Q2 2025 Financial Results

Thursday, July 31, 2025

Introduction

Alexandre Leroy

Head of Investor Relations and Corporate Finance, Viridien

Good morning and good afternoon, everyone. Thank you for joining us today for the Viridien Q2 2025 Results Presentation. I am Alexandre Leroy, Head of Investor Relations and Corporate Finance.

We are hosting today's call from Paris, and I am pleased to be here with Sophie Zurquiyah, our Chair and CEO, and Jérôme Serve, our CFO, who will walk you through our Q2 2025 results.

Before we begin, a few housekeeping items. This call is being recorded, and accessible via both phones and online platforms. An audio replay will be available shortly on our website www.viridiengroup.com. The presentation slides are also available for download from the website.

Please note that today's presentation includes forward-looking statements. Actual results may differ materially from those expressed or implied today. Relevant risk factors are detailed in our 2024 Universal Registration Document filed with the French Financial Market Authority (AMF).

As usual, we will conclude with a Q&A session. And finally, a quick reminder that Viridien comments primarily on segment figures, which reflect our internal management reporting. These differ from IFRS numbers also published today due to IFRS 15 impacts on our Earth Data Business accounting.

With that, I will now hand over to management, starting with Sophie, who will take you through the key business highlights for the quarter.

Business Update

Sophie Zurquiyah

CEO, Viridien

Slide 2

Thank you, Alexandre, and good morning, good afternoon, ladies and gentlemen.

I am on slide two.

In Q2 2025, despite the challenging environment with tariff uncertainty, geopolitical instability, oil price volatility, and foreign exchange fluctuations, we delivered another solid quarter marked by sustained business momentum and consistent financial execution.

Segment revenue reached $274 million, up 6% year-on-year, reflecting strong demand for our unique expertise and differentiated product offerings. Segment adjusted EBITDA came in at $107 million, up 14% year-on-year, confirming our ability to translate top-line growth into profitability while continuing to execute on our SMO restructuring plan and fully benefiting from the positive impact of the end of EDA vessel agreement. We concluded the quarter with $30 million in net cash flow, underscoring our enhanced ability to generate cash flow from operations, thanks to our differentiated technology and a significantly more flexible asset-light business model.

On the strategic front, we continue to build on the leadership of our three core businesses.

In Geoscience, our differentiation continues to grow, and our expertise is increasingly sought after across a broader range of geographies. Notably, we have secured more work from clients who maintain strong internal teams and technology development. It is an important endorsement of our capabilities and a strong driver for future growth.

In Earth Data, we launched new ocean bottom node projects, OBN projects, in our core basins, maintaining strict portfolio discipline, fully aligned with our cash-focused, balanced risk-return approach.

And in Sensing and Monitoring, we have achieved another innovation breakthrough, reinforcing our technology leadership in the land business with the launch of our new Accel technology, which is the next-generation land nodal solution.

We also continue to execute on our restructuring initiative, which is progressing according to plan and delivering the expected margin improvement.

We are reaffirming our 2025 guidance with a $100 million net cash flow target. Given our leading competitive positioning, strong backlog, active client discussions, and continued operational discipline, we are confident in our trajectory and in our ability to deliver on our cash generation objective.

Slide 3

Before diving into our Q2 2025 results, let me take a quick step back to remind you where we are today, as 2025 is our first year as a truly asset-light company and is a key milestone for Viridien.

I am now on slide three.

Our strategy is defined around three pillars.

The first pillar is about continuously strengthening our core business. We strongly believe that oil and gas will be required for many years into the future to support a rational energy transition. And in most market scenarios, our clients will need to improve their portfolio performance and ensure their reserves replacement is increasing. We looked at our top 15 clients and their reserve life has been consistently dropping over the last ten years. Oil prices may continue to fluctuate in the short term, but all fundamentals still point towards a relatively solid longer-term outlook for our core market. And we intend to keep excelling there.

The second pillar is about selectively developing new markets. The fact that oil and gas will remain critical for the long term does not mean we should not prepare for a sustainable future and strengthen our transition. And we are doing so with several initiatives that you are already familiar with, leveraging our unique competitive strength. Our exceptional technical teams with their deep mathematical, scientific, high-performance computing and coding expertise, our rich Earth Data assets and our ability to maximize the value we extract from them, and our industry-leading technologies in Geoscience, Imaging and Sensing and Monitoring. This gives us the ability to deliver unprecedented subsurface imaging and breakthrough products.

The third pillar is about delivering operational excellence across everything we do. We fully recognize the importance of cash generation. Deleveraging remains a top strategic priority. We are relentlessly focused on performance and discipline at every level of the company, from leveraging AI to ensuring the highest operational efficiency.

Slide 4

Turning now onto slide four.

