

PRECISION ENGINEERING IN A CHANGING WORLD

Hunting PLC 2023 Full Year Results

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Highlights

Strong increases in activity across most product groups leading to a return to bottom-line profitability

Revenue

\$929.1m +28%

EBITDA doubling due to strong contributions from OCTG, Advanced Manufacturing and Subsea product groups

EBITDA

\$103.0m +98%

Record year-end sales order book driven by increases across most product groups

Sales order book

\$565.2m +19%

Non-oil and gas sales increasing – predominantly within the Dearborn and Electronics business units

Non-oil and gas revenue

\$75.9m +59%

Higher facility utilisation, stronger pricing in most product lines and benefits of cost reductions driving higher EBITDA margin

EBITDA margin

11% (2022 – 7%)

Accelerating cash generation and EBITDA conversion

Q4 cash inflow

\$67.2m

Delivering the Hunting 2030 Strategy (i)

Product group	Initiative	2030 Strategic pillar
<p>OCTG</p> 	<ul style="list-style-type: none"> Entered 10-year strategic alliance with Jiuli Opened premium threading facility in Nashik, India Delivered strong growth within TEC-LOCK™ product line 	<p>Strategic supply chain Global growth</p>
<p>Perforating Systems</p> 	<ul style="list-style-type: none"> Launched new technology to clients in US including H-4 Perforating System™ and Perf+™ shooting panel Accelerated international sales into South America and Middle East Strategic partnership with StimStixx Technologies Inc to enhance perforation and acidisation technologies 	<p>Technology leadership Global growth</p>
<p>Subsea</p> 	<ul style="list-style-type: none"> Secured further orders with ExxonMobil for TSJs Opened new sales region in Black Sea Increased Enpro sales order book Expanded sales presence in South America 	<p>Technology leadership Global growth</p>

Delivering the Hunting 2030 Strategy (ii)

Product line	Initiative	2030 Strategic pillar
<p>Advanced Manufacturing</p> 	<ul style="list-style-type: none">• Increased non-oil and gas sales at Dearborn and Electronics• Excellent progress in sales to aviation, commercial space, defence and medical markets	Revenue diversification
<p>Energy Transition</p> 	<ul style="list-style-type: none">• Completion of initial cryogenic testing on proprietary premium connections• Entered partnership with CRA-Tubulars• Expanded global sales team to including North America, EMEA and Asia Pacific	Revenue diversification Technology leadership Global growth
<p>Cost management and rationalisation</p> 	<ul style="list-style-type: none">• Closed Oklahoma City operating site• Began transfer of well testing business to Dubai• Merged Enpro site with Badentoy site in Aberdeen, Scotland• Disposal of legacy E&P assets	Operating efficiency

ESG

Internal manufacturing reject rate

0.20%

(2022 – 0.13%)

Scope 1 and 2 emissions in tonnes CO₂e

24,042 tonnes

(2022 – 22,422 tonnes)

Employee engagement survey – “How satisfied are you with your organisation as a place to work?”

4.07 out of 5

(2019 – 4.06 out of 5)

Total recordable incident rate

0.91

(2022 – 0.97)

CO₂e intensity factor

25.9

(2022 – 30.9)

Average employee tenure

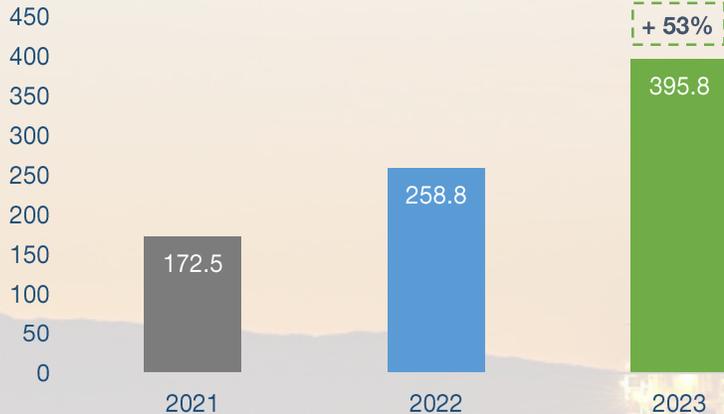
9 years

(2022 – 9 years)

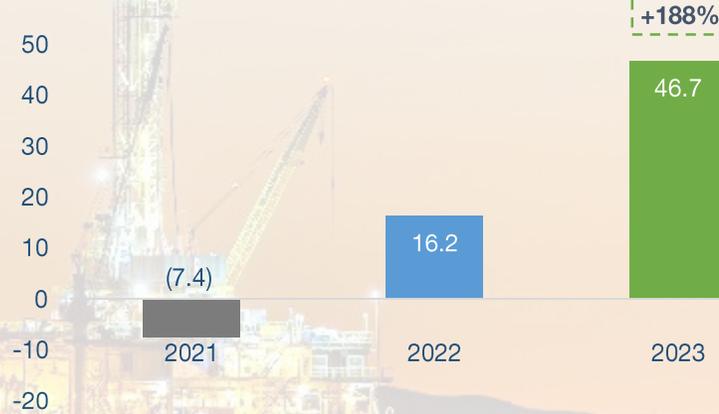
Product group: OCTG

- Strong global momentum for OCTG, premium connections and accessories across all regions
- Key drivers including significant CNOOC order; \$91m Cairn Oil and Gas order; expanded TEC-LOCK™ market share in North America; strong growth in well completion orders in South America; record year in Canada
- Threading facility in Nashik opened in September 2023 with JV partner Jindal SAW to service high growth India market
- Tangential markets for high-nickel alloys for geothermal and carbon capture providing strategic supply channels for Hunting clients.
- EBITDA margin increased to 12% (2022 – 6%)

