Consolidated Income Statement

For the year ended 31 December

	Notes	2024 $m	Restated[i] 2023 $m
Revenue	3	**1,048.9**	929.1
Cost of sales		**(777.0)**	(701.4)
Gross profit		**271.9**	227.7
Selling and distribution costs		**(53.5)**	(49.3)
Administrative expenses		**(127.9)**	(128.7)
Net operating income and other expenses	4	**(2.4)**	2.4
Share of associates' and joint venture's results	16	**(0.1)**	(0.6)
Impairment of goodwill	15	**(109.1)**	–
Operating (loss)/profit	6	**(21.1)**	51.5
Finance income	8	**3.2**	0.9
Finance expense	8	**(15.6)**	(11.3)
(Loss)/profit before tax		**(33.5)**	41.1
Taxation	9	**8.0**	71.1
(Loss)/profit for the year		**(25.5)**	112.2
Attributable to:			
Owners of the parent		**(28.0)**	110.3
Non-controlling interests		**2.5**	1.9
		(25.5)	112.2

		cents	cents
(Loss)/earnings per share			
Basic	10	**(17.6)**	69.5
Diluted	10	**(17.6)**	65.9

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

The notes on pages 190 to 245 are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 December

	Notes	2024 $m	Restated[i] 2023 $m
(Loss)/profit for the year		**(25.5)**	112.2
Other comprehensive (expense)/income, after tax:			
Items that may subsequently be reclassified to profit or loss:			
Exchange adjustments		**(4.3)**	3.4
Fair value losses arising on cash flow hedges during the year		**(0.7)**	(0.3)
Fair value gains arising on cash flow hedges reclassified to profit or loss		**(0.1)**	(0.2)
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit pension schemes	32,35	**(0.1)**	–
Other comprehensive (expense)/income, after tax		**(5.2)**	2.9
Total comprehensive (expense)/income for the year		**(30.7)**	115.1
Attributable to:			
Owners of the parent		**(32.9)**	113.4
Non-controlling interests		**2.2**	1.7
		(30.7)	115.1

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

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

Consolidated Balance Sheet

At 31 December

	Notes	2024 $m	Restated[i] 2023 $m
ASSETS			
Non-current assets			
Property, plant and equipment	11	**252.8**	254.5
Right-of-use assets	12	**28.3**	26.2
Goodwill	13	**45.1**	154.4
Other intangible assets	14	**39.4**	40.8
Investments in associates and joint ventures	16	**9.2**	20.5
Investments	17	**4.8**	4.4
Trade, contract and other receivables	18	**5.4**	1.8
Deferred tax assets	19	**108.5**	95.2
		493.5	597.8
Current assets			
Inventories	20	**303.3**	328.4
Trade, contract and other receivables	18	**261.5**	251.4
Cash and cash equivalents	21	**206.6**	45.5
Current tax assets		**2.2**	1.3
Assets held for sale	16	**12.1**	–
		785.7	626.6

	Notes	2024 $m	Restated[i] 2023 $m
LIABILITIES			
Current liabilities			
Trade, contract and other payables	22	**(208.5)**	(163.4)
Lease liabilities	24	**(7.4)**	(8.0)
Borrowings	25	**(11.3)**	(46.3)
Provisions	27	**(12.6)**	(13.9)
Current tax liabilities		**(9.0)**	(3.3)
		(248.8)	(234.9)
Net current assets		**536.9**	391.7
Non-current liabilities			
Trade, contract and other payables	22	**(5.5)**	(3.7)
Lease liabilities	24	**(22.7)**	(20.7)
Borrowings	25	**(94.5)**	(3.9)
Provisions	27	**(1.7)**	(2.7)
Deferred tax liabilities	19	**(3.7)**	(8.4)
		(128.1)	(39.4)
Net assets		**902.3**	950.1
Equity attributable to owners of the parent			
Share capital	33	**66.5**	66.5
Share premium	33	**153.1**	153.0
Other components of equity	34	**6.4**	8.7
Retained earnings	35	**670.8**	718.6
Total attributable to owners of the parent		**896.8**	946.8
Non-controlling interests		**5.5**	3.3
Total equity		**902.3**	950.1

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

The notes on pages 190 to 245 are an integral part of these consolidated financial statements. The financial statements on pages 184 to 245 were approved by the Board of Directors on 6 March 2025 and were signed on its behalf by:

Jim Johnson
Director

Bruce Ferguson
Director

Registered number: 00974568

Consolidated Statement of Changes in Equity

For the year ended 31 December

		Year ended 31 December 2024						
	Notes	Share capital $m	Share premium $m	Other components of equity[ii] $m	Retained earnings $m	Total attributable to owners of the parent $m	Non-controlling interests $m	Total equity $m
At 1 January 2024, restated[i]		**66.5**	**153.0**	**8.7**	**718.6**	**946.8**	**3.3**	**950.1**
(Loss)/profit for the year		–	–	–	(28.0)	(28.0)	2.5	(25.5)
Other comprehensive expense		–	–	(4.8)	(0.1)	(4.9)	(0.3)	(5.2)
Total comprehensive (expense)/income		–	–	(4.8)	(28.1)	(32.9)	2.2	(30.7)
Transfer of cash flow hedging gains to the initial carrying value of hedged items		–	–	(0.2)	–	(0.2)	–	(0.2)
Dividends paid to Hunting PLC shareholders	36	–	–	–	(16.7)	(16.7)	–	(16.7)
Treasury shares:								
– purchase of treasury shares	35	–	–	–	(14.2)	(14.2)	–	(14.2)
– disposal of treasury shares		–	0.1	–	0.2	0.3	–	0.3
Share options and awards:								
– value of employee services		–	–	12.3	–	12.3	–	12.3
– discharge		–	–	(9.6)	9.0	(0.6)	–	(0.6)
– taxation		–	–	–	2.0	2.0	–	2.0
At 31 December 2024		**66.5**	**153.1**	**6.4**	**670.8**	**896.8**	**5.5**	**902.3**

Consolidated Statement of Changes in Equity continued

	Notes	Share capital $m	Share premium $m	Other components of equity[ii] $m	Retained earnings $m	Total attributable to owners of the parent $m	Non-controlling interests $m	Total equity $m
		Restated[i] Year ended 31 December 2023						
At 1 January 2023		66.5	153.0	15.8	609.3	844.6	1.6	846.2
Profit for the year		–	–	–	110.3	110.3	1.9	112.2
Other comprehensive income/(expense)		–	–	3.1	–	3.1	(0.2)	2.9
Total comprehensive income		–	–	3.1	110.3	113.4	1.7	115.1
Transfer of cash flow hedging losses to the initial carrying value of hedged items		–	–	0.3	–	0.3	–	0.3
Dividends paid to Hunting PLC shareholders	36	–	–	–	(15.0)	(15.0)	–	(15.0)
Treasury shares:								
– purchase of treasury shares	35	–	–	–	(9.0)	(9.0)	–	(9.0)
– disposal of treasury shares		–	–	–	0.3	0.3	–	0.3
Share options and awards:								
– value of employee services		–	–	12.3	–	12.3	–	12.3
– discharge		–	–	(8.3)	7.9	(0.4)	–	(0.4)
– taxation		–	–	–	0.3	0.3	–	0.3
Transfer between reserves		–	–	(14.5)	14.5	–	–	–
At 31 December 2023		66.5	153.0	8.7	718.6	946.8	3.3	950.1

i. Comparative balances have been restated, see note 1.
ii. An analysis of other components of equity is provided in note 34.

Consolidated Statement of Cash Flows

For the year ended 31 December

	Notes	2024 $m	Restated[i] 2023 $m
Operating activities			
Operating (loss)/profit		**(21.1)**	51.5
Adjusting items (NGM A)		**109.1**	8.9
Depreciation, amortisation and impairment (NGM C)		**38.3**	42.0
EBITDA (NGM C)		**126.3**	102.4
Share-based payment expense	37	**14.1**	13.5
Decrease/(increase) in inventories		**20.8**	(56.7)
Increase in receivables		**(11.4)**	(19.2)
Increase in payables		**43.9**	20.9
(Decrease)/increase in provisions		**(2.0)**	0.5
Net taxation paid		**(3.5)**	(9.1)
Net gain on disposal of property, plant and equipment		**(0.9)**	(1.7)
Proceeds from disposal of property, plant and equipment held for rental		**0.3**	–
Purchase of property, plant and equipment held for rental (NGM N)		**(1.7)**	(0.6)
Share of associates' and joint venture's results		**0.1**	0.6
Payment of US pension scheme liabilities	32	**(0.2)**	–
Other non-cash items		**2.7**	(1.3)
Net cash inflow from operating activities		**188.5**	49.3
Investing activities			
Interest received		**2.4**	0.7
Proceeds from disposal of property, plant and equipment		**1.2**	1.9
Proceeds from disposal of investments		**0.2**	–
Dividend received from associates	16	**–**	0.6
Investment in associates and joint ventures	16	**(0.9)**	(1.6)
Purchase of property, plant and equipment (NGM N)		**(23.6)**	(23.1)
Purchase of intangible assets		**(4.8)**	(10.9)
Net cash outflow from investing activities		**(25.5)**	(32.4)

	Notes	2024 $m	Restated[i] 2023 $m
Financing activities			
Interest and bank fees paid		**(15.3)**	(8.0)
Payment of lease liabilities, principal and interest		**(8.9)**	(10.4)
Increase in bank borrowings		**100.0**	42.1
Repayments of bank borrowings		**(44.5)**	–
Dividends paid to Hunting PLC shareholders	36	**(16.7)**	(15.0)
Purchase of treasury shares	35	**(14.2)**	(9.0)
Proceeds on disposal of treasury shares		**0.3**	0.3
Net cash inflow from financing activities		**0.7**	–
Net increase in cash and cash equivalents		**163.7**	16.9
Cash and cash equivalents at the beginning of the year		**44.1**	27.3
Effect of foreign exchange rates		**(2.7)**	(0.1)
Cash and cash equivalents at the end of the year		**205.1**	44.1
Cash and cash equivalents at the end of the year comprise:			
Cash and cash equivalents included in current assets	21	**206.6**	45.5
Bank overdrafts included in borrowings	25	**(1.5)**	(1.4)
		205.1	44.1

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

Notes to the Consolidated Financial Statements

1. Basis of Preparation

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 principal activities of the Group and the nature of the Group's operations are set out in the Strategic Report on pages 2 to 112. The financial statements consolidate those of Hunting PLC (the "Company") and its subsidiaries (together referred to as the "Group"), including the Group's interests in associates and joint ventures and are presented in US Dollars, the currency of the primary economic environment in which the Group operates.

The consolidated financial statements have been prepared in accordance with United Kingdom adopted international accounting standards and in conformity with the requirements of the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention as modified by the revaluation of the US deferred compensation plan and those financial assets and financial liabilities held at fair value (note 29). The Board's consideration of the applicability of the going concern basis is detailed further in the Strategic Report on page 111.

The material accounting policies applied in the preparation of these financial statements are set out in note 40. These policies have been consistently applied to all the years presented.

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, that 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 the point in time at which control is transferred to customers and revenue is recognised, as described in note 40. In the majority of Hunting's contracts this is straightforward. However, the determination can become more complex in contracts where goods are shipped and confirming shipping documentation, indicating transfer of legal title and an ability to direct the goods, can take a short period of time to be produced and provided to the customer, which can be after the ship has departed port and the transfer of risk has occurred. In applying the Group's revenue recognition policy, in these instances, the Group's judgement is to recognise revenue at the point in time when the confirming shipping documentation is provided to the customer which could potentially be in a different accounting period to when the goods are loaded onto the ship and risk transfers, in accordance with incoterms. At 31 December 2024, there was a shipment at sea containing goods with a revenue value of c.$32m. Risk had transferred to the customer per the stated incoterms; however, the confirming shipping documentation had not been produced and, therefore, the Group still had the ability to direct the goods. Management considered the different indicators of control in accordance with IFRS 15 and concluded that Hunting retained control of the goods at 31 December 2024 and, therefore, revenue was recognised in 2025;
- In determining if the contractual terms for various significant Subsea contracts met the requirements for over time revenue recognition, as described in note 40; and
- In considering whether the conditions were appropriate to recognise deferred tax assets (see note 9).

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 15); and
- Estimates of future turn rates by inventory line item in determining inventory provisions (see note 20).

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

New and Amended Standards adopted by the Group

There are no new standards that came into effect for the current financial year. 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 amendments.

Future Standards, Amendments and Interpretations

The following standards, amendments and interpretations are effective subsequent to the year-end, and have not been early adopted. The Directors do not expect that the adoption of the standards and amendments listed below will have a material impact on the financial statements of the Group in future periods, except for IFRS 18, which the Group is assessing.

- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information[i]
- IFRS S2 Climate-related Disclosures[i]
- IFRS 18 Presentation and Disclosures in Financial Statements[i]
- IFRS 19 Subsidiaries without Public Accountability: Disclosures[i]
- Amendments to IAS 21: Lack of Exchangeability[ii]
- Amendments to SASB standards to enhance their international applicability[i]
- Amendments to IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments[i]
- Annual Improvements to IFRS Accounting Standards – Volume 11[i]

i. Not yet endorsed by the UK as at the date of authorisation of the financial statements.
ii. Mandatory adoption date and effective date for the Company is 1 January 2025.

Notes to the Consolidated Financial Statements continued
1. Basis of Preparation continued

Climate Change

The impact of climate change is presented in the Strategic Report on pages 88 to 101.

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 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.

Prior Period Restatements

(a) Import Tax Provision

In July 2024, as part of an internal review, an EMEA business unit was identified as not following the tax authority's interpretation of the correct process for importing goods, under specific contracts, in their jurisdiction and thus had not paid amounts which would have been due based on the tax authority's guidance in place at the time. The business is working with the tax authority to regularise the position. While 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 was recognised at 30 June 2024, which represented the Group's best estimate of the potential liability at that date. The carrying value of the provision at 31 December 2024 reduced to $8.6m following ongoing dialogue with the tax authority and a review of the assumptions. 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 no further exposure existed after 30 June 2024.

Of the total provision, an amount totalling $9.1m related to 2023. As the information necessary to identify this issue and make a provision existed in prior periods, and management considers the impact to prior periods to be material to the Group, the 2023 financial statements and related notes have been corrected by restating the respective financial statement line items in accordance with IAS 8 (see note 41). 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 2023 as management expects the expense to reduce future taxable income when the provision is released or utilised. Due to their size and nature, the 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. Further information regarding the process relating to the recognition of deferred tax assets is included in note 9.

(b) Presentation of Associates' and Joint Venture's results

On 1 January 2024, the Group changed its accounting policy to present its share of associates' and joint venture's results as part of operating profit and has represented the results for the year ending 31 December 2023 on this basis, with operating profit and EBITDA decreasing by $0.6m.

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 venture's results, aligning them with Hunting's core operating business. The share of associates' and joint venture's results arose in the North America operating segment ($0.4m loss) and the Asia Pacific operating segment ($0.2m loss) in the year ending 31 December 2023. This reclassification had no impact on the profit for the year, the net assets or cash and cash equivalents in 2023.

The impacts to the Group's financial statements in 2023 are outlined in note 41.

2. Segmental Reporting

For the year ended 31 December 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. 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. There is no aggregation of operating segments.

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 domicile of Hunting PLC is the UK.

Notes to the Consolidated Financial Statements continued
2. Segmental Reporting continued

(a) Segment Revenue and Profit

	2024					
	Total segment revenue $m	**Inter-segment revenue $m**	**Total external revenue $m**	**Adjusted operating result $m**	**Adjusting items[i] $m**	**Reported operating result $m**
Hunting Titan	**230.3**	**(9.8)**	**220.5**	**(8.3)**	**(109.1)**	**(117.4)**
North America	**388.4**	**(31.1)**	**357.3**	**45.5**	**–**	**45.5**
Subsea Technologies	**147.1**	**–**	**147.1**	**25.6**	**–**	**25.6**
EMEA	**87.7**	**(1.1)**	**86.6**	**(12.4)**	**–**	**(12.4)**
Asia Pacific	**240.6**	**(3.2)**	**237.4**	**37.6**	**–**	**37.6**
Total	**1,094.1**	**(45.2)**	**1,048.9**	**88.0**	**(109.1)**	**(21.1)**
Net finance expense				**(12.4)**	**–**	**(12.4)**
Profit/(loss) before tax				**75.6**	**(109.1)**	**(33.5)**

	Restated[ii] 2023					
	Total segment revenue $m	Inter-segment revenue $m	Total external revenue $m	Adjusted operating result $m	Adjusting items[i] $m	Reported operating result $m
Hunting Titan	259.2	(9.0)	250.2	12.7	–	12.7
North America	374.7	(35.4)	339.3	33.7	–	33.7
Subsea Technologies	98.6	–	98.6	8.0	–	8.0
EMEA	88.2	(1.5)	86.7	(2.3)	(8.9)	(11.2)
Asia Pacific	157.6	(3.3)	154.3	8.3	–	8.3
Total	978.3	(49.2)	929.1	60.4	(8.9)	51.5
Net finance expense				(10.4)	–	(10.4)
Profit before tax				50.0	(8.9)	41.1

i. Adjusting items are disclosed in note 5.
ii. Comparative balances have been restated, see note 1.

Notes to the Consolidated Financial Statements continued
2. Segmental Reporting continued

(a) Segment Revenue and Profit continued

A breakdown of external revenue by products and services is presented below:

	2024 $m	2023 $m
Perforating Systems	**222.7**	243.8
OCTG	**463.7**	395.8
Advanced Manufacturing	**126.9**	112.1
Subsea	**147.1**	98.6
Other Manufacturing	**88.5**	78.8
Total	**1,048.9**	929.1
Revenue from products is further analysed between:		
Oil and gas	**973.8**	853.2
Non-oil and gas	**75.1**	75.9
Total	**1,048.9**	929.1

(b) Other Segment Items

	2024				2023			
	Depreciation[i] $m	Amortisation $m	Impairment of non-current assets[ii] $m	Impairment of current assets[iii] $m	Depreciation[i] $m	Amortisation $m	Impairment of non-current assets[ii] $m	Impairment of current assets[iii] $m
Hunting Titan	**7.2**	**1.7**	**109.1**	**2.6**	7.5	1.7	–	2.9
North America	**15.7**	**1.0**	**–**	**3.4**	17.9	2.0	0.2	1.6
Subsea Technologies	**2.3**	**2.1**	**–**	**0.4**	2.4	1.9	1.4	0.2
EMEA	**3.9**	**0.6**	**–**	**2.0**	3.4	0.6	–	0.3
Asia Pacific	**3.3**	**0.5**	**–**	**0.6**	2.6	0.4	–	1.6
Total	**32.4**	**5.9**	**109.1**	**9.0**	33.8	6.6	1.6	6.6

i. Depreciation in 2024 comprises depreciation of property, plant and equipment of $25.2m (2023 – $27.2m) and depreciation of right-of-use assets of $7.2m (2023 – $6.6m).
ii. Impairment of non-current assets comprises impairment of goodwill of $109.1m (2023 – $1.4m) and impairment of right-of-use assets of $nil (2023 – $0.2m). The $109.1m impairment of goodwill in 2024 is presented as an adjusting item, see note 5.
iii. Impairment of current assets comprises the net impairment of inventories of $8.2m (2023 – $5.7m) and the net impairment of trade and other receivables of $0.8m (2023 – $0.9m).

Notes to the Consolidated Financial Statements continued
2. Segmental Reporting continued

(c) Geographical Segment Information

Information on the physical location of non-current assets is presented below. The allocated non-current assets below exclude deferred tax assets.

	2024 $m	Restated[i] 2023 $m
Hunting Titan – US	**67.9**	177.2
Hunting Titan – Canada	**1.8**	2.4
Hunting Titan – Other	**2.0**	2.7
Hunting Titan	**71.7**	182.3
North America – US	**199.7**	213.4
North America – Canada	**1.5**	0.7
North America	**201.2**	214.1
Subsea Technologies – US	**39.4**	38.0
Subsea Technologies – UK[ii]	**20.2**	21.4
Subsea Technologies	**59.6**	59.4
EMEA – UK[ii]	**20.6**	19.6
EMEA – Rest of Europe	**4.4**	5.0
EMEA – Middle East	**4.3**	4.3
EMEA	**29.3**	28.9
Asia Pacific – China	**10.8**	9.4
Asia Pacific – Indonesia	**3.4**	2.9
Asia Pacific – Singapore	**9.0**	5.6
Asia Pacific	**23.2**	17.9
Unallocated assets:		
Deferred tax assets	**108.5**	95.2
Total non-current assets	**493.5**	597.8

i. Comparative balances have been restated, see note 1.
ii. The value of non-current assets located in the UK, the Group's country of domicile, is $40.8m (2023 – $41.0m).

Revenue from external customers attributable to the UK, the Group's country of domicile, included in the Subsea Technologies and EMEA operating segments, is $41.3m (2023 – $34.7m). Revenue attributable to foreign countries totalled $1,007.6m (2023 – $894.4m). Revenue attributable to the US, the Group's largest individual foreign country where revenue is earned, is $646.2m (2023 – $619.8m), which represents 62% (2023 – 67%) of the Group's revenue from external customers. Revenue attributed to an individual country is based on where the invoice is raised, however, customers can either be domestic or international customers.

(d) Major Customer

Included in external revenue is revenue of $140.7m which arose from sales to our distributor for orders to Kuwait Oil Company (2023 – $79.8m sales to Halliburton Company Group ("Halliburton")), the Group's largest customer. This represents 13% (2023 – 9%) of the Group's revenue from external customers. All of this revenue arose within the Asia Pacific operating segment (2023 – all of Hunting's operating segments except for Subsea Technologies benefited from trading with Halliburton).

Notes to the Consolidated Financial Statements continued

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.

