



CGG Announces its Q3 2022 Results

Soft Q3 as clients' projects shifted to Q4 and 2023

**2022 segment revenue expected to be around \$900m,
stable pro-forma year-on-year**

**2022 segment EBITDAs expected to be around \$380m, up 10%
and up 15% pro-forma year-on-year**

Strengthening market confirms favorable upcycle

PARIS, France – November 2, 2022 – **CGG** (ISIN: FR0013181864), a global technology and high-performance computing (HPC) leader announced today its third quarter 2022 non-audited results.

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

"Throughout the year we continued to see our market environment strengthening globally, mainly driven by increased interest and activity offshore in the Western hemisphere and onshore in the Middle East and North Africa. While stronger market conditions have led to increased commercial activity, confirming the expected multi-year upcycle, near-term macro and geopolitical uncertainties resulted in increased volatility and clients' projects shift. This particularly affected our Sensing and Monitoring business, which will see significant growth in 2023. However, our Data, Digital and Energy transition business remains solid with growth in line with increased E&P Capex. We anticipate a strong Q4 led by Earth Data sales. We remain focused on capturing the upcycle ahead of us and increasing our topline, with the objective of deleveraging our balance sheet. This growth will be supported by our clear technology differentiation, strong focus on our clients' priorities, and the ongoing development of our Beyond the Core businesses."

Q3 2022: A soft quarter as clients' projects shifted to Q4 and 2023

- **IFRS figures:** revenue at \$255m, EBITDAs at \$115m, OPINC at \$28m
- **Segment revenue at \$217m**, down (20%) and down (16)% pro-forma* year-on-year.
 - Geoscience at \$69m, up 8% pro-forma* year-on-year mainly driven by Western hemisphere and high-end technology. The increasing level of year-to-date commercial bids worldwide by 26% and growth of year-to-date order intake by 37% pro-forma year-on-year are clear and positive signals of global market improvement.
 - Earth Data at \$62m, down (33)% year-on-year. Prefunding revenue at \$19m was lower than expected due to the shift of some prefunding of



North Sea projects from Q3 to Q4 and Brazil projects into 2023. After sales were at \$43m, up 32% year-on-year.

- o **Sensing and Monitoring** at \$86m, down (15)% year-on-year. In contrast to this, SMO level of commercial bids at the end of September was at the highest level since 2016, and several contracts and deliveries in the Middle East and North Africa shifted to 2023.
- **Segment EBITDAs** at **\$77m**, a 35% margin and adjusted** segment EBITDAs at \$75m
- **Segment operating income** at **\$25m**, a 12% margin, and adjusted** segment operating income at \$24m
- **Group net loss** at **\$(2)m**, a **significant improvement** compared to a net loss of \$(16)m last year
- **Net cash-flow** before M&A cash consideration at **\$(62)m**
- **Net cash flow** at **\$(78)m**, including **\$(19)m** net payment for the acquisition of ION software division and \$(40)m negative change in working capital, mainly related to the SMO business.

9 months 2022: Profitability improvement

- **IFRS figures:** revenue at \$659m, EBITDAs at \$290m, OPINC at \$97m
- **Segment revenue** at **\$610m**, down (5)% and slightly up pro-forma* year-on-year
- **Segment EBITDAs** at **\$241m**, a **40% margin**, up 27% year-on-year, and adjusted** segment EBITDAs at \$236m
- **Segment operating income** at **\$86m**, a 14% margin, significantly up from \$9m a year ago, and adjusted** segment operating income at \$82m
- **Group net loss** at **\$(4)m**, a **significant improvement** compared to a net loss of \$(152)m last year
- **Net cash flow** at **\$(65)m**

Balance Sheet at the end of September

- **Liquidity** of **\$325m**, including cash liquidity of \$225m and \$100m of undrawn RCF
- **Net debt before IFRS 16** at **\$889m** as of September 30, 2022
- Segment leverage ratio of **Net debt to Adjusted** Segment EBITDAs** was **2.5x** at the end of September 2022, down from 2.9x at the end of December 2021



Full Year 2022 financial guidance update:

- 2022 CGG segment revenue expected to be around \$900 million, stable pro-forma* year-on-year.
 - DDE 2022 segment revenue expected to be up around 18% pro-forma* year-on-year
 - SMO 2022 segment revenue expected to be down around 30% year-on-year and below guidance due to the shift of major clients' projects to 2023 and the ban on exports to Russia (\$50m impact). SMO inventories are expected to come down during H1 2023 on the back of higher equipment deliveries.
- 2022 segment EBITDAs is expected to be around \$380m, up 10% year-on-year and up 15% pro-forma* year-on-year, and segment EBITDAs margin is expected to increase to around 42% due to a favorable business mix.
- 2022 EDA cash Capex is expected to be around \$200m with prefunding at around 60-70% mainly due to the shift of some prefunding revenue for our programs offshore Brazil into 2023. 2022 Industrial and R&D Capex is expected to be around \$60m, \$10m lower than guidance.
- With these updated EBITDAs and Capex, 2022 Free EBITDAs (EBITDAs - Capex) is expected to be around \$120m, broadly in line with our original expectations based on financial objectives provided on March 3, 2022.
- Strengthening market confirms multi-year upcycle from 2023 onwards

* Pro-forma indicators represent supplementary information adjusted for GeoSoftware and Physical Asset Storage and Services businesses sold in 2021.

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



Key Figures - Third Quarter 2022

Key Figures IFRS In million \$	2021 Q3	2022 Q3	Variances %
Operating revenues	210	255	21%
Operating Income	21	28	35%
Equity from Investment	(0)	0	-
Net cost of financial debt	(27)	(24)	9%
Other financial income (loss)	(0)	(1)	-
Income taxes	(7)	(4)	45%
Net Income / Loss from continuing operations	(13)	(1)	91%
Net Income / Loss from discontinued operations	(3)	(0)	-
Group net income / (loss)	(16)	(2)	90%
Operating Cash Flow	76	37	(51%)
Net Cash Flow	(34)	(78)	-
Net debt	1,113	976	(12%)
Net debt before lease liabilities	987	889	(10%)
Capital employed	2,137	2,006	(6%)

Key Figures – End of September 2022

Key Figures IFRS In million \$	2021 9 MONTHS	2022 9 MONTHS	Variances %
Operating revenues	591	659	11%
Operating Income	(0)	97	-
Equity from Investment	0	(0)	-
Net cost of financial debt	(94)	(75)	21%
Other financial income (loss)	(42)	2	-
Income taxes	(17)	(27)	(54%)
Net Income / Loss from continuing operations	(154)	(2)	99%
Net Income / Loss from discontinued operations	2	(2)	-
Group net income / (loss)	(152)	(4)	97%
Operating Cash Flow	235	243	3%
Net Cash Flow	(61)	(65)	(6%)
Net debt	1,113	976	(12%)
Net debt before lease liabilities	987	889	(10%)
Capital employed	2,137	2,006	(6%)



Key Segment Figures - Third Quarter 2022

Key Segment Figures In million \$	2021 Q3	2022 Q3	Variations %
Segment revenue	270	217	(20%)
Segment EBITDAs	118	77	(35%)
<i>Group EBITDAs margin</i>	<i>44%</i>	<i>35%</i>	<i>(8) bps</i>
Segment operating income	33	25	(23%)
<i>Opinc margin</i>	<i>12%</i>	<i>12%</i>	<i>(1) bps</i>
IFRS 15 adjustment	(13)	2	-
IFRS operating income	21	28	35%
Operating Cash Flow	76	37	(51%)
Net Segment Cash Flow	(34)	(78)	-
Supplementary information			
Adjusted segment EBITDAs before NRC	119	75	(37%)
<i>EBITDAs margin</i>	<i>44%</i>	<i>35%</i>	<i>(10) bps</i>
Adjusted segment operating income before NRC	35	24	(32%)
<i>Opinc margin</i>	<i>13%</i>	<i>11%</i>	<i>(2) bps</i>

