

Case Study: GE Splits into Three Publicly Traded Companies

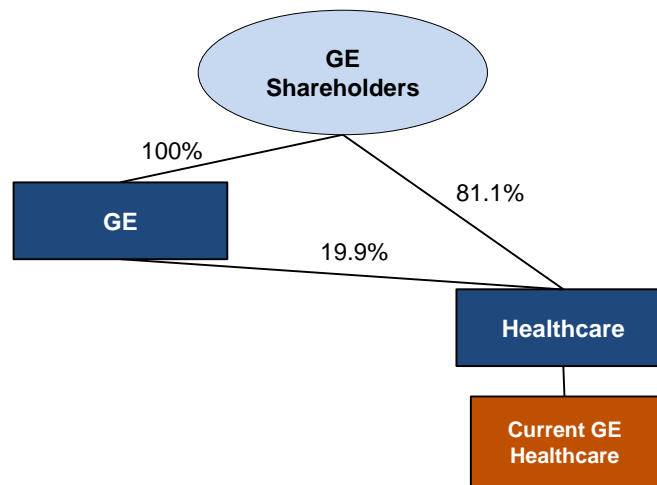
Transaction Overview

- On November 9, 2021, General Electric Company (“GE”) announced it plans to pursue two tax-free spin-offs to form three public companies from GE’s (i) Aviation business, which will maintain the current GE name, (ii) Healthcare business (“Healthcare”) and (iii) combined Renewable Energy, Power and Digital businesses (“Renewable Energy and Power”).
 - Transaction 1:** GE intends to pursue a tax-free spin-off of GE Healthcare in 2023, in which GE expects to retain a stake of 19.9%.
 - GE also intends that Healthcare will issue debt securities, the proceeds of which will be used to pay down outstanding GE debt.
 - Transaction 2:** GE then intends to combine GE Renewable Energy, GE Power and GE Digital into one business and then pursue a tax-free spin-off of the combined business in 2024.
 - Following these transactions, GE will be an aviation-focused company and will also retain other assets and liabilities of GE today, including run-off insurance operations.
- The respective capital structures, brands, and full leadership teams for each independent company are yet to be determined.
- Current GE Chairman and CEO H. Lawrence Culp, Jr. will serve as non-executive chairman of Healthcare and will continue to serve as chairman and CEO of GE until the second spin-off, at which point, he will lead the GE aviation-focused company going forward.
- Current GE Healthcare CEO Peter Arduini will assume the role of president and CEO of GE Healthcare effective January 1, 2022.
- Current GE Power CEO Scott Strazik will be the CEO of Renewable Energy and Power.

Source: Company filings.

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Simplified Transaction 1 Structure



Simplified Transaction 2 Structure

