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 2023, 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 2023 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" and with the Disclosure and Transparency Rules of the Financial Conduct Authority.

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.

Directors' Responsibilities

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 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. 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

24 August 2023

Condensed Consolidated Income Statement

	Notes	**Unaudited Six months ended 30 June 2023 $m**	Unaudited Six months ended 30 June 2022 $m
Revenue	2,3	**477.8**	336.1
Cost of sales		**(363.6)**	(260.3)
Gross profit		**114.2**	75.8
Selling and distribution costs		**(25.4)**	(22.0)
Administrative expenses		**(63.2)**	(53.9)
Net operating income and other expenses	4	**0.6**	1.8
Operating profit		**26.2**	1.7
Finance income		**1.9**	1.3
Finance expense		**(5.4)**	(2.2)
Share of associates' and joint ventures' results		**0.4**	(1.3)
Profit/(loss) before tax		**23.1**	(0.5)
Taxation	6	**(5.7)**	(3.2)
Profit/(loss) for the period		**17.4**	(3.7)
Attributable to:			
Owners of the parent		**16.0**	(3.9)
Non-controlling interests		**1.4**	0.2
		17.4	(3.7)

Earnings/(loss) per share:		**cents**	cents
Basic	7	**10.1**	(2.4)
Diluted	7	**9.6**	(2.4)

The notes on pages 19 to 32 are an integral part of these condensed consolidated financial statements.

Condensed Consolidated Statement of Comprehensive Income

	Unaudited Six months ended 30 June 2023 $m	Unaudited Six months ended 30 June 2022 $m
Profit/(loss) for the period	**17.4**	(3.7)
Other comprehensive income/(expense), after tax		
Items that may subsequently be reclassified to profit or loss:		
Exchange adjustments	**2.2**	(8.4)
Fair value (losses)/gains arising on cash flow hedges during the period	**(0.5)**	0.2
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 income/(expense), after tax	**1.6**	(8.1)
Total comprehensive income/(expense) for the period	**19.0**	(11.8)
Attributable to:		
Owners of the parent	**18.1**	(11.6)
Non-controlling interests	**0.9**	(0.2)
	19.0	(11.8)

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

Condensed Consolidated Balance Sheet

	Notes	Unaudited At 30 June 2023 $m	Audited At 31 December 2022 $m
ASSETS			
Non-current assets			
Property, plant and equipment	8	**255.2**	256.7
Right-of-use assets	8	**23.4**	26.0
Goodwill	8	**154.4**	155.5
Other intangible assets	8	**39.9**	35.7
Investment in associates and joint ventures		**21.5**	20.1
Investments		**5.0**	4.8
Trade and other receivables	10	**2.0**	2.8
Deferred tax assets		**13.2**	13.7
		514.6	515.3
Current assets			
Inventories	11	**322.3**	272.1
Trade and other receivables	10	**275.0**	232.4
Cash and cash equivalents		**36.5**	29.4
Current tax assets		**0.9**	0.1
		634.7	534.0
LIABILITIES			
Current liabilities			
Trade and other payables		**150.1**	141.8
Lease liabilities		**8.0**	9.1
Borrowings	12	**88.2**	4.9
Provisions		**5.8**	4.6
Current tax liabilities		**4.0**	3.4
		256.1	163.8
Net current assets		**378.6**	370.2
Non-current liabilities			
Trade and other payables		**3.5**	3.2
Lease liabilities		**18.7**	21.5
Borrowings	12	**3.9**	3.9
Provisions		**4.0**	4.3
Deferred tax liabilities		**6.9**	6.4
		37.0	39.3
Net assets		**856.2**	846.2
Equity attributable to owners of the parent			
Share capital		**66.5**	66.5
Share premium		**153.0**	153.0
Other components of equity		**7.7**	15.8
Retained earnings		**626.5**	609.3
Total attributable to owners of the parent		**853.7**	844.6
Non-controlling interests		**2.5**	1.6
Total equity		**856.2**	846.2

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 2023						
At 1 January 2023		**66.5**	**153.0**	**15.8**	**609.3**	**844.6**	**1.6**	**846.2**
Profit for the period		**–**	**–**	**–**	**16.0**	**16.0**	**1.4**	**17.4**
Other comprehensive income/(expense)		**–**	**–**	**2.1**	**–**	**2.1**	**(0.5)**	**1.6**
Total comprehensive income		**–**	**–**	**2.1**	**16.0**	**18.1**	**0.9**	**19.0**
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[i]		**–**	**–**	**(9.8)**	**9.8**	**–**	**–**	**–**
At 30 June 2023		**66.5**	**153.0**	**7.7**	**626.5**	**853.7**	**2.5**	**856.2**

i. $7.1m of the merger reserve is now considered to be realised, as the equivalent amount of the proceeds from the share placing in 2016 has now met the definition of qualifying consideration, and has been transferred to retained earnings. There was also a transfer of $2.7m between the currency translation reserve and retained earnings.

	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 2022						
At 1 January 2022		66.5	153.0	38.0	612.4	869.9	1.4	871.3
(Loss)/profit for the period		–	–	–	(3.9)	(3.9)	0.2	(3.7)
Other comprehensive (expense)/income		–	–	(7.8)	0.1	(7.7)	(0.4)	(8.1)
Total comprehensive (expense)/income		–	–	(7.8)	(3.8)	(11.6)	(0.2)	(11.8)
Dividends paid to Hunting PLC shareholders	15	–	–	–	(6.4)	(6.4)	–	(6.4)
Treasury shares								
– purchase of treasury shares		–	–	–	(4.2)	(4.2)	–	(4.2)
– disposal of treasury shares		–	–	–	0.2	0.2	–	0.2
Share options and awards								
– value of employee services		–	–	4.4	–	4.4	–	4.4
– discharge		–	–	(8.8)	8.5	(0.3)	–	(0.3)
Transfer between reserves[ii]		–	–	(6.4)	6.4	–	–	–
At 30 June 2022		66.5	153.0	19.4	613.1	852.0	1.2	853.2

ii. $6.4m 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.

