
RESULTS PRESENTATION
FOR THE YEAR ENDED 31 DECEMBER 2017

BUILDING MOMENTUM FROM
NEW TECHNOLOGY



H-1 Perforating System

Group Summary

Group well positioned but challenges remain



- Group financials on firm footing with \$30.4m net cash at year end and return to underlying profitability
- Bank covenant suspension period ended 18 January 2018 – revert to historical EBITDA/Net Debt (3x) and EBITDA/Finance Charge (4x) ratios
- Internal cost controls and capital allocation disciplines remain a feature of day-to-day management
- Continue to develop technologies helping customers reduce costs and improve production
- Internal manufacturing efficiencies pursued to reduce costs and enhance margins – greater use of automation in particular
- Improved results underpinned by strong performance in US onshore completions market
- International and offshore markets remain slow
- Global manufacturing footprint largely unchanged following closure of five operating facilities

Summary Income Statement¹

Operating leverage delivering improved margins



	2017 \$m	<i>Margin</i> %	2016 \$m	<i>Margin</i> %
Revenue	722.9		455.8	
Gross profit	174.8	24	52.1	11
EBITDA² profit (loss)	55.4	8	(48.9)	-11
Profit (loss) from operations	13.7	2	(92.2)	-20
Finance expense	(1.5)		(0.7)	
Profit (loss) before tax	10.9		(93.2)	
Tax (charge) credit	(1.0)		19.9	
Profit (loss) after tax	9.9		(73.3)	
Effective tax rate	9%		21%	
Diluted EPS (loss)	7.6c		(45.3)c	

¹ Results are based on continuing operations before amortisation of acquired intangible assets and exceptional items.

² EBITDA is a non-GAAP measure that is defined in the "Non-GAAP measures" section of the 2017 Annual Report.

Segmental Results¹

Improved results underpinned by US onshore completions market



	2017		2016	
	Revenue	Results from Operations	Revenue	Results from Operations
	\$m	\$m	\$m	\$m
Hunting Titan	312.8	63.3	145.2	(3.6)
US	217.6	(17.2)	166.7	(33.6)
Canada	36.5	(3.7)	29.3	(4.0)
Europe	85.0	(12.6)	71.7	(25.7)
Asia Pacific	91.9	(8.0)	46.8	(13.3)
Middle East, Africa and Other	18.6	(7.0)	8.5	(9.3)
Exploration and Production	3.3	(1.1)	3.0	(2.7)
Inter-segmental elimination	(42.8)		(15.4)	
	722.9	13.7	455.8	(92.2)

¹ Results are based on continuing operations before amortisation of acquired intangible assets and exceptional items.

Revenue by Product

Improved revenues across most product lines – up 59%



	2017 \$m	2016 \$m	Change
OCTG and Premium Connections	254.3	189.6	+34%
Perforating Systems	305.6	143.0	+114%
Subsea	20.6	21.5	-4%
Intervention Tools	34.3	24.5	+40%
Drilling Tools	25.8	10.9	+137%
Advanced Manufacturing	59.8	45.2	+32%
Other	19.2	18.1	+6%
Exploration and Production	3.3	3.0	+10%
	722.9	455.8	+59%

Amortisation & Exceptional Items

Cape Town trading losses halted through facility closure



	2017 \$m	2016 \$m
Amortisation of acquired intangible assets	29.1	33.2
Restructuring costs	2.4	12.2
Plant, property and equipment impairment	7.6	-
UK Pension Scheme closure	-	3.1
Bank facility fees written off	-	2.5
Continuing operations	39.1	51.0

