



Proven capabilities for energy and beyond

Annual General Meeting 2023

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Highly trusted innovator and manufacturer of technology and products

Agenda

Annual General Meeting 2023

Royal Automobile Club, 89 Pall Mall, SW1Y 5HS, Wednesday 19 April 2023 at 10.30 a.m.

Introduction & Q1 2023 Trading Update

Jay Glick, Non-executive Chairman

Questions & Answers

Chief Executive Review of 2022

Jim Johnson, Chief Executive

Questions & Answers

Business of AGM

Jay Glick, Non-executive Chairman

Proxy Votes Received

Close

Board of Directors



Jay Glick
Non-executive Chairman
Chair of Nomination Committee
and Ethics and Sustainability Committee



Jim Johnson
Chief Executive



Bruce Ferguson
Finance Director



Annell Bay
Non-executive Director
Chair of Remuneration Committee



Stuart M. Brightman
Non-executive Director



Carol Chesney
Non-executive Director
Chair of Audit Committee



Keith Lough
Senior Independent
Non-executive Director



Paula Harris
Non-executive Director

Q1 2023 Trading Update

- A strong start to the year, with most businesses trading in-line or ahead of management's expectations.
- EBITDA of \$22.6 million reported during the quarter, compared to \$6.7 million in Q1 2022 and \$15.8 million in Q4 2022, with EBITDA margin of c.10%.
- North America has reported strong growth in the period and is trading ahead of expectations. US Manufacturing business unit had a particularly strong March driven by strong order flow.
- Hunting Titan delivering higher operating margins driven by adoption of H-3 Perforating System and higher international sales.
- Subsea Technologies and EMEA are also trading ahead of expectations, while Asia Pacific is trading in-line.
- Investment in working capital has continued in the period, management still targeting a net cash and bank position by year-end as cash generation accelerates in H2 2023.
- Outlook for the full year remains unchanged to guidance provided at the 2022 full year results.

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Review of 2022



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.



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.

Group Balance Sheet

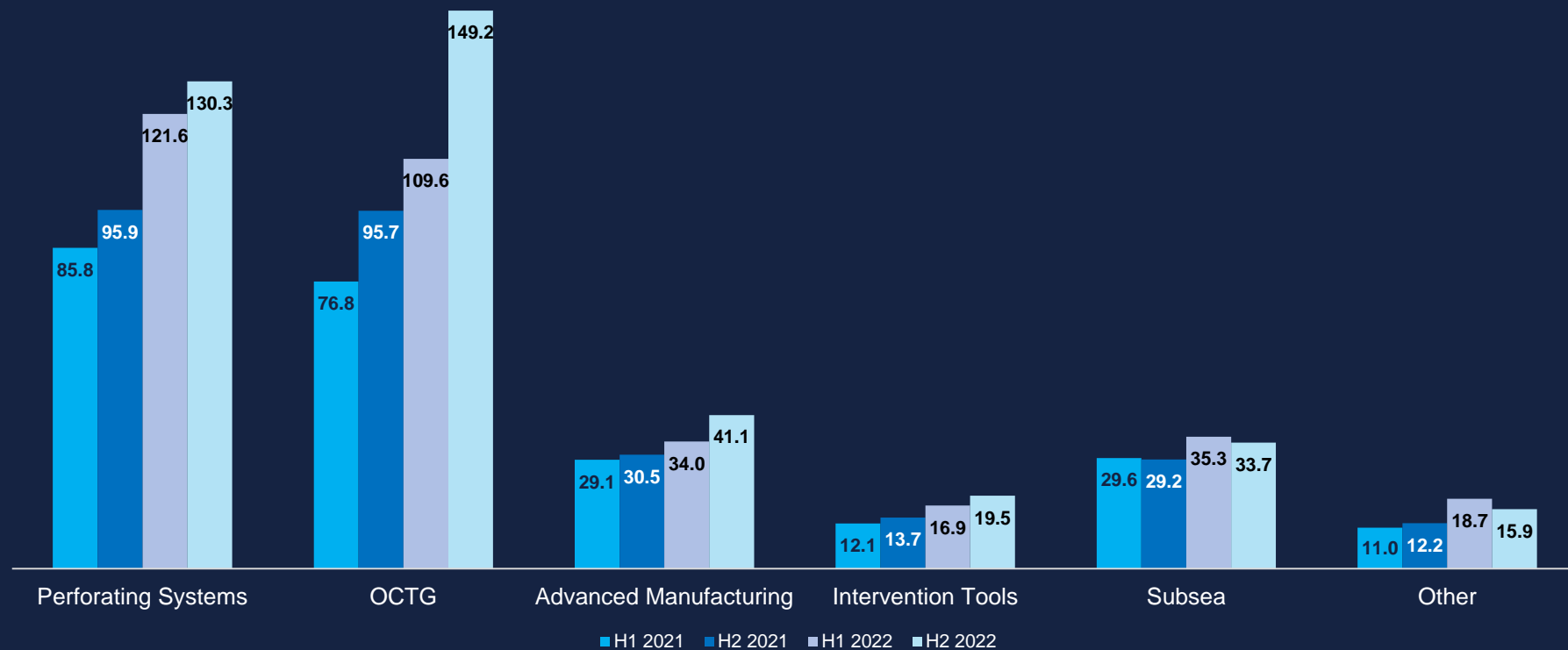
	2022 \$m	2021 \$m
Property, plant and equipment	256.7	274.4
Right-of-use assets	26.0	24.7
Goodwill and other intangible assets	191.2	200.3
Associates and joint ventures	20.1	19.4
Working capital	362.8	278.0
Taxation	4.0	1.4
Provisions	(8.9)	(8.1)
Other net assets	4.3	2.7
Total bank and cash	24.5	114.2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

