

GE Vernova Inc. (GEV)

NYSE: GEV | Electrical equipment: gas power, grid electrification and wind | Equity research update | 16 October 2026

Last close (15 October 2026)	\$926.44	Recommendation	WATCHLIST (unchanged), from fundamentals
Previous report (16 Sep)	\$882.81, Watchlist	Investment score	68.6 / 100 (prior 64.5, restated)
Move since then	+4.9%	Weighted fair value	\$926.51; +0.0%
P/E, 2027E / 2028E	39.3x / 30.0x	Price of interest	\$800-860, after the 28 Oct results
Market value / net cash	\$247bn / about \$10.3bn	Technical read (chart only)	Confirms: downtrend
Average analyst target	\$1,171.87	Next results	Q3 2026: 28 Oct, before the open

A Round Trip to \$1,029 and Back, With the Margin Question Still Open

GE Vernova closed at \$926.44 on 15 October 2026, 4.9% above the \$882.81 of the last report. The path between the two dates matters more than the net move. The shares climbed to \$1,029.21 on 6 October, then gave most of it back: a 6.3% fall on 14 October, the day September consumer prices printed 3.7% and long yields rose, and another 1.6% on 15 October. No company announcement drove either day. The stock now sits just under its 200-day average and a little above the \$800 to \$860 range the last report set as the place to start buying.

The one material company development in the month is a set of power and grid frame agreements with Venture Global, signed on 9 October and announced on 15 October, for up to 16 combined-cycle power islands of 720 MW each, about 11.5 GW, plus transformers and switchgear. It is largely optional: beyond a reservation covering eight units and five long-lead grid reservations, neither side is bound until purchase orders are placed, and the first is expected by the end of 2026. It adds to order visibility for the late 2020s; it does not move 2027 or 2028 earnings by much, and it does not touch the question the last report left open, which is whether 2027 margins land where the Street expects.

Verdict: Watchlist, unchanged, from fundamentals. Technical read (chart only): Confirms. The chart is in a downtrend: the 50-day average has stopped rising and the price closed under the 200-day within the last ten sessions. Fair value is \$926.51, +0.0% against the price, on 2028 consensus EPS of \$30.93 at 30 times in the base case. At 30.0 times 2028 earnings the shares already pay for the base case, so there is no margin of safety eight trading days before results that bear directly on the bear case. The levels hold: the name becomes interesting between **\$800 and \$860**, 25.9 to 27.8 times 2028 consensus, and those levels are meant for use after the 28 October results, not before.

1. What has changed since the last report

Item	16 September report	16 October	Read
Price	\$882.81 (15 Sep)	\$926.44 (15 Oct)	+4.9%; high of \$1,029.21 on 6 Oct in between
Valuation basis	EV/EBITDA on 2027	P/E on 2028 consensus	Two-year-forward earnings now carry most of the margin debate
Weighted fair value	\$899	\$926.51	Base case on 2028 EPS at 30x
Average analyst target	\$1,146	\$1,171.87	JPMorgan and Susquehanna trimmed; Guggenheim held \$1,450
50-day / 200-day average	\$992.18 / \$896.84	\$965.42 / \$932.37	50-day lower; 200-day higher; price under both
10-year Treasury	4.94% (17 Sep)	5.10% (15 Oct)	Above 5% since late September
Venture Global frames	-	Signed 9 Oct, announced 15 Oct	Up to 11.5 GW; first order expected by end-2026
2027 margin debate	Open	Open	Settles with the 28 Oct results and 2027 framing
Price of interest	\$800-860	\$800-860	Now 25.9-27.8x 2028 consensus

Prices are closing prices. The 16 September averages are shown on the same series as today's.

