Company: GE HealthCare Technologies	Ticker: GEHC	Current Price: \$90.71	Industry: HealthCare	Sub Industry: Medical Technology
Target Price: \$109.45	TTM P/E: 21.93		Beta: 0.98	Market Cap: \$41,839.40
Stop Loss: \$72.56	Forward P/E: 19.72		Credit Rating: BBB (S&P)	Avg Vol (12 M): 2.96mm
52 Week High/ Low: \$94.55 / \$62.35	EPS: \$3.46		Rating Outlook: Stable	Dividend Yield: 0.13%

Company Background:

GE HealthCare is a global medical technology leader that specializes in 4 key segments: imaging (54% FY '23 revenues), ultrasound (18%), patient care solutions (16%), and pharmaceutical diagnostics (12%). The company serves customers in over 160 countries and has a strong diversification of revenue segments as well as geographic segments (USCAN: 44% FY '23 revenues; EMEA: 26%; China: 14%; rest of world: 16%). The company offers solutions along the care continuum to hospitals and healthcare providers globally and is known to leverage artificial intelligence to enhance its diagnostic systems and technologies. GEHC was spun off of General Electric in 2023 and began trading under its own ticker on the NASDAQ stock exchange on January 4th, 2023. Notably, GE HealthCare boasts the leading market share the imaging and ultrasound subsegments within the healthcare sector, which drive over 70% of the company's revenue.

Industry Outlook:

The medical technology segment of the healthcare sector is in a rapid period of innovation which will continue to increase the efficiency and capabilities of MedTech equipment to care for patient needs. The medical imaging segment (GEHC: ~20% market share) is estimated to be valued at \$41.6bn in 2024 and is currently growing at a 4.9% CAGR (2024 – 2030). The ultrasound segment (GEHC: ~30% market share) is estimated to be valued at \$7.4bn and is growing at an estimated 4.7% CAGR (2024 – 2032). The medical technology industry is driven by a number of key trends, primarily catalyzed by the rise and dominance of artificial intelligence and machine learning in the past few years. The industry's growth is underpinned by digital transformation and the increased utilization of AI-enabled analytics, America's aging population and the overall rise in global life expectancy (driving demand for increased frequency and precision of screenings/care), growing demand for earlier diagnosis and detection, and the emphasis of personalized care solutions. The medical technology industry is experiencing significant tailwinds and has a strong runway for growth long-term.

Investment Thesis:

GE HealthCare is exceptionally well-positioned to capitalize on the industry's accretive tailwinds given its established positioning at the forefront of the medical technology sector and foundational moat. The company's integrated product offerings from initial diagnosis to ongoing patient monitoring allow for a maximization of wallet spend and create a sticky relationship between the company and its customers globally. GE HealthCare's demonstrated outperformance of the S&P and the healthcare sector, attractive valuation, and long-term growth prospects make the stock a seemingly accretive addition to Team Blue's portfolio.

Investment Risks:

Competition

- Globality (operations and revenues impacted by global events in specific geographies)
- M&A execution & integration
- Limited historical standalone track record
- Regulatory stringencies and changing environment
- 3-5 take away from last quarter investor call transcript:
- Demonstrating efforts toward margin expansion (in 1H 2024: adj gross margin up 110bps YoY and adj EBITR margin up 60bps YoY)
- Introduced higher margin products and pushing margin expansion based on pricing increases
- Strong organic growth in pharmaceutical diagnostics segment (14% YoY), as well as margin benefits (450bp increase YoY)
- China market headwinds likely to impact year-end top line expectations as hospitals pull back spending with weaker-than-expected stimulus package

Financial Performance:

