



# GE third quarter 2023 performance

## Financial results & company highlights

October 24, 2023

### **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 <https://www.ge.com/investor-relations/important-forward-looking-statement-information> 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 our earnings release, our quarterly report on Form 10-Q, and the appendix of this presentation and prior earnings presentations, as applicable.

Amounts shown on subsequent pages may not add due to rounding. Forward projections for GE Aerospace and GE Vernova are shown on a current GE-defined basis, and do not reflect costs or other changes for standalone financials in connection with the planned spinoff.

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# GE: A simpler, more focused company that is delivering



Very strong results at **GE**,  
raising full-year guide ...

GE Aerospace &  
GE Vernova to launch  
beginning of 2Q'24

## **GE Aerospace**

growing rapidly, from robust  
demand & solid execution in  
Commercial Engines &  
Services ... defining flight for  
today, tomorrow & future

## **GE Vernova**

strengthening with  
improved performance  
at Renewable Energy &  
Power ... electrifying &  
decarbonizing the world

# GE Aerospace & GE Vernova launches on track



## GE AEROSPACE

*Global aerospace propulsion & services leader in attractive, growing commercial & defense sectors*

## GE VERNOVA

*Uniquely positioned industry leader supporting customers through the energy transition*

- ✓ **Announced spin-off timing** ... planning to spin off GE Vernova & launch GE Aerospace beginning of 2Q'24
  - ✓ **Announced exchange listings** ... selected NYSE for GE Vernova & GE Aerospace under tickers GEV & GE, respectively
  - ✓ **Filling leadership teams** ... GE Aerospace named Chief Corporate Affairs Officer, Chief Human Resources Officer, General Counsel, Treasurer; GE Vernova named CFO & Wind CEO
  - ✓ **Further simplified balance sheet** ... retired preferred equity & received proceeds from portion of AerCap equity stake
- Operational readiness** ... systems, legal entities, finance, IT & more
- Upcoming milestones** ... file GE Vernova Form 10; name Boards of Directors; host Investor Days

# 3Q'23 snapshot



	RESULTS	Y/Y <sup>a)</sup>
Orders	\$17.9B	+18%
Adjusted revenue*	\$16.5B	+18%
Adjusted EPS*	\$0.82	+\$0.99, Favorable y/y
Free cash flow*	\$1.7B	+\$1.0B, Favorable y/y

## DYNAMICS

- **Services strength & improving business execution driving profitable growth amidst strong demand environment**
  - Orders robust ... services +15%<sup>org</sup>, equipment +22%<sup>org</sup>
  - Adjusted revenues\* grew in all segments ... services +17%<sup>org\*</sup>, equipment +19%<sup>org\*</sup>
  - Adjusted profit margin\* 9.8%, +760bps<sup>org\*</sup> ... volume, price & productivity more than offset inflation & investments
  - Adjusted EPS\* up significantly ... profit growth in all segments
- **FCF\* growth ~\$1B y/y, primarily driven by earnings**
- **Raising FY'23 guidance: +low teens organic revenue growth\*, \$2.55 - \$2.65 EPS\* & \$4.7B - \$5.1B FCF\***

**Another quarter of significant growth ... confident in outlook, raising FY'23 guidance**

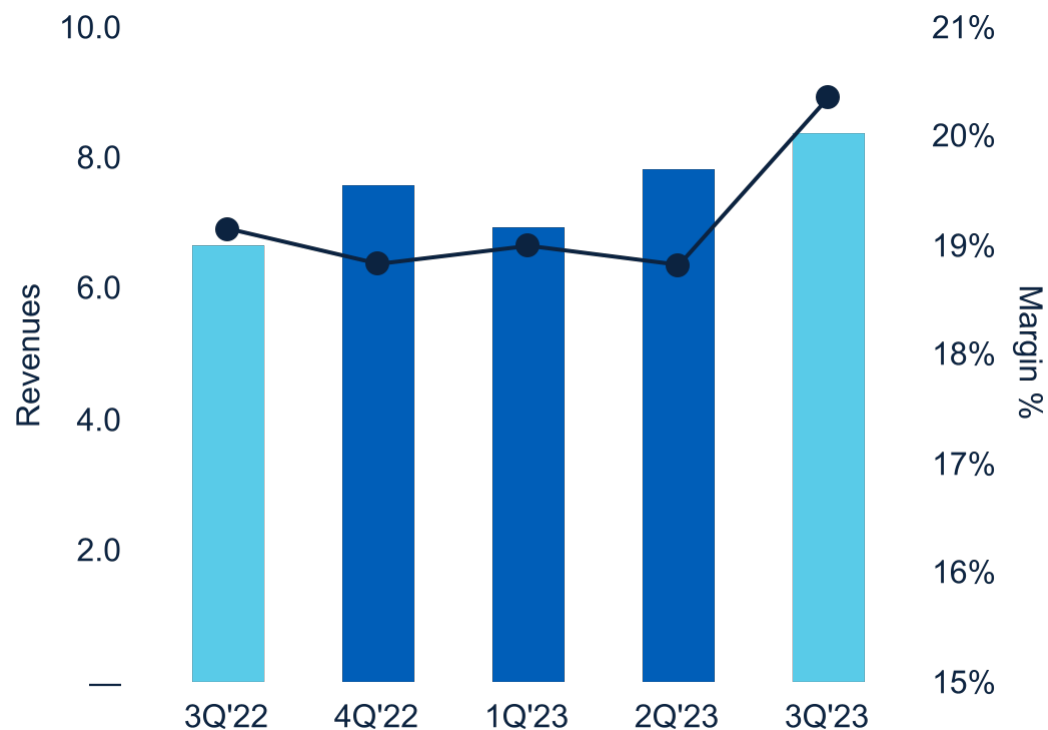
\* Non-GAAP Financial Measure  
(a – Year-over-year variances for orders and revenue are presented on an organic basis)

