

# Investor Overview

May 2023

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.

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.

# Overview & Strategy



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

120+

Countries

~55,000

Employees

\$21.2B

Revenues 2022

217

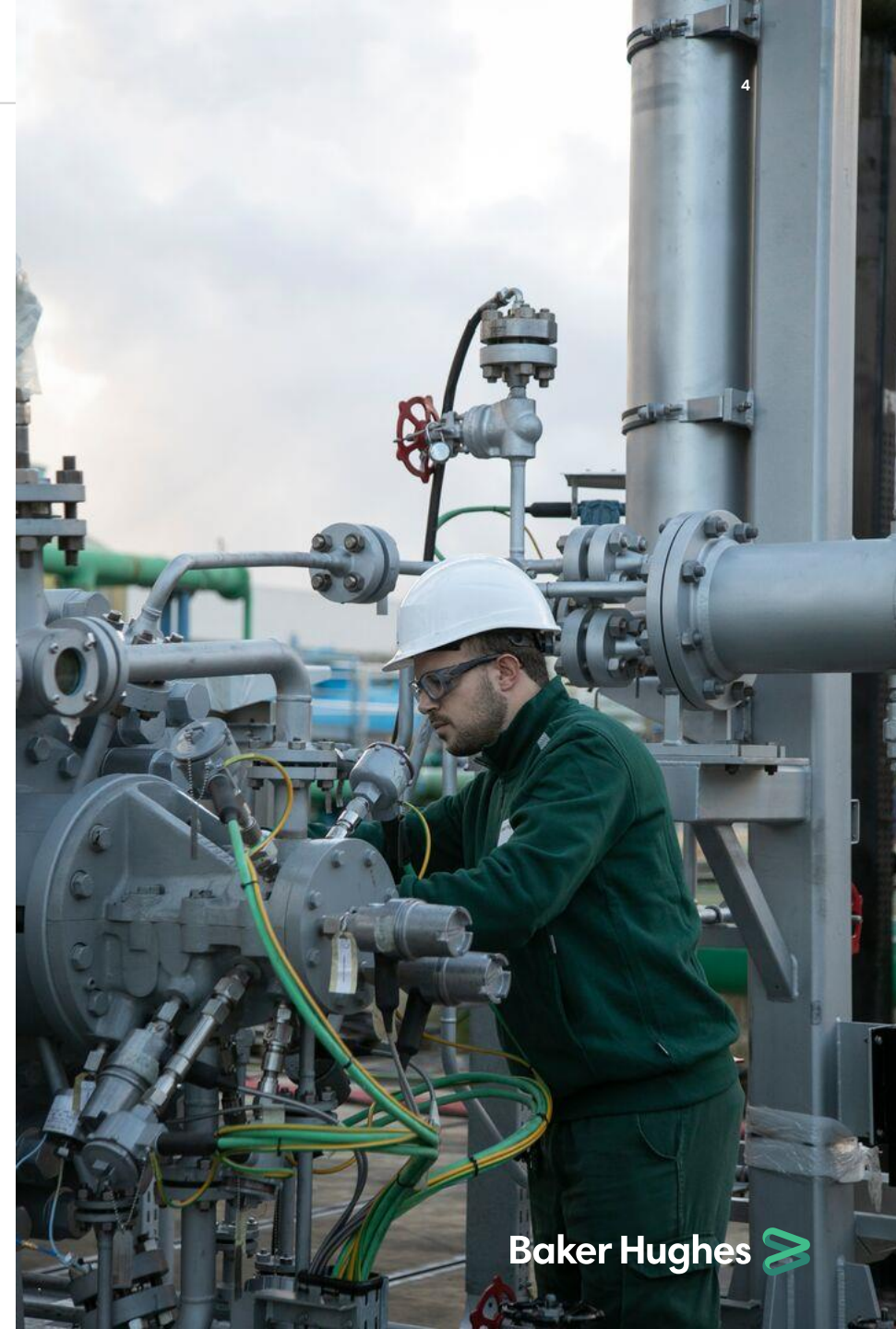
Perfect HSE  
days in 2022

\$556M

in R&D  
development

>2,200

Patents  
awarded



# Sharpening our focus on building a differentiated Energy Technology Company

## Committed to enhancing shareholder value

### TOP PRIORITIES

- » Capitalize on the growth opportunities across OFSE and IET, including LNG and New Energy
- » Increasing R&D to develop New Energy technology portfolio in hydrogen, carbon capture and clean power
- » Optimize corporate structure to enhance our margin and return profile
- » Targeting EBITDA margins of 20% in OFSE & IET by 2025/2026, and increasing ROIC to 15% and 20%, respectively
- » Flexible capital allocation policy to balance returning cash to shareholders (60–80% of FCF<sup>1</sup>) while investing for growth

# World leading Energy Technology Company

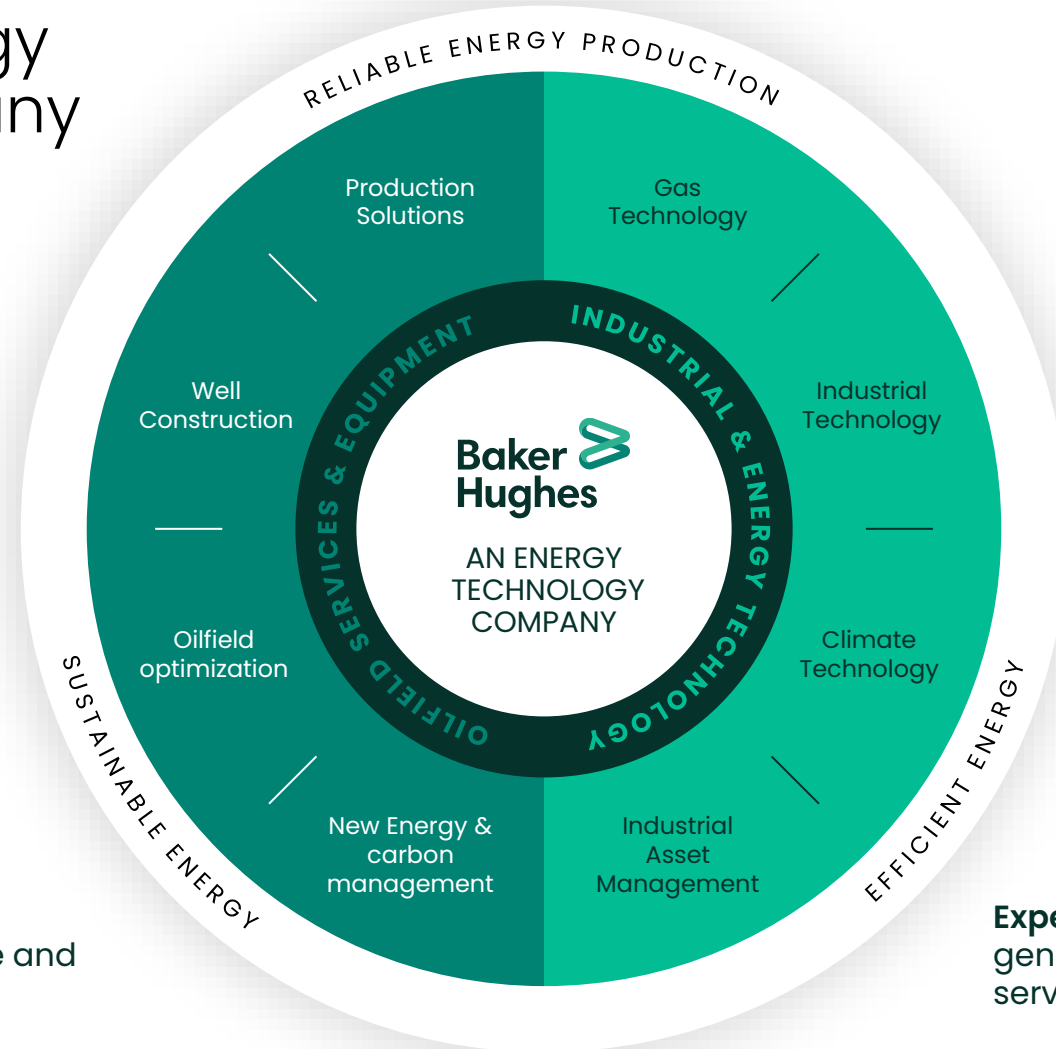
Baker Hughes has a >>> diverse portfolio of technologies & services that play across the energy landscape

## OFSE

**OFSE technology leader** ... ~70% international, ~40% offshore & ~35% production-weighted

**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 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 management

# Changing the way we operate

Laying the foundation for consistently better operating results and higher returns

OILFIELD SERVICES &  
EQUIPMENT (OFSE)

INDUSTRIAL & ENERGY  
TECHNOLOGY (IET)

CORPORATE FUNCTIONS

COST OUT TARGET

**\$60+M**

**\$50+M**

**\$40+M**

## ACTIONS IN PROCESS

- Combination of legacy OFS and OFE businesses
- Streamline functions and management layers
- Combination of legacy TPS and DS businesses
- Key leadership changes
- Simplified ELT structure
- Moving activities & resources into segments
- Simplifying reporting lines and eliminating duplication

