

# GE Healthcare

## Global Industrials Conference

### John Dineen

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imagination at work

### Caution Concerning Forward-Looking Statements:

This document contains “forward-looking statements” – that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance and financial condition, and often contain words such as “expect,” “anticipate,” “intend,” “plan,” “believe,” “seek,” “see,” or “will.” Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For us, particular uncertainties that could cause our actual results to be materially different than those expressed in our forward-looking statements include: current economic and financial conditions, including volatility in interest and exchange rates, commodity and equity prices and the value of financial assets; potential market disruptions or other impacts arising in the United States or Europe from developments in the European sovereign debt situation; the impact of conditions in the financial and credit markets on the availability and cost of General Electric Capital Corporation’s (GECC) funding and on our ability to reduce GECC’s asset levels as planned; the impact of conditions in the housing market and unemployment rates on the level of commercial and consumer credit defaults; changes in Japanese consumer behavior that may affect our estimates of liability for excess interest refund claims (GE Money Japan); pending and future mortgage securitization claims and litigation in connection with WMC, which may affect our estimates of liability, including possible loss estimates; our ability to maintain our current credit rating and the impact on our funding costs and competitive position if we do not do so; the adequacy of our cash flow and earnings and other conditions which may affect our ability to pay our quarterly dividend at the planned level; GECC’s ability to pay dividends to GE at the planned level; our ability to convert pre-order commitments into orders; the level of demand and financial performance of the major industries we serve, including, without limitation, air and rail transportation, energy generation, real estate and healthcare; the impact of regulation and regulatory, investigative and legal proceedings and legal compliance risks, including the impact of financial services regulation; strategic actions, including acquisitions, joint ventures and dispositions and our success in completing announced transactions and integrating acquired businesses; the impact of potential information technology or data security breaches; and numerous other matters of national, regional and global scale, including those of a political, economic, business and competitive nature. These uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements.

“This document may also contain non-GAAP financial information. Management uses this information in its internal analysis of results and believes that this information may be informative to investors in gauging the quality of our financial performance, identifying trends in our results and providing meaningful period-to-period comparisons. For a reconciliation of non-GAAP measures presented in this document, see the accompanying supplemental information posted to the investor relations section of our website at [www.ge.com](http://www.ge.com).”

“In this document, “GE” refers to the Industrial businesses of the Company including GECC on an equity basis. “GE (ex. GECC)” and/or “Industrial” refer to GE excluding Financial Services.”

# \$19B broad technology portfolio<sup>-a)</sup>

## Diagnostic & clinical equipment



Diagnostic imaging



Clinical products



Molecular imaging

\$9.4B

## Information technology & services



Clinical and administrative



Departmentals



Connectivity & knowledge solutions



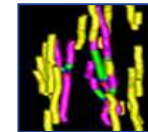
Equipment service solutions

\$6.0B

## Molecular medicine



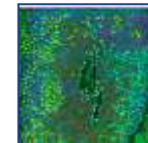
Bio-process



Protein & cell sciences



Contrast media/PET tracers



Molecular pathology

\$3.7B

A leading healthcare solutions provider

# Environment

## Market environment

Consumer demographics driving demand up

Multi-speed world ... with premium and value demands

Technology-driven, highly-regulated markets with limited protectionism

Providers driving for efficiency & quality

Precision medicine becoming mainstream

## Selected competitors

Equipment

**SIEMENS**

**PHILIPS**

**TOSHIBA**

IT & services

**Epic**

**AGFA**

**ARAMARK**

Molecular medicine

**Roche**

**Thermo**  
SCIENTIFIC

*Lilly*

## Strategic imperatives

- Leading product portfolios with clinical & economic relevance
- Invest in emerging market footprint
- Drive software enabled service growth
- Broaden molecular medicine portfolio

