

Investor Overview

November 2019

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This presentation (and oral statements made regarding the subjects of this release) may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, (each a “forward-looking statement”). The words “anticipate,” “believe,” “ensure,” “expect,” “if,” “intend,” “estimate,” “project,” “foresee,” “forecasts,” “predict,” “outlook,” “aim,” “will,” “could,” “should,” “potential,” “would,” “may,” “probable,” “likely,” and similar expressions, and the negative thereof, are intended to identify forward-looking statements. There are many risks and uncertainties that could cause actual results to differ materially from our forward-looking statements. These forward-looking statements are also affected by the risk factors described in the Company’s annual report on Form 10-K for the period ended December 31, 2018 and quarterly reports on Form 10-Q for the periods ended March 31, 2019, June 30, 2019 and September 30, 2019 and those set forth from time to time in other filings with the Securities and Exchange Commission (“SEC”). The documents are available through the Company’s website at: www.investors.bakerhughes.com or through the SEC’s Electronic Data Gathering and Analysis Retrieval (“EDGAR”) system at: www.sec.gov. We undertake no obligation to publicly update or revise any forward-looking statement.

The Company presents its financial results in accordance with GAAP; however, management believes that using additional non-GAAP measures will enhance the evaluation of the profitability of the Company and its ongoing operations. See the Appendix of this presentation for a reconciliation of GAAP to non-GAAP financial measures.

Baker Hughes today is not an ordinary OFSE company



Total company revenue outside NAM



OFS revenue outside NAM



Revenue more “industrial” in nature (TPS, DS) ... strong aftermarket service entitlement



OFS revenue tied to production ... artificial lift, chemicals



Net capex % of revenue since forming Baker Hughes ... less capital intensive than peer group



Total company aftermarket service backlog ... TPS, OFE, DS

Our strategic priorities are focused on building a differentiated energy technology company

Baker Hughes ... an unparalleled portfolio

We deliver across the energy value chain through our 4 market-leading product companies

Oilfield Services

Leader in well construction & production

Strong global presence

Focus on execution, reliability & cost



Oilfield Equipment

Leading subsea production & flexibles portfolio

Strong execution & technology pipeline

Collaborative partnerships & new models



Turbomachinery & Process Solutions

Technology leader in LNG & upstream production

Significant installed base

Proven track record in the most critical projects



Digital Solutions

Best in class sensing & measurement technology

Differentiated software offerings

Leader in critical inspection technology



Our strategy

Leading product companies

- Innovative products & services
- Integrated solutions



Lead with technology

- Advanced manufacturing
- Digital transformation



Lead the energy transition

- Gas value chain
- Low carbon energy solutions



Leading the energy transition

We have committed to **achieve net-zero carbon eq. emissions** by 2050, and invest in new technologies to **help customers reduce their emissions.**

Low carbon energy solutions

Reduce flaring, venting, and fugitive emissions



Efficient power generation



Efficient oilfield



New energy ecosystems



Evolving our strategic priorities

2017/2018

- Re-establish presence with customers ... commercial framework
- Deliver on synergies – SG&A
- Integration ... bring cultures together
- Define roles & responsibilities
- Maintain technology DNA + leadership



2018/2019

- Deliver on synergies – SG&A + product cost
- Growth ... regain lost share in OFS (International) ... position for LNG wave
- Refine operating mechanisms ... simplification & digitization
- Preparation for separation from GE



2019/2020

- Continue delivering on margin improvement ... product cost + service delivery cost
- Portfolio alignment with highest returns activities
- Continued focus on operations ... service delivery, project execution
- GE separation
- Deliver on free cash flow & returns potential



Continue margin improvement initiatives

Significant progress on expanding operating margins

Adjusted operating income %, growth from 2Q'17 to 3Q'19

+496bps

Improvement in total company adjusted operating income margins

+715bps

Improvement in OFS segment operating income margins

↓ 345 bps

Reduction in SG&A as % of revenue from 3Q'17 to 3Q'19

Launching next wave of improvement areas



Drive product cost-out ... improved procurement , product standardization



Improve service delivery ... better efficiency, utilization, execution



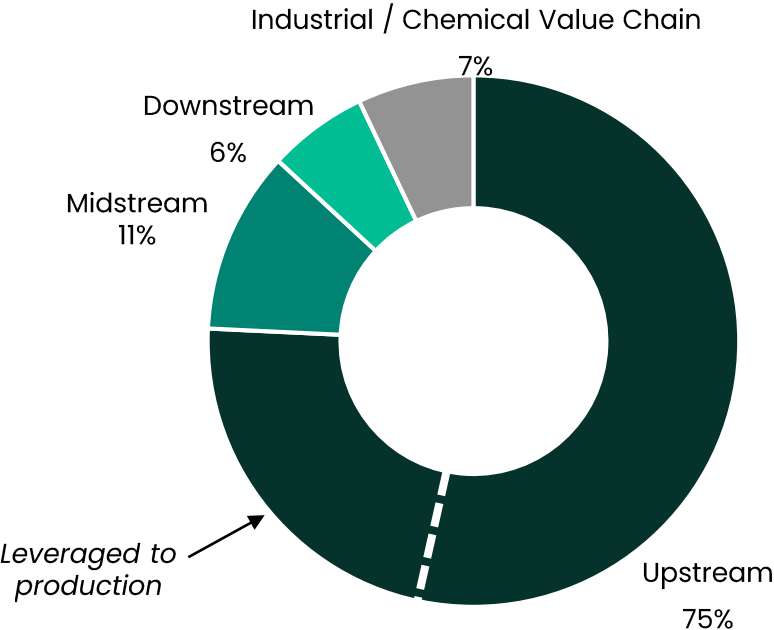
Drive supply chain excellence ... process redesign, lean, on-time delivery



