



SLB Third-Quarter 2026 Results Prepared Remarks

James R. McDonald – *SVP of Investor Relations and Industry Affairs*

Thank you, Sarah.

Good morning, and welcome to the SLB Third-Quarter 2026 Earnings Conference Call.

Today's call is being hosted from New York City, following our Board meeting held earlier this week.

Joining us on the call are Olivier Le Peuch, Chief Executive Officer, and Stephane Biguet, Chief Financial Officer.

Before we begin, I would like to remind all participants that some of the statements we will be making today are forward-looking. These matters involve risks and uncertainties that could cause our results to differ materially from those projected in these statements. For more information, please refer to our latest 10-K filing and other SEC filings, which can be found on our website.

Our comments today also include non-GAAP financial measures. Additional details and reconciliations to the most directly comparable GAAP financial measures can be found in our third-quarter earnings press release, which is on our website.

With that, I will turn the call over to Olivier.

Olivier Le Peuch – CEO

Thank you, James.

Good morning, ladies and gentlemen. Thank you for joining us.

Today, I will begin with our third-quarter performance. I will then discuss the evolving macro environment and the fundamentals supporting our outlook as we approach 2027. And finally, I will share our expectations for the fourth quarter.

Stephane will then provide additional details on our financial results, and after that, we will open the line for your questions.

Let's begin.

Third Quarter Marked by Broad Growth Across Core Divisions and Geographies

The third quarter was marked by broad-based sequential revenue growth across each of our geographical areas and Core divisions, with pretax segment operating margins expanding across all four divisions.

This was driven by the gradual recovery in the Middle East, solid growth in North America and continued momentum across the international offshore basins, including Latin America, Europe & Africa, and Asia.

Within the Core divisions, Production Systems led the way, supported by higher OneSubsea™ revenue and strong sales of production chemicals and artificial lift in North America and the Middle East.

Notably, ChampionX delivered its highest quarterly revenue since the acquisition, with margins expanding sequentially for the fourth consecutive quarter.

In Well Construction, growth was driven by double-digit increases across Argentina, Guyana, Brazil and U.S. Land, along with a seasonal recovery in Canada, complemented by strong offshore drilling in Asia.

Sequential growth was also driven by higher drilling activity and fluids demand in the Middle East.

While the near-term pace of recovery in the Middle East remains uncertain, the longer-term outlook continues to strengthen. This is reflected by Saudi Aramco's recent award of four integrated well construction contracts to SLB covering more than 450 wells over an initial three-year term.

These multi-year awards significantly improve our revenue visibility and expand our participation in development activity across the Kingdom by bringing together our digital drilling workflows, automated technologies and integrated well construction portfolio.

Reservoir Performance also delivered strong sequential growth, led by increased stimulation and intervention activity, alongside an uptick in evaluation. This demonstrates that customers are investing in both restoration and production optimization of existing assets and evaluation of reservoirs to support new developments.

Our results this quarter continue to demonstrate the benefits of our strategic focus on production and recovery.

Our production business, encompassing all Production Systems and some of the offerings in Reservoir Performance, now represents more than 50% of our portfolio, with leading positions across every major basin and a balanced mix of short- and long-cycle activity, including exposure to resilient opex spend. This provides a durable foundation, with greater revenue visibility and resilient performance across market cycles.

Taken together, growth across all Core divisions reflects the characteristics of an inflecting upcycle, with broad expansion of activity across exploration, development and intervention, as operators ramp up efforts to restore production and bring new capacity online.

Continued Progress in Digital and Data Center Solutions

In Digital, third-quarter revenue was steady sequentially and margins remained strong, despite Digital Exploration sales declining following exceptional sales in the second quarter.

Customers continue to recognize the benefit of AI and Digital Operations, and we delivered more than 750,000 feet of automated drilling this quarter, an increase of nearly 50% year on year. Additionally, DrillOps™ predictive analytics, our intelligent, real-time monitoring and advisory system, is now monitoring more than 20% of active international rigs, representing year-on-year growth of more than 60%.

