

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of  
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 6, 2022

**Baker Hughes Company**

**Baker Hughes Holdings LLC**

(Exact name of registrant as specified in charter)

Delaware  
(State of Incorporation)

1-38143  
(Commission File No.)

81-4403168  
(I.R.S. Employer  
Identification No.)

Delaware  
(State of Incorporation)

1-09397  
(Commission File No.)

76-0207995  
(I.R.S. Employer  
Identification No.)

17021 Aldine Westfield  
Houston, Texas  
(Address of Principal Executive Offices)

77073-5101  
(Zip Code)

Registrant's telephone number, including area code: (713) 439-8600  
(former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)  
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)  
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))  
 Pre-commencement communications pursuant to Rule 13e-4(e) under the Exchange Act (17 CFR 240.13e-4(e))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A Common Stock, par value \$0.0001 per share	BKR	The Nasdaq Stock Market LLC
5.125% Senior Notes due 2040	-	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangement of Certain Officers.**

In connection with today's announcement of Baker Hughes Company's (the "Company") restructuring and simplifying of its organizational structure, Neil Saunders will be departing the Company. The Company and Mr. Saunders have agreed to discuss an appropriate transition period, during which Mr. Saunders will transition his duties to other management personnel. The Company thanks Mr. Saunders for his significant contributions to the Company and wishes him success in his future endeavors.

**Item 7.01 Regulation FD Disclosure.**

On September 6, 2022, the Chairman, President and Chief Executive Officer of the Company, Lorenzo Simonelli, presented at the Barclays 2022 CEO Energy-Power Conference in New York at 12:40 p.m. Eastern time. A copy of the presentation and news release is furnished with this Form 8-K as Exhibit 99.1 and 99.2, respectively, and incorporated into this Item 7.01 by reference. In accordance with General Instructions B.2. of Form 8-K, the information shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

In addition to financial results determined in accordance with generally accepted accounting principles ("GAAP") that are included in the presentation, certain information included therein could be considered non-GAAP financial measures (as defined under the SEC's Regulation G). Any non-GAAP financial measures should be considered in addition to, and not as an alternative for, or superior to, operating income (loss) cash flows or other measures of financial performance prepared in accordance with GAAP as more fully discussed in the Company's financial statements, including the notes thereto, and filings with the SEC.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

<a href="#">99.1*</a>	<a href="#">Presentation of Baker Hughes Company, dated September 6, 2022</a>
<a href="#">99.2*</a>	<a href="#">News Release of Baker Hughes Company, dated September 6, 2022 – Baker Hughes Announces Simplified Organization to Enhance Profitability and Position for Growth</a>
101.SCH*	Inline XBRL Schema Document
101.CAL*	Inline XBRL Calculation Linkbase Document
101.LAB*	Inline XBRL Label Linkbase Document
101.PRE*	Inline XBRL Presentation Linkbase Document
101.DEF*	Inline XBRL Definition Linkbase Document
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

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**Signature**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BAKER HUGHES COMPANY

Dated: September 6, 2022

By:

/s/ Regina Jones

Regina Jones  
Chief Legal Officer

BAKER HUGHES HOLDINGS LLC

Dated: September 6, 2022

By:

/s/ Regina Jones

Regina Jones  
Chief Legal Officer

# Barclays CEO Energy Power Conference

Lorenzo Simonelli, Chairman & CEO

September 6, 2022

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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, 2021 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](http://www.investors.bakerhughes.com) or through the SEC's Electronic Data Gathering and Analysis Retrieval ("EDGAR") system at: [www.sec.gov](http://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.

## Sharpening our focus on building a differentiated Energy Technology Company

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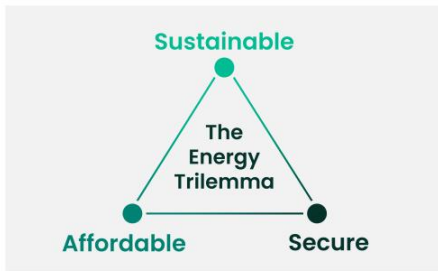
### OUR PATH FORWARD

- » Uniquely positioned to capitalize on cyclical commodity tailwinds and structural growth of energy transition
- » Improving margins and investing in leading industrial and energy transition technologies
- » Streamlining our corporate structure to deliver strategic and operational benefits
- » Enhancing returns, generating strong free cash flow, delivering more value to shareholders

Baker Hughes 

## Baker Hughes is positioned to capitalize on the evolving energy landscape

### ENERGY NEEDS TO BE:



### KEY MACRO THEMES

- Recent geopolitical events have **re-drawn the global energy map**, significantly changing the macro-outlook
- Governments are re-balancing their priorities between **sustainability, security, and affordability**
- “Net Zero” ambitions remain urgent ... energy crisis changing perceptions ... influencing a **more balanced approach**
- The need for **increased investment** in all forms of energy becoming more apparent to all parties

Well positioned to help address the Energy Trilemma ... key driver of near-term upstream & LNG spend, and growth in new energy technology investments

