Condensed Consolidated Income Statement

	Notes	**Unaudited Six months ended 30 June 2024 $m**	Restated[i] Unaudited Six months ended 30 June 2023 $m
Revenue	2,3	**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	4	**(0.2)**	0.6
Share of associates' and joint ventures' results		**(0.2)**	0.4
Operating profit		**40.1**	19.2
Finance income		**1.0**	1.9
Finance expense		**(4.9)**	(5.4)
Profit before tax		**36.2**	15.7
Taxation	6	**(9.6)**	(4.0)
Profit for the period		**26.6**	11.7
Attributable to:			
Owners of the parent		**26.2**	10.3
Non-controlling interests		**0.4**	1.4
		26.6	11.7

Earnings per share		**cents**	cents
Basic	7	**16.4**	6.5
Diluted	7	**15.5**	6.2

i. Comparative balances have been restated, see note 1.

The notes on pages 20 to 37 are an integral part of these condensed consolidated financial statements

Condensed Consolidated Statement of Comprehensive Income

	Unaudited Six months ended 30 June 2024 $m	Restated[i] Unaudited Six months ended 30 June 2023 $m
Profit for the period	**26.6**	11.7
Other comprehensive (expense)/income, after tax		
Items that may subsequently be reclassified to profit or loss:		
Exchange adjustments	**(2.3)**	2.0
Fair value losses arising on cash flow hedges during the period	**(1.0)**	(0.5)
Fair value gains arising on cash flow hedges reclassified to profit or loss	**–**	(0.1)
Items that will not be reclassified to profit or loss:		
Remeasurement of defined benefit pension schemes	**(0.1)**	–
Other comprehensive (expense)/income, after tax	**(3.4)**	1.4
Total comprehensive income for the period	**23.2**	13.1
Attributable to:		
Owners of the parent	**23.1**	12.2
Non-controlling interests	**0.1**	0.9
	23.2	13.1

i. Comparative balances have been restated, see note 1.

Total comprehensive income attributable to owners of the parent arises from the Group's continuing operations.

Condensed Consolidated Balance Sheet

	Notes	Unaudited At 30 June 2024 $m	Restated[i] Audited At 31 December 2023 $m
ASSETS			
Non-current assets			
Property, plant and equipment	8	**252.3**	254.5
Right-of-use assets	8	**25.7**	26.2
Goodwill	8	**154.3**	154.4
Other intangible assets	8	**39.3**	40.8
Investment in associates and joint ventures		**20.3**	20.5
Investments		**4.5**	4.4
Trade and other receivables	10	**2.6**	1.8
Deferred tax assets		**91.4**	95.2
		590.4	597.8
Current assets			
Inventories	11	**330.0**	328.4
Trade and other receivables	10	**264.6**	251.4
Cash and cash equivalents		**71.2**	45.5
Current tax assets		**1.3**	1.3
		667.1	626.6

	Notes	Unaudited At 30 June 2024 $m	Restated[i] Audited At 31 December 2023 $m
LIABILITIES			
Current liabilities			
Trade and other payables		**(140.7)**	(163.4)
Lease liabilities		**(7.3)**	(8.0)
Borrowings	12	**(80.9)**	(46.3)
Provisions		**(13.9)**	(13.9)
Current tax liabilities		**(4.9)**	(3.3)
		(247.7)	(234.9)
Net current assets		**419.4**	391.7
Non-current liabilities			
Trade and other payables		**(4.2)**	(3.7)
Lease liabilities		**(20.5)**	(20.7)
Borrowings	12	**(3.9)**	(3.9)
Provisions		**(1.6)**	(2.7)
Deferred tax liabilities		**(8.8)**	(8.4)
		(39.0)	(39.4)
Net assets		**970.8**	950.1
Equity attributable to owners of the parent			
Share capital		**66.5**	66.5
Share premium		**153.1**	153.0
Other components of equity		**0.5**	8.7
Retained earnings		**747.3**	718.6
Total attributable to owners of the parent		**967.4**	946.8
Non-controlling interests		**3.4**	3.3
Total equity		**970.8**	950.1

i. Comparative balances have been restated, see note 1. The restatement is unaudited.

Condensed Consolidated Statement of Changes in Equity

	Notes	Share capital $m	Share premium $m	Other components of equity $m	Retained earnings $m	Total attributable to owners of the parent $m	Non-controlling interests $m	Total equity $m
		Unaudited Six months ended 30 June 2024						
At 1 January 2024, restated[i]		**66.5**	**153.0**	**8.7**	**718.6**	**946.8**	**3.3**	**950.1**
Profit for the period		**–**	**–**	**–**	**26.2**	**26.2**	**0.4**	**26.6**
Other comprehensive expense		**–**	**–**	**(3.0)**	**(0.1)**	**(3.1)**	**(0.3)**	**(3.4)**
Total comprehensive (expense)/income		**–**	**–**	**(3.0)**	**26.1**	**23.1**	**0.1**	**23.2**
Dividends to Hunting PLC shareholders	15	**–**	**–**	**–**	**(8.0)**	**(8.0)**	**–**	**(8.0)**
Treasury shares:								
– purchase of treasury shares		**–**	**–**	**–**	**(3.2)**	**(3.2)**	**–**	**(3.2)**
– disposal of treasury shares		**–**	**0.1**	**–**	**0.2**	**0.3**	**–**	**0.3**
Share options and awards:								
– value of employee services		**–**	**–**	**6.4**	**–**	**6.4**	**–**	**6.4**
– discharge		**–**	**–**	**(9.0)**	**8.5**	**(0.5)**	**–**	**(0.5)**
– taxation		**–**	**–**	**–**	**2.5**	**2.5**	**–**	**2.5**
Transfer between reserves		**–**	**–**	**(2.6)**	**2.6**	**–**	**–**	**–**
At 30 June 2024		**66.5**	**153.1**	**0.5**	**747.3**	**967.4**	**3.4**	**970.8**

	Notes	Share capital $m	Share premium $m	Other components of equity $m	Retained earnings $m	Total attributable to owners of the parent $m	Non-controlling interests $m	Total equity $m
		Restated[i] Unaudited Six months ended 30 June 2023						
At 1 January 2023		66.5	153.0	15.8	609.3	844.6	1.6	846.2
Profit for the period		–	–	–	10.3	10.3	1.4	11.7
Other comprehensive income/(expense)		–	–	1.9	–	1.9	(0.5)	1.4
Total comprehensive income		–	–	1.9	10.3	12.2	0.9	13.1
Transfer of cash flow hedging gains to the initial carrying value of hedged items		–	–	(0.1)	–	(0.1)	–	(0.1)
Dividends to Hunting PLC shareholders	15	–	–	–	(7.1)	(7.1)	–	(7.1)
Treasury shares:								
– purchase of treasury shares		–	–	–	(8.9)	(8.9)	–	(8.9)
– disposal of treasury shares		–	–	–	0.4	0.4	–	0.4
Share options and awards:								
– value of employee services		–	–	7.2	–	7.2	–	7.2
– discharge		–	–	(7.5)	7.2	(0.3)	–	(0.3)
– taxation		–	–	–	(0.2)	(0.2)	–	(0.2)
Transfer between reserves[ii]		–	–	(9.8)	9.8	–	–	–
At 30 June 2023		66.5	153.0	7.5	620.8	847.8	2.5	850.3

i. Comparative balances have been restated, see note 1.
ii. $7.1m of the merger reserve was considered to be realised, as the equivalent amount of the proceeds from the share placing in 2016 met the definition of qualifying consideration, and was transferred to retained earnings. There was also a transfer of $2.7m between the currency translation reserve and retained earnings.

Condensed Consolidated Statement of Cash Flows

	Notes	Unaudited Six months ended 30 June 2024 $m	Restated[i] Unaudited Six months ended 30 June 2023 $m
Operating activities			
Operating profit		**40.1**	19.2
Adjusting items (NGM A)	5	**–**	7.4
Depreciation, amortisation and impairment (NGM C)		**20.2**	22.5
EBITDA (NGM C)		**60.3**	49.1
Share-based payment expense		**7.0**	7.5
Increase in inventories		**(3.6)**	(50.1)
Increase in receivables		**(13.0)**	(43.1)
(Decrease)/increase in payables		**(23.3)**	7.3
(Decrease)/increase in provisions		**(0.9)**	1.5
Net taxation paid		**(1.4)**	(4.7)
Net gain on disposal of property, plant and equipment		**(1.1)**	(1.3)
Proceeds from disposal of property, plant and equipment held for rental		**0.3**	–
Purchase of property, plant and equipment held for rental		**(0.2)**	(0.5)
Share of associates' and joint ventures' results		**0.2**	(0.4)
Other non-cash flow items		**0.4**	0.9
Net cash inflow/(outflow) from operating activities		**24.7**	(33.8)
Investing activities			
Interest received		**0.6**	0.3
Proceeds from disposal of property, plant and equipment		**0.2**	1.3
Dividend received from associates		**–**	0.6
Investment in associates and joint ventures		**–**	(1.6)
Purchase of property, plant and equipment		**(12.3)**	(12.7)
Purchase of intangible assets		**(2.4)**	(6.5)
Net cash outflow from investing activities		**(13.9)**	(18.6)

	Notes	Unaudited Six months ended 30 June 2024 $m	Restated[i] Unaudited Six months ended 30 June 2023 $m
Financing activities			
Interest and bank fees paid		**(3.4)**	(2.5)
Payment of lease liabilities, principal and interest		**(4.6)**	(5.6)
Increase in bank borrowings		**34.7**	84.6
Dividends paid to Hunting PLC shareholders	15	**(8.0)**	(7.1)
Purchase of treasury shares		**(3.2)**	(8.9)
Proceeds on disposal of treasury shares		**0.3**	0.4
Net cash inflow from financing activities		**15.8**	60.9
Net increase in cash and cash equivalents		**26.6**	8.5
Cash and cash equivalents at the beginning of the period		**44.1**	27.3
Effect of foreign exchange rates		**(0.8)**	(0.8)
Cash and cash equivalents at the end of the period		**69.9**	35.0
Cash and cash equivalents at the end of the period comprise:			
Cash and cash equivalents included in current assets		**71.2**	36.5
Bank overdrafts included in borrowings		**(1.3)**	(1.5)
		69.9	35.0

i. Comparative balances have been restated, see note 1.

