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# Fourth Quarter 2021 Update

**NYSE Stock Symbol:** HAL

**Common Dividend:** \$0.045 in the fourth quarter 2021

**Shares Outstanding:** 899 million as of 01/28/2022

# 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 impact of COVID-19 and any variants, the related economic repercussions and resulting negative impact on demand for oil and gas, operational challenges relating to COVID-19 and efforts to mitigate the spread of the virus, including logistical challenges, protecting the health and well-being of our employees, performance of contracts and supply chain disruptions; the ability of the OPEC+ countries to agree on and comply with production quotas; 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, 2021, 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



Company Overview

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Strategic Priorities

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- Profitable growth internationally
- Maximizing value in North America
- Digital and automation (Halliburton 4.0)
- Capital efficiency
- Sustainable energy future

Financial Results

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# Company Overview

Leading globally diversified oilfield services company

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

# Halliburton Global Footprint



Founded

**1919**

Employees of 130+ Nationalities

**40,000\***

Operational Countries

**70+**

Research Centers

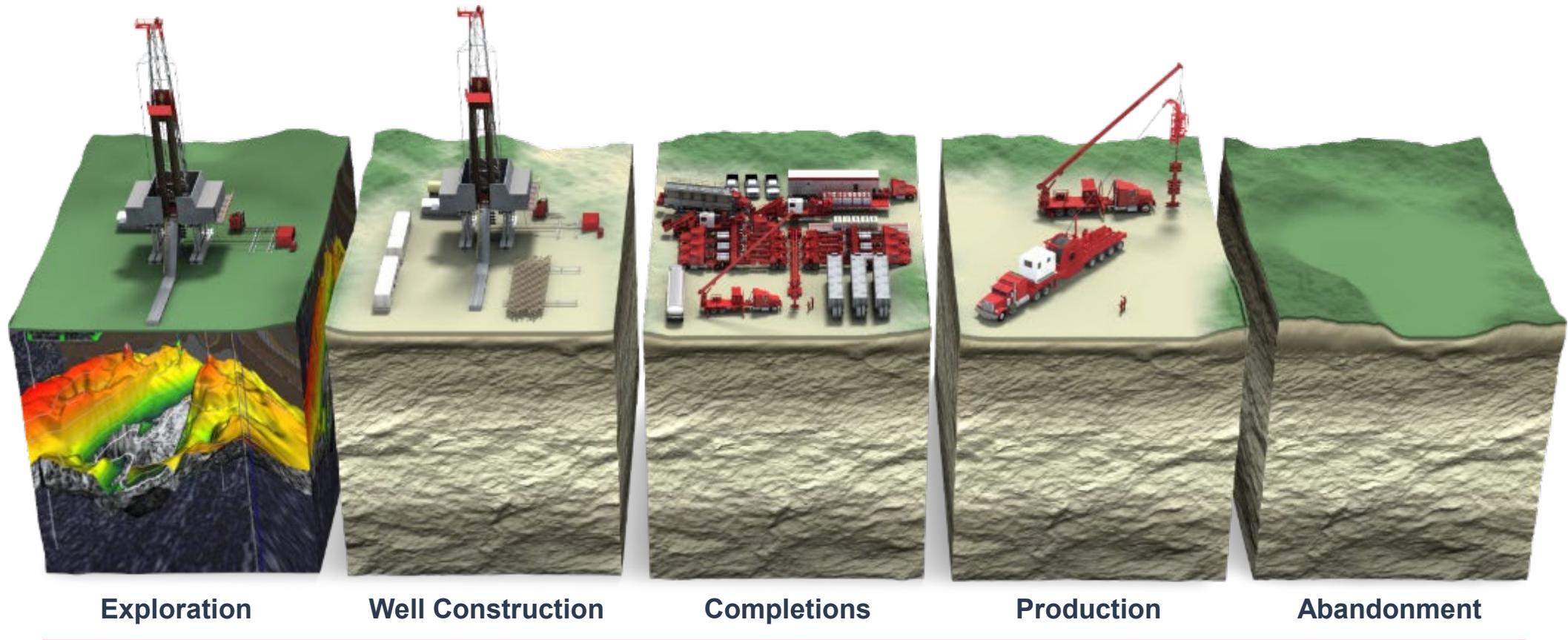
**12**

Corporate Headquarters

**Houston**

*\*approximate estimate*

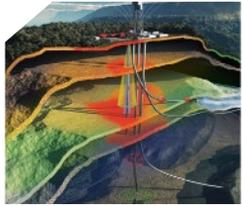
# Halliburton Participates in Every Stage of Oilfield Life Cycle



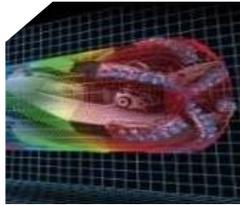
