



# Q3 2023 financial results

**MSCI**  
ESG RATINGS

**AA**

CCC B BB BBB A **AA** AAA

**ESG Risk Rating**

**17.9**

Updated May 13, 2022

**SUSTAINALYTICS**  
a Morningstar company

**RATED**

**SILVER**

**2023**  
**ecovadis**  
Sustainability  
Rating



# Disclaimer

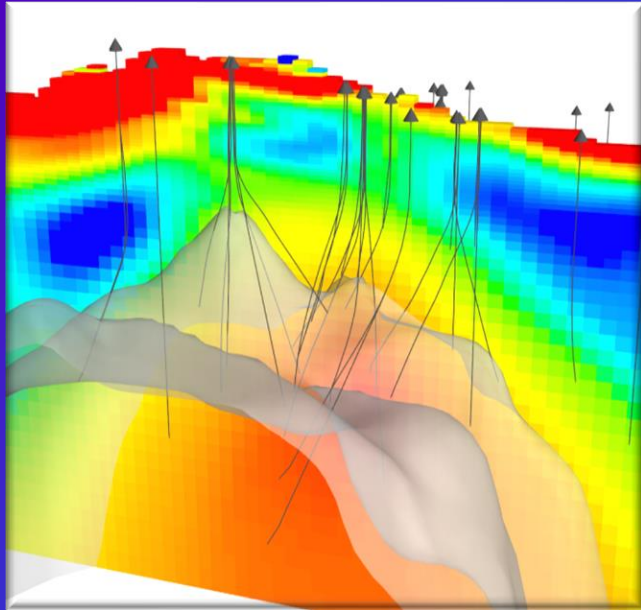
This presentation contains forward-looking statements, including, without limitation, statements about CGG (“the Company”) plans, strategies and prospects. These forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, the Company’s actual results 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** Q3 & 9M 2023 overview

**02** Operational review

**03** Financial review

**04** 2023 Business outlook & Financial objectives



# Q3 & 9M 2023 OVERVIEW



# Q3 & 9M key segment financial highlights

	REVENUE	EBITDAs	NET CASH FLOW
Q3 2023	<b>\$307 million</b> up 42% y-o-y	<b>\$109 million</b> up 41%, and including \$(20)m compensation to Shearwater (SW)	<b>\$63 million</b>
9M 2023	<b>\$805 million</b> up 32% y-o-y	<b>\$278 million</b> up 15%, and including \$(31)m compensation to SW	<b>\$(15) million</b>
<b>Liquidity of \$370 million, including \$95 million undrawn RCF</b>			