Revenue - \$m



EBITDA - \$m



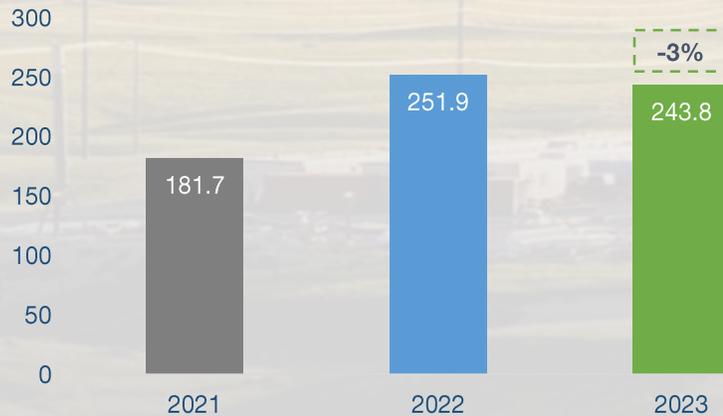
Sales order book - \$m



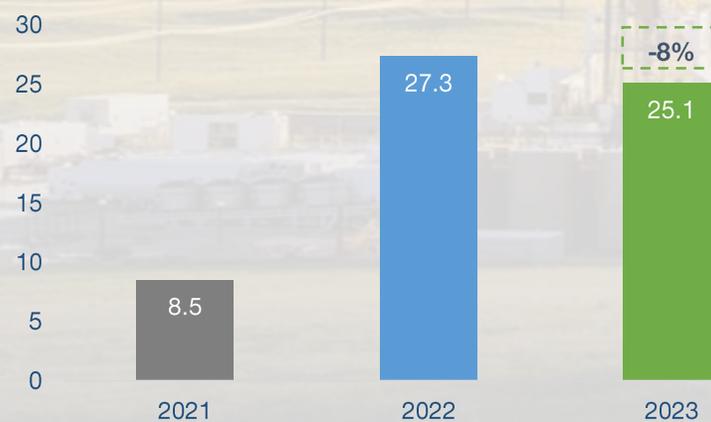
Product group: Perforating Systems

- Solid performance despite challenging US land market
- Launch of new technology to maintain leading market presence including H-4 Perforating System™ and Perf+™ shooting panel – supported by 185 patents and trademarks
- Accelerated commercialisation of H-3 Perforating System™ across North America and introduced Pre-Loaded Gun offering into Canada
- Titan international sales increased by 34% in the year, as growth strategy outside of North America stepped up
- Realised higher efficiencies from Q4 2023, following closure of Oklahoma City operating site
- Strategic partnership with StimStixx Technologies Inc, an industrial technology company, to enhance perforation and acidisation technologies
- EBITDA margin decreased to 10% (2022 – 11%)

Revenue - \$m



EBITDA - \$m



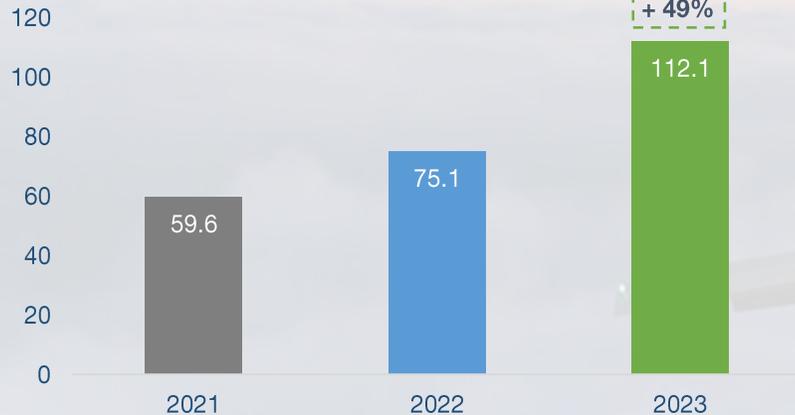
International Sales Hunting Titan - \$m



Product group: Advanced Manufacturing

- Total revenue increased for the product group up 49% to \$112.1m supported by oil and gas momentum and internal sales to Titan
- Strong progress in diversification with non-oil and gas revenue (Dearborn and Electronics) up 81% to \$51.0m in 2023 vs \$28.2m in 2022
- Advanced Manufacturing now reports a sales order book of \$161.5m (2022 – \$137.6m), of which c.47% is non-oil and gas sales
- Electronics saw a material improvement in micro-chip supply chain constraints, Dearborn fully exited from impact of pandemic in Q2 2023
- EBITDA margin increased to 10% (2022 – 1%)

