

Q1 2019 Financial Results

Strong cash generation

*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 OPERATIONAL REVIEW

02 FINANCIAL REVIEW

03 CONCLUSION



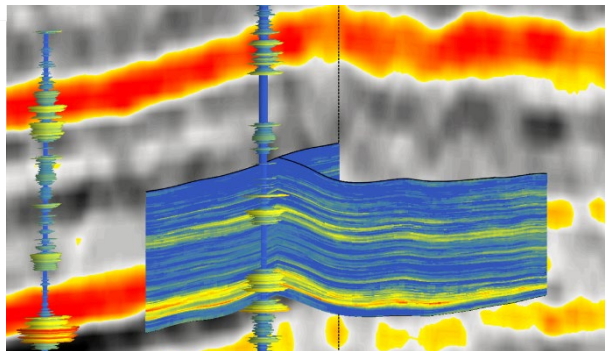


Operational review

All figures are 'segment figures' used for management reporting (including IFRS 16 and before non-recurring charges and IFRS 15), unless stated otherwise



Q1 2019 key highlights



Segment revenue at \$282m, up 21% y-o-y driven by solid equipment sales

- GGR at \$180m and Equipment at \$102m,

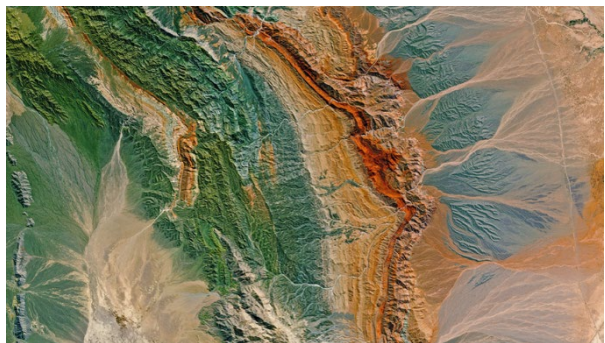
Segment EBITDAs at \$119m, up 40% with 42% margin

