

RESPONDING TO AN IMPROVING MARKET ENVIRONMENT

RESULTS PRESENTATION
FOR THE SIX MONTHS ENDED
30 JUNE 2018



Hunting Ballistic Release Tool designed for long lateral wellbores typical of shale formations

Group Summary

Responding well to improving market environment



- Improving financial results supporting a recommencement of dividends
- Reputation for delivering quality / reliable products under the Hunting brand
- Strategically focused to deliver shareholder value
 - Profit margins returning to near 2014 levels
 - Return on capital employed improving
 - Discipline on cost control and balance sheet management maintained
- Continued focus on developing and extending product and technology portfolio
 - Additional premium and semi-premium connection thread forms
 - Variants to the H-1 perforating gun system
 - Power Charge product line
 - Ballistic Release downhole tool
- Global manufacturing footprint being put to good use with capacity available

Group Income Statement¹

US onshore completions market driving results and margins



	H1 2018 \$m	Margin %	H1 2017 \$m	Margin %	
Revenue	442.8		318.1		• <i>Hunting Titan driving growth</i>
Gross profit	137.3	31	70.8	22	• <i>Margins nearing 2014 levels</i>
EBITDA	72.6	16	11.9	4	
Profit (loss) from operations	53.5	12	(9.3)	(3)	
Finance expense	(0.9)		(1.1)		
Profit (loss) before tax	52.6		(10.9)		
Tax (charge) credit	(10.9)		0.1		• <i>US tax reform benefits</i>
Profit (loss) after tax	41.7		(10.8)		
Effective tax rate	21%		-		
Diluted EPS (loss)	25.0c		(6.8)c		
Interim dividend per share	4.0c		Nil		• <i>Dividend payable October 2018</i>
ROCE (rolling 12 months)	7%		(5)%		

¹ Results are before amortisation of acquired intangible assets and exceptional items.

Segmental Results¹

International and offshore markets remain challenging



	H1 2018		H1 2017	
	Revenue	Results from Operations	Revenue	Results from Operations
	\$m	\$m	\$m	\$m
Hunting Titan	216.7	57.3	133.4	19.1
US	145.8	7.1	96.1	(13.4)
Canada	21.7	(1.3)	15.8	(1.9)
Europe	45.0	(5.6)	47.2	(4.3)
Asia Pacific	51.2	(1.5)	29.4	(4.6)
Middle East, Africa and Other	12.6	(1.7)	7.3	(3.7)
Exploration and Production	1.5	(0.8)	2.0	(0.5)
Inter-segmental elimination	(51.7)	-	(13.1)	-
	442.8	53.5	318.1	(9.3)

¹ Results are before amortisation of acquired intangible assets and exceptional items.

Revenue by Product Grouping

Increased revenues with Perforating Systems out-performing



	H1 2018 \$m	H1 2017 \$m	Change
OCTG and Premium Connections	123.6	114.8	+8%
Perforating Systems	209.4	131.6	+59%
Subsea	13.4	9.6	+40%
Intervention Tools	22.3	14.5	+54%
Drilling Tools	13.1	10.2	+28%
Advanced Manufacturing	46.6	31.7	+47%
Other	12.9	3.7	+249%
Exploration and Production	1.5	2.0	-25%
	442.8	318.1	+39%

Amortisation & Exceptional Items

Closure of African operations



	H1 2018 \$m	H1 2017 \$m
Amortisation of acquired intangible assets	14.6	14.6
Closure of African operations		
- Release of excess provision on Cape Town closure	(2.0)	-
- Provision for closure of Kenyan operations	2.0	-
	14.6	14.6

Group Balance Sheet

Strength of balance sheet maintained



	June 2018 \$m	December 2017 \$m
Property, plant and equipment	365.3	383.3
Goodwill and intangible assets	341.1	355.7
Working capital	410.0	344.9
Taxation	(12.3)	(6.0)
Provisions	(17.0)	(18.0)
Other	20.4	21.8
Net cash	39.0	30.4
Net assets	1,146.5	1,112.1