Notes

1. Basis of Accounting

Hunting PLC is a public company limited by shares, quoted on the London Stock Exchange in the Equity Shares in Commercial Companies (ESCC) category. Hunting PLC was incorporated in the United Kingdom under the Companies Act and is registered in England and Wales. The address of the Company's registered office is 30 Panton Street, London, SW1Y 4AJ, United Kingdom.

The condensed consolidated interim financial report to 30 June 2024 is presented in US Dollars and has been prepared in accordance with Accounting Standard IAS 34 Interim Financial Reporting and with the Disclosure and Transparency Rules of the Financial Conduct Authority.

This condensed set of consolidated financial statements does not include all of the notes of the type normally included in an annual financial report. Accordingly, this interim financial report should be read in conjunction with the 2023 Annual Report and Accounts, which was prepared in accordance with United Kingdom adopted international accounting standards and in conformity with the requirements of the Companies Act 2006, and with any public announcements made by Hunting PLC during the interim period.

Terms used in this condensed set of consolidated financial statements are defined in the Glossary on pages 248 to 251 contained in the 2023 Annual Report and Accounts.

The information for the year ended 31 December 2023 contained in this interim financial report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The independent auditor's report on those accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain any statement under section 498(2) or (3) of the Companies Act 2006. This condensed set of consolidated interim financial statements has been reviewed, not audited.

The accounting policies applied and the significant judgements, estimates and assumptions made by management in this condensed set of consolidated financial statements are consistent with those applied in the 2023 Annual Report and Accounts except for the following:

- the estimation of income taxes, which are accrued using an estimated weighted average tax rate that would be applicable to the full year profit or loss; and
- the adoption of new and amended standards as described below.

New and Amended Standards Adopted by the Group
A number of amended standards became effective for the financial year beginning on 1 January 2024; however, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

Prior Period Restatements
(a) Import Tax Provision
In July 2024, an internal review was initiated which identified that one of the Group's business units in the EMEA operating segment had not followed the correct processes for importing goods in their jurisdiction and thus had not paid amounts which would have been due based on 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 represented the best estimate of the potential liability at that date, including associated interest. This amount is expected to be settled within 12 months.

The provision contains uncertainties with respect to the amount of the liability, including whether there are any mitigations available, relief that can be utilised or penalties which may be incurred. The Group has reviewed all the periods which could potentially be impacted and evaluated its controls such that there is no further exposure after 30 June 2024.

Of the total provision of $9.5m at 30 June 2024, an amount totalling $7.6m related to the six months ending 30 June 2023, $1.5m related to the six months ending 31 December 2023 and $0.4m related to the six months ending 30 June 2024. As the information necessary to identify this issue and make a provision existed in prior periods, and management considers the impacts to prior periods to be material to the Group, the relevant financial statements and related notes have been corrected by restating the respective financial statement line items in accordance with IAS 8. This has resulted in restatements to the interim and full year financial statements and related notes for 2023 (see note 18). There is no material impact to the opening position at 1 January 2023. The above stated values are the amounts that would be recognised on the balance sheet as a provision at the end of each period. The actual amounts charged to the income statement in each period differ due to the impact of foreign exchange rate changes.

The corresponding expense has been included in administrative expenses within the income statement as this presentation most appropriately reflects the nature of the adjustment. Additionally, a deferred tax asset and related income statement tax credit were recognised in each prior period as management expects the expense to reduce taxable income. Due to their size and nature, amounts relating to 2023 have been disclosed separately as required by IAS 1 and have been presented as adjusting items (NGM A), as described in note 5.

(b) Presentation of Associates' and Joint Ventures' Results
During the period, the Group changed its accounting policy to present its share of associates' and joint ventures' results as part of operating profit and has represented the results for the six months ending 30 June 2023 on this basis, with operating profit and EBITDA increasing by $0.4m to $26.6m and $49.1m, respectively.

With the mobilisation of the joint venture with Jindal SAW in the second half of 2023, the reclassification reflects a more appropriate presentation of the share of associates' and joint ventures' results, aligning them with Hunting's core operating business.

The share of associates' and joint ventures' results arose in the North America operating segment in the six months ended 30 June 2023. This reclassification had no impact on the profit for the period, the net assets or cash and cash equivalents in 2023.

The impacts to the Group's financial statements, in the reporting period to which they relate, are outlined in note 18.

1. Basis of Accounting continued

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

Critical accounting judgements are those that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the Group's financial statements. Key estimates are those concerning future expectations and other key sources of estimation uncertainty at the end of the reporting period and which may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Critical accounting judgements were made in the following areas:

- in determining if the contractual terms for various significant Subsea contracts met the requirements of over time revenue accounting (see note 40 of the 2023 Annual Report and Accounts); and
- in considering whether the conditions were appropriate to recognise deferred tax assets (see note 6);

The key estimates used in the preparation of the accounts were:

- the estimates of future cash flows in the budget and extended forecasts considered in the impairment test for cash generating units and the recoverable amounts (see note 9); and
- estimates of future turn rates by inventory line item in determining inventory provisions (see note 11).

The Directors believe that there are no other critical accounting judgements or key estimates applied in the preparation of the consolidated financial statements.

Climate Change

The Directors have considered the potential impact that climate change could have on the financial statements of the Group and recognise that climate change is a principal risk that the Group will monitor and will react to appropriately. In the judgement of the Directors, the external mid- and long-term forecasts used by the Group incorporate climate change developments and support the view that there will be robust demand for the Group's oil- and gas-based products for a significant time span. The Group utilises mid-term forecasts to consider whether there are any concerns regarding the carrying values or expected lives of longer-lived assets, including goodwill. Climate related risks are not expected to have a significant adverse impact on the Group's revenue or EBITDA in the medium-term. The Directors also believe there is significant operational adaptability in the Group's asset base to move into other non-hydrocarbon product lines, if required.

Going Concern

(a) Introduction

The Group's principal cash outflows include capital investment, labour costs, inventory purchases and dividends. The Group's principal cash inflows are generated from the sale of its products and services, the level of which is dependent on overall market conditions, the variety of its products and services and its ability to retain strong customer relationships. Cash inflows are further supported by the Group's credit insurance cover against customer default that, at 30 June 2024, covered the majority of its trade receivables, subject to certain limits.

Current and forecast cash/debt balances are reported on a weekly basis by each of the business units to a centralised treasury function that uses the information to manage the Group's day-to-day liquidity and longer-term funding needs.

The Group has access to sufficient financial resources, including a $150m secured committed Asset-Based Lending facility ("ABL"). Since the first half of 2023, the facility has been partially utilised in order to fund working capital. At 30 June 2024, the Group had total cash and bank/(borrowings) of $(9.7)m (NGM I). The Group has arranged a number of incremental funding solutions, such as letter of credit discounting arrangements and bank acceptance bills, to assist with management of the working capital cycle. The internal financial projections indicate that the Group is expected to return to a cash positive position by the end of 2024 and consequently has sufficient resources to meet its liabilities as they fall due over the twelve months following the date of approval of the financial statements.

(b) Review

In conducting its review of the Group's ability to remain as a going concern, the Board assessed the Group's recent trading performance and its latest forecasts and took account of reasonably predictable changes in future trading performance as well as the availability of borrowing facilities. The Board also considered the principal risks faced by the Group and the potential financial impact of the estimates, judgements and assumptions that were used to prepare these condensed financial statements. Management also sensitised the forecasts to reflect reasonably plausible downside scenarios and these demonstrated that the Group is able to maintain sufficient cash resources to meet its liabilities as they fall due over the twelve months following the date of approval of the financial statements. The Board is also satisfied that no material uncertainties have been identified.

(c) Conclusion

The Board is satisfied that it has conducted a robust review of the Group's going concern and has a high level of confidence that the Group has the necessary liquid resources to meet its liabilities as they fall due. Consequently, the Board has considered it appropriate to adopt the going concern basis of accounting in preparing the half year financial statements.

2. Segmental Reporting

For the six months ended 30 June 2024, the Group has been reporting on five operating segments in its internal management reports, which are used to make strategic decisions by the Hunting PLC Board, the Group's Chief Operating Decision Maker ("CODM"). The Hunting PLC Board examines the Group's performance mainly from a geographic perspective, based on the location of the operating activities, as well as by product group, in order to understand the drivers of Group performance and trends. Due to their size and/or nature of their operations, Hunting Titan and Subsea Technologies are reported separately.

The Board assesses the performance of the operating segments based on revenue and adjusted operating results. Adjusted operating result is reported operating profit excluding adjusting items (see NGM A).

Finance income and finance expense are not allocated to operating segments, as this type of activity is overseen by the Group's central treasury function, which manages the funding position of the Group. Inter-segment sales are priced in line with the transfer pricing policy on an arm's length basis and are eliminated on consolidation. Costs and overheads are apportioned to the operating segments on the basis of level of activity and time attributed to those operations by senior executives.

Accounting policies used for segmental reporting reflect those used for the Group. The UK is the domicile of Hunting PLC.

Segment Revenue and Profit

	Six months ended 30 June 2024					
	Total segment revenue $m	**Inter-segment revenue $m**	**Total external revenue $m**	**Adjusted operating result $m**	**Adjusting items $m**	**Reported operating result $m**
Hunting Titan	**122.9**	**(6.5)**	**116.4**	**(2.6)**	**–**	**(2.6)**
North America	**192.7**	**(17.0)**	**175.7**	**19.9**	**–**	**19.9**
Subsea Technologies	**78.7**	**–**	**78.7**	**15.5**	**–**	**15.5**
EMEA	**46.7**	**(0.8)**	**45.9**	**(3.4)**	**–**	**(3.4)**
Asia Pacific	**79.6**	**(2.5)**	**77.1**	**10.7**	**–**	**10.7**
Total	**520.6**	**(26.8)**	**493.8**	**40.1**	**–**	**40.1**
Net finance expense				**(3.9)**	**–**	**(3.9)**
Profit before tax				**36.2**	**–**	**36.2**

	Restated[i] Six months ended 30 June 2023					
	Total segment revenue $m	Inter-segment revenue $m	Total external revenue $m	Adjusted operating result $m	Adjusting items $m	Reported operating result $m
Hunting Titan	134.5	(4.0)	130.5	7.5	–	7.5
North America	191.3	(18.4)	172.9	18.3	–	18.3
Subsea Technologies	42.5	–	42.5	(0.4)	–	(0.4)
EMEA	46.5	(0.6)	45.9	(1.1)	(7.4)	(8.5)
Asia Pacific	86.9	(0.9)	86.0	2.3	–	2.3
Total	501.7	(23.9)	477.8	26.6	(7.4)	19.2
Net finance expense				(3.5)	–	(3.5)
Profit before tax				23.1	(7.4)	15.7

i. Comparative balances have been restated, see note 1.