	2024			
	Revenue from contracts with customers $m	Rental revenue $m	Other revenue $m	Total external revenue $m
Hunting Titan	**220.0**	**0.5**	**–**	**220.5**
North America	**355.1**	**2.2**	**–**	**357.3**
Subsea Technologies	**147.1**	**–**	**–**	**147.1**
EMEA	**82.8**	**3.8**	**–**	**86.6**
Asia Pacific	**237.2**	**0.2**	**–**	**237.4**
Total	**1,042.2**	**6.7**	**–**	**1,048.9**

	2023			
	Revenue from contracts with customers $m	Rental revenue $m	Other revenue $m	Total external revenue $m
Hunting Titan	248.9	1.3	–	250.2
North America	336.6	1.7	1.0	339.3
Subsea Technologies	98.6	–	–	98.6
EMEA	82.0	4.7	–	86.7
Asia Pacific	154.1	0.2	–	154.3
Total	920.2	7.9	1.0	929.1

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.

Of the total external revenue, $805.6m (2023 – $726.3m) was recognised at a point in time and $243.3m (2023 – $202.8m) was recognised over time. The Group's revenue recognised over time is predominantly 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

	2024 $m	2023 $m
Operating income from leasing assets (note 24)	**1.4**	2.7
Gain on disposal of property, plant and equipment	**1.3**	2.2
Government grants	**0.1**	0.2
Foreign exchange gains[i]	**2.6**	1.1
Other income[ii]	**2.4**	1.8
Total operating income	**7.8**	8.0
Loss on disposal of property, plant and equipment	**(0.4)**	(0.5)
Foreign exchange losses[iii]	**(3.1)**	(0.3)
Research and development costs expensed	**(6.6)**	(4.7)
Other operating expenses[iv]	**(0.1)**	(0.1)
Total other operating expenses	**(10.2)**	(5.6)
Net operating income and other expenses	**(2.4)**	2.4

i. Includes fair value gains on derivatives designated in a cash flow hedge of $0.2m (2023 – $0.3m).
ii. Includes fair value gains on derivatives not designated in a hedge of $0.1m (2023 – $0.1m).
iii. Includes fair value losses on derivatives designated in a fair value hedge of $0.7m (2023 – $nil).
iv. Includes fair value losses on derivatives not designated in a hedge of $0.1m (2023 – $0.1m).

Notes to the Consolidated Financial Statements continued

5. Adjusting Items

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

	2024	
	Gross amount $m	Tax impact $m
Impairment of goodwill	**(109.1)**	**27.8**

Following the annual review of goodwill, an impairment charge of $109.1m was recognised in relation to Hunting Titan (note 15). The impairment charge relates entirely to goodwill and has been presented separately on the face of the consolidated income statement. An associated deferred tax credit of $27.8m has been recognised reflecting the reduction in the book value for deferred tax purposes for tax deductible goodwill in the US.

	Restated[i] 2023	
	Gross amount $m	Tax impact $m
Recognition of US deferred tax assets	–	83.1
Import tax provision	(8.9)	2.1
Total	(8.9)	85.2

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

During 2023, 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 (note 9). The related tax credit in the income statement was presented as an adjusting item (NGM A).

Adjusting items for the year ended 31 December 2023 have been restated to include a provision of $8.9m 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 $2.1m were recognised as management expects the expense to reduce future taxable income when the provision is released or utilised.

6. Operating (Loss)/Profit

The following items were charged/(credited) in arriving at operating (loss)/profit:

	2024 $m	2023 $m
Staff costs (note 7)	**228.1**	218.5
Depreciation of property, plant and equipment (note 11)	**25.2**	27.2
Amortisation of intangible assets (included in cost of sales and administrative expenses) (note 14)	**5.9**	6.6
Impairment of goodwill (included in administrative expenses in 2023) (note 13)	**109.1**	1.4
Impairment of trade and other receivables (note 18)	**0.8**	0.9
Net gain on disposal of property, plant and equipment (note 4)	**(0.9)**	(1.7)
Net lease charges included in operating profit (note 24)	**9.3**	8.6
Research and development costs expensed (note 4)	**6.6**	4.7

Fees payable to the Group's independent auditor and its associates are for:

	2024 $m	2023 $m
The audit of these financial statements	**3.1**	2.8
The audit of the financial statements of the Company's subsidiaries	**0.7**	0.5
Total audit	**3.8**	3.3
Audit-related assurance services	**0.3**	0.2
Total audit and audit-related services	**4.1**	3.5

7. Employees

	2024 $m	2023 $m
Wages and salaries (including annual cash bonuses)	**189.9**	183.4
Social security costs	**14.8**	13.6
Share-based payments (note 37)	**14.1**	13.5
Pension costs		
– defined contribution schemes (note 32)	**9.3**	8.2
– unfunded defined benefit schemes – US and Middle East (note 32)	**0.5**	0.3
Net gains on the unfunded defined benefit schemes included in net finance expense (note 32)	**(0.1)**	–
Staff costs for the year	**228.5**	219.0

Notes to the Consolidated Financial Statements continued

7. Employees continued

Staff costs for the year included in the financial statements are as follows:

	2024 $m	2023 $m
Total staff costs included in operating profit (note 6)	**228.1**	218.5
Net gains on the unfunded defined benefit schemes included in net finance expense (note 32)	**(0.1)**	–
Staff costs capitalised as R&D	**0.5**	0.5
	228.5	219.0

The average monthly number of employees by geographical area (including executive Directors) during the year was:

	2024 Number	2023 Number
North America	**1,661**	1,672
Europe	**286**	261
Asia Pacific	**365**	324
Central America, Middle East and Africa	**111**	104
	2,423	2,361

The average monthly number of employees by operating segment (including executive Directors) during the year was:

	2024 Number	2023 Number
Hunting Titan	**565**	647
North America	**911**	868
Subsea Technologies	**217**	180
EMEA	**276**	261
Asia Pacific	**365**	324
Central	**89**	81
	2,423	2,361

The actual number of employees at the year-end was 2,367 (2023 – 2,420).

Key management comprises the Board and the ten members of the Executive Committee who acted during the year (2023 – ten). Their aggregate remuneration in the year was:

	2024 $m	2023 $m
Salaries, annual cash bonuses and short-term employee benefits	**9.5**	9.8
Post-employment benefits	**0.8**	0.4
Share-based payments	**6.7**	5.7
	17.0	15.9

Remuneration of the Board, included as part of key management compensation, can be found in the Annual Report on Remuneration on pages 136 to 160. The Annual Report on Remuneration disclosures do not include Executive Committee members who are not part of the Board and disclose share scheme remuneration on a vested rather than an accruals basis.

Short-term employee benefits comprise healthcare insurance, company cars and fuel benefits. Post-employment benefits comprise employer pension contributions. Share-based payments comprise the charge to the consolidated income statement.

The total amounts for Directors' remuneration in accordance with Schedule 5 to the Accounting Regulations were as follows:

	2024 $m	2023 $m
Salaries, annual cash bonuses and short-term employee benefits	**3.9**	4.0
Gains on exercise of share awards[i]	**6.5**	1.3
Post-employment benefits	**0.2**	0.2
	10.6	5.5

i. The gain on exercise of share awards in 2023 has been restated to $1.3m (previously reported $1.2m).

The Group contributes on behalf of the Chief Executive to a US 401k deferred savings plan and an additional deferred compensation scheme. The Finance Director receives an annual cash sum in lieu of contributions to a company pension scheme.

Notes to the Consolidated Financial Statements continued

8. Net Finance Expense

	2024 $m	2023 $m
Finance income:		
Interest received on bank balances and deposits	**0.5**	0.2
Foreign exchange gains[i]	**0.6**	0.1
Fair value gains on money market funds	**0.9**	–
Fair value gains on non-hedging derivative financial instruments	**0.9**	0.4
Other finance income	**0.3**	0.2
	3.2	0.9
Finance expense:		
Interest on lease liabilities	**(1.4)**	(1.3)
Bank fees and commissions	**(3.4)**	(2.9)
Interest on bank borrowings	**(4.9)**	(5.2)
Foreign exchange losses	**(1.2)**	(0.6)
Other finance expense[ii]	**(4.7)**	(1.3)
	(15.6)	(11.3)
Net finance expense	**(12.4)**	(10.4)

i. Foreign exchange gains include gains of $0.1m (2023 – $nil) in relation to lease liabilities.
ii. Other finance expense includes fair value losses on derivatives not designated in a hedge of $0.5m (2023 – $0.2m), fair value losses on derivatives designated in a cash flow hedge of $1.7m (2023 – $0.1m) and in a fair value hedge of $0.6m (2023 – $nil) and losses on derecognition of financial assets recognised at amortised cost arising on letter of credit discounting and interest incurred in respect of trade receivable purchasing programmes of $1.7m (2023 – $0.1m).

9. Taxation

	2024 $m	Restated[i] 2023 $m
Current tax:		
Current year charge	**(8.7)**	(8.4)
Adjustments in respect of prior years	**(0.1)**	0.4
	(8.8)	(8.0)
Deferred tax:		
Origination and reversal of temporary differences	**15.9**	(4.6)
Adjustments in respect of prior years	**0.9**	0.6
Recognition of US deferred tax assets	**–**	83.1
	16.8	79.1
Taxation credit	**8.0**	71.1

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

The tax credit for the year was $8.0m (restated 2023 – $71.1m) and the effective tax rate ("ETR") was 24% (restated 2023 – minus 173%). The Group's ETR is broadly in line with what might be expected from prevailing jurisdictional rates and the difference arises from distortion caused when deferred tax is not fully recognised in loss-making jurisdictions, as was the situation in prior years. In 2023, the Group's ETR was significantly different to that which might be expected from prevailing jurisdictional rates as the recognition of the US deferred tax asset during the year distorted the IFRS reported effective tax rate considerably.

When adjusting items are excluded, the Group's adjusted ETR is 26% (2023 – 28%). The calculation of the adjusted tax charge and adjusted effective tax rate can be found in NGM D.

The adjustments in respect of prior years within both current tax and deferred tax, totalling a credit of $0.8m (2023 – $1.0m) mainly relate to true-ups of prior year balances.

The table below reconciles the tax on the Group's (loss)/profit before tax to a weighted average tax rate for the Group based on the tax rates applicable to each entity in the Group. A weighted average applicable rate for the year of 29% (2023 – 23%) was used as this reflects the applicable rates for the countries applied to their respective profits/losses in the year. The total tax credit for the year is different to the weighted average rate of tax of 29% (2023 – 23%) for the following reasons:

	2024 $m	Restated[i] 2023 $m
(Loss)/profit before tax	**(33.5)**	41.1
Tax at 29% (2023 – 23%)	**9.8**	(9.4)
Permanent differences including tax credits	**(0.2)**	(2.7)
Current year deferred tax not recognised	**(2.3)**	(0.6)
Recognition of previously unrecognised deferred taxes	**–**	83.1
Difference in tax rates	**(0.1)**	(0.3)
Adjustments in respect of prior years	**0.8**	1.0
Taxation credit	**8.0**	71.1

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

Notes to the Consolidated Financial Statements continued
9. Taxation continued

Tax effects relating to each component of other comprehensive income were as follows:

	2024			Restated[i] 2023		
	Before tax $m	**Tax credited $m**	**After tax $m**	Before tax $m	Tax credited $m	After tax $m
Exchange adjustments	**(4.3)**	**–**	**(4.3)**	3.4	–	3.4
Fair value losses arising on cash flow hedges during the year	**(0.8)**	**0.1**	**(0.7)**	(0.3)	–	(0.3)
Fair value gains reclassified to profit or loss	**(0.2)**	**0.1**	**(0.1)**	(0.3)	0.1	(0.2)
Remeasurement of defined benefit pension schemes	**(0.1)**	**–**	**(0.1)**	–	–	–
	(5.4)	**0.2**	**(5.2)**	2.8	0.1	2.9

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

The tax relating to the components of other comprehensive income comprises a deferred tax credit of $0.2m (2023 – $0.1m).

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 of 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 31 December 2024 has been based on the forecast accounting profits in the 2025 and 2026 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 impairment testing of non-current assets, per note 15. For periods 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.

Historical 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 in the year ended 31 December 2023, the level of deferred tax not recognised across the Group significantly reduced. The level has increased slightly in the year ended 31 December 2024, largely due to current year losses in jurisdictions where deferred tax was not recognised in the prior year. Management will continue to monitor the position in those jurisdictions where deferred tax is not recognised.

The main jurisdiction where there was a change in deferred tax recognition in the year ended 31 December 2023 is the US. The estimated taxable profits in the year ended 31 December 2024 and revised budget and extended forecast continue to support full recognition of the deferred tax asset in the US.

Notes to the Consolidated Financial Statements continued

10. (Loss)/Earnings per Share

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

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

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

	2024			Restated[i] 2023		
	Loss attributable to Ordinary shareholders $m	**Basic weighted average number of Ordinary shares millions**	**Loss per share cents**	Earnings attributable to Ordinary shareholders $m	Basic weighted average number of Ordinary shares millions	Earnings per share cents
Basic (LPS)/EPS	**(28.0)**	**159.1**	**(17.6)**	110.3	158.6	69.5
Effect of dilutive long-term incentive plans[ii]	**–**	**10.4**	**–**	–	8.7	(3.6)
Diluted (LPS)/EPS	**(28.0)**	**169.5**	**(17.6)**	110.3	167.3	65.9

i. Comparative balances have been restated, see note 1.
ii. For the year ended 31 December 2024, the Group reported a loss, therefore, the effect of dilutive long-term incentive plans was anti-dilutive. As such, they were disregarded in the calculation of diluted loss per share.

The calculation of adjusted earnings per share is presented in NGM B.

11. Property, Plant and Equipment

	2024			
	Land and buildings $m	**Plant, machinery and motor vehicles $m**	**Rental tools $m**	**Total $m**
Cost:				
At 1 January 2024	**258.3**	**345.3**	**26.3**	**629.9**
Exchange adjustments	**(0.8)**	**(1.7)**	**(0.4)**	**(2.9)**
Additions	**1.4**	**22.1**	**1.7**	**25.2**
Disposals	**(6.8)**	**(6.6)**	**(1.8)**	**(15.2)**
Reclassification from inventories (note 20)	**–**	**–**	**1.7**	**1.7**
Reclassifications	**0.3**	**0.4**	**(0.7)**	**–**
At 31 December 2024	**252.4**	**359.5**	**26.8**	**638.7**
Accumulated depreciation and impairment:				
At 1 January 2024	**(85.5)**	**(271.6)**	**(18.3)**	**(375.4)**
Exchange adjustments	**0.5**	**1.6**	**0.2**	**2.3**
Depreciation charge for the year	**(6.2)**	**(17.3)**	**(1.7)**	**(25.2)**
Disposals	**4.9**	**5.8**	**1.7**	**12.4**
Reclassifications	**–**	**(0.4)**	**0.4**	**–**
At 31 December 2024	**(86.3)**	**(281.9)**	**(17.7)**	**(385.9)**
Net book amount	**166.1**	**77.6**	**9.1**	**252.8**

Notes to the Consolidated Financial Statements continued
11. Property, Plant and Equipment continued

	2023				
	Land and buildings $m	Plant, machinery and motor vehicles $m	Rental tools $m	Oil and gas exploration and development $m	Total $m
Cost:					
At 1 January 2023	255.5	331.7	24.1	112.3	723.6
Exchange adjustments	2.0	1.5	0.8	–	4.3
Additions	1.0	21.4	0.6	0.1	23.1
Disposals	(0.1)	(9.6)	(0.5)	(112.4)	(122.6)
Reclassification from inventories (note 20)	–	–	1.5	–	1.5
Reclassifications	(0.1)	0.3	(0.2)	–	–
At 31 December 2023	258.3	345.3	26.3	–	629.9
Accumulated depreciation and impairment:					
At 1 January 2023	(77.9)	(262.9)	(16.2)	(109.9)	(466.9)
Exchange adjustments	(1.3)	(1.3)	(0.5)	–	(3.1)
Depreciation charge for the year	(6.3)	(16.7)	(2.2)	(2.0)	(27.2)
Disposals	–	9.4	0.5	111.9	121.8
Reclassifications	–	(0.1)	0.1	–	–
At 31 December 2023	(85.5)	(271.6)	(18.3)	–	(375.4)
Net book amount	172.8	73.7	8.0	–	254.5

The net book amount of property, plant and equipment at 1 January 2023 was $256.7m.

During 2023, the Group disposed of oil and gas exploration and development assets with a net book value of $0.5m. These legacy assets were owned by Tenkay Resources, Inc and reported as part of the North America operating segment.

Included in the net book amount is expenditure relating to assets in the course of construction of $0.2m (2023 – $0.2m) for buildings and $0.8m (2023 – $0.7m) for plant and machinery.

Group capital expenditure committed for the purchase of property, plant and equipment, but not provided for in these financial statements, amounted to $2.5m as at 31 December 2024 (2023 – $7.0m).

The net book amount of land and buildings of $166.1m (2023 – $172.8m) comprises freehold land and buildings of $163.1m (2023 – $169.2m) and capitalised leasehold improvements of $3.0m (2023 – $3.6m). The net book amount of land and buildings that are leased out is $3.5m at 31 December 2024 (2023 – $4.8m).

In accordance with the requirements of the Group's committed ABL bank facility, security was granted over specific items of property, plant and equipment that had a carrying value of $137.8m at 31 December 2023. The ABL facility was cancelled in October 2024 and replaced with an earnings-based facility that does not require security over assets.

Notes to the Consolidated Financial Statements continued

12. Right-of-use Assets

	2024		
	Land and buildings $m	Plant, machinery and motor vehicles $m	Total $m
Cost:			
At 1 January 2024	**65.0**	**3.0**	**68.0**
Exchange adjustments	**(1.5)**	**–**	**(1.5)**
Additions	**2.6**	**0.1**	**2.7**
Lease cessations	**(9.1)**	**(0.1)**	**(9.2)**
Modifications	**7.0**	**–**	**7.0**
At 31 December 2024	**64.0**	**3.0**	**67.0**
Accumulated depreciation and impairment:			
At 1 January 2024	**(40.3)**	**(1.5)**	**(41.8)**
Exchange adjustments	**0.9**	**0.2**	**1.1**
Depreciation charge for the year	**(6.6)**	**(0.6)**	**(7.2)**
Lease cessations	**9.1**	**0.1**	**9.2**
At 31 December 2024	**(36.9)**	**(1.8)**	**(38.7)**
Net book amount	**27.1**	**1.2**	**28.3**

	2023		
	Land and buildings $m	Plant, machinery and motor vehicles $m	Total $m
Cost:			
At 1 January 2023	60.7	2.1	62.8
Exchange adjustments	0.4	0.1	0.5
Additions	5.4	0.8	6.2
Lease cessations	(2.2)	(0.2)	(2.4)
Modifications	0.7	0.2	0.9
At 31 December 2023	65.0	3.0	68.0
Accumulated depreciation and impairment:			
At 1 January 2023	(35.8)	(1.0)	(36.8)
Exchange adjustments	(0.4)	(0.2)	(0.6)
Depreciation charge for the year	(6.1)	(0.5)	(6.6)
Impairment of assets	(0.2)	–	(0.2)
Lease cessations	2.2	0.2	2.4
At 31 December 2023	(40.3)	(1.5)	(41.8)
Net book amount	24.7	1.5	26.2

The net book amount of right-of-use assets at 1 January 2023 was $26.0m.

The Group sub-leases certain right-of-use assets under operating leases. The net book amount of items that are sub-leased included in the table above is $1.4m (2023 – $2.1m) for land and buildings.

Included in land and buildings in 2024 were lease cessations relating to facilities in Canada, the US and Singapore that were fully depreciated and lease modifications in Hunting Titan and the US where property leases were extended.

In 2023, land and buildings additions included $2.1m for a new lease for Hunting's Dubai operations, $1.6m relating to a new lease in the US and $1.4m for a lease renewal in Saudi Arabia.

13. Goodwill

	2024 $m	2023 $m
Cost:		
At 1 January	**529.1**	527.1
Exchange adjustments	**(2.2)**	2.0
At 31 December	**526.9**	529.1
Accumulated impairment:		
At 1 January	**(374.7)**	(371.6)
Exchange adjustments	**2.0**	(1.7)
Impairment of assets (note 15(b))	**(109.1)**	(1.4)
At 31 December	**(481.8)**	(374.7)
Net book amount	**45.1**	154.4

The net book amount of goodwill at 1 January 2023 was $155.5m.

Details of the allocation of goodwill by cash-generating unit ("CGU"), the impairment testing of goodwill and associated disclosures, including sensitivities, are given in note 15(b).

Notes to the Consolidated Financial Statements continued

14. Other Intangible Assets

	2024					
	Customer relationships $m	**Patented technology and trademarks $m**	**Unpatented technology $m**	**Software $m**	**Other $m**	**Total $m**
Cost:						
At 1 January 2024	**7.5**	**75.2**	**84.8**	**23.1**	**4.6**	**195.2**
Exchange adjustments	**(0.1)**	**(0.2)**	**(0.2)**	**(0.1)**	**(0.1)**	**(0.7)**
Additions	**–**	**0.4**	**2.2**	**1.9**	**0.3**	**4.8**
Disposals	**–**	**(0.4)**	**–**	**(0.4)**	**(0.1)**	**(0.9)**
At 31 December 2024	**7.4**	**75.0**	**86.8**	**24.5**	**4.7**	**198.4**
Accumulated amortisation and impairment:						
At 1 January 2024	**(2.9)**	**(63.6)**	**(75.0)**	**(10.7)**	**(2.2)**	**(154.4)**
Exchange adjustments	**0.1**	**0.1**	**0.1**	**0.1**	**–**	**0.4**
Amortisation charge for the year	**(0.8)**	**(1.7)**	**(0.7)**	**(2.3)**	**(0.4)**	**(5.9)**
Disposals	**–**	**0.4**	**–**	**0.4**	**0.1**	**0.9**
At 31 December 2024	**(3.6)**	**(64.8)**	**(75.6)**	**(12.5)**	**(2.5)**	**(159.0)**
Net book amount	**3.8**	**10.2**	**11.2**	**12.0**	**2.2**	**39.4**

	2023					
	Customer relationships $m	Patented technology and trademarks $m	Unpatented technology $m	Software $m	Other $m	Total $m
Cost:						
At 1 January 2023	7.1	73.7	82.4	16.6	3.5	183.3
Exchange adjustments	0.4	0.7	0.2	0.2	0.2	1.7
Additions	–	0.8	2.2	7.0	0.9	10.9
Disposals	–	–	–	(0.7)	–	(0.7)
At 31 December 2023	7.5	75.2	84.8	23.1	4.6	195.2
Accumulated amortisation and impairment:						
At 1 January 2023	(2.0)	(61.7)	(73.3)	(8.8)	(1.8)	(147.6)
Exchange adjustments	(0.2)	(0.2)	(0.2)	(0.3)	–	(0.9)
Amortisation charge for the year	(0.7)	(1.7)	(1.5)	(2.3)	(0.4)	(6.6)
Disposals	–	–	–	0.7	–	0.7
At 31 December 2023	(2.9)	(63.6)	(75.0)	(10.7)	(2.2)	(154.4)
Net book amount	4.6	11.6	9.8	12.4	2.4	40.8

Notes to the Consolidated Financial Statements continued
14. Other Intangible Assets continued

The net book amount of other intangible assets at 1 January 2023 was $35.7m.

