



## Fourth Quarter 2020 Update

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**NYSE Stock Symbol:** HAL

**Common Dividend**  
\$0.045 in the fourth quarter 2020

**Shares Outstanding**  
881 million as of 02/05/2021

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# Safe Harbor

The statements in this presentation that are not historical statements, including statements regarding future financial performance, are forward-looking statements within the meaning of the federal securities laws. These statements are subject to numerous risks and uncertainties, many of which are beyond the company's control, which could cause actual results to differ materially from the results expressed or implied by the statements. These risks and uncertainties include, but are not limited to: the severity and duration of the COVID-19 pandemic, related economic repercussions and the resulting negative impact on demand for oil and gas; the current significant surplus in the supply of oil and the ability of the OPEC+ countries to agree on and comply with supply limitations; the duration and magnitude of the unprecedented disruption in the oil and gas industry currently resulting from the impact of the foregoing factors, which is negatively impacting our business; operational challenges relating to the COVID-19 pandemic and efforts to mitigate the spread of the virus, including logistical challenges, protecting the health and well-being of our employees, remote work arrangements, performance of contracts and supply chain disruptions; the continuation or suspension of our stock repurchase program, the amount, the timing and the trading prices of Halliburton common stock, and the availability and alternative uses of cash; changes in the demand for or price of oil and/or natural gas; potential catastrophic events related to our operations, and related indemnification and insurance matters; protection of intellectual property rights and against cyber-attacks; compliance with environmental laws; changes in government regulations and regulatory requirements, particularly those related to oil and natural gas exploration, radioactive sources, explosives, chemicals, hydraulic fracturing services, and climate-related initiatives; compliance with laws related to income taxes and assumptions regarding the generation of future taxable income; risks of international operations, including risks relating to unsettled political conditions, war, the effects of terrorism, foreign exchange rates and controls, international trade and regulatory controls and sanctions, and doing business with national oil companies; weather-related issues, including the effects of hurricanes and tropical storms; changes in capital spending by customers, delays or failures by customers to make payments owed to us and the resulting impact on our liquidity; execution of long-term, fixed-price contracts; structural changes and infrastructure issues in the oil and natural gas industry; maintaining a highly skilled workforce; availability and cost of raw materials; agreement with respect to and completion of potential dispositions, acquisitions and integration and success of acquired businesses and operations of joint ventures. Halliburton's Form 10-K for the year ended December 31, 2020, recent Current Reports on Form 8-K and other Securities and Exchange Commission filings discuss some of the important risk factors identified that may affect Halliburton's business, results of operations, and financial condition. Halliburton undertakes no obligation to revise or update publicly any forward-looking statements for any reason.



# Agenda

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## Company Overview

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### Strategic Priorities

- International Strength
  - Lean North America
  - Halliburton 4.0
  - Capital Efficiency
  - Sustainable Energy Future
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### Financial Review

The background image shows an oilfield in a vast, open landscape. On the left, a tall drilling rig stands prominently. In the foreground, there are several white modular buildings and equipment. The middle ground is a flat, grassy field, and the background features a range of blue mountains under a clear blue sky with a few wispy clouds. A large red rectangular box is overlaid on the right side of the image, containing white text.

