



GE Healthcare

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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.

This is GE Healthcare

IMPACT

Leader in Imaging – 1MM+ Installed Base

- 16K+ Scans every minute

Leader in China & Emerging Markets

Leader in Data & Analytics

- 230MM exams; 124K assets under management

Leader in Life Sciences

- Presence in biologics

AT SCALE

'16A

'17E

Revenue

\$18B

+

Op Profit

\$3.2B

+

OP%

17.3%

+

FCF Conv.

117%

100%+

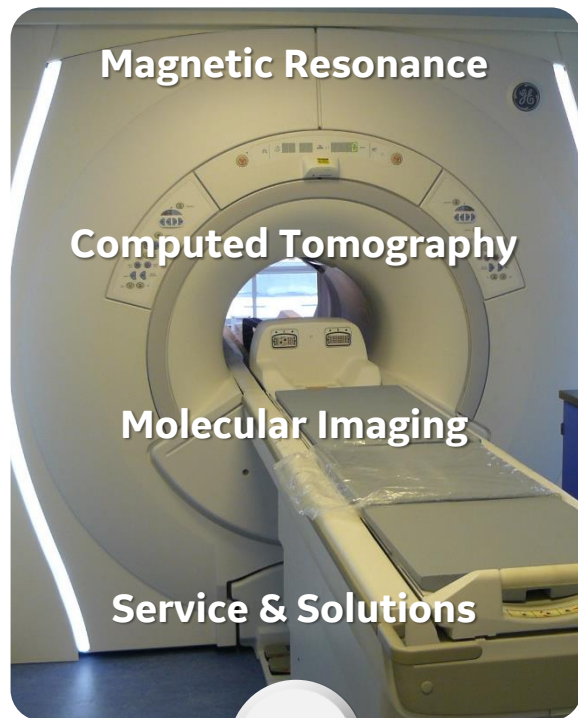
A leading healthcare solutions provider

Diagnostic imaging & service

Mobile diagnostics & monitoring

IT & digital solutions

Life Sciences



\$8B



\$4B



\$2B



\$4B



Solid global market growth expected across businesses...

	Diagnostic imaging & service	Mobile diagnostics & monitoring	IT & digital solutions	Life Sciences
Market (\$B '16)	\$17 B	\$11 B	\$37 B	\$18 B
Growth '16-'18 CAGR	2-3%	3%	9%	5% Overall 9% Bio-Process
Trends	<ul style="list-style-type: none">• Developed countries ... replacement cycles• Developing countries ... ↑ penetration fueling continued growth• Advances in technologies & therapies still rewarded• Some softness in U.S.		<ul style="list-style-type: none">• Continued rapid growth ... digitization & cloud• Strong global demand	<ul style="list-style-type: none">• Growth driven by bio therapeutics• Patient demand (aging, disease incidence) driving contrast growth



...with some short-term headwinds in U.S.

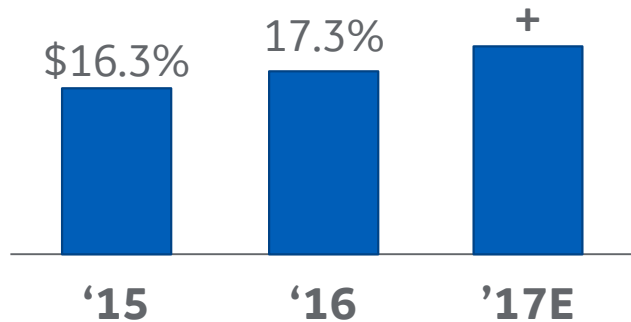
	Diagnostic imaging & service	Mobile diagnostics & monitoring	IT & digital solutions	Life Sciences
Market (\$B '16)	\$6 B	\$4 B	\$20 B	\$7 B
Growth '16-'18 CAGR	1-2%	1-2%	9%	5-6% Overall 9% Bio Process
Trends	<ul style="list-style-type: none">• Positive macro's. Aging IB driving growth• Delays due to policy uncertainty (e.g., ACA)	<ul style="list-style-type: none">• ↑ policy uncertainty impact ... closer order-to-cash	<ul style="list-style-type: none">• Shifting to Stages 2 & 3 of Meaningful Use• Growth, driven by cloud, analytics & Pop. Health	<ul style="list-style-type: none">• Continued growth in biologics spurs demand• Proposed NIH funding cut likely dampener for research



