

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K



ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2023

or



TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 001-03492

HALLIBURTON COMPANY

(Exact name of registrant as specified in its charter)

Delaware

75-2677995

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

3000 North Sam Houston

Parkway East, Houston,

Texas

77032

(Address of principal executive offices)

(Zip Code)

(281) 871-2699

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$2.50 per share	HAL	New York Stock Exchange
Securities registered pursuant to Section 12(g) of the Act: None		

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

☒ Yes ☐ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☒ Yes ☐ No

☒ Yes ☐ No[illegible]

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

As of January 30, 2024, there were 890,101,601 shares of Halliburton Company Common Stock, \$2.50 par value per share, outstanding.

Portions of the Halliburton Company Proxy Statement for our 2024 Annual Meeting of Shareholders (File No. 001-03492) are incorporated by reference into Part III of this report.

HALLIBURTON COMPANY
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For further discussion on our business strategies, see “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations – Business Environment and Results of Operations-Business Outlook.”

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Our operations in some countries and regions may be adversely affected by unsettled political conditions, acts of terrorism, civil unrest, force majeure, war or other armed conflict, health or similar issues, sanctions, expropriation or other governmental actions, inflation, changes in foreign currency exchange rates, foreign currency exchange restrictions and highly inflationary currencies, as well as other geopolitical factors. We believe the geographic diversification of our business activities reduces the risk that an interruption of operations in any one country, other than the United States, would be materially adverse to our business, consolidated results of operations, or consolidated financial condition.

Information regarding our exposure to foreign currency fluctuations, risk concentration, and financial instruments used to minimize risk is included in “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations – Financial Instrument Market Risk” and in Note 16 to the consolidated financial statements.

Customers

Our revenue during the past three years was derived from the sale of services and products to the energy industry. No single customer represented more than 10% of our consolidated revenue in any period presented.

Raw materials

Raw materials essential to our business are normally readily available. However, market conditions can trigger constraints in the supply of certain raw materials, such as proppants (primarily sand), chemicals, metals, and gels. We are always striving to ensure the availability of resources and manage raw material costs. Our procurement department uses our relationships and buying power to enhance our access to key materials at competitive prices.

Patents

We own a large number of patents and have pending a substantial number of patent applications covering various products and processes. We are also licensed to utilize technology covered by patents owned by others, and we license others to utilize technology covered by our patents. We do not consider any particular patent to be material to our business operations.

Seasonality

Weather and natural phenomena can temporarily affect the performance of our services, but the widespread geographical locations of our operations mitigate those effects. Examples of how weather can impact our business include:

- the severity and duration of the winter in North America can have a significant impact on drilling activity and on natural gas storage levels;
- the timing and duration of the spring thaw in Canada directly affects activity levels due to road restrictions;
- typhoons and hurricanes can disrupt coastal and offshore operations; and
- severe weather during the winter normally results in reduced activity levels in the North Sea.

Additionally, customer spending patterns for completion tools typically result in higher activity in the fourth quarter of the year. We recognize revenue on customer software contract sales predominantly in the first and fourth quarters of the year.

Our workforce

Our workforce is our top asset in enabling us to accomplish innovative, high-quality work for our customers and to address the world’s energy challenges. To attract and retain talent, we promote a safe and inclusive work environment along with competitive benefits. As of December 31, 2023, we employed approximately 48,000 people worldwide representing over 130 nationalities and operated in more than 70 countries, with approximately 18% of our employees subject to collective bargaining agreements. Based upon the geographic diversification of our employees, we do not believe any risk of loss from employee strikes or other collective actions are material to the conduct of our operations taken as a whole.

With our large employee base and global breadth, our workforce is diverse. Halliburton invests in local workforce development with the aim of a positive impact on communities where we work. In 2023, 91% of our workforce and 85% of management, who were full-time employees, and not classified as expatriates or commuters, were local to the countries where they work.

Recruiting and Turnover

Given the size and geographic scope of our workforce, we have a robust global recruiting organization, which includes personnel focused on recruiting and retention, online job postings, and recruiting programs at academic institutions for internships and entry-level roles.

Leadership

Benefits and well-being

Safety

Government regulation

Hydraulic fracturing

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wellbore and the oil and natural gas and other materials that are subsequently pumped out of the well will not come into contact with shallow aquifers or other shallow formations through which those materials could potentially migrate to freshwater aquifers or the surface.

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The potential environmental impacts of hydraulic fracturing have been studied by numerous government entities and others. In 2004, the United States Environmental Protection Agency (EPA) conducted an extensive study of hydraulic fracturing practices, focusing on coalbed methane wells, and their potential effect on underground sources of drinking water. The EPA's study concluded that hydraulic fracturing of coalbed methane wells poses little or no threat to underground sources of drinking water. In December 2016, the EPA released a final report, *"Hydraulic Fracturing for Oil and Gas: Impacts from the Hydraulic Fracturing Water Cycle on Drinking Water Resources in the United States"* representing the culmination of a six-year study requested by Congress. While the EPA report noted a potential for some impact to drinking water sources caused by hydraulic fracturing, the agency confirmed the overall incidence of impacts is low. Moreover, a number of the areas of potential impact identified in the report involve activities for which we are not generally responsible, such as potential impacts associated with withdrawals of surface water for use as a base fluid and management of wastewater.

We have proactively developed processes to provide our customers with the chemical constituents of our hydraulic fracturing fluids to enable our customers to comply with state laws as well as voluntary standards established by the Chemical Disclosure Registry, www.fracfocus.org. We have invested considerable resources in developing hydraulic fracturing technologies, in both the equipment and chemistry portions of our business, which offer our customers a variety of environment-friendly options related to the use of hydraulic fracturing fluid additives and other aspects of our hydraulic fracturing operations. We created a hydraulic fracturing fluid system comprised of materials sourced entirely from the food industry. We are committed to the continued development of innovative chemical and mechanical technologies that allow for more economical and environment-friendly development of the world's oil and natural gas reserves, and that reduce noise while complying with Tier 4 lower emission legislation.

In evaluating any environmental risks that may be associated with our hydraulic fracturing services, it is helpful to understand the role that we play in the development of shale natural gas and shale oil. Our principal task generally is to manage the process of injecting fracturing fluids into the borehole to stimulate the well. Thus, based on the provisions in our contracts and applicable law, the primary environmental risks we face are potential pre-injection spills or releases of stored fracturing fluids and potential spills or releases of fuel or other fluids associated with pumps, blenders, conveyors, or other above-ground equipment used in the hydraulic fracturing process.

Although possible concerns have been raised about hydraulic fracturing, the circumstances described above have helped to mitigate those concerns. To date, we have not been obligated to compensate any indemnified party for any environmental liability arising directly from hydraulic fracturing, although there can be no assurance that such obligations or liabilities will not arise in the future. For further information on risks related to hydraulic fracturing, see "Item 1(a). Risk Factors."

Working capital

We fund our business operations through a combination of available cash and equivalents, short-term investments, and cash flow generated from operations. In addition, our revolving credit facility is available for additional working capital needs.

Web site access - www.halliburton.com

Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished to the Securities and Exchange Commission (SEC) pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 are available at www.halliburton.com soon thereafter. The SEC website www.sec.gov contains our reports, proxy and information statements and our other SEC filings. Our Code of Business Conduct, which applies to all our employees and Directors and serves as a code of ethics for our principal executive officer, principal financial officer, principal accounting officer, and other persons performing similar functions, can be found at www.halliburton.com. Any amendments to our Code of Business Conduct or any waivers from provisions of our Code of Business Conduct granted to the specified officers above are also disclosed on our web site within four business days after the date of any amendment or waiver pertaining to these officers. There have been no waivers from provisions of our Code of Business Conduct for the years 2023, 2022, or 2021. Except to the extent expressly stated otherwise, information contained on or accessible from our web site or any other web site is not incorporated by reference into this annual report on Form 10-K and should not be considered part of this report.

Executive Officers of the Registrant

The following table indicates the names and ages of the executive officers of Halliburton Company as of February 6, 2024, including all offices and positions held by each in the past five years:

<u>Name and Age</u>	<u>Offices Held and Term of Office</u>
Van H. Beckwith (Age 58)	Executive Vice President, Secretary and Chief Legal Officer of Halliburton Company, since December 2020
	Senior Vice President and General Counsel, January 2020 to December 2020
	Partner, Baker Botts L.L.P., January 1999 to December 2019
Eric J. Carre (Age 57)	Executive Vice President and Chief Financial Officer of Halliburton Company, since May 2022
	Executive Vice President, Global Business Lines of Halliburton Company, May 2016 to April 2022
Charles E. Geer, Jr. (Age 53)	Senior Vice President and Chief Accounting Officer of Halliburton Company, since December 2019
	Vice President and Corporate Controller of Halliburton Company, January 2015 to December 2019
Myrtle L. Jones (Age 64)	Senior Vice President, Tax of Halliburton Company, since March 2013
Timothy M. McKeon (Age 51)	Senior Vice President and Treasurer of Halliburton Company, since January 2022
	Vice President and Treasurer of Halliburton Company, January 2014 to December 2021
Jeffrey A. Miller (Age 60)	Chairman of the Board, President and Chief Executive Officer of Halliburton Company, since January 2019
Lawrence J. Pope (Age 55)	Executive Vice President of Administration and Chief Human Resources Officer of Halliburton Company, since January 2008
Mark J. Richard (Age 62)	President, Western Hemisphere of Halliburton Company, since February 2019
	Senior Vice President, Northern U.S. Region of Halliburton Company, August 2018 to January 2019
Jill D. Sharp (Age 53)	Senior Vice President, Internal Assurance Services of Halliburton Company, since January 2022
	Vice President, Internal Assurance Services of Halliburton Company, September 2021 to December 2021
	Vice President, Finance - Western Hemisphere of Halliburton Company, October 2016 to August 2021
Shannon Slocum (Age 51)	President, Eastern Hemisphere of Halliburton Company, since March 2023
	Senior Vice President, Global Business Development and Marketing of Halliburton Company, January 2020 to February 2023
	Senior Vice President, Eurasia, Europe, and Sub-Saharan Africa Region of Halliburton Company, January 2018 to December 2019

There are no family relationships between the executive officers of the registrant or between any director and any executive officer of the registrant.

<u>Name</u>	<u>Title and company</u>
Abdulaziz F. Al Khayyal	Former Director and Senior Vice President of Industrial Relations of Saudi Aramco
William E. Albrecht	President of Moncrief Energy, LLC
M. Katherine Banks	Former President of Texas A&M University
Alan M. Bennett	Former President and Chief Executive Officer of H&R Block, Inc.
Milton Carroll	Former Executive Chairman of the Board of CenterPoint Energy, Inc.
Earl M. Cummings	Managing Partner of MCM Houston Properties, LLC
Murry S. Gerber	Former Executive Chairman of the Board of EQT Corporation
Robert A. Malone	Executive Chairman, President and Chief Executive Officer of First Sonora Bancshares, Inc. and the First National Bank of Sonora
Jefferey A. Miller	Chairman of the Board, President and Chief Executive Officer of Halliburton Company
Bhavesh V. Patel	President of Standard Industries
Maurice S. Smith	President, Chief Executive Officer, and Vice Chair, Health Care Service Corporation
Janet L. Weiss	Former President of BP Alaska
Tobi M. Edwards Young	Senior Vice President, Legal, Regulatory, and Corporate Affairs of Cognizant Technology Solutions

Our business is dependent on capital spending by our customers, and reductions in capital spending could have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition.

Our business is directly affected by changes in capital expenditures by our customers, and reductions in their capital spending could reduce demand for our services and products and have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition. Some of the items that may impact our customers' capital spending include:

- oil and natural gas prices, which are impacted by the factors described in the preceding risk factor;
- the inability of our customers to access capital on economically advantageous terms, which may be impacted by, among other things, a decrease of investors' interest in hydrocarbon producers because of environmental and sustainability initiatives;
- changes in customers' capital allocation, including an increased allocation to the production of renewable energy or other sustainability efforts, leading to less focus on oil and natural gas production growth;
- restrictions on our customers' ability to get their produced oil and natural gas to market due to infrastructure limitations;
- consolidation of our customers;
- customer personnel changes; and
- adverse developments in the business or operations of our customers, including write-downs of oil and natural gas reserves and borrowing base reductions under customers' credit facilities.

Liabilities arising out of our products and services could have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition.

Events can occur at sites where our products and equipment are produced, stored, transported, or installed, or where we conduct our operations or provide our services, or at chemical blending or manufacturing facilities, including well blowouts and equipment or materials failures, which could result in explosions, fires, personal injuries, property damage (including surface and subsurface damage), pollution, and potential legal responsibility. Generally, we rely on liability insurance coverage and on contractual indemnities, releases, and limitations of liability with our customers to protect us from potential liability related to such occurrences. However, we do not have these contractual provisions in all contracts, and even where we do, it is possible that the respective customer or insurer could seek to avoid or be financially unable to meet its obligations, or a court may decline to enforce such provisions. Damages that are not indemnified or released could greatly exceed available insurance coverage and could have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition.

Our business could be materially and adversely affected by severe or unseasonable weather where we have operations.

Our business could be materially and adversely affected by severe weather, particularly in Canada, the Gulf of Mexico, and the North Sea. Many experts believe global climate change could increase the frequency and severity of extreme weather conditions. Repercussions of severe or unseasonable weather conditions may include:

- evacuation of personnel and inoperability of equipment resulting in curtailment of services;
- weather-related damage to offshore drilling rigs resulting in suspension of operations;
- weather-related damage to our facilities and project work sites;
- inability to deliver materials to job sites in accordance with contract schedules;
- fluctuations in demand for oil and natural gas, including possible decreases during unseasonably warm winters; and
- loss of productivity.

Our failure to protect our proprietary information and any successful intellectual property challenges or infringement proceedings against us could materially and adversely affect our competitive position.

We rely on a variety of intellectual property rights that we use in our services and products. We may not be able to successfully preserve these intellectual property rights in the future, and these rights could be invalidated, circumvented, or challenged. In addition, the laws of some foreign countries in which our services and products may be sold do not protect intellectual property rights to the same extent as the laws of the United States. Courts could find that others infringe our patent or other intellectual property rights or that our products and services may infringe the intellectual property rights of others. Our failure to protect our proprietary information and any successful intellectual property challenges or infringement proceedings against us could materially and adversely affect us.

If we are not able to design, develop and produce commercially competitive products and to implement commercially competitive services in a timely manner in response to changes in the market, customer requirements, competitive pressures, developments associated with climate change concerns and energy mix transition, and technology trends, our business and consolidated results of operations could be materially and adversely affected, and the value of our intellectual property may be reduced.

The market for our services and products is characterized by continual technological developments to provide better and more reliable performance and services. If we are not able to design, develop, and produce commercially competitive products and to implement commercially competitive services in a timely manner in response to changes in the market, customer requirements, competitive pressures, developments associated with climate change concerns and energy mix transition, and technology trends, our business and consolidated results of operations could be materially and adversely affected, and the value of our intellectual property may be reduced. Likewise, if our proprietary technologies, equipment, facilities, or work processes become obsolete, we may no longer be competitive, and our business and consolidated results of operations could be materially and adversely affected.

We sometimes provide integrated project management services in the form of long-term, fixed price contracts that may require us to assume additional risks associated with cost over-runs, operating cost inflation, labor availability and productivity, supplier and contractor pricing and performance, and potential claims for liquidated damages.

We sometimes provide integrated project management services outside our normal discrete business in the form of long-term, fixed price contracts. Some of these contracts are required by our customers, primarily national oil companies. These services include acting as project managers as well as service providers and may require us to assume additional risks associated with cost over-runs. These customers may provide us with inaccurate or limited information, that may result in cost over-runs, delays, and project losses. In addition, our customers often operate in countries with unsettled political conditions, war, civil unrest, or other types of community issues. These issues may also result in cost over-runs, delays, and project losses.

Providing services on an integrated basis may also require us to assume additional risks associated with operating cost inflation, labor availability and productivity, supplier pricing and performance, and potential claims for liquidated damages. We rely on third-party subcontractors and equipment providers to assist us with the completion of these types of contracts. To the extent that we cannot engage subcontractors or acquire equipment or materials in a timely manner and on reasonable terms, our ability to complete a project in accordance with stated deadlines or at a profit may be impaired. If the amount we are required to pay for these goods and services exceeds the amount we have estimated in bidding for fixed-price work, we could experience losses in the performance of these contracts. These delays and additional costs may be substantial, and we may be required to compensate our customers for these delays. This may reduce the profit to be realized or result in a loss on a project.

Constraints in the supply of, prices for, and availability of transportation of raw materials and electric power could have a material adverse effect on our business and consolidated results of operations.

Our business depends on the supply and availability of raw and essential materials. Raw materials essential to our operations and manufacturing, such as sand, chemicals, metals, gels, and electronic components (circuit boards), are normally readily available. Shortage of raw materials as a result of high levels of demand or loss of suppliers during market challenges can trigger constraints in the supply chain of those raw materials, particularly where we have a relationship with a single supplier for a particular resource. Many of the raw materials essential to our business require the use of rail, storage, and trucking services to transport the materials to our job sites. These services, particularly during times of high demand, may cause delays in the arrival of or otherwise constrain our supply of raw materials. In addition, as we increase the roll-out of our Zeus electric fracturing systems, we might face challenges to source sufficient electric power or there might not be adequate infrastructure to support the operation of our systems.

