



# Pareto Securities' Energy Conference 2022

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# Forward-looking Statements

All statements in this presentation other than statements of historical fact, are forward-looking statements, which are subject to a number of risks, uncertainties, and assumptions that are difficult to predict and are based upon assumptions as to future events that may not prove accurate. These factors include TGS' reliance on a cyclical industry and principal customers, TGS' ability to continue to expand markets for licensing of data, and TGS' ability to acquire and process data products at costs commensurate with profitability. Actual results may differ materially from those expected or projected in the forward-looking statements. TGS undertakes no responsibility or obligation to update or alter forward-looking statements for any reason.

# Introduction

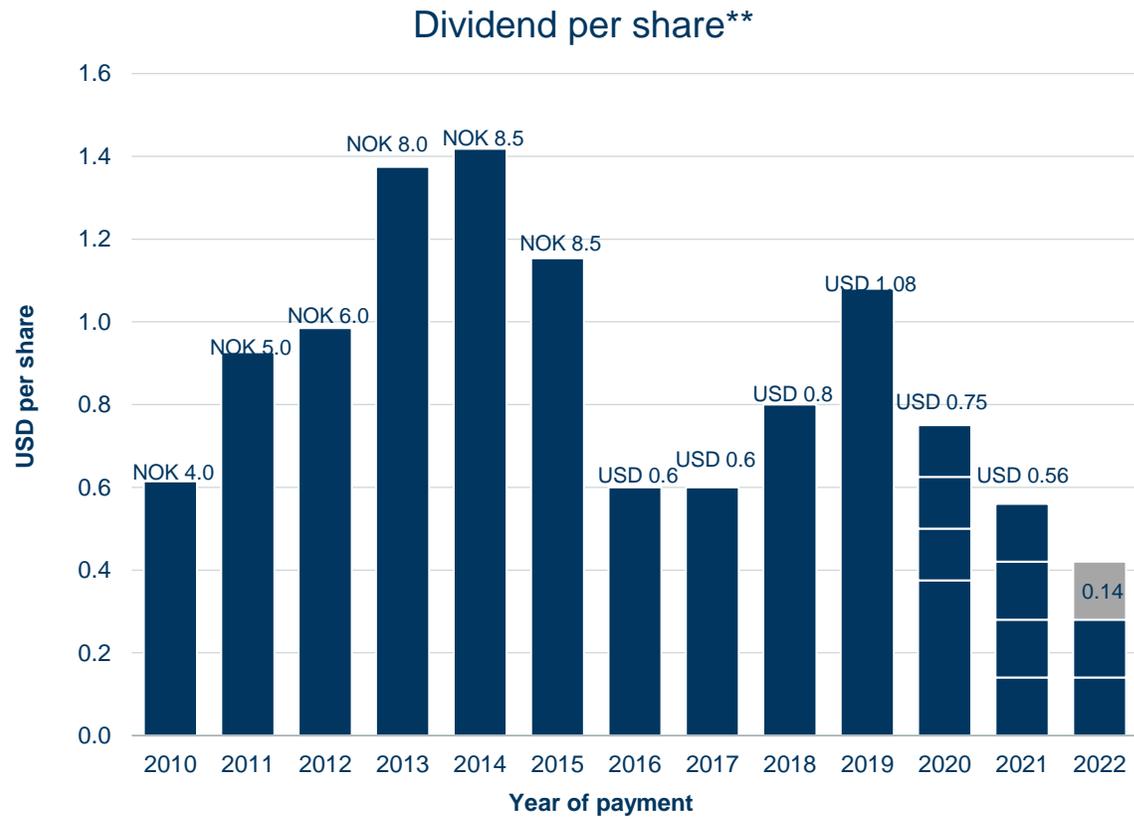
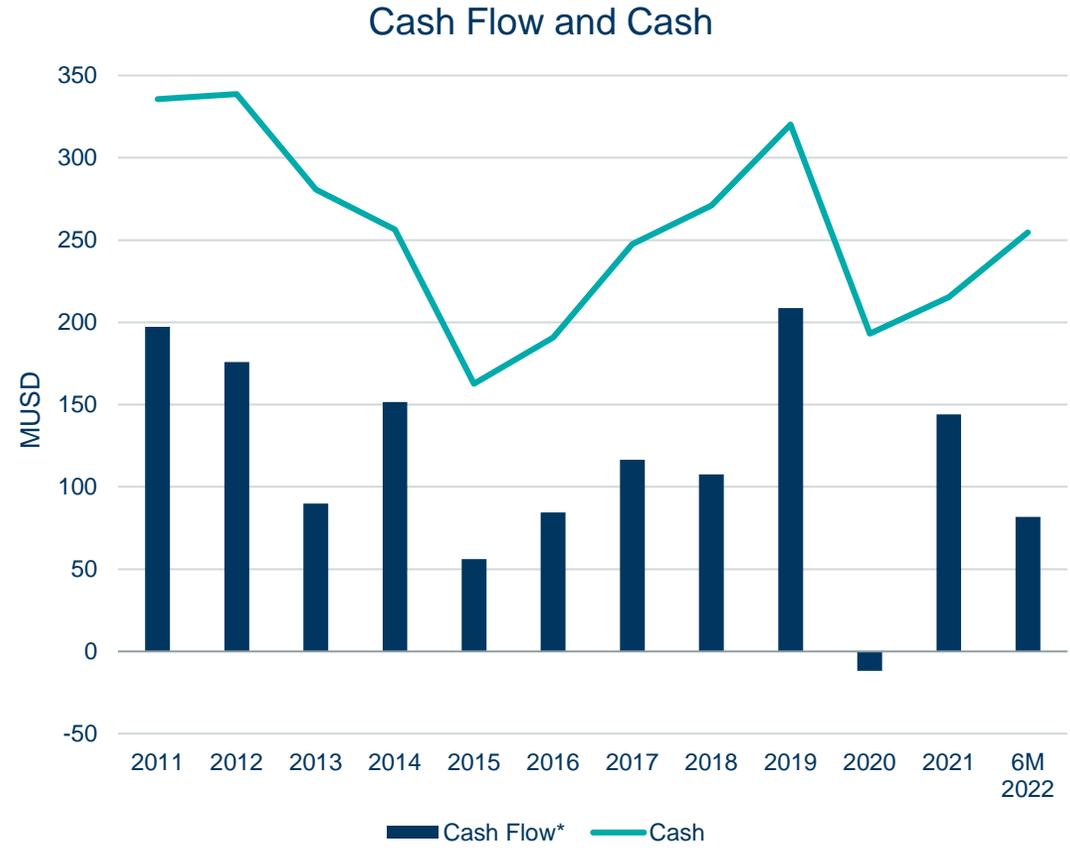
- Positive macro environment
  - Low spare capacity, underinvestment and call for energy security
  - Oil & Gas has already seen significant recovery - more to come
  - Renewables growing the fastest
  - Data remains key to making the right investment decisions
- Solid H1 2022 performance
  - Revenue growth of 69%
  - Free cash flow\* of USD 90 million
- Long term goal is to reflect energy mix
  - Laying the ground now – positive developments in all areas
  - Fully committed to ESG – industry leading ranking
  - Clear path to net-ZERO



