

Pareto Securities Oil & Offshore Conference

Supporting Exploration, Optimizing Production

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September 11-12, 2019



Cautionary Statement

- This presentation contains forward looking information
- Forward looking information is based on management assumptions and analyses
- Actual experience may differ, and those differences may be material
- Forward looking information is subject to significant uncertainties and risks as they relate to events and/or circumstances in the future
- This presentation must be read in conjunction with other financial statements and the disclosures therein



Market Share¹:

~35%

Strong market position



MultiClient 3D Library:

850,000 km²

Large and geographically diverse library



Active Vessels³:

8

Modern, flexible and productive fleet



GeoStreamers Since:

2007

Differentiating technology platform

A Global Marine Geophysical Company



Revenues² :

USD 834.5m

EBITDA²:

USD 515.9m

Market Cap² :

USD ~400m

Employees⁴:

1,242

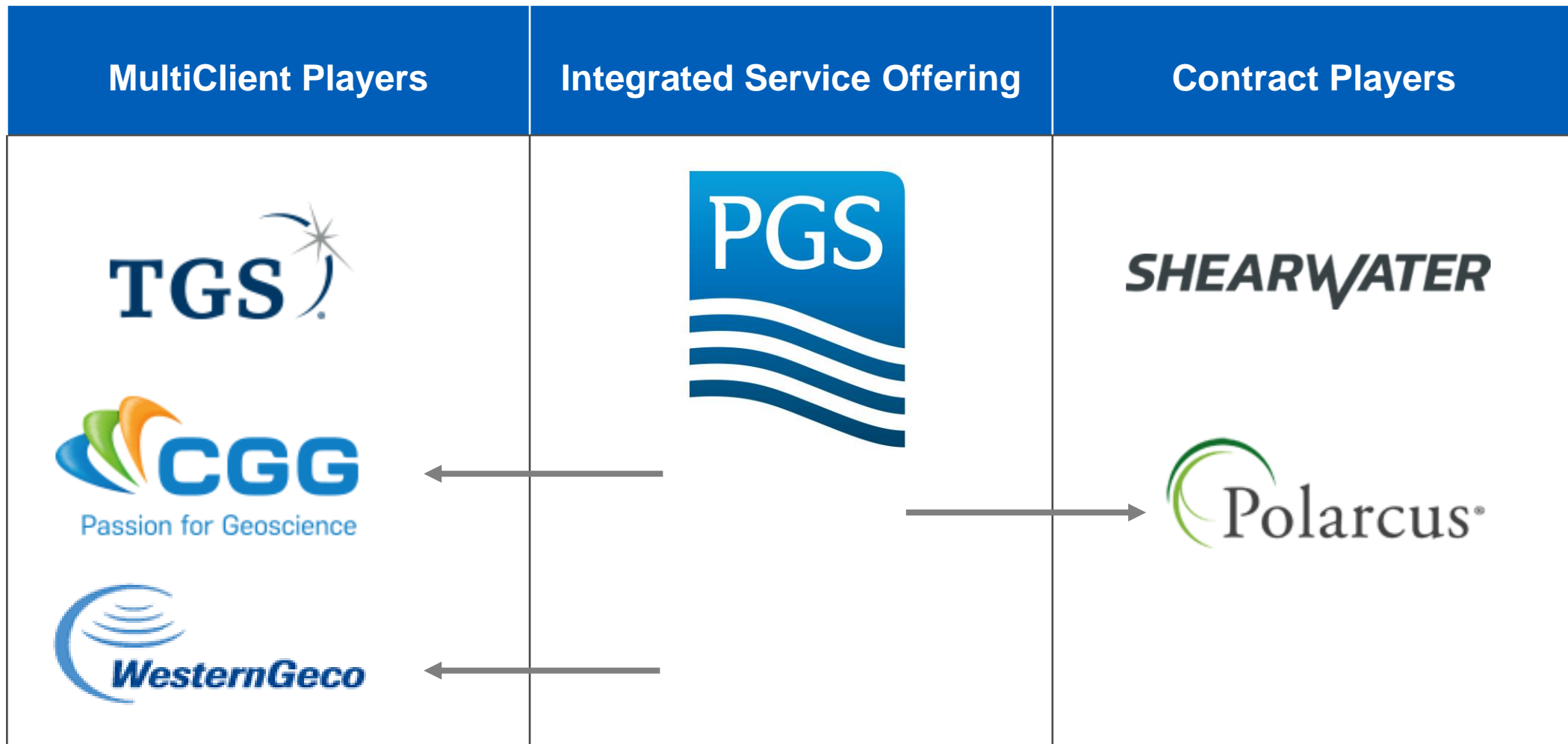
1. Based on number of active streamers.

2. Revenues and EBITDA are in USD and reflect FY 2018. Market capitalization late August, 2019 and USD/NOK rate of 9.

3. Operates 8 active vessels during the summer season and plan to operate 7 during the winter season

4. As per January, 2019

Competitive landscape – post CGG/Shearwater transaction: Structural Changes in the Marine Seismic Industry