All intangible assets are regarded as having a finite life and are amortised accordingly. Amortisation charges relating to intangible assets were charged to cost of sales and administrative expenses in the consolidated income statement.

Internally generated intangible assets have been included within patented and unpatented technology as shown in the table below:

	2024		2023	
	Internally generated patented technology $m	**Internally generated unpatented technology $m**	Internally generated patented technology $m	Internally generated unpatented technology $m
Cost:				
At 1 January	**13.0**	**31.4**	12.1	29.0
Exchange adjustments	**(0.1)**	**(0.2)**	0.2	0.2
Additions	**0.4**	**2.2**	0.7	2.2
At 31 December	**13.3**	**33.4**	13.0	31.4
Accumulated amortisation and impairment:				
At 1 January	**(7.2)**	**(21.6)**	(6.5)	(19.9)
Exchange adjustments	**0.1**	**0.1**	–	(0.2)
Amortisation charge for the year	**(0.7)**	**(0.7)**	(0.7)	(1.5)
At 31 December	**(7.8)**	**(22.2)**	(7.2)	(21.6)
Net book amount	**5.5**	**11.2**	5.8	9.8

15. Impairment of Non-current Assets

(a) Impairment Testing Process

(i) Cash-generating Units ("CGUs")

The Group has an annual impairment testing date of 30 September.

In Hunting, CGUs are generally separate business units. In certain cases, combinations of business units that are tightly integrated through inter-company trading, shared management or cost base are treated as a CGU. In 2024, the US Subsea CGU was split into two separate CGUs; Subsea Stafford and Subsea Spring. The goodwill previously held in the US Subsea CGU arose on the acquisition of Subsea Stafford and, therefore, has been allocated entirely to this CGU.

The recoverable amount of each CGU was determined using a value-in-use method which uses discounted cash flow projections. The key assumptions for the value-in-use calculations are revenue growth rates, taking into account the impact these have on margins, terminal growth rates and the discount rates applied.

For 2025 and 2026, cash flows are based on the latest detailed budget, as approved by the Board. For 2027 to 2029, management made revenue projections using Spears & Associates Drilling & Production Outlook independent reports as a default basis, selecting the most appropriate geographic markets and drivers (rig count, footage drilled or exploration and production spend) for each CGU. Management applied judgemental changes to revenue growth expectations, if appropriate, to reflect circumstances specific to the CGU.

Having determined the projected revenues, management modelled the expected impact on margins and cash flow from the resulting revenue projections. This process can give a diverse range of outcomes depending on market or business specific conditions. Compound annual growth rates ("CAGR") for revenue for the CGUs from 2024 to 2029 vary between (3)% and 22% (2023 – CAGR from 2023 to 2028 vary between 5% and 20%). The weighted average growth rate for revenue from 2024 to 2029 was 4% (2023 – from 2023 to 2028 was 9%). After 2029, a terminal value was calculated assuming growth of 2% (2023 – 50 basis points above assumed inflation, giving nominal growth rates between 2% and 6%). Fundamentally, this long-term growth is based on a proxy for global long-term inflation taking into consideration more developed and developing markets.

Cash flows were discounted using nominal pre-tax rates between 9% and 14% (2023 – 12% and 17%). The discount rates reflected current market assessments of the equity market risk premiums, the volatility of returns, the risks associated with the cash flows, the likely external borrowing rate of the CGU and expected levels of leverage. Consideration was also given to other factors such as a size premium, currency risk, operational risk and country risk. Required returns on equity were determined using the capital asset pricing model, which is then incorporated into a weighted average cost of capital calculation. Risk free rates are determined using long-dated government borrowing instruments.

Management have also considered indicators of impairment in the carrying value of the assets, including the excess of the value calculated under the value-in-use methodology described above, compared to the Group's market capitalisation, and any changes after the impairment testing date in external or internal sources of information, which might indicate an asset is impaired.

(ii) 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 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 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, then the asset or a group of assets are aggregated into a CGU and tested as described above.

Notes to the Consolidated Financial Statements continued
15. Impairment of Non-current Assets continued

(b) Impairment Tests for Goodwill

(i) Allocation

Goodwill is allocated to the Group's CGUs as follows:

CGU	Operating segment	2024 $m	2023 $m
Hunting Titan	Hunting Titan	**5.7**	114.9
Subsea Stafford	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
At 31 December		**45.1**	154.4

Goodwill is tested at least annually for impairment. A charge of $109.1m was recognised in 2024 (2023 – $1.4m) in relation to the Hunting Titan CGU (2023 – Enpro CGU). The impairment charge relates solely to goodwill and has been presented separately on the face of the consolidated income statement (2023 – within administrative expenses). The goodwill balance also decreased by $0.2m during the year due to foreign exchange movements.

(ii) Hunting Titan

The trading performance at Hunting Titan continued to decline through the second half of 2024 following decreased activity in the US onshore well completions market and a resulting fall in demand for its Perforating Systems products. As a result of this, management has reassessed its short and medium-term forecasts. The revised outlook for Hunting Titan is underpinned by modest growth in the US onshore market and management expects margins to improve due to ongoing efficiencies in the production cost of gun systems, combined with operating cost improvements, which include the benefits from the actions taken in the first half of 2024. The compound annual growth rate for revenue for Hunting Titan from 2024 to 2029 was 3% (2023 – 2023 to 2028 was 8%). EBITDA margin is expected to reach low double digits by 2029.

Management is of the view that the impact of climate change to Hunting Titan is minimal given the outlook for demand for oil and gas related products in the medium-term and the ability of Hunting to pivot to non-oil and gas in this timescale. Further details on climate-related risks and opportunities are disclosed on pages 92 to 96.

The ensuing recoverable amount, determined on a value-in-use basis, was lower than the carrying value at 30 September 2024, indicating an impairment was necessary. Additionally, there were indicators of further impairment in the period to 31 December due to an increase in the discount rate used to discount the cash flow projections, driven largely by a rise in the risk-free rate. This led to management recalculating the value-in-use at 31 December resulting in an impairment charge of $109.1m. There was also an associated deferred tax credit of $27.8m reflecting the reduction in the book value for deferred tax purposes for tax deductible goodwill in the US. Taking this into consideration, the overall write down of the Hunting Titan CGU was $81.3m.

The projected cash flows for Hunting Titan were discounted using a nominal pre-tax rate of 11% (2023 – 13%). The recoverable amount of the Hunting Titan CGU, after the impairment charge, is equal to its carrying value of $228.0m. Consequently, any adverse changes in key assumptions would, in isolation, cause a further impairment charge to be recognised.

(iii) Other CGUs

The recoverable amounts were in excess of the carrying values for the other CGUs and there were no indicators of impairment in the period to 31 December 2024.

(c) CGU Sensitivities

(i) Hunting Titan

At 31 December 2024, the Group was carrying $5.7m (2023 – $114.9m) of goodwill and $13.0m (2023 – $11.7m) of other intangible assets in respect of the Hunting Titan CGU.

The following changes to key assumptions would, in isolation, lead to an increase in the impairment charge at Hunting Titan:

	Sensitivity	Additional impairment $m
Pre-tax discount rate	**Increase of 1.0%**	**(20.4)**
Terminal value growth rate	**Decrease of 0.5%**	**(3.8)**
Revenue growth rates (CAGR from 2024 to 2029)	**Decrease of 1.0%**	**(14.8)**
EBITDA margin (reduction in 2029 and into perpetuity)	**Decrease of 1.0%**	**(25.6)**

(ii) Other CGUs

For the other CGUs that carry goodwill, management has concluded that there are no reasonably possible changes in key assumptions that would result in an impairment charge in 2024.

(d) Impairment of Other Non-Current Assets

There was no impairment of other non-current assets in 2024. In 2023, an impairment charge of $0.2m was made against right-of-use assets in the North America operating segment (note 2(b) and note 12).

Notes to the Consolidated Financial Statements continued

16. Investments in Associates and Joint Ventures

Movement on investments in associates and joint ventures:

	2024 $m	2023 $m
At 1 January	**20.5**	20.1
Additions	**0.9**	1.6
Share of associates' and joint venture's results for the year	**(0.1)**	(0.6)
Dividends received from associates	**–**	(0.6)
Transferred to held for sale	**(12.1)**	–
At 31 December	**9.2**	20.5

During 2024, the Group invested a further $0.9m in Cumberland Additive Holdings LLC ("Cumberland"), increasing its share of equity to 30.7% (2023 – 30.4%). During 2023, the Group invested a further $1.6m in Cumberland.

At 31 December 2024, the Group's investment in Rival met the criteria to be classified as held for sale, in accordance with IFRS 5. Accordingly, the investment of $12.1m has been presented within current assets on the face of the consolidated balance sheet.

The investments in associates and joint ventures, including the name, country of incorporation and proportion of ownership interest, are disclosed in note C14.

Rival Downhole Tools LC ("Rival") is a provider of drilling and thru tubing tools and motors to the upstream oil and gas industry. Cumberland is a contract manufacturer which specialises in metal and polymer 3D printing and computer numerical control machining to support the aerospace, defence, space and energy markets. The joint venture with Jindal SAW, leaders in pipe manufacturing, is to deliver OCTG products in India.

(a) Material Associates and Joint Ventures

The tables below provide summarised financial information for Rival which is considered to be a material associate of the Group. The Group has a 23.0% (2023 – 23.0%) interest in the equity shares of Rival. The information disclosed reflects the amounts presented in the financial statements of Rival and not Hunting PLC's share of those amounts. They have been amended to reflect adjustments made by Hunting when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

	Rival	
	2024 $m	2023 $m
Summarised statement of comprehensive income:		
Revenue	**40.8**	53.5
Operating (loss)/profit	**(2.9)**	6.7
Total comprehensive (expense)/income	**(2.9)**	6.7

The Group's share of Rival's post-tax loss was $0.7m (2023 – $1.4m profit). Amortisation of $0.3m (2023 – $0.3m) was charged to the Group's income statement during the year in relation to the intangible assets recognised at the time the investment in Rival was made.

	Rival	
	2024 $m	2023 $m
Summarised balance sheet:		
Non-current assets	**18.1**	26.6
Current assets	**27.1**	25.4
Total assets	**45.2**	52.0
Non-current liabilities	**(5.1)**	(7.1)
Current liabilities	**(4.1)**	(6.0)
Total liabilities	**(9.2)**	(13.1)
Net assets	**36.0**	38.9
Reconciliation to carrying amounts:		
Opening net assets at 1 January	**38.9**	32.2
(Loss)/profit for the year	**(2.9)**	6.7
Net assets	**36.0**	38.9
Group's share of equity %	**23.0%**	23.0%
Group's share of net assets	**8.2**	8.9
Goodwill	**2.1**	2.1
Other intangible assets	**1.8**	2.1
Carrying amount at 31 December	**12.1**	13.1

(b) Individually Immaterial Associates and Joint Ventures

In addition to the material associates disclosed above, the Group also has interests in a number of individually immaterial associates and joint ventures, all of which are unlisted, that are accounted for using the equity method. The Group's share of the results and its aggregated assets and liabilities, are as follows:

	2024 $m	2023 $m
Aggregate carrying amount of individually immaterial associates	**5.2**	5.7
Aggregate carrying amount of individually immaterial joint ventures	**4.0**	1.7
Share of immaterial associates' and joint venture's results for the year	**0.9**	(1.7)

Notes to the Consolidated Financial Statements continued

17. Investments

	2024 $m	2023 $m
Listed equity investments and mutual funds	**2.6**	2.2
Well Data Labs convertible financing	**2.2**	2.2
	4.8	4.4

The listed equity investments and mutual funds are held in relation to the US defined benefit scheme (note 32).

In February 2021, the Group entered into a strategic alliance with Wells Data Labs, a data analytics business focused on the onshore drilling market, through the provision of $2.5m in convertible financing, which had a fair value of $2.2m (2023 – $2.2m) at the year-end (note 29(b)).

18. Trade, Contract and Other Receivables

	2024 $m	2023 $m
Non-current:		
Prepayments	**3.0**	1.8
Other receivables	**2.4**	–
	5.4	1.8

Other receivables includes finance lease receivables of $2.3m (2023 – $nil), see note 24 for further details.

	2024			
	Contracts with customers $m	Rental receivables $m	Other receivables $m	Total $m
Current:				
Trade receivables	**193.1**	**1.9**	**–**	**195.0**
Accrued revenue	**2.8**	**0.4**	**–**	**3.2**
Gross receivables	**195.9**	**2.3**	**–**	**198.2**
Less: provisions for impairment	**(3.4)**	**(0.3)**	**–**	**(3.7)**
Net receivables	**192.5**	**2.0**	**–**	**194.5**
Prepayments	**–**	**–**	**36.9**	**36.9**
Other receivables	**–**	**–**	**6.4**	**6.4**
Total trade and other receivables	**192.5**	**2.0**	**43.3**	**237.8**
Contract assets (note 23)	**23.7**	**–**	**–**	**23.7**
Trade, contract and other receivables	**216.2**	**2.0**	**43.3**	**261.5**

	2023			
	Contracts with customers $m	Rental receivables $m	Other receivables $m	Total $m
Current:				
Trade receivables	202.7	2.0	–	204.7
Accrued revenue	2.5	–	–	2.5
Gross receivables	205.2	2.0	–	207.2
Less: provisions for impairment	(3.2)	(0.3)	–	(3.5)
Net receivables	202.0	1.7	–	203.7
Prepayments	–	–	27.1	27.1
Other receivables	–	–	3.1	3.1
Total trade and other receivables	202.0	1.7	30.2	233.9
Contract assets (note 23)	17.5	–	–	17.5
Trade, contract and other receivables	219.5	1.7	30.2	251.4

Current and non-current other receivables generally arise from transactions outside the usual operating activities of the Group and comprise receivables from tax (VAT, GST, franchise taxes, and sales and use taxes) of $3.5m (2023 – $1.0m), derivative financial assets of $0.5m (2023 – $0.5m) and other receivables of $4.8m (2023 – $1.6m), the latter of which are classified as financial assets measured at amortised cost.

During the year, the Group sold trade receivables amounting to $59.2m (2023 – $9.9m) to third parties under trade receivables purchasing programmes in order to accelerate collections. Upon sale, the receivables were derecognised from the balance sheet.

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 $77.6m at 31 December 2023. For the receivables pledged as security, their carrying value approximates their fair value. The ABL facility was cancelled in October 2024 and replaced with an earnings-based facility that does not require security over assets.

Notes to the Consolidated Financial Statements continued
18. Trade, Contract and Other Receivables continued

Impairment of Trade, Contract and Other Receivables

The Group applies lifetime expected credit losses ("ECLs") to trade receivables, accrued revenue, contract assets and certain other receivables upon their initial recognition. Each entity within the Group uses provision matrices for recognising ECLs on its receivables, which are based on actual credit loss experience over the past two years, at a minimum. Receivables are appropriately grouped by geographical region, product type or type of customer, and separate calculations produced, if historical or forecast credit loss experience shows significantly different loss patterns for different customer segments. Actual credit loss experience is then adjusted to reflect differences in economic conditions over the period the historical data was collected, current economic conditions, forward-looking information based on macro-economic information and the Group's view of economic conditions over the expected lives of the receivables. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables and accrued revenue for the same types of contracts. It has, therefore, been concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

At 31 December 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	**118.8**	**28.4**	**18.6**	**6.2**	**7.3**	**13.8**	**193.1**
Trade receivables – rental receivables	**1.5**	**0.2**	**0.1**	**0.1**	**–**	**–**	**1.9**
Total trade receivables	**120.3**	**28.6**	**18.7**	**6.3**	**7.3**	**13.8**	**195.0**
Accrued revenue – contracts with customers	**2.8**	**–**	**–**	**–**	**–**	**–**	**2.8**
Accrued revenue – rental receivables	**0.4**	**–**	**–**	**–**	**–**	**–**	**0.4**
Other receivables[i]	**4.7**	**–**	**0.1**	**–**	**–**	**–**	**4.8**
Contract assets	**23.7**	**–**	**–**	**–**	**–**	**–**	**23.7**
	151.9	**28.6**	**18.8**	**6.3**	**7.3**	**13.8**	**226.7**

i. Other receivables excludes $3.5m in relation to receivables from tax as these are not considered financial assets and $0.5m in relation to derivative assets as these are not subject to the impairment requirements of IFRS 9.

Since 31 December 2023, there has been a decrease in the ageing of trade receivables with trade receivables not overdue at the year-end comprising 62% of gross trade receivables compared to 55% at 31 December 2023. 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.

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 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
Other receivables[i]	1.6	–	–	–	–	–	1.6
Contract assets	17.5	–	–	–	–	–	17.5
	133.3	41.0	24.4	10.0	8.7	8.9	226.3

i. Other receivables excludes $1.0m in relation to receivables from tax as these are not considered financial assets and $0.5m in relation to derivative assets as these are not subject to the impairment requirements of IFRS 9. This balance has been restated in 2023 to exclude derivatives.

Concentrations of credit risk with respect to trade receivables are limited due to the Group's wide and unrelated customer base. The maximum exposure to credit risk is the carrying amount of each class of financial asset disclosed above. The carrying value of each class of receivable approximates their fair value as described in note 29(b)(iv).

Notes to the Consolidated Financial Statements continued
18. Trade, Contract and Other Receivables continued

Impairment of Trade, Contract and Other Receivables continued

Default on a financial asset is usually considered to have occurred when any contractual payments under the terms of the debt are more than 90 days overdue. Usually, no further deliveries are made or services provided to customers that are more than 90 days overdue unless there is a valid reason to do so, such as billing issues that have prevented the customer from settling the invoice. Permission from the local financial controller can be obtained to continue trading with customers with debts that are more than 90 days overdue, and the outstanding debts may also be rescheduled with the permission of the financial controller.

While a proportion, 11% (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.

Receivables are written off when there is no reasonable expectation of recovery. Indicators that receivables are generally not recoverable include the failure of the debtor to engage in a repayment plan, failure to make contractual payments for a period greater than 180 days past due and the debtor being placed in administration. Where receivables have been written off, the Group will continue to try to recover the outstanding receivable. Impairment losses on receivables are presented net of unused provisions released to the consolidated income statement within administrative expenses. Subsequent recoveries of amounts previously written off are credited against the same line item.

Credit risk arises on accrued revenue where goods or services have been provided to a customer but the amount is yet to be invoiced. The accrued revenue balance is short term and relates to customers with a strong credit history. Therefore, the ECLs on this balance are immaterial and no provision for impairment has been recognised.

During the year, the movements on the provisions for impairment were as follows:

	2024		
	Contracts with customers $m	Rental receivables $m	Total $m
At 1 January 2024	**(3.2)**	**(0.3)**	**(3.5)**
Charge to the consolidated income statement – lifetime expected credit losses	**(1.1)**	**–**	**(1.1)**
Utilised against receivables written off	**0.6**	**–**	**0.6**
Unused provisions released to the consolidated income statement	**0.3**	**–**	**0.3**
At 31 December 2024	**(3.4)**	**(0.3)**	**(3.7)**

The provision for the impairment of trade and other receivables has marginally increased by $0.2m to $3.7m at 31 December 2024. Management is of the view that the credit risk is largely unchanged during the year.

	2023		
	Contracts with customers $m	Rental receivables $m	Total $m
At 1 January 2023	(3.3)	(0.4)	(3.7)
Charge to the consolidated income statement – lifetime expected credit losses	(0.9)	–	(0.9)
Utilised against receivables written off	1.0	0.1	1.1
At 31 December 2023	(3.2)	(0.3)	(3.5)

19. Deferred Tax

Deferred income tax assets and liabilities are only offset when there is a legally enforceable right to offset, when the deferred income taxes relate to the same fiscal authority and there is an intention to settle the balance net. The offset amounts are as follows:

	2024 $m	Restated[i] 2023 $m
Deferred tax assets	**108.5**	95.2
Deferred tax liabilities	**(3.7)**	(8.4)
	104.8	86.8

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

The movement in the total deferred tax shown in the balance sheet is as follows:

	2024 $m	Restated[i] 2023 $m
At 1 January	**86.8**	7.3
Exchange adjustments	**(0.4)**	–
Credit to the consolidated income statement (note 9)	**16.8**	79.1
Taken direct to equity	**1.6**	0.4
At 31 December	**104.8**	86.8

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

Notes to the Consolidated Financial Statements continued
19. Deferred Tax continued

Deferred tax assets of $65.1m gross and $9.4m tax (2023 – $57.8m gross and $7.1m tax) have not been recognised as the assessment of recoverability at 31 December 2024 is that it is uncertain and therefore does not meet the criteria for recognition under IAS 12. This includes $64.7m gross and $9.3m tax (2023 – $57.5m gross and $7.0m tax) in respect of trading losses, the majority of which do not have an expiry date. A deferred tax asset of $65.3m (2023 – $69.4m) has been recognised in respect of tax losses in various locations where recognition assessment has provided support that sufficient future taxable profits will be available against which the tax losses could be utilised. See note 9 for further details on the recognition assessment performed at each balance sheet date.

