RESEARCH / EARNINGS AND VALUATION

GE Aerospace Stock Q3 2026: Orders Up 49%, Guidance Raised

BY QSI LABS RESEARCH, QSI LABS · PUBLISHED 2 NOVEMBER 2026 · UPDATED 2 NOVEMBER 2026

> **As of:** Figures are as of GE Aerospace's results for the quarter ended 30 September 2026 (Q3 2026; GE Aerospace's fiscal year is the calendar year), reported on 20 October 2026 in the earnings release (Form 8-K, Exhibit 99) and the Form 10-Q filed the same day, and discussed on the earnings call that morning. Adjusted revenue, operating profit, adjusted EPS and free cash flow are GE Aerospace's non-GAAP measures. The share price is the NYSE close of GE on 30 October 2026, $301.80. Published 2 November 2026.

The short answer. GE Aerospace stock Q3 2026 results, for the July to September quarter, showed demand for jet engines and engine services still running well ahead of supply. Orders rose 49% to $19.0bn, adjusted revenue rose 18% to $13.3bn, operating profit rose 30% to $3.0bn and adjusted earnings per share rose 36% to $2.25. GE Aerospace raised its 2026 guidance for the second time this year, to operating profit of $10.9-11.0bn and adjusted EPS of $8.00-8.10. Our discounted cash flow model puts GE Aerospace at **$163.97 per share**, about 46% below the $301.80 close on 30 October 2026. The business is excellent; the share price assumes it stays excellent, and keeps growing fast, for much longer than our model does.

GE Aerospace's quarter to 30 September 2026 was driven by its aftermarket. Commercial services revenue, the money airlines pay to overhaul engines and buy spare parts, grew 17%, and commercial services orders grew 23% (GE Aerospace Q3 2026 earnings release). Equipment orders more than tripled, helped by more than 1,800 engine commitments announced at the Farnborough airshow in July. GAAP profit from continuing operations before tax was $2.8bn and continuing EPS was $2.32, against $2.04 a year earlier. The shares fell 3.7% on results day, from $311.28 to $299.87, and closed at $301.80 on 30 October, 2.2% below their level a year earlier and 21% below their 52-week closing high of $381.22 on 5 August (Yahoo Finance).

In this article we go through GE Aerospace's Q3 2026 numbers against a year earlier, segment by segment, explain what is driving orders and the services backlog, set out the guidance for the fourth quarter and what management has said about 2027, cover cash flow,

buybacks and the $11.75bn CPP acquisition, and then value GE stock, with every assumption laid out so you can argue with it.

Key takeaways

- **Valuation:** QSILabs values GE Aerospace (NYSE: GE) at $163.97 per share as of results for the quarter ended 30 September 2026, against a $301.80 close on 30 October 2026, about 46% below the market price. Our sensitivity range is about $140-197 a share.
- **Q3 2026 results:** adjusted revenue was $13,285m in the quarter ended 30 September 2026, up 18% from $11,305m; operating profit was $2,988m, up 30%, a 22.5% margin against 20.3%; adjusted EPS was $2.25, up 36%, and GAAP continuing EPS $2.32, up 14%.
- **Orders:** total orders were $19.0bn, up 49%. Commercial Engines & Services (CES) orders rose 58% to $15.3bn and Defense & Propulsion Technologies (DPT) orders rose 18% to $4.3bn.
- **Backlog:** GE Aerospace's remaining performance obligation, contracted revenue not yet recognized, was $212.1bn at 30 September 2026, of which $178.7bn was services (Form 10-Q). Management puts the commercial services backlog at over $170bn.
- **Guidance raised:** for 2026 GE Aerospace now expects adjusted revenue growth of about 19-20%, operating profit of $10.9-11.0bn, adjusted EPS of $8.00-8.10 and free cash flow of $9.1-9.4bn, all up from July. It expects commercial services to grow at a low double-digit rate in 2027.
- **Cash and returns:** free cash flow was $2.0bn in the quarter, down 14%, and $6.7bn in the first nine months, up 13%. GE Aerospace bought back $6.5bn of shares and paid $1.4bn of dividends in the nine months, and agreed to buy Consolidated Precision Products (CPP) for $11.75bn.

Key numbers from GE Aerospace's Q3 2026 earnings

$19.0bn Orders for July-September 2026, up 49% 8-K EX 99	**$13.3bn** Adjusted revenue, up 18%; total GAAP revenue $14.1bn, up 16% 8-K EX 99
22.5% Operating profit margin, up 220 basis points; operating profit $3.0bn 8-K EX 99	**$2.25** Adjusted EPS, up 36%; GAAP continuing EPS $2.32 8-K EX 99
$8.00-8.10 2026 adjusted EPS guidance, raised from $7.65-7.85 8-K EX 99	**$163.97** QSILabs DCF value per share QSILABS DCF

JULY-SEPTEMBER, $M	2025	2026	CHANGE
Total revenue (GAAP)	12,181	14,118	+16%
Less: insurance revenue	875	833	-5%
Adjusted revenue (non-GAAP)	11,305	13,285	+18%
Commercial Engines & Services revenue	8,521	10,342	+21%
Defense & Propulsion Technologies revenue	3,251	3,469	+7%
Operating profit (non-GAAP)	2,299	2,988	+30%
Profit before tax, continuing operations (GAAP)	2,515	2,805	+12%
Continuing EPS, diluted ($, GAAP)	2.04	2.32	+14%
Adjusted EPS ($, non-GAAP)	1.66	2.25	+36%
Cash from operating activities (GAAP)	2,556	2,203	-14%
Free cash flow (non-GAAP)	2,362	2,042	-14%
Diluted average shares (m)	1,065	1,041	-2%

Source: GE Aerospace Q3 2026 earnings release (Form 8-K, Exhibit 99, accession 0000040545-26-000063) and the Q3 2026 Form 10-Q, Note 17. Operating profit margin was 22.5% against 20.3% a year earlier; the GAAP profit margin was 19.9% against 20.7%.

GE Aerospace Q3 2026 earnings: what happened

GE Aerospace grew revenue and profit strongly in Q3 2026. Adjusted revenue, which leaves out the run-off insurance business, rose $1,980m to $13,285m. Adjusted costs rose 14%, more slowly than revenue, and operating profit rose $689m to $2,988m. The operating profit margin rose 220 basis points to 22.5%, the highest of the last five quarters (earnings release).

Most of that margin gain did not come from the engine businesses. CES's margin was 27.9%, against 28.0% a year earlier, as mix and inflation offset higher services volume and price, and DPT's margin rose only 20 basis points to 13.7%. The bigger change was in corporate costs and eliminations, which fell to $373m from $525m. The chief financial officer, Rahul Ghai, said on the earnings call that corporate cost was about $160m lower because of the timing of accruals and cost management. For the full year, GE Aerospace expects corporate costs of about $500m, roughly flat, and eliminations of about $700m.

