



2020 GE Investor Outlook

March 4, 2020

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 appendix of this presentation.

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.



2020 GE Investor Outlook

Agenda

- 1 Overview
- 2 Deleveraging update
- 3 Business updates
 - ✈ Aviation
 - ⚡ Power
 - ✶ Renewable Energy
 - ✚ Healthcare
 - 💰 Capital
- 4 Consolidated financials & wrap-up
- 5 Q&A

Today's Presenters

GE Chairman & CEO, Larry Culp

GE Vice Chair & Aviation CEO, David Joyce

Gas Power CEO, Scott Strazik

Power Portfolio CEO, Russell Stokes

Renewable Energy CEO, Jérôme Péresse

Healthcare CEO, Kieran Murphy

Capital CEO, Alec Burger

GE Investor Relations VP, Steve Winoker



Overview



Key messages

- **Leading technology & service capabilities position GE to take advantage of robust long-term market fundamentals** ... services ~50% of revenue; backlog of \$405B, +15% Y/Y
- **2020 priorities are clear** ... solidify our financial position, continue to strengthen our businesses, & drive long-term profitable growth
- **Lean progress accelerating** ... running GE differently utilizing lean principles; embedded in 2020 outlook & will become more evident through our results over time
- **Tackling headwinds & more to do** ... continued pressure from COVID-19 & 737 MAX grounding; driving operational improvement across all businesses with Renewable Energy a key focus in 2020
- **Confident in GE's capacity to deliver with foundational strengths** ... team, technology, global reach & capabilities

Unlocking & delivering value as multi-year transformation accelerates



2020 overview

Revenues

LSD
(Industrial organic*)

Free cash flow

\$2B to \$4B
(Industrial FCF*)

Margins

0 to 75bps expansion
(Adjusted GE Industrial
organic margin*)

EPS

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

Outlook assumptions

- Lost disposition earnings & cash flows: BP & BKR
- 737 MAX RTS mid-2020 aligned with Boeing ... monitoring
- Focus on Renewables improvement, legacy run-off ongoing
- Continued progress in Power turnaround
- Aviation & Healthcare continued strength; backlog growth
- Capital earnings lower
- Enhanced operational rigor & cost management
- Non-operational cash headwinds diminish, but remain

Key variables

- COVID-19; macro trade environment; interest rates
- 737 MAX RTS, delivery profile & production schedule
- BioPharma timing of deal closure^{a)}
- Renewables: projects performance, working capital
- Monitoring insurance testing (not included in 2020 outlook)

Positive trajectory heading into 2020, despite areas of uncertainty



* Non-GAAP Financial Measure
(a - BioPharma expected to close 1Q'20; final timing subject to regulatory approvals & other closing conditions)

Focus: COVID-19 as of today

GE priorities

- Committed to the health, safety, & security of our employees
- Ensuring business continuity with customers & suppliers
- Supporting medical equipment needs in affected areas

GE operations

- Full-scale, global preparation under way & continuous monitoring
- ~18K employees in China; ~2K in Hubei province
- China represents ~9% of annual Industrial segment revenues ... important market for GE; ~10% GECAS exposure

GE supply chain

- All but 2 China sites restarted after extended Chinese New Year
- Reduced operating capacity at GE & supplier shops ... tracking demand & supply chain impacts daily

Near-term view of GE impact

China & ROW air traffic demand impact

- GE fleet departures in China down ~60%^{-a)}
- Reduced services billings
- Monitoring airline credit profiles

China commercial demand impact

- Primarily HC; some Power & Renewables

Supply chain impact in all businesses

- HC near term, longer-cycle BUs over time

Impact - too early to assess full-year 2020

- Estimated \$(0.3)-\$(0.5)B FCF* & \$(0.2)-\$(0.3)B operating profit impact in 1Q
- Impact embedded in 1Q estimates of ~\$(2)B FCF* & ~\$0.10 adjusted EPS*

Situation is fluid, monitoring closely ... COVID-19 impact not included in full-year 2020 outlook beyond 1Q



* Non-GAAP Financial Measure

(a - based on FlightAware departure data on GE fleet from Jan 21, 2020 to Feb 28, 2020)

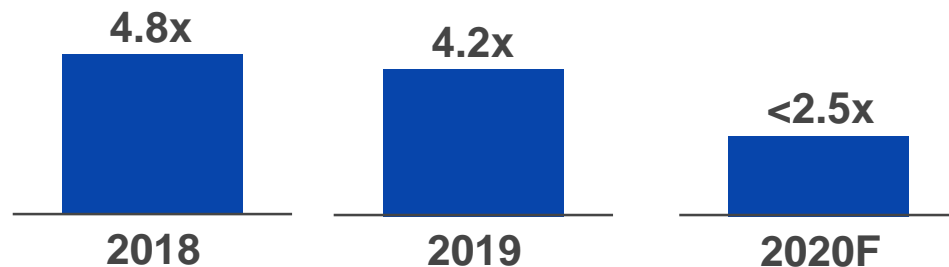
Deleveraging update



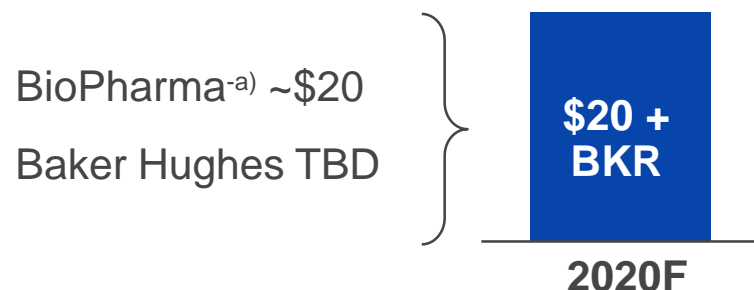
Improving our financial position: GE Industrial deleveraging

(\$ in billions)

Leverage: net debt* / EBITDA*



Sources of cash



2020F actions

- Plan to complete remaining deleveraging actions in 2020

GE Pension Plan contributions	\$4-5
Intercompany loans	12
External maturities	1
Additional actions	~5
	~\$23

- Evaluating additional actions ... balance deleveraging impact, economics, risk mitigation, optimal capital structure
- Monitoring interest rates; COVID-19

Continue to target <2.5x net debt* / EBITDA* in 2020



* Non-GAAP Financial Measure
(a - BioPharma expected to close 1Q'20; final timing subject to regulatory approvals & other closing conditions)

Business updates





Aviation - key messages

- Total backlog at record high of ~\$273B ... up 22% in 2019
- Commercial portfolio secured for the future ... GE9X in flight test on Boeing 777X
- Growing military business ... generational wins with strong growth in technology programs
- 737 MAX ... supporting safe return to service in mid-year time-frame
- LEAP production capacity reduced & reallocated ... ~1,400 engines to deliver in '20 & growing in outyears
- COVID-19 affecting global travel ... impact in '20 due to slowdown in hours flown & material demand

Strong fundamentals ... managing short-term challenges





Aviation - outlook

	<u>2019</u>	<u>2020F</u>	<u>2021F</u>
Revenue:	\$32.9B	LSD*-a)	Growing*-a)
Segment margin:	20.7%	~20%	Flat to growing*-a)
Free cash flow*:	\$4.4B	Flat to up	Up

2020

- Anticipating slight contraction in demand with strong underlying fundamentals for air travel
- Military revenue growing low double digits
- Certainty on LEAP-1B cash flow & production
- Aligning cost structure with revised production plans while protecting our ability to ramp

2021+

- Demand for air travel & strength of installed base drives aftermarket growth
- LEAP production ramp accelerates
- GE9X enters airline service
- Continued military growth in production, development & services

Strengthening our industry leadership & delivering on our commitments



* Non-GAAP Financial Measure
(a - Organic basis)



Aviation - free cash flow*

(\$ in billions)

	<u>2019</u>	<u>2020F</u>
Net earnings ex D&A	\$6.3	Up
Working capital	(1.8)	Better
Contract assets	0.6	Lower
Other CFOA	0.4	Lower
CFOA	\$5.6	Flat to up
Gross Capex	(1.1)	Better
FCF*	\$4.4	Flat to up

2020 dynamics

- Working capital improvement driven by collections for LEAP-1B & lean inventory management
- Contract assets decline due to reduced air travel
- Other CFOA down primarily driven by timing of discount & allowance payments
- Capex reduced as a result of lower MAX installed base & monthly production rates

Portfolio fundamentals support long-term free cash flow* growth



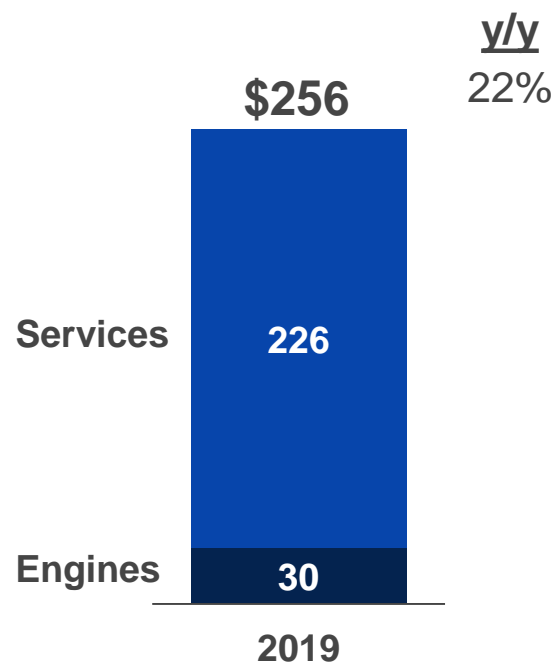
* Non-GAAP Financial Measure
Refer to page 47 for additional information on free cash flow components

Focus: Commercial outlook

(\$ in billions)



Commercial backlog



Financial highlights

Sales		Services Performance	
	\$24.2	~Flat	
Services	15.2	MSD	<ul style="list-style-type: none">MSD growth driven by CFM & GE90Strong growth continues over a five-year forecast horizon
Engines	9.0	Down DD	<ul style="list-style-type: none">GEnx & LEAP shop visits growing double digit over the same time period
	2019	2020F	
Installed base	37.8K	~40K	
WWSV ^(a)	~5.4K	~LSD	
Production units	~2.9K	Down DD	
Production			
<ul style="list-style-type: none">~1,400 LEAP 2020 deliveriesReallocate capacity to delinquency and growth in military & commercial			



(a - World-wide shop visits ex-LEAP)

