

GE HealthCare reports second quarter 2025 financial results

- Revenue growth was 3% year-over-year; Organic revenue growth* was 2%
- Net income margin was 9.7% versus 8.9% for the prior year; Adjusted earnings before interest and taxes (EBIT) margin* was 14.6% versus 15.3%
- Diluted earnings per share (EPS) were \$1.06 versus \$0.93 for the prior year; Adjusted EPS* was \$1.06 versus \$1.00
- Cash flow from operating activities was \$94 million versus \$(119) million for the prior year; Free cash flow* was \$7 million versus \$(182) million
- Raises full-year 2025 guidance

Chicago, IL – July 30, 2025 – GE HealthCare (Nasdaq: GEHC) today reported financial results for the second quarter ended June 30, 2025.

GE HealthCare President and CEO Peter Arduini said, “We were pleased with solid orders and revenue performance in the second quarter across all segments, reflecting healthy customer investment in capital equipment. We also reported strong earnings performance while leveraging our lean capabilities and demonstrating progress on tariff mitigation. Overall, we believe we are driving long-term value through our strategic priorities and are well positioned operationally.”

Second quarter 2025 total company financial performance

- Revenues of \$5.0 billion increased 3% reported and 2% on an Organic* basis year-over-year. Revenue growth was driven by strength in the U.S. and Europe, the Middle East and Africa.
- Total company book-to-bill was 1.07 times. Total company orders increased 3% organically year-over-year.
- Net income attributable to GE HealthCare was \$486 million versus \$428 million for the prior year, and Adjusted EBIT* was \$729 million versus \$742 million.
- Net income margin was 9.7% versus 8.9% for the prior year, up 80 basis points (bps) with lower tax and interest expense. Adjusted EBIT margin* was 14.6% versus 15.3%, down 80 bps, impacted by tariffs, partially offset by benefits from productivity and volume.
- Diluted EPS was \$1.06 versus \$0.93, up \$0.13 from the prior year. Adjusted EPS* was \$1.06 versus \$1.00, up \$0.06 from the prior year as both measures saw lower tax and interest expense.
- Cash flow from operating activities was \$94 million, up \$213 million year-over-year. Free cash flow* was \$7 million, up \$189 million year-over-year.

* Non-GAAP financial measure.

Second quarter 2025 segment financial performance (Unaudited)

Segment (\$ in millions)	Imaging	Advanced Visualization Solutions	Patient Care Solutions	Pharmaceutical Diagnostics
Segment Revenues	\$2,204	\$1,289	\$778	\$729
YoY % change	2%	3%	1%	14%
YoY % Organic* change	1%	2%	—%	5%
Segment EBIT	\$188	\$267	\$60	\$213
YoY % change	(10)%	4%	(23)%	7%
Segment EBIT Margin	8.5%	20.7%	7.7%	29.3%
YoY change	(110) bps	20 bps	(240) bps	(200) bps

YoY refers to year-over-year comparison on a recast basis

Results recast in line with move of Image Guided Therapies from Imaging to Advanced Visualization Solutions

Growth and innovation

Mr. Arduini continued, “Our differentiated capabilities in nuclear medicine position us to lead in this emerging field across disease states. In the second quarter, we saw increased demand for our radiopharmaceutical products, including Vizamyil, Cerianna and Flyrcado, and we secured our largest-ever order of Omni Legend PET systems in the U.S.”

Recent innovation and commercial highlights

- GE HealthCare and Ascension launch strategic collaboration to advance technology, efficiency, and comprehensive care
- GE HealthCare drives growth with investment in AI-enabled medical devices and tops FDA’s list of AI authorizations for 4th Year with 100
- FDA approves expanded indications for GE HealthCare’s Vizamyil PET imaging agent for beta amyloid detection, enabling more precise care for Alzheimer’s patients
- GE HealthCare enhances cardiac diagnostics with innovative molecular imaging solutions showcased at SNMMI 2025
- GE HealthCare drives innovation in theranostics with latest technological advances
- Pioneering precision: GE HealthCare aims to elevate clinical care through total body PET/CT technology with Stanford Medicine
- GE HealthCare advances precision care with MIM Encore™ to deliver next-generation digital imaging and workflow solutions
- Updated NCCN Clinical Practice Guidelines in Oncology (NCCN Guidelines®) Recommend Use of FES PET Imaging for Lobular Breast Cancer
- GE HealthCare launches CleaRecon DL, introducing AI-based 3D reconstruction to the interventional suite
- GE HealthCare announces FDA 510(k) clearance for Aurora, a new dual-head SPECT/CT system, and Clarify DL, its AI-powered Deep Learning image reconstruction technology