- *Modest capital spend levels*
- *80% of Goodwill and intangible assets is Hunting Titan related*
- *Activity levels driving working capital growth*

- *Includes pension surplus*

Working Capital

Increase in line with higher activity



	June 2018 \$m	December 2017 \$m
Inventories		
- Raw materials	96.7	92.2
- Work-in-progress	72.3	44.7
- Finished goods	153.4	144.1
	322.4	281.0
Receivables	217.6	185.5
Payables	(130.0)	(121.6)
Total	410.0	344.9

Capital Investment

Investment focused on adding production capacity



	H1 2018 \$m
Hunting Titan – capacity increase projects	3.1
US – Drilling Tools – mud motor fleet	2.8
US – Dearborn – plant and machinery	1.2
Other plant and machinery	4.3
	11.4

Group Cash Flow

Working capital pressures being managed



	H1 2018 \$m	H1 2017 \$m	
EBITDA	72.6	11.9	• <i>Strong growth</i>
Add: share-based payments	7.1	7.1	
	<hr/> 79.7	<hr/> 19.0	
Working capital	(66.2)	(31.8)	• <i>Inventory and receivables</i>
Finance charges	(0.4)	(1.6)	
Tax paid	(1.4)	(0.1)	
Capital investment	(11.4)	(4.5)	• <i>Hunting Titan capacity</i>
Purchase of intangible assets	(1.7)	(1.7)	
Pension scheme refund	-	9.7	
Proceeds from sale of assets	10.9	3.3	• <i>Sale of Cape Town facility</i>
Other	(0.9)	3.9	
Net cash flow	<hr/> 8.6	<hr/> (3.8)	

US Onshore Fundamentals in the Permian

- \$2 out of every \$10 spent globally on oilfield services and equipment is spent in the Permian, a 50% increase over the 2014 peak
- Every well drilled has to be perforated and completed to enable production and cash generation
- Over 3,300 Drilled but Uncompleted (DUC) wells out of 7,868 in the US were in the Permian as of June 2018
- Combination of the need to maintain production and the DUC backlog creates a long-term opportunity in the Permian
- With much of the focus being on production growth, well decline rates are underestimated:
 - For every 4 completion operations, 3 are required just to maintain oil production due to decline rates
 - Only 1 of the 4 completions is adding to incremental oil production

