# 1Q 2023 Results

**April 19, 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 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 the Appendix of this presentation for a reconciliation of GAAP to non-GAAP financial measures.

# Lorenzo Simonelli

## Chairman & Chief Executive Officer

# 1Q 2023 Highlights

- **Continued strength in IET orders led by LNG** … booked almost $1.4 billion in LNG orders in 1Q23, led by orders for Port Arthur & North Field South projects

- **Record orders for SSPS** … largest SSPS orders since company was formed, led by subsea award for the Agogo field offshore Angola

- **Strong operational performance** … delivered results at the high end of guidance range for both business segments … generating $197M of free cash flow

- **Executing on New Energy and digital strategic initiatives** … Booked ~$300M in New Energy orders and launched new digital offerings in OFSE and IET





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

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# Optimistic outlook for energy in 2023 maintained despite uncertain macro backdrop

- Despite **elevated recession risks for major economies,** energy outlook remains constructive and largely unchanged … **supportive of double-digit upstream spending growth in 2023**
- **Oil markets expected to gradually tighten** as China's economy recovers, non-OECD growth continues and OPEC+ proactively manages supply
- Natural gas increasingly recognized as playing crucial role in energy transition … **driving shift in investment towards natural gas exploration and development**
- LNG sanctioning activity off to strong start with FID activity of 20 MTPA so far in 2023 and other projects soon to follow … **continue to expect 65-115 MTPA of LNG FIDs in 2023**

## UNIQUE AND EXTENDED CYCLE UNFOLDING

- Upstream spending expected to be more durable than previous cycles
- Aided by strong balance sheets & capital discipline
- IOCs/NOCs balancing modest production growth with investments in New Energy

# Tailwinds continue 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 demand outlook continues to strengthen … robust pipeline building for subsea trees and flexibles

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

## Industrial & Energy Technology (IET)

- Strong LNG order momentum continuing in 2023
- Climate Technology Solutions (CTS) continues to expand its collaborations and offerings
- Industrial Technology showing strong order momentum and supply chain issues continue to ease

- **Record RPO of $26.5B … 2023 orders likely to meet or potentially exceed high-end of $10.5-$11.5B guidance range**



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# Nancy Buese

## Chief Financial Officer

# 1Q 2023 Financial Results

| Strong YoY order growth Revenues up double-digits | Continued YoY margin improvement … 14% EBITDA margin | Significant increase in YoY free cash flow generation |
|---|---|---|
| **Orders** **$7.6B** ▲ 12% YoY | **Adj. EBITDA** **$782M** ▲ 25% YoY | **Free cash flow** **$197M** ▲ +$302M YoY |
| **Revenue** **$5.7B** ▲ 18% YoY | **Adj. operating income** **$512M** ▲ 47% YoY | **Adjusted EPS** **$0.28** |



Note: EBITDA margin, Adj. EBITDA, Adj. OI, Free Cash Flow (FCF) & Adj. EPS are non-GAAP measures – see earnings release and / or appendix for GAAP to non-GAAP reconciliations.

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# Strong balance sheet and solid cash flow

## Strong Balance Sheet

**Strong balance sheet enables financial flexibility**

**1.4X**[1] Net debt / LTM Adj. EBITDA

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

**$5.4B**[2] 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%**[3] FCF conversion in 1Q'23

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



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 March 31, 2023: Cash and cash equivalents of $2,415 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[5] (Dividends and Buybacks)

| PRIORITY | Balance Sheet | Dividends | Buybacks | Technology Investment[1] | M&A[2] |
|---|---|---|---|---|---|
| PHILOSOPHY | • Maintain a strong balance sheet<br>• Maintain optionality to pay down near-term debt maturities | • Prioritize dividend growth supported by continued margin improvement & structural growth in IET | • Repurchase shares to offset share-based compensation<br>• Maintain flexibility for opportunistic buybacks | • Focus growth capital on highest return, highest impact, highest growth opportunities across the portfolio | • Target bolt-on acquisitions<br>• Recycle capital from asset sales & equity investments |
| STATUS | 1.4X Net Debt / LTM Adj. EBITDA[3]<br>$5.4B Liquidity[4] | Increased dividend by 6% in 2022 | $4B Share repurchase authorization | $0.2-0.3B Investment in early-stage technologies past 2 years | 2017-2023:<br>$1.9B Acquisitions<br>$1.3B Divestments |



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 measures – see earnings release and/or appendix for GAAP to non-GAAP reconciliations.

