



CGG Announces its 2019 Fourth Quarter Results

**Q4 2019: 18% segment operating income margin and \$26m net income
Strong Operational Performance & High Cash Generation in 2019**

**2020: Reinforcing our leadership position
Well on-track for our 2021 financial targets**

PARIS, France – March 6 2020 – CGG (ISIN: FR0013181864), **world leader in Geoscience**, announced today its 2019 fourth quarter and Full-Year unaudited results.

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

“During 2019, while delivering a strong financial performance, we achieved several key milestones on our strategic path to becoming a People, Data, Technology company. For 2020, we plan to grow our investments to further increase our technology differentiation and build the foundation for our future sustainable growth, however we will adapt our plans to market conditions. Moving forward, we expect to continue generating significant cash. I am confident that with our new technology-driven business model, we are on track to achieving our 2021 strategic and financial targets.”

Q4 2019: Results in line with expectations

- **IFRS figures:** revenue at \$426m, OPINC at \$74m, net income at \$26m
- **Segment Revenue at \$396m**, down 9% year-on-year
 - Geoscience: stable activity supported by high-end projects
 - Multi-client: solid level of after-sales despite a very high Q3 2019
 - Equipment: 15% year-on-year growth driven by robust sales on land equipment deliveries
- **Segment EBITDAs at \$206m**, down 12% year-on-year, a high 52% margin driven by solid profitability of all businesses
- **Segment Operating Income at \$72m**, including \$(33)m impairment of the multi-client library, a high 18% operating income margin
- **Net Income from new profile at \$63m**
- **Net Cash Flow of \$6m**

Full Year 2019: Strong Revenue and EBITDA growth year-on- year

- **IFRS figures:** revenue at \$1,356m, OPINC at \$244m, net loss at \$(61)m
- **Segment Revenue at \$1,400m**, up 14% year-on-year
- **Segment EBITDAs at \$721m**, up 30% year-on-year, a 51% margin
- **Segment Operating Income at \$247m**, up 74% year-on-year, a 18% margin
- **Net Income from new profile at \$126m**

High Cash Generation with Strong Financial Position at year-end 2019

- **FY 2019** new profile **segment Free Cash Flow** of **\$434m**, before cost of debt and including a positive change in working capital and provisions of \$58m
- **FY 2019 Net Cash Flow** of **\$186m** after multi-client cash capex at \$(186)m with cash prefunding rate of 118% and Industrial and R&D capex at \$(75)m
- **Net debt** of **\$584m** before IFRS 16 at the end of December, **cash liquidity** of **\$610m**
- **Leverage ratio Net Debt/ EBITDAs** at **0.9x** (before IFRS 16)

2020 Guidance: Increased Investment to Reinforce Leadership Position

- Mid-single digit **Segment Revenue growth** compared to 2019, excluding one-off transfer fees of \$50m, assuming limited impact of the Coronavirus (COVID-19). We continue to monitor the situation and potential impact on our business as our clients might re-evaluate their plans in the context of oil price volatility
- **EBITDAs margin stable at around 50%** compared to 2019, excluding positive impact of one-off transfer fees
- **OPINC margin stable at around 15%** compared to 2019, excluding positive impact of one-off transfer fees and including higher multi-client amortization of around \$350m
- **Investments of \$365-400m, a \$100-125m\$ increase year-on-year**
 - Multi-client cash capex at \$275-300m with cash prefunding rate above 75%, sustained by a solid pipeline of well-prefunded multi-clients programs
 - Industrial and R&D capex at \$90-100m
- **Solid cash generation, with segment Free Cash Flow in the range of \$175-200m**, including \$100-125m increase in investments and negative change in working capital of c. \$(80)m reflecting return to usual seasonality profile with strong Q4 multi-client and equipment sales
- **Positive Net Cash Flow** including \$(70)m Plan 2021 cash costs and cash costs of debt

Post closing events:

Marine acquisition exit: on January 8 2020, CGG announced that it has completed exit from marine acquisition business by closing its strategic partnership transaction for marine seismic acquisition with Shearwater GeoServices Holding AS (Shearwater).

Land acquisition wind down: on February 18 2020, CGG announced that it has fully withdrawn from the land seismic data acquisition business after completing its last land seismic acquisition contract in Tunisia.

Multi-Physics acquisition: Memorandum of Understanding signed early February.

Key IFRS Figures - Fourth Quarter 2019

In million \$	Fourth Quarter 2018	Fourth Quarter 2019
Group revenue	370.2	425.8
Operating income	(282.4)	74.3
Equity from investments	(0.3)	-
Net cost of financial debt	(30.6)	(33.4)
Other financial income (loss)	(7.8)	2.1
Income taxes	19.1	20.1
Net income / (loss) from continuing operations	(302.0)	63.1
Net income / (loss) from discontinued operations	(488.0)	(37.2)
Group net income / (loss)	(790.0)	25.9
Operating Cash Flow	136.2	179.0
Free Cash Flow	47.6	108.0
Net debt	732.6	715.5
Net debt before IFRS 16	732.6	583.8
Capital employed	2,406.8	2,322.9