On a GAAP basis the picture was less striking. Total revenue, including insurance revenue of $833m, rose 16% to $14,118m. Insurance losses, annuity benefits and other costs rose to $1,020m from $500m, so the GAAP profit margin fell to 19.9% from 20.7%. Profit from continuing operations before tax rose 12% to $2,805m, and the tax charge was $385m. Net income from continuing operations was $2,420m and continuing EPS was $2.32, up 14%. A loss from discontinued operations of $124m took net EPS to $2.20 (Form 10-Q).

Adjusted EPS rose faster, by 36% to $2.25, because it leaves out insurance, gains and losses on equity stakes and separation costs. Mr Ghai said more than 90% of the EPS improvement came from higher operating profit, and the rest from a lower share count: diluted shares fell 2.3% to 1,041m. The tax rate was roughly flat at about 15%.

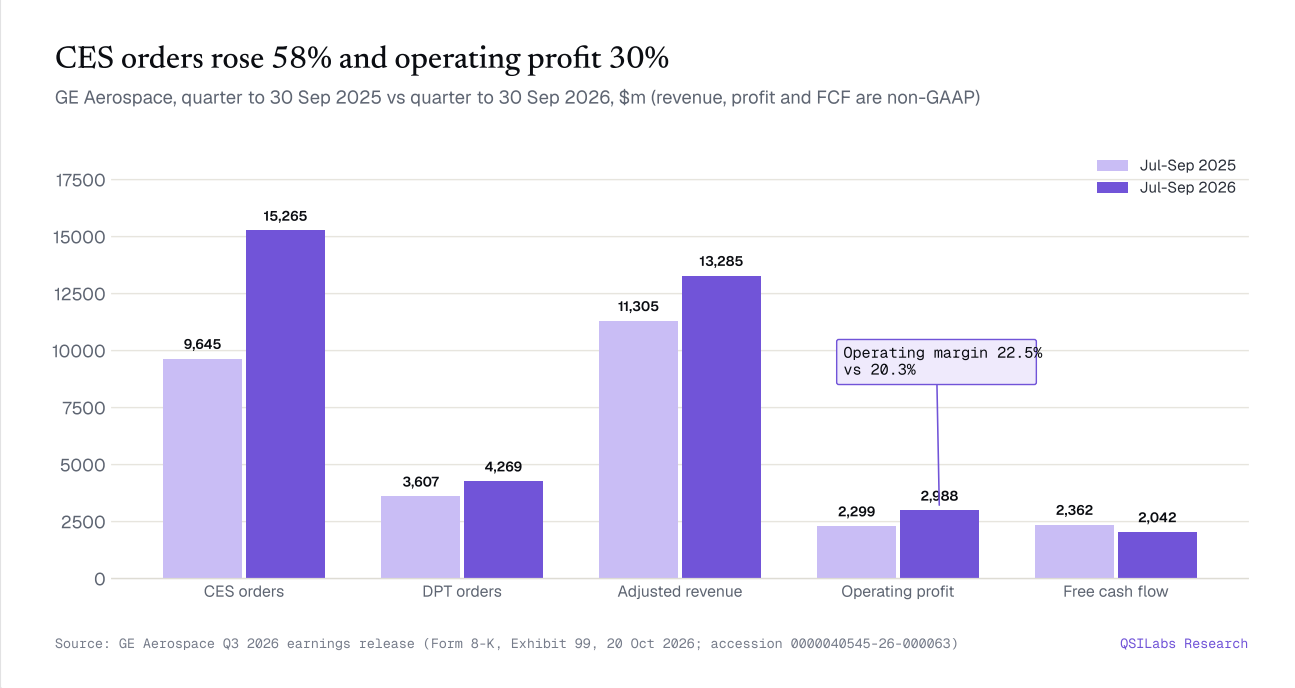


FIGURE 1 CES orders rose 58% and operating profit 30%, while free cash flow fell 14% on working capital.

For the first nine months of 2026, adjusted revenue was $37,533m, up 23%, operating profit was $8,262m, up 22%, a 22.0% margin against 22.3%, and adjusted EPS was $6.13, against $4.80. Free cash flow was $6,728m, up 13%. GAAP continuing EPS was $6.44, against $5.73.

Over the past five quarters, adjusted revenue has risen from $11.3bn to $13.3bn, and the operating margin has stayed between 19.2% and 22.5%. The October-December 2025 quarter had the lowest margin, 19.2%, and the full-year guide implies a fourth-quarter margin of roughly 20-21%.

