Shock to the System: The 800VDC Transition, Part II

28 June 2026

Weekly #308: Part II of a two-part series on the 800VDC data center power transition

In Part I, we outlined why 800VDC is emerging as a credible next step in data cente power architecture as AI drives higher rack densities , rising power intensity , an tighter thermal constraints . In Part II, we shift to the practical adoption path
timing, technical hurdles, and company implications. We view 800VDC as a mult
year evolution of the power and cooling stack, with initial deployments tied t NVIDIA Kyber in 2027 and broader adoption more likely in 2028–29. Early adoptio will likely be led by hyperscalers and AI cloud providers , while colocation likel transitions more gradually given mixed workloads , customer optionality, an standardization needs.

UPS/SST debate: timing mismatch, not binary disruption

Investors have expressed concern that 800VDC could eliminate portions o centralized low-voltage UPS architecture , but SSTs do not need to be broadly commercialized for that transition to begin. SSTs remain nascent in data center applications , while early 800 VDC deployments are more likely to rely on sidecars,
conventional rectification, MV UPS, BESS, and DC-coupled storage. We would expect UPS to face gradual disintermediation over a long timeline rather than abrupt disappearance , with backup , smoothing , and resiliency functions shifting into adjacent layers of the electrical stack.

What companies are saying about the 800VDC transition

Management commentary points to a gradual transition that favors suppliers with integrated capabilities across power conversion , protection , storage , cooling, and controls. ETN is leaning most aggressively into SST, DC protection , and next-gen power architectures . VRT is emphasizing a hybrid path that extends UPS relevance through MV UPS, BESS, sidecars, and DC distribution. NVT is positioned as a picks-and-shovels beneficiary through high-voltage connections, cooling, racks, and
reference architectures. HUBB views the transition as largely net neutral, with component -level adaptation rather than a step-change benefit . GEV is also developing a SST, with its first hyperscaler delivery expected in fall 2026 and potential order conversion in 1H27, though we view its broader exposure as more related to upstream power infrastructure than white-space architecture.

Our views on company-level impacts/winners and losers

Our ranking reflects which suppliers appear best-positioned to capture the next phase of data center power architecture, as value shifts from standalone components toward integrated DC conversion, UPS/MV UPS, storage, protection, cooling, and system-level design. In this framework, ETN appears best positioned, supported by its grid-to-chip portfolio, rapid SST development, DC protection capabilities, NVIDIA reference architecture exposure, and Boyd's liquid cooling capabilities. VRT ranks second, with strong facility-to-rack exposure across UPS, MV UPS, BESS, sidecars, DC distribution, and thermal management. We view NVT as a picks-and-shovels beneficiary, with content across cooling, connections, enclosures, racks, and gray-space infrastructure, but not full architecture ownership. HUBB is least levered to the system-level shift, with opportunity tied more to grid demand and incremental component upgrades. We do not rank GEV as part of this exercise given its more upstream exposure; densification is already driving demand for larger substations, transformers, MV/HV switchgear, grid interconnection, storage, and power orchestration. 800VDC may modestly extend this opportunity over time through MV conversion and controls, but it is more incremental to GEV's existing data center power tailwind than a distinct white-space architecture catalyst.

NVIDIA hot-water cooling: evolution, not displacement

NVIDIA's suggestion that future AI systems could use warmer liquid cooling, around 45°C, initially raised concerns about the need for traditional air cooling infrastructure within data centers of the future. In practice, the impact appears more nuanced: warmer liquid can improve efficiency and reduce compressor-based cooling in certain designs, but data centers still need chillers, air handling, and heat-rejection equipment for residual heat loads, power equipment, networking racks, redundancy, and hotter climates. The likely outcome is a more hybrid cooling architecture rather than a collapse in traditional thermal infrastructure demand.

For additional thoughts on the 800VDC transition, particularly the potential impact on key European Cap Goods companies, please see our colleague Gael de-Bray's report on this topic, linked here.

Navigating Our Weekly

MI/EE Global Trading Comps

MI/EE Global KPI

MI/EE Global Price Performance Charts: US, Europe, Asia

Commodities & Currencies

Macro/Industry Stats

Latest DB MI/EE Research

DB vs. Consensus EPS & Sales

Shock to the System: The 800VDC Transition, Part II

In last week's report, we outlined why 800VDC is emerging as a credible next step in data center power architecture, as AI workloads drive higher rack densities, greater power intensity, and tighter thermal constraints. In Part II, we move from the architectural "why" to the practical "how" — examining adoption timing, technical and regulatory hurdles, and company-specific implications as the power stack becomes more centralized, integrated, and DC-native.

We do not view 800VDC as an overnight transition or a single-product disruption, but rather as a multi-year evolution of the data center power and cooling stack. For investors, the key debate is less whether 800VDC matters, and more importantly, which companies are poised to capture the shifting value pool as UPS functionality evolves, SSTs mature, and system-level integration becomes increasingly critical.

The timeline of transformation

800VDC adoption should mature alongside next-generation AI rack architectures, with initial deployments tied to NVIDIA's Kyber platform beginning in 2027 and broader adoption more likely in 2028–29. The key constraints are practical rather than demand-related: safety standards, DC protection, grounding, permitting, industrialization, and supply chain maturity all need to advance before 800VDC can scale beyond early AI-focused deployments.

DC systems are far less mature than the AC ecosystem, creating potential cost, availability, lead-time, and site-approval challenges. High-voltage DC also carries a different safety profile, particularly around arc flash risk, since continuous DC current is harder to interrupt than AC. While new protection, grounding, and power electronics technologies are emerging, these constraints support a phased adoption curve rather than a step-change transition.

ABB's CEO has suggested that DC systems could represent 40–50% of new data center builds by 2030, with adoption beginning in 2027–28. We expect early adoption to be led by hyperscalers and AI cloud providers that can co-design compute, power, cooling, and facility infrastructure around dedicated AI workloads, while broader adoption will depend on certification, interoperability, component availability, and repeatable reference designs. Colocation and enterprise environments are likely to move more gradually given mixed workloads, customer optionality, redundancy requirements, and the need for standardized hybrid AC/DC architectures.

Our view of the transition timeline is as follows:

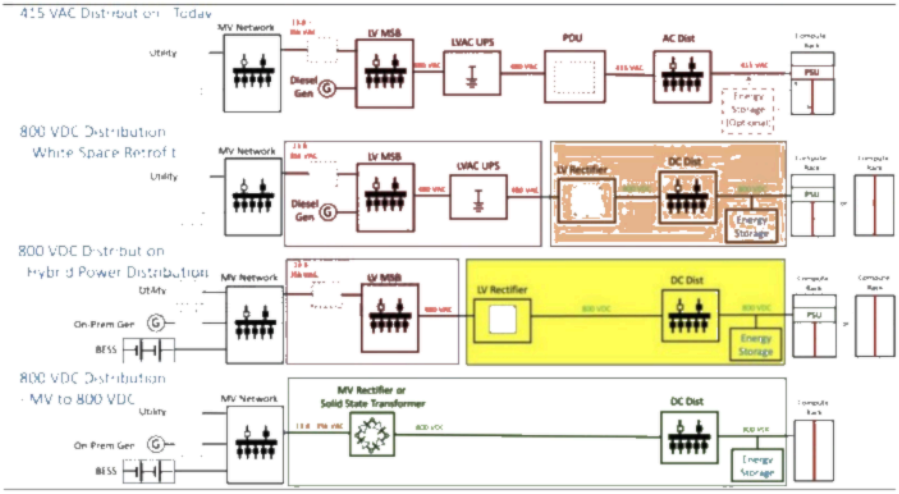
- **Early Adoption (2026):** The first wave of AI-ready data centers is now being built, with early deployments designed around higher-density GPU infrastructure. NVIDIA has outlined a three-stage adoption process, starting with adding 800VDC cabinets to existing facilities (outside of the rack), moving to hybrid AC/DC architectures, and finally building full end-to-end DC data centers.
- **Mainstream Transition (2026-30):** 800VDC should begin scaling as next-

generation AI racks move from validation to production. Vertiv expects its 800VDC portfolio will be available in 2H26, ahead of NVIDIA's Kyber platform in 2027, with broader adoption likely building through 2028–30 as rack densities move toward ~600kW+ and eventually MW-class levels.

- **Maturation (2030/beyond):** By 2030, 800VDC could become a meaningful architecture for new high-density AI/HPC builds, though hybrid AC/DC designs are likely to persist across mixed-load and colocation environments.

The transition will likely occur in stages. Near-term, AC/DC conversion moves outside the compute rack into sidecar power racks; over time, as 800VDC equipment, DC protection, and standards mature, conversion shifts upstream toward facility-level rectifiers and eventually SSTs. Early deployments may not be cost-deflationary, as operators add new DC conversion hardware before fully eliminating legacy AC infrastructure. Figure 1 illustrates this staged progression.

Figure 1: Gradual transition to fully efficient 800VDC architectures



Source: NVIDIA

From UPS disruption to SST adoption: the timing mismatch

As NVIDIA and the broader ecosystem transition toward next-generation rack architectures, investors have focused on the implications for two particular system components: the degree of disruption to traditional Uninterruptable Power Supply (UPS) offerings and the potential TAM of solid-state transformers (SSTs).

In our view, UPS disruption is directionally valid, but the focus on SSTs as the near-term enabling technology may be overstated. SSTs remain nascent in data center applications and are not yet commercially deployed at broad scale, with ETN currently pointing to three hyperscaler pilots in the field. As rack densities move toward ~600kW+ and eventually MW-class systems, the core driver of 800VDC is rack-level physics — current, copper, and thermal constraints — not SST availability.

As a result, early 800VDC deployments are more likely to rely on row-level sidecar power systems and conventional rectification, allowing operators to introduce

high-voltage DC without fully redesigning facility-level infrastructure. SSTs can improve the long-term architecture by enabling direct medium-voltage AC to high-voltage DC conversion, but broad adoption will depend on technology maturity, cost, reliability, standardization, and supply chain readiness.

For the UPS/SST debate, the relevant sequencing is as follows:

- **Early Adoption/Retrofit (2026-27):** 800VDC is added through sidecar power cabinets near the rack, while most AC infrastructure remains in place. This supports higher-density GPU racks without a full facility redesign, and generally adds electrical content per MW.
- **Mainstream Transition / Hybrid AC-DC (2026–30):** 800VDC scales with next-gen AI racks, while AC remains for mixed workloads and facility systems. This is where MV UPS/BESS-integrated architectures become relevant, providing upstream backup, smoothing, and grid-interaction while sidecars or rectifiers support high-density DC loads. Vertiv's 2H26 portfolio timing ahead of NVIDIA Kyber in 2027 fits this window.
- **Maturation/Facility-Level DC (2030+):** As DC protection, grounding, safety standards, and supply chains mature, conversion moves upstream to centralized rectifiers and eventually SSTs. MV UPS may remain part of the architecture for resilience and energy storage, but more of the power infrastructure shifts toward facility-level DC distribution.

UPS: disintermediation, not disappearance

UPS disintermediation flagged above should be viewed as gradual rather than outright displacement. Over time, centralized low-voltage UPS systems may become less relevant as backup power, ride-through, and power-smoothing functions shift into adjacent parts of the electrical architecture, including distributed batteries, MV UPS, BESS, and DC-coupled storage. This reduces reliance on traditional AC-DC-AC UPS conversion, but does not eliminate the underlying need for backup power, load management, and resiliency.

That said, we view UPS as a meaningful but bounded exposure. Power equipment represents one of the largest contributors to data center build cost, accounting for roughly ~40-45% of non-IT capex or ~$3.5-4.5m per MW, while UPS systems themselves account for only ~8-12% of non-IT capex or ~$0.8–1.2m per MW/~20–30% of total electrical spend. As a result, even if centralized UPS loses share, the broader power infrastructure pool should remain intact. (See Figure 2)

Figure 2: Breakdown of datacenter capex per component (ex IT) – Power equipment (~40–45% of non-IT capex; ~$3.5–4.5m/MW), with UPS representing ~8–12% of non-IT capex



UPS
Switchgear
CRAH, CRAC, Fan Wall, CDU
Pumps & Piping system
Project management and MEP Engineering
Management and Security
Generator
Power Distribution
Chillers, Condensers, Cooling Towers
Shell
Lighting
IT Enclosures and Containment

Source : Semianalysis

More importantly, power infrastructure spend is likely to migrate towards DC conversion, sidecars, distributed storage, MV UPS, BESS, and system-level integration — areas that can be equal or higher value on a $/MW basis. We therefore view UPS as facing a progressive mix shift within the electrical stack, rather than a step-change reduction in overall power infrastructure investment. This transition should also be gradual, with hyperscalers leading distributed architectures while colocation and enterprise operators retain hybrid AC/DC systems for longer given mixed workloads, redundancy requirements, customer optionality, and standardization needs. Crucially, UPS pressure is driven by the broader shift toward DC-native architectures, not by SST adoption specifically.

Company Positioning: UPS/SST Exposure

Against that backdrop, we evaluate each company along two dimensions: potential UPS disintermediation risk and ability to participate in the emerging evolving architecture, whether through SSTs, MV UPS, distributed storage, or DC conversion. *(Further details in the following section)*

ETN

(UPS % undisclosed; we estimate high-single-digit % of Electrical revenue)

- **UPS:** Willing to cannibalize legacy UPS /switchgear as architectures shift
- **SST:** Actively investing in MV SST, supported by multiple hyperscaler pilots; potential commercialization over the next 2–3 years

VRT

(UPS = largest single product line within power management)

- **UPS:** Focused on evolution, not elimination — expanding into MV UPS, lithium-ion, and BESS-integrated systems to maintain relevance as

architectures decentralize

- **SST:** Exploring but not dependent — views SST as a longer-term path, while prioritizing near-term MV UPS/rectifier-based architectures

NVT

(No UPS exposure)

- **UPS:** No direct exposure
- **SST:** No direct participation; benefits indirectly through components embedded in higher-voltage architectures

HUBB

(No UPS exposure)

- **UPS:** No direct exposure
- **SST:** No direct exposure; limited participation outside of supporting electrical infrastructure

GEV

- **UPS:** No direct exposure
- **SST**: GEV is developing a SST, with its first product delivery to a hyperscaler expected in fall 2026, followed by six months of testing and potential order conversion in 1H27. Management framed SST as GEV's first step inside the data center, with the technology using fast power semiconductor switches and advanced controls to actively manage MV-to-DC power flow for dense AI compute environments.

What companies are saying about the 800VDC transition

As 800VDC adoption becomes more tangible, the key investor question is which suppliers stand to win, and which could lose share as a result. Management commentary points to a gradual but real transition that should favor vendors with system-level capabilities across power conversion, protection, energy storage, cooling, and design support, rather than standalone component exposure.

Below, we lay out what each electrical equipment company within our coverage universe has disclosed about their views on/approach to the 800VDC transition:

Eaton

Key takeaways: *ETN seems to be leaning into the 800VDC transition aggressively, viewing it as a step-change in power architecture that can yield ~5% efficiency improvement for customers. The company is actively engaged in several SST pilots with hyperscaler customers, and expects to scale relevant product manufacturing in ~2-3 years as MW-class racks emerge. Backed by a decade of investment in power electronics and the Resilient Power acquisition, ETN is very focused on DC/SST architectures and advanced protection, even at the expense of legacy UPS/ switchgear, positioning the company to capture higher-value content as data center power infrastructure shifts.*

- **ETN believes the transition of 800VDC power to the rack has the potential**

to be one of the most transformative architectural changes in the electrical industry since the advent of AC. This shift offers a significant efficiency gain of ~5% by eliminating multiple AC-DC conversions. For instance, a medium-voltage solid-state transformer can convert a utility feed directly into DC power, which then flows throughout the data center's switchgear and busbars to the racks. This direct DC distribution is crucial because servers and chips \operate on DC power, resulting in reduced power loss and a simplified data center power architecture. For a 100 GW load requirement, management framed the ~5% efficiency benefit as effectively avoiding ~5GW of incremental power demand.