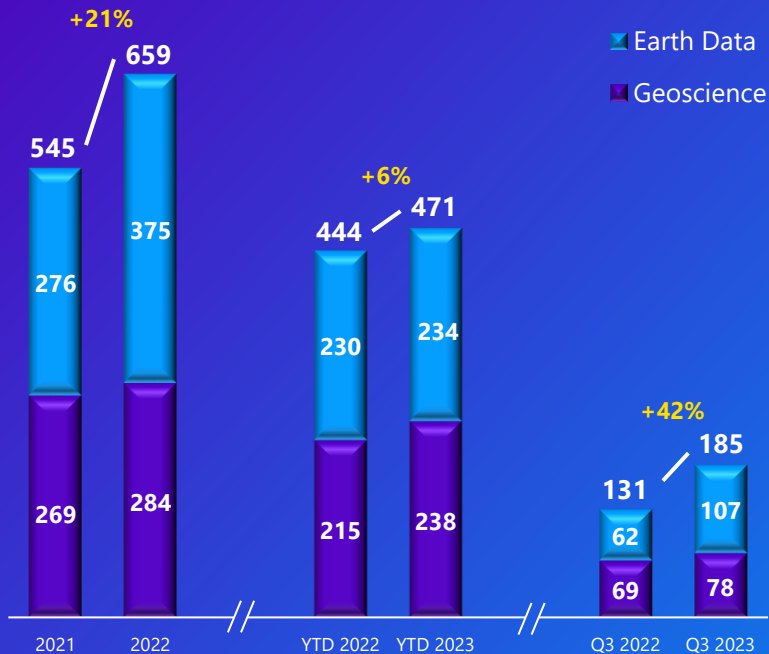


# OPERATIONAL REVIEW

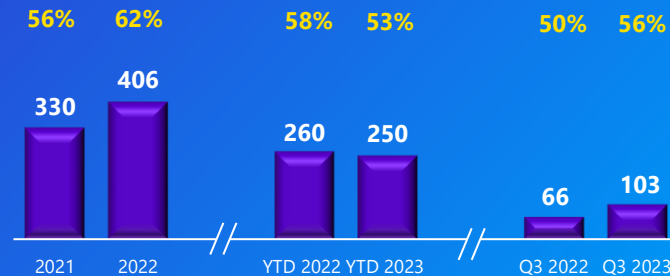


# Data, Digital and Energy Transition key financial indicators

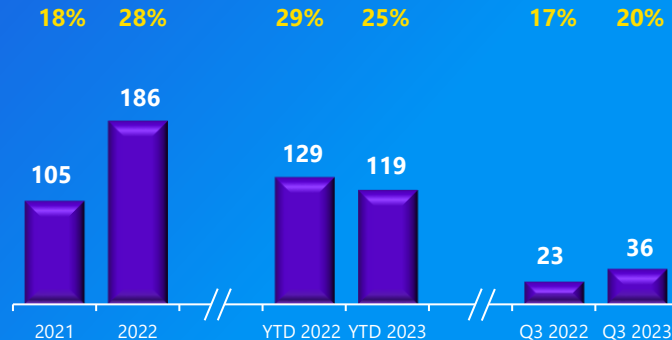
## SEGMENT REVENUE (\$m)



## ADJUSTED SEGMENT EBITDAS (\$m) & MARGIN (%)



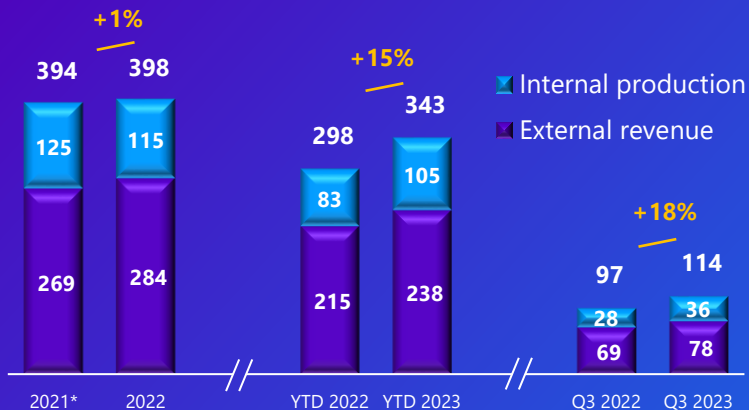
## ADJUSTED SEGMENT OPINC (\$m) & MARGIN (%)



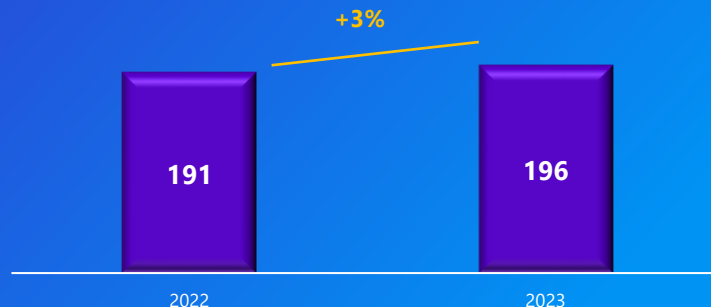


# Geoscience key business indicators

## TOTAL PRODUCTION (\$m)



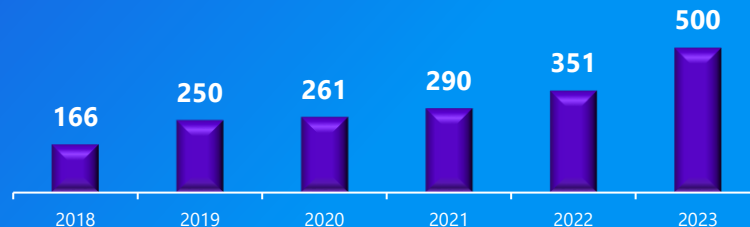
## BACKLOG AS OF SEPTEMBER 30<sup>TH</sup> (\$m)



