

Halliburton: Choosing where to scale next

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A portfolio of service and technology priorities

Halliburton serves oil and gas producers across the life of a reservoir, from subsurface analysis and drilling through completion, intervention, and production. The company operates in more than 70 countries with over 46,000 employees. Its reported businesses span two segments: Completion and Production (C&P), and Drilling and Evaluation (D&E). Each includes multiple product service lines, while four geographic regions cut across both segments.

Halliburton's 2026 priorities span several parts of that portfolio. Management wants to grow international directional drilling, unconventional, well intervention, and artificial lift. It also plans to develop a collaboration with VoltaGrid around behind-the-meter power generation. In North America, it wants to maximize value through technologies including the Zeus IQ electric fracturing platform, iCruise rotary steerable systems, and LOGIX automation. Digital and automation are intended to improve differentiation and efficiency across the company. Halliburton also aims to maintain capital discipline and develop lower-carbon offerings.

These priorities can support one another: a digital capability may be used in several service lines, while field equipment can serve multiple customers or regions. They also compete for engineering talent, deployment teams, customer attention, and capital. The company does not disclose a budget by geography or named technology, nor does it report the incremental return from those initiatives.

The assignment

Imagine Halliburton's executive team has asked you, in a **hypothetical outside strategy-adviser role**, to recommend how it should prioritize and govern the next increment of commercial, engineering, and operating capacity. Where should Halliburton emphasize growth: international service-line expansion, North American productivity technologies, or a staged combination that includes digital/automation and emerging-energy work?

This assignment is fictional. Halliburton had not announced an either-or decision or a specific allocation among these priorities by July 24, 2026. The company's approximately \$1.1 billion full-year capital-expenditure outlook is an overall company target, not a disclosed discretionary pool; the amount already committed to projects is not public. Recommend priorities, governance, and evidence gates without inventing a company budget split.

Results point in different directions

For 2025, Halliburton reported that consolidated revenue declined 3% from 2024. Revenue in North America fell 6%, and international revenue declined 2%. For 2026, the company's second-quarter results were uneven across segments and regions.

Exhibit 1. Q2 2026 segment results

USD millions; three months ended June 30

Measure	Q2 2026	Q2 2025	Reported change
C&P revenue	\$3,202	\$3,171	+1%
C&P segment operating income	474	513	−8%
D&E revenue	2,512	2,339	+7%
D&E segment operating income	338	312	+8%
Total revenue	\$5,714	\$5,510	+4%
Consolidated operating income	\$778	\$727	+7%

Halliburton attributed C&P revenue improvement to activity in Latin America, Europe/Africa, and parts of Africa, partly offset by lower activity in the Middle East and a sale of some North American chemicals operations. It said activity mix and lower stimulation pricing in U.S. Land and Latin America weighed on C&P operating income. D&E growth reflected higher drilling-related services and activity across several regions. The company did not disclose profit by region or by named technology.

Consolidated Q2 operating income included a \$95 million pre-tax credit in “Impairments and other charges (credits),” primarily equity-investment gains and a government refund recovery, partly offset by a loss on the chemicals-business sale. The reported total therefore does not isolate recurring operating performance or returns on the initiatives described above.

Source: Halliburton Q2 2026 Form 10-Q, Note 3, p. 7, MD&A pp. 16, 21-22; company earnings release, July 21, 2026. Revenue and segment operating income are reported values. “Reported change” is company-reported.

Exhibit 2. Q2 2026 revenue by region

USD millions; three months ended June 30

Region	Q2 2026	Q2 2025	Reported change
North America	\$2,276	\$2,259	+1%
Latin America	1,123	977	+15%
Europe/Africa/CIS	1,017	820	+24%
Middle East/Asia	1,298	1,454	−11%

Region	Q2 2026	Q2 2025	Reported change
Total	\$5,714	\$5,510	+4%

The figures combine C&P and D&E. Halliburton said conflict-related disruptions affected operations in some Middle East markets. The company also described pricing, project activity, customer spending discipline, and inflation as factors affecting results. Regional sales do not measure regional profit, investment returns, or market share.

Source: Halliburton Q2 2026 Form 10-Q, MD&A, p. 22. Percentage changes are reported by the company.

Where might capability investments go?