- **ETN is highly confident in its solid-state transformer capabilities,** supported by a decade of investment in next-generation power electronics and additional investment in medium-voltage SSTs over the past three years. **The company is currently running three hyperscaler pilots and expects broader adoption to scale over the next 2-3 years** as compute demand rises and MW-class racks become more common. The Resilient Power acquisition further strengthened ETN's position in this technology.
- **ETN also emphasized that 800 VDC requires a new approach to DC circuit protection**, since traditional AC devices are not designed for continuous DC voltage. **The company has been investing in solid-state and hybrid DC protection for several years**, leveraging experience from eMobility since 2018, within which ETN has experience managing high-voltage electrical systems.
- **ETN 's unique market position is further strengthened by its manufacturing of transformers and leadership in liquid cooling, a capability reinforced by the acquisition of Boyd.** Unlike competitors, ETN also produces cold plates, an expertise closely tied to chip design, positioning it 2-3 generations ahead in developing solutions for NVIDIA, Google, and other major industry participants. **ETN is comfortable cannibalizing some of its existing products since customer solutions are valued over specific product sales, and anticipates a net revenue gain even if some switchgear or UPS sales are disintermediated.**

Vertiv

Key takeaways: *VRT views 800VDC as a gradual, hybrid transition driven by rack-level power constraints, with physical limits emerging around ~350-400kW per rack and its 800 VDC portfolio expected to be ready by late-2026 ahead of the expected 2027 demand ramp. Management is prioritizing sidecars, MV UPS, DC distribution, and BESS-integrated architectures over near-term SST adoption, positioning the company to extend UPS relevance while capturing system-level growth across power, storage, cooling, and controls as AI rack densities rise.*

- **Following NVIDIA's May 2025 800VDC announcement, VRT believes it is ready to support the transition**, leveraging decades of DC power expertise from its telecom heritage. The company expects its **800VDC portfolio to be ready in 2H26, ahead of commercialization in early 2027** and a steady ramp through 2027 as native high-voltage GPU platforms become available.
- Importantly, **VRT frames 800VDC as a response to rack-level physics rather than a discrete product cycle.** As AI racks move from ~300kW toward ~600 kW and eventually MW-class densities, traditional rack-level power shelves, copper, connectors, busbars, and interconnects become increasingly constrained. **Management has indicated that around 350–400 kW per rack, power delivery begins to hit physical limits, requiring the power shelf to move out of the compute rack and into an 800VDC sidecar/ power-center architecture.**

- **VRT does not view this as an immediate replacement of traditional AC infrastructure .** Instead, management expects a hybrid, multi-path transition, where traditional AC, MV AC/BESS UPS architectures, 800 VDC sidecars, and eventually more centralized DC architectures coexist depending on customer type, GPU generation, site design, and business model. **This flexibility matters because data centers are designed to operate for 20–25 years across multiple GPU generations.**

- **VRT is already engaged in proof-of-concept, lab validation, and ecosystem work around 800VDC architectures**, including validation with a customer's intended GPU rack across power conversion, IT, and distribution. Management noted that its **800V power center can support 400-900kW, while freeing 8–12U, and potentially up to 16U, of rack space for GPUs.** This supports VRT's broader strategy of selling integrated infrastructure systems, not just standalone components.

- **On UPS, VRT's message is evolution, not disappearance .** While centralized UPS systems may take different forms under 800VDC, their underlying functions — power smoothing, backup, load management, and grid interaction — remain critical given the dynamic nature of AI loads. Over time, VRT expects energy storage to proliferate across the data center, from rack-level support for GPU transients to UPS-level smoothing and upstream BESS/MV BESS UPS architectures, shifting power management towards active orchestration across the electrical system.

- **On SSTs, VRT is taking a pragmatic, architecture-agnostic view.** Management sees two paths towards centralized DC distribution: a nearer-term MV DC UPS/transformer-plus-rectifier architecture using more mature technology, and a longer-term SST path that could improve efficiency and footprint but still requires further technology and supply-chain maturity. This reduces VRT's dependence on any single topology and
positions the company to support customers optimizing for reliability, time-to-market, density, and total cost of ownership.

- Finally, VRT emphasized that 800VDC cannot be separated from thermal management. Higher-voltage, higher-density racks increase the importance of liquid cooling, heat rejection, controls, and services. **While higher-temperature liquid cooling may reduce mechanical cooling intensity in some designs, VRT pushed back on the idea that chillers or air cooling disappear entirely**, noting that networking racks, power equipment, support infrastructure, and varying ambient conditions will still require hybrid heat-rejection solutions.

nVent Electric

Key takeaways: *NVT is positioned as a pick-and-shovel beneficiary of 800VDC, with selected power connection products already rated for 800VDC+ and its liquid cooling technology embedded in NVIDIA reference architectures (GB200 NVL72 and beyond). While NVT is not participating directly in SST or full power-system architecture, management expects growth from higher-density cooling and high-*
current / high-voltage electrical connections, with a ~$2bn TAM in power interconnects and a ~$1m/MW total data center content opportunity. That said, AC architectures should remain relevant for some time, reinforcing a gradual / hybrid transition.

- NVT is positioned to benefit from the 800VDC transition through its **advanced cooling and engineered power connections portfolio .** Its new cooling and power offering showcased at SC25 **includes modular row-based and AC/DC rack CDUs, next-generation PDUs, TCS manifolds, updated racks, services, and a common control platform,** all designed to

align with chipmaker requirements for AI infrastructure and improve reliability and ease of deployment for data center operators.

- **NVT's Electrical Connections platform supports high-current, high-voltage interconnects and compact, high-density power delivery systems, with selected products already rated for 800VDC+.** Management emphasized that NVT is not developing the complete power solution, but many of its components are incorporated into these system-level architectures. I**ts flexible connections offer >50% labor savings, support optimized footprints, and address a ~$2bn market opportunity** as infrastructure shifts toward higher voltage. NVT expanded its production capacity in NA in 2025 and is scaling a high-speed line in Europe to support growth.
- **NVT is also embedded in the AI ecosystem through the NVIDIA Partner Network, whereby it works on reference architectures for GB200 NVL72 and subsequent platforms.** Management has described the relationship as positioning NVT's liquid cooling technology as a preferred "plug-and-play" design choice for AI data center customers. In addition, NVT and Siemens released a joint reference architecture for 100MW hyperscale AI data centers, combining Siemens' electrical systems with NVT's liquid cooling technology to support high-density NVIDIA DGX SuperPOD deployments.
- **More broadly, NVT sees data centers as a ~$1m/MW content opportunity across liquid cooling, power, cable management, racks, and related solutions**, with liquid cooling leading the opportunity but additional NVT content contributing. **Management also notes that DC architectures can improve end-to-end power efficiency by up to 5%** by eliminating multiple AC-to-DC conversion stages, **while 800VDC can reduce copper cabling requirements by up to ~45%.**

HUBB

Key takeaways: *HUBB views the 800VDC transition as largely net neutral for the company, as it has minimal direct exposure to UPS/SST and maintains a component-level portfolio that should adapt without major disruption. Management believes some of its products will need to increase in size or amperage to accommodate the transition, whereas categories like grounding should remain largely untouched; growth is therefore tied to incremental product upgrades rather than a step-change architectural benefit.*

- **Hubbell sees the 800VDC transition as largely neutral to its overall portfolio, as many products like connectors and grounding are mechanical and will not be affected by voltage changes.** However, management has acknowledged the need to adapt its electrical wiring devices, such as pin and sleeve products, for higher amperages, and the power skid business will need to integrate new 800VDC equipment. **HUBB has emphasized that while some product reconfiguration and development are necessary, it aligns with the company's core business function.**

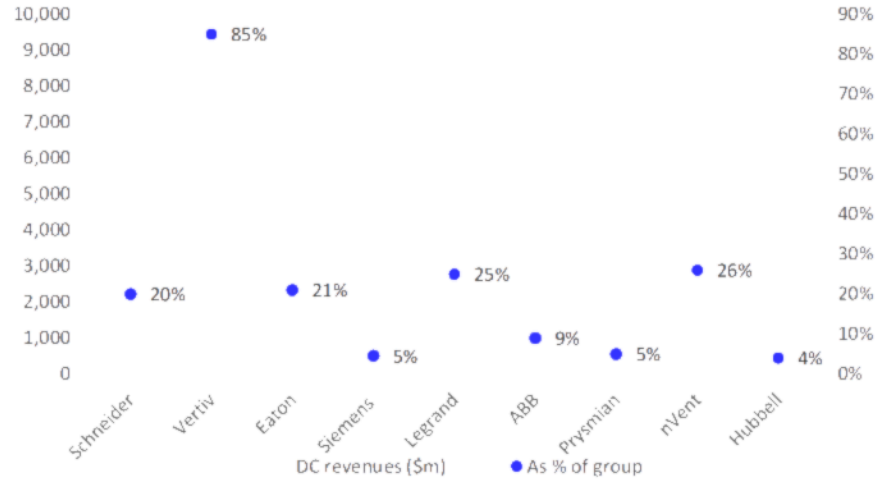
What it takes for suppliers to win in the data centers of the future

The 800VDC transition favors system suppliers over component suppliers. As power conversion shifts upstream and data center architectures become more centralized, integrated, and DC-native, value should migrate toward vendors with capabilities across MV infrastructure, DC conversion, protection, energy storage, liquid cooling, and validated reference designs. This should advantage the largest

electrical vendors with grid-to-rack breadth, DC safety expertise, thermal capabilities, and sufficient R&D scale, while making it harder for smaller component suppliers to keep pace.

Within our coverage group, VRT has the highest data center exposure at ~85% of sales, while HUBB has the lowest at ~4%; we also include select European peers for broader context. (See Figure 3)

Figure 3: Key electrical vendors in the data center market

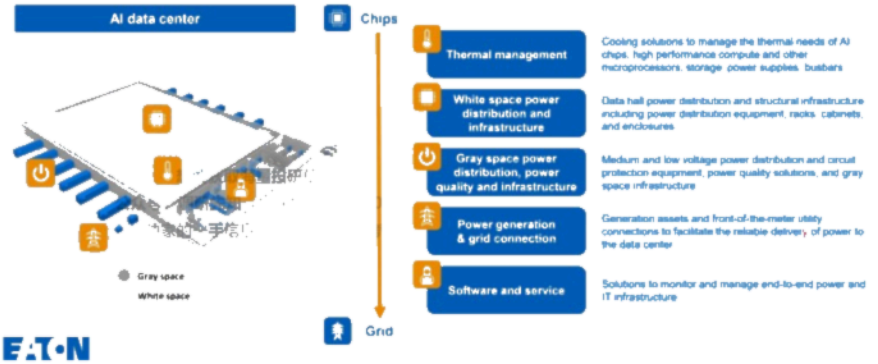


To accelerate adoption, NVIDIA is collaborating with all of the largest power systems partners, including Schneider, Vertiv, Eaton, nVent, ABB, Siemens, Mitsubishi, and Hitachi Energy.

We see four capabilities as increasingly important:

1. A systems -level approach - Component -level offerings are unlikely to be sufficient as rack densities increase. Customers increasingly need integrated power, cooling, and compute infrastructure that can be deployed quickly and scaled repeatably. As designs change faster and time-to-market becomes more important , data center operators are likely to rely more heavily on system partners (such as ETN ; see Figure 4) for architecture , validation , and deployment support.

Figure 4: Data center architectures - from grid to chips



Source : Eaton

2. Reference designs and roadmaps - Data center reference designs display how physical infrastructure systems can be configured and laid out. They include drawings, schematics, bills of materials and performance specifications, covering electrical, mechanical, and IT space systems. Reference designs allow customers to validate and deploy infrastructure in parallel with new GPU systems, allowing predictable and validated performance. Large vendors are committed to staying one GPU generation ahead in terms of power infrastructure design. Their 800VDC portfolios are expected to be commercially available before the launch of NVIDIA Kyber and NVIDIA Rubin Ultra compute platforms in 2027.

3. Expertise in DC protection and power electronics - Every major element of the 800VDC system — converters, rectifiers, protection devices, distribution equipment, and monitoring systems — must be redesigned to safely handle higher-voltage DC power.

- At the perimeter of the data center, converting 10–35kV AC grid power to 800VDC will require advanced power electronics, including transformer/rectifier architectures and, over time, potentially solid-state transformers. Significant R&D remains focused on improving cost, size, efficiency, and reliability before these technologies can scale broadly.
- A second critical requirement is safely distributing DC power to the racks; protection becomes more challenging than in traditional AC architectures. The key issue is arc flash risk: AC breakers benefit from the fact that the waveform crosses zero every few milliseconds, helping extinguish arcs, whereas DC current is continuous and therefore more difficult to interrupt. As a result, 800VDC architectures will likely require new protection technologies, including solid-state or hybrid DC circuit breakers that can interrupt current in microseconds and be more actively controlled than traditional electromechanical devices.
- Beyond circuit protection, grounding and fault detection remain important unresolved design questions in 800VDC architectures. Different system designs can change how faults behave, how quickly they are detected, and how many protection devices are required. This further increases the importance of suppliers with deep expertise in DC protection, power electronics, and system-level design.

4. Liquid cooling expertise - As rack densities rise, power and cooling decisions are increasingly linked, with cooling architecture often influencing overall facility power requirements. Air cooling represents a meaningful share of data center power consumption (up to 40%), while liquid cooling can materially reduce cooling-related energy intensity in high-density deployments. For this reason, discussions with hyperscalers often start with the cooling architecture, before moving to the power architecture. As such, we believe that electrical equipment vendors with a liquid cooling portfolio have a competitive advantage as they are able to engage with customers earlier. According to Dell'Oro Group, the data center liquid cooling market roughly doubled in 2025 to ~$3bn of revenue and is projected to scale toward ~$7bn by 2029, reflecting liquid cooling's growing role as a structural requirement for AI infrastructure.

Our verdict on which companies stand to benefit and which could be negatively impacted by the 800VDC transition

1. **Of the companies we cover, Eaton appears best-positioned to capture the broadest benefits from the 800VDC transition, supported by its "grid-**

to-chip" portfolio spanning upstream medium-voltage electrical equipment, SST development, DC protection, and liquid cooling. By combining its strong position in medium-voltage infrastructure with advanced solid-state transformer capabilities and the NVIDIA-partnered Eaton Beam Rubin DSX platform, ETN is well-positioned across the power continuum from utility interconnection to next-generation DC distribution. The recent acquisition of Boyd brings liquid cooling capabilities, adding an important thermal layer to ETN's end-to-end data center offering.

2. **Vertiv ranks second, with one of the highest direct data center exposures in the group and a strong facility-to-rack power and thermal portfolio.** VRT's core strength is less in upstream utility infrastructure and more in integrated white-space/near-rack architectures, including UPS, MV UPS, BESS, sidecar power systems, DC distribution, and thermal management. This positions the company well for the hybrid transition phase, though its role remains more focused on facility-to-rack infrastructure than the full grid-to-chip stack.

3. **nVent is positioned as a picks-and-shovels beneficiary, with meaningful exposure to liquid cooling, high-current/high-voltage connections, enclosures, racks, cable management, and related infrastructure.** NVT's data center business already represents ~$1bn of revenue, and the company is embedded in reference architectures with NVIDIA and Siemens. However, NVT does not architect the full power system and remains more dependent on partnerships/joint architectures to match the end-to-end electrical breadth of larger power infrastructure suppliers.

4. **Hubbell appears least levered to the system-level portion of the 800VDC transition, although its component-level portfolio remains largely neutral to direct UPS/SST disruption.** HUBB should continue to benefit from rising grid and data center electrical demand through utility infrastructure, connectors, grounding, wiring devices, and power skids. However, relative to ETN and VRT, HUBB has less exposure to converged thermal, UPS, SST, and advanced power electronics architectures, making it more of an incremental product upgrade story than a step-change beneficiary of the 800VDC architecture shift.

We do not rank GEV directly against ETN, VRT, NVT, or HUBB because its 800 VDC exposure is structurally different. The ranked names are more directly tied to white-space infrastructure, UPS/SST exposure, cooling, and component content, while GEV is primarily an upstream AI power infrastructure provider. Management sizes GEV's current data center entitlement at ~$200–300m/GW, largely related to substations, transformers, switchgear, breakers, and grid interconnection equipment. As densification drives larger substations, more MV/HV switchgear, bigger transformers, storage, and more complex power orchestration, GEV's content per campus should rise. We view 800VDC as incremental to this existing power-density tailwind rather than a distinct white-space catalyst, with longer-term optionality from EMS software, MV UPS/stability blocks, Prolec-enabled distribution equipment, storage, and SST development.

