

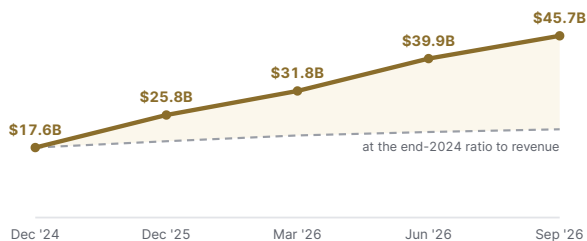
EQUITY VALUATION · INDUSTRIALS · GEV · 27 OCTOBER 2026

GE Vernova (GEV) — The Customers Paid First

GE Vernova's third quarter booked \$29.3 billion of orders, up 96% organically, and raised the 2026 free-cash-flow guide by \$4.5 billion. The 10-Q shows where the cash came from: customer deposits added \$19.5 billion in nine months, more than all of the free cash flow. That money is real, but it is paid against turbines and grid equipment still to be built. Counted as timing rather than earnings, it leaves GE Vernova worth \$534.79 a share, from \$672 in July, against a price that needs the sold-out market for gas turbines to last until about 2048.

TON618 CAPITAL RESEARCH · AS OF 27 OCTOBER 2026

Customer deposits held by GE Vernova (contract liabilities)



The customers paid first.

Nine months of free cash flow came to \$15.3 billion; customer deposits added \$19.5 billion. The cash is real, and it is held against turbines and grid equipment still to be built. What the business earns on its own is the smaller number.

THE PRINT · THE CASH · THE SLOTS · THE VALUE · THE RECEIPT · THE TRIPWIRES

In July we valued GE Vernova as the best business in the AI power buildout, at a price that already assumed the boom lasts a decade. The third quarter made the business case stronger: some gas-equipment slots are now sold for 2032 delivery, backlog rose \$20 billion in three months to \$197 billion, and margins rose in all three segments. It also made the cash flow harder to read. The quarter's \$5.4 billion of free cash flow, and the raised \$16–17 billion for the year, rest on down payments from buyers holding a place in the production line. This note asks what that cash is worth to a shareholder, and what \$895.08 requires once it is counted as timing rather than earnings.

THE QUESTIONS

What this note answers

1. What did the quarter earn, and what did the raised guide change?
2. How much of the free cash flow is customer deposits, and what does the business earn without them?
3. How long can the sold-out stage last, and what do Trench and the buyback cost?
4. What is GE Vernova worth, what does \$895.08 require, and why did our number move from \$672?
5. What would change our view, in observable terms and on dated tests?

\$535

PROBABILITY-WEIGHTED FAIR VALUE A
SHARE - BEAR \$193 / BASE \$571 /
BULL \$765 AT 25 / 45 / 30

The view. We value GE Vernova at **\$534.79** a share, from \$672 in July. At the \$895.08 close of 27 October, the session before the release, the price is 67% above fair value and 17% above our bull case (\$764.82). The business is stronger than July assumed; the free cash flow is mostly deposits, which the 10-Q names as the main driver of operating cash. Customers paid \$19.5 billion of deposits in nine months for equipment still to be built, and we count that as timing, not earnings. On those cash flows the price needs the sold-out stage to last until about 2048; slots are sold to 2032, and our base case ends the stage in 2031. We also correct two errors in the July model, worth -\$2 a share together, and no longer give half the weight to a 22-times EBITDA multiple, which assumes a stage to about 2041 (July's weighting would give \$661). If the slot book reaches the bull case's path, that weight returns and the bull is worth \$926, above the price. The print-day close was \$878.03 (-1.9%, with the S&P 500 ETF +0.3%). The Fund holds no position.

\$29.3B

Q3 orders, +96% organic; Power \$21.8B, +178%

\$19.5B

customer deposits added in nine months, against \$15.3B of free cash flow

\$3.4B

2026 free cash flow from earnings (house estimate), of the \$16-17B guide

17.8%

return on invested capital, trailing twelve months, against a 9.5% cost of capital; 8.1% a year ago

Terms used throughout, defined once. **Orders** are new firm contracts; **backlog** is contracted revenue not yet earned (the remaining performance obligation). A **slot reservation** is a paid agreement that holds a gas-turbine production slot before a firm order; the company reports gigawatts (**GW**) of backlog and reservations together as "under contract". **Customer deposits** are contract liabilities: cash received ahead of the revenue it pays for. **Adjusted EBITDA** is earnings before interest, tax, depreciation and amortization, as the company adjusts it (a non-GAAP measure). **Free cash flow (FCF)** is cash from operations less capital spending; **earnings FCF** is our estimate of the part that comes from profit rather than deposits; **free cash flow to equity (FCFE)**, the cash a shareholder could be paid, is the basis of the fair value. **Growth stages** are forecast periods, each lasting as long as its driver. **ROIC** is after-tax operating income over invested capital, trailing twelve months, against the weighted average cost of capital (**WACC**). **Terminal growth** is the rate a business grows at forever after the forecast, set from long-run GDP. **Fair value** is the FCFE value weighted across bear / base / bull at 25 / 45 / 30; the EV/EBITDA value is a cross-check (\$4).

✓ THE CASE FOR THE PRICE

The case for the price, in the company's terms

On its own terms the quarter was exceptional. Orders of \$29.3 billion rose 96% organically, led by Power at \$21.8 billion, up 178%, on 55 heavy-duty gas turbines (21 of them the largest HA class) and 57 aeroderivatives. Backlog rose \$20 billion in the quarter to \$197 billion, and management expects it to pass \$200 billion in the fourth quarter. Gas equipment under contract rose from 116 to 122 GW, with at least 130 GW guided for year-end; the company "sold multiple slots for '32 delivery", and third-quarter gas orders were "priced more than 20% above 4Q '25 equipment orders". Adjusted EBITDA margin rose to 15.4% from 8.1%. Power earned 21.4%, Electrification 19.1%, and Wind turned a profit of \$72 million against a \$61 million loss a year earlier. The company raised all three 2026 guides, and Fitch raised its credit rating to A- in August.

The cash is not a forecast. The company ended September with \$16.8 billion of cash against \$2.8 billion of borrowings, after buying back \$5.3 billion of stock in nine months. Customers are paying ahead because the equipment is scarce: a handful of companies build heavy-duty gas turbines (its 2024 S-1 names Siemens Energy, Mitsubishi Power, Ansaldo Energia and Doosan as competitors), and management says "there's no change in our cash terms required to secure the equipment". Deposits of this size are a sign of pricing power as much as of timing. Electrification's data-center orders passed \$6 billion for the year, and the company is buying Trench Group, a high-voltage component maker it already buys from, for \$9.0 billion at 13 times 2028 EBITDA, to add capacity it says the grid needs. A 2030 financial guide is coming at a Capital Markets Day, and the chief executive said it will "be a floor on what we expect by 2030". The company's case also does not end when the slots do. Management says every gigawatt of HA turbines will produce about half a billion dollars "of high-margin services revenue over the first 20 years of its lifetime". Asked about a framing of Power services growing from \$12 billion to \$22 billion by 2035, the

chief executive said it "likely will prove out to be conservative, the \$22 billion that we framed up last year". On that view a cycle in orders need not be a cycle in earnings.

The arithmetic offered for the price is simple. At \$895.08, the enterprise value of about \$227B is 13.7 times the \$16.5 billion midpoint of the 2026 free-cash-flow guide, and 21.8 times the 2028 EBITDA of the company's December 2025 framework, which the business is already outrunning. On that view the cash-flow model is low because a model has to fade growth somewhere, and the slot book keeps moving the date out. Our own bull case, which holds the sold-out stage to 2032, gives \$764.82; the price is 17% above it.