# Halliburton Product Service Lines

## HALLIBURTON

### Drilling and Evaluation (D&E)



Sperry Drilling



Drill Bits & Services

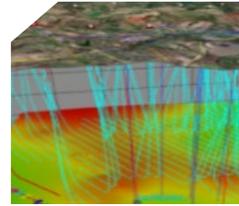


Wireline & Perforating

### Integrating All Product Service Lines



Project Management



Landmark & Consulting

### Completion and Production (C&P)



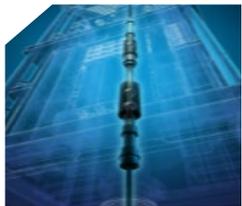
Cementing



Completion Tools



Production Enhancement



Testing & Subsea



Baroid



Artificial Lift



Production Solutions



Pipeline & Process Services

# Strategic Priorities **At-A-Glance**



## Profitable Growth Internationally

- Substantial global footprint
- Competitive technology portfolio
- Growing Production businesses
- Integrated models



## Maximizing Value in North America

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



## Digital and Automation (Halliburton 4.0)

- Leading software provider
- Digitalizing the value chain
- Enhancing business opportunities
- Driving internal efficiencies



## Capital Efficiency

- Structurally lower capital intensity
- Driven by advances in technology
- Supports stronger free cash flow generation



## Sustainable Energy Future

- Help customers decarbonize legacy production base
- Reduce Halliburton's environmental impact
- Advance clean energy solutions



Deliver industry-leading returns and strong free cash flow



We have a clear sense of purpose – to help our customers satisfy the world's need for the affordable and reliable energy provided by oil and gas – in a more effective, efficient, safe, and ethical manner – while minimizing environmental impact.



# Profitable Growth Internationally

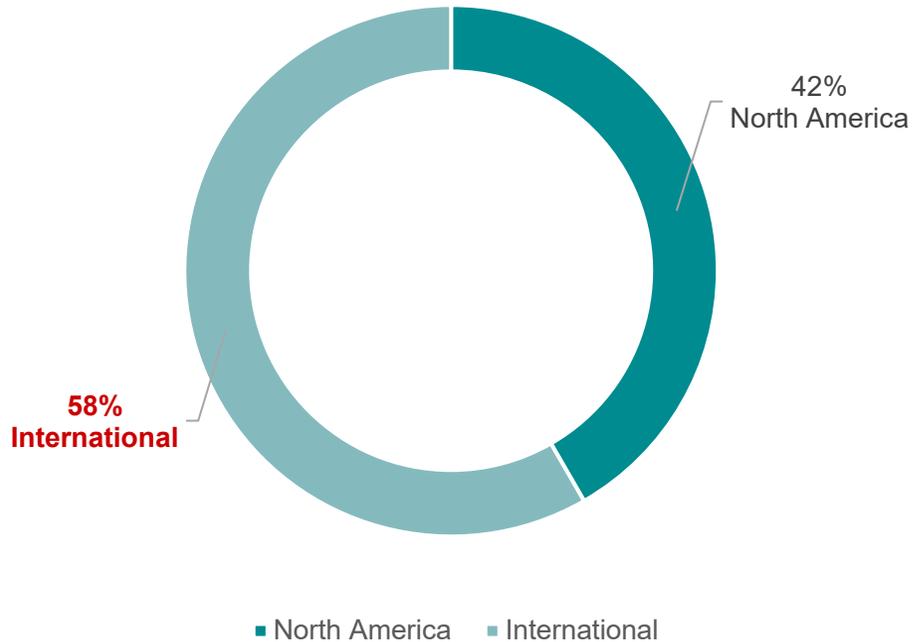
Balance growth with improving margins  
and returns