These constraints on raw materials and electric power could have a material adverse effect on our business and consolidated results of operations. In addition, price increases imposed by our vendors for raw materials and transportation providers used in our business could have a material adverse effect on our business and consolidated results of operations if we are unable pass these increases through to our customers.

Our ability to operate and our growth potential could be materially and adversely affected if we cannot attract, employ, and retain technical personnel at a competitive cost.

Many of the services that we provide and the products that we sell are complex and highly engineered and often must perform or be performed in harsh conditions. We believe that our success depends upon our ability to attract, employ, and retain technical personnel with the ability to design, utilize, and enhance these services and products. A significant increase in the wages paid by competing employers could result in a reduction of our skilled labor force, increases in the wage rates that we must pay, or

both. If either of these events were to occur, our cost structure could increase, our margins could decrease, and any growth potential could be impaired.

Laws and Regulations Related

Our operations outside the United States require us to comply with a number of United States and international regulations, violations of which could have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition.

Our operations outside the United States require us to comply with a number of United States and international regulations. For example, our operations in countries outside the United States are subject to the United States Foreign Corrupt Practices Act (FCPA), which prohibits United States companies and their agents and employees from providing anything of value to a foreign official for the purposes of influencing any act or decision of these individuals in their official capacity to help obtain or retain business, direct business to any person or corporate entity, or obtain any unfair advantage. Our activities create the risk of unauthorized payments or offers of payments by our employees, agents, or joint venture partners that could be in violation of anti-corruption laws, even though some of these parties are not subject to our control. We have internal control policies and procedures and have implemented training and compliance programs for our employees and agents with respect to the FCPA. However, we cannot assure that our policies, procedures, and programs will always protect us from reckless or criminal acts committed by our employees or agents. We are also subject to the risks that our employees, joint venture partners, and agents outside of the United States may fail to comply with other applicable laws. Allegations of violations of applicable anti-corruption laws have resulted and may in the future result in internal, independent, or government investigations. Violations of anti-corruption laws may result in severe criminal or civil sanctions, and we may be subject to other liabilities, which could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

In addition, the shipment of goods, services, and technology across international borders subjects us to extensive trade laws and regulations. Our import activities are governed by the unique customs laws and regulations in each of the countries where we operate. Moreover, many countries, including the United States, control the export, re-export, and in-country transfer of certain goods, services, and technology and impose related export recordkeeping and reporting obligations. Governments may also impose economic sanctions against certain countries, persons, and entities that may restrict or prohibit transactions involving such countries, persons, and entities, which may limit or prevent our conduct of business in certain jurisdictions. The imposition of such sanctions on Russia in connection with Russia's invasion of Ukraine led to our decision to dispose of our Russian operations during the third quarter of 2022.

The laws and regulations concerning import activity, export recordkeeping and reporting, export control and economic sanctions are complex and constantly changing. These laws and regulations can cause delays in shipments and unscheduled operational downtime. Moreover, any failure to comply with applicable legal and regulatory trading obligations could result in government investigations of our activities, as well as criminal and civil penalties and sanctions, such as fines, imprisonment, debarment from governmental contracts, seizure of shipments, and loss of import and export privileges.

Our activities outside of the United States expose us to various legal, social, economic, and political issues which could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

Changes in, compliance with, or our failure to comply with laws in the countries in which we conduct business may negatively impact our ability to provide services in, make sales to, and transfer personnel or equipment among some of those countries and could have a material adverse effect on our business and consolidated results of operations.

In the countries in which we conduct business, we are subject to multiple and, at times, inconsistent regulatory regimes, including those that govern our use of radioactive materials, explosives, and chemicals in our operations. Various national and international regulatory regimes govern the shipment of these items. Many countries, but not all, impose special controls upon the export and import of radioactive materials, explosives, and chemicals. Our ability to do business is subject to maintaining required licenses and complying with these multiple regulatory requirements applicable to these special products. In addition, the various laws governing import and export of both products and technology apply to a wide range of services and products we offer. In turn, this can affect our employment practices of hiring people of different nationalities because these laws may prohibit or limit access to some products or technology by employees of various nationalities. Changes in, compliance with, or our failure to comply with these laws may negatively impact our ability to provide services in, make sales to, and transfer personnel or equipment among some of the countries in which we operate and could have a material adverse effect on our business and consolidated results of operations.

In addition to the numerous environmental laws and regulations that apply to our operations, we are subject to a variety of laws and regulations in the United States and other countries relating to health and safety. Among those laws and regulations are those covering hazardous materials and requiring emission performance standards for facilities. For example, our well service operations routinely involve the handling of significant amounts of waste materials, some of which are classified as hazardous substances. We also store, transport, and use radioactive and explosive materials in certain of our operations. Applicable regulatory requirements include those concerning:

- These and other requirements generally are becoming increasingly strict. The failure to comply with the requirements, many of which may be applied retroactively, may result in:

- Failure on our part to comply with applicable health, safety, and environmental laws and regulations or costs arising from regulatory compliance, including compliance with changes in or expansion of applicable regulatory requirements, could have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition.

Changes in or the adoption or enactment of laws, regulations, treaties or international agreements related to greenhouse gases, climate change, or alternative energy sources, including changes that may make it more expensive to explore for and produce oil and natural gas, may negatively impact demand for our services and products. For example, oil and natural gas exploration and production may decline as a result of environmental requirements, including land use policies responsive to environmental concerns. State, national, and international governments and agencies in areas in which we conduct business continue to evaluate, and in some instances adopt, climate-related legislation and other regulatory initiatives that would restrict emissions of greenhouse gases.

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In February 2021, the United States formally re-joined the Paris Agreement. The Paris Agreement requires countries to review and “represent a progression” in their intended nationally determined contributions, which set greenhouse gases emission reduction goals, every five years. The United States Environmental Protection Agency has proposed strict new methane emission regulations for certain oil and gas facilities. The Inflation Reduction Act of 2022 establishes a charge on methane emissions above certain limits from the same facilities. Though we are closely following developments in this area and changes in the regulatory landscape in the United States, we cannot predict how or when those changes may ultimately impact our business. Because our business depends on the level of activity in the oil and natural gas industry, existing or future laws, regulations, treaties, or international agreements related to greenhouse gases or climate change, including incentives to conserve energy or use alternative energy sources, may reduce demand for oil and natural gas and could have a negative impact on our business. Likewise, such restrictions may result in additional compliance obligations with respect to the release, capture, sequestration, and use of carbon dioxide. The efforts we have taken, and may undertake in the future, to respond to these evolving or new regulations and to environmental initiatives of customers, investors, and others may increase our costs. These and other environmental requirements could have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition.

We could be subject to changes in our tax rates, the adoption of new tax legislation, tax audits, or exposure to additional tax liabilities that could have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition.

We are subject to taxes in the U.S. and numerous jurisdictions where we operate and our subsidiaries are organized. Due to economic and political conditions, tax rates in the U.S. and other jurisdictions may be subject to significant change. Our tax returns are subject to examination by the U.S. Internal Revenue Service (IRS) and other tax authorities and governmental bodies. We regularly assess the likelihood of an adverse outcome resulting from these examinations to determine the adequacy of our provision for taxes.

Our U.S. federal income tax filings for tax years 2016 through 2022 are currently under review or remain open for review by the IRS. As of December 31, 2023, the primary unresolved issue for the IRS audit for 2016 relates to the classification of the \$3.5 billion ordinary deduction that we claimed for the termination fee we paid to Baker Hughes in the second quarter of 2016 for which we received a Notice of Proposed Adjustment (NOPA) from the IRS on September 28, 2023. In December 2023, we initiated the IRS administrative appeals process and we do not expect a final resolution of the NOPA in the next 12 months. There can be no assurance as to the outcome of the NOPA or other tax examinations and audits.

Adverse outcomes resulting from examinations of our tax returns, including the NOPA, an increase in tax rates in a jurisdiction where we generate substantial income, particularly in the U.S., or changes in our ability to realize our deferred tax assets could have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition.

Our operations are subject to political and economic instability and risk of government actions that could have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition.

We are exposed to risks inherent in doing business in each of the countries and regions in which we operate. Our operations are subject to various risks unique to each country and region that could have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition. With respect to any particular country or region, these risks may include:

- political and economic instability, including:
 - civil unrest, acts of terrorism, war, and other armed conflict, such as the ongoing actions in Ukraine, Israel, and the broader Middle East;
 - inflation; and
 - currency fluctuations, devaluations, and conversion restrictions; and
- governmental actions that may:
 - result in expropriation and nationalization of our assets in that country;
 - result in confiscatory taxation or other adverse tax policies;
 - limit or disrupt markets or our customers and our operations, restrict payments, or limit the movement of funds;
 - impose sanctions on our ability to conduct business with certain customers or persons;
 - result in the deprivation of contract rights; and
 - result in the inability to obtain or retain licenses required for operation.

For example, due to the unsettled political conditions in many oil-producing countries and regions, our operations, revenue, and profits are subject to the adverse consequences of war, terrorism, civil unrest, strikes, currency controls, and governmental actions. These, and other risks described above, could result in the loss of our personnel or assets, cause us to evacuate our personnel from certain countries, cause us to increase spending on security worldwide, cause us to cease operating in certain countries, cause disruption of shipping and supply chain operations, disrupt financial and commercial markets, including the supply of and pricing for oil and natural gas, and generate greater political and economic instability in some of the geographic areas in which we operate. Areas where we operate that have significant risk include, but are not limited to: the Middle East, North Africa, Angola, Argentina, Azerbaijan, Brazil, Indonesia, Kazakhstan, Mexico, Mozambique, Nigeria, Papua New Guinea, and Ukraine. In addition, any possible reprisals as a consequence of military or other action, such as acts of terrorism in the United States or elsewhere, could have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition.

General Risk Factors

Our operations are subject to cyberattacks that could have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition.

We are increasingly dependent on digital technologies and services to conduct our business. We use these technologies for internal and operational purposes, including data storage, processing, and transmissions, as well as in our interactions with customers and suppliers. Examples of these digital technologies include analytics, automation, and cloud services. Our digital technologies and services, and those of our customers and suppliers, are subject to the risk of cybersecurity incidents and, given the nature of such incidents, some can remain undetected for a period of time despite efforts to detect and respond to them in a timely manner. We routinely monitor our systems for cybersecurity threats and have processes in place to detect and remediate vulnerabilities. Nevertheless, we have experienced occasional cybersecurity incidents and attempted breaches in the past, including attacks resulting from phishing emails and malware infections. We responded to and mitigated the impact of these attacks. Even if we successfully defend our own digital technologies and services, we also rely on our customers and suppliers, with whom we may share data and services, to protect their digital technologies and services from cybersecurity incidents. No unauthorized access to material financial, technical, or customer data occurred as a result of cybersecurity attacks against us and none of the attacks mentioned above had a material adverse effect on our business, operations, reputation, or consolidated results of operations or consolidated financial condition.

If our systems, or our customers' or suppliers' systems, for protecting against cybersecurity incidents prove not to be sufficient, we could be adversely affected by, among other things: loss of or damage to intellectual property, proprietary or confidential information, or customer, supplier, or employee data; interruption of our business operations; and increased costs required to prevent, respond to, or mitigate cybersecurity incidents. These risks could harm our reputation and our relationships with our customers, employees, suppliers and other third parties, and may result in claims against us. In addition, laws and regulations governing cybersecurity incidents, data privacy, and the unauthorized disclosure of confidential or protected information pose increasingly complex compliance challenges, and failure to comply with these laws could result in penalties and legal liability. These risks could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

Our ability to declare and pay dividends and repurchase shares is subject to certain considerations and we may be unable to meet our capital return framework goal of returning at least 50% of annual free cash flow to shareholders through dividends and share repurchases, which could decrease expected returns on an investment in our stock.

Our capital return framework includes a goal of returning at least 50% of annual free cash flow (cash flow from operations less capital expenditures plus proceeds from sales of property, plant, and equipment) to our shareholders through dividends and share repurchases. Dividends and share repurchases are authorized and determined by our Board of Directors at its sole discretion and depend upon a number of factors, including our financial results, cash requirements, and future prospects, as well as such other factors deemed relevant by our Board of Directors. We can provide no assurance that we will pay dividends or make share repurchases in accordance with our capital return framework goal or at all. Any elimination of, or downward revision in, our dividend payout or share repurchase program could have an adverse effect on the market price of our common stock.

We are subject to foreign currency exchange risks and limitations on our ability to reinvest earnings from operations in one country to fund the capital needs of our operations in other countries or to repatriate assets from some countries.

- foreign currency exchange risks resulting from changes in foreign currency exchange rates and the implementation of exchange controls; and
- limitations on our ability to reinvest earnings from operations in one country to fund the capital needs of our operations in other countries.

If we lose one or more of our significant customers or if our customers delay paying or fail to pay a significant amount of our outstanding receivables, it could have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition.

In most cases, we bill our customers for our services in arrears and are, therefore, subject to our customers delaying or failing to pay our invoices. We may experience increased delays and failures due to, among other reasons, a reduction in our customers' cash flow from operations and their access to the credit markets, particularly in weak economic or commodity price environments. If our customers delay paying or fail to pay us a significant amount of our outstanding receivables, it could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

Our acquisitions, dispositions and investments may not result in anticipated benefits and may present risks not originally contemplated, which may have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition.

We continually seek opportunities to maximize efficiency and value through various transactions, including purchases or sales of assets, businesses, investments, or joint venture interests. These transactions are intended to (but may not) result in the realization of savings, the creation of efficiencies, the offering of new products or services, the generation of cash or income, or the reduction of risk. Acquisition transactions may use cash on hand or be financed by additional borrowings or by the issuance of our common stock. These transactions may also adversely affect our business, consolidated results of operations, and consolidated financial condition.

- any acquisitions we attempt will be completed on the terms announced, or at all;
- any acquisitions would result in an increase in income or provide an adequate return of capital or other anticipated benefits;
- any acquisitions would be successfully integrated into our operations and internal controls;
- the due diligence conducted prior to an acquisition would uncover situations that could result in financial or legal exposure, including under the FCPA, or that we will appropriately quantify the exposure from known risks;

- any disposition would not result in decreased earnings, revenue, or cash flow;

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PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Halliburton Company's common stock is traded on the New York Stock Exchange under the symbol "HAL." Information related to dividend payments is included in "Item 8. Financial Statements and Supplementary Data." The declaration and payment of future dividends will be at the discretion of the Board of Directors and will depend on, among other things, future earnings, general financial condition and liquidity, success in business activities, capital requirements, and general business conditions.

The following graph and table compare total shareholder return on our common stock for the five-year period ended December 31, 2023, with the Philadelphia Oil Service Index (OSX) and the Standard & Poor's 500® Index over the same period. This comparison assumes the investment of \$100 on December 31, 2018 and the reinvestment of all dividends. The shareholder return set forth is not necessarily indicative of future performance. The following graph and related information shall not be deemed "soliciting material" or to be "filed" with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that Halliburton specifically incorporates it by reference into such filing.

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	December 31					
	2018	2019	2020	2021	2022	2023
Halliburton	\$ 100.00	\$ 95.05	\$ 74.91	\$ 91.38	\$ 159.46	\$ 149.16
Philadelphia Oil Service Index (OSX)	100.00	99.45	57.61	69.55	112.32	114.47
Standard & Poor's 500® Index	100.00	131.49	155.68	200.37	164.08	207.21

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At January 30, 2024, we had 9,706 shareholders of record. In calculating the number of shareholders, we consider clearing agencies and security position listings as one shareholder for each agency or listing.

The following table is a summary of repurchases of our common stock during the three-month period ended December 31, 2023.

Period	Total Number of Shares Purchased (a)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (b)	Maximum Number (or Approximate Dollar Value) of Shares that may yet be Purchased Under the Program (b)
October 1 - 31	1,474,942	\$40.61	1,431,000	\$4,241,905,197
November 1 - 30	2,807,954	\$38.30	2,783,140	\$4,135,330,879
December 1 - 31	2,511,044	\$36.00	2,374,358	\$4,050,012,812
Total	6,793,940	\$37.96	6,588,498	
(a)	Of the 6,793,940 shares purchased during the three-month period ended December 31, 2023, 205,442 were acquired from employees in connection with the settlement of income tax and related benefit withholding obligations arising from vesting in restricted stock grants. These shares were not part of a publicly announced program to purchase common stock.			
(b)	Our Board of Directors has authorized a plan to repurchase a specified dollar amount of our common stock from time to time. Approximately \$4.1 billion remained authorized for repurchases as of December 31, 2023. From the inception of this program in February 2006 through December 31, 2023, we repurchased approximately 253 million shares of our common stock for a total cost of approximately \$10.1 billion.			

Item 6. (Reserved)

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) should be read in conjunction with the consolidated and combined financial statements included in "Item 8. Financial Statements and Supplementary Data" contained herein.

EXECUTIVE OVERVIEW***Market conditions***

Since early 2020, world-wide oil and natural gas supply and demand imbalances and related volatility of oil and natural gas prices (including as a result of the COVID-19 pandemic) have resulted in dramatic fluctuations in oil and natural gas markets. The volatility continued in 2023 as markets were impacted by central bank rate hikes, macroeconomic uncertainty, non-OPEC supply growth, and renewed geopolitical unrest in the Middle East. In the U.S., oil and natural gas production in 2023 remained elevated, despite a generally declining rig count, as a result of the industry's focus on efficiencies, higher service intensity, and high-quality acreage. Lower commodity pricing and U.S. land rig counts generally contributed to softness in the market for energy products and services in North America, particularly in natural gas basins during the second half of 2023. Conversely, the international rig count showed steady growth in 2023 largely driven by national oil companies (NOCs) in the Middle East/Asia and Africa.

