

# HALLIBURTON

## Second Quarter 2023 Update

NYSE Stock Symbol: HAL

Common Dividend: \$0.16 in the second quarter 2023

Shares Outstanding: 899 million as of 07/19/2023

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# Safe Harbor

The statements in this presentation that are not historical statements 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: changes in the demand for or price of oil and/or natural gas, including as a result of development of alternative energy sources, general economic conditions such as inflation and recession, the ability of the OPEC+ countries to agree on and comply with production quotas, and other causes; changes in capital spending by our customers; the modification, continuation or suspension of our shareholder return framework, including the payment of dividends and purchases of our stock, which will be subject to the discretion of our Board of Directors and may depend on a variety of factors, including our results of operations and financial condition, growth plans, capital requirements and other conditions existing when any payment or purchase decision is made; potential catastrophic events related to our operations, and related indemnification and insurance; protection of intellectual property rights; cyber-attacks and data security; compliance with environmental laws; changes in government regulations and regulatory requirements, particularly those related to oil and natural gas exploration, the environment, radioactive sources, explosives, chemicals, hydraulic fracturing services, and climate-related initiatives; assumptions regarding the generation of future taxable income, and compliance with laws related to and disputes with taxing authorities regarding income taxes; risks of international operations, including risks relating to unsettled political conditions, war, including the ongoing Russia and Ukraine conflict and any expansion of that conflict, 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; delays or failures by customers to make payments owed to us; infrastructure issues in the oil and natural gas industry; availability and cost of highly skilled labor and raw materials; completion of potential dispositions, and acquisitions and integration and success of acquired businesses and joint ventures. Halliburton's Form 10-K for the year ended December 31, 2022, Form 10-Q for the quarter ended June 30, 2023, 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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- Profitable international growth
- Maximizing value in North America
- Capital efficiency
- Digital and automation (Halliburton 4.0)
- Sustainable energy future

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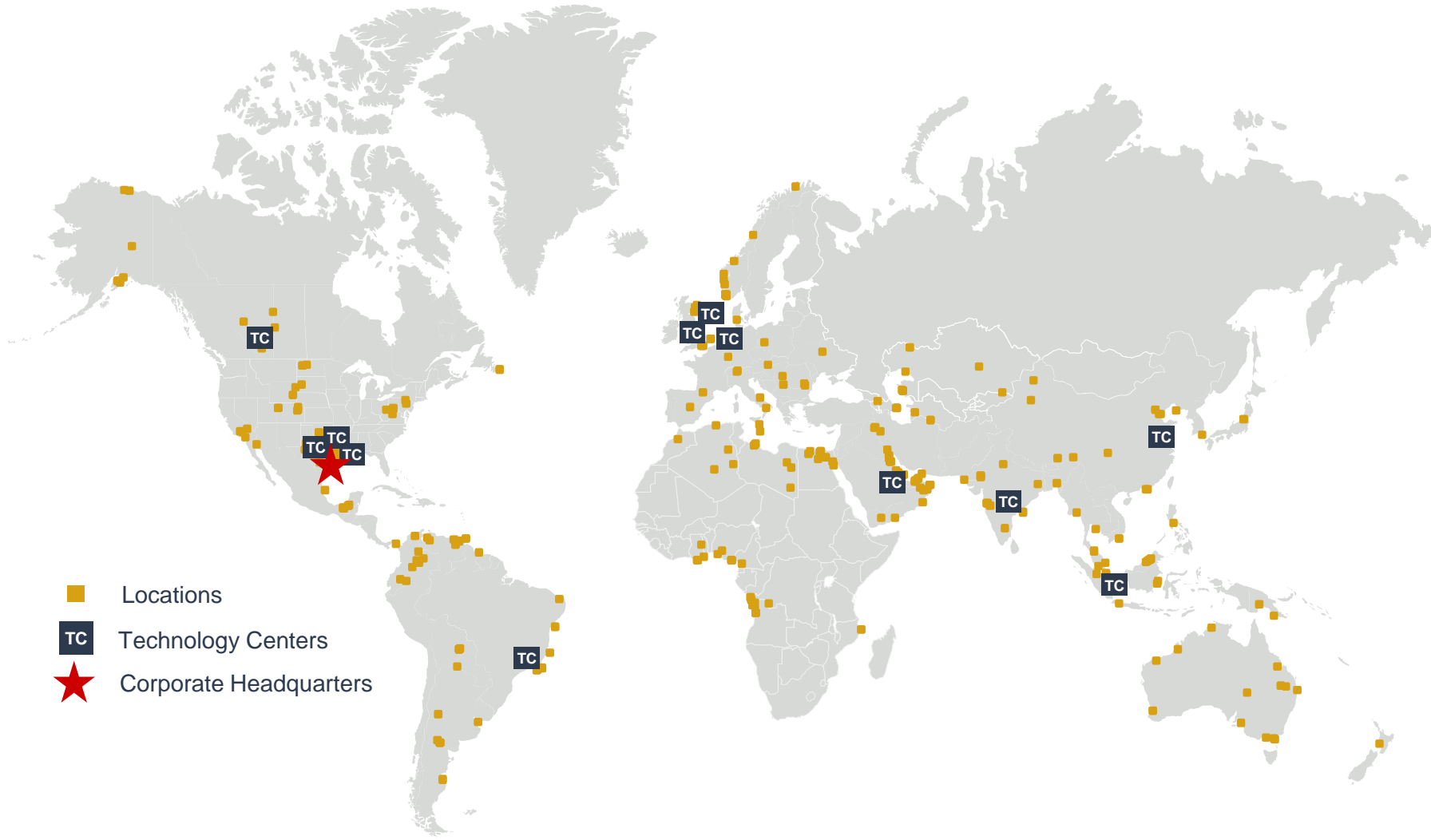




