

# 2Q 2023 Results

July 19, 2023

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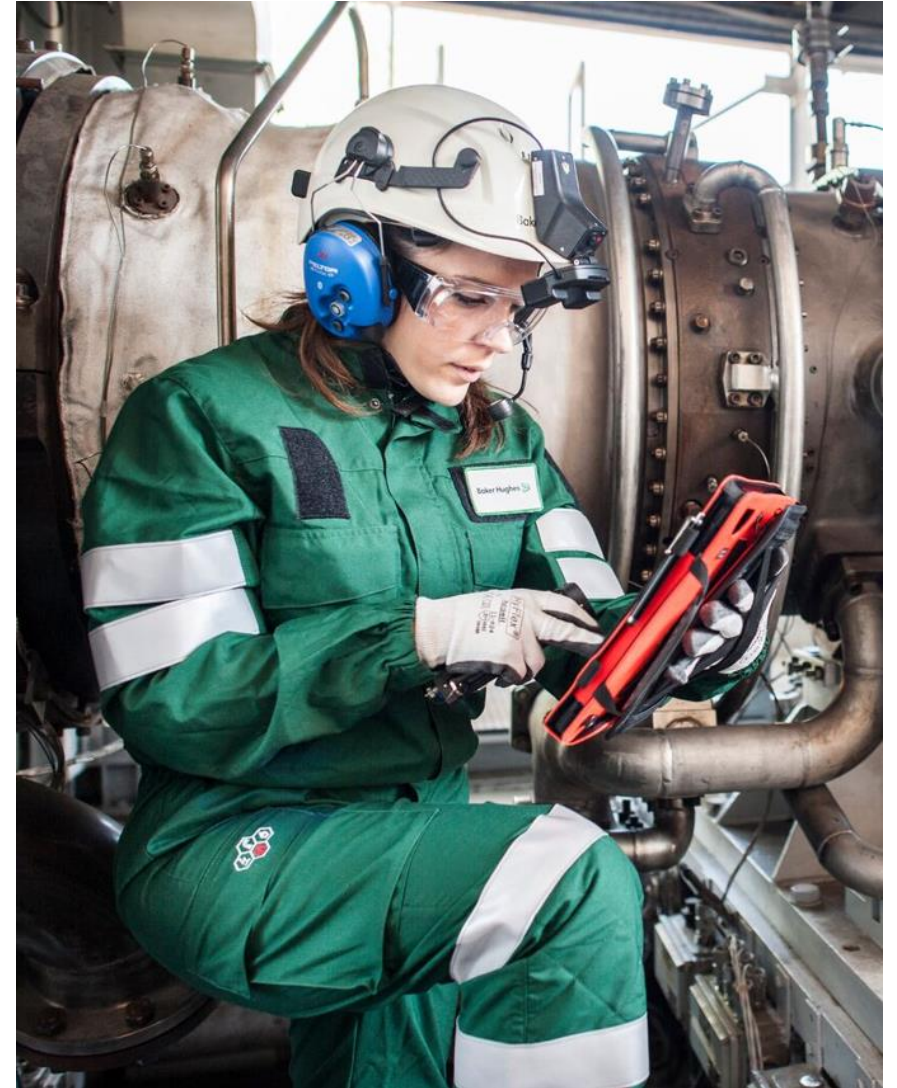
The Company presents its financial results in accordance with GAAP; however, management believes that using additional non-GAAP measures will enhance the evaluation of the profitability of the Company and its ongoing operations. See the Appendix of this presentation for a reconciliation of GAAP to non-GAAP financial measures.

# Lorenzo Simonelli

Chairman & Chief Executive Officer

## 2Q 2023 Highlights

- **Strong order momentum in IET maintained** ... third straight quarter of orders exceeding \$3B, including \$900M in LNG equipment orders led by 17.6 MTPA Rio Grande project
- **Continued offshore strength drives major award for SSPS** ... booked order for the Baleine field offshore Ivory Coast
- **Raised FY IET orders guidance** ... now expect between \$11.5B - \$12.5B with potential to exceed the high end of the range
- **Operational results at the high end of guidance range...** solid operational performance in both OFSE & IET
- **Booked ~\$150M in New Energy orders** in 2Q23, ~\$440M YTD – led by hydrogen & ammonia plant equipment orders
- **Strong free cash flow of \$623 million...** executed ~\$99M of share repurchases



## Energy fundamentals remain solid despite macro uncertainty

- » Despite oil and gas price volatility, we maintain a constructive outlook for global upstream spending in 2023 ... **supportive of double-digit upstream spending growth in 2023**
- » Softness in North America ... **to be offset by strength in international and offshore markets**, particularly in the Middle East and Latin America
- » **LNG outlook remains positive** ... LNG demand continues to grow led by Europe and Asia ... **continued strength in signed offtake agreements supporting project sanctioning**
- » Growing optimism on multi-year FID outlook ... 53 MTPA of FIDs year-to-date and still **expect to exceed 65 MTPA of LNG FIDs in 2023** ... could see roughly similar levels in 2024

### UNIQUE AND EXTENDED CYCLE UNFOLDING

Upstream spending more durable than previous cycles ... supported by strong balance sheets and disciplined spending

