



Q1

# INVESTOR PRESENTATION

## First Quarter Fiscal Year 2024

February 2024

# 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 in 1980 in Houston, Texas

Publicly Traded on NASDAQ - GEOS

Earned a 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

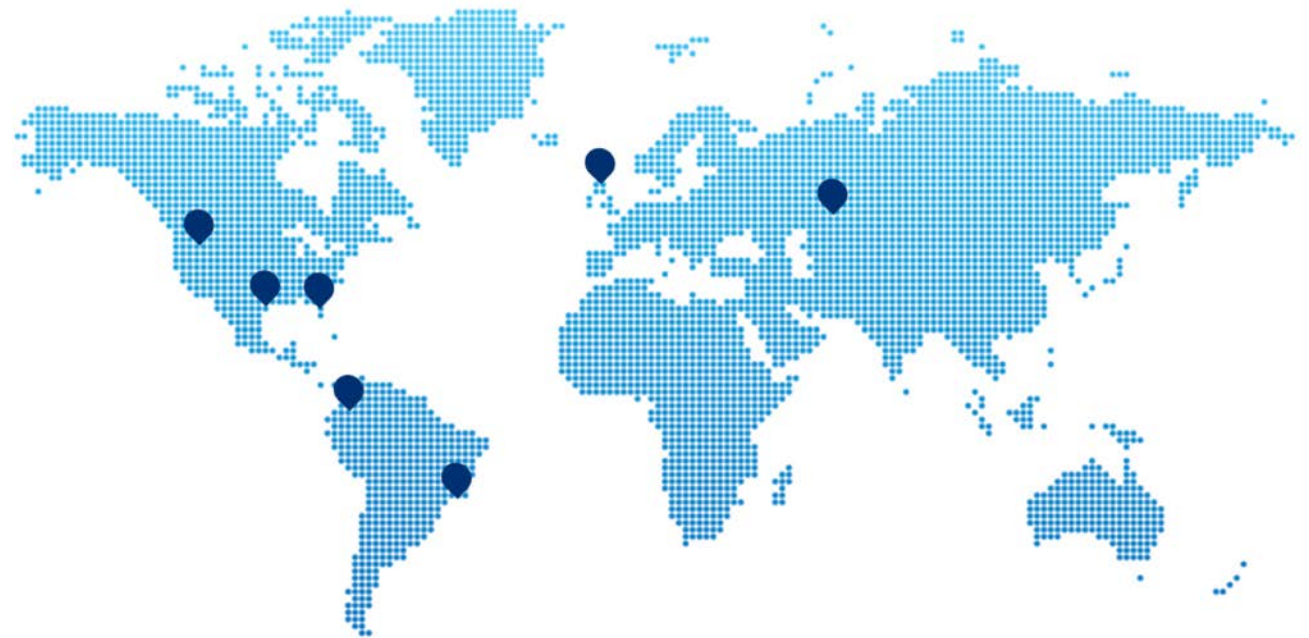
Expanded to other markets including industrial sensing and IoT, smart water technologies and security and surveillance

