

# 4Q 2023 Results

January 24, 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. 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, 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, except as required by law.

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.

# Lorenzo Simonelli

Chairman & Chief Executive Officer

# 2023 financial results

## Record orders & revenues achieved

Orders  
**\$30.5B**  
↑ 14% YoY

Revenue  
**\$25.5B**  
↑ 21% YoY

## Continued margin improvement ... 14.8% Adj. EBITDA margin

Adj. EBITDA  
**\$3,763M**  
↑ 26% YoY

Adj. operating income  
**\$2,676M**  
↑ 39% YoY

## Free cash flow generation exceeds expectations

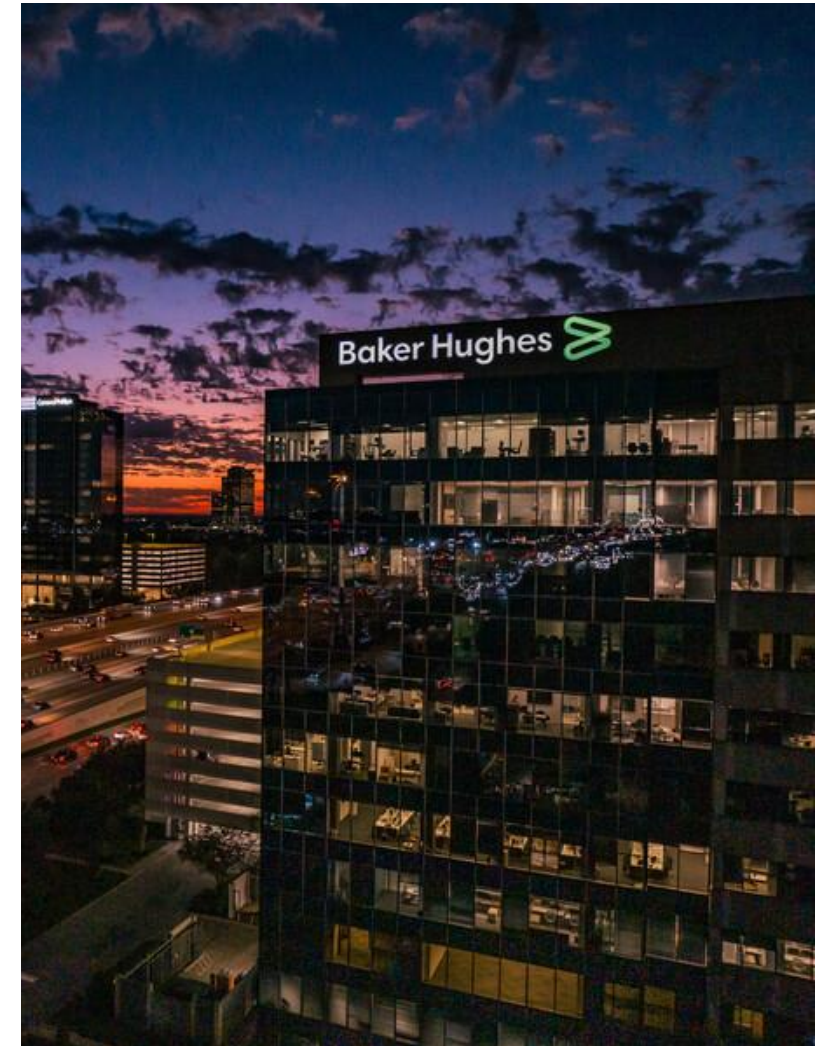
Free cash flow  
**\$2,045M**  
↑ 83% YoY

Adjusted Diluted EPS  
**\$1.60**  
↑ 76% YoY



# Highlights

- **Strong performance to end a record-breaking year ...** set records for all our primary financial metrics
- **Record IET orders of \$3B, brings FY'23 to \$14.2B ...** booked the ADNOC Ruwais LNG project & multiple OOP orders during the quarter
- **4Q'23 Adjusted EBITDA above the mid-point...** driven by strong OFSE & IET margin performance & positive cost out momentum
- **Booked ~\$170M in new energy orders** in 4Q'23, led by awards in clean power and emissions management
- **Free cash flow of \$633M ...** exceeded expectations driving FY'23 FCF conversion of 54%. Also paid down \$650M of notes due in 4Q'23
- **Returned \$1.3B to shareholders in FY23...** through a combination of dividend and buybacks



