outlook.

Financial Snapshot and Segments

Ken Parks

CFO

Financial snapshot

Thanks, Scott. Turning to slide six, we finished 2025 strong, with robust orders, growing backlog and revenues, margin expansion, and significant free cash flow generation.

In the fourth quarter, we booked orders of $22.2 billion, a 65% increase year-over-year and a book-to-bill ratio of approximately two times. Equipment orders increased 91%, while service orders increased 22%. All three segments delivered significant orders growth across equipment and services.

As Scott mentioned, our backlog expanded to $150 billion, a year-over-year and sequential increase, with equipment backlog increasing to $64 billion, up approximately $21 billion and 50% year-over-year, while our services backlog grew $10 billion, or 13% year-over-year, to $86 billion, led by Power.

Revenue increased 2% with services growth in all three segments. Equipment revenue was flat year-over-year as 41% growth at Electrification and 8% growth at Power was offset by anticipated lower Wind revenues. Price was positive in all segments.

Adjusted EBITDA grew 6% year-over-year to $1.2 billion, led by Electrification and Power. Adjusted EBITDA margin expanded 30 basis points, with higher price and productivity more than offsetting higher contract losses at Offshore Wind, as well as inflation and investments in growth and innovation.

The strong adjusted EBITDA and working capital management drove positive free cash flow of $1.8 billion in the fourth quarter. Working capital was a $2.3 billion cash benefit, driven primarily by down payments on higher orders and slot reservations at Power, as well as higher orders at Electrification. Year-over-year, free cash flow increased more than $1 billion, driven by higher positive benefits from working capital and stronger adjusted EBITDA, partially offset by higher capex investments supporting capacity expansion.

We ended 4Q with a healthy cash balance of nearly $9 billion, up approximately $1 billion compared to the third quarter. During the fourth quarter, we returned $1.1 billion of cash to shareholders through share repurchases and dividends. Also, both S&P and Fitch upgraded our investment-grade credit ratings and maintained positive outlooks on these upgraded ratings.

In early February, we expect to issue roughly $2.6 billion of debt as we complete the previously announced acquisition of the remaining 50% ownership stake of Prolec GE. We will remain below one times gross debt-to-adjusted-EBITDA after this debt issuance.

We are encouraged by our strong financial performance in 2025. During the year, we secured $59 billion of orders led by Power equipment orders more than doubling and Electrification equipment orders growing more than 20%. Service orders increased 12% with growth in each segment.

We delivered approximately $38 billion in revenue, with 26% growth in Electrification and 10% growth in Power. We increased adjusted EBITDA by 46% and expanded margins 210 basis points, driven by price, volume and productivity, more than offsetting the impact of growth and innovation investments and the impact of tariffs.

Finally, we generated $3.7 billion of free cash flow, a year-over-year increase of $2 billion. As discussed in prior quarters, we continue to utilize lean to improve our billing and collection processes and drive better cash management and linearity. In 2025, we reduced days sales outstanding by two days compared to year end 2024, resulting in over $200 million of additional free cash flow in 2025.

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

Power

Turning to slide seven. Power delivered another strong year led by Gas Power. Power orders in 2025 grew more than 50% given robust demand for Gas equipment and growth in services, which combined increased backlog by more than $20 billion. Power grew revenue 10% for the year and expanded EBITDA margins by 100 basis points to 14.7%, driven by higher price and productivity, primarily at Gas Power and Steam Power.

In the fourth quarter, Power orders grew 77%, led by Gas Power equipment tripling year-over-year on higher volume and pricing. We booked 41 heavy duty gas turbines, our largest orders quarter of the year and an increase of more than 70% year-over-year, including 15 HA units. We also secured orders for 18 aeroderivative units. That is eight more than the fourth quarter of 2024. Power services orders increased 15% as customers continue to invest in their existing fleets.

Revenue increased 5%. Services revenue increased due to higher gas transactional services and Nuclear. Equipment revenue increased, driven by Nuclear as we progress in building our first SMR at the Darlington site with OPG, as well as aeroderivative growth at Gas Power. This growth was partially offset by fewer heavy duty gas turbine shipments, primarily due to the improved linearity of deliveries through 2025 compared to 2024.

