



**Q4**

**Q4 FY2023 Presentation**  
November 2023



# 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.

## BACKGROUND ON GEOSPACE

Founded 1980 in Houston, Texas

Publicly Traded on NASDAQ - GEOS

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 & IoT, smart water technologies and security & surveillance

400,000 SF of USA Manufacturing

## 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.



# Stock Statistics as of September 30, 2023



## NASDAQ: GEOS



**SHARES  
OUTSTANDING**

**13MM**



**INSTITUTIONAL  
OWNERSHIP**

**50%**



**YEAR END**

**Sept. 30**



**NET DEBT**

**\$0**



**PUBLICLY  
TRADED**

**1997**





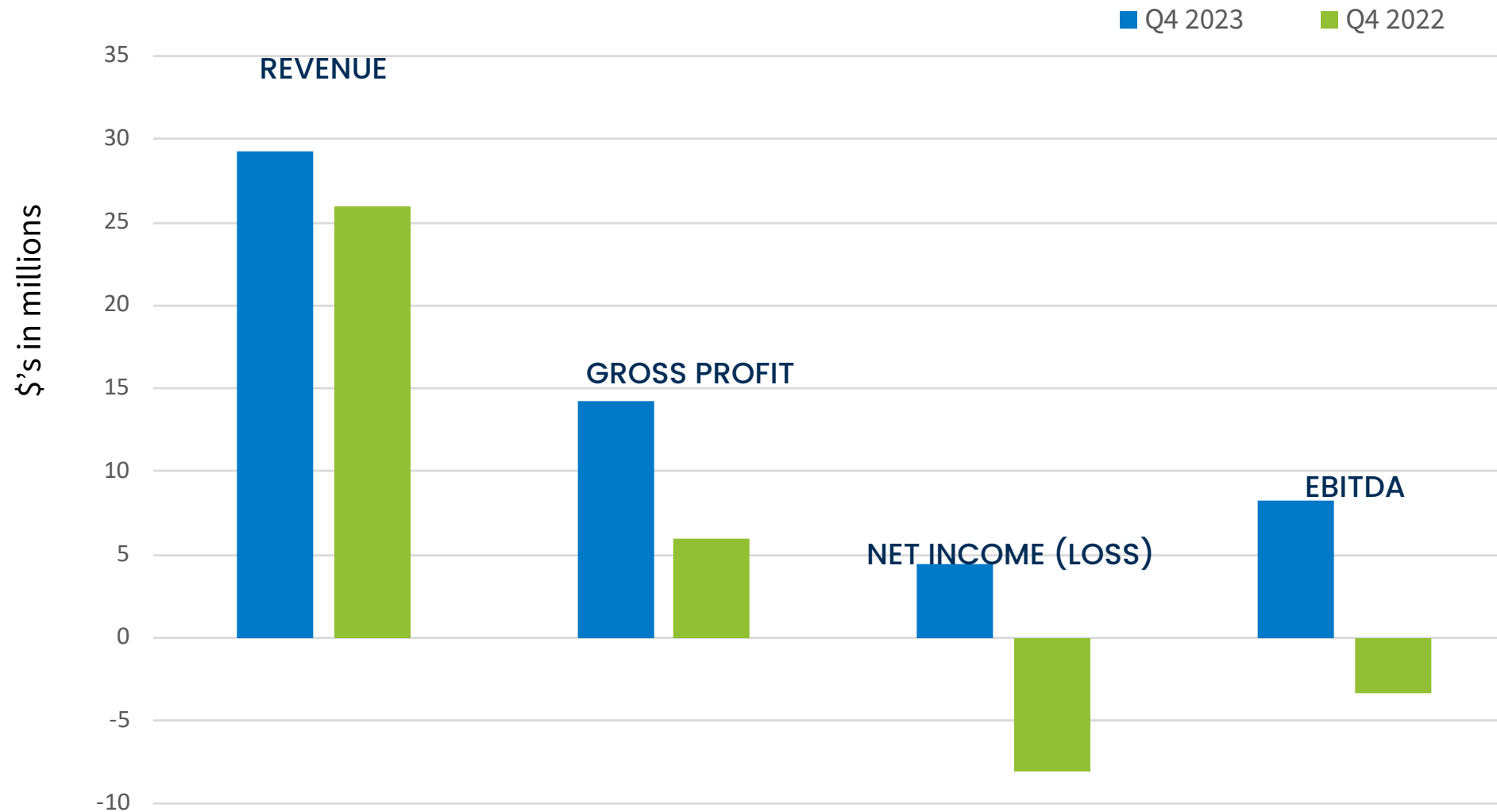
## **FINANCIAL OVERVIEW**

**OIL & GAS MARKET**

**ADJACENT MARKET**

**EMERGING MARKET**

# Quarter over Quarter Results





# Segment Revenue



	Three Months Ended		Year Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
<b>Oil and Gas Markets</b>				
Traditional seismic exploration product revenue	\$ 2,674	\$ 3,169	\$ 12,183	\$ 6,597
Wireless seismic exploration product revenue	14,928	11,200	60,848	40,667
Reservoir product revenue	152	455	962	1,877
	<u>17,754</u>	<u>14,824</u>	<u>73,993</u>	<u>49,141</u>
<b>Adjacent Markets segment revenue:</b>				