2. Company developments

Development	Status and date	What is known	What is forecast (and by whom)	Impact
Power and grid frame agreements with Venture Global	Signed 9 Oct; announced 15 Oct	Up to 16 power islands of 720 MW (combined-cycle gas turbines and related equipment), with Baker Hughes as co-party; definitive reservation for 8 units; grid frame for transformers and switchgear for up to 21 projects with 5 long-lead reservations; deliveries through 2034. About \$17.2bn if every order proceeds, both frames and both suppliers.	Venture Global expects its first power island order by end-2026 and grid orders from late 2026; it plans up to 10 GW of compute by 2034. GE Vernova's share of the total is not disclosed.	Medium
NRC construction permit for a BWRX-300 at TVA's Clinch River site	Issued late Sep 2026	First U.S. construction permit for the GE Vernova Hitachi 300 MW small modular reactor; review finished four months early.	TVA has not set a construction start or cost-sharing terms.	Low
BWRX-300 memorandum for Europe with SGE, Hitachi and Samsung C&T	Signed 22 Sep	Non-binding memorandum to advance a fleet deployment.	None quantified.	Low
Rotor life extension for five 9F gas turbines in Egypt	Signed 23 Sep	Services agreement on an existing fleet.	None.	Low
Q4 dividend	Declared 30 Sep	\$0.50 a share, record 27 Oct, payable 24 Nov.	None.	Low
CFO transition	Pending; adviser role from 1 Nov	Claire McDonough becomes CFO on 1 Jan 2027; Kenneth Parks retires 2 Apr 2027.	None.	Low
2027 margin on older-vintage backlog	Open; results 28 Oct	Raised in September by a Sell initiation at \$470; 2026 Power margin guide is 17-19%.	The Street expects Power margins to rise in 2027; the bear case expects a dip as 2024-priced slots ship.	Medium

Status as of 16 October 2026. Forecasts are attributed to the party that made them.

Venture Global frames: what they are worth to GE Vernova

The agreements give Venture Global a path to 11.5 GW of power islands for its LNG plants and a planned behind-the-fence data-centre business. Against the 116 GW of gas equipment GE Vernova had under contract or slot reservation at the end of June, that is roughly 10% more capacity if every unit is ordered. Only part is firm today: the reservation for eight units carries a fee and commits GE Vernova to hold manufacturing capacity, and unsigned reservation rights lapse in stages between October 2027 and October 2029.

The disclosed total of about \$17.2bn covers both frames and both suppliers. Our estimate, assuming GE Vernova takes 60% to 80% of it and deliveries spread over eight years, is \$1.3bn to \$1.7bn of revenue a year, 2.5% to 3.4% of 2027 consensus revenue of \$51.3bn, and about \$0.72 to \$0.96 of EPS a year at a 19% segment margin and a 22% tax rate. Little of that lands before 2028. The nearer effect is on cash: reservation fees and down payments add to contract liabilities, which flatter cash flow without adding earnings.

Success looks like a first purchase order by December and the eight reserved units converting during 2027. Failure looks like reservations lapsing, and the risk sits with the counterparty: Venture Global's shares fell more than 11% on the day of the announcement, and its data-centre plan depends on customer commitments it has not yet named. Neither outcome changes the verdict or the price levels. The scenarios include the agreements in the bull case and treat them as neutral in the base case.

3. Business and industry

GE Vernova sells and services the equipment that generates and moves electricity. Power (gas turbines, steam, nuclear and hydro, with a large services book) supplied about half of first-half revenue; Electrification (grid equipment, transformers after the Prolec GE purchase, power conversion and software) about a third and growing fastest; Wind the remainder, and still loss-making. The industry is in a supply-constrained up-cycle: utilities, hyperscale data-centre developers and LNG exporters are booking gas turbines and transformers years ahead, which lets the three large turbine makers raise prices and take deposits up front. The returns question is how long the scarcity lasts and how much of the price already reflects it.

4. Financials

Measure	Q2 2026	Q2 2025	H1 2026	What it means
Orders	\$24.2bn	\$12.5bn	-	Up 88% organically; Power \$16.7bn
Revenue	\$11.1bn	\$9.1bn	\$20.4bn	Up 22%; Electrification up 68%
Adj. EBITDA margin	11.3%	8.5%	10.5%	Below the 12-14% full-year guide so far
Power / Electrification margin	18.8% / 18.4%	16.4% / 14.5%	17.6% / 18.2%	Within their 2026 guides
Wind segment margin	(13.6)%	(7.3)%	(19.0)%	About \$400m of 2026 losses guided
Diluted EPS	\$2.47	\$1.86	\$19.96	H1 includes a ~\$4.0bn Prolec GE remeasurement gain
Cash from operations	\$5.49bn	\$0.37bn	\$10.68bn	Of which \$13.7bn from contract liabilities in H1
Free cash flow	\$5.11bn	\$0.19bn	\$9.90bn	2026 guide raised to \$11.5-12.5bn

Company figures from the Q2 2026 release and 10-Q. Q2 2025 orders are the sum of the three segments.