# Company Overview

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

# Halliburton Global Footprint



- Locations
- TC Technology Centers
- ★ Corporate Headquarters

Founded  
**1919**

Employees of  
130 Nationalities  
**47,000\***

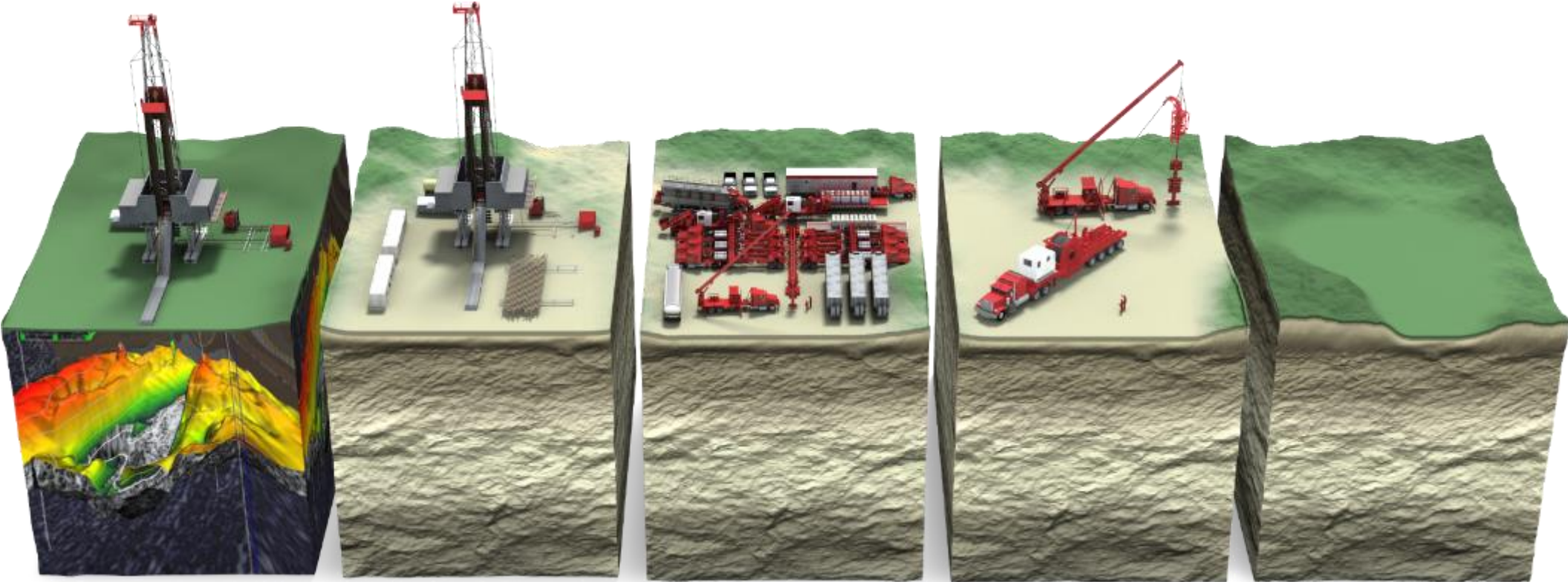
Operational Countries  
**70+**

Research Centers  
**12**

Corporate Headquarters  
**Houston**

*\*approximately*

# Halliburton Participates in Every Stage of Oilfield Life Cycle



**Exploration**

**Well Construction**

**Completions**

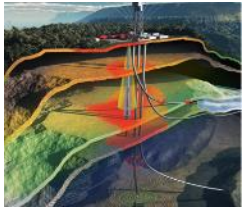
**Production**

**Abandonment**

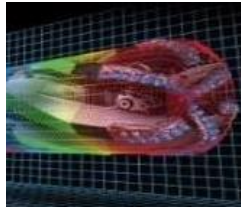
# Halliburton Product Service Lines

## HALLIBURTON

### Drilling and Evaluation (D&E)



Sperry Drilling



Drill Bits & Services



Wireline & Perforating



Testing & Subsea

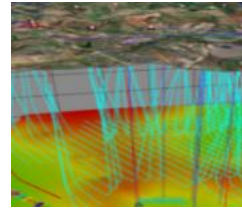


Baroid

### Integrating All Product Service Lines



Project Management

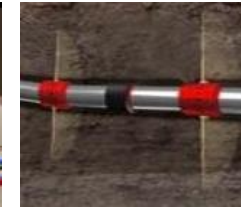


Landmark & Consulting

### Completion and Production (C&P)



Cementing



Completion Tools



Production Enhancement



Artificial Lift & Multi Chem



Production Solutions




Pipeline & Process Services


# Halliburton Has Set and is Achieving its Key Strategic **Priorities**

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. We achieve that by:


**Deliver industry-leading returns and strong free cash flow\* for our shareholders**

 **Profitable International Growth**


- The right global footprint
- Competitive technology portfolio
- Growing integrated offerings

 **Maximizing Value in North America**

- The leader in North America
- Integrated premium provider
- Differentiated technology portfolio

 **Digital and Automation**

- Leading software provider
- Automation of the value chain
- Driving internal efficiencies

 **Capital Efficiency**

- Structurally lower capital intensity
- Driven by advances in technology
- Strong free cash flow\* generation

 **Sustainable Energy Future**

- Support decarbonizing our customers' production base
- Committed to science informed targets
- Advance clean energy solutions through Halliburton Labs