# Delivering on strategic agenda

<b>Profitable Growth</b>	New technologies in mature basins	
	Strengthening position in South Atlantic	
	Further growth onshore	(Empty cell)
<b>Technology Leader</b>	Expand value chain through Data & Analytics	
	Imaging quality and reputation	
<b>Diversification</b>	Data offering towards other energy related industries	

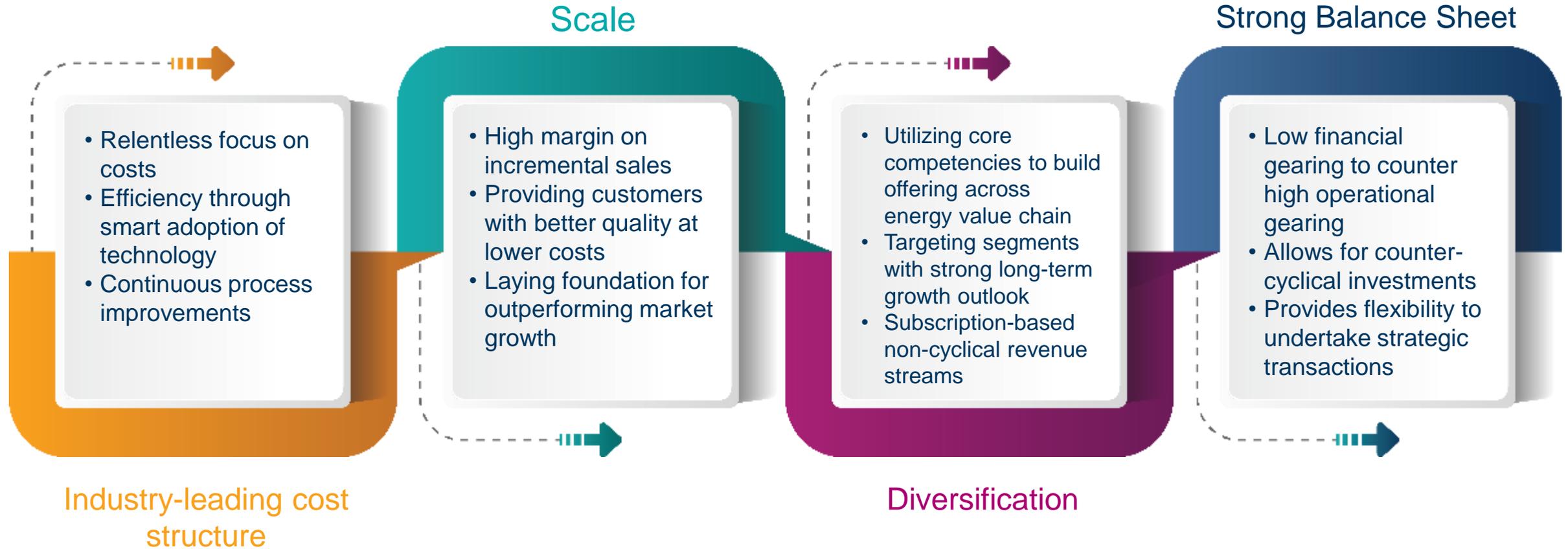
# Robust cash flow and balance sheet paves way for dividends



\*Cash flow excluding M&A, cash flow from financing and shareholder distribution

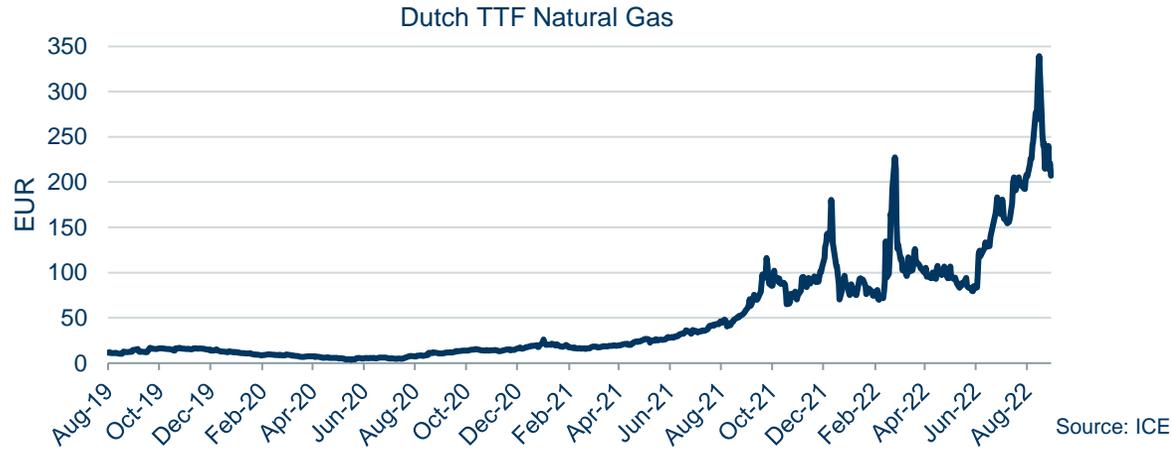
\*\*Quarterly dividends defined in USD from 2016. Annual dividends defined in NOK prior to 2016, converted to USD with the FX rate at ex-dividend dates. In addition to dividends TGS has bought back shares for more than USD 250 million over the period

