Q3 2019 Financial Results

Strong Operational Performance & Cash Flow Generation
Drive Leverage Ratio below 1x

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

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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 BUSINESS OVERVIEW

02 FINANCIAL OVERVIEW

03 CONCLUSION

Third quarter 2019 financial results
Business overview

All figures are ‘segment figures’ used for management reporting (including IFRS 16 and before non-recurring charges and IFRS 15), unless stated otherwise
Q3 2019 key highlights

**Segment Revenue at $382m, up 36% y-o-y** driven by solid activity and strong Multi-client after-sales driven by one-off transfer fees

- GGR at $285m and Equipment at $97m

**Segment EBITDAs at $225m, up 83%**, a high 59% margin driven by increased profitability of all businesses

**Segment Operating Income at $111m, up 83%**, including $(19)m impact of new multi-client amortization policy, a high 29% margin

**Group Net Income** of $41m, including $76m Group net income from the new profile

**Net Cash Flow** positive at $167m, including $50m positive change in working capital from discontinued operations and solid Multi-client and Equipment cash collections

**Cash Liquidity** of $596m and **Net Debt /Equity Leverage Ratio** at 0.8x

**ESG Rating by MSCI** maintained at AA
YTD 2019 key highlights

**Segment Revenue** at $1.004B, up 27% y-o-y driven by strong equipment business recovery and high multi-client sales

- GGR at $685m and Equipment at $319m

**Segment EBITDAs** at $515m, up 60%, a 51% margin

**Segment Operating Income** at $175m, up 32%, including $(82)m impact of new multi-client amortization policy, a 17% margin

**Group Net Income** at $(87)m, including $69m Net Income from new profile

**Segment Free Cash Flow** at $326m

**Net Cash Flow** at $179m
Third quarter 2019 financial results

**SEGMENT REVENUE ($m)**

- Geoscience
- Multi-Client

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>YTD 2018</th>
<th>YTD 2019</th>
<th>3q 2018</th>
<th>3q 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geoscience</td>
<td>383</td>
<td>469</td>
<td>517</td>
<td>580</td>
<td>685</td>
<td>192</td>
<td>285</td>
</tr>
<tr>
<td>Multi-Client</td>
<td>401</td>
<td>351</td>
<td>396</td>
<td>286</td>
<td>279</td>
<td>99</td>
<td>95</td>
</tr>
</tbody>
</table>

**SEGMENT EBITDAS ($m) & MARGIN**

- 2016: 460 ($59%)
- 2017: 486 ($59%)
- 2018: 558 ($61%)
- YTD 2018: 327 ($56%)
- YTD 2019: 464 ($58%)
- 3q 2018: 113
- 3q 2019: 209 ($59%)

**SEGMENT OPINC ($m) & MARGIN**

- 2016: 81 ($10%)
- 2017: 131 ($16%)
- 2018: 176 ($19%)
- YTD 2018: 160 ($28%)
- YTD 2019: 148 ($22%)
- 3q 2018: 59 ($31%)
- 3q 2019: 103 ($36%)

*including negative impact of new multi-client amortization of respectively $(82)m Sep. 2019 YTD and $(19)m in Q3 2019*
Geoscience overview

Geoscience innovation drives performance

- Geoscience external revenue was $95 million, up 2% year-on-year and sequentially
- Solid demand for high-end OBN projects confirmed but acquisition delays are impacting Geoscience production
- Deep water activity improving (e.g. Gulf of Mexico, East Coast Canada, Guyana, Brazil)
- Continued focus on more profitable high-end businesses
- Significant progress in effective application of machine learning technologies and artificial intelligence in our GeoSoftware reservoir characterization workflows
CGG TLFWI: Data driven, value add imaging technology

Innovative and advanced technology that uses both direct and reflection arrivals
- Reduces imaging and interpretation cycle time
- Increases model accuracy of complex structures
- Produces exceptional results with OBN data

Reducing the costs and risks of near field exploration and development
- Increased understanding of the reservoir
- Reduced drilling risk and improved success rates
- Optimized appraisal and development planning

Unique and leading CGG approach

Initial Model | TLFWI Technology
---|---

CGG Multi-Client Mississippi Canyon OBN Survey

*Increased accuracy
*Reduced cycle time*
Geoscience key business indicators

**TOTAL PRODUCTION ($m)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal</td>
<td>164</td>
<td>145</td>
<td>132</td>
</tr>
<tr>
<td>External</td>
<td>401</td>
<td>351</td>
<td>396</td>
</tr>
<tr>
<td>YTD 2018</td>
<td>385</td>
<td>286</td>
<td>106</td>
</tr>
<tr>
<td>YTD 2019</td>
<td>385</td>
<td>279</td>
<td></td>
</tr>
<tr>
<td>3q 2018</td>
<td>129</td>
<td>36</td>
<td>93</td>
</tr>
<tr>
<td>3q 2019</td>
<td>128</td>
<td>33</td>
<td>95</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>YTD 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>219</td>
<td>226</td>
<td>252</td>
<td>245</td>
</tr>
</tbody>
</table>

