



# ABG Sundal Collier Energy Conference

London, March 16, 2023



## Cautionary Statement

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- 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 the recent quarterly earnings releases, the 2021 annual report and the risk factors disclosures therein

# PGS – The Integrated Marine Geophysical Company



Total # of employees:

~900



Global operation with headquarters in Oslo and regional centers in UK and US



Active 3D Vessels:

6

Business areas:



### Sales & Services

*MultiClient, Contract and Imaging*



### Operations

*Fleet management, Project delivery, Seismic acquisition & support*



### Technology & Digitalization

*R&D, Enterprise IT, Digitalization portfolio*



### New Energy

*Emerging markets, Solutions design, Partnerships*

2022 Produced Revenues:

**\$817.2m**

2022 Produced EBITDA:

**\$446.7m**

Market Cap:

**\$~1bn**

# The PGS Fleet

The PGS fleet is the most **efficient** in the industry  
 We constantly improve our **technology** and **performance**



RAMFORM Atlas – active 3D



RAMFORM Hyperion – active 3D



RAMFORM Tethys – active 3D



RAMFORM Sovereign – active 3D



RAMFORM Vanguard – active 3D



RAMFORM Titan – active 3D



PGS Apollo - source



SANCO Swift – 2D/source/wind



Tansa – Service agreement for JOGMEC

Vessels currently in stack



RAMFORM Valiant - stacked

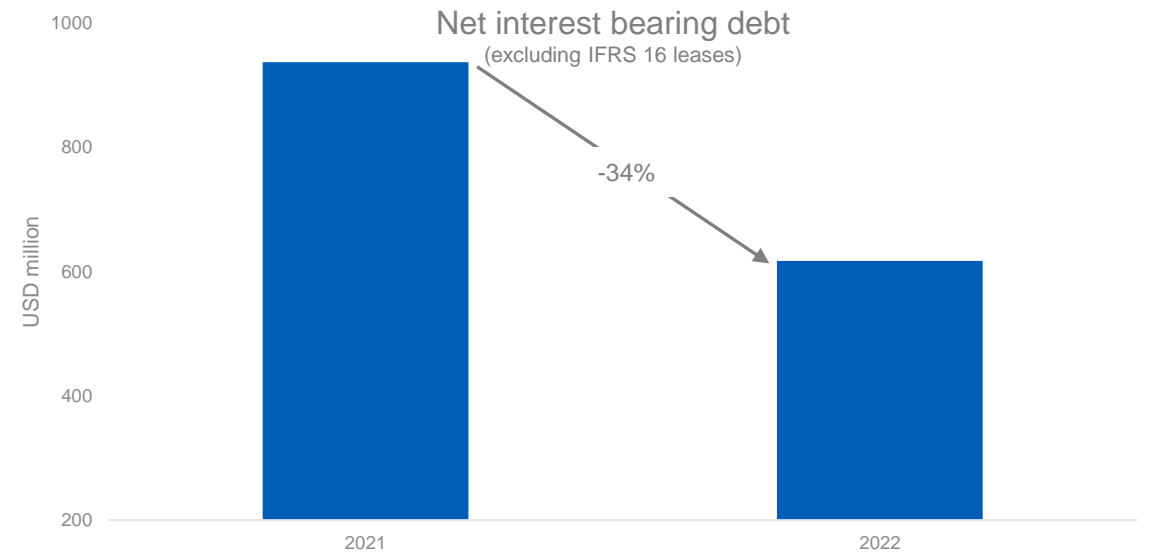
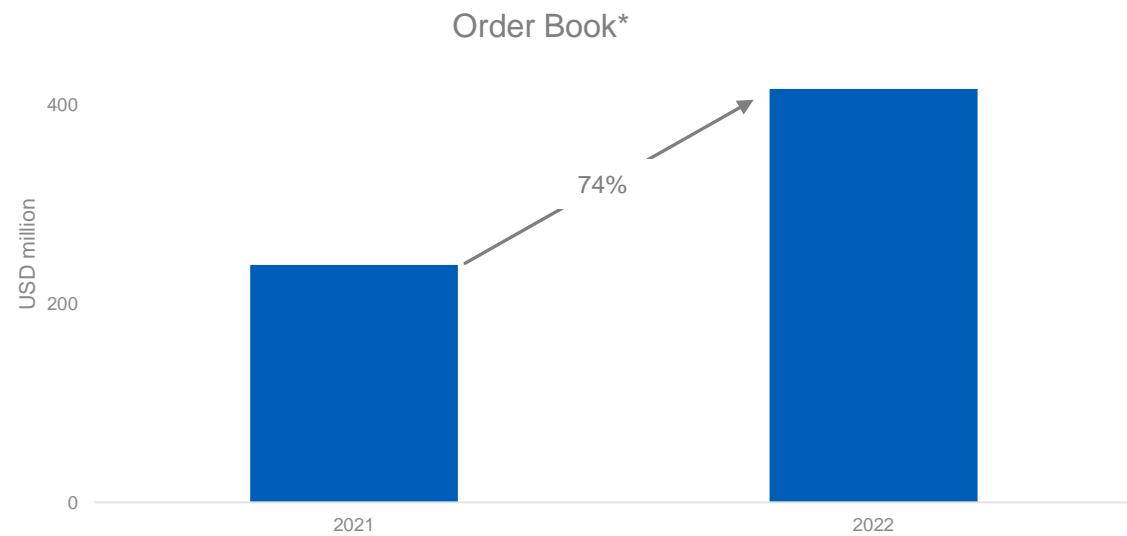
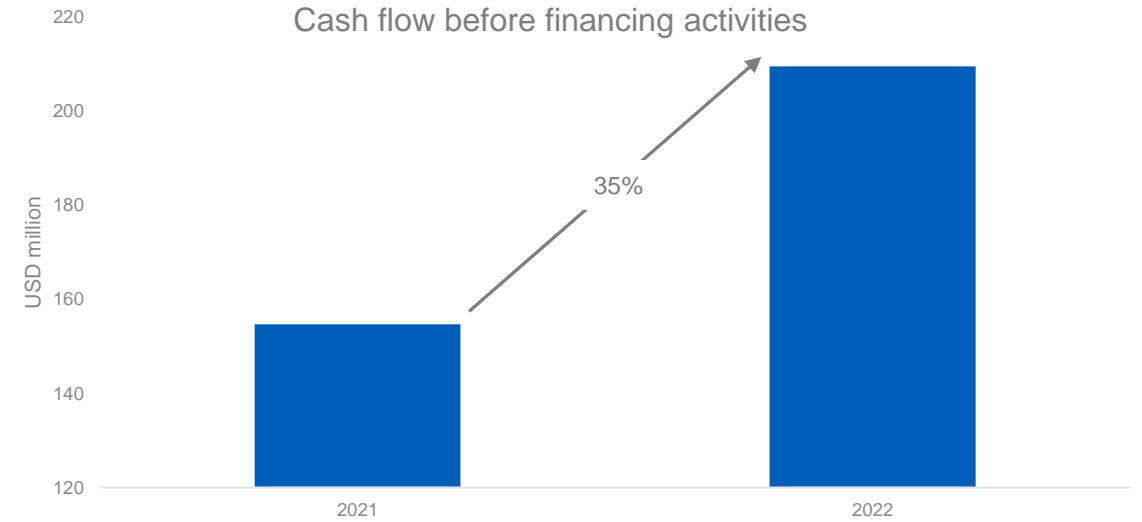
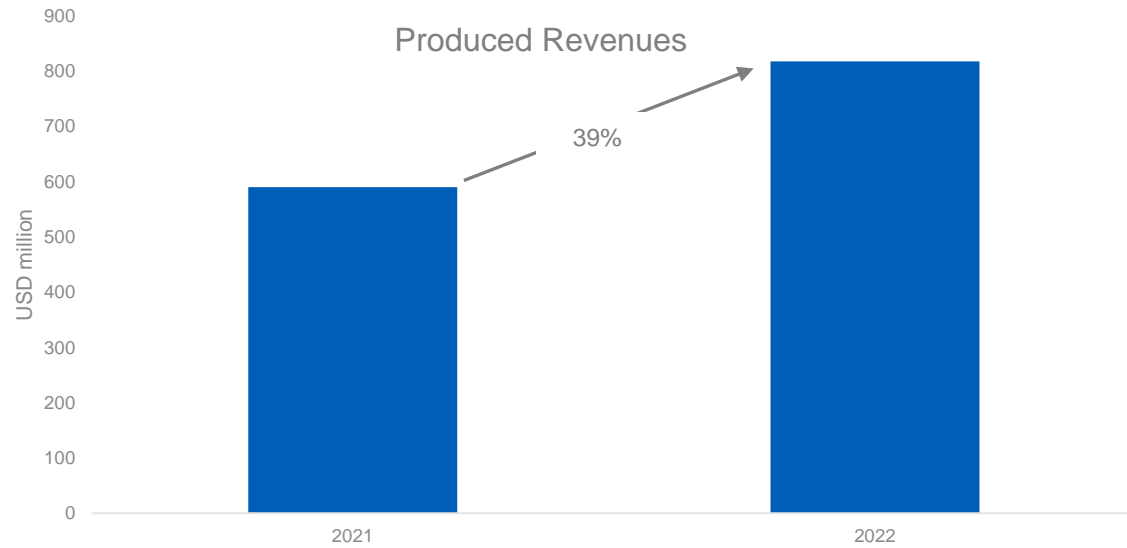


