VIREO CAPITAL RESEARCH

Equity Research · Initiating Coverage · 11/14/2026

GE HealthCare · NASDAQ: GEHC

Healthcare · Medical Devices - Diagnostic Imaging & Radiopharmaceuticals · Analyst: Benjamin Evensen · Vireo Capital Research

RATING	PRICE TARGET	CURRENT PRICE	UPSIDE	MARKET CAP (B)	P/E (FWD)	EV / EBITDA	52-WEEK RANGE
BUY	$97.76	$83.02	17.8%	$37.54B	15.1x	12.7x	$58.75 - $89.77

REVENUE (TTM)	EBITDA MARGIN	FCF (TTM)	NET MARGIN	DIV YIELD	BETA	NET DEBT / (CASH)	NEXT EARNINGS
21.64B	16%	1.89B	10.0%	0.2%	0.77	$7,119	Early Feb-27 (est.)

INVESTMENT SUMMARY

We initiate coverage of GE HealthCare with a BUY rating and a $97.76 blended price target, representing ~17.8% upside from its 13 November 2026 share price of $83.02. GE HealthCare is a leading global imaging franchise with a fast-growing, high-margin radiopharmaceutical business (PDx) and a ~$23.7B backlog. After a 13% sell-off on its Q1 2026 guidance cut, the company delivered strong Q2 and Q3 results, with Q3 organic growth of 6.2%, adjusted EBIT margin of 16.6% and full-year adjusted EPS guidance raised to $4.95-$5.05. Despite a ~40% recovery from the April low, the shares trade at 12.7x EBITDA and 15.1x FY2027E EPS, discounts of ~12% and ~10% to peer medians of 14.4x and 16.8x. All three methods sit above the current price: DCF $101.17, EV/EBITDA $100.36 and P/E $92.35. The key risk is that our forecast assumes EBITDA margin expands from 16.2% to 17.7% by 2029.

KEY CATALYSTS	KEY RISKS
1. PDx growth and SOFIE acquisition	1. Rising costs and tariffs
2. Patient Care Solutions strategic review	2. Weak China and hospital equipment demand
3. Margin recovery as cost pressures ease	3. Leadership changes and execution risk

PRICE TARGET SUMMARY — BLENDED METHODOLOGY

Methodology	Weight	Implied Price	Commentary
DCF (3-Year Projection)	25%	$101.17	*7.79% WACC and 2.5% terminal growth rate on FY27-29E UFCF; DCF implies $101.17 per share.*
EV/EBITDA Comps	40%	$100.36	*14.45x peer-median EV/EBITDA 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

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Discounted Cash Flow Model · GE HealthCare · 11/14/2026

GE HealthCare ($mm)	FY2025A	FY2026E	FY2027E	FY2028E	FY2029E	TERMINAL	OUTPUT
A. REVENUE BUILD ($MM)							
Total Revenue	**$20,625**	**$22,010**	**$23,153**	**$24,268**	**$25,422**		
YoY Growth %	4.8%	6.7%	5.2%	4.8%	4.8%		
Advanced Imaging Solutions (AIS)	$14,599	$15,606	$16,386	$17,123	$17,894		
Pharmaceutical Diagnostics (PDx)	$2,900	$3,351	$3,686	$4,018	$4,339		
Patient Care Solutions (PCS)	$3,086	$3,021	$3,051	$3,097	$3,159		
Other / Corporate	$40	$32	$30	$30	$30		
B. EBITDA & FREE CASH FLOW ($MM)							
Gross Profit	$8,248	$8,858	$9,446	$9,998	$10,550		
Gross Margin %	40.0%	40.2%	40.8%	41.2%	41.5%		
EBITDA (Operating Income + D&A)	**$3,341**	**$3,639**	**$3,936**	**$4,223**	**$4,500**		
EBITDA Margin %	16.2%	16.5%	17.0%	17.4%	17.7%		
EBIT (GAAP Operating Income)	**$2,763**	**$2,999**	**$3,241**	**$3,507**	**$3,763**		
(-) Taxes on EBIT @ tax rate	($580)	($630)	($681)	($736)	($790)		
NOPAT	**$2,183**	**$2,369**	**$2,560**	**$2,771**	**$2,973**		
(+) D&A	$578	$640	$695	$716	$737		
(-) Capital Expenditures	($482)	($520)	($556)	($582)	($610)		
(-) Change in NWC	($153)	($166)	($137)	($134)	($138)		
Unlevered Free Cash Flow	**$2,126**	**$2,323**	**$2,562**	**$2,771**	**$2,962**		
C. DCF CALCULATION							
Discount Period (valuation date ≈ FYE 2026)			1	2	3		
Unlevered FCF (from Section B)			$2,562	$2,771	$2,962		
Discount Factor = 1/(1+WACC)^t			0.9277	0.8607	0.7985		
PV of Free Cash Flow			$2,377	$2,385	$2,365		