Segment operating income at \$11m, a 4% margin

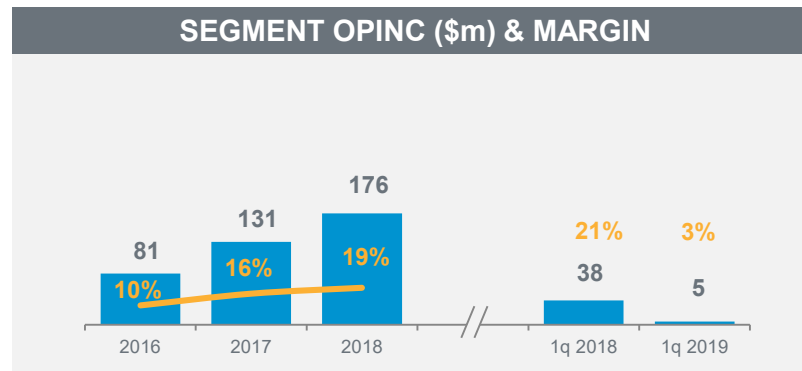
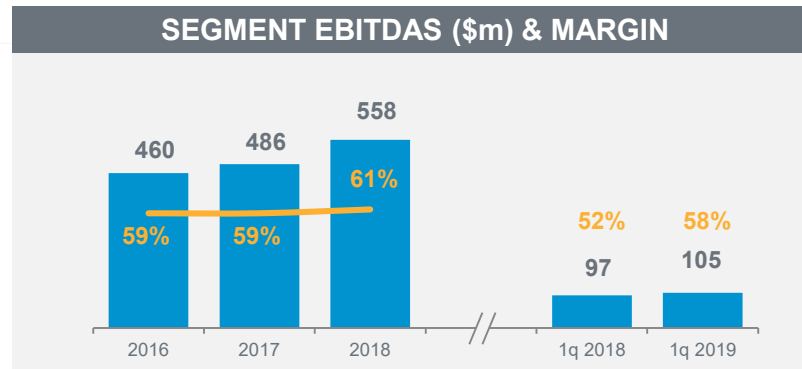
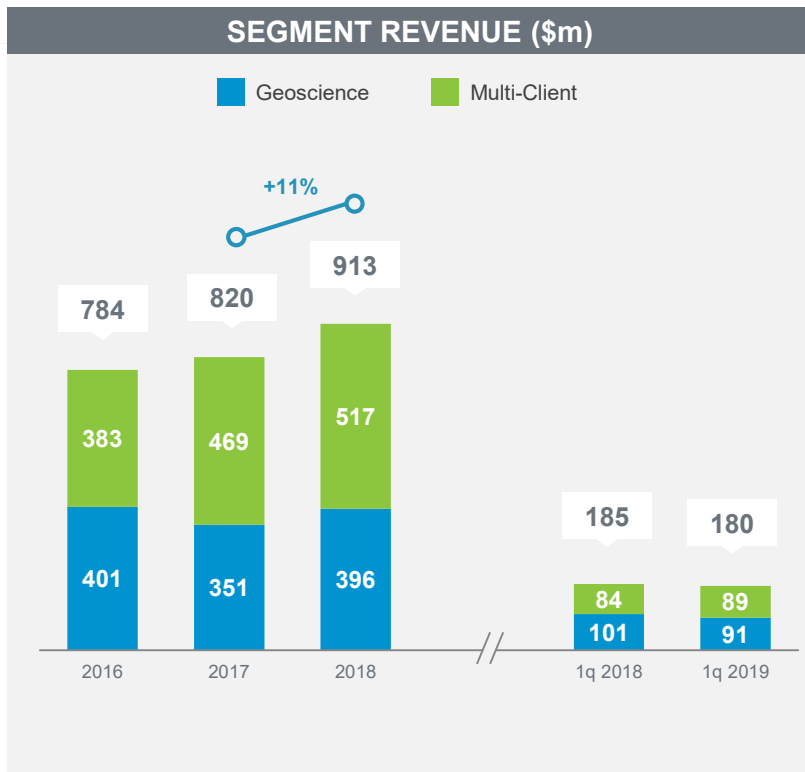
Group net loss of \$(30)m, impacted by \$(15) million net loss from discontinued operations