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





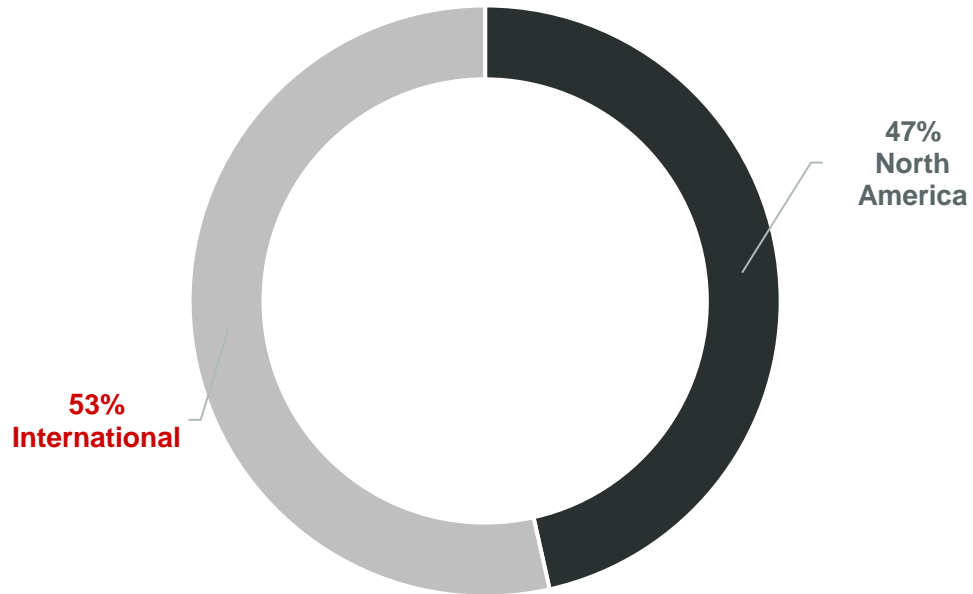
# Profitable International Growth

*Balance growth with improving margins and returns*

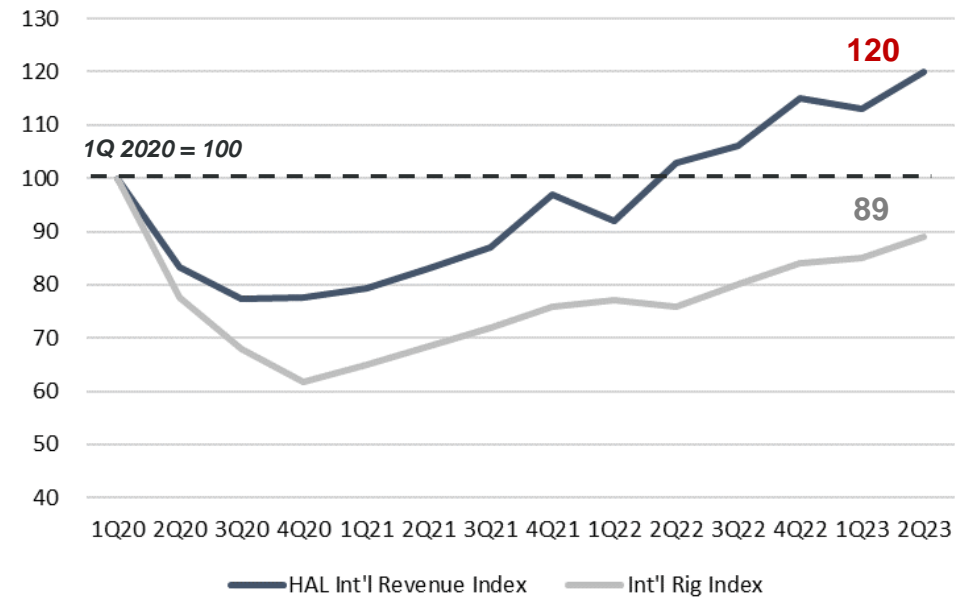
# Profitable **International** Growth

*Portfolio Strength Drives Market Outperformance*

## 2Q 2023 Revenue



## International Revenue Performance



>50% of Halliburton's revenue was generated internationally in 2Q23.

# Competitive Drilling Technology Platforms

## iCruise®

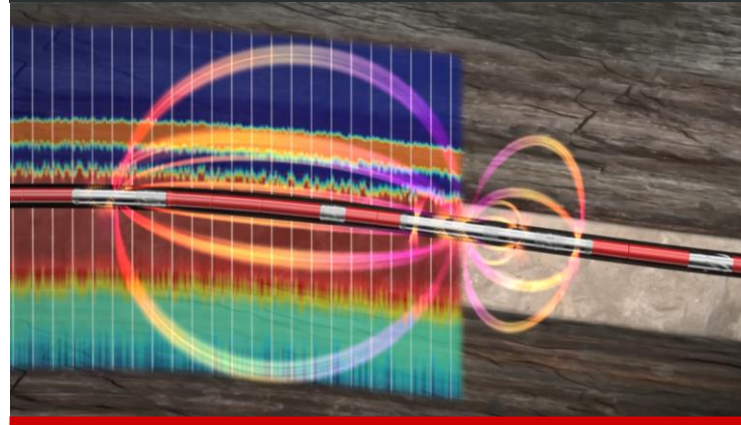
Intelligent Rotary Steerable System



- High mechanical specifications enable faster drilling
- Modern electronics allow for accurate steering and improved reliability
- Automated drilling delivers predictable results

## iStar™

Intelligent Drilling & Logging Platform



- Industry leading subsurface insights for better reservoir understanding
- Superior drilling performance
- Consistent well delivery

## LOGIX®

Autonomous Drilling Platform



- Fully autonomous closed loop system, integrated with geo-steering
- Combines physics-based models and machine learning to drill wells autonomously, consistently, and on-target



## Maximizing Value in North America

*Remain leader and maximize free cash flow*

# Zeus™ Electric Fracturing System



## Power System

- Grid Power Solutions
  - Reciprocating Engines – VoltaGrid®
- 

## Patent Portfolio

- 50+ patents and applications
- 

## Performance

- Q10™ pump
  - Over 4 years operating at scale
  - Proven Service Quality
  - All-Electric Location
  - Robust Supply Chain
- 