# Profitable Growth **Internationally**

Portfolio Strength Drives Market Outperformance

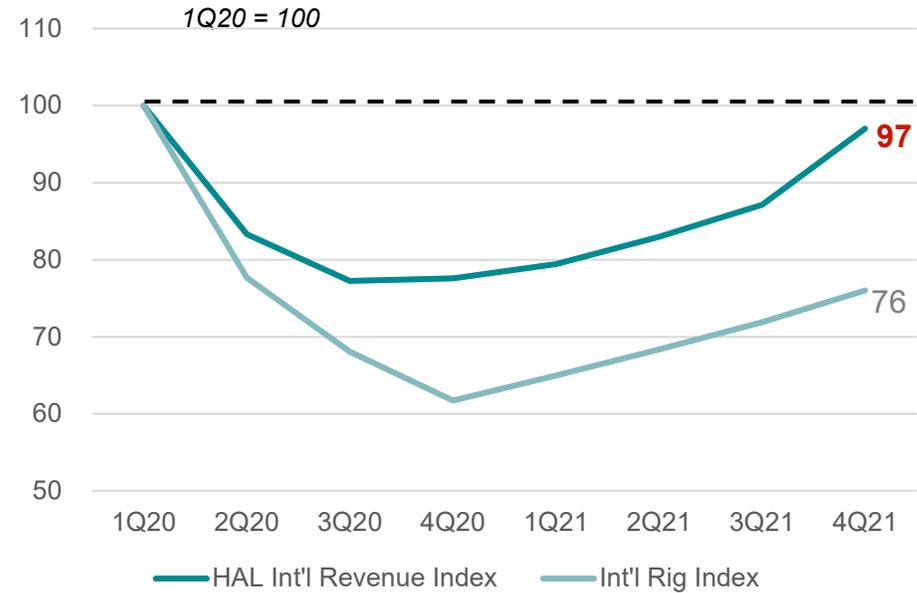


4Q 2021 Revenue



Halliburton earned **the majority of our revenue** internationally in 4Q21.

International Revenue Outperformance Compared to Rig Count



International **margin recovery** underway.

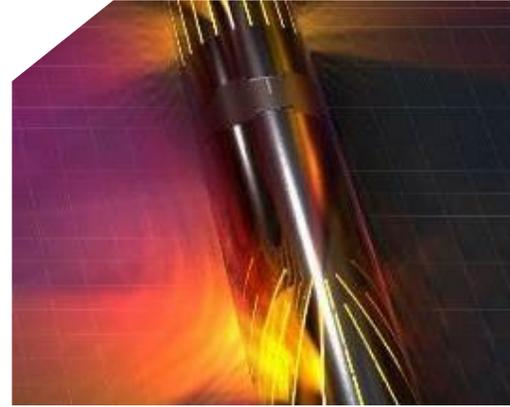
# Competitive Technology Portfolio



## iCruise®

Intelligent Drilling System

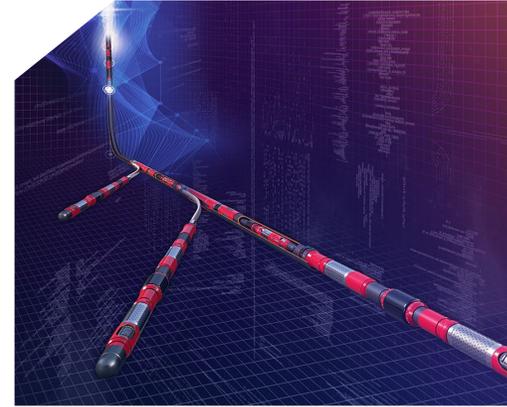
- Significant market penetration
- Fully automated – capability to reduce rig site personnel
- Modular design compresses R&M time/cost and increases asset velocity



