



Q2

Q2 FY2022 Presentation  
May 2022



# Forward-Looking Statements



This presentation includes forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. All statements other than statements of historical facts included herein, including statements regarding the Company's future financial position and results of operations, future product development initiatives, the Company's business strategy, the future mix of product revenues, future demand for the Company's products and general conditions in the energy industry, in general, and the seismic industry, are forward-looking statements. These forward-looking statements are often identified by terminology such as "may", "will", "should", "could", "intend", "expect", "plan", "budget", "forecast", "anticipate", "believe", "estimate", "predict", "potential", "continue", "evaluating" or similar words. Forward looking statements should be read carefully because they discuss our future expectations, contain projections of our future results of operations or of our financial position or state other forward-looking information. Examples of forward-looking statements include, among others, statements that we make regarding our expected operating results, the adoption and sale of our products in various geographic regions, our ability to diversify into non-O&G businesses, potential tenders for PRM systems, future demand for OBX systems, the completion of new orders for channels of our GCL system, the fulfillment of customer payment obligations, the availability of financing under our credit facility, the impact of the coronavirus (or COVID-19) pandemic, the Company's ability to manage changes and the continued health or availability of management personnel, volatility and direction of oil prices, anticipated levels of capital expenditures and the sources of funding therefore, and our strategy for growth, product development, market position, financial results and the provision of accounting reserves. These forward-looking statements reflect our current judgment about future events and trends based on the information currently available to us. However, there will likely be events in the future that we are not able to predict or control. The factors listed under the caption "Risk Factors" and elsewhere in our most recent Annual Report on Form 10-K, which is on file with the Securities and Exchange Commission, as well as other cautionary language in any subsequent Quarterly Report on Form 10-Q, or in our other periodic reports, provide examples of risks, uncertainties and events that may cause our actual results to differ materially from the expectations we describe in our forward-looking statements. Such examples include, but are not limited to, continued low oil and gas demand and price levels, the failure of new products to achieve market acceptance, delayed or cancelled customer orders, product obsolescence resulting from poor industry conditions or new technologies, bad debt write-offs associated with customer accounts, lack of further orders for our OBX systems, and infringement or failure to protect intellectual property. The occurrence of any of these events could have a material adverse effect on our business, results of operations and financial position, and actual events and results of operations may vary materially from our current expectations. We assume no obligation to revise or update any forward-looking statement, whether written or oral, that we may make from time to time, whether as a result of new information, future developments or otherwise.

# World Renowned Innovator in Vibration Sensing Technologies



**We're a company of solution-minded engineers, real-time algorithmic trailblazers and robust industrial manufacturers.**

**We're dedicated to creating smarter, socially relevant products that deliver a safer, more connected world.**

- Founded 1980 in Houston, Texas
- Earned reputation for paradigm-shifting approaches to seismic data acquisition
- Known as an innovative force in the O&G industry's global search for energy reserves
- Expanded to other markets including industrial sensing, smart meter connectivity and security & surveillance

Manufacturing:	Houston and Ufa
Development:	Houston, Austin and Florida
Field Sales:	Calgary, Bogota, Luton, Beijing, Rio de Janeiro

# Company of First in World Products



## DEVELOPED GEOSPACE PRM SYSTEM

- Original continuous commercial reservoir characterization product known as Permanent Reservoir Monitoring

## COMMERCIALIZED GSX, GCL, AND OBX

- Broke the cabled industry paradigm with wireless and cable-free acquisitions systems for commercial land and subsea exploration

## INVENTED SADAR® REAL-TIME TACTICAL MONITORING SYSTEM

- Only seismic-acoustic array product capable of tracking targets in the earth, air, and water

## CREATED OPTOSEIS® 4D FIBER OPTIC PRM TECHNOLOGY

- First PRM deployed in water depths greater than 1,000m



# Why Invest In Geospace Technologies?



## Financially Solid

Conservatively run company with strong balance sheet, no debt.



