

Baker Hughes



Baker Hughes

# Investor Overview

March 2024

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. Forward-looking statements are based upon current plans, estimates and expectations that are subject to risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements. The inclusion of such statements should not be regarded as a representation that such plans, estimates or expectations will be achieved. These forward-looking statements are also affected by the risk factors described in the Company’s annual report on Form 10-K for the year ended December 31, 2023 and those set forth from time to time in other filings with the Securities and Exchange Commission (“SEC”). These 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 except as required by law.

The Company presents its financial results in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”); however, management believes that using additional non-U.S. GAAP measures will enhance the evaluation of the profitability of the Company and its ongoing operations. “These non-U.S. GAAP measures are not measures of financial performance in accordance with U.S. GAAP and may exclude items that are significant in understanding and assessing our financial results. Therefore, these measures should not be considered in isolation or as an alternative to GAAP measures. You should be aware that our presentation of those measures may not be comparable to similarly titled measures used by other companies.” See the Appendix of this presentation for a reconciliation of U.S. GAAP to non-U.S. GAAP financial measures.



# We take energy forward— making it safer, cleaner, and more efficient for people and the planet

**120+**  
Countries

**~58,000**  
Employees

**\$25.5B**  
Revenues in  
2023

**199**  
Perfect HSE  
days in 2023

**\$658M**  
R&D spend in  
2023

**AA**  
ESG rating by  
MSCI



# Leading Energy Technology Company

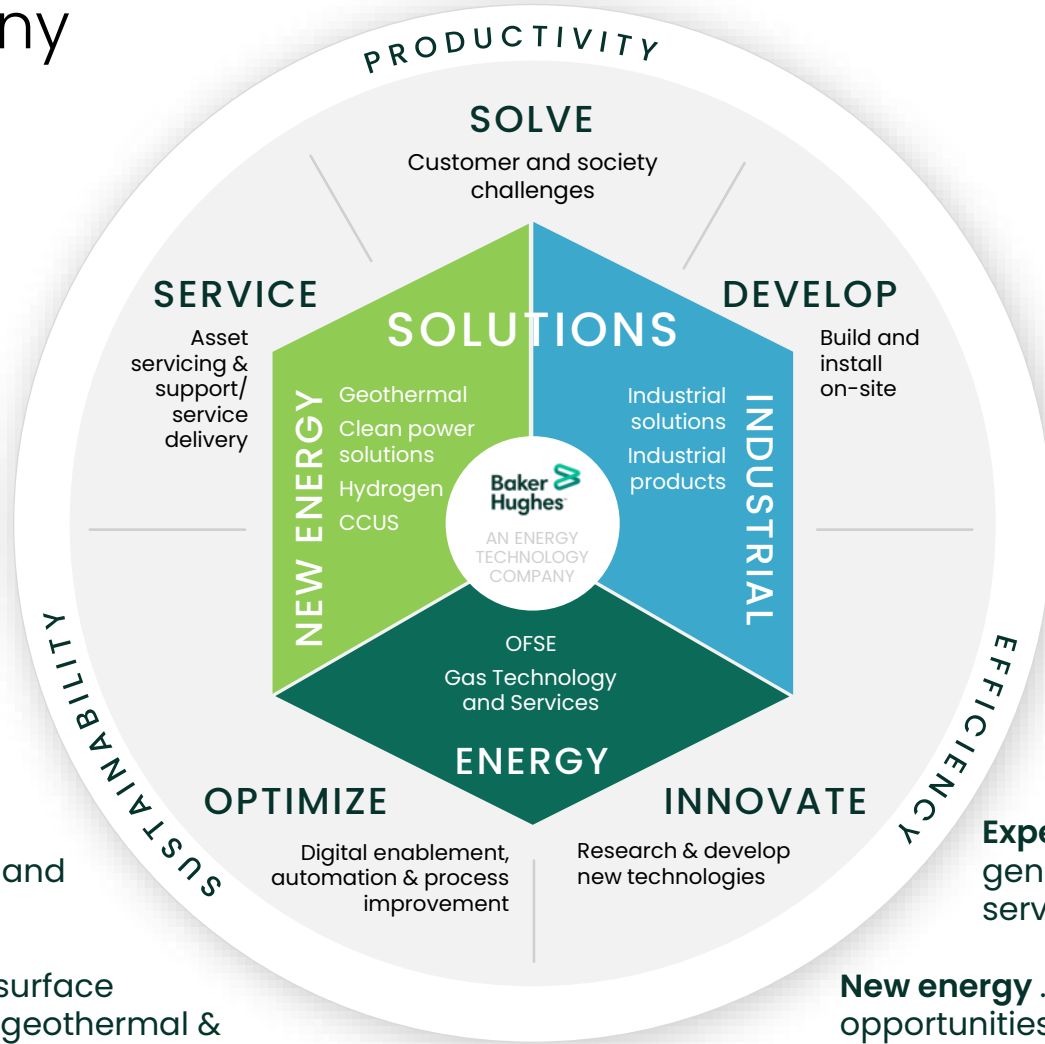
Baker Hughes has a >>> diverse portfolio of technologies & services across the energy landscape

## OFSE

**OFSE technology leader** ... ~70% international, ~40% offshore & ~35% production-weighted<sup>1</sup>

**Expertise in** ... directional drilling ... well construction ... production maintenance and enhancement

**New energy** ... leveraging subsurface to surface portfolio to provide long-term growth in geothermal & CO<sub>2</sub> storage



>>> Providing equipment & solutions to help solve the world's greatest energy challenges

## IET

**Leading driver & compression technology** for LNG, upstream & industrial applications

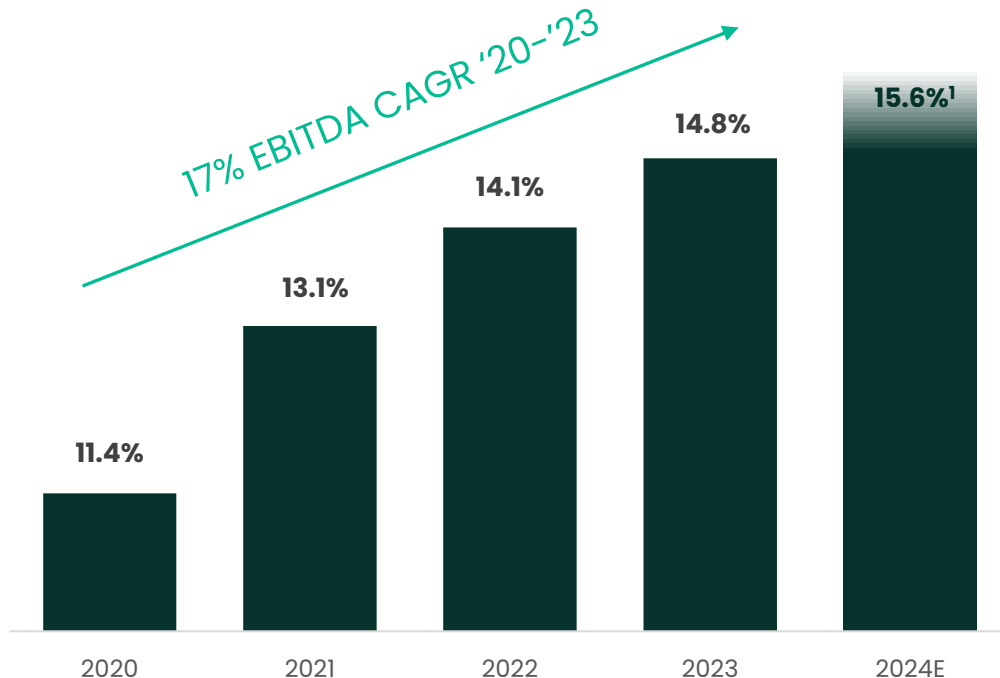
**Expertise in** compression & power generation equipment & aftermarket services ... condition monitoring & inspection

**New energy** ... existing core technologies enable opportunities in carbon capture, hydrogen, clean power solutions and emissions abatement

# Our strategy is delivering

## Strong EBITDA growth over the last four years

### BKR EBITDA MARGIN RATE PROGRESS



- » Well-defined strategy over the next three time horizons to drive differentiated growth
- » Expanding commercial opportunities that provide growth into 2030 and beyond
- » Growing IET equipment installed base, resulting in margin-accretive growth
- » Operational upside and continuous cost improvement to drive margin & returns higher
- » Building more durable earnings and free cash flow across cycles