## 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



# Maximizing Value in North America

Remain leader and maximize free cash flow

# All-Electric Fracturing Site

## High Horsepower Solution

- First true 5,000HHP pump
- 8 pumps / 40,000HHP

## All-Electric Location

- Electric wireline
- Electric blender
- Electric Technical Command Center
- Electric pumpdowns

## Power Agnostic

- Grid / reciprocal engines (VoltaGrid) / large turbine



The First Fully Electric 40,000-HHP Frac Site

# 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



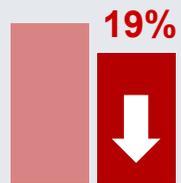
# Integrated Completions

## ExpressKinect™ Quick Latch

- Faster and safer



Stage Transition Time



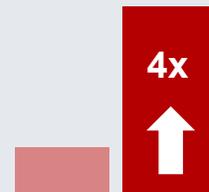
NAL Avg w/EKQL

## Velocity™ Modular Perforating Gun System

- Safer and more reliable



Perforating Runs / Misrun



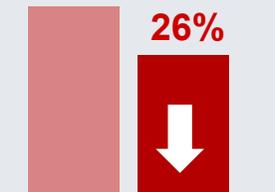
Standard gun Velocity gun

## EcoSeal Greaseless Wireline

- Faster, safer and reduces environmental impact



Stage Transition Time



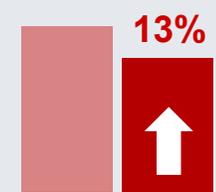
NAL Avg w/ EKQL & EcoSeal

## E-Winch

- Faster, safer and improves reliability



Non-Productive Time



NAL Avg w/ E-Winch



# Digital and Automation (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

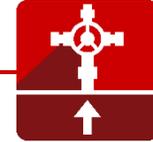


## Well Construction 4.0

Optimize well program

Automate drilling

Lean supply chain



## Reservoir Recovery 4.0

Optimize capacity

Maximize uptime

Increase recovery



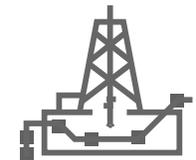
## Enterprise 4.0

Process and workflows

Cloud

Data and analytics

Smart tools



Solutions Partners



Digital Partners



# Capital Efficiency

Structurally lower capital intensity supports stronger free cash flow generation

# Capital Efficiency

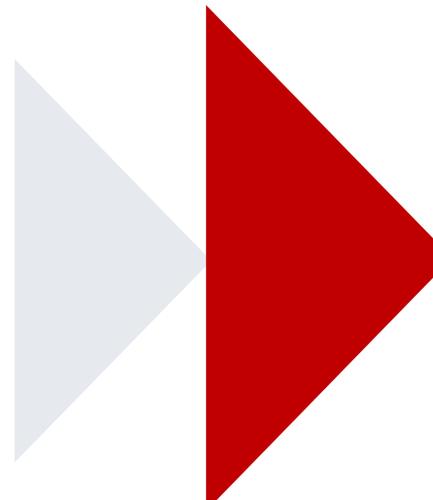
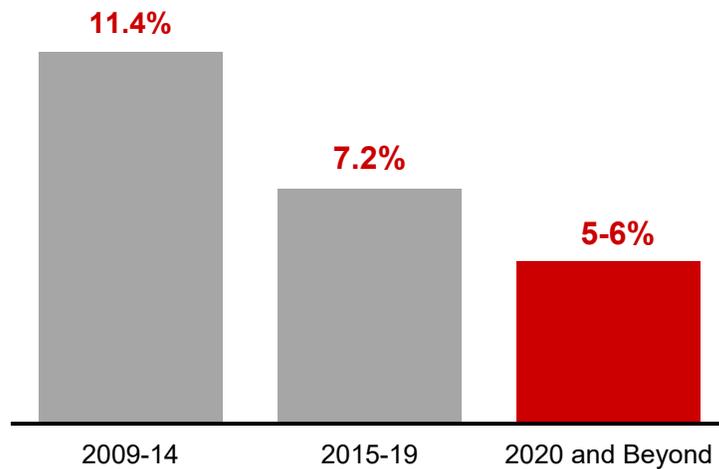


