

GE Vernova Inc. (NYSE: GEV)

Equity research report | 23 October 2026 | Price \$827.42 at the 22 October 2026 close | Power generation, grid and wind equipment and services

Verdict: Watchlist (unchanged), from fundamentals. Range of interest **\$745-\$790**, for use after the 28 October results if they hold the 2027 margin path. Probability-weighted value **\$842.32** (1.8% above the price); base case \$868.00. Investment Score **65.5/100** (68.6 on 16 October).

Technical read (chart only): Confirms. The chart is in a breakdown, with a new 60-session closing low on 22 October under a flat-to-falling 50-day average, which agrees with waiting. Watch whether the 22 October intraday low of \$813.26 holds through the results; a close back above the 200-day average near \$938 followed by a higher low would mark a turn. This tag reflects technical analysis only and does not change the verdict.

Summary

GE Vernova closed at \$827.42 on 22 October, down 10.6% on the day. The trigger was not company news. Meta reported on 21 October with heavier spending plans that extend beyond 2026, which revived doubts about how long AI data-centre build-outs can be financed at this pace. Other data-centre power suppliers, including Vertiv and Eaton, fell with chip stocks. GE Vernova fell furthest because data-centre developers are the marginal source of its new gas-turbine orders.

The fall carried the shares into the \$800-\$860 range named on 16 October, but only half of that condition is met. The other half, results on 28 October that leave the 2027 outlook intact, is three trading days away. The company's own news in the period was small: a single 9E gas turbine for the 372 MW Songon plant in Côte d'Ivoire, booked in the third quarter for a 2029 start. The earnings outlook is little changed, with 2027 consensus EPS of about \$23.59-\$24.69 and 2028 of about \$30.93-\$33.83. What has changed is the price the market will pay for an order cycle whose largest new customers now face a financing question. The base case is worth \$868.00 a share on 2028 EPS of \$31.00 at 28 times, and the probability-weighted value is \$842.32, against \$926.51 on 16 October.

The rating stays at Watchlist. At \$827.42 the weighted value sits 1.8% above the price and the bear case 33.5% below it, with the 2027 margin question settled on 28 October. The range of interest moves down to \$745-\$790, 24.0-25.5 times 2028 EPS of \$31.00, where the base case pays 10%-17%. No High-impact company development was found in the period.

Do the published levels still hold?

On 16 October the range of interest was \$800-\$860, 25.9-27.8 times 2028 consensus EPS of \$30.93, against a base case of \$927.90 at 30 times, to be used after the 28 October results. The price is now inside that range. The base case, however, is lower at \$868.00, because the multiple falls to 28 times while 2028 earnings are essentially unchanged at \$31.00. Bought at \$800-\$860, the base case would pay only 0.9%-8.5%, too little against a bear case near \$550. The range that restores a 10%-17% base-case return is \$745-\$790. The two chart conditions attached to the old range were an RSI below 30 and a close back above the 50-day average; RSI(14) was 31.1 on 22 October and the 50-day average has eased to \$954.22 from \$965.42, 13.3% above the price. Neither sets a price any longer; both move to the Technical read. The \$780 line named on 16 October as a level that would question the earnings estimate is withdrawn: the new range sits below it on valuation grounds, and the test of the estimate is the 2027 margin outlook on 28 October, not a price.

Published level	Basis on 16 October	Now	Status
\$860 (top of range)	27.8x 2028 EPS of \$30.93; after 28 October results	Base case \$868.00 pays 0.9%	Price passed through it on 22 October; results condition pending; replaced
\$800 (bottom of range)	25.9x 2028 EPS of \$30.93	Base case pays 8.5%	Not reached (low \$813.26); replaced
New: \$745-\$790	-	24.0-25.5x 2028 EPS of \$31.00; base case pays 10%-17%	Applies after 28 October if the 2027 margin path holds
RSI(14) below 30	Condition for the first half at \$860	31.1 on 22 October	Not met; moved to the Technical read

Published level	Basis on 16 October	Now	Status
Close above the 50-day average	\$965.42 on 15 October	\$954.22; price 13.3% below	Not met; a repair signal only
Sustained trade below \$780	Would question the earnings estimate	New range sits below it	Withdrawn; the test is the 2027 margin outlook

Averages and RSI computed in code from daily closing prices to 22 October 2026. ATR(14) is \$47.00 (5.7% of price); no level was anchored to it. No cut-loss or take-profit is published because the rating is not a Buy.

