



CGG Announces its Q1 2021 Results

Positive Net Cash Flow and Successful Refinancing Seasonal Soft Quarter with Solid Equipment Performance 2021 Financial Objectives Confirmed

PARIS, France – May 12, 2021 – **CGG** (ISIN: FR0013181864), a world leader in **Geoscience**, announced today its first quarter 2021 non-audited results.

Commenting on these results, Sophie Zurquiyah, CGG CEO, said:

“With our successful refinancing we delivered the last milestone in our CGG 2021 strategy while normalizing our capital structure. We are now actively developing our new ambitions, focusing on growing our core highly differentiated businesses as the market gradually strengthens, and accelerating our growth beyond the core into sectors, including digitalization, observation & monitoring, and energy transition.

As anticipated, we continued to execute projects from our Geoscience backlog and delivered land equipment for the Saudi mega crews this quarter. Multi-Client saw a seasonal low first quarter and some shift in timing of sales. Overall, we generated \$28m of positive net cash flow this quarter. With oil price firming up above the \$60/bbl level, we started to see in March a resumption in commercial activity and contract awards, which gives us confidence in our 2021 financial objectives. “

Q1 2021: A seasonal soft quarter with solid Equipment performance

- **IFRS figures:** revenue at \$209m, EBITDAs at \$32m, OPINC at \$(14)m
- **Segment revenue at \$213m**, down (21)% year-on-year
Geoscience: Reached a low point as it continued to deliver its backlog
Multi-client: Soft quarter with timing of some sales moved to Q2/H2
Equipment: Solid operational & business performance driven by land equipment deliveries
- **Segment EBITDAs at \$36m and Adjusted* Segment EBITDAs at \$39m**, a 19% margin due to revenue mix
- **Segment Operating Income at \$(11)m and Adjusted* Segment Operating Income at \$(12)m**
- **Group Net loss at \$(81)m**

*Adjusted indicators represent supplementary information adjusted for non-recurring charges triggered by economic downturn.



Positive quarterly Net Cash Flow and Liquidity of \$407m

- **Net Cash Flow** at **\$28m**
- **Liquidity** of **\$407m** and **Net debt before IFRS 16** at **\$845m** as of March 31, 2021

Successful \$1.2Bn Senior Secured Notes Debt Refinancing

- Normalization of capital structure through \$1.2Bn equivalent refinancing in EUR and USD with a new \$100m revolving credit facility (RCF)
- Reduction of cost of debt with a blended interest rate of 8.17% and elimination of \$45m per year in PIK interest
- Extension of maturities to 2027 (6 years)
- Non-Call period of 3 years with possibility to repay up to 10% (\$120m) per year during this period
- ESG-linked RCF, aligning capital structure terms with CGG's sustainability objectives
- Single maintenance covenant for RCF: leverage below 3.5x (2.7x end of 2020), tested when RCF is drawn by more than 40%



Key Figures - First Quarter 2021

Key Figures IFRS - Quarter In million \$	2020 Q1	2021 Q1	Variations %
Operating revenues	253	209	(17)%
Operating Income	(40)	(14)	65%
Equity from Investment	-	-	-
Net cost of financial debt	(33)	(34)	(4)%
Other financial income (loss)	6	(38)	-
Income taxes	(5)	(5)	(12)%
Net Income / Loss from continuing operations	(72)	(92)	(29)%
Net Income / Loss from discontinued operations	(27)	11	143%
Group net income / (loss)	(98)	(81)	18%
Operating Cash Flow	145	105	(28)%
Net Cash Flow	17	28	65%
Net debt	705	987	40%
Net debt before lease liabilities	540	845	56%
Capital employed	2,202	2,072	(6)%