## TOTAL PRODUCTION / HEAD (\$K)

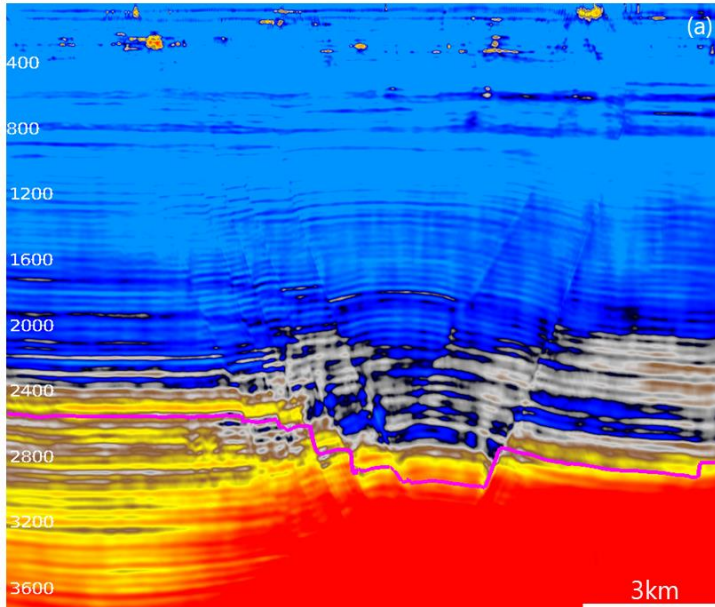


## COMPUTING POWER (PFLOPS)





# Geoscience - Q3 operational highlights



Data Courtesy of Seitel

## Geoscience

- High activity with Q3 production up 18% year on year and order intake value up 6% year on year
- Sustained by North America and North Sea step-out exploration and field development
- Driven by demand for new technology - Elastic TLFWI – that delivers more precise images of the sub-surface

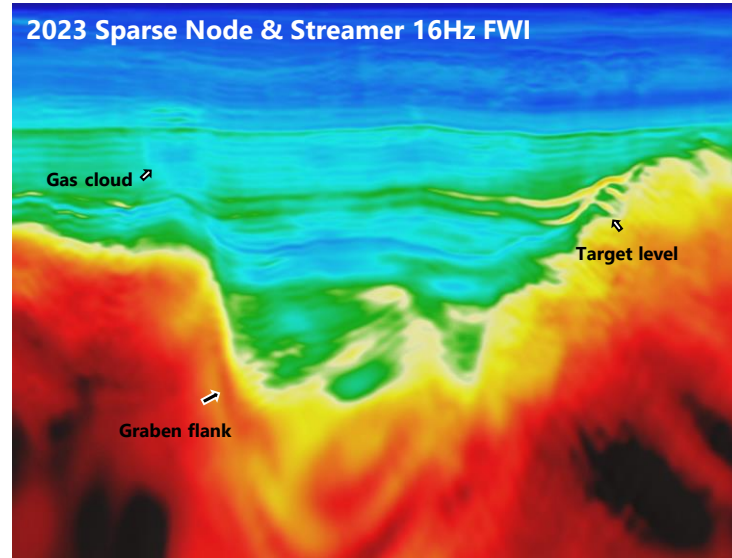
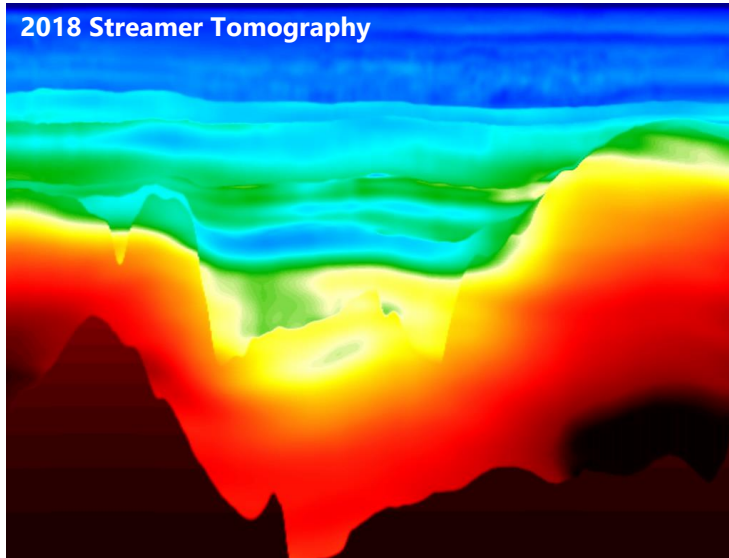
## Beyond the Core

