



INNIO
Second Quarter 2026 Results
Analyst Call

July 28, 2026

INNIO (Q2 2026 Results)**July 28, 2026****Corporate Speakers:**

- Timothy Furcillo; INNIO; Investor Relations
- Olaf Berlien; INNIO; President, Chief Executive Officer
- Dennis Schulze; INNIO; Chief Financial Officer
- Martin Widner; INNIO; Global Sales for Data Centers and Power Solutions
- Andreas Eberharter; INNIO; Product Management and Marketing

Participants:

- David Arcaro; Morgan Stanley; Analyst
- Joe Ritchie; Goldman Sachs; Analyst
- Nicole DeBlase; Deutsche Bank; Analyst
- Amit Mehrotra; UBS; Analyst
- David Ridley-Lane; Bank of America; Analyst
- Andy Kaplowitz; Citi; Analyst
- Mark Strouse; JPMorgan; Analyst
- Moses Sutton; BNP Paribas; Analyst
- Ben Kallo; Baird; Analyst

PRESENTATION

Operator^ Good day and thank you for standing by. Welcome to the INNIO N.V. Second Quarter 2026 Results Conference Call and Webcast. At this time all participants are in listen-only mode. After the speaker's presentation there will be the question and answer session. (Operator Instructions). Please be advised that today's conference is being recorded.

I would now like to hand the conference over to our first speaker today Timothy Furcillo, Head of IR. Please go ahead.

Timothy Furcillo^ Hello everyone and welcome to INNIO's Second Quarter 2026 Earnings Call. Our first is a publicly listed company. My name is Tim Furcillo, Vice President of Investor Relations at INNIO. I'm joined by our CEO, Olaf Berlien; and our CFO, Dennis Schulze.

With us in the room are also Martin Widner, leading Global Sales for Data Centers and Power Solutions at INNIO and Andreas Eberhardt, responsible for Product Management and Marketing.

Let's have a quick look at today's agenda: First Olaf and Dennis will present the second quarter results. Then you'll have approximately 30 minutes for your questions. Please note that this conference call is being recorded today, July 28, 2026.

Our conference call will include both GAAP and non-GAAP financial results. Reconciliations of our non-GAAP measures to the most directly comparable GAAP measures can be found in our Form 10-Q for the period ended June 30, 2026, our quarterly earnings release and the corresponding presentation slides, all of which are available on our IR website.

We will be making forward-looking statements about our business, market position and future performance. These statements are made only as of today's date. We do not undertake any obligation to update these statements except as may be required by law.

These statements involve known and unknown risks and uncertainties that may cause our actual results to differ materially from those anticipated or implied today. For additional information on risks and uncertainties, please refer to our SEC filings. Unless otherwise specified, all comparisons refer to Q2, 2026 versus Q2, 2025.

And with that, I'll hand it over to Olaf.

Olaf Berlien[^] Thank you, Tim. Hello everyone and thank you for joining us today. It's great to have you on the call. Time has flown by since our IPO. And we are very excited to continue our success story, now as a listed company.

Since our IPO, INNIO has made substantial progress while continuing to build momentum across the business. In Q2, we delivered record equipment order intake of \$2.3 billion, up 316% year-over-year. Revenue increased 42% to \$938 million.

Adjusted EBITDA grew 20% to \$172 million. Given this strong performance and our record backlog, we are introducing full year 2026 guidance today. Dennis will provide further details later.

Our order equipment backlog reached a record \$6.6 billion at quarter end. With capacity expansion progressing as planned, we are well positioned to deliver continued profitable growth.

As this is our first earnings call, some of you may not yet be familiar with INNIO. I'll therefore begin with a brief introduction of the company before walking you through our key highlights for the quarter.

So let me begin with who we are, what we do, and what is driving the growing demand we see from customers.

INNIO delivers decentralized power solutions for critical infrastructure and the AI industry. In 2025, INNIO generated \$2.6 billion in revenue, reflecting continued growth across our businesses. With adjusted EBITDA of \$549 million, profitability was also attractive.

Now, please look at the top of the slide where you can see our leading brands. On the left, Jenbacher, a market leader in power generation with a long heritage. On the right, Waukesha, a key player in the compression market.

On the lower half of the slide, you can see how we operate the business through two segments: Equipment and Services. Equipment on the lower left represents 52% of '25 revenue and is our growth engine.

Across our three business lines, Data Center, Power Solutions, and Compression, we serve a diverse range of end customers. Strong Data Center momentum is reflected in 59% of 2025 equipment order intake.

Power Solutions representing 35% of the Equipment Order Intake in '25, has been our core business for decades. We serve critical infrastructure, utilities, industrial customers, and municipalities worldwide.

As coal fire generation continues to retire and renewable penetration increases, our Power Solutions business is growing. It is supported by continued demand for Pico plants that help maintain grid stability. At the same time, we are seeing continued momentum of our biogas solutions, especially in Germany, with growing potential in the U.S..

