



## CGG Announces its Q4 and Full Year 2020 Results

### Q4 Solid Operational Performance

#### 2021 Positive Net Cash Flow sustained by gradual recovery

PARIS, France – March 5, 2021 – **CGG** (ISIN: FR0013181864), a world leader in Geoscience, announced today its fourth quarter and full year 2020 audited results.

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

*"In the particularly challenging year of 2020, which saw the collapse of the oil & gas market across the second and third quarters, we finished the year with solid fourth quarter operational performance. During 2020, we successfully completed our exit from the Acquisition business while continuing to advance our high-end Geoscience technologies for reservoir development and production. We also delivered our Multi-client surveys in the industry's core mature sedimentary basins and released new products while reinforcing our market leadership in Equipment. Our initiatives towards energy transition are accelerating with the development and commercialization of new business offerings, along with our announced target to achieve carbon neutrality by 2050. Looking forward, as global economies continue to progressively recover and with oil price stabilizing above \$50/bbl, we expect CGG's performance to benefit from the proactive cost reduction actions and gradually strengthen in the second half of the year, delivering positive net cash flow in 2021."*

#### Q4 2020: Solid Operational Performance

- **IFRS figures:** revenue at \$217m, EBITDAs at \$52m, OPINC at \$(58)m
- **Segment revenue at \$283m**, up 42% quarter-on-quarter and down (29)% year-on-year
  - Geoscience: Increased software sales and sustained activity of large and dedicated imaging centers
  - Multi-client: Solid prefunding rate of 171% in Q4
  - Equipment: Solid quarter driven by land equipment deliveries
- **Segment EBITDAs at \$118m and Adjusted\* Segment EBITDAs at \$122m** before \$(4)m of non-recurring severance costs, a 43% margin
- **Segment Operating Income at \$(42)m and Adjusted\* Segment Operating Income at \$17m** before \$(59)m of non-recurring charges
- **Group Net loss at \$(100)m** including \$(61)m non-recurring charges on continuing activities and \$(23)m non-recurring charges on discontinued activities
- **Group segment backlog at January 1<sup>st</sup> 2021 stands at \$421m**

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



## Full Year 2020: Financial performance hampered by Covid-19 pandemic impact

- **IFRS figures:** revenue at \$886m, EBITDAs at \$292m, OPINC at \$(173)m
- **Segment revenue** at **\$955m**, down (32)% year-on-year
- **Segment EBITDAs** at **\$361m** and **Adjusted\* Segment EBITDAs** at **\$402m** before \$(42)m of non-recurring severance costs, a 42% margin
- **Segment Operating Income** at **\$(164)m** and **Adjusted\* Segment Operating Income** at **\$48m** before \$(213)m of non-recurring charges
- **Group Net loss** at **\$(438)m** including \$(269)m non-recurring charges on continuing activities and \$(67)m non-recurring charges on discontinued activities

## Liquidity of \$385m and Net Debt (before IFRS 16) at \$849m at year-end 2020

- **Q4 2020 Net Cash Flow** at **\$(95)m** including negative change in working capital of \$(88)m supporting increased December sales
- **FY 2020 Net Cash Flow** of **\$(247)m** including \$(89)m negative change in working capital and \$(101)m non-recurring cash costs
- **Liquidity** of **\$385m** and **Net debt before IFRS 16** at **\$849m** as of December 31, 2020

## CGG is in a leading position to benefit from progressive market recovery

With continuing acceleration of Covid-19 vaccinations world economies should continue to progressively recover from pandemic in 2021. Recent OPEC+ agreements support the rebalancing of supply and demand and Brent oil price has gradually recovered and stabilized above the \$50/bbl threshold.

CGG will continue to invest in geoscience technologies that support clients' prioritization towards reservoir development and production optimization. After a low Q1, our Geoscience activity will start recovering during the second half of the year on the back of solid demand for best-in-class subsurface imaging technologies and sustained activity with large NOCs. Our Multi-client business will reduce capex keeping its focus on expanding our unique footprint offshore Brazil and in the North Sea while reprocessing existing data libraries with our latest imaging technologies.

Our Equipment business should benefit from solid deliveries for land mega crews in Saudi Arabia in H1 and improved demand for its large portfolio of WING nodes onshore and GPR nodes offshore.

CGG continues to progressively develop its existing energy transition businesses, leveraging its core capabilities into other domains (Geothermal, Mining and SHM), expanding into areas where clients are growing (Carbon capture, utilization and storage) and hiring new talents.



### **Financial objectives: positive net cash flow in 2021**

Given the context outlined above and assuming there will be no deterioration in Covid-19 pandemic and market conditions, **CGG segment revenue is expected to increase by low single digits year-on-year** with growth in Equipment, gradual recovery in Geoscience from H2 2021 and reduced Multi-Client prefunding revenue.

**Segment EBITDAs is expected to remain stable** with a less favorable business mix.

**Net cash flow is anticipated to be positive.** The Group will continue to focus on capital discipline and cash generation. Multi-client cash capex is expected to be reduced to around \$165 million with prefunding above 75% and industrial capex is expected to be stable at around \$70 million. Non-recurring cash costs are expected to come down to around \$(60) million.



