Imagination at work

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May 31, 2017

Digital Industrial Company

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 posted to the investor relations section of our website at www.ge.com.

General Electric Capital Corporation (GECC) has been merged into GE and our financial services business is now operated by GE Capital Global Holdings LLC (GECGH). In this document, we refer to GECC and 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. Our financial services segment previously referred to as GE Capital is now referred to as 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.

Imagination at work
## Global environment

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Still challenging</th>
</tr>
</thead>
<tbody>
<tr>
<td>+ Europe &amp; Emerging Markets improving, Asia strong</td>
<td>- Resource markets - industries and countries ... remains tough</td>
</tr>
<tr>
<td>+ Financing solutions ... a valuable asset</td>
<td>- Equipment pricing tough</td>
</tr>
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<td>+ Increased focus on Productivity &amp; value products</td>
<td>- Political volatility ... healthcare</td>
</tr>
<tr>
<td>+ Companies that “add value” locally win more; “jobs” = real global currency</td>
<td></td>
</tr>
</tbody>
</table>
Driving GE international growth

($ in billions)

International view

GE Store works

+ Global company in 180 countries
+ Technical superiority
+ Strong brand
+ Bigger in the right bets ... Digital, Additive
+ Global partnerships
+ Presence in growth markets

Winning in a multi-lateral ↔ bilateral world
**Actions making GE better**

- **Focused portfolio (~$18B⁻ᵃ⁻)**
  + Alstom & Baker Hughes
    - Leverage the GE Store
    - Execution focus
    - Alstom ~$.18-.20 & Baker Hughes⁻ᵇ⁻
      ~$.04 in ‘18F

  - Simplify
    - Appliances
    - Water
    - Industrial Solutions

  - Complete GE Capital pivot
    - ~$260B exits 2015-today
    - $49B capital released 2015-today

- **Margin recapture (~$48⁻ᵃ⁻)**
  + Power & Renewables
    - Creating value through insourcing
    - Supply chain capacity & flexibility

- **Technology (~$2B⁻ᵃ⁻)**
  + Digital
    - Building an ecosystem
    - Predix as a leading platform

  + Additive
    - Productivity for GE & customers

  + Life Sciences
    - Building a position in cell therapy

**Most active period in GE history**

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ᵃ⁻ $ represent purchase price
ᵇ⁻ The Baker Hughes transaction is subject to customary closing conditions, including approval by regulators and Baker Hughes shareholders.
Winning with technology

**LEAP: winning platform**

- **Competitive position**
  - Sole source on Boeing 737 MAX
  - Sole source on COMAC C919
  - 55% on Airbus A320neo ... win rate accelerating

- **Why we are winning**
  - Outstanding performance ... +15% better fuel burn than current aircraft
  - Flying 9 hrs./day ... +10% better utilization vs. competitor
  - Technology ... ceramic matrix composites & 3D printing

**Cost**

- LEAP cost reduction
  - 1st Unit
  - 20% ↓ in 1st year
  - 15% ↓ in 2nd year
  - 2016
  - 2017E

- H turbine: share & content

  - **Backlog**
    - 30
  - **Win rate**
    - ~50%
  - **Content % extended scope**
    - ~30%
    - ~70%
  - **Year**
    - 2015
    - 2017E

- **Why we are winning**
  - 63% efficiency
  - Full power in 23 minutes
  - 18 months PO to power
  - Lower $/KW
  - Predix & digital twin

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**Cost**

- 7HA.02 cost reduction
  - Rest of turbine
    - Original estimate
    - 30% ↓ in 1st year
    - 10% ↓ in 2nd year
  - Hot Gas Path
  - Original estimate
  - 30% ↓ in 1st year
  - 10% ↓ in 2nd year

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LEAP is a trademark of CFM International
CFM is a 50/50 JV between GE and Snecma
Investing in Digital

"Digital stack"

<table>
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<tr>
<th>Applications</th>
<th>APM</th>
<th>Brilliant Manufacturing</th>
<th>Services</th>
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<tbody>
<tr>
<td>Digital Twin</td>
<td>Analytics Orchestration</td>
<td>Asset Modeling</td>
<td>Data Ingestion &amp; Integration</td>
</tr>
<tr>
<td>Predix System</td>
<td>Common Application Services</td>
<td>Data Security</td>
<td>Catalogs &amp; Marketplace</td>
</tr>
<tr>
<td></td>
<td>Predix Machine</td>
<td>Edge Manager</td>
<td>Edge Security</td>
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<tr>
<td></td>
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<td>Edge Connectivity</td>
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</tbody>
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Value creation

1. Incremental services growth, more productivity, better products
2. Valuable platform created … assets and services
3. Return on investment

2017E metrics

$5B+  +20-30%

- 400 partners
- 35K developers
- 50+ EVP customers
- 5 non-GE industries
- 1MM+ digital twins

Key Digital Transformation engagements

Combining domain with world class Industrial Operating system (Predix)
Additive leadership

2017 goals

- Units: ~400
- Revenue: $300MM
- Revenue pipeline: $500MM
- GE parts: 200 prototypes

✓ Establishing product line
✓ Growing capacity
✓ Building capabilities
✓ Materials
✓ Predix enablement
✓ Financing platforms in place

New product investment

- Establish breakout moves (size, speed)
- Multiple modalities/hybrid machine
- Improve cycle times … design, production
- Lower cost of ownership
- Understand “Moore’s law” for additive

External markets

Aviation
- Accelerating deployment … internally & across the industry
- Resetting supply chain cost entitlement
- No structural casting in Advanced Turbo Prop

