H1 2019 Financial Results

Strong Operational Performance & Cash Flow Generation
Validate the Asset Light Strategy

All figures are ‘segment figures’ used for management reporting (before non-recurring charges and IFRS 15), unless stated otherwise
Disclaimer

This presentation contains forward-looking statements, including, without limitation, statements about CGG ("the Company") plans, strategies and prospects. These forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, the Company’s actual results may differ materially from those that were expected.

The Company based these forward-looking statements on its current assumptions, expectations and projections about future events. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it is very difficult to predict the impact of known factors and it is impossible for us to anticipate all factors that could affect our proposed results. All forward-looking statements are based upon information available to the Company as of the date of this presentation.

Important factors that could cause actual results to differ materially from management’s expectations are disclosed in the Company’s periodic reports and registration statements filed with the AMF. Investors are cautioned not to place undue reliance on such forward-looking statements.

Implementation of the CGG 2021 strategic plan must comply with the undertakings and requirements in the CGG safeguard plan and other applicable local legal requirements.
Agenda

01 CGG 2021 Strategy
02 Business Highlights
03 Financial Review
04 Conclusion
CGG 2021 Strategy
CGG: 2021 strategy

TRANSITION TO AN ASSET-LIGHT MODEL

Marine
Strategic partnership with Shearwater to be completed by end 2019

Land
Wind down operations in 2019

Multi-Physics
Divest to company with complementary offering

FOCUS ON THREE CORE BUSINESSES

Geoscience
Established leader in subsurface imaging, geology, geoscience software and services

Multi-Client
The industry’s most technically advanced seismic data and geologic studies in the world’s key locations

Equipment
Established leader in marine, land, ocean floor and downhole seismic equipment and gauges

GGR (Geology, Geophysics and Reservoir) segment

$1.7bn +/- 5% Revenue
45% +/- 300 bps EBITDAs margin
>15% OPINC margin

$300m +/- 10% Free Cash Flow*
Net Debt / EBITDAs <1x

All figures are ‘segment figures’ before non-recurring charges, IFRS 15 and IFRS 16
* FCF before cash cost of debt
Strategic partnership with Shearwater for high-end seismic vessels and creation of a global leader in streamer technology

- Transfer of five high-end streamer vessels jointly owned by CGG and Eidesvik Offshore ASA to Shearwater GeoServices. Shearwater GeoServices will assume the net liabilities associated with all vessels at the time of completion.

- Five-year agreement for the utilization of two vessel-years per year, which ensures CGG has access to capacity for its future multi-client projects.

- Creation of a structured partnership, under the Sercel brand and CGG’s majority ownership, for the manufacturing, commercialisation and support of marine streamer seismic acquisition equipment as well as related research and development activities.

Final closing planned before year-end. Agreements are subject to an agreement with the banks financing GSS debt, the ship owning company jointly held by CGG and Eidesvik in equal parts, approval by the competent authorities, and other customary conditions in relevant countries, including work council consultation.
GGR key financial indicators

### SEGMENT REVENUE ($m)

<table>
<thead>
<tr>
<th>Year</th>
<th>Geoscience</th>
<th>Multi-Client</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>401</td>
<td>383</td>
</tr>
<tr>
<td>2017</td>
<td>351</td>
<td>469</td>
</tr>
<tr>
<td>2018</td>
<td>396</td>
<td>517</td>
</tr>
<tr>
<td>H1 2018</td>
<td>193</td>
<td>388</td>
</tr>
<tr>
<td>H1 2019</td>
<td>184</td>
<td>400</td>
</tr>
</tbody>
</table>

+11% increase from 2017 to 2018.

### SEGMENT EBITDAS ($m) & MARGIN

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>H1 2018</th>
<th>H1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDAS</td>
<td>460</td>
<td>486</td>
<td>558</td>
<td>214</td>
<td>254</td>
</tr>
<tr>
<td>Margin</td>
<td>59%</td>
<td>59%</td>
<td>61%</td>
<td>55%</td>
<td>63%</td>
</tr>
</tbody>
</table>

### SEGMENT OPINC ($m) & MARGIN

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>H1 2018</th>
<th>H1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPINC</td>
<td>81</td>
<td>131</td>
<td>176</td>
<td>102</td>
<td>45</td>
</tr>
<tr>
<td>Margin</td>
<td>10%</td>
<td>16%</td>
<td>19%</td>
<td>26%</td>
<td>11%</td>
</tr>
</tbody>
</table>

*including negative impact of new multi-client amortization of $(64)m in H1
Our Geoscience ecosystem

SUBSURFACE IMAGING
Unmatched expertise, advanced geoscience & digital algorithms and excellent service in every image

Geological & Reservoir Services
Discover integrated reservoir characterization featuring Robertson

