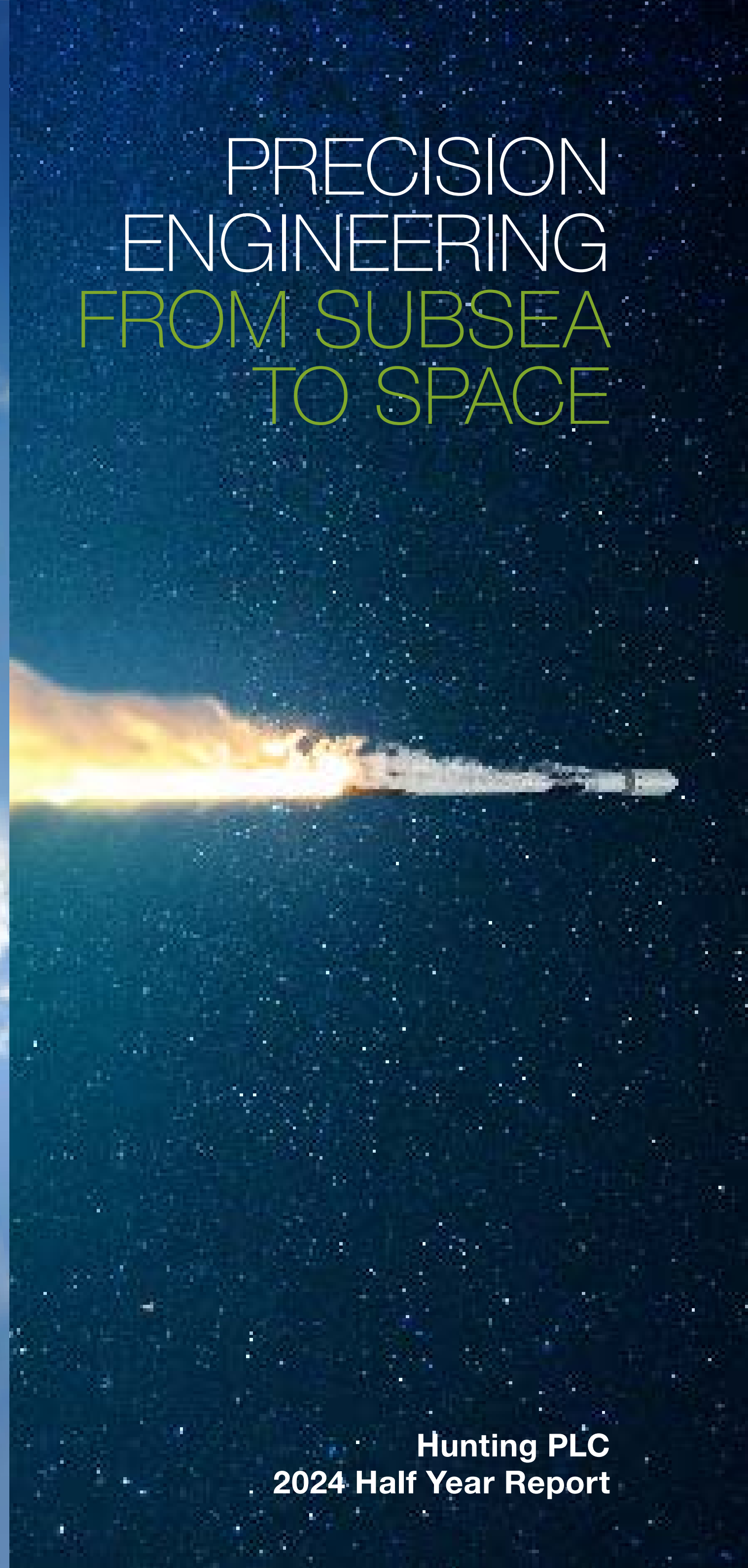

PRECISION ENGINEERING FROM SUBSEA TO SPACE

Hunting PLC
2024 Half Year Report

We are Hunting

Hunting is a global precision engineering group, which provides quality-assured products and services to high-value, critical end-markets.

We manufacture high-technology products that lower the cost of operation, resolve technical problems, or enable a job to be completed more quickly or safely, without compromising on quality.

Hunting is a key supplier to the global energy industry. Our other target sectors include aviation, commercial space, medical and power generation.

We are also targeting energy transition markets including geothermal and carbon capture projects, which are seeing long-term growth potential.

Hunting is a listed Company, quoted on the London Stock Exchange in the Equity Shares in Commercial Companies ("ESCC") category, and is a constituent of the FTSE 250-Share Index.

Contents

Half Year Management Report

Hunting PLC, the global precision engineering group, announces its results for the six months ended 30 June 2024.

The Group delivered solid operational performance in H1 2024, reporting growth in revenue, operating profit and earnings ahead of management's expectations.

Group review

Financial performance measures

	H1 2024 $m	H1 2023 $m	H2 2023 $m
Revenue	**493.8**	477.8	451.3
EBITDA[i] (NGM C)	**60.3**	49.1	53.3
EBITDA margin[ii]	**12%**	10%	12%
Adjusted profit before tax[iii] (NGM B)	**36.2**	23.1	26.9
Adjusted diluted earnings per share[iii] – cents (NGM B)	**15.5c**	9.6c	10.7c
Free cash flow (NGM L)	**2.8**	(59.5)	59.0
Working capital to annualised revenue ratio (NGM E)	**46%**	42%	46%
Total cash and bank/(borrowings) (NGM I)	**(9.7)**	(51.7)	(0.8)
Dividend per share - cents	**5.5c**	5.0c	5.0c

Financial performance measures derived from IFRS

	H1 2024 $m	H1 2023[iv] $m	H2 2023[iv] $m
Operating profit	**40.1**	19.2	32.3
Profit before tax	**36.2**	15.7	25.4
Diluted earnings per share – cents	**15.5c**	6.2c	59.7c
Net cash inflow/(outflow) from operating activities	**24.7**	(33.8)	83.1
Sales order book	**699.5**	529.7	565.2

i. EBITDA in 2023 has been restated to include the Group's share of associates' and joint ventures' results.
ii. EBITDA as a percentage of revenue.
iii. Results are presented on a statutory basis as reported under UK adopted International Financial Reporting Standards. Adjusted results reflect adjusting items determined by management, which are described in Non-GAAP Measures ("NGM") on pages 38 to 43.
iv. Operating profit, profit before tax and diluted earnings per share have been restated to include the impact of the import tax provision identified in H1 2024 (see notes 1 and 18). Operating profit has been restated to include the Group's share of associates' and joint ventures' results.

Introduction

The Company has made good progress during the first half of 2024, with most of Hunting's product groups and operating segments delivering growth in revenue as international and offshore drilling markets continue to demonstrate strong momentum. The year-on-year increase in EBITDA has been driven by strong trading results within the Group's OCTG, Subsea and Advanced Manufacturing product groups, being offset by the lower performance of the Perforating Systems product group.

Of note, has been the tender success with Kuwait Oil Company ("KOC"), from which orders totalling $231 million were secured in May/June 2024. This success is the result of nearly six years of collaboration between Hunting and KOC to qualify OCTG feedstock and the Company's premium connections. Work on these orders has begun, with shipments from China to Kuwait scheduled to commence during Q3 2024, which will continue into Q2 2025 as consignments are delivered to KOC.