Competitive Cost Position

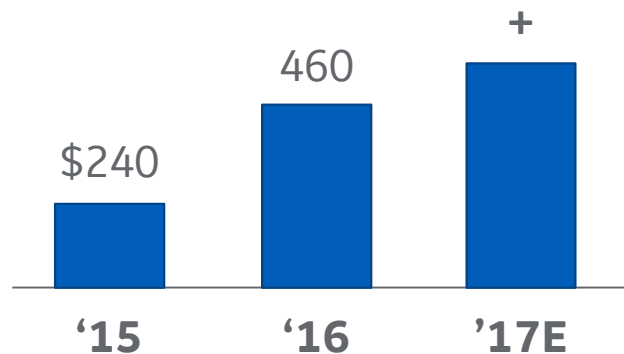
Expanding Margins

Op Profit Rate (%)



Product Cost Out

Variable Cost Productivity / Year (\$MM)



Drivers

Design productivity

- Engineering focus on material cost out ... 2X Investment
- Launch NPIs with expanded Contribution Margin rates

Lowest cost procurement, manufacturing & assembly

- Global best-cost country sourcing, reduced cost of quality
- Global supply chain ... lean, digital thread & brilliant factories

Services margin accretion

- Grow value-added software-enabled offerings
- Increase material and labor productivity

Structural simplification

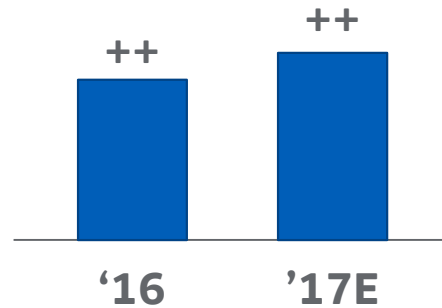
- Increasing shared service penetration, single ERP, footprint reduction
- Localize engineering/software/management, reduce spans/layers



Investing in the Core

R&D Programs

Program Expense



- **Product cost out**
- **Digital + solutions**
- **NPI launches 2X**

Design

Simplified design & platforms ... margins to GE
300+ dedicated cost out engineers ... NPI cost

Technology

Market-backed technologies ... drives share
Increasing speed to address customer needs

Affordable Care

Portfolio built for Value/Super Value mkt segment
LCC engineering COEs ... driving productivity

Digital

Improving customer experience + productivity
Connected infrastructure: service, upgrades, etc.

New products

MR



3.0T Architect

- ✓ Cutting-edge 3.0 T wide-bore platform driven by Total Digital Imaging

Ultrasound



Venue POC

- ✓ Intuitive user experience in simple, fast tablet

Mammo



Senographe Pristina

- ✓ Improved design for patient & tech
- ✓ Superior Dx accuracy

Affordable care



Revolution ACT

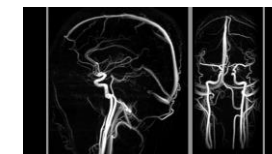
- ✓ Improved image quality with reduced dose

Cell therapy



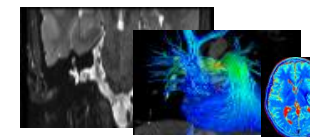
- ✓ Expanding into new cell & therapy types

Contrast imaging



- ✓ Increased range of MRI contrast media

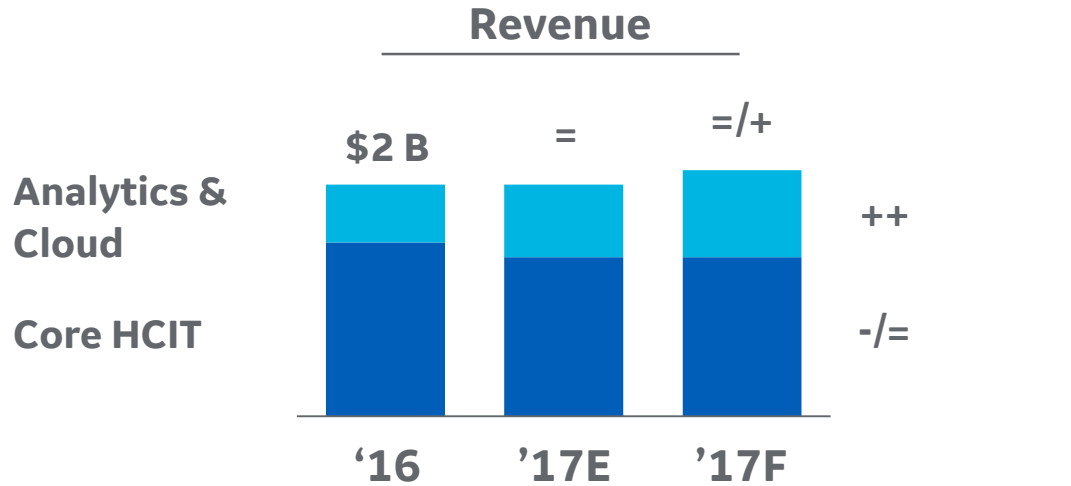
Digital



- ✓ Next generation Universal Viewer



Analytics & Cloud expected to drive positive Digital growth through '18



Analytics & Cloud

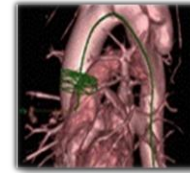
- Clinical and operational digital solutions
- GE Health Cloud ... live, powered by Predix
- Accelerating via AI partnerships (UCSF, BCH, Partners Healthcare, more)

