Fourth Quarter 2025 – Earnings Conference Call Prepared Remarks

Chase Mulvehill *Baker Hughes – VP of Investor Relations*

Good morning, everyone, and welcome to the Baker Hughes' Fourth-Quarter and Full-Year Earnings Conference Call. Here with me are our Chairman and CEO, Lorenzo Simonelli, and our CFO, Ahmed Moghal. The earnings release we issued yesterday evening can be found on our website at bakerhughes.com. We will also be using a presentation with our prepared remarks during this webcast, which can be found on our investor website.

As a reminder, we will provide forward-looking statements during this conference call. These statements are not guarantees of future performance and involve a number of risks and assumptions. Please review our SEC filings and website for the factors that could cause actual results to differ materially.

Reconciliations of Adjusted EBITDA and certain GAAP to non-GAAP measures can be found in our earnings release.

With that, I will turn the call over to Lorenzo.

Lorenzo Simonelli *Baker Hughes – Chairman & CEO*

Thank you, Chase. Good morning, everyone, and thanks for joining us.

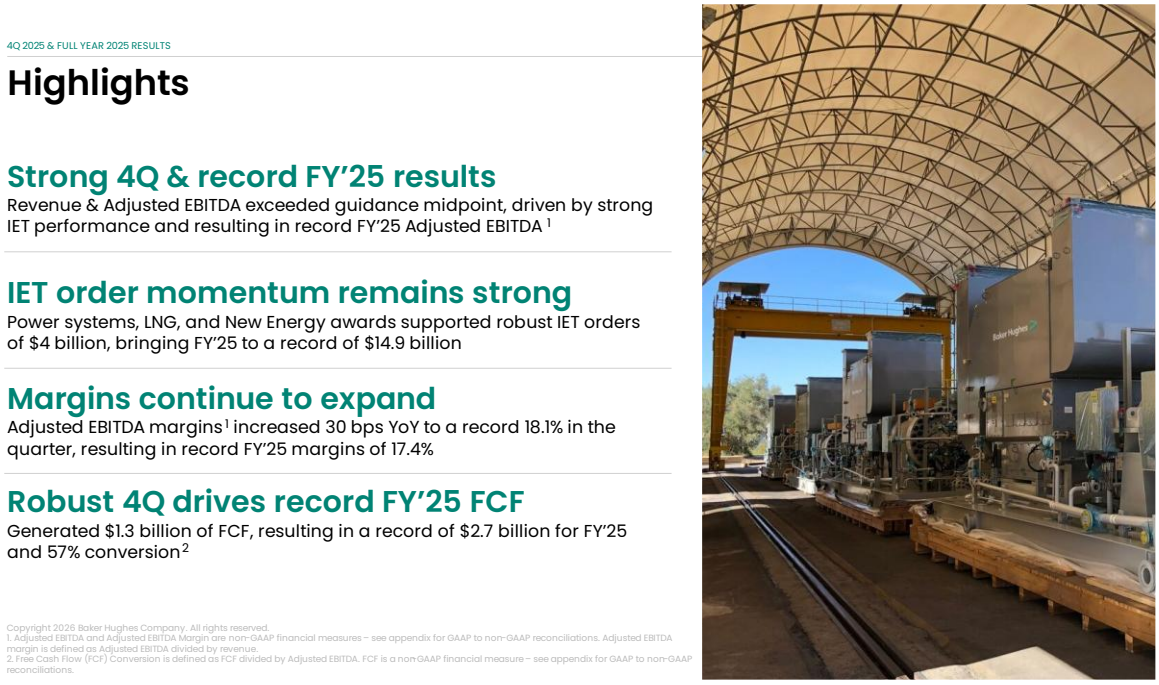
First, I would like to provide a quick outline for today's call.

I will start with our strong fourth-quarter and full-year results, highlight key awards, and discuss the macro environment. Following this, I will walk through the progress we are making as we further scale our power systems portfolio and capture growing demand in this space.

I will then hand it over to Ahmed, who will present an overview of our financial results, followed by an update on the progress we are making on Chart integration planning. To conclude, I will summarize the main points before we open the line for questions.

Let us now turn to **slide 4**.

Slide 4.



We continued to execute at a high level, delivering another quarter of strong results.

Adjusted EBITDA totaled $1.34 billion, surpassing the midpoint of our guidance range and contributing to a record full-year Adjusted EBITDA of $4.83 billion. This achievement demonstrates sustained momentum from our Business System and ongoing positive performance in Industrial & Energy Technology (IET), which more than offset continued macro-driven softness in Oilfield Services & Equipment (OFSE).

Adjusted earnings per share rose to 78 cents, resulting in a full-year Adjusted EPS of $2.60 – a 10% increase from 2024.

Adjusted EBITDA margins for the fourth quarter rose 30 basis points year-over-year to a record 18.1%. While OFSE margins declined due to prevailing market conditions, IET margins increased by 160 basis points to 20.0%.

For the full year, company Adjusted EBITDA margins increased by 90 basis points to a record of 17.4%. OFSE margins remained resilient even though revenue declined by 8%, while IET margins demonstrated another year of meaningful expansion, increasing 170 basis points to a historical high of 18.5%.

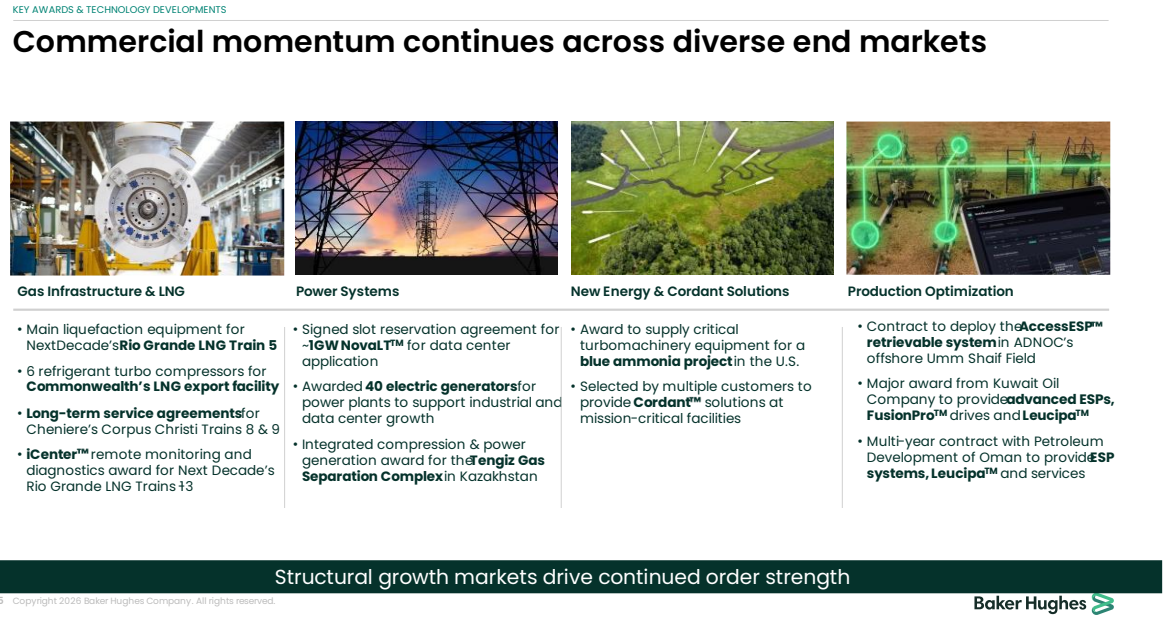
Turning to orders, IET delivered strong fourth-quarter bookings of $4 billion, contributing to a record full-year total of $14.9 billion – exceeding the high end of our guidance range. For the second consecutive year, non-LNG equipment orders represented approximately 85% of total IET orders. This performance highlights the end-market diversity and versatility of our IET portfolio, led by growth in power generation and New Energy alongside continued strength in energy infrastructure and LNG.

