

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

FORM 10-Q

(Mark One)

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the quarterly period ended June 30, 2023  
OR  
 **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
Commission file No.: 1-4601



**Schlumberger N.V. (Schlumberger Limited)**

(Exact name of registrant as specified in its charter)

<b>Curaçao</b> (State or other jurisdiction of incorporation or organization)	<b>52-0684746</b> (IRS Employer Identification No.)
<b>42 rue Saint-Dominique</b> <b>Paris, France</b>	<b>75007</b>
<b>5599 San Felipe</b> <b>Houston, Texas, United States of America</b>	<b>77056</b>
<b>62 Buckingham Gate</b> <b>London, United Kingdom</b>	<b>SW1E 6AJ</b>
<b>Parkstraat 83</b> <b>The Hague, The Netherlands</b> (Addresses of principal executive offices)	<b>2514 JG</b> (Zip Codes)

**Registrant's telephone number in the United States, including area code, is: (713) 513-2000**

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
common stock, par value \$0.01 per share	SLB	New York Stock Exchange

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer <input checked="" type="checkbox"/>	Accelerated filer <input type="checkbox"/>
Non-accelerated filer <input type="checkbox"/>	Smaller reporting company <input type="checkbox"/>
Emerging growth company <input type="checkbox"/>	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

<u>Class</u>	<u>Outstanding at June 30, 2023</u>
COMMON STOCK, \$0.01 PAR VALUE PER SHARE	1,421,186,016

**SCHLUMBERGER LIMITED**  
Second Quarter 2023 Form 10-Q  
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**PART I. FINANCIAL INFORMATION****Item 1. Financial Statements.****SCHLUMBERGER LIMITED AND SUBSIDIARIES****CONSOLIDATED STATEMENT OF INCOME**

(Unaudited)

(Stated in millions, except per share amounts)

	Second Quarter		Six Months	
	2023	2022	2023	2022
<b>Revenue</b>				
Services	\$ 5,563	\$ 4,732	\$ 10,897	\$ 8,954
Product sales	2,536	2,041	4,938	3,781
<b>Total Revenue</b>	<b>8,099</b>	<b>6,773</b>	<b>15,835</b>	<b>12,735</b>
<b>Interest &amp; other income</b>	<b>82</b>	<b>311</b>	<b>174</b>	<b>361</b>
<b>Expenses</b>				
Cost of services	4,288	3,720	8,417	7,107
Cost of sales	2,214	1,848	4,370	3,474
Research & engineering	163	154	337	295
General & administrative	96	86	187	183
Interest	127	124	244	247
<b>Income before taxes</b>	<b>1,293</b>	<b>1,152</b>	<b>2,454</b>	<b>1,790</b>
Tax expense	246	182	464	300
<b>Net income</b>	<b>1,047</b>	<b>970</b>	<b>1,990</b>	<b>1,490</b>
Net income attributable to noncontrolling interests	14	11	23	21
<b>Net income attributable to SLB</b>	<b>\$ 1,033</b>	<b>\$ 959</b>	<b>\$ 1,967</b>	<b>\$ 1,469</b>
<b>Basic income per share of SLB</b>	<b>\$ 0.73</b>	<b>\$ 0.68</b>	<b>\$ 1.38</b>	<b>\$ 1.04</b>
<b>Diluted income per share of SLB</b>	<b>\$ 0.72</b>	<b>\$ 0.67</b>	<b>\$ 1.36</b>	<b>\$ 1.02</b>
<b>Average shares outstanding:</b>				
Basic	1,423	1,414	1,425	1,413
Assuming dilution	1,442	1,436	1,444	1,435

See Notes to Consolidated Financial Statements

**SCHLUMBERGER LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
(Unaudited)

(Stated in millions)

	Second Quarter		Six Months	
	2023	2022	2023	2022
<i>Net income</i>	\$ 1,047	\$ 970	\$ 1,990	\$ 1,490
<i>Currency translation adjustments</i>				
Unrealized net change arising during the period	(43)	216	(77)	110
<i>Cash flow hedges</i>				
Net gain (loss) on cash flow hedges	105	(106)	72	(97)
Reclassification to net income of net realized (gain) loss	(9)	55	(14)	72
<i>Pension and other postretirement benefit plans</i>				
Amortization to net income of net actuarial loss	(2)	14	(4)	30
Amortization to net income of net prior service credit	(6)	(6)	(11)	(11)
Income taxes on pension and other postretirement benefit plans	2	2	3	2
<i>Comprehensive income</i>	<u>1,094</u>	<u>1,145</u>	<u>1,959</u>	<u>1,596</u>
Comprehensive income attributable to noncontrolling interests	14	11	23	21
<i>Comprehensive income attributable to SLB</i>	<u>\$ 1,080</u>	<u>\$ 1,134</u>	<u>\$ 1,936</u>	<u>\$ 1,575</u>

See Notes to Consolidated Financial Statements

**SCHLUMBERGER LIMITED AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEET**

*(Stated in millions)*

	Jun. 30, 2023 (Unaudited)	Dec. 31, 2022
<b>ASSETS</b>		
<i>Current Assets</i>		
Cash	\$ 1,930	\$ 1,655
Short-term investments	1,264	1,239
Receivables less allowance for doubtful accounts (2023 - \$339; 2022 - \$340)	7,675	7,032
Inventories	4,360	3,999
Other current assets	925	1,078
	<u>16,154</u>	<u>15,003</u>
<i>Investments in Affiliated Companies</i>	1,601	1,581
<i>Fixed Assets less accumulated depreciation</i>	6,804	6,607
<i>Goodwill</i>	13,117	12,982
<i>Intangible Assets</i>	2,968	2,992
<i>Other Assets</i>	4,182	3,970
	<u>\$ 44,826</u>	<u>\$ 43,135</u>
<b>LIABILITIES AND EQUITY</b>		
<i>Current Liabilities</i>		
Accounts payable and accrued liabilities	\$ 8,938	\$ 9,121
Estimated liability for taxes on income	859	1,002
Short-term borrowings and current portion of long-term debt	1,993	1,632
Dividends payable	373	263
	<u>12,163</u>	<u>12,018</u>
<i>Long-term Debt</i>	11,342	10,594
<i>Postretirement Benefits</i>	167	165
<i>Deferred Taxes</i>	183	61
<i>Other Liabilities</i>	2,037	2,308
	<u>25,892</u>	<u>25,146</u>
<i>Equity</i>		
Common stock	11,270	11,837
Treasury stock	(750)	(1,016)
Retained earnings	11,974	10,719
Accumulated other comprehensive loss	(3,886)	(3,855)
SLB stockholders' equity	18,608	17,685
Noncontrolling interests	326	304
	<u>18,934</u>	<u>17,989</u>
	<u>\$ 44,826</u>	<u>\$ 43,135</u>

See Notes to Consolidated Financial Statements

**SCHLUMBERGER LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
(Unaudited)

(Stated in millions)

	Six Months Ended June 30,	
	2023	2022
<b>Cash flows from operating activities:</b>		
Net income	\$ 1,990	\$ 1,490
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>		
Gain on sale of Liberty shares	(36)	(242)
Gain on sale of real estate	-	(43)
Depreciation and amortization <sup>(1)</sup>	1,124	1,065
Deferred taxes	118	11
Stock-based compensation expense	160	160
Earnings of equity method investments, less dividends received	(79)	(22)
<b>Change in assets and liabilities: <sup>(2)</sup></b>		
Increase in receivables	(614)	(887)
Increase in inventories	(368)	(652)
Decrease (increase) in other current assets	157	(240)
Increase in other assets	(18)	(26)
Decrease in accounts payable and accrued liabilities	(270)	(57)
Decrease in estimated liability for taxes on income	(191)	(48)
(Decrease) increase in other liabilities	(63)	4
Other	28	26
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>1,938</b>	<b>539</b>
<b>Cash flows from investing activities:</b>		
Capital expenditures	(881)	(664)
APS investments	(253)	(311)
Exploration data costs capitalized	(83)	(64)
Business acquisitions and investments, net of cash acquired	(262)	(8)
Proceeds from sale of Liberty shares	137	513
Proceeds from sale of real estate	-	120
(Purchase) sale of short-term investments, net	(24)	457
Other	(164)	(76)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(1,530)</b>	<b>(33)</b>
<b>Cash flows from financing activities:</b>		
Dividends paid	(605)	(352)
Proceeds from employee stock purchase plan	86	64
Proceeds from exercise of stock options	38	29
Stock repurchase program	(443)	-
Proceeds from issuance of long-term debt	992	-
Net decrease in short-term borrowings	(48)	(11)
Taxes paid on net settled stock-based compensation awards	(144)	(85)
Other	3	(3)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(121)</b>	<b>(358)</b>
Net increase in cash before translation effect	287	148
Translation effect on cash	(12)	(12)
Cash, beginning of period	1,655	1,757
<b>Cash, end of period</b>	<b>\$ 1,930</b>	<b>\$ 1,893</b>

<sup>(1)</sup> Includes depreciation of fixed assets and amortization of intangible assets, exploration data costs, and APS investments.