Balance Sheet

Solid platform with strong liquidity

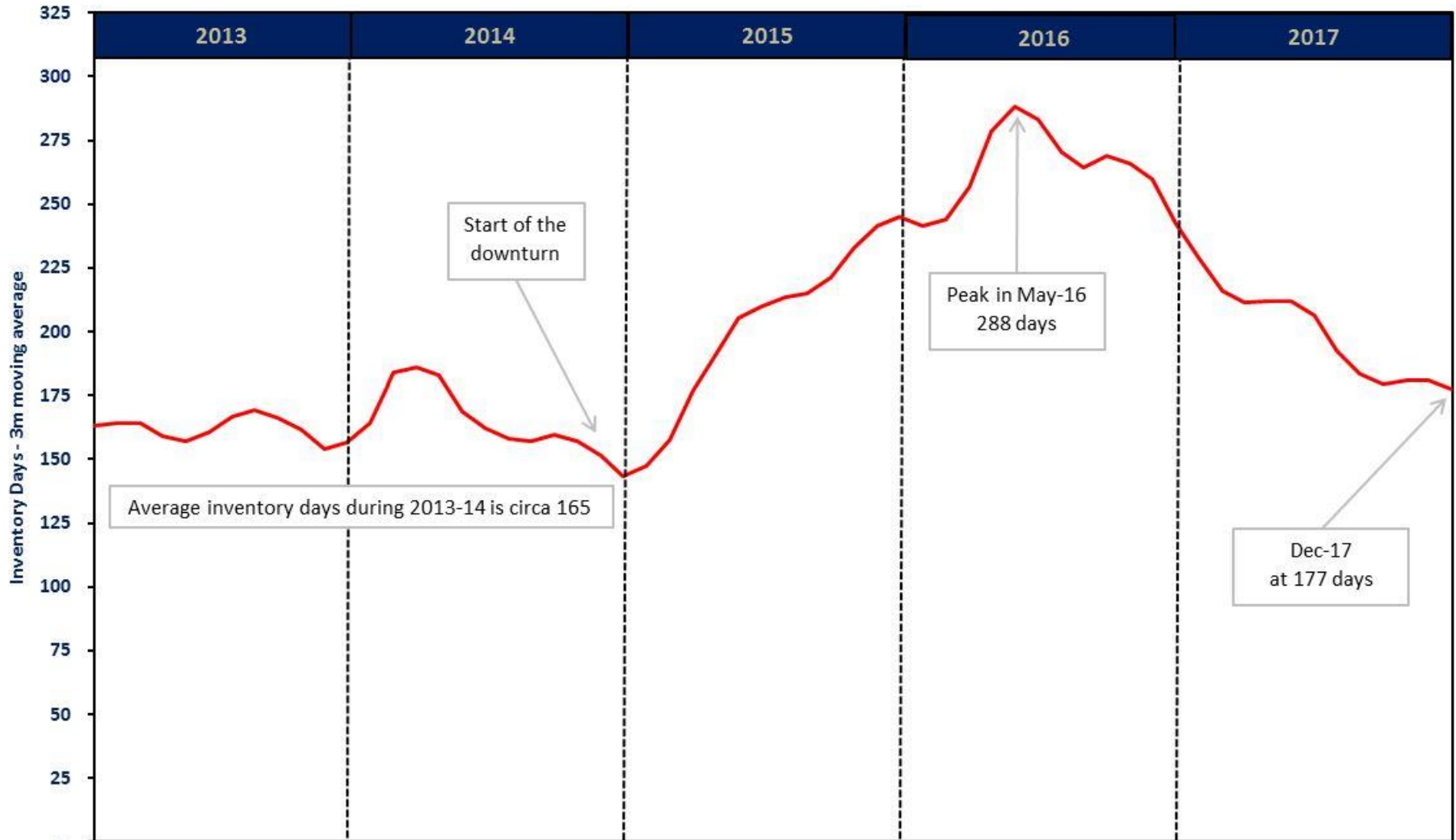


	2017 \$m	2016 \$m
Property, plant and equipment	383.3	419.0
Goodwill	230.3	229.8
Other intangible assets	125.4	150.7
Working capital¹	342.4	300.2
Taxation	(6.0)	(3.4)
Provisions	(18.0)	(15.7)
Other	22.7	38.7
Net cash (debt)	30.4	(1.9)
Net assets	1,110.5	1,117.4

¹ Working capital is a non-GAAP measure that is defined in the "Non-GAAP measures" section of the 2017 Annual Report.

Inventory

Restoring working capital efficiency



Cash Flow

Managed cash flows with in-line working capital increase



	2017 \$m	2016 \$m
Underlying EBITDA	55.4	(48.9)
Add: share-based payments	11.9	8.2
	67.3	(40.7)
Working capital	(39.3)	58.4
Interest and bank fees	(2.4)	(4.6)
Net tax receipts	6.5	31.3
Pension scheme refund	9.7	-
Replacement capital investment	(6.9)	(4.2)
Other	(0.5)	(3.6)
Free cash inflow	34.4	36.6
Expansion capital investment	(4.5)	(13.0)
Proceeds from disposal of businesses	1.8	8.6
Dividend to PLC equity holders	-	(5.9)
Equity placing	-	83.9
Other	0.6	(1.6)
Net cash inflow	32.3	108.6

- **Hunting Titan:**

- Increased demand for industry leading technology primarily US onshore
- Continued development of perforating systems to support growing demand
- Wellbore completion intensity increasing

- **US:**

- Unconventional oil and gas driving oilfield service demand
- Manpower and equipment challenges
- Weak offshore drilling but improving pricing environment