## Hybrid Electric Solution

- Half dual fuel / half electric
- Transition to electric at customers' own pace
- Superior substitution

# SmartFleet™ Intelligent Fracturing System

*See and measure fracture performance in real time*

## Connected to the Subsurface

- Deploy fiber optics to see, measure, and act on real-time downhole measurements

## Live 3D Visualization

- Real-time direct measurement for evaluating fracture performance and making decisions

## Faster Learning

- Improve asset recovery and cost optimization





## Capital Efficiency

*Structurally lower capital intensity supports stronger free cash flow generation*

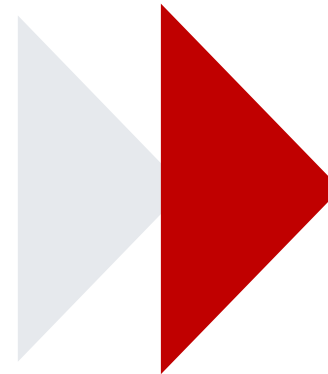
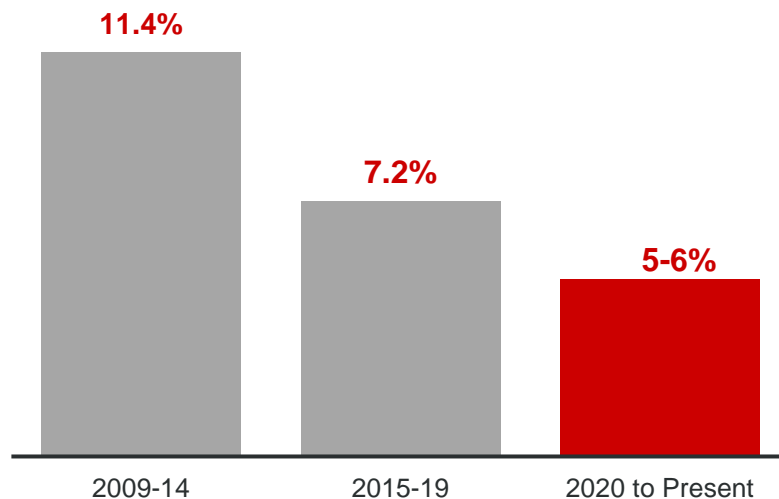
# Capital Efficiency

## Lower Capital Intensity

### CAPEX at 5-6% of revenue

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

CAPEX as % of Revenue



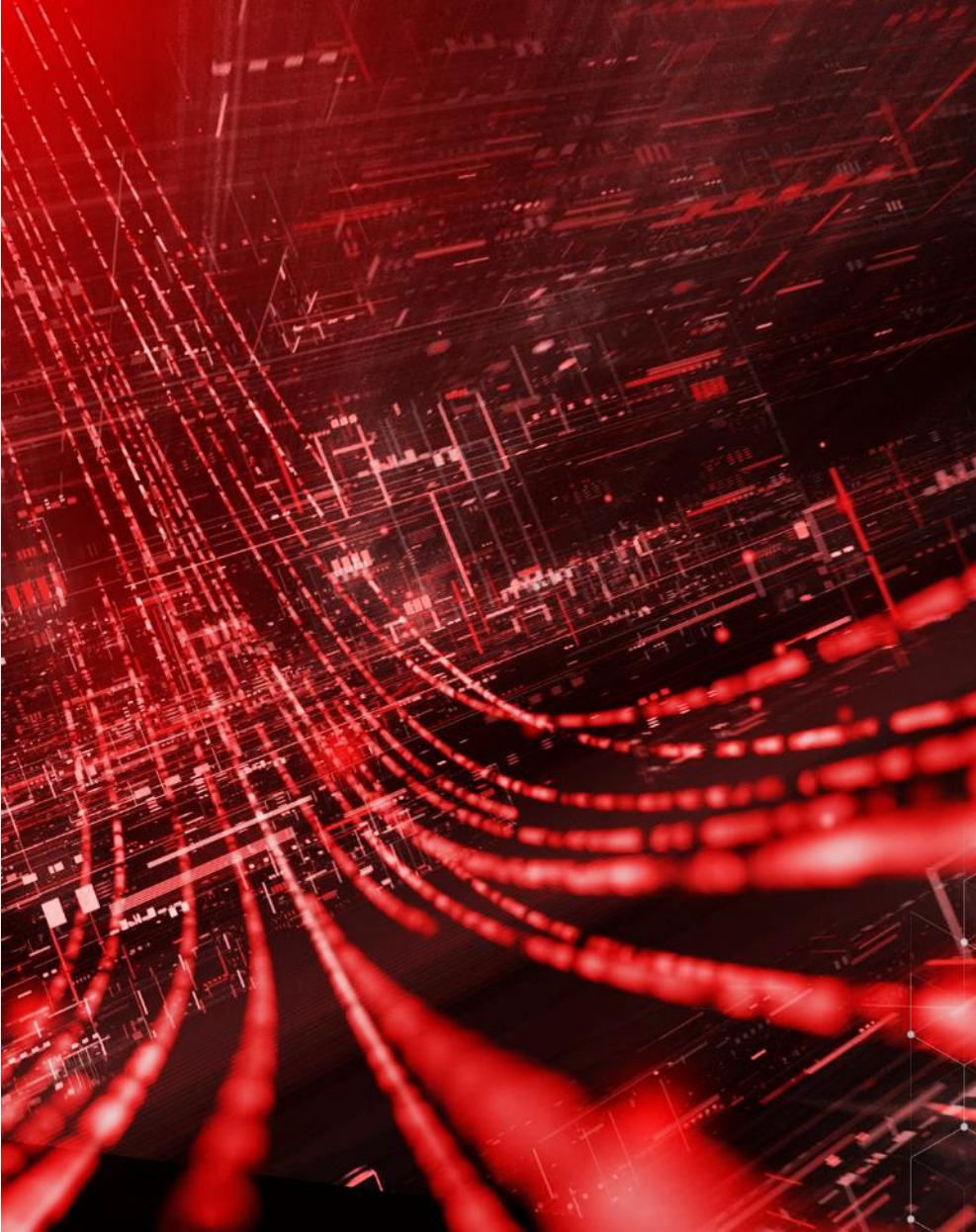
### Strengthen FCF Profile

~\$1.3B average annual FCF\*  
(2019-2022)