# Our strategy evolution continues

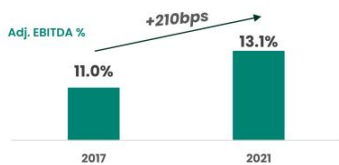
Successfully executing across all three pillars of our strategy to lead the energy transition

## Transform the core

**Margin expansion** – 210 bps margin expansion '17-'21 despite volume down 6%

**Enhanced FCF<sup>4</sup> conversion** – from 43% of adj. EBITDA<sup>5</sup> in '18 to 68% in '21

**Portfolio rationalization** – \$1.3B<sup>1</sup> of dispositions



## Invest for growth

**Tuck-in M&A** – \$2.1B<sup>2</sup> of strategic acquisitions & investments

**Disciplined approach** – Recycling disposal proceeds in acquisitions and investments

**Targeting select technologies** – Investing for growth across upstream & industrial sectors



## Position for new frontiers

**Clean technology acquisition** – Over 10 new technologies acquired

**Developing broad portfolio** – Deploying capital across CCUS, hydrogen, CPS<sup>3</sup> & geothermal

**Early commercial success** – \$350+M new energy orders over the last 18 months



Re-investing in growth opportunities while returning almost \$8B of capital since 2017

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1. Includes announced divestiture of Hexas Controls.

2. Includes announced acquisitions of Altus Intervention, AccessESP, BRUSH Group Power Generation and Quest Integrity.

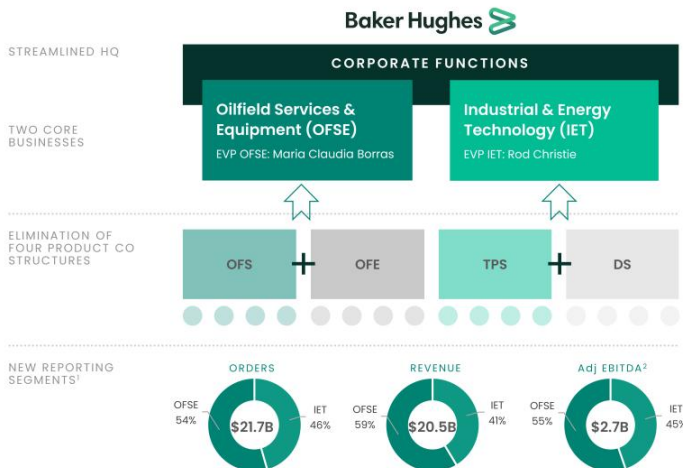
3. CPS – Clean Power Solutions.

4. Free Cash Flow is a non-GAAP measure – see appendix and latest financial disclosures for non-GAAP to GAAP reconciliations.

5. Adj. EBITDA is a non-GAAP measure – see appendix and latest financial disclosures for non-GAAP to GAAP reconciliations.



# Transforming the company to drive profitability & enhance optionality



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<sup>1</sup> 2022 data  
<sup>2</sup> Adj. EBITDA is a non-GAAP measure - see appendix and latest financial disclosures for non-GAAP to GAAP reconciliations. Note % OFSE / IET calculated from segment EBITDA (ex Corporate)

## CHANGING THE WAY WE OPERATE

- ✓ Creating two business segments focused on different growth profiles
- ✓ Reducing Executive Leadership team
- ✓ Removing management layers
- ✓ Simplifying operations to enhance profitability
- ✓ Enhancing organizational vitality

**\$150M**  
Cost out across HQ, OFSE & IET

**~25%**  
Reduction in CEO direct reports

Maximizing returns while positioning for strategic optionality



## Strategic & operational advantages of new streamlined structure

Enhancing execution... capitalizing on different spending cycles across a shared customer base

### Oilfield Services & Equipment (OFSE)

#### Maximizing value in a maturing industry

- Maturing industry fundamentals
- Leveraged to upstream spending cycles
- Focused on margin expansion
- Technology differentiation and capital light model
- Capital discipline and strong FCF generation

### Industrial & Energy Technology (IET)

#### Maximizing long-term growth potential in an evolving market

- Long-term structural growth outlook
- Leveraged to LNG, industrial & New Energy
- Investing for long-term growth
- High impact solutions to facilitate Energy Transition

**A3/A-**

Credit Rating

**~40%**

of 2021 revenue shared across top 25 customers<sup>1</sup>

**50+%**

Targeted FCF conversion

**60-80%**

Targeted FCF returned to shareholders

### Benefits and operational improvements of new structure

#### ✓ Maintain Scale

- Global facilities & supply chain
- Leading engineering and R&D expertise

#### ✓ Position for evolving customer needs

- Capitalize on IET and OFSE customer overlap
- Provide solutions across the energy value chain: CCUS, Geothermal, Emissions Mgmt & Digital

#### ✓ Simplified Org & Flexibility

- Leaner cost structure, faster decision making
- Efficient capital allocation
- New operational roles for key talent

#### ✓ Enhances strategic optionality

- Ability to rapidly execute a new corporate structure as priorities and market conditions evolve

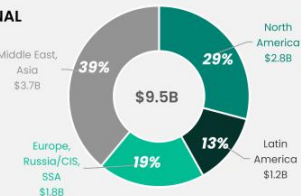
Copyright 2022 Baker Hughes Company. All rights reserved.  
1 Note: calculated from the top 25 customers who have purchased products and services from both IET & OFSE.