<sup>(2)</sup> Net of the effect of business acquisitions.

See Notes to Consolidated Financial Statements

**SCHLUMBERGER LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY**  
(Unaudited)

(Stated in millions, except per share amounts)

January 1, 2023 – June 30, 2023	Common Stock		Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
	Issued	In Treasury				
Balance, January 1, 2023	\$ 11,837	\$ (1,016)	\$ 10,719	\$ (3,855)	\$ 304	\$ 17,989
Net income			1,967		23	1,990
Currency translation adjustments				(77)		(77)
Changes in fair value of cash flow hedges				58		58
Pension and other postretirement benefit plans				(12)		(12)
Shares sold to optionees, less shares exchanged	(31)	69				38
Vesting of restricted stock, net of taxes withheld	(573)	429				(144)
Employee stock purchase plan	(123)	209				86
Stock repurchase program		(443)				(443)
Stock-based compensation expense	160					160
Dividends declared (\$0.50 per share)			(712)			(712)
Dividends paid to noncontrolling interests					(2)	(2)
Other		2			1	3
Balance, June 30, 2023	\$ 11,270	\$ (750)	\$ 11,974	\$ (3,886)	\$ 326	\$ 18,934

January 1, 2022 – June 30, 2022	Common Stock		Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
	Issued	In Treasury				
Balance, January 1, 2022	\$ 12,608	\$ (2,233)	\$ 8,199	\$ (3,570)	\$ 282	\$ 15,286
Net income			1,469		21	1,490
Currency translation adjustments				110		110
Changes in fair value of cash flow hedges				(25)		(25)
Pension and other postretirement benefit plans				21		21
Shares sold to optionees, less shares exchanged	(24)	53				29
Vesting of restricted stock, net of taxes withheld	(658)	573				(85)
Employee stock purchase plan	(104)	168				64
Stock-based compensation expense	160					160
Dividends declared (\$0.30 per share)			(424)			(424)
Dividends paid to noncontrolling interest					(4)	(4)
Other	(1)	3			1	3
Balance, June 30, 2022	\$ 11,981	\$ (1,436)	\$ 9,244	\$ (3,464)	\$ 300	\$ 16,625

April 1, 2023 – June 30, 2023	Common Stock		Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
	Issued	In Treasury				
Balance, April 1, 2023	\$ 11,264	\$ (559)	\$ 11,296	\$ (3,933)	\$ 312	\$ 18,380
Net income			1,033		14	1,047
Currency translation adjustments				(43)		(43)
Changes in fair value of cash flow hedges				96		96
Pension and other postretirement benefit plans				(6)		(6)
Shares sold to optionees, less shares exchanged	(3)	6				3
Vesting of restricted stock, net of taxes withheld	(70)	14				(56)
Stock repurchase program		(213)				(213)
Stock-based compensation expense	79					79
Dividends declared (\$0.25 per share)			(355)			(355)
Other		2				2
Balance, June 30, 2023	\$ 11,270	\$ (750)	\$ 11,974	\$ (3,886)	\$ 326	\$ 18,934

(Stated in millions, except per share amounts)

April 1, 2022– June 30, 2022	Common Stock		Retained Earnings	Accumulated Other	Noncontrolling Interests	Total
	Issued	In Treasury		Comprehensive Loss		
Balance, April 1, 2022	\$ 11,957	\$ (1,503)	\$ 8,532	\$ (3,639)	\$ 292	\$ 15,639
Net income			959		11	970
Currency translation adjustments				216		216
Changes in fair value of cash flow hedges				(51)		(51)
Pension and other postretirement benefit plans				10		10
Shares sold to optionees, less shares exchanged	(18)	41				23
Vesting of restricted stock, net of taxes withheld	(27)	23				(4)
Stock-based compensation expense	71					71
Dividends declared (\$0.175 per share)			(247)			(247)
Dividends paid to noncontrolling interest					(4)	(4)
Other	(2)	3			1	2
Balance, June 30, 2022	<u>\$ 11,981</u>	<u>\$ (1,436)</u>	<u>\$ 9,244</u>	<u>\$ (3,464)</u>	<u>\$ 300</u>	<u>\$ 16,625</u>

**SHARES OF COMMON STOCK**  
(Unaudited)

(Stated in millions)

	Issued	In Treasury	Shares Outstanding
	Balance, January 1, 2023	1,434	(14)
Shares sold to optionees, less shares exchanged	-	1	1
Vesting of restricted stock	-	6	6
Shares issued under employee stock purchase plan	-	3	3
Stock repurchase program	-	(9)	(9)
Balance, June 30, 2023	<u>1,434</u>	<u>(13)</u>	<u>1,421</u>

See Notes to Consolidated Financial Statements



**SCHLUMBERGER LIMITED AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)

**1. Basis of Presentation**

The accompanying unaudited consolidated financial statements of Schlumberger Limited and its subsidiaries ("SLB") have been prepared in accordance with generally accepted accounting principles in the United States of America for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of SLB management, all adjustments considered necessary for a fair statement have been included in the accompanying unaudited financial statements. All intercompany transactions and balances have been eliminated in consolidation. Operating results for the six-month period ended June 30, 2023 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2023. The December 31, 2022 balance sheet information has been derived from the SLB 2022 audited financial statements. For further information, refer to the *Consolidated Financial Statements* and notes thereto included in the SLB Annual Report on Form 10-K for the year ended December 31, 2022, filed with the Securities and Exchange Commission on January 25, 2023.

**2. Charges and Credits**

**2023**

On December 31, 2020, SLB contributed its onshore hydraulic fracturing business in the United States and Canada, including its pressure pumping, pumpdown perforating and Permian frac sand business to Liberty Energy Inc. ("Liberty") in exchange for an equity interest in Liberty. During the first quarter of 2023, SLB sold all of its remaining approximately 9 million shares of Liberty and received net proceeds of \$137 million. As a result, SLB recognized a gain of \$36 million which is classified in *Interest & other income* in the *Consolidated Statement of Income*.

SLB did not record any charges or credits during the second quarter of 2023.

**2022**

SLB recorded the following credits during the first six months of 2022, all of which are classified in *Interest & other income* in the *Consolidated Statement of Income*:

(Stated in millions)

	Pretax Credit	Tax Expense	Net
<i>First quarter:</i>			
Gain on sale of Liberty shares	\$ (26)	\$ (4)	\$ (22)
<i>Second quarter:</i>			
Gain on sale of Liberty shares	(216)	(13)	(203)
Gain on sale of real estate	(43)	(2)	(41)
	<u>\$ (285)</u>	<u>\$ (19)</u>	<u>\$ (266)</u>

During the first quarter of 2022, SLB sold 7.2 million of its shares of Liberty and received proceeds of \$84 million. During the second quarter of 2022, SLB sold an additional 26.5 million of its shares in Liberty and received proceeds of \$429 million. As a result of these transactions SLB recognized a gain of \$26 million during the first quarter of 2022 and a gain of \$216 million during the second quarter of 2022.

During the second quarter of 2022, SLB sold certain real estate and received proceeds of \$120 million. As a result of this transaction, SLB recognized a gain of \$43 million.

