

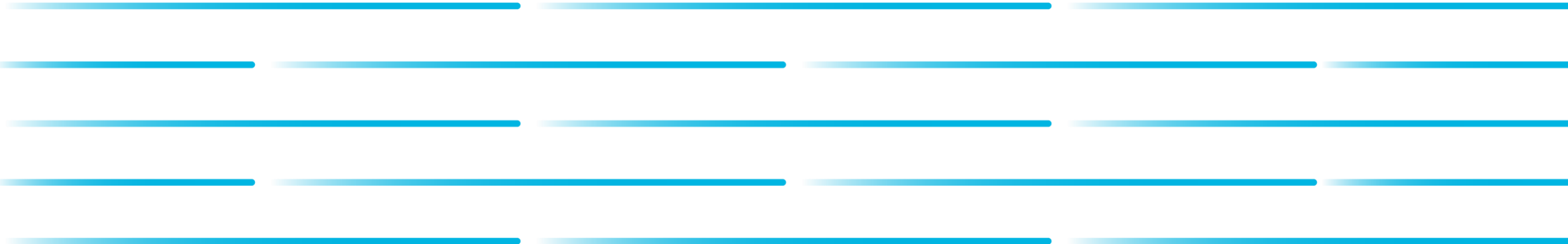


# Morgan Stanley Investor Conference

September 14, 2017

**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.



# GE Aviation portfolio ... \$26B revenue ... **34% of GE earnings**

## Commercial Engines



## Commercial Engine Services



## Military Engines and Services



## BGA and Integrated Systems



## Avionics and Digital Systems



## Avio Aero

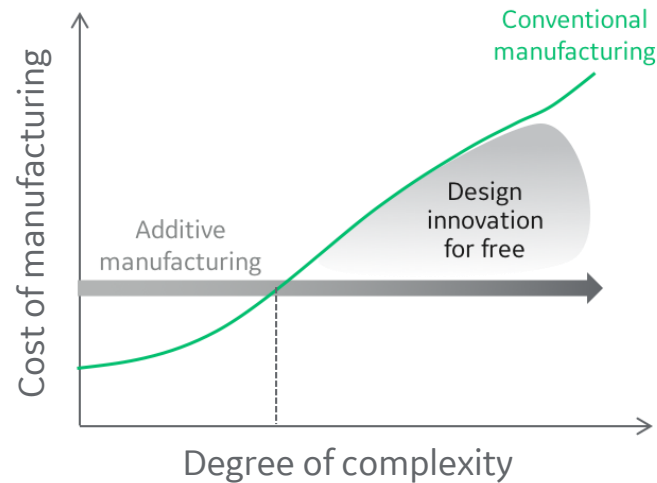


(a)- Includes CFM and EA revenue, 50-50 JV  
(b)- 2016 external revenue  
CFM is a 50/50 JV between GE and Safran Aircraft Engines.  
EA is a 50/50 JV between GE and Pratt & Whitney

... and **GE Additive**,  
introduced in '16

# Additive productivity ... changes everything

## Value prop<sup>-a)</sup>



## Additive benefits:

- Lower cost
- Faster development time
- Weight reduction

(a- source SEB)

