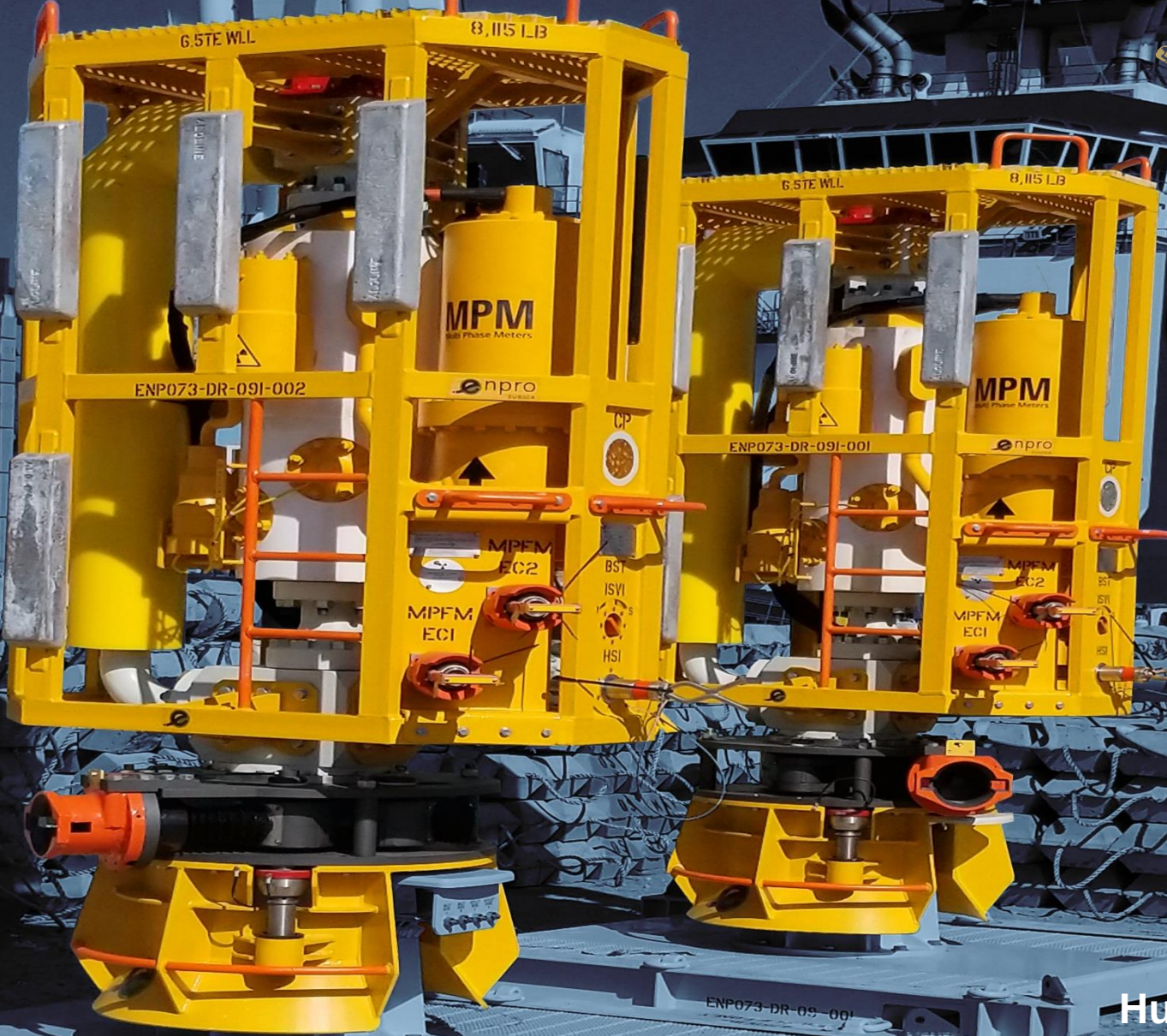


Positioned for growth



Hunting PLC  
Results presentation for the full year ending  
31 December 2021

[www.huntingplc.com](http://www.huntingplc.com)

# The World has Changed



- Covid: Restrictions being lifted and efficiency returning
- Energy security in focus – begins with increased E&P
- Order book acceleration
- Business structure enhanced for improved returns

# Group Summary

## Financial Overview

- \$114.2m cash and bank position at year-end (2020 - \$101.7m), reflecting strong cash focus in year.
- Material increase in liquidity following agreement of \$150m Asset Based Lending facility in February 2022.
- Strong balance sheet with net assets of \$871.3m (2020 - \$976.6m).
- EBITDA of \$3.1m for the full year (2020 - \$26.1m). H1 2021 EBITDA loss of \$3.6m followed by EBITDA profit of \$6.7m in H2 2021 as recovery accelerated.
- Revenue \$521.6m (2020 - \$626.0m) due to subdued market conditions.
- Final dividend of 4.0 cents per share declared. 8.0 cents declared for 2021 Full Year.