- Digitalization : ramping-up to address increased demand with more pilots and current projects' scope increases
- Carbon Sequestration : commercial projects expanding from prospect characterization to planning for monitoring
- Minerals & Mining : signature of a pilot project to evaluate the regional prospectivity of Mongolia for critical minerals
- HPC : opening of CGG new UK Hub, reaching up to 500 Pflops



# Advanced imaging technology brings value to clients

- Driving advances in imaging technology to increase exploration success and reduce drilling risks
- More accurate image of the reservoir with better geological fidelity, allowing:
- Delineation of thin-bed reservoirs with confidence leading to new discoveries over the North Viking Graben area

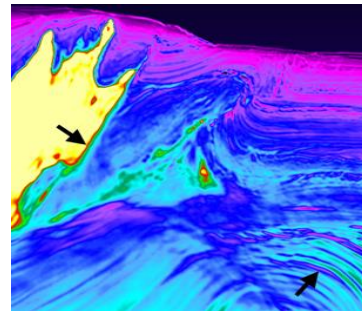
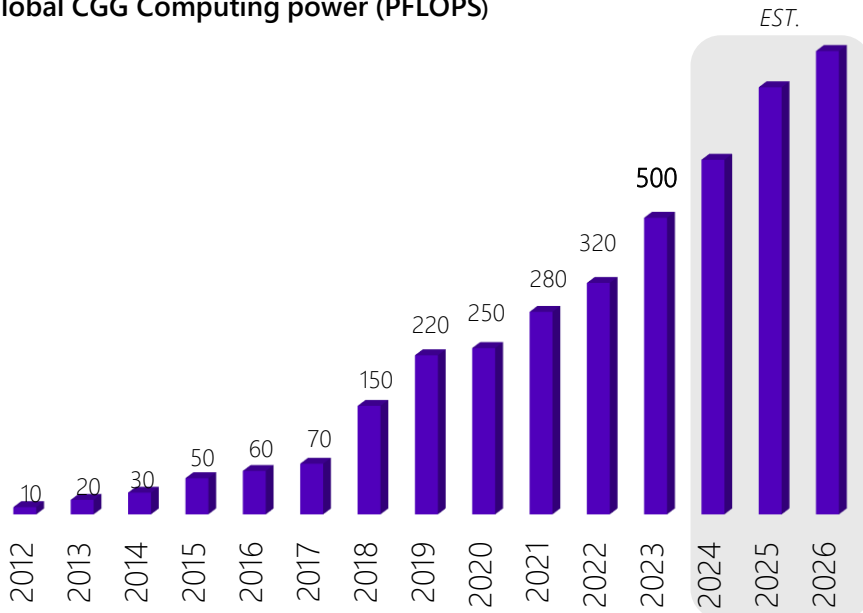


North Viking Graben - CGG Earth Data; Sparse node and streamer data were acquired at the same time

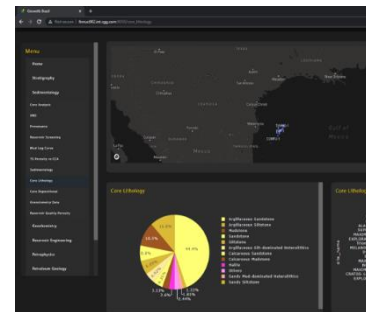
# CGG optimized HPC enabling advanced algorithms, including generative AI



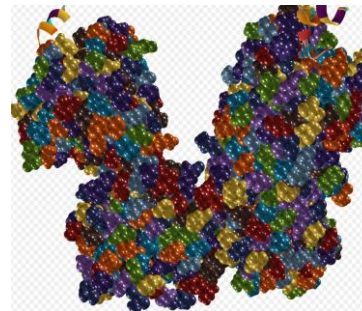
Global CGG Computing power (PFLOPS)



