



Q3

# INVESTOR PRESENTATION

Third Quarter Fiscal Year 2024

August 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.



# Stock Statistics

## NASDAQ: GEOS



**SHARES  
OUTSTANDING**

**13.3MM**



**INSTITUTIONAL  
OWNERSHIP**

**73%**



**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.



## OIL & GAS

**60% of Revenue**

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



## ADJACENT

**38% of Revenue**

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



## EMERGING

**2% of Revenue**

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



## FINANCIAL OVERVIEW

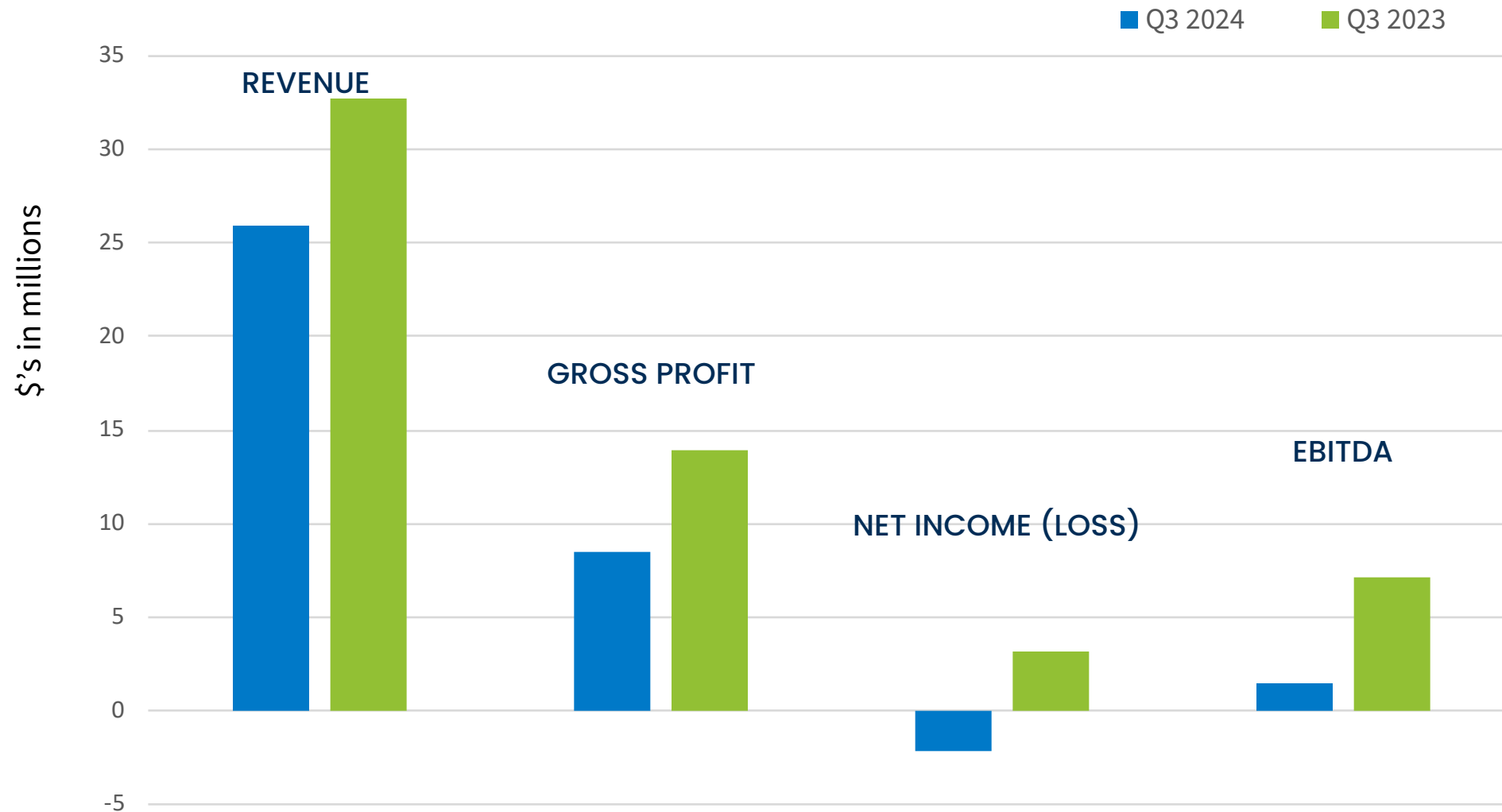
OIL & GAS MARKET

ADJACENT MARKET

EMERGING MARKET



# Quarter over Quarter Results





# Segment Revenue

	Three Months Ended		Nine Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Oil and Gas Markets segment revenue:				
Traditional seismic exploration product revenue	\$ 2,005	\$ 3,363	\$ 7,316	\$ 9,509
Wireless seismic exploration product revenue	6,978	13,786	52,291	45,920
Reservoir product revenue	191	523	323	810
	9,174	17,672	59,930	56,239
Adjacent Markets segment revenue:				
