

# 43<sup>rd</sup> Annual J.P. Morgan Healthcare Conference

January 14, 2025



# Forward-looking statements and additional information

This presentation contains forward-looking statements. These forward-looking statements might be identified by words, and variations of words, such as “will,” “expect,” “may,” “would,” “could,” “plan,” “believe,” “anticipate,” “intend,” “estimate,” “potential,” “position,” “forecast,” “target,” “guidance,” “outlook,” and similar expressions. These forward-looking statements may include, but are not limited to, statements about the our business and expected financial performance, financial condition, and results of operations, including revenue, revenue growth, profit, taxes, earnings per share, and cash flows, and our outlook and medium-term financial targets; the impacts of macroeconomic and market conditions and trends; operational performance; demand and opportunities in the global markets in which we operate; our strategy, innovation, and investments; our cost structure and capital allocation; and customer and shareholder value creation. These forward-looking statements involve risks and uncertainties, many of which are beyond our control. Factors that could cause our actual results to differ materially from those described in our forward-looking statements include, but are not limited to, operating in highly competitive markets; our ability to successfully complete strategic transactions; the actions or inactions of third parties with whom we partner and the various collaboration, licensing, and other partnerships and alliances we have with third parties; demand for our products, services, or solutions and factors that affect that demand; management of our supply chain and our ability to cost-effectively secure the materials we need to operate our business; disruptions in our operations; changes in third-party and government reimbursement processes, rates, contractual relationships, and mix of public and private payers, including related to government shutdowns; the delayed China stimulus and the ongoing anti-corruption campaign; our ability to attract and/or retain key personnel and qualified employees; global geopolitical and economic instability, including as a result of the conflict between Ukraine and Russia, the conflict in the Middle East, and the actions in the Red Sea region; public health crises, epidemics, and pandemics and their effects on our business; maintenance and protection of our intellectual property rights, as well as maintenance of successful research and development efforts with respect to commercially successful products and technologies; the impact of potential information technology, cybersecurity or data security breaches; compliance with the various legal, regulatory, tax, privacy, and other laws to which we are subject, such as the Foreign Corrupt Practices Act and similar anti-corruption and anti-bribery laws globally, and related changes, claims, inquiries, investigations, or actions; our ability to control increases in healthcare costs and any subsequent effect on demand for our products, services, or solutions; the impacts related to our increasing focus on and investment in cloud, edge, artificial intelligence, and software offerings; the impact of potential product liability claims; environmental, social, and governance matters; our ability to operate effectively as an independent, publicly traded company; and our level of indebtedness, as well as our general ability to comply with covenants under our debt instruments and any related effect on our business. Please also see the “Risk Factors” section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 filed with the U.S. Securities and Exchange Commission and any updates or amendments we make in future filings. There may be other factors not presently known to us or which we currently consider to be immaterial that could cause our actual results to differ materially from those projected in any forward-looking statements we make. We do not undertake any obligation to update or revise our forward-looking statements except as required by applicable law or regulation.

## **Non-GAAP Financial Measures**

This presentation contains non-GAAP financial measures. See appendix for reconciliation of historical GAAP to non-GAAP financial measures and for more information on our Outlook.

## **Financial Rounding**

Certain columns and rows throughout this document may not sum due to the use of rounded numbers. Percentages presented are calculated from the underlying whole-dollar amounts.

## **Product Status**

Not all products or features are available in all markets. The information presented here may involve technologies and concepts in development that are not products and may never become products. For Technology in Development, the technologies or concepts are not being offered for sale, and are not cleared or approved by the U.S. FDA or any other global regulator for commercial availability.

Create a world  
where healthcare  
has no limits

# GE HealthCare and Sutter Health's long-term strategic collaboration

One of GE HealthCare's largest ever enterprise strategic partnerships. Sutter Health will invest \$1B+ over 7 years for technology, solutions and service.