# Roadmap for continued long-term value creation

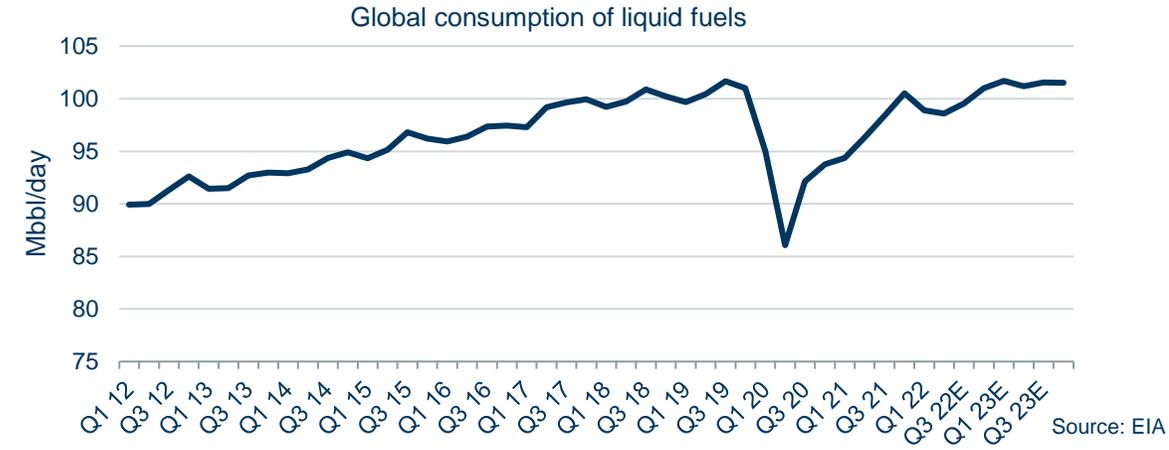


# Market outlook

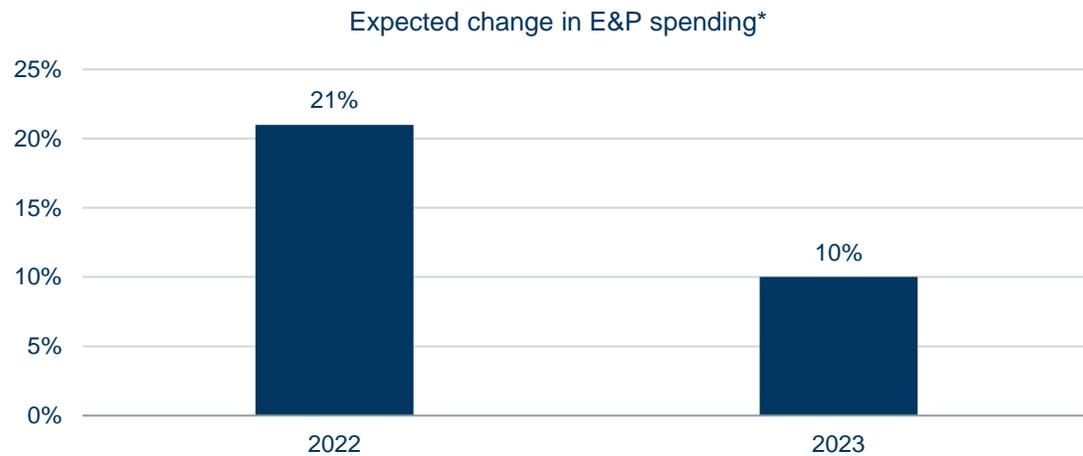
## Continued high energy prices



## Growth in global consumption



## Growing E&P spending



\* Average of recent estimates by Pareto, SEB, DNB and SB1 Markets

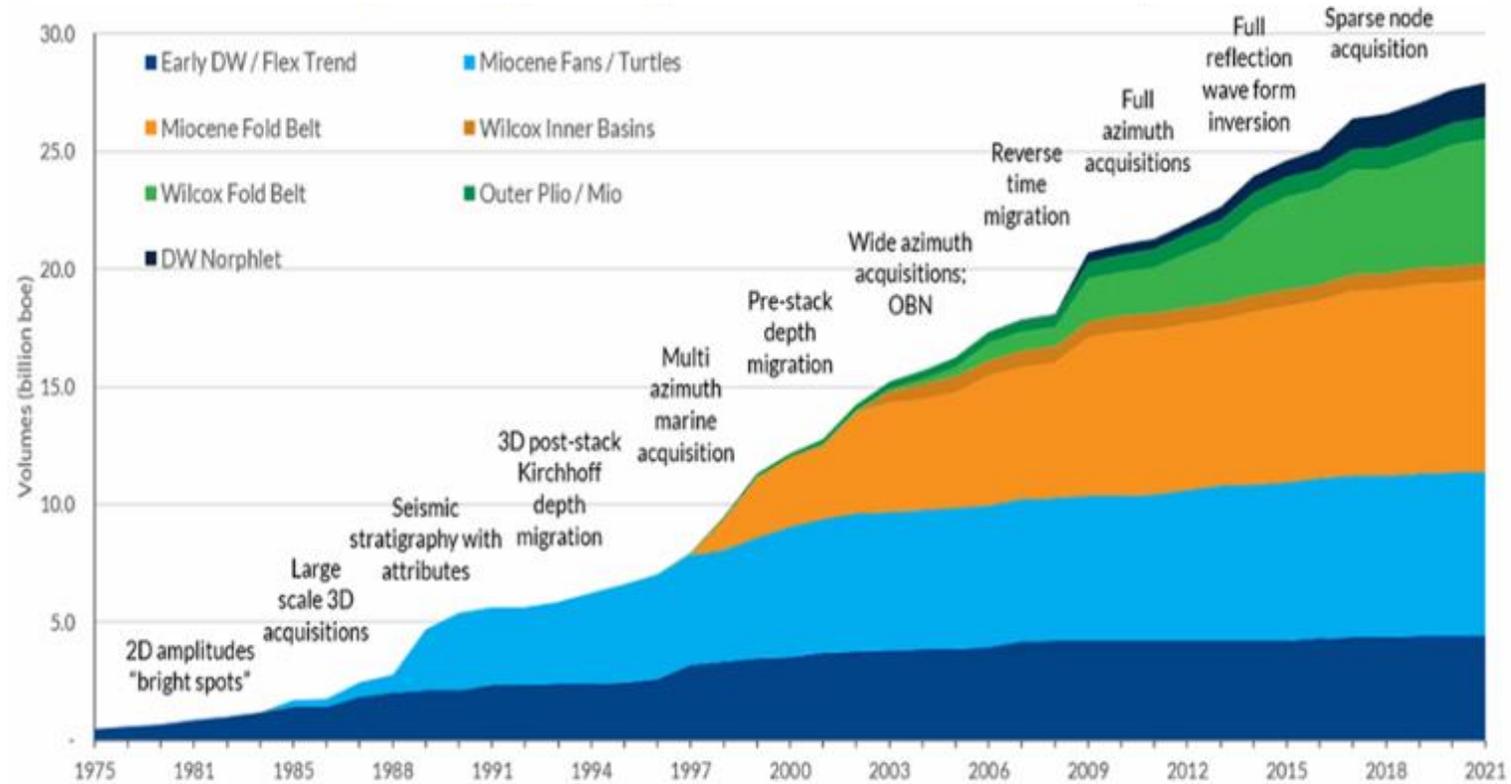
## Recent exploration success



# US Gulf of Mexico continues to attract interest

- US Gulf of Mexico (GOM) has proven to be one of the most prolific basins in the world
- On the strategic priority list of most IOCs and some NOCs
- Technology progression continues to deliver incremental recoverable resources
- Inflation Reduction Act provides long-term visibility of licensing rounds – rounds expected in 2023

