

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 2024
OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file No.: 1-4601



Schlumberger N.V. (Schlumberger Limited)

(Exact name of registrant as specified in its charter)

Curaçao
(State or other jurisdiction of
incorporation or organization)

52-0684746
(IRS Employer
Identification No.)

42 rue Saint-Dominique
Paris, France

75007

5599 San Felipe
Houston, Texas, United States of America

77056

62 Buckingham Gate
London, United Kingdom

SW1E 6AJ

Parkstraat 83
The Hague, The Netherlands
(Addresses of principal executive offices)

2514 JG
(Zip Codes)

Registrant's telephone number in the United States, including area code, is: (713) 513-2000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class
common stock, par value \$0.01 per share

Trading Symbol(s)
SLB

Name of each exchange on which registered
New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒
Non-accelerated filer ☐
Emerging growth company ☐

Accelerated filer ☐
Smaller reporting company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class

Outstanding at September 30, 2024

COMMON STOCK, \$0.01 PAR VALUE PER SHARE

1,412,154,298

SCHLUMBERGER LIMITED
Third Quarter 2024 Form 10-Q
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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

SCHLUMBERGER LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME
(Unaudited)

(Stated in millions, except per share amounts)

	Third Quarter		Nine Months	
	2024	2023	2024	2023
Revenue				
Services	\$ 5,841	\$ 5,719	\$ 17,419	\$ 16,616
Product sales	3,318	2,591	9,586	7,529
Total Revenue	9,159	8,310	27,005	24,145
Interest & other income	96	73	265	247
Expenses				
Cost of services	4,465	4,360	13,403	12,777
Cost of sales	2,772	2,232	8,103	6,601
Research & engineering	187	186	557	524
General & administrative	90	81	305	268
Restructuring	65	-	176	-
Merger & integration	33	-	60	-
Interest	136	129	381	373
Income before taxes	1,507	1,395	4,285	3,849
Tax expense	289	259	824	722
Net income	1,218	1,136	3,461	3,127
Net income attributable to noncontrolling interests	32	13	95	36
Net income attributable to SLB	\$ 1,186	\$ 1,123	\$ 3,366	\$ 3,091
Basic income per share of SLB	\$ 0.84	\$ 0.79	\$ 2.36	\$ 2.17
Diluted income per share of SLB	\$ 0.83	\$ 0.78	\$ 2.34	\$ 2.14
Average shares outstanding:				
Basic	1,417	1,424	1,425	1,424
Assuming dilution	1,432	1,442	1,441	1,442

See Notes to Consolidated Financial Statements

SCHLUMBERGER LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(Unaudited)

(Stated in millions)

	Third Quarter		Nine Months	
	2024	2023	2024	2023
<i>Net income</i>	\$ 1,218	\$ 1,136	\$ 3,461	\$ 3,127
<i>Currency translation adjustments</i>				
Unrealized net change arising during the period	(42)	(46)	11	(123)
<i>Marketable securities</i>				
Unrealized gain arising during the period	14	-	14	-
<i>Cash flow hedges</i>				
Net (loss) gain on cash flow hedges	(5)	24	(48)	96
Reclassification to net income of net realized (gain) loss	(2)	(2)	3	(16)
<i>Pension and other postretirement benefit plans</i>				
Amortization to net income of net actuarial gain	(1)	(2)	(2)	(6)
Amortization to net income of net prior service credit	(6)	(6)	(17)	(17)
Income taxes on pension and other postretirement benefit plans	1	2	4	5
<i>Other</i>	(2)	-	(1)	-
<i>Comprehensive income</i>	1,175	1,106	3,425	3,066
Comprehensive income attributable to noncontrolling interests	32	13	95	36
<i>Comprehensive income attributable to SLB</i>	<u>\$ 1,143</u>	<u>\$ 1,093</u>	<u>\$ 3,330</u>	<u>\$ 3,030</u>

See Notes to Consolidated Financial Statements

SCHLUMBERGER LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

(Stated in millions)

	Sept. 30, 2024 (Unaudited)	Dec. 31, 2023
ASSETS		
<i>Current Assets</i>		
Cash	\$ 3,086	\$ 2,900
Short-term investments	1,376	1,089
Receivables less allowance for doubtful accounts (2024 - \$332; 2023 - \$337)	8,260	7,812
Inventories	4,573	4,387
Other current assets	1,506	1,530
	18,801	17,718
<i>Investments in Affiliated Companies</i>	1,744	1,624
<i>Fixed Assets less accumulated depreciation</i>	7,360	7,240
<i>Goodwill</i>	14,559	14,084
<i>Intangible Assets</i>	3,122	3,239
<i>Other Assets</i>	4,189	4,052
	<u>\$ 49,775</u>	<u>\$ 47,957</u>
LIABILITIES AND EQUITY		
<i>Current Liabilities</i>		
Accounts payable and accrued liabilities	\$ 10,346	\$ 10,904
Estimated liability for taxes on income	888	994
Short-term borrowings and current portion of long-term debt	1,059	1,123
Dividends payable	406	374
	12,699	13,395
<i>Long-term Debt</i>	11,864	10,842
<i>Postretirement Benefits</i>	176	175
<i>Deferred Taxes</i>	171	140
<i>Other Liabilities</i>	2,137	2,046
	27,047	26,598
<i>Equity</i>		
Common stock	11,408	11,624
Treasury stock	(1,294)	(678)
Retained earnings	15,687	13,497
Accumulated other comprehensive loss	(4,290)	(4,254)
SLB stockholders' equity	21,511	20,189
Noncontrolling interests	1,217	1,170
	<u>22,728</u>	<u>21,359</u>
	<u>\$ 49,775</u>	<u>\$ 47,957</u>

See Notes to Consolidated Financial Statements

SCHLUMBERGER LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

(Stated in millions)

	Nine Months Ended September 30,	
	2024	2023
Cash flows from operating activities:		
Net income	\$ 3,461	\$ 3,127
Adjustments to reconcile net income to net cash provided by operating activities:		
Charges and credits	279	(36)
Depreciation and amortization ⁽¹⁾	1,871	1,703
Deferred taxes	32	94
Stock-based compensation expense	244	218
Earnings of equity method investments, less dividends received	(9)	(120)
Change in assets and liabilities: ⁽²⁾		
Increase in receivables	(396)	(1,003)
Increase in inventories	(243)	(334)
Decrease in other current assets	23	107
(Increase) decrease in other assets	(3)	2
Decrease in accounts payable and accrued liabilities	(968)	(10)
Decrease in estimated liability for taxes on income	(147)	(113)
Increase (decrease) in other liabilities	39	(65)
Other	29	45
NET CASH PROVIDED BY OPERATING ACTIVITIES	4,212	3,615
Cash flows from investing activities:		
Capital expenditures	(1,322)	(1,345)
APS investments	(390)	(391)
Exploration data costs capitalized	(141)	(121)
Business acquisitions and investments, net of cash acquired	(552)	(280)
Proceeds from sale of Liberty shares	-	137
Purchase of short-term investments, net	(268)	(12)
Purchase of Blue Chip Swap securities	(136)	(169)
Proceeds from sale of Blue Chip securities	92	91
Other	49	(173)
NET CASH USED IN INVESTING ACTIVITIES	(2,668)	(2,263)
Cash flows from financing activities:		
Dividends paid	(1,144)	(961)
Proceeds from employee stock purchase plan	219	191
Proceeds from exercise of stock options	25	85
Taxes paid on net settled stock-based compensation awards	(86)	(162)
Stock repurchase program	(1,236)	(594)
Proceeds from issuance of long-term debt	1,475	992
Repayment of long-term debt	(416)	-
Net decrease in short-term borrowings	(142)	(43)
Other	(36)	(11)
NET CASH USED IN FINANCING ACTIVITIES	(1,341)	(503)
Net increase in cash before translation effect	203	849
Translation effect on cash	(17)	(16)
Cash, beginning of period	2,900	1,655
Cash, end of period	<u>\$ 3,086</u>	<u>\$ 2,488</u>

⁽¹⁾Includes depreciation of fixed assets and amortization of intangible assets, exploration data costs, and Asset Performance Solutions ("APS") investments.

