

Q3 2019 Financial Results

**Strong Operational Performance & Cash Flow Generation
Drive Leverage Ratio below 1x**

*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

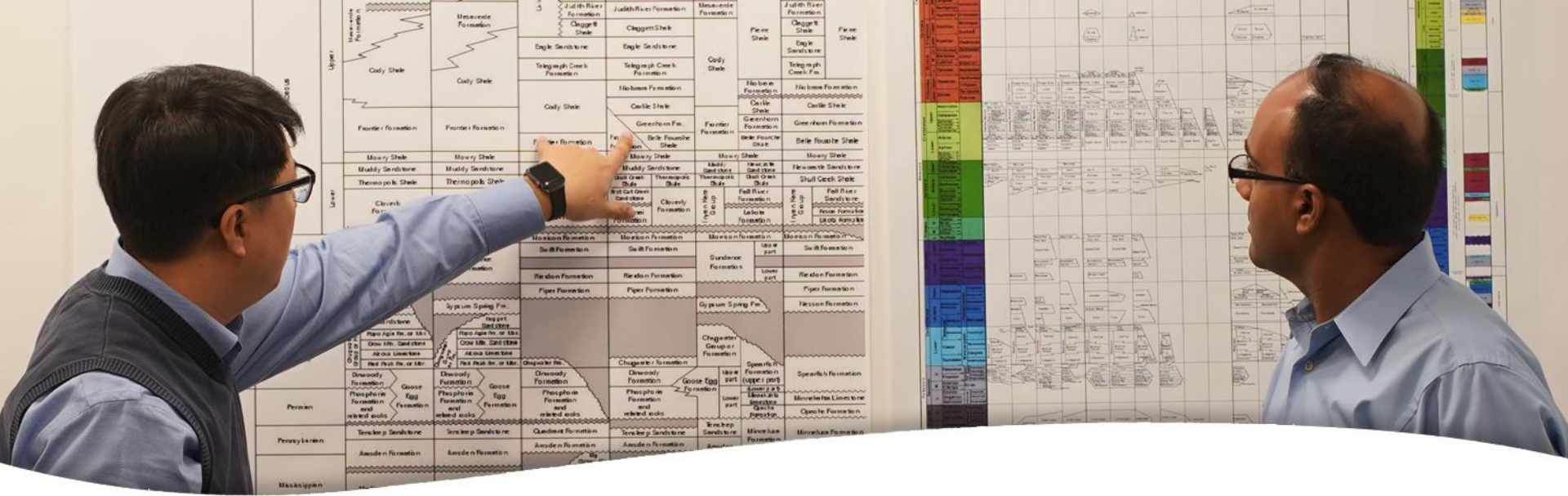


01 BUSINESS OVERVIEW

02 FINANCIAL OVERVIEW

03 CONCLUSION



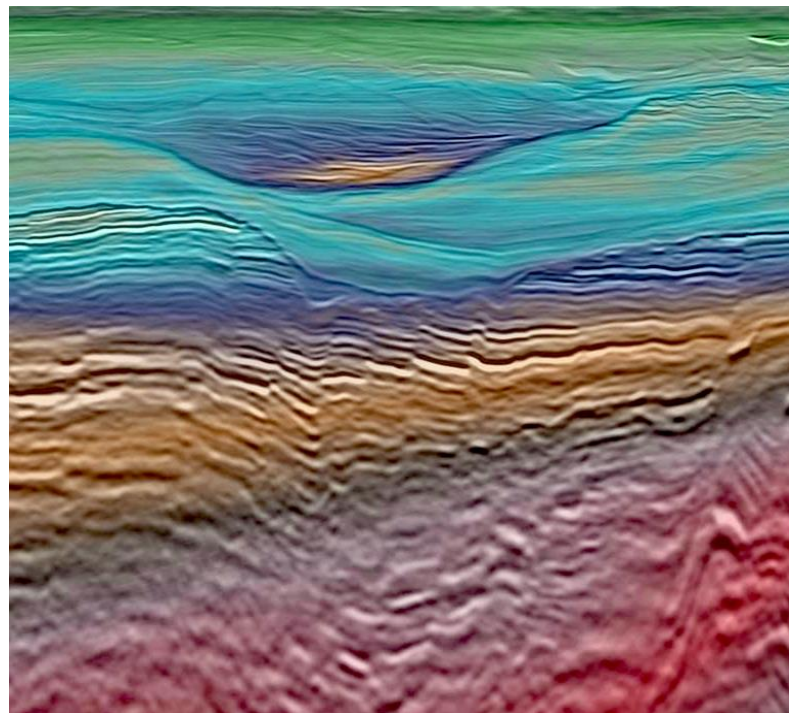


Business overview

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



Q3 2019 key highlights



Segment Revenue at \$382m, up 36% y-o-y driven by solid activity and strong Multi-client after-sales driven by one-off transfer fees