Industrial product revenue	7,609	7,169	36,859	25,640
Imaging product revenue	3,038	3,690	12,180	13,531
	<u>10,647</u>	<u>10,859</u>	<u>49,039</u>	<u>39,171</u>
<b>Emerging Markets segment revenue:</b>				
Border and perimeter security product revenue	<u>841</u>	<u>140</u>	<u>1,234</u>	<u>711</u>
Corporate	73	48	243	230
Total revenue	<u>\$ 29,315</u>	<u>\$ 25,871</u>	<u>\$ 124,509</u>	<u>\$ 89,253</u>

# Segment Operating Income



	Three Months Ended		Nine Months Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Operating income (loss):				
Oil and Gas Markets segment	\$ 5,939	\$ (1,330)	\$ 15,759	\$ (7,539)
Adjacent Markets segment	2,342	1,680	11,490	6,021
Emerging Markets segment	(736)	(5,519)	(4,003)	(9,128)
Corporate	(3,461)	(2,898)	(11,918)	(12,490)
Total operating income (loss)	<u>\$ 4,084</u>	<u>\$ (8,067)</u>	<u>\$ 11,328</u>	<u>\$ (23,136)</u>



# Components of EBITDA (Non-GAAP metric)



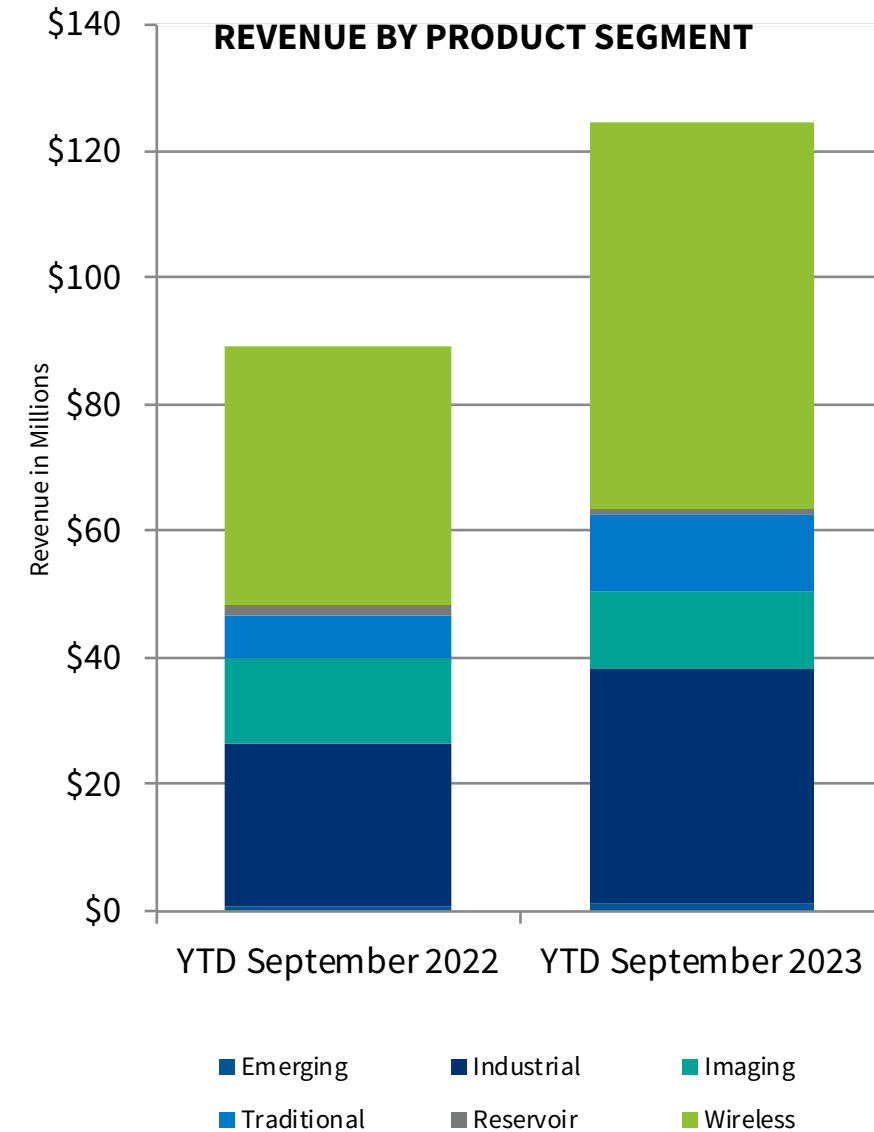
	Three Months Ended	
	<u>September 30, 2022</u>	<u>September 30, 2023</u>
<b>Income (loss) before income taxes</b>	\$ 4,533	\$ (8,036)
Depreciation Expense	3,480	4,271
Amortization of intangible assets	145	403
Interest Expense	34	39
<b>EBITDA</b>	<b><u>\$ 8,192</u></b>	<b><u>\$ (3,323)</u></b>