# Company Overview

Leading globally diversified oilfield services company

We collaborate and engineer solutions to maximize asset value for our customers

# Halliburton Global Footprint



- Locations
- TC Technology Centers
- ★ Corporate Headquarters

Founded

1919

Employees

40,000\*

130+ Nationalities

Operational Countries

70

Research Centers

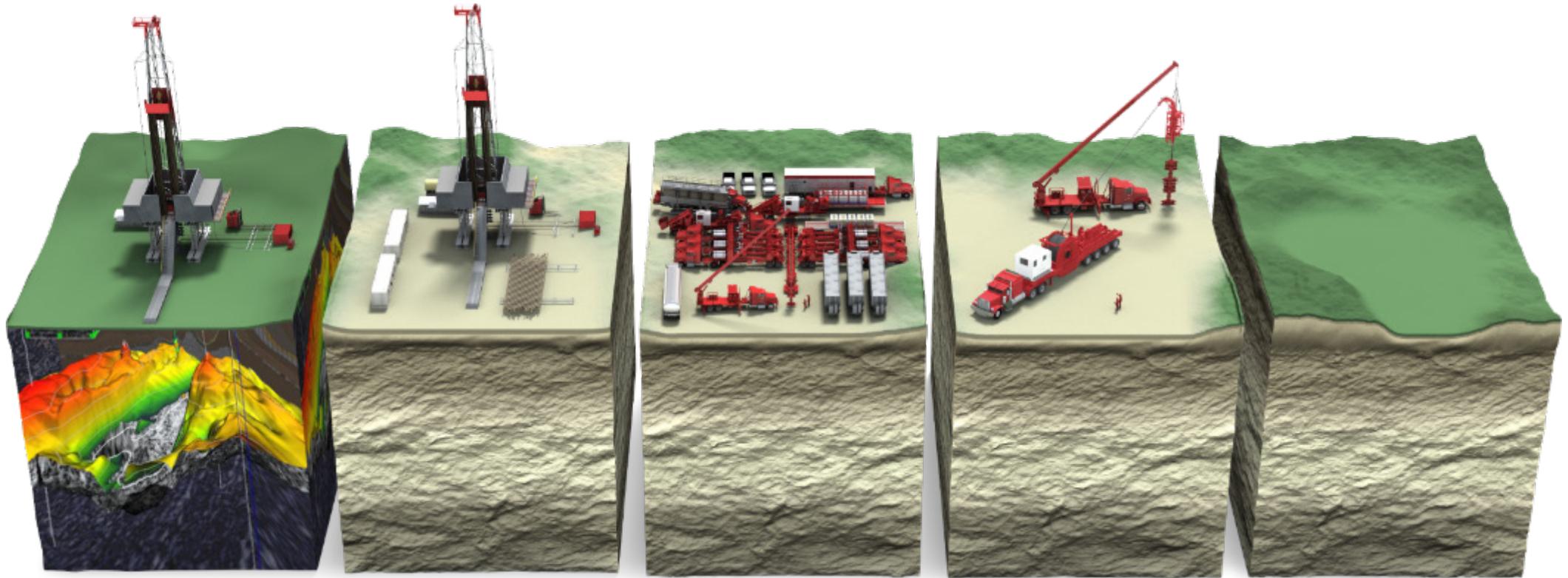
12

Corporate Headquarters

Houston

*\*approximate estimate*

# Halliburton Participates in Every Stage of Oilfield Life Cycle



**Exploration**

**Well Construction**

**Completions**

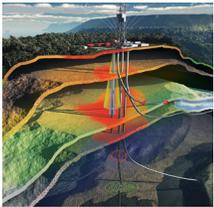
**Production**

**Abandonment**

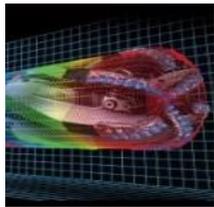
# Halliburton Product Service Lines

## HALLIBURTON

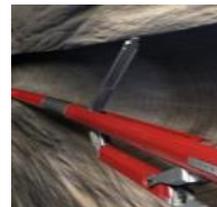
### Drilling and Evaluation (D&E)



Sperry Drilling



Drill Bits & Services



Wireline & Perforating



Testing & Subsea

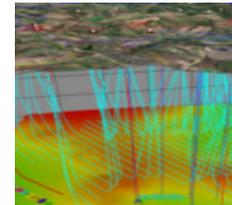


Baroid

### Integrating All Product Service Lines



Project Management

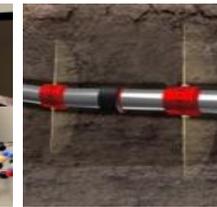


Landmark & Consulting

### Completion and Production (C&P)



Cementing



Completion Tools



Production Enhancement



Artificial Lift



Production Solutions

# Strategic Priorities at a Glance

Deliver industry-leading returns and strong free cash flow

## International Strength

- » Substantial global footprint
- » Competitive technology portfolio
- » Grow Production businesses
- » Profitable growth

## Lean North America

- » The leading position
- » Integrated premium provider
- » Efficient service delivery
- » Maximize free cash flow

## Halliburton 4.0

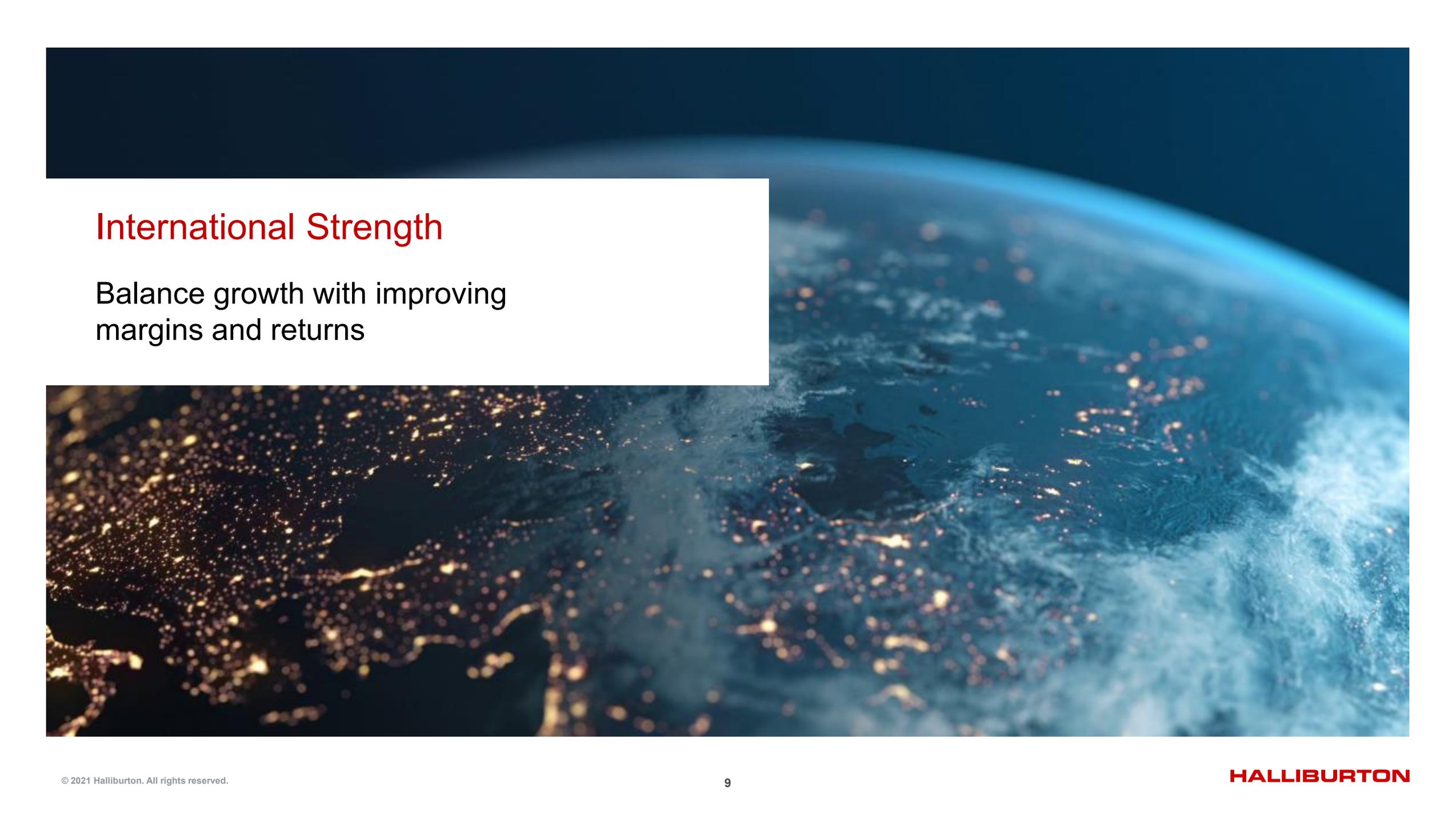
- » Leading software provider
- » Digitalizing the value chain
- » Enhance business opportunities
- » Drive internal efficiencies

