DELIVERING STRONG RESULTS IN CHALLENGING MARKETS

HUNTING

RESULTS PRESENTATION
FOR THE SIX MONTHS ENDED 30 JUNE 2019
www.huntingplc.com

Group Summary

Delivering strong results in challenging markets

- Strong set of results and cashflows particularly from US and international operations.
  - Group profit margins remain strong despite competitive pressures.
  - Cost controls and balance sheet management proven.
  - Canada restructuring / headcount reduction.
  - Working capital managed with inventory down $11.6m in the period.
- Slippage in margins at Hunting Titan compensated for by improved results from rest of Group.
- Focus remains on quality, reliability and reputation.
- Developing and extending product and technology portfolio.
  - Adding to the range of premium and semi-premium connection thread forms – SEAL-LOCK™, WEDGE-LOCK™ and TEC-LOCK™.
  - H-1 perforating system now complemented by the H-2 perforating system and ESUB connection.
  - Power Charge product line operational.
  - Acquisition of RTI Energy Systems business broadens offshore product offering.
- Flexibility of Global Manufacturing footprint.
- IFRS 16 - Leases adopted from 1 January 2019.

Group Income Statement[1]

Good result in challenging and competitive global markets

	H1 2019 $m	*Margin %*	H1 2018 $m	*Margin %*
Revenue	**508.9**		442.8	
Gross profit	**145.6**	***29***	137.3	*31*
EBITDA	**77.4**	***15***	72.6	*16*
Profit from operations	**55.6**	***11***	53.5	*12*
Net finance expense	**(1.0)**		(0.9)	
Profit before tax	**54.6**		52.6	
Tax charge	**(13.3)**		(10.9)	
Profit after tax	**41.3**		41.7	
Effective tax rate	**24%**		21%	
Diluted EPS	**23.6c**		25.0c	
Interim dividend per share	**5.0c**		4.0c	

- ***Hunting Titan decline, more than compensated by rest of Group***
- ***Competitive pressures***
- ***Benefits from IFRS 16***
- ***US tax rate influence***
- ***Dividend payable October 2019***

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

Segmental Results[1]

Hunting Titan slippage compensated for by rest of Group

	H1 2019		H1 2018	
	Revenue	**Results from Operations**	Revenue	Results from Operations
	$m	**$m**	$m	$m
Hunting Titan	**206.1**	**42.2**	216.7	59.2
US	**181.1**	**12.9**	147.3	3.2
Canada	**19.5**	**(3.0)**	21.7	(1.1)
EMEA	**67.0**	**0.2**	56.1	(6.8)
Asia Pacific	**75.1**	**3.3**	51.2	(1.0)
Inter-segment elimination	**(39.9)**	**–**	(50.2)	–
	508.9	**55.6**	442.8	53.5

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

Revenue by Product Grouping

Perforating systems stable with most other product lines reporting growth

	H1 2019 $m	H1 2018 $m	*Change*
OCTG and Premium Connections	**181.7**	123.6	*+47%*
Perforating Systems	**199.4**	209.4	*-5%*
Subsea	**18.9**	13.4	*+41%*
Intervention Tools	**24.9**	22.3	*+12%*
Drilling Tools	**11.3**	13.1	*-14%*
Advanced Manufacturing	**59.4**	46.6	*+27%*
Other	**13.3**	14.4	*-8%*
	508.9	442.8	*+15%*

Amortisation & Exceptional Items

	H1 2019 $m	H1 2018 $m
Amortisation of acquired intangible assets	**14.5**	14.6
Closure of African operations		
- Release of excess provision on Cape Town closure	**–**	(2.0)
- Provision for closure of Kenyan operations	**–**	2.0
	14.5	14.6

