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EDITED TRANSCRIPT

General Electric Co Annual Shareholders Meeting

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CORPORATE PARTICIPANTS

H. Lawrence Culp *General Aerospace - Chairman & CEO*

John R. Phillips *GE Aerospace - SVP, General Counsel & Secretary*

CONFERENCE CALL PARTICIPANTS

John Chevedden *Fedex Corporation - Board Chairman*

Michael Barbera *First Coast Results, Inc. - CEO & President*

Scott Shepard *General Electric - Director*

PRESENTATION

Operator

Good morning, and welcome to GE Aerospace's 2024 Annual Shareholders Meeting. We do not expect any technical difficulties today. However, in the event we lose audio or webcast connection, please wait in the meeting site until we are able to resolve or provide an update. Please refer to the GE Aerospace Investor Relations website at www.geaerospace.com/investor-relations/annual-meeting for updates. The polls are open. To vote, click on the Vote Here button at the bottom-right corner of the webcast screen. If you have not yet voted your shares, you may do so now and do not need to wait until the balloting portion of the meeting. The polls will remain open until the conclusion of the balloting portion of the meeting. With that, I will now turn it over to GE Aerospace to begin the meeting.

John R. Phillips *GE Aerospace - SVP, General Counsel & Secretary*

Good morning, and thank you to all our shareholders and guests for joining us today. This is Jake Phillips, GE Aerospace's Senior Vice President, General Counsel and Secretary. Before we begin, I'd like to note that during the meeting today, we may make forward-looking statements about our expectations or predictions about the future. Because these statements are based on current assumptions and factors that involve risks and uncertainties, GE Aerospace's actual performance and results may differ materially from what is said here today. Please refer to our 2023 Annual Report on Form 10-K, our first quarter Form 10-Q and other filings the company makes with the SEC for a detailed discussion of the principal risks and uncertainties that could cause such differences.

The agenda for today's meeting is shown on the screen and is also available for download from the meeting website. The Rules of Conduct, our Proxy Statement and our Annual Report are also available for download from the bottom of the screen for the webcast. Our Rules of Conduct are designed to ensure that we have a fair and orderly meeting.

We'll start with an update on company operations from our Chairman and CEO, Larry Culp. Following Larry's presentation, we will move into the formal part of the meeting, including voting on the management and shareholder proposals that are set forth in the Proxy Statement. Polls are currently open for voting and will remain open until the conclusion of balloting. If you already submitted a vote, there's no need to enter it again. Next, we will conclude the balloting and hear from the inspectors of election with the preliminary vote tallies. Following the formal portion of the meeting, we'll take some shareholder questions in accordance with the meeting rules of conduct. Questions can be submitted in writing in the lower left-hand corner of the webcast screen.

Now I'd like to welcome Larry to get us started with an update on the company. Larry?

H. Lawrence Culp *General Aerospace - Chairman & CEO*

Jake, thank you. I'd like to welcome everyone to the 2024 Annual Shareholders Meeting, our first as GE Aerospace, now a pure-play global leader in propulsion, services and systems. We're very excited and proud of this. As you can see, a bit in the video that just played, and we are pleased you could be with us today and appreciate your continued support. We'll come back to GE Aerospace in a moment, but before we do, we'll do a quick look back at GE on a consolidated basis, which is how we operated for all of 2023 in the first few months of this year.

GE made tremendous progress in 2023. We delivered excellent operating results with strong demand in our end markets and with better execution. We more than tripled our earnings and generated almost 70% more free cash flow. At GE Aerospace, we drove double-digit revenue profit and cash growth in the year with continued strength in Commercial Engines and Services. And GE Vernova delivered meaningfully better results as Renewable Energy and Power together generated positive profit and free cash flow. This was significant

progress with room for more.

We further simplified and strengthened our balance sheet, fully exiting our AerCap equity stake and redeemed our outstanding preferred equity, while returning approximately \$2 billion to our shareholders through dividends and buybacks.

