



# GE Aerospace first quarter 2025 performance

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Financial Results & Company Highlights

April 22, 2025



## Caution concerning forward-looking statements:

This document contains "forward-looking statements" – that is, statements related to future events that by their nature address matters that are, to different degrees, uncertain. For details on the uncertainties that may cause our actual future results to be materially different than those expressed in our forward-looking statements, see [www.geaerospace.com/investor-relations/important-forward-looking-statement-information](http://www.geaerospace.com/investor-relations/important-forward-looking-statement-information) as well as our annual reports on Form 10-K and quarterly reports on Form 10-Q. We do not undertake to update our forward-looking statements. This document also includes certain forward-looking projected financial information that is based on current estimates and forecasts. Actual results could differ materially.

## Non-GAAP financial measures:

In this document, we sometimes use information derived from consolidated financial data but not presented in our financial statements prepared in accordance with U.S. generally accepted accounting principles (GAAP). Certain of these data are considered "non-GAAP financial measures" under the U.S. Securities and Exchange Commission rules. These non-GAAP financial measures supplement our GAAP disclosures and should not be considered alternatives to the corresponding GAAP measures. The reasons we use these non-GAAP financial measures and the reconciliations to their most directly comparable GAAP financial measures are included in our earnings release, our Quarterly Report on Form 10-Q, the appendix of this presentation and our Current Report on Form 8-K dated June 21, 2024, as applicable.

## Additional information:

Amounts shown on subsequent pages may not add due to rounding.

CFM International is a 50/50 JV that produces CFM56 and LEAP engine families. RISE is a program of CFM International. CFM RISE is a registered trademark. Engine Alliance is a 50/50 JV that produces the GP7200 engine.

GE Aerospace's Investor Relations website at [www.geaerospace.com/investor-relations](http://www.geaerospace.com/investor-relations), as well as GE Aerospace's LinkedIn and other social media accounts, contain a significant amount of information about GE Aerospace, including financial and other information for investors. GE Aerospace encourages investors to visit these websites from time to time, as information is updated, and new information is posted.

## OUR PURPOSE

We invent the future of flight,  
lift people up and bring them  
home safely



~3.4B

Passengers flew with GE Aerospace  
technology under wing in 2024

~950K

People flying at any given time  
on GE Aerospace-powered aircraft

3 out of 4

Commercial flights  
powered by our engines

Figures include equipment made by GE Aerospace and JVs.

# 1Q'25: strong start to the year

## GE Aerospace

1Q orders and adjusted revenue\* up double-digits and adjusted EPS\* +60%  
 ... strong start, robust backlog and actions underway support '25 guide

## Commercial Engines & Services (CES)

Services orders +31% and revenue +17% driving total operating profit +35%  
 ... on track for significant growth in '25

## Defense & Propulsion Technologies (DPT)

Defense output continues to improve, total operating profit +16%  
 ... expect continued strong performance

**+12%**

Orders growth

**+11%**

Adjusted revenue growth\*

**\$2.1B** ... +38% y/y

Operating profit\*

**\$1.49** ... +60% y/y

Adjusted EPS\*

**\$1.4B** ... (14)% y/y

Free cash flow\*

\* Non-GAAP Financial Measure

# Taking action to manage dynamic environment

## Actions underway ...

### Partially reducing tariff impact by ...

- Optimizing operations
- Leveraging existing programs and strategies

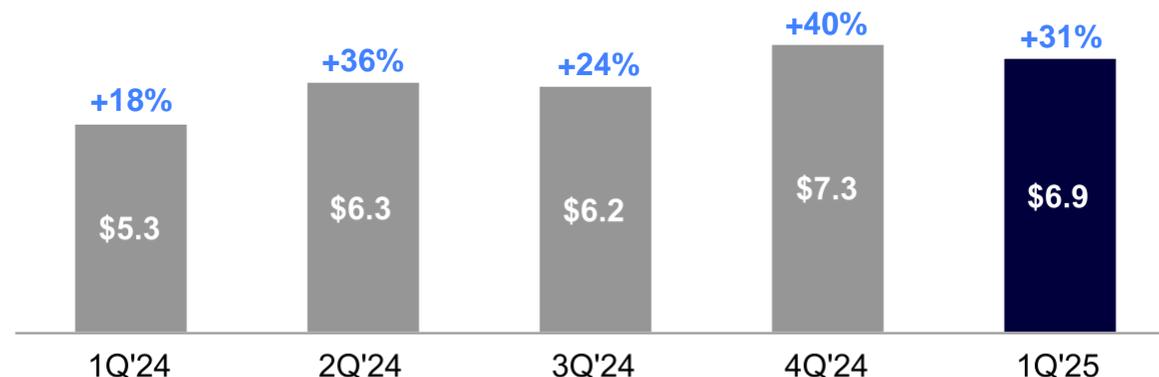
### ... offsetting remaining ~\$(0.5)B cost through:

- Cost controls focused on SG&A, maintaining investments
- Pricing actions

## ... services backlog remains robust

### Commercial services orders

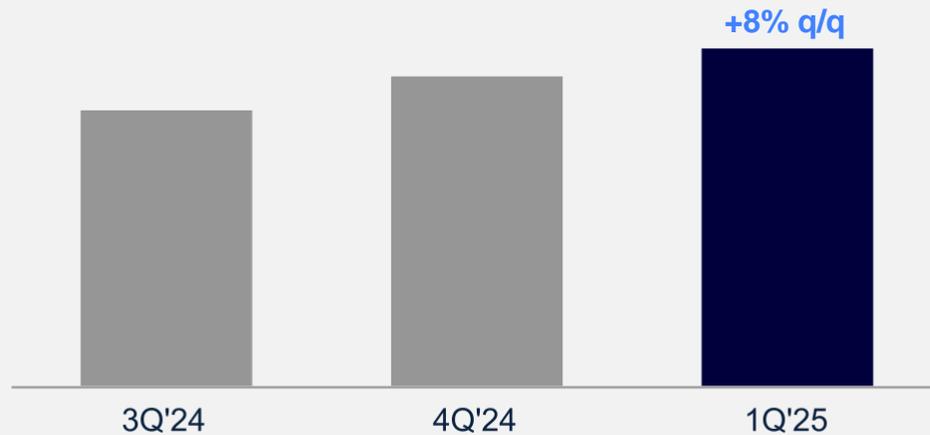
(\$ billions, y/y)



- 1Q departures<sup>-a)</sup> +4%, as planned
- >\$140B comm'l services backlog ... delivering pent-up demand
- Monitoring demand ... now expecting FY departures<sup>-a)</sup> +LSD with slower 2H

# – **FLIGHT DECK** – poised to accelerate aftermarket and OE output

## Priority suppliers material input



- Seasonally slower start to material inputs with January down versus December
- Significant improvement with February and March both +DD versus January supporting 2Q+ output