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

Revenue by Product Grouping

Revenue by Product (\$m)

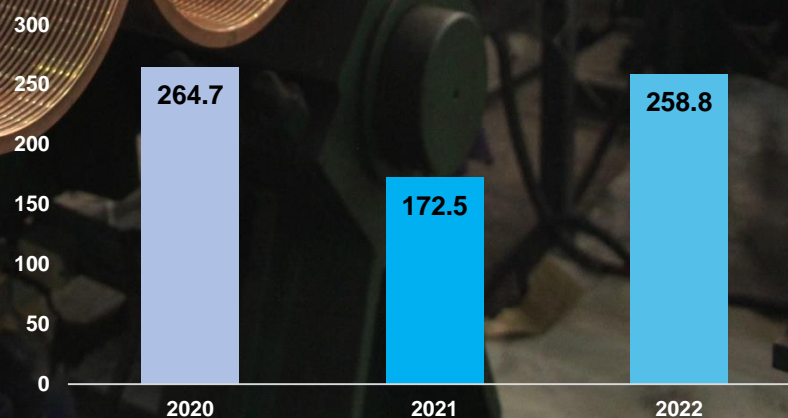


	H1 2021	H2 2021	H1 2022	H2 2022
Oil and gas	226.9	257.1	312.0	366.2
Non-oil and gas	17.5	20.1	24.1	23.5
	244.4	277.2	336.1	389.7

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.

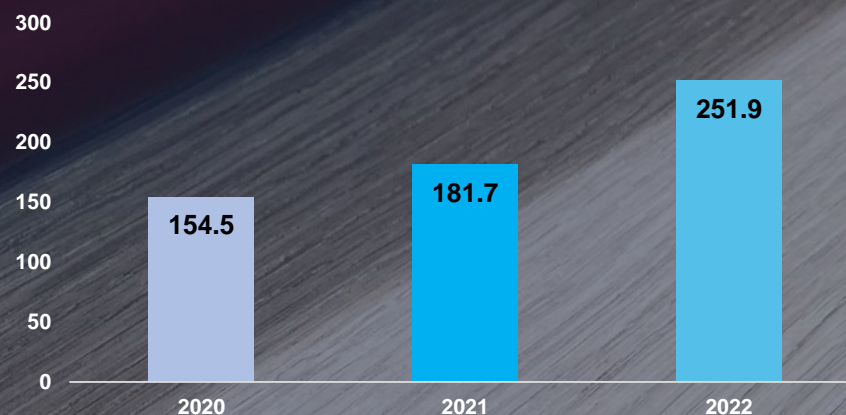
Revenue - \$m



Product Line: Perforating Systems

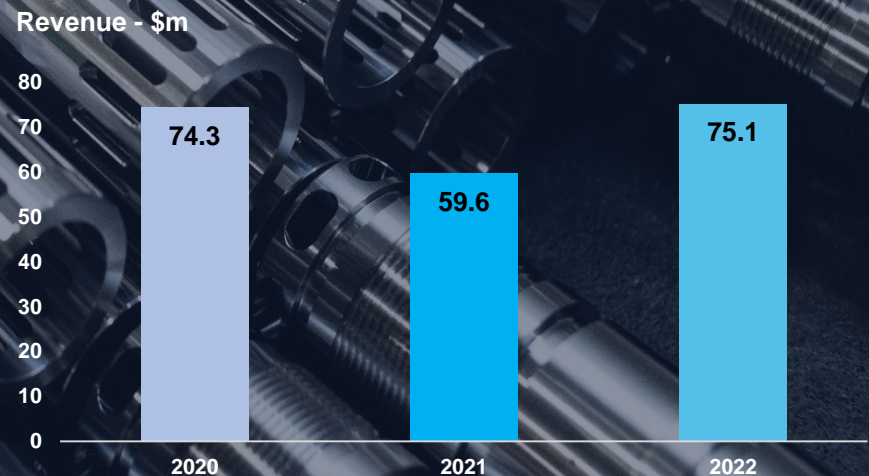
- Hunting Titan continues to report strong market share positions within the North American onshore for key product groups.
- H-3 Perforating System™ introduced to clients during the year.
- E-Gun Recon™ now the preferred system for international markets.
- Increased volumes of pre-loaded gun and detonating 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