We assembled 2 extraordinary Boards, bringing together domain expertise, diverse perspectives, and leadership experience to help both GE Aerospace and GE Vernova rise to their sharper, more focused missions. We also secured investment-grade ratings for both independent companies.

This work has culminated in the completion of GE's multiyear transformation with stronger, more valuable businesses. Thanks go out to the GE team, who significantly improved our financial position, reducing debt by more than \$100 billion since 2018. And we enhanced our operational execution amid a pandemic, supply constraints, and other external shocks with progress deep within our businesses by embracing lean with a relentless focus on safety, quality, delivery and cost in that order to better serve our customers. This has set a strong foundation for our 3 industry leaders that to date have increased shareholder value by more than fivefold over the last 5-plus years and are fit for purpose for the next century and beyond.

Now we've marked the beginning of a new era. 35 days ago, on April 2, we officially completed GE Vernova's spin-off and launched GE Aerospace, ringing the bell at the New York Stock Exchange after the successful spin of GE Healthcare last year. It was a proud moment that we celebrated with our teams around the world, as you can see on this page. GE HealthCare, GE Vernova and GE Aerospace, each carryforward GE's innovative spirit, customer focus and passion to build a world that works fully focused now on their respective missions to lead precision health, the energy transition and the future of flight.

As I stand here today, I can't help but feel immense pride and gratitude. The GE team truly is special. They bring passion, high-quality work in the mission to their jobs every day. They have always believed that we can build a world that works better and that commitment to better has driven innovation and impact for more than 130 years. In GE's first Annual Report letter in 1893, then CEO, Charles Coffin, began by mentioning how 3 companies merged to form 1 GE. We've completed our separation into 3, and it's hard not to reflect at such a full circle moment including about how far we have come.

I know that the GE legacy will live on in both GE Vernova and GE Aerospace as it does at GE HealthCare. We will continue to grab the future with each company putting their stamp on our lives and society. I can't imagine anything more worth doing. And so our time has come where we bring our full focus to GE Aerospace. Our purpose is clear. We invent the future of flight, we lift people up, and we bring them home safely. Those last 4 words bring them home safely could never be more important than they are now for us as a standalone company. In all likelihood, there are 900,000 people in the sky right now with GE Aerospace technology under wing. It's an incredible responsibility for our teams around the world and why we take safety and quality so seriously. If you joined us for our Investor Day in March or our earnings call last month, you've heard who we are.

GE Aerospace is a \$32 billion global leader in propulsion, services and systems. Our commercial propulsion fleet with 44,000 engines is the industry's largest and youngest, thanks to our world-class engineering and services teams. And in defense, we're proud to be the rotorcraft and combat engine provider of choice, powering 2/3 of these aircraft worldwide while innovating capabilities for future combat. A large part of our business is in aftermarket services, representing 70% of our revenue. This matters because this is recurring, more resilient to cycles and keeps us close to our customers, enabling us to better understand how our technologies are performing, and we use that intelligence to help shape our future product roadmaps.

With this enviable industry positioning, we're advancing our vision to be the company that defines flight for today, tomorrow and the future. So how do we do that? Well, we're keeping our strategy simple, focused on today, tomorrow and the future with safety and quality first. Today, we're focused on service and readiness, keeping our customers' fleets flying. For tomorrow, we remain focused on delivering on the ramp and executing our \$150 billion-plus backlog. And for the future, we're advancing the technology building blocks that will define the future of flight with more than \$2 billion in R&D spending alone this year. So that's our aim with the output of sustainable results for you. Our bridge is FLIGHT DECK, GE Aerospace's lean operating model. This is not new. It's an extension of our lean journey over the last 5 years.

As we first shared with our team back in February, it's a systematic approach to running our business to deliver exceptional value as measured through the eyes of our customers. And it's the best way we know to operationalize flight safety at GE Aerospace in combination with our safety and quality management systems. We're experiencing a tremendous demand cycle for our engines and services. On the commercial side, as people fly and fly more often as well as in defense. The onus is on us to meet this demand with the highest standards of safety and quality and with greater predictability and speed. At the same time, we're developing breakthrough innovation that will further shape the future of flight. For example, our customers want step change improvements in efficiency and fuel consumption. And through programs like CFM International's RISE, we're investing in pioneering technologies to achieve just that, including an open fan engine architecture, compact cores and hybrid electric systems compatible with 100% Sustainable Aviation Fuels or SAF. So far, we completed more than 100 tests as part of this program. Stay tuned.