## Market Leader

History of technology innovation and robust manufacturing with solid adoption in varied markets



## Diverse Revenue Streams

57% Oil & Gas  
41% Adjacent  
2% Emerging

# Stock Statistics as of December 16, 2021

## NASDAQ: GEOS



**SHARES  
OUTSTANDING**

**13MM**



**INSTITUTIONAL  
OWNERSHIP**

**65%**



**YEAR END**

**Sept. 30**



**NET DEBT**

**\$0**



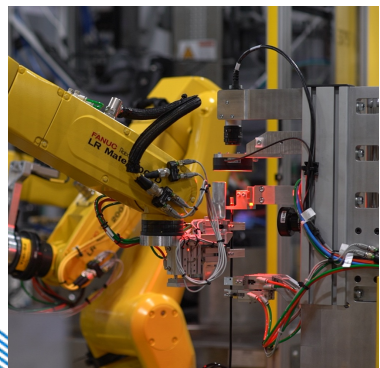
**PUBLICLY  
TRADED**

**1997**



# Highlights for Investors

RECAPPING A COLLECTION OF MILESTONES, ACHIEVEMENTS AND CONTRACT WINS.



## CONFIRMATION

Diversification Strategy Shows Traction - 42% of TTM Revenue is Outside Oil & Gas Sector

**2021  
JUNE**



## ACQUIRES AQUANA

Expands capabilities in IoT & smart cities with Advanced Water utility tech Company

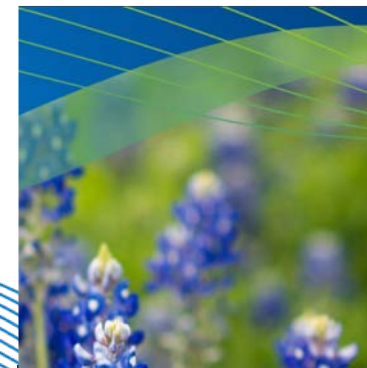
**2021  
JULY**



## RECORD REVENUE

Adjacent Markets Increase Revenue 27% over FY2020

**2021  
SEPTEMBER**



## ESG ACTIVITY

Published Inaugural Environmental, Societal & Governance Report

**2021  
DECEMBER**



## \$17M OBX Q2 REVENUE

1<sup>st</sup> Sale of OBX Deepwater and Large shallow water OBX rental

**2022  
MARCH**

# Seasoned & Trusted Management Team



**Rick Wheeler**  
**President & CEO**

Before being named CEO in 2014, Wheeler held leadership roles within Geospace including COO. He's a three-decade veteran of seismic engineering and the oil & gas industry.



**Robert Curda**  
**VP & CFO**

Prior to his role as CFO, he spent 15 years as Geospace's Operational Controller. Curda is a well-rounded senior finance executive with solid experience in small-cap, publicly held companies.



**Mike Sheen**  
**SVP & CTO**

Sheen leverages five decades engineering ingenuity to lead development of next-gen technology for Geospace. Prior to joining Geospace, he spent 20 years in engineering at Input/Output.



**Robbin Adams**  
**EVP & Chief Project Engineer**

Adams provides Geospace with nearly four decades of innovating engineering solutions to complex challenges.

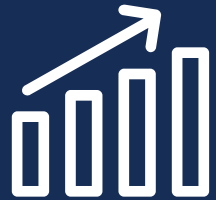


# Our Strategies



## **DIVERSIFY** INTO NON-O&G BUSINESSES

Leverage engineering, manufacturing and product technology to other markets for greater growth opportunities and stability



## **PRESERVE** BALANCE SHEET STRENGTH

Strong financial discipline enables endurance during down-cycles and creates opportunities in up-cycles



