

GE Vernova Inc. (NYSE: GEV)

Equity Research Report | 16 September 2026 | Electrical Equipment / Power Generation | Reference price USD 882.81 (close, 15 September 2026)

WATCHLIST

Reference price **USD 882.81** · Probability-weighted fair value **USD 899** · Investment score **63 / 100**

Accumulation zone **USD 800 to 860** · Horizon 1 to 2 years · Suggested allocation on trigger 2.0% to 3.0%

Rating **unchanged** since 26 August 2026. The supporting reasoning has changed and is set out below.

Investment summary

The published accumulation zone of 800 to 860 dollars still stands, and the shares have spent the three weeks since the last assessment moving toward it rather than away. At 882.81 dollars GE Vernova sits 2.7 percent above the top of that zone, against 7.8 percent three weeks ago, and 24.9 percent below the 30 June closing high. Nothing in the order book has deteriorated. Backlog remains at roughly 176 billion dollars, gas capacity is effectively committed through 2030, and the company has added orders in Japan, Thailand and Brazil since the last report. The rating is reaffirmed at Watchlist.

What has changed is the shape of the bear case. On 14 September GLJ Research initiated coverage with a Sell rating and a 470 dollar target, the lowest on the street, and the shares fell 8.6 percent in a single session. The argument is not a general complaint about the multiple. It is specific and testable: turbines shipping in 2027 were ordered in 2024, before the price increases of the past eighteen months, and GLJ estimates roughly three percentage points of backlog margin on that vintage against ten to eleven points on the 2025 vintage shipping in 2028. From that it derives 2027 Power segment margin of 18.5 percent against a consensus 20.7 percent, and 2027 group EBITDA of 7.42 billion dollars against the street's 9.45 billion, a 22 percent gap.

That claim lands directly on the second driver identified in the previous report, the margin journey from roughly 17 to 18 percent today toward the 22 percent targeted for 2028, which was described there as the bulk of the equity story. The previous report argued that the price already discounted full delivery of the 2028 plan. It did not identify a mechanism by which delivery might be delayed. There is now a quantified one on the table, and it concerns timing rather than demand: if GLJ is right, the margin bridge is back-end loaded into 2028 rather than absent, which is a different and lesser claim than the 470 dollar target implies, but it removes 2027 as the year the thesis gets proved.

The bull side has not been quiet. Bernstein reiterated Outperform at 1,298 dollars on 15 September, arguing that regulated utility demand rather than data centre demand is the durable driver; Jefferies raised its target to 1,185 dollars on 11 September; Morgan Stanley holds 1,350 dollars; Goldman Sachs upgraded on 14 September. The dispersion of published targets now runs from 470 to 1,450 dollars, which is an unusually wide spread for a 235 billion dollar company and is itself the most useful sentiment fact in this report.

The conclusion is unchanged and now rests on firmer ground. The franchise merits ownership. At 58 times 2026 consensus earnings the entry price still does not, and the arrival of a credible, quantified challenge to the 2027 earnings base offsets the 4.7 percent price decline rather than being paid for by it.

1. Company snapshot and key data

Metric	Value	Metric	Value
Share price (15 Sep 2026 close)	USD 882.81	2026 revenue guidance	USD 45.5bn to 46.5bn
Shares outstanding	266.3m	2026 adj. EBITDA margin guidance	12% to 14%

Metric	Value	Metric	Value
Market capitalisation	USD 235.1bn	2026 free cash flow guidance	USD 11.5bn to 12.5bn
Net cash (Q2 2026)	USD 9.0bn	Total backlog	USD 176bn (+37% y/y)
Enterprise value	USD 226.1bn	Q2 2026 orders	USD 24.2bn (+88% organic)
Revenue, trailing twelve months	USD 41.4bn (+13.0%)	Book-to-bill (Q2 2026)	Above 2.0x
Consensus 2026 EPS	USD 15.21	EV / 2026E EBITDA	38.9x
Price / consensus 2026 EPS	58.0x	EV / 2027E EBITDA (street)	23.9x
Consensus price target	USD 1,146 (28 analysts)	Target dispersion	USD 470 to USD 1,450
Dividend / yield	USD 2.00 p.a. / 0.23%	Credit rating	A- (Fitch)
52-week range	USD 530.16 to 1,195.94	Drawdown from 30 Jun 2026 high	-24.9%
Change since 26 Aug report	-4.7%	Next scheduled results	28 October 2026

Price of record from Alpha Vantage GLOBAL_QUOTE, 15 September 2026 close. Balance sheet as of 30 June 2026. Consensus estimates from StockAnalysis.com and MarketBeat, 16 September 2026. Enterprise value is market capitalisation less the 9.0bn dollar net cash position and is a calculation rather than a reported figure.