Company developments

Development	Status and date	What is known	What is forecast (and by whom)	Impact on this thesis
Songon combined-cycle plant, Côte d'Ivoire	Announced 20 Oct 2026; booked Q3 2026	One 9E gas turbine and generator for a 372 MW combined-cycle plant for Songon Energies, with China Energy International Engineering as contractor. Order value not disclosed.	Company: operations scheduled for 2029; long-term service work is an aim, not a signed contract.	Low
Power and grid frames with Venture Global	Announced 15 Oct 2026; first order pending	Up to 16 power islands of 720 MW (about 11.5 GW) with Baker Hughes as co-party, 8 units under definitive reservation, and a grid frame for up to 21 projects. GE Vernova's share of the value is not disclosed.	Venture Global expects its first power-island order by the end of 2026.	Medium
2027 margin on older-vintage backlog	Open; results 28 Oct 2026, before the market opens	2026 Power margin guide 17%-19%. Slots priced in 2024 ship in 2027.	Analyst view (Bank of America, 20 Oct): third-quarter orders up about 44%. Margin bridge due with results.	Medium
Vineyard Wind settlement	Announced 16 Sep 2026	Both parties withdrew all claims; terms confidential. GE Vernova had sought more than \$300m withheld by the developer.	-	Low
CFO transition	1 Nov 2026 and 1 Jan 2027	Claire McDonough joins as adviser on 1 November and becomes CFO on 1 January; Kenneth Parks retires 2 April 2027.	-	Low
BWRX-300 permit at Clinch River	Issued Sep 2026	First US construction permit for the 300 MW small modular reactor; TVA has set no construction start.	-	Low

Company releases and filings to 23 October 2026; settlement and order details as reported by established press.

Nothing in the period is large enough to move the verdict or the scenarios on its own. The Songon order is a single frame-class unit of a design that does not draw on the scarce H-class slots; it shows demand outside the data-centre market but cannot be sized from what was disclosed. The Venture Global frames are unchanged since 16 October and remain optional until a purchase order is placed. The margin question is the item that matters, and it resolves on 28 October; the range of interest assumes the results do not cut the 2027 Power margin outlook.

Business and industry

GE Vernova sells gas turbines, grid equipment and wind turbines, and services a large installed base. In the June quarter Power, mostly gas turbines and services, produced revenue of \$5,477m at an 18.8% EBITDA margin, Electrification \$3,637m at 18.4%, and Wind \$2,026m at a loss of \$275m. Gas Power backlog rose to 53 GW and slot reservations to 63 GW, together 116 GW, with at least 125 GW expected by the end of 2026. Heavy-duty turbines come from three suppliers, GE Vernova, Siemens Energy and Mitsubishi Heavy, and all three are adding capacity; GE Vernova plans 24 GW a year by 2028.

Demand comes from utilities replacing and adding capacity, from countries building gas-fired generation, and since 2025 from data-centre developers and hyperscalers. That last group is the fastest-growing and the most exposed to financing.

Utilities fund through regulated rate bases and bond markets, while data-centre developers depend on the capital spending plans of a handful of large technology companies.

