



GE Healthcare | UBS 2022 Global Healthcare | May 24, 2022

Graham Doyle:

Good morning, everybody. My name is Graham Doyle. I head of the UBS MedTech franchise in Europe, and I'm delighted to be joined today by Peter Adruini, CEO of GE Healthcare, and also Helmut Zodi, CFO of GE Healthcare. And what we're going to do today is we're going to open up a few slides, given the interest in the business and the upcoming spin, and then we'll dive straight into Q and A. So, I'll just pass over to the team.

Peter Adruini:

Great, thanks Graham. So thank you, good morning everyone. As Graham said, we'll start out with a couple slides. I'm Peter Adruini, and with Helmut here, and then move into some fire side chat, and obviously, Q and A. GE healthcare, for those of you that don't know, our broader focus is around leading, and playing a significant role in personalized health and precision medicine. And obviously a lot of different definitions around what that means, but this idea of being able to distinguish which makes you different from me, how that ties to a therapeutic outcome, how that follow up takes place to drive the best outcome, is what it's all about. And I think it's one of the exciting things about where we are in the continuum here, from a healthcare standpoint, of driving that, and why I believe it's one of the reasons excited me to come back to GE Healthcare, was we could play a significant role in that.

Peter Adruini:

Lots of needs out there, I don't need to tell you guys this. I think on the efficiency, the cost of labor, you can't talk to any CEO in a hospital system, without feeling that pain. What can we do? What is our role, to actually drive more efficiency? Better outcomes, this alignment around precision, the alignment of diagnostics with therapeutics, and follow up monitoring. And then the enablement, really brought on digitization. I think more than ever, it's just been amazing. When you take a look at the impact of AI, for example, just in our devices, and how that's going to transform how all of those work. But also how this integration of data, across the system, is going to make a difference.

Peter Adruini:

On this next slide here, just framing up who we are, 75 billion, plus, markets. We're going to run the company in these four segment areas, imaging, ultrasound, life care solutions, and our pharmaceutical diagnostics. We'll talk a little bit about some of these. Imaging ranges, everything from the MR's, and the CT scanners you would think of, to number one position and surgical C arms used in all types of interventions, to interventional cardiology. Ultrasound, significant position around the world, big growing market, non-ionizing radiation modality, so being used in many, many different areas. Our patient care, or life care solutions business, we have a large monitoring platform. We're the leader within anesthesia delivery, within the hospital. In the NICU, we have a whole host of products as well, as well as in diagnostic cardiology. And then the pharmaceutical diagnostics is two big areas.

Peter Adruini:

I'm sure we'll get a chance to talk a little bit about some of the recent news with iodized contrast injection. Again, typically the agents used to enhance imaging, but we also have a growing molecular imaging portfolio, tied into pet CT, or follow ups within spec imaging. And again, this is a growing area for either diagnosing Parkinson's disease, finding payloads of amyloid beta plaque can obviously play out in diagnosis work associated with Alzheimer's. Underlying that, is we have a digital platform, about a billion dollars of revenue, and also our break, repair, and broader services portfolio. Over 10,000 people out that do the repair process, that's about a \$6 billion business. That's a subset of the imaging number, and some of these up here. So it's roughly about an \$18 billion revenue business.

Peter Adruini:

I won't drain this one, but a point is, we touch a lot of the healthcare system. From many different areas of inpatient acute, all the way out to the home, at certain levels. And the blue here touches on so many of the different disciplines, Graham, that are actually out there that we play in. It's hard to actually run an institutional hospital, without having some level of the involvement of GE Healthcare involved. And I think, we view that humbling, that one of our roles is how do you bring this together in such a way, that around certain care pathways, whether they mean cardiology, or oncology, or other disease states, that we can bring better outcomes, but also help solve some of those challenging productivity issues that I mentioned when we opened up.

