

**BAKER
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1Q'19 BHGE Earnings

Disclaimer

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, 2018 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.bhge.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 which includes the results of Baker Hughes and GE Oil & Gas from the transaction closing date of July 3, 2017. However, management believes that using additional non-GAAP measures will enhance the evaluation of the profitability of the Company and its ongoing operations. See Exhibit 99.1 in our Current Report on Form 8-K filed with the Securities and Exchange Commission on April 30, 2019 for a reconciliation of GAAP to non-GAAP financial measures.

1Q'19 highlights & environment update

Financial Results¹

- Orders of \$5.7 billion, up 9% year-over-year ... Revenue of \$5.6 billion, up 4% year-over-year
- GAAP operating income of \$176 million ... Adjusted operating income (a non-GAAP measure) of \$273 million
- GAAP diluted earnings per share of \$0.06 ... Adjusted diluted earnings per share (a non-GAAP measure) of \$0.15
- Cash flows from operating activities of \$(184) million ... Free cash flow (a non-GAAP measure) of \$(419) million

Macro

- U.S. rig count down 3% ... Canada rig count up 2% ... International activity remained robust
- Offshore market outlook relatively unchanged ... modest growth vs. 2018
- LNG activity improving ... number of FIDs and FERC approvals moving ahead

Key Wins

- Secured turbomachinery equipment award for the Golden Pass LNG export facility in Sabine, Texas
- Won floating liquefied natural gas (FLNG) and subsea contracts for BP's Greater Tortue Ahmeyim natural gas project
- Opened Motors Center of Excellence in OKC, bringing innovation, manufacturing and R&M closer to customers
- Secured large, multi-year wireline contract for shallow and deepwater wells offshore Brazil
- Launched LUMEN, a ground & drone-based methane detection & reduction system to reduce emissions & increase safety



1Q'19 BHGE financial performance

(\$ in millions, except EPS)	1Q'19	Sequential variance	Prior year variance
Orders	\$5.7B	(17)%	9%
Revenue	\$5.6B	(10)%	4%
Operating income	\$176M	(54)%	F
Adjusted operating income (non-GAAP) ¹	\$273M	(45)%	20%
GAAP earnings per share (attributable to Class A shareholders)	\$0.06	(78)%	(63)%
Adjusted diluted EPS (attributable to Class A shareholders, non-GAAP) ¹	\$0.15	(43)%	63%
Cash flows from operating activities	\$(184)M	U	U
Free cash flow (non-GAAP) ¹	\$(419)M	U	U

¹ Adjusted operating income, adjusted diluted earnings per share and free cash flow are all non-GAAP measures. Please refer to the 1Q'19 BHGE press release for a reconciliation.

"F" is used in most instances when variance is above 100%. Additionally, "U" is used in most instances when variance is below (100)%.

Segment financial performance

(\$ in millions)

Oilfield Services

	1Q'19	Sequential	YoY
Orders	\$2,997	(2)%	14%
Revenues	2,986	(3)%	12%
Operating income	176	(22)%	25%
Operating income %	5.9%	(1.4)pts	0.6pts

Turbomachinery & Process Solutions

	1Q'19	Sequential	YoY
Orders	\$1,271	(40)%	(12)%
Revenues	1,302	(27)%	(11)%
Operating income	118	(54)%	(1)%
Operating income %	9.1%	(5.3)pts	0.9pts

Oilfield Equipment

	1Q'19	Sequential	YoY
Orders	\$766	(26)%	54%
Revenues	735	1%	11%
Operating income	12	(5)%	F
Operating income %	1.6%	(0.1)pts	2.5pts

Digital Solutions

	1Q'19	Sequential	YoY
Orders	\$659	(1)%	2%
Revenues	592	(14)%	(1)%
Operating income	68	(41)%	(6)%
Operating income %	11.5%	(5.2)pts	(0.7)pts

"F" is used in most instances when variance is above 100%.

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