Key Segment Figures - Fourth Quarter 2019

In million \$	Fourth Quarter 2018	Fourth Quarter 2019
Segment revenue	437.6	396.1
Segment EBITDAs	234.8	205.6
<i>Group EBITDAs margin</i>	<i>53.7%</i>	<i>51.9%</i>
Segment operating income	9.7	72.4
<i>Opinc margin</i>	<i>2.2%</i>	<i>18.3%</i>
Non-recurring charges (NRC)	(269.0)	-
IFRS 15 adjustment	(23.1)	1.9
IFRS operating income	(282.4)	74.3
Segment Operating Cash Flow	140.3	179.0
Segment Free Cash Flow	84.5	108.0

Key IFRS Figures – Full Year 2019

In million \$	Full Year 2018	Full Year 2019
Group revenue	1,193.5	1,355.9
Operating income	(179.7)	243.5
Equity from investments	(1.2)	(0.1)
Net cost of financial debt	(127.4)	(131.7)
Other financial income (loss)	819.9	5.6
Income taxes	(7.4)	8.9
Net income / (loss) from continuing operations	504.2	126.2
Net income / (loss) from discontinued operations	(600.0)	(187.7)
Group net income / (loss)	(95.8)	(61.5)
Operating Cash Flow	365.3	751.4
Free Cash Flow	(4.3)	433.7
Net debt	732.6	715.5
Net debt before IFRS 16	732.6	583.8
Capital employed	2,406.8	2,322.9

Key Segment Figures - Full Year 2019

In million \$	Full Year 2018	Full Year 2019
Segment revenue	1,227.4	1,400.5
Segment EBITDAs	556.0	720.8
<i>Group EBITDAs margin</i>	<i>45.3%</i>	<i>51.5%</i>
Segment operating income	142.3	247.3
<i>Opinc margin</i>	<i>11.6%</i>	<i>17.7%</i>
Non-recurring charges (NRC)	(287.8)	-
IFRS 15 adjustment	(34.2)	(3.8)
IFRS operating income	(179.7)	243.5
Segment Operating Cash Flow	430.2	751.4
Segment Free Cash Flow	128.1	433.7

Key figures bridge: Segment to IFRS - Fourth Quarter 2019

Q4 2019 P&L items	Segment figures	IFRS 15 adjustments	IFRS figures
In million \$			
Total Revenue	396.1	29.7	425.8
Operating Income	72.4	1.9	74.3

Q4 2019 Cash Flow Statement items	Segment figures	IFRS 15 adjustments	IFRS figures
In million \$			
EBITDAs	205.6	29.7	235.3
Change in Working Capital & Provisions	(17.4)	(29.7)	(47.1)
Cash Flow from Operations	179.0	-	179.0

Multi-Client Data Library NBV	Segment figures	IFRS 15 adjustments	IFRS figures
In million \$			
Opening Balance Sheet – Oct. 1st	434.1	181.3	615.4
Closing Balance Sheet – Dec. 31st 2019	375.8	155.2	531.0

Key figures bridge: Segment to IFRS - Year to date 2019

Full Year 2019 P&L items	Segment figures	IFRS 15 adjustments	IFRS figures
In million \$			
Total Revenue	1,400.5	(44.6)	1,355.9
Operating Income	247.3	(3.8)	243.5

Full Year 2019 Cash Flow Statement	Segment figures	IFRS 15 adjustments	IFRS figures
In million \$			
EBITDAs	720.8	(44.6)	676.2
Change in Working Capital & Provisions	58.5	44.6	103.1
Cash Flow from Operations	751.4	-	751.4

Multi-Client Data Library NBV	Segment figures	IFRS 15 adjustments	IFRS figures
In million \$			
Opening Balance Sheet – Jan. 1st 2019	518.6	114.7	633.3
Closing Balance Sheet – Dec. 31st 2019	375.8	155.2	531.0

Fourth Quarter 2019 Financial Results by Operating Segment and before non-recurring charges

Geology, Geophysics & Reservoir (GGR)

GGR	Fourth Quarter 2018	Fourth Quarter 2019	Variation year-on-year
In million \$			
Segment revenue	332.8	274.7	(17)%
Geoscience (SIR)	109.2	105.9	(3)%
Multi-Client	223.6	168.8	(25)%
<i>Prefunding</i>	106.8	62.2	(42)%
<i>After-Sales</i>	116.8	106.6	(9)%
Segment EBITDAs	230.8	189.1	(18)%
<i>Margin</i>	69.4%	68.8%	-60 bps
Segment operating income	14.5	63.5	-
<i>Margin</i>	4.4%	23.1%	-
Equity from investments	(0.3)	0.0	112%
Capital employed (in billion \$)	2.0	1.9	(5)%
Other key metrics			
Multi-Client cash capex (\$m)	(39.7)	(32.5)	(18)%
Multi-Client cash prefunding rate (%)	268%	191%	-

GGR segment revenue was \$275 million, down 17% year-on-year.

- **Geoscience total production** (external revenue + internal production dedicated to the processing of CGG multi-clients programs) was \$137 million, quasi-stable year-on-year.
- **Geoscience external revenue** was \$106 million, quasi-stable year-on-year.

In 2019, the external order intake was up 23% year-on-year at \$427 million and external backlog was \$287 million at year-end, up 10% sequentially and 20% year-on-year. Demand for high-end OBN projects continues to remain strong. In 2019, the Geoscience division expanded its position in the Middle East, particularly in Abu Dhabi and Kuwait.