EBITDA margins expanded 160 basis points to 16.9%, mainly driven by price and productivity, more than offsetting additional expenses to support capacity investments at Gas and R&D at Nuclear, along with inflation.

Looking to the first quarter of 2026 at Power, we expect continued year-over-year growth in Gas equipment orders. We also anticipate high single digit revenue growth driven by both higher equipment and services. We expect EBITDA margin of approximately 14 to 15% as volume, price and productivity should more than offset additional expenses to support capacity and R&D

investments as well as inflation. Given the typical seasonality of services outage, Power revenue and EBITDA margin should be lower sequentially in the first quarter.

Wind

Turning to slide eight. The Wind team delivered similar EBITDA losses in 2025 despite the impact of tariffs, driven by improved pricing and higher turbine deliveries at Onshore Wind, offset by Offshore due to the absence of contract cancellation settlement gain recorded in the third quarter of 2024, net of lower year-over-year contract losses.

In the fourth quarter, Wind orders increased 53% year-over-year, mainly due to improved Onshore equipment orders, primarily outside of North America. However, it is still difficult to call an inflection point in US orders as customers still face permitting delays and tariff uncertainty. At Offshore, we remain focused on executing our challenged backlog.

Wind revenue decreased 25% in the quarter, given lower Onshore equipment deliveries as a result of softening orders over the last year.

Wind EBITDA losses were $225 million in the quarter, below the fourth quarter of 2024 levels due to higher Offshore contract losses, including the impact of the recently issued US order to halt construction of all Offshore projects, and lower Onshore equipment volume, partially offset by improved Onshore services.

For the year, Wind losses came in at approximately $600 million, higher than our expectations of approximately $400 million outlined during our December investor event, driven by the US Government's December 22nd stop work order for Offshore Wind projects. Until that point, the team was on a path to achieve these expectations as they worked to complete the Vineyard Wind project in early January. The order created a potential delay of at least 90 days, and we accrued in 4Q the estimated incremental contract losses for the extension of installation work. As a reminder, the project has 62 turbines in total, and we have made significant progress, with only ten turbines needing blades and one turbine left to be installed at the time of the stop work order. At any time the order is in place, we are unable to execute the project. This and the resulting incremental costs are excused under a declaration of force majeure prompted by the government action.

We understand that Vineyard Wind received an injunction of the stop work order yesterday. If given permission to resume work soon, we would work to complete installation of the remaining turbines by the end of March. At the end of March, we'll lose access to the vessel required to complete installation of the remaining turbines. If we are unable to complete the installation of the remaining 11 turbines, 2026 Wind revenue could be negatively impacted by approximately $250 million due to our inability to bill the customer for those turbines. Because of our contract loss accruals and protection from incremental costs resulting from the stop work order, we do not anticipate significant additional negative EBITDA impacts for the Vineyard Wind project beyond the amounts already recorded.

For first quarter 2026, we anticipate Wind revenue to decline at high teens rate year-over-year due to lower Onshore equipment deliveries. We expect EBITDA losses to be between $300 million and $400 million, down year-over-year, primarily as a result of lower Onshore equipment volume, as well as the approximately $70 million impact of tariffs that started in 2Q of last year.

Looking at 2026, we expect significant improvement in Wind revenue in the second half of the year, given only 30% of our expected Onshore turbine shipments are in the first half, as almost 70% of our 2025 equipment orders came later in the year. Also, the volume we are shipping in the first half has fewer contractual protections for tariffs since we signed these orders before their implementation. As a result, we expect EBITDA losses in the first half to be partially offset by profitability in the second half.

Electrification

Now turning to Electrification on slide nine. Strong demand and price resulted in 21% orders growth and 26% revenue growth in 2025. Electrification equipment orders continued outpacing revenue, further increasing the equipment backlog to $31 billion, up more than $10 billion compared to the fourth quarter of 2024. EBITDA margins expanded 560 basis points to 14.9%, driven by volume, favorable price and productivity.

In the fourth quarter, orders remained strong at roughly two and a half times revenue and increased 50% year-over-year to approximately $7.4 billion due to growing grid equipment demand, particularly for synchronous condensers, substations, partially to support data center growth, and switchgear. We saw strong equipment orders growth in the Middle East, which increased over $1 billion, and in North America, which more than doubled year-over-year.