- **GGR at \$285m and Equipment at \$97m**

Segment EBITDAs at \$225m, up 83%, a high 59% margin driven by increased profitability of all businesses

Segment Operating Income at \$111m, up 83%, including \$(19)m impact of new multi-client amortization policy, a high **29%** margin

Group Net Income of \$41m, including **\$76m** Group net income from the new profile

Net Cash Flow positive at **\$167m**, including **\$50m** positive change in working capital from discontinued operations and solid Multi-client and Equipment cash collections

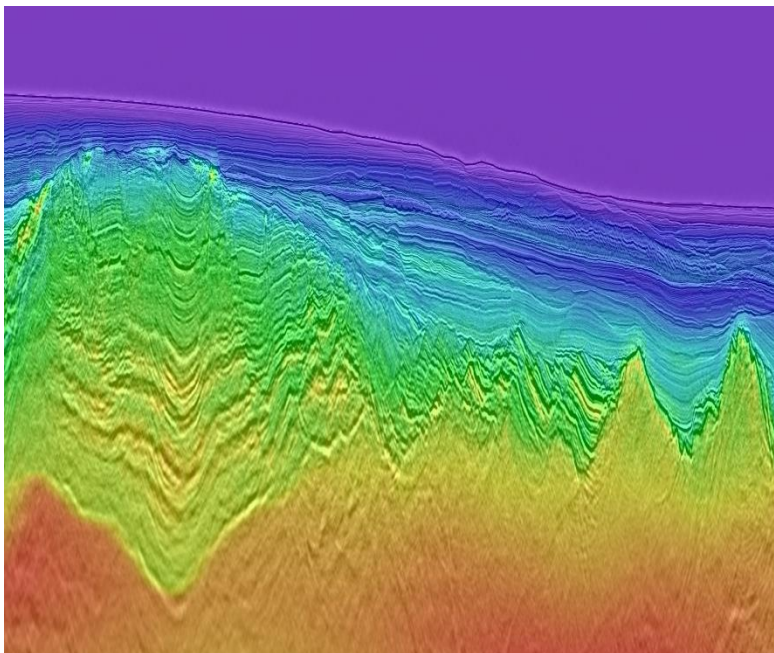
Cash Liquidity of \$596m and Net Debt /Equity Leverage Ratio at 0.8x

ESG Rating by MSCI maintained at AA





YTD 2019 key highlights



Segment Revenue at \$1.004B, up 27% y-o-y driven by strong equipment business recovery and high multi-client sales

- **GGR at \$685m and Equipment at \$319m**

Segment EBITDAs at \$515m, up 60%, a 51% margin

Segment Operating Income at \$175m, up 32%, including \$(82)m impact of new multi-client amortization policy, a **17% margin**

