



ION Q1 2019 Earnings Call



Earnings Call Presentation

May 2, 2019



Corporate Participants and Contact Information



BRIAN HANSON
President and
Chief Executive Officer



STEVE BATE
Executive Vice President
and Chief Financial Officer

CONTACT INFORMATION

If you have technical problems during the call, please contact DENNARD–LASCAR Associates at 713 529 6600.

If you would like to view a replay of today's call, it will be available via webcast in the Investor Relations section of the Company's website at www.iongeo.com for approximately 12 months.

For discussion of non-GAAP measures, please see our Earnings Release.

Forward-Looking Statements



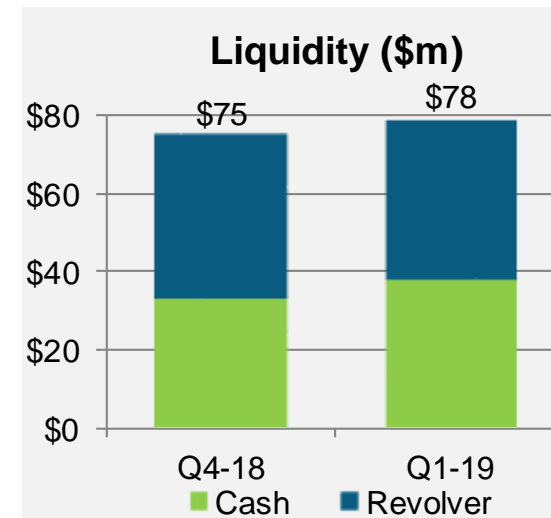
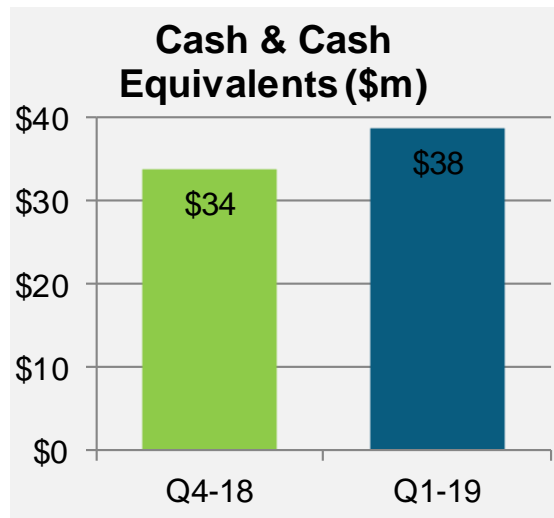
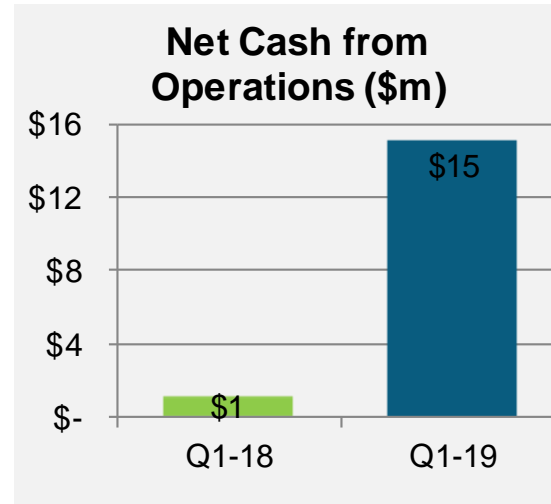
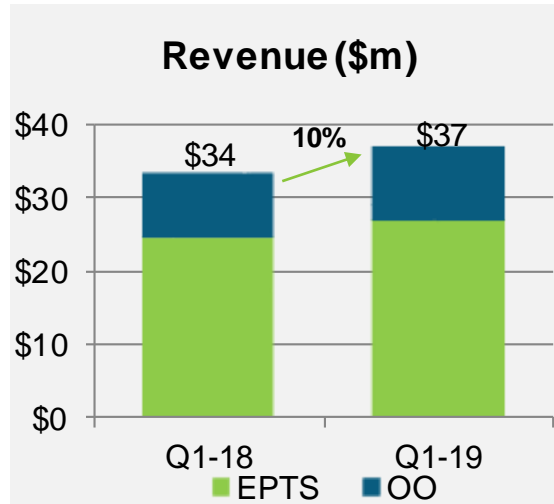
The information included herein contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934.

Actual results may vary fundamentally from those described in these forward-looking statements.