IET achieved a record backlog of $32.4 billion at year-end, while book-to-bill exceeded 1x.

During the fourth quarter, we generated robust free cash flow of $1.3 billion, contributing to a record annual free cash flow of $2.7 billion. This represents a free cash flow conversion rate of 57% in 2025, above our 45% to 50% target range. This strong performance was driven by enhanced working capital efficiency and higher customer down payments, which contributed to free cash flow for the year exceeding expectations.

Now turning to **slide 5**.

Slide 5.



As I highlighted, we maintained robust order momentum in IET throughout 2025.

In LNG, we delivered another strong quarter of equipment orders, providing critical liquefaction technology for Train 5 at NextDecade's Rio Grande LNG facility and Commonwealth LNG's export terminal. In 2025, we booked $2.3 billion of LNG equipment orders. Looking ahead to 2026, we expect similar levels of LNG awards, including material orders outside of the U.S.

Building on these achievements, we are further strengthening the durability of our lifecycle model through major aftermarket services awards. This includes long-term service agreements for Cheniere's Corpus Christi Trains 8 and 9, as well as iCenter™ remote monitoring and diagnostics for NextDecade's Rio Grande Trains 1, 2 and 3.

In power systems, orders increased significantly to $2.5 billion in 2025, including $1 billion tied to data center applications, reflecting accelerating demand and growing customer confidence in our solutions.

Capitalizing on this strong momentum in power systems, 2025 marked a milestone year for our NovaLT™ industrial gas turbines, booking approximately 2 gigawatts (GW) of orders across oil & gas, industrial and data center markets. In addition, during the fourth quarter we secured a large slot reservation agreement for approximately 1 GW of NovaLT™ capacity to support data center applications, which we expect to convert into a firm order in 2026.
Additionally, our power systems business secured a major contract to supply over 40 BRUSH™ generators for gas-fired utility-scale power plants, which will collectively deliver approximately 7 GW of reliable power and enhance grid resilience, highlighting the critical role our technologies play in strengthening U.S. energy infrastructure.

We also continue to capture synergy opportunities across our power systems and compression businesses, highlighted by a significant award to supply an integrated solution for the Tengiz Gas Separation Complex in Kazakhstan. This project underscores the value of our integrated portfolio in delivering complex, large-scale infrastructure solutions.

Further, we are seeing increased commercial synergy potential across the enterprise. By combining complementary surface and subsurface OFSE technologies with our extensive IET portfolio, we are

unlocking growing synergy opportunities across field management, offshore production, geothermal and CCS.

This is most evident in New Energy, booking $434 million of orders in the quarter and a record $2 billion for the full year, well above our $1.4 to $1.6 billion target. During the quarter, notable New Energy awards included the supply of critical turbomachinery equipment for a blue ammonia project in the U.S., along with continued strength for geothermal orders in the U.S. and Hungary. Looking forward, we are targeting $2.4 to $2.6 billion of New Energy orders in 2026.

IET's Cordant™ Solutions sustained robust momentum in 2025, achieving double-digit order growth for the third consecutive year and a 20% increase in software orders. During the quarter, the business continued to scale its digital software offerings, reinforcing recurring revenue and lifecycle pull-through across our equipment installed base, while also increasing penetration of non-OEM equipment. As the global installed base of critical equipment continues to expand across energy, industrial, and power sectors, we are unlocking additional pull-through opportunities for Cordant™ – leveraging our comprehensive solutions to drive greater value for our customers.

In OFSE, we continue to see strong customer demand across deepwater and Middle East markets, driven by brownfield and OpEx-led developments that leverage our digitally enabled production portfolio. These solutions directly lower operating costs and support recurring, production-led spending for our customers.

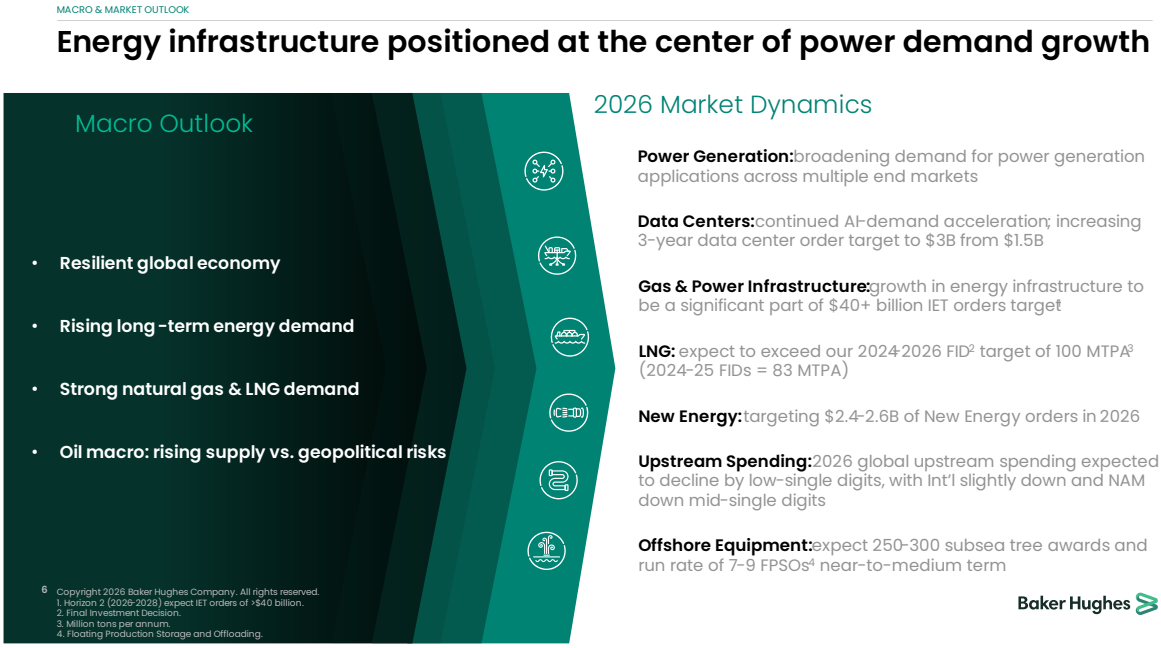
During 2025, we secured approximately $3 billion of Production Solutions awards in the Middle East, including approximately $1 billion of multi-year contracts in the fourth quarter from Kuwait Oil Company (KOC), Petroleum Development Oman (PDO) and ADNOC.