## Key Figures - Fourth Quarter 2020

Key Figures IFRS - Quarter In million \$	2019 Q4	2020 Q4	Variances %
<b>Operating revenues</b>	<b>426</b>	<b>217</b>	<b>(49)%</b>
<b>Operating Income</b>	<b>74</b>	<b>(58)</b>	<b>-</b>
Equity from Investment	-	-	-
Net cost of financial debt	(33)	(34)	3%
Other financial income (loss)	2	2	12%
Income taxes	20	7	(64)%
<b>Net Income / Loss from continuing operations</b>	<b>63</b>	<b>(83)</b>	<b>-</b>
Net Income / Loss from discontinued operations	(37)	(18)	53%
<b>Group net income / (loss)</b>	<b>26</b>	<b>(100)</b>	<b>-</b>
Operating Cash Flow	179	26	(85)%
Net Cash Flow	7	(95)	-
<b>Net debt</b>	<b>716</b>	<b>1,004</b>	<b>40%</b>
<b>Net debt before lease liabilities</b>	<b>540</b>	<b>849</b>	<b>57%</b>
<b>Capital employed</b>	<b>2,323</b>	<b>2,168</b>	<b>(7)%</b>

## Key Segment Figures - Fourth Quarter 2020

Key Segment Figures - Quarter In million \$	2019 Q4	2020 Q4	Variances %
<b>Segment revenue</b>	<b>396</b>	<b>283</b>	<b>(29)%</b>
<b>Segment EBITDAs</b>	<b>206</b>	<b>118</b>	<b>(43)%</b>
<i>Group EBITDAs margin</i>	<i>52%</i>	<i>42%</i>	<i>(103) bps</i>
<b>Segment operating income</b>	<b>72</b>	<b>(42)</b>	<b>-</b>
<i>Opinc margin</i>	<i>18%</i>	<i>(15)%</i>	<i>-</i>
IFRS 15 adjustment	2	(16)	-
<b>IFRS operating income</b>	<b>74</b>	<b>(58)</b>	<b>-</b>
Operating Cash Flow	179	26	(85)%
Net Segment Cash Flow	7	(95)	-
<b>Supplementary information</b>			
<b>Adjusted segment EBITDAs before NRC</b>	<b>206</b>	<b>122</b>	<b>(41)%</b>
<i>EBITDAs margin</i>	<i>52%</i>	<i>43%</i>	<i>(90) bps</i>
<b>Adjusted segment operating income before NRC</b>	<b>72</b>	<b>17</b>	<b>(77)%</b>
<i>Opinc margin</i>	<i>18%</i>	<i>6%</i>	<i>(123) bps</i>



## Key Figures – Full Year 2020

Key Figures IFRS - YTD In million \$	2019	2020	Variances %
<b>Operating revenues</b>	<b>1,356</b>	<b>886</b>	<b>(35)%</b>
<b>Operating Income</b>	<b>244</b>	<b>(173)</b>	<b>-</b>
Equity from Investment	-	-	-
Net cost of financial debt	(132)	(134)	2%
Other financial income (loss)	6	(39)	-
Income taxes	9	(30)	-
<b>Net Income / Loss from continuing operations</b>	<b>126</b>	<b>(376)</b>	<b>-</b>
Net Income / Loss from discontinued operations	(188)	(63)	67%
<b>Group net income / (loss)</b>	<b>(61)</b>	<b>(438)</b>	<b>-</b>
Operating Cash Flow	751	264	(65)%
Net Cash Flow	186	(247)	-
<b>Net debt</b>	<b>716</b>	<b>1,004</b>	<b>40%</b>
<b>Net debt before lease liabilities</b>	<b>540</b>	<b>849</b>	<b>57%</b>
<b>Capital employed</b>	<b>2,323</b>	<b>2,168</b>	<b>(7)%</b>

## Key Segment Figures – Full Year 2020

Key Segment Figures - YTD In million \$	2019	2020	Variances %
<b>Segment revenue</b>	<b>1,400</b>	<b>955</b>	<b>(32)%</b>
<b>Segment EBITDAs</b>	<b>721</b>	<b>361</b>	<b>(50)%</b>
<i>Group EBITDAs margin</i>	<i>51%</i>	<i>38%</i>	<i>(137) bps</i>
<b>Segment operating income</b>	<b>247</b>	<b>(164)</b>	<b>-</b>
<i>Opinc margin</i>	<i>18%</i>	<i>-17%</i>	<i>(349) bps</i>
IFRS 15 adjustment	(4)	(8)	-
<b>IFRS operating income</b>	<b>244</b>	<b>(173)</b>	<b>-</b>
Operating Cash Flow	751	264	(65)%
Net Segment Cash Flow	186	(247)	-
<b>Supplementary information</b>			
<b>Adjusted segment EBITDAs before NRC</b>	<b>721</b>	<b>402</b>	<b>(44)%</b>
<i>Group EBITDAs margin</i>	<i>51%</i>	<i>42%</i>	<i>(94) bps</i>
<b>Adjusted segment operating income before NRC</b>	<b>247</b>	<b>48</b>	<b>(80)%</b>
<i>Opinc margin</i>	<i>18%</i>	<i>5%</i>	<i>(130) bps</i>



### Key figures bridge: Segment to IFRS - Fourth Quarter 2020

P&L items - Q4 In million \$	Segment figures	IFRS 15 adjustment	IFRS figures
Total Revenue	283	(66)	217
OPINC	(42)	(16)	(58)