So we're running GE Aerospace with customer expectations front and center and FLIGHT DECK ensures we work as 1 team, utilizing 1 operating model to implement 1 strategy and ultimately yield 1 culture. Closing here, this captures the essence of GE Aerospace and what we take forward with us. We have an excellent franchise with sustainable competitive advantages and value propositions. Our platforms are preferred by customers across narrowbody, widebody and defense market segments.

We're aiming to provide industry-leading reliability and durability, delivering unmatched time on wing and faster turnaround times for our customers. This means prioritizing safety, quality, delivery and cost in that order. And we're doing this across the industry's largest and growing fleets. With our deep domain expertise and talent, commitment to innovation and capacity to invest, we're poised to deliver the breakthrough technologies of the future. And with FLIGHT DECK as our foundation to bring this all together our team is poised to realize our full potential and deliver exceptional value for our customers and shareholders. I've never been more confident in our path ahead as GE Aerospace.

With that, I'd like to go ahead and start the official business for the meeting by introducing my colleagues on the GE Aerospace Board of Directors who are on the line today. Our director nominees are Steve Angel, Chairman and former CEO of Linde, a director since 2022. Steve is Chair of the Management Development and Compensation Committee. Sébastien Bazin Chairman and CEO of AccorHotels, a director since 2016; Peg Billson, former President and CEO of BBA Aviation's Global Engine Services Division, a Director since December of last year. Tom Enders, former CEO of Airbus, also a Director since December of 2023. Ed Garden, Chairman and CEO, Garden Investments, a director since 2017. Bella Goren, former CFO of American Airlines and AMR Corporation, a Director since 2022. Bella chairs our Audit Committee. Tom Horton, partner at Global Infrastructure Partners and the former Chairman and CEO of American Airlines, a Director since 2018. Tom is our Lead Director. Cathie Lesjak, former CFO of HP, a Director since 2019. Cathie is the Chair of the Governance and Public Affairs Committee. Darren McDew retired, 4-star General United States Air Force and former Commander of the U.S. Transportation Command, a Director since 2023.

I'd also like to say thank you to 2 of our former Directors who departed from our Board with the spin-off of GE Vernova on the 2nd of April. Paula Rosput Reynolds served on the GE Board since 2018 was the outgoing Chair of the Governance and Public Affairs Committee. With the spin-off, she joined the GE Vernova Board. Jessica Uhl served on the GE Board since 2023, and in January 24 joined GE Vernova as President. Paula and Jessica, on behalf of the company and the Board, thanks to each of you again, for your service and dedication, and we wish you and the entire GE Vernova team all the best.

Now I'll hand it back to Jake to walk us through the formal part of the meeting and the voting matters that are set forth in the proxy. Jake?

John R. Phillips *GE Aerospace - SVP, General Counsel & Secretary*

Thank you, Larry. I'm advised that this meeting is properly convened, that we have a quorum and that the proposed resolutions presented in the proxy statement are filed as part of these proceedings. We have received proxies representing a majority of the outstanding shares eligible to vote, and the management proxy committee has voted those shares in accordance with shareholder wishes. As the operator noted at the beginning of the meeting, the polls are open. If you have not already voted your shares or wish to change your vote, you may do so by clicking on the Vote Here button at the bottom right corner of the webcast screen.

The polls will remain open until the conclusion of the balloting portion of the meeting. The Independent Inspectors of Election are representatives of First Coast Results, and the inspectors have taken the oath of office required by law. We'll take up the election of directors and the management proposals first. Then we'll turn to the shareholder proposals. There will also be time later in the meeting for some general Q&A on other business matters. But first, we'll address the matters in the proxy statement.

