



Barclays CEO Energy- Power Conference

Olivier Le Peuch, CEO
6 Sept 2023

Thank you, Dave Anderson, for the introduction and good morning, ladies, and gentlemen. It is a pleasure to return to the Barclays CEO Energy-Power Conference.

Disclaimer

This presentation 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 our financial and performance targets and other forecasts or expectations regarding, or dependent on, our 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; our business strategies, including digital and "fit for basin," as well as the strategies of our customers; our capital allocation plans, including dividend plans and share repurchase program; our Asset Performance Solutions projects, joint ventures, and other alliances; 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 our customers, and changes in the level of oil and natural gas exploration and development; the results of operations and financial condition of our customers and suppliers; the inability to achieve its financial and performance targets and other forecasts and expectations; the inability to achieve our 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 our supply chain; production declines; the extent of future charges; the inability to recognize efficiencies and other intended benefits from our business strategies and initiatives, such as digital or new energy, as well as our 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 our most recent

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This presentation includes non-GAAP financial measures, including adjusted EBITDA, free cash flow margin, and return on capital employed. SLB is not able to provide reconciliations of forward-looking presentations of these non-GAAP financial measures to GAAP measures because these measures are not determinable without unreasonable efforts due to the inherent difficulty and unpredictability in forecasting and quantifying certain amounts that would be necessary for such reconciliations, which amounts could be significant. Adjusted EBITDA represents income (loss) before taxes excluding charges and credits, depreciation and amortization, interest expense, and interest income. Management believes that the exclusion of charges and credits from adjusted EBITDA enables it to evaluate more effectively SLB's operations period over period and to identify operating trends that could otherwise be masked by the excluded items. Free cash flow represents cash flow from operations less capital expenditures, Asset Performance Solutions investments and multienter seismic data costs capitalized. Free cash flow margin is calculated as free cash flow divided by revenue. Management believes that free cash flow is an important liquidity measure for SLB and that it is useful to investors and management as a measure of SLB's ability to generate cash. Free cash flow does not represent the residual cash flow available for discretionary expenditures. Return on capital employed (ROCE) is calculated as a ratio, the numerator of which is (a) income from continuing operations, excluding charges and credits, plus (b) after tax net interest expense, and the denominator of which is (x) stockholders' equity, including non-controlling interests (average of beginning and end of each quarter in the year), plus (y) net debt (average of beginning and end of each quarter in the year).



Before I begin, let me remind you that some of the statements I will be making are forward-looking and are subject to risks and uncertainties that could cause our results to materially differ from those projected in these statements. I therefore refer you to our latest 10-K and other SEC filings.

Let's begin.

A global technology company unlocking access to energy



Core

Leading provider of oil and gas services and equipment

Digital

Leading innovation and enabling the industry digital transformation

New Energy

Low-carbon and carbon-neutral venture portfolio

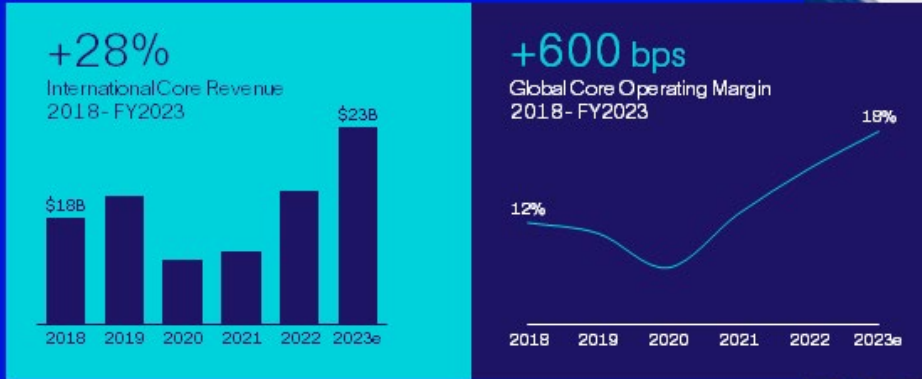
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Since I spoke at this conference last year, we have reported strong progress throughout our three engines of growth. Our Core oil and gas business is seizing the upcycle, our Digital business is growing, and our New Energy venture portfolio is maturing exciting new technologies.