# Group Income Statement<sup>1</sup>



	2021 \$m	Margin %	2020 \$m	Margin %
<b>Revenue</b>	<b>521.6</b>		626.0	
<b>Gross profit</b>	<b>100.6</b>	<b>19</b>	124.8	20
<b>EBITDA</b>	<b>3.1</b>	<b>1</b>	26.1	4
<b>Loss from operations</b>	<b>(35.1)</b>	<b>(7)</b>	(16.4)	(3)
<b>Share of associates' losses</b>	<b>(3.5)</b>		-	
<b>Loss before tax</b>	<b>(40.6)</b>		(19.4)	
<b>Tax (charge) credit</b>	<b>(4.9)</b>		0.9	
<b>Loss after tax</b>	<b>(45.5)</b>		(18.5)	
<b>Diluted loss per share</b>	<b>(27.1c)</b>		(10.0)c	
<b>Final dividend per share</b>	<b>4.0c</b>		4.0c	
<b>Total dividend per share</b>	<b>8.0c</b>		9.0c	
<b>ROCE</b>	<b>-4%</b>		-2%	

<sup>1</sup> Results are before amortisation of acquired intangible assets and exceptional items.

# Segmental Results<sup>1</sup>



	2021		2020	
	Revenue	Results from Operations	Revenue	Results from Operations
	\$m	\$m	\$m	\$m
Hunting Titan	189.3	(0.9)	161.7	(5.6)
North America	254.6	(16.1)	311.6	(3.5)
EMEA	58.1	(11.2)	78.8	(12.0)
Asia Pacific	48.1	(6.9)	109.3	4.7
Inter-segment elimination	(28.5)	-	(35.4)	
	<b>521.6</b>	<b>(35.1)</b>	<b>626.0</b>	<b>(16.4)</b>

<sup>1</sup> Results are before amortisation of acquired intangible assets and exceptional items.

# Results Analysis



	2021		2020	
	H1	H2	H1	H2
	\$m	\$m	\$m	\$m
<b>Revenue</b>				
Hunting Titan	88.7	100.6	102.5	59.2
North America	122.2	132.4	179.4	132.2
EMEA	27.6	30.5	50.9	27.9
Asia Pacific	19.1	29.0	71.3	38.0
Inter-segment elimination	(13.2)	(15.3)	(26.4)	(9.0)
<b>Total</b>	<b>244.4</b>	<b>277.2</b>	<b>377.7</b>	<b>248.3</b>
<b>Results from operations<sup>1</sup></b>				
Hunting Titan	(1.6)	0.7	1.7	(7.3)
North America	(10.4)	(5.7)	3.6	(7.1)
EMEA	(6.6)	(4.6)	(3.1)	(8.9)
Asia Pacific	(4.4)	(2.5)	3.5	1.2
<b>Total</b>	<b>(23.0)</b>	<b>(12.1)</b>	<b>5.7</b>	<b>(22.1)</b>
<b>Operating margin<sup>1</sup></b>				
Hunting Titan	-2%	1%	2%	-12%
North America	-9%	-4%	2%	-5%
EMEA	-24%	-15%	-6%	-32%
Asia Pacific	-23%	-9%	5%	3%
<b>Total</b>	<b>-9%</b>	<b>-4%</b>	<b>2%</b>	<b>-9%</b>

<sup>1</sup> Results are before amortisation of acquired intangible assets and exceptional items.

# Revenue by Product Grouping



	2021 \$m	2020 \$m	Change %
<b>Perforating Systems</b>	<b>181.7</b>	154.5	18
<b>OCTG</b>	<b>172.5</b>	264.7	-35
<b>Advanced Manufacturing</b>	<b>59.6</b>	74.3	-20
<b>Subsea</b>	<b>58.8</b>	69.8	-16
<b>Intervention Tools</b>	<b>25.8</b>	30.7	-16
<b>Drilling Tools</b>	<b>-</b>	9.9	-100
<b>Other</b>	<b>23.2</b>	22.1	5
	<b>521.6</b>	626.0	-17
<b>Oil and gas</b>	<b>484.0</b>	586.2	-17
<b>Non-oil and gas</b>	<b>37.6</b>	39.8	-6
	<b>521.6</b>	626.0	-17

