



CGG Announces its Q1 2024 Results

Very strong start to the year

Revenue at \$273m, up 30% y-o-y

ADJUSTED EBITDAs at \$106m, up 58% y-o-y

Net Cash-Flow at \$30m

PARIS, France – May 14, 2024 – **CGG** (ISIN: FR0013181864), a **global technology and high-performance computing leader**, announced today its first quarter 2024 non-audited results.

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

"I am very pleased with our first quarter performance. At \$273m, we delivered the best first quarter revenue since our strategic decision to become an asset light company in late 2018. Our \$30m net cash generation, together with the recent upgrade of our long-term debt by S&P Global Ratings are positive steps of our financial trajectory and balance sheet deleveraging. The continued strong market environment across our core segments, combined with CGG's recent backlog pick-up, further increases our confidence in achieving our 2024 financial targets."

Q1 2024: Very strong start to the year

- **IFRS figures:** revenue at \$249m, EBITDAs at \$80m, OPINC at \$20m
- **Segment revenue at \$273m**, up 30% year-on-year.
 - **Geoscience at \$88m**, up 11% year-on-year. Global activity remains strong sustained by demand for high-end large projects and NOCs increasing activity.
 - **Earth Data at \$97m**, up 50% year-on-year sustained by broader geographical demand. Prefunding revenue at \$58m and after-sales up 32% year-on-year at \$39m.
 - **Sensing and Monitoring at \$89m**, up 35% year-on-year, driven by high deliveries of land equipment.
- **Adjusted Segment EBITDAs*** at **\$106m**, up 58% year-on-year including \$(16)m fees from contractual vessel commitments and a 38% margin.
- **Adjusted Segment Operating income*** at **\$29m**, up 107% year-on-year.
- **Group Net Income** at **\$(3)m** compared to \$(16)m last year.



Cash-flow and Balance Sheet:

- **Net cash-flow** at **\$30m**, including \$(20)m fees from contractual vessel commitments.
- **Cash liquidity** of **\$350m** as of March 31, 2024, excluding **\$90m** undrawn RCF.
- **Net debt before IFRS 16** at **\$858m** as of March 31, 2024.

Post closing events:

- On April 2, **CGG and ONGC entered into a final agreement to settle an old litigation for a net cash amount of ~\$30m.**
- On April 5, S&P Global Ratings ("S&P") **has upgraded our Company's issuer credit rating to 'B-' from 'CCC+'.**

2024 Financial objectives:

- The Group reiterates its 2024 financial objectives and its 2024-2025 financial trajectory.



Key Figures - First Quarter 2024

Key Figures IFRS In million \$	2023 Q1	2024 Q1	Variences %
Operating revenues	178	249	40%
Operating Income	7	20	-
Equity from Investment	0	(0)	-
Net cost of financial debt	(24)	(24)	(2%)
Other financial income (loss)	3	(0)	-
Income taxes	(1)	2	-
Net Income / Loss from continuing operations	(16)	(3)	83%
Net Income / Loss from discontinued operations	(0)	0	122%
Group net income / (loss)	(16)	(3)	83%
Operating Cash Flow	54	102	88%
Net Cash Flow	1	30	-
Net debt	994	966	(3%)
Net debt before lease liabilities	905	858	(5%)
Capital employed	2 035	2 033	(0%)

Key Segment Figures - First Quarter 2024

Key Segment Figures In million \$	2023 Q1	2024 Q1	Variences %
Segment revenue	210	273	30%
Segment EBITDAs	66	105	59%
<i>Group EBITDAs margin</i>	<i>31%</i>	<i>38%</i>	<i>7 bps</i>
Segment operating income	13	28	114%
<i>Opinc margin</i>	<i>6%</i>	<i>10%</i>	<i>4 bps</i>
IFRS 15 adjustment	(6)	(8)	(25)%
IFRS operating income	7	20	199%
Operating Cash Flow	54	102	88%
Net Segment Cash Flow	1	30	-
Supplementary information			
Adjusted segment EBITDAs before NRC	67	106	58%
<i>EBITDAs margin</i>	<i>32%</i>	<i>39%</i>	<i>7 bps</i>
Adjusted segment operating income before NRC	14	29	-
<i>Opinc margin</i>	<i>21%</i>	<i>4%</i>	<i>(16) bps</i>

Key figures bridge: Segment to IFRS - First Quarter 2024

P&L items In million \$	Segment figures	IFRS 15 adjustment	IFRS figures
Total Revenue	273	(25)	249
OPINC	28	(8)	20