GEHC US Equity 90 Actions • 97) Export • 98) Settings										
ADJ GE HealthCare Technologies In			nuals	Cur FRC (US	D) -					
Key Stats 2) I/S 3) B/S 4) C/F	5) Ratios 6) S	egments 7) A	ddl 🛛 🛿 ESG	9) Custom						
1) Create Custom nter field> 31) Fields 32) 💾 Sav	e 33 > Send 3	4) < Share								
Millions of USD except Per Share	2019 Y~	2020 Y	2021 Y	2022 Y	2023 Y	Current/LTM	2024 Y Est	2025 Y Est		
Months Ending	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023	06/30/2024	12/31/2024	12/31/2025		
Revenue	16,633.0	17,164.0	17,585.0	18,341.0	19,552.0	19,517.0	19,778.2	20,823.6		
EBIT	2,124.0	2,720.0	2,795.0	2,522.0	2,435.0	2,454.0	3,099.4	3,404.8		
Net Income/Net Profit (Losses)	1,524.0	13,846.0	2,247.0	1,916.0	1,568.0	1,580.0	1,903.6	2,105.9		
Revenue Growth Year over Year	-	3.19	2.45	4.30	6.60	0.46	1.16	5.29		
EBITDA Margin	16.73	20.30	20.10	17.83	16.19	15.62	2120			
EBIT Margin	12.77	15.85	15.89	13.75	12.45	12.57	15.68	16.3		
Profit Margin	9.16	80.67	12.78	10.45	8.02	8.10	9.84	10.43		
Total Debt to Total Equity		2.98	2.39	89.62	134.40	120.34				
Basic Earnings per Share			4.94	4.18	3.05	3.48	4.07	4.53		
Price Earnings Ratio (P/E)				13.13	21.65	21.93	21.32	19.1		
Current Ratio		0.90	1.04	1.16	1.05	1.06				
Return on Common Equity			14.32	14.73	16.80	21.20	23.42	21.20		
Return on Assets			8.89	7.12	5.23	4.92	6.45	6.98		
Dividend Per Share	0.00	0.00	0.00	0.00	0.09	0.09				
Free Cash Flow	1,575.0	2,381.0	1,365.0	1,803.0	1,714.0	1,617.0	1,829.0	2,058.5		

Discounted Cash Flow and Analyst Opinion									
Analyst Opinion									
Buy:12	Hold: 7	Sell:0							
	Rating	Target							
Evercore ISI	Outperform	\$102							
Citi	Buy	\$103							
Argus Research	Buy	\$110							
Avg Revenue Growth		3.2%							
Avg EBITDA Margin	22.7%								
Avg Net Income Margin		8.1%							
Avg Debt / Equity		23.2%							
Avg FCF Margin		15.5%							
Cost of Debt		3.7%							
Tax Rate		24.0%							
Cost of Equity		9.7%							
WACC		8.6%							
Perpetuity Growth Rate		3.0%							

Multiples														
		Market Data						Financial	Data	Valuation				
Company	Ticker	Share Price	Shares Outstanding	Equity Value	Net Debt	Enterprise Value	Revenue	EBITDA	EBIT	Net Income	EV/Revenue	EV/EBITDA	P/E	
E Healthcare Techologies	GEHC	91.03	3 457	40,428	7,664	48,092	19,552	3,560	2,950	1,568	2.5x	13.5x	21.9	
fedtronic plc	MDT	88.13	3 1,283	113,026	19,977	133,003	32,577	9,013	24,565	24,565	4.1x	14.8x	29.	
iemens Healthineers AG	SHL	55.45	5 1,116	61,867	16,489	78,356	24,605	3,881	3,032	1,509	3.2x	20.2x	29.	
bbott Laboratories	ABT	114.88	3 1,740	199,879	7,626	207,505	40,725	10,571	7,324	5,723	5.1x	19.6x	36.3	
lologic Inc	HOLX	79.88	3 232	18,554	165	18,719	3,988	1,243	940	702	4.7x	15.1x	27.	
oninklijke Philips N.V.	PHIA	30.98	8 934	28,933	7,188	36,120	20,197	1,532	715	(466)	1.8x	23.6x	1	
ligh											5.1x	23.6x	36.	
5th Percentile											4.8x	21.0x	33.	
verage											3.6x	17.8x	29.	
1edian -											3.6x	17.3x	29.	
5th Percentile											2.3x	14.4x	24.	
ow											1.8x	13.5x	21.	
Valuation														
											Im	plied Price Rang	ge	
nplied Enterprise Value											69,426	63,330	53,177	
let Debt											7,664	7,664	7,664	
nplied Equity Value											61,762	55,666	45,513	
hares Outstanding											457	457	457	
mplied Value Per Share											\$135.24	\$121.89	\$99.6	

