

NEWS

Baker Hughes Posts \$5.7B Revenue for First Quarter

by Jov Onsat | Rigzone Staff | Thursday, April 20, 2023

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Baker Hughes said Wednesday it had collected \$5.716 billion in revenue for the first three months of 2023.

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Baker Hughes said Wednesday it had collected \$5.716 billion in revenue for the first three months of 2023, down three percent from the last quarter of 2022 as orders fell five percent to \$7.632 billion quarter on quarter.

Lower volumes in industrial and energy technology (IET) sales dragged down revenue in the January-March 2023 period, it said in a press release. However, the figure was up 18 percent compared to the same period last year driven by a 12 percent year-on-year rise in orders.

Baker Hughes' revenue from oilfield services and equipment totaled 3.577 billion, while its energy and industrial tech segment turned in \$2.138 billion in the first quarter of 2023. The Nasdaq-listed energy solutions provider received bookings for projects in Angola, Canada, Malaysia, Norway, Qatar and the USA during the quarter.

North America comprised \$992 million of the revenue, down four percent from the October-December 2022 quarter. The contribution outside the region inched up one percent driven by a \$661million turnover from Latin America, but which was "partially offset by Middle East/Asia revenue".

"While 2023 has already started off with some macro volatility, we remain optimistic on the outlook for energy services and Baker Hughes", company chair and chief executive Lorenzo Simonelli said in the earnings report. "Our diverse portfolio features long cycle and short cycle businesses that position us well to navigate any periods of variability that may occur across the energy sector".

Baker Hughes announced during the period a memorandum of understanding with Fortescue Future Industries to jointly explore potential

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Charts

INDEX	PRICE	%	TIME(GMT)
WTI Crude	\$77.11	-2.59	4:35 PM
Brent Crude	\$80.91	-2.66	4:35 PM
Natural Gas	\$2.19	-1.53	4:38 PM

20 April 2023 4:53 PM GMT

understanding with HIF Global, seeks to develop technology to capture carbon dioxide directly from the atmosphere.

In a partnership with Central Hidroeléctrica de Caldas and **Ecopetrol** also unveiled in the first quarter, Baker Hughes is to participate in pre-project studies for a geothermal power plant in Colombia's Nereidas Valley.

Industry Shift to Natural Gas

In his outlook for the energy sector, Baker Hughes boss Simonelli noted a shift to natural gas as the world transitions to clean energy.

"We continue to believe that the current environment remains unique, with a spending cycle that is more durable and less sensitive to commodity price swings, relative to prior cycles. Another notable characteristic of this cycle is the continued shift towards the development of natural gas and LNG", he said.

"As the world increasingly recognizes the crucial role natural gas will play in the energy transition, serving as both a transition and destination fuel, the case for a multi-decade growth opportunity in gas is steadily improving as both a transition and destination fuel".

The International Energy Agency (IEA) said in its gas market report for 2022 the supply shock that year has put the spotlight on low-emission gases—including natural gas subject to carbon capture solutions—as a compromise between energy security and decarbonization.

"The global gas and energy crisis triggered by Russia's invasion of Ukraine once again reminded the world of the importance of energy supply security, and in doing so highlighted the need to accelerate clean energy transitions while reducing vulnerabilities arising from fossil fuel import dependency", it said.

"Low-emission gases are at the intersection of energy supply security and decarbonization efforts: besides contributing to lower-emission pathways, domestically produced low-emission gases enhance market resilience and can significantly reduce reliance on fossil fuel imports".

Policy responses to the supply disruption have favored lower-emission gases. The European Union crafted the REPowerEU Plan boosting the production of biomethane and hydrogen. The USA passed the Inflation Reduction Act, which includes tax credits for new biogas and clean hydrogen plants, the IEA noted.

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