First is the election of directors. I place before the meeting to serve as directors for the coming year, the 10 individuals who were introduced at the start of the meeting, and whose backgrounds and qualifications are described in more detail in the proxy statement. Your Board of Directors recommends a vote for each of the Director nominees.

The next item is the proposal to approve our named executives' compensation. Your Board of Directors recommends a vote for the approval of our named executives' compensation. We have provided information about the company's compensation philosophy, key program elements and 2023 compensation actions for named executives in the compensation section of the proxy statement, beginning on Page 26.

Last up for the management proposals is ratification of Deloitte as Independent Auditor for 2024. We have with us on the line today, John Rhodes, Deloitte's Head Audit Partner for the GE Aerospace Audit; and Joe Ucuzoglu, CEO of Deloitte. Your Board of Directors recommends a vote for the ratification of Deloitte as an Independent Auditor for 2024. We'll now consider the shareholder proposals listed in the agenda.

I understand that John Chevedden is on the line today to present the shareholder proposal requesting an Independent Board Chairman. Operator, please open up the line for Mr. Chevedden.

John Chevedden *Fedex Corporation - Board Chairman*

Hello. This is John Chevedden for the proponent Kenneth Steiner. Proposal 4, Independent Board Chairman. Proposal requests that the Board of Directors adopt a joint policy and amend the governing documents in order that 2 separate people hold the office of Chairman and the office of the CEO. Whenever possible, the Chairman of the Board shall be an Independent Director. The Board has the discretion to select a temporary Chairman of the Board, who is not an Independent Director to serve while the Board is seeking an Independent Chairman of the Board on an expedited basis.

This policy could be phased in when there is a contract renewal for our current CEO or for the next CEO transition. This proposal topic won 52% support at Boeing and 54% support at Baxter International. Boeing then adopted this proposal topic. Perhaps there should be a rule against a person who has been a CEO and a Chairman at the same time, being named as Lead Director at GE. Mr. Thomas Horton, GE Lead Director, had years in the dual jobs of Chairman and CEO at American Airlines. Past and present holders of both jobs at the same time would seem to have a special affinity with a GE person, who now has both GE jobs.

Affinity is inconsistent with the oversight role of a Lead Director. A Lead Director is no substitute for an Independent Board Chairman. A Lead Director cannot call a special shareholder meeting and cannot even call a special meeting of the Board. Lead Director can delegate most of his Lead Director duties to others and then simply rubber stamp it. A Lead Director can be given a list of duties, but there's no rule that prevents the Chairman from overriding the Lead Director in any of the so-called Lead Director duties and ignore the advice of a Lead Director. Please vote yes, Independent Board Chairman, Proposal 4.

John R. Phillips *GE Aerospace - SVP, General Counsel & Secretary*

Thank you, Mr. Chevedden. The Board recommends against this proposal for the reasons set forth on Page 61 of the proxy statement. The National Center for Public Policy Research has submitted a recording to present their shareholder proposal requesting a report analyzing risks arising from voluntary carbon reduction commitments. Scott Shepard, a fellow at the center and Director of its Free Enterprise Project is presenting the proposal. We'll play their recorded presentation now.

Scott Shepard *General Electric - Director*

Directors of General Electric. Our proposal established that the SEC intended to start investigating, finding and otherwise harming companies that had made unnecessary voluntary carbon reduction commitments the companies then couldn't keep. This was confirmed

in the SEC's recent carbon rule by making and keeping such unnecessary voluntary carbon reduction commitments, you have created a material financial risk. This has always been true. But now all honest doubt is gone, you must address this risk you created head on.

To be fiducially sound, your response must first admit such unnecessary commitments are material financial risks. Then you must consider all of the available relevant evidence objectively and use neutral and bias methods to provide the predictive present value of making the commitments, the predicted present value of the risk created determine which one is bigger and proceed accordingly. It's just cost-benefit analysis. You know how to do it. You're supposed to be doing it constantly just as you're supposed to be making objective evaluations using neutral criteria on the full unbiased record constantly. Evasion of these responsibilities by whatever means is a flat breach of fiduciary duty. And by now, it breaches your duty of loyalty at least, because only willfulness can explain it. The material risk is obvious as is your concomitant duty.

