



# Proven capabilities for energy and beyond

Results presentation for full year ending 31 December 2022

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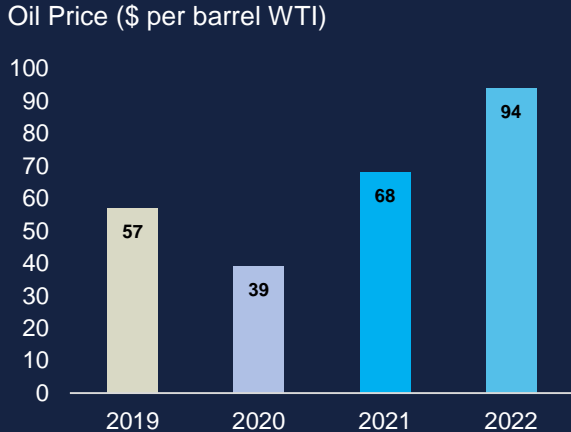
# Highlights

- Strong increases in activity across all operating segments leading to a return to bottom-line profitability, on an adjusted basis.
- External sales order book \$473.0m at the year-end reflecting strong increases in momentum (2021 – \$211.5m).
- \$61m increase in year-end sales order book within the Subsea Technologies business group. Reporting as a separate operating segment in 2023.
- Non-oil and gas sales increasing – predominantly within the Dearborn and Electronics business units.
- Formation of Energy Transition sales group to pursue geothermal and carbon capture opportunities.
- \$150m Asset Based Lending facility agreed in February 2022.
- Launch of Hunting 2030 Strategy to enhance diversification of revenues.

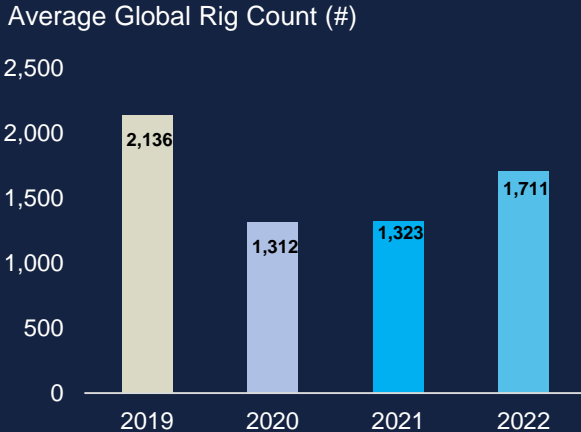


# Market

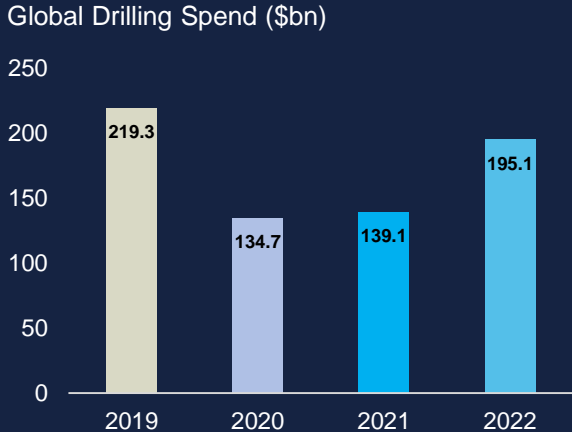
- WTI oil price averaged \$94 per barrel during 2022 (2021 – \$68 per barrel) up 38%.
- 40% increase to global drilling spend to \$195.1bn reported (2021 – \$139.1bn).
  - 51% increase in North America spend to \$119.3bn.
  - 42% increase in Asia Pacific spend to \$17.9bn.
  - 15% increase in Europe spend to \$14.5bn.
- Subsea developments poised for strong growth in 2025 to 2030 time frame.
- Geothermal and carbon developments growing rapidly, with US and Asia Pacific projects accelerating.



Source: Bloomberg



Source: Spears and Associates



Source: Spears and Associates

# Adjusted Group Income Statement\*

	2022 \$m	Margin %	2021 \$m	Margin %
Revenue	725.8		521.6	
Gross profit	171.4	24	100.6	19
EBITDA	52.0	7	3.1	1
Profit (loss) from operations	14.6	2	(35.1)	(7)
Share of associates' & JVs' losses	(2.7)		(3.5)	
Profit (loss) before tax	10.2		(40.6)	
Tax charge	(1.3)		(4.9)	
Profit (loss) after tax	8.9		(45.5)	
Diluted earnings (loss) per share	4.7c		(27.1c)	
Final dividend per share	4.5c		4.0c	
Total dividend per share declared	9.0c		8.0c	
ROCE	1%		-4%	

\*Results for the year, as reported under IFRS, adjusted for certain items as determined by management.

# Segmental Results

	2022			2021		
	Revenue \$m	EBITDA \$m	Results from operations \$m	Revenue \$m	EBITDA \$m	Results from operations \$m
Hunting Titan	266.0	24.7	15.9	189.3	8.0	(0.9)
North America	349.7	30.1	8.1	254.6	6.0	(16.1)
EMEA	71.5	(2.1)	(6.0)	58.1	(7.3)	(11.2)
Asia Pacific	80.4	(0.7)	(3.4)	48.1	(3.6)	(6.9)
Inter-segment elimination	(41.8)	-	-	(28.5)	-	-
	<b>725.8</b>	<b>52.0</b>	<b>14.6</b>	<b>521.6</b>	<b>3.1</b>	<b>(35.1)</b>

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# Adjusting Items

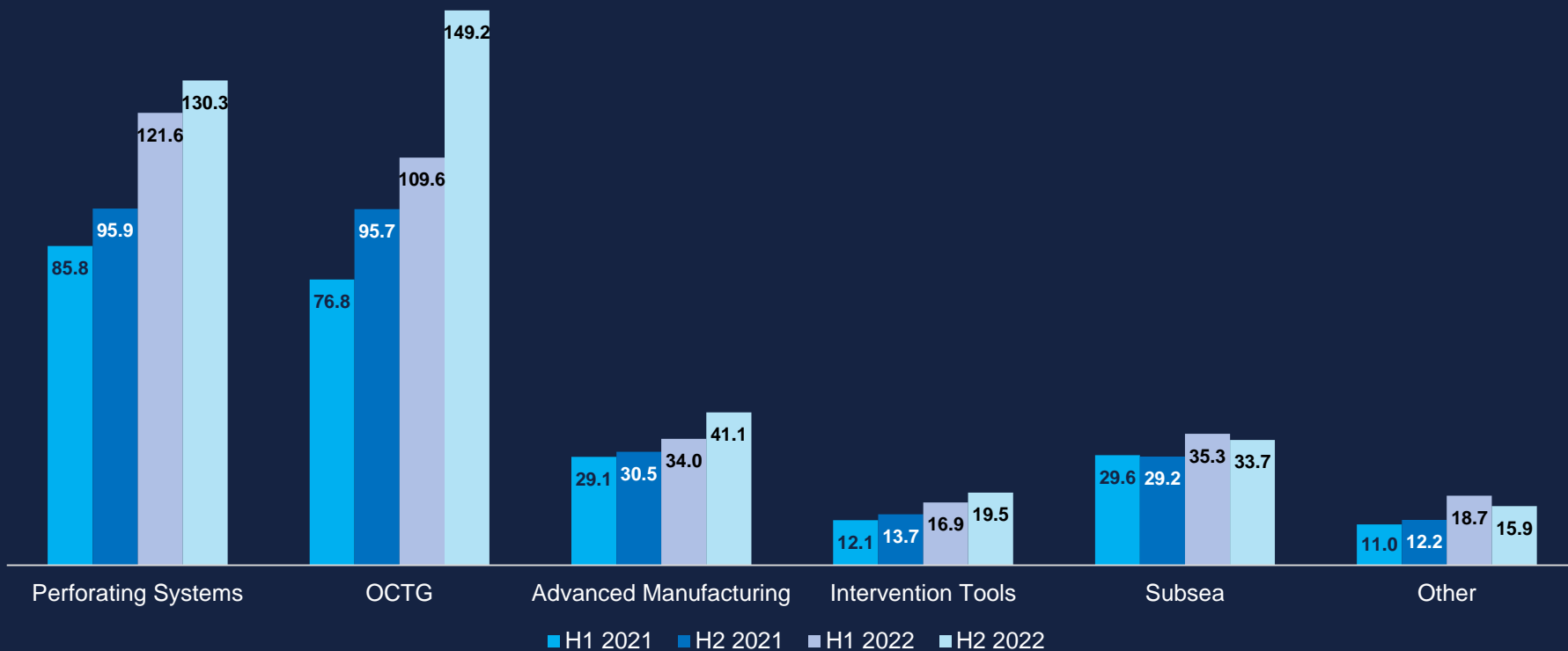
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	2022 \$m	2021 \$m
<b>Impairments:</b>		
- Goodwill	7.0	-
- Net inventory	-	25.9
- Property, plant and equipment	-	8.6
Legal fees	5.6	-
Amortisation of acquired intangible assets	-	7.0
Restructuring costs	-	2.0
Loss on disposal of business	-	0.9
Warranty claim settlement	-	1.7
Gain on lease surrender	-	(1.0)
Other net exceptional items	-	(0.2)
	<b>12.6</b>	<b>44.9</b>

