Financial Highlights

Millions of U.S. dollars (USD) and shares, except per share data	2017[1]	2018[1]	2019[1]
Revenue	$ 20,620	$ 23,995	$ 22,408
Total Operating Expenses	$ (19,246)	$ (21,528)	$ (22,856)
Operating Income (Loss)	$ 1,374	$ 2,467	$ (448)
Income (Loss) Before Taxes	$ 682	$ 1,814	$ (1,122)
Amounts Attributable to Company Shareholders:			
Net Income (Loss) from Continuing Operations	$ (444)	$ 1,656	$ (1,131)
Diluted Income Per Share from Continuing Operations	$ (0.51)	$ 1.89	$ (1.29)
Cash Dividends Per Share	$ 0.72	$ 0.72	$ 0.72
Diluted Common Shares Outstanding	870	877	875
Net Working Capital[2]	$ 5,915	$ 6,349	$ 6,334
Total Assets	$ 25,085	$ 25,982	$ 25,377
Total Debt	$ 10,942	$ 10,344	$ 10,327
Total Shareholders' Equity	$ 8,349	$ 9,544	$ 8,025
Cash Flows from Operating Activities	$ 2,468	$ 3,157	$ 2,445
Capital Expenditures	$ 1,373	$ 2,026	$ 1,530
Depreciation, Depletion and Amortization	$ 1,556	$ 1,606	$ 1,625
Total Capitalization[3]	$ 19,291	$ 19,888	$ 18,352
Debt to Total Capitalization[4]	57%	52%	56%

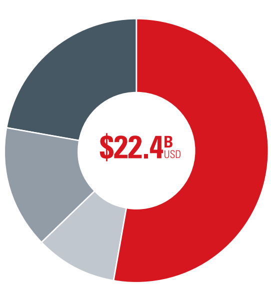
1 Reported results during these periods include impairments and other charges of USD 2.5 billion for the year ended December 31, 2019; USD 265 million for the year ended December 31, 2018; and USD 647 million for the year ended December 31, 2017.

2 Working capital is defined as total current assets less total current liabilities.

3 Total capitalization is defined as total debt plus total shareholders' equity.

4 Debt to total capitalization is defined as the total debt divided by the sum of total debt plus total shareholders' equity.

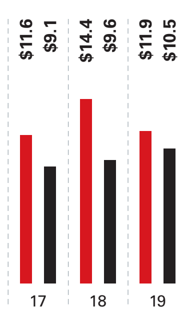
Total Revenue
billion USD



- North America **53%**
- Latin America **10%**
- Europe/Africa/CIS **15%**
- Middle East/Asia **22%**

Halliburton generated USD 22.4 billion of total Company revenue in 2019, with 53 percent attributable to North America and 47 percent attributable to our international operations.

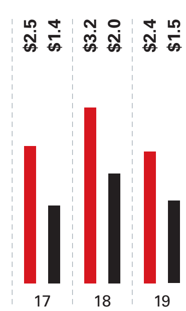
North America vs. International Revenue
billion USD



- North America
- International

Market dynamics were challenging in North America in 2019, but our international business continued steady revenue growth, outpacing the international rig count for the second year in a row.

Cash Flow Execution
billion USD

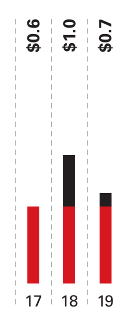


- Operating Cash Flow
- Capital Expenditures

Halliburton generated over USD 900 million of free cash flow* in 2019, demonstrating our ability to generate consistent free cash flow in different business environments.

* Management believes that free cash flow – defined as "operating cash flows" less "capital expenditures" – is an important liquidity measure, and that it is useful to investors and management for assessing the Company's ability to generate cash.

Shareholder Returns
billion USD



- Share Repurchases
- Dividends

Halliburton continuously focuses on returning capital to shareholders. Over the past three years, we have returned approximately USD 2.4 billion to shareholders through share repurchases and dividends.

Financial Performance

$22.4 B USD

We generated USD 22.4 billion in total Company revenue, with improvements across all of our international regions.

