VIREO CAPITAL RESEARCH | Equity Research | Initiating Coverage | 11/14/2026

GE HealthCare

NASDAQ: GEHC · Healthcare · Medical Devices - Diagnostic Imaging & Radiopharmaceuticals

RATING	PRICE TARGET	CURRENT PRICE	UPSIDE / DOWNSIDE
BUY	$97.76	$83.02	+17.8%

MARKET CAP	52-WEEK HIGH	52-WEEK LOW	NEXT EARNINGS
37.54B	$89.77	$58.75	Early Feb '27E

P/E (Fwd)	EV/EBITDA	REVENUE (TTM)	EBITDA MARGIN
15.1x	12.7x	21.64B	16.2%

Report Date: 11/14/2026 · Analyst: Benjamin Evensen | **Vireo Capital Research**

1. INVESTMENT THESIS

We initiate coverage of GE HealthCare with a BUY rating and a blended price target of $97.76, representing 17.8% upside from its November 13, 2026, share price of $83.02. GE HealthCare trades at 15.1x our FY2027E adjusted EPS, compared with the peer median of 16.8x, and at 12.7x trailing EBITDA, compared with the peer median of 14.4x. The stock fell 13% in April after the company cut its 2026 guidance, but it has since recovered roughly 40% following strong second- and third-quarter results. Even after this, we believe the market has not fully priced in easing cost pressures and the growth of the higher-margin PDx business, leaving GE HealthCare at a discount to its medical-technology peers.

GE HealthCare reported revenue of $19.55 billion, $19.67 billion, and $20.63 billion in 2023, 2024, and 2025, respectively, representing a compound annual growth rate of approximately 2.7%. Growth has picked up in 2026, with revenue rising 6.8% in the first nine months of the year, partly because of the Intelerad acquisition. We project revenue of $22.01 billion in 2026, $23.15 billion in 2027, and $24.27 billion in 2028, representing growth of 6.7%, 5.2%, and 4.8%, respectively. We also forecast gross margin to rise from 40.0% in 2025 to 41.2% in 2028 and EBITDA margin to expand from 16.2% in 2025 to 17.4% in 2028. Unlevered free cash flow is projected to increase from $2.32 billion in 2026 to $2.77 billion in 2028.

The company’s business mix is also shifting toward faster-growing and more profitable areas. Pharmaceutical Diagnostics (PDx), which sells the contrast agents and radioactive tracers used in medical scans, grew revenue 13.0% in the third quarter of 2026 with a segment EBIT margin of 29.9%, roughly double the margin of the imaging business. The pending $945 million acquisition of SOFIE Biosciences would give GE HealthCare its own U.S. network for producing PET tracers, while the $2.3 billion Intelerad acquisition adds imaging software that is approximately 90% recurring. Management is also reviewing strategic options for the lower-margin Patient Care Solutions (PCS) segment, including a possible sale. Successful execution across these plans could improve the company’s margins and support a higher valuation multiple.

The main risk to our view is that this discount persists. Our DCF, EV/EBITDA, and P/E methodologies produce implied prices of $101.17, $100.36, and $92.35, respectively, and all three are above the current price. However, our peer group includes two diversified medical-technology companies, Medtronic and Becton Dickinson, alongside imaging competitors Siemens Healthineers and Philips. Using only the two imaging competitors would lower our blended target to approximately $92.87, or about 11.9% upside. Our projections also assume margin expansion, which GE HealthCare has struggled to deliver consistently. Adjusted EBIT margin fell from 16.3% in 2024 to 15.3% in 2025 because of tariffs, and management cut 2026 guidance in April because of approximately $250 million of higher costs. We would revisit our rating if 2027 guidance implies little margin expansion or if the stock moves materially closer to our price target.

BULL CASE vs. BEAR CASE

KEY BULL CASE	KEY BEAR CASE
Trades at 12.7x EBITDA and 15.1x FY2027E EPS, ~12% and ~10% discounts to peer medians	Shares have rallied ~40% from the April low; target assumes EBITDA margin reaches 17.7% by 2029
PDx revenue grew 13.0% in Q3 2026 with a 29.9% segment EBIT margin	~$250M of 2026 input-cost inflation (memory chips, oil, freight) and ongoing tariff exposure
Q3 2026 organic growth of 6.2%; FY2026 adjusted EPS guidance raised to $4.95–$5.05	China revenue fell from $2.56B in 2023 to $2.03B in 2025 amid volume-based procurement
Backlog of $23.7B; UFCF projected to grow from $2.32B in 2026 to $2.96B in 2029	Interim CFO since August 2026 and PCS leadership change during strategic review