Globally, we continue to be impacted by increased supply chain lead times for the supply of select raw materials. We monitor market trends and work to mitigate cost impacts through economies of scale in global procurement, technology modifications, and efficient sourcing practices. Also, while we have been impacted by inflationary cost increases, primarily related to chemicals, cement, and logistics costs, we generally try to pass much of those increases on to our customers and we believe we have effective solutions to minimize their operational impact.

Financial results

The following graph illustrates our revenue and operating margins for each operating segment over the past three years.

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During 2023, we generated total company revenue of \$23.0 billion, a 13% increase from the \$20.3 billion of revenue generated in 2022, with our Completion and Production (C&P) segment revenue increasing by 18% and our Drilling and Evaluation (D&E) segment revenue increasing by 7%. We reported total company operating income of approximately \$4.1 billion in 2023, compared to operating income of \$2.7 billion in 2022. These increases were driven by increased demand for our products and services in all four of our geographic regions.

Our North America revenue increased 9% in 2023 compared to 2022, despite a 4% decrease in average rig count from 2022, resulting from higher pressure pumping and artificial lift activity in North America land, increased completion tool sales in the Gulf of Mexico, and improved fluid and wireline services across the region.

Internationally, revenue improved 17% in 2023 compared to 2022, primarily driven by higher activity for drilling and completions related services in Latin America, Africa, and the Middle East/Asia, which was partially offset by our exit from Russia in the third quarter of 2022. The international average rig count for 2023 increased 11% compared to 2022.

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Our operating performance and liquidity are described in more detail in “Liquidity and Capital Resources” and “Business Environment and Results of Operations.”

Sustainability and Energy Mix Transition

In the first quarter of 2021, we announced our target to achieve a 40% reduction in our Scope 1 and 2 emissions by 2035 from the 2018 baseline. During 2023, we continued to execute on priorities we set up to help us progress toward our 2035 emissions reduction target. As our customers have begun to invest more in emissions reduction, we have developed or are developing solutions intended to reduce our own carbon footprint while advancing our customers’ decarbonization efforts. As the energy mix transition unfolds, we seek to apply our expertise and products and services across different parts of the energy value chain. We have also applied our experience and resources in sectors adjacent to our traditional oilfield services space, including carbon capture, utilization, and storage, hydrogen, and geothermal. Finally, we will continue to focus on accelerating the success of clean tech start-ups via Halliburton Labs. As of December 31, 2023, Halliburton Labs had 32 participating companies and alumni. Halliburton Labs allows us to participate in the energy mix transition at relatively low risk by investing our expertise, resources, and team without a significant outlay of capital.

Our sustainability efforts were recognized in 2023 as we were named to the Dow Jones Sustainability North America Index for the third consecutive year. The DJSI assesses the sustainability performances of companies using a transparent, rules-based process based on the annual S&P Global Corporate Sustainability Assessment (CSA), among its industry peers.

Additionally, we published our 2022 Annual and Sustainability Report (ASR) in April of 2023, which details our strategy and progress on sustainability issues, as well as our efforts on increased environmental reporting transparency, including conducting a climate-risk scenario analysis. Information on our website, including the ASR, is not incorporated by reference into this Annual Report on Form 10-K.

LIQUIDITY AND CAPITAL RESOURCES

We had \$2.3 billion of cash and equivalents as of December 31, 2023 and December 31, 2022, respectively.

Significant sources and uses of cash in 2023

Sources of cash:

- Cash flows from operating activities were \$3.5 billion. Working capital, which consists of receivables, inventories, and accounts payable, collectively had a negative impact of \$511 million, primarily due to increased receivables and inventory.

Uses of cash:

- Capital expenditures were \$1.4 billion.
- We repurchased 22.7 million shares of our common stock for \$800 million.
- We paid \$576 million of dividends to our shareholders.
- We repurchased \$300 million aggregate principal amounts of various series of our outstanding debt.

Future sources and uses of cash

We manufacture most of our own equipment, which provides us with some flexibility to increase or decrease our capital expenditures based on market conditions. We currently expect capital spending for 2024 to be approximately 6% of revenue. We believe this level of spend will allow us to invest in our key strategic technologies, including the construction and deployment of our Zeus electric fracturing systems in North America, our iStar Intelligent Drilling and Logging Platform, and our iCruise Intelligent Rotary Steerable System. We will continue to maintain capital discipline and monitor the rapidly changing market dynamics, and we may adjust our capital spend accordingly.

In 2024, we expect to pay approximately \$518 million for contractual purchase obligations (with another \$211 million due through 2026), \$397 million of interest on debt, and \$391 million under our leasing arrangements. Payments for interest on our debt arrangements are expected to remain relatively flat for the foreseeable future. See Note 6 and Note 10 to the consolidated financial statements for additional information on expected future payments under our leasing arrangements and debt maturities.

We are not able to reasonably estimate the timing of cash outflows associated with our uncertain tax positions, in part because we are unable to predict the timing of potential tax settlements with applicable taxing authorities. As of December 31, 2023, we had \$268 million of gross unrecognized tax benefits, excluding penalties and interest, of which we estimate \$235 million may require us to make a cash payment. We estimate that approximately \$158 million of the cash payment will not be settled within the next 12 months.

While we maintain focus on liquidity and debt reduction, we are also focused on providing cash returns to our shareholders. In January of 2023, our Board approved a capital return framework with a goal of returning at least 50% of our annual free cash flow to shareholders through dividends and share repurchases. We returned \$1.4 billion of capital to shareholders in 2023 through buybacks and dividends. During 2023, our quarterly dividend rate was \$0.16 per common share, or approximately \$144 million in the aggregate. In January 2024, we announced that our Board of Directors declared a dividend of \$0.17 per common share for the first quarter of 2024, or approximately \$152 million in the aggregate.

We may utilize share repurchases as part of our capital return framework. Our Board of Directors has authorized a program to repurchase our common stock from time to time. We repurchased 22.7 million shares of common stock during the year ended December 31, 2023. Approximately \$4.1 billion remained authorized for repurchases under our program as of December 31, 2023 and may be used for open market and other share purchases.

During the second quarter of 2023, we began our migration to SAP S4 which we expect to complete by the end of 2025. The migration is estimated to cost approximately \$250 million, of which we have incurred \$51 million through December 31, 2023. For 2024, we expect to spend approximately \$120 million. We believe the new system will enhance visibility to our operations and provide important efficiency benefits, cost savings, and advanced analytics that will benefit us and our customers.

We do not intend to incur additional debt in 2024, as we believe our cash on hand and earnings from operations are sufficient to cover our obligations for the year.

Other factors affecting liquidity

Financial position in current market. As of December 31, 2023, we had \$2.3 billion of cash and equivalents and \$3.5 billion of available committed bank credit under a revolving credit facility with an expiration date of April 27, 2027. We believe we have a manageable debt maturity profile, with approximately \$472 million coming due beginning in 2025 through 2027. Furthermore, we have no financial covenants or material adverse change provisions in our bank agreements, and our debt maturities extend over a long period of time. We believe our cash on hand, cash flows generated from operations, and our available credit facility provide sufficient liquidity to address the challenges and opportunities of the current market and our expected global cash needs for 2024, including capital expenditures, working capital investments, shareholder returns, if any, and debt repurchases, if any, and scheduled interest and principal payments.

Guarantee agreements. In the normal course of business, we have agreements with financial institutions under which approximately \$2.6 billion letters of credit, bank guarantees, or surety bonds were outstanding as of December 31, 2023. Some of the outstanding letters of credit have triggering events that would entitle a bank to require cash collateralization, however, none of these triggering events have occurred. As of December 31, 2023, we had no material off-balance sheet liabilities and were not required to make any material cash distributions to our unconsolidated subsidiaries.

During the fourth quarter of 2023, we entered into a credit default swap (“CDS”) with a third-party financial institution. The notional amount of the CDS, which was \$300 million at the end of January 2024, will reduce on a monthly basis over its 26-month term. The CDS relates to a borrowing provided by the financial institution to one of our primary customers in Mexico, a portion of the proceeds of which was utilized by this customer to pay certain of our outstanding receivables.

Credit ratings. Our credit ratings with Standard & Poor’s (S&P) remained BBB+ for our long-term debt and A-2 for our short-term debt, with an upgrade to positive outlook from stable outlook in November 2023. During the third quarter of 2023, our long-term debt rating with Moody's Investors Service (Moody's) was upgraded to A3 from Baa1 and the short-term debt rating remained P-2, with a stable outlook. As of the end of the year our long-term debt rating with Moody's remained A3 and short-term debt rating remained P-2, with a stable outlook.

Customer receivables. In line with industry practice, we bill our customers for our services in arrears and are, therefore, subject to our customers delaying or failing to pay our invoices. In weak economic environments, we may experience increased delays and failures to pay our invoices due to, among other reasons, a reduction in our customers’ cash flow from operations and their access to the credit markets, as well as unsettled political conditions.

Receivables from our primary customer in Mexico accounted for approximately 6% of our total receivables as of December 31, 2023. While we have experienced payment delays from our primary customer in Mexico, these amounts are not in dispute and we have not historically had, and we do not expect to have, any material write-offs due to collectability of receivables from this customer.

BUSINESS ENVIRONMENT AND RESULTS OF OPERATIONS

We operate in more than 70 countries throughout the world to provide a comprehensive range of services and products to the energy industry. Our revenue is generated from the sale of services and products to major, national, and independent oil and natural gas companies worldwide. The industry we serve is highly competitive with many substantial competitors in each segment of our business. In 2023, 2022, and 2021, based on the location of services provided and products sold, 44%, 45%, and 40%, respectively, of our consolidated revenue was from the United States. No other country accounted for more than 10% of our revenue.

Activity within our business segments is significantly impacted by spending on upstream exploration, development, and production programs by our customers. Also impacting our activity is the status of the global economy, which impacts oil and natural gas consumption.

Some of the more significant determinants of current and future spending levels of our customers are oil and natural gas prices and our customers' expectations about future prices, global oil supply and demand, completions intensity, the world economy, the availability of capital, government regulation, and global stability, which together drive worldwide drilling and completions activity. Lower oil and natural gas prices usually translate into lower exploration and production budgets and lower rig count, while the opposite is usually true for higher oil and natural gas prices. Our financial performance is therefore significantly affected by oil and natural gas prices and worldwide rig activity, which are summarized in the tables below.

The table below shows the average prices for West Texas Intermediate (WTI) crude oil, United Kingdom Brent crude oil, and Henry Hub natural gas.

	2023	2022	2021
Oil price - WTI ⁽¹⁾	\$ 77.64	\$ 96.04	\$ 67.99
Oil price - Brent ⁽¹⁾	82.47	100.78	70.68
Natural gas price - Henry Hub ⁽²⁾	2.54	6.29	3.91
(1)	Oil price measured in dollars per barrel.		
(2)	Natural gas price measured in dollars per million British thermal units (Btu), or MMBtu.		

The historical average rig counts based on the weekly Baker Hughes rig count data were as follows:

	2023	2022	2021
U.S. Land	669	708	465
U.S. Offshore	18	15	15
Canada	177	175	132
North America	864	898	612
International	948	851	755
Worldwide total	1,812	1,749	1,367

Business outlook

Looking ahead, we expect oil and natural gas demand to continue to grow over the next several years as easing inflationary pressures across the Organization for Economic Co-operation and Development (OECD) countries increase the likelihood for central bank rate cuts, abating fears of a macroeconomic slowdown. We believe long-term expansion of the global economy will continue to increase demands on all forms of energy. We expect oil and natural gas remains a critical component of the global energy mix. The International Energy Agency's December 2023 "Oil Market Report" forecasts 2024 global oil demand to reach 102.7 million barrels per day, an increase of 1% from 2023.

We believe that oil demand growth will be driven by resilient global economic growth and increases in transportation activity. In addition, we think oil supply dynamics have fundamentally changed due to, among other things, investor return requirements, and regulatory initiatives adverse to oil and natural gas exploration and production and that promote alternative energy, any of which could limit supply growth. We believe that despite the changes in oil supply dynamics, increased investment in existing and new sources of production is the only solution to increase supply and that production will be needed from conventional and unconventional, deep-water and shallow-water, and short and long-cycle projects. We expect that increased production requirements will in turn create demand for our products and services.

Internationally, we expect oil and natural gas exploration and production activity to grow during 2024. Although we anticipate regional differences in growth rates for 2024, we believe the Middle East/Asia regions will likely experience the greatest increases in activity, with other regions closely behind. We expect growth in both onshore and offshore markets, as well as services related to carbon capture, utilization, and storage. The “Short Term Energy Outlook” published by the United States Energy Information Administration (EIA) predicts that U.S. oil production will average 13.1 million barrels per day in 2024, an increase of 1% as compared to 2023. As a result, we expect stable exploration and production activity levels in the U.S.

RESULTS OF OPERATIONS IN 2023 COMPARED TO 2022

<i>Millions of dollars</i>	2023	2022	Favorable (Unfavorable)	Percentage Change
Revenue:				
<i>By operating segment:</i>				
Completion and Production	\$ 13,689	\$ 11,582	\$ 2,107	18 %
Drilling and Evaluation	9,329	8,715	614	7
Total revenue	\$ 23,018	\$ 20,297	\$ 2,721	13 %
<i>By geographic region:</i>				
North America	\$ 10,492	\$ 9,597	\$ 895	9 %
Latin America	3,987	3,197	790	25
Europe/Africa/CIS	2,861	2,691	170	6
Middle East/Asia	5,678	4,812	866	18
Total revenue	\$ 23,018	\$ 20,297	\$ 2,721	13 %

Operating income:				
<i>By operating segment:</i>				
Completion and Production	\$ 2,835	\$ 2,037	\$ 798	39 %
Drilling and Evaluation	1,543	1,292	251	19
Total operations	4,378	3,329	1,049	32
Corporate and other	(244)	(256)	12	5
SAP S4 upgrade expense	(51)	—	(51)	n/m
Impairments and other charges	—	(366)	366	n/m
Total operating income	\$ 4,083	\$ 2,707	\$ 1,376	51 %
n/m = not meaningful				

Operating Segments

Completion and Production

Completion and Production revenue was \$13.7 billion in 2023, an increase of \$2.1 billion, or 18%, compared to 2022. Operating income was \$2.8 billion in 2023, a 39% increase from \$2.0 billion in 2022. These results were primarily driven by higher pressure pumping activity in North America land, as well as improved completion tool sales globally. Partially offsetting these increases was decreased activity in Russia due to our exit from the country.

Drilling and Evaluation

Drilling and Evaluation revenue was \$9.3 billion in 2023, an increase of \$614 million, or 7%, from 2022. Operating income was \$1.5 billion in 2023, an increase of \$251 million, or 19%, compared to 2022. These results were primarily attributable to increased fluid services and drilling activity globally and higher wireline activity in the Western Hemisphere, Africa, and the Middle East/Asia. Partially offsetting these increases were decreased activity in Russia due to our exit from the country and lower project management activity in Saudi Arabia.

Geographic Regions

North America

North America revenue was \$10.5 billion in 2023, a 9% increase compared to 2022, resulting from improved pressure pumping and artificial lift activity in North America land, increased fluid and wireline services across the region, and higher completion tool sales in the Gulf of Mexico. Partially offsetting these increases were lower drilling-related activity and decreased well intervention services in North America land.

Latin America

Latin America revenue was \$4.0 billion in 2023, a 25% increase compared to 2022, resulting from improvements across multiple product service lines in Brazil, Mexico, and Argentina. Partly offsetting these increases was lower project management activity in the Caribbean, Ecuador, and Colombia.

Europe/Africa/CIS

Europe/Africa/CIS revenue was \$2.9 billion in 2023, a 6% increase compared to 2022, resulting from increased activity across multiple product service lines in Africa and higher drilling-related services in Norway. Partially offsetting these increases were the sale of our Russian operations during the third quarter of 2022, as well as decreased wireline activity, lower completion tool sales and decreased testing services in Norway, and lower drilling-related activity and decreased testing services in Algeria.

Middle East/Asia

Middle East/Asia revenue was \$5.7 billion in 2023, an 18% increase compared to 2022, resulting from increased activity across multiple product service lines in Saudi Arabia, the United Arab Emirates, Qatar, Indonesia, and Malaysia, and higher drilling services and improved wireline activity in Thailand. Partially offsetting these improvements were lower project management activity in Saudi Arabia and lower stimulation activity and decreased well intervention services in Kuwait.

Other Operating Items

Impairments and other charges. During 2023, there were no amounts recorded in impairment and other charges. During 2022, we recognized \$366 million of charges, primarily related to a \$344 million write down of all our net assets in Russia as a result of our decision to sell our Russia operations due to the sanctions enacted against Russia arising from the conflict in Ukraine. See Note 2 to the consolidated financial statements for further discussion on these charges.

SAP S4 Upgrade Expense. As previously mentioned, in the second quarter of 2023 we began our migration to SAP S4, which we expect to complete by the end of 2025. In 2023, we recognized \$51 million of expense on our SAP S4 migration.

Nonoperating Items

Argentina Blue Chip Swap. The Central Bank of Argentina maintains currency controls that limit our ability to access U.S. dollars in Argentina and remit cash from our Argentine operations. The execution of certain trades known as Blue Chip Swaps, effectively results in a parallel U.S. dollar exchange rate. This parallel rate, which cannot be used as the basis to remeasure our net monetary assets in U.S. dollars under U.S. GAAP, was 20% higher than Argentina's official exchange rate at December 31, 2023. For the year ended December 31, 2023, we entered into Blue Chip Swap transactions, which resulted in a \$110 million pre-tax loss on investment.