Financials

Metric	Value	What it means here
June-quarter orders	\$24.2bn, +88% organic	Power \$16.7bn (+134%); Electrification \$6.3bn (+66%); Wind \$1.2bn (-40%).
June-quarter revenue	\$11.1bn, +22% (+12% organic)	Electrification includes Prolec GE, now consolidated.
Adjusted EBITDA	\$1,250m; 11.3% margin	2026 guide 12%-14%.
Diluted EPS, June quarter	\$2.47	Six months \$19.96, including a \$3,992m pre-tax gain on remeasuring Prolec GE.
Operating cash flow, first half	\$10,680m	Includes a \$13,695m increase in contract liabilities.
Operating cash flow excluding the contract-liability build (our calculation)	-\$3,015m	Receivables, inventories and contract assets absorbed \$2,945m; payables added \$949m.
Contract liabilities and deferred income	\$39,944m	\$25,774m at the end of 2025: customer deposits on reserved slots.
Cash; long-term borrowings	\$13,120m; \$2,794m	Net cash about \$10,326m, \$38.77 a share (our calculation).
2026 guidance	Revenue \$45.5-46.5bn; FCF \$11.5-12.5bn	Raised in July; Power margin 17%-19%; Wind EBITDA loss about \$400m.

Company results release and quarterly report for the period to 30 June 2026. The adjusted line in the operating cash flow is our calculation from the reported cash flow statement.

The cash flow needs reading with care. First-half operating cash flow of \$10.68bn rests on a \$13.70bn rise in customer deposits. Without that build the business used about \$3.0bn, part of it a voluntary pension payment and tax on the Prolec GE gain. On the 2026 guidance midpoint of \$12.0bn the free cash flow yield is 5.4% (our calculation, on a market value of \$220.4bn), and on 2027 consensus free cash flow of \$7.84bn it is 3.6%. Both figures lean on deposits that will be worked off as turbines ship, so they overstate what earnings alone deliver. The balance sheet is strong, but its strength comes partly from customers' money.

Competitors

Company	Position	Read for GE Vernova
Siemens Energy	Second heavy-duty gas-turbine supplier; strong grid business	Adding turbine capacity; the main source of pricing competition from 2027.
Mitsubishi Heavy	Large-frame gas turbines, strong in Asia and the US	Adding capacity; competes for the same data-centre and utility slots.
Baker Hughes	Aeroderivative and industrial turbines; co-party on Venture Global	Partner on the largest new frame; competes in smaller units.
Vertiv, Eaton	Data-centre power and cooling	Also fell on 22 October: the selloff hit the whole data-centre supply chain.

Positions as of 22 October 2026.

Management

Chief executive Scott Strazik's team has raised revenue and cash guidance twice in 2026, settled the Vineyard Wind dispute in September, and kept buying back stock: 4.3m shares at an average of \$854 in the first half. June-quarter EPS fell short of expectations, and the finance chief changes on 1 January as the 2027 margin bridge is presented. The 28 October results will be judged against July's guidance of 18%-20% organic Power revenue growth and a 17%-19% Power margin.

Growth drivers

Driver	Status and date	Fact or forecast	Likelihood	Impact
Gas turbine backlog and reservations	116 GW at 30 June; at least 125 GW by end-2026	Fact (June); forecast (management) for year-end	High	High
Electrification growth	Guide \$14.5-15.0bn for 2026	Forecast (management); includes Prolec GE	High	Medium
Venture Global frames	Reserved; first order expected by end-2026	Forecast (Venture Global)	Medium	Medium
Power margin expansion to 2028	Bridge due 28 October	Forecast; contested by older-vintage pricing	Medium	High
Emerging-market gas demand	Songon order booked Q3 2026	Fact; value not disclosed	High	Low
Small modular reactors	Clinch River permit issued	Fact; no construction start	Low	Low

Status as of 23 October 2026.

Risks

Risk	Probability	Severity	Comment
Data-centre customers slow orders as financing tightens	Medium	High	Raised on 22 October after Meta's spending update; the marginal source of new orders.
Valuation compression	High	High	A 10.6% fall on 22 October with no company news; the multiple reacts to the AI trade and to rates.
2027 margin shortfall	Medium	High	Older-vintage backlog; settled in part on 28 October.
Working-capital reversal	Medium	High	First-half operating cash flow excluding the contract-liability build about -\$3.0bn (our calculation).
Input-cost inflation on fixed-price backlog	Medium	Medium	Producer prices rose 1.3% in September.
Counterparty risk on frame agreements	Medium	Low	Venture Global orders depend on its own financing and customers.
CFO transition	Low	Medium	Lands as the 2027 bridge is presented.
Balance sheet	Low	Low	Net cash about \$10.3bn.