Exhibit 3. Publicly stated 2026 priorities

Area	Company-stated emphasis	Questions for the team
International	Grow directional drilling, unconventional, well intervention, and artificial lift; develop the VoltaGrid collaboration for behind-the-meter power	Which markets and customer projects justify more equipment, people, or partnerships? What risks should affect deployment timing?
North America	Maximize value using Zeus IQ electric fracturing, iCruise rotary steerable systems, and LOGIX automation	Which existing capabilities merit broader use? How should customer productivity and Halliburton returns be measured separately?
Digital/automation	Improve differentiation and efficiency internally and for customers	Which digital capabilities should be shared across product lines, and who owns adoption and outcomes?
Capital efficiency	Keep 2026 capex near \$1.1 billion and improve utilization of existing capital	What should be protected, staged, redeployed, or deferred as demand changes?
Lower-carbon offerings	Lower customer emissions intensity and grow low-carbon energy business	Which opportunities can build from current capabilities, and what milestones would validate demand?

Source: Halliburton 2025 Form 10-K, Item 1, “2026 Focus,” p. 2; Q2 2026 Form 10-Q, MD&A pp. 14-18. The question prompts are for classroom discussion; they are not attributed to Halliburton.

Halliburton reported that half of its North American fracturing fleet had transitioned to Zeus electric pumps by year-end 2025. Its filings also discuss power-infrastructure limits as a risk to further Zeus deployment. These disclosures show progress and a possible operating constraint; they do not quantify field-level productivity, cost savings, customer adoption, or incremental profitability.

For full-year 2026, Halliburton expected capital spending of approximately \$1.1 billion. In the first half, it spent \$427 million, compared with \$656 million in the first half of 2025. At June 30 it reported \$2.048 billion of cash and equivalents. Management also maintains a framework to return more than 50% of annual free cash flow through dividends and share repurchases. These figures provide capital-allocation context; they do not indicate that the remaining annual

guidance is uncommitted.

Source: Halliburton 2025 Form 10-K, Item 1, p. 2; Q2 2026 Form 10-Q, pp. 4-5, 17-18.

Competitors are also combining technology and service

SLB organizes its 2025 portfolio into Digital, Reservoir Performance, Well Construction, and Production Systems. It describes Digital Operations as combining oilfield services with digital technology. Baker Hughes reports Oilfield Services & Equipment alongside Industrial & Energy Technology; its filing describes digital support to oilfield services and offerings in geothermal, carbon capture, hydrogen, power, and other markets.

These competitor filings show that technology and energy-adjacent activities are part of the strategic context. They do not establish comparative returns, market share, customer preference, or that either competitor's organization is the right model for Halliburton.

Sources: SLB 2025 Form 10-K, Item 1, pp. 2-5; Baker Hughes 2025 Form 10-K, Item 1, pp. 1-5.

What research suggests

Historical research on the U.S. shale-gas innovation ecosystem finds that oilfield-service suppliers, including Halliburton, built technical know-how while independent producers played a major role in commercial deployment. The study traced patents, wells, company reports, and interviews across 1947-2012; it does not estimate current Halliburton returns. A separate study of 114 oilfield-service firms reports that shale technology adoption could weigh on productivity early and support productivity gains as the technology matured. Its full text was not available for this case research, and its historical shale results do not forecast performance from Halliburton's current technologies.

Source: Kapoor and Murmann (2024); Zhang et al. (2022). Full references and access limits are in the source register.

Your recommendation

Recommend a priority and governance approach for Halliburton's next increment of capacity. Explain how your choice connects customer value, technology complements, deployment capability, and capital discipline. Identify what Halliburton should measure before expanding an initiative and what evidence would cause you to change course.

1. Which priorities share capabilities, customers, or deployment systems? Which apparent connections still need evidence?
2. What do the segment and regional results suggest, and what can they not establish about returns?
3. How should Halliburton sequence international growth, North American technology use, digital/automation, and emerging-energy work?
4. What decision rights and evidence gates would help Halliburton expand, pause, or redirect an initiative?

Source note

All company information is limited to public sources available by July 24, 2026. Detailed source locators, definitions, and research access depth appear in the source register and evidence extraction. Key primary sources: Halliburton [2025 Form 10-K](#), [Q2 2026 Form 10-Q](#), and [Q2 2026 results](#).

The adviser assignment and decision are hypothetical, not Halliburton announcements. No post-cutoff results or outcomes are included.