Services, on the lower right, accounted for 48% of '25 revenue. It is built on a continuously growing installed base fueled by the Equipment business. Each segment has a long-track record of strong profitability.

With that, let's move to Page 7.

Here you can see one of the key strengths of the INNIO business model, our service flywheel. Every engine we sell enters an installed base. That installed base generates high margin recurring services revenue through long-term service agreements for a large portion of our fleet.

As end of '25, INNIO's installed base stood at approximately 44 gigawatts globally. The fleet requires regular maintenance, parts replacement and periodic overhauls within its operational life. This is resulting in a potentially long duration, non-discretionary revenue stream that can compound as the fleet grows.

The dynamic acceleration of our flywheel is clearly visible in our numbers. On the left side, you can see the significant growth of our Equipment order intake, which increased from \$3.9 billion in 2025 to \$6.6 billion for the last 12 months. This impressive order momentum has driven our backlog to a record \$6.6 billion.

The Equipment order backlog is providing excellent visibility into future revenue growth and supporting continued expansion of our installed fleet. At the same time, we are meaningfully expanding our capacity to support future growth.

As additional capacity comes online, we expect to release further production slots, providing further runway for the order growth. As a result, we remain confident in our ability to grow backlogs through 2027 and beyond.

On the right side, you see our expanding installed base continues to translate into profitable recurring revenue. Services revenue reached \$1.4 billion for the last 12 months, ended in Q2'26, with an adjusted segment EBITDA margin of 30% for the same period.

With demand continuing to accelerate, an important question is, why are more and more customers choosing gas engine solutions?

Let's move on Page 8.

As electricity demand grows and grid constraints become more acute, customers are increasingly looking for practical ways to secure power and support growth. Behind the meter, gas engines deliver both.

Take a look at the left side of the slide. An actual Bloomberg NEF analysis shows: gas engines can offer the lowest levelized cost of energy among behind-the-meter technologies. And even if the grid access becomes available: The operating cost of an installed gas engine can remain below the cost of the grid power, supporting our belief that behind-the-meter solutions are not the bridge solution, but are here to stay.

As shown on the right side, the business case becomes even more compelling when you consider recent market developments. Last week, the Whitehouse announced that nearly all utilities, as well as several colocation companies, signed the Ratepayer Protection Pledge. We believe this is a sign of growing support for behind-the-meter power.

Their participation follows an earlier commitment made by leading global hyperscalers. In many ways, the pledge formalizes what we are already seeing in the market. Data center operators and utilities increasingly recognize this.

Securing dedicated on-site power can be a fast, reliable, and a cost-effective path to support growing AI demand. This trend is further supported by infrastructure bottlenecks across the power ecosystem.

And this is where INNIO is uniquely positioned. Our platform is built around the Jenbacher type 6 engine family, including the J624. This engine was recently recognized by SemiAnalysis as the industry's "most consequential engine". It is combining outstanding performance with highly attractive economics.

Our competitive advantage comes down to two factors: performance and modularity. The Jenbacher Type 6 platform delivers industry-leading power density, fast response times, and high rotational inertia. With this, it is ideally suited for the demanding and dynamic load profiles of AI-driven data centers.

The modular design allows customers to scale rapidly, reduce costs, and accelerate time to power. When a 1 gigawatt of data center capacity can support more than \$10 billion in revenue, every month counts. Speed-to-power becomes the key competitive advantage.

Let me show you how our strong market position translates into our business performance. Just look at our second quarter highlights on page 10.

Overall, it was an excellent quarter for INNIO. First, we delivered very strong order intake. Supported by a major new customer win and strong demand across our end markets, Equipment Order Intake increased 316% year-over-year to \$2.3 billion.

Second, revenue growth continues to accelerate. Group revenue increased 42% year-over-year, reflecting high customer demand and ongoing execution. Third, we continued to grow profitable while investing for the future.

We expanded capacity to support increasing demand. At the same time, adjusted EBITDA increased 20% year-over-year to \$172 million, demonstrating the strength and resilience of our business model.

Taken together, these results highlight the strength of our market position and our execution capabilities. Dennis will go into details later, but let me provide some color on the order activity we saw during the quarter, on the next page, Number 11.

The key message is that demand remains strong, broad-based, and diversified. Starting on the left, order intake in Q2 2026 reached record levels, driven by continued data center demand.

We saw follow-on orders from hyperscaler customers and colocation providers as they continue to execute phased data center build-outs. This is particularly encouraging as repeat orders validate our technology and execution capabilities.

Combining with the composition of our backlog, they further support our view. The structural demand outlook for data center power remains highly durable.

While data centers continue to be significant growth drivers, demand was not limited to the market. We also saw strong order activity in both our Power Solutions and Compression business lines.

As illustrated on the right, no single customer represents an outsized share of our order book. Looking ahead, we see additional customers entering our top-customer profile. The pattern is clear: the customer base continues to broaden, providing a healthy balance across the portfolio.