# GE Aerospace

(\$ in billions)



## 3Q'23 RESULTS



<b>Rev. Growth<sup>org*</sup></b>	<b>25%</b>	<b>26%</b>	<b>25%</b>	<b>28%</b>	<b>25%</b>
<b>Profit \$</b>	<b>1.3</b>	<b>1.4</b>	<b>1.3</b>	<b>1.5</b>	<b>1.7</b>

## 3Q'23 DYNAMICS<sup>-a)</sup>

- **Orders:** \$9.8B, +34% ... Commercial Engines & Services
- **Revenue:** \$8.4B, +25%\* ... +31%\* Commercial Services, +23%\* Commercial Engines (LEAP units +12%), +8%\* Defense
- **Profit:** \$1.7B, +33%\* ... volume & price offsetting inflation & investments
- **Margin:** 20.4%, +120bps\* ... services volume & price (net of inflation) offsetting investments & mix

## FY'23 GUIDANCE<sup>-b)</sup>

- **Organic revenue growth\*:** low 20s
- **Operating profit:** ~\$6B
- **FCF\*:** trending even better; earnings & W/C partially offset by ~\$(0.3)B AD&A

\* Non-GAAP Financial Measure

(a – Year-over-year variances for orders, revenue, profit and margin are presented on an organic basis

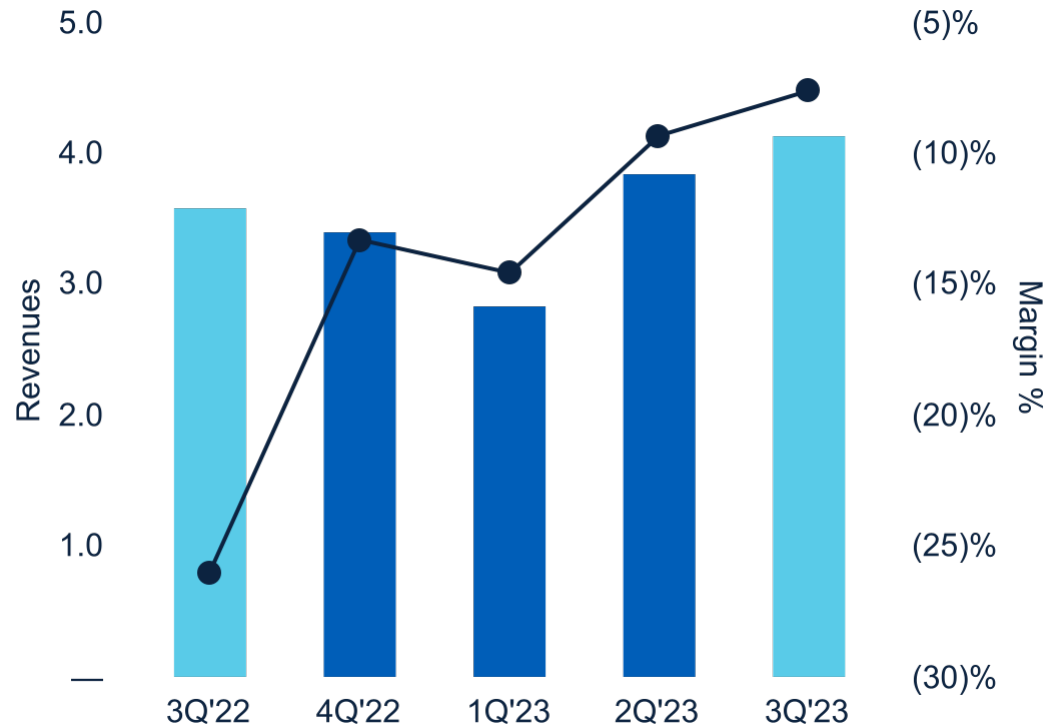
(b – Guidance is on a current GE-defined basis and does not reflect eliminations and Corporate adjustments

# GE Vernova<sup>-a)</sup>: Renewable Energy

(\$ in billions)



## 3Q'23 RESULTS



<b>Rev. Growth<sup>org*</sup></b>	<b>(10)%</b>	<b>(13)%</b>	<b>5%</b>	<b>27%</b>	<b>14%</b>
<b>Profit \$</b>	<b>(0.9)</b>	<b>(0.5)</b>	<b>(0.4)</b>	<b>(0.4)</b>	<b>(0.3)</b>

\* Non-GAAP Financial Measure

(a – GE Vernova refers to the sum of our Renewable Energy & Power segments, without giving effect to eliminations & Corporate adjustments. On a stand-alone basis, GE Vernova will include GE's portfolio of energy businesses

(b – Year-over-year variances for orders, revenue, profit and margin are presented on an organic basis

(c – 3Q'22 Renewable Energy higher warranty & related reserves were \$0.5B pre-tax, \$0.4B after-tax



## 3Q'23 DYNAMICS<sup>-b)</sup>

- **Orders:** \$3.9B, +3% ... Grid & North America Onshore equipment, partially offset by International Onshore
- **Revenue:** \$4.2B, +14%\* ... equipment growth across Grid businesses, North America Onshore & Offshore
- **Profit:** \$(0.3)B, +72%\* ... Grid and now Onshore profitable; y/y better from price, productivity & lower Onshore warranty<sup>-c)</sup> more than offset Offshore pressure
- **Margin:** (7.6)%, +1,990bps\* ... price, productivity & lower Onshore warranty<sup>-c)</sup>