As you can see, adoption continues to accelerate, and we are very pleased with the progress of our digital business. Revenue has grown 11% year to date, and we have clear visibility into higher sales in the fourth quarter. As a result, we anticipate finishing the year with double-digit year-on-year growth and adjusted EBITDA margins exceeding 35%.

Finally, Data Center Solutions continued its strong growth trajectory, supported by the progression of existing projects and geographic expansion into Asia. During the quarter, we continued to invest in facilities and talent to expand our execution capacity — including a new manufacturing center in Canada to support the Meta data center project — that is essential to meet surging customer demand.

Upon closing of our recently announced acquisition of Kelvion, the Kelvion portfolio will also benefit greatly from this momentum and will accelerate our ambition to become a leading industrial partner in the AI infrastructure build-out.

In summary, I am extremely proud of our third-quarter performance, and I want to thank the entire SLB team for delivering these results. Their focus on execution, innovation and our customer centricity continues to make the difference.

Strengthening Fundamentals Support the Outlook for 2027

Let me now turn to the macro environment and the fundamentals supporting our outlook as we approach 2027.

Ongoing disruptions continue to reinforce the importance of energy security and the need for reliable, geographically diverse sources of supply. At the same time, the industry continues to face the structural challenge of offsetting natural decline and replacing reserves following several years of limited exploration.

Collectively, these conditions are supporting a broader and increasingly diversified international opportunity.

In the near term, this will support production, intervention and other short-cycle activity. Longer term, this is providing a strong foundation for the progression of offshore developments, renewed exploration and new areas of investment emerging across several markets.

Let me briefly discuss how these long-cycle dynamics are evolving.

Offshore and Exploration Support the Next Phase of International Growth

Deep water represents one of the industry's most advantaged sources of new supply, combining attractive project economics, material resource development and long-duration production.

We continue to see this opportunity broaden across Latin America, Africa, the Eastern Mediterranean and Asia, with FIDs expected to increase more than 30% year over year in 2026 and many projects advancing from sanction into execution.

For SLB, this momentum is reflected in the continued flow of OneSubsea awards, further strengthening our backlog and increasing visibility into 2027 and beyond.

One example is our recent award in Mozambique, where OneSubsea was selected to deliver the subsea production systems for the first phase of ExxonMobil's deepwater Rovuma LNG development.

This project will contribute to an important new source of global gas supply and further demonstrates the progression of large, long-cycle deepwater developments into execution.

In addition, fundamentals for exploration are improving as operators seek to replace reserves and diversify supply following several years of restrained investment.

We see this materializing through new licensing activity in Brazil, the Eastern Mediterranean and West Africa; growing interest in frontier basins such as Namibia; and preparations for future campaigns across deepwater markets, including Guyana and Suriname.

As exploration assumes a greater role in our customers' portfolios, SLB's leading position across exploration data, subsurface modeling and evaluation technologies positions us to capture this growing opportunity.

So far this year, SLB has participated in the evaluation of approximately 80% of completed high-impact exploration wells globally, many of which are concentrated in frontier and deepwater basins.

New International Opportunities Are Emerging

Beyond deep water and exploration, international markets are offering new pathways for growth, with opportunities broadening across conventional and unconventional resources in the Middle East as well as key emerging markets.

In this context, Venezuela represents a particularly significant growth driver for SLB. Following more than a decade of limited investment, activity in the country is accelerating, led by international oil companies.

For SLB, this is already translating into revenue growth. Our revenue in Venezuela is on track to more than double this year, with strong momentum among U.S. and European E&Ps supporting the potential for multi-fold growth in 2027.

At the same time, major U.S. shale operators are expanding internationally, entering new countries and partnering with NOCs. This trend further broadens our addressable market, particularly in exploration and deepwater development across Africa, Latin America and Asia, as well as in conventional and unconventional resources in the Middle East.