RAMFORM Explorer - stacked



RAMFORM Victory – reactivation for a survey in Brazil

# Full year 2022 Performance: Improving Market Fundamentals Reflected in Financials

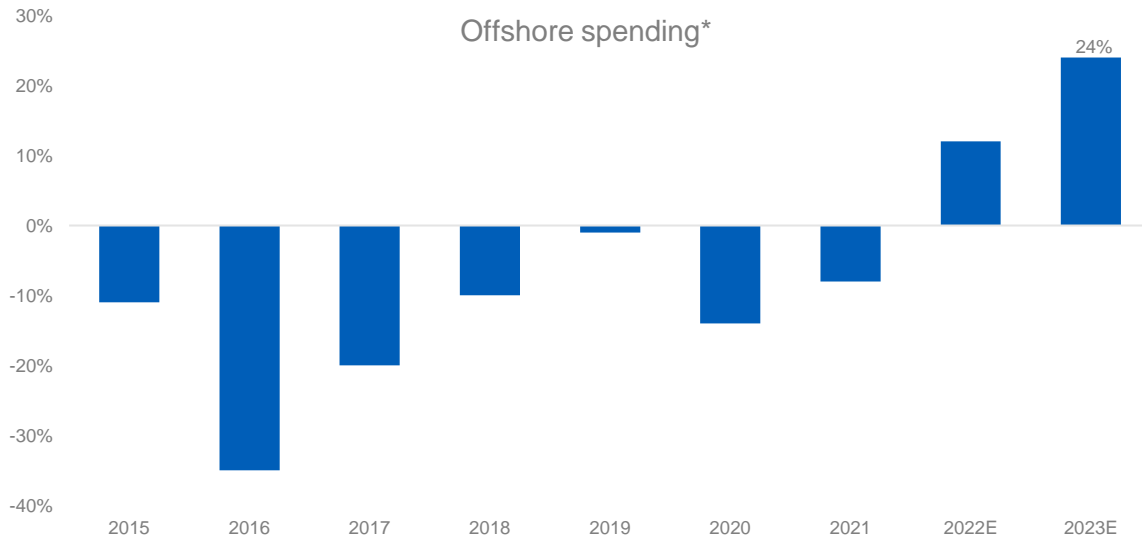
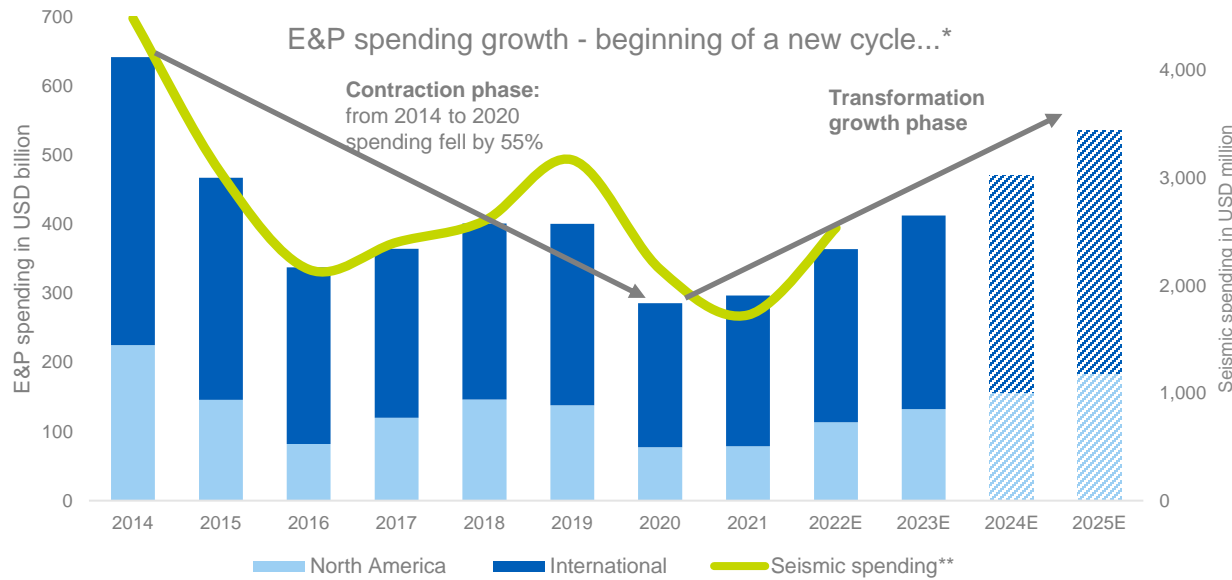


\*includes revenues related to future production, ref. definition of the APM "Order book" in Appendix of the Q4 2022 earnings release.