Cash Flow Statement items - Q4 In million \$	Segment figures	IFRS 15 adjustment	IFRS figures
EBITDAs	118	(66)	52
Change in Working Capital & Provisions	(88)	66	(22)
Cash Provided by Operations	26	-	26

Multi-Client Data Library NBV In million \$	Segment figures	IFRS 15 adjustment	IFRS figures
Opening Balance Sheet, Sept 20	345	154	499
Closing Balance Sheet, Dec 20	285	207	492

### Key figures bridge: Segment to IFRS – Full Year 2020

P&L items - YTD In million \$	Segment figures	IFRS 15 adjustment	IFRS figures
Total Revenue	955	(69)	886
OPINC	(164)	(8)	(173)

Cash Flow Statement items - YTD In million \$	Segment figures	IFRS 15 adjustment	IFRS figures
EBITDAs	361	(69)	292
Change in Working Capital & Provisions	(89)	69	(20)
Cash Provided by Operations	264	-	264

Multi-Client Data Library NBV In million \$	Segment figures	IFRS 15 adjustment	IFRS figures
Opening Balance Sheet, Dec 19	376	155	531
Closing Balance Sheet, Dec 20	285	207	492



## Fourth Quarter 2020 Segment Financial Results

### Geology, Geophysics & Reservoir (GGR)

Geology, Geophysics & Reservoir (GGR) In million \$	2019 Q4	2020 Q4	Variiances, %
<b>Segment revenue</b>	<b>275</b>	<b>176</b>	<b>(36)%</b>
Geoscience	106	75	(29)%
Multi-Client	169	101	(40)%
Prefunding	62	70	13%
After-Sales	106	31	(71)%
<b>Segment EBITDAs</b>	<b>189</b>	<b>108</b>	<b>(43)%</b>
<i>EBITDAs Margin</i>	<i>69%</i>	<i>61%</i>	<i>(78) bps</i>
<b>Segment operating income</b>	<b>64</b>	<b>(44)</b>	<b>-</b>
<i>OPINC Margin</i>	<i>23%</i>	<i>(25)%</i>	<i>(479) bps</i>
Equity from investments	-	-	-
<b>Capital employed (in billion \$)</b>	<b>1.9</b>	<b>1.6</b>	<b>(10)%</b>
<b>Supplementary information</b>			
<b>Adjusted segment EBITDAs before NRC</b>	<b>189</b>	<b>111</b>	<b>(41)%</b>
<i>EBITDAs Margin</i>	<i>69%</i>	<i>63%</i>	<i>(58) bps</i>
<b>Adjusted segment OPINC before NRC</b>	<b>64</b>	<b>15</b>	<b>(79)%</b>
<i>OPINC Margin</i>	<i>23%</i>	<i>8%</i>	<i>(168) bps</i>
<b>Other Key Metrics</b>			
Multi-Client cash capex (\$m)	(32)	(41)	(26)%
Multi-Client cash prefunding rate (%)	191%	171%	(204) bps

**GGR segment revenue** was \$176 million, up 18% quarter-on-quarter and down (36)% year-on-year.

- **Geoscience revenue** was \$75 million, down (2)% quarter-on-quarter and down (29)% year-on-year.

Despite the general slowdown of the global economy and its negative effect on oil price and clients' E&P spending, Geoscience production was more resilient, driven by stable activity for National Oil Companies and sequential increase in GeoSoftware and Geovation sales.

CGG Geoscience technology leadership continues to be recognized by major clients.

- **Multi-Client revenue** was \$101 million, up 38% quarter-on-quarter and down (40)% year-on-year.

Prefunding revenue of our multi-client projects was \$70 million, up 78% quarter-on-quarter and up 13% year-on-year.

We had one marine streamer multi-client program offshore Brazil and several reprocessing and reimaging multi-clients surveys this quarter. Multi-client cash capex was \$(41)m and prefunding rate was high at 171%.

Multi-client after-sales were at \$31 million this quarter primarily driven by Brazil, down (8)% quarter-on-quarter and down (71)% year-on-year.

The segment library Net Book Value was \$285 million (\$492 million after IFRS 15 adjustments) at the end of 2020, split 84% offshore and 16% onshore.

**GGR segment EBITDAs** was \$108 million, a 61% margin.

**GGR Adjusted segment EBITDAs** was \$111 million, a 63% margin before \$(4) million of severance costs.



**GGR segment operating income** was \$(44) million.

**GGR Adjusted segment operating income** was \$15 million, a 8% margin before \$(59) million of non-recurring charges including mainly \$(29)m Multi-client library impairments mainly in Africa and Ireland.