Financial Strategy

Profitability before growth

Return on Capital Employed

Capital structure
to sustain future downturns

Business Strategy

MultiClient focus

4D leadership

Reduce turnaround time

Joint acquisition and imaging approach

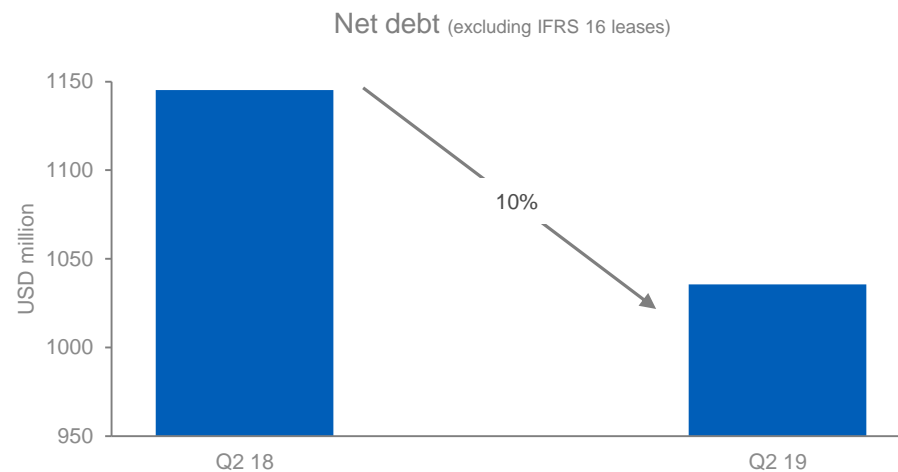
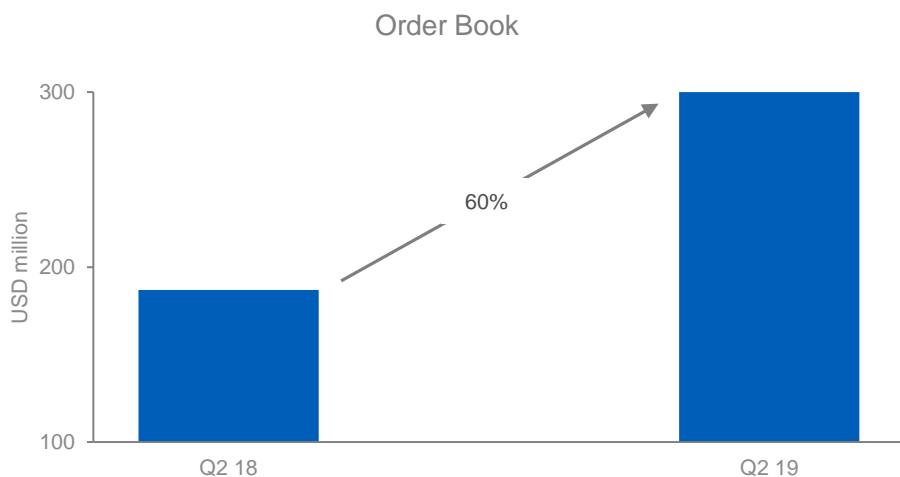
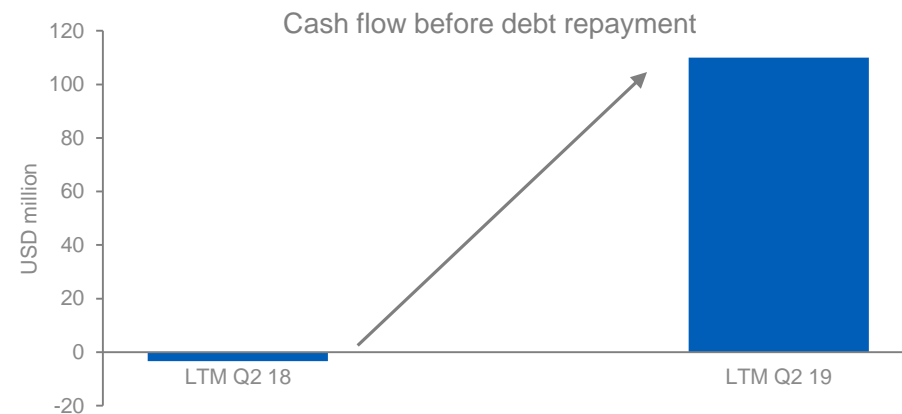
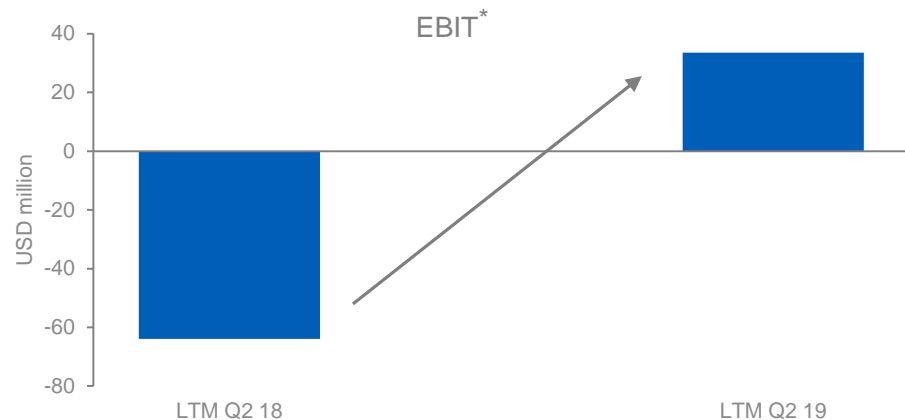
R&D focus on imaging and acquisition solutions

Leveraging PGS fleet productivity and technology



Leveraging digitalization to improve efficiency and reduce cost

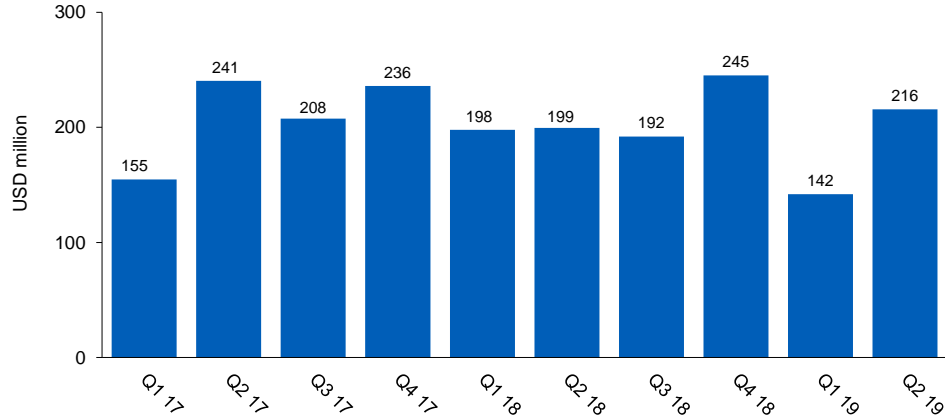
Last Twelve Months Performance: Improving Market Fundamentals Reflected in Financials