Condensed Consolidated Statement of Cash Flows

	Notes	Unaudited Six months ended 30 June 2023 $m	Restated[i] Unaudited Six months ended 30 June 2022 $m
Operating activities			
Operating profit		**26.2**	1.7
Adjusting items (NGM A)	5	**–**	3.0
Depreciation, amortisation and impairment (NGM C)		**22.5**	18.9
EBITDA (NGM C)		**48.7**	23.6
Share-based payment expense		**7.5**	4.6
Increase in inventories		**(50.1)**	(17.6)
Increase in receivables		**(43.1)**	(31.9)
Increase in payables		**7.3**	27.4
Increase/(decrease) in provisions		**1.5**	(2.0)
Net taxation paid		**(4.7)**	(2.3)
Net (gain)/loss on disposal of property, plant and equipment		**(1.3)**	1.0
Net gain on curtailment of leases		**–**	(3.2)
Proceeds from disposal of property, plant and equipment held for rental		**–**	0.2
Purchase of property, plant and equipment held for rental		**(0.5)**	(0.4)
Legal fees incurred defending patent infringement claim		**–**	(3.0)
Other non-cash flow items		**0.9**	0.4
Net cash outflow from operating activities		**(33.8)**	(3.2)
Investing activities			
Interest received		**0.3**	0.4
Proceeds from disposal of property, plant and equipment		**1.3**	5.0
Decrease in current investments		**–**	6.5
Dividend received from associates		**0.6**	–
Investment in associates and joint ventures		**(1.6)**	(1.9)
Purchase of property, plant and equipment		**(12.7)**	(7.0)
Purchase of intangible assets		**(6.5)**	(1.5)
Net cash (outflow)/inflow from investing activities		**(18.6)**	1.5
Financing activities			
Interest and bank fees paid		**(2.5)**	(3.6)
Payment of lease liabilities		**(5.6)**	(4.5)
Net proceeds on disposal of lease liabilities		**–**	2.3
Increase in bank borrowings		**84.6**	–
Dividends paid to Hunting PLC shareholders	15	**(7.1)**	(6.4)
Purchase of treasury shares		**(8.9)**	(4.2)
Proceeds on disposal of treasury shares		**0.4**	0.2
Net cash inflow/(outflow) from financing activities		**60.9**	(16.2)
Net increase/(decrease) in cash and cash equivalents		**8.5**	(17.9)
Cash and cash equivalents at the beginning of the period		**27.3**	107.4
Effect of foreign exchange rates		**(0.8)**	(3.9)
Cash and cash equivalents at the end of the period		**35.0**	85.6
Cash and cash equivalents at the end of the period comprise:			
Cash at bank and in hand		**36.5**	54.7
Money market funds		**–**	11.1
Fixed Term Funds		**–**	10.0
Short-term deposits with less than 3 months to maturity		**–**	11.3
Cash and cash equivalents included in current assets		**36.5**	87.1
Bank overdrafts included in borrowings		**(1.5)**	(1.5)
		35.0	85.6

i. The 30 June 2022 condensed consolidated cash flow statement has been restated to include $3.0m of legal fees incurred in defending the legal case for the patent infringement claim to be consistent with the treatment of the legal fees at the 2022 year-end. This resulted in a cash inflow from adjusting items of $3.0m and a cash outflow to legal fees incurred defending the patent infringement claim of $3.0m, all within cash flows from operating activities (see note 1).

Notes

1. Basis of Accounting

Hunting PLC is a premium-listed public company limited by shares, with its Ordinary shares quoted on the London Stock Exchange. 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 2023 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 2022 Annual Report and Accounts, which was prepared in accordance with international accounting standards 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 252 to 255 contained in the 2022 Annual Report and Accounts.

The information for the year ended 31 December 2022 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 2022 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

IFRS 17 Insurance Contracts and a number of amended standards became effective for the financial year beginning on 1 January 2023; however the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these.

Since IFRS 17 applies to all insurance contracts issued by an entity (with limited scope exclusions), its adoption may have an effect on non-insurers such as Hunting PLC. The Group carried out an assessment of its contracts and operations and concluded that the adoption of IFRS 17 has had no effect on the condensed consolidated interim financial statements.

Prior Period Restatement

Material items, as shown in note 5 and adjusting items, as shown in NGM A, for the six months ended 30 June 2022 have been restated to include $3.0m of legal fees incurred in defending the legal case for the patent infringement claim to be consistent with the treatment of the legal fees at the 2022 year-end. The legal fees were incurred by the Hunting Titan operating segment. The related cash flow movement for the six months ended 30 June 2022 was also restated to reflect this change using the appropriate line items within cash flows from operating activities. This restatement had no impact on the Group's net assets, income statement or net cash flow from operating activities for the six months ended 30 June 2022.

1. Basis of Accounting continued

Critical Judgements and Key Estimates

Critical 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 assumptions 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 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, as described in note 3;
- In considering whether the conditions were appropriate to recognise deferred tax assets (see note 6); and
- In the assessment of whether an extension option, early termination option or a purchase option in a lessee contract is likely to be exercised by the entity.

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 carrying values (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 judgements or 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 Company 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 and Liquidity

(a) Introduction

The Group's principal cash outflows include capital investment, labour costs, inventory purchases and dividends. The timing and extent of these cash flows is controlled by local management and the Board. 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 2023, 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"). In the first half of 2023, the facility was temporarily utilised in order to fund working capital. At 30 June 2023, the Group had net bank debt of $52m. The Group's internal financial projections indicate that the Group is expected to return to a cash positive position and consequently has sufficient resources to meet its liabilities over the twelve months following the date of approval of this report.

(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. 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 this condensed set of 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 this report. 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 report.

2. Segmental Reporting

For the six months ended 30 June 2023, 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.

From 1 January 2023, the Group has reported Subsea Technologies as a separate operating segment as management believes this will be a growth area for the Group. Hunting's presence within the subsea segment of the oil and gas industry has been steadily growing since 2019, starting with the acquisition of RTI Energy Systems in August 2019, now called Subsea Spring, followed by the acquisition of Enpro Subsea in February 2020. Subsea Technologies was previously reported as part of the North America operating segment. The segmental results for 2022 have been restated to show Subsea Technologies separately from North America. There has been no impact on external revenue, total segment revenue or inter-segment revenue following the restatement.

The Board assesses the performance of the operating segments based on revenue and adjusted operating results. Adjusted operating result is a profit-based measure and excludes 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 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

The following tables present the results of the operating segments on the same basis as that used for internal reporting purposes to the CODM.

