GENERAL ELECTRIC NYSE-GE

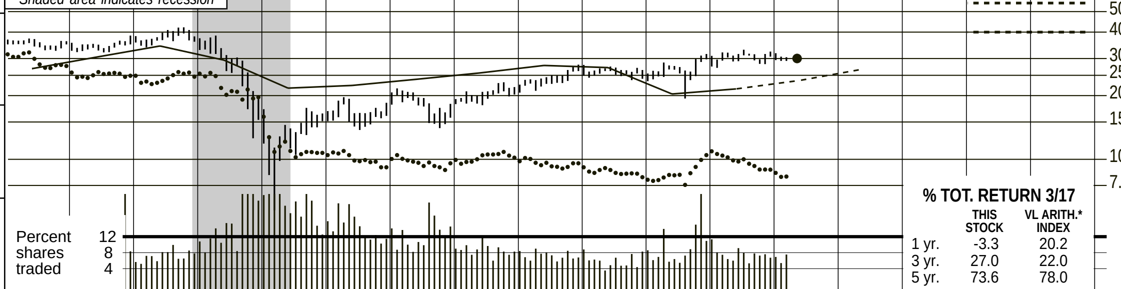
RECENT PRICE 30.02 | P/E RATIO 20.6 (Trailing: 20.1; Median: 15.0) | RELATIVE P/E RATIO 1.05 | DIV'D YLD 3.2% | VALUE LINE

TIMELINESS **3** Lowered 3/24/17
SAFETY **2** Raised 1/13/17
TECHNICAL **3** Lowered 4/14/17
BETA 1.05 (1.00 = Market)

High:	38.5	42.2	38.5	17.5	19.7	21.7	23.2	28.1	27.9	31.5	33.0	31.8
Low:	32.1	33.9	12.6	5.7	13.8	14.0	18.0	20.7	23.7	19.4	27.1	29.3

Target Price Range
2020 | 2021 | 2022

LEGENDS
— 10.5 x "Cash Flow" p sh
.... Relative Price Strength
Options: Yes
Shaded area indicates recession



2020-22 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(+85%)	19%
Low	40	(+35%)	11%

Insider Decisions

	J	J	A	S	O	N	D	J	F
to Buy	0	1	0	0	0	1	0	1	1
Options	0	4	1	2	0	4	1	1	3
to Sell	0	0	0	0	0	0	0	0	1

Institutional Decisions

	2Q2016	3Q2016	4Q2016
to Buy	840	853	901
to Sell	1032	997	1034
Hld's(000)	5031730	4754934	4796512

Percent shares traded 12 8 4

% TOT. RETURN 3/17

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-3.3	20.2
3 yr.	27.0	22.0
5 yr.	73.6	78.0

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
12.69	13.21	13.33	14.44	14.28	15.90	17.30	17.32	14.70	14.15	13.93	14.16	14.52	14.77	13.61	14.15	**14.45**	**15.50**	Revenues per sh	**20.00**
2.14	2.12	2.24	2.38	2.56	2.90	3.28	2.81	2.07	2.13	2.28	2.44	2.65	2.59	1.94	2.05	**2.25**	**2.55**	"Cash Flow" per sh	**3.95**
1.41	1.51	1.55	1.61	1.72	1.99	2.20	1.78	1.03	1.15	1.31	1.52	1.64	1.65	1.32	1.49	**1.65**	**1.90**	Earnings per sh	**3.15**
.64	.73	.77	.82	.91	1.03	1.15	1.24	.61	.46	.61	.70	.79	.89	.92	.92	**.96**	**1.04**	Div'ds Decl'd per sh C■	**1.68**
.29	.24	.97	1.24	1.38	1.62	1.79	1.52	.81	.92	1.20	1.45	1.34	1.36	.78	.82	**.95**	**1.05**	Cap'l Spending per sh	**1.35**
5.52	6.39	7.87	10.47	10.43	10.93	11.57	9.93	11.00	11.20	11.01	11.82	12.98	12.74	10.48	8.67	**9.20**	**9.95**	Book Value per sh D	**12.45**
9925.9	9969.9	10063	10586	10484	10277	9987.6	10537	10663	10615	10573	10406	10061	10057	9379.3	8742.6	**8700.0**	**8650.00**	Common Shs Outst'g E	**8500.0**
30.8	20.7	18.1	20.5	20.5	17.3	17.2	15.7	13.0	14.4	13.9	13.3	14.7	15.7	20.3	20.4	*Bold figures are*		Avg Ann'l P/E Ratio	**15.0**
1.58	1.13	1.03	1.08	1.09	.93	.91	.94	.87	.92	.87	.85	.83	.83	1.02	1.07	*Value Line*		Relative P/E Ratio	**.95**
1.5%	2.3%	2.7%	2.5%	2.6%	3.0%	3.0%	4.4%	4.6%	2.8%	3.4%	3.5%	3.3%	3.4%	3.4%	3.0%	*estimates*		Avg Ann'l Div'd Yield	**3.5%**

