



Bernstein Strategic Decisions Conference

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

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Eight months in...

Multi-year transformation to renew and grow GE profitably, **rewarding investors over time**

Building on a **strong global installed base** in **vital markets** where **technology and service matter**

Focusing on **continuous operational improvement** driven by employees to achieve **better results** for customers and investors



2019: A reset year

Day to day

Improving our financial position

Strengthening the businesses

Reinventing how we will work

In the boardroom

Smaller and more focused board

Putting the right team, accountability and incentives in place

Strong investor feedback loop

• Positive Industrial FCF* in 2020 with growth accelerating in 2021



**Non-GAAP measure*

How we will work

Customer at the center

Operational performance first

Sharper, more strategic priorities

Lean → Results → Culture



GE portfolio



Power

Revenue: \$27.3B

7,000+ gas turbines and nearly 6,000 steam turbines



Renewable Energy

Revenue: \$9.5B

40,000+ onshore wind turbines



Aviation

Revenue: \$30.6B

~70,000 aircraft engines



Healthcare

Revenue: \$19.8B

4 million+ healthcare system installations



**Capital + Digital + Research +
Global Growth + Additive**



**Baker Hughes,
a GE Company**

~50% interest



Wabtec

~12% interest



Revenue data as of December 2018; BHGE and WAB share data as of May 2019

Power outlook

	<u>2018</u>	<u>2019F</u>	<u>2020F</u>
Revenues	\$27.3B	Down HSD ^{*-a)}	Growing ^{*-a)}
Segment margin	(3.0)%	Positive	Expanding
Free cash flows*	\$(2.7)B	Down	Significantly better, negative

*Non-GAAP measure

(a)- Organic revenue growth (including Grid)

Business Dynamics

- Gas new unit profitability heavily impacted by project execution and legacy underwriting
- Healthy contractual services book; focused on improving transactional services profitability
- Power Portfolio challenged in Grid and Power Conversion
- Power HQ being dismantled ... \$1.6B cost, expect ~20% reduction over next 2 years
- Strong, multi-decade partnership with Harbin Electric in China

2019

Gas new unit margin expansion, Gas services margins flat to up
Cost reduction across Gas Power & Power Portfolio

2020

Stabilizing Gas new unit contribution margins LSD-MSD
Gas services margins up on flat volume/better execution
Meaningful cash improvement



Long-term transition & recovery ... 2019 a critical milestone in our journey



2019+ outlook

Revenues

LSD-MSD
(Industrial segment organic*)

Margins

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

Free Cash Flows*

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

2020: significant improvement, positive
2021: acceleration

EPS

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

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



*Non-GAAP measure