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# Schlumberger

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**Schlumberger**

# Disclaimer

This presentation contains “forward-looking statements” within the meaning of the federal securities laws — that is, any statements that are not historical facts. Such statements often contain words such as “expect,” “may,” “can,” “believe,” “predict,” “plan,” “potential,” “projected,” “forecast,” “estimate,” “intend,” “anticipate,” “ambition,” “goal,” “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 financial and performance targets and other forecasts or expectations regarding, or dependent on, our business outlook; growth for Schlumberger as a whole and for each of our divisions (and for specified business lines, geographic areas or technology domains within each division); oil and natural gas demand and production growth; oil and natural gas prices; pricing; our response to, and preparedness for, the COVID-19 pandemic and other widespread health emergencies; improvements in operating procedures and technology; capital expenditures by Schlumberger and the oil and gas industry; the business strategies of Schlumberger, including digital and “fit for basin,” as well as the strategies of Schlumberger’s customers; our restructuring efforts and charges recorded as a result of such efforts; access to raw materials; our APS projects, joint ventures and other alliances; future global economic and geopolitical conditions; future liquidity; 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 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, particularly during extended periods of low prices for crude oil and natural gas; our inability to achieve our financial and performance targets and other forecasts and expectations; our inability to sufficiently monetize assets; the extent of future charges; general economic, geopolitical and business conditions in key regions of the world; foreign currency risk; 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; our inability to recognize efficiencies and other intended benefits from Schlumberger’s business strategies and initiatives, such as digital or new energy, as well as our restructuring and structural cost reduction plans; changes in government regulations and regulatory requirements, including those related to

offshore oil and gas exploration, radioactive sources, explosives, chemicals, hydraulic fracturing services 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 Forms 10-K, 10-Q, and 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 outcomes may vary materially from those reflected in our forward-looking statements. The forward-looking statements speak only as of the date of this presentation, and Schlumberger disclaims any intention or obligation to update publicly or revise such statements, whether as a result of new information, future events or otherwise.

This presentation includes non-GAAP financial measures, including adjusted EBITDA margin and free cash flow margin. “Adjusted EBITDA” represents income (loss) before taxes excluding charges & credits, depreciation and amortization, interest expense, and interest income. “Adjusted EBITDA margin” represents adjusted EBITDA divided by revenue. Management believes that adjusted EBITDA is an important profitability measure for Schlumberger and that it allows investors and management to more efficiently evaluate Schlumberger’s operations period over period and to identify operating trends that could otherwise be masked. Adjusted EBITDA and adjusted EBITDA margin should be considered in addition to, not as a substitute for or superior to, other measures of financial performance prepared in accordance with GAAP. “Free cash flow” (FCF) represents cash flow from operations less capital expenditures, Asset Performance Solutions investments and multiclient seismic data costs capitalized. “Free cash flow margin” represents free cash flow divided by revenue. 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 Schlumberger’s ability to generate cash. Free cash flow does not represent the residual cash flow available for discretionary expenditures. Free cash flow and free cash flow margin should be considered in addition to, not as a substitute for or superior to, cash flow from operations.