**Additional opportunities identified to drive further cost savings in each segment**

## Key Targets

**\$150+M**

Cost out by end of 2023

**20%**

EBITDA margins across OFSE & IET

**15%**

OFSE ROIC

**20%**

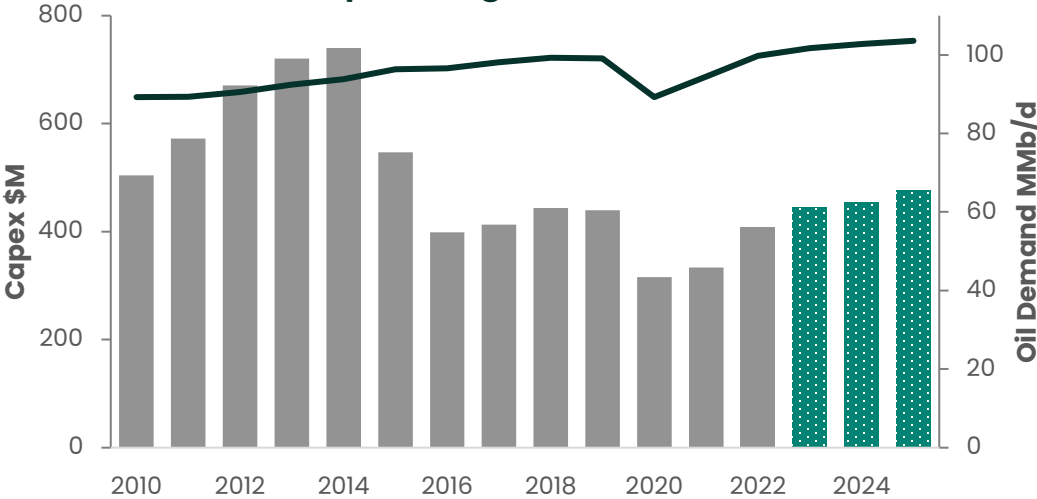
IET ROIC

# Tailwinds across both business segments

## Oilfield Services & Equipment (OFSE)

- Growth trends clearly shifting in favor of international and offshore markets
- North America activity trending weaker given gas price weakness and oil price volatility
- SSPS<sup>1</sup> demand outlook continues to strengthen ... robust pipeline building for subsea trees and flexibles

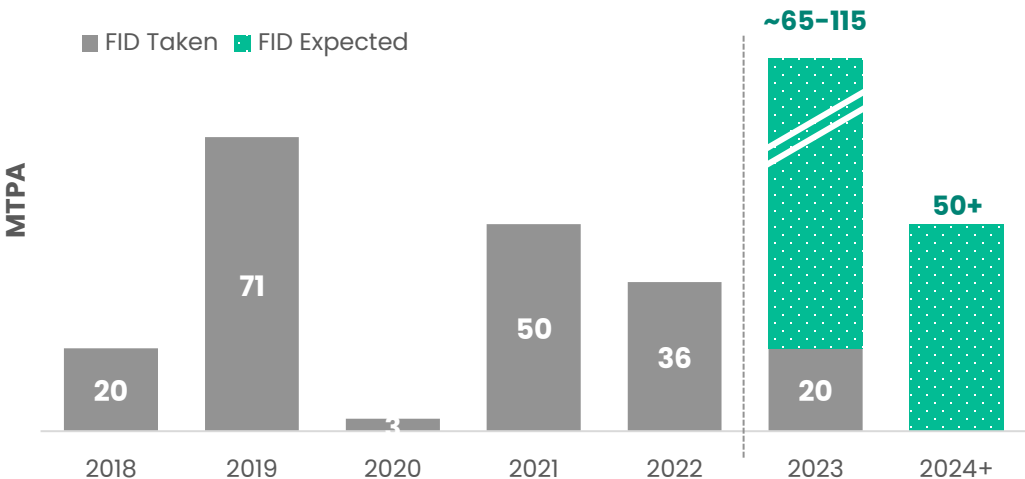
International growth maintains upstream spending momentum<sup>2</sup>



## Industrial & Energy Technology (IET)

- Positive near-term and long-term prospects for the natural gas and LNG investment cycle
- Climate Technology Solutions (CTS) continues to expand its collaborations and offerings
- Industrial Technology showing strong order momentum and supply chain issues continue to ease

Long-term fundamentals underpin positive LNG FID outlook<sup>3</sup>



1. SSPS: Subsea & Surface Pressure Systems  
2. Source: Wood Mackenzie – Oil Demand: Energy Transition Tool . – Upstream Capex: Lens Direct  
3. Source: S&P Global Liquefaction Database & Baker Hughes company estimates



# Strong balance sheet and solid cash flow

## Strong Balance Sheet

Strong balance sheet enables financial flexibility

**1.4X<sup>1</sup>** Net debt / LTM Adj. EBITDA

**A3/A-** Credit Ratings from Moody's and S&P

**\$5.4B<sup>2</sup>** Total Liquidity



**Committed to investment grade rating**

## Prioritizing Free Cash Flow

Portfolio focused on maximizing free cash flow generation

**\$0.2B** FCF in 1Q'23

**+\$0.3B** vs. 1Q'22

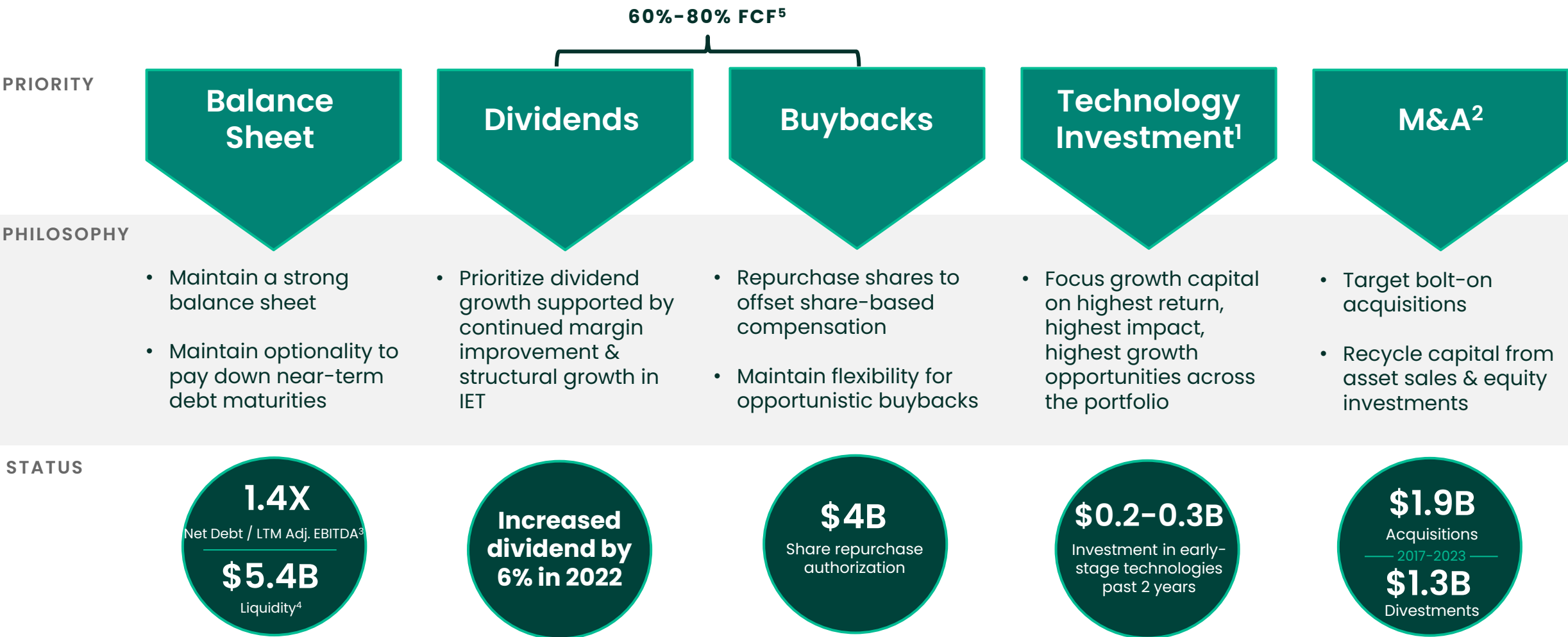
**25%<sup>3</sup>** FCF conversion in 1Q'23



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

# Flexible Capital Allocation Policy

Prioritizing a strong balance sheet and returning capital to shareholders



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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. Excludes technology investment

3. Net Debt / LTM Adj. EBITDA is a non-GAAP measure – see earnings release and/or appendix for GAAP to non-GAAP reconciliations

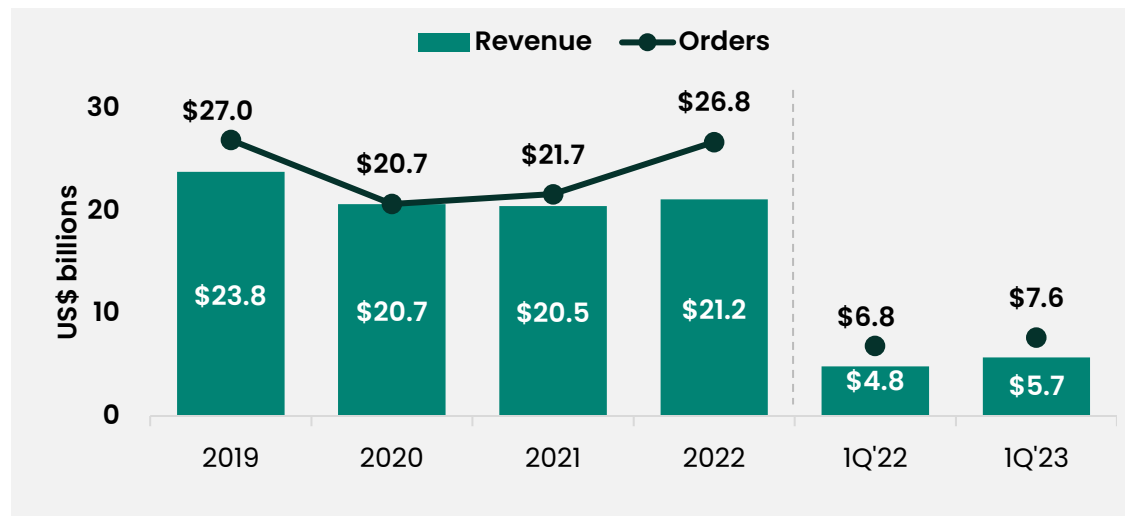
4. As of March 31, 2023; Cash and cash equivalents of \$2,415 million and a \$3 billion committed unsecured revolving credit facility

5. Free Cash Flow (FCF) is a non-GAAP measure – see earnings release and/or appendix for GAAP to non-GAAP reconciliations.