2025 guidance

Today, the Company raises 2025 full-year guidance, reflective of healthy capital investment trends, operational execution and changes in tariff rates, as follows:

- Organic revenue growth* of approximately 3% year-over-year; this compares to previous Organic revenue growth* guidance of 2% to 3%

* Non-GAAP financial measure.

- Adjusted EBIT margin* of 15.2% to 15.4%, reflecting a decline of 110 bps to 90 bps versus 2024 Adjusted EBIT margin* of 16.3%; this compares to previous Adjusted EBIT margin* guidance of 14.2% to 14.4%
- Adjusted effective tax rate (ETR)* in the range of 20% to 21%; this compares to previous Adjusted ETR* guidance of 21% to 22%
- Adjusted EPS* in the range of \$4.43 to \$4.63, which includes approximately \$0.45 of tariff impact versus 2024 Adjusted EPS* of \$4.49; this compares to previous Adjusted EPS* guidance in the range of \$3.90 to \$4.10
- Free cash flow* of at least \$1.4 billion; this compares to previous Free cash flow* guidance of at least \$1.2 billion

Tariff assumptions for updated guidance: Bilateral U.S. and China tariffs introduced this year continue and will rise on August 12, 2025 (to a rate of 54% for U.S. tariffs imposed on goods imported from China to the U.S. and to 34% for Chinese tariffs on goods exported from the U.S. to China); U.S. reciprocal rate on EU and Japan products at 15% effective August 1, 2025; tariffs increase for goods imported from Mexico (to 30%) and from Canada (to 35%) on August 1, 2025 and USMCA exemptions for eligible imports continue; U.S. reciprocal tariffs on all other impacted geographies return to pre-pause levels on August 1, 2025, including other increases formally communicated by letter (>10%); excludes potential Section 232 tariff impact.

The Company provides its outlook on a non-GAAP basis. Refer to the Non-GAAP financial measures in outlook section below for more details.

* Non-GAAP financial measure.

Financial rounding

Certain columns and rows in this document may not sum due to the use of rounded numbers. Percentages presented are calculated from the underlying whole-dollar amounts.

Financial statements

Condensed Consolidated Statements of Income (Unaudited)

<i>(In millions, except per share amounts)</i>	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Sales of products	\$ 3,263	\$ 3,207	\$ 6,380	\$ 6,253
Sales of services	1,743	1,632	3,404	3,237
Total revenues	5,007	4,839	9,784	9,489
Cost of products	2,160	2,045	4,122	4,012
Cost of services	863	792	1,665	1,574
Gross profit	1,985	2,002	3,997	3,904
Selling, general, and administrative	1,029	1,067	2,069	2,105
Research and development	302	327	646	651
Total operating expenses	1,331	1,395	2,714	2,756
Operating income	654	608	1,283	1,148
Interest and other financial charges – net	113	131	224	254
Non-operating benefit (income) costs	(73)	(101)	(148)	(204)
Other (income) expense – net	1	(1)	(98)	8
Income before income taxes	613	578	1,304	1,090
Benefit (provision) for income taxes	(113)	(143)	(216)	(267)
Net income	500	435	1,088	823
Net (income) loss attributable to noncontrolling interests	(14)	(7)	(39)	(21)
Net income attributable to GE HealthCare	\$ 486	\$ 428	\$ 1,049	\$ 802
Earnings per share attributable to GE HealthCare:				
Basic	\$ 1.06	\$ 0.94	\$ 2.30	\$ 1.76
Diluted	1.06	0.93	2.29	1.75
Weighted-average number of shares outstanding:				
Basic	457	457	457	456
Diluted	458	459	459	459

Condensed Consolidated Statements of Financial Position (Unaudited)

