



GE 2019 first quarter performance

Financial results & Company highlights

April 30, 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.

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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Summary

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

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^{-a)}; **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**: ~4.5 GW order profile at higher margin, lower risk; seeing progress on execution; HQ layering 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%^{-b)}; Healthcare operating leverage +160 bps.^{-b)}
- 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

Industrial free cash flows

(\$ in billions)

	<u>1Q'19</u>	<u>y/y</u>
Net earnings (loss) ^{-a)}	\$0.9	\$0.4
Depreciation & amortization	1.2	(0.1)
Working capital	(1.9)	(0.5)
Contract assets	(0.6)	(0.3)
Other CFOA ^{-b)}	(0.4)	0.5
Gross capex	(0.9)	0.0
Less: BHGE FCF ^{*-c)}	(0.5)	(0.6)
Plus: BHGE dividend	0.1	(0.0)
Adj. GE Industrial FCF^{*-d)}	\$(1.2)	\$0.5

1Q Commentary

- Negative working capital driven by inventory build for second half volume & progress collection reductions in Renewables & Power
- Contract asset usage driven by Gas Power equipment projects & deferred inventory in Renewables
- Other CFOA primarily driven by employee compensation payments

Better than planned, largely due to timing



*Non-GAAP measure

(a - Aggregates the following: Net earnings (loss), (earnings) loss from discontinued operations, (earnings) loss from GE Capital continuing operations
(b - Aggregates the following: Losses (gains) on sales of business interests, principal pension plans (net), other post retirement benefit plans (net), income taxes (net), and all other operating activities; excludes deal taxes and GE Pension Plan contributions

(c - BHGE FCF on a gross capex basis
(d - Excludes deal taxes; BHGE on a dividend basis

Liquidity & leverage

(\$ in billions)

GE Industrial cash balance walk

(ex. BHGE)

Beginning balance 4Q'18	\$16.8
Adjusted GE Industrial FCF ^{*-a)}	(1.2)
GE common dividends	(0.1)
Transportation sale ^{-b)}	2.9
Other business dispositions/transfers ^{-b)}	0.2
Disc ops / change in debt / other	(1.5)
Ending balance 1Q'19	\$17.0

1Q'19 liquidity metrics

Peak / avg. intra-quarter CP & revolver usage (will fluctuate by quarter based on disposition timing)	\$4.8B / \$4.4B
Available bank lines	\$35B
Credit rating	BBB+

Leverage targets

Industrial net debt* / EBITDA	<2.5x
GE Capital debt / equity	<4x

Improving our financial position ... de-risking the balance sheet



*Non-GAAP measure
(a - Excludes deal taxes; BHGE on a dividend basis)
(b - Includes deal taxes)

Segments

(\$ in billions)

	<u>Power</u>			<u>Renewable Energy</u>			
<u>1Q'19</u>	<u>\$</u>	<u>y/y</u>	<u>Org. y/y</u>	<u>1Q'19</u>	<u>\$</u>	<u>y/y</u>	<u>Org. y/y</u>
Orders	\$4.8	(14)%	14%	Orders	\$2.4	1%	3%
Revenues	\$5.7	(22)%	(4)%*	Revenues	\$1.6	(3)%	3%*
Segment profit	\$0.1	(71)%	(70)%*	Segment profit	\$(0.2)	U	U*
Segment margin	1.4%	(2.4) pts.	(2.2) pts.*	Segment margin	(10.1)%	(14.8) pts.	(15.6) pts.*

	<u>Aviation</u>			<u>Healthcare</u>			
<u>1Q'19</u>	<u>\$</u>	<u>y/y</u>	<u>Org. y/y</u>	<u>1Q'19</u>	<u>\$</u>	<u>y/y</u>	<u>Org. y/y</u>
Orders	\$8.7	7%	7%	Orders	\$4.9	4%	10%
Revenues	\$8.0	12%	12%*	Revenues	\$4.7	-%	4%*
Segment profit	\$1.7	4%	3%*	Segment profit	\$0.8	6%	15%*
Segment margin	20.9%	(1.6) pts.	(1.8) pts.*	Segment margin	16.7%	1.1 pts.	1.6 pts.*



*Non-GAAP measure

Segments

(\$ in billions)

	Oil & Gas				Capital	
<u>1Q'19</u>	<u>\$</u>	<u>y/y</u>	<u>Org. y/y</u>	<u>1Q'19</u>	<u>\$</u>	<u>y/y</u>
Orders	\$5.7	9%	12%	Revenues	\$2.2	2%
Revenues	\$5.6	4%	8%*	Continuing earnings	\$0.1	F
Adj. Segment profit ^{*-a)}	\$0.2	23%	34%	Adj. continuing ^{*-b)}	\$0.0	F
Adj. Segment margin ^{*-a)}	4.0%	0.6 pts.	0.8 pts.	Assets	\$122	\$(2) <small>sequential variance</small>

	Corporate	
<u>1Q'19</u>	<u>\$</u>	<u>y/y</u>
Corporate costs	\$(0.2)	69%
Adj. Corporate costs ^{*-c)}	\$(0.3)	(36)%



*Non-GAAP measure

(a - Oil & Gas segment profit \$163MM & segment margins 2.9% in 2019 including restructuring & other charges; for 2018, segment profit \$(144)MM & segment margins (2.7)% including restructuring & other charges

(b - Excluding tax reform adjustment

(c - Excludes non-operating pension, gains/losses and restructuring & other

2019 outlook ... a reset year

Revenues

LSD-MSD
(Industrial segment organic*)

Margins

Expansion
(Adjusted GE Industrial margin*
range ~flat to up ~100bp)

Free cash flows*

\$(2) - \$0B
(Adjusted Industrial*)

EPS

\$0.50 - \$0.60
(Adjusted EPS*)

Restructuring (Industrial)	Non-op benefit costs (Industrial)
\$(0.22) - \$(0.25)	\$(0.21) - \$(0.23)

2019F+ drivers

- Power execution & return to profitability
- Aviation & Healthcare continued strength
- Renewables progress cycle, Alstom JVs & tariffs
- Lost disposition earnings & cash flows
- Non-operational cash headwinds

Key variables

- Power & Renewables execution
- Wabtec investment mark-to-market
- Timing & amount of BHGE sell-down, deconsolidation
- BioPharma timing of deal closure
- Timing of Capital \$25B asset plan; Insurance annual testing
- Restructuring timing & execution
- *737 MAX a new risk*

Guidance unchanged: one quarter in a multi-year transformation with key variables remaining through 2019



*Non-GAAP measure

Q&A



Appendix



2019-2021 adjusted GE Industrial free cash flows* summary

	2018	2019F	2020F	2021F
GE Industrial <i>(ex. dispositions)</i>	\$4.5B \$4.3B	\$0 - \$(2)B	Significant improvement, positive	Acceleration
Power	\$(2.7)B	Down	Significantly better but negative	Positive
Aviation	\$4.2B	~Flat	Flat to growing	Up/accelerates
Renewables	\$0.5B	Down & negative	Better but still negative	Positive
Healthcare	\$3.0B	Down	Up (ex. BioPharma)	Up
BHGE dividend	\$0.5B	BHGE dividend (Expect to decline in line with ownership) —————→		
Transportation / Lighting	\$0.1B	M&A exits	M&A exits	M&A exits
Corporate	\$(1.2)B	Down	Better	Better

Significant improvement in 2020 as we execute on our plan & headwinds diminish



*Non-GAAP measure