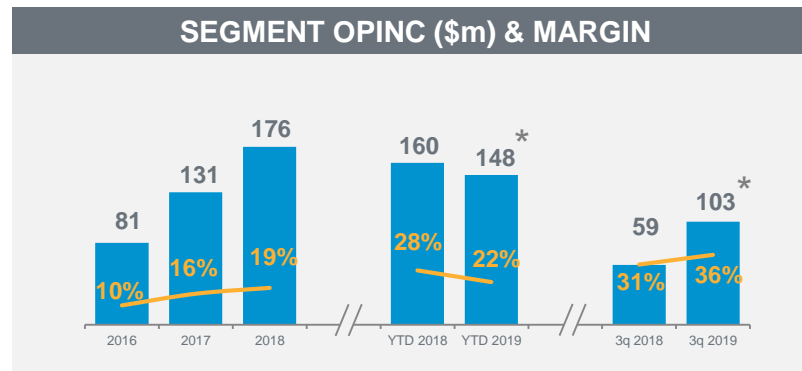
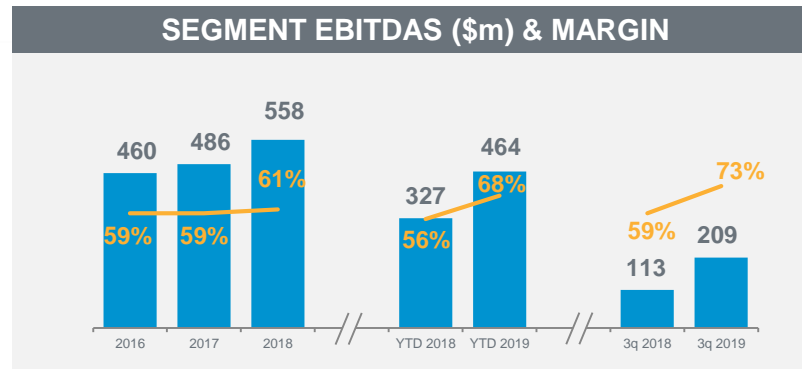
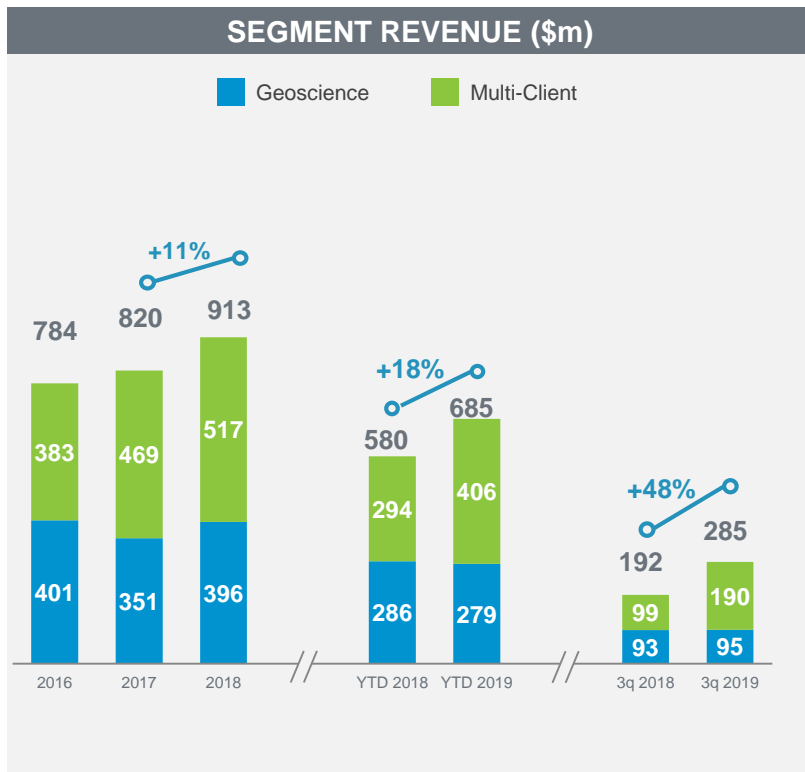
Group Net Income at \$(87)m, including **\$69m** Net Income from new profile

Segment Free Cash Flow at \$326m

Net Cash Flow at \$179m



GGR key financial indicators



*including negative impact of new multi-client amortization of respectively \$(82)m Sep. 2019 YTD and \$(19)m in Q3 2019





Geoscience overview

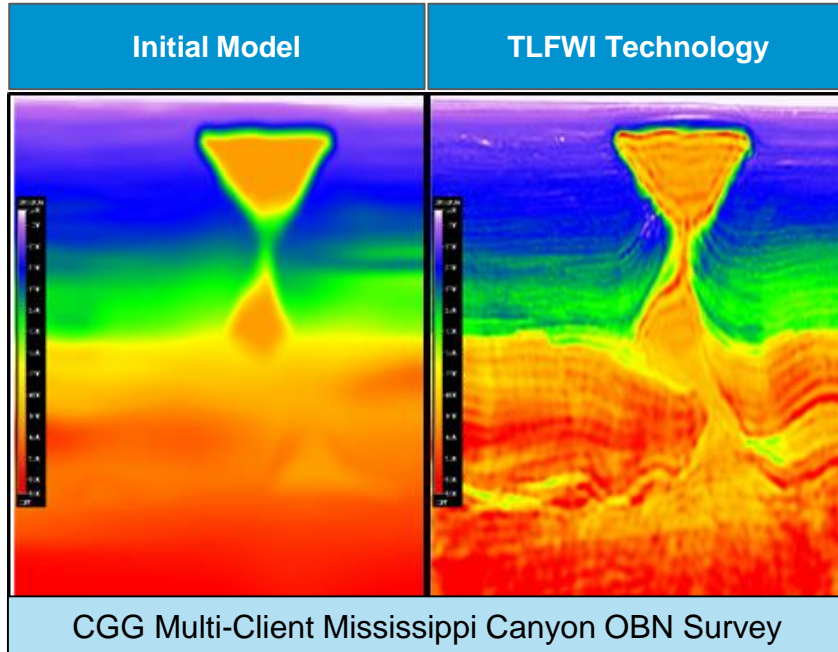


Geoscience innovation drives performance

- Geoscience external revenue was \$95 million, up 2% year-on-year and sequentially
- Solid demand for high-end OBN projects confirmed but acquisition delays are impacting Geoscience production
- Deep water activity improving (e.g. Gulf of Mexico, East Coast Canada, Guyana, Brazil)
- Continued focus on more profitable high-end businesses
- Significant progress in effective application of machine learning technologies and artificial intelligence in our GeoSoftware reservoir characterization workflows