⁽²⁾Net of the effect of business acquisitions.

See Notes to Consolidated Financial Statements

SCHLUMBERGER LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(Unaudited)

(Stated in millions, except per share amounts)

	Common Stock		Retained	Accumulated	Noncontrolling	Total
January 1, 2024 – September 30, 2024	Issued	In Treasury	Earnings	Other Comprehensive Loss	Interests	
Balance, January 1, 2024	\$ 11,624	\$ (678)	\$ 13,497	\$ (4,254)	\$ 1,170	\$ 21,359
Net income			3,366		95	3,461
Currency translation adjustments				11		11
Changes in unrealized gain on marketable securities				14		14
Changes in fair value of cash flow hedges				(45)		(45)
Pension and other postretirement benefit plans				(15)		(15)
Shares sold to optionees, less shares exchanged	(9)	34				25
Vesting of restricted stock, net of taxes withheld	(386)	300				(86)
Employee stock purchase plan	(65)	284				219
Stock repurchase program		(1,236)				(1,236)
Stock-based compensation expense	244					244
Dividends declared (\$0.825 per share)			(1,176)			(1,176)
Dividends paid to noncontrolling interests					(36)	(36)
Other		2		(1)	(12)	(11)
Balance, September 30, 2024	\$ 11,408	\$ (1,294)	\$ 15,687	\$ (4,290)	\$ 1,217	\$ 22,728

	Common Stock		Retained	Accumulated	Noncontrolling	Total
January 1, 2023 – September 30, 2023	Issued	In Treasury	Earnings	Other Comprehensive Loss	Interests	
Balance, January 1, 2023	\$ 11,837	\$ (1,016)	\$ 10,719	\$ (3,855)	\$ 304	\$ 17,989
Net income			3,091		36	3,127
Currency translation adjustments				(123)		(123)
Changes in fair value of cash flow hedges				80		80
Pension and other postretirement benefit plans				(18)		(18)
Shares sold to optionees, less shares exchanged	(53)	138				85
Vesting of restricted stock, net of taxes withheld	(657)	495				(162)
Employee stock purchase plan	(162)	353				191
Stock repurchase program		(594)				(594)
Stock-based compensation expense	218					218
Dividends declared (\$0.75 per share)			(1,068)			(1,068)
Dividends paid to noncontrolling interests					(20)	(20)
Other	(1)	3		(1)	1	2
Balance, September 30, 2023	\$ 11,182	\$ (621)	\$ 12,742	\$ (3,917)	\$ 321	\$ 19,707

	Common Stock		Retained	Accumulated	Noncontrolling	Total
July 1, 2024 – September 30, 2024	Issued	In Treasury	Earnings	Other Comprehensive Loss	Interests	
Balance, July 1, 2024	\$ 11,401	\$ (973)	\$ 14,890	\$ (4,247)	\$ 1,209	\$ 22,280
Net income			1,186		32	1,218
Currency translation adjustments				(42)		(42)
Changes in unrealized gain on marketable securities				14		14
Changes in fair value of cash flow hedges				(7)		(7)
Pension and other postretirement benefit plans				(6)		(6)
Shares sold to optionees, less shares exchanged		5				5
Vesting of restricted stock, net of taxes withheld	(35)	27				(8)
Employee stock purchase plan	(29)	148				119
Stock repurchase program		(501)				(501)
Stock-based compensation expense	71					71
Dividends declared (\$0.275 per share)			(389)			(389)
Dividends paid to noncontrolling interests					(24)	(24)
Other				(2)		(2)
Balance, September 30, 2024	\$ 11,408	\$ (1,294)	\$ 15,687	\$ (4,290)	\$ 1,217	\$ 22,728

(Stated in millions, except per share amounts)

	Common Stock		Retained	Accumulated Other Comprehensive	Noncontrolling	Total
	Issued	In Treasury	Earnings	Loss	Interests	
July 1, 2023– September 30, 2023						
Balance, July 1, 2023	\$ 11,270	\$ (750)	\$ 11,974	\$ (3,886)	\$ 326	\$ 18,934
Net income			1,123		13	1,136
Currency translation adjustments				(46)		(46)
Changes in fair value of cash flow hedges				22		22
Pension and other postretirement benefit plans				(6)		(6)
Shares sold to optionees, less shares exchanged	(22)	69				47
Vesting of restricted stock, net of taxes withheld	(84)	66				(18)
Employee stock purchase plan	(39)	143				104
Stock repurchase program		(151)				(151)
Stock-based compensation expense	58					58
Dividends declared (\$0.25 per share)			(355)			(355)
Dividends paid to noncontrolling interests					(18)	(18)
Other	(1)	2		(1)		-
Balance, September 30, 2023	<u>\$ 11,182</u>	<u>\$ (621)</u>	<u>\$ 12,742</u>	<u>\$ (3,917)</u>	<u>\$ 321</u>	<u>\$ 19,707</u>

SHARES OF COMMON STOCK
(Unaudited)

(Stated in millions)

	Issued	In Treasury	Shares Outstanding
Balance, January 1, 2024	1,439	(12)	1,427
Shares sold to optionees, less shares exchanged	-	1	1
Vesting of restricted stock	-	5	5
Shares issued under employee stock purchase plan	-	5	5
Stock repurchase program	-	(26)	(26)
Balance, September 30, 2024	<u>1,439</u>	<u>(27)</u>	<u>1,412</u>

See Notes to Consolidated Financial Statements

SCHLUMBERGER LIMITED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Basis of Presentation

The accompanying unaudited consolidated financial statements of Schlumberger Limited and its subsidiaries ("SLB") have been prepared in accordance with generally accepted accounting principles in the United States of America for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of SLB management, all adjustments considered necessary for a fair statement have been included in the accompanying unaudited financial statements. All intercompany transactions and balances have been eliminated in consolidation. Operating results for the three-month period ended September 30, 2024 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2024. The December 31, 2023 balance sheet information has been derived from the SLB 2023 audited financial statements. For further information, refer to the *Consolidated Financial Statements* and notes thereto included in the SLB Annual Report on Form 10-K for the year ended December 31, 2023, filed with the Securities and Exchange Commission on January 24, 2024.

Recently Announced Transaction

On April 2, 2024, SLB announced a definitive agreement to purchase ChampionX Corporation ("ChampionX") in an all-stock transaction. ChampionX is a global leader in chemistry solutions, artificial lift systems, and highly engineered equipment and technologies that help companies drill for and produce oil and gas safely, efficiently, and sustainably around the world. Under the terms of the agreement, ChampionX shareholders will receive 0.735 shares of SLB common stock in exchange for each ChampionX share. At the closing of the transaction ChampionX shareholders will own approximately 9% of SLB's outstanding shares of common stock. ChampionX reported revenue of approximately \$3.8 billion in 2023. The transaction, which is subject to regulatory approvals and other customary closing conditions, received the approval of the ChampionX stockholders at a special meeting held on June 18, 2024. It is anticipated that the transaction will close in the first quarter of 2025.

