

## **TGS announces Q1 2019 results**

**ASKER, NORWAY (9 May 2019)** – TGS reported net revenues of USD 110 million in Q1 2019, compared to USD 135 million in Q1 2018. While operational investments and pre-funding revenues came in behind plan due to postponed start-up of projects, this was offset by late sales coming in above internal expectations.

TGS' cash balance remained strong at USD 390 million, supporting a quarterly dividend of USD 0.27 per share, up 35% from Q1 2018.

### **1<sup>st</sup> Quarter Highlights – Segment Reporting**

- Consolidated net revenues were USD 100 million, down 18% from USD 135 million in Q1 2018
- Net late sales totaled USD 91 million, down 21% from USD 115 million in Q1 2018
- Net pre-funding revenues were USD 14 million, funding 37% of TGS' operational multi-client investments for the quarter
- Operational multi-client investments were USD 37 million, versus USD 31 million in Q1 2018
- Operating profit (EBIT) was USD 17 million (15% of net revenues), compared to USD 25 million (18% of net revenues) in Q1 2018
- Net income was USD 18 million, up 35% from USD 13 million in Q1 2018
- Free cash flow (after multi-client investments) was USD 147 million, up 108% from USD 71 million in Q1 2018
- Cash balance at 31 March 2019 was USD 390 million
- Earnings per share (fully diluted) were USD 0.17, up 34% from USD 0.13 in Q1 2018
- Quarterly dividend is at USD 0.27 per share, up 35% from Q1 2018

Financial guidance for 2019 is unchanged and as follows:

- Growth in multi-client investments of approximately 20%
- Pre-funding of new multi-client investments expected to be 40-45%
- Total amortization cost to be at approximately the same level as 2018

“The market outlook continues to improve in line with a strong oil price development over the past months. We have announced several new projects so far this year and we remain confident in the guidance of investment growth of approximately 20% for 2019. We are also excited about our recently announced plan to acquire Spectrum and the opportunities the transaction will bring to TGS,” stated Kristian Johansen, CEO of TGS.