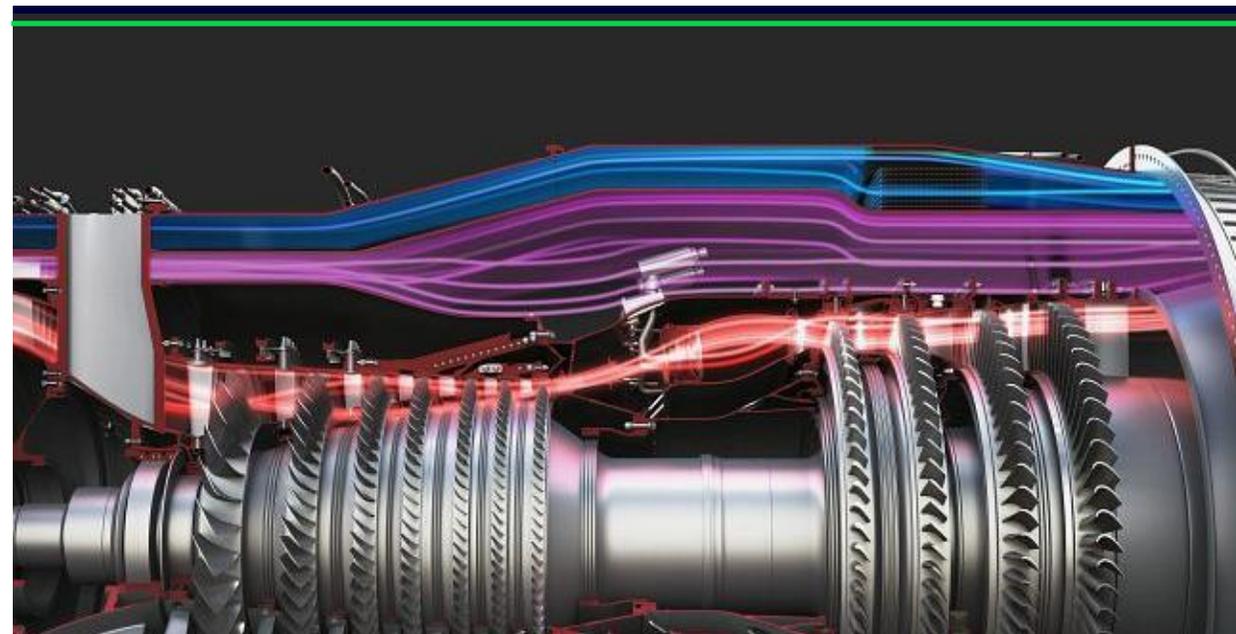
## Actions to drive further improvement

- CES services revenue +17% while total engine units (6)%
- Driving sustainable improvements with suppliers:
  - Increased volume needs to priority suppliers ... meeting >95% of committed volume
  - New Technology & Operations team hosted supplier symposium to align on near and long-term output goals
  - Joint kaizens sustaining results
- Continue to expand LEAP aftermarket capacity ... LEAP external shop visits >60% y/y

## Industry leading commercial and defense platforms



*Secured engine commitments with ANA for LEAP and GEnx engines to power 13 A321neo, up to 22 737MAX, and 18 787-9 as part of its fleet upgrade.*



*Completed the Detailed Design Review of XA102 adaptive cycle engine, a key milestone in the U.S. Air Force's next-gen propulsion program.*

Growing >\$170 billion backlog, strengthening leadership position with continued investments

