Zacks Report Date: January 10, 2026

SLB (SLB)

$45.20 (Stock Price as of 01/09/2026)

Price Target (6-12 Months): **$47.00**

Long Term: 6-12 Months	**Zacks Recommendation:** (Since: 09/15/25) Prior Recommendation: Underperform	**Neutral**
Short Term: 1-3 Months	**Zacks Rank:** (1-5)	**3-Hold**
	Zacks Style Scores:	VGM: B
	Value: A | Growth: C	Momentum: B

Summary

SLB's leadership in providing technology for complex oilfield projects enables it to take up new offshore projects in the shallow water basins outside North America. The company is on track to significantly exceed its target of returning over 50% of free cash flow to shareholders in 2025. SLB is poised for significant growth in its New Digital segment by leveraging its extensive data resources and global expertise. The company reported better-than-expected third-quarter earnings driven by growth in the Digital segment and contributions from the ChampionX acquisition. Yet, SLB faces challenges due to its high long-term debt and low cash balance. SLB's North American land operations are expected to remain under pressure. The uncertainty in the macroeconomic outlook, along with dampened growth of upstream investments, poses near-term headwinds for SLB.

Price, Consensus & Surprise[1]

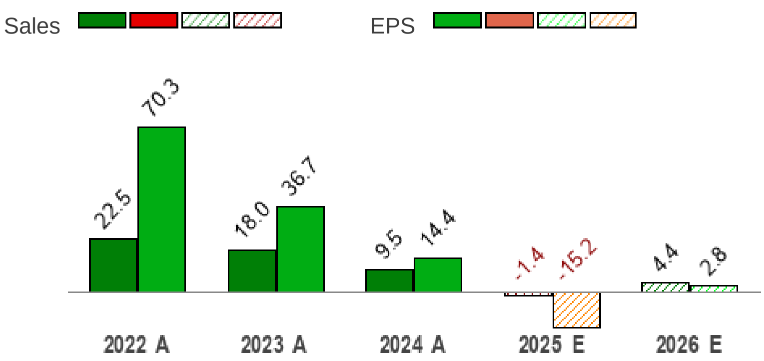
Data Overview

52 Week High-Low	**$45.24 - $31.11**
20 Day Average Volume (sh)	**13,855,944**
Market Cap	**$67.5 B**
YTD Price Change	**17.8%**
Beta	**0.72**
Dividend / Div Yld	**$1.14 / 2.5%**
Industry	**Technology Services**
Zacks Industry Rank	**Bottom 36% (157 out of 244)**

Last EPS Surprise	**4.6%**
Last Sales Surprise	**0.0%**
EPS F1 Est- 4 week change	**1.5%**
Expected Report Date	**01/23/2026**
Earnings ESP	**-0.5%**

P/E TTM	**14.7**
P/E F1	**15.2**
PEG F1	**-2.3**
P/S TTM	**1.9**

Sales and EPS Growth Rates (Y/Y %)[1]



Sales Estimates (millions of $)[1]

	Q1	Q2	Q3	Q4	Annual*
2026	8,995 E	9,226 E	9,403 E	9,710 E	37,334 E
2025	8,490 A	8,546 A	8,928 A	9,537 E	35,776 E
2024	8,707 A	9,139 A	9,159 A	9,284 A	36,289 A

EPS Estimates[1]

	Q1	Q2	Q3	Q4	Annual*
2026	0.65 E	0.71 E	0.75 E	0.82 E	2.97 E
2025	0.72 A	0.74 A	0.69 A	0.74 E	2.89 E
2024	0.75 A	0.85 A	0.89 A	0.92 A	3.41 A

*Quarterly figures may not add up to annual.