Continued production discipline by large producers

# Portfolio balances cyclical durability & leverage to multiple growth vectors

Focused on driving growth and optimizing organizational structure



## Changing the way we operate

Fundamentally re-wiring the organization

Simplifying reporting lines and eliminating duplication

Taking measured steps to upgrade our financial reporting systems

**UPSIDE OPPORTUNITIES BEYOND INITIAL TARGETS**



## Capitalizing on investment cycles

Internationally focused OFSE portfolio (73% in 1H23)<sup>1</sup>

Unique LNG liquefaction & modularization capability

Commercial H<sub>2</sub> and CO<sub>2</sub> turbomachinery offering

**COMPLEMENTED BY A DIVERSE PORTFOLIO OF DECARB & DIGITAL TECH**



## Tackling our customers' biggest challenges

Long history of being at the forefront of energy sector innovation

Strategic supplier to NOCs, IOCs & Industrial companies

Portfolio of solutions aligned with customer capital allocation

**PARTICIPATING ACROSS THE VALUE CHAIN PROVIDES UNIQUE VANTAGE POINT**



**Continuously striving to enhance shareholder returns**

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1. 73% of 1H'23 OFSE revenues were International

2. Calculated from the top 25 customers who have purchased products and services from both IET & OFSE.

# Strong customer positioning with unique technology portfolio

## Well positioned for growth in integrated solutions utilizing subsurface to surface capabilities

BAKER HUGHES PORTFOLIO VISION



2000s – MID-2010s

2017

TODAY

MID-2020s

2030s & BEYOND

EVOLUTION OF CUSTOMER & SECTOR DYNAMICS

### Discrete sourcing & procurement practices

Early signs of project integration in OFSE, mirroring integrated solutions provided in LNG & OOP



### Sector consolidation increases size & scale

Enhanced size and scale strengthens BKR customer relationships in key markets



### Energy Transition driving strategies & relationships

Unique portfolio driving expanded opportunities in multiple areas, including gas value chain, deepwater and New Energy



### First wave of New Energy tech deployed

Deployment of funding drives first wave of New Energy developments. Subsurface to surface capabilities leveraged for a range of project types



### All Energy fully encompasses New Energy

Decarbonization solutions become a pre-requisite for all energy projects. Increased penetration of hard-to-abate industrial sectors

# Tailwinds continue across both business segments

OFSE

## OILFIELD SERVICES & EQUIPMENT

Strength in International and offshore helping to offset NAM weakness

NAM market continues to trend softer on lower oil and gas prices ... OFSE more resilient due to portfolio and customer mix

Multi-year cycle unfolding in deepwater basins ... robust SSPS pipeline building for subsea trees and flexibles

**Expect double digit revenue growth and EBITDA margin to expand 150-200 bps in 2023**

IET

## INDUSTRIAL & ENERGY TECHNOLOGY

Strong LNG and OOP order momentum continues ... notable Rio Grande & Equinor orders

New Energy tracking ahead of expectations with multiple awards in hydrogen and blue ammonia

Industrial Tech turning the corner with better profitability as supply chain issues abate

**Record RPO exceeding \$27B, driving strong revenue growth in future years along with higher margins and returns**



# Committed to sustainability

Led by our purpose of making energy cleaner, safer, and more efficient for people and the planet



## 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
- We are now reporting on 10 categories of Scope 3 emissions
- 26% of Baker Hughes electricity comes from renewables or zero-carbon sources, up 2% YoY

## HEALTH, SAFETY & WELLNESS

### Providing a safe and healthy workplace for all

- Achieved 217 Perfect HSE days, up 6% from 2021
- We offer more than 230 unique HSE courses including foundational training required for all employees, workplace and job specific training, and human-performance leadership training for managers.

## COMMITTED TO DIVERSITY, EQUITY AND INCLUSION

### Enacting new programs to promote inclusion and diversity

- Recognized as "DEI best places to work for disability inclusion" by *Disability: IN* with score of 90% by participating in Disability Inclusion Index
- In May 2023, we published our 2022 Diversity, Equity, and Inclusion Annual Report
- Updated process to evaluate and reconcile pay equity across the company

## ETHICS, COMPLIANCE, AND TRANSPARENCY

### Improving external reporting & internal processes

- 97% of all employees completed annual Code of Conduct training, including training on ethics, compliance, and anti-corruption
- 100% of enterprise security personnel trained in human rights policies or procedures
- 99% of governance body members who have received training on anti-corruption<sup>1</sup>

Nancy Buese

Chief Financial Officer

## 2Q 2023 Financial Results

### Very strong YoY order & revenue growth

Orders  
**\$7.5B**  
 ↑ 28% YoY

Revenue  
**\$6.3B**  
 ↑ 25% YoY

### Continued YoY margin improvement ... 14.4% Adj. EBITDA margin

Adj. EBITDA  
**\$907M**  
 ↑ 39% YoY

Adj. operating income  
**\$631M**  
 ↑ 68% YoY

### Significant increase in YoY free cash flow generation

Free cash flow  
**\$623M**  
 ↑ +\$476M YoY

Adjusted EPS  
**\$0.39**

# Strong balance sheet and solid cash flow

## STRONG BALANCE SHEET

Strong balance sheet enables  
financial flexibility

**1.1X<sup>1</sup>**

Net debt / LTM Adj. EBITDA

**A3/A-**

Credit Ratings from Moody's and S&P

**\$5.8B<sup>2</sup>**

Total Liquidity

**Committed to  
investment grade rating**

## PRIORITIZING FREE CASH FLOW

Portfolio focused on maximizing  
free cash flow generation

**\$0.6B<sup>3</sup>**

FCF in 2Q'23

**+\$0.5B**

vs. 2Q'22

**69%<sup>3</sup>**

FCF conversion in 2Q'23

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

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

2. As of June, 30 2023: Cash and cash equivalents of \$2,805 million and a \$3 billion committed unsecured revolving credit facility

3. FCF Conversion = FCF / Adj. EBITDA. FCF & Adj. EBITDA are non-GAAP measures – see earnings release and/or appendix for GAAP to non-GAAP reconciliations

# Flexible Capital Allocation Policy

## Prioritizing a strong balance sheet and returning capital to shareholders

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

PRIORITY



PHILOSOPHY

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

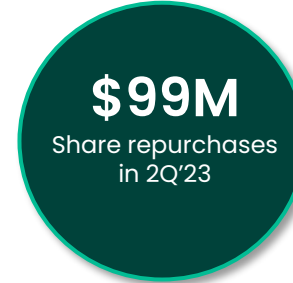
- Focus growth capital on highest return, highest impact, highest growth opportunities across the portfolio

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

- Repurchase shares to offset share-based compensation
- Maintain flexibility for opportunistic buybacks

- 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 earnings release and/or appendix for GAAP to non-GAAP reconciliations  
 3. As of June 30, 2023: Cash and cash equivalents of \$2,805 million and a \$3 billion committed unsecured revolving credit facility  
 4. Free Cash Flow (FCF) is a non-GAAP measures – see earnings release and/or appendix for GAAP to non-GAAP reconciliations.