# Significant 1Q'25 top-line and adjusted EPS\* growth

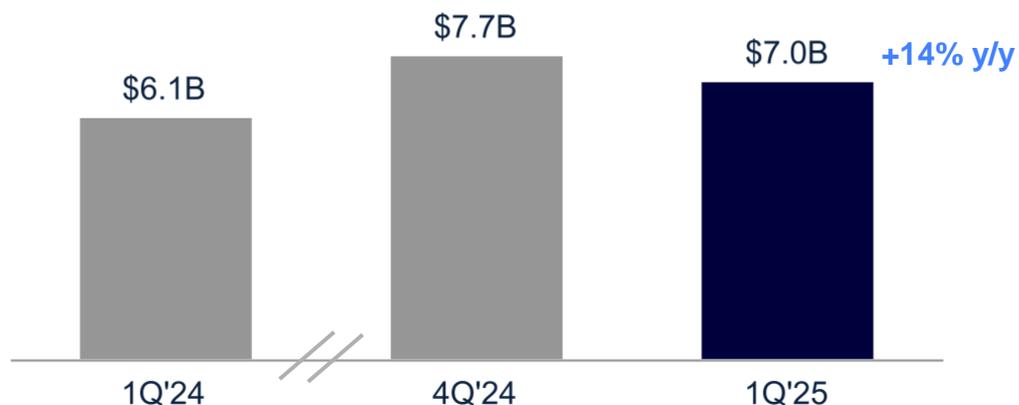


Operating profit\* +\$0.6B y/y and adjusted EPS\* +\$0.55 y/y

\* Non-GAAP Financial Measure

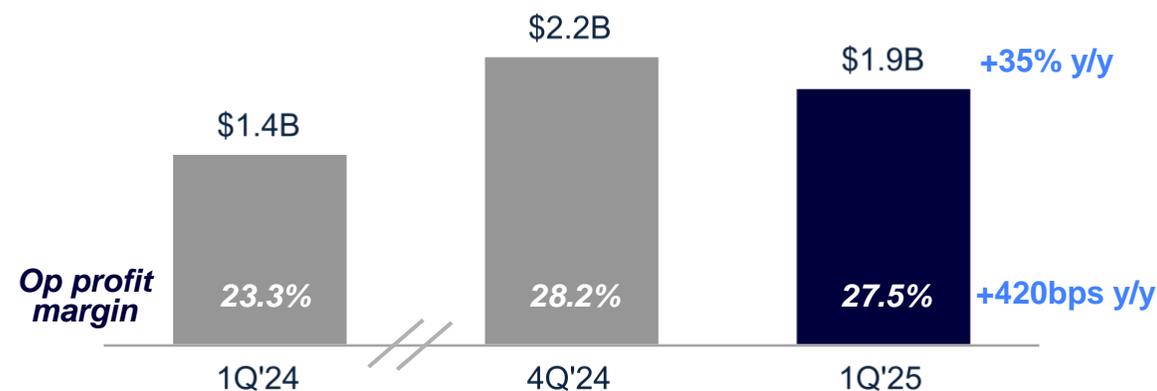
# Commercial Engines & Services (CES): 1Q'25 performance

## Revenue



- **Services:** +17% ... from spare parts revenue growth >20% and internal shop visit revenue +11%
- **Equipment:** +9% ... customer mix and price more than offset unit volume (9)%

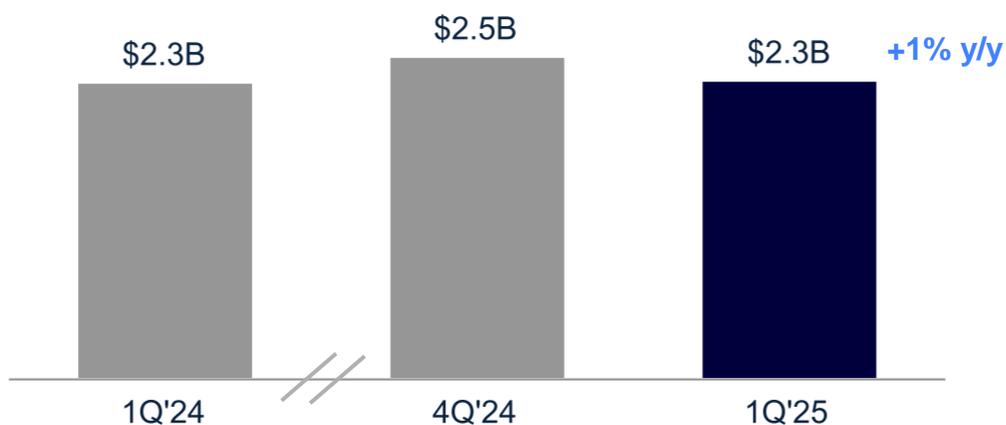
## Operating Profit



- **Op profit:** +35% ... Op profit margin up 420bps
- Services volume, mix and price more than offset inflation, investments and CMR<sup>-a)</sup> including estimated tariff impact

# Defense & Propulsion Technologies (DPT): 1Q'25 performance

## Revenue



- **Defense & Systems:** flat ... Defense units +5% and price offset by lower services
  - Defense book-to-bill 1.4x
- **Propulsion & Additive Technologies:** +1% ... services volume and price offset expected slower OE volume

## Operating Profit



- **Op profit:** +16% ... Op profit margin +160bps
- Customer mix, productivity and price partially offset by self-funding investments and inflation

# Maintaining FY'25 guidance: strong start, robust backlog and actions underway

	2024	2025 Guide	2025 assumptions
<b>Adjusted revenue growth*</b>	+10%	<b>LDD</b>	<b>Included:</b> <ul style="list-style-type: none"> <li>▪ Impact of announced tariffs net of actions</li> <li>▪ '25 departures<sup>-b)</sup> +LSD (previously +MSD)</li> <li>▪ Delayed spare engine deliveries</li> </ul>
<i>Adjusted revenue*</i>	\$35.1B		
<b>Operating profit*</b>	\$7.3B	<b>\$7.8B - \$8.2B</b>	<b>Excluded:</b> <ul style="list-style-type: none"> <li>▪ Changes in airframer delivery schedules</li> <li>▪ Further tariff escalation</li> <li>▪ Global economic recession</li> </ul>
<i>Op profit margin*</i>	20.7%		
<b>Adjusted EPS*</b>	\$4.60	<b>\$5.10 - \$5.45</b>	
<b>Free cash flow*</b>	\$6.1B	<b>\$6.3B - \$6.8B</b>	
<i>FCF* conversion<sup>-a)</sup></i>	~121%	>100%	