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# Revenue by Product Grouping

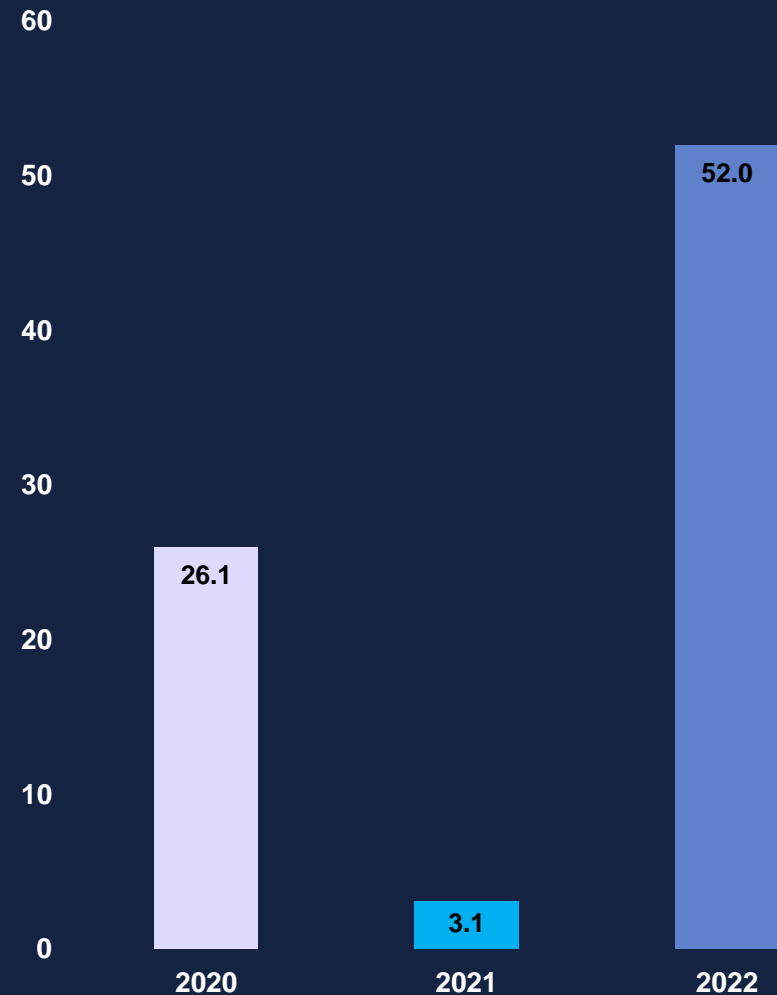
Revenue by Product (\$m)



	H1 2021	H2 2021	H1 2022	H2 2022
Oil and gas	226.9	257.1	312.0	366.2
Non-oil and gas	17.5	20.1	24.1	23.5
	244.4	277.2	336.1	389.7

# EBITDA

- EBITDA of \$52.0m (2021 – \$3.1m).
- EBITDA margin improving to 7% (2021 – 1%).
- Further improvement to EBITDA margin anticipated for the full year driven by increased economic activity, price increases and higher facility utilisation.





# Group Balance Sheet

	2022 \$m	2021 \$m
Property, plant and equipment	256.7	274.4
Right-of-use assets	26.0	24.7
Goodwill and other intangible assets	191.2	200.3
Associates and joint ventures	20.1	19.4
Working capital	362.8	278.0
Taxation	4.0	1.4
Provisions	(8.9)	(8.1)
Other net assets	4.3	2.7
Total bank and cash	24.5	114.2
Lease liabilities	(30.6)	(31.8)
Other borrowings	(3.9)	(3.9)
Net (debt) cash	(10.0)	78.5
Net assets	846.2	871.3

# Working Capital

	2022 \$m	2021 \$m
<b>Inventories</b>		
- Hunting Titan	131.8	95.4
- North America	137.4	114.3
- Other segments	52.9	54.2
<b>Gross inventories</b>	<b>322.1</b>	263.9
<b>Provision for inventories</b>	<b>(50.0)</b>	(59.5)
<b>Net inventories</b>	<b>272.1</b>	204.4
<b>Receivables</b>	<b>233.0</b>	157.2
<b>Payables</b>	<b>(142.3)</b>	(83.6)
<b>Total</b>	<b>362.8</b>	278.0
<b>Inventory days</b>	<b>159 days</b>	163 days
<b>Receivables days</b>	<b>84 days</b>	87 days

# Group Cash flow

	2022 \$m	2021 \$m
EBITDA	52.0	3.1
Add: share based payments	9.9	9.2
	61.9	12.3
Working capital	(86.6)	22.8
Lease payments	(8.0)	(10.6)
Net interest and bank fees paid	(2.9)	(0.4)
Net tax (paid) received	(3.9)	0.6
Proceeds from business and asset disposals	9.0	35.9
Gains on business and asset disposals	(2.8)	(0.6)
Legal fees	(5.6)	-
Warranty claim settlement	-	(1.7)
Restructuring costs	-	(2.0)
Other	0.5	(1.9)
Free cash flow	(38.4)	54.4
Capital and intangible asset investments	(22.0)	(9.3)
Investment in businesses	(3.5)	(11.4)
Dividends paid to equity shareholders and NCI	(13.6)	(12.8)
Net purchase of treasury shares	(7.7)	(7.6)
	(85.2)	13.3
Foreign exchange	(4.5)	(0.8)
Movement in total cash and bank	(89.7)	12.5

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# 2023 Guidance

- EBITDA guidance in line with December Trading Statement. Phasing of profits likely to be biased towards second half.
- Target EBITDA margin of c.10% reflecting continued focus on price increases, improving facility utilisation and industry activity.
- 2023 capital expenditures \$30m - \$40m.
- Dividends similar to 2022 – targeting 10% increase in 2023.
- H1 2023 will see further investment in working capital of between \$50m - \$75m driven principally by the CNOOC and new Subsea contracts; with a strong return to cash generation and a positive cash position projected by year end.