# A Year of Strength in Revenue and Profitability

**ACHIEVED PROFITABILITY FOR FISCAL YEAR** through combination of strong sales in ocean bottom nodes as well as smart water connectivity products and implementation of cost streamlining plan. \$12.2 million in overall net income.

**OCEAN BOTTOM NODE PRODUCTS REPRESENT 46%** of annual revenue as significantly increased in the last 12 months driven by interest in the newly launched shallow water seabed node, Mariner®. Geospace is well prepared to meet the demand with a strong fleet of deep and shallow water nodes.

**RECORD SETTING ANNUAL REVENUE OF \$47M FOR ADJACENT MARKET SEGMENT** with the demand smart water products including the HydroConn® series of AMI water meter connectors increasing by 25% over the prior year.



Note: Geospace has a September 30 year end



# Strong Balance Sheet & Liquidity



*(\$ in millions, as of June 30, 2023)*

Cash & Short-term Investments	\$ 34
Working Capital	\$ 56
Current Ratio	3.8X
Debt / Total Book Capitalization	0%
Stockholders' Equity	\$ 133
<b>Debt Free Real Estate Holdings:</b>	
▪ Houston – owned buildings 387,000 sq. ft.	
▪ 17 acres of land available for expansion	
▪ International – 4 owned buildings 192,000 sq. ft.	

**FINANCIAL STABILITY** and staying power

**NO LONG-TERM DEBT** with ability to borrow up to \$13M

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

# 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



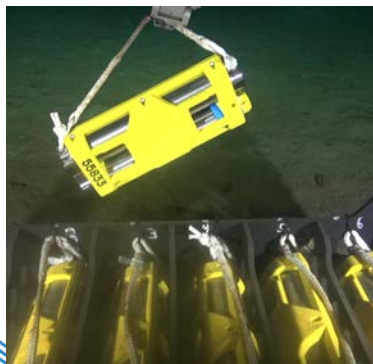
## Diverse Revenue Streams

59% Oil & Gas  
40% Adjacent  
1% Emerging



# Highlights for Investors

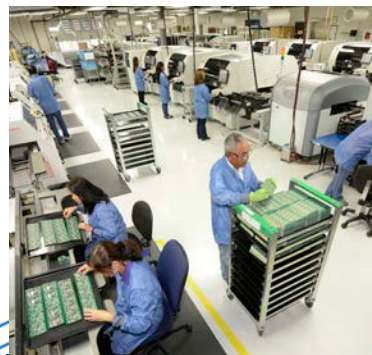
RECAPPING A COLLECTION OF MILESTONES, ACHIEVEMENTS AND CONTRACT WINS.