Several Hunting product lines sold into the Permian

Longer laterals with higher levels of concentration

Permian Distribution Points

DUCs increased 34% since end of 2017, underpins backlog

Source: Bloomberg, Spears, EIA, E&P Hart Energy

US Onshore Outside of the Permian and It's Not Just Oil



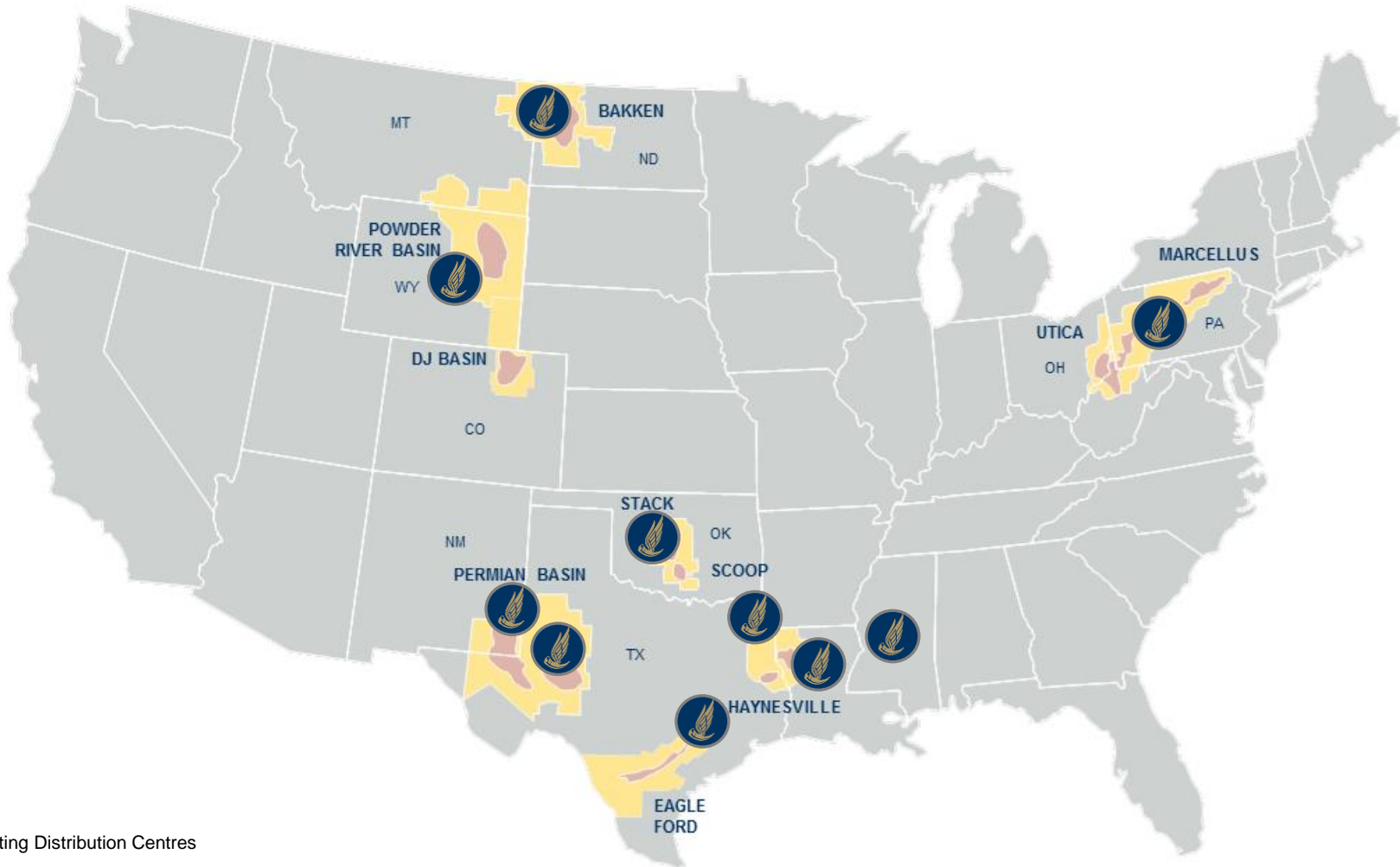
- Much industry talk regarding the lack of pipeline capacity within the Permian. As resources get constrained in one area, operators move to where the economics and logistics are more favourable
- Seeing increases in activity levels across most Non-Permian basins
- Looking outside of the Permian, in the first six months of 2018 natural gas production has increased 14% above 2017 and oil is up 13%
- The Non-Permian basins represent a large market opportunity for Hunting


	Half Year 2018 Versus 2017 Annual Average		
Basin	Rig Count % Increase	Oil Production % Change	Natural Gas Production % Change
Anadarko	9%	18%	12%
Appalachia	10%	7%	14%
Bakken	15%	11%	17%
Eagle Ford	5%	11%	5%
Haynesville	26%	-1%	23%
Niobrara	11%	21%	10%
Non Permian Total	11%	13%	14%
Permian	26%	25%	17%

Source: EIA

US Onshore Outside of the Permian - continued

- Hunting has a network of 21 regional distribution centres – with representation in all of the major basins



 Hunting Distribution Centres

Source: RBC Capital Markets

Focusing Capital on US Onshore Completions



- Driven by US onshore activity, Hunting Titan sales have increased over 60% since the first half of 2017
- To support Hunting Titan, \$18.4m of capital expansion projects have been sanctioned
 - Increase and automate Shaped Charge production at Milford, \$11.9m
 - Increase and automate Perforating Gun production at Pampa, \$3.6m
 - Hunting Titan Power Charge product line, \$2.9m