All forward-looking statements reflect numerous assumptions and involve a number of risks and uncertainties.

These risks and uncertainties include risk factors that are disclosed by ION from time to time in its filings with the Securities and Exchange Commission.

ION Q1-19 Financial Highlights



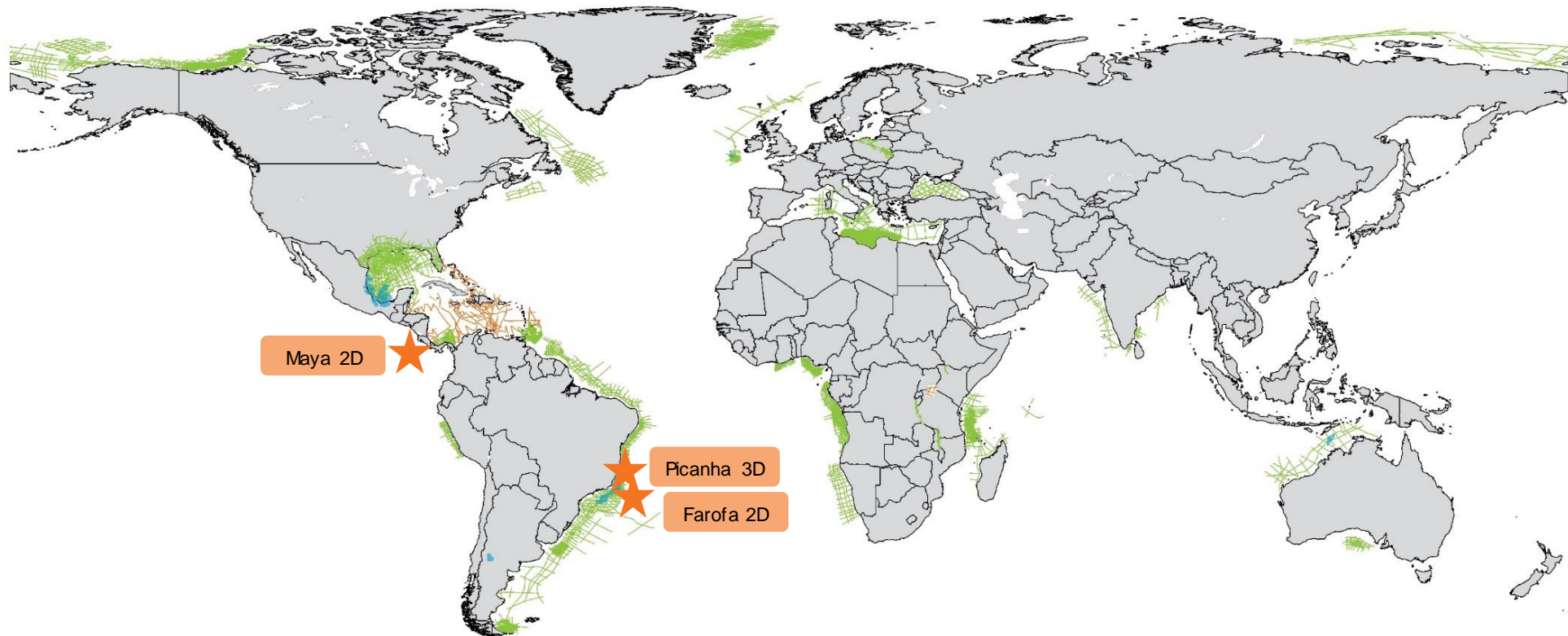
- Total revenue up 10% vs Q1-18
 - E&P Technology & Services up 10%
 - Operations Optimization up 10%
- Net cash from operations of \$15m, up \$14m vs Q1-18
- Cash and cash equivalents of \$38m, up \$5m from Q4-18
- Total liquidity of \$78m (cash + available revolver capacity)

ION Q1-19 Highlights



E&P Technology & Services

- New venture program activity continues to improve
- Plan to increase the number of new sanctioned programs this year, 5 sanctioned to date