Most accurate Images



Data Transformation



Biotechnology Drug Design



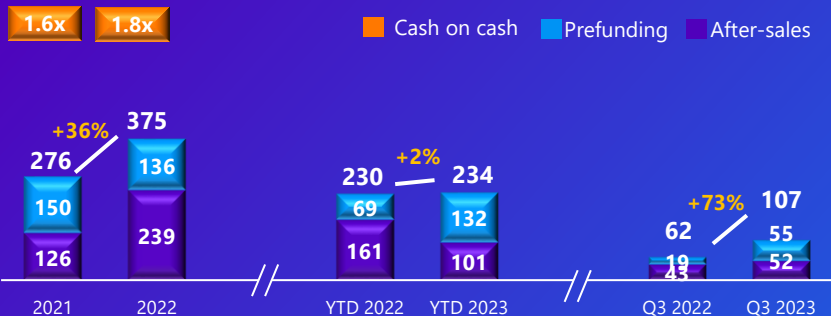
Artificial Intelligence



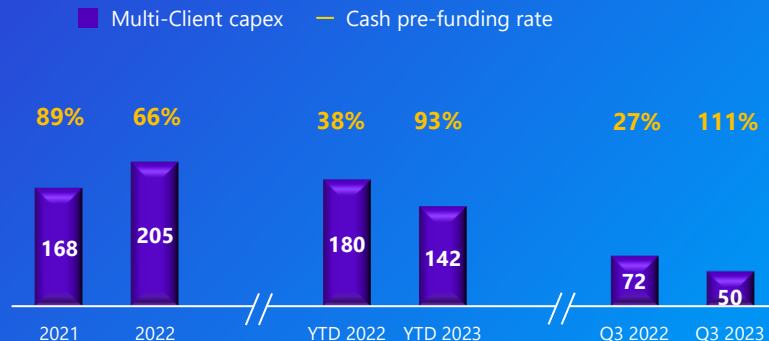


# Earth Data key business indicators

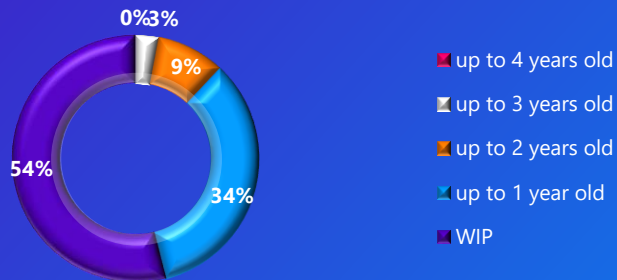
## EDA REVENUE (\$m)



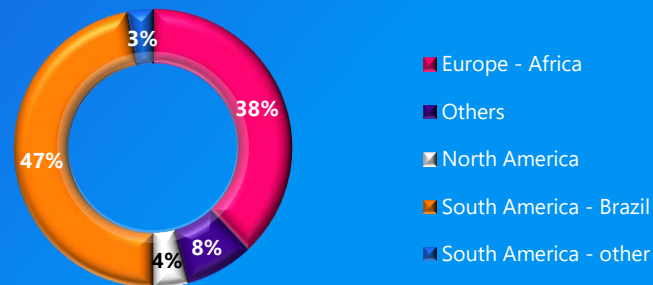
## EDA CAPEX (\$m) & PRE-FUNDING (%)



## DATA LIBRARY NBV SPLIT AS OF 09/30/23

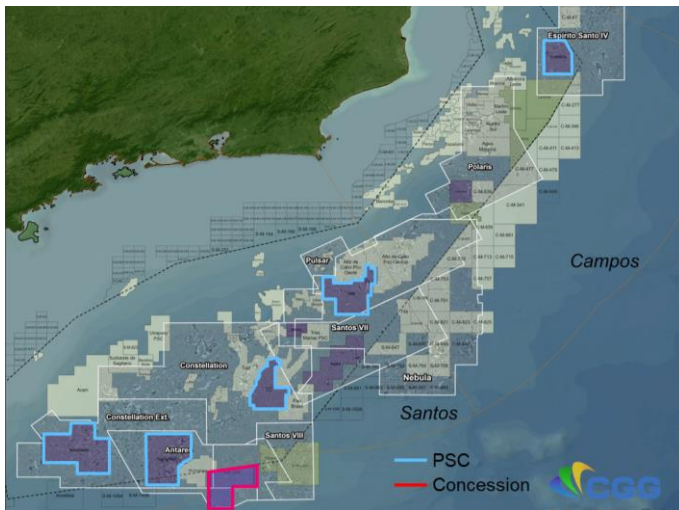


## DATA LIBRARY NBV REGIONAL SPLIT AS OF 09/30/23





# Earth Data – Q3 operational highlights



*The 2023 Brazil Permanent Offer announced, with six pre-salt blocks on our data*