Argentina Currency Impact. Argentina devalued its peso by more than 50% during December 2023. Consequently, we incurred a loss of \$131 million for the year ended December 31, 2023 due to the devaluation of the currency in Argentina.

Loss on early extinguishment of debt. During the year ended December 31, 2022, we recorded a \$42 million loss on the early redemption of \$600 million aggregate principal amount of our 3.8% senior notes due November 2025, which included premiums and unamortized expenses. See Note 10 to the consolidated financial statements for further information.

Income tax provision. During the year ended December 31, 2023, we recorded a total income tax provision of \$701 million on pre-tax income of \$3.4 billion, resulting in an effective tax rate of 20.8%. The effective tax rate for 2023 was primarily impacted by our geographic mix of earnings, tax adjustments related to the reassessment of prior year tax accruals, and changes of valuation allowance on some of our deferred tax assets. During 2022, we recorded a total income tax provision of \$515 million on pre-tax income of \$2.1 billion, resulting in an effective tax rate of 24.4%. See Note 12 to the consolidated financial statements for significant drivers of these tax provisions.

Pillar Two. The OECD recently enacted model rules for a new global minimum tax framework, also known as Pillar Two, and certain governments globally have enacted, or are in the process of enacting, legislation considering these model rules. We have considered the possible implication of the legislation passed or in consideration of being passed, and we do not believe these rules will have a material impact on our taxes in the near future.

Internal Revenue Service Notice of Proposed Adjustment. We are subject to taxes in the United States and in numerous jurisdictions where we operate or where our subsidiaries are organized. Our tax returns are routinely subject to examination by the taxing authorities in the jurisdictions where we file tax returns. In most cases we are no longer subject to examination by tax authorities for years before 2012. The only significant operating jurisdiction that has tax filings under review or subject to examination by the tax authorities is the United States. Our United States federal income tax filings for tax years 2016 through 2022, including carry back of 2016 net operating losses to 2014, are currently under review or remain open for review by the Internal Revenue Service (the IRS).

On September 28, 2023, we received a Notice of Proposed Adjustment (NOPA) from the IRS covering our 2016 US tax return. The NOPA proposed an adjustment to reclassify approximately 95% of the \$3.5 billion termination fee paid to Baker Hughes in 2016 from an ordinary expense deduction to a capital loss. The termination fee was paid to Baker Hughes under the merger agreement after antitrust regulators in multiple jurisdictions failed to approve our proposed merger. It is common commercial practice to include a termination fee in a merger agreement to compensate the target for damages incurred when the acquisition does not go forward. The IRS's long-understood position at the time of the payment had been to treat such payments as an ordinary and necessary business expense. We strongly disagree with the proposed adjustment on both a factual and legal basis, and we plan to vigorously contest it.

We expect that resolving this dispute will take substantial time. In December 2023, we initiated the IRS administrative appeals process, which may take more than 12 months to complete. Failing a resolution through that process, the matter would ultimately be resolved by the United States federal courts.

We regularly assess the likelihood of adverse outcomes resulting from tax examinations to determine the adequacy of our tax reserves, and we believe our income tax reserves are appropriately provided for all open tax years. We cannot assure you that the matter will be determined in our favor or against us, and if the matter is ultimately determined unfavorably to us, it could have a material adverse impact on our results of operations and cash flows. Based on tax attributes currently available, we estimate that, should the IRS's position prevail through its appellate process and subsequent litigation, the proposed adjustment could result in cash taxes due of approximately \$650 million (plus interest thereon in the case of amounts due for previous tax years). Our estimates are calculated under current tax law and on the bases of our assumptions regarding taxable income and loss and other tax attributes over the relevant period, which law could change and which assumptions could and likely will differ materially from actual results. In any event, no payment of any additional tax is currently required, nor do we anticipate that the proposed adjustment would materially and adversely impact our ability to meet our expected uses of cash, including future capital expenditures, working capital investments, and scheduled debt repayments, or our ability to return cash to shareholders, even if a final determination of the matter is reached that is adverse to us.

Table of Contents	Item 7 Results of Operations in 2022 Compared to 2021
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RESULTS OF OPERATIONS IN 2022 COMPARED TO 2021

Information related to the comparison of our operating results between the years 2022 and 2021 is included in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" of our [2022 Form 10-K](#) filed with the SEC and is incorporated by reference into this annual report on Form 10-K.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements requires the use of judgments and estimates. Our critical accounting policies are described below to provide a better understanding of how we develop our assumptions and judgments about future events and related estimates and how they can impact our financial statements. A critical accounting estimate is one that requires our most difficult, subjective, or complex judgments and assessments and is fundamental to our results of operations. We identified our most critical accounting estimates to be:

- forecasting our income tax (provision) benefit, including our future ability to utilize foreign tax credits and the realizability of deferred tax assets (including net operating loss carryforwards), and providing for uncertain tax positions;
- legal and investigation matters;
- valuations of long-lived assets, including intangible assets and goodwill; and
- allowance for credit losses.

We base our estimates on historical experience and on various other assumptions we believe to be reasonable according to the current facts and circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. We believe the following are the critical accounting policies used in the preparation of our consolidated financial statements, as well as the significant estimates and judgments affecting the application of these policies. This discussion and analysis should be read in conjunction with our consolidated financial statements and related notes included in this report.

Income tax accounting

We recognize the amount of taxes payable or refundable for the current year and use an asset and liability approach in recognizing the amount of deferred tax liabilities and assets for the future tax consequences of events that have been recognized in our financial statements or tax returns. We apply the following basic principles in accounting for our income taxes:

- a current tax liability or asset is recognized for the estimated taxes payable or refundable on tax returns for the current year;
- a deferred tax liability or asset is recognized for the estimated future tax effects attributable to temporary differences and carryforwards;
- the measurement of current and deferred tax liabilities and assets is based on provisions of the enacted tax law, and the effects of potential future changes in tax laws or rates are not considered; and
- the value of deferred tax assets is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realized.

We determine deferred taxes separately for each tax-paying component (an entity or a group of entities that is consolidated for tax purposes) in each tax jurisdiction. That determination includes the following procedures:

- identifying the types and amounts of existing temporary differences;
- measuring the total deferred tax liability for taxable temporary differences using the applicable tax rate;
- measuring the total deferred tax asset for deductible temporary differences and operating loss carryforwards using the applicable tax rate;
- measuring the deferred tax assets for each type of tax credit carryforward; and
- reducing the deferred tax assets by a valuation allowance if, based on available evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Our methodology for recording income taxes requires a significant amount of judgment and the use of assumptions and estimates. Additionally, we use forecasts of certain tax elements, such as taxable income and foreign tax credit utilization, as well as evaluate the feasibility of implementing tax planning strategies. Given the inherent uncertainty involved with the use of such variables, there can be significant variation between anticipated and actual results that could have a material impact on our income tax accounts related to continuing operations.

We have operations in more than 70 countries. Consequently, we are subject to the jurisdiction of a significant number of taxing authorities. The income earned in these various jurisdictions is taxed on differing bases, including net income actually earned, net income deemed earned, and revenue-based tax withholding. Our tax filings are routinely examined in the normal course of business by tax authorities. The final determination of our income tax liabilities involves the interpretation of local tax laws, tax treaties and related authorities in each jurisdiction, as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved, the timing and nature of income earned and expenditures incurred. The final determination of tax audits or changes in the operating environment, including changes in tax law and currency/repatriation controls, could impact the determination of our income tax liabilities for a tax year and have an adverse effect on our financial statements. For example, we received a NOPA from the IRS on September 28, 2023. See "Managements's Discussion and Analysis of Financial Condition and Results of Operations - Nonoperating Items, Internal Revenue Service Notice of Proposed Adjustment" and Note 12 to the consolidated financial statements for further information.

Tax filings of our subsidiaries, unconsolidated affiliates and related entities are routinely examined in the normal course of business by tax authorities. These examinations may result in assessments of additional taxes, which we work to resolve with the tax authorities and through the judicial process. Predicting the outcome of disputed assessments involves some uncertainty. Factors such as the availability of settlement procedures, willingness of tax authorities to negotiate, and the operation and impartiality of judicial systems vary across the different tax jurisdictions and may significantly influence the ultimate outcome. We review the facts for each assessment, and then utilize assumptions and estimates to determine the most likely outcome and provide taxes, interest, and penalties, as needed based on this outcome. We provide for uncertain tax positions pursuant to current accounting standards, which prescribe a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required to meet before being recognized in the financial statements. The standards also provide guidance for derecognition classification, interest and penalties, accounting in interim periods, disclosure, and transition.

Legal and investigation matters

As discussed in Note 11 of our consolidated financial statements, we are subject to various legal and investigation matters arising in the ordinary course of business. As of December 31, 2023, we have accrued an estimate of the probable and estimable costs for the resolution of some of our legal and investigation matters, which is not material to our consolidated financial statements. For other matters for which the liability is not probable and reasonably estimable, we have not accrued any amounts. Attorneys in our legal department monitor and manage all claims filed against us and review all pending investigations. Generally, the estimate of probable costs related to these matters is developed in consultation with internal and outside legal counsel representing us. Our estimates are based upon an analysis of potential results, assuming a combination of litigation and settlement strategies. The accuracy of these estimates is impacted by, among other things, the complexity of the issues and the amount of due diligence we have been able to perform. We attempt to resolve these matters through settlements, mediation, and arbitration proceedings when possible. If the actual settlement costs, final judgments, or fines, after appeals, differ from our estimates, there may be a material adverse effect on our future financial results. We have in the past recorded significant adjustments to our initial estimates of these types of contingencies.

Value of long-lived assets, including intangible assets and goodwill

We carry a variety of long-lived assets on our balance sheet including property, plant, and equipment, goodwill, and other intangibles. Impairment is the condition that exists when the carrying amount of a long-lived asset exceeds its fair value, and any impairment charge that we record reduces our operating income. Goodwill is the excess of the cost of an acquired entity over the net of the amounts assigned to assets acquired and liabilities assumed. We conduct impairment tests on goodwill annually, during the third quarter, or more frequently whenever events or changes in circumstances indicate an impairment may exist. We conduct impairment tests on long-lived assets, other than goodwill, whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

When conducting an impairment test on long-lived assets, other than goodwill, we first group individual assets based on the lowest level for which identifiable cash flows are largely independent of the cash flows from other assets. This requires some judgment. We then compare estimated future undiscounted cash flows expected to result from the use and eventual disposition of the asset group to its carrying amount. If the undiscounted cash flows are less than the asset group's carrying amount, we then determine the asset group's fair value by using a discounted cash flow analysis. This analysis is based on estimates such as management's short-term and long-term forecast of operating performance, including revenue growth rates and expected profitability margins, estimates of the remaining useful life and service potential of the assets within the asset group, and a discount rate based on our weighted average cost of capital. An impairment loss is measured and recorded as the amount by which the asset group's carrying amount exceeds its fair value. See Note 2 to the consolidated financial statements for further discussion of impairments and other charges.

We perform our goodwill impairment assessment for each reporting unit, which is the same as our reportable segments, the Completion and Production division and the Drilling and Evaluation division, comparing the estimated fair value of each reporting unit to the reporting unit's carrying value, including goodwill. We estimate the fair value for each reporting unit using a discounted cash flow analysis based on management's short-term and long-term forecast of operating performance. This analysis includes significant assumptions regarding discount rates, revenue growth rates, expected profitability margins, forecasted capital expenditures, and the timing of expected future cash flows based on market conditions. If the estimated fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is not considered impaired. If the carrying amount of a reporting unit exceeds its estimated fair value, an impairment loss is measured and recorded.

The impairment assessments discussed above incorporate inherent uncertainties, including projected commodity pricing, supply and demand for our services, and future market conditions, which are difficult to predict in volatile economic environments and could result in impairment charges in future periods if actual results materially differ from the estimated assumptions utilized in our forecasts. If market conditions deteriorate, including crude oil prices significantly declining and remaining at low levels for a sustained period of time, we could be required to record additional impairments of the carrying value of our long-lived assets in the future which could have a material adverse impact on our operating results. See Note 1 to the consolidated financial statements for our accounting policies related to long-lived assets.

Allowance for credit losses

We evaluate our global accounts receivable through a continuous process of assessing our portfolio on an individual customer and overall basis. This process consists of a thorough review of historical collection experience, current aging status of the customer accounts, financial condition of our customers, and whether the receivables involve retainages. We also consider the economic environment of our customers, both from a marketplace and geographic perspective, in evaluating the need for an allowance. Based on our review of these factors, we establish or adjust allowances for specific customers. This process involves judgment and estimation, and frequently involves significant dollar amounts. Accordingly, our results of operations can be affected by adjustments to the allowance due to actual write-offs that differ from estimated amounts.

At December 31, 2023, our allowance for credit losses totaled \$742 million, or 13.9% of notes and accounts receivable before the allowance. At December 31, 2022, our allowance for credit losses totaled \$731 million, or 14.7% of notes and accounts receivable before the allowance. The allowance for credit losses in both years is primarily comprised of accounts receivable from our primary customer in Venezuela. A hypothetical 100 basis point change in our estimate of the collectability of our notes and accounts receivable balance as of December 31, 2023 would have resulted in a \$54 million adjustment to 2023 total operating costs and expenses. See Note 5 to the consolidated financial statements for further information.

FINANCIAL INSTRUMENT MARKET RISK

We are exposed to market risk from changes in foreign currency exchange rates and interest rates. We selectively manage these exposures through the use of derivative instruments, including forward foreign exchange contracts, foreign exchange options, and interest rate swaps. The objective of our risk management strategy is to minimize the volatility from fluctuations in foreign currency and interest rates. We do not use derivative instruments for trading purposes. The counterparties to our forward contracts, options, and interest rate swaps are global commercial and investment banks.

We use a sensitivity analysis model to measure the impact of potential adverse movements in foreign currency exchange rates and interest rates. With respect to foreign exchange sensitivity, after consideration of the impact from our forward foreign exchange contracts and options, a hypothetical 10% adverse change in the value of all our foreign currency positions relative to the United States dollar as of December 31, 2023 would result in a \$85 million, pre-tax loss for our net monetary assets denominated in currencies other than United States dollars. As of December 31, 2023, we did not have any interest rate swaps outstanding and our outstanding debt has fixed interest rates.

There are certain limitations inherent in the sensitivity analysis presented, primarily due to the assumption that exchange rates and interest rates change instantaneously in an equally adverse fashion. In addition, the analyses are unable to reflect the complex market reactions that normally would arise from the market shifts modeled. While this is our best estimate of the impact of the various scenarios, these estimates should not be viewed as forecasts.

For further information regarding foreign currency exchange risk, interest rate risk, and credit risk, see Note 16 to the consolidated financial statements.

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ENVIRONMENTAL MATTERS

We are subject to numerous environmental, legal, and regulatory requirements related to our operations worldwide. For information related to environmental matters, see Note 11 to the consolidated financial statements and "Part I, Item 1(a). "Risk Factors."

FORWARD-LOOKING INFORMATION

The Private Securities Litigation Reform Act of 1995 provides safe harbor provisions for forward-looking information. Forward-looking information is based on projections and estimates, not historical information. Some statements in this Form 10-K are forward-looking and use words like "may," "may not," "believe," "do not believe," "plan," "estimate," "intend," "expect," "do not expect," "anticipate," "do not anticipate," "should," "likely," and other expressions. We may also provide oral or written forward-looking information in our statements and other materials we release to the public. Forward-looking information involves risk and uncertainties and reflects our best judgment based on current information. Our results of operations can be affected by inaccurate assumptions we make or by known or unknown risks and uncertainties. In addition, other factors may affect the accuracy of our forward-looking information. As a result, no forward-looking information can be guaranteed. Actual events and the results of our operations may vary materially.

We do not assume any responsibility to publicly update any of our forward-looking statements regardless of whether factors change as a result of new information, future events or for any other reason. You should review any additional disclosures we make in our press releases and Forms 10-K, 10-Q, and 8-K filed with or furnished to the SEC. We also suggest that you listen to our quarterly earnings release conference calls with financial analysts.

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Item 7(a). Quantitative and Qualitative Disclosures About Market Risk.

Information related to market risk is included in "Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations – Financial Instrument Market Risk” and Note 16 to the consolidated financial statements.

Item 8. Financial Statements and Supplementary Data.

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The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the critical audit matter. This included controls related to the development of forecasts of future taxable income. We evaluated the assumptions used in the development of forecasts of future taxable income, specifically revenue growth rates, by comparing to historical actuals while considering current and anticipated future commodity prices or market events. We also evaluated the Company’s history of realizing domestic deferred tax assets by evaluating the expiration of foreign tax credits.

/s/ KPMG LLP

We have served as the Company’s auditor since 2002.