	Six months ended 30 June 2023					
	Total segment revenue $m	**Inter-segment revenue $m**	**Total external revenue $m**	**Adjusted result $m**	**Adjusting items $m**	**Reported result $m**
Hunting Titan	**134.5**	**(4.0)**	**130.5**	**7.5**	**–**	**7.5**
North America	**191.3**	**(18.4)**	**172.9**	**17.9**	**–**	**17.9**
Subsea Technologies	**42.5**	**–**	**42.5**	**(0.4)**	**–**	**(0.4)**
EMEA	**46.5**	**(0.6)**	**45.9**	**(1.1)**	**–**	**(1.1)**
Asia Pacific	**86.9**	**(0.9)**	**86.0**	**2.3**	**–**	**2.3**
Total	**501.7**	**(23.9)**	**477.8**	**26.2**	**–**	**26.2**
Net finance expense				**(3.5)**	**–**	**(3.5)**
Share of associates' and joint ventures' results				**0.4**	**–**	**0.4**
Profit before tax				**23.1**	**–**	**23.1**

	Restated[i] Six months ended 30 June 2022					
	Total segment revenue $m	Inter-segment revenue $m	Total external revenue $m	Adjusted result $m	Adjusting items $m	Reported result $m
Hunting Titan	127.2	(3.8)	123.4	7.3	(3.0)	4.3
North America	123.4	(10.5)	112.9	–	–	–
Subsea Technologies	35.3	–	35.3	–	–	–
EMEA	37.1	(1.0)	36.1	(2.2)	–	(2.2)
Asia Pacific	31.9	(3.5)	28.4	(0.4)	–	(0.4)
Total	354.9	(18.8)	336.1	4.7	(3.0)	1.7
Net finance expense				(0.9)	–	(0.9)
Share of associates' and joint ventures' results				(1.3)	–	(1.3)
Profit/(loss) before tax				2.5	(3.0)	(0.5)

i. Adjusting items for 30 June 2022 have been restated to include $3.0m of legal fees incurred in defending the legal case for the patent infringement claim to be consistent with the treatment of the legal fees at the 2022 year-end, see note 1.

2. Segmental Reporting continued

A breakdown of external revenue by product group is presented below:

	Six months ended 30 June 2023 $m	Six months ended 30 June 2022 $m
Perforating Systems	**126.8**	121.6
OCTG	**213.4**	109.6
Advanced Manufacturing	**53.1**	34.0
Subsea	**42.5**	35.3
Other Manufacturing[i]	**42.0**	35.6
Total	**477.8**	336.1
Revenue from products is further analysed between:		
Oil and gas	**441.7**	312.0
Non-oil and gas	**36.1**	24.1
Total	**477.8**	336.1

i. The Other Manufacturing product group comprises the Intervention Tools and Other product groups that were reported separately in 2022.

3. Revenue

In the following tables, 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 2023			
	Revenue from contracts with customers $m	**Rental revenue $m**	**Other revenue $m**	**Total external revenue $m**
Hunting Titan	**129.8**	**0.7**	**–**	**130.5**
North America	**171.6**	**0.6**	**0.7**	**172.9**
Subsea Technologies	**42.5**	**–**	**–**	**42.5**
EMEA	**43.3**	**2.6**	**–**	**45.9**
Asia Pacific	**86.0**	**–**	**–**	**86.0**
Total	**473.2**	**3.9**	**0.7**	**477.8**

	Six months ended 30 June 2022			
	Revenue from contracts with customers $m	Rental revenue $m	Other revenue $m	Total external revenue $m
Hunting Titan	122.9	0.5	–	123.4
North America	109.7	0.8	2.4	112.9
Subsea Technologies	35.3	–	–	35.3
EMEA	33.6	2.5	–	36.1
Asia Pacific	28.4	–	–	28.4
Total	329.9	3.8	2.4	336.1

There is no material difference in the timing of revenue recognition between contracts with customers at a point in time and contracts with customers over time, as the majority of Hunting's performance obligations are relatively short. Revenue is typically recognised for products when the product is shipped or made available to customers for collection 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 recognised over time is within the Subsea Technologies and North America 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 2023 $m	Six months ended 30 June 2022 $m
Operating income from subleasing assets	**1.4**	1.0
Gain on disposal of property, plant and equipment	**1.3**	0.2
Gain on curtailment of leases	**–**	3.2
Foreign exchange gains	**0.9**	0.8
Other income	**1.3**	1.1
Total operating income	**4.9**	6.3
Loss on disposal of property, plant and equipment	**–**	(1.2)
Foreign exchange losses	**(1.9)**	(1.2)
Research and development costs expensed	**(2.2)**	(2.0)
Other operating expenses	**(0.2)**	(0.1)
Total other operating expenses	**(4.3)**	(4.5)
Net operating income and other expenses	**0.6**	1.8

5. Material Items

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

No items have been disclosed as material items in the six months ended 30 June 2023.

During the six months ended 30 June 2022, Hunting incurred legal fees of $3.0m in defending a claim made by a competitor against the Group relating to a patent infringement. These costs were included in administrative expenses. No tax arose in relation to these legal fees due to the fact deferred tax was not recognised in relation to this jurisdiction. Material items for the six months ended 30 June 2022 were restated to include the legal fees to be consistent with their treatment in the 2022 year-end.

6. Taxation

The taxation charge for the six months ended 30 June 2023 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 2023 is $5.7m (six months ended 30 June 2022 – $3.2m). This reflects an effective tax rate of 25% (six months ended 30 June 2022 – minus 640%).

Adjusting items are taxed on an item-by-item basis; however, for the six months ended 30 June 2023 there were no adjusting items (six months ended 30 June 2022 – $3.0m of adjusting items with no associated tax impact), as detailed in NGM A.

The adjusted taxation charge (NGM D) for the six months ended 30 June 2023 was, therefore, $5.7m (six months ended 30 June 2022 – $3.2m).

Legislation to increase the UK standard rate of corporation tax from 19% to 25% from 1 April 2023 was enacted in 2021. UK deferred tax balances have been calculated at 19% or 25% depending upon when the balance is expected to unwind.

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 and 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 2023 has been based on the forecast accounting profits in the 2023 and 2024 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.

6. **Taxation** continued

Tax-related Judgements continued

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. The majority of the deferred tax not recognised in the Group is in relation to deferred tax arising in the US. Based on the review of tax adjusted forecasts, management have assessed that in spite of positive signs of recovery continuing over the interim period, currently there is not sufficient support for the recognition of a deferred tax asset in respect of historic tax losses and other deductible temporary differences in the US due to uncertainty in recovery. Management will continue to monitor the position in the US and if the recovery continues to follow an upward trajectory and current forecasts are met, then it is expected that the recognition criteria set by management could be met within the next 12 months.