CGG TLFWI: Data driven, value add imaging technology



Increased accuracy
Reduced cycle time

Innovative and advanced technology that uses both direct and reflection arrivals

- Reduces imaging and interpretation cycle time
- Increases model accuracy of complex structures
- Produces exceptional results with OBN data

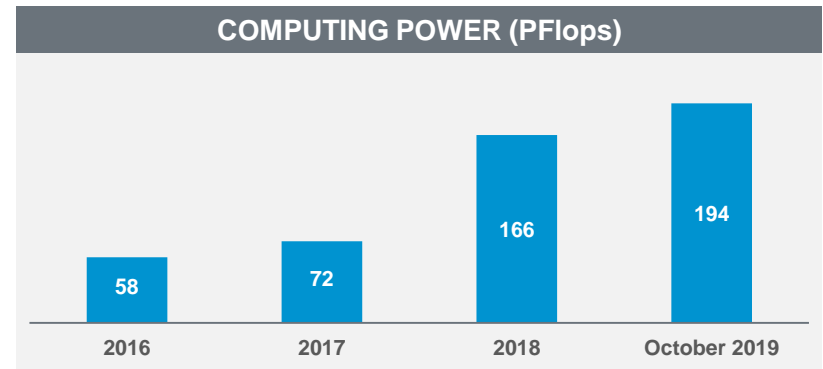
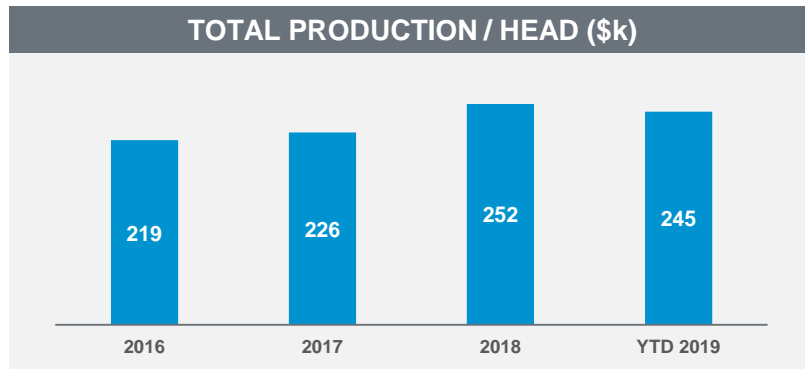
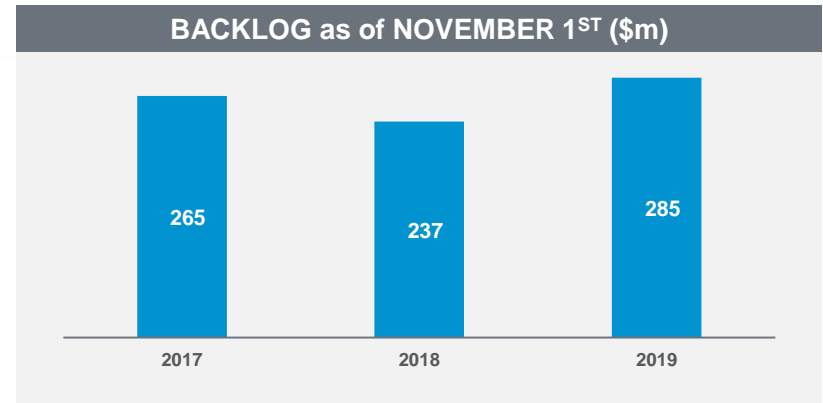
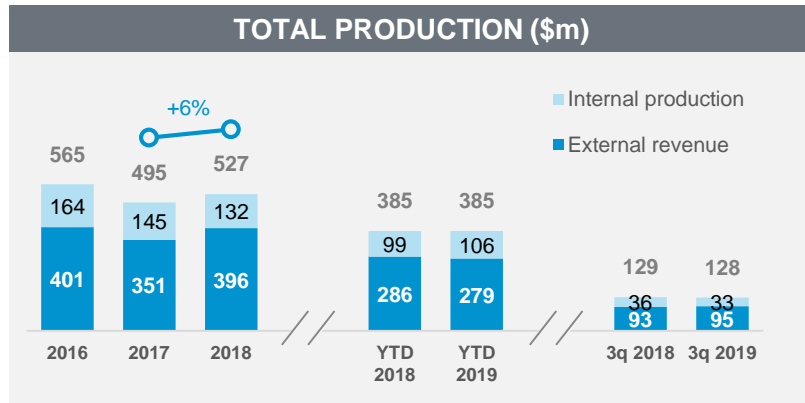
Reducing the costs and risks of near field exploration and development