The Group's Subsea businesses have also delivered strong trading results in the period, as orders for our proprietary titanium stress joints and other critical subsea components were completed. Hunting progressed key orders with ExxonMobil Guyana, with stress joints for the YellowTail project being delivered in the period.

Within our Advanced Manufacturing businesses, good progress has been made in growing our energy-related and non-oil and gas revenue. Both the Electronics and Dearborn businesses report good sales order books, which will be completed over the coming 12 to 18 months.

In August 2024, Hunting signed a major contract with a North Sea operator to deploy its licensed Organic Oil Recovery technology in the North Sea. This contract coupled with others secured in H1 2024 are valued up to $60m and are for deployment on the UK Continental Shelf ("UKCS") and internationally, and are to be delivered over the next five years.

The Directors of Hunting are, therefore, delighted with the strong progress against many of the objectives laid out at our Capital Markets Day in September 2023 which forms part of the Hunting 2030 Strategic framework.

Hunting Titan (Perforating Systems) has seen trading headwinds in the US during the period, with the Henry Hub natural gas price being depressed throughout H1 2024 with some localised gas prices reaching negative pricing. This led to a decline in the US onshore rig count and lower overall activity for well completion work in gas-focused basins. While the Group's Perforating Systems business reported declines, Hunting's North America OCTG businesses have delivered growth, with strong results in Canada coupled with continued progress with our TEC-LOCK™ semi-premium connection across the US as market share was gained.

Group review continued

Strategic initiatives

Hunting's long-term growth strategy has continued to be executed in the reporting period, and has made the following progress during H1 2024:

Strong progress against Hunting 2030 strategic objectives

The Group continued to deliver against its 2030 strategic objectives, including progress within our OCTG, Subsea, Advanced Manufacturing and Other Manufacturing product groups, including Energy Transition and non-oil and gas diversification. Hunting delivered period-on-period revenue growth of 3% to $493.8m; an EBITDA margin of 12% (H1 2023 – 10%); a working capital to revenue ratio of 46%; and dividend growth of 10%, all in line with our targets announced at the Capital Markets Day in 2023 and the Company is, therefore, on track to meet its 2025 financial objectives, which were communicated to stakeholders last year.

$231 million of OCTG orders secured with KOC

Hunting announced in May and June 2024 that it had secured two orders with KOC for a total of c.90,000 metric tonnes of OCTG, with the Group's SEAL-LOCK XD™ premium connection applied. The orders are a result of over six years of collaboration between Hunting, KOC and Hengyang Valin Steel in China to qualify the Group's connections and OCTG raw material for the deep gas drilling programmes in Kuwait. The order will be delivered between Q3 2024 and Q2 2025, with revenue being recognised across this period.

$60 million of orders secured for the Group's licensed Organic Oil Recovery technology

In August 2024, Hunting signed a contract with a major North Sea operator for the treatment of a number of fields on the UKCS. This order, together with a number of other orders, have a combined value of up to $60m and are to be completed over the coming five years. The Directors are delighted with the commercial progress made in the past year.

Progress with the Energy Transition strategy

The Group has continued to secure orders for geothermal projects in the US, Europe and Asia Pacific. Interest and market momentum for geothermal projects continues to accelerate in California, Germany, the Netherlands and in the Philippines, with projects being commissioned. Hunting is focusing its strategy on providing high-value alloy OCTG, tubulars and premium connections.

Investment in CRA Tubulars B.V.

In August 2024, the Group invested c.$0.3m in CRA Tubulars B.V. ("CRA"), a developer of novel titanium and composite tubular technology, for application to energy transition projects. The investment brings a closer relationship between Hunting and CRA as its tubular technology is assessed against stringent mechanical testing by a super major E&P company.

Securing API threading licence at Nashik, India, facility

The Group's joint venture facility in Nashik, India, received its API threading licence in May 2024, which will support new tender activity across India. Management anticipates that the addressable market in India is c.$300-400m per year for OCTG and accessories manufacturing, with the Jindal Hunting Energy Services joint venture being an early mover in-country, as local content requirements increase.

Continued roll out of new technology to support long-term growth

The Group continued to introduce new technologies to clients across most of its product groups throughout the period. The Group completed qualification and testing of new premium and semi-premium connections in support of Hunting's energy-related and Energy Transition growth initiatives. Hunting Titan is to introduce shortly a 'Tandem' H-4 Perforating System variant to customers to support more complex well completions. Subsea Technologies has introduced new stress joint solutions in the period, supporting its access to new FPSO build outs for deep and ultra deepwater projects.

Restructuring of Hunting Titan to save c.$6-7 million per year

In July 2024, the Group announced a cost saving programme within the Hunting Titan (Perforating Systems) operating segment due to low market activity within the US onshore market, which includes the closure of one operating site and two distribution centres and a workforce reduction of up to 92 employees – being c.15% of Hunting Titan's headcount. The resultant savings will be c.$6-7m per year, with a saving of c.$3m to be realised in 2024, which will improve forward trading performance.

Operational footprint

With the cost reduction programme ongoing within Hunting Titan, at 30 June 2024, the Group has 25 operating sites (31 December 2023 – 27) and 15 distribution centres (31 December 2023 – 16). The Nashik facility is not included in this data as Hunting holds a 49% interest.

Group review continued

Trading outlook

As noted in our July 2024 Trading Update, Hunting has raised its 2024 full-year EBITDA guidance to c.$134-138m, reflecting the impact of the KOC orders to be delivered prior to the year-end, offsetting trading headwinds seen in the Perforating Systems product group. The KOC orders will continue to be worked through during H1 2025, which supports a positive outlook for the Group's trading well into 2025.

The Directors continue to see strong international and offshore demand given the current price for WTI crude oil, with tender activity for its OCTG product lines remaining strong in the Middle East and Asia Pacific. Activity in South America continues to be robust, while in Africa longer-term growth opportunities are opening, following oil and gas discoveries in Namibia and Mozambique.

Management anticipates a firming in the Henry Hub natural gas price by 2025, which will support onshore and gas-focused drilling activity in the US and Canada, which will also enable oil focused drilling to increase given the limitations on flaring in certain US onshore basins, such as the Permian.

The Group's Subsea product lines are pursuing new international opportunities across its three major product families. Tender activity remains positive with South America and West Africa remaining key areas of focus.

Energy Transition opportunities will continue to be pursued, with the Group's focus to be more weighted to geothermal markets.

In summary, the Board remains comfortable with current market consensus with the overall outlook positive given the activity levels across multiple regions and product groups and the diversity of Hunting's portfolio.

Dividend

The Board is declaring an interim dividend of 5.5 cents per share (H1 2023 – 5.0 cents), which represents a 10% increase over the interim dividend paid in 2023.

This distribution will amount to an estimated cash return of $8.8m (H1 2023 – $7.1m).

The dividend will be paid in Sterling on 25 October 2024 with the Sterling value of the dividend payable per share fixed and announced approximately two weeks prior to the payment date, based on the average spot exchange rate over the three business days preceding the announcement date.