Peter Adruini:

And so just a snapshot by the numbers here, it's about a billion, plus, patients that are on a piece of GE equipment every year. We've got over 4 million pieces of installed base, large monitoring install bases. You can imagine as well as traditionally amount of our imaging equipment, as well as OR products. Many of those are connected devices, so break, fix, remotely. Many of those though, as far as capturing a lot of data, historically, we haven't done a lot with that. So there's a really interesting opportunity to make those smarter, to actually help understand trends, and related issues, and workflow. And so we've got products that are already working on that today, but I think that's an extended opportunity.

Peter Adruini:

I'd mention 18 billion in revenues, and about 50% of that recurring. Recurring, in the way of a service contract, an ongoing contrast agent delivery, a contract for accessories and parts. And I think over time, that's something that can become more a part of a recurring larger revenue stream. And as you can see, we spend about a billion on R and D, and have about 16.7 is our operating margins. And so I'll hand it over to Helmut, here. Talk a little bit more on some of the financials, and give an update on the spin.

Helmut Zodi:

Yeah. Thank you, Pete. And good morning, everyone. It's great to be here with you today. So I'll talk a little bit about the financial model, and the guide for 2022, as well as beyond. As you can see on the page here. So we are sticking to our guide, we'll be confirming our guide of low single digit, to mid single digit revenue growth, marginally expansion of 25 to 75 basis points, and the cash flow of more than 100%. And as was discussed in the last GE earnings, we are training to the lower end of that guide. Driven by, you saw our supply chain challenges. And I'm sure we talk a little bit about this morning, what is happening in Shanghai with the lockdown, which is really a key area impacting us, on that side.

Helmut Zodi:

But what we are really focused on is what is in our control, where we can manage, where we can improve our supply situation, where we can re qualify parts, and where we can also look at what is happening around pricing, in our industry, and that we manage, accordingly. So for the long term in outlook, as you can see on the right of this page, we are looking for a mixing digit growth, in line, what we see as the industry growing for our four product categories, that Pete was mentioning before our four segments. And we expect our margins to be into the high teens, to around 20%, as we go forward. And we will continue to generate cash in that 100%, in a plus range, on the free cash flow conversion.

Helmut Zodi:

So overall, I think I'm quite excited, in how our business is shaping up, and how we are preparing ourselves for the spin, as we go forward. Which I'll cover here, on this page. The spin work is really progressing very well. The teams, we have a small team, a very dedicated team, a project office that is managing the spin, at the corporate level, but also at the GE Healthcare level. Those teams are working very well together. And we have a number of milestones, that we have laid out here, from the operating model, the legal entity structure, the corporate governance, as you can imagine, a lot of work that goes into this one.

Helmut Zodi:

But we have really, what we call 95% of our teams, in a 100% focused, on the day to day business, which is really important. So we run the day to day business, and we have a small team that is executing the spin work, which is progressing very, very well. So with that said, overall, I'm really excited as we spin off, and execute on our financial operating model, we become a faster, more focused healthcare company, that's really here to serve patients and customers alike. So Pete, I'll hand back to you.

Peter Adruini:

I think, Graham, we'll just do a couple comments on the wrap up here. I think this idea of global franchise, focused on precision health, this idea of care pathways thinking, for us, is an important enabler for us. And again, we think by modality area, whether it be, I give my ultrasound example, of coming from acute care all the way to the home, is a really interesting opportunity for us. We announced this partnership and equity investment with Pulsenmore.

Peter Adruini:

To take OB/GYN imaging actually to a patient's house. The Vscan Air, as an example, as a first tetherless system that's out there for handheld ultrasound and an ecosystem that integrates it back into the institution. So that primary care physicians are using it, which traditionally haven't used echo or ultrasound. We think is a great area across all of our modalities. And then this idea of horizontally, how they've become tied together and thinking that way. We traditionally haven't been as clinical that way, and I think you're going to see us be more clinical that way, whether it be thinking about breast cancer and that disease state, or it might be prostate or small cell lung cancer. The cardio side, obviously things such as structured heart. So we think we have a significant role to play and can enhance our position by doing that.