**GGR capital employed** was stable at \$1.6 billion at the end of 2020.

## Equipment

Equipment In million \$	2019 Q4	2020 Q4	Variances, %
<b>Segment revenue</b>	<b>123</b>	<b>108</b>	<b>(13)%</b>
Land	87	87	(0)%
Marine	23	13	(43)%
Downhole gauges	9	3	(68)%
Non Oil & Gas	4	5	19%
<b>Segment EBITDAs</b>	<b>23</b>	<b>14</b>	<b>(41)%</b>
<i>EBITDAs margin</i>	<i>19%</i>	<i>13%</i>	<i>(60) bps</i>
<b>Segment operating income</b>	<b>16</b>	<b>6</b>	<b>(63)%</b>
<i>OPINC Margin</i>	<i>13%</i>	<i>5%</i>	<i>(75) bps</i>
<b>Capital employed (in billion \$)</b>	<b>0.5</b>	<b>0.6</b>	<b>22%</b>
<b>Supplementary information</b>			
<b>Adjusted segment EBITDAs before NRC</b>	<b>23</b>	<b>14</b>	<b>(40)%</b>
<i>EBITDAs margin</i>	<i>19%</i>	<i>13%</i>	<i>(58) bps</i>
<b>Adjusted segment OPINC before NRC</b>	<b>16</b>	<b>6</b>	<b>(62)%</b>
<i>OPINC Margin</i>	<i>13%</i>	<i>6%</i>	<i>(73) bps</i>

**Equipment segment revenue** was \$108 million, up 114% quarter-on-quarter and down (13)% year-on-year. External sales were \$108 million.

- Land equipment sales represented 81% of total sales, as we delivered in Q4 over 100,000 channels worldwide. Sercel also delivered WiNG land node systems in Latin America.
- Marine equipment sales represented 12% of total sales driven by spares sections sales of Sentinel streamers to its installed customers base.
- Downhole equipment sales were \$3 million and sales from non Oil & Gas equipment were \$5 million

**Equipment segment EBITDAs** was \$14 million.

**Equipment segment operating income** was \$6 million.

**Equipment capital employed** was up at \$0.6 billion at the end of 2020.





## Fourth Quarter 2020 Financial Results

Consolidated Income Statements In million \$	2019 Q4	2020 Q4	Variances %
<i>Exchange rate euro/dollar</i>	1.10	1.18	7%
<b>Segment revenue</b>	<b>396</b>	<b>283</b>	<b>(29)%</b>
GGR	275	176	(36)%
Equipment	123	108	(12)%
Elim & Other	(2)	(1)	36%
<b>Segment Gross Margin</b>	<b>109</b>	<b>46</b>	<b>(58)%</b>
<b>Segment EBITDAs</b>	<b>206</b>	<b>118</b>	<b>(43)%</b>
GGR	189	111	(41)%
Equipment	23	14	(40)%
Corporate	(6)	(4)	38%
Elim & Other	-	-	-
Severance costs	-	(4)	-
<b>Segment operating income</b>	<b>72</b>	<b>(42)</b>	<b>-</b>
GGR	64	15	(77)%
Equipment	16	6	(62)%
Corporate	(7)	(4)	37%
Elim & Other	-	-	-
Non recurring charges	-	(59)	-
IFRS 15 adjustment	2	(16)	-
<b>IFRS operating income</b>	<b>74</b>	<b>(58)</b>	<b>-</b>
Equity from investments	-	-	-
Net cost of financial debt	(33)	(34)	(3)%
Other financial income (loss)	2	5	-
Income taxes	20	7	(64)%
NRC (Tax & OFI)	-	(3)	-
<b>Net income / (loss) from continuing operations</b>	<b>63</b>	<b>(83)</b>	<b>-</b>
Net income / (loss) from discontinued operations	(37)	(18)	53%
<b>IFRS net income / (loss)</b>	<b>26</b>	<b>(100)</b>	<b>-</b>
Shareholder's net income / (loss)	25	(102)	-
Basic Earnings per share in \$	0.04	(0.14)	-
Basic Earnings per share in €	0.03	(0.12)	-

**Segment revenue** was \$283 million, up 42% quarter-on-quarter and down (29)% year-on-year. The respective contributions from the Group's businesses were 27% from Geoscience, 35% from Multi-Client (62% for the GGR segment) and 38% from Equipment.

**Segment EBITDAs** was \$118 million and **Adjusted\* segment EBITDAs** was **\$122 million** before \$(4) million of severance costs, up 51% sequentially and down (41)% year-on-year, a 43% margin.

Segment operating income was **\$(42) million** and **Adjusted\* segment operating income** was **\$17 million** before \$(59) million of non-recurring charges, which included \$(29)m of Multi-client library impairments.

Global economic crisis, triggered by Covid-19 pandemic, and unprecedented drop in oil price and E&P spending lead CGG to launch cost reduction actions, which resulted in new severance costs and recognize other non-recurring charges.



**\$(61) million of non-recurring charges** were booked during the fourth quarter of 2020:

\$(59) million at the operating level:

- \$(4) million of severance costs
- \$(29) million of non-cash Multi-client library impairments mainly in Africa and Ireland
- \$(10) million of asset impairment
- \$(15) million of non-cash fair value remeasurement of assets available for sale

\$(3) million of non-cash remeasurement of other financial assets and liabilities

Non-recurring charges (in m\$)	Q4 2020
Operational costs provisions	(4)
Multi-client library Impairment	(29)
Asset impairment	(10)
Fair value remeasurement of assets available for sale	(15)
Other financial items (OFI) adjustments	(3)
<b>Total</b>	<b>(61)</b>

**IFRS 15 adjustment** at operating income level was \$(16) million and **IFRS operating income**, after IFRS 15 adjustment, was \$(58) million.

**Cost of financial debt** was \$(34) million. The total amount of interest paid during the quarter was \$(34) million.

**Other Financial Items** were \$2 million including \$(3) million of non-recurring charges. **Taxes** were at \$7 million.