The awards with KOC and PDO cover the deployment of advanced ESP systems and Leucipa™ in over 1,000 wells. In addition, the ADNOC contract includes the deployment of our AccessESP™ system in the offshore Umm Shaif Field, along with continuous digital monitoring services that support recurring revenue over the life of the assets.

Momentum also continued across subsea markets, driving a near record order quarter for Subsea & Surface Pressure Systems, with bookings of $1.1 billion and a book-to-bill of 1.4x. During the quarter, we were awarded a multi-year frame agreement for subsea production systems and services for the Coral North LNG project offshore Mozambique.

Now turning to the macro on **slide 6.**

Slide 6.



Despite ongoing geopolitical and trade-related uncertainty, the global macro environment remained resilient throughout 2025. While these headwinds are expected to persist, we anticipate modestly stronger year-over-year GDP growth in 2026, supported by continued investment in generative AI, easing inflation, and a more supportive fiscal backdrop in several major economies.

This economic resilience is mirrored by the evolving landscape of global energy demand. Long-term energy demand continues to rise, driven by population growth, rising living standards, and accelerating electrification. At the same time, digital infrastructure, AI, and data centers are adding a new and durable layer of energy demand, reinforcing the need for reliable, scalable, and dispatchable power.

Industry estimates suggest that AI infrastructure spending totaled more than $500 billion in 2025 and is expected to approach $1 trillion[1] annually in the late 2020s. Resilient power supply has emerged as a key bottleneck, which creates a significant opportunity for Baker Hughes as data center build-out increases demand for behind-the-meter power solutions, providing speed, reliability, and scale. Against this backdrop, we now expect to book approximately $3 billion of data center-related orders between 2025 and 2027.

Given its abundance, cost-effective reliability, and comparatively lower emissions profile, natural gas continues to play a central role in powering data centers. Looking ahead to 2040, we expect global natural gas demand growth of approximately 20%. This strong growth in natural gas underpins accelerating investment in gas and power infrastructure, which we expect to represent an increasing share of our $40+ billion IET order target during Horizon Two.

For LNG, demand continues its strong growth trajectory, increasing by approximately 7% in 2025. Looking forward, LNG demand is expected to increase by at least 75% by 2040, driven primarily by growth across Asia. Reflecting this strength and near-term order visibility, we expect to exceed our 2024–2026 LNG FID outlook of 100 MTPA after reaching FID on 83 MTPA of projects over the last two years. This further reinforces our long-held view of 800 MTPA installed base by 2030 and advances progress toward our 950 MTPA outlook for 2035.

[1] Thunder Said Energy.

Turning to oil. Against the backdrop of dynamic geopolitical risks, oil prices have remained somewhat volatile in recent months as markets weigh potential supply disruptions against rising OPEC+ and offshore production.

We believe further reduction in idled OPEC+ supply, alongside more constructive oil supply-and-demand balances, is required before a broad inflection in oilfield services activity emerges. That inflection is likely a 2027 catalyst for the sector and may mark the beginning of an upcycle.

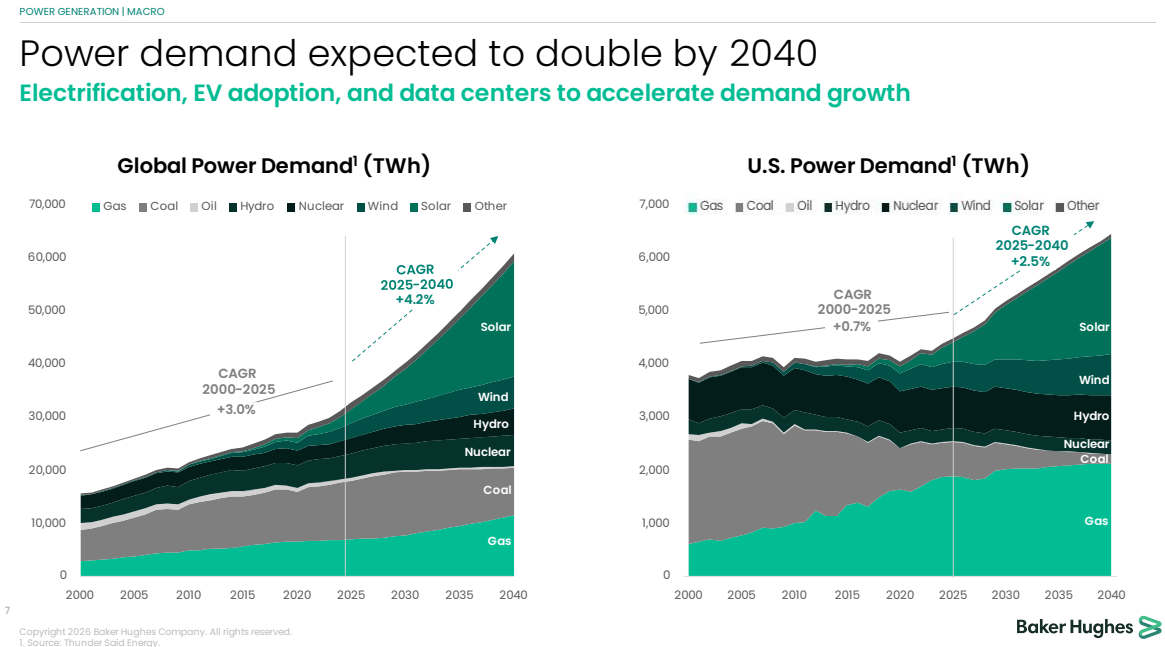
Taking current macro factors into account, we expect low single-digit declines in global upstream spending in 2026.

In North America, spending is expected to decline at a mid-single-digit rate as operators maintain both capital discipline and inventory preservation. However, our production-weighted exposure positions us to outperform the market.

International spending is expected to be slightly down, with resilience in the Middle East and Africa offset by continued softness in other regions.

Longer term, the outlook remains constructive, particularly internationally and offshore, where significant investment will be required to sustain production growth and meet rising global oil demand. We also see continued growth in OpEx-driven upstream investment, as operators focus on enhancing recovery rates and extending the life of existing assets that will leverage our differentiated Well Construction and Production Solutions portfolio.

Slide 7.