Industrial product revenue	13,025	11,678	28,492	29,250
Imaging product revenue	2,945	3,184	9,528	9,142
	15,970	14,862	38,020	38,392
Emerging Markets segment revenue:				
Border and perimeter security product revenue	640	109	1,987	393
Corporate	74	72	223	170
Total revenue	\$ 25,858	\$ 32,715	\$ 100,160	\$ 95,194

# Segment Operating Income

	Three Months Ended		Nine Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Operating income (loss):				
Oil and Gas Markets segment	\$ (2,302)	\$ 3,238	\$ 9,126	\$ 9,820
Adjacent Markets segment	4,661	4,346	9,491	9,148
Emerging Markets segment	(1,148)	(1,047)	(2,424)	(3,267)
Corporate	(3,604)	(3,391)	(10,255)	(8,457)
Total operating income (loss)	<u>\$ (2,393)</u>	<u>\$ 3,146</u>	<u>\$ 5,938</u>	<u>\$ 7,244</u>

# Components of EBITDA (Non-GAAP metric)



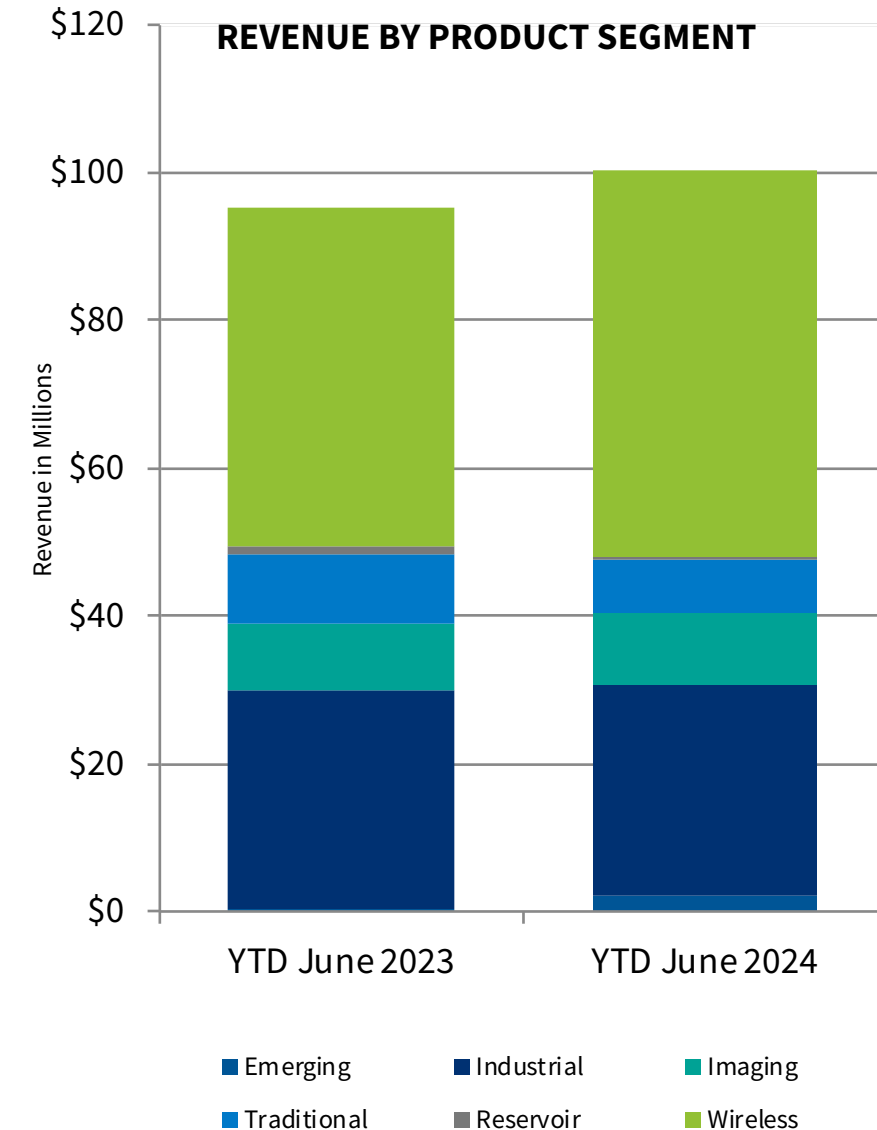
	Three Months Ended	
	June 30, 2024	June 30, 2023
<b>Income (loss) before income taxes</b>	\$ (2,072)	\$ 3,448
Depreciation Expense	3,443	3,652
Amortization of intangible assets	96	114
Interest Expense	44	22
<b>EBITDA</b>	<u>\$ 1,511</u>	<u>\$ 7,236</u>