# Baker Hughes financial results

## Strong financial execution

### BKR Orders & Revenues



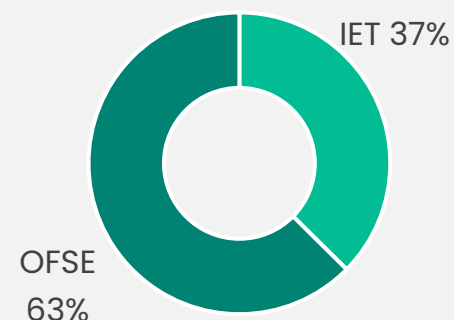
(US\$ billions)

<b>Adj. Op Income</b> (non-GAAP)	\$1.6	\$1.0	\$1.6	\$1.9	\$0.3	\$0.5
<b>Adj. Op Inc. %</b>	6.7%	5.0%	7.7%	9.1%	7.2%	9.0%
<b>D&amp;A</b>	\$1.4	\$1.3	\$1.1	\$1.1	\$0.3	\$0.3
<b>Adj. EBITDA</b> (non-GAAP)	\$3.0	\$2.4	\$2.7	\$3.0	\$0.6	\$0.8
<b>Adj. EBITDA %</b>	12.7%	11.4%	13.1%	14.1%	12.9%	13.7%
<b>Free Cash Flow</b>	\$1.2	\$0.5	\$1.8	\$1.1	\$(0.1)	\$0.2
<b>FCF Conv. %</b>	38%	22%	68%	37%	(17)%	25%

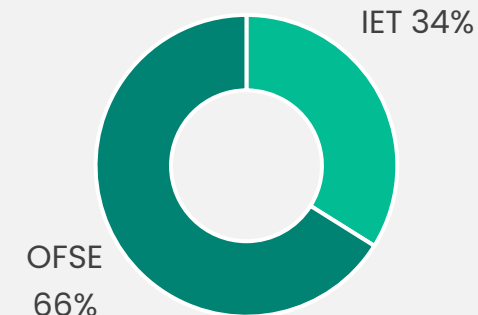
Copyright 2023 Baker Hughes Company. All rights reserved.  
FCF & EBITDA margin is a non-GAAP measure – see earnings release and/or appendix for GAAP to non-GAAP reconciliations

### Segment Revenue & EBITDA

#### 1Q'23 Revenue



#### 1Q'23 Segment EBITDA



- \$29.6B RPO – \$10.5B Gas Tech Equipment RPO; \$13.6B Gas Tech Services RPO
- Booked \$2.6B of orders in Gas Technology in 1Q'23 – solid quarter supported by LNG & Onshore/Offshore production; \$1.2B of orders in SSPS

# 2023 Outlook

## 2Q'23 Outlook

### BKR

Revenue	<b>\$6.1 – \$6.5B</b>
Adj. EBITDA	<b>\$845 – \$905M</b>

### OFSE

Revenue	<b>\$3.65 – \$3.85B</b>
EBITDA	<b>\$590 – \$650M</b>

### IET

Revenue	<b>\$2.35 – \$2.75B</b>
EBITDA	<b>\$320 – \$380M</b>

### Other

Corporate costs	<b>Approx. \$100M</b>
D&A	<b>Approx. \$280M</b>

## 2023 Outlook

### BKR

Revenue	<b>\$24 – \$26B</b>
Adj. EBITDA	<b>\$3.6 – \$3.8B</b>

### OFSE

Revenue	<b>\$14.5 – \$15.5B</b>
EBITDA	<b>\$2.4 – \$2.8B</b>

### IET

Orders	<b>\$10.5 – \$11.5B</b>
Revenue	<b>\$9.5 – \$10.5B</b>
EBITDA	<b>\$1.35 – \$1.65B</b>

### Other

Corporate costs	<b>\$370 – \$390M</b>
D&A	<b>\$1.0 – \$1.1B</b>
Adj. Effective Tax Rate	<b>35% – 40%</b>



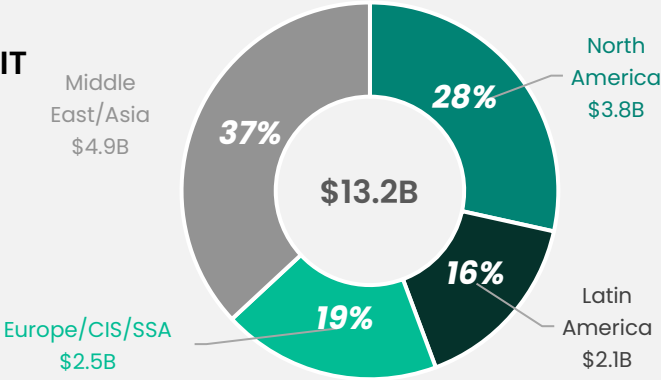
# Oilfield Services & Equipment

# Oilfield Services & Equipment (OFSE)

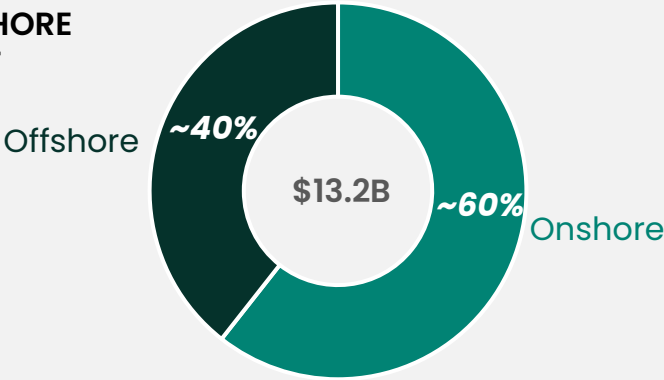
## Oilfield Services & Equipment Reporting Segment – Revenue FY 2022

<b>Well Construction</b> <b>\$3.9B</b> <ul style="list-style-type: none"><li>• Drilling Services</li><li>• Drill Bits</li><li>• Drilling &amp; Completion Fluids</li></ul>	<b>Completions, Intervention &amp; Measurements</b> <b>\$3.6B</b> <ul style="list-style-type: none"><li>• Completions &amp; Well Intervention</li><li>• Wireline Services</li><li>• Cementing</li><li>• International Pressure Pumping</li></ul>	<b>Production Solutions</b> <b>\$3.6B</b> <ul style="list-style-type: none"><li>• Artificial Lift Systems</li><li>• Oilfield &amp; Industrial Chemicals</li></ul>	<b>Subsea &amp; Surface Pressure Systems</b> <b>\$2.2B</b> <ul style="list-style-type: none"><li>• Subsea Projects &amp; Services</li><li>• Flexible Pipe Systems</li><li>• Surface Pressure Control</li></ul>
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OFSE 2022  
REGIONAL SPLIT

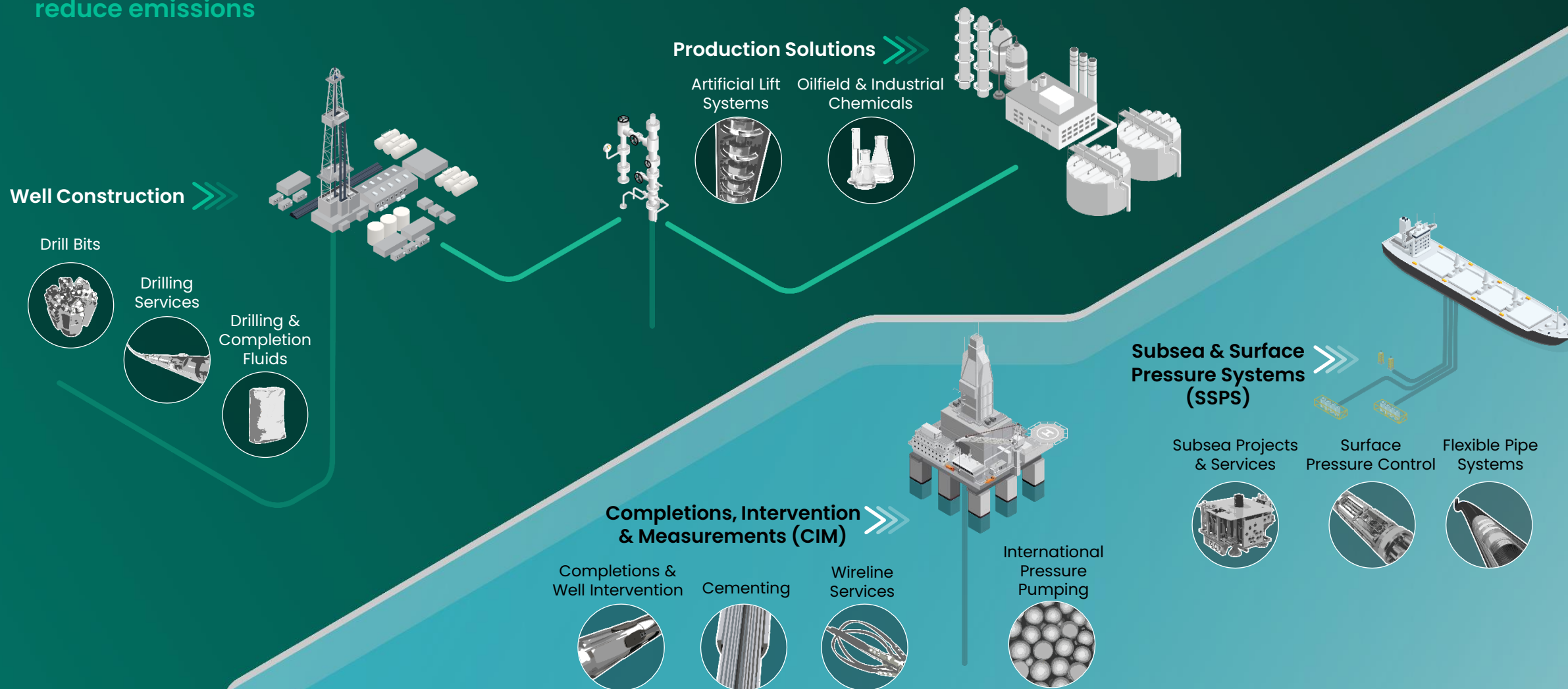


OFSE 2022 ONSHORE  
OFFSHORE SPLIT



# OFSE expertise spans the lifecycle of the field

Production focused portfolio, positioned to enhance recovery and reduce emissions



# Developing new solutions for current and evolving markets

## Digital

Connecting our leading technology to digital applications that drive enhanced customer outcomes

### Leucipa™

Production  
Automation

“The shortest cycle barrel isn’t delivered by drilling new wells. It’s by optimizing the thousands of producing wells worldwide that are currently underperforming”