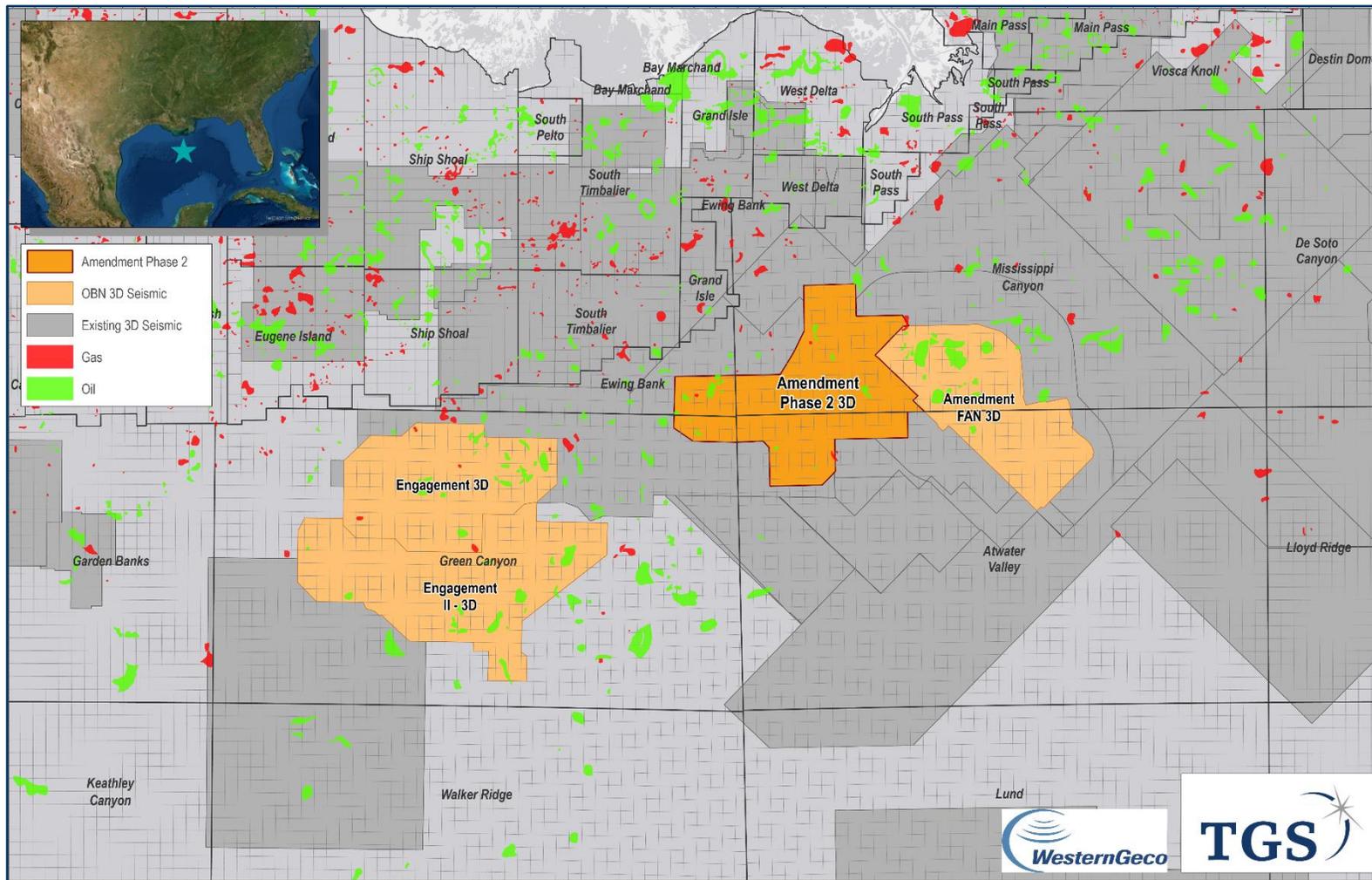
## US GOM Deepwater\* cumulative discoveries



\* >400 meters

Source: Woodmac, Chevron

# Building a leading OBN data position in the core of GOM



Some surveys acquired in partnership with WesternGeco

- Recently announced Amendment Phase II will add ~3,500 km<sup>2</sup> of long-offset OBN data to US GOM library
- Brings TGS' catalogue of long-offset OBN data in US GOM more than 13,000 km<sup>2</sup>
- These long-offset OBN datasets enhance the value of underlying data and allow for de-risked exploration, appraisal and production activities
- In total TGS has ~220,000 km<sup>2</sup> of 3D data in the US GOM