Continued confidence in ability to deliver another year of strong results

\* Non-GAAP Financial Measure  
(a – FCF\* conversion: FCF\* / adjusted net income\*  
(b – GE Aerospace / CFM departures

# GE Aerospace: set to soar

## Customer Preferred Platforms



Best performing services and products underwing, balanced across narrowbody, widebody, rotorcraft, combat and mobility platforms

## Highest Operational Reliability



Robust technologies and proven products ... continuous improvements prioritizing safety, quality, delivery and cost – in that order

## Most Extensive Installed Base



Unrivalled customer service and flight support creates customer intimacy, learning, and network flexibility across industry's largest fleets

## Breakthrough Innovation



Leading engineering inventing next-gen tech to drive efficiency, reliability & decarbonization along with advanced defense capabilities

## FLIGHT DECK



GE Aerospace's proprietary lean operating model to deliver exceptional value to customers and shareholders

Consistently growing op profit\* and generating FCF\*, compounding with capital deployment and return opportunities

\* Non-GAAP Financial Measure

# – Q&A

# – Appendix

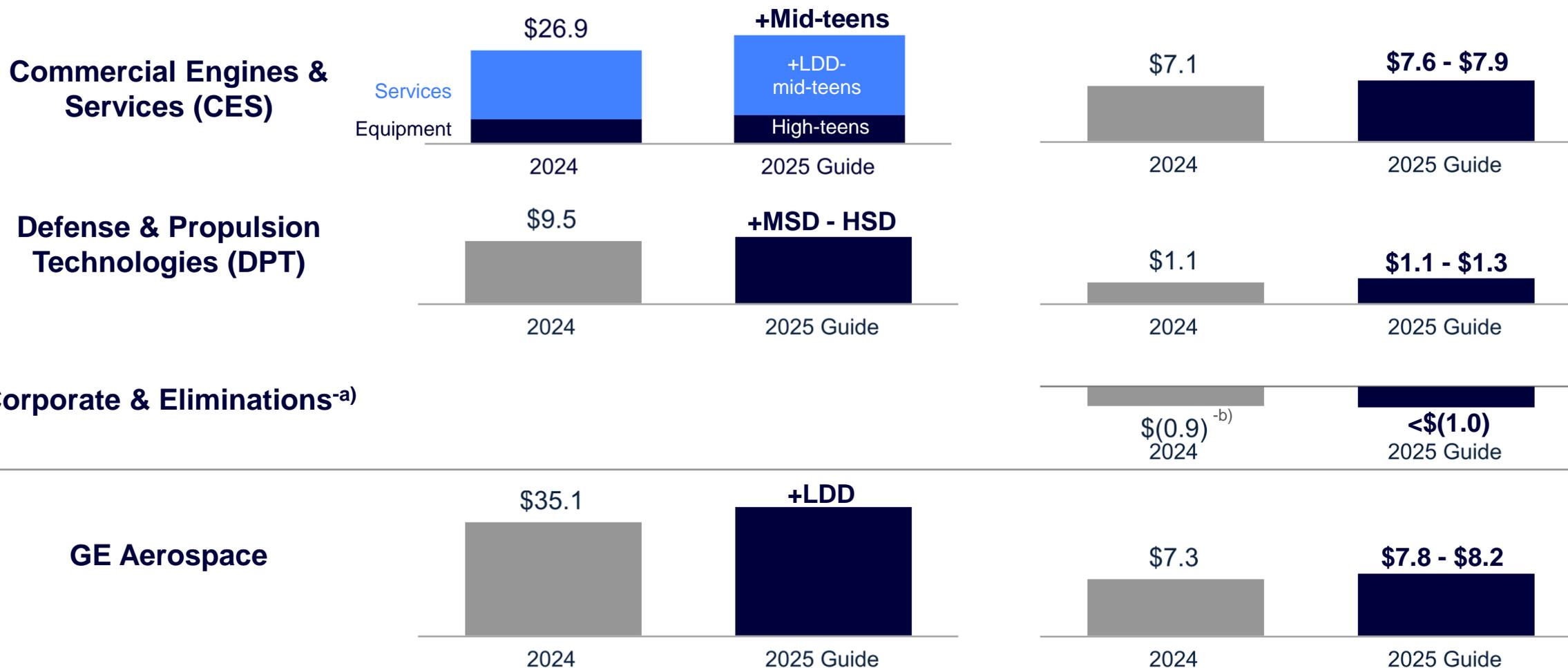
- 15 [2025 segment guidance](#)
- 16 [2025 additional items](#)
- 17 [Orders and revenue](#)
- 18 [1Q adjusted EPS bridge](#)