# Marine Seismic Market Leadership Through Integrated Service Offering

Financial Strategy	PGS Business Strategy
Cash Flow before growth	Leverage integration across the PGS value chain
	Leading provider of high-resolution seismic for near field exploration, production (4D) and CCS
Return on Capital Employed	Develop New Energy into a significant business unit
	Increase speed and penetration of digitalization
Establish a sustainable capital structure	Reduce operating cost & increase efficiency
	Reduce environmental footprint and set path for net-zero in 2050

# E&P spending: Kickstart in 2022 Continues in 2023



- Global E&P spending increased in excess of 20% in 2022
- Double digit spending growth expected in 2023
  - Likely to continue in '24 and '25
- Offshore spending expected to increase 24% in 2023\*
  - Following a 12% spending growth in 2022

\*Both graphs from Barclays 38<sup>th</sup> E&P Spending Survey published 20 December 2022.

\*\*Revenues for PGS, TGS (including SPU), Polarcus, Shearwater and CGG.

## Seismic Activity Level Will Increase – Customer Feedback Autumn 2022

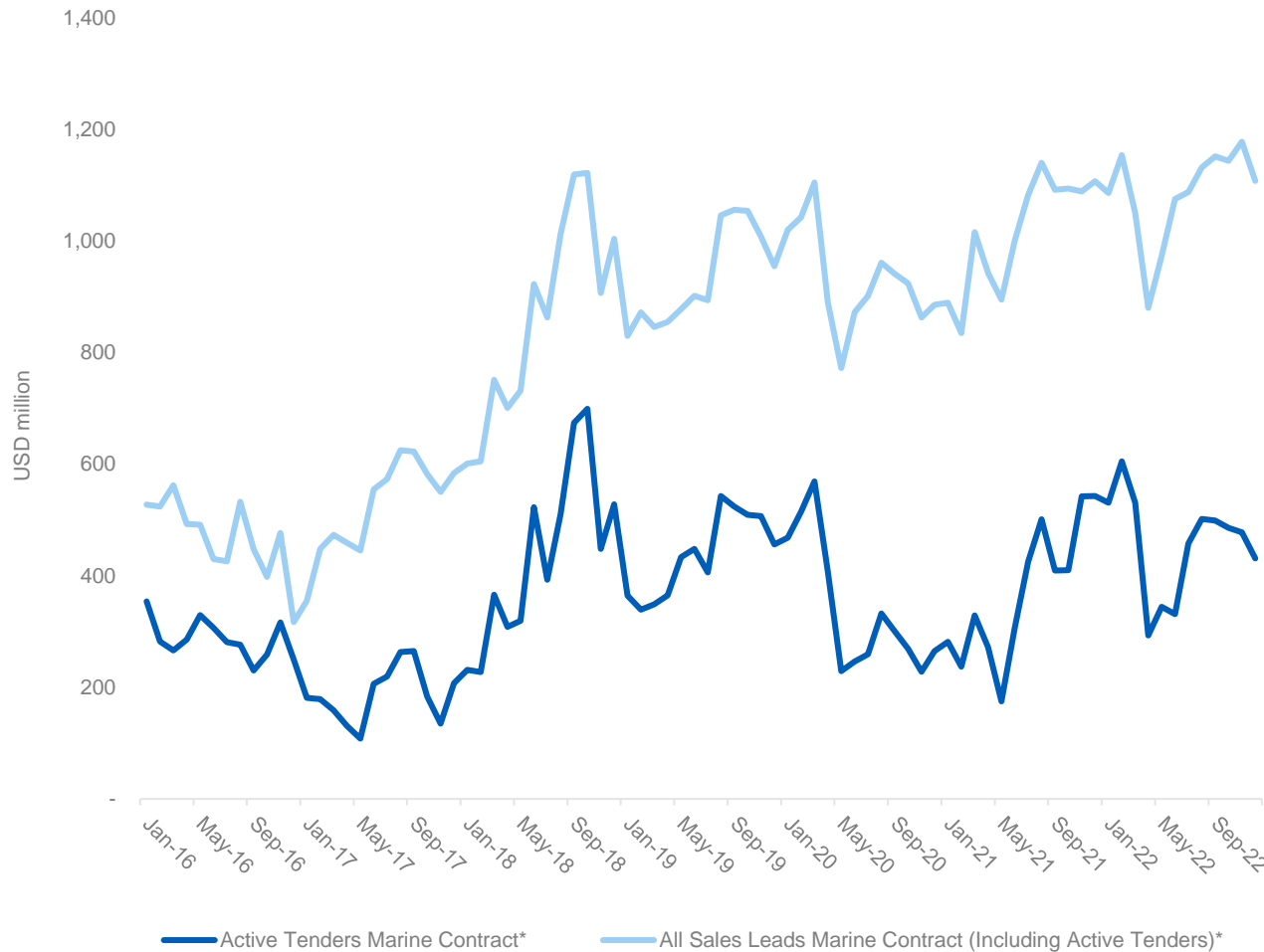


- Client 1: Continued high activity level. Will reactivate “real” exploration with a global remit scanning for opportunities
- Client 2: Increasing international activity level with Namibia recently added to the portfolio
- Client 3: The exploration budget will be kept high over the next years, and we see increased activity level in 2023
- Client 4: Exploration budget will increase in 2023
- Client 5: Will continue with similar activity level as recent years, still pursuing frontier exploration in certain countries

Clients confirm seismic spending increase in 2023



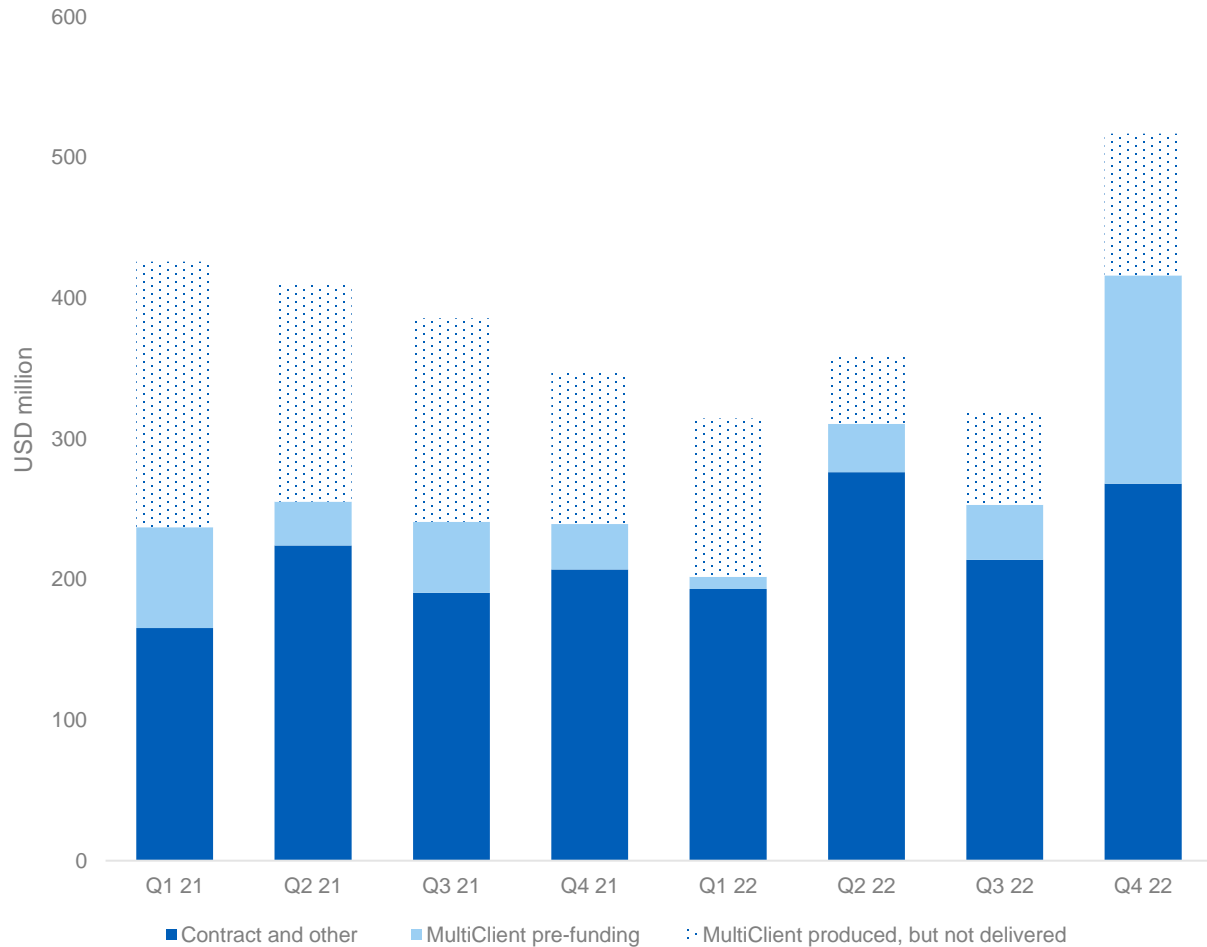
# Contract Bids and Leads – Active Tenders and Weighted Leads