# Executing our strategy across three time horizons

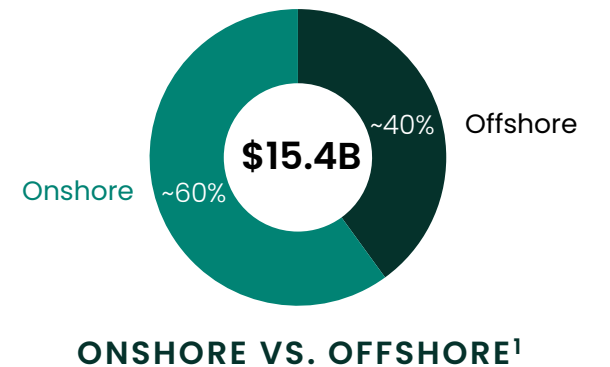
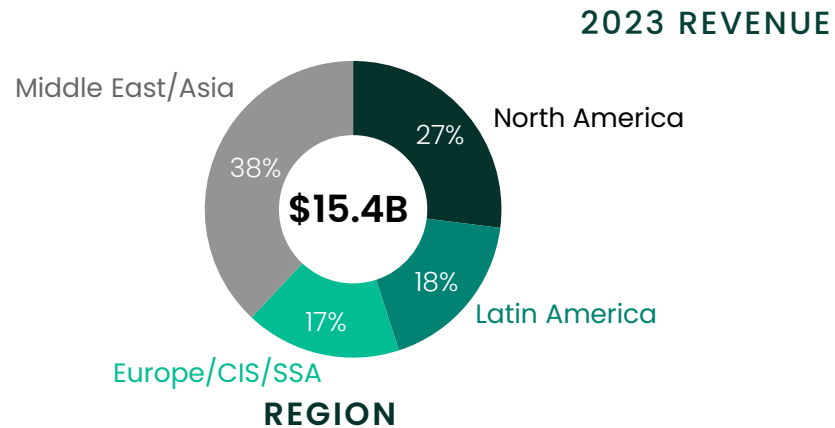
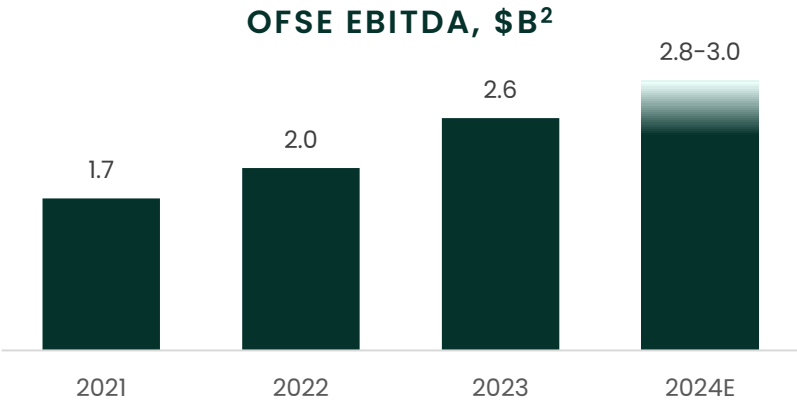
Delivering on near-term targets while laying the foundations for long-term success

	HORIZON ONE THROUGH 2025	HORIZON TWO MID TO LATE 2020s	HORIZON THREE TO 2030 AND BEYOND
Market landscape	Multi-year growth cycles underway in LNG and upstream	Growth moderates in upstream—new energy starts to scale	Decarbonization becomes the prerequisite for all energy projects
<b>Transform the core</b>	Transforming our business and simplifying the way we work	Strong aftermarket services growth driven by increasing LNG installed base	Leveraging current capabilities in new ways as traditional markets mature
<b>Invest for growth</b>	Optimizing the portfolio and integrating recent acquisitions	Scaling digital offerings as customers focus on efficiencies and emissions reductions	Significant recurring revenue from digital and services franchises
<b>Position for new frontiers</b>	Leveraging world class capabilities to progress digital and new energy tech	Successful commercialization of digital and new energy technology	New energy inflects, driving significant order growth across decarb offerings

**As the energy transition becomes all encompassing, we expect our customer base to diversify significantly, and addressable markets for our solutions to expand rapidly**

# Oilfield Services & Equipment (OFSE)

## 2023 REVENUE SPLIT



Copyright 2024 Baker Hughes Company. All rights reserved.  
 1. Estimated split  
 2. Note: EBITDA is a non-GAAP measure – see appendix for GAAP to non-GAAP reconciliations.

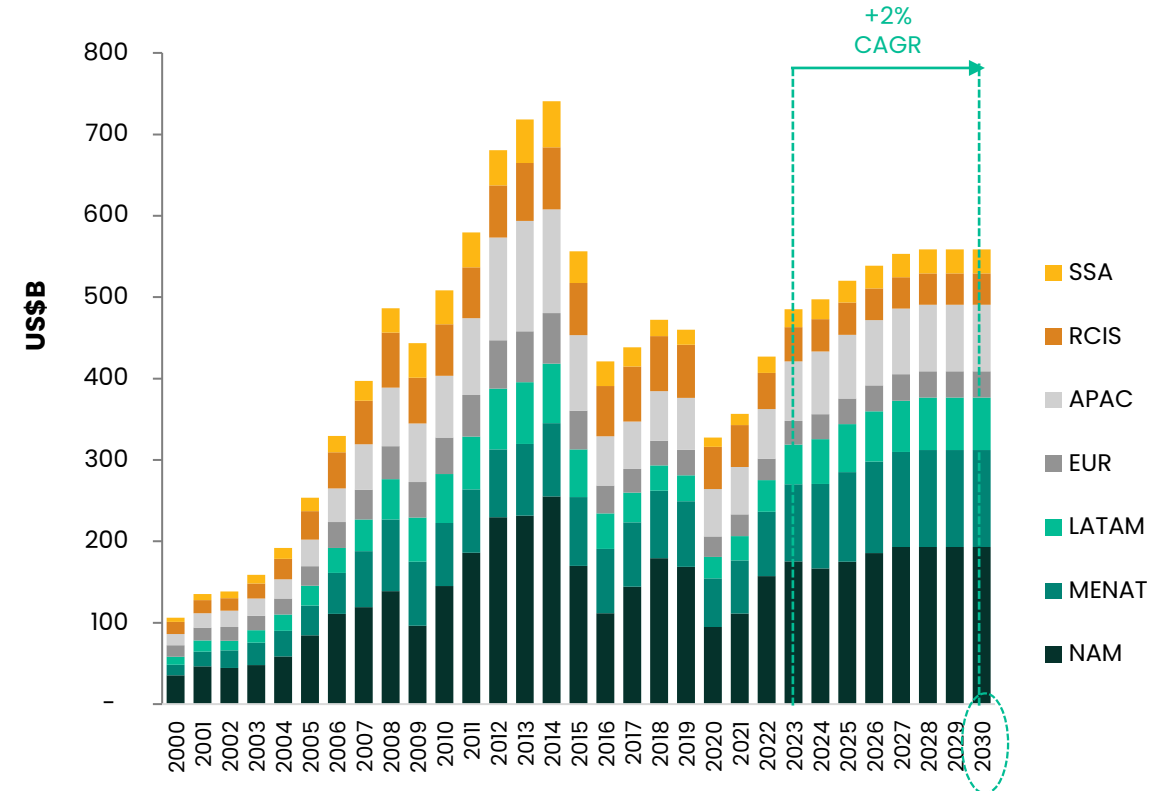
# Upstream growth to continue

**Pace moderating, but strong fundamentals support continued international growth**

## THEMES

- » **2024 international outlook unchanged**  
Continue to expect high single-digit growth in '24. Contemplates OPEC+ cuts remaining for FY'24
- » **Saudi MSC change focused on oil growth spend**  
No impact on 2024 – BKR set to benefit from increased new energy and gas infrastructure spend
- » **North America remains subdued**  
Continue to expect market to be down low-to-mid-single digits in '24 – sharp declines in gas activity underway
- » **Robust offshore activity to continue**  
Expect >300 X-Tree awards annually for the next 2-3 years

## UPSTREAM CAPEX OUTLOOK<sup>1</sup>



Copyright 2024 Baker Hughes Company. All rights reserved.

1. Source: Historical Data - Wood Mackenzie Upstream Capex; Lens Direct. Forecast Data - Baker Hughes Company Estimates. Note CAGR impacted by rebasings to 2023 vs. 2022 and adjustments to regional outlooks.