D. KEY ASSUMPTIONS			WACC BUILD	
WACC	7.8%	*CAPM cost of equity & after-tax cost of debt, market-value weights (see WACC build →)*	Cost of Equity	8.55%
Terminal Growth Rate	2.5%	*Conservative; below long-run nominal GDP*	Pre-tax Cost of Debt	6.26%
Tax Rate	21.0%	*Mgmt 2026 adjusted ETR guidance of 20-21%; FY2025 adj. ETR 20.2%*	After-tax Cost of Debt	4.95%
Risk-Free Rate (Rf)	5.2%	*10-year UST yield at 11/13/26 close (Trading Economics)*	Basic Shares (mm)	452.1
Equity Risk Premium	4.4%	*Damodaran implied ERP, 11/1/2026*	Market Cap ($mm)	$37,536
Beta (5Y Monthly)	0.77	*Yahoo Finance 5Y monthly beta (section G); bottom-up peer beta shown as cross-check*	Total Debt ($mm)	$9,973
Net Debt / (Cash) ($mm)	$7,119	*Total debt $9,973mm less cash $2,854mm at 9/30/26 (Q3 2026 8-K)*	Equity Weight	79.0%
Diluted Shares (mm)	453	*Q3 2026 diluted weighted-average shares (8-K, 10/28/26)*	Debt Weight	21.0%
Terminal EV/EBITDA Check	12.8x	*Cross-check vs trading comps median*	BBB Spread (OAS)	1.11%

E. VALUATION OUTPUT

Sum of PV of Forecast FCFs ($mm)	$7,127
Terminal Value — Gordon Growth Model ($m	$57,389
PV of Terminal Value ($mm)	$45,824
Enterprise Value ($mm)	**$52,950**
(–) Net Debt / (+) Net Cash ($mm)	($7,119)
Equity Value ($mm)	$45,831
÷ Diluted Shares Outstanding (mm)	453
DCF Implied Share Price	**$101.17**
Current Market Price	$83.02
Implied Upside / (Downside)	21.9%

F. SENSITIVITY ANALYSIS — DCF IMPLIED SHARE PRICE ($)

TGR ↓ / WACC →	$101.17	6.79%	7.29%	7.54%	7.79%	8.04%	8.29%	8.79%
	1.5%	$103.32	$92.97	$88.43	$84.26	$80.41	$76.84	$70.43
	2.0%	$114.64	$102.24	$96.88	$91.99	$87.50	$83.36	$76.01
	2.5%	$128.59	$113.45	$107.01	**$101.17**	$95.87	$91.02	$82.48
	3.0%	$146.22	$127.27	$119.36	$112.28	$105.90	$100.12	$90.06
	3.5%	$169.21	$144.74	$134.77	$125.97	$118.14	$111.12	$99.08

G. BETA — REGRESSION vs. BOTTOM-UP (PEER) BETA

Company	Levered Beta	Mkt Cap ($B)	Net Debt ($B)	Net D/E	Tax Rate	Unlevered Beta	Source / Date
Siemens Healthineers	0.89	$57.1	$14.7	25.7%	30.0%	0.75	*Yahoo Finance (SHL.DE), 11/13/26*
Philips	0.81	$29.6	$6.1	20.8%	25.8%	0.70	*Yahoo Finance, 11/13/26*
Medtronic	0.57	$131.6	$20.0	15.2%	21.0%	0.51	*Yahoo Finance, 11/13/26*
Becton Dickinson	0.28	$59.4	$15.6	26.3%	21.0%	0.23	*Yahoo Finance, 11/13/26*
Peer Median	**0.69**					**0.61**	
GEHC Net Debt / Equity (market)				19.0%			
Bottom-up Beta (peer median relevered at GEHC D/E)						**0.70**	
Regression Beta (GEHC, Yahoo Finance 5Y monthly)						0.77	
Beta Selector (1 = Regression, 2 = Bottom-up)						1	
Beta Used in WACC (→ B39)						**0.77**	

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Comparable Company Analysis · GE HealthCare · 11/14/2026

Company	Ticker	Mkt Cap ($B)	EV ($B)	Revenue ($B)	EV/Revenue	EV/EBITDA	P/E (Fwd)	Rev Growth	EBITDA Margin	FCF Yield
▶ **GE HealthCare**	**GEHC**	**$37.54**	**$44.65**	**$21.64**	**2.06x**	**12.73x**	**15.09x**	**6.7%**	**16.2%**	**5.0%**
Siemens Healthineers	SHL GY	$57.1	$71.7	$27.4	2.6x	14.1x	18.8x	1.8%	18.5%	4.4%
Philips	PHG	$29.6	$35.7	$20.6	1.7x	11.4x	15.3x	2.1%	15.2%	6.3%
Medtronic	MDT	$131.6	$151.5	$37.5	4.0x	14.8x	17.2x	13.7%	27.4%	4.1%
Becton Dickinson	BDX	$59.4	$75.0	$19.5	3.9x	16.4x	16.4x	5.4%	23.5%	7.5%
25th Percentile		$50.2	$62.7	$20.4	2.4x	13.5x	16.1x	2.0%	17.7%	4.3%
Median		**$58.2**	**$73.4**	**$24.0**	**3.2x**	**14.4x**	**16.8x**	**3.8%**	**21.0%**	**5.3%**
75th Percentile		$77.4	$94.1	$29.9	3.9x	15.2x	17.6x	7.5%	24.5%	6.6%
Mean		$69.4	$83.5	$26.2	3.1x	14.2x	16.9x	5.8%	21.2%	5.6%

IMPLIED VALUATION FROM TRADING COMPARABLES

Methodology	Multiple Applied	Reference Metric	Implied EV ($B)	Implied Price
EV / Revenue	3.2x	$21.6	$70.0	$138.84
EV / EBITDA (FY2026E)	14.4x	$3.64	$52.6	$100.36
P/E (FY2027E adj. EPS)	16.8x	$5.50	—	$92.35
Comps Blended (EBITDA & P/E)	**$96.35**	**vs. Current:**	**$83.02**	**16.1%**

COLOR CODING LEGEND

Blue text	Hardcoded inputs — numbers the analyst changes for scenarios or updates
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