## South America

- Multiple projects in processing phase: Brazil – Antares, Foz do Amazonas, Uruguay, Trinidad

## Norway

- 2023 NVG E-W survey in processing phase
- Sleipner OBN acquisition complete, now in processing phase (partnership)

## Africa

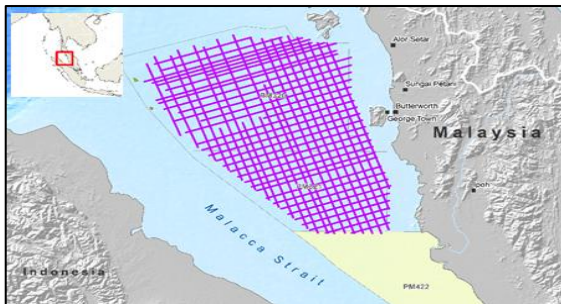
- Cote d'Ivoire reprocessing on-going

## North America

- Green Garden reprocessing on-going



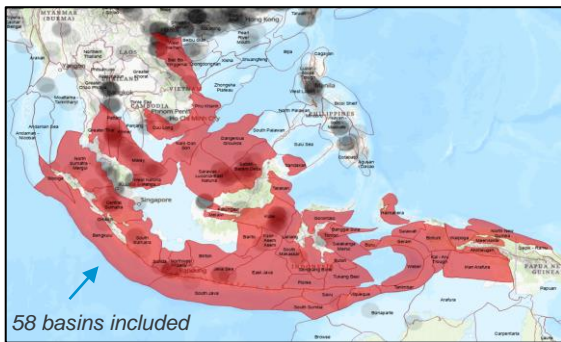
# Earth Data – multi-client programs



2D seismic program in Malacca strait in Malaysia

## 2D seismic program in Malaysia

- The Selat Melaka 2D multi-client seismic program over the Langkasuka Basin offshore Malaysia
- Funded by industry and acquisition to start in Q4



S. E. Asia CCUS screening study

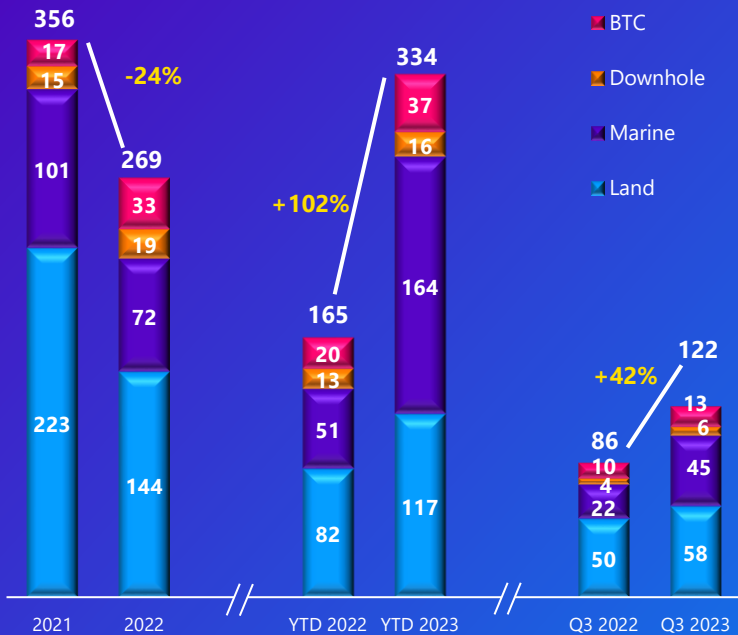
## Ongoing S. E. Asia regional CCUS screening study

- Provide the necessary info and data to rank, select and prioritize carbon storage basins and plays of interest
- Built on the rich GeoVerse™ geological and well database
- Countries covered: Indonesia, Malaysia, Thailand and Vietnam
- Available for licensing in Q4