# Production focused portfolio with strong international presence

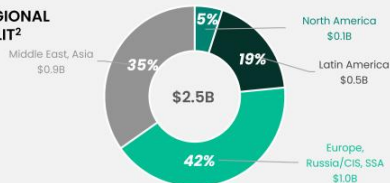
## Oilfield Services & Equipment Reporting Segments – Revenue TY '21

Well Construction \$3.3B	Completions, Intervention & Measurements \$3.1B	Production Solutions \$3.1B	Subsea & Surface Pressure Systems \$2.5B
<ul style="list-style-type: none"> <li>• Drilling Services</li> <li>• Drill Bits</li> <li>• Drilling &amp; Completion Fluids</li> </ul>	<ul style="list-style-type: none"> <li>• Completions &amp; Well Intervention</li> <li>• Wireline Services</li> <li>• Cementing</li> <li>• International Pressure Pumping</li> </ul>	<ul style="list-style-type: none"> <li>• Artificial Lift Systems</li> <li>• Oilfield &amp; Industrial Chemicals</li> </ul>	<ul style="list-style-type: none"> <li>• Subsea Production Systems</li> <li>• Flexible Pipe Systems</li> <li>• Surface Pressure Control</li> </ul>

OFS 2021 REGIONAL REVENUE SPLIT<sup>1</sup>



OFE 2021 REGIONAL REVENUE SPLIT<sup>2</sup>



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 1. Note: OFS revenue split for 2021. OFS Russia operations sale announced in August 2022, expected to close 2H 2022. OFS Russia revenue was \$0.5B in 2021.  
 2. Note: OFE revenue split for 2021. OFE Russia revenue was \$0.2B in 2021.

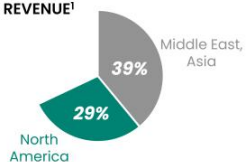
## Developing new solutions for current and evolving upstream market

### Capitalize on multi-year cycle

#### Multiple initiatives to capitalize on growth cycle and position for the future:

- Strong upstream spending expected '21-'24
- Leverage strong presence in Middle East, NAM, and offshore
- Evaluate portfolio, rationalize non-strategic products and markets

#### OFS 2021 REVENUE<sup>1</sup>



### Evolving our business models

Moving from selling products to more solutions-based offerings:

#### Well Construction

- Leading technology integrated into automated and remote operations workflows

#### Completions, Intervention, and Measurements

- Diverse portfolio of technology to evaluate, intervene and complete

#### Production Solutions

- Full-scale solutions from Lift, Chemicals, and Surface Pressure Control to smart production integrated solutions



### Develop new energy portfolio

Leveraging subsurface to surface portfolio to provide long-term growth in New Energy markets

#### Geothermal<sup>2</sup>

- Uniquely positioned through subsurface and power generation expertise to be technology partner of choice



#### CCUS

- Leading CO<sub>2</sub> storage technology provider



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1. Refer % of OFS revenues 2021

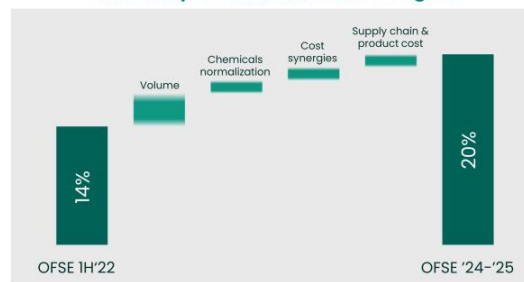
2. Image of the Maharangdong geothermal facility which utilizes GreenFire's technology - courtesy of the Energy Development Corporation - the Philippines' largest geothermal producer.

## OFSE strategy and execution

Positioned for cyclical upturn and preparing for new energy order

<p><b>Capitalize on macro tailwinds</b></p>	<ul style="list-style-type: none"> <li>• Multiyear upstream cycle to bolster growth</li> <li>• Well positioned in key markets – Middle East, NAM, offshore</li> <li>• Continue to high grade portfolio and geographic footprint, rationalize cost base</li> </ul>
<p><b>Invest in new strategic initiatives</b></p>	<ul style="list-style-type: none"> <li>• Build upon current portfolio to develop integrated production solutions</li> <li>• Develop geothermal and carbon storage technologies</li> <li>• Accelerate commercialization of key technologies</li> </ul>
<p><b>Portfolio integration &amp; actions</b></p>	<ul style="list-style-type: none"> <li>• Execute at least \$60 million in cost out through OFS/OFE integration</li> <li>• Right-size facilities footprint</li> <li>• Fix OFE supply chain</li> <li>• Leverage combined engineering resources</li> <li>• Leverage commercial relationships of OFS</li> <li>• Re-assess SPS strategy</li> </ul>

### Pathway to 20% EBITDA margins



### Financial targets



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 1. Note: ROIC is defined as: NOPAT / (non-cash net working capital + PPE + Goodwill + Intangibles)