## Lower Capital Intensity

CAPEX at 5-6% of revenue

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

CAPEX as % of Revenue



## Strengthen FCF Profile

~\$1.3B average annual FCF\*  
(2017-2021)



\* See slide 27 for reconciliation of Cash Flows from Operating Activities to Free Cash Flow.



## Sustainable Energy Future

Delivering affordable and reliable energy while lowering overall emissions

# Sustainable Energy Future



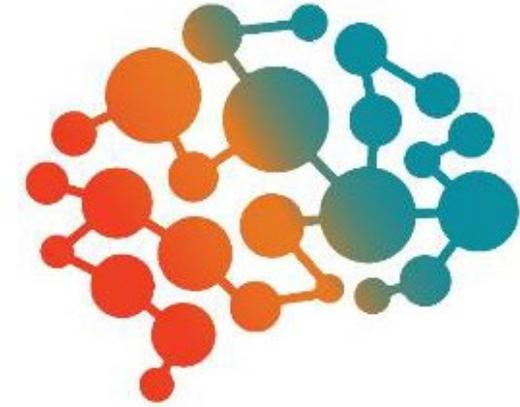
## Decarbonize Customers' Production Base

- Emissions and waste reduction technology
- Monitor and quantify environmental impact



## Reduce Halliburton's Environmental Impact

- Committed to SBTi targets: reduce Scope 1 & 2 emissions 40% by 2035 from 2018 baseline
- Provide disclosures in the [Annual & Sustainability report](#)
- Mature environmental management policies and procedures



## Advance Clean Energy

- Halliburton Labs - a clean energy accelerator
- Geothermal drilling leader for over 60 years
- Underground storage solutions for carbon and hydrogen



# Financial Results

Fourth Quarter 2021

# 4Q21 Revenue Breakdown

## Middle East/Asia

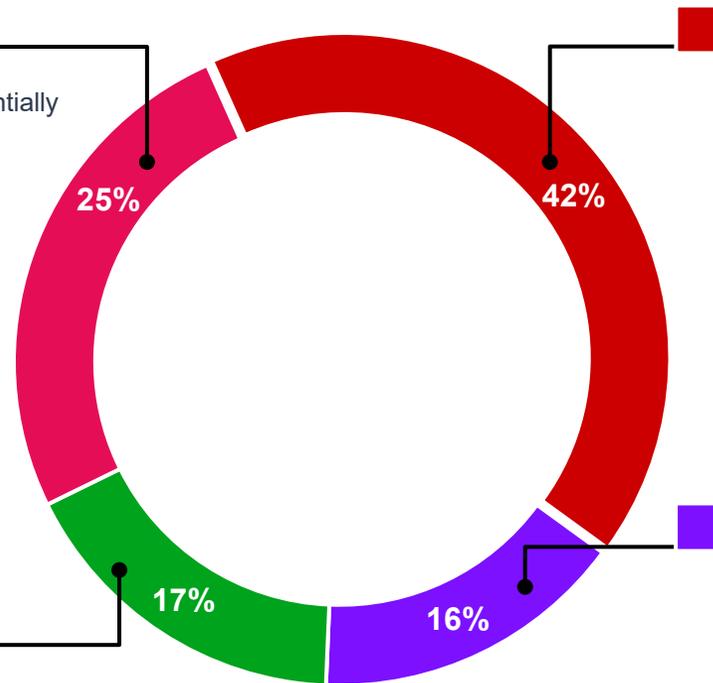
- 4Q21 revenue of \$1.1 billion, a 16% increase sequentially
- Higher completion tool sales and wireline activity across the region
- Improved well construction services in Saudi Arabia and Oman
- Higher software sales in Kuwait and China
- Improved project management activity in India
- Increased stimulation activity throughout Asia.