### 3. Earnings per Share

The following is a reconciliation from basic earnings per share of SLB to diluted earnings per share of SLB:

(Stated in millions, except per share amounts)

	2023			2022		
	Net Income Attributable to SLB	Average Shares Outstanding	Earnings per Share	Net Income Attributable to SLB	Average Shares Outstanding	Earnings per Share
<b>Second Quarter</b>						
Basic	\$ 1,033	1,423	\$ 0.73	\$ 959	1,414	\$ 0.68
Assumed exercise of stock options	-	2	-	-	-	-
Unvested restricted stock	-	17	-	-	22	-
Diluted	\$ 1,033	1,442	\$ 0.72	\$ 959	1,436	\$ 0.67

	2023			2022		
	Net Income Attributable to SLB	Average Shares Outstanding	Earnings per Share	Net Income Attributable to SLB	Average Shares Outstanding	Earnings per Share
<b>Six Months</b>						
Basic	\$ 1,967	1,425	\$ 1.38	\$ 1,469	\$ 1,413	\$ 1.04
Assumed exercise of stock options	-	2	-	-	-	-
Unvested restricted stock	-	17	-	-	22	-
Diluted	\$ 1,967	1,444	\$ 1.36	\$ 1,469	\$ 1,435	\$ 1.02

The number of outstanding options to purchase shares of SLB common stock that were not included in the computation of diluted income per share, because to do so would have had an antidilutive effect, was as follows:

(Stated in millions)

	Second Quarter		Six Months	
	2023	2022	2023	2022
Employee stock options	22	26	22	31

### 4. Inventories

A summary of inventories, which are stated at the lower of average cost or net realizable value, is as follows:

(Stated in millions)

	Jun. 30, 2023	Dec. 31, 2022
Raw materials & field materials	\$ 2,308	\$ 2,085
Work in progress	650	547
Finished goods	1,402	1,367
	\$ 4,360	\$ 3,999

### 5. Fixed Assets

Fixed assets consist of the following:

(Stated in millions)

	Jun. 30, 2023	Dec. 31, 2022
Property, plant & equipment	\$ 28,771	\$ 28,386
Less: Accumulated depreciation	21,967	21,779
	\$ 6,804	\$ 6,607

Depreciation expense relating to fixed assets was as follows:

(Stated in millions)

	2023		2022	
Second Quarter	\$	353	\$	340
Six Months	\$	700	\$	678

## 6. Intangible Assets

Intangible assets consist of the following:

(Stated in millions)

	Jun. 30, 2023			Dec. 31, 2022		
	Gross Book Value	Accumulated Amortization	Net Book Value	Gross Book Value	Accumulated Amortization	Net Book Value
Customer relationships	\$ 1,709	\$ 667	\$ 1,042	\$ 1,680	\$ 631	\$ 1,049
Technology/technical know-how	1,306	721	585	1,280	676	604
Tradenames	795	248	547	767	222	545
Other	1,704	910	794	1,657	863	794
	<u>\$ 5,514</u>	<u>\$ 2,546</u>	<u>\$ 2,968</u>	<u>\$ 5,384</u>	<u>\$ 2,392</u>	<u>\$ 2,992</u>

Amortization expense charged to income was as follows:

(Stated in millions)

	2023		2022	
Second Quarter	\$	77	\$	75
Six Months	\$	153	\$	150

Based on the carrying value of intangible assets at June 30, 2023, amortization expense for the subsequent five years is estimated to be: remaining two quarters of 2023—\$153 million; 2024—\$288 million; 2025—\$273 million; 2026—\$269 million; 2027—\$267 million; and 2028—\$246 million.

## 7. Long-term Debt

Long-term Debt consist of the following:

(Stated in millions)

	Jun. 30, 2023	Dec. 31, 2022
3.90% Senior Notes due 2028	\$ 1,465	\$ 1,464
2.65% Senior Notes due 2030	1,250	1,250
1.375% Guaranteed Notes due 2026	1,094	1,061
2.00% Guaranteed Notes due 2032	1,088	1,055
0.25% Notes due 2027	985	955
0.50% Notes due 2031	984	954
4.30% Senior Notes due 2029	847	847
1.00% Guaranteed Notes due 2026	656	635
0.00% Notes due 2024	548	531
4.00% Senior Notes due 2025	523	522
1.40% Senior Notes due 2025	499	499
4.50% Senior Notes due 2028	496	-
4.85% Senior Notes due 2033	496	-
7.00% Notes due 2038	201	202
5.95% Notes due 2041	112	112
5.13% Notes due 2043	98	98
3.75% Senior Notes due 2024	-	355
3.70% Notes due 2024	-	54
	<u>\$ 11,342</u>	<u>\$ 10,594</u>

During the second quarter of 2023 SLB issued \$500 million of 4.50% Senior Notes due 2028 and \$500 million of 4.85% Senior Notes due 2033.

The estimated fair value of SLB's Long-term Debt, based on quoted market prices at June 30, 2023 and December 31, 2022, was \$10.3 billion and \$9.4 billion, respectively.

At June 30, 2023, SLB had committed credit facility agreements aggregating \$5.75 billion with commercial banks. These committed facilities support commercial paper programs in the United States and Europe, of which \$0.75 billion matures in February 2024, \$2.0 billion matures in February 2025, \$1.0 billion matures in July 2026 and \$2.0 billion matures in February 2027. SLB also has a €750 million three-year committed revolving credit facility maturing in June 2024. At June 30, 2023 no amounts had been drawn under these facilities. Interest rates and other terms of borrowing under these lines of credit vary by facility.

There were no borrowings under the commercial paper programs at June 30, 2023 and December 31, 2022, respectively.

Schlumberger Limited fully and unconditionally guarantees the securities issued by certain of its subsidiaries, including securities issued by Schlumberger Investment S.A. and Schlumberger Finance Canada Ltd., both indirect wholly-owned subsidiaries of Schlumberger Limited.

## 8. Derivative Instruments and Hedging Activities

SLB's functional currency is primarily the US dollar. However, outside the United States, a significant portion of SLB's expenses is incurred in foreign currencies. Therefore, when the US dollar weakens (strengthens) in relation to the foreign currencies of the countries in which SLB conducts business, the US dollar-reported expenses will increase (decrease).

Changes in foreign currency exchange rates exposes SLB to risks on future cash flows relating to certain of its fixed rate debt denominated in currencies other than the functional currency. SLB uses cross-currency interest rate swaps to provide a hedge against these risks. These contracts are accounted for as cash flow hedges, with the fair value of the derivative recorded on the *Consolidated Balance Sheet* and in *Accumulated other comprehensive loss*. Amounts recorded *Accumulated other comprehensive loss* are reclassified into earnings in the same period or periods that the hedged item is recognized in earnings.

Details regarding SLB's outstanding cross-currency interest rate swaps as of June 30, 2023, were as follows:

- During 2019, a US-dollar functional currency subsidiary of SLB issued €1.5 billion of Euro-denominated debt. SLB entered into cross-currency interest rate swaps in order to hedge changes in the US dollar value of its €0.5 billion 0.00% Notes due 2024, €0.5 billion 0.25% Notes due 2027 and €0.5 billion 0.50% Notes due 2031. These cross-currency interest rate swaps effectively convert the Euro-denominated notes to US-dollar denominated debt with fixed annual interest rates of 2.29%, 2.51% and 2.76%, respectively.
- During 2020, a US-dollar functional currency subsidiary of SLB issued €0.8 billion of Euro-denominated debt. SLB entered into cross-currency interest rate swaps to hedge changes in the US dollar value of its €0.4 billion of 0.25% Notes due 2027 and €0.4 billion of 0.50% Notes due 2031. These cross-currency interest rate swaps effectively convert the Euro-denominated notes to US-dollar denominated debt with fixed annual interest rates of 1.87% and 2.20%, respectively.
- During 2020, a US-dollar functional currency subsidiary of SLB issued €2.0 billion of Euro-denominated debt. SLB entered into cross-currency interest rate swaps to hedge changes in the US dollar value of its €1.0 billion of 1.375% Guaranteed Notes due 2026 and €1.0 billion of 2.00% Guaranteed Notes due 2032. These cross-currency interest rate swaps effectively convert the Euro-denominated notes to US-dollar denominated debt with fixed annual interest rates of 2.77% and 3.49%, respectively.
- During 2020, a Canadian dollar functional currency subsidiary of SLB issued \$0.5 billion of US dollar denominated debt. SLB entered into cross-currency interest rate swaps to hedge changes in the US dollar value of its \$0.5 billion 1.40% Senior Notes due 2025. These cross-currency interest rate swaps effectively convert the US dollar notes to Canadian dollar denominated debt with a fixed annual interest rate of 1.73%.