# Amortisation & Exceptional Items



	2021 \$m	2020 \$m
<b>Amortisation of acquired intangible assets</b>	<b>7.0</b>	<b>17.3</b>
<b>Impairment:</b>		
- <b>Net Inventory</b>	<b>25.9</b>	<b>34.2</b>
- <b>Property, plant and equipment</b>	<b>8.6</b>	<b>19.4</b>
- <b>Other impairments</b>	<b>-</b>	<b>124.3</b>
<b>Restructuring costs</b>	<b>2.0</b>	<b>10.3</b>
<b>Loss on disposal of business</b>	<b>0.9</b>	<b>-</b>
<b>Rival settlement</b>	<b>1.7</b>	<b>-</b>
<b>Gain on lease surrender</b>	<b>(1.0)</b>	<b>-</b>
<b>Other net exceptional items</b>	<b>(0.2)</b>	<b>(1.9)</b>
	<b>44.9</b>	<b>203.6</b>



# Group Balance Sheet



	2021 \$m	2020 \$m
Property, plant and equipment	274.4	307.1
Right-of-use assets	24.7	29.8
Goodwill and other intangible assets	200.3	207.1
Associates	19.4	18.1
Working capital	278.0	358.3
Taxation	1.4	6.0
Provisions	(8.1)	(8.9)
Other net assets	2.7	1.6
Total bank and cash	114.2	101.7
Lease liabilities	(31.8)	(40.3)
Other borrowings	(3.9)	(3.9)
Net cash	78.5	57.5
Net assets	871.3	976.6

	2021 \$m	2020 \$m
<b>Inventories</b>		
- Hunting Titan	95.3	114.1
- North America	114.3	121.5
- Other segments	54.3	90.0
<b>Gross inventories</b>	<b>263.9</b>	325.6
<b>Provision for inventories</b>	<b>(59.5)</b>	(37.2)
<b>Net inventories</b>	<b>204.4</b>	288.4
<b>Receivables</b>	<b>157.2</b>	137.9
<b>Payables</b>	<b>(83.6)</b>	(68.0)
<b>Total</b>	<b>278.0</b>	358.3
<b>Inventory days</b>	<b>163 days</b>	270 days
<b>Receivables days</b>	<b>87 days</b>	92 days

# Group Cash Flow



	2021 \$m	2020 \$m
<b>EBITDA</b>	<b>3.1</b>	26.1
<b>Add: share based payments</b>	<b>9.2</b>	9.0
	<b>12.3</b>	35.1
<b>Working capital</b>	<b>22.8</b>	38.8
<b>Net tax received (paid)</b>	<b>0.6</b>	(5.0)
<b>Lease payments</b>	<b>(10.6)</b>	(10.4)
<b>Proceeds from business and asset disposals</b>	<b>35.9</b>	3.9
<b>Gains on business and asset disposals</b>	<b>(0.6)</b>	(2.4)
<b>Warranty claim settlement</b>	<b>(1.7)</b>	-
<b>Restructuring costs</b>	<b>(2.0)</b>	(10.7)
<b>Other</b>	<b>(2.3)</b>	(1.5)
<b>Free cash flow</b>	<b>54.4</b>	47.8
<b>Capital and intangible asset investments</b>	<b>(9.3)</b>	(19.0)
<b>Investment in businesses</b>	<b>(11.4)</b>	(34.2)
<b>Dividends paid to Hunting PLC shareholders and NCI</b>	<b>(12.8)</b>	(9.1)
<b>Net purchase of treasury shares</b>	<b>(7.6)</b>	(9.2)
<b>Share buyback</b>	<b>-</b>	(5.1)
	<b>13.3</b>	(28.8)
<b>Foreign exchange</b>	<b>(0.8)</b>	3.5
<b>Movement in total cash and bank</b>	<b>12.5</b>	(25.3)