The movements in deferred tax assets and liabilities, prior to taking into consideration the offsetting of balances within the same tax jurisdictions, are shown below:

	At 1 January 2024 $m	Exchange adjustments $m	(Charge)/credit to income statement $m	Taken direct to equity $m	At 31 December 2024 $m	Net deferred tax assets $m	Net deferred tax liabilities $m
Tax losses	**69.4**	**(0.3)**	**(3.8)**	**–**	**65.3**	**64.8**	**0.5**
Inventory	**13.8**	**–**	**(0.4)**	**–**	**13.4**	**13.4**	**–**
Goodwill and intangibles[i]	**(11.5)**	**–**	**18.9**	**–**	**7.4**	**10.2**	**(2.8)**
Interest deductible in future periods	**17.1**	**–**	**0.8**	**–**	**17.9**	**17.9**	**–**
Property, plant and equipment	**(15.9)**	**–**	**(0.1)**	**–**	**(16.0)**	**(14.8)**	**(1.2)**
Share-based payments	**4.6**	**–**	**0.1**	**1.4**	**6.1**	**6.1**	**–**
Other	**9.3**	**(0.1)**	**1.3**	**0.2**	**10.7**	**10.9**	**(0.2)**
	86.8	**(0.4)**	**16.8**	**1.6**	**104.8**	**108.5**	**(3.7)**

	Restated[ii]						
	At 1 January 2023 $m	Exchange adjustments $m	(Charge)/credit to income statement $m	Taken direct to equity $m	At 31 December 2023 $m	Net deferred tax assets $m	Net deferred tax liabilities $m
Tax losses	24.2	0.3	44.9	–	69.4	51.2	18.2
Inventory	0.8	–	13.0	–	13.8	13.8	–
Goodwill and intangibles	(19.7)	(0.1)	8.3	–	(11.5)	13.8	(25.3)
Interest deductible in future periods	–	–	17.1	–	17.1	17.1	–
Property, plant and equipment	(0.9)	–	(15.0)	–	(15.9)	(14.6)	(1.3)
Share-based payments	1.0	(0.1)	3.4	0.3	4.6	4.6	–
Other	1.9	(0.1)	7.4	0.1	9.3	9.3	–
	7.3	–	79.1	0.4	86.8	95.2	(8.4)

i. Included within the credit to the income statement of $18.9m is a credit of $27.8m relating to the release of deferred tax liabilities associated with the goodwill impairment recognised in 2024, disclosed as an adjusting item, see note 5.
ii. Comparative balances have been restated, see note 1.

Notes to the Consolidated Financial Statements continued

20. Inventories

	2024 $m	2023 $m
Raw materials	**133.3**	150.9
Work in progress	**83.8**	94.0
Finished goods	**143.3**	136.0
Gross inventories	**360.4**	380.9
Less: provisions for impairment	**(57.1)**	(52.5)
Net inventories	**303.3**	328.4

	2024 $m	2023 $m
Gross inventories:		
At 1 January	**380.9**	322.1
Exchange adjustments	**(2.9)**	1.6
Additions	**713.9**	719.1
Charged to cost of sales in the consolidated income statement	**(729.8)**	(660.4)
Reclassification to property, plant and equipment (note 11)	**(1.7)**	(1.5)
At 31 December	**360.4**	380.9
Provisions for impairment:		
At 1 January	**(52.5)**	(50.0)
Exchange adjustments	**0.5**	(0.4)
Charged to cost of sales in the consolidated income statement	**(10.2)**	(7.5)
Provisions utilised against inventories written off	**3.1**	3.6
Provisions released to the consolidated income statement	**2.0**	1.8
At 31 December	**(57.1)**	(52.5)
Net inventories	**303.3**	328.4

The Group's inventory is highly durable and it can 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.

Within gross inventories charged to cost of sales is $4.2m (2023 – $nil) relating to inventory written off in the year.

During 2024, inventory provisions increased by $4.6m to $57.1m at 31 December 2024, which represents 16% of gross cost balances (2023 – 14%). The increased provision in the year reflects new charges exceeding the utilisation of provisions and the reversal of unutilised provisions. Management has considered the judgements and estimates made in each of the Group's businesses and, other than pressure control equipment, has not identified any individual estimates, which in the event of a change, would lead to a material change in the next financial period. Provisions for inventories held at NRV are subject to change if expectations change.

Inventories of $225.7m are expected to be realised within 12 months of the balance sheet date (2023 – $245.2m) and $77.6m after 12 months (2023 – $83.2m). Inventories of $279.1m (2023 – $306.0m) are carried at cost and $24.2m (2023 – $22.4m) are carried at net realisable value.

In accordance with the requirements of the Group's committed ABL bank facility, security was granted over inventories which had a carrying value of $172.3m at 31 December 2023, held in certain US and Canadian subsidiaries. The ABL facility was cancelled in October 2024 and replaced with an earnings-based facility that does not require security over assets.

21. Cash and Cash Equivalents

	2024 $m	2023 $m
Cash at bank and in hand	**78.1**	45.5
Money market funds	**76.7**	–
Short-term deposits with less than 3 months to maturity	**51.8**	–
Cash and cash equivalents	**206.6**	45.5

Cash at bank and in hand and short-term deposits are carried at amortised cost. Money market funds are financial assets carried at fair value through profit or loss. The maximum exposure to credit risk is the carrying amount. Please see note 30(c)(i) for further disclosures on credit risk.

As shown in note 26, cash and cash equivalents for cash flow statement purposes also includes bank overdrafts shown in borrowings in note 25.

At 31 December 2024, the Group held cash balances totalling $44.1m (2023 – $24.4m) within China. As such, this cash was subject to the usual exchange controls and other regulatory restrictions that prevailed in China at the balance sheet date.

Notes to the Consolidated Financial Statements continued

22. Trade, Contract and Other Payables

	2024 $m	2023 $m
Non-current:		
US deferred compensation plan obligation (note 32(b)(i))	**2.6**	2.2
Social security and other taxes	**0.3**	0.4
Other payables	**2.6**	1.1
	5.5	3.7

	2024 $m	2023 $m
Current:		
Trade payables	**41.4**	62.5
Accruals	**47.1**	50.7
Social security and other taxes	**8.3**	7.4
Other payables[i]	**98.4**	3.2
Total trade and other payables	**195.2**	123.8
Contract liabilities (note 23)	**13.3**	39.6
Trade, contract and other payables	**208.5**	163.4

i. Other payables includes derivative financial liabilities of $3.4m (2023 – $0.1m).

Within other payables are amounts totalling $92.4m (2023 – $nil) in relation to payments due to financial institutions arising under bank acceptance drafts, which represent payments to suppliers for materials.

23. Contract Assets and Liabilities

The following table provides information about receivables, accrued income, contract assets and contract liabilities arising from contracts with customers.

	2024 $m	2023 $m	2022 $m
Contract assets (note 18)	**23.7**	17.5	8.6
Contract liabilities (note 22)	**(13.3)**	(39.6)	(8.8)
Trade receivables – contracts with customers (note 18)	**193.1**	202.7	180.1
Provisions for impairment (note 18)	**(3.4)**	(3.2)	(3.3)
Net trade receivables – contracts with customers	**189.7**	199.5	176.8
Accrued revenue – contracts with customers (note 18)	**2.8**	2.5	2.0

(a) Significant Changes in Contract Assets and Contract Liabilities

Contract assets increased from $17.5m at 31 December 2023 to $23.7m at 31 December 2024 due to an increase in bespoke customer work-in-progress at Subsea Technologies invoiced in arrears.

Contract liabilities represent deposits received from customers (or amounts presently due under non-cancellable contracts) in excess of the value of the work completed to date at Subsea Technologies, as well as deposits received from customers for the purchase of pipe in the Asia Pacific businesses. Contract liabilities decreased by $26.3m in the year to $13.3m at 31 December 2024, reflecting the progress made and revenue recognised on contracts during the year.

(b) Revenue Recognised in Relation to Contract Liabilities

During the year, $39.6m of revenue was recognised in relation to amounts that were included in the contract liabilities balance at the beginning of the year (2023 – $8.8m). There was no revenue recognised from performance obligations satisfied or partially satisfied in previous years (2023 – none).

(c) Unsatisfied Performance Obligations

The Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations that are part of contracts that have original expected durations of one year or less. This is the vast majority of Hunting's contracts with customers.

In the prior year, the Group disclosed the aggregate amount of the transaction price allocated to partially or fully unsatisfied performance obligations as equal to the sales order book (NGM T). As such, the amount disclosed included orders that were wholly unperformed where either Hunting or the customer had the unilateral enforceable right to terminate the contract without compensating the other party. In 2024, these amounts have been excluded from the disclosure and, as a result, the comparatives below have been restated.

For the contracts that have original expected durations of greater than one year, the aggregate amount of the transaction price allocated to partially or fully unsatisfied performance obligations as at the year-end is $203.7m (restated 2023 – $152.6m). It is expected that $184.5m of the transaction price allocated to unsatisfied performance obligations as of 31 December 2024 will be recognised as revenue in 2025 (restated 2023 – $82.0m in 2024) and the remaining $19.2m in future years (restated 2023 – $70.6m after 2024).

Notes to the Consolidated Financial Statements continued

24. Leases

The Group leases various offices, warehouses, equipment and vehicles. Rental contracts for offices and warehouses are typically made for fixed periods of between three and ten years, but may have extension options as described below. Rental contracts for equipment and vehicles are typically made for fixed periods of between three and seven years. The Group also has short-term leases and leases of low-value assets. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants. As at 31 December 2024, the Group did not have any commitments for leases that were due to commence in 2025 or later (31 December 2023 – no commitments due to commence in 2024 or later).

Extension and termination options are included in a number of property and equipment leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. For extension and termination options that are exercisable only by the Group and not by the respective lessor, management considers all facts and circumstances that create an economic incentive for the Group to exercise an extension option, or not exercise a termination option, in determining the lease term. The lease term is determined according to management's expectation of exercising any available extension and termination options. Extension or termination options are only adjusted in the lease term if the lease option is reasonably certain to be exercised.

(a) Amounts Recognised in the Consolidated Balance Sheet

The analysis of right-of-use assets is presented in note 12.

	2024 $m	2023 $m
Lease liabilities		
Current	**7.4**	8.0
Non-current	**22.7**	20.7
	30.1	28.7

(b) Amounts Recognised in the Consolidated Income Statement

	2024 $m	2023 $m
Depreciation of right-of-use assets (note 12)	**(7.2)**	(6.6)
Expense relating to short-term leases and leases of low-value assets	**(2.1)**	(1.8)
Impairment of right-of-use assets (note 12)	**–**	(0.2)
Lease charges included in operating profit (note 6)	**(9.3)**	(8.6)
Interest on lease liabilities (included in finance expenses) (note 8)	**(1.4)**	(1.3)
Foreign exchange gains on lease liabilities (note 8)	**0.1**	–
Lease charges included in (loss)/profit before tax	**(10.6)**	(9.9)

(c) Amounts Recognised in the Consolidated Statement of Cash Flows

	2024 $m	2023 $m
Payments for short-term and low-value leases	**(2.1)**	(1.8)
Payment of lease liabilities, principal and interest	**(8.9)**	(10.4)
	(11.0)	(12.2)

Payments for short-term leases, payments for leases of low-value assets and variable lease payments that are not included in the measurement of the lease liabilities are presented within cash flows from operating activities. Payments for the principal and interest elements of lease liabilities and proceeds on disposal of lease liabilities are presented within cash flows from financing activities.

The analysis of the contractual, undiscounted cash flows relating to lease liabilities is shown in note 30(d)(iii).

Notes to the Consolidated Financial Statements continued
24. Leases continued

(d) The Group as Lessor

A number of the Group's properties included within property, plant and equipment and right-of-use assets are leased to third parties under operating lease agreements. Income from leasing these assets during the year was $1.4m (2023 – $2.7m) and is included within operating income (note 4). The Group also earns revenue from the rental of tools, which are items of property, plant and equipment (note 11). Rental revenue during the year was $6.7m (2023 – $7.9m) (note 3).

The table below shows the maturity analysis of the undiscounted future lease payments expected to be received in relation to non-cancellable operating leases:

	Property 2024 $m	Property 2023 $m
Year one	**1.4**	2.5
Year two	**0.2**	0.8
Year three	**0.1**	0.7
Year four	**–**	0.7
Year five	**–**	0.7
Total lease income receivable	**1.7**	5.4

The Group also leases a property in the US to a third party under a finance lease arrangement. The net investment in the lease amounted to $2.3m at 31 December 2024 (31 December 2023 – $nil) and is presented within other receivables (note 18). Additional disclosures for the finance lease receivable as required by IFRS 16 have not been presented as the amounts are immaterial.

25. Borrowings

	2024 $m	2023 $m
Non-current:		
Bank borrowings secured (note 30(d)(i))	**90.6**	–
Shareholder loan from non-controlling interest	**3.9**	3.9
	94.5	3.9
Current:		
Bank borrowings secured (note 30(d)(i))	**9.8**	44.9
Bank overdrafts secured	**1.5**	1.4
	11.3	46.3
Total borrowings	**105.8**	50.2

In accordance with the requirements of the Group's committed ABL bank facility, at 31 December 2023 security was granted over certain freehold property, receivables and inventories. The carrying amounts of the assets pledged as security are disclosed in notes 11, 18 and 20.

All of the borrowings are financial liabilities measured at amortised cost and are denominated in US Dollars. The shareholder loan is interest-free and not repayable on demand.

Notes to the Consolidated Financial Statements continued

26. 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 L) is a non-GAAP measure; however, management and the Group treasury function monitor total cash and bank/(borrowings) (NGM K) 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 Strategic Report. The net cash/(debt) reconciliation below provides an analysis of the movement in the year 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 2024 $m	Cash flow $m	Non-cash movements on lease liabilities[i] $m	Exchange movements $m	At 31 December 2024 $m
Cash and cash equivalents (note 21)	**45.5**	**163.8**	**–**	**(2.7)**	**206.6**
Bank overdrafts secured (note 25)	**(1.4)**	**(0.1)**	**–**	**–**	**(1.5)**
Cash and cash equivalents – per cash flow statement	**44.1**	**163.7**	**–**	**(2.7)**	**205.1**
Total lease liabilities (note 24)	**(28.7)**	**8.9**	**(11.0)**	**0.7**	**(30.1)**
Shareholder loan from non-controlling interest (note 25)	**(3.9)**	**–**	**–**	**–**	**(3.9)**
Total bank borrowings (note 25)	**(44.9)**	**(55.5)**	**–**	**–**	**(100.4)**
Liabilities arising from financing activities	**(77.5)**	**(46.6)**	**(11.0)**	**0.7**	**(134.4)**
Total net debt/(cash)	**(33.4)**	**117.1**	**(11.0)**	**(2.0)**	**70.7**

i. Non-cash movements on lease liabilities comprise new leases of $2.6m, lease modifications of $7.0m and interest expense of $1.4m.

During the year, $2.1m of bank borrowing facility fees were amortised (2023 – $1.7m) and $4.3m (2023 – $nil) was paid in respect of arrangement fees for the new facility. The fees for the borrowing 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 31 December 2023 $m
Cash and cash equivalents (note 21)	29.4	16.2	–	(0.1)	45.5
Bank overdrafts secured (note 25)	(2.1)	0.7	–	–	(1.4)
Cash and cash equivalents – per cash flow statement	27.3	16.9	–	(0.1)	44.1
Total lease liabilities (note 24)	(30.6)	10.4	(8.4)	(0.1)	(28.7)
Shareholder loan from non-controlling interest (note 25)	(3.9)	–	–	–	(3.9)
Total bank borrowings (note 25)	(2.8)	(42.1)	–	–	(44.9)
Liabilities arising from financing activities	(37.3)	(31.7)	(8.4)	(0.1)	(77.5)
Total net debt	(10.0)	(14.8)	(8.4)	(0.2)	(33.4)

i. Non-cash movements on lease liabilities comprise new leases of $6.2m, lease modifications of $0.9m and interest expense of $1.3m.

Notes to the Consolidated Financial Statements continued

27. Provisions and Contingent Liabilities

(a) Provisions

	Asset decommissioning and remediation $m	Import tax $m	Other $m	Total $m
At 1 January 2024, restated[i]	1.5	9.1	6.0	16.6
Exchange adjustments	(0.1)	(0.1)	(0.1)	(0.3)
Charged to the consolidated income statement	–	0.5	0.1	0.6
Charged other	0.1	–	–	0.1
Provisions utilised	–	–	(1.5)	(1.5)
Unutilised amounts reversed	(0.1)	(0.9)	(0.2)	(1.2)
At 31 December 2024	**1.4**	**8.6**	**4.3**	**14.3**

Provisions are due as follows:

	2024 $m	Restated[i] 2023 $m
Current	12.6	13.9
Non-current	1.7	2.7
	14.3	16.6

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

Asset decommissioning and remediation provisions of $1.4m (2023 – $1.5m) relate to the Group's obligations to restore leased properties. The restoration provisions are expected to be utilised at the end of the respective leases, with $0.7m current and $0.7m non-current. Provisions are made on a discounted basis; however, the impact of discounting is not material.

Other provisions include provisions for onerous contracts of $0.1m (2023 – $0.5m), restructuring provisions of $0.3m (2023 – $0.3m), a provision for a pension fund for officers and ratings in the mercantile marine industry from a legacy subsidiary of $0.9m (2023 – $0.9m), warranties and tax indemnities of $0.1m (2023 – $0.3m), litigation costs of $2.3m (2023 – $2.3m) and $0.6m (2023 – $1.7m) for various other items.

The provision for import tax of $8.6m (restated 2023 – $9.1m) relates to an ongoing review which commenced in July 2024 and identified that an EMEA business unit had not followed the tax authority's interpretation of the correct processes for importing goods, under specific contracts, in their jurisdiction and thus had not paid amounts which would have been due based the tax authority's guidance in place at the time. The business is working with the tax authority to regularise the position. While no incremental profit or cash flow was recognised, resolution is dependent upon discretion by the authority, and therefore an exposure exists. The provision represents the best estimate of the potential liability and 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. See note 1 for further details.

(b) 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, unless the probability of an economic outflow is considered to be remote.

The Group has entered into a number of guarantee and performance bond arrangements arising in the normal course of business which have not been provided for as any significant liability is considered to be remote.

28. Derivatives and Hedging

(a) Currency Derivatives

The Group uses derivatives for economic hedging purposes and there are no speculative positions entered into by the Group. However, where derivatives do not meet the hedge accounting criteria, they are classified as "held for trading" for accounting purposes and are accounted for at fair value through profit or loss. The Group has used spot and forward foreign exchange contracts to hedge its exposure to exchange rate movements during the year. Foreign exchange outright contracts are used to manage exposures, with funding swaps being used to produce required currencies when needed.

The fair values of outstanding derivative financial instruments are set out below:

	2024		2023	
	Total assets $m	Total liabilities $m	Total assets $m	Total liabilities $m
Forward foreign exchange contracts – cash flow hedges	0.1	(2.6)	0.3	–
Forward foreign exchange contracts – fair value hedges	–	(0.7)	–	–
Foreign exchange swaps – not in a hedge	0.4	(0.1)	0.2	(0.1)
	0.5	(3.4)	0.5	(0.1)

Derivative financial assets are presented within current other receivables (note 18) and derivative financial liabilities are presented within current other payables (note 22).

Net fair value gains on contracts that are not designated in a hedge relationship of $0.4m (2023 – $0.2m) were recognised in the consolidated income statement during the year, within net operating income and other expenses (note 4) and net finance expenses (note 8).

Notes to the Consolidated Financial Statements continued
28. Derivatives and Hedging continued

(b) Fair Value Hedge

Forward foreign exchange contracts have also been designated in a fair value hedge to hedge the foreign exchange movement in foreign currency trade receivables and payables during the year. The value of the forward foreign exchange contract matches the value of the trade receivables and payables and they move in opposite directions as a result of movements in the CAD/USD or CNY/USD exchange rates, being the hedged risk. Fair value losses of $1.3m (2023 – $nil) were recognised in the consolidated income statement in net operating income and other expenses (note 4) and net finance expenses (note 8) during the year. At the year-end, the fair value of derivative liabilities designated in a fair value hedge was $0.7m (2023 – $nil).

(c) Cash Flow Hedge

The Group entered into contracts to purchase materials from suppliers in a currency other than the relevant subsidiary's functional currency. Certain of these highly probable forecast transactions have been designated in a cash flow hedge relationship and hedged using forward foreign exchange contracts during the year. The value of the forward foreign exchange contract matches the value of the forecast inventory purchase and they move in opposite directions as a result of movements in the CAD/USD, EUR/USD, EUR/GBP, SGD/USD and the CNY/USD exchange rates, being the hedged risk. This will effectively result in recognising inventory at the fixed foreign currency rate for the hedged purchases. It is anticipated that the materials will be sold within 12 months after purchase, at which time the amount previously deferred in equity and included as part of the cost of inventory, will impact profit or loss as part of the cost of inventories sold.

The Group also entered into forward foreign exchange contracts to hedge certain receipts from customers and these highly probable forecast transactions have been designated in a cash flow hedge relationship. The value of the forward foreign exchange contract matches the value of the forecast cash flow and they move in opposite directions as a result of movements in the GBP/USD, and USD/EUR exchange rates, being the hedged risk. It is anticipated that the trade receivables will be collected within 12 months after the invoice is issued, at which time the amount previously deferred in equity, will be taken to profit or loss.

The Group's cash flow hedge reserve, which is disclosed as part of other components of equity in note 34, relates to the spot component of forward foreign exchange contracts. The movements in the hedging reserve during the year are shown in note 34.

Fair value losses of $1.5m (2023 – $0.2m gains) were recognised in the consolidated income statement in net operating income and other expenses (note 4) and net finance expenses (note 8) during the year.

The effects of outstanding forward foreign exchange contracts on the Group's financial position and performance are as follows:

		2024	2023
Carrying amount of the forward foreign exchange contracts (net)	$m	**(2.5)**	0.3
Notional amount of the forward foreign exchange contracts	$m	**90.7**	23.1
Maturity date		**2 January 2025 to 30 July 2025**	2 January 2024 to 24 June 2024
Hedge ratio[i]		**1:1**	1:1
Change in value of hedged item used to determine hedge effectiveness	$m	**(2.5)**	(0.3)

i. The forward foreign exchange contracts are denominated in the same currency as the highly probable forecast transactions to match the exposed currency risk, therefore the hedge ratio is 1:1.