Revenue, increased 32% with growth across all regions. We saw strong volume and higher price, driven by switchgear and HVDC equipment.

EBITDA increased 63% in the quarter, with margin expansion of 320 basis points to 17.1%. Margin expansion was led by more profitable volume, productivity and favorable pricing.

Looking to the first quarter of 2026, we anticipate continued solid equipment orders with healthy margins. First quarter Electrification revenues should be similar to the fourth quarter of 2025 as we include Prolec GE, resulting in a significant year-over-year increase. We expect continued strong EBITDA margin expansion to 16% to 17% from volume, price and productivity.

Guidance

Increasing 2026 guidance

Moving to slide ten to discuss GE Vernova guidance. For the first quarter of 2026, based on our expectations for the segments as already outlined, we expect continued year-over-year revenue growth and adjusted EBITDA margin expansion. We also expect to deliver positive free cash flow in the first quarter of 2026, 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 are increasing our 2026 guidance provided in December to now include the Prolec GE acquisition. We now expect full year 2026 revenue to be in the range of $44 to $45 billion, up from $41 to $42 billion, with growth in both services and equipment. We continue to expect adjusted EBITDA margins of 11% to 13% as we deliver our growing backlog with favorable pricing plus improved operational execution. We are also increasing our free cash flow guidance to between $5 and $5.5 billion, up from $4.5 to $5 billion.

By segment, we continue to expect 16% to 18% of organic revenue growth in Power, driven by Gas Power. We anticipate Power EBITDA margins to be between 16% and 18% as positive price, increased volume, leverage and productivity more than offset inflationary impacts and the additional expenses for AI, automation and increased production.

In Electrification, we now anticipate revenue to be between $13.5 and $14 billion, which represents 20% organic growth plus approximately $3 billion of revenue from Prolec GE. We continue to expect EBITDA margin to expand to 17% to 19% as we deliver our more profitable backlog.

In Wind, organic revenue is expected to be down low double digits due to decreased Onshore equipment revenues given the softness in orders, but we expect EBITDA losses to be approximately $400 million in 2026, which is consistent with our expectations discussed in December, as improvement in Onshore Wind services and Offshore Wind offset the lower Onshore equipment volume.

We expect 2026 GEV adjusted EBITDA to be more second half weighted than 2025, with the highest revenue and EBITDA in the fourth quarter of 2026. 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 approximately 20GW starting in mid-year 2026. 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 following the completion of the Prolec GE acquisition. And as mentioned earlier in Wind, we expect higher second half Onshore turbine shipments, given our recent orders profile and better services profitability.

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

Stronger financial trajectory ahead

Turning to slide 11, we are also increasing our by 2028 outlook to include Prolec GE. We now project at least $56 billion of total revenue by 2028, up from $52 billion, implying a low teens growth CAGR through 2028. And we still expect to achieve adjusted EBITDA margins of 20%.

We are increasing our cumulative GE Vernova free cash flow generation from 2025 to 2028 by approximately $2 billion to at least $24 billion, which incorporates nearly $1 billion of incremental capex from Prolec GE to support increased transformer production. This brings our expected cumulative capex and R&D investments through this period to approximately $11 billion.

At Electrification by incorporating Prolec GE into our by 28 outlook, we now expect approximately $4 billion of incremental revenue on top of high teens organic growth, and we maintain expectations for 22% EBITDA margins. We are not including any synergies from the Prolec acquisition into our updated outlook, but we see real opportunities in both revenues as well as costs.

Overall, the combination of rising demand, combined with the consistently stronger execution, investments into our business and the acquisition of Prolec GE, sets us up nicely going forward. With that, I will turn it back to Scott.

Summary

Scott Strazik

CEO

Wrap-up

Thanks, Ken. At the wrap, a few themes. We are executing well in the early stages of our multi-year growth trajectory. This is evidenced in the $150 billion backlog we entered 2026 with, versus roughly $100 billion in backlog that we entered 2022 with after the announcement of our spin from GE in November of 2021.