7. Earnings/(Loss) per Share

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

For diluted earnings/(loss) 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/(loss) and weighted average number of Ordinary shares used in the calculations are set out below:

	Six months ended 30 June 2023			Six months ended 30 June 2022		
	Reported earnings attributable to Ordinary shareholders $m	**Basic weighted average number of Ordinary shares millions**	**Earnings per share cents**	Reported loss attributable to Ordinary shareholders $m	Basic weighted average number of Ordinary shares millions	Loss per share cents
Basic EPS/(LPS)	**16.0**	**159.0**	**10.1**	(3.9)	160.6	(2.4)
Effect of dilutive long-term incentive plans	**–**	**8.1**	**(0.5)**	–	7.9	–
Diluted EPS/(LPS)[i]	**16.0**	**167.1**	**9.6**	(3.9)	168.5	(2.4)

i. For the six months ended 30 June 2022, the Group reported a loss and so the effect of dilutive share options and long-term incentive plans was anti-dilutive (i.e. they reduced the loss per share) and, therefore, they were not used to calculate diluted loss per share.

The calculation of adjusted earnings/(loss) 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 2023	**723.6**	**62.8**	**527.1**	**183.3**
Exchange adjustments	**3.1**	**(0.1)**	**1.9**	**1.4**
Additions	**12.5**	**0.2**	**–**	**6.5**
Disposals	**(31.4)**	**(0.3)**	**–**	**(0.5)**
Transfer to held for sale	**(72.8)**	**–**	**–**	**–**
Modifications	**–**	**1.0**	**–**	**–**
At 30 June 2023	**635.0**	**63.6**	**529.0**	**190.7**
Accumulated depreciation/amortisation and impairment:				
At 1 January 2023	**(466.9)**	**(36.8)**	**(371.6)**	**(147.6)**
Exchange adjustments	**(2.2)**	**(0.2)**	**(1.6)**	**(0.7)**
Charge for the year	**(14.6)**	**(3.5)**	**(1.4)**	**(3.0)**
Disposals	**31.1**	**0.3**	**–**	**0.5**
Transfer to held for sale	**72.8**	**–**	**–**	**–**
At 30 June 2023	**(379.8)**	**(40.2)**	**(374.6)**	**(150.8)**
Net book amount at 30 June 2023	**255.2**	**23.4**	**154.4**	**39.9**

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

(i) Property, Plant and Equipment
Additions to property plant and equipment include $0.6m for land and buildings, $11.2m for plant, machinery and motor vehicles, $0.1m for oil and gas exploration and development, and $0.6m for rental tools.

Oil and gas exploration and development assets within property, plant and equipment with a net book amount of $nil (cost of $72.8m and accumulated depreciation and impairment of $72.8m) have been classified at held for sale at 30 June 2023. These assets, which were owned by Tenkay Resources, Inc and reported as part of the North America operating segment, were disposed of in July 2023.

Group capital expenditure committed for the purchase of property, plant and equipment, but not provided for at 30 June 2023 amounted to $2.3m (31 December 2022 – $3.7m).

In accordance with the requirements of the Group's committed ABL bank facility, security was granted over specific properties, plant and equipment ("PPE") in the US, which have a carrying value of $140.0m (31 December 2022 – $141.9m).

(ii) Goodwill
Hunting Titan represents 74% of the goodwill balance at 30 June 2023 (31 December 2022 – 74%).

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

CGU	Operating segment	**At 30 June 2023 $m**	At 31 December 2022 $m
Hunting Titan	Hunting Titan	**114.9**	114.9
US Subsea	Subsea Technologies	**15.0**	15.0
Enpro	Subsea Technologies	**4.4**	5.5
Dearborn	North America	**7.6**	7.6
US Manufacturing	North America	**12.5**	12.5
Total		**154.4**	155.5

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 2023, the Group has considered whether any indicators of impairment exist, that may indicate that the carrying amount of any of the cash generating units ("CGUs") may not be recoverable. As part of this assessment, the Group reviewed the key assumptions underlying the fair value less cost of disposal ("FVLCD") valuations used in the 2022 annual impairment test. This included comparisons of performance in the period and the latest outlook for 2023 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 2023, Group performance has been strong with growth of 42% in revenue and 106% in EBITDA over the same period last year, reflecting the robust international demand for oil and gas products generally, together with stable operating performance in North America. Additionally, the trading outlook looks strong, and the Group expects the momentum to continue into the second half of 2023.

The Group's review for potential indicators of impairment did not indicate that the carrying value of any of the CGUs was not recoverable as at 30 June 2023, except for at Enpro, where an impairment charge of $1.4m was taken, resulting from an increase in discount rates driven by a rise in risk free rates which are determined using long-dated government borrowing instruments. There was no impairment in the first half of 2022.

(b) Impairment Tests for Individual Assets
For individual assets, an impairment test is conducted if there are indicators of impairment. Impairment arises when the carrying value of the asset is greater than the higher of its FVLCD or its value-in-use. The FVLCD or the value-in-use is a Level 3 measurement as per the fair value hierarchy as 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 impairment relating to individual assets in the first half of 2023 or 2022, except for a right-of-use asset in 2023 where an impairment charge of $0.3m was taken in relation to a vacant facility.

10. Trade and Other Receivables

	At 30 June 2023 $m	At 31 December 2022 $m
Non-current:		
Prepayments	**1.9**	2.7
Other receivables	**0.1**	0.1
	2.0	2.8

	At 30 June 2023 $m	At 31 December 2022 $m
Current:		
Contract assets	**15.7**	8.6
Trade receivables	**232.4**	183.1
Accrued revenue	**6.5**	2.2
Gross receivables	**254.6**	193.9
Less: provision for impairment	**(4.1)**	(3.7)
Net receivables	**250.5**	190.2
Prepayments	**20.9**	37.9
Other receivables	**3.6**	4.3
	275.0	232.4

In accordance with the requirements of the Group's committed ABL bank facility, security was granted over certain US and Canadian trade and other receivables, which had a carrying value of $106.0m at 30 June 2023 (31 December 2022 – $96.3m).