Figure 5: Major players by key component



Source

Below we provide further details on where the companies currently sit as it relates to data centers and how they can capitalize on the 800VDC transition:

Eaton

Eaton is well-positioned in AI infrastructure through a comprehensive "grid-to-chip" portfolio spanning medium-voltage utility connections, switchgear, transformers, UPS, busway, and white-space power distribution. ETN generated ~$5bn of data center revenue in 2025, or ~$6.5bn including Boyd, representing >20% of total sales and making it the third-largest global electrical equipment vendor in the market. Its upstream medium-voltage strength is increasingly relevant as hyperscalers face grid interconnection and power delivery bottlenecks, with key product backlogs extending 2–3 years. ETN is also in the midst of executing a $1.5bn NA capacity expansion and integrating the acquisition of Boyd Thermal, which adds liquid cooling capabilities and strengthens its end-to-end data center offering.

As power requirements for next-generation AI accelerators surge toward MW-scale racks, we believe ETN is well positioned for the industry's transition to 800VDC architectures. The company serves as a co-design partner for NVIDIA's new 800VDC power topology and recently unveiled the Eaton Beam Rubin DSX platform, a pre-engineered, modular architecture that integrates directly into the NVIDIA Vera Rubin DSX AI Factory reference design and Omniverse DSX Blueprint, enabling hyperscale operators to compress GW-scale deployment timelines from years to months. By utilizing advanced solid-state transformers — bolstered by the Resilient Power acquisition — ETN can enable data centers to convert medium-voltage AC directly to 800 VDC or low-voltage DC, bypassing legacy conversion stages and reducing electrical heat waste and copper cabling requirements. The company's partnership with Siemens Energy further reinforces ETN's grid-to-chip positioning by pairing standardized 500MW on-site power generation with Eaton's MV/LV switchgear, UPS, busway, racks, containment, engineering, and software capabilities. Together, these offerings position ETN across both sides of the AI power challenge: bringing power to the site faster where grid interconnection is constrained and distributing/protecting that power through increasingly dense, DC-native data center architectures.

Vertiv

Vertiv has the highest data center exposure in our coverage universe, at ~85% of revenue, and strong positions in thermal management and large three-phase UPS systems. Rather than competing as a discrete component supplier, VRT is pursuing a holistic "Unit of Compute" strategy that integrates its power and thermal portfolios. To support rising AI power densities, VRT is pivoting toward medium-voltage solutions, including its PowerNexus architecture, which couples MV switchgear with 1.5-2.5MW Trinergy UPS systems and can reduce data center installation times by up to 70%. The recent $1bn PurgeRite acquisition further strengthens VRT's thermal capabilities by adding secondary fluid networks and mechanical flushing services needed for complex liquid cooling deployments.

As power architectures evolve to support extreme rack densities, VRT is well positioned in 800VDC through its engineering collaboration with NVIDIA. The company recently co-developed a 7MW reference architecture for NVIDIA's GB200 NVL72 platform, integrating high-capacity CDUs and advanced power delivery to support rack densities of up to 132kW while reducing annual cooling costs by up to 20%. Looking ahead, VRT is finalizing its 800VDC MGX reference architecture, targeting MW-scale racks through centralized rectifiers, high-efficiency DC busways, rack-level DC-DC converters, and sidecar/power-center architectures that move conversion closer to the rack before broader facility-level DC or SST architectures scale. This end-to-end 800VDC portfolio is expected to be commercially available in 2H26, ahead of NVIDIA's Kyber and Vera Rubin Ultra platforms. By centralizing power conversion and validating designs through Omniverse DSX digital twins, VRT's infrastructure solutions should reduce copper weight, lower field integration risk, and help address the physical limitations of legacy AC architectures in modern AI factories.

nVent Electric

nVent has evolved into an AI data center infrastructure supplier, with exposure across electrical connections, enclosures, racks, cable management, gray-space infrastructure, liquid cooling solutions, and deployment services. Its data center revenue reached ~$1bn in 2025, representing ~26% of total sales. It participates in the data center cooling market through modular row-based CDUs, AC/DC rack CDUs, TCS manifolds, updated racks, services, and a common control platform; management points to 2GW+ of liquid cooling capacity deployed globally.

As 800VDC architectures develop, NVT is viewed as a component-level and reference-architecture participant rather than a full power-system architect. The company supplies high-current/high-voltage connections, compact power delivery, racks, enclosures, busway, cable management, gray-space infrastructure, and cooling deployment support, with the recent acquisitions of Trachte and Avail expanding its electrical infrastructure exposure. NVT is also tied into the Siemens/NVIDIA/Fluence DSX Vera Rubin-aligned reference design, which incorporates nVent-aligned electrical design parameters for a 136MW facility/100MW IT load architecture. Overall, we believe NVT remains a picks-and-shovels beneficiary of higher-voltage AI infrastructure, with management sizing total content at ~$1m/mW, though the company does not own the full 800VDC architecture.

Hubbell

Hubbell should benefit from rising data center power demand, particularly through its utility and grid infrastructure exposure, but its role in the 800VDC transition is more component- and infrastructure-oriented than at the system-

level. The company's Utility segment comprised ~60% of 2025 revenue, with substation applications representing ~10% of Utility sales, or ~6% of total revenue. We estimate HUBB has ~25–30% exposure to medium- and high-voltage utility infrastructure within Utility, which should remain relevant as hyperscalers require more grid interconnection, substations, and power delivery infrastructure for large AI campuses. The recent $825m DMC Power acquisition added swage connection systems used in high-voltage substations, and HUBB's direct data center business has reached ~$250m in annual revenue, growing ~40% Y/Y, led by modular power distribution skids booked through 2026.

Within the data center, HUBB's 800VDC exposure is best viewed as incremental adaptation rather than a step-change architecture benefit. Management has characterized the transition as largely net neutral, noting that many products — including connectors and grounding — are mechanical and not materially affected by voltage changes. Some wiring devices and connectors may need higher-amperage/higher-voltage versions, and power skids can incorporate new 800VDC equipment over time. HUBB also recently launched its PowerGain connectorized power delivery system, supporting up to 200 amps and 115kW per unit without traditional hardwiring. Overall, HUBB should remain relevant in higher-density data centers, but its opportunity is tied more to grid infrastructure and incremental component upgrades than ownership of the broader UPS/SST/ DC-native architecture shift.

NVIDIA's hot water cooling vision: evolution, not displacement

Higher power densities are forcing power and thermal architectures to evolve together: 800VDC addresses the electrical delivery problem, while higher-temperature liquid cooling addresses heat rejection. NVIDIA CEO Jensen Huang indicated that next-generation Vera Rubin systems can operate with hot-water cooling at ~45°C/113°F, well above traditional data center chilled-water temperatures of ~15–25°C/59–77°F. By raising the coolant temperature threshold, operators can expand the use of "free cooling" and reduce reliance on compressor-driven chillers in certain climates and facility designs. Huang suggested this could reduce global data center power consumption by ~6%, primarily by removing compressor loads. However, this does not eliminate broader heat-rejection infrastructure: networking racks, power equipment, support systems, and challenging ambient conditions will still require air cooling, chillers, and/or hybrid heat-rejection strategies. Higher liquid flow rates also increase the importance of cold plate design and CDU performance.

Industry pushback: a more nuanced reality

HVAC executives have offered a more tempered perspective, arguing that while NVIDIA's vision is technically feasible for high-end AI chips, it does not address the full cooling requirements of a production-scale data

center. Key counterpoints include:

- **Residual Heat Loads:** Even with 100% liquid-to-chip cooling, significant "room heat" persists from networking gear, power supplies, and storage, still requiring traditional air handling and chillers.
- **Ambient Temperature Limits:** In hot climates (e.g., Texas, Arizona), where ambient temperatures can exceed ~40°C (104°F), dry coolers become

significantly less effective, reinforcing the need for chillers as a reliability backstop during peak conditions.

- **Hybrid Cooling Realities:** Carrier has indicated it is working with NVIDIA on reference designs that integrate both liquid and traditional cooling — suggesting facility-level heat rejection still requires a combination of approaches.
- **800VDC Power Heat Loads:** Trane CEO Dave Regnery highlighted that the shift to 800VDC power architectures (intended to reduce current and copper cabling) creates its own substantial heat signature. He suggested the cooling required for busbars and power infrastructure at these voltages might actually increase air handling needs in data centers compared to conventional facilities.
- **The "Microenvironment" Problem:** Trane further argued that large data centers with numerous chillers or dry coolers rejecting heat simultaneously create a "microenvironment" that can be 20–25°F hotter than the local ambient air. This makes "free cooling" (without chillers) more challenging to achieve than NVIDIA suggests.

While NVIDIA's roadmap points to meaningful efficiency gains from higher-temperature liquid cooling, we view this as an evolution rather than a displacement of traditional HVAC infrastructure. Real-world data centers must still consider residual room heat, variable climates, redundancy, uptime requirements, and power-equipment cooling. The likely result is a hybrid cooling architecture, where liquid-to-chip cooling reduces mechanical cooling intensity but chillers, air handling, and broader heat-rejection systems remain critical.

Taken together, the 800VDC and hot-water cooling debates point to the same conclusion: next-generation AI infrastructure is increasingly a co-designed power and thermal architecture, not a collection of standalone components.

Bottom line: The 800VDC transition should be viewed less as a single-product disruption and more as a multi-year evolution of the data center power and cooling stack. SSTs may become important over time, and centralized UPS may lose share within the electrical system, but the larger opportunity is the migration of value toward suppliers that can deliver integrated DC power conversion, protection, storage, cooling, and design capabilities at scale.



Figure 6: Global Industrial Trading Comps

DB MIEE TRADING COMPS

Stock	Ticker	FX	Rating	Price	PT	Upside/ Down side	Divi Yield (LTM)	Total Return	Price Performance (%)				Market Cap	Ent. Value	EV/Sales			EV/EBITDA			P/E			FCF Yield			Sentiment		
									1 Wk	1 M	3 M	YTD	$m	$m	2025	2026e	2027e	2025	2026e	2027e	2025	2026e	2027e	2025	2026e	2027e	% Buy	% Hold	% Sell
DB US MI/EE Universe																													
Gb Vernova	GEV	USD	Buy	1085	1288	19%	0.2%	19%	-5%	-2%	21%	61%	263,330	278,005	7.3x	6.7x	5.2x	87.0x	44.6x	27.2x	65.1x	35.6x	44.8x	1.3%	2.8%	2.4%	79%	17%	5%
Honeywell	HON	USD	Buy	231	256	8%	2.1%	10%	0%	-1%	1%	17%	144,764	171,207	4.5x	4.3x	4.1x	21.5x	18.3x	15.7x	23.6x	21.9x	20.0x	3.8%	3.7%	4.3%	64%	32%	4%
Eaton Corp	ETN	USD	Buy	420	461	10%	1.1%	11%	-6%	-1%	12%	25%	154,683	175,809	6.4x	5.4x	4.9x	27.1x	23.7x	19.4x	34.8x	31.4x	25.7x	2.3%	2.6%	3.4%	77%	23%	0%
Parker Hannifin	PH	USD	Hold	990	896	-9%	0.8%	-9%	2%	12%	8%	11%	122,586	131,700	6.6x	6.2x	5.9x	24.0x	22.6x	21.3x	36.2x	31.5x	29.3x	2.8%	3.0%	3.4%	81%	19%	0%
Vertiv	VRT	USD	Buy	324	373	15%	0.1%	15%	-8%	-4%	20%	82%	116,404	112,169	11.5x	8.4x	6.4x	58.1x	33.3x	23.8x	77.5x	50.6x	35.5x	1.8%	2.0%	2.4%	79%	18%	3%
Trane Technologies	TT	USD	Hold	503	438	-1%	0.8%	0%	-1%	4%	18%	112%	105,792	109,386	5.1x	4.7x	4.3x	25.7x	22.7x	20.7x	38.6x	33.8x	30.0x	2.7%	3.3%	3.3%	59%	37%	4%
Johnson Controls	JCI	USD	Buy	145	164	13%	1.1%	14%	-4%	-1%	6%	16%	84,959	93,809	4.0x	3.7x	3.5x	23.5x	20.6x	17.8x	38.7x	29.9x	25.4x	2.5%	3.5%	3.8%	57%	39%	4%
3M Company	MMM	USD	Hold	168	171	2%	1.8%	4%	3%	7%	15%	3%	86,304	95,331	3.9x	3.8x	3.7x	13.3x	12.6x	12.0x	20.0x	19.5x	18.1x	1.7%	3.3%	4.7%	55%	35%	10%
Illinois Tool Works	ITW	USD	Hold	271	286	6%	2.4%	8%	1%	7%	2%	9%	76,991	86,313	5.3x	5.1x	5.0x	18.5x	17.5x	16.5x	25.8x	24.0x	22.2x	3.5%	4.2%	4.5%	11%	58%	32%
Emerson	EMR	USD	Hold	145	164	13%	1.5%	14%	-5%	2%	13%	8%	80,240	92,522	5.1x	4.9x	4.7x	19.3x	17.2x	16.0x	24.2x	22.5x	20.6x	4.0%	4.4%	4.7%	60%	31%	3%
Ametek	AME	USD	Buy	241	278	15%	0.6%	16%	-1%	3%	12%	15%	54,142	56,117	7.6x	7.0x	6.6x	24.1x	22.0x	20.8x	32.4x	29.6x	27.7x	3.1%	3.9%	3.6%	67%	33%	0%
Carrier	CARR	USD	Hold	76	74	-3%	1.3%	-1%	3%	14%	36%	41%	61,683	73,234	3.4x	3.3x	3.2x	19.5x	19.0x	17.6x	29.4x	27.2x	24.2x	3.4%	3.3%	3.1%	61%	39%	0%
Rockwell Automation	ROK	USD	Hold	479	438	-9%	1.2%	-7%	0%	4%	38%	21%	52,567	56,252	6.7x	6.3x	6.0x	32.0x	26.5x	24.0x	45.7x	37.7x	33.9x	2.7%	2.8%	3.0%	50%	50%	0%
Ingersoll-Rand	IR	USD	Hold	82	86	5%	0.1%	5%	4%	12%	0%	2%	31,089	35,387	4.6x	4.5x	4.3x	16.9x	16.5x	15.8x	24.4x	23.4x	22.1x	3.9%	4.2%	4.9%	50%	50%	0%
OTIS	OTIS	USD	Hold	94	90	22%	2.3%	25%	0%	1%	-5%	-16%	28,209	35,858	2.5x	2.4x	2.3x	15.5x	13.7x	13.1x	18.2x	17.9x	16.7x	5.0%	6.2%	5.8%	38%	56%	6%
Symbotic	SYM	USD	Hold	41	60	47%	NA	47%	-1%	-27%	-19%	-30%	24,928	23,788	10.4x	8.5x	6.6x	157.9x	81.1x	46.0x	NA	647.1x	101.9x	3.1%	4.0%	7.9%	47%	37%	16%
Dover	DOV	USD	Hold	231	229	-1%	0.9%	0%	1%	5%	8%	16%	30,534	32,182	4.0x	3.7x	3.6x	18.0x	16.0x	14.9x	24.0x	21.8x	20.4x	3.7%	3.9%	4.5%	70%	30%	0%
Hubbell	HUBB	USD	Hold	536	520	-3%	1.1%	-2%	-1%	8%	8%	14%	27,405	29,837	5.7x	4.6x	4.3x	19.4x	17.2x	16.1x	29.4x	26.8x	24.5x	3.2%	3.8%	3.7%	57%	43%	0%
nVent Electric	NVT	USD	Buy	172	187	9%	0.5%	9%	-8%	-4%	38%	60%	26,356	27,897	7.2x	6.5x	4.7x	28.1x	21.8x	18.1x	51.4x	37.2x	29.0x	1.4%	2.7%	3.2%	100%	0%	0%
Lennox	LII	USD	Buy	571	627	10%	0.9%	11%	5%	12%	28%	16%	19,547	21,462	4.1x	3.8x	3.6x	18.3x	17.1x	16.7x	24.6x	23.4x	21.0x	3.3%	4.2%	4.5%	35%	60%	5%
Stanley Black & Decker	SWK	USD	Hold	92	82	-11%	3.6%	-8%	6%	16%	29%	25%	14,249	20,882	1.4x	1.4x	1.4x	15.1x	12.7x	12.1x	19.8x	17.3x	15.8x	4.9%	5.8%	6.2%	39%	61%	0%
DB US MI/EE Universe Median									**0%**	**4%**	**12%**	**16%**			**5.1x**	**4.7x**	**4.3x**	**21.5x**	**19.0x**	**17.6x**	**29.4x**	**27.2x**	**24.5x**	**3.1%**	**3.6%**	**3.6%**	**59.3%**	**36.8%**	**2.9%**
DB US Water Universe																													
Xylem	XYL	USD	Buy	117	156	32%	1.4%	34%	5%	5%	-2%	-14%	27,799	29,432	3.3x	3.2x	3.1x	14.7x	13.8x	12.8x	23.0x	20.9x	19.2x	3.5%	4.0%	4.5%	71%	29%	0%
Veralto	VLTO	USD	Hold	88	103	17%	0.5%	18%	0%	4%	3%	-10%	21,947	23,179	4.7x	3.9x	3.7x	16.8x	15.6x	14.3x	27.5x	20.7x	18.9x	4.0%	4.4%	5.1%	55%	45%	0%
Pentair	PNR	USD	Buy	76	106	39%	1.4%	41%	3%	5%	-11%	-26%	12,422	14,436	3.5x	3.4x	3.2x	13.0x	12.1x	11.0x	15.4x	14.1x	12.7x	6.0%	6.6%	7.8%	68%	16%	16%
Watts Water Technologies	WTS	USD	Hold	375	358	-5%	0.6%	-4%	8%	19%	27%	34%	12,345	12,168	5.0x	4.4x	4.2x	22.8x	19.4x	18.1x	35.4x	30.1x	28.1x	2.9%	3.2%	3.2%	17%	83%	0%
Zurn Elkay	ZWS	USD	Buy	51	56	9%	0.8%	10%	1%	4%	13%	9%	8,451	8,715	5.1x	4.7x	4.5x	19.7x	17.4x	16.0x	33.7x	28.6x	25.7x	3.7%	4.1%	4.5%	40%	60%	0%
Badger Meter	BMI	USD	Hold	141	127	-10%	1.1%	-9%	-4%	11%	-7%	-19%	4,120	3,915	4.3x	4.2x	3.9x	18.0x	18.5x	16.8x	29.4x	30.6x	27.6x	4.1%	0.0%	3.8%	50%	42%	8%
DB US Water Median									**5%**	**5%**	**1%**	**-12%**			**4.2x**	**4.1x**	**3.8x**	**17.4x**	**16.5x**	**15.2x**	**26.2x**	**24.7x**	**22.4x**	**3.9%**	**4.0%**	**4.5%**	**53%**	**43%**	**0%**