**Overall trends favorable ... demands shifting dynamically**

# Technology = competitive advantage

## Leader in ultrasound



Vscan™



LOGIQ™ E9



Hdlive™

## Leading in molecular imaging



Ventri™



Discovery™  
PET/CT610



FASTlab™

## Achieved global leadership in CT



Brivo™ CT325



Optima™ CT660



Discovery™  
CT750 HD FREEdom

## Closing the gap in MR



Optima™ MR430s  
extremity scanner



Discovery™ MR750w



InSightec™  
MRgFUS

Winning with technology

# Hardware + wetware + software

Optimize radiation  
& contrast dose

Integrated breast  
cancer workflow

Improve quality in  
AD Dx & monitoring

Hardware



Discovery™ CT750 HD



Senographe™ Essential

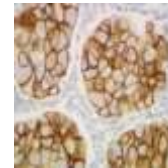


Discovery™ PET/CT600

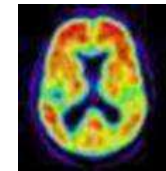
Wetware



Omnipaque™/Visipaque™



Clariant Mammostrat™



Flutemetamol\*

Software



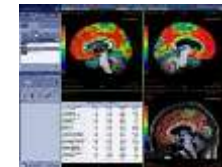
ASiR/Veo™



DoseWatch™



Mammography workstation

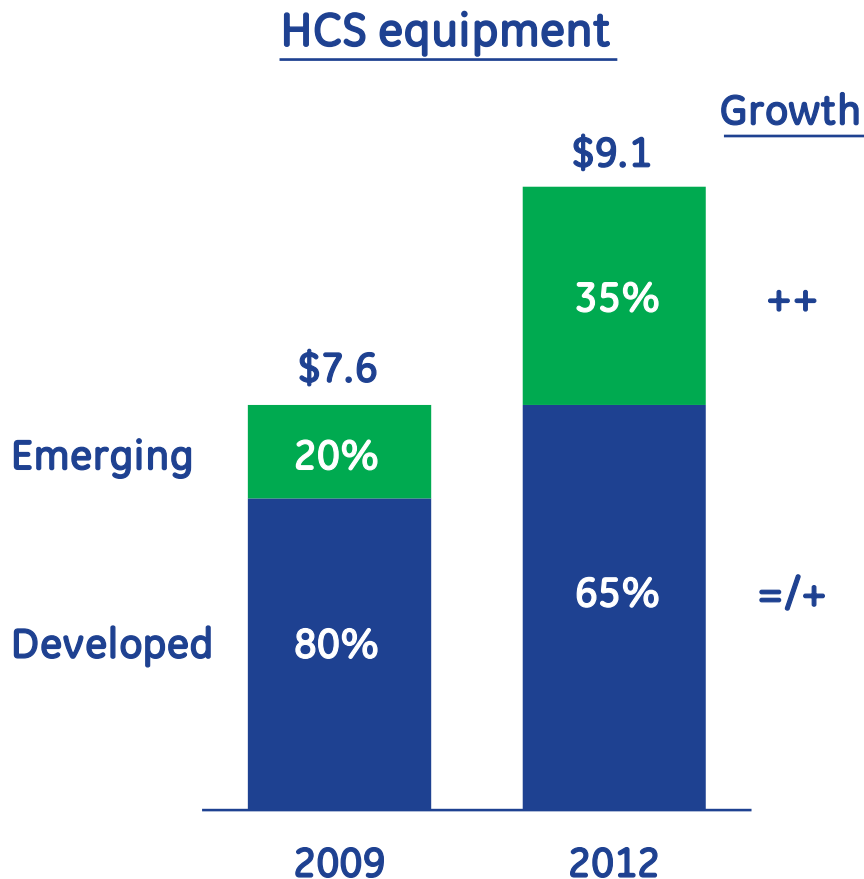


NeuroMarQ

**Connecting portfolio to deliver complete solutions**

# Geographical diversity

(\$ in billions)



- ✓ Expect slow growth in developed markets
  - Aligned sales force to win with the winning customers
  - Focus on cross selling & solutions
  - Rightsizing enabling functions
- ✓ Emerging markets continue to show strength
  - Expand coverage
  - More locally developed products ... increased price points
  - Opportunity to partner with governments

**Winning in emerging markets key driver of growth**

# Winning in emerging markets

## Investing in local footprint

	'09	'12	CAGR
Headcount	9,500	14,600	15%
Engineers	1,700	2,700	17%
Mfg. plants	12	16	10%
ICFC products	3	17	78%