This note tests four of these claims: the quality of the free cash flow, by splitting deposits from earnings; the length of the sold-out stage, against the slot book and the base rates for growth; the 2028 framework as an anchor for an EBITDA multiple; and the cash after Trench and the buyback. The services annuity is set against the base path in \$4. It cannot test, inside a nine-year model, whether gas-turbine scarcity lasts to about 2048, which is what the price needs. We carry that as the bull case and price its length below.

THE PRINT

What the quarter earned

Revenue was \$12.64 billion, up 27% reported and 18% organically. Net income was \$1.29 billion, or \$4.81 a diluted share against \$1.64 a year earlier. Adjusted EBITDA was \$1.94 billion, a 15.4% margin, against \$0.81 billion and 8.1% a year earlier and 11.3% in the June quarter. The company credits higher price, volume and productivity.

- **Power.** Orders \$21.8 billion, revenue \$6.07 billion (+25%), segment EBITDA \$1.30 billion at 21.4%, up from 13.4%. In gas, the company signed 11 GW of new contracts (8 GW of slot reservations and 3 GW of orders), converted 13 GW of reservations into orders and shipped 5 GW. Equipment backlog rose from 53 to 64 GW and reservations fell from 63 to 58 GW. More of the book is now firm orders than reservations. Power backlog reached \$130.9 billion.
- **Electrification.** Orders \$5.37 billion, down 9% organically. Management attributed the fall to "a significant order for \$1.6 billion of synchronous condensers in Saudi Arabia" a year earlier, with book-to-bill about 1.4 and North American equipment orders doubling. Revenue was \$3.86 billion, up 51% reported. Of that, \$945 million came from Prolec GE, the transformer business acquired in February, and organic growth was 16%. Segment EBITDA was \$739 million at 19.1%; on the organic basis, without Prolec and currency, 17.9%. Equipment backlog was \$42.2 billion, up 60% on the year, \$5 billion of it from Prolec.
- **Wind.** Orders \$2.14 billion, up 16% organically on onshore repowering in North America. Revenue \$2.74 billion, segment EBITDA \$72 million (2.6%). The full-year Wind loss guide widened to \$400–500 million from about \$400 million, partly because scheduled maintenance was pulled forward from 2027. Management said there is "one more year to go in the offshore execution in the North Sea."

The guide. 2026 revenue \$46.5–47.5 billion (from \$45.5–46.5 billion), adjusted EBITDA margin 13.5–14.5% (from 12–14%) and free cash flow \$16–17 billion (from \$11.5–12.5 billion). Power organic growth is now 19–21% at a 19–21% margin. Electrification revenue is \$14.5–15.0 billion, including about \$3.1 billion from Prolec, at 18–20%, "trending toward the higher end". The revenue and margin raises are modest; the free-cash-flow raise is not. Nine months of free cash flow already total \$15.3 billion. The guide therefore implies \$0.7B–\$1.7B for the fourth quarter, against \$5.4 billion in the third, and management guided only to "positive free cash flow". No 2027 figure was given.

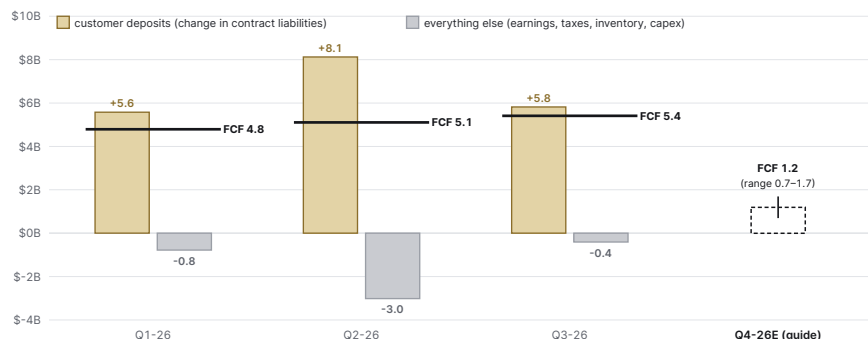
THE CASH

The cash: what the free cash flow was made of

The 10-Q's cash-flow statement answers the question the guide raises. In the nine months, cash from operations was \$16.7 billion, and the increase in contract liabilities alone contributed \$19.5 billion. The 10-Q attributes it to "down payments on orders and slot reservation agreements at Power, and down payments at Electrification". Everything else in free cash flow came to –\$4.2B: operating earnings, less \$2.7 billion of cash taxes, \$1.4 billion for pension and retiree

plans net (including \$0.9 billion of voluntary payments), a \$2.5 billion net working-capital build outside deposits (receivables \$1.7 billion, inventory \$2.1 billion and contract assets \$0.3 billion, less \$1.5 billion of added payables), and \$1.4 billion of capital spending. On the call the chief financial officer described the third quarter the same way: "Working capital was a \$5.3 billion cash benefit, driven primarily by down payments on increased orders and slot reservations at Power." The third quarter's \$5.4 billion of free cash flow included \$5.8 billion of deposits.

EXHIBIT 1 — FREE CASH FLOW BY QUARTER, SPLIT INTO CUSTOMER DEPOSITS AND EVERYTHING ELSE



How to read it. Billions of dollars a quarter, 2026. For each reported quarter, the gold bar is the change in customer deposits (contract liabilities) from the cash-flow statement, the gray bar is everything else in free cash flow, and the black tick is free cash flow itself; the two bars add to the tick. The outlined bar is the fourth quarter the full-year guide implies, with its range; the guide does not split it. Compare the gold bar with the tick in each quarter. The one thing it shows: in every quarter of 2026, deposits were larger than all of free cash flow.

What the business earns on its own. Deposits are not earnings. When the turbine ships, the revenue is booked, but the cash was collected years before, so the delivery year carries the cost with no matching inflow. For 2026 we estimate free cash flow from earnings at about \$3.4B, on a normalized basis: adjusted EBITDA at the guide midpoint (\$6.58B), less a 23% cash tax on operating profit and about \$2.0 billion of capital spending, before pension payments. The nine months ran below that pace: free cash flow before any working-capital change was -\$1.7B, after \$2.7 billion of cash taxes and \$1.4 billion for pension and retiree plans. The rest of the \$16.5 billion midpoint, about \$13.1B, is a residual: deposits and other working capital, net of taxes and pension payments above the normalized level. On the guided figure the enterprise value is 13.7 times free cash flow; on earnings free cash flow it is 67 times.

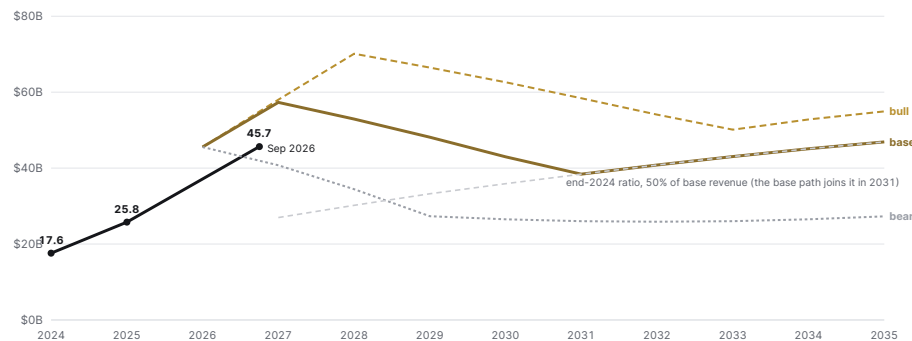
Deposits held by the company stood at \$45.7 billion on 30 September, 104% of trailing revenue. At the end of 2024, before the gas order cycle, the ratio was 50%; at the end of 2025, 68%. At the 2024 ratio the balance would be about \$23.5B lower. That is more than the company's \$14.0B of net cash: in effect, the net cash is customers' money, held against work still owed.