# OFSE's path to 20% EBITDA margins by 2025

## STRATEGIC IMPERATIVES

### Drive toward cost leadership

- Organization transformation
- Optimized supply chain and service delivery
- Disciplined spending and value-based capital allocation

### Accelerate customer value growth

- Advance digital solutions (Leucipa & Corva)
- Expand integrated and mature assets solutions
- Invest in technology biased toward sustainability and reduced emissions

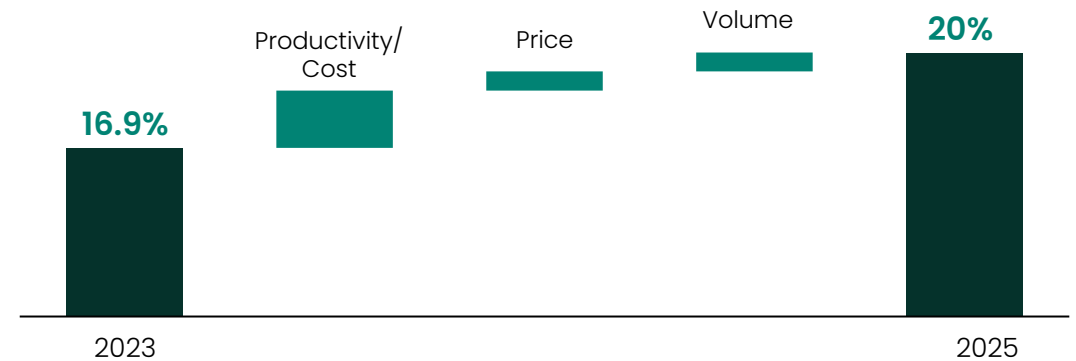
### Grow profitably in attractive markets

- Target growth in high-value markets (international & offshore) and key accounts
- Capture commercial value (price)
- Place selective bets in new energy

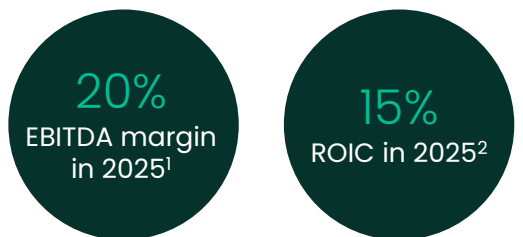
Key foundational enabler:

**HIGH-PERFORMANCE ORGANIZATION AND CULTURE**

## Continued near-term EBITDA margin expansion



## Financial targets



# Industrial & Energy Technology (IET)

## GAS TECHNOLOGY

<p><b>GAS TECHNOLOGY EQUIPMENT (GTE)</b></p> <p><b>\$4.2B</b></p> <p><i>World leading turbomachinery franchise</i></p> <ul style="list-style-type: none"> <li>• LNG</li> <li>• On &amp; Offshore Production</li> <li>• Downstream</li> <li>• Other Industrial Applications</li> </ul>	<p><b>GAS TECHNOLOGY SERVICES (GTS)</b></p> <p><b>\$2.6B</b></p> <p><i>Structural growth driven by increasing installed base</i></p> <ul style="list-style-type: none"> <li>• Contractual</li> <li>• Transactional</li> <li>• Upgrades</li> </ul>
---	---

## CTS

**CLIMATE TECHNOLOGY SOLUTIONS (CTS)**

**\$0.3B**

*CO<sub>2</sub> & H<sub>2</sub> compression & turbine expertise*

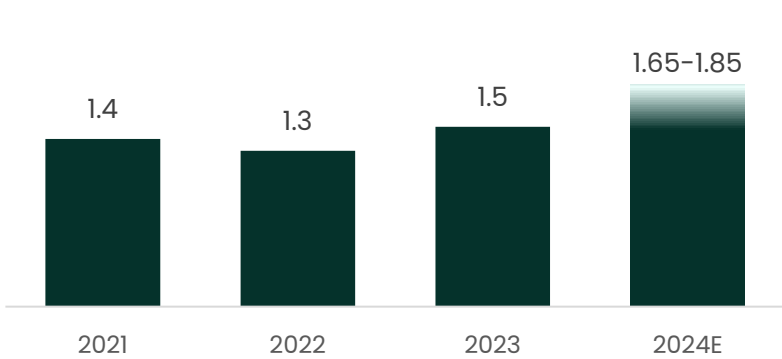
- CCUS
- Hydrogen
- Clean Power
- Geothermal
- Emissions Abatement

## INDUSTRIAL TECHNOLOGY

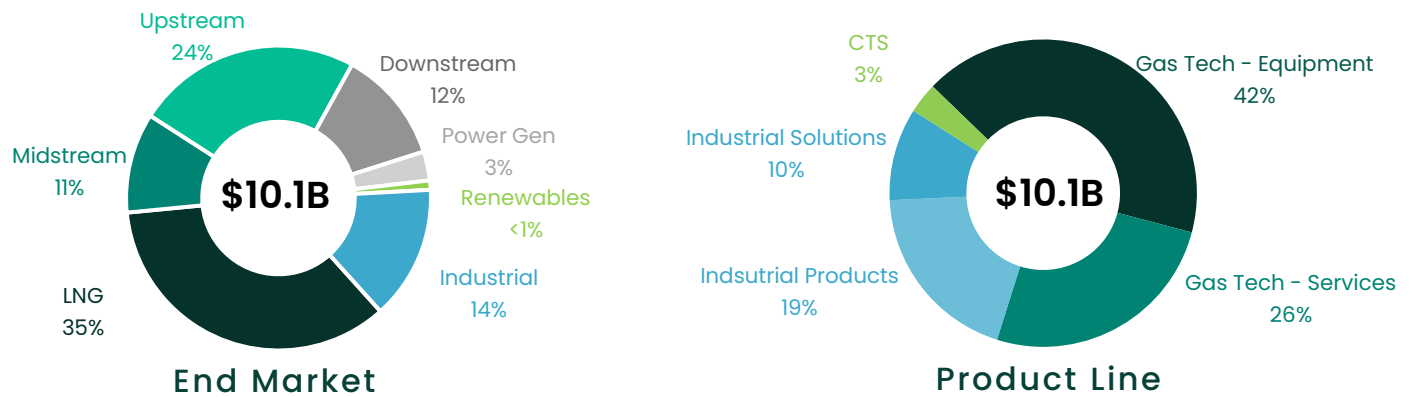
<p><b>INDUSTRIAL SOLUTIONS<sup>1</sup></b></p> <p><b>\$1.0B</b></p> <p><i>Delivering recurring value in a digital ecosystem</i></p> <ul style="list-style-type: none"> <li>• Condition Monitoring</li> <li>• Asset Performance Management</li> <li>• Process Optimization</li> <li>• Sensors &amp; Instrumentation</li> </ul>	<p><b>INDUSTRIAL PRODUCTS</b></p> <p><b>\$2.0B</b></p> <p><i>Increasing focus on industrial end markets</i></p> <ul style="list-style-type: none"> <li>• Valves</li> <li>• Gears</li> <li>• Inspection</li> </ul>
---	---

• Industrial & Energy Technology reporting segment—fiscal year 2023 revenue

### IET EBITDA \$B<sup>2</sup>



### 2023 REVENUE



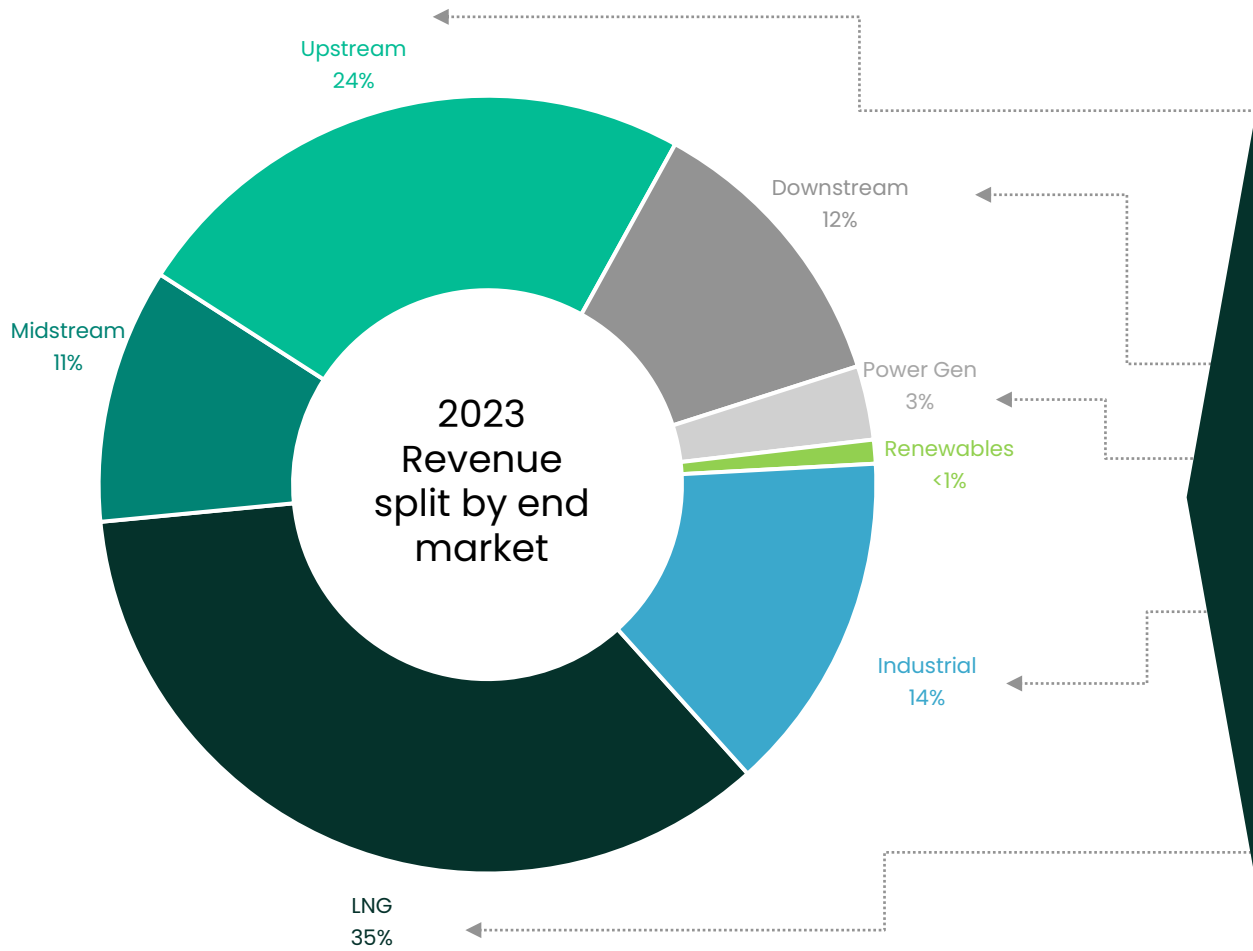
Copyright 2024 Baker Hughes Company. All rights reserved.