Looking across these dynamics, long-cycle offshore development, renewed exploration, digital adoption, and U.S. operators expanding globally all confirm a durable, multi-year international investment cycle with clear visibility into 2027.

With market-leading positions across our Core divisions, a recently established leadership position in global production, differentiated Digital capabilities and an unmatched global footprint, SLB is uniquely positioned to capture this upside.

Fourth-Quarter Guidance and 2027 Market Outlook

Now, let me conclude with our expectations for the fourth quarter and our first view of the 2027 market outlook.

Over the past several weeks, the Middle East has continued to experience heightened tensions. Given the ongoing uncertainty, our fourth-quarter outlook assumes Middle East revenue remains flat sequentially at approximately \$1.9 billion, representing about 83% of the revenue generated in the fourth quarter of 2025.

Based on this assumption and supported by continued deepwater momentum as well as the typical year-end strength in Digital and product sales, we expect overall fourth-quarter revenue to reach

approximately \$10 billion, representing an increase of 5% to 7% sequentially. As a result, when excluding the Middle East, global fourth-quarter revenue is expected to grow in the high-single digits year on year.

We also expect adjusted EBITDA margin to expand 100 to 150 basis points.

At the division level, we anticipate combined revenue from the Core divisions to sequentially increase by low-single digits, led by high-single-digit growth in Production Systems, and with Well Construction and Reservoir Performance essentially flat.

In Digital, revenue is expected to increase in line with fourth-quarter historical trends, led by a significant uptake in typical year-end digital exploration sales.

This outlook provides clear evidence that the next phase of the upcycle is underway.

While our near-term outlook remains dependent on geopolitical developments, an eventual resolution of regional disruptions in the Middle East would unlock deferred activity and serve as a powerful catalyst for accelerated growth in 2027.

Looking ahead to 2027, assuming Middle East activity remains at second-half 2026 levels and that the conflict does not materially escalate, we expect global OFSE market activity to grow in the mid-single digits, with a normalization of activity in the Middle East providing further upside.

Against this backdrop, we expect our Core divisions to visibly outperform the market, reflecting our differentiated exposure to the strongest areas of activity — including long-cycle offshore development, renewed exploration activity, production and recovery investments and the reactivation of Venezuela. Beyond the Core, we expect Digital to continue its established growth trajectory, while our Data Center Solutions business will continue to accelerate as a meaningful growth engine for the company.

I will now turn the call over to Stephane to discuss our financial results in more detail.

Stephane Biguet – CFO

Thank you, Olivier, and good morning, ladies and gentlemen.

Third-quarter earnings per share excluding charges and credits was 64 cents. This represents an increase of 9 cents sequentially and a decrease of 5 cents when compared to the third quarter of last year.

During the quarter we recorded 3 cents of merger and integration charges related to the ChampionX transaction, as well as a 12 cent, or \$187 million, non-cash pension settlement charge.

This was the result of offering a lump sum payment to certain former employees in one of our pension plans. This transaction, which was funded directly by assets of the plan, allowed us to de-risk our largest pension plan by reducing both our pension obligations and plan assets by almost \$900 million.

This will help us lower potential volatility as well as manage future pension costs. Importantly, the plan remains very well-funded.

Overall, our third-quarter revenue of \$9.45 billion increased 5% sequentially. This performance was driven by the Middle East, growth in North America land, and strong international deepwater activity, including upside in OneSubsea.

In the Middle East, we experienced a gradual recovery as third-quarter revenue of \$1.9 billion increased 13% from the previous quarter.

Sequentially, our pretax segment operating margin increased 104 basis points, with margin expansion across all four Divisions.

Company-wide adjusted EBITDA margin for the third quarter was 21.9% representing a sequential increase of 71 basis points.

Let me now go through the third-quarter results for each Division.

Third-quarter Digital revenue of \$693 million was essentially flat sequentially as strong Platforms & Applications sales and higher revenue from Digital Operations and Professional Services was offset by lower Digital Exploration revenue, following a very strong second quarter.