2. Charges and Credits

2024

During the second quarter of 2024, SLB started a program to realign and optimize its support and service delivery structure in certain parts of its organization. As a result, SLB recorded severance charges of \$111 million during the second quarter of 2024 and \$65 million during the third quarter of 2024, which are classified in *Restructuring* in the *Consolidated Statement of Income*.

In connection with the October 2023 acquisition of the Aker Solutions subsea business and the pending ChampionX transaction, SLB recorded \$103 million of charges during the first nine months of 2024, consisting of: \$43 million relating to the amortization of purchase accounting adjustments associated with the write-up of acquired inventories to its estimated fair value, and \$60 million of other merger and integration-related costs. \$43 million of these costs are classified in *Cost of sales* in the *Consolidated Statement of Income*, with the remaining \$60 million classified in *Merger & integration*.

(Stated in millions)

	Pretax Charge	Tax Benefit	Noncontrolling Interests	Net
<i>First quarter:</i>				
Merger & integration	\$ 25	\$ 6	\$ 5	\$ 14
<i>Second quarter:</i>				
Workforce reductions	111	17	-	94
Merger & integration	31	5	8	18
<i>Third quarter:</i>				
Workforce reductions	65	10	-	55
Merger & integration	47	10	7	30
	<u>\$ 279</u>	<u>\$ 48</u>	<u>\$ 20</u>	<u>\$ 211</u>

2023

On December 31, 2020, SLB contributed its onshore hydraulic fracturing business in the United States and Canada, including its pressure pumping, pumpdown perforating, and Permian frac sand business to Liberty Energy Inc. ("Liberty") in exchange for an equity interest in Liberty. During the first quarter of 2023, SLB sold all of its remaining approximately 9 million shares of Liberty and received net proceeds of \$137 million. As a result, SLB recognized a pretax gain of \$36 million (\$28 million after-tax), which is classified in *Interest & other income* in the *Consolidated Statement of Income*.

SLB did not record any charges or credits during the second and third quarters of 2023.

3. Earnings per Share

The following is a reconciliation from basic earnings per share of SLB to diluted earnings per share of SLB:

(Stated in millions, except per share amounts)

	Net Income Attributable to SLB	2024 Average Shares Outstanding	Earnings per Share	Net Income Attributable to SLB	2023 Average Shares Outstanding	Earnings per Share
Third Quarter						
Basic	\$ 1,186	1,417	\$ 0.84	\$ 1,123	1,424	\$ 0.79
Assumed exercise of stock options	-	1		-	2	
Unvested restricted stock	-	14		-	16	
Diluted	\$ 1,186	1,432	\$ 0.83	\$ 1,123	1,442	\$ 0.78

	Net Income Attributable to SLB	2024 Average Shares Outstanding	Earnings per Share	Net Income Attributable to SLB	2023 Average Shares Outstanding	Earnings per Share
Nine Months						
Basic	\$ 3,366	1,425	\$ 2.36	\$ 3,091	1,424	\$ 2.17
Assumed exercise of stock options	-	1		-	2	
Unvested restricted stock	-	15		-	16	
Diluted	\$ 3,366	1,441	\$ 2.34	\$ 3,091	1,442	\$ 2.14

The number of outstanding options to purchase shares of SLB common stock that were not included in the computation of diluted income per share, because to do so would have had an antidilutive effect, was as follows:

(Stated in millions)

	Third Quarter		Nine Months	
	2024	2023	2024	2023
Employee stock options	17	21	17	21

4. Inventories

A summary of inventories, which are stated at the lower of average cost or net realizable value, is as follows:

(Stated in millions)

	Sept. 30, 2024	Dec. 31, 2023
Raw materials & field materials	\$ 2,456	\$ 2,296
Work in progress	831	762
Finished goods	1,286	1,329
	\$ 4,573	\$ 4,387

5. Fixed Assets

Fixed assets consist of the following:

(Stated in millions)

	Sept. 30, 2024	Dec. 31, 2023
Property, plant & equipment	\$ 30,400	\$ 29,965
Less: Accumulated depreciation	23,040	22,725
	\$ 7,360	\$ 7,240

Depreciation expense relating to fixed assets was as follows:

(Stated in millions)

	2024	2023
Third Quarter	\$ 394	\$ 365
Nine Months	\$ 1,155	\$ 1,065

6. Intangible Assets

Intangible assets consist of the following:

(Stated in millions)

	Gross Book Value	Sept. 30, 2024 Accumulated Amortization	Net Book Value	Gross Book Value	Dec. 31, 2023 Accumulated Amortization	Net Book Value
Customer relationships	\$ 1,887	\$ 776	\$ 1,111	\$ 1,887	\$ 709	\$ 1,178
Technology/technical know-how	1,628	852	776	1,516	770	746
Tradenames	795	291	504	795	265	530
Other	1,603	872	731	1,582	797	785
	<u>\$ 5,913</u>	<u>\$ 2,791</u>	<u>\$ 3,122</u>	<u>\$ 5,780</u>	<u>\$ 2,541</u>	<u>\$ 3,239</u>

Amortization expense charged to income was as follows:

(Stated in millions)

	2024	2023
Third Quarter	\$ 87	\$ 78
Nine Months	\$ 250	\$ 231

Based on the carrying value of intangible assets at September 30, 2024, amortization expense for the subsequent five years is estimated to be: fourth quarter of 2024—\$84 million; 2025—\$314 million; 2026—\$304 million; 2027—\$300 million; 2028—\$291 million; and 2029—\$278 million.

7. Long-term Debt

Long-term Debt consists of the following:

(Stated in millions)

	Sept. 30, 2024	Dec. 31, 2023
3.90% Senior Notes due 2028	\$ 1,476	\$ 1,469
2.65% Senior Notes due 2030	1,250	1,250
1.375% Guaranteed Notes due 2026	1,113	1,104
2.00% Guaranteed Notes due 2032	1,107	1,098
0.25% Notes due 2027	1,002	994
0.50% Notes due 2031	1,000	992
4.30% Senior Notes due 2029	848	847
1.00% Guaranteed Notes due 2026	668	662
4.00% Senior Notes due 2025	523	523
4.50% Senior Notes due 2028	497	497
4.85% Senior Notes due 2033	497	497
5.00% Senior Notes due 2027	495	-
5.00% Senior Notes due 2029	492	-
5.00% Senior Notes due 2034	489	-
7.00% Notes due 2038	198	200
5.95% Notes due 2041	111	112
5.13% Notes due 2043	98	98
1.40% Senior Notes due 2025	-	499
	<u>\$ 11,864</u>	<u>\$ 10,842</u>

The estimated fair value of SLB's Long-term Debt, based on quoted market prices at September 30, 2024 and December 31, 2023, was \$11.4 billion and \$10.2 billion, respectively.

There were no borrowings under the commercial paper programs at September 30, 2024 and December 31, 2023.

At September 30, 2024, SLB had committed credit facility agreements aggregating \$5.0 billion with commercial banks. These committed facilities, of which \$2.0 billion matures in February 2027 and \$3.0 billion matures in December 2028, support commercial paper programs in the United States and Europe. There were no borrowings outstanding under these facilities at September 30, 2024 and December 31, 2023.