1. Includes \$41M of Nexus Controls revenues which was sold to GE in April 2023

2. EBITDA is a non-GAAP measure – see appendix for GAAP to non-GAAP reconciliations

# Broader IET portfolio exposed to strong growth tailwinds

~65% of our business is focused on serving customers outside of LNG



### Growth End Markets

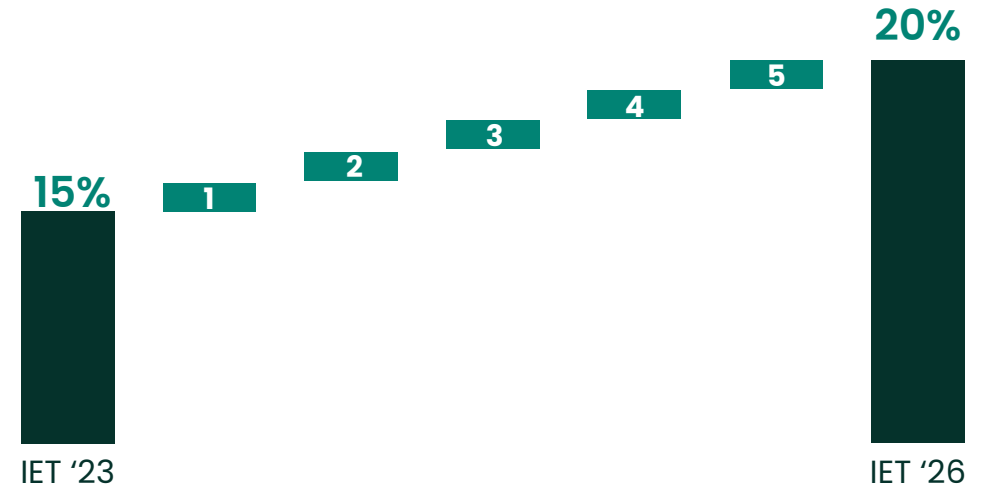
FPSO's	Refining	Chemicals
Pipelines	Storage	Gas Processing
Renewables Monitoring	Microgrids	Electrification
Battery Inspection	Aerospace	New Energy

# IET's path to 20% EBITDA margins by 2026

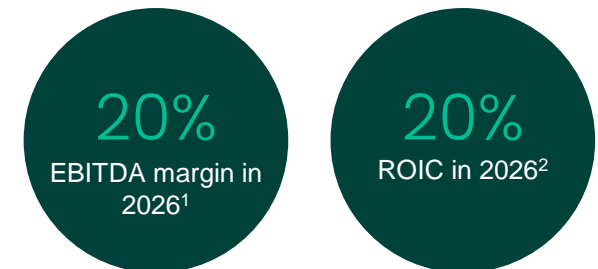
## Key Building Blocks of Margin Improvement

1. Conversion of higher margin backlog
2. Cost & supply chain efficiencies driven by higher volume
3. Industrial Tech margin improvement and strong end market growth
4. New digital offerings and enhanced services solutions
5. Continuous cost productivity and efficiency improvements

## Pathway to 20% EBITDA margin<sup>3</sup>



## Financial targets





# Integrated solutions opportunities given our expansive IET & OFSE portfolio

## Solving the Energy Trilemma is driving increased collaboration, integration and connectivity

### Examples

#### Drivers of Solutions Adoption

Reduced time from FID to commissioning

Opportunity for increased standardization to lower costs

Easier digital implementation

Expansion of non-traditional customer base

#### Optimizing ammonia output at QAFCO with GTS & Cordant

» **BKR scope:** increased from maintaining critical assets to monitoring balance of plant & static assets

» **QAFCO benefit:** improved asset uptime & performance as well as increased production yield



QAFCO Ammonia facility in Qatar

#### Leveraging OFSE & IET solutions to develop Petrobras' Buzios field

» **BKR scope:** integrated well construction, completions, wireline, flexible pipes, manifolds & turbomachinery for 10 out of the 11 FPSOs

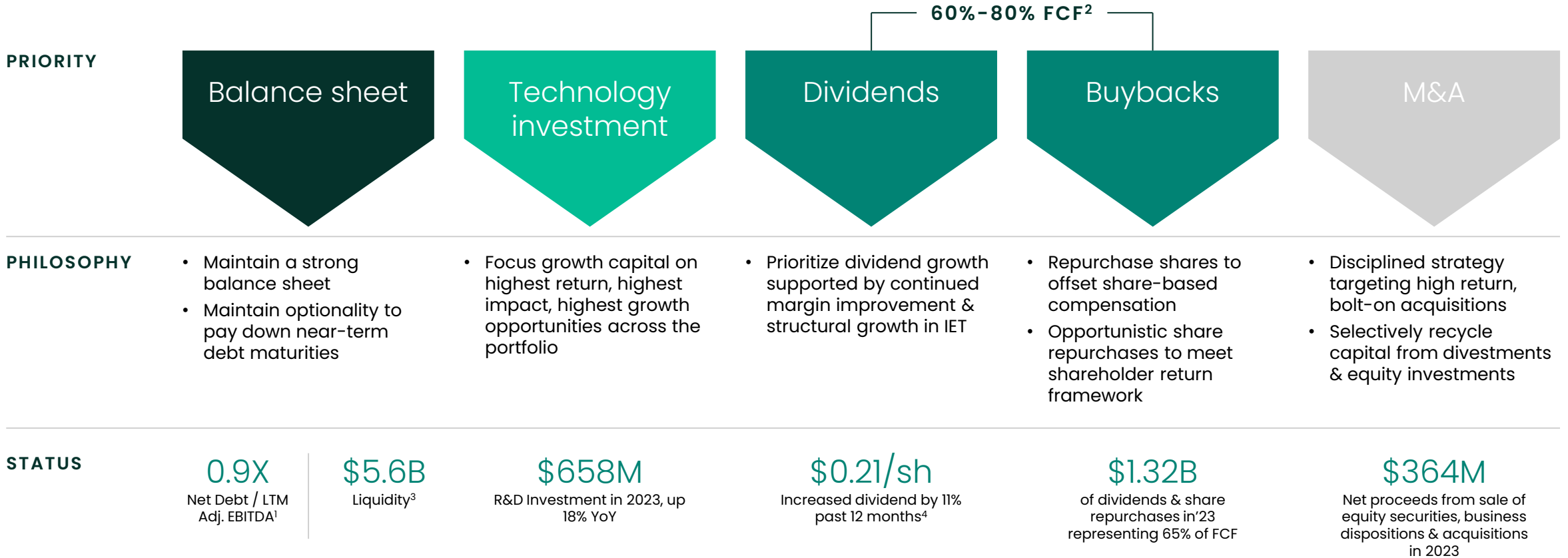
» **Petrobras benefit:** Baker Hughes expertise to deliver exceptional execution across the world's largest deepwater field



FPSO servicing the Buzios field

# Flexible capital allocation policy

## Prioritizing a strong balance sheet and returning capital to shareholders



Copyright 2024 Baker Hughes Company. All rights reserved.

1. Net Debt / LTM Adj. EBITDA is a non-GAAP measure – see appendix for GAAP to non-GAAP reconciliations

2. Free Cash Flow (FCF) is a non-GAAP measure – see appendix for GAAP to non-GAAP reconciliations.

3. As of December 31, 2023: Cash and cash equivalents of \$2,646 million and a \$3 billion committed unsecured revolving credit facility. Dividends and share buybacks subject to Board approval and satisfaction of applicable legal requirements.