# 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<br>• Streamline functions and management layers | • Combination of legacy TPS and DS businesses<br>• Key leadership changes | • Simplified ELT structure<br>• Moving activities & resources into segments<br>• 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

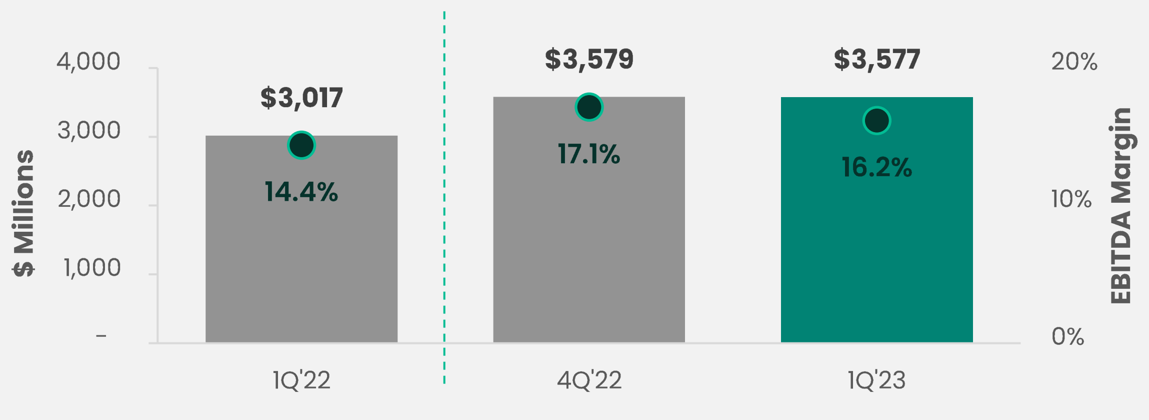


Note: EBITDA margin, Adj. EBITDA, are non-GAAP measures – see appendix for GAAP to non-GAAP reconciliations.

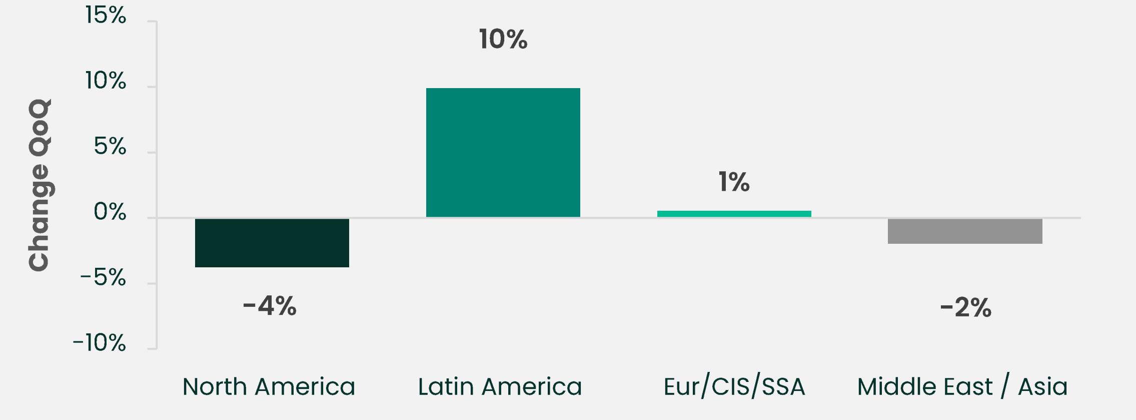
# Oilfield Services & Equipment (OFSE) Results