Peter Adruini:

Operational performance. Look, I think the team is really embracing lean. We've made significant opportunities as a separate company to be able to take a look at and be more focused in areas where we can have more growth. Certain market areas where we can actually focus to expand at a faster rate.

We tended to be a little bit of a broader player, historically in GE Healthcare. We covered all areas broadly, and I think the more that we can focus on those areas that we can see bigger impacts for patient, but also better returns is part of our focus.

Peter Adruini:

And the last part about the spin. I think just the energy on our team around being a separate company. People are really excited about what this means. Everything from our focused leadership team of deeper healthcare experience, folks to rethinking about what we can do. We're also at this interesting point right now coming out of COVID that many of our customers are really thinking about what they need to do to enhance their capabilities. And so we tend to play in those roles where additional imaging equipment or other capabilities are quite necessary, so exciting times. And we'll stop there, Graham, and maybe jump into any questions.

Graham Doyle:

Brilliant. Thank you. And for anybody who wants to ask questions, you can just scan the QR code on the table and submit them directly to me. Look, I think we can dive in, it's probably a short term question, but it's something that's been dominating some of the debate we've had recently. I can see the smiles in your faces. We can...

Peter Adruini:

Let me guess which one it is.

Graham Doyle:

Contrast imaging, and I suppose just more generally the supply chain headwind. So we've seen it with some of your peers. Could you sort of give us some context, the background to that issue and where you think you are in sort of resolving that?

Peter Adruini:

Yeah. I'll jump in then Helmut if you want to add a little bit of color to it. So contrast agents, they're used for imaging studies, iodine base, primarily all of the x-ray modalities. If you're going to do a study, many cases, you do it without agent and with so that you can see the difference, the contrast of the vessels typically highlighted. So it's a very important agent that's used in many exams throughout the world. There's four major players, we're one of them. We have two large plants. We actually have three plants, one's in Nordics, which is small. But two large plants that serve our customers around the world. One out of Cork, Ireland, and one out of Shanghai. With the lockdowns that took place associated with COVID, now over the last eight weeks, we really were impacted at that facility on our production levels.

Peter Adruini:

We were at fundamentally zero production in early April. We've worked structures out with the local government and the Chinese government at federal level to be able to reopen with some constructs. We've created fundamentally a closed loop structure. We kind of have a housing capability at our large facility within Shanghai where we have employees stay, can be fed, can be slept, stay there. They're bused into the facility. We have capabilities at the facility as well. That area keeps them isolated from the general population, and with that authorization, we're able to add incremental amount of workers per week. Since April through now, we've been adding cohorts of 30, 40 employees once they go through a quarantine period, have multiple tests, all those things. And we're up to about over 60%

capacity now. We have some that are now what Helmut quarantine that within the next two weeks, we'll get up to about that 75% level.

Peter Adruini:

That's just kind of the framing of where we are. And we have the agreements to do that. Obviously, when everything is lifted within Shanghai, we can come up to a full 100%. We'll see between there. What's important about 75% is it doesn't solve all the demand issues, but it really helps solve all the patient triaging issues of who needs product. In the last couple weeks, it's been challenging, particularly for our U.S. customers as we've had to actually really manage allocations. In some cases, they've had to delay some elective cases to make sure that they could take care of critical care cases. I think we're going to be moving out of that phase here in the next couple weeks, but that's kind of our current status. I mean, Helmut, what else did I miss?

Helmut Zodi:

Yeah, maybe just to add one point, Pete, what you said. Again, the very close loop process to keep everybody safe in this environment. Obviously, we have our teams sleeping in our office buildings and we have all the facilities there to keep them safe and then getting into the factories for their shifts. And to make sure that the product that comes out of the factory really arrives at customers on time. We've also introduced air shipments. Typically, that product would be on a boat for a couple of weeks, but we are using our air shipments to make sure we accelerate to take care of patients and customers so that the product can be on the U.S. shore. Or other countries where it is needed at a shorter period of time. So, we are doing that as well and making sure that we have the right shipping capacities available, so the product gets to the customers on time.