The cash line needs reading against the balance sheet. In the first half, contract liabilities and current deferred income rose by \$13.7bn, more than the whole \$10.7bn of operating cash flow; without that inflow, operating cash flow would have been about -\$3.0bn (our calculation). Current contract liabilities stood at \$39.9bn at the end of June against \$25.8bn at the start of the year. The guided \$11.5bn to \$12.5bn of 2026 free cash flow is a 4.9% yield on today's \$247bn market value, but most of it is customer money that will be worked off as equipment ships. 2027 consensus net income of about \$6.3bn (EPS \$23.59 times 266m shares, our calculation) is a 2.5% earnings yield, and that is the better guide to what the business earns. The balance sheet is sound: \$13.1bn of cash against \$2.8bn of long-term borrowings, and \$3.9bn returned to shareholders in the first half.

5. Competitors

Company	Overlap	Position
Siemens Energy	Gas turbines, grid technology, wind	Closest peer; also expanding turbine output and carrying a long grid backlog
Mitsubishi Heavy Industries	Large gas turbines	Strong in the largest frame classes; also adding capacity
Hitachi Energy, Schneider, Eaton	Transformers, switchgear, grid	Grid scarcity is shared, so pricing is an industry feature rather than a moat
Baker Hughes	Aeroderivative turbines, power islands	Co-party in the Venture Global power frame; competes in smaller units
Vestas, Nordex	Onshore wind	Wind remains a weak market for GE Vernova

The moat is the installed base and the services that follow it, not the current pricing. When Siemens Energy and Mitsubishi bring new capacity on, the price of new turbine slots should ease, which is the mechanism the bear case relies on for 2028 and beyond.

6. Management

Management raised 2026 revenue and free cash flow guidance in July and kept the adjusted EBITDA margin guide at 12% to 14%. The record on revenue and orders is strong. The record on earnings conversion is weaker: June-quarter EPS fell

short of analyst expectations even as revenue beat, and first-half adjusted EBITDA margin of 10.5% sits below the full-year range, which leaves a heavy second half. The CFO handover to Claire McDonough on 1 January lands just as the 2027 margin bridge has to be shown. Insider activity over the past six months has been officer sales and no open-market purchases.

7. Growth drivers

Driver	Status and date	Likelihood	Impact
Gas turbine output to 20 GW a year from Q3 2026, 24 GW in 2028	Company target; under way	High	High
Electrification backlog of \$40.6bn, up 69%	Reported, June 2026	High	High
Venture Global frames, up to 11.5 GW	Signed; first order expected by end-2026	Medium	Medium, after 2028
Data-centre and hyperscaler orders	Ongoing; part of H1 orders	Medium	High
BWRX-300 small modular reactors	First U.S. permit issued; build start not set	Low near term	Low to 2028
Wind returning to breakeven	Management target; losses continuing	Low	Medium

Targets are management's. Likelihood and impact are this report's judgement.

8. Risks

Risk	Probability	Severity	Comment
Valuation compression	High	High	A 6.3% fall on 14 October with no company news; the multiple reacts to rates
2027 margin shortfall	Medium	High	The older-vintage backlog argument; partly resolved on 28 October
Working-capital reversal	Medium	High	Free cash flow falls toward earnings when deposits stop growing
Hyperscaler capex slowdown	Medium	High	The marginal source of new orders
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 of about \$10.3bn

Probability and severity are this report's judgement.