**Net loss from continuing operations** was \$(83) million including \$(61) million of non-recurring charges.

**Discontinued operations** : *Correspond to the former Contractual Data Acquisition and Non-Operated Resources segments. Main aggregates are as follows:*

- **Q4 revenue from discontinued operations** was \$17 million.
- **Net loss from discontinued operations** was \$(18) million this quarter, including \$(23)m non recurring charges related to the 2021 Plan
- **Net Cash flow from discontinued operations** was \$(2) million before CGG 2021 Plan

**Group net loss** was \$(100) million including \$(84) million of non-recurring charges; \$(61) million of non-recurring charges on continuing operations and \$(23)m of non-recurring charges on discontinued operations.

After minority interests, **Group net loss attributable to CGG shareholders** was \$(102) million/ €(86) million.



## Fourth Quarter 2020 Cash Flow

Cash Flow items In million \$	2019 Q4	2020 Q4	Variations %
<b>Segment Operating Cash Flow</b>	<b>179</b>	<b>26</b>	<b>(85)%</b>
<b>CAPEX</b>	<b>(55)</b>	<b>(55)</b>	-
Industrial	(15)	(5)	64%
R&D	(8)	(9)	(10)%
Multi-Client (Cash)	(32)	(41)	(26)%
Marine MC	(21)	(40)	(88)%
Land MC	(11)	(1)	94%
Proceeds from disposals of assets	-	-	-
<b>Segment Free Cash Flow</b>	<b>124</b>	<b>(29)</b>	-
Lease repayments	(16)	(12)	24%
Paid Cost of debt	(33)	(34)	(2)%
CGG 2021 Plan	(71)	(18)	75%
Free cash flow from discontinued operations	3	(2)	-
<b>Net Cash flow</b>	<b>7</b>	<b>(95)</b>	-
Financing cash flow	(1)	0	100%
Forex and other	9	16	75%
<b>Net increase/(decrease) in cash</b>	<b>15</b>	<b>(79)</b>	-
<b>Supplementary information</b>			
<b>Change in working capital and provisions, included in Segment Operating Cash Flow</b>	<b>(20)</b>	<b>(88)</b>	-
<b>From severance cash costs</b>	-	<b>(3)</b>	-
<b>Segment Free Cash Flow before severance cash costs</b>	<b>124</b>	<b>(26)</b>	<b>(121)%</b>

Total capex was \$(55) million:

- **Industrial capex** was \$(5) million,
- **Research & Development capex** was \$(9) million,
- **Multi-client cash capex** was \$(41) million

**Segment Free Cash Flow was \$(29) million**, including \$(88) million negative change in working capital and \$(3)m of non-recurring severance cash costs.

After \$(12) million lease repayments, \$(34) million paid cost of debt, \$(18) million 2021 plan cash costs and \$(2) million free cash flow from discontinued operations, **Net Cash Flow** was \$(95) million.

## Full Year 2020 Financial Results

Consolidated Income Statements In million \$	2019	2020	Variences %
<i>Exchange rate euro/dollar</i>	<b>1.12</b>	<b>1.14</b>	<b>1%</b>
<b>Segment revenue</b>	<b>1,400</b>	<b>955</b>	<b>(32)%</b>
GGR	960	668	(30)%
Equipment	452	291	(36)%
Elim & Other	(11)	(4)	69%
<b>Segment Gross Margin</b>	<b>393</b>	<b>169</b>	<b>(57)%</b>
<b>Segment EBITDAs</b>	<b>721</b>	<b>361</b>	<b>(50)%</b>
GGR	652	401	(39)%
Equipment	97	23	(77)%
Corporate	(28)	(21)	23%
Elim & Other	-	-	100%
Severance costs	-	(42)	-
<b>Segment operating income</b>	<b>247</b>	<b>(164)</b>	<b>-</b>
GGR	211	81	(62)%
Equipment	67	(9)	(114)%
Corporate	(30)	(23)	22%
Elim & Other	-	-	-
Non-recurring charges	-	(213)	-
IFRS 15 adjustment	(4)	(8)	(123)%
<b>IFRS operating income</b>	<b>244</b>	<b>(173)</b>	<b>(171)%</b>
Equity from investments	-	-	-
Net cost of financial debt	(132)	(134)	(2)%
Other financial income (loss)	6	8	38%
Income taxes	9	(21)	-
NRC (Tax & OFI)	-	(56)	-
<b>Net income / (loss) from continuing operations</b>	<b>126</b>	<b>(376)</b>	<b>-</b>
Net income / (loss) from discontinued operations	(188)	(63)	67%
<b>IFRS net income / (loss)</b>	<b>(61)</b>	<b>(438)</b>	<b>-</b>
Shareholder's net income / (loss)	(69)	(442)	-
Basic Earnings per share in \$	(0.10)	(0.62)	-
Basic Earnings per share in €	(0.09)	(0.55)	-

**Segment revenue** was \$955 million, down (32)% compared to last year. The respective contributions from the Group's businesses were 34% from Geoscience, 36% from Multi-Client (70% for the GGR segment) and 30% from Equipment.

**GGR segment revenue** was \$668 million, down (30)% year-on-year

- **Geoscience revenue** was \$328 million, down (15)% year-on-year and more resilient mainly due to entering the year with solid backlog.
- **Multi-Client sales** were \$340 million, down (41)% year-on-year.
  - Prefunding revenue was \$213 million, down (3)% year-on-year. Multi-Client cash capex was \$(239) million, up 29% year-on-year, and cash prefunding rate was 89%.
  - After-sales were \$127 million, down (64)% compared to 2019, which included large one-off transfer fees in Q3 2019.