Before I hand over to Dennis, please let me show you how INNIO is helping power the next generation of AI-driven growth. Please move to Page 12.

The highlight deal, this quarter was a 1.1-gigawatt order for a mega-scale data center customer - one of the largest orders in INNIO's history.

We outlined in today's press release, more than 200 Jenbacher J624 engines are expected to provide resilient, scalable, behind-the-meter prime power. This order is powerful proof of our technology and our ability to execute at scale. It is further reinforcing INNIO's position as a key

enabler of AI infrastructure with a diversified and growing customer base. And that momentum is clearly reflected in our results.

With that, let me hand over to Dennis to walk through the financials.

Dennis Schulze^ Thank you Olaf, and hello everybody from my side as well. It is a great pleasure to present INNIO's financial results to you for the first time as a public company.

I will take you through our second quarter's performance, the visibility we have on the business ahead, our capacity expansion, and at the end, our outlook for the full year.

Let me start with the four key messages of this quarter.

First, demand is accelerating across all of our business lines. Second quarter Equipment Order Intake was up more than 300% year-over-year.

Second, we are delivering strong top-line growth in Equipment and Services as we execute on our backlog and control our supply chain and operations against a demanding growth plan.

Third, the success of our multi-year capacity expansion plan across the U.S. and Europe is already visible today as we continue to increase our output. The expansion is financed from our own operating cash flows.

And fourth, we are initiating full year 2026 guidance with Adjusted EBITDA of \$720 million to \$740 million, an increase of 33% versus 2025.

In summary, we are very pleased with our second quarter's performance. Accelerating demand and disciplined execution both reinforce our confidence in our full year guidance and our midterm ambition.

Let me now walk you through the details, starting with the financial snapshot on the next slide.

One table, five lines, and each line tells the same story of accelerating momentum.

Starting at the top with Equipment Order Intake: \$2.3 billion in the second quarter, up 316% year-over-year.

And I would like to highlight one number in particular: with \$3.9 billion order intake in the first six months, we have already booked more orders in the first half of 2026 than in the entire year of '25.

Our equipment book-to-bill stands at 4.4 for the first six months. Demand is strong, and our growing capacity allows us to convert the demand into firm orders.

Second line: Equipment Order Backlog, \$6.6 billion, up 279% year-over-year. This backlog provides multi-year visibility for our Equipment business, and because of our service flywheel

that Olaf described earlier, we believe it can lock in decades of high margin Services revenue on top. The growth we are seeing in Equipment today translates into our Services business of tomorrow.

Third line: Total Revenue, \$938 million in the quarter, up 42% year-over-year. Equipment revenue growth shows that we are executing successfully against our order book, while Services continues to grow on the back of our expanding installed base and pricing.

Fourth line: Adjusted EBITDA, \$172 million, up 20% year-over-year. Here, I would like to spend some time on the EBITDA margin, which is notably below prior year. Consistent with our expectations and communication in the past, this is driven by a few deliberate factors: the natural mix-shift toward Equipment based on our order intake; some changes in product scope with a higher share of containerised solutions; and front-loaded investments and ramp-up costs related to our capacity expansion.

Margin is in line with Q1 2026 and ahead of our planned path for the year. Based on operating leverage and pricing dynamics in our backlog, we are confident to deliver on our full year guidance.

Fifth line: Free Cash Flow; \$205 million in the quarter, up 352% year-over-year, fueled by strong operating cash flows. As we pointed out in the past, INNIO's business model is supported by a production cycle in which customer down payments keep equipment manufacturing cash positive from order to commissioning.

Since Olaf touched on the Q2 order dynamics before, let me give you some color on the overall backlog and visibility. Combining our Equipment Order Backlog with our slot reservations, we have more than 15 gigawatts of committed business as of Q2'26. This is more than 4 times the power we delivered over the last 12 months.

When we say slot reservations, these are production slot commitments. They are non-tradable, and they typically carry a non-refundable down payment.

We are particularly excited about this metric for three reasons.

First, approximately 64% of the more than 15 gigawatts relates to behind-the-meter data center solutions, and within Data Center, around 94% relates to prime power.

The substantial majority of our data center business is prime power. We believe INNIO engines are solidifying their reputation as the power generation technology of choice when it comes to powering data centering in behind-the-meter settings.

Second, the expected service intensity embedded in this backlog is substantially above the average of our existing installed base. Our data center customers rely on our engines as their primary power source and run these assets hard.

In other words: we believe every megawatt we install from this backlog carries more service content over its life than our historical fleet average, raising the long-term earnings power of the flywheel.

And third, quality. The pricing on our recent order bookings shows a positive margin trend compared to our historical average. So, this is not growth at any price. As the backlog grows, we expect the embedded profitability to grow with it.