The dividend will be paid to those shareholders on the register at the close of business on 4 October 2024, with an ex-dividend date of 3 October 2024.

The 2023 final dividend of 5.0 cents per share was paid in May 2024, which absorbed $8.0m.

Market overview

The Group uses a number of energy market measures, which are drivers of the performance of Hunting's various businesses in a particular trading period, or the likely trading outlook for a product group, and include:

(i) average WTI crude oil price;
(ii) average Henry Hub natural gas price;
(iii) Baker Hughes US and International rig counts; and
(iv) Spears & Associates Drilling and Production Outlook reports – including Onshore and Offshore spend and Drilling Footage. The table below summarises the market measures for the last four half year periods.

	H1 2024	H2 2023	H1 2023	H2 2022
WTI crude oil price ($ per barrel)	**78.8**	80.4	74.8	87.0
Henry Hub ($ per mmBtu)	**2.21**	2.79	2.53	7.0
Baker Hughes Average Onshore Rig Count (#)	**1,503**	1,526	1,594	1,605
Baker Hughes Average Offshore Rig Count (#)	**212**	203	208	198
Spears & Associates Onshore Drilling Spend ($bn)	**33.8**	34.2	36.6	38.0
Spears & Associates Offshore Drilling Spend ($bn)	**17.6**	17.0	16.8	14.6
Spears & Associates Onshore Footage Drilled (mft)	**89.3**	96.0	97.5	98.4
Spears & Associates Offshore Footage Drilled (mft)	**5.3**	5.3	5.1	4.9

Source: Spears & Associates – Drilling and Production Report – June 2024 (presented as averages of the quarterly data reported by Spears).

The WTI crude oil price has been resilient during H1 2024, averaging $79 per barrel compared to $75 per barrel in H1 2023, indicating that, in general, the global supply/demand balance for crude oil was similar to the prior period. This has supported offshore and international activity throughout H1 2024, and the steady increase in average quarterly global offshore drilling spend from $16.8bn in H1 2023 to $17.6bn in the current period, with operators remaining committed to investing in offshore projects.

The year-on-year decline in the average Henry Hub natural gas price from $2.53 per mmBtu in H1 2023 to $2.21 per mmBtu in H1 2024 has led to more market volatility in the reporting period compared to crude oil, and this has led to a steady decline in the onshore average rig count of nearly 100 units year-on-year, which has predominantly been seen in the US. Due to the limitation of flaring in the Permian basin, the excess associated gas from oil production has led to a decline in some oil-related drilling activity.

The net impact of these market dynamics has been an overall increase in Hunting's revenue from offshore related activity and a decline in US onshore related revenue, which has impacted our Hunting Titan business unit as noted elsewhere. Commentators note that in H1 2024 the US onshore rig count reached levels not seen since 2020 during the pandemic. However, the outlook for crude oil and natural gas pricing is likely to be firmer throughout 2025, as global oil demand remains steady with natural gas pricing likely to trend higher as demand and LNG projects are progressed.

Financial review

Basis of preparation

The Board continues to monitor the Group's progress using adjusted profitability measures and reviews and approves the adjusting items proposed by management, as the Group believes these adjusted measures aid the comparison of the Group's operating performance from one period to the next.

The Group's adjusted trading results have been highlighted in the management narrative below, with reconciliations between the statutory and adjusted results detailed in NGM A.

The definition and calculation of a range of NGMs including EBITDA, total cash and bank/(borrowings), working capital and free cash flow can be found on pages 38 to 43. The Group has revised its definition of free cash flow to include the purchase of tangible and intangible assets to align this metric with its peers, and has restated the prior years'.

Prior period restatements

(a) Import tax provision

In July 2024, as part of an internal review, an EMEA business unit was identified as not having followed the correct processes for importing goods in their jurisdiction and thus had not paid amounts which would have been due based on the documentation in place at the time. The business is working with the tax authority to regularise the position. Whilst no incremental profit or cash flow was recognised, resolution is dependent upon discretion by the authority, and therefore an exposure exists. A provision of $9.5m has been recognised at 30 June 2024, which represents the Group's best estimate of the potential liability.

Of the total provision of $9.5m, $7.6m relates to the six months ended 30 June 2023, $1.5m to the six months ended 31 December 2023, and $0.4m to the six months ended 30 June 2024. The prior period financial statements have been restated to reflect these provisions, together with the corresponding deferred and corporation tax impact, which have been disclosed as adjusting items (see NGM A).

The impact on the balance sheet has been an increase in provisions by $9.1m to $16.6m and net tax assets have increased by $2.1m to $84.8m at 31 December 2023, with net assets decreasing by $7.0m to $950.1m. Provisions increased by $7.6m to $17.4m and net tax assets increased by $1.7m to $4.9m at 30 June 2023, with net assets decreasing by $5.9m to $850.3m.

All periods that could potentially be impacted by this import tax matter have been reviewed and there is no further exposure. For further details, please see notes 1 and 18.

(b) Presentation of Associates' and Joint Ventures' results

During the period, the Company changed its accounting policy to present its share of associates' and joint ventures' results as part of operating profit and has represented the H1 2023 results on this basis to aid comparability, with operating profit and EBITDA increasing by $0.4m to $26.6m and $49.1m, respectively.

Operating results

Summary Group operating results

	H1 2024 $m	Restated[i] H1 2023 $m
Revenue	**493.8**	477.8
Cost of sales	**(358.6)**	(363.6)
Gross profit	**135.2**	114.2
Selling and distribution costs	**(26.0)**	(25.4)
Administrative expenses	**(68.7)**	(70.6)
Net operating income and other expenses	**(0.2)**	0.6
Share of associates' and joint ventures' results	**(0.2)**	0.4
Operating profit	**40.1**	19.2
Net finance expense	**(3.9)**	(3.5)
Profit before tax	**36.2**	15.7
Taxation	**(9.6)**	(4.0)
Profit for the period	**26.6**	11.7
Diluted earnings per share – cents (note 7)	**15.5c**	6.2c

i. Operating profit has been restated to include the import tax provision of $7.4m and the Group's share of associates' and joint ventures' profits of $0.4m (see notes 1 and 18).

Revenue

Trading for the period has been ahead of the prior period. Revenue for the six months ended 30 June 2024 increased by 3% to $493.8m compared to $477.8m in H1 2023. This increase reflects the positive performance in the Group's OCTG, Subsea and Advanced Manufacturing product groups as international and offshore demand for oil and gas products continues to grow. However, the Perforating Systems product group reported headwinds in the period driven by industry capital discipline and the lower average natural gas price recorded across the period, leading to restricted drilling activity, and a reduction in the US onshore rig count compared to the prior period.

When comparing the Group's revenue in the reporting period to H1 2023, Hunting Titan's revenue decreased by 9%; North America revenue increased by 1%; Subsea Technologies revenue increased by 85%; EMEA revenue increased slightly; and Asia Pacific revenue decreased by 8%. Inter-segment revenue has also increased by $2.9m to $26.8m compared to $23.9m in H1 2023, reflecting the overall increase in activity levels within the Group.

In H1 2024, non-oil and gas revenue totalled $36.0m compared to $36.1m in the prior period.