Benefiting 3.5 million patients across California

---

Delivering end-to-end, holistic portfolio. Integrates our D3 strategy and service solutions, enabling caregivers to provide more advanced care for patients, including in ambulatory settings.

---

Enabling precise, high-quality patient care from early screening to diagnosis to treatment to monitoring across multiple care areas

---

Aligning on creative problem-solving that goes beyond selling equipment to deliver sustainable solutions and predictability

GE HealthCare has contracted over 120 big deals worth over \$5B since the spin-off

# Our business segments by the numbers

Delivered >45% of recurring sales in 2023

←..... Care journey, AI and digital innovation driving future growth .....→



	Imaging	Advanced Visualization Solutions (AVS)	Patient Care Solutions (PCS)	Pharmaceutical Diagnostics (PDx)
--	---------	--	------------------------------	----------------------------------

<b>Revenue<sup>(1)</sup></b>	\$8.9B	\$5.1B	\$3.1B	\$2.3B
<b>EBIT margin<sup>(1)</sup></b>	9.2%	22.1%	12.2%	26.8%

**\$90 billion** Estimated total addressable market in 2023<sup>(2)</sup>



**\$110+ billion** Estimated by 2028<sup>(2)</sup>

# Executing on our strategy

**1**

**Developing leadership products to drive organic growth**

**2**

**Optimizing our business for margin expansion**

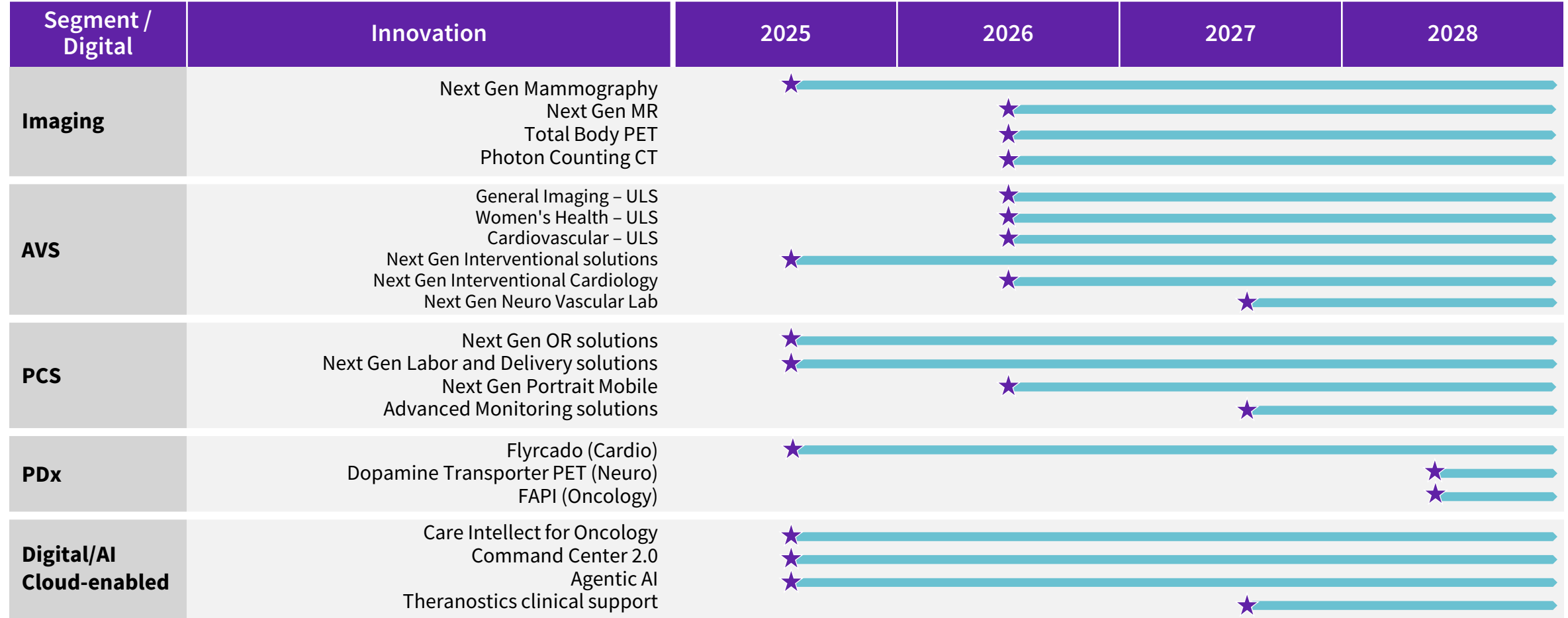