Cash Flow Statement items In million \$	Segment figures	IFRS 15 adjustment	IFRS figures
EBITDAs	105	(25)	80
Change in Working Capital & Provisions	(0)	25	25
Cash Provided by Operations	102	-	102

Earth Data Data Library NBV In million \$	Segment figures	IFRS 15 adjustment	IFRS figures
Opening Balance Sheet, Dec 31st 23	311	147	458
Closing Balance Sheet, March 31st 24	308	163	471



First Quarter 2024 Segment Financial Results

Digital, Data and Energy Transition (DDE)

Data, Digital & Energy Transition (DDE)		2023	2024	Variates
In million \$		Q1	Q1	%
Segment revenue		144	185	28%
Geoscience		79	88	11%
Earth Data		65	97	50%
Prefunding		35	58	65%
After-Sales		30	39	32%
Segment EBITDAs		71	103	45%
	<i>EBITDAs Margin</i>	<i>49%</i>	<i>56%</i>	<i>7 bps</i>
Segment operating income		25	35	40%
	<i>OPINC Margin</i>	<i>17%</i>	<i>19%</i>	<i>2 bps</i>
Equity from investments				
Capital employed (in billion \$)		1,5	1,5	4%
Supplementary information				
Adjusted segment EBITDAs before NRC		71	104	46%
	<i>EBITDAs Margin</i>	<i>49%</i>	<i>56%</i>	<i>7 bps</i>
Adjusted segment OPINC before NRC		25	35	43%
	<i>OPINC Margin</i>	<i>17%</i>	<i>19%</i>	<i>2 bps</i>
Other Key Metrics				
Earth Data cash capex (\$m)		(28)	(50)	79%
Earth Data cash prefunding rate (%)		126%	116%	(10) bps

Digital, Data and Energy Transition (DDE) segment revenue was \$185 million, up 28% year-on-year.

- **Geoscience (GEO) revenue** was \$88 million, up 11% year-on-year.

Geoscience had a very solid activity led by all regions. The level of commercial activity continues to be solid and order intake was up 48% year-on-year at the end of March sustained by continuing adoption of disruptive imaging technologies.

- **Earth Data (EDA) revenue** was \$97 million, up 50% year-on-year.

Earth Data cash capex was \$(50) million this quarter, up 79% year-on-year. Prefunding revenue was solid at \$58 million, up 66% and prefunding rate was at 116%. After-sales were at \$39 million this quarter, up 32% year-on-year.

The segment library Net Book Value was \$308 million (\$471 million after IFRS 15 adjustments) at the end of March 2024.

DDE segment EBITDAs was \$103 million, up 45% year-on-year, a solid 56% margin and including \$(16)m from contractual vessel commitments.

DDE segment operating income was \$35 million, up 40% year-on-year.

DDE capital employed at \$1.5 billion at the end of March 2024.



Sensing and Monitoring (SMO)

Sensing & Monitoring In million \$	2023 Q1	2024 Q1	Variances %
Segment revenue	66	89	35%
Land	13	39	194%
Marine	34	34	(2%)
Downhole gauges	6	5	(6%)
Beyond the Core	12	11	(13%)
Segment EBITDAs	(0)	10	-
<i>EBITDAs margin</i>	<i>(1%)</i>	<i>11%</i>	<i>12 bps</i>
Segment operating income	(7)	2	125%
<i>OPINC Margin</i>	<i>(11%)</i>	<i>2%</i>	<i>13 bps</i>
Capital employed (in billion \$)	0,6	0,5	(16%)
Supplementary information			
Adjusted segment EBITDAs before NRC	1	10	-
<i>EBITDAs margin</i>	<i>1%</i>	<i>12%</i>	<i>11 bps</i>
Adjusted segment OPINC before NRC	(6)	2	134%
<i>OPINC Margin</i>	<i>(9%)</i>	<i>2%</i>	<i>12 bps</i>

Sensing and Monitoring (SMO) segment revenue was \$89 million, up 35% year-on-year.

- High level of land equipment sales at \$39 million, up 194% year-on-year.
- Marine equipment at \$34 million stable year-on-year.
- Downhole sales were at \$5 million, stable year-on-year.
- Beyond the Core revenues were at \$11 million.

SMO segment EBITDAs was \$10 million.

SMO segment operating income was \$2 million.

SMO capital employed at \$0.5 billion at the end of March 2024.



