



2019 Labor Negotiations

GE Financial Landscape

A lot has changed for GE since the last labor agreement was ratified in 2015. Even as the overall economy has been strong, the company has faced significant challenges, but is committed to embracing that reality and taking the steps to change in this uncertain market. GE has considerable strengths, with a talented team and great technology, but financial performance has not reached its full potential. To make GE a stronger company operationally and financially, GE is committed to reaching a fair contract that provides competitive wages and benefits while addressing the unique challenges we face as a company in order to succeed in today's increasingly competitive world.

GE Snapshot: 2015 versus Today

GE Market Capitalization

\$268 billion

as of June 30, 2015 – the date of the last contract ratification.

\$88 billion

as of January 31, 2019.

Stock Price



Internal and External Challenges for GE Power

GE has long been a leader in power; GE Power supplies 30 percent of the world's electricity. However, in recent years there has been a tremendous shift in the international power market, as companies diversify their power sources and reduce emissions.

Decreasing Demand

 There have been **significant declines in the market**, driven in part by lower demand for thermal generation, excess capacity, and continued pressure in oil and gas applications.

Increasing Use of Renewables

 Renewable energy, such as wind and solar, has become **less expensive compared to traditional power generation**, leading to increased demand but in a highly competitive market.

Competitors Face Similar Challenges

GE is not alone in having to work through these challenges. Siemens, citing "unprecedented market downsizing," temporarily **shut down its power and gas sites worldwide** in 2018. This followed Siemens announcing nearly **7,000 job cuts** and instituting other cost-cutting measures in 2017.

GE is Taking Significant Steps to Strengthen and Streamline the Company

In recent months, GE has announced a series of significant changes to strengthen the company by repositioning GE's portfolio for growth, strengthening our balance sheet, and shifting how we run our business. These steps include:

-  Eliminating at least **\$500 million** from the company's corporate cost by 2020.
-  Reduced the size of GE's board from 18 directors to 12, with **five new directors** announced in the past year.
-  Preserving **\$3.9 billion** per year by reducing the dividend to stockholders.
-  Announced intention to separate GE Healthcare and Baker Hughes, a GE company (BHGE) into **standalone companies**.
-  Taking action to complete a **\$20 billion** divestiture target.
-  Reorganized GE Power into two units—GE Gas Power and Power Portfolio—to **reduce costs and improve operations**.

Visit the www.GEUnionNegotiations.com website for more information, news and other updates. You can also sign up to receive important email updates direct to your inbox.