General Electric Company (GE)

Updated March 2nd, 2026 by Prakash Kolli

Key Metrics

Current Price:	$323	**5 Year CAGR Estimate:**	-6.6%	**Market Cap:**	$343 B
Fair Value Price:	$149	**5 Year Growth Estimate:**	8.0%	**Ex-Dividend Date:**	03/09/26
% Fair Value:	217%	**5 Year Valuation Multiple Estimate:**	-14.4%	**Dividend Payment Date:**	04/27/26
Dividend Yield:	0.6%	**5 Year Price Target**	$218	**Years Of Dividend Growth:**	3
Dividend Risk Score:	C	**Sector:**	Industrials	**Rating:**	Hold

Overview & Current Events

General Electric was founded in 1892 and is now headquartered in Evandale, Ohio. After years of restructuring, divesting subsidiaries, and reducing debt, the conglomerate split into three entities: General Electric, GE Verona, and GE Healthcare, which was finalized on April 2, 2024. Today, the company does business globally as GE Aerospace. It operates through two segments, Commercial Engines & Services (CES), and Defense & Propulsion Technologies (DPT). The segments design, engineer, and manufacture aircraft engines. They both offer maintenance, repair, and overhaul (MRO) services. Its major engine models include the CF34, CFM56, CFM Leap, GEnx, and GE90 for commercial planes; and the F110, F404, F414, T700, T408, and F138 for military planes and helicopters. Total revenue was $45.9B in 2025.

GE Aerospace reported excellent Q4 FY 2025 results on January 22nd, 2026. Companywide revenue increased 18% to $12,717M from $10,812M, while adjusted diluted earnings per share ("EPS") grew 19% to $1.57 from $1.32 on a year-over-year basis. Diluted GAAP EPS rose 32% to $2.31 from $1.75. The CES segment revenue rose 24% to $9,468M from $7,650M in comparable periods on higher services, spare parts, and equipment sales. The DPT segment revenue climbed 13% to $2,839M from $2,523M on higher pricing and volumes at Avio Aero, offset by lower deliveries for defense.

The company's backlog is enormous at ~$190B, which is several years of revenue. It won $27B in orders in the quarter, with large ones from Riyadh Air, flydubai, and Hindustan Aeronautics.

The company set 2026 guidance at low double-digit revenue growth and adjusted diluted EPS at $7.10 - $7.40.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$6.05	($8.24)	($21.00)	($4.99)	$4.63	($6.16)	($0.05)	$7.98	$4.60	$6.37	***$7.43***	***$10.92***
DPS	$7.44	$6.72	$2.96	$0.32	$0.32	$0.32	$0.32	$0.32	$1.12	$1.44	***$1.88***	***$2.52***
Shares[1]	1141	1086	1086	1091	1095	1098	1101	1099	1094	1095	***1065***	***1052***

GE's revenue and earnings growth are difficult to analyze because of the years of losses, multi-year restructuring, divestment of subsidiaries, and the three-way split. That said, the firm has been growing the top and bottom lines since 2024. GE Aerospace's end markets are growing, especially wide-body and narrow-body commercial aircraft. Because engines have regulatory-mandated maintenance schedules and are rebuilt multiple times, the firm has a continual revenue stream for years. It makes about three-quarters of its revenue by providing parts and services in the engine aftermarket. The DPT segment is smaller and less profitable, but it has similar market dynamics. As a result, we are expecting earnings per share to grow at ~8% annually on average because of organic growth and a lower share count.

GE was historically a Dividend Aristocrat but lost its status during the Great Recession in 2009, only to start raising it again in 2010. The company slashed the dividend again to $0.01 per share in 2018 because of debt and challenges in its Power Division. The firm started increasing the dividend again in 2023 and now has a 3-year streak. The company is also buying back shares. The payout ratio is conservative at 25%, leaving room for future increases. It also provides investors with confidence about the dividend safety. We estimate a ~6% growth rate per year in the next 5 years.