Probability and severity as of 23 October 2026.

Valuation

Measure	Value	Comment
Market capitalisation	\$220.4bn	266.3m shares at \$827.42.
Enterprise value (our calculation)	\$210.0bn	Less net cash of about \$10.3bn.
P/E, 2027 consensus	33.5-35.1x	On \$23.59-\$24.69.
P/E, 2028 consensus	24.5-26.8x	On \$30.93-\$33.83; base case uses \$31.00.
EV/EBITDA, 2027 consensus	21.9x	On \$9.58bn.
FCF yield (our calculation)	5.4% / 3.6%	2026 guide midpoint / 2027 consensus; both include deposits.
Weighted value	\$842.32	1.8% above the price.

Consensus estimates as of 20-22 October 2026, shown as the range of two estimate sets; arithmetic in code.

2027 earnings fall from 2026, which carried the Prolec GE gain, so 2028 is the year that shows the earnings power. At 28 times 2028 EPS of \$31.00 the base case is \$868.00. That multiple is lower than the 30 times used on 16 October and well below the 39 times the shares reached at the July high of \$1,195.94, because the financing question now hangs over the fastest-growing group of customers. It still allows for earnings that more than double from 2025 to 2028 and a net-cash balance sheet. The shares are close to fair value against the base case and roughly at the weighted value; they are not cheap on cash flow once deposits are set aside.

Macro drivers. Two variables matter. The first is the cost and availability of capital for the customers who buy turbines and grid equipment. The Fed raised its target range to 3.75%-4.00% in September and meets on 27-28 October, where a hold is expected; the 10-year Treasury yield fell to 4.96% on 22 October from 5.13% a day earlier. Utilities fund through regulated returns and bonds, so higher long yields slow their spending, while data-centre developers depend on hyperscaler budgets, which is the question Meta's update reopened. The second is input-cost inflation on a backlog largely priced in advance: September CPI rose 3.7% on the year and producer prices 1.3% in the month, with oil near \$99. Jobless claims of 194,000 show no demand weakness from the labour market.

Sentiment

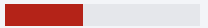
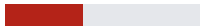
Date	Firm	Action
21 Oct	Wells Fargo	Buy; target \$1,259 maintained
21 Oct	BMO Capital	Buy; target \$1,250 maintained
21 Oct	Daiwa	Buy maintained
20 Oct	Bank of America	Buy; target \$1,310 maintained; expects third-quarter orders up about 44%
14 Oct	Susquehanna	Positive; target \$1,270 from \$1,300
13 Oct	Guggenheim	Buy; target \$1,450 maintained

Broker actions as published, 13-21 October 2026.

Of 20 analysts, 17 rate the shares Buy, 2 Hold and 1 Sell, with an average target of about \$1,217, which implies about 47% upside. No firm changed its rating after the 22 October fall. No insider purchases or sales have been filed since June. The Street's targets sit on multiples well above the base case here, so the gap is about the multiple, not the earnings.

Institutional positioning: Cautionary (moderate confidence), as of 30 June 2026, filings through 19 August 2026. Reported holdings show a net reduction by active managers of about 2.2% of reported shares over four quarters and 3.3% year on year, with five of the last six quarters negative and 40 managers cutting against 23 adding; Wellington and Coatue led the reductions and Janus was the largest buyer. The positioning predates the October fall. Based on reported holdings filed by the cutoff. Late filers are not included, and passive, strategic and mixed holders are left out of the flow measure.