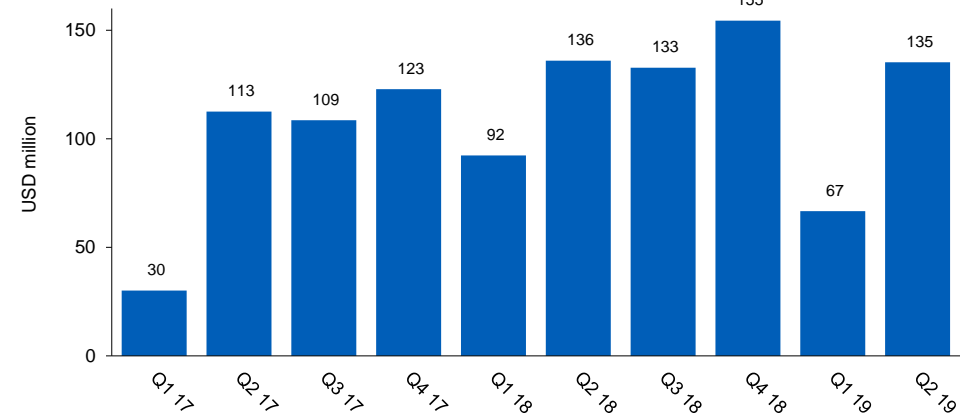
*Excluding impairments and Other charges.

Financial Summary

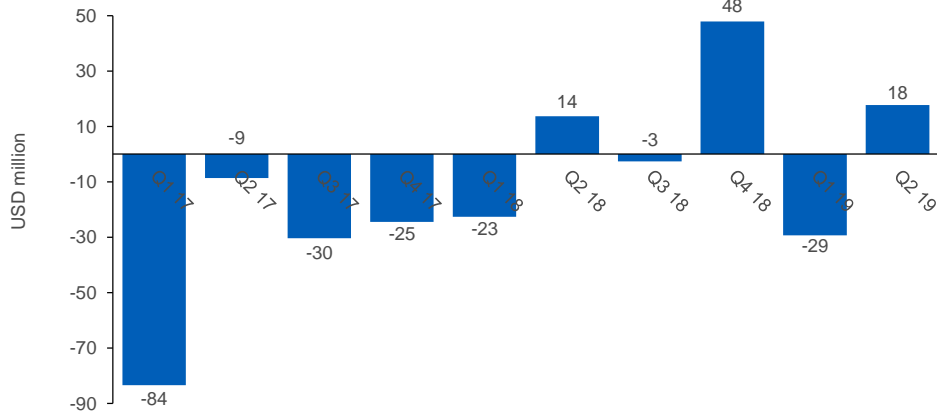
Segment Revenues



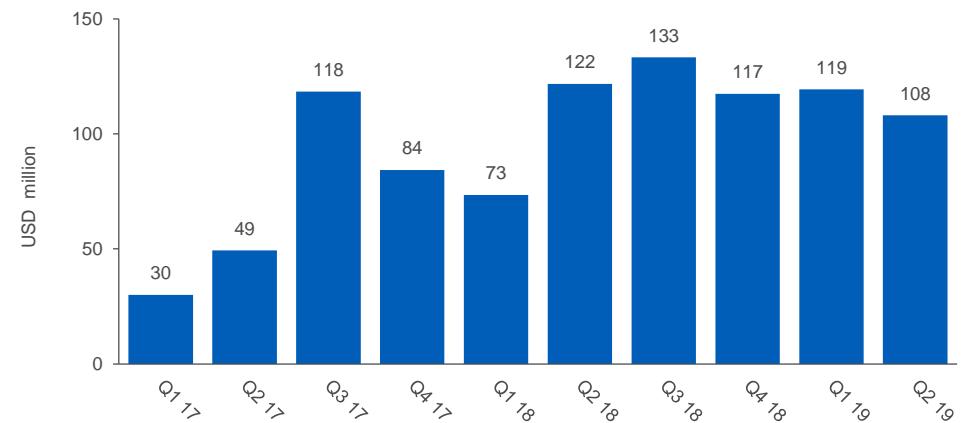
Segment EBITDA*



Segment EBIT**



Cash Flow from Operations



*EBITDA, when used by the Company, means EBIT excluding Other charges, impairment and loss/gain on sale of long-term assets and depreciation and amortization as defined in Note 14 of the Q2 2019 earnings release.