# A broad industrial and energy portfolio

## Industrial & Energy Technology Reporting Segments – Revenue TY '21

### Gas technology

~65%  
IET revenue 2021

Equipment	Services
<b>\$2.9B</b> Gas Turbines • Aeroderivative & heavy-duty gas turbines • API steam turbines Compressors • Centrifugal, axial compressors • API reciprocating compressors	<b>\$2.7B</b> Services & Aftermarket • Contractual Service Agreements • Transactional • Spares • Repairs & Upgrades • Customer training • Field service engineers

### Industrial technology

~35%  
IET revenue 2021

Condition Monitoring	Inspection	Pumps, Valves & Gears	PSI & Controls
<b>\$0.6B</b> • Condition monitoring and protection devices • Advanced machinery diagnostic software solutions	<b>\$0.9B</b> Sensing • Ultrasonic • Film, radiography remote visual, X-ray Software & Services • Pre-commissioning services (pipelines) • Remote monitoring	<b>\$0.8B</b> • Centrifugal pumps • Process, control & safety valves • Gears and bearings	<b>\$0.6B</b> • Flow, gas, moisture (Panametrics) • Nuclear instrumentation and downhole (Reuter-Stokes) • Pressure (Druck) • Nexus Controls <sup>1</sup>

### Growth Areas

**Climate Technology Solutions**

- CCUS
- Hydrogen
- Clean Power Solutions
- Emissions Management
- CO<sub>2</sub> Abatement

**Industrial Asset Management**

- Industrial Equip. Health
- Asset Strategy Management
- Emissions
- Process Optimization

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 1. Nexus Controls sale announced in July 2022, expected to close in 2023.  
 Note: PSI – Precision Sensors & Instrumentation.

## Attractive near-term growth... Gas, Industrial & New Energy

### NEAR-TERM DRIVERS

- Services represent ~45% of total IET revenues
- Double digit top line growth from equipment orders '22-'25
- Building off a strong foundation in hydrogen & CCUS ... driving orders

**\$1.4B**  
Recurring in 2021

**\$10-11B**  
Expected orders in '22-'23

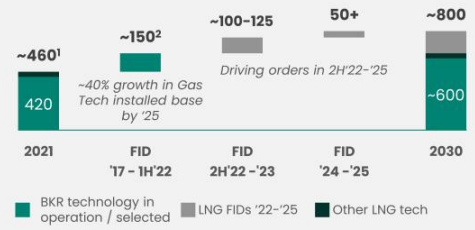
**~\$200M**  
New Energy orders in 2022

### STRATEGIC PRIORITIES

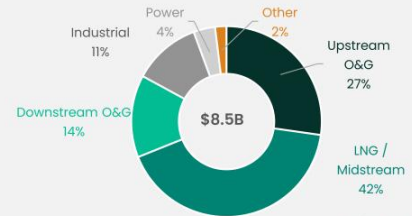
- Consolidate and operationally improve industrial businesses, focus on driving margin improvement
- Scale up research and investments in new energy portfolio ... R&D ~3-4% of revenue
- Develop and commercialize digital capabilities across IET... IAM, outcome based solutions

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 1. Source: S&P Global's Liquification Database 08/16/22  
 2. Note: excludes 28 MTPA of Russian projects under construction

### LNG outlook... strong order growth near-term



### IET Diversified End Markets – 2021 revenues



## Energy Transition drives long-term growth

### KEY DRIVERS OF GROWTH OUTLOOK

- Significant growth in services revenue
- Commercialize H2 and CCUS investments, driving strong CTS revenue growth
- Leverage current technologies to drive efficiencies and decarbonize industrial sectors
- Leverage IAM investments to expand recurring revenue base

**70%+**  
est. growth in global LNG capacity by ~2030

**\$6-7B**  
New Energy orders by 2030

**~20%**  
of global emissions<sup>1</sup>

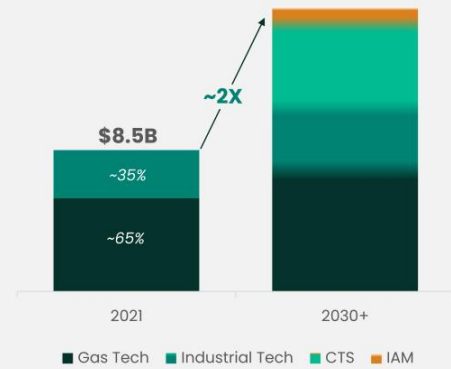
**3x**  
IAM orders by 2027

### INVESTMENT APPROACH FOR HIGH GROWTH AREAS

- Targeting CTS and IAM for long-term growth
- Targeting ~\$0.3B-\$0.4B of annual R&D across IET to drive new technology commercialization
- Foundational technology investments across existing IET portfolio ... efficiency improvements in gas turbine offerings to reduce emissions and target technology cost-out

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1. Source: S&P Global Infrastructure Scenario - Energy-related CO2 emissions by sector (before CCS savings) Industrial 2021-08-22