Our proposal then merely ask you Directors to provide something you already had a duty to have provided. Your response, captured in GE's opposition statement was pure evasion. It compounded your breaches further. In the reading most favorable to you, the APO statement says, "Trust us." But trust us in this context is breach. If GE had never said much of anything about carbon reductions, then you wouldn't have any obligation to start making those disclosures now. But no, you have allowed GE to make assertions and commitments and reports and on and on about exactly this matter, carbon reduction. Having gotten involved you must continue in an objective neutral manner to treat the risks of carbon emissions commitments with evasion and contempt after having treated the risk of carbon emissions themselves as five-alarm fires, that breaches your fiduciary duty.

As noted, your breach is more than failure of care. It was willful, a breach of loyalty to the shareholders for whom you must act neutrally and objectively. And such willful breach raises the necessary question of motive. Why breach such a solid duty and why in such a public way? Whatever the motives, your next steps are clear. Issue the report we asked for showing that the proper objective neutral evaluation has been made, what its results were and what GE has done to mitigate the relevant risks. If GE hasn't done that work, you must admit that GE's failure of care and yours of oversight and then correct promptly.

Meanwhile, mitigate your breach by retracting all unnecessary commitments until you have the qualified business case in hand, consistent refusal to correct plain fiduciary breaches compounds those breaches. And everyone knows the miracle abreast the nightmare of compound interest.

John R. Phillips *GE Aerospace - SVP, General Counsel & Secretary*

Thank you, Mr. Shepard. The Board recommends against this proposal for the reasons set forth on Page 63 of the proxy statement. Those are the management and shareholder proposals. So we'd like to ask a question about any of those proposals, please enter it into the portal now. Please note that there will be an opportunity for more general Q&A on matters that are unrelated to these proposals after the formal agenda items and the close of voting, which will be happening soon.

We'll answer questions that do not directly relate to the proposals at that time. Let me take a moment now to check for any questions about the voting items to see if there are any aspects that are not addressed in the proxy statement.

I do not see any questions on the management and shareholder proposals to address here. So we will move on to balloting and the results of the voting.

We'll turn now to agenda item #3, balloting. For any shareholders who are online and who have not yet voted, the polls will be closing momentarily. If you already submitted a vote, there's no need to enter it again. Any votes submitted during the meeting will be reflected in the final vote results, which we will report after the meeting. We'll give a few more moments here for any remaining votes to be cast.

(Voting)

John R. Phillips *GE Aerospace - SVP, General Counsel & Secretary*

This concludes the review of the matters to be voted on. The polls are now closed. I believe the Inspectors of Election are ready to announce the outcome of the voting. Let's go to the Inspector's report.

Michael Barbera of First Coast Results is on the line to present the report of the inspectors. Mr. Barbera, do you have a report for us?

Michael Barbera *First Coast Results, Inc. - CEO & President*

Mr. Chairman, the Inspectors of Election have completed an initial count of the votes cast at this meeting in person or by proxy. Proxies representing approximately 875.9 million shares or 80.12% of the total shares eligible to vote were received. Other shares have been voted at this meeting by ballot or by proxy. On the basis of our initial count, the Inspectors of Election announced the following results: the election of Directors. All nominees have received at least 96% of the votes cast and all nominees have been elected.

Management proposals. The advisory approval of our named executives' compensation, for 94.46% of shares voted, against 5.54%. The ratification of Deloitte as Independent Auditor for 2024, for 99.68% of shares voted, against 0.32%.

Shareholder proposals. The shareholder proposal requesting Independent Board Chairman, for 16.17% of shares voted, against 83.83%. Shareholder proposal requesting report analyzing risks arising from voluntary carbon reduction commitments, for is 1.22% of shares voted, against 98.78%.

Mr. Chairman, this initial tally is subject to verification and the final tabulation may reflect small changes in the vote I have announced. The final tabulation will be set forth in the formal report of the Inspectors of Election to the Secretary of the company, which will be made after the count has been verified. This concludes our report.