Segment Free Cash Flow from Operations at \$146m, compared to \$18m last year

Net Cash Flow positive at \$44m



GGR key financial indicators





Geoscience



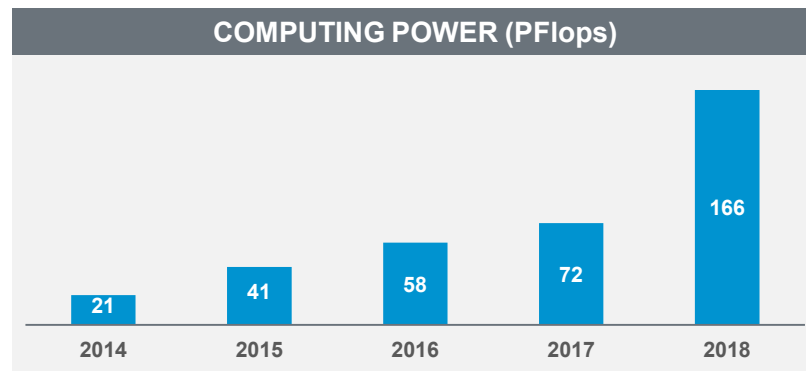
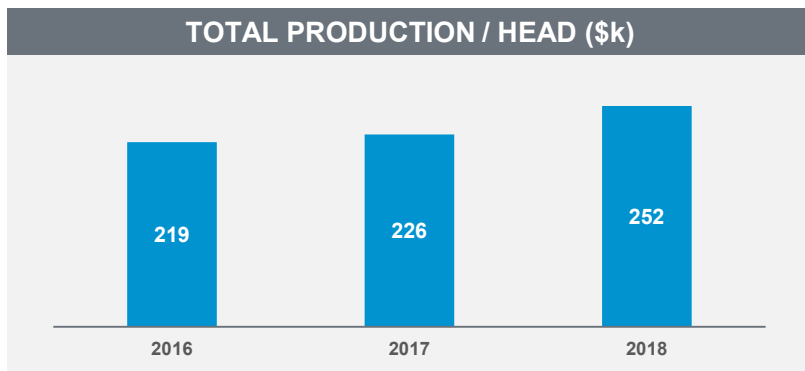
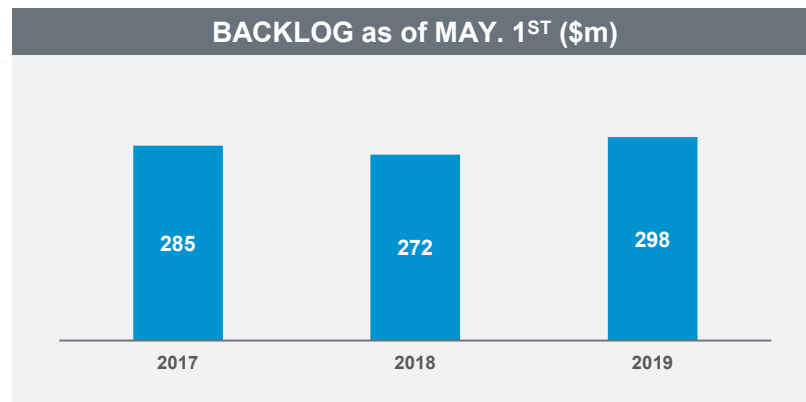
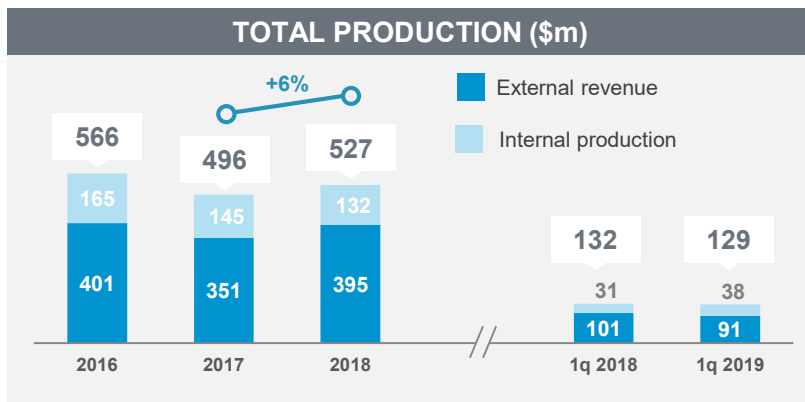
Q1 Geoscience performance confirmed the positive momentum seen since 2018

Gulf of Mexico processing

- Since beginning of the year, order intake reached \$175m
- Backlog increased by \$26m, +10% year-on-year, reaching \$298m on May 1st 2019
- Outstanding bids are also up year-on-year
- Recent major awards confirm continued recovery of the offshore market
- Solid GeoSoftware sales this quarter



Geoscience key business indicators



Multi-Client

2019 - Featured Projects



Chickasha Extension

- 1,147 sq km
- High resolution

Bayou Boeuf

- 1,474 sq km
- Imaging Austin Chalk formation

Santos Nebula

- 15,000 sq km total; 8,000 sq km dual azimuth
- Single azimuth over licensed blocks, where no 3-D seismic exists