- Increased understanding of the reservoir
- Reduced drilling risk and improved success rates
- Optimized appraisal and development planning

Unique and leading CGG approach



Geoscience key business indicators



Multi-Client overview

Q3 2019 - Featured Projects



Central Basin Platform

- 595 sq. miles
- Acquisition starting in December

Bayou Boeuf

- 578 sq. miles
- Acquisition starting in November

Santos Nebula

- 15,000 km² incl. 8,000 km² dual azimuth
- Acquisition progressing with completion in 2020

Barents Sea- Greater Catsberg

- 5,000 km² - TopSeis technology
- Acquisition completed in October

West of Shetlands – Footprint extension

- Acquisition completed in August

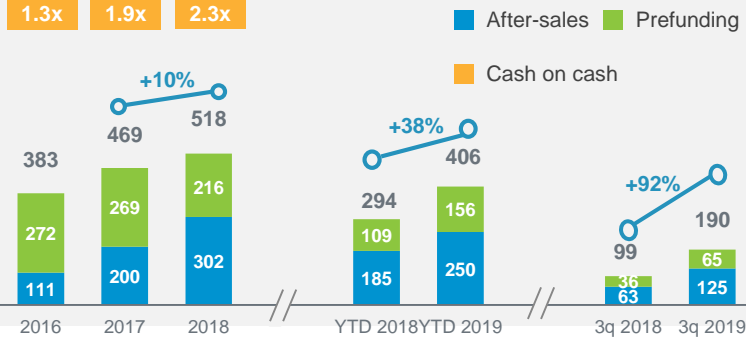
North Sea – Quad 21

- Acquisition completed in July

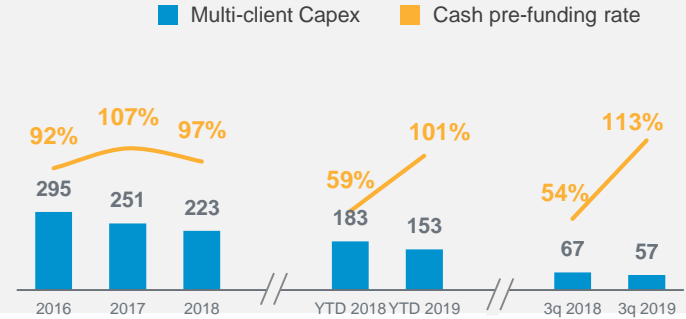


Multi-Client key business indicators

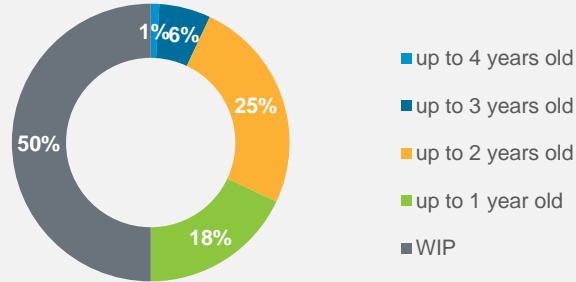
MULTI-CLIENT REVENUE (\$m)



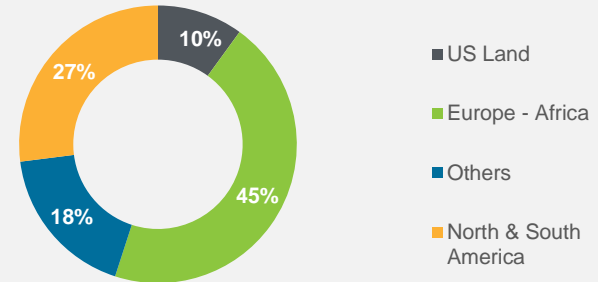
MULTI-CLIENT CAPEX (\$m) & PRE-FUNDING (%)



DATA LIBRARY NBV SPLIT AS OF 30/09/2019



DATA LIBRARY NBV REGIONAL SPLIT AS OF 30/09/2019



Equipment overview

Portfolio of new technologies maintains Equipment leadership



WiNG, the fully integrated nodal land acquisition system

Land

- 3 508XT land acquisition systems delivered
- Significant deliveries in KSA and Algeria
- Launch of the WiNG, new Land Node