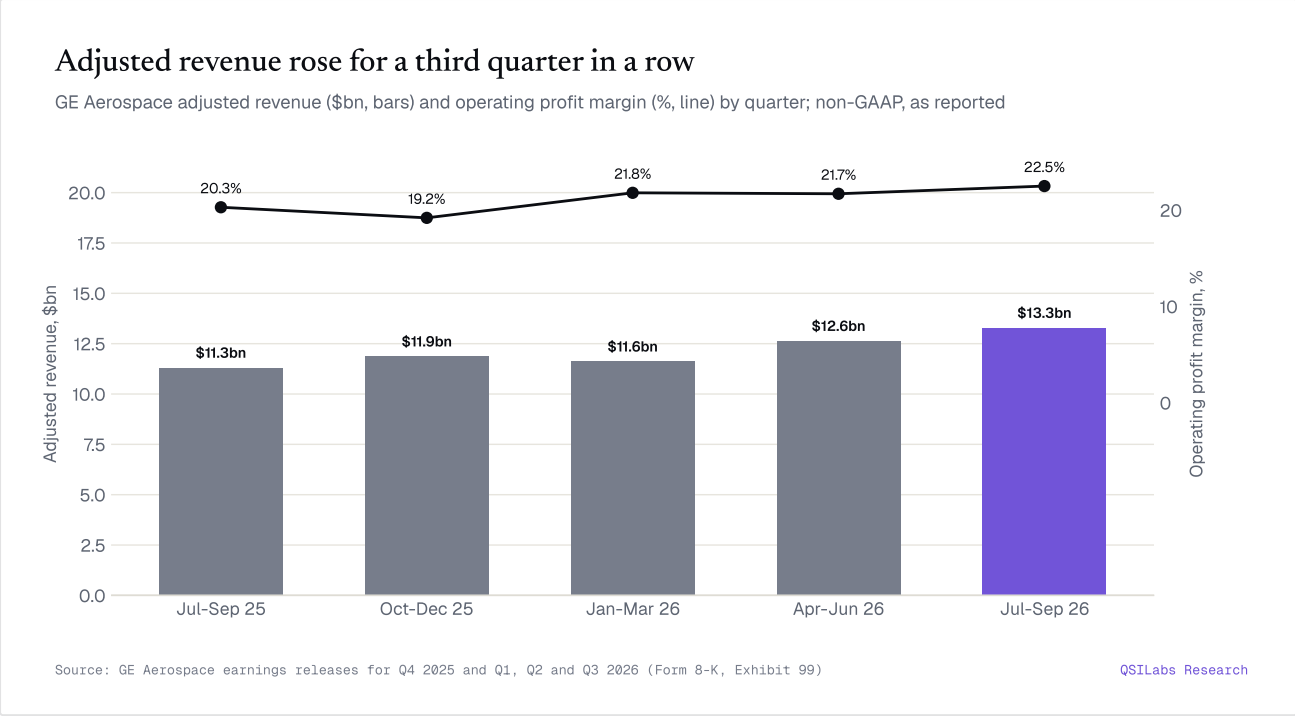


FIGURE 2 Adjusted revenue of $13.3bn was the highest of the five quarters shown, and the 22.5% margin the widest.

GE AEROSPACE FROM JULY TO NOVEMBER 2026

16 JUL 2026	Q2 2026 results; 2026 guidance raised to operating profit of $10.55-10.75bn and adjusted EPS of $7.65-7.85	8-K Ex 99, 16 Jul 2026
JUL 2026	Commitments for more than 1,800 engines at the Farnborough International Airshow, including more than 1,000 LEAP-1A engines for IndiGo	8-K Ex 99, 20 Oct 2026
8 SEP 2026	Agreement to buy Consolidated Precision Products (CPP), a maker of aerospace castings, for $11.75bn	8-K, 8 Sep 2026
22 SEP 2026	Wes Bush, former chairman and CEO of Northrop Grumman, elected independent Lead Director, succeeding Tom Horton	8-K, 22 Sep 2026
5 OCT 2026	Shares go ex-dividend for the $0.47 quarterly dividend	Yahoo Finance
OCT 2026	Turkish Airlines agrees to buy more than 300 LEAP-1B engines, with a services agreement for its fleet of over 600 LEAP-1B engines	8-K Ex 99, 20 Oct 2026
20 OCT 2026	Q3 2026 results: orders up 49%, adjusted EPS $2.25, guidance raised again; GE closes at $299.87, down 3.7% on the day	8-K Ex 99; Yahoo Finance
30 OCT 2026	GE closes at $301.80, the price used in this article	Yahoo Finance
2 NOV 2026	GE closes at $315.78	Yahoo Finance

How did GE Aerospace's segments do in Q3 2026?

Both GE Aerospace segments grew revenue and profit in Q3 2026. Commercial Engines & Services, which makes and services engines for airliners, mostly through CFM International, its joint venture with Safran, produced 75% of segment revenue and 86% of segment profit.

Defense & Propulsion Technologies grew more slowly. From 2026 the segments are reported on a new basis: the aeroderivative business moved from CES to DPT, and the 2025 figures were restated (Q4 2025 earnings release).

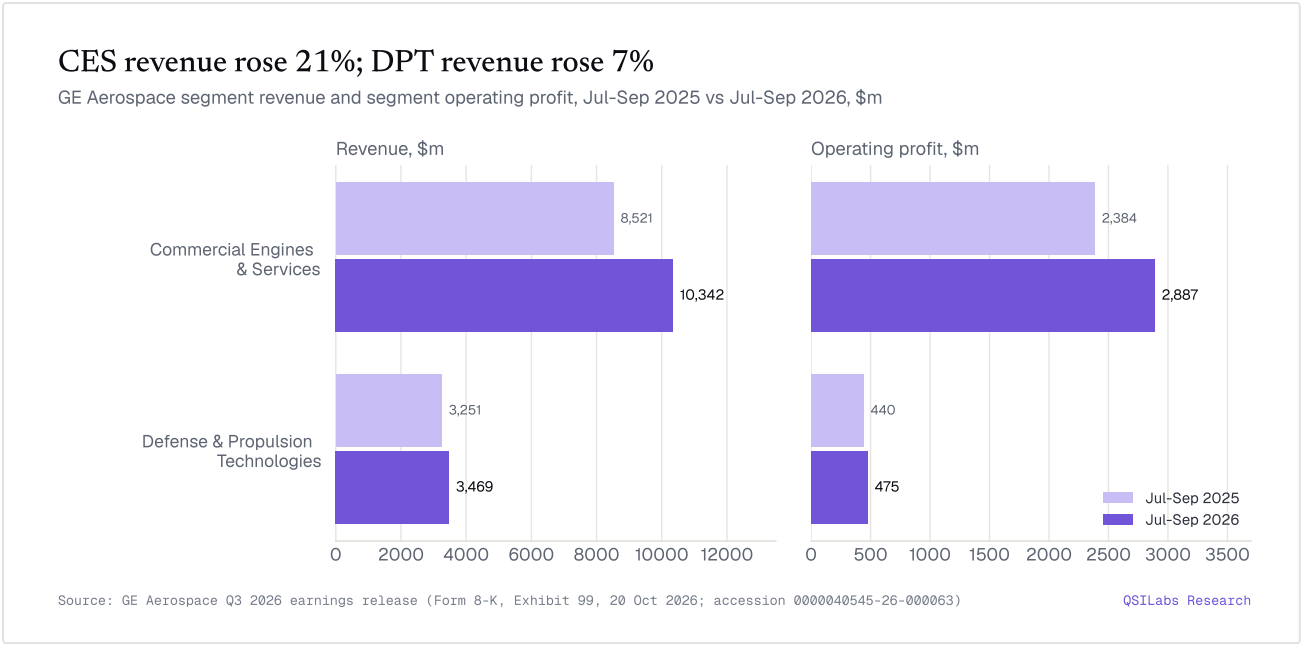


FIGURE 3 CES earned $2,887m in the quarter, six times DPT's $475m.

Commercial Engines & Services

CES orders rose 58% to $15,265m. Services orders grew 23%, and nearly $300m from the second quarter, and equipment orders more than tripled. Revenue rose 21% to $10,342m. Services revenue grew 17% to $7,735m: internal shop visit revenue rose 12% on higher volume and heavier workscopes, including LEAP shop visits up more than 40%, and spare parts revenue rose more than 20%. Equipment revenue rose 38% to $2,607m (Form 10-Q). Segment profit rose 21% to $2,887m, on higher services volume and price, and the margin was 27.9% (earnings release).