Conventional
Perforating Gun
Production

Increases production
capacity by over 15%

H-1 Perforating Gun
Production

Increases production
capacity by over 30%

Shaped Charge
Production

Increases production
capacity by over 30%

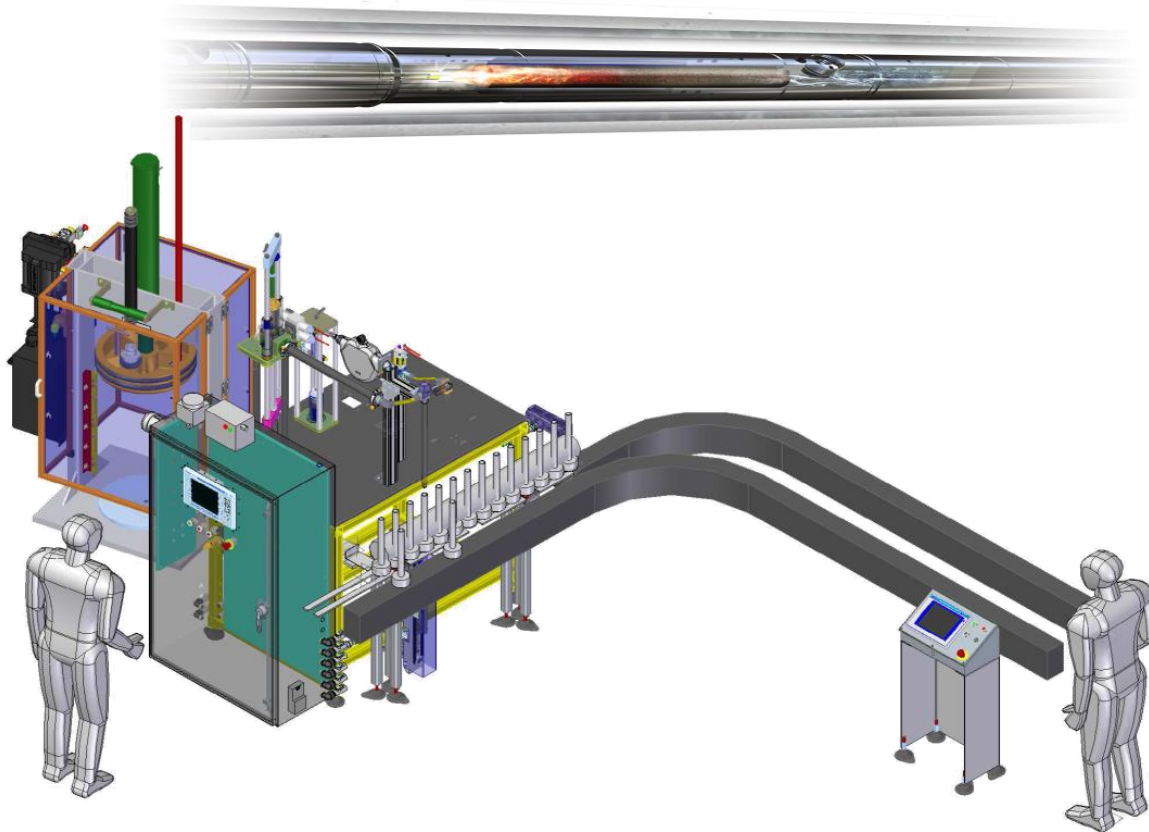
New Hunting Titan
Power Charge Line

In-house production
with the capacity to
manufacture over
300,000 units per
annum

Onshore Completion Capital Investment Power Charge Facility



- Capital investment of \$2.9m to construct a highly automated power charge manufacturing line with our own patented design replacing charges currently supplied by outside vendors
- The investment will generate an incremental annual EBIT of \$3.0m, based on current demand continuing



Explosive device which activates a frac plug for isolating zones during the perforating process within the wellbore

Early Indicators that Offshore Markets are Returning



- Offshore markets are seeing an increase in rig utilisation rates: Jack-up rigs are over 66% and Floating rigs are at 68%
- Current tailwinds in offshore investment should lead to 100 new global FIDs at \$100bn in 2018
- Positive reports of increased enquiry levels for projects in 2019 and beyond

