

GE Healthcare will be a Standalone Company



General Electric (GE) announced its plans to split into three public companies concentrating on healthcare, aviation, and energy. GE Chairman and CEO H. Lawrence Culp, Jr. said 'By creating three industry-leading, global public companies, each can benefit from greater focus, tailored capital allocation, and strategic flexibility to drive long-term growth and value for customers, investors, and employees.'

GE Healthcare will launch in early 2023 as a tax-free spinoff, with Peter Arduini as president and CEO. It will focus on diagnostics, imaging, digital infrastructure, data analytics, and decision support tools used in patient diagnosis, treatment, and monitoring. GE expects to take a 19.9% stake in the GE Healthcare to provide capital allocation flexibility. GE also intends that Healthcare will issue debt securities intended to pay down outstanding GE debt. The company expects to incur one-time separation, transition, and operational costs of approximately \$2 billion and tax costs of less than \$0.5 billion.

GE's history in healthcare dates to 1893 when C.F. Samms and J.B. Wantz founded the Victor Electric Company. Victor Electric made generators for electrotherapeutic devices and later made X-ray machines after Wilhelm Röntgen discovered X-rays. GE acquired this business later in 1920. GE's notable acquisitions in the 21st century include: Instrumentarium, an anaesthesia machine producer in 2003; Amersham, a radiopharmaceutical company in 2004; IDX, a healthcare information technology provider in 2005; and Whatman, a filtration product manufacturer in 2008.

GE Renewable Energy, GE Power, and GE Digital will be combined into a single entity in early 2024 focusing on renewable energy and power. GE's remaining business will focus solely on the aviation industry. The transition will allow GE to monetize its stakes in AerCap and Baker Hughes to reduce its debt.

GE Chairman and CEO H. Lawrence Culp, Jr. adds: 'we remain focused on continuing to reduce debt, improve our operational performance, and strategically deploy capital to drive sustainable, profitable growth.'

Source: [Press Release](#)

Published on : Thu, 11 Nov 2021