Group Balance Sheet

New leasing standard adopted with effect from 1 January 2019

	June 2019 $m	December 2018 $m
Property, plant and equipment	**362.0**	360.2
Right of use assets	**39.6**	–
Goodwill and intangible assets	**315.9**	329.7
Working capital	**459.3**	436.5
Taxation	**9.4**	13.7
Provisions	**(8.2)**	(14.2)
Other net assets	**2.9**	3.9
Net cash – as previously defined	**80.5**	61.3
Lease liabilities	**(47.1)**	–
Net cash	**33.4**	61.3
Net Assets	**1,214.3**	1,191.1

- ***Capital investment remains modest***
- ***Approximately 70 leases capitalised***
- ***80% is Hunting Titan related***
- ***Working capital closely monitored***
- ***Property provision adjusted under IFRS 16***

Working Capital

Modest reduction in inventory levels

	June 2019 $m	December 2018 $m
Inventories		
- Hunting Titan	**117.2**	140.0
- US	**124.4**	110.4
- Other segments	**95.0**	97.8
	336.6	348.2
Receivables	**264.1**	231.1
Payables	**(141.4)**	(142.8)
Total	**459.3**	436.5
Inventory days	***160***	*185*
Receivable days	***78***	*78*

Capital Investment

Focus on automation and removing capacity constraints

	H1 2019 $m
Hunting Titan – capacity / automation projects	1.7
– new product manufacturing lines	5.7
– other	1.9
US – Drilling Tools – mud motor fleet	3.6
Corporate – IT infrastructure	2.6
Other plant and machinery	4.8
	20.3

Group Cash Flow

Strong cash generation

	H1 2019 $m	H1 2018 $m	
EBITDA	**77.4**	72.6	• ***Strong growth***
Add: share based payments	**6.6**	7.1	
	84.0	79.7	
Working capital movements	**(21.3)**	(66.2)	• ***Payables and receivables***
Finance charges and net tax paid	**(3.7)**	(1.8)	• ***Tax losses continue to shelter***
Proceeds from disposal of assets	**4.7**	10.9	
Other	**(3.7)**	(0.5)	
Free cash flow	**60.0**	22.1	
Capital and intangible asset investments	**(22.5)**	(13.1)	
Dividends paid to equity shareholders	**(8.3)**	–	• ***2018 – 5.0c final dividend***
Purchase of ordinary shares	**(4.2)**	–	• ***Share award programme***
Share capital issued	**0.6**	0.3	
Net cash flow	**25.6**	9.3	
Initial recognition of lease liabilities	**(49.0)**	–	• ***IFRS 16 Leases***
New lease financing and interest	**(3.8)**	–	
Foreign exchange	**(0.7)**	(0.7)	
Movement in net cash	**(27.9)**	8.6	

A Balanced Portfolio

HUNTING

Operations

Global Footprint
North America, Europe
Asia Pacific

Strong Asset Base
Modern fleet of equipment, flexible to manufacture across product lines

Strategic investments to address capacity constraints

Markets & Products

All Phases Of The Well Life Cycle
Construction
Completion
Intervention

All Environments
Onshore
Offshore, including Deepwater

All Applications
Conventional
Unconventional

Continuing product innovation

Core Values

Customer focused

Culture of Quality

Social and Environmental Responsibility

Management longevity

Financial Discipline

Operational Overview: North America

- Acquisition of business and assets of RTI Energy Systems Inc. (RTIES)
- All US businesses contributing
- Continued growth in connection technology sales in both onshore and offshore markets
- Challenging market for Canadian operations
  - Government interference with production limits
  - Pipeline constraints
  - Inclement weather conditions

US Manufacturing

- Offshore business recovering
- Growth in Well Intervention business

AMG

- Order book c.$70m as at 28 August 2019
- Receiving "Next Generation" Downhole tool business
- Increase in Non-Oil and Gas business

Hunting Titan

- Introduction of the ESUB which makes our conventional guns Plug and Perf capable
- Introduction of the H-2 perforating system