The takeaway is simple. More than 15 gigawatts of committed business gives us multi-year revenue visibility and feeds a growing, higher intensity Services base and confidence in our long-term ambitions.

This demand raises an obvious question: can we build it? The answer is yes.

Our self-funded capacity expansion is well underway, giving us the confidence to continue driving order intake and expanding our backlog.

Importantly, we are enabling this expansion through de-bottlenecking and doubling down on our existing facilities. A brownfield approach, not greenfield, which we believe meaningfully reduces execution risk.

Let me make this more tangible with a few numbers. We are on our way to roughly double our output in the coming years – and to approximately triple our total production capacity by 2030 from 3.5 gigawatts per year in 2025 to roughly 10 gigawatts per year. We feel very good about our progress today as we are ramping our production output with gigawatts delivered in Q2 already at 1.3 times of prior year.

As new capacity comes online, we expect to release incremental production slots, and each one of these can convert directly into additional order intake, given demand has recently been exceeding our ability to take orders.

Where is this happening? First, at our Jenbach campus in Austria, we are constructing a new state-of-the-art assembly line, which assists with de-bottlenecking the existing lines and can significantly increase throughput for our data center products. In parallel, we are investing substantially in additional machining capacity, including our new site in Hall, just a few minutes from Jenbach.

Second, in the U.S., our new sites in Trenton, New Jersey, and Waller, Texas, are dedicated to containerization and packaging. In addition to increasing capacity, these sites offer proximity to key suppliers and customers, thereby shortening lead times and reducing logistics costs.

And third, in Waukesha, Wisconsin, and Welland, Ontario, we continue to expand machining and assembly capabilities, driving another step change in capacity.

Two aspects of our growth plan are important to understand. The expansion is financed from our own operating cash flows, supported by a production cycle in which customer down payments keep equipment manufacturing cash positive from order to commissioning.

Secondly, our investments yield attractive ROIs and paybacks, which means that our substantial backlog and slot reservations visibility can substantially de-risk our growth investments.

Now, let's take a deeper look into our Q2 Equipment Order Intake. Two charts, one message.

On the left, the composition of order intake. The growth is broad-based: in the second quarter, Data Center contributed close to \$1.5 billion, Power Solutions \$546 million, and Compression \$281 million - each business line growing strongly year-over-year, and all of them well aligned with the market trends Olaf outlined earlier. So while data centers are the largest driver, this order momentum is more than a data center story. Our Equipment book to bill stands at 4.4 for the first six months.

On the right, our Equipment Order Backlog. Growing from \$3.6 billion end of FY 2025 to \$6.6 billion as of June 30, 2026, representing an 83% increase just in H1 2026. Compared to prior year's quarter, the increase is even significantly higher at 279% with sequential growth in every single quarter.

As mentioned before, we generally observe that new orders carry accretive pricing and higher service intensity compared to our average past business.

Our growing backlog and book-to-bill ratio show the continuing acceleration of our business with increasing visibility for the years ahead. Our proactive investments and flexible supply chain are already delivering strong top line growth against this demand. At the same time, and as we communicated in the past, we continue to invest, which is temporarily reflected in our relative margins.

On the left, Total Revenue, \$938 million in the quarter up 42% year-over-year with attractive growth on both Equipment up 61% and Services up 21%. For the first half, revenues reached \$1.6 billion up 39%. On the right, Adjusted Segment EBITDA, \$188 million up 24% year-over-year at a 20% segment margin.

I commented on the drivers of the temporary margin compression earlier in the presentation. As mentioned, this development is in line with our expectations and supports our full year guidance and continued margin improvement.

I'm now going to step through the segments on this and the following page.

Equipment revenue reached \$569 million in the quarter up 61% year-over-year. We are delivering against our order book, which includes large-scale data center projects.

In Q2'26, Data Center revenue nearly doubled to \$232 million. Power Solutions grew to \$274 million and Compression contributed \$63 million. This growth across all business lines demonstrates the execution strength of our teams, our production sites, and our supply chain.

On profitability, the segment margin came in at 14% compared to 19% in the prior year quarter. This reflects the self-funded growth investments that are enabling the substantial increase in order intake you saw earlier, as well as the increase in order scope. This expanded scope for the early data center products was priced with a lower average margin than our core business.

Two points that are important here. First, the equipment segment margin has already recovered meaningfully from the first quarter. And secondly, we are expecting to continue to grow equipment segment margin to high teens in Q4 based on operating leverage and backlog pricing dynamics.

Turning to Services, our quarterly trading nicely shows that our flywheel-based business model delivers and our existing installed base generates growth at accretive margins. Services revenue grew 21% year-over-year to \$368 million and 21% for the first half of the year.

As you will recall, our Services are non-discretionary recurring business based on wear parts overhauls and upgrades. With a healthy share of long-term service contracts our installed base gives INNIO a stable earnings foundation, which compounds over time.