[1] Share count in millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	22.8	--	--	--	11.4	--	--	12.6	36.1	48.4	***43.5***	***20.0***
Avg. Yld.	5.4%	8.5%	8.4%	0.6%	0.6%	0.6%	0.6%	0.3%	0.7%	0.5%	***0.6%***	***1.2%***

GE's share price has risen dramatically since 2023 on the three-way split and solid performance. We set our fiscal year 2026 earnings estimate to match analyst consensus. Our initial fair value multiple is 20 times EPS, which is below the 10-year average. The equity is overvalued. Our fair value estimate is now $149. Our 5-year price target is now $218.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	123%	--	--	--	7%	--	--	4%	24%	23%	***25%***	***23%***

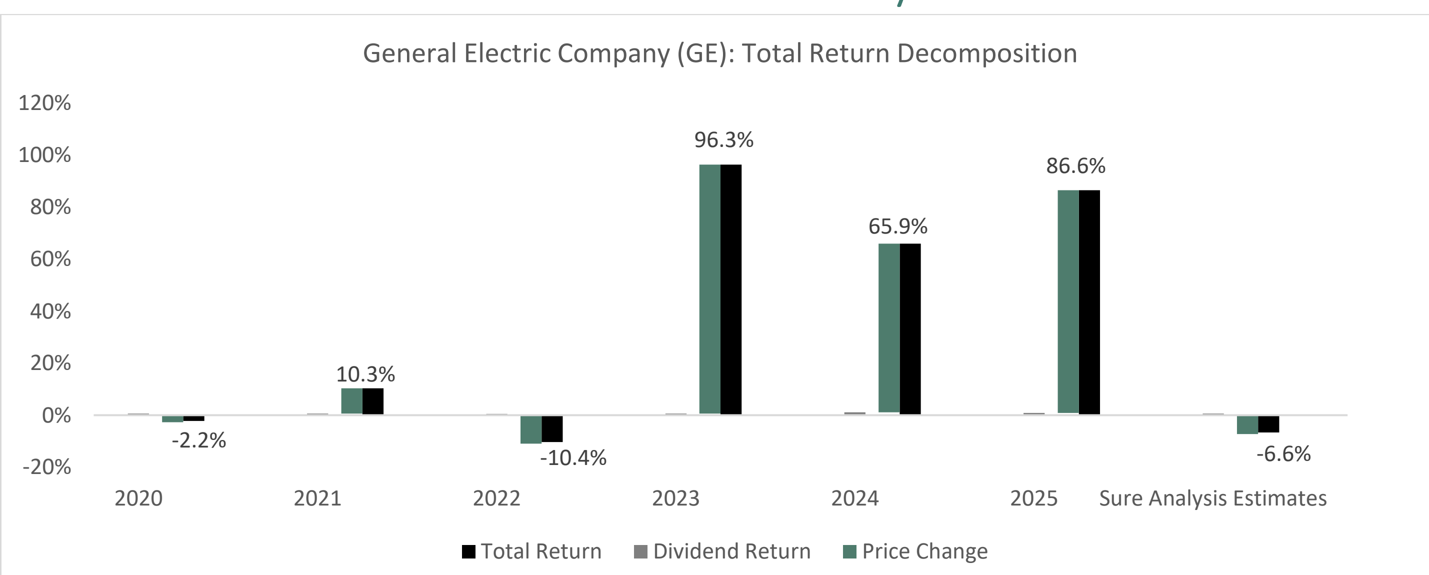
GE Aerospace has significant competitive advantages. It is the leader in commercial jet engines, with about 50% market share and an installed base of about 80,000 engines. The firm's engines also have high operational reliability. Hence, the combination of market share, technical prowess, and long-term relationships has built a wide moat. We do not see that changing anytime soon. Moreover, GE Aerospace operates in an oligopoly with CFM International (GE owns 50%), Pratt & Whitney, and Rolls-Royce controlling most of the market. Because aircraft engine design and manufacturing are capital-intensive and require a highly skilled workforce, the barriers to entry are high. The company has some degree of recession resistance because of robust growth in air travel, freight, and military, as well as its MRO business.