Priced as of **6/26/2026**

Figure 7: Global Industrial Key Performance Indicators

DB MIEE KEY PERFORMANCE INDICATORS

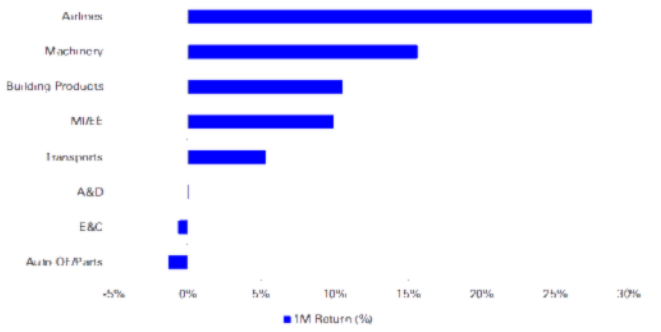
Stock	Ticker	FX	Rating	PT	Sales					EBIT					EBITDA					EPS					FCF				
					2024	2025	2026e	2027e	26e/'25	2024	2025	2026e	2027e	26e/'25	2024	2025	2026e	2027e	26e/'25	2024	2025	2026e	2027e	26e/'25	2024	2025	2026e	2027e	26e/'25
DB US MI/EE Universe																													
Gb Vernova	GEV	USD	Buy	1288	34,935	38,068	45,834	53,341	20%	1,027	2,349	4,867	8,851	N/A	2,035	3,196	6,231	10,215	95%	0.56	16.66	12.68	24.23	N/A	1,725	3,747	7,803	6,686	186%
Honeywell	HON	USD	Buy	256	34,717	37,754	39,611	42,171	5%	6,449	6,417	7,923	9,468	23%	7,783	7,959	9,351	10,896	17%	9.86	9.78	10.56	11.56	8%	4,933	5,205	5,301	6,265	2%
Eaton Corp	ETN	USD	Buy	461	24,877	27,449	32,356	35,663	18%	4,633	5,211	6,304	7,986	21%	5,822	6,486	7,433	9,074	14%	10.81	12.07	13.38	16.34	11%	3,604	3,633	4,038	5,273	11%
Parker Hannifin	PH	USD	Hold	896	19,930	19,850	21,413	22,497	8%	3,813	4,060	4,515	5,174	11%	5,117	5,497	5,820	6,174	6%	25.40	27.35	31.40	33.77	15%	2,993	3,373	3,893	4,223	9%
Vertiv	VRT	USD	Buy	373	8,012	10,230	13,912	18,258	36%	1,552	2,030	3,209	4,617	58%	1,829	2,339	3,519	4,928	50%	2.85	4.20	6.43	9.17	53%	1,149	1,920	2,311	2,806	20%
Trane Technologies	TT	USD	Hold	438	19,838	21,322	23,433	25,399	10%	3,487	3,945	4,385	4,852	11%	3,846	4,259	4,879	5,276	13%	11.22	13.06	14.89	16.76	14%	2,775	2,812	3,446	3,483	23%
Johnson Controls	JCI	USD	Buy	164	22,952	23,596	25,225	27,023	7%	2,834	3,118	3,871	4,577	24%	3,662	3,987	4,544	5,258	14%	3.19	3.76	4.87	5.73	29%	1,567	2,150	2,947	3,029	37%
3M Company	MMM	USD	Hold	171	23,515	24,279	25,005	25,640	3%	5,174	4,803	6,000	6,415	N/A	6,425	7,175	7,541	7,927	5%	7.36	8.38	8.60	9.29	3%	696	1,491	2,805	4,041	88%
Illinois Tool Works	ITW	USD	Hold	286	15,896	16,044	16,585	17,025	3%	4,264	4,216	4,476	4,770	6%	4,549	4,613	4,876	5,170	6%	11.71	10.49	11.29	12.19	8%	2,856	2,719	3,251	3,498	20%
Emerson	EMR	USD	Hold	164	17,493	18,015	18,809	19,684	4%	2,015	3,170	3,773	4,313	19%	3,893	4,799	5,374	5,782	12%	5.49	6.91	6.45	7.04	7%	2,898	3,245	3,507	3,755	8%
Ametek	AME	USD	Buy	278	6,941	7,401	8,030	8,526	8%	1,780	1,936	2,129	2,280	N/A	2,158	2,328	2,547	2,698	9%	6.83	7.43	8.13	8.69	9%	1,706	1,672	2,105	1,963	26%
Carrier	CARR	USD	Hold	74	22,486	21,747	22,203	23,148	2%	780	1,907	2,239	2,652	17%	3,802	3,752	3,858	4,168	3%	2.56	2.59	2.80	3.14	8%	44	2,121	2,029	1,941	-4%
Rockwell Automation	ROK	USD	Hold	438	8,264	8,342	8,952	9,366	7%	1,512	1,752	2,548	2,780	45%	1,606	1,519	2,124	2,342	40%	9.75	10.50	12.87	14.15	23%	639	1,358	1,448	1,589	7%
Ingersoll-Rand	IR	USD	Hold	86	7,236	7,651	7,939	8,181	4%	1,904	1,970	2,023	2,119	3%	2,018	2,094	2,145	2,242	2%	3.29	3.34	3.49	3.70	4%	1,248	1,220	1,321	1,550	8%
OTIS	OTIS	USD	Hold	90	14,261	14,431	15,019	15,430	4%	2,008	2,130	2,446	2,578	15%	2,189	2,305	2,610	2,742	13%	3.83	4.05	4.12	4.42	7%	1,437	1,408	1,739	1,645	24%
Symbotic	SYM	USD	Hold	60	92	2,247	2,752	3,521	22%	41	168	244	461	127%	62	147	287	506	N/A	(0.15)	(0.02)	0.06	0.40	-450%	(152)	785	1,004	720	28%
Dover	DOV	USD	Hold	229	7,746	8,093	8,869	9,017	7%	1,206	1,373	1,588	1,744	16%	1,561	1,786	2,009	2,165	12%	8.29	9.61	10.60	11.31	10%	920	1,118	1,205	1,379	8%
Hubbell	HUBB	USD	Hold	520	5,529	5,845	6,463	6,891	11%	1,003	1,209	1,345	1,467	11%	1,446	1,532	1,723	1,842	12%	16.60	18.23	19.99	21.84	10%	811	875	990	1,015	13%
nVent Electric	NVT	USD	Buy	187	3,006	3,893	5,056	5,967	30%	527	617	870	1,145	41%	798	964	1,277	1,539	29%	2.49	3.34	4.62	5.92	36%	570	377	714	839	89%
Lennox	LII	USD	Buy	627	5,341	5,195	5,568	5,904	8%	1,036	1,058	1,134	1,249	7%	1,131	1,170	1,251	1,366	7%	22.58	23.16	24.35	27.17	5%	785	640	814	875	27%
Stanley Black & Decker	SWK	USD	Hold	82	15,366	15,130	15,065	15,108	0%	561	736	1,184	1,274	N/A	1,653	1,385	1,649	1,726	19%	4.36	4.67	5.34	5.32	14%	768	705	821	889	16%
DB US MI/EE Universe median									**7%**					**17%**					**13%**					**10%**					**20%**
DB US Water Universe																													
Xylem	XYL	USD	Buy	156	8,562	9,035	9,256	9,641	7%	1,373	1,512	1,744	1,904	8%	1,763	2,009	2,135	2,298	6%	4.27	5.08	5.60	6.16	10%	957	976	1,102	1,253	13%
Veralto	VLTO	USD	Hold	103	5,198	5,503	5,877	6,190	7%	1,213	1,301	1,388	1,526	7%	1,290	1,379	1,484	1,622	8%	3.54	3.90	4.25	4.65	9%	820	1,014	1,015	1,115	0%
Pentair	PNR	USD	Buy	106	4,083	4,176	4,290	4,510	5%	905	995	1,064	1,180	7%	1,020	1,113	1,193	1,316	7%	4.33	4.92	5.40	6.00	10%	893	748	818	963	9%
Watts Water Technologies	WTS	USD	Hold	358	2,252	2,439	2,767	2,900	13%	400	477	559	598	17%	454	534	629	674	18%	8.86	10.58	12.45	13.35	18%	332	356	393	451	10%
Zurn Elkay	ZWS	USD	Buy	56	1,567	1,696	1,843	1,952	9%	302	354	414	452	17%	390	442	501	543	13%	1.28	1.52	1.80	2.00	18%	273	317	348	379	10%
Badger Meter	BMI	USD	Hold	127	827	917	997	1,003	1%	158	183	176	194	-4%	190	218	212	233	3%	4.23	4.79	4.60	5.10	-4%	142	170	134	156	-21%
DB US Water Universe Median									**5%**					**8%**					**7%**					**10%**					**18%**

US Industrial Sector Performance

Figure 8: Weekly Sector Performance



Figure 9: Monthly Sector Performance



Source : Deutsche Bank, Company Information, Bloomberg Finance LP

Figure 10: 3M Sector Performance

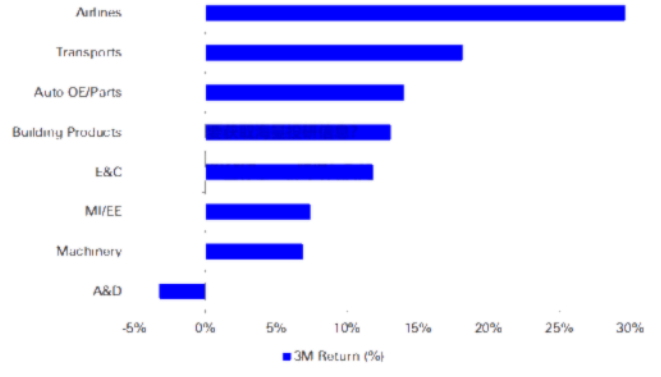
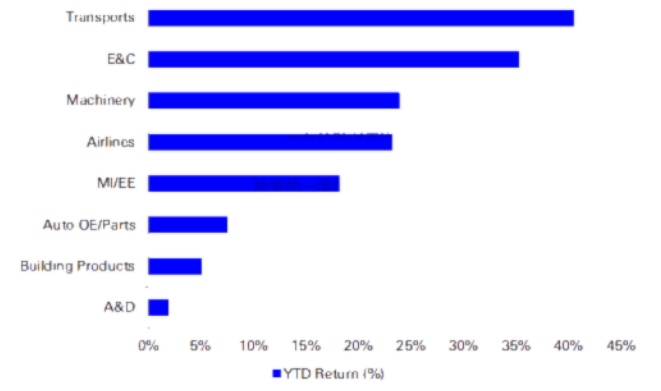


Figure 11: YTD Sector Performance



Source : Deutsche Bank, Company Information, Bloomberg Finance LP

US Multi-Industry Stock Performance

Figure 12: US Multi-Industry Performance Last Week

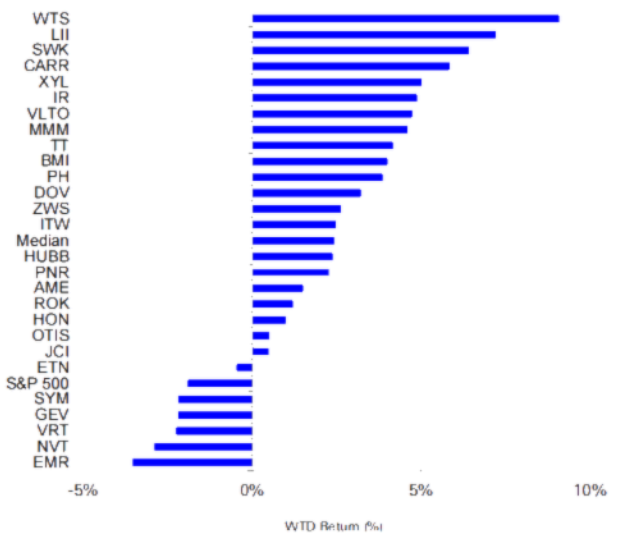
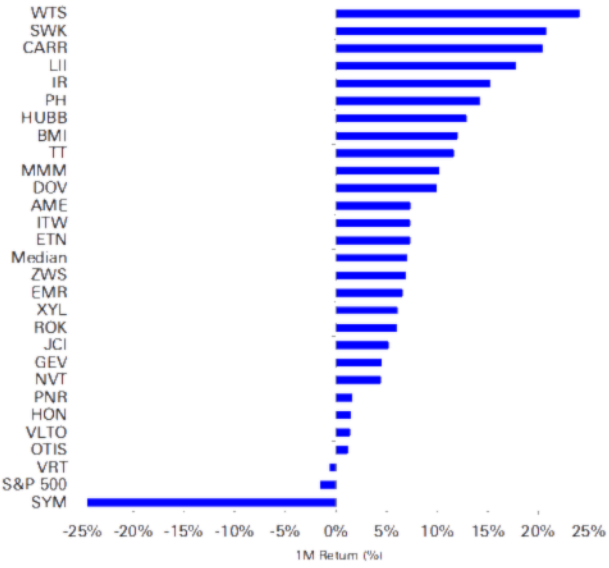