- **Multi-Client revenue** was \$169 million this quarter, down 25% year-on-year due to lower prefunding revenue this quarter.

Prefunding revenue of our Multi-client projects reached \$62 million this quarter, down 42% from \$107 million in the fourth quarter of 2018. Multi-Client cash capex was at \$(32) million this quarter with a 191% prefunding rate. Our Multi-client programs this quarter were driven by offshore project in Brazil and onshore projects in the US Lower 48.

After-sales were \$107 million this quarter, down 9% year-on-year, driven by solid demand for our data.

The net book value of the multi-client library was impaired at year-end 2019 by \$(33) million mainly due to change in government regulations in Ireland and Africa. The amortization rate for the full year 2019 was 61% vs. 69% in 2018.

The segment library Net Book Value was \$376 million (\$531 million after IFRS 15 adjustments) at the end of December 2019, split about 90% offshore and 10% onshore.

GGR segment EBITDAs was \$189 million, down 18% year-on-year, a high 69% margin driven by favorable Multi-client revenue mix and solid Geoscience profitability.

GGR segment operating income was \$64 million, up year-on-year, a 23% margin, including \$(33) million impairment of the multi-client library.

GGR capital employed was \$1.9 billion at the end of December 2019.

Equipment

Equipment	Fourth Quarter 2018	Fourth Quarter 2019	Variation year-on-year
In million \$			
Segment revenue	107.8	123.5	15%
<i>Land</i>	80	87	9%
<i>Marine</i>	16	23	41%
<i>Downhole gauges</i>	9	9	(3)%
<i>Non Oil & Gas</i>	3	4	74%
Segment EBITDAs	18.3	23.0	26%
<i>Margin</i>	17.0%	18.6%	+160 bps
Segment operating income	10.1	15.8	57%
<i>Margin</i>	9.4%	12.8%	+340 bps
Capital employed (in billion \$)	0.5	0.5	-

Equipment segment revenue was \$124 million up 15% year-on-year. External sales were \$121 million, a 16% increase year-on-year. Land equipment sales represented around 70% of total sales, driven in particular by channels deliveries in the Middle East, Russia and North Africa, and Marine equipment sales represented 19% of total sales.

Equipment segment EBITDAs was \$23million, up 26% year-on-year, a margin of 19%, driven by strong volumes.

Equipment segment operating income was \$16 million, up 57%, a margin of 13%.

Equipment capital employed was \$0.5 billion at the end of December 2019.

Fourth Quarter 2019 Financial Results

Consolidated Income Statements	Fourth Quarter 2018	Fourth Quarter 2019	Variation year-on-year
In million \$			
<i>Exchange rate euro/dollar</i>	1.14	1.12	(2)%
Segment revenue	437.6	396.1	(9)%
GGR	332.8	274.7	(17)%
Equipment	107.8	123.5	15%
Eliminations	(3.0)	(2.1)	29%
Gross margin	56.1	109.4	95%
Segment EBITDAs	234.8	205.6	(12)%
GGR	230.8	189.1	(18)%
Equipment	18.3	23.0	26%
Corporate	(12.7)	(6.4)	49%
Eliminations	(1.6)	-	-
Segment operating income	9.7	72.4	646%
GGR	14.5	63.5	338%
Equipment	10.1	15.8	57%
Corporate	(12.7)	(6.9)	46%
Eliminations	(2.2)	(0.1)	95%
<i>NRC</i>	(269.0)	-	-
<i>IFRS 15 adjustment</i>	(23.1)	1.9	-
IFRS operating income	(282.4)	74.3	-
Equity from investments	(0.3)	-	-
Net cost of financial debt	(30.6)	(33.4)	(9)%
Other financial income (loss)	(7.8)	2.1	127%
Income taxes	19.1	20.1	5%
Net income / (loss) from continuing operations	(302.0)	63.1	-
Net income / (loss) from discontinued operations	(488.0)	(37.2)	92%
IFRS net income / (loss)	(790.0)	25.9	-
Shareholder's net income / (loss)	(791.0)	25.1	-
Basic Earnings per share in \$	(1.11)	0.04	-
Basic Earnings per share in €	(0.93)	0.03	-

Segment revenue was \$396 million, down 9% year-on-year and up 4% sequentially. The respective contributions from the Group's businesses were 27% from Geoscience, 42% from Multi-Client (69% from the GGR segment) and 31% from Equipment.

Segment EBITDAs was \$206million, down 12% year-on-year, a 52% margin.

Segment operating income was \$72 million, significantly up year-on-year, a high 18% margin, including \$(33) million impairment of our multi-client library mainly due to change in government regulations in Ireland and Africa and \$(7) million impact from the new multi-client amortization policy.

IFRS 15 adjustment at operating income level was \$2 million and **IFRS operating income**, after IFRS 15 adjustment, was \$74 million.

Cost of financial debt was \$(33) million. The total amount of interest paid during the quarter was \$(33) million.

Income taxes were \$20 million mainly due to positive impact in deferred taxation in France and US.

Net income from continuing operations was \$63 million.

Discontinued operations

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

-**Segment revenue** was \$31 million this quarter.

-**Net loss from discontinued operations** was \$(37) million.

-**Net cash flow from discontinued operations** was \$3 million.

-**CGG 2021 cash costs** were \$(72) million

Group net income was \$26 million.

