GENERAL ELECTRIC NYSE-GE

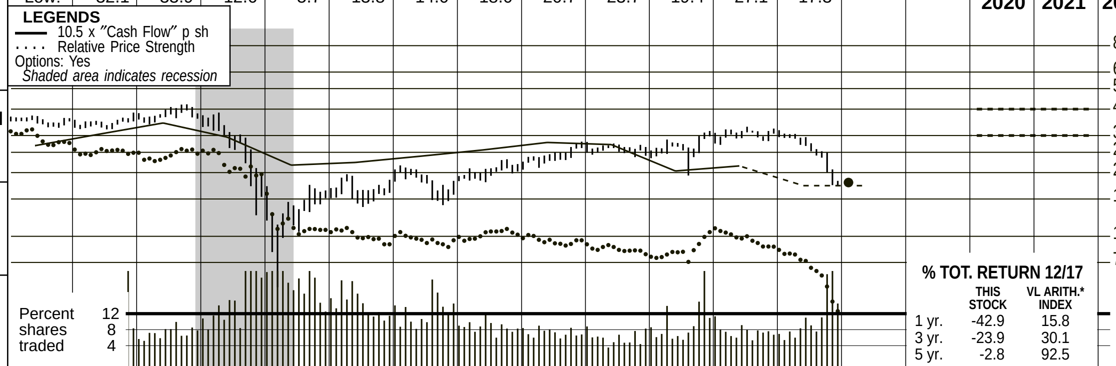
RECENT PRICE	17.98	P/E RATIO	16.6 (Trailing: 14.5 / Median: 15.0)	RELATIVE P/E RATIO	0.81	DIV'D YLD	2.7%	VALUE LINE

TIMELINESS 4 Lowered 6/9/17
SAFETY 2 Raised 1/13/17
TECHNICAL 4 Lowered 1/12/18
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	17.3

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	40	(+120%)	*24%*
Low	30	(+65%)	*16%*

Insider Decisions

	M	A	M	J	J	A	S	O	N
to Buy	0	0	1	0	2	0	0	0	3
Options	1	1	0	0	3	0	7	1	0
to Sell	0	0	0	0	0	1	0	0	0

Institutional Decisions

	1Q2017	2Q2017	3Q2017
to Buy	902	868	774
to Sell	1091	1126	1177
Hld's(000)	5289400	5248443	5345470

% TOT. RETURN 12/17

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-42.9	15.8
3 yr.	-23.9	30.1
5 yr.	-2.8	92.5

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	*14.35*	*14.65*	Revenues per sh	*19.65*
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	*1.65*	*1.65*	"Cash Flow" per sh	*3.20*
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	*1.10*	*1.05*	Earnings per sh	*2.45*
.64	.73	.77	.82	.91	1.03	1.15	1.24	.61	.46	.61	.70	.79	.89	.92	.92	.96	*.52*	Div'ds Decl'd per sh C■	*.90*
.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	*.80*	*.90*	Cap'l Spending per sh	*1.20*
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	*8.85*	*9.30*	Book Value per sh D	*11.30*
9925.9	9969.9	10063	10586	10484	10277	9987.6	10537	10663	10615	10573	10406	10061	10057	9379.3	8742.6	*8650.0*	*8600.00*	Common Shs Outst'g E	*8400.0*
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	*23.7*		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	*1.16*		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%	3.7%		Avg Ann'l Div'd Yield	*2.6%*