Key Segment Figures – End of September 2022

Key Segment Figures In million \$	2021 9 MONTHS	2022 9 MONTHS	Variations %
Segment revenue	640	610	(5%)
Segment EBITDAs	190	241	27%
<i>Group EBITDAs margin</i>	<i>30%</i>	<i>40%</i>	<i>10 bps</i>
Segment operating income	9	86	-
<i>Opinc margin</i>	<i>1%</i>	<i>14%</i>	<i>13 bps</i>
IFRS 15 adjustment	(9)	11	-
IFRS operating income	(0)	97	-
Operating Cash Flow	235	243	3%
Net Segment Cash Flow	(61)	(65)	(6%)
Supplementary information			
Adjusted segment EBITDAs before NRC	188	236	26%
<i>EBITDAs margin</i>	<i>29%</i>	<i>39%</i>	<i>9 bps</i>
Adjusted segment operating income before NRC	0	82	-
<i>Opinc margin</i>	<i>0%</i>	<i>13%</i>	<i>13 bps</i>

Key figures bridge: Segment to IFRS - Third Quarter 2022

P&L items In million \$	Segment figures	IFRS 15 adjustment	IFRS figures
Total Revenue	217	38	255
OPINC	25	2	28

Cash Flow Statement items In million \$	Segment figures	IFRS 15 adjustment	IFRS figures
EBITDAs	77	38	115
Change in Working Capital & Provisions	(40)	(38)	(77)
Cash Provided by Operations	37	-	37

Earth Data Data Library NBV In million \$	Segment figures	IFRS 15 adjustment	IFRS figures
Opening Balance Sheet , Jul 1 st 22	334	109	443
Closing Balance Sheet , Sep 30 th 22	375	74	449

Key figures bridge: Segment to IFRS – End of September 2022

P&L items In million \$	Segment figures	IFRS 15 adjustment	IFRS figures
Total Revenue	610	49	659
OPINC	86	11	97

Cash Flow Statement items In million \$	Segment figures	IFRS 15 adjustment	IFRS figures
EBITDAs	241	49	290
Change in Working Capital & Provisions	9	(49)	(40)
Cash Provided by Operations	243	-	243

Earth Data Data Library NBV In million \$	Segment figures	IFRS 15 adjustment	IFRS figures
Opening Balance Sheet , Jan 1 st 22	283	109	392
Closing Balance Sheet , Sep 30 th 22	375	74	449



Third Quarter 2022 Segment Financial Results

Data, Digital & Energy Transition (DDE)

Data, Digital & Energy Transition (DDE) In million \$	2021 Q3	2022 Q3	Variances %
Segment revenue	168	131	(22%)
Geoscience	77	69	(10%)
Geoscience proforma	64	69	8%
Earth Data	92	62	(33%)
Prefunding	59	19	(68%)
After-Sales	32	43	32%
DDE proforma	156	131	(16%)
Segment EBITDAs	106	64	(40%)
<i>EBITDAs Margin</i>	<i>63%</i>	<i>49%</i>	<i>(14) bps</i>
Segment operating income	30	21	(31%)
<i>OPINC Margin</i>	<i>18%</i>	<i>16%</i>	<i>(2) bps</i>
Equity from investments	(0)	0	-
Capital employed (in billion \$)	1.7	1.5	(12%)
Supplementary information			
Adjusted segment EBITDAs before NRC	108	66	(39%)
<i>EBITDAs Margin</i>	<i>64%</i>	<i>50%</i>	<i>(14) bps</i>
Adjusted segment OPINC before NRC	32	23	(29%)
<i>OPINC Margin</i>	<i>19%</i>	<i>17%</i>	<i>(2) bps</i>
Other Key Metrics			
Earth Data cash capex (\$m)	(57)	(72)	26%
Earth Data cash prefunding rate (%)	103%	26%	(77) bps

Digital, Data and Energy Transition (DDE) segment revenue was \$131 million, down (22%) and down (16)% pro-forma* year-on-year.

- **Geoscience (GEO) revenue** was \$69 million, down 10% and up 8% pro-forma* year-on-year.

Sequentially, Geoscience revenue was stable this quarter supported by strong activity in the Americas and demand for high-end technology. Geoscience commercial activity is increasing worldwide with high level of bid submissions, up 26% year-on-year, and order intake up 37% year-on-year, during the first 9 months of 2022.

- **Earth Data (EDA) revenue** was \$62 million, down (33)% year-on-year.

Earth Data cash capex was \$(72) million this quarter, up 26% year-on-year. In Q3, we had two vessels acquiring data for our program in the Norwegian North Sea and one vessel offshore Brazil. Prefunding revenue of our Earth Data projects was low at \$19 million as some prefunding for North Sea and Brazil multi-client programs shifted to Q4. Prefunding rate was low this quarter at 26%.