After minority interests, **Group net income attributable to CGG shareholders** was \$25 million / €22 million.

Cash Flow

Cash Flow items In million \$	Fourth Quarter 2018	Fourth Quarter 2019	Variation year-on- year
Segment Operating Cash Flow	140.3	179.0	28%
Capex	(57.9)	(55.5)	(4)%
Industrial	(8.2)	(14.8)	80%
R&D	(10.0)	(8.2)	18%
Multi-Client (Cash)	(39.7)	(32.5)	(18)%
<i>Marine MC</i>	(33.5)	(21.4)	(36)%
<i>Land MC</i>	(6.2)	(11.1)	79%
Proceeds from disposals of assets	3.7	0.3	(92)%
Lease repayments	(1.4)	(15.8)	N/A
Segment Free Cash Flow	84.5	108.0	28%
Paid cost of debt	(34.4)	(33.0)	(4)%
Cash NRC / Plan 2021	(4.1)	(71.6)	N/A
Net cash flow from discontinued operations	(26.6)	3.0	-
Net Cash Flow	19.6	6.4	(67)%
Other financing cash flow	(0.2)	(0.5)	150%
Forex and other	2.5	9.0	268%
Net increase/(decrease) in cash	21.9	14.9	(32)%

Segment Operating Cash Flow was \$179 million compared to \$140 million for the fourth quarter of 2018.

Capex was \$(56) million, down 4% year-on-year:

- **Industrial capex** was \$(15) million, up 80% year-on-year,
- **Research & Development capex** was \$(8) million,
- **Multi-client cash capex** was \$(33) million, down 18% year-on-year.

Segment Free Cash Flow, including lease repayments of \$(16) million, was \$108 million, compared to \$85 million for the fourth quarter of 2018.

After cash cost of debt of \$(33) million, CGG 2021 Plan cash costs of \$(72) million and Net cash flow from discontinued operations of \$3 million, **Group Net Cash Flow** was \$6 million.

Full Year 2019 Financial Results

Consolidated Income Statements	Full Year 2018	Full Year 2019	Variation year-on-year
In million \$			
<i>Exchange rate euro/dollar</i>	1.18	1.12	(5)%
Segment revenue	1,227.4	1,400.5	14%
GGR	913.4	959.9	5%
Equipment	350.8	452.1	29%
Eliminations	(36.8)	(11.5)	69%
Gross margin	298.1	393.4	32%
Segment EBITDAs	556.0	720.8	30%
GGR	557.8	652.1	17%
Equipment	42.1	96.6	129%
Corporate	(39.1)	(27.9)	(29)%
Eliminations	(4.8)	-	-
Segment operating income	142.3	247.3	74%
GGR	175.8	211.2	20%
Equipment	11.7	66.7	470%
Corporate	(39.1)	(30.3)	23%
Eliminations	(6.1)	(0.3)	(95)%
<i>NRC</i>	(287.8)	-	-
<i>IFRS 15 adjustment</i>	(34.2)	(3.8)	(89)%
IFRS operating income	(179.7)	243.5	(236)%
Equity from investments	(1.2)	(0.1)	92%
Net cost of financial debt	(127.4)	(131.7)	3%
Other financial income (loss)	819.9	5.6	-
Income taxes	(7.4)	8.9	-
Net income / (loss) from continuing operations	504.2	126.2	(75)%
Net income / (loss) from discontinued operations	(600.0)	(187.7)	69%
IFRS net income / (loss)	(95.8)	(61.5)	36%
Shareholder's net income / (loss)	(101.6)	(69.1)	(32)%
Basic Earnings per share in \$	(0.17)	(0.10)	-
Basic Earnings per share in €	(0.14)	(0.09)	-

Segment revenue was \$1,400 million, up 14% year-on-year. The respective contributions from the Group's businesses were 28% from Geoscience, 41% from Multi-Client (69% from the GGR segment) and 31% from Equipment.

GGR segment revenue was \$960 million, up 5% year-on-year

- **Geoscience total production** (external revenue + internal production dedicated to the processing of CGG multi-clients programs) was \$522 million, stable year-on-year.
- **Geoscience revenue** was \$385 million, down 3% year-on-year mainly due to project delays and increased focus on more profitable businesses and projects.

- **Multi-Client sales** reached \$575 million, up 11% year-on-year. Prefunding revenue was \$218 million, up 1% year-on-year despite a 17% decrease in multi-client capex. Multi-Client cash capex was \$(186) million, down 17% year-on-year due to program delays. Cash prefunding rate was 118% well above the 97% rate over the same period last year.

After-sales were \$356 million, up 18% year-on-year, including one off transfer fees in Q3 2019.

Equipment revenue was \$452 million, up 29% year-on-year. **External Equipment sales** were strong at \$441 million, up 40% year-on-year due to higher land equipment volumes with more 508XT systems delivered.

Segment EBITDAs was \$721 million, up 30% year-on-year, a high 51% margin. **GGR EBITDA** margin was at 68% and **Equipment EBITDA** margin at 21%

Segment operating income was \$247 million, up 74% year-on-year, a 18% margin. It includes \$(86) million impact from the new multi-client amortization policy.

IFRS 15 adjustment at operating income level was \$(4) million and **IFRS operating income**, after IFRS 15 adjustment, was \$244 million.