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

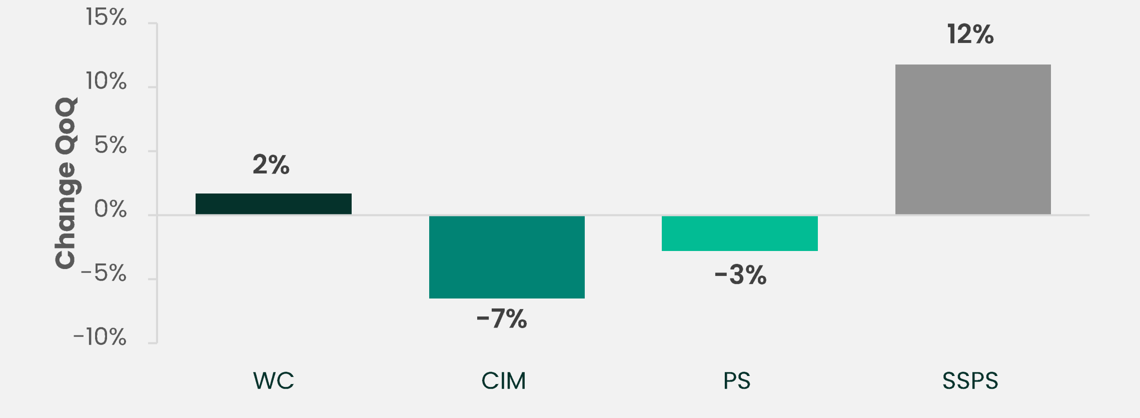
## OFSE Revenues & EBITDA Margin




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




## 1Q'23 OFSE – Revenue Growth by Product Line[1]




- **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**



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

1. WC – Well Construction, CIM – Completions, Intervention & Measurement, PS – Production Solutions, SSPS – Subsea & Surface Pressure Systems

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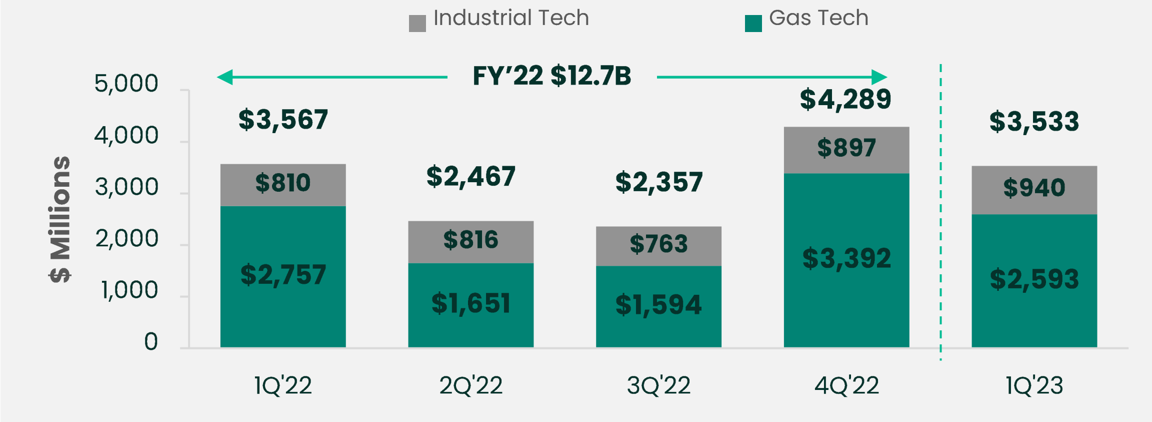
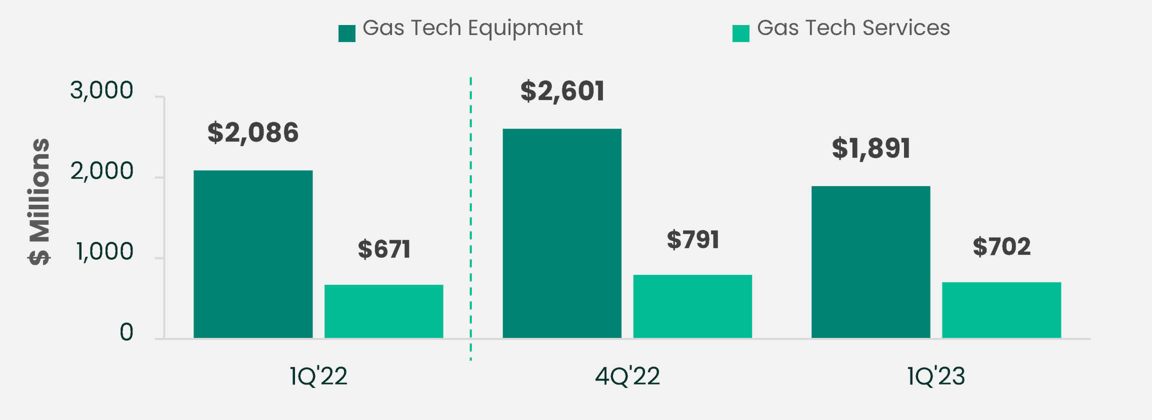
# Industrial & Energy Technology (IET) Orders