## FY'23 GUIDANCE

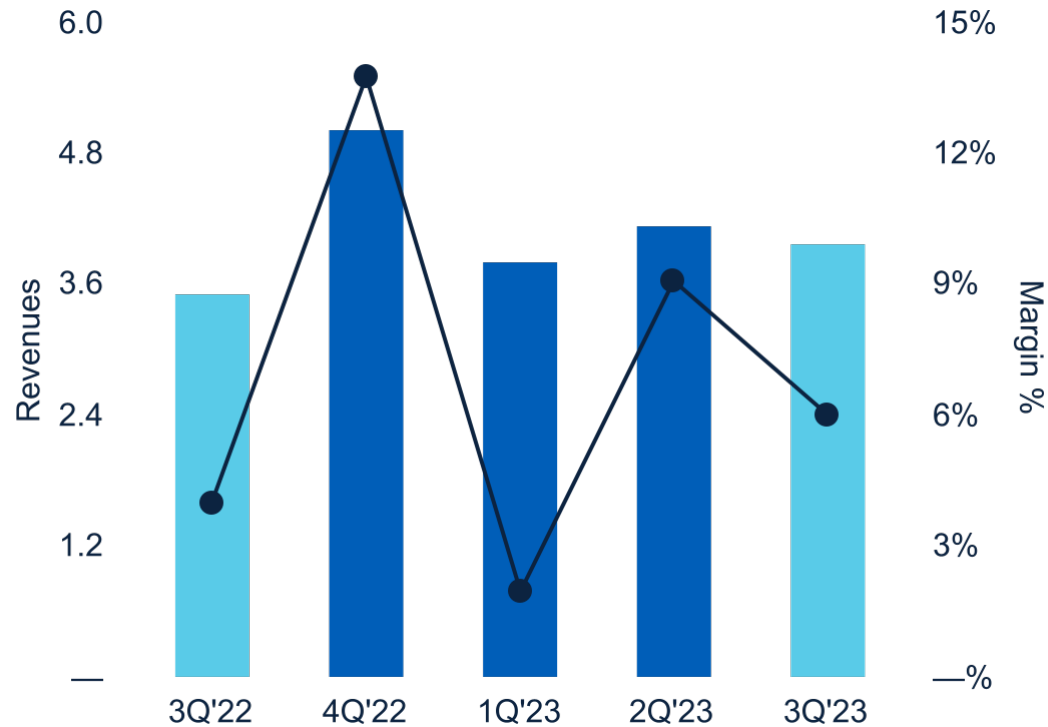
- **Organic revenue growth\*:** +LDD
- **Operating profit:** significantly better
- **FCF\*:** flat to improving; earnings growth with flat W/C

# GE Vernova<sup>a)</sup>: Power

(\$ in billions)



## 3Q'23 RESULTS



<b>Rev. Growth<sup>org*</sup></b>	(5)%	12%	11%	(2)%	9%
<b>Profit \$</b>	0.1	0.7	0.1	0.4	0.2

## 3Q'23 DYNAMICS<sup>b)</sup>



- **Orders:** \$4.3B, (1)% ... HDGT equipment growth more than offset lower Aeroderivative units; services (1)%
- **Revenue:** \$4.0B, +9%\* ... HDGT equipment, Aeroderivative & services growth; normal 3Q seasonality
- **Profit:** \$0.2B, +61%\* ... volume, price & productivity, partially offset by inflation
- **Margin:** 6.0%, +200bps\* ... services mix, price & productivity partially offset by inflation

## FY'23 GUIDANCE

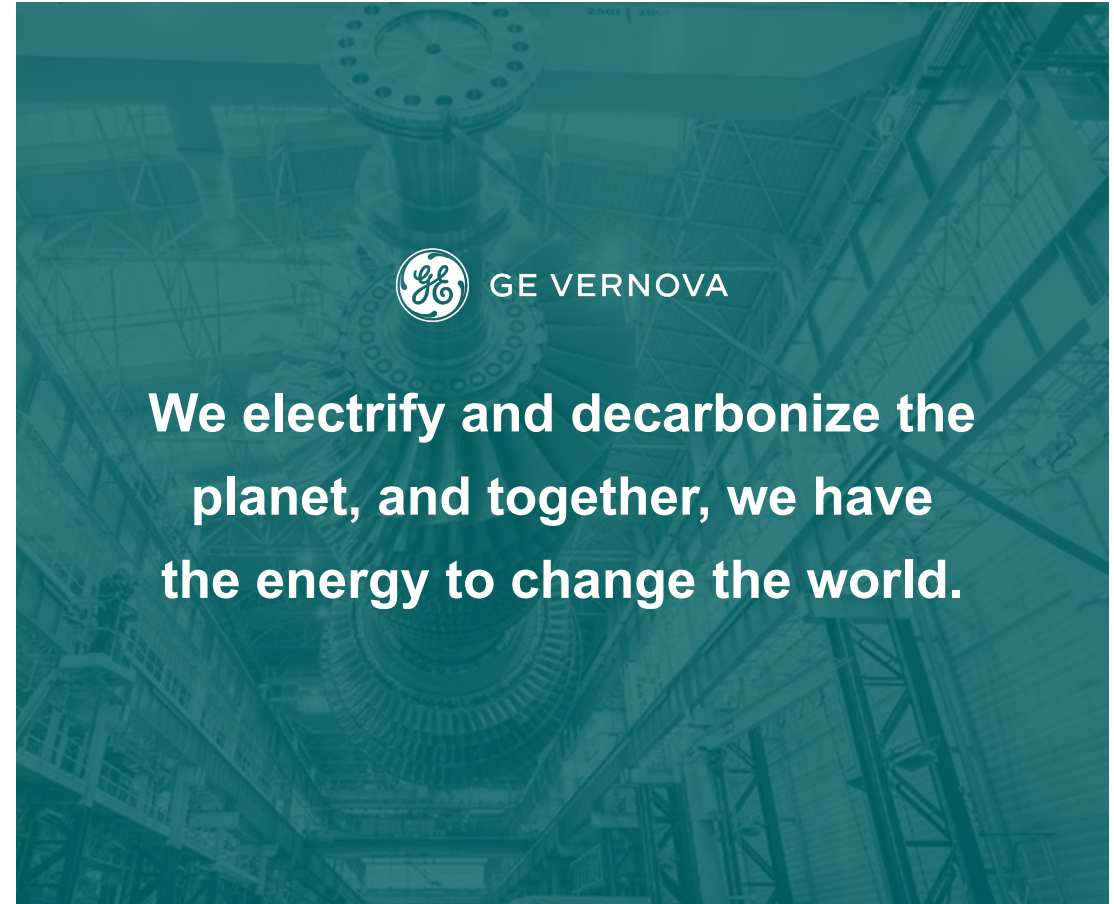
- **Organic revenue growth\*:** +LSD
- **Operating profit:** better
- **FCF\*:** lower; earnings growth offset by disbursements