Cost of financial debt was \$(132) million. The total amount of interest paid during the first Full Year of 2019 was \$(80.5) million. **Income taxes** were at \$9 million.

Net income from continuing operations was \$126 million.

Discontinued operations

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

-**2019 Revenue from discontinued operations** was \$191 million.

-**Net loss from discontinued operations** was \$(188) million.

-**Net Cash flow from discontinued operations** was \$(32) million.

-**CGG 2021 cash costs** were \$(136) million.

Group net loss was \$(61) million.

After minority interests, **Group net loss attributable to CGG shareholders** was \$(69) million / €(62) million.

Cash Flow

Cash Flow items In million \$	Full Year 2018	Full Year 2019	Variation year-on- year
Segment Operating Cash Flow	430.2	751.4	75%
Capex	(300.8)	(261.0)	13%
Industrial	(44.9)	(42.9)	4%
R&D	(33.1)	(32.4)	2%
Multi-Client (Cash)	(222.8)	(185.7)	(17)%
<i>Marine MC</i>	(188.7)	(152.6)	(19)%
<i>Land MC</i>	(34.1)	(33.1)	(3)%
Proceeds from disposals of assets	4.4	0.2	(95)%
Lease repayments	(5.7)	(56.9)	-
Segment Free Cash Flow	128.1	433.7	239%
Paid cost of debt	(73.2)	(80.5)	10%
Cash NRC / Plan 2021	(64.9)	(135.6)	109%
Net cash flow from discontinued operations	(119.3)	(32.0)	73%
Net cash flow	(129.3)	185.6	-
Other financing cash flow	269.7	(0.4)	-
Forex and other	(21.7)	(8.8)	60%
Net increase/(decrease) in cash	118.7	176.4	49%

Segment Operating Cash Flow was \$751 million compared to \$430 million in 2018, a very strong increase due to a very favorable \$58 million change in working capital and provisions.

Capex was \$(261) million, down 13% year-on-year:

- **Industrial capex** was \$(43) million, down 4% year-on-year,
- **Research & Development capex** was \$(32) million,
- **Multi-client cash capex** was \$(186) million, down 17% year-on-year.

Segment Free Cash Flow, including lease repayments of \$(57) million, was \$434 million compared to \$128 million for the Full Year of 2018.

After cash cost of debt of \$(81) million, CGG 2021 Plan cash costs of \$(136) million and Net cash flow from discontinued operations of \$(32) million, **Group Net Cash Flow** was \$186 million, compared to \$(129) million in 2018.

Balance Sheet

At the end of December 2019, **Group gross debt before IFRS 16** was \$1,194 million and net debt was \$584 million. **Group gross debt after IFRS 16** was \$1,326 million and **net debt** was \$716 million.

Group's **liquidity** amounted to \$610 million at the end of December 2019. **Net debt to EBITDAs** ratio at the end of December was **0.9x** (excluding IFRS 16 impact).

Q4 2019 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

A replay of the conference will be available via webcast on the CGG website at: 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 76 70 07 94
UK call-in	+44(0) 844 571 8892
Access code	1566959

About CGG

CGG (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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CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS

Amounts in millions of US\$, except per share data or unless indicated	Year	
	2019	2018
Operating revenues	1,355.9	1,193.5
Other income from ordinary activities	0.7	1.4
Total income from ordinary activities	1,356.6	1,194.9
Cost of operations	(967.0)	(931.0)
Gross profit	389.6	263.9
Research and development expenses, net	(23.6)	(30.5)
Marketing and selling expenses	(47.0)	(45.9)
General and administrative expenses	(66.2)	(81.1)
Other revenues (expenses), net	(9.3)	(286.1)
Operating income	243.5	(179.7)
Expenses related to financial debt	(135.2)	(129.7)
Income provided by cash and cash equivalents	3.5	2.3
Cost of financial debt, net	(131.7)	(127.4)
Other financial income (loss)	5.6	819.9
Income (loss) of consolidated companies before income taxes	117.4	512.8
Income taxes	8.9	(7.4)
Net income (loss) from consolidated companies	126.3	505.4
Share of income (loss) in companies accounted for under equity method	(0.1)	(1.2)
Net income (loss) from continuing operations	126.2	504.2
Net income (loss) from discontinued operations	(187.7)	(600.0)
Net income (loss)	(61.5)	(95.8)
<i>Attributable to :</i>		
<i>Owners of CGG S.A</i>	\$ (69.1)	(101.6)
<i>Non-controlling interests</i>	\$ 7.6	5.8
Weighted average number of shares outstanding	709,950,455	608,438,241
Dilutive weighted average number of shares outstanding adjusted when dilutive	711,922,761	617,593,353
Net income (loss) per share		
Basic	\$ (0.10)	(0.17)
Diluted	\$ (0.10)	(0.17)
Net income (loss) from continuing operations per share		
Basic	\$ 0.17	0.82
Diluted	\$ 0.17	0.81