## Status

**CONCEPTLASER**  
a GE Additive company

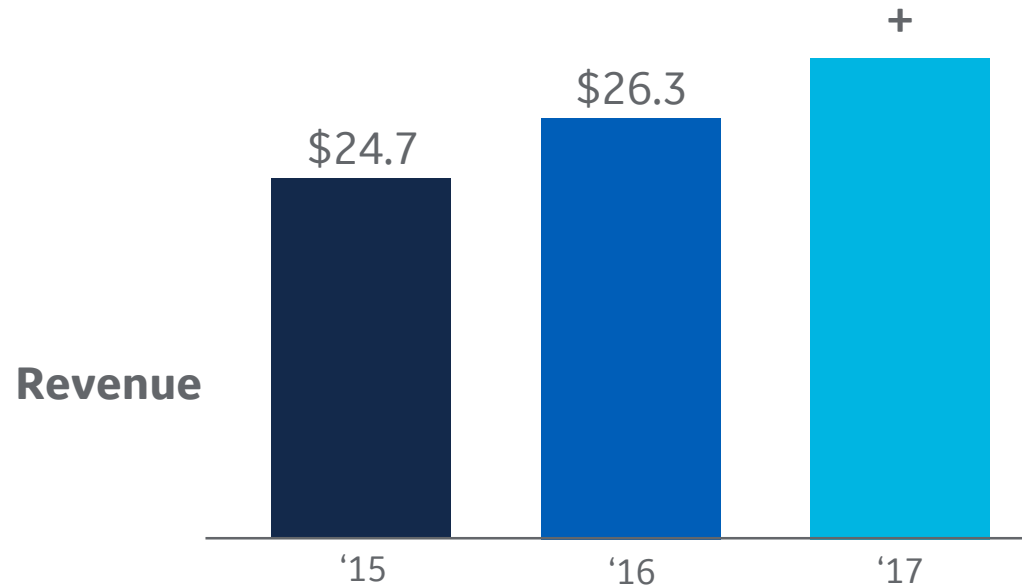
**Arcam**  
a GE Additive company

- ✓ More bullish than before
- ✓ Ahead of plan on internal adoption
- ✓ Doubled footprint for production
- ✓ From 2 machines per week → 9 machines
- ✓ Launched industry's largest powder bed fusion machine
- ✓ On pro forma business plan



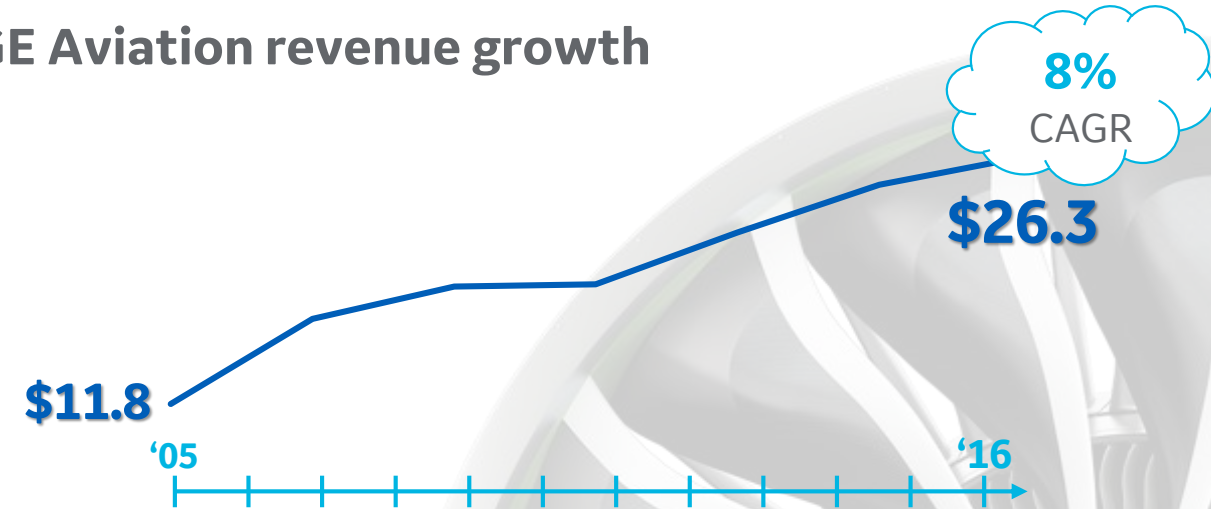
# Aviation financial results ... delivering today and securing tomorrow

(\$ in billions)



Op Profit%	22.3%	23.3%	=
R&D%	5.0%	4.2%	-
SG&A%	6.4%	6.1%	=
Deliveries	3,430	3,448	=/+