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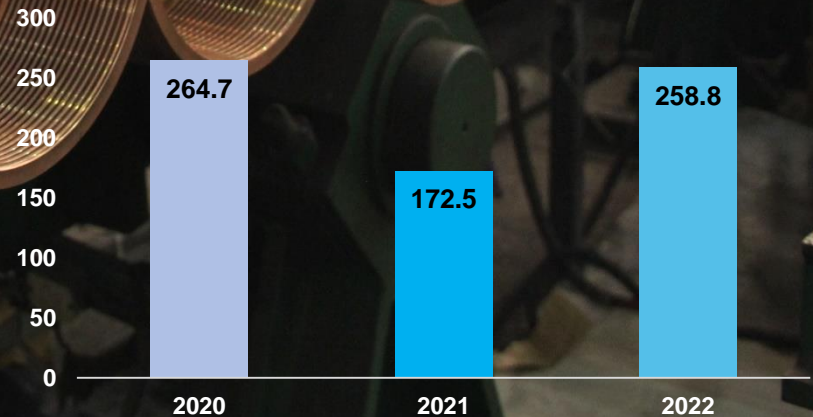
# Operational Highlights

- Strong increases in order intake seen across the year.
- OCTG and Premium Connection business units report robust growth in year.
- Subsea Technologies group reporting good growth as new deep water projects are sanctioned.
- Advanced Manufacturing group reporting a strong sales order book. Some constraints in microchips and nickel based metals reported, but position is unwinding.
- EMEA segment reporting narrowing losses, as activity in UK, Netherlands and Middle East improves. Tubacex contract executing in 2023.
- Asia Pacific reported a slow H1 2022, but now reporting more steady activity levels – buoyed by CNOOC order and increases in Middle East activity.
- Energy Transition tendering for projects as carbon capture and geothermal projects accelerate.

# Product Line: OCTG / USM

- Global OCTG, Premium Connections and US Manufacturing businesses all reporting good growth and strong momentum in the year.
- Sales order books of US Premium Connection and USM businesses have tripled through 2022. Activity in both the domestic and international markets improving. Accessory sales from US to international markets also increasing.
- Canada reporting good revenue growth and EBITDA following restructuring in 2020.
- \$86m CNOOC order being completed by Asia Pacific segment. Majority of revenue and profits to be recognised in 2023.
- Tangential markets for high-nickel alloys for geothermal markets giving a low barrier to entry to Hunting.

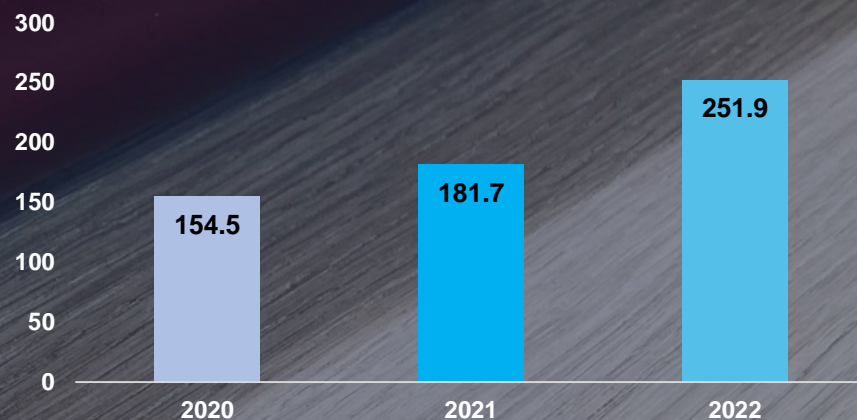
Revenue - \$m



# Product Line: Perforating Systems

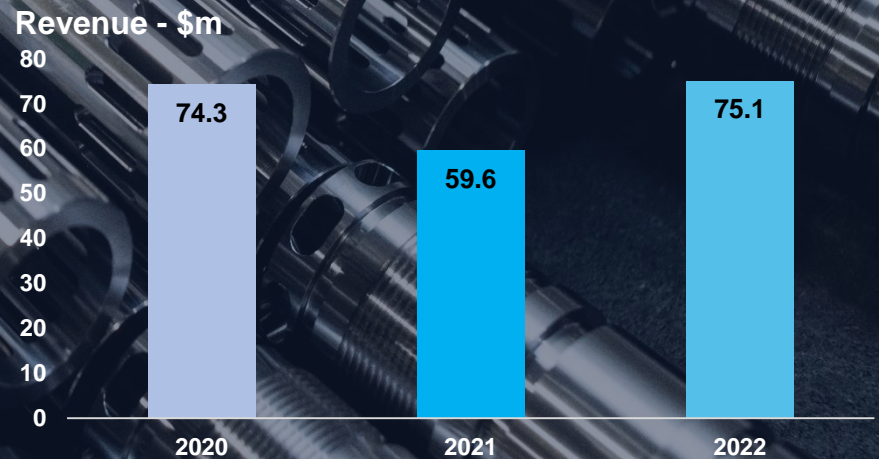
- Hunting Titan continues to report strong market share positions within the North American onshore for key product groups.
- H-3 Perforating System™ introduced to clients during the year.
- E-Gun Recon™ now the preferred system for international markets.
- Increased volumes of pre-loaded gun and detonating cord delivered after investment in manufacturing.
- Investment in Mexico facility to support North America manufacturing base.
- Continued focus on new technology to maintain market position.
- Outlook for US onshore remains robust and international markets are accelerating.

Revenue - \$m



# Product Line: Advanced Manufacturing

- Electronics and Dearborn businesses now report a sales order book of \$121m, of which 35% is non-oil and gas sales.
- Electronics reports oil and gas sales of \$17.0m (2021 – \$12.5m). Some microchip supply chain issues in year. Non-oil and gas sales \$3.6m (2021 – \$4.7m).
- Dearborn reports oil and gas sales of \$11.2m (2021 – \$15.0m). Non-oil and gas sales \$24.5m (2021 – \$16.9m). Impact of COVID cases in the early months of the year.
- Other Hunting businesses contributed c.\$18.6m in the year.

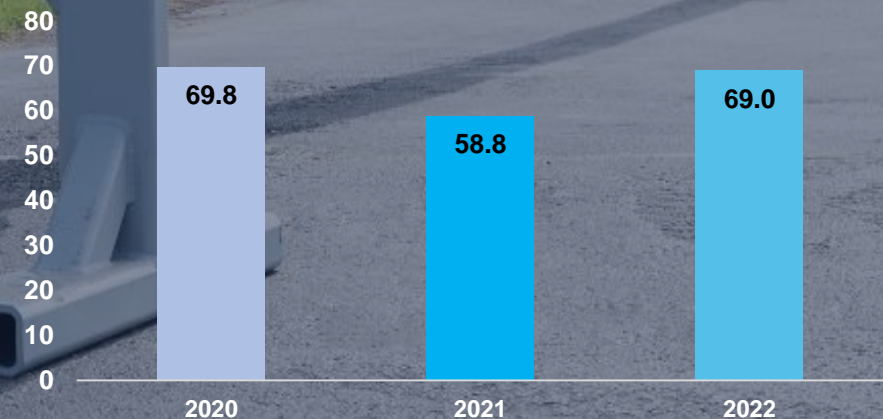




# Product Line: Subsea

- Subsea Technologies has reported good growth in the year, as offshore projects were commissioned.
- Year end order book \$105.1m (2021 - \$44.0m)
- As the leading premier provider of titanium stress joints, Subsea Spring has successfully secured large orders in Guyana and Brazil.
- \$61m increase in year-end order book, including ExxonMobil order that was awarded in October 2022.
- Stafford business seeing good increases to sales of couplings and valves.
- Enpro reported a challenging year; however, sales outlook improving as independents step up activity in the offshore.