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS

Amounts in millions of US\$, except per share data or unless indicated	three months ended December 31,	
	2019	2018
Operating revenues	425.8	370.2
Other income from ordinary activities	0.2	0.3
Total income from ordinary activities	426.0	370.5
Cost of operations	(314.7)	(337.5)
Gross profit	111.3	33.0
Research and development expenses, net	(5.7)	(16.1)
Marketing and selling expenses	(12.7)	(13.1)
General and administrative expenses	(12.2)	(19.1)
Other revenues (expenses), net	(6.4)	(267.1)
Operating income	74.3	(282.4)
Expenses related to financial debt	(34.4)	(31.0)
Income provided by cash and cash equivalents	1.0	0.4
Cost of financial debt, net	(33.4)	(30.6)
Other financial income (loss)	2.1	(7.8)
Income (loss) of consolidated companies before income taxes	43.0	(320.8)
Income taxes	20.1	19.1
Net income (loss) from consolidated companies	63.1	(301.7)
Share of income (loss) in companies accounted for under equity method	-	(0.3)
Net income (loss) from continuing operations	63.1	(302.0)
Net income (loss) from discontinued operations	(37.2)	(488.0)
Net income (loss)	25.9	(790.0)
<i>Attributable to :</i>		
<i>Owners of CGG S.A</i>	\$ 25.1	(791.0)
<i>Non-controlling interests</i>	\$ 0.8	1.0
Weighted average number of shares outstanding	709,953,655	709,944,367
Dilutive weighted average number of shares outstanding adjusted when dilutive	713,246,374	709,944,367
Net income (loss) per share		
Basic	\$ 0.04	(1.11)
Diluted	\$ 0.04	(1.11)
Net income (loss) from continuing operations per share		
Basic	\$ 0.09	(0.42)
Diluted	\$ 0.09	(0.42)

UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Amounts in millions of US\$, unless indicated	December 31, 2019	December 31, 2018
ASSETS		
Cash and cash equivalents	610.5	434.1
Trade accounts and notes receivable, net	436.0	520.2
Inventories and work-in-progress, net	200.1	204.8
Income tax assets	84.9	72.1
Other current assets, net	116.7	99.1
Assets held for sale, net	316.6	195.5
Total current assets	1,764.8	1,525.8
Deferred tax assets	19.7	22.6
Investments and other financial assets, net	27.4	31.1
Investments in companies under equity method	3.0	0.1
Property, plant and equipment, net	300.0	189.2
Intangible assets, net	690.8	898.9
Goodwill, net	1,206.9	1,229.0
Total non-current assets	2,247.8	2,370.9
TOTAL ASSETS	4,012.6	3,896.7
LIABILITIES AND EQUITY		
Bank overdrafts	—	—
Current portion of financial debt	59.4	17.8
Trade accounts and notes payables	117.4	126.4
Accrued payroll costs	156.6	135.8
Income taxes payable	59.3	49.6
Advance billings to customers	36.9	35.7
Provisions — current portion	50.0	172.4
Other current liabilities	327.3	250.9
Liabilities directly associated with the assets classified as held for sale	259.2	131.7
Total current liabilities	1,066.1	920.3
Deferred tax liabilities	10.4	44.4
Provisions — non-current portion	58.1	95.9
Financial debt	1,266.6	1,148.9
Other non-current liabilities	4.0	13.1
Total non-current liabilities	1,339.1	1,302.3
Common stock: 1,181,522,927 shares authorized and 709,956,358 shares with a €0.01 nominal value outstanding at December 31, 2019	8.7	8.7
Additional paid-in capital	3,184.7	3,184.6
Retained earnings	(1,531.1)	(1,457.8)
Other Reserves	(23.5)	(27.9)
Treasury shares	(20.1)	(20.1)
Cumulative income and expense recognized directly in equity	(0.7)	(0.9)
Cumulative translation adjustment	(56.3)	(55.1)
Equity attributable to owners of CGG S.A.	1,561.7	1,631.5
Non-controlling interests	45.7	42.6
Total equity	1,607.4	1,674.1
TOTAL LIABILITIES AND EQUITY	4,012.6	3,896.7

Closing rates were US\$1.1233 per €1.00 and US\$1.1450 per €1.00 for December 31, 2019 and December 31, 2018, respectively.

