



## **CGG Provides First Quarter 2020 Financial Update**

**Positive Net Cash Flow of \$25 million**

**Cash Liquidity at the end of March 2020 around \$622 million**

**Group Segment Revenue Expected at \$273 million**

*PARIS, France – April 8, 2020*

### **First quarter 2020 update:**

CGG anticipates first quarter 2020 figures as follow:

- **Group Segment revenue around \$273 million**, down 3% year-on-year.
  - Geoscience first quarter 2020 segment revenue around \$93 million, up 2% year-on-year
  - Multi-client first quarter 2020 segment revenue around \$104 million, up 17% year-on-year, with after-sales around \$47 million
  - Equipment first quarter 2020 segment revenue around \$76 million, down 25% year-on-year
- **Positive Net Cash Flow** around **\$25 million** during the first quarter 2020
- **Group's Cash Liquidity** around **\$622 million** at the end of March 2020
- **Net Debt** at around **\$583 million** at the end of March 2020
- **Geoscience backlog** as of April 1, 2020 at **\$278 million**, up 7% year-on-year

**Sophie Zurquiyah, CEO, CGG** said: *"In the current COVID-19 pandemic crisis, our absolute priority remains on the health and safety of our employees, stakeholders and the communities where we work. I would like to thank all our teams around the world for their dedication and professionalism in these difficult circumstances. Following a solid first quarter of 2020 and a smooth transition to working virtually, we enter this environment with around \$622 million of cash, a more resilient asset-light business profile, no bond debt to reimburse before April 2023 and no refinancing required. Generation and preservation of cash, meeting our clients' needs and maintaining our technology differentiation remain our key focus."*

### **Full Year 2020 financial guidance suspended:**

The recent and significant economic uncertainty created by the COVID-19 pandemic and the resulting volatility in global financial markets, combined with the large increase in oil supply and the expected decline in oil demand resulting from an economic contraction, leave CGG and the oil and gas sector as a whole, unable to reasonably estimate the future at this point in time.

As of today, the vast majority of our employees are telecommuting and are productive. In Geoscience, we continue to deliver projects on time and our data centers are all operational. Multi-client programs in Brazil, UK, US and Australia are ongoing. Equipment manufacturing plants in France and the US were shut down on March 19, while our plant in China resumed normal production after closing for two weeks in January.

However, given the current uncertainties on the duration of the confinement around the world and the magnitude of economic impact to our businesses, the financial objectives communicated on March 6, 2020, which were based on a US\$55-65/bbl Brent oil price, are no longer effective. CGG is currently monitoring the situation and its clients' activity closely to evaluate the impact on its 2020 financial performance, and is revisiting its 2020 and 2021 financial objectives, which are no longer valid.

We believe that our strategy based on high-end technology, services and data and products that support our clients' reservoir development and production optimization efforts is the right one to take us through a lengthy period of depressed activity, should that situation occur.

The Company intends to release updated 2020 financial guidance on May 12, 2020 during its Q1 2020 financial presentation.

**Forward-looking statements:**

*The Company provides this information based on a preliminary revenue review. The Company has not completed its financial reporting and related consolidation, review and control procedures, including the review of all sales against the established revenue recognition/cut-off criteria. The estimates provided in this release are therefore subject to change and the Q1 2020 financial statements finally approved and released by the Company may deviate materially from the information herein.*

**About CGG:**

*CGG ([www.cgg.com](http://www.cgg.com)) is a global geoscience technology leader. Employing around 4,600 people worldwide, CGG provides a comprehensive range of data, products, services and equipment that supports the discovery and responsible management of the Earth's natural resources. CGG is listed on the Euronext Paris SA (ISIN: 0013181864).*

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