Engine deliveries rose 8% to 690 commercial engines, including 535 LEAP engines, up 5%. The call said this was the fifth quarter in a row with at least 500 LEAP deliveries, that wide-body engine deliveries rose more than 50% and that GEnx shipments nearly doubled. GE9X engines for the Boeing 777X were delivered, but their revenue will only be recognized once the upgraded mid-seal is certified, which GE Aerospace is working to achieve by the end of 2026. For the first nine months, commercial engine deliveries were 1,989, up 25%, and LEAP deliveries 1,565, up 26% (Form 10-Q).

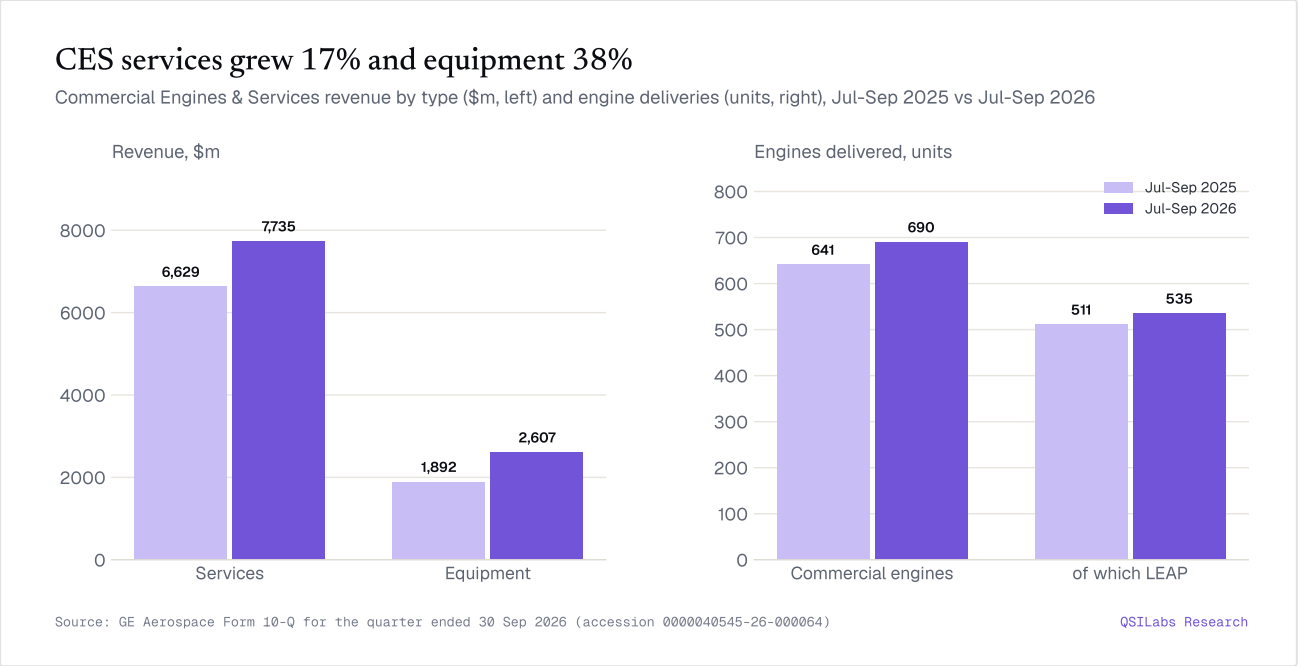


FIGURE 4 Services are three-quarters of CES revenue; equipment grew faster in the quarter, with 690 commercial engines delivered.

The aftermarket is where most of the profit is made. GE Aerospace and its partners have an installed base of about 50,000 commercial and 30,000 military engines (8-K, 22 September 2026). On the call, management said turnaround time in its own shops was down by more than a week since the end of 2025, and by two weeks for LEAP, and that the number of aircraft grounded by LEAP engine problems had fallen to nearly zero since the summer. Spare parts delinquency, the backlog of late parts orders, still rose from the second quarter because demand stayed strong.

For 2026 CES now expects revenue growth in the low 20s, up from about 20%, and operating profit of $10.5-10.6bn, up from $10.25-10.35bn; about $100m of the increase comes from a smaller GE9X impact in the second half (earnings release, earnings call).

Defense & Propulsion Technologies

DPT orders rose 18% to $4,269m, and the segment backlog was over $30bn, up more than $5bn since the start of the year (earnings call). The orders included a contract worth up to $2.9bn to support the F414 engines that power the U.S. Navy's F/A-18 and EA-18G fleets. Revenue rose 7% to $3,469m: Defense & Systems revenue grew 5%, with defense engine deliveries up 4%, and Propulsion & Additive Technologies, which includes Avio Aero and Unison, grew 10%. Profit rose 8% to $475m and the margin was 13.7%, against 13.5%.

GE Aerospace also reported progress on new defense engines: Kratos named the GEK800 (F143) engine as a second-source engine for the Joint Air-to-Surface Standoff Missile, and the XA102 adaptive-cycle engine moved into hardware procurement and subcomponent

testing under the U.S. Air Force's Next Generation Adaptive Propulsion program. DPT still expects 2026 revenue growth in the low double digits and operating profit of $1.6-1.7bn (earnings release).

Why are GE Aerospace orders up 49%?

GE Aerospace orders rose 49% in Q3 2026 for two reasons: airlines kept ordering services for an ageing, heavily used fleet, and the July Farnborough airshow brought a wave of new engine orders. In the first nine months, CES orders were $45.5bn, up 54%, and DPT orders were $14.6bn, up 33% (earnings release).

On the equipment side, GE Aerospace announced commitments for more than 1,800 engines at Farnborough, including an agreement with IndiGo for more than 1,000 LEAP-1A engines for its Airbus A320neo aircraft, which GE Aerospace called the largest LEAP agreement ever. In October Turkish Airlines agreed to buy more than 300 LEAP-1B engines, for Boeing 737 MAX aircraft, together with a long-term services agreement covering its whole fleet of more than 600 LEAP-1B engines. Management said there are now more than 1,300 GE9X engines on order for the 777X.

Services are the larger and more profitable part. Commercial services orders grew 23% in the quarter and 30% in the first nine months. Management said engine removals in the first half of 2027 are expected to be more than 10% higher than a year earlier, that most of the engines it needs to work on in that half are already in its shops, and that CFM56 shop visits in 2027 should be closer to 2,400 than 2,300. GE90 and GEnx fleets have seen only single-digit retirements this year, and wide-body workscopes are getting heavier as GE90 engines move from their first to their second shop visit. Departures, the number of flights, rose about 1% in the third quarter, even with high fuel prices.

The backlog is very large relative to revenue. At 30 September 2026, GE Aerospace's remaining performance obligation was $212.1bn: $33.3bn for equipment, of which 32% is expected to be recognized within a year and 55% within two years, and $178.7bn for services, of which 12% is expected within a year, 40% within five years and 67% within ten years (Form 10-Q). That is about four times 2026 adjusted revenue. GE Aerospace expects to recognize 84% of the services backlog within 15 years, so it will be earned over many years.