Barents Sea

- 5,000 sq km
- Castberg area
- TopSeis application

West of Shetlands

- 3,400 sq km
- Clair & Cretaceous targets
- Wide-azimuth

North Sea

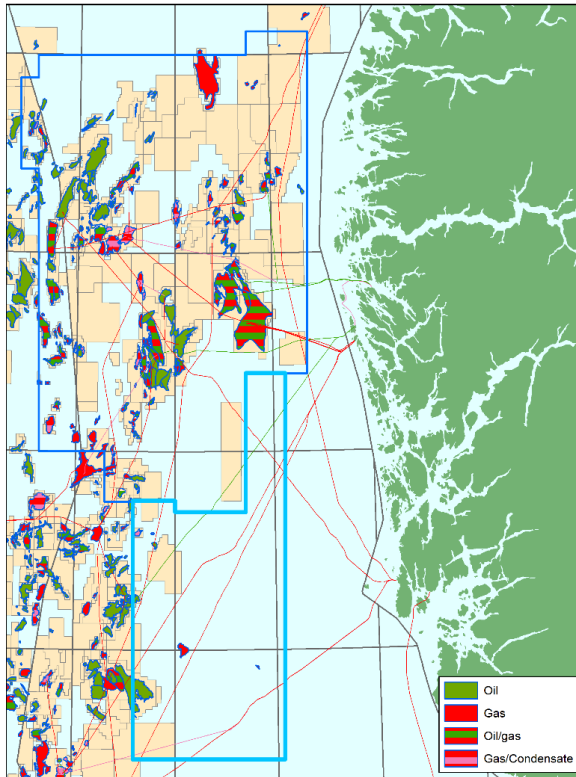
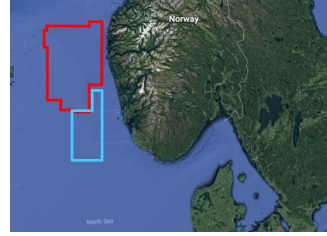
- 4,000 sq km
- Quad 21 area
- Dual azimuth