Peter Adruini:

And then Cork, Ireland already was running at capacity. But we found some ways, particularly with our kind of lean methodology, to be able to get more capacity out of there. That's running over its typical entitlement capacity. That's been helpful as well to support the U.S. market. And we'll continue to be able to leverage that at a high point. Obviously, for all four players within the market, there's only so much supply that's actually out there. So, over the next months and stuff, managing allocations and kind of balancing so that there's not hoarding that takes place no different than other shortages that are out there is what we're really focused on. And again, our whole goal right now is taking care of patients and making sure customers have the supplies they need.

Graham Doyle:

So, should I let my family back in Cork know there's going to be big investments there?

Peter Adruini:

There you go.

Graham Doyle:

Is that what we should think?

Peter Adruini:

We love Cork. It's a good spot.

Graham Doyle:

Just maybe following up on that. Then, the point you made around air to shipping freight. Is there a possibility for that to close the gap that sort of developed in the last month? Whereby, maybe product that might have taken longer to get somewhere, you can kind of get a bit quicker and with air freight, and therefore, you don't have that operational gap.

Helmut Zodi:

Sure, sure. So that is one level to make sure that we bring the product very quickly to the customer and we're absolutely doing that one. So obviously, we are working with the right shipping carriers to get that product into the hand of customers as quick as possible. We will start bringing products back onto the ocean as well. So we have our normal, I would say, process. But in the short midterm, we're going to use a lot of air to bring it in a faster to customers to make sure that the patient has the product. Yeah.

Peter Adruini:

Yeah. And so we'll do everything we can there and making sure that obviously customers and patients between us or any of the other key suppliers, they can get what they need to take care of patients. I mean this is what's job one. But the fact is, I think we're going to still be managing some level of allocations for quite some time just because when you go through an event like this, people are going to take a look at and say, "Gee, I normally kept three months of supply. Maybe I should keep six months now." Well, this isn't the time to obviously change that. So, trying to be responsible to make sure everyone that needs it will go through that. The sooner we can get to a 100%, that obviously will help, and we'll continue to use air shipments appropriately to cover the gaps.

Graham Doyle:

And maybe sort of a broader picture. Obviously, we've just seen how important imaging is to you. And you're one of the big three players in that space. We get a lot of questions and we have got the last sort of two to three months around a potential slowdown there. And two drivers. One, are people concerned about the capex cycle and therefore thinking, "We need to prioritize our investments into labor where we've got shortages." And I suppose, two, which I suspect is probably more true, which is we're running at such high capacity in the hospital systems, and there's so much demand for procedures that no one wants to run the

Graham Doyle:

Risk of a downtime and so you might see some of these installations pushed out. Is this anything you are seeing? Because I know one of your competitors, we've definitely seen an impact, albeit might be more supply chain driven and with another we've seen no impact. So it's been quite a mixed picture so far.

Peter Adruini:

Yeah, well obviously this has not been the year many of us had hoped that would start out with right from land wars to the supply shortages to the COVID shutdowns. But I think from our customer standpoint, and I've been out with quite a few customers speaking, the labor cost, particularly in the United States has been one of their biggest challenges and everyone is working through different versions of it through how they're managing nursing or tech or even orderly other costs just can't get enough labor and I think that's going to continue to exist, they'll work through it. But I think Graham,

you hit a key important point is obviously at some point if their costs are at certain level they're going to take a look at their spending. I don't think we're anywhere close to that but I do think they're at a point where productivity is everything for them.

Peter Adruini:

And so how you can find better throughput to get a sick patient in the institution get them better and move them on to home is top of mind and so many of our products play a huge role within that. And I think coming out of COVID, it's interesting just around the world whether it be in Western Europe, Southeast Asia, clearly the United States, this understanding of "Gee, where did I have vulnerabilities coming out of COVID? What would I have liked to have had more capability on?" And imaging is typically on that list as an example. So if you just take a CT scanner in many cases, it is in some ways the swiss army knife in the hospital. You can palpate a patient, you can do all kinds of things with that patient or you can do kind of a head to sternum scan and literally have images immediately without touching the patient and be able to get a diagnosis.