Moving to **slides 7 and 8**, I want to discuss how Baker Hughes is positioned to capture a significant growth opportunity in global power infrastructure spend – and how our power systems portfolio is enabling reliability, efficiency, flexibility and long-term decarbonization for customers.

This portfolio builds on decades of aeroderivative and heavy-duty gas turbine technology development, complemented by deliberate organic investment in our NovaLT™ gas turbine platform, our acquisition of BRUSH™ Power Generation, and the pending acquisition of Chart. Together, these actions have created differentiated capabilities that span power generation, grid stability and energy management.

Looking ahead, we plan to continue advancing our power systems portfolio, with a clear focus on expanding our solutions offering across these three capabilities.

These strategic efforts positions us strongly for what lies ahead. We believe that global power demand is entering a multi-year cycle. By 2040, global demand is expected to double to approximately 60,000 terawatt hours (TWh). This increase implies a compounded annual growth rate of over 4%, with gas-fired power generation playing a significant role in this expansion. These developments are being driven by several long-term structural trends that are transforming global power markets.

First, digitalization and AI-driven compute are fundamentally reshaping power demand. Data centers are a rapidly growing source of energy demand, requiring uninterrupted and highly dependable power supply. Estimates project that data center power demand will increase by a 12% compounded annual growth rate through 2040 as AI workloads increase in scale.

Second, the ongoing transition toward electrification in both transportation and industrial sectors is contributing to a structural increase in electricity demand. The adoption of electric vehicles (EV) is rising rapidly, with projections indicating that the global EV fleet will approximately triple by 2030 and increase nearly nine-fold by 2040. Additionally, industrial companies are advancing their decarbonization initiatives by transitioning from fuel-based processes to electrically driven alternatives. This includes adopting advanced heat pump technologies and integrating electrified equipment into their industrial operations.

Also, renewable integration, hydrogen production through electrolysis, and carbon capture systems all require significant incremental power, even as they reduce overall emissions intensity.

Collectively, these factors are expected to contribute to a prolonged period of growth in power demand, reinforcing the need for reliable, flexible, and energy efficient power solutions. This trend will drive continued investment across generation, distributed power, and grid resilience – and it highlights the requirements for mission-critical power systems solutions that can deliver both reliability today and transition-ready capability for the future.

This is where Baker Hughes is uniquely positioned.

Slide 8.



Through our power systems portfolio, which is highlighted on **slide 8**, we sit squarely at the intersection of the key megatrends driving global power demand. Our strategy is deliberately built around fuel flexibility, electrification, digital integration, and portfolio expansion, enabling us to deliver full-lifecycle power solutions across industrial, data center, grid, renewable, and oil & gas markets. The portfolio addresses an annual market opportunity projected to exceed $100 billion by 2030 with solutions that are either currently available or under development, supported by ongoing organic investments.

Let me briefly walk through our power systems portfolio and how it differentiates Baker Hughes as we capture accelerating growth in global power infrastructure spending.

Our power systems business is built around three core capabilities: power generation, grid stability, and energy management, with digital, integrated systems, and aftermarket services spanning across all three.

For power generation, we offer solutions across simple- and combined-cycle configurations, alongside clean-power offerings that include geothermal, flex-fuel, and our developing industrial-scale oxy combustion solution. This portfolio brings together a broad range of aeroderivative and heavy-duty gas turbines for the oil & gas sector, alongside industrial gas turbines, steam turbines, turboexpanders and generators that address a wide spectrum of power generation applications across diverse end markets.
We are seeing the strongest growth in our NovaLT™ industrial gas turbines, engineered for distributed and behind-the-meter applications. The NovaLT™ is hydrogen-ready and capable of operating on natural gas, blended fuels, and up to 100% hydrogen, with development plans in place to enable ammonia fuel flexibility. Its high efficiency, fast-start capability, and low NO_x performance make it particularly well suited for power generation across data centers, industrial facilities, and oil & gas markets, as well as mechanical-drive applications.

Our core oil & gas markets also continue to drive strong demand for power generation. In 2025, we secured orders of approximately 3 gigawatts (GW) for oil & gas power applications, supporting distributed power across LNG facilities, FPSOs, refineries, petrochemical plants, and oilfields.

Beyond gas turbines, we bring differentiated capabilities in steam turbines and turboexpanders, supporting geothermal, biomass, waste-to-energy, and pressure-recovery applications. With an installed base of more

than 700 steam turbines and turboexpanders globally, we have proven experience in delivering reliable, efficient power across both renewable and industrial markets.

We continue to advance our leadership in geothermal, highlighted by a recent order to supply five Organic Rankine Cycle power plants at Fervo's Cape Station power generation project, which is expected to deliver 300 megawatts (MW) of clean, reliable and affordable power to the grid. In addition to the surface scope, Baker Hughes is also providing differentiated subsurface expertise, reflecting our ability to integrate subsurface capabilities with surface power generation. By combining these capabilities, we are uniquely positioned to enable scalable, repeatable geothermal developments – delivering firm, renewable baseload power with attractive project economics for our customers.

Through our BRUSH™ Power Generation brand, we also provide generators, electric motors and synchronous condensers, supported by lifecycle services and digital remote monitoring. These capabilities are increasingly critical as grids become more reliant on intermittent power and require greater inertia, voltage control, and resilience.

Our controls, power electronics, and digital platforms – including Cordant™ – enable real-time optimization, emissions monitoring, and system-level reliability that enhance our power systems value proposition to customers.

We also offer industrial heat pumps and grid-stabilization technologies, supporting electrification and decarbonization across industrial and power applications.

Looking ahead, the pending acquisition of Chart will add differentiated thermal-management capabilities, further complementing our power generation portfolio and enabling the development of integrated trigeneration solutions for customers.

To summarize, Baker Hughes offers a broad power solutions portfolio with capabilities spanning generation, grid stability and energy management that positions us to meet the diverse needs of customers across data centers, industrials, power, renewables, and traditional energy markets.

As global electricity demand accelerates and energy infrastructure evolves, Baker Hughes is delivering solutions that drive long-term growth, operational resilience, and low-carbon readiness – positioning us exceptionally well for the next phase of growth in the global power market.