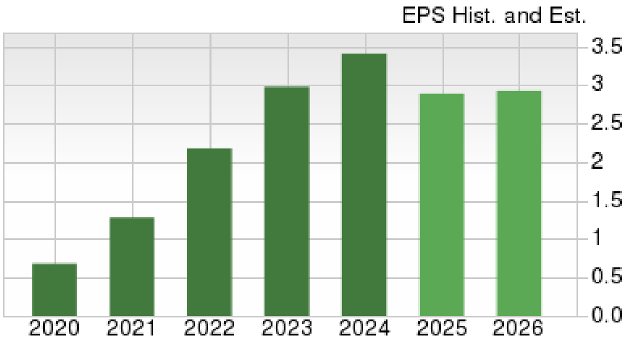
(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 01/09/2026.
(2) The report's text and the price target are as of 01/09/2026.

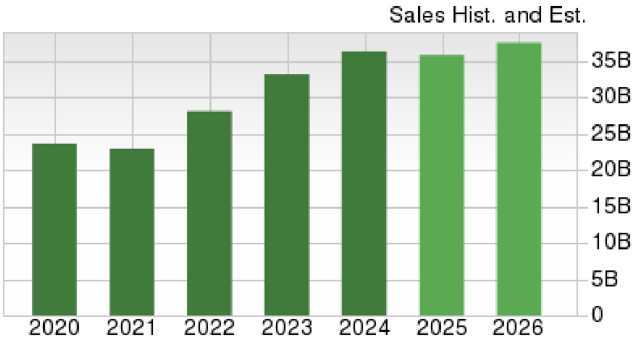
Overview

Houston, TX-based SLB is a leading oilfield services company, providing services to the oil and gas explorers, and producers across the world. Through oilfield services contracts, SLB helps the upstream energy players to locate oil and gas, and to drill and evaluate hydrocarbon wells. The company, founded in 1926, also supports the explorers to construct oil and gas wells and produce optimum volumes of the commodities from the existing wells.

From the onset of 2020 through mid-2022, the broader energy market felt the impact of the coronavirus pandemic. Upstream energy companies reduced capital spending to navigate through the challenges of lower oil prices caused by the pandemic. Consequently, demand for oilfield services plummeted, as these service providers play a crucial role in assisting upstream firms in efficiently drilling oil wells. However, there has been a significant shift in recent times. Oil prices have rebounded substantially and are anticipated to remain robust in 2024. As a result, the overall business landscape is poised to remain favorable, with increased exploration and production activities driving up the demand for oilfield services, thereby benefiting SLB.

Overall, with operations across 120 countries, the company provides the most comprehensive range of oilfield services and products to the explorers and producers of hydrocarbons. Notably, with presence in almost all the key oilfield services markets across the globe, SLB conducts its business through four segments — Digital & Integration, Reservoir Performance, Well Construction and Production Systems.





As of 01/09/2026

In 2024, SLB's revenue distribution was as follows: Digital & Integration contributed 12.45%, Reservoir Performance added 19.5%, Well Construction was the largest with 35.19%, and Production Systems accounted for 34.44%.

As of 01/09/2026

Reasons To Buy:

▲ SLB's greater reliance on the lucrative international market is appreciable. Being the leading provider of technology for complex oilfield projects, SLB is better positioned than most peers to take up new offshore projects in the shallow water basins outside North America. The company's focus on long-term deals with state-run entities and integrated firms is a major positive, providing stability and consistent revenue streams. SLB's diverse product and service mix, coupled with its leadership in international and offshore markets, positions it favorably to capitalize on the expected multi-year upturn in these markets, particularly in the critical Middle East region.

SLB's strengths lie in its robust international market presence and technological leadership in oilfield projects, backed by long-term contracts.

▲ SLB reduced Scope 1 and 2 emissions and launched several transition technologies to support its decarbonization plan. The leading oilfield service player boasts of becoming the first company in the energy service industry to add Scope 3 emissions ambition in the net-zero emission target. It is planning on a 30% cut in Scopes 1 and 2 emissions by as early as 2030 and is well on track to meet this commitment. SLB has set a goal to achieve net-zero greenhouse gas emissions by 2050.

▲ SLB has a proven track record of strong free cash flow (FCF) conversion, demonstrating its ability to efficiently convert a substantial portion of revenue into free cash flow. In 2024, the company generated a solid $4 billion in FCF, underscoring its capability to deliver significant cash returns. SLB's robust cash flow, combined with the recent announcement of the sale of its Palliser assets in Canada, is expected to support higher investor returns. SLB is on track to significantly exceed its target of returning over 50% of free cash flow to shareholders in 2025.