2. What has moved since the last report

Item	26 August 2026	16 September 2026	Read
Share price	USD 926.73	USD 882.81	Down 4.7%. Now 2.7% above the top of the accumulation zone, against 7.8% before.
Price / 2026E earnings	61x	58.0x	Modest compression on an unchanged consensus estimate of USD 15.21.
Drawdown from high	-21.1%	-24.9%	The June high has not been challenged; the decline has extended.
50-day moving average	1,035.48	992.18	Recomputed. The scale-in trigger anchored to this level is reset accordingly.
200-day moving average	Not computable	896.84	Now computable on a 300-session series. Price sits 1.6% below it, a first break.
Consensus target	USD 1,133	USD 1,146	Slightly higher on average, but the range has widened sharply at both ends.
Lowest street target	Not applicable	USD 470 (GLJ)	A quantified bear case now exists where previously there was none.
Chief Financial Officer	Kenneth Parks	Succession announced	Claire McDonough, from Rivian, takes the role on 1 January 2027.
Backlog and guidance	USD 176bn, raised	Unchanged	No company disclosure has altered either since the Q2 results.

3. Evaluation framework and where each driver now stands

The five drivers set out in the previous report are unchanged and remain the right frame. GE Vernova is not a diversified industrial: it is a heavy-duty gas turbine franchise inside a three-player oligopoly, a grid equipment business enjoying a transformer and switchgear shortage, and a wind business that has lost money every year since separation. What

follows is an assessment of each driver against the evidence available three weeks on.

#	Driver	Position at 16 September 2026	Status
1	Gas slot conversion and pricing	Unchanged and still supportive. Slot reservations continue to be written near 3,000 dollars per kilowatt. Agreements signed with B.Grimm for gas turbine supply were reported on 16 September, and a third unit upgrade completed at a Brazilian hydro plant on 14 September. These are confirmatory rather than incremental to the thesis.	Intact
2	Segment margin trajectory	Now the contested driver. GLJ's estimate of roughly three points of backlog margin on the 2024-vintage orders shipping in 2027, against ten to eleven points on 2025-vintage orders shipping in 2028, implies the margin bridge is back-end loaded rather than linear. Consensus 2027 Power margin of 20.7% versus GLJ's 18.5% is the specific point of disagreement and will be partly resolvable at the October results.	Contested
3	Wind loss elimination	On track and marginally better. Management guided to roughly 400 million dollars of 2026 EBITDA losses with approximate breakeven expected in Q3. The 29.4 MW Eurus Energy order for the Hiyamizutouge project in Japan, announced 15 September, is small in revenue terms but is order intake in the segment that needed it.	Improving
4	Durability of hyperscaler capex	Unresolved, and the market's sensitivity to it is now measured rather than assumed. The GLJ note took 8.6% out of GEV, 7% out of Eaton and 4% out of Quanta Services in one session. A single initiation should not move a sector that way unless positioning is crowded, which is evidence about the shareholder base as much as about demand.	Unresolved
5	Cash conversion quality	Unchanged and still the least discussed weakness. Trailing operating cash flow of 14.1 billion dollars was accompanied by a 14.2 billion dollar working capital inflow, so cash generated by earnings after working capital was approximately nil. The headline free cash flow yield remains customer down-payment float on turbine slots rather than owner earnings.	Intact

4. The margin question, examined

The bear argument deserves to be stated at its strongest, because it is the only genuinely new analytical content since the last report. Heavy-duty gas turbines are sold years before they ship. A unit delivering in 2027 was priced into a 2024 order book, before the scarcity of slots had translated into pricing power, and H1 2026 equipment order pricing ran more than twenty points above where it sat in Q4 2025. If those two facts are both true, then the 2027 revenue line carries a materially worse margin than the 2028 line, and the smooth progression from today's roughly 17 to 18 percent segment margin toward 22 percent in 2028 is not what the backlog actually contains.