\* Non-GAAP Financial Measure

(a – GE Vernova refers to the sum of our Renewable Energy & Power segments, without giving effect to eliminations & Corporate adjustments. On a stand-alone basis, GE Vernova will include GE's portfolio of energy businesses

(b – Year-over-year variances for orders, revenue, profit and margin are presented on an organic basis

# The GE team is building a world that works



**Strong performance ... accelerating toward launches with exciting futures ahead**



# Q&A

## GE Aerospace

Achieved significant milestone with the U.S Army's acceptance of the first two GE Aerospace T901 flight test engines that will power the Future Attack Reconnaissance Aircraft (FARA) prototypes



*The T901 has also been selected to re-engine the U.S. Army's Apache helicopters*

## GE VERNOVA

Achieved two million operating hours across Gas Power's global HA gas turbine fleet, the fastest growing fleet in the heavy-duty gas turbines H-Class segment



*CPV Fairview Energy Center in Jackson Township, Pennsylvania using GE 7HA.02 gas turbines*



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# Appendix

11 Orders \$

12 Orders units

13 Revenue \$

14 FCF

15 FY'23 Guidance

# Orders - supplemental information

(\$ in billions)



	EQUIPMENT ORDERS				SERVICE ORDERS				TOTAL ORDERS			
	3Q'23	y/y (org.)	3Q'23 YTD	y/y (org.)	3Q'23	y/y (org.)	3Q'23 YTD	y/y (org.)	3Q'23	y/y (org.)	3Q'23 YTD	y/y (org.)
Aerospace	\$3.2	52%	\$9.3	32%	\$6.6	27%	\$18.2	26%	\$9.8	34%	\$27.5	28%
Renewable Energy	\$3.3	5%	\$15.8	Fav	\$0.6	(7)%	\$1.8	(6)%	\$3.9	3%	\$17.6	82%
Power	\$1.5	1%	\$3.9	3%	\$2.8	(1)%	\$8.8	2%	\$4.3	(1)%	\$12.8	2%
<b>Total Company</b>	<b>\$7.9</b>	<b>22%</b>	<b>\$28.6</b>	<b>57%</b>	<b>\$10.1</b>	<b>15%</b>	<b>\$28.9</b>	<b>16%</b>	<b>\$17.9</b>	<b>18%</b>	<b>\$57.5</b>	<b>33%</b>

# Orders - supplemental information, units

(in units)



	<u>3Q'23</u>	<u>3Q'22</u>	<u>3Q'23 YTD</u>	<u>3Q'22 YTD</u>
<b>Aerospace</b>				
Commercial Engines	900	181	2,333	1,303
LEAP Engines <sup>-a)</sup>	713	101	1,455	936
Defense Engines	132	126	643	159
<b>Renewable Energy</b>				
Wind Turbines <sup>-b)</sup>	411	668	1,487	1,232
Wind Turbine Gigawatts <sup>-b),-c)</sup>	1.7	2.6	6.2	4.6
Repower units	27	166	173	411
<b>Power</b>				
GE Gas Turbines	20	18	59	60
Heavy-Duty Gas Turbines <sup>-d)</sup>	12	6	32	17
HA-Turbines <sup>-e)</sup>	4	5	8	8
Aeroderivatives <sup>-d)</sup>	8	12	27	43
GE Gas Turbine Gigawatts <sup>-c)</sup>	3.1	2.6	7.4	6.8

(a – LEAP engines are a subset of Commercial Engines

(b – Includes Onshore and Offshore units

(c – Gigawatts reported associated with orders in the periods presented

(d – Heavy-Duty Gas Turbines and Aeroderivatives are subsets of GE Gas Turbines

(e – HA-Turbines are a subset of Heavy-Duty Gas Turbines

# Revenues - supplemental information

(\$ in billions)