**Equipment revenue** was \$287 million, down (35)% year-on-year with a reduction in equipment market triggered by the Covid-19 pandemic and the drop in oil price.



**Segment EBITDAs** was \$361 million and **Adjusted segment EBITDAs** was \$402 million, before \$(42) million of severance costs, down (44)% year-on-year, a 42% margin.

GGR adjusted EBITDA was \$401 million, a 60% margin. Equipment adjusted EBITDA was \$23 million, a 8% margin.

**Segment operating income** was \$(164) million and **Adjusted segment operating income**, was \$48 million, before \$(213) million of non-recurring charges at the operating level.

Global economic crisis, triggered by Covid-19 pandemic and unprecedented drop in oil price and E&P spending lead CGG to launch cost reduction actions, which resulted in new severance costs and recognize other non-recurring charges.

**\$(269) million of non-recurring charges** were booked in 2020:

\$(213) million at the operating level:

- \$(42) million severance cash costs related to headcount reductions worldwide
- \$(98) million non-cash impairments of the multi-client library
- \$(11) million non-cash asset impairments
- \$(37) million non-cash fair value remeasurement of GeoSoftware business available for sale
- \$(24) million non-cash goodwill impairment related to GeoConsulting business mainly focused on exploration and appraisal

\$(56) million of Other Financial Assets and Deferred Tax Assets impairments:

- \$(48) million non-cash remeasurements of other financial assets and liabilities mainly related to data acquisition exit
- \$(9) million non-cash impairments of Deferred Tax Assets

Non-recurring charges (in m\$)	2020
Operational costs provisions	(42)
Multi-client library Impairment	(98)
Asset impairment	(11)
Fair value remeasurement of assets available for sale	(37)
Goodwill impairment	(24)
Other Financial Items (OFI) adjustment	(48)
Deferred Tax Assets impairment	(9)
<b>Total</b>	<b>(269)</b>

**IFRS 15 adjustment** at operating income level was \$(8) million and **IFRS operating income**, after IFRS 15 adjustment, was \$(173) million.

**Cost of financial debt** was \$(134) million. The total amount of interest paid in 2020 was \$(80) million.



**Other Financial Items** were \$(39) million, including \$(48) million of non-recurring charges related to remeasurement of fair value of other financial assets and liabilities.

**Taxes** were at \$(30) million including \$(9) million non-cash impairments of Deferred Tax Assets.

**Net loss from continuing operations** was \$(376) million including \$(269) million of non-recurring charges.

#### **Full Year 2020 Discontinued operations**

Correspond to the former Contractual Data Acquisition and Non-Operated Resources segments. Main aggregates are as follows:

- **Revenue from discontinued operations** was \$39 million.
- **Net loss from discontinued operations** was \$(63) million, including \$(67)m non recurring charges related to the 2021 Plan
- **Net Cash flow from discontinued operations** was \$15 million before CGG 2021 Plan.

**Group net loss** was \$(438) million including \$(336) million of non-recurring charges; \$(269) million of non-recurring charges on continuing operations and \$(67)m of non-recurring charges on discontinued operations.

After minority interests, **Group loss attributable to CGG shareholders** was \$(442) million/ €(389) million.

## Full Year 2020 Cash Flow

Cash Flow items (in m\$)	2019	2020	Variances %
<b>Segment Operating Cash Flow</b>	<b>751</b>	<b>265</b>	<b>(65)%</b>
<b>CAPEX</b>	<b>(261)</b>	<b>(303)</b>	<b>17%</b>
Industrial	(43)	(23)	(46)%
R&D	(32)	(41)	26%
Multi-Client (Cash)	(186)	(239)	29%
Marine MC	(153)	(210)	38%
Land MC	(33)	(29)	(12)%
Proceeds from disposals of assets	-	-	-
<b>Segment Free Cash Flow</b>	<b>491</b>	<b>(39)</b>	<b>(108)%</b>
Lease repayments	(57)	(55)	(3)%
Paid Cost of debt	(81)	(80)	-
CGG 2021 Plan	(136)	(87)	(36)%
Free cash flow from discontinued operations	(32)	15	147%
<b>Net Cash flow</b>	<b>186</b>	<b>(247)</b>	<b>-</b>
Financing cash flow	(0)	(5)	-
Forex and other	(9)	27	-
<b>Net increase/(decrease) in cash</b>	<b>176</b>	<b>(225)</b>	<b>-</b>
<b>Supplementary information</b>			
<b>Change in working capital and provisions, included in Segment Operating Cash Flow</b>	<b>58</b>	<b>(89)</b>	<b>-</b>
<b>From severance cash costs</b>	<b>-</b>	<b>(14)</b>	<b>-</b>
<b>Segment Free Cash Flow before severance cash costs</b>	<b>491</b>	<b>(25)</b>	<b>(105)%</b>

**Capex** was \$(303) million, up 17% year-on-year:

- **Industrial capex** was \$(23) million, down (46)% year-on-year,
- **Research & Development capex** was \$(41) million, up 26% year-on-year,
- **Multi-client cash capex** was \$(239) million, up 29% year-on-year.