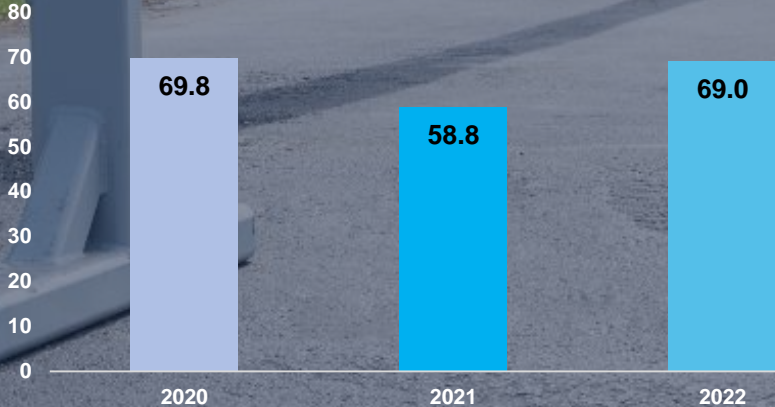
- Electronics and Dearborn businesses now report a sales order book of \$121m, of which 35% is non-oil and gas sales.
- Electronics reports oil and gas sales of \$17.0m (2021 – \$12.5m). Some microchip supply chain issues in year. Non-oil and gas sales \$3.6m (2021 – \$4.7m).
- Dearborn reports oil and 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:

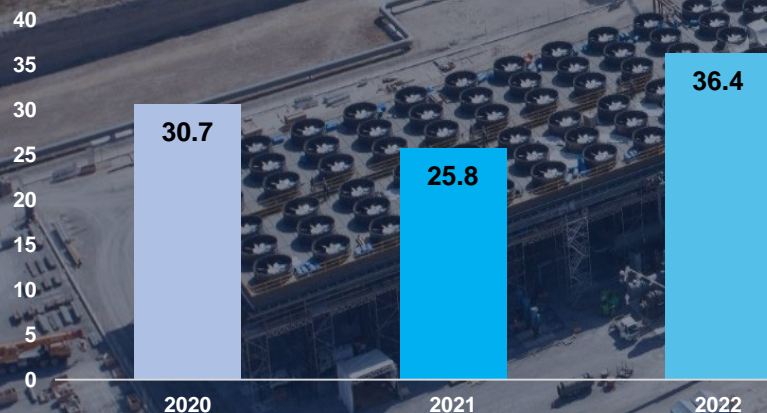
Intervention Tools

- 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.

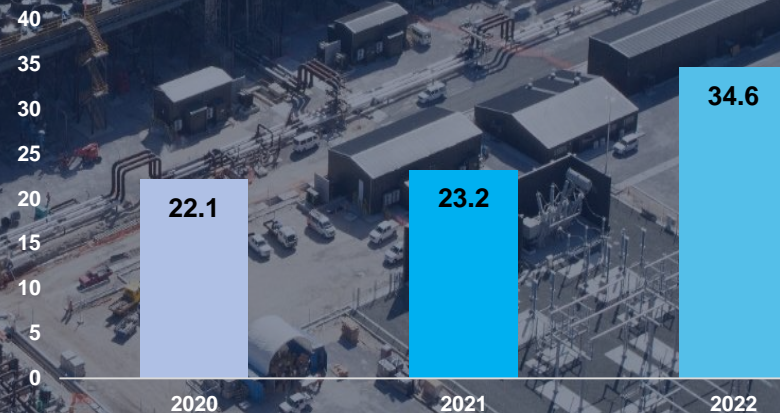
Other Revenue

- 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.