Gross profit

H1 2024, gross profit was $135.2m compared to $114.2m in the comparative period. Gross margin was 27% in the period (H1 2023 – 24%) as product mix, the impact of previous price increases and higher utilisation of facilities provided a better profit drop-through.

Financial review continued

Operating profit

The Group's operating profit for the period was much improved at $40.1m (H1 2023 – $19.2m restated) and the operating margin was 8% (H1 2023 – 4% restated), with selling and distribution costs and administrative expenses increasing to reflect the increase in activity across the Group.

As noted above, the Group's share of associates' and joint ventures' results from 1 January 2024 has been included within operating profit, with the 2023 comparative restated. In H1 2024, the Group's share of associates' and joint ventures' results was a $0.2m loss (H1 2023 – $0.4m profit), with the profit contributions from the India joint venture in H1 2024 of $0.4m and from Cumberland Additive $0.1m, offset by a $0.7m loss attributed to the Group's investment in Rival Downhole Tools.

Net finance expense

Net finance expense in the period was $3.9m, which is higher than the expense of $3.5m in H1 2023 and reflects the interest paid on the utilisation of the Asset Based Lending ("ABL") facility in the period.

Profit before tax

Following the charges for interest noted above, profit before tax in the period was $36.2m compared to $15.7m (restated) in H1 2023.

Tax

The tax charge for the period was $9.6m (H1 2023 – $4.0m restated). This reflects an effective tax rate ("ETR") for the Group of 27% (H1 2022 – 25%), which has increased due to the regional mix of profits.

Profit for the period

The profit for the period was $26.6m (H1 2023 – $11.7m restated), with profit attributable to owners of the parent of $26.2m (H1 2023 – $10.3m restated).

Earnings per share

This attributable profit resulted in diluted earnings per share of 15.5 cents (H1 2023 – 6.2 cents per share restated). The weighted average number of Ordinary shares in issue, including dilutive potential Ordinary shares, was 169.4m (H1 2023 – 167.1m).

Adjusting items

There were no adjusting items in the current reporting period, therefore the Group's adjusted profit measures are the same as the statutory results.

As discussed above, a provision has been recognised in the income statement in relation to an import tax matter. Of the total provision, $7.4m was recognised in the income statement in the six months ended 30 June 2023, together with the corresponding deferred and corporation tax impact of a $1.7m credit, which have been disclosed as adjusting items (see NGM A).

Adjusted operating profit for H1 2024 was $40.1m (H1 2023 – $26.6m), adjusted profit before tax was $36.2m (H1 2023 – $23.1m) and adjusted profit for the period attributable to owners of the parent was $26.2m (H1 2023 – $16.0m), as shown in NGM B.

Non-GAAP measures

In H1 2024, the Group generated EBITDA of $60.3m compared to an EBITDA of $49.1m (restated) in H1 2023, an increase of 23%. EBITDA has been driven by strong trading results within the Group's OCTG, Subsea and Advanced Manufacturing product groups, offset by the lower performance of the Perforating System product groups. The EBITDA margin of the Group has improved in the reporting period and in H1 2024 was 12% compared to 10% in H1 2023.

The increase in EBITDA generated in the first half of 2024 was driven by an increase in the overall demand for the Group's diverse product portfolio, improved facility utilisation, higher margin orders increasing their weighting in revenue and the impact of select product price increases put through last year.

Group funding and cash position at the half year

	H1 2024 $m	Restated[i] H1 2023 $m
EBITDA – restated (NGM C)	**60.3**	49.1
Add: share-based payment charge	**7.0**	7.5
	67.3	56.6
Working capital movements (NGM K)	**(39.9)**	(85.9)
Lease payments	**(4.6)**	(5.6)
Net interest and bank fees paid	**(2.8)**	(2.2)
Net tax paid	**(1.4)**	(4.7)
Proceeds from asset disposals	**0.5**	1.3
Net gains on asset disposals	**(1.1)**	(1.3)
Purchase of property, plant and equipment	**(12.5)**	(13.2)
Purchase of intangible assets	**(2.4)**	(6.5)
Other operating and non-cash movements – restated	**(0.3)**	2.0
Free cash flow – restated (NGM L)	**2.8**	(59.5)
Investment in associates and joint ventures	**–**	(1.6)
Dividend received from associates	**–**	0.6
Dividend paid to equity shareholders	**(8.0)**	(7.1)
Net purchase of treasury shares	**(2.9)**	(8.5)
Net cash outflow	**(8.1)**	(76.1)
Foreign exchange	**(0.8)**	(0.1)
Movement in total cash and bank/(borrowings)	**(8.9)**	(76.2)
Opening total cash and bank/(borrowings)	**(0.8)**	24.5
Closing total cash and bank/(borrowings) (NGM I)	**(9.7)**	(51.7)

i. EBITDA has been restated to include the Group's share of associates' and joint ventures' results, with the reversal included in non-cash movements. Free cash flow has been restated to include the purchase of tangible and intangible assets.

EBITDA

Hunting reported EBITDA of $60.3m during H1 2024 (H1 2023 – $49.1m restated), as discussed above. When adjusted for non-cash share-based payment charges, the inflow for the period was $67.3m (H1 2023 – $56.6m restated).

Financial review continued

Working capital
In H1 2024, the Group recorded a $39.9m working capital outflow (NGM K) compared to $85.9m in H1 2023. This reflects the continued increase in activity across the Group and is driven by the current record sales order book. Hunting is measuring balance sheet efficiency using working capital as a percentage of annualised revenue, which was 46% at the half year, in line with the year-end position of 46% (NGM E). The Group continues to focus on its working capital efficiency, with inventory days improving from 175 days at 31 December 2023 to 168 days at 30 June 2024 (NGM F), receivable days improving to 82 days compared to 89 days at 31 December 2023 (NGM G), and payable days reducing from 49 days to 42 days (NGM H).

Lease payments
During the period, the Group's leasing arrangements gave rise to cash payments of $4.6m compared to $5.6m in H1 2023, which included a one-off payment made to exit a lease for a surplus property in Canada.

Net finance costs
Net interest and bank fees paid in the period were $2.8m (H1 2023 – $2.2m), mainly due to interest paid on the borrowings under the ABL facility.

Taxation
Net tax paid in the period was $1.4m compared to $4.7m in H1 2023, reflecting the change in jurisdictions where profits have arisen and the utilisation of historic tax losses offsetting taxable profits.

Asset disposals
Proceeds from the disposal of assets totalled $0.5m (H1 2023 – $1.3m), with gains recognised on disposals of $1.1m (H1 2023 – $1.3m).

Purchases of PPE
Purchases of property, plant and equipment in the period totalled $12.5m in H1 2023 (H1 2023 – $13.2m). Hunting Titan spent $2.1m, with $1.4m in relation to four new lathes and robots installed at the Pampa facility for Tandem production; $5.7m was in North America, with $2.1m spent by Electronics on a new printed circuit board manufacturing line; $2.3m was spent in Subsea; with $2.0m on a long bed lathe; $0.9m was spent in EMEA; $1.1m by Asia Pacific; and $0.4m centrally.