Key Segment Figures - First Quarter 2021

Key Segment Figures - Quarter In million \$	2020 Q1	2021 Q1	Variations %
Segment revenue	271	213	(21)%
Segment EBITDAs	123	36	(71)%
<i>Group EBITDAs margin</i>	<i>45%</i>	<i>17%</i>	<i>(28) bps</i>
Segment operating income	(31)	(11)	65%
<i>Opinc margin</i>	<i>(11)%</i>	<i>(5)%</i>	<i>6 bps</i>
IFRS 15 adjustment	(9)	(3)	63%
IFRS operating income	(40)	(14)	65%
Operating Cash Flow	145	105	(28)%
Net Segment Cash Flow	17	28	65%
Supplementary information			
Adjusted segment EBITDAs before NRC	125	39	(68)%
<i>EBITDAs margin</i>	<i>46%</i>	<i>19%</i>	<i>(27) bps</i>
Adjusted segment operating income before NRC	40	(12)	(130)%
<i>Opinc margin</i>	<i>15%</i>	<i>(6)%</i>	<i>(28) bps</i>



Key figures bridge: Segment to IFRS - First Quarter 2021

P&L items In million \$	Segment figures	IFRS 15 adjustment	IFRS figures
Total Revenue	213	(4)	209
OPINC	(11)	(3)	(14)

Cash Flow Statement items In million \$	Segment figures	IFRS 15 adjustment	IFRS figures
EBITDAs	36	(4)	32
Change in Working Capital & Provisions	73	4	77
Cash Provided by Operations	105	(0)	105

Multi-Client Data Library NBV In million \$	Segment figures	IFRS 15 adjustment	IFRS figures
Opening Balance Sheet , Dec 20	285	207	492
Closing Balance Sheet , Mar 21	291	204	495



First Quarter 2021 Segment Financial Results

Geology, Geophysics & Reservoir (GGR)

Geology, Geophysics & Reservoir (GGR) In million \$	2020 Q1	2021 Q1	Variances %
Segment revenue	197	100	(49)%
Geoscience (SIR)	93	66	(29)%
Multi-Client	104	34	(67)%
Prefunding	57	15	(74)%
After-Sales	47	19	(59)%
Segment EBITDAs	123	28	(77)%
<i>EBITDAs Margin</i>	<i>62%</i>	<i>28%</i>	<i>(34) bps</i>
Segment operating income	(22)	(8)	63%
<i>OPINC Margin</i>	<i>(11)%</i>	<i>(8)%</i>	<i>3 bps</i>
Equity from investments	-	-	-
Capital employed (in billion \$)	1.7	1.6	(6)%
Supplementary information			
Adjusted segment EBITDAs before NRC	124	31	(75)%
<i>EBITDAs Margin</i>	<i>63%</i>	<i>31%</i>	<i>(32) bps</i>
Adjusted segment OPINC before NRC	48	(11)	(123)%
<i>OPINC Margin</i>	<i>24%</i>	<i>(11)%</i>	<i>(35) bps</i>
Other Key Metrics			
Multi-Client cash capex (\$m)	(67)	(30)	(55)%
Multi-Client cash prefunding rate (%)	85%	50%	(35) bps

GGR segment revenue was \$100 million, down (49)% year-on-year.

- **Geoscience revenue** was \$66 million, down (29)% year-on-year.

Geoscience continued to deliver its backlog and reached an inflection point this quarter. After a year of drastic spending cuts, clients' priorities this quarter were on development projects. Commercial activity and contract awards resumed in March, especially in North and South America, and the overall level of commercial bids was up 10% during the month of March.

We continue to actively develop and promote our high end technology for digitalization, energy transition and monitoring markets where we have recently been awarded a few projects.

- **Multi-Client revenue** was \$34 million, down (67)% year-on-year.

Multi-client cash capex was \$(30) million this quarter, (55)% lower than in Q1 2020, as we had one marine streamer multi-client program offshore Brazil. Prefunding revenue of our multi-client projects was \$15 million and prefunding rate was 50%.

Multi-client after-sales were at \$19 million this quarter as we saw a seasonally slow first quarter with some sales shifting into Q2/H2.