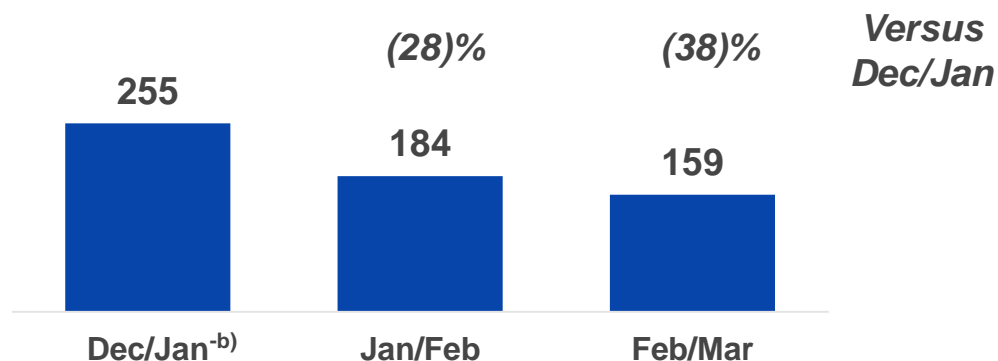
Focus: watch list items

(\$ in billions)

COVID-19 impact

IATA APAC RPK forecast^{a)}

Billion RPKs per month (seasonally adjusted)



- Dramatic contraction in demand in APAC after COVID-19
- APAC air travel demand now 35% of global air traffic
- Estimated ~\$(0.2) - (0.3)B FCF* impact in 1Q'20

737 MAX impact

- Payment terms secured with Boeing on 2020 deliveries & parked aircraft
- Production volume secured for 2020 & 1H'21 and communicated to suppliers
- Plan in place to realign cost base, capex & capacity
- CFM ready to protect future ramp ... mid-term targets reassessed after return to service

Experienced team ... closely monitoring COVID-19 & managing through 737 MAX dynamics



* Non-GAAP Financial Measure

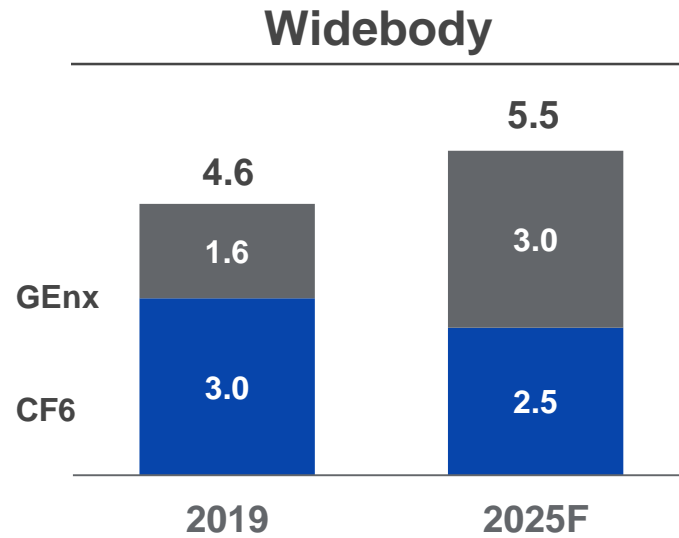
(a - Source: IATA COVID-19 initial impact assessment February 20th, 2020

(b - Baseline month, prior to impact per IATA forecast

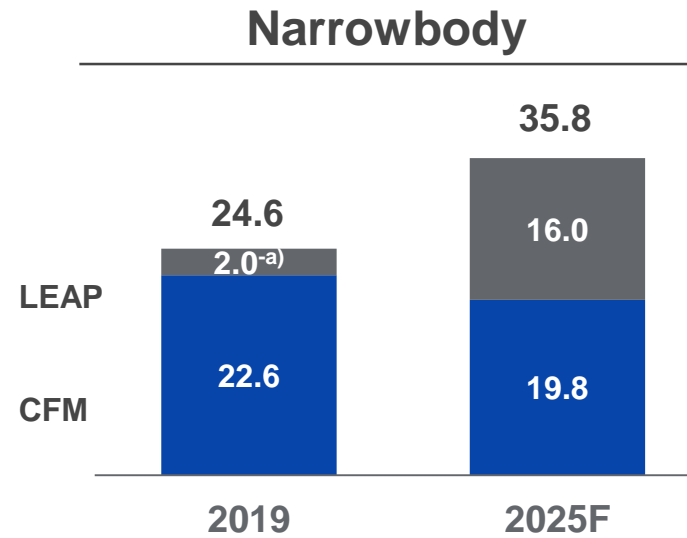


Focus: commercial portfolio transition to next gen

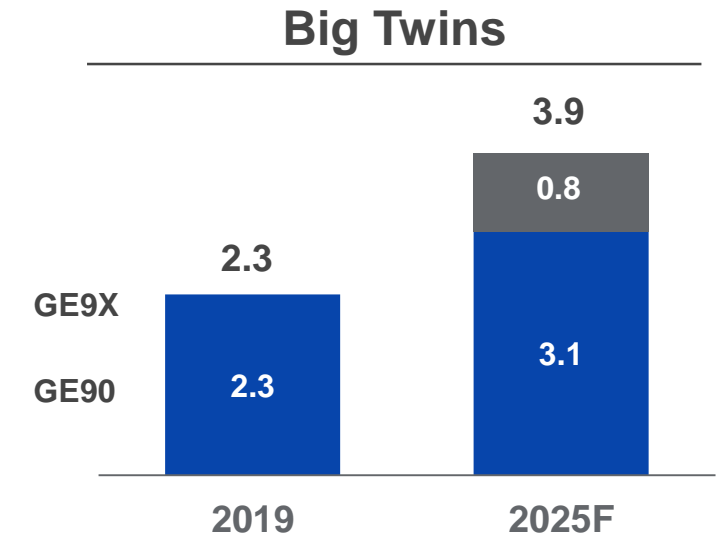
(Installed base - units in thousands)



- 2,590 orders & commitments^{-b)}
- 13% better utilization^{-c)}
- Ranked #1 by lessors^{-d)} ... \$1.6M residual value advantage^{-e)}



- 19,000+ orders & commitments^{-b)}
- 6% higher utilization^{-c)}
- Ranked #1 by lessors^{-d)} ... \$1.4M residual value advantage^{-f)}



- 700+ orders & commitments^{-b)}
- 5% better fuel efficiency vs. any engine in class
- Engine certification in 2020

Delivering on our commitments to our customers & our investors



(a - 2019 LEAP-1B installed base includes grounded A/C but not undelivered units in storage

(b - Cirium database plus spares

(c - 6 month rolling average per UBS as of mid-April '19

(d - Airfinance Journal as of April '19

(e - Cirium database for GEnx & LEAP

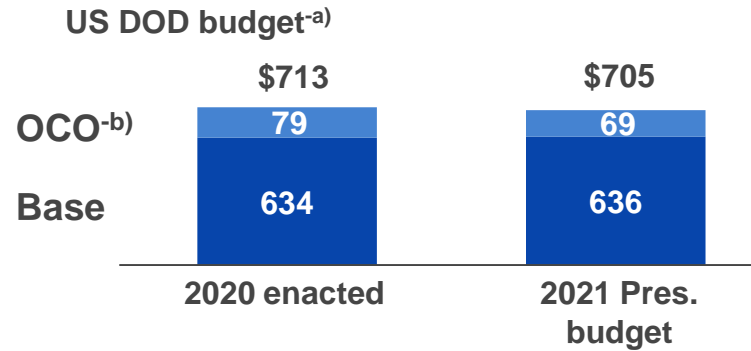
(f - Cirium data based on a LEAP-1A ship set comparison (2 engines)



Focus: Military outlook

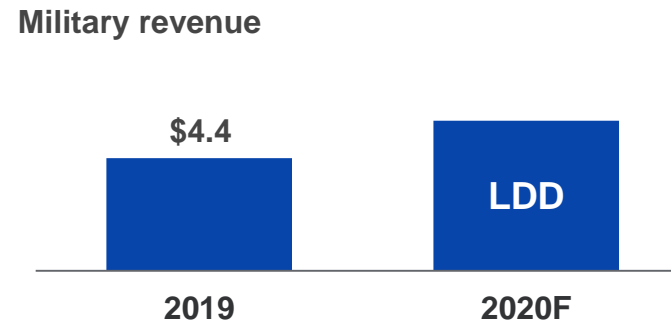
(\$ in billions)

Budget dynamics



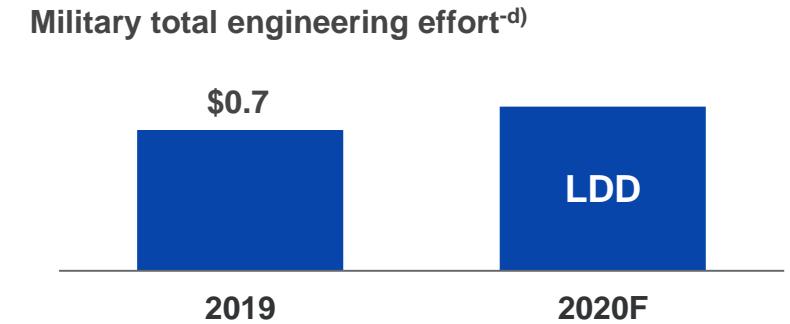
- 2% growth in research & technology (RDT&E)
- Flat growth for operations & maintenance ... procurement down 4.8%
- International defense budgets also increasing ~3%^{c)}

GE revenue outlook



- '19 revenue \$4.4B, \$(0.3)B lower than forecast driven by capacity constraints
- '20 delinquency reduction through utilization of LEAP capacity
- MSD growth on core engine production
- Investing in new upgrades to grow aftermarket spares/services

Generational competitions



- ✓ Next gen Apache & Black Hawk (T901) ... \$0.5B development ... \$20B life of program
- ✓ Next gen trainer (F404) ... \$5B life of program
- Next gen combat engine (XA100) ... ~\$50B opportunity
- Advanced development programs ... ~\$35B opportunity

Strong 2020 & reaffirming growth for Military business through 2025



(a - DoD comptroller FY2021 budget request
(b - Overseas contingency operations
(c - Forecast International
(d - Includes GE & externally funded R&D

Power - outlook



	<u>2019</u>	<u>2020F</u>	<u>2021F</u>
Revenues:	\$18.6B	LSD ^{*-a)}	~Flat to LSD ^{*-a)}
Segment margin:	2.1%	Expanding ^{*-a)}	Expanding ^{*-a)}
Free cash flow*:	\$(1.5)B	Better but negative	Positive

2020

- Stable new unit gas segment w/ higher equipment revenues from B/L
- Improving outage execution & cost out to expand services margins
- Fixed cost* out & FCF* improvement in Gas
- Managing through COVID-19 volatility
- Portfolio: optimizing cost structure including right-sizing footprint, further improving operations, managing project settlements

2021+

- Continued focused on underwriting, cost out & project management
- Investing in customer solutions, execution for increased productivity, & further installed base penetration
- Lean progress takes hold ... operational improvements & productivity
- Portfolio: right sizing & continued value creation