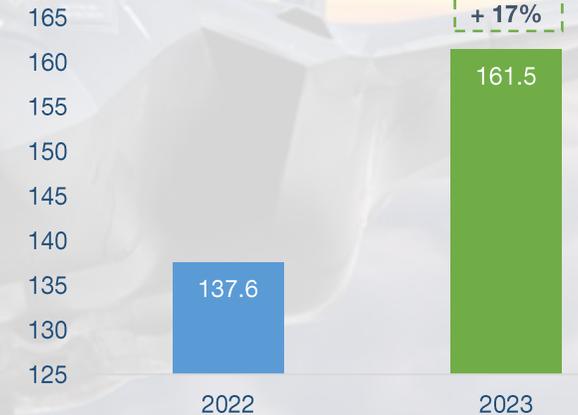
Revenue - \$m



EBITDA - \$m



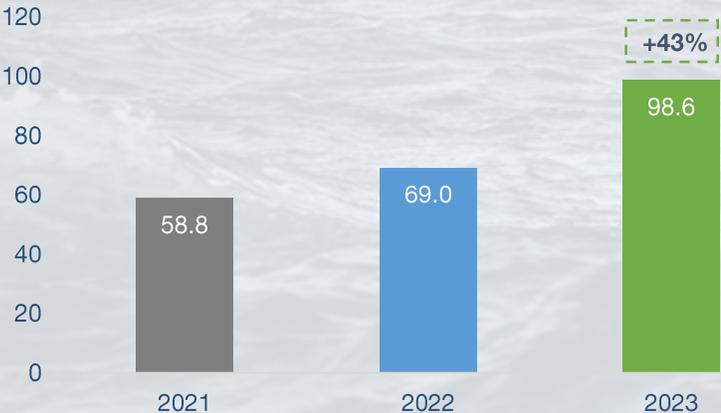
Sales order book - \$m



Product group: Subsea

- Step change in performance driven by global offshore investment – revenue increased 43% to \$98.6m
- Success in South America with titanium and steel stress joint orders for FPSOs, with products to Yellowtail, Uaru and Whiptail developments in Guyana – further progress anticipated as field expansions are planned to the end of the decade
- New global opportunities for TSJs also being captured as new Black Sea region opened up in Q4 2023
- Hydraulic valves and couplings business reporting record monthly sales supported by wider offshore momentum
- Sales order book up 45% to \$152.2m at year-end – strong progress within the Enpro business in H2 as FAM and FIS offering gained traction
- EBITDA margin increased to 14% (2022 – 5%)

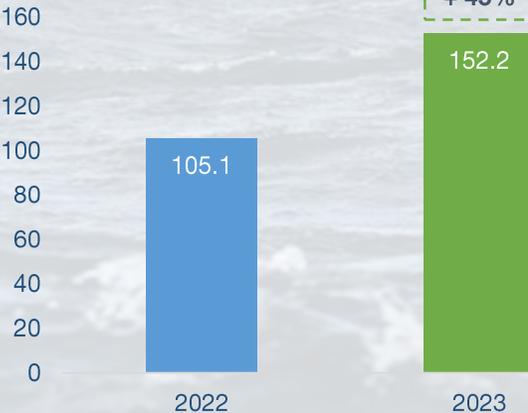
Revenue - \$m



EBITDA - \$m



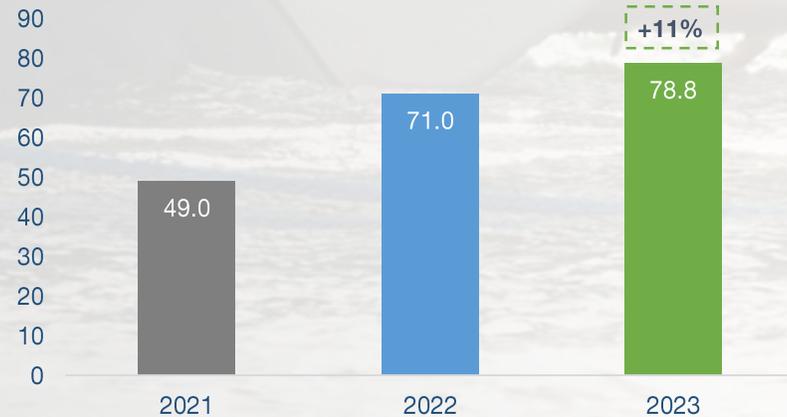
Sales order book - \$m



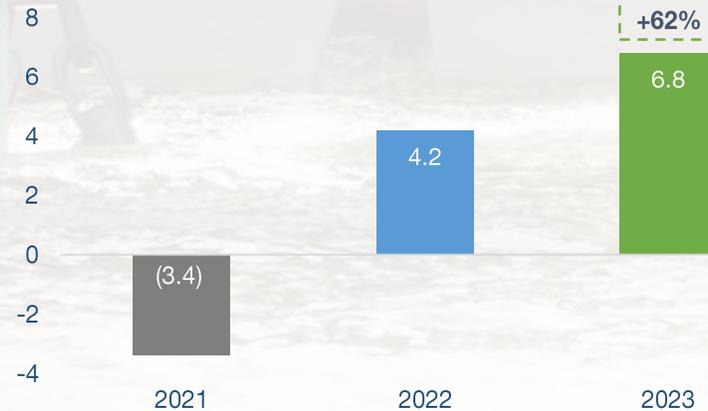
Product group: Other Manufacturing

- Well intervention and well testing businesses saw growth as global capital investments accelerated in the year – revenue up 11% to \$78.8m
- Non-oil & gas revenue \$21.4m (2022: \$19.4m)
- Trenchless line delivering robust sales due to 5G telecoms rollout across North America
- E&P disposals curtailed sales, however, P&A liabilities have been eliminated
- Sales order book \$16.8m – up 11%
- EBITDA margin increased to 9% (2022 – 6%)

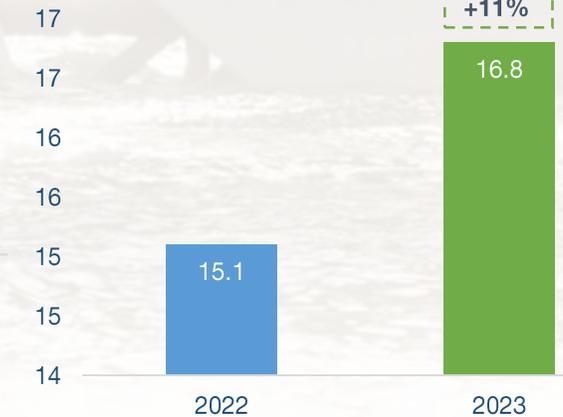
Revenue - \$m



EBITDA - \$m



Sales order book - \$m



Energy Transition

Hunting platform built out during year to serve this accelerating sector:

- Completion of initial range of cryogenic testing on proprietary premium connections
- Global sales team expanded in North America, EMEA and Asia Pacific
- Supply chain for high performance alloys secured with Jiuli in May 2023
- Technology and marketing partnership with CRA-Tubular announced to broaden offering
- Sales secured in the year – total ET revenue \$5.5m
- Geothermal opportunities being captured in Asia Pacific and North America – carbon capture project development discussions ongoing



FINANCIAL OVERVIEW

Financial Overview

Revenue up by 28% – led by OCTG, AMG and Subsea in the offshore and international markets

Record sales order book of \$565.2m providing visibility for 2024 and beyond

Diluted earnings per share up 332% from 4.7 cents to 20.3 cents

EBITDA up 98% to \$103.0m

- Non-oil and gas revenue increased by 59% to \$75.9m compared to \$47.6m in 2022
- EBITDA margin 11% – increased volumes leading to improved facility utilisation; targeted price increases taking effect; and better leveraging of fixed costs
- Operating efficiencies and restructuring continuing – disposal of legacy E&P assets and closure of Oklahoma manufacturing site

EBITDA per employee \$44k (2022 – \$25k)

Responsible growth in dividend per share for 2023 to 10.0 cents – increase of 11%

Recognition of \$83.1m of DTAs supporting the confidence we have in future profitability

Return on average capital employed 6% (2022 – 1%)

Strong revenue growth post-COVID despite 21% decrease in US land rig count

Revenue by Product - \$m



	2021	2022	2023
	\$m	\$m	\$m
Oil and gas	484.0	678.2	853.2
Non-oil and gas	37.6	47.6	75.9
	521.6	725.8	929.1

Source: Company

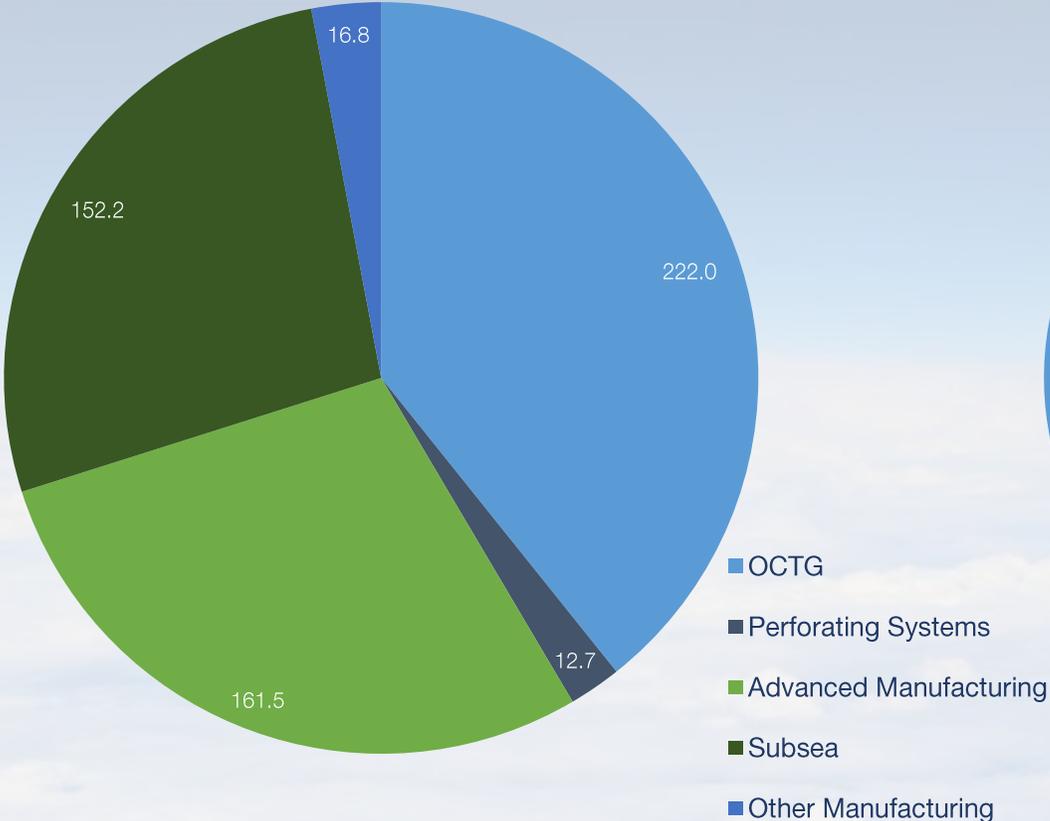
Earnings and profitability growth in the year

Adjusted Group Income Statement*	2023 \$m	Margin	2022 \$m	Margin	
Revenue from oil and gas	853.2		678.2		
Revenue from non-oil and gas	75.9		47.6		Increase to 8% of total revenue
Revenue	929.1		725.8		28% increase
Gross profit	227.7	25%	171.4	24%	
EBITDA	103.0	11%	52.0	7%	Near-doubling of EBITDA
Operating profit	61.0	7%	14.6	2%	
Profit before tax	50.0		10.2		
Tax charge	(14.1)		(1.3)		Tax rate 28%
Profit after tax	35.9		8.9		
Diluted earnings per share	20.3c		4.7c		332% increase
Final dividend per share proposed	5.0c		4.5c		
Total dividend per share declared	10.0c		9.0c		11% increase