North America

Acquisition of RTIES Assets

- Cash consideration paid $12.5m, net asset value $13m
- Single site facility in Houston, Texas with 87,000 square feet of covered floor space, currently having 21 employees
- Anticipated that key members of senior management and engineering teams will continue with Hunting
- Historically focused on the Gulf of Mexico with its products being used in deep and ultra-deep water projects
- Many of RTIES's products installed in the Gulf of Mexico in the early 2000's are still in use and functioning optimally

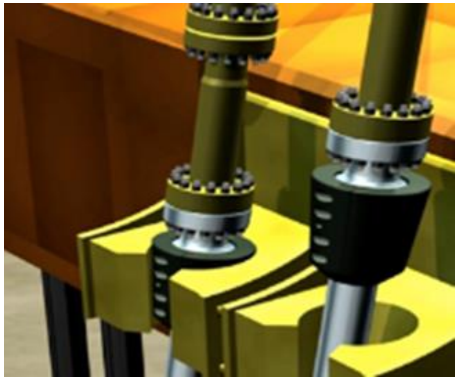
- Hunting purchased the IP, including patents, relating to the use of titanium in offshore products
- Key Product Lines
  - Titanium Stress Joints (TSJ's)
  - Titanium to Steel High Fatigue Flanges
  - Top Tensioned Riser Components
  - Steel Stress Joints and Risers
  - Subsea and other precision machining applications
- In the peak offshore years of 2013 and 2014 the operation generated revenue of $85m and $49m respectively

North America
Products Acquired from RTIES

As offshore exploration continues to shift to deep and ultra deep water the use of Titanium Stress Joints (TSJs) versus flexible joints is gaining traction with FPSO programmes (floating production storage and offloading).

- Over 60 FPSO projects throughout the Gulf of Mexico, Brazil and Africa could potentially require a system having superior capabilities over flexible joints
- Titanium Stress Joints (TSJs)
  - The advantages of using a TSJ are that a much smaller, lighter product needs to be installed, lowering the overall cost to the customer. TSJs have a long service lifespan of 20 plus years and have superior resistance to harsh wellbore environments
- Steel Stress Joints and Risers
  - In addition to TSJs, we also offer the customer a full array of steel stress joints and riser systems according to their preference and project economics

Titanium is: 76% Shorter, 63% Thinner, 79% More Flexible and Weighs 95% less than Steel Alternatives



Although the production lead time can be over five years for an offshore project, the riser systems must be engineered early in the process and have a 24 month lead time. Many of the projects that would require our products are approaching Final Investment Decision (FID) windows

Operational Overview: International

- Strategic Alliance with Jindal SAW, India
- Growth in OCTG activities in Asia Pacific and China
- Growth in North Sea OCTG and Well Intervention activities
- Exclusive distribution agreement with Xi'an Well-sun Electronics Technology PLC (Well-sun) in China to distribute cased-hole solution products in all markets except the People's Republic of China
  - Enhances our portfolio of products and provides our customers with additional technology through our distribution network

Asia Pacific

- Increase in orders booked in China, Australia and MENA
- Enhancing Well Intervention activities in the region

EMEA

- Opening of new facility in Norway
- Restructure of EMEA operations

International

Strategic Alliance with Jindal SAW for India Market

- On 14 August 2019 Hunting formed a strategic partnership with Jindal SAW Ltd, leaders in pipe manufacturing, in New Delhi
- This alliance allows Jindal SAW to provide customers with Hunting's proprietary connection technology on OCTG production from their mills
- The agreement aligns Hunting and Jindal with the Indian government's "Make in India" initiative
- The agreement also provides an "in country content" solution for seamless OCTG and premium connections in sizes 2 3/8" to 16"

US Onshore
Market Outlook

- Well intensity levels remain high with stable lateral lengths and high stage counts
- The ratio of wells drilled to wells completed is shifting to almost a 1 to 1 ratio with DUC inventory in decline
- DUCs represent a backlog for Hunting due to our exposure to the US unconventional completions market
  - As at July 2019, the DUC inventory was 8,108