## REVENUE RECORD

Highest Quarterly Revenue in 8.5 Years

**2022  
DECEMBER**



## STREAMLINING OPERATIONS

Sold Satellite Facility in our plan to increase efficiency & reduce expenses

**2023  
FEBRUARY**



## NEW PRODUCT

Launched high temp, all optical downhole tool called Insight by Optoseis™

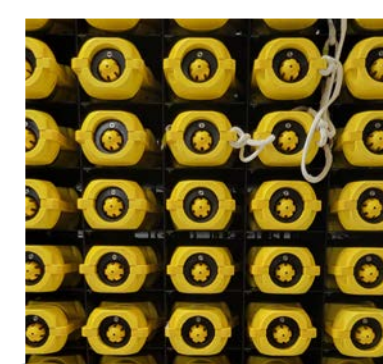
**2023  
APRIL**



## \$20M+ MARINER CONTRACT

First rental award for the newest seabed node product.

**2023  
JUNE**



## PROFITABLE YEAR

Revenue of \$124.5M, increase 40% prior year. \$12.2M net income in 1st profitable year since 2014

**2023  
SEPTEMBER**

# 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.



**Robbin Adams**  
**SVP & CTO**

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

# Our Strategies & Perspective



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



**PRESERVE**  
BALANCE SHEET  
STRENGTH



**MAINTAIN**  
CORE FOCUS  
ON INNOVATION

## CEO QUARTERLY COMMENTARY

Walter R. (“Rick”) Wheeler, President and CEO of the Company said, “We’re incredibly pleased to announce yet another quarter of positive earnings to our shareholders. Our improved performance is the result of accelerated efforts by our dedicated employees in reducing costs and streamlining operations, as well as better market conditions for our products in both the Oil and Gas and Adjacent Markets segments.

As our new fiscal year begins, we’re enthusiastic about the plans we have in motion to continue our profitability. While the variability of our seismic industry contracts may result in uneven quarterly revenue in the coming year, we remain encouraged by the volume of planned exploration activity. We believe our strong balance sheet and technological leadership will be pivotal to our success in fiscal year 2024.”