A summary of the amounts included in the *Consolidated Balance Sheet* relating to cross currency interest rate swaps was as follows:

(Stated in millions)

	Jun. 30, 2023	Dec. 31, 2022
<i>Other Assets</i>	\$ 11	\$ 1
<i>Other Liabilities</i>	\$ 155	\$ 326

The fair values were determined using a model with inputs that are observable in the market or can be derived or corroborated by observable data.

SLB has entered into derivative contracts that hedge the price of oil related to approximately 75% of the projected oil production for the remaining six months of 2023 and 35% of the projected oil production for the first six months of 2024 for one of its Asset Performance Solutions ("APS") projects. These contracts are accounted for as cash flow hedges, with changes in the fair value of the hedge recorded in *Accumulated other comprehensive loss*. Amounts recorded in *Accumulated other comprehensive loss* are reclassified to earnings in the same period or periods that the hedged item is recognized in earnings.

SLB is exposed to risks on future cash flows to the extent that the local currency is not the functional currency and expenses denominated in local currency are not equal to revenues denominated in local currency. SLB uses foreign currency forward contracts to provide a hedge against a portion of these cash flow risks. These contracts are accounted for as cash flow hedges.

SLB is also exposed to changes in the fair value of assets and liabilities denominated in currencies other than the functional currency. While SLB uses foreign currency forward contracts to economically hedge this exposure as it relates to certain currencies, these contracts are not designated as hedges for accounting purposes. Instead, the fair value of the derivative is recorded on the *Consolidated Balance Sheet* and changes in the fair value are recognized in the *Consolidated Statement of Income*, as are changes in the fair value of the hedged item.

Foreign currency forward contracts were outstanding for the US dollar equivalent of \$2.4 billion and \$2.1 billion in various foreign currencies as of June 30, 2023 and December 31, 2022, respectively.

Other than the previously mentioned cross-currency interest rate swaps, the fair value of the other outstanding derivatives was not material as of June 30, 2023 and December 31, 2022.

The effect of derivative instruments designated as cash flow hedges, and those not designated as hedges, on the *Consolidated Statement of Income* was as follows:

(Stated in millions)

	Gain (Loss) Recognized in Income				Consolidated Statement of Income Classification
	Second Quarter		Six Months		
	2023	2022	2023	2022	
<b>Derivatives designated as cash flow hedges:</b>					
Cross-currency interest rate swaps	\$ 38	\$ (160)	\$ 132	\$ (291)	Cost of services/sales
Cross-currency interest rate swaps	(22)	-	(44)	-	Interest expense
Commodity contracts	4	(50)	7	(65)	Revenue
Foreign exchange contracts	4	(5)	7	(7)	Cost of services/sales
	<u>\$ 24</u>	<u>\$ (215)</u>	<u>\$ 102</u>	<u>\$ (363)</u>	
<b>Derivatives not designated as hedges:</b>					
Foreign exchange contracts	<u>\$ (27)</u>	<u>\$ (27)</u>	<u>\$ (26)</u>	<u>\$ (38)</u>	Cost of services/sales

## 9. Contingencies

SLB is party to various legal proceedings from time to time. A liability is accrued when a loss is both probable and can be reasonably estimated. Management believes that the probability of a material loss with respect to any currently pending legal proceeding is remote. However, litigation is inherently uncertain and it is not possible to predict the ultimate disposition of any of these proceedings.

## 10. Segment Information

(Stated in millions)

	Second Quarter 2023		Second Quarter 2022	
	Income		Income	
	Revenue	Before Taxes	Revenue	Before Taxes
Digital & Integration	\$ 947	\$ 322	\$ 955	\$ 379
Reservoir Performance	1,643	306	1,333	195
Well Construction	3,362	731	2,686	470
Production Systems	2,313	278	1,893	171
Eliminations & other	(166)	(56)	(94)	(56)
Pretax segment operating income		1,581		1,159
Corporate & other <sup>(1)</sup>		(183)		(148)
Interest income <sup>(2)</sup>		19		3
Interest expense <sup>(3)</sup>		(124)		(121)
Charges and credits <sup>(4)</sup>		-		259
	<u>\$ 8,099</u>	<u>\$ 1,293</u>	<u>\$ 6,773</u>	<u>\$ 1,152</u>

<sup>(1)</sup> Comprised principally of certain corporate expenses not allocated to the segments, stock-based compensation costs, amortization expense associated with certain intangible assets, certain centrally managed initiatives and other nonoperating items.

<sup>(2)</sup> Interest income excludes amounts that are included in the segments' income (\$- million in 2023; \$16 million in 2022).

<sup>(3)</sup> Interest expense excludes amounts that are included in the segments' income (\$3 million in 2023; \$3 million in 2022).

<sup>(4)</sup> See Note 2 – *Charges and Credits*.

(Stated in millions)

	Six Months 2023		Six Months 2022	
	Revenue	Income Before Taxes	Revenue	Income Before Taxes
Digital & Integration	\$ 1,840	\$ 587	\$ 1,813	\$ 671
Reservoir Performance	3,146	548	2,543	355
Well Construction	6,623	1,403	5,083	858
Production Systems	4,520	483	3,497	285
Eliminations & other	(294)	(49)	(201)	(115)
Pretax segment operating income		2,972		2,054
Corporate & other <sup>(1)</sup>		(353)		(313)
Interest income <sup>(2)</sup>		36		5
Interest expense <sup>(3)</sup>		(237)		(241)
Charges and credits <sup>(4)</sup>		36		285
	<u>\$ 15,835</u>	<u>\$ 2,454</u>	<u>\$ 12,735</u>	<u>\$ 1,790</u>

<sup>(1)</sup> Comprised principally of certain corporate expenses not allocated to the segments, stock-based compensation costs, amortization expense associated with certain intangible assets, certain centrally managed initiatives and other nonoperating items.

<sup>(2)</sup> Interest income excludes amounts that are included in the segments' income (\$- million in 2023; \$28 million in 2022).

<sup>(3)</sup> Interest expense excludes amounts that are included in the segments' income (\$7 million in 2023; \$6 million in 2022).

<sup>(4)</sup> See Note 2 – *Charges and Credits*.

Revenue by geographic area was as follows:

(Stated in millions)

	Second Quarter		Six Months	
	2023	2022	2023	2022
North America	\$ 1,746	\$ 1,537	\$ 3,443	\$ 2,819
Latin America	1,624	1,329	3,242	2,534
Europe & Africa <sup>(1)</sup>	2,031	1,691	4,005	3,094
Middle East & Asia	2,642	2,168	5,035	4,192
Other	56	48	110	96
	<u>\$ 8,099</u>	<u>\$ 6,773</u>	<u>\$ 15,835</u>	<u>\$ 12,735</u>

<sup>(1)</sup> Includes Russia and the Caspian region.

North America and International revenue disaggregated by segment was as follows:

(Stated in millions)

	Second Quarter 2023			
	North America	International	Other	Total
Digital & Integration	\$ 234	\$ 712	\$ 1	\$ 947
Reservoir Performance	130	1,512	1	1,643
Well Construction	721	2,582	59	3,362
Production Systems	679	1,628	6	2,313
Eliminations & other	(18)	(137)	(11)	(166)
	<u>\$ 1,746</u>	<u>\$ 6,297</u>	<u>\$ 56</u>	<u>\$ 8,099</u>

  

	Second Quarter 2022			
	North America	International	Other	Total
Digital & Integration	\$ 327	\$ 627	\$ 1	\$ 955
Reservoir Performance	111	1,222	-	1,333
Well Construction	553	2,083	50	2,686
Production Systems	550	1,341	2	1,893
Eliminations & other	(4)	(85)	(5)	(94)
	<u>\$ 1,537</u>	<u>\$ 5,188</u>	<u>\$ 48</u>	<u>\$ 6,773</u>

## Six Months 2023

	North			Total
	America	International	Other	
Digital & Integration	\$ 485	\$ 1,354	\$ 1	\$ 1,840
Reservoir Performance	250	2,892	4	3,146
Well Construction	1,432	5,075	116	6,623
Production Systems	1,305	3,202	13	4,520
Eliminations & other	(29)	(241)	(24)	(294)
	<u>\$ 3,443</u>	<u>\$ 12,282</u>	<u>\$ 110</u>	<u>\$ 15,835</u>

## Six Months 2022

	North			Total
	America	International	Other	
Digital & Integration	\$ 552	\$ 1,258	\$ 3	\$ 1,813
Reservoir Performance	214	2,326	3	2,543
Well Construction	1,038	3,948	97	5,083
Production Systems	1,023	2,468	6	3,497
Eliminations & other	(8)	(180)	(13)	(201)
	<u>\$ 2,819</u>	<u>\$ 9,820</u>	<u>\$ 96</u>	<u>\$ 12,735</u>

Revenue in excess of billings related to contracts where revenue is recognized over time was \$0.3 billion at both June 30, 2023 and December 31, 2022. Such amounts are included within *Receivables less allowance for doubtful accounts* in the *Consolidated Balance Sheet*.