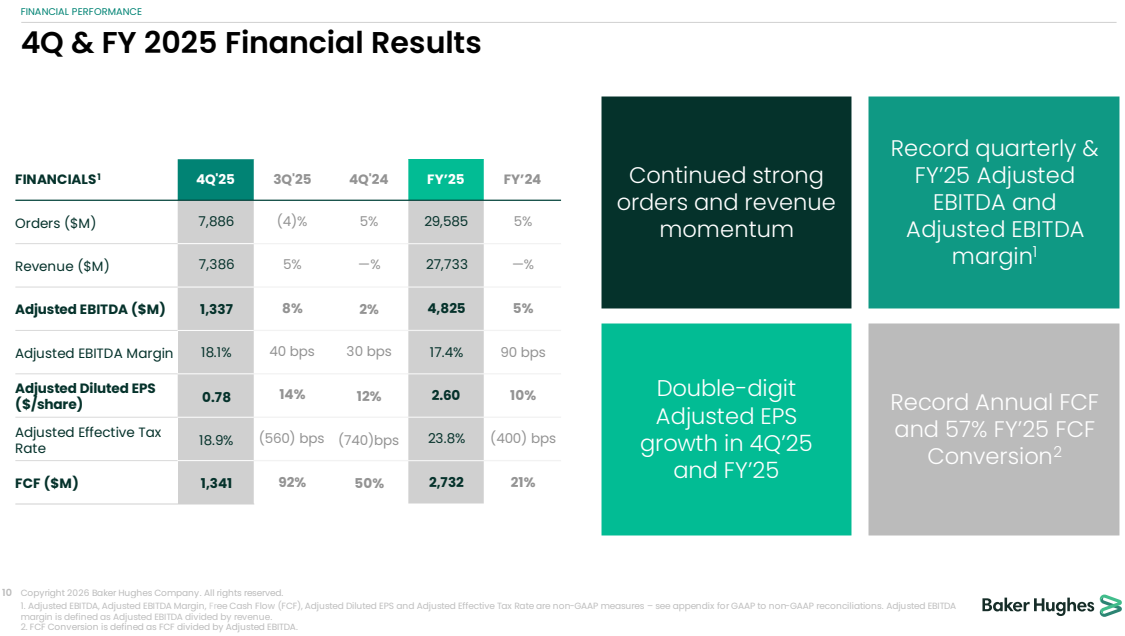
Before turning the call over to Ahmed, I want to reiterate the strength of our 2025 results. Despite macro-related headwinds in OFSE and tariff-related trade friction, we delivered 90 basis points of margin expansion, driven by continued execution of the Baker Hughes Business System and a disciplined focus on pricing optimization and productivity enhancements. At the same time, the breadth and versatility of our portfolio supported a record year of IET orders, underscoring the durability of our strategy.

These results demonstrate that Baker Hughes continues to execute and deliver for our customers and shareholders.

With that, I will turn the call over to Ahmed.

Ahmed Moghal *Baker Hughes – CFO*

Slide 10.



Thanks, Lorenzo. I will begin on **slide 10** with an overview of our consolidated results and then speak to segment details before summarizing our first-quarter and full-year outlook.

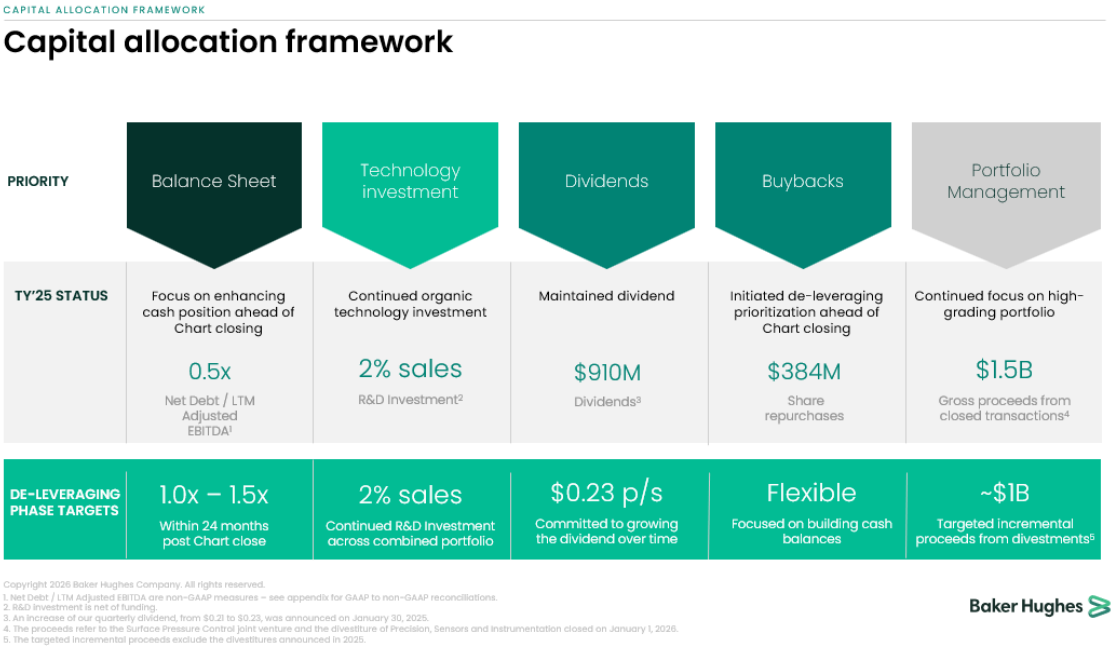
As Lorenzo mentioned, we delivered very strong orders in the fourth quarter, with total company orders of $7.9 billion, including $4 billion from IET. Adjusted EBITDA of $1.34 billion increased by 2% year-over-year, driven by continued IET growth, while OFSE results were impacted by macro-driven headwinds.

Adjusted EBITDA margins expanded by 30 basis points year-over-year to 18.1%, exceeding 18% for the first time.

GAAP diluted earnings per share were 88 cents. Excluding 10 cents of adjusting items in the quarter, diluted earnings per share increased 12% year-over-year to 78 cents.

We generated free cash flow of $1.34 billion for the quarter, supported by strong collections, customer down payments and results from our ongoing working capital efficiency efforts.

Slide 11.



Turning to capital allocation on **slide 11**. Our balance sheet remains strong, with cash increasing to $3.7 billion, net debt-to-Adjusted EBITDA ratio decreasing to 0.5x and liquidity increasing to $6.7 billion at year end.

In 2025, we returned $1.3 billion to shareholders in dividends and share repurchases. Our near-term priority is to maintain the strength of our balance sheet in preparation for the closing of the Chart acquisition. With regulatory reviews still underway in certain jurisdictions, we currently expect closing in the second quarter, understanding that the timing may evolve as those processes progress.

As previously stated, our objective is to achieve a Net Debt to Adjusted EBITDA ratio of 1x to 1.5x within 24 months following the close of the transaction. This reduction will be accomplished through a combination of ongoing free cash flow generation and proceeds from continued portfolio management initiatives, which are anticipated to yield $1 billion of incremental proceeds.

Consistent with our portfolio management and capital allocation framework, we announced earlier this month the completion of the sale of the Precision Sensors & Instrumentation (PSI) business, as well as the formation of the Surface Pressure Control (SPC) joint venture with Cactus. These strategic transactions have generated approximately $1.5 billion in gross cash proceeds, subject to customary closing adjustments. These actions reflect our disciplined approach to portfolio management and our commitment to maximizing long-term value creation for shareholders.

We would like to express our sincere gratitude to the employees of PSI and SPC for their dedication and hard work and wish them continued success going forward.