John R. Phillips *GE Aerospace - SVP, General Counsel & Secretary*

Thank you, Mr. Barbera, and that concludes the formal portion of the meeting. Now we'll turn to agenda item #5, and we'll answer some questions that have been submitted in accordance with the rules of conduct. As we noted earlier, we solicited and received questions from shareholders in advance of the meeting. We are also receiving questions live during today's meeting. I'll read the questions for Larry to answer and will address as many as we have time for this morning.

And before we dive into the Q&A, I want to also note that we'll focus on questions about GE Aerospace at today's meeting. With the completion of the spin-off in April, GE Vernova is now a separate independent company. We'll pass any GE Vernova related questions to the team there for consideration and GE Vernova shareholders should feel free to reach out to the GE Vernova Investor Relations team.

QUESTIONS AND ANSWERS

John R. Phillips *GE Aerospace - SVP, General Counsel & Secretary*

So for our first question, we have a question about research and development at GE Aerospace. A shareholder asks, what areas are you focusing on for research and development?

H. Lawrence Culp *General Aerospace - Chairman & CEO*

Well, there's a lot to talk through there, Jake, as you well know. And we always love talking about the innovations that we're working on really across GE Aerospace. I'd say that our investment in R&D is meant to position us to bring forward what is really required to define the future of flight for the next generation with truly industry-leading technology. We're currently developing the next suite of engine technologies, including advanced architectures such as open fan, hybrid electric and electric propulsion concepts and advanced thermal management capabilities.

We noted earlier this year, that as a stand-alone company, we intend to spend about 6% to 8% of our revenue in R&D, and we're trending toward the higher end of that 8% range for 2024. We tend to see the R&D increase like this as we get closer to key program milestones and our priorities at the moment are focused in a few key areas. I'd say first, CFM's RISE program is maturing technologies that will serve as the foundation for next-generation CFM engines that could be available by the middle of the next decade. The program goals include reducing fuel consumption and CO2 emissions by more than 20% compared to today's most efficient engines as well as ensuring compatibility with alternative energy sources like SAF or sustainable aviation fuels and hydrogen to further reduce emissions.

We're also investing in the launch of our GE9X and efforts to enhance the durability of our LEAP engines. On the 9X, this is the newest wide-body engine and the world's largest and most powerful aircraft engine, and also the most efficient engine we've ever built on a per-pounds-of-thrust basis. The 9X is designed to deliver up to 10% greater fuel efficiency than its predecessor. We're pleased with the successful adoption of the GE9X to date with more than 900 engines on order.

On the LEAP program within CFM International, where we power narrow-body aircraft, reliability and durability is performing as well or better than its predecessor CFM56 at similar points in their life cycles. But we're continuing to invest to ensure that performance improvement continues. We're also introducing targeted component upgrades into the LEAP-1A fleet that will go into production later this year, and we'll do the same for the LEAP-1B fleet next year. We believe the LEAP engines best days are ahead as the installed base doubles in size by the end of this decade.

John R. Phillips *GE Aerospace - SVP, General Counsel & Secretary*

Thanks, Larry. Next up, we received a question from shareholder [Atticus Anderson] about commercial strategy and in particular, asking about how we think about commercial pricing decisions. Over to you.

H. Lawrence Culp *General Aerospace - Chairman & CEO*

Atticus, thanks for raising that question. I think our thought process here is pretty straightforward. We make, as I just highlighted, significant investments in technology. We take on considerable risk that we can provide the technology and services that really create value for our customers. And we do, in turn, think we provide considerable value for money.

So in turn, I'd say that our pricing framework is really centered on earning a fair risk-adjusted return on that investment. Our customers have shown over time that they are willing to pay for the value proposition our products offer and on our side, we're focused on being paid for the performance and reliability that we deliver regardless of what our competitors may do. If you look over the last few years, we've operated in an inflationary environment, as you probably know, and like many companies, we face increased costs as a result, really across our supply chain. That's also something we've taken into consideration in our pricing and we've been able to more than offset the higher input costs with our pricing during the past 2 years. We expect that to continue in 2024 and hope to see those inflationary headwinds subsiding in 2025.