Progress in 2019 with further operational improvements expected 2020+



* Non-GAAP Financial Measure
(a - Organic basis)



Gas Power - key messages

- Signs of progress across the business: cost, margins, cash ... still early but encouraging
- Gas turbine segment stabilizing ... gas most accessible, dependable, economic complement to renewables
- Services performing as expected ... stable contractual book, margin growth in transactional, upgrades down but stabilizing
- Fixed cost* out on track ... (10)% in '19, with incremental (10)% in '20 ... \$2.8B fixed cost* structure in '20
- FCF* significantly improved in '19 with further improvement in '20 ... return to positive FCF* in '21

Encouraged with year 1 results in multi-year turnaround ... more work ahead



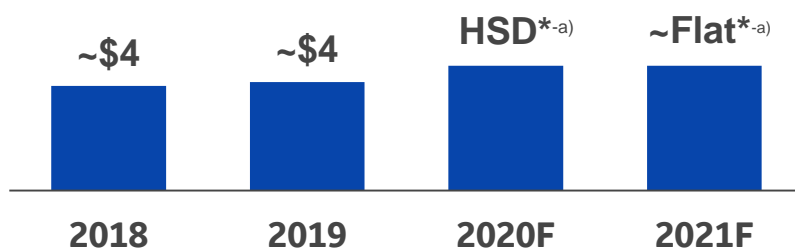
* Non-GAAP Financial Measure

Gas Power - business dynamics

(\$ in billions)

Equipment

Revenue



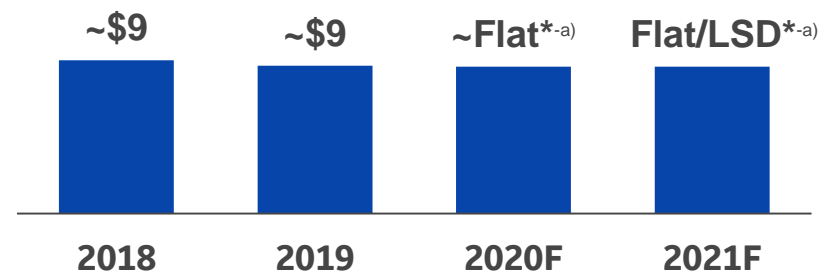
'20-'21 margin outlook

Expanding

- Technology well positioned for industry demand
- Projects stabilized in '19, confident of accreting margins on backlog entering '20
- Supply chain momentum on lean ... more steady output projected in '20 & '21 relative to prior years

Services

Revenue



'20-'21 margin outlook

Expanding

- Valuable \$55B contractual backlog with steady utilization, margins, & cash flow ... focused on outage planning & execution
- Transactional margin expansion on track with pricing & cost actions ... topline flat but further installed base penetration a focus
- Upgrades down in '19 as expected, increasing investment to remain provider of choice & enable customer & fleet competitiveness

Building foundation to deliver HSD Op profit margins & positive FCF* by 2021

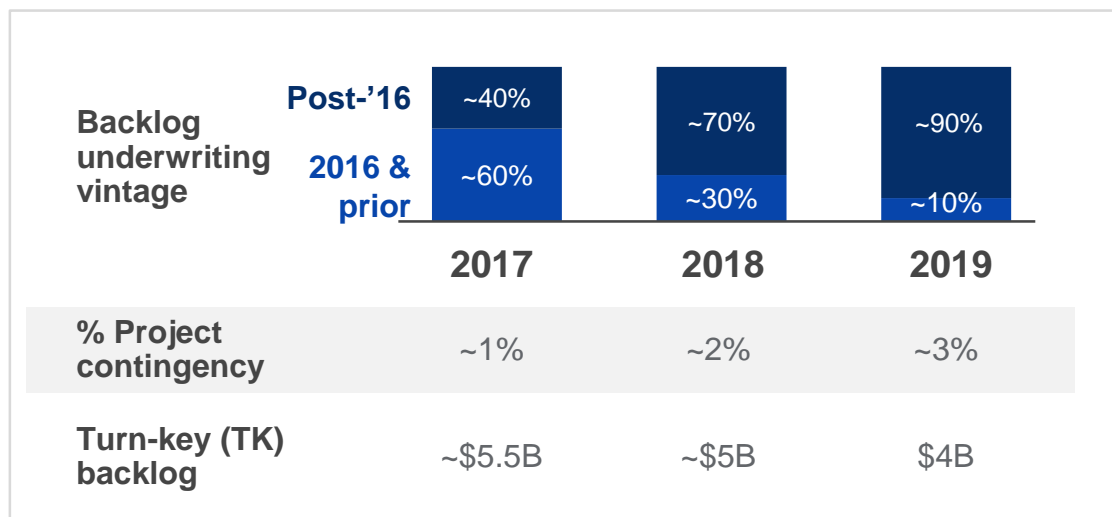


* Non-GAAP Financial Measure
(a - Organic basis)

Focus: Gas Power equipment project backlog



Backlog evolution



- ✓ New deal underwriting implemented in '17
- ✓ Depleting turn-key backlog; more power islands in new projects mix
- ✓ Calibrating risk on extended scope ... contingencies built-in

Progress

Team: strengthened central projects expertise & regional leadership ... earlier engagement throughout deal lifecycle

Underwriting: implemented standard work procedures governing costing, EPC partner underwriting & financial returns

Execution discipline: focused on customer quality & delivery ... standard monthly project reviews & performance metrics

Margin expansion: culture of product & project cost-out

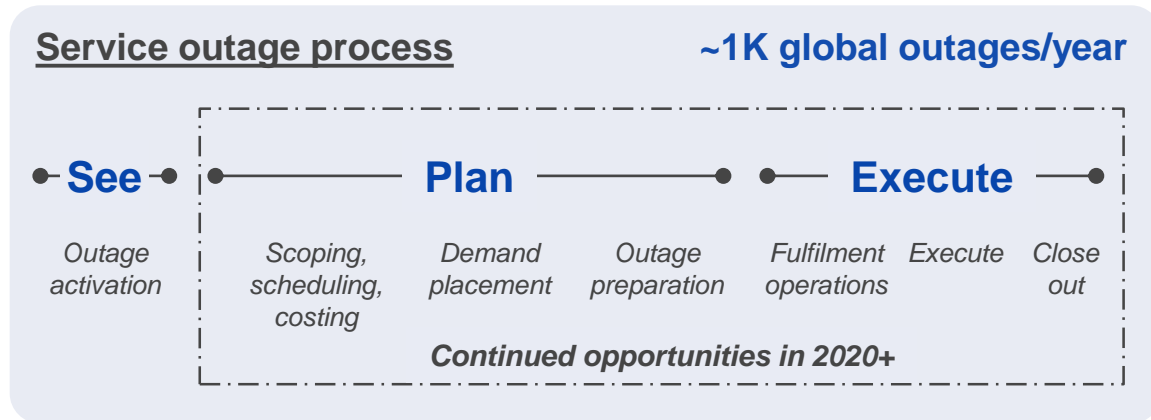
Stabilized, lower-risk project backlog



Focus: lean as an enabler to service competitiveness



'19 improvement & outcomes



- ✓ **See** ... ~100% 24 month outage visibility
- ✓ **Plan** ... ~27 pts improvement in contractual outage preparation
- ✓ **Execute** ... ~34 pts improvement contractual parts on-time delivery
~35-50% repair cycle improvement on 2 lean lines

'20 focus areas

Strengthen planning & execution on contractual book ...
expand improvements to Transactional

Plan ...

Scope: Engineering led scope assessments 18 months prior to outage

Resources: formal crew capability assessment ahead of outage

Execute ...

Repair: implement 10 lean lines representing ~30% of global activity

Focus on 'field': putting the operator at the center ... live escalation mechanism for field teams

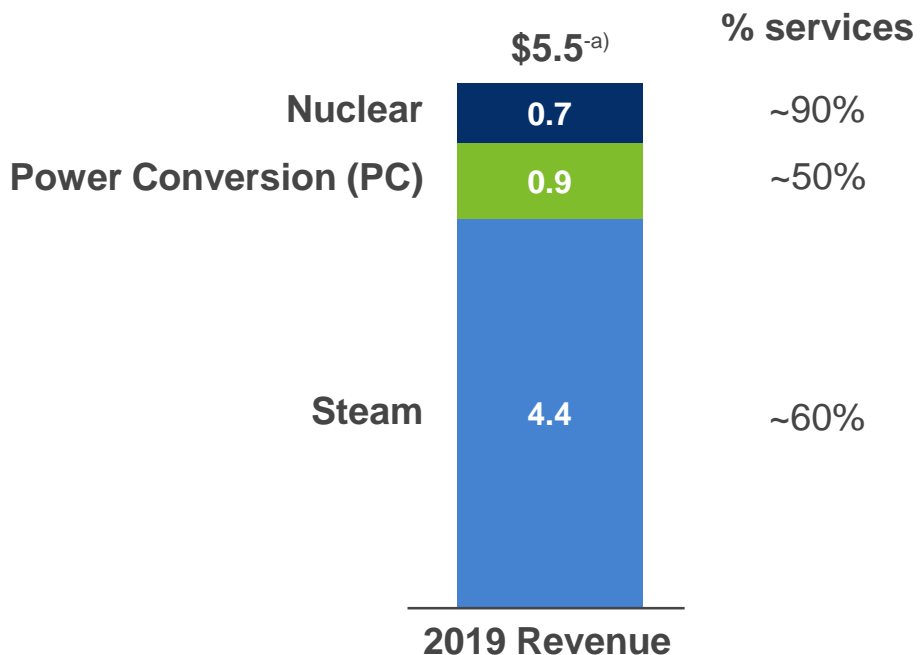
Close-out: incorporate lessons learned, drive continuous improvement

Continued focus on performing better for our customers



Power Portfolio - business dynamics

(\$ in billions)



- Organic revenue* & margin* in 2020: up for PC, down for total Power Portfolio driven by project timing
- FCF* down vs '19: managing project settlements while driving sustainable operational FCF* improvements

Business dynamics

Steam Power

- Right sizing for market outlook ... already shifted footprint to Asia
- Stable services outlook ... capture greater portion of installed base
- Growing Nuclear backlog ... competitive steam turbine technology

GE Hitachi Nuclear

- Strong execution ... growing services outage backlog & fuel bundles
- Supporting customers in reducing nuclear operating expenses

Power Conversion

- Focused sales perimeter ... system & solution sales in key domains
- Reducing fixed cost* while delivering material & labor productivity
- Driving operating improvements through lean ... quality, on-time delivery

