

**BAKER
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4Q'18 & TY 2018 BHGE Earnings

January 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, 2017; the Company’s subsequent quarterly reports on Form 10-Q for the quarterly period ended March 31, 2018, June 30, 2018 and September 31, 2018; the Company’s current report Form 8-K filed on November 13, 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.

4Q'18 highlights & environment update

Financial Results¹

- Orders of \$6.9 billion, up 21% year-over-year ... Revenue of \$6.3 billion, up 8% year-over-year
- GAAP operating income of \$382 million ... Adjusted operating income (a non-GAAP measure) of \$498 million
- GAAP diluted earnings per share of \$0.28 ... Adjusted earnings per share (a non-GAAP measure) of \$0.26
- Cash flow from operating activities of \$1,090 million ... Free cash flow (a non-GAAP measure) of \$876 million

Macro

- NAM rig count down 1%, International up 1% in 4Q ... oil prices down almost 40% ... NAM slowdown in 1H'19 expected
- International and Offshore markets relatively unchanged ... positive change in LNG outlook

Key Wins

- Won major conventional stimulation and well-testing contract with Saudi Aramco to enhance production from new and existing wells across conventional fields in Saudi Arabia
- Awarded subsea contract for ONGC's 98/2 project, including 34 deepwater trees & other subsea equipment and services
- Secured contract to supply modular turbocompressor technology for LNG Canada's liquefaction plant, the largest LNG project to reach positive FID globally since 2014
- Won a contract to provide turbomachinery equipment for the Coastal GasLink pipeline project in Canada



4Q'18 BHGE financial performance

(\$ in millions, except EPS)	4Q'18	Sequential variance	Prior year variance
Orders	\$6.9B	20%	21%
Revenue	\$6.3B	11%	8%
Operating income	\$382M	35%	F
Adjusted operating income (non-GAAP) ¹	\$498M	32%	75%
GAAP earnings per share (attributable to Class A shareholders)	\$0.28	F	F
Adjusted diluted EPS (attributable to Class A shareholders, non-GAAP) ¹	\$0.26	37%	71%
Cash flow from operating activities	\$1,090M	F	F
Free cash flow (non-GAAP) ¹	\$876M	F	F

¹ Adjusted operating income, adjusted diluted earnings per share and free cash flow are all non-GAAP measures. Please refer to the 4Q'18 BHGE press release for a reconciliation.

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

2018 TY BHGE Combined Business Basis Results

(\$ in millions, except EPS)

	2018	Prior year variance
Orders	\$23.9B	10%
Revenue	\$22.9B	5%
Operating income	\$701M	F
Adjusted operating income (non-GAAP) ¹	\$1,391M	62%
Cash flow from operating activities	\$1,762M	n/a
Free cash flow (non-GAAP) ¹	\$1,226M	n/a

¹ Adjusted operating income, adjusted diluted earnings per share and free cash flow are all non-GAAP measures. Please refer to the 4Q'18 BHGE press release for a reconciliation.

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

Segment financial performance

(\$ in millions)

Oilfield Services

	4Q'18	Sequential	YoY
Orders	\$3,051	1%	10%
Revenues	3,062	2%	10%
Operating income	224	(3)%	F
Operating income %	7.3%	(0.4)pts	3.6pts

Turbomachinery & Process Solutions

	4Q'18	Sequential	YoY
Orders	\$2,123	37%	23%
Revenues	1,782	28%	8%
Operating income	257	94%	64%
Operating income %	14.4%	4.9pts	4.9pts

Oilfield Equipment

	4Q'18	Sequential	YoY
Orders	\$1,041	88%	F
Revenues	729	16%	12%
Operating income	12	F	F
Operating income %	1.7%	0.8pts	1.9pts

Digital Solutions

	4Q'18	Sequential	YoY
Orders	\$668	6%	(4)%
Revenues	691	6%	(4)%
Operating income	115	8%	(3)%
Operating income %	16.7%	0.4pts	0.2pts





- Securing key commercial wins
- Improving cash generation
- Delivering productivity solutions
- Executing on priorities for shareholders

AM ENERGY FORWARD ANNUAL MEETING 2019

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