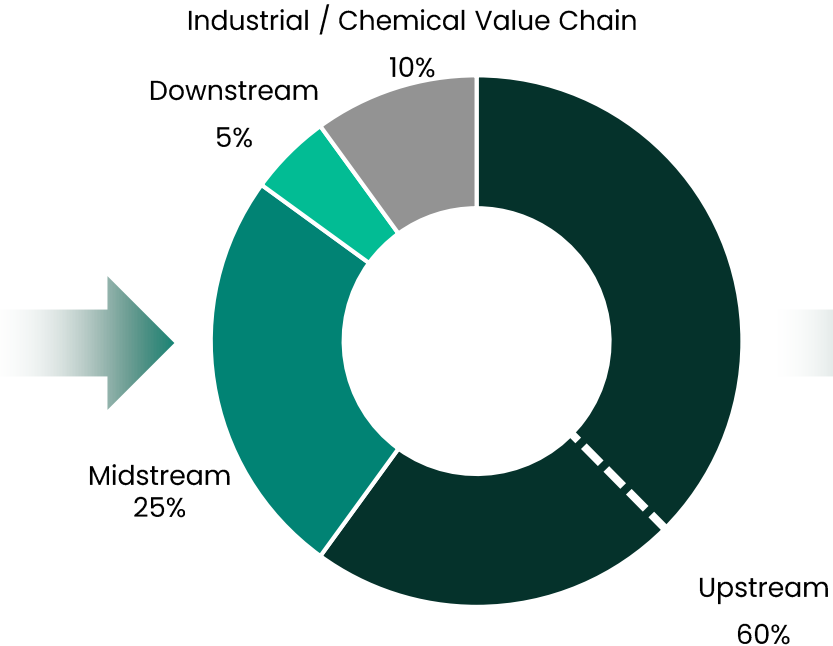
Digitize processes ... efficiency through digital capability, artificial intelligence

Evolving the portfolio ... differentiation for the future

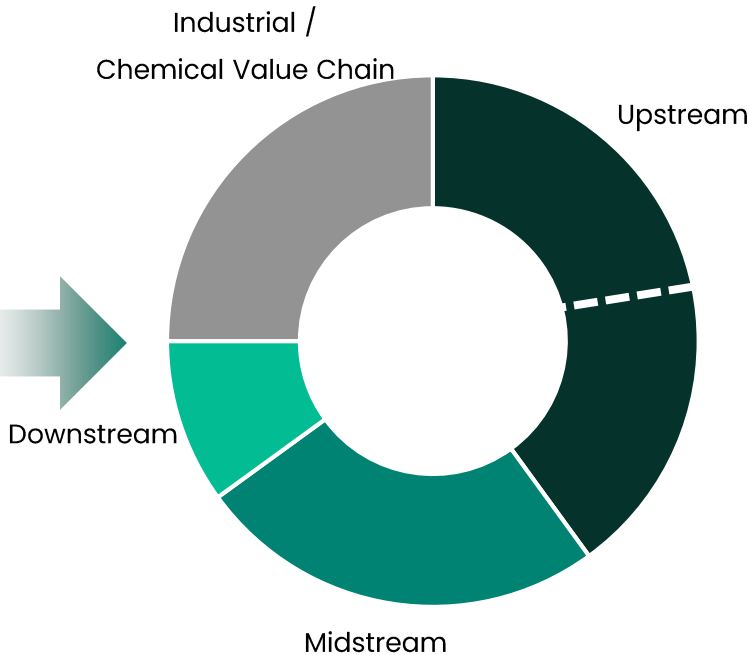
2014



2018



Future state

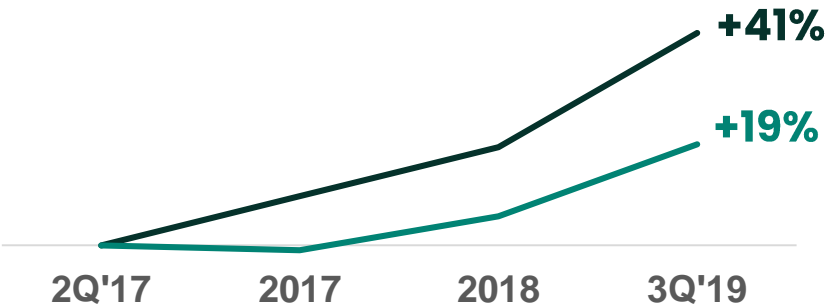


Capturing the energy transition ... greater exposure to midstream, chemicals, and industrial markets