**3**

**Delivering precision care in key growth areas**

**4**

**Expanding recurring revenue through new models and M&A**




# Leadership product pipeline resulting from increased R&D commitment



2025–2026 significant NPIs expected to help drive 1% to 2% of revenue growth over medium-term

# Leadership product pipeline: Molecular Imaging

- \$7B market growing 10–12%+ CAGR<sup>(1)</sup>
- High-value diagnostics supporting precision care
- Rapidly growing field of Theranostics to target and treat disease
- Positive U.S. reimbursement landscape driving utilization

Oncology 		Neurology 	Cardiology 
Helping providers with existing diagnostic agents today...			
<b>Cerianna™</b> Metastatic breast cancer (MBC)		<b>DaTscan™</b> Parkinson's disease	<b>Rapiscan™</b> Coronary artery disease
<b>AdreView™</b> Metastatic pheochromocytoma or neuroblastoma		<b>Vizamyl™</b> Alzheimer's disease	<b>Myoview™</b> Coronary artery disease
... and diagnostic agents in development for tomorrow. <sup>(2)</sup>			
<b>[<sup>18</sup>F]FAPI-74</b> CAFs* Phase II	<b>[<sup>68</sup>Ga]FAPI-46</b> CAFs* Phase II	<b>LBT-999</b> Parkinson's disease Phase III	<b>Flyrcado™</b> Flurpiridaz <sup>18</sup> F Coronary artery disease
<b>CD8</b> Immuno-oncology Phase I	<b>HER2</b> MBC Phase I		



## Digital solutions

Quantitation, decision support, workflow management and MIM Software for imaging fusion, analytics and dosimetry

Innovating solutions to cover the breadth of steps throughout the patient journey