Just think about that for a moment. Just over four years ago, we announced our separation from GE, and today our backlog is 50% larger than it was upon the time of the spin announcement. The steepness of our growth trajectory is probably best evidenced in our Electrification segment, which I often say has been the largest beneficiary of GEV working as one purpose built, focused company. Now, better linking the commercial muscle and customer relationships of our Power and Wind businesses with the Electrification solutions we provide. Electrification generated about $5 billion in revenue in 2022, and we now expect that number to be $13.5 to $14 billion in 2026. And we are just getting started.

But this isn't about growth for growth's sake. In the last three years alone, we have more than doubled our GEV equipment backlog, adding over $14 billion in future margin dollars in this backlog while adding $13 billion in high margin services backlog over the same period.

On the operations front, we are improving but culturally hunting every day for waste and opportunities to serve our customers in a more efficient manner. Take our transformer product line inside Electrification. Our labor hours were up 39% in 4Q, with output increasing more than 50% year-over-year as we drive significant productivity at these sites. And we now see real opportunity to apply a similar playbook to the five large factories we are acquiring with Prolec GE. In Onshore Wind our critical customer-facing events are down over 50% in 2025 versus 2024 and the business is well positioned to deliver a much more profitable services business in 2026. But we also are running the business with the humility to acknowledge we continue to have real opportunity to improve on our execution in areas like Offshore Wind as we complete our only two projects.

We are doing all of this while investing across the near, mid and long term horizons. Our customers and investors will see substantial value creation from our increased gas turbine output starting in 3Q 2026. These incremental returns are right in front of us, less than 180 days from now.

Other investments we are making are just starting to take shape, but I have high confidence that our automation and AI investment returns will grow in 2027, becoming a bigger part of our margin expansion in 2028. These investment returns are not included in our 2028 financial outlook today, and as we invest in these time horizons, we also are investing in businesses for the next decade.

We expect SMR to contribute meaningfully to the top line of our power business in the next decade. We are making real progress in construction of our first plant in Ontario today, while continuing to invest in the engineering to drive down the cost of the product for the long term.

Nuclear was a drag on Power's 2025 margins, and we expect 2026 to be directionally similar. But our customers and investors will see this value in the next decade.

Similar theme with our solid state transformer product line. We have completed production of our first unit and just two weeks ago, I visited our new testing facility in upstate New York, that we'll be using to test and validate the performance of this first unit before delivering the completed solution to our hyperscaler customer in the autumn of this year.

And we can do all of this while retaining substantial capital to our shareholders, as evidenced in our $3.6 billion return of capital in 2025 and our announced increase in our dividend and share buyback program. So we enter 2026 pumped up about the company we are creating, the opportunities to serve our customers and deliver returns for our owners, not only in 2026, but through cycles and for the long term.

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

Q&A

Joe Ritchie (Goldman Sachs): I am just going to focus my one question on Gas Power equipment orders. Clearly incredible momentum in 2025. I think your original expectation was for backlog and for SRAs to be roughly around 60GW and you ended at 83 GW. Now you have an expectation of 100GW by the end of 2026. Scott, maybe just talk about the nature of your discussions. Have they changed at all? The types of customers. And then also, you did mention that you expected the margin in your backlog to be better as well, so it sounds like the pricing discussions have also been positive. Thank you.

Scott Strazik: I would say yes. Pricing does continue to strengthen. When we look at where we are trending with our slot reservation agreements today versus our existing backlog, there is another 10 to 20 points of pricing strength in the SRAs today. We are pleased, you are right, we were talking in the middle of last year at 60GW and landed at 83GW, because the intensity of the discussions really late summer or fall, right through the holidays, have continued to be very intense.

When you think about this year, getting to 100GW by the end of the year, what I would tell you is it is likely going to be a larger proportion of orders. You know, today with the 83GW, it is 40GW of orders, 43GW of SRAs. That probably shifts towards more of a 60/40 split, with 60% on order over the course of 2026 and then really, the question that we'll have to evaluate and share with you as we go is how many customers are ready to commit to slots today for really 2031 to 2035? And our 100GW assumption that we talked about today doesn't really assume a lot of those, let's call it framework agreements, get closed in 2026. But they are active discussions right now and active discussions we are going to keep working. That could take that 60/40 split of 60GW of orders directionally, and 40GW of SRAs to see the SRA number grow even higher over the course of this year. But it is January and we want to see how those discussions progress. Thanks, Joe.

