



# Goldman Sachs Industrials Conference

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May 15, 2019

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This document contains "forward-looking statements" – that is, statements related to future events that by their nature address matters that are, to different degrees, uncertain. For details on the uncertainties that may cause our actual future results to be materially different than those expressed in our forward-looking statements, see <http://www.ge.com/investor-relations/disclaimer-caution-concerning-forward-looking-statements> as well as our annual reports on Form 10-K and quarterly reports on Form 10-Q. We do not undertake to update our forward-looking statements. This document also includes certain forward-looking projected financial information that is based on current estimates and forecasts. Actual results could differ materially.

**NON-GAAP FINANCIAL MEASURES:**

In this document, we sometimes use information derived from consolidated financial data but not presented in our financial statements prepared in accordance with U.S. generally accepted accounting principles (GAAP). Certain of these data are considered "non-GAAP financial measures" under the U.S. Securities and Exchange Commission rules. These non-GAAP financial measures supplement our GAAP disclosures and should not be considered an alternative to the GAAP measure. The reasons we use these non-GAAP financial measures and the reconciliations to their most directly comparable GAAP financial measures are included in the GE earnings supplemental information package posted to the investor relations section of our website at [www.ge.com](http://www.ge.com).

Our financial services business is operated by GE Capital Global Holdings LLC (GECGH). In this document, we refer to GECGH as "GE Capital". We refer to the industrial businesses of the Company including GE Capital on an equity basis as "GE". "GE (ex-GE Capital)" and/or "Industrial" refer to GE excluding GE Capital.

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# Progress on our priorities

## 1 Improving our financial position

- Announced **BioPharma** sale ... \$20B+ cash proceeds, targeting close in 4Q'19
- Closed **Transportation** merger ... \$2.9B cash, 24.9% Wabtec ownership, ~\$0.5B future cash consideration
- **GE Capital** asset reduction on track ... \$1.1B completed in 1Q, ~\$16B to date; closed MUFG transaction
- Running GE with higher cash balances ... **Industrial** cash balance of \$17B<sup>-a)</sup>; **GE Capital** liquidity of \$15B
- Average intra-quarter short-term borrowings \$4.4B versus \$17B in 1Q'18 ... balances will fluctuate quarterly based on disposition timing

## 2 Strengthening our businesses

- Fixing **Power**: Order profile at higher margin, lower risk; seeing progress on execution; HQ delayering underway, Gas Power base costs\* down vs. prior year
- Playing offense in **Aviation**: Strong engine utilization; price net of inflation positive; engineering effort in line with top-line growth
- Leading in precision **Healthcare**: Imaging & Ultrasound NPIs; HCS orders +5%<sup>-b)</sup>; Healthcare operating leverage +160 bps.<sup>-b)</sup>
- Managing **Renewables** cycle: Continuing run-off of legacy projects; investing in Haliade-X & Cypress through cycle
- De-risking **GE Capital**: Settled WMC for \$1.5B; funded \$1.9B stat insurance contribution, in line with plan

Taking thoughtful, swift action to position the company & invest for the future



\*Non-GAAP measure  
(a - ex-BHGE  
(b - Organic

# 1Q'19 Results

## Seeing progress in 1Q

- Solid performance in some areas, ahead of our expectations
- Adjusted Industrial free cash flows (FCF)\* better than planned, largely due to timing, but also included some improved execution in our Industrial businesses
- Progress on our priorities ... improving our financial position & strengthening our businesses

## 2019 guidance remains unchanged

- One quarter into a multi-year transformation ... 2019 a reset year
- Timing expected to balance out over course of the year ... orders, customer payments, planned actions & non-operational items
- Managing uncertainty in several areas ... Renewables execution, Power variability... Boeing 737 MAX a new risk
- Expect Adjusted Industrial FCF\* to return to positive territory in 2020 & accelerate thereafter in 2021

Better execution & capital allocation to create long-term shareholder value



\*Non-GAAP measure

# Q&A