# Strengthening the Company & Stock

**STOCK REPURCHASE PROGRAM REAUTHORIZED** by Board of Directors. A stock repurchase program, which ran from May through early August, resulted in the purchase of 512,000 shares. Under an extension, the program will purchase up to an additional \$2 million of the Company's outstanding common stock.

**LEADERSHIP TRANSITION ANNOUNCED** with the year-end retirement of President & CEO Rick Wheeler who will be succeeded by current COO Rich Kelley on October 1, 2024. Kelley joined the company in April 2024. His accomplishments and experience bring a wealth of knowledge and leadership to Geospace that is highly aligned with all facets of our technology focused engineering, manufacturing, business development, and operations.



Note: Geospace has a September 30 year end

# Strong Balance Sheet & Liquidity

*(\$ in millions, as of June 30, 2024)*

Cash & Short-term Investments	\$ 43
Working Capital	\$ 72
Current Ratio	6.1X
Debt / Total Book Capitalization	0%
Stockholders' Equity	\$ 137

## 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

60% Oil & Gas  
38% Adjacent  
2% Emerging



# Highlights for Investors

RECAPPING A COLLECTION OF MILESTONES, ACHIEVEMENTS AND CONTRACT WINS.



## NEW PRODUCT

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

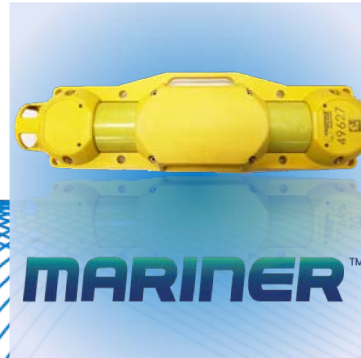
**2023  
APRIL**



## PROFITABLE YEAR

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

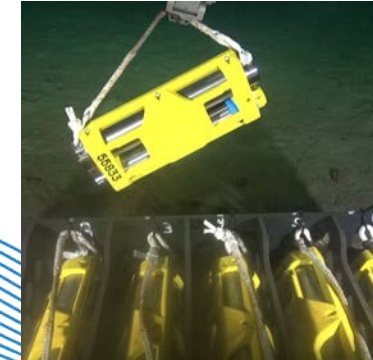
**2023  
SEPTEMBER**



## \$50M+ MARINER CONTRACT

First sale award for the newest seabed node product.

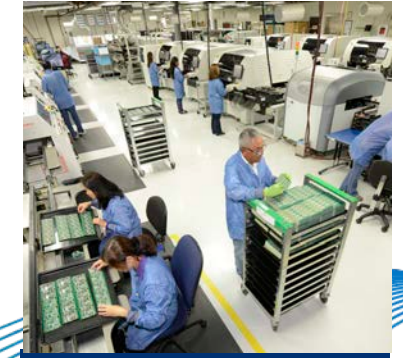
**2023  
DECEMBER**



## PROFITABLE FOR YTD FY24

Recorded positive net income of \$8.4 million, or \$0.62 per share.

**2024  
MARCH**



## ADJACENT MARKET SETS RECORD

\$16M in Q3 driven by Smart Water tech and Industrial Sensors

**2024  
JUNE**

# SEASONED & TRUSTED MANAGEMENT



**RICK WHEELER**

**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.



**RICH KELLEY**

**EVP & COO**

Mr. Kelley is responsible for maximizing efficiency and effectiveness of business and manufacturing operations. Rich has an extensive background in operational management within manufacturing organizations.



