

GEV 4Q/25 Earnings

GEV reported 4th quarter earnings for Fiscal 2025 January 28th before market open. The stock at the time of writing was up 0.5%. GEV reported a strong sales beat of 6.71%, despite the wind segment reporting lower results than anticipated on weaker US wind demand from tariffs. Adjusted EPS came in at \$2.79, lower than street estimates of \$3.18. Management raised F2026 guidance for revenue (+7.21%), held EBITDA margin flat at 12% at the midpoint, and raised FCF (+10.52%). Dividends also have been doubled for F2026, with buybacks continuing.

Key Takeaways

- **Revenue came in at \$10.96B, beating street estimates of \$10.21B by 7.32%**
- **Wind segment continues to act as headwind, with \$600M of losses in 2025, with Q1/26 guidance calling for \$350M in losses at the midpoint, with rebounding expected in 2H2026**
- **4Q/25 Backlog came in at \$150.2B, up \$31.2B Y/Y, driven by strong power & electrification equipment projects**
- **Order bookings rose to \$22.2B in 4Q/25, an increase of 65% Y/Y**
- **F2026 Revenue increased to \$44.5B at the midpoint, up from \$41.5B**

Core operations continue to propel GEV's business

GEV posted revenue results above street estimates for its 3 core segments Power, Wind, and Electrification, with EBITDA margins coming in above the street estimates for Power & Electrification and weaker in Wind. Electrification saw its best quarter in history, with continued strong order bookings highlighting a healthy pipeline into 2026. GEV's Wind segment saw continued headwinds from the US government halting a number of offshore projects that added incremental accrual costs, but signs are starting to improve for 2H2026.

Robust backlog highlights portfolio strength

Backlog reached a new high of \$150.2B, a 25% increase with order growth becoming more profitable in Power and Electrification. Power, which accounts for over half of GEV's revenue continues to see acceleration and favourable pricing trends heading into 2026. Electrification saw its largest growth quarter on a dollar basis, driven by grid and data center equipment demand continuing to rise. With long-term contracts in place for Electrification, this provides GEV stability even if the AI trade starts to slow.

Management continues to return growth to shareholders

GEV has increased its dividend yield sequentially Q/Q since listing in early 2024, with management stating in this morning's call that they will double the dividend in F2026. GEV fulfilled its F2025 stock buyback plan of \$6B and also announced that they have increased authorization to \$10B for F2026, immediately accreting share price for current holders. With insider sales of 21,000 in F2025, this accounts for 0.008% of total float, showing management believes in GEV's ability to continue to beat and raise on current expectations in F2026.