4. Increased dividend amount from (0.20) to (\$0.21) was announced on February 1, 2024

# Unlocking the full potential of our business

Optimized organizational structure in place – focus on continuous improvement

»» Delivered \$150M+ of cost savings in 2023 through organizational simplification and consolidation

## 2024 FOCUS AREAS

»» **OFSE operational excellence:** removing duplication and driving more cost efficiencies across the business to achieve targeted 20% EBITDA margins in 2025

»» **Systems improvements:** delivering streamlined processes and reporting – providing improved data, efficiencies and structural margin improvements

»» **Meeting customer needs:** driving greater collaboration across the company and energizing our commercial teams to provide integrated solutions to our diversified customer base

Focused on driving margins & returns above targets

**20%**

EBITDA margins across OFSE & IET

**15%**

OFSE ROIC

**20%**

IET ROIC

# 2024 outlook

## 1Q'24 OUTLOOK

### BKR

Revenue	<b>\$6.10 – \$6.60B</b>
Adj. EBITDA	<b>\$880 – \$960M</b>

### OFSE

Revenue	<b>\$3.70 – \$3.95B</b>
EBITDA	<b>\$630 – \$670M</b>

### IET

Revenue	<b>\$2.40 – \$2.65B</b>
EBITDA	<b>\$340 – \$380M</b>

### Other

Corporate costs <sup>1</sup>	<b>Approx. \$90M</b>
D&A	<b>Approx. \$275M</b>

## 2024 OUTLOOK

### BKR

Revenue	<b>\$26.50 – \$28.50B</b>
Adj. EBITDA	<b>\$4.10 – \$4.50B</b>

### OFSE

Revenue	<b>\$15.75 – \$16.75B</b>
EBITDA	<b>\$2.78 – \$3.02B</b>

### IET

Orders	<b>\$11.50 – \$13.50B</b>
Revenue	<b>\$10.75 – \$11.75B</b>
EBITDA	<b>\$1.65 – \$1.85B</b>

### Other

Corporate costs <sup>1</sup>	<b>\$330 – \$370M</b>
D&A	<b>\$1.05 – \$1.15B</b>
Adj. Effective Tax Rate	<b>27% – 32%</b>

Copyright 2024 Baker Hughes Company. All rights reserved.

Note: EBITDA, Adj. EBITDA and Adj. Effective Tax Rate (ETR) are non-GAAP measures – see appendix for GAAP to non-GAAP reconciliations.

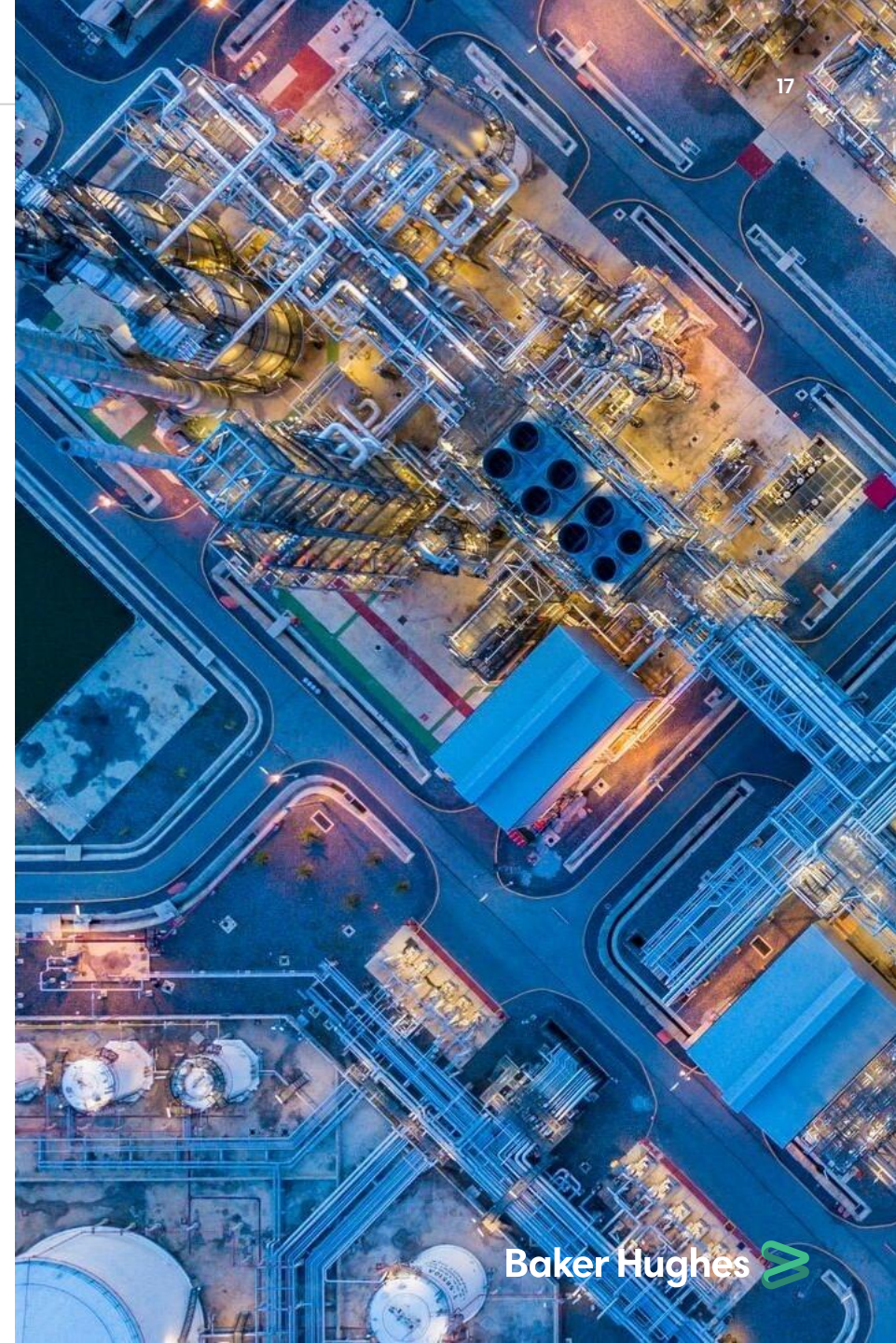
Outlook for Adj. EBITDA and Adj. ETR are non-GAAP financial measures. Management cannot reliably predict or estimate, without unreasonable effort, the impact and timing on future operating results arising from items excluded from Adj. EBITDA or Adj. ETR. We therefore do not present a guidance range or reconciliation to the nearest GAAP financial measure.

Corporate costs guidance is stated at the EBITDA level. 2023 guidance was previously stated at the Operating Income level.



# Baker Hughes uniquely benefits as an Energy Technology Company

- » Differentiated Growth Opportunity
- » Unmatched Revenue Visibility
- » Significant Margin & Return Upside
- » Strong Shareholder Returns



# Sustainability, Management & Board of Directors Overview



# 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
- We are now reporting on 10 categories of Scope 3 emissions
- 26% of Baker Hughes electricity comes from renewables or zero-carbon sources in 2022, up 2% YoY

## HEALTH, SAFETY & WELLNESS

### Providing a safe and healthy workplace for all

- Achieved 199 Perfect HSE days in 2023, down 8% from 2022
- We offer more than 200 unique HSE courses including foundational training required for all employees, workplace and job specific training, and human-performance leadership training for managers.

## COMMITTED TO DIVERSITY, EQUITY AND INCLUSION

### Enacting new programs to promote inclusion and diversity

- Recognized as "DEI best places to work for disability inclusion" by *Disability:IN* with score of 90% by participating in Disability Inclusion Index
- In May 2023, we published our 2022 Diversity, Equity, and Inclusion Annual Report
- Updated process to evaluate and reconcile pay equity across the company

## ETHICS, COMPLIANCE, AND TRANSPARENCY

### Improving external reporting & internal processes

- 97% of all employees completed annual Code of Conduct training, including training on ethics, compliance, and anti-corruption in 2022
- 100% of enterprise security personnel trained in human rights policies or procedures in 2022
- 99% of governance body members have received training on anti-corruption in 2022<sup>2</sup>

Copyright 2024 Baker Hughes Company. All rights reserved.

Source: Baker Hughes Sustainability Report <https://www.bakerhughes.com/company/corporate-responsibility>

1. 28% reduction in Scope 1&2 GHG emissions compared to 2019 baseline through December 31, 2022

2. 26 Governance body members include 116 Senior Executive Band and above employees, which include the most senior-level managers and individual contributors, such as Vice Presidents and above.