- **Canada:**

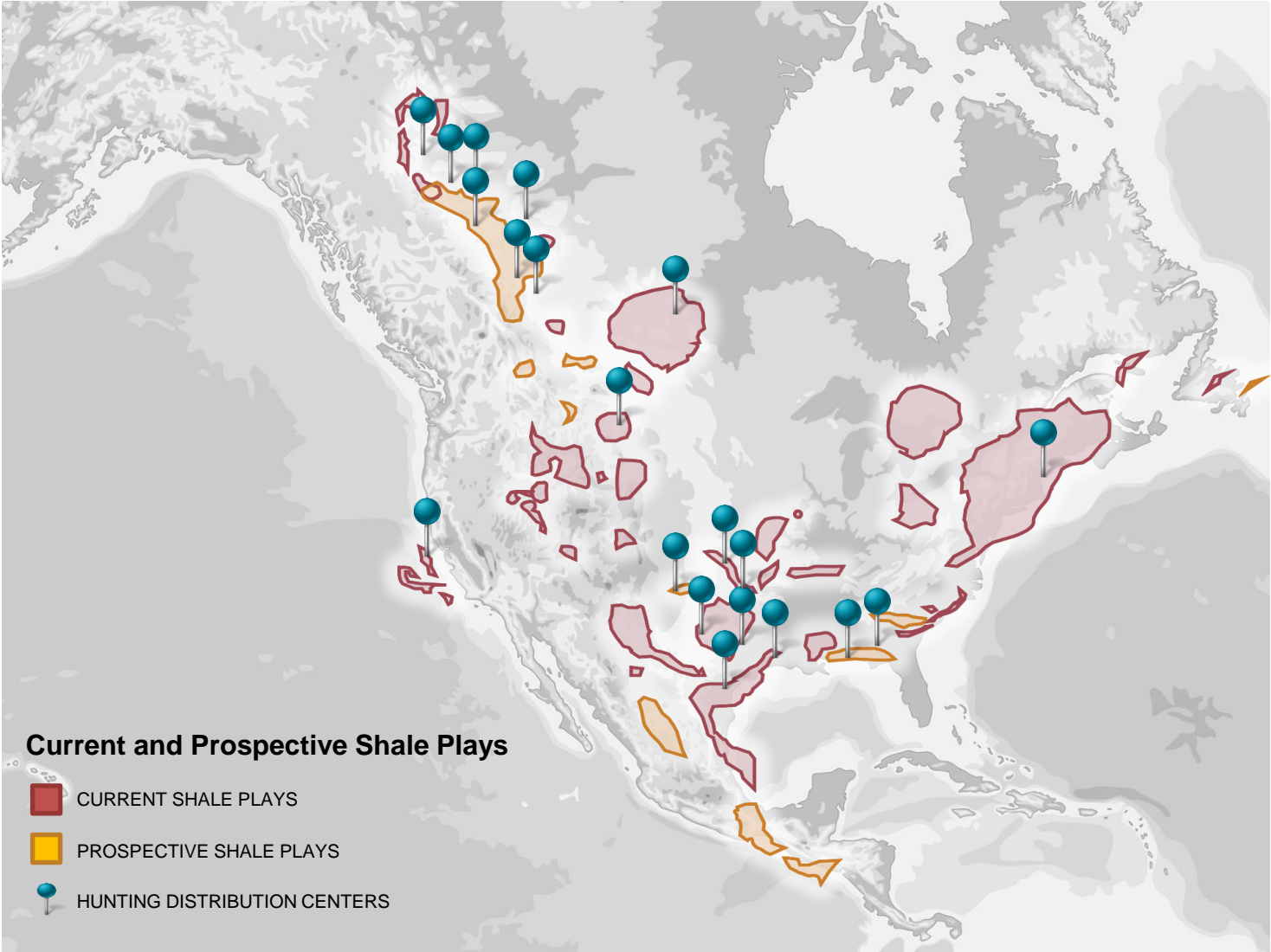
- Shale activity increasing in Western Canada
- Oil sand projects viable at today's price

- **Europe:**
 - Seeing improvement in North Sea FID's
 - Norwegian sector opportunities being pursued