# Changing the way we operate

All actions executed to deliver \$150+M cost-out target by year end

|                        | OILFIELD SERVICES & EQUIPMENT (OFSE)   | INDUSTRIAL & ENERGY TECHNOLOGY (IET)   | CORPORATE FUNCTIONS  |
|------------------------|--|--|--|
| <b>COST OUT TARGET</b> | <b>\$60+M</b>  | <b>\$50+M</b>  | <b>\$40+M</b>  |
| <b>ACTIONS TAKEN</b>   | <p>Combination of legacy OFS and OFE businesses</p> <p>Streamlined functions and management layers</p> | <p>Combination of legacy TPS and DS businesses</p> <p>Key leadership changes</p> | <p>Simplified ELT structure</p> <p>Moved activities &amp; resources into segments</p> <p>Simplified reporting lines and eliminated duplication</p> |

**Focused on driving margins above targets**

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**20+%**  
EBITDA margins across OFSE & IET

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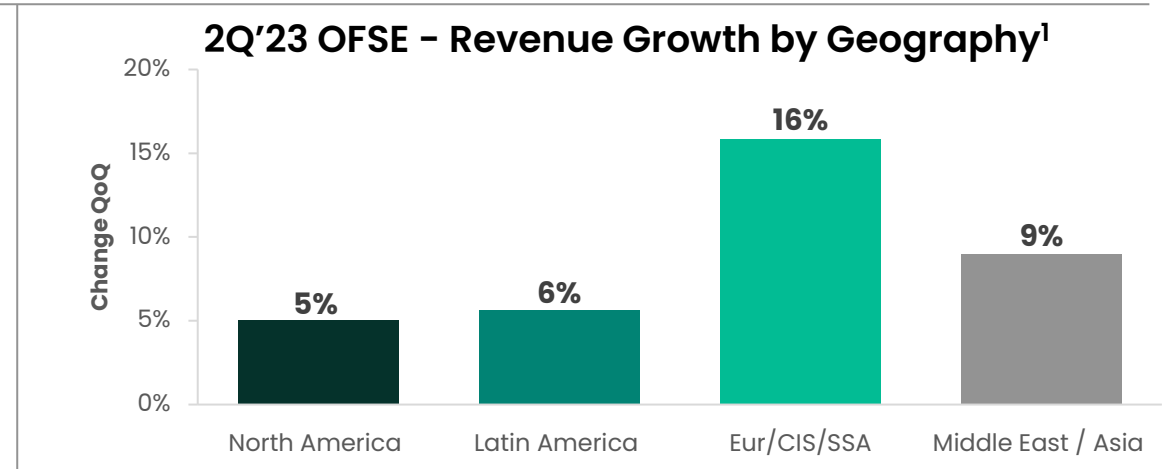
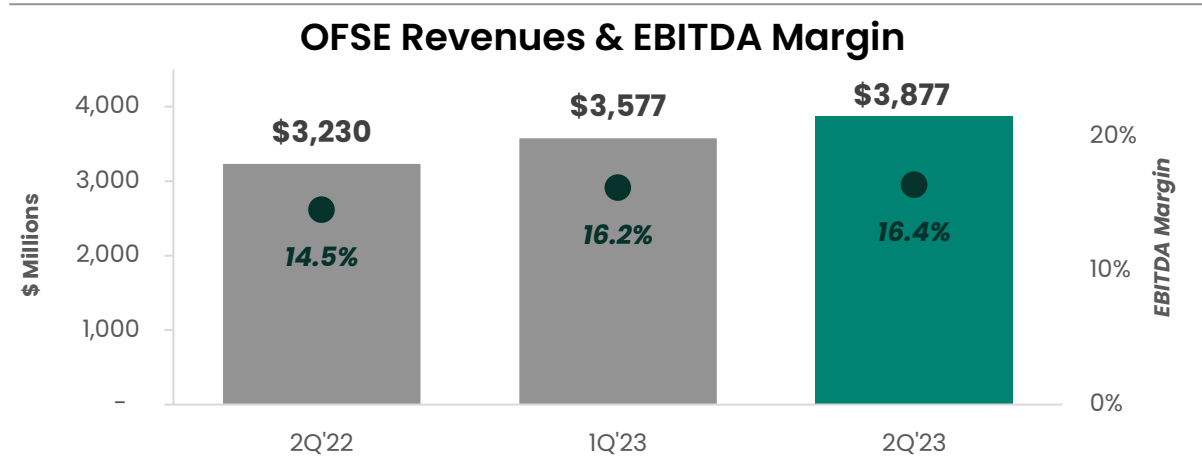
**15%**  
OFSE ROIC