# Baker Hughes Corporate Responsibility framework

## Baker Hughes ESG Ratings & Rankings

## Alignment with ESG Frameworks

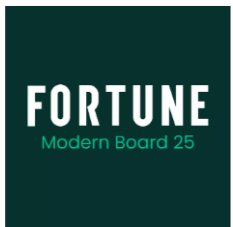
### Sustainability – Recognitions and Awards



### DEI/Culture – Recognitions and Awards



### Innovation – Recognitions and Awards





# Baker Hughes management team



**LORENZO SIMONELLI**  
Chairman & Chief Executive Officer



**MARIA CLAUDIA BORRAS**  
EVP OFSE



**GANESH RAMASWAMY**  
EVP IET



**NANCY BUESE**  
Chief Financial Officer



**DEANNA JONES**  
EVP People, Communications  
& Transformation



**JEFF FLEECE**  
Chief Information Officer



**JIM APOSTOLIDES**  
SVP Enterprise Operational Excellence



**GEORGIA MAGNO**  
Chief Legal Officer

Full leadership bios: [www.bakerhughes.com/company-leadership](http://www.bakerhughes.com/company-leadership)

# Baker Hughes Board of Directors



**Lorenzo Simonelli**  
*Chairman & CEO*

- President & CEO of Baker Hughes since 2017



**W. Geoffrey Beattie**  
*Lead Independent Director*

- Board member since 2017
- Member of the Governance & Corporate Responsibility and Finance committee



**Gregory D. Brenneman**

- Board member since 2017
- Member of the Audit and Finance (Chair) committees



**Cynthia B. Carroll**

- Board member since 2020
- Member of the Audit and Human Capital & Compensation (Chair) committees



**Nelda J. Connors**

- Board member since 2020
- Member of the Governance & Corporate Responsibility and Human Capital & Compensation committees



**Michael R. Dumais**

- Board member since 2022
- Member of the Finance and Governance & Corporate Responsibility committees



**Lynn L. Elsenhans**

- Board member since 2017
- Member of the Governance & Corporate Responsibility (Chair) and Human Capital & Compensation committees



**John G. Rice**

- Board member since 2017
- Member of the Audit (Chair) and Finance committees



**Mohsen Sohi**

- Board member since 2023
- Member of the Audit and Human Capital & Compensation committees



**Abdulaziz M. Al Gudaimi**

- Board member since 2024
- Member of the Governance & Corporate Responsibility and Human Capital & Compensation committees

# Majority of incentive compensation metrics aligned to shareholder returns

## Short-term<sup>1</sup>

- 70% financial metrics
  - Free cash flow (35% weighted)
  - Adjusted EBITDA (25% weighted)
  - Revenue (10% weighted)
- 30% Strategic Blueprint priorities\*

## Long-term<sup>1</sup>

- Relative return on invested capital (50% weighted)
- Relative free cash flow conversion (50% weighted)
- Added multiplier for Total Shareholder Return performance



Copyright 2024 Baker Hughes Company. All rights reserved.

\*The Strategic Blueprint priorities consist of the following performance objectives: (1) safety and compliance; (2) growth and capital allocation; (3) ESG and Leadership; (4) shareholder returns

<sup>1</sup> 2023 Compensation metrics. 2024 metrics will be published upon release of our proxy statement.

# Appendix

# Results by Reporting Segment

## Oilfield Services & Equipment

(in millions)

Segment results	Three Months Ended			Variance	
	December 31, 2023	September 30, 2023	December 31, 2022	Sequential	Year-over-year
Orders	\$ 3,874	\$ 4,178	\$ 3,721	(7%)	4%
Revenue	\$ 3,956	\$ 3,951	\$ 3,579	—%	11%
Operating income	\$ 492	\$ 465	\$ 416	6%	18%
Operating income margin	12.4%	11.8%	11.6%	0.6pts	0.8pts
Depreciation & amortization	\$ 217	\$ 206	\$ 198	5%	10%
EBITDA*	\$ 709	\$ 670	\$ 614	6%	16%
EBITDA margin*	17.9%	17.0%	17.1%	0.9pts	0.8pts

Revenue by Product Line	December 31, 2023	September 30, 2023	December 31, 2022	Sequential	Year-over-year
Well Construction	\$ 1,122	\$ 1,128	\$ 1,043	(1%)	8%
Completions, Intervention & Measurements	1,086	1,085	972	—%	12%
Production Solutions	990	967	965	2%	3%
Subsea & Surface Pressure Systems	758	770	599	(2%)	26%
<b>Total Revenue</b>	\$ 3,956	\$ 3,951	\$ 3,579	—%	11%

Revenue by Geographic Region	December 31, 2023	September 30, 2023	December 31, 2022	Sequential	Year-over-year
North America	\$ 1,018	\$ 1,064	\$ 1,030	(4%)	(1%)
Latin America	708	695	601	2%	18%
Europe/CIS/Sub-Saharan Africa	707	695	577	2%	23%
Middle East/Asia	1,522	1,497	1,371	2%	11%
<b>Total Revenue</b>	\$ 3,956	\$ 3,951	\$ 3,579	—%	11%

North America	\$ 1,018	\$ 1,064	\$ 1,030	(4%)	(1%)
International	2,938	2,887	2,549	2%	15%



# Results by Reporting Segment

## Industrial & Energy Technology

(in millions)

Segment results	Three Months Ended			Variance	
	December 31, 2023	September 30, 2023	December 31, 2022	Sequential	Year-over-year
Orders	\$ 3,030	\$ 4,334	\$ 4,289	(30%)	(29%)
Revenue	\$ 2,879	\$ 2,691	\$ 2,325	7%	24%
Operating income	\$ 412	\$ 346	\$ 377	19%	9%
Operating income margin	14.3%	12.9%	16.2%	1.4pts	-1.9pts
Depreciation & amortization	\$ 51	\$ 57	\$ 52	(10%)	(2%)
EBITDA*	\$ 463	\$ 403	\$ 429	15%	8%
EBITDA margin*	16.1%	15.0%	18.4%	1.1pts	-2.3pts
Orders by Product Line	December 31, 2023	September 30, 2023	December 31, 2022	Sequential	Year-over-year
Gas Technology Equipment	\$ 1,297	\$ 2,813	\$ 2,455	(54%)	(47%)
Gas Technology Services	808	724	791	12%	2%
Total Gas Technology	2,105	3,537	3,245	(40%)	(35%)
Industrial Products	514	477	471	8%	9%
Industrial Solutions	288	271	262	6%	10%
Controls	—	—	92	—%	(100%)
Total Industrial Technology	802	748	824	7%	(3%)
Climate Technology Solutions	123	49	219	F	(44%)
<b>Total Orders</b>	<b>\$ 3,030</b>	<b>\$ 4,334</b>	<b>\$ 4,289</b>	<b>(30%)</b>	<b>(29%)</b>
Revenue by Product Line	December 31, 2023	September 30, 2023	December 31, 2022	Sequential	Year-over-year
Gas Technology Equipment	\$ 1,206	\$ 1,227	\$ 856	(2%)	41%
Gas Technology Services	714	637	689	12%	4%
Total Gas Technology	1,920	1,865	1,545	3%	24%
Industrial Products	513	520	447	(1%)	15%
Industrial Solutions	276	243	244	14%	13%
Controls	—	—	58	—%	(100%)
Total Industrial Technology	789	763	750	3%	5%
Climate Technology Solutions	170	63	30	F	F
<b>Total Revenue</b>	<b>\$ 2,879</b>	<b>\$ 2,691</b>	<b>\$ 2,325</b>	<b>7%</b>	<b>24%</b>

Copyright 2024 Baker Hughes Company. All rights reserved.  
Note: certain columns and rows may not add up due to the use of rounded numbers.

\*Non-GAAP measure - EBITDA is defined as operating income excluding depreciation and amortization. EBITDA margin is defined as EBITDA divided by revenue.

# GAAP to Non-GAAP reconciliations

## Reconciliation of Net Cash Flow From Operating Activities to Free Cash Flow *(\$ in millions)*

	FY 2021	1Q 2022	2Q 2022	3Q 2022	4Q 2022	FY 2022	1Q 2023	2Q 2023	3Q 2023	4Q 2023	FY 2023
<b>Net cash flow from operating activities (GAAP)</b>	\$ 2,374	72	321	597	898	1,888	461	858	811	932	3,062
Add: cash used in capital expenditures, net of proceeds from disposal of assets	(541)	(177)	(174)	(180)	(241)	(772)	(264)	(235)	(219)	(298)	(1,016)
<b>Free cash flow (Non-GAAP)</b>	<b>1,832</b>	<b>(105)</b>	<b>147</b>	<b>417</b>	<b>657</b>	<b>1,116</b>	<b>197</b>	<b>623</b>	<b>592</b>	<b>633</b>	<b>2,045</b>

## Reconciliation of Net Income (Loss) Attributable to Baker Hughes to Adjusted Operating Income, Adjusted EBITDA, and Adjusted EBITDA Margin *(\$ in millions)*