Purchases of intangible assets
Intangible asset investment in the period was $2.4m (H1 2023 – $6.5m), with $1.1m incurred on software and global data centres, and $1.3m of intangible expenditure on internally generated technology by Hunting Titan.

Free cash flow
As a result of the above and other operating and non-cash outflows of $0.3m (H1 2023 – $2.0m inflow restated), free cash inflows were $2.8m compared to $59.5m outflows in H1 2023.

Investments in associates and joint ventures
In H1 2023, the Group made a further investment in Cumberland Additive of $1.6m. No further investment was made in H1 2024.

Dividends
The 2023 final dividend of 5.0 cents per share was paid to equity shareholders on 10 May 2024, which absorbed $8.0m. In H1 2023, equity shareholders received the 2022 Final Dividend totalling 4.5 cents per share resulting in a cash outflow of $7.1m.

Treasury shares
In H1 2024, the Company purchased 0.6m (H1 2023 – 2.9m) Ordinary shares as treasury shares for a total consideration of $3.2m (H1 2023 – $8.9m) through Hunting's Employee Share Trust. These shares will be used to satisfy future awards under the Group's share award programme. The purchase of treasury shares was offset by proceeds on the disposal of treasury shares of $0.3m (H1 2023 – $0.4m).

Net cash flow
Overall, in the period, the Group recorded a net cash outflow of $8.1m (H1 2023 – $76.1m), driven by the absorption of cash into working capital as market activity continued to strengthen. As a result of the above cash outflows and $0.8m adverse foreign exchange movements, total cash and bank/(borrowings) (NGM I) reduced to a net borrowing position of $9.7m from the net borrowing position of $0.8m at 31 December 2023.

Group funding
The Group's primary source of funding is through the $150.0m Asset Based Lending ("ABL") facility, which is in place until February 2026. An accordion feature of up to $50.0m has also been agreed and, providing there is lender support to do so at the appropriate time, this feature allows the Company to increase the total facility quantum to $200.0m.

The ABL was drawn down during H1 2024 due to investment in working capital to support the increased activity. The closing ABL borrowing position was $73.3m (31 December 2023 – $44.9m) and, together with bank borrowings of $7.6m, was offset by $71.2m of cash held across the Group. Of this cash holding, $15.9m is held with two financial institutions in mainland China.

Further details relating to the ABL and the other facilities, as well as information on the Group's financial risk management are disclosed in note 14.

In the period, the Group arranged a number of incremental funding solutions, such as bankers' acceptance bonds and discounted letters of credits, to assist with its management of the working capital cycle.

Consideration of the likelihood that the Group will require access to the facilities, or any other sources of external funding, to support our existing operations in the next 12 months are covered in the going concern and liquidity assessment in note 1.

Financial review continued

Balance sheet

Summary Group balance sheet

	30 June 2024 $m	Restated[i] 31 December 2023 $m
Property, plant and equipment	**252.3**	254.5
Right-of-use assets	**25.7**	26.2
Goodwill	**154.3**	154.4
Other intangible assets	**39.3**	40.8
Investments in associates and joint ventures	**20.3**	20.5
Working capital (NGM E)	**454.6**	415.9
Taxation (current and deferred)	**79.0**	84.8
Provisions	**(15.5)**	(16.6)
Other net assets	**2.2**	3.0
Capital employed	**1,012.2**	983.5
Total cash and bank/(borrowings)	**(9.7)**	(0.8)
Lease liabilities	**(27.8)**	(28.7)
Shareholder loan from non-controlling interest	**(3.9)**	(3.9)
Net debt (note 12)	**(41.4)**	(33.4)
Net assets	**970.8**	950.1

i. The comparative balances have been restated to include the import tax provision and associated tax (see notes 1 and 18).

Property, plant and equipment
Property, plant and equipment was $252.3m at 30 June 2024 compared to $254.5m at 31 December 2023, a small reduction of $2.2m. Depreciation of $12.7m and other items of $1.8m were offset by additions of $12.3m, as discussed above, giving the closing balance noted.

Right-of-use assets
Right-of-use assets totalled $25.7m at 30 June 2024 compared to $26.2m at 31 December 2023. Depreciation of right-of-use assets of $3.7m was offset by other items totalling $3.2m, leading to an overall net reduction of $0.5m in the closing balance.

Goodwill
Goodwill is materially unchanged at $154.3m at the balance sheet date compared to $154.4m at the 2023 year-end, with adverse foreign exchange movements totalling $0.1m.

Other intangible assets
Other intangible assets have decreased by $1.5m to $39.3m at 30 June 2024, with additions of $2.4m, primarily related to the capitalisation of technology and IT data centres, being offset by the amortisation charge for the period of $3.7m and adverse foreign exchange movements of $0.2m.

Investments in associates and joint ventures
Investments in associates and joint ventures have decreased by $0.2m, reflecting the Group's share of associates' and joint ventures' net losses for the period. This is attributable to the loss for the period of $0.7m by Rival Downhole Tools, offset by the share of profits in the Indian JV and Cumberland Additive.

Working capital
Working capital (NGM E) increased in the period by $38.7m to $454.6m. Despite the growth in activity seen across the Group and inventory purchases increasing to support the significant sales order book, the inventory balance at the period of $330.0m is largely unchanged from the year-end position of $328.4m as the Group delivers on orders, with inventory provisions marginally higher at $53.2m compared to $52.5m at the year-end. Trade receivables have increased in H1 2024 to $266.2m from $251.5m in line with the increase in revenue.

Taxation
Current and deferred taxation recorded a net asset of $79.0m, a reduction of $5.8m mainly due to the utilisation of deferred tax assets in the period. The net tax asset at 31 December 2023 has been restated to include the tax impact following the recognition of the import tax provision, with the net tax asset at the year-end increasing by $2.1m to $84.8m (see note 18).

Provisions
Provisions for the year ended 31 December 2023 have been restated to include a provision for import tax that was identified in July 2024. The provision at the year-end has increased by $9.1m to $16.6m. The provision has reduced by $1.1m in the period to $15.5m at 30 June 2024.

Capital employed
As a result of the above charges, capital employed increased by $28.7m to $1,012.2m at 30 June 2024. The return on average capital employed was, therefore, 7.5% in H1 2024 compared to 4.0% in H1 2023 (NGM M).

Net debt
Net debt (note 12) at 30 June 2024 was $41.4m (31 December 2023 – $33.4m), with working capital outflows reflecting the strong trading environment and increased sales order book, as described above, and contributing to the lower cash and bank/(borrowings) recorded at the period end. Net debt includes $27.8m of lease liabilities, which have decreased by $0.9m since the year-end due to lease payments being made, offset by new leases. Total cash and bank/(borrowings) have decreased since the year-end by $8.9m as discussed above, to a net borrowing position of $9.7m at 30 June 2024 (31 December 2023 – $0.8m).

Net assets
Net assets have, therefore, increased by $20.7m to $970.8m at 30 June 2024, compared to $950.1m at the 2023 year-end. This has been driven by the profit in the period of $26.6m and foreign exchange and other items totalling $5.0m offset by dividends paid in the period of $8.0m to equity shareholders of Hunting PLC and the net purchase of treasury shares of $2.9m.