# Capital and Intangible Investment

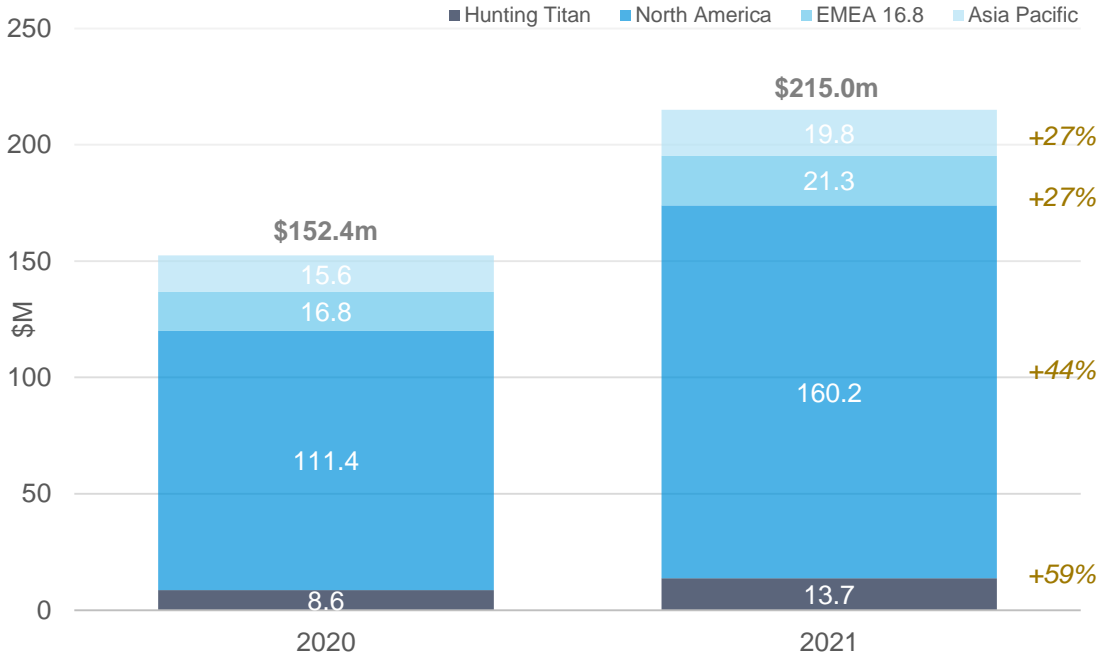


	<b>2021</b> <b>\$m</b>
<b>Hunting Titan – Pre-loaded Guns and Detonation Cords</b>	<b>0.4</b>
<b>Hunting Titan – Other</b>	<b>0.7</b>
<b>US – equipment purchases and upgrades at Ameriport and Trenchless</b>	<b>1.5</b>
<b>US – Conroe facility improvements</b>	<b>0.5</b>
<b>US – rental tools</b>	<b>0.7</b>
<b>US – Other</b>	<b>1.4</b>
<b>Other</b>	<b>1.4</b>
<b>Capital Investment</b>	<b>6.6</b>
<b>Intangible asset Investment</b>	<b>2.7</b>
<b>Total</b>	<b>9.3</b>

# Segmental trends



- Order books have increased 41% since 31 December 2020.
- At 31 December 2021, Subsea Spring had \$31.8m orders from a number of blue-chip majors for its titanium and steel stress joints for projects in the Gulf of Mexico and South America.
- Since the start of 2022, Asia Pacific has won \$26m of OCTG orders from China.
- All businesses reporting material increases in enquiries, RFQs and orders.
- The Quarter 4 2021 Book to Bill ratio is 1.45.



# Asset Based Lending facility



- \$150m Asset Based Lending (“ABL”) facility agreed with HSBC and Wells Fargo in February 2022, with a tenor of four years.
- An accordion feature of up to \$50m, subject to the lending group’s consent, was also agreed.
- The ABL delivers a flexible funding arrangement that leverages the strength of our balance sheet, thereby reducing our sensitivity to conventional RCF earnings based covenants.
- The amount available in the ABL structure moves in line with the balance sheet values which, for Hunting, are historically more stable than EBITDA.
- The North American-based asset classes that will form the Borrowing Base against which bank capital will be advanced are:
  - Trade Receivables
  - Inventories
  - Freehold Properties
- Opening availability is in excess of \$100m and is based on in-scope trade receivables and inventories. When the in-scope freehold properties accede to the agreement, which is expected to complete during March 2022, an additional \$50m will be added to the Borrowing Base.

First globally coordinated upturn since 2018

Global E&P capex climbing 16% from 2021 levels

Stronger rebound in North America

US E&P spending expected to increase by 23.5% led by private E&P companies

IEA projects oil demand to exceed pre-Covid levels in 2022

As of mid-February, at least 62% of the world's population has received a dose of the COVID-19 vaccine