How the model treats it. Deposits follow orders, not revenue, so the model ties them to the gas slot book. Above their pre-cycle level of half of revenue, they rise when far-dated slots are sold and fall as the book ships at about 24 GW a year (the mechanics are in §8). In the base case 2027 signings run at the third- and fourth-quarter pace, which the chief executive said 2027's quarters were "more likely to feel like": about 48 GW on our arithmetic. The book peaks near 156 GW, and deposits peak with it in 2027, then run down while revenue still grows, because the book ships faster than it refills. The bull signs at that pace for a second year; a third would carry the book past the bull's own stage, which ends in 2032. The bear signs no further far-dated slots. The company's 30 GW target for 2030 is left out: faster shipments would run the book down sooner, and would also lift revenue, which the growth paths set separately. Counted this way, deposits still add value, the time value of cash collected early: +\$50.65 a share at their step in the attribution table, about \$49 in the final model.

The strongest reading of the company's position is that deposits this size are a new norm set by scarcity, not a cycle; the chief executive said there is "no change in our cash terms" required to secure equipment. That reading is ours, not the company's words. No case carries a higher norm, because the only pre-cycle observation is 2024's, and the link between deposits and the book is fitted to two year-ends, not tested. Held at their 2027 share of revenue for good, deposits would give \$704, still well below the price. The end of 2028 tests it: deposits more than \$5 billion above what the slot

book implies would move the model toward that case; more than \$5 billion below would move the base case to the bear's book (\$528).

EXHIBIT 2 — CUSTOMER DEPOSITS: REPORTED TO SEPTEMBER 2026, AND THE THREE MODEL PATHS



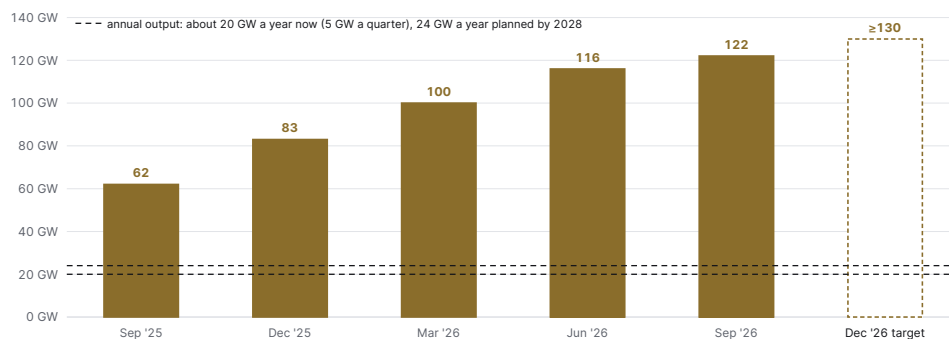
How to read it. Billions of dollars. The black line is the contract-liability balance at the end of 2024, the end of 2025 and 30 September 2026. From the end of 2026 the gold lines are the model's paths for the bull (light, long dashes), base (dark, solid) and bear (gray, short dashes) cases; the light dashed line is 50% of base-case revenue, the end-2024 ratio. Compare each path with the light dashed line. The one thing it shows: deposits fall back to half of revenue as the slot book ships: by 2029 in the bear, 2031 in the base and 2033 in the bull. The gap between a path and that line is cash the shareholder holds only until the equipment ships.

THE SLOTS

How long the sell-out lasts, and where the cash goes

How long the slots run. Gas equipment under contract was 62 GW at 30 September 2025, 83 GW at the end of 2025 and 122 GW at 30 September 2026. The company now ships at what the chief executive called "this 5 gigawatt quarterly run rate", about 20 GW a year. At that rate 122 GW is about six years of output on our arithmetic, consistent with slots sold for 2032 delivery. Prices are still rising: full-year 2026 gas orders are expected at about 50% more per kilowatt than 2025's. The one soft reading is the fourth quarter. Management expects gas orders "to have a price per kW in 4Q that is lower than 3Q", on mix (fewer aeroderivatives, more units for 50-hertz grids). It guided about 13 GW of signings in the quarter, close to the third quarter's 11 GW. About 20% of gas customers are data centers.

EXHIBIT 3 — GAS EQUIPMENT UNDER CONTRACT OR RESERVED, AGAINST ANNUAL OUTPUT



How to read it. Gigawatts of gas equipment backlog plus slot reservations, as the company reports them, at 30 September 2025, the end of 2025, each 2026 quarter, and the at-least-130 GW year-end guide (outlined). The two dashed lines are annual output: about 20 GW a year at the current run rate and the 24 GW a year by 2028 the company has said it is building toward. Compare a bar's height with the dashed lines; the ratio is the number of years of output already sold. The one thing it shows: at today's rate, on our arithmetic, the book holds about six years of output, roughly through 2032.

The 2028 framework is stale, and is being replaced. In December 2025 the company framed 2028 as at least \$52 billion of revenue at a 20% adjusted EBITDA margin, about \$10.4 billion of EBITDA. July's EV/EBITDA value was anchored there. 2026 is now guided at about \$47 billion, so \$52 billion would need only about 5% a year of growth after a year of 23%. The framework was not restated, reaffirmed or updated on the call or in the slides. The chief executive said the company will "create a 2030 financial guide" at a Capital Markets Day, to be dated on the January call. Until then the house uses each case's own 2028 path: about \$11.4B of EBITDA in the base case on \$60.0B of revenue (19.0% margin), \$12.6B in the bull and \$8.7B in the bear. That re-anchoring raises the EV/EBITDA value; its weight is a separate question (§4).

Trench Group. GE Vernova agreed on 25 October to buy Trench, a maker of high-voltage bushings, instrument transformers and coils, from Triton Partners for about €8.0 billion (\$9.0 billion at \$1.12). Trench expects \$1.9 billion of revenue in 2028 at about a 36% adjusted EBITDA margin, with free cash flow of \$0.2 / \$0.3 / \$0.4 billion in 2026–28. The price is 13 times Trench's 2028 EBITDA before synergies, funded "using an equal mix of debt and cash on hand", about \$4.5 billion of each, with close expected in late 2027. The model takes the \$9.0 billion out of cash in 2027 (discounted with the year's other flows) and adds Trench's own cash flows from 2028. At our cost of equity the deal costs \$5.30 a share, close to value-neutral (–\$0.55 at its step in the attribution table, before the method changes). Each \$1 billion paid above or below what Trench is worth moves fair value by about \$3.53 a share. On the base path, net cash at the end of 2027 is about \$19.7B after Trench, before any further buybacks.

The buyback. The company bought \$1.6 billion of stock in the third quarter and \$1.3 billion more from 1 to 23 October. Since December 2024 it has bought 15.6 million shares at an average of about \$635. The board doubled the authorization to \$20 billion, leaving \$10.1 billion. Repurchases are a transfer between shareholders who sell and those who stay. At our fair value, each \$1 billion bought at \$895.08 moves about \$0.40B of value to the sellers. Spending the remaining authorization at that price would lower fair value per remaining share by about \$16. The model counts the shares and cash as they stood after the October purchases and assumes no further buybacks.

THE VALUE

What GE Vernova is worth, and what the price requires

How long each part grows faster than normal. Each stage lasts as long as its driver, and every length is argued from something dated in the filings or on the call.