Peter Adruini:

And I think that realization of need is increased and so we're actually seeing more demand tied to those type of insights, those types of views relative to the marketplace. Now the key is what do they come in? And so you don't have the opportunity right now in many cases to do a lot of new system swaps and stuff that may take a month or two with build out. So it tends to be even a little bit more demand on upgrades. And so something that you could put on my system a week later when I turn it on magically it has better productivity. And so honestly across our portfolio big focus of our teams has been on new products for sure but upgrade ability because of the economics. One you don't have as big of an outlay of capital.

Peter Adruini:

You don't have the downtime in a world where you're already pinched, and if you can get great productivity, so one we cite quite a bit is in our MR platform MR being the longest install for anybody, because you have this large magnet there's typically build out. In a city like New York, there's all types of more challenges that come into play to get it. So if you can put a software upgrade that could say, take that 10 year old system and make it 50% more productive, more patients in a day and also enhance your image quality. Well that's the big win. And that's the example of product that we have that's growing significantly fast. So there's a lot of tensions that way. We also have a lot of digital solutions that we're evolving that are actually helping institutions understand where their bottlenecks are or how to better run their areas and so I can see that being on the increase as well.

Graham Doyle:

And do you think purchasers, do you think hospital systems are thinking differently now? So my sense was, and this is sort of a European sense is it's always frantic and you're only planning one year ahead really, and you upgrade what you have to and that's about it. But post COVID people seem to reassessing plans and thinking actually "We weren't set up for things that we needed to be and maybe going forward we know we have this big procedure backlog, what do we do to tackle that?"

Peter Adruini:

I think Graham, I think in general it's a fair point, obviously with all the stuff going on in the world right now it makes us all a little bit more myopic because things tend to be a little bit more acute for everyone on just what's happening. But I do think there's been, almost any institution around the world that's had a step back and said "What did we learn from the COVID experience? Where were we exposed? What do we want to do differently? What does this mean for other related issues?" And I think in the UK as an example I'm sure you're well aware of, there's a lot of discussion about more outpatient capabilities and should there be investments in ambulatory surgical centers to reduce volume? You think about COVID, if somebody's coming in and needs studies, the last thing you want to do is maybe bring them more into a concentrated location, whereas you can do more distributed.

Peter Adruini:

And so I think there's lots of examples like that that are having people think about their plans. I think here in the United States for our big providers and our big integrated delivery networks, there's clearly more of a view of let's think about a fleet strategy over 5, 7, 10 years. How do I think about this? Where are we strategically going with our cardiovascular strategy or oncology strategy? What is the need for other imaging modalities or planning and therapeutic integration? So there's definitely a lot of those discussions going on. And I think to your point, I think it's a great observation. There's more strategic insights than there were maybe just a few years ago.

Graham Doyle:

And maybe when we think about the spin upcoming and I suppose R and D is something that's often not talked about when you're part of a much larger group because it's just the headlines that we look at and some of the developments and things like photon counting CT, reduced heat MRI, where do you think you are on the curve in that? Are there products we should be looking at for Q1 next year and thinking "Yeah this is what we need to be building the GE story around."

Peter Adruini:

Yeah. So look I think I'll just make the billing here. I think since Larry's come in to take the role for overall GE the investments and the focus to make sure that the pipeline has the type of investments to make the big bets, right. We did this deal with Prismatic relative to photon counting CT. We've added the capabilities around that. So actually we have quite a robust pipeline of products coming out. That being said, I think as a separate company with our own balance sheet, the ability to actually maximize that, the ability to kind of maybe take a look at other costs within the business and move more of that towards higher returns within technology is something that we're going to look at. I think if you think about specific products and stuff, so just taking our MR line and what we've done with AI, you're going to see AI touch every business.