<i>(In millions, except share and per share amounts)</i>	As of	
	June 30, 2025	December 31, 2024
Cash, cash equivalents, and restricted cash	\$ 3,763	\$ 2,889
Receivables – net of allowances of \$107 and \$103	3,562	3,566
Inventories	2,283	1,939
Contract and other deferred assets	1,062	974
All other current assets	638	532
Current assets	11,308	9,901
Property, plant, and equipment – net	2,962	2,550
Goodwill	13,417	13,136
Other intangible assets – net	1,220	1,078
Deferred income taxes	4,517	4,474
All other non-current assets	2,076	1,950
Total assets	\$ 35,500	\$ 33,089
Short-term borrowings	\$ 2,005	\$ 1,502
Accounts payable	2,975	3,035
Contract liabilities	1,979	1,943
Current compensation and benefits	1,364	1,521
All other current liabilities	1,426	1,552
Current liabilities	9,748	9,553
Long-term borrowings	8,270	7,449
Non-current compensation and benefits	5,351	5,583
Deferred income taxes	173	56
All other non-current liabilities	2,005	1,796
Total liabilities	25,548	24,437
<i>Commitments and contingencies</i>		
Redeemable noncontrolling interests	220	188
Common stock, par value \$0.01 per share, 1,000,000,000 shares authorized, 458,275,427 shares issued as of June 30, 2025; 457,246,971 shares issued as of December 31, 2024	5	5
Treasury stock, at cost, 1,718,413 shares as of June 30, 2025 and 291,053 shares as of December 31, 2024	(125)	(25)
Additional paid-in capital	6,628	6,583
Retained earnings	4,295	3,262
Accumulated other comprehensive income (loss) – net	(1,090)	(1,379)
Total equity attributable to GE HealthCare	9,712	8,446
Noncontrolling interests	21	18
Total equity	9,733	8,464
Total liabilities, redeemable noncontrolling interests, and equity	\$ 35,500	\$ 33,089

Condensed Consolidated Statements of Cash Flows (Unaudited)

<i>(In millions)</i>	For the six months ended June 30	
	2025	2024
Net income	\$ 1,088	\$ 823
Adjustments to reconcile Net income to Cash from (used for) operating activities		
Depreciation of property, plant, and equipment	138	137
Amortization of intangible assets	146	160
Gain on remeasurement of Nihon Medi-Physics equity method investment	(97)	—
Net periodic postretirement benefit plan (income) expense	(138)	(180)
Postretirement plan contributions	(182)	(170)
Share-based compensation	56	70
Provision for income taxes	216	267
Cash paid during the year for income taxes	(270)	(287)
Changes in operating assets and liabilities, excluding the effects of acquisitions:		
Receivables	185	126
Inventories	(188)	(116)
Contract and other deferred assets	(48)	12
Accounts payable	(113)	(97)
Contract liabilities	(23)	(20)
Current compensation and benefits	(207)	(266)
All other operating activities – net	(218)	(161)
Cash from (used for) operating activities	344	300
Cash flows – investing activities		
Additions to property, plant and equipment and internal-use software	(238)	(209)
Purchases of businesses, net of cash acquired	(279)	(259)
Purchases of investments	(28)	(30)
All other investing activities – net	(84)	(39)
Cash from (used for) investing activities	(630)	(537)
Cash flows – financing activities		
Net increase (decrease) in borrowings (maturities of 90 days or less)	1	—
Newly issued debt, net of debt issuance costs (maturities longer than 90 days)	1,493	1
Repayments and other reductions (maturities longer than 90 days)	(261)	(156)
Dividends paid to stockholders	(32)	(28)
Repurchase of common stock	(100)	—
Proceeds from stock issued under employee benefit plans	21	24
Taxes paid related to net share settlement of equity awards	(33)	(48)
All other financing activities – net	(15)	(4)
Cash from (used for) financing activities	1,075	(210)
Effect of foreign currency rate changes on cash, cash equivalents, and restricted cash	84	(41)
Increase (decrease) in cash, cash equivalents, and restricted cash	873	(488)
Cash, cash equivalents, and restricted cash at beginning of year	2,893	2,506
Cash, cash equivalents, and restricted cash at end of period	\$ 3,766	\$ 2,018
Supplemental disclosure of cash flows information		
Cash paid during the year for interest	\$ (260)	\$ (274)
Non-cash investing activities		
Acquired but unpaid property, plant, and equipment	\$ 90	\$ 76