▲ SLB is poised for significant growth in its New Digital segment, driven by the rapid adoption of cloud computing, enhanced data utilization, and digital operations. The company leverages its extensive data resources and global expertise, which position it as a leader in autonomy and AI-driven solutions. This digital expansion is expected to boost margins, supported by increasing customer adoption and active projects that demonstrate strong market acceptance and future growth potential.

Reasons To Sell:

Reduced customer spending and SLB's high long-term debt are a cause of concern.

- SLB's long-term debt at the end of the third quarter stood at $10.84 billion, with only $3.59 billion in cash and short-term investments. This imbalance suggests that SLB may face challenges in managing its debt obligations and raises concerns about its liquidity position. The relatively low cash reserves compared to its long-term debt could constrain SLB's ability to meet financial commitments.

- Reduced spending by key customers amid uncertain energy market conditions limits SLB's ability to generate growth from its core long-term projects. The company continues to face challenges in its North American land operations, where activity growth is anticipated to remain sluggish in the near term. Due to a volatile commodity price environment, operators in North America continue to focus on production maintenance mainly through efficiency gains, rather than increasing drilling activity. With short-cycle activity growth softening, particularly in U.S. land operations, investors may be concerned about SLB's ability to sustain revenue growth in this key market.

- The ongoing uncertainty regarding trade tariffs creates severe headwinds for SLB's business that may affect its overall profitability. SLB's Production Systems division imports significant volumes of raw materials and is particularly vulnerable to rising tariffs, which could increase costs and compress its profit margins.

- As a major player in the oilfield services sector, SLB's financial performance is closely tied to the health of the oil and gas industry. Per the U.S. Energy Information Administration, oil prices are likely to be under pressure over the next two years due to an oversupplied market. Persistent low oil prices may dampen the growth of upstream investments, thereby hurting the demand for SLB's oilfield services. Consequently, this could translate into declining revenue and earnings for SLB.

Last Earnings Report

SLB Q3 Earnings Beat Estimates, Revenues Decline Y/Y

FY Quarter Ending	12/31/2025
Earnings Reporting Date	Oct 17, 2025
Sales Surprise	-0.02%
EPS Surprise	4.55%
Quarterly EPS	0.69
Annual EPS (TTM)	3.07

SLB has reported third-quarter 2025 earnings of 69 cents per share (excluding charges and credits), which beat the Zacks Consensus Estimate of 66 cents. The bottom line, however, decreased from the year-ago quarter's level of 89 cents.

The oilfield services giant recorded total quarterly revenues of $8,928 million, which missed the Zacks Consensus Estimate of $8,930 billion. The top line declined from the year-ago quarter's figure of $9,159 million.

The better-than-expected quarterly earnings were primarily driven by growth in the Digital segment and two months of contribution from the ChampionX acquisition.

Segmental Performance

Revenues in the **Digital** unit totaled $658 million, up 3% from the year-ago quarter's level. Pre-tax operating income of $187 million was down from $190 million a year ago. The unit's revenues increased year over year, primarily due to growth in the Digital Operations revenue and higher revenues from Platforms & Applications. The Digital segment's revenues include the impact of two months of activity from ChampionX.

Revenues in the **Reservoir Performance** unit decreased 8% year over year to $1.68 billion. Pre-tax operating income totaled $312 million, which declined 15% year over year. The figure beat the Zacks Consensus Estimate of $295 million. The revenues were affected due to diminished intervention and stimulation activity in Saudi Arabia and activity declines in Mexico also contributed to the same.

The **Well Construction** segment's revenues fell 10% from the year-earlier quarter's level to $2.97 billion. Pre-tax operating income decreased 22% to $558 million and the Zacks Consensus Estimate for the same was pegged at $525 million. The decline was due to a wider reduction in drilling activities across Mexico, Saudi Arabia, Namibia, North America and Asia. However, higher revenues from North America and offshore Guyana partially offset the decline.