Core HCIT

- Radiology and Care Area IT ... re-platforming to ↑ product quality, ↓ running costs
- Revenue Cycle Management ... move to SaaS
- Ambulatory EMR & Workforce Mgt

Strong momentum on Analytics & Cloud

Imaging Analytics



AW
57 Apps
>\$350M revenue
10% V

Wall-of-Analytics



Command Center
'17 contract
LTV >\$60M
Live apps 13 → 30

Analytics-as-a-Service



ECG algorithm-as-a-Service
510(k) filed
Pay-per-use LOI

Operations Optimization



35% faster exam times
Capacity ↑3k exams/year

Intelligent Machines



X-Ray reject/repeat
(Launched)

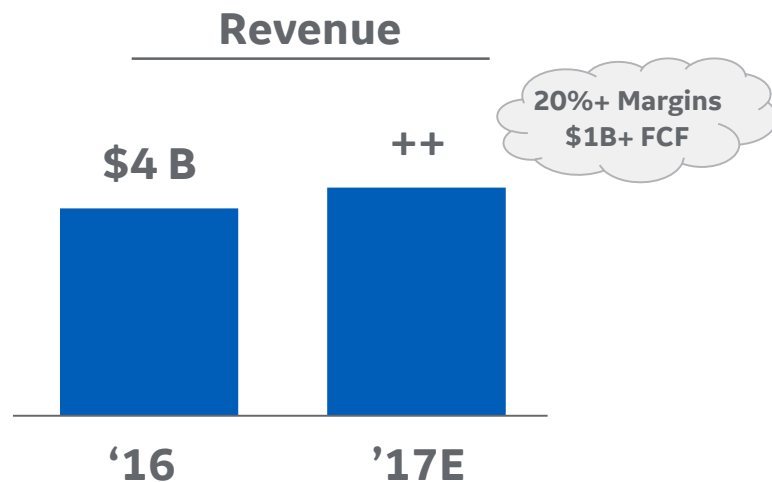
APM



3k active iCenter users
40% V



Life Sciences



Bioprocess

Biopharmaceutical manufacturing
Equipment, consumables, solutions



Diagnostics

Contrast media
SPECT/PET imaging agents



Cell Therapy

Leading partner in emerging field
Organic + Inorganic investments



A Leading Franchise

Critical solutions for biopharmaceutical companies

- Creates flexible, productive capacity ... Highly regulated
- Equipment + consumables business model

Leading Dx franchise linked to Imaging equipment

- #1 market share in contrast media & nuclear imaging
- Lowest cost provider ... global manufacturing & distribution

Leverages GE's strengths

- GRC ... product pipeline; Growth markets ... China
- Services model; M&A leverages GE footprint / brand

Strong organic growth opportunities

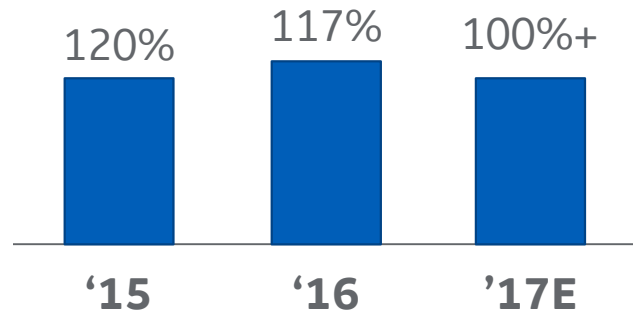
- Bioprocess solutions ... FlexFactory / KUBio™ and Biopark
- Leading partner in Cell Therapy ... built on Bioprocess strength + healthcare depth



Driving Cash Flow

Free Cash Flow Conversion

Net Income / FCF



- ✓ Capex: average investment ~2.5 year payback
- ✓ Inventory: Targeting 0.5X factory improvements
- ✓ A/P: +4 days ↑ ... harmonizing terms across GE
- ✓ A/R: reducing PDs 2 pts+ annually '16 & '17