Revenue - \$m

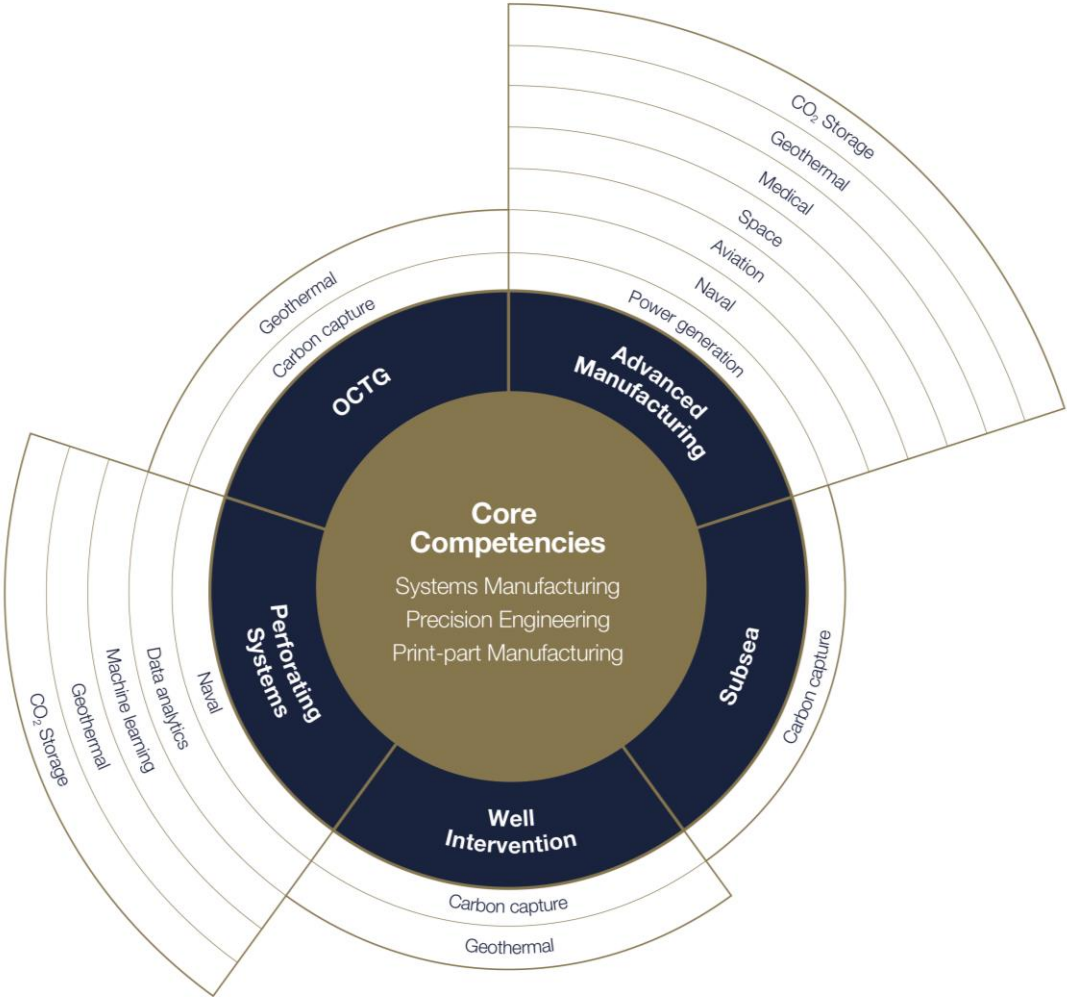


Revenue - \$m



Hunting 2030

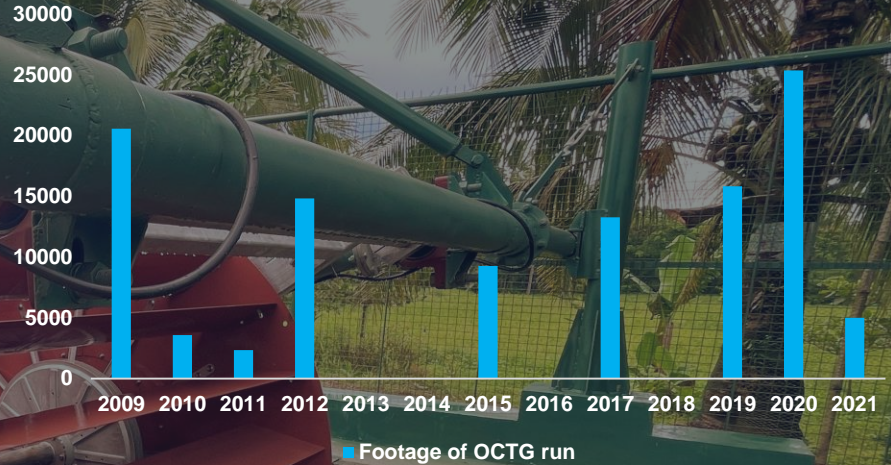
- Hunting 2030 strategic ambition launched.
- Subsea build out forms a key part of growth, supported by reporting as a new operating segment.
- Good growth expected in Energy Transition and non-oil and gas sectors.
- Revenue diversification to shift the balance of oil and gas/non-oil and gas for 2030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