**20%**  
IET ROIC

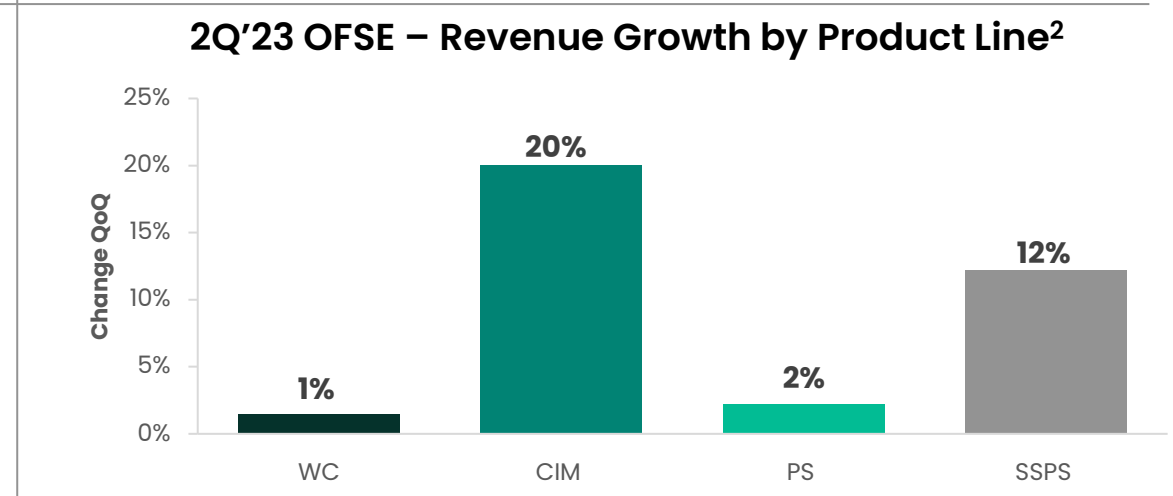
**Taking first steps in multi-year operational and margin optimization process – additional opportunities for cost reduction identified in 2024 and beyond**

# Oilfield Services & Equipment (OFSE) Results

**Strong performance driven by international and offshore markets**



- **Revenue up 8.4% QoQ and 20.0% YoY ...** growth in traditional Oilfield Service businesses combined with continued growth in SSPS driven by backlog conversion
- **EBITDA margin rate 16.4% ...** up 20 bps sequentially primarily driven by pricing & productivity and offset by higher mix of SSPS equipment
- **Broad growth across all regions ...** growth experienced in Middle East/Asia, Latin America, and Europe/CIS/SSA offset by weaker NAM.



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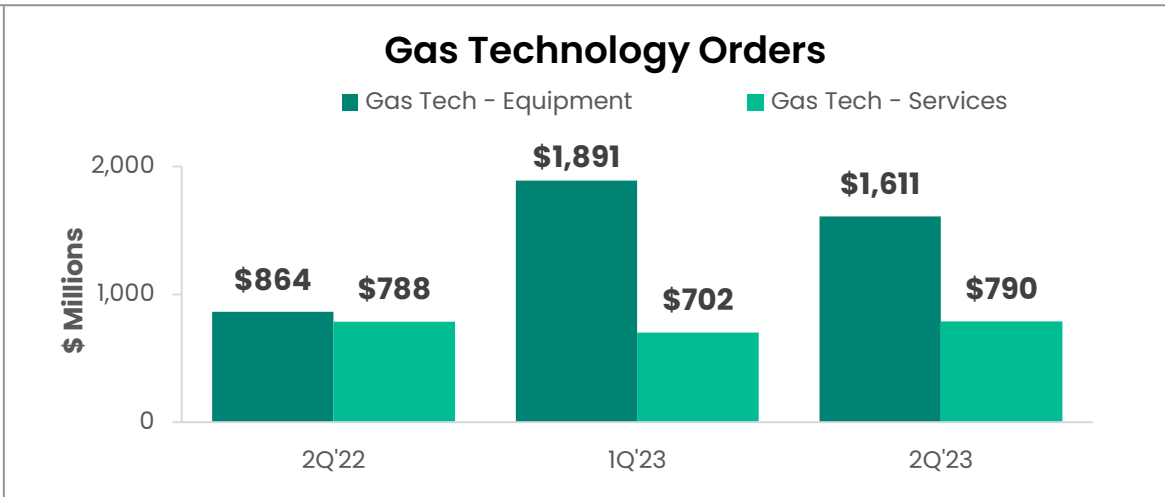
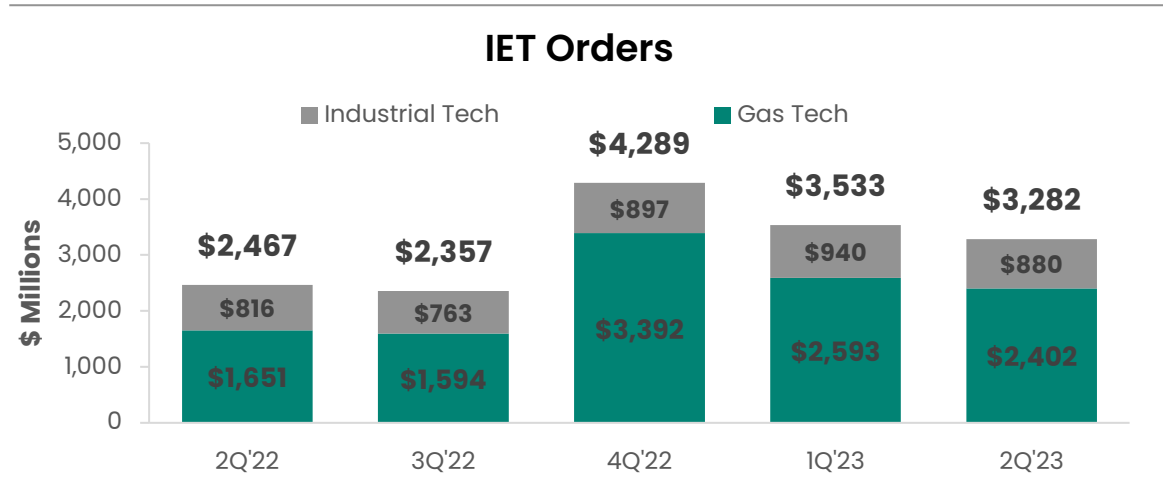
EBITDA margin is a non-GAAP measure – see appendix for GAAP to non-GAAP reconciliations

1. Note Europe/CIS/SSA QoQ revenue growth of 6% excluding the acquisition of Altus Intervention (2Q'23 revenues of US\$57M).