John R. Phillips *GE Aerospace - SVP, General Counsel & Secretary*

Larry, thanks for that. Our next question, which we received from several shareholders relates to how the company is thinking about dividends. Would you like to comment about the GE Aerospace dividend and approach to capital allocation?

H. Lawrence Culp *General Aerospace - Chairman & CEO*

Jake, of course. I would say -- I'd start by just reminding everyone that the strength of our operational and financial fundamentals is really what gave us the confidence earlier this year to talk about returning 70% to 75% of our available cash to our investors. Earlier this month, we initiated a quarterly dividend at \$0.28, a mere 250% increase and a roughly 30% payout ratio.

At our Investor Day, we also announced a \$15 billion share buyback, a testament to the strength of our balance sheet. So combined dividends and share buybacks will each be about 4x where we were just last year. And the dividend and share buyback will create incremental value for our shareholders over and above the double-digit growth that we are expecting to generate operationally. So through this new capital return framework, we think we're well positioned to create significant shareholder value while continuing to protect our investments in growth and innovation and inorganic investments in M&A to complement what we do organically.

John R. Phillips *GE Aerospace - SVP, General Counsel & Secretary*

Great. Larry, here's a question about the attributes of our Board of Directors. Shareholder, David Dean, asked a question about the engineering backgrounds of our directors. Would you like to discuss the GE Aerospace directors and their applicable experience?

H. Lawrence Culp *General Aerospace - Chairman & CEO*

You bet, Jake, and David, thank you for the question. I want to just maybe start by saying how tremendously excited I'm and I think we all are about the Board that we've assembled for GE Aerospace. We truly have, I think, an extraordinary group of directors. As we said from

the outset about transforming GE into 3 independent companies, one of the real opportunities that was presented was to build fit-for-purpose Boards each of the 3 and to add domain expertise and experience at the Board level as we launch the companies that are going to be more focused leaders in their respective industries.

So we were recruiting and thinking about how to craft each of these 3 Boards really from the very beginning. To your question specifically about the GE Aerospace Board, we've added directors with deep domain in aerospace and defense. And to your specific question, almost half of our directors have engineering backgrounds, spanning aeronautical, astronomical, civil and chemical engineering backgrounds. Collectively, our directors also bring a wealth of leadership experience from across our sector, including airlines, airframers and defense customers and operations in finance and accounting, capital allocation and a host of other qualifications.

We've already had our first set of meetings post spin as the GE Aerospace Board. And I think the valuable perspectives and depth of dialogue that all our directors today are bringing were evident to us in that first Board meeting. And I'm certainly proud to work alongside my colleagues on this Board as we move forward as GE Aerospace, shaping the future of flight.

John R. Phillips *GE Aerospace - SVP, General Counsel & Secretary*

Thank you, Larry. Our next question is about talent and recruitment. Shareholder Charlotte Allen asks diversity even with regards to age is insightful. What is being done to attract youth who can bring in fresh, innovative ideas and suggestions?

H. Lawrence Culp *General Aerospace - Chairman & CEO*

Charlotte, thank you. There is certainly no doubt that attracting and developing diverse talent is critical to us in fulfilling our vision of being the company that defines the future of flight for today, tomorrow and the future. I think one of the great benefits that we now enjoy as a standalone company is having more focused business and industry-oriented career opportunities that I believe will strengthen our ability to recruit mission-driven people early in their careers to join our teams.

We've been seeing that play out since we announced the spins and think it will only grow now that we're on our own 2 feet as an independent GE Aerospace. Specific to your question about young people, we have a dedicated strategy focused on recruiting and retaining early career talent. This is done through our early careers programs, on-campus recruiting and our annual Early Career Summit, known as LIFT, leaders inventing flight for tomorrow. This is an event hosted by our leaders of our employee resource groups, where students can learn more about GE Aerospace and the programs we offer. And I would just say last week, as some of you may have noticed, we were proud to officially launch the GE Aerospace Foundation, a key enabler of our purpose to lift people up and bring them home safely. Our foundation has 3 priorities: developing a robust pipeline to support advanced manufacturing careers, responding to major global disasters and humanitarian crises and importantly, expanding STEM education programs that promote a diverse workforce.

