

Transforming GE to Digital Industrial

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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.

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GE Transforming

Divest

CONSUMER

Appliances

FINANCING

Capital
Synchrony

Invest + Disrupt

INDUSTRIAL

GE Aviation
GE Transportation
GE Healthcare
Vertical Finance

GE Power
GE Energy Mgmt
GE Oil & Gas
GE Lighting

ALSTOM

Renewables
Thermal
Grid

DIGITAL

GE Digital
Predix
current
powered by GE

Culture + Transformation

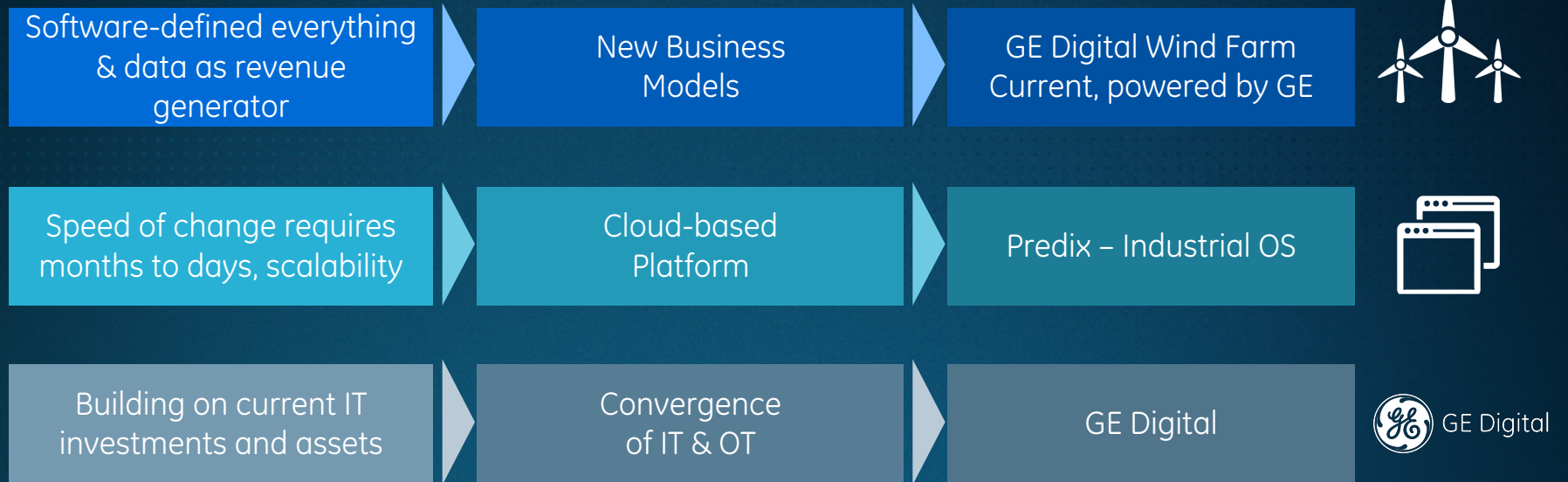


The first Digital
Industrial
company



The Digital Transformation

How We Are Evolving



Software is Impacting Every Industry



20^{BN}
Hotel Service

Owens no