**ROBBIN ADAMS**

**SVP & CTO**

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



**ROBERT CURDA**

**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.

# 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, “As we close the third quarter with three months of fiscal year 2024 remaining, we continue to maintain a profitable year, reporting positive net income of \$6.3 million, or \$0.47 per share. In addition, our longstanding and unwavering commitment toward sustaining a strong balance sheet with no debt remains firmly intact, with holdings of \$42.5 million in cash and short-term investments as of June 30, 2024.”

“In other news, our stock repurchase program, authorized by the Board of Directors in May 2024, is progressing well. As of August 7, 2024, the company has repurchased approximately 512,000 of its common shares on the open market. In addition, our Board of Directors has approved an extension of the program, allowing up to an additional \$2.0 million of shares to be purchased.”



FINANCIAL OVERVIEW

## OIL & GAS MARKET

ADJACENT MARKET

EMERGING MARKET

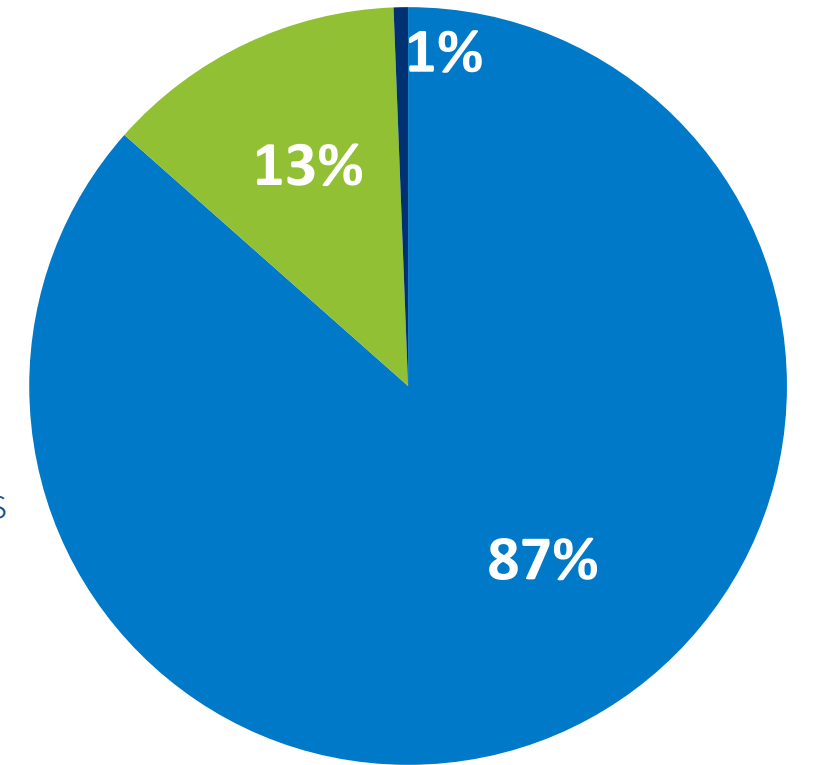
# Oil & Gas Market

- 60% 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™)
      - ✓ Newly released Pioneer and 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 \$78M



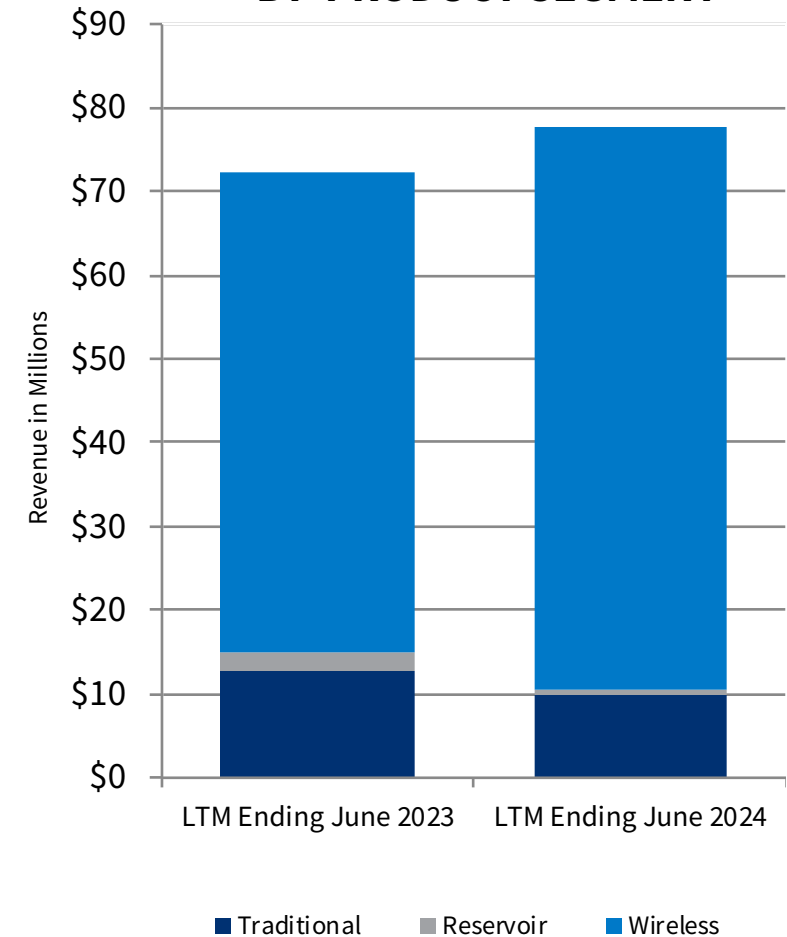
# Ocean Bottom Node Demand Generates Profit