## Driving to double revenues



**Baker Hughes**

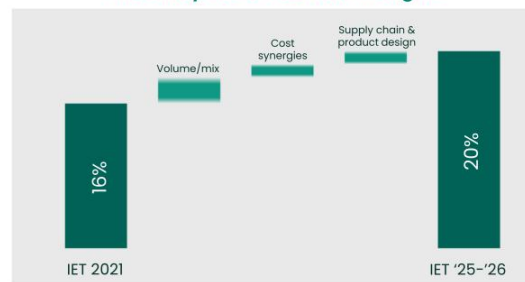


# IET strategy and execution

Creating a market leader for a net-zero economy

<p><b>Capitalize on macro tailwinds</b></p>	<ul style="list-style-type: none"> <li>Natural gas leader across value chain, with unrivalled LNG presence</li> <li>Leading compression and gas turbine technology, driving differentiation across multiple markets</li> <li>Growing installed base and service franchise</li> </ul>
<p><b>Invest in new strategic initiatives</b></p>	<ul style="list-style-type: none"> <li>Growing in industrial markets, leveraging flow control and condition monitoring expertise</li> <li>Grow CTS in CCUS, H2, Clean Integrated Power Solutions and Emissions Management</li> <li>Develop IAM capabilities for energy and industrial customers</li> </ul>
<p><b>Portfolio integration &amp; actions</b></p>	<ul style="list-style-type: none"> <li>Execute at least \$50 million in cost out through TPS/DS integration</li> <li>Streamline and re-position supply chain</li> <li>Lower cost product design</li> <li>Integration of key technologies (Bently Nevada, Inspection)</li> </ul>

## Pathway to 20% EBITDA margins



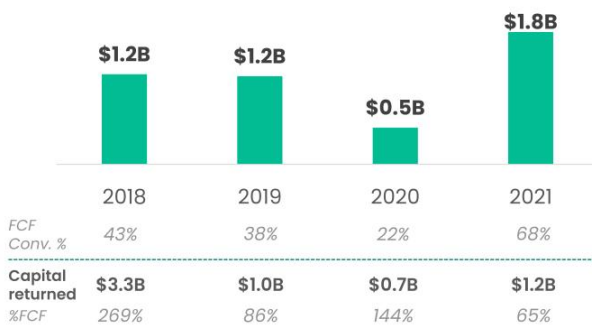
## Financial targets



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<sup>1</sup> Note: ROIC is defined as:  $\frac{\text{NOPAT}}{\text{Pre-cash net working capital} + \text{PPE} + \text{Goodwill} + \text{Intangibles}}$

## Continued emphasis on free cash flow & returns to shareholders

Delivering on FCF<sup>1</sup> potential >>>



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<sup>1</sup> Note: Free Cash Flow is a non-GAAP measure – see appendix and latest financial disclosures for non-GAAP to GAAP reconciliations

## Driving financial returns >>>

- Disciplined investment combined with returning cash to shareholders
- ~\$2.1B inorganic investments<sup>1</sup> funded partially through ~\$1.3B of disposals<sup>2</sup> proceeds
- Targeting 60-80% of FCF returned to shareholders
- Returned \$8B back to shareholders since company formation
- On pace to return ~\$1.5B back to shareholders in 2022

<sup>1</sup> Includes announced acquisitions of Atlas Intervention, AccessESP, BRUSH Group Power Generation and Quest Integrity.  
<sup>2</sup> Includes announced divestiture of Nexus Controls

## Committed to sustainability

Led by our purpose of making energy cleaner, safer, and more efficient for people and the planet



### DRIVING CARBON FOOTPRINT REDUCTION

#### Reduction in Baker Hughes Scope 1 and 2 GHG emissions compared to 2019 baseline

- Investing in low carbon energy technologies enabling customer's emissions reduction
- Four new (nine total) categories of Scope 3 emissions reported
- 24% of Baker Hughes electricity comes from renewables or zero-carbon sources
- Launched the "Carbon Out" Program

### HEALTH, SAFETY & WELLNESS

#### Providing a safe and healthy workplace for all

- Our commitment to HSE starts at the highest levels of our company and is embedded throughout all layers of the organization.
- 99 sites certified to ISO 1400 and 270 to ISO 9001
- Increased focus on mental and emotional wellbeing
- Zero substantiated complaints concerning breaches of customer privacy and losses of customer data

### COMMITTED TO DIVERSITY, EQUITY AND INCLUSION

#### Enacting new programs to promote inclusion and diversity

- Expanded reporting of workforce DEI metrics and published a public US EEO-1 report summary
- Updated process to evaluate and reconcile pay equity across the company.
- Established Global DEI Council to increase accountability

### ETHICS, COMPLIANCE, AND TRANSPARENCY

#### Improving external reporting & internal processes

- 92% of all employees completed annual Code of Conduct training,
- 100% of governance-body members received training on anti-corruption

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Baker Hughes 

## Committed to creating shareholder value

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### ACTION PLAN TO DELIVER SHAREHOLDER VALUE

- » Restructuring from four product companies into two business segments, improving operations and enhancing future optionality
- » Capitalizing on the current multi-year upstream spending cycle and the next wave of LNG investment
- » Create new operational roles for upcoming talent
- » Disciplined investment in new energy and industrial technologies... Lead in climate change
- » Prioritizing free cash flow and returning capital to our shareholders

# Appendix

## GAAP to Non-GAAP Reconciliations

(\$ in millions)