## Capital Efficiency

- » Structurally lower capital intensity
- » Driven by advances in technology
- » Support stronger Free Cash Flow generation

## Sustainable Energy Future

- » Lower emission solutions
- » Commitment to TCFD disclosure framework and SBTi targets
- » Advance clean energy solutions through Halliburton Labs



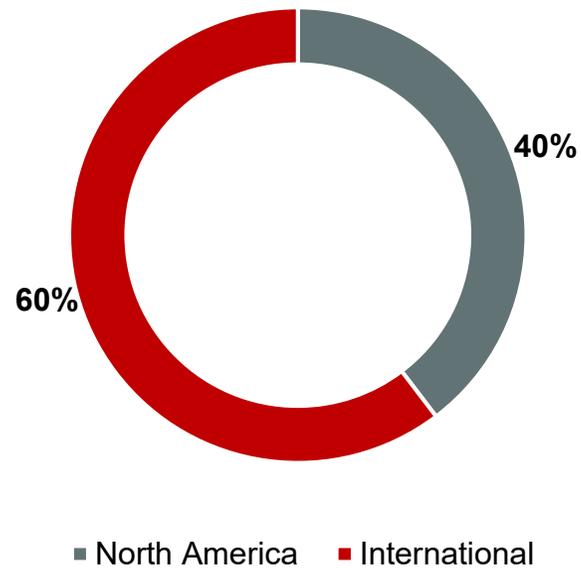
## International Strength

Balance growth with improving margins and returns

# International Strength

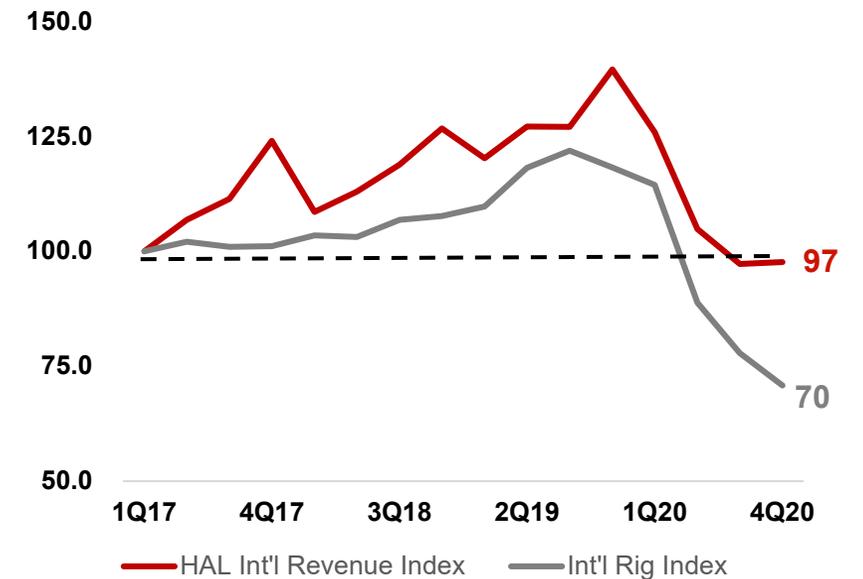
*Portfolio strength drives market outperformance*

FY 2020 Revenue



- HAL earned **the majority of our revenue** internationally in 2020.

International Revenue Outperformance Compared to Rig Count



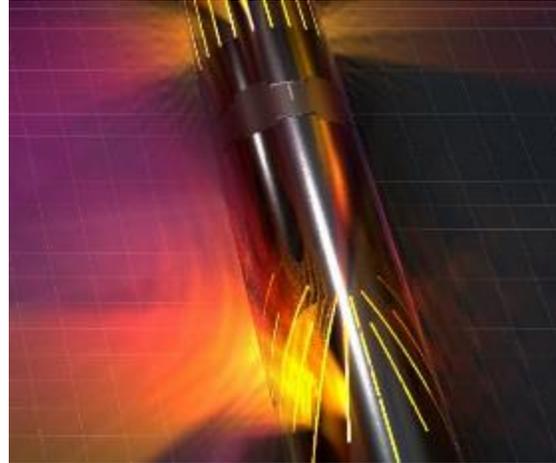
- International **margin recovery** underway