Non-GAAP financial measures

The non-GAAP financial measures presented in this press release are supplemental measures of GE HealthCare's performance and its liquidity that the Company believes will help investors understand its financial condition, cash flows, and operating results, and assess its future prospects. When read in conjunction with the Company's U.S. GAAP results, these non-GAAP financial measures provide a baseline for analyzing trends in GE HealthCare's underlying businesses and can be used by management as one basis for making financial, operational, and planning decisions. Descriptions of the reported non-GAAP measures are included below.

The Company reports Organic revenue and Organic revenue growth rate to provide management and investors with additional understanding and visibility into the underlying revenue trends of the Company's established, ongoing operations, as well as provide insights into overall demand for its products and services. To calculate these measures, the Company excludes the effect of acquisitions, dispositions, and foreign currency rate fluctuations.

The Company reports EBIT, Adjusted EBIT, Adjusted EBIT margin, Adjusted net income, and Adjusted earnings per share to provide management and investors with additional understanding of its business by highlighting the results from ongoing operations and the underlying profitability factors, on a normalized basis. To calculate these measures the Company excludes, and reflects in the detailed reconciliations below, the following adjustments as applicable: Interest and other financial charges – net, Net (income) loss attributable to noncontrolling interests, Non-operating benefit (income) costs, Benefit (provision) for income taxes and certain tax related adjustments, and certain non-recurring and/or non-cash items. GE HealthCare may from time to time consider excluding other non-recurring items to enhance comparability between periods. Adjusted EBIT margin is calculated by taking Adjusted EBIT divided by Total revenues for the same period.

The Company reports Adjusted tax expense and Adjusted ETR to provide management and investors with a better understanding of the normalized tax rate applicable to the business and provide more consistent comparability across periods. Adjusted tax expense excludes the income tax related to the pre-tax income adjustments included as part of Adjusted net income and certain income tax adjustments, such as adjustments to deferred tax assets or liabilities. The Company may from time to time consider excluding other non-recurring tax items to enhance comparability between periods. Adjusted ETR is Adjusted tax expense divided by income before income taxes less the pre-tax income adjustments referenced above.

The Company reports Free cash flow and Free cash flow conversion to provide management and investors with an important measure of the ability to generate cash on a normalized basis and provide insight into the Company's flexibility to allocate capital. Free cash flow is Cash from (used for) operating activities – continuing operations including cash flows related to the additions and dispositions of property, plant, and equipment ("PP&E") and additions of internal-use software. Free cash flow does not represent residual cash flows available for discretionary expenditures, due to the fact that the measure does not deduct the capital required for debt repayments. Free cash flow conversion is calculated by taking Free cash flow divided by Adjusted net income.

Management recognizes that these non-GAAP financial measures have limitations, including that they may be calculated differently by other companies or may be used under different circumstances or for different purposes. In order to compensate for the discussed limitations, management does not consider these measures in isolation from or as alternatives to the comparable financial measures determined in accordance with U.S. GAAP. The detailed reconciliations of each non-GAAP financial measure to the most directly comparable U.S. GAAP financial measure are provided below, and no single financial measure should be relied on to evaluate our business.