For the quarter, Services Adjusted Segment EBITDA margin came in at 30%. Similar to Equipment, we made temporary, growth-related investments – in parts capacity and in our service force – which were largely mitigated by a margin-accretive mix of parts versus labor. For the first half, the service margin stands at 31%.

We showed you earlier how our equipment adjusted EBITDA generally carries 2.5 times lifecycle Services adjusted EBITDA. Based on everything we see in our backlog and order pipeline, we feel confident to deliver or improve on this relationship for our business.

This brings me to our full year guidance we are initiating today for fiscal year 2026.

On revenue, we expect \$3.8 billion to \$3.9 billion for the full year – growth of approximately 46% at the midpoint versus 2025.

Within that we expect the mix to continue shifting towards Equipment at around 65% of revenue as we deliver our booked business in line with available capacity. Revenue growth is expected to further accelerate in the second half.

On profitability, we expect adjusted EBITDA to be \$720 million to \$740 million, an increase of roughly one third versus the \$549 million we delivered in 2025 at a group margin of approximately 19%.

To help you with the quarterly phasing, we expect the fourth quarter to be stronger than the third, driven by shipment cadence against the backlog and the ramp of our added capacity.

Adjusted EBITDA margins are expected to increase as the Equipment business stands to benefit from improved operating leverage and the conversion of our margin improving backlog taking Equipment segment adjusted EBITDA margins to an expected exit rate in the high teens by the year end.

In summary, accelerating revenue growth combined with an improving margin profile delivered by a self-funded growth model.

And with that, back to you, Olaf.

Olaf Berlien^ Thank you, Dennis. Let me close by summarizing the key takeaways. Please turn to Page 24.

First, demand is strong and broad-based across our business, driven by the long-term trends of AI, data centers, and decentralized power generation, providing high visibility into our revenue growth through 2030 and beyond.

Second, every engine we deliver today expands our installed base and fuels our long-term, high-margin Service business.

Third, to capture this opportunity, we continue to invest in our people, technology, and capacity. We are working towards strengthening our technology leadership. We are expanding capacity in a targeted and returns-focused manner and building the scale of our North American services offering to support future growth.

And finally, none of our success would be possible without the outstanding INNIO team. I would like to thank our more than 5,000 employees around the world for their dedication, commitment, and hard work.

The opportunities ahead of us are significant, and we will remain focused on creating long-term value for our stakeholders.

And with that, I'll hand it over to Tim.

Timothy Fucillo^ Before we open the line, I ask everyone to ask just one question so we can get as many people as possible. Operator, please open the line for questions.

QUESTIONS AND ANSWERS

Operator^ Thank you (Operator Instructions). Please stand by. We'll compile the Q&A roster. These will take a few moments. And now we're going to take our first question, and it comes to the line of David Arcaro from Morgan Stanley. Your line is open. Please ask your question.

David Arcaro^ Hi, thanks so much. And congratulations on the first quarter here being public. I was wondering if you could comment on, maybe first on the pricing trends that you're seeing especially on new slot reservations and just generally pricing trends in the market for engines.

Olaf Berlien^ Is this your first question, or would you like to have another question?

David Arcaro^ Let's see. I guess that was my first question. And if I were to throw another one in there, I guess I was also curious – when you consider the slot reservations that you have, how far out are you reserved at this point? Is there any capacity available in 2028? Thank you.

Olaf Berlien^ Okay. Thanks, David. Yeah. Nice to hear from you again. Hope to see you in New York. Coming to your first question, the pricing trend is clearly still strong. That means the demand is high.

If the demand is high and delivery is limited, you are always in a good position to do something on prices. So I do not see any signals going down on price trend.

And on the delivery time, we are talking today on '29 and '30. We are more or less sold out for '26, '27. And if customers ask us, we have many projects, they are talking about '30 and '31.

So for example, the project what we announced this morning is delivery till '31.

Martin Widner^ Yeah. Maybe just add to the slot reservations, because you asked how long we are sold out and with that one, we use a tool to secure that the customers are buying from us. We don't allow to trade the slot reservations. So they are only dedicated to a single project.

And as Olaf mentioned, the slot reservation is now reaching out till 2030.

David Arcaro^ Great, thank you so much.

Olaf Berlien^ Thanks David.

Operator^ Thank you. Now we're going to take our next question. And the next question comes from the line of Joe Ritchie from Goldman Sachs. Your line is open, please ask your question.

Joe Ritchie^ Hey guys, good morning. And again, congratulations on your first public company earnings call. So I wanted to ask about the order trajectory. So clearly the orders were robust this quarter. I know that orders can be lumpy.

I'm just curious as you kind of take a look at your pipeline for the second half of the year, like maybe provide a little bit of color on what the pipeline looks like. And then for the one really large order that you booked in data centers this quarter, I was curious like what portion of the 1.5 billion that you booked this quarter from an order standpoint was that one large order?