Julian Mitchell (Barclays): I just wanted to circle back to the Gas Power equipment market, because I suppose we get a lot of questions from investors around smaller turbine makers looking to grab share, looking to take advantage of the fact that you are trying to be measured on capacity increases and there are very long lead times. And obviously, there was an announcement of someone looking to repurpose ancient narrowbody engines for power gen supply. So I just wondered, I suppose two things. One was how serious do you think the threat of market share gains from that plethora of smaller players is? And do you think that they could have some negative effects on pricing in the equipment market, as their capacity and share gain efforts ramp up in the years ahead? Thank you.

Scott Strazik: I would just reinforce the comment I made before, which is we do see our slot reservation agreements 10 to 20 points higher in price than where we are with our backlog. So we are continuing to gain price as we continue to play this game in Gas. Frankly, a lot of the smaller applications are simply enabling more projects to get started because what it is enabling is earlier power that truthfully, we cannot provide. But then on the back end, as the heavy duty gas turbines are available, those smaller applications will become the reliability solution on the heavy duty gas turbine.

So when we talk about every day is this is about economics. And when you are underwriting 20-year business cases, efficiency matters a lot when you are running these units at base load. So now with humility, we do not really view those smaller units to be competition. But that doesn't mean that is not a good business in the near term. I think those smaller applications could do very good business the next few years. But we also have just as much conviction in the competitiveness and the value proposition our heavy duty gas turbines are providing and will continue to provide. And we expect to continue to have the attractive share in the market that we have had and will continue to have.

Ken Parks: And, Julian, I know you know this, but we obviously play in a piece of that as well. So we have aeroderivative units. And I think last year we booked orders for about 63 of those, which was up significantly year-over-year. Because of us playing in that market, it informs those comments that Scott just made, which is we know how the customers are thinking about utilizing that equipment in the mid-term.

Nigel Coe (Wolfe Research): So my one question is on the backlog margins, specifically for Power. 11 points of improvement year-over-year is really impressive. Maybe just could you talk about the 17 points of improvement since year end 2022? The starting point would have been about a breakeven. I just want to confirm that. And then based on where you are pricing turbines today, would you expect backlog margins to continue improving in 2026?

Scott Strazik: That is fair that directionally the starting point is approximately breakeven. And most definitely, we expect the margins in equipment backlog in Power to continue to grow at a very healthy clip in 2026. And that is why we articulated on the call that we expect to add at least as much equipment margin in backlog in 2026, i.e. at least $8 billion this year as we did last year.

Ken Parks: And we get excited about that not only on the equipment side of it, but if you think about the pricing on the service contract that comes along with a new heavy duty gas turbine, as the pricing is accelerating on the equipment itself, as we sign those new contracts for service orders, we'll see incremental pricing there. So your point is exactly right. We are seeing accretion in margins on the equipment. That also leads to a long life of pricing improvement on the service side of the portfolio.

Scott Strazik: Because when you think about it, everybody, we added about $12 billion of equipment backlog in Power. We added $9 billion of services backlog in Power over the course of the year. Both are experiencing real margin accretion.

Mark Strouse (JP Morgan): Good morning everybody. Thanks for taking my question. Scott, maybe switching gears to the Electrification segment. Just kind of stepping back, kind of leading up to the spin. Just kind of the opportunity that you've been talking about, investing in that business to expand it from what it has been over the last decade or so. Obviously, you are clearly making progress with the orders, you talked about kind of record orders in 4Q. To the extent that it is possible, can you just kind of update how much of that do you think is really driven by just kind of the overall market strength versus what GE is doing specifically to gain market share? Thank you.

Scott Strazik: Well, I mean, Mark, with humility, I would argue that we are able to provide a very unique solution to the end customers today with the linkage of the power generation and the electrical equipment together in a way that it is difficult for many other providers to do. So this isn't simply about drafting on a larger market. I would say that was maybe more of a theme in 2023, as the European market started to move post the Ukraine crisis, that supply and demand created an opportunity for us and we took advantage of it. That was a 2023 theme. 2025 theme is we are providing a differentiated solution, and our ability to link power generation solutions with electrical equipment is positioning us to continue to grow this business on an outsized basis.