The segment library Net Book Value was \$291 million (\$495 million after IFRS 15 adjustments) at the end of March 2021, split 85% offshore and 15% onshore.

GGR segment EBITDAs was \$28 million and **GGR Adjusted* segment EBITDAs** was \$31 million, a 31% margin.



GGR segment operating income was \$(8) million and **GGR Adjusted* segment operating income** was \$(11) million.

GGR capital employed decreased to \$1.6 billion at the end of March 2021.

Equipment

Equipment In million \$	2020 Q1	2021 Q1	Variances %
Segment revenue	75	113	52%
Land	53	100	91%
Marine	13	7	(49)%
Downhole gauges	7	4	(49)%
Non Oil & Gas	2	3	27%
Segment EBITDAs	8	15	98%
<i>EBITDAs margin</i>	<i>10%</i>	<i>14%</i>	<i>3 bps</i>
Segment operating income	0	7	-
<i>OPINC Margin</i>	<i>0%</i>	<i>6%</i>	<i>6 bps</i>
Capital employed (in billion \$)	0.5	0.6	11%
Supplementary information			
Adjusted segment EBITDAs before NRC	8	16	103%
<i>EBITDAs margin</i>	<i>10%</i>	<i>14%</i>	<i>4 bps</i>
Adjusted segment OPINC before NRC	0	8	-
<i>OPINC Margin</i>	<i>0%</i>	<i>7%</i>	<i>7 bps</i>

Equipment segment revenue was strong this quarter at \$113 million, up 52% year-on-year.

- Land equipment sales represented 89% of total sales, as we delivered in Q1 over 125,000 channels and 50 vibrators worldwide, primarily for large mega-crews in Saudi Arabia. Sercel also delivered WiNG land node systems to new clients.
- Marine equipment sales represented 6% of total sales.
- Downhole equipment sales were \$4 million and sales from non Oil & Gas equipment were \$3 million

Equipment segment EBITDAs was \$15 million and **Equipment Adjusted* segment EBITDAs** was \$16 million, a 14% margin.

Equipment segment operating income was \$7 million and **Equipment Adjusted* segment operating income** was \$8 million, a 7% margin.

Equipment capital employed increased to \$0.6 billion at the end of March 2021.



First Quarter 2021 Financial Results

Consolidated Income Statements In million \$	2020 Q1	2021 Q1	Variations %
<i>Exchange rate euro/dollar</i>	1.11	1.22	10%
Segment revenue	271	213	(21)%
GGR	197	100	(49)%
Equipment	72	113	57%
Elim & Other	1	(1)	(169)%
Segment Gross Margin	73	17	(77)%
Segment EBITDAs	123	36	(71)%
GGR	124	31	(75)%
Equipment	8	16	103%
Corporate	(6)	(6)	10%
Elim & Other	(1)	(2)	(112)%
Severance costs	(2)	(3)	(75)%
Segment operating income	(31)	(11)	65%
GGR	48	(11)	(123)%
Equipment	0	8	-
Corporate	(7)	(7)	(6)%
Elim & Other	(1)	(2)	(133)%
Non recurring charges	(71)	1	102%
IFRS 15 adjustment	(9)	(3)	63%
IFRS operating income	(40)	(14)	65%
Equity from investments	-	-	-
Net cost of financial debt	(33)	(34)	(4)%
Other financial income (loss)	6	(38)	-
Income taxes	(5)	(5)	(12)%
NRC (Tax & OFI)	-	-	-
Net income / (loss) from continuing operations	(72)	(92)	(29)%
Net income / (loss) from discontinued operations	(27)	11	143%
IFRS net income / (loss)	(98)	(81)	18%
Shareholder's net income / (loss)	(99)	(82)	17%
Basic Earnings per share in \$	(0.14)	(0.12)	17%
Basic Earnings per share in €	(0.13)	(0.10)	25%

Segment revenue was \$213 million, down (21)% year-on-year. The respective contributions from the Group's businesses were 31% from Geoscience, 16% from Multi-Client (47% for the GGR segment) and 53% from Equipment.