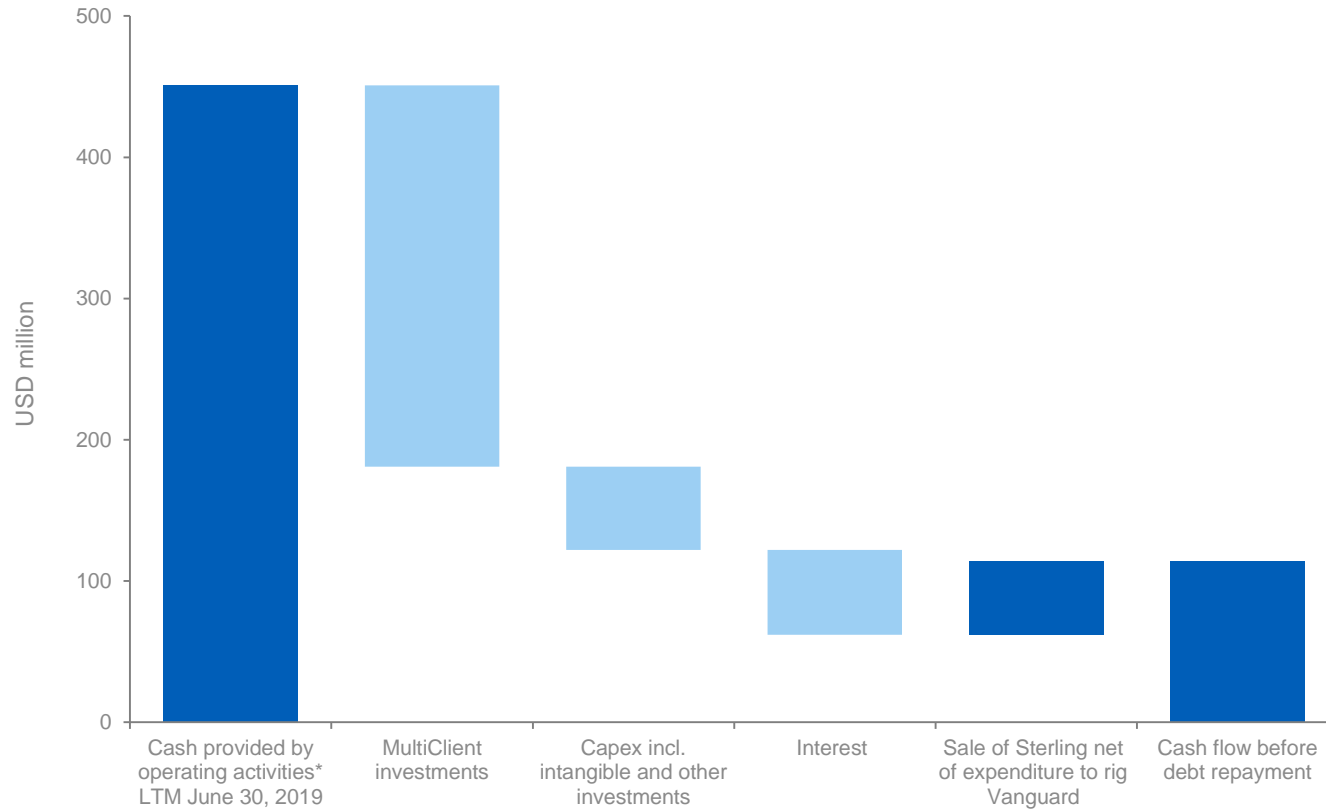
**Excluding impairments and Other charges.

Balance Sheet Key Numbers

	June 30	June 30	December 31
USD million	2019	2018	2018
Total assets	2,371.7	2,386.3	2,384.8
MultiClient Library	676.4	661.0	654.6
Shareholders' equity	596.8	785.7	721.8
Cash and cash equivalents (unrestricted)	33.2	24.4	74.5
Restricted cash	42.8	44.1	43.2
Liquidity reserve	208.2	224.4	159.5
Gross interest bearing debt*	1,111.7	1,213.9	1,227.3
Gross interest bearing debt, including lease liabilities following IFRS 16*	1,332.2		
Net interest bearing debt*	1,035.7	1,145.3	1,109.6
Net interest bearing debt, including lease liabilities following IFRS 16*	1,256.2		

- Gross interest bearing debt (ex. lease liabilities) of USD 1,111.7 million
 - Down USD 115.6 million YTD
- Net interest bearing debt (ex. lease liabilities) of USD 1,035.7 million
 - Down USD 73.9 million YTD
- Liquidity reserve of USD 208.2 million
 - Up USD 48.7 million YTD
- Total Leverage Ratio (as defined in credit agreement) of 2.85:1

LTM Free Cash Flow Generation



USD 110 million reduction of Net Interest Bearing Debt Last Twelve Months (“LTM”)

Free cash flow will improve further in a recovering seismic market

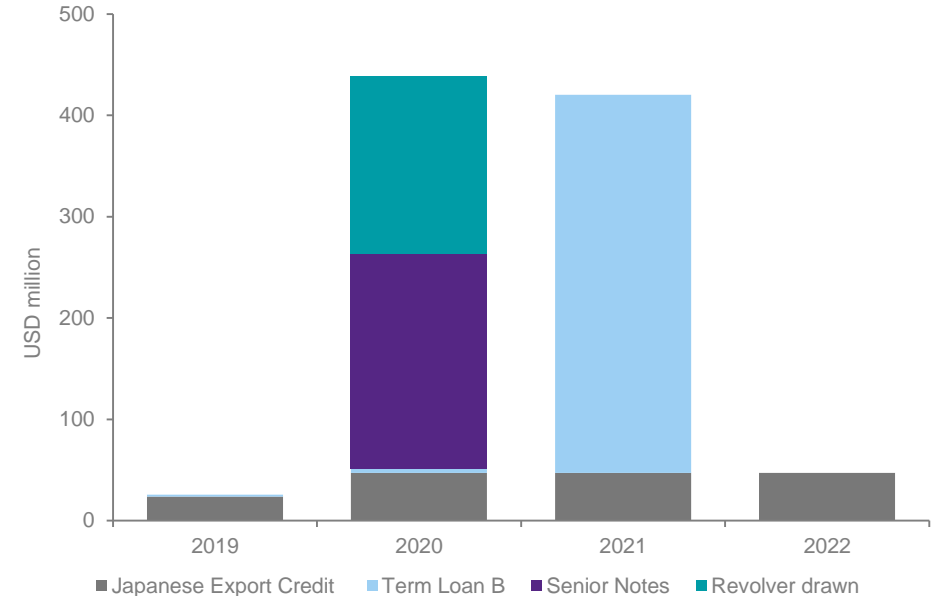
*Includes payment of leasing liabilities which are reported as finance activity from January 1, 2019.