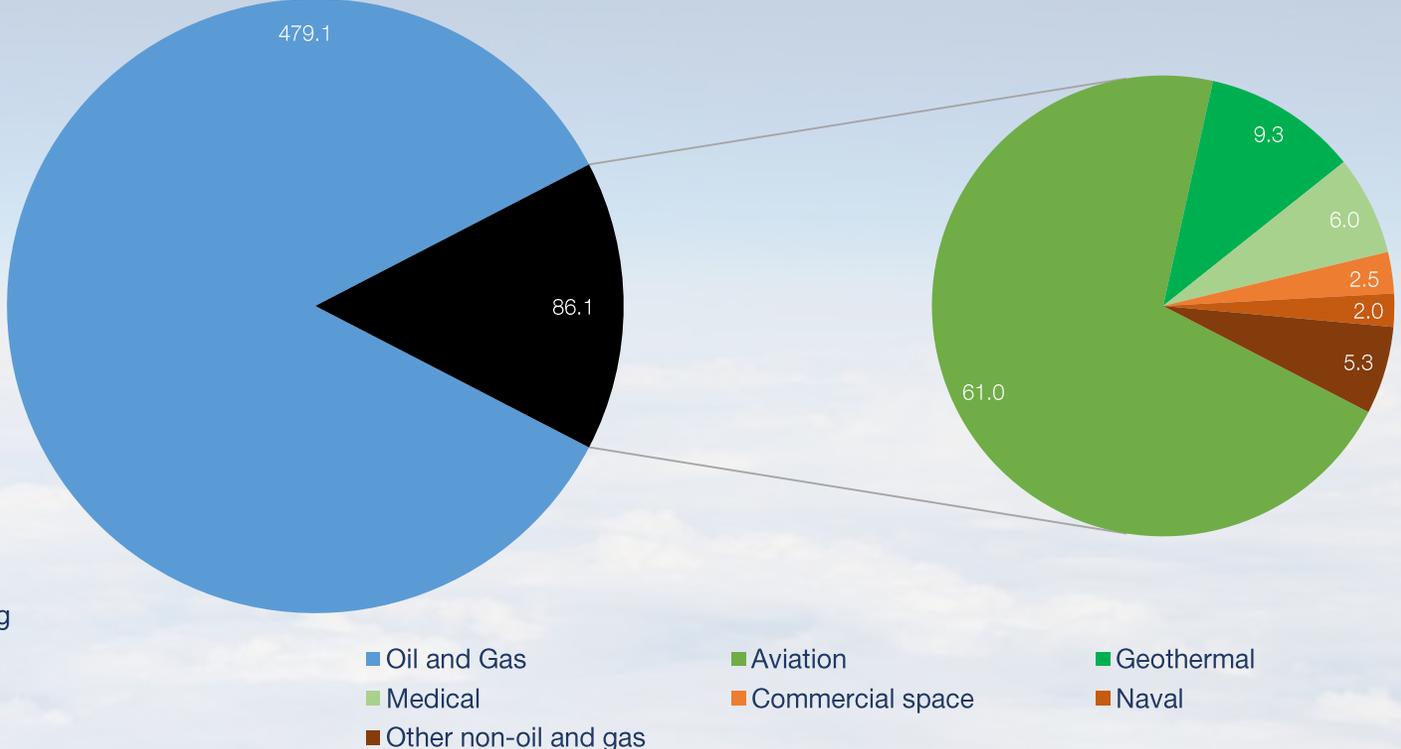
*Results for the year, as reported under IFRS, adjusted for certain items as determined by management.

Record order book providing visibility for 2024 and beyond

Order book by product group - \$m



Order book by operational activity - \$m



Product groups and operating segments 2023 performance

	Hunting Titan \$m	North America \$m	Subsea Technologies \$m	EMEA \$m	Asia Pacific \$m	External Revenue \$m	EBITDA \$m	EBITDA Margin %
OCTG	6.1	192.4	-	46.5	150.8	395.8	46.7	12%
Perforating Systems	236.1	-	-	7.7	-	243.8	25.1	10%
Advanced Manufacturing	8.0	104.1	-	-	-	112.1	10.7	10%
Subsea	-	-	98.6	-	-	98.6	13.7	14%
Other Manufacturing	-	42.8	-	32.5	3.5	78.8	6.8	9%
Revenue	250.2	339.3	98.6	86.7	154.3	929.1		
EBITDA	21.9	54.2	13.7	1.7	11.5		103.0	
<i>EBITDA margin %</i>	9%	16%	14%	2%	7%			11%
Operating profit	12.7	34.1	8.0	(2.3)	8.5			
<i>Operating profit margin %</i>	5%	10%	8%	-3%	6%			

Strong balance sheet, recognition of US deferred tax assets

Group Balance Sheet	2023	2022	
	\$m	\$m	
Property, plant and equipment	254.5	256.7	
Right-of-use assets	26.2	26.0	
Goodwill and other intangible assets	195.2	191.2	
Associates and joint ventures	20.5	20.1	
Working capital	415.9	362.8	Supporting the sales order book
Taxation	82.7	4.0	Recognition of \$83.1m US DTAs
Provisions	(7.5)	(8.9)	
Other net assets	3.0	4.3	
Total bank and cash	(0.8)	24.5	
Lease liabilities	(28.7)	(30.6)	
Other borrowings	(3.9)	(3.9)	
Net debt	(33.4)	(10.0)	
Net assets	957.1	846.2	
ROCE	6%	1%	Improving returns