These increases were partially offset by reduced pipeline services in Asia, along with lower activity across multiple product service lines in Vietnam.

## Europe/Africa/CIS

- 4Q21 revenue of \$730 million, an 8% increase sequentially
- Higher software and completion tool sales across the region
- Improved activity across multiple product service lines in Norway and Egypt
- Increased well control activity in Nigeria

These increases were partially offset by reduced activity in multiple product service lines in Russia, reduced pipeline services and well construction activity in the United Kingdom, and decreased stimulation activity in the Congo.



## North America

- 4Q21 revenue of \$1.8 billion, a 10% increase sequentially
- Higher pressure pumping activity and drilling-related services in North America Land
- Higher completion tool sales and fluid services in the Gulf of Mexico

These increases were partially offset by reduced stimulation activity in Canada and the Gulf of Mexico, coupled with reduced artificial lift activity in North America land.

## Latin America

- 4Q21 revenue of \$669 million, a 7% increase sequentially
- Improved project management activity in Ecuador
- Increased drilling-related services in Mexico
- Increased activity across multiple product service lines in Brazil
- Wireline sales in Guyana
- Higher activity across multiple product service lines in Colombia

These increases were partially offset by reduced project management activity, stimulation activity, and testing services in Mexico.

# Segment and Geographic Results

Millions of dollars

Revenue	Q119	Q219	Q319	Q419	Q120	Q220	Q320	Q420	Q121	Q221	Q321	Q421	2019	2020	2021
<i>By segment results:</i>															
Completion and Production	\$ 3,662	\$ 3,805	\$ 3,506	\$ 3,058	\$ 2,962	\$ 1,672	\$ 1,574	\$ 1,810	\$ 1,870	\$ 2,048	\$ 2,136	\$ 2,356	\$ 14,031	\$ 7,839	\$ 8,410
Drilling and Evaluation	2,075	2,125	2,044	2,133	2,075	1,524	1,401	1,427	1,581	1,659	1,724	1,921	8,377	6,606	6,885
<b>Total</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>\$ 3,451</b>	<b>\$ 3,707</b>	<b>\$ 3,860</b>	<b>\$ 4,277</b>	<b>\$ 22,408</b>	<b>\$ 14,445</b>	<b>\$ 15,295</b>