## **MAINTAIN** CORE FOCUS ON INNOVATION

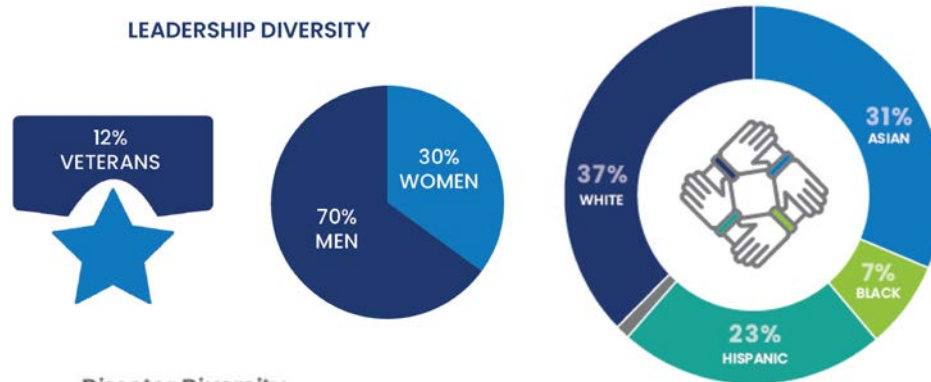
Continued focus on product innovations for oil and gas producers with an emphasis on lowering finding and development costs

# Environmental, Societal & Governance

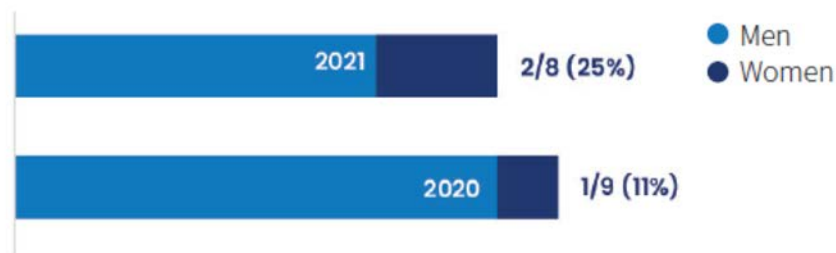


As a global manufacturer of high-tech offerings, Geospace believes that a diverse workforce benefits everyone, from our skilled workforce, to our valued clients, to our trusted shareholders and our society.

## LEADERSHIP DIVERSITY



## Director Diversity



## Average Director Tenure



We strive to reuse or recycle waste materials from our operations. Over the last five years, we averaged over 100 tons of recycled industrial materials.



Reduced hazardous waste generation by 25% in 5 years



Increased recycle rate up to 30%



Recycled materials include all metals, batteries, umbilical cables, electronics, paper, cardboard and plastics

## RECYCLED INDUSTRIAL MATERIALS



- Aluminum
- Brass
- Copper
- Stainless Steel
- Steel
- Titanium
- Armored cable
- Film
- Lithium batteries
- PCB boards
- Solder paste
- Recycled paper goods