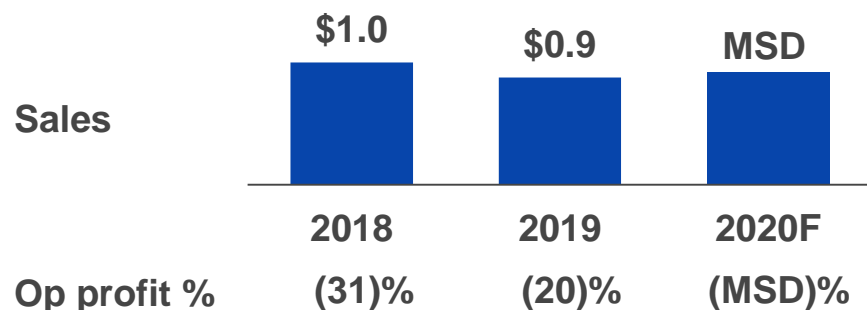
Better line of sight into these businesses ... right sizing & continued value creation



* Non-GAAP Financial Measure
(a - also includes \$(0.5) HQ/other

Focus: Power Conversion

(\$ in billions)



Path to profitability and improved cash conversion

Sales perimeter: exited non-profitable segments & re-focused on profitable MV solutions in Marine, O&G, Industry

Cost out & cash flow: consolidated footprint with cost actions; working capital improvements

Operational improvement: applying lean principles to ↑ quality, ↑ customer on-time delivery, ↓ margin erosion

Lean: enabler to operational improvements

Organization-wide engagement ... driving safety, quality, delivery

Actions to date

Campinas, Brazil motor factory

- ✓ Multiple lean Kaizen events
- ✓ Daily Gemba reviewing 21 boards

2019 results

Machine uptime: Jan: 76% → Dec: 92%
On-time delivery: Jan: 0% → Dec: 55%
Over-dues: Jan: 105 → Dec: 17 units

Go forward expectations

Nancy, France motor factory

- ✓ Kaizen event Jan '20
- ✓ Daily visual management

Coil press change-over: 2 hrs → 15 mins
Identified ~20% reduction in labor hours
Developed plan to ↓ lead-time 7 weeks

Plan for '20

- Ramping Kaizen events across 5 locations: OTD^{a)} > 90%, 4%+ labor productivity
- Product platforming to drive simplification, improved cost & delivery cycle times

Executing on our strategic imperatives to return to profitability in 2021



(a - On-time delivery)



Renewable Energy - key messages

- Renewable Energy market will remain a tailwind ... capacity additions in solar, wind, new technology will continue to reduce levelized cost of energy
- Three distinct operating dynamics ... Onshore Wind, Offshore Wind, Grid/Hydro
- Leadership team focused on operational rigor, cost control, & cash discipline
- Product cost-out, services growth, & execution will improve Onshore Wind margins
- Comprehensive portfolio ... generation, storage, & transmission capabilities for baseload solutions


Focused on delivering profitable growth & executing turn-arounds



Renewable Energy - three operating dynamics




Core: Onshore + LM

~\$10B

'19 Revenue

'20 - '21F trends		
	Revenues	Op profit%
'20	Up	Expanding
'21	Flattening	Expanding

- Deliver volume, services penetration, margin improvement

Future growth: Offshore

~\$0

'19 Revenue

'20 - '21F trends		
	Revenues	Op profit%
'20	Up	Improving
'21	Up	Improving

- Haliade-X prototype running, ~5GW commitments to date

Turnarounds: Grid & Hydro

~\$5B

'19 Revenue

'20 - '21F trends		
	Revenues	Op profit%
'20	Down	Improving
'21	Flattening	Improving

- New leadership teams, right-sizing to remain competitive, stronger project execution

Expect margins to improve with better execution & Grid and Hydro turnarounds



Renewable Energy - outlook



	<u>2019</u>	<u>2020F</u>	<u>2021F</u>
Revenue:	\$15.3B	LSD ^{*-a)}	Up ^{*-a)}
Segment margin:	(4.3)%	Improving ^{*-a)} but negative	~Break-even
Free cash flow*:	\$(1.0)B	Lower	Better, but still negative

2020

- Deliver volume & expand margins in Onshore Wind (US PTC & non-U.S.)
- Mitigate COVID-19 impact on global supply chain
- Convert Offshore commitments (~5GW), attain type certification for Haliade-X
- Turnaround Grid & Hydro; new leadership team, right sizing, & stronger project execution

2021+

- Grow services penetration in all businesses & drive productivity
- Continued cost productivity & SG&A reduction
- Onshore wind international growth offsets post-PTC
- Targeting ~\$2B Offshore sales with positive profit & FCF* mid-term
- Grid & Hydro get to break-even near term, then grow

Operational improvements lead to strong profitable growth

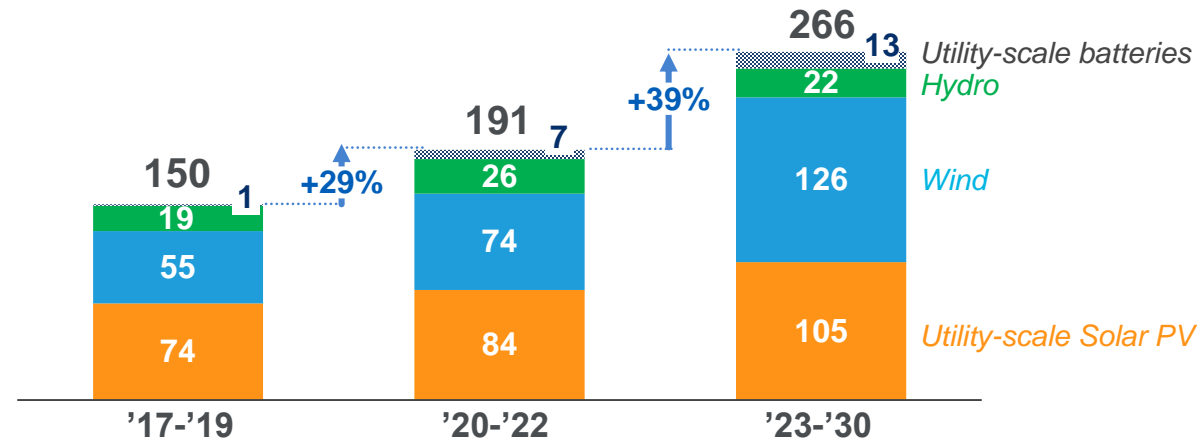


* Non-GAAP Financial Measure
(a - Organic basis)

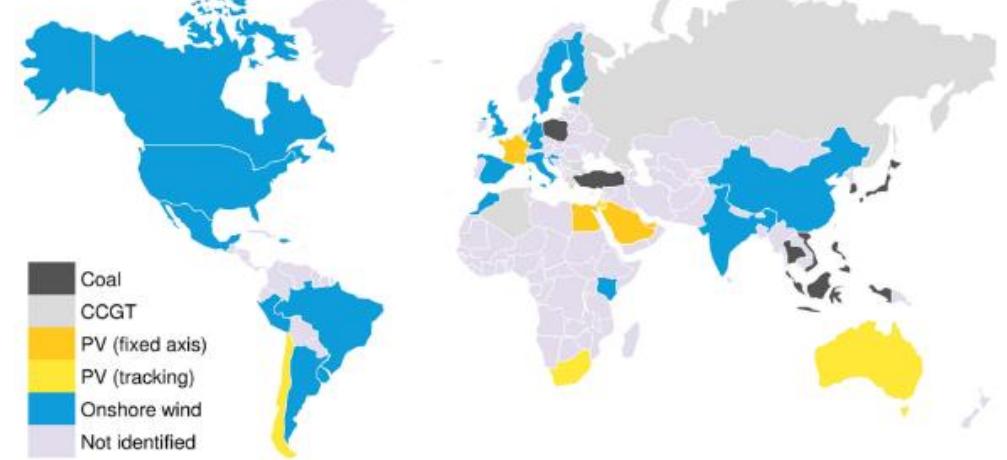
Renewable Energy - market environment

Global Renewables capacity additions^{-a)}

In Avg. GW/Year



Onshore Wind & Solar, '19 LCOE advantage^{-b)}

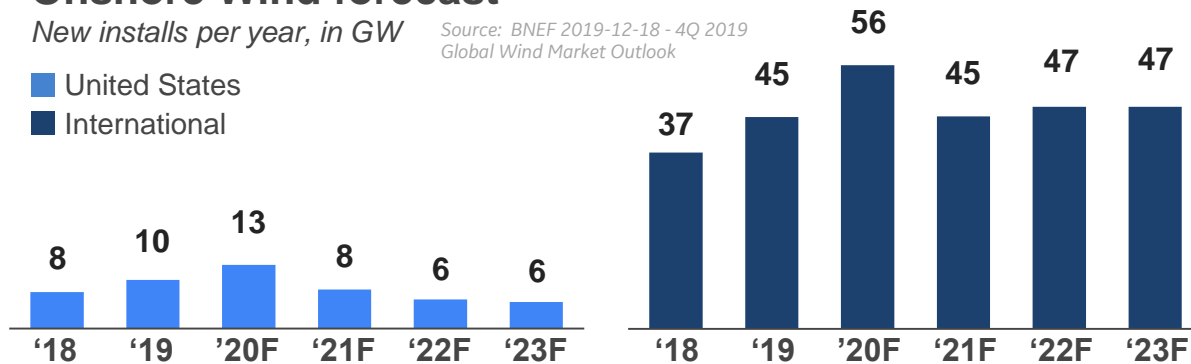


Onshore Wind forecast

New installs per year, in GW

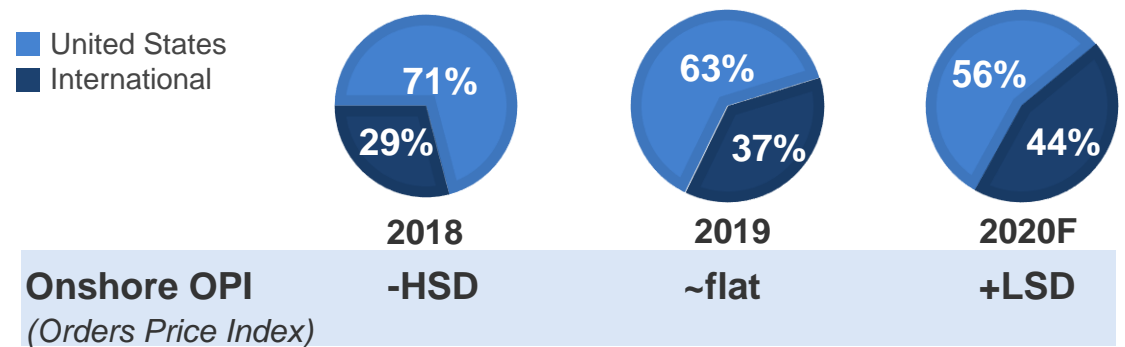
Source: BNEF 2019-12-18 - 4Q 2019
Global Wind Market Outlook

United States
International



GE Onshore Wind orders (GW ordered)

United States
International



Growing, globalizing, stabilizing



(a) - Source: Bloomberg New Energy Outlook NEO19 - June 2019. Utility scale Solar >1 MW

(b) - Source: Bloomberg NEF. Note: based on levelized cost of electricity. Reflective of benchmark project for each technology financed in the last six months. CCGT: combined-cycle gas turbines. Excludes subsidies and tax-credits.