Olaf Berlien^ Hi, Joe. Yeah, good question. Look, I think we really remain very confident to expect our order backlog at the year-end to be higher than it is today. So, looking ahead, we continue to expect to see a strength in the H2 given.

We see very healthy environment, and we expect our order backlog to increase further. So there is no decline or weaknesses in the pipeline. It really is very, very strong. And we are talking together about so many projects.

So I don't see it. And maybe with the 1.1 gigawatt, would you like to add on this?

Martin Widner^ So the portion of it is definitely below one third, even below 30%. Some of the engines sold to this 1.1 gigawatt is containerized. So, with more scope, some of it is for a powerhouse installation. So, with a little bit less scope, but it was just one very big deal, we had as well many, many other deals, bigger deals, smaller deals worldwide.

And as Olaf said, the order robustness is fantastic, right. So, we still have many requests for projects which we are not able to fulfill because of capacity. So, I don't see at all that the market demand is going down for us, right?

So, this is fantastic, we are really taking advantage of the moment.

Joe Ritchie^ Okay, great. Thank you, guys.

Operator^ Thank you so much. And now we're going to take our next question. And the next question comes from Nicole DeBlase from Deutsche Bank. Your line is open. Please ask your question.

Nicole DeBlase^ Yeah, thanks guys. Good morning. And I'll echo my congratulations on the first big quarterly results.

So maybe first just on capacity expansion and update there, maybe double click on how much progress you've made towards the plan that you laid out. And then, you know, with the orders being much better than expected and the really robust commentary on backlog and pipeline, I'm curious, if 10 gigawatts is enough.

And then second question on the 1.1-gigawatt data center order. I'm just curious if you see more orders of this magnitude in your pipeline. Thank you.

Dennis Schulze^ Hey, Nicole. Thanks for asking, Dennis speaking. Starting with your question on capacity. I think overall the capacity expansion is progressing on our scale up from 3.5 to 7 based on our site in Jenbacher and then up to 10 based on further ramp up from 28 onwards in Waukesha is on track.

We don't want any standing blocks from today's perspective, and we are executing on plan and the project, both projects are actually fully on track. The one is delivering already right now. We

are going to be ahead of 3.5 obviously this year and the other project in Waukesha is also on track.

Regarding your question regarding 10 gigawatts, this is something that we as a management team are reviewing on an ongoing basis, on a quarter by quarter, month by month basis. From today's perspective, we are fully focused on executing the 10 gigawatts, but we'll obviously carefully reviewing over time and we'll take respective decisions on that one.

Olaf Berlien^ The 1.1 gigawatt, you know, we just announced today, look, maybe you have seen that we announced the Rehlko one was 1.25 gigawatt. It's a little bit of a longer run project. So we have some of them. We just signed and I think that's in the process as well, so that we are working with Aggreko, a long-term contract, delivering engines type 6– so there are many of these coming up.

From my point of view, as a strong demand and as Martin said, I wouldn't see any weaknesses in this space.

Martin Widner^ The size of 1.1 gigawatt is not the exception, it's now, I would say, common size.

Operator^ Thank you. Now we're going to take our next question. And the question comes from Amit Mehrotra from UBS. Your line is open, please ask your question.

Amit Mehrotra^ Thank you. Good morning, good afternoon, everybody. I don't know if you guys disclosed an actual data center revenue number for the quarter. I think it was about \$100 million last quarter. Can you just give us that number, Dennis? And I assume that the margin inflection as we progress through this year to the high teens and equipment has to do with that revenue scaling.

So just give us a sense of where we were in data center revenue, where we are and where we expect to go and sort of your confidence in executing on that ramp.

And then related to that, Martin, there's a lot of questions about sustainability of demand and concerns that people have around any potential cliff in demand for anything related to data centers.

Obviously, with your order number today, that is a strong counterpoint against that. But maybe, Martin, talk about when you talk to your data center customers, hyperscaler customers or even the energy as a service customers, how confident are they that this level of ordering and spending is sustainable not just in 2030 but beyond? Just give us a flavor for those types of conversations. Thank you.

Dennis Schulze^ Hey, Amit. Thanks for your question and good talking again. Also, your question regarding the data center revenue, yes, we are disclosing it and the number for the

second quarter stands at \$232 million. So, first quarter has been \$107 million, second has been \$232 million, and that's the trajectory that we are seeing.

Your question also on the connect to margin and the trend leading by, slightly ahead of 7% margin for all of the Equipment segment in the first quarter, now it's improved to 14%. I meant that we are seeing a further trend up. At the end of the year '26, we should see the latest deals getting out on average at high teens. So, the trajectory is upwards.

This is driven by us working through the backlog. You could see the orders step by step in terms of margins. So, there's the trajectory and look at what is driving really the upturn. It is mainly driven by the data center revenues now flowing through the funnel. You're absolutely right on that one.

Olaf Berlien^ As I said, we have a strong sustainable demand for these projects. We have these unique technologies in the J624. So, if we talk to the energy as a service company, the rental companies, and maybe then Martin, please, you can talk about every single day you have calls and what we can deliver.