In parallel with these portfolio actions, we are making progress on our comprehensive evaluation. We are also executing incremental targeted cost-out initiatives with quick cash paybacks that are expected to support durable margin expansion as we move through 2026.

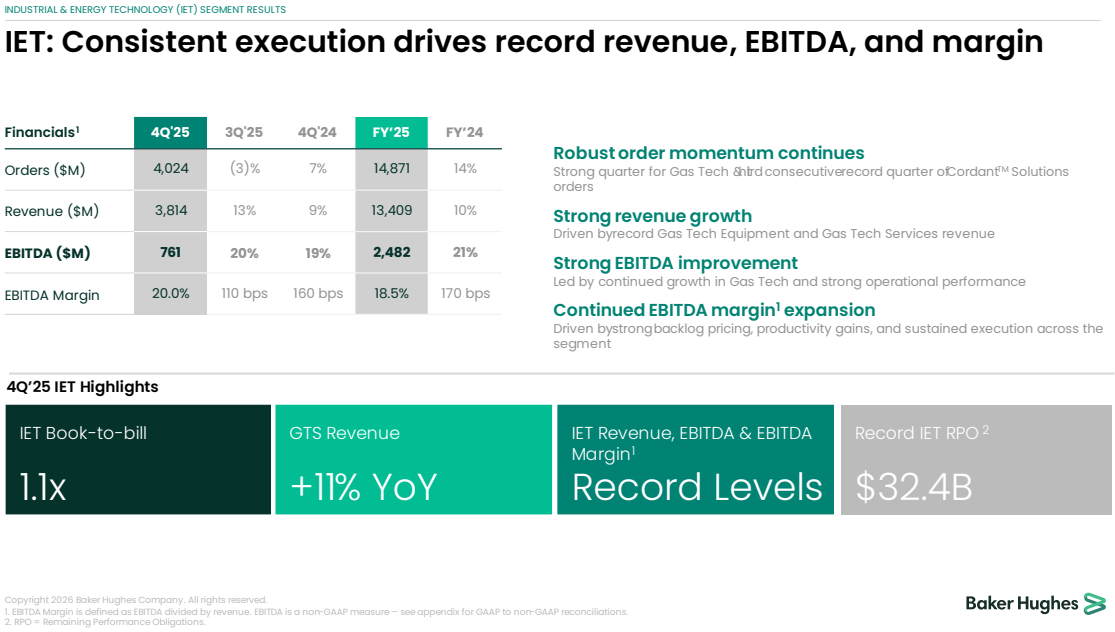
As we further advance our comprehensive evaluation, our top priority remains closing the Chart transaction and executing a seamless integration, where we see compelling strategic and financial benefits. We are focused on delivering our integration priorities and capturing identified synergies, while positioning the

combined companies to enhance customer value, strengthen our industrial portfolio, and support sustainable, profitable growth.

From an integration standpoint, we have now moved into high-level Day One operating model design, placing strong emphasis on culture, integration, and execution planning. Our two companies share significant commonalities, particularly in our highly complementary portfolios, which together enhance our solutions offering and deliver greater value for customers across the equipment lifecycle.

Let's now turn to segment results, starting with IET on **slide 12**.

Slide 12.



During the quarter, we booked strong IET orders of $4 billion, primarily driven by continued power systems and LNG order momentum. For the full year, IET achieved a record $14.9 billion of orders, resulting in a book-to-bill of 1.1x and a record RPO[2] of $32.4 billion. Notably, this marks the sixth consecutive year of IET RPO growth.

Our fourth-quarter results reflect outstanding performance in IET, with revenue of $3.81 billion exceeding the high end of our guidance range due to strong project execution and favorable project timing. EBITDA increased 19% year-over-year to a record of $761 million, resulting in significant margin expansion of 160 basis points to 20%. This exceptional performance was driven by strong backlog pricing, productivity gains, and continued execution of the Baker Hughes Business System, reinforcing the operating leverage in the segment.

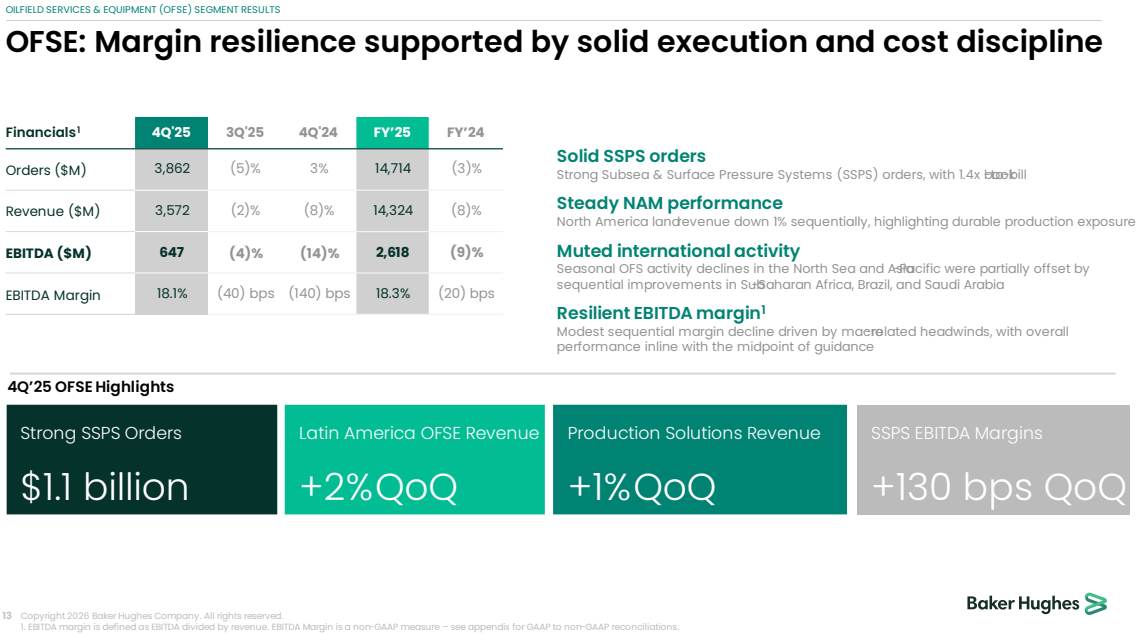
For the full year, IET revenue increased 10% to $13.4 billion, while EBITDA rose 21% to $2.5 billion, with margins increasing 170 basis points to 18.5% – historical highs for all three. This meaningful margin improvement was driven by strength across both Industrial Solutions and Gas Tech Equipment (GTE).

In 2025, the recently divested PSI business contributed $374 million of revenue and $48 million of EBITDA.

Turning to OFSE on **slide 13**.

[2] Remaining Performance Obligation.

Slide 13.



We delivered another strong quarter of orders, with SSPS bookings of $1.1 billion. This was led by continued strength in subsea project bookings, where we captured approximately 25% of the global subsea tree market in 2025. As a result, SSPS orders increased by 13% year-over-year to $3.5 billion in 2025, with a strong book-to-bill of 1.1x, driving increased visibility and reflecting broadening customer penetration.

