



# CGG FINANCIAL PRESENTATION

MAY 2021

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# Disclaimer

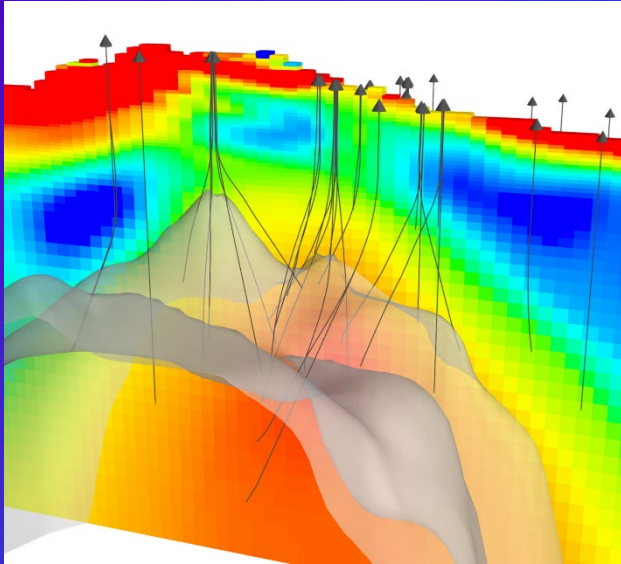
This presentation contains forward-looking statements, including, without limitation, statements about CGG (“the Company”) plans, strategies and prospects. These forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, the Company’s actual results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



# Agenda



- 01** COMPANY OVERVIEW
- 02** BUSINESS HIGHLIGHTS
- 03** FINANCIAL REVIEW
- 04** CONCLUSION



# COMPANY OVERVIEW



# CGG: A People, Data and Technology Company

## Asset Light Company...

## ...With Three Core Businesses (1)

### Leveraging Exceptional People...

Breadth and depth of expertise driving innovation and providing outstanding service

### ...Differentiated Data...

Maximizing the value of data through our expertise and technologies

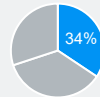
### ...And Remarkable Technology

Leading the industry in advanced imaging and geoscience & digital technologies



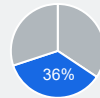
### Geoscience

Established market and technology leader in subsurface imaging, geology, geoscience software and services



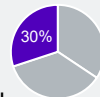
### Multi-Client

One of the industry's most technically advanced seismic data and geologic studies providers in the world's key prolific hydrocarbon basins

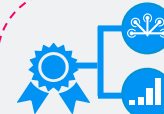


### Equipment

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

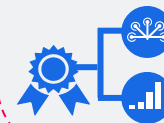


### GGR



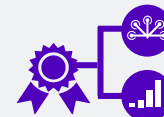
#1 in technology

#1 market share (2) of 41%



#1 in technology and 3D coverage

24% market share (2)