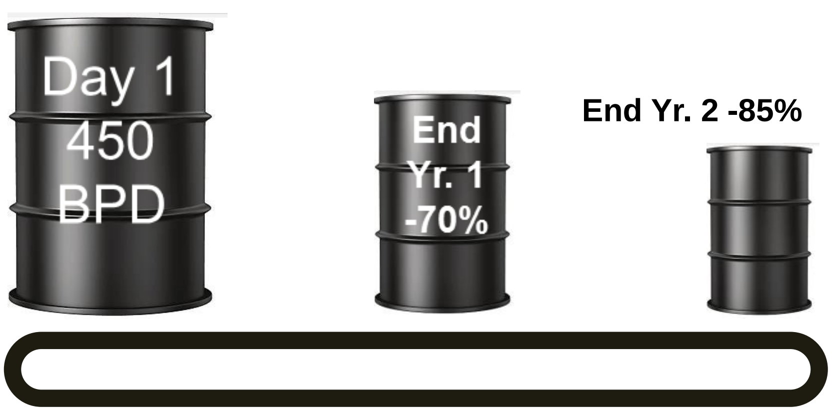
- Hunting continues to develop new, proprietary technologies in order to support more efficient drilling, completion and intervention activities for our customers
  - ESUB Plug and Perf hardware
  - H-1 and H-2 Perforating Systems
  - TEC-LOCK™ line of semi-premium connections

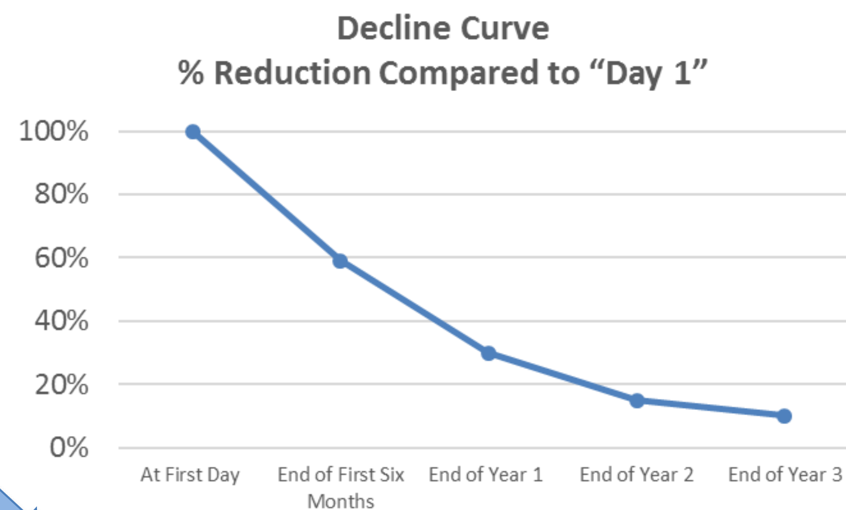
Source: EIA

US Onshore

Oil Production Life cycle

- Despite predictions regarding future well completion levels increasing or decreasing, the US remains a large oil producer in the global market
- 2019 growth in onshore oil production driven by tight oil (shale)
- Shale wells decline rapidly and new wells must be drilled in order to maintain production, and match the decline curve
- A typical shale well's economic production life is about 2 years





Day 1 is the best day of a well's life… after that each day gets worse

Source: Spears, Drilling Info

US Onshore
Natural Gas

- The US is producing record levels of natural gas
- Production increases and market consumption decreases have negatively affected commodity pricing
- Low pricing is forcing operators in the Marcellus and Haynesville basins to reduce their drilling programmes to “maintenance drilling /completion” mode to support their cash management models
- There has been a 60% drop in LNG pricing as reflected by the Japan Korea Marker (JKM^{TM})
- LNG pricing and a significant drop in shipments to China is reducing LNG exports out of the US, putting additional pressure on the commodity pricing