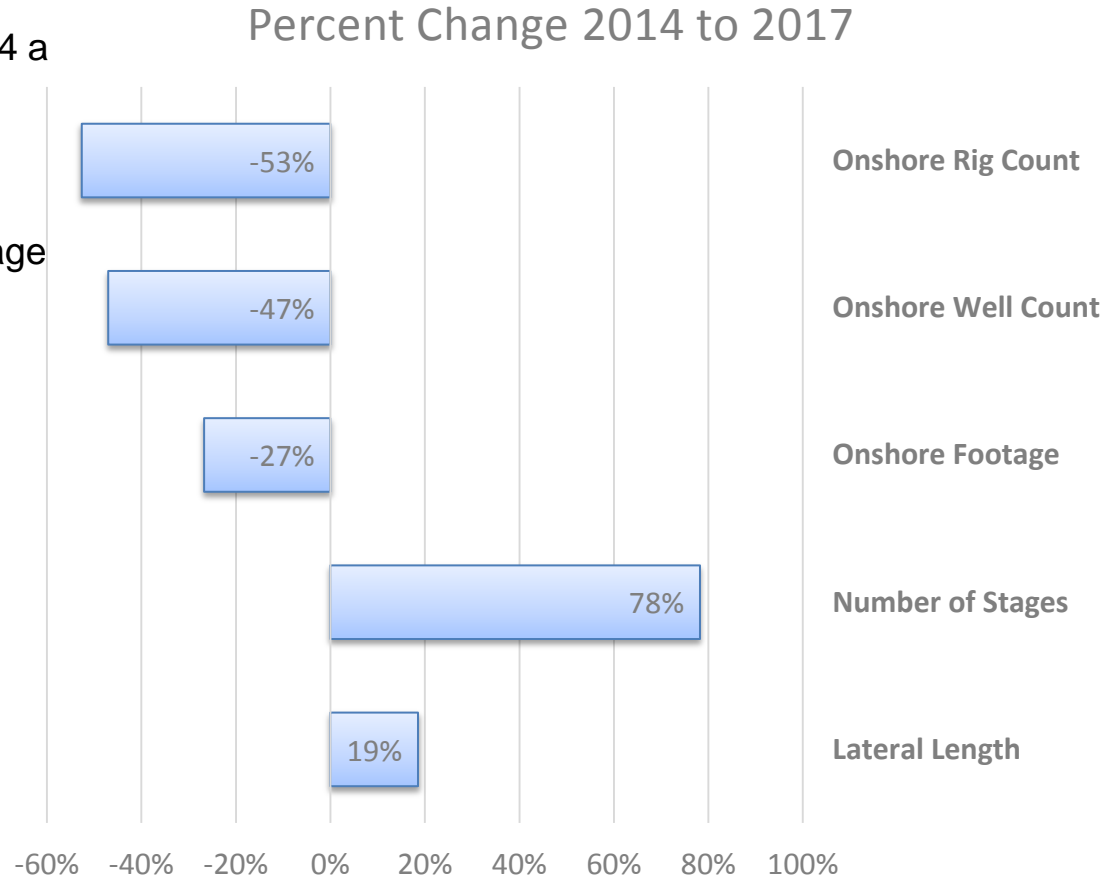
- **Asia Pacific:**
 - Improvement in OCTG activity
 - Increased sales of perforating systems

- **Middle East and North Africa:**
 - Saudi Arabia joint venture gaining OEM attention
 - Central Asia Well Intervention opportunities

Distribution Centres Strategically Located in North American Shale Plays

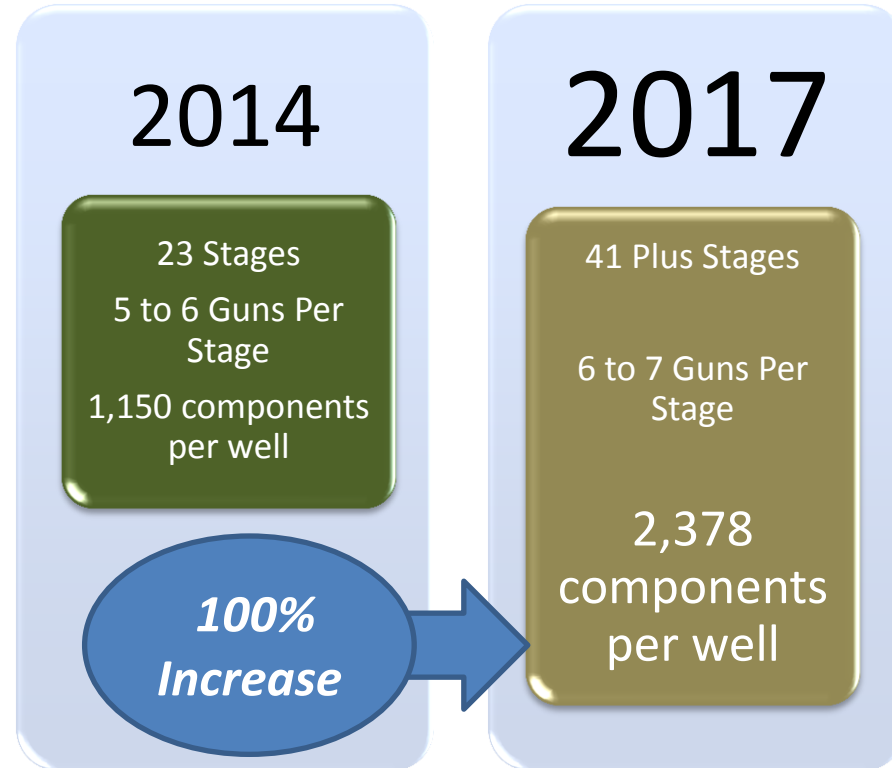


- Historically the rig count was the leading industry metric. Today, well count, number of stages and lateral length are also key metrics
- For our industry, we considered 2014 a peak year. Yet in some areas, 2017 was a peak year in the US onshore market
- While rig count, well count and footage drilled is down, the intensity of the completion designs significantly improved product demand
- For Hunting this increase in service intensity has been a strong driver of our improved results