Gippsland

- Reprocessing leading to new survey
- Est 9,500 sq km



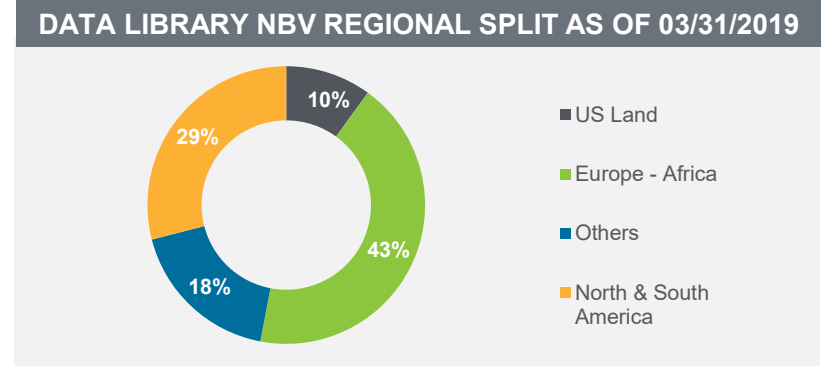
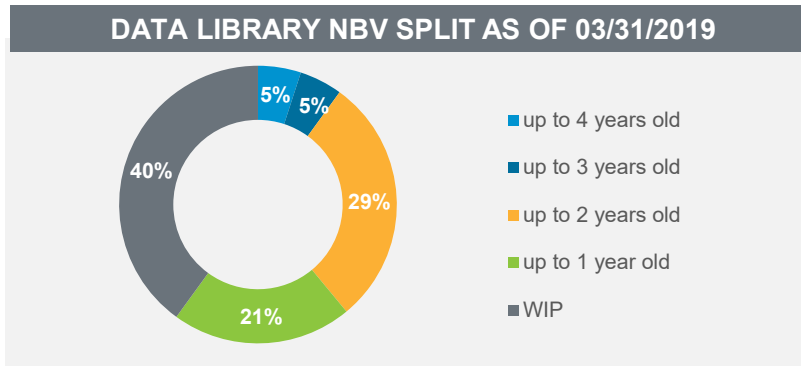
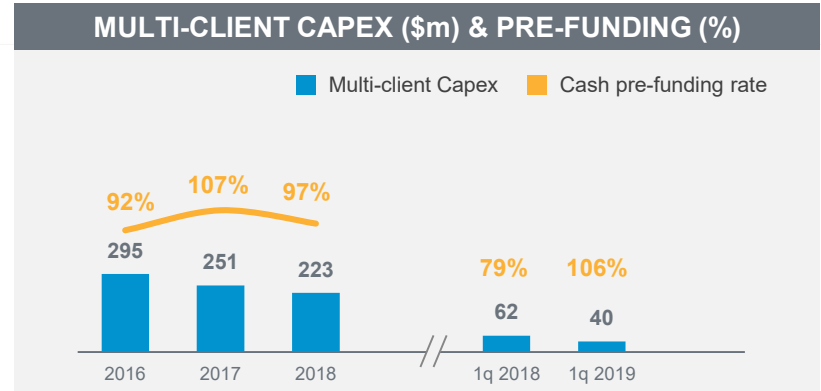
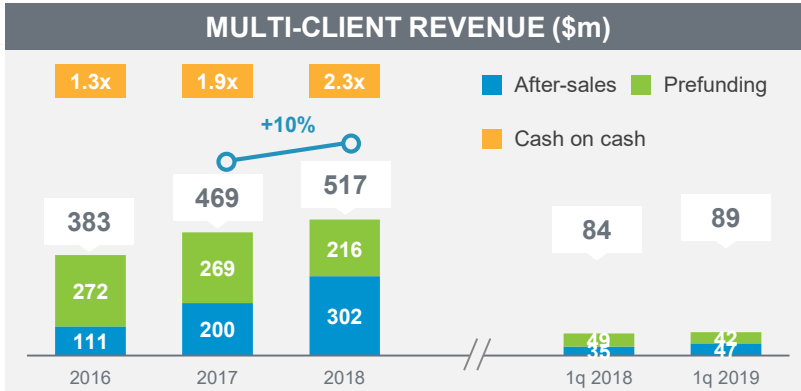
CGG footprint in Northern Viking Graben



- 50,000 km²
- Mature world-class hydrocarbon basin and major discoveries - Troll , Statfjord, Osberg, Gulfaks, Snorre
- Continued high level of exploration activity
- A large number of licenses awarded in APA rounds since start of project.
- Good investment return with total revenue c. \$400M
- Using state-of-art imaging algorithms like QFWI & GWI
- Jumpstart G&G products attract great industry interest



Multi-Client key business indicators



Equipment operational highlights

Sercel 508 XT land equipment



Land

- 3 508^{XT} land acquisition systems delivered
- Significant deliveries in Middle-East