Revenues in the **Production Systems** segment amounted to $3.47 billion, up from $3.04 billion a year ago. Pre-tax operating income improved 8% year over year to $559 million, which missed the Zacks Consensus Estimate of $565 million. The segment benefited from two months of contribution from the ChampionX production chemicals and artificial lift businesses, partially offset by an unfavorable geographic mix affecting surface production systems and completions.

Cash Flow & Financials

SLB reported a free cash flow of $1.1 billion in the third quarter.

As of Sep. 30, 2025, the company had approximately $3.59 billion in cash and short-term investments. It registered a long-term debt of $10.84 billion at the end of the quarter.

Outlook

SLB reiterated its full-year 2025 capital investment (including capex, exploration data costs and APS investments) guidance is approximately $2.4 billion, including the impact of the ChampionX acquisition. The projected figure is lower than the 2024 level of $2.6 billion.

Valuation

SLB shares are up 21.2% in the past six months and 15% over the trailing 12-month period. Stocks in the Zacks sub-industry are up 29.2% while the Zacks Business Services sector is up 3.6%, in the past six months. Over the past year, the Zacks sub-industry is up 13.1% while the sector is up 3.3%.

The S&P 500 index is up 13.2% in the past six months and 21.2% in the past year.

The stock is currently trading at 15.13X forward 12-month earnings, which compares to 18.97X for the Zacks sub-industry, 13.72X for the Zacks sector and 23.32X for the S&P 500 index.

Over the past five years, the stock has traded as high as 31.84X and as low as 9.25X, with a 5-year median of 14.96X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our $47.00 price target reflects 16.04X F12M earnings.

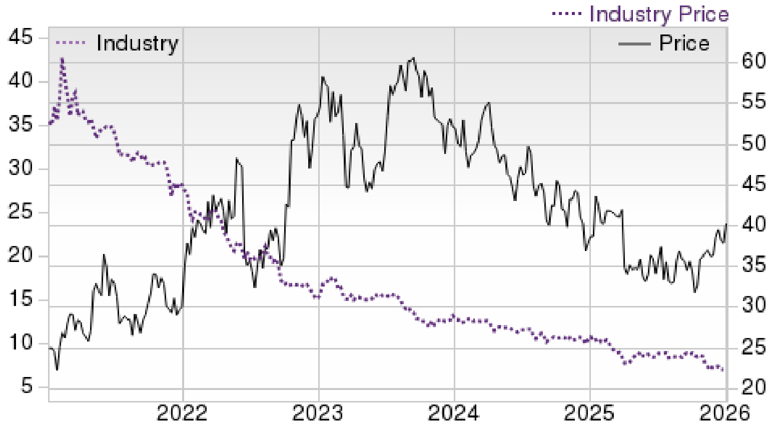
The table below shows summary valuation data for SLB.

Valuation Multiples - SLB

		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	15.13	18.97	13.72	23.32
	5-Year High	31.84	42.05	17.25	23.8
	5-Year Low	9.25	10.01	5.88	15.74
	5-Year Median	14.96	13.55	9.69	21.21
EV/EBITDA TTM	Current	9.31	8.79	5.44	18.89
	5-Year High	16.19	18.18	6.84	22.34
	5-Year Low	2.77	2.24	2.78	13.86
	5-Year Median	10.79	7.73	4.39	17.93
P/S F12M	Current	1.77	1.23	3.49	5.65
	5-Year High	2.7	1.23	5.86	5.65
	5-Year Low	1.12	0.64	2.79	3.82
	5-Year Median	1.78	0.96	3.76	5.04

As of 01/08/2026 *Source: Zacks Investment Research*

Industry Analysis[1] Zacks Industry Rank: Bottom 36% (157 out of 244)



Top Peers [1]