Continued focus on operations

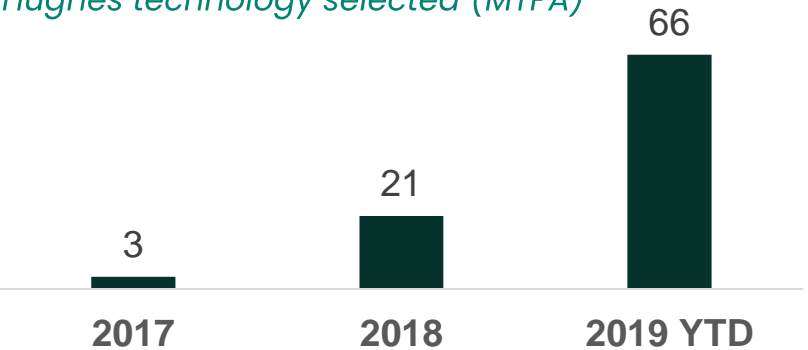
Strong international OFS growth

- OFS international revenue indexed growth since 2Q'17
- International rig count indexed growth since 2Q'17



Continued LNG success

Sanctioned FID LNG Projects with Baker Hughes technology selected (MTPA)



Focused on executing for customers

ADNOC Drilling

- Drilled over 200k feet
- Saved more than 150 days of drilling time on first 20 wells
- Completed first offshore well in 3Q'19, increasing drilling efficiency by 25%

Equinor

- Fully integrated 8 drilling units + 2 already existing
- More than 780k feet drilled with best-in-class performance
- Awarded two additional fields based on early drilling performance

Continued excellence in LNG

- Yamal Train 3 start-up one year ahead of schedule
- Cheniere production increase to 4.7 – 5.0 MTPA per train
- Launched LM9000 gas turbine on Arctic-2 LNG
- Awarded contract for VG's 10 MTPA Calcasieu Pass

GE separation



Commercial agreements in place ... solidifies operational and commercial relationships for the long term ... certainty for customers



Executed secondary offerings in Nov '18 and Sep '19, GE reduced to ~36.8% ownership ... working collaboratively with GE as they pursue their orderly exit



Investing in systems and processes that enable us to fully separate ... e.g. IT, HR, and other back office systems

Deliver on free cash flow potential

Capital allocation actions since deal close

\$3.2 billion

Share buyback
executed

\$1.6B / 3.1%

CAPEX spend /
% of revenue

161 bps

Reduction in
cost of debt

\$1.8 billion

Dividends
paid

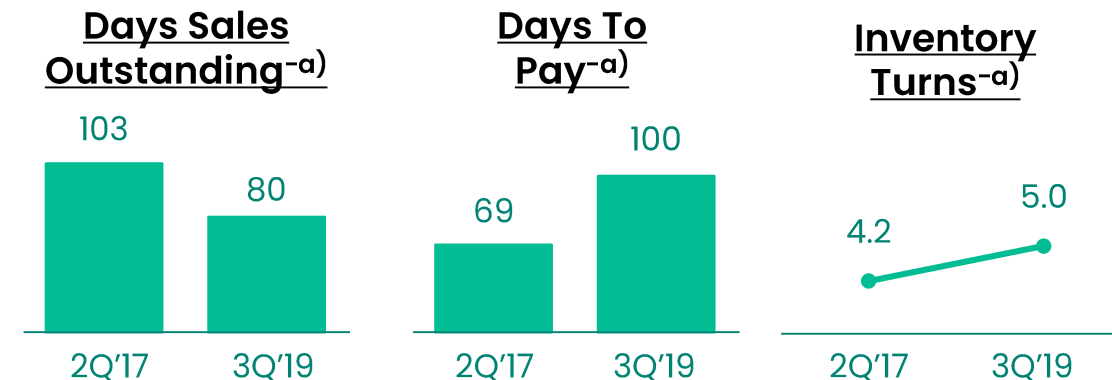
\$1.6 billion

Research &
development
spend

A3 / A-

Investment grade
rating

Improving working capital processes



Goals going forward

- Commitment to capital discipline ... capex up to 5% of revenue
- Delivering 90% free cash flow conversion
- Returning excess capital to shareholders

At Baker Hughes we are committed to social responsibility

Core elements embedded in how we operate



People

- Empower people in a culture of inclusion and support communities to be vibrant places to live and work
- Stewards of the environment, inventing technologies for reduced impact and using resources wisely
- Grounded on sound governance, effective policies and guidelines, and transparency



Planet



Principles

Improving Health, Safety, and Environment

153

“Perfect HSE days” achieved in ‘18
... up 20% year-over-year

*Days without a recordable injury, vehicle accident,
and serious environmental spills or releases*

I AM Responsible for a Perfect HSE Day

Driving carbon footprint reduction



Net-zero Baker Hughes CO₂
emissions by 2050

*While investing in our portfolio of advanced
technologies to enable customer's reduction*