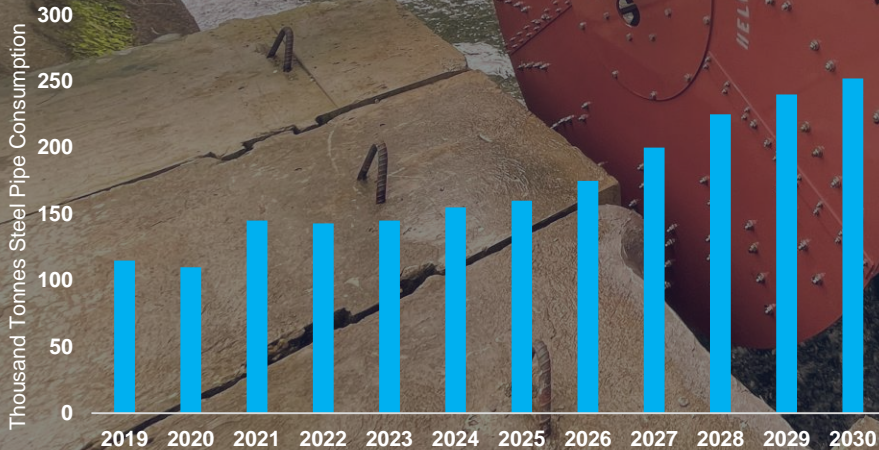
Energy Transition

- 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.

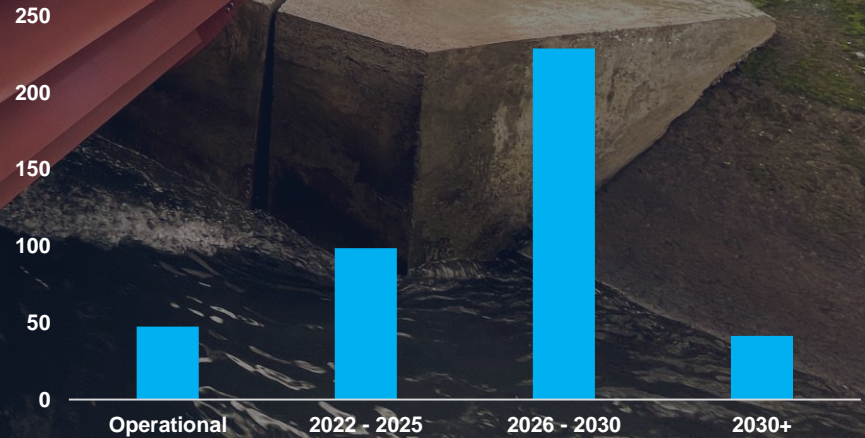
Hunting projects since 2009 – footage run



Geothermal OCTG Projected Activity



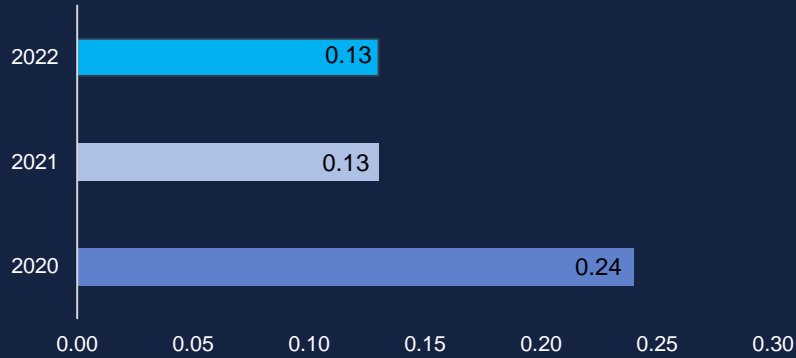
Carbon Capture Capacity (Mtpa)