Summary of Debt and Drawing Facilities

Debt and facilities as of June 30, 2019:

	Long-term Credit Lines and Interest Bearing Debt	Nominal Amount	Total Credit Line	Financial Covenants
	USD 400.0m TLB, due March 2021 Libor (minimum 0.75%) + 250 bps	USD 379.0m		None, but incurrence test: total leverage ratio $\leq 3.00x^*$
	Revolving credit facility ("RCF"), due September 2020 Libor + margin of 325-625 bps (linked to TLR) + utilization fee	USD 175.0m	USD 350.0m	Maintenance covenant: total leverage ratio 3.00x Q2-19, reduced to 2.75x by Q3-19
	Japanese ECF, 12 year with semi-annual instalments. 50% fixed/ 50% floating interest rate	USD 345.7m		None, but incurrence test for loan 3&4: Total leverage ratio $\leq 3.00x^*$ and Interest coverage ratio $\geq 2.0x^*$
	December 2020 Senior Notes, coupon of 7.375%	USD 212.0m		None, but incurrence test: Interest coverage ratio $\geq 2.0x^*$

Debt maturity profile:



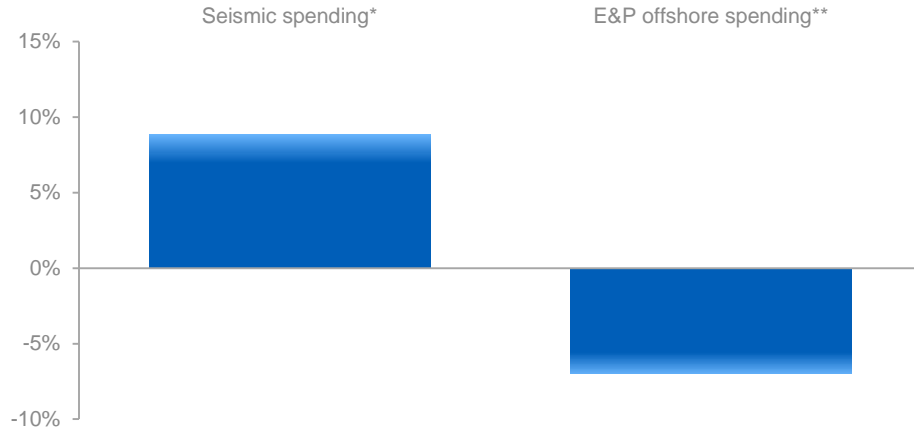
Expect to refinance in 2H 2019

- Positioned to execute on short notice
- Timing and structure dependent on market conditions

*Carve out for drawings under ECF and RCF

Seismic – Early Cycle Indicator with Potential for More

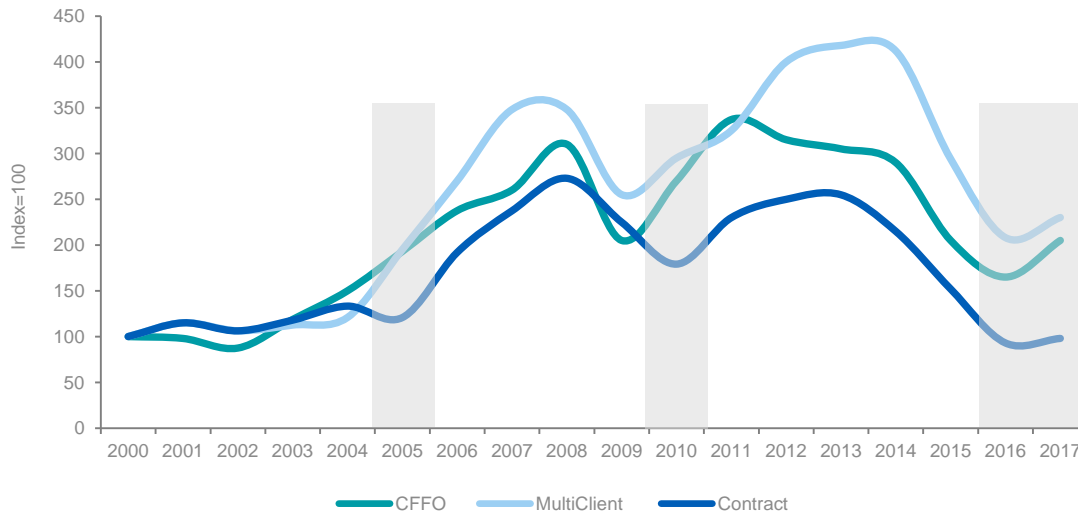
Change in 2018 vs. 2017



- Seismic spend increases Y-o-Y
 - MultiClient started to improve in 2017
 - Contract market on the rise in 2019

