

# Halliburton posts flat revenues at \$5.94bn as N America lags

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Shares of oilfield firm Halliburton Co fell sharply yesterday after the company forecast lower revenues in key business areas next quarter, overshadowing a quarterly profit beat and a pledge to reduce 2019 spending.

Clients in North America, Halliburton's biggest market by revenue, began pulling back on some drilling services last year amid transportation bottlenecks in the largest US production region and after oil prices slid sharply in the fourth quarter.

An oil glut and concerns about a global economic slowdown have pushed US crude futures down about 30% since October to around \$53 a barrel.

The company anticipates mid- to high-single digit revenue declines in its Completion and Production and its Drilling and Evaluation divisions next quarter.

Halliburton said it will reduce its 2019 capital spending budget by nearly 20% to \$1.6bn.

Further reductions could be made if market conditions erode, executives said on the company's fourth quarter earnings call. Although Halliburton beat profit expectations, Wall Street analysts questioned chief executive officer Jeff Miller during the call on the lack of investor returns from the oilfield service sector, which has struggled to recover from the 2014 downturn in oil prices.

Halliburton's share price in December fell to its lowest level since 2010, trading under \$25.

Houston-based Halliburton said revenue from North America fell about 2% to \$3.3bn from a year earlier and dropped 11% from the third quarter.

International revenue rose to \$2.6bn from \$2.5bn from a year earlier.

It rose 7% from the third quarter.

"In North America, the demand for completions services decreased during the fourth quarter, leading to lower pricing for hydraulic fracturing services," Miller said in a statement.

The number of active hydraulic fracturing fleets in the Permian basin fell to 140 in January, versus 192 in June of 2018, a 27% decline, according to data from consultancy Primary Vision.

Halliburton's international business "continues to show signs of a steady recovery," Miller added.

The company saw an increase in demand for services in Argentina, which help offset some lower activity in North America.

Halliburton said net income attributable to the company was \$664mn, or 76 cents per share, for the fourth quarter ended December 31, compared with a loss of \$824mn or 94 cents per share, a year earlier.

Excluding one-time items, the company earned 41 cents per share, beating analysts' estimates of 37 cents per share, according to IBES data from Refinitiv.

Fourth-quarter revenue was largely flat at \$5.94bn.