Optimism regarding the rebound in oil prices

Past underinvestment fueling current commodity valuations

Source: Evercore ISI, Our World In Data, JP Morgan, Goldman Sachs

# North America:

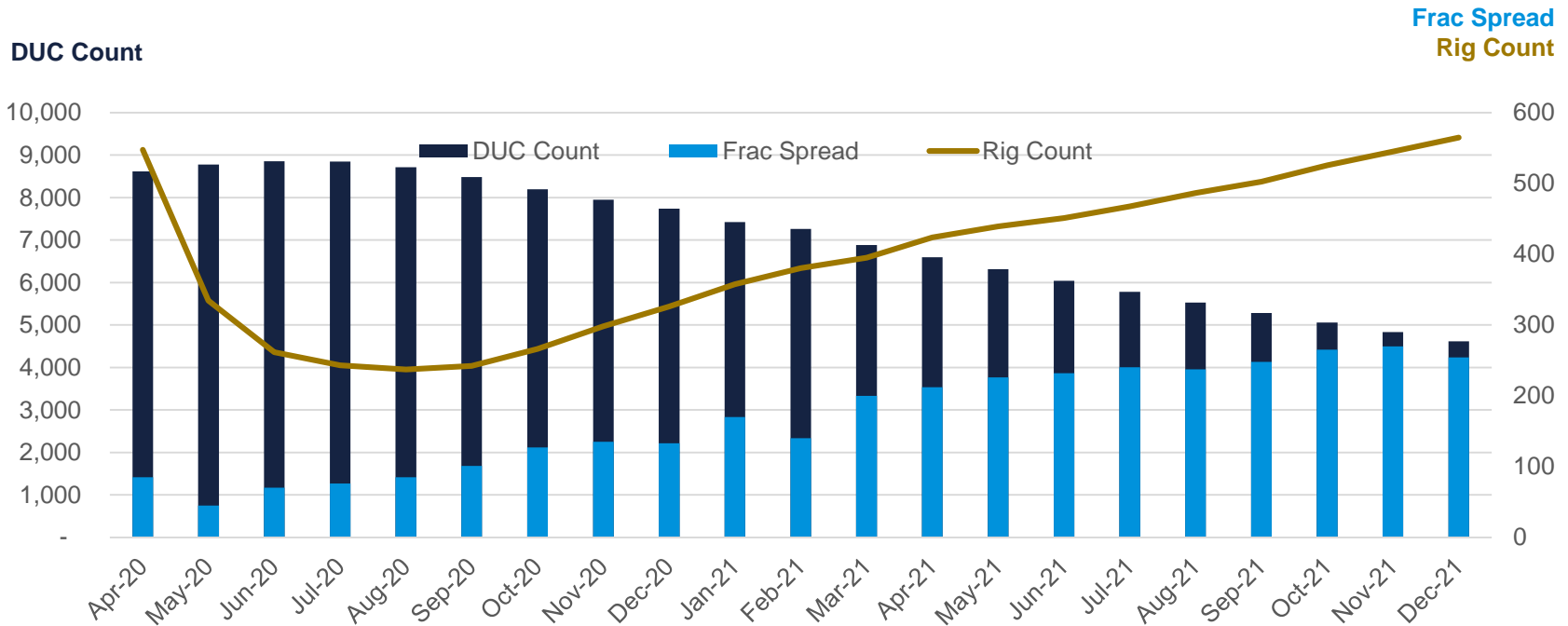
## Market Dynamics: US Frac Spread and DUCs Inflection



By the end of 2021, DUC count has hit a five year low through a combination lower drilling activity with the onset of the COVID pandemic (April 2020) and the increased completion activity as the frac spread increases

- Rig count today continues to rise with the commodity price
- Frac spread remains lower than pre-pandemic levels (above 300) however has seen a steady rise as oil prices stabilise over the \$60 WTI average per barrel in March 2021

The combination of higher commodity prices, increased drilling activity and depletion of DUCs is an indicator that completion activity will continue to rise as spare production capacity from non-US sources continues to tighten as US onshore is one of the fastest to production source for hydrocarbons



Source: Primary Vision, EIA, Baker Hughes



Market	General Market Theme	Impact
Canada	Market improving, however remains volatile	Hunting's Connection Technology distribution model has adapted and prospered in the market
North Sea	Sustained lower activity levels, focus on production enhancement and alternative energy	Hunting continues to reduce capital employed and diversify from OCTG pipe distribution focus to alternative technologies
Asia Pacific	Overall rig count to increase 12%, offshore forecasted 21% increase	Seeing demand opportunities for OCTG with offshore footage increasing 25% in 2022
Middle East	Hydrocarbon production in the Middle East is expected to keep growing at least until the end of the decade	Positive long-term view in market in light of tight spare production and 2030 timeline
Offshore South America	Offshore continues to expand with new discoveries	Deepwater driving subsea activity, first orders for titanium stress joints and riser systems
Africa	Improving fiscal policies has encouraged investment leading to increase in offshore spending	Opportunity for subsea and critical retention systems are early stage opportunities