Focus: Haliade-X 12MW ... world's most powerful turbine



The right turbine at the right time

- Offshore wind industry expected to reach 100 GW installed base by 2025/2026; 10GW+ per year going forward^{a)}
- Haliade-X 12MW creating customer value:
 - First turbine above the 10MW threshold
 - Industry leading capacity factor (63%^{b)})
 - First 60+ GWh gross annual energy production turbine
- Almost 5GWs in commitments won in 2019:
 - Orsted selected Haliade-X as the preferred wind turbine for 120MW Skipjack & 1.1 GW Ocean Wind projects (total 1.2 GW)
 - Equinor-SSE selected it for Dogger Bank 1, 2 & 3 (total 3.6 GW)
- Haliade-X prototype installed in Oct '19; targeting 2H full type certificate
- Targeting cash positive mid-term with strong growth potential

Turbine launch proceeding as planned, strong commercial reception, generating revenue 2021+



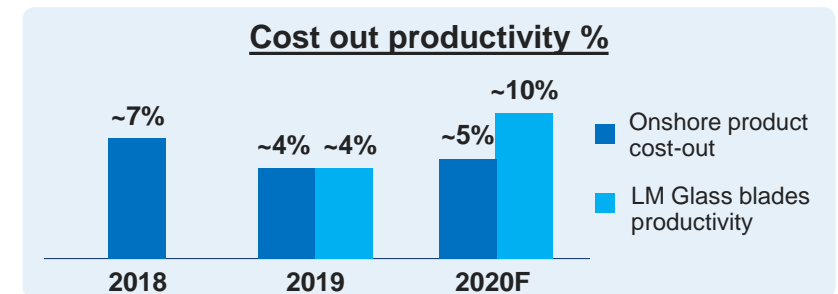
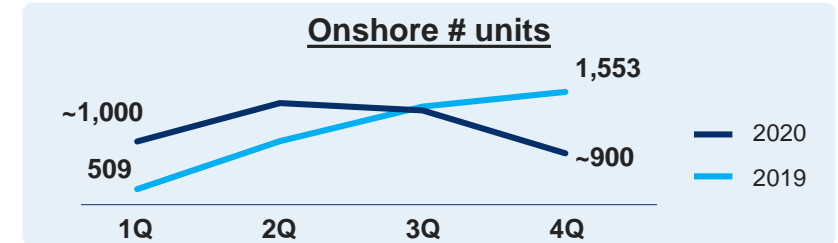
(a - Source: BNEF 1H2019 Offshore Wind Market Outlook
(b - Typical North Sea conditions)

Focus: 2020 execution

(\$ in billions)

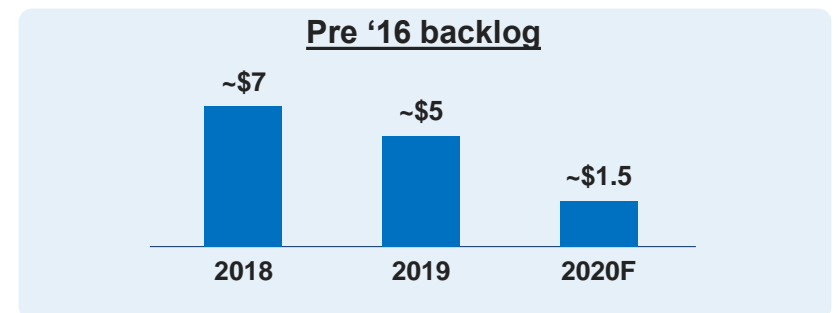
Onshore Wind: deliveries & product cost-out

- Robust fulfillment process (logistics/C&I), blade volume
- Quarter-over-quarter 2019 improvement of deliveries & predictability
- Continued focus on total product cost-out (including blade productivity)
- Improving customer experience, on-time delivery, reducing cost-of-poor quality
- Focus on services productivity ... installed base penetration, deploying lean initiatives, repower focus
 - Targeting HSD services productivity in 2020, up from ~2% in '19



Grid/Hydro: project execution & right-sizing footprint

- New Project Management Office strengthens deal approval & risk review processes
- On average, achieving as-sold margins for Grid/Hydro projects booked since '17
- Significant reduction in low-margin pre-2016 deals



Renewable Energy - free cash flow*



	<u>2019</u>	<u>2020F</u>
Net earnings ex D&A	\$(0.5)	Better
Working capital	0.9	Lower
Contract assets	(0.5)	Better
Other CFOA	(0.4)	Lower
CFOA	\$(0.5)	Lower
Gross Capex	(0.5)	Better
<hr/>		
FCF*	\$(1.0)	Lower

2020

- Onshore Wind North America down due to PTC cycle:
 - Accelerated sales profile driving earlier build & higher disbursements
 - Lower progress collections on higher revenue & lower orders
- Onshore Wind Int'l. ~flat ... investing for '21 growth
- Offshore Wind better ... lower NPI spend
- Grid/Hydro up ... further opportunity to improve Grid working capital (payment terms, past dues)

2021

- FCF* better but still negative as US onshore working capital cycle normalizes & earnings improve

PTC-related dynamics in Onshore more than offsets FCF* improvement in other businesses



* Non-GAAP Financial Measure
Refer to page 47 for additional information on free cash flow components



Healthcare - key messages

- World-class Healthcare Systems & Pharmaceutical Diagnostics businesses ... strong franchise
- Market fundamentals & Precision Health ... focused on accelerating growth
- Leading global medical technology & digital solutions innovator ... investing for the future
- Near to mid-term opportunities for operating margin & FCF* growth ... deploying lean across the business

Significant opportunity for value creation



* Non-GAAP Financial Measure

Healthcare - outlook



	<u>2019</u> (includes BP)	<u>2020F</u> (assume BP closes 1Q'20 ^{-a)})	<u>2021F</u> (excludes BP)
Revenues:	\$19.9B	LSD ^{*-b)}	Growing ^{*-b)}
Segment margin:	19.5%	Up (ex-BP) ^{* -b)}	Expanding ^{*-b)}
Free cash flow [*] :	\$2.5B	Up (ex-BP)	Up

2020

- U.S. & EU stable; emerging markets more variable
- COVID-19: responding to needs, rebalancing supply chain, also helps accelerate tariff mitigations
- Continued productivity: product & service cost, SG&A
- Increased R&D spend driven by digital solutions
- FCF^{*} up (ex-BP) driven by income, working capital & non-repeat of supply chain finance & monetization reductions

2021+

- LSD to MSD market growth
- Expanding R&D investment
- Organic margin expansion* 25 - 75 bps per year driven by product/service cost out & G&A leverage
- FCF^{*} conversion^{*-c)} 85% - 95% of net income*

Leading global med-tech company; uniquely positioned to win in precision health



* Non-GAAP Financial Measure

(a - BioPharma expected to close 1Q'20; final timing subject to regulatory approvals & other closing conditions

(b - Organic basis

(c - FCF^{*} conversion*: segment FCF^{*} / segment net income, adjusted to include restructuring expense

Focus: key updates since RSNA



Delivering on priorities

- ✓ Investing in sales force, visibility: US & China
- ✓ Launched 31 NPIs at RSNA with 61 in '19
- ✓ Launched 18 new Edison™ apps
- ✓ Localizing products in China: MR, CT, X-ray
- ✓ Improving on-time installation & delivery
- ✓ Multiple lean AWOs: ↓ U/S lead time, ↓ LCS scrap, inventory Kanban in MR, order-entry
- ✓ Delivering efficiencies in structure & G&A



Responding to COVID-19

- 1. Ensuring safety** of our employees & partners
 - Daily monitoring of 7k+ employees in China
 - Personal protection and enhanced protocols
- 2. Delivering on China's needs**
 - Donated equipment & consumables
 - Reprioritizing global supply to meet local needs
 - Factories running throughout Chinese New Year
 - Service/sales throughout country 24/7
- 3. Securing supply for China & world**
 - Accelerating NPIs in China: “Green Channel”
 - Expanding local manufacturing capabilities
 - Diversifying supply base, dual sources

GE Capital - outlook

	<u>2019</u>	<u>2020F</u>	<u>2021F</u>
Reported assets ex. liquidity*	\$102B	~\$105B ^{b)}	Up
Continuing earnings ^{*-a)}	\$0.1B	\$(0.3) - \$(0.5)B	~Break-even
Total debt	\$59B	~\$55B	Lower
Liquidity	\$19.4B	~\$14B	Lower
Debt/Equity	3.9x	<4x	<4x

2020

- Continue to support industrial ... \$5B+ enabled orders in '20
- Continuing income lower driven by lower asset base/gains
- Strong liquidity ... lower driven by maturities, reduced sales
- GE parent support required in line w/ insurance stat funding
- Managing through COVID-19 volatility
- Drive lean culture across Capital businesses

2021+

- EFS maintains support for GE Power & Renewable Energy
- GECAS continues to generate strong earnings & returns
- Continuing income targeting to be break-even or better
- Insurance portfolio ... driving operational improvement; performance in line with rebuilt claim curves
- Maintaining leverage below 4x debt/equity

Improved outlook reflects simpler, more focused GE Capital



* Non-GAAP Financial Measure

(a - Continuing earnings excludes Insurance premium deficiency test & the 2019 tax reform impact

(b - Reported assets of ~\$119B including discontinued operations, less liquidity of ~\$14B

Focus: GECAS

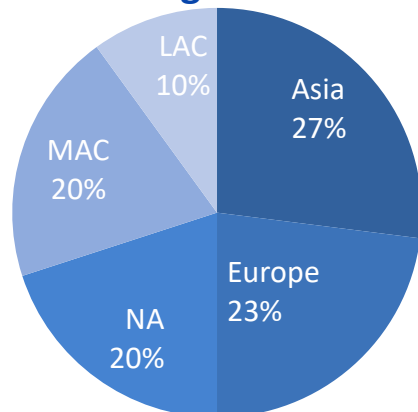


	<u>2019</u>	<u>2020F</u>
Earnings	\$1.0B	\$0.9 - \$1.0B
Reported Assets	\$38.0B	\$38 - \$39B

