



Powering **two-thirds** of commercial aircraft departures



Equipment and solutions deployed in **2,200+ GW** of the world's power generation capacity



2019
Bank of
America
Merrill Lynch
Global
Industrials
Conference

London

Jamie Miller,
CFO

March 19, 2019



Providing **16,000+ scans** every minute



Produced more than **30,000** additive fuel nozzle tips for the CFM LEAP engine



Installed base of **40,000+** onshore wind turbines

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 2019 GE Investor Outlook 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.



Looking forward

Building on strengths

- **Strong team** in place and ready to win
- **Deep customer relationships built around a valuable installed base** ... ~70K engines, 7K+ gas turbines, 40K+ wind turbines and 4MM+ healthcare systems
- **Service franchises** strong and profitable
- Maintaining **preeminent product positions** while continuing to drive the development of next generation technology
- A **global presence** that serves local market needs

Tackling challenges

- **Leverage** ... too much debt
- **Earnings versus cash** ... managing quarterly variability while reducing back-loaded dynamics in long cycle businesses
- **Heavy-duty gas turbine market** in 25-30 GW range for foreseeable future; excess capacity across industry
- **Opportunity to execute better**, particularly in Power and Renewable Energy ... projects and on-time delivery
- Facing into **cash headwinds** ... GE Capital supply chain finance transition, restructuring, Alstom/BHGE pension & legal
- **Insurance** is a long-tailed liability ... reducing risk through more active management

Better execution and capital allocation to create shareholder value



Our priorities are clear

1 Improving our financial position

- Executing portfolio actions: Transportation, BioPharma + BHGE + smaller transactions
- GE Capital \$25B asset plan
- Running company with a higher cash balance and less reliance on short-term funding

2 Strengthening our businesses

- Fixing Power
- Playing offense in Aviation and Healthcare
- Managing Renewables cycle & risk at Capital
- Shrinking Corporate & shifting decision-making

Our financial targets



- Targeting BioPharma close in 4Q'19 & BHGE staged sell-down in orderly manner
- Adjusted GE Industrial free cash flow* positive in 2020
- GE Capital net income breakeven by 2021
- Corporate net cost* \$500MM+ lower by 2021

Taking thoughtful and swift action to position the company for the future



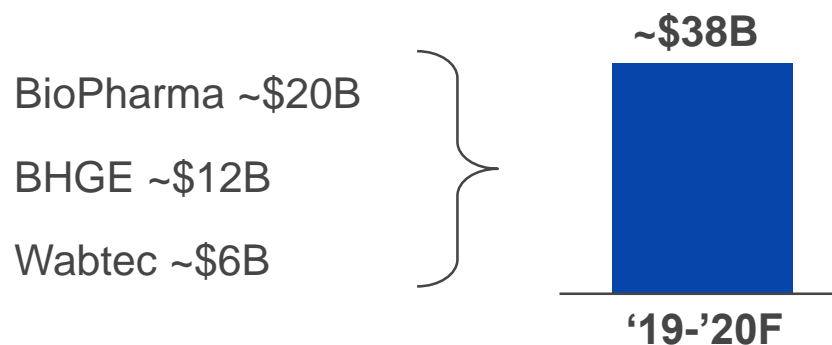
*Non-GAAP measure

2019-2020 GE Industrial deleveraging actions

Background

- 2018 net debt* \$55B
- Target net debt* / EBITDA < 2.5X

Sources of cash



2019-2020F planned actions

Intercompany loan paydown	~\$(12)B
Commercial paper	~\$(3)B
Debt maturities	~\$(1)B

Additional actions (under evaluation)

- Assessing deleveraging actions – debt tenders, pension funding, other
- Criteria
 - Economics
 - Risk mitigation
 - Optimal capital structure

Significant sources of cash for deleveraging



*Non-GAAP measure

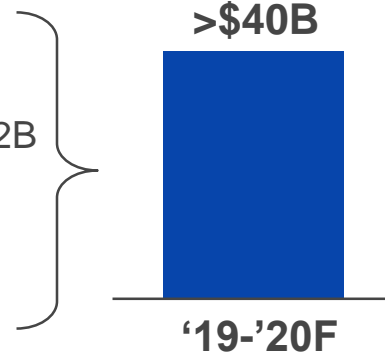
2019-2020 GE Capital deleveraging actions

Background

- 2018 debt \$66B
- Target debt / equity <4X

Sources of cash

- Asset plan ~\$10B
- GE intercompany loan ~\$12B
- Parent support \$4B+
- Cash \$15B



2019-2020F actions

Long-term debt maturities	\$(25)B
GE intercompany loan	~\$12B

- Expect to issue debt in 2021 and no plans for commercial paper usage
- Additional cash uses: WMC \$1.5B, previously committed insurance contributions ~\$2B per year, ongoing operations
- ~\$6B+ of liquidity in 2020 ... post-2020 debt maturities, significantly lower cash balance required

More than \$40B of sources to fund debt and obligations



2019 overview

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

- Gas + Renewables projects performance
- 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 GAAP and statutory testing
- Restructuring timing & execution

