



GE Power – Gas Power update

UBS Industrials Investor Conference

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CEO Gas Power, Scott Strazik

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 report 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 internal 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 our annual report on Form 10-K and our quarterly reports on Form 10-Q, our 2020 GE Investor Outlook, and the appendix of this presentation.

ADDITIONAL INFORMATION ABOUT GE: 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.

Gas Power – Key Messages

- **Equipment business** continues to stabilize
- **Services business balanced:** strong Contractual book, near-term transactional and upgrades top-line pressured
- **Targeting high-single digit margins & positive FCF* in '21, ~90% FCF conversion* in '22**



*Non-GAAP Financial Measure, segment FCF/ segment net income adjusted to include restructuring expense

~\$4B revenue equipment business continues to stabilize

Industry & Environment

- New unit project demand remains: coal retirements, nuclear decommissioning, LNG-supply growth
- COVID impacting order closure timing in the near term, Oil prices delaying LNG expansion
- China demand large but very competitive

GE focus & looking forward

- Proven technology & global positioning ... ~45% HA penetration since launch in '14
- Focused on winning the right deals, more selective on turn-key opportunities
- Expectation to accrete margins with system-wide focus on product & project cost-out and lean

On path to ship 45 to 50 GTs & expand equipment margins by ~200-300 bps in '20



Lean momentum ... Asia Lean week, 25-29th May

<p>Beijing Plant (ABP) Asia Lean Week, May 25 - 29, 2020</p> 	<p>Changwon Plant Asia Lean Week, May 25 - 29, 2020</p> 	<p>HDGE JV Asia Lean Week, May 25 - 29, 2020</p> 	<p>Steam Power CC Durgapur Asia Lean Week, May 25 - 29, 2020</p> 		
<p>Phu My (Integrate coating in the Mix Model Line) Asia Lean Week, May 25 - 29, 2020</p> 	<h2 style="text-align: center;">Team Topics</h2> <table border="0"> <tr> <td style="vertical-align: top;"> <p>4 countries 10 sites 30 AWO teams 4500+ EEs</p> </td> <td style="vertical-align: top;"> <p>Kaizen VSM Create flow SMED Andon</p> </td> <td style="vertical-align: top;"> <p>Standard Work Line Stop Response Crane elimination EHS risk elimination Quality improvement</p> </td> </tr> </table>	<p>4 countries 10 sites 30 AWO teams 4500+ EEs</p>	<p>Kaizen VSM Create flow SMED Andon</p>	<p>Standard Work Line Stop Response Crane elimination EHS risk elimination Quality improvement</p>	<p>QHD Asia Lean Week, May 25 - 29, 2020</p> 
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<p>WBC-Shenyang Branch LEAN Week, May 25 - 29, 2020</p> 	<p>GE Hangzhou Asia Lean Week, May 25 - 29, 2020</p> 	<p>Dung Quat Plant Asia Lean Week, May 25 - 29, 2020</p> 	<p>Wuhan Boiler, China Asia Lean Week, May 25 - 29, 2020</p> 		

Global effort ... early in our journey



Phu My Lean week example ... GT13E2



Lean flow line created in 1Q'20, parts leave line for coating and return, coating is a line stop driver ...

Kaizen!! Integrate coating into Mix model line

Team 1

Kaizen Masking process for GT13E2 Vane 1 MXL

Eliminate hole clear by changing from Dymax to Mach Bloc Masking

BEFORE



Dymax Masking

AFTER



Mach Bloc Masking

Team 2

Coating Changeover Time for GT13E2 Front Seg

The coating monument cannot provide parts back to line at the pace of TAKT due to long/variable changeover time

BEFORE



Long Changeover

AFTER



Changeover ↓73%

Team 3

Coating Setup Time for GT13E2 for Front Seg

The coating monument cannot provide parts back to line at the pace of TAKT due to long/variable setup time

BEFORE



Long Setup

AFTER



Setup ↓74%

Focus Area	2019 Baseline	Post Event	% Improvement
Lead Time (Days)	17	12	↓31%
Labor Hours (Hours/Set)	220	97	↓56%
Consumable cost (\$)	1300	286	↓78%