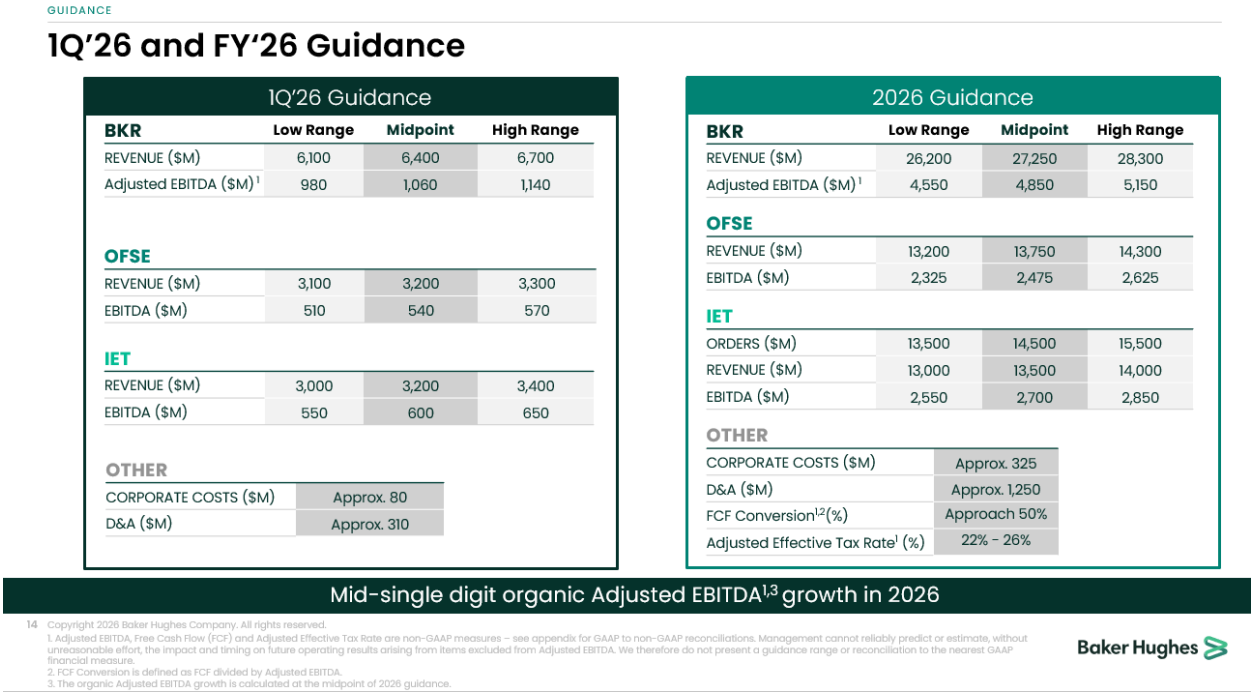
Our fourth-quarter OFSE performance reflected ongoing macro-related headwinds, while continuing to demonstrate solid execution and cost discipline. Revenue totaled $3.57 billion, and the segment delivered EBITDA of $647 million, resulting in 40 basis points of sequential margin decline to 18.1%, with all metrics effectively in line with the midpoint of our guidance range.

Results were impacted by seasonal declines in the North Sea and Asia-Pacific, continued softness in Mexico, and weaker year-end product sales, as customers remained cautious with capital deployment. These pressures were partially offset by improving activity in Sub-Saharan Africa, Brazil, and Saudi Arabia, reflecting pockets of resilience across our international portfolio.

For the full year, revenue fell 8% to $14.3 billion, while EBITDA of $2.62 billion resulted in resilient margins of 18.3%, effectively flat year-over-year despite the meaningful top-line decline. This margin resilience reflects continued cost discipline and structural actions to remove duplication across the segment, preserving profitability through cycle downturns.

In 2025, SPC contributed $627 million of revenue and $137 million of EBITDA. These results will be deconsolidated in 2026, with our 35% minority ownership accounted for as an equity investment.

Slide 14.



Next, I would like to provide an update on our outlook for the first-quarter and full-year 2026. The detailed guidance can be found on **slide 14**, where both the ranges and midpoints are presented. For clarity, I will focus on the midpoint of our guidance figures. Please note these figures exclude the recently divested PSI business and account for the deconsolidation of SPC results, as both transactions were completed on January 1st.

Also, all references to organic metrics exclude the results of businesses that have been divested, deconsolidated or acquired since the beginning of 2025. Specifically, the results of PSI and SPC, as well as the recently acquired Continental Disc Corporation (CDC) business, are excluded from organic references provided below. This approach ensures that organic metrics accurately reflect the company's ongoing operations and provide a clear comparison by excluding the impact of such transactions.

Following the closing of the Chart acquisition, full-year guidance will be updated to reflect our outlook for the combined business for the remainder of the year.

Starting with **full-year guidance**, we anticipate company revenue of $27.25 billion and Adjusted EBITDA of $4.85 billion, implying organic Adjusted EBITDA growth rate in the mid-single digit range. Free cash flow conversion is expected to approach 50%, underscoring our progress to drive more durable free cash flow through cycles. The effective tax rate is projected to fall within the range of 22% to 26%, and we continue to pursue initiatives aimed at further optimizing our tax rate beyond 2026.

In IET, we expect orders to remain at robust levels through year, supported by continued momentum in LNG, a stronger year of FPSO and gas infrastructure awards, and sustained strength for power systems. Against this favorable backdrop, we project $13.5 billion to $15.5 billion of IET orders in 2026, which is flat at the midpoint on an organic basis and would mark the fourth consecutive year with at least $13 billion in orders. We also remain confident in achieving our three-year Horizon Two target of more than $40 billion in IET orders.

Importantly, these anticipated orders will provide significant backlog visibility for our equipment businesses while also underpinning years – if not decades – of high-margin services growth. This outlook reinforces the durability and long-term value creation that is embedded within the company.

Supported by record backlog levels, we expect full-year IET revenue of $13.5 billion, reflecting steady organic growth. Additionally, we project EBITDA of $2.7 billion, positioning IET to achieve its 20% margin target this year. This margin outlook is supported by ongoing productivity improvements, disciplined cost management in Industrial Products, and the conversion of higher-margin backlog within Gas Tech Equipment.

For OFSE, we anticipate revenue to be slightly lower year-over-year, but flat on an organic basis. This stability is primarily driven by robust growth in our SSPS business, which is anticipated to offset slight declines within the OFS portfolio.

Based on our current outlook, we expect $13.75 billion in revenue and EBITDA of $2.475 billion. When adjusted for the impact of the SPC transaction, this guidance implies relatively flat organic margins year-over-year.

This resilient margin outlook is underpinned by ongoing productivity enhancements and continued efforts to right-size our cost structure, which deliver quick cash paybacks.