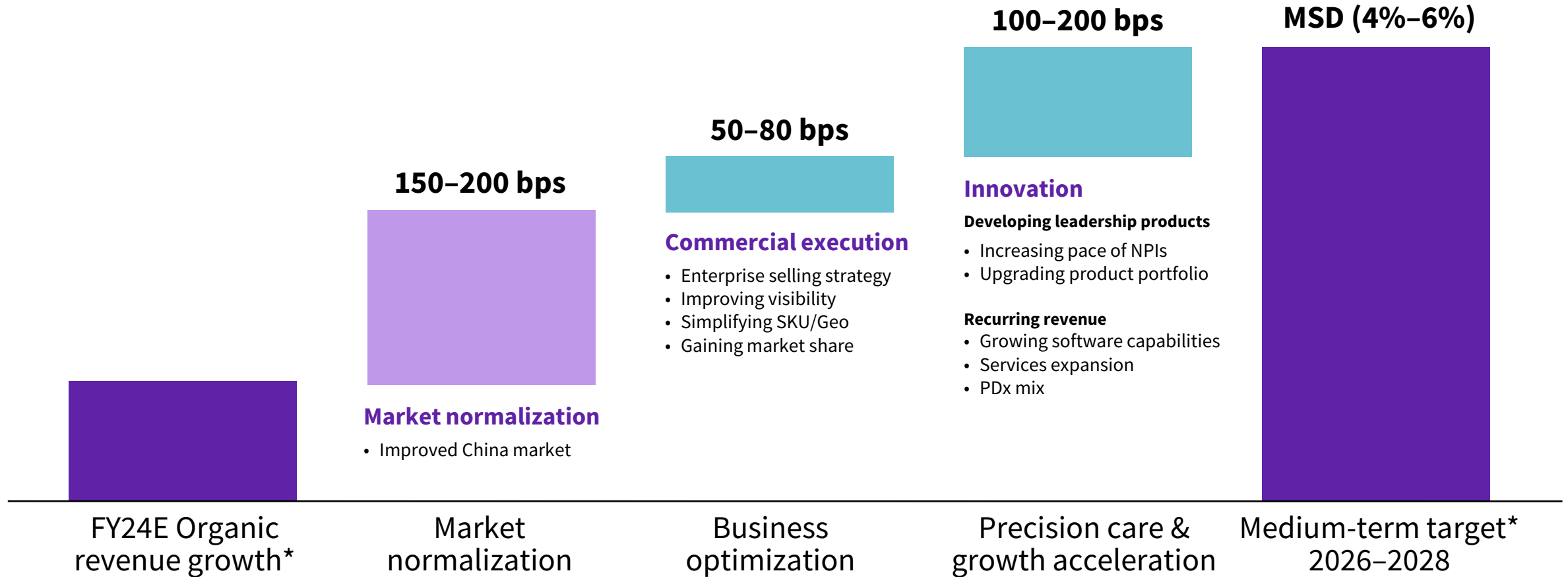
Not all products are available in all markets

(1) GE HealthCare estimated global end markets as of December 2023, and estimated market CAGR 2024–2028  
 (2) Being investigated for potential application. With the exception of Flyrcado, these products are investigational and have not been approved in any country