# A Technology Company Unlocking Access to Energy

\$43.8 Bn Market Capitalization†

82 Technology Centers  
12,000 active technology patents

Global Operations  
160 nationalities in over 120 countries

Peer-leading credit rating **A2/A**

Peer-leading **A-** ESG Rating  
CDP climate change assessment



## Our Technology Domains



**Reservoir Performance, Well Construction, Production Systems**  
Leading provider of services & equipment



**Digital**  
Leading innovation and enabling the industry digital transformation



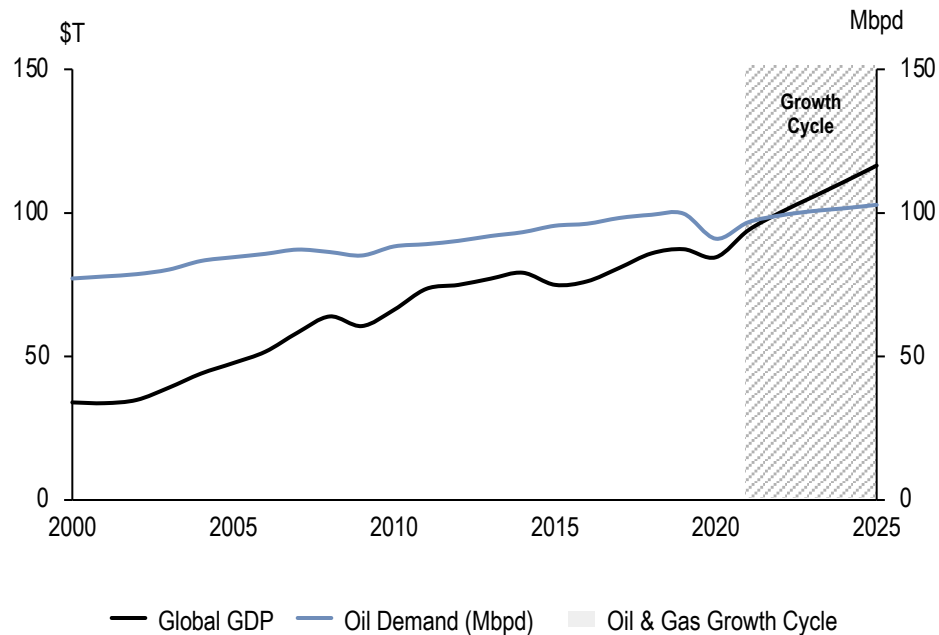
**New Energy**  
Low-carbon and carbon-neutral venture portfolio

† Market Capitalization, Bloomberg, June 1, 2021

# The Energy Industry is Poised for Growth and Resilience

## Imminent Economic Growth Cycle:

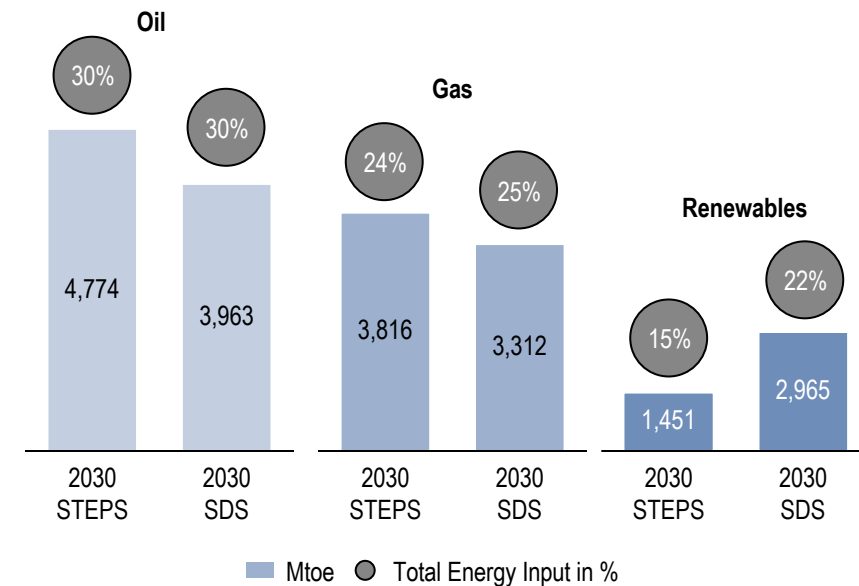
Oil & gas needed to fuel the next **multi-year economic growth cycle**



## Energy Transition:

Oil & gas **resilient** through the decade

Renewables will grow and mature over the next decade



Digital Transformation will underpin both Oil & Gas and Low Carbon Energy development

Source: IMF, World Economic Outlook, April 2021 & IEA, World Energy Outlook, November 2020  
 STEPS = Stated Policy Scenario & SDS = Sustainable Development Scenario

# Schlumberger is Positioned to Lead in the New Industry Landscape

## Core



## Digital



## New Energy



Strategic Time Horizon

Short

Medium

Long

Market CAGR

>10%

>10%

>10%

Value Statement

Our leading performance, broad exposure, and operating leverage will result in differentiated returns throughout the growth cycle.