Earth Data after-sales were \$43 million this quarter, up 32% year-on-year sustained by sales in South America, Gulf of Mexico and the North Sea.

The segment library Net Book Value was \$375 million (\$449 million after IFRS 15 adjustments) at the end of September 2022, split 94% offshore and 6% onshore.



DDE segment EBITDAs was \$64 million, a 49% margin, and **DDE adjusted** segment EBITDAs** was \$66 million.

DDE segment operating income was \$21 million, a 16% margin, and **DDE adjusted** segment operating income** was \$23 million.

DDE capital employed decreased to \$1.5 billion at the end of September 2022.

Sensing & Monitoring

Sensing & Monitoring In million \$	2021 Q3	2022 Q3	Variances %
Segment revenue	101	86	(15%)
Land	40	50	25%
Marine	55	22	(60%)
Downhole gauges	2	4	72%
Beyond the Core	4	10	-
Segment EBITDAs	17	18	7%
<i>EBITDAs margin</i>	<i>17%</i>	<i>21%</i>	<i>4 bps</i>
Segment operating income	9	11	19%
<i>OPINC Margin</i>	<i>9%</i>	<i>13%</i>	<i>4 bps</i>
Capital employed (in billion \$)	0.6	0.6	11%
Supplementary information			
Adjusted segment EBITDAs before NRC	17	15	(11%)
<i>EBITDAs margin</i>	<i>17%</i>	<i>17%</i>	<i>1 bps</i>
Adjusted segment OPINC before NRC	9	8	(16%)
<i>OPINC Margin</i>	<i>9%</i>	<i>9%</i>	<i>(0) bps</i>

Sensing & Monitoring (SMO) segment revenue was \$86 million, down (15)% year-on-year.

- Land equipment sales represented 58% of total sales, sustained by deliveries of wireless Wing channels and of over 100,000 508^{XT} channels to the Middle East and North Africa and Asia
- Marine equipment sales represented 26% of total sales driven by significant deliveries of GPR300 OBN nodes. SMO completed the acquisition of ION Geophysical Corporation's ("ION") software business.
- Downhole equipment sales were \$4 million.
- Sales from Beyond the Core businesses were \$10 million, significantly up year-on-year and included contribution from the newly acquired Geocomp business

SMO segment EBITDAs was \$18 million, a 21% margin and **SMO adjusted** segment EBITDAs** was \$15 million.

SMO segment operating income was \$11 million, a 13% margin and **SMO adjusted** segment operating income** was \$8 million.

SMO capital employed increased to \$0.6 billion at the end of September 2022.



Third Quarter 2022 Financial Results

Consolidated Income Statements In million \$	2021 Q3	2022 Q3	Variances %
<i>Exchange rate euro/dollar</i>	1.19	1.02	(14%)
Segment revenue	270	217	(20%)
DDE	168	131	(22%)
DDE proforma	156	131	(16%)
Sensing & Monitoring	101	86	(15%)
Elim & Other	(0)	0	-
Proforma revenue for Group	257	217	(16%)
Segment Gross Margin	64	54	(15%)
Segment EBITDAs	118	77	(35%)
DDE Adjusted**	107	66	(38%)
Sensing & Monitoring Adjusted**	17	15	(11%)
Corporate	(5)	(5)	6%
Elim & Other	(1)	(1)	(4%)
Non recurring charges	0	2	-
Segment operating income	33	25	(23%)
DDE Adjusted**	30	23	(24%)
Sensing & Monitoring Adjusted**	9	8	(16%)
Corporate	(5)	(5)	(11%)
Elim & Other	(2)	(1)	50%
Non recurring charges	(3)	2	-
IFRS 15 adjustment	(13)	2	-
IFRS operating income	21	28	35%
Equity from investments	(0)	0	-
Net cost of financial debt	(27)	(24)	9%
Other financial income (loss)	(0)	(1)	-
Income taxes	(7)	(4)	45%
NRC (Tax & OFI)	-	-	-
Net income / (loss) from continuing operations	(13)	(1)	91%
Net income / (loss) from discontinued operations	(3)	(0)	88%
IFRS net income / (loss)	(16)	(2)	90%
Shareholder's net income / (loss)	(17)	(1)	94%
Basic Earnings per share in \$	(0.02)	-	94%
Basic Earnings per share in €	(0.02)	-	94%

Segment revenue was \$217 million, down (20)% and down (16)% pro-forma* year-on-year. The respective contributions from the Group's businesses were 32% from Geoscience, 28% from Earth Data (60% for the DDE segment) and 40% from Sensing & Monitoring.