Impairment of Trade and Other Receivables

At 30 June 2023, 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	**133.1**	**33.1**	**31.8**	**18.5**	**7.6**	**6.3**	**230.4**
Trade receivables – rental receivables	**0.5**	**0.4**	**0.2**	**0.5**	**0.2**	**0.1**	**1.9**
Trade receivables – other	**0.1**	**–**	**–**	**–**	**–**	**–**	**0.1**
Total gross trade receivables	**133.7**	**33.5**	**32.0**	**19.0**	**7.8**	**6.4**	**232.4**
Contract assets	**15.7**	**–**	**–**	**–**	**–**	**–**	**15.7**
Accrued revenue – contracts with customers	**6.3**	**–**	**–**	**–**	**–**	**–**	**6.3**
Accrued revenue – rental receivables	**0.1**	**–**	**–**	**–**	**–**	**–**	**0.1**
Accrued revenue – other	**0.1**	**–**	**–**	**–**	**–**	**–**	**0.1**
Other receivables[i]	**2.5**	**–**	**–**	**–**	**–**	**–**	**2.5**
	158.4	**33.5**	**32.0**	**19.0**	**7.8**	**6.4**	**257.1**

i. Other receivables excludes $1.1m 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 increased from 56% at 31 December 2022 to 58% at 30 June 2023. However, total gross trade receivables have increased by 27% from $183.1m at 31 December 2022 to $232.4m at 30 June 2023. Despite the increases in trade receivables and the proportion of amounts not overdue, trade receivable days have remained steady at 86 days at 30 June 2023 compared to 84 days at 31 December 2022 (NGM G).

At 31 December 2022, 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	101.9	36.6	17.6	8.2	9.5	6.3	180.1
Trade receivables – rental receivables	0.5	0.6	0.3	0.5	0.1	0.1	2.1
Trade receivables – other	0.9	–	–	–	–	–	0.9
Total gross trade receivables	103.3	37.2	17.9	8.7	9.6	6.4	183.1
Contract assets	8.6	–	–	–	–	–	8.6
Accrued revenue – contracts with customers	2.0	–	–	–	–	–	2.0
Accrued revenue – rental receivables	0.2	–	–	–	–	–	0.2
Other receivables[ii]	3.8	–	–	–	–	–	3.8
	117.9	37.2	17.9	8.7	9.6	6.4	197.7

ii. Other receivables excludes $0.5m in relation to receivables from tax as these are not considered financial assets.

Whilst a proportion, 6% (2022 – 9%), of the Group's trade receivables are more than 90 days overdue, the majority of these have not been impaired. Overdue debts arise due to a number of different factors, including the time taken in resolving any disputes, a culture of slow/late payment in some jurisdictions, and some debtors experiencing cash flow difficulties. Where there is no history of bad debts and there are no indicators that the debts will not be settled, these 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 following gains and losses were recognised in profit or loss in relation to impaired financial assets:

	Six months ended 30 June 2023 $m	Year ended 31 December 2022 $m
At 1 January	(3.7)	(4.6)
Charge to the consolidated income statement – lifetime expected credit losses	(0.5)	(0.3)
Unused provisions released to the consolidated income statement	0.1	0.9
Utilised against receivables written off	–	0.3
	(4.1)	(3.7)

The provision for the impairment of trade and other receivables has remained broadly flat in the period despite trade receivable balances increasing.

11. Inventories

	At 30 June 2023 $m	At 31 December 2022 $m
Raw materials	144.0	118.7
Work in progress	97.6	82.7
Finished goods	131.7	120.7
Gross inventories	373.3	322.1
Less: provision for impairment	(51.0)	(50.0)
Net inventories	322.3	272.1

	At 30 June 2023 $m	At 31 December 2022 $m
Gross inventories:		
At 1 January	322.1	263.9
Exchange adjustments	0.7	(3.7)
Inventory additions	403.1	584.5
Expensed to cost of sales in the consolidated income statement	(352.6)	(521.0)
Reclassification to property, plant and equipment	–	(1.6)
	373.3	322.1
Provisions for impairment:		
At 1 January	(50.0)	(59.5)
Exchange adjustments	(0.3)	0.9
Charge to the consolidated income statement (cost of sales)	(4.5)	(6.4)
Provisions utilised against inventories written off	3.2	9.3
Provisions released to the consolidated income statement	0.6	5.7
	(51.0)	(50.0)
Net inventories	322.3	272.1

The Group's inventory is highly durable and is well maintained 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 2023, inventory provisions increased by $1.0m to $51.0m at 30 June 2023, which represents 14% of gross cost balances. The broadly unchanged provision in the period reflects new charges offsetting utilisation of provisions and the reversal of unutilised provisions.

Inventories of $225.3m are expected to be realised within 12 months of the balance sheet date (31 December 2022 – $194.5m) and $97.0m after 12 months (31 December 2022 – $77.6m).

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 $166.8m at 30 June 2023 (31 December 2022 – $142.9m).

12. Changes in Net Cash/(Debt)

Hunting operates a centralised treasury function that manages all cash and loan 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 (NGM I) to ensure there is sufficient liquidity to meet business requirements. As the Group manages funding on a total cash and bank basis, internal reporting focuses on changes in total cash and bank 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 less total lease liabilities and the shareholder loan from a non-controlling interest.

	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[ii]	**(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[ii]	**(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, interest expense of $0.7m and lease modifications of $0.9m.
ii. Bank overdrafts and bank borrowings totalling $88.2m are presented within current borrowings in the condensed consolidated balance sheet.

During the period to 30 June 2023, $0.4m loan facility fees paid in relation to the ABL facility were amortised.

	At 1 January 2022 $m	Cash flow $m	Non-cash movements on lease liabilities[ii] $m	Exchange movements $m	At 30 June 2022 $m
Cash and cash equivalents	108.4	(17.4)	–	(3.9)	87.1
Bank overdrafts	(1.0)	(0.5)	–	–	(1.5)
Cash and cash equivalents – per condensed consolidated statement of cash flows	107.4	(17.9)	–	(3.9)	85.6
Current investments – investment of surplus cash	6.8	(6.5)	–	(0.3)	–
Total lease liabilities	(31.8)	4.5	1.5	1.0	(24.8)
Shareholder loan from non-controlling interest	(3.9)	–	–	–	(3.9)
Liabilities arising from financing activities	(35.7)	4.5	1.5	1.0	(28.7)
Total net cash/(debt)	78.5	(19.9)	1.5	(3.2)	56.9

ii. Non-cash movements on lease liabilities comprise new leases of $4.5m and interest expense of $0.7m, offset by lease modifications of $6.7m.