Immaterial changes in the forward points, the differential between the forward rate and the market spot rate, have been recognised in the consolidated income statement during the year and previous year.

(d) Hedge Effectiveness

Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic hedge relationship exists between the hedged item and the hedging instrument.

For hedges of foreign currency purchases, the Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The Group, therefore, performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the forward foreign exchange contract, then the Group uses the hypothetical derivative method to assess effectiveness. Ineffectiveness may arise if there is a change in the timing of the forecast transaction from what was originally estimated or from a change in the US Dollar amount charged and invoiced. A possible source of ineffectiveness is also a change in credit risk of either party to the derivative. However, any change in credit risk is not expected to be material.

Notes to the Consolidated Financial Statements continued

29. Financial Instruments

This note provides information about the Group's financial instruments, including an overview of all financial instruments held by the Group; specific information about each type of financial instrument; and information about determining the fair value of the instruments, including judgements and estimation uncertainty involved.

The Group's exposure to various risks associated with the financial instruments is disclosed in note 30. 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 30.

(a) Financial Instruments at Amortised Cost

The carrying values of the Group's financial instruments at amortised cost are as follows:

	2024 $m	2023 $m
Financial assets at amortised cost:		
Trade and other receivables (note 18):		
Trade receivables	**195.0**	204.7
Accrued revenue	**3.2**	2.5
Other receivables – non-current	**2.4**	–
Other receivables – current[i]	**2.4**	1.6
Less: provisions for impairment	**(3.7)**	(3.5)
Cash and cash equivalents (note 21):		
Cash at bank and in hand	**78.1**	45.5
Short-term deposits with less than 3 months to maturity	**51.8**	–
	329.2	250.8
Financial liabilities at amortised cost:		
Trade and other payables[ii] (note 22):		
Trade payables	**(41.4)**	(62.5)
Accruals – current[iii]	**(22.8)**	(24.2)
Other payables – current[iv]	**(94.8)**	(2.8)
Lease liabilities – current and non-current (note 24)	**(30.1)**	(28.7)
Borrowings (note 25):		
Shareholder loan from non-controlling interest	**(3.9)**	(3.9)
Bank borrowings secured	**(100.4)**	(44.9)
Bank overdrafts secured	**(1.5)**	(1.4)
	(294.9)	(168.4)

i. Excludes non-financial assets of $3.5m (2023 – $1.0m) and those financial assets measured at fair value of $0.5m (2023 – $0.5m).
ii. Excludes non-current payables of $2.6m (2023 – $1.1m) as these are non-financial liabilities.
iii. Excludes accruals of $24.3m (2023 – $26.5m) recognised under IAS 19 and IFRS 2 that are outside the scope of IFRS 7.
iv. Excludes non-financial liabilities of $0.2m (2023 – $0.3m) and financial liabilities measured at fair value of $3.4m (2023 – $0.1m).

Amounts recognised in profit or loss in relation to financial instruments carried at amortised cost were:

	2024 $m	2023 $m
Net foreign exchange (losses)/gains included in operating income and other operating expenses (note 4)	**(0.5)**	0.8
Net foreign exchange losses included in net finance expense (note 8)	**(0.6)**	(0.5)
Interest received on bank balances and deposits (note 8)	**0.5**	0.2
Bank fees and commissions (note 8)	**(3.4)**	(2.9)
Other finance expense (note 8)	**(1.7)**	(0.1)

(b) Financial Instruments Measured at Fair Value

(i) Valuation Techniques used to Determine Fair Values

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

Money market funds are debt instruments measured at fair value through profit or loss ("FVTPL"), with the fair value based on their current bid prices in an active market, which is considered to be the most representative of fair value, at the balance sheet date.

The listed equity investments and mutual funds (note 17) are equity instruments measured at FVTPL, with the fair value based on their current bid prices in an active market, which is considered to be the most representative of fair value, at the balance sheet date.

The fair value of the convertible financing provided to Wells Data Labs was determined by considering the probability weighted average discounted cash flows of the different scenarios using a discount rate of 13% (2023 – 13%). The most significant unobservable inputs to the fair value calculation are the probabilities of a conversion to equity and change of control assumptions. The fair value at 31 December 2024 was $2.2m (2023 – $2.2m) (note 17), with a fair value loss of $nil (2023 – $0.7m) recognised in net finance expense during the year (note 8). At 31 December 2024, management considers there to be no reasonable changes in unobservable inputs that would result in a significant change in fair value.

The following instruments do not qualify for measurement at either amortised cost or at fair value through other comprehensive income ("FVTOCI"). Therefore, they are financial instruments that have mandatorily been measured at FVTPL:

- The fair value of forward foreign exchange contracts is determined by comparing the cash flows generated by the contract with the coterminous cash flows potentially available in the forward foreign exchange market on the balance sheet date. Details of the fair value gains and losses recognised during the year on derivative contracts are given in note 28; and
- The fair value of foreign currency swaps is determined by calculating the present value of the estimated future cash flows in each currency for both legs of the swap based on observable yield curves. One leg's present value is converted into the other currency using the current spot exchange rate.

Notes to the Consolidated Financial Statements continued
29. Financial Instruments continued

(b) Financial Instruments Measured at Fair Value continued

(ii) 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 year-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 year.

	Fair value at 31 December 2024 $m	Level 1 $m	Level 2 $m	Level 3 $m
Equity instruments at FVTPL				
Listed equity investments and mutual funds	**2.6**	**2.6**	**–**	**–**
Debt instruments at FVTPL				
Wells Data Labs convertible financing	**2.2**	**–**	**–**	**2.2**
Money market funds	**76.7**	**76.7**	**–**	**–**
Current derivatives in a hedge				
Derivative financial assets	**0.1**	**–**	**0.1**	**–**
Derivative financial liabilities	**(3.3)**	**–**	**(3.3)**	**–**
Current derivatives held for trading				
Derivative financial assets	**0.4**	**–**	**0.4**	**–**
Derivative financial liabilities	**(0.1)**	**–**	**(0.1)**	**–**
	78.6	**79.3**	**(2.9)**	**2.2**

	Fair value at 31 December 2023 $m	Level 1 $m	Level 2 $m	Level 3 $m
Equity instruments at FVTPL				
Listed equity investments and mutual funds	2.2	2.2	–	–
Debt instruments at FVTPL				
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 year-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 and money market 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 Wells Data Labs convertible financing is a Level 3 measurement as per the fair value hierarchy.

(iii) Amounts Recognised in Profit or Loss

During the year, the following gains and losses were recognised in relation to financial instruments measured at FVTPL:

	2024 $m	2023 $m
Fair value gains on the listed equity investments and mutual funds (note 8)	**0.2**	0.1
Fair value loss on Wells Data Labs convertible financing (note 8)	**–**	(0.7)
Fair value gains on money market funds (note 8)	**0.9**	–
Fair value gains on financial instruments mandatorily measured at FVTPL:		
Net fair value (losses)/gains on derivative financial instruments (note 4)	**(0.5)**	0.3
Net fair value (losses)/gains on derivative financial instruments (note 8)	**(1.9)**	0.1

The fair value gains on the listed investments and mutual funds and the Wells Data Labs convertible financing are unrealised gains recognised in profit or loss attributable to balances held at the end of the reporting period.

(iv) Fair Values of Other Financial Instruments Carried at Amortised Cost

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

Notes to the Consolidated Financial Statements continued

30. Financial Risk Management

The Group's activities expose it to certain financial risks, namely market risk (including foreign exchange risk and interest rate risk), as well as 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.

There are clearly defined objectives and principles for managing financial risks established by the Board of Directors, with policies, parameters and procedures covering the specific areas of funding, banking relationships, foreign exchange and interest rate exposures and cash management, together with the investment of surplus cash. The Group's treasury function is responsible for implementing the policies and for providing a centralised service to the Group for funding, foreign exchange and interest rate management and counterparty risk management. It is also responsible for identifying, evaluating and hedging financial risks in close cooperation with the Group's operating companies.

(a) Market Risk: Foreign Exchange Risk

The Group's international base is exposed to foreign exchange risk from its investing, financing and operating activities, particularly in respect of Sterling, Chinese Renminbi, Saudi Arabia Riyal and Canadian Dollars. Foreign exchange risks arise from future commercial transactions and cash flows, and from recognised monetary assets and liabilities that are not denominated in the functional currency of the Group's local operations.

Foreign exchange rates that the Group has the largest exposures to are:

	Sterling		Chinese Renminbi		Saudi Arabia Riyal		Canadian Dollars	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
Average exchange rate to US Dollars	**0.79**	0.80	**7.18**	7.07	**3.75**	3.75	**1.36**	1.35
Year-end exchange rate to US Dollars	**0.80**	0.79	**7.30**	7.08	**3.75**	3.75	**1.44**	1.33

The aggregate net foreign exchange losses recognised in profit or loss during the year were $1.1m (2023 – $0.3m gains).

(i) Transactional Risk

The exposure to exchange rate movements in significant future commercial transactions and cash flows is hedged by using forward foreign exchange contracts. Certain forward foreign exchange contracts have been designated as hedging instruments of highly probable forecast transactions. Treasury engages with business units to help identify transactional exposures. External hedging activity is then performed by Treasury on behalf of the business units to ensure that transactional risk is managed appropriately and in accordance with Treasury policy. Exposures are also identified and hedged, if necessary, on an ad hoc basis, such as when a purchase order in a foreign currency is placed. Currency exposures arise where the cash flows are not in the functional currency of the entity. Exposures arising from committed long-term projects beyond a 12-month period are also identified.

Notes to the Consolidated Financial Statements continued
30. Financial Risk Management continued

(a) Market Risk: Foreign Exchange Risk continued

(i) Transactional Risk continued

The table below shows the carrying values of the Group's financial instruments at 31 December, including derivative financial instruments, on which exchange differences would potentially be recognised in the consolidated income statement in the following year.

At 31 December 2024	Currency of denomination Sterling $m	US Dollars $m	UAE Dirham $m	Singapore Dollars $m	Saudi Arabia Riyal $m	Chinese Renminbi $m	Other currencies $m	Total $m
Functional currency of Group's entities:								
Sterling	–	2.5	–	–	–	–	0.2	2.7
US Dollars	(1.3)	–	(3.7)	0.5	–	(40.5)	1.3	(43.7)
Saudi Riyals	(0.3)	(2.0)	(0.1)	–	–	–	–	(2.4)
Euro	(0.2)	3.9	–	–	–	–	(0.2)	3.5
Other currencies	–	(1.0)	–	–	–	–	–	(1.0)
	(1.8)	3.4	(3.8)	0.5	–	(40.5)	1.3	(40.9)

At 31 December 2023	Currency of denomination Sterling $m	US Dollars $m	UAE Dirham $m	Singapore Dollars $m	Saudi Arabia Riyal $m	Chinese Renminbi $m	Other currencies $m	Total $m
Functional currency of Group's entities:								
Sterling	–	(1.0)	–	–	–	–	–	(1.0)
US Dollars	(2.0)	–	(1.7)	(0.6)	2.2	(1.6)	(0.2)	(3.9)
Canadian Dollars	–	(0.5)	–	–	–	–	–	(0.5)
Euro	(0.2)	1.1	–	–	–	–	–	0.9
Chinese Renminbi	–	(0.5)	–	–	–	–	–	(0.5)
	(2.2)	(0.9)	(1.7)	(0.6)	2.2	(1.6)	(0.2)	(5.0)

Financial instruments comprise cash balances, trade and other receivables, accrued revenue, trade and other payables, accrued expenses, finance lease liabilities and intra-Group balances. Derivatives designated in a cash flow hedge are excluded as fair value gains and losses arising on these are recognised in other comprehensive income.

(ii) Translational Risk

Foreign exchange risk also arises from financial assets and liabilities not denominated in the functional currency of an entity's operations. Forward foreign exchange contracts are used to manage the exposure to changes in foreign exchange rates. Where appropriate, hedge accounting is applied to the forward foreign exchange contracts and the hedged item to remove any accounting mismatch.

Foreign exchange risk also arises from the Group's investments in foreign operations. This has previously been hedged using foreign exchange swaps that have been designated in a net investment hedge to hedge the foreign currency translation risk. The foreign exchange exposure arising from the translation of its net investments in foreign operations into the Group's presentation currency of US Dollars has also previously been managed by designating any borrowings that are not US Dollar denominated as a hedge of the net investment in foreign operations. The foreign exchange exposure primarily arises from Sterling and Canadian Dollar denominated net investments. The accumulated foreign exchange net pre-tax gains included in the currency translation reserve in respect of net investment hedges at the beginning and end of the year is $25.0m.

(b) Market Risk: Interest Rate Risk

Variable interest rates on cash at bank, short-term deposits, overdrafts and borrowings expose the Group to cash flow interest rate risk, and fixed interest rates on loans and short-term deposits expose the Group to fair value interest rate risk. The Group's treasury function manages the Group's exposure to interest rate risk and uses interest rate swaps and caps, when considered appropriate.

Notes to the Consolidated Financial Statements continued
30. Financial Risk Management continued

(c) Credit Risk

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

At the year-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

Hunting PLC's Board approves the treasury policies that determine which counterparties can be used. Due diligence is carried out prior to the authorisation of a bank or financial institution as an approved counterparty. For banks and financial institutions, exposure limits are set for each approved counterparty, as well as the types of transactions that may be entered into. 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 the year-end, cash at bank and in hand totalled $78.1m (2023 – $45.5m), with $63.6m (2023 – $31.2m) deposited with banks with Fitch short-term ratings of F1 to F1+. Of the remaining $14.5m (2023 – $14.3m), $5.3m (2023 – $11.6m) was held with one (2023 – two) financial institution 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 ratings agencies mentioned above, an internal assessment determined that the banks' credit profiles were appropriate for the amounts held on deposit. There are no formal restrictions on this cash as such; however, 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 $1.6m at the year-end. In order for the Group to access the balance of $3.7m, a dividend would need to be declared.

During the year, the treasury function invested surplus cash in-line with its cash management and investment policies in short-term deposits and money market funds. The use of these deposits and funds enables the treasury function to diversify its counterparty concentration risk by depositing funds with various financial institutions and improve the yields on a portion of its surplus cash. The credit ratings of the financial institutions where the Group's total cash and bank balances have been invested are listed below:

	Credit rating		2024 $m	2023 $m
Cash at bank and in hand	Fitch	F1 to F1+	**63.6**	31.2
Cash at bank and in hand	n/a		**14.5**	14.3
Short-term deposits with less than 3 months to maturity	Fitch	F1 to F1+	**51.8**	–
Money market funds	Fitch	AAAmmf	**76.7**	–
Derivative financial assets	Fitch	AA-(dcr)	**0.4**	0.5
Derivative financial assets	Fitch	A+(dcr)	**0.1**	–

The credit risk of foreign exchange contracts is calculated before the contract is acquired and compared to the credit risk limit set for each counterparty. Credit risk is calculated as a fixed percentage of the nominal value of the instrument.

(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 $32,000 and 60 days overdue, and on quarterly average receivables balances. At the year-end, trade receivables of $137.7m (2023 – $179.4m) comprised individual balances greater than $0.2m, with no individual customer balance representing more than 8% (2023 – 9%) of the year-end receivables balance of $195.0m (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 used Credit Benchmark software to monitor the creditworthiness and changing credit profiles of its customers. Credit Benchmark uses a similar ratings framework to the main credit ratings agencies for classifying the credit quality of a business. However, Credit Benchmark ratings are based on contributed risk views from leading global financial institutions, including 15 Global Systemically Important Banks domiciled in the US, Continental Europe, Switzerland, UK, Japan, Canada, Australia and South Africa. The contributions are anonymised, aggregated and published twice monthly in the form of Credit Consensus Ratings and Aggregate Analytics. Although in most cases the Credit Benchmark consensus rating of a business is based on a number of contributing views, there are instances where there is only a single source on which the rating is based. During 2024, 44% of sales, which is more than $463m (2023 – 38%/$347m) of the Group's revenue, were made to customers with a Credit Benchmark investment-grade rating of bbb or higher, as shown in the table below. This includes customers with a single-source rating, whereby the rating is based on only a single source rather than a consensus rating which has been derived from a number of contributing views.

	% of Revenue	
Credit Benchmark – Credit Consensus Ratings	2024	2023
aa	**1**	8
a	**39**	22
bbb	**4**	8
bb	**8**	7
b	**3**	–
No rating	**45**	55

Notes to the Consolidated Financial Statements continued
30. Financial Risk Management continued

(c) Credit Risk continued
(ii) Credit Risk: Receivables continued
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 18.

(iii) Credit Risk: Other Financial Assets
The Group operates a defined benefit pension scheme in the US, which is unfunded. Contributions are paid into a separate investment vehicle and invested in a wide portfolio of US mutual funds. Investments at the year-end amounted to $2.6m (2023 – $2.2m) and are expected to be fully recovered.

The Group has provided Wells Data Labs with $2.5m in convertible financing, the fair value of which was $2.2m at 31 December 2024 (2023 – $2.2m). The investment is considered to have a low credit risk, although the credit risk of the debt instrument has increased since the loan was advanced. This increased risk has been reflected in the fair value calculation of the debt instrument.

(d) 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 $432.4m (2023 – $193.8m) at the year-end.

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

	2024 $m	2023 $m
Secured committed facilities	**200.0**	103.1
Unsecured uncommitted facilities	**40.1**	34.4
	240.1	137.5

Secured Committed Facilities: Term Loan and Revolving Credit Facility ("RCF")
In October 2024, the Group entered into $300m of new committed borrowing facilities to finance the ongoing working capital requirements of the existing business and to support Hunting's growth strategy. The new funding arrangements comprise a $200m RCF and a $100m term loan. These facilities replace the now cancelled $150m Asset Based Lending ("ABL") facility, increasing the Group's access to committed liquidity and extending the maturity of bank borrowing facilities.

A conventional earnings-based covenant regime governs the new facilities and includes a leverage test (being the ratio of total net debt to adjusted EBITDA not exceeding 3.0:1) and an interest cover test (being the ratio of consolidated EBITDA to consolidated net finance charges not being less than 4.0:1).

The RCF has been arranged with an initial tenor of four years, expiring on 16 October 2028, with an option that allows the Group to extend the contracted maturity date by an additional twelve-month term. Like the ABL facility, the new RCF contains an accordion feature. This allows the Group to increase the facility quantum by an additional $100m (subject to further credit approval from the relevant lenders) enabling an increase of the total RCF to $300m.

The $100m term loan has been arranged with a three-year tenor and pursuant to the conditions of the facility agreement, was fully drawn on signing of the facilities. After an initial twelve-month grace period, the term loan is repaid with eight quarterly repayments of $9.4m and a final repayment of $25.0m in September 2027. On signing of the new facilities, the ABL facility was repaid and cancelled, with drawings under the new term loan used in part for this purpose.

Management has detailed the wider considerations regarding going concern and future covenant compliance in the Going Concern Statement on page 111.

In order to support the sizable orders from Kuwait Oil Company received during 2024, the Group utilises letter of credit discounting arrangements and bank acceptance drafts 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. The facilities comprise the Bank of Jiangsu for CNY80.0m, ICBC for CNY210.0m, HSBC China for CNY540.0m and a final facility with China Merchants Bank for CNY100.0m. All of these facilities mature in 2025. These facilities, totalling CNY930.0m ($127.4m; 31 December 2023 – $38.9m), have all been arranged on an uncommitted, unsecured basis and are only available to the Group's Chinese subsidiary. Utilisation of the facilities can occur through cash borrowing or trade finance, including bank acceptance drafts. At 31 December 2024, $92.4m of the facilities were utilised (31 December 2023 – $9.4m).

Notes to the Consolidated Financial Statements continued
30. Financial Risk Management continued

(d) 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 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 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 its 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.

Cash Management Arrangements

In respect of the UK business units and head office companies, the treasury function has arranged a cash concentration structure with HSBC Bank UK whereby, at the close of each business day, any surplus balances held in certain subsidiaries' bank accounts are swept to treasury-owned accounts ("pool header" accounts), with a corresponding adjustment to the intercompany loan receivable, or payable, between that subsidiary and treasury. Similarly, any end-of-day deficit in the same group of subsidiary accounts is funded by a cash sweep from the treasury-owned pool header accounts, and the corresponding intercompany loan is adjusted accordingly. This arrangement enables more efficient utilisation of UK-based entities' surplus cash and at the same time allows the treasury function to meet any short-term funding needs of the UK business units in a more coordinated fashion and from one single pool of liquidity.

In addition, a similar cash concentration structure has been organised with Wells Fargo Bank, N.A. in the US, whereby surplus and deficit cash balances are swept to and from a single pool header account, held by one central US subsidiary, with a corresponding movement in the respective companies' intercompany loan balance. Treasury has systems in place that allow for same-day centralisation of net surplus cash balances in the US to the UK, or indeed to fund any net cash deficit in the US cash concentration structure. As above, this arrangement allows treasury to efficiently repatriate surplus operational cash from the US to the UK on a daily basis, if deemed cost effective to do so, and the most appropriate application of that cash can then be decided upon by treasury. This arrangement also allows treasury to meet any short-term funding needs of the Group's US-based business units from cash resources held in, or borrowing facilities that have been arranged by, treasury in the UK.

For other regions, such as Canada and Singapore, while formal sweeping arrangements are not in place, treasury monitors balances on a daily basis and periodically transfers surplus cash to the centre using similar intercompany loan arrangements as described above. The Group's interests in China are subject to the most highly regulated environment of all the Group's active jurisdictions, in regards to cash management operations. The free movement of cash both to and from China is a highly restricted activity and, as a consequence, treasury is unable to arrange intercompany loans in the same way as it does for the rest of the Group. Treasury has organised banking arrangements with HSBC in China on behalf of the Group's Chinese business units and, therefore, has visibility of any cash balances held with HSBC and transaction data for these accounts via HSBC's proprietary online banking system. For balances held at other Chinese banks, treasury has visibility either via its SWIFT connection or from information supplied by Hunting's local entity.