Product group and operating segment review

Sales order book

The Group's sales order book has been boosted by the KOC orders received by the Asia Pacific operating segment. The progress of the sales order book across the last two years is noted below:

$m	**H1 2024 $m**	H2 2023 $m	H1 2023 $m	H2 2022 $m
OCTG	**411.1**	222.0	248.1	196.5
Perforating Systems	**15.3**	12.7	21.6	18.7
Subsea	**116.4**	152.2	101.3	105.1
Advanced Manufacturing	**145.8**	161.5	146.0	137.6
Other Manufacturing	**10.9**	16.8	12.7	15.1
Total at period end	**699.5**	565.2	529.7	473.0

At 30 June 2024, the Group's sales order book totalled $699.5m, reflecting an increase of 32% compared to the position at 30 June 2023, and 24% higher than the 2023 year-end. As noted elsewhere, the improvement in the order book has been primarily driven by the significant orders received from KOC in the period for Hunting's premium connections and OCTG. The tender outlook for OCTG remains very positive, with management estimating its tender pipeline to be broadly unchanged during the period at c.$1.0bn, with opportunities in the Middle East and Asia Pacific driving this position. In addition, OCTG accessories order potential remains positive as opportunities continue to be pursued in South America.

Hunting's Perforating Systems sales order book is generally small, given the short order times from clients; however, at 30 June 2024 reported an improvement from the 2023 year-end. The closing position was, however, lower compared to the prior half year period.

Within Subsea, the order book has declined as large orders for ExxonMobil were completed, driving the product group's strong results in the reporting period. The order book within Enpro Subsea has increased during the reporting period as sales for its Flow Access Modules and Flow Intervention Systems accelerated.

The Advanced Manufacturing sales order book remains unchanged compared to the position at 30 June 2023, with non-oil and gas sales being pursued, particularly within the Hunting Dearborn business unit.

Management notes that c.$427m of the order book will be worked through in H2 2024, with global tender activity across multiple product groups remaining buoyant across international and offshore markets.

Product group and operating segment financial data

Hunting's business units are organised and managed by segment but have a consistent product structure that runs across the organisation. To provide better insight and visibility, management has provided additional information for revenue and EBITDA by product group, which clarifies the relationship between Hunting's operating segments and key product groups. The sales order book comprises the value of all unsatisfied orders from customers and is expected to be recognised as revenue in future periods. The sales order book represents the aggregate amount of the transaction price allocated to partially or fully unsatisfied performance obligations, as defined in IFRS 15 Revenue from Contracts with Customers. The sales order book of the Group, as at 30 June 2024, by operating segment and product group has also been provided to assist in the outlook for the medium term.

Product group review

Summary product group results

	H1 2024		H1 2023	
	Revenue $m	**EBITDA[i] $m**	Revenue $m	EBITDA[i,ii] $m
OCTG	**188.6**	**32.5**	213.4	24.1
Perforating Systems	**119.4**	**3.2**	126.8	13.7
Subsea	**78.7**	**17.8**	42.5	3.2
Advanced Manufacturing	**61.7**	**5.5**	53.1	4.5
Other Manufacturing	**45.4**	**1.3**	42.0	3.6
Total	**493.8**	**60.3**	477.8	49.1

i. EBITDA is a non-GAAP measure, see NGM C.
ii. EBITDA has been restated to include the Group's share of associates' and joint ventures' results.

OCTG

Revenue from the Group's OCTG product group in the six months to 30 June 2024 was $188.6m (H1 2023 – $213.4m). EBITDA in the period was $32.5m (H1 2023 – $24.1m) giving an EBITDA margin of 17% (H1 2023 – 11%).

Hunting's OCTG businesses extend from North and South America, through to EMEA and Asia Pacific, and in the period good progress was made across most of these regions, with the exception of EMEA, where activity in the UK North Sea continues to be subdued due to the punitive tax burden on operators which continues to discourage new drilling activity on the UK Continental Shelf.

In North America, activity in the US onshore has been positive, as the Group's TEC-LOCK™ semi-premium connection continues to be adopted by clients, despite the declining US onshore rig count. Hunting has been able to broaden its client base outside of the gas-focused basins and was able to increase OCTG revenue across the US in the period. In Canada, the Group's third-party threading business model continued to deliver strong results, with clients adopting Hunting's TEC-LOCK™ flush joint connection alongside the TKC 4040 connection in the period, leading to good revenue growth at a good margin in-country.

Product group and operating segment review continued

The EMEA OCTG businesses reported more subdued trading due to the low activity in the UK and as smaller OCTG threading volumes were reported in the period.

The Asia Pacific OCTG business continued to work through its orders for Cairn Oil and Gas (Vedanta) in the period and other clients across the Middle East and Asia Pacific regions. In H1 2024, the business completed a separate order for KOC totalling $23.0m for other projects in-country, prior to the award of the major contracts in May/June 2024 noted above. While year-on-year revenue from the region was lower, with increased manufacturing efficiencies and improved commercial terms secured in H1 2024, margins were improved in the period, as noted in the operating segment section below.

The OCTG product group has made good progress in developing its Energy Transition markets in the period, with successful orders being captured in North America, EMEA and Asia Pacific. The EMEA region has accelerated the number of geothermal projects, with Hunting securing work in Germany and the Netherlands as urban and agriculture end-markets are developed.

Hunting's India joint venture, Jindal Hunting Energy Services, received its API threading licence in May 2024, which, although slightly delayed, positions the venture to tender for the significant OCTG threading and accessories contracts being tendered in the country. Management estimates the Indian oil and gas addressable market to be c.$300-$400m per year, with the venture in a strong position to win work and secure a meaningful market share, given its early mover advantage in-country. At the reporting date, the venture had a sales order book of c.$13.0m, demonstrating the long-term earnings potential in the region. Hunting would like to thank Jindal SAW for its commitment to the success of the venture to date.

Perforating Systems

Revenue from the Group's Perforating Systems product group in the six months to 30 June 2024 was $119.4m (H1 2023 – $126.8m). EBITDA in the period was $3.2m (H1 2023 – $13.7m) giving an EBITDA margin of 3% (H1 2023 – 11%).

As noted above, the Henry Hub natural gas price averaged $2.21 per mmBtu in H1 2024 (H1 2023 – $2.53 per mmBtu) and traded between the range of $1.58 to $3.31 demonstrating the highly volatile trading environment across the US during the period. This pricing environment led to the reduction in the average US onshore rig count, which materially curtailed well completion and drilling activity in the US gas basins, including the Haynesville and the Barnet shales. Further impact to activity was reported as oil-focused basins, including the Permian, also curtailed some drilling due to the inability to flare the associated gas, leading to some reduction in the oil-orientated rig count. A further impact to the trading environment was some de-stocking by international energy service groups.

The net impact of the pricing for natural gas and wider completions activity was to reduce demand for Hunting's integrated gun systems and energetics, which led to the reduction in the financial performance of the product group in the reporting period. Partially offsetting this result, international Perforating Systems revenue was $23.3m (H1 2023 – $22.2m) in the period, with sales to Argentina, Norway and the Middle East being strong as activity accelerated globally to develop unconventional resources.