\* Cancer Associated Fibroblast



# Targeting MSD Organic revenue growth\* over the medium-term



Organic revenue growth\* driven by multiple upside opportunities

# Optimizing our business for margin expansion

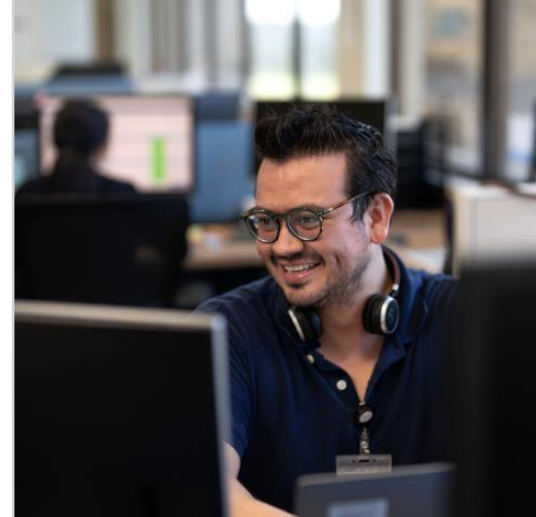
## Platforming



## Variable cost productivity



## Organizational simplification

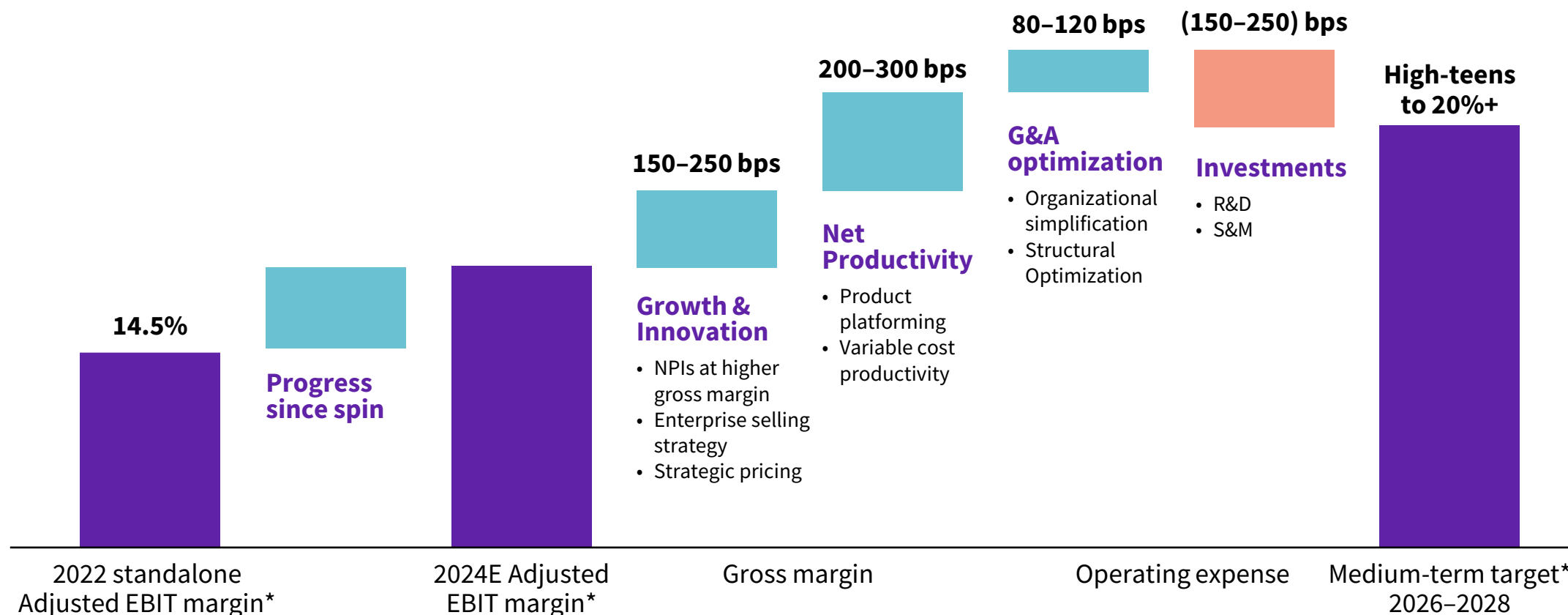


## Structural optimization



Strong progress on lean initiatives driving customer efficiencies and supporting solid margin expansion

# Expanding Adjusted EBIT margin\* through focused actions



Excellent progress on Adjusted EBIT margin\* expansion, tracking ahead of initial expectations

