What you have just seen is an example of the application of digital technology in bringing to life a human digital twin.

SLB is doing this on a much, much larger and more complex scale for the entire energy industry—enabling operators to create digital representations of the subsurface, their wells, and their production systems, all interconnected—just one example of our unique value proposition in Digital.

We are not new to this. When I joined the company almost 30 years ago, SLB was already in the digital business.
In those days, we didn’t label these capabilities Digital, of course. We called it Software—and it’s been a big contributor to revenue and margins for a long, long time.

Since 1992, we have acquired, integrated, and grown more than 20 companies to establish SLB as the leading software business in upstream oil and gas. We have over 1,500 customers and a user base of around half of the industry's technical workers.

This long history means that more than 85 percent of the world's top-100 oil and gas producers depend upon one or more of our established software applications. These applications are akin to Microsoft® Office® for the industry, and while they currently constitute a majority of our Digital revenues, they also provide a resilient foundation on which to build new-age digital solutions.

These customers are eager to transition to new ways of working, with SLB as their partner. It is our 750-strong sales organization and the more-than-4000 SLB engineers and scientists in all corners of the world that build on this trust and work in close collaboration with our customers as they digitally transform their businesses.

Today I will tell you about how we are leveraging this unique foundation to create a new, high-growth, digital business for SLB on top of our very strong, established software business.

This unique history also affords us a special position at the heart of the technology ecosystem that has sprung up around us in the digital era. Here, we have built a unique roster of partnerships, some of which are exclusive, and cannot be copied.
Such as our relationships with Microsoft and Cognite, an Oslo-based tech unicorn. With both of these companies, we not only go to market together, but have jointly committed engineering resources to co-build the industry’s data foundations that I’ll talk about in a moment.

Our privileged position in our market was in evidence at the recent SLB Digital Forum. More than 1,200 industry leaders joined us in Switzerland alongside the CEOs of many of our customers and partners, including Amin Nasser of Saudi Aramco and Satya Nadella of Microsoft. I know some of you were there and may recall Satya saying, "If you are not on the cloud, you are falling behind."

The cloud, Industrial Internet of Things, and AI are poised for mainstream adoption in this sector and are beginning to transform our customers’ performance by solving complex problems in new ways. When these technologies are accompanied by new business models and strong domain knowledge, they begin to change the global business and economic landscape forever.
So, this is our moment. The scene is set for digital to make a material impact in our industry by reducing cycle times and risk, accelerating returns, increasing productivity, while at the same time lowering costs and carbon.

Almost eight years ago, SLB saw this emerging digital opportunity and anticipated its future transformational power. Our vision of a platform was born, and in 2017, we announced DELFI™ to the market—the industry's first integrated cloud platform.
Our platform is founded upon a data layer comprised of SLB, partner, and open-source technologies. It is unique in providing data coverage across the full upstream value chain. It connects the key processes through exploration, development, and production, and it connects our customers’ planning activities on the cloud to their operations on the edge.

On this data foundation, we’ve built a secure environment, connecting users to one another for collaboration across boundaries and, very, very importantly, to our industry-leading engines and simulators which leverage the compute power of the cloud to enable transformational levels of efficiency.

A unified data infrastructure and a single canvas for users allow for scaled deployment across a customer’s business, and for the layering on of limitless apps. Apps from SLB, apps from our customers, and apps from the ecosystem of software vendors and startups that are beginning to feel the pull of our platform.

You can consider our strategy to be a platform play comparable with iOS™ or Android™.
The combination of our unique foundational strengths, our large installed base, our network of partnerships, and our early investments in our platform enables us to rapidly penetrate our market and to accelerate customer adoption.

Since launch, we have acquired more than 260 customers, 65 of which are new. This is leading to an emerging and fast-growing new tech digital business inside SLB.

Though the global community of DELFI users is only just beginning to ramp up—we have around 4000 today—about one in six of our 1,500 established customers are already consuming our platform in one way or another, and you may have seen the varied use cases among customers of diverse profiles in press releases over the last couple of years:

- At OMV, we are integrating workflows between sub surface and drilling.
- At PETRONAS, we are integrating data to accelerate field development planning and production optimization.
- And at Chevron, we are working closely with Microsoft to completely transform their work processes across upstream.

In all these cases, DELFI is being deployed at scale in a secure and open environment, enabling expansion opportunities which I'll come to later.
But first, let me show you how this new tech digital business compares with a selection of successful pure-play digital peers also operating in the energy space. Companies like Snowflake, Palantir, and others. As you can see, we are comparable against their performance across many of their metrics.

Our new tech digital business is growing at high double digits. In the last three years, CAGR was almost 90 percent, and growth in the last 12 months was 70 percent. As we increase in size, our five-year forward CAGR is projected to be at about 50 percent.

We are constantly adding new customers to our platform, and we tend to keep most of the customers we acquire. Our monthly customer retention rate has been above 95 percent for each of the last 12 months.