Source: Spears

## 2021

- Continued development of technologies to support customer requirements
- Increased sales in all markets globally
- Successful launch of detonating cord facility and expanding product offering of HMX and XHV products
- Exclusive licensing agreement with Nammo Defense Systems for time delayed fuse product line for use in O&G as well as military applications, removing constraints associated with purchasing from outside manufacturers
- Continued growth in factory loaded segment

## 2022

- Continued development and deployment of new technologies
- Strong momentum in Canadian and Latin American markets
- Expanding Distribution Centre footprint creating a “one stop shop” for customers
- Pricing improvements ongoing
- Expanding distribution points

# Operational Update: *Hunting Titan*



**HMX LS XHV  
Now Available**

High Velocity  
High Temperature Rating  
Global Distribution



Improving our Det Cord offering with HMX and XHV

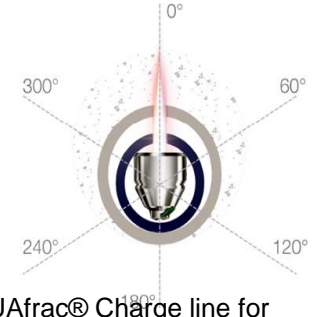
**SDP Shaped Charge**

Improved Penetration

Precise penetration in Shaped Charges

**EQUAfrac® OP**

Designed for Oriented Perforating  
Entry hole variation as low as 1%  
Improves well productivity



Expanding the EQUAfrac® Charge line for Oriented Perforating

**E-Gun**  
3-3/8 Inch O.D. Now Available

Pre-wired, plug and play perforating system

**ControlFire Software Version 9.1**

ControlFire Recon Functionality  
PowerSet Recon Functionality  
Speed Check  
English, Chinese, & Spanish Language

ControlFire software update improving customer experience

**ControlFire® Recon**

Detect your detonator presence downhole.  
See if you have an open circuit in the well.  
Shoot faster on-the-fly.



Next Generation of ControlFire cartridge providing greater visibility and faster shoot on the fly

**ControlFire Perf+**  
Automated Shooting | ControlFire | Conventional | CCL | AUX | Log | Conventional

Next Generation Perforating control panel

## 2021

- Capital discipline counter to commodity prices
- Significant orders for Subsea, U.S. Manufacturing, Connections and Electronics in late 2021 for 2022 deliveries
- Increasing orders within Well Intervention, U.S. Manufacturing, AMG, Subsea Technologies and Premium Connections
- Continued growth in Space X and Blue Origin bookings, increase in military work for both Dearborn and Electronics
- Canadian Distribution Model adoption model driving increased sales
- Canadian business securing orders for Geothermal and mining activities

## 2022

- Titanium stress joints and associated deployment methodologies gaining traction for deepwater applications
- Diversification outside of traditional energy markets increasing with AMG, U.S. Manufacturing
- Continued strength in infrastructure products through our Trenchless business unit driven by U.S. governmental infrastructure programs

## 2021

- Covid downturn resulting in less OCTG sales
- Increased RFQs for Well Testing and Well Intervention across all EMEA
- Participation in OCTG sales to Geothermal projects (Eden Project etc.)
- Restructure of HESUK increases manufacturing and pipe management services opportunities

## 2022

- HESUK established as a manufacturing and pipe management supplier to O&G, Carbon Capture and Geothermal markets
- Continued growth of Well Intervention and Well Testing in the Middle East
- Expansion of OOR opportunities in the Middle East

## 2021

- Covid related supply chain issues severely impacted business opportunities
- Majority of business was related to OCTG and turnkey accessories
- Supplied 8 Micro Hydro generator technology to the US and Philippines (1 unit shipped to the Philippines was the only power source for a village impacted by a typhoon)
- Middle East rig count still down 33% from pre-Covid levels

## 2022

- Better fiscal terms in Chinese supply chain
- Jindal SAW JV provides significant opportunities in growing India and regional markets
- Increasing orders for Well Intervention and Accessories products
- Continued growth in Micro Hydro generator technology

## Disposal and Restructure

- Disposal of capital intensive North Sea OCTG business
- Singapore consolidation
- Trenchless consolidated in US pipe
- New ABL facility to enhance liquidity

## Investment In Non-Oil and Gas

- Investment and Partnership with Well Data Labs, giving Hunting access to software and analytics capabilities. Hunting Titan collaborating with WDL for new products for onshore market
- Equity investment in Cumberland Additive Manufacturing, giving Hunting access to additive manufacturing and new 3D printing technology