# Maintaining FY'25 guidance across the board

Guidance as of April 22, 2025 (\$ in billions)

## Adjusted revenue\*

## Operating profit\*



\*Non-GAAP Financial Measure

(a - Equivalent to Adjusted Corporate & Other operating costs

(b - Includes \$(0.5)B for intercompany profit eliminations in '24

# Additional items as of April 22, 2025

	<u>1Q'25</u>	<u>1Q'24</u>	<u>FY'25 dynamics</u>
Share buy-back	\$1.9B	\$0.1B	~\$7B in FY'25
Diluted share count	1,078M	1,103M	~1,070M in FY'25
Dividend paid	\$0.3B	\$0.1B	Dividend +30% y/y in FY'25
Cash balance	\$12.4B	\$15.0B <sup>-a)</sup>	NA
Total borrowings	\$19.6B	\$20.2B	No planned debt repayment, plan to refinance '25+ maturities
Interest expense <sup>-b)</sup>	\$(204)M	\$(256)M	~Flat in FY'25 (FY'24: \$(958)M)
Adjusted ETR*	17.6%	20.7%	~19% in FY'25
Separation cost	\$(51)M	\$(259)M <sup>-c)</sup>	Total post-spin spend \$(284)M; Expecting ~\$(120)M remaining
Spin-related restructuring	\$6M	\$(70)M <sup>-c)</sup>	Total post-spin spend \$(78)M; Expecting ~\$(100)M remaining

\* Non-GAAP Financial Measure

(a – Cash balance reflects \$3.7B cash distribution to GE Vernova out of the total \$4.2B GE Vernova separation cash. The remaining balance was distributed in the second quarter of 2024.

(b – Interest represents Interest and other financial charges excluding Insurance and U.S. tax equity