Source: Spears, IHS/EIA, E&P Magazine

- Hunting Titan had stronger unit sales in 2017 than in 2014 with 47% less wells in the US market
- With more stages per well and more concentration within each stage, component count per well increased over 100% since 2014



With each additional stage, there is a kit multiplying factor for wellbore product consumption

US Onshore: Perforating Systems

H-1 System Simplicity of Design



The H-1 System is the next generation in perforating technology

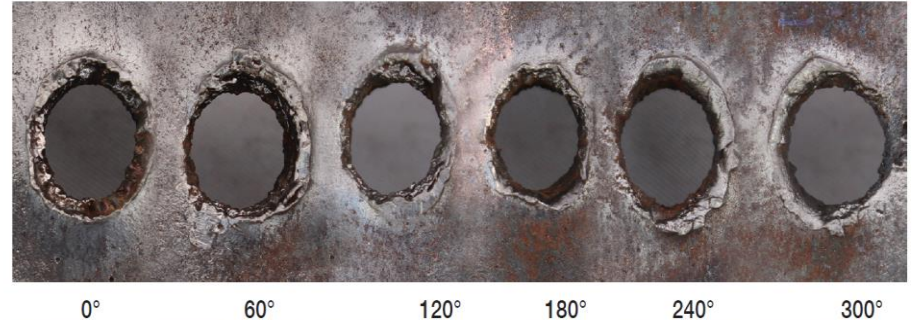


- As our customers use the H-1 system, many have specified it as their preferred system
- They like the combination of increased safety, reliability and simplistic design
- The H-1 lowers labour cost, reduces assembly error thus lowering the overall cost

Hunting developed the EQUAfrac™ charge in response to a complex industry problem

- When a charge is detonated in the wellbore, depending on it's position, it can create a different size hole in the formation
- This size variation creates added expense in the pressure pumping operation especially in longer laterals
- EQUAfrac™ delivers a uniform hole size in the wellbore allowing more consistent pressure pumping

EQUAfrac Charges



Conventional Charges

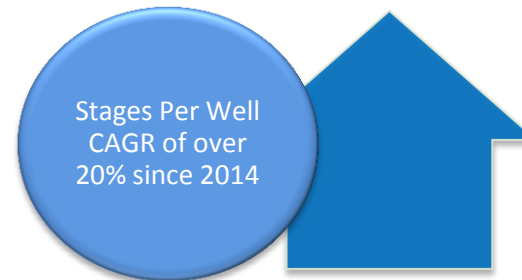
To reduce customers pumping cost, Hunting developed the EQUAfrac™ charge

- Testing a conventional charge, the holes sizes varied 35.7%
- With EQUAfrac™, hole consistency variance reduces to 5.3 %

US Onshore: Perforating Electronics



- Hunting Titan remains an industry-leading supplier of perforating system switches
- Industry Change – Shift from De-stocking to Re-stocking
 - Before, customers would buy just what they needed for short term requirements
 - Now, customers are internally re-stocking, securing up to a couple months of product
- Hunting has increased production volumes to meet this demand
- We expect demand increases to continue as well count and the number of stages grow