So I look at the business and I say $14 billion of revenue in 2026 directionally. We think our addressable market today with the products we sell is directionally $150 billion. So I mean, we are at like 10% of our directional market. And there is a lot we can do.

Now, to earn that, we have to get better with our operations. And that is why we talked about the fact that from 2024 to 2028, we are doubling our output with transformers and switch gears, and most of that is coming from more shifts, more investments in how we operate that helps. And at the same time, we talked about things like solid state transformers in December. I mentioned it in my prepared remarks. Two weeks ago, I saw our first product that is completed. We'll be testing it over the course of the summer before we deliver it to the hyperscaler customer. That could be a substantial order for us with a new product line in 2027 for deliveries later in the decade. So I continue to grow my optimism and frankly, my expectations, with how material this is as a part of GE Vernova. And we are going to keep leaning into this business.

Ken Parks: And then it is a great opportunity to think about the Prolec acquisition. Because you talked about what are we able to do not only just from a market, but from a GEV perspective, bringing things together? This was one of the primary reasons that we were so excited about the Prolec acquisition, because there were terms and conditions around the arrangement, which allowed us to keep things within certain markets. And now that it is totally going to be consolidated by GEV and fully owned by GEV, we are able to optimize where we can have transformers go around the world. So that is a really good thing.

But one of the other opportunities as well is Prolec is a provider of distribution transformers, which are a key part of what's going into data centers. So this opportunity of bringing GEV together and how it is benefiting the Electrification business runs right exactly to what Scott says. But it gave me the opportunity to remind everybody what the importance of this Prolec acquisition is.

Alexander Virgo (Evercore ISI): I appreciate you taking the question. Can we stay on Electrification, please. And just integrating Prolec, I am surprised there has not been a little bit more of an accretion on the original margin guidance. So I wondered if you could just talk a little bit about costs to integrate and investment that you might need to do to make sure that you get the benefit of what you've just talked about and think about how that margin profile might look as we look out to the 2028 guidance. Thanks very much.

Scott Strazik: Alexander, I would just start by saying no change from the expectations from Prolec, from what we talked about when we announced the deal in October. You know, the reality is we could have a little bit of debate as to whether we wanted to change the margin guide by basis points, to be exact, to where we had framed things up in October. What I would just interpret is this gives us even more opportunity to outperform over the course of 2026. I wouldn't overthink that there has been any change in the financial contribution from Prolec in 11 months of call it the 2026 or at all the 2028 expectations. Frankly, if anything, we have had a very productive three months of integration meetings and are very excited for this to be part of the company on Monday.

David Arcaro (Morgan Stanley): I was wondering if you could touch on the Nuclear space. You know, we have seen a lot of momentum on the policy side, deal side and the SMR space. Wondering if you could talk to your project opportunities. Have things accelerated? Could there be opportunities for more SMR deals to come? Thanks.

Scott Strazik: The opportunity is great. The discussions are progressing. What I would say with Nuclear, maybe a little bit different than Gas and Grid, because we are really restarting an industry here in the Western world, is they are progressing, they are sequential. There is a lot of terms and conditions that are being discussed. We are working very closely with the US administration that is very determined to restart a Nuclear industry in the US, and we are very motivated to serve them on that path. We are also having productive conversations in Sweden, in Poland today, that we are very optimistic about going forward. But it may take a little while before they translate to announcements. So we are into a new year. We are working hard with a number of both governments and customer archetypes, including the hyperscalers, on what this can mean for them, and let's call it the first half of the next decade. So opportunity pipeline growing, but the timing to close is going to be a little bit different than the intensity of the close velocity right now with Gas and Grid.

Nicole DeBlase (Deutsche Bank): Scott, I wanted to get your thoughts on something a bit higher level. A few weeks ago, we had this announcement from Trump kind of pushing for an emergency power auction. I am really curious about your reaction to that, both with respect to the potential impact on Gas Power demand, the market in the US, as well as GEV. Thank you.

Scott Strazik: There is clearly a need to continue to evolve the market mechanisms to encourage what's needed in this country, which is substantially more new build of firm, fixed, power generation capacity. Whether that happens through the auction mechanism a few weeks ago announced by the administration, allowing hyperscalers to bid into a separate auction for separate PPAs, that is one pathway to do it. Do we probably need a number of markets, a capacity auction mechanism that provides more years of revenue guarantee for more build to happen today? Definitely. The market's already moving, right. We moved into 2025 with 46GW on contract, we ended the year with 83GW, we will end this year with at least 100GW. So the market is moving regardless. But we are very motivated by continuing to iterate with the administration on how to enable even faster growth and simultaneously thinking our way through on how we'll fulfill if that happens.