ION Q1-19 Highlights

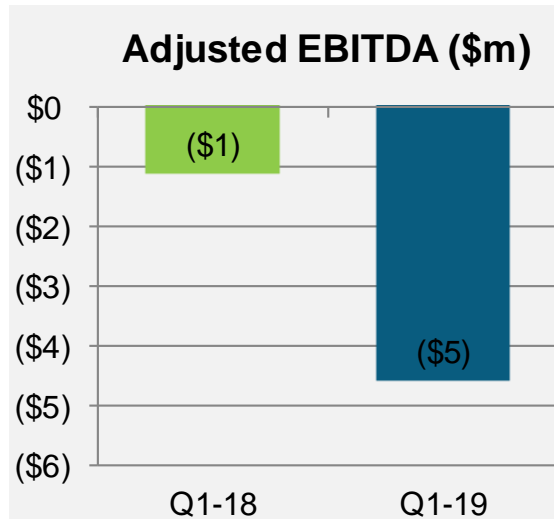
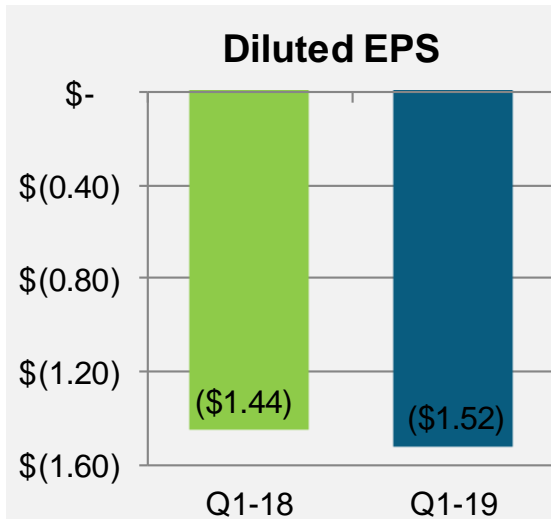
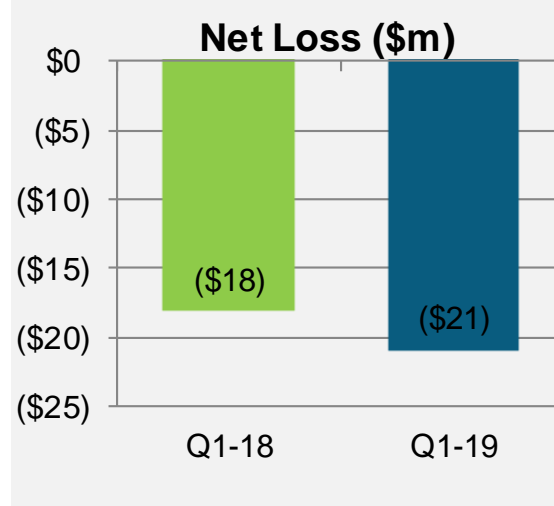
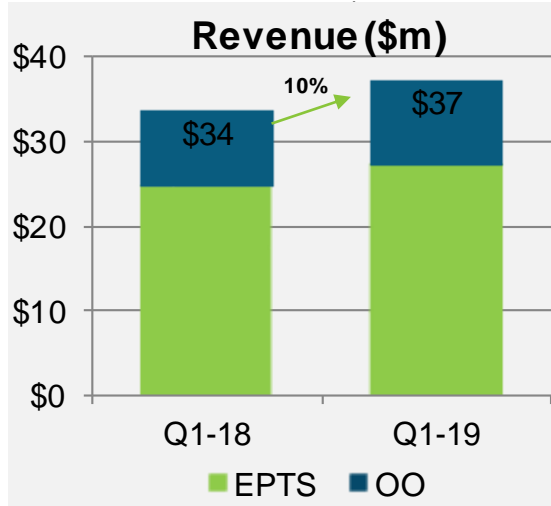


Operations Optimization

- Software results up due to record engineering services revenues, primarily driven by high Marlin deployments
 - 20% Software revenue attributable to Marlin this quarter
 - Collaborating with client for first Marlin ports and harbor deployment, supporting digital transformation
 - Partnerships to further extend Marlin's footprint
- Devices revenues up 16% due to repair business, seabed monitoring solution and sensor sales
- Remaining 4Sea components on track to be commercialized in 2019
 - Finalized proprietary back deck system, designed to improve the economics of today's expensive nodal surveys
 - Held 2 SailWing field trials with potential launch partners