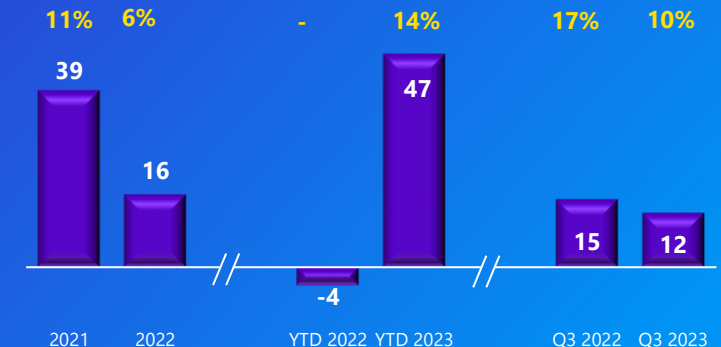


# Sensing & Monitoring (SMO) key financial indicators

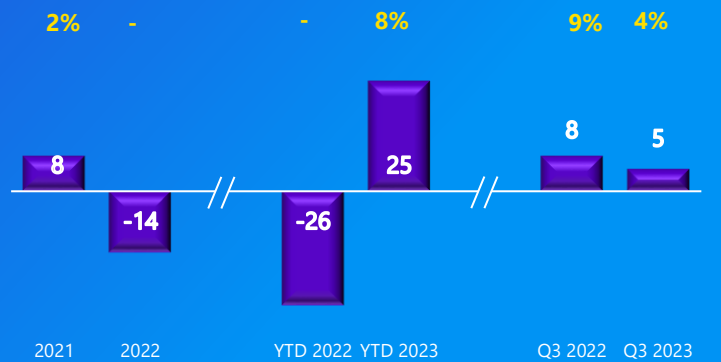
## SEGMENT PRODUCTION (\$m)



## ADJUSTED SEGMENT EBITDAs (\$m) & MARGIN (%)



## ADJUSTED SEGMENT OPINC (\$m) & MARGIN (%)





# Sensing & Monitoring – Q3 operational highlights



## Land & Marine

- Large deliveries of vibrators and geophone strings to North Africa and the Middle East
- Large deliveries of Ocean Bottom Nodes (OBN)
- Announcement of a full range of OBN nodes from shallow water up to 6000 m depth
- Successful completion of the first environmentally friendly broadband source solution, in the Gulf of Mexico
- Launch of MetaBlue, a Data-driven Marine Seismic Survey Management Solution

## Beyond the Core

- Sales of S-scan geotechnical monitoring solution in the US and in the Middle East for railway monitoring.





# FINANCIAL REVIEW

# Income Statement

In million \$	Q3 2023	Q3 2022	YTD 2023	YTD 2022
<b>Segment Revenue</b>	<b>307</b>	<b>217</b>	<b>805</b>	<b>610</b>
IFRS 15 adjustment	(14)	38	4	49
IFRS Revenue	293	255	810	659
<b>Segment EBITDAs</b>	<b>109</b>	<b>77</b>	<b>278</b>	<b>241</b>
<b>Segment OPINC</b>	<b>33</b>	<b>25</b>	<b>123</b>	<b>86</b>
IFRS 15 adjustment	9	2	7	11
IFRS OPINC	42	28	130	97
Net cost of financial debt	(26)	(24)	(76)	(75)
Other financial income	(5)	(1)	(2)	2
Taxes	(4)	(4)	(25)	(27)
<b>Net income / (loss) from continuing operations</b>	<b>8</b>	<b>(1)</b>	<b>29</b>	<b>(2)</b>
Net income / (loss) Discop	0	(0)	2	(2)
<b>Group Net income / (loss)</b>	<b>8</b>	<b>(2)</b>	<b>31</b>	<b>(4)</b>

## Q3 2023

**Segment Revenue** at **\$307m**, up 41% year-on-year

**Segment EBITDAs** at **\$109m**, a 35% margin and including \$(20)m compensation fees to Shearwater

- DDE Segment EBITDAs at \$104m, a 56% margin
- SMO Segment EBITDAs at \$12m, a 10% margin

**Segment OPINC** at **\$33m**,

- DDE Segment OPINC at \$37m, a 20% margin
- SMO Segment OPINC at \$5m, a 4% margin