There are three reasons to hold that argument at less than full weight. Services, which is roughly half the backlog and carries the group's best margins, is not priced on a turbine vintage and reprices on a different and shorter cycle. The Electrification segment has its own margin path driven by a transformer and switchgear shortage that has nothing to do with turbine order dates. And the Wind segment's loss elimination, guided to roughly 400 million dollars this year, contributes group margin regardless of what Power does. A 22 percent gap to consensus EBITDA requires all three of those offsets to fail alongside the Power shortfall.

The honest position is that this is not resolvable from outside the company today, and that it becomes considerably more resolvable on 28 October. What can be said now is that the burden of proof has shifted. Before 14 September the question was whether an acknowledged 2028 target was worth paying for in advance. It is now whether the 2027 step toward that target happens at all. Those are different questions, and the second is harder for a buyer at 58 times current-year earnings to answer in the affirmative.

5. Valuation

On consensus figures the shares trade at 58.0 times 2026 earnings of 15.21 dollars and 38.9 times 2026 estimated EV/EBITDA. Against 2027, where the street carries EBITDA of 9.45 billion dollars, enterprise value of 226.1 billion dollars represents 23.9 times. On GLJ's 7.42 billion dollar estimate the same enterprise value is 30.5 times. The distance between those two numbers is the entire investment question, and it is why the published accumulation zone is expressed against 2027 earnings rather than 2026: at 800 to 860 dollars the shares sit near 33 to 36 times a 2027 estimate of roughly 24 dollars, a level at which the 2028 plan no longer has to arrive on schedule for the investment to work.

The trailing price-earnings ratio of 25.3 times should be disregarded. Trailing twelve-month net income of 9.53 billion dollars is up more than seven-fold year on year and reflects items that are not recurring operating performance; trailing EPS of 34.94 dollars against consensus 2026 EPS of 15.21 dollars is the clearest possible signal that the trailing figure is not an earnings power estimate. Valuation here rests on forward EBITDA and forward earnings, not on a trailing multiple.

Macro drivers. Two variables matter for this business and neither is consumer demand. The first is the long end of the Treasury curve, because utility and independent power customers fund multi-year capital programmes against it and because a 235 billion dollar equity valued on 2028 cash flows is itself a long-duration asset. The ten-year closed at 4.96 percent on 11 September, a fifty-two week high, having added twelve basis points on the August producer price report. The second is industrial input cost, where the ISM non-manufacturing prices paid index reached 72.6 in August, its highest since 2022, with respondents pointing at tariff-driven costs; GE Vernova ships fixed-price equipment years forward, so input inflation lands on a revenue line already agreed. The Federal Open Market Committee meets on 15 and 16 September with futures carrying roughly 90 percent odds of a quarter-point increase after August core CPI printed 0.3 percent against a 0.2 percent forecast.

6. Sentiment and positioning

Measure	Reading	Interpretation
Consensus rating	Moderate Buy, 28 analysts	2 Strong Buy, 20 Buy, 4 Hold, 2 Sell. The two Sell ratings are new within the last week.
Average price target	USD 1,145.83	Roughly 30% above the reference price. Broadly unchanged in average terms since the last report.
Target dispersion	USD 470 to USD 1,450	A three-fold spread. The street does not agree on what this business is, which is unusual at this market capitalisation.
Recent rating actions	GLJ initiate Sell (14 Sep); Goldman Sachs upgrade (14 Sep); Bernstein reiterate USD 1,298 (15 Sep); Jefferies raise to USD 1,185 (11 Sep)	Four actions in five sessions in both directions. The name is being actively re-underwritten rather than drifting.
Sector read-across	Eaton -7%, Quanta Services -4%, grid infrastructure ETF -4% on 14 September	One initiation moved an entire sub-sector roughly ten times the index move. Positioning is crowded.
Directional read from the news feed	Mixed, tilting negative near term	Order announcements in Japan, Thailand and Brazil are constructive but small; the valuation debate dominates the feed.
Corporate governance	CFO succession announced 27 August	Kenneth Parks retires 2 April 2027; Claire McDonough joins as strategic adviser 1 November 2026 and becomes CFO on 1 January 2027.