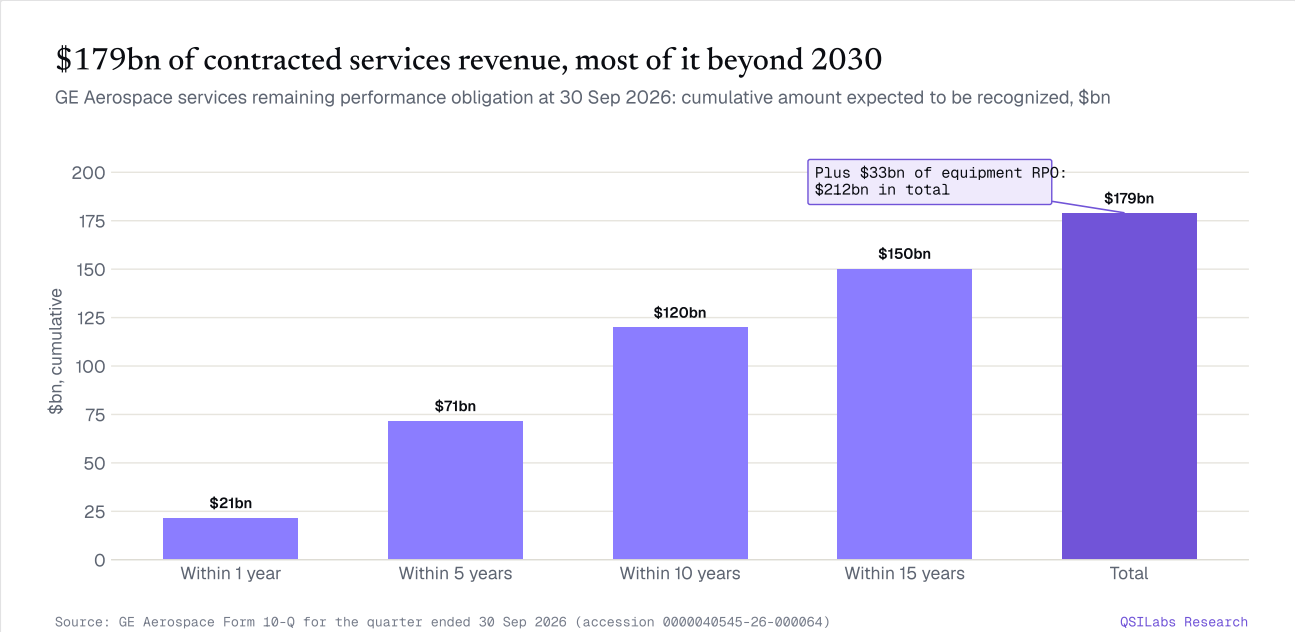


FIGURE 5 GE Aerospace expects to recognize only about $21bn of its $179bn services backlog in the next year, and about $71bn within five years.

What is GE Aerospace's 2026 guidance now?

GE Aerospace raised its 2026 guidance for the second time this year on 20 October. It now expects adjusted revenue growth of about 19-20%, up from high teens; operating profit of $10.9-11.0bn, up from $10.55-10.75bn; adjusted EPS of $8.00-8.10, up from $7.65-7.85; and free cash flow of $9.1-9.4bn, up from $8.9-9.2bn, with free cash flow conversion above 100% of adjusted net income (earnings release). In January the company had guided to operating profit of $9.85-10.25bn and adjusted EPS of $7.10-7.40.

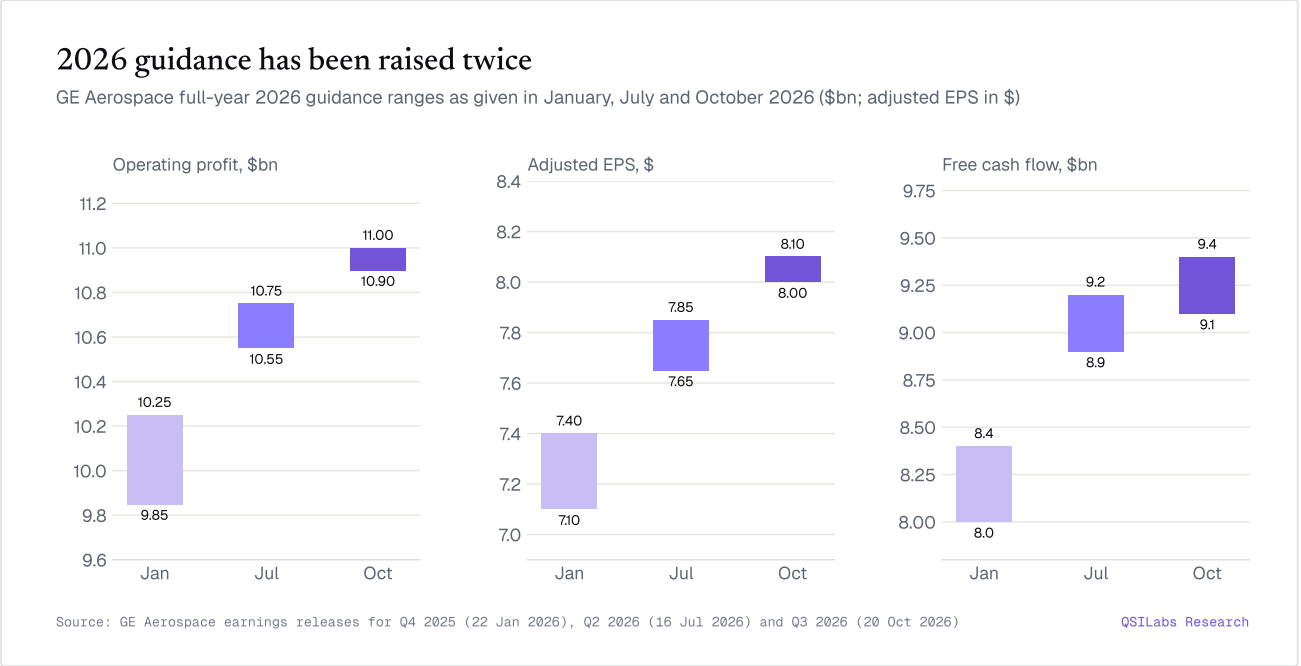


FIGURE 6 Since January the operating profit guide has risen by about $0.9bn and the adjusted EPS guide by about 80 cents at the midpoint.