For those of you who may be less familiar with Viridien and the seismic value chain, let me highlight an important point. We are now completely out of the seismic data acquisition services business, having refocused on asset-lighter, technically differentiated, higher-value-added segments.

Providing seismic acquisition services is about the management of assets and crews, the collection of subsurface data using source and receiver technology. Whether offshore or onshore, this means deploying vessels or land crews and various tools to capture seismic signals. This is a high-fixed-cost, asset-intensive business, but the key challenge and value generated is mainly around reducing costs and maximizing asset utilization. We exited this commodity business, which is the data acquisition business, to focus on our three differentiated technology businesses.

With our Sensing and Monitoring systems and solutions, success depends on offering leading technology, industrial efficiency, and operational reliability. Our Sensing and Monitoring business is recognized for the quality and the robustness of its equipment solutions, and we have made significant progress in lowering our fixed costs.

Secondly, in multi-client data licensing, which is our Earth Data business, success hinges on having the right data in the right place at the right time. This requires flexibility, being close to our clients, making smart basins selections, structuring deals intelligently, and providing excellence in the final product. These together are what ensure strong pre-funding, lower risk, and higher commercial potential on each survey.

And thirdly, finally, in subsurface imaging driven by our Geoscience division (or business line), it is all about top-tier expertise, advanced technology and algorithms, optimized computing power, and delivering value to clients, which earns us recognition and repeat business.

This strategic positioning allows us to focus on expertise-driven, cash-generating activities with higher competitive barriers and better margins.

Slide 5

Let me take you to slide five to say a few words about what makes us the global leader in Sensing and Monitoring. The key words are innovation, quality, optimization, and reliability, which together require technological leadership.

In this business, we do not just sell leading equipment and systems, we deliver fully integrated solutions, combining products, the software that powers and optimizes their deployment, and a full suite of support services. This together ensures operational excellence from crew efficiency to final data quality.

To stay ahead, we must be continuously improving our value proposition as well as our industrial structure and processes to optimally deliver our products and services. We help our clients solve their challenges, address their pain points, and ultimately optimize the operational performance while delivering the highest quality of data. This is how we differentiate ourselves and build lasting partnerships with our clients, a key driver of both our global leadership and the depth of our installed base.

Slide 6

Turning now to slide six for a quick focus on our approach to multi-client survey.

Multi-client is by nature the most cyclical and volatile part of our business, particularly when it comes to late sales. Now that we have exited the seismic acquisition vessel business entirely, we have the flexibility to adopt a disciplined risk-managed approach to multi-client investment.

We have chosen a balanced strategy that combines low-risk, low-investment reimagining of legacy data, leveraging our geoscience expertise. We add significant value to existing data. This is the first pillar.

Secondly, strategic core-basins enrichment and expansion, where demand visibility is strong and where we can leverage our footprint. This is the second pillar.

And the third one, is a selective opportunistic exposure to high-risk, potentially higher-return frontier projects. Our key rule is simple. We are disciplined in selecting projects with strong economics, measured in pre-funding and solid commercial potential.

Our seismic multi-client strategy is not about volume but focused on maximizing value creation and cash generation.

Slide 7

Moving on to slide seven on seismic subsurface imaging. Geoscience is the global leader in seismic imaging, because over the decades we have been relentlessly building, with focus, competitive advantages that truly matter in this market.

Firstly, our people. Our team is second to none with over 300 PhDs in mathematics, physics, engineering and geosciences recruited globally. Out of 100 applicants, only 1% make it through our selection process. This talent base is the foundation of our success.

Secondly, our technology. Though the industry calls them by the same brand name, like Elastic Full-Waveform Inversion, we develop unique, highly advanced proprietary algorithms that are suited to a large variety of subsurface challenges, now even further enhanced by AI-driven models. Our subsurface imaging technology is second to none, being consistently rated number one in the external Kimberlite survey. We also operate around 600 petaflops of computing power in highly optimized and specialized data centers, all fine-tuned specifically for high-throughput challenges like seismic imaging.

Thirdly, our corporate culture, which is deeply rooted in service quality and a commitment to problem solving, openness and excellence.

This unique combination of talent, technology and relentless drive for excellence is what makes Viridien the global preference in seismic imaging.

Slide 8

Finally, moving to slide eight, let me recall the philosophy behind our selective diversification strategy. We apply three key principles when evaluating the opportunities. Firstly, they should preferably enable us to grow outside the oil and gas sector. Secondly, they should build credibly on our existing expertise, capabilities, and technology with minimal dedicated costs or CAPEX. And thirdly, they must offer strong growth potential. We are determined to prepare our future in the smartest, most disciplined possible way.

Slide 10

Now, I would like to move on to slide ten to cover the quarterly performance review, starting with Geoscience.