# Competitive Technology Portfolio



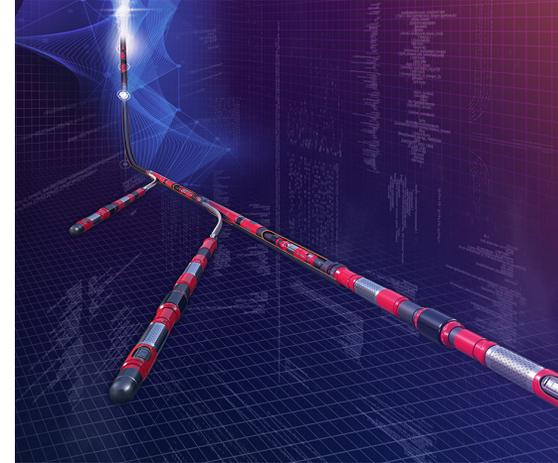
## **iCruise®** Intelligent Drilling System

- Significant market penetration
- Fully automated – capability to reduce rig site personnel
- Modular design compresses R&M time/cost and increases asset velocity



## **EarthStar®** Ultra-deep Resistivity Sensor

- Rapid international adoption
- Unique digital 3D inversion capabilities help discover more reserves
- Highest depth of investigation in the industry (captures 200 feet around the wellbore)



## **FlexRite®** Multi-branch Completions System

- A clear leader in the offshore completions market
- 100+ systems installed to date with 100% reliability
- Integrates sand control and intelligent SmartWell® reservoir controls for increased production in new and existing wells



## **Artificial Lift and Specialty Chemicals**

- Ongoing international expansion – Middle East, Latin America
- Specialty chemicals plant under construction in Saudi Arabia

## Lean North America

Remain leader and increase profitability



# Reducing Fixed Cost and Improving Contribution Margin

*Focused on returns and efficient service delivery*

## Facilities



**50% smaller** real estate footprint

## Headcount



**50% less** structural headcount in North America compared to 2019

## Maintenance



**30% reduction** in unit maintenance cost year over year

# SmartFleet™ Intelligent Fracturing System

## Real-time fracture control while pumping

### Connected to the Subsurface

Equipped with fiber optics to autonomously adapt and respond to real-time reservoir measurements

### Live 3D Visualization

Real-time measurements and projections for a direct line of sight to fracture geometry and performance

### Control While Pumping

Real-time decisions and commands to improve fracture placement and mitigate well interactions



# Integrated Completions

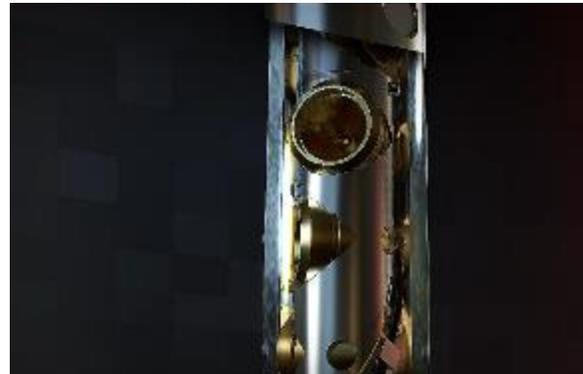
## ExpressKinect™ Quick Latch

Faster and safer



## Velocity™ Modular Perforating Gun System

Safer and more reliable



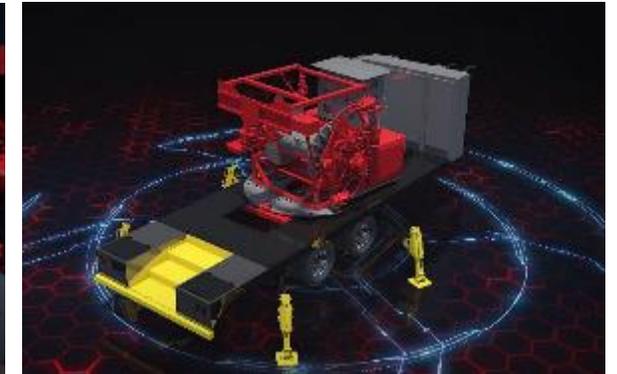
## EcoSeal Greaseless Wireline

Faster, safer and reduces  
environmental impact

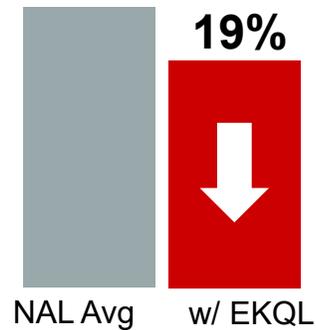


## E-Winch

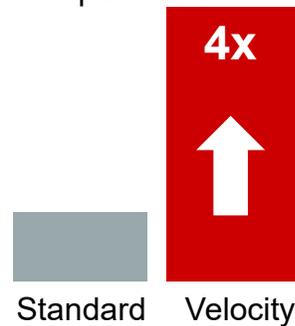
Faster, safer and  
improves reliability