# Executing on our strategy

**1**



**Developing leadership products to drive organic growth**

**2**



**Optimizing our business for margin expansion**

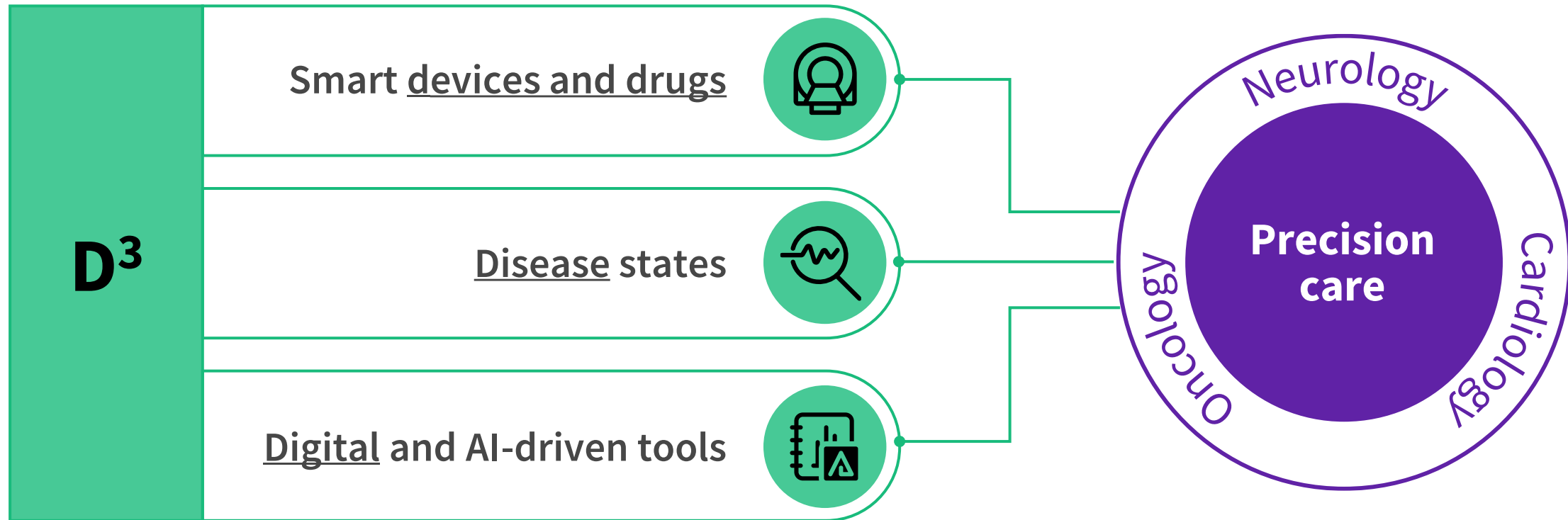
**3**

**Delivering precision care in key growth areas**

**4**





**Expanding recurring revenue through new models and M&A**

# Uniquely positioned to deliver precision care



Creating value for customers through integrated devices, leadership in health AI and a more connected ecosystem

# Aligning capital allocation to strategy

Organic investment driving growth 	Strategic M&A 	Returning cash to shareholders 	Maintaining strong balance sheet 
<ul style="list-style-type: none"> <li>Committed to annual R&amp;D spend in-line with sales growth or greater</li> <li>Invested ~\$700M<sup>(1)</sup> of CapEx since spin</li> </ul> <p><b>\$2.2B<sup>(1)</sup></b> Cumulative R&amp;D investment since spin</p>	<ul style="list-style-type: none"> <li>Executed &gt;25 strategic partnerships and collaborations since spin</li> <li>Pursuing disciplined strategy with clear target profile</li> </ul> <p><b>5</b> Acquisitions announced since spin</p>	<ul style="list-style-type: none"> <li>Announced inaugural dividend in June 2023</li> </ul> <p><b>17%</b> Dividend increase in 4Q 2024</p>	<ul style="list-style-type: none"> <li>Committed to Investment Grade rating</li> </ul> <p><b>\$1B<sup>(1)</sup></b> Debt repaid since spin</p>

Creating long-term value through growth and innovation enabled by robust and consistent cash flow

# Medium-term financial framework

## Medium-term 2026–2028 outlook



**MSD (4%–6%)**  
Organic revenue growth\*



**High-teens to 20%+**  
Adjusted EBIT margin\*



**HSD to LDD**  
Adjusted EPS growth<sup>\*(1)</sup>



**90%+**  
Free cash flow conversion\*



Driving top line growth through innovation



Progress to date gives us continued confidence in ability to execute



Strong momentum with multiple levers to deliver on 20%+ Adjusted EBIT margin\* target

Committed to delivering on our financial targets

# A compelling value proposition



Strong commitment to R&D advancing our leadership positions

---



Differentiated market position including high margin radiopharmaceuticals and AI solutions

---



Strong balance sheet allows for organic investment and opportunistic M&A

---



Updating medium-term framework with progress toward financial goals

---



Q&A

# Appendix

# 2022 Standalone Adjusted EBIT\* (estimated)

(\$ in millions)