Source: Wood Mackenzie, Oil Price / Rystad Energy, Business Wire / Ensco PLC

Regional highlights: North America

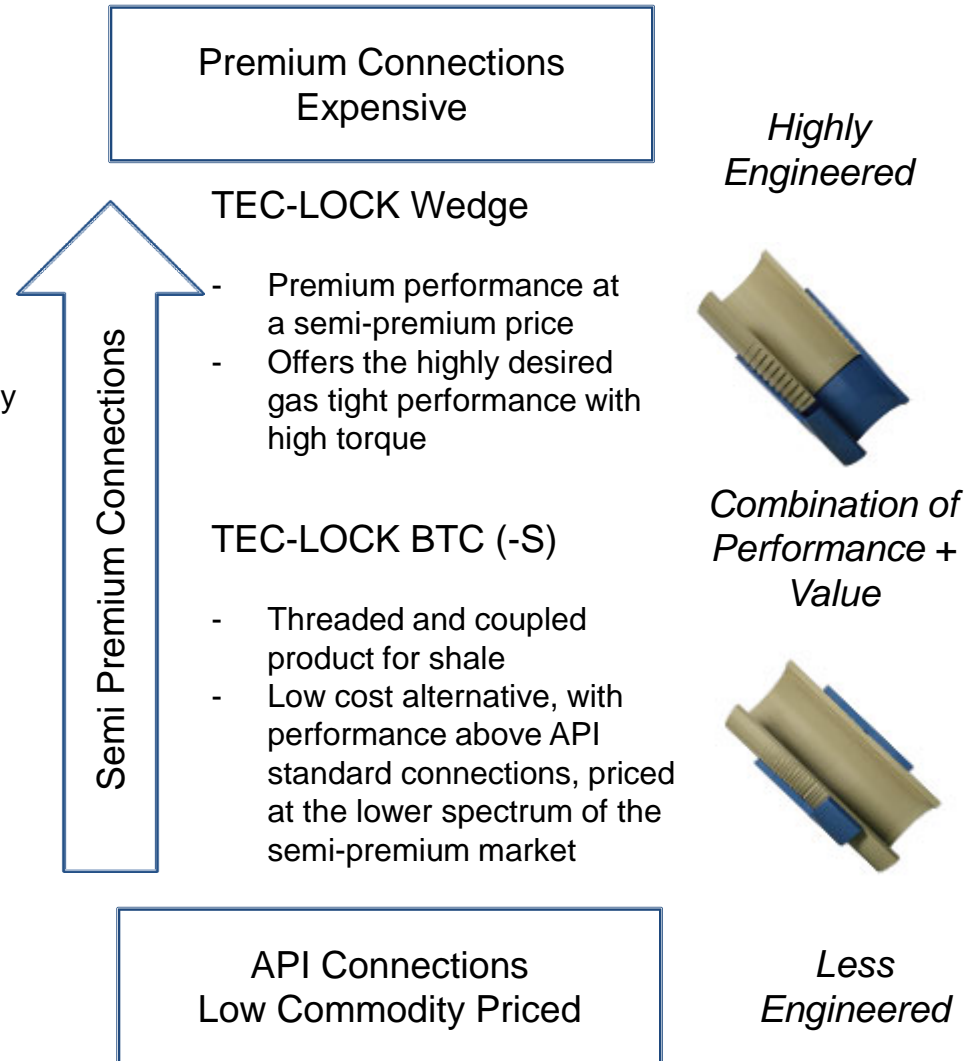


- US:
 - Generated profit from operations in the period
 - Doubled sales of Pressure Control Equipment
 - Significant increase in AMG orders
 - Introduced the TEC-LOCK™ semi-premium connection with positive market acceptance
 - Positive reception of the US Drilling Tools ENDURANCE-ML™ version of the mud lube motor

- Canada:
 - Introduction of Hunting's High Temperature Compound for OCTG connections
 - Expansion of Pressure Control market