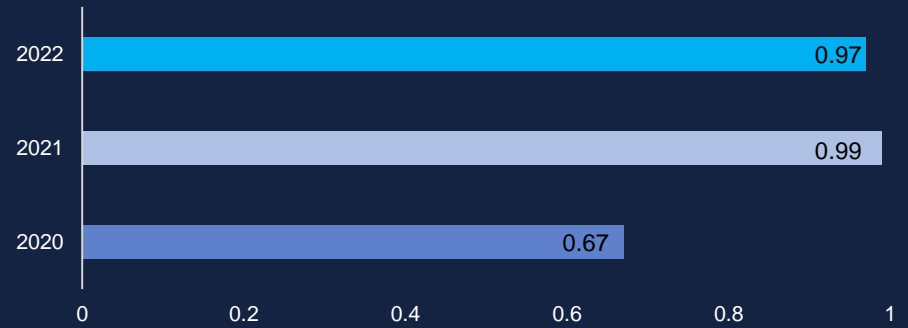
Source: Rystad Energy

ESG

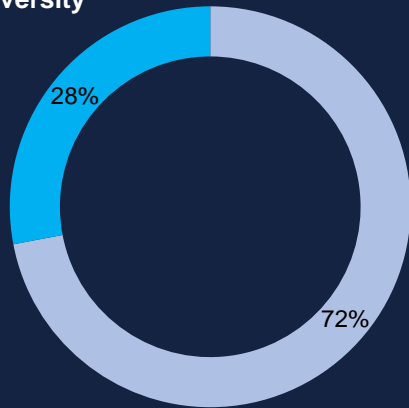
Quality Assurance / Manufacturing Reject Rate (%)



Total Recordable Incident Rate "TRIR"

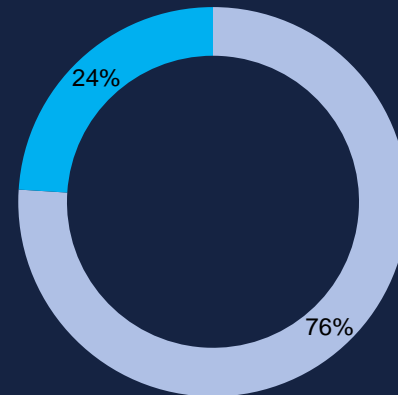


Senior Management Diversity



■ Male ■ Female

Workforce Diversity

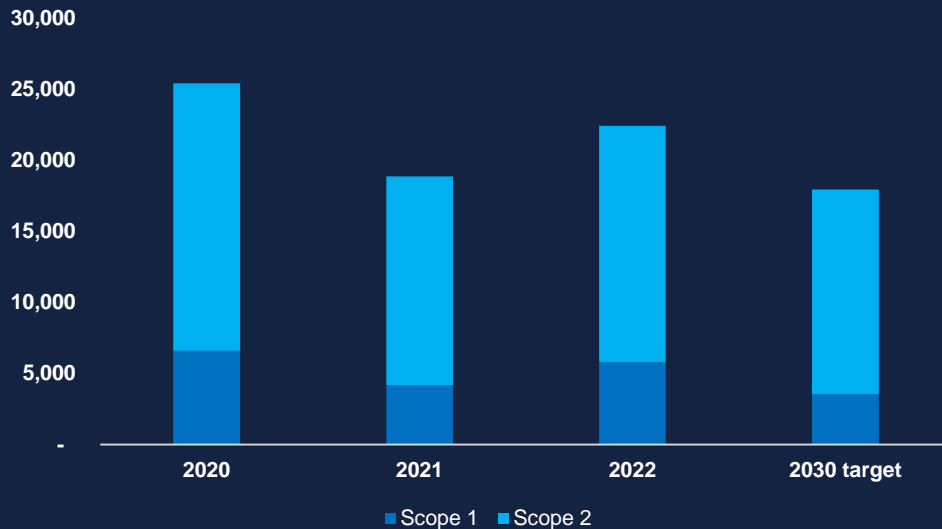


■ Male ■ Female

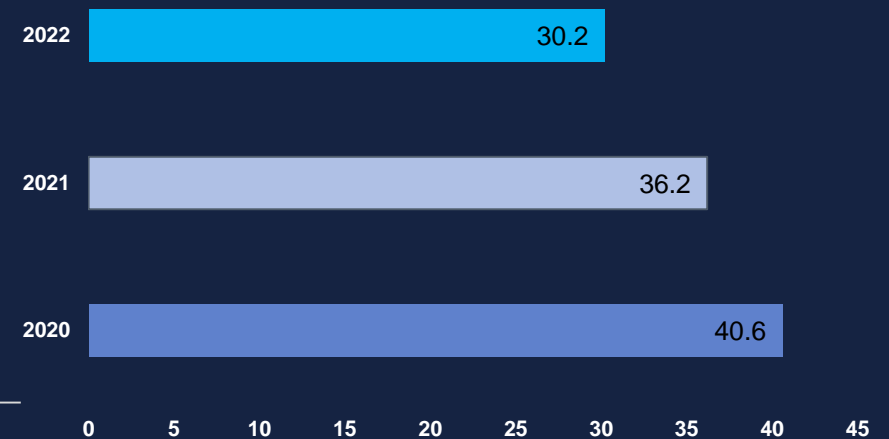
ESG

- 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)