Deposits and Investments of Surplus Cash

Short-term deposits and money market funds are held for the purpose of meeting short-term cash commitments, minimising counterparty concentration risk and improving cash investment returns. Short-term deposits of surplus cash are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group. These deposits earn interest at the respective short-term deposit rates. The Group has invested surplus cash in money market funds as they are considered to be highly liquid since cash can be redeemed from each fund on a same-day basis. The yield on the funds is calculated on the daily performance of the various instruments with a particular fund.

During the year, the treasury function has invested surplus cash in short-term deposits ($51.8m) and money market funds ($76.7m) in line with its cash management and investment policies that would enable a fair return, while maintaining the ability to access the cash easily. At the end of 2023, no surplus cash was held in deposits or money market funds. The use of these deposits and funds enables the treasury function to diversify its counterparty concentration risk by depositing funds with various financial institutions and improve the yields on a portion of its surplus cash. The interest received and gains made during the year are disclosed in note 8.

Cash at bank earns interest at floating rates based on daily bank deposit rates.

(iii) Future Cash Flows of Financial Liabilities

The following tables analyse the expected timings of cash outflows for each of the Group's non-derivative financial liabilities. The tables analyse the cash outflows into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity dates of the financial liabilities. The amounts disclosed in the tables are the contractual, undiscounted cash flows and include interest cash flows and other contractual payments, where applicable, so will not always reconcile with the amounts disclosed in the consolidated balance sheet. The carrying values are the amounts in the consolidated balance sheet and are the discounted amounts. Balances due within one year have been included in the maturity analysis at their carrying amounts, as the impact of discounting is not significant.

Notes to the Consolidated Financial Statements continued
30. Financial Risk Management continued

(d) Liquidity Risk continued
(iii) Future Cash Flows of Financial Liabilities continued

	2024				
	On demand or within one year $m	Between one and five years $m	After five years $m	Total $m	Carrying value $m
Non-derivative financial liabilities:					
Trade payables	41.4	–	–	41.4	41.4
Accruals	22.8	–	–	22.8	22.8
Other payables	94.8	–	–	94.8	94.8
Lease liabilities	7.7	19.9	8.2	35.8	30.1
Bank borrowings secured	18.2	108.5	–	126.7	100.4
Bank overdrafts secured	1.5	–	–	1.5	1.5
Shareholder loan from non-controlling interest	–	–	3.9	3.9	3.9
Total	**186.4**	**128.4**	**12.1**	**326.9**	**294.9**

	2023				
	On demand or within one year $m	Between one and five years $m	After five years $m	Total $m	Carrying value $m
Non-derivative financial liabilities:					
Trade payables	62.5	–	–	62.5	62.5
Accruals	24.2	–	–	24.2	24.2
Other payables	2.8	–	–	2.8	2.8
Lease liabilities	8.2	16.2	10.3	34.7	28.7
Bank borrowings secured	48.6	4.1	–	52.7	44.9
Bank overdrafts secured	1.4	–	–	1.4	1.4
Shareholder loan from non-controlling interest	–	–	3.9	3.9	3.9
Total	147.7	20.3	14.2	182.2	168.4

The Group had no net settled financial liabilities at the year-end (2023 – none).

The table below analyses the Group's derivative financial instruments, which will be settled on a gross basis, into maturity groupings based on the period remaining from the balance sheet date to the contractual maturity date.

The amounts disclosed in the table are the contractual, undiscounted cash flows.

	2024			2023		
	On demand or within one year $m	Between one and five years $m	Total $m	On demand or within one year $m	Between one and five years $m	Total $m
Currency derivatives:						
Inflows	276.3	–	276.3	58.2	–	58.2
Outflows	(279.7)	–	(279.7)	(57.9)	–	(57.9)

(e) Capital Risk Management
The Group's objectives, policies and processes for managing capital are outlined in the Strategic Report within the Group Funding section on pages 64 and 65. Within this section, the Group provides a definition of capital, provides details of the external financial covenants imposed, key measures for managing capital and the objectives for managing capital. Quantitative disclosures are made together with the parameters for meeting external financial covenants.

31. Financial Instruments: Sensitivity Analysis

The following sensitivity analysis is intended to illustrate the sensitivity to changes in market variables on the Group's financial instruments and show the impact on profit or loss and shareholders' equity. Financial instruments affected by market risk include cash at bank and in hand, trade and other receivables, trade and other payables, lease liabilities, borrowings and derivative financial instruments. The sensitivity analysis relates to the position as at 31 December 2024. The analysis excludes the impact of movements in market variables on the carrying value of pension and other post-retirement obligations, provisions and non-financial assets and liabilities of foreign operations.

The following assumptions have been made in calculating the sensitivity analysis:

- Foreign exchange rate and interest rate sensitivities have an asymmetric impact on the Group's results, that is an increase in rates does not result in the same amount of movement as a decrease in rates;
- For floating rate assets and liabilities, the amount of asset or liability outstanding at the balance sheet date is assumed to be outstanding for the whole year;
- Fixed-rate financial instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of this analysis; and
- The carrying values of financial assets and liabilities carried at amortised cost do not change as interest rates change.

Positive figures represent an increase in profit or equity.

Notes to the Consolidated Financial Statements continued
31. Financial Instruments: Sensitivity Analysis continued

(a) Interest Rate Sensitivity

(i) UK Interest Rates
The sensitivity rate of 1.0% (2023 – 2.0%) for UK interest rates represents management's assessment of a reasonably possible change, based on historical volatility and a review of analysts' research and banks' expectations of future interest rates.

The impact on the consolidated income statement, with all other variables held constant, in applying the sensitivity above results in a $0.5m (2023 – $nil) increase or decrease in post-tax profit for an increase or decrease in US interest rates. There is no impact on other comprehensive income ("OCI") for a change in US interest rates.

(ii) Other Interest Rates
For all other interest rates, there is an immaterial impact on post-tax profit or loss for any reasonably possible changes in other interest rates, based on historical volatility and a review of analysts' research and banks' expectations of future interest rates. There is no impact on OCI for a change in other interest rates.

(b) Foreign Exchange Rate Sensitivity

Management has considered the impact of changes to the various foreign exchange rates on the exposed financial assets and liabilities disclosed in note 30(a)(i). The sensitivity rates selected range between 2% and 7% and represent management's assessment of a reasonably possible change, based on historical volatility and a review of analysts' research and banks' expectations of future foreign exchange rates. There is an immaterial impact on post-tax profit or loss and on OCI for any reasonably possible changes in the foreign exchange rates.

32. Post-employment Benefits

(a) Defined Contribution Arrangements

A number of defined contribution arrangements, which are open to current employees, are operated across the Group. Employer contributions to these arrangements are charged directly to profit and loss and in 2024 these totalled $9.3m (2023 – $8.2m).

(b) Unfunded Defined Benefit Schemes

(i) US Defined Benefit Scheme
The Group operates a cash balance arrangement in the US for certain executives. Members build up benefits in this arrangement by way of notional contributions and notional investment returns. Actual contributions are paid into an entirely separate investment vehicle held by the Group, which is used to pay benefits due from the arrangement when a member retires. Under IAS 19, the cash balance arrangement is accounted for as an unfunded defined benefit scheme.

The amounts charged to the consolidated income statement during the year were $0.1m (2023 – $0.2m) reflecting the employer's current service cost of $0.2m (2023 – $0.2m) charged to administrative expenses and a net $0.1m credit (2023 – $nil) relating to fair value gains on the listed equities and mutual funds and interest charged on the benefit obligations.

Movements in the present value of the obligation for the unfunded defined benefit US deferred compensation plan

	2024 $m	2023 $m
Present value of the obligation at the start of the year	**2.2**	1.9
Current service cost (equal to the notional contributions)	**0.2**	0.2
Contributions by plan participants	**0.2**	–
Remeasurement – excess of notional investment returns over interest cost	**0.1**	–
Interest on benefit obligations	**0.1**	0.1
Benefits paid	**(0.2)**	–
Present value of the obligation at the end of the year	**2.6**	2.2

The obligation of $2.6m (2023 – $2.2m) is presented in the consolidated balance sheet in non-current payables (note 22).

(ii) Middle East Defined Benefit Schemes
The Group operates two unfunded defined benefit pension schemes in Dubai and Saudi Arabia, whereby local law requires payment to be made to an employee when they leave their employment with the business unit based on their salary and number of years of service. The combined obligation at the year-end was $1.1m (2023 – $0.8m), with $0.3m (2023 – $0.1m) recognised in the consolidated income statement during the year. The obligation is presented in non-current other payables (note 22).

33. Share Capital and Share Premium

The Company's share capital comprises a single class of Ordinary shares, which are classified as equity.

	Ordinary shares of 25p each Number	Ordinary shares of 25p each $m	Share premium $m
At 1 January 2023 and 2024	164,940,082	66.5	153.0
Disposal of treasury shares	–	–	0.1
At 31 December 2024	**164,940,082**	**66.5**	**153.1**

There are no restrictions attached to any of the Ordinary shares in issue and all Ordinary shares carry equal voting rights. The rights attached to the Company's Ordinary shares are summarised on page 168. All of the Ordinary shares in issue are fully paid.

At 31 December 2024, 7,191,845 (2023 – 6,591,918) Ordinary shares were held by an Employee Benefit Trust. Details of the carrying amount are set out in note 35.

During 2024, the Company sold treasury shares where the proceeds exceeded the purchase price paid by the Company. The excess of $0.1m was transferred to the share premium account.

Notes to the Consolidated Financial Statements continued

34. Other Components of Equity

	2024					
	Merger reserve $m	**Share-based payments reserve $m**	**Currency translation reserve $m**	**Capital redemption reserve $m**	**Hedge reserve $m**	**Total $m**
At 1 January 2024	**–**	**19.9**	**(12.1)**	**0.8**	**0.1**	**8.7**
Exchange adjustments	**–**	**–**	**(4.0)**	**–**	**–**	**(4.0)**
Share options and awards:						
– value of employee services	**–**	**12.3**	**–**	**–**	**–**	**12.3**
– discharge	**–**	**(9.6)**	**–**	**–**	**–**	**(9.6)**
Fair value gains and losses:						
– losses arising on cash flow hedges during the year	**–**	**–**	**–**	**–**	**(0.8)**	**(0.8)**
– gains arising on cash flow hedges transferred to initial carrying value of hedged items	**–**	**–**	**–**	**–**	**(0.2)**	**(0.2)**
– gains arising on cash flow hedges reclassified to profit or loss	**–**	**–**	**–**	**–**	**(0.2)**	**(0.2)**
– taxation	**–**	**–**	**–**	**–**	**0.2**	**0.2**
At 31 December 2024	**–**	**22.6**	**(16.1)**	**0.8**	**(0.9)**	**6.4**

	Restated[i] 2023					
	Merger reserve $m	Share-based payments reserve $m	Currency translation reserve $m	Capital redemption reserve $m	Hedge reserve $m	Total $m
At 1 January 2023	11.8	15.9	(13.0)	0.8	0.3	15.8
Exchange adjustments	–	–	3.6	–	–	3.6
Share options and awards:						
– value of employee services	–	12.3	–	–	–	12.3
– discharge	–	(8.3)	–	–	–	(8.3)
Fair value gains and losses:						
– losses arising on cash flow hedges during the year	–	–	–	–	(0.3)	(0.3)
– losses arising on cash flow hedges transferred to initial carrying value of hedged items	–	–	–	–	0.3	0.3
– gains arising on cash flow hedges reclassified to profit or loss	–	–	–	–	(0.3)	(0.3)
– taxation	–	–	–	–	0.1	0.1
Transfer between reserves (note 35)	(11.8)	–	(2.7)	–	–	(14.5)
At 31 December 2023	–	19.9	(12.1)	0.8	0.1	8.7

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

The merger reserve comprises the proceeds received, net of transaction costs, in excess of the nominal value of the Ordinary shares issued by way of the share placing completed on 31 October 2016. In accordance with section 612 of the Companies Act 2006, the premium was credited to the merger reserve, instead of to the share premium account, because the share placing was pursuant to the Company securing over 90% of another entity. The proceeds were used to pay down the Group's borrowings at that time. The reserve is currently non-distributable and is transferred to distributable retained earnings when the proceeds meet the definition of qualifying consideration. During 2023, the remaining balance of $11.8m was transferred from the merger reserve to retained earnings. This portion of the 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.

Notes to the Consolidated Financial Statements continued
34. Other Components of Equity continued

The share-based payments reserve represents the Group's obligation to settle share-based awards issued to its employees. When employees exercise their awards, the portion of the share-based payments reserve which represents the share-based payment charge for those awards is transferred to retained earnings and the Group discharges its obligation.

The currency translation reserve contains the accumulated foreign exchange differences that arise from the translation of the financial statements of the Group's foreign operations into US Dollars when the Group's entities are consolidated, together with exchange differences arising on foreign currency loans used to finance foreign currency net investments. The currency translation reserve also includes the accumulated foreign exchange net gains in respect of net investment hedges, which will be released to the income statement on the disposal or dissolution of the relevant subsidiary. During 2023, there was a transfer of $2.7m between the currency translation reserve and retained earnings.

The capital redemption reserve is a statutory, non-distributable reserve into which amounts are transferred following the purchase of the Company's own shares out of distributable profits.

The hedge reserve represents the accumulated fair value gains and losses in relation to the spot component of forward foreign exchange contracts designated in a cash flow hedge that were taken out to hedge the purchase of an asset, such as property, plant and equipment or inventory, in a foreign currency. The fair value gain or loss accumulated in the hedge reserve is transferred to the cost of the asset when it is acquired.

35. Retained Earnings

	2024 $m	Restated[i] 2023 $m
At 1 January	**718.6**	609.3
(Loss)/profit for the year	**(28.0)**	110.3
Remeasurement of defined benefit pension schemes net of tax (note 32)	**(0.1)**	–
Dividends paid to Hunting PLC shareholders	**(16.7)**	(15.0)
Treasury shares:		
– purchase of treasury shares	**(14.2)**	(9.0)
– proceeds on disposal of treasury shares	**0.2**	0.3
Share options and awards:		
– discharge	**9.0**	7.9
– taxation	**2.0**	0.3
Transfer between reserves (note 34)	**–**	14.5
At 31 December	**670.8**	718.6

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

The share options and awards taxation taken directly to equity of $2.0m (2023 – $0.3m) comprises a deferred tax credit of $1.4m (2023 – $0.3m) and a current tax credit of $0.6m (2023 – $nil).

Retained earnings include the following amounts in respect of the carrying amount of treasury shares:

	2024 $m	2023 $m
Cost:		
At 1 January	**(22.2)**	(19.2)
Purchase of treasury shares	**(14.2)**	(9.0)
Cost of treasury shares disposed	**7.9**	6.0
At 31 December	**(28.5)**	(22.2)

At 31 December 2024, 7,191,845 Ordinary shares were held by the Employee Benefit Trust (2023 – 6,591,918). The Company purchased 2,917,742 (2023 – 2,935,096) additional treasury shares during the year for $14.2m (2023 – $9.0m). The loss on disposal of treasury shares during the year, which is recognised in retained earnings, was $7.7m (2023 – $5.7m).

36. Dividends Paid to Hunting PLC Shareholders

	2024		2023	
	Cents per share	**$m**	Cents per share	$m
Ordinary dividends:				
2023 final dividend	**5.0**	**8.0**	–	–
2024 interim dividend	**5.5**	**8.7**	–	–
2022 final dividend	**–**	**–**	4.5	7.1
2023 interim dividend	**–**	**–**	5.0	7.9
	10.5	**16.7**	9.5	15.0

A final dividend for 2024 of 6.0 cents per share has been proposed by the Board, amounting to an estimated distribution of $9.5m. The proposed final dividend is subject to approval by the shareholders at the Annual General Meeting to be held on 16 April 2025 and has not been provided for in these financial statements. If approved, the dividend will be paid in Sterling on 9 May 2025, to shareholders on the register on 11 April 2025, and the Sterling value of the dividend payable per share will be fixed, and announced approximately two weeks prior to the payment date, based on the average spot exchange rate over the three business days preceding the announcement date. Guidance on the Company's position on declaring and paying future dividends is provided within the Strategic Report on page 11.

Notes to the Consolidated Financial Statements continued

37. Share-based Payments

(a) 2009 Performance Share Plan ("PSP")

(i) Time-based Awards and Options

The Company granted nil-cost, time-based share awards and options under the PSP between 2009 and 2013. Annual awards were made to employees, subject to continued employment during the vesting period. There were no performance conditions attached. The final grant under the PSP occurred in 2013 and vested in 2016 and option holders had seven years in which to exercise their vested awards. Share awards can only be exercised by the employees to whom they were granted. The PSP was replaced by the 2014 Hunting Performance Share Plan following shareholder approval at the Annual General Meeting ("AGM") of the Company on 16 April 2014. Details of the time-based share option movements during the year are as follows:

	2024 Number of shares	2023 Number of shares
Outstanding at the beginning of the year	**–**	1,001
Vested and exercised during the year	**–**	(1,001)
Outstanding and exercisable at the end of the year	**–**	–

The weighted average share price at the date of exercise during 2023 was 332.0 pence.

There are no time-based PSP awards or options outstanding at 31 December 2024 and there was no fair value charge to the consolidated income statement attributable to the time-based PSP (2023 – $nil).

(b) 2014 Hunting Performance Share Plan ("HPSP")

The Company granted share awards annually to executive Directors and senior employees under the rules of the 2014 HPSP between 2014 and 2023. Awards were granted as either performance or time-based options or awards at nil cost under the HPSP and can only be exercised by the employees to whom they were granted. Share options, which are subject to tax on exercise, are granted to UK employees. Share option holders have seven years in which to exercise their vested awards. Share awards, which are subject to tax on vesting, are granted to employees resident in some other tax jurisdictions.

(i) Performance-based Awards

The performance-based HPSP awards, which were granted to the executive Directors and senior employees, are divided into five tranches of differing proportions. Each tranche is subject to a three-year vesting period and Company performance is measured against various performance metrics, as shown in the table below.

The award weightings for the years 2022 and 2023 are in the table below.

Performance measure	Award weighting 2023 %	Award weighting 2022 %
Total Shareholder Return ("TSR") of a bespoke comparator group	20	25
Adjusted diluted earnings per share ("EPS")	20	20
Return on average capital employed ("ROCE")	25	20
Free cash flow ("FCF")	20	20
Balanced strategic scorecard – non-financial KPIs comprising Quality and Safety performance	15	15

Details of the performance-based HPSP award movements during the year are set out below:

	2024 Number of shares	2023 Number of shares
Outstanding at the beginning of the year	**7,829,492**	7,641,325
Granted during the year to executive Directors	**–**	1,231,216
Granted during the year to senior employees	**–**	1,263,083
Vested and exercised during the year	**(755,432)**	(178,211)
Lapsed during the year	**(1,648,749)**	(2,127,921)
Outstanding at the end of the year	**5,425,311**	7,829,492

Notes to the Consolidated Financial Statements continued
37. Share-based Payments continued

(b) 2014 Hunting Performance Share Plan ("HPSP") continued

(i) Performance-based Awards continued

Details of the performance-based HPSP awards outstanding at 31 December 2024 are as follows:

	2024 Number of shares	2023 Number of shares	Normal vesting date	Expiry date
Date of grant:				
3 March 2020 – options	–	1,566	3 March 2023	3 March 2030
4 March 2021 – options	–	365,499	4 March 2024	4 March 2031
4 March 2021 – awards	–	1,838,743	4 March 2024	–
4 March 2022 – options	**505,420**	505,420	4 March 2025	4 March 2032
4 March 2022 – awards	**2,636,297**	2,662,151	4 March 2025	–
6 March 2023 – options	**425,229**	425,229	6 March 2026	6 March 2033
6 March 2023 – awards	**1,858,365**	2,030,884	6 March 2026	–
Outstanding at the end of the year	**5,425,311**	7,829,492		
Exercisable at the end of the year	–	1,566		
Weighted average remaining contractual life of options outstanding at the end of the year	**7.64 years**	8.25 years		

In 2024, a total of 755,432 awards were exercised (2023 – 178,211). The weighted average share price at the date of exercise during 2024 was 310.8 pence (2023 – 230.4 pence).

(ii) Time-based Awards

The Company also grants time-based share awards annually to senior employees under the 2014 HPSP, which are subject to a three-year vesting period. Annual awards of shares may be made to employees subject to continued employment during the vesting period. There are no performance conditions attached. Details of the time-based HPSP award movements during the year are set out below:

	2024 Number of shares	2023 Number of shares
Outstanding at the beginning of the year	**5,698,418**	5,382,246
Granted during the year	–	2,143,469
Vested and exercised during the year	**(1,492,105)**	(1,434,673)
Lapsed during the year	**(278,458)**	(392,624)
Outstanding at the end of the year	**3,927,855**	5,698,418

In 2024, a total of 1,492,397 awards were exercised (2023 – 1,434,673). The weighted average share price at the date of exercise during 2024 was 316.1 pence (2023 – 251.1 pence).

Details of the time-based HPSP awards outstanding at 31 December 2024 are as follows:

	2024 Number of shares	2023 Number of shares	Normal vesting date	Expiry date
Date of grant:				
11 March 2016 – options	–	1,411	11 March 2019	11 March 2026
3 March 2017 – options	–	1,859	3 March 2020	3 March 2027
19 April 2018 – options	**2,816**	4,341	19 April 2021	19 April 2028
21 March 2019 – options	**5,719**	13,384	21 March 2022	21 March 2029
3 March 2020 – options	**19,429**	68,328	3 March 2023	3 March 2030
4 March 2021 – options	**31,895**	219,433	4 March 2024	4 March 2031
4 March 2021 – awards	**2,105**	1,005,865	4 March 2024	–
4 March 2022 – options	**347,465**	363,760	4 March 2025	4 March 2032
4 March 2022 – awards	**1,698,214**	1,961,409	4 March 2025	–
6 March 2023 – options	**342,346**	356,321	6 March 2026	6 March 2033
6 March 2023 – awards	**1,477,866**	1,702,307	6 March 2026	–
Outstanding at the end of the year	**3,927,855**	5,698,418		
Exercisable at the end of the year	**131,012**	89,323		
Weighted average remaining contractual life of options outstanding at the end of the year	**7.51 years**	8.14 years		

Notes to the Consolidated Financial Statements continued
37. Share-based Payments continued

(b) 2014 Hunting Performance Share Plan ("2014 HPSP") continued

(iii) Fair Value of HPSP Awards

The fair value of awards granted under the 2014 HPSP was calculated using two separate models:

(1) The fair value of awards subject to a market-related performance condition, specifically Company performance against the TSR of a bespoke peer group, was calculated using the Stochastic pricing model (also known as the "Monte Carlo" model).

