

An Internationally Led Recovery, Not Yet an Earnings Recovery

1 KEY RESULTS VS. CONSENSUS			
Metric	Reported	Consensus	vs. Cons.
Revenue	\$9.45B	\$9.29B	+1.7%
Adjusted EBITDA	\$2.07B	\$2.03B	+2.0%
Diluted EPS	\$0.64	\$0.62	+3.2%
SEGMENT REVENUE			
Production Systems	\$4.00B	\$3.91B	+2.3%
Well Construction	\$2.89B	\$2.83B	+2.1%
Reservoir Performance	\$1.63B	\$1.61B	+1.2%
Digital	\$693M	\$709.7M	-2.4%

2 | GUIDANCE AND OUTLOOK

Management guided Q4 revenue up 5% to 7% sequentially, implying \$9.92 billion to \$10.11 billion, with adjusted EBITDA margin expanding 100 to 150 basis points to 22.9% to 23.4%. The Middle East assumption was cut to about \$1.9 billion from July's \$2.1 billion to \$2.2 billion, and the margin outlook sits 60 to 110 basis points below July's roughly 24% expectation. Capital investments of about \$2.5 billion and the roughly \$2.4 billion repurchase objective were maintained.

3 | EARNINGS ANALYSIS

A MODEST BEAT, AMPLIFIED BY AN ACQUISITION. Revenue of \$9.449 billion beat the \$9.29 billion consensus by 1.7%, adjusted EBITDA of \$2.067 billion beat by about \$37 million, and adjusted EPS of \$0.64 beat by 3.2%, at a margin matching what consensus implied. But ChampionX supplied roughly 72% of the year-over-year revenue increase: revenue excluding it grew about 2%, and adjusted EBITDA excluding its contribution fell about 4.9%.

THE GUIDANCE RESET IS A MIDDLE EAST STORY. The Q4 Middle East revenue assumption fell to about \$1.9 billion, 83% of the prior-year quarter, from July's \$2.1 billion to \$2.2 billion after renewed late-quarter disruptions. The implied Q4 EBITDA range of \$2.27 billion to \$2.37 billion straddles Q4 2025's \$2.331 billion, at a margin 50 to 100 basis points below that quarter's 23.9%. The retained cost base gives recovery very strong operating leverage.

PRODUCTION SYSTEMS AND CHAMPIONX VALIDATE THE PIVOT. Production Systems revenue of \$4.000 billion rose 15% year over year, 5% excluding ChampionX, and beat consensus by about \$90 million, the beat's largest segment contributor. ChampionX delivered \$956 million of revenue and \$239 million of adjusted EBITDA, a 25.0% margin and its strongest quarter since the acquisition. Production-related businesses now exceed 50% of the portfolio.

CORE MARGINS ARE RECOVERING, NOT RESTORED. Well Construction margin improved 122 basis points sequentially to 16.4% and Reservoir Performance 140 basis points to 16.3%, yet both remain more than 220 basis points below the prior year, and are guided essentially flat in Q4. Deepwater visibility is better: 2026 final investment decisions are expected up more than 30%, and OneSubsea bookings should exceed the \$9 billion target across 2025 and 2026.

DIGITAL AND DATA CENTERS ADD GROWTH, AND DILUTION. Digital revenue of \$693 million missed consensus by 2.4%, as a 38% sequential drop in exploration sales outweighed 24% growth in Digital Operations; the reiterated full-year targets require about \$896 million of Q4 revenue at an EBITDA margin above 43%. Data Center Solutions revenue rose 23% sequentially to \$230 million, but management stated the growth is not accretive to the overall SLB margin.

CASH CONVERSION IS THE QUARTER'S WEAK POINT. Operating cash flow of \$1.510 billion missed consensus by about 17%, and free cash flow of \$828 million fell 25% year over year, after \$485 million of capital spending, \$114 million of APS investment and \$83 million of data spending. Buybacks and dividends of \$1.095 billion exceeded free cash flow by \$267 million; net debt rose \$522 million to \$9.249 billion.

4 | KEY READ-THROUGHS

AKER SOLUTIONS HAS DIRECT ECONOMIC EXPOSURE TO ONESUBSEA'S IMPROVING OUTLOOK
Aker Solutions (AKSO) | Positive | Material to investment value and future cash distributions
SLB expects OneSubsea bookings to exceed the established \$9 billion target across 2025 and 2026, with awards converting to revenue in 2027 to 2029, and credited stronger OneSubsea activity for part of Q3 Production Systems growth. Aker owns 20% of the venture; exposure runs through venture earnings and distributions, not consolidated revenue; Aker's July results anticipated higher H2 2026 distributions.

MIDDLE EAST NORMALIZATION IS A DEFERRED UPSIDE CASE, NOT A SECURED Q4 EARNINGS BRIDGE
Halliburton (HAL), Weatherford International (WFRD) | Negative | Moderate for current expectations and potentially high for recovery-related earnings sensitivity
SLB assumes Q4 Middle East revenue of about \$1.9 billion, against July's \$2.1 billion to \$2.2 billion, after renewed disruptions in Q3 and assuming no further escalation. Until activity returns, retained staff and equipment keep absorbing costs, postponing the very strong operating leverage SLB described. Weatherford's Middle East, North Africa and Asia region was about 39% of its Q3 revenue.

PHYSICAL DATA CENTER EXECUTION SUPPORTS COOLING DEMAND, NOT JUST ANNOUNCED CAPITAL BUDGETS
Vertiv Holdings (VRT), Modine Manufacturing (MOD), Munters Group (MTRS) | Positive | Material to demand durability; moderate incremental information for near-term forecasts
Data Center Solutions revenue reached \$230 million, up 23% sequentially and 76% year over year, with projects advancing, expansion into Asia, added Canadian capacity and contracts entering backlog. Deployment transmits the demand: added capacity requires cooling systems, heat rejection, fluid management and thermal integration, the categories Vertiv, Modine and Munters supply. No disclosed SLB contract names them as supplier.

THE COOLING BOOM DOES NOT GUARANTEE MARGIN EXPANSION OR CASH CONVERSION
Modine Manufacturing (MOD), Munters Group (MTRS) | Negative | High relevance to operating execution and valuation, especially during manufacturing expansion
All Other revenue rose about 8% sequentially, but pretax operating income declined on new data center startup costs, and Biguet stated Data Center Solutions growth is not accretive to the overall SLB margin. Modine shows the same pattern: in its June quarter, Data Centers revenue rose 90% while segment adjusted EBITDA rose 27%, on capacity-expansion costs and production inefficiencies.