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





# 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 and 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

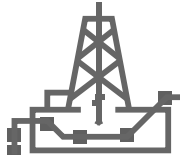


## Enterprise 4.0

Process and workflows  
Data and analytics  
Cloud  
Smart tools



Digital Partners



Solutions Partners

# DecisionSpace<sup>®</sup>365 powered by iEnergy<sup>®</sup>

*Subscription based suite of E&P cloud services*

## Subsurface

- Gain invaluable insights to reduce subsurface risk and uncertainty.



## Reservoir and Production

- Optimize production and reservoir recovery.



## Sustainability

- Provide tools for more effective carbon management.



Open architecture, plug and play solutions, with intelligent business processes for efficiency and data driven decisions.

## Well Construction

- Plan, design and construct safe, cost effective, and productive wells.



## Agile Field Management

- Optimal asset decisions to reduce exploration to production timeline.



## DS365.ai

- Augment subsurface, drilling and production decisions with precision AI and ML.





# Sustainable Energy Future

*Delivering affordable and reliable energy while lowering overall emissions*

# ESG Commitments

## Environmental



- Engage customers on the emissions reduction journey
- Develop low environmental impact solutions and technology
- Provide reliable and data-based approach to reduce emissions

## Social



- Provide a diverse and inclusive environment for our employees
- Target to outperform our sector in HSE performance
- Progress our Journey To Zero initiatives

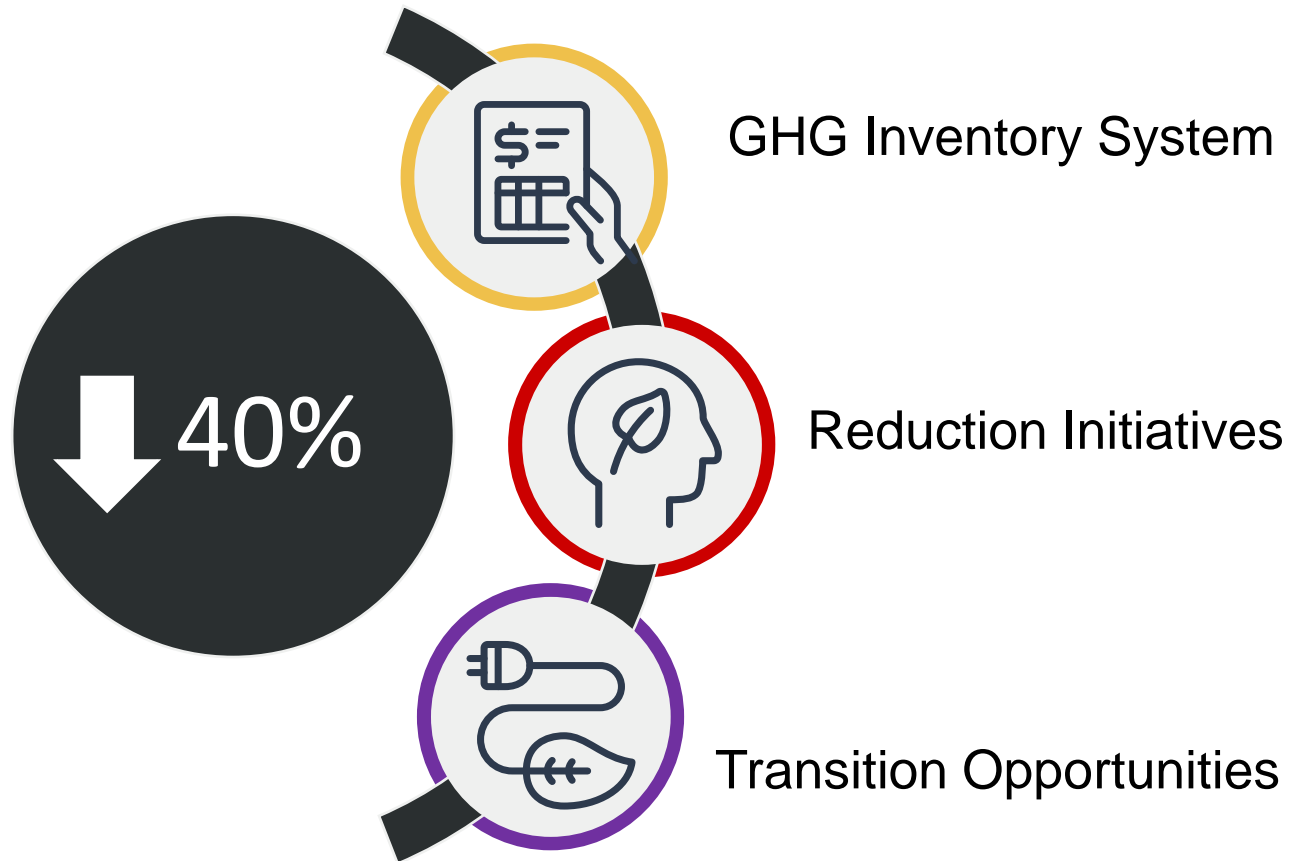
## Governance



- Streamline our risk management
- Cultivate a sustainable supply chain
- Maintain qualified and diverse Board of Directors