First Quarter 2024 Financial Results

Consolidated Income Statements In million \$	2023 Q1	2024 Q1	Variances %
<i>Exchange rate euro/dollar</i>	1,07	1,09	2%
Segment revenue	210	273	30%
DDE	144	185	28%
Sensing & Monitoring	66	89	35%
Elim & Other			
Segment Gross Margin	46	64	38%
Segment EBITDAs	66	105	59%
Adjusted Segment EBITDAS*	67	106	58%
DDE Adjusted*	71	104	46%
Sensing & Monitoring Adjusted*	1	10	-
Corporate Adjusted*	(4)	(6)	(48%)
Elim & Other Adjusted*	(1)	(2)	-
Segment operating income	13	28	114%
Adjusted Segment Opinc*	14	29	-
DDE Adjusted*	25	35	40%
Sensing & Monitoring Adjusted*	(6)	2	134%
Corporate Adjusted*	(4)	(7)	(68%)
Elim & Other Adjusted*	(1)	(1)	-
IFRS 15 adjustment	(6)	(8)	199%
IFRS operating income	7	20	199%
Equity from investments	0	(0)	-
Net cost of financial debt	(24)	(24)	(2%)
Other financial income (loss)	3	(0)	(101%)
Income taxes	(1)	2	243%
Net income / (loss) from continuing operations	(16)	(3)	83%
Net income / (loss) from discontinued operations	(0)	0	122%
IFRS net income / (loss)	(16)	(3)	83%
Shareholder's net income / (loss)	(16)	(3)	81%
Basic Earnings per share in \$	(0,02)	0,00	100%
Basic Earnings per share in €	(0,02)	0,00	100%

*Adjusted for non-recurring charges and gains.

Segment revenue was \$273 million, up 30% year-on-year. The respective contributions from the Group's businesses were 32% from GEO, 35% from EDA (67% for the DDE segment) and 33% from the SMO segment.

Segment EBITDAs was \$105 million, up 59% year-on-year, including \$(16)m from contractual vessel commitments, a 38% margin.

Segment operating income was \$28 million, a 10% margin. **IFRS 15 adjustment** was \$(8) million and **IFRS operating income** was \$20 million.

Cost of financial debt was \$(24) million and financial income was \$0 million. **Taxes** were at \$2 million.

Group net income was \$(3) million compared to \$(16) million last year.



First Quarter 2024 Cash Flow

Cash Flow items In million \$	2023 Q1	2024 Q1	Variances %
Segment Operating Cash Flow	54	102	88%
CAPEX	(52)	(58)	11%
Industrial	(19)	(4)	(78%)
R&D	(6)	(4)	(26%)
Earth Data (Cash)	(28)	(50)	79%
Marine Offshore	(28)	(50)	79%
Land Onshore	0	0	-
Proceeds from disposals of assets	(0)	0	202%
Segment Free Cash Flow	2	44	-
Lease repayments & Assets Financing	2	(12)	-
Paid Cost of debt	2	2	(6%)
CGG 2021 Plan	(6)	(4)	34%
Free cash flow from discontinued operations	1	1	(4%)
Net Cash Flow	1	30	-
Financing cash flow	1	(3)	(341%)
Forex and other	1	(4)	-
Net increase/(decrease) in cash	3	23	-
Supplementary information			
Change in working capital and provisions, included in Segment Operating Cash Flow	(4)	(0)	96%

Total capex was \$(58) million:

- **Industrial capex** was \$(4) million.
- **R&D capex** was \$(4) million, down (26)% year-on-year.
- **Earth Data cash capex** was \$(50) million.

Segment free cash flow was \$102 million, including \$0 million change in working capital & provisions. After \$2 million other financial items, \$(12) million lease repayments, \$(3) million discontinued operations, **Net cash flow** was \$30 million.

Balance Sheet

Group's liquidity amounted to **\$440 million** at the end of March 31, 2024, including **\$90m** undrawn RCF.

Group gross debt before IFRS 16 was **1,207 million\$** and **net debt** was **858 million\$** at the end of March 31, 2024. **Group gross debt after IFRS 16** was **\$1,316 million** and **net debt** was **\$966 million** at the end of March 31, 2024.

Segment leverage ratio of **Net debt to Segment adjusted EBITDAs*** was **2.2x** at the end of March 2024.



Q1 2024 Conference call

- The press release and the presentation are available on our website www.cgg.com at 5:45 pm (CET).
- An English language analysts conference call is scheduled today at 6.00 pm (CET).