		UL1			cure	iiCa		-		500	-
				Se	ecto	r (X	LV)				
YTD		18.	76%	12	2.12	%		2	2.6	1%	
1Y		35.	60%	16	5.48	%		3	32.9	1%	
Max (1.5 ye	ears)	55.	43%	12	2.45	%		5	51.5	6%	
CSR Characte	eristics										
GEHC US Equity Expo	ort • Settings •										
Comp Source Dustom Comps	 Name BHIS Con 	p Set	 Our USD - 								
Segment	Revenue		US Multiples - Premi	um to Comp	s EQRV >						
Medical Equipment	E 1009	Hetric	BF P/E			381 681 17	_				
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ESG Scores EU Reas Climate Disclo			200 201 Dredit Custom o	300		XXXX 311	2				
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ESG Scores EU Regs Climate Disclo ¶ Name	ESG ESG Percenti Percent Score So	inv Soc L PercentiL Pe are Score	Gov MSCI ESG srcentL_ Rating Score	ESG Risk Score	Global Rank	Using Contraction (1995)	arform Score	Controv Di Level	sclosu Score		SDG Total Company
ESG Scores EU Reas Climate Disclo Name Median	ESG ESG Percenti Percent Score So 80.70 82	inv Soc iL PercentiL Pe are Score 20 76.10	Gov MSCI ESG arcentiL Rating Score 81.00	ESG Risk Score 12.69	Global Rank 79	Jan Jan Quality Pr Source 4.00	stform Score 2:00	Controv Di Level	sclosu_ Score 54.37		SDG Total
ESG Scores EU Reas Climate Disclo Nome Modian	ESG E Percenti., Percent Score So 80.70 82 97.10 99	inv Soc iL PercentL Pe are Score 20 76.10 70 99.50	Gov MSCI ESG srcenti, Rating Score 81.00 98.40 N.5.	ESG Risk Score 12.69 29.78	Global Rank 79 81	USS Quality Pr Score 4.00 7.00	arform Score 2.00	Controv Di Level	sclosu. Score 54.37 54.37		SDG Total Company
ESG Sexres EU Reas Climate Disclo Modian ID C GE HEALTHCARE TECHNOLOGY 10 C LANTHEUS HOLDINGS INC	ESG Percenti, Percent Score So 97,10 99 47,20 0	inv Soc iL PercentiL Pe re Score 20 76.10 20 892.50 .00 412.70	Gov MSCI ESG arcentL. Rating Score 81.00 98.40 N.S. 75.50 N.S.	ESG Risk Score 12.69 29.78 0.00	Global Rank 79 81 57	Jiss Quality Pr Score 4.00 7.00 4.00	stform Score 2:00	Controv Di Level 1 2 0	sclosu Score 54.37 54.37 39.36		SDG Total Company
ESG Scores EU Reas Climate Disclo Nome Modian	EXES EXG Percenti_ Percent Score So 97.10 99 47.20 0 98.00 82 63.90 0	inv Soc iL PercentiL Po re Score 20 76.10 .70 892.50 .00 411.70 .20 99.00	Gov MSCI ESG srcentL_Rating Score 81.00 98.40 N.S. 75.50 N.S. 51.60 N.S. 92.50 N.S.	ESG Risk Score 12.69 29.78 0.00 0.00 0.00	Global Rank 79 81 57 79	USS Quality Pr Score 4.00 7.00	arform Score 2.00	Controv Di Level	sclosu Score 54.37 54.37 39.36 50.63 55.70		SDG Total Company
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Reference FU Ross Climote Disco Name Median Inter Climate TECHNOLOGY Inter Climate I	2765 Percenti, Percenti Score So 97.10 99 47.20 0 98.00 823 63.90 0 55.40 0 82.70 0 74.70 99	rw Soc L. PercentL. Pe re Sorre 20 76.10 .00 97.50 .00 41.70 .00 60.50 .00 49.70 .00 49.70 .00 83.00 .00 80.00	Gov MSCI ESG score 81.00 98.40 N.S. 75.50 N.S. 51.60 N.S. 77.80 N.S. 77.80 N.S. 77.80 N.S. 77.80 N.S. 72.20 AA 70.00 A	ESG Risk Score 12.69 29.78 0.00 0.00 0.00 0.00 30.14 18.07	Global Rank 79 81 57 79	ISS Quality Pi Source 4.00 7.00 4.00 3.00 	arform Score 2.00 0.00 	Controv Di Level 1 2 0	sclosu. Score 54.37 54.37 39.36 59.63 55.70 34.63 46.67 70.03	Score 0.00	SDG Total Company
Kones EURoss Climate Discl Modian Modian Modian	ESG ESG Percenti- Percenti-Percent Score Sco 90.70 80 91.720 0 98.00 80 63.90 0 55.40 0 82.70 0 74.70 94 96.00 98	inv Soc L PercentL Po re Score 20 76.10 70 99.50 60 41.70 20 99.00 60 40.70 60 83.00	Gov MSCI ESG srcentL. Rating Score 81.00 98.40 N.S. 75.50 N.S. 51.00 N.S. 92.50 N.S. 77.30 N.S. 92.20 AA	ESG Risk Score 12.69 29.78 0.00 0.00 0.00 0.00 30.14	Global Rank 79 81 57	Quality Pi Store 4.00 7.00 3.00 3.00 3.00	arform Score 2.00	Controv Di Level 1 2 0	sclosu. Score 54.37 54.37 39.36 50.63 55.70 34.63 46.67	Score	SDG Total Company