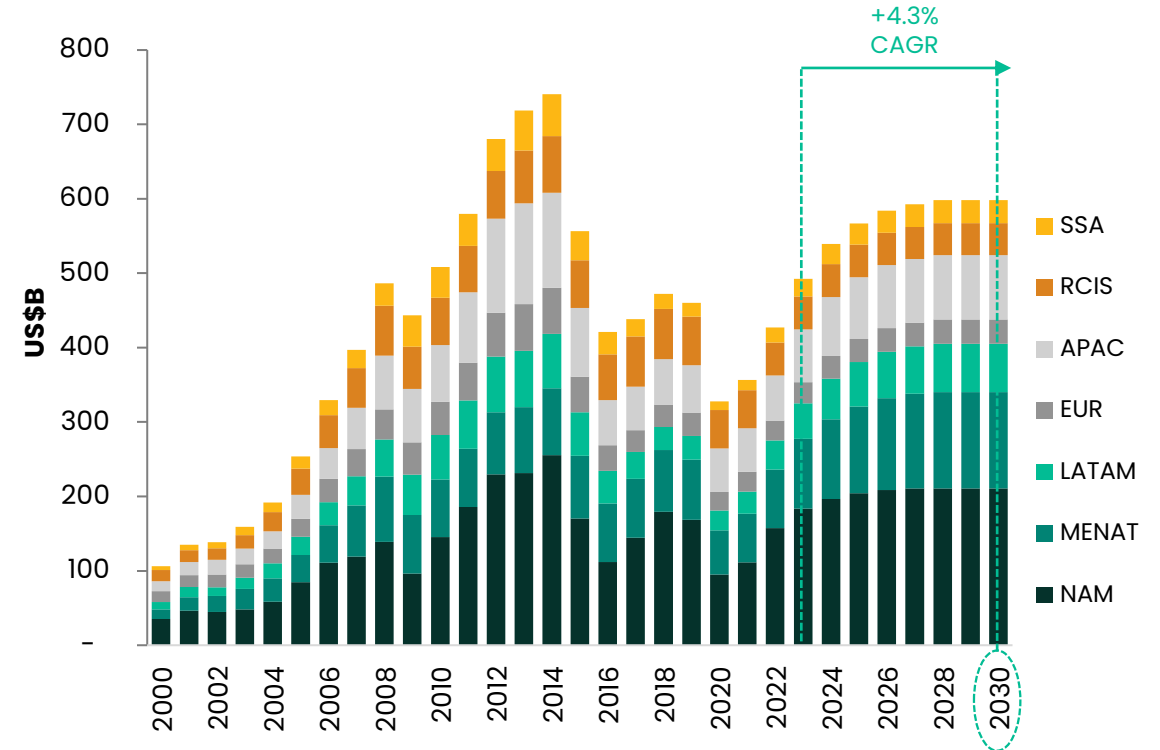
# Multi-year upstream growth cycle continues

## Growing investment required to meet rising energy demand

### 2024 THEMES

- >>> **Decelerating oil demand growth**  
 OPEC+ discipline keeps oil markets balanced
- >>> **International the primary growth driver**  
 Expect high single-digit growth in '24
- >>> **North America to remain subdued**  
 Expect market to be down low-to-mid-single digits in '24
- >>> **Robust offshore activity to continue**  
 Expect >300 X-Tree awards annually for the next 2-3 years

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



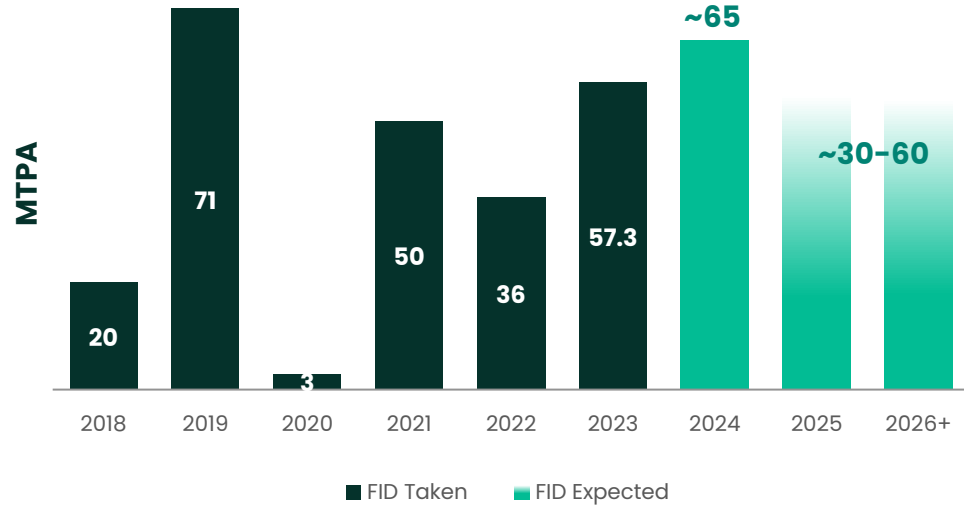
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1. Source: Wood Mackenzie Upstream Capex: Lens Direct & Baker Hughes Company Estimates

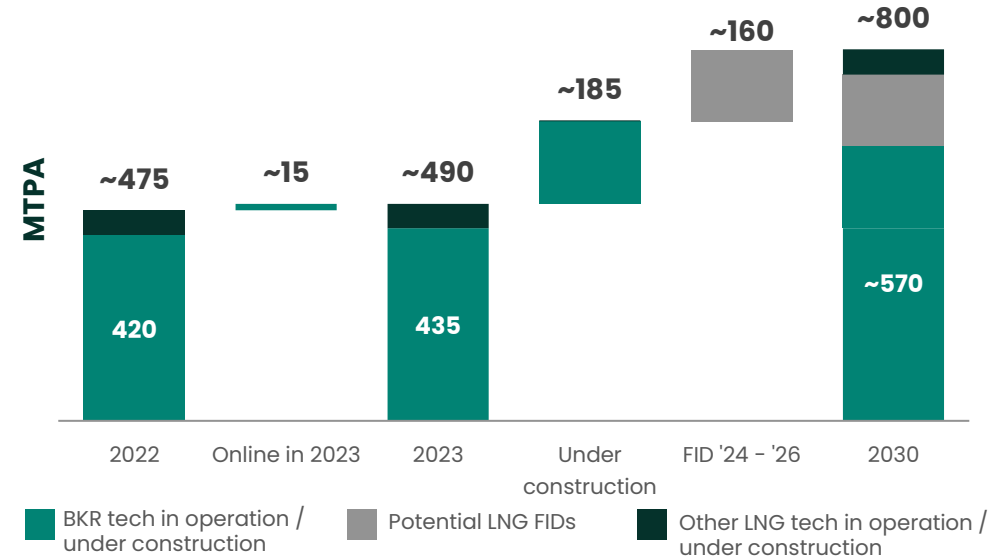
# On track for another strong year of FIDs in 2024