GE has $1,685M in short-term borrowing and $18,808M of long-term debt that is offset by $12,392M of cash and equivalents. Interest coverage is about 11.25X, and the leverage ratio is about 0.86X.

Final Thoughts & Recommendation

At present, we are forecasting -6.6% annualized total return over the next five years from a dividend yield of 0.6%, 8% EPS growth, and -14.4% P/E multiple contraction. GE Aerospace is performing well. The firm is the market leader, and its customers have high switching costs. We expect the firm to continue its growth trajectory. The firm is growing its dividend, and it is well covered. However, the elevated valuation is a major downside risk, and the current share price discounts the gains we envision over the next five years. We initiate coverage with a hold rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	119869	118243	98440	95055	75819	74174	58116	35348	38702	45855
Gross Profit	39645	34498	29606	28471	18504	20637	14050	12415	14341	16715
Gross Margin	33.1%	29.2%	30.1%	30.0%	24.4%	27.8%	24.2%	35.1%	37.1%	36.5%
SG&A Exp.	18377	17569	14643	13949	12592	11707	9173	9195	4437	4088
D&A Exp.	4997	7429	6582	5595	3464	3009	2902	1179	1184	1220
Operating Profit	13939	541	10473	8739	1474	4456	1439	4723	6708	8265
Op. Margin	11.6%	0.5%	10.6%	9.2%	1.9%	6.0%	2.5%	13.4%	17.3%	18.0%
Net Profit	9479	(8551)	-21080	423	6306	(3405)	(795)	9448	6657	8595
Net Margin	7.9%	-7.2%	-21.4%	0.4%	8.3%	-4.6%	-1.4%	26.7%	17.2%	18.7%
Free Cash Flow	(7443)	(1888)	(1969)	2677	1838	1971	4742	4327	3678	7264
Income Tax	(464)	(2611)	93	726	(487)	(286)	(3)	994	962	1405

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets ($B)	390	383	320	267	256	199	189	176	126	133
Cash & Equivalents	48129	43967	31124	45699	43849	28067	23419	20910	14601	12392
Acc. Receivable	36318	34545	22344	25035	32311	20501	17298	11578	12309	15284
Inventories	22354	19419	13803	17215	15890	15847	14891	8284	9763	11868
Goodwill & Int.	86874	104241	46152	37387	35195	35512	19104	13590	12795	13285
Total Liab. ($B)	309	306	268	236	219	157	154	148	106	114
Accounts Payable	14435	15172	13826	17357	16458	16243	15399	6762	7513	6981
Long-Term Debt	105497	110555	90824	70848	73384	33672	22409	21456	20095	21252
Total Equity	75822	56024	30975	28310	35546	40304	33690	27403	19342	18677
LTD/E Ratio	1.80	2.40	3.34	3.34	2.20	0.94	0.78	0.79	1.05	1.15

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	2.1%	-2.2%	-6.0%	0.1%	2.4%	-1.5%	-0.4%	5.2%	4.4%	6.6%
Return on Equity	10.3%	-10.9%	-32.7%	1.0%	18.6%	-8.6%	-2.1%	29.7%	27.6%	44.7%
ROIC	3.7%	-4.0%	-11.5%	0.3%	5.2%	-3.5%	-1.1%	17.0%	14.7%	21.4%
Shares Out.	1141	1086	1086	1091	1095	1098	1101	1099	1094	1095
Revenue/Share	105	108.89	90.61	87.17	69.24	67.55	53.03	32.16	35.38	42.94
FCF/Share	(6.52)	(1.74)	(1.81)	2.45	1.68	1.80	4.33	3.94	3.36	6.80

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.