real-estate



18^{BN}
Consumer
App Economy

Creates a
few apps



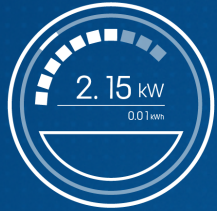
50^{BN}
Taxi Service

Owens no
vehicles



Digital Industrial Revolution in Full Force

By 2020



+1B

Growth in the installed
Base of Smart Meters



100M

Internet connected
light bulbs



152M

Cars connect to the
internet...6 fold increase



10^6

Terabytes a day
generated by GE
machines

Winners will master data and insights ... At speed & scale



Mode 1

ERP Platform

On Prem Data Centers

- Data
- Applications
- Security
- ERP Suppliers

Mode 2

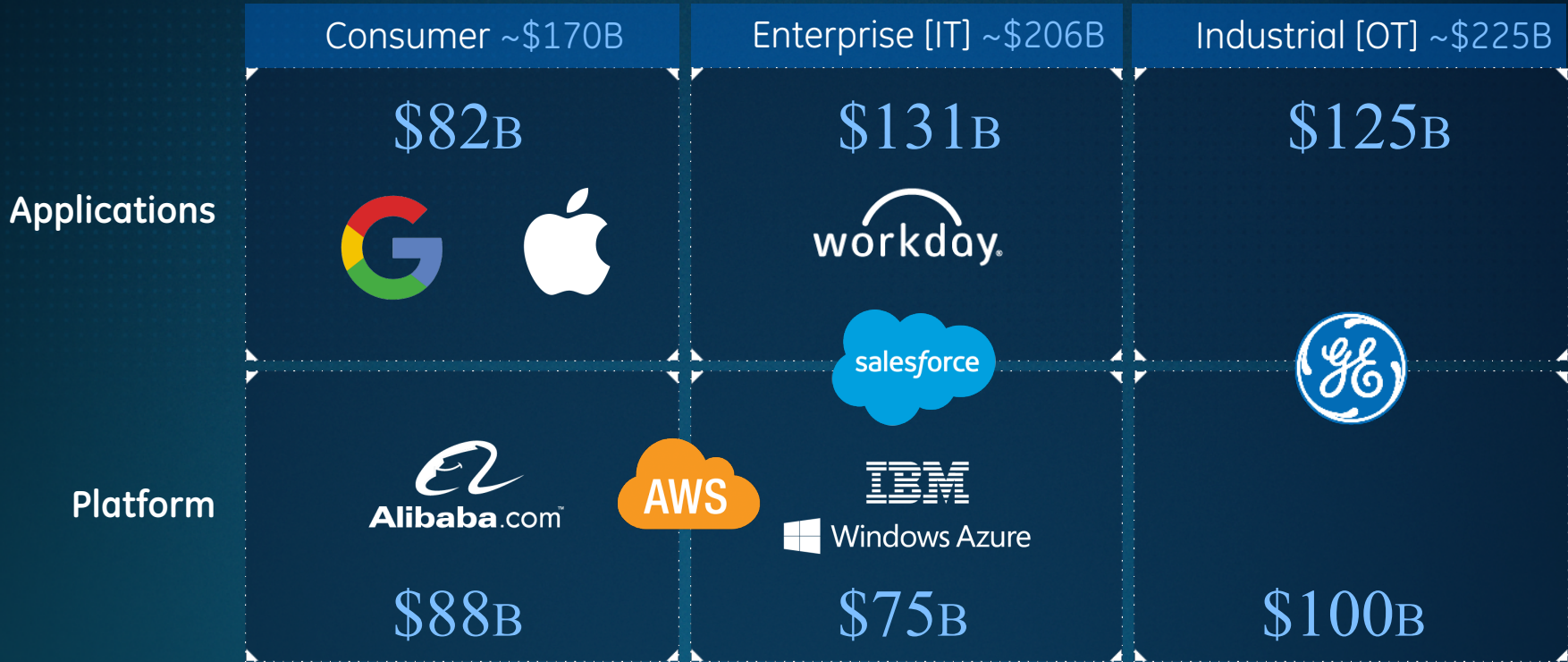
Insight & Analytics Platform

Hybrid Cloud

- Algorithms & Data
- Cloud Services
- Security, Risk, Safety & Quality
- Emerging Suppliers