2. COMPANY OVERVIEW

GE HealthCare is a medical-technology company that develops imaging equipment, diagnostic drugs, patient-monitoring systems, and the software that connects them. Headquartered in Chicago, the business has roughly 130 years of history and became an independent public company in January 2023, when General Electric spun it off. Since 2026, the company has reported three segments. Advanced Imaging Solutions (AIS) includes MRI, CT, molecular imaging, X-ray, mammography, ultrasound, and imaging software, and generated $14.6 billion of 2025 revenue. Pharmaceutical Diagnostics (PDx) sells contrast media and radiopharmaceuticals and generated $2.9 billion, while Patient Care Solutions (PCS), which includes patient monitors, anesthesia machines, and cardiology and maternal-infant care products, generated $3.1 billion.

GE HealthCare mainly generates revenue in two ways. First, it sells large equipment, such as CT and MRI scanners, to hospitals, health systems, and outpatient imaging centers. Because these purchases are expensive and often planned years in advance, the company reports orders and backlog to show future demand. Second, it earns recurring revenue from service contracts on installed equipment, software subscriptions, and PDx products that are used during each scan. Roughly half of total revenue is recurring, and PDx products were used in approximately 140 million patient procedures in 2025.

This business model depends heavily on the installed base. Once a hospital buys a GE HealthCare scanner, trains its technologists on GE systems, and connects the scanner to its image-storage software, switching to a competitor becomes more disruptive and costly. The scanner then generates service revenue for many years and creates demand for upgrades, AI-enabled software, and the contrast agents and tracers used during scans. GE HealthCare's strategy is to connect its devices, drugs, and digital tools around specific diseases such as cancer and heart disease. This increases the value of each customer relationship and helps create a recurring and relatively sticky revenue base.

3. INDUSTRY AND COMPETITIVE LANDSCAPE

GE HealthCare operates mainly in the global medical-imaging market, which industry estimates place at roughly $44–46 billion in 2025, growing at approximately 6% annually over the next decade. Growth is supported by aging populations, rising rates of cancer and heart disease, and hospitals replacing older scanners with newer AI-enabled systems. Competition is concentrated, with GE HealthCare, Siemens Healthineers, Philips, Canon, and Fujifilm estimated to control roughly 90% of the market, and GE HealthCare ranked among the top two. Installed-base relationships, image quality, and service coverage provide some pricing power, but hospital capital budgets, group purchasing organizations, and government tenders constrain it.

Industry conditions are currently mixed. Siemens Healthineers reported 10.0% comparable imaging growth in its September 2026 quarter but expects only 4–5% overall growth for fiscal 2027, while Philips expects 3–4.5% comparable sales growth for 2026. China, which made up about 10% of GE HealthCare's 2025 revenue, remains difficult because of government volume-based purchasing programs and growing local competitors such as United Imaging. As a result, GE HealthCare's China revenue declined from $2.56 billion in 2023 to $2.03 billion in 2025. The most attractive part of the market is radiopharmaceuticals, where new PET tracers and targeted therapies are driving rapid growth. Curium's pending acquisition of Lantheus for up to approximately $8.0 billion shows how much investors value these assets. These trends suggest that PDx is GE HealthCare's most important advantage over equipment-focused peers, although its ultimate value will depend on continued growth and successful execution.

COMPARABLE COMPANY ANALYSIS

Company	Ticker	Mkt Cap ($B)	EV ($B)	Rev ($B)	EV/Rev	EV/EBITDA	P/E (Fwd)	Rev Growth
GE HealthCare	**GEHC**	**$37.54**	**$44.65**	**$21.64**	**2.06x**	**12.73x**	**15.09x**	**6.7%**
Siemens Healthineers	SHL GY	$57.06	$71.72	$27.36	2.62x	14.14x	18.82x	1.8%
Philips	PHG	$29.57	$35.71	$20.64	1.73x	11.38x	15.32x	2.1%
Medtronic	MDT	$131.57	$151.52	$37.50	4.04x	14.76x	17.19x	13.7%
Becton Dickinson	BDX	$59.39	$75.00	$19.48	3.85x	16.38x	16.39x	5.4%