- Y-o-Y contract rates improved by more than 35% in 2022 vs. 2021 average
- Sales leads are back above pre-COVID levels, with active tenders just about back at that level
- These curves reflect only publicly tendered seismic contracts
  - Do not show the current growth in MultiClient projects
  - Certain Integrated projects that PGS performs directly

\*Contract bids to go (in-house PGS) and estimated \$ value of bids + risk weighted leads as of December 2022.

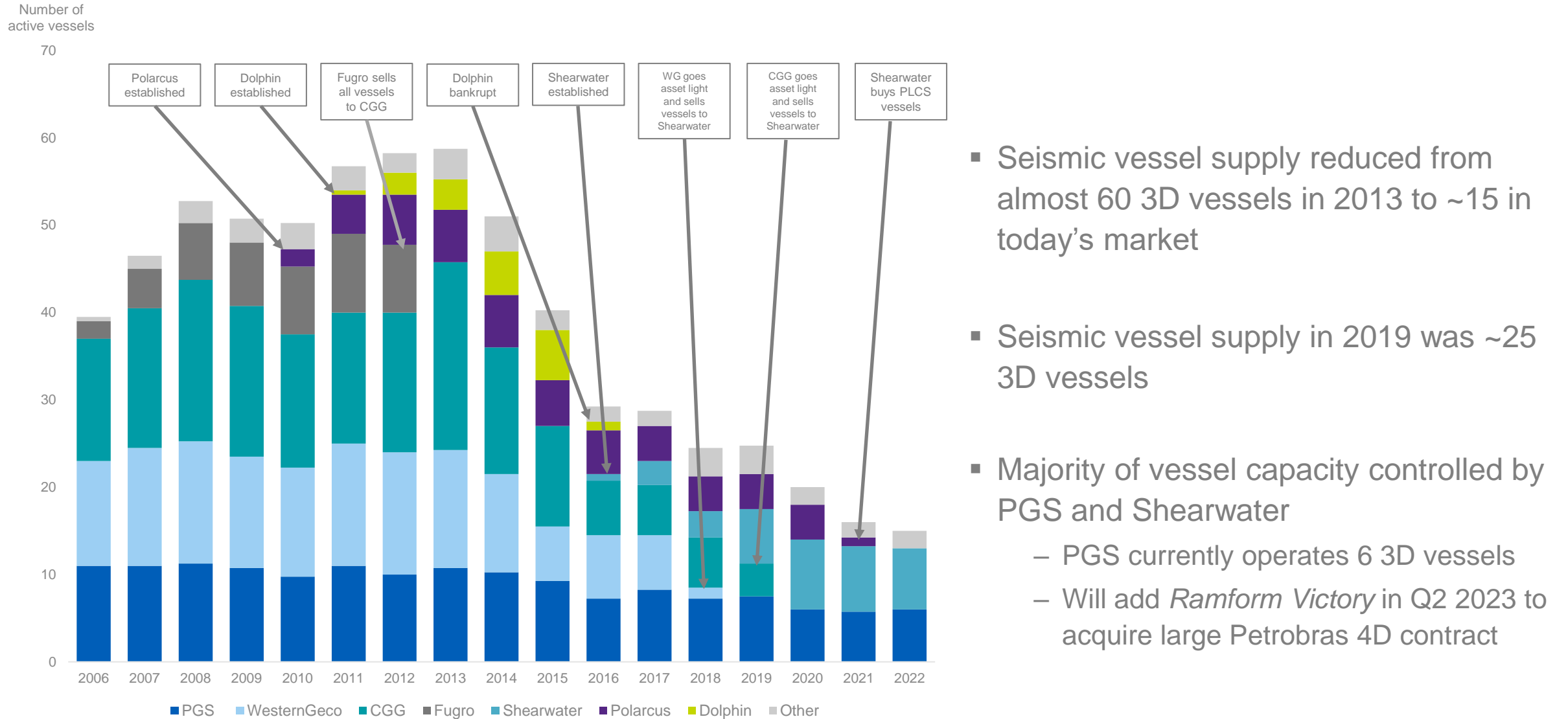
# Order Book Development



- Order book of \$416 million relating to future production
  - Up 74% from Q4 2021
  - Highest order book since Q3 2014
  - IFRS order book of \$517 million (includes deferred revenues relating to production already performed)
  