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

Amounts in millions of US\$	Year,	
	2019	2018
OPERATING		
Net income (loss)	(61.5)	(95.8)
Less: Net income (loss) from discontinued operations	187.7	600.0
Net income (loss) from continuing operations	126.2	504.2
Depreciation and amortization	138.2	117.9
Multi-client surveys depreciation and amortization	308.0	552.3
Depreciation and amortization capitalized in multi-client surveys	(18.8)	(18.8)
Variance on provisions	(10.5)	(18.2)
Stock based compensation expenses	5.3	2.5
Net (gain) loss on disposal of fixed and financial assets	1.0	(1.5)
Equity (income) loss of investees	0.1	1.2
Dividends received from investments in companies under equity method	—	—
Other non-cash items	(4.3)	(823.3)
Net cash-flow including net cost of financial debt and income tax	545.2	316.3
Less net cost of financial debt	131.7	127.4
Less income tax expense	(8.9)	7.4
Net cash-flow excluding net cost of financial debt and income tax	668.0	451.1
Income tax paid	(30.2)	(17.0)
Net cash-flow before changes in working capital	637.8	434.1
Change in working capital	113.6	(68.8)
- change in trade accounts and notes receivable	150.0	(75.5)
- change in inventories and work-in-progress	(3.7)	33.3
- change in other current assets	(33.7)	4.3
- change in trade accounts and notes payable	7.7	(4.9)
- change in other current liabilities	(6.7)	(26.0)
Net cash-flow provided by operating activities	751.4	365.3
INVESTING		
Total capital expenditures (including variation of fixed assets suppliers, excluding multi-client surveys)	(75.3)	(78.0)
Investment in multi-client surveys, net cash	(185.7)	(222.8)
Proceeds from disposals of tangible and intangible assets	0.1	4.4
Total net proceeds from financial assets	0.1	—
Acquisition of investments, net of cash and cash equivalents acquired	—	—
Variation in loans granted	—	(0.4)
Variation in subsidies for capital expenditures	—	(0.2)
Variation in other non-current financial assets	(0.7)	(3.8)
Net cash-flow used in investing activities	(261.5)	(300.8)
FINANCING		
Repayment of long-term debt	(0.4)	(195.9)
Total issuance of long-term debt	—	336.5
Lease repayments ⁽¹⁾	(56.9)	(5.7)
Change in short-term loans	—	(0.2)
Financial expenses paid	(80.5)	(73.2)
<i>Net proceeds from capital increase:</i>		
— from shareholders	—	129.3
— from non-controlling interests of integrated companies	—	—
<i>Dividends paid and share capital reimbursements:</i>		
— to shareholders	—	—
— to non-controlling interests of integrated companies	(3.8)	—
Acquisition/disposal from treasury shares	—	—
Net cash-flow provided by (used in) financing activities	(141.6)	190.8
Effects of exchange rates on cash	(4.3)	(17.3)
Impact of changes in consolidation scope	—	—
Net cash flows incurred by Discontinued Operations	(167.6)	(119.3)
Net increase (decrease) in cash and cash equivalents	176.4	118.7
Cash and cash equivalents at beginning of year	434.1	315.4
Cash and cash equivalents at end of period	610.5	434.1

UNAUDITED ANALYSIS BY SEGMENT

December 31, 2019

In millions of US\$, except for assets and capital employed in billions of US\$	GGR	Equipment	Eliminations and other	Segment figures	IFRS 15 adjustments	Transformation Plan / Financial restructuring	Consolidated Total / As reported
Revenues from unaffiliated customers	959.9	440.6	–	1,400.5	(44.6)	–	1,355.9
Inter-segment revenues ⁽¹⁾	–	11.5	(11.5)	–	–	–	–
Operating revenues	959.9	452.1	(11.5)	1,400.5	(44.6)	–	1,355.9
Depreciation and amortization (excluding multi-client surveys)	(108.1)	(29.4)	(0.7)	(138.2)	–	–	(138.2)
Depreciation and amortization of multi-client surveys	(348.8)	–	–	(348.8)	40.8	–	(308.0)
Operating income ⁽²⁾	211.2	66.7	(30.6)	247.3	(3.8)	–	243.5
EBITDAS	652.1	96.6	(27.9)	720.8	(44.6)	–	676.2
Share of income in companies accounted for under equity method	(0.1)	–	–	(0.1)	–	–	(0.1)
Earnings Before Interest and Tax ⁽²⁾	211.1	66.7	(30.6)	247.2	(3.8)	–	243.4
Capital expenditures (excluding multi-client surveys) ⁽³⁾	49.1	25.0	1.2	75.3	–	–	75.3
Investments in multi-client surveys, net cash	185.7	–	–	185.7	–	–	185.7
Capital employed ⁽⁴⁾	1.9	0.5	(0.1)	2.3	–	–	2.3
Total identifiable assets ⁽⁴⁾	2.5	0.6	0.3	3.4	–	–	3.4

(1) Sale of equipment to the Contractual Data Acquisition segment, which is classified as, discontinued operation.

(2) “Eliminations and other” included US\$(30.3) million of general corporate expenses and US\$(0.3) million of intra-group margin.

(3) Capital expenditures included capitalized development costs of US\$(18.8) million for the year ended December 31, 2019. “Eliminations and other” corresponded to the variance of suppliers of assets for the year ended December 31, 2019.

(4) Capital employed and identifiable assets related to discontinued operations are included under the column “Eliminations and other”.

December 31, 2018

In millions of US\$, except for assets and capital employed in billions of US\$	GGR	Equipment	Eliminations and other	Segment figures	IFRS 15 adjustments	Transformation Plan / Financial restructuring	Consolidated Total / IFRS figures
Revenues from unaffiliated customers	913.4	314.0	–	1,227.4	(33.9)	–	1,193.5
Inter-segment revenues ⁽¹⁾	–	36.8	(36.8)	–	–	–	–
Operating revenues	913.4	350.8	(36.8)	1,227.4	(33.9)	–	1,193.5
Depreciation and amortization (excluding multi-client surveys)	(73.6)	(30.1)	(0.3)	(104.0)	–	(13.9)	(117.9)
Depreciation and amortization of multi-client surveys	(326.0)	–	–	(326.0)	(0.3)	(226.0)	(552.3)
Operating income ⁽²⁾	175.8	11.7	(45.2)	142.3	(34.2)	(287.8)	(179.7)
EBITDAS	557.8	42.1	(43.9)	556.0	(33.9)	(47.9)	474.2
Share of income in companies accounted for under equity method	(1.2)	–	–	(1.2)	–	–	(1.2)
Earnings Before Interest and Tax ⁽²⁾	174.6	11.7	(45.2)	141.1	(34.2)	(287.8)	(180.9)
Capital expenditures (excluding multi-client surveys) ⁽³⁾	54.4	24.8	(1.2)	78.0	–	–	78.0
Investments in multi-client surveys, net cash	222.8	–	–	222.8	–	–	222.8
Capital employed ⁽⁴⁾	2.0	0.5	(0.1)	2.4	–	–	2.4
Total identifiable assets ⁽⁴⁾	2.3	0.6	0.5	3.4	–	–	3.4