Non-GAAP financial reconciliations

Organic Revenue*

Unaudited (\$ in millions)	For the three months ended June 30			For the six months ended June 30		
	2025	2024	% change	2025	2024	% change
Imaging revenues	\$ 2,204	\$ 2,171	2%	\$ 4,344	\$ 4,233	3%
Less: Acquisitions(1)	—	—		14	—	
Less: Dispositions(2)	—	—		—	—	
Less: Foreign currency exchange	15	—		(24)	—	
Imaging Organic revenue*	\$ 2,189	\$ 2,171	1%	\$ 4,354	\$ 4,233	3%
AVS revenues	\$ 1,289	\$ 1,249	3%	\$ 2,529	\$ 2,475	2%
Less: Acquisitions(1)	—	—		—	—	
Less: Dispositions(2)	—	—		—	—	
Less: Foreign currency exchange	11	—		(8)	—	
AVS Organic revenue*	\$ 1,279	\$ 1,249	2%	\$ 2,537	\$ 2,475	2%
PCS revenues	\$ 778	\$ 772	1%	\$ 1,531	\$ 1,519	1%
Less: Acquisitions(1)	—	—		—	—	
Less: Dispositions(2)	—	—		—	—	
Less: Foreign currency exchange	3	—		(3)	—	
PCS Organic revenue*	\$ 775	\$ 772	—%	\$ 1,535	\$ 1,519	1%
PDx revenues	\$ 729	\$ 639	14%	\$ 1,362	\$ 1,238	10%
Less: Acquisitions(1)	53	2		53	2	
Less: Dispositions(2)	—	—		—	—	
Less: Foreign currency exchange	7	—		(6)	—	
PDx Organic revenue*	\$ 669	\$ 637	5%	\$ 1,315	\$ 1,236	6%
Other revenues	\$ 6	\$ 9	(39)%	\$ 19	\$ 24	(22)%
Less: Acquisitions(1)	—	—		—	—	
Less: Dispositions(2)	—	—		—	—	
Less: Foreign currency exchange	—	—		—	—	
Other Organic revenue*	\$ 6	\$ 9	(41)%	\$ 19	\$ 24	(22)%
Total revenues	\$ 5,007	\$ 4,839	3%	\$ 9,784	\$ 9,489	3%
Less: Acquisitions(1)	53	2		67	2	
Less: Dispositions(2)	—	—		—	—	
Less: Foreign currency exchange	36	—		(42)	—	
Organic revenue*	\$ 4,917	\$ 4,837	2%	\$ 9,759	\$ 9,487	3%

(1) Represents revenues attributable to acquisitions from the date the Company completed the transaction through the end of four quarters following the transaction.

(2) Represents revenues attributable to dispositions for the four quarters preceding the disposition date.

* Non-GAAP financial measure.

Adjusted EBIT*

Unaudited (\$ in millions)	For the three months ended June 30			For the six months ended June 30		
	2025	2024	% change	2025	2024	% change
Net income attributable to GE HealthCare	\$ 486	\$ 428	13 %	\$ 1,049	\$ 802	31 %
Add: Interest and other financial charges – net	113	131		224	254	
Add: Non-operating benefit (income) costs	(73)	(101)		(148)	(204)	
Less: Benefit (provision) for income taxes	(113)	(143)		(216)	(267)	
Less: Net (income) loss attributable to noncontrolling interests	(14)	(7)		(39)	(21)	
EBIT*	\$ 653	\$ 608	7 %	\$ 1,380	\$ 1,140	21 %
Add: Restructuring costs(1)	18	29		40	68	
Add: Acquisition and disposition-related charges (benefits)(2)	7	(3)		15	(3)	
Add: Spin-Off and separation costs(3)	5	67		29	126	
Add: (Gain) loss on business and asset dispositions(4)	5	—		(5)	—	
Add: Amortization of acquisition-related intangible assets	40	35		75	66	
Add: Investment revaluation (gain) loss(5)	1	6		(92)	26	
Adjusted EBIT*	\$ 729	\$ 742	(2)%	\$ 1,443	\$ 1,423	1 %
Net income margin	9.7 %	8.9 %	80 bps	10.7 %	8.5 %	230 bps
Adjusted EBIT margin*	14.6 %	15.3 %	(80) bps	14.8 %	15.0 %	(20) bps

- (1) Consists of severance, facility closures, and other charges associated with restructuring programs.
- (2) Consists of legal, consulting, and other transaction and integration fees, and adjustments to contingent consideration, as well as other purchase accounting related charges and other costs directly related to the transactions.
- (3) Costs incurred in the Spin-Off and separation from GE, including system implementations, audit and advisory fees, legal entity separation, Founders Grant equity awards, separation agreements with GE, and other one-time costs.
- (4) Consists of gains and losses resulting from the sale of assets and investments.
- (5) Primarily relates to valuation adjustments for equity investments and for the six months ended June 30, 2025, includes the impact from the revaluation of our existing 50% interest in NMP as part of the acquisition transaction.

* Non-GAAP financial measure.