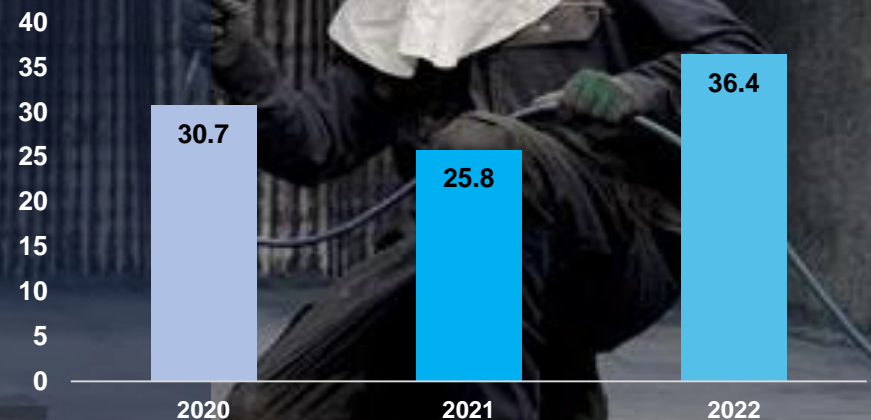
Revenue - \$m



# Product Line: Intervention Tools

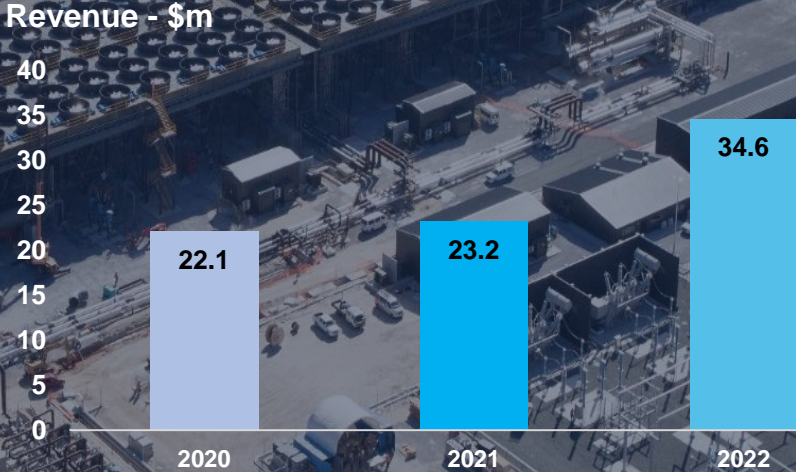
- Well intervention businesses report good growth as capital equipment spend cycle recommences.
- Businesses restructured in Q4 2022 to focus on sales opportunities in North America and EMEA.
- Increasing customer interest for the Ezi-Shear valve for PCE and Ezi-Latch well head quick connector for Pressure Control Equipment (“PCE”).
- Extended geo-market sales for VariBall roller system and WellGripp Coiled Tubing connectors.

Revenue - \$m



# Product Line: Other Revenue

- Improvement in sales driven by Trenchless, E&P and Well Testing businesses.
- Trenchless business reports a strong year as investment in 5G build out in US continues.
- Energy Transition sales group now formed with clear focus on North America and Asia Pacific opportunities. Target of \$100m in sales by the end of the decade.

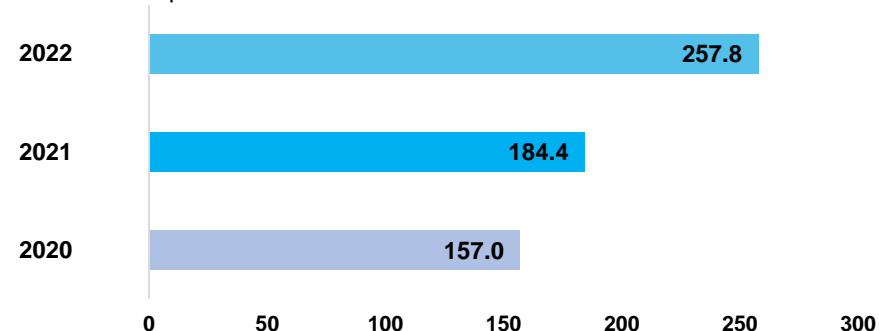


# Segment Review – Hunting Titan

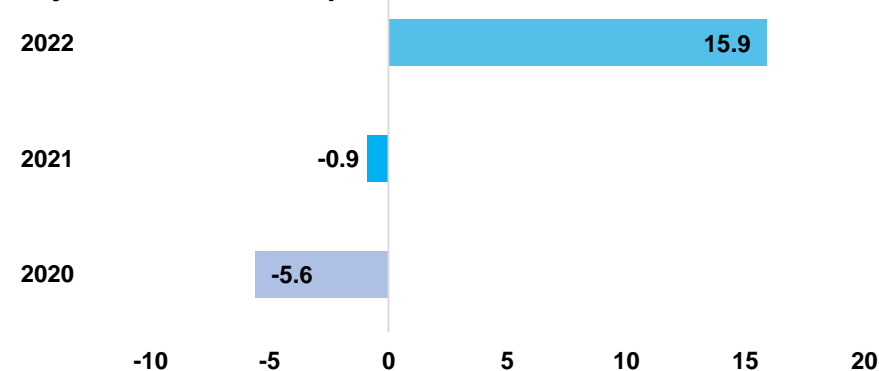
- A leading perforating supplier in North America.
- International markets growing strongly.
- Roll out of H-3 Perforating System™ in 2022.
- H-4 Perforating System™ to be launched in 2023.
- Expansion of detonating cord capacity completed in the year.
- Expansion of “Recon” Power charge.
- Increasing gun loading capacities in US and Canada.



Revenue - \$m



Adjusted result from operations - \$m



# Segment Review – North America

## USM

- Sales order book has nearly tripled during 2022.
- Growth in international and offshore completions business.
- Increase in well intervention business.

## Connection Technology

- Continued growth of onshore business.
- Strong sales of TEC-LOCK Wedge™ Connection recorded in year.
- Increasing business activity in deep water offshore.
- Strong increases to revenue and profit following change in business model in 2020.

## AMG

- Continued growth in oilfield service company activity.
- Strong defence, power generation, aerospace and space business.

## Trenchless

- Introduction of the ROCKNIFE product line.
- Improving US 5G infrastructure business.

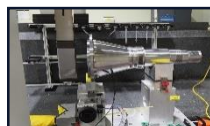
## Product lines



OCTG /  
Connection  
Technology



USM



AMG

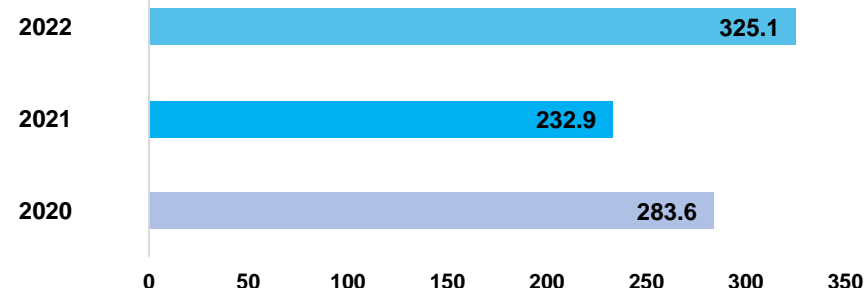


Trenchless

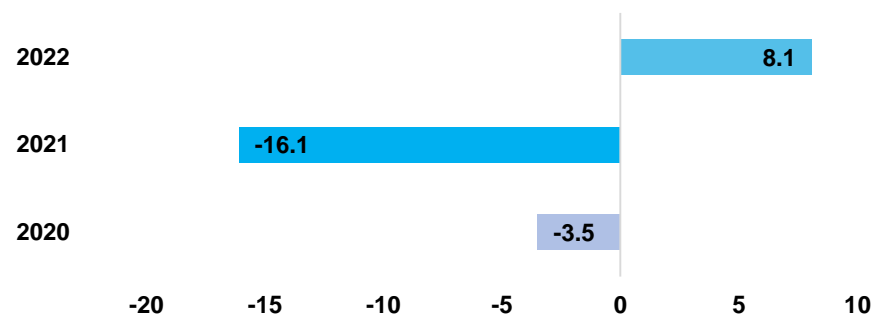


Subsea  
Technologies

## Revenue - \$m



## Adjusted result from operations



# Segment Review – North America (continued)

## Subsea

- Growth in TSJ and FPSO markets.
  - Continued growth in ultra deep water exploration and activity in South America.
  - Requires robust and specialised systems and components.
- Sales order book now \$105.1m.
  - 85% of the backlog associated with Subsea Spring tied to large committed long-term programs.
- Growth Trajectory Very Strong.
  - Based on projected subsea tree and SURF activity, we have line of sight on a long term upcycle within the industry.