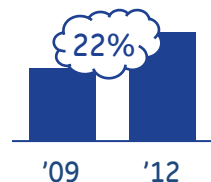


 Global Research Center  
 Manufacturing/engineering

## Delivering growth



China



### Building a \$5B business

- Local capabilities on par w/ U.S. & EU
- Global COE for value products



EAGM



### Company-to-country focus

- Aligned with MOH priorities
- Select localization in key regions



LATAM

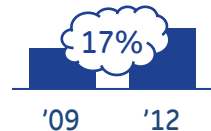


### Solid path to growth

- Expand coverage & service
- Mfg. localization in Brazil



India

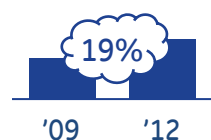


### Introducing disruptive NPI

- Private driven ... low govt. funding
- Local R&D teams drive innovation



ASEAN



### Accelerate growth in strong market

- Countries investing in HC systems
- Expand coverage & svc. capability

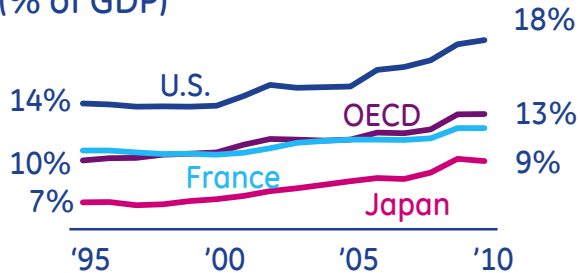
**\$4.5B business growing 20%**



# Addressing developed market needs

## Underlying dynamics

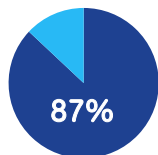
### 1 Rising health expenditure (% of GDP)<sup>-a)</sup>



### 2 Consolidation to larger providers



### 3 Focus on quality and cost<sup>-b)</sup>



Hospital will participate in some form of accountable care

## Investing in offerings that help customers

### Building out solutions capabilities

- Capacity Management: operate safely at high capacities
- Patient Safety: make progress through tools and technology
- Leadership: develop operational structures with accountability

### Enhancing account management processes and tools

- Strategically aligning resources by account
- Shifting to consultative selling skills
- SFDC as frontline collaboration platform



### Flexible service offerings catering to customer needs

- Tiered offering based on customer in-house capabilities
- Improving remote fix capabilities for quick turnaround



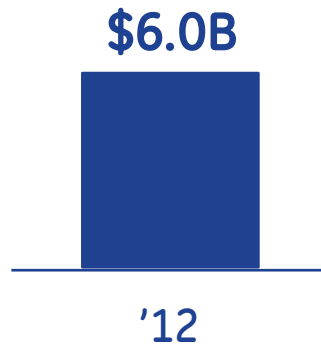
**Partner of choice**



(a- Data source: The World Bank  
(b- % of respondents with "Likely/Very Likely by 2016", Source: ACHE/Thomson Reuters Futurescan, Scope: U.S.

# Services + software + analytics

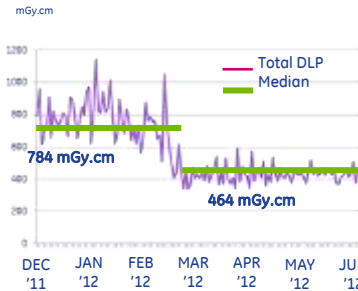
## Services + IT



### Key growth drivers:

- ✓ Strong customer relationships globally
- ✓ Powerful analytics focused on productivity and safety
- ✓ Expanding Performance Solutions team
- ✓ Increasing emphasis on customer cost, workflow & quality

## Solution examples



### DoseWatch™

Measure and optimize dose



### AgileTrac™

Analytics enabling safe & efficient ops.