So motivated by the announcement a few weeks ago. But I would also emphasize it is early, I think changing policy and how these markets have worked isn't going to happen overnight. But clearly you can see on our orders book that the market continues to move our way regardless.

Amit Mehrotra (UBS): Thanks for taking my question. Just one clarifying question. Can you just update us on what you are sold out through? I think last time it was 2028 on both heavy duty and aeroderivatives. I mean, these backlog numbers are eye popping, so I assume we are going out quite further.

And then just one clarification on Electrification. I know you talked about it earlier, but it just seems like the organic growth expectations have maybe come down for 2026 when you include Prolec in there relative to the 20% you had last year. Maybe I am doing my math wrong, but if you could just clarify that point, that'd be helpful.

Ken Parks: Let me do the last part first, and then I will hand it back to Scott. No, the organic growth expectations haven't come down. When we give you the organic growth number, we are giving it to you without Prolec. So to just to make that easy, we are saying the organic growth for Electrification and then just add the $3 billion on top of it. So there is been no change in the expectations for Electrification negatively.

Scott Strazik: And they have demonstrated an ability to outperform the last few years with their ramp. Let's see how they do this year. But no change from December 9th. On the Gas capacity, the reality is the 83GW that we now have on capacity is certainly very heavily playing into 2029. But there are slots in 2030 and beyond that are also secured. So we do continue to have capacity available today at 83GW on contract for 2029. That said, by the time we get to 100GW, which we are now projecting by the end of the year, that 100GW directionally will have both 2029 and 2030 largely sold out based on where we see it today. But sitting here today on January 28th, there are still slots available for 2029.

Andrew Kaplowitz (Citigroup): Thanks for fitting me in. Scott, can you give us more color on your assessment of how your teams are doing on that variable cost productivity that you talk about and what that might mean for the next couple of years? Obviously, you reiterated those 22% EBITDA margin targets for 2028 in Power and Electrification, still early days on lean. But what are you seeing on the ground as you begin to ramp up capacity more significantly? Can you remind us how your contracts are structured for rising commodity costs?

Scott Strazik: The commodity cost to a large extent, I would say, from when we take orders, Andrew, we lock in with the suppliers, the price. So it is generally matched. The only exception to that is with our long term service contracts, and those have material escalators attached with them. So on our $150 billion backlog, we feel very good about our protection for material inflation.

Now, on our variable cost productivity journey on where we are, it is a very good and timely question. We'll have our February operating reviews with our business teams next week, and that is the main event or one of our main events. If I assess where we are right now, I would say with a backlog that has grown by 50% in the last four years, the team has been making very good progress in our ability to fulfill on that. And that is when we talk about seeing the gas ramp up in the third quarter of 2026. We'll hit that. Doubling transformers and switchgear 2024 to 2028. We'll hit that.

Now, can we be even more effective with our sourcing leverage here, now that we are at this level of scale? And do I have a high degree of expectations that the sourcing productivity will contribute even more to our margin expansion, when we show you that chart that we showed you today on backlog in March and 12 months from now? The answer is yes. But there is a maturation process here between investments in the factories for output and fulfillment feeling very good, somewhat countered with how strategically forward thinking our teams are with sourcing savings that I think we have got a few miles still to go together.

That is good news in the sense that it is opportunity and opportunity for us to get better, and something I look forward to updating everyone on as we go through that journey together in 2026.

Closing Comments

Scott Strazik

CEO

Thank you everybody. I would just start again with our customers. We are humbled with their confidence in us to drive that $150 billion backlog. To the 75,000 employees we have today that I am proud to represent every day, as is Ken, in these meetings. For everybody on the call, we appreciate your continued interest in GE Vernova, and I hope you can hear in our voices both the combination of humility and hunger that we have as we go into a new year, that there is a lot of work to do. We are ready to do that work, and we look forward to interacting with all of you throughout 2026. Thanks, everyone.