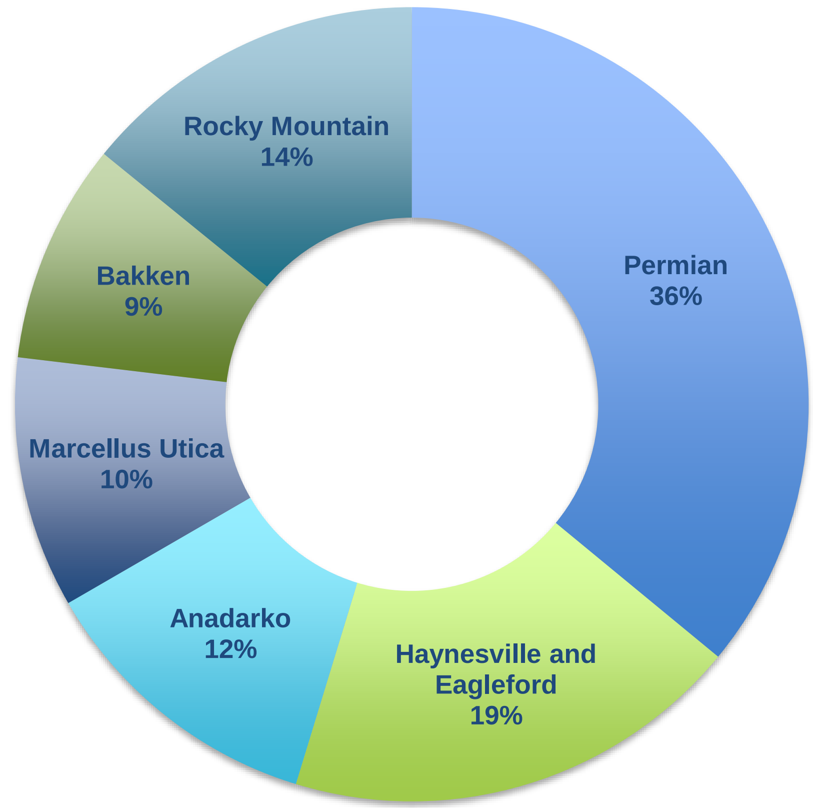
Source: World Oil, EIA, Spears

US Onshore

Well Completion Activity Overview

- 1st Half 2019 Well Completion Themes
  - The Permian remains the largest completions market with 36% of drilled wells
  - Segments of the industry have adopted a mass drilling and completion per lease approach in the Permian and product consumption and competition is centered in this major basin
  - Our distribution network allows us to provide products on location at each basin as required by our customers