Investment scorecard

Criterion	Weight	Score	Change and basis
Business Quality	15%	 8/10	Unchanged. Heavy-duty gas turbines and grid equipment sold into a three-supplier market, a large installed base and \$176bn of backlog; Wind still loses money.
Financial Strength	15%	 7/10	-1 vs last report. Net cash of about \$10.3bn, but first-half operating cash flow excluding the \$13.7bn contract-liability build was about -\$3.0bn (our calculation); the doubts about customer financing raised on 22 October put more weight on that dependence.
Competitive Advantage	15%	 8/10	Unchanged. Durable in services and turbine technology; the pricing that scarce slots support is temporary, as Siemens Energy and Mitsubishi Heavy add capacity.
Management	10%	 7/10	Unchanged. Revenue and cash guidance raised twice this year and the Vineyard Wind dispute settled, but June-quarter EPS fell short of expectations and the CFO changes on 1 January.
Growth Potential	15%	 8/10	-1 vs last report. Backlog near \$176bn and gas output rising toward 24 GW a year in 2028, but the marginal order source, data-centre developers and hyperscalers, now faces an open financing question.
Valuation	20%	 4/10	+1 vs last report. About 34-35x 2027 and 24-27x 2028 consensus EPS after the fall to \$827.42; the headline cash yield is still mostly customer deposits.
Risk (10 = lowest risk)	10%	 4/10	Unchanged. Results in three trading days settle the 2027 margin question; a 10.6% one-day fall on 22 October shows the multiple remains fragile, which offsets the lower price.
Investment Score	100%	65.5 / 100	68.6 on 16 October. Factor weights changed on 18 October 2026, so part of the change in the Investment Score reflects the new weights.

Scored 1-10, where 10 is always best, including Risk. Weights 15/15/15/10/15/20/10. Composite computed in code.

Financial Strength and Growth Potential are each one point lower because the financing doubts raised on 22 October fall on the newest and fastest-growing customers and on the deposits that fund the cash flow. Valuation is one point higher after a 10.7% lower price. Business Quality, Competitive Advantage, Management and Risk are unchanged. The composite moves from 68.6 to 65.5, which reflects these scores and the new weights.

Scenarios

Case	Probability	Outlook	Fair value
Bull	22%	The 28 October results show Power margins rising through 2027 toward the 2028 goal, slot pricing holds and the Venture Global and data-centre frames convert to orders; 2028 EPS \$34.00, close to the top of the analyst range, at 34x.	\$1,156.00 (+39.7%)
Base	50%	Revenue tracks the \$51-53bn 2027 consensus on the existing backlog, margins improve unevenly and earnings growth is weighted to 2028; 2028 EPS \$31.00, the low end of the analyst range, at 28x.	\$868.00 (+4.9%)
Bear	28%	Older-vintage backlog holds 2027-28 Power margins down and customers slow new reservations as financing for data-centre build-outs tightens; revenue protected by backlog; 2028 EPS \$25.00 at 22x.	\$550.00 (-33.5%)
Weighted	100%	Probability-weighted value	\$842.32 (+1.8%)

2028 EPS for the bull and base cases is drawn from the analyst range; the bear EPS, multiples and probabilities are our own. Arithmetic in code.

The bear case carries 28%, up from 23%, because it now needs only stalled margins and a slower reservation book, both made more plausible by the financing question raised on 22 October. The base case is 50%: backlog of \$176bn makes the revenue path highly visible, and nothing the company has said points away from consensus. The bull case is 22%, down

from 25%: it needs the 28 October results to show margins rising and the frames converting, and a market that again pays a premium for the order cycle.

Recommendation

Watchlist, unchanged. The verdict holds, but the reasoning has shifted. On 16 October the problem was a price equal to the base case; today the price is lower, but so is the value, because the multiple is lower while earnings are not. The weighted value is \$842.32, 1.8% above the price, against a bear case 33.5% below it. The range of interest is \$745-\$790, 24.0-25.5 times 2028 EPS of \$31.00, to be used after the 28 October results and only if they leave the 2027 Power margin path intact. A clearly better margin bridge or a first Venture Global order would justify a higher range, because the bull case would gain weight. No cut-loss or take-profit applies while the rating is not a Buy.

What would change the view	Direction	Why
Third-quarter results and 2027 framing on 28 October that support the Power margin path to 2028	Up	Lifts the base case and the bull-case weight.
Price into \$745-\$790 with the outlook intact after 28 October	Up: toward Buy	Restores a 10%-17% base-case return.
Venture Global places its first power-island order by the end of 2026	Up	Turns an option into backlog.
A 2027 margin outlook materially below current expectations	Down	Moves weight to the bear case.
Data-centre customers deferring orders or slot reservations as financing tightens	Down	Hits the marginal source of growth.
Contract liabilities falling as deposits are worked off faster than new ones arrive	Down	Removes the cash support under the balance sheet.
Long-term yields rising further while utilities defer capital spending	Down	Slows the steadiest source of demand.