Focus Area	2019 Baseline	Post Event	% Improvement
Coating Lead Time Per Set (36 pieces per set)	4 days	334 min	↓93%
Changeover Time (min)	125	34	↓73%
Setup Time (min)	110	29	↓74%
WIP at Coating	36	3	↓92%

Small sustainable improvements adding up over time



~\$8-9B revenue services business balanced

Industry & Environment

- 2Q utilization trend: US gas fleet up y/y, EU down DD ... expect limited impact on CSA billings
- ~20% of 1H outages shifted with travel and customer restrictions ... all but 5% rescheduled to 2H
- Demand in Oil-dependent countries remains ... budget constraints hurting Upgrades & Transactional volume

GE focus & looking forward

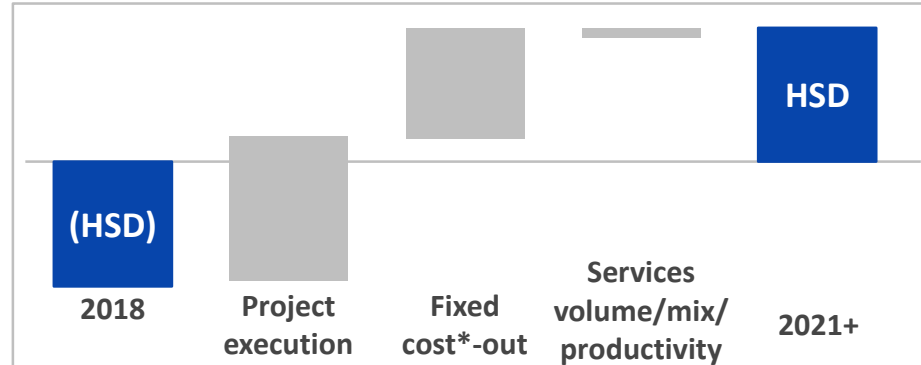
- Contractual book performing well ... \$50B+ backlog, growing cash flow annuity, outpacing revenues
- Improving field execution and customer experience: >70% on-time, severe events ↓(50)%, more to come
- Opportunity for suppliers to catch-up on over-dues in 2H'20 and '21 as their Aviation demand eases

Top-line pressured in 1H'20 ... still attractive margin profile and cash annuity stream



Path to HSD operating margins and ~90% FCF conversion*

Operating Margins



- Stabilized Equipment projects... ~\$(1)B charges in '18 → confident to accrete margins after '19 reset
- ~\$1B fixed cost*-out ... \$3.5B in '18 → \$2.5B in '21
- Services growth and productivity an opportunity going forward

FCF* generation



- Right sized business to 25-30GW new unit segment
- Reduced inventory by ~\$1B ... Lean and cycle time improvement
- Targeting positive FCF* in '21 ... legacy factoring, Alstom liabilities & elevated restructuring run-off in '22

~Flat^a) top-line, re-sized structure, better run business with path to substantially higher & stable cash flows



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

Appendix: Non-GAAP reconciliations



Non-GAAP reconciliation: fixed cost

GAS POWER FIXED COSTS (NON-GAAP)

(Dollars in millions)

	2021F		2018
Gas Power total costs and expenses (GAAP)	11,000 - 12,000	\$	14,205
Less: Gas Power variable costs (Non-GAAP)	8,500 - 9,500		10,745
Gas Power fixed costs (Non-GAAP)	\$ 2,500	\$	3,460



Non-GAAP reconciliation: free cash flow

GAS POWER FREE CASH FLOW (FCF) (NON-GAAP)

(Dollars in millions)

	2019		2018	
Gas Power CFOA (GAAP)	\$	(1,061)	\$	(1,931)
Add: gross additions to property, plant and equipment		(243)		(244)
Add: gross additions to internal-use software		(43)		(62)
Gas Power free cash flow (Non-GAAP)	\$	(1,347)	\$	(2,238)