Participants should register for the call [here](#) to receive a dial-in number and code or participate in the live webcast from [here](#).

A replay of the conference call will be made available the day after for a period of 12 months in audio format on the Company's website www.cgg.com.

About CGG

CGG (www.cgg.com) is a global technology and HPC leader that provides data, products, services and solutions in Earth science, data science, sensing and monitoring. Our unique portfolio supports our clients in efficiently and responsibly solving complex digital, energy transition, natural resource, environmental, and infrastructure challenges for a more sustainable future. CGG employs around 3,400 people worldwide and is listed on the Euronext Paris SA (ISIN: 0013181864).

Contacts

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CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024

<i>(In millions of US\$)</i>	Notes	March 31, 2024	December 31, 2024
ASSETS			
Cash and cash equivalents		349,9	327,0
Trade accounts and notes receivable, net		294,9	310,9
Inventories and work-in-progress, net		209,0	212,9
Income tax assets		31,7	30,8
Other current financial assets, net			
Other current assets, net		91,2	92,1
Total current assets		976,7	973,7
Deferred tax assets		37,5	29,9
Other non-current assets, net		7,0	6,8
Investments and other financial assets, net		25,2	22,7
Investments in companies under the equity method		1,9	2,2
Property, plant and equipment, net		206,7	206,1
Intangible assets, net		588,8	579,7
Goodwill, net		1 094,1	1 095,5
Total non-current assets		1 961,2	1 942,9
TOTAL ASSETS		2 937,9	2 916,6
LIABILITIES AND EQUITY			
Bank overdrafts			
Financial debt – current portion		83,2	58,0
Trade accounts and notes payables		104,5	86,4
Accrued payroll costs		76,0	89,1
Income taxes payable		14,6	12,5
Advance billings to customers		22,4	24,0
Provisions – current portion		7,7	8,7
Other current financial liabilities		16,7	21,3
Other current liabilities		253,0	250,3
Total current liabilities		578,1	550,3
Deferred tax liabilities		25,8	24,3
Provisions – non-current portion		30,6	30,1
Financial debt – non-current portion		1 232,4	1 242,8
Other non-current financial liabilities		0,0	0,5
Other non-current liabilities		4,2	4,3
Total non-current liabilities		1 293,1	1 302,0
Common stock: 1,102,899,675 shares authorized and 712,381,115 shares with a €0.01 nominal value outstanding at March 31, 2023		8,7	8,7
Additional paid-in capital		118,7	118,7
Retained earnings		978,2	980,4
Other Reserves		37,0	27,3
Treasury shares		(20,1)	(20,1)



Cumulative income and expense recognized directly in equity	(1,1)	(1,4)
Cumulative translation adjustment	(96,5)	(90,8)
Equity attributable to owners of CGG S.A.	1 024,9	1 022,8
Non-controlling interests	41,8	41,5
Total equity	1 066,7	1 064,3
TOTAL LIABILITIES AND EQUITY	2 937,9	2 916,6



Unaudited Interim Consolidated statements of operations

Three months ended March 31,

<i>(In millions of US\$, except per share data)</i>	Notes	2024	2023
Operating revenues	4	248,6	178,1
Other income from ordinary activities		0,1	0,1
Total income from ordinary activities		248,7	178,2
Cost of operations		(192,8)	(138,2)
Gross profit		55,9	40,0
Research and development expenses - net		(4,9)	(6,9)
Marketing and selling expenses		(8,8)	(9,0)
General and administrative expenses		(21,3)	(16,5)
Other revenues (expenses) - net	5	(1,1)	(1,0)
Operating income (loss)	4	19,8	6,6
Expenses related to financial debt		(27,4)	(25,8)
Income provided by cash and cash equivalents		3,1	2,0
Cost of financial debt, net		(24,3)	(23,8)
Other financial income (loss)	6	(0,0)	2,8
Income (loss) before incomes taxes		(4,5)	(14,4)
Income taxes		2,1	(1,4)
Net income (loss) from consolidated companies before share of income (loss) in companies accounted for under the equity method		(2,4)	(15,8)
Share of income (loss) in companies accounted for under the equity method		(0,2)	0,1
Net income (loss) from continuing operations		(2,6)	(15,7)
Net income (loss) from discontinued operations	3	0,0	(0,2)
Net income (loss)		(2,6)	(15,9)
<i>Attributable to :</i>			
<i>Owners of CGG S.A</i>	\$	(3,0)	(15,6)
<i>Non-controlling interests</i>	\$	0,4	(0,3)
Net income (loss) per share			
Basic	\$	(0,00)	(0,02)
Diluted	\$	(0,00)	(0,02)
Net income (loss) from continuing operations per share			
Basic	\$	(0,00)	(0,02)
Diluted	\$	(0,00)	(0,02)
Net income (loss) from discontinued operations per share			
Basic	\$	-	-
Diluted	\$	-	-