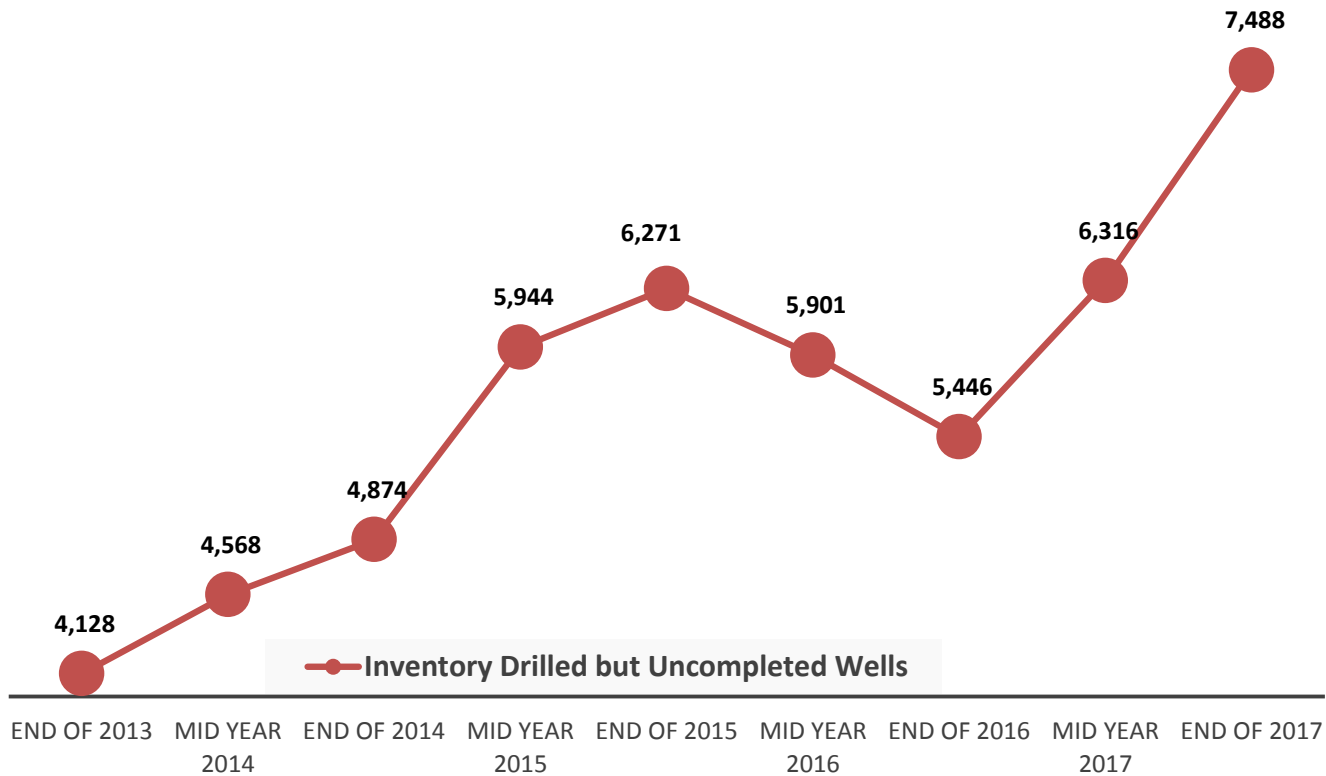


Source: Spears, EIA, E&P Magazine

Unfinished Business



Drilled But Uncompleted Wells, US Onshore



Completed DUC's will require equipment which includes the following Hunting products:

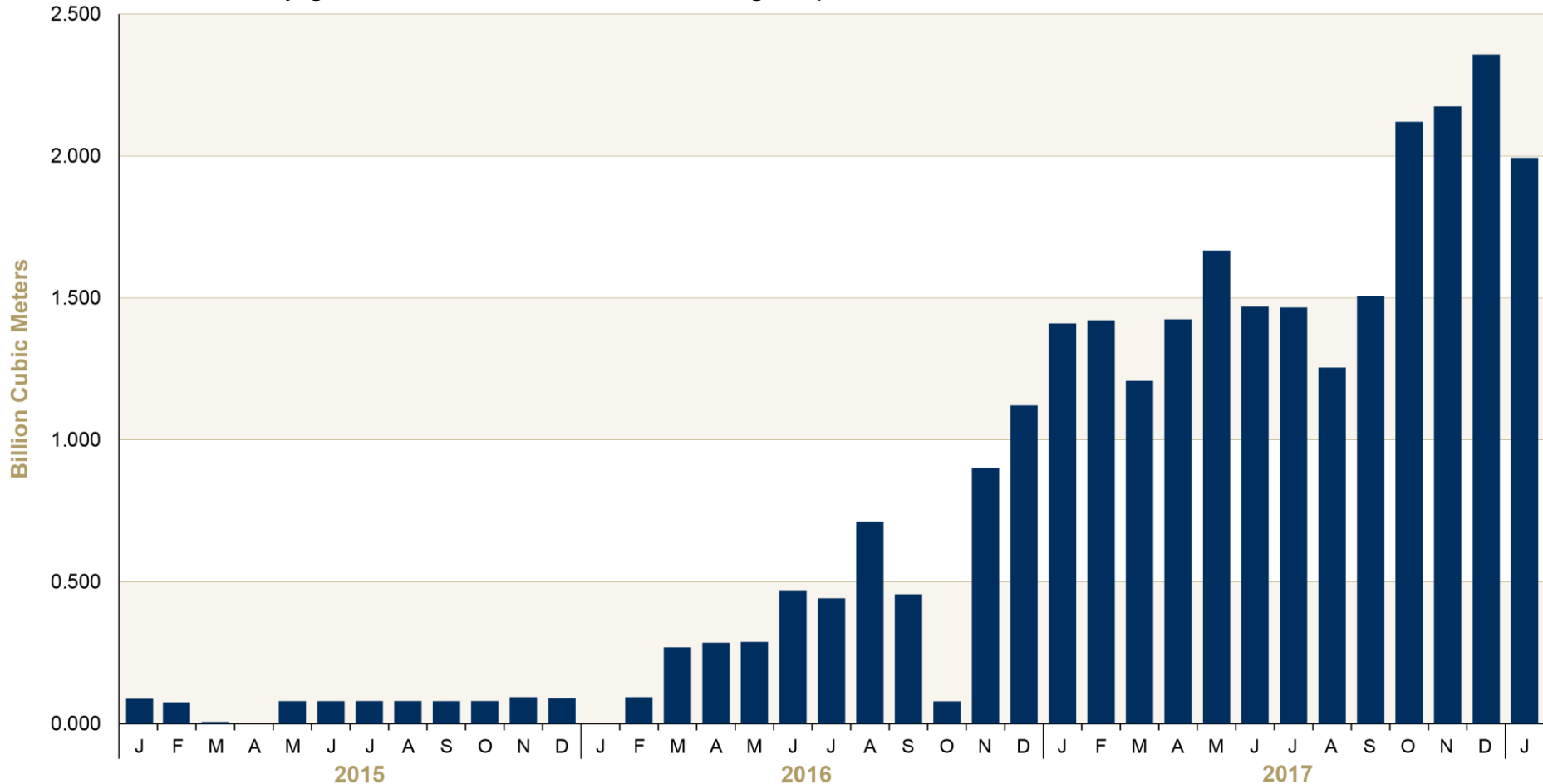
- Perforating Systems
- Completion Tubing
- Premium Connections
- Completion Accessories