(1) Sale of equipment to the Contractual Data Acquisition segment which is classified as discontinued operations

(2) For the year ended December 31, 2018, “non-recurring charges” included US\$(226.0) million impairment of multi-client surveys, US\$(30.1) million inventory write-off in Equipment division, and US\$(13.9) million relating to other tangible and intangible assets impairment
For the year ended December 31, 2018, “eliminations and other” included US\$(39.1) million of general corporate expenses and US\$(5.0) million of intra-group margin.

(3) Capital expenditures included capitalized development costs of US\$(33.1) million for the year ended December 31, 2018. “Eliminations and other” corresponded to the variance of suppliers of assets for the year ended December 31, 2018.

(4) Capital employed and identifiable assets related to discontinued operations are included under the column “Eliminations and other”.

UNAUDITED ANALYSIS BY SEGMENT

Three months ended December 31, 2019

In millions of US\$	GGR	Equipment	Eliminations and other	Segment figures	IFRS 15 adjustments	Transformation Plan / Financial restructuring	Consolidated Total / IFRS figures
Revenues from unaffiliated customers	274.7	121.3	–	396.1	29.7	–	425.8
Inter-segment revenues ⁽¹⁾	–	2.1	(2.1)	–	–	–	–
Operating revenues	274.7	123.5	(2.1)	396.1	29.7	–	425.8
Depreciation and amortization (excluding multi-client surveys)	(33.1)	(6.9)	(0.1)	(40.2)	–	–	(40.2)
Depreciation and amortization of multi-client surveys	(104.6)	–	–	(104.6)	(27.8)	–	(132.4)
Operating income ⁽²⁾	63.5	15.8	(7.0)	72.4	1.9	–	74.3
EBITDAS	189.1	23.0	(6.4)	205.6	29.7	–	235.3
Share of income in companies accounted for under equity method	–	–	–	–	–	–	–
Earnings Before Interest and Tax ⁽²⁾	63.5	15.8	(7.0)	72.4	1.9	–	74.3
Capital expenditures (excluding multi-client surveys) ⁽³⁾	11.4	11.2	0.4	23.0	–	–	23.0
Investments in multi-client surveys, net cash	32.5	–	–	32.5	–	–	32.5

(1) Sale of equipment to the Contractual Data Acquisition segment which is classified as discontinued operations

(2) For the three months ended December 31, 2019, “eliminations and other” included US\$(6.9) million of general corporate expenses and US\$(0.1) million of intra-group margin.

(3) Capital expenditures included capitalized development costs of US\$(12.8) million for the three months ended December 31, 2019. “Eliminations and other” corresponded to the variance of suppliers of assets for the three months ended December 31, 2018.

Three months ended December 31, 2018

In millions of US\$	GGR	Equipment	Eliminations and other	Segment figures	IFRS 15 adjustments	Transformation Plan / Financial restructuring	Consolidated Total / IFRS figures
Revenues from unaffiliated customers	332.8	104.8	–	437.6	(67.4)	–	370.2
Inter-segment revenues ⁽¹⁾	–	3.0	(3.0)	–	–	–	–
Operating revenues	332.8	107.8	(3.0)	437.6	(67.4)	–	370.2
Depreciation and amortization (excluding multi-client surveys)	(15.9)	(7.9)	–	(23.8)	–	(13.9)	(37.7)
Depreciation and amortization of multi-client surveys	(201.8)	–	–	(201.8)	44.3	(226.0)	(383.5)
Operating income ⁽²⁾	14.5	10.1	(14.9)	9.7	(23.1)	(269.0)	(282.4)
EBITDAS	230.8	18.3	(14.3)	234.8	(67.4)	(29.1)	138.3
Share of income in companies accounted for under equity method	(0.3)	–	–	(0.3)	–	–	(0.3)
Earnings Before Interest and Tax ⁽²⁾	14.2	10.1	(14.9)	9.4	(23.1)	(269.0)	(282.7)
Capital expenditures (excluding multi-client surveys) ⁽³⁾	13.9	5.0	(0.7)	18.2	–	–	18.2
Investments in multi-client surveys, net cash	39.7	–	–	39.7	–	–	39.7

(1) Sale of equipment to the Contractual Data Acquisition segment which is classified as discontinued operations

(2) For the three months ended December 31, 2018, “non-recurring charges” included US\$(226.0) million impairment of multi-client surveys, US\$(30.1) million inventory write-off in Equipment division, and US\$(13.9) million relating to other tangible and intangible assets impairment
For the three months ended December 31, 2018, “eliminations and other” included US\$(12.7) million of general corporate expenses and US\$(1.1) million of intra-group margin.

(3) Capital expenditures included capitalized development costs of US\$(10.0) million for the three months ended December 31, 2018. “Eliminations and other” corresponded to the variance of suppliers of assets for the three months ended December 31, 2018.