Houston, Texas
February 6, 2024

HALLIBURTON COMPANY									
Consolidated Statements of Operations									
Year Ended December 31									
Millions of dollars and shares except per share data				2023		2022		2021	
Revenue:									
Services	\$	16,483		\$	14,749	\$	10,989		
Product sales		6,535			5,548		4,306		
Total revenue		23,018			20,297		15,295		
Operating costs and expenses:									
Cost of services		13,402			12,381		9,745		
Cost of sales		5,256			4,603		3,534		
General and administrative		226			240		204		
SAP S4 upgrade expense		51			—		—		
Impairments and other charges		—			366		12		
Total operating costs and expenses		18,935			17,590		13,495		
Operating income		4,083			2,707		1,800		
Interest expense, net of interest income of \$81, \$29, and \$9		(395)			(463)		(520)		
Loss on Blue Chip Swap transactions		(110)			—		—		
Argentina currency impact		(131)			(30)		6		
Loss on early extinguishment of debt		—			(42)		—		
Other, net		(84)			(62)		(34)		
Income before income taxes		3,363			2,110		1,252		
Income tax benefit (provision)		(701)			(515)		216		
Net income	\$	2,662		\$	1,595	\$	1,468		
Net income attributable to noncontrolling interest		(24)			(23)		(11)		
Net income attributable to company	\$	2,638		\$	1,572	\$	1,457		
Basic net income per share	\$	2.93		\$	1.74	\$	1.63		
Diluted net income per share	\$	2.92		\$	1.73	\$	1.63		
Basic weighted average common shares outstanding		899			904		892		
Diluted weighted average common shares outstanding		902			908		892		
See notes to consolidated financial statements.									

HALLIBURTON COMPANY
Consolidated Statements of Comprehensive Income

	Year Ended December 31		
<i>Millions of dollars</i>	2023	2022	2021
Net income	\$ 2,662	\$ 1,595	\$ 1,468
Other comprehensive income (loss), net of income taxes:			
Defined benefit and other post retirement plans adjustment	(106)	(54)	179
Other	5	7	—
Other comprehensive income (loss), net of income taxes	(101)	(47)	179
Comprehensive income	\$ 2,561	\$ 1,548	\$ 1,647
Comprehensive income attributable to noncontrolling interest	(24)	(23)	(11)
Comprehensive income attributable to company shareholders	\$ 2,537	\$ 1,525	\$ 1,636
See notes to consolidated financial statements.			

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HALLIBURTON COMPANY
Consolidated Balance Sheets

		December 31	
<i>Millions of dollars and shares except per share data</i>		2023	2022
Assets			
Current assets:			
Cash and equivalents	\$	2,264	\$ 2,346
Receivables (net of allowances for credit losses of \$742 and \$731)		4,860	4,627
Inventories		3,226	2,923
Other current assets		1,193	1,056
Total current assets		11,543	10,952
Property, plant, and equipment (net of accumulated depreciation of \$12,064 and \$11,660)		4,900	4,348
Goodwill		2,850	2,829
Deferred income taxes		2,505	2,636
Operating lease right-of-use assets		1,088	913
Other assets		1,797	1,577
Total assets	\$	24,683	\$ 23,255
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable	\$	3,147	\$ 3,121
Accrued employee compensation and benefits		689	634
Income taxes payable		390	294
Taxes other than income		370	349
Current portion of operating lease liabilities		262	224
Other current liabilities		750	723
Total current liabilities		5,608	5,345
Long-term debt		7,636	7,928
Operating lease liabilities		911	791
Employee compensation and benefits		408	408
Other liabilities		687	806
Total liabilities		15,250	15,278
Shareholders' equity:			
Common stock, par value \$2.50 per share (authorized 2,000 shares, issued 1,065 and 1,066 shares)		2,663	2,664
Paid-in capital in excess of par value		63	50
Accumulated other comprehensive loss		(331)	(230)
Retained earnings		12,536	10,572
Treasury stock, at cost (176 and 164 shares)		(5,540)	(5,108)
Company shareholders' equity		9,391	7,948
Noncontrolling interest in consolidated subsidiaries		42	29
Total shareholders' equity		9,433	7,977
Total liabilities and shareholders' equity	\$	24,683	\$ 23,255
See notes to consolidated financial statements.			

HALLIBURTON COMPANY
Consolidated Statements of Cash Flows

	Year Ended December 31					
	2023		2022		2021	
<i>Millions of dollars</i>						
Cash flows from operating activities:						
Net income	\$	2,662	\$	1,595	\$	1,468
Adjustments to reconcile net income to cash flows from operating activities:						
Depreciation, depletion, and amortization		998		940		904
Deferred income tax provision (benefit)		196		70		(486)
Impairments and other charges		—		366		12
Changes in assets and liabilities:						
Inventories		(303)		(642)		(10)
Receivables		(257)		(1,151)		(500)
Accounts payable		49		852		795
Other operating activities		113		212		(272)
Total cash flows provided by operating activities		3,458		2,242		1,911
Cash flows from investing activities:						
Capital expenditures		(1,379)		(1,011)		(799)
Purchases of investment securities		(492)		(75)		(5)
Proceeds from sales of property, plant, and equipment		195		200		257
Sales of investment securities		131		—		—
Proceeds from a structured real estate transaction		—		—		87
Other investing activities		(114)		(81)		(74)
Total cash flows used in investing activities		(1,659)		(967)		(534)
Cash flows from financing activities:						
Stock repurchase program		(800)		(250)		—
Dividends to shareholders		(576)		(435)		(161)
Payments on long-term borrowings		(305)		(1,242)		(700)
Proceeds from issuance of common stock		136		229		79
Other financing activities		(126)		(100)		(56)
Total cash flows used in financing activities		(1,671)		(1,798)		(838)
Effect of exchange rate changes on cash		(210)		(175)		(58)
Increase / (decrease) in cash and equivalents		(82)		(698)		481
Cash and equivalents at beginning of year		2,346		3,044		2,563
Cash and equivalents at end of year	\$	2,264	\$	2,346	\$	3,044
Supplemental disclosure of cash flow information:						
Cash payments during the period for:						
Interest	\$	460	\$	487	\$	517
Income taxes	\$	616	\$	354	\$	214
See notes to consolidated financial statements.						

HALLIBURTON COMPANY **Consolidated Statements of Shareholders' Equity**

	Company Shareholders' Equity													
<i>Millions of dollars</i>	Common Stock		Paid-in Capital in Excess of Par Value		Treasury Stock		Retained Earnings		Accumulated Other Comprehensive Income (Loss)		Noncontrolling Interest in Consolidated Subsidiaries		Total	
Balance at December 31, 2020	\$	2,666	\$	—	\$	(6,021)	\$	8,691	\$	(362)	\$	9	\$	4,983
Comprehensive income (loss):														
Net income		—		—		—		1,457		—		11		1,468
Other comprehensive income		—		—		—		—		179		—		179
Cash dividends (\$0.18 per share)		—		—		—		(161)		—		—		(161)
Stock plans		(1)		32		510		(277)		—		—		264
Other		—		—		—		—		—		(5)		(5)
Balance at December 31, 2021	\$	2,665	\$	32	\$	(5,511)	\$	9,710	\$	(183)	\$	15	\$	6,728
Comprehensive income (loss):														
Net income		—		—		—		1,572		—		23		1,595
Other comprehensive loss		—		—		—		—		(47)		—		(47)
Cash dividends (\$0.48 per share)		—		—		—		(435)		—		—		(435)
Stock plans		(1)		18		653		(275)		—		—		395
Stock repurchase program		—		—		(250)		—		—		—		(250)
Other		—		—		—		—		—		(9)		(9)
Balance at December 31, 2022	\$	2,664	\$	50	\$	(5,108)	\$	10,572	\$	(230)	\$	29	\$	7,977
Comprehensive income (loss):														
Net income		—		—		—		2,638		—		24		2,662
Other comprehensive loss		—		—		—		—		(101)		—		(101)
Cash dividends (\$0.64 per share)		—		—		—		(576)		—		—		(576)
Stock plans		(1)		13		368		(98)		—		—		282
Stock repurchase program		—		—		(800)		—		—		—		(800)
Other		—		—		—		—		—		(11)		(11)
Balance at December 31, 2023	\$	2,663	\$	63	\$	(5,540)	\$	12,536	\$	(331)	\$	42	\$	9,433
	See notes to consolidated financial statements.													

HALLIBURTON COMPANY

Notes to Consolidated Financial Statements

Note 1. Description of Company and Significant Accounting Policies

Description of Company

Halliburton Company is one of the world's largest providers of products and services to the energy industry. Its predecessor was established in 1919 and incorporated under the laws of the State of Delaware in 1924. We help our customers maximize asset value throughout the lifecycle of the reservoir - from locating hydrocarbons and managing geological data, to drilling and formation evaluation, well construction and completion, and optimizing production throughout the life of the asset. We serve major, national, and independent oil and natural gas companies throughout the world and operate under two divisions, which form the basis for the two operating segments we report, the Completion and Production segment and the Drilling and Evaluation segment.

Use of estimates

Our financial statements are prepared in conformity with United States generally accepted accounting principles, requiring us to make estimates and assumptions that affect:

- the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements; and
- the reported amounts of revenue and expenses during the reporting period.

We believe the most significant estimates and assumptions are associated with the forecasting of our income tax (provision) benefit and the valuation of deferred taxes, legal reserves, long-lived asset valuations, and allowance for credit losses. Ultimate results could differ from our estimates.

Basis of presentation

The consolidated financial statements include the accounts of our company and all of our subsidiaries that we control or variable interest entities for which we have determined that we are the primary beneficiary. All material intercompany accounts and transactions are eliminated. Investments in companies in which we do not have a controlling interest, but over which we do exercise significant influence, are accounted for using the equity method of accounting, unless we elect the fair value option. If we do not have significant influence and the investment has no readily determinable fair value, we elect the measurement alternative. In addition, certain reclassifications of prior period balances have been made to conform to the current period presentation.

Revenue recognition

Our services and products are generally sold based upon purchase orders or contracts with our customers that include fixed or determinable prices but do not include right of return provisions or other significant post-delivery obligations. The vast majority of our service and product contracts are short-term in nature. We recognize revenue based on the transfer of control or our customers' ability to benefit from our services and products in an amount that reflects the consideration we expect to receive in exchange for those services and products. We also assess our customers' ability and intention to pay, which is based on a variety of factors, including our historical payment experience with, and the financial condition of our customers. Rates for services are typically priced on a per day, per meter, per man-hour, or similar basis. See Note 4 for further information on revenue recognition.

Research and development

We maintain an active research and development program. The program improves products, processes, and engineering standards and practices that serve the changing needs of our customers. Research and development costs are expensed as incurred and were \$408 million in 2023, \$345 million in 2022, and \$321 million in 2021.

Cash equivalents

We consider all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost represents invoice or production cost for new items and original cost. Production cost includes material, labor, and manufacturing overhead. Our inventory is recorded on the weighted average cost method. We regularly review inventory quantities on hand and record provisions for excess or obsolete inventory based primarily on historical usage, estimated product demand, and technological developments.

Allowance for credit losses

We establish an allowance for credit losses through a review of several factors, including historical collection experience, current aging status of the customer accounts, and current financial condition of our customers. Losses are charged against the allowance when the customer accounts are determined to be uncollectible.

Property, plant, and equipment

Other than those assets that have been written down to their fair values due to impairment, property, plant, and equipment are reported at cost less accumulated depreciation, which is generally provided on the straight-line method over the estimated useful lives of the assets. Accelerated depreciation methods are often used for tax purposes, when permitted. Upon sale or retirement of an asset, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is recognized. Planned major maintenance costs are generally expensed as incurred. Expenditures for additions, modifications, and conversions are capitalized when they increase the value or extend the useful life of the asset.

Goodwill and other intangible assets

We record as goodwill the excess purchase price over the fair value of the tangible and identifiable intangible assets acquired in a business acquisition. Changes in the carrying amount of goodwill are detailed below by reportable segment.

<i>Millions of dollars</i>	Completion and Production	Drilling and Evaluation	Total
Balance at December 31, 2021:	\$ 2,012	\$ 831	\$ 2,843
Current year acquisitions	8	—	8
Other	—	(22)	(22)
Balance at December 31, 2022:	\$ 2,020	\$ 809	\$ 2,829
Current year acquisitions	—	21	21
Other	12	(12)	—
Balance at December 31, 2023:	\$ 2,032	\$ 818	\$ 2,850

The reported amounts of goodwill for each reporting unit are reviewed for impairment on an annual basis, during the third quarter, and more frequently when circumstances indicate an impairment may exist. As a result of our goodwill impairment assessments performed in the years ended December 31, 2023, 2022, and 2021, we determined that the fair value of each reporting unit exceeded its net book value and, therefore, no goodwill impairments were deemed necessary.

We amortize other identifiable intangible assets with a finite life on a straight-line basis over the period which the asset is expected to contribute to our future cash flows, ranging from one year to twenty-eight years. The components of these other intangible assets generally consist of patents, license agreements, non-compete agreements, trademarks, and customer lists and contracts.

Evaluating impairment of long-lived assets

When events or changes in circumstances indicate that long-lived assets other than goodwill may be impaired, an evaluation is performed. For assets classified as held for use, we first group individual assets based on the lowest level for which identifiable cash flows are largely independent of the cash flows from other assets. We then compare estimated future undiscounted cash flows expected to result from the use and eventual disposition of the asset group to its carrying amount. If the asset group's undiscounted cash flows are less than its carrying amount, we then determine the asset group's fair value by using a discounted cash flow analysis and recognize any resulting impairment. When an asset is classified as held for sale, the asset's book value is evaluated and adjusted to the lower of its carrying amount or fair value less cost to sell. In addition, depreciation and amortization is ceased while it is classified as held for sale. See Note 2 for further information on impairments and other charges.

Income taxes

We recognize the amount of taxes payable or refundable for the year. In addition, deferred tax assets and liabilities are recognized for the expected future tax consequences of events that have been recognized in the financial statements or tax returns. A valuation allowance is provided for deferred tax assets if it is more likely than not that these items will not be realized.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more likely than not that we will realize the benefits of these deductible differences, net of the existing valuation allowances.

We recognize interest and penalties related to unrecognized tax benefits within the provision for income taxes on continuing operations in our consolidated statements of operations.

Derivative instruments

At times, we enter into derivative financial transactions to hedge existing or projected exposures to changing foreign currency exchange rates and interest rates. We do not enter into derivative transactions for speculative or trading purposes. We recognize all derivatives on the balance sheet at fair value. Derivatives that are not hedges are adjusted to fair value which are reflected within "Other, net" on our consolidated statements of operations. If the derivative is designated as a hedge, depending on the nature of the hedge, changes in the fair value of derivatives are either offset against:

- the change in fair value of the hedged assets, liabilities, or firm commitments through earnings; or
- recognized in other comprehensive income until the hedged item is recognized in earnings.

The ineffective portion of a derivative's change in fair value is recognized in earnings. Recognized gains or losses on derivatives entered into to manage foreign currency exchange risk are included in "Other, net" on the consolidated statements of operations. Gains or losses on interest rate derivatives are included in "Interest expense, net."

Foreign currency translation

Foreign entities whose functional currency is the United States dollar translate monetary assets and liabilities at year-end exchange rates, and nonmonetary items are translated at historical rates. Revenue and expense transactions are translated at the average rates in effect during the year, except for those expenses associated with nonmonetary balance sheet accounts, which are translated at historical rates. Gains or losses from remeasurement of monetary assets and liabilities due to changes in exchange rates are recognized in our consolidated statements of operations in "Other, net" in the year of occurrence.

Stock-based compensation

Stock-based compensation cost is measured at the date of grant, based on the calculated fair value of the award and is recognized as expense over the employee's service period, which is generally the vesting period of the equity grant. Additionally, compensation cost is recognized based on awards ultimately expected to vest, therefore, we have reduced the cost for estimated forfeitures based on historical forfeiture rates. Forfeitures are estimated at the time of grant and revised in subsequent periods to reflect actual forfeitures. See Note 14 for additional information related to stock-based compensation.

Note 2. Impairments and Other Charges

The following table presents various pre-tax charges we recorded during the years ended December 31, 2022 and 2021 which are reflected within "Impairments and other charges" on our consolidated statements of operations.

<i>Millions of dollars</i>	Year Ended December 31	
	2022	2021
Receivables	\$ 202	\$ —
Long-lived asset impairments	100	—
Inventory costs and write-downs	70	—
Catch-up depreciation	—	36
Severance costs	—	15
Gain on real estate transaction	—	(74)
Other	(6)	35
Total impairments and other charges	\$ 366	\$ 12

During the year ended December 31, 2023, there were no amounts recorded in impairment and other charges.

During the year ended December 31, 2022, due to Russia's invasion of Ukraine and resulting sanctions imposed on Russia, we made the decision to sell our Russian operations and completed the sale in the third quarter of 2022. We wrote down the disposal group to fair value less costs to sell, which resulted in a pre-tax charge of \$344 million. Of this pre-tax charge, approximately \$131 million was attributable to our Completion and Production segment, approximately \$178 million was attributable to our Drilling and Evaluation segment, and \$35 million was selling costs and was attributable to Corporate and other. We no longer conduct operations in Russia. Additionally, during the first quarter of 2022, we recorded a pre-tax charge of \$22 million primarily related to the write down of all our assets in Ukraine. Included in this charge is a \$16 million allowance for credit loss as we do not expect to collect our receivables in Ukraine. Long-lived asset impairments include impairments of property, plant, and equipment.

For the year ended December 31, 2021, \$12 million of impairments and other charges was recorded due to the decision to discontinue the proposed sale of our Pipeline and Process Services business and as a result we recorded a \$36 million charge for accumulated unrecognized depreciation and amortization expense during the period the associated assets were classified as held for sale. Additionally, we finalized a structured transaction relating to most of our owned United States real estate. As a result of the transaction, we derecognized \$358 million of assets previously held for sale included in Other current assets and recognized an investment in an unconsolidated subsidiary of \$349 million included in Other assets, which resulted in a gain of \$74 million, due to specific assets with a carrying amount less than the fair value.