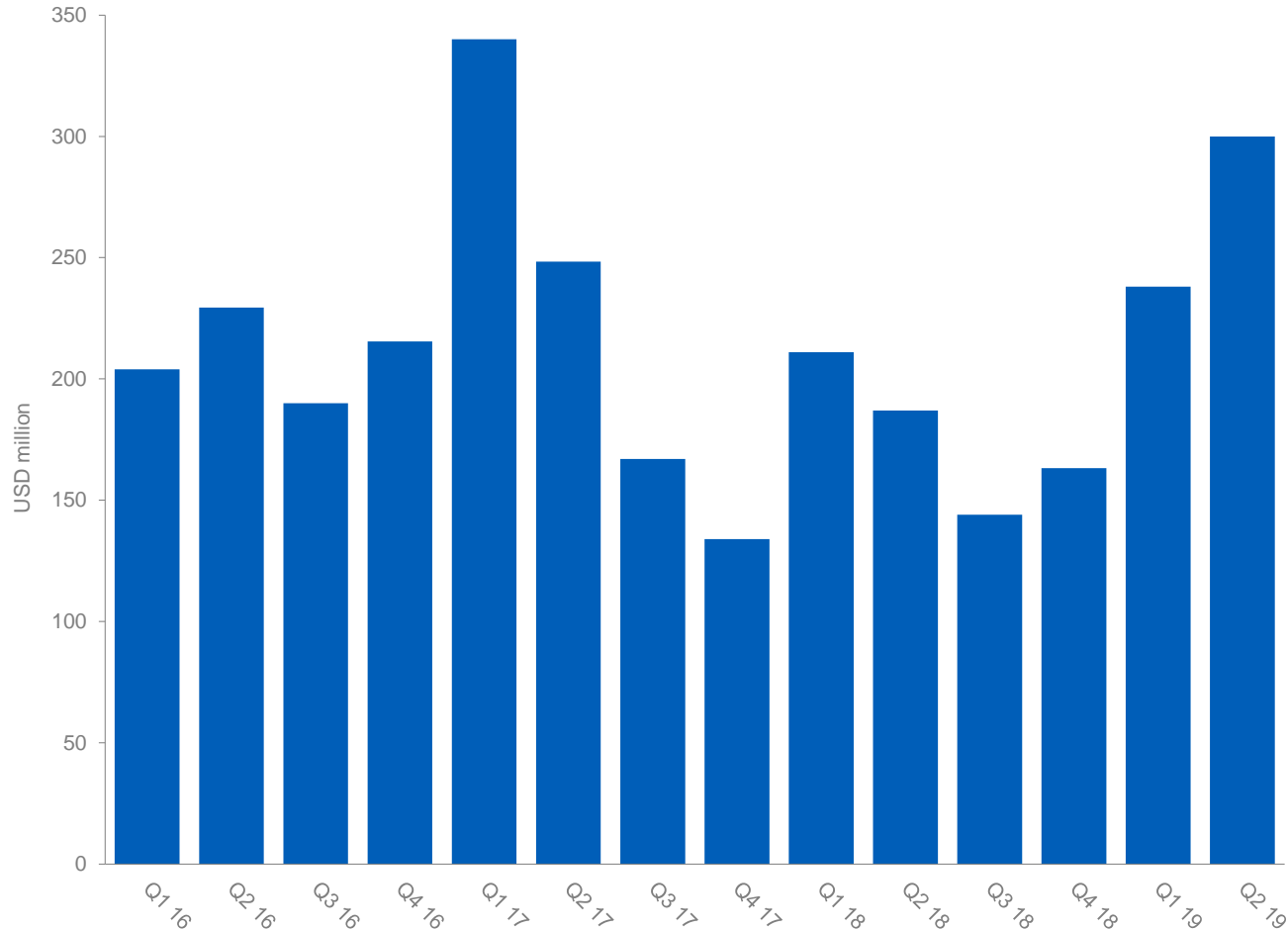
- Contract market trends
 - Higher activity
 - Higher prices
 - Increased share of 4D

*Accumulated revenues for PGS, TGS, CGG, Spectrum, WesternGeco and Polarcus.
 **Average of estimates from Barclays, DNB and Pareto Securities E&P spending reports.



Source: Rystad Energy and Nordea.

Order Book



- Order book USD 300 million* at June 30, 2019
 - Contract order book back to pre-downturn levels

- Vessel booking**
 - Q3 19: 24 vessel months
 - Q4 19: 21 vessel months
 - Q1 20: 7 vessel months

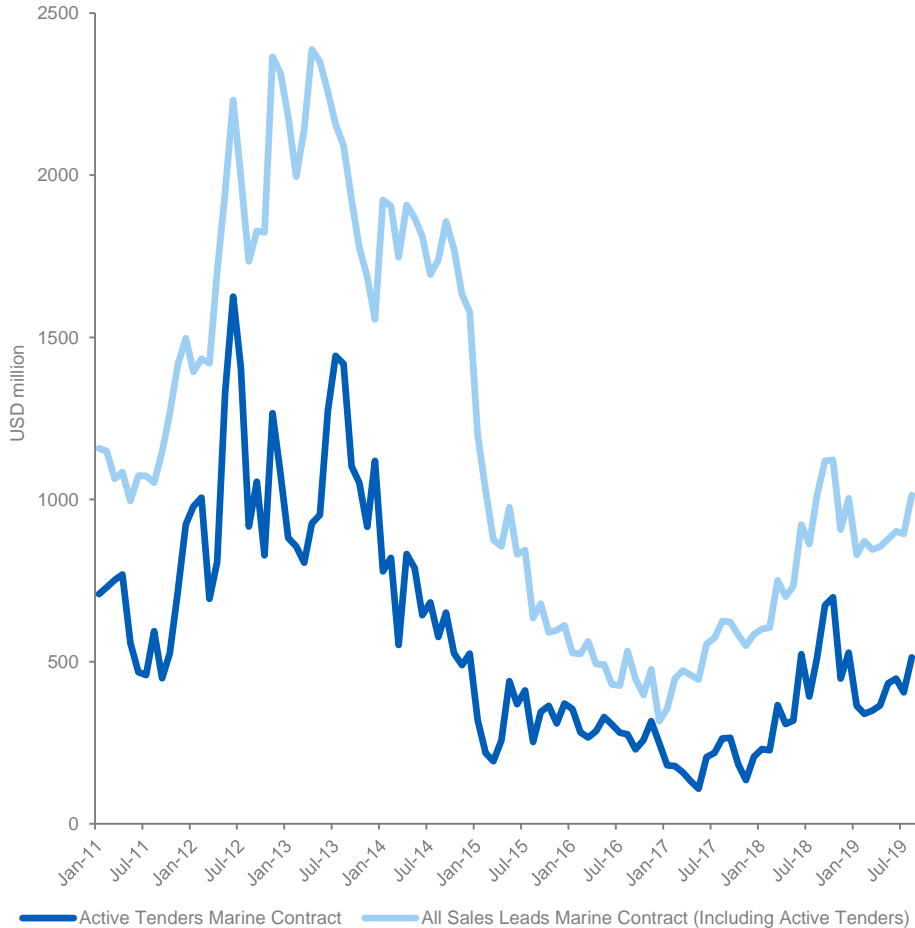
- Good progress securing projects for remaining Q1 2020 capacity
 - Still considering to operate 8 vessels during winter season

* The order book as of June 30, 2019, includes \$27 million related to a service and support agreement in Japan up to the next annual renewal.