Percentage of Onshore drilling by basin

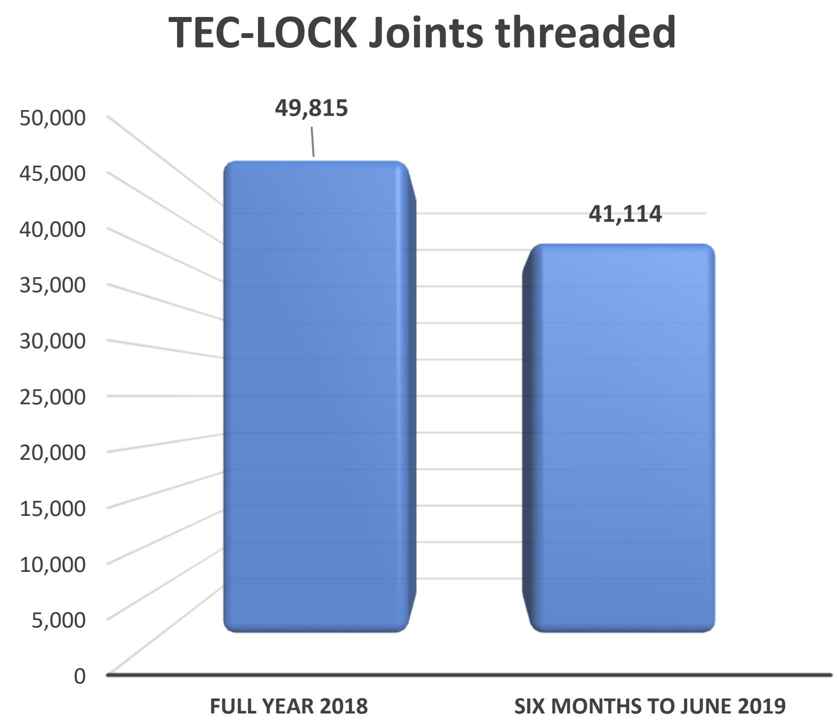


Source: EIA, Drilling Production Report

US Onshore

TEC-LOCK™

- Our TEC-LOCK™ connection continues to show strong growth. In the first six months of the year we threaded 41,114 joints, close to all of 2018 production
- We provide our connection technology to the market through our global OCTG distribution and mill network



US Onshore

Perforating Systems – Advantages of H-1 and H-2 Systems

- Despite the efficiency of pre-assembled guns requiring either limited or no assembly by the customer, there are some inherent disadvantages
- Disadvantages:
  - Completely Factory Assembled
    - These guns are ordered in bulk for the well pad (5 to 9 wells),and the charge selected is what is considered the "generally optimal" charge for the well pad
    - During the fracking process, if the selected charge is not hitting the zone efficiently, the operator has the choice to either accept less than optimal results or break the gun down and reconfigure the charges
  - Factory Assembled Without Switch or Detonator
    - Unless the system is completely modular, the assembly of the switch or detonator still requires some delicate assembly
- Hunting's H-1 and H-2 systems are integrated, modular systems that are simple to assemble without compromising operator flexibility

Modular ControlFire Cartridge

Complete Assembly in Minutes…

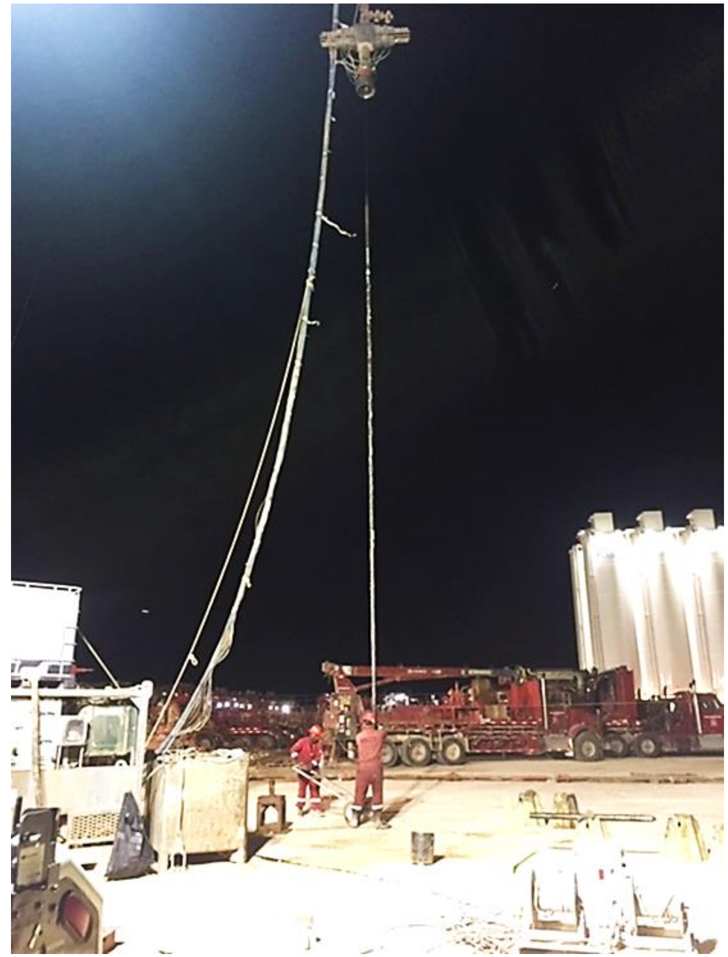
…with Ability to Optimize Charges for the Frac real time with H-Lok

- H1 and H2 systems use H-Lok charges allow optimal charge selection using the real time feedback and allow the customer to chose based on real time feedback from the frac of the super deep penetrating (SDP), good hole (GH) and big hole (BH) shaped charges, as well as consistent hole PerfECTA® and EQUAfrac® charges.

