Q1 2020 Financial Results

Solid Q1 – Adjusting to an Unprecedented Crisis

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

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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 OPERATION REVIEW

02 FINANCIAL REVIEW

03 2020 OUTLOOK
Operational review

All figures are ‘segment figures’ used for management reporting (including IFRS 16 and before non-recurring charges and IFRS 15), unless stated otherwise.
Covid-19 situation

Employees health and safety is our top priority

Strong business continuity

- Majority of employees working from home
- Geoscience fully operational
- All Multi-client programs on-going
- Equipment manufacturing gradually ramping-up, after shut-downs in several countries

Preparing “back-to-work” plans

- Processes and offices being adapted
- Returning to the office gradual, especially for people who can work from home
Q1 2020 key highlights

Segment revenue at $271m, down 4% y-o-y
• GGR at $197m and Equipment at $75m

Segment EBITDAs at $123m, up 3% y-o-y with 45% margin

Segment operating income at:
• $39m, a 14% margin, before impairment charges
• $(31)m, after $(70)m impairment charges mainly related to multi-client surveys

Group net loss of $(98)m, including $(27) million net loss from discontinued operations

Net Cash Flow positive at $17m, cash liquidity of $624m at the end of March, 2020
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>2017</td>
<td>351</td>
<td>469</td>
</tr>
<tr>
<td>2018</td>
<td>396</td>
<td>517</td>
</tr>
<tr>
<td>2019</td>
<td>385</td>
<td>575</td>
</tr>
<tr>
<td>Q1 19</td>
<td>180</td>
<td>89</td>
</tr>
<tr>
<td>Q1 20</td>
<td>197</td>
<td>93</td>
</tr>
</tbody>
</table>

SEGMENT EBITDAS ($m) & MARGIN

<table>
<thead>
<tr>
<th>Year</th>
<th>Geoscience</th>
<th>Multi-Client</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>486</td>
<td>59%</td>
</tr>
<tr>
<td>2018</td>
<td>558</td>
<td>61%</td>
</tr>
<tr>
<td>2019</td>
<td>652</td>
<td>68%</td>
</tr>
<tr>
<td>Q1 19</td>
<td>105</td>
<td>58%</td>
</tr>
<tr>
<td>Q1 20</td>
<td>123</td>
<td>62%</td>
</tr>
</tbody>
</table>

SEGMENT OPINC ($m) & MARGIN

<table>
<thead>
<tr>
<th>Year</th>
<th>Geoscience</th>
<th>Multi-Client</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>131</td>
<td>-22</td>
</tr>
<tr>
<td>2018</td>
<td>176</td>
<td>-16</td>
</tr>
<tr>
<td>2019</td>
<td>211</td>
<td>-19</td>
</tr>
<tr>
<td>Q1 19</td>
<td>5</td>
<td>-22</td>
</tr>
<tr>
<td>Q1 20</td>
<td>-22</td>
<td>-22</td>
</tr>
</tbody>
</table>
Geoscience key business indicators

**TOTAL PRODUCTION ($m)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>Q1 2019</th>
<th>Q1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal Production</td>
<td>495</td>
<td>527</td>
<td>522</td>
<td>129</td>
<td>125</td>
</tr>
<tr>
<td>External Revenue</td>
<td>350</td>
<td>395</td>
<td>385</td>
<td>38</td>
<td>31</td>
</tr>
</tbody>
</table>

**BACKLOG as of APRIL 30TH ($m)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal Production</td>
<td>272</td>
<td>297</td>
<td>256</td>
</tr>
<tr>
<td>External Revenue</td>
<td>226</td>
<td>252</td>
<td>249</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>Q1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal Production</td>
<td>226</td>
<td>252</td>
<td>249</td>
<td>240</td>
</tr>
</tbody>
</table>

**COMPUTING POWER (PFlops)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal Production</td>
<td>58</td>
<td>72</td>
<td>166</td>
<td>250</td>
</tr>
</tbody>
</table>
Positioning for sustained performance

- Q1 total production up 2% y-o-y in line with growth expectations driven by solid Imaging activity
- Significant technology advances in processing of large high density land data sets

Focusing on maintaining our technology leadership through these challenging times

GeoSoftware machine learning enhanced software released in Q1 with products commercially available on Amazon AWS Cloud
Dedicated Imaging Centers a “Win-Win” Strategy

**Straight-forward long-term contracts**
- No need for numerous tenders
- Stable revenue, backlog & profitability in both good & challenging times

**Dedicated team of experienced geoscientists**
- Exclusive access to CGG’s team of experts
- Access to CGG’s leading imaging technology
- Flexible & scalable, providing effective management of priorities