**As of July 15, 2019.

Seismic Contract Market Outlook

PGS in-house contract bids+leads*

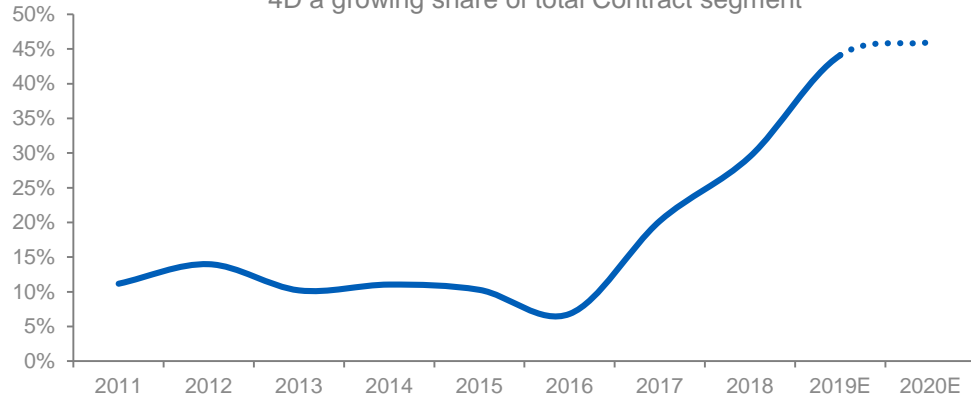


- More than 35% higher prices on 2019 contract work booked to date vs. average 2018 rate
- PGS booking of Q4/Q1 work significantly ahead of last year
- High bidding activity with leads and bids for new work on a positive trend
- Expect higher contract activity level and fleet utilization this winter season compared to last

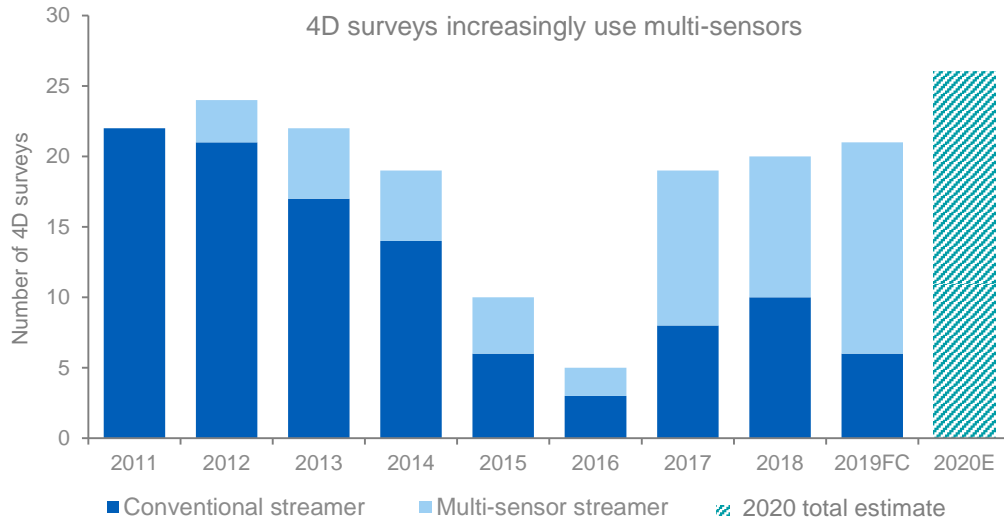
*Contract bids to go (in-house PGS) and estimated \$ value of bids + risk weighted leads up to August 30, 2019. Source: PGS internal estimates.

Contract Streamer Seismic is Moving Towards the Reservoir (4D)

4D a growing share of total Contract segment

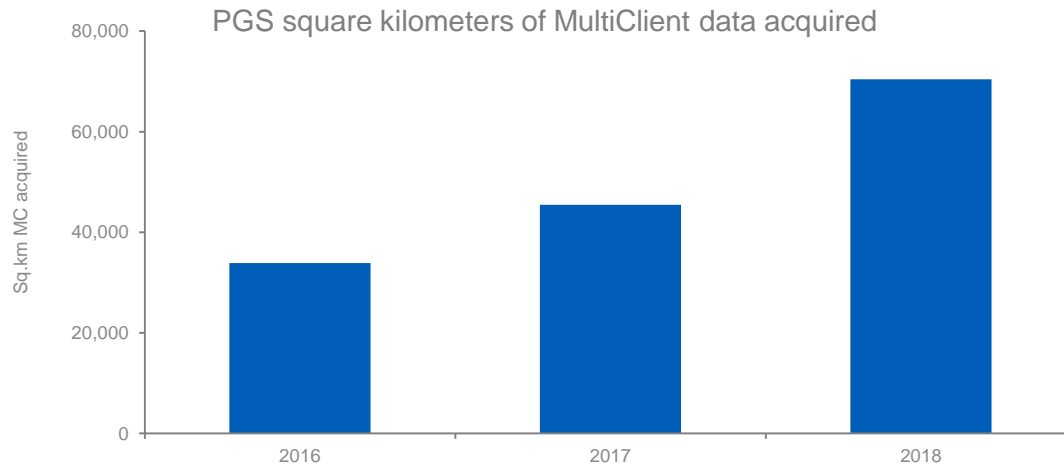
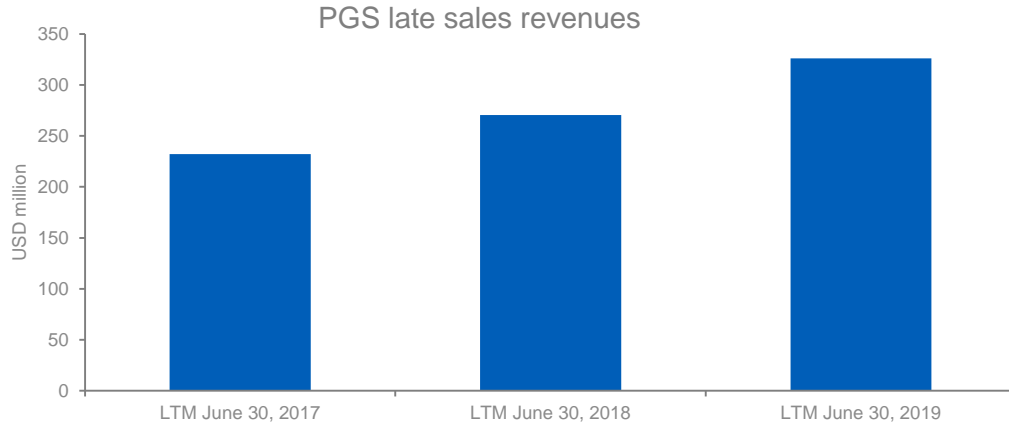