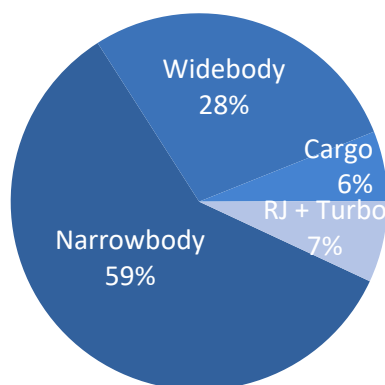
Portfolio Highlights

- Large & diversified asset portfolio (~59%^{-a)} narrowbody)
- ~220+ global customers & strong deployment capabilities
- Average operating lease aircraft age ~6.8 years

Region



Assets^{-a)}



Key dynamics

- **MAX grounding** ... minimal impact to 2020 profile, experienced team working to optimize outcome
- **Robust market liquidity**... numerous new entrants; GECAS maintaining returns on new business & strong execution on asset sales
- **COVID-19** ... closely monitoring credit impacts; seasoned team managing through industry disruptions

World class team & attractive asset class delivering strong returns



(a - % relates to commercial aircraft book only (\$26B)

Focus: North American Life & Health



Actively managing the business

- Strategic additions to management team to complement existing leadership expertise & experience
- Driving premium rate increases ... achieved statutory approval for increases of 11% in 2019 across our primary ceding companies
- New investment strategy partially offsetting impact of lower interest rates ... ~\$2B re-allocated, moving towards portfolio risk that will be in line with peers
- Clear communication of results & transparent disclosures; leveraging external experts in evaluating portfolio
- Continuing to explore options to further reduce risk

Insurance update

- Claim curves rebuilt in 2017 continue to hold
- 2019 GAAP premium deficiency test resulted in \$0.8B non-cash after-tax charge driven by lower discount rates
- Statutory cash flow test completed with minimal incremental impact to the permitted practice; \$2.0B funded in 1Q'20

Statutory cash flow test driver

Impact on capital contribution

Interest rates	-
Investment portfolio	+
Premium rate increase	+
Claims/other	+
Net impact	~\$(0.1B)

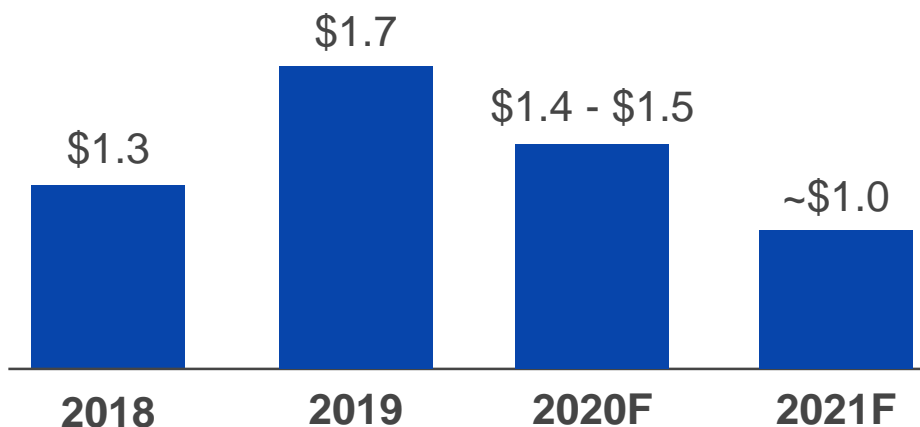
Focused on driving economic value and reducing risk across the portfolio



Corporate - outlook

(\$ in billions)

Adjusted Corporate operating costs*



Functions: e.g. central HQ, IT, HR, Finance, ~8k headcount

Operations: Digital & Lighting businesses, ~5k headcount

Eliminations: consolidation impact of intercompany sales

EHS & Other: primarily legacy site remediation costs

Efforts continue to reduce cost

- Functions & operations cost down 8% in 2019
- ~8,500 headcount transferred from Corporate since Jun '18 ... third-party contracts signed at each BU & under their control (e.g. Genpact); empowering business units to retain or eliminate costs
- Adjusted Corporate operating costs* expected to be lower ... Digital improvement, elims, functional cost
- Corporate focus to remain on strategy, capital allocation, research, talent, governance

Right-sizing cost structure & accountability ... shifting center of gravity to the businesses



* Non-GAAP Financial Measure

Consolidated financials & wrap-up



Earnings per share

	<u>Adj. EPS</u>	
2019 Adjusted EPS*	\$0.65	
Industrial dispositions	(0.11)	<ul style="list-style-type: none"> Primarily BioPharma
GE Capital	(0.07) - (0.05)	<ul style="list-style-type: none"> Lower base earnings on lower asset profile, less gains
Operations	0.02 - 0.07	<ul style="list-style-type: none"> Power continues to stabilize, Renewables less negative, Aviation up based on mid-year MAX return, better Corporate
Industrial interest & tax	0.01 - 0.04	<ul style="list-style-type: none"> Interest lower post deleveraging; adjusted industrial tax rate high-teens to low-20s
2020F Adjusted EPS*	\$0.50 - 0.60	

	'19 reported	Portfolio changes ^{a)}	'19 revised*
GE Industrial revenue (GAAP)	\$87.7B	\$(4.3)B	\$83.5B
Adj. GE Industrial profit*	\$8.7B	\$(1.2)B	\$7.5B
Adj. GE Industrial profit margins*	10.0%	(1.0)%	9.0%

Industrial dispositions & GE Capital partially offset by stronger operations & lower interest



* Non-GAAP Financial Measure

(a - Impact calculated by adjusting 2019 financial impact of Industrial dispositions net of estimated 2020 financial impact of Industrial dispositions)

Industrial free cash flow* walk

(\$ in billions)



- Improvement from inheritance items/investments incl. LTAR, pension, restructuring
- Working capital better due to MAX payment terms, non-repeat of certain factoring run-offs, offset partially by Renewables PTC cycle reversing
- Other items include higher cash taxes, timing of discount & allowance payments

Segments

- **Power:** continued improvement in projects, earnings, & W/C; inheritance items decrease
- **Renewable Energy:** PTC cycle driven progress reversal in '20; improved earnings & cash profile in Grid & Offshore Wind
- **Aviation:** COVID-19 variability; payment terms secured with Boeing on '20 deliveries & parked aircraft
- **HC:** growth ex-BP at 85-95% conversion^{*-a)}
- **Corp:** lower restructuring, interest, & cost

Continued FCF* improvement in 2020 vs. revised 2019* baseline of ~\$1B^{-b)}



* Non-GAAP Financial Measure

(a - FCF* conversion*: segment FCF* / segment net income, adjusted to include restructuring expense

(b - Calculated by adjusting 2019 FCF* of \$2.3B for the 2019 FCF* impact of Industrial dispositions, net of estimated 2020 FCF* impact of Industrial dispositions (\$1.4B total from Portfolio changes) to arrive at a revised 2019 baseline of \$0.9B

2019-2022 free cash flow* summary

(\$ in billions)

	2019	2020F	2021F	2022F
GE Industrial	\$2.3	\$2 - \$4	Up	Up
Power	\$(1.5)	Better but negative	Positive	Up
Aviation	\$4.4	Flat to up	Up	Up
Renewable Energy	\$(1.0)	Lower	Better, but still negative	Up & positive
Healthcare	\$2.5 ^{-a)}	Up (ex-BP)	Up	Up
Corporate & eliminations	\$(2.1)	Better	Lower	~Flat

Significant improvement 2020+ as we execute on our plan & headwinds diminish



* Non-GAAP Financial Measure

(a - Includes 12 months BioPharma (BP) FCF* of \$1.3B; 2020 outlook assumes BP FCF* for one quarter)

Wrap-up

Priorities are clear

- Solidify our financial position
- Continue to strengthen our businesses
- Deliver long-term profitable growth

Where we're headed

- Unlock & deliver value as lean transformation accelerates
- HSD+ FCF* margins^{*-a)} for Industrial over time

Bedrock of strengths

- Team, technology, global reach & capabilities ... more confident than ever that we can execute

Setting GE up for long-term success



* Non-GAAP Financial Measure
(a - Industrial FCF* / GE Industrial Revenues)

Q&A



Appendix



Other Industrial items

Baker Hughes	• Mark-to-market remaining investment; impact treated as a non-GAAP adjustment to EPS
BioPharma	• Targeting deal close 1Q'20; final timing subject to regulatory approvals & other closing conditions
COVID-19	• Impact to supply chain & commercial; watch item. Impact <u>not</u> included in full-year 2020 outlook
Interest expense	• Down double digits (%) driven by deleveraging (e.g. 4Q'19 tender, interco. loan, 2Q'20 maturity)
Restructuring	• Both expense & cash lower
Gains/losses	• Driven by BioPharma
Non-op benefit costs	• Down double digits (%)
Tax rate	• Adjusted high-teens to low-20s tax rate



2019 free cash flow* by segment

(\$ in billions)

	GE Industrial	Power	Renewable Energy	Aviation	Healthcare	Corporate & eliminations
Net earnings (loss) ex depreciation, amortization, goodwill impairments^{-a)}	\$5.5	\$1.1	\$(0.5)	\$6.3	\$3.7	\$(5.1)
Working capital	(2.8)	(1.0)	0.9	(1.8)	(0.6)	(0.3)
Contract assets	0.1	(0.1)	(0.5)	0.6	-	-
Other CFOA ^{-b)}	2.0	(1.1)	(0.4)	0.4	(0.1)	3.3
Gross Capex ^{-c)}	(2.5)	(0.3)	(0.5)	(1.1)	(0.5)	(0.1)
Free Cash Flow*	\$2.3	\$(1.5)	\$(1.0)	\$4.4	\$2.5	\$(2.1)

* Non-GAAP Financial Measure

(a - Aggregates the following: Net earnings (loss), (earnings) loss from discontinued operations, (earnings) loss from GE Capital continuing operations, depreciation of property, plant & equipment, amortization of intangible assets, & goodwill impairments

(b - Aggregates the following: losses (gains) on sales of business interests, principal pension plans (net), other post retirement benefit plans (net), income taxes (net), & all other operating activities; excludes deal taxes & GE Pension Plan contributions

(c - Includes additions to property, plant & equipment (PP&E) & internal use software



Non-GAAP reconciliations

- Adjusted GE Industrial profit & profit margin
- GE Industrial net-debt
- GE Industrial leverage EBITDA & net-debt/EBITDA ratio
- Adjusted total Corporate operating costs
- Adjusted earnings (loss)
- Adjusted earnings (loss) per share
- GE Industrial free cash flow
- Free cash flow by segment
- BioPharma free cash flow
- Gas Power fixed costs
- GE Capital adjusted continuing earnings & segment assets ex-liquidity
- 2020 operating framework