## Expanding Into Growing Energy Markets

- Identified India as a growing energy market and established key joint venture with Jindal SAW in country to access the market and reduce reliance on Chinese mills
- Licensing of Nammo Defense Systems for time delay fuses for use in perforating applications
- Acceleration of commercialisation of Organic Oil Recovery (OOR) using green technology to enhance well production in a low carbon impact application
- Involvement in the Eden Geothermal market in the UK, utilising synergies for tubular product line across the renewable energy space

## OCTG Jindal SAW Limited Joint Venture

Building on the market success in India in the past two years, Hunting has entered into a Joint Venture with Jindal SAW Limited (49%-51%) commissioning a premium connection threading facility, building on the strategic alliance established between the companies in 2019

### Key Highlights:

- 1st state of the art premium OCTG threading facility in India
- 2022 Hunting capex circa.\$7m
- Potential market size: \$200mn
- Size: 130,000 sq/ft producing up to 50,000 metric tons per year



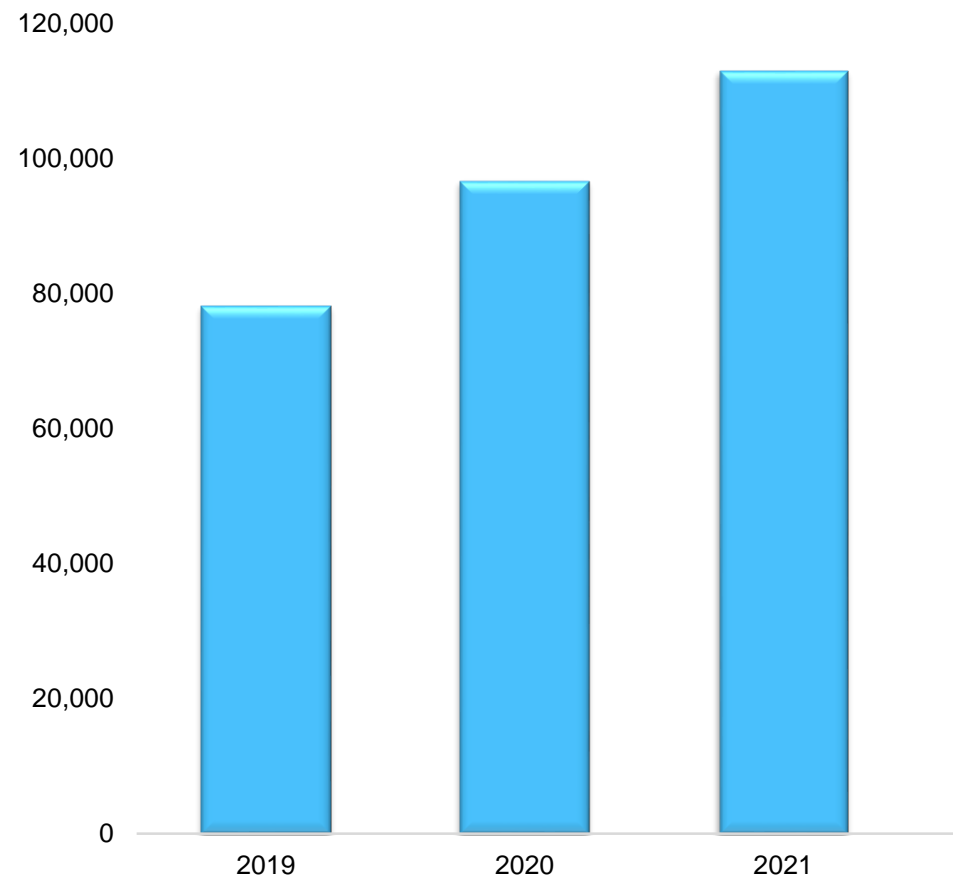
# Addressing the Market:

*Premium Connections*



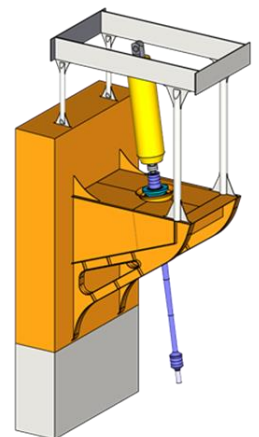
- Continued growth in the TEC-LOCK™ product line
- US and Canada markets continues to grow
- Seeing more RFQ activity in Offshore GOM
- AsiaPac opportunities improving