Working capital

Working Capital	2023 \$m	2022 \$m	
Inventories			
- Hunting Titan	140.5	122.6	Long lead times on charges
- North America	107.8	90.4	
- Other segments	80.1	59.1	
Net inventories	328.4	272.1	
Receivables	251.5	233.0	
Payables	(164.0)	(142.3)	
Total	415.9	362.8	
Working capital to annualised revenue	46%	44%	
Inventory days	175 days	159 days	
Receivables days	89 days	84 days	
Payables days	49 days	50 days	
Advances from customers	31.0	8.8	
Payments on account to suppliers	12.4	23.7	

Investment in working capital and assets supporting sales order book

Group Cash Flow	2023 \$m	2022 \$m	
EBITDA	103.0	52.0	
Add: share based payments	13.5	9.9	
	116.5	61.9	
Working capital movements	(55.0)	(86.6)	
Capital investments (tangible and intangible assets)	(34.6)	(22.0)	
Lease payments	(10.4)	(8.0)	
Net interest and bank fees paid	(7.3)	(2.9)	Reflecting ABL utilisation
Net tax paid	(9.1)	(3.9)	
Proceeds from business and asset disposals	1.9	9.0	
Net gains on business and asset disposals	(1.7)	(2.8)	
Legal fees to defend patent infringement claim	-	(5.6)	
Other	(0.8)	0.5	
Free cash flow	(0.5)	(60.4)	FCF definition revised
Net investment in associates and joint ventures	(1.6)	(3.5)	
Dividends received from associates	0.6	-	
Dividends paid to equity shareholders	(15.0)	(13.6)	
Net purchase of treasury shares	(8.7)	(7.7)	
Net cash outflow	(25.2)	(85.2)	
Foreign exchange	(0.1)	(4.5)	
Movement in total cash and bank	(25.3)	(89.7)	

2024 Guidance

EBITDA

\$125m - \$135m

EBITDA margin

12% - 13%

Effective tax rate

25% - 28%

Capex

\$35m - \$45m

Free cash flow conversion (post capex)

50%

MARKET OVERVIEW

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 10% to c.\$223.8bn in 2024

Subsea spend accelerating, with strong outlook for SURF products and other services

International markets to drive growth, North America market to be stable in 2024

Natural gas prices expected to improve in H2 2024 as LNG capacity is added

Global Drilling Spend 2024-2028
\$bn

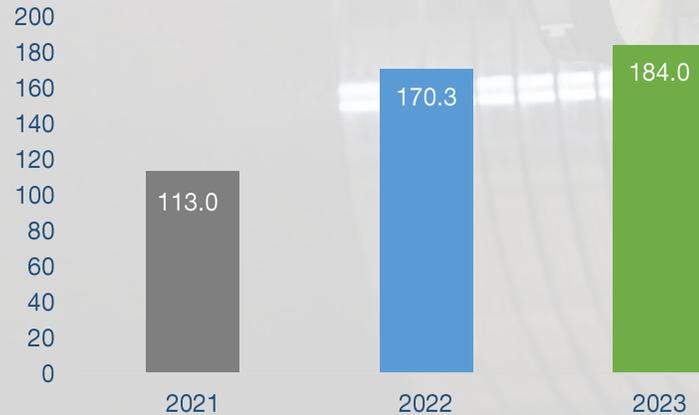


Source: Spears & Associates – December 2023 Drilling and Production Outlook

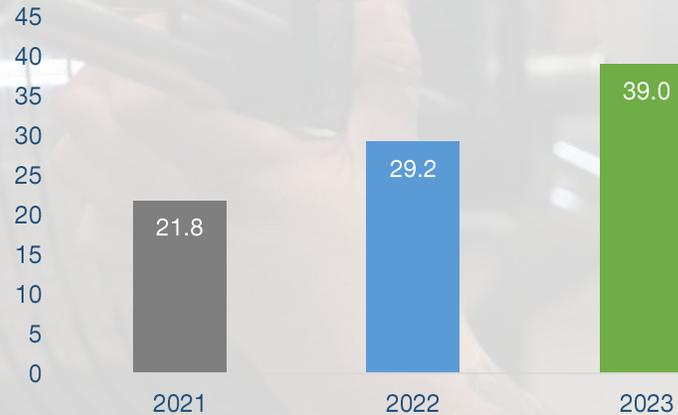
Our end markets – US & Canada

- Further growth for TEC-LOCK™ semi premium connection across North America as further market share gains are made
- Canada remaining a strong growth story as drilling intensity continues
 - Pre-Loaded Gun offering being introduced to clients from the Grande Prairie operating site
- Demand for deepwater WEDGE-LOCK™ growing as offshore activity increases in Gulf of Mexico and internationally
- Perforating Systems opportunities continue to grow on the back of new technology rollout

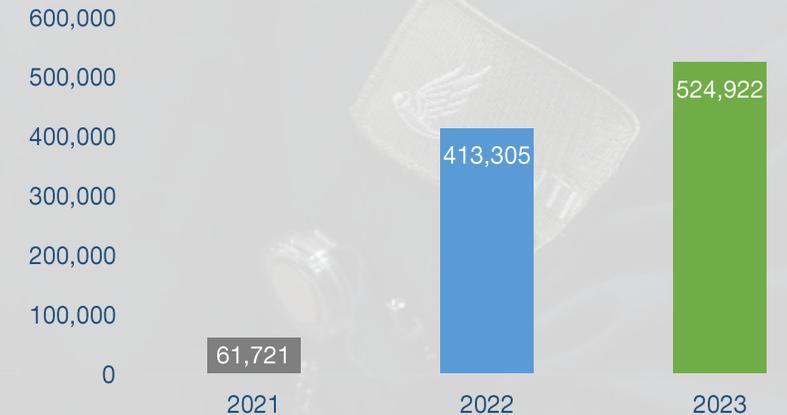
TEC-LOCK™ volumes across North America – 000's