**BACKLOG as of NOVEMBER 1ST ($m)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal</td>
<td>265</td>
<td>237</td>
<td>285</td>
</tr>
<tr>
<td>External</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**COMPUTING POWER (PFlops)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>October 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>P</td>
<td>58</td>
<td>72</td>
<td>166</td>
<td>194</td>
</tr>
</tbody>
</table>
Central Basin Platform
- 595 sq. miles
- Acquisition starting in December

Bayou Bœuf
- 578 sq. miles
- Acquisition starting in November

Santos Nebula
- 15,000 km² incl. 8,000 km² dual azimuth
- Acquisition progressing with completion in 2020

Barents Sea - Greater Catsberg
- 5,000 km² - TopSeis technology
- Acquisition completed in October

West of Shetlands – Footprint extension
- Acquisition completed in August

North Sea – Quad 21
- Acquisition completed in July
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>Revenue</td>
<td>383</td>
<td>469</td>
<td>518</td>
</tr>
<tr>
<td>Growth</td>
<td>+10%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>YTD 2018</td>
<td>272</td>
<td>269</td>
<td>216</td>
</tr>
<tr>
<td>YTD 2019</td>
<td>294</td>
<td>109</td>
<td>156</td>
</tr>
<tr>
<td>Growth</td>
<td>+38%</td>
<td>+10%</td>
<td></td>
</tr>
<tr>
<td>Multi</td>
<td>1.3x</td>
<td>1.9x</td>
<td>2.3x</td>
</tr>
<tr>
<td>Prefunding</td>
<td></td>
<td></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</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAPEX</td>
<td>99</td>
<td>190</td>
<td>363</td>
<td>65</td>
</tr>
<tr>
<td>Growth</td>
<td>+92%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prefunding</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash on cash</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Data Library NBV Split as of 30/09/2019

- **US Land**: 50%
- **Europe - Africa**: 18%
- **Others**: 18%
- **North & South America**: 10%
- **WIP**: 1%

### Data Library NBV Regional Split as of 30/09/2019

- **US Land**: 50%
- **Europe - Africa**: 27%
- **Others**: 18%
- **North & South America**: 10%
Equipment overview

Portfolio of new technologies maintains Equipment leadership

**Land**
- 3 508XT land acquisition systems delivered
- Significant deliveries in KSA and Algeria
- Launch of the WiNG, new Land Node

**Downhole tools**
- Robust demand for Artificial Lift gauges
- Main deliveries in the US lower 48

**Marine**
- Low activity in the streamer market, mostly spares
- Launch of GPR, new Ocean Bottom Node

**Non Oil & Gas**
- SHM node prototype being tested
Equipment key financial indicators

### SEGMENT REVENUE ($m)

- **Land**
  - 2016: 255
  - 2017: 241
  - 2018: 351
- **Marine**
  - 2016: 19
  - 2017: 24
  - 2018: 92
- **Downhole**
  - 2016: 10
  - 2017: 7
  - 2018: 57
- **Non Oil & Gas**
  - 2016: 11
  - 2017: 8
  - 2018: 92

### SEGMENT EBITDAS ($m) & MARGIN

- **Land**
  - 2016: -6%
  - 2017: -6%
  - 2018: 12%
- **Marine**
  - 2016: 10%
  - 2017: 12%
  - 2018: 22%
- **Downhole**
  - 2016: 3%
  - 2017: 1%
  - 2018: 15%
- **Non Oil & Gas**
  - 2016: -16%
  - 2017: -15%
  - 2018: 3%

### SEGMENT OPINC ($m) & MARGIN

- **Land**
  - 2016: -42%
  - 2017: -36%
  - 2018: 12%
- **Marine**
  - 2016: 37%
  - 2017: 51%
  - 2018: 22%
- **Downhole**
  - 2016: 25%
  - 2017: 16%
  - 2018: 12%
- **Non Oil & Gas**
  - 2016: -85%
  - 2017: -73%
  - 2018: 35%
Financial overview
Q3 2019 P&L