## GE Aviation revenue growth



## Enabled by

- **Culture** ... that invests and delivers
- Commitment to **technology leadership** ... that drives sustainable advantage
- Simple and competitive **cost structure**





# Commercial business

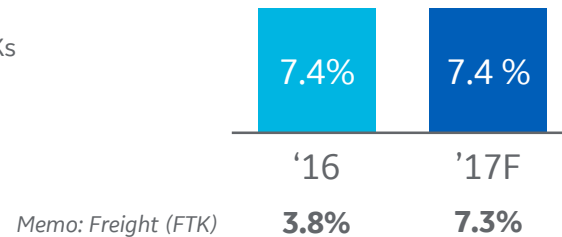


# Aviation commercial environment



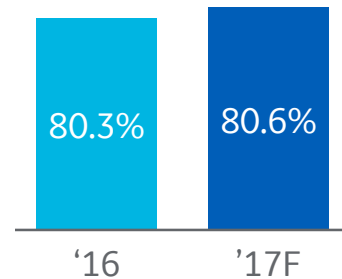
## Demand

% change,  
(IATA), RPKs



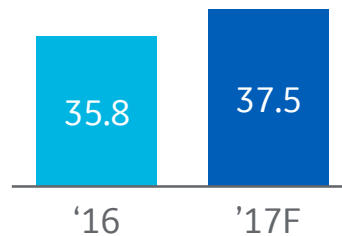
## Load factors

% PLF (IATA)