## The LNG project pipeline continues to grow, both in the US and internationally

LNG FIDS & FID OUTLOOK<sup>1</sup>



LNG CAPACITY OUTLOOK<sup>1</sup>



### Strong LNG orders quarter

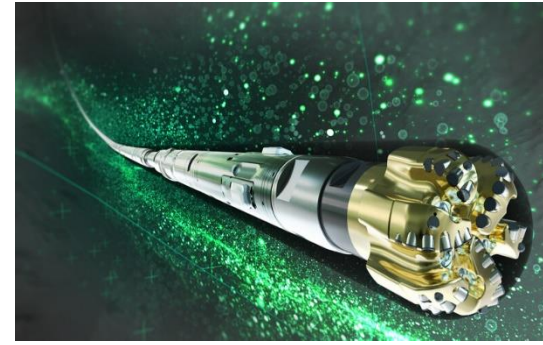
- Booked **~\$0.8 billion** of LNG equipment orders, bringing total to **~\$5.6 billion**
- Booked LNG orders of **~80 MTPA** in 2023 vs. 57.3 MTPA FIDs.

### On track to achieve 800 MTPA of capacity by 2030

- Out of the **210 MTPA of LNG FIDs since 2017**, Baker Hughes has been selected to provide **207 MTPA** of this new capacity.
- Once online, our global liquefaction installed base is set to increase by **50%** by 2028.

# Energy Policy & Permitting

**A critical element of the successful development of the new energy ecosystem**



## COP28

Baker Hughes well represented at COP28

## EMISSIONS

Strong progress on methane emissions in the US and Europe

## PERMITTING

State of Louisiana granted primacy on Class VI well permitting

## POLICY

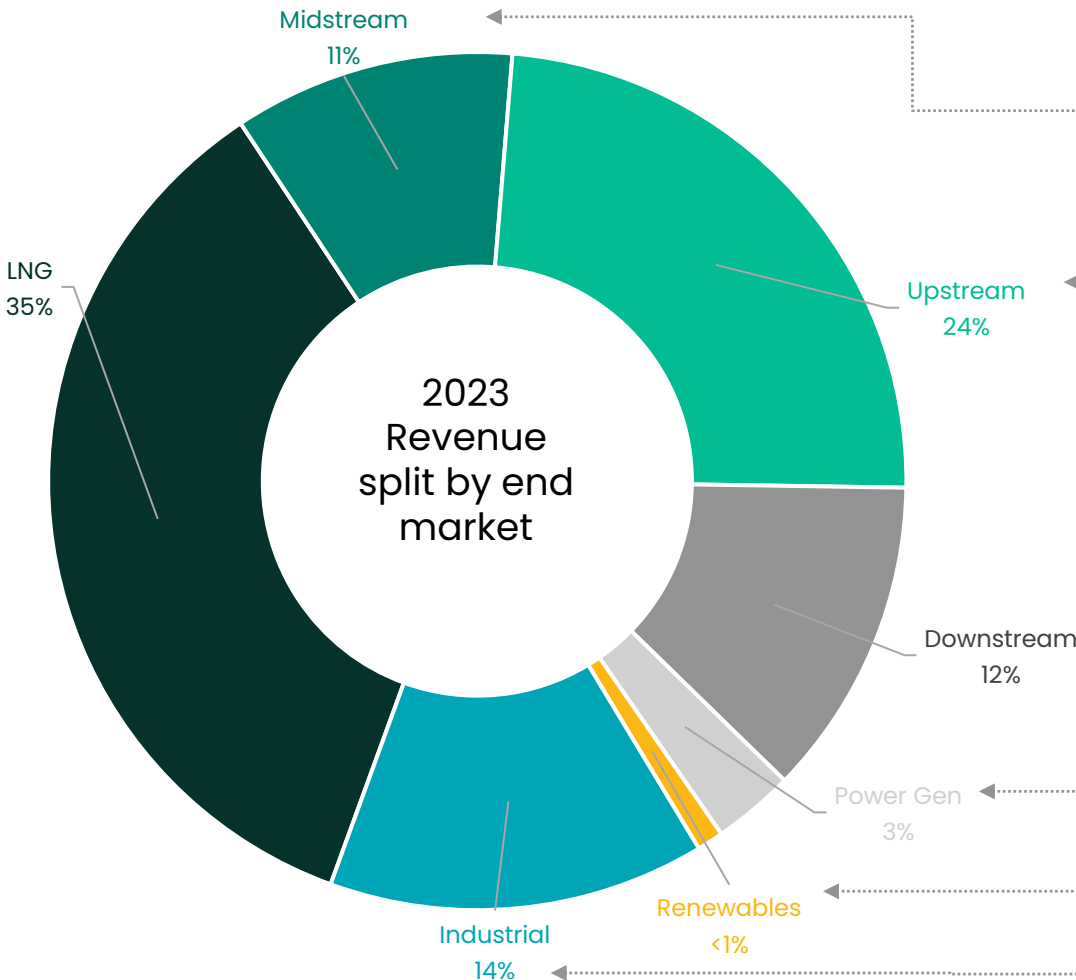
US Treasury 45V hydrogen tax credits proposal outlined