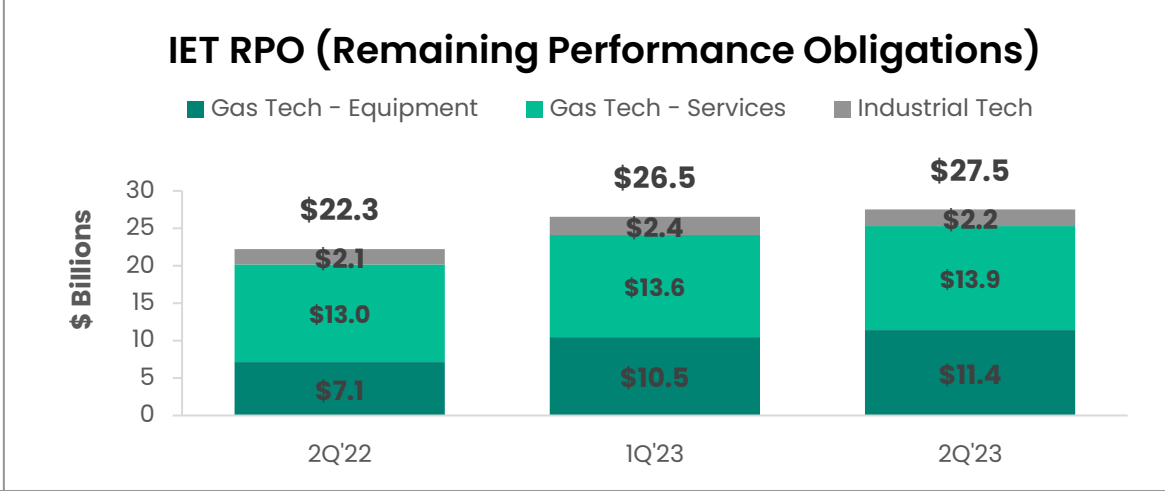
2. WC – Well Construction, CIM – Completions, Intervention & Measurement, PS – Production Solutions, SSPS – Subsea & Surface Pressure Systems. Note CIM QoQ revenue growth of 13% excluding the acquisition of Altus Intervention (2Q'23 Revenues of US\$67M).

# Industrial & Energy Technology (IET) Orders

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



- **\$3.3B of orders** up 33% YoY driven by Gas Tech Equipment up 87% YoY due to award of Rio Grande LNG for 3 liquefaction trains
- **IET Book-to-bill of 1.3x; RPO of \$27.5** up 4% sequentially and 24% YoY
- **Industrial Tech orders up 8% YoY** up 10% excluding impacts from the Quest acquisition and the disposition of Nexus
- **>\$100M New Energy orders in 2Q**, mainly driven by Hydrogen
- **>\$80M IET Digital orders in 2Q**



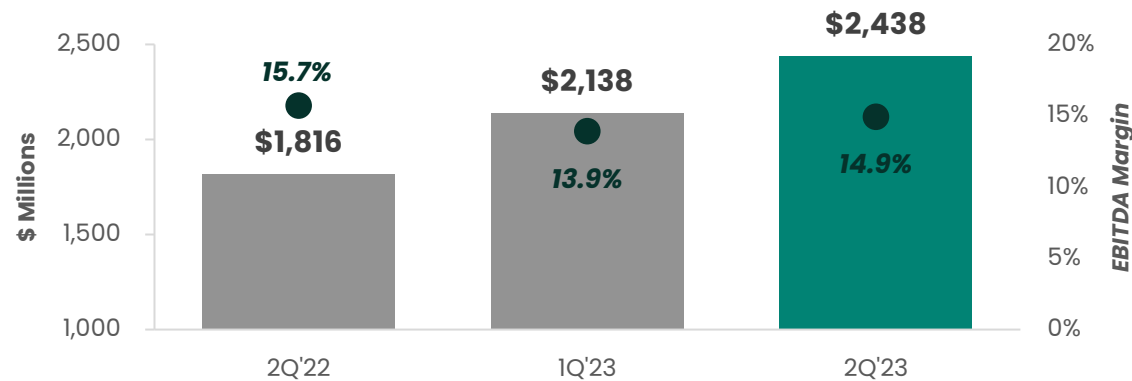
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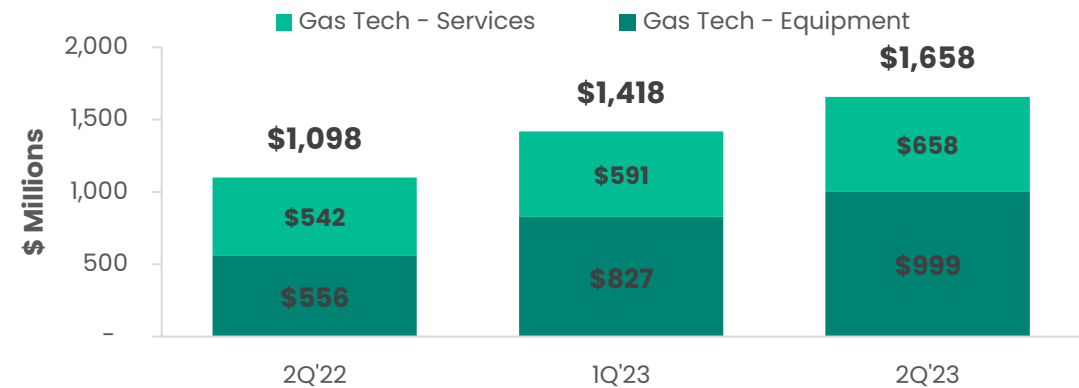
# IET Results