### Reconciliation of Cash Flow From Operating Activities to Free Cash Flow

Non-GAAP reconciliation																
	TY2017 <sup>2</sup>	TY2018	TY2019	1Q2020	2Q2020	3Q2020	4Q2020	TY2020	1Q2021	2Q2021	3Q2021	4Q2021	TY2021	1Q2022	2Q2022	1H2022
<b>Cash flow from operating activities (GAAP)</b>	<b>(1,028)</b>	<b>1,762</b>	<b>2,126</b>	<b>478</b>	<b>230</b>	<b>219</b>	<b>378</b>	<b>1,304</b>	<b>678</b>	<b>506</b>	<b>416</b>	<b>773</b>	<b>2,374</b>	<b>72</b>	<b>321</b>	<b>393</b>
Add: cash used in capital expenditures, net of proceeds from disposal of assets	(575)	(537)	(976)	(325)	(167)	(167)	(127)	(787)	(180)	(121)	(11)	(129)	(541)	(177)	(174)	(351)
<b>Free cash flow (Non-GAAP)</b>	<b>(1,602)</b>	<b>1,225</b>	<b>1,150</b>	<b>152</b>	<b>63</b>	<b>52</b>	<b>250</b>	<b>518</b>	<b>498</b>	<b>385</b>	<b>305</b>	<b>645</b>	<b>1,832</b>	<b>(105)</b>	<b>147</b>	<b>42</b>

### Reconciliation of Operating Income to Adjusted EBITDA and Adjusted EBITDA Margin

Non-GAAP reconciliation																
	TY2017 <sup>2</sup>	TY2018	TY2019	1Q2020	2Q2020	3Q2020	4Q2020	TY2020	1Q2021	2Q2021	3Q2021	4Q2021	TY2021	1Q2022	2Q2022	1H2022
<b>Revenue</b>	<b>21,841</b>	<b>22,877</b>	<b>23,838</b>	<b>5,425</b>	<b>4,736</b>	<b>5,049</b>	<b>5,495</b>	<b>20,705</b>	<b>4,782</b>	<b>5,142</b>	<b>5,093</b>	<b>5,485</b>	<b>20,502</b>	<b>4,835</b>	<b>5,047</b>	<b>9,882</b>
<b>Operating Income (loss) (GAAP)</b>	<b>(409)</b>	<b>701</b>	<b>1,074</b>	<b>(16,059)</b>	<b>(52)</b>	<b>(49)</b>	<b>182</b>	<b>(15,978)</b>	<b>164</b>	<b>194</b>	<b>378</b>	<b>574</b>	<b>1,310</b>	<b>279</b>	<b>(25)</b>	<b>253</b>
Less: Merger, Impairment, Restructuring & Other	(1,265)	(691)	(528)	(16,299)	(166)	(283)	(281)	(17,018)	(106)	(139)	(24)	3	(266)	(70)	(402)	(472)
<b>Adjusted Operating Income (Non-GAAP)</b>	<b>856</b>	<b>1,391</b>	<b>1,602</b>	<b>240</b>	<b>104</b>	<b>234</b>	<b>462</b>	<b>1,040</b>	<b>270</b>	<b>333</b>	<b>402</b>	<b>571</b>	<b>1,576</b>	<b>348</b>	<b>376</b>	<b>725</b>
Add: Depreciation & Amortization	1,537	1,486	1,418	355	340	315	307	1,317	292	278	262	273	1,105	277	275	551
<b>Adjusted EBITDA (Non-GAAP)</b>	<b>2,393</b>	<b>2,877</b>	<b>3,020</b>	<b>594</b>	<b>444</b>	<b>549</b>	<b>770</b>	<b>2,357</b>	<b>562</b>	<b>611</b>	<b>664</b>	<b>844</b>	<b>2,681</b>	<b>625</b>	<b>651</b>	<b>1,276</b>
<b>Adjusted EBITDA Margin (Non-GAAP)<sup>1</sup></b>	<b>11.0%</b>	<b>12.6%</b>	<b>12.7%</b>	<b>11.0%</b>	<b>9.4%</b>	<b>10.9%</b>	<b>14.0%</b>	<b>11.4%</b>	<b>11.7%</b>	<b>11.9%</b>	<b>13.0%</b>	<b>15.4%</b>	<b>13.1%</b>	<b>12.9%</b>	<b>12.9%</b>	<b>12.9%</b>

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 Note: certain columns and rows may not add up due to the use of rounded numbers.  
<sup>1</sup> Adjusted EBITDA divided by Total Revenue  
<sup>2</sup> 2017 includes BHSE pre-merger results

## OFSE and IET GAAP to Non-GAAP Reconciliations

(\$ in millions)