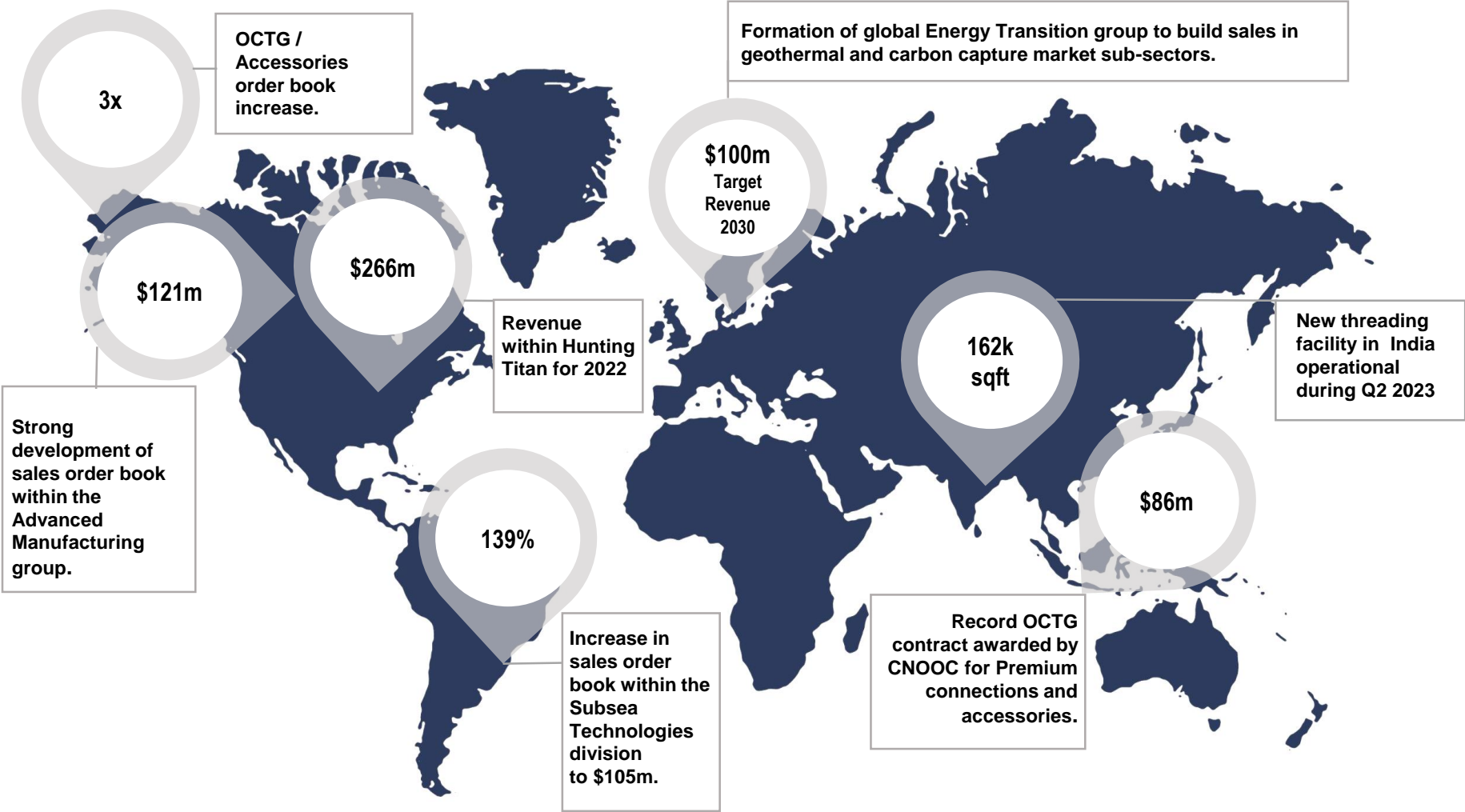


Intensity factor(%) kg CO₂ per / \$'000 revenue



Global Presence, Global Progress

Strong increases in activity across all operating segments.