**Significant progress required on policy and permitting to unlock trillions of dollars of investment required to deliver net zero targets**

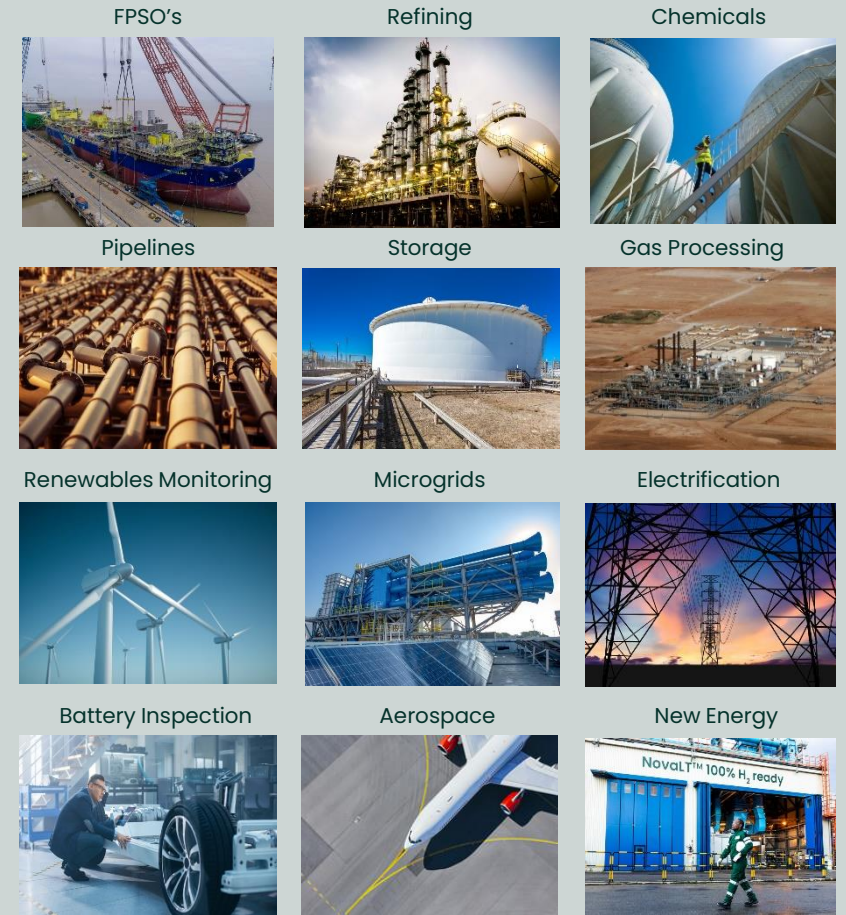


# Broader IET portfolio exposed to strong growth tailwinds

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



## Growth End Markets



Nancy Buese

Chief Financial Officer

# 4Q 2023 financial results

## Strong revenue growth

Orders  
**\$6.9B**  
↓ 14% YoY

Revenue  
**\$6.8B**  
↑ 16% YoY

## Continued margin improvement ... 16% Adj. EBITDA margin

Adj. EBITDA  
**\$1,091M**  
↑ 15% YoY

Adj. operating income  
**\$816M**  
↑ 18% YoY

## Free cash flow generation ahead of expectations

Free cash flow  
**\$633M**  
↓ 4% YoY

Adjusted EPS  
**\$0.51**  
↑ 34% YoY

# Strong balance sheet and solid cash flow

## STRONG BALANCE SHEET

Enables financial flexibility

**0.9X<sup>1</sup>**

Net debt / LTM Adj. EBITDA

**A3/A-**

Credit Ratings from Moody's and S&P

**\$5.6B<sup>2</sup>**

Total Liquidity

**Committed to  
investment grade rating**

## PRIORITIZING FREE CASH FLOW

Focused on maximizing free cash  
flow generation

**\$2.05B<sup>3</sup>**

FCF in '23

**+83%**

vs. '22

**54%<sup>3</sup>**

FCF conversion in '23

**Targeting 50+% FCF  
conversion through the cycle**

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1. Net Debt / LTM Adj. EBITDA is a non-GAAP measure – see appendix for GAAP to non-GAAP reconciliations
2. As of December 31, 2023: Cash and cash equivalents of \$2,646 million and a \$3 billion committed unsecured revolving credit facility
3. FCF Conversion = FCF / Adj. EBITDA. FCF & Adj. EBITDA are non-GAAP measures – see appendix for GAAP to non-GAAP reconciliations