	FY 2021	1Q 2022	2Q 2022	3Q 2022	4Q 2022	FY 2022	1Q 2023	2Q 2023	3Q 2023	4Q 2023	FY 2023
<b>Revenue</b>	<b>20,502</b>	<b>4,835</b>	<b>5,047</b>	<b>5,369</b>	<b>5,905</b>	<b>21,156</b>	<b>5,716</b>	<b>6,315</b>	<b>6,641</b>	<b>6,835</b>	<b>25,506</b>
<b>Net income (loss) attributable to Baker Hughes (GAAP)</b>	<b>(219)</b>	<b>72</b>	<b>(839)</b>	<b>(17)</b>	<b>182</b>	<b>(601)</b>	<b>576</b>	<b>410</b>	<b>518</b>	<b>439</b>	<b>1,943</b>
Net income attributable to noncontrolling interests	(111)	8	2	8	6	23	5	4	6	11	27
Provision for income taxes	758	107	182	153	157	600	179	200	235	72	685
Interest expense, net	299	64	60	65	64	252	64	58	49	45	216
Other non-operating (income) loss, net	583	28	570	60	254	911	(386)	(158)	(94)	84	(554)
<b>Operating Income (loss) (GAAP)</b>	<b>1,310</b>	<b>279</b>	<b>(25)</b>	<b>269</b>	<b>663</b>	<b>1,185</b>	<b>438</b>	<b>514</b>	<b>714</b>	<b>651</b>	<b>2,317</b>
Less: Merger, Impairment, Restructuring & Other	(266)	(70)	(402)	(235)	(29)	(735)	(74)	(117)	(2)	(165)	(358)
<b>Adjusted Operating Income (Non-GAAP)</b>	<b>1,576</b>	<b>348</b>	<b>376</b>	<b>503</b>	<b>692</b>	<b>1,920</b>	<b>512</b>	<b>631</b>	<b>716</b>	<b>816</b>	<b>2,676</b>
Add: Depreciation & Amortization	1,105	277	275	254	255	1,061	269	276	267	274	1,087
<b>Adjusted EBITDA (Non-GAAP)</b>	<b>\$ 2,681</b>	<b>625</b>	<b>651</b>	<b>758</b>	<b>947</b>	<b>2,981</b>	<b>782</b>	<b>907</b>	<b>983</b>	<b>1,091</b>	<b>3,763</b>
<b>Adjusted EBITDA Margin (Non-GAAP)<sup>1</sup></b>	<b>13.1%</b>	<b>12.9%</b>	<b>12.9%</b>	<b>14.1%</b>	<b>16.0%</b>	<b>14.1%</b>	<b>13.7%</b>	<b>14.4%</b>	<b>14.8%</b>	<b>16.0%</b>	<b>14.8%</b>

# Additional reconciliations

## Orders by Reporting Segment (\$ in millions)

<b>Oilfield Services &amp; Equipment</b>	<b>FY 2021</b>	<b>1Q 2022</b>	<b>2Q 2022</b>	<b>3Q 2022</b>	<b>4Q 2022</b>	<b>FY 2022</b>	<b>1Q 2023</b>	<b>2Q 2023</b>	<b>3Q 2023</b>	<b>4Q 2023</b>	<b>FY 2023</b>
<b>Total Oilfield Services &amp; Equipment</b>	<b>\$ 11,798</b>	<b>\$ 3,270</b>	<b>\$ 3,392</b>	<b>\$ 3,707</b>	<b>\$ 3,721</b>	<b>\$ 14,089</b>	<b>\$ 4,100</b>	<b>\$ 4,192</b>	<b>\$ 4,178</b>	<b>\$ 3,874</b>	<b>\$ 16,344</b>
<b>Industrial &amp; Energy Technology</b>											
Gas Technology Equipment	3,832	2,086	833	822	2,455	6,195	1,709	1,547	2,813	1,297	7,367
Gas Technology Services	2,898	671	787	713	791	2,961	696	776	724	808	3,004
<b>Total Gas Technology</b>	<b>6,730</b>	<b>2,756</b>	<b>1,620</b>	<b>1,535</b>	<b>3,245</b>	<b>9,156</b>	<b>2,405</b>	<b>2,324</b>	<b>3,537</b>	<b>2,105</b>	<b>10,372</b>
Industrial Products	1,730	486	453	423	471	1,833	528	550	477	514	2,069
Industrial Solutions	989	232	270	262	262	1,025	271	255	271	288	1,085
Controls	206	43	57	49	92	241	66	—	—	—	66
<b>Total Industrial Technology</b>	<b>2,925</b>	<b>762</b>	<b>779</b>	<b>734</b>	<b>824</b>	<b>3,099</b>	<b>865</b>	<b>806</b>	<b>748</b>	<b>802</b>	<b>3,220</b>
Climate Technology Solutions	215	49	69	89	219	425	263	152	49	123	586
<b>Total Industrial &amp; Energy Technology</b>	<b>9,870</b>	<b>3,567</b>	<b>2,467</b>	<b>2,357</b>	<b>4,289</b>	<b>12,680</b>	<b>3,533</b>	<b>3,282</b>	<b>4,334</b>	<b>3,030</b>	<b>14,178</b>
<b>Total Orders</b>	<b>\$ 21,668</b>	<b>\$ 6,837</b>	<b>\$ 5,860</b>	<b>\$ 6,063</b>	<b>\$ 8,009</b>	<b>\$ 26,770</b>	<b>\$ 7,632</b>	<b>\$ 7,474</b>	<b>\$ 8,512</b>	<b>\$ 6,904</b>	<b>\$ 30,522</b>

## Reconciliation of Net Debt to Last Twelve Months (LTM) Adjusted EBITDA (\$ in millions)

<b>Net Debt to Last Twelve Months (LTM) Adjusted EBITDA</b>	<b>4Q 2023</b>
Short-term debt and current portion of long-term debt	148
Long-term debt	5,872
<b>Total debt</b>	<b>6,020</b>
Less: Cash and cash equivalents	2,646
<b>Net Debt</b>	<b>3,374</b>
<b>LTM Adj. EBITDA</b>	<b>3,763</b>
<b>Net debt / LTM Adj. EBITDA</b>	<b>.90x</b>

## Reconciliation of Net Income (Loss) Attributable to Baker Hughes to Adjusted Net Income Attributable to Baker Hughes

(in millions, except per share amounts)

	<b>4Q 2023</b>	<b>3Q 2023</b>	<b>4Q 2022</b>
<b>Net income (loss) attributable to Baker Hughes (GAAP)</b>	<b>\$ 439</b>	<b>\$ 518</b>	<b>\$ 182</b>
Total operating income adjustments	165	2	29
Other adjustments (non-operating)	89	(95)	207
Tax on total adjustments	(181)	2	(37)
Total adjustments, net of income tax	72	(91)	199
Less: adjustments attributable to noncontrolling interests	—	—	1
Adjustments attributable to Baker Hughes	72	(91)	198
<b>Adjusted net income attributable to Baker Hughes (non-GAAP)</b>	<b>\$ 511</b>	<b>\$ 427</b>	<b>\$ 381</b>
Denominator:			
Weighted-average shares of Class A common stock outstanding diluted	1,010	1,017	1,009
<b>Adjusted earnings per share - diluted (non-GAAP)</b>	<b>\$ 0.51</b>	<b>\$ 0.42</b>	<b>\$ 0.38</b>

# OFSE & IET reconciliations

## Consolidated Revenue by Reporting Segment and Product Line (\$ in millions)

	FY 2021	1Q 2022	2Q 2022	3Q 2022	4Q 2022	FY 2022	1Q 2023	2Q 2023	3Q 2023	4Q 2023	FY 2023
<b>Oilfield Services &amp; Equipment</b>											
Well Construction	\$ 3,301	\$ 883	\$ 936	\$ 991	\$ 1,043	\$ 3,854	\$ 1,061	\$ 1,076	\$ 1,128	\$ 1,122	\$ 4,387
Completions, Intervention & Measurements	3,106	781	886	920	972	3,559	909	1,090	1,085	1,086	4,170
Production Solutions	3,135	825	866	931	965	3,587	938	959	967	990	3,854
Subsea & Surface Pressure Systems	2,486	528	541	561	599	2,230	670	752	770	758	2,950
<b>Total Oilfield Services &amp; Equipment</b>	<b>12,028</b>	<b>3,017</b>	<b>3,230</b>	<b>3,403</b>	<b>3,579</b>	<b>13,229</b>	<b>3,577</b>	<b>3,877</b>	<b>3,951</b>	<b>3,956</b>	<b>15,361</b>
<b>Industrial &amp; Energy Technology</b>											
Gas Technology Equipment	3,039	575	554	614	856	2,599	831	968	1,227	1,206	4,232
Gas Technology Services	2,696	580	542	629	689	2,440	591	658	637	714	2,600
<b>Total Gas Technology</b>	<b>5,735</b>	<b>1,155</b>	<b>1,097</b>	<b>1,242</b>	<b>1,545</b>	<b>5,039</b>	<b>1,422</b>	<b>1,626</b>	<b>1,865</b>	<b>1,920</b>	<b>6,832</b>
Industrial Products	1,598	394	427	429	447	1,697	423	506	520	513	1,962
Industrial Solutions	880	216	210	214	244	884	222	242	243	276	983
Controls <sup>2</sup>	217	43	54	53	58	208	40	1	—	—	41
<b>Total Industrial Technology</b>	<b>2,695</b>	<b>653</b>	<b>691</b>	<b>696</b>	<b>750</b>	<b>2,789</b>	<b>685</b>	<b>749</b>	<b>763</b>	<b>789</b>	<b>2,987</b>
Climate Technology Solutions	43	11	29	29	30	98	31	62	63	170	326
<b>Total Industrial &amp; Energy Technology</b>	<b>8,473</b>	<b>1,818</b>	<b>1,816</b>	<b>1,967</b>	<b>2,325</b>	<b>7,926</b>	<b>2,138</b>	<b>2,438</b>	<b>2,691</b>	<b>2,879</b>	<b>10,145</b>
<b>Total Revenue</b>	<b>\$ 20,502</b>	<b>\$ 4,835</b>	<b>\$ 5,047</b>	<b>\$ 5,369</b>	<b>\$ 5,905</b>	<b>\$ 21,156</b>	<b>\$ 5,716</b>	<b>\$ 6,315</b>	<b>\$ 6,641</b>	<b>\$ 6,835</b>	<b>\$ 25,506</b>