Segment EBITDAs was \$36 million and **Adjusted* segment EBITDAs** was \$39 million, down (68)% year-on-year, a 19% margin due to the unfavorable business mix.

Segment operating income was \$(11) million and **Adjusted* segment operating income** was \$(12) million.

IFRS 15 adjustment at operating income level was \$(3) million and **IFRS operating income**, after IFRS 15 adjustment, was \$(14) million.



Cost of financial debt was \$(34) million. The total amount of interest paid during the quarter was \$(7) million. **Other Financial Items** were at \$(38) million, mainly from refinancing costs, including \$(14)m call premiums and \$(26)m fees.

Taxes were at \$(5) million.

Net loss from continuing operations was \$(92) million.

Discontinued operations : *Correspond to the former Contractual Data Acquisition and Non-Operated Resources segments. Main aggregates are as follows:*

- **Q1 revenue from discontinued operations** was \$6 million.
- **Net profit from discontinued operations** was \$11 million this quarter
- **Net Cash flow from discontinued operations** was \$1 million

Group net loss was \$(81) million.

After minority interests, **Group net loss attributable to CGG shareholders** was \$(82) million/ €(68) million.



First Quarter 2021 Cash Flow

Cash Flow items In million \$	2020 Q1	2021 Q1	Variances %
Segment Operating Cash Flow	145	105	(28)%
CAPEX	(87)	(42)	(52)%
Industrial	(8)	(4)	(54)%
R&D	(13)	(8)	(33)%
Multi-Client (Cash)	(67)	(30)	(55)%
Marine MC	(51)	(30)	(43)%
Land MC	(15)	(1)	(97)%
Proceeds from disposals of assets	-	(2)	-
Segment Free Cash Flow	58	60	4%
Lease repayments	(14)	(15)	6%
Paid Cost of debt	(7)	(7)	6%
CGG 2021 Plan	(28)	(11)	(61)%
Free cash flow from discontinued operations	9	1	-
Net Cash flow	17	28	65%
Financing cash flow	-	-	-
Forex and other	(4)	(7)	64%
Net increase/(decrease) in cash	13	22	65%
Supplementary information			
Change in working capital and provisions, included in Segment Operating Cash Flow	21	73	-
From severance cash costs	(1)	(6)	-
Segment Free Cash Flow before severance cash costs	59	66	12%

Total capex was \$(42) million:

- **Industrial capex** was \$(4) million,
- **Research & Development capex** was \$(8) million,
- **Multi-client cash capex** was \$(30) million

Segment Free Cash Flow was \$60 million, including \$73 million positive change in working capital.

After \$(15) million lease repayments, \$(7) million paid cost of debt, \$(11) million 2021 Plan cash costs and \$1 million free cash flow from discontinued operations, **Net Cash Flow** was \$28 million.



Balance Sheet

Group's liquidity amounted to **\$407 million** at the end of March 31, 2021.

Group gross debt before IFRS 16 was **\$1,252 million** at the end of March 31, 2021 and **net debt** was **\$845 million**.

Group gross debt after IFRS 16 was **\$1,394 million** at the end of March 31, 2021 and **net debt** was **\$987 million**.

Segment leverage ratio of **Net debt to Adjusted segment EBITDAs** was **3.1x** at the end of March 2021.



Q1 2021 Conference call

An English language analysts' conference call is scheduled today at 8:00 am (Paris time) – 7:00 am (London time)

To follow this conference, please access the live webcast:

From your computer at: www.cgg.com

A replay of the conference will be available via webcast on the CGG website at: www.cgg.com.

For analysts, please dial the following numbers 5 to 10 minutes prior to the scheduled start time:

France call-in:	+33 (0) 1 70 70 07 81
UK call-in:	+44(0) 844 4819 752
Access Code:	7693239

About CGG

CGG (www.cgg.com) is a global geoscience technology leader. Employing around 3,700 people worldwide, CGG provides a comprehensive range of data, products, services and solutions that support our clients to more efficiently and responsibly solve complex natural resource, environmental and infrastructure challenges. CGG is listed on the Euronext Paris SA (ISIN: 0013181864).