US Onshore Shale Connection Development TEC-LOCK™

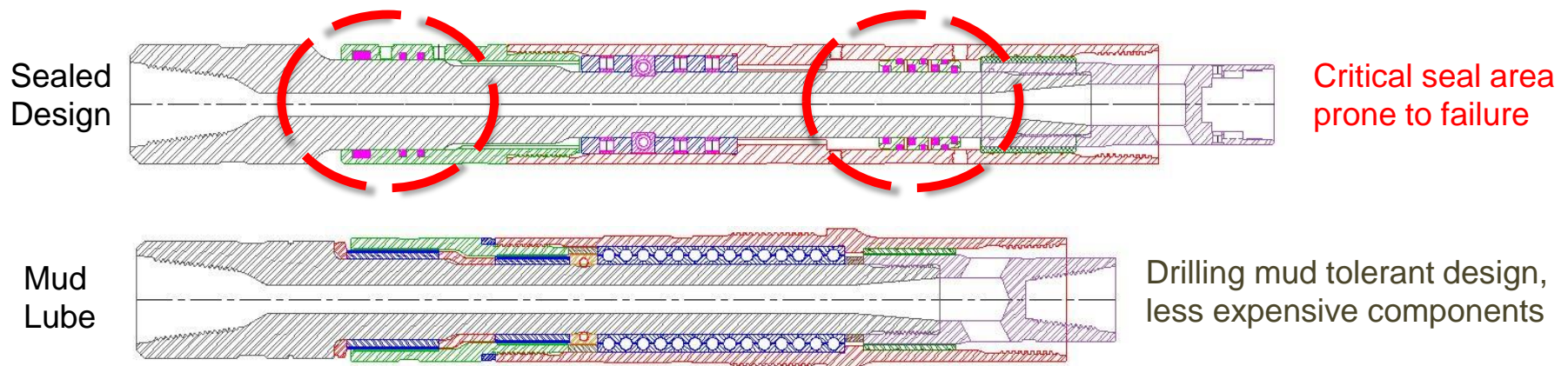
- Hunting TEC-LOCK™ connection was designed for the growing US onshore market for semi-premium type connections
 - Most US onshore wells traditionally use low cost, low tech commodity API connections
 - Market dominated by the mills who offer the connection free of charge as an incentive to buy steel
- As shale wells became highly deviated, this created a demand for higher technology connections
 - TEC-LOCK™ connections compete in this market
 - Offers performance, balanced with the economics required for the shale market



US Drilling Tools ENDURANCE-ML™ (Mud Lube)



- Mud motor performance continues to evolve
- Conventional designs relied on a sealed bearing configuration:
 - Prone to seal failure and foreign material entering the tool resulting in performance decline
- Hunting engineered the ENDURANCE-ML™ mud lube motor:
 - Increases reliability and decreases downtime
 - Dramatically reduces maintenance costs
 - Performance exceeding 12,983 hours on 288 runs without mud lube bearing section failure
 - Eliminates the need for new seals after every run
 - Can typically drill a complete lateral, be redressed and back in the field in 3 days



Regional highlights: Europe, Asia Pacific, MENA



- Europe:
 - Increase in North Sea activity
 - Introduction of TEK-HUB™ technology collaboration platform fostering new innovative technology companies offering manufacturing facilities and marketing expertise
 - Successful products to date are:
 - Grip-Guard – non marking dies
 - Organic Enhanced Oil Recovery – technology to extend oil reservoir production
 - Ezi-Shear Seal Valve
- Asia Pacific:
 - Continued growth of perforating system markets throughout the region
 - Improving OCTG business environment
- MENA:
 - Growth in Saudi Arabian joint venture
 - Expansion of Pressure Control Equipment and Thru-Tubing products
 - Closure of Cape Town and Kenya manufacturing facilities, retaining a sales presence to service the market

Summary of Investment Case



- Robust financial footing
- Broad technology based product portfolio focused on the oil and gas industry
- Modern, well-equipped and geographically well-positioned facilities within global energy markets
- Financial strength for bolt on technology-focused acquisitions
- Experienced and focused management team to take the Group forward
- Excellent HS&E standards maintained
- Established reputation for quality branded products and services