2. Segmental Reporting continued

Segment Revenue and Profit continued
A breakdown of external revenue by product group is presented below:

	Six months ended 30 June 2024 $m	Six months ended 30 June 2023 $m
Perforating Systems	**119.4**	126.8
OCTG	**188.6**	213.4
Advanced Manufacturing	**61.7**	53.1
Subsea	**78.7**	42.5
Other Manufacturing	**45.4**	42.0
Total	**493.8**	477.8
Revenue from products is further analysed between:		
Oil and gas	**457.8**	441.7
Non-oil and gas	**36.0**	36.1
Total	**493.8**	477.8

3. Revenue

In the following table, a breakdown of the Group's different revenue streams by segment has been given, including the disaggregation of revenue from contracts with customers.

	Six months ended 30 June 2024				Six months ended 30 June 2023			
	Revenue from contracts with customers $m	Rental revenue $m	Other revenue $m	Total external revenue $m	Revenue from contracts with customers $m	Rental revenue $m	Other revenue $m	Total external revenue $m
Hunting Titan	**116.1**	**0.3**	**–**	**116.4**	129.8	0.7	–	130.5
North America	**174.9**	**0.6**	**0.2**	**175.7**	171.6	0.6	0.7	172.9
Subsea Technologies	**78.7**	**–**	**–**	**78.7**	42.5	–	–	42.5
EMEA	**44.4**	**1.5**	**–**	**45.9**	43.3	2.6	–	45.9
Asia Pacific	**76.9**	**0.2**	**–**	**77.1**	86.0	–	–	86.0
Total	**491.0**	**2.6**	**0.2**	**493.8**	473.2	3.9	0.7	477.8

Revenue is typically recognised for products when the product is shipped or made available to customers for collection, or over time as control of the product is transferred to customers, and for services either on completion of the service or, at a minimum, monthly for services covering more than one month. The majority of the Group's revenue is recognised at a point in time. The Group's revenue recognised over time is within the North America and Subsea Technologies operating segments.

The amount of consideration is not adjusted for the effects of a significant financing component as, at contract inception, the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

4. Net Operating Income and Other Expenses

	Six months ended 30 June 2024 $m	Six months ended 30 June 2023 $m
Operating income from leasing assets	**0.9**	1.4
Gain on disposal of property, plant and equipment	**1.1**	1.3
Foreign exchange gains	**1.2**	0.9
Other income	**1.3**	1.3
Total operating income	**4.5**	4.9
Foreign exchange losses	**(1.7)**	(1.9)
Research and development costs expensed	**(2.9)**	(2.2)
Other operating expenses	**(0.1)**	(0.2)
Total other operating expenses	**(4.7)**	(4.3)
Net operating income and other expenses	**(0.2)**	0.6

5. Adjusting Items

Due to their size and nature, the following items have been disclosed separately, as required by IAS 1.

There were no adjusting items in the six months ended 30 June 2024.

Adjusting items for the six months ended 30 June 2023 have been restated to include a provision of $7.4m for import tax relating to one of the business units in the EMEA operating segment, which had not followed the correct processes for importing goods (NGM A), see note 1. These costs were included within administrative expenses. Additionally, a deferred tax asset and related income statement tax credit of $1.7m were recognised as management expects the expense to reduce taxable income.

6. Taxation

The taxation charge for the six months ended 30 June 2024 has been calculated as follows:

- A weighted average annual tax rate has been applied, where appropriate, in line with IAS 34 methodology. This has been calculated on a jurisdiction basis and the full year forecast jurisdictional average tax rate has been applied to the profit or loss for the period of that jurisdiction.
- Where the weighted average annual tax rate would not provide a reliable estimate of the taxation for the period, we have used a discrete taxation basis, taxing these items in the period on an item-by-item basis. Examples of discrete items in the period are tax rate changes that have been substantively enacted in the first half of the year and prior year adjustments that have crystallised in the first half of the year.

The taxation charge for the six months ended 30 June 2024 is $9.6m (restated six months ended 30 June 2023 – $4.0m). This reflects an effective tax rate of 27% (six months ended 30 June 2023 – 25%).

Adjusting items are taxed on an item-by-item basis; however, for the six months ended 30 June 2024 there were no adjusting items (restated six months ended 30 June 2023 – $7.4m adjusting items with an associated tax credit of $1.7m), as detailed in NGM A. The adjusted taxation charge (NGM D) for the six months ended 30 June 2024 was, therefore, $9.6m (six months ended 30 June 2023 – $5.7m).

Tax-related Judgements

The Group is subject to income taxes in numerous jurisdictions and significant judgement is required in determining the worldwide provision for those taxes, as tax legislation can be complex and open to different interpretation. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available, against which the temporary differences can be utilised. The recoverability of deferred tax assets is supported by deferred tax liabilities against which the reversal can be offset as well as the expected level of future profits. This is considered by jurisdiction, or by entity, dependent on the tax laws of the jurisdiction. Where there is both a history of loss making and continued loss making in the year, stronger supporting evidence is required to meet recognition policy criteria. Supporting evidence reviewed includes: whether actual results, when excluding non-recurring items, meet or exceed budget; the level of taxable profits generated in the base case and downside case longer-term forecasts; and the nature of how the deferred tax assets arose and how this relates to the ongoing activities of the business.

The recognition of deferred tax assets as at 30 June 2024 has been based on the forecast accounting profits in the 2024 and 2025 budget and the extended forecast period as presented to the Board. This is the same forecast that is used to derive cash flows for the goodwill impairment test. For periods extending beyond the extended forecast period, profits have been assumed to grow in a manner consistent with the terminal growth rate assumptions used for impairment testing. In addition, a risk factor has been applied to reduce future profits for the extended forecast period and beyond. These adjustments are to reflect the potential decrease in reliability of forecasts for future periods beyond the Board approved budget period.

Historic tax losses make up the majority of the deductible temporary differences. These losses mainly arose from varying factors including non-recurring events such as losses arising at the start of newly formed businesses and losses arising from periods of economic downturn, such as during the COVID-19 pandemic. Historically, the majority of the deferred tax not recognised in the Group was in relation to deferred tax arising in the US. As a result of the recognition of deferred tax in the US at 31 December 2023, the level of deferred tax not recognised has significantly reduced. Management will continue to monitor the position in those jurisdictions where deferred tax is not recognised.

7. Earnings per Share

Basic earnings per share ("EPS") is calculated by dividing the earnings attributable to Ordinary shareholders by the weighted average number of Ordinary shares outstanding during the period.

For diluted earnings per share, the weighted average number of outstanding Ordinary shares is adjusted to assume conversion of all dilutive potential Ordinary shares. Dilution arises though the possible issue of shares to satisfy awards made under the Group's long-term incentive plans.

Reconciliations of the earnings and weighted average number of Ordinary shares used in the calculations are set out below:

	Six months ended 30 June 2024			Restated[i] Six months ended 30 June 2023		
	Earnings attributable to Ordinary shareholders $m	**Basic weighted average number of Ordinary shares millions**	**Earnings per share cents**	Earnings attributable to Ordinary shareholders $m	Basic weighted average number of Ordinary shares millions	Earnings per share cents
Basic EPS	**26.2**	**159.5**	**16.4**	10.3	159.0	6.5
Effect of dilutive long-term incentive plans	**–**	**9.9**	**(0.9)**	–	8.1	(0.3)
Diluted EPS	**26.2**	**169.4**	**15.5**	10.3	167.1	6.2

i. Comparative balances have been restated, see note 1.

The calculation of adjusted earnings per share can be found in NGM B.

8. Non-current Assets – Property, Plant and Equipment; Right-of-use Assets; Goodwill and Other Intangible Assets

	Property, plant and equipment $m	Right-of-use assets $m	Goodwill $m	Other intangible assets $m
Cost:				
At 1 January 2024	**629.9**	**68.0**	**529.1**	**195.2**
Exchange adjustments	**(1.6)**	**(1.0)**	**(0.9)**	**(0.4)**
Additions	**12.3**	**1.2**	**–**	**2.4**
Disposals	**(8.6)**	**(6.6)**	**–**	**–**
Reclassification from inventories (note 11)	**0.7**	**–**	**–**	**–**
Modifications	**–**	**2.3**	**–**	**–**
Reclassification	**–**	**–**	**–**	**(0.1)**
At 30 June 2024	**632.7**	**63.9**	**528.2**	**197.1**
Accumulated depreciation/ amortisation and impairment:				
At 1 January 2024	**(375.4)**	**(41.8)**	**(374.7)**	**(154.4)**
Exchange adjustments	**1.4**	**0.8**	**0.8**	**0.2**
Charge for the year	**(12.7)**	**(3.7)**	**–**	**(3.7)**
Disposals	**6.3**	**6.6**	**–**	**–**
Impairment of assets	**–**	**(0.1)**	**–**	**–**
Reclassification	**–**	**–**	**–**	**0.1**
At 30 June 2024	**(380.4)**	**(38.2)**	**(373.9)**	**(157.8)**
Net book amount at 30 June 2024	**252.3**	**25.7**	**154.3**	**39.3**

(a) Property, Plant and Equipment

Additions to property, plant and equipment include $0.7m for land and buildings, $11.4m for plant, machinery and motor vehicles and $0.2m for rental tools.

Group capital expenditure committed for the purchase of property, plant and equipment, but not provided for at 30 June 2024 amounted to $5.6m (31 December 2023 – $7.0m).

In accordance with the requirements of the Group's committed ABL bank facility, security was granted over specific properties, plant and equipment in the US, which have a carrying value of $136.2m (31 December 2023 – $137.8m).

(b) Goodwill

Hunting Titan represents 74% of the goodwill balance at 30 June 2024 (31 December 2023 – 74%).