BUSINESS	WHAT DRIVES ABOVE-NORMAL GROWTH	HOW LONG, AND WHY	THEN	GROWTH BY CASE (BEAR / BASE / BULL)
Power (gas turbines and services)	Slots sold ahead of a capacity ramp, at prices still rising	Base 5 years, 2027–31: the book is about six years of output at the current run rate, with slots sold for 2032; base takes five to allow for reservations that lapse or slip; the bull takes six; in the bear, orders peak in 2027 and above-normal growth ends in 2028	A straight-line fade to terminal growth by 2035, base-rate bounded	Group revenue +10 / +14 / +17% in 2027, +5 / +12 / +15% in 2028, 0 / +10 / +13% in 2029
Electrification (grid)	Transformer and switchgear shortages, HVDC and substations; Prolec and Trench add capacity	To about 2030: the company's high-voltage market estimate (about 8% a year to about \$130 billion in 2030, built on BNEF, IEA and internal figures) and an equipment backlog of about three years of segment revenue	The same fade	Inside the group path
Wind	None: revenue guided down mid-single digits, offshore winding down	No supernormal stage	Margin moves from losses to low single digits	About zero
Customer deposits	Down payments collected years ahead of delivery, about \$0.32 billion per GW of slot book above about 63 GW	Base: peak in 2027, back to the norm in 2031 as the book ships at about 24 GW a year	Back to 50% of revenue (the end–2024 ratio); bear in 2029, bull in 2033	2027 signings: none / ~48 GW / ~48 GW, and again in 2028

Why these lengths. Above-average growth rarely lasts. Across US companies from 1951 to 1998, sales growth stayed above the median five years running for 6.3% of firms and ten years running for 0.9%, against 3.1% and 0.1% if growth were random (Chan, Karceski and Lakonishok, 2003). Turbine cycles have followed the same pattern: after the US gas-turbine order boom of 1999–2001, GE forecast in July 2002 that US orders and shipments would fall by 80% or more over two years. Hence a straight-line fade to terminal by 2035 wherever the sold-out stage ends. The bull case's sixth

year rests on slots already sold for 2032, and on 2027–28 signings that would carry the book to about 180 GW (tripwire 7). A longer stage is the single input most in the price's favor, and it is priced below. The usual counter-argument is that today's buyers pay deposits years ahead, where a large share of the 1999–2001 boom was ordered by merchant (independent) power developers; management did not address the comparison on the call. We cannot test it inside the model; it is what the bull case's sixth year and Exhibit 4 price.

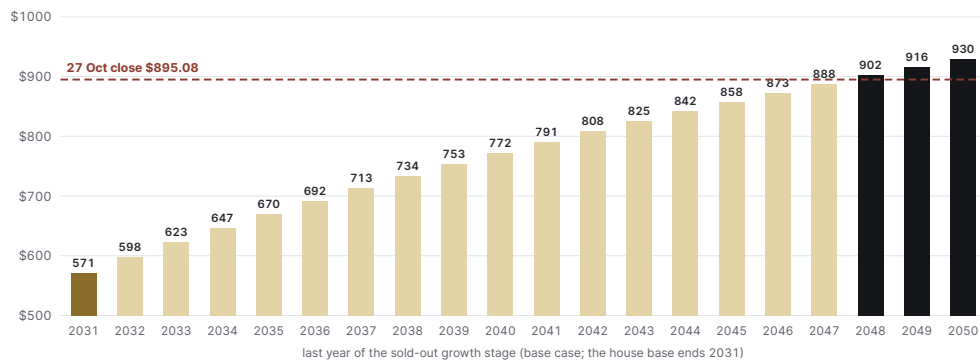
The services annuity. Gas and steam services growing from about \$12 billion in 2025 to at least \$22 billion by 2035 is about 6% a year (the company's December 2025 framing, which an analyst cited on the call and the chief executive called likely "conservative"). The base path grows the whole company at least that fast through 2032 and at 4% from 2035, so the company's services framing is consistent with the base path at the company level; the model does not split services from equipment, and the chief executive's "conservative" is credited only through the terminal-margin sensitivity. What the base case does not credit is services growing faster than the economy after 2035; that would sit in the terminal value, and a terminal margin two points higher is priced below.

FAIR VALUE, \$ A SHARE	BEAR (25%)	BASE (45%)	BULL (30%)
Fair value: FCFE, cost of equity 9.60%	\$192.72	\$571.48	\$764.82
2028 revenue / adjusted EBITDA	\$54.3B / \$8.7B	\$60.0B / \$11.4B	\$63.2B / \$12.6B
Peak / terminal adjusted EBITDA margin	16% / 14%	21% / 19%	23% / 21%
Cross-check: EV/EBITDA on 2028 (16 / 22 / 27×)	\$420	\$790	\$1,087
EV/EBITDA the house cash flows justify at mid-2028	6.5×	13.5×	16.1×

Weighted 25 / 45 / 30, fair value is **\$534.79**. Terminal value is 67% of the base case (65% to 83% across the three). That is why the terminal assumptions are priced below. The bear's 83% reflects a business whose deposits are returned and whose growth stops; its explicit years carry little cash.

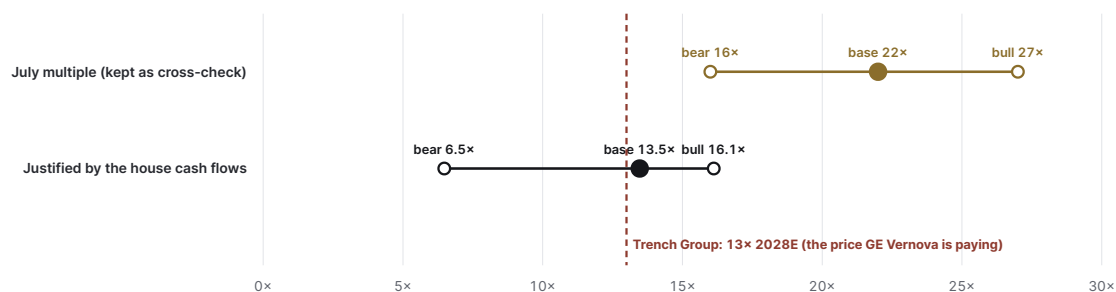
What the price requires. We solve the base-case model for the \$895.08 close, one input at a time. Held at its 2031 rate (7% growth, a 21% margin) the sold-out stage would have to last until about 2048, not 2031. Alternatively, growth through the stage would have to run 1.8 times the base case's, or the cost of equity would have to be 7.6% (from 9.60%), or terminal growth 6.6%, above any long-run GDP projection. At a cost of equity of 8.6% the price needs 1.5 times base stage-1 growth; at 10.6%, 2.1 times. The bull case, which carries the sold-out stage one year further and pays 23% margins, is worth \$764.82; the price is 17% above it.

EXHIBIT 4 — BASE-CASE VALUE BY THE LAST YEAR OF THE SOLD-OUT STAGE



How to read it. Dollars a share for the base case alone, with every other input unchanged. Each bar holds the sold-out stage's 2031 growth (7%) and margin (21%), with signings replacing shipments so the slot book holds, one more year before the same fade to terminal; the label is the stage's last year, from the base case's 2031. The red dashed line is the 27 October close. Compare where the bars cross the line. The one thing it shows: the base case reaches the price only if the sold-out stage runs to about 2048, seventeen years beyond the base case's 2031 and about sixteen beyond the 2032 slots already sold.

EXHIBIT 5 — WHAT AN EBITDA MULTIPLE MEANS HERE



How to read it. Enterprise value as a multiple of 2028 adjusted EBITDA. The top row is the multiples July applied (16 / 22 / 27 times for bear / base / bull); the bottom row is the multiple at mid-2028 that the house's own cash flows justify in each case, deposits and Trench included; the filled dot is the base case. The red dashed line is the 13 times GE Vernova is paying for Trench Group. Compare the two rows, and each with the red line. The one thing it shows: the base multiple July applied is about half again what the house cash flows support, and above the 13 times the company itself is paying, in a private control purchase, for a higher-margin grid business growing at double digits.