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

## IET Orders

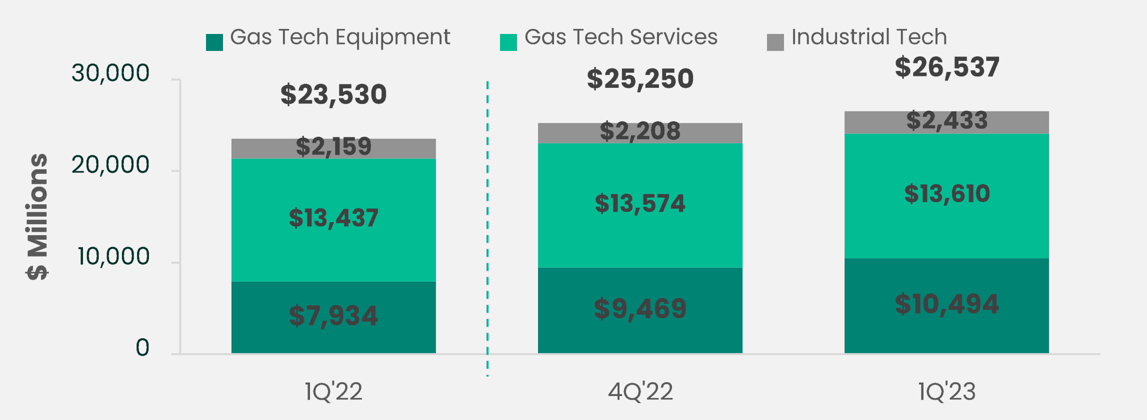



## Gas Technology Orders




- **$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 & $H_2$

## IET RPO (Remaining Performance Obligation)





See Appendix for additional time periods

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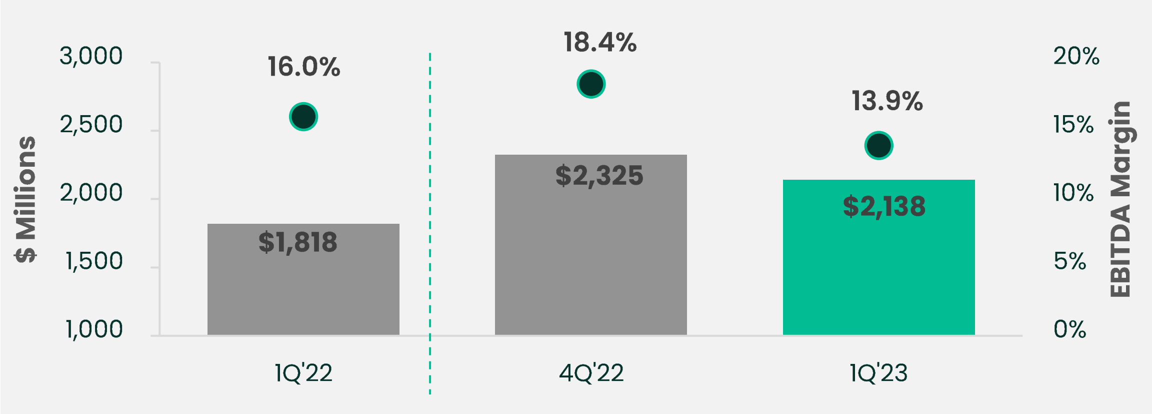
# IET Results