GEHC HealthCare S&P 500

Total Return

GEHC US Equity Exp	ort 🔹 Settings 🔹					
Comp Source Custom Comps	Name GEHC Comp Set	Curr USD				
Segment	Revenue %	GEHC US Multiples - Prem	ium to Comps EQRV :	»		
Medical Equipment	■ 100%	Metric BF P/E		3M 6M 1Y 2Y 5Y		
		IM manut	M	GEHC US 19.6x 30 Comps Avg 20.3x		
		$\sim \sqrt{2}$	my how former	25 25		
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Name	ESG Env Percenti Percenti Perc		Sustaina S&P ESG ESG Risk Global	ISS CDP Quality Perform	Sustaina ESG Controv Disclosu	BGEI Robeco Score SDG Total
	Score Score	Score Score	Score Rank	Score Score		Company

Me	edian	80.70	82.20	76.10	81.00	12.69	79	4.00	2.00	1	54.37	0.00	
101) 🕤 Ġ	e healthcare technology	97.10	99.70	89.50	98.40 N.S.	29.78	81	7.00		2	54.37		
102) 🕤 나	ANTHEUS HOLDINGS INC	47.20	0.00	41.70	75.50 N.S.	0.00	57	4.00	0.00	0	39.36		
103) 🕤 Ol	MNICELL INC	98.00	82.20	99.00	51.60 N.S.	0.00	79	3.00		0	50.63		
104) 🗔 🗛	VANOS MEDICAL INC	63.90	0.00	60.50	92.50 N.S.	0.00	48	3.00		0	55.70		
105) 🕤 SI	ILK ROAD MEDICAL INC	55.40	0.00	49.70	77.80 N.S.	0.00	59		0.00	0	34.63		
106) 🕤 🎦	TERIS PLC	82.70	0.00	83.00	92.20 AA	30.14	- 79			1	46.67		
107) 🕤 <mark>S</mark> I	IEMENS HEALTHINEERS AG	74.70	94.80	66.00	70.60 A	18.07	92	4.00		2	70.03		
108) 🕤 MI	EDTRONIC PLC	96.40	98.50	92.20	81.00 BB	22.16	98	6.00	4.00	3	62.69		
109) 🕤 TI	HERMO FISHER SCIENTIFIC INC	80.70	82.20	76.10	94.10 BBB	12.69	76	3.00	7.00	3	63.77		