US Onshore

H-2 Record Run

- The H-2 perforating system set a wireline pump downhole record in the Delaware Basin successfully running 45 perforating guns, each with 3 shots in a single plane
- The charges used were Hunting's EQUAfrac® consistent hole shaped charge utilising the H-2 charge puck and the "Shorty" ControlFire® cartridge technology



ESUB

Enhancing the Conventional Perforating System

- Hunting's new ESUB product provides conventional perforating guns with plug and perf capability
- Enables simple arming and gun assembly at the well site
- Utilises the "Shorty" ControlFire® Cartridge
- Utilises Hunting's EBEZ® feed through connection

Offshore Markets

- Offshore project sanctions are estimated to exceed $123bn in 2019, more than the $78bn sanctioned in 2018
- With decreasing costs per well, free cash flow and reserve replacement considerations are driving operator investment decisions
- Projects that were previously sanctioned but sidelined due to cost and commodity price considerations are being reactivated

- Hunting has seen considerable offshore revenue growth during the 1st half of 2019 compared to the 1st half of 2018:

Asia Pacific: +139%
EMEA: + 38%
US: + 52%

Source: Rystad

Gulf of Mexico Deep Water

- Offshore and onshore projects have different investment and risk profiles
    - US Onshore – initial lower cost benefit. However, new production to replace depleted production initiates within 6 months at an unknown cost
    - Offshore – Longer production lead time but longer lifespan. Despite initial costs being significantly higher, they are generally known and determined when the final investment decision (FID) is taken
- Offshore exploration is comparable to a long-term annuity. Below is a comparison between a recently completed Gulf of Mexico project, online as of Q2 2019 and a typical onshore shale well

One Deep Water Project

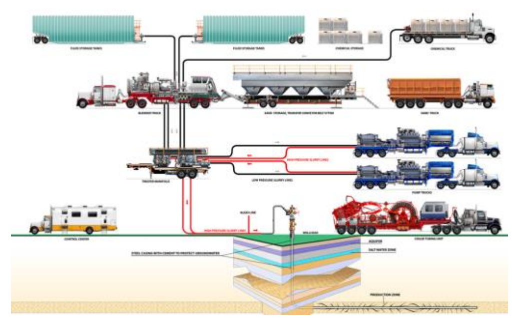
- 175,000 barrels per day (BPD)
- At $50 X 175,000 BPD = $8.75m of oil production revenue per day

Onshore Well

450 BPD – ***Day 1*** Cost $5m to $9m
Economic production life is less than 3 years

One Major Offshore Project

- *Each day's production is equivalent to the total cost of an onshore well*
- *Produces as much as 389 shale wells per day*



Source: Shell / World Oil, MRT, Spears

Offshore Exploration

Ready For the First Wave of Spending

- Hunting has product lines that fall into the early offshore spending categories
- OCTG /Connection Technology
  - WEDGE-LOCK™
  - SEAL-LOCK™
- Subsea couplings, valves and chemical injection systems

- Hunting has expanded our offshore product portfolio with the acquisition of the assets and IP of RTI Energy Systems, Inc. (RTIES) to include offshore riser systems and stabilisation products
- RTIES' products represent an early cycle revenue capture opportunity
  - Industry supplier for over 25 years
  - Over 500 riser products installed in the Gulf of Mexico
  - Only supplier of titanium stress joints in the industry
  - Opportunity to grow through Hunting's global footprint