### Caradigm™

Data-backed clinical decision support



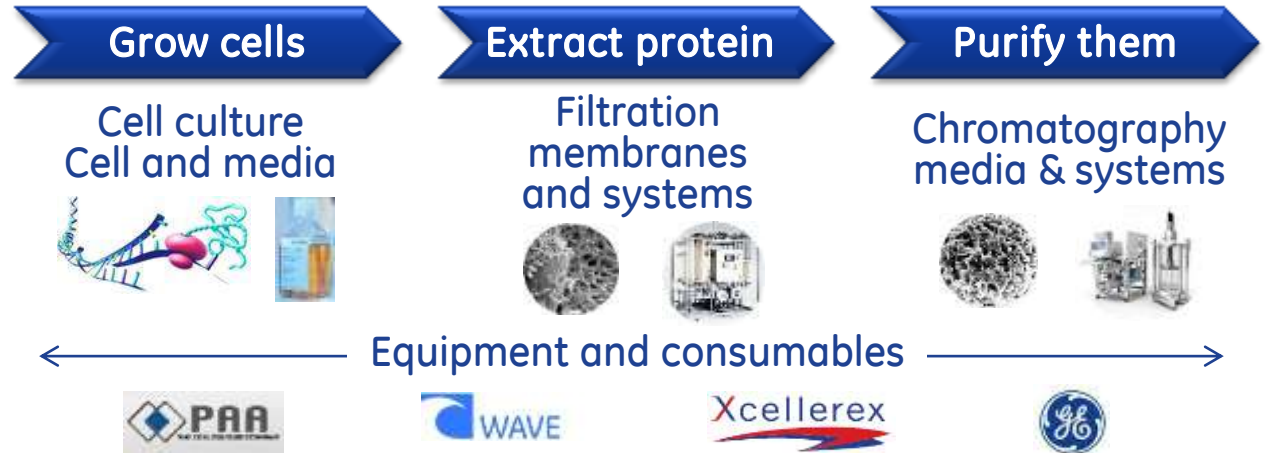
**Strong customer engagement driving growth**