Today, I will begin by expanding on the strength of our Core and the market dynamics that are fueling it. Then, I will describe the positive momentum in Digital, supported by the rapid development of AI and the increased adoption of digital technologies throughout the industry. And finally, I will illustrate how our Core and Digital businesses are aligning to drive unique impact throughout the cycle and position SLB for long-term success.

Strength of the Core

Unique international market position
Unique capabilities offshore



Note: Core consists of Reservoir Performance, Well Construction, and Production Systems

The oil and gas industry continues to benefit from a multi-year growth cycle characterized by its breadth, resilience, and durability. Investment momentum is accelerating in the international and offshore markets, supported by long-cycle developments, production capacity expansions, exploration and appraisal, and gas as a critical lower-carbon fuel. And with the long-term nature of these investments, we expect these markets to drive growth for years to come.

Within SLB's Core business, our technology differentiation, international breadth, and offshore strength are aligned with the cycle, supporting impressive revenue growth and incremental margins. We work in the most attractive and accretive markets globally, and we offer a full suite of upstream services and equipment, from exploration to production. In the international market, SLB is the clear leader with a unique position in the Middle East. And in offshore, we are roughly twice the size of our nearest competitor and will further bolster our offering with the expected close of our subsea joint venture with Aker Solutions and Subsea7.

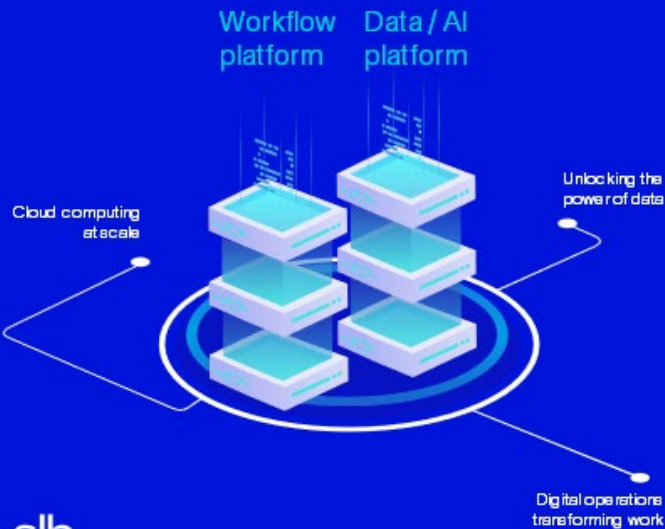
This market positioning and our unmatched portfolio are driving profitable growth. In 2023, our international Core revenue is projected to exceed \$23 billion. This represents a 28 percent increase from 2018 and high-teens growth year on year, which is projected to far outpace the international rig count. And this growth is fueling our global Core pre-tax operating margin, which has expanded by more than 600 basis points since 2018. In fact, for the full year 2023, we expect to expand our Core margins by 250 basis points versus 2022, representing half of the 500-basis point ambition that we announced at our investor day in November after just one year.

And the best is yet to come. We have an exciting future ahead—and digital innovation will further enhance this.

Digital, powered by our platforms

2x

Digital revenue
from 2021-2025



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Our customers are modernizing their digital infrastructures, recognizing the pivotal role that digital capabilities play in their operations. This is accelerating today and will endure beyond the cycle as solutions evolve from proof-of-concept to delivering sustained value creation.

In our industry, this is being shaped by three digital trends: the widespread adoption of cloud computing at scale, unlocking the power of data, and digital operations maturing to fundamentally reshape how we work.