Note 3. Business Segment and Geographic Information

We operate under two divisions, which form the basis for the two operating segments we report: the Completion and Production segment and the Drilling and Evaluation segment. Our equity in earnings and losses of unconsolidated affiliates that are accounted for using the equity method of accounting are included within cost of services and cost of sales on our statements of operations, which is part of operating income of the applicable segment.

		Year Ended December 31		
<i>Millions of dollars</i>		2023	2022	2021
Revenue:				
Completion and Production	\$	13,689	\$ 11,582	\$ 8,410
Drilling and Evaluation		9,329	8,715	6,885
Total revenue	\$	23,018	\$ 20,297	\$ 15,295
Operating income:				
Completion and Production	\$	2,835	\$ 2,037	\$ 1,238
Drilling and Evaluation		1,543	1,292	801
Total operations		4,378	3,329	2,039
Corporate and other (a)		(244)	(256)	(227)
SAP S4 upgrade expense		(51)	—	—
Impairments and other charges (b)		—	(366)	(12)
Total operating income	\$	4,083	\$ 2,707	\$ 1,800
Interest expense, net of interest income	\$	(395)	\$ (463)	\$ (520)
Loss on Blue Chip Swap transactions (c)		(110)	—	—
Argentina currency impact (d)		(131)	(30)	6
Loss on early extinguishment of debt		—	(42)	—
Other, net		(84)	(62)	(34)
Income before income taxes	\$	3,363	\$ 2,110	\$ 1,252
Capital expenditures:				
Completion and Production	\$	765	\$ 589	\$ 402
Drilling and Evaluation		613	420	392
Corporate and other		1	2	5
Total capital expenditures	\$	1,379	\$ 1,011	\$ 799
Depreciation, depletion, and amortization:				
Completion and Production	\$	553	\$ 520	\$ 502
Drilling and Evaluation		430	406	388
Corporate and other		15	14	14
Total depreciation, depletion, and amortization	\$	998	\$ 940	\$ 904

(a)	Includes certain expenses not attributable to a business segment, such as costs related to support functions, corporate executives, and operating lease assets, and also includes amortization expense associated with intangible assets recorded as a result of acquisitions.
(b)	<p>Impairments and other charges are as follows:</p> <p>-For the year ended December 31, 2022, amount includes approximately \$136 million attributable to Completion and Production, \$195 million attributable to Drilling and Evaluation, and \$35 million attributable to Corporate and other.</p> <p>-For the year ended December 31, 2021, amount includes approximately \$42 million attributable to Completion and Production, \$9 million attributable to Drilling and Evaluation, and a \$39 million net gain attributable to Corporate and other.</p>
(c)	The Central Bank of Argentina maintains currency controls that limit our ability to access U.S. dollars in Argentina and remit cash from our Argentine operations. Our execution of certain trades, known as Blue Chip Swaps, which effectively results in a parallel U.S. dollar exchange rate, resulted in a \$110 million pre-tax loss for the year ended December 31, 2023.
(d)	For the year ended December 31, 2023, we incurred a loss of \$131 million due to the devaluation of the currency in Argentina.

		December 31	
<i>Millions of dollars</i>		2023	2022
Total assets:			
Completion and Production (a)	\$	11,606	\$ 9,311
Drilling and Evaluation (a)		7,532	7,199
Corporate and other (b)		5,545	6,745
Total assets	\$	24,683	\$ 23,255
(a)	Assets associated with specific segments primarily include receivables, inventories, property, plant, and equipment, operating lease right-of-use assets, equity in and advances to related companies, and goodwill.		
(b)	Includes primarily cash and equivalents and deferred tax assets.		

Operations by geographic region

The following tables present information by geographic area. In 2023, 2022, and 2021, based on the location of services provided and products sold, 44%, 45%, and 40%, respectively, of our consolidated revenue was from the United States. No other country accounted for more than 10% of our revenue or property, plant, and equipment during the periods presented. As of December 31, 2023 and December 31, 2022, 59% and 54%, respectively, of our property, plant, and equipment was located in the United States.

		Year Ended December 31		
<i>Millions of dollars</i>		2023	2022	2021
Revenue:				
North America	\$	10,492	\$ 9,597	\$ 6,371
Latin America		3,987	3,197	2,362
Europe/Africa/CIS		2,861	2,691	2,719
Middle East/Asia		5,678	4,812	3,843
Total revenue	\$	23,018	\$ 20,297	\$ 15,295

		December 31	
<i>Millions of dollars</i>		2023	2022
Net property, plant, and equipment:			
North America	\$	2,961	\$ 2,424
Latin America		527	520
Europe/Africa/CIS		444	435
Middle East/Asia		968	969
Total net property, plant, and equipment	\$	4,900	\$ 4,348

Note 4. Revenue

Revenue is recognized based on the transfer of control or our customers' ability to benefit from our services and products in an amount that reflects the consideration we expect to receive in exchange for those services and products. Most of our service and product contracts are short-term in nature. In recognizing revenue for our services and products, we determine the transaction price of purchase orders or contracts with our customers, which may consist of fixed and variable consideration. We also assess our customers' ability and intention to pay, which is based on a variety of factors, including our historical payment experience with, and the financial condition of our customers. Payment terms and conditions vary by contract type, although terms generally include

a requirement of payment within 20 to 60 days. Other judgments involved in recognizing revenue include an assessment of progress towards completion of performance obligations for certain long-term contracts, which involve estimating total costs to determine our progress towards contract completion, and calculating the corresponding amount of revenue to recognize.

Disaggregation of revenue

We disaggregate revenue from contracts with customers into types of services or products, consistent with our two reportable segments, in addition to geographical area. Based on the location of services provided and products sold, 44%, 45%, and 40% of our consolidated revenue was from the United States for the years ended December 31, 2023, 2022, and 2021, respectively. No other country accounted for more than 10% of our revenue.

The following table presents information on our disaggregated revenue.

	Year Ended December 31					
<i>Millions of dollars</i>	2023		2022		2021	
Revenue by segment:						
Completion and Production	\$	13,689	\$	11,582	\$	8,410
Drilling and Evaluation		9,329		8,715		6,885
Total revenue	\$	23,018	\$	20,297	\$	15,295
Revenue by geographic region:						
North America	\$	10,492	\$	9,597	\$	6,371
Latin America		3,987		3,197		2,362
Europe/Africa/CIS		2,861		2,691		2,719
Middle East/Asia		5,678		4,812		3,843
Total revenue	\$	23,018	\$	20,297	\$	15,295

Contract balances

We perform our obligations under contracts with our customers by transferring services and products in exchange for consideration. The timing of our performance often differs from the timing of our customer's payment, which results in the recognition of receivables and deferred revenue. Deferred revenue represents advance consideration received from customers for contracts where revenue is recognized on future performance of service. Deferred revenue, as well as revenue recognized during the period relating to amounts included as deferred revenue at the beginning of the period, was not material to our consolidated financial statements.

Transaction price allocated to remaining performance obligations

Remaining performance obligations represent firm contracts for which work has not been performed and future revenue recognition is expected. We have elected the practical expedient permitting the exclusion of disclosing remaining performance obligations for contracts that have an original expected duration of one year or less. We have some long-term contracts related to software and integrated project management services such as lump sum turnkey contracts. For software contracts, revenue is generally recognized over the duration of the contract period when the software is considered to be a right to access our intellectual property. For lump sum turnkey projects, we recognize revenue over time using an input method, which requires us to exercise judgment. Revenue allocated to remaining performance obligations for these long-term contracts is not material.

Note 5. Receivables

As of December 31, 2023, 33% of our net trade receivables were from customers in the United States and 9% were from customers in Mexico. As of December 31, 2022, 38% of our net trade receivables were from customers in the United States and 11% were from customers in Mexico. Receivables from our primary customer in Mexico accounted for approximately 6% and 9% of our total receivables as of December 31, 2023 and December 31, 2022, respectively. While we have experienced payment delays in Mexico, these amounts are not in dispute and we have not historically had, and we do not expect, any material write-offs due to collectability from this customer. No other country or single customer accounted for more than 10% of our receivables at those dates.

Although the market environment has been improving, we continue to have risk of delayed customer payments and payment defaults associated with customer liquidity issues. We routinely monitor the financial stability of our customers and employ an extensive process to evaluate the collectability of outstanding receivables. This process, which involves judgment and estimates, includes analysis of our customers' historical time to pay, financial condition and various financial metrics, debt structure, credit ratings, and production profile, as well as political and economic factors in countries of operations and other customer-specific factors.

The table below presents a rollforward of our allowance for credit losses for 2021, 2022 and 2023.

<i>Millions of dollars</i>	Balance at Beginning of Period	Provision (a)	Other (b)	Balance at End of Period (c)
Year ended December 31, 2021	\$ 824	\$ (19)	\$ (51)	\$ 754
Year ended December 31, 2022	754	2	(25)	731
Year ended December 31, 2023	731	22	(11)	742
(a)	Represents increases to allowance for credit losses charged to costs and expenses, net of recoveries.			
(b)	Includes write-offs, balance sheet reclassifications, and other activity.			
(c)	The allowance for credit losses in all years is primarily comprised of a full reserve against accounts receivable with our primary customer in Venezuela.			

Note 6. Leases

For operating leases, lease expense for lease payments is recognized on a straight-line basis over the lease term and accretion of the lease liability, while finance leases include both an operating expense and an interest expense component. For all leases with a term of 12 months or less, we recognize lease expense for these short-term leases on a straight-line basis over the lease term.

We are a lessee for numerous operating leases, primarily related to real estate, transportation, and equipment. The vast majority of our operating leases have remaining lease terms of 10 years or less, some of which include options to extend the leases, and some of which include options to terminate the leases. We generally do not include renewal or termination options in our assessment of the leases unless extension or termination for certain assets is deemed to be reasonably certain. The accounting for some of our leases may require judgment, which includes determining whether a contract contains a lease, determining the incremental borrowing rates to utilize in our net present value calculation of lease payments for lease agreements which do not provide an implicit rate, and assessing the likelihood of renewal or termination options. We also have some lease agreements with lease and non-lease components, which are generally accounted for as a single lease component. For certain equipment leases, such as offshore vessels and drilling rigs, we account for the lease and non-lease components separately.

The following tables illustrate the financial impact of our leases as of and for the years ended December 31, 2023, 2022, and 2021, along with other supplemental information about our existing leases:

	Year Ended December 31		
<i>Millions of dollars</i>	2023	2022	2021
Components of lease expense:			
Finance lease cost:			
Amortization of right-of-use assets	\$ 30	\$ 20	\$ 20
Interest on lease liabilities	41	38	38
Operating lease cost	337	301	274
Short-term lease cost	35	31	27
Sublease income	(2)	(3)	(4)
Total lease cost	\$ 441	\$ 387	\$ 355

			As of December 31						
<i>Millions of dollars</i>			2023				2022		
Components of balance sheet:									
Operating leases:									
Operating lease right-of-use assets (non-current)			\$	1,088		\$	913		
Current portion of operating lease liabilities			262				224		
Operating lease liabilities (non-current)			911				791		
Finance leases:									
Other assets (non-current)			\$	120		\$	124		
Other current liabilities			32				26		
Other liabilities (non-current)			132				115		

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The following table summarizes the maturity of our operating and finance leases as of December 31, 2023:

<i>Millions of dollars</i>	Operating Leases		Finance Leases	
2024	\$	323	\$	68
2025		254		65
2026		176		63
2027		115		29
2028		88		10
Thereafter		536		18
Total lease payments		1,492		253
Imputed interest		(319)		(89)
Total lease payments, net of imputed interest	\$	1,173	\$	164

Note 7. Inventories

Inventories consisted of the following:

	December 31			
<i>Millions of dollars</i>	2023		2022	
Finished products and parts	\$	2,069	\$	1,859
Raw materials and supplies		1,021		953
Work in process		136		111
Total inventories	\$	3,226	\$	2,923

All amounts in the table above are reported net of obsolescence reserves of \$81 million at December 31, 2023 and \$104 million at December 31, 2022.

During the year ended December 31, 2023, there were no impairments charges related to inventory. During the year ended December 31, 2022, we recorded \$70 million of impairment charges related to inventory. These charges were primarily attributable to our exit from Russia. See Note 2 to the consolidated financial statements for further discussion on impairments and other charges.

Note 8. Accounts Payable

Effective January 1, 2023, we adopted new supplier finance program disclosure requirements contained in guidance issued by the Financial Accounting Standards Board (ASU 2022-04, "Disclosure of Supplier Finance Program Obligations"), other than the roll-forward disclosure, which we will adopt in 2024.

We have agreements with third parties that allow our participating suppliers to finance payment obligations from us with designated third-party financial institutions who act as our paying agent. We have generally extended our payment terms with suppliers to 90 days. A participating supplier may request a participating financial institution to finance one or more of our payment obligations to such supplier prior to the scheduled due date thereof at a discounted price. We are not required to provide collateral to the financial institutions.

Our obligations to participating suppliers, including amounts due and scheduled payment dates, are not impacted by the suppliers' decisions to finance amounts due under these financing arrangements. Our outstanding payment obligations under these agreements were \$322 million as of December 31, 2023, and \$273 million as of December 31, 2022, and are included in accounts payable on the condensed consolidated balance sheets.

Note 9. Property, Plant, and Equipment

Property, plant, and equipment were composed of the following:

	December 31			
<i>Millions of dollars</i>	2023		2022	
Land	\$	119	\$	117
Buildings and property improvements		1,724		1,671
Machinery, equipment, and other		15,121		14,220
Total property, plant, and equipment		16,964		16,008
Accumulated depreciation		(12,064)		(11,660)
Net property, plant, and equipment	\$	4,900	\$	4,348

During the year ended December 31, 2023, no impairment charges were recorded on property, plant, and equipment. During the year ended December 31, 2022, we recorded \$100 million of impairment charges on property, plant, and equipment.

primarily related to our exit from Russia. See Note 2 to the consolidated financial statements for further discussion on impairments and other charges.

Classes of assets are depreciated over the following useful lives:

	Buildings and Property Improvements	
	2023	2022
1 - 10 years	16%	16%
11 - 20 years	40%	40%
21 - 30 years	26%	26%
31 - 40 years	18%	18%

	Machinery, Equipment, and Other	
	2023	2022
1 - 5 years	47%	49%
6 - 10 years	43%	41%
11 - 20 years	10%	10%

Note 10. Debt

Our long-term total debt consisted of the following:

<i>Millions of dollars</i>	December 31	
	2023	2022
5.0% senior notes due November 2045	\$ 1,911	\$ 2,000
4.85% senior notes due November 2035	1,000	1,000
2.92% senior notes due March 2030	1,000	1,000
7.45% senior notes due September 2039	946	1,000
4.75% senior notes due August 2043	879	900
6.7% senior notes due September 2038	763	800
4.5% senior notes due November 2041	500	500
3.8% senior notes due November 2025	382	400
7.6% senior debentures due August 2096	228	294
6.75% notes due February 2027	90	104
Other	5	6
Unamortized debt issuance costs and discounts	(68)	(76)
Total long-term debt	\$ 7,636	\$ 7,928

During the year ended December 31, 2023 and December 31, 2022, there were no short-term borrowings or current maturities of long-term debt.

Senior debt

We may redeem all of our senior notes from time to time or all of the notes of each series at any time at the applicable redemption prices, plus accrued and unpaid interest. Our 6.75% notes due February 2027 and 7.6% senior debentures due August 2096 may not be redeemed prior to maturity.

Repurchases of senior debt

In August of 2023, we repurchased \$150 million aggregate principal amount of various maturities of our outstanding debt, including: \$15 million of our 3.8% senior notes due November 2025, \$14 million of our 6.75% notes due February 2027, \$21 million of our 6.7% senior notes due September 2038, \$32 million of our 7.45% senior notes due September 2039, \$60 million of our 5.0% senior notes due November 2045, and \$8 million of our 7.6% senior debentures due August 2096.

In November of 2023, we repurchased \$150 million aggregate principal amount of various maturities of our outstanding debt, including: \$3 million of our 3.8% senior notes due November 2025, \$16 million of our 6.7% senior notes due September 2038, \$22 million of our 7.45% senior notes due September 2039, \$21 million of our 4.75% senior notes due August 2043, \$29 million of our 5.0% senior notes due November 2045, and \$58 million of our 7.6% senior notes due August 2096.

We used cash on hand to fund these repurchases, which included the principal amount, a net premium, and accrued interest. The remaining principal balance of \$5.2 billion in the aggregate of these debt instruments remains outstanding.

Redemption of 3.8% senior notes due November 2025 redemption

In February of 2022, we redeemed \$600 million aggregate principal amount of our 3.8% senior notes due in November 2025. The early redemption of the notes resulted in a loss of \$42 million, consisting of premiums and unamortized expenses. The loss is included in "Loss on early extinguishment of debt" in our consolidated statements of operations for the year ended December 31, 2022. We used cash on hand to fund the aggregate redemption price of the notes in the amount of \$641 million, which included the principal amount, the make-whole premium, and accrued interest. The remaining \$382 million aggregate principal amount of our 3.8% senior notes remains outstanding.

Revolving credit facilities

We have a revolving credit facility with a capacity of \$3.5 billion, which expires in April 2027. The facility is for general working capital purposes. The full amount of the revolving credit facility was available as of December 31, 2023.

Debt maturities

Our long-term debt matures as follows: no amounts in 2024, \$382 million in 2025, no amounts in 2026, \$90 million in 2027, no amounts in 2028, and the remainder thereafter.