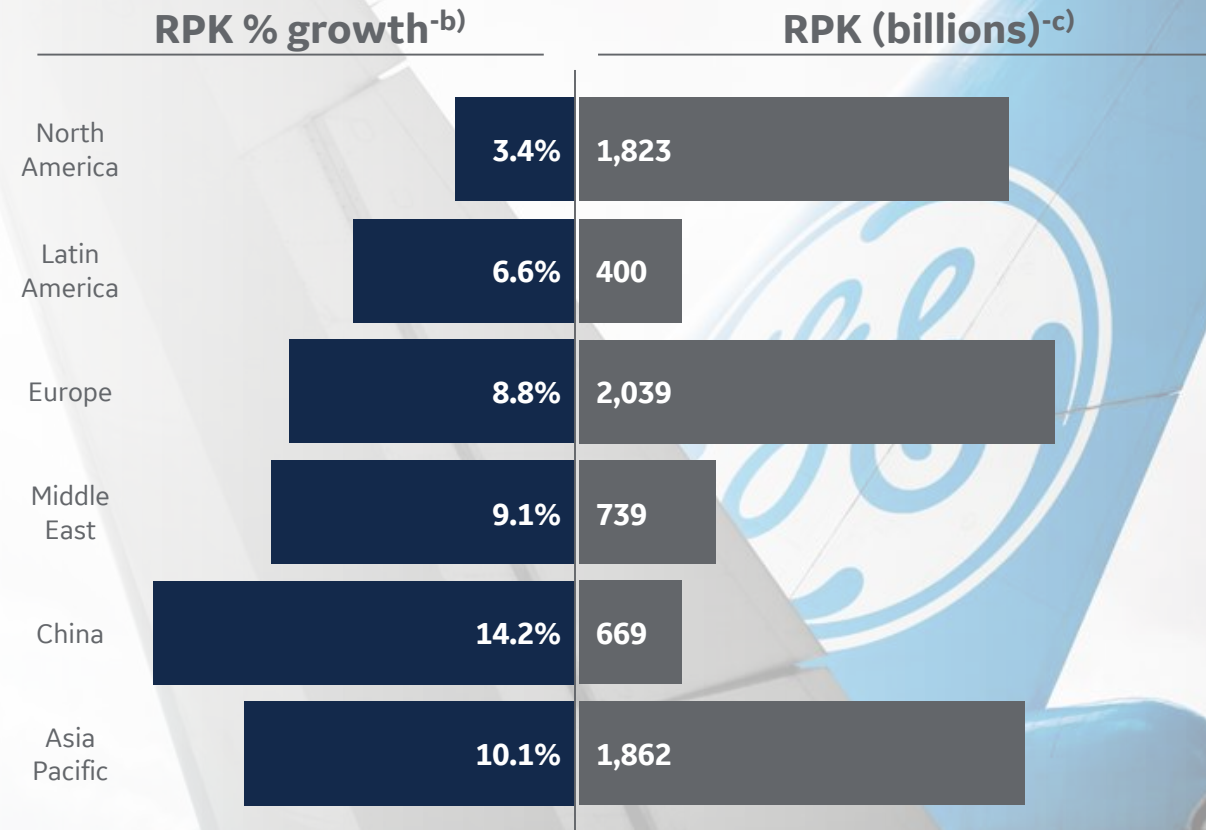


## Departures<sup>-a)</sup>

Millions of (IATA)



## Strong start to '17 ... +8% PAX growth



Source: IATA, EIA, GE Analysis

(a- Aircraft Departures - June '17 IATA Economic Performance of the Airline Industry

(b- RPK April YTD YTD% change

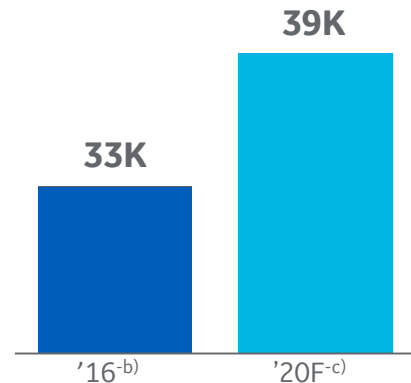
(c- April YTD world share %, applied to RPKs from '17 semi-annual financial outlook report



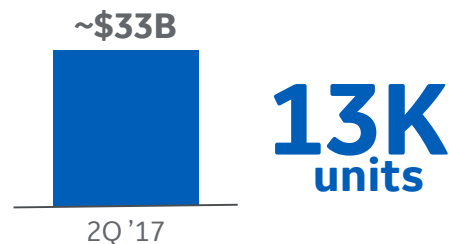
# A great future in commercial engines

## Installed fleet

GE and JV engines<sup>-a)</sup>



## Commercial Engine Backlog



(a- CFM is a 50/50 JV between GE and Snecma; EA is a 50/50 JV between GE and Pratt & Whitney)  
(b- GE comm'l installed base 11,133; JV comm'l installed base 21,716  
(c- GE comm'l installed base 11,749; JV comm'l installed base 27,394  
(d- Air Finance Journal

## New entrants

### LEAP



- **14,000+** on order
- **Fastest-selling** narrowbody engine in history
- **Ranked #1** by investors<sup>-d)</sup>  
*... in residual value, remarketing potential, investor appeal*



### GEnx



- **1,900+** on order
- **Best in class** dispatch reliability ... 99.95%



### GE9X



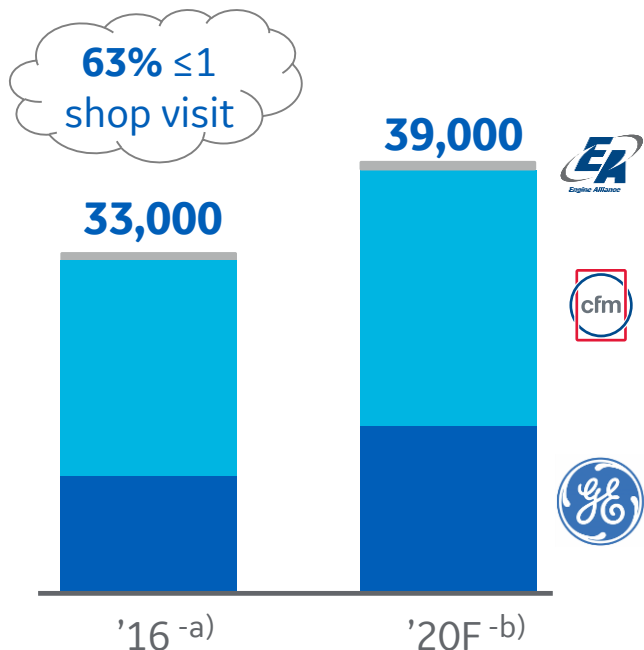
- **777X Sole source**
- **5%** better fuel efficiency vs. any engine in its class