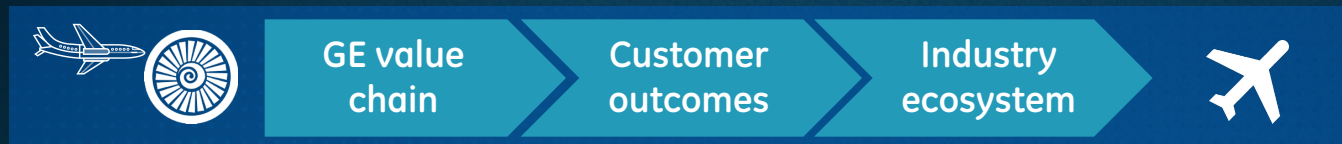


Industrial Internet Market by 2020: ~\$225B

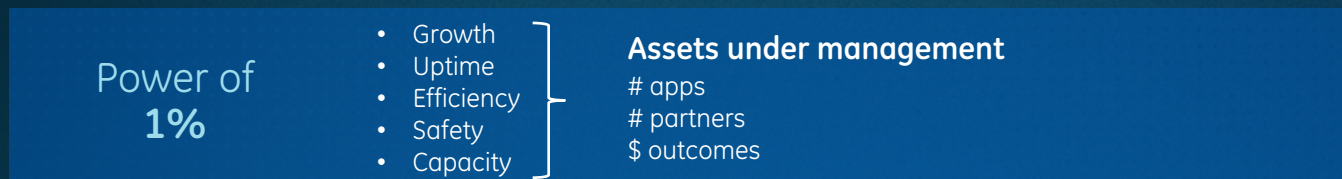


Digital Industrial Framework

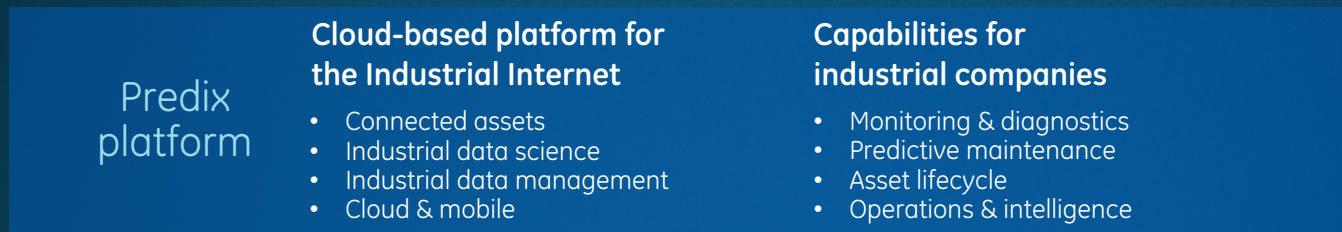
Smart machines & digital thread | Design thru installed base



“Analytical apps” → customer outcomes



Smart machines & digital thread | Design thru installed base



Our play

System productivity



CSA value
Upgrades
HW/SW sales
Collaboration

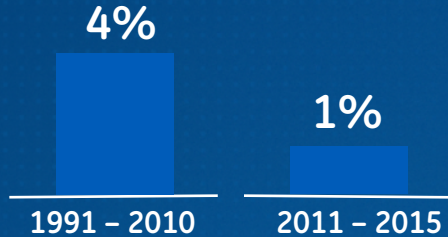


Partner value
New growth



GE Opportunity

Industrial Productivity



Meets the Digital Twin



- Value of operational insight > connectivity
- Need data to drive results
- Role of CIO changing ... more operational

For Railroad

IT can improve communication

OT ... one mile velocity ... earnings +20%

- Value of asset + analytics > either individually
- Dramatically changes potential value of installed base companies
- Financial impact of “per asset model” is immense

For GE

~\$210B of Services backlog

Improvement a win-win with customers



Predix



- **Predix is not only an enabler to the business – it IS the business**
- **The platform is the defense against disintermediation**
- **The Industrial Internet is different than the Consumer Internet**

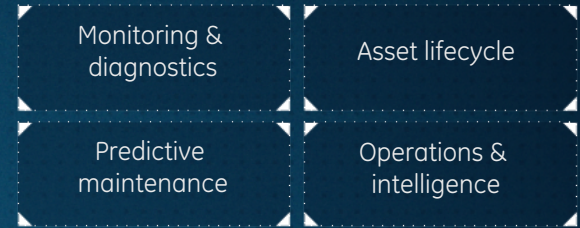


Predix Platform is the Enabler

Cloud-based platform for Industrial Internet



Capabilities for Industrial companies



Reliability

Increase availability & longer asset life

Cost Reduction

Lower operating costs with greater efficiencies

Risk Mitigation

Lower operations and financial risk

Profitable Growth

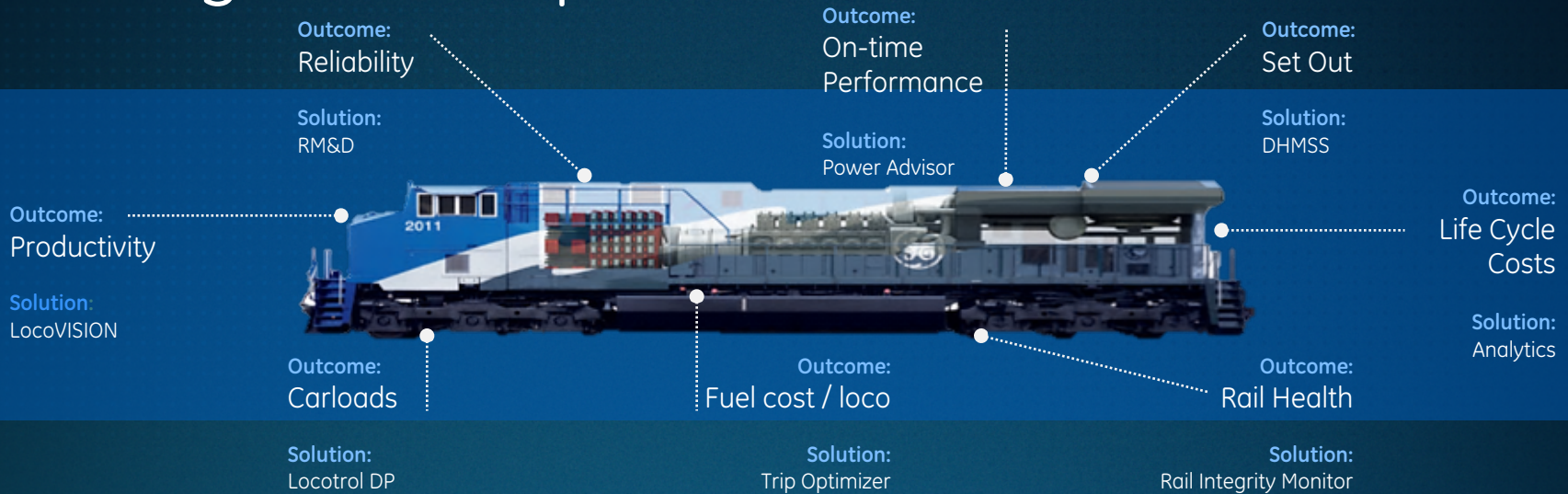
Increase production for market advancement