## Subsea spending

USD billion, capex and opex

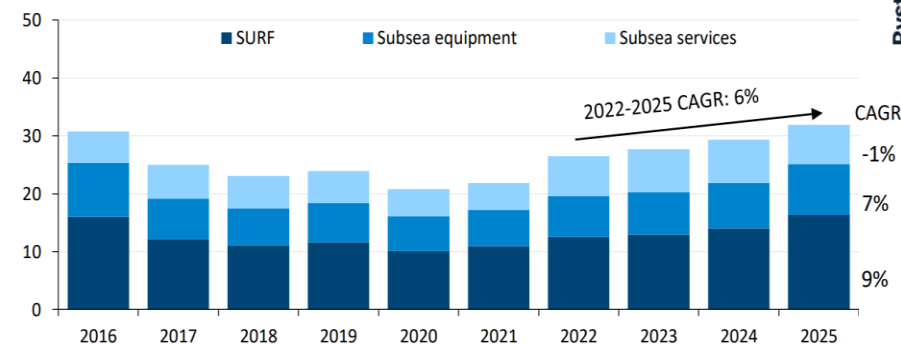
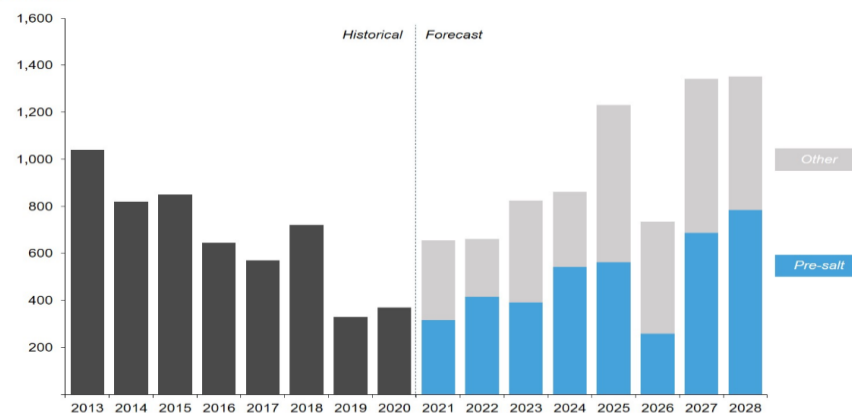


Figure 1: SURF demand\* in Brazil

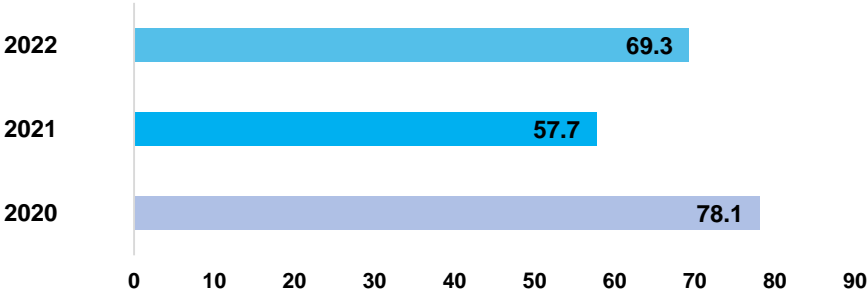
Kilometers



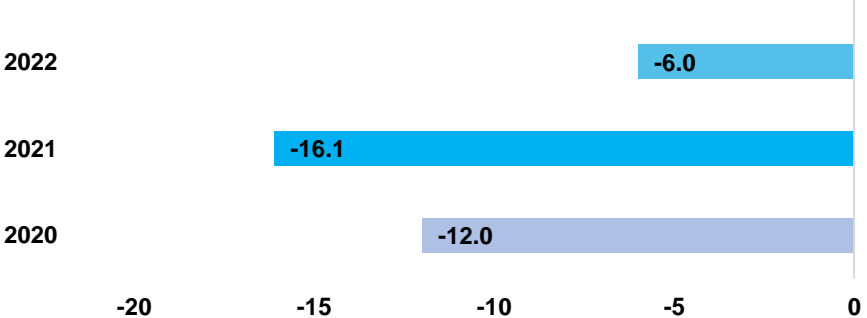
# Segment Review – EMEA

- OCTG/Connection Technology**
  - Continued strong backlog for Tubacex Brazil orders into 2024. Order being processed in the Netherlands and Aberdeen facilities.
  - Increased OCTG accessory activity.
- Intervention Tools**
  - Strong North Sea pressure control bookings.
  - Substantial increase in Middle East activities.
  - Increased Well Testing orders for the Middle East.
  - Continued growth in Saudi market.
- Organic Oil Recovery**
  - Continued customer engagement with initial treatments applied in December.
  - New activity in UK, Oman, Angola and Nigeria.

Revenue - \$m



Adjusted result from operations



Product lines



OCTG / Connection Technology



Intervention Tools



Organic Oil Recovery

# Segment Review – Asia Pacific

- **Business Environment**

- China easing COVID polices are expected to have an economic rebound in 2023.
- Continued OCTG price increases.

- **OCTG/Connection Technologies**

- Hampered by COVID restrictions in China during Q1 2022.
- Growth in China, Middle East, North Africa, Nigeria and Asia Pacific markets.
- Engaging on geothermal opportunities.
- Strong Completion Accessories business throughout the region.
- Continued growth of Jindal JV with plant expected to open during Q2 2023.

- **Intervention Tools**

- Growth in PCE and Slickline sales throughout the region.
- Customers engaging on PCE rental programs.

## Product lines

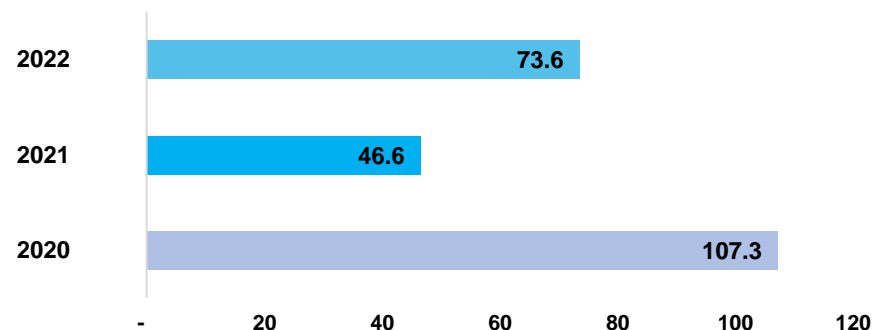


OCTG /  
Connection  
Technology

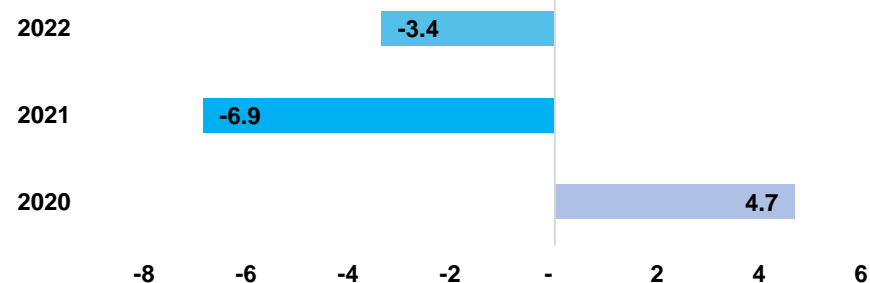


Intervention  
Tools

### Revenue - \$m



### Adjusted result from operations





# Other investments



- Hunting holds a key investment position with the asset contribution of our Drilling Tools business unit to Rival.
- This market space was highly fractured with many participants and highly capital intensive.
- Hunting and others consolidated into Rival, which limits our capex requirements, protecting Hunting's cash flow.
- Hunting still receives its portion on the benefit, with the industry upturns associated in North America.
- Hunting has used its international footprint and industry span to increase Rival's international opportunities in key markets such as the Middle East.



- Hunting is a large investor / convertible note holder in advanced stage onshore well data analytics company.
- Well Data Labs and Hunting have a collaborative agreement to enhance perforating data collection technologies and interface.
- The relationship benefits both companies as Well Data Labs gains access to Hunting's industry and operational knowledge and Hunting obtains key analytical data to assist in new product development and existing product enhancements for Titan.