	EQUIPMENT REVENUES				SERVICE REVENUES				TOTAL REVENUES			
	3Q'23	y/y (org.)*	3Q'23 YTD	y/y (org.)*	3Q'23	y/y (org.)*	3Q'23 YTD	y/y (org.)*	3Q'23	y/y (org.)*	3Q'23 YTD	y/y (org.)*
Aerospace	\$2.3	17%	\$6.8	26%	\$6.1	29%	\$16.4	26%	\$8.4	25%	\$23.3	26%
Renewable Energy	\$3.6	22%	\$9.1	24%	\$0.6	(17)%	\$1.8	(14)%	\$4.2	14%	\$10.8	15%
Power	\$1.3	25%	\$3.4	8%	\$2.7	3%	\$8.5	4%	\$4.0	9%	\$11.9	5%
<b>Total Company</b>	<b>\$6.9</b>	<b>19%</b>	<b>\$18.9</b>	<b>22%</b>	<b>\$9.6</b>	<b>17%</b>	<b>\$27.1</b>	<b>15%</b>	<b>\$16.5<sup>-a)</sup></b>	<b>18%</b>	<b>\$46.1<sup>-a)</sup></b>	<b>18%</b>

\* Non-GAAP Financial Measure  
(a – Adjusted revenues\* (Total revenues less Insurance))

# Free cash flow\* performance

(\$ in billions)



	<u>3Q'23</u>	<u>y/y</u>	<u>3Q'23</u> <u>YTD</u>	<u>y/y</u>
Net earnings (loss) <sup>-a)</sup>	0.2	0.4	7.4	10.0
Depreciation & amortization	0.5	0.0	1.5	(0.8)
Operating working capital	0.4	0.5	0.0	1.0
Current receivables	0.1	1.5	0.1	2.7
Inventory	(0.4)	(0.1)	(2.2)	0.0
Accounts payable	0.4	(0.2)	0.4	(1.3)
Progress collections	0.2	(0.3)	0.9	(0.3)
Current contract assets	0.1	(0.4)	0.8	(0.2)
Other CFOA <sup>-b)</sup>	1.0	0.2	(5.8)	(7.5)
Gross CAPEX	(0.4)	(0.1)	(1.1)	(0.3)
<b>FCF*</b>	<b>1.7</b>	<b>1.0</b>	<b>2.2</b>	<b>2.5</b>

## 3Q'23 DYNAMICS

- Strong adjusted earnings\* primarily driving FCF\*
- Continued momentum in working capital:
  - Receivables source from collections generated with improved billing linearity
  - Inventory use to fulfill 2H seasonal demand and continued supply chain pressure, offset by payables
  - Progress source from Power equipment orders downpayments and milestones
  - Contract assets source from consistently strong utilization at Aerospace and Power
- Other CFOA: includes \$1.1B for losses on equity stakes and \$(0.2)B AD&A use

\* Non-GAAP Financial Measure

(a – Aggregates the following: Net earnings (loss) and (earnings) loss from discontinued operations

(b – Includes the following: (Gains) losses on sales of business interests, (Gains) losses on retained and sold ownership interests and other equity securities, principal pension plans (net), other post retirement benefit plans (net), income taxes (net), financial services derivatives and all other operating; excludes Insurance CFOA, separation cash expenditures, Corporate restructuring cash expenditures and deal taxes

# FY 2023 Guidance: as of October 24, 2023



## GE Aerospace<sup>-a)</sup>

- Low 20% organic revenue growth\*
- ~\$6B operating profit
- FCF\* trending even better year-over-year



## GE VERNOVA<sup>-a)</sup>

- HSD organic revenue growth\*
- \$(0.3)B - \$(0.1)B operating profit
- FCF\* flat to slightly improved

## Total company

2023

Revenue growth<sup>\*-b)</sup>

+Low teens  
*prior: +LDD*

Adjusted EPS\*

\$2.55 - \$2.65  
*prior: \$2.10 - \$2.30*

Free cash flow\*

\$4.7B - \$5.1B  
*prior: \$4.1B - \$4.6B*

**GE Aerospace growing rapidly & GE Vernova strengthening**

\* Non-GAAP Financial Measure

(a – Business-specific guidance is on a current GE-defined basis and does not reflect costs or other changes for standalone financials in connection with the planned GE Vernova spin-off. Guidance for both businesses does not reflect eliminations and Corporate adjustments. GE Vernova guidance reflects the sum of Renewable Energy and Power.

(b – Organic basis



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# Non-GAAP reconciliations

17 Equipment & services organic revenues by segment

18 Organic revenues by sub segment

19 Adjusted earnings from continuing operations before income taxes

20 Adjusted organic profit excluding Renewable Energy warranty and related reserves

21 Adjusted earnings (loss) excluding Renewable Energy warranty and related reserves

22 Renewable Energy organic revenues, profit (loss) and profit margin excluding Renewable Energy warranty and related reserves