Due to the nature of its business, SLB does not have significant backlog. Total backlog was \$3.2 billion at June 30, 2023, of which approximately 55% is expected to be recognized as revenue over the next 12 months.

Billings and cash collections in excess of revenue was \$1.3 billion at June 30, 2023 and \$1.2 billion at December 31, 2022. Such amounts are included within *Accounts payable and accrued liabilities* in the *Consolidated Balance Sheet*.

**Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

This section of the Form 10-Q discusses second-quarter 2023 results of operations with comparisons to the first-quarter 2023, as well as the first six months of 2023 results of operations with comparisons to the first six months of 2022. Detailed financial information with respect to first-quarter 2023 can be found in Part I, Item 1, "Financial Statements" of SLB's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2023.

**Second Quarter 2023 Compared to First Quarter 2023**

(Stated in millions)

	Second Quarter 2023		First Quarter 2023	
	Revenue	Income Before Taxes	Revenue	Income Before Taxes
Digital & Integration	\$ 947	\$ 322	\$ 894	\$ 265
Reservoir Performance	1,643	306	1,503	242
Well Construction	3,362	731	3,261	672
Production Systems	2,313	278	2,207	205
Eliminations & other	(166)	(56)	(129)	7
Pretax segment operating income		1,581		1,391
Corporate & other <sup>(1)</sup>		(183)		(169)
Interest income <sup>(2)</sup>		19		17
Interest expense <sup>(3)</sup>		(124)		(114)
Charges and credits <sup>(4)</sup>		-		36
	<u>\$ 8,099</u>	<u>\$ 1,293</u>	<u>\$ 7,736</u>	<u>\$ 1,161</u>

(1) Comprised principally of certain corporate expenses not allocated to the segments, stock-based compensation costs, amortization expense associated with certain intangible assets, certain centrally managed initiatives and other nonoperating items.

(2) Interest income excludes amounts that are included in the segments' income (\$- million in Q2 2023; \$- million in Q1 2023).

(3) Interest expense excludes amounts that are included in the segments' income (\$3 million in Q2 2023; \$3 million in Q1 2023).

(4) Charges and credits are described in detail in Note 2 to the *Consolidated Financial Statements*.

The second quarter results reflected significant growth in the international markets, which grew 5% sequentially, particularly in the Middle East & Asia, and offshore. North America revenue grew 3% sequentially benefiting from SLB's agility across the most resilient basins and market segments, although the rig count in the area declined during the quarter. As the upcycle continues to unfold, international- and offshore-led growth is fueling strong margin expansion. SLB is very well positioned in these markets, as international represents nearly 80% of SLB's global revenue and, offshore constitutes approximately half of that. Internationally, broad revenue growth was experienced across all Divisions and geographic areas with margins expanding.

Sequentially, global revenue grew by 5%, driven mostly by the international markets. This was led by the Middle East & Asia, which increased 10%, propelled by strong double-digit growth in Saudi Arabia, Kuwait, United Arab Emirates, Egypt, India, and China. Similarly, the offshore businesses in the US Gulf of Mexico, Brazil, Angola, Namibia, and the Caspian Sea posted double-digit growth sequentially.

SLB continues to see positive upstream investment momentum in the international and offshore markets. These markets are being driven by resilient long-cycle offshore developments, production capacity expansions, the return of global exploration and appraisal, and the recognition of gas as a critical fuel source for energy security and the energy transition.

As international spending builds further momentum in the second half of 2023 and North America moderates as anticipated, this cycle continues to align closely with SLB's strengths.

**Digital & Integration**

Digital & Integration revenue of \$947 million increased 6% sequentially primarily due to strong growth in digital sales internationally.

Digital & Integration pretax segment operating margin of 34% expanded 438 bps sequentially due to improved profitability in digital solutions.

**Reservoir Performance**

Reservoir Performance revenue of \$1.64 billion grew 9% sequentially due primarily to increased activity internationally. More than half of the revenue growth came from the Middle East & Asia.

Reservoir Performance pretax segment operating margin of 19% expanded 248 bps sequentially. Profitability improved driven mainly by higher activity and improved operating leverage.



## Well Construction

Well Construction revenue of \$3.36 billion increased 3% sequentially led by Europe & Africa and the Middle East & Asia.

Well Construction pretax segment operating margin of 22% increased 115 bps sequentially driven by international, while North America margin was essentially flat.

## Production Systems

Production Systems revenue of \$2.31 billion increased 5% sequentially. The strong revenue growth was led by the Middle East & Asia, which posted double-digit growth, followed by North America and Latin America. Europe & Africa revenue declined sequentially following the non-repeat of significant midstream production systems project milestones achieved in the previous quarter.

### Six Months 2023 Compared to Six Months 2022

(Stated in millions)

	Six Months 2023		Six Months 2022	
	Revenue	Income Before Taxes	Revenue	Income Before Taxes
Digital & Integration	\$ 1,840	\$ 587	\$ 1,813	\$ 671
Reservoir Performance	3,146	548	2,543	355
Well Construction	6,623	1,403	5,083	858
Production Systems	4,520	483	3,497	285
Eliminations & other	(294)	(49)	(201)	(115)
Pretax segment operating income		2,972		2,054
Corporate & other <sup>(1)</sup>		(353)		(313)
Interest income <sup>(2)</sup>		36		5
Interest expense <sup>(3)</sup>		(237)		(241)
Charges and credits <sup>(4)</sup>		36		285
	<u>\$ 15,835</u>	<u>\$ 2,454</u>	<u>\$ 12,735</u>	<u>\$ 1,790</u>

<sup>(1)</sup> Comprised principally of certain corporate expenses not allocated to the segments, stock-based compensation costs, amortization expense associated with certain intangible assets, certain centrally managed initiatives and other nonoperating items.

<sup>(2)</sup> Interest income excludes amounts that are included in the segments' income (\$- million in 2023; \$28 million in 2022).

<sup>(3)</sup> Interest expense excludes amounts that are included in the segments' income (\$7 million in 2023; \$6 million in 2022).

<sup>(4)</sup> Charges and credits are described in detail in Note 2 to the *Consolidated Financial Statements*.

Six-month 2023 revenue of \$15.83 billion increased 24% year on year led by Well Construction and Production Systems. On a geographic basis, year-on-year revenue growth was broad based with North America revenue increasing 22% due to strong land and offshore drilling and higher sales of production systems, while international revenue grew 25%. International growth was widespread across all areas, led by Europe & Africa, which grew 29% primarily from higher sales of production systems in Europe and increased activity in offshore Africa. Latin America revenue increased 28% due to robust drilling activity and higher sales of production systems, while revenue in the Middle East & Asia increased 20% due to higher drilling and intervention activity.

Six-month 2023 pretax segment operating margin of 19% expanded by 264 bps as compared to the same period last year driven by higher activity, improved pricing, and a more favorable activity mix.

## Digital & Integration

Six-month 2023 revenue of \$1.84 billion increased 2% year on year, as strong growth in digital sales were largely offset by lower revenue in Asset Performance Solutions ("APS") projects and decreased exploration data licensing sales. The APS revenue decline resulted primarily from a temporary production interruption in the projects in Ecuador during the first quarter of 2023 due to a pipeline disruption and lower commodity prices that impacted the project in Canada. The lower exploration data licensing sales were driven by the absence of the \$95 million of transfer fees recorded in the second quarter of 2022.

Year on year, pretax segment operating margin fell by 515 bps to 32% primarily due to the lower revenue from exploration data licenses and reduced profitability from APS projects.

## Reservoir Performance

Six-month 2023 revenue of \$3.15 billion increased 24% year on year due primarily to increased activity internationally.

Year on year, pretax segment operating margin expanded by 346 bps to 17% primarily due to improved profitability in stimulation and evaluation activity.