US-based statistics





# OIL & GAS MARKET

ADJACENT MARKET

EMERGING MARKET

FINANCIAL OVERVIEW



# Oil & Gas Market

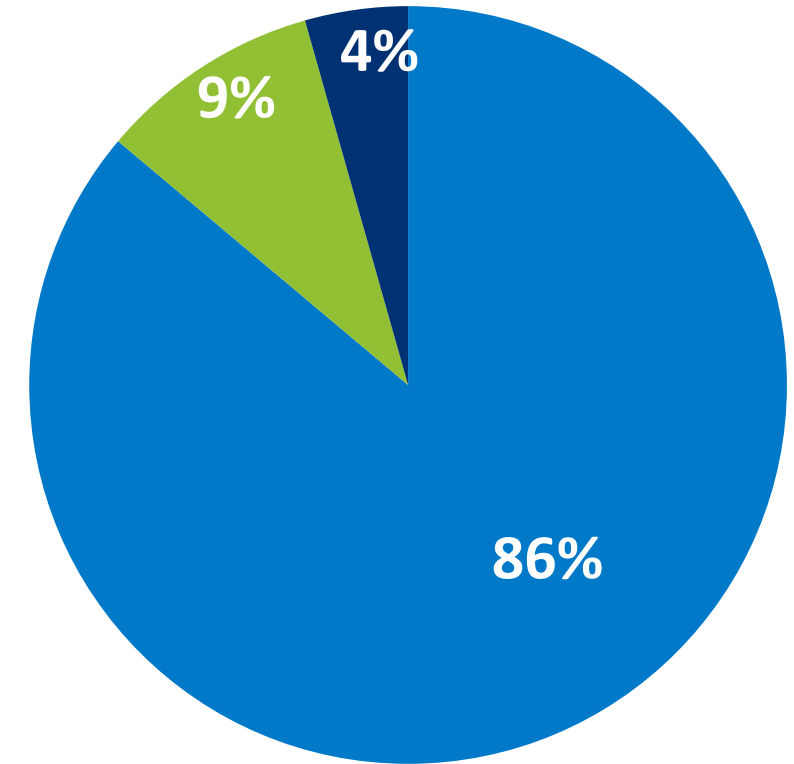
- 57% of LTM consolidated revenues
- O&G products reflect historical roots of Geospace
- Revenue derived from both product sales and rentals

## Our Oil & Gas Products

- Products serve geophysical demands of E&P industry
  - Exploration-focused products
    - Wireless/Nodal products
      - ✓ OBX for marine nodal surveys
      - ✓ GSX/GCL/GSB for land nodal surveys
    - Traditional land and marine sensor and cabled products
  - Reservoir-focused products
    - Permanent reservoir monitoring (PRM)
    - OptoSeis® Technology, a Fiber Optic PRM solution
    - Borehole tools for monitoring hydraulic fracturing



## LTM Revenue Contribution \$48.2M





# Ocean Bottom Node Demand Delivers Revenue

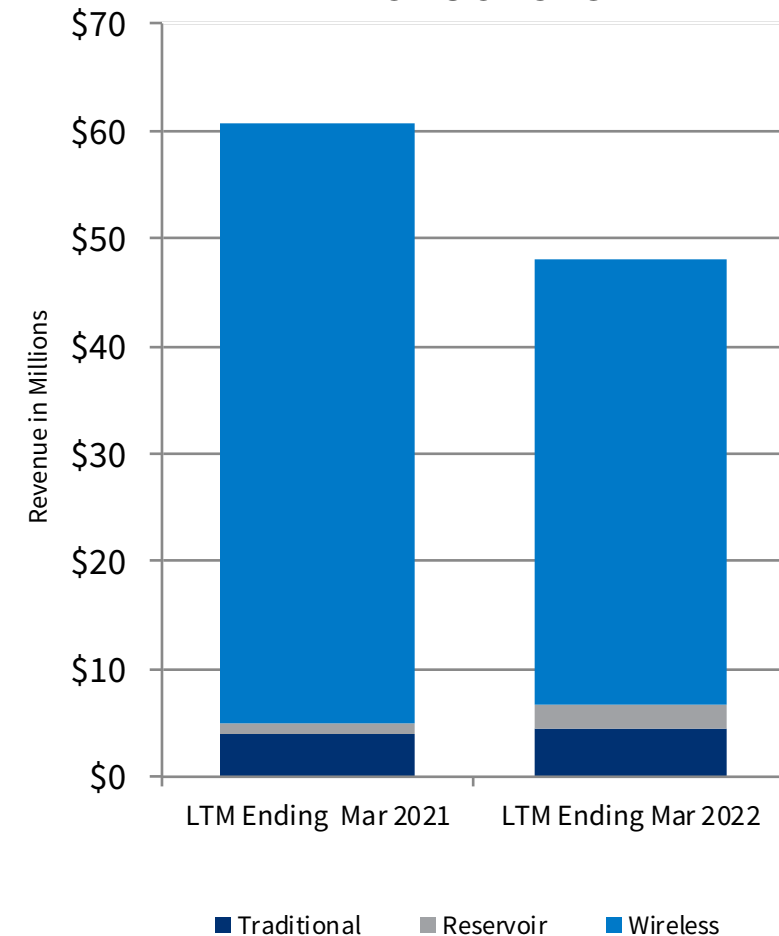


**DEMAND FOR OBX OCEAN BOTTOM RECORDER** showing an uptick as evidenced by recent deepwater OBX sale and shallow water rental.