Canada OCTG – revenue \$m



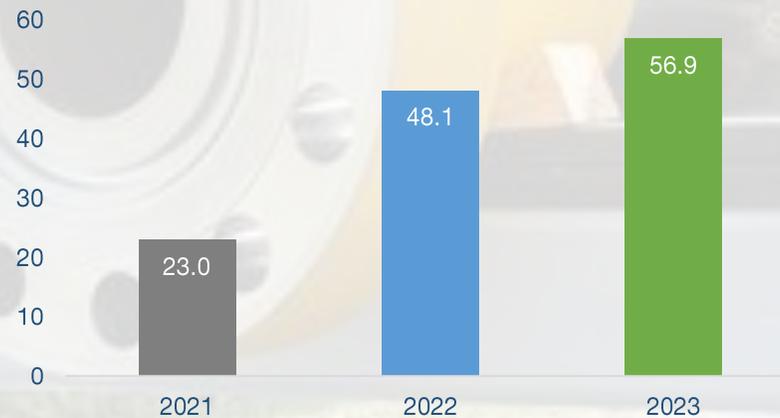
H-3 Unit Sales North America - #



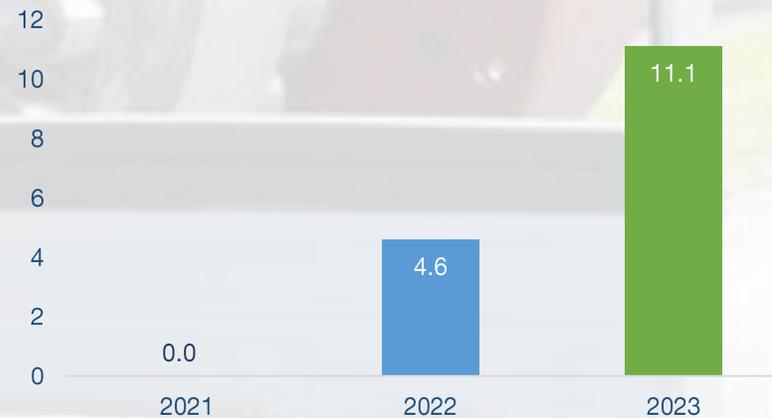
Our end markets – Brazil and Guyana

- Huge success for Subsea Spring business unit – steel and titanium stress joints sales into Guyana have driven growth in the year
- Well completion sales volumes accelerated strongly during the year, driven by Guyana activity
- Tubacex contract, through the EMEA segment, driving good sales into Brazil
- Hydraulic valves and coupling sales have also accelerated
- Contracts won at Enpro for FAM and FIS systems for Prio, Brazil
- Outlook strong for the region to the end of the decade

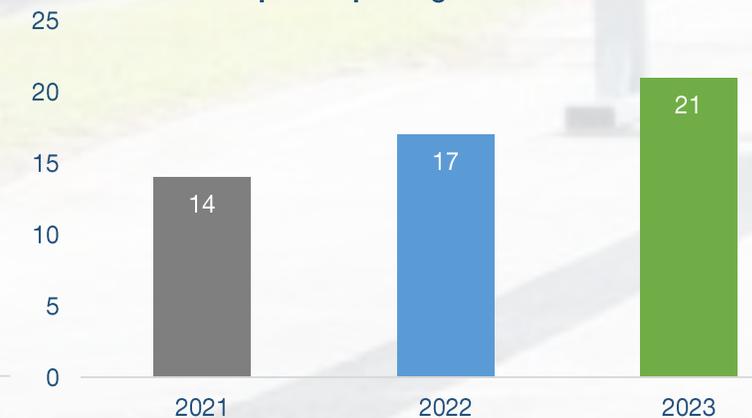
Contract Value of steel and titanium stress joints - \$m



Tubacex contract sales - €m



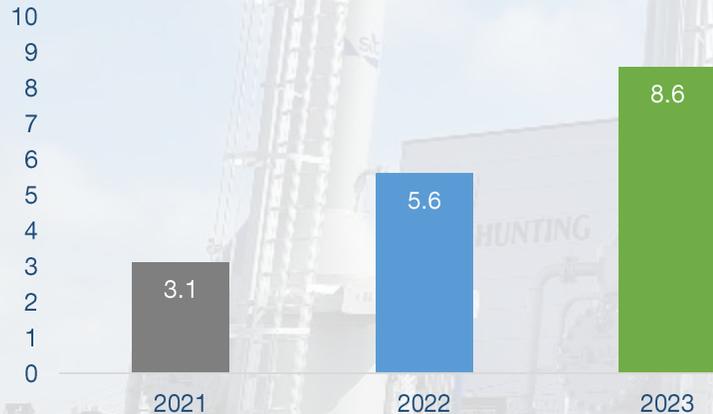
OCTG wells - completion packages - #



Our end markets – Europe, Middle East and Africa

- Strengthening well intervention sales into Middle East as global capex accelerated
- Geothermal orders completed at the Netherlands OCTG facility for project in The Netherlands
- Expansion of Dubai facility commenced, with opening in H2 2024 – one facility in the Netherland will close
- Tender activity across Middle East is high, with further progress in new orders likely in 2024
- OOR projects continuing to build momentum

