

**BAKER
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2Q'19 BHGE Earnings

July 31, 2019

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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. 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 July 31, 2019 for a reconciliation of GAAP to non-GAAP financial measures.

2Q'19 highlights & environment update

Financial Results¹

- Orders of \$6.6 billion, up 15% sequentially and up 9% year-over-year ... Revenue of \$6.0 billion, up 7% sequentially and up 8% year-over-year
- GAAP operating income of \$271 million ... Adjusted operating income (a non-GAAP measure) of \$361 million
- GAAP diluted earnings per share of \$(0.02) ... Adjusted diluted earnings per share (a non-GAAP measure) of \$0.20
- Cash flows from operating activities of \$593 million ... Free cash flow (a non-GAAP measure) of \$355 million

Macro

- LNG outlook remains positive ... approximately 50 MTPA of new capacity has reached FID since 4Q 2018
- Offshore market outlook unchanged ... relatively flat vs. 2018 ... improving Flexible pipe market outlook
- International rig count up 8% ... strength driven by Middle East & North Sea
- U.S. rig count down 5% ... NAM rig count down 13% ... US production expected to increase

Key Wins

- Strong execution on Integrated Well Services (IWS) contracts ... ADNOC Drilling, Equinor
- Won IWS contract for 22 wells, deploying GeoFORM sand control, in Malaysia
- Deployed SureCONNECT for BP in the North Sea, enabling real-time distributed monitoring of entire well
- Strong order intake in Flexible Pipe Systems ... offshore Latin America, Saudi Arabia, China
- Announced joint venture with C3.ai to deliver AI to drive outcomes for customers



2Q'19 BHGE financial performance

(\$ in millions, except EPS)	2Q'19	Sequential variance	Prior year variance
Orders	\$6.6B	15%	9%
Revenue	\$6.0B	7%	8%
Operating income	\$271M	54%	F
Adjusted operating income (non-GAAP) ¹	\$361M	32%	25%
GAAP earnings per share (attributable to Class A shareholders)	\$(0.02)	U	62%
Adjusted diluted EPS (attributable to Class A shareholders, non-GAAP) ¹	\$0.20	37%	F
Cash flows from operating activities	\$593M	F	F
Free cash flow (non-GAAP) ¹	\$355M	F	F

¹ Adjusted operating income, adjusted diluted earnings per share and free cash flow are all non-GAAP measures. Please refer to the 2Q'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

	2Q'19	Sequential	YoY
Orders	3,266	9%	14%
Revenues	3,263	9%	13%
Operating income	233	32%	23%
Operating income %	7.1%	1.2pts	0.6pts

Turbomachinery & Process Solutions

	2Q'19	Sequential	YoY
Orders	1,983	56%	32%
Revenues	1,405	8%	1%
Operating income	135	14%	19%
Operating income %	9.6%	0.5pts	1.4pts

Oilfield Equipment

	2Q'19	Sequential	YoY
Orders	617	(19)%	(40)%
Revenues	693	(6)%	12%
Operating income	14	22%	F
Operating income %	2.0%	0.5pts	3.9pts

Digital Solutions

	2Q'19	Sequential	YoY
Orders	688	4%	8%
Revenues	632	7%	(5)%
Operating income	84	23%	(13)%
Operating income %	13.2%	1.8pts	(1.3)pts

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

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