- Strong booking through Q3 2023\*
  - Q1 23: 17 vessel months
  - Q2 23: 16 vessel months
  - Q3 23: 12 vessel months
  
- Expect to operate seven 3D vessels from mid-year 2023 following activation of *Ramform Victory*

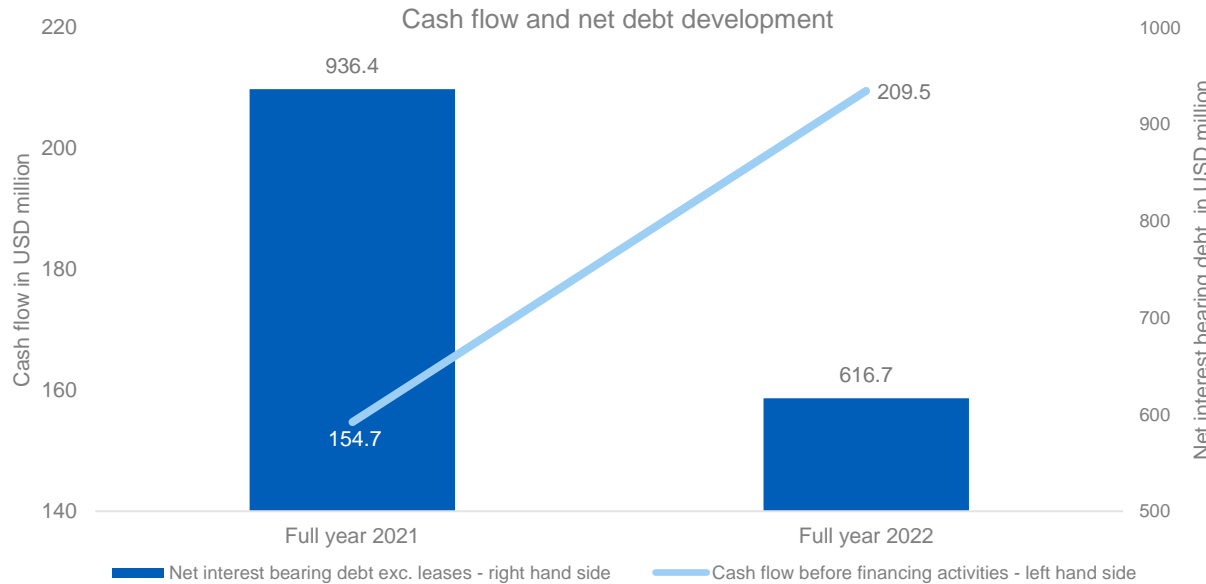
\*As of January 12, 2023. Booked position include planned steaming and yard time, as well as MultiClient programs the Company has firm plans to do, but where all pre-funding is not signed yet.