FINANCIAL OVERVIEW

**OIL & GAS MARKET**

ADJACENT MARKET

EMERGING MARKET



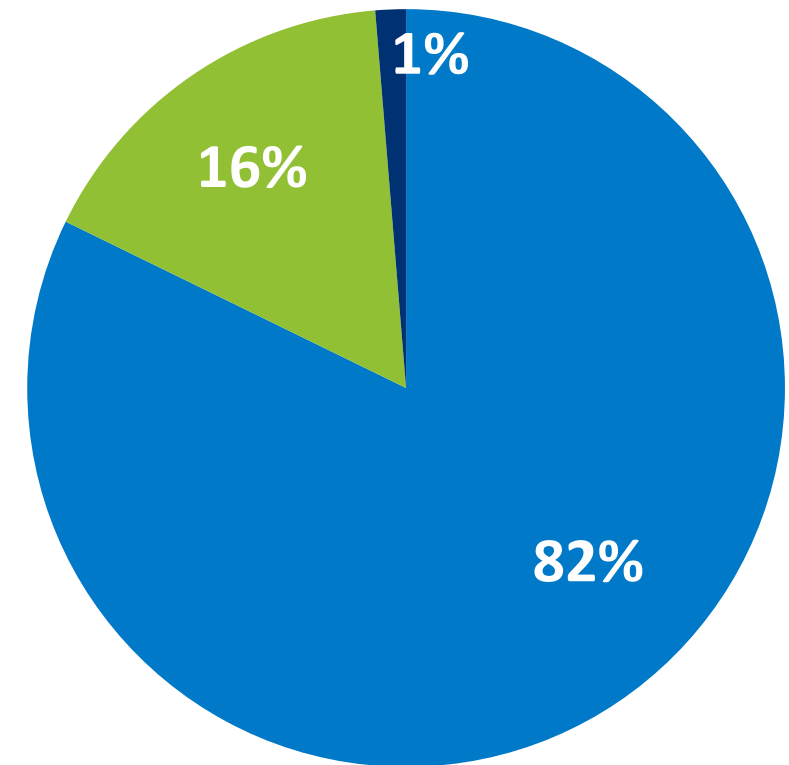
# Oil & Gas Market

- 59% 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 (Mariner<sup>®</sup> & Aquanaut<sup>™</sup>)
      - ✓ GCL/GSB for land nodal surveys
    - Traditional land and marine sensor and cabled products
  - Reservoir-focused products
    - Permanent reservoir monitoring (PRM)
    - OptoSeis<sup>®</sup> Technology, a Fiber Optic PRM solution
    - Borehole tools for monitoring hydraulic fracturing
  - Carbon Storage products
    - Insight<sup>™</sup> by Optoseis all optical, high temperature downhole tool
    - SADAR<sup>®</sup> Passive Seismic Arrays

## LTM Revenue Contribution \$74M





# Ocean Bottom Node Demand Generates Profit

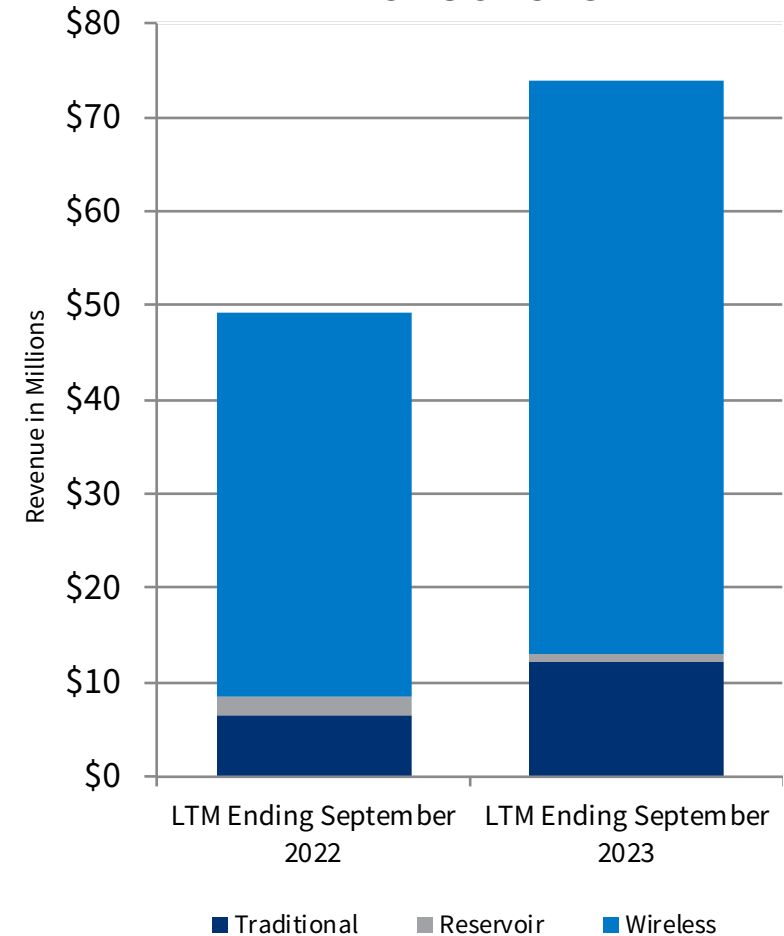


**LARGEST SINGLE CONTRIBUTION TO BOTH REVENUE AND PROFITS** for the fourth quarter and the fiscal year came from rentals of our ocean bottom nodes.

**GENERATING REVENUE FROM MARINER<sup>®</sup>**, a new slim profile shallow water ocean bottom recorder, which landed several contracts including a \$20M rental contract in June 2023 .

**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. In response, Geospace has innovated new shallow and deep water products to meet market demands.