# Flexible capital allocation policy

65% of free cash flow returned to shareholders in 2023

60%-80% FCF<sup>4</sup>

PRIORITY



PHILOSOPHY

- Maintain a strong balance sheet
- Maintain optionality to pay down near-term debt maturities

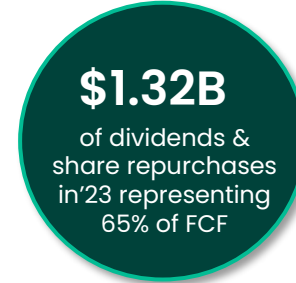
- Focus growth capital on highest return, highest impact, highest growth opportunities across the portfolio

- Prioritize dividend growth supported by continued margin improvement & structural growth in IET

- Repurchase shares to offset share-based compensation
- Opportunistic share repurchases to meet shareholder return framework

- Disciplined strategy targeting high return, bolt-on acquisitions
- Selectively recycle capital from divestments & equity investments

STATUS



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1. Technology investment represents small acquisitions and equity investments in incubator stage technology companies focused in the areas of CCUS, H2, Geothermal, Clean Power and Industrial Asset Management.

2. Net Debt / LTM Adj. EBITDA 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

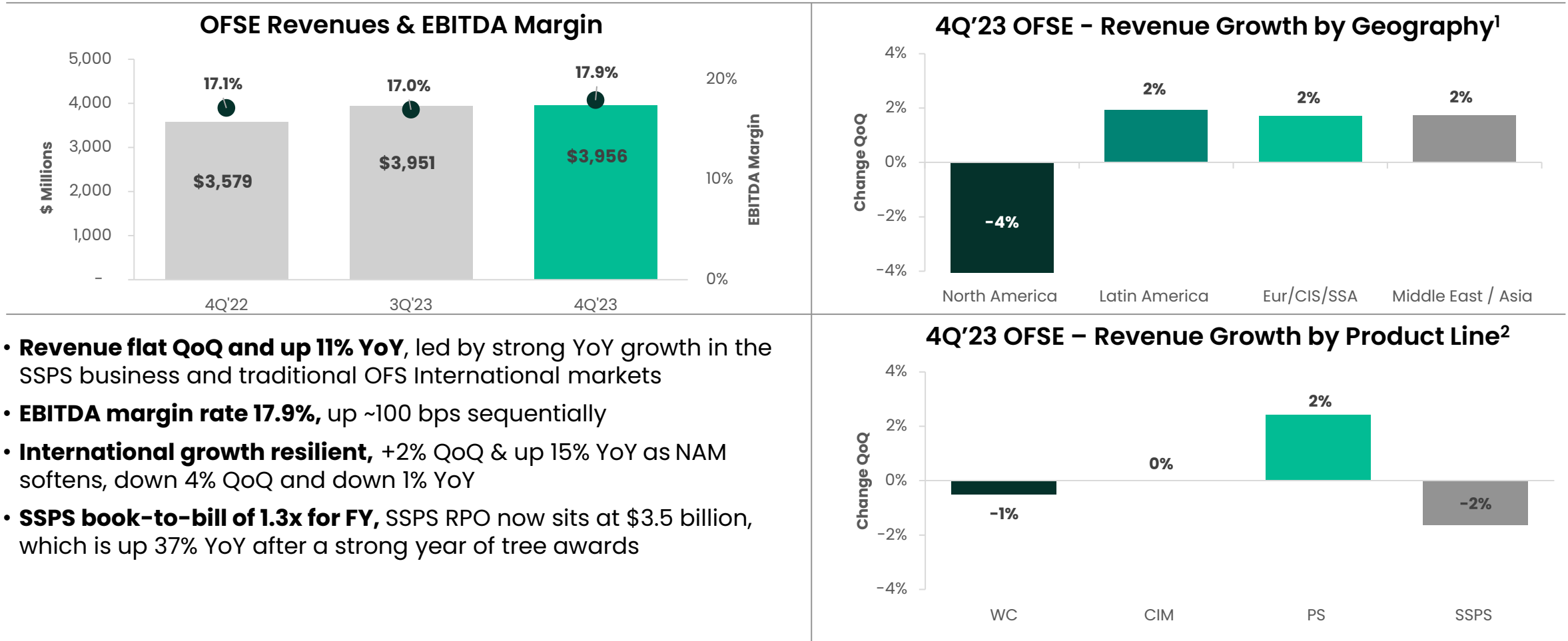
4. Free Cash Flow (FCF) is a non-GAAP measure – see appendix for GAAP to non-GAAP reconciliations.