Leucipa™ is an agnostic, recommendation-led SaaS offering that will optimize customer’s fields through production automation across six disciplines:



Artificial lift



Power



Fluids handling



Chemicals



Field intelligence



Life of field activity scheduling

CORVA

**Baker Hughes forms strategic digital collaboration to enhance customer well construction efficiency**

## New Energy

Leveraging subsurface to surface portfolio to provide long-term growth in New Energy markets

### Geothermal

**Uniquely positioned through subsurface and power generation expertise to be technology partner of choice<sup>1</sup>**



### CCUS

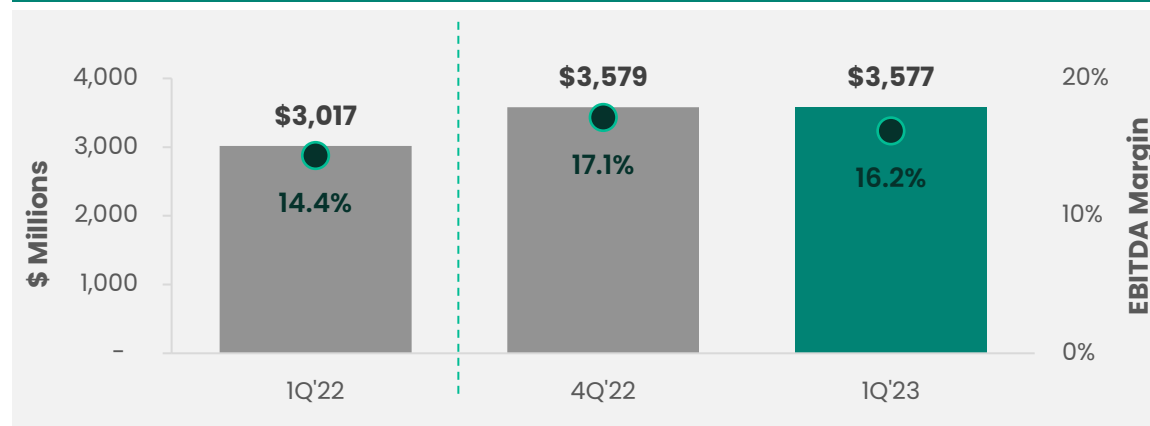
**Leading CO<sub>2</sub> storage technology provider**



# Oilfield Services & Equipment (OFSE) Results

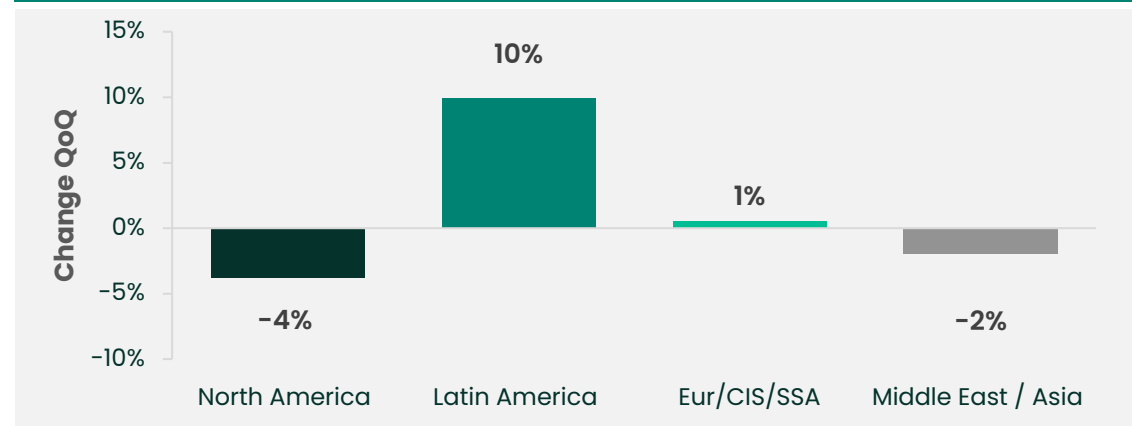
Strong performance driven by international and offshore markets

## OFSE Revenues & EBITDA Margin

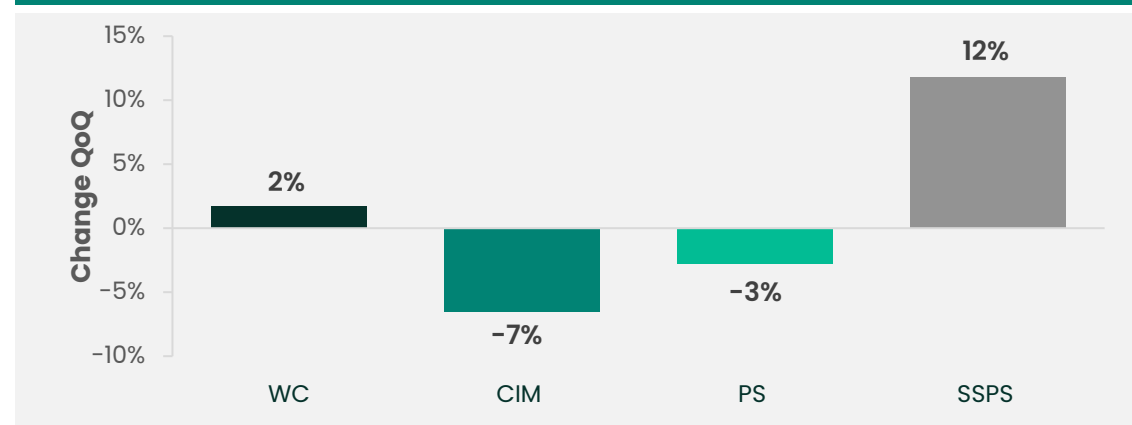


- **Revenue** flat sequentially & +19% YoY ... seasonal decline in the traditional OFS business was offset by strong revenue growth in SSPS driven by timing of backlog conversion
- **EBITDA margin rate** of 16.2% ... down 100 bps sequentially primarily due to seasonal decline in services businesses and higher mix of SSPS equipment
- Growth experienced in **Latin America, Europe/CIS/SSA**, offset by weakness in **NAM & Middle East /Asia**
- Strong sequential growth in **SSPS** and counter-seasonal growth in **Well Construction**

## 1Q'23 OFSE – Revenue Growth by Geography



## 1Q'23 OFSE – Revenue Growth by Product Line<sup>1</sup>

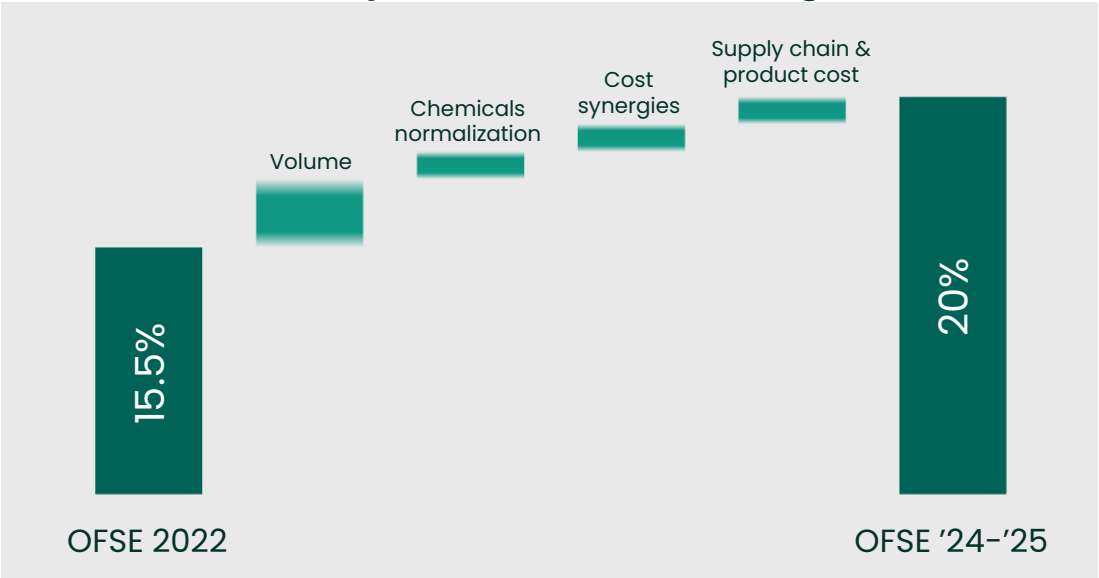


# OFSE strategy and execution

## Positioned for cyclical upturn and preparing for new energy order

Capitalize on macro tailwinds	<ul style="list-style-type: none"><li>• Multiyear upstream cycle to bolster growth</li><li>• Well positioned in key markets – Middle East, Latin America, NAM &amp; offshore</li><li>• Continue to high grade portfolio and geographic footprint, rationalize cost base</li></ul>
Invest in new strategic initiatives	<ul style="list-style-type: none"><li>• Build upon current portfolio to develop integrated production solutions</li><li>• Develop geothermal and carbon storage technologies</li><li>• Accelerate commercialization of key technologies</li><li>• Invest and develop digital application focused business</li></ul>
Portfolio integration & actions	<ul style="list-style-type: none"><li>• Executing at least \$60 million in cost out by end 2023 through legacy OFS/OFE integration</li><li>• Removed layers of legacy OFE management and integrated under OFS management team</li><li>• Rationalizing 40–50% of subsea tree capacity in Latin America &amp; Asia and outsourcing basic machining</li><li>• Leverage combined engineering, supply chain &amp; commercial resources</li></ul>

Pathway to 20% EBITDA margins



Financial targets



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1. Note: ROIC is defined as NOPAT / (non-cash net working capital + PP&E+ Goodwill + Intangibles)  
EBITDA is a non-GAAP measure – see appendix for non-GAAP to GAAP reconciliations

# Industrial & Energy Technology

# Industrial & Energy Technology

## Industrial & Energy Technology Reporting Segment – Revenue FY 2022

### GAS TECHNOLOGY

#### Equipment

**\$2.6B**

**Drivers**

- Aeroderivative & heavy-duty gas turbines
- API steam turbines
- Electromechanical equipment

**Compressors**

- Centrifugal, axial compressors
- API reciprocating compressors

**Modular Solutions**

#### Services

**\$2.4B**

**Services & Aftermarket**

- Contractual Service Agreements
- Transactional
- Spares
- Repairs & Upgrades
- Customer training
- Field service engineers