# Environmental Focus

**Emissions Reduction Target:** reduce Scope 1 and Scope 2 emissions by 40% by 2035 from our baseline year of 2018



- Standardize and operationalize GHG data capture
- Process and governance of emissions sources and calculation
- Emissions data quality assurance and reporting in our [Annual & Sustainability Report](#)
- Use data-based approach to reduce Halliburton's emissions and environmental impact
- Reduce customers' operational emissions by providing lower environmental impact solutions (ex. Zeus™ electric frac)
- Build on progressively achieving emissions target
- Customer-focused transition solutions
- Collaborate in carbon capture and storage and geothermal projects
- Halliburton Labs - clean energy accelerator program for early-stage companies



# Financial Results

*Second Quarter 2023*

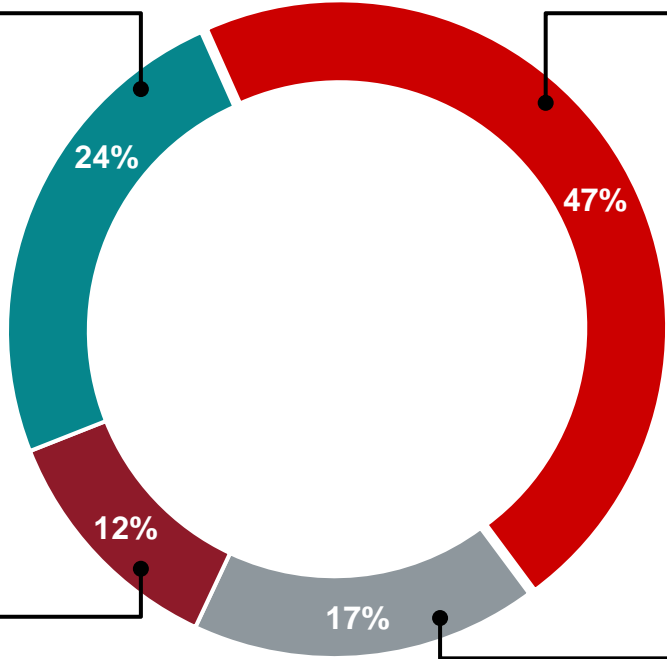
# 2Q23 Revenue Breakdown

## Middle East/Asia

- 2Q23 revenue of \$1.4 billion, a 6% increase when compared to 1Q23.
- Primarily driven by higher completion tool sales in Saudi Arabia, improved wireline activity and fluid services in the Middle East, and higher drilling services in the region.
- Partially offset by decreased project management activity in Saudi Arabia and lower software sales in the region.

## Europe/Africa

- 2Q23 revenue of \$698 million, a 5% increase when compared to 1Q23.
- Primarily driven by increased fluid services in the region, higher completion tool sales in Angola and Norway, and higher pipeline services in Norway.
- Partially offset by lower software sales across the region.



## North America

- 2Q23 revenue of \$2.7 billion, a 2% decrease when compared to 1Q23.
- Primarily driven by decreased stimulation activity in U.S. land.
- Partially offset by increased artificial lift activity in U.S. land and higher activity across multiple product service lines in the Gulf of Mexico.

## Latin America

- 2Q23 revenue of \$994 million, a 9% increase when compared to 1Q23.
- Primarily driven by increased pressure pumping and improved wireline activity in Argentina, higher completion tool sales in Brazil, and increased activity across multiple product service lines in Mexico.
- Partially offset by reduced activity in the Caribbean across multiple product service lines.