Schlumberger Limited fully and unconditionally guarantees the securities issued by certain of its subsidiaries, including securities issued by Schlumberger Investment S.A. and Schlumberger Finance Canada Ltd., both indirect wholly-owned subsidiaries of Schlumberger Limited.

8. Derivative Instruments and Hedging Activities

SLB's functional currency is primarily the US dollar. However, outside the United States, a significant portion of SLB's expenses is incurred in foreign currencies. Therefore, when the US dollar weakens (strengthens) in relation to the foreign currencies of the countries in which SLB conducts business, the US dollar-reported expenses will increase (decrease).

Changes in foreign currency exchange rates expose SLB to risks on future cash flows relating to its fixed rate debt denominated in currencies other than the functional currency. SLB uses cross-currency interest rate swaps to provide a hedge against these risks. These contracts are accounted for as cash flow hedges, with the fair value of the derivative recorded on the *Consolidated Balance Sheet* and in *Accumulated other comprehensive loss*. Amounts recorded in *Accumulated other comprehensive loss* are reclassified into earnings in the same period or periods that the hedged item is recognized in earnings.

Details regarding SLB's outstanding cross-currency interest rate swaps as of September 30, 2024, were as follows:

- During 2019, a US-dollar functional currency subsidiary of SLB issued €1.5 billion of Euro-denominated debt. SLB entered into cross-currency interest rate swaps in order to hedge changes in the US dollar value of its €0.5 billion 0.00% Notes due 2024, €0.5 billion 0.25% Notes due 2027 and €0.5 billion 0.50% Notes due 2031. These cross-currency interest rate swaps effectively convert the Euro-denominated notes to US-dollar denominated debt with fixed annual interest rates of 2.29%, 2.51% and 2.76%, respectively.
- During 2020, a US-dollar functional currency subsidiary of SLB issued €0.8 billion of Euro-denominated debt. SLB entered into cross-currency interest rate swaps to hedge changes in the US dollar value of its €0.4 billion of 0.25% Notes due 2027 and €0.4 billion of 0.50% Notes due 2031. These cross-currency interest rate swaps effectively convert the Euro-denominated notes to US-dollar denominated debt with fixed annual interest rates of 1.87% and 2.20%, respectively.
- During 2020, a US-dollar functional currency subsidiary of SLB issued €2.0 billion of Euro-denominated debt. SLB entered into cross-currency interest rate swaps to hedge changes in the US dollar value of its €1.0 billion of 1.375% Guaranteed Notes due 2026 and €1.0 billion of 2.00% Guaranteed Notes due 2032. These cross-currency interest rate swaps effectively convert the Euro-denominated notes to US-dollar denominated debt with fixed annual interest rates of 2.77% and 3.49%, respectively.
- During 2020, a Canadian dollar functional currency subsidiary of SLB issued \$0.5 billion of US dollar denominated debt. SLB entered into cross-currency interest rate swaps to hedge changes in the US dollar value of its \$0.5 billion 1.40% Senior Notes due 2025. These cross-currency interest rate swaps effectively convert the US dollar notes to Canadian dollar denominated debt with a fixed annual interest rate of 1.73%.

A summary of the amounts included in the *Consolidated Balance Sheet* relating to cross currency interest rate swaps was as follows:

	Sept. 30, 2024		Dec. 31, 2023	
<i>Other current assets</i>	\$	11	\$	-
<i>Other Assets</i>	\$	39	\$	36
<i>Other Liabilities</i>	\$	64	\$	67

(Stated in millions)

The fair values were determined using a model with inputs that are observable in the market or can be derived or corroborated by observable data.

SLB is exposed to risks on future cash flows to the extent that the local currency is not the functional currency and expenses denominated in local currency are not equal to revenues denominated in local currency. SLB uses foreign currency forward contracts to provide a hedge against a portion of these cash flow risks. These contracts are accounted for as cash flow hedges.

SLB is also exposed to changes in the fair value of assets and liabilities denominated in currencies other than the functional currency. While SLB uses foreign currency forward contracts to economically hedge this exposure as it relates to certain currencies, these contracts are not designated as hedges for accounting purposes. Instead, the fair value of the derivative is recorded on the *Consolidated Balance Sheet* and changes in the fair value are recognized in the *Consolidated Statement of Income*, as are changes in the fair value of the hedged item.

Foreign currency forward contracts were outstanding for the US dollar equivalent of \$7.1 billion and \$5.4 billion in various foreign currencies as of September 30, 2024 and December 31, 2023, respectively.

Other than the previously mentioned cross-currency interest rate swaps, the fair value of the other outstanding derivatives was not material as of September 30, 2024 and December 31, 2023.

The effect of derivative instruments designated as cash flow hedges, and those not designated as hedges, on the *Consolidated Statement of Income* was as follows:

(Stated in millions)

	Gain (Loss) Recognized in Income				Consolidated Statement of Income Classification
	Third Quarter		Nine Months		
	2024	2023	2024	2023	
Derivatives designated as cash flow hedges:					
Cross-currency interest rate swaps	\$ 193	\$ (159)	\$ 47	\$ (27)	Cost of services/sales
Cross-currency interest rate swaps	(21)	(22)	(65)	(66)	Interest expense
Commodity contracts	-	(5)	(10)	2	Revenue
Foreign exchange contracts	10	7	12	14	Cost of services/sales
Foreign exchange contracts	(8)	-	(6)	-	Revenue
	<u>\$ 174</u>	<u>\$ (179)</u>	<u>\$ (22)</u>	<u>\$ (77)</u>	
Derivatives not designated as hedges:					
Foreign exchange contracts	\$ (13)	\$ 5	\$ 10	\$ (21)	Cost of services/sales

SLB has issued credit default swaps ("CDSs") to certain third-party financial institutions that have an aggregate notional amount outstanding of approximately \$1.0 billion as of September 30, 2024. The CDSs relate to borrowings provided by the financial institutions to SLB's primary customer in Mexico. The borrowings were used by this customer to pay certain of SLB's outstanding receivables. Approximately \$0.4 billion of the outstanding CDSs reduces on a monthly basis over its remaining 17-month term while the remaining \$0.6 billion reduces on a monthly basis over its remaining 21-month term. The fair value of these derivative liabilities was not material at September 30, 2024.

9. Contingencies

SLB is party to various legal proceedings from time to time. A liability is accrued when a loss is both probable and can be reasonably estimated. Management believes that the probability of a material loss with respect to any currently pending legal proceeding is remote. However, litigation is inherently uncertain, and it is not possible to predict the ultimate disposition of any of these proceedings.

10. Segment Information

(Stated in millions)

	Third Quarter 2024		Third Quarter 2023	
	Revenue	Income Before Taxes	Revenue	Income Before Taxes
Digital & Integration	\$ 1,088	\$ 386	\$ 982	\$ 314
Reservoir Performance	1,823	367	1,680	344
Well Construction	3,312	714	3,430	759
Production Systems	3,103	519	2,367	319
Eliminations & other	(167)	(84)	(149)	(53)
		1,902		1,683
Corporate & other ⁽¹⁾		(187)		(182)
Interest income ⁽²⁾		36		20
Interest expense ⁽³⁾		(132)		(126)
Charges and credits ⁽⁴⁾		(112)		-
	<u>\$ 9,159</u>	<u>\$ 1,507</u>	<u>\$ 8,310</u>	<u>\$ 1,395</u>

⁽¹⁾ Comprised principally of certain corporate expenses not allocated to the segments, stock-based compensation costs, amortization expense associated with certain intangible assets, certain centrally managed initiatives and other nonoperating items.