### INDUSTRIAL TECHNOLOGY

#### Condition Monitoring

**\$0.5B**

- Condition monitoring and protection devices
- Advanced machinery diagnostic software solutions

#### Inspection

**\$1.0B**

**Sensing**

- Ultrasonic
- Film, radiography remote visual, X-ray

**Software & Services**

- Pre-commissioning services (pipelines)
- Remote monitoring

#### Pumps, Valves & Gears

**\$0.8B**

- Centrifugal pumps
- Process, control & safety valves
- Gears and bearings

#### PSI & Controls<sup>1</sup>

**\$0.6B**

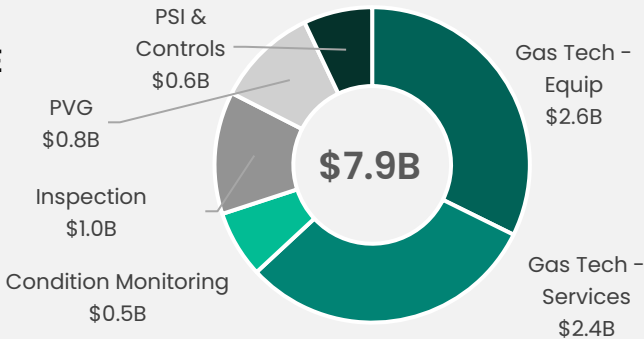
- Flow, gas, moisture (Panametrics)
- Nuclear instrumentation and downhole (Reuter-Stokes)
- Pressure (Druck)
- Nexus Controls<sup>1</sup>

### HORIZONTAL GROWTH AREAS

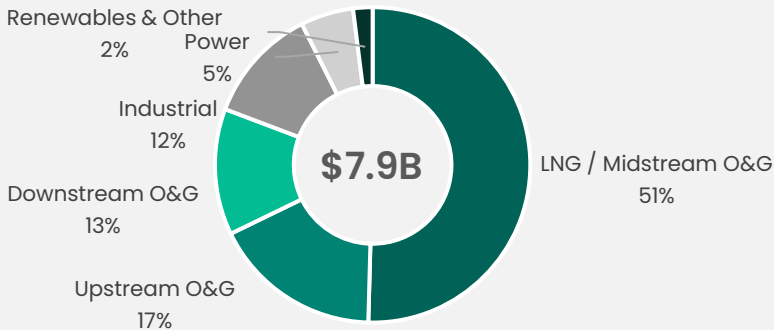
### Climate Technology Solutions

### IET Digital

### IET 2022 PRODUCT LINE SPLIT:



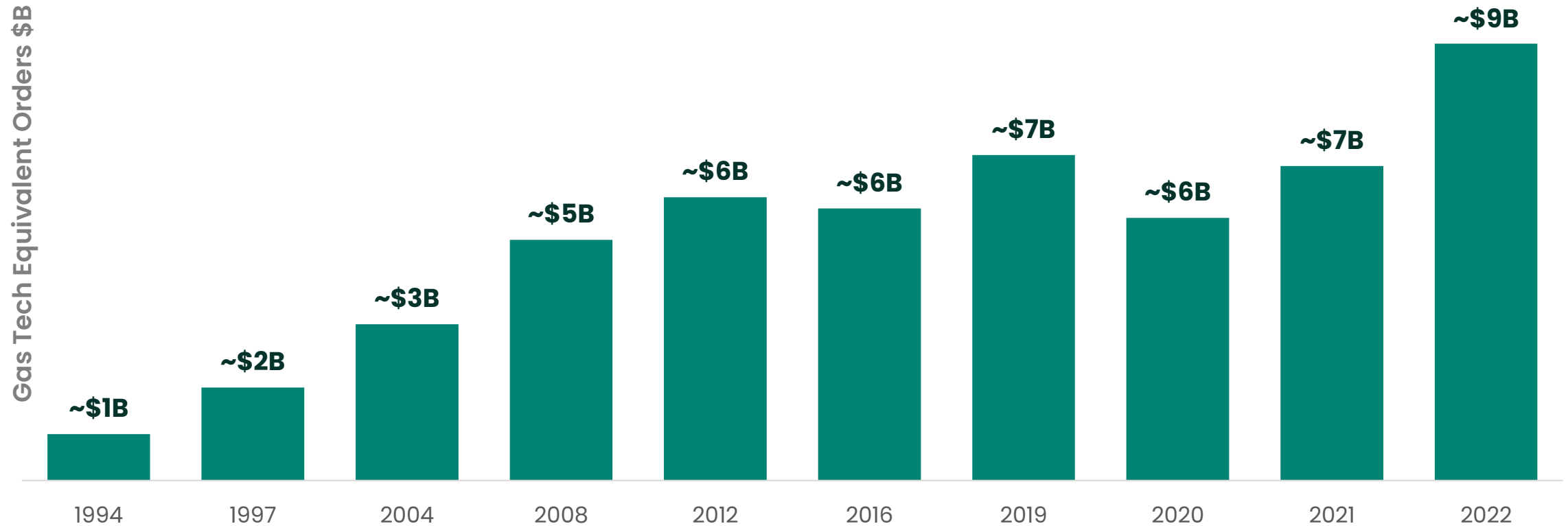
### IET 2022 END MARKET SPLIT:





# Gas Technology – Structural growth through the cycles

Technology differentiation has allowed Gas Technology to continually capitalize on market trends



Resiliency through energy market downturns & COVID-19 pandemic  
~8% compounded growth over almost three decades

# Gas Technology

Supplier of critical liquefaction and power generation equipment & services

Gas/Steam turbines  
+ Compression

Illustrative Industrial Complex

## Other product lines

Turbomachinery solutions for:

- Pipeline & Gas Processing
- Refinery & Petrochemical facilities
- Industrial Power Generation
- Other industrial applications

Power Gen +  
Compression

Illustrative Pipeline

## Onshore and Offshore Production (OOP)

- Compression and powergen solutions for hydrocarbon production: extract, gather, treat and process
- Electric solutions
- De-flaring solutions
- Pre-assembled modules
- Onshore, offshore and unconventional applications

Illustrative FPSO

Power Gen +  
Compression

## LNG Equipment

- Liquefaction module solutions, from large to medium/small production size
- Turbo-compression trains
- Power Generation solutions
- Floating solutions

Gas or Electric Driver +  
Compression + Power Island  
+ Modules

Illustrative LNG Facility

## Services

- **Transactional:** spare parts, services, repairs & training
- **CSAs:** planned asset maintenance / risk sharing
- **Upgrades:** rejuvenation, maintenance extension, performance improvement & decarbonization
- **Digital services and less-manned solutions:** remote monitoring, maintenance optimizer, predictive maintenance

# Industrial Technology

Ensuring safety, reliability and higher throughput yield with continuous monitoring

## Pumps, Valves & Gears

- Centrifugal pumps
- Process, control & safety valves
- Gears and bearings

Pumps,  
Valves &  
Gears

## Condition Monitoring

- Condition monitoring and protection devices
- Advanced machinery diagnostic software solutions

Bently Nevada  
Hardware

Sensors used to  
monitor a variety  
of risks

## Precision Sensors & Instrumentation (PSI)

- Flow, gas, moisture (Panametrics)
- Nuclear instrumentation and downhole (Reuter-Stokes)
- Pressure (Druck)

## Inspection

### Sensing:

- Ultrasonic
- Film, radiography remote visual, X-ray

### Software & Services:

- Pre-commissioning services (pipelines)
- Remote monitoring

X-Ray & Pipeline  
Inspection Equipment

Illustrative Industrial Complex

# Leveraging core technology to drive New Energy opportunities

Uniquely placed to play a leading role in the decarbonization of the energy & industrial sectors

## Baker Hughes Today

## Future CTS

### Recent Successes

**Nutrien**



- Awarded an order to provide equipment for a **major clean ammonia plant** (3,500 metric tons/day) in the U.S. being developed by Nutrien
- Baker Hughes' scope of supply includes various natural gas and CO2 compressors and steam turbines for ammonia production



- CCUS, Kasawari, Sarawak, Malaysia – Separate and compress **3.3 MTPA of CO2** at the offshore CCS platform, the **world's largest, offshore CCS** facility

~\$400+M of New Energy orders expected in 2023

Deploying existing equipment and core technologies in **CCUS, H2, clean power & emissions management** applications

Leveraging relationships with energy companies to play a leading role in early-stage projects

Utilizing world leading R&D capability, global network of test centers & supply chain to incubate & commercialize acquired technologies

\$6–7B New Energy orders opportunity by 2030

Global leader in energy efficiency and carbon abatement technologies

Successfully incubate and commercially deploy technology investments

Diverse customer base across energy & industrial sectors



Introducing

# Cordant™

Cordant is an integrated suite of solutions that connects Baker Hughes critical capabilities for asset performance management and process optimization



## Asset Performance Management

### Asset Health



9+ million sensors on industrial assets

### Asset Strategy



20+ Years of flagship software capabilities

### Asset Inspections



120+ Years of industrial inspection excellence

## Process Optimization

### Yield



### Throughput



### Energy & Emissions



Best-in-class AI & Machine-learning models

Emissions management and advisory

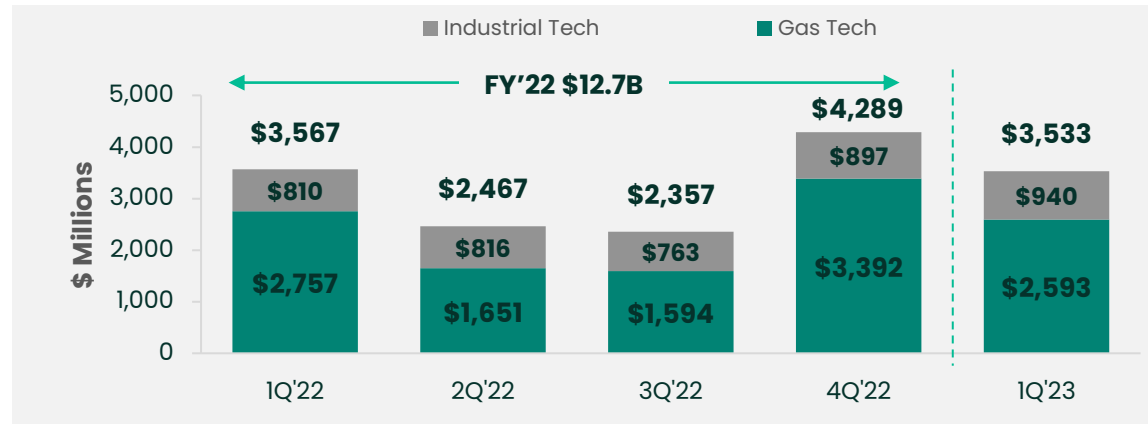
**Baker Hughes' Holistic Industrial Asset Management Services**