Our digital platform strategy is unlocking new revenue streams and enhancing returns.

We are building positions in adjacent high-growth sustainable energy sectors to secure the company's future leadership.

Note: Core CAGR = 0-3 years  
Source: IHS, EY and Gartner, IEA

# Seizing the Growth Cycle – Earnings and Cash Flow Outperformance



	2019	2020	2021 Estimate
Revenue	<b>\$32.9</b> Billion	<b>\$23.6</b> Billion	<b>&gt;\$22.5</b> Billion
Adjusted EBITDA Margin	<b>20.2%</b>	<b>18.3%</b>	<b>20.8% – 21.3%</b>
FCF Margin	<b>8.2%</b>	<b>6.0%</b>	<b>&gt;10%</b>
Capital Investment	<b>\$2.7</b> Billion	<b>\$1.5</b> Billion	<b>\$1.5 – \$1.7</b> Billion

## A Compelling Value Proposition

- The **upcycle** will drive growth broadly across our industry and will play particularly to our strengths.
- Our **earnings power** is stronger than in the previous upcycles and growing.
- Our **digital leadership** and impact at scale will continue to boost our returns.



# Digital Leadership – Creating New Value



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## Workflows

Platform for workflow integration, collaboration, and access to scalable cloud computing

SaaS - creating new revenue streams from connected workflows and embedded AI

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## Data

Data liberation at scale, AI/ML applications and deeper insights

DaaS - enterprise data solutions, AI, consulting, and services

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## Operations

Domain-based automation solutions for field operations

IoT - system integration, edge AI, and performance models

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# Long-term Growth in Schlumberger New Energy

## Diversified

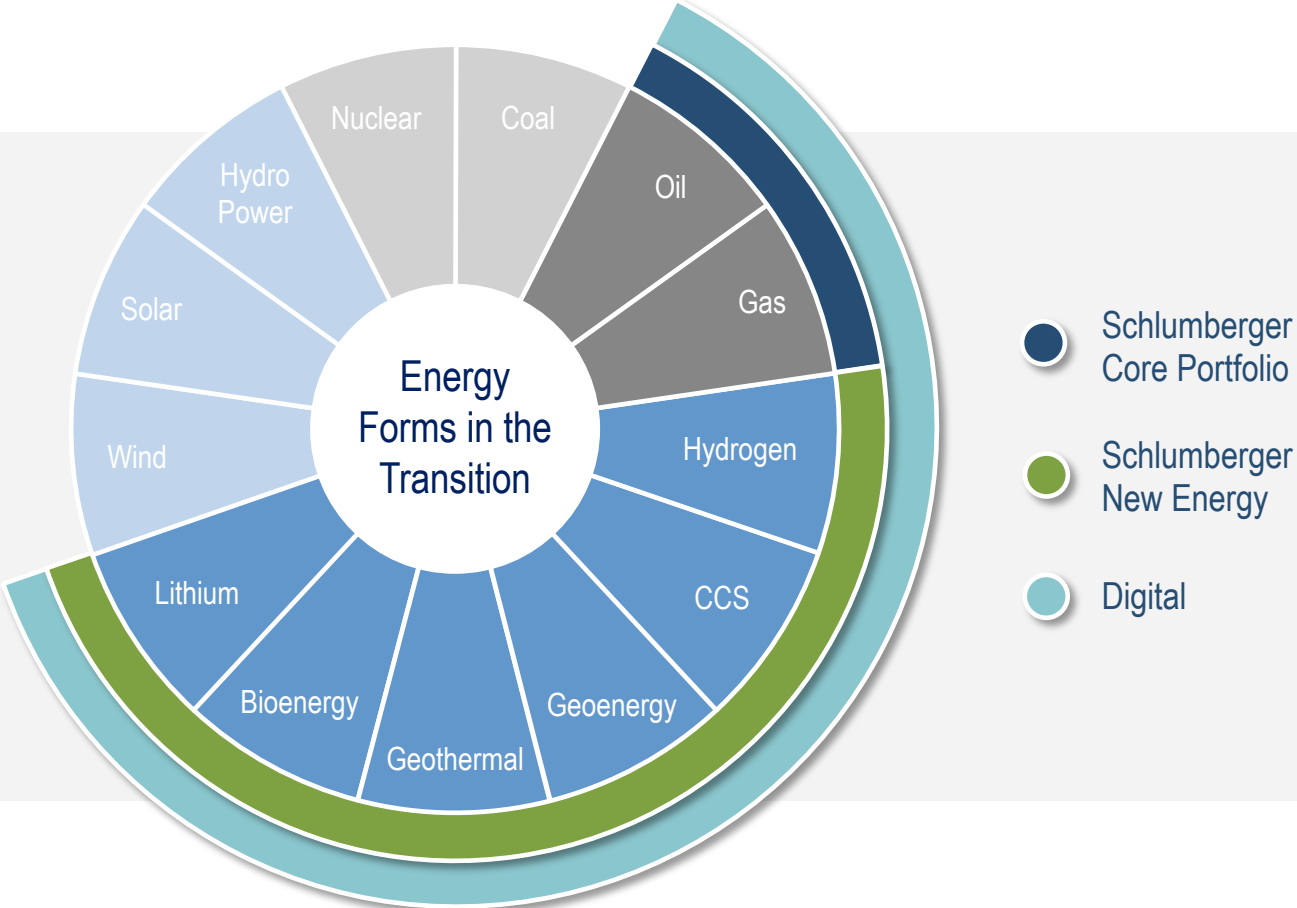
Exposure to multiple adjacent, high-growth sectors