Stage Transition Time



Perforating Runs  
per Misrun



Stage Transition Time

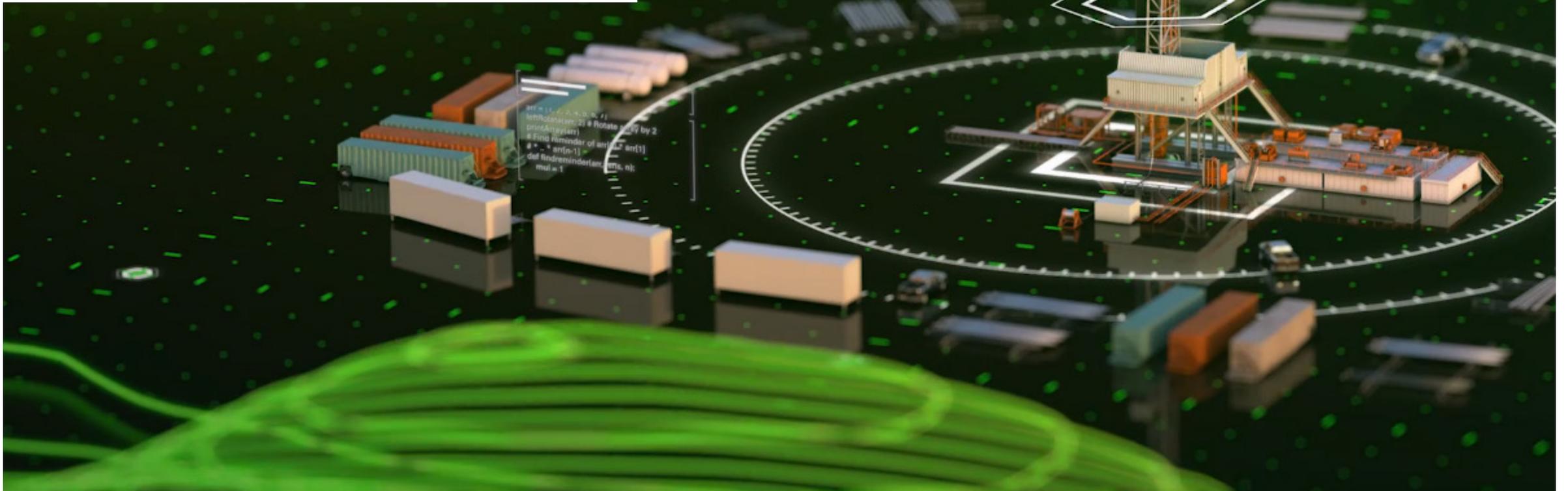


Non-Productive Time



## Halliburton 4.0

Transforming the way we work to make a quantum leap in productivity



# HALLIBURTON 4.0



## Subsurface 4.0

Evergreen subsurface at planet scale

Adaptive risk & uncertainty

Agile field development

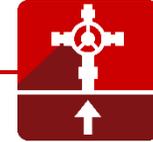


## Well Construction 4.0

Optimize well program

Automate drilling

Lean supply chain



## Reservoir Recovery 4.0

Optimize capacity

Maximize uptime

Increase recovery



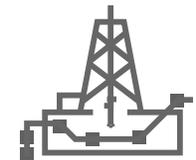
## Enterprise 4.0

Process and workflows

Cloud

Data and analytics

Smart tools



Solutions Partners



Digital Partners

## Capital Efficiency

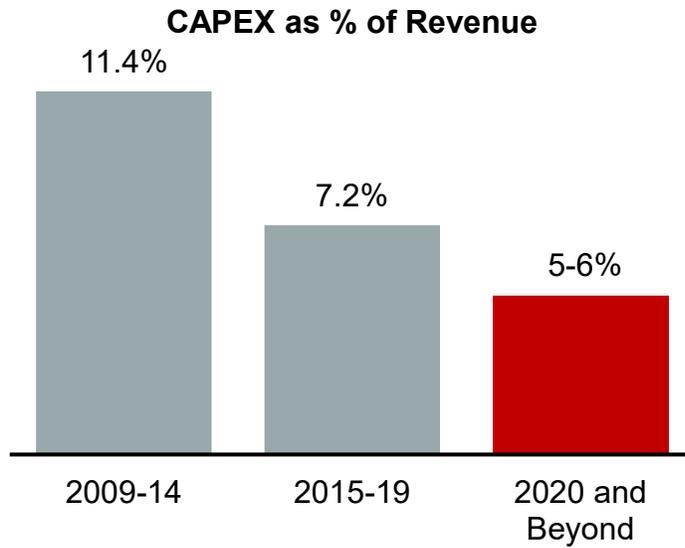
Structurally lower capital intensity and generate strong free cash flow

# Capital Efficiency

## Lower Capital Intensity

CAPEX at 5-6% of revenue

- Equipment design enhancements
- New materials
- Higher asset velocity
- Digital technologies
- Changing portfolio mix



## Improves FCF Profile

~\$1B average annual FCF (2017-2020)



# Sustainable Energy Future

Delivering affordable and reliable energy while lowering overall emissions



# Sustainable Energy Future

## Decarbonize Legacy Production Base

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- Committed to provide technologies that reduce emissions / environmental footprint
- Collaborate with customers on environmental footprint tracking

## Reduce Emissions

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- Reduced emissions 5% in 2019
- Signed commitment to the Science Based Target initiative
- Provide disclosures in the Annual & Sustainability report