Sentiment inputs drawn from the moomoo news, notice and research feeds and the moomoo stock digest, cross-checked against MarketBeat, StockAnalysis.com and the company's SEC filings.

7. Technical position

Indicator	Value	Interpretation
Price of record	USD 882.81 (15 September 2026)	All distances below are measured against this price.
SMA 20 / EMA 20	938.32 / 941.75	Price 5.9% and 6.3% below. Bearish.
SMA 50 / EMA 50	992.18 / 974.42	Price 11.0% and 9.4% below. Recomputed; the previous report's 1,035 figure has decayed.
SMA 100 / EMA 100	1,017.38 / 970.50	Price 13.2% and 9.0% below. Bearish.
SMA 200 / EMA 200	896.84 / 889.89	Price 1.6% and 0.8% below. A first break of the long-term average, and marginal.
RSI (14)	39.1	Weak but not oversold. Marginally better than the 37.3 of three weeks ago.
MACD (12,26,9)	-24.21, signal -21.67, histogram -2.53	Still negative, but the histogram has narrowed from -8.88. Downside momentum is decelerating.
ATR (14)	42.02, equal to 4.8% of price	Very high for a company of this size. Position sizing must respect it.
Volume, 20-day vs 50-day	2.1m vs 2.4m, -12.9%	Participation fading outside the 14 September event day.
Recent low	868.25 intraday, 874.76 close (14 September)	The nearest support and the level the accumulation zone sits beneath.
Near resistance	896.84 (SMA200), 938 (SMA20), 992 (SMA50)	The 200-day is the first and most immediate test.
52-week range	530.16 to 1,195.94	Still up 34% year to date despite a 24.9% drawdown.

All indicators computed in code from a single Twelve Data daily OHLCV series of 300 completed sessions, 8 July 2025 to 15 September 2026. EMA seeded on SMA; RSI and ATR use Wilder smoothing; MACD signal is an EMA(9) of the MACD line. The 200-day averages are reported here for the first time because the previous report's series was limited to 100 sessions.

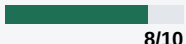
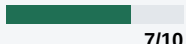
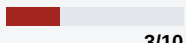
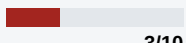
The setup remains poor but is no longer deteriorating at the same rate. Price sits below every moving average, and the break of the 200-day at 896.84 is new. Against that, the MACD histogram has narrowed from -8.88 to -2.53 and RSI has risen slightly, which is what a decelerating decline looks like rather than a reversal. The 14 September low of 868.25 is the level to watch: it sits eight dollars above the top of the accumulation zone, so a retest that holds would leave the zone untouched, and one that fails would deliver the entry the previous report was waiting for. Technicals inform timing only.

8. Risks

Risk	Probability	Severity	Comment
Valuation compression	High	High	No longer hypothetical. A single initiation removed 8.6% in one session without any change to fundamentals.
2027 margin shortfall	Medium	High	The GLJ backlog-vintage argument. Partly resolvable at the October results and the driver to watch.
Hyperscaler capex deceleration	Medium	High	Data centre orders exceeded 5bn dollars in H1 2026. This is the marginal demand source and the most crowded part of the thesis.
Working capital reversal	Medium	High	When customer down payments stop growing, headline free cash flow falls toward the much smaller earnings-based figure.
Fixed-price contract inflation	Medium	Medium	Equipment shipping five years forward at agreed prices, against input costs running at a four-year high.

Risk	Probability	Severity	Comment
CFO transition	Low	Medium	Orderly and well-trailed, but it lands during the period in which the margin bridge has to be demonstrated.
Wind segment relapse	Low	Medium	Guided to roughly breakeven in Q3. A slip costs group margin directly.
Balance sheet or liquidity	Low	Low	Net cash of 9.0bn dollars and an A- rating. This is not where the risk sits.