Downhole tools

- Strengthening demand for Artificial Lift
- Main deliveries in the US lower 48

Marine

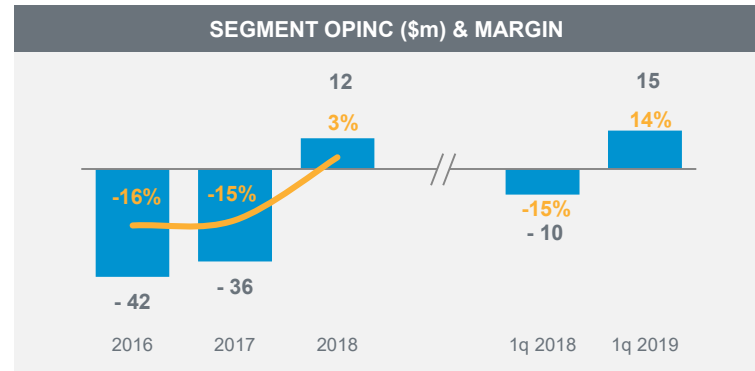
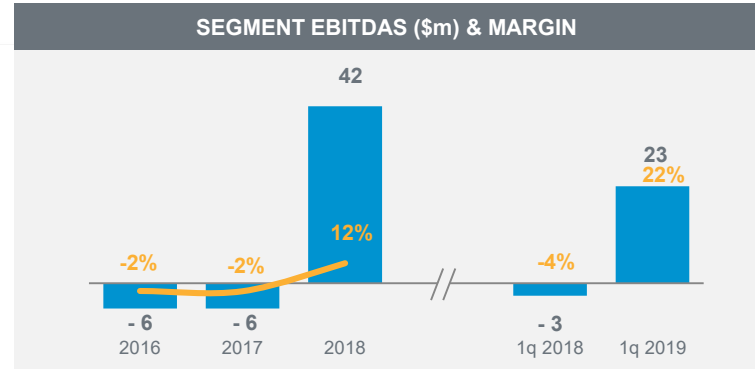
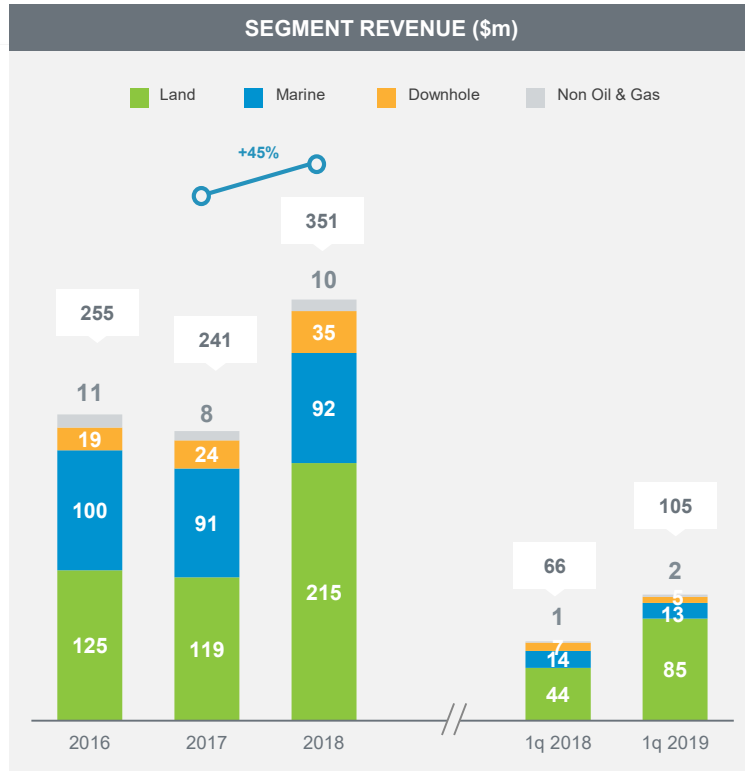
- Still slow marine market

Non Oil & Gas

- Official launch of two new businesses:
 - Sercel Structural Monitoring
 - Sercel Earth Monitoring



Equipment key financial indicators



Financial Review



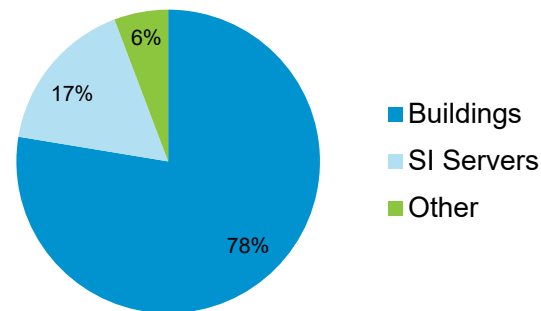
IFRS 16 impacts

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.\$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

Lease liability by nature as of January 1st, 2019



<i>In million \$</i>	Opening 2019	
Property, plant & equipment, net	increased by	c. \$150
Financial Liabilities	increased by	c. \$165
Provisions and others	decreased by	c. \$25
Retained earnings	increased by	c. \$10