⁽²⁾ Interest income excludes amounts that are included in the segments' income (\$16 million in 2024; \$3 million in 2023).

⁽³⁾ Interest expense excludes amounts that are included in the segments' income (\$4 million in 2024; \$4 million in 2023).

⁽⁴⁾ See Note 2 – Charges and Credits.

(Stated in millions)

	Nine Months 2024		Nine Months 2023	
	Revenue	Income Before Taxes	Revenue	Income Before Taxes
Digital & Integration	\$ 3,091	\$ 965	\$ 2,822	\$ 901
Reservoir Performance	5,368	1,082	4,826	892
Well Construction	10,090	2,145	10,052	2,162
Production Systems	8,946	1,392	6,888	802
Eliminations & other	(490)	(180)	(443)	(102)
		5,404		4,655
Corporate & other ⁽¹⁾		(568)		(536)
Interest income ⁽²⁾		98		57
Interest expense ⁽³⁾		(370)		(363)
Charges and credits ⁽⁴⁾		(279)		36
	<u>\$ 27,005</u>	<u>\$ 4,285</u>	<u>\$ 24,145</u>	<u>\$ 3,849</u>

(1) Comprised principally of certain corporate expenses not allocated to the segments, stock-based compensation costs, amortization expense associated with certain intangible assets, certain centrally managed initiatives and other nonoperating items.

(2) Interest income excludes amounts that are included in the segments' income (\$31 million in 2024; \$2 million in 2023).

(3) Interest expense excludes amounts that are included in the segments' income (\$13 million in 2024 ; \$10 million in 2023).

(4) See Note 2 – Charges and Credits.

Revenue by geographic area was as follows:

(Stated in millions)

	Third Quarter		Nine Months	
	2024	2023	2024	2023
North America	\$ 1,687	\$ 1,643	\$ 4,929	\$ 5,086
Latin America	1,689	1,681	5,084	4,923
Europe & Africa ⁽¹⁾	2,434	2,091	7,199	6,095
Middle East & Asia	3,302	2,842	9,650	7,877
Other	47	53	143	164
	<u>\$ 9,159</u>	<u>\$ 8,310</u>	<u>\$ 27,005</u>	<u>\$ 24,145</u>

(1) Includes Russia and the Caspian region.

North America and International revenue disaggregated by segment was as follows:

(Stated in millions)

	Third Quarter 2024			
	North America	International	Other	Total
Digital & Integration	\$ 258	\$ 830	\$ -	\$ 1,088
Reservoir Performance	145	1,676	2	1,823
Well Construction	581	2,675	56	3,312
Production Systems	723	2,373	7	3,103
Eliminations & other	(20)	(129)	(18)	(167)
	<u>\$ 1,687</u>	<u>\$ 7,425</u>	<u>\$ 47</u>	<u>\$ 9,159</u>

	Third Quarter 2023			
	North America	International	Other	Total
Digital & Integration	\$ 242	\$ 737	\$ 3	\$ 982
Reservoir Performance	125	1,554	1	1,680
Well Construction	663	2,707	60	3,430
Production Systems	626	1,740	1	2,367
Eliminations & other	(13)	(124)	(12)	(149)
	<u>\$ 1,643</u>	<u>\$ 6,614</u>	<u>\$ 53</u>	<u>\$ 8,310</u>

Nine Months 2024				
	North America	International	Other	Total
Digital & Integration	\$ 784	\$ 2,303	\$ 4	\$ 3,091
Reservoir Performance	409	4,952	7	5,368
Well Construction	1,776	8,151	163	10,090
Production Systems	2,009	6,915	22	8,946
Eliminations & other	(49)	(388)	(53)	(490)
	<u>\$ 4,929</u>	<u>\$ 21,933</u>	<u>\$ 143</u>	<u>\$ 27,005</u>

Nine Months 2023				
	North America	International	Other	Total
Digital & Integration	\$ 727	\$ 2,091	\$ 4	\$ 2,822
Reservoir Performance	375	4,446	5	4,826
Well Construction	2,095	7,782	175	10,052
Production Systems	1,931	4,943	14	6,888
Eliminations & other	(42)	(367)	(34)	(443)
	<u>\$ 5,086</u>	<u>\$ 18,895</u>	<u>\$ 164</u>	<u>\$ 24,145</u>

Revenue in excess of billings related to contracts where revenue is recognized over time was \$0.4 billion at both September 30, 2024 and December 31, 2023. Such amounts are included within *Receivables less allowance for doubtful accounts* in the *Consolidated Balance Sheet*.

Total backlog was \$5.2 billion at September 30, 2024, of which approximately 60% is expected to be recognized as revenue over the next 12 months.

Billings and cash collections in excess of revenue was \$2.0 billion at both September 30, 2024 and December 31, 2023. Such amounts are included within *Accounts payable and accrued liabilities* in the *Consolidated Balance Sheet*.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Third Quarter 2024 Compared to Second Quarter 2024

(Stated in millions)

	Third Quarter 2024		Second Quarter 2024	
	Revenue	Income Before Taxes	Revenue	Income Before Taxes
Digital & Integration	\$ 1,088	\$ 386	\$ 1,050	\$ 325
Reservoir Performance	1,823	367	1,819	376
Well Construction	3,312	714	3,411	742
Production Systems	3,103	519	3,025	473
Eliminations & other	(167)	(84)	(166)	(62)
		1,902		1,854
Corporate & other ⁽¹⁾		(187)		(191)
Interest income ⁽²⁾		36		29
Interest expense ⁽³⁾		(132)		(129)
Charges and credits ⁽⁴⁾		(112)		(142)
	<u>\$ 9,159</u>	<u>\$ 1,507</u>	<u>\$ 9,139</u>	<u>\$ 1,421</u>

⁽¹⁾ Comprised principally of certain corporate expenses not allocated to the segments, stock-based compensation costs, amortization expense associated with certain intangible assets, certain centrally managed initiatives and other nonoperating items.

⁽²⁾ Interest income excludes amounts that are included in the segments' income (\$16 million in the third quarter of 2024; \$9 million in the second quarter of 2024).

⁽³⁾ Interest expense excludes amounts that are included in the segments' income (\$4 million in the third quarter of 2024; \$3 million in the second quarter of 2024).

⁽⁴⁾ Charges and credits are described in detail in Note 2 to the *Consolidated Financial Statements*.

SLB delivered strong third-quarter 2024 results, achieving earnings growth and margin expansion due to its ongoing focus on cost optimization, greater adoption of SLB's digital products and solutions, and the contribution of long-cycle projects in deepwater and gas.

This performance was achieved despite an environment where short-cycle activity growth softened, and some international producers exercised cautious spending triggered by lower oil prices and ample global supply, while land activity in the US remained subdued. Third-quarter 2024 global revenue of \$9.2 billion was essentially flat with the second quarter of 2024. Revenue grew sequentially in the Middle East & Asia and offshore North America but was offset by a decline in Latin America, while Europe & Africa revenue was flat sequentially.

Although some customers have adopted a more cautious approach to their near-term capital expenditures and discretionary spending amid lower commodity prices, most projects are progressing as planned. Recent geopolitical events have further highlighted the importance of long-term energy security and reducing potential supply disruptions. SLB is well-positioned to navigate the evolving market conditions by leveraging its unique exposure to long-cycle projects in international, deepwater, and gas markets.