(c – Pre-spin separation cost & restructuring

# Orders and revenue - supplemental information

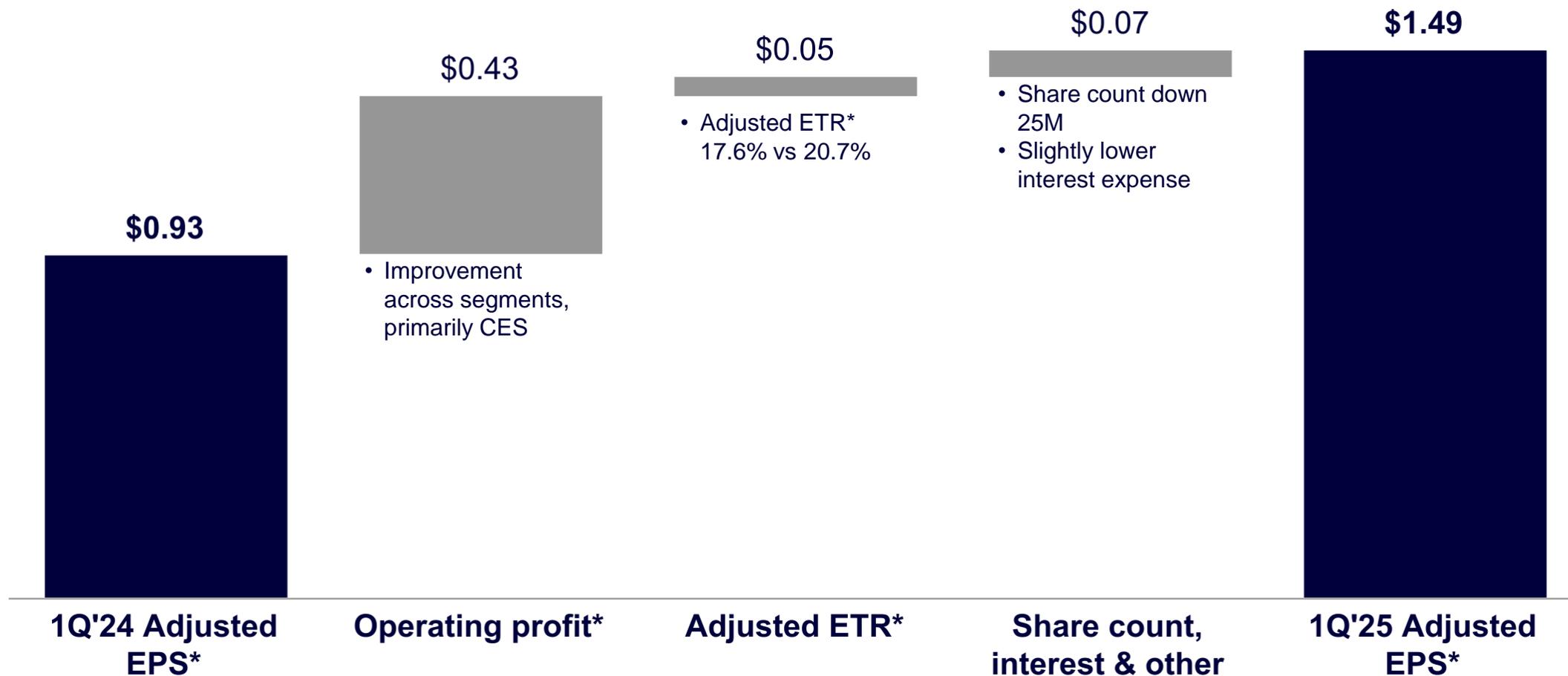
(\$ in billions)

ORDERS	Services		Equipment		Total	
	1Q'25	y/y	1Q'25	y/y	1Q'25	y/y
Commercial Engines & Services	\$6.9	31%	\$2.7	(13)%	\$9.6	15%
Defense & Propulsion Technologies	\$1.5	14%	\$1.5	(10)%	\$3.0	0%
GE Aerospace	<b>\$8.4</b>	<b>28%</b>	<b>\$3.9</b>	<b>(12)%</b>	<b>\$12.3</b>	<b>12%</b>

REVENUE	Services		Equipment		Total	
	1Q'25	y/y	1Q'25	y/y	1Q'25	y/y
Commercial Engines & Services	\$5.1	17%	\$1.9	9%	\$7.0	14%
Defense & Propulsion Technologies	\$1.3	(2)%	\$1.1	4%	\$2.3	1%
GE Aerospace	<b>\$6.3</b>	<b>12%</b>	<b>\$2.7</b>	<b>10%</b>	<b>\$9.0<sup>-a)</sup></b>	<b>11%<sup>-a)</sup></b>

Order units were 880 in 1Q'25 vs 792 in 1Q'24 for commercial engines, 796 in 1Q'25 vs 594 in 1Q'24 for LEAP engines, and 169 in 1Q'25 vs 159 in 1Q'24 for Defense engines.  
(a – Adjusted revenue\*

# 1Q'25 adjusted earnings per share\* bridge



\* Non-GAAP Financial Measure  
 Operating profit and interest impacts are tax effected  
 Charts are not to scale