All market data as of the 11/13/2026 close. Peer set: direct imaging competitors (Siemens Healthineers, Philips) and diversified large-cap medtech with a similar equipment and recurring-revenue mix (Medtronic, Becton Dickinson). Peer medians: EV/EBITDA 14.45x, forward P/E 16.79x. GEHC P/E on FY2027E adjusted EPS, EV/EBITDA on LTM EBITDA from SEC filings, and revenue growth is FY2026E reported. Peer data from Yahoo Finance statistics: EV/EBITDA uses trailing reported EBITDA, P/E is Yahoo forward P/E, and revenue growth is the latest quarter year-over-year, including acquisitions and divestitures; Medtronic's figure is inflated by an extra week in its fiscal first quarter. Siemens Healthineers converted from EUR at ~1.16 USD/EUR, with EV recalculated as market cap plus debt less cash because Yahoo's figure excludes net debt. Source: Yahoo Finance, SEC EDGAR, Vireo Capital Research estimates.

4. FINANCIAL ANALYSIS

In the third quarter of 2026, GE HealthCare reported revenue of $5.51 billion, showing 7.2% reported growth and 6.2% organic growth. Adjusted EPS was $1.34, up 25.1% and above the consensus estimate of approximately $1.21. Management also raised its full-year guidance to approximately 4% organic growth, an adjusted EBIT margin of 15.5%–15.7%, adjusted EPS of $4.95–$5.05, and free cash flow of at least $1.6 billion. The company also ended the quarter with a $23.7 billion backlog.

In 2025, GE HealthCare retained approximately $0.162 of EBITDA per revenue dollar, compared with $0.163 in 2024. Although the company generated approximately $953 million of additional revenue, gross profit increased by only $43 million as gross margin fell from 41.7% to 40.0%. This indicates that tariffs and higher costs absorbed most of the benefit from higher sales, although lower operating expenses as a percentage of sales kept EBITDA margin roughly flat. The pressure continued into early 2026, when a PDx supplier recall and approximately $250 million of higher memory-chip, oil, freight, and metals costs led management to cut guidance in April.

Third-quarter results suggest these pressures are starting to ease. PCS segment margin improved by 4.8 percentage points to 8.6% as supply issues improved, and PDx delivered a 29.9% segment margin. Adjusted EPS increased from $4.49 in 2024 to $4.59 in 2025, and we expect approximately $5.02 in 2026 and $5.50 in 2027. However, adjusted EPS excludes amortization, restructuring, and other expenses, and 2026 results also benefited from refunds of tariffs paid in 2025, which will not recur. We project EBITDA margin to rise from 16.2% in 2025 to 16.5% in 2026 and 17.0% in 2027, making margin expansion an important test of our forecast.

GE HealthCare's cash-flow performance has remained solid. UFCF was approximately $2.18 billion in 2024 and $2.13 billion in 2025, and we project UFCF of $2.32 billion in 2026 and $2.56 billion in 2027. Reported free cash flow reached $973 million in the first nine months of 2026, compared with $589 million in the prior-year period. As of September 30, 2026, GE HealthCare held approximately $9.97 billion of total debt and $2.85 billion of cash, resulting in net debt of roughly $7.12 billion and estimated net leverage of approximately 2.0 times 2026 EBITDA. In addition, goodwill and intangible assets represented approximately 44% of total assets, reflecting recent acquisitions such as Intelerad. Strong cash flow should allow the company to fund the SOFIE acquisition, continue share repurchases, and invest in R&D without straining its balance sheet.

FINANCIAL SUMMARY

Metric	FY2024A	FY2025A	FY2026E	FY2027E	FY2028E	FY2029E
Revenue (USD B)	$19.67	$20.63	$22.01	$23.15	$24.27	$25.42
YoY Growth %	0.6%	4.8%	6.7%	5.2%	4.8%	4.8%
Gross Profit (USD B)	$8.21	$8.25	$8.86	$9.45	$10.00	$10.55
Gross Margin %	41.7%	40.0%	40.2%	40.8%	41.2%	41.5%
EBITDA (USD B)	$3.21	$3.34	$3.64	$3.94	$4.22	$4.50
EBITDA Margin %	16.3%	16.2%	16.5%	17.0%	17.4%	17.7%
EBIT (USD B)	$2.63	$2.76	$3.00	$3.24	$3.51	$3.76
Net Income (USD B)	$1.99	$2.08	$2.21	$2.37	$2.58	$2.78
EPS (Diluted, USD)	$4.34	$4.55	$4.87	$5.27	$5.77	$6.27
UFCF (USD B)	$2.18	$2.13	$2.32	$2.56	$2.77	$2.96
Net Debt / (Cash) (USD B)	$6.06	$5.49	$6.44	$5.67	$3.73	$1.60

Source: Company 10-K/10-Q filings and earnings releases (SEC EDGAR). EBITDA = GAAP operating income + D&A. FY2026E–FY2029E: Vireo Capital Research estimates; net debt assumes SOFIE closes in 2027 and ~$400M/yr of buybacks.

