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# Schlumberger

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**Schlumberger**

Ladies and gentlemen, good morning. It is a pleasure to join you today. I would like to thank Arun Jayaram and J.P. Morgan for the invitation to speak with you once again.

Today, I would like to share our latest perspectives on the growth cycle that is upon us and describe a few of its characteristics, and more importantly, how this cycle is firmly aligned to Schlumberger's established strengths, our expanded capabilities and leadership, and most critically, our returns-focused strategy.

## 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,” “projections,” “forecast,” “estimate,” “intend,” “anticipate,” “ambition,” “goal,” “target,” “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 Schlumberger 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 the energy transition and global climate change; improvements in operating procedures and technology, including decarbonization of oil and gas operations; capital expenditures by Schlumberger and the oil and gas industry; our business strategies, including digital and “fit for basin,” as well as the strategies of our customers; our APS projects, joint ventures, and other alliances; our response to the COVID-19 pandemic and 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; 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; our inability to achieve our financial and performance targets and other forecasts and expectations; our inability to achieve net-zero carbon emissions goals or interim emissions reduction goals; general economic,

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Before I start, 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. Therefore, I refer you to our latest 10-K and other SEC filings.

Let's begin with the growth cycle.

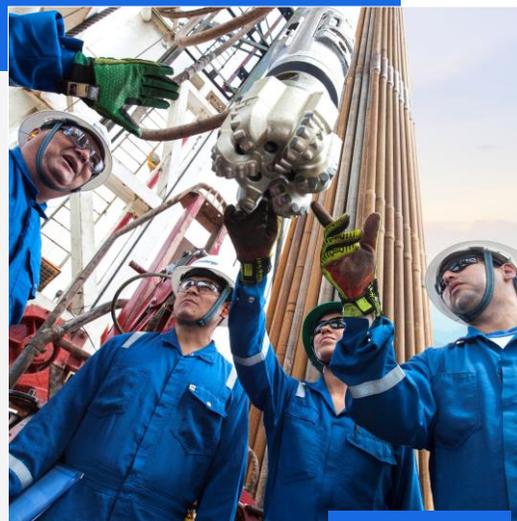
## A Growth Cycle Aligned to Our Strengths

Strong Industry Fundamentals

Favorable Mix

Digital and Decarbonization

Pricing Tailwind



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First, the market fundamentals are very constructive for our industry as it emerges from a period of underinvestment with spare capacity and global inventories at decade lows, while oil and gas prices remain elevated. Energy security, inflation, and the potential for a slowdown in the pace of economic growth have emerged among a set of new opportunities and risks in the landscape. Despite the uncertainties, the need for reliable energy supply and reinvestment in our industry remain very compelling, and will ultimately extend the growth cycle, both in terms of duration and magnitude.

Second, E&P capital investment is poised to accelerate broadly across all geographies and operating environments, to drive new production and capacity increases to not only address short-term supply dislocation, but also to meet projected demand growth on the horizon. Significant activity growth is occurring in short- and long-cycle projects in North America and internationally, both onshore and offshore, which results in a very favorable mix for Schlumberger.

Third, the secular trends of digital and decarbonization are gaining momentum as additional attributes of this growth cycle. The industry is embracing decarbonization as a critical element that will ensure the long-term resilience of the industry and deliver on the mandate to lower emissions for a sustainable future. In parallel, digital is also being embraced as an enabler of higher performance, value creation, and as a part of the industry's path to decarbonized operations.

Finally, this is a cycle that will see improved pricing in the service sector, as we enter a new era of performance and capital discipline across operators and service providers.

These factors result in a growth cycle particularly aligned to our strengths: a cycle that is global in scope, impacts all phases of oil and gas development from exploration to production, includes all operating environments—from high-volume onshore to deepwater offshore—and has digital, decarbonization, and pricing as defining characteristics.

Let me illustrate this alignment of market conditions and our differentiated value proposition using the power of our core portfolio—one of our three engines of growth.

## The Power of Our Core

### Exceptional Growth & Margin Expansion Potential



Industry-leading  
Breadth and Scope



Disruptive Technologies  
and Integration Capabilities



Operating Leverage  
and Pricing

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With growth materializing across all geographical basins, and investment flowing into every phase of exploration and production, Schlumberger is distinct in its breadth and depth of market participation.

Compared to the previous upcycles, we have broadened the scope of our core through the addition of subsea and surface production systems, processing solutions, and drilling equipment. These additions expanded our addressable market and advanced our market positioning in several segments.

Additionally, disruptive fit-for-basin technologies, combined with the industry's most comprehensive technology portfolio and digital capabilities, provide Schlumberger with an unmatched ability to integrate across the entire value chain—from subsurface to midstream facility. This elevates our ability to capture growth, create more value for customers, and generate new revenue streams.

The third element of differentiation in our core, is the foundation of enhanced operating leverage that we have established—a foundation that will further benefit from pricing tailwinds that have already begun. These tailwinds are not just a function of service capacity discipline and inflation, but also of increasing adoption of new technology and customer recognition of superior performance.

Altogether, our core is performing exceptionally well, very early in the cycle, as already demonstrated by our significant margin expansion and cash generation thus far, and we are set to extend this outperformance as the cycle continues to expand in North America and accelerates across the international basins and the offshore environment.