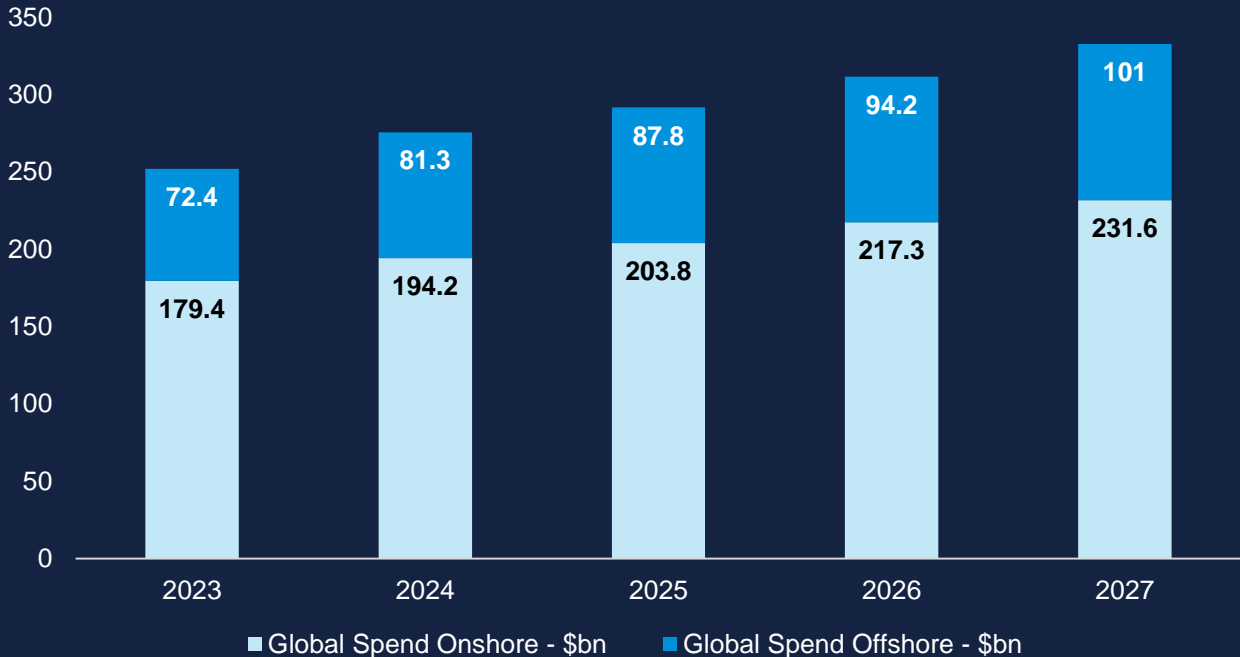


- Hunting is an equity investor in a Cumberland, a seasoned additive manufacturer in this growing industry.
- While additive manufacturing is in the early stage of adoption by the oil and gas industry, Cumberland is a well-established player in the industrial, defence and aerospace sectors of additive manufacturing.
- Cumberland has recently expanded in Texas and in Q4 2022 began operations in Pittsburgh's Neighbourhood 91, a newly established centre of excellence for additive manufacturing.
- As Hunting's customer base moves toward this emerging sector, the collaboration opens new opportunities which is vital to remaining a premier manufacturer within our industry.

# Market outlook

- Robust outlook for oil and gas demand anticipated by most commentators, driven by energy security, reserve depletion and lack of investment for >5 years.
- Global drilling spend projected to increase 29% to c.\$251.8bn in 2023.
- Subsea spend accelerating, with strong outlook for SURF products and other services.

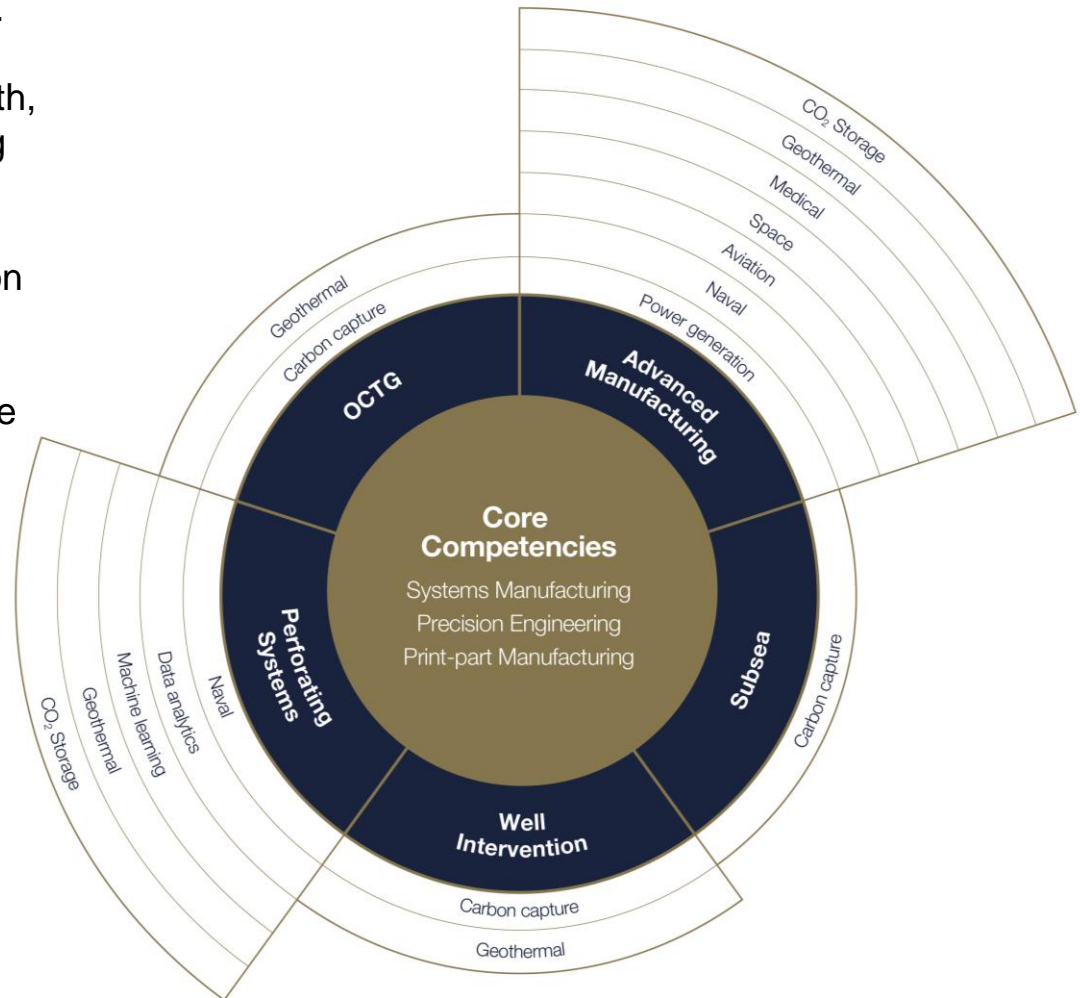
Global Drilling Spend 2023-2027 (\$bn)



Source: Spears & Associates

# Hunting 2030

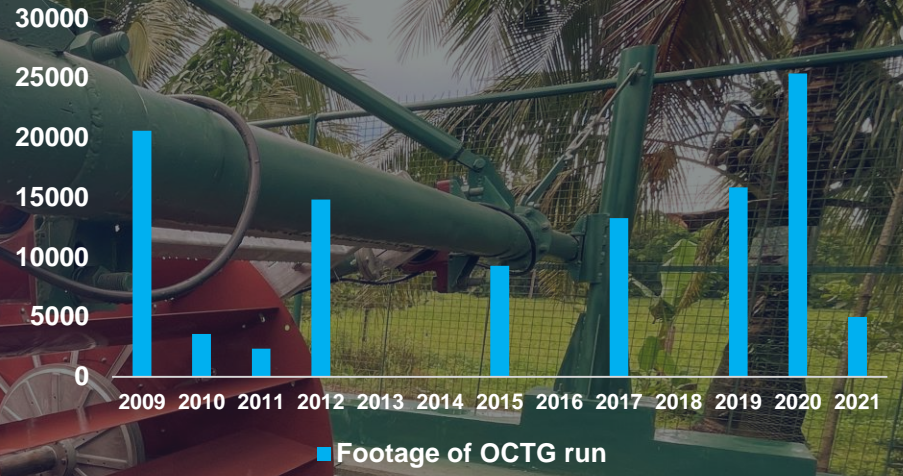
- Hunting 2030 strategic ambition launched.
- Subsea build out forms a key part of growth, supported by reporting as a new operating segment.
- Good growth expected in Energy Transition and non-oil and gas sectors.
- Revenue diversification to shift the balance of oil and gas/non-oil and gas for 2030 to more proportional levels.