#1 in technology

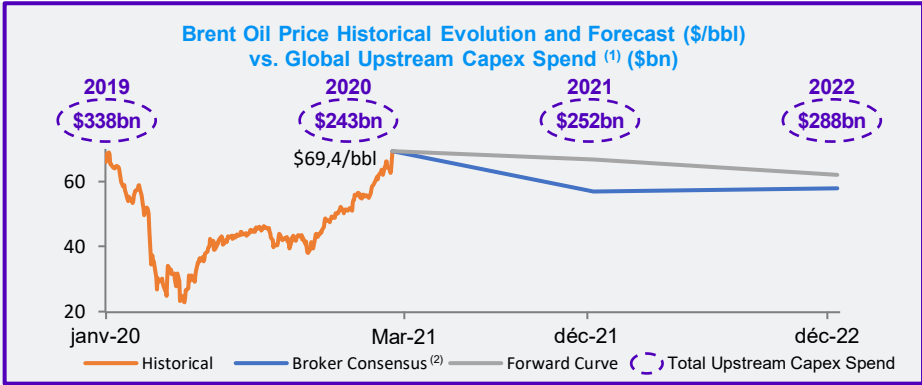
#1 market share (2) of 46%



# Sector Trends Play to CGG's Competitive Strengths

1

**Constructive Medium Term Oil Price Outlook as Coronavirus Impact Abates**

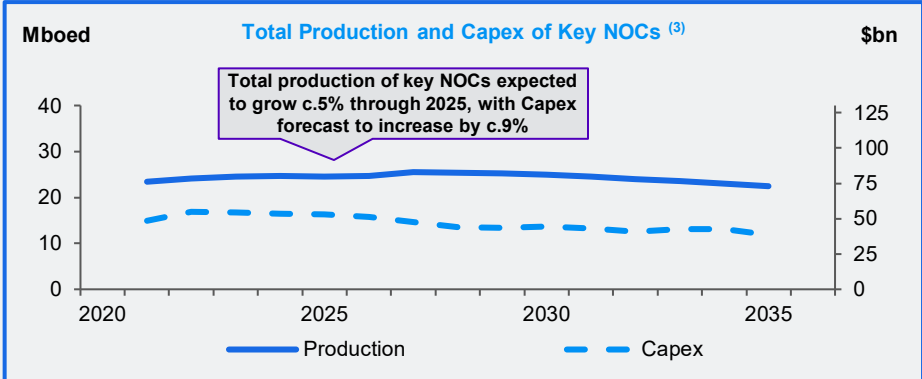


## CGG's Competitive Position

- ✓ Improved medium term outlook with consensus forecasts pointing to Brent oil of \$57/bbl in 2021 and \$58/bbl in 2022
- ✓ ...Supportive of upstream Capex, increasing by c.19% over 2020-22

2

**NOC Upstream Spending is Expected to Remain Significant**



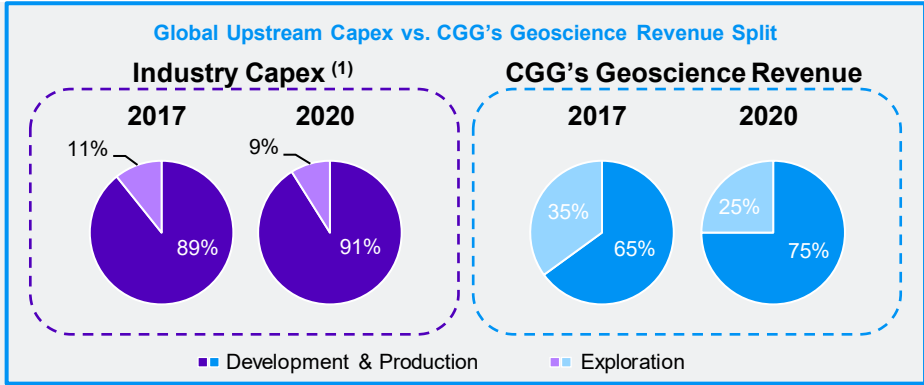
- ✓ Long-standing relationships with NOCs which continue to spend on traditional upstream oil and gas



# Sector Trends Play to CGG's Competitive Strengths

3

**Increasing Focus on Reservoir Development and Production**

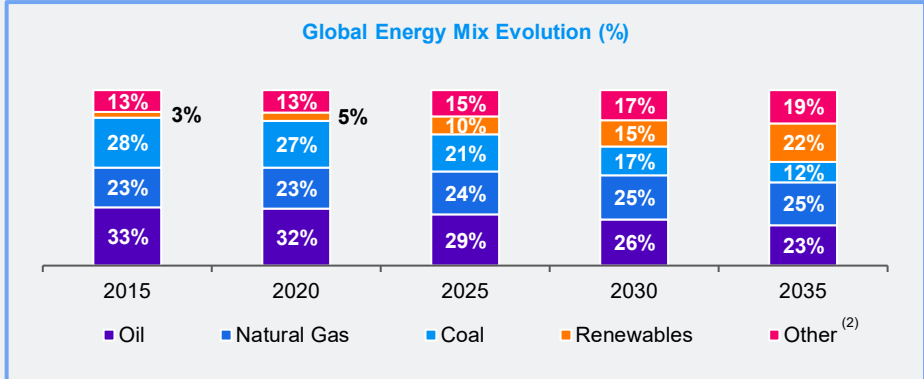


## CGG's Competitive Position

✓ 75% of CGG's geoscience revenue generated from reservoir development and production phases

4

**Energy Transition Set to Outpace Traditional E&P Spending**



✓ Leading technology portfolio to gain exposure to increasingly diverse end markets

✓ Ongoing contracts across Carbon Capture, Utilisation and Sequestration ("CCUS"), Structural Health Monitoring ("SHM"), geothermal, and digital solutions

# Sector Leading ESG Credentials



## OUR CARBON NEUTRALITY STATEMENT

### We pledge to be carbon neutral by 2050

By lowering our direct emissions (scope 1 & 2) to the lowest practical level and by bridging the gap to zero emission by way of carbon credits, only if they are derived from our own activity