Company (Ticker)	Rec	Rank
Subsea 7 SA **(SUBCY)**	Outperform	1
Baker Hughes Company **(BKR)**	Neutral	3
TechnipFMC plc **(FTI)**	Neutral	2
Halliburton Company **(HAL)**	Neutral	3
Liberty Energy Inc. **(LBRT)**	Neutral	3
Linde PLC **(LIN)**	Neutral	3
NOV Inc. **(NOV)**	Neutral	3
Petrofac Ltd. **(POFCY)**	NA	

Industry Comparison[1] Industry: Technology Services

Industry Peers

	SLB	X Industry	S&P 500	BKR	HAL	NOV
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	3	3
VGM Score	B	-	-	C	B	A
Market Cap	67.53 B	79.83 M	40.82 B	49.31 B	27.46 B	6.39 B
# of Analysts	10	2	22	8	8	10
Dividend Yield	2.52%	0.00%	1.37%	1.84%	2.08%	1.71%
Value Score	A	-	-	C	B	A
Cash/Price	0.06	0.17	0.04	0.06	0.08	0.20
EV/EBITDA	8.59	-0.57	15.04	11.44	6.99	5.44
PEG Ratio	-2.28	1.44	2.08	1.76	NA	4.66
Price/Book (P/B)	2.51	2.16	3.46	2.69	2.68	0.98
Price/Cash Flow (P/CF)	8.55	13.03	15.58	14.17	7.70	6.97
P/E (F1)	15.22	17.50	18.90	19.57	15.07	16.18
Price/Sales (P/S)	1.92	2.28	3.12	1.78	1.24	0.73
Earnings Yield	6.57%	3.04%	5.28%	5.10%	6.62%	6.16%
Debt/Equity	0.40	0.00	0.57	0.33	0.70	0.26
Cash Flow ($/share)	5.29	-0.09	8.98	3.53	4.24	2.51
Growth Score	C	-	-	C	D	C
Hist. EPS Growth (3-5 yrs)	42.21%	11.77%	8.24%	115.15%	42.15%	77.09%
Proj. EPS Growth (F1/F0)	-15.25%	33.33%	9.21%	5.11%	-24.41%	-45.63%
Curr. Cash Flow Growth	11.94%	-11.03%	7.00%	28.90%	-2.67%	7.25%
Hist. Cash Flow Growth (3-5 yrs)	5.59%	10.82%	7.49%	13.05%	6.57%	-24.05%
Current Ratio	1.39	1.72	1.19	1.41	1.95	2.55
Debt/Capital	28.71%	3.45%	38.14%	24.63%	41.13%	20.62%
Net Margin	10.34%	-10.62%	12.77%	10.43%	5.91%	4.36%
Return on Equity	18.97%	-16.32%	17.03%	14.22%	20.12%	5.89%
Sales/Assets	0.70	0.64	0.53	0.72	0.87	0.77
Proj. Sales Growth (F1/F0)	-1.40%	6.10%	5.30%	-1.60%	-4.60%	-2.70%
Momentum Score	C	-	-	F	B	A
Daily Price Chg	1.73%	0.00%	0.65%	-0.46%	1.43%	-0.17%
1 Week Price Chg	6.38%	0.00%	1.76%	4.18%	5.87%	5.06%
4 Week Price Chg	12.05%	-1.79%	0.95%	5.29%	12.05%	5.35%
12 Week Price Chg	37.30%	-11.08%	5.09%	11.94%	49.54%	38.14%
52 Week Price Chg	16.47%	-17.62%	17.71%	15.03%	20.72%	19.90%
20 Day Average Volume	13,855,944	175,448	2,445,854	6,775,448	11,656,353	3,337,801
(F1) EPS Est 1 week change	1.50%	0.00%	0.00%	0.00%	0.00%	0.25%
(F1) EPS Est 4 week change	1.50%	0.00%	0.00%	-0.62%	0.09%	0.68%
(F1) EPS Est 12 week change	-0.13%	0.00%	0.47%	-1.16%	4.59%	2.76%
(Q1) EPS Est Mthly Chg	-0.26%	0.00%	0.00%	-1.08%	0.25%	0.00%

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	A
Growth Score	C
Momentum Score	C
VGM Score	B

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

Disclosures

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