Figure 13: US Multi-Industry Performance Last Month



Source: Deutsche Bank, Company Information, Bloomberg Finance LP

Figure 14: US Multi-Industry Performance Last 3 Months

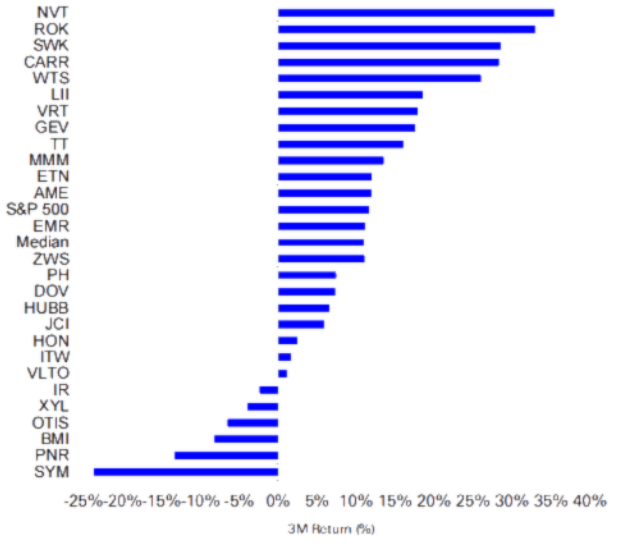
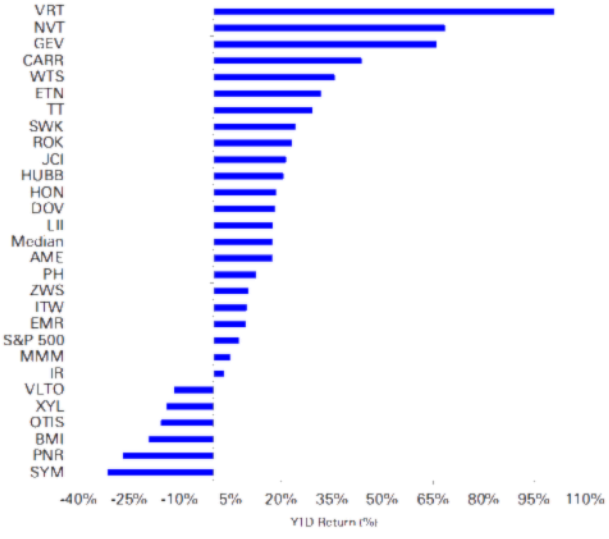


Figure 15: US Multi-Industry Performance YTD



US Multi-Industry Valuation Multiples

Figure 16: The MI/EE Group vs. S&P 500 on a NTM P/E basis

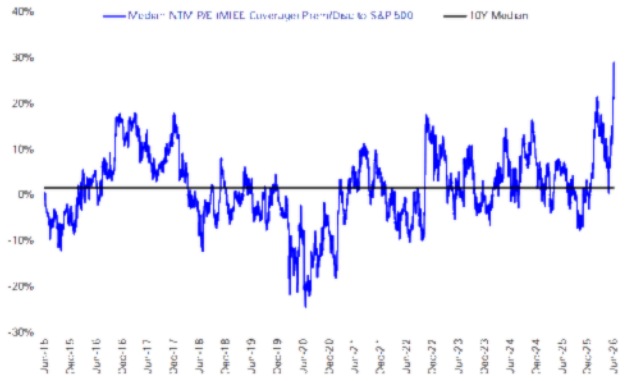
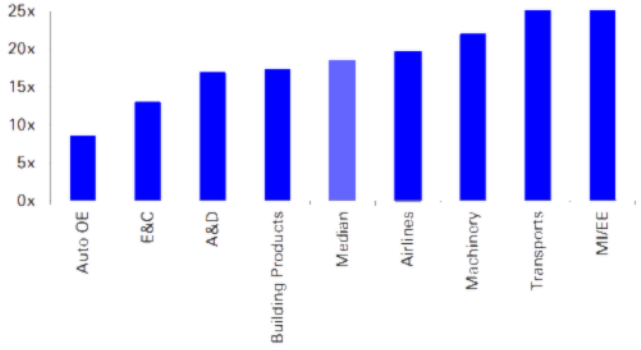


Figure 17: NTM P/E of Industrial Sectors



Source : Deutsche Bank, Company Information, Bloomberg Finance LP

Figure 18: US Multi-Industry NTM P/E Multiples

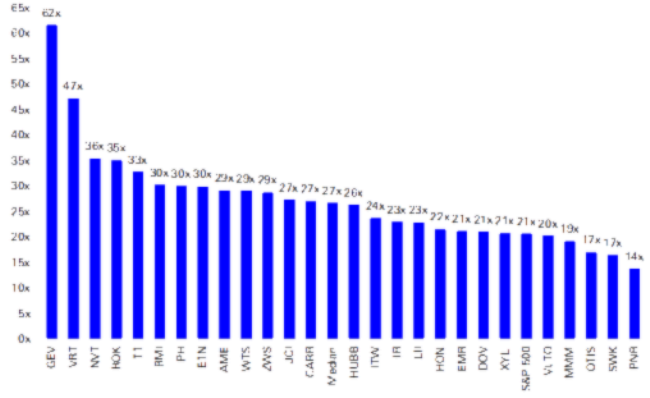
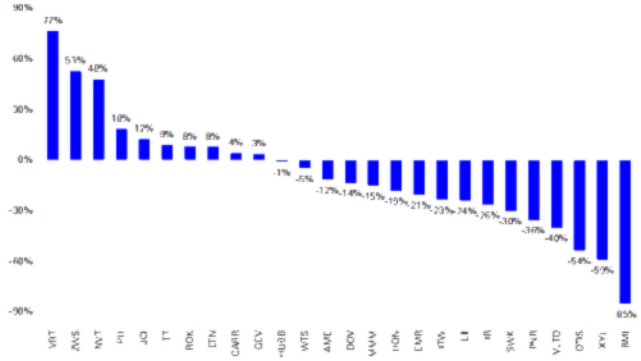


Figure 19: US Multi-Industry NTM P/E Multiples vs. their 10Y Median NTM P/E



Source : Deutsche Bank, Company Information, Bloomberg Finance LP

European Capital Goods Stock Performance

Figure 20: European Cap Goods Performance Last Month

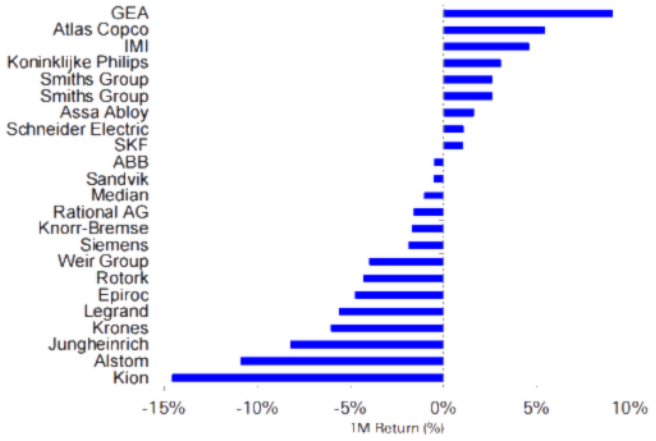
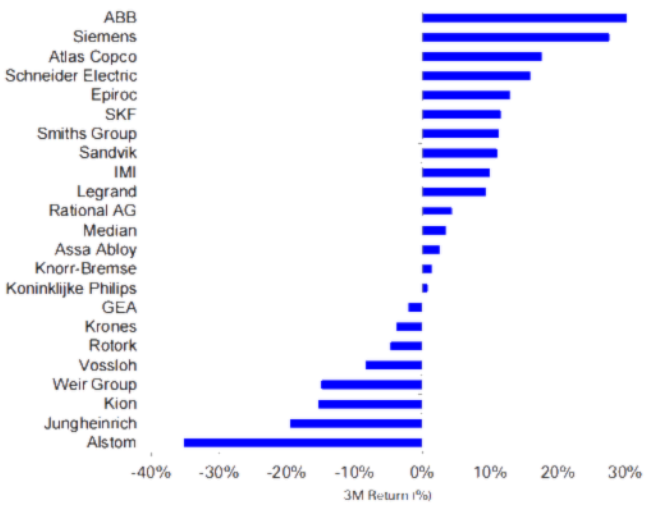
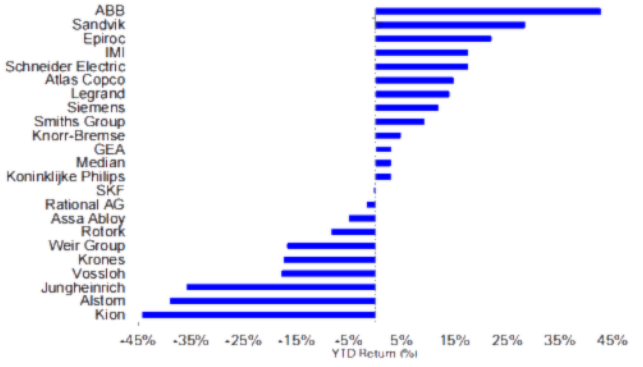


Figure 21: European Cap Goods Performance Last 3 Months



Source : Deutsche Bank, Company Information, Bloomberg Finance LP

Figure 22: European Cap Goods Performance Year



European Capital Goods Valuation Multiples

Figure 23: European Cap Goods NTM P/E Multiples

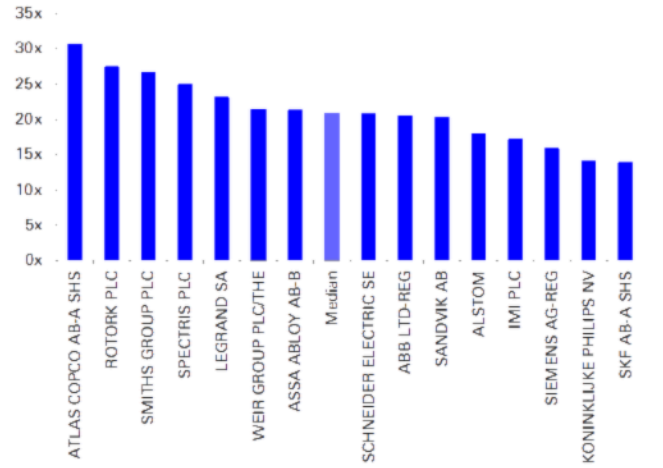
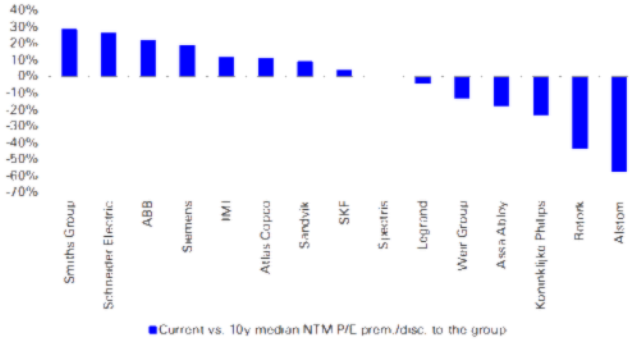
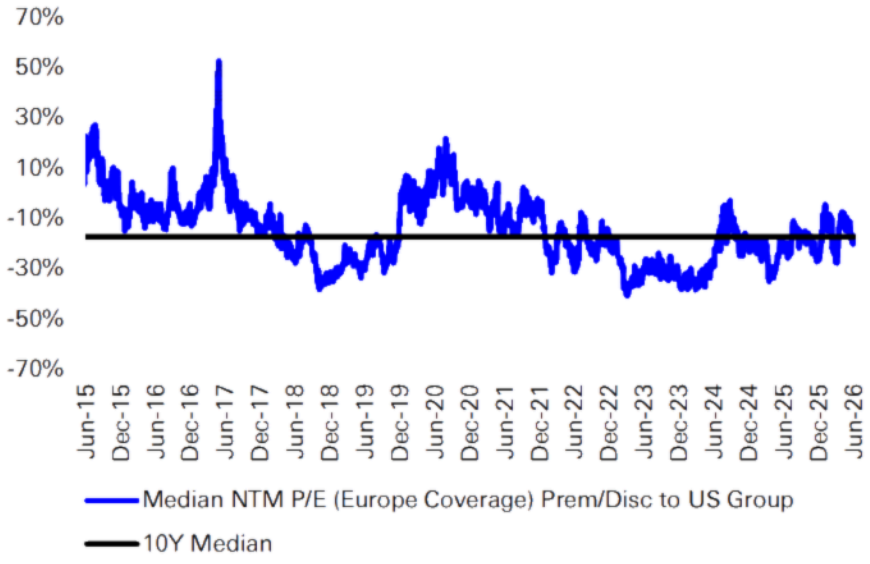


Figure 24: European Cap Goods NTM P/E Multiples vs. their 10Y Median



Source : Deutsche Bank, Company Information, Bloomberg Finance LP

Figure 25: The European Capital Goods vs. US Group on a NTM P/E basis



Asian Capital Goods Stock Performance

Figure 26: Asian Cap Goods Performance Last Week

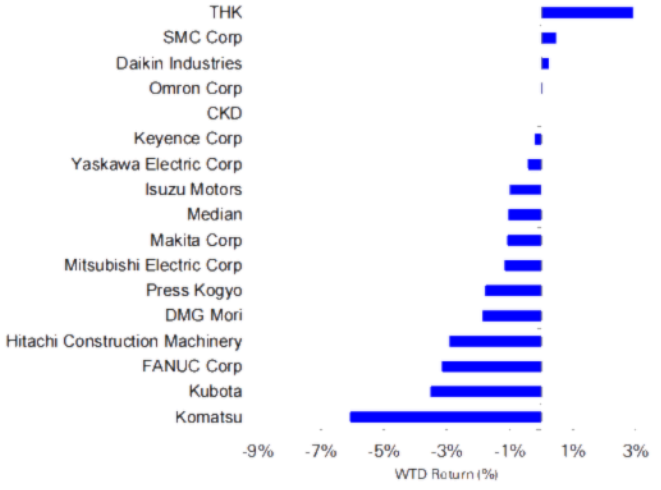
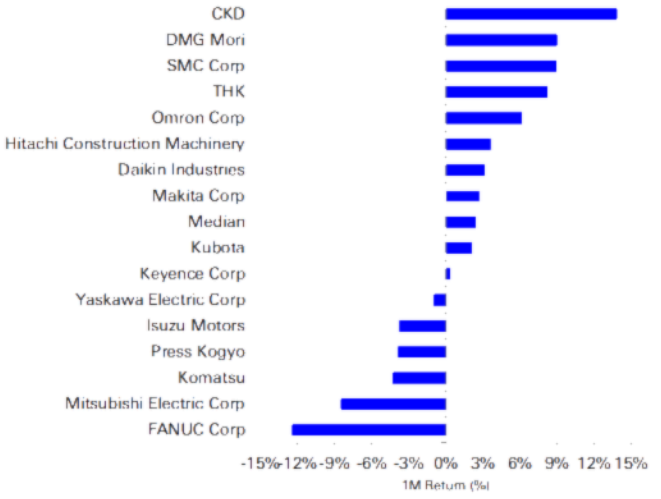


Figure 27: Asian Cap Goods Performance Last Month



Source : Deutsche Bank, Company Information, Bloomberg Finance LP

Figure 28: Asian Cap Goods Performance Last 3 Months

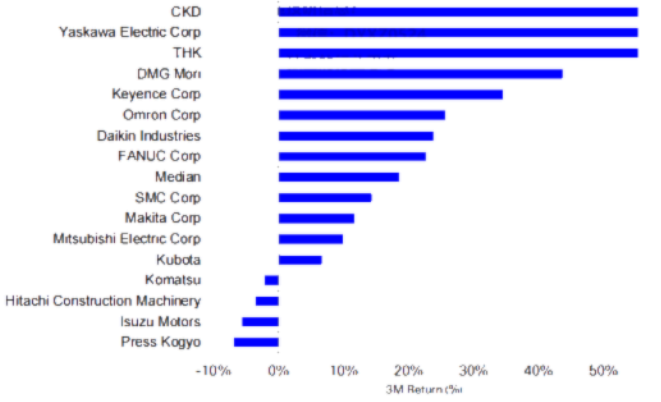
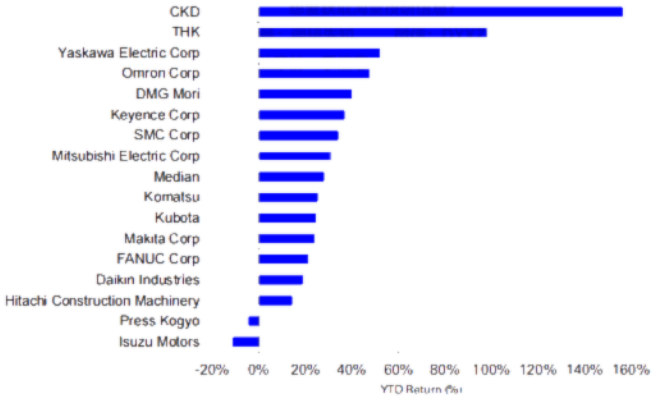