Key Actions to drive Cash

Intensity

Monthly Cash Councils ... Supply Chain, Sourcing
Ongoing A/R deep dives by Region
Decisions & actions, with speed & urgency

Resources

Dedicated cash projects with top talent to drive
Restructuring ways of working to improve inventory
“Tiger-teams” addressing pain points

Tools

Digitized & automated dashboards & visualization
Connected to GE Store / shared services
Optimization tools rolled out in Service, Supply Chain

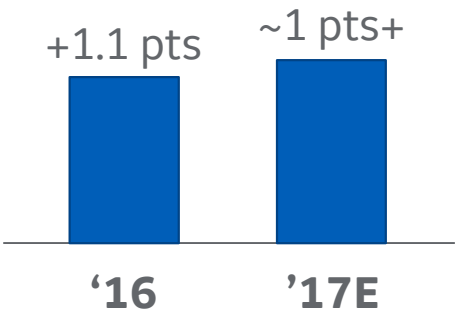
Incentives

AEIP aligned to both cost and cash flow
Specific working capital goals cascaded by team
Added cash metrics to sales incentives



Disciplined Capital Allocation

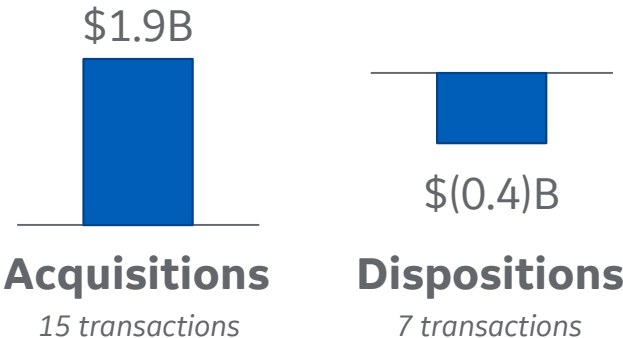
Return on Invested Capital



✓ Op Margins +1.0 pts in '16 ... targeting 18% by '18

Reshaping Portfolio for Future

Inorganic investments since '14




Approach

Organic

Differentiated R&D .. Organic Growth Board
SG&A down 2 pts as % of sales since '14
Investing in restructuring, product cost out, SFE

Inorganic

Disciplined, but actively investing based on ROIC
M&A targets 'bolt on' to existing franchise, ↓ risk
Exit low ROIC businesses, ex. Clariant 

Strategic Priorities



Life Sciences: end-to-end bioprocess solutions, play to win in Cell Therapy, expand in Contrast

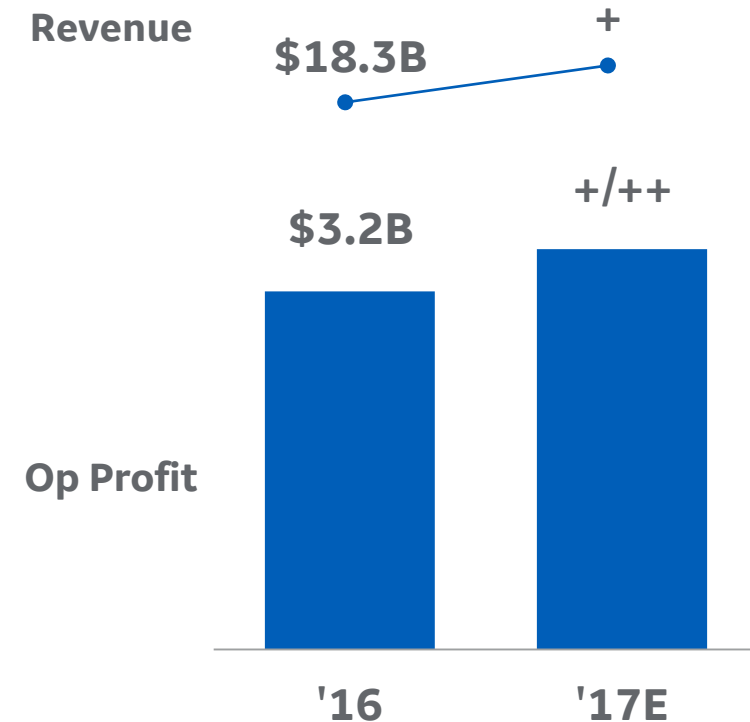
Clinical Care Solutions: Build digitally-connected portfolio

Solutions: Drive stronger consultative capability



Summary

- ✓ Franchise business ... tech, digital, service
- ✓ Investing for margin expansion
- ✓ GE Store key competitive advantage
- ✓ Digital platform opens new path
- ✓ Leader in market solutions
- ✓ Disciplined capital allocation



All in for Investors