**LTM REVENUE COMPARISON BY PRODUCT SEGMENT**



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





FINANCIAL OVERVIEW

OIL & GAS MARKET

**ADJACENT MARKET**

EMERGING MARKET

# Delivering Decades of Specialized Manufacturing Expertise to Industry

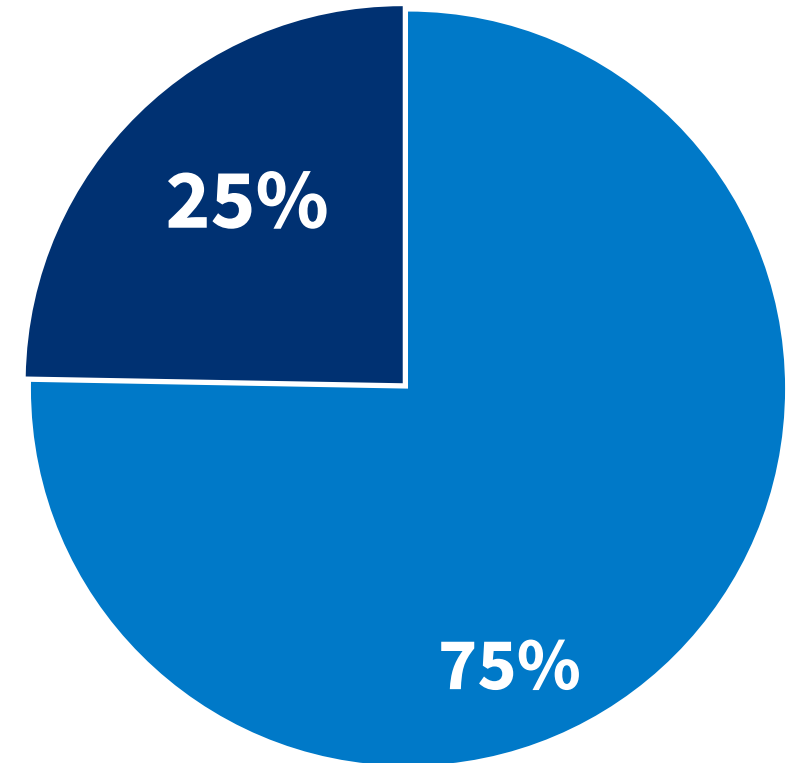
- 39% of LTM consolidated revenue
- Provides consistent, sustained revenue streams
- Utilizes engineering and manufacturing expertise to broaden product demand
- Exploring blend of vibration sensors with real-time analytics to capture market share in Industrial Internet of Things (IIoT)

## 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

## LTM Revenue Contribution \$49M



 IMAGING  
 INDUSTRIAL

# Record Setting Segment Revenue

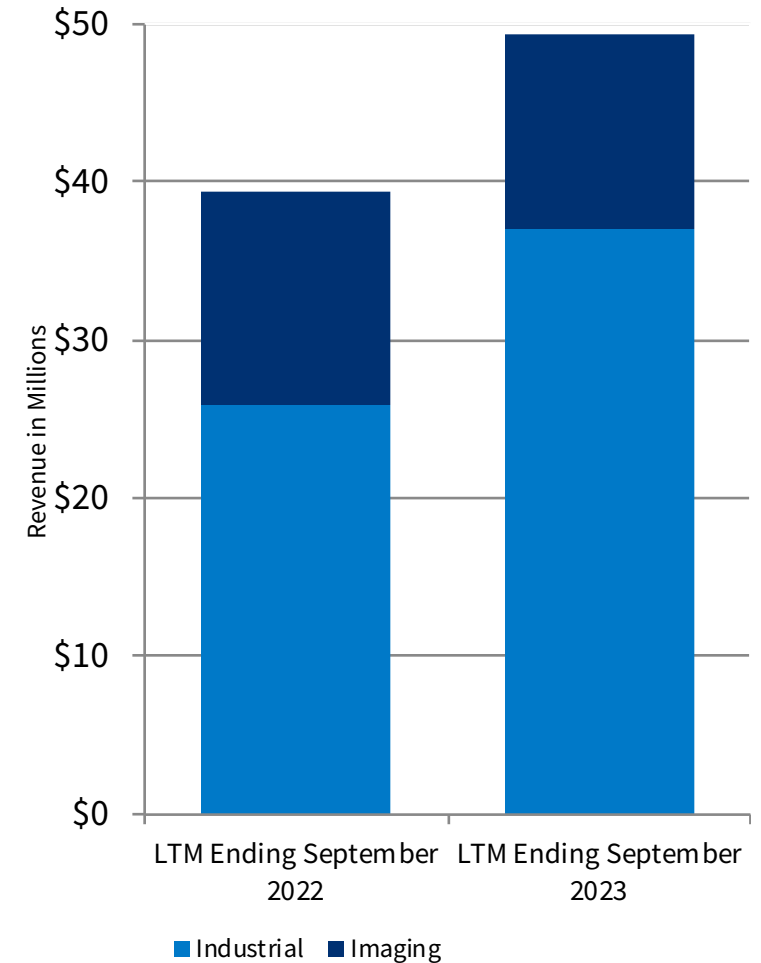
**ANNUAL REVENUE INCREASED 25% OVER PRIOR YEAR** with segment revenue totaling \$49 million for FY 2023 driven largely by sales of proprietary smart water meter connector cables.