Q2 2025 was a solid quarter for Geoscience with external segment revenue up 10% year-on-year to $115 million. The strong performance was primarily driven by work performed in Latin America and the Middle East. Over the past few years, Viridien has experienced a steady increase in global demand for its high-quality, high-technology subsurface imaging solutions.

Advanced elastic full-wave imaging technology represents a significant leap forward in imaging quality, setting a new benchmark in the market. This strong demand has translated into healthy order intake, supporting a robust backlog that underpins our growth, margin expansion, and cash generation for the remainder of the year.

Moreover, our strategic focus on complex projects, our pivotal role in development and infrastructure-led exploration, and our strong relationships with less oil-price-sensitive clients, such as key international oil companies and national oil companies, provide a solid foundation of growth and resilience for our Geoscience business.

Slide 11

On slide 11, we highlight a compelling example of how we have expanded our service offering by leveraging the high-fidelity subsurface images we produce. Traditionally, these tasks were handled by our clients using laborious and time-consuming techniques. By turning to Viridien, they now benefit from our advanced AI suite and high-performance computing capabilities, enabling faster, more efficient, and more effective results.

In early 2023, Viridien completed the full processing of the largest-ever OBN (Ocean Bottom Node) acquisition program in the UAE. Covering 26,000 square kilometers, the project deployed more than 2 million sensors and generated around 700 billion seismic traces, amounting to several dozen petabytes of data. This was a monumental technological challenge, successfully met thanks to our deep expertise and proprietary technology.

Today, we are empowering our clients with extensive interpretation insights derived from these resulting seismic images using our advanced AI suite. The scale and complexity of this data demand exceptional computing capabilities, software, middleware, power, and storage, all optimized for the immense data and high-throughput HPC requirements, something only Viridien can deliver effectively. Off-the-shelf commercial platforms and cloud solutions simply cannot handle seismic images with the efficiency, precision, and scale that we provide.

Ultimately, our seismic imaging expertise, powered by bespoke high-performance computing, remains a key competitive advantage. We continue to build on this strength to further expand our market presence and deliver unmatched value to our clients.

Slide 12

Now turning on to slide 12 for the Earth Data performance review.

Q2 2025 revenue declined 8% year-on-year following a strong Q1 2025. Overall, as expected, multi-client performance for H1 2025 is relatively flat vs H1 2024. In Q2, we started two surveys involving OBN acquisition, one in Norway and another in the U.S. Gulf, with good pre-funding.

We remain confident in the outlook for our multi-client business, supported by the strength of our modern, strategically focused data library and the relevance of our new projects, both in terms of industry alignment and commercial potential.

As of the end of June 2025, our library's net book value stood at $508 million, primarily composed of recent, technologically advanced data sets. These are concentrated in our core basins, the three most active offshore regions for our clients: offshore Norway, offshore Brazil, and the U.S. Gulf.

Slide 13

I am now on slide 13.

Earlier, I mentioned our disciplined approach to multi-client project investment. The Brazilian equatorial margin is a prime example of our prudent and strategic entry into emerging basins. Located offshore in the north and northeast Brazil, this region is highly prospective, with a petroleum system analogous to the prolific Guyana-Suriname basin, one of the most active exploration hotspots in the recent years.

Viridien is among the few players with existing data coverage in this area, and we currently hold the largest footprint. The region is drawing strong interest, particularly from Petrobras, which has designated it as a priority in its five-year exploration plan. Recent Brazilian licensing rounds also confirm growing interest for both international and national oil companies.

In short, this is a commercially attractive basin. As it remains in the early stages of exploration, we are proactively securing partnerships to support our upcoming multi-client projects. This collaborative approach allows us to share risk and optimize capital expenditure while positioning ourselves for long-term success.

Slide 14

Now, I am moving on to slide 14, covering Sensing and Monitoring performance.

In Q2 2025, SMO revenue grew by 14% year-on-year, reaching $93 million. This growth was primarily driven by strong land activity, supported by sustained commercial momentum. Notably, we delivered significant volumes of our WiNG nodal systems in South America and 508 cable systems in the MENA region. Among our SMO new businesses, infrastructure monitoring recorded double-digit growth, while our marine offshore logistics solution achieved encouraging early commercial traction, including a contract signed with ONGC, as announced earlier in the quarter.

We remain confident in the outlook for SMO, underpinned by our large install base and the globally recognized quality and reliability of our products and solutions. And finally, our restructuring plan is progressing well, with implementation completed in France during Q2. The positive impact of these efforts is already reflected in SMO's financial performance.

Slide 15

And finally, on slide 15, I would like to highlight a major milestone achieved by our SMO team. At the EAGE conference in Toulouse this June, which is an important industry conference, we officially launched Accel, the world's first drop-only land node. This breakthrough innovation is the result of years of close collaboration with clients, extensive field experience, and focused R&D.