9. Investment scorecard

Factor	Score	Weight	Rationale
Business Quality	 8/10	12%	Oligopoly economics, roughly 7,000-unit installed base, about half of backlog in long-dated services.
Financial Strength	 8/10	12%	Net cash near USD 9bn and an A- rating, but thin equity funded substantially by customer deposits.
Competitive Advantage	 8/10	13%	Durable on services and technology; the capacity-scarcity component remains temporary.
Management	 7/10	10%	Guidance raised and delivered on revenue, EPS conversion still lagging; CFO succession now in train.
Growth Potential	 9/10	15%	USD 176bn backlog, orders above 2x book-to-bill, gas capacity effectively sold out through 2030.
Valuation	 3/10	20%	About 58x 2026E earnings and 38.9x 2026E EV/EBITDA; the 2027 earnings base is now contested.
Risk (10 = lowest risk)	 4/10	13%	Valuation-compression risk has moved from theoretical to demonstrated; CFO change adds execution risk.
Technical Setup	 3/10	5%	Below every moving average including the 200-day; momentum improving from a low base.
Overall investment score			63 / 100 (previously 64 / 100)

Scored 1 to 10, where 10 is always best, including Risk. A score of 10 = lowest risk. The overall score is the weighted sum of the factor scores, with weights summing to 100, computed in code. The previous report used this same scale and the same weights, so the two totals are directly comparable and no restatement was required.

One factor moved. Risk falls from 5 to 4. The previous report identified valuation compression as a high-probability, high-severity risk; in the three weeks since, that risk has fired, taking 8.6 percent out of the shares in a session on a research note rather than a fundamental disclosure, and dragging an entire sub-sector with it. To that is added a quantified challenge to the 2027 earnings base and a chief financial officer transition landing in the year the margin bridge must be demonstrated. The Risks section above describes a business of moderate-to-elevated rather than moderate risk, and a score of 4 is consistent with it. Valuation is held at 3 rather than raised: the 4.7 percent price decline is a genuine improvement, but it is offset by reduced confidence in the 2027 estimate the multiple is measured against.

10. Recommendation

Watchlist, unchanged from 26 August 2026. The reasoning behind the rating has changed and the change is worth stating plainly. Three weeks ago the case against buying was that the price discounted the successful delivery of the 2028 plan, leaving a buyer with the execution risk and none of the upside. That remains true. It is now joined by a specific and quantified argument that the 2027 instalment of that plan may not arrive, which is a question the company can begin to answer on 28 October and which a buyer today would be taking a position on blind.

Item	Level	Reasoning
Accumulation zone	USD 800 to 860	Unchanged. Approximately 33 to 36 times a 2027 estimate near 24 dollars, and beneath the 14 September low of 868.25. The level at which the 2028 plan no longer needs to arrive on schedule for the investment to work.
First scale-in trigger	USD 860 with RSI below 30	Unchanged. RSI stands at 39.1, so the condition is not met. Requires evidence of selling exhaustion rather than a falling knife. Half position.
Second scale-in trigger	USD 800, or a reclaim of the 50-day average at 992 on rising volume	The moving-average leg is reset from the 1,035 published in August to the recomputed 992.18. Either capitulation or confirmed trend repair. Remainder of position.
Thesis-invalidating level	Sustained trade below USD 780	Unchanged. Below this the market is repricing the demand thesis rather than the multiple. Reassess rather than average down.
Upside reference	USD 1,146 consensus target; USD 1,175 bull case	Roughly 30% and 33% above the reference price. Note that the published target range now runs from 470 to 1,450 dollars.
Suggested position size on trigger	2.0% to 3.0% of portfolio	Constrained by a 4.8% average true range and by correlation with every other AI-adjacent holding, which 14 September demonstrated directly.
Holding horizon	1 to 2 years minimum	The margin expansion that justifies the price does not arrive before 2027 at the earliest, and on the bear case not before 2028.

No cut-loss or take-profit levels are published for a non-Buy rating. The position is not held, so a stop is meaningless and a profit target is a valuation estimate wearing the clothes of an instruction.