CAPITAL STRUCTURE as of 12/31/16
Total Debt $128.7 bill. **Due in 5 Yrs** $70.0 bill.
LT Debt $105.1 bill. **LT Interest** $5.8 bill.
(58% of Cap'l)
Leases, Uncapitalized $969 mill.
Pension Assets-12/16 $45.9 bill.
Obligation $71.5 bill.
Pfd. Stock None
Pfd. Div'd None
Common Stock 8,724,783,000 shares
as of 1/31/17
MARKET CAP: $262 billion (Large Cap)

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018		20-22
172738	182515	156783	150211	147300	147359	146045	148589	127684	123693	**125600**	**133900**	Revenues ($mill)	**170000**
35.1%	31.1%	25.4%	26.8%	30.3%	27.7%	26.5%	25.3%	19.2%	18.5%	**19.0%**	**20.0%**	Operating Margin A	**25.0%**
10278	11492	10636	10013	9185.0	9346.0	9762.0	9283.0	4847.0	4997.0	**5250**	**5500**	Depreciation ($mill)	**6700**
22468	18089	11434	12623	14880	16065	16882	16723	13362	13604	**14355**	**16435**	Net Profit ($mill)	**26775**
15.5%	5.5%	- -	7.4%	27.4%	14.4%	8.5%	10.3%	25.2%	25.2%	**25.0%**	**25.0%**	Income Tax Rate	**25.0%**
13.0%	9.9%	7.3%	8.4%	10.1%	10.9%	11.6%	11.3%	10.5%	11.0%	**11.4%**	**12.3%**	Net Profit Margin	**15.8%**
244405	254715	316579	314972	272131	283910	245855	297289	46881	37162	**50000**	**56000**	Working Cap'l ($mill)	**85000**
319015	330067	338215	360681	315832	312668	251789	230352	145301	105080	**100000**	**95000**	Long-Term Debt ($mill)	**80000**
115559	104665	117291	118936	116438	123026	130566	128159	98274	75828	**80000**	**86000**	Shr. Equity ($mill) D	**106000**
6.4%	5.6%	4.6%	3.9%	4.8%	4.8%	5.6%	5.9%	5.8%	8.3%	**9.5%**	**10.5%**	Return on Total Cap'l	**15.5%**
19.4%	17.3%	9.7%	10.6%	12.8%	13.1%	12.9%	13.0%	13.6%	17.9%	**18.0%**	**19.0%**	Return on Shr. Equity	**25.0%**
9.5%	5.4%	2.1%	6.6%	7.2%	7.2%	6.9%	6.1%	4.1%	6.3%	**7.5%**	**8.5%**	Retained to Com Eq	**12.0%**
51%	69%	79%	38%	43%	45%	46%	53%	70%	65%	**58%**	**55%**	All Div'ds to Net Prof	**53%**

CURRENT POSITION ($MILL.)	2014	2015	12/31/16
Cash Assets	138115	102456	92442
Receivables	257148	27022	24076
Inventory (LIFO)	17689	22515	22354
Other	- -	- -	- -
Current Assets	412952	151993	138872
Accts Payable	16338	13680	14435
Debt Due	71789	17777	23626
Other	27536	73655	63649
Current Liab.	115663	105112	101710

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '14-'16 to '20-'22
Revenues	-0.5%	- -	6.0%
"Cash Flow"	-1.5%	0.5%	11.0%
Earnings	-1.5%	5.0%	14.0%
Dividends	- -	10.0%	11.0%
Book Value	- -	-1.0%	2.5%