With an intermediary milestone in 2030 of a target **reduction of 50% of our direct emissions**

## OUR ESG RATINGS



## KEY ENVIRONMENTAL TARGETS

GHG emissions Scope 1 <sup>(1)</sup> 2020: **2 K tons** 50% reduction by 2030 100% by 2050

GHG emissions Scope 2 <sup>(1)</sup> 2020: **51 K tons** 50% reduction by 2030 90% by 2050

% Green Energy <sup>(2)</sup> 2020: **30%** 50% in 2030 <sup>(4)</sup> 90% in 2050 <sup>(4)</sup>

Power Usage Efficiency <sup>(3)</sup> 2020: **1.32** Below 1.2 by 2030





# BUSINESS HIGHLIGHTS



# Key Company Highlights



**1** **Asset-Light Business, Focused on Differentiated Technologies, with a Strategic Fit with Secular Industry Trends**

**2** **Leading and Resilient Market Position with Strong Cash Flow Generation Through the Cycle**

**3** **Judicious Balance Sheet and Liability Management with Ample Liquidity**

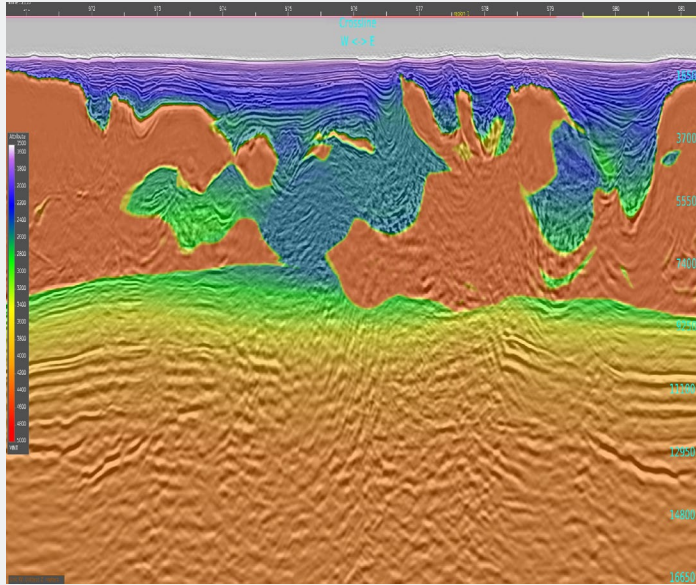
**4** **Business Diversification Aligned with Energy Transition with a Supportive Sector-Leading ESG Strategy**