During the period ended 30 June 2022, $3.0m loan facility fees were paid in relation to the new ABL facility. These fees were capitalised, included in prepayments and will be amortised over the expected life of the facility. During the period to 30 June 2022, $0.4m fees were amortised.

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 assets. 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 since the year-end.

(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 Level 1 and Level 2 during the period.

	Fair value at 30 June 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	**2.1**	**2.1**	**–**	**–**
Debt instruments at fair value through profit or loss				
Well Data Labs convertible financing	**2.9**	**–**	**–**	**2.9**
Current derivatives in a hedge				
Derivative financial assets	**0.2**	**–**	**0.2**	**–**
Derivative financial liabilities	**(0.9)**	**–**	**(0.9)**	**–**
Current derivatives held for trading				
Derivative financial assets	**0.5**	**–**	**0.5**	**–**
Derivative financial liabilities	**(0.2)**	**–**	**(0.2)**	**–**
	4.6	**2.1**	**(0.4)**	**2.9**

	Fair value at 31 December 2022 $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	1.9	1.9	–	–
Debt instruments at fair value through profit or loss				
Well Data Labs convertible financing	2.9	–	–	2.9
Current derivatives in a hedge				
Derivative financial assets	0.5	–	0.5	–
Current derivatives held for trading				
Derivative financial assets	0.1	–	0.1	–
Derivative financial liabilities	(0.1)	–	(0.1)	–
	5.3	1.9	0.5	2.9

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 Fixed Term Funds, money market funds and 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 value of contract assets, trade receivables, accrued revenue, 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 a variety of 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 2022 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 $188.1m at 30 June 2023 (31 December 2022 – $186.9m).

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

	At 30 June 2023 $m	At 31 December 2022 $m
Secured committed facilities	**77.4**	155.0
Unsecured uncommitted facilities	**22.0**	31.9
	99.4	186.9

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, the Group began drawing 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.

Unsecured Uncommitted Facilities

To support the CNOOC order in China, three local facilities were arranged. One facility is with the Bank of Jiangsu for CNY50.0m and matures in October 2023 and another is with ICBC for CNY25.0m, maturing in December 2023. A third 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 CNY240.0m ($33.1m; 31 December 2022 – $34.7m), have all been arranged on an uncommitted, unsecured basis and are only available to the Group's Chinese subsidiary. At 30 June 2023, $16.1m of the facilities were utilised (31 December 2022 – $2.8m).

There was also a $5.0m line of credit provided by Wells Fargo at 30 June 2023, none of which was utilised. Since the year-end, the $5.0m line of credit has been amended to include new reference rate language and to bring the agreement in line with changes to the terms and conditions that have occurred since the facility's inception in 2016. As a consequence, the facility will now be provided on an uncommitted basis going forward.

14. Financial Risk Management continued

(a) Liquidity Risk continued

(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 cash requirements. A consolidated 12-week forecast, produced weekly, is maintained by the Group's treasury function, which monitors short- to medium-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, the investment of surplus cash via bank deposits and the arrangement of any local borrowing facilities.

(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 the period-end, 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 and AAA-mf Fitch rating for money market funds.

At 30 June 2023, cash at bank and in hand totalled $36.5m (31 December 2022 – $29.4m), with $24.2m (31 December 2022 – $19.7m) deposited with banks with Fitch short-term ratings of F1 to F1+. Of the remaining $12.3m (31 December 2022 – $9.7m), $8.6m (31 December 2022 – $6.2m) 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, an internal assessment determined that the banks' credit profiles were appropriate for the amounts held on deposit. Cash at bank and in hand within mainland China totalled $12.9m at 30 June 2023 (31 December 2022 – $6.2m). Whilst there are no formal restrictions on this cash as such, prior approval would be required from various state authorities in China before any cash could be paid offshore. This cash balance could be used by the Group to service intercompany loans, which total $5.5m at the period-end. In order for the Group to access the balance of $7.4m, a dividend could be declared once any local requirements have been met.

(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 90 days overdue, and on quarterly average receivables balances. At 30 June 2023, trade receivables of $208.6m (31 December 2022 – $158.9m) comprised individual balances greater than $0.2m, with no individual customer balance representing more than 16% (31 December 2022 – 7%) of the period-end receivables balance of $232.4m (31 December 2022 – $183.1m).

The risk of customer default for outstanding trade receivables and 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. As expected, the probability that a customer would default has declined in 2023 as trading continues to improve following the global economic downturn. The Group uses Credit Benchmark software to monitor the creditworthiness and changing credit profiles of its customers.

During H1 2023, 41% of sales, which is approximately $196m of the Group's revenue (year ending 31 December 2022 – 37%/$263m), were made to customers with a Credit Benchmark investment-grade rating of bbb or higher, as shown in the table below, and 23% of the Group's revenue was from customers with an a rating, compared to 16% for the year-ended 31 December 2022, an increase of 70 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 2023**	Year ended 31 December 2022
aa	**1**	2
a	**23**	16
bbb	**17**	19
bb	**5**	3
b	**0**	3
No rating	**54**	57

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 2023 $m	Six months ended 30 June 2022 $m
Ordinary dividends:		
2022 final dividend paid – 4.5c	**7.1**	–
2021 final dividend paid – 4.0c	**–**	6.4
	7.1	6.4

The 2022 final dividend of 4.5 cents was paid on 12 May 2023. The Board is declaring a 2023 interim dividend of 5.0 cents per share, which will absorb an estimated $7.9m, and be paid on 27 October 2023 to shareholders on the register at the close of business on 6 October 2023. The ex-dividend date is 5 October 2023.

16. Related Party Transactions

During the period, revenue of $3.6m (six months ended 30 June 2022 – $5.9m) was generated from sales to Bestlink Tube Pte. Ltd., the minority shareholder in Hunting Energy Services (China) Pte. Ltd.

An additional investment of $1.6m was made in Cumberland Additive Holdings LLC in the period, with the Group's effective interest in the company remaining unchanged at 29.2%.

17. Contingent Liabilities

The Group recognises provisions for liabilities when it is more likely than not a settlement will be required and the value of the economic outflow can be estimated reliably. Liabilities that are not provided for in the financial position of the Group are disclosed as a contingent liability, unless the probability of an economic outflow is considered to be remote.

In 2021, a claim against the Group from a competitor relating to a patent infringement was disclosed. The legal case was settled in Hunting's favour in January 2023. During the period, the Group has received confirmation that an appeal will not be filed and now considers the case to be closed.