400,000 SF of USA Manufacturing

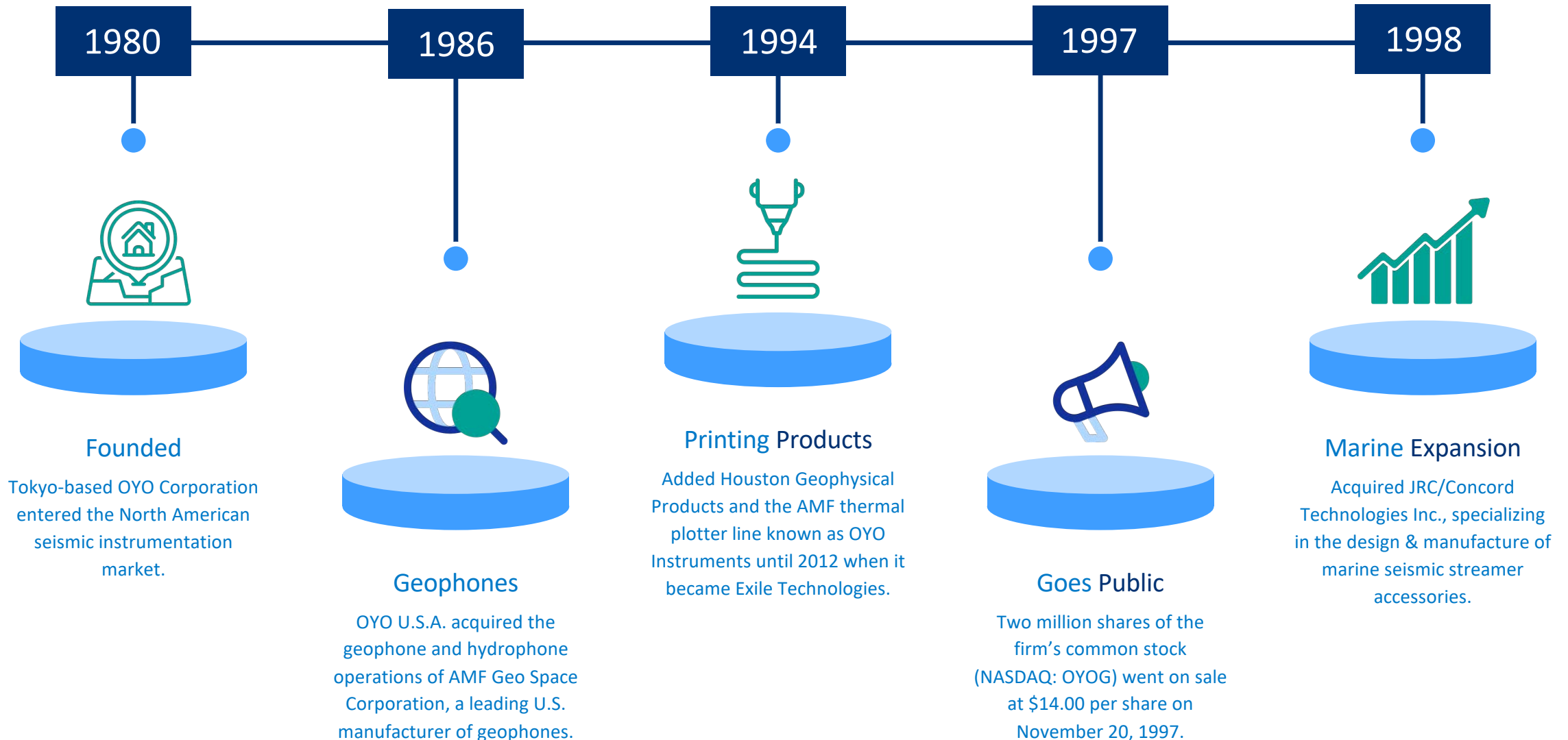
## WORLD RENOWNED INNOVATOR IN VIBRATION SENSING TECHNOLOGIES

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.