### Well Construction

Six-month 2023 revenue of \$6.62 billion increased 30% year on year with double-digit growth across all areas, led by North America and Latin America which each grew more than 30%. Double-digit growth was driven by drilling fluids and measurements—both on higher land and offshore activity—along with improved pricing.

Year on year, pretax segment operating margin expanded 431 bps to 21% with profitability improving across all geographic areas driven by the higher activity and improved pricing.

### Production Systems

Six-month 2023 revenue of \$4.52 billion increased 29% driven by strong growth across all areas led by Europe & Africa, North America and Latin America.

Year on year, pretax segment operating margin expanded 254 bps to 11% mainly driven by higher artificial lift, surface production system, and subsea production system sales and the easing of supply chain constraints.

### Interest and Other Income

Interest & other income consisted of the following:

(Stated in millions)

	Second Quarter	First Quarter	Six Months	
	2023	2023	2023	2022
Earnings of equity method investments	\$ 63	\$ 39	\$ 102	\$ 43
Interest income	19	17	36	33
Gain on sale of Liberty shares	-	36	36	242
Gain on sale of real estate	-	-	-	43
	<u>\$ 82</u>	<u>\$ 92</u>	<u>\$ 174</u>	<u>\$ 361</u>

Earnings of equity method investments for the second quarter of 2023 increased \$24 million as compared to the first quarter of 2023 driven primarily by increased profitability in certain of SLB's seismic-related investments.

Earnings of equity method investments for the first six months of 2023 increased \$59 million as compared to the same period of 2022 driven primarily due to SLB's share of net income associated with its investment in Liberty and increased profitability of certain seismic-related investments. During the first quarter of 2023, SLB sold all of its remaining approximately 9 million shares of Liberty.

### Other

Research & engineering and General & administrative expenses, as a percentage of Revenue, for the second quarter and first quarter of 2023 and the first six months of 2023 and 2022 were as follows:

	Second Quarter	First Quarter	Six Months	
	2023	2023	2023	2022
Research & engineering	2.0%	2.3%	2.1%	2.3%
General & administrative	1.2%	1.2%	1.2%	1.4%

The effective tax rate for the second quarter of 2023 was 19.0%, compared to 18.7% for the first quarter of 2023.

The effective tax rate for the first six months of 2023 was 18.9%, as compared to 16.8% for the same period of 2022. The increase in the effective tax rate was primarily due to the credits described in Note 2 to the Consolidated Financial Statements. These credits reduced the effective tax rate during the first six months of 2022 by two percentage points.

### Charges and Credits

On December 31, 2020, SLB contributed its onshore hydraulic fracturing business in the United States and Canada, including its pressure pumping, pumpdown perforating and Permian frac sand business to Liberty in exchange for an equity interest in Liberty. During the first quarter of 2023, SLB sold all of its remaining approximately 9 million shares of Liberty and received net proceeds of \$137 million. As a result, SLB recognized a gain of \$36 million, which is classified in Interest & other income in the Consolidated Statement of Income.

SLB did not record any charges or credits during the second quarter of 2023.

SLB recorded the following credits during the first six months of 2022, all of which are classified in *Interest & other income* in the *Consolidated Statement of Income*.

(Stated in millions)

	Pretax Credit	Tax Expense	Net
<b>First quarter:</b>			
Gain on sale of Liberty shares	\$ (26)	\$ (4)	\$ (22)
<b>Second quarter:</b>			
Gain on sale of Liberty shares	(216)	(13)	(203)
Gain on sale of real estate	(43)	(2)	(41)
	<u>\$ (285)</u>	<u>\$ (19)</u>	<u>\$ (266)</u>

### Liquidity and Capital Resources

Details of the components of liquidity as well as changes in liquidity are as follows:

(Stated in millions)

<b>Components of Liquidity:</b>	Jun. 30, 2023	Jun. 30, 2022	Dec. 31, 2022
Cash	\$ 1,930	\$ 1,893	\$ 1,655
Short-term investments	1,264	923	1,239
Short-term borrowings and current portion of long-term debt	(1,993)	(901)	(1,632)
Long-term debt	(11,342)	(12,946)	(10,594)
Net debt <sup>(1)</sup>	<u>\$ (10,141)</u>	<u>\$ (11,031)</u>	<u>\$ (9,332)</u>

<b>Changes in Liquidity:</b>	Six Months Ended Jun. 30,	
	2023	2022
Net income	\$ 1,990	\$ 1,490
Gain on sale of Liberty shares	(36)	(242)
Gain on sale of real estate	-	(43)
Depreciation and amortization <sup>(2)</sup>	1,124	1,065
Earnings of equity method investments, less dividends received	(79)	(22)
Deferred taxes	118	11
Stock-based compensation expense	160	160
Increase in working capital	(1,286)	(1,884)
Other	(53)	4
<b>Cash flow from operations</b>	<u>1,938</u>	<u>539</u>
Capital expenditures	(881)	(664)
APS investments	(253)	(311)
Exploration data costs capitalized	(83)	(64)
<b>Free cash flow <sup>(3)</sup></b>	<u>721</u>	<u>(500)</u>
Dividends paid	(605)	(352)
Stock repurchase program	(443)	-
Proceeds from employee stock plans	124	93
Taxes paid on net settled stock-based compensation awards	(144)	(85)
Business acquisitions and investments, net of cash acquired plus debt assumed	(262)	(8)
Proceeds from sale of Liberty shares	137	513
Proceeds from sale of real estate	-	120
Other	(167)	(86)
<b>Increase in net debt before impact of changes in foreign exchange rates</b>	<u>(639)</u>	<u>(305)</u>
Impact of changes in foreign exchange rates on net debt	(170)	330
<b>(Increase) decrease in net debt</b>	<u>(809)</u>	<u>25</u>
Net debt, beginning of period <sup>(1)</sup>	(9,332)	(11,056)
<b>Net debt, end of period <sup>(1)</sup></b>	<u>\$ (10,141)</u>	<u>\$ (11,031)</u>

<sup>(1)</sup> "Net debt" represents gross debt less cash and short-term investments. Management believes that Net debt provides useful information regarding the level of SLB's indebtedness by reflecting cash and investments that could be used to repay debt. Net debt is a non-GAAP financial measure that should be considered in addition to, not as a substitute for or superior to, total debt.

<sup>(2)</sup> Includes depreciation of fixed assets and amortization of intangible assets, exploration data costs, and APS investments.

<sup>(3)</sup> "Free cash flow" represents cash flow from operations less capital expenditures, APS investments and exploration data costs capitalized. Management believes that free cash flow is an important liquidity measure for the company and that it is useful to investors and management as a measure of our ability to generate cash. Once business needs and obligations are met, this cash can be used to reinvest in the company for future

growth or to return to shareholders through dividend payments or share repurchases. Free cash flow does not represent the residual cash flow available for discretionary expenditures. Free cash flow is a non-GAAP financial measure that should be considered in addition to, not as a substitute for or superior to, cash flow from operations.

Key liquidity events during the first six months of 2023 and 2022 included:

- Capital investments (consisting of capital expenditures, APS investments and exploration data capitalized) were \$1.2 billion during the first six months of 2023 compared to \$1.0 billion during the first six months of 2022. Capital investments for the full year 2023 are expected to be approximately \$2.5 to \$2.6 billion as compared to \$2.3 billion for the full year 2022.
- During the second quarter of 2023, SLB issued \$500 million of 4.50% Senior Notes due 2028 and \$500 million of 4.85% Senior Notes due 2033.
- During the first quarter of 2023, SLB sold all of its remaining approximately 9 million shares in Liberty and received proceeds of \$137 million.
- As of June 30, 2023, SLB had repurchased \$1.5 billion of SLB common stock under its \$10 billion share repurchase program. SLB repurchased approximately 4.5 million shares of its common stock under this program during the second quarter of 2023 for a total purchase price of \$213 million. SLB did not repurchase any of its common stock during the first six months of 2022.

As of June 30, 2023, SLB had \$3.19 billion of cash and short-term investments on hand and committed debt facility agreements with commercial banks aggregating \$6.57 billion, all of which was available and unused. SLB believes these amounts are sufficient to meet future business requirements for at least the next 12 months and beyond.

There were no borrowings under SLB's commercial paper programs at June 30, 2023.