Figure 29: Asian Cap Goods Performance YTD



Source : Deutsche Bank, Company Information, Bloomberg Finance LP

Asian Capital Goods Valuation Multiples

Figure 30: Asian Cap Goods NTM P/E Multiples

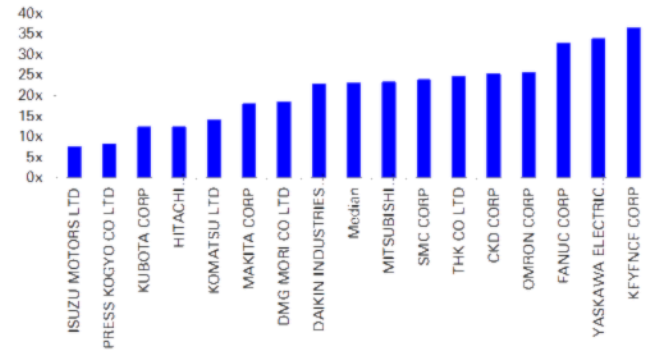
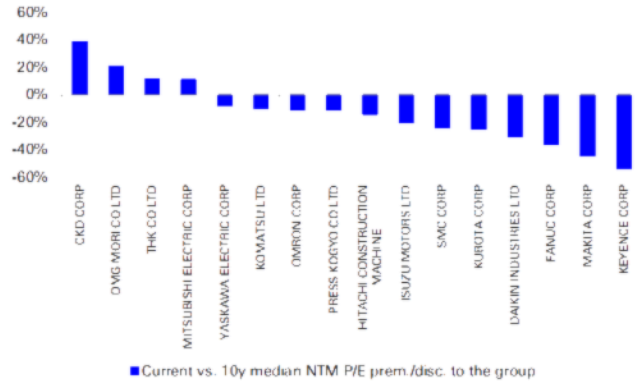
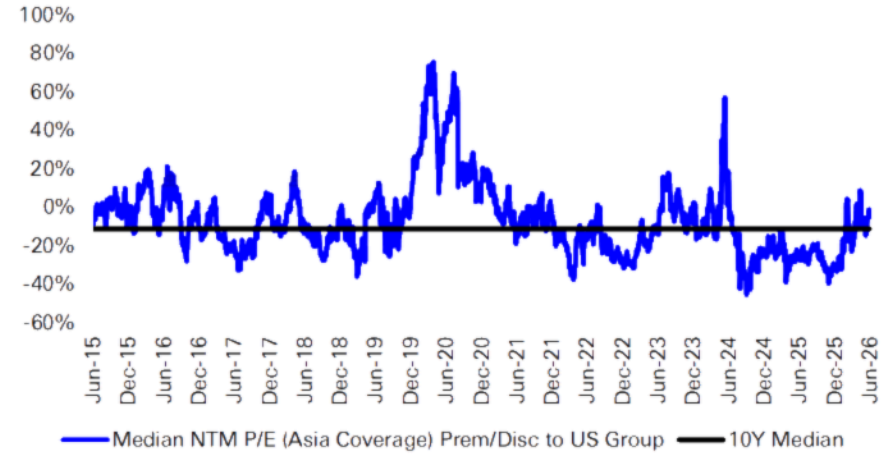


Figure 31: Asian Cap Goods NTM P/E Multiples vs. their 10Y Median



Source : Deutsche Bank, Company Information, Bloomberg Finance LP

Figure 32: The Asian Cap Goods Group NTM P/E vs. its 10Y Median



Commodities

Energy Commodity Performance

Figure 33: Summary of recent O&G performance

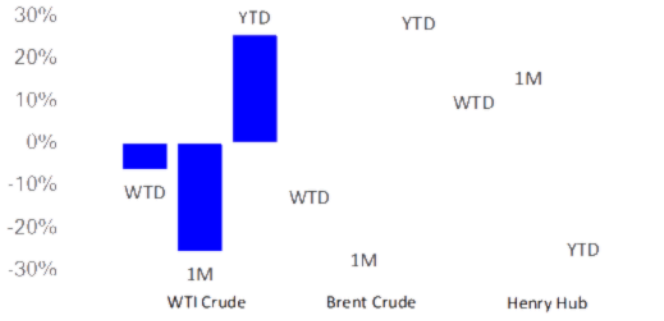
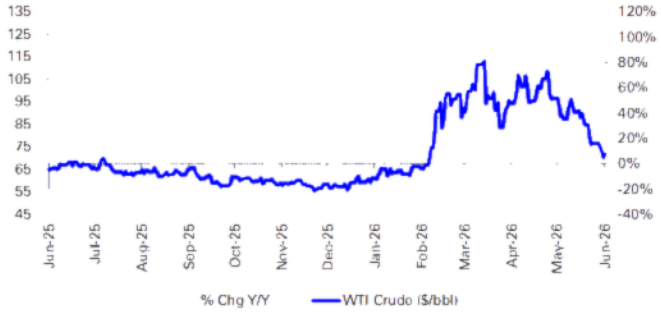


Figure 34: WTI Crude Performance



Source : Deutsche Bank, Bloomberg Finance LP

Figure 35: Brent Crude Performance

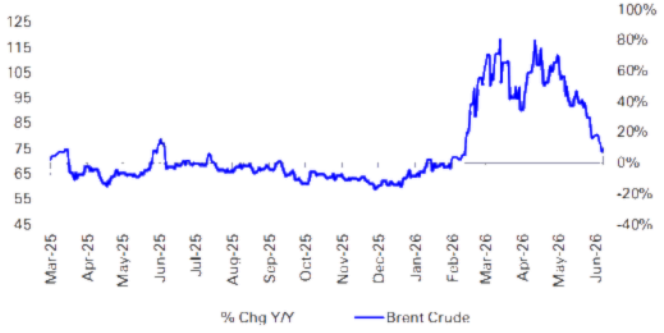
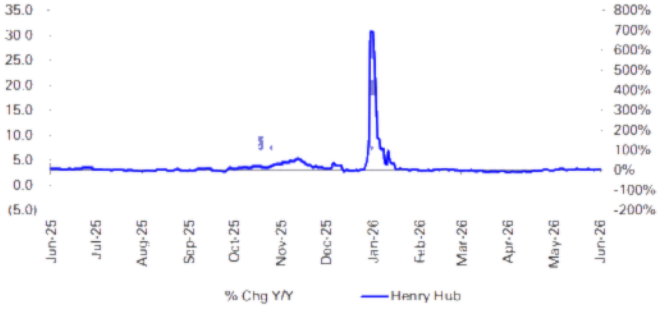


Figure 36: Henry Hub Natural Gas Performance



Source : Deutsche Bank, Bloomberg Finance LP

Mined Commodity Performance

Figure 37: Summary of recent mined commodity performance

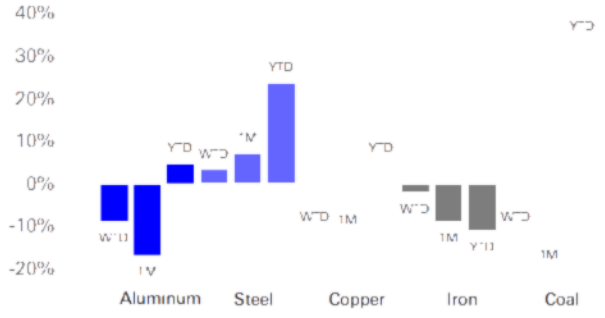
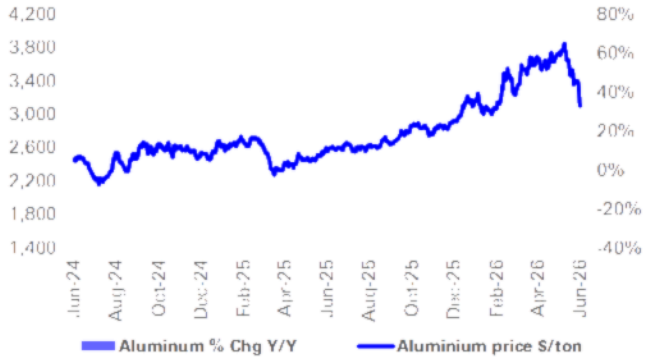


Figure 38: Aluminum Performance



Source : Deutsche Bank, Bloomberg Finance LP

Figure 39: Coal Performance

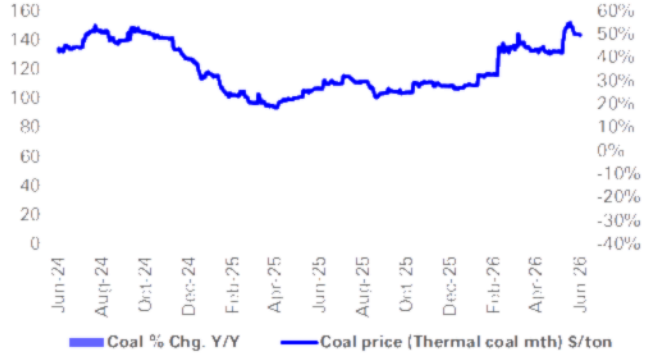
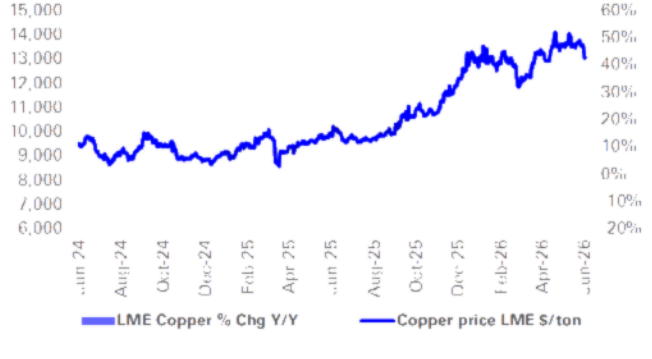


Figure 40: Copper Performance



Source : Deutsche Bank, Bloomberg Finance LP

Figure 41: Iron Ore Performance

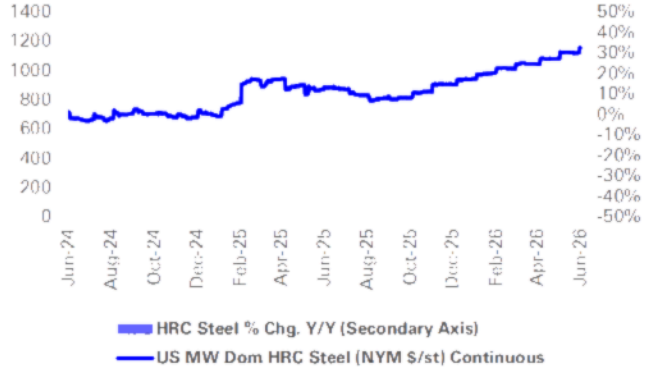
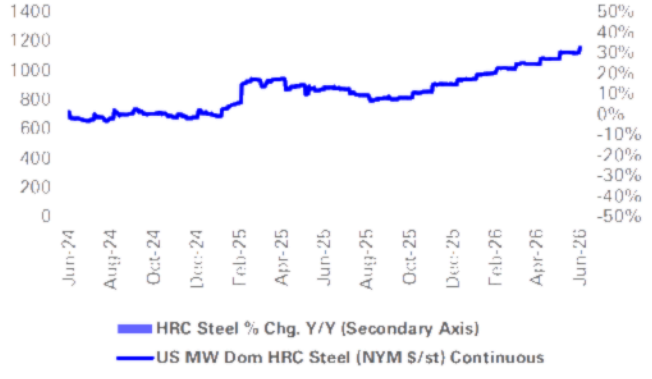


Figure 42: HRC Steel Performance



Currencies

Summary of recent performance

Figure 43: Currency Performance over the Last Week

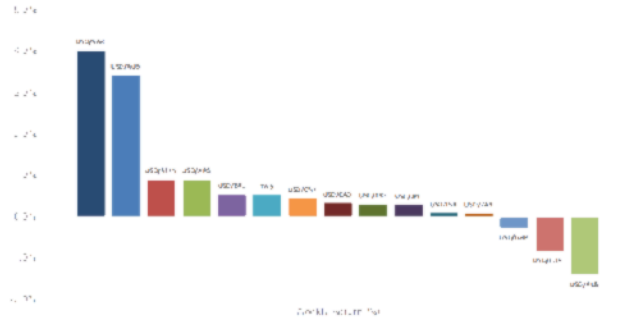
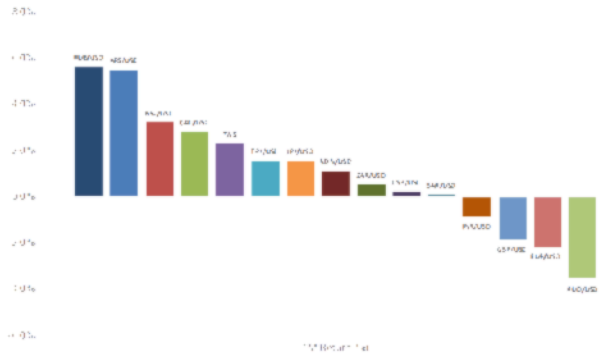


Figure 44: Currency Performance over the Last Month



Source : Deutsche Bank, Bloomberg Finance LP

Figure 45: Currency Performance over the Last 3 Months

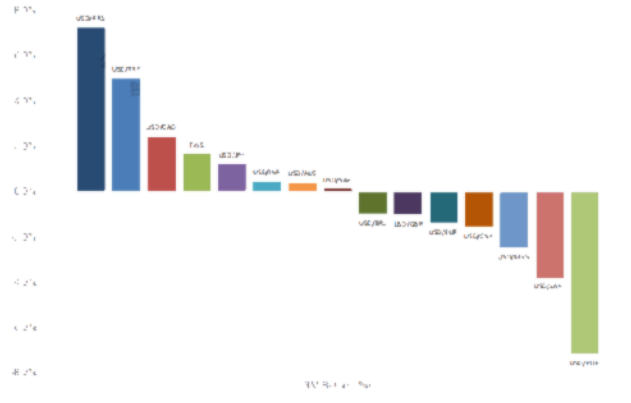
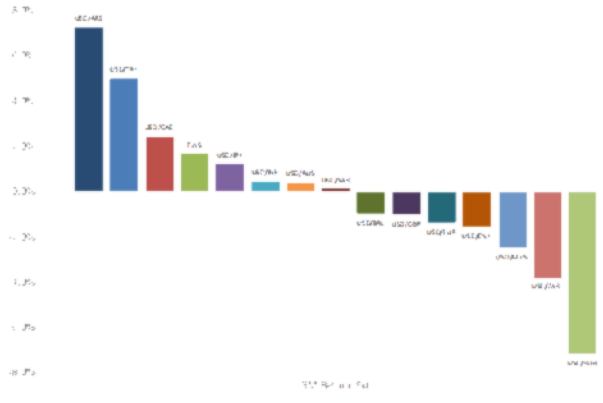