# Equipment & services organic revenues by segment



EQUIPMENT AND SERVICES ORGANIC REVENUES (NON-GAAP) (Dollars in millions)	EQUIPMENT						SERVICES					
	3Q'23	3Q'22	V%	3Q'23 YTD	3Q'22 YTD	V%	3Q'23	3Q'22	V%	3Q'23 YTD	3Q'22 YTD	V%
Aerospace revenues (GAAP)	\$ 2,299	\$ 1,968	17 %	\$ 6,806	\$ 5,379	27 %	\$ 6,111	\$ 4,736	29 %	\$ 16,445	\$ 13,055	26 %
Less: acquisitions and business dispositions	—	—		—	—		—	—		—	—	
Less: foreign currency effect	3	(1)		1	(2)		5	(4)		4	(8)	
<b>Aerospace organic revenues (Non-GAAP)</b>	<b>\$ 2,296</b>	<b>\$ 1,969</b>	<b>17 %</b>	<b>\$ 6,804</b>	<b>\$ 5,381</b>	<b>26 %</b>	<b>\$ 6,105</b>	<b>\$ 4,741</b>	<b>29 %</b>	<b>\$ 16,441</b>	<b>\$ 13,063</b>	<b>26 %</b>
Renewable Energy revenues (GAAP)	\$ 3,554	\$ 2,887	23 %	\$ 9,084	\$ 7,505	21 %	\$ 597	\$ 707	(16)%	\$ 1,754	\$ 2,059	(15)%
Less: acquisitions and business dispositions	—	—		—	—		—	—		—	—	
Less: foreign currency effect	63	24		(146)	34		10	3		(19)	4	
<b>Renewable Energy organic revenues (Non-GAAP)</b>	<b>\$ 3,491</b>	<b>\$ 2,863</b>	<b>22 %</b>	<b>\$ 9,230</b>	<b>\$ 7,471</b>	<b>24 %</b>	<b>\$ 587</b>	<b>\$ 704</b>	<b>(17)%</b>	<b>\$ 1,772</b>	<b>\$ 2,055</b>	<b>(14)%</b>
Power revenues (GAAP)	\$ 1,251	\$ 954	31 %	\$ 3,426	\$ 3,116	10 %	\$ 2,722	\$ 2,575	6 %	\$ 8,519	\$ 8,117	5 %
Less: acquisitions and business dispositions	23	—		37	—		33	—		49	—	
Less: foreign currency effect	34	(4)		4	(20)		25	(4)		(32)	(19)	
<b>Power organic revenues (Non-GAAP)</b>	<b>\$ 1,194</b>	<b>\$ 958</b>	<b>25 %</b>	<b>\$ 3,385</b>	<b>\$ 3,135</b>	<b>8 %</b>	<b>\$ 2,665</b>	<b>\$ 2,579</b>	<b>3 %</b>	<b>\$ 8,501</b>	<b>\$ 8,136</b>	<b>4 %</b>

\* Non-GAAP Financial Measure

We believe these measures provide management and investors with a more complete understanding of underlying operating results and trends of established, ongoing operations by excluding the effect of acquisitions, dispositions and foreign currency, which includes translational and transactional impacts, as these activities can obscure underlying trends.

# Organic revenues by sub segment



## ORGANIC REVENUES BY SUB SEGMENT (NON-GAAP)

(Dollars in millions)	3Q'23	3Q'22	V%	3Q'23 YTD	3Q'22 YTD	V%
Aerospace commercial services revenues (GAAP)	\$ 4,588	\$ 3,502	31 %	\$ 12,141	\$ 9,178	32 %
Less: acquisitions and business dispositions	—	—		—	—	
Less: foreign currency effect	—	—		—	—	
<b>Aerospace commercial services organic revenues (Non-GAAP)</b>	<b>\$ 4,588</b>	<b>\$ 3,502</b>	<b>31 %</b>	<b>\$ 12,142</b>	<b>\$ 9,178</b>	<b>32 %</b>
Aerospace commercial engines revenues (GAAP)	\$ 1,811	\$ 1,469	23 %	\$ 5,152	\$ 3,952	30 %
Less: acquisitions and business dispositions	—	—		—	—	
Less: foreign currency effect	—	—		—	—	
<b>Aerospace commercial engines organic revenues (Non-GAAP)</b>	<b>\$ 1,811</b>	<b>\$ 1,469</b>	<b>23 %</b>	<b>\$ 5,152</b>	<b>\$ 3,952</b>	<b>30 %</b>
Aerospace defense revenues (GAAP)	\$ 1,111	\$ 1,027	8 %	\$ 3,470	\$ 3,159	10 %
Less: acquisitions and business dispositions	—	—		—	—	
Less: foreign currency effect	—	—		—	—	
<b>Aerospace defense organic revenues (Non-GAAP)</b>	<b>\$ 1,111</b>	<b>\$ 1,027</b>	<b>8 %</b>	<b>\$ 3,470</b>	<b>\$ 3,159</b>	<b>10 %</b>

\* Non-GAAP Financial Measure

We believe these measures provide management and investors with a more complete understanding of underlying operating results and trends of established, ongoing operations by excluding the effect of acquisitions, dispositions and foreign currency, which includes translational and transactional impacts, as these activities can obscure underlying trends.

# Adjusted earnings from continuing operations before income taxes



## ADJUSTED EARNINGS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES (NON-GAAP)

(Dollars in millions)