In fact, the return of offshore represents an exceptional opportunity for our core. Let me show you what this looks like.

## The Return of Offshore



The growth cycle is developing across the entire offshore market, and we are better positioned for this than we have ever been, because of our breadth, technology, integration ability, and the addition of digital, which will maximize upside performance.

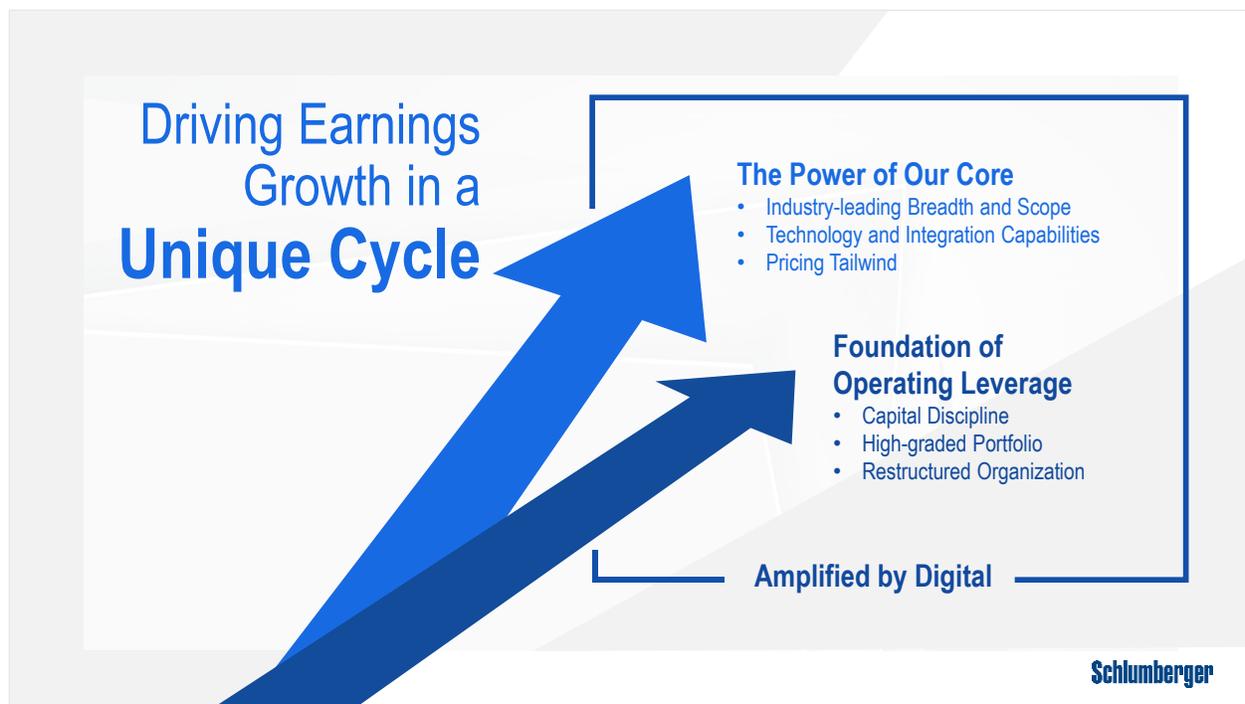
Current industry FID estimates project a nearly 50% increase in offshore investment over the next four years, compared to the period from 2016 through to 2019. This is already manifesting in several FIDs year-to-date and a considerable increase in the pipeline of pre-FIDs across offshore basins.

Our presence in offshore markets is very significant, with a leading footprint across global offshore rigs, and is the most far-reaching geographically—estimated at twice the size of our nearest competitor—from the Gulf of Mexico, the Arabian Gulf, Caspian, to Brazil and Mozambique. Everywhere there is an offshore operation, Schlumberger is there!

To emphasize the resounding implications of the return of offshore for Schlumberger: offshore operations currently represent an average of five times the revenue potential of onshore, from the combination of higher market penetration, broader service and product offering and higher technology intensity.

Offshore operators today are looking for every opportunity to accelerate discovery and development cycle time and increase productivity. This performance focus results in a premium for our technology, digital operations, and integration capabilities that reduce cycle time, lowers breakeven price, and enhances project returns.

Altogether, the return of offshore will be a very potent driver for further growth and margin expansion in our core.



To summarize, this is possibly the strongest position from which we have entered a growth cycle. Moreover, this is a unique cycle that increasingly favors our strengths as the leading global technology provider with exceptional performance attributes.

The foundation of operating leverage we previously established is contributing to our margin expansion, and now, the power of our core, which has a combination of unmatched breadth, scope, differentiated technology, and integration, is set to drive distinctive earnings growth and cash flow generation as pricing momentum develops. All of this is amplified by digital—an aspect where our industry is advancing at an accelerated pace and where our digital leadership enables superior margin generation.

These very favorable conditions are unfolding as we speak. Our second quarter is shaping up solidly, further strengthening our confidence in our ambition for 2022 and beyond. Directionally, all the growth and activity attributes are in our favor, positioning us to seize this cycle like never before.

Ladies and Gentlemen, this is an exciting time for Schlumberger.

Thank you very much.