# – Non-GAAP reconciliations

20 First quarter adjusted revenue, adjusted costs, adjusted other income, operating profit and adjusted net income

21 First quarter free cash flow

# First quarter adjusted revenue\*, costs\*, other income\*, operating profit\* and adjusted net income\*

(Dollars in millions)	1Q'25					1Q'24				
	GAAP	Less: Insurance and US tax equity	Less: Separation, restructuring and other	Less: Other adjustments <sup>(b)</sup>	Adjusted (Non-GAAP)	GAAP	Less: Insurance and US tax equity	Less: Separation, restructuring and other	Less: Other adjustments <sup>(b)</sup>	Adjusted (Non-GAAP)
Revenues	\$ 9,935	\$ 934	\$ —	\$ —	\$ 9,001	\$ 8,955	\$ 879	\$ —	\$ —	\$ 8,076
Less: Costs and expenses	7,992	734	52	14	7,192	7,974	679	329	43	6,923
Add: Other income	302	(42)	—	7	337	1,007	(35)	—	644	397
<b>Profit (loss)</b>	<b>\$ 2,245</b>	<b>\$ 158</b>	<b>\$ (52)</b>	<b>\$ (8)</b>	<b>\$ 2,146</b>	<b>\$ 1,987</b>	<b>\$ 165</b>	<b>\$ (329)</b>	<b>\$ 601</b>	<b>\$ 1,550</b>
Less: Interest and other financial charges	—	6	—	(210)	204	—	7	—	(263)	256
Less: Provision (benefit) for income taxes	283	(87)	(10)	39	341	244	(15)	(49)	40	268
Less: Net income (loss) attributable to noncontrolling interests	(5)	—	—	(5)	—	3	—	—	3	—
<b>Net income (loss)</b>	<b>\$ 1,967</b>	<b>\$ 239</b>	<b>\$ (42)</b>	<b>\$ 169</b>	<b>\$ 1,601</b>	<b>\$ 1,741</b>	<b>\$ 173</b>	<b>\$ (280)</b>	<b>\$ 822</b>	<b>\$ 1,026</b>
<b>EPS<sup>(a)</sup></b>	<b>\$ 1.83</b>	<b>\$ 0.22</b>	<b>\$ (0.04)</b>	<b>\$ 0.16</b>	<b>\$ 1.49</b>	<b>\$ 1.58</b>	<b>\$ 0.16</b>	<b>\$ (0.25)</b>	<b>\$ 0.74</b>	<b>\$ 0.93</b>

Beginning in the first quarter of 2025, we changed the terminology used to report our GAAP earnings from “Earnings” to “Net income” and our non-GAAP earnings from “Adjusted earnings” to “Adjusted net income.” The change in terminology does not impact the amounts reported in the financial statements.

\* Non-GAAP Financial Measure

(a – Net income (loss) from continuing operations available to common shareholders, diluted

(b – Other adjustments include interest and other financial charges, non-operating benefit cost (income), noncontrolling interest, gains (losses) on retained and sold ownership interests and other equity securities, gains (losses) on purchases and sales of business interests

# First quarter free cash flow\*

(Dollars in millions)	1Q'25	1Q'24	V%
<b>Net income (loss) (GAAP) <sup>-a)</sup></b>	\$ 1,962	\$ 1,744	13 %
Depreciation & amortization <sup>-b)</sup>	299	290	
Operating working capital	103	254	
Current receivables	(326)	261	
Inventories, including deferred inventory costs	(724)	(504)	
Current contract assets	46	160	
Contract liabilities and current deferred income	270	23	
Progress collections	132	140	
Accounts payable	706	174	
Sales discounts and allowances	80	(106)	
Other CFOA <sup>-c)</sup>	(902)	(552)	
<b>Cash flows from operating activities (CFOA) (GAAP)</b>	\$ 1,543	\$ 1,629	(5) %
Add: gross additions to property, plant and equipment and internal-use software	(208)	(204)	
Less: separation cash expenditures	(76)	(165)	
Less: Corporate & Other restructuring cash expenditures	(31)	(79)	
<b>Free cash flow (FCF) (Non-GAAP)</b>	\$ 1,441	\$ 1,669	(14) %
<b>Free cash flow (Non-GAAP) conversion %</b>	90 %	163 %	

\* Non-GAAP Financial Measure

(a) – Net income (loss) from continuing operations, which aggregates Net income (loss) from discontinued operations

(b) – Depreciation and amortization of property, plant & equipment and amortization of intangible assets

(c) – Includes the following: (Gains) losses on retained and sold ownership interests and other equity securities, employee benefit liabilities, income taxes (net), goodwill impairments and all other operating; includes separation cash expenditures and Corporate restructuring cash expenditures

(d) – FCF\* conversion: FCF\* / adjusted net income\*

# – Upcoming calendar

Investor Day at Paris Air Show

June 17, 2025

2Q'25 Earnings

July 22, 2025

3Q'25 Earnings

October 21, 2025