A separate judgment: the EV/EBITDA value is no longer weighted. This decides which methods count; it is not one of the calculation changes below. An EBITDA multiple is a compressed claim about how long growth stays above normal, and the house argues every such length from its driver. Run through the same engine, the base case's 22 times 2028 EBITDA needs the sold-out stage to last until about 2041, nine years beyond the 2032 slots already sold. Weighting it at half would put that length into the fair value without the argument every other input carries. The judgment does not rest on deposits, which the bridge already deducts, or on Trench: the 13 times GE Vernova is paying is a private control price, context rather than reason. The lens stays as a cross-check: \$787 across the cases, and July's 50/50 blend would give \$660.82. The weight comes back on evidence, not on a scenario's assumption. The cases' own signings sell slots into about 2034 (base) and 2036 (bull), so tripwire 7 is set against each case's slot book: if the bull's book arrives, the weight returns and the bull is worth about \$926, above the price. Effect of the judgment: -\$126.03, to \$534.79.

Why the number moved from \$672. Each row of the table below re-runs one engine with one more factor changed, in order, so the rows add to the move; July's configuration reproduces its published \$672 first (\$672.28 unrounded). The quarter raised the value. Re-basing to the 30 September balance sheet and the raised guide, rebuilding the cash flows from drivers with a deposit line and re-anchoring 2028 EBITDA take July's model to \$779.70. Two rows correct errors in the July model: it added the 30 June cash, which already held the first half's \$9.9 billion of free cash flow, and also counted the full-year 2026 guide; and it discounted calendar 2026 as if received in July 2027. Seven rows change how the model is calculated, taking it to \$660.82 on July's weights; the last row is the weighting judgment above.

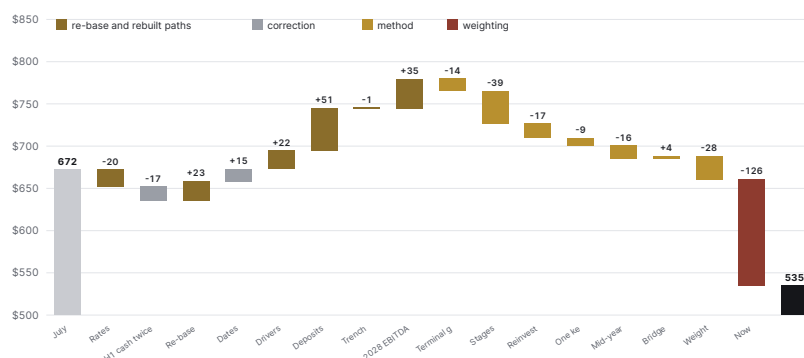
What changed in how we calculate, and why. Each change has its own row and effect. **1. Terminal growth from long-run GDP:** the Federal Reserve's September longer-run projections, 2.0% real growth and 2.0% inflation, 4.0% nominal (one point less in the bear), in place of July's 4.0 / 4.5 / 3.0% conventions (-\$14.37). **2. Stages argued, fades landing on terminal:** revenue, margin and deposits run to 2035 on the stage table, in place of July's six typed years and a generic fade from 6% (-\$38.70). **3. Terminal growth paid for:** the terminal year reinvests growth over the return on new capital (25 / 30 / 15%), against a trailing 17.8% on capital that includes \$13.9 billion of goodwill and intangibles (-\$17.13). **4. One cost of equity across the cases:** July's 8.5 / 9.0 / 10.0% counted scenario risk twice, in the weights and in the rate; all three first take today's Treasury plus July's base premium, 9.32% (-\$8.82). **5. The cost of equity estimated, not carried:** CAPM on GE Vernova's own history gives 9.60% (-\$15.60): the 4.99% Treasury plus a Blume-adjusted beta of 1.02 times a 4.5% equity risk premium. With 29 months of history and a monthly correlation of 0.29 (a standard error of about 0.66 on the beta) the estimate could sit well either side: a rate one point lower gives \$648, while the median beta of electrical-equipment peers (1.29) gives 10.4% (\$470), as do weekly returns. **6. Mid-year discounting,** the house convention (+\$3.52). **7. The EV/EBITDA bridge** counts the cash held at mid-2028 and deducts deposits above the pre-cycle ratio as owed to customers (-\$27.78).

FACTOR	KIND	\$ A SHARE	FAIR VALUE AFTER
Cost of equity: 10-year Treasury 4.67% to 4.99% (base 9.00% to 9.32%; each case moves by the same 0.32 points)	rates	-20.19	652.09
Correction: the July model counted first-half 2026 free cash flow (\$9.9bn) twice, once in the 30 Jun cash it added and again inside full-year 2026	correction	-16.83	635.26
Re-based to 27 Oct (July's clock kept): the 30 Sep balance sheet (cash \$16.8bn, borrowings \$2.8bn, less the \$1.3bn bought back in October and the \$1.16bn minority interest), 266.3M shares, and the rest of 2026 at the raised guide (Q4 free cash flow \$1.2bn)	this-year	+23.29	658.55
Correction: dates. July discounted each forecast year as the twelve months from 22 Jul (calendar 2026 as if received in July 2027, 2027 in July 2028); flows are now dated to the end of their calendar year, and the 2028 multiple point to mid-2028	correction	+14.56	673.11
Cash flows rebuilt from drivers, earnings only: revenue, margin, capex and tax for 2027-31 (stage-1 growth argued from the slot calendar), customer deposits held flat	long-run	+21.70	694.81
Customer deposits as their own line: the balance above the end-2024 ratio to revenue follows the gas slot book, rising with far-dated signings and falling as the book ships at capacity (the deposit cash already collected goes back out as revenue without cash)	long-run	+50.65	745.46
Trench Group: \$9.0bn out in 2027 (discounted with the year's flows) against its own disclosed free cash flow (\$0.4bn in 2028), growing at double digits then fading	balance-sheet	-0.55	744.91
EV/EBITDA leg re-anchored: each case's own 2028 EBITDA from its path, in place of the company's December 2025 framework (\$52bn x 20% = \$10.4bn, which 2026 revenue of ~\$47bn has nearly reached)	long-run	+34.79	779.70
DCF method: terminal growth set to long-run nominal GDP (4.0%, Fed SEP 16 Sep 2026: 2.0% real + 2.0% inflation) in the base and bull, 3.0% in the bear; July had 4.0 / 4.5 / 3.0%	dcf-method	-14.37	765.33
DCF method: stages argued, fades land on terminal: explicit years run to 2035 with revenue growth falling in a straight line to terminal, margins fading to their terminal level, in place of July's six-year generic cash-flow fade from 6%	dcf-method	-38.70	726.63
DCF method: terminal growth is paid for: the terminal year reinvests growth / return on new capital (25% base, 30% bull, 15% bear) of its after-tax operating profit, in place of capex and working capital that barely exceed depreciation	dcf-method	-17.13	709.50
DCF method: one cost of equity across the cases (9.32%, today's Treasury plus July's base premium); July used 8.5% / 9.0% / 10.0%, which counts the scenario risk twice (in the weights and the rate)	dcf-method	-8.82	700.68
DCF method: cost of equity estimated by CAPM, 9.32% to 9.6%: the 4.99% Treasury plus a Blume-adjusted beta of 1.02 (monthly returns vs SPY since the April 2024 listing, 29 months, raw 1.03) x 4.5% equity premium; July's premium was a house setting, not an estimate	dcf-method	-15.60	685.08
DCF method: mid-year discounting (each year's cash at its midpoint) in place of end-year	dcf-method	+3.52	688.60
Multiple-leg method: the equity bridge counts the cash held at mid-2028 (today's net cash plus free cash flow to then) and deducts deposits above the pre-cycle norm as owed to customers; July added today's cash only	dcf-method	-27.78	660.82

FACTOR	KIND	\$ A SHARE	FAIR VALUE AFTER
Weighting (a separate judgment): the EV/EBITDA leg, 50% in July, is no longer weighted. On the house's own engine, 22x 2028 EBITDA in the base case is what the cash flows give only if the sold-out stage lasts to about 2041, about nine years past the 2032 slots already sold; a stage length is argued from its driver or it is not used, and the multiple's is not	weighting	-126.03	534.79
Fair value 672.28 → 534.79		-137.49	534.79

Each row re-runs the same engine with one more factor at today's value, in the order shown; each row's source is in the model workbook's Attribution sheet. The July configuration reproduces its published \$672 before any change (\$672.28 unrounded, the base of this table). Kinds: rates, correction (an error in the July model), this-year (the reported quarter, the balance sheet and the guided fourth quarter), long-run (the driver paths and the deposit line), balance-sheet (Trench), dcf-method (how the model is calculated) and weighting (a separate judgment on which methods count).