Figure 46: Currency Performance over the Last Year

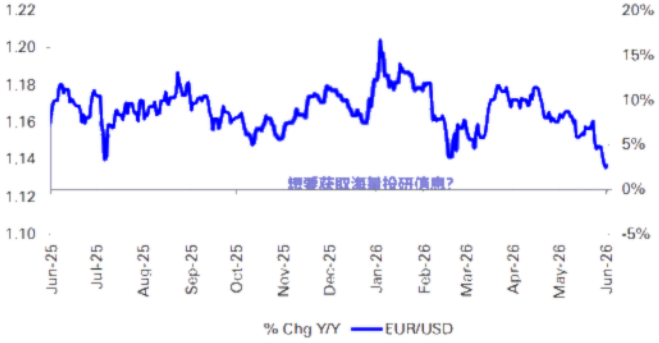


Source : Deutsche Bank, Bloomberg Finance LP

Figure 47: Trade-Weighted Dollar



Figure 48: EUR/USD



Macro & Industry Stats

Figure 49: Relevant Economic Statistics

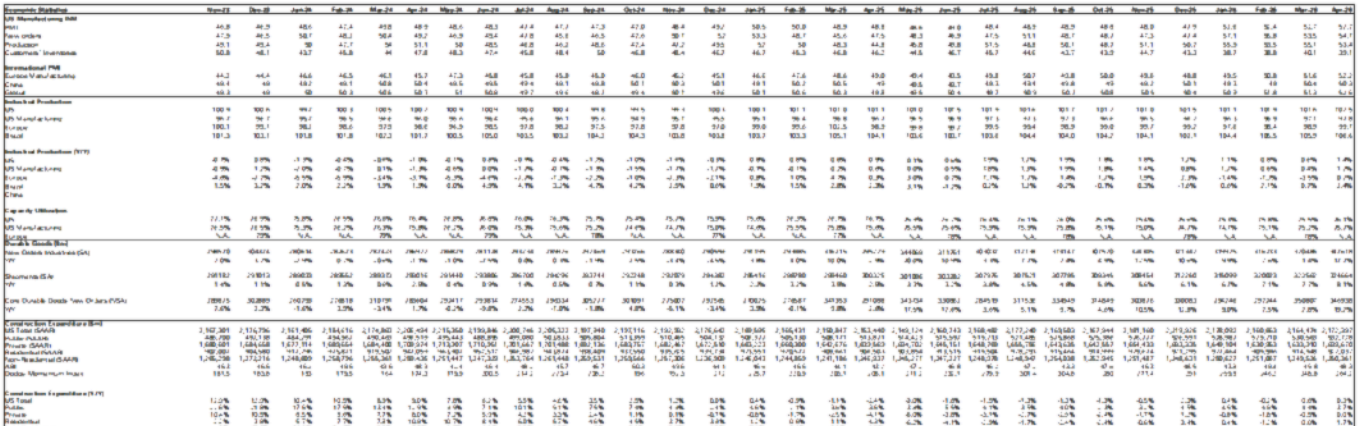


Figure 50: ...Economic Statistics Continued

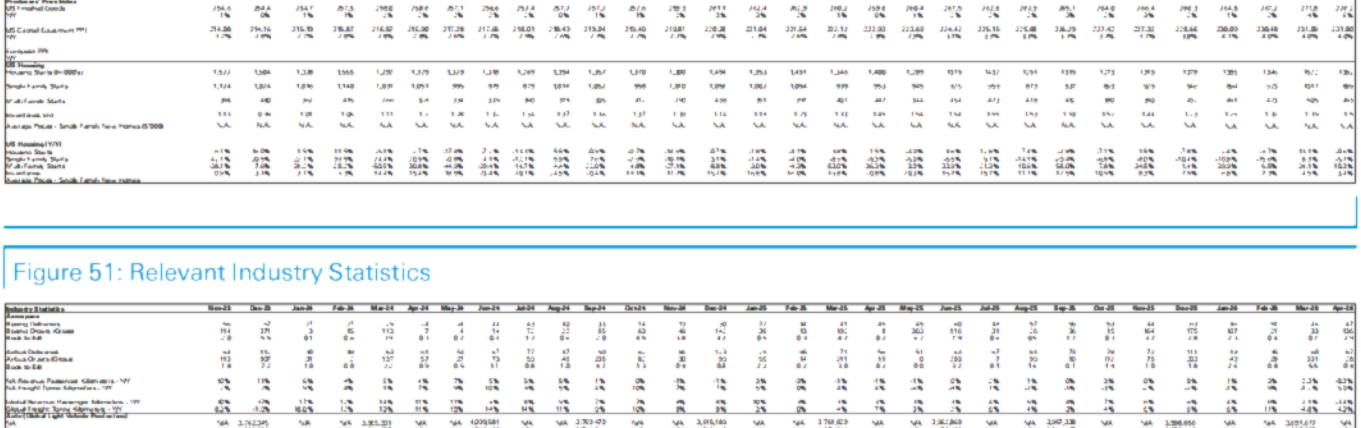


Figure 51: Relevant Industry Statistics

Figure 52: ...Industry Statistics Continued

Industry Statistics	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26
HVAC																														
Central AC Shipments	760773	738544	749836	757498	772853	834234	948618	947901	913076	977852	1009141	1064915	998538	1043236	967287	944340	1041791	1011775	1016610	1077210	1119562	1098830	1054918	1010960	981273	958775	1008726	978,905	1067151	1060988
Ductless Heat Pumps Shipments	1064662	1107267	1131481	1161565	1167471	1184824	1268468	1233974	1203826	1238984	1268965	1284888	1254908	1218640	1174683	1161748	1284,870	1245,884	1218,866	1247,811	1317,511	1312,668	1280,648	1256861	1196,687	1174,945	1209,967	1218,466	1319,917	1284,718
Total HVAC Shipments	1824435	1845811	1881317	1919063	1940324	2019058	2217086	2181875	2116902	2216836	2278106	2349803	2253446	2261876	2141970	2106088	2326661	2257659	2235476	2325021	2437073	2411498	2335566	2267821	2177960	2133720	2218693	2197,371	2387,068	2345,706
HVAC Y/Y																														
Central AC Shipments	-2.1%	-2.9%	-2.4%	1.9%	2.1%	4.1%	7.3%	6.9%	6.1%	7.1%	6.7%	7.1%	7.1%	8.0%	8.9%	8.9%	7.7%	7.3%	7.9%	8.1%	8.3%	8.8%	8.9%	8.8%	8.5%	8.8%	8.9%	8.9%	8.9%	8.9%
Ductless Heat Pumps Shipments	-2.1%	-3.4%	-1.0%	1.7%	2.1%	4.1%	7.3%	6.9%	6.1%	7.1%	6.7%	7.1%	7.1%	8.0%	8.9%	8.9%	7.7%	7.3%	7.9%	8.1%	8.3%	8.8%	8.9%	8.8%	8.5%	8.8%	8.9%	8.9%	8.9%	8.9%
Total HVAC Shipments	-2.1%	-2.9%	-2.4%	1.9%	2.1%	4.1%	7.3%	6.9%	6.1%	7.1%	6.7%	7.1%	7.1%	8.0%	8.9%	8.9%	7.7%	7.3%	7.9%	8.1%	8.3%	8.8%	8.9%	8.8%	8.5%	8.8%	8.9%	8.9%	8.9%	8.9%
Oil & Gas																														
Rig Count																														
Oil	474	466	469	438	424	464	490	483	467	464	493	476	460	467	466	460	466	466	474	476	478	464	467	478	464	466	466	476	478	476
Gas	151	149	135	148	154	163	172	177	172	172	168	165	165	167	166	165	168	169	168	166	163	172	179	171	164	165	165	168	166	165
Canada	175	175	175	171	171	172	178	178	178	180	181	185	187	188	188	183	189	190	190	187	186	182	179	177	173	170	177	178	174	174
Rig Count Y/Y																														
Oil	0.7%	-1.9%	-4.9%	-4.7%	-11.1%	-1.9%	10.4%	-1.2%	14.8%	3.3%	-1.4%	15.4%	10.9%	-0.6%	-0.9%	-4.7%	-4.9%	-4.9%	-4.8%	-4.8%	-4.7%	-4.4%	-4.8%	-4.8%	-4.1%	-4.8%	-4.8%	-4.8%	-4.8%	-4.8%
Gas	-0.4%	-4.9%	-8.1%	-10.9%	-13.1%	-15.1%	-10.7%	-11.3%	-17.3%	-17.3%	-16.4%	-13.4%	-14.2%	-13.8%	-13.8%	-10.7%	-11.7%	-11.5%	-11.8%	-12.1%	-11.7%	-12.8%	-11.3%	-11.1%	-11.1%	-11.1%	-11.1%	-11.1%	-11.1%	-11.1%
Canada	0.1%	3.1%	11.1%	3.1%	2.5%	-1.1%	3.1%	8.1%	0.1%	1.1%	4.1%	6.1%	7.1%	6.1%	7.1%	3.1%	6.1%	6.1%	6.1%	5.1%	3.1%	0.1%	-1.9%	-0.1%	-1.1%	-0.1%	-0.1%	-0.1%	-2.1%	-2.1%

All The News Fit to Print

Macro News

- **In 1Q26, US GDP (2nd revision) was +2.1% vs. +1.6% consensus**, an upward revision from the 1st revision of +1.6%, while the GDP Chain Price index was +3.6% vs. +3.5% consensus, also revised up from the 1st revision of +3.5%. *(Street Account)*
- **ADP reported payrolls increased by an average of 30.75k jobs per week over the four weeks ended June 6th.** *(Street Account)*
- **US Jobless Claims for the week ended June 20th came in at 215k vs. 225 k consensus**; Continuing Claims for the week ending June 13th came in at 1,821k vs. 1,800k consensus. Prior week Jobless Claims were revised up to 227k from 226k, and Continuing Claims were revised down to 1, 800k from 1,810k. *(Street Account)*
- **In June, the US Michigan Consumer Sentiment (final) index came in at 49.5 vs. 50.0 consensus and the 48.9 preliminary reading, improving from May's final reading of 44.8.** Current Conditions declined to 47.7 vs . the 48.4 June preliminary reading and May's final reading of 45.8, while Expectations increased to 50.7 vs. the 49.3 June preliminary reading and May's final reading of 44.1. On inflation , 1-year expectations were unchanged at 4.6%, in line with the June preliminary reading, and down from 4.8% in May, while 5-year expectations edged lower to 3.3% vs. the
  3.4% preliminary reading and 3.9% in May. *(Street Account)*
- **In May, Core Capital Goods Non-Defense Orders ex-aircraft increased 1.6% M/M vs. -0.7% in April (revised up from -1.1%), with orders up +10.2% Y/Y.** Headline Durable Goods orders declined 4.5% M/M, in line with consensus and below +8.5% in April (revised up from +7.9%); ex-transportation , orders rose 1.3% M/M vs. +1.4% in April (+9.0% Y/Y), and ex-defense, orders fell 4.6% M/M vs. +8.4% in April (-6.0% Y/Y). By category, Machinery increased 1.9% M/M vs. +1.3% in April (+12.7% Y/ Y), Communications Equipment rose 0.8% M/M vs. +4.5% in April (+41. 2% Y/ Y), Electrical Equipment increased 0.3% M/M vs. -0.2% in April (+ 5.0% Y/Y), and Motor Vehicles rose 1.1% M/M vs. +0.7% in April (+9.9 % Y/Y). Non- Defense Aircraft orders totaled $17.8bn vs. $37.0bn in April, down 73% Y/Y, while Defense Aircraft increased 7.9% M/M vs. +2 .5% in April (+61.5% Y/ Y). Overall, headline orders declined 4.5% M/M vs. +8.5% in April (down
  4.4% Y/Y), while shipments increased 1.0% M/M vs. +0.7% in April (+7. 2% Y/Y), unfilled orders rose 1.6% M/M vs. +1.8% in April (+8.7% Y/Y), and inventories increased 0.2% M/M vs. +0.3% in April (+2.1% Y/Y). *(Street Account)*
- **In May, US Wholesale Inventories (advance) rose 0.3% vs.+0.2 % consensus and +0.6% in April.** *(Street Account)*
- **In June, the US S&P Global PMI came in at 55.7 vs. 54.8 consensus and 55.1 in May (revised down from 55.3), and the Services PMI came in at 51.3 vs. 51.2 consensus and 50.7 in May (highest reading since Feb 2026).** The report indicated business activity expanded for a third consecutive month, though remains below early-year levels, while employment declined for a second straight month as firms reduced costs amid elevated input prices and macro uncertainty. Supply chain delays worsened, driven by Middle East shipping disruptions and tariffs, while input cost inflation remained elevated and selling price inflation held at its highest level since July 2025, with services inflation rising to an 11-month high. *(Street Account)*

- **In June, the Richmond Fed manufacturing index declined to +4 vs. +8 consensus and +13 in May, indicating flat activity across the Fifth District.** Within the report, New Orders remained positive but fell 8ppts to +9, Shipments declined 13ppts to +3, and Inventories rose 5ppts to +9. Employment weakened, falling 4ppts into negative territory at -1. On pricing, the average growth rate of prices paid increased notably, while growth in prices received rose modestly. Looking ahead, six-month expectations for new orders remained firmly positive but eased 4ppts to +32. *(Street Account)*

- **In June, the Eurozone flash composite PMI improved to 49.5 vs. 49.2 consensus and 48.5 in May,** marking a three-month high but remaining below the 50 expansion threshold for a third consecutive month and signaling a continued, albeit moderating, contraction. Over the past 12 months, the composite index has trended lower, with the weakest readings occurring between February and May, though the last three releases suggest the rate of deterioration has stalled. On inflation, input cost pressures eased to their weakest level since February, while output price growth slowed to a three-month low; supply chain disruptions persisted but improved, and employment declines were the smallest since February. Business confidence increased for a second consecutive month, albeit from depressed levels. Regionally, Germany remained a laggard, with the composite PMI falling to an 18-month low driven by services weakness. Overall, the data points to a subdued 2Q backdrop but signals moderating inflation pressures, potentially reducing the need for further aggressive ECB tightening. *(Street Account)*

- **In June, Eurozone Flash Consumer Confidence came in at -17.7 vs. -17.5 consensus and -19.0 in May.** *(Street Account)*

- **In June, Germany's Ifo Business Climate Index rose to 85.6 vs. 85.5 consensus and 85.0 in May, the second consecutive monthly increase following April's 84.5 six-month low.** The current conditions component improved to 87.0, while expectations edged higher to 84.1 vs. 84.8 consensus and 83.9 in May. Modest upside reflects easing uncertainty, with the index having trended lower over the past 12 months before bottoming in April 2026, and the past three readings suggesting early stabilization, albeit still in the lower quartile of its five-year range. Improvements were broad-based across sectors, with manufacturing expectations strengthening, services current conditions improving, trade sentiment rising, and construction expectations becoming less negative. *(Street Account)*

- **The China 1-year loan prime rate was unchanged at 3.0%, in line with consensus, and the 5-year LPR was unchanged at 3.5%, also in line with consensus.** (Street Account)

Industry News

- **In May, the US Architecture Billings Index (ABI) declined to 44.5 vs. 48.3 in April, indicating a continued contraction in design activity, while the project inquiries index fell to 49.4 vs. 57.7 in April and the design contracts index decreased to 45.0 vs. 48.0 in April.** On a regional basis (3-month moving average), the Northeast improved to 46.2 from 45.0 and the South improved to 49.6 from 48.8, while the Midwest declined to 45.3 from 46.4 and the West declined to 45.4 from 48.0. By sector (also 3-month moving average), Commercial/Industrial decreased to 45.5 from 48.7, Institutional decreased to 46.9 from 48.4, and Multi-Family Residential decreased to 49.2 from 50.3, while Mixed Practice improved to 44.1 from 42.3 in April. AIA noted that the uncertainty stemming from the Iran conflict alongside

higher energy costs weighed on billings in May, with elevated interest rates, rising material costs, and ongoing labor shortages further contributing to softer demand. *(Street Account)*

- **In May, US new home sales came in at 580k vs. 640k consensus and April's revised 626k (from 622k), marking the weakest level since January 2026, with sales declining 7% M/M and 7% Y/Y.** Regional data showed the South down 4% M/M and 5% Y/Y. The median sales price was $424.9k, increasing 2.0% M/M and 6.2% Y/Y. Inventory rose 2% M/M (but declined 1% Y/Y) to 496k, with months' supply increasing to 10.3 vs. 9.3 last month and 9.7 last year. On policy, both the Senate and House passed an affordable housing bill aimed at lowering homebuying costs and limiting institutional investor activity in single-family housing; President Trump is expected to sign it into law. *(Street Account)*
- **The US MBA Mortgage purchase applications index decreased 0.6% in the week ended June 19th vs. -3.4% last week**. The Refinancing Index rose 3.0% vs. a -4.5% decrease last week. *(Street Account)*
- **The NA rig count increased by 21 to 770 for the week ending June 26th, 2026, and increased by 83 Y/Y.** The US rig count increased by 10 to 573 W/W (up 26 Y/Y), while the Canadian rig count rose by 11 to 197 (up 57 Y/Y). Within the US mix, oil rigs increased by 7 W/W to 440 (down 8 Y/Y), gas rigs increased by 3 W/W to 125 (up 16 Y/Y); horizontal rigs increased by 8 W/W to 487 (down 9 Y/Y), while vertical rigs were unchanged W/W at 11 (down 2 Y/Y). *(Baker Hughes, Street Account)*

Company News

- **GE Vernova announced it has secured an order to supply two 9HA.02 gas turbines and two H78 generators for Vietnam Electricity's (EVN) Quang Trach II LNG Power Plant in Vietnam.** This new combined-cycle facility is expected to generate >1.6 GW of electricity with commercial operations targeted by 2030, supporting the country's growing demand for flexible and reliable power generation; the announcement also highlighted that GE Vernova's HA gas turbine fleet has surpassed 4m commercial operating hours globally. *(Street Account)*

Latest DB MI/EE Research

DeBLASEing the Trail: Shock to the System: The 800VDC Transition, Part 1

We begin a two-part series on the emerging shift to 800VDC in data center power architecture, with Part I focused on the technological and economic case for this change. As AI workloads drive materially higher rack densities, power requirements, and thermal loads, traditional AC-based power architectures are becoming increasingly strained by conversion losses, copper intensity, and cooling requirements. In our view, the key debate is shifting from whether the power stack must evolve to how quickly the industry will move towards a more centralized, higher-voltage, and increasingly DC-native design. We view 800VDC as one of the most credible paths forward. In Part II, we will examine which parts of the electrical and thermal stack might be impacted - and which suppliers appear best positioned - as the transition unfolds.