ION Q1-19 Financial Overview



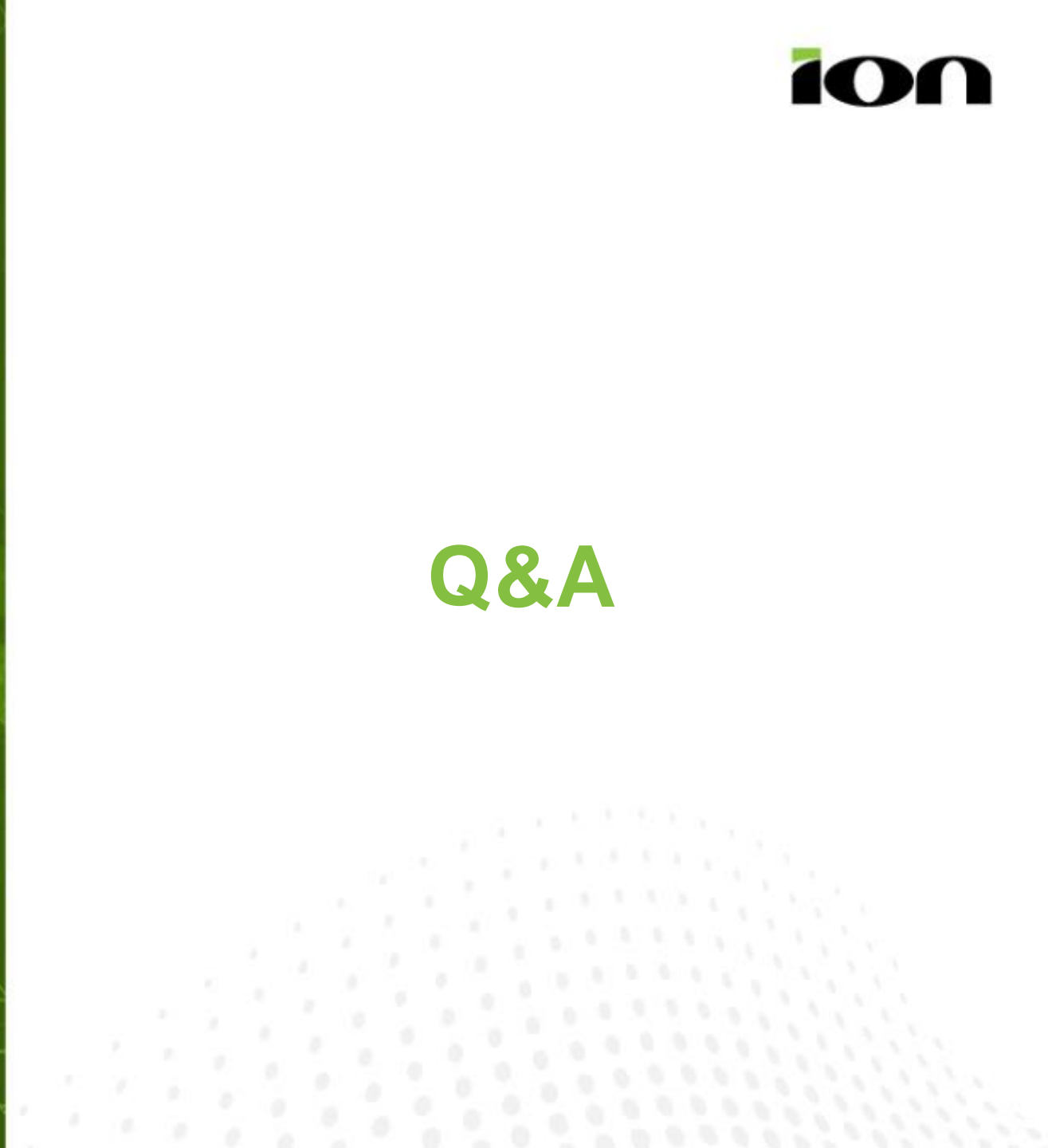
- Total revenue up 10% vs Q1-18
 - E&P Technology & Services up 10%
 - Operations Optimization up 10%
 - Discontinued reporting Ocean Bottom Integrated Technologies as a separate segment
- Net loss of \$21m vs \$18m in prior year
- EPS of (\$1.52) vs (\$1.44) in Q1-18
- Adjusted EBITDA of (\$5m) vs (\$1m) in prior year
- Total liquidity of \$78m (cash + available revolver capacity), an increase of \$4m from one year ago

Summary



- We continue to believe market fundamentals will gradually improve as it becomes increasingly critical to meet production demand in the next decade
- However, near-term we expect focused, cautious E&P spending
 - Analysts are projecting E&P spending to increase single digits in 2019
- Expect 2019 to be a better year for ION, subject to E&P budgets
 - Intend to increase the number of new sanctioned programs in 2019
 - Benefit of any 2018 program sales pushed into 2019
 - Software business experiencing solid growth
 - Commercialization of several offerings we developed over the last few years

Q&A





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