Maybe talk about the rental company and energy as a service company with Amit just asking for that.

Martin Widner^ Yes, Amit. We hear as well that there is some noise in the market about how sustainable it is. The only thing I can tell you on INNIO and on the demand I see for our product, it's huge. It's as high as ever.

And talking about a lot of projects in '29, in 2030, in 2031, a pipeline of projects we together develop with energy as a service companies, with rental companies, for different hyperscalers is huge, going into permits already into plans for 2031, 2032. So, this proves to me at least that our pipeline is really sustainable and strong.

In addition, what I need to say is that we always talk about data center, but I'm even, to be honest, a bit concerned about the capacity we have because there are so many other markets coming up. There were big auctions in Brazil, auctions coming in Argentina. Germany changed the law on the power pledge.

So, there is demand growing and growing and growing, and as I said, capacity constraint, but not market constraint.

Olaf Berlien^ And as Martin said, in Germany, for 2026, the German government agreed that 9 gigawatt is coming in the market. An auction will be delivered in 2029, 2030, 2031. An auction for 2027, you have another 2 gigawatts.

So, as Martin said, it's not only data center. I know we are talking about the data center, but our core business is Power Solution. And this is very strong, big business.

Martin Widner^ And maybe one last sentence to this. We talked about our containerized solution fast to install on site. We don't need a lot of EPC capability on site, which is a very, very strong argument at the moment because as you know, everybody knows in the States, EPC capacity is constrained with our solution. We don't have here a big need, but that's the reason I really see a huge demand for our [solution].

Amit Mehrotra^ Got it. Helpful. Thank you.

Operator^ Thank you. Now we're going to take our next question. And the next question comes from David Ridley-Lane from Bank of America. Your line is open. Please ask your question.

David Ridley-Lane^ Hi, good morning. This is David Ridley-Lane on for Andrew Obin. Can you talk about the timing of those expected incremental production slots?

When are you going to release the incremental production slots from those capacity additions? And would you be releasing them? Could there be any 2027 slots in there, 2028 slots? What is the delivery time for those incremental production slots? Thank you very much.

Dennis Schulze^ Hey David, Dennis speaking. Good to talk again. Good question here on that one. And you're completely right, we commit to increase our capacity from 3.5 to 10, and this provides for a certain curve.

And as we mentioned beforehand, we are not selling everything under this curve already right now, because we want to get sufficient visibility that this ramp up is in time, in spec, so that we can really deliver what we promised to our customers.

Having said that, we are freeing up slots on the way, this is not a digital decision, where we decide at one point to free this up. So, we are freeing this up over time. And since we last spoke probably six weeks ago, or 12 weeks ago, we freed up certain slots already.

You saw in our statement that we already have 15 gigawatts plus in backlog and slots reservation. And a certain amount of this is linked to this already freed up slots. So this is an ongoing process. 2027 is completely sold out, so there are no further slots to be freed up for 2027. And we are out for about 2028 and the further ramp up then in Waukesha 2029 and 2030.

So overall, an ongoing process, we are well on track, as I mentioned beforehand.

David Ridley-Lane^ Thank you very much.

Operator^ Thank you. Now we're going to take our next question. And the next question comes to the line of Andy Kaplowitz from Citi. Your line is open. Please ask your question.

Andy Kaplowitz^ Good morning, everyone.

Andy Kaplowitz^ Services was stronger than I expected and had a good year-over-year growth. I know a lot of the data center contracts don't kick in to higher service levels for several years, five years, but you did mention more demand for spare parts, for instance.

So, you give more color on what you're seeing. Do you expect to continue to see the same step up in transactional work? And what could that mean for service revenue in the future?

Dennis Schulze^ Sure. I'm happy to give it a kick here. Andy, Dennis speaking. You're absolutely right. The second quarter came in strong on parts versus labor. And to a certain extent, that's been also driving our pretty nice margin that we delivered in the quarter percent up versus the quarter beforehand.

So, as we mentioned before, parts are coming with a pretty nice margin. And right now, I wouldn't read too much into it rather than the ongoing good running hours of our equipment out there in the field and good running hours of our Waukesha business line. And that business line is then to a certain extent more transactional and more parts driven, actually, than labor driven, given our position in the value chain.

So good momentum on that, and I don't see a slowdown on that. We're obviously carefully monitoring that. Cut off between second and third quarter came in handy for us, so probably a bit of a tailwind in the second quarter. We have to see if this continues in the third and the fourth quarter. So far, we don't see a change there. So that's been the overall framework.

As you rightfully mentioned, this is not driven at this point in time by the data center fleet. This is only going to be installed growing, and the real service category from that is only really kicking in and driving our margin from the early 2030s onwards.

What we're seeing right now is a very healthy operating performance of our installed fleet in our traditional business.