CAPITAL STRUCTURE as of 9/30/17
Total Debt $135.7 bill. **Due in 5 Yrs** $73.0 bill.
LT Debt $107.6 bill. **LT Interest** $5.9 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 8,672,085,000 shares as of 9/30/17
MARKET CAP: $156 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	*124250*	*125950*	Revenues ($mill)	*165000*
35.1%	31.1%	25.4%	26.8%	30.3%	27.7%	26.5%	25.3%	19.2%	18.5%	*18.0%*	*17.9%*	Operating Margin A	*21.5%*
10278	11492	10636	10013	9185.0	9346.0	9762.0	9283.0	4847.0	4997.0	*4950*	*5050*	Depreciation ($mill)	*6350*
22468	18089	11434	12623	14880	16065	16882	16723	13362	13604	*9515*	*9030*	Net Profit ($mill)	*20580*
15.5%	5.5%	- -	7.4%	27.4%	14.4%	8.5%	10.3%	25.2%	25.2%	*22.0%*	*22.0%*	Income Tax Rate	*24.0%*
13.0%	9.9%	7.3%	8.4%	10.1%	10.9%	11.6%	11.3%	10.5%	11.0%	*7.7%*	*7.2%*	Net Profit Margin	*13.7%*
244405	254715	316579	314972	272131	283910	245855	297289	46881	37162	*60000*	*65000*	Working Cap'l ($mill)	*90000*
319015	330067	338215	360681	315832	312668	251789	230352	145301	105080	*107500*	*104500*	Long-Term Debt ($mill)	*90000*
115559	104665	117291	118936	116438	123026	130566	128159	98274	75828	*76500*	*80000*	Shr. Equity ($mill) D	*95000*
6.4%	5.6%	4.6%	3.9%	4.8%	4.8%	5.6%	5.9%	5.8%	8.3%	*7.0%*	*6.5%*	Return on Total Cap'l	*12.5%*
19.4%	17.3%	9.7%	10.6%	12.8%	13.1%	12.9%	13.0%	13.6%	17.9%	*12.5%*	*11.5%*	Return on Shr. Equity	*21.5%*
9.5%	5.4%	2.1%	6.6%	7.2%	7.2%	6.9%	6.1%	4.1%	6.3%	*2.0%*	*5.5%*	Retained to Com Eq	*13.5%*
51%	69%	79%	38%	43%	45%	46%	53%	70%	65%	*87%*	*50%*	All Div'ds to Net Prof	*37%*

CURRENT POSITION ($MILL.)	2015	2016	9/30/17
Cash Assets	102456	92442	78550
Receivables	27022	24076	25026
Inventory (LIFO)	22515	22354	25848
Other	- -	- -	- -
Current Assets	151993	138872	129424
Accts Payable	13680	14435	14907
Debt Due	17777	23626	28127
Other	73655	63649	34390
Current Liab.	105112	101710	77424

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '14-'16 to '20-'22
Revenues	-.5%	- -	*5.5%*
"Cash Flow"	-1.5%	.5%	*6.5%*
Earnings	-1.5%	5.0%	*8.5.0%*
Dividends	- -	10.0%	*NMF*
Book Value	- -	-1.0%	*1.0%*

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	27660	29558	33472	*33560*	*124250*
2018	*28100*	*30000*	*33900*	*33950*	*125950*

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	.21	.28	.29	*.32*	*1.10*
2018	*.20*	*.27*	*.27*	*.31*	*1.05*

Cal-endar	QUARTERLY DIVIDENDS PAID C■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	.22	.22	.22	.22	.88
2015	.23	.23	.23	.23	.92
2016	.23	.23	.23	.23	.92
2017	.24	.24	.24	.24	.96
2018	.12				

BUSINESS: General Electric 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). CEO: John Flannery. Incorporated: New York. Address: 41 Farnsworth Street, Boston, MA 02210. Telephone: 203-373-2211. Internet: www.ge.com.

General Electric shares are down roughly 30% in the last three months. CEO John Flannery has completed his comprehensive overview of operations and announced a slew of changes. The headline catcher was a 50% reduction to the quarterly dividend payout, which has been cut to $0.12 a share starting in the current period. GE stock had been trending downward in anticipation of the news, but the selloff gained steam and brought the quotation to levels not seen since 2011. Mr. Flannery also set new earnings targets for 2017 and 2018 of around $1.10 a share, and said the company would address concerns from the SEC that its reporting methods need to be simplified. Moreover, three key areas will now be the focus going forward: aviation, power, and healthcare. That said, the transportation and lighting divisions are on their way out of the portfolio. Too, the Baker Hughes joint venture is likely to be unwound in the near future. Elsewhere, the cost-trimming goal has been raised by $1 billion, to $3 billion, and the number of board seats will be reduced from 18 to 12.

The year 2018 will be a period of further transition and minimal growth in all likelihood. Management will continue to get its ducks in a row, at a time when a number of the company's end markets are stagnating. Therefore, revenue gains will be pedestrian, and earnings should be flat to marginally lower. If cost cutting ramps quicker than expected, the potential for a year-over-year improvement is there, but due to the recent tumult, we are not comfortable making that call at this time.

Layoffs have been rampant of late. Unfortunately, a reduction in the overall headcount is part of the plan to get the cost ledger lower. A decline in demand for coal and natural gas products has made the power arm vulnerable, and roughly one in five jobs will be eliminated. In sum, about 12,000 employees will be laid off.

Even with the dividend cut, we are comfortable recommending this untimely equity to the income crowd. The yield remains well ahead of the *Value Line* median. Patient investors may also choose to get involved at this time, as the reduced downside from here seems advantageous for the 3- to 5-year stretch.

Erik M. Manning *January 12, 2018*

(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 January 19th. (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	B++
Stock's Price Stability	90
Price Growth Persistence	40
Earnings Predictability	80

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