Accel is purpose-built to enhance operational performance in desert environments and high-productivity surveys, enabling clients to reduce operating costs up to 30%. Its drop-only deployment method is the fastest ever introduced, significantly improving the efficiency of seismic campaigns, which are among the most logistically and resource-intensive operations in the industry. We are already seeing a strong client interest in this two-step change in onshore acquisition, which is setting a new benchmark for the sector and reinforcing Viridien's leadership in seismic technology innovation.

With this, I hand over to Jérôme, who will take you through the financial performance review.

Financial Performance Review

Jérôme Serve

CFO, Viridien

Slide 17

Thank you, Sophie. Good morning and good afternoon, everyone.

I am now on slide 17.

As Sophie has already provided a detailed overview of the activity this quarter, I will not go into too much detail here. Overall, in H1 2025, we generated total segment revenue of $575 million, up 8% year-on-year. In Digital, Data and Energy Transition (our DDE segment, which includes Geoscience and Earth Data businesses), segment revenue reached about $400 million, up 9% compared to H1 2024.

Meanwhile, Sensing and Monitoring delivered $180 million of revenue over the H1 period, representing a 6% increase year-on-year.

Slide 18

Turning to slide 18, a few words on profitability.

Group segment adjusted EBITDA reached $250 million in H1 2025, up 25% year-on-year, or $50 million more than H1 2024. This solid performance was mostly driven by our DDE segment, where margin exceeded 60%, up 500 basis points. DDE delivered $40 million of incremental EBITDA, thanks to a higher Geoscience activity with strong margin conversion; and secondly, reduced penalties in EDA down to $12 million from $25 million last year, following the end of our vessel contractual agreement in January.

Regarding our Sensing and Monitoring division, they contributed to the remaining $10 million EBITDA increase. Margin approached 15%, up 5 percentage points vs last year. And at EBIT level, we are not far from reaching 10%. This reflects both higher revenue and the positive impact of the transformation plan launched 18 months ago, which generated about $8 million in extra EBITDA in H1 2025.

Finally, corporate costs slightly decreased, showing continuous cost discipline across the Group.

Slide 19

Moving to slide 19, here we report the IFRS figures for the period. As you can see, the IFRS 15 adjustment is significant this year, minus $83 million on revenues and EBITDA in H1 2025, versus plus $34 million in H1 2024. These adjustments mainly relate in H1 2025 to our ongoing surveys in the U.S. Gulf and Norway.

As a reminder, IFRS 15 requires data revenues to be recognized only upon delivery of processed data, deferring pre-funding revenue and margin of ongoing surveys. This is different from our segment reporting, where we continue using the percentage of completion methodology, which better reflects our business activity and cash generation of the division.

Also worth noting on this slide, the cost of debt remains pretty stable post-refinancing in March 2025. Despite higher coupons due to the increased risk-free rate, this was partly offset by lower spreads thanks to our improved credit rating and the reduced bond nominal consistent with the deleveraging path we started two years ago.

In Other financial income, the minus $34 million mainly reflects to the non-call premium from the March 2025 refinancing, along with unfavorable forex impact.

Slide 20

Moving on to slide 20 and how all this translates into cash flow.

As you can see, we generated $10 million of cumulative net cash flow in H1 2025, including $30 million in Q2 alone. Just as a reminder, as defined in our annual report, net cash flow includes financial charges, but exclude one-off costs related to the March 2025 refinancing operation. Now, if we look at the bridge between H1 2024, where we generated net cash of $24 million, and H1 2025 at $10 million, there are two key elements that more than offset the $55 million gain in EBITDA.

The first one, H1 2024 benefited from a one-off of $38 million cash inflow coming from the settlement of a 10-year oil litigation with ONGC, the Indian national oil company. While this was partly offset by the fixed part of our vessel commitment incurred last year, it still leaves a net gap of $31 million when comparing both periods.

The second effect is a significant negative change in working capital in H1 2025, mainly due to the overdue receivables from PEMEX, the Mexican national oil company, totaling around $50 million at the end of June. Note that we are actively pursuing options to monetize part of this exposure, and as a base case, we expect to recover at least half by the yearend.

Slide 21

A quick word on our debt, which is on slide 21.

As you know, we successfully refinanced our bond at the end of March 2025, with good timing considering the volatility that followed.

We issued two senior secure notes, one in USD and one in Euro, replacing the existing one. The USD note is now $450 million versus $500 million previously, and the Euro note is $475 million versus $585 million previously, reducing the total nominal value as mentioned earlier. Maturity was extended until October 2030, i.e. about five and a half years from now. The refinancing was well received, with three times our subscription and strong demand from a broad-based international investor.