Looking at these pure-play metrics, I am confident that we are on the right track to deliver a new, fast-growing digital business for SLB with highly accretive margins.
Not only are we accelerating adoption, but we are also leveraging the platform to expand our coverage across the entire technical workforce of our industry.

Even in our home territory of the subsurface, we see significant room for growth.

Customers are beginning to realize that partnerships are critical to unlock the value from their own proprietary workflows and intellectual property. They are now looking to the market for commercial solutions, so they can leverage the cloud to scale these use cases, and also create new ideas, which seamlessly integrate often siloed workflows.

What they find is that SLB is a very capable partner to help them accelerate their respective digital transformation journeys.

Foreseeing this increased demand from customers to co-develop, scale, and integrate their own differentiated IP onto the cloud, we have now opened six INNOVATION FACTORIs around the world.

In these facilities we work hand-in-glove with customers to rapidly accelerate the process of taking experiments and concepts to fully deployed, enterprise-scale digital solutions. In the 18 months since launch we, along with our customers, have co-created 21 new products—some of which are being deployed globally via the SaaS business model.

Two weeks ago, our INNOVATION FACTORI business won the World Oil Award in the New Horizons category.
And, as we increase the range of our apps on the cloud, customers are beginning to understand how adopting a fully integrated ecosystem of data, platform, and apps can unlock tremendous value for their businesses. This is allowing us to penetrate and rapidly gain market share in the very large and fragmented markets of drilling and production operations.

Here we are making significant headway with new products and solutions that allow our customers to radically transform their approach to operations. As I mentioned earlier, in partnering with Microsoft, and with Cognite, we will create the only data platform in this industry connecting subsurface to operations, providing a strong basis for growth in these markets.

Moreover, our strong capabilities in digital operations will allow us to create new levels of efficiency in our own businesses. You will see examples of this in our Digital and Well Construction technology showcases.

An adjacent market, but with a value chain of its own, is carbon. Our customers and their suppliers in diverse industries such as chemicals, utilities, cement, and steel tell us that major capability gaps prevent reliable emissions insight across their global operations.

This is a nascent market with terrific potential and huge white space. A great deal of what we have built in DELFI can be retuned to deliver an open and extensible digital sustainability platform.

This platform will allow reporting, and the means to plan and execute, decarbonization pathways with confidence.

Saudi Aramco is the first industry partner to collaborate with us on this initiative, bringing together two industry leaders around use cases in decarbonization, water sustainability, and supply chain circularity.

You can learn more about how we are addressing these expansion opportunities in the Technology Showcase.

And of course, our ambitions beyond oil and gas do not end with carbon—we see many more adjacent and non-adjacent verticals where we can leverage our strengths to create value, and we are actively working on a portfolio of fresh digital opportunities.
So, you have now seen how adoption of our new tech digital portfolio is accelerating and how we will achieve market expansion, but I know all of you will be very curious about how we are monetizing this unique capability.

I'll talk about just three of the many avenues available to us.

First, as we transition our customers from consumers of our established software applications to our digital platform, we move them from a user-based license model to SaaS subscriptions. As a result, we relieve them of their legacy infrastructure and deliver new levels of value creation, enabling greater revenue per customer.

Second, once we have customers on our platform, we can add a new, variable revenue stream on top of SaaS subscriptions. Customers can now access limitless tech resources such as storage and compute from our cloud partners. More significantly, they have unlimited access to our fully interconnected industry-leading simulators. Our customers appreciate that every extra simulation shortens development cycle times and reduces risk, and hence, they are more than willing to pay for this new capability.

In the last 12 months, our customers consumed over 12 million CPU hours of simulation resources via DELFI; a figure that has doubled year on year.

And third, we have a huge opportunity to monetize services. Managing data migration, workflow redesign, and transition are aspects of our customers’ digital journeys where they are asking for help and we are uniquely positioned to provide it.
On top of this transition effort, sustaining and operating digital infrastructure can consume considerable resources, providing us with a recurrent revenue stream that grows in line with adoption.
Based on what we see in terms of adoption, expansion, and monetization, we expect to double the size of our Digital business from 2021 to 2025, whilst continuing to generate highly accretive margins.

I repeat: our total Digital business, which combines both our established software business on the desktop as well as the new high-growth digital business on the cloud, will double in size between 2021 and 2025.
I hope I have left you in no doubt that our industry is at an inflection point and is looking to SLB to deliver on the promise of digital. The goal is crystal clear: higher value and lower carbon.

Our total digital business represented mid- to high-single digits in terms of percentage of total SLB revenue in 2021. We anticipate that this percentage will reach or exceed 10 percent by 2030, expanding further the impact of our earnings growth potential.

As I close, I would like you to remember three things:

1. Our long-established installed base, unrivalled customer intimacy, and unique partnerships provide a solid foundation for SLB success.
2. The multi-year investments in our Platform see us primed for accelerated adoption and growth, both in our core business and in new and evolving markets.
3. We have multiple short-, medium- and long-term pathways to monetization.

Ladies and gentlemen, through digital we will completely redefine the future of energy, and also the future of SLB.

Thank You.