# Industrial & Energy Technology (IET) Orders

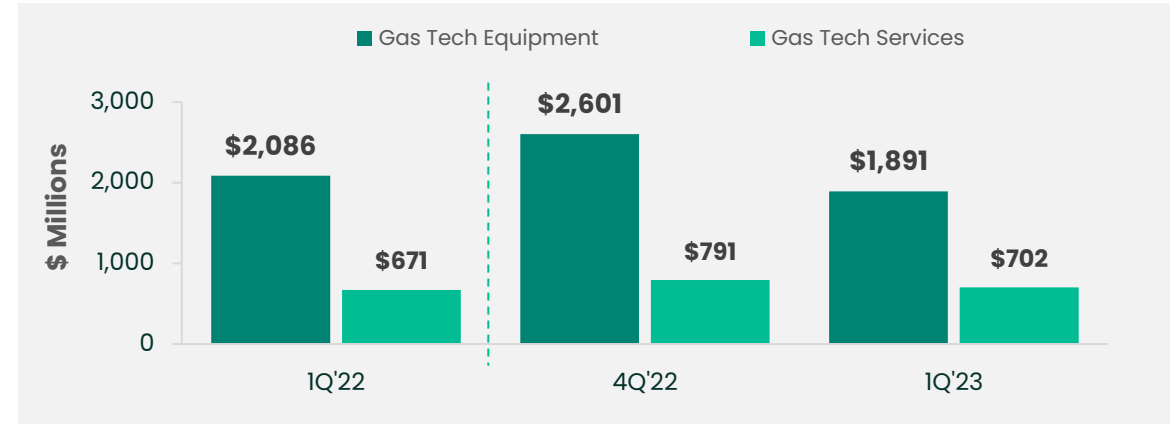
Strong orders driven by continued strength in LNG & Onshore/offshore Production

## IET Orders

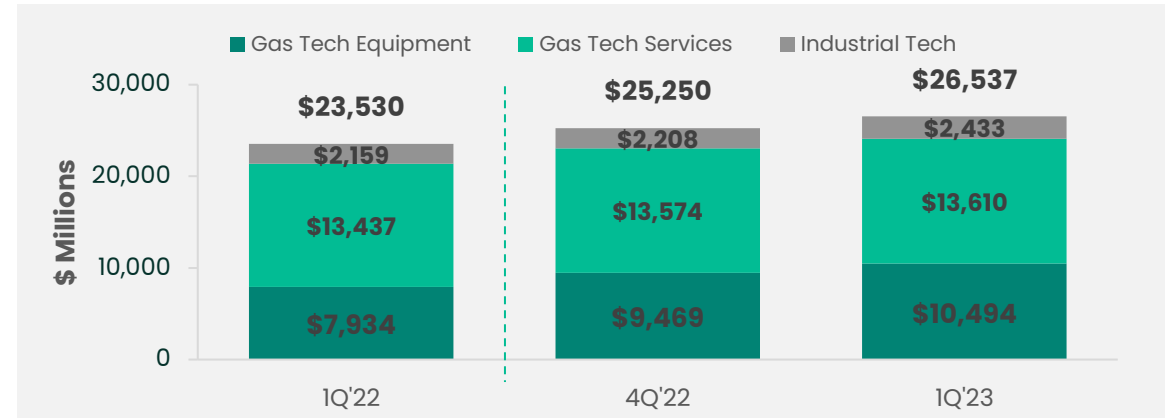


- **\$3.5B in orders driven by multiple LNG** projects in 1Q'23. Notable awards for Port Arthur and Qatar North Field South
- **IET Book-to-bill of 1.7x** driving 5% sequential RPO growth to \$26.5B; RPO up 13% YoY
- **Industrial Technology** orders were up 16% YoY with all subsegments delivering double digit orders growth reflecting a recovering macro environment
- **>\$250M of New Energy orders** in IET driven by CCUS & H<sub>2</sub>

## Gas Technology Orders



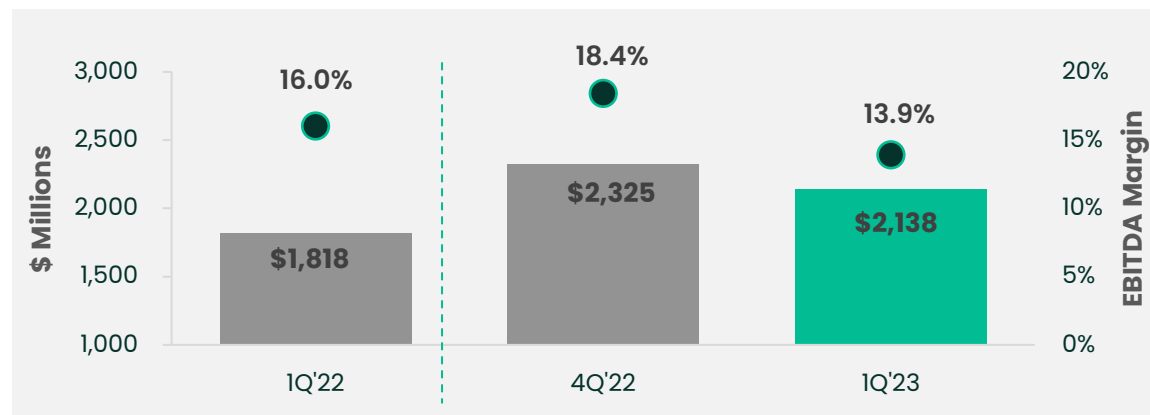
## IET RPO (Remaining Performance Obligation)



# IET Results

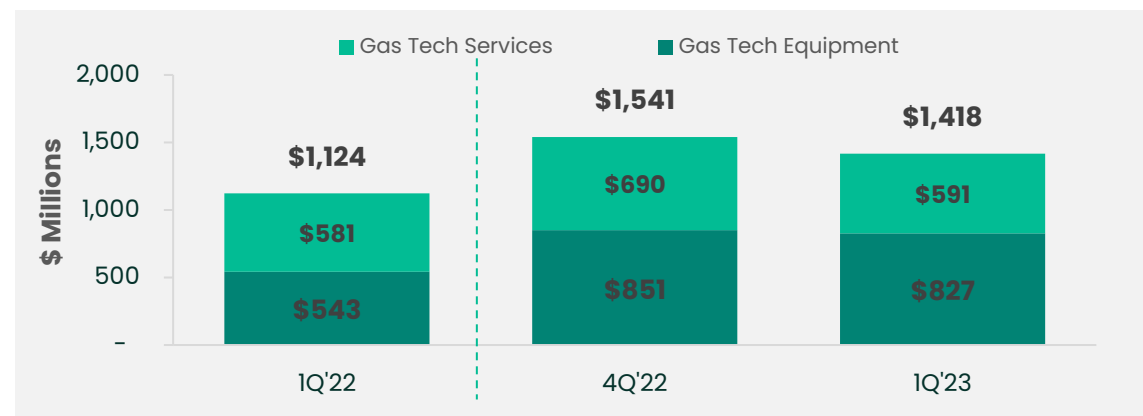
## Strong revenue growth driven by Gas Tech Equipment backlog conversion

### IET Revenues & EBITDA Margin

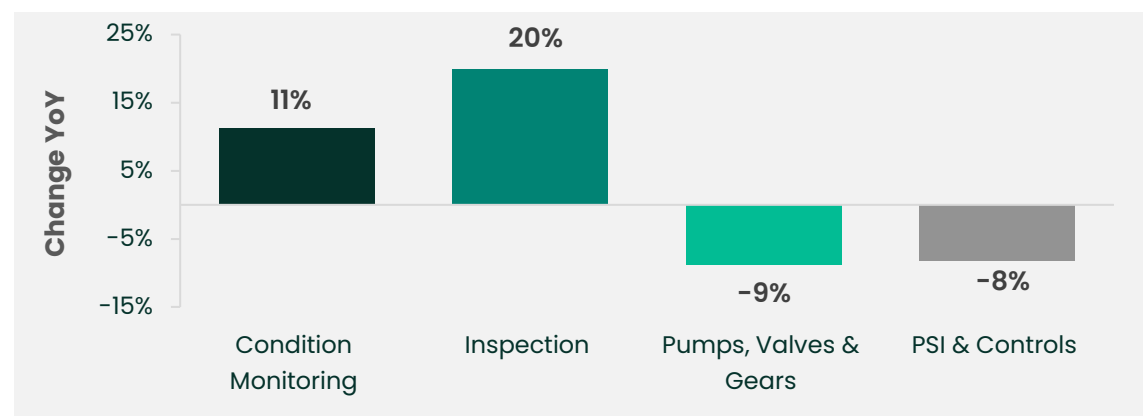


- **Revenue growth** +18% YoY & (8)% QoQ due to seasonality
- **Gas Technology Equipment** revenue up 52% YoY driven by execution of project backlog
- **Gas Technology Services** revenue was up 2% YoY driven by transactional services, offset by the discontinuation of our Russia operations
- **Industrial Technology** growth in Condition Monitoring & Inspection offset by the decline in Pumps, Valves & Gears and PSI
- IET EBITDA margin rate of **13.9% down YoY** due to mix / higher R&D