As of June 30, 2025, our net debt stood at $997 million, carrying about $80 million of negative forex impact versus December 2024. We also maintain strong liquidity, with $162 million in cash in hand, as well as $100 million of undrawn RCF at the end of the semester, and a 25 ancillary facility which is half drawn.

With that, I will hand it back over to Sophie.

Conclusion

Sophie Zurquiyah

CEO, Viridien

Slide 23

Thank you, Jérôme.

I am now on slide 23 to share some perspectives.

The oil price environment has been volatile in recent months, but the commodity remains above $60 a barrel, which we consider a general equilibrium point for the industry.

In this context, oil and gas companies have largely maintained the exploration and production and development plans, especially in our core segments: offshore markets and business with major industry players.

Assuming no major disruption to the current environment, we approach H2 2025 with confidence, given our active client discussions and continued operational discipline. We are supported in particular by a solid backlog in Geoscience, upcoming licensing rounds that should sustain our multi-client activity, and continued broad-based demand in Sensing and Monitoring, especially for land solutions.

We reaffirm our target of generating around $100 million in net cash flow for the full year of 2025.

Slide 24

And to conclude, slide 24 recaps the key elements of the Viridien investment case.

Viridien continues to perform reliably, supported by the strength of our team, our technology leadership, our asset-light approach, and focus on operational efficiency. These competitive advantages support our ability to grow profitably and generate consistent cash flow from operations. We remain firmly on track on our deleveraging journey while responsibly preparing for the future to ensure the Group's long-term sustainability.

Thank you all for attending the Q2 2025 call and for your attention today.

We will now open the floor for questions.

Operator, please start the questions over the phone.

Q&A

Guillaume Delaby (Bernstein): Yes, good afternoon, Sophie and Jérôme. Three questions for Jérôme regarding the cash flow statement. Firstly, on slide 20, can you remind us why the cost of debt in Q2 2025 is only negative 1 million? This is my first question.

Jérôme Serve: Yes, because as part of the refinancing, we paid our interest cost in Q1, and so that is basically it.

Guillaume Delaby: Okay. The second question, the increase in debt comes from, I would say, mainly from the negative foreign exchange impact on your bond. I think this is correct?

Jérôme Serve: Correct, yes. At the net debt level, there is about $80 million of forex impact between December 2024 and June 2025. December 2024, 1.04 on the euro-to-dollar exchange rate. June, 1.17. That is a massive depreciation of the dollar.

Guillaume Delaby: Okay, third point. In your $100 million free cash flow guidance, you expect to cash back half of the PEMEX receivable. I think PEMEX is currently being refinanced through a $12 billion program. Qualitatively or quantitatively speaking, do you feel today slightly more confident in your $100 million free cash flow guidance?

Jérôme Serve: We reaffirm our cash flow target. Yes, we are confident in reaching this $100 million. As we said, we are proactively pursuing different options for the collection of this PEMEX overdue. The first one being chasing PEMEX itself. And the other alternative is reverse factoring and factoring scheme that we are discussing actively with banks.

Guillaume Delaby: Very clear. Merci, Jérôme. I turn it over.

Sophie Zurquiyah: Thank you, Guillaume.

Jean-Luc Romain (CIC): Thank you. Two questions on SMO. Firstly, on the potential of Accel, do you see this as a new 408 or 428 acquisition system in terms of potential revenue?

Secondly, on the marine revenue, it is striking that over the last two years, marine revenue has never quite recovered. Do you see any inflection point, or do you see the marine market, I would not say lost, but distant?

Sophie Zurquiyah: Okay. Thank you, Jean-Luc. And good evening. So, two questions on Accel potential. I think it has a huge potential. It will certainly, with time, start replacing the revenue from the cable system. Right now, we have a large installed base, mostly on the cable system, and we do continue to sell those to complement and replace some of the existing installed base.

Now, for the future, the market is moving towards node systems because they are more flexible and probably cheaper to operate. And we believe we have a very strong value proposition with the system. And what I can tell you is that the system will preserve our margins. We worked it out that on the cost side, that we can deliver the same amount or more margins that we have been delivering with the cable systems. It does have very strong potential because that installed base, which is the case of marine, by the way, is aging. And eventually, clients will be switching. Those who are not switching are buying replacement parts, but eventually, there will be a gradual shift to it. I do expect a ramp-up with this Accel system.