5. VALUATION

To arrive at our blended price target, we used three valuation methodologies. Using actual results for 2025 and our 2026 estimate, which includes nine months of reported results, we projected revenue, EBITDA, and UFCF through 2029 and discounted 2027–2029 cash flows back to the end of 2026. Using a 5.15% risk-free rate, a 4.41% equity risk premium, a 0.77 beta, a 6.26% pre-tax cost of debt, and GE HealthCare's debt and equity weights, we calculated a 7.79% WACC. We used GE HealthCare's five-year monthly beta from Yahoo Finance, the same source we used for our peers. As a cross-check, we also unlevered and relevered our peers' betas, which produced a lower bottom-up beta of 0.70 and would raise our price target to approximately $99.26. We estimated the cost of debt as the Treasury yield plus the 1.11% spread on BBB-rated corporate bonds. We also assumed that UFCF would grow perpetually at 2.5% after 2029, reflecting GE HealthCare's mature equipment business, recurring revenue, and a rate below long-run nominal GDP. These assumptions produced a DCF-implied share price of $101.17. Because this result is highly sensitive to WACC and terminal growth, ranging from $91.02 at an 8.29% WACC to $113.45 at a 7.29% WACC with terminal growth held at 2.5%, we assigned the DCF a 25% weight.

We then used EV/EBITDA and P/E comparable-company analyses as market-based valuation checks. Our peer group includes GE HealthCare's two direct imaging competitors, Siemens Healthineers and Philips, along with Medtronic and Becton Dickinson, two large medical-technology companies that, like GE HealthCare, combine equipment sales with a large base of recurring revenue. We excluded companies that are more focused on consumables, more diversified across healthcare, or have earnings distorted by restructuring, because their multiples are less comparable. Using Yahoo Finance data at the November 13 close, this group produced a median EV/EBITDA multiple of 14.45x. Applying this multiple to FY2026E EBITDA of $3.64 billion generated an implied enterprise value of $52.58 billion, from which we subtracted approximately $7.12 billion of net debt before dividing by 453 million diluted shares outstanding. This resulted in an implied price of $100.36. Because only about seven weeks remain in 2026, FY2026E EBITDA is close to trailing EBITDA, although using actual trailing EBITDA of $3.51 billion would lower the implied price by about $4.21. We assigned EV/EBITDA the highest weight (40%) because it reflects observable market pricing and is less affected by differences in financing and taxes. We did not use EV/Revenue because GE HealthCare's EBITDA margin of about 16% is below the peer median of approximately 21%, which would overstate its value.

Finally, the peer group produced a median forward P/E multiple of 16.79x. Applying this multiple to FY2027E adjusted EPS of $5.50 implied a price of $92.35. We weighted P/E at 35%, slightly below EV/EBITDA, because adjusted EPS excludes amortization and restructuring costs and is affected by interest expense, taxes, and share repurchases. Weighting the DCF, EV/EBITDA, and P/E methodologies at 25%, 40%, and 35%, respectively, produced a blended price target of $97.76, representing approximately 17.8% upside from the $83.02 reference price. Given this upside, we rate GE HealthCare a BUY.

PRICE TARGET DERIVATION

Methodology	Weight	Implied Price	Key Assumptions
DCF (3-Year)	25%	**$101.17**	*7.79% WACC and 2.5% terminal growth rate on FY2027E–FY2029E UFCF; DCF implies $101.17 per share.*
EV/EBITDA Comps	40%	**$100.36**	*14.45x peer-median multiple applied to FY2026E EBITDA of $3.64B; implies $100.36 per share.*
P/E Comps	35%	**$92.35**	*16.79x peer-median forward P/E applied to FY2027E adjusted EPS of $5.50; implies $92.35 per share.*
BLENDED PRICE TARGET	**100%**	**$97.76**	*~17.8% Upside*