Adjusted Net Income*

Unaudited (\$ in millions)	For the three months ended June 30			For the six months ended June 30		
	2025	2024	% change	2025	2024	% change
Net income attributable to GE HealthCare	\$ 486	\$ 428	13 %	\$ 1,049	\$ 802	31 %
Add: Non-operating benefit (income) costs	(73)	(101)		(148)	(204)	
Add: Restructuring costs(1)	18	29		40	68	
Add: Acquisition and disposition-related charges (benefits)(2)	7	(3)		15	(3)	
Add: Spin-Off and separation costs(3)	5	67		34	126	
Add: (Gain) loss on business and asset dispositions(4)	5	—		(5)	—	
Add: Amortization of acquisition-related intangible assets	40	35		75	66	
Add: Investment revaluation (gain) loss(5)	1	6		(92)	26	
Add: Tax effect of reconciling items(6)	(1)	(10)		(1)	(24)	
Add: Spin-Off and other tax adjustments(7)	—	9		(18)	14	
Adjusted net income*	\$ 487	\$ 459	6 %	\$ 951	\$ 872	9 %

- (1) Consists of severance, facility closures, and other charges associated with restructuring programs.
- (2) Consists of legal, consulting, and other transaction and integration fees, and adjustments to contingent consideration, as well as other purchase accounting related charges and other costs directly related to the transactions.
- (3) Costs incurred in the Spin-Off and separation from GE, including system implementations, audit and advisory fees, legal entity separation, Founders Grant equity awards, separation agreements with GE, and other one-time costs. An adjustment is included to eliminate the associated impact on Net (income) loss attributable to noncontrolling interests for applicable costs that impact earnings attributable to noncontrolling interests.
- (4) Consists of gains and losses resulting from the sale of assets and investments.
- (5) Primarily relates to valuation adjustments for equity investments and for the six months ended June 30, 2025, includes the impact from the revaluation of our existing 50% interest in NMP as part of the acquisition transaction.
- (6) The tax effect of reconciling items is calculated using the statutory tax rate, taking into consideration the nature of the items and the relevant taxing jurisdiction.
- (7) Consists of certain income tax adjustments, including the release of income tax reserves in a foreign jurisdiction for tax years which are no longer subject to an assessment from the local taxing authorities, discrete tax impacts resulting from the Spin-Off and separation from GE, and tax impacts of the NMP acquisition. As of the third quarter of 2024 this line additionally includes discrete tax impacts resulting from the Spin-Off and separation from GE previously reported under Tax effect of reconciling items.

* Non-GAAP financial measure.

Adjusted Earnings Per Share*

Unaudited (In dollars, except shares outstanding presented in millions)	For the three months ended June 30			For the six months ended June 30		
	2025	2024	\$ change	2025	2024	\$ change
Diluted earnings per share	\$ 1.06	\$ 0.93	\$ 0.13	\$ 2.29	\$ 1.75	\$ 0.54
Add: Non-operating benefit (income) costs	(0.16)	(0.22)		(0.32)	(0.44)	
Add: Restructuring costs(1)	0.04	0.06		0.09	0.15	
Add: Acquisition and disposition-related charges (benefits)(2)	0.02	(0.01)		0.03	(0.01)	
Add: Spin-Off and separation costs(3)	0.01	0.15		0.07	0.28	
Add: (Gain) loss on business and asset dispositions(4)	0.01	—		(0.01)	—	
Add: Amortization of acquisition-related intangible assets	0.09	0.08		0.16	0.14	
Add: Investment revaluation (gain) loss(5)	0.00	0.01		(0.20)	0.06	
Add: Tax effect of reconciling items(6)	(0.00)	(0.02)		(0.00)	(0.05)	
Add: Spin-Off and other tax adjustments(7)	—	0.02		(0.04)	0.03	
Adjusted earnings per share*	\$ 1.06	\$ 1.00	\$ 0.06	\$ 2.07	\$ 1.90	\$ 0.17
Diluted weighted-average shares outstanding	458	459		459	459	