# 1 CGG Offers Differentiated High Value Additive Service



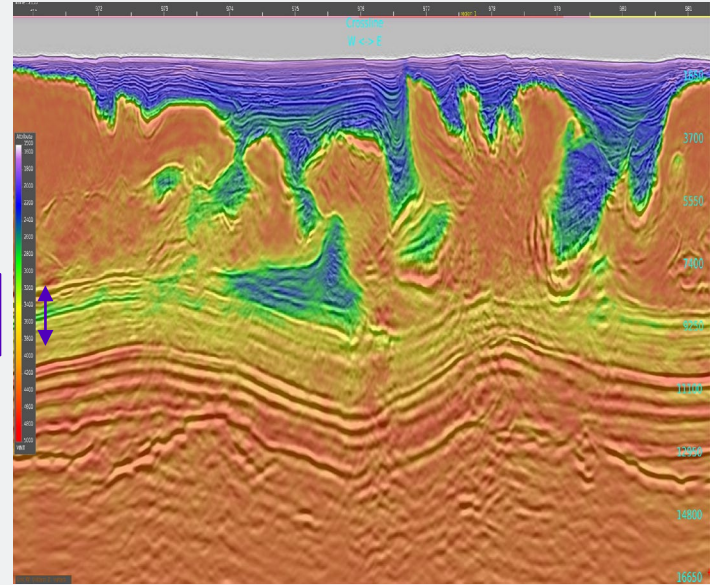
Legacy Technology

New Technology



Water depth:  
c.1.5km

Reservoir  
level,  
c.9-10km

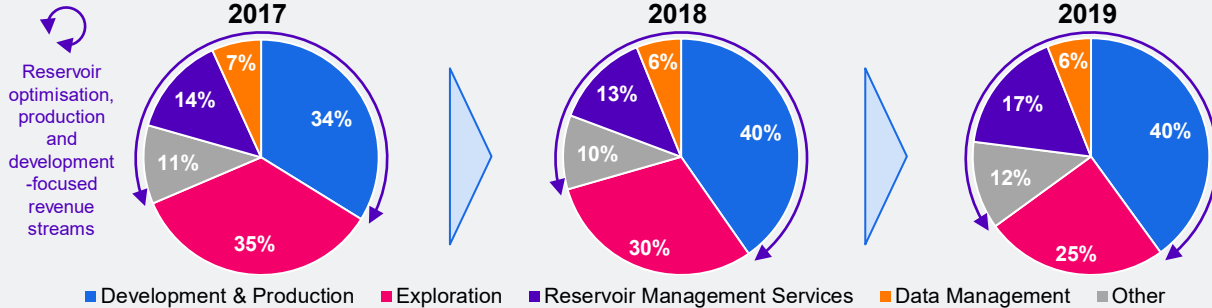


*Imaging Technology Breakthroughs Drive Business Value*

# 1 Geoscience: Proactive Pivot towards Development & Production



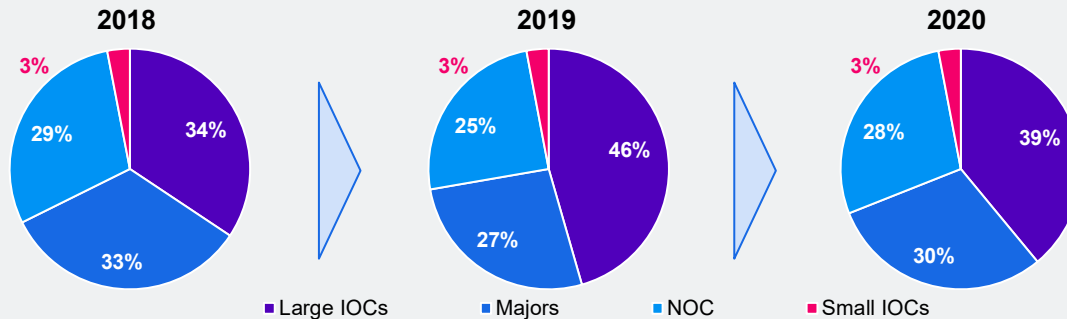
## Progressive Shift in Revenue to Resilient Operations



## Majority Exposure to Stable Part of Upstream Value Chain

- ✓ CGG's Geoscience business is increasingly focused on the Reservoir Development & Production segment in upstream value chain

## Diversified Customer Base (1)



## NOCs & IOCs as Key Customers

- ✓ CGG's long-standing relationships with all client profiles: NOCs, Independents and IOCs ensure a steady revenue stream

# 1 Geoscience: Industry Leading Algorithms and High Performance Computing

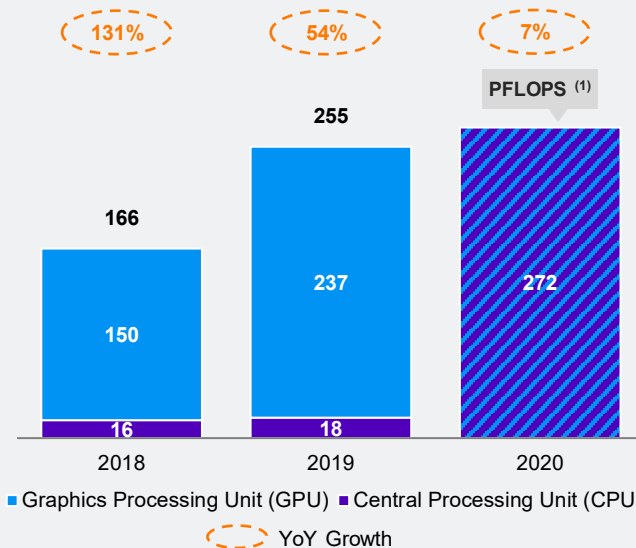
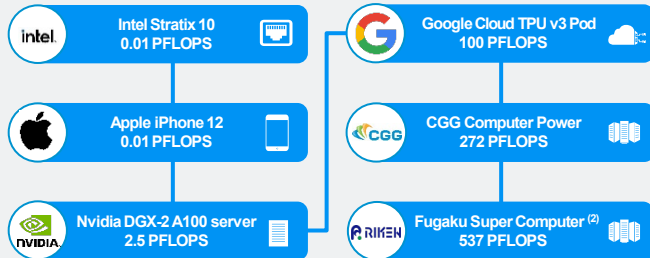