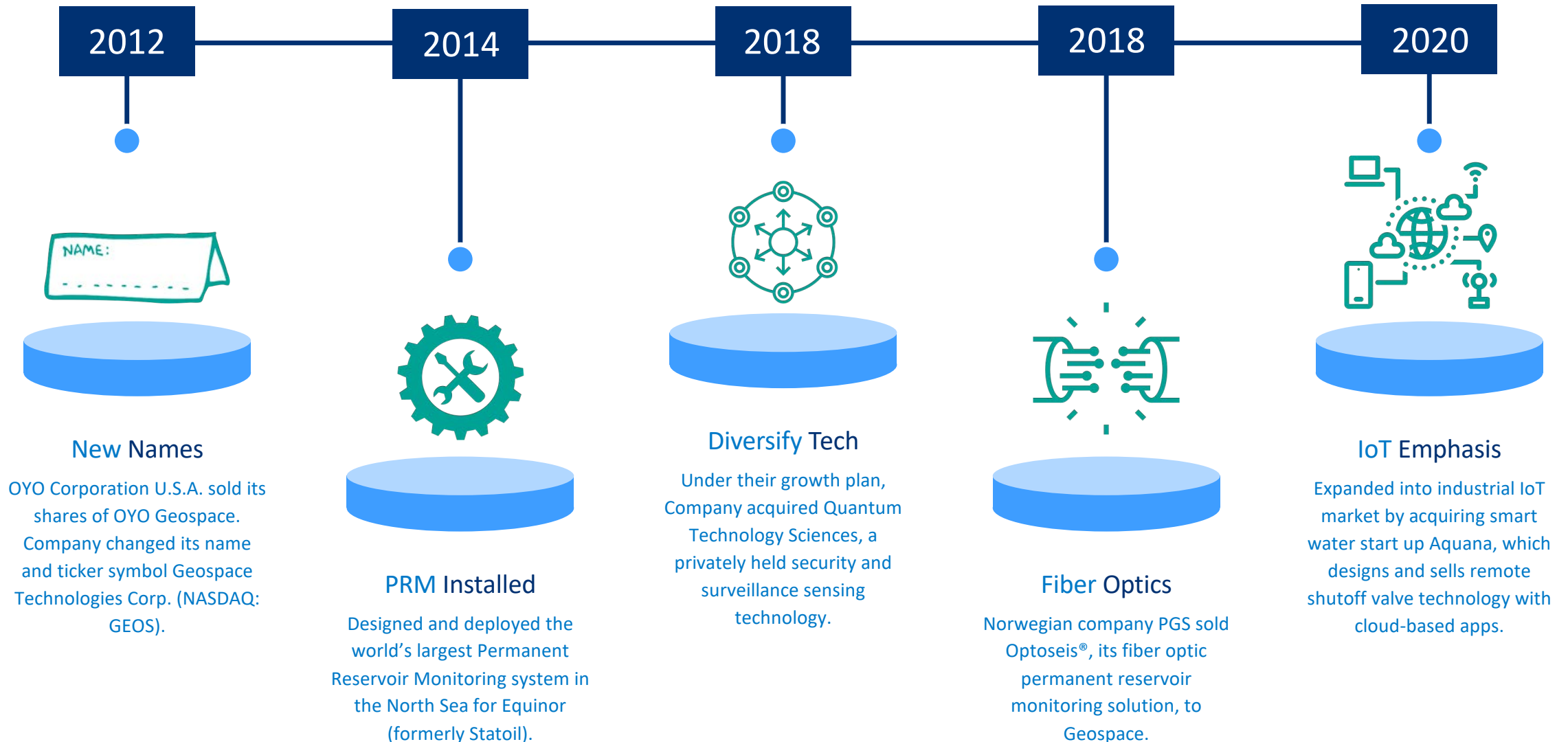


# Geospace Corporate History





# Geospace Corporate History



# Stock Statistics as of December 31, 2023

## NASDAQ: GEOS



**SHARES  
OUTSTANDING**

**13MM**



**INSTITUTIONAL  
OWNERSHIP**

**60%**



**YEAR END**

**Sept. 30**



**NET DEBT**

**\$0**



**PUBLICLY  
TRADED**

**1997**

We're Divided Into

# THREE BUSINESS SEGMENTS

We boast a history of technology innovation and robust manufacturing with solid adoption in varied markets including oil and gas exploration, smart water, imaging, and security and surveillance.



## ENERGY

### 65% of Revenue

Historically the core business of Geospace has been oil and gas exploration technologies on land and in sea.



## ADJACENT

### 34% of Revenue

Derived from core tech and manufacturing capabilities, offerings range from smart water products to electronic pre-press equipment



## EMERGING

### 1% of Revenue

Applying vibration sensing products to provide intelligence for security and surveillance applications.