Segment EBITDAs was \$77 million, down (35)% year-on-year, a 35% margin due to the unfavorable business mix and **adjusted** segment EBITDAs** was \$75 million.

Segment operating income was \$25 million, a 12% margin, and **adjusted** segment operating income** was \$24 million.

IFRS 15 adjustment at operating income level was \$2 million and **IFRS operating income**, after IFRS 15 adjustment, was \$28 million.



Cost of financial debt was \$(24) million. The total amount of interest paid during the quarter was \$(1) million.

Taxes were at \$(4) million.

Net income from continuing operations was \$(1) million.

Group Net Income this quarter was \$(2) million.

After minority interests, **Group net income attributable to CGG shareholders** was \$ (2) million/ €(1) million.

Third Quarter 2022 Cash Flow

Cash Flow items In million \$	2021 Q3	2022 Q3	Variances %
Segment Operating Cash Flow	76	37	(51%)
CAPEX	(73)	(82)	13%
Industrial	(8)	(6)	(26%)
R&D	(7)	(4)	(41%)
Earth Data (Cash)	(57)	(72)	26%
Marine Offshore	(57)	(72)	27%
Land Onshore	-	-	-
Proceeds from disposals of assets	(1)	(16)	-
Segment Free Cash Flow	2	(61)	-
Lease repayments	(14)	(11)	24%
Paid Cost of debt	-	-	-
CGG 2021 Plan	(7)	(7)	(9%)
Free cash flow from discontinued operations	(15)	1	-
Net Cash flow	(34)	(78)	-
Financing cash flow	(2)	-	-
Forex and other	(9)	(14)	(52%)
Net increase/(decrease) in cash	(45)	(92)	-
Supplementary information			
Change in working capital and provisions, included in Segment Operating Cash Flow	(49)	(40)	-



Segment operating cash flow was \$37m million, including \$(40) million negative change in working capital & provisions mainly related to the SMO business.

Total capex was \$(82) million:

- **Industrial capex** was \$(6) million,
- **Research & Development capex** was \$(4) million,
- **Earth Data cash capex** was \$(72) million.

Segment free cash flow was \$(61) million, including \$(19) million for the acquisition of the ION software business.

After \$(11) million lease repayments, \$(7) million CGG 2021 Plan cash costs and \$1 million free cash flow from discontinued operations, the **net cash flow** was \$(78) million.



9 months 2022 Financial Results

Consolidated Income Statements In million \$	2021 9 MONTHS	2022 9 MONTHS	Variance s %
<i>Exchange rate euro/dollar</i>	1.20	1.07	(11%)
Segment revenue	640	610	(5%)
DDE	379	444	17%
Proforma revenue for DDE	342	444	30%
Sensing & Monitoring	262	165	(37%)
Elim & Other	(1)	0	-
Proforma revenue for Group	603	609	1%
Segment Gross Margin	83	170	-
Segment EBITDAs	190	241	27%
DDE Adjusted**	188	260	38%
Sensing & Monitoring Adjusted**	24	(4)	-
Corporate	(13)	(16)	(18%)
Elim & Other	(11)	(3)	69%
Non recurring charges	2	5	-
Segment operating income	9	86	-
DDE Adjusted**	28	129	-
Sensing & Monitoring Adjusted**	0	(26)	-
Corporate	(16)	(18)	(12%)
Elim & Other	(12)	(4)	69%
Non recurring charges	8	5	(44%)
IFRS 15 adjustment	(9)	11	-
IFRS operating income	(0)	97	-
Equity from investments	0	(0)	-
Net cost of financial debt	(94)	(75)	21%
Other financial income (loss)	(42)	2	-
Income taxes	(17)	(27)	(54%)
NRC (Tax & OFI)	0	0	-
Net income / (loss) from continuing operations	(154)	(2)	99%
Net income / (loss) from discontinued operations	2	(2)	-
IFRS net income / (loss)	(152)	(4)	97%
Shareholder's net income / (loss)	(154)	(3)	98%
Basic Earnings per share in \$	(0.22)	-	94%
Basic Earnings per share in €	(0.22)	-	94%

Segment revenue was \$610 million, down (5)% and slightly up pro-forma* compared to the same period last year. The respective contributions from the Group's businesses were 35% from Geoscience, 38% from Earth Data (73% for the DDE segment) and 27% from SMO.