6. CATALYSTS

Several catalysts could help GE HealthCare achieve our price target. The first is continued growth in Pharmaceutical Diagnostics. PDx revenue grew 13.0% in the third quarter of 2026, and management noted that the segment has grown at least in the high single digits for five straight quarters. Flyrcado, the company's PET tracer for heart imaging, is still early in its launch, and the pending $945 million SOFIE acquisition, expected to close in the first half of 2027, adds 15 U.S. manufacturing sites with 21 cyclotrons. SOFIE also brings U.S. rights to FAPI-74, a cancer imaging tracer in Phase III trials, and management expects the deal to add to adjusted EPS in its first full year. Our model does not include SOFIE revenue, so successful integration would provide upside to our estimates.

The second catalyst is the outcome of the strategic review of Patient Care Solutions. PCS generated approximately $3.1 billion of revenue in 2025 but has been declining slowly and reported a segment margin of only 8.6% in the third quarter of 2026, compared with 15.3% in AIS and 29.9% in PDx. A sale or separation would raise GE HealthCare's overall margins, simplify the business, and could provide cash for share repurchases, debt reduction, or additional radiopharmaceutical investment. Our model assumes GE HealthCare keeps PCS, so a value-creating transaction would add to our thesis.

The final catalyst is margin recovery as cost pressures ease. Adjusted EBIT margin expanded 1.8 percentage points to 16.6% in the third quarter of 2026, helped by higher volume, pricing, productivity improvements, and lower net tariff costs. Because most equipment is sold from backlog at earlier prices, price increases taken in 2026 should have a larger benefit in 2027. We project EBITDA margin to rise from 16.5% in 2026 to 17.0% in 2027, a 50-basis-point expansion. Alongside projected revenue growth of 5.2%, this would produce EBITDA growth of approximately 8.2%. Management is expected to provide 2027 guidance with fourth-quarter results in early February, and guidance above our assumptions could support a higher valuation multiple.

7. RISKS TO OUR THESIS

Four primary risks could prevent GE HealthCare from reaching our price target. The first is renewed cost inflation and tariff pressure. In April 2026, management cut guidance because of approximately $250 million of higher costs, including roughly $100 million from memory chips and $100 million from oil and freight. Tariffs also reduced 2025 adjusted EBIT margin by about 1.0 percentage point. Because most equipment is sold from backlog at previously agreed prices, rising costs can reduce margins before price increases take effect. We would become more cautious if 2027 guidance shows another large cost headwind.

The second risk is failure to expand margins. Our model assumes EBITDA margin increases from 16.5% in 2026 to 17.7% in 2029. If margins instead stayed at 16.5%, our DCF-implied value would fall from $101.17 to approximately $91.99 per share, only about 11% above the current price, and lower earnings would also reduce our P/E value. GE HealthCare has historically struggled to sustain margin gains, and the CFO transition and PCS review could distract management. We would become more cautious if adjusted EBIT margin falls short of the 15.5%–15.7% guidance range in 2026.

The third risk is weakness in China and in hospital equipment spending. China revenue declined from $2.56 billion in 2023 to $2.03 billion in 2025 as government purchasing programs and local competitors reduced prices and market share. In the U.S. and Europe, higher interest rates and pressure on hospital finances could cause customers to delay large equipment purchases. Organic order growth already slowed from 11.1% in the second quarter to 4.0% in the third, and backlog declined slightly from $23.9 billion to $23.7 billion. We view this as a continuing risk rather than an immediate break in the thesis, but a sustained slowdown in orders would reduce future AIS revenue.

The fourth risk is execution in radiopharmaceuticals and portfolio changes. PDx is the most important driver of our margin expansion, but radiopharmaceuticals depend on complex, time-sensitive supply chains, as shown by the supplier recall that hurt first-quarter 2026 results. SOFIE also requires regulatory approval, and integration problems or slower adoption of new tracers could reduce the return on its $945 million price. Similarly, selling PCS at a weak valuation could destroy value. We would review our thesis if PDx growth falls below the high single digits, SOFIE is delayed, or the PCS review results in an unattractive transaction.