## Halliburton Labs

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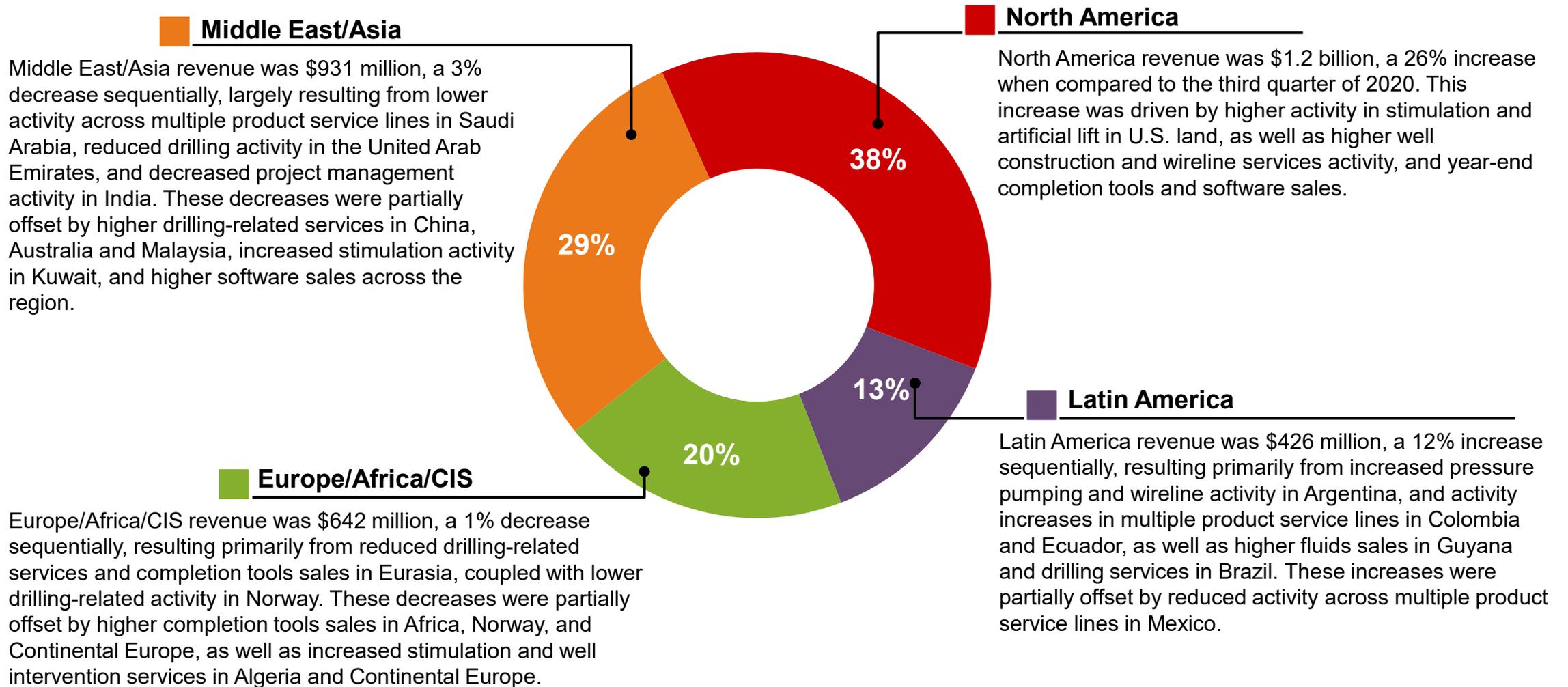
- A clean energy accelerator based at Halliburton Houston headquarters
- Access to knowledge and opportunity to develop sustainable, affordable energy – building optionality
- Utilize current invested capital and infrastructure

# Financial Results

Fourth Quarter 2020



# 4Q20 Revenue Breakdown



# Segment and Geographic Results

Millions of dollars

Revenue	Q118	Q218	Q318	Q418	Q119	Q219	Q319	Q419	Q120	Q220	Q320	Q420	2018	2019	2020
<i>By segment results:</i>															
Completion and Production	\$ 3,807	\$ 4,164	\$ 4,170	\$ 3,832	\$ 3,662	\$ 3,805	\$ 3,506	\$ 3,058	\$ 2,962	\$ 1,672	\$ 1,574	\$ 1,810	\$ 15,973	\$ 14,031	\$ 7,839
Drilling and Evaluation	1,933	1,983	2,002	2,104	2,075	2,125	2,044	2,133	2,075	1,524	1,401	1,427	8,022	8,377	6,606
<b>Total</b>	<b>\$ 5,740</b>	<b>\$ 6,147</b>	<b>\$ 6,172</b>	<b>\$ 5,936</b>	<b>\$ 5,737</b>	<b>\$ 5,930</b>	<b>\$ 5,550</b>	<b>\$ 5,191</b>	<b>\$ 5,037</b>	<b>\$ 3,196</b>	<b>\$ 2,975</b>	<b>\$ 3,237</b>	<b>\$ 23,995</b>	<b>\$ 22,408</b>	<b>\$ 14,445</b>