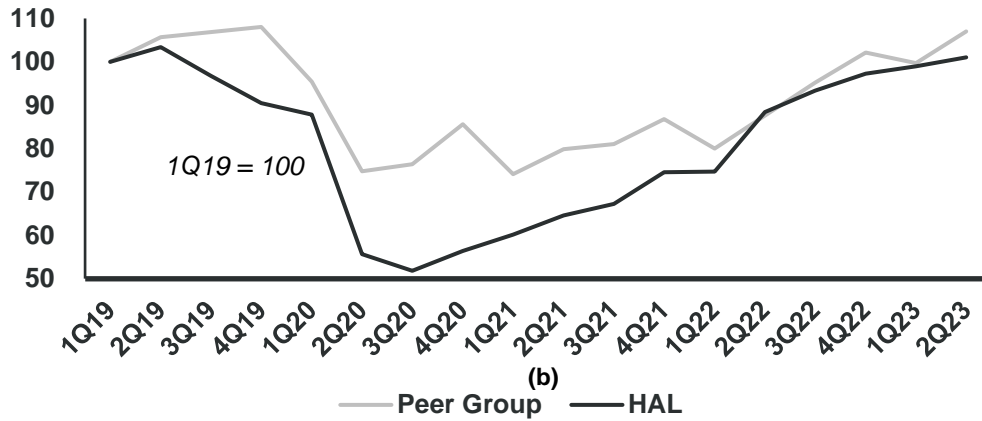
# Segment and Geographic Results

Millions of dollars

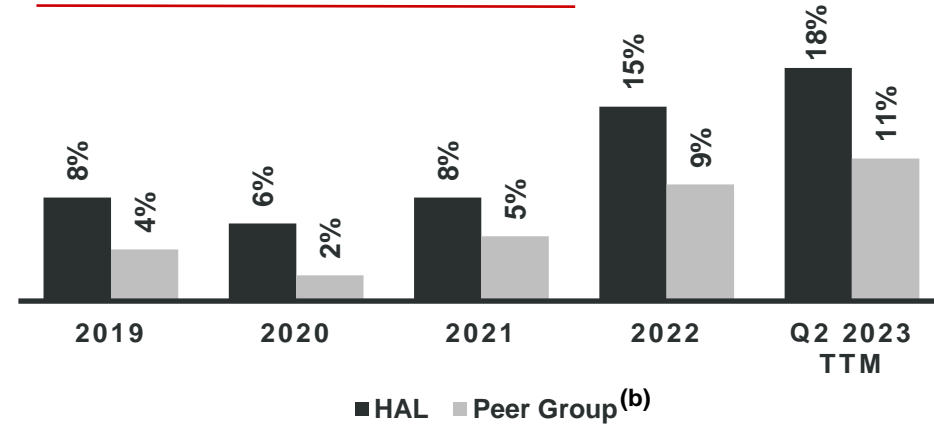
Revenue	Q121	Q221	Q321	Q421	Q122	Q222	Q322	Q422	Q123	Q223	2021	2022	YTD 2023
<i>By segment results:</i>													
Completion and Production	\$ 1,870	\$ 2,048	\$ 2,136	\$ 2,356	\$ 2,353	\$ 2,911	\$ 3,136	\$ 3,182	\$ 3,409	\$ 3,476	\$ 8,410	\$ 11,582	\$ 6,885
Drilling and Evaluation	1,581	1,659	1,724	1,921	1,931	2,163	2,221	2,400	2,268	2,322	6,885	8,715	4,590
<b>Total</b>	<b>\$ 3,451</b>	<b>\$ 3,707</b>	<b>\$ 3,860</b>	<b>\$ 4,277</b>	<b>\$ 4,284</b>	<b>\$ 5,074</b>	<b>\$ 5,357</b>	<b>\$ 5,582</b>	<b>\$ 5,677</b>	<b>\$ 5,798</b>	<b>\$ 15,295</b>	<b>\$ 20,297</b>	<b>\$ 11,475</b>
<i>By geographic region:</i>													
North America	\$ 1,404	\$ 1,569	\$ 1,615	\$ 1,783	\$ 1,925	\$ 2,426	\$ 2,635	\$ 2,611	\$ 2,765	\$ 2,696	\$ 6,371	\$ 9,597	\$ 5,461
Latin America	535	534	624	669	653	758	841	945	915	994	2,362	3,197	1,909
Europe / Africa / CIS	634	679	676	730	677	718	639	657	662	698	2,719	2,691	1,360
Middle East / Asia	878	925	945	1,095	1,029	1,172	1,242	1,369	1,335	1,410	3,843	4,812	2,745
<b>Total</b>	<b>\$ 3,451</b>	<b>\$ 3,707</b>	<b>\$ 3,860</b>	<b>\$ 4,277</b>	<b>\$ 4,284</b>	<b>\$ 5,074</b>	<b>\$ 5,357</b>	<b>\$ 5,582</b>	<b>\$ 5,677</b>	<b>\$ 5,798</b>	<b>\$ 15,295</b>	<b>\$ 20,297</b>	<b>\$ 11,475</b>
<i>Operating Income/(Loss)</i>													
Completion and Production	\$ 252	\$ 317	\$ 322	\$ 347	\$ 296	\$ 499	\$ 583	\$ 659	\$ 666	\$ 707	\$ 1,238	\$ 2,037	\$ 1,373
Drilling and Evaluation	171	175	186	269	294	286	325	387	369	376	801	1,292	745
Corporate and other	(53)	(58)	(50)	(66)	(57)	(67)	(62)	(70)	(58)	(59)	(227)	(256)	(117)
SAP S4 Upgrade Expense	—	—	—	—	—	—	—	—	—	(13)	—	—	(13)
Impairments and other charges	—	—	(12)	—	(22)	(344)	—	—	—	—	(12)	(366)	—
<b>Total</b>	<b>\$ 370</b>	<b>\$ 434</b>	<b>\$ 446</b>	<b>\$ 550</b>	<b>\$ 511</b>	<b>\$ 374</b>	<b>\$ 846</b>	<b>\$ 976</b>	<b>\$ 977</b>	<b>\$ 1,011</b>	<b>\$ 1,800</b>	<b>\$ 2,707</b>	<b>\$ 1,988</b>
<b>CAPEX</b>	<b>\$ 104</b>	<b>\$ 191</b>	<b>\$ 188</b>	<b>\$ 316</b>	<b>\$ 189</b>	<b>\$ 221</b>	<b>\$ 251</b>	<b>\$ 350</b>	<b>\$ 268</b>	<b>\$ 303</b>	<b>\$ 799</b>	<b>\$ 1,011</b>	<b>\$ 571</b>
<b>DDA</b>	<b>226</b>	<b>223</b>	<b>224</b>	<b>231</b>	<b>232</b>	<b>238</b>	<b>234</b>	<b>236</b>	<b>241</b>	<b>245</b>	<b>904</b>	<b>940</b>	<b>486</b>