2019 a reset year with 1Q weakest quarter ... meaningful improvement, Industrial FCF positive in 2020/2021



*Non-GAAP measure

Corporate

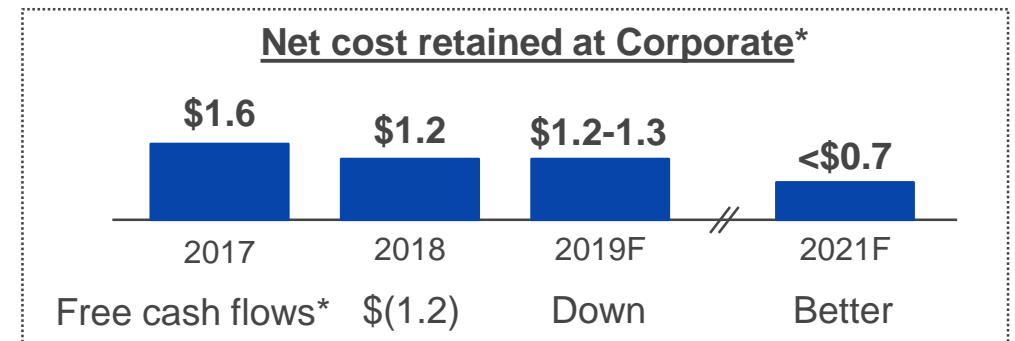
(\$ in billions)

Running the company differently

- Changing our HQ philosophy at Corporate & segments ... HQs exist to support and enable businesses
- GE Corporate focused on strategy, capital allocation, research, talent and governance
- Transferring processes and people to the segments
- “Market testing” activities & maintaining only where they provide value to the businesses
- Total Corporate headcount down from 28K at peak in 4Q’17 to 18K^a) as of 4Q’18 ... more actions underway

Corporate cost/cash flow

- Corporate managed ~\$7B of gross costs including shared services, Digital, GRC, GGO, IT, and functional costs
- Transfer of processes & costs to segments to drive accountability & action ... ~\$0.4-\$0.5B gross cost out in ‘19



- 2019 net cost* ~flat to up slightly based on timing of cost actions and segment allocations
- FCF* decline in ‘19 driven by restructuring, interest, one-time BHGE pension ... improves in 2020/2021