Cal-endar	QUARTERLY REVENUES ($ mill.) F Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	34178	36233	36174	42004	148589
2015	29356	32754	31680	33894	127684
2016	27845	33494	29266	33088	123693
2017	***27000***	***33000***	***31000***	***34600***	***125600***
2018	***29000***	***35000***	***33150***	***36750***	***133900***

Cal-endar	EARNINGS PER SHARE B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	.33	.39	.38	.55	1.65
2015	.20	.31	.29	.52	1.32
2016	.21	.50	.32	.46	1.49
2017	***.18***	***.31***	***.51***	***.65***	***1.65***
2018	***.25***	***.37***	***.57***	***.71***	***1.90***

Cal-endar	QUARTERLY DIVIDENDS PAID C■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2013	.19	.19	.19	.19	.76
2014	.22	.22	.22	.22	.88
2015	.23	.23	.23	.23	.92
2016	.23	.23	.23	.23	.92
2017	.24	.24			

BUSINESS: General Electric Company is a global digital industrial company transforming industry with software-defined machines and solutions that are connected, responsive, and predictive. Products/services range from aircraft engines to power generation to oil/gas equipment to medical imaging, etc. Its GE Capital finance arm remains in the process of being almost entirely divested (GE Capital Exit Plan). It competes in 180 countries. GE has 295,000 employees. 2016 international sales equated to 57% of top line. Officers & directors own less than 1% of common stock; BlackRock and Vanguard, 5.0% (3/17 Proxy). Chairman & CEO: Jeffrey Immelt. Inc.: New York. Address: 41 Farnsworth Street, Boston, MA 02210. Tel.: 203-373-2211. Internet: www.ge.com.

The transformation of General Electric is nearing the late stages. Last year will be remembered as a year of heavy dealmaking and a sizable portfolio shift back toward the company's industrial roots. The low-margin consumer appliance business is now gone, having been sold to China's Haier for $5.4 billion. Moreover, hefty chunks of what was GE Capital have been divested. So much so that GE has shed the SIFI designation, which should be a boon going forward. The industrial behemoth now has more leeway in what kind of maneuvers it can do in terms of share repurchases and dividend increases. On top of this, the merger of the oil & gas business with Baker Hughes is progressing nicely, and we expect more news on this front along with the late-April earnings report. All the chairs are still not set on the deck, but the heavy lifting is nearing its closure. This should be a welcome sign to investors that have dealt with the flux over the last several years.

Criticism is mounting on the company's CEO, but we are not as quick to judge. Whispers of a possible removal/retirement of top-executive Jeffrey Immelt sent GE stock higher on the day reports surfaced. Word is that activist hedge fund Trian Partners is not high on Mr. Immelt. A recent 8-K filing shows that his compensation was trimmed, and if certain targets are not met for this year, additional decreases, and a possible departure, could be in the works. Of note, industrial costs need to be reduced, which will be a focus for 2017. We are well aware that the cost cutting is a necessity, but also understand that Mr. Immelt has led the company through a transformation like few others in the history of corporate America, so not every one of GE's problems could possibly be directly tied to him.

Earnings should push past the $3.00-a-share mark at the start of next decade. Subscribers are reminded to monitor industrial profits in the near term, as that figure is a more accurate gauge of the new GE's strength.

This good-quality stock is an above-average selection for total return three to five years hence. Plus, dividend hikes should be more rapid now that the SIFI moniker has been shed.

Erik M. Manning *April 14, 2017*

(A) Operating margin includes all expenses except interest, depr., and taxes. (B) Diluted EPS. Excludes nonrecuring/discontinued items: '02, 10¢; '05, (18¢); '06, 1¢; '07, (3¢); '08, (6¢); '09, (2¢); '10, (9¢); '11, (7¢); '15, ($1.94); '16, (60¢). Quarterly EPS may not sum due to rounding. Next egs. report due April 21st. (C) Divs. paid late January, April, July, and October. ■ DRIP available. (D) Includes intangibles. In '16: $86.9 billion, $9.93/share. (E) In millions. (F) Revenues may not sum, as reported.

Company's Financial Strength	A
Stock's Price Stability	90
Price Growth Persistence	35
Earnings Predictability	85

© 2017 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

To subscribe call 1-800-VALUELINE