*By geographic region:*

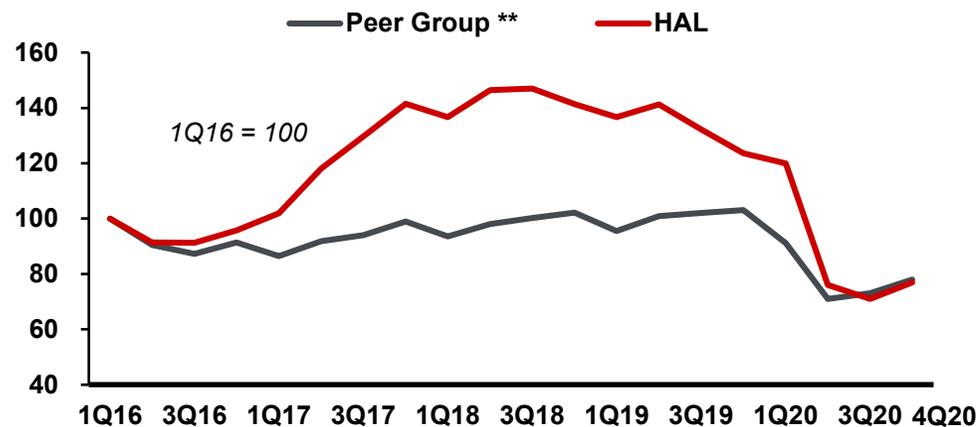
North America	\$ 3,517	\$ 3,834	\$ 3,739	\$ 3,341	\$ 3,275	\$ 3,327	\$ 2,949	\$ 2,333	\$ 2,460	\$ 1,049	\$ 984	\$ 1,238	\$ 14,431	\$ 11,884	\$ 5,731
Latin America	457	479	522	607	587	571	608	598	516	346	380	426	2,065	2,364	1,668
Europe / Africa / CIS	716	726	757	746	748	823	831	883	831	691	649	642	2,945	3,285	2,813
Middle East / Asia	1,050	1,108	1,154	1,242	1,127	1,209	1,162	1,377	1,230	1,110	962	931	4,554	4,875	4,233
<b>Total</b>	<b>\$ 5,740</b>	<b>\$ 6,147</b>	<b>\$ 6,172</b>	<b>\$ 5,936</b>	<b>\$ 5,737</b>	<b>\$ 5,930</b>	<b>\$ 5,550</b>	<b>\$ 5,191</b>	<b>\$ 5,037</b>	<b>\$ 3,196</b>	<b>\$ 2,975</b>	<b>\$ 3,237</b>	<b>\$ 23,995</b>	<b>\$ 22,408</b>	<b>\$ 14,445</b>

Operating Income/(Loss)	Q118	Q218	Q318	Q418	Q119	Q219	Q319	Q419	Q120	Q220	Q320	Q420	2018	2019	2020
Completion and Production	\$ 500	\$ 669	\$ 613	\$ 496	\$ 368	\$ 470	\$ 446	\$ 387	\$ 345	\$ 159	\$ 212	\$ 282	\$ 2,278	\$ 1,671	\$ 995
Drilling and Evaluation	188	191	181	185	123	145	150	224	217	127	105	117	745	642	569
Corporate and other	(69)	(71)	(78)	(73)	(65)	(65)	(60)	(65)	(60)	(50)	(42)	(49)	(291)	(255)	(201)
Impairments and other charges	(265)	-	-	-	(61)	(247)	-	(2,198)	(1,073)	(2,147)	(133)	(446)	(265)	(2,506)	(3,799)
<b>Total</b>	<b>\$ 354</b>	<b>\$ 789</b>	<b>\$ 716</b>	<b>\$ 608</b>	<b>\$ 365</b>	<b>\$ 303</b>	<b>\$ 536</b>	<b>\$ (1,652)</b>	<b>\$ (571)</b>	<b>\$ (1,911)</b>	<b>\$ 142</b>	<b>\$ (96)</b>	<b>\$ 2,467</b>	<b>\$ (448)</b>	<b>\$ (2,436)</b>

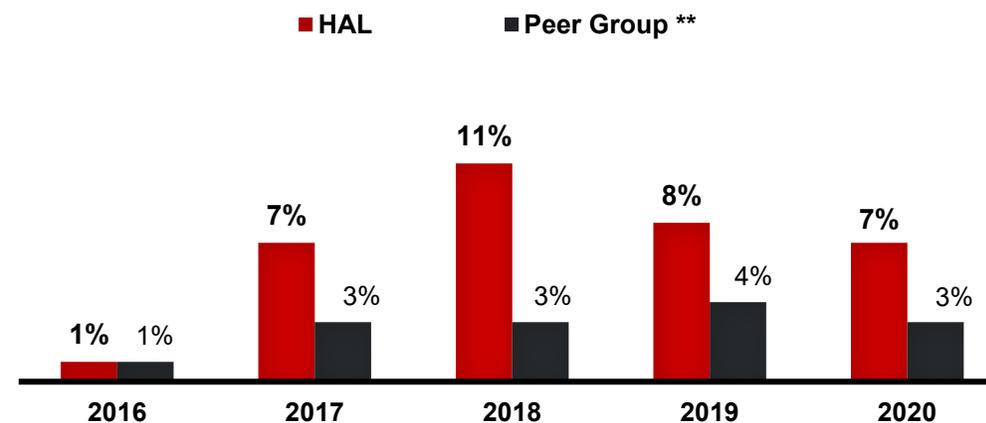
<b>CAPEX</b>	\$ 501	\$ 565	\$ 409	\$ 551	\$ 437	\$ 408	\$ 345	\$ 340	\$ 213	\$ 142	\$ 155	\$ 218	\$ 2,026	\$ 1,530	\$ 728
<b>DDA</b>	394	390	400	422	416	420	417	372	348	251	230	229	1,606	1,625	1,058