### 1Q'23 IET – Gas Technology Revenues



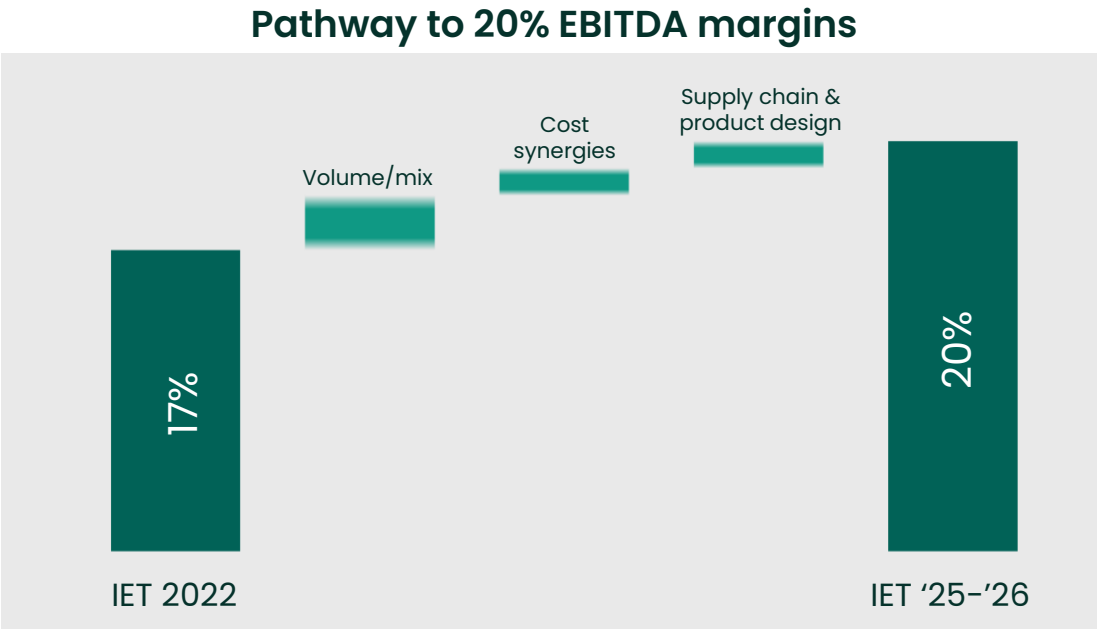
### 1Q'23 IET – Industrial Technology Revenue Growth



# IET strategy and execution

## Creating a market leader for a net-zero economy

Capitalize on macro tailwinds	<ul style="list-style-type: none"><li>Natural gas leader across value chain, with unrivalled LNG presence</li><li>Leading compression and gas turbine technology, driving differentiation across multiple markets</li><li>Growing installed base and service franchise</li></ul>
Invest in new strategic initiatives	<ul style="list-style-type: none"><li>Growing in industrial markets, leveraging flow control and condition monitoring expertise</li><li>Grow CTS in CCUS, H2, clean power and emissions management</li><li>Develop IET Digital capabilities for energy and industrial customers</li></ul>
Portfolio integration & actions	<ul style="list-style-type: none"><li>Appointed new head of IET – Ganesh Ramaswamy</li><li>Removing layers of legacy DS management and integrated under IET management team</li><li>In process of executing at least \$50 million in cost out</li><li>Streamlining and re-positioning supply chain</li><li>Integration of key technologies (Bently Nevada, Inspection) through IET Digital</li></ul>



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1. Note: ROIC is defined as NOPAT / (non-cash net working capital + PP&E+ Goodwill + Intangibles)  
EBITDA is a non-GAAP measure – see appendix for non-GAAP to GAAP reconciliations

# 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

23%

Reduction in Scope 1&2  
GHG emissions vs. 2019<sup>1</sup>



## 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
- Four new (nine total) categories of Scope 3 emissions reported
- 24% of Baker Hughes electricity comes from renewables or zero-carbon sources
- Launched the "Carbon Out" Program

## HEALTH, SAFETY & WELLNESS

### Providing a safe and healthy workplace for all

- Our commitment to HSE starts at the highest levels of our company and is embedded throughout all layers of the organization.
- 99 sites certified to ISO 1400 and 270 to ISO 9001
- Increased focus on mental and emotional wellbeing
- Zero substantiated complaints concerning breaches of customer privacy and losses of customer data

## COMMITTED TO DIVERSITY, EQUITY AND INCLUSION

### Enacting new programs to promote inclusion and diversity

- Expanded reporting of workforce DEI metrics and published a public US EEO-1 report summary
- Updated process to evaluate and reconcile pay equity across the company
- Established Global DEI Council to increase accountability


## ETHICS, COMPLIANCE, AND TRANSPARENCY

### Improving external reporting & internal processes

- 92% of all employees completed annual Code of Conduct training
- 100% of governance-body members received training on anti-corruption




# Baker Hughes Corporate Responsibility framework



## People

Fostering diversity, equity, and inclusion





## Planet

The dual challenge of energy & climate





## Principles

Doing the right thing, always



## Baker Hughes ESG ratings and rankings



Awarded AA ESG rating by MSCI



Awarded B rating by CDP



Awarded A+ ESG rating by Refinitiv



#1 for customers in the energy equipment & services sector by JUST Capital



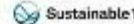
Awarded Silver Medal by ecovadis



Industry Mover  
S&P Global ESG Score 2022

57 /100

As of February 1, 2023. Position and Score are industry specific and reflect evaluation screening criteria. Learn more at [sgl.com/energysector](https://sgl.com/energysector)



# Baker Hughes management team



**Lorenzo Simonelli**  
Chairman & Chief Executive Officer

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**Maria Claudia Borrás**  
EVP OFSE



**Ganesh Ramaswamy**  
EVP IET



**Nancy Buese**  
Chief Financial Officer



**Deanna Jones**  
EVP People, Communications  
& Transformation



**Jeff Fleece**  
Chief Information Officer



**Regina Jones**  
Chief Legal Officer



**Jim Apostolides**  
SVP Enterprise Operational  
Excellence

# Baker Hughes Board of Directors



**Lorenzo Simonelli**  
*Chairman & CEO*

- President & CEO of Baker Hughes since 2017
- Board member of Iveco Group N.V.



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

- CEO of Generation Capital since 2013
- Board member of Maple Leaf Foods & Fiera Capital Corp.
- Finance and Governance & Corporate Responsibility committees



**Gregory D. Brenneman**

- Executive Chairman of CCMP Capital Advisors, LLC, since 2016
- Board member of Hayward Holdings & The Home Depot
- Audit and Finance committees



**Cynthia B. Carroll**

- CEO of Anglo American plc from 2007 to 2013
- Board member of Glencore, Pembina Pipeline Corp., and Hitachi, LTD.
- Audit and Human Capital & Compensation committees



**Nelda J. Connors**

- Founder & CEO of Pine Grove Holdings, LLC
- Board member of Otis Worldwide Corp., Zebra Technologies Corp., BorgWarner & Boston Scientific
- Governance & Corporate Responsibility and Human Capital & Compensation committees



**Michael R. Dumais**

- Former Chief Transformation Officer at Raytheon Technologies
- Previously EVP of Operations & Strategy at United Technologies
- Finance and Governance & Corporate Responsibility committees



**Lynn L. Elsenhans**

- President & CEO of Sunoco, Inc. from 2008 to 2012
- Board member of Saudi Aramco
- Governance & Corporate Responsibility and Human Capital & Compensation committees



**John G. Rice**

- Chairman of GE Gas Power from 2018 to 2020
- CEO of GE Global Growth Organization from 2010 to 2017
- Board member of AIG
- Audit and Finance committees



**Mohsen Sohi**

- CEO of Freudenberg & Co. since 2012
- Board member of STERIS plc
- Audit and Human Capital & Compensation committees

# Incentive compensation metrics aligned to shareholder returns

(2023 framework)

## Short-term

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

## Long-term

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



# Appendix

# GAAP to Non-GAAP reconciliations

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

### Cash flow reconciliation

	FY 2019	FY 2020	1Q 2021	2Q 2021	3Q 2021	4Q 2021	FY 2021	1Q 2022	2Q 2022	3Q 2022	4Q 2022	FY 2022	1Q 2023
<b>Cash flow from operating activities (GAAP)</b>	<b>2,126</b>	<b>1,304</b>	<b>678</b>	<b>506</b>	<b>416</b>	<b>773</b>	<b>2,374</b>	<b>72</b>	<b>321</b>	<b>597</b>	<b>898</b>	<b>1,888</b>	<b>461</b>
Add: cash used in capital expenditures, net of proceeds from disposal of assets	(976)	(787)	(180)	(121)	(111)	(129)	(541)	(177)	(174)	(180)	(241)	(772)	(264)
<b>Free cash flow (Non-GAAP)</b>	<b>1,150</b>	<b>518</b>	<b>498</b>	<b>385</b>	<b>305</b>	<b>645</b>	<b>1,832</b>	<b>(105)</b>	<b>147</b>	<b>417</b>	<b>657</b>	<b>1,116</b>	<b>197</b>

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

	FY 2019	FY 2020	1Q 2021	2Q 2021	3Q 2021	4Q 2021	FY 2021	1Q 2022	2Q 2022	3Q 2022	4Q 2022	FY 2022	1Q 2023
<b>Revenue</b>	<b>23,838</b>	<b>20,705</b>	<b>4,782</b>	<b>5,142</b>	<b>5,093</b>	<b>5,485</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>Net income (loss) attributable to Baker Hughes (GAAP)</b>	<b>128</b>	<b>(9,940)</b>	<b>(452)</b>	<b>(68)</b>	<b>8</b>	<b>294</b>	<b>(219)</b>	<b>72</b>	<b>(839)</b>	<b>(17)</b>	<b>182</b>	<b>(601)</b>	<b>576</b>
Net income attributable to noncontrolling interests	143	(5,821)	(153)	(9)	8	42	(111)	8	2	8	6	23	5
Provision for income taxes	482	559	69	143	193	352	758	107	182	153	157	600	179
Interest expense, net	237	264	74	65	67	95	299	64	60	65	64	252	64
Other non-operating (income) loss, net	84	(1,040)	626	63	102	(208)	583	28	570	60	254	911	(386)
<b>Operating Income (loss) (GAAP)</b>	<b>1,074</b>	<b>(15,978)</b>	<b>164</b>	<b>194</b>	<b>378</b>	<b>574</b>	<b>1,310</b>	<b>279</b>	<b>(25)</b>	<b>269</b>	<b>663</b>	<b>1,185</b>	<b>438</b>
Less: Merger, Impairment, Restructuring & Other	(528)	(17,018)	(106)	(139)	(24)	3	(266)	(70)	(402)	(235)	(29)	(735)	(74)
<b>Adjusted Operating Income (Non-GAAP)</b>	<b>1,602</b>	<b>1,040</b>	<b>270</b>	<b>333</b>	<b>402</b>	<b>571</b>	<b>1,576</b>	<b>348</b>	<b>376</b>	<b>503</b>	<b>692</b>	<b>1,920</b>	<b>512</b>
Add: Depreciation & Amortization	1,418	1,317	292	278	262	273	1,105	277	275	254	255	1,061	269
<b>Adjusted EBITDA (Non-GAAP)</b>	<b>3,020</b>	<b>2,357</b>	<b>562</b>	<b>611</b>	<b>664</b>	<b>844</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>Adjusted EBITDA Margin (Non-GAAP)<sup>1</sup></b>	<b>12.7%</b>	<b>11.4%</b>	<b>11.7%</b>	<b>11.9%</b>	<b>13.0%</b>	<b>15.4%</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>