<table>
<thead>
<tr>
<th>In million $</th>
<th>Q3 2018</th>
<th>Q3 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Segment Revenue (R.P.)</td>
<td>281</td>
<td>382</td>
</tr>
<tr>
<td>IFRS 15 adjustment</td>
<td>107</td>
<td>(58)</td>
</tr>
<tr>
<td>IFRS Revenue</td>
<td>388</td>
<td>323</td>
</tr>
<tr>
<td>Segment EBITDAs</td>
<td>123</td>
<td>225</td>
</tr>
<tr>
<td>Segment OPINC</td>
<td>61</td>
<td>111</td>
</tr>
<tr>
<td>IFRS 15 adjustment</td>
<td>8</td>
<td>(13)</td>
</tr>
<tr>
<td>IFRS OPINC</td>
<td>69</td>
<td>98</td>
</tr>
<tr>
<td>Equity from Investments</td>
<td>(0)</td>
<td>(0)</td>
</tr>
<tr>
<td>Net cost of financial debt</td>
<td>(30)</td>
<td>(33)</td>
</tr>
<tr>
<td>Other financial income</td>
<td>(4)</td>
<td>3</td>
</tr>
<tr>
<td>Taxes</td>
<td>(3)</td>
<td>(6)</td>
</tr>
<tr>
<td>Net income / (loss) from continuing operations</td>
<td>32</td>
<td>63</td>
</tr>
<tr>
<td>Net income / (loss) from discontinued operations</td>
<td>(34)</td>
<td>(22)</td>
</tr>
<tr>
<td>Group net income / (loss)</td>
<td>(2)</td>
<td>41</td>
</tr>
</tbody>
</table>

Segment Revenue for the new profile at $382m, up 36% y-o-y

Segment EBITDAs at $225m, a 59% margin

Segment Operating Income at $111m, a 29% margin, including $(19)m impact of new 4-year straight-line multi-client amortization

Group Net Income at $41m including:
- Net income from continuing operations at $63m after IFRS 15 adjustment of $(13)m
- Net loss from discontinued operations at $(22)m
Sound financial situation

**Q3 2019 Net Cash Flow at $167m**

- Segment Free Cash Flow high at $158m
- Paid Cost of Debt at $(7)m
- Net Cash Flow from Discontinued Operations at $39m
- CGG 2021 cash costs at $(23)m

**YTD Segment Free Cash Flow at $326m vs $44m last year**

**YTD Net Cash Flow at $179m vs $(149)m last year**

**Solid Liquidity at $596m**

<table>
<thead>
<tr>
<th>In million $</th>
<th>YTD 2019</th>
<th>YTD 2018</th>
<th>Q3 2019</th>
<th>Q3 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Segment Free Cash Flow</td>
<td>326</td>
<td>44</td>
<td>158</td>
<td>24</td>
</tr>
<tr>
<td>Cash Cost of Debt</td>
<td>(47)</td>
<td>(39)</td>
<td>(7)</td>
<td>(7)</td>
</tr>
<tr>
<td>Net Cash Flow from Discontinued Operations</td>
<td>(35)</td>
<td>(93)</td>
<td>39</td>
<td>(44)</td>
</tr>
<tr>
<td>Plan 2021 / 2018 NRC</td>
<td>(64)</td>
<td>(61)</td>
<td>(23)</td>
<td>(3)</td>
</tr>
<tr>
<td><strong>Net Cash Flow</strong></td>
<td><strong>179</strong></td>
<td><strong>(149)</strong></td>
<td><strong>167</strong></td>
<td><strong>(31)</strong></td>
</tr>
</tbody>
</table>
Group Balance Sheet at Sept-end 2019

- Gross debt at $1,185m before IFRS 16 and $1,327m after IFRS 16
- Net debt at $590m before IFRS 16 and $732m after IFRS 16
- Net debt / LTM EBITDAs ratio at 0.8x
Conclusion
Conclusion and Full Year 2019 Outlook

Continuing gradual market recovery

Acquisition exit and strategic partnership with Shearwater progressing as planned

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

Segment EBITDAs margin expected at c. 50%

Segment operating income now expected above $200m

Positive net cash flow generation
THANK YOU!

Visit our website cgg.com
At January 1, 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.$50m
- Lease costs previously recognized within gross cash costs will be replaced by depreciation of c.$(45)m and interest expense of c.$(10)m

<table>
<thead>
<tr>
<th>In million $</th>
<th>Opening 2019</th>
<th>Q3 2019</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant &amp; equipment, net</td>
<td>increased by c. $130</td>
<td>c. $12</td>
<td>c. $50</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td>increased by c. $145</td>
<td>c.($11)m</td>
<td>c.($45)m</td>
</tr>
<tr>
<td>Provisions and others</td>
<td>decreased by c. $15</td>
<td>c. $2</td>
<td>c. $5</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>increased by c. $0</td>
<td>c.($2)m</td>
<td>c.($10)m</td>
</tr>
</tbody>
</table>

Lease liability by nature as of January 1, 2019
- Buildings: 78%
- SI Servers: 17%
- Other: 6%