Goodwill is allocated to the Group's cash-generating units ("CGUs") as follows:

CGU	Operating segment	At 30 June 2024 $m	At 31 December 2023 $m
Hunting Titan	Hunting Titan	**114.9**	114.9
US Subsea	Subsea Technologies	**15.0**	15.0
Enpro	Subsea Technologies	**4.3**	4.4
Dearborn	North America	**7.6**	7.6
US Manufacturing	North America	**12.5**	12.5
Total		**154.3**	154.4

9. Impairment of Non-current Assets

(a) Indicators of Impairment and Updated Impairment Tests

In preparing the condensed consolidated financial statements for the six months ended 30 June 2024, the Group has considered whether any indicators of significant impairment exist, that may indicate that the carrying amount of any of the CGUs may not be recoverable. As part of this assessment, the Group reviewed the key assumptions underlying the value-in-use calculations used in the 2023 annual impairment test. This included comparisons of performance in the period and the latest outlook for 2024 against budget, reviews of the latest external market drilling and production outlook, as well as considering possible changes in discount rates used to discount the cash flow projections and long-term growth rates.

In the first half of 2024, Group performance has been strong with growth of 3% in revenue and 23% in EBITDA over the same period last year, as international and offshore drilling markets continue to demonstrate strong momentum. Additionally, the trading outlook looks strong and the Group expects the momentum to continue into the second half of 2024 and into 2025.

The Group's review for potential indicators of significant impairment did not indicate that the carrying value of any of the CGUs was not recoverable as at 30 June 2024, except for at Hunting Titan, where there were potential indicators of significant impairment as trading headwinds in the US, arising from a reduction in US onshore rig count during the period, have led to a decline in revenue and EBITDA. This has resulted in a full impairment review of the Hunting Titan CGU.

9. Impairment of Non-current Assets continued

(a) Indicators of Impairment and Updated Impairment Tests continued

Hunting Titan

The recoverable amount of the Hunting Titan CGU was determined using a value-in-use method which uses discounted cash flow projections. The key assumptions for the value-in-use calculation are revenue growth rates, EBITDA margins, the terminal growth rate and the discount rate applied. For 2024, cash flows are based on the latest detailed forecast, as approved by management. For 2025 to 2029, management made revenue projections using Spears & Associates' "Drilling and Production Outlook" independent reports.

Having determined the projected revenues, management modelled the expected impact on margins and cash flows from the resulting revenue projections. The compound annual growth rate for revenue for Hunting Titan from 2024 to 2029 was 5% (31 December 2023 – 2023 to 2028 was 8%). After 2029, a terminal value was calculated assuming a growth rate of 3% (31 December 2023 – 4%), which management estimates to be the approximate average long-term growth rate for the market in which Hunting Titan operates.

The outlook for US onshore activity has contracted since December 2023, however, it remains positive and is expected to recover somewhat in the period to 2029. The business has a strong product portfolio across instruments, energetics and perforating gun systems including the H-3 and recently launched H-4 self-orienting system, combined with a strong presence in Canada and in international markets. Management expects margins to improve due to ongoing efficiencies in the production cost of gun systems, combined with operating cost improvements, which include the benefit from the actions taken in the first half of 2024.

The cash flow projections were discounted using a nominal pre-tax rate of 12% (31 December 2023 – 13%). Refer to note 15 of the 2023 Annual Report and Accounts for further information on the discount rate methodology.

The resulting recoverable amount was in excess of the carrying value for the Hunting Titan CGU and there was no impairment.

The following reasonably possible changes to key assumptions would, in isolation, lead to an impairment charge in the six months ended 30 June 2024:

	Increase/ (decrease)
Pre-tax discount rate	**2.3%**
Terminal value growth rate	**(2.5%)**
Revenue growth rates (CAGR from 2024 to 2029)	**(4.2%)**
EBITDA margins (reduction each year from 2024 to 2029)	**(2.6%)**

(b) Impairment Tests for Individual Assets

For individual assets, an impairment test is conducted if there are indicators of significant impairment. Impairment arises when the carrying value of the asset is greater than the higher of either its fair value less costs of disposal or its value-in-use. The fair value less costs of disposal or the value-in-use is a Level 3 measurement as per the fair value hierarchy defined within IFRS 13 due to unobservable inputs used in the valuation. If the cash flows of an asset cannot be assessed individually, the asset or the group of assets are aggregated into a CGU and tested as part of the impairment testing of CGUs.

There were no indicators of significant impairment relating to individual assets in the first half of 2024 or 2023, except for right-of-use assets where an impairment charge of $0.1m (six months ended 30 June 2023 – $0.3m) was taken in relation to a vacant facility.

10. Trade and Other Receivables

	At 30 June 2024 $m	At 31 December 2023 $m
Non-current:		
Prepayments	**0.1**	1.8
Other receivables	**2.5**	–
	2.6	1.8

Other receivables includes finance lease receivables of $2.5m.

	At 30 June 2024 $m	At 31 December 2023 $m
Current:		
Trade receivables	**196.1**	204.7
Accrued revenue	**3.0**	2.5
Contract assets	**27.8**	17.5
Gross receivables	**226.9**	224.7
Less: provisions for impairment	**(3.9)**	(3.5)
Net receivables	**223.0**	221.2
Prepayments	**34.7**	27.1
Other receivables	**6.9**	3.1
	264.6	251.4

In accordance with the requirements of the Group's committed ABL bank facility, security has been granted over certain US and Canadian trade and other receivables, which had a carrying value of $80.5m at 30 June 2024 (31 December 2023 – $77.6m).

10. Trade and Other Receivables continued

Impairment of Trade and Other Receivables

At 30 June 2024, the ageing of the Group's gross financial assets, based on days overdue, is as follows:

	Not overdue $m	1 – 30 days $m	31 – 60 days $m	61 – 90 days $m	91 – 120 days $m	More than 120 days $m	Total gross financial assets $m
Trade receivables – contracts with customers	104.6	45.8	16.9	12.2	6.6	9.5	195.6
Trade receivables – rental receivables	0.1	0.1	–	–	–	0.3	0.5
Total gross trade receivables	104.7	45.9	16.9	12.2	6.6	9.8	196.1
Accrued revenue – contracts with customers	2.9	–	–	–	–	–	2.9
Accrued revenue – rental receivables	0.1	–	–	–	–	–	0.1
Contract assets	27.8	–	–	–	–	–	27.8
Other receivables[i]	5.8	0.1	–	–	–	0.3	6.2
	141.3	46.0	16.9	12.2	6.6	10.1	233.1

i. Other receivables excludes $3.2m in relation to receivables from tax as these are not considered financial assets.

During the period, the amount of trade receivables not overdue as a percentage of total gross trade receivables has decreased from 55% at 31 December 2023 to 53% at 30 June 2024. Total gross trade receivables have decreased by 4% from $204.7m at 31 December 2023 to $196.1m at 30 June 2024. During the period, the Group sold trade receivables amounting to $24.0m to third parties under trade receivables purchasing programmes in order to accelerate collections. Upon sale, the receivables were derecognised from the balance sheet. In addition to the decreases in trade receivables and the proportion of amounts not overdue, trade receivable days have also reduced to 82 days at 30 June 2024 compared to 89 days at 31 December 2023 (NGM G).

At 31 December 2023, the ageing of the Group's gross financial assets, based on days overdue, was as follows:

	Not overdue $m	1 – 30 days $m	31 – 60 days $m	61 – 90 days $m	91 – 120 days $m	More than 120 days $m	Total gross financial assets $m
Trade receivables – contracts with customers	111.0	40.9	23.9	9.7	8.5	8.7	202.7
Trade receivables – rental receivables	0.7	0.1	0.5	0.3	0.2	0.2	2.0
Total gross trade receivables	111.7	41.0	24.4	10.0	8.7	8.9	204.7
Accrued revenue – contracts with customers	2.5	–	–	–	–	–	2.5
Contract assets	17.5	–	–	–	–	–	17.5
Other receivables[i]	2.1	–	–	–	–	–	2.1
	133.8	41.0	24.4	10.0	8.7	8.9	226.8

i. Other receivables excludes $1.0m in relation to receivables from tax as these are not considered financial assets.

Whilst a proportion, 8% (31 December 2023 – 9%), of the Group's trade receivables are more than 90 days overdue, the majority of these have not been impaired. Some of these debts have become overdue due to billing and other issues or due to general slow payment by the customer. Where there is no history of bad debts and there are no indicators that the debts will not be settled, the receivables have not been impaired. These customers are monitored very closely for any indicators of impairment.

10. Trade and Other Receivables continued

Provision for Impairment – Trade and Other Receivables
During the period, the movements in the provisions for impairment were as follows:

	Six months ended 30 June 2024 $m	Year ended 31 December 2023 $m
At 1 January	**(3.5)**	(3.7)
Charge to the consolidated income statement – lifetime expected credit losses	**(0.7)**	(0.9)
Unused provisions released to the consolidated income statement	**(0.2)**	–
Utilised against receivables written off	**0.5**	1.1
	(3.9)	(3.5)

The provision for the impairment of trade and other receivables has remained broadly flat in the period. Management is of the view that the credit risk is largely unchanged during the period.

11. Inventories

	At 30 June 2024 $m	At 31 December 2023 $m
Raw materials	**152.5**	150.9
Work in progress	**101.8**	94.0
Finished goods	**128.9**	136.0
Gross inventories	**383.2**	380.9
Less: provisions for impairment	**(53.2)**	(52.5)
Net inventories	**330.0**	328.4

	At 30 June 2024 $m	At 31 December 2023 $m
Gross inventories:		
At 1 January	**380.9**	322.1
Exchange adjustments	**(1.6)**	1.6
Additions	**338.4**	719.1
Charged to cost of sales in the consolidated income statement	**(333.8)**	(660.4)
Reclassification to property, plant and equipment (note 7)	**(0.7)**	(1.5)
	383.2	380.9
Provisions for impairment:		
At 1 January	**(52.5)**	(50.0)
Exchange adjustments	**0.3**	(0.4)
Charged to cost of sales in the consolidated income statement	**(3.3)**	(7.5)
Provisions utilised against inventories written off	**1.2**	3.6
Provisions released to the consolidated income statement	**1.1**	1.8
	(53.2)	(52.5)
Net inventories	**330.0**	328.4

The Group's inventory is highly durable and it can, therefore, hold its value well with the passing of time. The nature of our market is that demand for products depends on the technical requirements of the projects being developed. For some markets and product lines there may be a limited number of sales, or even no sales, to form a benchmark in the current year. Management looks at relevant historical activity levels and has to form a judgement as to likely future demand in light of market forecasts and likely competitor activities.