On the marine side, what drove the revenue the last few years was the equipment with acquisition companies equipping themselves with OBN (Ocean Bottom Node) in shallow waters, very, very much driven by the large campaign in the Middle East. And in a way, we have saturated the market with those shallow-water OBN. I think the acquisition companies have what they need for their projected activity in the next few years or so. So, the next opportunity to ramp up with OBN will be with deepwater OBN, which is eventually going to be becoming more active because the basins in the deepwater basins in the world offshore are very much deep water. And the acquisition company will be needing eventually more deepwater OBN to respond to the needs. And there are Chinese companies, acquisition companies, that want to enter that market. That is another additional opportunity to sell deepwater OBN. We are targeting that market with the marine.

And as always, we think there will be some, and there is already, and we sell some streamers as a replacement. It is not a high volume because, as you know, the number of vessels has been going down. But we do sell some streamer replacements as well. However, the big numbers and changes you have seen over the last few years have been driven by that OBN equipment.

Jean-Luc Romain: Thank you.

John Olaisen (ABG Sundal Collier): Yes, good evening, and thanks for taking my question. My first question goes to Sophie. Some other oil service companies like SLB, Halliburton and Baker Hughes have expressed weakness in the outlook for the second half, in particular for short-cycle markets, which arguably your industry is. However, your outlook comments seem to be more optimistic than some of your peers have expressed. Is that correctly interpreted?

Sophie Zurquiyah: Hi, good evening, John. To a certain extent, it is, because if you start digging into where the softness was, a lot of it was North America; a lot of it was Mexico and Saudi Arabia. And those are markets where we do not see similar softness. We are not as exposed as they are to those markets.

In general, we are in markets offshore deepwater, where our clients, which is you are talking national oil companies that have a long-term view or large IOCs, are definitely taking a longer-term perspective to exploration and development. In general, we see more stability. Arguably, if you look at the history of the E&P CAPEX, our subsector, our sector has been the one most affected by previous cuts. And what we are seeing right now is the cuts are going more into other bits of the value chain and drilling. Certainly, land drilling, and driven by some of the clients, some of the industries, and particularly in Mexico and Saudi Arabia.

John Olaisen: How do you see the general market for the second half? Is it flattish, or is it even improving? What is your general view?

Sophie Zurquiyah: I would call it flattish. And my comment is saying that as clients are starting to arbitrate. So first of all, we are in 2025. Most clients have been asking what they are going to do with their E&P CAPEX this year. Pretty much the answer has been "we are keeping course". Some of them are saying we are shooting to the low-end bracket that they had given. But, generally they are staying the course. We are seeing that stability in 2025.

We see here and there some delayed decisions, but the positive side and we have some misruns and there are some external factors that are sustaining our activity.

Now going into 2026 it could be a bit of a different story. It depends on the outlook of oil price for next year. As you have seen, the Q2 results from our clients have been softer because the oil price for Q2 was lower. And it really depends on what assumptions they are going to be making for 2026. If the oil price is $60, I expect a bit of softness. If it remains at $65, $70, right now it is $72, it should be really a continuation and then go up in this scenario where the oil price is staying at above $70.

So, it depends. And they are working through it as their budgets are starting now. We will have a better view in Q3, Q4.

John Olaisen: OK, but if I look at the mix in the Q2 numbers, multi-client/Earth Data sales were down year-on-year while the Imaging business is very strong. Is that something you expect to continue to see in the second half?

Sophie Zurquiyah: John, you know this industry quite well. You cannot read into a quarter. There are a lot of cut-off effects. First of all, I would advocate you to look at multi-client over H1. And if you look at H1, actually our after-sales, which is a nice indicator, is actually up year-on-year. So, it might be down. There has been a very strong Q1. It is a bit of phasing here. I would not read too much into projecting in the second half, especially given there are some important lease rounds that should help drive our business. And I did not mention that maybe in addition to that, there are a couple of transfer fees that should be helpful too.

John Olaisen: And the transfer fee, I guess the biggest potential is from Chevron's acquisition of Hess. Is it possible to give some indication of what the timing of the transfer fee is and the size of it? How big could it potentially be for you?

Sophie Zurquiyah: I would say the timing would definitely be this year. Actually, I would like it to be earlier. It should be because they closed the deal, and they want to be able to move on. We do not disclose the size. And there is a second deal that is happening right now, which is NEO-Repsol in the North Sea. And between those two, we do expect sort of an average, a reasonable average level of transfer fee.

John Olaisen: Say it again, please.

Sophie Zurquiyah: It is NEO-Repsol. If you remember, Repsol is a UK asset into NEO.

John Olaisen: Yes. And did you say something about this potential size of the transfer?

Sophie Zurquiyah: No. This is happening as we speak today. The size of the magnitude of the transfer is being evaluated, and there are discussions with clients. It depends really on how much they decide to take on in terms of data, how much overlap there might be between the two companies. There are a lot of factors coming into it. We have not landed the numbers.