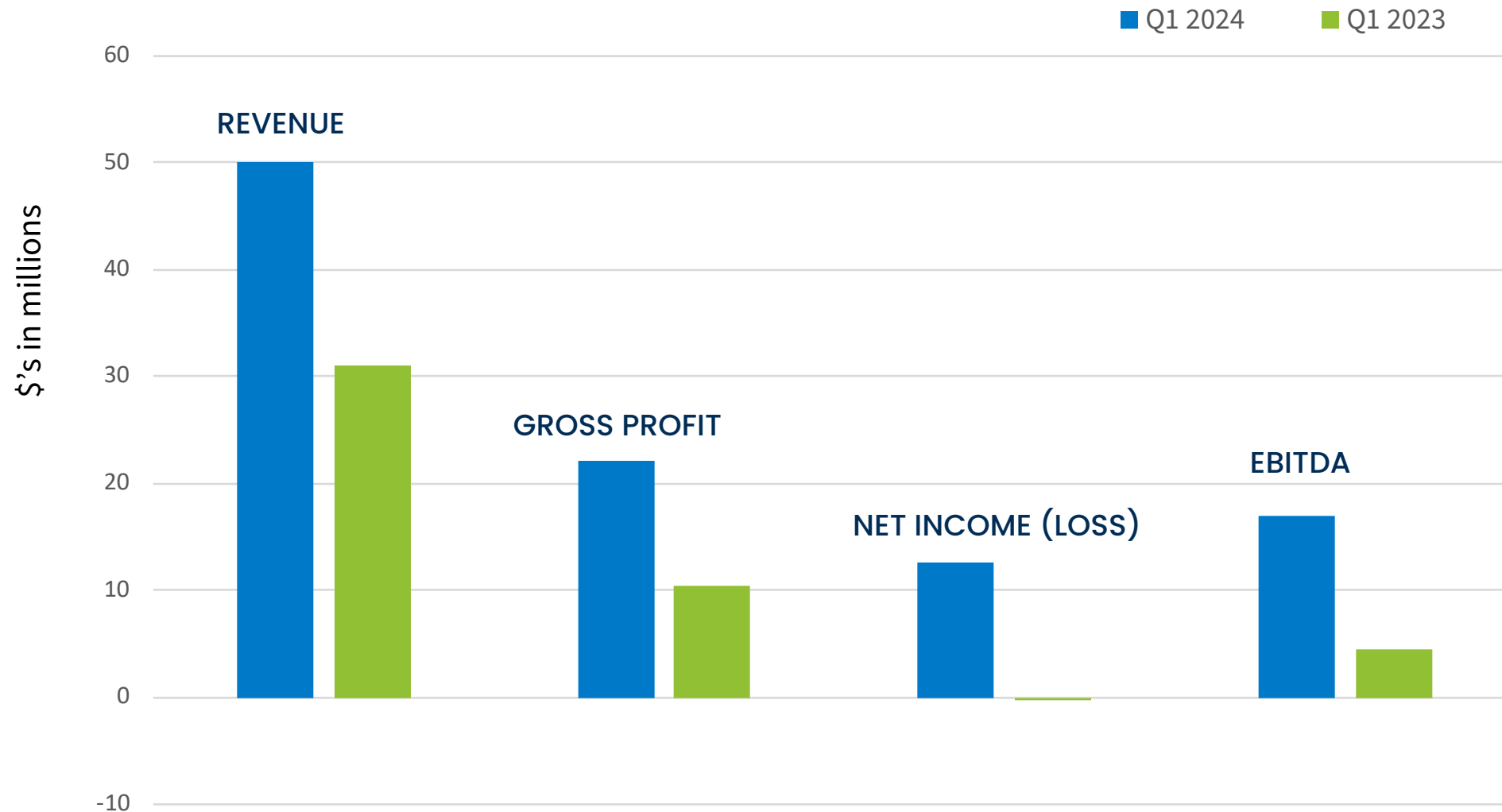
## FINANCIAL OVERVIEW

OIL & GAS MARKET

ADJACENT MARKET

EMERGING MARKET

# Quarter over Quarter Results



# Segment Revenue

	Three Months Ended	
	December 31, 2023	December 31, 2022
Oil and Gas Markets segment revenue:		
Traditional seismic exploration product revenue	\$ 1,763	\$ 2,755
Wireless seismic exploration product revenue	38,073	17,238
Reservoir product revenue	73	155
	<u>39,909</u>	<u>20,148</u>
Adjacent Markets segment revenue:		
Industrial product revenue	6,443	7,930
Imaging product revenue	<u>3,372</u>	<u>2,892</u>
	9,815	10,822
Emerging Markets segment revenue:		
Border and perimeter security product revenue	<u>234</u>	<u>93</u>
Corporate	<u>74</u>	<u>46</u>
Total revenue	<u>\$ 50,032</u>	<u>\$ 31,109</u>



# Segment Operating Income

	Three Months Ended	
	December 31, 2023	December 31, 2022
Operating income (loss):		
Oil and Gas Markets segment	\$ 14,563	\$ 2,406
Adjacent Markets segment	2,034	1,747
Emerging Markets segment	(625)	(1,213)
Corporate	(3,135)	(3,219)
Total operating income (loss)	<u>\$ 12,837</u>	<u>\$ (279)</u>

# Components of EBITDA (Non-GAAP metric)

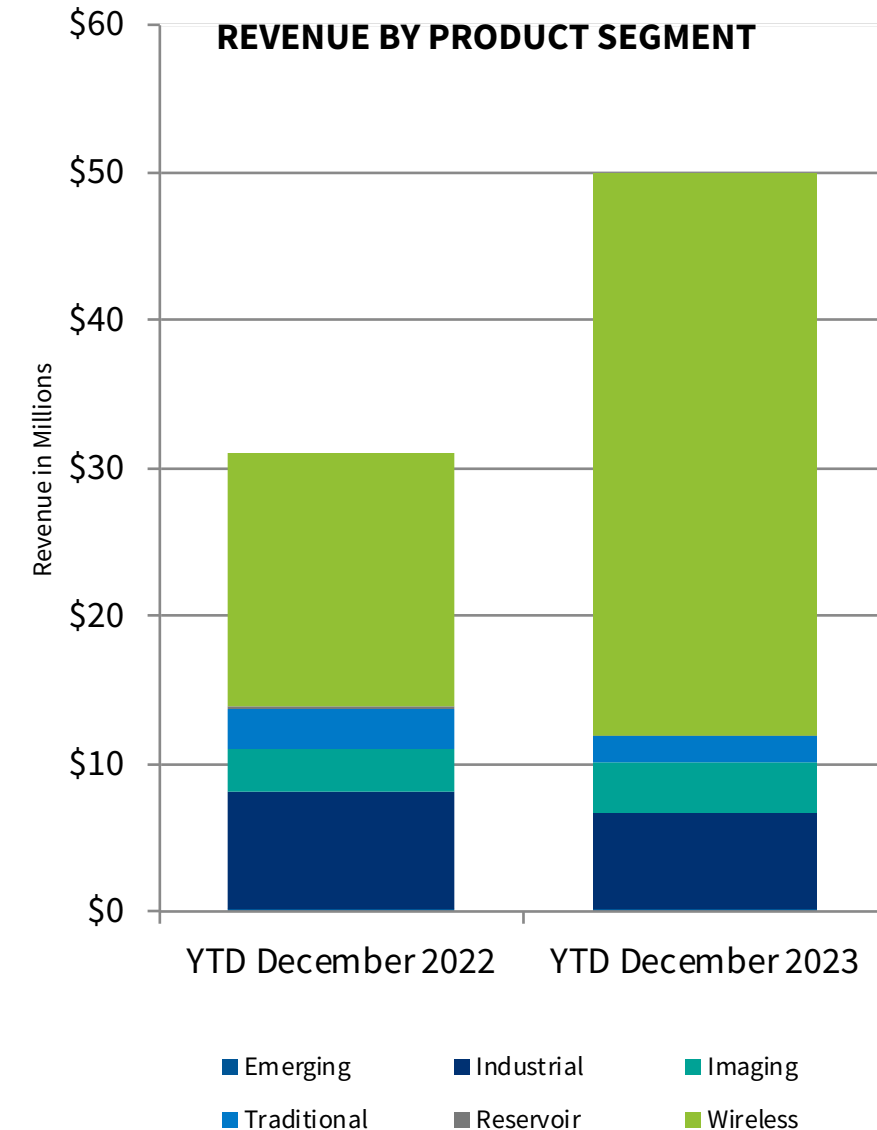
	Three Months Ended	
	December 31, 2023	December 31, 2022
<b>Income (loss) before income taxes</b>	\$ 12,779	\$ (67)
Depreciation Expense	4,135	4,264
Amortization of intangible	109	238
Interest Expense	55	38
<b>EBITDA</b>	<u>\$ 17,078</u>	<u>\$ 4,473</u>