**PARTNERED WITH CARBON MANAGEMENT CANADA** to explore use of passive seismic technologies for monitoring injection operations and verification of secure storage of CO2.

**MARINE NODAL PRODUCTS** have been predominant revenue sources with deployments in Brazil, the Middle East, Far East, West Africa, the North Sea, and the Gulf of Mexico.

**LTM REVENUE COMPARISON  
BY PRODUCT SEGMENT**



Note: Geospace has a September 30<sup>th</sup> year end



OIL & GAS MARKET

## ADJACENT MARKET

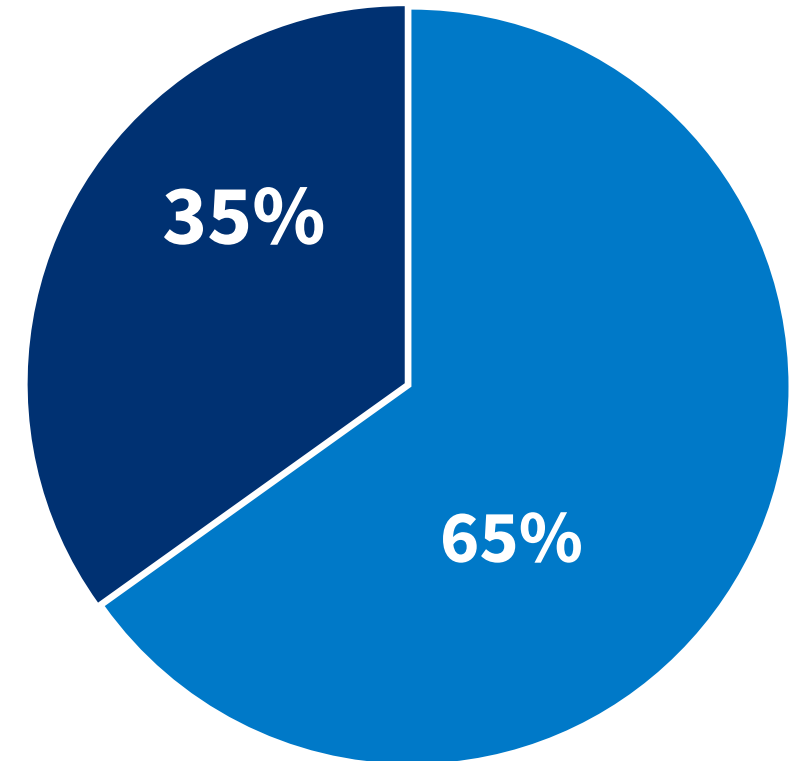
EMERGING MARKET

FINANCIAL OVERVIEW

# Delivering Decades of Specialized Manufacturing Expertise to Industry

- 42% of LTM consolidated revenue
- Provides consistent, sustained revenue streams
- Utilizes engineering and manufacturing expertise to broaden product demand
- Exploring blend of vibration sensors with real-time analytics to capture market share in Industrial Internet of Things (IIoT)

**LTM Revenue Contribution \$35.4M**



## Our Industrial Products

Some products originated from our seismic heritage.