Note 11. Commitments and Contingencies

The Company is subject to various legal or governmental proceedings, claims or investigations, including personal injury, property damage, environmental, intellectual property, commercial, tax, and other matters arising in the ordinary course of business, the resolution of which, in the opinion of management, will not have a material adverse effect on our consolidated results of operations or consolidated financial position. There is inherent risk in any legal or governmental proceeding, claim or investigation, and no assurance can be given as to the outcome of these proceedings.

Guarantee arrangements

In the normal course of business, we have in place agreements with financial institutions under which approximately \$2.6 billion of letters of credit, bank guarantees, or surety bonds were outstanding as of December 31, 2023. Some of the outstanding letters of credit have triggering events that would entitle a bank to require cash collateralization. None of these off-balance sheet arrangements either has, or is likely to have, a material effect on our consolidated financial statements.

Note 12. Income Taxes

The components of the (provision) benefit for income taxes on continuing operations were as follows:

Millions of dollars	Year Ended December 31					
	2023		2022		2021	
Current income taxes:						
Federal	\$	(21)	\$	(17)	\$	6
Foreign		(472)		(417)		(270)
State		(12)		(11)		(6)
Total current income taxes		(505)		(445)		(270)
Deferred income taxes:						
Federal		(123)		(159)		533
Foreign		(59)		103		(47)
State		(14)		(14)		—
Total deferred income taxes		(196)		(70)		486
Income tax (provision) benefit	\$	(701)	\$	(515)	\$	216

The United States and foreign components of income from continuing operations before income taxes were as follows:

Reconciliations between the actual (provision) benefit for income taxes on continuing operations and that computed by applying the United States statutory rate to income from continuing operations before income taxes were as follows:

	Year Ended December 31					
	2023		2022		2021	
United States statutory rate	21.0	%	21.0	%	21.0	%
Valuation allowance against tax assets	0.8		(2.9)		(44.5)	
Impact of foreign income taxed at different rates	0.2		3.0		2.5	
State income taxes	0.7		0.8		0.1	
Impact of impairments and other charges	0.6		0.7		—	
Adjustments of prior year taxes	(1.3)		0.2		1.3	
Other items, net	(1.2)		1.6		2.4	
Total effective tax rate on continuing operations	20.8	%	24.4	%	(17.2)	%

During the year ended December 31, 2023, we recorded a total income tax provision of \$701 million on pre-tax income of \$3.4 billion, resulting in an effective tax rate of 20.8%. The effective tax rate for 2023 was primarily impacted by our geographic mix of earnings, tax adjustments related to the reassessment of prior year tax accruals, and changes of valuation allowance on some of our deferred tax assets.

During the year ended December 31, 2022, we recorded a total income tax provision of \$515 million on pre-tax income of \$2.1 billion, resulting in an effective tax rate of 24.4%. The effective tax rate for 2022 was primarily impacted by our geographic mix of earnings, tax adjustments related to the reassessment of prior year tax accruals, and valuation allowances on some of our deferred tax assets.

During the year ended December 31, 2021, we recorded a total income tax benefit of \$216 million on pre-tax income of \$1.3 billion, resulting in an effective tax rate of -17.2%. The effective tax rate for 2021 was primarily impacted by our geographic mix of earnings, tax adjustments related to the reassessment of prior year tax accruals, and valuation allowances on some of our deferred tax assets.

The primary components of our deferred tax assets and liabilities were as follows:

<i>Millions of dollars</i>	December 31	
	2023	2022
Gross deferred tax assets:		
Foreign tax credit carryforwards	\$ 902	\$ 961
Intangible assets	789	856
Net operating loss carryforwards	663	694
Accrued liabilities	293	259
Research and development tax credit carryforwards	173	219
Employee compensation and benefits	193	170
Other	579	515
Total gross deferred tax assets	3,592	3,674
Gross deferred tax liabilities:		
Operating lease right-of-use assets	189	153
Depreciation and amortization	115	61
Other	51	39
Total gross deferred tax liabilities	355	253
Valuation allowances	761	821
Net deferred income tax asset	\$ 2,476	\$ 2,600

At December 31, 2023, we had \$686 million of domestic and foreign tax-effected net operating loss carryforwards, with approximately \$23 million estimated to be utilized against our unrecognized tax benefits. In addition, we had approximately \$924 million of foreign tax credit carryforwards which are offset by \$22 million of foreign branch deferred activity and unrecognized tax benefits reflected in the table above. The ultimate realization of these deferred tax assets depends on our ability to generate sufficient taxable income in the appropriate taxing jurisdiction.

Our deferred tax assets from net operating losses, foreign tax credits, and research and development credits will expire as follows:

<i>Millions of dollars</i>	U.S. Net Operating Loss	Foreign Net Operating Loss	Foreign Tax Credits	Research and Development Credit	Total Deferred Tax Assets
2024-2028	\$ 3	\$ 129	\$ 450	\$ —	\$ 582
2029-2033	8	13	474	—	495
2034-2043	25	88	—	173	286
Non-Expiring	17	403	—	—	420
	\$ 53	\$ 633	\$ 924	\$ 173	\$ 1,783

We have not provided incremental United States income taxes or foreign withholding taxes on undistributed foreign subsidiaries' earnings after December 31, 2017. We generally do not provide for taxes related to undistributed earnings because such earnings either would not be taxable when remitted or they are considered to be indefinitely reinvested.

The following table presents a rollforward of our unrecognized tax benefits and associated interest and penalties.

<i>Millions of dollars</i>	Unrecognized Tax Benefits		Interest and Penalties	
Balance at January 1, 2021	\$	355	\$	71
Change in prior year tax positions		14		4
Change in current year tax positions		14		2
Cash settlements with taxing authorities		(10)		—
Lapse of statute of limitations		(21)		(5)
Balance at December 31, 2021	\$	352	(a)	\$ 72
Change in prior year tax positions		(36)		(5)
Change in current year tax positions		13		2
Cash settlements with taxing authorities		(6)		(2)
Lapse of statute of limitations		(12)		(3)
Balance at December 31, 2022	\$	311	(a)	\$ 64
Change in prior year tax positions		(38)		(10)
Change in current year tax positions		8		1
Cash settlements with taxing authorities		(4)		(3)
Lapse of statute of limitations		(9)		(3)
Balance at December 31, 2023	\$	268	(a)(b)	\$ 49
(a)	Includes \$43 million as of December 31, 2023, \$51 million as of December 31, 2022, and \$20 million as of December 31, 2021 in foreign unrecognized tax benefits that would give rise to a United States tax credit. As of December 31, 2023, December 31, 2022, and December 31, 2021 a net \$192 million, \$208 million and \$272 million after a net operating loss carryforward offset, respectively, of unrecognized tax benefits would positively impact the effective tax rate and be recognized as additional tax benefits in our statement of operations if resolved in our favor.			
(b)	Includes \$85 million as of December 31, 2023 that we believe could be resolved within the next 12 months.			

Our tax returns are subject to review by the taxing authorities in the jurisdictions where we file tax returns. In most cases we are no longer subject to examination by tax authorities for years before 2012. The only significant operating jurisdiction that has tax filings under review or subject to examination by the tax authorities is the United States. The United States federal income tax filings for tax years 2016 through 2022 are currently under review or remain open for review by the IRS.

As of December 31, 2023, the primary unresolved issue for the IRS audit for 2016 relates to the classification of the \$3.5 billion ordinary deduction that we claimed for the termination fee we paid to Baker Hughes in the second quarter of 2016 for which we received a NOPA from the IRS on September 28, 2023. We regularly assess the likelihood of adverse outcomes resulting from tax examinations to determine the adequacy of our tax reserves, and we believe our income tax reserves are appropriately provided for all open tax years. We do not expect a final resolution of this issue in the next 12 months.

Based on the information currently available, we do not anticipate a significant increase or decrease to our tax contingencies within the next 12 months.

Note 13. Shareholders' Equity

Shares of common stock

The following table summarizes total shares of common stock outstanding:

					December 31				
<i>Millions of shares</i>					2023		2022		
Issued					1,065		1,066		
In treasury					(176)		(164)		
Total shares of common stock outstanding					889		902		

Our Board of Directors has authorized a program to repurchase a specified dollar amount of our common stock from time to time. The program does not require a specific number of shares to be purchased and the program may be effected through solicited or unsolicited transactions in the market or in privately negotiated transactions. The program may be terminated or suspended at any time. We purchased 22.7 million shares of our common stock under the program during the year ended December 31, 2023. During the year ended December 31, 2022 we purchased 6.8 million shares of our common stock under the program. Approximately \$4.1 billion remained authorized for repurchases as of December 31, 2023. From the inception of this program in February 2006 through December 31, 2023, we repurchased approximately 253 million shares of our common stock for a total cost of approximately \$10.1 billion.

Paid-in Capital in Excess of Par Value

During 2023, 2022 and 2021, we issued common stock from treasury shares under our employee stock purchase plan awards and for restricted stock grants. As a result, additional paid in capital would have resulted in a balance below zero. Therefore, for the years ended December 31, 2023, 2022 and 2021, we reduced retained earnings by \$98 million, \$275 million, and \$277 million, respectively. Additional issuances from treasury shares could similarly impact additional paid in capital and retained earnings.

Preferred stock

Our preferred stock consists of five million total authorized shares at December 31, 2023, of which none are issued.

Accumulated other comprehensive loss

Accumulated other comprehensive loss consisted of the following:

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Note 14. Stock-based Compensation

The following table summarizes stock-based compensation costs for the years ended December 31, 2023, 2022, and 2021.

										Year Ended December 31											
<i>Millions of dollars</i>										2023			2022			2021					
Stock-based compensation cost										\$	219		\$	219		\$	214				
Tax benefit											(36)			(33)			(32)				
Stock-based compensation cost, net of tax										\$	183		\$	186		\$	182				

Our Stock and Incentive Plan, as amended (Stock Plan), provides for the grant of any or all of the following types of stock-based awards:

- stock options, including incentive stock options and nonqualified stock options;
- restricted stock awards;
- restricted stock unit awards;
- stock appreciation rights; and
- stock value equivalent awards.

There are currently no stock appreciation rights, stock value equivalent awards, or incentive stock options outstanding. Under the terms of the Stock Plan, approximately 264 million shares of common stock have been reserved for issuance to employees and non-employee directors. At December 31, 2023, approximately 11 million shares were available for future grants under the Stock Plan. The stock to be offered pursuant to the grant of an award under the Stock Plan may be authorized but unissued common shares or treasury shares.

In addition to the provisions of the Stock Plan, we also have stock-based compensation provisions under the Restricted Stock Plan for Non-Employee Directors and the Employee Stock Purchase Plan (ESPP).

Each of the active stock-based compensation arrangements is discussed below.

Stock options

There were no stock options granted during 2023 and there are no plans to grant stock options in 2024. All stock options under the Stock Plan were granted at the fair market value of our common stock at the grant date. Employee stock options generally vest ratably over a period of three years and expire 10 years from the grant date. Compensation expense for stock options is generally recognized on a straight line basis over the entire vesting period.

The following table represents our stock options activity during 2023.

	Number of Shares (in millions)	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (in millions)
Outstanding at January 1, 2023	18.2	\$ 43.88		
Exercised	(1.6)	28.14		
Forfeited/expired	(2.3)	45.07		
Outstanding at December 31, 2023	14.3	\$ 45.47	2.7	\$ 27.2
Exercisable at December 31, 2023	14.3	\$ 45.47	2.7	\$ 27.2

The total intrinsic value of options exercised was \$20 million in 2023, \$43 million in 2022, and \$315,000 in 2021. As of December 31, 2023, there was no unrecognized compensation cost, net of estimated forfeitures, related to nonvested stock options.

Cash received from issuance of common stock for 2023, 2022, and 2021 was \$136 million, \$229 million, and \$79 million, respectively, of which \$48 million, \$148 million, and \$4 million, respectively, are related to proceeds from exercises of stock options. All other cash received from issuance of common stock during 2023, 2022 and 2021 relates to cash proceeds from the issuance of shares under our employee stock purchase plan.

The fair value of options at the date of grant was estimated using the Black-Scholes option pricing model. The expected volatility of options granted was a blended rate based upon implied volatility calculated on actively traded options on our common stock and upon the historical volatility of our common stock. The expected term of options granted was based upon historical observation of actual time elapsed between date of grant and exercise of options for all employees. There were no stock options granted for the years ended December 31, 2023, 2022 and 2021.

Restricted stock

Restricted shares issued under the Stock Plan are restricted as to sale or disposition. These restrictions generally lapse periodically over a period of five years. Restrictions may also lapse for early retirement and other conditions in accordance with our established policies. Upon termination of employment, shares on which restrictions have not lapsed must be returned to us, resulting in restricted stock forfeitures. The fair market value of the stock on the date of grant is amortized and charged to income on a straight-line basis over the requisite service period for the entire award.

In 2023, we also granted performance based restricted stock units, with the actual number of shares earned to be determined at the end of a three year performance period based on our achievement of certain predefined targets. These targets are based upon our average return on capital employed as compared to certain competitors and a modifier based upon stock performance compared to the Oilfield Services Index (OSX). A Monte Carlo simulation that uses a probabilistic approach was performed by an actuary to measure grant date fair value. The fair value of these performance based restricted stock units is recognized on a straight-line basis over the three year performance cycle.

The following table represents our restricted stock awards and restricted stock units granted, vested, and forfeited during 2023.

	Number of Shares (in millions)	Weighted Average Grant-Date Fair Value per Share
Nonvested shares at January 1, 2023	22.1	\$ 24.83
Granted	7.6	31.73
Vested	(8.0)	24.47
Forfeited	(0.8)	26.35
Nonvested shares at December 31, 2023	20.9	\$ 27.42

The weighted average grant-date fair value of shares granted was \$31.73 during 2023, \$31.40 during 2022, and \$20.94 during 2021. The total fair value of shares vested was \$283 million during 2023, \$248 million during 2022, and \$117 million during 2021. As of December 31, 2023, there was \$377 million of unrecognized compensation cost, net of estimated forfeitures, related to nonvested restricted stock, which is expected to be recognized over a weighted average period of three years.

Employee Stock Purchase Plan

Under the ESPP, eligible employees may have up to 10% of their earnings withheld, subject to some limitations, to be used to purchase shares of our common stock. The ESPP contains four three-month offering periods commencing on January 1, April 1, July 1, and October 1 of each year. The price at which common stock may be purchased under the ESPP in 2021, 2022, and 2023 is equal to 90% of the lower of the fair market value of the common stock on the commencement date or last trading day of each offering period. Under the ESPP, 104 million shares of common stock have been reserved for issuance, of which 76 million shares have been sold through the ESPP since the inception of the plan through December 31, 2023 and 28 million shares are available for future issuance. The stock to be offered may be authorized but unissued common shares or treasury shares.

The fair value of ESPP shares was estimated using the Black-Scholes option pricing model. The expected volatility was a one-year historical volatility of our common stock. The assumptions and resulting fair values were as follows:

	Year Ended December 31					
	2023		2022		2021	
Expected volatility	48	%	46	%	69	%
Expected dividend yield	1.44	%	1.67	%	0.84	%
Risk-free interest rate	5.11	%	1.42	%	0.05	%
Weighted average grant-date fair value per share	\$ 7.16		\$ 5.63		\$ 5.01	

Note 15. Income per Share

Basic income or loss per share is based on the weighted average number of common shares outstanding during the period. Diluted income per share includes additional common shares that would have been outstanding if potential common shares with a dilutive effect had been issued. Antidilutive securities represent potentially dilutive securities which are excluded from the computation of diluted income or loss per share as their impact was antidilutive.

A reconciliation of the number of shares used for the basic and diluted income per share computations is as follows:

Note 16. Financial Instruments and Risk Management

The carrying amount of cash and equivalents, receivables, and accounts payable, as reflected in the consolidated balance sheets, approximates fair value due to the short maturities of these instruments.

The carrying amount and fair value of our total debt is as follows:

	December 31, 2023					December 31, 2022			
<i>Millions of dollars</i>	Level 1	Level 2	Total fair value	Carrying value		Level 1	Level 2	Total fair value	Carrying value
Total debt	\$ 7,419	\$ 378	\$ 7,797	\$ 7,636		\$ 6,539	\$ 917	\$ 7,456	\$ 7,928

The total fair value of our debt increased during 2023 as a result of lower treasury yields which was partially offset by \$300 million in debt repurchases, as discussed in Note 10.

Our debt categorized within level 1 on the fair value hierarchy is calculated using quoted prices in active markets for identical liabilities with transactions occurring on the last two days of period-end. Our debt categorized within level 2 on the fair value hierarchy is calculated using significant observable inputs for similar liabilities where estimated values are determined from observable data points on our other bonds and on other similarly rated corporate debt or from observable data points of transactions occurring prior to two days from period-end and adjusting for changes in market conditions. Differences between the periods presented in our level 1 and level 2 classification of our long-term debt relate to the timing of when third party market transactions on our debt are executed. We have no debt categorized within level 3 on the fair value hierarchy.

We are exposed to market risk from changes in foreign currency exchange rates and interest rates. We selectively manage these exposures through the use of derivative instruments, including forward foreign exchange contracts, foreign exchange options and interest rate swaps. The objective of our risk management strategy is to minimize the volatility from fluctuations in foreign currency and interest rates. We do not use derivative instruments for trading purposes. The fair value of our forward contracts, options, and interest rate swaps was not material as of December 31, 2023 or December 31, 2022. The counterparties to our derivatives are primarily global commercial and investment banks.