# Highest Quarterly Revenue in 10 Years

**FOURTH CONSEQUETIVE QUARTER OF PROFITABILITY** with revenue of \$50 million driven largely by a \$30 million sales contract for the new Mariner®, shallow water ocean bottom node. Revenue increased 60% compared to revenue of \$31.1 million for the comparable year-ago quarter.

**OCEAN BOTTOM NODE PRODUCTS INNOVATIONS** have maintain Geospace’s strength in the marine seismic market. The company is experiencing strong 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.

**LASTING GROWTH OF ADJACENT MARKETS SEGMENT** despite slight dip in quarterly revenue. The segment has continued to see growth in water products including the HydroConn® series of AMI water meter connectors which has increased demand by 25% over 2022.



Note: Geospace has a September 30 year end



# Strong Balance Sheet & Liquidity

*(\$ in millions, as of December 31, 2023)*

Cash & Short-term Investments	\$ 34
Working Capital	\$ 79
Current Ratio	4.9X
Debt / Total Book Capitalization	0%
Stockholders' Equity	\$ 146

## Debt Free Real Estate Holdings:

- 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 \$15M

**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

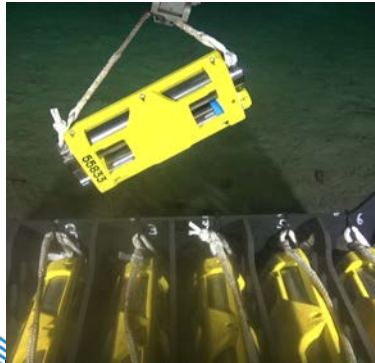


## Diverse Revenue Streams

65% Oil & Gas  
34% Adjacent  
1% Emerging

# Highlights for Investors

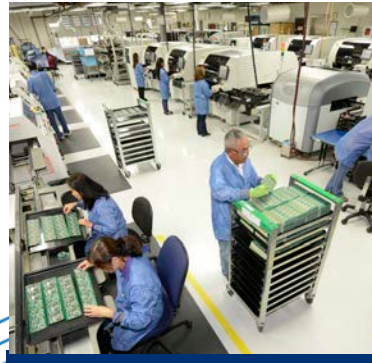
RECAPPING A COLLECTION OF MILESTONES, ACHIEVEMENTS AND CONTRACT WINS.



## 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**



## PROFITABLE YEAR

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

**2023  
SEPTEMBER**



## \$50M+ MARINER CONTRACT

First sale award for the  
newest seabed node  
product.

**2023  
DECEMBER**



# SEASONED & TRUSTED MANAGEMENT



**RICK WHEELER**

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**PRESIDENT & CEO**

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



**ROBERT CURDA**

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**VP & CFO**

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



**ROBBIN ADAMS**

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**SVP & CTO**

Mr. 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 gratified to see the first quarter of fiscal year 2024 mark our fourth straight quarter of profitability. In conjunction with an improved industry demand for products in our Oil and Gas Markets segment, our financial discipline and streamlining of operations over the last year have helped carry profitability into the new fiscal year. Recorded revenue of \$50 million represents the highest quarterly figure achieved in nearly ten years, and net income exceeding \$12.7 million solidly demonstrates the sort of value we strive to deliver to our shareholders.”