## Technology Driven

Leveraging our strengths, combining our global footprint and technology industrialization capabilities

## Preferred Partner

Accessing markets with unique partnerships, a strong reputation, and recognized track record as industry leader







## Closing Remarks

TICKER: SLB

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- The energy industry will fuel the upcoming economic growth cycle, and the fundamentals remain strong.
- Schlumberger is in a unique position to leverage our core strengths, drive digital transformation in our industry, and lead a more sustainable energy future.
- Our market exposure, performance, and returns-focused strategy will allow to us deliver industry-leading returns, now and in the long term.

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# Appendix: Non-GAAP Financial Measures

## \* What was Schlumberger's adjusted EBITDA and adjusted EBITDA margin for 2020 and 2019?

Schlumberger's adjusted EBITDA was \$4.313 billion in 2020 and \$6.640 billion in 2019, and was calculated as follows:

	2020	2019
Net loss attributable to Schlumberger	(\$10,518)	(\$10,137)
Net income attributable to noncontrolling interests	32	30
Tax benefit	(812)	(311)
Income (loss) before taxes	(\$11,298)	(\$10,418)
Charges & credits	12,515	12,901
Depreciation and amortization	2,566	3,589
Interest expense	563	609
Interest income	(33)	(41)
<b>Adjusted EBITDA</b>	<b>\$4,313</b>	<b>\$6,640</b>

Adjusted EBITDA margin was 18.3% in 2020 and 20.2% in 2019, and was calculated as follows:

	2020	2019
Adjusted EBITDA	\$4,313	\$6,640
Revenue	\$23,601	\$32,917
<b>Adjusted EBITDA margin</b>	<b>18.3%</b>	<b>20.2%</b>

## \* What was Schlumberger's free cash flow (FCF) and free cash flow margin for 2020 and 2019?

Schlumberger's free cash flow was \$1.424 billion in 2020 and \$2.695 billion in 2019, and was calculated as follows:

	2020	2019
Cash flow from operations	\$2,944	\$5,431
Capital expenditures	(1,116)	(1,724)
APS investments	(303)	(781)
Multiclient seismic data capitalized	(101)	(231)
<b>Free cash flow</b>	<b>\$1,424</b>	<b>\$2,695</b>

Free cash flow margin was 6.0% in 2020 and 8.2% in 2019, and was calculated as follows:

	2020	2019
Free cash flow	\$1,424	\$2,695
Revenue	\$23,601	\$32,917
<b>Free cash flow margin</b>	<b>6.0%</b>	<b>8.2%</b>

## \* What does capital spending represent?

Capital spending includes capital expenditures, APS investments and multiclient seismic data costs capitalized.