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

**IET Revenues & EBITDA Margin**

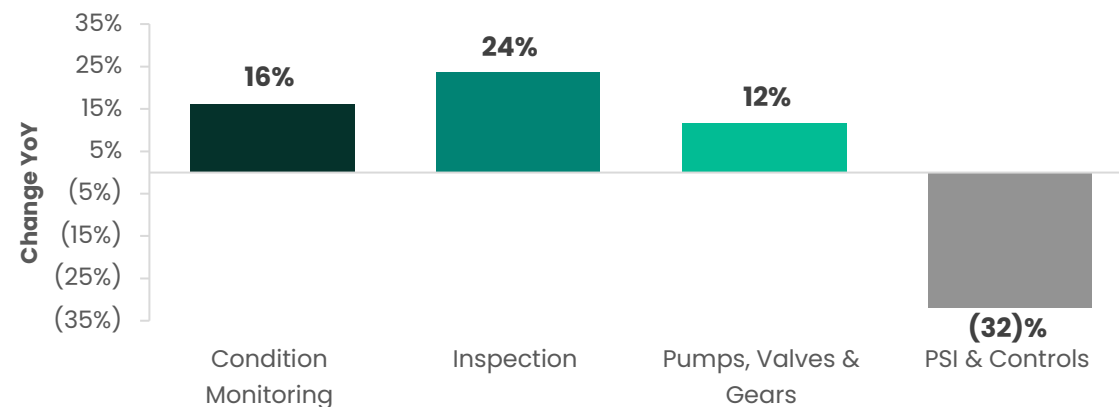


**2Q'23 IET – Gas Technology Revenues**



- **Revenue growth** +34% YoY & 14% QoQ driven by execution of backlog across all product lines
- **Gas Technology Equipment** revenue up 80% YoY & 21% QoQ driven by execution of project backlog
- **Gas Technology Services** revenue was up 21% YoY (7% excluding the impact from Russia) driven by strong transactional services and upgrade projects
- **Industrial Technology** solid double-digit revenue growth YoY across all business units ... Nexus Controls sale to GE finalized in April'23
- IET EBITDA margin rate of **14.9%** down YoY due to mix / higher R&D

**2Q'23 IET – Industrial Technology Revenue Growth<sup>1,2</sup>**



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

1. Excluding the sale of Nexus Controls, PSI revenue increased 12% YoY during the second quarter (Nexus 2Q'22 revenue of \$54M vs. 2Q'23 revenue of \$1M).

2. Excluding the acquisition of Quest Integrity, Inspection revenue increased 8% YoY during the second quarter (Quest Integrity 2Q'22 revenue of \$4M vs. 2Q'23 Revenue of \$44M).

# 2023 Outlook

## 3Q'23 Outlook

### BKR

|             |                       |
|-------------|-----------------------|
| Revenue     | <b>\$6.4 – \$6.6B</b> |
| Adj. EBITDA | <b>\$930 – \$990M</b> |

### OFSE

|         |                       |
|---------|-----------------------|
| Revenue | <b>\$3.8 – \$4.0B</b> |
| EBITDA  | <b>\$635 – \$695M</b> |

### IET

|         |                         |
|---------|-------------------------|
| Revenue | <b>\$2.45 – \$2.75B</b> |
| EBITDA  | <b>\$355 – \$415M</b>   |

### Other

|                              |                       |
|------------------------------|-----------------------|
| Corporate costs <sup>1</sup> | <b>Approx. \$95M</b>  |
| D&A                          | <b>Approx. \$280M</b> |

## 2023 Outlook

### BKR

|             |                        |
|-------------|------------------------|
| Revenue     | <b>\$24.8 – \$26B</b>  |
| Adj. EBITDA | <b>\$3.65 – \$3.8B</b> |

### OFSE

|         |                         |
|---------|-------------------------|
| Revenue | <b>\$15.1 – \$15.7B</b> |
| EBITDA  | <b>\$2.5 – \$2.7B</b>   |

### IET

|         |                          |
|---------|--------------------------|
| Orders  | <b>\$11.5 – \$12.5B</b>  |
| Revenue | <b>\$9.65 – \$10.35B</b> |
| EBITDA  | <b>\$1.4 – \$1.6B</b>    |

### Other

|                         |                        |
|-------------------------|------------------------|
| Corporate costs         | <b>\$370M – \$390M</b> |
| D&A                     | <b>Approx. \$1.1B</b>  |
| Adj. Effective Tax Rate | <b>32.5% – 37.5%</b>   |

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

1. Corporate costs guidance is stated at the Operating Income level. Corporate costs guidance at the EBITDA level is Approx. \$90M.

A graphic with a dark background and glowing green and white lines forming a large arrow pointing to the right. The text "Action plan to enhance shareholder value" is overlaid in white.