FINANCIAL OVERVIEW

**OIL & GAS MARKET**

ADJACENT MARKET

EMERGING MARKET

# Oil & Gas Market

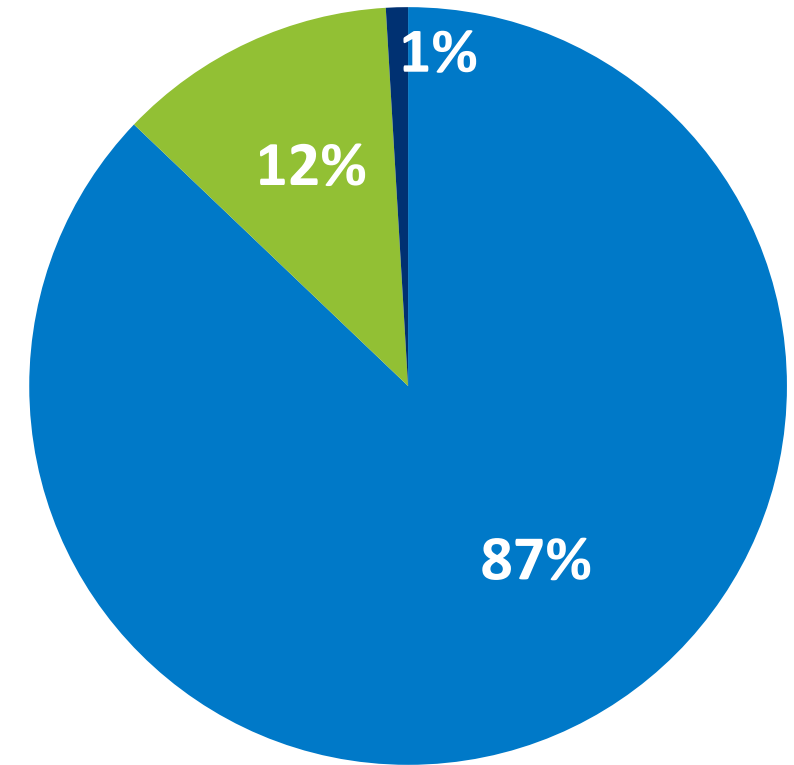


- 65% of LTM consolidated revenues
- O&G products reflect historical roots of Geospace
- Revenue derived from both product sales and rentals

## Our Oil & Gas Products

- Products serve geophysical demands of E&P industry
  - Exploration-focused products
    - Wireless/Nodal products
      - ✓ OBX for marine nodal surveys (Mariner® & Aquanaut™)
      - ✓ 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
  - Carbon Storage products
    - Insight™ by Optoseis all optical, high temperature downhole tool
    - SADAR® Passive Seismic Arrays