DDE segment revenue was \$444 million, up 17% and up 30% pro-forma* year-on-year.

Geoscience revenue was \$214 million, flat and up 19% pro-forma* year-on-year.

Earth Data sales were \$230 million, up 41% year-on-year. Prefunding revenue was \$69 million, down (25)% year-on-year. Earth Data cash capex



was \$(180) million, up 37% year-on-year. Cash prefunding rate at the end of September was 38%.

After-sales were \$161 million, up 126% year-on-year.

SMO segment revenue was \$165 million, down (37)% year-on-year.

Segment EBITDAs was \$241 million, up 27% year-on-year, a 40% margin. DDE EBITDAs was \$256 million, up 35% year-on-year, a high 58% margin, and Sensing & Monitoring EBITDA was \$(1) million. **Adjusted** segment EBITDAs** was \$236 million.

Segment operating income was \$86 million, a 15% margin, significantly up from \$9m a year ago, and **adjusted** segment operating income** was \$82 million, including net positive impact from EUR/USD exchange rate estimated at \$12m compared to last year.

IFRS 15 adjustment at operating income level was \$11 million and **IFRS operating income**, after IFRS 15 adjustment, was \$97 million.

Cost of financial debt was \$(75) million. The total amount of interest paid during the first nine months 2022 was \$(47) million.

Other financial items were \$2 million.

Taxes were at \$(27) million.

Net income from continuing operations was \$(2) million.

Group net loss was \$(4) million.

After minority interests, **2022 Group net income attributable to CGG's shareholders** at the end of September 2022 was \$(2) million / €(1) million.



Cash Flow

Cash Flow items In million \$	2021 9 MONTHS	2022 9 MONTHS	Variances %
Segment Operating Cash Flow	235	243	3%
CAPEX	(172)	(210)	22%
Industrial	(17)	(15)	(15%)
R&D	(24)	(15)	(37%)
Earth Data (Cash)	(131)	(180)	37%
Marine Offshore	(130)	(179)	38%
Land Onshore	(1)	(1)	-
Proceeds from disposals of assets	(4)	1	-
Segment Free Cash Flow	59	35	(42%)
Lease repayments	(44)	(36)	18%
Paid Cost of debt	(37)	(47)	(28%)
CGG 2021 Plan	(26)	(19)	26%
Free cash flow from discontinued operations	(14)	2	-
Net Cash flow	(61)	(65)	(6%)
Financing cash flow	(69)	2	-
Forex and other	(15)	(31)	-
Net increase/(decrease) in cash	(146)	(94)	35%
Supplementary information			
Change in working capital and provisions, included in Segment Operating Cash Flow	39	9	-

Segment operating cash flow was \$243 million up 3%, including \$9 million positive change in working capital & provisions.

Capex was \$(210) million, up 22% year-on-year:

Industrial capex was \$(15) million, down (15)% year-on-year,

Research & development capex was \$(15) million, down (37)% year-on-year,

Earth Data cash capex was \$(180) million, up 37% year-on-year.

Segment free cash flow was \$35 million, down (42)% year-on-year.

After lease repayments of \$(36) million, \$(47) million of interest expenses, \$(19) million of CGG Plan 2021 and \$2 million free cash flow from discontinued operations, **Group net cash flow** was \$(65) million, compared to \$(61) million for the first 9 months of 2021.



Balance Sheet

Group's liquidity amounted to **\$325 million** at the end of September 30, 2022, including **\$225 million of cash liquidity** and \$100 million undrawn RCF.

Group gross debt before IFRS 16 was **\$1,114 million** and **net debt** was **\$889 million** at the end of September 30, 2022.

Group gross debt after IFRS 16 was **\$1,201 million** and **net debt** was **\$976 million** at the end of September 30, 2022.