Source: EIA

Natural Gas Consumption Growing US LNG Exports



US natural gas production in 2018 is expected to hit historic levels. Part of the reasoning for this increase is environmentally grounded in countries addressing air pollution

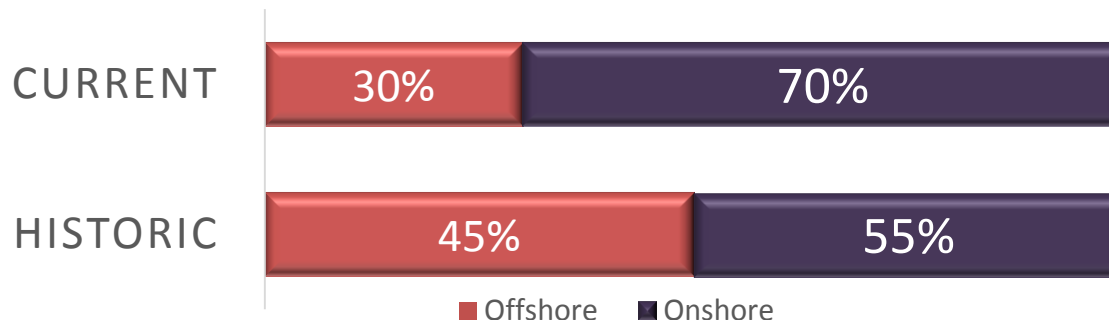


Source: Gibson Shipbrokers

Manufacturing Mix and Opportunity



- Historically, Hunting's product mix has been equally divided between the onshore and offshore markets
- Today, with the resurgence of the US onshore market, the balance has shifted toward the onshore market
- While offshore spending has reduced over the last three years, 30% of the world's oil supply comes from offshore wells
- As commodity prices rise to favourable economic levels, there are green shoots in offshore activity
 - Based on the stability seen in US onshore and the resumption of offshore spending, we see the opportunity to increase revenue in the offshore market, without detracting from US onshore momentum
 - AMG business is growing as destocking cycle comes to an end



Operating Leverage

We can simultaneously accommodate the return of offshore activity and onshore growth

Source: Spears, EIA, E&P Magazine

- Although there has not been substantial new investment in offshore drilling, we are seeing large discoveries that were seeded several years ago:
 - Shell and Chevron in the Gulf of Mexico
 - BP in the North Sea
 - ExxonMobil in Guyana
- As the oil markets start balancing and the commodity price stabilises, economics are beginning to make sense for offshore investment as oil prices exceed \$60 per barrel
- While US onshore unconventional shale production is expected to increase, it only produces 5% of the world's oil production. Shale alone cannot fill the void, other sources including offshore exploration will have to fill the gap



Source: World Oil, Chevron, CNCB, ExxonMobil, Seeking Alpha, Peak-Oil.com, EIA

- **AMG:**
 - As the destocking cycle comes to an end we are seeing significant orders for high-end technology tools
- **Pressure Control:**
 - The onshore activities have generated increased demand for pressure control units and supporting hardware
- **Connection Technology:**
 - Introduction of the TEC-LOCK semi-premium connection line specifically designed for unconventional shale
- **Drilling Tools:**
 - Demand increasing in Permian and Marcellus shale regions
 - New mud lube bearing sections significantly lowering our maintenance costs