18. Events After the Balance Sheet Date

In July 2023, the Group disposed of certain oil and gas exploration and development assets that had a net book amount of $nil (cost of $72.8m and accumulated depreciation and impairment of $72.8m) at 30 June 2023.

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 helpful complementary information and they aid 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 do not include all NGMs of the Group; this section should be read in conjunction with the Group's 2022 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.

There are no adjusting items in the six months ended 30 June 2023.

	Six months ended 30 June 2022	
	Gross $m	Tax $m
Legal fees	(3.0)	–
Total adjustments to operating profit	(3.0)	–

Adjusting items for the six months ended 30 June 2022 were restated to include $3.0m of legal fees incurred in defending the legal case for the patent infringement claim to be consistent with the treatment of the legal fees at the 2022 year-end, see note 1.

	Six months ended 31 December 2022	
	Gross $m	Tax $m
Legal fees	(2.6)	–
Impairment of goodwill	(7.0)	–
Total adjustments to operating profit	(9.6)	–

	Six months ended 30 June 2022 $m	Six months ended 31 December 2022 $m
Gross adjusting items	(3.0)	(9.6)
Tax attributable to adjusting items	–	–
Adjusting items after tax	(3.0)	(9.6)
Adjusting items after tax attributable to Ordinary shareholders	(3.0)	(9.6)
Adjusting items after tax attributable to non-controlling interests	–	–
Adjusting items after tax	(3.0)	(9.6)

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 2023 $m	Six months ended 30 June 2022 $m	Six months ended 31 December 2022 $m
Operating profit – condensed consolidated income statement	**26.2**	1.7	0.3
Adjusting items (NGM A)[i]	**–**	3.0	9.6
Adjusted operating profit	**26.2**	4.7	9.9
Profit/(loss) before tax – condensed consolidated income statement	**23.1**	(0.5)	(1.9)
Adjusting items (NGM A)[i]	**–**	3.0	9.6
Adjusted profit before tax	**23.1**	2.5	7.7
Profit/(loss) for the period attributable to Ordinary shareholders – condensed consolidated income statement	**16.0**	(3.9)	(0.7)
Adjusting items after tax attributable to Ordinary shareholders (NGM A)[i]	**–**	3.0	9.6
Adjusted profit/(loss) for the period attributable to Ordinary shareholders	**16.0**	(0.9)	8.9
	millions	millions	millions
Basic weighted average number of Ordinary shares	**159.0**	160.6	160.0
Long-term incentive plans	**8.1**	7.9	10.3
Adjusted weighted average number of Ordinary shares	**167.1**	168.5	170.3
	cents	cents	cents
Adjusted earnings/(loss) per share:			
Adjusted basic EPS/(LPS)	**10.1**	(0.5)	5.5
Adjusted diluted EPS/(LPS)[ii]	**9.6**	(0.5)	5.2

i. Adjusting items for 30 June 2022 have been restated to include $3.0m of legal fees incurred in defending the legal case for the patent infringement claim to be consistent with the treatment of the legal fees at the 2022 year-end, see note 1.
ii. For the six months ended 30 June 2022, the Group reported an adjusted loss and so the effect of dilutive share options and long-term incentive plans was anti-dilutive (i.e. they reduced the loss per share) and, therefore, they have not been used to calculate diluted loss per share.

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 share of associates' and joint ventures' results, interest, tax, depreciation, impairment and amortisation.

	Six months ended 30 June 2023 $m	Six months ended 30 June 2022 $m	Six months ended 31 December 2022 $m
Operating profit – condensed consolidated income statement	**26.2**	1.7	0.3
Add back adjusting items (NGM A)[i]	**–**	3.0	9.6
Adjusted operating profit (NGM B)	**26.2**	4.7	9.9
Add back:			
Depreciation of property, plant and equipment (note 8)	**14.6**	13.3	13.3
Depreciation and impairment of right-of-use assets (note 8)	**3.5**	3.5	2.9
Impairment of goodwill (note 8)	**1.4**	–	–
Amortisation of other intangible assets (note 8)	**3.0**	2.1	2.3
	22.5	18.9	18.5
EBITDA	**48.7**	23.6	28.4

i. Adjusting items for 30 June 2022 have been restated to include $3.0m of legal fees incurred in defending the legal case for the patent infringement claim to be consistent with the treatment of the legal fees at the 2022 year-end, see note 1.

C. EBITDA continued

EBITDA by Operating Segment

	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**	**17.9**	**(0.4)**	**(1.1)**	**2.3**	**26.2**
Add back adjusting items (NGM A)	**–**	**–**	**–**	**–**	**–**	**–**
Adjusted operating profit (NGM B)	**7.5**	**17.9**	**(0.4)**	**(1.1)**	**2.3**	**26.2**
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**	**28.7**	**3.2**	**0.8**	**3.9**	**48.7**

	Six months ended 30 June 2022					
	Hunting Titan $m	North America $m	Subsea Technologies $m	EMEA $m	Asia Pacific $m	Total $m
Operating profit – condensed consolidated income statement	4.3	–	–	(2.2)	(0.4)	1.7
Add back adjusting items (NGM A)[i]	3.0	–	–	–	–	3.0
Adjusted operating profit (NGM B)	7.3	–	–	(2.2)	(0.4)	4.7
Add back:						
Depreciation of property, plant and equipment	3.1	7.2	1.3	1.0	0.7	13.3
Depreciation and impairment of right-of-use assets	0.7	1.1	0.1	0.9	0.7	3.5
Amortisation of other intangible assets	0.7	0.4	1.0	–	–	2.1
	4.5	8.7	2.4	1.9	1.4	18.9
EBITDA	11.8	8.7	2.4	(0.3)	1.0	23.6

i. Adjusting items for 30 June 2022 have been restated to include $3.0m of legal fees incurred in defending the legal case for the patent infringement claim to be consistent with the treatment of the legal fees at the 2022 year-end, 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/(loss) before tax, expressed as a percentage.

	Six months ended 30 June 2023 $m	Six months ended 30 June 2022 $m	Six months ended 31 December 2022 $m
Taxation charge/(credit) – condensed consolidated income statement	**5.7**	3.2	(1.9)
Tax charge/(credit) on adjusting items (NGM A)[i]	**–**	–	–
Adjusted taxation charge/(credit)	**5.7**	3.2	(1.9)
Adjusted profit before tax for the period (NGM B)	**23.1**	2.5	7.7
Adjusted effective tax rate	**25%**	128%	(25)%

i. Adjusting items for 30 June 2022 have been restated to include $3.0m of legal fees incurred in defending the legal case for the patent infringement claim to be consistent with the treatment of the legal fees at the 2022 year-end, 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, derivative financial assets and deferred bank fees, plus inventories less trade and other payables excluding payables due to associates, derivative financial liabilities and retirement plan obligations.