**Deep understanding of client challenges and goals**
- Long-term collaboration
- Improved communication
- Relationships based on trust and superior service performance
- Seamless contact with end users
Multi-Client key business indicators

**MULTI-CLIENT REVENUE ($m)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue ($m)</th>
<th>Multi-client Capex ($m)</th>
<th>Cash pre-funding rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>469</td>
<td>251</td>
<td>107%</td>
</tr>
<tr>
<td>2018</td>
<td>518</td>
<td>223</td>
<td>97%</td>
</tr>
<tr>
<td>2019</td>
<td>574</td>
<td>186</td>
<td>118%</td>
</tr>
<tr>
<td>Q1 2019</td>
<td>89</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Q1 2020</td>
<td>104</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**MULTI-CLIENT CAPEX ($m) & PRE-FUNDING (%)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Multi-client Capex ($m)</th>
<th>Cash pre-funding rate</th>
</tr>
</thead>
<tbody>
<tr>
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<td>2018</td>
<td>223</td>
<td>97%</td>
</tr>
<tr>
<td>2019</td>
<td>186</td>
<td>118%</td>
</tr>
<tr>
<td>Q1 2019</td>
<td>40</td>
<td>-</td>
</tr>
<tr>
<td>Q1 2020</td>
<td>67</td>
<td>-</td>
</tr>
</tbody>
</table>

**DATA LIBRARY NBV SPLIT AS OF END OF MARCH 2020**

- US Land: 36%
- Europe - Africa: 24%
- Others: 25%
- North & South America: 15%
- WIP: 1%

**DATA LIBRARY NBV REGIONAL SPLIT AS END OF MARCH 2020**

- US Land
- Europe - Africa
- Others
- North & South America

*First Quarter 2020 Financial Results*
Multi-Client - worldwide footprint in key mature basins

Over 1.2 million km²

Q1 2020 PROJECTS
- US Land – Central Basin Platform
- Bayou Bœuf (acquisition complete)
- Brazil – Santos/Campos Nebula
- Australia – Gippsland
- North Sea – Cornerstone OBN
- GOM – StagSeis and TC WAZ
  FWI reprocessing
First Quarter 2020 Financial Results

**SEGMENT REVENUE ($m)**

- **Land**
  - 2017: 241
  - 2018: 351
  - 2019: 452
  - Q1 2019: 105
  - Q1 2020: 13

- **Marine**
  - 2017: 119
  - 2018: 91
  - 2019: 126
  - Q1 2019: 2
  - Q1 2020: 3

- **Downhole**
  - 2017: 8
  - 2018: 35
  - 2019: 79
  - Q1 2019: 13
  - Q1 2020: 2

- **Non Oil & Gas**
  - 2017: 2
  - 2018: 17
  - 2019: 17
  - Q1 2019: 2
  - Q1 2020: 2

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

- **2017**
  - -6%
  - 42 (12%)
  - 23 (11%)

- **2018**
  - 12%
  - 21%

- **2019**
  - 15%
  - 22%

- **Q1 2019**
  - 14%

- **Q1 2020**
  - 0%

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

- **2017**
  - -15%
  - 3%

- **2018**
  - 12%
  - 15%

- **2019**
  - 15%
  - 14%

- **Q1 2019**
  - 15%

- **Q1 2020**
  - 0%
Installed base and renewed portfolio are key assets for Equipment

Land
- Over 80 thousand 508XT channels delivered in Q1
- Significant deliveries in North Africa, India and Russia
- Significant orders for heavy duty Nomad 90 vibrators for North Africa and for 35 thousand channels for Middle East

Marine and nodes
- Activity in the streamer market remains low with mostly sales of spares for Sentinel sections
- GPR nodes qualification ongoing

Downhole tools
- Artificial Lift gauges sales reducing significantly in the US Shale
- Memory gauges activity resilient so far

Non Oil & Gas
- SHM node: first pilot tests in summer 2020 for commercial launch in Q4
Financial Review
## Q1 2020 P&L