During the first half of 2024, inventory provisions increased by $0.7m to $53.2m at 30 June 2024, which represents 14% (31 December 2023 – 14%) of gross cost balances. The broadly unchanged provision in the year reflects new charges offsetting utilisation of provisions and the reversal of unutilised provisions.

Inventories of $242.6m are expected to be realised within 12 months of the balance sheet date (31 December 2023 – $245.2m) and $87.4m after 12 months (31 December 2023 – $83.2m).

In accordance with the requirements of the Group's committed ABL bank facility, security has been granted over inventories in certain US and Canadian subsidiaries, which had a carrying value of $175.6m at 30 June 2024 (31 December 2023 – $172.3m).

12. Changes in Net Cash/(Debt)

Hunting operates a centralised treasury function that manages all cash and borrowing positions throughout the Group and ensures funds are used efficiently through the use of cash concentration account structures and other such measures. Net cash/(debt) (NGM J) is a non-GAAP measure; however, management and the Group treasury function monitor total cash and bank/(borrowings) (NGM I) to ensure there is sufficient liquidity to meet business requirements. As the Group manages funding on a total cash and bank/(borrowings) basis, internal reporting focuses on changes in total cash and bank borrowings and this is presented in the Management Report. The net cash/(debt) reconciliation below provides an analysis of the movement in the period for each component of net cash/(debt) split between cash and non-cash items. Net cash/(debt) comprises total cash and bank/(borrowings) less total lease liabilities and the shareholder loan from a non-controlling interest.

	At 1 January 2024 $m	Cash flow $m	Non-cash movements on lease liabilities[i] $m	Exchange movements $m	At 30 June 2024 $m
Cash and cash equivalents	**45.5**	**26.5**	**–**	**(0.8)**	**71.2**
Bank overdrafts[ii]	**(1.4)**	**0.1**	**–**	**–**	**(1.3)**
Cash and cash equivalents – per condensed consolidated statement of cash flows	**44.1**	**26.6**	**–**	**(0.8)**	**69.9**
Total lease liabilities	**(28.7)**	**4.6**	**(4.2)**	**0.5**	**(27.8)**
Shareholder loan from non-controlling interest	**(3.9)**	**–**	**–**	**–**	**(3.9)**
Bank borrowings – current[ii/iii]	**(44.9)**	**(34.7)**	**–**	**–**	**(79.6)**
Liabilities arising from financing activities	**(77.5)**	**(30.1)**	**(4.2)**	**0.5**	**(111.3)**
Total net cash/(debt)	**(33.4)**	**(3.5)**	**(4.2)**	**(0.3)**	**(41.4)**

i. Non-cash movements on lease liabilities comprise new leases of $1.2m, lease modifications of $2.3m and interest expense of $0.7m.
ii. Bank overdrafts and bank borrowings totalling $80.9m are presented within current borrowings in the condensed consolidated balance sheet.
iii. Bank borrowings includes $6.3m relating to amounts received from discounting a letter of credit with a financial institution.

During the period, $0.4m of loan facility fees were amortised (six months ended 30 June 2023 – $0.4m) in respect of the ABL facility. The fees for the ABL facility were capitalised in prepayments and amortised over the expected useful life of the facility.

	At 1 January 2023 $m	Cash flow $m	Non-cash movements on lease liabilities[i] $m	Exchange movements $m	At 30 June 2023 $m
Cash and cash equivalents	29.4	7.9	–	(0.8)	36.5
Bank overdrafts	(2.1)	0.6	–	–	(1.5)
Cash and cash equivalents – per condensed consolidated statement of cash flows	27.3	8.5	–	(0.8)	35.0
Total lease liabilities	(30.6)	5.6	(1.8)	0.1	(26.7)
Shareholder loan from non-controlling interest	(3.9)	–	–	–	(3.9)
Bank borrowings – current	(2.8)	(84.6)	–	0.7	(86.7)
Liabilities arising from financing activities	(37.3)	(79.0)	(1.8)	0.8	(117.3)
Total net cash/(debt)	(10.0)	(70.5)	(1.8)	–	(82.3)

i. Non-cash movements on lease liabilities comprise new leases of $0.2m, lease modifications of $0.9m and interest expense of $0.7m.

13. Financial Instruments: Fair Values

This note provides information about the Group's financial instruments measured at fair value, including information about determining the fair value of the instruments and any judgements and estimation uncertainty involved.

The Group's exposure to various risks associated with financial instruments is discussed in note 14. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial asset. Contract assets are not financial assets; however, they are explicitly included in the scope of IFRS 7 for the purpose of the credit risk disclosures in note 14.

(a) Valuation Techniques used to Determine Fair Values

There have been no changes to the valuation techniques used during the period.

(b) Fair Value Hierarchy

The following tables present the Group's net financial assets and liabilities that are measured and recognised at fair value at the period-end and show the level in the fair value hierarchy in which the fair value measurements are categorised. There were no transfers between levels during the period.

	Fair value at 30 June 2024 $m	Level 1 $m	Level 2 $m	Level 3 $m
Equity instruments at fair value through profit or loss				
Listed equity investments and mutual funds	**2.3**	**2.3**	**–**	**–**
Debt instruments at fair value through profit or loss				
Well Data Labs convertible financing	**2.2**	**–**	**–**	**2.2**
Current derivatives in a hedge				
Derivative financial liabilities	**(0.8)**	**–**	**(0.8)**	**–**
	3.7	**2.3**	**(0.8)**	**2.2**

	Fair value at 31 December 2023 $m	Level 1 $m	Level 2 $m	Level 3 $m
Equity instruments at fair value through profit or loss				
Listed equity investments and mutual funds	2.2	2.2	–	–
Debt instruments at fair value through profit or loss				
Well Data Labs convertible financing	2.2	–	–	2.2
Current derivatives in a hedge				
Derivative financial assets	0.3	–	0.3	–
Current derivatives held for trading				
Derivative financial assets	0.2	–	0.2	–
Derivative financial liabilities	(0.1)	–	(0.1)	–
	4.8	2.2	0.4	2.2

The fair value hierarchy has the following levels:
Level 1 – inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability.
Level 3 – unobservable inputs used in the valuation.

The fair values of non-US Dollar denominated financial instruments are translated into US Dollars using the period-end exchange rate.

The inputs used to determine the fair value of derivative financial instruments are inputs other than quoted prices that are observable and so the fair value measurement is categorised in Level 2 of the fair value hierarchy.

The fair value of listed equities and mutual funds are based on quoted market prices, and therefore the fair value measurements are categorised in Level 1 of the fair value hierarchy.

Due to unobservable inputs used in the valuation, the fair value of the Well Data Labs financial asset is a Level 3 measurement as per the fair value hierarchy.

(c) Fair values of Other Financial Instruments Carried at Amortised Cost

Due to their short-term nature, the carrying values of trade receivables, accrued revenue, contract assets, other receivables considered to be financial assets, cash and cash equivalents, trade payables, accruals and other payables considered to be financial liabilities, bank overdrafts and bank borrowings approximates their fair value.

14. Financial Risk Management

The Group's activities expose it to certain financial risks, namely market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's risk management strategy seeks to mitigate potential adverse effects on its financial performance. As part of its strategy, both primary and derivative financial instruments are used to hedge certain risk exposures. The condensed set of consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's 2023 Annual Report and Accounts.

(a) Liquidity Risk

(i) Bank Facilities

The Group's treasury function ensures that there are sufficient committed facilities available to the Group, with an appropriate maturity profile, to provide operational flexibility and to support investment in key Group projects.

The Group has sufficient credit facilities to meet both its long- and short-term requirements. The Group's treasury function ensures flexibility in funding by maintaining availability under committed credit facilities. The Group's credit facilities are provided by a variety of funding sources and total $203.6m at 30 June 2024 (31 December 2023 – $193.8m).

The Group's undrawn facilities at the period end were as follows:

	At 30 June 2024 $m	At 31 December 2023 $m
Secured committed facilities	**74.8**	103.1
Unsecured uncommitted facilities	**51.0**	34.4
	125.8	137.5

Secured Committed Facilities: Asset Based Lending Facility

The ABL facility of $150.0m, arranged with a four-year term, matures on 7 February 2026. An accordion feature of up to $50.0m was also agreed during facility negotiations. This feature allows the Group to increase the total facility quantum to $200.0m, subject to further credit approval by the ABL lenders.

The Group's borrowing capacity is linked to secured asset values. The three main asset classes that form the "Borrowing Base" against which bank capital is advanced are North American-based trade receivables, inventories and freehold property. The Group is required to submit various reports to the facility agent each month so that any fluctuation in the carrying values of these assets are communicated to the lenders, and so that the borrowing base may be recalibrated based on the most recent asset values. Accordingly, availability under the ABL facility will fluctuate to the extent that the underlying asset values change over time, either up or down. The carrying amounts of the assets pledged as security are disclosed in notes 8, 10 and 11.

The ABL financial covenants are only measured under certain conditions, principally once utilisation of the facility goes through a predefined threshold, i.e. 87.5% of the "Line Cap" ("Line Cap" is defined as the lesser of the total facility amount and the Borrowing Base), at which point the Fixed Charge Cover Ratio ("FCCR") is measured and must be complied with. The FCCR is a financial covenant that looks back over the trailing 12-month period to assess whether EBITDA (as defined by the ABL facility agreement) covers the Group's Fixed Charges (as defined by the facility agreement) at a ratio of at least 1:1. Management has detailed the wider considerations regarding going concern and future covenant compliance in the Going Concern Statement in note 1. During 2023 and 2024, the Group has drawn down on the ABL to fund its working capital requirements. However, utilisation of the facility has not exceeded the threshold of 87.5% of the Line Cap and, therefore, formal testing of the FCCR financial covenant has not been required.

In January 2023, one of the banks in the ABL lending group provided a $2.4m letter of credit in favour of one of the Group's major customers, which has an expiration date of February 2026. This amount has been permanently carved out of the total facility amount that Hunting is able to utilise under the ABL.