Healthcare
- Building momentum in the medical implant market
- High performance implants (hip, knee, dental)
- On-demand, patient-specific production … reduced cycle time

Automotive
- Heat exchanger: 242 parts → 1 part, 50% weight reduction
- Weight reduction & better aerodynamics
- Improved thermal management
Proof point | Advanced Turboprop Engine (ATP)

Combustor test schedule reduced from 12 months to 6 months

No structural casting

5% WEIGHT REDUCTION

20% LOWER MISSION FUEL BURN

855 → 12 PARTS
Partnerships | Kingdom of Saudi Arabia

Aligning with national agendas

2015 Technology & Innovation Center
2015 Pressure control manufacturing
2016 “Made in Saudi” Gas compression trains
2016 All Women BPO
2016 PowerGEN efficiency COE
2016 Strategic p’ships & localization initiative
2016 Minds & Machine

Executing new projects … $15B commitments

Growing with customers

- Aviation ++
- Power ++
- Oil & Gas ++
- Energy Connections +

Supporting & delivering for our customers
Presence in growth markets

**Fast growth markets**

- **India**
  - Aviation, Wind, Gas, Power & Steam Power
  - $1.1B orders won in ‘17...
  - Key deals: SpiceJet, Obra / Jawaharpur

- **Argentina**
  - Power ... Auction based 
    market, Financing key
  - $0.3B orders won in ‘17...
  - Key deals: Villa Maria, South Jamaica Power

- **Bangladesh**
  - Transmission ... new 
    capacity, Installed base 
    services oppty (~60%)
  - $0.2B orders won in ‘17...
  - IPP project 0.6GW

- **Vietnam**
  - Access with value 
    portfolio & co-
    development
  - $1.4B opportunity in ‘17...
  - Power & Renewables

**Frontier markets**

**Global opportunities ... continue to prioritize and invest**
Winning in growth markets | Onshore Wind

Critical to success
1. Competitive product cost... backward integration
2. Localized content
3. Turnkey offerings
4. Financing
5. Digital... 30K digital units

Presence in key markets
Footprint in 30+ countries

GE Store differentiators
- Dedicated local resources
- Technology fit
- Government engagement
- GE EFS financing capabilities

Winning with "Best LCOE"
China – 2020 strategy

- Healthcare value CoE
- Gas turbine make & service
- LCC Sourcing 2X to $10Bn
- Aviage global build-out
- Wind low cost base
- EPC’s partner of choice
- Pilots & scale up

Localize ... ‘all in’

Partner ... in- & out-bound

Digital ... disruptive business models
China going global ... One belt, one road

Pakistan

3.6 GW H class technology
Meets power shortfall for 12 million homes

Vertical & Horizontal

United Arab Emirates

2.4GW clean coal power plant
1st USC coal power plant

Vertical & Horizontal
China partnerships & financing

**GE China sourced financing**

- $1.5B
- ++

| China for World | '16 | '17 LE |

**Sectors**

- Power
- Energy connections
- Renewable Energy
- Oil & Gas

**China for the World ... current partnerships**

- $1B GE support ... 1st such cooperation with MNC
- Final assembly in China, component mfg not China dependent

**Access to capital ... KEY in growth markets**

- Strong interest in private sector projects ... At market terms
- Opportunities with One belt, one road (OBOR)

- Strong tailwind from China government OBOR initiative
- P’ship model ... 30+ (Steam Power, Gas Power and Renewables)
What we are learning

Team of teams

Access to capital key

Localization a must

BUs
Sales, ITO & OTR

GGO & EFS

GE 2 GE

Wuhan Boiler
Beijing ST
Tianjin Hydro
Dist. Power JV
Gas turbine

“Vertical” strength + “Horizontal” learning
Lead to build an eco-system

2016 OBOR summit
600+ EPCs, banks, funds
20 bilateral CEO meetings
The value of a GE “job”

Leadership training and development
- Recognized for leadership
- ~4,000 next-generation leaders are on leadership development programs today ... leadership + domain

Technical & operational skills and capacity building
- China - 4,000 primary healthcare physicians trained in radiology & ultrasound
- Saudi - Technical Academy (500 Saudis over 5 years incl. scholarships for 30 females);
  GE Healthcare Training Institute has trained over 4500 professionals

Supplier Ecosystem and SME development
- Nigeria - regional manufacturing hub; $800 million in local sourcing & training (2,300 new jobs)
- India (Pune) ~ 60% materials from domestic suppliers; 50% of the output exported (~400 GE jobs)
- Saudi MTC - 70 customers in 30 countries; 290 Saudi suppliers and 140 SMEs in the Kingdom

Global Innovation Ecosystem
- China: 3,000 scientists in Shanghai GRC connected to 12 R&D centers working on energy emissions & affordable healthcare; in China for China + export

Ethical and transparent business practices everywhere
- Top ranking as ethical company - applied to JVs, customer and all interactions
- Myanmar: public & private sector leaders trained at Lee Kuan Yew School of Public Policy

Even more important ...
How we win in THIS world

- Execute on the framework
  - Organic growth
  - Cash
  - Cost
- Nothing is permanent ... flexibility and agility
- Facilitate capital flows
- Multilateral OR Bilateral
- GE Store capabilities ... diversity of portfolio strength
- Continuing to invest for growth ... global capability in place
  - Local leaders and teams
  - Multi modal facilities
  - Project finance capabilities
- Ethical and transparent business everywhere