## LTM Revenue Contribution \$94M



TRADITIONAL  
WIRELESS  
RESERVOIR



# Ocean Bottom Node Demand Generates Profit

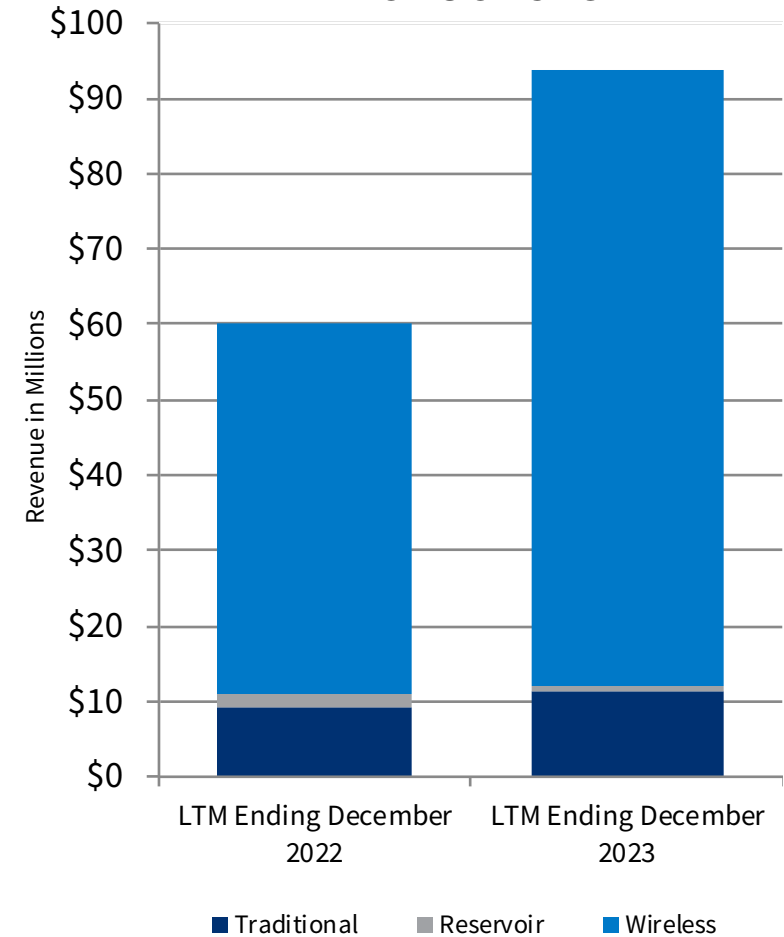


**LARGEST SINGLE CONTRIBUTION TO BOTH REVENUE AND PROFITS** for the first quarter came from rentals of our ocean bottom nodes.

**GENERATING REVENUE FROM MARINER®**, a new slim profile shallow water ocean bottom recorder, which landed several contracts including a \$30M contract in January 2024 and a rental contract in April 2024.