# Progressing well in New Energy Solutions strategy



Offshore wind intelligence  
Infrastructure (cable)  
consultancy



OBN seismic acquisition  
High resolution surveys for  
wind and CCS



Making IIoT data available  
and turn it into actionable  
insights for industrial and  
Renewable asset owners



Wind AXIOM

Data and insights for every stage  
across the entire wind  
development project



Wind Measurement

The World's first Multi-  
Client offshore Wind  
Measurement Campaign



Carbon AXIOM

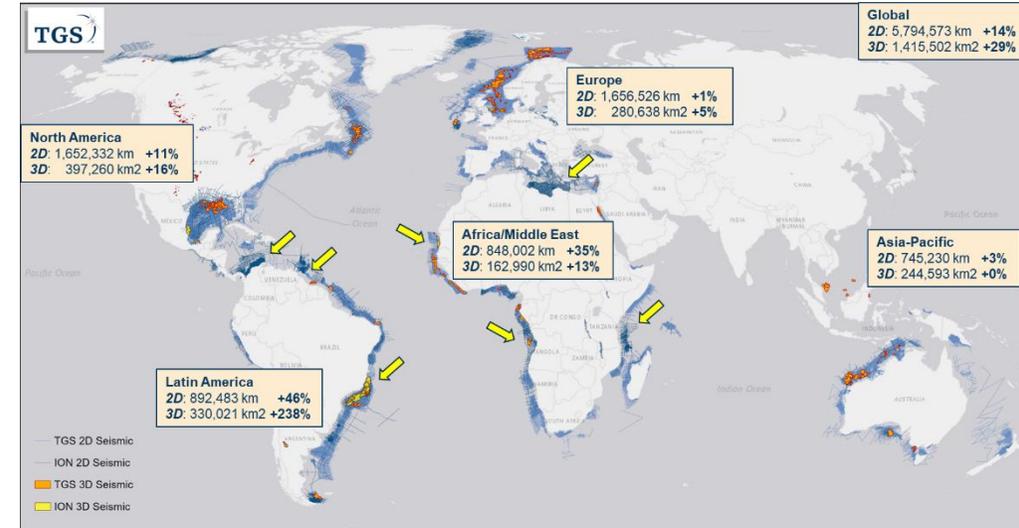
Interactive solution for rapid CCS  
evaluation using TGS well data



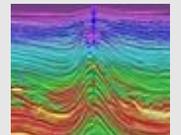
ML driven value optimized  
Windfarm design and  
management

# ION acquisition off to a good start

- Transaction closed on 31 August 2022
  - TGS entitled to revenues from 1 July (will be recognized as a reduction of purchase price)
- Acquisition will increase TGS global 3D and 2D footprint by 29% and 14%, respectively
- Significant strengthening of key frontier areas in the South Atlantic basin
- Further strengthening of data processing offering
  - Synergies on hardware, software and people
- Low frequency source with profitable P&L