**Segment Free Cash Flow** was at **\$(39) million**, including negative change in working capital of \$(89) million and \$(14) million of severance cash costs.

After lease repayments of \$(55) million, payment of interest expenses of \$(80) million, CGG 2021 Plan cash costs of \$(87) million and positive free cash flow from discontinued operations of \$15 million, **Group Net Cash Flow** was **\$(247) million**.



## Balance Sheet

**Group's liquidity** amounted to **\$385 million** at the end of December 31, 2020.

**Group gross debt before IFRS 16** was **\$1,234 million** at the end of December 31, 2020 and **net debt** was **\$849 million**.

**Group gross debt after IFRS 16** was **\$1,389 million** at the end of December 31, 2020 and **net debt** was **\$1,004 million**.

Segment leverage ratio of **Net debt to Segment Ebitdas** was **2.8x** at the end of December 2020.





## Q4 & Full Year 2020 Conference call

An English language analysts' conference call is scheduled today at 8:00 am (Paris time) – 7:00 am (London time)

**To follow this conference, please access the live webcast:**

**From your computer at:** [www.cgg.com](http://www.cgg.com)

A replay of the conference will be available via webcast on the CGG website at: [www.cgg.com](http://www.cgg.com).

For analysts, please dial the following numbers 5 to 10 minutes prior to the scheduled start time:

France call-in:	+33 (0) 1 70 70 07 81
UK call-in:	+44(0) 844 4819 752
Access Code:	2455854

### About CGG

*CGG ([www.cgg.com](http://www.cgg.com)) is a global geoscience technology leader. Employing around 3,700 people worldwide, CGG provides a comprehensive range of data, products, services and solutions that support our clients to more efficiently and responsibly solve complex natural resource, environmental and infrastructure challenges. CGG is listed on the Euronext Paris SA (ISIN: 0013181864).*

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## **CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2020**



## Consolidated statement of operations

In millions of US\$	Year	
	2020	2019
Operating revenues	886.0	1,355.9
Other income from ordinary activities	0.7	0.7
<b>Total income from ordinary activities</b>	<b>886.7</b>	<b>1,356.6</b>
Cost of operations	(725.9)	(967.0)
<b>Gross profit</b>	<b>160.8</b>	<b>389.6</b>
Research and development expenses – net	(18.6)	(23.6)
Marketing and selling expenses	(32.5)	(47.0)
General and administrative expenses	(67.9)	(66.2)
Other revenues (expenses) – net	(214.5)	(9.3)
<b>Operating income</b>	<b>(172.7)</b>	<b>243.5</b>
Cost of financial debt – gross	(136.3)	(135.2)
Income from cash and cash equivalents	2.2	3.5
<b>Cost of financial debt – net</b>	<b>(134.1)</b>	<b>(131.7)</b>
Other financial income (loss)	(39.4)	5.6
<b>Income (loss) before income taxes and share of income (loss) from companies accounted for under the equity method</b>	<b>(346.2)</b>	<b>117.4</b>
Income taxes	(29.5)	8.9
<b>Net income (loss) before share of net income (loss) from companies accounted for under the equity method</b>	<b>(375.7)</b>	<b>126.3</b>
Net income (loss) from companies accounted for under the equity method	0.1	(0.1)
<b>Net income (loss) from continuing operations</b>	<b>(375.6)</b>	<b>126.2</b>
Net income (loss) from discontinued operations	(62.5)	(187.7)
<b>Consolidated net income (loss)</b>	<b>(438.1)</b>	<b>(61.5)</b>
<i>Attributable to:</i>		
Owners of CGG	\$ (441.8)	(69.1)
Non-controlling interests	\$ 3.7	7.6
Weighted average number of shares outstanding	710,739,746	709,950,455
Weighted average number of shares outstanding adjusted for dilutive potential ordinary shares	710,739,746	711,922,761
<b>Net income (loss) per share</b>		
- Base	\$ (0.62)	(0.10)
- Diluted	\$ (0.62)	(0.10)
<b>Net income (loss) from continuing operations per share</b>		
- Base	\$ (0.53)	0.17
- Diluted	\$ (0.53)	0.17
<b>Net income (loss) from discontinued operations per share</b>		
- Base	\$ (0.09)	(0.26)
- Diluted	\$ (0.09)	(0.26)