**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

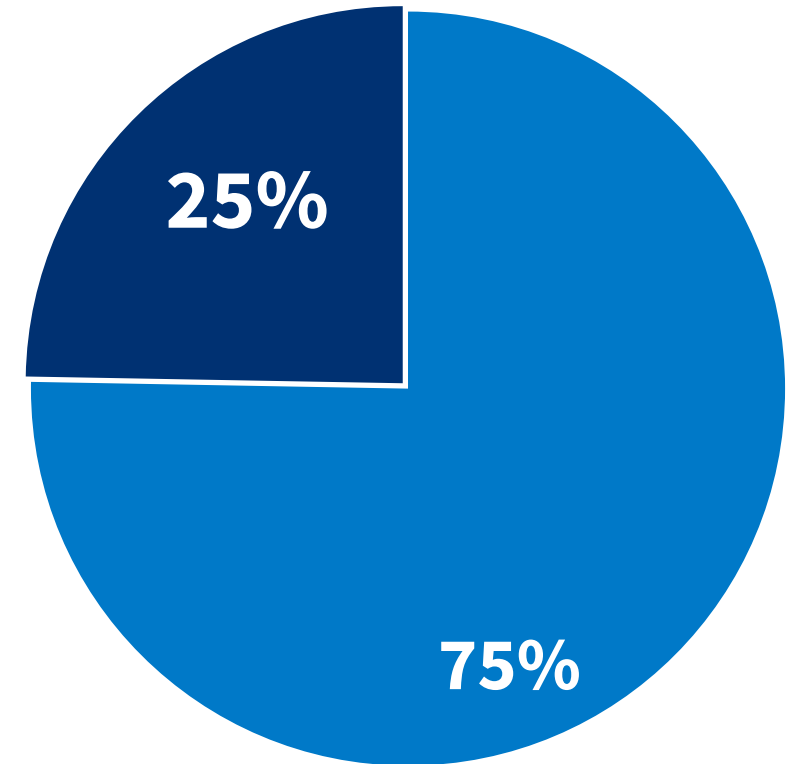
**ADJACENT MARKET**

EMERGING MARKET

# Delivering Decades of Specialized Manufacturing Expertise to Industry

- 34% 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 \$48M



## 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

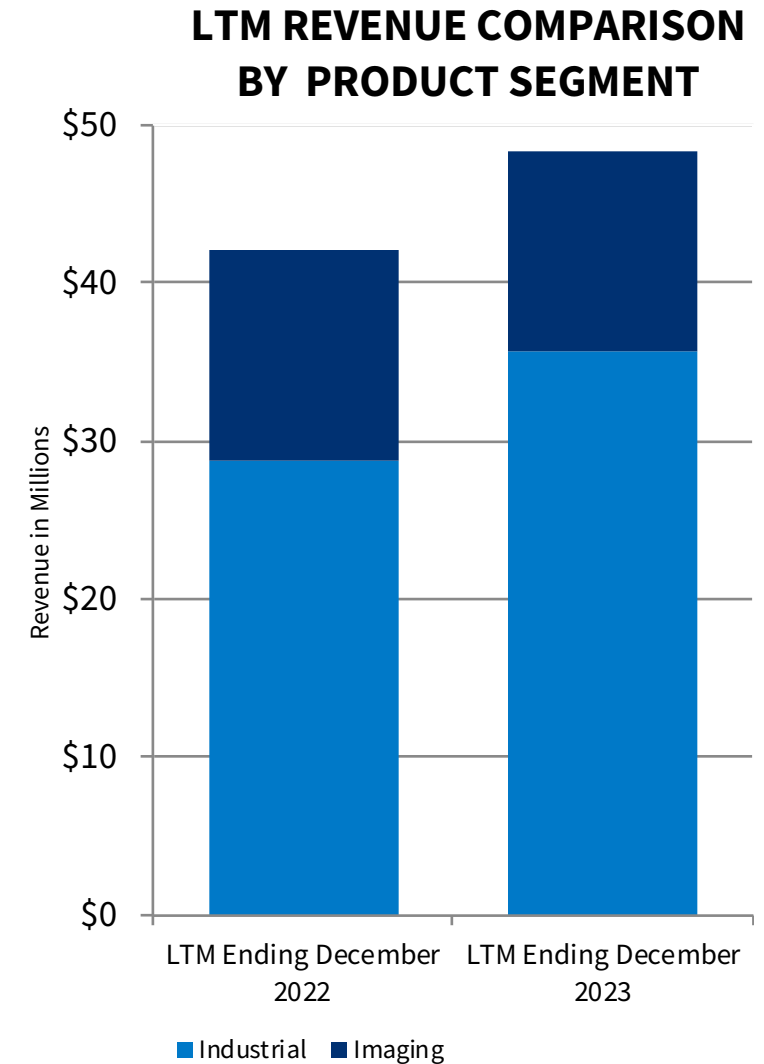


# Reliable Revenue Contributor

**TRAILING 12 MONTH REVENUE INCREASED 15% OVER THE EQUIVELENT YEAR AGO PERIOD** with segment revenue totaling \$9.8 million for the first quarter. The slight quarterly decrease is attributed to both seasonality of utility contracts as well as prior quarters of manufacturing catching up on order backlogs.

**GAINING TRACTION IN REMOTE WATER CONTROL VALVES** with increased number of pilot tests underway with domestic utilities and growing quoting activity for real estate applications.

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



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



FINANCIAL OVERVIEW

OIL & GAS MARKET

ADJACENT MARKET

**EMERGING MARKET**

# Emerging Market Pushes into New Energy

- Backlog of \$1.8 million from on-going contracts
- Leveraging data analytics capability to apply to microseismicity monitoring in new energy applications
- 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

## Our Persistent Microseismic Solution Products

Current revenue in this segment comes from government and commercial security and surveillance, but the segment seeks to address new energy applications

- Real-time Border Security & Surveillance
- Force Protection
- Critical Infrastructure & Strategic Asset Protection
- Carbon Storage Monitoring & New Energy Microseismic Surveys and Monitoring



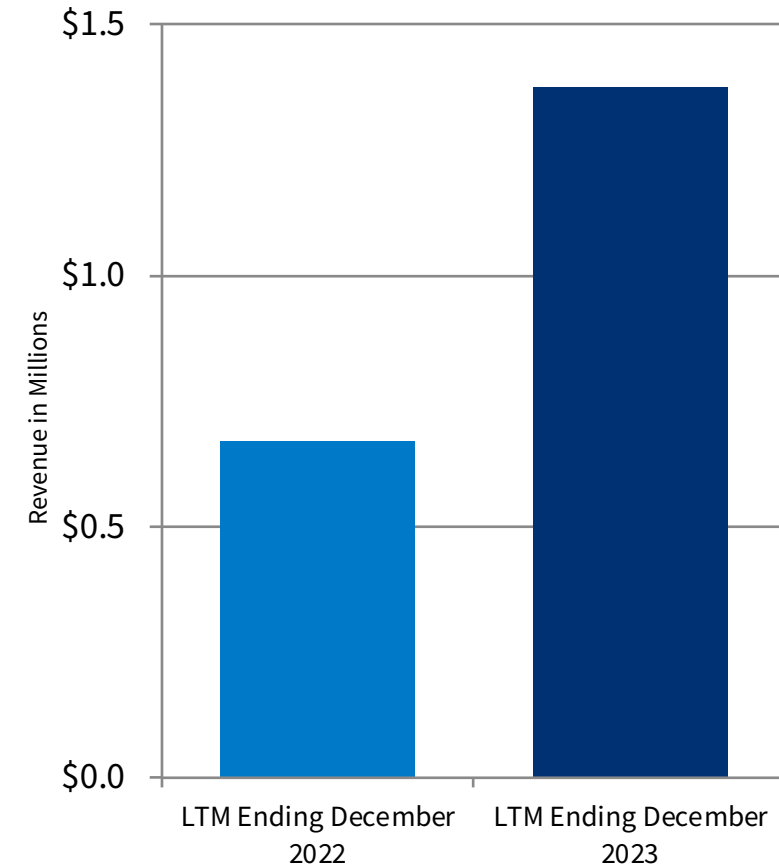
# Expanding Reach in Defense Markets

**SADAR® 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® product.

**REDUCED HARDWARE FOOTPRINT** associated with SADAR product offers energy companies competitive advantage in long term, real-time microseismic monitoring 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)