Peter Adruini:

I would say for all of the players out in imaging, artificial intelligence is just going to be a transformational play. It starts changing some of the fundamental physics of how you make an image. And with that then it's going to enable you to see things or quantify things you probably couldn't have done in the past. And it's also going to be a big enabler towards productivity. If you take that data then and incorporated with other data fields such as genomics data and such, how that drives insights for better precision or matching with a therapeutic or therapy, all those are things that we're focused on. From just pure difference in products and productivity like our CT product we just rolled out at the RSNA

this past December. It's the first one we've done a full integrated platform where we actually simplified down many tables, one line of code, all those things.

Peter Adruini:

Why is that important as we bring out new AI in those features, in the past we'd have to rewrite it for five or six different platforms. As it's integrated down to one line of code, the ability to take that and roll across from a premium to a performance product just really doubled in speed. And that's a really important part of this. The other aspect of it is we get better leverage on those components and we get a better cross position results in a better margin position. So there's been a lot of good moves that have taken place from that standpoint, field upgrade ability. You could start with a scanner that could do basic radiology, that same platform with a field upgrade, not removing the whole thing. You could move that to a one beat cardiac scanner by adding upgrade features on it with an upgrade that would take less than a few days. So that's been happening in the background. MR the same deal. And then on our ultrasound platforms you're going to see quite a bit. We have just came out with the new,

Peter Adruini:

The Voluson leadership product and OB/GYN, a lot of the AI integration, same within the cardiovascular side as well, handheld ultrasound. So there's quite a few things. Our anesthesia business just introduced, we don't talk that much about it, but we have the leadership position. If you go in for any surgery, the anesthesiologist there, the device they're using, that anesthesia machine with the ventilation controls, we have a leadership position there. We just receive the first PMA approval for kind of a closed loop system of anybody in the United States. And so it helps actually titrate oxygen and the three main gases that are used. So reduced cost of the anesthesia gas by 30% for the user at the same time, it really manages how much and helps manage how much the patient needs. So again, these type of added control pieces are out there.

Peter Adruini:

And I'd say the last part Graham I'll tie out is that you're just going to see us spend more time thinking about across some of these disease states, how we connect things together, how we tie them together to drive a better therapeutic outcome. And we've got things coming. We'll talk more about them later in the year and into next year, but a lot of efforts around care pathways.

Graham Doyle:

And I suppose one question on the spin that we were discussing earlier is obviously when you we've seen with other med tech companies, when they've spun out of a sort of parent, I think of Alcon and actually health Anders as being two quite good success stories. And, a lot of these things are cultural, but other practical things that are easier to do. So is R and D decision making quicker because there's one less committee. Is capital planning a little easier as well, and can you be a bit longer term in terms of what you do as well? So you might launch a platform rather than a single product because you get longer term payback rather than upfront. So things like that we should be thinking about, which actually adds value to the business.

Peter Adruini:

Do you want to give a shot?

Helmut Zodi:

Yes, I'll sure. So I believe when you think about you a hundred billion dollar company, speed of decision making versus an 18 billion dollar company, this is a smaller size. So I think managing the matrix, and I would say optimizing around that matrix and the speed for decision making, speed to customer I think is quite important. I think Pete said, obviously our investment in R and D I think over the last years was already increasing. We expect that to continue. And then I think driving a cultural shift in the organization around in a stronger entrepreneurial relationship, which I believe will thrive in a better growth as we go forward and if we think about it from a complete end, being a dedicated healthcare company is a dedicated board, the sole purpose on healthcare.

Helmut Zodi:

And then bringing that together with red capital allocation, we believe will help us to grow into that [inaudible] and expand much as we go along and we'll do that organically, but there will be also pieces as we've been ahead also recently of inorganic growth, I think will come in with that. And then focusing again on the patient, the customer, and our team in driving the right culture.