The new guidance implies a fourth quarter of about $12.8-13.3bn of adjusted revenue, up roughly 8-12% from $11.9bn a year earlier, operating profit of $2.64-2.74bn against $2.27bn, adjusted EPS of $1.87-1.97 against $1.57, and free cash flow of $2.4-2.7bn against $1.8bn. Management said it enters the fourth quarter with more than 95% of its fourth-quarter spare parts already in backlog, and with more than 100% of its fourth-quarter internal shop visits already in the shop.

For 2027, GE Aerospace will give formal guidance in January. On the call, management said it expects low double-digit growth in commercial services, supported by the backlog; high single-digit revenue growth in DPT with a little margin expansion; and about $300m more of GE9X losses than in 2026, so 2027 margins should stay in line with 2026. From 2028, it expects margins to start expanding as the GE9X headwind declines and LEAP services margins rise toward the average for services. Chairman and CEO Larry Culp said the company is on course to exceed its 2028 cash flow outlook in 2026 and come close to its 2028 profit outlook this year.

GE Aerospace cash flow, buybacks and the CPP acquisition

GE Aerospace generated free cash flow of $2,042m in Q3 2026, down 14%, as receivables rose with the timing of services billings and more money was due from airframers; net contract assets and liabilities were a source of cash, from strong utilization billings (earnings

call). In the first nine months, cash from operating activities was $7,329m and free cash flow $6,728m, after $1,002m of gross additions to property, plant and equipment and internal-use software (Form 10-Q).

Returns to shareholders were large. In the first nine months, GE Aerospace spent $6,506m on purchases of its own shares for treasury and paid $1,362m of dividends. The 10-Q says the company repurchased 11.9m shares for $4.0bn in 2026 under its current authorization, including 5.9m shares for $2.1bn through accelerated share repurchases. Shares outstanding were 1,033m at 30 September 2026. The quarterly dividend is $0.47 a share, up from $0.36 at the end of 2025 (Yahoo Finance), and the shares last went ex-dividend on 5 October.

At 30 September 2026 GE Aerospace had cash, cash equivalents and restricted cash of $8.8bn, plus $1.5bn of time deposits, and total borrowings of $19.3bn, down from $20.5bn at the end of 2025. It started a commercial paper programme in the quarter, with $480m outstanding. GE Aerospace's equity was $17.5bn after $93.1bn of shares held in treasury (Form 10-Q).

On 8 September GE Aerospace agreed to buy Consolidated Precision Products (CPP), a maker of airfoils and structural castings for engines, for $11.75bn (CPP 8-K). CPP expects about $2.0bn of revenue in 2027 and has about 6,600 employees at more than 20 sites. GE Aerospace says the price is about 18 times CPP's expected 2027 EBITDA including about $200m of expected net synergies, or about 26 times without them. It expects the deal to add to adjusted EPS and free cash flow in the first year, excluding one-time costs and deal amortization, and to close in the second half of 2027, subject to regulatory approval. It plans to pay with about $7bn of cash and new debt for the rest, and says the deal does not change its capital allocation plans. GE Aerospace says the deal expands mission-critical castings capacity, and that its own demand for airfoils will grow by more than 30% between 2026 and 2030.

GE Aerospace stock Q3 2026: is GE overvalued?

On our numbers, yes. We value GE Aerospace at $163.97 a share, against a $301.80 close on 30 October 2026: the price is 84% above our value. At $301.80 GE Aerospace's market value is about $312bn, or about 37 times consensus 2026 EPS of $8.16 and 32 times 2027 EPS of $9.31, and about 34 times the midpoint of its 2026 free cash flow guidance.

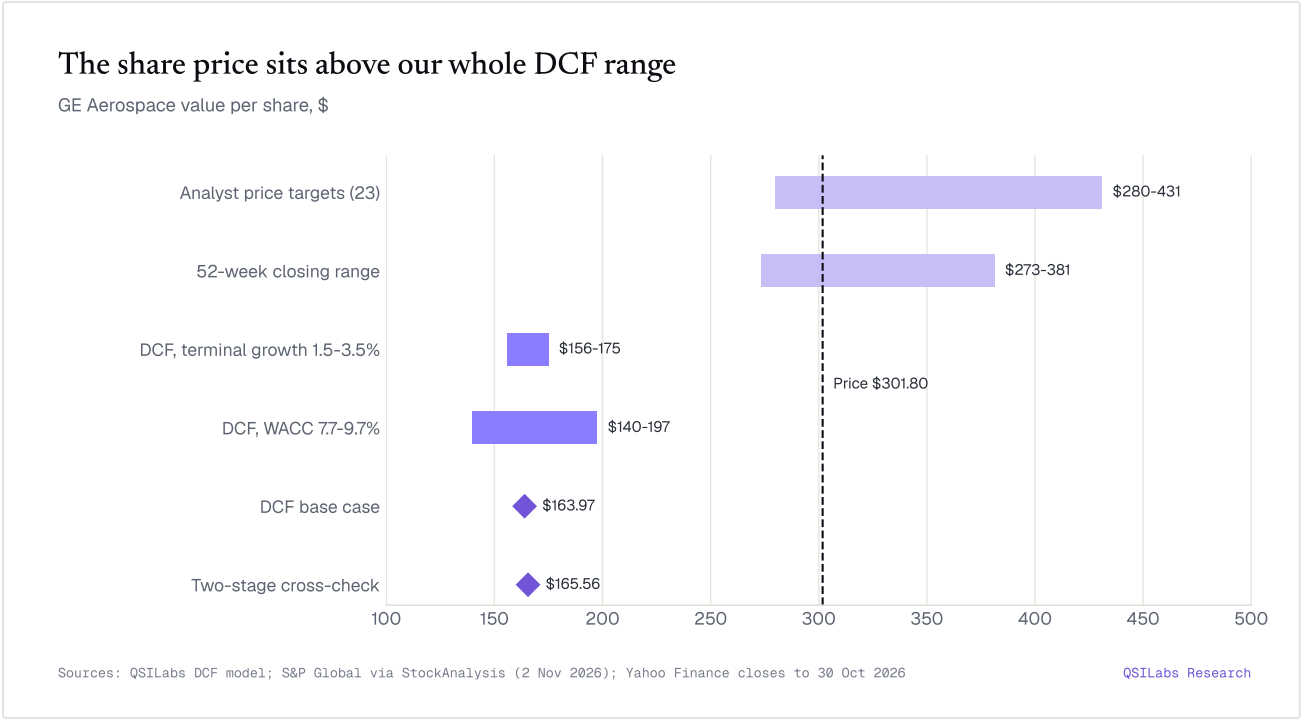


FIGURE 7 Our base case is $163.97 a share against a $301.80 close. The price is above every point in our sensitivity range; analyst targets run from $280 to $431.