- (1) Consists of severance, facility closures, and other charges associated with restructuring programs.
- (2) Consists of legal, consulting, and other transaction and integration fees, and adjustments to contingent consideration, as well as other purchase accounting related charges and other costs directly related to the transactions.
- (3) Costs incurred in the Spin-Off and separation from GE, including system implementations, audit and advisory fees, legal entity separation, Founders Grant equity awards, separation agreements with GE, and other one-time costs. An adjustment is included to eliminate the associated impact on Net (income) loss attributable to noncontrolling interests for applicable costs that impact earnings attributable to noncontrolling interests.
- (4) Consists of gains and losses resulting from the sale of assets and investments.
- (5) Primarily relates to valuation adjustments for equity investments and for the six months ended June 30, 2025, includes the impact from the revaluation of our existing 50% interest in NMP as part of the acquisition transaction.
- (6) The tax effect of reconciling items is calculated using the statutory tax rate, taking into consideration the nature of the items and the relevant taxing jurisdiction.
- (7) Consists of certain income tax adjustments, including the release of income tax reserves in a foreign jurisdiction for tax years which are no longer subject to an assessment from the local taxing authorities, discrete tax impacts resulting from the Spin-Off and separation from GE, and tax impacts of the NMP acquisition. As of the third quarter of 2024 this line additionally includes discrete tax impacts resulting from the Spin-Off and separation from GE previously reported under Tax effect of reconciling items.

Adjusted Tax Expense* and Adjusted ETR*

Unaudited (In millions)	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Benefit (provision) for income taxes	\$ (113)	\$ (143)	\$ (216)	\$ (267)
Add: Tax effect of reconciling items(1)	(1)	(10)	(1)	(24)
Add: Spin-Off and other tax adjustments(2)	—	9	(18)	14
Adjusted tax expense*	\$ (114)	\$ (144)	\$ (235)	\$ (277)
Effective tax rate	18.4%	24.7%	16.6%	24.5%
Adjusted effective tax rate*	18.5%	23.6%	19.3%	23.7%

- (1) The tax effect of reconciling items is calculated using the statutory tax rate, taking into consideration the nature of the items and the relevant taxing jurisdiction.
- (2) Consists of certain income tax adjustments, including the release of income tax reserves in a foreign jurisdiction for tax years which are no longer subject to an assessment from the local taxing authorities, discrete tax impacts resulting from the Spin-Off and separation from GE, and tax impacts of the NMP acquisition. As of the third quarter of 2024 this line additionally includes discrete tax impacts resulting from the Spin-Off and separation from GE previously reported under Tax effect of reconciling items.

* Non-GAAP financial measure.

Free Cash Flow*

Unaudited (\$ in millions)	For the three months ended June 30			For the six months ended June 30		
	2025	2024	% change	2025	2024	% change
Cash from (used for) operating activities	\$ 94	\$ (119)	179%	\$ 344	\$ 300	15%
Add: Additions to PP&E and internal-use software	(87)	(63)		(238)	(209)	
Add: Dispositions of PP&E	—	—		—	—	
Free cash flow*	\$ 7	\$ (182)	104%	\$ 106	\$ 92	15%

Non-GAAP financial measures in outlook

GE HealthCare calculates forward-looking non-GAAP financial measures, including Organic revenue growth, Adjusted EBIT margin, Adjusted ETR, Adjusted EPS, and Free cash flow based on internal forecasts that omit certain amounts that would be included in GAAP financial measures. GE HealthCare does not provide reconciliations of these forward-looking non-GAAP financial measures to the respective GAAP metrics as it is unable to predict with reasonable certainty and without unreasonable effort certain items such as the impact of changes in currency exchange rates, impacts associated with business acquisitions or dispositions, timing and magnitude of restructuring activities, and revaluation of strategic investments, amongst other items. The timing and amounts of these items are uncertain and could have a substantial impact on GE HealthCare's results in accordance with GAAP.

Key performance indicators

Management uses the following metrics to provide a leading indicator of current business demand from customers for products and services.

- Organic orders growth: Rate of change period-over-period of contractual commitments with customers to provide specified goods or services for an agreed upon price, and excluding the effects of: (1) recent acquisitions and dispositions with less than a full year of comparable orders; and (2) foreign currency exchange rate fluctuations in order to present orders on a constant currency basis.
- Book-to-bill: Total orders divided by Total revenues within a given financial period (e.g., quarter or FY).