Enable businesses with Corporate support

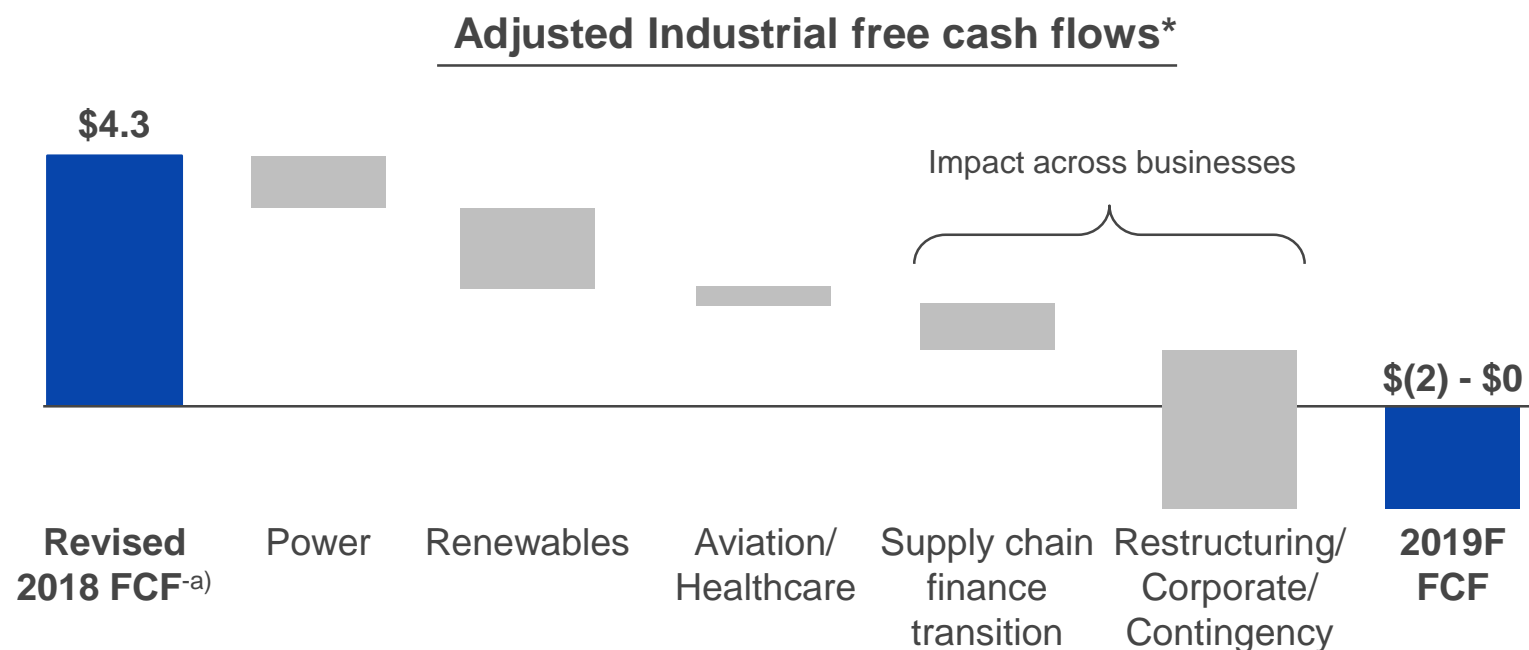


*Non-GAAP measure

(a- Includes global operations (shared services), IT, Digital, GRC, GGO, and Corporate functions)

Industrial free cash flows walk

(\$ in billions)



- Power impacted by supply chain transition, restructuring, legal and pension
- Renewables U.S. PTC progress collections cycle reverses
- Aviation ~flat; Healthcare down driven by separation costs & compensation
- Restructuring increase related to Corporate actions

Significant improvement in 2020-2021 FCF*

- Power: meaningful income growth, working capital rigor drives significant improvement
- Renewables: PTC cycle reverses in 2019 & 2020; positive FCF* in 2021
- Aviation/Healthcare: steady growth
- Supply chain finance transition impact in 2019 and 2020
- Restructuring/Corporate/Contingency: elevated restructuring profile in Power through 2020, Corporate materially lower by 2020; Corporate FCF steady improvement post-2019


Pace of free cash flows improvement accelerating in 2020-2021



*Non-GAAP measure

(a- 2018 FCF adjusted for \$0.2B of dispositions FCF as referenced on page 6

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 and headwinds diminish



*Non-GAAP measure

Positioning GE for growth

Priorities are clear

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

2019 is a reset year for the company ... 2020 and 2021 will be meaningfully better

Confident in our future

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

Setting GE up for long-term success



Appendix



2018 starting point

(\$ in billions)

	2018 reported	Disposition impact	2018 revised*	Assumptions
GE Industrial revenue (GAAP)	\$113.6	\$8.4	\$105.2	• Disposition adjustments: Transportation, Value-Based Care, Industrial Solutions, Distributed Power
GE Industrial profit (GAAP)	\$(19.8)	\$2.0	\$(21.8)	• Transportation/Wabtec closed Feb. 25 th ... business moving to discontinued operations in 1Q'19
Adjusted GE Industrial profit*	\$10.2	\$0.9	\$9.3	• BioPharma modeled in for full year 2019; Healthcare separation not assumed
Adjusted GE Industrial profit margins*	9.0%	0.2%	8.8%	• BHGE consolidated for full year; will update as transactions occur
Adjusted GE Industrial free cash flows*	\$4.5	\$0.2	\$4.3	• Power segment reporting unchanged ... Gas Power and Power Portfolio roll up into Power segment
Adjusted GE Capital continuing income*	\$(0.3)	\$0.4	\$(0.7)	• Grid and Digital financial realignment to be completed later this year
Adjusted earnings per share*	\$0.65	\$0.12	\$0.53	
GE Capital assets	\$124		\$124	

Taking action to create a simpler and more focused portfolio



*Non-GAAP measure

Other Industrial items

2019 dynamics

2020/2021 dynamics

Oil & Gas

- BHGE consolidated for full year; financial impact at deconsolidation

Lighting

- Targeting Current deal closing in early 2019; Consolidate remaining business into Corporate

Transportation

- Will mark to market ~25% investment quarterly
- Continued MTM until full exit

Interest expense

- Up low-to-mid-single digits
- Significantly lower as de-levering is actioned

Restructuring

- \$2.4-2.7B cost, \$2B+ cash
- Expense down significantly in '20, cash in '21

Gains

- Transportation (disc ops); BioPharma

Non-op benefit costs

- Estimate ~\$2.3-2.4B pre-tax
- Dependent on interest rates

Tax rate

- Adjusted high-teens/low-20s tax rate
- Adjusted low/mid-20s tax rate

China tariffs

- Estimating \$(0.3)-(0.5)B impact post actions
- Expect to continue absent policy updates



Earnings per share

	<u>Adj. EPS</u>	
2018 Adjusted EPS*	\$0.65	
Industrial dispositions	(0.08)	• Transportation, Current, Distributed Power & smaller dispositions
GE Capital asset plan reductions	(0.04)	• Lower earnings from Capital asset plan
Operations	0.02-0.10	• Power returns to profitability, continued strength in Aviation
Industrial interest & tax	(0.05)-(0.03)	• Interest up LSD-MSD, adjusted high-teens/low-20s tax rate
2019F Adjusted EPS*	\$0.50-0.60	• Excludes Industrial non-operating benefit costs of \$(0.21)-\$(0.23) and restructuring expense of \$(0.22)-\$(0.25)

Expect organic EPS growth in 2020 and 2021



*Non-GAAP measure