9. Valuation

At \$926.44 the shares trade on 39.3 times 2027 consensus EPS of \$23.59 and 30.0 times 2028 EPS of \$30.93 (the sum of the four quarterly consensus means, our calculation). Earnings are expected to rise about 31% from 2027 to 2028 as higher-priced backlog ships, so 2028 is the right year to value: 2026 reported earnings carry a large one-off gain, and 2027 is the year the margin debate is about. Over the past 100 sessions the stock has traded between 27.7 and 38.7 times 2028 consensus. The base case uses 30 times, near the bottom of that band, for a business whose earnings should still grow about 20% a year after 2028 but whose pricing benefits from a temporary shortage. That gives \$927.90, essentially the current price. The shares are fairly valued on the base case and expensive on anything less.

Macro drivers. Two variables matter. The first is long-term rates, because they set the discount rate on a stock valued on 2028 and later earnings: the 10-year Treasury yield sat at 5.10% on 15 October after closing at 5.28% on 2 October, and the Federal Reserve raised its target range by 25 basis points to 3.75%-4.00% in September. September consumer prices rose 3.7% from a year earlier. The second is input-cost inflation against backlog priced years ahead: producer prices rose 1.3% in September, the largest monthly gain since March 2022. Customer demand is less rate-sensitive than the multiple,

because data-centre and LNG buyers are capacity-constrained rather than financing-constrained.

10. Sentiment

Analysts remain positive, but targets have been trimmed into results. JPMorgan held Overweight and cut its target from \$1,330 to \$1,150 on 9 October; Susquehanna held Positive and cut from \$1,300 to \$1,270 on 14 October; Citi kept Hold at \$1,125 on 12 October; Guggenheim held Buy at \$1,450 on 13 October; Evercore held \$1,350 on 1 October. The average target is about \$1,171.87, 26% above the price, with a Moderate Buy consensus of 28 Buy or Strong Buy, 5 Hold and 2 Sell. The September Sell initiation at \$470 remains the low end.

Reported holdings point the other way. The institutional read is **Cautionary** (moderate confidence), as of 30 June 2026, filings through 19 August 2026: active managers made a net reduction of about 2.2% of reported shares over four quarters and 3.3% year on year, five of the last six quarters were negative, and 40 managers were cutting against 23 adding. The largest reductions came from Wellington and Coatue; Janus was the largest net buyer. 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. The positioning predates the September and October moves.

11. Investment scorecard

Criterion	Score	Weight	Change	Basis	
Business Quality		8/10	16%	unchanged	Unchanged. Oligopoly gas-turbine and grid economics, a large installed base and \$176bn of backlog, about half of it services.
Financial Strength		8/10	16%	unchanged	Unchanged. Net cash of about \$10.3bn after the Prolec GE notes; equity remains thin against \$39.9bn of current contract liabilities.
Competitive Advantage		8/10	16%	unchanged	Unchanged. Durable in services and technology; the pricing that capacity scarcity supports is temporary, and Siemens Energy and Mitsubishi are adding capacity.
Management		7/10	10%	unchanged	Unchanged. Revenue and cash guidance raised twice this year, but June-quarter EPS fell short of expectations and the CFO changes on 1 January.
Growth Potential		9/10	16%	unchanged	Unchanged. Backlog near \$176bn, gas output rising toward 24 GW a year in 2028, and a new frame for up to 11.5 GW with Venture Global.
Valuation		3/10	16%	unchanged	Unchanged. 39x 2027 and 30x 2028 consensus EPS; the headline cash yield is mostly customer deposits.
Risk (10 = lowest risk)		4/10	10%	unchanged	Unchanged. Results in eight trading days settle the 2027 margin debate; a 6.3% one-day fall on 14 October shows the multiple remains fragile.
Overall	68.6 / 100		100%	+4.1	Weighted sum of the seven scores.

Scored 1-10, where 10 is always best, including Risk. Weights 16/16/16/10/16/16/10.

Overall Investment Score: 68.6 / 100. The prior score is restated without the former chart-based factor for comparability, at 64.5. No factor score changed. The higher total comes entirely from the standard weights, which give Valuation 16% rather than the 20% the last report used and spread the remainder evenly across the quality factors. Risk at 4 out of 10 means a higher-risk position, and the risk table above, led by valuation compression and a binary margin question, describes one.