Strategic Capital Disciplines

Agility

Capitalise on our prior investment
High return projects in growing markets

Move decisively
Add production capacity quickly in growing markets
Enhance our market position with few financial constraints

Continually review our positions globally
Closing the Cape Town, South Africa and Lafayette, LA Facilities

Strategic Capital Disciplines - continued



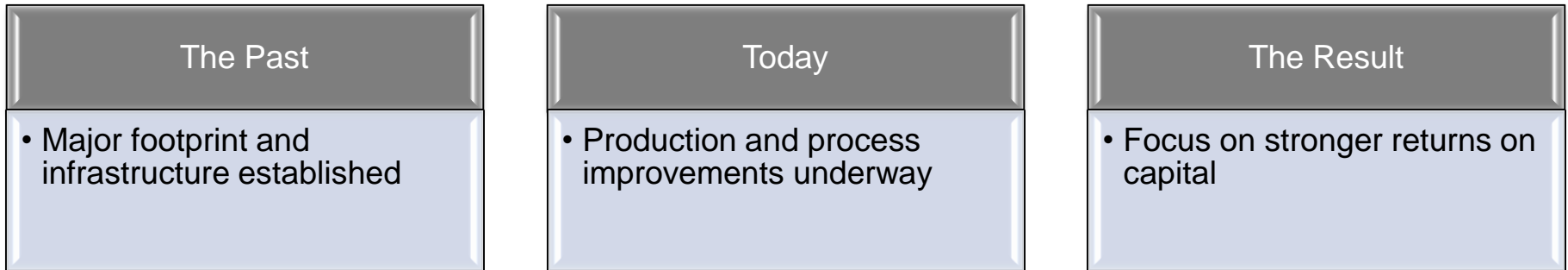
Driven by a +\$90 oil price, Hunting invested in expanding its geographic footprint

We are currently capitalising on the past investment in additional roofline and new manufacturing technologies

Going forward we will continue to invest in flexible, advanced, highly efficient and automated production capacity

Capital investment focus on Hunting Titan for bolt on capabilities to enhance product offering, remove production bottlenecks and develop new technologies

The investments are specifically tied to customer needs and instituted quickly to capture that market and replenish the capital spend with free cash flow



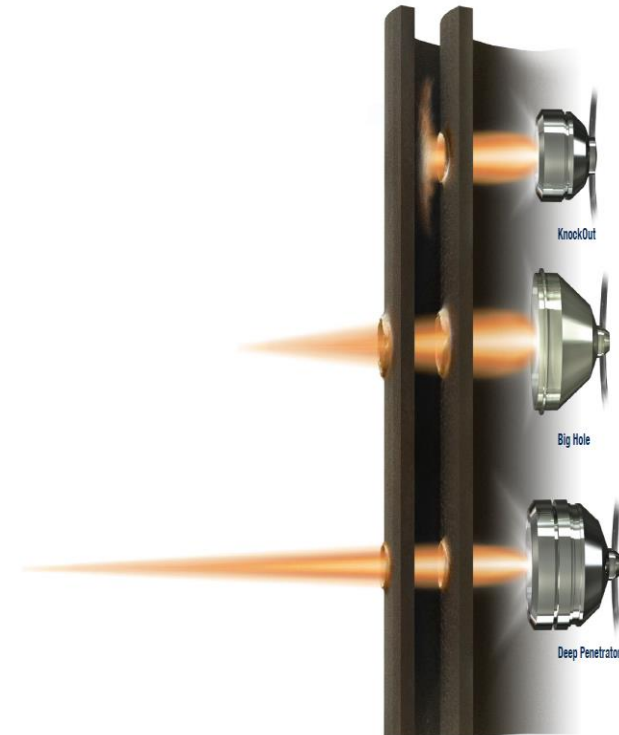
Capital Investment Highlights

Shaped Charge Production Expansion



Simple, bolt-on plant expansion and equipment modernisation yields tremendous return

- Our Milford, Texas facility is our key energetics plant. It is situated on approximately 550 acres approximately 50 miles south of Dallas, Texas
- This facility is our global hub for shaped charged manufacturing
- Designed with expansion in mind to service future growth
- Cost of \$12m over 2018 and 2019
- Operational Q3 2018, completed Q2 2019
- With this investment, we increase production capacity by 50% with about 20% more headcount



Investment Highlights



- Robust long-term fundamentals for oil and gas
- Strategic focus on the wellbore
- Strong proprietary technologies and diverse product range
- World class manufacturing facilities located close to our customers
- Proven track record of manufacturing excellence and reliability
- Experienced core management team
- Focused on efficiency, cost control and cash generation
- Strong reputation with our customer base for delivering quality

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