**Joints Threaded YoY (USA)**



## Subsea Technologies

- Continued growth for titanium stress joints in deepwater applications
- Developed “Direct Pull-Through Methodology” allowing for stress joints to be installed topside on the FPSO
- Continued growth in Chemical Injection, Hydraulic Couplings and Valves
- RTI - \$68m order intake in the past full two years
- Growing interest in ENPRO’s unique family of FAM, FIS and decommissioning products



## Additive Manufacturing



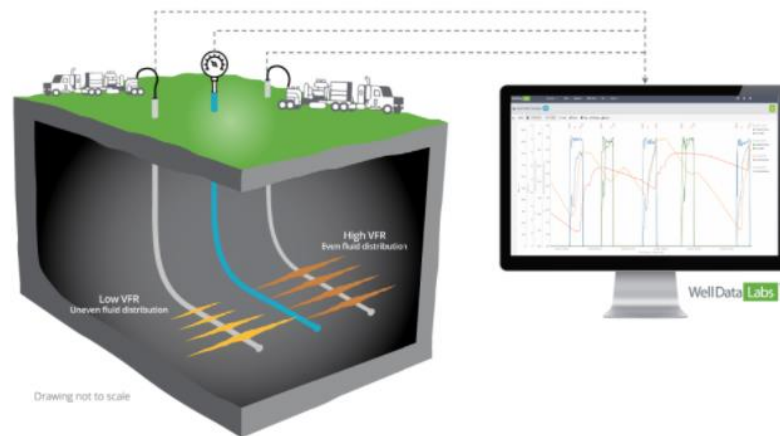
- Hunting completed an investment in Cumberland Additive in August 2021 infusing capital to optimise their business operations in Texas and establish operations in an additive manufacturing industry centre of excellence located in Pittsburgh, Pennsylvania
- Hunting is 27% owner of the company
- Cumberland manufactures components for oil and gas, defence, aerospace and medical components
- Metal additive manufacturing is expected to gain momentum in oil and gas and when complex, high tolerance, exotic metal components are required in small production runs
  - Unlike traditional CNC technology, new tooling is not required
  - Production limitations associated with complex geometry are overcome with additive manufacturing
  - As metal commodity prices rise, additive manufacturing becomes more attractive since there is much less raw material waste in the process
    - Classic CNC removes raw material
    - Additive simply adds material in concentration
- Manufactured parts from additive manufacturing is expected to grow from \$12bn in 2020, to \$51bn by 2030 or a CAGR of 15%

Source: Metal AM/Lux Research

## WellData Labs<sup>®</sup>

### Update On Well Data Labs (WDL)

- Following Hunting's investment in Well Data Labs we continue to enhance the integration of our Titan perforating product line into Well Data Labs applications and are exploring additional opportunities within our subsea offering
- Well Data Labs continues to grow and has recently been included in Colorado's Best Places to work and received recognition within the industry as part of the E&P's 2021 Meritorious Awards for Engineering Innovation with advances in Sealed Wellbore Pressure Monitoring (SWPM)
- Well Data Labs continues to make strategic wins in their software as a service platform expanding their blue chip client base



Source: Hart Energy , BuiltIn

## Saving Cost, Maximising our Footprint and Going Greener

Hunting's Singapore business has operated out of three separate facilities generally segregated by product line

To lower cost and maximize operational efficiency, we have monetised the remaining leases and consolidated all aspects into a single location

With no net expenditure of capital, Hunting accomplishes:

- Same scale of operations with 25% less manufacturing space, 31% office space
- Modern green certified facility
- Decrease our operating expenses via a consolidation of business support services and other overhead cost, eliminating redundancy
- Increased operating efficiencies with all locations under single roof and direction of management



## E

- A Group-wide review of our carbon footprint is underway with a plan to set stronger reduction targets during 2022
- A TCFD steering group has been established to address climate reporting requirements, including risks and opportunities
- Waste and recycling initiatives remain a priority for all operating sites

## S

- Quality assurance of all our products is a key part of the Hunting culture and standing with our clients
- Strong HS&E training and monitoring remains a key management priority
- Well established employee engagement practices already in place. Wellbeing programs have been increased throughout lockdown, with plans to enhance employee dialogue after COVID-19
- Strong bribery act, modern slavery, sanctions and export compliance procedures

## G

- An Ethics and Sustainability Board Committee has been established to monitor all ESG and Sustainability matters
- Committee held its maiden meeting in December 2021
- Will be supported by an internal ESG steering group, along with a Taskforce for Climate-related Financial Disclosures (“TCFD”)

# 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 team to take the Group forward
- Excellent HS&E standards maintained
- ESG credentials position Hunting well with its peers – MSCI AA+
- Established reputation for quality branded products and services
- Returning cash to shareholders