Incentive compensation metrics aligned to shareholder returns

Short term

- Revenue
- Operating income
- Free cash flow

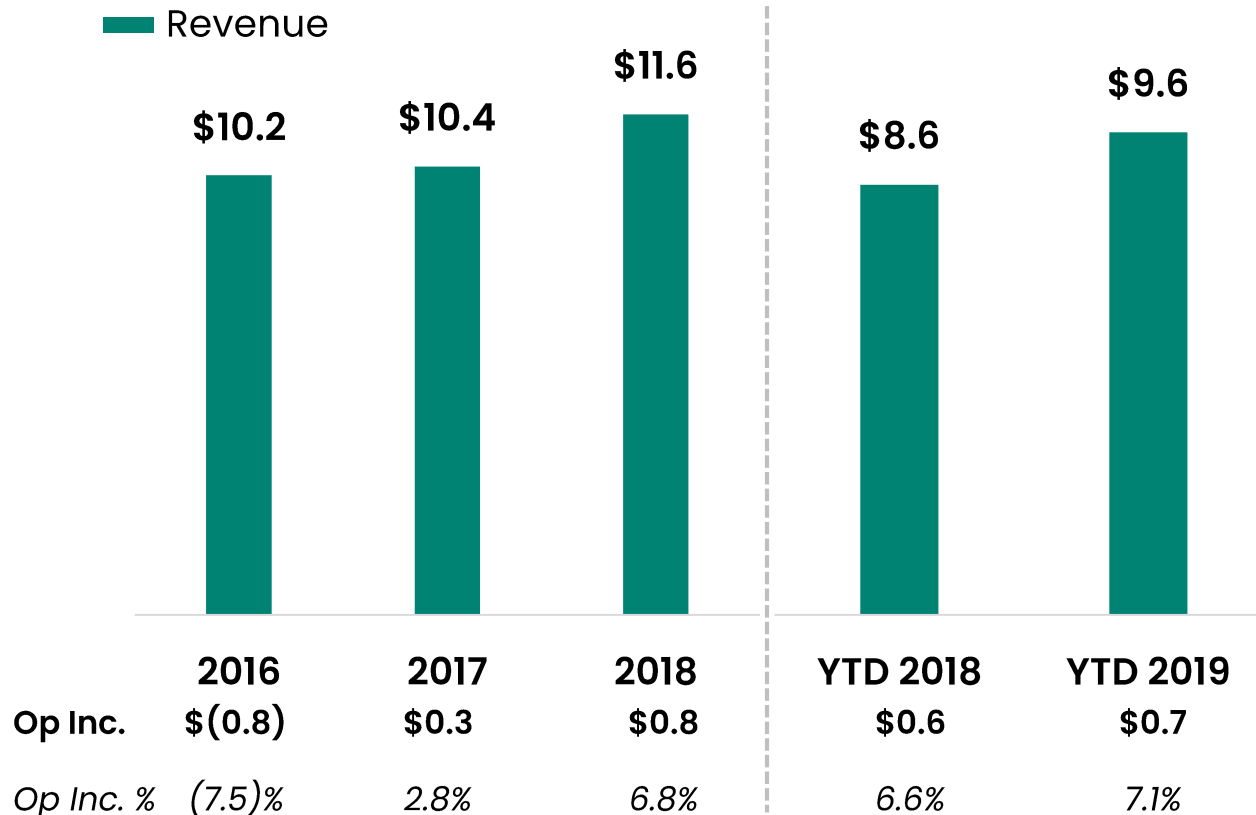
Long term

- Relative return on invested capital
- Relative total shareholder returns

Appendix

Oilfield Services (OFS)

Financials (\$ in billions)



Business overview

- ~100-year legacy, strong technology
- Leader in well construction
- ~40% North America / ~60% International revenues
- ~40% production oriented ... Artificial Lift and Chemicals

Recent highlights

Winning commercially:

- Agreement with Saudi Aramco to provide services for a number of key projects over the next five years in 3Q'19
- Completed first offshore well with ADNOC Drilling, increasing drilling efficiency by 25% in 3Q'19
- Awarded a long-term contract to supply upper completions and well monitoring for 94 wells in the UAE in 2Q'19
- Large, multi-year wireline contract with Petrobras in 1Q'19

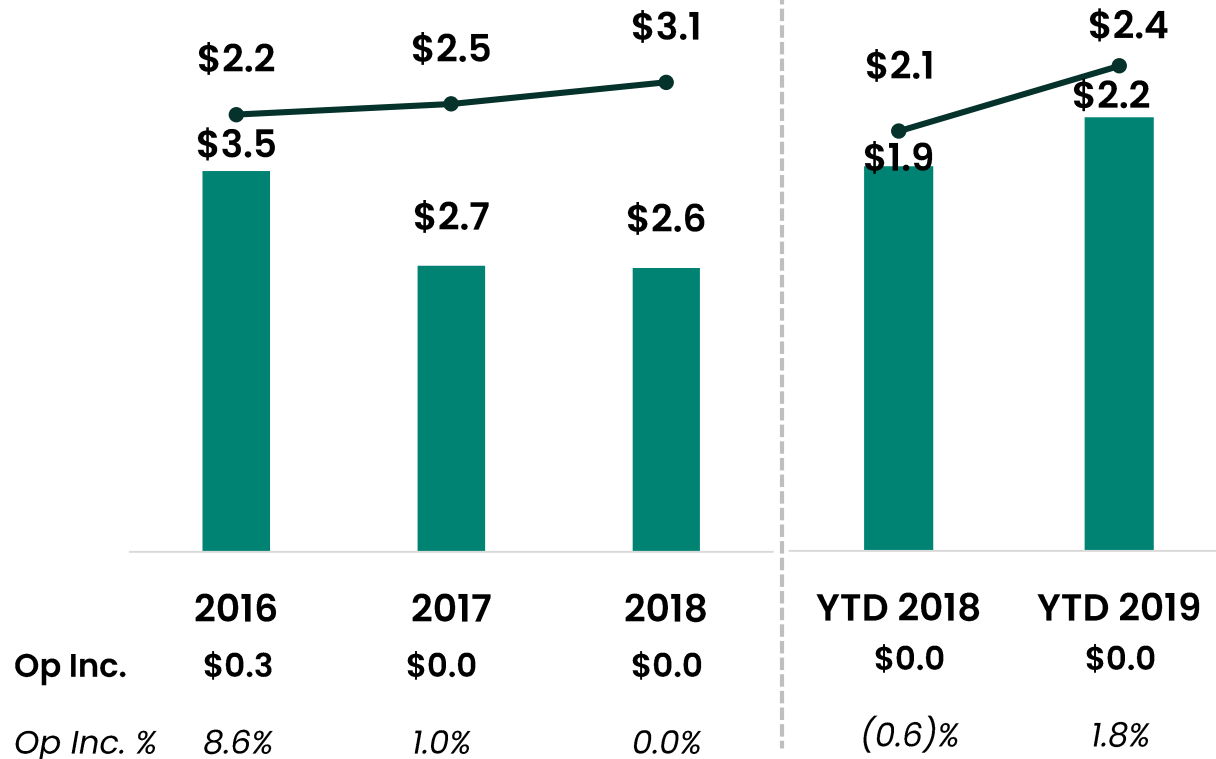
Improving margins:

- Expanded operating income margins by ~710bps since 2Q'17
- Driving supply chain efficiencies, asset utilization and lowering product costs through better procurement and standardization

Oilfield Equipment (OFE)

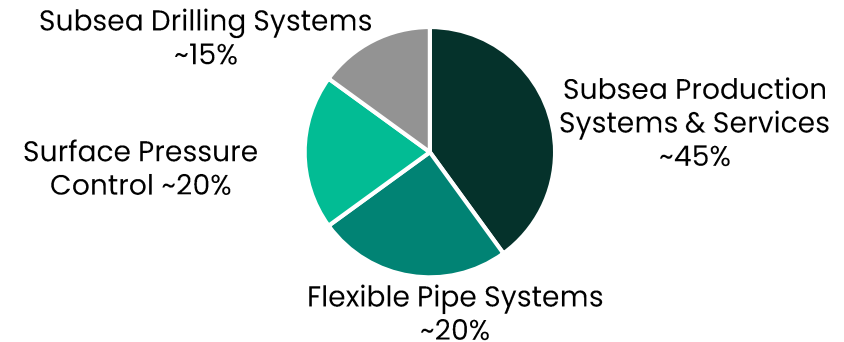
Financials (\$ in billions)

— Orders
— Revenue



Business overview

- Leading subsea production systems & flexible pipes
- Collaborative partnerships & new models
- New Subsea Connect and Aptara™ TOTEX-Lite Subsea System
- Last 4-year revenue split:

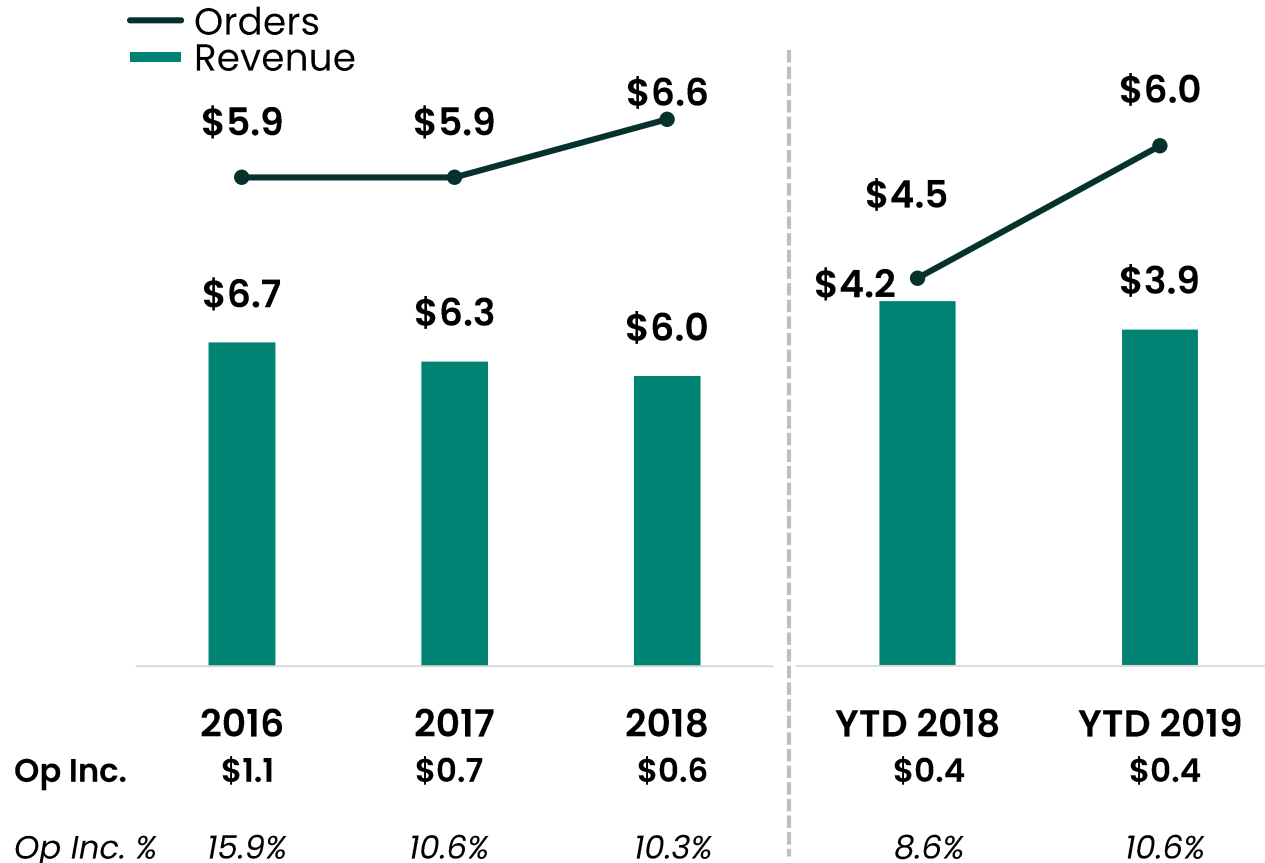


Recent highlights

- Won 16 trees for Vår Energi's Balder X project in 3Q'19
- Awarded 7 trees for Inpex's Ichthys LNG field in 3Q'19
- Won 6 trees with Apache in North Sea in 3Q'19
- Awarded 7 trees for Beach Energy's Otway Project in 1Q'19
- Won 34 trees for ONGC's 98/2 project in India in 4Q'18
- Awarded 13 trees for Chevron's Gorgon Phase 2 in 2Q'18
- Commercialized composite technology for flexible risers

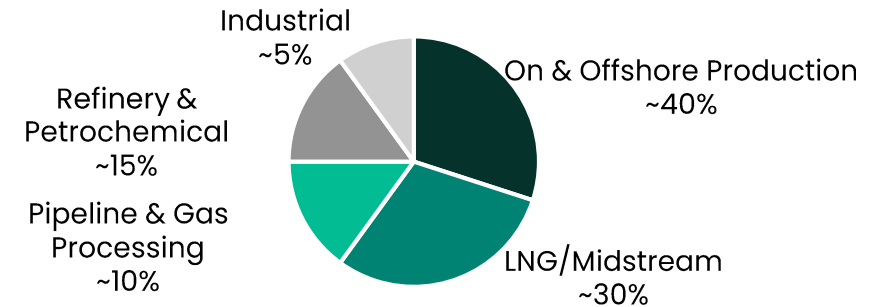
Turbomachinery & Process Solutions (TPS)

Financials (\$ in billions)



Business overview

- Technology leader in LNG & upstream production
- Proven track record in the most challenging projects
- Significant installed base ... \$13B service backlog (RPO)
- ~40% Equipment / ~60% After-market Services revenue in 2018
- Last 4-year equipment revenue split:



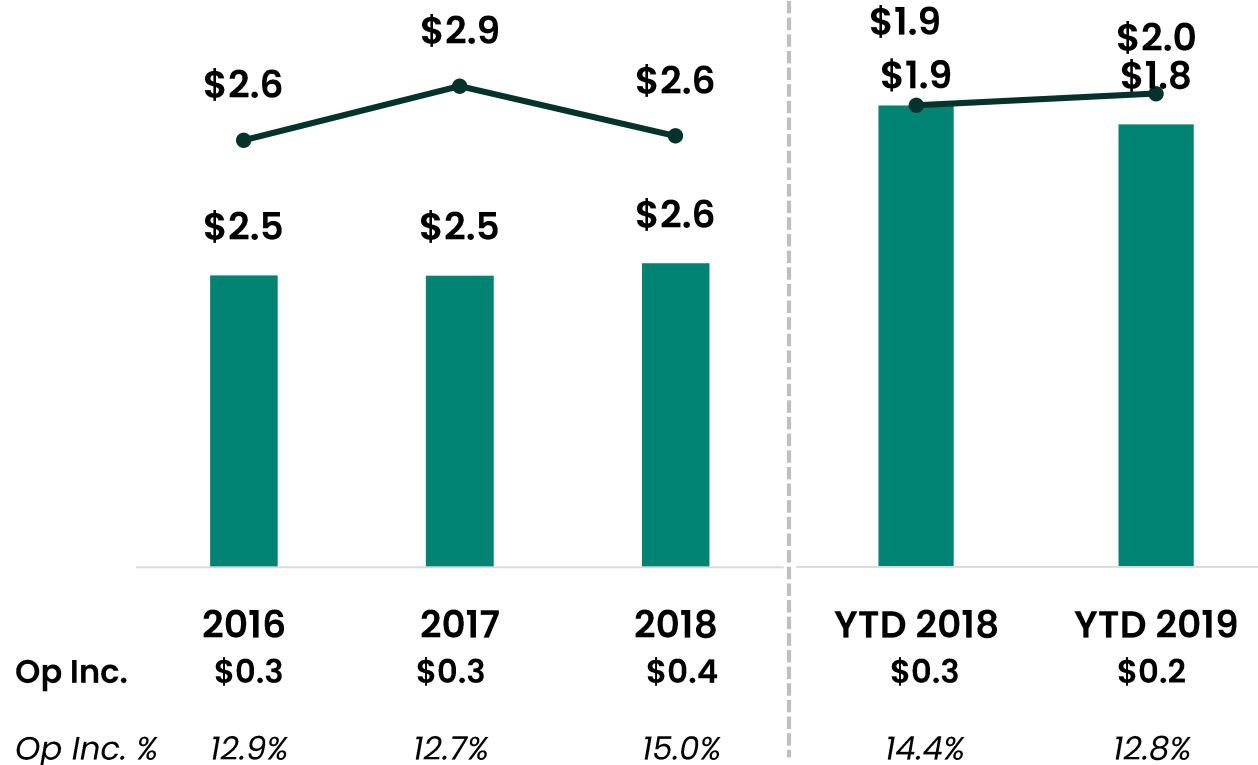
Recent highlights

- Awarded liquefaction trains for Calcasieu Pass LNG in 3Q'19
- Awarded power gen & compression for two FPSOs in 3Q'19
- Selected for Mozambique LNG liquefaction system in 2Q'19
- Booked major LNG project in Arctic region in 2Q'19
- Awarded Sabine Pass LNG Train 6 liquefaction system in 2Q'19
- Secured liquefaction trains for Golden Pass LNG in 1Q'19

Digital Solutions (DS)

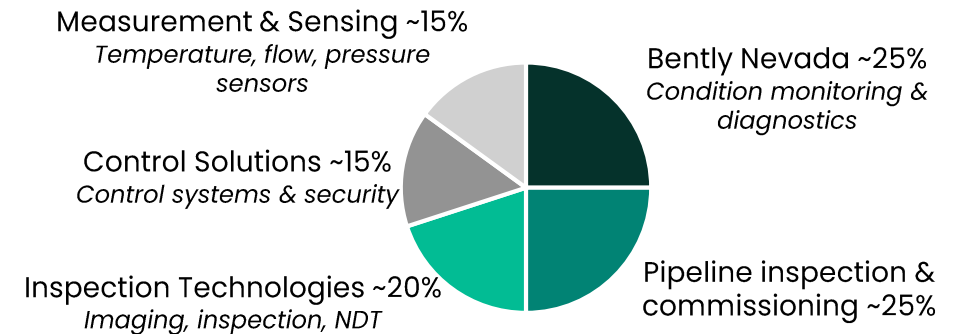
Financials (\$ in billions)

— Orders
— Revenue



Business overview

- Best in class measurement & sensing technology
- Differentiated software offerings
- Leader in critical inspection technology
- Last 4-year revenue split:



Recent highlights

- Formed BakerHughesC3 partnership with C3.ai in 2Q'19 ... launched first product in 3Q'19
- Launched customer solutions centers in Korea in 3Q'19 and Cincinnati in 2Q'18 ... plans for more in Silicon Valley

Historical financials and non-GAAP reconciliation (1/2)

(\$ in millions)

| <u>Orders</u> | <u>TY2016</u> | <u>1Q'17</u> | <u>2Q'17</u> | <u>3Q'17</u> | <u>4Q'17</u> | <u>TY'17</u> | <u>1Q'18</u> | <u>2Q'18</u> | <u>3Q'18</u> | <u>4Q'18</u> | <u>TY'18</u> | <u>1Q'19</u> | <u>2Q'19</u> | <u>3Q'19</u> |
|---|----------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|
| Oilfield Services | 10,242 | 2,397 | 2,530 | 2,734 | 2,765 | 10,426 | 2,640 | 2,866 | 3,011 | 3,051 | 11,569 | 2,997 | 3,266 | 3,354 |
| Oilfield Equipment | 2,218 | 476 | 797 | 760 | 515 | 2,548 | 499 | 1,035 | 553 | 1,041 | 3,129 | 766 | 617 | 1,029 |
| Turbomachinery | 5,851 | 1,314 | 1,556 | 1,334 | 1,728 | 5,932 | 1,450 | 1,498 | 1,552 | 2,123 | 6,624 | 1,271 | 1,983 | 2,784 |
| Digital Solutions | 2,588 | 631 | 674 | 918 | 694 | 2,916 | 649 | 637 | 629 | 668 | 2,583 | 659 | 688 | 616 |
| Total Orders | 20,899 | 4,817 | 5,557 | 5,745 | 5,701 | 21,821 | 5,238 | 6,036 | 5,746 | 6,884 | 23,904 | 5,693 | 6,554 | 7,783 |
| <u>Revenue</u> | | | | | | | | | | | | | | |
| Oilfield Services | 10,181 | 2,390 | 2,529 | 2,661 | 2,781 | 10,361 | 2,678 | 2,884 | 2,993 | 3,062 | 11,617 | 2,986 | 3,263 | 3,348 |
| Oilfield Equipment | 3,541 | 716 | 681 | 613 | 650 | 2,661 | 664 | 617 | 631 | 729 | 2,641 | 735 | 693 | 728 |
| Turbomachinery | 6,668 | 1,644 | 1,586 | 1,414 | 1,651 | 6,295 | 1,460 | 1,385 | 1,389 | 1,782 | 6,015 | 1,302 | 1,405 | 1,197 |
| Digital Solutions | 2,526 | 573 | 620 | 614 | 717 | 2,524 | 598 | 662 | 653 | 691 | 2,604 | 592 | 632 | 609 |
| Total Revenue | 22,915 | 5,324 | 5,416 | 5,301 | 5,799 | 21,841 | 5,399 | 5,548 | 5,665 | 6,264 | 22,877 | 5,615 | 5,994 | 5,882 |
| <u>Segment operating income (loss)</u> | | | | | | | | | | | | | | |
| Oilfield Services | (765) | 76 | 26 | 88 | 102 | 292 | 141 | 189 | 231 | 224 | 785 | 176 | 233 | 274 |
| Oilfield Equipment | 305 | 50 | 17 | (41) | (1) | 26 | (6) | (12) | 6 | 12 | 0 | 12 | 14 | 14 |
| Turbomachinery | 1,058 | 252 | 122 | 134 | 157 | 665 | 119 | 113 | 132 | 257 | 621 | 118 | 135 | 161 |
| Digital Solutions | 325 | 63 | 62 | 77 | 118 | 320 | 73 | 96 | 106 | 115 | 390 | 68 | 84 | 82 |
| Total segment operating income (loss) | 924 | 442 | 227 | 258 | 375 | 1,302 | 326 | 387 | 475 | 608 | 1,796 | 373 | 465 | 531 |
| Corporate | (515) | (158) | (107) | (89) | (92) | (446) | (98) | (98) | (98) | (110) | (405) | (100) | (105) | (109) |
| Merger, impairment, restructuring & other | (1,876) | (244) | (264) | (363) | (395) | (1,266) | (269) | (211) | (95) | (116) | (691) | (97) | (90) | (125) |
| Operating income (loss) (GAAP) | (1,467) | 39 | (145) | (193) | (111) | (409) | (41) | 78 | 282 | 382 | 701 | 176 | 271 | 297 |
| Memo: Depreciation & Amortization | n/m | 351 | 344 | 380 | 425 | 1,501 | 388 | 392 | 353 | 352 | 1,486 | 350 | 360 | 355 |
| <u>Non-GAAP reconciliation</u> | | | | | | | | | | | | | | |
| Operating income (loss) (GAAP) | (1,467) | 39 | (145) | (193) | (111) | (409) | (41) | 78 | 282 | 382 | 701 | 176 | 271 | 297 |
| Less: Merger, impairment, restructuring & other | (1,876) | (244) | (264) | (363) | (395) | (1,266) | (269) | (211) | (95) | (116) | (691) | (97) | (90) | (125) |
| Adjusted operating income (Non-GAAP) | 409 | 283 | 120 | 169 | 284 | 856 | 228 | 289 | 377 | 498 | 1,391 | 273 | 361 | 422 |