Management has taken decisive action to address the Group's operating cost base in the period, given the US trading environment. As noted above, one operating site and two distribution centres have been closed, and 92 positions removed from the business. This will save c.$6-7m per annum. Hunting's manufacturing capability remains strong, given the investment in the Pampa, Milford and Mexico facilities in recent years, which includes the increase in automation and the use of robotics.

Further, the product group is exploring Energy Transition revenue streams as unconventional geothermal resource development is being accelerated, which aligns with the capabilities of Hunting's perforating and energetics technologies.

Subsea

Revenue from the Group's Subsea product group in the six months to 30 June 2024 was $78.7m (H1 2023 – $42.5m). EBITDA in the period was $17.8m (H1 2023 – $3.2m) giving an EBITDA margin of 23% (H1 2023 – 8%).

The Subsea product group has seen strong tender activity in South America and has won work with ExxonMobil, Equinor, Shell, TechnipFMC and Baker Hughes in the period supporting the outlook for the business for the balance of the year.

The Stafford business unit has seen good demand for its hydraulic couplings and valves, which reflects the wider demand profile for subsea trees. The business has reported a number of record months of trading, echoing the strong momentum last seen in the 2010 to 2014 period. The business has seen strong tender activity in South America and has won work with Woodside, Petrobras, Exxon and ENI in the period supporting the outlook for the business for the balance of the year.

The Spring business unit has continued to work through its sales order book, with orders for the ExxonMobil's Yellowtail project being shipped in the period, for installation on the FPSO in Guyana. Spring's order book has reduced as revenue has been recognised in the period, which will likely continue as work on the Whiptail project continues throughout the balance of the year.

Enpro Subsea has made strong progress in building its order book in the period and at 30 June 2024 this stood at $17.5m. New orders with Beacon Energy and Ithaca Energy have been secured in the period for the business' Flow Access Module and in the second quarter, secured a rental contract with ExxonMobil Guyana for Enpro's Flow Intervention System. This new business confirms Hunting's belief that cross-selling between product lines will accelerate as the Group's subsea offering is broadened.

Product group and operating segment review continued

Advanced Manufacturing

Revenue from the Group's Advanced Manufacturing product group in the six months to 30 June 2024 was $61.7m (H1 2023 – $53.1m). EBITDA in the period was $5.5m (H1 2023 – $4.5m) giving an EBITDA margin of 9% (H1 2023 – 8%).

The Group's Electronics business has seen steady activity levels for its energy-related clients and has made progress within non-oil and gas clients, in particular medical and aviation sales. The business has installed a new printed circuit board manufacturing line during Q2 2024 to increase efficiencies. The business is focused on working off its excess inventory, some of which relates to the Group's Perforating Systems firing switch backlogs, which have been slower moving due to the decline in North America onshore drilling activity. Overall, the business reports a backlog of c.$75.0m at the half year point, which includes forward sales orders for the Group's Perforating Systems product group, which stand at c.$25.0m.

The Group's Dearborn business has seen a steady increase in both energy-related and non-oil and gas revenue, with backlogs of c.$85.5m at the half year, the majority of which relates to aviation, power generation and commercial space orders. Some price increases have been implemented as activity levels have improved.

Other Manufacturing

Revenue from the Group's Other Manufacturing product group in the six months to 30 June 2024 was $45.4m (H1 2023 – $42.0m). EBITDA in the period was $1.3m (H1 2023 – $3.6m restated) giving an EBITDA margin of 3% (H1 2023 – 9% restated).

As noted above, the Group has seen increased commercial activity for its Organic Oil Recovery technology, with multiple, high-profile E&P companies accelerating field trials and treatments to increase brown field production. Of note, has been the total order inflows of c.$60m from operators in the North Sea since the start of the year.

The Group's Trenchless business has reported robust trading in the period, as 5G roll out across the US maintains demand for drill pipe.

Hunting's global well intervention activity has been positive in the US and the Middle East and softer in Europe.

During the period, the Well Testing business has reported a strong market backdrop and has delivered good results in H1 2024. Preparations for the transfer of the business to Dubai continue and will be completed by year-end.

Operating segment review

Summary operating segment review

	H1 2024				H1 2023			
	Revenue $m	**EBITDA[i] $m**	**Adjusted operating result[iii] $m**	**Sales order book $m**	Revenue $m	EBITDA[i/ii] $m	Adjusted operating result[ii/iii] $m	Sales order book[iv] $m
Hunting Titan	**122.9**	**2.0**	**(2.6)**	**18.5**	134.5	12.1	7.5	32.6
North America	**192.7**	**29.0**	**19.9**	**252.0**	191.3	29.1	18.3	276.9
Subsea Technologies	**78.7**	**17.8**	**15.5**	**116.4**	42.5	3.2	(0.4)	101.3
EMEA	**46.7**	**(1.1)**	**(3.4)**	**25.8**	46.5	0.8	(1.1)	26.9
Asia Pacific	**79.6**	**12.6**	**10.7**	**317.3**	86.9	3.9	2.3	160.3
Inter-segment elimination	**(26.8)**	**–**	**–**	**(30.5)**	(23.9)	–	–	(68.3)
Total	**493.8**	**60.3**	**40.1**	**699.5**	477.8	49.1	26.6	529.7

i. EBITDA is a non-GAAP measure, see NGM C.
ii. EBITDA and adjusted operating results have been restated to include the Group's share of associates' and joint ventures' results.
iii. Reported results are based on the statutory results for operations as reported under UK adopted International Financial Reporting Standards. Adjusted results reflect adjusting items determined by management which are described in NGM A.
iv. Restated to exclude intra-segment sales orders.

Product group and operating segment review continued

Hunting Titan

As noted above under Perforating Systems, Hunting Titan's end-markets have been subdued throughout the period, with a reduction in activity being particularly noted during Q2 2024. Revenue in H1 2024 was therefore 9% below H1 2023 at $122.9m (H1 2023 – $134.5m).

EBITDA in the reporting period was $2.0m with an EBITDA margin of 2% compared to $12.1m in H1 2023 and an EBITDA margin of 9%.

The adjusted and reported operating loss was $2.6m compared to a $7.5m profit in H1 2023, a reduction of $10.1m.

As noted above, a number of employees were released in the period as part of the reduction-in-force programme and at 30 June 2024 total employees were 555 compared to 622 at the end of 2023.

North America

The Group's North America operating segment has delivered a solid performance in the period, supported by its premium connection businesses in the US and Canada, continuing strong activity in South America for accessories and good progress within Hunting's Advanced Manufacturing product group. This has led to revenue increasing marginally from $191.3m in H1 2023 to $192.7m in H1 2024.

EBITDA in the reporting period was $29.0m with an EBITDA margin of 15% compared to $29.1m (restated) in H1 2023 and an EBITDA margin of 15%.

The adjusted and reported operating profit was $19.9m compared to $18.3m (restated) in H1 2023, an increase of $1.6m.

The North America workforce has increased slightly in the reporting period with a headcount of 920 at 30 June 2024 compared to 900 at the 2023 year-end.

Subsea Technologies

The strong progress across all of the segment's business units has contributed to the revenue profile of the Subsea Technologies operating segment with sales increasing 85% from $42.5m in H1 2023 to $78.7m in H1 2024.