### Reconciliation of Operating Income to Adjusted EBITDA – OFSE

#### Non-GAAP reconciliation

	TY2017	TY2018	TY2019	IQ2020	2Q2020	3Q2020	4Q2020	TY2020	IQ2021	2Q2021	3Q2021	4Q2021	TY2021	IQ2022	2Q2022	3Q2022	IH2022
<b>OFSE Revenue</b>	<b>13,022</b>	<b>14,258</b>	<b>15,809</b>	<b>3,851</b>	<b>3,106</b>	<b>3,034</b>	<b>2,993</b>	<b>12,984</b>	<b>2,827</b>	<b>2,995</b>	<b>3,021</b>	<b>3,185</b>	<b>12,028</b>	<b>3,017</b>	<b>3,230</b>	<b>3,247</b>	<b>6,247</b>
OFSE Revenue	10,361	11,617	12,889	3,139	2,411	2,308	2,282	10,140	2,200	2,358	2,419	2,566	9,542	2,489	2,689	2,689	5,178
OFSE Revenue	2,661	2,641	2,921	712	696	726	712	2,844	628	637	603	619	2,486	528	541	541	1,070
<b>OFSE Operating Income (loss) (GAAP)</b>	<b>317</b>	<b>785</b>	<b>972</b>	<b>198</b>	<b>31</b>	<b>112</b>	<b>165</b>	<b>506</b>	<b>147</b>	<b>199</b>	<b>204</b>	<b>280</b>	<b>830</b>	<b>213</b>	<b>249</b>	<b>249</b>	<b>461</b>
OFSE Operating Income	292	785	917	206	46	93	142	487	143	171	190	256	761	221	261	261	482
OFSE Operating Income	26	0	55	(8)	(14)	19	23	19	4	28	14	23	69	(8)	(12)	(20)	(20)
<b>Add: OFSE Depreciation &amp; Amortization</b>	<b>1,211</b>	<b>1,176</b>	<b>1,160</b>	<b>294</b>	<b>282</b>	<b>252</b>	<b>244</b>	<b>1,072</b>	<b>233</b>	<b>221</b>	<b>205</b>	<b>215</b>	<b>874</b>	<b>222</b>	<b>221</b>	<b>221</b>	<b>443</b>
OFSE Depreciation & Amortization	1,024	1,003	985	249	248	217	211	926	201	195	183	193	771	201	201	201	402
OFSE Depreciation & Amortization	187	173	175	44	34	35	33	146	32	26	22	22	103	21	20	20	41
<b>OFSE EBITDA (Non-GAAP)</b>	<b>1,528</b>	<b>1,957</b>	<b>2,132</b>	<b>492</b>	<b>313</b>	<b>364</b>	<b>409</b>	<b>1,578</b>	<b>380</b>	<b>420</b>	<b>409</b>	<b>495</b>	<b>1,704</b>	<b>434</b>	<b>470</b>	<b>470</b>	<b>904</b>
OFSE EBITDA	1,316	1,785	1,902	456	293	310	353	1,412	344	366	373	449	1,532	422	462	462	884
OFSE EBITDA	213	173	230	36	20	54	56	166	37	53	36	46	172	13	8	8	20

### Reconciliation of Operating Income to Adjusted EBITDA – IET

#### Non-GAAP reconciliation

	TY2017	TY2018	TY2019	IQ2020	2Q2020	3Q2020	4Q2020	TY2020	IQ2021	2Q2021	3Q2021	4Q2021	TY2021	IQ2022	2Q2022	3Q2022	IH2022
<b>IET Revenue</b>	<b>8,819</b>	<b>8,619</b>	<b>8,028</b>	<b>1,574</b>	<b>1,629</b>	<b>2,016</b>	<b>2,501</b>	<b>7,721</b>	<b>1,954</b>	<b>2,148</b>	<b>2,072</b>	<b>2,300</b>	<b>8,473</b>	<b>1,818</b>	<b>1,816</b>	<b>3,535</b>	<b>3,535</b>
TPS Revenue	6,295	6,015	5,536	1,085	1,161	1,513	1,946	5,705	1,485	1,628	1,562	1,742	6,417	1,345	1,293	2,637	2,637
DS Revenue	2,524	2,604	2,492	489	468	503	556	2,016	470	520	510	558	2,057	474	524	897	897
<b>IET Operating Income (loss) (GAAP)</b>	<b>985</b>	<b>1,011</b>	<b>1,062</b>	<b>163</b>	<b>190</b>	<b>237</b>	<b>408</b>	<b>998</b>	<b>231</b>	<b>245</b>	<b>304</b>	<b>397</b>	<b>1,177</b>	<b>241</b>	<b>236</b>	<b>476</b>	<b>476</b>
IET Operating Income	665	621	719	134	149	191	332	805	207	220	278	346	1,050	226	218	443	443
IET Operating Income	320	390	343	29	41	46	76	183	24	25	26	51	126	15	16	33	33
<b>Add: IET Depreciation &amp; Amortization</b>	<b>316</b>	<b>268</b>	<b>219</b>	<b>53</b>	<b>51</b>	<b>57</b>	<b>55</b>	<b>216</b>	<b>52</b>	<b>53</b>	<b>52</b>	<b>52</b>	<b>208</b>	<b>51</b>	<b>49</b>	<b>100</b>	<b>100</b>
IET Depreciation & Amortization	174	156	116	28	27	33	31	118	30	30	30	30	120	29	29	58	58
IET Depreciation & Amortization	142	112	103	25	24	24	25	98	21	22	22	22	88	22	20	41	41
<b>IET EBITDA (Non-GAAP)</b>	<b>1,301</b>	<b>1,279</b>	<b>1,281</b>	<b>216</b>	<b>241</b>	<b>293</b>	<b>464</b>	<b>1,214</b>	<b>283</b>	<b>297</b>	<b>356</b>	<b>449</b>	<b>1,385</b>	<b>291</b>	<b>285</b>	<b>576</b>	<b>576</b>
TPS EBITDA	839	777	835	161	176	223	362	923	237	250	308	375	1,170	255	247	502	502
DS EBITDA	462	502	446	55	65	70	101	291	46	47	48	73	214	37	38	74	74