SLB has a global footprint in more than 100 countries. As of June 30, 2023, only four of those countries individually accounted for greater than 5% of SLB's net receivable balance. Two of these countries, the United States and Mexico, each represented greater than 10% of such receivables.

Included in *Receivables, less allowance for doubtful accounts* in the *Consolidated Balance Sheet* as of June 30, 2023 was approximately \$1.0 billion of receivables relating to Mexico. SLB's receivables from its primary customer in Mexico are not in dispute and SLB has not historically had any material write-offs due to uncollectible accounts receivable relating to this customer.

### **Additional Information**

In March 2022, SLB decided to immediately suspend new investment and technology deployment to its Russia operations. In July 2023, SLB announced that it was halting shipments of products and technology into Russia from all SLB facilities worldwide in response to the continued expansion of international sanctions. This follows SLB's previous ban on shipments from SLB facilities in the United States, United Kingdom, the European Union and Canada into Russia. Russia represented approximately 5% of SLB's worldwide revenue during the first six months of 2023. The carrying value of SLB's net assets in Russia was approximately \$0.7 billion as of June 30, 2023. This consisted of \$0.3 billion of receivables, \$0.3 billion of fixed assets, \$0.5 billion of other assets and \$0.4 billion of current liabilities.

SLB continues to actively monitor the dynamic situation in Ukraine and applicable laws, sanctions, and trade control restrictions resulting from the conflict. The extent to which SLB's operations and financial results may be affected by the ongoing conflict in Ukraine will depend on various factors, including the extent and duration of the conflict; the effects of the conflict on regional and global economic and geopolitical conditions; the effect of further laws, sanctions, and trade control restrictions on SLB's business, the global economy and global supply chains; and the impact of fluctuations in the exchange rate of the ruble. Continuation or escalation of the conflict may also aggravate the risk factors that SLB identified in its Annual Report on Form 10-K for the year ended December 31, 2022, including cybersecurity, regulatory, and reputational risks.

### **FORWARD-LOOKING STATEMENTS**

This second-quarter 2023 Form 10-Q, as well as other statements we make, contains "forward-looking statements" within the meaning of the federal securities laws, which include any statements that are not historical facts. Such statements often contain words such as "expect," "may," "can," "believe," "predict," "plan," "potential," "projected," "projections," "precursor," "forecast," "outlook," "expectations," "estimate," "intend," "anticipate," "ambition," "goal," "target," "scheduled," "think," "should," "could," "would," "will," "see," "likely," and other similar words. Forward-looking statements address matters that are, to varying degrees, uncertain, such as statements about SLB's financial and performance targets and other forecasts or expectations regarding, or dependent on, its business outlook; growth for SLB as a whole and for each of its Divisions (and for specified business lines, geographic areas or technologies within each Division); oil and natural gas demand and production growth; oil and natural gas prices; forecasts or expectations regarding energy transition and global climate change; improvements in operating procedures and technology; capital expenditures by SLB and the oil and gas industry; the business strategies of SLB, including digital and "fit for basin," as well as the strategies of SLB's customers; SLB's APS projects, joint ventures, and other alliances; SLB's response to the COVID-19 pandemic and its preparedness for other widespread health emergencies; the impact of the ongoing conflict in Ukraine on global energy supply; access to raw materials; future global economic and geopolitical conditions; future liquidity, including free cash flow; and future results of operations, such as margin levels. These statements are subject to risks and uncertainties, including, but not limited to, changing global economic and geopolitical conditions; changes in exploration and production spending by SLB's customers and changes in the level of oil and natural gas exploration and development; the results of operations and financial condition of SLB's customers and suppliers; SLB's inability to achieve its financial and performance targets and other forecasts and expectations; SLB's inability to achieve net-zero carbon emissions goals or interim emissions reduction goals; general

economic, geopolitical and business conditions in key regions of the world; the ongoing conflict in Ukraine; foreign currency risk; inflation; changes in monetary policy by governments; pricing pressure; weather and seasonal factors; unfavorable effects of health pandemics; availability and cost of raw materials; operational modifications, delays or cancellations; challenges in SLB's supply chain; production declines; the extent of future charges; SLB's inability to recognize efficiencies and other intended benefits from its business strategies and initiatives, such as digital or new energy, as well as its cost reduction strategies; changes in government regulations and regulatory requirements, including those related to offshore oil and gas exploration, radioactive sources, explosives, chemicals and climate-related initiatives; the inability of technology to meet new challenges in exploration; the competitiveness of alternative energy sources or product substitutes; and other risks and uncertainties detailed in this Form 10-Q and our most recent Form 10-K and Forms 8-K filed with or furnished to the SEC. If one or more of these or other risks or uncertainties materialize (or the consequences of any such development changes), or should our underlying assumptions prove incorrect, actual results or outcomes may vary materially from those reflected in our forward-looking statements. Forward-looking and other statements in this Form 10-Q regarding our environmental, social, and other sustainability plans and goals are not an indication that these statements are necessarily material to investors or required to be disclosed in our filings with the SEC. In addition, historical, current, and forward-looking environmental, social, and sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future. Statements in this Form 10-Q are made as of July 26, 2023, and SLB disclaims any intention or obligation to update publicly or revise such statements, whether as a result of new information, future events or otherwise.

**Item 3. Quantitative and Qualitative Disclosures about Market Risk.**

For quantitative and qualitative disclosures about market risk affecting SLB, see Item 7A, "Quantitative and Qualitative Disclosures about Market Risk," of the SLB Annual Report on Form 10-K for the fiscal year ended December 31, 2022. SLB's exposure to market risk has not changed materially since December 31, 2022.

**Item 4. Controls and Procedures.**

SLB has carried out an evaluation under the supervision and with the participation of SLB's management, including the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), of the effectiveness of SLB's "disclosure controls and procedures" (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")) as of the end of the period covered by this report. Based on this evaluation, the CEO and the CFO have concluded that, as of the end of the period covered by this report, SLB's disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the reports that SLB files or submits 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. SLB's 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 its management, including the CEO and the CFO, as appropriate, to allow timely decisions regarding required disclosure. There was no change in SLB's internal control over financial reporting during the quarter to which this report relates that has materially affected, or is reasonably likely to materially affect, SLB's internal control over financial reporting.

## **PART II. OTHER INFORMATION**

### **Item 1. Legal Proceedings.**

The information with respect to this Item 1 is set forth under Note 9—Contingencies, in the accompanying Consolidated Financial Statements.

### **Item 1A. Risk Factors.**

As of the date of this filing, there have been no material changes from the risk factors disclosed in Part 1, Item 1A, of SLB's Annual Report on Form 10-K for the fiscal year ended December 31, 2022.

### **Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.**

#### **Unregistered Sales of Equity Securities**

None.

#### **Issuer Repurchases of Equity Securities**

On January 21, 2016, the SLB Board of Directors approved a \$10 billion share repurchase program for SLB common stock. As of June 30, 2023, SLB had repurchased \$1.5 billion of SLB common stock under this program.

SLB's common stock repurchase activity for the three months ended June 30, 2023 was as follows:

*(Stated in thousands, except per share amounts)*

	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Maximum value of shares that may yet be purchased under the plans or programs
April 2023	1,439.2	\$ 50.76	1,439.2	\$ 8,669,119
May 2023	1,781.0	\$ 45.36	1,781.0	\$ 8,588,333
June 2023	1,285.0	\$ 46.22	1,285.0	\$ 8,528,945
	<u>4,505.2</u>	<u>\$ 47.33</u>	<u>4,505.2</u>	

### **Item 3. Defaults Upon Senior Securities.**

None.

### **Item 4. Mine Safety Disclosures.**

Our mining operations are subject to regulation by the federal Mine Safety and Health Administration under the Federal Mine Safety and Health Act of 1977. Information concerning mine safety violations or other regulatory matters required by section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K is included in Exhibit 95 to this report.

### **Item 5. Other Information.**

In 2013, SLB completed the wind down of its service operations in Iran. Prior to this, certain non-US subsidiaries provided oilfield services to the National Iranian Oil Company and certain of its affiliates ("NIOC").