Product Development Overview

- Continued development of the WEDGE-LOCK™ and TEC-LOCK™ premium and semi-premium connection technologies
- Chemical Injection Metering Valve development for South American and Asia Pacific markets
- Electronics - strong backlog of Oil and Gas technologies as Oil Service Companies (OSCs) deplete inventories and develop new tools
- Advanced Manufacturing - growing demand for next generation tool technologies by OSCs as well as expansion of Aerospace and Defence business

Internal Expansion

Perforating Production Expansion Projects Completed

Perforating Gun Expansion	Shaped Charge Automation	Power Charge
▪ Relieved all capacity constraints ▪ Greater flexibility to balance production within Hunting ▪ We now internally manufacture 94% of Conventional, H-1 and H-2 guns	▪ Previously bumping up against manufacturing capacity constraints ▪ Now, operating within comfortable capacity bands with available space to grow as the market increases ▪ Production capacity in excess of 1 million shaped charges per month	▪ Developed new product line for Hunting ▪ Commenced operations in first quarter of 2019 ▪ Scaling up production following demand ▪ Quickly learned and refined production to increase efficiency beyond planned expectations

Internal Expansion

Other Initiatives

- Detonation Cord
  - North America has seen a shortage of detonation cord in the oil patch
  - Very few manufacturers and these sources typically have a commitment to supply the military which overrides commercial demand
  - Hunting chose to solve the problem by creating our own manufacturing line

- $4.8m investment to establish detonation cord manufacturing facility in Milford, Texas
- Highly automated and efficient manufacturing design
- We see demand for detonation cord to continue to grow and tighten, therefore we front loaded this investment with enough footprint to expand production by 33% with only a $500K investment in additional equipment

Detonation cord is a key product and has very simple supply dynamics. If a vendor can not supply detonation cord, then the customer will most likely not purchase the other perforating kit

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

Appendix

Adoption of IFRS 16 Leases

Group Income Statement – Six months ended 30 June 2019

	Under IAS 17 $m	Reverse operating lease charge $m	Deduct depreciation and finance charge $m	Under IFRS 16 $m
Revenue	508.9	–	–	508.9
Gross profit	145.8	1.9	(2.1)	145.6
Net operating expense	(90.8)	2.7	(1.9)	(90.0)
Profit from operations	55.0	4.6	(4.0)	55.6
Net finance income / (expense)	0.1	–	(1.1)	(1.0)
Profit before tax	55.1	4.6	(5.1)	54.6
Tax charge	(13.5)	(1.0)	1.2	(13.3)
Non controlling interests	(0.6)	(0.2)	0.2	(0.6)
Profit attributable to parent	41.0	3.4	(3.7)	40.7
EBITDA	72.8	4.6	–	77.4
Diluted EPS – cents	23.8			23.6

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

Appendix

Adoption of IFRS 16 Leases

Group Balance Sheet – As at 30 June 2019

	Under IAS 17 $m	Right of use assets $m	Lease liabilities and provision released $m	Other $m	Under IFRS 16 $m
Property, plant and equipment	362.0	–	–	–	362.0
Right-of-use assets	–	39.6	–	–	39.6
Goodwill and intangible assets	315.9	–	–	–	315.9
Working capital	458.4	–	–	0.9	459.3
Taxation	7.5	–	–	1.9	9.4
Provisions	(11.8)	–	3.6	–	(8.2)
Other net assets	2.9	–	–	–	2.9
Net cash (debt)	80.5	–	(47.1)	–	33.4
Net Assets	1,215.4	39.6	(43.5)	2.8	1,214.3

Appendix

Adoption of IFRS 16 Leases

Key points

1) Adoption is from 1 January 2019
2) Modified retrospective adoption with no restatement of prior periods
3) Approximately 70 leases capitalised as “Right-of-use Assets” – mainly leasehold properties
4) Bank covenants measured against pre IFRS 16 financials

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