Value for Investors

- + \$/IB
- + Margins
- + 40
- + Revenue in services backlog
- + Product feedback
- + Total service offerings



Rail: Digital Transportation



Transportation Digital sales

- ✓ Train performance + optimization solutions
- ✓ Customer performance analytics
- ✓ Non-GE fleet penetration
- ✓ Programs with all N.A. Class I and many global railroads

~\$0.5B

20%+

'16F



Healthcare: Cloud Advanced Visualization

Knowledge + collaborative ecosystem around smart devices

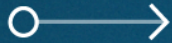


Hospital

- Data sent to cloud
- Images processed
- View & manipulate image on browser devices



Remote Clinicians



GEHC Cloud
& Analytics

- Anywhere access to analytics & images (Rads, Specialists)
- Navigate findings, combine with other data in cloud
- Collaborate with multi-disciplinary team
- Customers build their own apps



Healthcare Digital Sales

- ✓ Solid departmental system growth
- ✓ Big IB of image management
- ✓ Analytics around productivity
- ✓ Potential for disease management

~\$1.5B

New installs
10%+

'16F



Implementing the Digital Thread

Our Experience

Engineering design | Design for productivity/cost



H Turbine

... 2X faster, lower launch cost

Manufacture | Optimized manufacturing



75 Brilliant Factories

...driving yield, cycle, downtime

Services | Condition-based services



30,000 Field Engineers

...sensor based, onboard algorithms, mobile



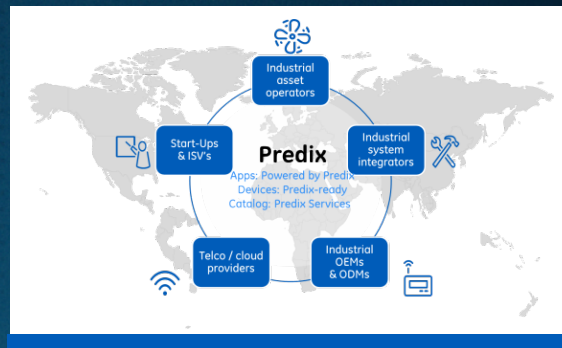
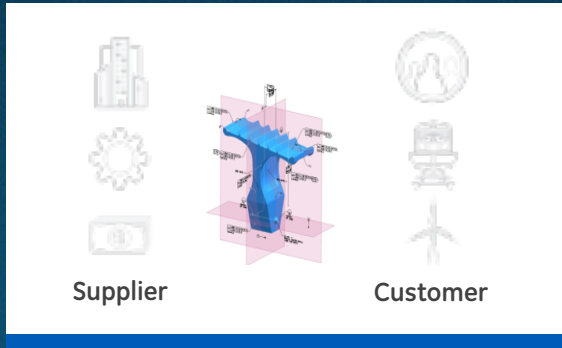
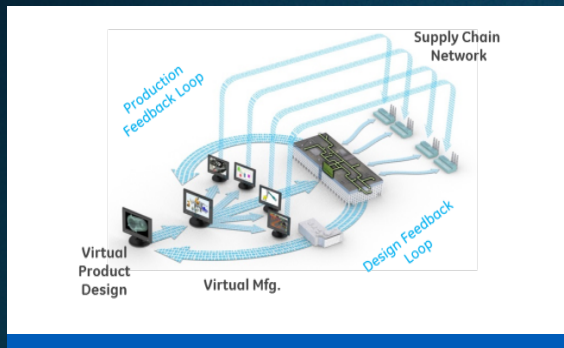
GE: best example of the Industrial Internet at work

GE: The Digital Industrial Company

GE for GE

GE for Customers

GE for World



Productivity

- Digital thread
- Predix + data
- Digital twin

Apps

- GE's software business
- "Inside-out" strategy
- Outcomes for customers

Platform

- Predix
- Secure
- Cloud for industry

\$15B software business by 2020





GE Digital