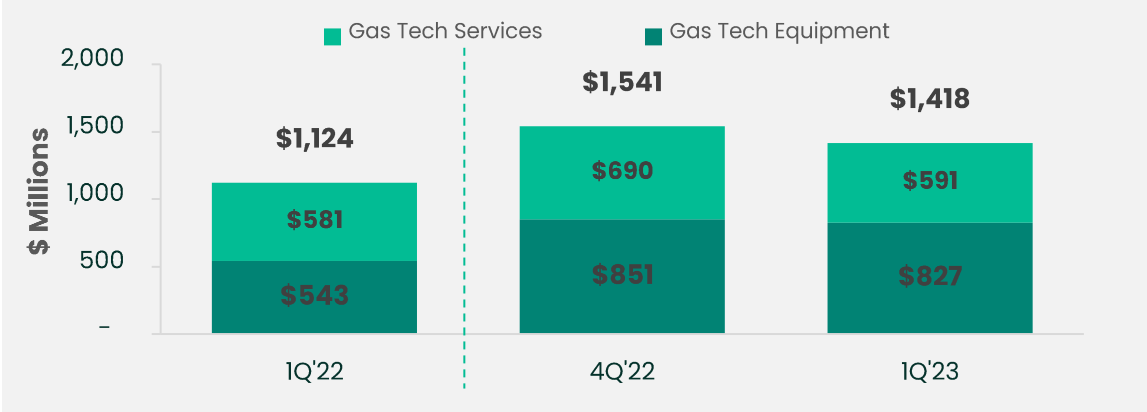
**Strong revenue growth driven by Gas Tech Equipment backlog conversion**

## IET Revenues & EBITDA Margin

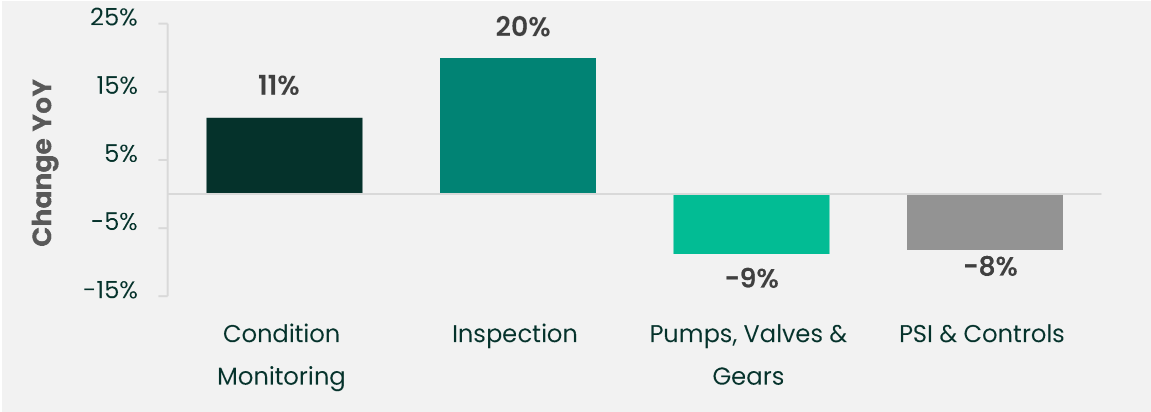



- **Revenue growth** +18% YoY & (8)% QoQ due to seasonality
- **Gas Technology Equipment** revenue up 52% YoY driven by execution of project backlog
- **Gas Technology Services** revenue was up 2% YoY driven by transactional services, offset by the discontinuation of our Russia operations
- **Industrial 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