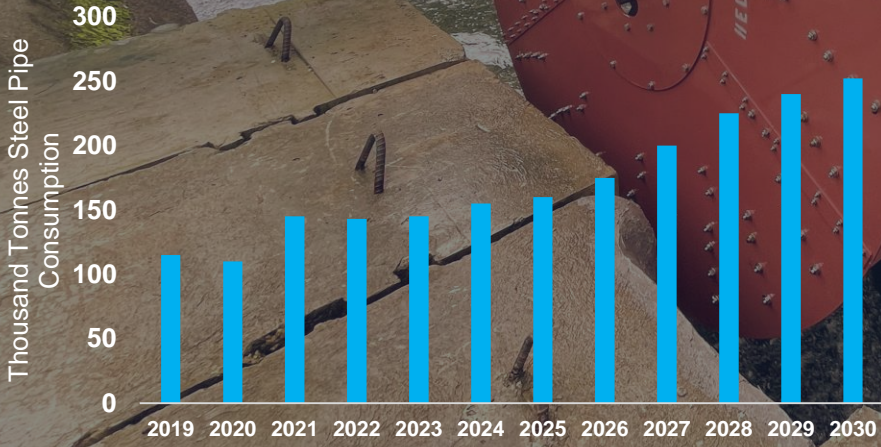
# Energy Transition

- Sales group formed in December 2022, with inputs from global sales and technology teams.
- Focus on geothermal and carbon capture and storage projects.
- Hunting has an established track record in supplying global geothermal projects.
- Hunting has applicable technology, including connections, valves and OCTG supply channels to services clients.

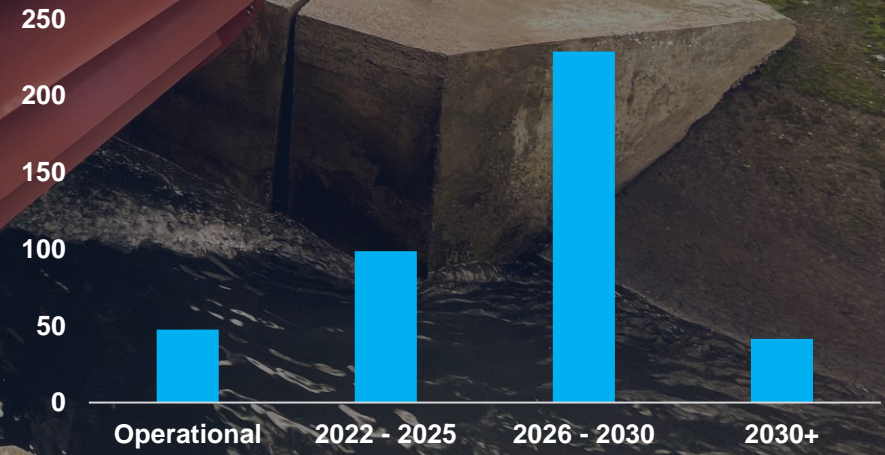
Hunting projects since 2009 – footage run



Geothermal OCTG Projected Activity

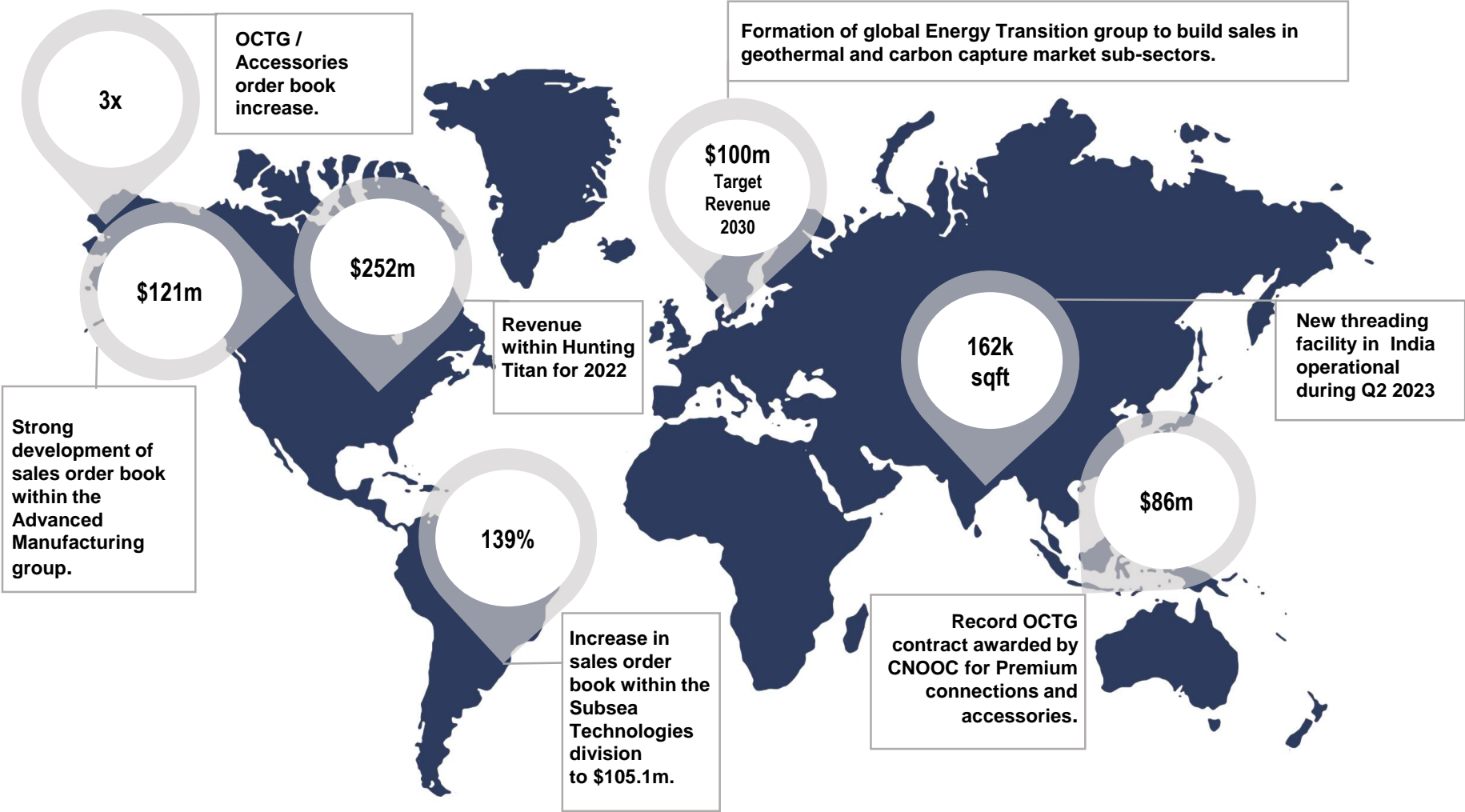


Carbon Capture Capacity (Mtpa)



# Global Presence, Global Progress

Strong increases in activity across all operating segments.