# Financial Metrics

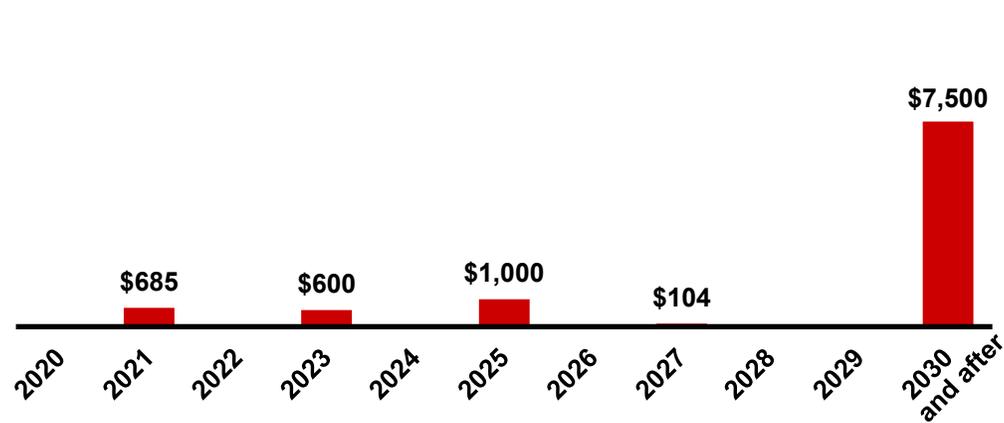
## Total Revenue (Normalized)



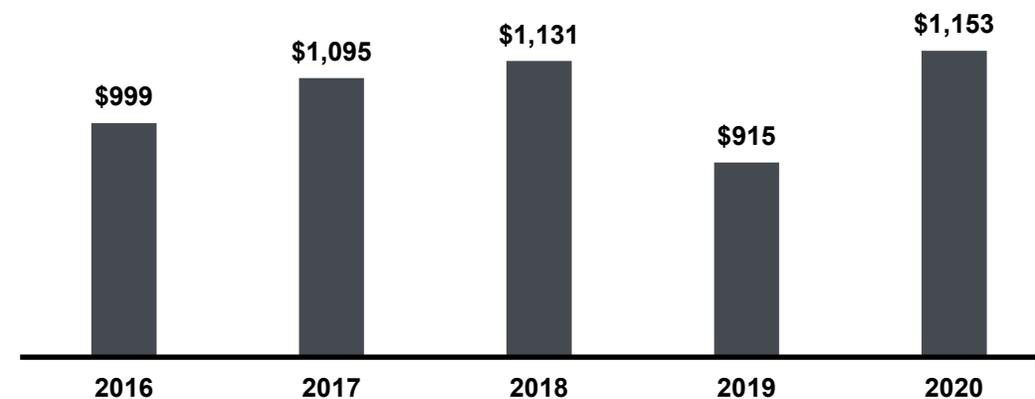
## Return on Capital Employed\*



## Debt Maturity Profile (\$MM)



## Adjusted Free Cash Flow\* (\$MM)



\* Excludes certain charges. See slide 26 for reconciliation of Return on Capital Employed to Adjusted Return on Capital Employed and slide 27 for reconciliation of Cash Flows from Operating Activities to Adjusted Free Cash Flow.

\*\* Peer Group includes Schlumberger and Baker Hughes Company

# Reconciliation of As Reported ROCE to Adjusted ROCE

(\$millions)	2016	2017	2018	2019	2020
As reported net income attributable to company	\$(5,763)	\$(463)	\$1,655	\$(1,131)	\$(2,945)
Interest expense, after-tax	529	517	479	450	559
As reported operating profit, after-tax	\$(5,234)	\$54	\$2,134	\$(681)	\$(2,386)
Adjustments, after-tax	5,621	1,440	5	2,215	3,530
Adjusted operating profit, after-tax (a)	\$387	\$1,494	\$2,139	\$1,534	\$1,144
Average capital employed (b)	\$26,378	\$20,561	\$19,591	\$19,243	\$16,724
As reported ROCE (c)	(20%)	0%	11%	(4%)	(14%)
Adjusted ROCE (c)	1%	7%	11%	8%	7%

- (a) Management believes that operating income adjusted for certain charges is useful to investors to assess and understand operating performance, especially when comparing results with previous and subsequent periods or forecasting performance for future periods, primarily because management views the charges to be outside of the company's normal operating results. Management analyzes operating income without the impact of these charges as an indicator of performance, to identify underlying trends in the business, and to establish operational goals. See slide 24 for further details on these adjustments, pre-tax.
- (b) Average capital employed is a statistical mean of the combined values of debt and shareholders' equity for the beginning and end of the period.
- (c) As reported return on capital employed (ROCE) is calculated as: "As reported operating profit, after-tax" divided by "Average capital employed." Adjusted ROCE is calculated as: "Adjusted operating profit, after-tax" divided by "Average capital employed."

# Reconciliation of Cash Flows from Operating Activities to Adjusted Free Cash Flow

(\$millions)	2016	2017	2018	2019	2020
Total cash flows provided by (used in) operating activities	\$(1,703)	\$2,468	\$3,157	\$2,445	\$1,881
Capital expenditures	(798)	(1,373)	(2,026)	(1,530)	(728)
Free cash flow (a)	\$(2,501)	\$1,095	\$1,131	\$915	\$1,153
BHI termination fee	(3,500)	-	-	-	-
Adjusted free cash flow	\$999	\$1,095	\$1,131	\$915	1,153

- (a) Management believes that free cash flow, which is defined as “Total cash flows provided by (used in) operating activities” less “Capital expenditures,” is useful to investors to assess and understand liquidity, especially when comparing results with previous and subsequent periods. Management views free cash flow as a key measure of liquidity in the company's business.

# Why Invest in Halliburton?

Diversified oilfield services company with exposure to all stages of the oilfield life cycle

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Strong international business and the leading position in North America

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Driving new business opportunities and efficiencies through Halliburton 4.0 (“Digital”)

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Advancing a sustainable energy future for our customers, our Company, and all our stakeholders

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Delivering industry-leading returns and strong free cash flow