Unaudited	For the years ended December 31		
	2023	2022	% change
<b>Net income attributable to GE HealthCare</b>	<b>\$ 1,568</b>	<b>\$ 1,916</b>	<b>(18) %</b>
<i>Add: Interest and other financial charges – net</i>	542	77	
<i>Add: Non-operating benefit (income) costs</i>	(382)	(5)	
<i>Less: Benefit (provision) for income taxes</i>	(743)	(563)	
<i>Less: Income (loss) from discontinued operations, net of taxes</i>	(4)	18	
<i>Less: Net (income) loss attributable to noncontrolling interests</i>	(46)	(51)	
<b>EBIT*</b>	<b>\$ 2,521</b>	<b>\$ 2,584</b>	<b>(2) %</b>
<i>Add: Restructuring costs(1)</i>	54	146	
<i>Add: Acquisition and disposition-related charges (benefits)(2)</i>	(15)	(34)	
<i>Add: Spin-Off and separation costs(3)</i>	270	14	
<i>Add: (Gain) loss on business and asset dispositions(4)</i>	—	(1)	
<i>Add: Amortization of acquisition-related intangible assets</i>	127	121	
<i>Add: Investment revaluation (gain) loss(5)</i>	(1)	31	
<b>Adjusted EBIT*</b>	<b>2,956</b>	<b>2,861</b>	<b>3 %</b>
<i>Less: Estimated standalone costs(6)</i>	—	200	
<i>Less: Estimated incremental interest expense(7)</i>	—	—	
<i>Less: Estimated tax effect of reconciling items(8)</i>	—	—	
<b>Standalone Adjusted EBIT* (estimate)</b>	<b>2,956</b>	<b>2,661</b>	<b>11 %</b>
<b>Net income margin</b>	<b>8.0 %</b>	<b>10.4 %</b>	<b>(240) bps</b>
<b>Adjusted EBIT margin*</b>	<b>15.1 %</b>	<b>15.6 %</b>	<b>(50) bps</b>
<b>Standalone Adjusted EBIT margin* (estimate)</b>	<b>15.1 %</b>	<b>14.5 %</b>	<b>60 bps</b>

(1) Consists of severance, facility closures, and other charges associated with restructuring programs.

(2) Consists of legal, consulting, and other transaction and integration fees, and adjustments to contingent consideration, as well as other purchase accounting related charges and other costs directly related to the transactions.

(3) Costs incurred in the Spin-Off and separation from GE, including system implementations, audit and advisory fees, legal entity separation, Founders Grant equity awards, separation agreements with GE, and other one-time costs.

(4) Consists of gains and losses resulting from the sale of assets and investments.

(5) Primarily relates to valuation adjustments for equity investments.

(6) Estimated FY'22 expense of recurring and ongoing costs required to operate new functions required for a public company such as external reporting, internal audit, treasury, investor relations, board of directors and officers, stock administration, and expanding the services of existing functions such as information technology, finance, supply chain, human resources, legal, tax, facilities, branding, security, government relations, community outreach, and insurance.

(7) Estimated FY'22 additional interest expense related to the GE HealthCare debt issuances on November 22nd, 2022 and the draw down of the term loan on January 3rd, 2023, the amortization of original issue discount and deferred, debt issuance costs, and certain Euro to U.S. Dollar cross currency interest rate swap arrangements with a notional amount of \$2.0 billion. Interest expense was calculated assuming constant debt levels throughout the periods.

(8) Estimated FY'22 tax effect was determined by applying the respective statutory tax rates to the pre-tax adjustments, as appropriate, in jurisdictions where valuation allowances were not required. The applicable tax rates could be impacted (either higher or lower) depending on many factors including, but not limited to, the profitability in local jurisdictions and may be different from the estimate.

\* Non-GAAP financial measure.

# Non-GAAP financial measures

The non-GAAP financial measures presented in this presentation are supplemental measures of GE HealthCare's performance and its liquidity that the Company believes will help investors understand its financial condition, cash flows, and operating results, and assess its future prospects. When read in conjunction with the Company's U.S. GAAP results, these non-GAAP financial measures provide a baseline for analyzing trends in GE HealthCare's underlying businesses and can be used by management as one basis for making financial, operational, and planning decisions. Descriptions of the reported non-GAAP measures are included below.