11. What would change the view

Condition	Consequence
October results show 2027 Power segment margin guidance consistent with the 22% 2028 target, with backlog margin disclosure by vintage	Removes the central bear argument. Would support an upgrade even without a lower price, because the 2027 step would no longer be in doubt.
October results confirm materially weaker 2027 equipment margin on the 2024-vintage backlog	Confirms the bear case on timing. Would not change the Watchlist rating but would lower the accumulation zone toward the bear-case fair value.
Price trades into USD 800 to 860 on evidence of selling exhaustion	Triggers the published scale-in plan. This is the outcome the rating is waiting for.
Sustained trade below USD 780	Signals the demand thesis rather than the multiple is being repriced. Reassess from first principles rather than accumulate.
Adjusted EBITDA margin guided above 14% with Wind at sustained breakeven	The operational combination that would justify paying a premium multiple in advance.
A sustained rise in long-end Treasury yields alongside evidence of deferred utility capital programmes	The macro combination that would hit both the customer's funding cost and the discount rate applied to a 2028 earnings stream.
Data centre order intake falls materially below the H1 2026 run rate	The marginal demand source weakening. Given the concentration demonstrated on 14 September, this would be repriced sharply.

12. Scenario analysis

Case	Prob.	Fair value	Basis
Bull	25%	USD 1,175	2027 EBITDA at or above the street's 9.45bn dollars, the 2028 margin target intact, gas and grid scarcity persisting. Roughly 26x a 2028 EBITDA estimate near 11.5bn dollars. Revenue compounding in the low teens, earnings faster as mix improves.
Base	50%	USD 900	Margin progress real but slower than the 2028 target implies, 2027 EBITDA near 8.9bn dollars. Roughly 26x 2027 EBITDA. Revenue in line with the 45.5 to 46.5bn dollar 2026 guidance and growing high single digits thereafter; earnings growth back-end loaded into 2028.
Bear	25%	USD 620	The backlog-vintage argument proves correct, 2027 EBITDA near 7.4bn dollars, and the multiple compresses toward a cyclical capital-goods level near 21x. Revenue largely protected by backlog; the damage is in margin and in the multiple, not in the order book.
Weighted	100%	USD 899	Probability-weighted fair value, computed in code. +1.8% against the reference price of USD 882.81.

Probabilities sum to 100%. The bear case is deliberately set above the lowest published street target of 470 dollars, which implies roughly 16 times the same 2027 EBITDA estimate and assumes both the margin shortfall and a full de-rating to trough multiples.

13. Final verdict

Would an investor commit capital here today? Not yet, and the answer is closer than it was three weeks ago for reasons that are half good and half bad. The good half is price: 4.7 percent lower, 24.9 percent off the high, and now only 2.7 percent above a zone that was set as the point at which the business becomes buyable without heroic assumptions. The bad half is that the thing being bought has become slightly less certain in the same period, because a specific argument now exists that 2027 will not show the margin progression the price requires.

The quality of the franchise is not the question and never was. An installed base of roughly 7,000 gas turbines, half the backlog in long-dated services, a three-player oligopoly and effective sell-out through 2030 is as good a competitive position as exists in capital goods. The question is what an investor pays for a 2028 outcome in 2026, and at 58 times current-year earnings the answer is still too much. The single biggest concern is that the free cash flow which makes the valuation look tolerable is customer float rather than owner earnings, and that it reverses mechanically the moment order growth slows. What must change is either the price, into the 800 to 860 dollar zone, or the evidence, in the form of an October disclosure that puts the 2027 margin question to rest.

Until one of those happens, this is a business to admire and a stock to wait for.

Sources and basis

Price of record: Alpha Vantage GLOBAL_QUOTE, close of 15 September 2026. Daily price history and all computed technical indicators: Twelve Data time series, 300 completed sessions. Company data, guidance and backlog: GE Vernova Q2 2026 results and SEC filings, including the Form 8-K dated 27 August 2026 covering the chief financial officer transition. Consensus estimates, ratings and price targets: StockAnalysis.com and MarketBeat, 16 September 2026. News, company notices and broker research: moomoo news search and moomoo stock digest, both run for this report; Yahoo Finance, Barron's and 24/7 Wall St. for the GLJ Research initiation and the sector read-across. Macroeconomic figures: Bureau of Labor Statistics August consumer and producer price releases, the US Treasury daily yield curve and the Institute for Supply Management August non-manufacturing report. No earnings call transcript was sought or required for this report: the most recent quarterly call was covered in the report of 26 August 2026 and the next results are scheduled for 28 October 2026. Enterprise value, forward multiples, the investment score and the probability-weighted fair value are calculations derived from the inputs shown and are not company-reported measures.

This report is informational only and does not constitute financial advice.