GeoSoftware
Leaders in reservoir characterization for a powerful advantage at every stage

NPA Satellite Mapping
Intelligence from imagery for E&P, engineering and beyond

Smart Data Solutions
Digital transformation and data repository solutions

Integration across geosciences for enhanced insight and understanding
Leveraging AI, Machine Learning and data analytics
Geoscience key business indicators

**TOTAL PRODUCTION ($m)**

- **2016**: 565
- **2017**: 495
- **2018**: 527

- **H1 2018**: 256
- **H1 2019**: 257

Internal production (blue) and External revenue (light blue)

**BACKLOG as of JULY. 1ST ($m)**

- **2017**: 278
- **2018**: 273
- **2019**: 292

**TOTAL PRODUCTION / HEAD ($k)**

- **2016**: 219
- **2017**: 226
- **2018**: 252
- **H1 2019**: 245

**COMPUTING POWER (PFlops)**

- **2014**: 21
- **2015**: 41
- **2016**: 58
- **2017**: 72
- **2018**: 166
- **H1 2019**: 194

**Growth Rates**

- 2017: +6%
- 2018: 16%
- 2019: 13%
- 2020: 8%
- 2021: 3%
- 2022: +2%
- 2023: +7%

*September 2019 Financial Presentation*
Multi-Client: A worldwide footprint in key basins

- Superior quality surveys
- Solid Investment rationale
- Balanced portfolio of 3D / 2D / Geology across E&P value chain

GEOLOGY
- 500 Geologic Studies
- 1000 Petroleum systems analysis

- Alaska: 350 km²
- US Land: 55,000 km²
- GOM: 375,000 km²
- N. Sea: 240,000 km²
- Africa: 70,000 km²
- Brazil: 300,000 km²
- Caspian: 13,000 (2D) km
- Asia: 30,000 (2D) km
- Australia: 40,000 km²

> 1 million km²
Multi-Client key business indicators

**Multi-Client Revenue ($m)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.3x</td>
<td>383</td>
<td>272</td>
<td>216</td>
</tr>
<tr>
<td>1.9x</td>
<td>269</td>
<td>200</td>
<td>302</td>
</tr>
<tr>
<td>2.3x</td>
<td>469</td>
<td>518</td>
<td></td>
</tr>
</tbody>
</table>

**Multi-Client Capex ($m) & Pre-Funding (%)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018 H1</th>
<th>2019 H1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multi-client Capex</td>
<td>295</td>
<td>251</td>
<td>223</td>
<td>116</td>
</tr>
<tr>
<td>Cash pre-funding rate</td>
<td>92%</td>
<td>107%</td>
<td>97%</td>
<td>63%</td>
</tr>
<tr>
<td>Cash on cash</td>
<td>1.3x</td>
<td>1.9x</td>
<td>2.3x</td>
<td></td>
</tr>
</tbody>
</table>

**Data Library NBV Split as of 06/30/2019**

- 46% up to 4 years old
- 19% up to 3 years old
- 28% up to 2 years old
- 7% up to 1 year old
- 1% Work in Progress

**Data Library NBV Regional Split as of 06/30/2019**

- 44% US Land
- 46% Europe - Africa
- 16% Others
- 9% North & South America
- 9% Work in Progress

**After-sales Prefunding**

- +10% 2016-2017
- +15% 2017-2018

**Cash on cash**

- 1.3x 2016
- 1.9x 2017
- 2.3x 2018

**September 2019 Financial Presentation**
Equipment: A complete portfolio of equipment

**LAND & TZ**
- Acquisition systems & related QC
- Geophones / hydrophones
- Vibrators

**OBS**
- Nodal and cable acquisition systems & related QC
- Marine sources
- Underwater Acoustics

**MARINE**
- Acquisition systems & related QC
- Marine sources
- Underwater acoustics
- Navigation software

**DOWNHOLE**
- Acquisition systems & related QC
- Downhole gauges
- Vibrators / marine sources
- HT geophones
Equipment key financial indicators

SEGMENT REVENUE ($m)

<table>
<thead>
<tr>
<th>Year</th>
<th>Land</th>
<th>Marine</th>
<th>Downhole</th>
<th>Non Oil &amp; Gas</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>125</td>
<td>100</td>
<td>119</td>
<td>91</td>
</tr>
<tr>
<td>2017</td>
<td>241</td>
<td>215</td>
<td>92</td>
<td>35</td>
</tr>
<tr>
<td>2018</td>
<td>255</td>
<td>351</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>H1 2018</td>
<td>100</td>
<td>149</td>
<td>17</td>
<td>4</td>
</tr>
<tr>
<td>H1 2019</td>
<td>228</td>
<td>228</td>
<td>9</td>
<td>28</td>
</tr>
</tbody>
</table>