Conditions as of 23 October 2026.

Technical read

Chart as of 22 October 2026 close.

Verdict: Watchlist, from fundamentals. Technical read (chart only): Confirms. The chart state is a breakdown: the price closed under the 200-day average within the last ten sessions, set a new 60-session closing low on 22 October, and the 50-day average is no longer rising. Watch whether the 22 October intraday low of \$813.26 holds through the results; a close back above the 200-day average near \$938 followed by a higher low would mark a turn, and RSI below 30 would show the selling stretched. The Technical read looks only at the price chart. It does not change the verdict or the Investment Score and only guides entry timing.

Indicator	Value	Reading
Trend	Breakdown	Price below all four averages; 50-day not rising
20-day SMA / EMA	\$957.96 / \$939.32	Price 13.6% / 11.9% below
50-day SMA / EMA	\$954.22 / \$958.05	Price 13.3% / 13.6% below
100-day SMA / EMA	\$989.04 / \$962.62	Price 16.3% / 14.0% below
200-day SMA / EMA	\$937.94 / \$895.26	Price 11.8% / 7.6% below
RSI(14)	31.1	Near oversold
MACD (12,26,9)	-19.19; signal -4.76	Histogram -14.43, below signal
ATR(14)	\$47.00	5.7% of price
Volume	22 Oct 5.8m; 20-day 2.4m; 50-day 2.3m	Heavy volume into the fall
Support	\$813.26 (22 Oct low); \$745-\$790 range of interest	52-week low \$530.16

Indicator	Value	Reading
Resistance	\$890-\$926 (20-21 Oct closes); 200-day near \$938	Then the 50-day near \$954

Indicators computed in code from daily closes and volumes to 22 October 2026, measured against the \$827.42 close of record.

Final verdict

Not yet. GE Vernova is a high-quality franchise with years of visible revenue, but at \$827.42 the price is roughly what the business is worth on a base case that already assumes earnings more than double by 2028. The single biggest concern is that the newest customers, data-centre developers, may slow orders if their financing tightens, at the same time as older-priced backlog weighs on 2027 margins. What must change is the 28 October margin bridge, and the level at which the risk is paid for is \$745-\$790 after results that hold it.

Sources

GE Vernova Inc., second-quarter 2026 results release (Form 8-K, Exhibit 99.1) and Form 10-Q for the quarter ended 30 June 2026 (sec.gov).

GE Vernova Inc., 'GE Vernova secures order aimed to strengthen regional energy capacity in Côte d'Ivoire', 20 October 2026; 'GE Vernova to announce third quarter 2026 financial results on October 28', 13 October 2026; media hub (gevernova.com).

Turbomachinery Magazine, 'GE Vernova's 9E gas turbine to power 372 MW Songon plant in Côte d'Ivoire', 20 October 2026.

Venture Global and Baker Hughes release, October 2026 (Venture Global frames); Cape and Islands NPR / Vermont Public, 17 September 2026 (Vineyard Wind settlement).

Market move and Meta update: 24/7 Wall St., 22 October 2026; Barron's, 22 October 2026; TipRanks, 22 October 2026.

Price of record: Alpha Vantage GLOBAL_QUOTE, 22 October 2026 close. Daily price history: Twelve Data time series to 22 October 2026.

Consensus estimates: Yahoo Finance analysis page and MarketScreener, 20-22 October 2026; quarterly 2028 estimates from tickflow.io, 22 October 2026.

Broker actions and market news: moomoo news, notices and research channels, 13-23 October 2026.

Macro: Beating The Bull economic data posts of 17 September and 14, 15 and 22 October 2026.

Institutional positioning: Beating The Bull quarterly 13F reads, quarter ended 30 June 2026.

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