In order to support the sizable KOC orders booked in the period, the Group intends to utilise letter of credit discounting arrangements and bank acceptance bills with financial institutions to assist with management of the working capital cycle.

Unsecured Uncommitted Facilities

To support orders in China, a number of local facilities have been arranged. One with the Bank of Jiangsu for CNY50.0m and another with ICBC for CNY60.0m, both maturing in the second half of 2024. A third facility for CNY80.0m was provided by China Merchants Bank, maturing in 2025. A fourth facility for CNY165.0m was provided by HSBC China in Suzhou. There is no formal termination date on this facility, which means it is available until further bilateral agreement. These facilities, totalling CNY355.0m ($48.6m; 31 December 2023 – $38.9m), have all been arranged on an uncommitted, unsecured basis and are only available to the Group's Chinese subsidiary. At 30 June 2024, $2.6m of the facilities were utilised (31 December 2023 – $9.4m).

(ii) Management of Cash

The Group needs to ensure that it has sufficient liquid funds available to support its working capital and capital expenditure requirements and that adequate liquidity levels are maintained. All subsidiaries submit weekly cash forecasts to the treasury function to enable it to monitor the Group's requirements. A consolidated 12-week forecast, produced weekly, is maintained by the Group's treasury function, which monitors long- and short-term liquidity requirements of the Group and also identifies any unexpected variances week-on-week.

Treasury's cash management objective is to centrally manage and, where possible, to concentrate the Group's cash and bank balances back to the central treasury function to ensure that funds are managed in the best interests of the Group. Short-term cash balances, together with undrawn facilities, enable the treasury function to manage the Group's day-to-day liquidity risk. Any short-term surplus is invested in accordance with Board-approved treasury policy. This strategy is subject to legislative and regulatory constraints in certain jurisdictions such as exchange control restrictions and minimum capital requirements. Where cash concentration cannot be applied, Group treasury approves all local banking arrangements, including the opening and closing of bank accounts and the investment of surplus cash via bank deposits.

14. Financial Risk Management continued

(b) Credit Risk

The Group's credit risk arises from its cash at bank and in hand, investments, derivative financial instruments, accrued revenue, outstanding trade receivables, other receivables and contract assets.

At 30 June 2024, the Group had credit risk exposure to a wide range of counterparties. Credit risk exposure is continually monitored and no individual exposure is considered to be significant in the context of the ordinary course of the Group's activities whether through exposure to individual customers, specific industry sectors and/or regions.

(i) Credit Risk: Total Cash and Bank

Approved institutions that the Group's treasury function can invest surplus cash with must all have a minimum A2, P2 or F2 short-term rating from Standard & Poor's, Moody's or Fitch rating agencies respectively.

At 30 June 2024, cash at bank and in hand totalled $56.7m (31 December 2023 – $45.5m), with $36.3m (31 December 2023 – $31.2m) deposited with banks with Fitch short-term ratings of F1 to F1+. Of the remaining $20.4m (31 December 2023 – $14.3m), $15.9m (31 December 2023 – $11.6m) was held with two financial institutions within mainland China which, given the Group's operations in this jurisdiction, were deemed necessary. Despite not having formal credit ratings from any of the agencies mentioned above, an internal assessment determined that the banks' credit profiles were appropriate for the amounts held. Additionally, at 30 June 2024, amounts held in short-term deposits with less than three months to maturity totalled $14.5m (31 December 2023 – $nil) and were deposited with banks with Fitch short-term ratings of F1+.

(ii) Credit Risk: Receivables

The Group makes sales to a large number of different customers; however, a significant proportion of sales are made to service companies in the oil and gas sector. The majority of the Group's customers are based in North America. On a quarterly basis, the Group's entities submit information to the head office on individual receivables balances greater than $0.2m, on individual receivable balances that are both greater than $32,500 and 60 days overdue, and on quarterly average receivables balances. At 30 June 2024, trade receivables of $172.3m (31 December 2023 – $179.4m) comprised individual balances greater than $0.2m, with no individual customer balance representing more than 6% (31 December 2023 – 9%) of the period-end receivables balance of $196.1m (31 December 2023 – $204.7m).

The risk of customer default for outstanding trade receivables, accrued revenue and contract assets is continuously monitored. Credit account limits are set locally by management and are primarily based on the credit quality of the customer taking into account past experience through trading relationships and the customer's financial position. The probability that a customer would default has remained broadly flat in 2024. The Group uses Credit Benchmark software to monitor the creditworthiness and changing credit profiles of its customers.

During the six months ended 30 June 2024, 35% of sales, which is approximately $172.8m of the Group's revenue (year ending 31 December 2023 – 38%/$347m), were made to customers with a Credit Benchmark investment-grade rating of bbb or higher, as shown in the table below, and 27% of the Group's revenue was from customers with an a rating, compared to 22% for the year-ended 31 December 2023, an increase of 50 basis points. This includes customers with a single-source rating, whereby rating is based on only a single source rather than a consensus rating based on a number of contributing views.

	% of Revenue	
Credit Benchmark – Credit Consensus Ratings	**Six months ended 30 June 2024**	Year ended 31 December 2023
aa	**2**	8
a	**27**	22
bbb	**6**	8
bb	**11**	7
No rating	**54**	55

To reduce credit risk exposure from outstanding receivables, the Group has taken out credit insurance with an external insurer, subject to certain conditions. Details of the impairment of trade and other receivables can be found in note 10.

15. Dividends Paid to Hunting PLC Shareholders

	Six months ended 30 June 2024 $m	Six months ended 30 June 2023 $m
Ordinary dividends:		
2023 final dividend paid – 5.0c	**8.0**	–
2022 final dividend paid – 4.5c	**–**	7.1
	8.0	7.1

The 2023 final dividend of 5.0 cents was paid on 10 May 2024. The Board is declaring a 2024 interim dividend of 5.5 cents per share, which will absorb an estimated $8.8m, and will be paid on 25 October 2024 to shareholders on the register at the close of business on 4 October 2024. The ex-dividend date is 3 October 2024.

16. Related Party Transactions

During the period, revenue of $2.1m (six months ended 30 June 2023 – $3.6m) was generated from sales to Bestlink Tube Pte. Ltd., the minority shareholder in Hunting Energy Services (China) Pte. Ltd. Additionally, revenue of $3.5m (six months ended 30 June 2023 – $1.9m) was recognised from sales to Jindal SAW, the Indian joint venture partner.

At 30 June 2024, the Group had an outstanding loan of $3.9m (31 December 2023 – $3.9m) due to a non-controlling interest.

17. Events After the Balance Sheet Date

In July 2024, it became apparent that an EMEA business unit had not been following the correct import processes. 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 represented the best estimate of the potential liability at that date, including associated interest, see note 1.

18. Prior Period Restatements

The impacts to the Group's financial statements for the import tax provision, in the period to which they relate, are outlined below. See note 1 for further details.

Consolidated Income Statement (extract)

	Six months ended 30 June 2023				Year ended 31 December 2023			
		Adjustments				Adjustments		
	As previously reported $m	Import tax provision $m	Presentation of associates' and joint ventures' results $m	Restated $m	As previously reported $m	Import tax provision $m	Presentation of associates' and joint ventures' results $m	Restated $m
Gross profit	114.2	–	–	114.2	227.7	–	–	227.7
Administrative expenses	(63.2)	(7.4)	–	(70.6)	(119.8)	(8.9)	–	(128.7)
Net other operating expenses	(24.8)	–	–	(24.8)	(46.9)	–	–	(46.9)
Share of associates' and joint ventures' results	–	–	0.4	0.4	–	–	(0.6)	(0.6)
Operating profit	26.2	(7.4)	0.4	19.2	61.0	(8.9)	(0.6)	51.5
Net finance expenses	(3.5)	–	–	(3.5)	(10.4)	–	–	(10.4)
Share of associates' and joint ventures' results	0.4	–	(0.4)	–	(0.6)	–	0.6	–
Profit before tax	23.1	(7.4)	–	15.7	50.0	(8.9)	–	41.1
Taxation	(5.7)	1.7	–	(4.0)	69.0	2.1	–	71.1
Profit for the period	17.4	(5.7)	–	11.7	119.0	(6.8)	–	112.2
Attributable to:								
Owners of the parent	16.0	(5.7)	–	10.3	117.1	(6.8)	–	110.3
Non-controlling interests	1.4	–	–	1.4	1.9	–	–	1.9
	17.4	(5.7)	–	11.7	119.0	(6.8)	–	112.2
Earnings per share	cents	cents	cents	cents	cents	cents	cents	cents
Basic	10.1	(3.6)	–	6.5	73.8	(4.3)	–	69.5
Diluted	9.6	(3.4)	–	6.2	70.0	(4.1)	–	65.9

18. Prior Period Restatements continued

Consolidated Statement of Comprehensive Income (extract)

	Six months ended 30 June 2023				Year ended 31 December 2023			
		Adjustments				Adjustments		
	As previously reported $m	Import tax provision $m	Presentation of associates' and joint ventures' results $m	Restated $m	As previously reported $m	Import tax provision $m	Presentation of associates' and joint ventures' results $m	Restated $m
Profit for the period	17.4	(5.7)	–	11.7	119.0	(6.8)	–	112.2
Other comprehensive income, after tax								
Exchange adjustments	2.2	(0.2)	–	2.0	3.6	(0.2)	–	3.4
Other components of other comprehensive income	(0.6)	–	–	(0.6)	(0.5)	–	–	(0.5)
Other comprehensive income, after tax	1.6	(0.2)	–	1.4	3.1	(0.2)	–	2.9
Total comprehensive income for the period	19.0	(5.9)	–	13.1	122.1	(7.0)	–	115.1
Attributable to:								
Owners of the parent	18.1	(5.9)	–	12.2	120.4	(7.0)	–	113.4
Non-controlling interests	0.9	–	–	0.9	1.7	–	–	1.7
	19.0	(5.9)	–	13.1	122.1	(7.0)	–	115.1

18. Prior Period Restatements continued

Consolidated Balance Sheet (extract)