## Technology to Optimize Production & Reservoir Development

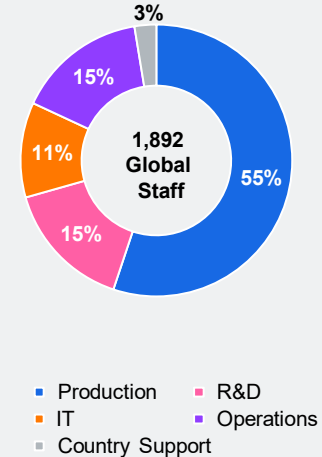
## High Performance Computing...

## ...Harassed by Exceptional People

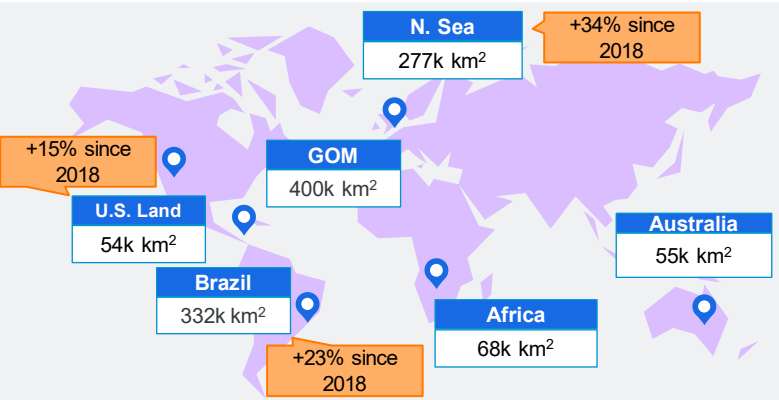
- ✓ High Performance Computing up five-fold since 2017
- ✓ Committed to innovation with c.11% of revenue dedicated to R&D
- ✓ On a par with leading technology companies, with top-15 high performance processing power



- ✓ Technical staff comprised of 70% post graduate degrees and 27% PhDs

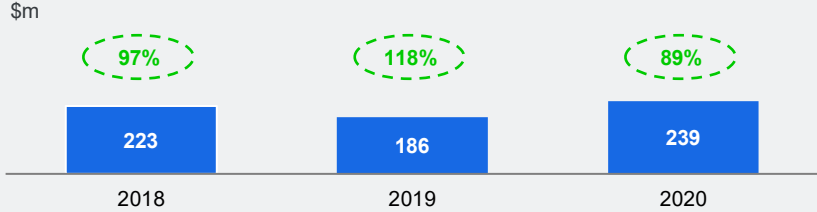


# 1 Multi-Client: Extensive Presence in Mature, Established Regions



- ✓ **Leading coverage totaling > 1.2 million km<sup>2</sup> of 3D data**
  - By comparison, TGS' and PGS' libraries cover c.1.0 million km<sup>2</sup> and c.850k km<sup>2</sup> of 3D data respectively
- ✓ **Extensive contiguous datasets** in Brazil, Gulf of Mexico, UK and Norwegian North Sea
- ✓ **New premium-quality surveys** in Australia, Brazil, North Sea and U.S. Land
- ✓ CGG Multi-Client products feature **advanced imaging technology**
- ✓ **Ongoing digitalization efforts**, with industry partnerships to build a common ecosystem for Multi-Client data

## High Prefunded Multi-Client Investments across the Period



Pre-Funding Rate



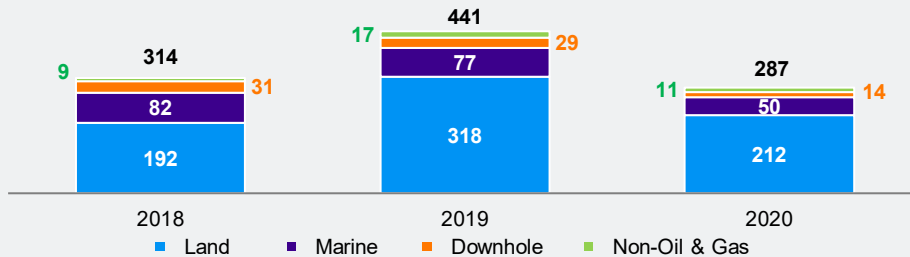
# 1 Equipment: Well-Established and Differentiated Market Position