- Industrial sensors
- Smart meter connectors, antennas and accessories
- Water utility IoT control, monitoring and data management
- Thermal imaging and electronic pre-press solutions
- Contract manufacturing
- Specialty cables and umbilicals

 **IMAGING**  
 **INDUSTRIAL**



# Record Setting Segment Revenue

**QUARTERLY REVENUE INCREASED 32% OVER PRIOR YEAR** with segment revenue totaling \$9.2 million for Q2FY2022. The second largest revenue total for the segment to date.

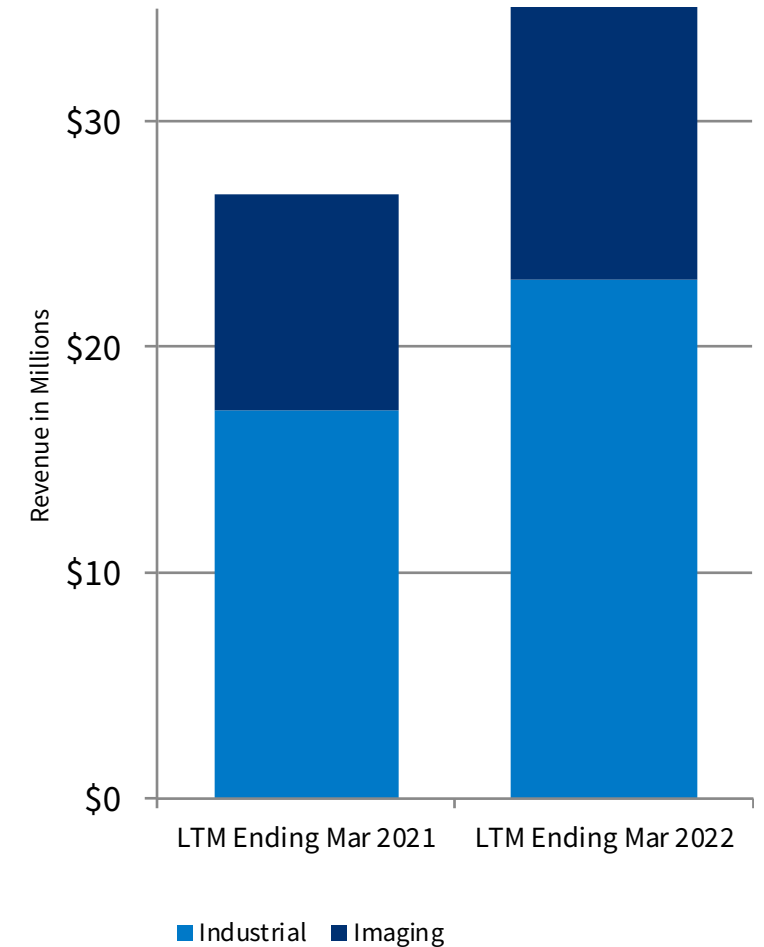
**EXPANDED SMART WATER PORTFOLIO** through acquisition of Aquana® smart water technology provider in July 2021.

**IMPROVED AUTOMATION AND STREAMLINED ASSEMBLY** drives margin growth and reduces operating expenses for smart meter connectivity.

**EXPERIENCING INCREASED DEMAND** for our electronic pre-press products as the need for automation in the printed textile industry responds to worldwide labor shortages.

**10+ YEARS OF SUSTAINED ANNUAL REVENUE** between \$10M-\$12M in imaging sales to international commercial printing businesses.

**LTM REVENUE COMPARISON  
BY PRODUCT SEGMENT**



Note: Geospace has a September 30<sup>th</sup> year end



OIL & GAS MARKET

ADJACENT MARKET

**EMERGING MARKET**

FINANCIAL OVERVIEW



# Real-time Analytics Enhance Security Mission for DoD and DHS



- Building on decade of sensor sales to US government by adding smart analytics capability
- 2020 Department of Homeland Security \$10M contract award solidifies product adoption in Federal security market

## Our Security Solutions Products

Currently, revenue in this segment comes exclusively from government and commercial security and surveillance.