Digital pretax operating margin of 28% increased 27 basis points, as improved profitability in Digital Operations and Platforms & Applications more than offset the effects of lower sales of exploration data licenses and transfer fees.

We expect Digital Exploration revenue to increase significantly in the fourth quarter, which will result in strong year-on-year growth for the Digital Division and adjusted EBITDA margin exceeding 35% for the full year.

Reservoir Performance revenue of \$1.6 billion increased 5% sequentially while pretax operating margin of 16.3% increased 140 basis points. These increases were primarily driven by the gradual recovery in the Middle East.

Well Construction revenue of \$2.9 billion increased 5% sequentially primarily driven by higher drilling activity in the Middle East.

Pretax operating margin of 16.4% improved 122 basis points mostly due to the Middle East activity rebound.

Production Systems revenue of \$4.0 billion increased 6% sequentially, driven by the recovery of Middle East activity, increased sales in North America and strong OneSubsea activity. OneSubsea also recorded a steady flow of new contract awards, increasing backlog and further enhancing subsea revenue visibility into 2027.

Production Systems pretax operating margin of 16.1% increased 60 basis points with broad-based growth in OneSubsea, artificial lift, completions and production chemicals.

Notably, the acquired ChampionX businesses delivered their highest quarterly revenue and margins since joining SLB.

Finally, in the All Other category, revenue increased 8% sequentially, driven by strong growth in Data Center Solutions, while pretax operating income decreased slightly as a result of ramp-up costs associated with new Data Center projects.

With regard to our previously announced agreement to acquire Kelvion, things are progressing quite well. A dedicated integration team has been put in place that has kicked off its various workstreams, and we are in the process of making all necessary filings in the relevant jurisdictions. We are very excited about the opportunities that this transaction will bring, and we remain on track for closing in the first half of 2027.

Now turning to our liquidity.

We ended the quarter with net debt of \$9.2 billion, the same level as the third quarter of last year. We generated \$1.5 billion of cash flow from operations and \$828 million of free cash flow.

Looking ahead, consistent with our historical pattern, we expect a meaningful step-up in free cash flow in the fourth quarter, supported by lower inventory following year-end product sales and higher customer collections. The magnitude of the sequential increase in free cash flow will largely depend on the timing of collections in certain countries.

Capital investments, inclusive of capex and investments in APS projects and exploration data were \$682 million in the third quarter. For the full year, we still expect capital investments to be approximately \$2.5 billion.

During the quarter, we repurchased \$656 million of our stock and are on track to repurchase approximately \$2.4 billion for the full year, in line with 2025 levels. This will bring our total returns to shareholders for 2026 slightly above \$4 billion, in line with the commitment we made earlier this year.

I will now turn the call back to Olivier.

Olivier Le Peuch – CEO

Thank you, Stephane.

Ladies and gentlemen, we will now open the line for your questions.

Olivier Le Peuch – CEO

Ladies and gentlemen, as we conclude today's call, I would like to leave you with the following reflections.

First, our third-quarter performance demonstrates that momentum is broadening across SLB. Each geography and Core division grew sequentially, with the gradual recovery in the Middle East complemented by solid growth in North America and continued strength across the international offshore markets.

Second, our Core portfolio is benefiting from increasing activity across development and production. The strength and resilience of our expanded production portfolio, together with growth in Well Construction and Reservoir Performance, position us to participate as customers optimize existing assets and develop future capacity.

And third, the international outlook continues to strengthen. Long-cycle offshore projects are progressing, the foundations for renewed exploration are taking shape and new opportunities are emerging across several markets.

Combined with continued progress in Digital and accelerating momentum in Data Center Solutions, where our reach will be further expanded through the addition of Kelvion, we are well positioned to capture attractive growth opportunities across both energy and industrial markets. These dynamics reinforce our confidence in delivering differentiated growth and outperformance as we move into 2027.

With this, I will conclude today's call. Thank you all for joining.