And on this last point, we just committed an additional \$20 million to expand our Next Engineers Engineering Academy, a 3-year college readiness program for STEM students that includes immersive design challenges in career coaching by GE Aerospace employees. Yet another way, we are investing in young people around the world.

John R. Phillips *GE Aerospace - SVP, General Counsel & Secretary*

Larry, we have one last question for you this morning, which we received from several shareholders as well. Given GE Aerospace is in the sweet spot of the aerospace cycle and the stock's outperformance over the last 12 months. What will drive the next leg up from here?

H. Lawrence Culp *General Aerospace - Chairman & CEO*

Jake, as you've heard me in our internal meetings say many times, we are just beginning. And I would just share in response to the question, I couldn't be more optimistic about the future of our industry and our company within that context. Aerospace is certainly dynamic. There's no question we're experiencing a tremendous demand cycle right now, both from the airlines and from our airframers.

As many of you may know, the International Air Transport Association, or IATA, expects \$4.7 billion -- 4.7 billion passengers to fly this year, breaking prepandemic levels. This means demand for both new builds and services is soaring. Global airline CEOs have shared they want more engines and more airplanes from our airframer customers and they need more of our support in the field to keep their current fleets flying. This past quarter, GE Aerospace and CFM departures were up low double digits. And for the year, we're expecting

departures to grow at a high single-digit rate. So for GE Aerospace as a standalone company, the Board, our leadership team and the entire team are really focused on our commercial and defense customers and our industry stakeholders.

And as I think I mentioned earlier, we certainly expect this focus to yield many benefits. Short term, with FLIGHT DECK as our foundation, we will use problem-solving to break constraints like challenged supply chains, all the while enhancing safety, quality, delivery and cost, again, in that order. Specifically, factory productivity is an area for improvement. And we're doing more to improve material availability with our suppliers. Longer term, we're keeping our eye on the future and see plenty of opportunity for innovation as customers look to modernize their fleets desiring a step change improvement in efficiency and fuel consumption.

In addition to the CFM RISE and 9X programs, we've already mentioned, we're also continuing to differentiate on technology and performance in defense. We're working to deliver for the U.S. military on powering and modernizing the Black Hawk and Apaches for decades to come with our T901 engine which represents a \$30 billion opportunity over its life cycle. Customers are choosing this engine because it's providing 50% more power with 25% more fuel efficiency. And across the company, we expect to unlock additional productivity and cost opportunities as we scale in deep in FLIGHT DECK across GE Aerospace, accelerating the next phase of our lean transformation journey that we jump started across GE.

So overall, I'd say we're proud to be a global aerospace propulsion services and systems leader, with the industry's largest and youngest fleets across narrow-body, wide-body and defense. This will enable us to consistently grow profit and free cash flow, including our targets of approximately \$10 billion, a profit in 100% free cash conversion in 2028 that we first shared publicly at our March Investor Day.

So Jake, we're excited, as you well know, to continue to deliver for our customers, employees and all those listening in as our shareholders.

John R. Phillips *GE Aerospace - SVP, General Counsel & Secretary*

Thank you, Larry. That's all we have time for this morning. There are some remaining questions on topics that we have not addressed during the meeting, and we'll follow up with responses to those questions on our Investor Relations website as described in the meeting's rule of conduct.

With that, Larry, I'll turn it back to you for some closing comments.

H. Lawrence Culp *General Aerospace - Chairman & CEO*

Jake, thank you, and thanks to everybody who submitted those questions and for everyone else listening in who joined us today. The Board and I remain dedicated to working to protect and grow your investment in GE Aerospace and we certainly thank you for your confidence in us. It's a privilege to serve as your Chairman and CEO.

Operator

The annual meeting has now concluded. Thank you for joining, and have a pleasant day.

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