The Company reports **Organic revenue and Organic revenue growth rate** to provide management and investors with additional understanding and visibility into the underlying revenue trends of its established, ongoing operations, as well as provide insights into overall demand for our products and services. To calculate these measures, the Company excludes the effect of acquisitions, dispositions, and foreign currency rate fluctuations.

The Company reports **Adjusted gross profit, Adjusted gross profit margin, EBIT, Adjusted EBIT, Adjusted EBIT margin, Adjusted net income, Adjusted net income margin, and Adjusted earnings per share** to provide management and investors with additional understanding of its business by highlighting the results from ongoing operations and the underlying profitability factors, on a normalized basis. To calculate these measures the Company excludes, and reflects in the detailed reconciliations elsewhere in this presentation, the following adjustments as applicable: Interest and other financial charges - net, Net (income) loss attributable to noncontrolling interests, Non-operating benefit (income) costs, Benefit (provision) for income taxes and certain tax related adjustments, and certain non-recurring and/or non-cash items. GE HealthCare may from time to time consider excluding other non-recurring items to enhance comparability between periods. Adjusted gross profit margin, Adjusted EBIT margin, and Adjusted net income margin are calculated by taking Adjusted gross profit, Adjusted EBIT, or Adjusted net income, divided by Total revenues for the same period.

The Company reports **Adjusted tax expense and Adjusted effective tax rate** ("Adjusted ETR") to provide investors with a better understanding of the normalized tax rate applicable to the business and provide more consistent comparability across periods. Adjusted tax expense excludes the income tax related to the pre-tax income adjustments included as part of Adjusted net income and certain income tax adjustments, such as adjustments to deferred tax assets or liabilities. The Company may from time to time consider excluding other non-recurring tax items to enhance comparability between periods. Adjusted ETR is Adjusted tax expense divided by income before income taxes less the pre-tax income adjustments referenced above.

The Company reports **Free cash flow and Free cash flow conversion** to provide management and investors with an important measure of the ability to generate cash on a normalized basis and provide insight into the Company's flexibility to allocate capital. Free cash flow is Cash from (used for) operating activities – continuing operations including cash flows related to the additions and dispositions of property, plant, and equipment ("PP&E") and additions of internal-use software. Free cash flow does not represent residual cash flows available for discretionary expenditures, due to the fact that the measure does not deduct the capital required for debt repayments. Free cash flow conversion is calculated by taking Free cash flow divided by Adjusted net income.

Management recognizes that these non-GAAP financial measures have limitations, including that they may be calculated differently by other companies or may be used under different circumstances or for different purposes. In order to compensate for the discussed limitations, management does not consider these measures in isolation from or as alternatives to the comparable financial measures determined in accordance with U.S. GAAP. The detailed reconciliations of each non-GAAP financial measure to the most directly comparable U.S. GAAP financial measure are provided elsewhere in this presentation, and no single financial measure should be relied on to evaluate our business.

# Non-GAAP financial measures in outlook

GE HealthCare calculates forward-looking non-GAAP financial measures, including Organic revenue growth, Adjusted EBIT margin, Adjusted ETR, Adjusted EPS, and Free cash flow based on internal forecasts that omit certain amounts that would be included in GAAP financial measures. GE HealthCare does not provide reconciliations of these forward-looking non-GAAP financial measures to the respective GAAP metrics as it is unable to predict with reasonable certainty and without unreasonable effort certain items such as the impact of changes in currency exchange rates, impacts associated with business acquisitions or dispositions, timing and magnitude of restructuring activities, and revaluation of strategic investments, amongst other items. The timing and amounts of these items are uncertain and could have a substantial impact on GE HealthCare's results in accordance with GAAP.