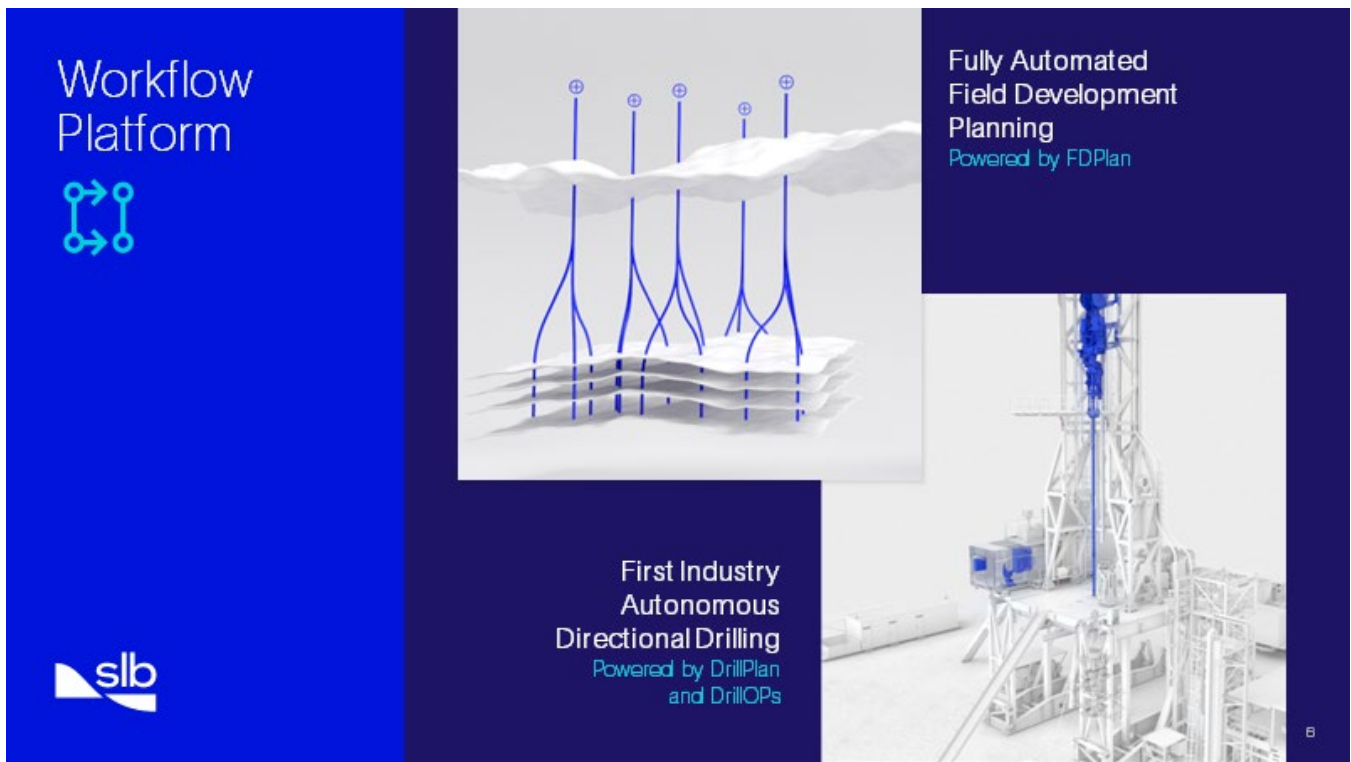
At SLB, we have always been at the cutting edge of digital technology. We have established ourselves as one of the industry's leading subsurface software providers. And we have built a significant installed base of more than 1,500 loyal customers, including 85% of the top 100 global producers.

Our Digital offerings are focused on two distinct yet tightly interconnected components: a workflow platform that seamlessly links communities of technical experts to essential applications and computing resources, and a data and AI platform that facilitates integration and provides access to trusted data for informed decision-making and AI applications.

These industry-grade platforms are cloud native, interoperable, and enterprise secure. Today, they empower our customers to realize the full impact of digital transformation, leveraging the power of cloud computing, AI, and edge capabilities at scale. And these tools will only become more critical as our customers embrace the power of data-driven decision-making for cost management and emissions control.