	3Q'23	3Q'22	V%	3Q'23 YTD	3Q'22 YTD	V%
<b>Total revenues (GAAP)</b>	\$ 17,346	\$ 14,470	20 %	\$ 48,531	\$ 41,272	18 %
Less: Insurance revenues	842	645		2,480	2,175	
<b>Adjusted revenues (Non-GAAP)</b>	\$ 16,504	\$ 13,826	19 %	\$ 46,050	\$ 39,097	18 %
Total costs and expenses (GAAP)	\$ 16,373	\$ 14,880	10 %	\$ 46,449	\$ 42,650	9 %
Less: Insurance cost and expenses	742	543		2,248	1,911	
Less: interest and other financial charges	275	361		786	1,085	
Less: non-operating benefit cost (income)	(396)	(96)		(1,183)	(302)	
Less: restructuring & other	149	103		438	176	
Less: separation costs	227	171		658	419	
Less: Steam asset sale impairment	—	—		—	825	
Less: Russia and Ukraine charges	—	33		190	263	
Add: noncontrolling interests	(14)	(2)		(37)	19	
Add: EFS benefit from taxes	(42)	(52)		(153)	(160)	
<b>Adjusted costs (Non-GAAP)</b>	\$ 15,320	\$ 13,711	12 %	\$ 43,122	\$ 38,133	13 %
<b>Other income (loss) (GAAP)</b>	\$ (673)	\$ 178	Unfav	\$ 6,100	\$ (1,000)	Fav
Less: gains (losses) on retained and sold ownership interests and other equity securities	(1,110)	(89)		5,152	(1,859)	
Less: gains (losses) on purchases and sales of business interests & other	6	22		(13)	31	
<b>Adjusted other income (loss) (Non-GAAP)</b>	\$ 431	\$ 245	76 %	\$ 961	\$ 828	16 %
<b>Profit (loss) (GAAP)</b>	\$ 300	\$ (232)	Fav	\$ 8,182	\$ (2,378)	Fav
<b>Adjusted profit (loss) (Non-GAAP)</b>	\$ 1,615	\$ 359	Fav	\$ 3,889	\$ 1,793	Fav
<b>Adjusted profit (loss) (Non-GAAP)</b>	\$ 1,615	\$ 359	Fav	\$ 3,889	\$ 1,793	Fav
Add: interest and other financial charges (ex EFS, ex Insurance)	(276)	(361)		(788)	(1,090)	
Less: noncontrolling interests	14	2		37	(19)	
Less: EFS benefit from taxes	42	52		153	160	
<b>Adjusted earnings (loss) from continuing operations before income taxes (Non-GAAP)</b>	\$ 1,283	\$ (55)	Fav	\$ 2,910	\$ 562	Fav
Less: adjusted provision (benefit) for income taxes (Non-GAAP)	334	60		761	249	
Add: preferred stock dividends and other	(91)	(73)		(295)	(192)	
Add: noncontrolling interests	14	2		37	(19)	
Add: dilution	—	—		(3)	—	
Less: excise tax on preferred stock repurchase	(28)	—		(58)	—	
<b>Adjusted earnings (loss) (Non-GAAP)</b>	\$ 901	\$ (187)	Fav	\$ 1,947	\$ 102	Fav

\* Non-GAAP Financial Measure

Fav = favorable y/y; Unfav = unfavorable y/y

We believe that adjusting profit to exclude the effects of items that are not closely associated with ongoing operations before income taxes provides management and investors with a meaningful measure that increases the period-to-period comparability. Gains (losses) and restructuring and other items are impacted by the timing and magnitude of gains associated with dispositions, and the timing and magnitude of costs associated with restructuring and other activities.

# Adjusted organic profit excluding Renewable Energy warranty and related reserves (Non-GAAP)



## ADJUSTED ORGANIC PROFIT EXCLUDING RENEWABLE ENERGY WARRANTY AND RELATED RESERVES (NON-GAAP)

(Dollars in millions)

	3Q'23	3Q'22	V%
Adjusted profit (loss) (Non-GAAP)	\$ 1,615	\$ 359	Fav
Less: acquisitions and business dispositions	23	—	
Less: foreign currency effect	(88)	(11)	
<b>Adjusted organic profit (loss) (Non-GAAP)</b>	<b>\$ 1,680</b>	<b>\$ 370</b>	<b>Fav</b>
Less: Renewable Energy warranty and related reserves	—	(505)	
<b>Adjusted organic profit (loss) excluding Renewable Energy warranty and related reserves (Non-GAAP)</b>	<b>\$ 1,680</b>	<b>\$ 875</b>	<b>92 %</b>
<b>Adjusted organic profit (loss) margin excluding Renewable Energy warranty and related reserves (Non-GAAP)</b>	<b>10.3 %</b>	<b>6.3 %</b>	<b>4.0pts</b>

\* Non-GAAP Financial Measure

Fav = favorable y/y

We believe these measures provide management and investors with a more complete understanding of underlying operating results and trends of established, ongoing operations by excluding the effect of acquisitions, dispositions and foreign currency, which includes translational and transactional impacts, as these activities can obscure underlying trends. For 3Q 2022, we are also presenting these measures excluding Renewable Energy warranty and related reserves as a relevant comparison for investors because third-quarter 2022 reserves were elevated due to changes in estimates on pre-existing warranties and related to the deployment of repairs and other corrective measures.