The gap is not about the quarter, which was strong. It is about how long GE Aerospace can keep growing at this pace and how much higher its margins can go. Our model has revenue growing 19.0% in 2026 and 11.7% in 2027, then slowing gradually to 3.4% by 2035, and the operating margin rising from 21.7% to about 22.5% and staying there. For the price to be right with our forecast, investors would need to accept a cost of capital of about 6.0%, against our 8.73%, or expect cash flow to grow by about 7% a year forever, against our 2.5%.

Analysts are much more positive. The 23 analysts in the S&P Global consensus rate GE a Strong Buy, with 16 Strong Buy, 4 Buy, 2 Hold and 1 Sell ratings in October, and an average price target of $378.43, a median of $380 and a range of $280 to $431 (StockAnalysis). After the results, Jefferies trimmed its target from $435 to $425 and Bernstein from $421 to $376, while Deutsche Bank raised its target from $377 to $378.

Method

We forecast GE Aerospace's revenue and operating profit for each segment, tax, capital spending and working capital for 2026 to 2035, discount the unlevered free cash flow at an 8.73% weighted average cost of capital and add a terminal value with 2.5% growth and a 15% return on new investment. The cost of capital uses Aswath Damodaran's data for the US aerospace and defense industry, with a 5.12% risk-free rate and a beta of 0.95. The terminal value is 57.8% of the enterprise value of $185.2bn.

Operating profit here is GE Aerospace's own non-GAAP measure: segment profit less corporate costs and eliminations. It excludes the run-off insurance business, which we value at zero because its capital is tied up supporting long-term care and other reserves, as well as non-operating pension income and interest. We add cash of $8.76bn and subtract $19.33bn of borrowings, $0.23bn of noncontrolling interests and $4.29bn for the after-tax deficit of the pension and retiree benefit plans at the end of 2025 (10-K). We subtract $0.49bn for the dividend that went ex on 5 October, after the balance sheet date, and add $1.15bn so that free cash flow from 30 September to the 30 October valuation date matches the fourth quarter implied by the cash flow guidance. That gives equity value of $170.8bn, or $163.97 across 1,041.4m diluted shares. A two-stage cross-check, in which returns on new investment fade over ten years, gives $165.56.

The main forecast inputs are:

- **2026 revenue:** adjusted revenue of $50.3bn, up 19.0%, the bottom of the "about 19-20%" guide. The S&P Global consensus of $50.88bn is for total revenue, including insurance, so it is not directly comparable.
- **2026 operating profit:** $10.9bn, a 21.7% margin, at the bottom of the $10.9-11.0bn guide: $8.3bn reported in nine months and $2.6bn in the fourth quarter.
- **2027:** adjusted revenue of $56.2bn, up 11.7%, in line with consensus growth. CES revenue rises 12.9% to $43.9bn with a 27.1% margin, in line with management's comment that 2027 margins should be similar to 2026, and DPT revenue rises 8% to $14.6bn with a 12.5% margin. The group margin is 22.0%.
- **After 2027:** revenue growth of 9.3% in 2028, 8.3% in 2029 and 7.5% in 2030, slowing to 3.4% in 2035, when revenue reaches $90.7bn; the operating margin is 22.4% in 2028 and about 22.5-22.6% after that.
- **Tax:** 18%, a little above the roughly 15% rate of the third quarter.
- **Capital spending:** $1.45bn in 2026 and $1.8bn in 2027, rising to about 5.5% of revenue, $5.0bn, by 2035 so that terminal growth is paid for by reinvestment.
- **CPP:** not in the base case, because the deal has not closed. At our cost of capital we estimate CPP is worth about $9.7bn to GE Aerospace including synergies, less than the $11.75bn price. Including the deal with an 85% chance of closing would lower our value to $162.44 a share, or $159.84 with no synergies.

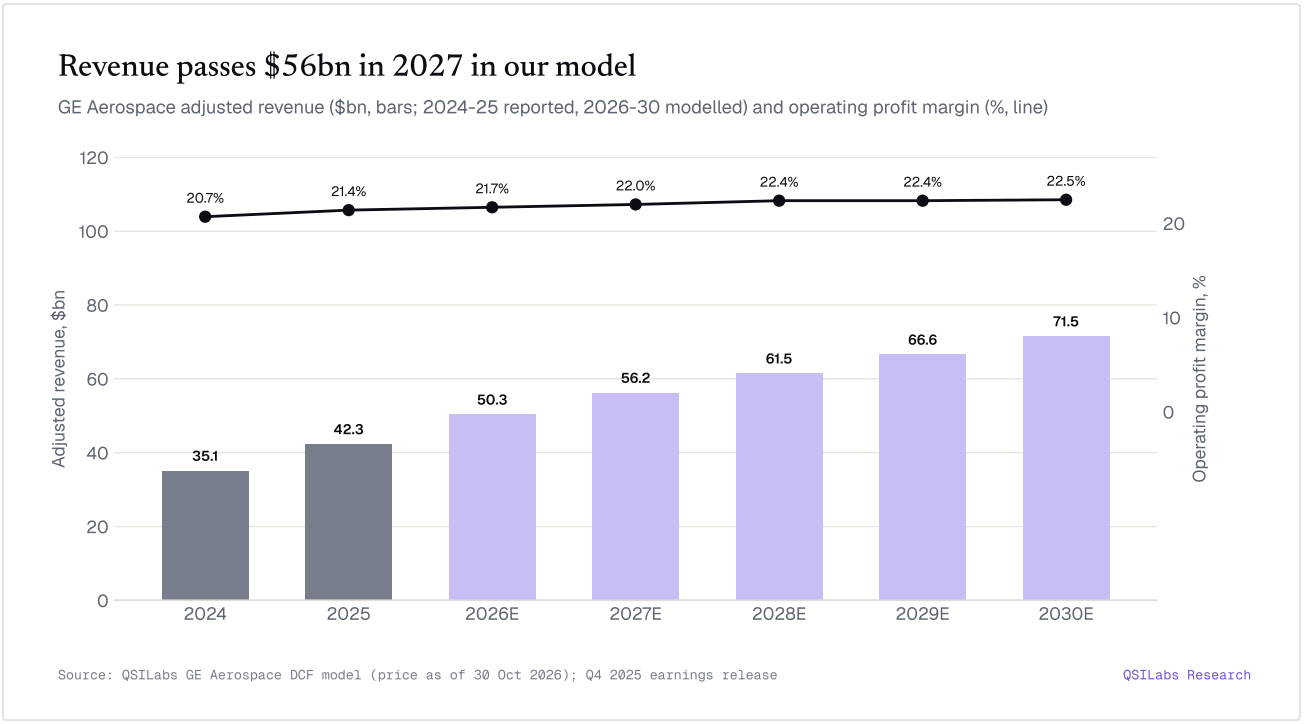


FIGURE 8 We take 2026 adjusted revenue at $50.3bn and 2027 at $56.2bn, and hold the margin at about 22.5% from 2029.