10%

Revenue growth in the international markets

24.5%

24.5 percent reduction in capital expenditures from 2018

5.6%

Total debt reduction since 2017

$200M USD

USD 200 million in annualized structural cost savings in 2019

North America

For North America in 2019, both operator capital discipline and slowing leading-edge efficiency gains weighed down activity and added pricing pressure.

In response, we started executing a different playbook than in the past. We are charting a pragmatic course to keep delivering industry-leading returns and strong cash flow to our shareholders throughout different business environments.

As a clear indication of our focus on returns over market share growth, we have rationalized our equipment supply to provide the capacity that maximizes the returns on our overall fleet. The size and scale of our business in North America give us the ability to right-size without sacrificing our market leadership position and the value that comes with it.

The year 2019 saw a divergence in spending patterns between the international oil companies (IOCs) and the rest of the market. We continued to high-grade our customer portfolio to ensure a more sustainable demand level, and a mix of pricing and volume that generates returns for Halliburton.

We continued to deploy technology that lowers our cost and accrues value to Halliburton. We launched our integrated completions offering, which combines wireline and fracturing services and lowers our cost profile through technological innovation and de-manning. For Halliburton, 2019 was the first full year of operation for the iCruise® intelligent rotary steerable system in the North American market. As it continues to achieve drilling records in unconventionals, growing customer confidence in this new system will help its market penetration. These technologies should allow us to reduce our capital outlay and deliver better margins – all with the purpose of generating strong returns.

We are strategically growing our share of services per well by increasing the competitiveness of our non-hydraulic fracturing businesses in North America. Our Wireline and Perforating, Artificial Lift and Specialty Chemicals product lines all posted strong double-digit revenue growth in 2019, despite the overall market softness in U.S. Land.

Finally, we are redesigning the way we deliver our fracturing services in order to lower our unit cost and improve margins and returns. In 2020, we will continue the implementation of this service delivery improvement strategy.

As the market faces another significant challenge, Halliburton is taking appropriate actions in North America to navigate the current environment and thrive in the long run.

Introduced different playbook, emphasizing returns and cash flow over growth

Grew non-hydraulic fracturing revenue per rig by 15 percent year on year

Took actions to adjust to the current market environment, and delivered approximately USD 200 million in annualized structural cost savings

Grew revenue 10 percent year over year

Delivered top line growth in every international region

Outgrew international rig count for the second year in a row

International

2019 saw a continued broad-based international recovery across multiple geographies, primarily driven by land and shallow-water operations. This was the second consecutive year of international rig count growth, and the second year in a row that Halliburton outperformed it.

This underscores the fact that Halliburton entered this international recovery as a much stronger competitor. We made substantial investments to grow our physical footprint in the international markets in the years prior to the downturn, and we are now reaping the benefits of being present to win where it matters. Additionally, we have increased the market opportunities in which we can compete by closing technology gaps in key services, such as directional drilling, logging while drilling, openhole wireline and testing.

Both of our divisions meaningfully contributed to our international growth in 2019. Completion and Production led the charge with a 13 percent expansion due to higher activity in mature fields in Europe and also in unconventionals in Argentina, the United Arab Emirates, and Australia. Drilling and Evaluation grew international revenues 8 percent, as we increased activity levels in all markets – specifically in Norway, Mexico, China, and Nigeria.

In 2019, 35 percent of the Company’s international revenue came from offshore projects. The offshore markets are seeing more integrated projects this cycle, and this makes our Project Management organization an important contributor to future international growth. Halliburton achieved large integrated offshore project wins in Brazil, Senegal and Kuwait in 2019 that will continue to support our international activity in 2020 and beyond.

In 2019, we took significant steps to grow the international presence of our artificial lift and specialty chemicals businesses. We started construction of a chemical manufacturing plant in Saudi Arabia, and opened an electric submersible pump (ESP) repair facility in the Middle East – all with a focus on increasing our share of services per well in the international mature fields markets.

In 2020, we will continue to drive returns in the international markets. We have a solid project portfolio that we are executing on today. As equipment supply tightens in certain markets, we are re-allocating tools to the best returning opportunities. Exercising capital and pricing discipline across all geographies, we believe, will allow Halliburton to deliver rational, returns-driven improvements in international markets.