Conference call and webcast information

GE HealthCare will discuss its results during its live earnings call today, July 30, 2025 at 8:30 am ET/7:30 am CT. The webcast and accompanying slide presentation containing financial information can be accessed by visiting the investor section of the website at <https://investor.gehealthcare.com/news-events/events>. An archived version of the webcast will be available on the website after the call.

* Non-GAAP financial measure.

Forward-looking statements

This release contains forward-looking statements. These forward-looking statements might be identified by words, and variations of words, such as “will,” “expect,” “may,” “would,” “could,” “plan,” “believe,” “anticipate,” “intend,” “estimate,” “potential,” “position,” “forecast,” “target,” “guidance,” “outlook,” and similar expressions. These forward-looking statements may include, but are not limited to, statements about the Company’s business and expected financial performance, financial condition, and results of operations, including revenue, revenue growth, profit, taxes, earnings per share, and cash flows, and the Company’s outlook; the impacts of macroeconomic and market conditions, including the impact of tariffs and other trade restrictions, and volatility on the Company’s business, operations, financial results, and financial position and on supply chains and the world economy; and the Company’s strategy, innovation, and investments. These forward-looking statements involve risks and uncertainties, many of which are beyond the Company’s control. Factors that could cause the Company’s actual results to differ materially from those described in its forward-looking statements include, but are not limited to, operating in highly competitive markets; global geopolitical and economic instability, including as a result of changes in trade and tariff policy, and international conflicts and tensions, including between Ukraine and Russia and in the Middle East; public health crises, epidemics, and pandemics, and their effects on the Company’s business; changes in third-party and government reimbursement processes, rates, and contractual relationships, including related to government shutdowns, and changes in the mix of public and private payers; demand for the Company’s products, services, or solutions and factors that affect that demand; developments in the market in China; the Company’s ability to control increases in healthcare costs and any subsequent effect on demand for the Company’s products, services, or solutions; the Company’s ability to successfully complete strategic transactions; the impacts related to the Company’s increasing focus on and investment in cloud, edge computing, artificial intelligence, and software offerings; management of the Company’s supply chain and the Company’s ability to cost-effectively secure the materials it needs to operate its business; disruptions in the Company’s operations; the actions or inactions of third parties with whom the Company partners and the various collaboration, licensing, and other partnerships and alliances the Company has with third parties; the impact of potential information technology, cybersecurity, or data security breaches; maintenance and protection of the Company’s intellectual property rights, as well as maintenance of successful research and development efforts with respect to commercially successful products and technologies; the Company’s ability to attract and/or retain key personnel and qualified employees; environmental, social, and governance matters; compliance with the various legal, regulatory, tax, privacy, and other laws to which the Company is subject, such as the Foreign Corrupt Practices Act and similar anti-corruption and anti-bribery laws globally, and related changes, claims, inquiries, investigations, or actions; the impact of potential product liability claims; the Company’s level of indebtedness, the Company’s general ability to comply with covenants under its debt instruments, and any related effect on its business. Please also see Item 1A, “Risk Factors” of the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2024 filed with the U.S. Securities and Exchange Commission and any updates or amendments it makes in future filings. There may be other factors not presently known to the Company or which it currently considers to be immaterial that could cause the Company’s actual results to differ materially from those projected in any forward-looking statements the Company makes. The Company does not undertake any obligation to update or revise its forward-looking statements except as required by applicable law or regulation.

About GE HealthCare Technologies Inc.

GE HealthCare is a trusted partner and leading global healthcare solutions provider, innovating medical technology, pharmaceutical diagnostics, and integrated, cloud-first AI-enabled solutions, services and data analytics. We aim to make hospitals and health systems more efficient, clinicians more effective, therapies more precise and patients healthier and happier. Serving patients and providers for more than 125 years, GE HealthCare is advancing personalized, connected and compassionate care, while simplifying the patient's journey across care pathways. Together, our Imaging, Advanced Visualization Solutions, Patient Care Solutions and Pharmaceutical Diagnostics businesses help improve patient care from screening and diagnosis to therapy and monitoring. We are a \$19.7 billion business with approximately 53,000 colleagues working to create a world where healthcare has no limits.

GE HealthCare is proud to be among 2025 Fortune World's Most Admired Companies™.

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