**RELEASE THE FIRST NEW LAND SEISMIC PRODUCT IN FIVE YEARS**, the *Pioneer* is an ultra lightweight all in one node designed for faster and more efficient large scale surveys.

**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**

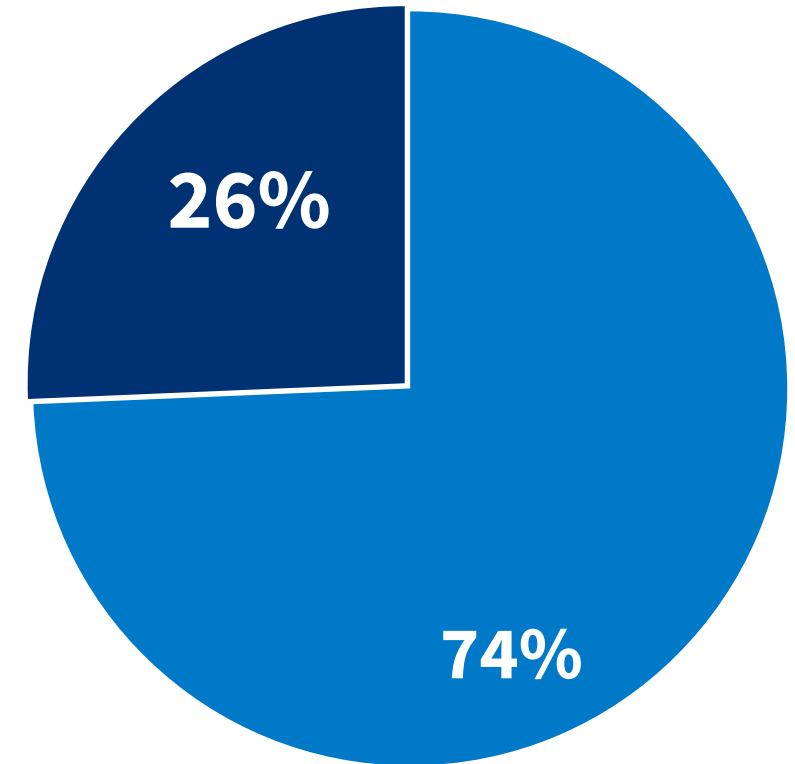
EMERGING MARKET



# Delivering Decades of Specialized Manufacturing Expertise to Industry

- 38% of LTM consolidated revenue, 62% Q3 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 \$49M