How the number moves if you argue with us

VALUE PER SHARE, $	G = 1.5%	G = 2.0%	G = 2.5%	G = 3.0%	G = 3.5%
WACC 7.73%	183.89	190.12	197.49	206.37	217.27
WACC 8.23%	168.84	173.65	179.26	185.89	193.86
WACC 8.73%	155.91	159.66	**163.97**	168.98	174.91
WACC 9.23%	144.68	147.62	150.96	154.79	159.26
WACC 9.73%	134.83	137.15	139.75	142.71	146.11

Source: QSILabs GE Aerospace DCF model. Even a 7.73% cost of capital with 3.5% growth forever gives $217.27, still 28% below the share price. The biggest single question is the margin. Management expects margins to expand from 2028. If the group operating margin rose to 25% by 2030 and stayed there, with everything else unchanged, our value would be about $182 a share; at 27%, close to the CES margin today, it would be about $196. Both are still well below the price.

Risks to the GE Aerospace investment case

The risks cut both ways. On the upside for the shares:

- **A longer services boom.** The LEAP fleet is young and its shop visits are only starting to ramp. If LEAP services margins rise toward those of older engines, as management expects, and CFM56 engines keep flying longer, the group margin could move well above our forecast.
- **A $212bn backlog.** Contracted revenue is about four times 2026 revenue, and spare parts and shop visit demand is already booked for the next quarter, which makes a sharp fall in revenue unlikely.
- **Supply catching up.** Faster turnaround times, more parts from suppliers and the CPP castings capacity could let GE Aerospace deliver more engines and services than our forecast assumes.

On the downside:

- **Airline demand.** Services revenue follows flights. On the call one analyst cited Brent crude at $111 a barrel; high fuel prices are squeezing airline profits, schedules are being trimmed and departures grew only about 1% in the quarter.
- **GE9X and new engines.** GE9X shipments are loss-making while the program ramps, and management expects about $300m more of GE9X losses in 2027 than in 2026. The revenue also depends on the mid-seal certification and on Boeing's 777X timing.
- **Cash flow and the CPP deal.** Free cash flow fell 14% in the third quarter on working capital, and the $11.75bn CPP purchase will add debt; at our cost of capital the price is above CPP's value to GE Aerospace.
- **Valuation.** At about 37 times 2026 earnings, the shares need years of high growth; our model already assumes revenue rises by about 80% from 2026 to 2035.

FAQ

What is QSILabs' value for GE Aerospace stock after Q3 2026 earnings?

QSILabs values GE Aerospace (GE) at $163.97 per share as of results for the quarter ended 30 September 2026, based on a discounted cash flow model with an 8.73% cost of capital

and 2.5% terminal growth. The shares closed at $301.80 on 30 October 2026, about 84% above that value. Our sensitivity range is roughly $140-197 a share.

Is GE Aerospace stock a buy after its Q3 2026 results?

On our valuation, GE Aerospace stock is expensive: the $301.80 price sits above our whole DCF range of about $140-197. The 23 analysts in the S&P Global consensus disagree, rating GE a Strong Buy with an average target of $378.43. This is analysis, not investment advice.

How much did GE Aerospace earn in Q3 2026?

GE Aerospace earned $2.32 a diluted share from continuing operations in the quarter ended 30 September 2026, against $2.04 a year earlier, and adjusted EPS of $2.25, up 36%. Net income from continuing operations was $2.42bn. Adjusted revenue was $13.3bn, up 18%, and operating profit was $3.0bn, up 30%, a 22.5% margin.

How big is GE Aerospace's backlog?

GE Aerospace's remaining performance obligation was $212.1bn at 30 September 2026: $178.7bn for services and $33.3bn for equipment. Management describes the commercial services backlog as over $170bn, and the DPT backlog as over $30bn, up more than $5bn since the start of 2026.

How did GE Aerospace shares react to the Q3 2026 results?

GE shares fell 3.7% on 20 October 2026, to $299.87, even though the company raised its guidance. They closed at $301.80 on 30 October and $315.78 on 2 November. The results showed free cash flow down 14% and a slightly lower CES margin alongside the higher guidance. The shares were 21% below their 5 August closing high of $381.22 at the 30 October close.

What is the LEAP engine and why does it matter for GE Aerospace?

The LEAP is the engine made by CFM International, GE Aerospace's joint venture with Safran, for the Airbus A320neo family and the Boeing 737 MAX. GE Aerospace delivered 535 LEAP engines in Q3 2026 and 1,565 in the first nine months, up 26%. As the fleet ages, LEAP shop visits grow; internal LEAP shop visit revenue rose more than 40% in the quarter, and LEAP services margins are expected to rise over time.

How much is GE Aerospace paying for CPP?

GE Aerospace agreed on 8 September 2026 to buy Consolidated Precision Products, a maker of engine castings, for $11.75bn, about 18 times CPP's expected 2027 EBITDA including about $200m of net synergies, or about 26 times without them. It plans to fund the deal with about $7bn of cash and new debt, and expects it to close in the second half of 2027.

What has GE Aerospace said about 2027?

GE Aerospace will give 2027 guidance in January 2027. On the Q3 2026 call it said it expects low double-digit growth in commercial services, high single-digit revenue growth in DPT, about $300m more GE9X losses than in 2026 and margins in line with 2026, with margin expansion from 2028.

What is GE Aerospace's dividend yield?

GE Aerospace pays a quarterly dividend of $0.47 a share, or $1.88 a year, a yield of about 0.6% at the 30 October 2026 price of $301.80. The quarterly dividend was $0.36 at the end of 2025. GE Aerospace returns more cash through buybacks: $6.5bn of share purchases in the first nine months of 2026, against $1.4bn of dividends.

Sources

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13. QSILabs GE Aerospace discounted cash flow model (internal; price as of 30 Oct 2026)

About this analysis

Written by QSI Labs Research. We read GE Aerospace's filings (the Q3 2026 earnings release and Form 10-Q, the Q1 and Q2 2026 and Q4 2025 earnings releases, the September 2026 Forms 8-K and the 2025 Form 10-K) and the 20 October 2026 earnings call, and value the company with a discounted cash flow model: revenue and operating profit for each segment, tax, capital spending and working capital are forecast year by year to 2035 and discounted at the cost of capital, with a terminal value after that. The run-off insurance business is left out of operating profit and valued at zero, and the after-tax pension deficit is deducted. Forecasts are QSILabs estimates; every reported figure is cited to its source. Figures as of results for the quarter ended 30 September 2026; price as of the 30 October 2026 close.

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