## Complete Portfolio of Equipment Targeting Key Regions and NOC Projects



## Land Equipment Revenue (\$m) Resilient Throughout the Crisis



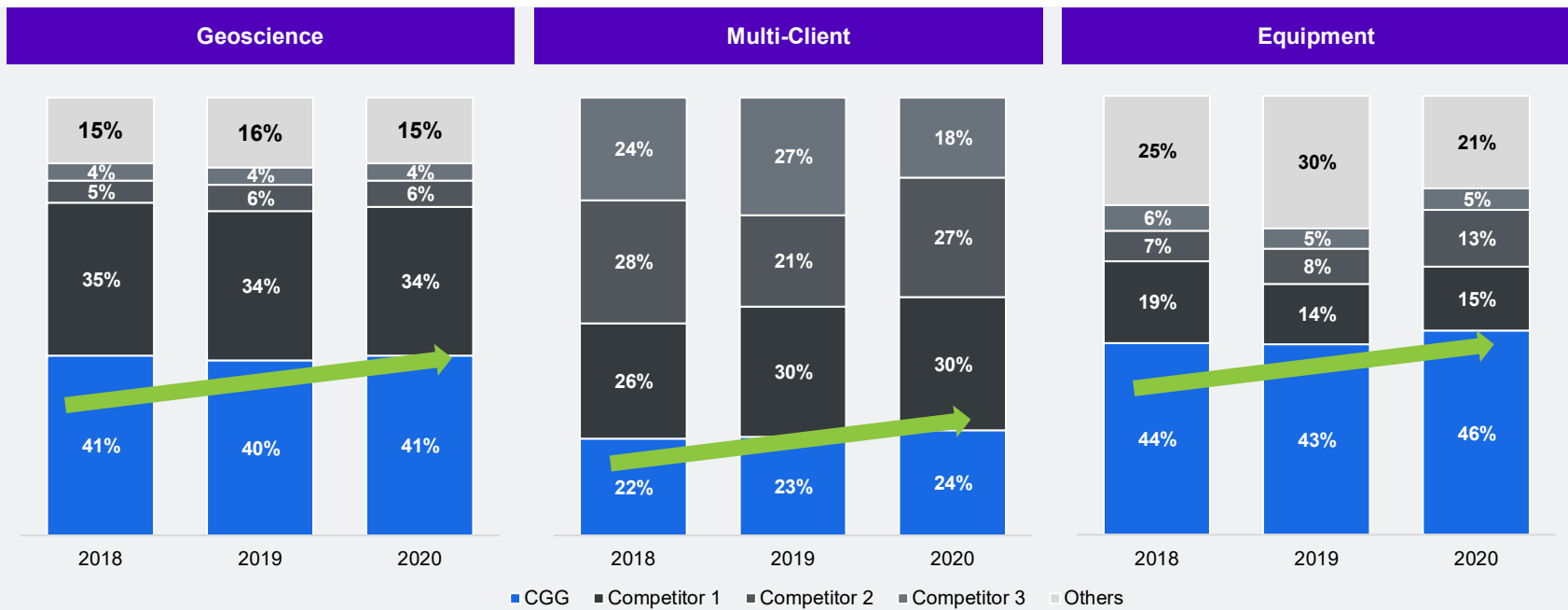
## Technology and Market Leadership

- ✓ **Clear leadership** with largest market share at c.46% <sup>(1)</sup>
- ✓ **The largest installed base**, creating a competitive advantage and a strong platform for leveraging market growth
- ✓ **A broad and unique portfolio of leading-edge technology** with 326 registered patents
- ✓ **c.10% of revenue dedicated to R&D**, securing future positioning
- ✓ **Manufacturing flexibility** and high operating leverage to absorb market volatility
- ✓ **Diversification beyond Oil & Gas**, securing long-term growth through environmental monitoring, SHM, and CCUS