Contacts

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CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021



Unaudited Interim Consolidated statements of operations

<i>(In millions of US\$, except per share data)</i>	Three months ended March 31,	
	2021	2020
Operating revenues	208.6	252.7
Other income from ordinary activities	0.2	0.3
Total income from ordinary activities	208.8	253.0
Cost of operations	(195.3)	(188.7)
Gross profit	13.5	64.3
Research and development expenses - net	(5.3)	(4.4)
Marketing and selling expenses	(7.5)	(9.1)
General and administrative expenses	(16.7)	(18.7)
Other revenues (expenses) - net	2.0	(71.9)
Operating income (loss)	(14.0)	(39.8)
Expenses related to financial debt	(34.7)	(33.9)
Income provided by cash and cash equivalents	0.3	1.0
Cost of financial debt, net	(34.4)	(32.9)
Other financial income (loss)	(38.4)	5.7
Income (loss) before incomes taxes	(86.8)	(67.0)
Income taxes	(5.4)	(4.8)
Net income (loss) from consolidated companies before share of income (loss) in companies accounted for under the equity method	(92.2)	(71.8)
Share of income (loss) in companies accounted for under the equity method	0.2	0.3
Net income (loss) from continuing operations	(92.0)	(71.5)
Net income (loss) from discontinued operations	11.5	(26.9)
Net income (loss)	(80.5)	(98.4)
<i>Attributable to :</i>		
<i>Owners of CGG S.A</i>	(82.4)	(99.4)
<i>Non-controlling interests</i>	1.9	1.0
Net income (loss) per share		
Basic	(0.12)	(0.14)
Diluted	(0.12)	(0.14)
Net income (loss) from continuing operations per share		
Basic	(0.13)	(0.10)
Diluted	(0.13)	(0.10)
Net income (loss) from discontinued operations per share		
Basic	0.01	(0.04)
Diluted	0.01	(0.04)



Unaudited Consolidated statements of financial position

<i>(In millions of US\$)</i>	March 31, 2021	December 31, 2020
ASSETS		
Cash and cash equivalents	407.0	385.4
Trade accounts and notes receivable, net	288.1	325.0
Inventories and work-in-progress, net	207.8	237.8
Income tax assets	83.2	84.6
Other current financial assets, net	-	13.7
Other current assets, net	88.2	92.0
Assets held for sale, net	120.2	117.7
Total current assets	1,194.5	1,256.2
Deferred tax assets	9.7	10.3
Investments and other financial assets, net	13.5	13.6
Investments in companies under the equity method	3.7	3.6
Property, plant and equipment, net	247.6	268.1
Intangible assets, net	638.4	639.2
Goodwill, net	1,186.2	1,186.5
Total non-current assets	2,099.1	2,121.3
TOTAL ASSETS	3,293.6	3,377.5
LIABILITIES AND EQUITY		
Bank overdrafts	0.1	0.2
Financial debt – current portion	82.2	58.6
Trade accounts and notes payables	112.5	96.7
Accrued payroll costs	114.5	106.6
Income taxes payable	47.1	56.8
Advance billings to customers	21.6	19.5
Provisions — current portion	32.6	52.7
Other current financial liabilities	18.5	34.4
Other current liabilities	301.8	278.6
Liabilities directly associated with the assets classified as held for sale	15.4	13.0
Total current liabilities	746.3	717.1
Deferred tax liabilities	15.1	16.3
Provisions — non-current portion	44.2	51.8
Financial debt – non-current portion	1,311.6	1,330.3
Other non-current financial liabilities	48.4	53.0
Other non-current liabilities	42.9	44.4
Total non-current liabilities	1,462.2	1,495.8
Common stock: 1,194,005,823 shares authorized and 711,394,241 shares with a €0.01 nominal value outstanding at March 31, 2021	8.7	8.7
Additional paid-in capital	1,687.1	1,687.1
Retained earnings	(559.7)	(480.6)
Other Reserves	(24.1)	(37.3)
Treasury shares	(20.1)	(20.1)
Cumulative income and expense recognized directly in equity	(1.1)	(0.7)
Cumulative translation adjustment	(52.2)	(37.4)
Equity attributable to owners of CGG S.A.	1,038.6	1,119.7
Non-controlling interests	46.5	44.9
Total equity	1,085.1	1,164.6
TOTAL LIABILITIES AND EQUITY	3,293.6	3,377.5