SEGMENT EBITDAS ($m) & MARGIN

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>H1 2018</th>
<th>H1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>-6</td>
<td>-6</td>
<td>42</td>
<td>11%</td>
<td>22%</td>
</tr>
<tr>
<td>Margin</td>
<td>-2%</td>
<td>-2%</td>
<td>12%</td>
<td>6</td>
<td>50</td>
</tr>
</tbody>
</table>

SEGMENT OPINC ($m) & MARGIN

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>H1 2018</th>
<th>H1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>-42</td>
<td>-36</td>
<td>12</td>
<td>-9</td>
<td>35</td>
</tr>
<tr>
<td>Margin</td>
<td>-16%</td>
<td>-15%</td>
<td>3%</td>
<td>2%</td>
<td>16%</td>
</tr>
</tbody>
</table>

Non Oil & Gas: Downhole, Marine, Land
Nodes, a growing market for CGG

### Market
- OBN market is maturing as it becomes increasingly cost-effective and advanced imaging delivers a step change in subsurface understanding
- Projected to grow at ~20% CAGR 2018-2023*

### Geoscience
- Advanced imaging critical to extracting the value of nodes data

### Multi-Client
- Step change results enable “technology refresh” opportunities in most basins
- CGG initiated in May 19 a multi-client OBN survey in Mississippi Canyon, US Gulf of Mexico. Preliminary images will be available in Q3 19, final images in Q1 20

### Equipment
- Leveraging Sercel’s proven technologies and experience
- Product development in final phase (field tests), launch by year-end 2019

* Source: Rystad Energy research and analysis
Nodes, a growing market for CGG (example)

2016 legacy velocity model

Streamer, with legacy model

Salt Velocity Model Building with FWI on OBN Data, Example from Mad Dog, Gulf of Mexico, Nolte et. al., [https://doi.org/10.1190/segam2019-3216777.1](https://doi.org/10.1190/segam2019-3216777.1)
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Financial Review
H1 2019 key highlights

**Segment Revenue** at $623m, up 23% y-o-y driven by strong equipment recovery
- GGR at $401m and Equipment at $222m

**Segment EBITDAs** at $290m, up 46%, a 47% margin

**Segment Operating Income** at $64m, including $(64)m impact of new multi-client amortization policy, a 10% margin

**Segment Free Cash Flow** at $167m

**Net Cash Flow** positive at $13m and H1 segment Free Cash Flow improvement of $147m y-o-y

**Group net loss** of $(128)m, impacted by $(129)m net loss from discontinued operations, including non-cash impairments of $(104)m related to marine and JV disposal groups
Group Balance Sheet at June-end 2019

- Gross debt at $1.18bn before IFRS 16 and $1.32bn after IFRS 16
- Net debt at $741m before IFRS 16 and $883m after IFRS 16
- Net debt / LTM EBITDAs ratio at 1.2x
Conclusion
2019 Financial Guidance Upgraded

Gradual recovery in Geology & Geophysical spend driven by new technologies for near field exploration and reservoir development

Acquisition exit and strategic partnership with Shearwater on track for final execution by year-end 2019

Positive cash generation in H1 2019 reflecting strength of CGG’s core businesses and cost management focus

First half 2019 financial performance above expectations

2019 guidance upgraded on strong Multi-Client after-sales in Q3 and steady demand for Geoscience and Equipment
THANK YOU!

Visit our website cgg.com
2019 Financial Guidance Upgrade

Continuing gradual market recovery

Expected segment revenue growth by more than 10% year on year

Segment EBITDAs margin expected at c. 50%

Segment operating income around $200m

Positive net cash flow generation
At January 1st, 2019 CGG applied IFRS 16. CGG recognized right of use assets and lease liabilities for operating leases

The impact of adoption of IFRS 16 on 2019 New Profile P&L is:

- Reduction in cash costs of c.$53m
- Lease costs previously recognized within gross cash costs will be replaced by depreciation of c.$(46)m and interest expense of c.$(10)m

<table>
<thead>
<tr>
<th>In million $</th>
<th>Opening 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant &amp; equipment, net</td>
<td>increased by c.$150</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td>increased by c.$155</td>
</tr>
<tr>
<td>Provisions and others</td>
<td>decreased by c.$20</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>increased by c.$10</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>In million $</th>
<th>Q2 2019</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Segment EBITDAs inc.</td>
<td>c.$11</td>
<td>c.$50</td>
</tr>
<tr>
<td>D&amp;A inc.</td>
<td>c.$(10)m</td>
<td>c.$(45)m</td>
</tr>
<tr>
<td>Segment OPINC inc.</td>
<td>c.$1</td>
<td>c.$5</td>
</tr>
<tr>
<td>Interests inc.</td>
<td>c.$(2)m</td>
<td>c.$(10)m</td>
</tr>
</tbody>
</table>