*By geographic region:*

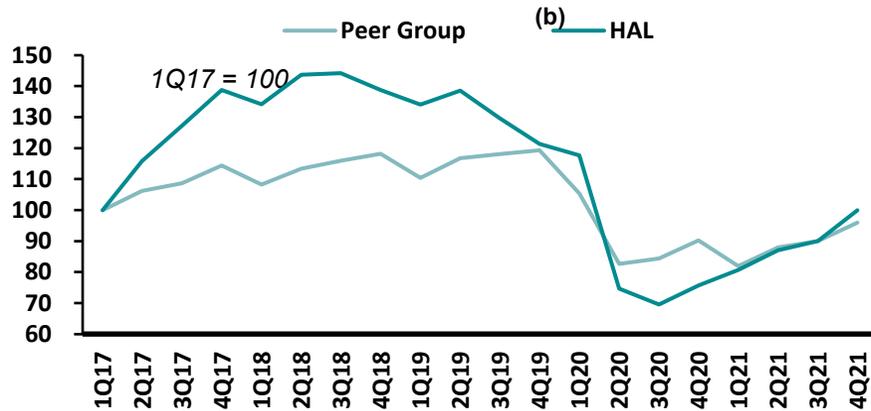
North America	\$ 3,275	\$ 3,327	\$ 2,949	\$ 2,333	\$ 2,460	\$ 1,049	\$ 984	\$ 1,238	\$ 1,404	\$ 1,569	\$ 1,615	\$ 1,783	\$ 11,884	\$ 5,731	\$ 6,371
Latin America	587	571	608	598	516	346	380	426	535	534	624	669	2,364	1,668	2,362
Europe / Africa / CIS	748	823	831	883	831	691	649	642	634	679	676	730	3,285	2,813	2,719
Middle East / Asia	1,127	1,209	1,162	1,377	1,230	1,110	962	931	878	925	945	1,095	4,875	4,233	3,843
<b>Total</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>\$ 3,451</b>	<b>\$ 3,707</b>	<b>\$ 3,860</b>	<b>\$ 4,277</b>	<b>\$ 22,408</b>	<b>\$ 14,445</b>	<b>\$ 15,295</b>

Operating Income/(Loss)	Q119	Q219	Q319	Q419	Q120	Q220	Q320	Q420	Q121	Q221	Q321	Q421	2019	2020	2021
Completion and Production	\$ 368	\$ 470	\$ 446	\$ 387	\$ 345	\$ 159	\$ 212	\$ 282	\$ 252	\$ 317	\$ 322	\$ 347	\$ 1,671	\$ 995	\$ 1,238
Drilling and Evaluation	123	145	150	224	217	127	105	117	171	175	186	269	642	569	801
Corporate and other	(65)	(65)	(60)	(65)	(60)	(50)	(42)	(49)	(53)	(58)	(50)	(66)	(255)	(201)	(227)
Impairments and other charges	(61)	(247)	-	(2,198)	(1,073)	(2,147)	(133)	(446)	-	-	(12)	-	(2,506)	(3,799)	(12)
<b>Total</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>\$ 370</b>	<b>\$ 434</b>	<b>\$ 446</b>	<b>\$ 550</b>	<b>\$ (448)</b>	<b>\$ (2,436)</b>	<b>\$ 1,800</b>

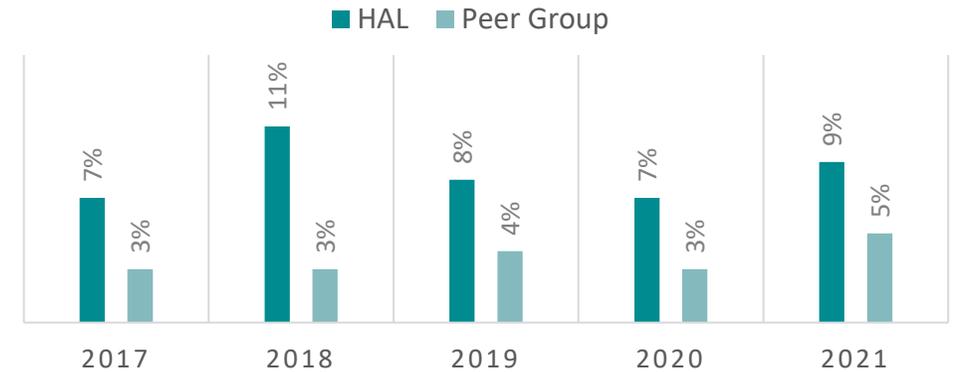
CAPEX	\$ 437	\$ 408	\$ 345	\$ 340	\$ 213	\$ 142	\$ 155	\$ 218	\$ 104	\$ 191	\$ 188	\$ 316	\$ 1,530	\$ 728	\$ 799
DDA	416	420	417	372	348	251	230	229	226	223	224	231	1,625	1,058	904