The assumptions used in this model were as follows:

	2023
Date of grant/valuation date	6 March 2023
Weighted average share price at grant	277.0p
Exercise price	nil
Expected dividend yield	nil
Expected volatility	54.8%
Risk-free rate	3.84%
Expected life	3 years
Weighted average fair value at grant	156.6p

(2) The fair value of performance-based awards not subject to a market-related performance condition include the EPS, ROCE, FCF and balanced strategic scorecard performance targets, and the time-based HPSP awards, with the fair value being calculated using the Black-Scholes pricing model.

The assumptions used in this model were as follows:

	2023
Date of grant/valuation date	6 March 2023
Weighted average share price at grant	277.0p
Exercise price	nil
Expected dividend yield	nil
Expected volatility	54.8%
Risk-free rate	3.84%
Expected life	3 years
Weighted average fair value at grant	277.0p

The methods used to calculate the assumptions are described on page 234.

c) Cash Conditional Share Awards 2014 HPSP

The Company granted cash conditional awards annually to employees in certain overseas tax jurisdictions. These awards are aligned with the rules of the 2014 HPSP and are subject to employees' continued employment during the vesting period. Awards are granted at nil cost and are settled at the closing mid-market price of a Hunting PLC Ordinary share on the third anniversary of the date of grant.

(i) Performance-based Awards

The performance-based cash conditional awards to senior employees are divided into five tranches of differing proportions. Each tranche is subject to a three-year vesting period and Company performance is measured against various performance measures as shown in the table below.

The award weightings for the 2022 and 2023 awards were as follows:

Performance measure	Award weighting 2023 %	Award weighting 2022 %
TSR of a bespoke comparator group ("TSR")	20	25
Adjusted diluted earnings per share ("EPS")	20	20
Return on average capital employed ("ROCE")	25	20
Free cash flow ("FCF")	20	20
Strategic scorecard – non-financial KPIs comprising Quality and Safety performance	15	15

Details of the cash conditional performance-based award movements during the year are set out below:

	2024 Number of shares	2023 Number of shares
Outstanding at the beginning of the year	**540,150**	546,402
Granted during the year	**–**	158,991
Vested and exercise during the year	**(60,501)**	(12,392)
Lapsed during the year	**(129,191)**	(152,851)
Outstanding at the end of the year	**350,458**	540,150

Notes to the Consolidated Financial Statements continued
37. Share-based Payments continued

c) Cash Conditional Share Awards 2014 HPSP continued

(i) Performance-based Awards continued

Details of the cash conditional performance-based awards outstanding at 31 December 2024 are as follows:

	2024 Number of shares	2023 Number of shares	Normal vesting date
Date of grant:			
4 March 2021	**–**	176,897	4 March 2024
4 March 2022	**202,235**	204,262	4 March 2025
6 March 2023	**148,223**	158,991	6 March 2026
Outstanding at the end of the year	**350,458**	540,150	

The fair value of the cash conditional performance-based awards is calculated at the date of grant using the same assumptions and model as the fair value of the performance-based awards not subject to a market-related condition (see 37(b)(iii) above for 2023 grant). The weighted average fair value of the award at 31 December 2023 was 244.0 pence (2023 – 295.5 pence).

(ii) Time-based Awards

The Company also grants time-based cash conditional awards annually, which are subject to a three-year vesting period. Annual cash awards may be made to employees subject to continued employment during the vesting period. There are no performance conditions attached.

Details of the cash conditional time-based award movements during the year are set out below:

	2024 Number of shares	2023 Number of shares
Outstanding at the beginning of the year	**706,822**	532,437
Granted during the year	**–**	265,816
Vested and exercised during the year	**(116,097)**	(89,036)
Lapsed during the year	**(25,833)**	(2,395)
Outstanding at the end of the year	**564,892**	706,822

The weighted average share price at the date of exercise during 2024 was 318.1 pence (2023 – 282.0 pence).

Details of the cash conditional time-based awards outstanding at 31 December 2024 are as follows:

	2024 Number of shares	2023 Number of shares	Normal vesting date
Date of grant:			
4 March 2021	**7,043**	117,837	4 March 2024
4 March 2022	**313,596**	325,564	4 March 2025
6 March 2023	**244,253**	263,421	6 March 2026
Outstanding at the end of the year	**564,892**	706,822	
Exercisable at the end of the year	**40,319**	–	

The fair value of the cash conditional awards is calculated at the date of grant using the same assumptions and model as the fair value of performance-based awards not subject to a market-related performance condition (see 37(b)(iii) above for 2023 grant). The weighted average fair value of the award at 31 December 2024 was 289.0 pence (2023 – 295.5 pence).

d) 2024 Hunting Performance Share Plan ("HPSP")

The Company grants share awards annually to executive Directors and senior employees under the rules of the 2024 HPSP, following shareholder approval at the Annual General Meeting ("AGM") of the Company on 17 April 2024. Awards are granted as either performance or time-based awards at nil cost under the HPSP and can only be exercised by the employees to whom they were granted.

(i) Performance-based Awards

The performance-based HPSP awards granted to the executive Directors and senior employees are divided into five tranches of differing proportions. Each tranche is subject to a three-year vesting period and Company performance is measured against various performance metrics, as shown in the table below.

The performance period for awards granted on 18 April 2024 under the HPSP is 1 January 2024 to 31 December 2026. The vesting date of the 2024 award is 18 April 2027.

The award weightings for the 2024 awards are as follows:

Performance measure	Award weighting 2024 %
Total Shareholder Return ("TSR") of a bespoke comparator group	**30**
Return on average capital employed ("ROCE")	**25**
Adjusted diluted earnings per share ("EPS")	**15**
Free cash flow ("FCF")	**15**
Strategic scorecard – non-financial KPIs comprising Quality and Safety performance	**15**

Notes to the Consolidated Financial Statements continued
37. Share-based Payments continued

d) 2024 Hunting Performance Share Plan ("HPSP")

(i) Performance-based Awards continued

Details of the performance-based HPSP award movements during the year are set out below:

	2024 Number of shares
Outstanding at the beginning of the year	–
Granted during the year to executive Directors	820,963
Granted during the year to senior employees	1,085,471
Lapsed during the year	(149,050)
Outstanding at the end of the year	**1,757,384**

Details of the performance-based HPSP awards outstanding at 31 December 2024 are as follows:

	2024 Number of shares	Normal vesting date	Expiry date
Date of grant:			
18 April 2024 – awards	1,757,384	18 April 2027	–
Outstanding at the end of the year	**1,757,384**		
Exercisable at the end of the year	**–**		

In 2024, no awards were exercised.

(ii) Time-based Awards

The Company also grants time-based share awards annually to senior employees under the HPSP, which are subject to a three-year vesting period. Annual awards of shares may be made to employees subject to continued employment during the vesting period. There are no performance conditions attached. Details of the time-based HPSP award movements during the year are set out below:

	2024 Number of shares
Outstanding at the beginning of the year	–
Granted during the year	1,993,209
Vested and exercised during the year	(3,662)
Lapsed during the year	(157,924)
Outstanding at the end of the year	**1,831,623**

In 2024, a total of 3,662 awards were exercised. The weighted average share price at the date of exercise during 2024 was 392.2 pence.

Details of the time-based HPSP awards outstanding at 31 December 2024 are as follows:

	2024 Number of shares	Normal vesting date	Expiry date
Date of grant:			
18 April 2024 – awards	1,831,623	18 April 2027	–
Outstanding at the end of the year	**1,831,623**		
Exercisable at the end of the year	**1,991**		

(iii) Fair Value of HPSP Awards

The fair value of awards granted under the HPSP is calculated using two separate models:

(1) The fair value of awards subject to a market-related performance condition, specifically Company performance against the TSR of a bespoke peer group, has been calculated using the Stochastic pricing model (also known as the "Monte Carlo" model).

The assumptions used in this model were as follows:

	2024
Date of grant/valuation date	18 April 2024
Weighted average share price at grant	354.0p
Exercise price	nil
Expected dividend yield	nil
Expected volatility	50.82%
Risk-free rate	4.35%
Expected life	3 years
Weighted average fair value at grant	274.37p

Notes to the Consolidated Financial Statements continued
37. Share-based Payments continued

(d) 2024 Hunting Performance Share Plan ("HPSP") continued

(iii) Fair Value of HPSP Awards continued

(2)The fair value of performance-based awards not subject to a market-related performance condition include the EPS, ROCE, FCF and balanced strategic scorecard performance targets, and the time-based HPSP awards, with the fair value being calculated using the Black-Scholes pricing model.

The assumptions used in this model were as follows:

	2024
Date of grant/valuation date	**18 April 2024**
Weighted average share price at grant	**354.0p**
Exercise price	**nil**
Expected dividend yield	**nil**
Expected volatility	**50.82%**
Risk-free rate	**4.35%**
Expected life	**3 years**
Weighted average fair value at grant	**354.0p**

The methods to calculate the assumptions for both models are:

- The expected volatility was calculated using historic weekly volatility, equal in length to the remaining portion of the performance period at the date of grant;
- The expected life of the award has been calculated commensurate with the vesting period;
- The risk-free rate is based on the zero coupon UK government bond yield commensurate with the vesting period prevailing at the date of grant;
- Participants are entitled to a dividend equivalent over the number of shares that make up their award. It is accumulated over the vesting period and released subject to the achievement of the performance conditions. This is factored into the fair value calculation and as a result the dividend yield assumption is set to zero; and
- The initial accounting charge of the performance-based HPSP awards granted under the HPSP incorporates an estimate of the number of shares that are expected to lapse for those participants who cease employment during the vesting period. The estimate of the expected forfeiture rate is 5% per annum. The subsequent accounting charge includes an adjustment to the initial accounting charge to allow for actual lapses rather than estimated lapses.

(e) Cash Conditional Share Awards 2024 HPSP

The Company also grants cash conditional awards annually to employees in certain overseas tax jurisdictions. These awards are aligned with the rules of the 2024 HPSP and are subject to employees continued employment during the vesting period. Awards are granted at nil cost and are settled at the closing mid-market price of a Hunting PLC Ordinary share on the third anniversary of the date of grant.

(i) Performance-based Awards

The performance-based cash conditional awards to senior employees are divided into five tranches of differing proportions. Each tranche is subject to a three-year vesting period and Company performance is measured against various performance measures as shown in the table below. The performance period for the 2024 awards is 1 January 2024 to 31 December 2026.

The award weightings for the 2024 awards are shown in the table below:

Performance measure	Award weighting 2024 %
TSR of a bespoke comparator group	**30**
Return on average capital employed ("ROCE")	**25**
Adjusted diluted earnings per share ("EPS")	**15**
Free cash flow ("FCF")	**15**
Balanced strategic scorecard – non-financial KPIs comprising Quality and Safety performance	**15**

Details of the cash conditional performance-based award movements during the year are set out below:

	2024 Number of shares
Outstanding at the beginning of the year	**–**
Granted during the year	**126,120**
Lapsed during the year	**(16,662)**
Outstanding at the end of the year	**109,458**

Notes to the Consolidated Financial Statements continued
37. Share-based Payments continued

(e) Cash Conditional Share Awards 2024 HPSP continued

(i) Performance-based Awards continued

Details of the cash conditional performance-based awards outstanding at 31 December 2024 are as follows:

	2024 Number of shares	Normal vesting date
Date of grant:		
18 April 2024	**109,458**	18 April 2027
Outstanding at the end of the year	**109,458**	

The fair value of the cash conditional performance-based awards is calculated at the date of grant using the same assumptions and model as the fair value of the performance-based awards not subject to a market-related condition (see 37(d)(iii) above). The weighted average fair value of the award at 31 December 2024 was 86.7 pence.

(ii) Time-based Awards

The Company also grants time-based cash conditional awards annually, which are subject to a three-year vesting period. Annual cash awards may be made to employees subject to continued employment during the vesting period. There are no performance conditions attached.

Details of the cash conditional time-based award movements during the year are set out below:

	2024 Number of shares
Outstanding at the beginning of the year	**–**
Granted during the year	**223,353**
Vested and exercised during the year	**(1,419)**
Lapsed during the year	**(21,722)**
Outstanding at the end of the year	**200,212**

The weighted average share price at the date of exercise during 2024 was 406.0 pence.

Details of the cash conditional time-based awards outstanding at 31 December 2024 are as follows:

	2024 Number of shares	Normal vesting date
Date of grant:		
18 April 2024	**200,212**	18 April 2027
Outstanding at the end of the year	**200,212**	
Exercisable at the end of the year	**3,407**	

The fair value of the cash conditional awards is calculated at the date of grant using the same assumptions and model as the fair value of performance-based awards not subject to a market-related performance condition (see 37(d)(iii) above). The weighted average fair value of the award at 31 December 2024 was 289.0 pence.

(f) Amounts Included in the Accounts

The charge to the consolidated income statement attributable to the cash conditional share awards is $1.8m (2023 – $1.2m) and the total charge attributable to the equity-settled awards is $12.3m (2023 – $12.3m). The total charge to the consolidated income statement for the year for share-based payments is $14.1m (2023 – $13.5m), see note 7. The total liability in relation to the cash-settled awards included in accruals at the year-end is $2.8m (2023 – $1.8m), of which $nil (2023 – $nil) related to awards that had vested.

Notes to the Consolidated Financial Statements continued
40. Principal Accounting Policies continued

38. Related-party Transactions

The following related-party transactions took place between wholly-owned subsidiaries of the Group and associates and joint ventures during the year:

	2024 $m	2023 $m
Additional investment in Cumberland (note 16)	**(0.9)**	(1.6)
Revenue from sales to joint ventures	**4.2**	0.6
Dividends received from Tianjin Huaxin (note 16)	**–**	0.6
Year-end balances:		
Shareholder loan from non-controlling interest note 25)	**(3.9)**	(3.9)

The outstanding balances at the year-end are unsecured and have no fixed date for repayment.

During the year, revenue of $4.3m (2023 – $9.2m) was generated from sales to BestLink Tube Pte. Ltd., the minority interest holder in Hunting Energy Services (China) Pte. Ltd. Additionally, revenue of $2.1m (2023 – $3.0m) was recognised from sales to Jindal SAW, the Indian joint venture partner.

All ownership interests in associates are in the equity shares of those companies. The ownership interests in associates, joint ventures and subsidiaries are set out in notes C14 and C15 of the Company financial statements.

The key management of the Group comprises the Hunting PLC Board and members of the Executive Committee. Details of their compensation are disclosed in note 7. The Hunting PLC Directors and the members of the Executive Committee had no material transactions other than as a result of their service agreements.

Hunting PLC is the parent company of the Hunting PLC Group. The Company is listed on the London Stock Exchange, with none of the shareholders owning more than 20% of the issued share capital of the Company (see page 169). Accordingly, the Directors do not consider there to be an ultimate controlling party.

39. Events After the Balance Sheet Date

(a) Rival divestment

On 3 March 2025, the Group sold its investment in associate, Rival Downhole Tools LC, for consideration of $13.1m. Hunting received $12.0m cash at closing and will receive a further $1.1m contingent on the completion and outcome of any outstanding matters, which is expected to be within 12 months. The sale had no impact on the carrying value of Rival at 31 December 2024.

(b) EMEA restructuring

On 14 January 2025, the Group announced that a major restructuring of the EMEA operating segment had commenced. The restructuring followed a detailed review of the outlook for the Group's European operations, which took into account the confirmation of the tax regime of the UK North Sea oil and gas industry and the parallel strategy of the UK government to decarbonise its energy supply. Total cost savings are expected to be in the region of up to c.$10m, including a contribution from a review of sales, general and administration costs.

40. Material Accounting Policies

The Group's material accounting policies are described below:

(a) Consolidation

- The Group financial statements include the results of the Company and its subsidiaries, together with its share of associates and joint ventures.
- Subsidiaries are consolidated from the date on which control is transferred to the Group and are de-consolidated from the date control ceases.
- The Group uses the acquisition method of accounting for business combinations. Consequently, the consideration is determined as the fair value of the net assets transferred to the vendor and includes an estimate of any contingent consideration. The net assets acquired are also measured at their respective fair values for initial recognition purposes on the acquisition date, unless stated as an exception to this in IFRS 3.
- Acquisition-related costs arising on business combinations are expensed to the consolidated income statement as incurred.

(b) Revenue

(i) Revenue from Contracts with Customers

- Revenue is recognised as performance obligations are satisfied when control of promised goods or services is transferred to the customer and is measured at the amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.
- For each performance obligation within a contract, the Group determines whether it recognises revenue:
  1. Wholly at a single point in time when the Group has completed its performance obligation; or
  2. Piecemeal over time during the period that control incrementally transfers to the customer while the good is being manufactured or the service is being performed.
- Hunting's activities that require revenue recognition over time comprise:
  1. The supply of goods that are specifically designed for, and restricted to, the use of a particular customer, and for which Hunting has an enforceable right to payment for the work completed to date, for example, the design and manufacture of bespoke products such as titanium stress joints;
  2. The provision of services in which Hunting creates or enhances an asset that the customer controls as the asset is created or enhanced, such as the lathing of a thread onto the ends of customer-owned plain-end pipe and assembling or welding components that are owned by the customer; and
  3. The provision of services in which the customer obtains the benefit while the service is being performed, such as the storage and management services of customer-owned products.

Notes to the Consolidated Financial Statements continued
40. Material Accounting Policies continued

(b) Revenue continued
(i) Revenue from Contracts with Customers continued
- In respect of revenue that is recognised over time, Hunting uses an input method for measuring the progress towards completion of its performance obligations and consequently for measuring the amount of revenue that is recognised. Specifically, revenue is recognised in proportion to the total expected consideration that mirrors the costs incurred to date relative to the total expected costs to complete the performance obligation. This method is considered to be the most appropriate as the inclusion of all costs, being materials, labour and direct overheads, best reflects the activities required in performing the promise to the customer.
- Hunting's activities that require revenue recognition at a point in time comprise:
  1. The sale of goods that are not specifically designed for use by one particular customer. These products include tubulars acquired by Hunting as plain-end pipe on which lathing work has been applied and which are resold as threaded pipe; and
  2. The manufacture of goods that are specifically designed for one particular customer but for which Hunting does not have an enforceable right to payment for the work completed to date.
- In determining the point in time in which control is transferred to customers and revenue is recognised, the Group evaluates all relevant facts and circumstances.
- The events that trigger the recognition of revenue at a point in time are most commonly: (i) delivery of the product in accordance with the contractual terms, or (ii) when confirming shipping documents, which indicate transfer of legal title and an ability to direct the goods, are made available to a customer, before which the Group retains the ability to direct the use of, and obtain, substantially all of the remaining benefits from, the goods, or (iii) when the product is made available to the customer for collection.
- When revenue from a customer is recognised, the amount is reported on the balance sheet as a contract asset if the performance obligation is incomplete as this asset reflects that it is conditional upon Hunting completing the work. The revenue is recognised on the balance sheet as a trade receivable if a sales invoice has been issued as this asset reflects that it is unconditional other than the passage of time. The revenue is reported on the balance sheet as accrued income if the performance obligation has been completed but a sales invoice has not yet been issued. Accrued income is a sub-category of trade receivables, where receipt of cash is dependent only upon the passage of time. The Group recognises a contract liability on the balance sheet when amounts received and receivable from the customer exceed the value of the work done to date, reflecting that the Group is obligated to transfer goods or services in order to settle the prepayment from the customer.

(ii) Rental Revenue
- Rental revenue from operating leases, being leases in which Hunting does not transfer substantially all of the risks and rewards of the leased asset to the customer, is recognised as the income is earned. For Hunting this comprises the leases of properties to third parties and tools to customers.
- Revenue from finance leases, being leases in which Hunting, as a manufacturer/dealer-lessor, transfers substantially all of the risks and rewards of the leased asset to the customer, is measured as the fair value of the underlying asset or, if lower, the present value of the lease payments. The carrying value of the leased asset minus the unguaranteed residual value is charged to cost of sales and interest earned during the term of the lease is recognised as finance income.

(c) Interest
- Interest income and expense is recognised in the consolidated income statement using the effective interest method.

(d) Foreign Currencies
(i) Individual Subsidiaries', Associates' and Joint Venture's Financial Statements
- The financial statements for each of the Group's subsidiaries, associates and joint ventures are denominated in their respective functional currencies.
- The functional currency is the currency of the primary economic environment in which the entity operates.
- Transactions denominated in currencies other than the functional currency are translated into the functional currency at the exchange rate ruling at the date of the transaction.
- Monetary assets and liabilities, except borrowings designated as a hedging instrument in a net investment hedge, denominated in non-functional currencies are retranslated at the exchange rate ruling at the balance sheet date and exchange differences are taken to the consolidated income statement.
- Borrowings designated as a hedging instrument in a net investment hedge are retranslated at the exchange rate ruling at the balance sheet date and exchange differences are taken directly to equity.

(ii) Group Consolidated Financial Statements
- The presentation currency of the Group is US Dollars.
- The net assets of non-US Dollar denominated subsidiaries, associates and joint ventures are translated into US Dollars at the exchange rates ruling at the balance sheet date.
- The income statements of subsidiaries, associates and joint ventures are translated into US Dollars at the average exchange rates for the year.
- Exchange differences are recognised directly in equity in the currency translation reserve ("CTR"), together with exchange differences arising on foreign currency loans used to finance foreign currency net investments.
- Upon adoption of IFRS on 1 January 2004, accumulated exchange differences arising on consolidation prior to 31 December 2003 were reset to zero and the CTR recommenced under IFRS on 1 January 2004.
- The balance on the CTR represents the exchange differences arising on the retranslation of non-US Dollar amounts into US Dollars since 1 January 2004.
- On the disposal of a business, the cumulative exchange differences previously recognised in the CTR relating to that business are transferred to the consolidated income statement as part of the gain or loss on disposal.