- Real-time Border Security & Surveillance
- Force Protection
- Critical Infrastructure & Strategic Asset Protection



# Domestic Security Presents Opportunities

## CUSTOMERS' REQUIREMENTS FOR REAL-TIME ANALYTICS

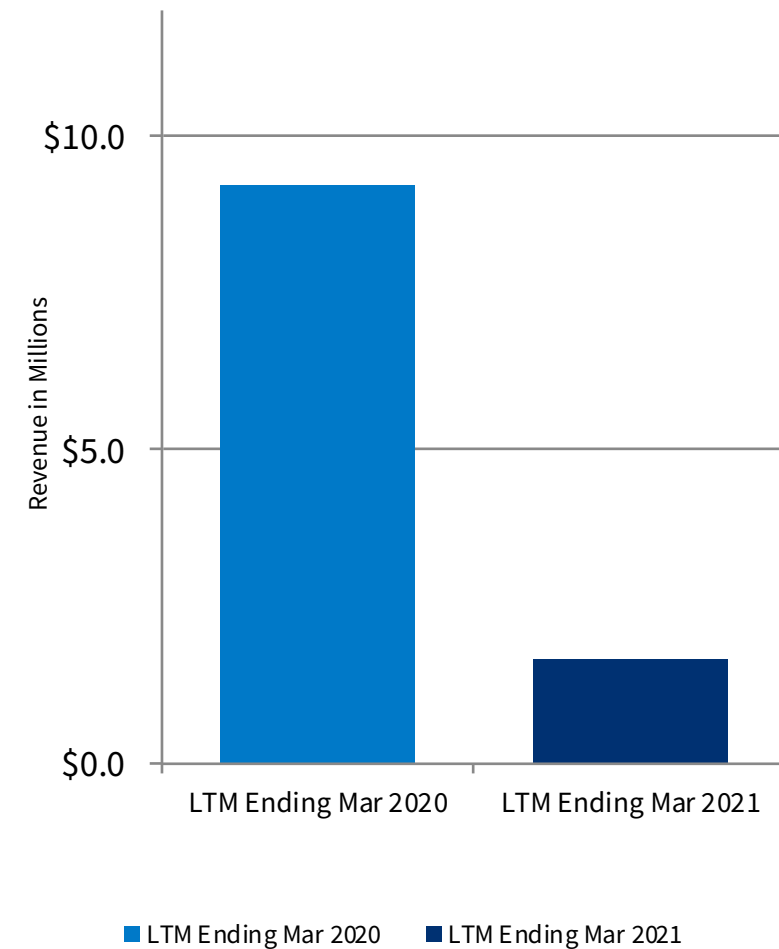
to detect, classify and locate targets drives demand for proprietary SADAR® product.

**LEVERAGING REFERENCE SYSTEM AT US BORDER** to open opportunities within Departments of Defense, State and other government agencies.

**REDUCED HARDWARE FOOTPRINT** associated with SADAR product adds competitive advantage from cost and deployment financial savings.