# Adjusted earnings (loss) excluding Renewable Energy warranty and related reserves (Non-GAAP)



ADJUSTED EARNINGS (LOSS) EXCLUDING RENEWABLE ENERGY WARRANTY AND RELATED RESERVES (NON-GAAP) (Dollars in millions, per-share amounts in dollars)	3Q'23		3Q'22	
	Earnings	EPS	Earnings	EPS
<b>Earnings (loss) from continuing operations (GAAP)</b>	\$84	\$ 0.08	\$(313)	\$ (0.29)
Insurance earnings (loss) (pre-tax)	100	0.09	101	0.09
Tax effect on Insurance earnings (loss)	(23)	(0.02)	(23)	(0.02)
Less: Insurance earnings (loss) (net of tax)	77	0.07	78	0.07
<b>Earnings (loss) excluding Insurance (Non-GAAP)</b>	\$7	\$ 0.01	\$(391)	\$ (0.36)
Non-operating benefit (cost) income (pre-tax) (GAAP)	396	0.36	96	0.09
Tax effect on non-operating benefit (cost) income	(83)	(0.08)	(20)	(0.02)
Less: Non-operating benefit (cost) income (net of tax)	313	0.28	76	0.07
Gains (losses) on purchases and sales of business interests (pre-tax)	6	0.01	22	0.02
Tax effect on gains (losses) on purchases and sales of business interests	(7)	(0.01)	39	0.04
Less: Gains (losses) on purchases and sales of business interests (net of tax)	(1)	—	61	0.06
Gains (losses) on retained and sold ownership interests and other equity securities (pre-tax)	(1,110)	(1.01)	(89)	(0.08)
Tax effect on gains (losses) on retained and sold ownership interests and other equity securities	—	—	(9)	(0.01)
Less: Gains (losses) on retained and sold ownership interests and other equity securities (net of tax)	(1,110)	(1.01)	(98)	(0.09)
Restructuring & other (pre-tax)	(149)	(0.14)	(103)	(0.09)
Tax effect on restructuring & other	31	0.03	22	0.02
Less: Restructuring & other (net of tax)	(118)	(0.11)	(81)	(0.07)
Separation costs (pre-tax)	(227)	(0.21)	(171)	(0.16)
Tax effect on separation costs	278	0.25	39	0.04
Less: Separation costs (net of tax)	51	0.05	(132)	(0.12)
Steam asset sale impairment (pre-tax)	—	—	—	—
Tax effect on Steam asset sale impairment	—	—	—	—
Less: Steam asset sale impairment (net of tax)	—	—	—	—
Russia and Ukraine charges (pre-tax)	—	—	(33)	(0.03)
Tax effect on Russia and Ukraine charges	—	—	—	—
Less: Russia and Ukraine charges (net of tax)	—	—	(33)	(0.03)
Less: Excise tax and accretion of preferred share redemption	(28)	(0.03)	3	—
Less: U.S. and foreign tax law change enactment	—	—	—	—
<b>Adjusted earnings (loss) (Non-GAAP)</b>	\$901	\$ 0.82	\$(187)	\$ (0.17)
Renewable Energy warranty and related reserves (pre-tax)	—	—	(505)	(0.46)
Tax effect on Renewable Energy warranty and related reserves	—	—	70	0.06
Less: Renewable Energy warranty and related reserves (net of tax)	—	—	(435)	(0.40)
<b>Adjusted earnings (loss) excluding Renewable Energy warranty and related reserves (Non-GAAP)</b>	\$901	\$ 0.82	\$248	\$ 0.23

\* Non-GAAP Financial Measure

The service cost for our pension and other benefit plans are included in Adjusted earnings\*, which represents the ongoing cost of providing pension benefits to our employees. The components of non-operating benefit costs are mainly driven by capital allocation decisions and market performance. We believe the retained cost in Adjusted earnings\* provides management and investors a useful measure to evaluate the performance of the total company and increases period-to-period comparability. We also use Adjusted EPS\* as a performance metric at the company level for our annual executive incentive plan for 2023. For 3Q 2022, we are also presenting these measures excluding Renewable Energy warranty and related reserves as a relevant comparison for investors because third-quarter 2022 reserves were elevated due to changes in estimates on pre-existing warranties and related to the deployment of repairs and other corrective measures.

# Renewable Energy organic revenues, profit (loss) and profit margin excluding Renewable Energy warranty and related reserves (Non-GAAP)



**RENEWABLE ENERGY ORGANIC REVENUES, PROFIT (LOSS) AND PROFIT MARGIN EXCLUDING RENEWABLE ENERGY WARRANTY AND RELATED RESERVES (NON-GAAP)**  
(Dollars in millions)

	Revenues			Segment profit (loss)			Profit margin		
	3Q'23	3Q'22	V%	3Q'23	3Q'22	V%	3Q'23	3Q'22	V pts
Renewable Energy (GAAP)	\$ 4,151	\$ 3,594	15 %	\$ (317)	\$ (934)	66 %	(7.6)%	(26.0)%	18.4pts
Less: acquisitions and business dispositions	—	—		—	—				
Less: foreign currency effect	72	27		(52)	8				
<b>Renewable Energy organic (Non-GAAP)</b>	<b>\$ 4,078</b>	<b>\$ 3,567</b>	<b>14 %</b>	<b>\$ (265)</b>	<b>\$ (942)</b>	<b>72 %</b>	<b>(6.5)%</b>	<b>(26.4)%</b>	<b>19.9pts</b>
Less: Renewable Energy warranty and related reserves	—	—		—	(505)				
<b>Renewable Energy organic excluding Renewable Energy warranty and related reserves (Non-GAAP)</b>	<b>\$ 4,078</b>	<b>\$ 3,567</b>	<b>14 %</b>	<b>\$ (265)</b>	<b>\$ (437)</b>	<b>39 %</b>	<b>(6.5)%</b>	<b>(12.3)%</b>	<b>5.8pts</b>

\* Non-GAAP Financial Measure

We believe these measures provide management and investors with a more complete understanding of underlying operating results and trends of established, ongoing operations by excluding the effect of acquisitions, dispositions and foreign currency, which includes translational and transactional impacts, as these activities can obscure underlying trends. For 3Q 2022, we are also presenting these measures excluding Renewable Energy warranty and related reserves as a relevant comparison for investors because third-quarter 2022 reserves were elevated due to changes in estimates on pre-existing warranties and related to the deployment of repairs and other corrective measures.



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# Upcoming calendar

4Q'23 earnings

January 23, 2024