# Historically Low Supply in a Consolidated Vessel Market

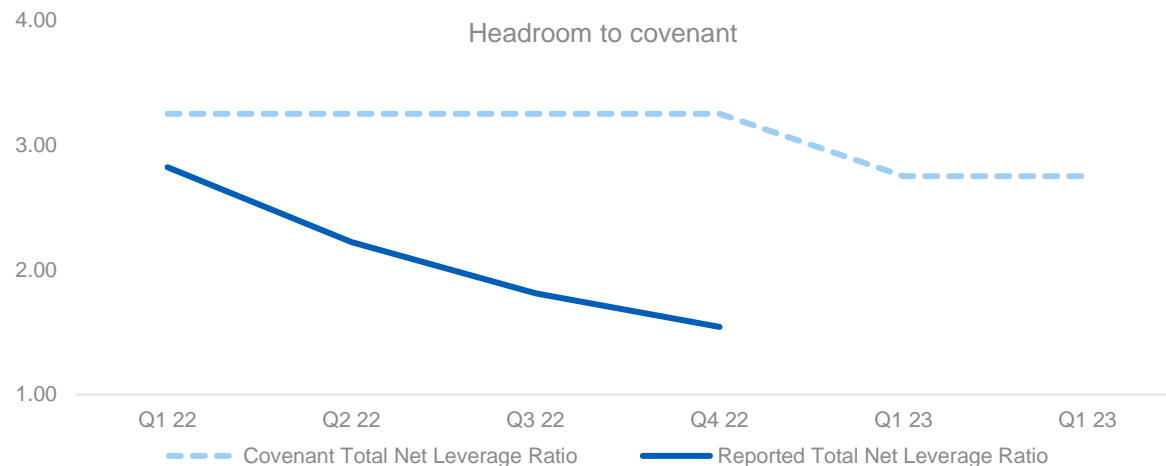


Source: PGS internal estimates

# Strong Improvement of Financial Position Through 2022



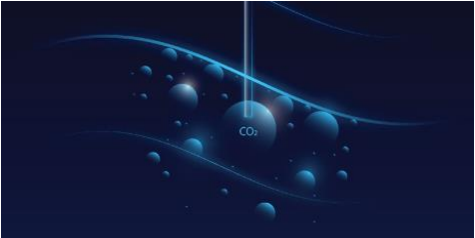

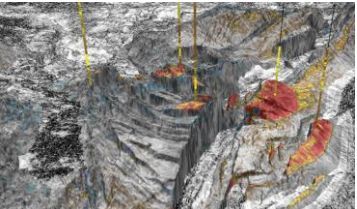

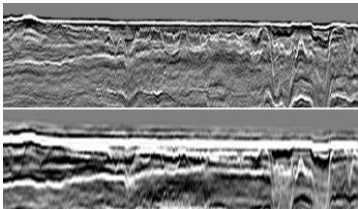
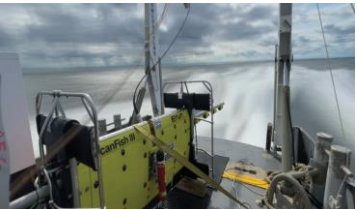



- Increasing cash flow as contract margins and MultiClient sales recover
- Some delay of “realized” cash flow due to increase of working capital from increased revenues
- 2022 cash flow before financing activities of \$209.5 million
- Net debt\* reduced by \$319.7 million in 2022
- Sharp reduction of leverage ratio
  - Lower debt and improving results
  - Substantial headroom to maintenance covenant



\*Excluding lease liabilities

# PGS New Energy – Strong Position in the Carbon Storage Geo-services Market

Generated revenues of USD ~30m relating to new energy business in 2022

Segments	Key aspects	Highlights
 <p><b>Carbon Storage</b></p>	<ul style="list-style-type: none"> <li>• <b>Successfully completed four CCS acquisition projects in 2022</b> (Northern Lights CCS 4D baseline, Northern Endurance CCS, Snøhvit 4D, of which parts relate to CCS and Smeaheia CCS)</li> <li>• G&amp;G expertise, technology, and subsurface data <b>enable mitigation of risks during the carbon lifecycle</b></li> <li>• Services include broadband and seismic data acquisition, imaging, and precise characterization for cost-effective CCS planning and monitoring</li> </ul>	 <p><b>Global MultiClient library</b></p>  <p><b>Geostreamer</b></p>
 <p><b>Wind</b></p>	<ul style="list-style-type: none"> <li>• PGS was <b>recently awarded its first contract</b> for offshore wind site characterization, sealing entry into a strategically important new energy market</li> <li>• Acquired offshore wind site characterization data with the market-leading ultra-high-resolution 3D (UHR3D) P-cable system</li> <li>• <b>Reprocessing multisensor data provides cost effective imaging solutions</b> for large-scale area screening that can enhance near-surface seismic resolution)</li> </ul>	 <p><b>Reprocess m.-sensor data</b></p>  <p><b>Multiphysics Solutions</b></p>
 <p><b>Marine Minerals</b></p>	<ul style="list-style-type: none"> <li>• Large-scale screening of prospective areas and <b>mapping has applications within harvesting rare marine minerals needed for the energy transition</b></li> <li>• <b>August 2022:</b> PGS' GeoStreamer technology was first used for a marine mineral survey when the ATLAB used it to acquire 200km of 2D data and 100 line kilometres of EM data at a site near Jan Mayen Island</li> </ul>	 <p><b>Multiphysics</b></p>  <p><b>ATLAB 2022</b></p>

# Summary

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Seismic market improved in 2022 – expect continued improvement in 2023



Healthy order book with good visibility



Significant reduction of net debt – improving financial position



Progressing well with New Energy business development



# Questions?

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