Unaudited Consolidated statements of cash flows

<i>(In millions of US\$)</i>	Three months ended March 31,	
	2021	2020
OPERATING		
Net income (loss)	(80.5)	(98.4)
Less: Net income (loss) from discontinued operations	11.5	(26.9)
Net income (loss) from continuing operations	(92.0)	(71.5)
Depreciation, amortization and impairment	24.0	30.5
Multi-client surveys impairment and amortization	25.6	116.8
Depreciation and amortization capitalized in Multi-client surveys	(4.5)	(4.3)
Variance on provisions	(20.3)	(2.2)
Share-based compensation expenses	0.9	1.4
Net (gain) loss on disposal of fixed and financial assets	—	—
Equity (income) loss of investees	(0.2)	(0.3)
Dividends received from investments in companies under the equity method	—	—
Other non-cash items	38.4	(3.1)
Net cash-flow including net cost of financial debt and income tax	(28.1)	67.3
Less : net cost of financial debt	34.4	32.9
Less : income tax expense (gain)	5.4	4.8
Net cash-flow excluding net cost of financial debt and income tax	11.7	105.0
Income tax paid	(4.5)	(0.8)
Net cash-flow before changes in working capital	7.2	104.2
Changes in working capital	97.5	41.0
- change in trade accounts and notes receivable	69.1	80.8
- change in inventories and work-in-progress	22.5	(16.2)
- change in other current assets	(6.0)	(4.7)
- change in trade accounts and notes payable	—	16.5
- change in other current liabilities	11.9	(35.4)
Net cash-flow provided by operating activities	104.7	145.2
INVESTING		
Total capital expenditures (including variation of fixed assets suppliers, excluding Multi-client surveys)	(12.1)	(20.6)
Investment in Multi-client surveys, net cash	(30.0)	(66.8)
Proceeds from disposals of tangible and intangible assets	0.1	0.1
Total net proceeds from financial assets	(2.4)	—
Acquisition of investments, net of cash and cash equivalents acquired	—	—
Variation in loans granted	—	—
Variation in subsidies for capital expenditures	—	—
Variation in other non-current financial assets	—	9.0
Net cash-flow used in investing activities	(44.4)	(78.3)



<i>(In millions of US\$)</i>	Three months ended March 31,	
	2021	2020
FINANCING		
Repayment of long-term debt	—	—
Total issuance of long-term debt	—	—
Lease repayments	(14.7)	(14.0)
Change in short-term loans	(0.1)	—
Financial expenses paid	(6.9)	(7.4)
Net proceeds from capital increase:		
— from shareholders	—	—
— from non-controlling interests of integrated companies	—	—
Dividends paid and share capital reimbursements:		
— to shareholders	—	—
— to non-controlling interests of integrated companies	—	—
Acquisition/disposal from treasury shares	—	—
Net cash-flow provided by (used in) financing activities	(21.7)	(21.4)
Effects of exchange rates on cash	(6.7)	(13.2)
Impact of changes in consolidation scope	—	—
Net cash flows incurred by discontinued operations	(10.3)	(19.3)
Net increase (decrease) in cash and cash equivalents	21.6	13.0
Cash and cash equivalents at beginning of year	385.4	610.5
Cash and cash equivalents at end of period	407.0	623.5