# Additional reconciliations

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

	<u>FY 2019</u>	<u>FY 2020</u>	<u>1Q 2021</u>	<u>2Q 2021</u>	<u>3Q 2021</u>	<u>4Q 2021</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>
<b>Oilfield Services &amp; Equipment</b>	<b>16,419</b>	<b>12,304</b>	<b>2,544</b>	<b>3,040</b>	<b>3,136</b>	<b>3,077</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>
Gas Technology - Equipment	4,179	3,014	622	561	765	1,912	3,860	2,086	864	882	2,601	6,432	1,891
Gas Technology - Services	2,821	2,631	607	733	742	821	2,903	671	788	713	791	2,962	702
Total Gas Technology	7,001	5,645	1,229	1,294	1,507	2,733	6,763	2,757	1,651	1,594	3,392	9,395	2,593
Total Industrial Technology	3,554	2,765	767	759	735	846	3,108	810	816	763	897	3,285	940
<b>Industrial &amp; Energy Technology</b>	<b>10,555</b>	<b>8,410</b>	<b>1,996</b>	<b>2,053</b>	<b>2,242</b>	<b>3,579</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>Total Orders</b>	<b>26,973</b>	<b>20,714</b>	<b>4,541</b>	<b>5,093</b>	<b>5,378</b>	<b>6,656</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>

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

### Net Debt to Last Twelve Months (LTM) Adjusted EBITDA

	<u>1Q 2023</u>
Short-term debt and current portion of long-term debt	684
Long-term debt	5,975
<b>Total debt</b>	<b>6,659</b>
Less: Cash and cash equivalents	2,415
<b>Net Debt</b>	<b>4,244</b>
<b>LTM Adj. EBITDA</b>	<b>3,136</b>
<b>Net debt / LTM Adj. EBITDA</b>	<b>1.4X</b>

# OFSE & IET reconciliations

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

	<u>FY 2019</u>	<u>FY 2020</u>	<u>1Q 2021</u>	<u>2Q 2021</u>	<u>3Q 2021</u>	<u>4Q 2021</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>
Well Construction	4,222	3,257	743	800	844	914	3,301	883	936	991	1,043	3,854	1,061
Completions, Intervention & Measurements	4,491	3,614	716	782	791	817	3,106	781	886	920	972	3,559	909
Production Solutions	4,175	3,269	740	777	783	835	3,135	825	866	931	965	3,587	938
Subsea & Surface Pressure Systems	2,921	2,844	628	637	603	619	2,486	528	541	561	599	2,230	670
<b>Oilfield Services &amp; Equipment</b>	<b>15,809</b>	<b>12,984</b>	<b>2,827</b>	<b>2,995</b>	<b>3,021</b>	<b>3,185</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>
Gas Technology - Equipment	1,958	2,421	733	795	703	686	2,916	543	556	610	851	2,560	827
Gas Technology - Services	2,710	2,475	573	636	661	829	2,700	581	542	629	690	2,441	591
Total Gas Technology	4,668	4,896	1,306	1,431	1,364	1,516	5,616	1,124	1,098	1,239	1,541	5,002	1,418
Condition Monitoring	647	581	136	147	129	149	562	126	133	131	155	545	140
Inspection	1,189	865	204	236	249	259	949	212	257	259	267	995	254
Pumps, Valves & Gears	868	809	179	197	198	226	801	221	194	199	212	826	201
PSI & Controls	656	570	130	136	131	149	546	136	135	138	150	559	125
Total Industrial Technology	3,360	2,824	648	717	708	784	2,857	694	718	728	784	2,925	721
<b>Industrial &amp; Energy Technology</b>	<b>8,028</b>	<b>7,721</b>	<b>1,954</b>	<b>2,148</b>	<b>2,072</b>	<b>2,300</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>Total Revenue</b>	<b>23,838</b>	<b>20,705</b>	<b>4,782</b>	<b>5,142</b>	<b>5,093</b>	<b>5,485</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>

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

	<u>FY 2019</u>	<u>FY 2020</u>	<u>1Q 2021</u>	<u>2Q 2021</u>	<u>3Q 2021</u>	<u>4Q 2021</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>
North America	5,095	3,107	681	719	753	751	2,904	823	925	986	1,030	3,764	992
Latin America	1,677	1,447	379	411	436	454	1,681	440	509	549	601	2,099	661
Europe/CIS/Sub-Saharan Africa	3,138	2,846	649	695	726	795	2,865	660	660	586	577	2,483	581
Middle East/Asia	5,900	5,584	1,118	1,170	1,106	1,185	4,579	1,094	1,136	1,282	1,371	4,883	1,345
<b>Oilfield Services &amp; Equipment</b>	<b>15,809</b>	<b>12,984</b>	<b>2,827</b>	<b>2,995</b>	<b>3,021</b>	<b>3,185</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>
North America	5,095	3,107	681	719	753	751	2,904	823	925	986	1,030	3,764	992
International	10,714	9,877	2,146	2,275	2,269	2,434	9,124	2,194	2,305	2,417	2,549	9,465	2,586

# 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 2019</b>	<b>FY 2020</b>	<b>1Q 2021</b>	<b>2Q 2021</b>	<b>3Q 2021</b>	<b>4Q 2021</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>
Oilfield Services & Equipment	972	506	147	199	204	280	830	213	249	324	416	1,201	371
Industrial & Energy Technology	1,062	998	231	245	304	397	1,177	241	236	282	377	1,135	241
Segment operating income	2,035	1,504	379	444	508	676	2,006	453	485	606	792	2,336	612
Corporate	(433)	(464)	(109)	(111)	(105)	(106)	(429)	(105)	(108)	(103)	(100)	(416)	(100)
Inventory impairment	—	(246)	—	—	—	—	—	—	(31)	—	—	(31)	(18)
Goodwill impairment	—	(14,773)	—	—	—	—	—	—	—	—	—	—	—
Restructuring, impairment and other	(342)	(1,866)	(80)	(125)	(14)	11	(209)	(61)	(362)	(230)	(29)	(682)	(56)
Separation related	(184)	(134)	(27)	(15)	(11)	(8)	(60)	(9)	(9)	(5)	—	(23)	—
<b>Operating income (loss)</b>	<b>1,074</b>	<b>(15,978)</b>	<b>164</b>	<b>194</b>	<b>378</b>	<b>574</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>Add: Depreciation &amp; Amortization</b>													
Oilfield Services & Equipment	1,160	1,072	233	221	205	215	874	222	221	204	198	845	208
Industrial & Energy Technology	219	216	52	53	52	52	208	51	49	45	52	197	56
Segment depreciation and amortization	1,379	1,288	285	273	257	267	1,082	272	270	249	250	1,041	264
Corporate	39	29	7	5	5	6	23	4	5	5	5	19	5
<b>Total depreciation and amortization</b>	<b>1,418</b>	<b>1,317</b>	<b>292</b>	<b>278</b>	<b>262</b>	<b>273</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>EBITDA by Segment (non-GAAP)</b>													
Oilfield Services & Equipment	2,132	1,578	380	420	409	495	1,704	434	470	528	614	2,046	579
Industrial & Energy Technology	1,281	1,214	283	297	356	449	1,385	291	285	327	429	1,332	297
Segment EBITDA (non-GAAP)	3,413	2,792	664	717	765	944	3,088	725	755	855	1,042	3,377	876
Corporate	(394)	(435)	(102)	(106)	(100)	(100)	(407)	(101)	(103)	(98)	(95)	(397)	(95)
Inventory impairment	—	(246)	—	—	—	—	—	—	(31)	—	—	(31)	(18)
Goodwill impairment	—	(14,773)	—	—	—	—	—	—	—	—	—	—	—
Restructuring, impairment and other	(342)	(1,866)	(80)	(125)	(14)	11	(209)	(61)	(362)	(230)	(29)	(682)	(56)
Separation related	(184)	(134)	(27)	(15)	(11)	(8)	(60)	(9)	(9)	(5)	—	(23)	—
<b>EBITDA (non-GAAP)</b>	<b>2,493</b>	<b>(14,661)</b>	<b>456</b>	<b>472</b>	<b>640</b>	<b>847</b>	<b>2,415</b>	<b>555</b>	<b>250</b>	<b>523</b>	<b>918</b>	<b>2,245</b>	<b>708</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>2Q 2023 Outlook Range</u>	<u>2023 FY Outlook Range</u>
	<u>2Q 2023</u>	<u>FY 2023</u>
<b><u>Operating Income (loss) by Segment (GAAP)</u></b>	370 – 430	1,500 – 1,860
Add: Depreciation & Amortization	220	900 – 940
<b><u>EBITDA by Segment (non-GAAP)</u></b>	590 – 650	2,400 – 2,800

### Industrial & Energy Technology

	<u>2Q 2023 Outlook Range</u>	<u>2023 FY Outlook Range</u>
	<u>2Q 2023</u>	<u>FY 2023</u>
<b><u>Operating Income (loss) by Segment (GAAP)</u></b>	265 – 325	1,150 – 1,430
Add: Depreciation & Amortization	55	200 – 220
<b><u>EBITDA by Segment (non-GAAP)</u></b>	320 – 380	1,350 – 1,650

**Baker Hughes** 