<i>In million \$</i>	Q1 2019	FY 2019
Segment EBITDAs inc.	c. \$13	c. \$50
D&A inc.	c.\$(10)m	c.\$(45)m
Segment OPINC inc.	c. \$3	c. \$5
Interests inc.	c.\$(3)m	c.\$(10)m



Q1 2019 P&L

In million \$	Q1 2018	Q1 2019
Segment revenue (R.P.)	234	282
<i>IFRS 15 adjustment</i>	<i>(49)</i>	<i>(11)</i>
IFRS Revenue	185	271
Segment EBITDAs	85	119
Segment OPINC	19	11
<i>IFRS 15 adjustment</i>	<i>(11)</i>	<i>9</i>
IFRS OPINC	(5)	20
Equity from Investments	(1)	(0)
Net cost of financial debt	(32)	(33)
Other financial income	762	1
Taxes	(15)	(3)
Net income / (loss) from continuing operations	708	(15)
Net income / (loss) from discontinued operations	(62)	(15)
Group net income / (loss)	647	(30)

Segment revenue for the new profile at \$282m, up 21%

Segment Ebitda at \$119m, a 42% margin,

Positive segment OPINC at \$11m, impacted by \$(25)m from the application of the 4 years straight-line multi-client amortization

Group net loss at \$(30)m, after:

- Net loss from continuing operations at \$(15)m
- Net loss from discontinued operations at \$(15)m



Sound financial situation

Q1 2019 Net Cash Flow at \$44m

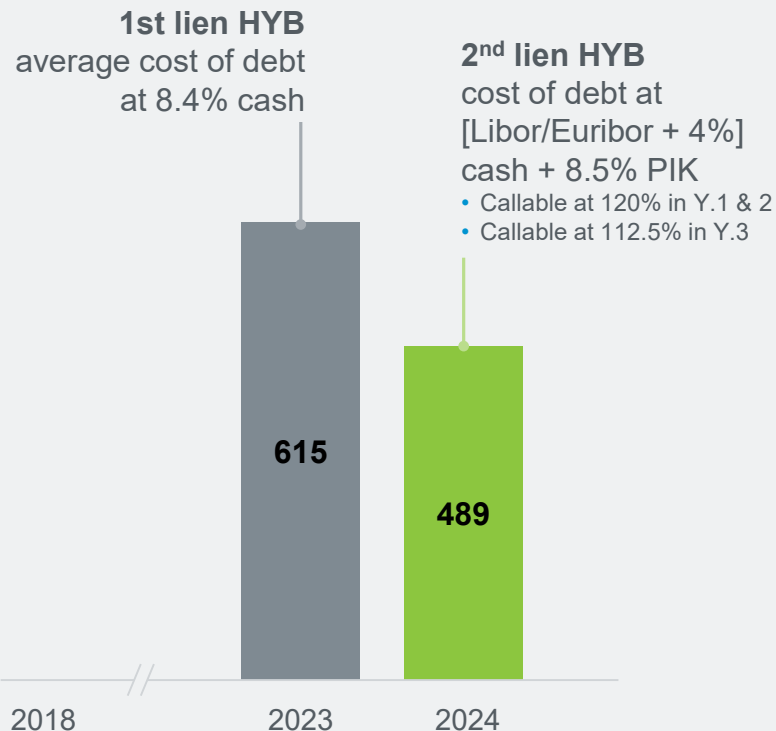
Q1 2019 solid cash flow generation

- Segment free cash flow from operations at \$146m, significantly up y-o-y
- Paid cost of debt at \$(7)m and lease repayments of \$(16)m
- Discontinued operations and cash NRC at \$(53)m
- CGG 2021 cash costs at \$(25)m
- Net cash flow at \$44m