8. ESG NOTE

GE HealthCare’s products directly affect patient safety. CT and X-ray scanners expose patients to radiation, contrast agents and tracers are injected into patients, and patient monitors are used to track critically ill patients. Because of this, product quality, radiation-dose management, and regulatory compliance are extremely important. A quality failure could lead to recalls, FDA warning letters, lawsuits, and a loss of trust from hospitals that buy equipment on long replacement cycles. In

hospitals, technologists and physicians often become comfortable using certain systems, and losing their trust could mean losing business to competitors. The first-quarter 2026 PDx supplier recall showed that even a short disruption can affect results. In a downside scenario where a major quality issue caused EBITDA to fall just 5%, our EV/EBITDA-implied value would fall from $100.36 to approximately $94.56 per share. Because of this, strong quality control, supply reliability, and patient-safety practices are important to patients, the business, and ultimately the stock.

9. MANAGEMENT AND OWNERSHIP

Peter Arduini became CEO of GE Healthcare in January 2022 and led the company through its 2023 spin-off from General Electric. He previously served as President and CEO of Integra LifeSciences for nearly a decade and earlier held senior roles at Baxter and GE Healthcare. George Newcomb currently serves as interim CFO, having been appointed in August 2026 after Jay Saccaro left the company. Although the absence of a permanent CFO creates some leadership uncertainty, Newcomb brings more than 38 years of finance experience and has served as GE HealthCare's Controller since 2016 and Chief Accounting Officer since the spin-off.

Arduini has played a central role in GE HealthCare's recent strategy, including the Nihon Medi-Physics, Intelerad, and SOFIE acquisitions, the combination of the Imaging and AVS businesses into one segment, and the strategic review of PCS. The strong third-quarter results suggest this strategy is gaining traction. However, the April guidance cut, the CFO change, and leadership changes in both AIS and PCS during 2026 show that the leadership team is still being tested. We therefore have measured confidence in management, with the 2027 outlook and the PCS decision serving as important near-term checkpoints.

Insider ownership is below 1%, so management has limited direct financial alignment with shareholders. However, insiders bought shares after the April sell-off, including approximately $250,000 by Arduini and roughly $5.0 million by director H. Lawrence Culp Jr., which we view as a positive sign. Institutional ownership remains high, with Vanguard, Dodge & Cox, and BlackRock among the largest holders. Short interest is about 4.1% of float, which suggests limited bearish positioning. GE HealthCare raised its quarterly dividend 14% to $0.04 per share in September 2026, but the yield is only about 0.2%, so most capital returns come from share repurchases. The company repurchased $300 million of stock in the first nine months of 2026, on top of $200 million in 2025, leaving roughly $500 million under its $1.0 billion authorization. Overall, we view the ownership base as a positive, but it is not a major driver of our BUY rating.

MANAGEMENT TEAM

Name	Role	Background
Peter J. Arduini	President and CEO	*CEO of GE HealthCare since January 2022; led the January 2023 spin-off from GE; previously President and CEO of Integra LifeSciences (2012–2021), with earlier leadership roles at Baxter and GE Healthcare.*
George A. Newcomb	Interim CFO	*Appointed interim CFO in August 2026; Controller since 2016 and Chief Accounting Officer since the 2023 spin-off; 38+ years in finance, including CFO roles within GE Capital; former Arthur Andersen tax manager.*

Insider Ownership: <1.0% | Major Holders (6/30/26): Vanguard ~12% | Dodge & Cox ~8% | BlackRock ~8% | Short Interest: ~4.1% of float | Dividend Yield: ~0.2%

10. CONCLUSION

We initiate coverage of GE HealthCare with a BUY rating and a blended price target of $97.76, representing approximately 17.8% upside from its November 13, 2026, share price of $83.02. GE HealthCare has a leading position in medical

imaging, a large recurring revenue base, and a fast-growing radiopharmaceutical business that we believe is underappreciated relative to its equipment peers. Third-quarter results showed that the cost pressures behind April's guidance cut are easing, and the SOFIE acquisition and PCS review could further improve the company's growth and margins. Even after a roughly 40% rally from the April low, the stock trades at about 12.7x EBITDA, a roughly 12% discount to the peer median, and all three of our valuation methods point above the current price. Our price target does assume meaningful margin expansion, so we will watch 2027 guidance closely. However, we believe the potential 17.8% return adequately compensates investors for these execution risks, which supports our BUY rating.

ANALYST CERTIFICATION

I, Benjamin Evensen, certify that the views expressed in this report accurately reflect my personal views about GE HealthCare and its securities. I have not received and will not receive direct or indirect compensation related to the specific recommendations expressed herein. This report represents my independent analysis based on publicly available information.

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