	At 30 June 2023				At 31 December 2023			
		Adjustments				Adjustments		
	As previously reported $m	Import tax provision $m	Presentation of associates' and joint ventures' results $m	Restated $m	As previously reported $m	Import tax provision $m	Presentation of associates' and joint ventures' results $m	Restated $m
ASSETS								
Non-current assets								
Other non-current assets	501.4	–	–	501.4	502.6	–	–	502.6
Deferred tax assets	13.2	1.7	–	14.9	93.1	2.1	–	95.2
	514.6	1.7	–	516.3	595.7	2.1	–	597.8
Current assets	634.7	–	–	634.7	626.6	–	–	626.6
LIABILITIES								
Current liabilities								
Other current liabilities	(250.3)	–	–	(250.3)	(221.0)	–	–	(221.0)
Provisions	(5.8)	(7.6)	–	(13.4)	(4.8)	(9.1)	–	(13.9)
	(256.1)	(7.6)	–	(263.7)	(225.8)	(9.1)	–	(234.9)
Net current assets	378.6	(7.6)	–	371.0	400.8	(9.1)	–	391.7
Non-current liabilities	(37.0)	–	–	(37.0)	(39.4)	–	–	(39.4)
Net assets	856.2	(5.9)	–	850.3	957.1	(7.0)	–	950.1
Equity attributable to owners of the parent								
Other equity balances	219.5	–	–	219.5	219.5	–	–	219.5
Other components of equity	7.7	(0.2)	–	7.5	8.9	(0.2)	–	8.7
Retained earnings	626.5	(5.7)	–	620.8	725.4	(6.8)	–	718.6
Total attributable to owners of the parent	853.7	(5.9)	–	847.8	953.8	(7.0)	–	946.8
Non-controlling interests	2.5	–	–	2.5	3.3	–	–	3.3
Total equity	856.2	(5.9)	–	850.3	957.1	(7.0)	–	950.1

18. Prior Period Restatements continued

Consolidated Statement of Cash Flows (extract)

	Six months ended 30 June 2023				Year ended 31 December 2023			
		Adjustments				Adjustments		
	As previously reported $m	Import tax provision $m	Presentation of associates' and joint ventures' results $m	Restated $m	As previously reported $m	Import tax provision $m	Presentation of associates' and joint ventures' results $m	Restated $m
Operating activities								
Operating profit	26.2	(7.4)	0.4	19.2	61.0	(8.9)	(0.6)	51.5
Adjusting items (NGM A)	–	7.4	–	7.4	–	8.9	–	8.9
Depreciation, amortisation and impairment (NGM C)	22.5	–	–	22.5	42.0	–	–	42.0
EBITDA (NGM C)	48.7	–	0.4	49.1	103.0	–	(0.6)	102.4
Other cash flows from operating activities	(82.5)	–	–	(82.5)	(53.7)	–	–	(53.7)
Share of associates' and joint ventures' results	–	–	(0.4)	(0.4)	–	–	0.6	0.6
Net cash (outflow)/inflow from operating activities	(33.8)	–	–	(33.8)	49.3	–	–	49.3
Net cash outflow from investing activities	(18.6)	–	–	(18.6)	(32.4)	–	–	(32.4)
Net cash inflow from financing activities	60.9	–	–	60.9	–	–	–	–
Net increase in cash and cash equivalents	8.5	–	–	8.5	16.9	–	–	16.9
Cash and cash equivalents at the beginning of the period	27.3	–	–	27.3	27.3	–	–	27.3
Effect of foreign exchange rates	(0.8)	–	–	(0.8)	(0.1)	–	–	(0.1)
Cash and cash equivalents at the end of the period	35.0	–	–	35.0	44.1	–	–	44.1

Non-GAAP Measures

The performance of the Group is assessed by the Directors using a number of measures, which are not defined under IFRS, and are therefore considered to be non-GAAP measures ("NGMs"). However, the measures used by the Group may not be comparable with similarly described measures presented by other businesses.

The Group presents adjusted profitability measures below, which exclude adjusting items (see NGM A). The adjusted results, when considered together with results reported under IFRS, provide investors, analysts and other stakeholders with complementary information which aids comparison of the Group's financial performance from one period to the next. These adjusted measures are used by management for planning, reporting and performance management purposes. The adjusted profitability measures are reconciled to unadjusted IFRS results on the face of the income statement, with details of the adjusting items provided in NGM A. Adjusted results can be higher than IFRS results as they often exclude significant costs and should not be regarded as a complete picture of the Group's financial performance, which is presented by the IFRS results in the income statement.

In addition, the Group's results and financial position are analysed using certain other measures that are not defined under IFRS and are therefore considered to be NGMs. These measures are used by management to monitor ongoing business performance. This section provides a definition of each NGM presented in this report, the purpose for which the measure is used, and a reconciliation of the NGM to the reported IFRS numbers.

This condensed set of consolidated financial statements does not include all NGMs of the Group; this section should be read in conjunction with the Group's 2023 Annual Report and Accounts.

A. Adjusting Items

Due to their size and nature, the following items are considered to be adjusting items and have been presented separately.

	Six months ended 30 June 2024 $m	Restated[i] Six months ended 30 June 2023 $m	Restated[i] Six months ended 31 December 2023 $m
Import tax provision (note 5)	**–**	(7.4)	(1.5)
Total adjustments to operating profit	**–**	(7.4)	(1.5)
Tax impact of adjusting items (note 5)	**–**	1.7	83.5
Adjusting items after tax	**–**	(5.7)	82.0
Adjusting items after tax attributable to owners of the parent	**–**	(5.7)	82.0
Adjusting items after tax attributable to non-controlling interests	**–**	–	–

i. Comparative balances have been restated, see note 1.

During the six months ended 31 December 2023, an import tax provision of $1.5m was recognised as well as an associated deferred tax asset and income statement tax credit of $0.4m, see note 1.

As presented in the 2023 financial statements, previously unrecognised US deferred tax assets of $83.1m were recognised on the balance sheet, reflecting the improved profitability in the US which resulted in the criteria for recognition being met. The related tax credit in the income statement was presented as an adjusting item.

B. Adjusted Profitability Measures

Certain reported profit and loss measures are adjusted for the items described in NGM A. This is the basis used by the Directors in assessing performance.

	Six months ended 30 June 2024 $m	Restated[i] Six months ended 30 June 2023 $m	Restated[i] Six months ended 31 December 2023 $m
Operating profit – condensed consolidated income statement	**40.1**	19.2	32.3
Add back adjusting items (NGM A)	**–**	7.4	1.5
Adjusted operating profit	**40.1**	26.6	33.8
Profit before tax – condensed consolidated income statement	**36.2**	15.7	25.4
Add back adjusting items (NGM A)	**–**	7.4	1.5
Adjusted profit before tax	**36.2**	23.1	26.9
Profit for the period attributable to owners of the parent – condensed consolidated income statement	**26.2**	10.3	100.0
Add back/(deduct) adjusting items after tax attributable to owners of the parent (NGM A)	**–**	5.7	(82.0)
Adjusted profit for the period attributable to owners of the parent	**26.2**	16.0	18.0

	cents	cents	cents
Adjusted earnings per share			
Adjusted basic EPS	**16.4**	10.1	11.3
Adjusted diluted EPS	**15.5**	9.6	10.7

i. Comparative balances have been restated, see note 1.

C. EBITDA

Purpose: This profit measure is used as a simple proxy for pre-tax cash flows from operating activities. EBITDA is frequently used by analysts, investors and other interested parties.

Calculation Definition: Adjusted results before interest, tax, depreciation, impairment and amortisation.

	Six months ended 30 June 2024 $m	Restated[i] Six months ended 30 June 2023 $m	Restated[i] Six months ended 31 December 2023 $m
Operating profit – condensed consolidated income statement	**40.1**	19.2	32.3
Add back adjusting items (NGM A)	**–**	7.4	1.5
Adjusted operating profit (NGM B)	**40.1**	26.6	33.8
Add back:			
Depreciation of property, plant and equipment (note 8)	**12.7**	14.6	12.6
Depreciation of right-of-use assets (note 8)	**3.7**	3.2	3.4
Amortisation of other intangible assets (note 8)	**3.7**	3.0	3.6
Impairment of right-of-use assets (note 8)	**0.1**	0.3	(0.1)
Impairment of goodwill (note 8)	**–**	1.4	–
	20.2	22.5	19.5
EBITDA	**60.3**	49.1	53.3

i. Comparative balances have been restated, see note 1.

C. **EBITDA** continued
EBITDA by Operating Segment

	Six months ended 30 June 2024					
	Hunting Titan $m	**North America $m**	**Subsea Technologies $m**	**EMEA $m**	**Asia Pacific $m**	**Total $m**
Operating profit – condensed consolidated income statement	**(2.6)**	**19.9**	**15.5**	**(3.4)**	**10.7**	**40.1**
Add back adjusting items (NGM A)	**–**	**–**	**–**	**–**	**–**	**–**
Adjusted operating profit (NGM B)	**(2.6)**	**19.9**	**15.5**	**(3.4)**	**10.7**	**40.1**
Add back:						
Depreciation of property, plant and equipment (note 8)	**3.0**	**6.6**	**1.0**	**1.0**	**1.1**	**12.7**
Depreciation and impairment of right-of-use assets (note 8)	**0.8**	**1.2**	**0.2**	**1.0**	**0.6**	**3.8**
Amortisation of other intangible assets (note 8)	**0.8**	**1.3**	**1.1**	**0.3**	**0.2**	**3.7**
	4.6	**9.1**	**2.3**	**2.3**	**1.9**	**20.2**
EBITDA	**2.0**	**29.0**	**17.8**	**(1.1)**	**12.6**	**60.3**

	Restated[i] Six months ended 30 June 2023					
	Hunting Titan $m	North America $m	Subsea Technologies $m	EMEA $m	Asia Pacific $m	Total $m
Operating profit – condensed consolidated income statement	7.5	18.3	(0.4)	(8.5)	2.3	19.2
Add back adjusting items (NGM A)	–	–	–	7.4	–	7.4
Adjusted operating profit (NGM B)	7.5	18.3	(0.4)	(1.1)	2.3	26.6
Add back:						
Depreciation of property, plant and equipment (note 8)	3.1	8.9	1.0	0.9	0.7	14.6
Depreciation and impairment of right-of-use assets (note 8)	0.6	1.2	0.2	0.8	0.7	3.5
Impairment of goodwill (note 8)	–	–	1.4	–	–	1.4
Amortisation of other intangible assets (note 8)	0.9	0.7	1.0	0.2	0.2	3.0
	4.6	10.8	3.6	1.9	1.6	22.5
EBITDA	12.1	29.1	3.2	0.8	3.9	49.1

i. Comparative balances have been restated, see note 1.