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**Baker Hughes** 

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## **Baker Hughes Announces Simplified Organization to Enhance Profitability and Position for Growth**

- *Establishing two reporting business segments: Oilfield Services & Equipment (OFSE) and Industrial & Energy Technology (IET).*
- *Accelerating strategic transformation to simplify and improve operations, enhancing profitability while positioning for growth with customers across energy and industrial markets.*
- *Expecting to deliver at least \$150 million in cost reductions, maximizing shareholder value.*

**HOUSTON and LONDON – September 6, 2022** – Baker Hughes Company (NASDAQ: BKR) (“Baker Hughes” or the “Company”) has announced it is restructuring and simplifying its organization and accelerating its strategic transformation. These changes will simplify operations, enhance profitability, and drive growth, meeting customer needs and producing solutions in the rapidly evolving energy and industrial markets.

“We have continuously looked to ensure Baker Hughes can operate in any environment and play a clear role in helping to address the Energy Trilemma – balancing energy security, sustainability, and affordability. Today, we are taking a deliberate next step in our strategic journey to transform and simplify our operations and position Baker Hughes for the future,” said Lorenzo Simonelli, chairman and CEO of Baker Hughes. “Our updated structure will allow us to deliver the technologies that the energy transition will demand by further strengthening our existing customer relationships and allowing more operational flexibility, maintaining size and scale to maximize technology investments and capital returns to our shareholders.”

Baker Hughes is restructuring its four product companies to focus on two reporting business segments and streamlining its corporate structure, which is expected to deliver at least \$150 million in cost savings and form the baseline for further margin improvement. Effective October 1, the Company will be formally restructured into two reporting business segments:

- **Oilfield Services & Equipment (OFSE)** integrates the current Oilfield Services (OFS) and Oilfield Equipment (OFE) product companies.
- **Industrial & Energy Technology (IET)** integrates the current Turbomachinery & Process Solutions (TPS) and Digital Solutions (DS) product companies.

After [identifying OFSE and IET as the two broad business areas in 2021](#), Baker Hughes has carefully evaluated all aspects of the Company’s long-term strategy, its corporate performance, organizational structure, and the market outlook across its businesses. This transformation is the next step in the Company’s journey to create the pre-eminent energy technology company, positioning for the changes unfolding across the energy landscape.

Baker Hughes will also be making changes to its management team reporting to Lorenzo Simonelli. Effective October 1:

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- [Maria Claudia Borrás](#) is executive vice president (EVP) of OFSE. Borrás previously served as EVP of OFS since 2017.
- [Rod Christie](#) is EVP of IET. Christie previously served as EVP of TPS since 2017.
- [Jim Apostolides](#) is senior vice president (SVP) of enterprise operational excellence, a newly-created role to drive better coordination and alignment of key operational areas. Apostolides will oversee the Company's consolidated Supply Chain Centers of Excellence; Health, Safety, Environment, and Quality (HSEQ); and Environmental, Social, and Governance (ESG) functions. He previously served as SVP of enterprise excellence and has been with the Company for 23 years.

"Three years ago we set out on a bold ambition to be an energy technology company and take energy forward. We could not have achieved our goals without the commitment and perseverance of our entire leadership team," said Lorenzo Simonelli. "I want to thank our departing leaders for their significant contributions towards delivering our strategy as they pursue new opportunities."

Amidst a very dynamic backdrop, Baker Hughes continues to work diligently to enhance operational execution and re-shape the organization. The Company will continue to execute on its strategic priorities with a goal of improving returns, generating strong free cash flow, and delivering value and returns to shareholders.

Lorenzo Simonelli will be presenting at the Barclays CEO Energy-Power Conference today at 12:40 PM ET. [A live webcast and replay will be available to watch here.](#)

#### **About Baker Hughes:**

Baker Hughes (NASDAQ: BKR) is an energy technology company that provides solutions to energy and industrial customers worldwide. Built on a century of experience and conducting business in over 120 countries, our innovative technologies and services are taking energy forward – making it safer, cleaner and more efficient for people and the planet. Visit us at [bakerhughes.com](http://bakerhughes.com).

#### **Forward-Looking Statements:**

This news release (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 annual period ended December 31, 2021; the Company's subsequent quarterly reports on Form 10-Q for the quarterly periods ended March 31, 2022 and June 30, 2022; 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](http://www.investors.bakerhughes.com) or through the SEC's Electronic Data Gathering and Analysis Retrieval ("EDGAR") system at: [www.sec.gov](http://www.sec.gov). We undertake no obligation to publicly update or revise any **forward-looking** statement.

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