Pressure control equipment sales into Middle East - \$m



Geothermal revenue - \$m



Saudi Arabia revenue - \$m



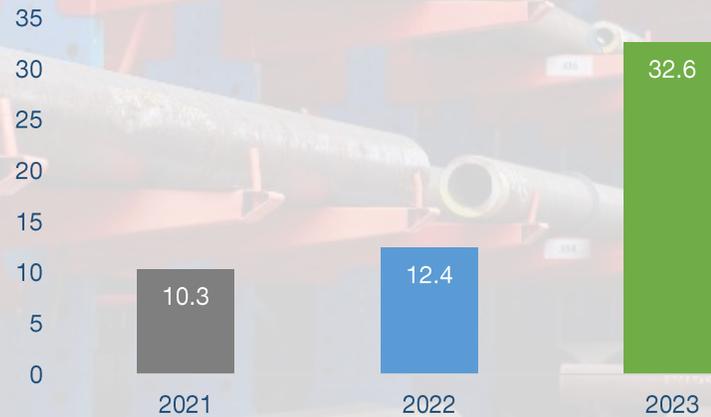
Our end markets – India

- Premium threading facility in Nashik now operational
- The facility provides the Group with early mover opportunities in the country, given the government's local content requirements and diversify Hunting's supply chain
- Hunting's precision engineered premium connection technology will be applied to Jindal SAW's premium seamless casing and tubing
- Throughput through the facility increasing – API accreditation to be received in March 2024
- Strong profit contribution anticipated, based on current business plan – c.\$9-10m PAT contribution to Hunting by 2026
- Cairn Oil and Gas order – continuing to 2025, serviced through Wuxi and Singapore

Our end markets – Asia and Oceania

- Strong growth in OCTG sales since August 2022, as Group secured major CNOOC order and \$91m Cairn Oil and Gas order
- Success in combining pipe sourced from China strategic suppliers and with Hunting's proprietary connections
- Qualification of Jiuli OCTG material for European and North American markets underway
- Tender pipeline remaining strong, particularly in the Middle East

Sales into Middle East - \$m



Sales into Rest of APAC - \$m



Summary

Strong year of delivery across Hunting's diversified energy portfolio

Improvements to pricing and utilisation driving improved profit margins

Offshore international markets poised to deliver further growth in 2024

Improved FCF generation in H2

Energy Transition sales increasing across the Group

Improved ESG metrics in carbon reporting and employee satisfaction

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Appendices

Statutory Group Income Statement

	2023 \$m	Margin	2022 \$m	Margin
Revenue	929.1		725.8	
Gross profit	227.7	25%	171.4	24%
Operating profit	61.0	7%	2.0	-
Share of associates' & JVs' results	(0.6)		(2.7)	
Profit (loss) before tax	50.0		(2.4)	
Tax credit (charge)	69.0		(1.3)	
Profit (loss) after tax	119.0		(3.7)	
Diluted earnings (loss) per share	70.0c		(2.8c)	

Product groups and operating segments 2022 performance

	Hunting Titan \$m	North America \$m	Subsea Technologies \$m	EMEA \$m	Asia Pacific \$m	External Revenue \$m	EBITDA \$m	EBITDA Margin %
OCTG	3.5	154.3	-	32.4	68.6	258.8	16.2	6%
Perforating Systems	246.5	-	-	5.4	-	251.9	27.3	11%
Advanced Manufacturing	7.8	67.3	-	-	-	75.1	0.9	1%
Subsea	-	-	69.0	-	-	69.0	3.4	5%
Other Manufacturing	-	34.5	-	31.5	5.0	71.0	4.2	6%
Revenue	257.8	256.1	69.0	69.3	73.6	725.8		
EBITDA	24.7	26.7	3.4	(2.1)	(0.7)		52.0	
EBITDA margin %	10%	10%	5%	-3%	-1%			7%
Operating profit	15.9	9.2	(1.1)	(6.0)	(3.4)			
Operating profit margin %	6%	4%	-2%	-9%	-5%			

Strong offshore and international demand drives activity

Segmental results	2023			2022		
	Revenue \$m	EBITDA \$m	Operating results \$m	Revenue \$m	EBITDA \$m	Operating results \$m
Hunting Titan	259.2	21.9	12.7	266.0	24.7	15.9
North America	374.7	54.2	34.1	280.7	26.7	9.2
Subsea Technologies	98.6	13.7	8.0	69.0	3.4	(1.1)
EMEA	88.2	1.7	(2.3)	71.5	(2.1)	(6.0)
Asia Pacific	157.6	11.5	8.5	80.4	(0.7)	(3.4)
Inter-segment elimination	(49.2)	-	-	(41.8)	-	-
	929.1	103.0	61.0	725.8	52.0	14.6

Product groups delivering

Product group results	2023			2022			
	Revenue \$m	EBITDA \$m	Margin %	Revenue \$m	EBITDA \$m	Margin %	
OCTG	395.8	46.7	12%	258.8	16.2	6%	Record margins
Perforating Systems	243.8	25.1	10%	251.9	27.3	11%	Record international revenue
Advanced Manufacturing	112.1	10.7	10%	75.1	0.9	1%	Higher margin defence & medical sales
Subsea	98.6	13.7	14%	69.0	3.4	5%	Offshore Guyana sales
Other Manufacturing	78.8	6.8	9%	71.0	4.2	6%	
	929.1	103.0	11%	725.8	52.0	7%	

Historic results for product groups

	2022			2021		
	Revenue \$m	EBITDA \$m	Margin %	Revenue \$m	EBITDA \$m	Margin %
OCTG	258.8	16.2	6%	172.5	(7.4)	-4%
Perforating Systems	251.9	27.3	11%	181.7	8.5	5%
Advanced Manufacturing	75.1	0.9	1%	59.6	0.7	1%
Subsea	69.0	3.4	5%	58.8	4.7	8%
Other Manufacturing	71.0	4.2	6%	49.0	(3.4)	-7%
	725.8	52.0	7%	521.6	3.1	1%



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