## Consolidated statement of financial position

<i>In millions of US\$</i>	12.31.2020	12.31.2019
<b>ASSETS</b>		
Cash and cash equivalents	385.4	610.5
Trade accounts and notes receivable, net	325.0	436.0
Inventories and work-in-progress, net	237.8	200.1
Income tax assets	84.6	84.9
Other current financial assets, net	13.7	-
Other current assets, net	92.0	116.7
Assets held for sale, net	117.7	316.6
<b>Total current assets</b>	<b>1,256.2</b>	<b>1,764.8</b>
Deferred tax assets	10.3	19.7
Investments and other financial assets, net	13.6	27.4
Investments in companies accounted for under the equity method	3.6	3.0
Property plant & equipment, net	268.1	300.0
Intangible assets, net	639.2	690.8
Goodwill, net	1,186.5	1,206.9
<b>Total non-current assets</b>	<b>2,121.3</b>	<b>2,247.8</b>
<b>TOTAL ASSETS</b>	<b>3,377.5</b>	<b>4,012.6</b>
<b>LIABILITIES AND EQUITY</b>		
Bank overdrafts	0.2	-
Financial debt – current portion	58.6	59.4
Trade accounts and notes payable	96.7	117.4
Accrued payroll costs	106.6	156.6
Income taxes payable	56.8	59.3
Advance billings to customers	19.5	36.9
Provisions – current portion	52.7	50.0
Other current financial liabilities	34.4	-
Other current liabilities	278.6	327.3
Liabilities associated with non-current assets held for sale	13.0	259.2
<b>Total current liabilities</b>	<b>717.1</b>	<b>1,066.1</b>
Deferred tax liabilities	16.3	10.4
Provisions – non-current portion	51.8	58.1
Financial debt – non-current portion	1,330.3	1,266.6
Other non-current financial liabilities	53.0	-
Other non-current liabilities	44.4	4.0
<b>Total non-current liabilities</b>	<b>1,495.8</b>	<b>1,339.1</b>
Common stock <sup>(a)</sup>	8.7	8.7
Additional paid-in capital	1,687.1	3,184.7
Retained earnings	(480.6)	(1,531.1)
Other Reserves	(37.3)	(23.5)
Treasury shares	(20.1)	(20.1)
Cumulative income and expense recognized directly in equity	(0.7)	(0.7)
Cumulative translation adjustments	(37.4)	(56.3)
<b>Equity attributable to owners of CGG SA</b>	<b>1,119.7</b>	<b>1,561.7</b>
Non-controlling interests	44.9	45.7
<b>Total Equity</b>	<b>1,164.6</b>	<b>1,607.4</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>3,377.5</b>	<b>4,012.6</b>

*(a) Common stock: 1,194,071,863 shares authorized and 711,392,383 shares with a nominal value of €0.01 outstanding at December 31, 2020*



## Consolidated statement of cash flows

In millions of US\$	Year	
	2020	2019
<b>OPERATING ACTIVITIES</b>		
Consolidated net income (loss)	(438.1)	(61.5)
Less: Net income (loss) from discontinued operations	62.5	187.7
<b>Net income (loss) from continuing operations</b>	<b>(375.6)</b>	<b>126.2</b>
Depreciation, amortization and impairment	193.5	138.2
Impairment and amortization of Multi-Client surveys	284.8	308.0
Impairment and amortization of Multi-Client surveys, capitalized	(18.1)	(18.8)
Variance on provisions	15.9	(10.5)
Share-based compensation expenses	4.0	5.3
Net (gain) loss on disposal of fixed and financial assets	0.5	1.0
Share of (income) loss in companies recognized under equity method	(0.1)	0.1
Dividends received from companies accounted for under the equity method	-	-
Other non-cash items	39.3	(4.3)
<b>Net cash flow including net cost of financial debt and income tax</b>	<b>144.2</b>	<b>545.2</b>
Less: Cost of financial debt	134.1	131.7
Less: Income tax expense (gain)	29.5	(8.9)
<b>Net cash flow excluding net cost of financial debt and income tax</b>	<b>307.8</b>	<b>668.0</b>
Income tax paid	(7.7)	(30.2)
<b>Net cash flow before changes in working capital</b>	<b>300.1</b>	<b>637.8</b>
Changes in working capital	(35.8)	113.6
- Change in trade accounts and notes receivable	38.4	150.0
- Change in inventories and work-in-progress	(25.9)	(3.7)
- Change in other current assets	(2.8)	(33.7)
- Change in trade accounts and notes payable	(1.6)	7.7
- Change in other current liabilities	(43.9)	(6.7)
<b>Net cash flow from operating activities</b>	<b>264.3</b>	<b>751.4</b>
<b>INVESTING ACTIVITIES</b>		
Total capital expenditures (tangible and intangible assets) net of variation of fixed assets suppliers and excluding Multi-Client surveys)	(64.1)	(75.3)
Investments in Multi-Client surveys, net cash	(239.0)	(185.7)
Proceeds from disposals of tangible and intangible assets	0.5	0.1
Total net proceeds from financial assets	-	0.1
Acquisition of investments, net of cash & cash equivalents acquired	(0.4)	-
Variation in loans granted	-	-
Variation in subsidies for capital expenditures	-	-
Variation in other non-current financial assets	13.4	(0.7)
<b>Net cash-flow used in investing activities</b>	<b>(289.6)</b>	<b>(261.5)</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of long-term debt	(5.2)	(0.4)
Total issuance of long-term debt	-	-
Lease repayments	(55.5)	(56.9)
Change in short-term loans	0.1	-
Financial expenses paid	(80.2)	(80.5)
Capital increase:		
- by owners of CGG	-	-

- by non-controlling interests in integrated companies	-	-
Dividends paid and share capital reimbursements		
- to owners of CGG	-	-
- to non-controlling interests of integrated companies	(7.2)	(3.8)
Acquisition/disposal of treasury shares	-	-
<b>Net cash-flow from (used in) financing activities</b>	<b>(148.0)</b>	<b>(141.6)</b>
Effect of exchange rate changes on cash	20.7	(4.3)
Impact of changes in consolidation scope		
<b>Net cash flows incurred by discontinued operations</b>	<b>(72.5)</b>	<b>(167.6)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(225.1)</b>	<b>176.4</b>
Cash and cash equivalents at beginning of year	610.5	434.1
<b>Cash and cash equivalents at end of period</b>	<b>385.4</b>	<b>610.5</b>