12. Recommendation and price levels

Rating: WATCHLIST. Unchanged from the last report, and on the same grounds: a strong franchise at a price that already pays for the base case. The Venture Global agreements add to the long-dated order story without changing the 2027 to 2028 numbers, so the verdict would be the same without them. The price of interest is the \$800 to \$860 range, now 25.9 to

27.8 times 2028 consensus, with 8% to 16% to the base case. Both ends keep the basis the last report gave them, a discount to the base-case value; \$860 also lies close to the 100-session low of \$856.01. A first half-position becomes reasonable at \$860 with the 14-day RSI under 30; the remainder at \$800, or on a close back above the 50-day average, now \$965.42 rather than the \$992.18 cited last time, on rising volume. A sustained trade below \$780, about 25 times 2028 consensus, would point to the earnings estimate being wrong rather than the price being cheap. Suggested size is 2% to 3% of a portfolio, over a horizon of one to two years. The levels assume the 28 October results do not cut the 2027 margin outlook; a result that does would lower the range.

What would change the view	Direction	Why
Q3 results and 2027 framing that support the Power margin path to 2028	Toward Buy	Removes the core bear argument
Price into \$800-860 on selling, with the outlook intact after 28 Oct	Toward Buy	25.9-27.8x 2028 consensus
Venture Global places its first power island order by end-2026	Toward Buy	Turns the framework into backlog
A 2027 margin outlook materially below current expectations	Toward Avoid	The bear case becomes the base
Sustained trade below \$780	Toward Avoid	Signals the earnings estimate, not the price, is wrong
Data-centre order intake falling well below the first-half pace	Toward Avoid	The marginal source of demand weakens
Long-term yields rising further while utilities defer capital spending	Toward Avoid	Higher discount rate and slower orders together

Macro rows are directional. Price levels come from the report's own valuation.

13. Technical read

Chart as of the 15 October 2026 close.

Verdict: Watchlist, from fundamentals. **Technical read (chart only): Confirms.** The chart is in a downtrend: the price closed under the 200-day average within the last ten sessions, sits 4.0% below a 50-day average that is no longer rising, and RSI is 41, weak but not oversold. That agrees with waiting. Watch the 20-session low of \$871.16 and the 60-session closing low of \$874.76; a close back above the 200-day near \$932.37, followed by a higher low, would mark a turn. The Technical read looks only at the price chart. It does not change the verdict or the Investment Score and only guides timing.

Indicator	Value	Reading
Price of record (15 October 2026)	\$926.44	+4.9% since the previous report
SMA 20 / EMA 20	\$971.48 / \$970.60	Price -4.6% and -4.5%
SMA 50 / EMA 50	\$965.42 / \$972.39	Price -4.0% and -4.7%; 50-day not rising
SMA 100 / EMA 100	\$994.48 / \$969.92	Price -6.8% and -4.5%
SMA 200 / EMA 200	\$932.37 / \$896.37	Price -0.6% and +3.4%
RSI (14)	40.9	Weak, not oversold
MACD (12,26,9)	4.00, signal 7.93, hist. -3.93	Line below signal; momentum fading
ATR (14)	\$42.98, 4.6% of price	High day-to-day volatility
Volume, 20-day vs 50-day	2.2m vs 2.1m	Participation slightly higher
Support / resistance	\$871.16, \$856.01 / \$932.37, \$965.42	20- and 100-session lows; 200-day and 50-day overhead
52-week range	\$530.16 - \$1,195.94	Close 22.5% below the high

Computed in code from a Twelve Data daily series of 299 completed sessions ending 15 October 2026; all averages from that one series, distances against the price of record. Chart state classified by fixed rules.

Against the last report, the 50-day average has fallen from \$992.18 to \$965.42 and the 200-day has risen from \$896.84 to \$932.37, so the gap between them has narrowed from about \$95 to about \$33. The shares reclaimed the 200-day in

mid-September, ran to \$1,029 and have now slipped back under it.