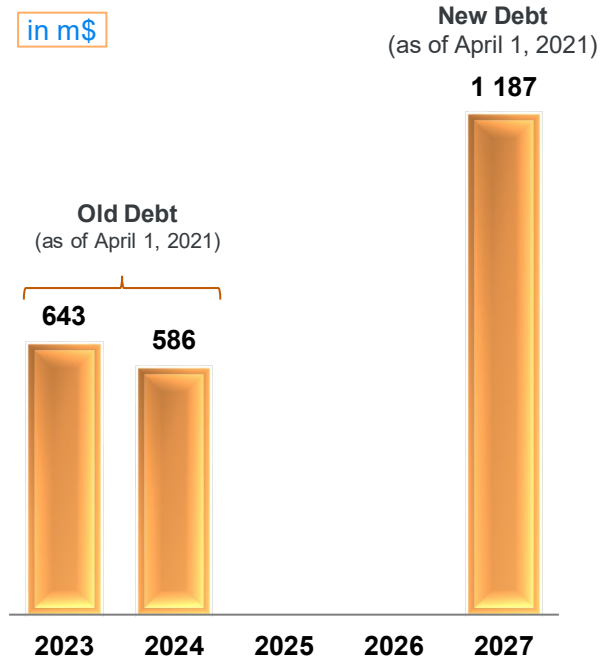
*Resilient revenue from a leading market position and largest installed base*



## 2 Growing Market Share Across All Segments, Even Through the 2020 Crisis



### 3 Debt Refinancing: the last step of the normalization journey



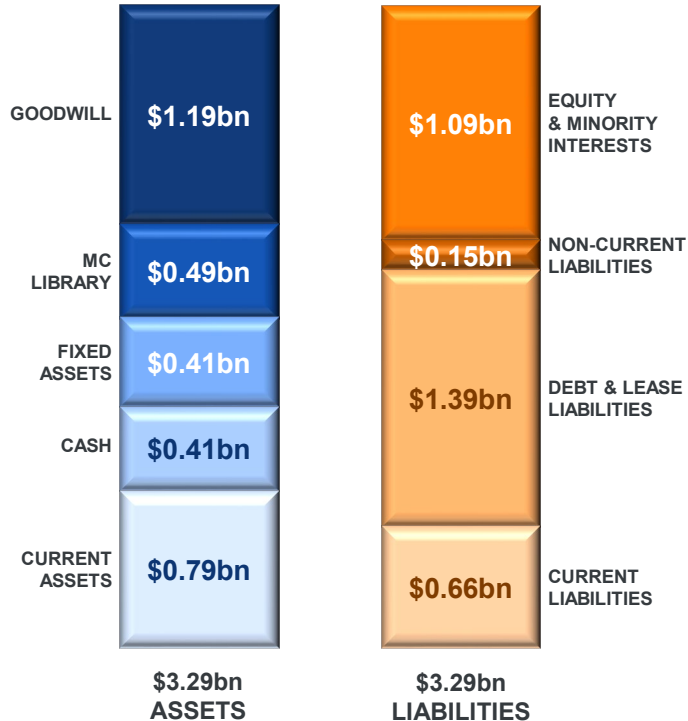
**Successful debt refinancing of \$1.2Bn** equivalent in EUR and USD

- Extension of **maturities to 6 years (2027)**
- **Blended cost of debt of 8.17%** and elimination of PIK interest
- **Non-Call period of 3 years** with possibility to **repay up to 10% (\$120m)** per year
- **\$100m revolving credit facility** (4.5 years maturity)
- **ESG-linked revolving credit facility**, aligning capital structure terms with CGG sustainability objectives

**Euro/USD 1.1746**

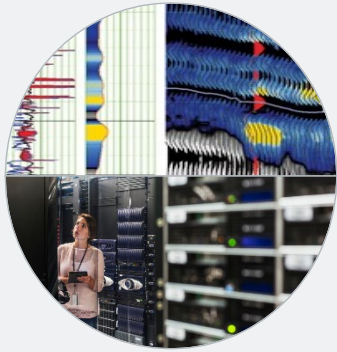
Source of funds	m\$	Use of funds	m\$
Proceeds € tranche (€585m)	687	Repayment 1L	629
Proceeds \$ tranche (\$500m)	500	Repayment 2L	450
Cash on Balance Sheet	96	PIK 2L Redemption	136
		Accrued interest 1L/2L	29
		Call Premium 1L	14
		Transaction costs	26
<b>Total Sources</b>	<b>1,283</b>	<b>Total Uses</b>	<b>1,283</b>