Peter Adruini:

Yeah. The only thing I would add, which has been super cool about this whole experience Graham is everybody knows every company comes down to one thing, it's about people and it's about having the right people and the right roles. And then magic can happen from capital allocation to what you can do for customers and patients, and as a separate company with a sole mission really about taking care of patients, the moments that matter, the amount of people that have even reached out, we've already brought into the company, or that want to be part of this it's just very humbling. I mean, folks that I've known, I've been in the healthcare business for over 30 years, that want to be a part of it in any way that they can. I think that alone, that cultural piece of it, and from a board that's a healthcare focus board down through an organization that's aligned.

Peter Adruini:

There's just benefits that are hard to quantify, but I know they're there. And it starts with having just a world class crew that can really do things. And again, with your own stock and your own currency, that way people feel the good and bad of it. And, and that drives focus. It drives accountability, it drives different types of decision making. So, I applaud the GE Board and the team for this because I think for all three companies, it's going to be a really important value driver, that type of focus.

Graham Doyle:

Maybe one last one. So you described what you want to do from an organic growth basis in terms of mid single digit and getting that margin up as well. From an M&A perspective, Peter, can you give me a sense of what you would like to do strategically and what fits and maybe you could say how you rank those priorities? What metrics are you using for that.

Peter Adruini:

Yeah, so I mean, how much I can kind of tag team. So I'm a big believer that the right type of tuck in M&A is critical for any med tech company or company to kind of grow. My previous roles was a really important enabler. And the more we start thinking about, we have these verticals of imaging and ultrasound, and we want to start thinking more longitudinal about disease states, there's going to be companies and technologies that can help fill in that gap. And, in the framework of tuck-ins or

integrated capabilities, that's how we would think about them. And so I would say, from day one, as I started probably with, we talked about it and within two weeks we were having weekly M&A discussions.

Peter Adruini:

And part of this is to start cultivating, right? Some of these relationships, it may be 3-4 years until you ever get to the point where the deal is ready, but having the relationships in cultivating, and I'm a big believer of that. And I know Helmet is as well. And so we've already been able to get some of these things going. I think BK is a great emblematic US prioritization. If could find like five more BKs tomorrow, we go after wide. So BK Medical is ultrasound technology that takes us into another arena, takes us into interventional surgery. So, I'll give the example of it is a surgical instrument with ultrasonic capabilities on the head for visualization, but also an integrated planning tool, in this case for neurosurgery that allows a neurosurgeon once they've debunked or remove a tumor to know, did you get it all, fundamental question.

Peter Adruini:

In today's world, it's their eye and their touch with the instruments to know if they did. This gives them more evidence and conclusive details on the gray and white matter, did they get it all? And so things like that, to take capabilities that we can leverage the backend but bring us into new areas, super important. I think across, cardiology areas where we can actually integrate more of what we do, if you think about cardiology, we're in echocardiogram, interventional cath labs, EKG work that we actually have. We also have different products in MR that obviously allow cardiovascular MR, CTCA, coronary imaging within CT, how we actually work that together in a cardiology practice to drive better outcomes.

Peter Adruini:

So those are the things that we would go after, but obviously near neighbor products that kind of build out care pathway is top of the list. We're looking for creative deals. We're looking for deals that obviously fill out a puzzle and take us into new areas. I think if you look at GE healthcare over the past few years, we've done less in our core business of M&A, and we've done probably more, that was more closer to life sciences. That business is obviously no longer with us, but, but within this focus, I think we've got the capabilities and the teams ready to do more as we find the right deals.

Graham Doyle:

So tuck in is the key word I think we should take away then?

Peter Adruini:

Tuck-in deals are where we want to start. We've got a separation of the company. We've got lots of opportunity to kind of optimize the portfolios we have and our country strategies and plugging those in to reduce distractions while we're separating and keep moving is how we think about it. Hence why tuck-ins.

Graham Doyle:

Brilliant. Well, thank you. I think we've come to the end, so we'll leave it there. Thank you, bud.

Peter Adruini:

Great. Thanks Greg. Thank you.

Helmut Zodi:

Thank you.