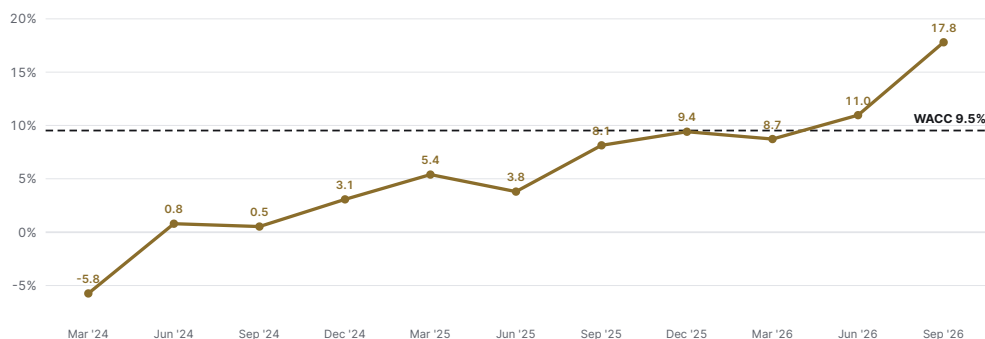
EXHIBIT 6 — FROM \$672 TO TODAY'S FAIR VALUE: THE QUARTER, THE CORRECTIONS, THE METHOD, THE WEIGHT



How to read it. Dollars a share; the scale starts at \$500, not zero. The gray first bar is the July fair value and the black last bar today's; each bar between them adds or subtracts one factor in the table's order, colored by kind (dark gold for the re-base and rebuilt paths, gray for the two corrections to the July model, light gold for method, red for the weighting judgment). The figure above each bar is its effect. Compare the colors' totals. The one thing it shows: the re-basing, the corrections and the rebuilt paths lift July's value by about \$107; the method changes take back \$119, and the weighting judgment \$126.

Return on capital. Return on invested capital, gross of cash, was 17.8% over the twelve months to September against a 9.5% cost of capital, up from 8.1% a year earlier: strength, in the house's mechanical label (above the hurdle and widening). The business first cleared its cost of capital in the twelve months to June 2026. The move is operating income, \$2.8bn over the trailing year against \$1.4bn, on pricing in gas and grid equipment. It is earned on a small capital base: equity plus debt averaged \$12.5bn over the year, less than the \$13.9bn of goodwill and intangibles on the balance sheet at 30 September, because customer deposits fund the working capital. Deducting cash would leave invested capital near zero, so the return is shown gross of cash.

EXHIBIT 7 — RETURN ON INVESTED CAPITAL AGAINST ITS COST, ELEVEN QUARTERS



How to read it. Trailing-twelve-month return on invested capital, percent, March 2024 to September 2026: after-tax operating income over equity plus debt, with cash not deducted, because customer deposits leave equity plus debt less cash near zero. The dashed line is the 9.5% cost of capital, held flat. Eleven points, because the filings start with the quarters of 2023. Compare the gold line with the dashed one. The one thing it shows: the business came close to its cost of capital at the end of 2025, slipped back in March, first cleared it in the twelve months to June 2026 and has since pulled well above it.

Sensitivities (weighted fair value). Cost of equity one point lower \$648, one point higher \$456; at the peer-median estimate (10.4%) \$470. Terminal growth half a point lower \$502, higher \$573. Terminal margins two points higher \$574, lower \$492. Base case on the bull's margin path \$561, on the bear's \$467. Base deposits on the bull's slot book \$542, on the bear's \$528; deposits held at their 2027 share of revenue \$704; no deposit line at all \$486. Without Trench \$540. The EV/EBITDA value at 25% \$598, at July's 50% \$661, and at 50% on Trench's 13 times \$490. No single input in its plausible range reaches the price. Apart from the held-ratio deposit case, which is a structural alternative rather than a range (\$704; the price is 27% above it), the nearest is a cost of equity one point lower, which leaves it 38% above.

THE RECEIPT

The receipt: four tests the house had armed, scored

The July note armed four tripwires. None fired. Two are dated 2028 and can only be read as waypoints.

■ scored ■ not fired / not passing ■ waypoint or not tripped

NOT FIRED Turbine orders peak ~2027 and bookings slow

Moving away from the condition. Orders were \$29.3bn (+96% organic), Power \$21.8bn (+178%), against \$24.2bn in the second quarter; backlog rose \$20bn in the quarter to \$196.7bn; gas equipment under contract or reserved went from 116 to 122 GW, with at least 130 GW guided for year-end and slots sold for 2032 delivery. The one soft spot is price per kilowatt: management expects fourth-quarter gas orders to price below the third quarter's, on mix, after third-quarter orders priced more than 20% above the fourth quarter of 2025.

WAYPOINT Margin falls short of the 20% 2028 target with Wind still negative (due 2028)

Not testable until 2028. Adjusted EBITDA margin was 15.4% in the quarter (12.4% for nine months) and the full-year guide was raised to 13.5–14.5%, against 20% in 2028. Power ran 21.4%. Wind earned \$72M against a \$61M loss a year earlier, which weakens the 'Wind stays broken' half of the condition; but the nine-month Wind loss was \$585M and the full-year Wind loss guide widened to \$400–500M from about \$400M.

WAYPOINT Group margin beats 20% (due 2028)

Not testable until 2028. The group is at 15.4%; two of three segments are already near or above the bar in the quarter (Power 21.4%, Electrification 19.1%), and management called the second half's roughly 20% Electrification margin the jump-off for 2027. The 2028 target itself was not restated; a 2030 guide replaces it at a Capital Markets Day to be dated on the January call.

NOT FIRED Data-center-linked orders decline as hyperscaler AI capex plateaus

Not fired, with one soft reading. Electrification orders fell 9% organic, which management put on a \$1.6bn synchronous-condenser order in Saudi Arabia a year earlier, not on data centers; book-to-bill was about 1.4. Electrification data-center orders were 'more than \$6 billion year-to-date, including roughly \$1.4 billion in 3Q', so the third quarter was the smallest of the year (the first half was more than \$5bn). In gas, about 20% of customers are data centers. The condition's cause, a plateau in hyperscaler capital spending, is not in evidence: Meta raised the floor of its 2026 capex guide again on 21 October, to \$135bn.

THE TRIPWIRES

What carries the story to the next update

 **\$0.7B–\$1.7B** the fourth-quarter free cash flow the full-year guide implies, against \$5.4 billion in the third quarter — the first read on whether deposits are slowing

Each tripwire carries its basis, its tolerance and what the model does with the answer, so the next update applies rules written now. The fourth-quarter release is expected in January 2027; the 2030 guide comes at a Capital Markets Day to be dated then.