Olaf Berlien^ But supports our sentence that we have a strong business aside of the Data Center. So we have gas Compression, we have the strong business in Services and Services parts, and as well as in our Power Solutions. Data Center service is coming up in the future, not yet.

Andy Kaplowitz^ Appreciate the color, guys.

Olaf Berlien^ Thanks, Andy.

Operator^ Thank you. And now we're going to take our next question. And the question comes to the line of Mark Strouse from JPMorgan. Your line is open. Please ask your question.

Mark Strouse^ Yeah, great. Thanks for taking our questions. And I'll echo my welcome to the public markets here.

I appreciate the disclosure that about 94% of your data center backlog is for prime power. Dennis, you touched on this a bit, but I'm curious if you can just give a bit more color on how to

think about the magnitude of the upside in kind of service ASPs and margins over time, just given that higher mix towards prime power.

And then just my quick follow-up, with the greater than 15 gigs that are in backlog and slot reservation, are you able to give us kind of a split of the percentage of what is backlog versus SRAs? Thank you.

Dennis Schulze^ Okay. Thanks, Mark. Good to speak. On the second question, no, that's not a number that we are going to talk about now and also going forward. So, we have the absolute amount, obviously, in terms of dollars for the backlog, and we are not going to split down the gigawatts at this point in time.

Regarding your question on the service side, we see some positive momentum in the service business driven by, now short-term, given by the effects that I just mentioned. You're referring to the positive performance of the Data Center business in terms of service.

As we talked about beforehand, given the way we account for this, and given that the real calories on the service side for the bigger data centers are really sitting in the minor and major overhauls that are happening after 30K and 60K hours, we definitely see positive tailwind. And maybe more than we thought about beforehand, this is supporting our story and giving us confidence to deliver or even over-deliver on the service part of the business.

But this is going to hit our P&L 30K from today, which is like four years out. But yes, from that point in time onwards, what we are seeing right now gives us great confidence to even over-deliver to what we believe beforehand to be our plan.

Mark Strouse^ Thank you.

Operator^ And now we're going to take our next question. And the next question comes from the line of Moses Sutton from BNP Paribas. Your line is open. Please ask your question.

Moses Sutton^ Thanks for squeezing me in. Congrats on the first print here. The note of the 94% of data center backlogs relating to prime power, so I just want to clarify, is this 6% there for emergency backup for data centers that replaces what we normally would have thought goes to diesel, and any thoughts broadly on your ability to capture share from diesel backup? That'd be great. Thank you.

Martin Widner^ Yeah. So you're fully right. The 94% is prime power and the 6% is backup power where diesel engines were replaced with gas engines. And the reason for that is that the data center hubs get so big that even the diesel emissions would be too high.

The NOx emissions, if you have all these engines, would be too high. That's the reason this customer, one of the hyperscalers, choose here gas engines.

And we are, as a company, going in that market, we would have the opportunity to even get more of these orders to translate more from diesel to gas. However, given the capacity we have, we look very, very detailed on that how much we want to give to prime and to backup power.

Moses Sutton^ Very helpful, thank you.

Operator^ Thank you. And now we're going to take our last question for today. And the question comes from Ben Kallo from Baird. Your line is open. Please ask your question.

Ben Kallo^ Hey, good day. Thanks, guys, and congrats. My question was just, with the order and the backlog and congratulations on that. Could you just talk about the concentration, not with specifically a customer, but with projects?

As you know, we've seen project delays, whether permitting or financing, and just how you guys think about any kind of risk with projects slipping to the right as they get permitting and financing throughout your order book. And thank you guys very much.

Olaf Berlien^ Yeah. Thanks, Ben. Good question. As I said on our roadshow and testing the waters, we are celebrating this year 500 years and we are doing business in 100 countries. So we have really customer all over the world.

Nevertheless, we have now big hyperscalers and they are big customers. Of course, the big difference if you have a smaller customer like, or you have one of these six or seven big hyperscalers, and they are all our customers.

Nevertheless, we have not one single cancellation. That means we don't have, and we take really a deep look before we go to a project about the financing, the project, who is the customer. And for this reason, we do not have one single cancellation today in smaller project as well as in big projects.

Martin Widner^ And maybe do a second part of the question on the permitting. So far, our customer projects are on time, of course, like the usual few days or weeks up and down. But so far, we don't see a big delay on construction onsite, on permitting onsite due to our standardized containerized solution as well. The job onsite is easier. And as Olaf said, we are really taking care that the projects we are awarding and we get awarded that we have a detailed know your customer. We know that the permits are ongoing or in place, and that's the reason we try to reduce this risk a lot.

Ben Kallo^ Thank you.

Olaf Berlien^ Thanks, Ben. With this we are finished for today. Thanks for your question. And of course, hope to see you and speak to you soon.

Operator^ Thank you so much. This concludes today's conference call. Thank you for participating. You may now all disconnect. Have a nice day. Thank you.