See the notes to the Unaudited Interim Consolidated Financial Statements



Unaudited Interim Consolidated statements of comprehensive income (loss)

<i>(In millions of US\$)</i>	Three months ended March 31,	
	2024	2023
Net income (loss) from statements of operations	(2.6)	(15.9)
Net gain (loss) on cash flow hedges	0.3	-
Exchange differences on translation of foreign operations	(5.8)	5.8
Net other comprehensive income (loss) to be reclassified in profit (loss) in subsequent period (1)	(5.5)	5.8
Net gain (loss) on actuarial changes on pension plan	0.0	-
Net other comprehensive income (loss) not to be reclassified in profit (loss) in subsequent period (2)	0.0	-
Total other comprehensive income (loss) for the period, net of taxes (1) + (2)	(5.5)	5.8
Total comprehensive income (loss) for the period	(8.1)	(10.1)
<i>Attributable to :</i>		
<i>Owners of CGG S.A.</i>	<i>(8.4)</i>	<i>(10.4)</i>
<i>Non-controlling interests</i>	<i>0.3</i>	<i>0.3</i>

Unaudited Consolidated statements of cash flows

<i>(In millions of US\$)</i>	<i>Notes</i>	Three months ended March 31,	
		2024	2023
OPERATING			
Net income (loss)		(2.6)	(15.9)
Less: Net income (loss) from discontinued operations	3	(0.0)	0.2
Net income (loss) from continuing operations		(2.6)	(15.7)
Depreciation, amortization, and impairment		24.2	20.2
Earth Data surveys impairment and amortization		39.0	11.3
Depreciation and amortization capitalized in Earth <u>Data</u> surveys		(3.8)	(4.7)
Variance on provisions		0.3	0.4
Share-based compensation expenses		0.9	0.8
Net (gain) loss on disposal of fixed and financial assets		-	0.1
Equity (income) loss of investees		0.2	(0.1)
Other non-cash items		1.2	(2.9)
Net cash-flow including net cost of financial debt and income tax		59.4	9.4
Less : net cost of financial debt		24.3	23.8
Less : income tax expense (gain)		(2.1)	1.4
Net cash-flow excluding net cost of financial debt and income tax		81.6	34.6
Income tax paid		(3.2)	(7.1)
Net cash-flow before changes in working capital		78.4	27.5
Changes in working capital		22.3	27.6
- change in trade accounts and notes receivable		33.6	88.5
- change in inventories and work-in-progress		0.2	(31.5)



- change in other current assets	(2.1)	(7.4)
- change in trade accounts and notes payable	15.4	(10.5)
- change in other current liabilities	(24.8)	(11.9)
- Impact of changes in exchange rate on financial items	-	0.4
Net cash-flow provided by operating activities	100.7	55.1
INVESTING		
Total capital expenditures (including variation of fixed assets suppliers, excluding Earth Data surveys)	(8.3)	(24.5)
Investment in Earth Data surveys, net cash	(49.9)	(27.8)
Proceeds from disposals of tangible and intangible assets	0,5	-
Total net proceeds from financial assets	-	-
Dividends received from investments in companies under the equity method	0,2	-
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	(3.3)	1.6
Net cash-flow used in investing activities	(60.8)	(50.7)

<i>(In millions of US\$)</i>	Notes	Three months ended March 31,	
		2024	2023
FINANCING			
Repayment of long-term debt		(0,2)	0.3
Total issuance of long-term debt		—	14.3
Lease repayments		(11.8)	(12.5)
Change in short-term loans		—	—
Financial expenses paid		2.0	1.0
Net proceeds from capital increase:		—	—
— from shareholders		—	0.1
— 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		(10.0)	2.6
Effects of exchange rates on cash		(4.1)	1.0
Impact of changes in consolidation scope		—	—
Net cash flows incurred by discontinued operations	3	(2.9)	(4.8)
Net increase (decrease) in cash and cash equivalents		22.9	3.2
Cash and cash equivalents at beginning of year		327.0	298.0
Cash and cash equivalents at end of period		349.9	301.2