Non-GAAP reconciliations (2/2)

(\$ in millions)

Reconciliation of GAAP and combined business basis measures used in this presentation

| | Baker Hughes ^(a) | | | | Add: Legacy BHI | | | | Combined business basis | | | |
|--------------------------------------|-----------------------------|--------------|--------------|--------------|-----------------|--------------|--------------|--------------|-------------------------|--------------|--------------|--------------|
| Consolidated results | TY'16 | 1Q'17 | 2Q'17 | TY'17 | TY'16 | 1Q'17 | 2Q'17 | TY'17 | TY'16 | 1Q'17 | 2Q'17 | TY'17 |
| Revenue | 13,082 | 3,064 | 3,015 | 17,179 | 9,833 | 2,260 | 2,401 | 4,662 | 22,915 | 5,324 | 5,416 | 21,841 |
| Operating income / (loss) (GAAP) | 457 | 86 | (66) | (284) | (1,924) | (47) | (79) | (125) | (1,467) | 39 | (145) | (409) |
| Operating income / (loss) (adjusted) | 1,144 | 207 | 82 | 745 | (735) | 76 | 37 | 111 | 409 | 283 | 119 | 856 |
| Corporate operating loss | (375) | (120) | (70) | (370) | (140) | (38) | (38) | (76) | (515) | (158) | (107) | (446) |
| Impairment of goodwill | - | - | - | - | (1,858) | - | - | - | (1,858) | - | - | - |
| Inventory impairment | (138) | (15) | (4) | (244) | (617) | - | - | - | (755) | (15) | (4) | (244) |
| Restructuring, impairment & other | (516) | (42) | (59) | (412) | (2,014) | (90) | (67) | (157) | (2,531) | (132) | (126) | (569) |
| Merger and related costs | (33) | (66) | (85) | (373) | 3,301 | (31) | (49) | (80) | 3,267 | (97) | (134) | (453) |
| Oilfield Services | | | | | | | | | | | | |
| Revenue | 788 | 212 | 228 | 5,881 | 9,393 | 2,177 | 2,301 | 4,480 | 10,181 | 2,390 | 2,529 | 10,361 |
| Operating income / (loss) | (207) | (57) | (66) | 67 | (558) | 133 | 92 | 225 | (765) | 76 | 26 | 292 |
| Digital Solutions | | | | | | | | | | | | |
| Revenue | 2,086 | 491 | 520 | 2,342 | 440 | 82 | 100 | 182 | 2,526 | 573 | 620 | 2,524 |
| Operating income / (loss) | 363 | 84 | 79 | 357 | (38) | (21) | (17) | (37) | 325 | 63 | 62 | 320 |

(a- TY'16 results include only GE Oil and Gas; TY'17 represents Baker Hughes Company results

Note: certain columns and rows may not add up due to the use of rounded numbers

Baker Hughes 