## LTM COMPARISON REVENUE



Note: Geospace has a September 30<sup>th</sup> year end



OIL & GAS MARKET

ADJACENT MARKET

EMERGING MARKET

**FINANCIAL OVERVIEW**

# Revenue Growth While Pandemic Impacts All Business Lines

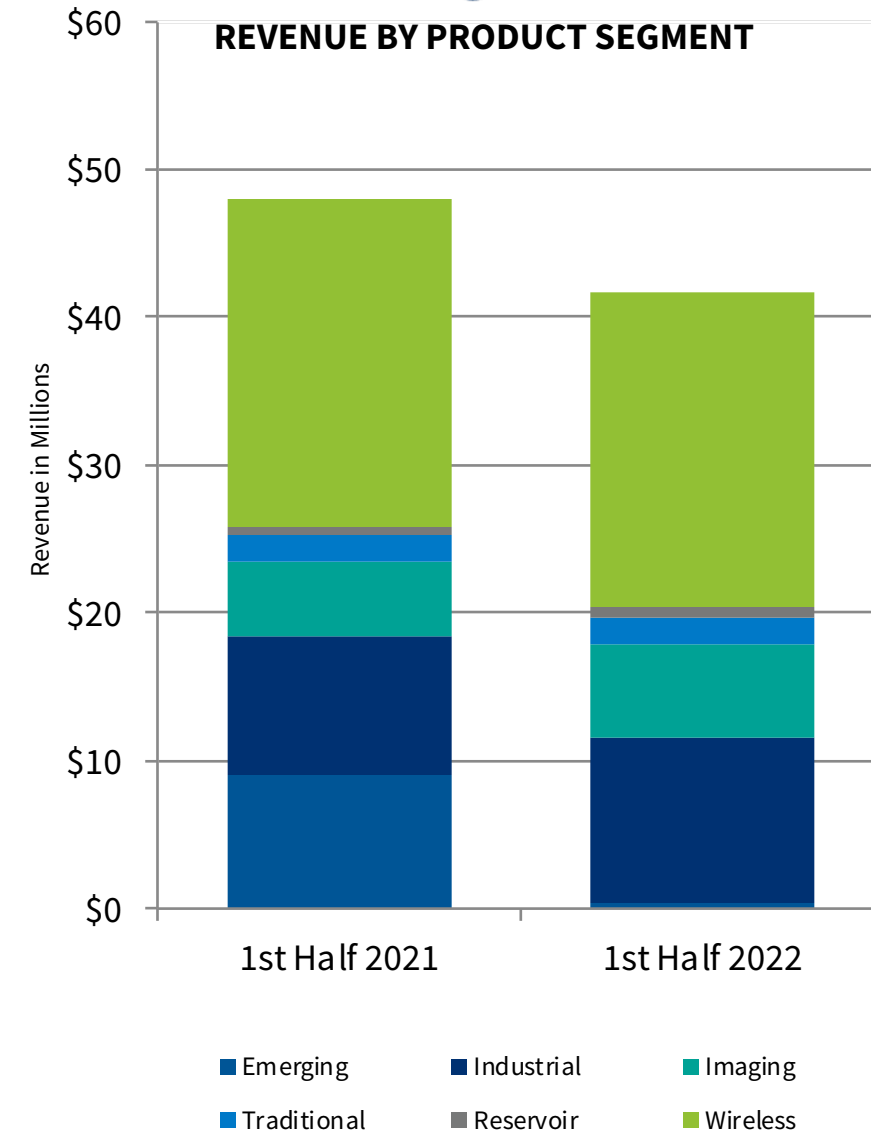


## SUPPLY CHAIN MANAGEMENT TEAM REDUCED LEAD TIMES

for the customers we serve, enabling us to outperform our competition by delivering products as much as four times faster.

**ADJACENT MARKET SEGMENT REVENUE CONTINUES A STEADY INCREASE** bolstered by the demand for automation in electronic pre-press solutions and smart water meter products.

**COVID-19 HAS REDUCED MARKET DEMAND** for our products across all business sectors.



Note: Geospace has a September 30 year end



# Strong Balance Sheet & Liquidity

*(\$ in millions, as of March 31, 2022)*

Cash & Short-term Investments	\$ 12
Working Capital	\$ 45
Current Ratio	4.9X
Debt / Total Book Capitalization	0%
Stockholders' Equity	\$ 133
<b>Debt Free Real Estate Holdings:</b>	
<ul style="list-style-type: none"><li>■ Houston – owned buildings 417,000 sq. ft.</li><li>■ 17 acres of land available for expansion</li><li>■ International – 4 owned buildings 192,000 sq. ft.</li></ul>	

**FINANCIAL STABILITY** and staying power

**NO LONG-TERM DEBT** with ability to borrow up to \$10M

**LONG-TERM TRACK RECORD** of conservative cash flow management