<table>
<thead>
<tr>
<th>In million $</th>
<th>Q1 2019</th>
<th>Q1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Segment revenue (R.P.)</td>
<td>282</td>
<td>271</td>
</tr>
<tr>
<td>IFRS 15 adjustment</td>
<td>(11)</td>
<td>(18)</td>
</tr>
<tr>
<td>IFRS Revenue</td>
<td>271</td>
<td>253</td>
</tr>
<tr>
<td>Segment EBITDAs</td>
<td>119</td>
<td>123</td>
</tr>
<tr>
<td>Segment OPINC</td>
<td>11</td>
<td>(31)</td>
</tr>
<tr>
<td>IFRS 15 adjustment</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>IFRS OPINC</td>
<td>20</td>
<td>(40)</td>
</tr>
<tr>
<td>Equity from Investments</td>
<td>(0)</td>
<td>(0)</td>
</tr>
<tr>
<td>Net cost of financial debt</td>
<td>(33)</td>
<td>(33)</td>
</tr>
<tr>
<td>Other financial income</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Taxes</td>
<td>(3)</td>
<td>(5)</td>
</tr>
<tr>
<td>Net income / (loss) from continuing operations</td>
<td>(15)</td>
<td>(72)</td>
</tr>
<tr>
<td>Net income / (loss) from discontinued operations</td>
<td>(15)</td>
<td>(27)</td>
</tr>
<tr>
<td>Group net income / (loss)</td>
<td>(30)</td>
<td>(98)</td>
</tr>
</tbody>
</table>

**Segment revenue at $271m, down 4% y-o-y**

**Segment Ebitda at $123m, up 3% y-o-y, a 45% margin**

**Positive segment OPINC at $39m, before $(70)m impairment mainly related to multi-client library**

**Group net loss at $(98)m, including:**

- Net loss from continuing operations at $(72)m
- Net loss from discontinued operations at $(27)m
Sound financial situation

Q1 2020 Net Cash Flow at $17m

Q1 2020 positive cash flow generation
- Segment free cash flow from operations at $44m, significantly down y-o-y due to a $27m increase in multi-client cash capex and less favorable positive change in working capital
- Paid cost of debt at $(7)m and lease repayments of $(14)m
- Discontinued operations and cash NRC at $9m
- CGG 2021 cash costs at $(28)m
- Net cash flow at $17m
- Segment leverage at 0.8x Net Debt / LTM EBITDAs (before IFRS 16)

Solid cash liquidity at $624m

Gross debt at $1,164m before IFRS 16 and $1,329m after IFRS16

Net debt at $540m before IFRS 16 and $705m after IFRS16
**GROUP BALANCE SHEET AT MARCH-END 2020**

**Assets**
- **Current Assets**
  - Cash: $0.62 bn
  - Current assets: $0.92 bn
  - Total: $3.73 bn

- **Fixed Assets**
  - Fixed assets: $0.52 bn

- **Non-Current Assets**
  - MC Library: $0.48 bn
  - Goodwill: $1.20 bn
  - Total: $1.68 bn

**Liabilities**
- **Current Liabilities**
  - Current liabilities: $1.33 bn

- **Non-Current Liabilities**
  - Non-current liabilities: $0.21 bn

- **Equity & Minority Interests**
  - Equity & minority interests: $1.50 bn

- **Debt**
  - Debt: $1.33 bn

**Total Assets**: $3.73 bn

**Total Liabilities**: $3.73 bn
Outlook and conclusion
E&P trends: severe crisis following a modest recovery

E&P Capex down ~20% on full year 2020
- International Capex more preserved
- Prioritization towards “core” and lower breakeven hydrocarbons basins
- NOCs and Midle-East region more resilient

Clients maintaining their contractual commitments to CGG

Source: JPMorgan Global E&P Capex survey

April, 20 2020
2020 Business outlook

Geoscience
- Gradual business decrease throughout the year
- Proprietary data acquisition projects delays and cancellations to be partially offset by reprocessing
- High-end processing technology continues to be in demand

Multi-Client
- Healthy pipeline of multi-client programs supported by high prefunding revenue
- After-sales expected to be impacted first but CGG portfolio well positioned in discovered and mature basins

Equipment
- Land equipment sales driven by installed base
- Continued activity in Middle-East, Russia, North Africa and India
- Marine equipment replacement and OBN further delayed
2020 Adaptation plan & Focus on cash preservation

Ongoing Capex reduction within all business lines
- Cash Capex around $300 million, down $(75) million vs. previous guidance of March 6, 2020:
  - Multi-client cash capex, down $(60) million, at around $225 million at 75% prefunding rate
  - Industrial and development costs cash capex around $75 million

Ongoing cash cost reduction within the entire group
- Cash costs reduction of around $110 million annualized and around $35 million year on year
  - Leaner organization
  - Finishing implementation of CGG 2021 plans

Maintaining focus on our liquidity
- Pursuing ongoing monetization of remaining data acquisition assets
Conclusion

Asset-light business model
Solid backlog
Strong liquidity and balance sheet
Positioned in the more resilient segments of our markets
• Proven basins, core to our clients
• Step-out Exploration, Development Production
• Limited exposure to US land market
Leading market share in our businesses
Ability to pursue investments in Multi-client and R&D
THANK YOU!

Visit our website cgg.com