	At 30 June 2023 $m	At 31 December 2022 $m
Trade and other receivables – non-current (note 10)	**2.0**	2.8
Trade and other receivables – current (note 10)	**275.0**	232.4
Inventories (note 11)	**322.3**	272.1
Trade and other payables – current	**(150.1)**	(141.8)
Trade and other payables – non-current	**(3.5)**	(3.2)
Add: non-working capital US deferred compensation plan obligation	**2.1**	1.9
Less: non-working capital current other receivables and other payables	**(1.9)**	(1.4)
	445.9	362.8
Revenue for the last three months of the period	**266.3**	207.1
Working capital as a percentage of annualised revenue	**42%**	44%

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 2023 $m	At 31 December 2022 $m
Inventories (note 11)	**322.3**	272.1
Cost of sales for the last three months of the period	**205.4**	157.1
Inventory days	**143 days**	159 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, contract assets and accrued revenue 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 2023 $m	At 31 December 2022 $m
Trade receivables	**232.4**	183.1
Contract assets	**15.7**	8.6
Accrued revenue	**6.5**	2.2
Less: provision for impairment	**(4.1)**	(3.7)
Net receivables (note 10)	**250.5**	190.2
Revenue for the last three months of the period	**266.3**	207.1
Trade receivables days	**86 days**	84 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 2023 $m	At 31 December 2022 $m
Trade payables	**70.4**	66.8
Accrued GRN	**7.1**	8.4
Total payables	**77.5**	75.2
Purchased materials and cash costs for the last three months of the period	**159.0**	137.5
Trade payables days	**44 days**	50 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 basis, internal reporting focuses on changes in total cash and bank and this is presented in the Management Report.

Calculation definition: Cash and cash equivalents, comprising cash at bank and in hand, less bank overdrafts and bank borrowings.

The Group's total cash and bank comprised:

	At 30 June 2023 $m	At 31 December 2022 $m
Cash and cash equivalents	**36.5**	29.4
Bank overdrafts secured – current borrowings	**(1.5)**	(2.1)
Cash and cash equivalents – condensed consolidated statement of cash flows	**35.0**	27.3
Bank borrowings – current (note 12)	**(86.7)**	(2.8)
	(51.7)	24.5

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 2023 $m	At 31 December 2022 $m
Total cash and bank borrowings (NGM I)	**(51.7)**	24.5
Total lease liabilities (note 12)	**(26.7)**	(30.6)
Shareholder loan from non-controlling interest (note 12)	**(3.9)**	(3.9)
	(82.3)	(10.0)

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 2023 $m	Six months ended 30 June 2022 $m	Six months ended 31 December 2022 $m
Working capital – opening balance	**362.8**	278.0	299.7
Foreign exchange	**(0.8)**	0.6	(0.1)
Adjustments:			
Transfer to property, plant and equipment	**–**	(0.8)	(0.8)
Capital investment debtors/creditors cash flows	**(0.7)**	0.1	(0.7)
Other non-cash flow movements	**(1.0)**	(0.1)	0.2
Other cash flow movements	**(0.3)**	(0.2)	–
Working capital – closing balance (NGM E)	**(445.9)**	(299.7)	(362.8)
Cash flow	**(85.9)**	(22.1)	(64.5)

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, whether organic or by way of acquisition, or to return to shareholders and is a KPI used by management.

Calculation definition: All cash flows before transactions with shareholders and investment in non-current assets.

	Six months ended 30 June 2023 $m	Six months ended 30 June 2022 $m	Six months ended 31 December 2022 $m
EBITDA (NGM C)	**48.7**	23.6	28.4
Add: share-based payment charge	**7.5**	4.6	5.3
	56.2	28.2	33.7
Working capital movements (NGM K)	**(85.9)**	(22.1)	(64.5)
Lease payments – condensed consolidated statement of cash flows	**(5.6)**	(4.5)	(3.5)
Net interest and bank fees paid – condensed consolidated statement of cash flows	**(2.2)**	(3.2)	0.3
Net tax paid – condensed consolidated statement of cash flows	**(4.7)**	(2.3)	(1.6)
Proceeds from business and asset disposals – condensed consolidated statement of cash flows	**1.3**	7.5	1.5
Net gains on business and asset disposals – condensed consolidated statement of cash flows	**(1.3)**	(2.2)	(0.6)
Legal fees to defend patent infringement claim – consolidated statement of cash flows	**–**	(3.0)	(2.6)
Other operating cash and non-cash movements	**2.4**	(1.6)	2.1
	(39.8)	(3.2)	(35.2)
Reconciliation to the consolidated statement of cash flows:			
Net cash inflow/(outflow) from cash and cash equivalents	**8.5**	(17.9)	(57.7)
Cash flow from bank borrowings	**(84.6)**	–	(2.9)
Cash flow from current investments – investments of surplus cash	**–**	(6.5)	(0.2)
Net cash outflow from total cash and bank	**(76.1)**	(24.4)	(60.8)
Add/(deduct) investment in non-current assets:			
Purchase of property, plant and equipment	**12.7**	7.0	8.9
Purchase of property, plant and equipment held for rental	**0.5**	0.4	0.1
Purchase of intangible assets	**6.5**	1.5	4.1
Investment in associates and joint ventures	**1.6**	1.9	1.6
Dividend received from associates	**(0.6)**	–	–
	20.7	10.8	14.7
Add/(deduct) transactions with shareholders:			
Purchase of treasury shares	**8.9**	4.2	3.7
Disposal of treasury shares	**(0.4)**	(0.2)	–
Dividends paid to Hunting PLC shareholders	**7.1**	6.4	7.2
	15.6	10.4	10.9
Free cash flow	**(39.8)**	(3.2)	(35.2)

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, amended to include the share of associates' and joint ventures' results, 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 2023 $m	Six months ended 30 June 2022 $m
Average monthly gross capital employed (13-point average)	**880.6**	838.5
Adjusted operating profit/(loss)	**36.1**	(7.4
Adjusted share of associates' and joint ventures' loss	**(1.0)**	(3.7)
	35.1	(11.1)
Return on average capital employed	**4%**	(1)%

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