Digital & Integration

Digital & Integration revenue of \$1.1 billion increased 4% sequentially due to higher digital revenue while Asset Performance Solutions ("APS") revenue was flat. Digital revenue grew 7% sequentially driven by the increased adoption internationally of our cloud, AI, and edge technology platforms.

Digital & Integration pretax operating margin of 36% expanded 456 basis points ("bps") sequentially, mostly due to improved profitability in digital, following higher uptake of digital products and solutions and cost efficiencies.

Reservoir Performance

Reservoir Performance revenue of \$1.8 billion was flat sequentially as revenue grew in offshore North America and Latin America, offset by declines in Europe & Africa and Middle East & Asia.

Reservoir Performance pretax operating margin of 20% contracted 53 bps sequentially largely due to lower profitability in evaluation.

Well Construction

Well Construction revenue of \$3.3 billion declined 3% sequentially on lower revenue in measurements and fluids driven by lower drilling activity in Latin America, US land, and Saudi Arabia.

Well Construction pretax operating margin of 22% declined 19 bps sequentially due to reduced activity both in North America and internationally.

Production Systems

Production Systems revenue of \$3.1 billion increased 3% sequentially with growth primarily driven by higher sales of surface production systems and completions.

Production Systems pretax operating margin of 17% expanded 110 bps sequentially with improved profitability in surface production systems, completions, and artificial lift.

Nine Months 2024 Compared to Nine Months 2023

(Stated in millions)

	Nine Months 2024		Nine Months 2023	
	Revenue	Income Before Taxes	Revenue	Income Before Taxes
Digital & Integration	\$ 3,091	\$ 965	\$ 2,822	\$ 901
Reservoir Performance	5,368	1,082	4,826	892
Well Construction	10,090	2,145	10,052	2,162
Production Systems	8,946	1,392	6,888	802
Eliminations & other	(490)	(180)	(443)	(102)
		5,404		4,655
Corporate & other ⁽¹⁾		(568)		(536)
Interest income ⁽²⁾		98		57
Interest expense ⁽³⁾		(370)		(363)
Charges and credits ⁽⁴⁾		(279)		36
	<u>\$ 27,005</u>	<u>\$ 4,285</u>	<u>\$ 24,145</u>	<u>\$ 3,849</u>

(1) Comprised principally of certain corporate expenses not allocated to the segments, stock-based compensation costs, amortization expense associated with certain intangible assets, certain centrally managed initiatives and other nonoperating items.

(2) Interest income excludes amounts that are included in the segments' income (\$31 million in 2024; \$2 million in 2023).

(3) Interest expense excludes amounts that are included in the segments' income (\$13 million in 2024; \$10 million in 2023).

(4) Charges and credits are described in detail in Note 2 to the *Consolidated Financial Statements*.

Nine-month 2024 revenue of \$27.0 billion increased 12% year on year. Approximately 50% of the year on year revenue increase came from the acquisition of the Aker Solutions subsea business ("Aker") in the fourth quarter of 2023.

International revenue grew by 16% year on year. Excluding the contribution of the acquired Aker subsea business, international revenue increased by 8% primarily driven by higher activity in the Middle East & Asia. North America revenue decreased by 3% due to lower drilling in US land.

Digital & Integration

Digital & Integration revenue of \$3.1 billion increased 10% year on year due to digital revenue growing in line with SLB's ambition of full-year growth in the high teens.

Digital & Integration pretax operating margin of 31% declined 69 bps year on year primarily due to the effects of higher APS amortization expense and lower gas prices.

Reservoir Performance

Reservoir Performance revenue of \$5.4 billion increased 11% year on year due to increased stimulation and intervention activity, with approximately 75% of the revenue growth coming from the Middle East & Asia.

Reservoir Performance pretax operating margin of 20% expanded 167 bps year on year due to improved profitability in the international markets driven by higher activity and improved pricing from increased technology intensity.

Well Construction

Well Construction revenue of \$10.1 billion was essentially flat year on year. International revenue grew 5%, primarily in the Middle East & Asia, largely offset by a 15% reduction in North America largely due to lower drilling activity in US land.

Well Construction pretax operating margin of 21% was essentially flat year on year.

Production Systems

Production Systems revenue of \$8.9 billion increased 30% year on year mainly due to the acquisition of the Aker subsea business. Excluding the effects of the Aker subsea acquisition, revenue grew by 8% year on year driven by strong international sales across the portfolio.

Production Systems pretax operating margin of 16% expanded 391 bps year on year driven by a favorable activity mix, execution efficiency, and conversion of improved-price backlog.

Interest and Other Income

Interest & other income consisted of the following:

(Stated in millions)

	Third Quarter 2024	Second Quarter 2024	Nine Months 2024	Nine Months 2023
Earnings of equity method investments	\$ 44	\$ 47	\$ 136	\$ 152
Interest income	52	38	129	59
Gain on sale of Liberty shares	-	-	-	36
	<u>\$ 96</u>	<u>\$ 85</u>	<u>\$ 265</u>	<u>\$ 247</u>

Interest income was \$52 million for the third quarter of 2024 and increased \$14 million as compared to the second quarter of 2024. This increase was driven by higher cash and short-term investment balances.

Interest income was \$129 million for the first nine months of 2024 and increased \$70 million as compared to the first nine months of 2023. This increase was primarily driven by higher average cash and short-term investment balances as well as increased interest rates.

Other

Research & engineering and General & administrative expenses, as a percentage of Revenue, for the third quarter and second quarter of 2024 and the first nine months of 2024 and 2023 were as follows:

	Third Quarter 2024	Second Quarter 2024	Nine Months 2024	Nine Months 2023
Research & engineering	2.0 %	2.1 %	2.1 %	2.2 %
General & administrative	1.0 %	1.0 %	1.1 %	1.1 %

Charges and Credits

SLB recorded charges and credits during the first nine months of 2024 and the first quarter of 2023. These charges and credits, which are summarized below, are more fully described in Note 2 to the Consolidated Financial Statements. SLB did not record any charges or credits during the second and third quarters of 2023.

2024:

(Stated in millions)

	Pretax Charge	Tax Benefit	Noncontrolling Interests	Net
<i>First quarter:</i>				
Merger & integration	\$ 25	\$ 6	\$ 5	\$ 14
<i>Second quarter:</i>				
Workforce reductions	111	17	-	94
Merger & integration	31	5	8	18
<i>Third quarter:</i>				
Workforce reductions	65	10	-	55
Merger & integration	47	10	7	30
	<u>\$ 279</u>	<u>\$ 48</u>	<u>\$ 20</u>	<u>\$ 211</u>

2023:

(Stated in millions)

	Pretax Credit	Tax Expense	Net
<i>First quarter:</i>			
Gain on sale of Liberty shares	\$ (36)	\$ (8)	\$ (28)

Liquidity and Capital Resources

Details of the components of liquidity as well as changes in liquidity are as follows:

(Stated in millions)

	Sept. 30, 2024	Sept. 30, 2023	Dec. 31, 2023
Components of Liquidity:			
Cash	\$ 3,086	\$ 2,488	\$ 2,900
Short-term investments	1,376	1,247	1,089
Short-term borrowings and current portion of long-term debt	(1,059)	(1,998)	(1,123)
Long-term debt	(11,864)	(11,147)	(10,842)
Net debt ⁽¹⁾	<u>\$ (8,461)</u>	<u>\$ (9,410)</u>	<u>\$ (7,976)</u>