# Balance Sheet at March 31, 2021

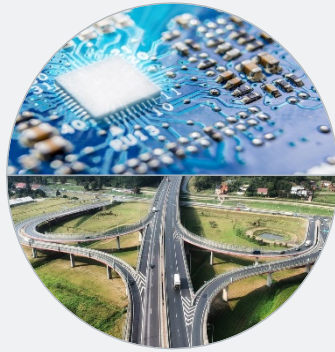


- Group's liquidity amounted to **\$407m**
- Group gross debt before IFRS 16 was **\$1,252m** and net debt was **\$845m**
- Group gross debt after IFRS 16 was **\$1,394m** and net debt was **\$987m**
  - \$628m 1st Lien Bonds, 2023
  - \$584m 2nd Lien Bonds, 2024
  - \$40m Other items
  - \$142m Lease liabilities

# 4 Tangible Steps in Diversifying End-Markets, Including Energy Transition



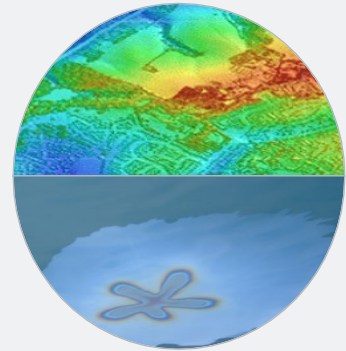
**Digital Geosciences**



**Infrastructure Monitoring**



**Energy Transition**



**Earth Observation**

*Ability to redeploy existing people, data, and technology towards new end markets*

*Core competencies in application of technology, science and mathematics, and High-Performance Computing are highly transferable*

## Beyond the core: recent projects & initiatives



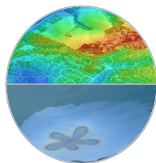
European Space Agency's plastic pollution monitoring study



CGG's Satellite Mapping innovative high-resolution hydrocarbon seeps study commissioned by the Norwegian Petroleum Directorate



Strategic agreement with dCarbonX in the subsurface assessment of its operated geothermal energy and storage sites for CO2, hydrogen and ammonia



Sercel structural monitoring solution, S-lynks, selected for one of the Ville de Paris "Connected Bridges" projects

CGG becomes a member of Amira, an independent global not-for-profit organization from the mineral resources industry



# CONCLUSION



# 2021 Business & financial objectives confirmed

## GEOSCIENCE

- Progressive quarterly recovery starting Q2 and accelerating during H2 2021
- Solid demand for OBN imaging technologies
- Sustained activity with large NOCs

## MULTI-CLIENT

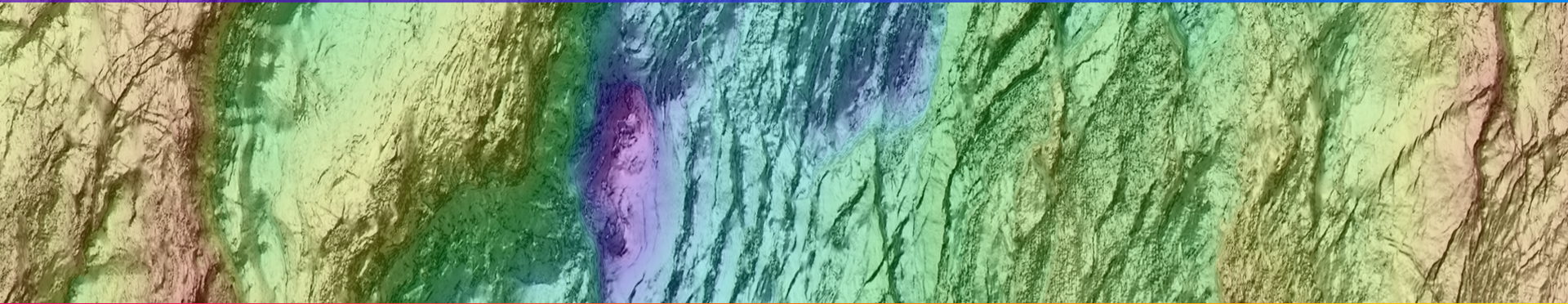
- 2021 MC cash capex of \$165m focused on core mature basins with Q2 capex around \$45m
  - Nebula program offshore Brazil will continue in 2021
  - Summer activity scheduled in the North Sea
- Catch-up of Q1 delayed sales in Q2/H2

## EQUIPMENT

- Business perspectives in line and sustained by solid H2
- Sustained demand for land equipment in Algeria, Russia and Pakistan
- Increased commercial interest for WING nodes onshore and GPR nodes offshore

## 2021 FINANCIAL OBJECTIVES

- 2021 segment revenue to increase by low single digits y-o-y
- 2021 segment EBITDAs to remain stable with a less favorable business mix
- CGG is expecting to generate positive net cash flow in 2021



THANK YOU