Downhole tools

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

Marine

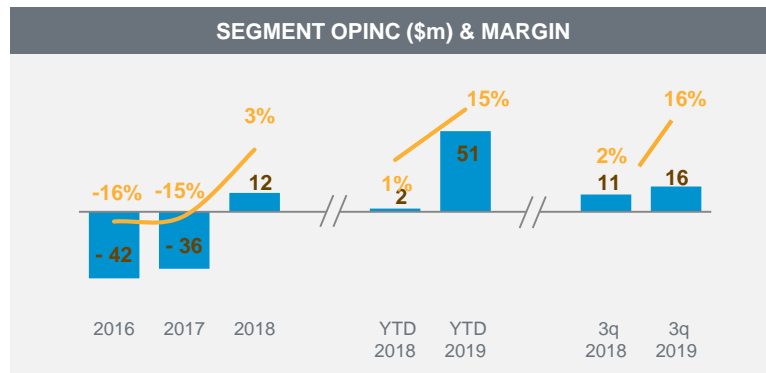
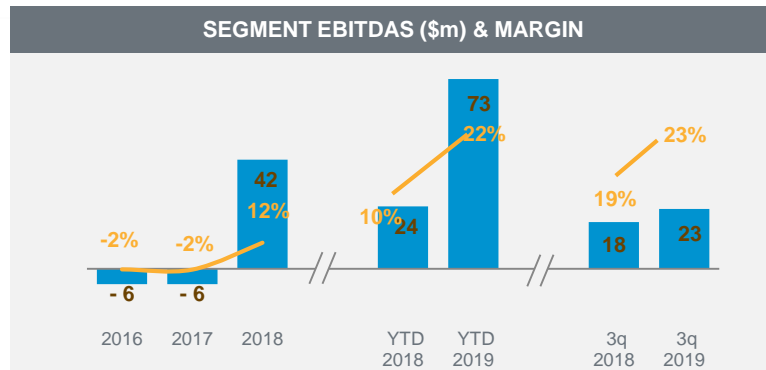
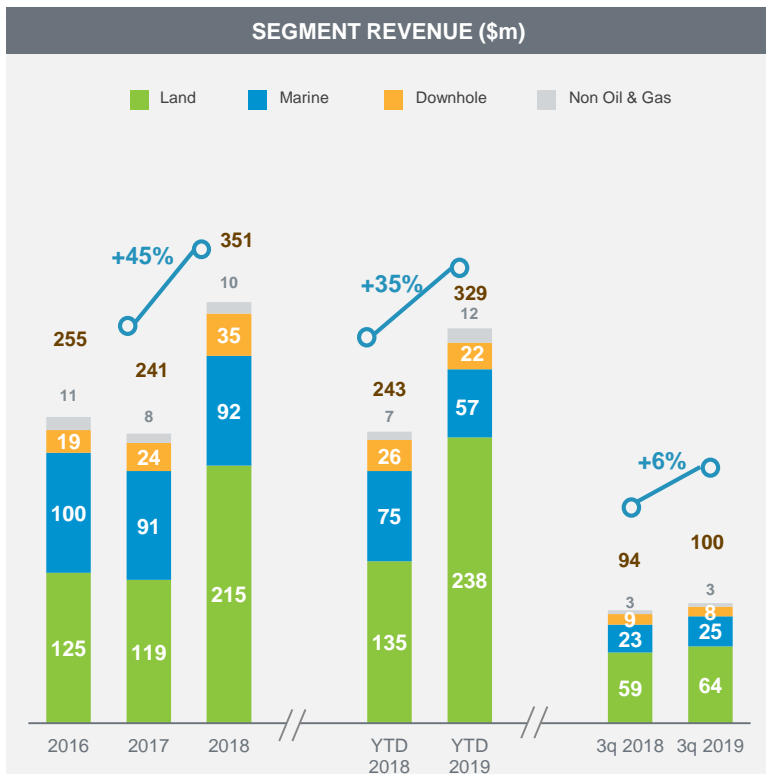
- Low activity in the streamer market, mostly spares
- Launch of GPR, new Ocean Bottom Node

Non Oil & Gas

- SHM node prototype being tested



Equipment key financial indicators





Financial overview



Q3 2019 P&L

In million \$	Q3 2018	Q3 2019
Segment Revenue (R.P.)	281	382
<i>IFRS 15 adjustment</i>	<i>107</i>	<i>(58)</i>
IFRS Revenue	388	323
Segment EBITDAs	123	225
Segment OPINC	61	111
IFRS 15 adjustment	8	(13)
IFRS OPINC	69	98
Equity from Investments	(0)	(0)
Net cost of financial debt	(30)	(33)
Other financial income	(4)	3
Taxes	(3)	(6)
Net income / (loss) from continuing operations	32	63
Net income / (loss) from discontinued operations	(34)	(22)
Group net income / (loss)	(2)	41