# A great future in Commercial Services ... **\$121B** backlog

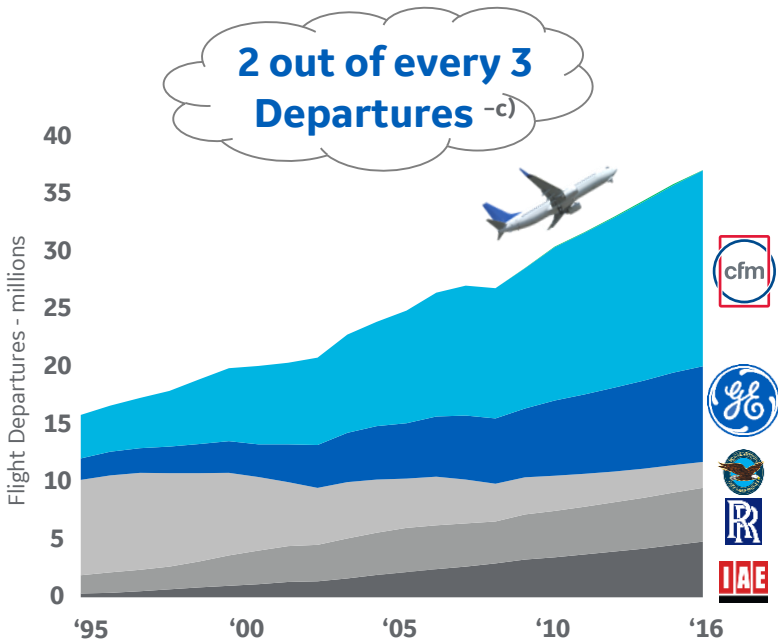
## Installed Base

(GE and JV engines)



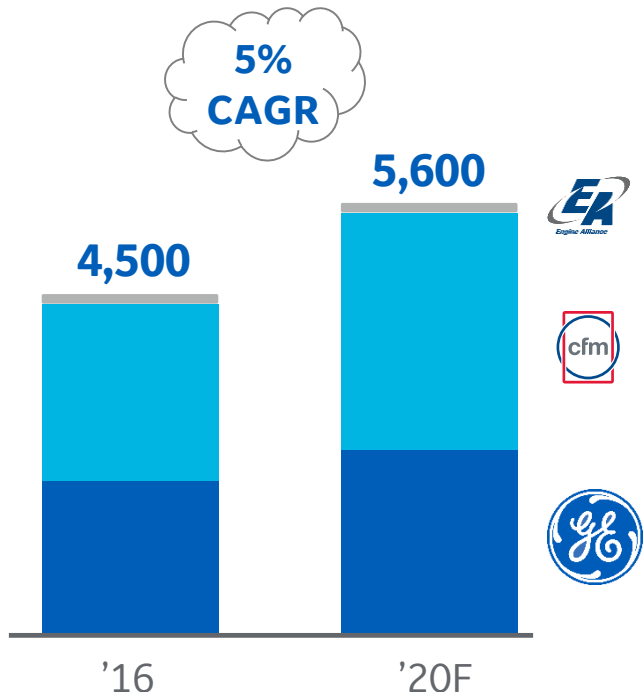
**Young, growing fleet**

## Commercial departures



**High utilization**

## Total fleet shop visits



**Strong demand**

(a- GE comm'l installed base 11,133; JV comm'l installed base 21,716

(b- GE comm'l installed base 11,749; JV comm'l installed base 27,394

(c- GE and JV engines

CFM is a 50/50 JV between GE and Safran Aircraft Engines Engine Alliance is a 50/50 JV between GE and Pratt & Whitney