Foreign currency exchange risk

We have operations in many international locations and are involved in transactions denominated in currencies other than the United States dollar, our functional currency, which exposes us to foreign currency exchange rate risk. Techniques in managing foreign currency exchange risk include, but are not limited to, foreign currency borrowing and investing, and the use of currency exchange instruments. We attempt to selectively manage significant exposures to potential foreign currency exchange losses based on current market conditions, future operating activities, and the associated cost in relation to the perceived risk of loss. The purpose of our foreign currency risk management activities is to minimize the risk that our cash flows from the purchase and sale of products and services in foreign currencies will be adversely affected by changes in exchange rates.

We use forward contracts and options to manage our exposure to fluctuations in the currencies of certain countries in which we do business internationally. These instruments are not treated as hedges for accounting purposes, generally have an expiration date of one year or less, and are not exchange traded. While these instruments are subject to fluctuations in value, the fluctuations are generally offset by the value of the underlying exposures being managed. The use of some of these instruments may limit our ability to benefit from favorable fluctuations in foreign currency exchange rates.

Derivatives are not utilized to manage exposures in some currencies due primarily to the lack of available markets, cost considerations, or immaterial exposures (non-hedged currencies). We attempt to minimize foreign currency exposure in non-hedged currencies and recognize that pricing for the services and products offered in these countries should account for the cost of exchange rate devaluations.

The notional amounts of open foreign exchange derivatives were \$715 million at December 31, 2023 and \$650 million at December 31, 2022. The notional amounts of these instruments do not generally represent amounts exchanged by the parties, and thus are not a measure of our exposure or of the cash requirements related to these contracts. The fair value of our foreign exchange derivatives as of December 31, 2023 and December 31, 2022 is included in both "Other current assets" and in "Other current liabilities" in our consolidated balance sheets and was immaterial. The fair value of these instruments is categorized within level 2 on the fair value hierarchy and was determined using a market approach with certain inputs, such as notional amounts hedged, exchange rates, and other terms of the contracts that are observable in the market or can be derived from or corroborated by observable data.

Interest rate risk

We are subject to interest rate risk on our debt and investment portfolios. We had fixed rate long-term debt totaling \$7.6 billion at December 31, 2023 and \$7.9 billion at December 31, 2022. We maintain an interest rate management strategy that is intended to mitigate the exposure to changes in interest rates.

Credit risk

Financial instruments that potentially subject us to concentrations of credit risk are primarily cash equivalents and net trade receivables. It is our practice to place our cash equivalents in high quality investments with various institutions. Our net trade receivables are from a broad and diverse group of customers and are generally not collateralized. As of December 31, 2023, 33% of our net trade receivables were from customers in the United States and 9% were from customers in Mexico. As of December 31, 2022, 38% of our net trade receivables were from customers in the United States and 11% were from customers in Mexico. We maintain an allowance for credit losses based upon several factors, including historical collection experience, current aging status of the customer accounts and financial condition of our customers. See Note 5 for further information.

During the fourth quarter of 2023, we entered into a credit default swap ("CDS") with a third-party financial institution. The notional amount of the CDS, which was \$300 million at the end of January 2024, will reduce on a monthly basis over its 26-month term. The CDS relates to a borrowing provided by the financial institution to one of our primary customers in Mexico, a portion of the proceeds of which was utilized by this customer to pay certain of our outstanding receivables. The fair value of this derivative liability was not material at December 31, 2023.

We do not have any significant concentrations of credit risk with any individual counterparty to our derivative contracts. We select counterparties to those contracts based on our belief that each counterparty's profitability, balance sheet, and capacity for timely payment of financial commitments is unlikely to be materially adversely affected by foreseeable events.

Note 17. Retirement Plans

Our company and subsidiaries have various plans that cover a significant number of our employees. These plans include defined contribution plans, defined benefit plans, and other postretirement plans:

- our defined contribution plans provide retirement benefits in return for services rendered. These plans provide an individual account for each participant and have terms that specify how contributions to the participant's account are to be determined rather than the amount of pension benefits the participant is to receive. Contributions to these plans are based on a percentage of pre-tax income, after-tax income, or discretionary amounts determined on an annual basis. Our expense for the defined contribution plans totaled \$181 million in 2023, \$160 million in 2022, and \$136 million in 2021. The increase in expense from 2022 to 2023 was due to headcount and salary increase for the year ended December 31, 2023.
- our defined benefit plans, which include both overfunded and underfunded pension plans, define an amount of pension benefit to be provided, usually as a function of age, years of service and/or compensation. The underfunded obligations and net periodic benefit cost of our United States defined benefit plans were not material for the periods presented; and
- our postretirement plans other than pensions are offered to specific eligible employees. The accumulated benefit obligations and net periodic benefit cost for these plans were not material for the periods presented.

Funded status

For our international pension plans, at December 31, 2023, the projected benefit obligation was \$745 million and the fair value of plan assets was \$622 million, which resulted in an underfunded obligation of \$123 million. At December 31, 2022, the projected benefit obligation was \$669 million and the fair value of plan assets was \$665 million, which resulted in an underfunded obligation of \$4 million. The accumulated benefit obligation for our international plans was \$672 million at December 31, 2023 and \$601 million at December 31, 2022. The increase in projected benefit obligation and accumulated benefit obligation from 2022 to 2023 was due to assumption changes, mainly a decrease in discount rate.

The following table presents additional information about our international pension plans.

		December 31							
<i>Millions of dollars</i>		2023				2022			
Amounts recognized on the Consolidated Balance Sheets									
Other assets		\$	39			\$	151		
Accrued employee compensation and benefits		10				7			
Employee compensation and benefits		154				145			
Pension plans in which projected benefit obligation exceeded plan assets									
Projected benefit obligation		\$	179			\$	159		
Fair value of plan assets		15				7			
Pension plans in which accumulated benefit obligation exceeded plan assets									
Accumulated benefit obligation		\$	106			\$	91		
Fair value of plan assets		15				7			

Fair value measurements of plan assets

The fair value of our plan assets categorized within level 1 on the fair value hierarchy is based on quoted prices in active markets for identical assets. The fair value of our plan assets categorized within level 2 on the fair value hierarchy is based on significant observable inputs for similar assets. The fair value of our plan assets categorized within level 3 on the fair value hierarchy is based on significant unobservable inputs.

The following table sets forth the fair values of assets held by our international pension plans by level within the fair value hierarchy.

<i>Millions of dollars</i>	Level 1	Level 2	Level 3	Net Asset Value (a)	Total
Cash and equivalents	\$ 29	\$ 234	\$ —	\$ —	\$ 263
Bond funds (b)	—	159	—	156	315
Real estate funds (d)	—	—	—	30	30
Other investments (e)	1	11	2	—	14
Fair value of plan assets at December 31, 2023	\$ 30	\$ 404	\$ 2	\$ 186	\$ 622
Cash and equivalents	\$ 26	\$ 100	\$ —	\$ —	\$ 126
Bond funds (b)	—	242	—	100	342
Alternatives funds (c)	—	—	—	145	145
Real estate funds (d)	—	—	—	31	31
Other investments (e)	1	18	2	—	21
Fair value of plan assets at December 31, 2022	\$ 27	\$ 360	\$ 2	\$ 276	\$ 665
(a)	Represents investments measured at fair value using the Net Asset Value (NAV) per share practical expedient and thus has not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the total value of our international pension plans assets.				
(b)	Strategy of bond funds is to invest in diversified funds of fixed income securities of varying geographies and credit quality.				
(c)	Strategy of alternative funds is to invest in a fund of diversifying investments, including but not limited to reinsurance, commodities, and currencies.				
(d)	Strategy of real estate funds is to invest in diversified funds of real estate investment trusts and private real estate.				
(e)	Other investments primarily include investments in insurance contracts, balanced funds, and government bonds.				

Risk management practices for these plans include diversification by issuer, industry, and geography, as well as the use of multiple asset classes and investment managers within each asset class. Our investment strategy for our United Kingdom pension plan, which constituted 75% of our international pension plans' projected benefit obligation at December 31, 2023 and is no longer accruing service benefits, aims to achieve full funding of the benefit obligation, with the plan's assets increasingly composed of investments whose cash flows match the projected liabilities of the plan.

Net periodic benefit cost

Net periodic benefit cost for our international pension plans was \$32 million in 2023, \$14 million in 2022, and \$25 million in 2021.

Actuarial assumptions

Certain weighted-average actuarial assumptions used to determine benefit obligations of our international pension plans at December 31 were as follows:

	2023	2022
Discount rate	5.1%	5.7%
Rate of compensation increase	5.6%	5.5%

Certain weighted-average actuarial assumptions used to determine net periodic benefit cost of our international pension plans for the years ended December 31 were as follows:

	2023	2022	2021
Discount rate	5.6%	2.3%	1.8%
Expected long-term return on plan assets	3.8%	3.0%	2.7%
Rate of compensation increase	5.4%	5.3%	5.9%

Assumed long-term rates of return on plan assets, discount rates for estimating benefit obligations, and rates of compensation increases vary by plan according to local economic conditions. Where possible, discount rates were determined based on the prevailing market rates of a portfolio of high-quality debt instruments with maturities matching the expected timing of the payment of the benefit obligations. Expected long-term rates of return on plan assets were determined based upon an evaluation of our plan assets and historical trends and experience, taking into account current and expected market conditions.

Other information

Contributions. Funding requirements for each plan are determined based on the local laws of the country where such plan resides. In certain countries the funding requirements are mandatory, while in other countries they are discretionary. We currently expect to contribute \$2 million to our international pension plans in 2024.

Benefit payments. Expected benefit payments over the next 10 years for our international pension plans are as follows: \$38 million in 2024, \$35 million in 2025, \$37 million in 2026, \$39 million in 2027, \$42 million in 2028, and an aggregate \$247 million in years 2029 through 2033.

Note 18. New Accounting Pronouncements

In November 2023, the Financial Accounting Standard Board (FASB) issued ASU 2023-07, “Segment reporting (Topic 280)”, which is intended to improve reportable segment disclosure requirements through enhanced disclosures about significant segment expenses. The amendments require disclosure of significant segment expenses regularly provided to the chief operating decision maker (CODM) as well as other segment items, extend certain annual disclosures to interim periods, clarify the applicability to single reportable segment entities, permit more than one measure of profit or loss to be reported under certain conditions, and require disclosure of the title and position of the CODM. We expect to adopt the new disclosures as required for the year ended December 31, 2024. We are currently evaluating the impact on the related disclosures.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which requires the annual financial statements to include consistent categories and greater disaggregation of information in the rate reconciliation, and income taxes paid disaggregated by jurisdiction. ASU 2023-09 is effective for the Company’s annual reporting periods beginning after December 15, 2024, with early adoption permitted, and should be applied on a prospective basis, with a retrospective option. We are currently evaluating the effect that adoption of ASU 2023-09 will have on our disclosures.

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Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9(a). Controls and Procedures.

In accordance with the Securities Exchange Act of 1934 Rules 13a-15 and 15d-15, we carried out an evaluation, under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2023 to provide reasonable assurance that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Our disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

There has been no change in our internal control over financial reporting that occurred during the three months ended December 31, 2023 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

See page 39 for Management's Report on Internal Control Over Financial Reporting and page 40 for Report of Independent Registered Public Accounting Firm on its assessment of our internal control over financial reporting.

Item 9(b). Other Information.

None.

Item 9(c). Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers, and Corporate Governance.

The information required for the directors of the Registrant is incorporated by reference to the Halliburton Company Proxy Statement for our 2024 Annual Meeting of Shareholders (File No. 001-03492) under the captions “Election of Directors” and “Involvement in Certain Legal Proceedings.” The information required for the directors and executive officers of the Registrant is included under Part I on pages 7 and 8 of this annual report. The information required for a delinquent form required under Section 16(a) of the Securities Exchange Act of 1934 is incorporated by reference to the Halliburton Company Proxy Statement for our 2024 Annual Meeting of Shareholders (File No. 001-03492) under the caption “Delinquent Section 16(a) Reports,” to the extent any disclosure is required. The information for our code of ethics is incorporated by reference to the Halliburton Company Proxy Statement for our 2024 Annual Meeting of Shareholders (File No. 001-03492) under the caption “Corporate Governance.” The information regarding procedures by which security holders may recommend nominees to the registrant's board of directors is incorporated by reference to the Halliburton Company Proxy Statement for our 2024 Annual Meeting of Shareholders (File No. 001-03492) under the caption “Shareholder Nominations of Directors.” The information regarding our Audit Committee and the independence of its members, along with information about the audit committee financial expert(s) serving on the Audit Committee, is incorporated by reference to the Halliburton Company Proxy Statement for our 2024 Annual Meeting of Shareholders (File No. 001-03492) under the caption “The Board of Directors and Standing Committees of Directors.”

Item 11. Executive Compensation.

This information is incorporated by reference to the Halliburton Company Proxy Statement for our 2024 Annual Meeting of Shareholders (File No. 001-03492) under the captions “Compensation Discussion and Analysis,” “Compensation Committee Report,” “Summary Compensation Table,” “Grants of Plan-Based Awards in Fiscal 2023,” “Outstanding Equity Awards at Fiscal Year End 2023,” “2023 Option Exercises and Stock Vested,” “2023 Nonqualified Deferred Compensation,” “Employment Contracts and Change-in-Control Arrangements,” “Post-Termination or Change-in-Control Payments,” “Equity Compensation Plan Information,” “Directors’ Compensation” and “CEO Pay Ratio.”

Item 12(a). Security Ownership of Certain Beneficial Owners.

This information is incorporated by reference to the Halliburton Company Proxy Statement for our 2024 Annual Meeting of Shareholders (File No. 001-03492) under the caption “Stock Ownership of Certain Beneficial Owners and Management.”

Item 12(b). Security Ownership of Management.

This information is incorporated by reference to the Halliburton Company Proxy Statement for our 2024 Annual Meeting of Shareholders (File No. 001-03492) under the caption “Stock Ownership of Certain Beneficial Owners and Management.”

Item 12(c). Changes in Control.

Not applicable.

Item 12(d). Securities Authorized for Issuance Under Equity Compensation Plans.

This information is incorporated by reference to the Halliburton Company Proxy Statement for our 2024 Annual Meeting of Shareholders (File No. 001-03492) under the caption “Equity Compensation Plan Information.”

Item 13. Certain Relationships and Related Transactions, and Director Independence.

This information is incorporated by reference to the Halliburton Company Proxy Statement for our 2024 Annual Meeting of Shareholders (File No. 001-03492) under the caption “Corporate Governance” to the extent any disclosure is required, and under the caption “The Board of Directors and Standing Committees of Directors.”

Item 14. Principal Accounting Fees and Services.

This information is incorporated by reference to the Halliburton Company Proxy Statement for our 2024 Annual Meeting of Shareholders (File No. 001-03492) under the caption “Fees Paid to KPMG LLP.” Our independent registered public accounting firm is KPMG LLP, Houston, TX PCAOB ID:185.

Item 15. Exhibits.

1.	Financial Statements:
	The reports of the Independent Registered Public Accounting Firm and the financial statements of Halliburton Company are included within Part II, Item 8 of this Annual Report on Form 10-K.
2.	Financial Statement Schedules:
	The schedules listed in Rule 5-04 of Regulation S-X (17 CFR 210.5-04) have been omitted because they are not applicable or the required information is shown in the consolidated financial statements or notes thereto.
3.	Exhibits:

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*†	10.39	Form of Performance Share Unit Award Agreement.
†	10.40	Form of Non-Management Director Restricted Stock Unit Agreement (Stock and Incentive Plan) (incorporated by reference as Exhibit 10.42 of Halliburton's Form 10-K for the year ended December 31, 2022, File No. 001-03492).
*	21.1	Subsidiaries of the Registrant.
*	23.1	Consent of KPMG LLP.
*	31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*	31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
**	32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
**	32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
*	95	Mine Safety Disclosures.
*	97.1	Company Policy, Recoupment of Incentive Compensation Following a Restatement.
*	101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
*	101.SCH	XBRL Taxonomy Extension Schema Document
*	101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
*	101.LAB	XBRL Taxonomy Extension Label Linkbase Document
*	101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
*	101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
*	104	Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
		* Filed with this Form 10-K.
		** Furnished with this Form 10-K.
		† Management contracts or compensatory plans or arrangements.

Item 16. Form 10-K Summary.

None.

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<u>Signature</u>	<u>Title</u>
<u>/s/ Abdulaziz F. Al Khayyal</u>	Director
Abdulaziz F. Al Khayyal	
<u>/s/ William E. Albrecht</u>	Director
William E. Albrecht	
<u>/s/ M. Katherine Banks</u>	Director
M. Katherine Banks	
<u>/s/ Alan M. Bennett</u>	Director
Alan M. Bennett	
<u>/s/ Milton Carroll</u>	Director
Milton Carroll	
<u>/s/ Earl M. Cummings</u>	Director
Earl M. Cummings	
<u>/s/ Murry S. Gerber</u>	Director
Murry S. Gerber	
<u>/s/ Robert A. Malone</u>	Director
Robert A. Malone	
<u>/s/ Bhavesh V. Patel</u>	Director
Bhavesh V. Patel	
<u>/s/ Maurice S. Smith</u>	Director
Maurice S. Smith	
<u>/s/ Janet L. Weiss</u>	Director
Janet L. Weiss	
<u>/s/ Tobi M. Edwards Young</u>	Director
Tobi M. Edwards Young	