**Group Net Income** at **\$8m**



# Simplified Cash Flow

In million \$	Q3 2023	Q3 2022	YTD 2023	YTD 2022
<b>Segment Operating Cash Flow before change in working capital</b>	<b>114</b>	<b>77</b>	<b>275</b>	<b>235</b>
Change in working capital & provisions	31	(40)	(18)	9
Capex	(59)	(82)	(190)	(210)
Acquisitions and disposals	(2)	(16)	(2)	1
<b>Segment free cash flow</b>	<b>85</b>	<b>(61)</b>	<b>65</b>	<b>35</b>
Cash cost of debt, Other financial items & Lease repayments	(15)	(11)	(84)	(84)
Asset financing	-	1	22	1
Discontinued Operations	(7)	(7)	(17)	(17)
<b>Net cash flow</b>	<b>63</b>	<b>(78)</b>	<b>(15)</b>	<b>(65)</b>

## Q3 2023

**Net cash flow at \$63m**, including \$(25)m paid to Shearwater :

- \$(20)m related to compensation fees
- \$(5)m related to vessel idleness

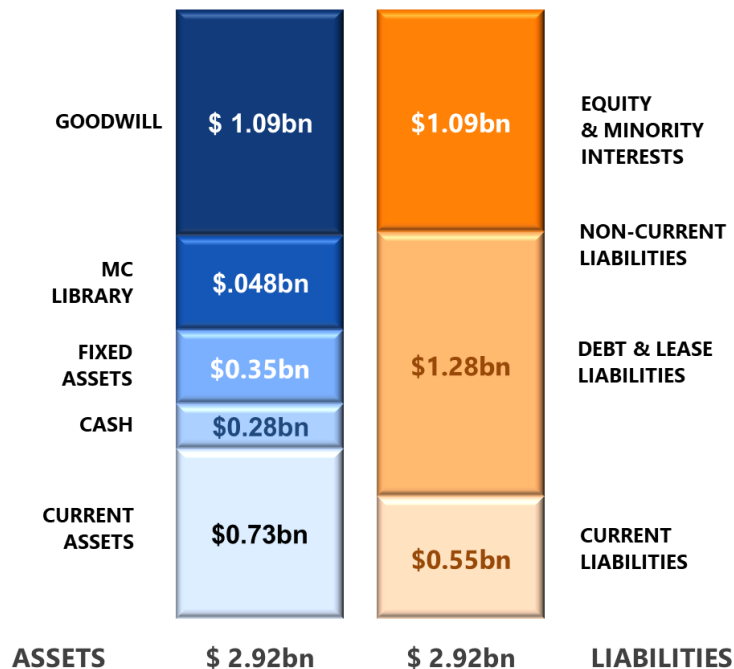
**Segment operating cash flow at \$114m**

**\$31m positive** change in **working capital & provisions**

**Capex at \$(59)m**, down (22)%

Cash cost of debt at **\$(3)m**, other financial items & lease repayments and asset financing at **\$(12)m**

# Balance Sheet



## At the end of September 2023

**Group's liquidity** amounted to **\$370m**, including:

- \$275m** cash liquidity
- \$95m** undrawn RCF

**Gross debt before IFRS 16** at **\$1,197m** and **net debt before IFRS16** at **\$921m**

**Gross debt after IFRS 16** at **\$1,283m** and **net debt after IFRS 16** at **\$1,008m**

- \$1,120m** HY Bonds, due 2027
- \$43m** Accrued interests
- \$86m** Lease liabilities
- \$34m** Other loans



# 2023 OUTLOOK



# Conclusion

## Favorable upcycle shaping up

- Strengthening of offshore activity, including near-field exploration
- Large investments in the middle-east for exploration and reservoir optimization, both onshore and offshore
- Low carbon projects maturing globally, including offshore

## Core activities remaining strong

- Demand for high-end imaging expanding beyond the traditional basins
- Demand for Earth Data expanding into more basins geographically
- Improved visibility on large equipment tenders for 2024-2025 and renewed interest for equipment replacement

## Beyond the Core activities maturing

- New contract for High Performance Computing services for GenAI, building on the sector momentum
- Continued order intake for Carbon Sequestration and Minerals & Mining
- New contracts in Structural Health Monitoring

Confirmation of 2023 financial objectives



THANK YOU