Changes in Liquidity:	Nine Months Ended Sept. 30,	
	2024	2023
Net income	\$ 3,461	\$ 3,127
Charges and credits	279	(36)
Depreciation and amortization ⁽²⁾	1,871	1,703
Earnings of equity method investments, less dividends received	(9)	(120)
Deferred taxes	32	94
Stock-based compensation expense	244	218
Increase in working capital	(1,731)	(1,353)
Other	65	(18)
Cash flow from operations	4,212	3,615
Capital expenditures	(1,322)	(1,345)
APS investments	(390)	(391)
Exploration data costs capitalized	(141)	(121)
Free cash flow ⁽³⁾	2,359	1,758
Dividends paid	(1,144)	(961)
Stock repurchase program	(1,236)	(594)
Proceeds from employee stock plans	219	191
Proceeds from stock options	25	85
Taxes paid on net settled stock-based compensation awards	(86)	(162)
Business acquisitions and investments, net of cash acquired	(552)	(280)
Proceeds from sale of Liberty shares	-	137
Purchase of Blue Chip Swap securities	(136)	(169)
Proceeds from sale of Blue Chip securities	92	91
Other	27	(194)
Increase in net debt before impact of changes in foreign exchange rates	(432)	(98)
Impact of changes in foreign exchange rates on net debt	(53)	20
Increase in net debt	(485)	(78)
Net debt, beginning of period ⁽¹⁾	(7,976)	(9,332)
Net debt, end of period ⁽¹⁾	\$ (8,461)	\$ (9,410)

(1) "Net debt" represents gross debt less cash and short-term investments. Management believes that Net debt provides useful information to investors and management regarding the level of SLB's indebtedness by reflecting cash and investments that could be used to repay debt. Net debt is a non-GAAP financial measure that should be considered in addition to, not as a substitute for or superior to, total debt.

(2) Includes depreciation of fixed assets and amortization of intangible assets, exploration data costs, and APS investments.

(3) "Free cash flow" represents cash flow from operations less capital expenditures, APS investments and exploration data costs capitalized. 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 our ability to generate cash. Once business needs and obligations are met, this cash can be used to reinvest in the company for future growth or to return to shareholders through dividend payments or share repurchases. Free cash flow does not represent the residual cash flow available for discretionary expenditures. Free cash flow is a non-GAAP financial measure that should be considered in addition to, not as a substitute for or superior to, cash flow from operations.

Key liquidity events during the first nine months of 2024 and 2023 included:

- Capital investments (consisting of capital expenditures, APS investments and exploration data capitalized) were \$1.9 billion during both the first nine months of 2024 and the first nine months of 2023. Capital investments for the full year 2024 are expected to be approximately \$2.6 billion, which is the same level as the full year 2023.

- In January 2024, SLB announced a 10% increase to its quarterly cash dividend from \$0.25 per share of outstanding common stock to \$0.275 per share, beginning with the dividend payable in April 2024. Dividends paid during the first nine months of 2024 and 2023 were \$1.1 billion and \$961 million, respectively.

- As of September 30, 2024, SLB had cumulatively repurchased approximately \$3.0 billion of SLB common stock under its \$10 billion share repurchase program.

The following table summarizes the activity under the share repurchase program:

(Stated in millions, except per share amounts)

	Total cost of shares purchased	Total number of shares purchased	Average price paid per share
Nine months ended September 30, 2024	\$ 1,236	26.6	\$ 46.47
Nine months ended September 30, 2023	\$ 594	11.5	\$ 51.66

•During the second quarter of 2024, SLB issued \$500 million of 5.00% Senior Notes due 2027, \$500 million of 5.00% Senior Notes due 2029, and \$500 million of 5.00% Senior Notes due 2034.

•During the second quarter of 2024, SLB and Aker Carbon Capture ASA ("ACC") announced the closing of their previously announced joint venture. The new company, SLB Capturi™, combines technology portfolios, expertise, and operation platforms to support accelerated carbon capture adoption for industrial decarbonization at scale. At closing, SLB paid NOK 4.1 billion (\$0.4 billion) in cash to ACC for the purchase of 80% of the shares in Aker Carbon Capture Holdings AS ("ACCH"), which held the business of ACC. ACC is also entitled to performance-based payments of up to NOK 1.4 billion if certain targets are met over the period from 2025 to 2027.

After a lock-up period of three years, ACC is entitled to sell its 20% interest in ACCH to SLB during a period of six months for a price based on the fair market value of the combined business subject to a floor of NOK 1.0 billion and a ceiling of NOK 2.1 billion (the "put option"). Additionally, after the expiration of the put option, SLB has the right to purchase ACC's 20% interest in the combined business during the following six months for a price based on the fair market value of the combined business subject to a floor of NOK 1.5 billion and a ceiling of NOK 2.6 billion.

•During the first quarter of 2023, SLB sold all of its remaining approximately 9 million shares in Liberty and received proceeds of \$137 million.

As of September 30, 2024, SLB had \$4.5 billion of cash and short-term investments on hand and committed debt facility agreements with commercial banks aggregating \$5.0 billion, all of which was available. SLB believes these amounts are sufficient to meet future business requirements for at least the next 12 months and beyond.

SLB has a global footprint in more than 100 countries. As of September 30, 2024, only three of those countries individually accounted for greater than 5% of SLB's net receivable balance. Only one of these countries, the United States, represented greater than 10% of such receivables. As of September 30, 2024, Mexico represented 9% of SLB's net accounts receivable balance. (See Note 8 to the *Consolidated Financial Statements*). SLB's receivables from its primary customer in Mexico are not in dispute and SLB has not historically had any material write-offs due to uncollectible accounts receivable relating to this customer.

On October 17, 2024, SLB entered into a definitive agreement to sell its interest in the Palliser APS project in Canada. Under the terms of the agreement, SLB will receive cash proceeds of approximately \$430 million, subject to closing adjustments that are typical for such a transaction. The transaction, which is subject to regulatory approval and other customary closing conditions, is expected to close late in the fourth quarter of 2024. SLB recorded revenue of approximately \$0.4 billion during the nine months ended September 30, 2024 relating to this project.

FORWARD-LOOKING STATEMENTS

This third-quarter 2024 Form 10-Q, as well as other statements we make, contain "forward-looking statements" within the meaning of the federal securities laws, which include any statements that are not historical facts. Such statements often contain words such as "expect," "may," "can," "believe," "predict," "plan," "potential," "projected," "projections," "precursor," "forecast," "outlook," "expectations," "estimate," "intend," "anticipate," "ambition," "goal," "target," "scheduled," "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 SLB's financial and performance targets and other forecasts or expectations regarding, or dependent on, its business outlook; growth for SLB 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 energy transition and global climate change; improvements in operating procedures and technology; capital expenditures by SLB and the oil and gas industry; the business strategies of SLB, including digital and "fit for basin," as well as the strategies of SLB's customers; -SLB's capital allocation plans, including dividend plans and share repurchase programs; -SLB's APS projects, joint ventures, and other alliances; the impact of the ongoing conflict in Ukraine on global energy supply; access to raw materials; future global economic and geopolitical conditions; future liquidity, including free cash flow; 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 and geopolitical conditions; changes in exploration and production spending by SLB's customers, and changes in the level of oil and natural gas exploration and development; the results of operations and financial condition of SLB's customers and suppliers; SLB's inability to achieve its financial and performance targets and other forecasts and expectations; SLB's inability to achieve net-zero carbon emissions goals or interim emissions reduction goals; general economic, geopolitical and business conditions in key regions of the world; the ongoing conflict in Ukraine; foreign currency risk; inflation; changes in monetary policy by governments; pricing pressure; weather and seasonal factors; unfavorable effects of health pandemics; availability and cost of raw materials; operational modifications, delays or cancellations; challenges in SLB's supply chain; production declines; the extent of future charges; SLB's inability to recognize efficiencies and other intended benefits from its business strategies and initiatives, such as digital or new energy, as well as its cost reduction strategies; changes in government regulations and regulatory requirements, including those related to offshore oil and gas exploration, radioactive sources, explosives, chemicals, 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 this Form 10-Q and our most recent Form 10-K and Forms 8-K filed with or furnished to the SEC.