John Olaisen: Yes. All right. And then my final question is back to the question about the net cash flow. Of course, you are reporting that interest-paying debt increased by $76 million in the first half, which is roughly the same as the currency impact of $80 million. And I guess on top of this, as Jérôme commented on, you had the costs related to the refinancing. Is it possible to say how much those costs were?

Jérôme Serve: For the refinancing?

John Olaisen: Yes.

Jérôme Serve: Yes. We had about $20 million of non-core costs for calling the bonds earlier than their maturity. And on top, we had another $20 million, slightly above $20 million for advisor fees, including the banks, which were pursuing the two bonds.

John Olaisen: All right. All in all, about $40 million?

Jérôme Serve: Yes.

John Olaisen: So according to your definition in this first half, you generated a net cash flow of about $40 million. Is that a correct interpretation? And the second half should be about $60 million to get to the $100 million for the year. Is that the correct interpretation?

Jérôme Serve: The net cash flow, by definition, excludes the cost of the refinancing. So the $10 million excludes those costs. To get to the $100 million target, we need to generate $90 million in H2.

So how do we go from $10 million in H1 to $90 million in H2? As Sophie just explained to you, we expect a stable environment that supports the activity level. That being said, the cash will benefit from four elements between H1 and H2:

- Firstly, the traditional seasonality that we have between the two semesters. Just to give you an example, we pay our bonus in Q1. It is a significant number. We are talking $20 million plus that we pay to our employees in Q1;
- The second effect is the penalty that was in Q1 in January, which was the end of the contract for $12 million. In H2, we will have zero;
- Then, as I mentioned, H1 was impacted by the working capital burn out linked to the overdue of PEMEX. We said we were confident to a partial reduction of this working capital and partial monetization of this overdue;
- And the final element is CAPEX for our library, which we anticipate to be slightly lower than H1.

All those four elements give us confidence that we can generate a much more sizable net cash flow in H2 rather than H1.

John Olaisen: Yes. Just so I got it right, you expect about $90 million in net cash flow in the second half. That should mean that net interest-bearing debt should be about $900 million at the year-end of 2025.

Jérôme Serve: Correct.

John Olaisen: Are there any other costs? No, that is correct.

Jérôme Serve: At constant FX, yes.

John Olaisen: Yes, so it should be about $900 million.

Jérôme Serve: You have the accrued interest on top.

John Olaisen: What do I have on top? I am sorry.

Jérôme Serve: The accrued interest at the end of December, because we pay our debt as per the bond documentation in April and October.

John Olaisen: All right. I do not see how that can make an impact on what you make.

Jérôme Serve: Basically, more or less half of your interest costs for a semester in 2025.

John Olaisen: Okay. Thanks a lot for taking my questions. Have a great rest of the summer. Thank you.

Sophie Zurquiyah: Thank you. Bye.

Kevin Roger (Kepler Cheuvreux): Yes. Hi. Good evening. Thanks for taking the question. I would have two, please. The first one is maybe on your strategy regarding CAPEX on new multi-client survey and nodes.

I am referring to the fact, for example, that during their conference call and earnings presentation, one of your peers and partners, TGS, mentioned that their partner was participating with less CAPEX to the new surveys. From what I understand, Laconia in the Gulf of Mexico is probably one of the key examples where it seems that your participation to the project is now close to 30%. I was wondering in terms of strategic investment and the tech that you are going to take in new multi-client survey, how should we think about your positioning inside the industry with those, in a way, examples that we had from TGS a few weeks ago?

The second one is on Geoscience that continues to be one of the very strong performance units for you. You still continue to increase the number of petaflops. You are now close to 600, so it has been a massive increase over the past year. At the end, can you again give us a bit of color on how many petaflops you need for external revenue, but also for internal research and development, etc., and where you want to go for the petaflop capacity at the Group level of Viridien, please?

Sophie Zurquiyah: Thank you, and good evening, Kevin. First, your question on the multi-client CAPEX. As I was explaining, we have a portfolio approach. We have three buckets. The reprocessing is one where we look at data where we can add value. We look at the core basins and how we extend that footprint. And we look at strategically positioning in potentially frontier basins into the future, like we did in Uruguay, for example, or I was giving the example of Brazil.

Now, the other dimension to that is the partnership, and more and more, and I did comment on that in the past, we are looking for partnerships because it helps manage the risk of the portfolio. And so we do this opportunistically, and in that case, there was an opportunity to do, and willingness to do that, we need to two or three to be able to do that, and where each of the parties sees the benefits for doing it. I would say you will continue to see us managing our portfolio, investing in the different types of investments, some are more risky, some are less risky, and continuing to look for partnerships on an opportunistic basis to manage the portfolio risk.

There is not one strategy, it is a bit of a case-by-case basis on our appreciation of the given project and the appetite for other partners to join forces.