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

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# 2023 Outlook

## 2Q'23 Outlook

### BKR

| | |
|---|---|
| Revenue | $6.1 - $6.5B |
| Adj. EBITDA | $845 - $905M |

### OFSE

| | |
|---|---|
| Revenue | $3.65 - $3.85B |
| EBITDA | $590 - $650M |

### IET

| | |
|---|---|
| Revenue | $2.35 - $2.75B |
| EBITDA | $320 -$380M |

### Other

| | |
|---|---|
| Corporate costs | Approx. $100M |
| D&A | Approx. $280M |

## 2023 Outlook

### BKR

| | |
|---|---|
| Revenue | $24 - $26B |
| Adj. EBITDA | $3.6 - $3.8B |

### OFSE

| | |
|---|---|
| Revenue | $14.5 - $15.5B |
| EBITDA | $2.4 - $2.8B |

### IET

| | |
|---|---|
| Orders | $10.5 - $11.5B |
| Revenue | $9.5 - $10.5B |
| EBITDA | $1.35 - $1.65B |

### Other

| | |
|---|---|
| Corporate costs | $370M - $390M |
| D&A | $1.0 – $1.1B |
| Adj. Effective Tax Rate | 35% - 40% |


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.

# 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

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# Appendix




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# GAAP to Non-GAAP reconciliations

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

**Cash flow reconciliation**

| | TY2018 | TY2019 | TY2020 | 1Q2021 | 2Q2021 | 3Q2021 | 4Q2021 | TY2021 | 1Q2022 | 2Q2022 | 3Q2022 | 4Q2022 | TY2022 | 1Q2023 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **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** |
| 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) |
| Free cash flow (Non-GAAP) | 1,225 | 1,150 | 518 | 498 | 385 | 305 | 645 | 1,832 | (105) | 147 | 417 | 657 | 1,116 | 197 |

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

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

| | TY2018 | TY2019 | TY2020 | 1Q2021 | 2Q2021 | 3Q2021 | 4Q2021 | TY2021 | 1Q2022 | 2Q2022 | 3Q2022 | 4Q2022 | TY2022 | 1Q2023 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **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** |
| **Operating Income (loss) (GAAP)** | **701** | **1,074** | **(15,978)** | **164** | **194** | **378** | **574** | **1,310** | **279** | **(25)** | **269** | **663** | **1,185** | **438** |
| Less: Merger, Impairment, Restructuring & Other | (691) | (528) | (17,018) | (106) | (139) | (24) | 3 | (266) | (70) | (402) | (235) | (29) | (735) | (74) |
| **Adjusted Operating Income (Non-GAAP)** | **1,391** | **1,602** | **1,040** | **270** | **333** | **402** | **571** | **1,576** | **348** | **376** | **503** | **692** | **1,920** | **512** |
| Add: Depreciation & Amortization | 1,486 | 1,418 | 1,317 | 292 | 278 | 262 | 273 | 1,105 | 277 | 275 | 254 | 255 | 1,061 | 269 |
| Adjusted EBITDA (Non-GAAP) | 2,877 | 3,020 | 2,357 | 562 | 611 | 664 | 844 | 2,681 | 625 | 651 | 758 | 947 | 2,981 | 782 |
| Adjusted EBITDA Margin (Non-GAAP)[1] | 12.6% | 12.7% | 11.4% | 11.7% | 11.9% | 13.0% | 15.4% | 13.1% | 12.9% | 12.9% | 14.1% | 16.0% | 14.1% | 13.7% |

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

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

| | 1Q2023 |
|---|---|
| Short-term debt and current portion of long-term debt | 684 |
| Long-term debt | 5,975 |
| **Total debt** | **6,659** |
| Less: Cash and cash equivalents | 2,415 |
| Net Debt | 4,244 |
| LTM Adj. EBITDA | 3,136 |
| Net debt / LTM Adj. EBITDA | 1.4X |


