



Houston, March 24, 2020

# Scotia Howard Weil

Energy Conference

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**Schlumberger**

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# COVID-19 Update March 24, 2020

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- **Safety First / People First**
  - Crisis Management Team activated early January, focused on personnel health and safety
  - CMT implemented globally with country-specific actions and 24-hour cadence
  - Employee communication digitally enabled via Schlumberger COVID-19 Power App\*
- **Operational Response**
  - Business continuity playbook implemented in every country
  - Established alternate solutions for increasingly challenged supply chain and logistics
  - SLB China manufacturing / supply chain recovering to pre-crisis levels

# Operational Update March 24, 2020

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- **March Disruptions**
  - North America land operations impacted by oil price correction
  - International/Cameron operations starting to be impacted by COVID-19 disruption
- **Q2 Outlook: North America land**
  - Rapid reduction in rig count and completions activity
  - Rig count projected to potentially reach 2016 trough levels
- **Q2 Outlook: International**
  - Escalating COVID-19 situation will impact field crews and some operations
  - Preparing for more logistical disruption as countries implement stringent restrictions
  - Planning for reduced activity due to customer budget cuts; extent of reductions uncertain as customers review plans
  - Certain countries where SLB is well positioned will be more resilient

# Business Continuity Update March 24, 2020

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- **Company-wide**

- Safety First / People First: focus on managing COVID-19 outbreak
- Cutting capital spend by up to 30% from 2019 level (capex, APS, and multiclient)
  - Magnitude of reduction depends on changes to customer plans
  - Capex almost entirely allocated towards international markets
- Implementing downturn playbook with strict cost control and cash discipline
- Protecting liquidity and balance sheet strength
  - More than 80% of free cash flow generated internationally

- **North America land**

- Accelerating North America land restructure and personnel/compensation reduction

- **International**

- Resources and capital focused on resilient international basins