D. Adjusted Tax Charge and Effective Tax Rate

Purpose: The weighted average tax rate represents the level of tax, both current and deferred, being borne by operations on an adjusted basis.

Calculation definition: The adjusted taxation charge/(credit) divided by adjusted profit before tax, expressed as a percentage.

	Six months ended 30 June 2024 $m	Restated[i] Six months ended 30 June 2023 $m	Restated[i] Six months ended 31 December 2023 $m
Taxation (charge)/credit – condensed consolidated income statement	**(9.6)**	(4.0)	75.1
Deduct tax impact of adjusting items (NGM A)	**–**	(1.7)	(83.5)
Adjusted taxation charge	**(9.6)**	(5.7)	(8.4)
Adjusted profit before tax for the period (NGM B)	**36.2**	23.1	26.9
Adjusted effective tax rate	**27%**	25%	31%

i. Comparative balances have been restated, see note 1.

E. Working Capital

Purpose: Working capital is a measure of the Group's liquidity identifying whether the Group has sufficient assets to cover liabilities as they fall due.

Calculation definition: Trade and other receivables excluding receivables from associates and joint ventures, derivative financial assets not in a hedge and deferred bank fees, plus inventories, less trade and other payables excluding payables due to associates and joint ventures, derivative financial liabilities not in a hedge and retirement plan obligations.

	At 30 June 2024 $m	At 31 December 2023 $m
Trade and other receivables – non-current (note 10)	**2.6**	1.8
Trade and other receivables – current (note 10)	**264.6**	251.4
Inventories (note 11)	**330.0**	328.4
Trade and other payables – current	**(140.7)**	(163.4)
Trade and other payables – non-current	**(4.2)**	(3.7)
Add: non-working capital US deferred compensation plan obligation	**3.3**	2.2
Less: non-working capital current other receivables and other payables	**(1.0)**	(0.8)
	454.6	415.9
Revenue for the last three months of the period	**248.9**	228.2
Working capital as a percentage of annualised revenue	**46%**	46%

For the purposes of the above calculation, annualised revenue is calculated as revenue for the last three months of the period multiplied by four.

F. Inventory Days

Purpose: This is a working capital efficiency ratio that measures inventory balances relative to business activity levels.

Calculation definition: Inventory at the period-end divided by cost of sales for the last three months of the period multiplied by the number of days in the last quarter, adjusted for the impact of acquisitions and disposals when applicable.

	At 30 June 2024 $m	At 31 December 2023 $m
Inventories (note 11)	**330.0**	328.4
Cost of sales for the last three months of the period	**178.5**	172.7
Inventory days	**168 days**	175 days

G. Trade Receivables Days

Purpose: This is a working capital efficiency ratio that measures receivable balances relative to business activity levels.

Calculation definition: Net trade receivables, accrued revenue and contract assets at the period-end divided by revenue for the last three months of the period multiplied by the number of days in the last quarter, adjusted for the impact of acquisitions and disposals when applicable.

	At 30 June 2024 $m	At 31 December 2023 $m
Trade receivables	**196.1**	204.7
Accrued revenue	**3.0**	2.5
Contract assets	**27.8**	17.5
Less: provisions for impairment	**(3.9)**	(3.5)
Net receivables (note 10)	**223.0**	221.2
Revenue for the last three months of the period	**248.9**	228.2
Trade receivables days	**82 days**	89 days

H. Trade Payables Days

Purpose: This is a working capital efficiency ratio that measures payable balances relative to business activity levels.

Calculation definition: Trade payables and accrued goods received not invoiced ("accrued GRN") at the period-end divided by purchased materials and cash costs for the last three months of the period multiplied by the number of days in the last quarter, adjusted for the impact of acquisitions and disposals when applicable.

	At 30 June 2024 $m	At 31 December 2023 $m
Trade payables	**51.6**	62.5
Accrued GRN	**9.4**	6.3
Total payables	**61.0**	68.8
Purchased materials and cash costs for the last three months of the period	**131.3**	128.5
Trade payables days	**42 days**	49 days

I. Total Cash and Bank/(Borrowings)

Purpose: Total cash and bank/(borrowings) is a key metric for management and for the Group treasury function, which monitors this balance on a daily basis and reviews weekly forecasts to ensure there is sufficient liquidity to meet business requirements. As the Group manages funding on a total cash and bank/(borrowings) basis, internal reporting focuses on changes in total cash and bank borrowings and this is presented in the Management Report.

Calculation definition: Cash and cash equivalents, comprising cash at bank and in hand and short-term deposits of less than three months to maturity from the date of deposit, less bank overdrafts and bank borrowings.

The Group's total cash and bank/(borrowings) comprised:

	At 30 June 2024 $m	At 31 December 2023 $m
Cash and cash equivalents	**71.2**	45.5
Bank overdrafts secured – current borrowings	**(1.3)**	(1.4)
Cash and cash equivalents – condensed consolidated statement of cash flows	**69.9**	44.1
Bank borrowings – current (note 12)	**(79.6)**	(44.9)
	(9.7)	(0.8)

J. Net Cash/(Debt)

Purpose: Net cash/(debt) is a measure of the Group's liquidity and reflects the Group's cash and liquid assets that would remain if all of its debt were to be immediately paid off.

Calculation definition: Net cash/(debt) comprises total cash and bank/(borrowings) (NGM I) less total lease liabilities and the shareholder loan from a non-controlling interest.

The Group's net cash/(debt) comprised:

	At 30 June 2024 $m	At 31 December 2023 $m
Total cash and bank/(borrowings) (NGM I)	**(9.7)**	(0.8)
Total lease liabilities (note 12)	**(27.8)**	(28.7)
Shareholder loan from non-controlling interest (note 12)	**(3.9)**	(3.9)
	(41.4)	(33.4)

K. Cash Flow Working Capital Movements

Purpose: Reconciles the working capital movements in the Summary Group Cash Flow in the Management Report.

	Six months ended 30 June 2024 $m	Six months ended 30 June 2023 $m	Six months ended 31 December 2023 $m
Working capital – opening balance	**415.9**	362.8	445.9
Foreign exchange	**(1.4)**	(0.8)	2.5
Adjustments:			
Transfer to property, plant and equipment (note 11)	**(0.7)**	–	(1.5)
Capital investment receivables/payables cash flows	**0.1**	(0.7)	1.3
Assets disposals receivables/payables cash flows	**2.9**	–	(1.5)
Other non-cash flow movements	**(1.6)**	(1.0)	(0.5)
Other cash flow movements	**(0.5)**	(0.3)	0.6
Working capital – closing balance (NGM E)	**(454.6)**	(445.9)	(415.9)
Cash flow	**(39.9)**	(85.9)	30.9

L. Free Cash Flow

Purpose: Free cash flow is a measure of financial performance and represents the cash that the Group is able to generate. Free cash flow represents the amount of cash the Group has available to either retain for investment, or to return to shareholders and is a KPI used by management.

Calculation definition: All cash flows before transactions with shareholders and investment by way of acquisition. All the below items appear in the condensed consolidated statement of cash flows, unless stated.

	Six months ended 30 June 2024 $m	Restated[i/ii] Six months ended 30 June 2023 $m	Restated[ii] Six months ended 31 December 2023 $m
EBITDA (NGM C)	**60.3**	49.1	53.3
Add: share-based payment charge	**7.0**	7.5	6.0
	67.3	56.6	59.3
Working capital movements (NGM K)	**(39.9)**	(85.9)	30.9
Payment of lease liabilities, principal and interest	**(4.6)**	(5.6)	(4.8)
Net interest and bank fees paid	**(2.8)**	(2.2)	(5.1)
Net taxation paid	**(1.4)**	(4.7)	(4.4)
Proceeds from asset disposals	**0.5**	1.3	0.6
Net gains on asset disposals	**(1.1)**	(1.3)	(0.4)
Share of associates' and joint ventures' results	**0.2**	(0.4)	1.0
Other operating cash and non-cash movements[iii]	**(0.5)**	2.4	(3.2)
Purchase of property, plant and equipment	**(12.3)**	(12.7)	(10.4)
Purchase of property, plant and equipment held for rental	**(0.2)**	(0.5)	(0.1)
Purchase of intangible assets	**(2.4)**	(6.5)	(4.4)
Free cash flow	**2.8**	(59.5)	59.0
Reconciliation to the consolidated statement of cash flows:			
Net cash inflow/(outflow) from operating activities	**24.7**	(33.8)	83.1
Net interest and bank fees paid	**(2.8)**	(2.2)	(5.1)
Proceeds from disposal of property, plant and equipment	**0.2**	1.3	0.6
Purchase of property, plant and equipment	**(12.3)**	(12.7)	(10.4)
Purchase of intangible assets	**(2.4)**	(6.5)	(4.4)
Payment of lease liabilities, principal and interest	**(4.6)**	(5.6)	(4.8)
Free cash flow	**2.8**	(59.5)	59.0

i. The six months ended 30 June 2023 has been restated to include purchases of property, plant and equipment and purchases of intangible assets. Additionally, the reconciliation to the consolidated statement of cash flows has been restated to start from 'Net cash inflow/(outflow) from operating activities' which is the closest comparable IFRS measure to free cash flow.
ii. Comparative balances have been restated, see note 1.
iii. Other operating cash and non-cash movements comprises other non-cash flow items and movements in provisions from the condensed consolidated statement of cash flows.

M. Return on Average Capital Employed

Purpose: Measures the levels of return the Group is generating from its capital employed.

Calculation definition: Adjusted profit before interest and tax for the previous 12 months as a percentage of average gross capital employed. Average gross capital employed is a monthly average of capital employed based on 13 balance sheets from the closing June balance in the prior year to the closing June balance in the current year.

	Six months ended 30 June 2024 $m	Restated[i] Six months ended 30 June 2023 $m
Average monthly gross capital employed (13-point average)	**981.6**	879.0
Adjusted operating profit	**73.9**	35.1
Return on average capital employed	**8%**	4%

i. Comparative balances have been restated, see note 1.

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