## Oilfield Services & Equipment Geographic Revenue (\$ in millions)

	FY 2021	1Q 2022	2Q 2022	3Q 2022	4Q 2022	FY 2022	1Q 2023	2Q 2023	3Q 2023	4Q 2023	FY 2023
North America	\$ 2,904	\$ 823	\$ 925	\$ 986	\$ 1,030	\$ 3,764	\$ 992	\$ 1,042	\$ 1,064	\$ 1,018	\$ 4,116
Latin America	1,681	440	509	549	601	2,099	661	698	695	708	2,761
Europe/CIS/Sub-Saharan Africa	2,865	660	660	586	577	2,483	581	672	695	707	2,655
Middle East/Asia	4,579	1,094	1,136	1,282	1,371	4,883	1,345	1,465	1,497	1,522	5,829
<b>Oilfield Services &amp; Equipment</b>	<b>\$ 12,028</b>	<b>\$ 3,017</b>	<b>\$ 3,230</b>	<b>\$ 3,403</b>	<b>\$ 3,579</b>	<b>\$ 13,229</b>	<b>\$ 3,577</b>	<b>\$ 3,877</b>	<b>\$ 3,951</b>	<b>\$ 3,956</b>	<b>\$ 15,361</b>
North America	\$ 2,904	\$ 823	\$ 925	\$ 986	\$ 1,030	\$ 3,764	\$ 992	\$ 1,042	\$ 1,064	\$ 1,018	\$ 4,116
International	\$ 9,124	\$ 2,194	\$ 2,305	\$ 2,417	\$ 2,549	\$ 9,465	\$ 2,586	\$ 2,835	\$ 2,887	\$ 2,938	\$ 11,245

# OFSE & IET GAAP to Non-GAAP reconciliations

## Reconciliation of Operating Income (Loss) by Segment (GAAP) to EBITDA (non-GAAP) (\$ in millions)

<b>Operating Income (loss) by Segment (GAAP)</b>	<b>FY 2021</b>	<b>1Q 2022</b>	<b>2Q 2022</b>	<b>3Q 2022</b>	<b>4Q 2022</b>	<b>FY 2022</b>	<b>1Q 2023</b>	<b>2Q 2023</b>	<b>3Q 2023</b>	<b>4Q 2023</b>	<b>FY 2023</b>
Oilfield Services & Equipment	\$ 830	213	249	324	416	1,201	371	417	465	492	1,746
Industrial & Energy Technology	1,177	241	236	282	377	1,135	241	311	346	412	1,310
Segment operating income	2,006	453	485	606	792	2,336	612	728	811	904	3,055
Corporate	(429)	(105)	(108)	(103)	(100)	(416)	(100)	(97)	(95)	(88)	(380)
Inventory impairment	—	—	(31)	—	—	(31)	(18)	(15)	—	—	(35)
Restructuring, impairment and other	(209)	(61)	(362)	(230)	(29)	(682)	(56)	(102)	(2)	(2)	(323)
Separation related	(60)	(9)	(9)	(5)	—	(23)	—	—	—	(163)	—
<b>Operating income (loss)</b>	<b>1,310</b>	<b>279</b>	<b>(25)</b>	<b>269</b>	<b>663</b>	<b>1,185</b>	<b>438</b>	<b>514</b>	<b>714</b>	<b>651</b>	<b>2,317</b>
<b>Add: Depreciation &amp; Amortization</b>	<b>FY 2021</b>	<b>1Q 2022</b>	<b>2Q 2022</b>	<b>3Q 2022</b>	<b>4Q 2022</b>	<b>FY 2022</b>	<b>1Q 2023</b>	<b>2Q 2023</b>	<b>3Q 2023</b>	<b>4Q 2023</b>	<b>FY 2023</b>
Oilfield Services & Equipment	874	222	221	204	198	845	208	219	206	217	849
Industrial & Energy Technology	208	51	49	45	52	197	56	52	57	51	217
Segment depreciation and amortization	1,082	272	270	249	250	1,041	264	271	263	268	1,066
Corporate	23	4	5	5	5	19	5	5	4	6	21
<b>Total depreciation and amortization</b>	<b>1,105</b>	<b>277</b>	<b>275</b>	<b>254</b>	<b>255</b>	<b>1,061</b>	<b>269</b>	<b>276</b>	<b>267</b>	<b>274</b>	<b>1,087</b>
<b>EBITDA by Segment (non-GAAP)</b>	<b>FY 2021</b>	<b>1Q 2022</b>	<b>2Q 2022</b>	<b>3Q 2022</b>	<b>4Q 2022</b>	<b>FY 2022</b>	<b>1Q 2023</b>	<b>2Q 2023</b>	<b>3Q 2023</b>	<b>4Q 2023</b>	<b>FY 2023</b>
Oilfield Services & Equipment	1,704	434	470	528	614	2,046	579	636	670	709	2,595
Industrial & Energy Technology	1,385	291	285	327	429	1,332	297	363	403	463	1,527
Segment EBITDA (non-GAAP)	3,088	725	755	855	1,042	3,377	876	999	1,073	1,172	4,121
Corporate	(407)	(101)	(103)	(98)	(95)	(397)	(95)	(92)	(90)	(81)	(358)
Inventory impairment	—	—	(31)	—	—	(31)	(18)	(15)	—	—	(35)
Restructuring, impairment and other	(209)	(61)	(362)	(230)	(29)	(682)	(56)	(102)	(2)	(2)	(323)
Separation related	(60)	(9)	(9)	(5)	—	(23)	—	—	—	(163)	—
<b>EBITDA (non-GAAP)</b>	<b>\$ 2,415</b>	<b>555</b>	<b>250</b>	<b>523</b>	<b>918</b>	<b>2,245</b>	<b>708</b>	<b>790</b>	<b>981</b>	<b>926</b>	<b>3,405</b>



# OFSE & IET GAAP to Non-GAAP reconciliations

## Reconciliation of Operating Income (Loss) by Segment (GAAP) to EBITDA (non-GAAP) Outlook Framework *(in millions)*

### Oilfield Services & Equipment

	<u>1Q 2024 Outlook Range</u>	<u>2024 FY Outlook Range</u>
	<u>1Q 2024</u>	<u>FY 2024</u>
<b><u>Operating Income (loss) by Segment (GAAP)</u></b>	\$415 – \$455	\$1,910 – \$2,150
<b><u>Add: Depreciation &amp; Amortization</u></b>	\$215	\$870
<b><u>EBITDA by Segment (non-GAAP)</u></b>	\$630 – \$670	\$2,780 – \$3,020

### Industrial & Energy Technology

	<u>1Q 2024 Outlook Range</u>	<u>2024 FY Outlook Range</u>
	<u>1Q 2024</u>	<u>FY 2024</u>
<b><u>Operating Income (loss) by Segment (GAAP)</u></b>	\$285 – \$325	\$1,440 – \$1,640
<b><u>Add: Depreciation &amp; Amortization</u></b>	\$55	\$210
<b><u>EBITDA by Segment (non-GAAP)</u></b>	\$340 – \$380	\$1,650 – \$1,850

# Follow our journey



[bakerhughes.com](https://www.bakerhughes.com)



[@bakerhughesco](https://twitter.com/bakerhughesco)



[Baker Hughes](https://www.linkedin.com/company/bakerhughes)



[bakerhughesco](https://www.instagram.com/bakerhughesco)



[@bakerhughesco](https://www.youtube.com/@bakerhughesco)

**Baker Hughes** 