SLB's residual transactions or dealings with the government of Iran during the second quarter of 2023 consisted of payments of taxes and other typical governmental charges. Certain non-US subsidiaries of SLB maintain depository accounts at the Dubai branch of Bank Saderat Iran ("Saderat"), and at Bank Tejarat ("Tejarat") in Tehran and in Kish for the deposit by NIOC of amounts owed to non-US subsidiaries of SLB for prior services rendered in Iran and for the maintenance of such amounts previously received. One non-US subsidiary also maintained an account at Tejarat for payment of local expenses such as taxes. SLB anticipates that it will discontinue dealings with Saderat and Tejarat following the receipt of all amounts owed to SLB for prior services rendered in Iran.

## **Item 6. Exhibits.**

Exhibit 3.1—[Articles of Incorporation of Schlumberger Limited \(Schlumberger N.V.\) \(incorporated by reference to Exhibit 3.1 to SLB's Current Report on Form 8-K filed on April 6, 2016\)](#)

Exhibit 3.2—[Amended and Restated By-Laws of Schlumberger Limited \(Schlumberger N.V.\) \(incorporated by reference to Exhibit 3 to SLB's Current Report on Form 8-K filed on April 21, 2023\)](#)

Exhibit 4.1—[Indenture dated as of December 3, 2013, by and among Schlumberger Investment S.A., as issuer, Schlumberger Limited \(Schlumberger N.V.\), as guarantor, and The Bank of New York Mellon, as trustee \(incorporated by reference to Exhibit 4.1 to SLB's Current Report on Form 8-K filed on December 3, 2013\)](#)

Exhibit 4.2—[Second Supplemental Indenture dated as of June 26, 2020, by and among Schlumberger Investment S.A., as issuer, Schlumberger Limited \(Schlumberger N.V.\), as guarantor, and The Bank of New York Mellon, as trustee \(incorporated by reference to Exhibit 4.1 to SLB's Current Report on Form 8-K filed on June 26, 2020\)](#)

Exhibit 4.3—[Third Supplemental Indenture dated as of May 15, 2023, among Schlumberger Investment S.A., as issuer, Schlumberger Limited \(Schlumberger N.V.\), as guarantor, and The Bank of New York Mellon, as trustee \(including form of global notes representing 4.500% Senior Notes due 2028 and form of global notes representing 4.850% Senior Notes due 2033\) \(incorporated by reference to Exhibit 4.1 to SLB's Current Report on Form 8-K filed on May 15, 2023\)](#)

\* Exhibit 22—[Issuers of Registered Guaranteed Debt Securities](#)

\* Exhibit 31.1—[Certification of Chief Executive Officer pursuant to Rule 13a-14\(a\) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)

\* Exhibit 31.2—[Certification of Chief Financial Officer pursuant to Rule 13a-14\(a\) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)

\*\* Exhibit 32.1—[Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)

\*\* Exhibit 32.2—[Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)

\* Exhibit 95—[Mine Safety Disclosures](#)

\* Exhibit 101.INS—Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document

\* Exhibit 101.SCH—Inline XBRL Taxonomy Extension Schema Document

\* Exhibit 101.CAL—Inline XBRL Taxonomy Extension Calculation Linkbase Document

\* Exhibit 101.DEF—Inline XBRL Taxonomy Extension Definition Linkbase Document

\* Exhibit 101.LAB—Inline XBRL Taxonomy Extension Label Linkbase Document

\* Exhibit 101.PRE—Inline XBRL Taxonomy Extension Presentation Linkbase Document

\* Exhibit 104—Cover Page Interactive Data File (embedded within the Inline XBRL document)

\* Filed with this Form 10-Q.

\*\* Furnished with this Form 10-Q.

(+) Management contracts or compensatory plans or arrangements.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SCHLUMBERGER LIMITED

Date: July 26, 2023

/s/ Howard Guild

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**Howard Guild**  
**Chief Accounting Officer and Duly Authorized Signatory**





**Issuers of Registered Guaranteed Debt Securities**

Schlumberger Investment S.A., a société anonyme incorporated under the laws of the Grand Duchy of Luxembourg (“SISA”), and Schlumberger Finance Canada Ltd., a corporation incorporated under the laws of the Province of Alberta, Canada (“SFCL”), are both indirect wholly-owned subsidiaries of Schlumberger Limited (the “Guarantor”).

As of June 30, 2023, (i) SISA was the issuer of its 3.650% Senior Notes due 2023, 4.500% Senior Notes due 2028, 2.650% Senior Notes due 2030, and 4.850% Senior Notes due 2033 (together, the “SISA Notes”), and (ii) SFCL was the issuer of its 1.400% Senior Notes due 2025 (the “SFCL Notes”). The Guarantor fully and unconditionally guarantees the SISA Notes and the SFCL Notes on a senior unsecured basis.

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**CERTIFICATION OF CHIEF EXECUTIVE OFFICER**

I, Olivier Le Peuch, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Schlumberger N.V. (Schlumberger Limited);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 26, 2023

/s/ Olivier Le Peuch

Olivier Le Peuch

Chief Executive Officer

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**CERTIFICATION OF CHIEF FINANCIAL OFFICER**

I, Stephane Biguet, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Schlumberger N.V. (Schlumberger Limited);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 26, 2023

/s/ Stephane Biguet

Stephane Biguet

Executive Vice President and Chief Financial Officer

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CERTIFICATION OF CHIEF EXECUTIVE OFFICER  
PURSUANT TO  
18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Schlumberger N.V. (Schlumberger Limited) (the "Company") for the quarterly period ended June 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Olivier Le Peuch, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 26, 2023

/s/ Olivier Le Peuch  
\_\_\_\_\_  
Olivier Le Peuch  
Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to Schlumberger Limited and will be retained by Schlumberger Limited and furnished to the Securities and Exchange Commission or its staff upon request.

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Exchange Act.

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CERTIFICATION OF CHIEF FINANCIAL OFFICER  
PURSUANT TO  
18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Schlumberger N.V. (Schlumberger Limited) (the "Company") for the quarterly period ended June 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stephane Biguet, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 26, 2023

/s/ Stephane Biguet

Stephane Biguet

Executive Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Schlumberger Limited and will be retained by Schlumberger Limited and furnished to the Securities and Exchange Commission or its staff upon request.

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Exchange Act.

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Mine Safety Disclosure

The following disclosure is provided pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which requires certain disclosures by companies required to file periodic reports under the Securities Exchange Act of 1934, as amended, that operate mines regulated under the Federal Mine Safety and Health Act of 1977.

The table that follows reflects citations, orders, violations and proposed assessments issued by the Mine Safety and Health Administration (the "MSHA") to indirect subsidiaries of Schlumberger. The disclosure is with respect to the three months ended June 30, 2023. Due to timing and other factors, the data may not agree with the mine data retrieval system maintained by the MSHA at www.MSHA.gov.

**Three Months Ended June 30, 2023**

[unaudited]

(whole dollars)

Mine or Operating Name/ MSHA Identification Number	Section 104 S&S Citations	Section 104(b) Orders	Section 104(d) Citations and Orders	Section 110(b)(2) Violations	Section 107(a) Orders	Total Dollar Value of MSHA Assessments Proposed <sup>(1)</sup>	Total Number of Mining Related Fatalities	Received Notice of Pattern of Violations Under Section 104(e) (yes/no)	Received Notice of Potential to Have Pattern Under Section 104(e) (yes/no)	Legal Actions Pending as of Last Day of Period	Legal Actions Initiated During Period	Legal Actions Resolved During Period
Amelia Barite Plant/1600825	—	—	—	—	—	— <sup>(2)</sup>	—	N	N	—	—	—
Battle Mountain Grinding Plant/2600828	—	—	—	—	—	—	—	N	N	—	—	—
Greybull Milling Operation/4800602	—	—	—	—	—	—	—	N	N	—	—	—
Greybull Mining Operation/4800603	—	—	—	—	—	—	—	N	N	—	—	—
Greystone Mine/2600411	—	—	—	—	—	—	—	N	N	—	—	—
Mountain Springs Beneficiation Plant/2601390	—	—	—	—	—	—	—	N	N	—	—	—

(1) Amounts included are the total dollar value of proposed assessments received from MSHA on or before June 30, 2023, regardless of whether the assessment has been challenged or appealed, for citations and orders occurring during the quarter ended June 30, 2023. Citations and orders can be contested and appealed, and as part of that process, are sometimes reduced in severity and amount, and sometimes dismissed. The number of citations, orders, and proposed assessments vary by inspector and vary depending on the size and type of the operation.

(2) As of June 30, 2023, MSHA had not yet proposed an assessment for one non-S&S citation at Amelia Barite Plant/1600825.