Segment Revenue for the new profile at \$382m, up 36% y-o-y

Segment EBITDAs at \$225m, a 59% margin

Segment Operating Income at \$111m, a 29% margin, including \$(19)m impact of new 4-year straight-line multi-client amortization

Group Net Income at \$41m including:

- Net income from continuing operations at \$63m after IFRS 15 adjustment of \$(13)m
- Net loss from discontinued operations at \$(22)m



Sound financial situation

Q3 2019 Net Cash Flow at \$167m

- Segment Free Cash Flow high at \$158m
- Paid Cost of Debt at \$(7)m
- Net Cash Flow from Discontinued Operations at \$39m
- CGG 2021 cash costs at \$(23)m

YTD Segment Free Cash Flow at \$326m vs \$44m last year

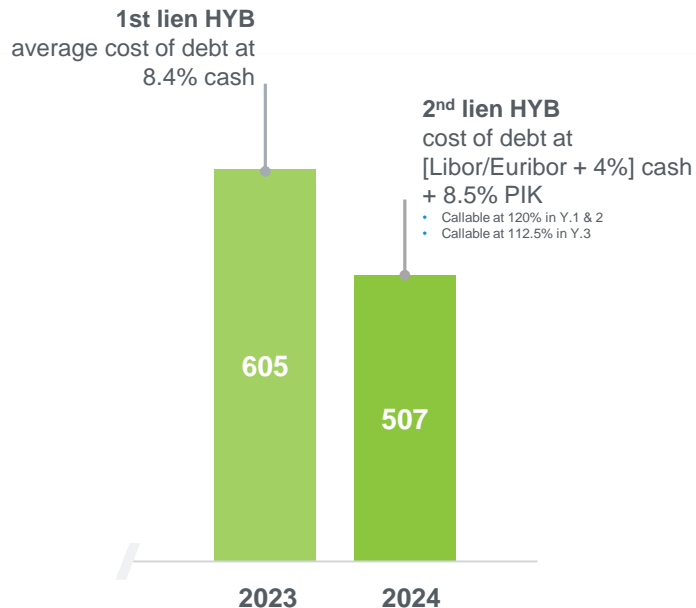
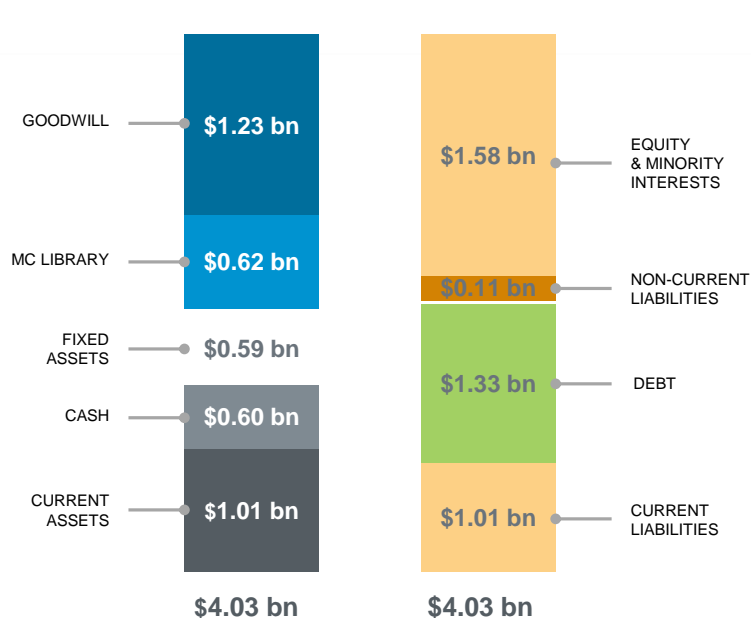
YTD Net Cash Flow at \$179m vs \$(149)m last year

Solid Liquidity at \$596m

In million \$	YTD 2019	YTD 2018	Q3 2019	Q3 2018
Segment Free Cash Flow	326	44	158	24
Cash Cost of Debt	(47)	(39)	(7)	(7)
Net Cash Flow from Discontinued Operations	(35)	(93)	39	(44)
Plan 2021 / 2018 NRC	(64)	(61)	(23)	(3)
Net Cash Flow	179	(149)	167	(31)