Segment leverage ratio of **Net debt to Adjusted** Segment EBITDAs** was **2.5x** at the end of September 2022.

* Pro-forma indicators represent supplementary information adjusted for GeoSoftware and Physical Asset Storage and Services businesses sold in 2021.

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



Q3 2022 Conference call

An English language analysts conference call is scheduled today at 6.30 pm (CET)

- The press release and the presentation are available on our website www.cgg.com at 5:45 pm (CET)

Please note that we have switched to a new service provider for conference calls.

Participants should from now on 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 3,300 people worldwide and is listed on the Euronext Paris SA (ISIN: 0013181864).

Contacts

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CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2022



Unaudited Interim Consolidated statement of operations – Year-To-Date

<i>(In millions of US\$, except per share data)</i>	Nine months ended September 30,	
	2022	2021 Restated
Operating revenues	658.5	590.6
Other income from ordinary activities	0.5	0.5
Total income from ordinary activities	659.0	591.1
Cost of operations	(477.8)	(517.1)
Gross profit	181.2	74.0
Research and development expenses - net	(12.5)	(15.5)
Marketing and selling expenses	(21.8)	(22.3)
General and administrative expenses	(51.0)	(46.2)
Other revenues (expenses) - net	1.4	9.6
Operating income (loss)	97.3	(0.4)
Cost of financial debt - gross	(75.7)	(95.2)
Income provided by cash and cash equivalents	1.1	0.9
Cost of financial debt, net	(74.6)	(94.3)
Other financial income (loss)	2.4	(42.1)
Income (loss) before incomes taxes and share of income (loss) from companies accounted for under the equity method	25.1	(136.8)
Income taxes	(26.6)	(17.4)
Net income (loss) before share of income (loss) from companies accounted for under the equity method	(1.5)	(154.2)
Net income (loss) from companies accounted for under the equity method	(0.1)	
Net income (loss) from continuing operations	(1.6)	(154.2)
Net income (loss) from discontinued operations	(2.4)	2.1
Consolidated net income (loss)	(4.0)	(152.1)
<i>Attributable to :</i>		
<i>Owners of CGG S.A</i>	(2.8)	(153.8)
<i>Non-controlling interests</i>	(1.2)	1.7
Net income (loss) per share		
Basic	—	(0.22)
Diluted	—	(0.22)
Net income (loss) from continuing operations per share		
Basic	—	(0.22)
Diluted	—	(0.22)
Net income (loss) from discontinued operations per share		
Basic	—	0.00
Diluted	—	0.00



Unaudited Consolidated statement of financial position

(In millions of US\$)

	September 30, 2022	December 31, 2021
ASSETS		
Cash and cash equivalents	225.1	319.2
Trade accounts and notes receivable, net	283.6	350.7
Inventories and work-in-progress, net ^(a)	242.2	197.3
Income tax assets	61.8	68.7
Other current financial assets, net	0.1	1.7
Other current assets, net	83.6	105.1
Assets held for sale, net	-	-
Total current assets	896.4	1,042.7
Deferred tax assets	15.4	19.6
Other non-current assets, net	24.0	17.8
Investments and other financial assets, net	2.8	-
Investments in companies under the equity method	28.0	28.1
Property, plant and equipment, net	148.6	212.1
Intangible assets, net	566.9	520.7
Goodwill, net	1,100.0	1,083.6
Total non-current assets	1,885.7	1,881.9
TOTAL ASSETS	2,782.1	2,924.6
LIABILITIES AND EQUITY		
Financial debt – current portion	75.1	90.3
Trade accounts and notes payables	114.2	76.4
Accrued payroll costs	80.4	105.4
Income taxes payable	29.0	30.4
Advance billings to customers	24.8	27.1
Provisions — current portion	17.9	18.2
Other current financial liabilities	19.7	19.2
Other current liabilities	174.2	218.2
Liabilities directly associated with the assets classified as held for sale	-	-
Total current liabilities	535.3	585.2
Deferred tax liabilities	21.6	14.1
Provisions — non-current portion	26.1	30.6
Financial debt – non-current portion	1,125.7	1,218.1
Other non-current financial liabilities	22.7	37.4
Other non-current liabilities	20.7	32.8
Total non-current liabilities	1,216.8	1,333.0
Common stock: 1,148,203,130 shares authorized and 712,357,225 shares with a €0.01 nominal value outstanding at September 30, 2022	8.7	8.7
Additional paid-in capital	118.5	464.1
Retained earnings	917.2	570.0
Other Reserves	77.1	5.0
Treasury shares	(20.1)	(20.1)
Cumulative income and expense recognized directly in equity	(2.4)	(0.8)
Cumulative translation adjustment	(106.1)	(64.2)
Equity attributable to owners of CGG S.A.	992.9	962.7
Non-controlling interests	37.1	43.7
Total equity	1,030.0	1,006.4
TOTAL LIABILITIES AND EQUITY	2,782.1	2,924.6