We are confident that with our platform model in place, we will achieve our ambition to double the size of our Digital business from 2021 to approximately \$3 billion by 2025, with this revenue remaining significantly accretive to our overall margins.

Let's look at these two platforms more closely.



When we envisioned our approach to workflow enhancement, we aimed to create a digital environment that serves as the backbone for our customers' planning and operations. We've achieved this through Delfi, our cloud-native Software-as-a-Service (SaaS) solution designed for the industry's technical workforce.

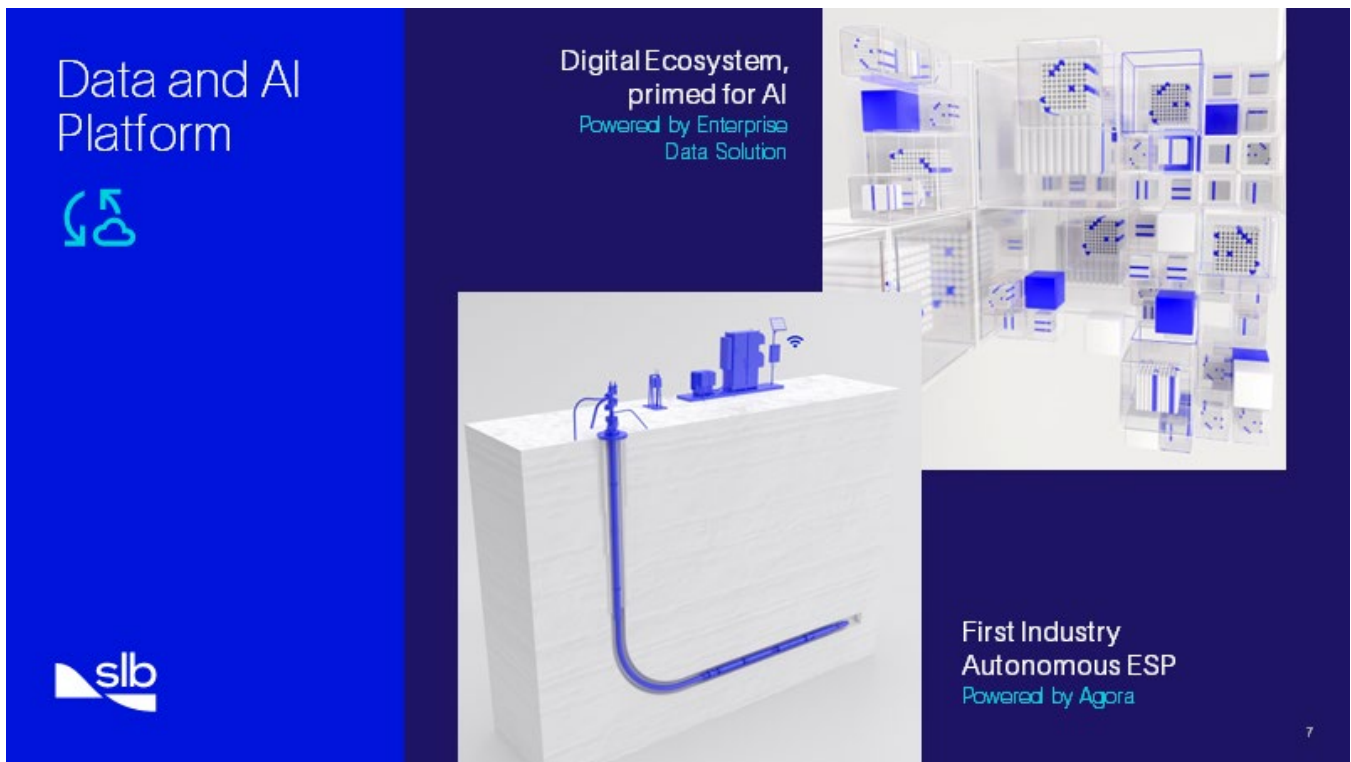
Through Delfi, our customers can seamlessly connect key processes throughout the exploration, development, and production lifecycles to drive productivity through domain-rich applications; link planning activities on the cloud to operations on the edge through cognitive collaboration; and access industry-leading engines and simulators as well as tools for modeling and analysis using the power of cloud computing at scale.