Non-GAAP reconciliation: adjusted GE Industrial profit & profit margin

(Dollars in millions)	4Q'19	4Q'18	V%	2019	2018	V%
GE total revenues (GAAP)	\$ 24,460	\$ 24,437	- %	\$ 87,719	\$ 89,038	(1%)
GE total costs and expenses (GAAP)	23,917	24,966	(4%)	88,118	111,967	(21%)
Less: GE interest and other financial charges	423	642		2,115	2,415	
Less: non-operating benefit costs	1,144	608		2,828	2,740	
Less: restructuring & other	418	601		1,351	2,832	
Less: goodwill impairments	2	162		1,486	22,136	
Add: noncontrolling interests	(11)	1		6	(130)	
Adjusted GE Industrial costs (Non-GAAP)	21,920	22,952	(4%)	80,343	81,714	(2%)
GE other income (GAAP)	1,023	967	6%	2,200	2,317	(5%)
Less: unrealized gains (losses)	917	(193)		793	-	
Less: restructuring & other	27	(7)		36	(120)	
Less: gains (losses) and impairments for disposed or held for sale businesses	(148)	900		4	1,370	
Adjusted GE other income (Non-GAAP)	227	268	(15%)	1,367	1,068	28%
GE Industrial profit (GAAP)	\$ 1,565	\$ 438	F	\$ 1,801	\$ (20,612)	F
GE Industrial profit margin (GAAP)	6.4%	1.8%	4.6pts	2.1%	(23.1%)	25.2pts
Adjusted GE Industrial profit (Non-GAAP)	\$ 2,767	\$ 1,753	58%	\$ 8,743	\$ 8,392	4%
Adjusted GE Industrial profit margin (Non-GAAP)	11.3%	7.2%	4.1pts	10.0%	9.4%	0.6pts



* Non-GAAP Financial Measure

We believe GE Industrial profit & profit margins adjusted for the items included in the above reconciliation are meaningful measures because they increase the comparability of period-to-period results

Non-GAAP reconciliation: GE Industrial net-debt

(Dollars in millions)	December 31, 2019	December 31, 2018
Total GE short-term and long-term borrowings (GAAP)	\$ 52,059	\$ 62,212
Less: GE Capital short-term and long-term debt assumed by GE	31,368	36,262
Add: intercompany loans from GE Capital	12,226	13,749
Total adjusted GE borrowings	32,917	39,700
Total pension and principal retiree benefit plan liabilities (pre-tax)(a)	27,773	26,836
Less: taxes at 21%	5,832	5,636
Total pension and principal retiree benefit plan liabilities (net of tax)	21,941	21,200
GE operating lease liabilities	3,369	3,868
GE preferred stock	5,738	5,573
Less: 50% of GE preferred stock	2,869	2,787
50% of preferred stock	2,869	2,787
Deduction for total GE cash, cash equivalents and restricted cash	(17,613)	(16,632)
Less: 25% of GE cash, cash equivalents and restricted cash	(4,403)	(4,158)
Deduction for 75% of GE cash, cash equivalents and restricted cash	(13,210)	(12,474)
Total GE Industrial net debt (Non-GAAP)	\$ 47,886	\$ 55,081



* Non-GAAP Financial Measure

a) Represents the total net deficit status of principal pension plans, other pension plans & retiree benefit plans.

In this document we use GE Industrial net debt*, which is calculated based on rating agency methodologies. We are including the calculation of GE industrial net debt* to provide investors more clarity regarding how the credit rating agencies measure GE Industrial leverage.

Non-GAAP reconciliation: GE Industrial leverage EBITDA & net-debt/EBITDA ratio

GE INDUSTRIAL LEVERAGE EBITDA

(Dollars in millions)	December 31, 2019	December 31, 2018
GE earnings (loss) from continuing operations before income taxes (GAAP)	\$ 1,271	\$ (21,100)
Less: Interest and other financial charges	(2,115)	(2,415)
Less: Depreciation and amortization of PP&E and amortization of intangible assets	(3,513)	(4,399)
Less: GE Capital earnings (loss) from continuing operations	(530)	(489)
Less: Non-operating benefit costs	(2,828)	(2,740)
Less: goodwill impairments	(1,486)	(22,136)
Less: Other items(a)	739	815
Add: Disposition related adjustments(b)	282	1,303
Total GE Industrial leverage EBITDA (Non-GAAP)	\$ 11,286	\$ 11,567

GE INDUSTRIAL NET DEBT/EBITDA RATIO

(Dollars in millions)	December 31, 2019	December 31, 2018
Total GE Industrial net debt	\$ 47,886	\$ 55,081
Total GE Industrial leverage EBITDA	\$ 11,286	\$ 11,567
GE Industrial net debt/EBITDA ratio	4.2x	4.8x



* Non-GAAP Financial Measure

a) Other items is mainly comprised of adjustments for other income, long-term fixed operating lease expense & stock-related compensation expense.

b) Includes Transportation's EBITDA in 2018 & the BKR dividend in both 2018 & 2019.

In this document we use GE Industrial leverage EBITDA*, which is calculated based on rating agency methodologies. We are including the calculation of GE Industrial leverage EBITDA* to provide investors more clarity regarding how the credit rating agencies measure GE Industrial leverage.

Non-GAAP reconciliation: adjusted total Corporate operating costs

(Dollars in millions)	2019	2018	V%
Revenues			
Corporate revenues	\$ 1,791	\$ 2,783	(36%)
Eliminations and other	(2,096)	(2,110)	
Total Corporate Items and Eliminations	(305)	673	U
Operating profit (cost)			
Gains (losses) on disposals and held for sale businesses	4	1,370	
Restructuring and other charges	(1,315)	(2,952)	
Unrealized gains (losses)(a)	793	-	
Goodwill impairments	(1,486)	(22,136)	
Adjusted total corporate operating costs (Non-GAAP)	(1,693)	(1,255)	
Total Corporate Items and Eliminations (GAAP)	(3,698)	(24,973)	85%
Less: gains (losses) and restructuring & other	(2,004)	(23,719)	
Adjusted total corporate operating costs (Non-GAAP)	\$ (1,693)	\$ (1,255)	(35%)

2020-2021 Adjusted total Corporate operating costs: We cannot provide a reconciliation of the differences between the non-GAAP expectations and corresponding GAAP measure for adjusted total corporate operating costs* in 2020 or 2021 without unreasonable effort due to the uncertainty of timing of any gains or losses related to acquisitions & dispositions including our agreement to sell our BioPharma business, the timing and magnitude of the financial impact related to the mark-to-market of our remaining investment in Baker Hughes, and the timing and magnitude of restructuring expenses. Although we have attempted to estimate the amount of gains and restructuring charges for the purpose of explaining the probable significance of these components, this calculation involves a number of unknown variables, resulting in a GAAP range that we believe is too large and variable to be meaningful.



* Non-GAAP Financial Measure

a) Related to our mark to market impact on our Baker Hughes shares for 2019.

Adjusted total corporate operating costs* excludes gains (losses) on disposals & held for sale businesses, restructuring & other charges, unrealized gains (losses) & goodwill impairments. We believe that adjusting corporate costs* to exclude the effects of items that are not closely associated with ongoing corporate operations provides management & investors with a meaningful measure that increases the period-to-period comparability of our ongoing corporate costs.

Non-GAAP reconciliation: adjusted earnings (loss)

(Dollars in millions)	4Q'19	4Q'18	V%	2019	2018	V%
Consolidated earnings (loss) from continuing operations attributable to GE common shareholders (GAAP)	\$ 663	\$ 509	30%	\$ (44)	\$ (21,438)	F
Less: GE Capital earnings (loss) from continuing operations attributable to GE common shareholders (GAAP)	69	(86)	F	(530)	(489)	(8%)
GE Industrial earnings (loss) (Non-GAAP)	594	595	- %	486	(20,949)	F
Non-operating benefits costs (pre-tax) (GAAP)	(1,144)	(608)		(2,828)	(2,740)	
Tax effect on non-operating benefit costs	240	128		594	575	
Less: non-operating benefit costs (net of tax)	(904)	(481)		(2,234)	(2,165)	
Gains (losses) and impairments for disposed or held for sale businesses (pre-tax)	(148)	900		4	1,370	
Tax effect on gains (losses) and impairments for disposed or held for sale businesses	31	(186)		34	(380)	
Less: gains (losses) and impairments for disposed or held for sale businesses (net of tax)	(117)	714		39	990	
Restructuring & other (pre-tax)	(391)	(609)		(1,315)	(2,952)	
Tax effect on restructuring & other	85	66		277	338	
Less: restructuring & other (net of tax)	(306)	(543)		(1,039)	(2,614)	
Goodwill impairments (pre-tax)	(2)	(162)		(1,486)	(22,136)	
Tax effect on goodwill impairments	-	11		(55)	(235)	
Less: goodwill impairments (net of tax)	(2)	(151)		(1,541)	(22,371)	
Unrealized gains (losses) (pre-tax)	917	(193)		793	-	
Tax effect on unrealized gains (losses)	(140)	41		(114)	-	
Less: unrealized gains (losses) (net of tax)	777	(153)		679	-	
Debt extinguishment costs	-	-		(255)	-	
Tax effect on debt extinguishment costs	-	-		53	-	
Less: debt extinguishment costs (net of tax)	-	-		(201)	-	
BioPharma deal expense (pre-tax)	-	-		-	-	
Tax on BioPharma deal expense	(633)	-		(647)	-	
Less: BioPharma deal expense (net of tax)	(633)	-		(647)	-	
Less: GE Industrial U.S. tax reform enactment adjustment	-	17		(101)	(38)	
Adjusted GE Industrial earnings (loss) (Non-GAAP)	1,779	1,192	49%	5,531	5,249	5%
GE Capital earnings (loss) from continuing operations attributable to GE common shareholders (GAAP)	69	(86)	F	(530)	(489)	(8%)
Insurance premium deficiency test charge (pre-tax)	-	-		(972)	-	
Tax effect on insurance premium deficiency test charge	-	-		204	-	
Less: insurance premium deficiency test charge (net of tax)	-	-		(768)	-	
Less: GE Capital U.S. tax reform enactment adjustment	-	(128)		99	(173)	
Adjusted GE Capital earnings (loss) (Non-GAAP)	69	43	60%	139	(316)	F
Adjusted GE Industrial earnings (loss) (Non-GAAP)	1,779	1,192	49%	5,531	5,249	5%
Add: Adjusted GE Capital earnings (loss) (Non-GAAP)	69	43	60%	139	(316)	F
Adjusted earnings (loss) (Non-GAAP)	\$ 1,848	\$ 1,234	50%	\$ 5,671	\$ 4,933	15%