## Enabling Technologies



Tier 1 Imaging



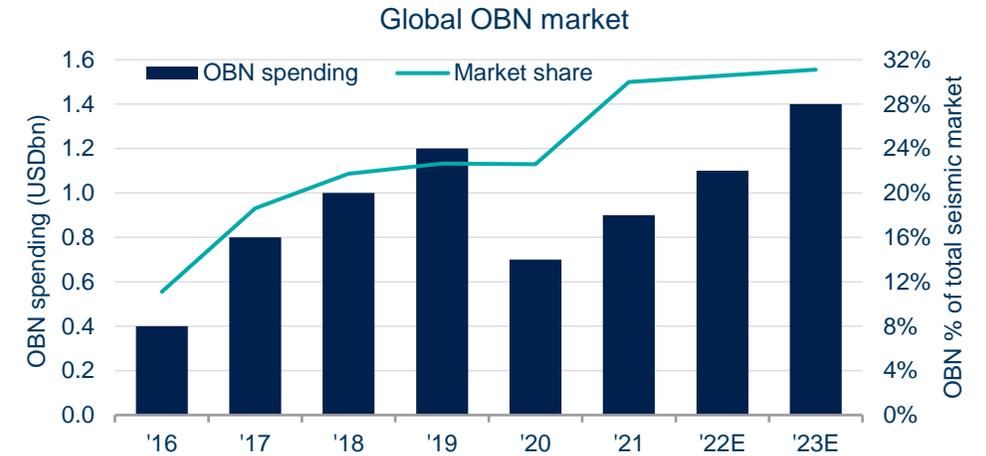
3D Reimaging  
Credibility



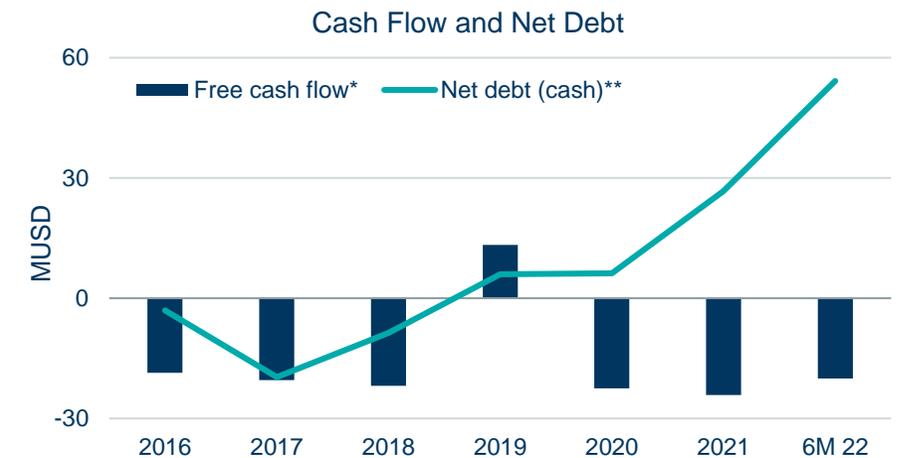
Low  
Frequency  
Source

# Magseis Fairfield transaction

- Public offer to acquire Magseis Fairfield (MSEIS)
  - 0.0426 TGS shares + NOK 2.3592 per MSEIS share
  - Offer period to expire on 21 September 2022
- Strategic rationale
  - Strengthen TGS' multi-client business towards ILX and “converted contracts”
  - Position TGS for production seismic and 4D
  - Further enhance TGS' position in OBN processing
  - Improve exposure towards energy transition related industries
- Further profitability improvement plan
  - Strengthening of balance sheet
  - Cost synergies and tight cost control
  - Expand backlog through use of multi-client model
  - Disciplined approach to capacity growth



Source: ABGSC Research



\*Cash flow excluding debt financing and share issues, including lease payments

\*\*Net debt including lease liabilities

Source: Magseis Fairfield

# TGS' Industry-Leading ESG Performance

NEW



## Position Green ESG100

Received an A rating for the second year in a row in Position Green's annual review of ESG reporting in the Nordic region

*\*As of September 2022*



## Sustainalytics ESG Risk Rating

#1 in our industry, and subindustry "Strong" ESG risk management

*\*As of September 2021*



## State Street Global Advisors

Rated as an "Outperformer" in our industry

*\*As of April 2022*



## OBX ESX Index

Included on Euronext's OBX ESG Index as one of 40 Norwegian companies demonstrating best ESG practices



## MSCI ESG Rating

Above industry average in each ESG category

*\*As of June 2022*



WE SUPPORT

Since 2016, TGS has been committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labour, environment, and anti-corruption

In support of

**WOMEN'S EMPOWERMENT PRINCIPLES**

Established by UN Women and the UN Global Compact Office



Supporters of



# Summary

- Positive macro environment
  - Low spare capacity, underinvestment and call for energy security
  - Oil & Gas has already seen significant recovery - more to come
  - Renewables growing the fastest
- Solid H1 2022 performance
  - Revenue growth of 69%
  - Free cash flow\* of USD 90 million
- M&A transactions in line with strategic agenda
  - Enhance existing library and improve processing capabilities
  - OBN is key to grow US GoM further
  - Solar is the fastest growing renewable source
- Improved pipeline of new project opportunities
  - Two large surveys announced this week



**Thank you**