One example of this is the Delfi FDPlan application for field development. Using FDPlan, our customers can fully automate the generation and evaluation of field development scenarios. Chevron is using this tool in their planning processes today, experiencing the benefits of more robust decision-making, and it has led to significant cycle time reduction in capital projects.

And as projects progress from planning to operations, our Workflow Platform enables customers to accelerate returns and optimize production.

An example of this is how we are digitizing highly manual well planning and operational processes. With Delfi DrillPlan, well plans can be created automatically based on field measurements and prior projects, and once drilling begins, Delfi DrillOps enables connected drilling devices to autonomously adjust based on real-time data to optimize the well construction process, increasing productivity, saving time, and lowering costs.

With the Delfi environment at 5,700 users and growing, and new apps being added all the time, we are ensuring that our customers have the underlying information to support their models and unlock workflow innovation. This leads me to our Data and AI platform.



High-quality and trusted data is the fuel for digital transformation. This is the foundation we aim to provide with our data and AI platform.

We leverage best-in-class technologies, forge partnerships with industry leaders, and foster open data ecosystems to facilitate access to data across the entirety of the energy production cycle.

Together with Microsoft, we have built an open subsurface data ecosystem, and through our partnership with Cognite we are enabling access to operational and surface data. As an integrator, we have unified this data in our cloud-based Enterprise Data Solution using the OSDU® standard, where we can unlock access to the data for digital workflows and domain-rich AI capabilities through Delfi.

And in addition to integrating data throughout the industry, we can also build custom solutions to elevate our customers' operations through our enterprise data management solutions.

Recently, we partnered with a major customer to move their operations and data from on-premises to the cloud, enabling thousands of their users to unlock vast amounts of data within a modern digital ecosystem.

By liberating data for cloud or edge applications, we are empowering customers to adopt more autonomous operations. Let me share an example.

In production, Electrical Submersible Pumps (ESPs) are an artificial lift method used to lift resources from the well. With advances in connected assets and edge computing, we can now integrate real-time production data with AI and physics-based models to optimize this ESP control process autonomously. This is taking place at the wellsite with our Agora edge AI platform, driving significant savings, decreasing manual wellsite visits by nearly 75%, and tripling the run life of ESPs.

These innovations are impressive, and they will only accelerate moving forward. Today, more than 300 customers utilize SLB's data and AI applications, and we are partnering with them to develop custom solutions for their businesses at our AI centers across the globe.

SLB's platforms – representing our new digital technology offering – have grown revenue at a CAGR of more than 60 percent between 2021 and 2023, positioning us to achieve our Digital ambition by 2025. And with their enhancement to our Core offering, we are unlocking the power of our digital leadership to deliver a differentiated offering, making us the partner of choice for our customers.

Growth today and tomorrow 



~\$5B
Revenue YoY

~\$1.5B
EBITDA YoY



The future is bright, and the attributes of this cycle are here to stay. With the exciting momentum in our core business and the new digital innovations I just described, SLB is well positioned for financial outperformance, and we have a clear path to achieving the 2025 ambitions we announced during our investor day late last year.

In 2023, we are on track to add approximately \$5 billion in revenue and \$1.5 billion in EBITDA compared to 2022. Directionally, we see the potential to repeat this by adding similar revenue and EBITDA dollar growth in 2024. This continued growth will be supported by strong momentum in the international markets, specifically in the Middle East and offshore, driven by the power of our Core business, enhanced by digital, and our OneSubsea-Aker-Subsea7 joint venture.

This is an exciting time in the industry and SLB is well positioned to capitalize on these promising market dynamics and increasing digital adoption to deliver the future of energy operations.

Thank you very much.