The second one on Geoscience, there is not an exact science to it. When I joined the company 12 years ago, we had 30 petaflops, and I thought 30 was an extremely high number, and now we are at 600, and so the petaflop follows the need for more computing as we advance technology. So it goes hand in hand with advancing technology, providing value to the clients, because that is the bit you need to be checking, making sure you can charge for it, and then you can deliver value to the clients, and so we gradually increase it hand in hand, and if we test the market and see that the technology advances bring in value to the clients and the clients are willing to buy that technology, we will continue implementing that petaflops.

Keep in mind that our computing is highly optimized, so perhaps to do what we do, if you took someone that did not optimize their computing power, maybe they would need two, three, or four, or five times more than our computing power. It is a big number, but the number in absolute terms does not mean completely everything, all of it, because it is, again, highly specialized and highly optimized to what we do. So where is it going? I suspect, as technology continues to advance, as we are being more and more precise in what we can deliver using more advanced algorithms, more advanced definitions and precision, I think we will cross 1,000 petaflops in the next few years. It’s my guess, and we do have a multi-year plan that eventually takes us there. I cannot tell you today when, because there is a cost associated to it, and we need to make sure, as we do that, that we can deliver the value and charge for it in the market.

Kevin Roger: Okay, thanks for all those points.

Sophie Zurquiyah: Sure, thank you.

Baptiste Lebacq (ODDO-BHF): Yes, good evening, everybody. Just two very quick questions from my side. The first one is a technical one regarding Accel and your industrial footprint.

Do you need to increase your capacity? In other words, do you need to put some additional CAPEX if there is a strong acceleration of demand? And still on the technical side, is it a solution with no cables between the different nodes?

And the second question, Sophie, you mentioned the resilience of national oil companies. Could you give us a split of your sales in DDE, for example, between NOCs, IOCs and independent? Thank you.

Sophie Zurquiyah: Okay, so thank you, and good evening, Jean-Baptiste. In Accel, what makes it different is that it is a node, and a node means it is independent, it is by itself. And what that allows to do, first of all, it is super small, and you can put it in a backpack and you can drop it, and that makes a huge difference from the past.

The nodes in the past had to be planted in the ground, and that increased the operations. It was more heavy, heavier operations. This one is smaller, can be put in a backpack, the person can be walking and just dropping the node.

So that is what makes it different. And as I was saying, the market is generally shifting from cable systems, when the sensors were connected between each other through cables, to just independent nodes that are sitting on the floor. So that is the technical side of Accel, and there is a really impressive value proposition, and the clients are reacting very well to that.

The NOCs, they have always been in our mix, and sometimes they go up and they go down, but in general, I would say they represent somewhere, if I look at DDE, somewhere around 20-30% of our revenue, and it could vary. SMO, we do not sell to E&P companies, we sell to acquisition companies, but I would say in SMO, our exposure to NOCs is even higher, because eventually, we are selling to acquisition companies that are very much operated in countries that are NOC-driven, like in the Middle East, Pakistan, India, South America. But, in the DDE side, it is much more balanced between the different client profiles. To make it simple, probably a third. There are IOCs, a third, or 20-30%, large independents, and then national companies. And we work with everyone.

Jérôme Serve: And I think, Baptiste, you had a question on the manufacturing footprint and the impact of Accel. There is no impact. The way we manufacture this product, like any other product for Sercel, is a mix of in-house manufacturing and outsourcing to suppliers. In-house is usually electronics, and we have the capacity to do another product like Accel in-house.

Baptiste Lebacq: Thank you very much.

Sophie Zurquiyah: Thank you.

Jean-Luc Romain (CIC): Yes, thank you. After the law in the United States, the [?] law as the administration calls it, do you see renewed or do you estimate there could be renewed interest in carbon capture and in staking for carbon capture projects as the credits have been extended, or something?

Sophie Zurquiyah: Yes, Jean-Luc, I will take that one. Actually, if anything, right now we are seeing a slowdown in the U.S. space. A lot of those projects were driven by the traditional oil and gas clients, and they just are arbitrating more towards oil and gas.

If you remember throughout the downturn and the energy transition or the COVID era where energy transition became more important, they cut more their E&P CAPEX and created money, carved out money for the low-carbon and other initiatives. Right now, what we are seeing is a little bit the opposite, where oil and gas is being preserved more than the carbon sequestration projects. If anything, we are seeing in general a slowdown in that space, things being delayed.

Jean-Luc Romain: Thank you.

Sophie Zurquiyah: Sure.

Thank you very much. I appreciate you taking the time at a really, really busy time of the year and for the good questions, and wish everyone a good summer break, and we will see you in September.

Jérôme Serve: Thank you, everybody. Have a good night.

Sophie Zurquiyah: Thank you. Bye.