# GE Aviation ... a leading Avionics portfolio

- A leader in flight management systems
- First truly open avionics system
- Aviation industry's first complex Custom System on a Chip (CSoC) processor
- First remote input/output solution
- First avionics JV in China
- A leader in military crash recorders (black boxes) and stores management



## Key programs

								
FMS		✓		✓			✓	
Computing/Networking	✓	✓	✓					✓
Displays		✓			✓	✓		
Military systems					✓	✓		



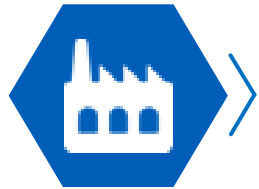
# Transforming the Aviation Digital Industrial

## For our business



### Services

↑ productivity



### Supply Chain

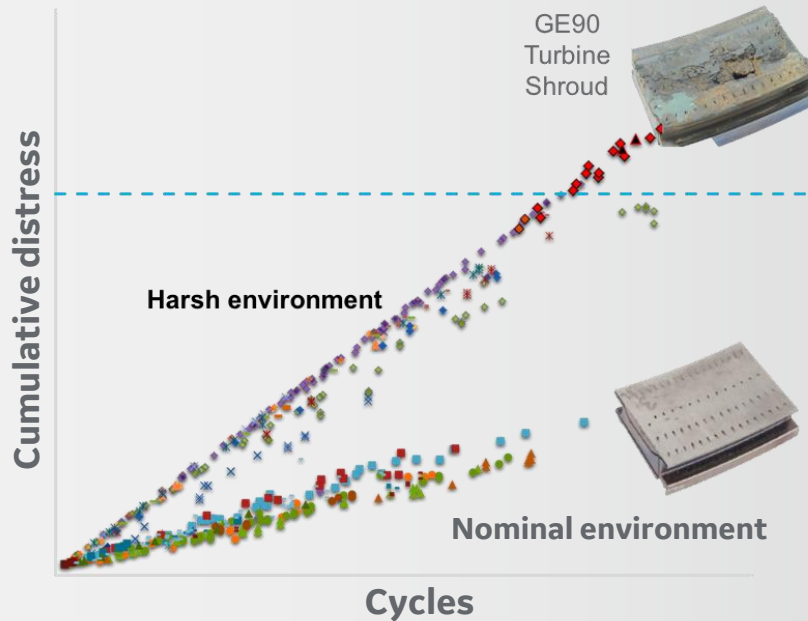
↓ product cycle time



### Engineering

↑ product quality

## For our customers ... Services example



**Emirates...** better predictability in harsh environment

**43%** Decrease in disruptions<sup>-a)</sup>

**12** additional days of utilization<sup>-b)</sup>



(a- Unscheduled engine removals 1H2016

(b- Analytics based inspection 1H2016



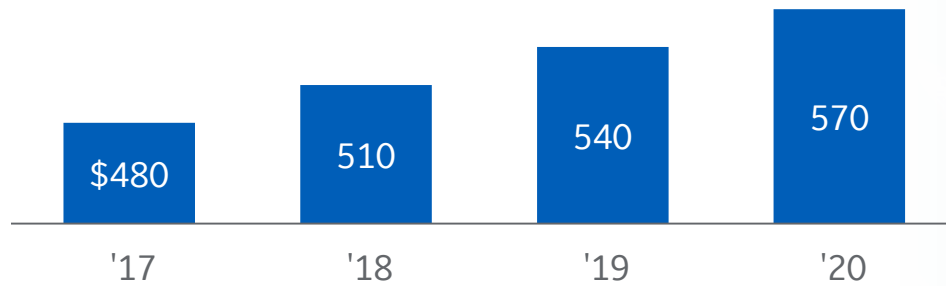
# Military



# Military engines ... strong portfolio with growth

(\$ in billions)