EBITDA in the reporting period was $17.8m with an EBITDA margin of 23% compared to $3.2m in H1 2023 and an EBITDA margin of 8%. The improved profitability reflects positive progress in couplings and valves at Stafford, as well as the Enpro business, combined with the successful execution of titanium stress joint contracts at the Spring business unit.

The adjusted and reported operating profit was $15.5m compared to a loss of $0.4m in H1 2023, an increase of $15.9m.

The Subsea Technologies workforce has increased in the period by 22 and at 30 June 2024 was 218 compared to 196 at the end of 2023, as activity in the offshore sector of the market increased.

EMEA

Revenue within the EMEA operating segment has remained stable year-on-year, with $46.7m in H1 2024 compared to $46.5m in H1 2023. This has predominantly been driven by well intervention and well testing revenue in the Middle East, and progress with the Group's Perforating Systems sales across the region, offset by softer OCTG activity.

EBITDA in the reporting period was a loss of $1.1m with an EBITDA margin of (2)% compared to $0.8m in H1 2023 and an EBITDA margin of 2%. The fall in profitability reflects a weaker product mix, in part due to the subdued activity in the North Sea.

The reported operating loss for the period was $3.4m, with the prior year operating loss being restated to $8.5m to include the import tax provision of $7.4m. The adjusted operating loss was $3.4m compared to a loss of $1.1m in H1 2023, an increase of $2.3m.

The EMEA workforce has remained broadly unchanged in the reporting period with a headcount of 279 at 30 June 2024 compared to 270 at the 2023 year-end.

Asia Pacific

Revenue in the period decreased by 8% to $79.6m from $86.9m in H1 2023. Revenue in the prior period included sales from the large CNOOC order, which was secured in August 2022 and was delivered through H1 2023.

EBITDA in the reporting period was $12.6m with an EBITDA margin of 16% compared to $3.9m in H1 2023 and an EBITDA margin of 4%. The margin improvement reflects the much improved commercial terms since the award of the large order placed by CNOOC in 2023.

The adjusted and reported operating profit was $10.7m compared to $2.3m in H1 2023, an increase of $8.4m.

During H1 2024, a decision was made to wind down well intervention manufacturing activity in Singapore, with equipment being transferred to the Group's Dubai facility.

The Asia Pacific workforce has increased in the period by 23 and at 30 June 2024 was 369 compared to 346 at the end of 2023, as activity related to the KOC order increases.

Board changes

On 10 January 2024, the Board announced the appointment of Dr Margaret Amos as an independent, non-executive Director of the Company. At the Company's 2024 Annual General Meeting ("AGM"), Dr Amos automatically retired and offered herself for reappointment by shareholders. All other Directors were submitted for re-election by shareholders at the AGM, with each Director receiving the required votes in favour. Dr Amos has been appointed to all of the Committees of the Board.

On 17 April 2024, John (Jay) F. Glick retired as a Director of the Company after nine years' service. The Board would like to thank Jay for his contribution to Hunting since his appointment in 2015 and leading the Company through the COVID-19 pandemic, ensuring Hunting remained on a firm footing, ahead of the market recovery reported since 2022.

Following Mr Glick's retirement, Stuart M. Brightman was appointed as Company Chair. In addition, Dr Amos was appointed Chair of the Ethics and Sustainability Committee, both appointments being effective from Wednesday 17 April 2024.

Investor meet company

On Thursday 29 August 2024, commencing at 10:30a.m. (UK) / 4:30a.m. (CST), the Company will be hosting a briefing via the 'Investor Meet Company' platform.

The presentation is open to all existing and potential shareholders. Questions can be submitted prior to this presentation via the Investor Meet Company dashboard up until 9:00a.m. the day before the meeting or at any time during the live presentation. Investors can sign up to Investor Meet Company for free and add to meet Hunting PLC at:

https://www.investormeetcompany.com/hunting-plc/register-investor

Investors who already follow Hunting PLC on the Investor Meet Company platform will automatically be invited.

Principal risks and uncertainties facing the business

The Group has an established risk management reporting framework, as detailed in the Group's 2023 Annual Report and Accounts on pages 96 to 105, which includes the requirement for all businesses to identify, evaluate and monitor risks and take steps to reduce, eliminate or manage the risk.

There are a number of principal risks that could have a material impact on the Group's performance over the remaining six months of the financial year and could cause actual results to differ materially from expected and historical results. Some of the risks that Hunting is exposed to, which could have a material adverse impact on the Group, arise from the specific activities undertaken by the Group, whereas other risks are common to many international manufacturing companies.

The principal risks are: increased competition and market consolidation; geopolitical instability; adverse movement in commodity prices; climate change and energy transition; cyber security; loss of key executives or staff and shortage of skilled labour; work environment issues including health and safety; product quality and reliability; our ability to achieve our strategic goals; third-party risk; acquisition risk; and increased quantity and complexity of changing global rules and regulations. Details of those principal risks facing the Group are on pages 98 to 105 of the Group's 2023 Annual Report and Accounts.

The Group has not identified any emerging risks in H1 2024 or throughout 2023.

Forward-looking statements

Certain statements in this Half Year Report are forward-looking. Although the Group believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. As these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. The Group undertakes no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

Stuart M. Brightman
Company Chair

Jim Johnson
Chief Executive

29 August 2024

Statement of Directors' Responsibilities

The Directors confirm that, to the best of their knowledge, these condensed consolidated interim financial statements have been prepared in accordance with United Kingdom adopted IAS 34 Interim Financial Reporting and that the Half Year Management Report includes a fair review of the information required by the Disclosure and Transparency Rules 4.2.7 and 4.2.8, namely:

- an indication of important events that have occurred during the first six months of the financial year, and their impact on these condensed consolidated interim financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the first six months of the financial year and any material changes in the related party transactions described in the 2023 Annual Report and Accounts.

The Directors believe that the Half Year Report taken as a whole is fair, balanced and understandable. In arriving at this conclusion the Board considered the opinion and recommendation of the Audit Committee who undertook the following work:

- review of early drafts of the Half Year Report;
- regular review of and discussion over the financial results during the period, including briefings by Group finance; and
- receipt and review of a report from the external auditors.

On behalf of the Board

Bruce Ferguson
Finance Director

29 August 2024

Independent Review Report to Hunting PLC

Conclusion

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2024, which comprises the Condensed Consolidated Income Statement, Condensed Consolidated Statement of Comprehensive Income, Condensed Consolidated Balance Sheet, Condensed Consolidated Statement of Changes in Equity, Condensed Consolidated Statement of Cash Flows and related notes 1 to 18.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2024 is not prepared, in all material respects, in accordance with United Kingdom adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the Group will be prepared in accordance with United Kingdom adopted International Financial Reporting Standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with United Kingdom adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusion relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that the Directors have inappropriately adopted the going concern basis of accounting or that the Directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410, however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the Directors'

The Directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the review of the financial information

In reviewing the half-yearly financial report, we are responsible for expressing to the Group a conclusion on the condensed set of financial statements in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK) 2410. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have formed.

Deloitte LLP
Statutory Auditor
London, United Kingdom

29 August 2024