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 moniker, which should be a boon going forward. The industrial behemoth now has more leeway in what kind of maneuverings 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 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 are that a possible sell-off of top-executive level Capital Exit Plan. It competes in 160 countries. GE has 295,000 employees, 2016 international sales equaled 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 02110; Phone: 617-348-4000; Internet: web:www.ge.com

The Value Line Investment Survey

Erik Manning April 14, 2017

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