1. **Fourth-quarter deposits.** Basis: the FY2026 change in contract liabilities less the nine-month \$19.5 billion, and fourth-quarter free cash flow against the \$0.7B–\$1.7B the guide implies. A deposit inflow above \$3 billion in the quarter moves the base case to the bull's slot book, a second year of signings at the 2027 pace (\$542). A fall of more than \$2 billion, deposits earned out faster than they are replaced, moves it to the bear's, no further far-dated signings (\$528). In between, the path holds.
2. **Gigawatts under contract at year-end.** Basis: the fourth-quarter gas backlog plus slot reservations, against at least 130 GW guided. At or above 135 GW the base case holds the sold-out stage one more year (\$547). Below 125 GW, which would mean new reservations no longer replace conversions, it moves to the bear's slot book (\$528).
3. **The 2030 guide (Capital Markets Day).** Basis: the guided 2030 revenue and adjusted EBITDA margin, which management says will be a floor, against the base case's 2030 revenue of \$71B and 21.0% margin. A margin floor at or above 22% moves the base margin path halfway to the bull's (\$548). A revenue floor above the bull's \$79B moves base growth halfway to the bull's (\$556). A margin floor at or below 20% moves the base margin halfway to the bear's (\$501). A revenue floor below \$63B, as far under the base case as the bull's is over it, moves base growth halfway to the bear's (\$476). No numbers by the end of 2027: the paths hold and the note says so.
4. **Electrification orders and data centers.** Basis: Electrification organic orders and the segment data-center orders the company gives on the call. Management expects the fourth quarter "to be our largest quarter orders in the year", including the \$1.5 billion Barmer HVDC order. Fourth-quarter segment orders below the third quarter's \$5.4 billion, or data-center orders below \$1.0 billion in two consecutive quarters, cut base growth by one point in 2028–30 (\$528) and carry the July data-center trigger forward as a reading. Orders above \$7.5 billion, or data-center orders above \$2 billion in two consecutive quarters, raise it by one point (\$542).
5. **Gas pricing.** Basis: management's price per kilowatt on new gas orders against the prior year. A full-year 2027 statement that new orders priced below 2026's, with the slot book still above 120 GW, moves the base margin path halfway to the bear's (\$501), because that path rests on the backlog repricing upward as it converts. Pricing level with 2026's, about 50% above 2025's, holds the path; pricing above 2026's moves it halfway to the bull's (\$548).
6. **Trench at close.** Basis: the closing 8-K (expected late 2027) and the first full year's segment disclosure. A price above \$9.5 billion, or Trench 2028 EBITDA below \$0.6 billion, is recorded as overpayment at about \$3.53 a share per \$1 billion. A close that slips past mid-2028 is recorded and the cash outflow moved.
7. **The stage the EV/EBITDA multiple assumes (restores its weight).** Basis: gas equipment under contract against each case's slot book, and the 2030 guide. The base case's book is about 133 GW at the end of 2028 (slots into about 2034); the bull's is about 180 GW (into about 2036). A book at or above the bull's at the end of 2028, or 2030 floors that put the base case on the bull's path (revenue above \$79B with a margin of at least 22%), moves the evidence toward the sold-out stage the multiple assumes; the EV/EBITDA value returns at July's 50% weight (\$661 at today's

inputs). A book about halfway between, 156 GW or more, restores half the weight, 25% (\$598). Neither by the end of 2028: the cross-check stays unweighted and the next update says so.

8. **The price.** Fair value \$534.79. A close at or below it resolves the gap. At \$401, a 25% margin of safety, the house would look for an entry if the operating tests above are intact.

What would change our view

The house would move toward the price on any two of the following: gas equipment under contract at or above 135 GW at year-end (tripwire 2); a 2030 margin floor at or above 22%, or a revenue floor above \$79B (tripwire 3); fourth-quarter Electrification orders above \$7.5 billion, or segment data-center orders above \$2 billion in two consecutive quarters (tripwire 4); new 2027 gas orders priced above 2026's (tripwire 5); a fourth-quarter deposit inflow above \$3 billion (tripwire 1); a slot book at or above the bull's path at the end of 2028, which restores the EV/EBITDA weight (tripwire 7); or deposits at the end of 2028 more than \$5 billion above what the slot book implies (\$2). One disclosure counts once: a book above the bull's path meets tripwires 2 and 7 together. Any two move the base case toward the bull's inputs, and the fair value toward the bull's \$764.82.

The house would move toward the bear case's inputs on any two of the mirrors: under 125 GW at year-end (tripwire 2); a fourth-quarter fall in deposits of more than \$2 billion (tripwire 1); new 2027 gas orders priced below 2026's (tripwire 5); a 2030 margin floor at or below 20%, or a revenue floor below \$63B (tripwire 3); fourth-quarter Electrification orders below \$5.4 billion despite the Barmer order, or segment data-center orders below \$1.0 billion in two consecutive quarters (tripwire 4); or deposits at the end of 2028 more than \$5 billion below what the slot book implies (\$2). Trench and the buyback are on neither list: they are uses of cash, each scored on its price.

THE CALL

The call

Fair value \$534.79 a share (bear \$192.72 / base \$571.48 / bull \$764.82 at 25 / 45 / 30), from \$672 on 22 July. At the \$895.08 close of 27 October the expected return to fair value is -40%; at the print-day close of \$878.03, -39%. The quarter was better than July assumed: the order book, the slot calendar and the margins all moved up, and before any change of method the rebuilt model gives \$779.70. What the quarter did not do is earn the free cash flow the guide headlines. Most of it is customers' money, collected because the equipment is scarce and owed back in turbines. Valued on the cash the business produces, with each stage of growth argued, the price sits above even our bull case on cash flows (\$764.82; \$926 if its slot book arrives and the multiple's weight returns), which already assumes scarcity into the next decade at margins the company has not yet guided. The January call puts the first number on 2027; the Capital Markets Day puts the first number on 2030.

SOURCES

Sources & Method

Company filings. Third-quarter results: Form 8-K and Exhibit 99.1, SEC accession 0001996810-26-000162, furnished 28 October 2026 (period ended 30 September 2026): orders, revenue, segment results and margins, adjusted and organic measures, free-cash-flow reconciliation, gas gigawatts, the raised 2026 guidance, the buyback figures and authorization, the retiree-benefit transfer, Fitch's upgrade, and the Trench Group price and EUR/USD basis. Form 10-Q for the quarter ended 30 September 2026, accession 0001996810-26-000163, filed 28 October 2026: balance sheet (cash, contract liabilities, borrowings, minority interest), cover share count (264,677,066 at 30 September), remaining performance obligation and its timing, Note 9 contract liabilities, Note 14 borrowings and credit facilities, MD&A cash-flow discussion (the \$19.5 billion of deposits and its attribution), and Item 5 (Trench: about €8.0 billion, funded equally from cash and debt, close in late 2027). Cash-flow lines by quarter are the XBRL values of the Q1 (0001996810-26-000064), Q2 (0001996810-26-000148) and Q3 10-Qs, differenced. Trench press release and the Q3 webcast presentation (gevernova.com, 28 October 2026): Trench's 2026-28 revenue, EBITDA, margin and free cash flow, the 13 times multiple, the interest estimate and the high-voltage market estimate. FY2024 and FY2025 balance-sheet and revenue figures are as compiled in the July note's data foundation from the FY2025 10-K.

Earnings call. Q3-2026 conference call, 28 October 2026, 7:30 a.m. ET. GE Vernova had not posted its own transcript by the time of writing. Every quotation is checked word for word against at least two independent transcriptions among The Motley Fool, StockAnalysis (which shares a transcription with Investing.com, so the two count as one) and Benzinga. Where transcriptions render the same spoken words differently ('26 against 2026, GW against gigawatts), one rendering is used. The provenance table is archived with the note's data. Call-only statements (slots sold for 2032; the 5 GW quarterly run rate; the fourth-quarter price per kilowatt; the 2030 guide; Electrification data-center orders; the customer mix in gas) appear in no filing and are identified as spoken.