5. Increased dividend amount (\$0.20) was announced on July 27, 2023



# Oilfield Services & Equipment (OFSE) results

Strong performance driven by international markets across all product lines



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

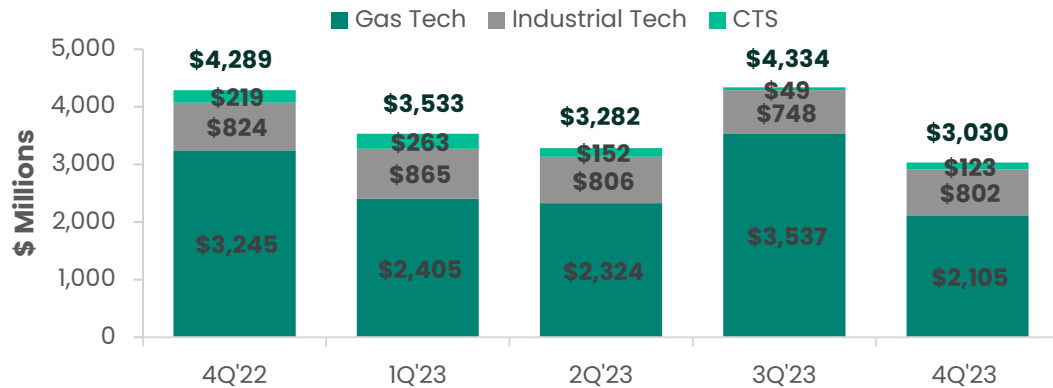
1. Note Europe/CIS/SSA QoQ revenue growth of 0.1% excluding the acquisition of Altus Intervention (4Q'23 revenues of US\$72M).

2. WC – Well Construction, CIM – Completions, Intervention & Measurement, PS – Production Solutions, SSPS – Subsea & Surface Pressure Systems. Note CIM QoQ revenue growth of 0% excluding the acquisition of Altus Intervention (4Q'23 Revenues of US\$78M).

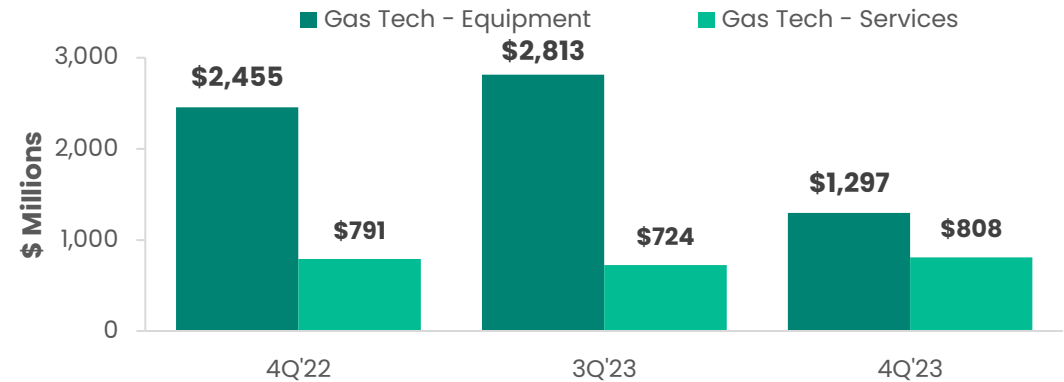
# Industrial & Energy Technology (IET) orders