# Financial Metrics

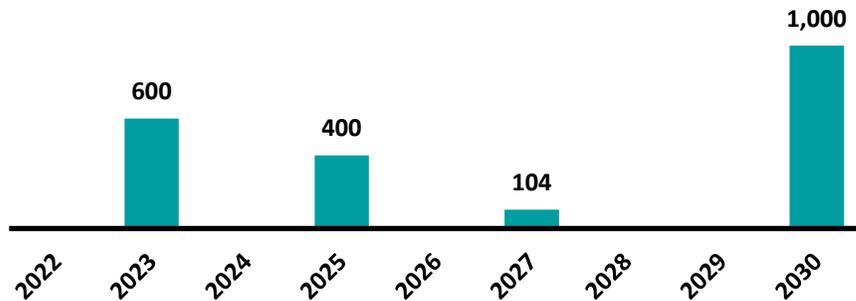
## Total Revenue (Normalized)



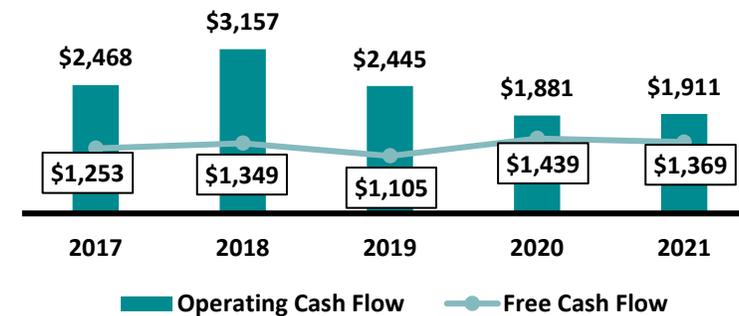
## Return on Capital Employed<sup>(a)</sup>



## Debt Maturity Profile<sup>(c)</sup> (\$MM)



## Cash Flow Performance<sup>(a)</sup> (\$MM)



(a) 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 Free Cash Flow.

(b) Peer Group includes Schlumberger and Baker Hughes Company

(c) Total debt outstanding beyond 2030 is \$6,500 MM

# Reconciliation of As Reported ROCE to **Adjusted ROCE**

(\$millions)	2017	2018	2019	2020	2021
As reported net income (loss) attributable to company	\$(463)	\$1,655	\$(1,131)	\$(2,945)	\$1,457
Interest expense, after-tax	517	479	450	559	362
As reported operating profit (loss), after-tax	\$54	\$2,134	\$(681)	\$(2,386)	\$1,819
Adjustments, after-tax	1,440	5	2,215	3,530	492
Adjusted operating profit, after-tax (a)	\$1,494	\$2,139	\$1,534	\$1,144	\$1,327
Average capital employed (b)	\$20,561	\$19,591	\$19,243	\$16,724	\$15,081
As reported ROCE (c)	0%	11%	(4%)	(14%)	12%
<b>Adjusted ROCE (c)</b>	<b>7%</b>	<b>11%</b>	<b>8%</b>	<b>7%</b>	<b>9%</b>

- (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 Free Cash Flow

(\$millions)	2017	2018	2019	2020	2021
Total cash flows provided by operating activities	\$2,468	\$3,157	\$2,445	\$1,881	\$1,911
Capital expenditures	(1,373)	(2,026)	(1,530)	(728)	(799)
Proceeds from sales of property, plant, and equipment	158	218	190	286	257
<b>Free cash flow (a)</b>	<b>\$1,253</b>	<b>\$1,349</b>	<b>\$1,105</b>	<b>\$1,439</b>	<b>\$1,369</b>

- (a) The Free Cash Flow metric is a non-GAAP financial measure, which is calculated as “Total cash flows provided by operating activities” less “Capital expenditures” plus “Proceeds from sales of property, plant, and equipment.” Management believes that Free Cash Flow is a key measure to assess liquidity of the business and is consistent with the disclosures of our direct, large-cap competitors. Prior periods presented are consistent with this metric.