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)*

| | FY 2019 | FY 2020 | 1Q 2021 | 2Q 2021 | 3Q 2021 | 4Q 2021 | FY 2021 | 1Q 2022 | 2Q 2022 | 3Q 2022 | 4Q 2022 | FY 2022 | 1Q2023 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Oilfield Services & Equipment** | **16,419** | **12,304** | **2,544** | **3,040** | **3,136** | **3,077** | **11,798** | **3,270** | **3,392** | **3,707** | **3,721** | **14,089** | **4,100** |
| 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 |
| **Industrial & Energy Technology** | **10,555** | **8,410** | **1,996** | **2,053** | **2,242** | **3,579** | **9,870** | **3,567** | **2,467** | **2,357** | **4,289** | **12,680** | **3,533** |
| **Total Orders** | **26,973** | **20,714** | **4,541** | **5,093** | **5,378** | **6,656** | **21,668** | **6,837** | **5,860** | **6,063** | **8,009** | **26,770** | **7,632** |


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

# OFSE & IET reconciliations

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

| | FY 2019 | FY 2020 | 1Q 2021 | 2Q 2021 | 3Q 2021 | 4Q 2021 | FY 2021 | 1Q 2022 | 2Q 2022 | 3Q 2022 | 4Q 2022 | TY 2022 | 1Q2023 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 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 |
| **Oilfield Services & Equipment** | **15,809** | **12,984** | **2,827** | **2,995** | **3,021** | **3,185** | **12,028** | **3,017** | **3,230** | **3,403** | **3,579** | **13,229** | **3,577** |
| 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 |
| **Industrial & Energy Technology** | **8,028** | **7,721** | **1,954** | **2,148** | **2,072** | **2,300** | **8,473** | **1,818** | **1,816** | **1,967** | **2,325** | **7,926** | **2,138** |
| **Total Revenue** | **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** |

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

| | FY 2019 | FY 2020 | 1Q 2021 | 2Q 2021 | 3Q 2021 | 4Q 2021 | FY 2021 | 1Q 2022 | 2Q 2022 | 3Q 2022 | 4Q 2022 | TY 2022 | 1Q2023 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 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 |
| **Oilfield Services & Equipment** | **15,809** | **12,984** | **2,827** | **2,995** | **3,021** | **3,185** | **12,028** | **3,017** | **3,230** | **3,403** | **3,579** | **13,229** | **3,577** |
| | | | | | | | | | | | | | |
| 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 |


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) *($ in millions)*

| Operating Income (loss) by Segment (GAAP) | FY 2019 | FY 2020 | 1Q 2021 | 2Q 2021 | 3Q 2021 | 4Q 2021 | FY 2021 | 1Q 2022 | 2Q 2022 | 3Q 2022 | 4Q 2022 | TY 2022 | 1Q2023 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 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) | — |
| **Operating income (loss)** | **1,074** | **(15,978)** | **164** | **194** | **378** | **574** | **1,310** | **279** | **(25)** | **269** | **663** | **1,185** | **438** |
| **Add: Depreciation & Amortization** | | | | | | | | | | | | | |
| 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 |
| **Total depreciation and amortization** | **1,418** | **1,317** | **292** | **278** | **262** | **273** | **1,105** | **277** | **275** | **254** | **255** | **1,061** | **269** |
| **EBITDA by Segment (non-GAAP)** | | | | | | | | | | | | | |
| 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) | — |
| **EBITDA (non-GAAP)** | **2,493** | **(14,661)** | **456** | **472** | **640** | **847** | **2,415** | **555** | **250** | **523** | **918** | **2,245** | **708** |



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

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# 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

| | 2Q 2023 Outlook Range | 2023 FY Outlook Range |
|---|---|---|
| | 2Q 2023 | FY 2023 |
| Operating Income (loss) by Segment (GAAP) | 370 – 430 | 1,500 – 1,860 |
| Add: Depreciation & Amortization | 220 | 900 – 940 |
| EBITDA by Segment (non-GAAP) | 590 - 650 | 2,400 - 2,800 |

### Industrial & Energy Technology

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


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

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