## Action plan to enhance shareholder value

### TOP PRIORITIES

- Capitalize on the growth opportunities across OFSE and IET, including LNG and New Energy
- Increasing R&D to developing 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) while investing for growth

**Baker Hughes** 

# Appendix

# GAAP to Non-GAAP reconciliations

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

### Cash flow reconciliation

|   | TY2018       | TY2019       | TY2020     | IQ2021     | 2Q2021     | 3Q2021     | 4Q2021     | TY2021       | IQ2022       | 2Q2022     | 3Q2022     | 4Q2022     | TY2022       | IQ2023     | 2Q2023     |
|---|--------------|--------------|------------|------------|------------|------------|------------|--------------|--------------|------------|------------|------------|--------------|------------|------------|
| Cash flow from operating activities (GAAP)                                      | 1,762        | 2,126        | 1,304      | 678        | 506        | 416        | 773        | 2,374        | 72           | 321        | 597        | 898        | 1,888        | 461        | 858        |
| Add: cash used in capital expenditures, net of proceeds from disposal of assets | (537)        | (976)        | (787)      | (180)      | (121)      | (111)      | (129)      | (541)        | (177)        | (174)      | (180)      | (241)      | (772)        | (264)      | (235)      |
| <b>Free cash flow (Non-GAAP)</b>  | <b>1,225</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> | <b>623</b> |

## Reconciliation of Operating Income to Adjusted EBITDA and Adjusted EBITDA Margin *(\$ in millions)*

### Operating income (GAAP) to adjusted EBITDA reconciliation

|  | TY2018       | TY2019       | TY2020       | IQ2021       | 2Q2021       | 3Q2021       | 4Q2021       | TY2021       | IQ2022       | 2Q2022       | 3Q2022       | 4Q2022       | TY2022       | IQ2023       | 2Q2023       |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Revenue  | 22,877       | 23,838       | 20,705       | 4,782        | 5,142        | 5,093        | 5,485        | 20,502       | 4,835        | 5,047        | 5,369        | 5,905        | 21,156       | 5,716        | 6,315        |
| Operating Income (loss) (GAAP)                       | 701          | 1,074        | (15,978)     | 164          | 194          | 378          | 574          | 1,310        | 279          | (25)         | 269          | 663          | 1,185        | 438          | 514          |
| Less: Merger, Impairment, Restructuring & Other      | (691)        | (528)        | (17,018)     | (106)        | (139)        | (24)         | 3            | (266)        | (70)         | (402)        | (235)        | (29)         | (735)        | (74)         | (117)        |
| <b>Adjusted Operating Income (Non-GAAP)</b>          | <b>1,391</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>   | <b>631</b>   |
| Add: Depreciation & Amortization                     | 1,486        | 1,418        | 1,317        | 292          | 278          | 262          | 273          | 1,105        | 277          | 275          | 254          | 255          | 1,061        | 269          | 276          |
| <b>Adjusted EBITDA (Non-GAAP)</b>                    | <b>2,877</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>907</b>   |
| <b>Adjusted EBITDA Margin (Non-GAAP)<sup>1</sup></b> | <b>12.6%</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> | <b>14.4%</b> |

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

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

|   | 2Q2023       |
|---|--------------|
| Short-term debt and current portion of long-term debt | 797          |
| Long-term debt  | 5,847        |
| <b>Total debt</b>                                     | <b>6,644</b> |
| Less: Cash and cash equivalents                       | 2,805        |
| <b>Net Debt</b>                                       | <b>3,839</b> |
| <b>LTM Adj. EBITDA</b>                                | <b>3,394</b> |
| <b>Net debt / LTM Adj. EBITDA</b>                     | <b>1.1X</b>  |

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Note: certain columns and rows may not add up due to the use of rounded numbers.

1. Adjusted EBITDA divided by Total Revenue

# OFSE & IET 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>1Q2023</u> | <u>2Q2023</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>  | <b>4,192</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         | 1,611         |
| Gas Technology - Services                 | 2,821          | 2,631          | 607            | 733            | 742            | 821            | 2,903          | 671            | 788            | 713            | 791            | 2,962          | 702           | 790           |
| 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         | 2,402         |
| Total Industrial Technology               | 3,554          | 2,765          | 767            | 759            | 735            | 846            | 3,108          | 810            | 816            | 763            | 897            | 3,285          | 940           | 880           |
| <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>3,282</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>  | <b>7,474</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>TY 2022</u> | <u>1Q2023</u> | <u>2Q2023</u> |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|---------------|
| Well Construction                         | 4,222          | 3,257          | 743            | 800            | 844            | 914            | 3,301          | 883            | 936            | 991            | 1,043          | 3,854          | 1,061         | 1,076         |
| Completions, Intervention & Measurements  | 4,491          | 3,614          | 716            | 782            | 791            | 817            | 3,106          | 781            | 886            | 920            | 972            | 3,559          | 909           | 1,090         |
| Production Solutions                      | 4,175          | 3,269          | 740            | 777            | 783            | 835            | 3,135          | 825            | 866            | 931            | 965            | 3,587          | 938           | 959           |
| Subsea & Surface Pressure Systems         | 2,921          | 2,844          | 628            | 637            | 603            | 619            | 2,486          | 528            | 541            | 561            | 599            | 2,230          | 670           | 752           |
| <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>  | <b>3,877</b>  |
| Gas Technology - Equipment                | 1,958          | 2,421          | 733            | 795            | 703            | 686            | 2,916          | 543            | 556            | 610            | 851            | 2,560          | 827           | 999           |
| Gas Technology - Services                 | 2,710          | 2,475          | 573            | 636            | 661            | 829            | 2,700          | 581            | 542            | 629            | 690            | 2,441          | 591           | 658           |
| 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         | 1,658         |
| Condition Monitoring                      | 647            | 581            | 136            | 147            | 129            | 149            | 562            | 126            | 133            | 131            | 155            | 545            | 140           | 154           |
| Inspection                                | 1,189          | 865            | 204            | 236            | 249            | 259            | 949            | 212            | 257            | 259            | 267            | 995            | 254           | 318           |
| Pumps, Valves & Gears                     | 868            | 809            | 179            | 197            | 198            | 226            | 801            | 221            | 194            | 199            | 212            | 826            | 201           | 217           |
| PSI & Controls                            | 656            | 570            | 130            | 136            | 131            | 149            | 546            | 136            | 135            | 138            | 150            | 559            | 125           | 92            |
| Total Industrial Technology               | 3,360          | 2,824          | 648            | 717            | 708            | 784            | 2,857          | 694            | 718            | 728            | 784            | 2,925          | 721           | 780           |
| <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>2,438</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>  | <b>6,315</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>TY 2022</u> | <u>1Q2023</u> | <u>2Q2023</u> |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|---------------|
| North America                            | 5,095          | 3,107          | 681            | 719            | 753            | 751            | 2,904          | 823            | 925            | 986            | 1,030          | 3,764          | 992           | 1,042         |
| Latin America                            | 1,677          | 1,447          | 379            | 411            | 436            | 454            | 1,681          | 440            | 509            | 549            | 601            | 2,099          | 661           | 698           |
| Europe/CIS/Sub-Saharan Africa            | 3,138          | 2,846          | 649            | 695            | 726            | 795            | 2,865          | 660            | 660            | 586            | 577            | 2,483          | 581           | 672           |
| 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         | 1,465         |
| <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>  | <b>3,877</b>  |
| North America                            | 5,095          | 3,107          | 681            | 719            | 753            | 751            | 2,904          | 823            | 925            | 986            | 1,030          | 3,764          | 992           | 1,042         |
| 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         | 2,835         |