**BUILDING TOWARD SMART CITY FUTURE** with partnerships designed to increase focus on the smart water product line including the recently announced remote water shutoff valve collaboration with Itron.

**INCREASED MANUFACTURING CAPACITY TO MEET DEMAND** and reduce lead time for product delivery to customer of water meter connector products.

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

**LTM REVENUE COMPARISON BY PRODUCT SEGMENT**



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





FINANCIAL OVERVIEW

OIL & GAS MARKET

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**EMERGING MARKET**



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

- Backlog of \$2 million from on-going contracts
- Building on decade of sensor sales to US government by adding smart analytics capability
- 2023 Defense Advanced Research Projects Agency (DARPA) Contract for Marine Solutions
- 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



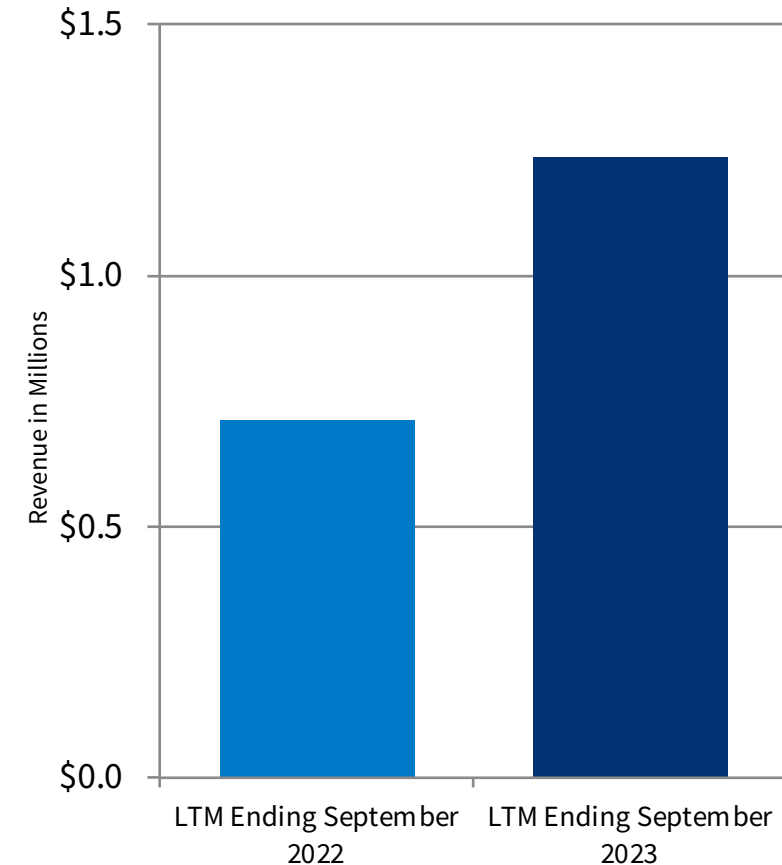
# Expanding Reach in Defense Markets

**SADAR<sup>®</sup> UNDERGOING EVALUATION FOR MAJOR DEPARTMENT OF DEFENSE PROGRAM** through contract with federal government prime contractor.

**CUSTOMERS' REQUIREMENTS FOR REAL-TIME ANALYTICS** to detect, classify and locate targets drives demand for proprietary SADAR<sup>®</sup> product.

**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



# Investor Relations

For questions or conversation regarding this briefing,  
please contact [InvestorQuestions@geospace.com](mailto:InvestorQuestions@geospace.com)