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# Summary

- Hunting is well positioned for the anticipated multi-year upcycle in oil and gas.
- Global drilling spend is anticipated to grow further in 2023.
- Revenues to expand further in the year ahead as activity levels improve.
- EBITDA margin expansion anticipated as facility utilisation and pricing improves.
- North America will be a key player in energy security, particularly for LNG.
- Energy Transition sales team already tendering for geothermal and CCUS orders.
- Hunting 2030 Strategy informs stakeholders how the Group will develop in the medium term.

# Appendices

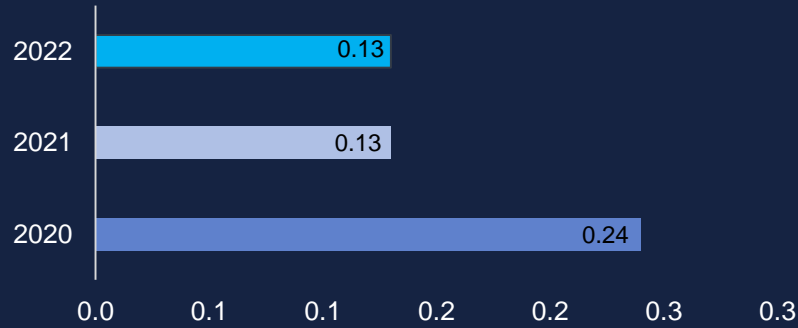
Results presentation for full year ending 31 December 2022

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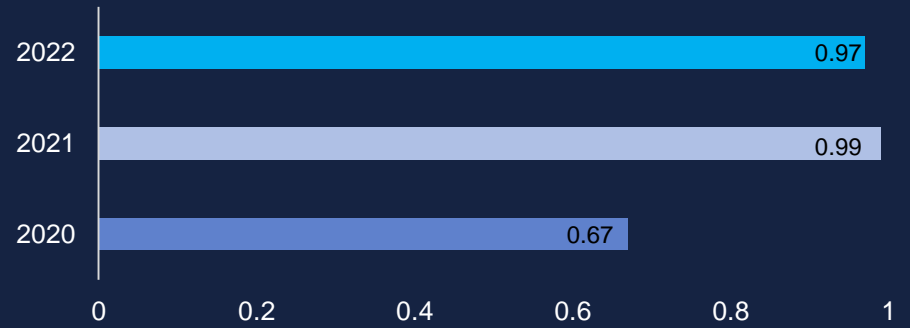


# ESG

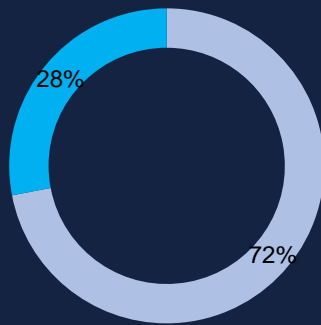
Quality Assurance / Manufacturing Reject Rate (%)



Total Recordable Incident Rate "TRIR"

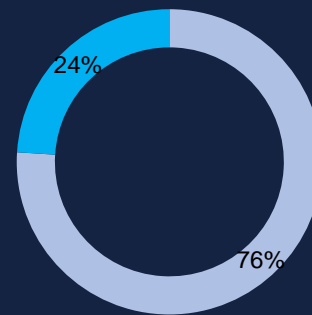


Senior Management Diversity



■ Male ■ Female

Workforce Diversity



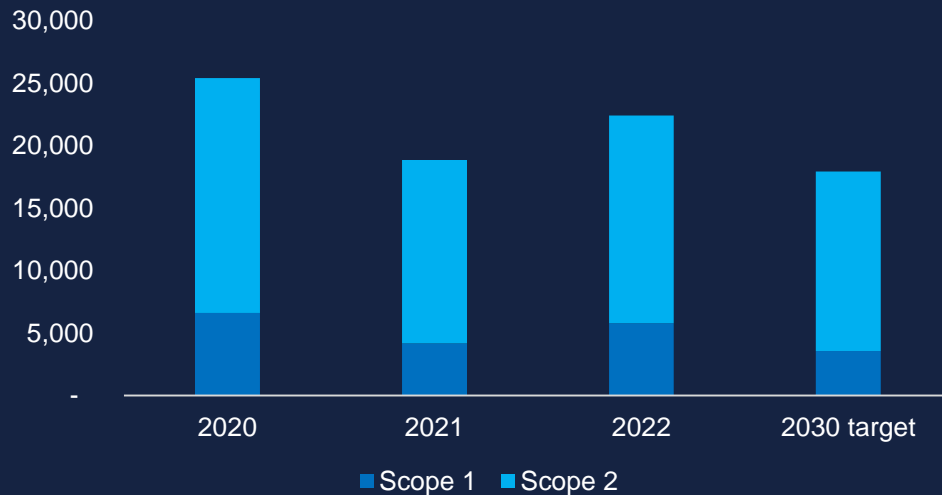
■ Male ■ Female



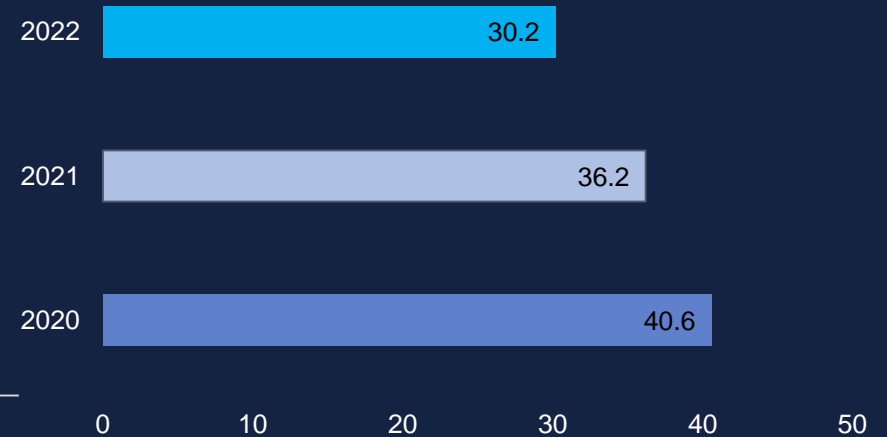
# ESG

- New carbon emission targets agreed by the Board in December 2022, targeting 50% reduction of Scope 1 and Scope 2 emissions from 2019 base line year by 2030.
- High level modelling of climate scenarios to be published in March 2023.
- Scope 3 evaluation to comprise business travel, commuting, raw materials to be completed in 2023.

GHG Emissions, Scope 1 and Scope 2 (tonnes)



Intensity factor (#) kg CO<sub>2</sub> per / \$'000 revenue



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# Statutory Group Income Statement

	2022 \$m	Margin %	2021 \$m	Margin %
Revenue	725.8		521.6	
Gross profit	171.4	24	64.9	12
Profit (loss) from operations	2.0	-	(79.7)	(15)
Share of associates' & JVs' losses	(2.7)		(3.8)	
Loss before tax	(2.4)		(85.5)	
Tax charge	(1.3)		(4.2)	
Loss after tax	(3.7)		(89.7)	
Diluted loss per share	(2.8c)		(53.2c)	

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# Segmental Results

	2022				2021			
	H1 Revenue \$m	H2 Revenue \$m	H1 Adjusted results from operations	H2 Adjusted results from operations	H1 Revenue \$m	H2 Revenue \$m	H1 Adjusted results from operations	H2 Adjusted results from operations
Hunting Titan	127.2	138.8	4.3	11.6	88.7	100.6	(1.6)	0.7
North America	158.7	191.0	-	8.1	122.2	132.4	(10.4)	(5.7)
EMEA	37.1	34.4	(2.2)	(3.8)	27.6	30.5	(6.6)	(4.6)
Asia Pacific	31.9	48.5	(0.4)	(3.0)	19.1	29.0	(4.4)	(2.5)
Inter-segment elimination	(18.8)	(23.0)	-	-	(13.2)	(15.3)	-	-
	<b>336.1</b>	<b>389.7</b>	<b>1.7</b>	<b>12.9</b>	<b>244.4</b>	<b>277.2</b>	<b>(23.0)</b>	<b>(12.1)</b>