Group Balance Sheet at Sept-end 2019



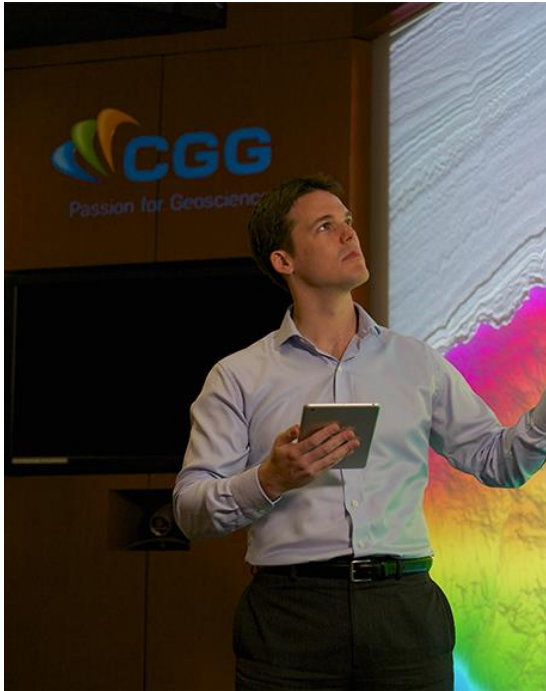
- Gross debt at **\$1,185m** before IFRS 16 and **\$1,327m** after IFRS16
- Net debt at **\$590m** before IFRS 16 and **\$732m** after IFRS16
- Net debt / LTM EBITDAs ratio at **0.8x**





Conclusion

Conclusion and Full Year 2019 Outlook



Continuing gradual market recovery

Acquisition exit and strategic partnership with Shearwater progressing as planned

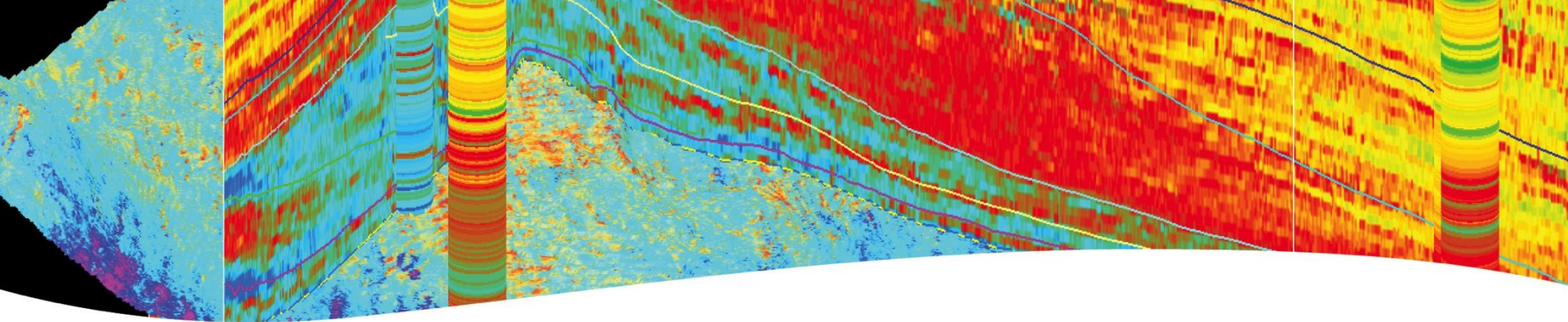
Expected segment revenue growth by more than 10% year on year

Segment EBITDAs margin expected at c. 50%

Segment operating income now expected above \$200m

Positive net cash flow generation





THANK YOU!

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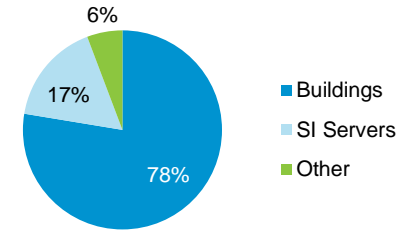


Passion for Geoscience

IFRS 16 IMPACTS

- At January 1, 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 1, 2019



<i>In million \$</i>	Opening 2019	
Property, plant & equipment, net	increased by	c. \$130
Financial Liabilities	increased by	c. \$145
Provisions and others	decreased by	c. \$15
Retained earnings	increased by	c. \$0

<i>In million \$</i>	Q3 2019	FY 2019
Segment EBITDAs increased by	c. \$12	c. \$50
D&A increased by	c.\$(11)m	c.\$(45)m
Segment OPINC increased by	c. \$2	c. \$5
Interest costs increased by	c.\$(2)m	c.\$(10)m