## Record orders driven by continued strength in LNG

IET Orders

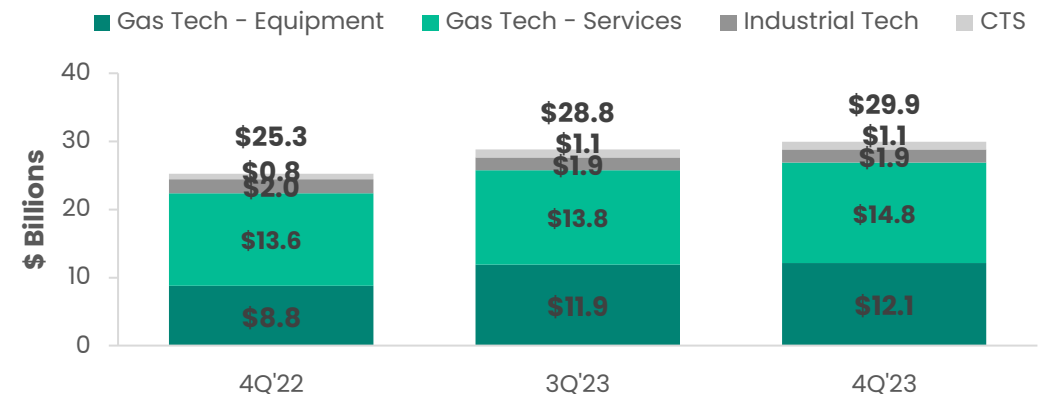


Gas Technology Orders



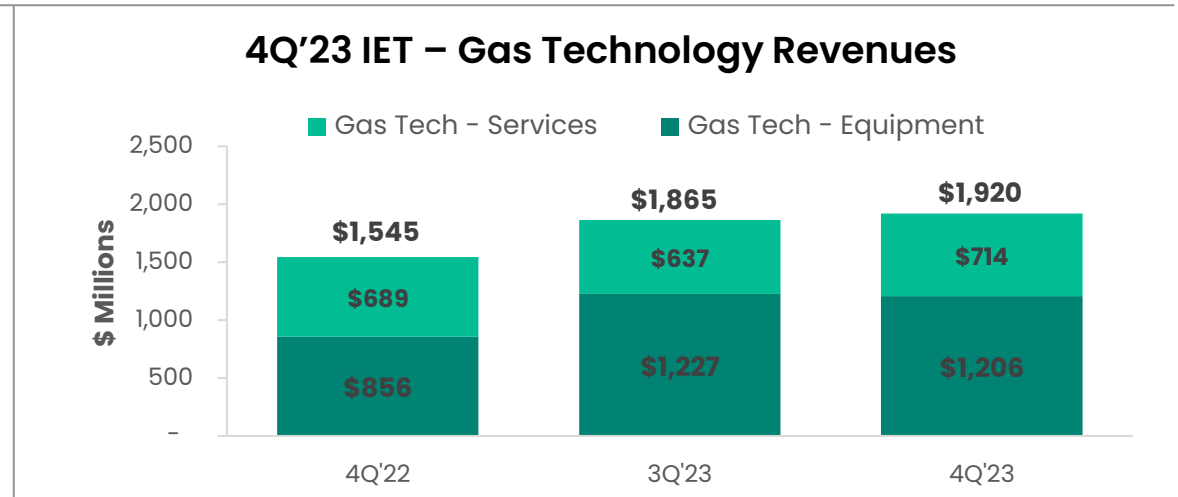
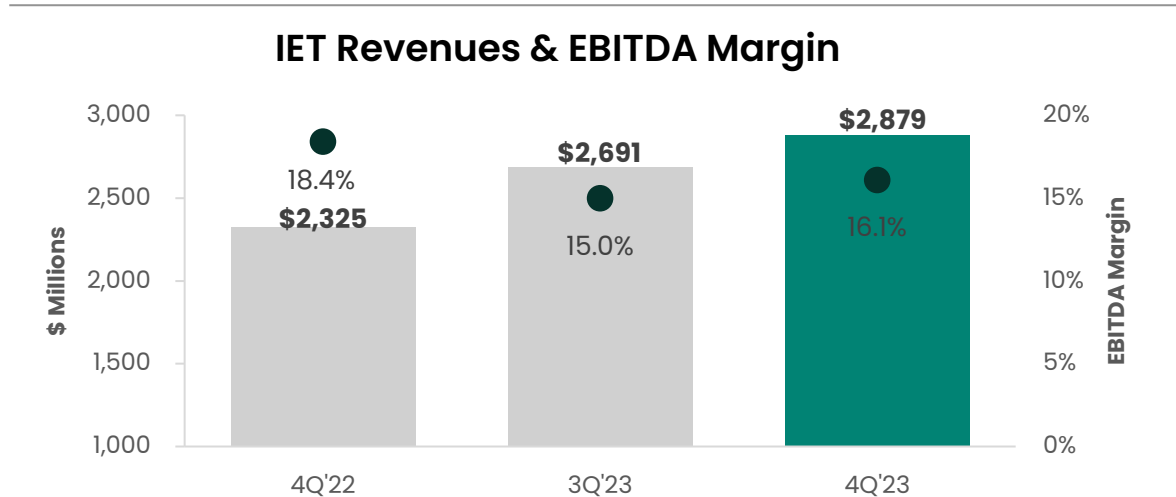
- **\$3.0B of orders**, down sequentially and YoY after record 3Q – included \$0.8B of LNG equipment taking FY LNG orders to \$5.6B
- **Gas Tech Equipment Book-to-bill of 1.1x**, the tenth consecutive quarter above 1x
- **Record IET RPO of \$29.9B**, up 4% sequentially with over \$1.1B of new CSA commitments in 4Q
- **Industrial Tech** strength across both Industrial Products and Industrial Solutions
- **\$123M CTS orders in 4Q**, driven by clean power solutions and emissions management

IET RPO (Remaining Performance Obligations)

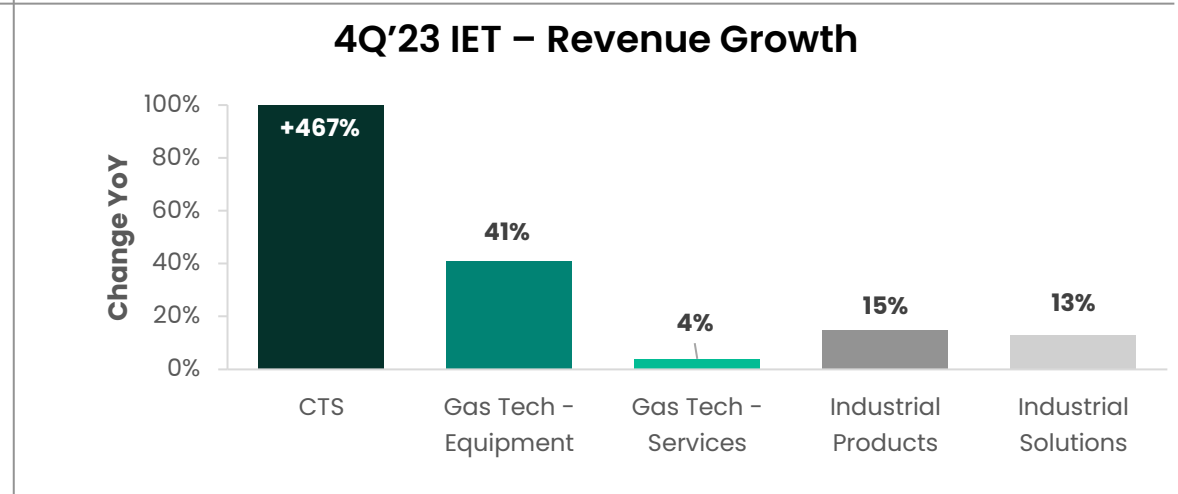


# Industrial & Energy Technology (IET) results

## Strong revenue growth driven by Gas Tech Equipment backlog conversion



- **IET revenue growth +24% YoY & +7% QoQ**, led by Gas Tech Equipment growth that was up 41% YoY driven by execution of project backlog
- **Gas Technology Services revenue +4% YoY & +12% QoQ**. TY up 7% driven by higher transactional mix
- **Industrial products revenue +15% YoY & Industrial Solutions +13% YoY**, with all business units growing
- **EBITDA margin rate of 16.1%, up 110 basis points QoQ** on better Gas Tech margins, down 230 basis points YoY driven by higher equipment mix and higher R&D spend



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

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

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Note: EBITDA, Adj. EBITDA and Adj. Effective Tax Rate are non-GAAP measures – see appendix for EBITDA reconciliation.