Unaudited Consolidated statement of cash flows

<i>(In millions of US\$)</i>	Nine months ended September 30,	
	2022	2021
OPERATING ACTIVITIES		
Consolidated net income (loss)	(4.0)	(152.1)
Less: Net income (loss) from discontinued operations	2.4	(2.1)
Net income (loss) from continuing operations	(1.6)	(154.2)
Depreciation, amortization and impairment	65.2	76.9
Earth Data surveys impairment and amortization	136.9	77.5
Depreciation and amortization capitalized in Earth Data surveys	(11.7)	(12.9)
Variance on provisions	(0.8)	(32.3)
Share-based compensation expenses	2.3	(0.7)
Net (gain) loss on disposal of fixed and financial assets	(3.9)	(0.3)
Share of (income) loss in companies recognized under equity method	0.1	—
Dividends received from investments in companies under the equity method	—	—
Other non-cash items	(2.4)	42.2
Net cash-flow including net cost of financial debt and income tax	184.1	(3.8)
Less : Cost of financial debt	74.6	94.3
Less : Income tax expense (gain)	26.6	17.4
Net cash-flow excluding net cost of financial debt and income tax	285.3	107.9
Income tax paid	(3.8)	1.2
Net cash-flow before changes in working capital	281.5	109.1
Changes in working capital	(38.8)	126.1
- change in trade accounts and notes receivable	30.0	116.2
- change in inventories and work-in-progress	(69.8)	12.9
- change in other current assets	5.1	(12.2)
- change in trade accounts and notes payable	36.1	(6.1)
- change in other current liabilities	(40.2)	15.3
Net cash-flow from operating activities	242.7	235.2
INVESTING ACTIVITIES		
Total capital expenditures (tangible and intangible assets) net of variation of fixed assets suppliers, excluding Earth Data surveys)	(29.6)	(40.9)
Investment in Earth Data surveys	(179.9)	(131.0)
Proceeds from disposals of tangible and intangible assets	33.1	0.2
Proceeds from divestment of activities and sale of financial assets	4.8	(2.4)
Acquisition of investments, net of cash and cash equivalents acquired	(36.7)	(1.9)
Variation in loans granted	—	—
Variation in subsidies for capital expenditures	(0.1)	—
Variation in other non-current financial assets	(6.7)	(2.3)
Net cash-flow used in investing activities	(215.1)	(178.3)



<i>(In millions of US\$)</i>	Nine months ended September 30,	
	2022	2021
FINANCING ACTIVITIES		
Repayment of long-term debt	—	(1,227.5)
Total issuance of long-term debt	—	1,160.0
Lease repayments	(36.6)	(43.7)
Change in short-term loans	—	(0.2)
Financial expenses paid	(46.9)	(36.7)
Loan granted	1.7	(1.7)
Net proceeds from capital increase:	0.4	
— from Owner of CGG	0.4	—
— from non-controlling interests of integrated companies	—	—
Dividends paid and share capital reimbursements:		
— to owners of CGG	—	—
— to non-controlling interests of integrated companies	(0.9)	(3.6)
Acquisition/disposal from treasury shares	—	—
Net cash-flow provided by (used in) financing activities	(82.2)	(153.4)
Effects of exchange rates on cash	(23.1)	(8.0)
Impact of changes in consolidation scope	—	—
Net cash flows incurred by discontinued operations	(16.4)	(41.2)
Net increase (decrease) in cash and cash equivalents	(94.1)	(145.7)
Cash and cash equivalents at beginning of year	319.2	385.4
Cash and cash equivalents at end of period	225.1	239.7