These cost actions are expected to offset higher tariff-related costs, unfavorable product mix and pricing variability across different markets. Notably, our disciplined approach to cost optimization is fully aligned with our ongoing comprehensive review, with each initiative prioritized to drive structural margin improvement and enhance long-term competitiveness.

Now turning to **first-quarter guidance**.

We anticipate total company revenues of $6.4 billion and Adjusted EBITDA of $1.06 billion.

For IET, we expect results to demonstrate strong year-over-year EBITDA growth, led by Gas Technology. Overall, we expect IET EBITDA of $600 million.

The major factors driving our guidance ranges for IET will be the pace of backlog conversion in GTE, the impact of any supply chain tightness, foreign exchange rates and trade policy.

For OFSE, we anticipate results to reflect typical seasonality. Accordingly, EBITDA is expected to be $540 million for the quarter.

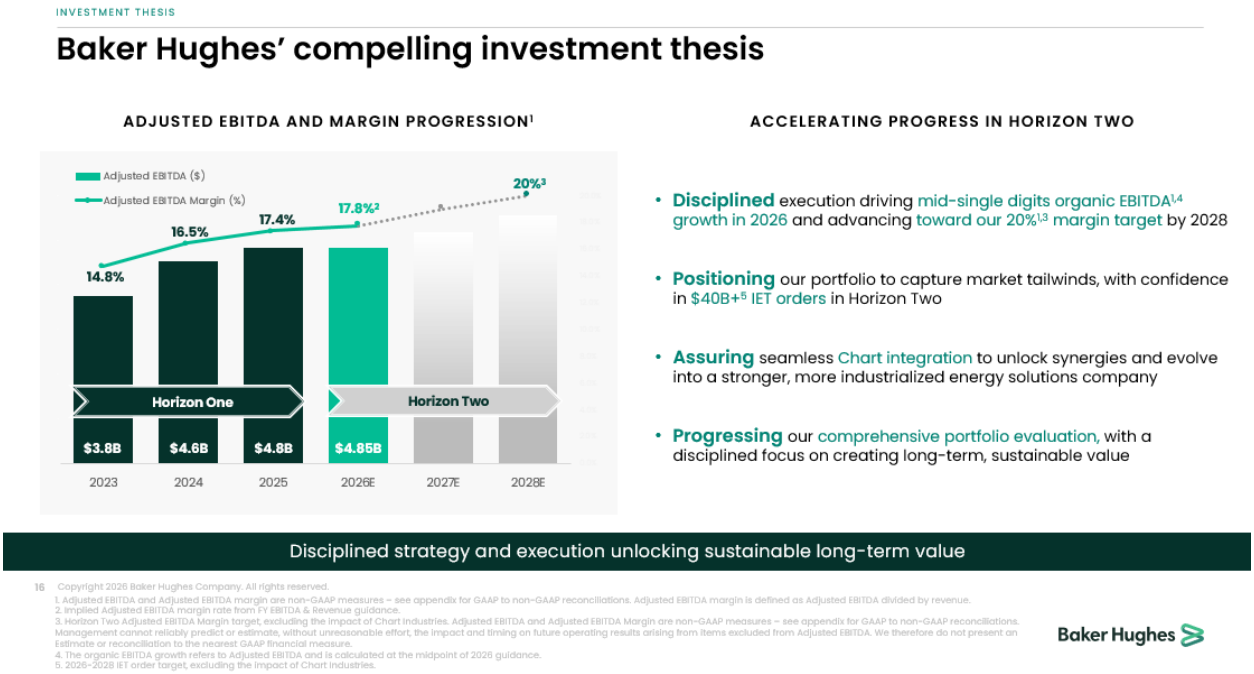
Factors driving our guidance ranges for OFSE include execution of our SSPS backlog, near-term activity levels, trade policy, foreign exchange rates and pricing across more transactional markets.

In summary, we are extremely pleased with the company’s operational performance in 2025. IET once again delivered record results, while OFSE margins demonstrated exceptional resilience despite a challenging macro environment. Together, these results clearly demonstrate that the Baker Hughes Business System is driving execution, productivity, and profitability across the organization.

We remain firmly committed to structurally improving free cash flow and margins while also capitalizing on market opportunities through our differentiated solutions portfolio, with line of sight to our 20% company Adjusted EBITDA margin target by 2028. All of this is focused on delivering sustained, long-term value for our shareholders.

I'll turn the call back to Lorenzo.

Slide 16.



Lorenzo Simonelli *Baker Hughes – Chairman & CEO*

To close, we delivered an exceptionally strong quarter and an outstanding year in 2025, highlighted by record performance in IET, resilient margins in OFSE, record free cash flow and consistent execution across the company. Looking ahead to 2026, we expect organic Adjusted EBITDA to grow in the mid-single digit range, led by another year of solid margin expansion.

These achievements reflect the significant progress we are making towards structurally improving margins, strengthening the durability of our cash flow, and driving operating leverage through the Baker Hughes Business System.

Further, the outlook for global energy infrastructure investment remains positive, particularly in key areas such as gas, LNG, power generation, and industrial energy systems. Rapidly increasing demand from digitalization and electrification is reinforcing the need for reliable, scalable, and lower-carbon energy solutions. Baker Hughes is uniquely positioned to capitalize on these market dynamics, providing differentiated power systems and energy infrastructure solutions that meet the evolving needs of customers. Against this favorable market backdrop, we remain confident in achieving our three-year IET orders target of at least $40 billion.

As part of our comprehensive review, we have initiated further cost-out programs across the company that will result in quick paybacks and drive further margin expansion through 2026 and beyond. We have also made meaningful progress enhancing our portfolio, demonstrated by the three recently closed transactions and the pending Chart acquisition.

As we move forward, our primary focus is on closing the Chart transaction and ensuring a seamless integration process. We continue to make substantial progress in integration planning for the Chart transaction and are increasingly confident in our ability to achieve the $325 million cost synergy target. Our commercial synergy initiatives are also moving forward, with the potential to generate incremental value over time.

As the company moves into Horizon Two, these portfolio actions are positioning Baker Hughes to evolve into a stronger, more industrialized energy solutions company. This evolution is underpinned by an

increasingly OpEx-levered business mix and a differentiated lifecycle portfolio, which are driving reduced cyclicality and enhanced cash flow durability. Accordingly, we remain confident in our ability to continue driving returns and margins higher for the company, with a path to achieving 20% company Adjusted EBITDA margin by 2028.

In closing, I would like to thank the entire Baker Hughes team for consistently delivering outstanding results. As we look to the future, we are energized by the opportunities that lie ahead and remain committed to our customers and employees, with a disciplined focus on creating long-term, sustainable value for our shareholders.

With that, I will turn the call back over to Chase.

Chase Mulvehill *Baker Hughes – VP of Investor Relations*

Operator, we can now open for questions.