# Financial Metrics

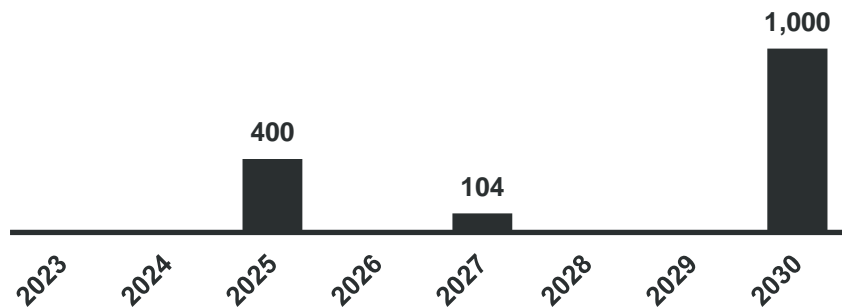
## Total Revenue<sup>(a)</sup>



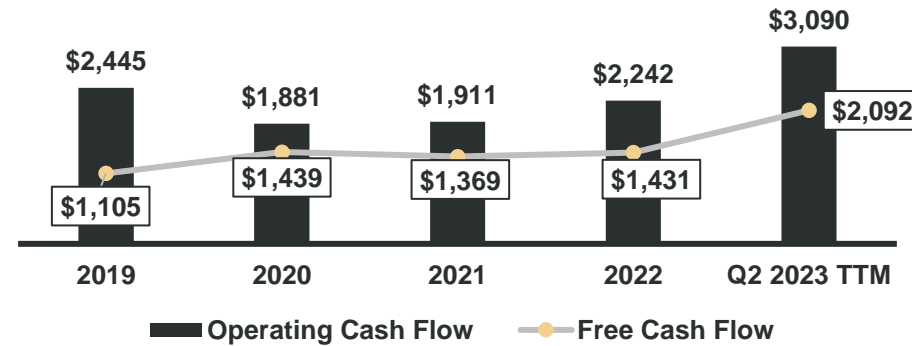
## Adjusted Return on Capital Employed<sup>(d)</sup>



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



## Cash Flow Performance<sup>(e)</sup> (\$M)



(a) Company and peer group revenue is indexed to 100 for Q1 2019.

(b) Peer Group includes SLB and Baker Hughes Company. Data for peers is from published financial documents.

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

(d) Excludes certain charges. Average capital employed is a statistical mean of the combined values of debt and shareholders' equity for the beginning and end of the period. Adjusted ROCE is calculated as: "Adjusted operating profit, net of taxes" divided by "Adjusted average capital employed". See slide 28 for reconciliation of our Return on Capital Employed to Adjusted Return on Capital Employed.

(e) See slide 27 for reconciliation of Cash Flows from Operating Activities to Free Cash Flow.

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

(\$millions)	2019	2020	2021	2022	Q2 2023 TTM
Total cash flows provided by operating activities	\$2,445	\$1,881	\$1,911	\$2,242	\$3,090
Capital expenditures	(1,530)	(728)	(799)	(1,011)	(1,172)
Proceeds from sales of property, plant, and equipment	190	286	257	200	174
<b>Free cash flow (a)</b>	<b>\$1,105</b>	<b>\$1,439</b>	<b>\$1,369</b>	<b>\$1,431</b>	<b>\$2,092</b>

(a) Free Cash Flow 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 Halliburton's direct, large-cap competitors.

# Reconciliation of ROCE to **Adjusted ROCE**

(\$millions)	2019	2020	2021	2022	Q2 2023 TTM
As reported net income (loss) attributable to company	(\$1,131)	(\$2,945)	\$1,457	\$1,572	\$2,461
Interest expense, net of taxes	596	650	407	404	377
Operating profit (loss), net of taxes (b)	(\$535)	(\$2,295)	\$1,864	\$1,976	\$2,838
Adjustments, net of taxes (d)	2,215	3,521	(492)	384	81
Adjusted operating profit, net of taxes (d)	\$1,680	\$1,226	\$1,372	\$2,360	\$2,919
Average capital employed (c)	\$19,105	\$16,571	\$15,320	\$15,858	\$16,139
Average adjustments, net of taxes (e)	1,111	2,868	1,515	(54)	(13)
Adjusted average capital employed (e)	\$20,216	\$19,439	\$16,835	\$15,804	\$16,126
ROCE (a)	(3%)	(14%)	12%	12%	18%
<b>Adjusted ROCE (e)</b>	<b>8%</b>	<b>6%</b>	<b>8%</b>	<b>15%</b>	<b>18%</b>

- (a) Management believes that net income (loss) adjusted for "Interest expense, net of taxes" 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 this expense to be outside of the company's normal operating results. Management analyzes net income (loss) without the impact of this expense as an indicator of performance, to identify underlying trends in the business, and to establish operational goals. Return on capital employed (ROCE) is a non-GAAP financial measure Halliburton uses to determine how efficiently it uses capital to generate profits. ROCE is calculated as: "Operating profit (loss), net of taxes" divided by "Average capital employed".
- (b) Operating profit (loss), net of taxes is calculated as: "As reported net income (loss) attributable to company" plus "Interest expense, net of taxes".
- (c) Average capital employed is a statistical mean of the combined values of total debt and company shareholders' equity, as presented on the company's consolidated financial statements and the notes thereto, for the beginning and end of the TTM period.
- (d) Adjusted operating profit, net of taxes is calculated as: "Operating profit (loss), net of taxes" plus "Adjustments, net of taxes". "Adjustments, net of taxes" are items comprising impairments and other charges for the TTM period.
- (e) Adjusted average capital employed is calculated as "Average capital employed" plus "Average Adjustments, net of taxes". "Average adjustments, net of taxes" is calculated as the sum of the TTM average of "Adjustments, net of taxes" at the beginning and end of the respective period. "Adjusted ROCE" is calculated as: "Adjusted operating profit, net of taxes" divided by "Adjusted average capital employed".



# Capital Returns

# Delivering Returns to Shareholders

## Announced Capital Return Framework

At Least

**50%**

of Annual Free Cash Flow<sup>a</sup> Returned to Shareholders going forward

## Form of Distribution

### Dividends

- Increased dividend 33% to \$0.16 / share in Q1 2023

### Share Repurchases

- Repurchased ~\$100M of securities in Q1 2023<sup>b</sup>
- Repurchased ~\$248M of securities in Q2 2023<sup>c</sup>
- ~\$4.5 billion repurchase authorization remaining

a) See slide 27 for reconciliation of Cash Flows from Operating Activities to Free Cash Flow.

b) Repurchased ~2.9M shares.

c) Repurchased ~8.1M shares.

# Why Halliburton

Only integrated services company with a strong presence in both North America and International markets

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Strong culture of execution

---

Differentiated technology to drive efficiency

---

Delivering financial outperformance

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Advancing a sustainable energy future





# THANK YOU

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