# 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>TY 2022</b> | <b>1Q2023</b> | <b>2Q2023</b> |
|--|----------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|---------------|
| Oilfield Services & Equipment                    | 972            | 506             | 147            | 199            | 204            | 280            | 830            | 213            | 249            | 324            | 416            | 1,201          | 371           | 417           |
| Industrial & Energy Technology                   | 1,062          | 998             | 231            | 245            | 304            | 397            | 1,177          | 241            | 236            | 282            | 377            | 1,135          | 241           | 311           |
| Segment operating income                         | 2,035          | 1,504           | 379            | 444            | 508            | 676            | 2,006          | 453            | 485            | 606            | 792            | 2,336          | 612           | 728           |
| Corporate  | (433)          | (464)           | (109)          | (111)          | (105)          | (106)          | (429)          | (105)          | (108)          | (103)          | (100)          | (416)          | (100)         | (97)          |
| Inventory impairment                             | —              | (246)           | —              | —              | —              | —              | —              | —              | (31)           | —              | —              | (31)           | (18)          | (15)          |
| Goodwill impairment                              | —              | (14,773)        | —              | —              | —              | —              | —              | —              | —              | —              | —              | —              | —             | —             |
| Restructuring, impairment and other              | (342)          | (1,866)         | (80)           | (125)          | (14)           | 11             | (209)          | (61)           | (362)          | (230)          | (29)           | (682)          | (56)          | (102)         |
| 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>514</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           | 219           |
| Industrial & Energy Technology                   | 219            | 216             | 52             | 53             | 52             | 52             | 208            | 51             | 49             | 45             | 52             | 197            | 56            | 52            |
| Segment depreciation and amortization            | 1,379          | 1,288           | 285            | 273            | 257            | 267            | 1,082          | 272            | 270            | 249            | 250            | 1,041          | 264           | 271           |
| Corporate  | 39             | 29              | 7              | 5              | 5              | 6              | 23             | 4              | 5              | 5              | 5              | 19             | 5             | 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>276</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           | 636           |
| Industrial & Energy Technology                   | 1,281          | 1,214           | 283            | 297            | 356            | 449            | 1,385          | 291            | 285            | 327            | 429            | 1,332          | 297           | 363           |
| Segment EBITDA (non-GAAP)                        | 3,413          | 2,792           | 664            | 717            | 765            | 944            | 3,088          | 725            | 755            | 855            | 1,042          | 3,377          | 876           | 999           |
| Corporate  | (394)          | (435)           | (102)          | (106)          | (100)          | (100)          | (407)          | (101)          | (103)          | (98)           | (95)           | (397)          | (95)          | (92)          |
| Inventory impairment                             | —              | (246)           | —              | —              | —              | —              | —              | —              | (31)           | —              | —              | (31)           | (18)          | —             |
| Goodwill impairment                              | —              | (14,773)        | —              | —              | —              | —              | —              | —              | —              | —              | —              | —              | —             | (15)          |
| Restructuring, impairment and other              | (342)          | (1,866)         | (80)           | (125)          | (14)           | 11             | (209)          | (61)           | (362)          | (230)          | (29)           | (682)          | (56)          | (102)         |
| 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>    | <b>790</b>    |

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Note: certain columns and rows may not add up due to the use of rounded numbers.

# 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>3Q 2023 Outlook Range</u> | <u>2023 FY Outlook Range</u> |
|--|------------------------------|------------------------------|
|  | <u>3Q 2023</u>               | <u>FY 2023</u>               |
| <b>Operating Income (loss) by Segment (GAAP)</b> | 415 – 475                    | 1,620 – 1,820                |
| <b>Add: Depreciation &amp; Amortization</b>      | 220                          | 880                          |
| <b>EBITDA by Segment (non-GAAP)</b>              | 635 – 695                    | 2,500 – 2,700                |

### Industrial & Energy Technology

|  | <u>3Q 2023 Outlook Range</u> | <u>2023 FY Outlook Range</u> |
|--|------------------------------|------------------------------|
|  | <u>3Q 2023</u>               | <u>FY 2023</u>               |
| <b>Operating Income (loss) by Segment (GAAP)</b> | 300 – 360                    | 1,180 – 1,380                |
| <b>Add: Depreciation &amp; Amortization</b>      | 55                           | 220                          |
| <b>EBITDA by Segment (non-GAAP)</b>              | 355 – 415                    | 1,400 – 1,600                |

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