Market data. GEV \$895.08: the 27 October 2026 settled close, the last session before the release (released before the 28 October open). \$878.03: the 28 October settled close (SIP), from the brokerage consolidated feed; the S&P 500 ETF (SPY) closed at \$772.31 against \$769.66. The 22 July 2026 close (\$985.03) is the July note's anchor. Ten-year Treasury: FRED series DGS10, 4.99% on 27 October and 4.67% on 22 July 2026.

Model. Free cash flow to equity in three scenarios, mid-year discounting from 27 October 2026. The fourth-quarter 2026 stub is the free cash flow the guide implies (\$1.19B). Explicit years run 2027–2035, built from revenue, adjusted EBITDA margin, depreciation and amortization at 3.4% of revenue, capital spending at 3.6–3.8%, a 23% cash tax on operating profit, and 12% of each year's revenue growth in non-deposit working capital. Customer deposits are carried as a balance: the end-2024 ratio to revenue (50.3%: \$17.587 billion on \$34.935 billion) plus \$0.32 billion for each GW of gas slot book above 63 GW, the line through the end-2025 balance (\$25.774 billion on 83 GW) and the guide-implied year-end-2026 balance (at least 130 GW). The book (at least 130 GW at year-end) ships at 22, 23.5 and then 24 GW a year, 24 GW being the output the company has said it will reach in 2028 (second-quarter 2026 release; its 30 GW for 2030 is not modeled), and refills with far-dated signings of about 48 GW in 2027 (base), in 2027 and 2028 (bull), or none (bear). Trench Group is \$9.0 billion out in 2027 and its disclosed free cash flow in from 2028 (+10%, +8%, +6%, then 4%). The terminal value at the end of 2035 grows at 3.0% (bear) or 4.0% (the Federal Reserve's longer-run medians of 16 September 2026, 2.0% real GDP growth and 2.0% PCE inflation; CBO's 1.8% potential growth for 2031–36 is the cross-check), with reinvestment of growth over return on new capital (25 / 30 / 15%). Cost of equity 9.60% by CAPM, the same in every case: the 4.99% Treasury of 27 October plus a Blume-adjusted beta of 1.02 (0.67 times the 1.03 ordinary-least-squares beta of monthly GE Vernova log returns on SPY, May 2024 to September 2026, plus 0.33) times a 4.5% equity risk premium, the house convention; rounded to a tenth of a point. Weekly returns over the listing (beta 1.30) and the median beta of electrical-equipment peers over the same months (1.29: Eaton 1.29, Quanta 1.45, GE Aerospace 1.22; Vertiv, at 2.44, left out as a data-center power and cooling business) both give about 10.4%, shown as a sensitivity; the house rule (one rate: the listing's own monthly beta, Blume-adjusted) uses neither. Net cash \$11.51B: cash \$16.76 billion less borrowings \$2.80 billion, less the \$1.3 billion of October buybacks and the \$1.16 billion minority interest. Shares 266.3 million: the 30 September count less the October repurchases plus the nine-month gap between diluted and basic shares. Share-based compensation is expensed within adjusted EBITDA as the company reports it. EV/EBITDA cross-check: 16 / 22 / 27 times each case's 2028 EBITDA, bridged at mid-2028 and discounted. ROIC from SEC XBRL via the house script, gross of cash. The July engine is reproduced first and the attribution re-runs it one factor at a time; the model, its outputs and the attribution are in the downloadable workbook.

Other sources. GE Vernova third-quarter 2025 release (8-K Ex-99.1, accession 0001996810-25-000159): gas equipment backlog and slot reservations of 62 GW at 30 September 2025. Fourth-quarter 2025 earnings call (28 January 2026, company transcript): 62 GW to 83 GW in the quarter. Second-quarter 2026 release (8-K Ex-99.1, accession 0001996810-26-000147): 20 GW of annual gas-turbine output in the third quarter of 2026, 24 GW in 2028, and actions to produce 30 GW in 2030. GE Vernova 2025 Investor Update (9 December 2025, company transcript and presentation): the 2028 framework (at least \$52 billion of revenue, 20% adjusted EBITDA margin), gas and steam services of about \$12 billion in 2025 growing to at least \$22 billion in ten years, and, in the presentation, about 24 GW a year of gas-turbine output by 2028. GE Vernova Form S-1 (2024): the competitors named for heavy-duty gas turbines. GE press release, 23 July 2002 (GE Power Systems workforce reduction): the forecast that US turbine orders and shipments would fall by 80% or more over two years. Chan, Karceski and Lakonishok, "The Level and Persistence of Growth Rates", Journal of Finance (2003), Table III. Two call quotations (slots sold for 2032; the 5 GW quarterly run rate) and the cash-terms remark are confirmed in The Motley Fool and Benzinga; Benzinga and Investing.com were read in a browser and are not archived.

Prior TON618 research relied upon. *GE Vernova — The Sold-Out Decade* (22 July 2026), which set the \$672 fair value, the method and the four triggers scored in §5. *The Power Wall* (19 July 2026), the thematic note it expresses. *Meta (META) — The 2027 Bill Is Already Signed* (26 October 2026), for Meta's October capex guide.

Limitations. The split of 2026 free cash flow into earnings and deposits is a house estimate. The filings report the change in contract liabilities but not the earnings part, and cash taxes in 2026 ran well above the tax provision, for reasons the filings do not give. The deposit line is anchored on one pre-cycle year (2024) and fitted to two year-ends of the slot book. The slot calendar is the company's spoken description, not a filed schedule. Trench's figures are the seller's and the buyer's estimates for a business not yet owned. The 2028 framework is no longer the company's current outlook and is used only to show what July anchored on. The model is run on the 27 October close; the print-day close is reported, not an input. The note corrects two errors in the July model, changes how its cash-flow model is calculated and, as a separate judgment, stops weighting the EV/EBITDA value. §4 and the attribution show each effect apart from the quarter's data.

Disclosures

Information only. TON618 Capital. This report is for information purposes only. Nothing here is an offer to sell or a solicitation of an offer to buy any security, fund interest, or digital asset, and nothing here is personalized investment advice or a recommendation regarding any instrument.

Publisher's exclusion. All research is published solely as general, impersonal information of regular circulation. It is not tailored to the objectives or circumstances of any individual and is not issued in connection with compensation from any client. The Fund has no clients and distributes all research free of charge. On that basis it publishes in reliance on the publisher's exclusion from the definition of "investment adviser" under the Investment Advisers Act of 1940 (§202(a)(11)(D); cf. *Lowe v. SEC*, 472 U.S. 181 (1985)).

Registration & conflicts. TON618 Capital is not registered as an investment adviser or broker-dealer in any capacity. The Fund is a Bitcoin fund and may hold or transact in the securities or digital assets it discusses; material conflicts are disclosed where they exist. *Ownership:* the Fund holds no position in GEV, or in any other company named in this report, as of the report date, and GEV is not a Fund holding or a BTC-correlated instrument. *Compensation:* the Fund received no compensation from any party in connection with this report and charges nothing for it.

Use of AI. Artificial intelligence is used in the creation of this research. All methodology and data integrity are reviewed and approved before publication by TON618 Capital's Chief Investment Officer, **Keyth Beck**; errors may nonetheless occur, and readers should verify independently.

CFA. This report was prepared to align with CFA Institute analytical standards (methodology only). CFA® and Chartered Financial Analyst® are registered trademarks owned by CFA Institute. That reference describes the analytical framework applied; it does **not** imply the report was prepared, reviewed, or authored by a CFA charterholder, and the report is **not** issued, reviewed, endorsed, certified, or approved by — nor affiliated with — CFA Institute.

Risk & feedback. Past performance is not indicative of future results. Digital assets and equities are volatile and may result in total loss of capital. Corrections and feedback are welcome — please direct them to CIO **Keyth Beck** at keyth@ton618capital.com. **Version 1.0.**