* Non-GAAP Financial Measure

Non-GAAP reconciliation: adjusted earnings (loss) per share

(Per share amounts in dollars)	4Q'19	4Q'18	V%	2019	2018	V%
Consolidated earnings (loss) from continuing operations attributable to GE common shareholders (GAAP)	0.07	0.06	17%	(0.01)	(2.47)	F
Less: GE Capital earnings (loss) from continuing operations attributable to GE common shareholders (GAAP)	0.01	(0.01)	F	(0.06)	(0.06)	- %
GE Industrial earnings (loss) (Non-GAAP)	0.07	0.07	- %	0.06	(2.41)	F
Non-operating benefits costs (pre-tax) (GAAP)	(0.13)	(0.07)		(0.32)	(0.32)	
Tax effect on non-operating benefit costs	0.03	0.01		0.07	0.07	
Less: non-operating benefit costs (net of tax)	(0.10)	(0.06)		(0.26)	(0.25)	
Gains (losses) and impairments for disposed or held for sale businesses (pre-tax)	(0.02)	0.10		0.00	0.16	
Tax effect on gains (losses) and impairments for disposed or held for sale businesses	0.00	(0.02)		0.00	(0.04)	
Less: gains (losses) and impairments for disposed or held for sale businesses (net of tax)	(0.01)	0.08		0.00	0.11	
Restructuring & other (pre-tax)	(0.04)	(0.07)		(0.15)	(0.34)	
Tax effect on restructuring & other	0.01	0.01		0.03	0.04	
Less: restructuring & other (net of tax)	(0.03)	(0.06)		(0.12)	(0.30)	
Goodwill impairments (pre-tax)	(0.00)	(0.02)		(0.17)	(2.55)	
Tax effect on goodwill impairments	-	0.00		(0.01)	(0.03)	
Less: goodwill impairments (net of tax)	(0.00)	(0.02)		(0.18)	(2.57)	
Unrealized gains (losses) (pre-tax)	0.10	(0.02)		0.09	-	
Tax effect on unrealized gains (losses)	(0.02)	0.00		(0.01)	-	
Less: unrealized gains (losses) (net of tax)	0.09	(0.02)		0.08	-	
Debt extinguishment costs	-	-		(0.03)	-	
Tax effect on debt extinguishment costs	-	-		0.01	-	
Less: debt extinguishment costs (net of tax)	-	-		(0.02)	-	
BioPharma deal expense (pre-tax)	-	-		-	-	
Tax on BioPharma deal expense	(0.07)	-		(0.07)	-	
Less: BioPharma deal expense (net of tax)	(0.07)	-		(0.07)	-	
Less: GE Industrial U.S. tax reform enactment adjustment	-	0.00		(0.01)	(0.00)	
Adjusted GE Industrial earnings (loss) (Non-GAAP)	0.20	0.14	43%	0.63	0.60	5%
GE Capital earnings (loss) from continuing operations attributable to GE common shareholders (GAAP)	0.01	(0.01)	F	(0.06)	(0.06)	0%
Insurance premium deficiency test charge (pre-tax)	-	-		(0.11)	-	
Tax effect on insurance premium deficiency test charge	-	-		0.02	-	
Less: insurance premium deficiency test charge (net of tax)	-	-		(0.09)	-	
Less: GE Capital U.S. tax reform enactment adjustment	-	(0.01)		0.01	(0.02)	
Adjusted GE Capital earnings (loss) (Non-GAAP)	0.01	0.00	F	0.02	(0.04)	F
Adjusted GE Industrial earnings (loss) (Non-GAAP)	0.20	0.14	43%	0.63	0.60	5%
Add: Adjusted GE Capital earnings (loss) (Non-GAAP)	0.01	0.00	F	0.02	(0.04)	F
Adjusted earnings (loss) (Non-GAAP)	\$ 0.21	\$ 0.14	50%	\$ 0.65	\$ 0.57	14%



* Non-GAAP Financial Measure

Non-GAAP reconciliation: GE Industrial free cash flow

GE INDUSTRIAL FREE CASH FLOW (FCF) (NON-GAAP)

(Dollars in millions)	4Q'19	4Q'18	V\$	2019	2018	V\$
GE CFOA (GAAP)	\$ 4,537	\$ 5,159	\$ (622)	\$ 4,614	\$ 701	\$ 3,913
Add: gross additions to property, plant and equipment	(620)	(532)		(2,216)	(2,234)	
Add: gross additions to internal-use software	(71)	(73)		(274)	(306)	
Less: common dividends from GE Capital	-	-		-	-	
Less: GE Pension Plan funding	-	-		-	(6,000)	
Less: taxes related to business sales	(38)	(90)		(198)	(180)	
GE Industrial free cash flow (Non-GAAP)	\$ 3,884	\$ 4,644	\$ (759)	\$ 2,322	\$ 4,341	\$ (2,019)

GE INDUSTRIAL FREE CASH FLOW (NON-GAAP), 2019 BY QUARTER

(Dollars in millions)	1Q'19	2Q'19	3Q'19	4Q'19	2019
GE CFOA (GAAP)	\$ (607)	\$ (460)	\$ 1,144	\$ 4,537	\$ 4,614
Add: gross additions to property, plant and equipment	(552)	(565)	(480)	(620)	(2,216)
Add: gross additions to internal-use software	(66)	(71)	(66)	(71)	(274)
Less: taxes related to business sales	(8)	(100)	(52)	(38)	(198)
GE Industrial free cash flow (Non-GAAP)	\$ (1,216)	\$ (996)	\$ 650	\$ 3,884	\$ 2,322



* Non-GAAP Financial Measure

We believe investors may find it useful to compare GE's Industrial free cash flow* performance without the effects of cash used for taxes related to business sales & contributions to the GE Pension Plan. We believe this measure will better allow management & investors to evaluate the capacity of our industrial operations to generate free cash flow.

Non-GAAP reconciliation: free cash flow by segment

2019 FREE CASH FLOW (FCF) BY SEGMENT

(Dollars in millions)		Power	Renewable Energy	Aviation	Healthcare	Corporate & Eliminations	GE Industrial
CFOA (GAAP)	\$	(1,200)	\$ (512)	\$ 5,552	\$ 3,024	\$ (2,250)	\$ 4,614
Add: gross additions to property, plant and equipment		(277)	(455)	(1,031)	(395)	(59)	(2,216)
Add: gross additions to internal-use software		(46)	(14)	(107)	(79)	(28)	(274)
Less: GE Pension Plan funding		-	-	-	-	-	-
Less: taxes related to business sales		-	-	-	-	(198)	(198)
Free cash flow (Non-GAAP)	\$	(1,523)	\$ (980)	\$ 4,415	\$ 2,550	\$ (2,139)	\$ 2,322

2018 FREE CASH FLOW (FCF) BY SEGMENT

(Dollars in millions)		Power	Renewable Energy	Aviation	Healthcare	Corporate & Eliminations	GE Industrial
CFOA (GAAP)	\$	(1,849)	\$ 406	\$ 5,373	\$ 3,485	\$ (6,714)	\$ 701
Add: gross additions to property, plant and equipment		(358)	(297)	(1,070)	(378)	(131)	(2,234)
Add: gross additions to internal-use software		(66)	(11)	(73)	(90)	(67)	(306)
Less: GE Pension Plan funding		-	-	-	-	(6,000)	(6,000)
Less: taxes related to business sales		-	-	-	-	(180)	(180)
Free cash flow (Non-GAAP)	\$	(2,273)	\$ 98	\$ 4,230	\$ 3,018	\$ (731)	\$ 4,341



* Non-GAAP Financial Measure

We believe investors may find it useful to compare GE's Industrial free cash flow* performance without the effects of cash used for taxes related to business sales & contributions to the GE Pension Plan. We believe this measure will better allow management & investors to evaluate the capacity of our industrial operations to generate free cash flow.

Non-GAAP reconciliation: BioPharma free cash flow

(Dollars in millions)		2019
CFOA (GAAP)	\$	1,446
Add: gross additions to property, plant and equipment		(123)
Add: gross additions to internal-use software		(11)
Free cash flow (Non-GAAP)	\$	1,312



* Non-GAAP Financial Measure

Non-GAAP reconciliation: Gas Power fixed costs

(Dollars in millions)	2020F	2019	V%	2019	2018	V%
Gas Power total costs and expenses (GAAP)	\$ (11,900)	\$ (12,656)	(6%)	\$ (12,656)	\$ (14,205)	(11%)
Less: Gas Power variable costs*	9,100	9,551		9,551	10,745	
Gas Power fixed costs (NON-GAAP)	\$ (2,800)	\$ (3,105)	(10%)	\$ (3,105)	\$ (3,460)	(10%)



* Non-GAAP Financial Measure

We believe that fixed costs* is a meaningful measure as it is broader than selling, general and administrative costs and represents the costs in the segments that generally do not vary with volume. Segment variable costs* are those costs within our industrial segments that vary with volume. The most significant variable costs would be material and direct labor costs incurred to produce our products and deliver our services that are recorded in the Statement of Earnings line items of cost of goods and cost of services sold.

Non-GAAP reconciliation: GE Capital adjusted continuing earnings & segment assets ex-liquidity

GE Capital segment results (dollars in millions)

	<u>2019</u>	<u>y/y</u>
GECAS	\$1,029	(16)%
EFS	121	42%
IF & WCS	234	(23)%
Insurance	(611)	U
Other continuing	(1,303)	33%
Continuing earnings	\$(530)	(8)%
Less: insurance premium deficiency test	(768)	U
Less: tax reform	99	F
Adjusted continuing earnings*	\$139	F

GE Capital segment assets (dollars in billions)

	<u>4Q'19</u>	<u>4Q'18</u>	<u>y/y</u>
GECAS	\$38.0	\$41.7	(9)%
EFS	1.8	3.0	(38)%
IF & WCS	9.0	15.8	(43)%
Insurance	46.3	40.3	15%
Other continuing	22.5	18.6	21%
Total segment assets	\$117.5	\$119.3	(1)%
Plus: assets of discontinued ops	3.9	4.6	(15)%
Less: liquidity	19.4	15.0	29%
Assets ex-liquidity*	\$102.0	\$108.9	(6)%



* Non-GAAP Financial Measure

Non-GAAP reconciliation: 2020 operating framework

2020 ADJUSTED EPS: We cannot provide a reconciliation of the differences between the non-GAAP expectations and corresponding GAAP measure for Adjusted EPS* in 2020 without unreasonable effort due to the uncertainty of timing of any gains or losses related to acquisitions & dispositions including our agreement to sell our BioPharma business, the timing and magnitude of the financial impact related to the mark-to-market of our remaining investment in Baker Hughes, and the timing and magnitude of restructuring expenses. Although we have attempted to estimate the amount of gains and restructuring charges for the purpose of explaining the probable significance of these components, this calculation involves a number of unknown variables, resulting in a GAAP range that we believe is too large and variable to be meaningful.

2020 GE INDUSTRIAL FREE CASH FLOW: We cannot provide a reconciliation of the differences between the non-GAAP expectations and corresponding GAAP measure for GE Industrial Free Cash flow* in 2020 without unreasonable effort due to the uncertainty of timing of deal taxes related to business sales.



* Non-GAAP Financial Measure