Outlook for Adj. EBITDA and Adj. Effective Tax Rate 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.



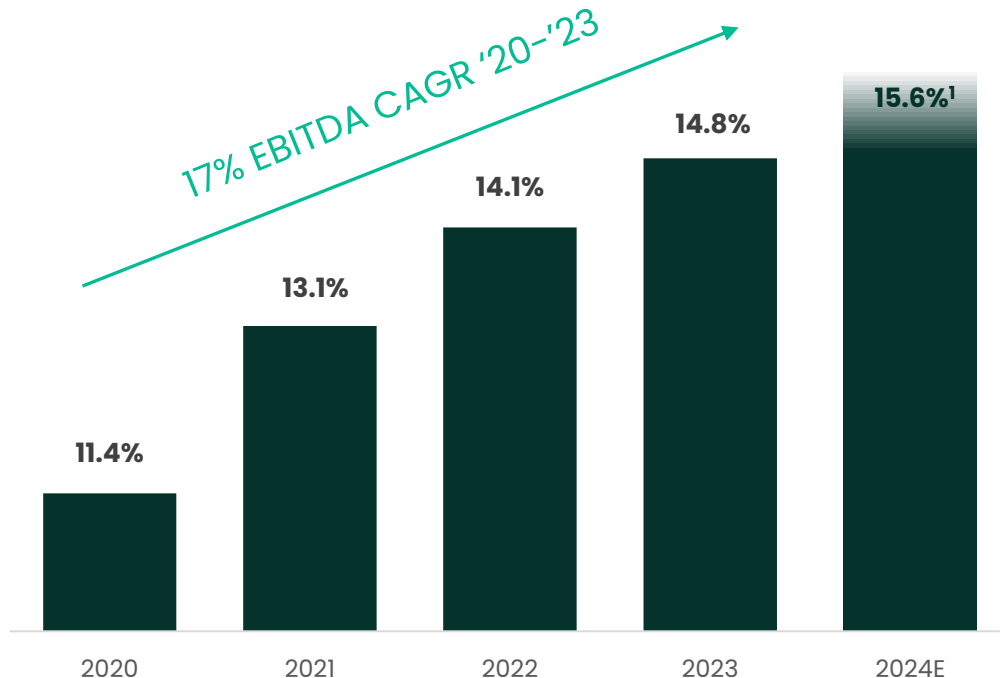
# Lorenzo Simonelli

Chairman & Chief Executive Officer

# Executing our strategy across three time horizons

## Delivered 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

# 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>	<b>\$ 3,956</b>	<b>\$ 3,951</b>	<b>\$ 3,579</b>	<b>—%</b>	<b>11%</b>

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>	<b>\$ 3,956</b>	<b>\$ 3,951</b>	<b>\$ 3,579</b>	<b>—%</b>	<b>11%</b>

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>

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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)*

	<u>FY 2021</u>	<u>1Q 2022</u>	<u>2Q 2022</u>	<u>3Q 2022</u>	<u>4Q 2022</u>	<u>FY 2022</u>	<u>1Q 2023</u>	<u>2Q 2023</u>	<u>3Q 2023</u>	<u>4Q 2023</u>	<u>FY 2023</u>
<b>Net cash flow from operating activities (GAAP)</b>	<b>2,374</b>	<b>72</b>	<b>321</b>	<b>597</b>	<b>898</b>	<b>1,888</b>	<b>461</b>	<b>858</b>	<b>811</b>	<b>932</b>	<b>3,062</b>
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)*

	<u>FY 2021</u>	<u>1Q 2022</u>	<u>2Q 2022</u>	<u>3Q 2022</u>	<u>4Q 2022</u>	<u>FY 2022</u>	<u>1Q 2023</u>	<u>2Q 2023</u>	<u>3Q 2023</u>	<u>4Q 2023</u>	<u>FY 2023</u>
<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)

<u>Oilfield Services &amp; Equipment</u>	<u>FY 2021</u>	<u>1Q 2022</u>	<u>2Q 2022</u>	<u>3Q 2022</u>	<u>4Q 2022</u>	<u>FY 2022</u>	<u>1Q 2023</u>	<u>2Q 2023</u>	<u>3Q 2023</u>	<u>4Q 2023</u>	<u>FY 2023</u>
<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>
<u>Industrial &amp; Energy Technology</u>											
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)

<u>Net Debt to Last Twelve Months (LTM) Adjusted EBITDA</u>	<u>4Q 2023</u>
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)

	<u>4Q 2023</u>	<u>3Q 2023</u>	<u>4Q 2022</u>
<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

**Baker Hughes** 