This Form 10-Q also includes forward-looking statements relating to the proposed transaction between SLB and ChampionX, including statements regarding the benefits of the transaction and the anticipated timing of the transaction. Factors and risks that may impact future results and performance include, but are not limited to, and in each case as a possible result of the proposed transaction on each

of SLB and ChampionX: the ultimate outcome of the proposed transaction between SLB and ChampionX; the ability to operate the SLB and ChampionX respective businesses, including business disruptions; difficulties in retaining and hiring key personnel and employees; the ability to maintain favorable business relationships with customers, suppliers and other business partners; the terms and timing of the proposed transaction; the occurrence of any event, change or other circumstance that could give rise to the termination of the proposed transaction; the anticipated or actual tax treatment of the proposed transaction; the ability to satisfy closing conditions to the completion of the proposed transaction; other risks related to the completion of the proposed transaction and actions related thereto; the ability of SLB and ChampionX to integrate the business successfully and to achieve anticipated synergies and value creation from the proposed transaction; the ability to secure government regulatory approvals on the terms expected, at all or in a timely manner; litigation and regulatory proceedings, including any proceedings that may be instituted against SLB or ChampionX related to the proposed transaction, as well as the risk factors discussed in SLB's and ChampionX's 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 results or outcomes may vary materially from those reflected in our forward-looking statements. Forward-looking and other statements in this Form 10-Q regarding our environmental, social, and other sustainability plans and goals are not an indication that these statements are necessarily material to investors or required to be disclosed in our filings with the SEC. In addition, historical, current, and forward-looking environmental, social, and sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future. Statements in this Form 10-Q are made as of October 23, 2024, and SLB disclaims any intention or obligation to update publicly or revise such statements, whether as a result of new information, future events, or otherwise.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

For quantitative and qualitative disclosures about market risk affecting SLB, see Item 7A, "Quantitative and Qualitative Disclosures about Market Risk," of the SLB Annual Report on Form 10-K for the fiscal year ended December 31, 2023. SLB's exposure to market risk has not changed materially since December 31, 2023.

Item 4. Controls and Procedures.

SLB has carried out an evaluation under the supervision and with the participation of SLB's management, including the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), of the effectiveness of SLB's "disclosure controls and procedures" (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")) as of the end of the period covered by this report. Based on this evaluation, the CEO and the CFO have concluded that, as of the end of the period covered by this report, SLB's disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the reports that SLB files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. SLB's disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is accumulated and communicated to its management, including the CEO and the CFO, as appropriate, to allow timely decisions regarding required disclosure. There was no change in SLB's internal control over financial reporting during the quarter to which this report relates that has materially affected, or is reasonably likely to materially affect, SLB's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

The information with respect to this Item 1 is set forth under Note 9—Contingencies, in the accompanying Consolidated Financial Statements.

Item 1A. Risk Factors.

As of the date of this filing, there have been no material changes from the risk factors disclosed in Part 1, Item 1A, of SLB's Annual Report on Form 10-K for the fiscal year ended December 31, 2023, other than the risk factors disclosed in Item 1A of SLB's Quarterly Report on Form 10-Q filed on April 24, 2024, which is hereby incorporated by reference into this Quarterly Report on Form 10-Q.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Unregistered Sales of Equity Securities

None.

Issuer Repurchases of Equity Securities

On January 21, 2016, the SLB Board of Directors approved a \$10 billion share repurchase program for SLB common stock. As of September 30, 2024, SLB had repurchased approximately \$3.0 billion of SLB common stock under this program.

SLB's common stock repurchase activity for the three months ended September 30, 2024 was as follows:

(Stated in thousands, except per share amounts)

	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Maximum value of shares that may yet be purchased under the plans or programs
July 2024	3,352.6	\$ 47.49	3,352.6	\$ 7,384,022
August 2024	3,967.6	\$ 44.48	3,967.6	\$ 7,207,547
September 2024	3,964.5	\$ 41.63	3,964.5	\$ 7,042,499
	<u>11,284.7</u>	<u>\$ 44.37</u>	<u>11,284.7</u>	

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Our mining operations are subject to regulation by the federal Mine Safety and Health Administration under the Federal Mine Safety and Health Act of 1977. Information concerning mine safety violations or other regulatory matters required by section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K is included in Exhibit 95 to this report.

Item 5. Other Information.

In 2013, SLB completed the wind down of its service operations in Iran. Prior to this, certain non-US subsidiaries provided oilfield services to the National Iranian Oil Company and certain of its affiliates ("NIOC").

SLB's residual transactions or dealings with the government of Iran during the third quarter of 2024 consisted of payments of taxes and other typical governmental charges. Certain non-US subsidiaries of SLB maintain depository accounts at the Dubai branch of Bank Saderat Iran ("Saderat"), and at Bank Tejarat ("Tejarat") in Tehran and in Kish for the deposit by NIOC of amounts owed to non-US subsidiaries of SLB for prior services rendered in Iran and for the maintenance of such amounts previously received. One non-US subsidiary also maintained an account at Tejarat for payment of local expenses such as taxes. SLB anticipates that it will discontinue dealings with Saderat and Tejarat following the receipt of all amounts owed to SLB for prior services rendered in Iran.

Item 6. Exhibits.

Exhibit 3.1—[Articles of Incorporation of Schlumberger Limited \(Schlumberger N.V.\) \(incorporated by reference to Exhibit 3.1 to SLB's Current Report on Form 8-K filed on April 6, 2016\)](#)

Exhibit 3.2—[Amended and Restated By-Laws of Schlumberger Limited \(Schlumberger N.V.\) \(incorporated by reference to Exhibit 3 to SLB's Current Report on Form 8-K filed on April 21, 2023\)](#)

* Exhibit 22—[Issuers of Registered Guaranteed Debt Securities](#)

* Exhibit 31.1—[Certification of Chief Executive Officer pursuant to Rule 13a-14\(a\) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)

* Exhibit 31.2—[Certification of Chief Financial Officer pursuant to Rule 13a-14\(a\) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)

** Exhibit 32.1—[Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)

** Exhibit 32.2—[Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)

* Exhibit 95—[Mine Safety Disclosures](#)

* Exhibit 101.INS—Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document

* Exhibit 101.SCH—Inline XBRL Taxonomy Extension Schema Document

* Exhibit 104—Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed with this Form 10-Q.

** Furnished with this Form 10-Q.

(+) Management contracts or compensatory plans or arrangements.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SCHLUMBERGER LIMITED

Date: October 23, 2024

/s/ Howard Guild

Howard Guild

Chief Accounting Officer and Duly Authorized Signatory