DeBLASEing the Trail: It's Getting Hot In Here

In this week's edition, we dig into RHVAC trends, with a focus on what has changed since 1Q26 earnings season. Recent management commentary suggests the channel is clean heading into 2H26, with prior destocking and transition-related disruptions largely in the rear-view mirror, shifting the debate away from channel normalization to underlying end-customer demand. In other words, the key question is no longer how much inventory needs to come down, but rather how much latent replacement demand actually converts as consumer confidence, affordability, and housing activity remain under pressure .

Honeywell: What We Learned From the Investor Day

we attended Honeywell Technologies ' inaugural Investor Day in New York, which featured presentations from several members of management including Vimal Kapur (Chairman & CEO), Mike Stepniak (CFO), Billal Hammoud (CEO, Building Automation), Ken West (CEO, Process Technology), Jim Masso (CEO, Process Automation), Pete Lau (CEO, Industrial Automation), and Suresh Venkatarayalu (CTO & President of Honeywell Connected Enterprise). We believe HON has laid out a credible plan that argues for at least a peer-average NTM P/E multiple (of 23x), but we believe many investors (given sentiment remains heavily negative) will view the low-teens EPS growth algorithm as a " show-me" story. We see a clear path for the company to deliver on these targets, thereby paving the way for a multiple re-rating. In this report, we lay out our key takeaways from the event.

Eaton Corp: Our Initial Thoughts on the Mobility Group Separation

ETN announced it has entered into a definitive agreement with Dana Inc. (DAN) under which ETN will separate and combine its Mobility Group with Dana in a Reverse Morris Trust transaction, creating a combined company valued at >$10 bn.
The new company expects to generate ~$11bn pro forma revenue and $1.7bn pro forma adj. EBITDA in 2026. The transaction values ETN's Mobility Group at ~ $5.1bn, representing a multiple of 8.3x 2026 pro forma adj. EBITDA, or 5.9x on a fully synergized basis, including $250m of run-rate synergies. In this report , we lay out our initial thoughts on the transaction.

Honeywell: Key Takeaways From 2026 Guidance Call

HON initiated proforma 2026 guidance for RemainCo (post-June 29th spin of Honeywell Aerospace), aka Honeywell Technologies. The company also hosted

conference call with CFO Mike Stepniak to discuss the major puts and takes. In this report, we lay out our thoughts on the outlook.

DeBLASEing the Trail: Short-Cycle Green Shoots

In this week's edition, we revisit the short-cycle industrial recovery debate, as macro data continues to suggest impending improvement, the micro data has not been as encouraging. ISM, New Orders, New Orders less Customers' Inventories, and US IP all point to a more constructive backdrop, but short-cycle company orders/revenue trends remain mixed. We find that historically, short-cycle names tend to work ahead of a US ISM inflection >50 as the market discounts the recovery early, but once the US ISM is back above 50, performance broadens—meaning the key question is not simply whether to buy cyclicals, but which names still have upside if the macro improvement starts to flow through to the micro data. Our recovery math suggests IR, AME, ITW, and PH still have upside under a moderate recovery scenario, while a recovery appears to be largely priced-in for DOV, MMM, and ROK (we actually calculate downside to ROK stock given how high the multiple is). But for now, our preference remains to stick with names that can benefit from secular/idiosyncratic drivers of earnings growth.

Honeywell: 2026 Guidance Call & Investor Day Preview

Next week we will attend two HON events; the company is hosting a 2026 Guidance Call on June 8th at 8:30am EDT, followed by an Investor Day in NYC on June 11th. On Monday 's Guidance Call, we expect the soon-to-be Honeywell Technologies to unveil its 2026 proforma guidance (ex-Aerospace, as the spin is set to occur on June 29th). This is to be followed by a long-format Investor Day on Thursday, during which we expect to hear formal presentations from several members of management, including Vimal Kapur (Chair & CEO), Mike Stepniak (SVP & CFO),
Billal Hammoud (President & CEO, Building Automation), Ken West (President & CEO, Process Technology), Jim Masso (President & CEO, Process Automation), and Peter Lau (President & CEO, Industrial Automation). In this report, we lay out our expectations for the event.

Johnson Controls: Postcard from the Mid-Atlantic

We attended Johnson Controls' "Going to Gemba Day" in the Mid-Atlantic region, where we visited the Johnson Controls Advanced Developing Engineering Center (JADEC), Airside Center of Excellence (ACE), and Baltimore local-market field office. We also heard formal presentations from CEO Joakim Weidemanis and CFO Marc Vandiepenbeeck. Overall, we come away impressed by the sheer amount of operating improvement JCI has already driven over the past several months; this gives us even greater conviction in our view that the company can double its earnings from FY25 to FY30.

DeBLASEing the Trail: Taking Stock of Global Inventories, Post-1Q 26 Earnings

we update our proprietary global inventory analysis, pulling together quarterly inventory balances from public companies across all geographies, which we have organized into 10 distinct end markets that are important customers of the MI/EE group (and, thus, dislocations could suggest a need for future channel inventory destock/restock, impacting industry sales). The output from our database is a median inventory-to-sales ratio for each end market.

DeBLASEing the Trail: Recalibrating CapExpectations - 1Q26 Update

We update our proprietary global capex database, which links historical annual investment (back to 1980) with global DB analyst/Bloomberg forecasts (through

2026). This yields a projection well suited to gauging the outlook for MI/ EE revenue, given that our work focuses on the 25 industries that we view as critical to our coverage universe's sales; we list these in the body of this report. Net/net, we now forecast 4.6% Y/Y capex growth in 2026, improving from our last projection of 3.8% post-4Q25 earnings, and also improving vs. 3.9% growth reported in 2025. After combing through 1Q26 commentary from the MI/EE group's earnings calls, we find that secular growth themes remain the predominant capex growth driver, but we also found an increasingly constructive tone around "everything else", albeit with some lingering headwinds related to macro/trade policy/geopolitical uncertainty, with added near-term disruption from the Middle East conflict.

Parker Hannifin: Our Initial Thoughts on the CIRCOR A&D Acquisition

This morning, Parker Hannifin announced that it has entered into a definitive agreement to acquire the Commercial & Defense Aerospace business of CIRCOR International on a cash-free, debt-free basis for a cash purchase price of $2.55bn, including expected tax benefits with an estimated NPV of $75m.This represents 22.7x CIRCOR Aerospace's CY26 adj. EBITDA, or 18.2x including expected cost synergies of ~10% of CY26 sales. The transaction is subject to customary closing conditions and is expected to close in 2HCY26.

Vertiv: Postcard from Greenville, SC

Earlier today and yesterday, we attended Vertiv's Investor Conference in Greenville, South Carolina, which included 1) 2.5 hours of formal presentations (by Gio Albertazzi, CEO, and Craig Chamberlain, CFO), 2) A cocktail reception with management, 3) A 1.5-hour technology presentation (by Scott Armul, Chief Product & Technology Officer), and 4) Manufacturing facility tours. In this report, we provide our key takeaways from the event. In our view, the stock traded down during the formal presentation on Tuesday because expectations going into the event were elevated (as per usual) in light of VRT's YTD outperformance, and the new long-term financial framework implies just ~MSD% upside to current 2030 consensus adj. EPS (although we view this as likely conservative).

DeBLASEing the Trail: Head in the Cloud: An Update on the Data Center Capex Outlook

We dig into the data center market, summarizing recent management commentary from key hyperscalers, neocloud providers, data center REITs, and select equipment manufacturers (such as Eaton, nVent, and Vertiv). Since our last update, investor interest in the space has remained high and most companies continued to deliver stronger-than-expected orders (against a high bar of expectations) during 1Q26, fueling a sustained bullish multi-year narrative.

Vertiv: Investor Conference Preview

On Tuesday, May 19th and Wednesday, May 20th, Vertiv will host an Investor Conference in Greenville, South Carolina. The event will include 2.5 hours of formal executive presentations, a cocktail reception with management, a 1.25 hour technology presentation, and a facility tour. In this report, we lay out our expectations for the event.

DeBLASEing the Trail: 1Q26 Earnings Season In Pictures

All of the companies we cover have now reported 1QCY26 earnings, so we update our quarterly tracker and tie up results season with a bow. In this week's edition, we summarize the quarter in pictures, covering macro-related items like geographic and end-market organic growth trends, along with company-specific KPIs and what is now baked into consensus.

Multi-Industry and Electrical Equipment: Today's Wrap: EMR, JCI, and SYM

Johnson Controls and Symbotic reported quarterly earnings , and Emerson Electric reported yesterday; in this report, we lay out our high-level views on the quarter and summarize the changes to our models/target prices for each.

Ametek: Our Initial Thoughts on the Indicor Instrumentation Acquisition

Ametek announced that it has signed an agreement to acquire Indicor Instrumentation, a leading provider of highly differentiated, mission critical solutions for a diverse customer base within niche markets, from CD&R-held Indicor . The total transaction value is $5bn in cash consideration , which represents
a ~14x EBITDA multiple, and is expected to close in 2H26. In this report, we lay out our initial thoughts on the transaction.

DB vs. Consensus Ests

Figure 53: DB vs. Consensus: EPS

	2QCY26e			3QCY26e			FY26e			FY27e		
	DB	Cons	% Var	DB	Cons	% Var	DB	Cons	% Var	DB	Cons	% Var
GEV	2.51	3.11	-19%	3.79	4.17	-9%	12.68	20.59	-38%	24.23	23.89	1%
SWK	1.09	1.21	-10%	1.69	1.64	3%	5.34	5.39	-1%	5.32	6.24	-15%
LII	7.31	7.60	-4%	7.63	7.91	-4%	24.35	24.33	0%	27.17	26.69	2%
EMR	1.66	1.69	-2%	1.79	1.83	-2%	6.45	6.51	-1%	7.04	7.19	-2%
CARR	0.80	0.81	-1%	0.87	0.86	1%	2.80	2.81	0%	3.14	3.20	-2%
MMM	2.21	2.23	-1%	2.29	2.35	-3%	8.60	8.70	-1%	9.29	9.48	-2%
DOV	2.70	2.72	-1%	2.91	2.89	1%	10.60	10.64	0%	11.31	11.57	-2%
ROK	3.35	3.36	0%	3.47	3.56	-3%	12.87	12.96	-1%	14.15	14.52	-3%
TT	4.26	4.26	0%	4.63	4.58	1%	14.89	14.90	0%	16.76	17.03	-2%
IR	0.82	0.82	0%	0.90	0.91	-1%	3.49	3.51	-1%	3.70	3.84	-4%
ITW	2.79	2.79	0%	2.92	2.93	0%	11.29	11.33	0%	12.19	12.15	0%
JCI	1.30	1.30	0%	1.49	1.52	-2%	4.87	4.89	0%	5.73	5.76	-1%
HUBB	5.37	5.36	0%	5.56	5.49	1%	19.99	19.83	1%	21.84	21.89	0%
ETN	3.10	3.08	1%	3.45	3.49	-1%	13.38	13.29	1%	16.34	15.52	5%
OTIS	1.02	1.01	1%	1.04	1.10	-5%	4.12	4.19	-2%	4.42	4.72	-6%
AME	2.00	1.98	1%	2.03	2.03	0%	8.13	8.14	0%	8.69	8.79	-1%
PH	8.35	8.21	2%	8.17	7.97	3%	31.40	31.28	0%	33.77	33.98	-1%
HON	2.46	2.41	2%	2.68	2.71	-1%	10.56	10.53	0%	11.56	11.45	1%
VRT	1.46	1.43	2%	1.86	1.79	4%	6.43	6.47	-1%	9.17	8.67	6%
NVT	1.19	1.16	3%	1.22	1.19	3%	4.62	4.54	2%	5.92	5.57	6%
Median			**0%**			**-1%**			**0%**			**-1%**
Average			**-1%**			**-1%**			**-2%**			**-1%**

As of 6/26/2026

Figure 54: DB vs. Consensus: Sales

	2QCY26e			3QCY26e			FY26e			FY27e		
	DB	Cons	% Var	DB	Cons	% Var	DB	Cons	% Var	DB	Cons	% Var
MMM	6,347	6,375	0%	6,462	6,512	-1%	25,005	25,179	-1%	25,640	26,032	-2%
SWK	3,949	3,963	0%	3,668	3,712	-1%	15,065	15,154	-1%	15,108	15,435	-2%
EMR	4,807	4,822	0%	5,094	5,090	0%	18,809	18,847	0%	19,684	19,877	-1%
ROK	2,242	2,248	0%	2,365	2,368	0%	8,952	8,964	0%	9,366	9,450	-1%
TT	6,175	6,189	0%	6,475	6,417	1%	23,433	23,384	0%	25,399	25,366	0%
OTIS	3,739	3,747	0%	3,795	3,857	-2%	15,019	15,140	-1%	15,430	15,898	-3%
IR	1,949	1,953	0%	2,003	2,008	0%	7,939	7,938	0%	8,181	8,285	-1%
ITW	4,184	4,182	0%	4,180	4,185	0%	16,585	16,599	0%	17,025	17,181	-1%
JCI	6,465	6,461	0%	6,821	6,877	-1%	25,225	25,262	0%	27,023	27,067	0%
VRT	3,390	3,387	0%	3,886	3,713	5%	13,912	13,870	0%	18,258	17,780	3%
HUBB	1,652	1,650	0%	1,684	1,675	1%	6,463	6,440	0%	6,891	6,847	1%
ETN	8,150	8,134	0%	8,379	8,216	2%	32,350	31,926	1%	35,663	35,286	1%
CARR	6,031	6,011	0%	5,747	5,830	-1%	22,203	22,255	0%	23,148	23,356	-1%
HON	9,582	9,545	0%	10,116	10,021	1%	39,611	39,397	1%	42,171	41,731	1%
LII	1,560	1,553	0%	1,508	1,585	-5%	5,588	5,612	0%	5,904	5,937	-1%
AME	1,975	1,956	1%	2,025	2,016	0%	8,030	8,019	0%	8,526	8,534	0%
DOV	2,229	2,206	1%	2,221	2,209	1%	8,693	8,654	0%	9,017	9,046	0%
NVT	1,268	1,252	1%	1,293	1,269	2%	5,056	4,981	2%	5,967	5,732	4%
GEV	10,955	10,798	1%	11,758	11,944	-2%	45,834	45,458	1%	53,341	51,947	3%
PH	5,669	5,583	2%	5,387	5,429	-1%	21,413	21,326	0%	22,497	22,795	-1%
Median			**0%**			**0%**			**0%**			**0%**
Average			**0%**			**0%**			**0%**			**0%**

As of 6/26/2026