4D surveys increasingly use multi-sensors



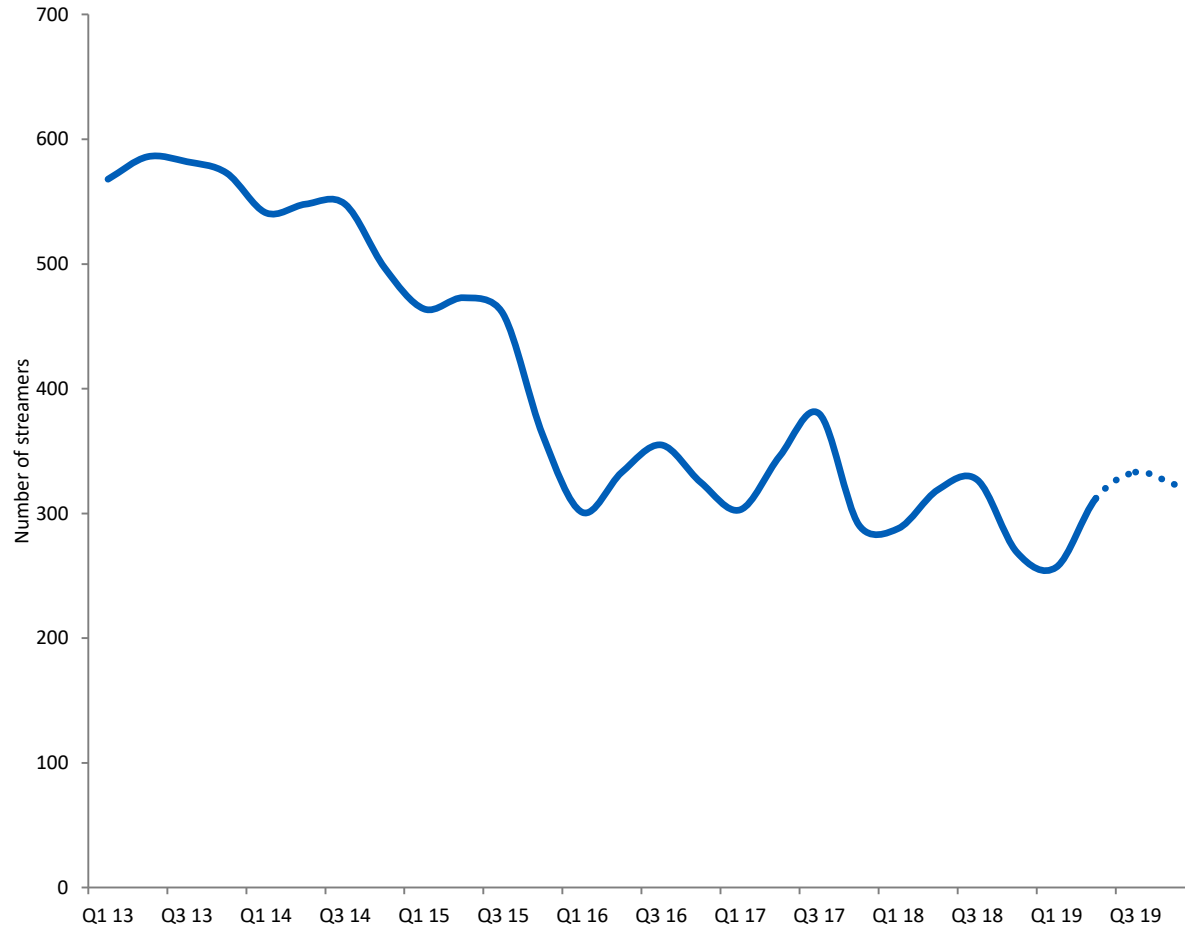
- The 4D market is growing faster than the general market - yielding enhanced returns
- Increasingly important with multi-sensor streamer offering
 - More than 70% market share in 2019
- 2020 likely to see the highest number of 4D jobs
 - 26 projects identified with potential for more
- PGS' 4D offering is driven by strong differentiation:
 - Multi-sensor and steerable streamer and source technology on all vessels
 - Large, high density streamer spreads
 - Only player with integrated development of acquisition and imaging tools for 4D/reservoir seismic

MultiClient in Fundamental Growth



- Substantial MultiClient investment during downturn
- PGS late sales revenues
 - Strong quarterly fluctuations
 - Last Twelve Months (“LTM”) June 30, 2019 up more than 20% vs. LTM June 30, 2018
 - LTM June 30, 2018 up slightly less than 20% vs. LTM June 2017
 - Large opportunity basket for 2H19
- PGS prefunding revenues
 - Stronger internal competition for capacity in a recovering contract market
 - Targeting a prefunding level of 80-120%, expect to be in upper half for full year 2019

Significant Supply Reduction



- 2019 average capacity close to 50% lower than average capacity in 2013
 - Net capacity increase in 2019 is marginal vs. 2018

- Full utilization of industry capacity during summer season
 - Expect lower seasonal supply swings owing to higher demand

Summary



- Seismic market in recovery
 - Fundamental MultiClient growth
 - Strong and continuing growth in 4D market
 - Significant improvement in contract pricing

- Expect lower seasonal demand swings owing to higher demand

- Strong improvement in LTM financial results
 - Improving cash flow and reducing debt

Taking leadership position through fully integrated offering



Supporting Exploration, Optimizing Production

Thank You – Questions?

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