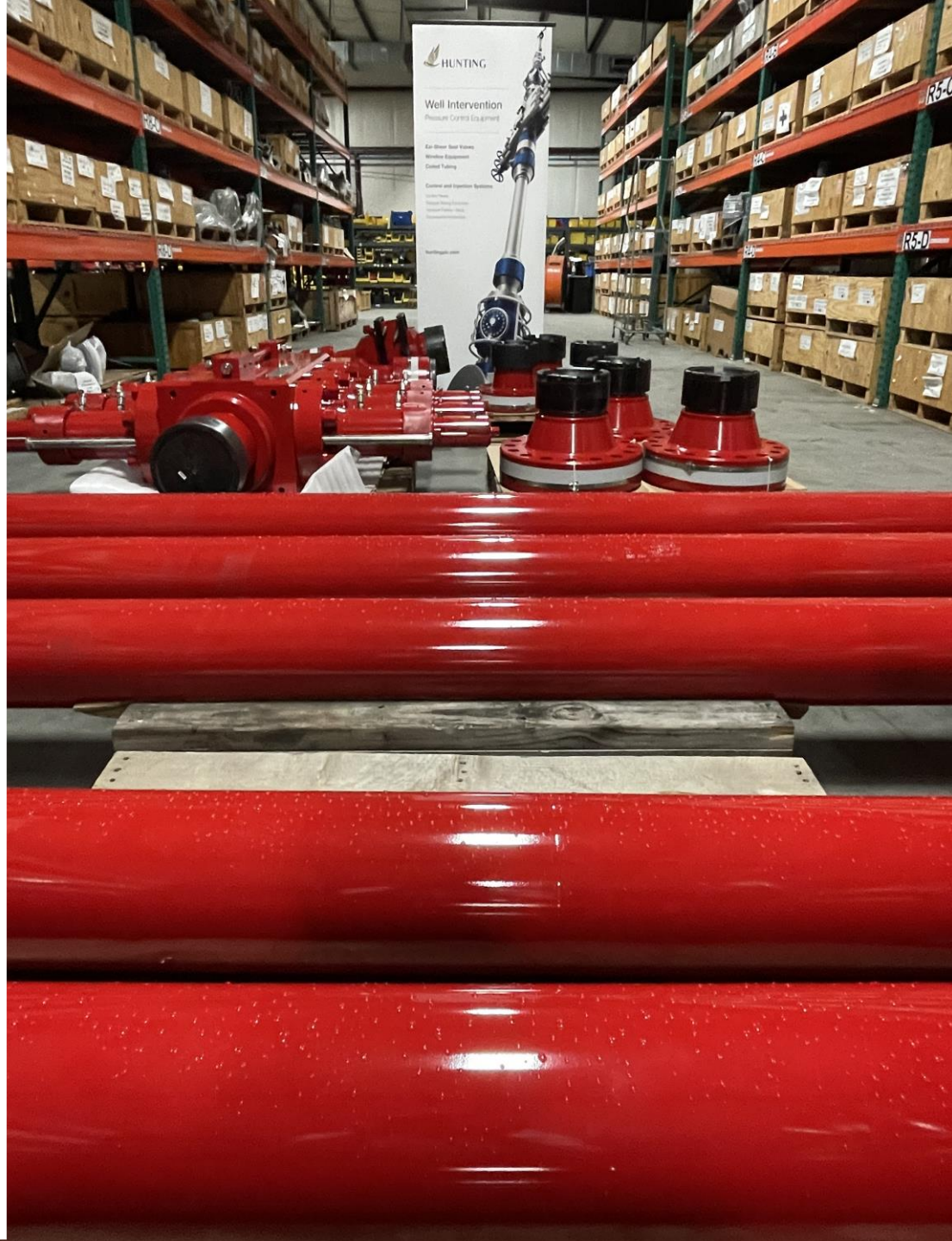


Summary

- 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 carbon capture orders.
- Hunting 2030 Strategy informs stakeholders how the Group will develop in the medium term.

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Questions And Answers



Questions & Answers

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Resolutions & Proxy Votes



Proxy votes received as at 17 April 2023

Resolution,	For	Against	Withheld
1 To receive the 2022 Annual Report.	116,506,083	7,589	329,371
2 101961709	101,961,709	14,855,627	25,707
3 To declare a final dividend of 4.5 cents per share.	116,703,723	139,020	300
4 To re-appoint Stuart Brightman as a Director.	116,620,177	194,626	28,240
5 To re-elect Annell Bay as a Director.	112,312,291	4,527,989	2,763
6 To re-elect Carol Chesney as a Director.	115,596,320	1,215,556	31,167
7 To re-elect Bruce Ferguson as a Director.	116,579,135	260,668	3,240
8 To re-elect John Glick as a Director.	113,851,685	2,943,144	48,214
9 To re-elect Paula Harris as a Director.	115,593,657	1,218,219	31,167
10 To re-elect Jim Johnson as a Director.	116,602,643	237,874	1,740
11 To re-elect Keith Lough as a Director.	115,595,061	1,215,793	32,189
12 To re-appoint Deloitte LLP as auditor.	116,308,173	11,502	520,097
13 To authorise the Audit Committee to determine the auditor's remuneration.	116,822,674	10,872	6,226
14 To authorise the Directors to allot shares.	116,232,329	601,523	5,920
15 To confer a general authority on the Directors to disapply statutory pre-emption rights.	114,274,058	2,559,980	5,734
16 To confer an additional authority on the Directors to disapply statutory pre-emption rights.	114,245,243	2,588,795	5,734
17 To authorise the Company to make market purchases of its own shares.	115,166,564	1,629,722	43,486
18 To authorise 14 day notice periods for General Meetings.	115,533,407	1,302,548	3,817