# Life Sciences



Bioprocess production facility

## Investing along the value chain



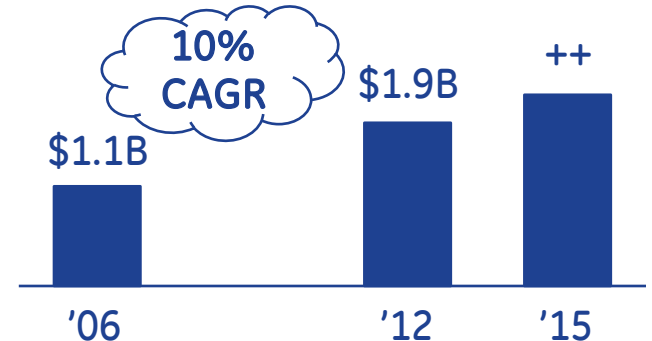
## GE used in 90% of MAb therapies



### Major customers

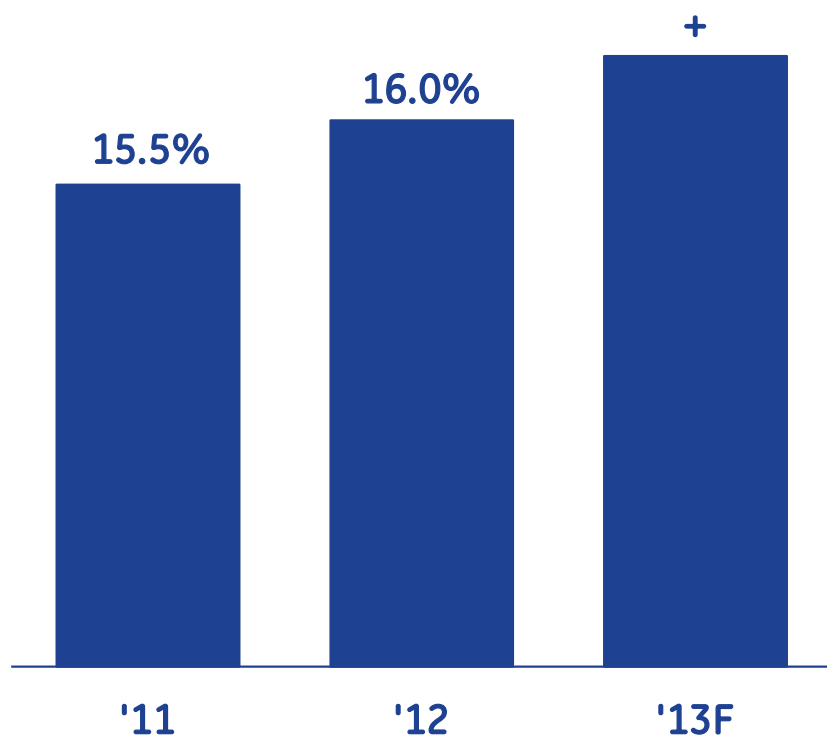


## Life Sciences sales growth



Winning in a valuable industry

# Driving margin



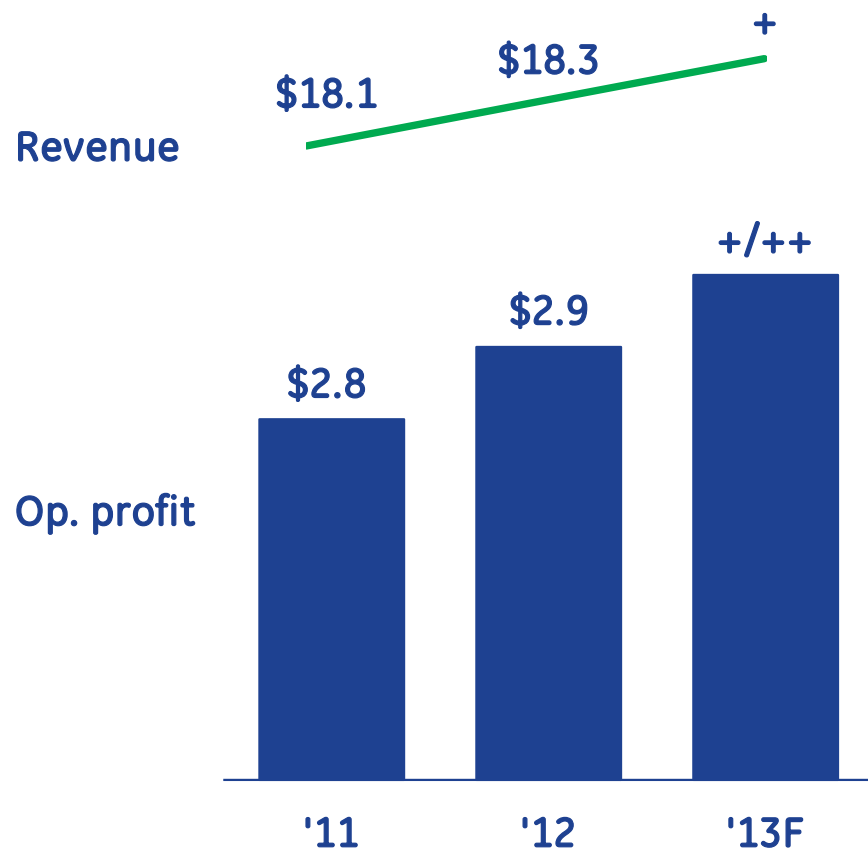
## Key drivers

- ✓ **Structural simplification**
  - P&L consolidation ... 8 HCS P&Ls to 6
  - Exit low-margin, non-core products
- ✓ **Footprint reduction in developed regions**
  - U.S. reducing 5 zone structure to 3 ... partially offsetting medical device tax impact
  - Europe delayering management structure
- ✓ **Maximizing value gap**
  - Dedicated focus on variable cost out
  - Optimizing global supply chain footprint
- ✓ **Product cost improvement**
  - Launch NPIs with expanded CM rates
  - Accelerate best-cost-country plays
- ✓ **Services margin accretion**
  - Grow value-added SW enabled offerings
  - Increase material and labor productivity

**Achieve margin accretion through NPI, VCP & simplification**

# Healthcare outlook

(\$ in billions)



## Summary

healthymagination™ - technologies that address today's healthcare challenges

### ✓ Strategic execution

- Developing products with clinical & economic relevance
- Adding software enabled growth platforms
- Investing in emerging market footprint
- Investing to broaden molecular medicine portfolio
- Reducing costs through simplification

**A leading healthcare solutions provider**