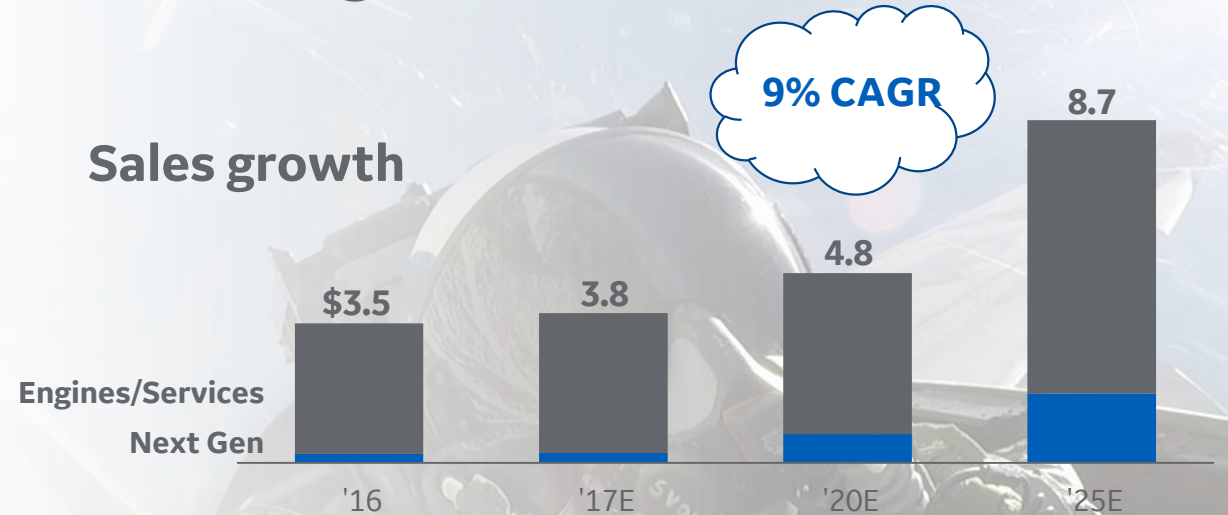
## Global Defense CAPEX spending<sup>-a)</sup>



- Global War on Terrorism
- Rogue states
- China emergent
- Rise of regional powers



## Sales growth



- Global threats driving international modernization
- U.S. budget favorable to readiness and equipment growth
- Terrific leverage on tech investments enabling affordable upgrades
- Transitioning 700+ engineers to military programs

(a- CAPEX includes defense R&D, procurement, maintenance and transportation and storage of military equipment  
Source: Strategic Defense Intelligence





# A great future in military

(\$ in billions, total program value)

## Expanding the Core globally

### USAF Trainer

F404 ... **\$5B**



### India

F404/414/F110 ... **\$10B**



### Korea

F414 ... **\$3B**



### Sweden

F414 ... **\$2B**



### Turkey

F414/F110... **\$3B**

## Leveraging technology for upgrades

### Black Hawk/Apache

**9,100** engines

### KC-135

**1,515** engines

### B-1B Lancer

**294** engines

### Super Hornet/Growler

**1,730** engines

## Defining next-gen propulsion

### Rotorcraft

**\$20B**

*\$102M under design contract*



### Advanced combat

**\$100B**

*\$1B under contract*



### Heavy lift

**\$15B**

*In production*



# A great GE business

- That invests and delivers
- Unprecedented growth ... installed base and services backlog
- A commitment to technology leadership
- Investments in all segments securing product positions
- Digital & Additive ... new frontiers for GE's industry leadership
- Built on a simple, competitive cost structure