Solid liquidity at \$475m

Gross debt at \$1,179m before IFRS 16 and \$1,343m after IFRS16

Net debt at \$704m before IFRS 16 and \$868m after IFRS16



Group Balance Sheet at March-end 2019





Conclusion

Acquisition exit update

MARINE

Encouraging discussions with several potential strategic partners

Lean marine organization being implemented

Currently operating fleet of 4 vessels, after the early redelivery of the Champion

Fleet coverage extends well into Q3 at improved rates

LAND

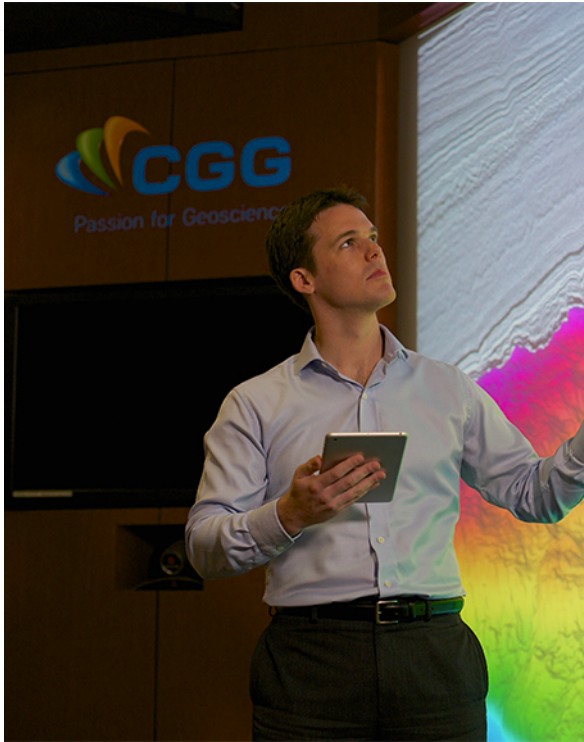
Wind down progressing per plan with exit to be completed in H2 2019

MULTI-PHYSICS

Interested parties engaged



Confirmation of 2019 guidance and 2021 targets



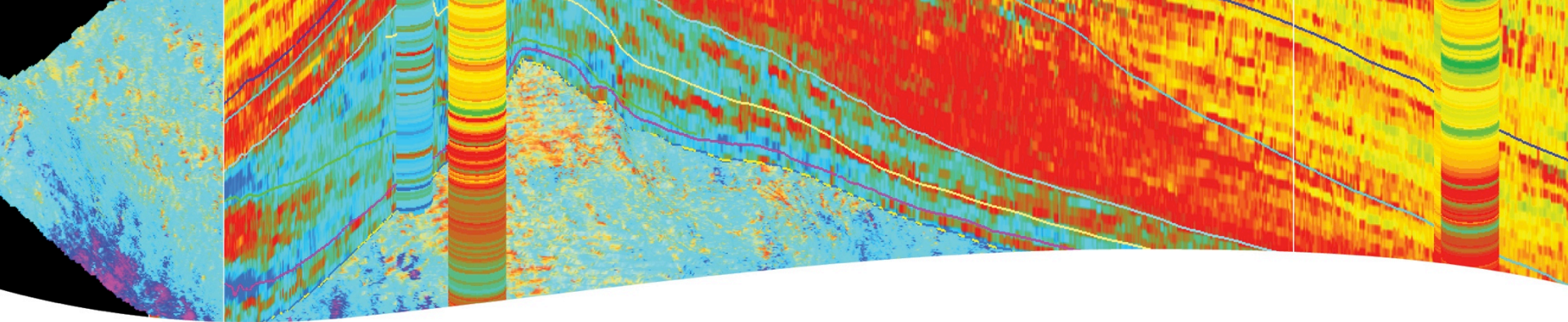
Continuing gradual market recovery

Positive cash generation in Q1 2019 reflecting the strength of CGG's core businesses and cost management focus

First quarter 2019 financial performance in line with expectations

Confirmation of 2019 guidance and 2021 targets





THANK YOU!

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