



J.P. Morgan Aviation, Transportation & Industrials

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CAUTION CONCERNING FORWARD-LOOKING STATEMENTS:

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.

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.

GE's Investor Relations website at www.ge.com/investor and our corporate blog at www.gereports.com, as well as GE's Facebook page and Twitter accounts, contain a significant amount of information about GE, including financial and other information for investors. GE encourages investors to visit these websites from time to time, as information is updated and new information is posted.

Return GE to a Position of Strength

Strategy is clear

- Reduce leverage and improve our financial position
- Strengthen our businesses, starting with Power

How we will do it

- Customer
- Execution
- Focus

Confident in our future

- Team ... grit, resilience, commitment
- Technology ... valuable installed base, large backlog, recurring revenue streams
- Global network ... customer relationships, local presence, brand

More about what we do than what we say



2018 Reported Results

	2018
Total revenue	\$121.6B
Adjusted GE Industrial profit^{a)}	\$10.2B
GE Industrial Profit (GAAP)	\$(19.8)B
Adjusted GE Industrial FCF^{b)}	\$4.5B
GE Capital assets	\$124B

2018 segment drivers

Power ... market pressures impacting volume; project & execution challenges

Aviation ... strong markets and execution more than offsetting LEAP mix headwind

Healthcare ... strong organic growth and cost productivity; global markets continue to be strong

Renewables ... record backlog heading into 2019; opportunity to improve margins and execution

BHGE ... industry volatility remains a factor; year-over-year improvement on all metrics

Transportation ... grew orders & backlog; executed on plan while preparing for Wabtec merger (closed 2/25/19)

Capital ... making the business smaller & more focused; GECAS strong, Insurance results as expected

Weak performance in Power partially offset by strength in Aviation and Healthcare



(a - Excludes interest & other financial charges, non-operating benefit costs, gains (losses), goodwill impairments, and restructuring & other
 (b - Excludes deal taxes & GE Pension Plan contributions; BHGE on a dividend basis)

GE Priorities

1 Improve our financial position

2 Strengthen our businesses ...

... starting with Power

Framework

1. Reduce leverage and strengthen the balance sheet
2. Prioritize cash generation in every business, every day

Success metrics / targets

- Sustainable credit rating in single A range
- Industrial net debt / EBITDA of $<2.5x^{(a)}$
- GE Capital Debt/Equity $<4x$
- Dividend payout in line with peers over time

Taking action

- \$21B BioPharma sale
- Wabtec / BHGE
- \$20B Industrial dispositions
- \$15B Capital asset reductions
- Dividend reduction



(a - Non-GAAP measure)

GE Priorities

1 Improve our financial position

2 **Strengthen our businesses ...**

... starting with Power

“Back to basics”

1. Customer at the center
2. Operational performance first
3. Fewer, more impactful priorities

Taking action

- Strong governance focus
- Strengthening the team
- Shifting decision-making and accountability to the businesses
- Delaying HQ levels in Power and Renewables to improve visibility and customer focus
- Play offense in Aviation and Healthcare
- Power is a turn-around; markets and execution
- Managing the Renewables cycle
- De-risking GE Capital



GE Priorities

1 Improve our financial position

2 Strengthen our businesses ...

... starting with Power

Challenges to date

1. Late to embrace market realities ... 25-30 GW market (Gas Power)
2. Non-operational headwinds ... legacy projects & legal settlements
3. Execution ... project underwriting, cost over-runs

Fixing Power

- Right-size Power's footprint
 - 2018: \$910M structural cost out^{a)} and 30% footprint reduction
 - 2019: Additional actions
- Focus on commercial execution
 - Win the right deals at the right price
 - Services installed base penetration
- Drive rigorous daily management
 - Cash generation and WC ... billings & collections, inventory
 - Quality/delivery/cost
 - Project execution



(a - Non-GAAP measure)

Initial Thoughts on 2019

	2018	2019
Total revenue	\$121.6B	<ul style="list-style-type: none"> • Organic revenue growth up low to mid-single digits • Strong performance in Aviation (HSD) and Renewables (DD) • Healthcare organic growth in low to mid-single digit range • Power down in a flat to slightly down market
Adjusted GE Industrial profit^{-a)}	\$10.2B	<ul style="list-style-type: none"> • Industrial operating margin rate expansion • Healthcare margins similar to 2018 • Maintain Aviation margins through LEAP ramp in line with historical levels ... LSD profit growth
Adjusted GE Industrial FCF^{-b)}	\$4.5B	<ul style="list-style-type: none"> • Significant known headwinds to 2019 cash flow ... legacy projects and structure, reversal of PTC cycle, supply chain finance transition • Effects meaningfully lessen in 2020/2021

Outlook to follow on March 14, 2019



(a - Excludes interest & other financial charges, non-operating benefit costs, gains (losses), goodwill impairments, and restructuring & other
 (b - Excludes deal taxes & GE Pension Plan contributions; BHGE on a dividend basis)

Looking Forward

- Making meaningful progress on our strategy ... reduce leverage & improve our financial position + strengthening our businesses, starting with Power
- Managing the company differently ... put our customer at the center, “how” vs “how much”, focus on priorities
- Confident in the future of GE ... team, technology, global network

Returning GE to a position of strength