## 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

 IMAGING  
 INDUSTRIAL

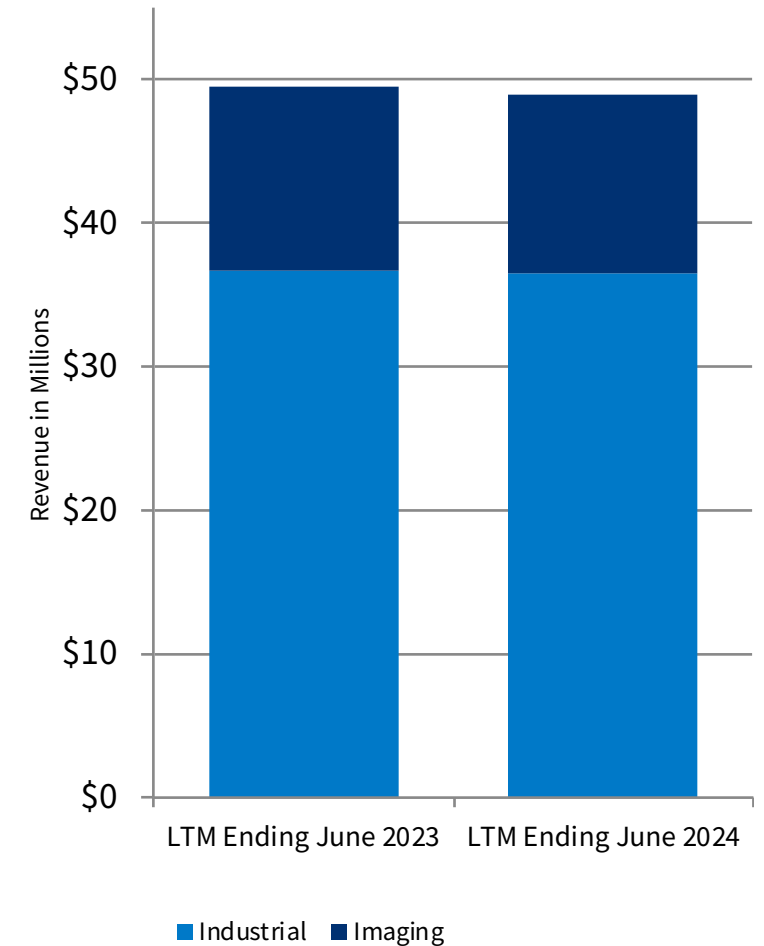
# Reliable Revenue Contributor

**GENERATED RECORD QUARTERLY REVENUE OF \$16 MILLION**, driven by growth in the water meter market where our water meter cables and connectors are the preferred choice of the industry.

**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.

## 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**



# Emerging Market Pushes into New Energy

- Contributed meaningful revenue in the third quarter, pushing the nine-month revenue total to nearly \$2 million
- Leveraging data analytics capability to apply to microseismicity monitoring in new energy application

## 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 & CCS Markets

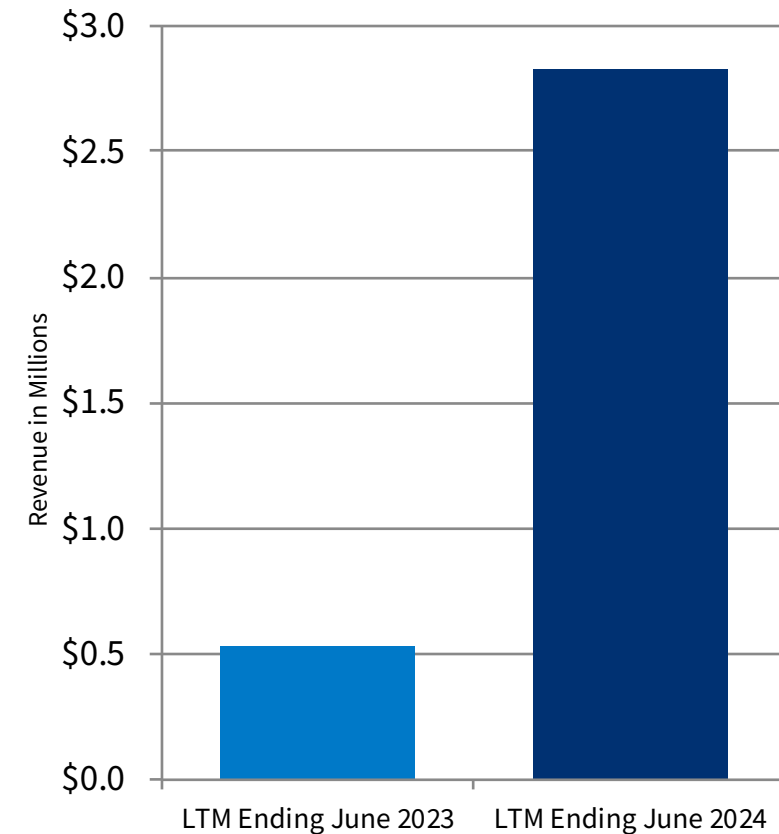


**DARPA PROGRAM** advances state of the art for marine applications of coherent array processing technology.

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

**SADAR EVOLVED INTO A MULTI PURPOSE MICROSEIMIC OFFERING** energy companies competitive advantage in long term, real-time passive monitoring as well as active subsurface imaging – all in one system.

## 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)