14. Scenario analysis

Case	Prob.	Outlook and item outcome	2028 EPS	Multiple	Fair value
Bull	25%	Power margins rise in 2027 as guided and reach the 2028 target; slot pricing holds; Venture Global and data-centre frames convert to orders. Revenue compounds in the mid-teens; EPS above consensus. Venture Global item: success.	\$34.00	36x	\$1,224.00
Base	52%	Margins improve but unevenly, with 2027 Power margins near the 2026 range; revenue near consensus (\$51bn in 2027); EPS growth weighted to 2028. Venture Global item: first orders placed, little revenue before 2028.	\$30.93	30x	\$927.90
Bear	23%	Older-vintage backlog holds 2027-28 margins down; Siemens Energy and Mitsubishi capacity eases slot pricing; the multiple falls toward capital-goods levels. Revenue protected by backlog. Venture Global item: reservations lapse.	\$25.00	24x	\$600.00
Weighted	100%	Probability-weighted			\$926.51

Weighted fair value computed in code: \$926.51. Base-case EPS is the 2028 consensus as of 16 October (sum of quarterly means); bull and bear EPS and all multiples are this report's assumptions.

The bull case carries 25%: it needs the 2027 margin step-up and continued scarcity pricing, and the order book (116 GW of gas equipment under contract or reservation, plus the new frames) supports it, but sell-side targets moving down into results argue against more. The base case carries 52%, slightly more than last time, because the Venture Global reservation and the raised output targets make the revenue line more secure; what remains uncertain is the margin. The bear case carries 23%: the older-vintage margin argument is unresolved and long yields are above 5%, but net cash and a backlog that protects revenue limit it to margin and multiple. Against the last report's \$1,175, \$900 and \$620, the bull and base values are higher because they are now set on 2028 earnings, and the bear value is slightly lower at \$600, on 2028 EPS of \$25.00 at 24 times.

15. Final verdict

Would an investor put new money into GE Vernova at \$926.44? Not yet. The business keeps winning: output is rising, the order book is \$176bn, and Venture Global has just reserved a slice of the next decade's capacity. But at 30 times 2028 earnings the price already equals the base case, the bear case sits 35% below, and the one question that moves the value, whether 2027 margins dip on older-priced backlog, is answered in eight trading days. The single biggest concern is that the headline cash yield is customer money rather than earnings, so the multiple has less support than it appears. What would change the answer: results on 28 October that hold the margin path, or a price in the \$800-860 range with the outlook intact. No High development drove this verdict; valuation did.

Sources

- GE Vernova press release and Form 8-K, Q2 2026 results and raised 2026 guidance (22 Jul 2026); Form 10-Q for the quarter ended 30 June 2026. sec.gov, gevernova.com
- Venture Global Form 8-K, Items 1.01 and 8.01, power and grid frame agreements (event 9 Oct, filed 15 Oct 2026), and Exhibit 99.1 press release. sec.gov
- GE Vernova press releases: Third quarter 2026 results date (13 Oct); Q4 2026 dividend (30 Sep); NRC construction permit for BWRX-300 at Clinch River (late Sep); SGE, GE Vernova, Hitachi and Samsung C&T MoU (22 Sep); Rotor Life Extension in Egypt (23 Sep); Tenova EAF for Nippon Steel (29 Sep). gevernova.com
- World Nuclear News, First construction permit issued for BWRX-300 SMR in US (30 Sep 2026)
- GE Vernova Form 8-K on CFO succession (27 Aug 2026). sec.gov
- Analyst actions: JPMorgan (9 Oct), Citi (12 Oct), Guggenheim (13 Oct), Susquehanna (14 Oct), Evercore (1 Oct), via moomoo news and research channels and TipRanks/The Fly
- Consensus EPS and revenue estimates: tickflow.io (16 Oct 2026). Rating counts and average target: MarketBeat (7 Oct 2026). Market commentary on 14 Oct: Quiver Quantitative
- Institutional positioning: quarterly read of reported holdings, Q2 2026

- Price of record: Alpha Vantage global quote, 15 October 2026 close. Technicals: Twelve Data daily series of 299 completed sessions to 15 October 2026, computed in code
- Macro: Beating The Bull economic data posts of 17 Sep, 2, 8, 9, 13, 14 and 15 October 2026

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