Notes to the Consolidated Financial Statements continued
40. Material Accounting Policies continued

(e) Taxation

- The taxation recognised in the consolidated income statement comprises current tax and deferred tax arising on the current year's result before tax and adjustments to tax arising on prior years' results.
- Current tax is the expected tax payable or receivable arising in the current year on the current year's result before tax, using tax rates enacted or substantively enacted at the balance sheet date, plus adjustments to tax in respect of prior years' results.
- Deferred tax is the tax that is expected to arise when the assets and liabilities recognised in the Group's consolidated balance sheet are realised, using tax rates enacted or substantively enacted at the balance sheet date that are expected to apply when the asset is realised or the liability is settled.
- Full provision is made for deferred tax, using the liability method, on all taxable temporary differences. Deferred tax assets and liabilities are recognised separately in the consolidated balance sheet and are reported as non-current assets and liabilities.
- Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the unwind of taxable temporary differences, and/or future suitable and sufficient taxable profits, will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of transaction does not give rise to equal amounts of taxable and deductible temporary differences. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.
- Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future. The recoverability of deferred tax assets is reviewed at each balance sheet date and deferred tax assets are recognised to the extent that sufficient taxable profit is expected to be available to allow the deferred tax asset to be utilised.
- When items of income and expense are recognised in other comprehensive income, the current and deferred tax relating to those items is also recognised in other comprehensive income.

(f) Property, Plant and Equipment

- Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition and installation of the asset.
- Land and assets under construction are not depreciated.
- With the exception of oil and gas exploration and development, assets are depreciated using the straight-line method at the following rates:

Freehold buildings	– 2% to 10%
Leasehold buildings	– life of lease
Plant, machinery and motor vehicles	– 6% to 33⅓%
Rental tools	– 3% to 25%

- The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

(g) Leases

- Lessees:
  With regard to lessee contracts, the Group recognises a lease obligation as a liability and a right-of-use asset at the inception of the contract, except with regard to the two exemptions noted below. In measuring the lease liability, the Group takes account of all fixed payments and the known amount of variable payments which depend on an index or rate. Management also assesses the likelihood of the Group exercising extension options, early termination options and purchase options when contractually offered, and incorporates the relevant assumed cash flows in the initial measurement. These future gross cash flows are then discounted using the incremental borrowing rate ("IBR") that is relevant to each lease. The interest rate implicit in the lease is not used as the Group is unable to access the specific financials of the lessor that would be required in order to determine that rate. The IBR is determined by reference to: (i) the weighted average period of the lease term; (ii) the risk-free rate of the currency of the lease, adjusted for country-specific government bond yields for contracts denominated in the Euro; (iii) the market risk premium associated with the currency of denomination of the contract; (iv) a financing spread associated with the financial status and country of location of the lessee entity; and (v) an asset-specific adjustment associated with the perceived security that each type of asset provides to the lessor. The right-of-use asset is usually initially measured as equal to the initial measurement of the lease liability plus any contracted remediation work that would be required at the end of the lease term as there are usually no initial direct costs or lease payments made prior to the inception of the contract.

Notes to the Consolidated Financial Statements continued
40. Material Accounting Policies continued

(g) Leases continued

- Lessees: continued
  Whenever circumstances change post-inception, for example when the judged likelihood of whether an option will or will not be exercised, or indices relevant to the measurement of variable payments change, or the lease term is extended with regard to a contract that does not offer an extension option, the lease liability is remeasured and the right-of-use asset is correspondingly amended. Remeasurement of the lease liability is typically based on a revised IBR as the change in circumstances has most commonly resulted from a change in the lease term.

  The cost of the lease is subsequently recognised in the consolidated income statement as interest charged on the lease liability and as depreciation charged on the right-of-use asset. Depreciation is charged on a straight-line basis over the lease term; to date the Group has not and is not expected to exercise a purchase option which would otherwise shorten the depreciation period.

  Hunting has adopted the two exemptions that permit lessees to charge the cost of certain leases directly to the consolidated income statement on a straight-line basis over the lease term. The two exemptions apply to:
  - leases that have a duration of one year or less; and
  - leases of assets that would have cost $5,000 or less, when new, to acquire if the asset had been purchased rather than leased.

- Lessors:
  Hunting enters into lease arrangements as a lessor with respect to some of its owned and leased land and buildings and where it leases equipment to customers in the capacity of a manufacturer/dealer lessor.

  Leases for which Hunting is a lessor are classified as finance leases or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Amounts due from lessees/customers under finance leases are recognised as receivables at the amount of the Group's net investment in the leases, after derecognition of the underlying asset. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

(h) Goodwill

- Goodwill arises when the fair value of the consideration paid for a business exceeds the fair value of the Group's share of the net assets acquired.
- Goodwill is recognised as an asset and is carried at cost less accumulated impairment losses.
- Goodwill is allocated to cash generating units ("CGUs") for the purpose of impairment testing. The allocation is made to the CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. Goodwill is not allocated to a CGU or CGU group larger than an operating segment.
- A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.
- On the disposal of a business, goodwill relating to that business that remains in the consolidated balance sheet at the date of disposal is included in the determination of the profit or loss on disposal.

(i) Other Intangible Assets

- Other intangible assets, whether obtained through acquisition or internal development, are capitalised when it is probable that the future economic benefits that are attributable to the asset will be generated, provided the cost of the asset can be measured reliably.
- Capitalisation occurs from the point when technical and commercial feasibility of the asset has been established. Prior to this, costs are expensed. For internally generated assets, only costs directly attributable to the development of the asset are capitalised. This typically includes employee remuneration and the cost of materials and services, such as testing, consumed in generating the intangible asset.
- Other intangible assets are stated at cost less accumulated amortisation and any impairment losses.
- These assets have a finite life and are amortised in accordance with the pattern of expected future economic benefits, or when this cannot be reliably estimated, by using the straight-line method.
- Intangible assets are amortised over the following periods:

Customer relationships	– eight to ten years
Unpatented technology	– eight to ten years
Patents	– eight to ten years
Trademarks and domain names	– one to five years
Software	– three to eight years

Notes to the Consolidated Financial Statements continued
40. Material Accounting Policies continued

(j) Investments in Associates and Joint Ventures

- An associate is an entity over which the Group has significant influence but not control or joint control. A joint venture is a joint arrangement whereby the parties that have joint control have rights to the net assets of the arrangement.
- The Group's interests in these investments are accounted for using the equity method of accounting.
- Upon initial recognition as at the date of acquisition, the interests are recognised in the balance sheet at cost plus directly incurred acquisition-related expenses. The excess of cost above the share of net assets is ascribed to goodwill and other intangible assets, as appropriate. The intangible assets are subsequently amortised and presented in the consolidated income statement as part of the post-tax share of the acquiree's results.
- Subsequently, the carrying amount of the investment is adjusted to include the Group's share of the net assets after the date of acquisition and is assessed for impairment as a single asset at each balance sheet date. The Group recognises its share of the acquiree's net profit or loss after taxation as a separate line in the consolidated income statement. The Group's share of the acquiree's net assets plus direct acquisition expenses, goodwill and other acquisition-related intangible assets is presented in the consolidated balance sheet as investments in associates and joint ventures.

(k) Impairments

- The Group assesses at least annually whether there is any indication that an asset is impaired, and undertakes an assessment for an impairment if such an indication exists.
- In addition, the Group undertakes an annual impairment assessment of goodwill, whether or not an indication of impairment actually exists.
- Where assets do not generate their own independent cash flows, they are tested at a CGU level and, if impairment is identified, the carrying amount of the CGU is reduced to its recoverable amount. For assets that generate independent cash flows, the specific asset is impaired to its recoverable amount if an impairment is identified.
- Where an impairment exists, an asset or CGU is written down to its recoverable amount being the higher of: (a) its fair value less costs to sell; and (b) its value-in-use. Details of how value-in-use is determined are given in note 15.
- Impairments are recognised immediately in the consolidated income statement.
- An impairment of goodwill is never reversed. When applicable, an impairment of any other asset or CGU is reversed, but only to the extent that the consequent carrying value does not exceed what would have been the carrying value had the impairment not originally been made.

(l) Inventories

- Inventories are stated at the lower of cost and net realisable value.
- Cost is determined using the first-in-first-out method and net realisable value is the estimated selling price less costs of disposal in the ordinary course of business. The cost of inventories includes direct costs plus production overheads.

(m) Cash and Cash Equivalents

- Cash and cash equivalents comprise cash at bank and in hand, short-term deposits, qualifying fixed term funds and money market funds, with a maturity of less than three months from the date of deposit.
- Short-term deposits, fixed term funds and money market funds have been classified as cash and cash equivalents as they are short-term, highly liquid, are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. These instruments are held for the purpose of settling current or potential cash commitments in the short term by the treasury function.
- For cash flow statement purposes, cash and cash equivalents include bank overdrafts. In the consolidated balance sheet, bank overdrafts are shown within borrowings in current liabilities.

(n) Financial Assets

- At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs. Transaction costs of financial assets at FVTPL are expensed immediately to the consolidated income statement.
- Subsequent measurement of debt instruments depends on each Group entity's business model for managing the asset in order to generate cash flows and the cash flow characteristics of the financial asset. The Group's debt instruments are classified into amortised cost or FVTPL.
- Debt instruments that are held for the collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are subsequently measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest method. If collection is expected in one year or less they are classified as current assets, otherwise they are presented as non-current assets. Debt instruments held for collection of contractual cash flows include contract assets, trade receivables, accrued revenue and other receivables.
- Any other debt instruments, including the convertible financing, fixed term funds and money market funds, which are subsequently not measured at amortised cost have been measured at FVTPL.
- The Group's financial assets that are equity instruments, or debt instruments that are convertible into equity, are subsequently measured at FVTPL. Changes in the fair value of these instruments are recognised in other operating income, operating expenses, finance income or finance expense, as appropriate. Financial assets that are equity instruments comprise listed equity investments and mutual funds. The convertible debt instrument is currently a loan on which interest is earned prior to its potential conversion into equity, the conversion of which is dependent upon events outside of the Group's control.
- The Group applies lifetime expected credit losses ("ECLs") to trade receivables, accrued revenue, contract assets and lease receivables, both short term and long term, upon their initial recognition.
- The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Notes to the Consolidated Financial Statements continued
40. Material Accounting Policies continued

(o) Financial Liabilities

- Financial liabilities are initially recognised at fair value at the trade date, which is normally the consideration received less, in the case of financial liabilities that are not measured at FVTPL, transaction costs. The Group subsequently remeasures all of its non-derivative financial liabilities, including trade payables, at amortised cost.
- Payables are classified as current liabilities if payment is due within one year, otherwise they are presented as non-current liabilities.
- Payments due to financial institutions arising under bank acceptance drafts are presented as trade and other payables as they represent payments to suppliers for materials and form part of the working capital used in the Group's normal operating cycle. Such amounts are presented as other payables.

(p) Debt Issue Costs

- Transaction costs in relation to the arrangement of borrowing facilities are capitalised and subsequently amortised on a straight-line basis over the expected life of the facility. The charge is recognised within finance expense in the income statement. Capitalised costs are presented in the balance sheet as prepayments.

(q) Derivatives and Hedging

- Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period.
- The full fair value of a derivative is classified as a non-current asset or liability when the remaining maturity of the derivative is more than 12 months from the balance sheet date.
- The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.
- Where the derivatives are not designated in a hedge and accounted for using hedge accounting, they are classified as "held for trading" and are accounted for at fair value through profit or loss, with changes in the fair value recognised immediately within the consolidated income statement.
- The Group designates certain derivatives as:
  i. hedges of the fair value of recognised assets and liabilities; or
  ii. hedges of a particular risk associated with the cash flows of highly probable forecast transactions; or
  iii. a hedge of the net investment in a foreign operation.
- The Group has not disclosed the accounting polices relating to fair value hedges and cash flow hedges as the amounts are immaterial to the financial statements.

(r) Provisions

- Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation.
- The measurement of a provision is based on the most likely amount and timing of the expenditures. Payments that are expected to arise after more than one year are discounted to their present value using a risk-free interest rate that is relevant to the region in which the past event occurred. The risk-free interest rate is based on the redemption yields of government securities.

(s) Post-employment Benefits

- Payments to defined contribution retirement schemes are charged to the consolidated income statement when they fall due.

(t) Share-based Payments

- The Group issues equity-settled and cash-settled share-based payments (HPSP awards) to certain employees as consideration for services received from the employees. The fair value of the employees' services is recognised as an expense in the consolidated income statement on a straight-line basis over the vesting period, and in the case of non-market based vesting conditions, based on the Group's estimate of awards that will ultimately vest. The obligation to settle these awards is recognised within other components of equity; the obligation to settle the cash-settled awards is recognised as a liability.

(u) Share Capital

- Incremental costs directly attributable to the issue of new shares are charged to equity as a deduction from the proceeds, net of tax.

(v) Merger Reserve

- The merger reserve comprises the proceeds received, net of transaction costs, in excess of the nominal value of the Ordinary shares issued by way of the share placing completed on 31 October 2016. In accordance with section 612 of the Companies Act 2006, the premium was credited to the merger reserve, instead of to the share premium account, because the share placing was pursuant to the Company securing over 90% of another entity. The proceeds were used to pay down the Group's borrowings at that time. The reserve is non-distributable and is transferred to distributable retained earnings when the proceeds meet the definition of a qualifying consideration.

(w) Dividends

- Dividends to the Group's shareholders are recognised as liabilities in the Group's financial statements in the period in which the dividends are approved by shareholders. Interim dividends are recognised when paid. All dividends are dealt with in the statement of changes in equity.

(x) Employee Benefit Trust

- The Hunting PLC Employee Benefit Trust ("EBT") holds treasury shares, which are shares in Hunting PLC, for the purpose of issuing shares to employees of the Group under share-based remuneration schemes. The EBT is consolidated in accordance with note 40(a) above.
- The cost of treasury shares is presented as a deduction from retained earnings in the consolidated balance sheet.
- The cost of shares issued to employees is recognised on a weighted average cost basis.

Notes to the Consolidated Financial Statements continued

41. Prior Period Restatements

The impacts to the Group's financial statements for the import tax provision and the reclassification of the share of associates' and joint venture's results in 2023 are outlined below. See note 1 for further details.

Consolidated Income Statement (extract)

	Year ended 31 December 2023			
		Adjustments		
	As previously reported $m	Import tax provision $m	Presentation of associates' and joint venture's results $m	Restated $m
Gross profit	227.7	–	–	227.7
Administrative expenses	(119.8)	(8.9)	–	(128.7)
Net other operating expenses	(46.9)	–	–	(46.9)
Share of associates' and joint venture's results	–	–	(0.6)	(0.6)
Operating profit	61.0	(8.9)	(0.6)	51.5
Net finance expenses	(10.4)	–	–	(10.4)
Share of associates' and joint venture's results	(0.6)	–	0.6	–
Profit before tax	50.0	(8.9)	–	41.1
Taxation	69.0	2.1	–	71.1
Profit for the year	119.0	(6.8)	–	112.2
Attributable to:				
Owners of the parent	117.1	(6.8)	–	110.3
Non-controlling interests	1.9	–	–	1.9
	119.0	(6.8)	–	112.2
Earnings per share				
Basic	73.8	(4.3)	–	69.5
Diluted	70.0	(4.1)	–	65.9

Notes to the Consolidated Financial Statements continued
41. Prior Period Restatements continued

Consolidated Statement of Comprehensive Income (extract)

	Year ended 31 December 2023			
		Adjustments		
	As previously reported $m	Import tax provision $m	Presentation of associates' and joint venture's results $m	Restated $m
Profit for the year	119.0	(6.8)	–	112.2
Other comprehensive income, after tax				
Exchange adjustments	3.6	(0.2)	–	3.4
Other components of other comprehensive income	(0.5)	–	–	(0.5)
Other comprehensive income, after tax	3.1	(0.2)	–	2.9
Total comprehensive income for the year	122.1	(7.0)	–	115.1
Attributable to:				
Owners of the parent	120.4	(7.0)	–	113.4
Non-controlling interests	1.7	–	–	1.7
	122.1	(7.0)	–	115.1

Notes to the Consolidated Financial Statements continued
41. Prior Period Restatements continued

Consolidated Balance Sheet (extract)

	At 31 December 2023			
		Adjustments		
	As previously reported $m	Import tax provision $m	Presentation of associates' and joint venture's results $m	Restated $m
ASSETS				
Non-current assets				
Other non-current assets	502.6	–	–	502.6
Deferred tax assets	93.1	2.1	–	95.2
	595.7	2.1	–	597.8
Current assets	626.6	–	–	626.6
LIABILITIES				
Current liabilities				
Other current liabilities	(221.0)	–	–	(221.0)
Provisions	(4.8)	(9.1)	–	(13.9)
	(225.8)	(9.1)	–	(234.9)
Net current assets	400.8	(9.1)	–	391.7
Non-current liabilities	(39.4)	–	–	(39.4)
Net assets	957.1	(7.0)	–	950.1
Equity attributable to owners of the parent				
Other equity balances	219.5	–	–	219.5
Other components of equity	8.9	(0.2)	–	8.7
Retained earnings	725.4	(6.8)	–	718.6
Total attributable to owners of the parent	953.8	(7.0)	–	946.8
Non-controlling interests	3.3	–	–	3.3
Total equity	957.1	(7.0)	–	950.1

Notes to the Consolidated Financial Statements continued
41. Prior Period Restatements continued

Consolidated Statement of Cash Flows (extract)

	Year ended 31 December 2023			
		Adjustments		
	As previously reported $m	Import tax provision $m	Presentation of associates' and joint venture's results $m	Restated $m
Operating activities				
Operating profit	61.0	(8.9)	(0.6)	51.5
Adjusting items (NGM A)	–	8.9	–	8.9
Depreciation, amortisation and impairment (NGM C)	42.0	–	–	42.0
EBITDA (NGM C)	103.0	–	(0.6)	102.4
Other cash flows from operating activities	(53.7)	–	–	(53.7)
Share of associates' and joint venture's results	–	–	0.6	0.6
Net cash inflow from operating activities	49.3	–	–	49.3
Net cash outflow from investing activities	(32.4)	–	–	(32.4)
Net cash flow from financing activities	–	–	–	–
Net increase in cash and cash equivalents	16.9	–	–	16.9
Cash and cash equivalents at the beginning of the year	27.3	–	–	27.3
Effect of foreign exchange rates	(0.1)	–	–	(0.1)
Cash and cash equivalents at the end of the year	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"). 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 presented on the face of the income statement, with details of the adjusting items provided in NGM A. Adjusted results can be higher or lower than the IFRS results as they often exclude significant items 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.

The auditors are required to consider whether these non-GAAP measures are prepared consistently with the financial statements.

Income Statement Non-GAAP Measures

A. Adjusting Items

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

	2024 $m	Restated[i] 2023 $m
Impairment of goodwill	**(109.1)**	–
Import tax provision	**–**	(8.9)
Total adjustments to operating profit	**(109.1)**	(8.9)
Tax impact of adjusting items (note 5)	**27.8**	2.1
Recognition of US deferred tax assets	**–**	83.1
Adjusting items after tax	**(81.3)**	76.3
Adjusting items after tax attributable to owners of the parent	**(81.3)**	76.3
Adjusting items after tax attributable to non-controlling interests	**–**	–
	(81.3)	76.3

i. Comparative balances have been restated, see note 1 of the consolidated financial statements.

Non-GAAP Measures continued
Income Statement Non-GAAP Measures continued

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.

	2024 $m	Restated[i] 2023 $m
Operating (loss)/profit – consolidated income statement	**(21.1)**	51.5
Add back adjusting items (NGM A)	**109.1**	8.9
Adjusted operating profit	**88.0**	60.4
(Loss)/profit before tax – consolidated income statement	**(33.5)**	41.1
Add back adjusting items (NGM A)	**109.1**	8.9
Adjusted profit before tax	**75.6**	50.0
(Loss)/profit for the year attributable to owners of the parent – consolidated income statement	**(28.0)**	110.3
Add back/(deduct) adjusting items after tax attributable to owners of the parent (NGM A)	**81.3**	(76.3)
Adjusted profit for the year attributable to owners of the parent	**53.3**	34.0

	cents	cents
Adjusted earnings per share:		
Adjusted basic EPS	**33.5**	21.4
Adjusted diluted EPS	**31.4**	20.3

i. Comparative balances have been restated, see note 1 of the consolidated financial statements.

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 of non-current assets and amortisation.

	2024 $m	Restated[i] 2023 $m
Operating (loss)/profit – consolidated income statement	**(21.1)**	51.5
Add back adjusting items (NGM A)	**109.1**	8.9
Adjusted operating profit (NGM B)	**88.0**	60.4
Add back:		
Depreciation of property, plant and equipment (note 11)	**25.2**	27.2
Depreciation of right-of-use assets (note 12)	**7.2**	6.6
Amortisation of other intangible assets (note 14)	**5.9**	6.6
Impairment of right-of-use assets (note 12)	**–**	0.2
Impairment of goodwill (note 13)	**–**	1.4
	38.3	42.0
EBITDA	**126.3**	102.4

i. Comparative balances have been restated, see note 1 of the consolidated financial statements.

Non-GAAP Measures continued
Income Statement Non-GAAP Measures continued

C. EBITDA continued
EBITDA by Operating Segment

	2024					
	Hunting Titan $m	North America $m	Subsea Technologies $m	EMEA $m	Asia Pacific $m	Total $m
Operating (loss)/profit (note 2)	**(117.4)**	**45.5**	**25.6**	**(12.4)**	**37.6**	**(21.1)**
Add back adjusting items (NGM A)	**109.1**	**–**	**–**	**–**	**–**	**109.1**
Adjusted operating (loss)/profit (NGM B)	**(8.3)**	**45.5**	**25.6**	**(12.4)**	**37.6**	**88.0**
Add back:						
Depreciation of property, plant and equipment and right-of-use assets (note 2)	**7.2**	**15.7**	**2.3**	**3.9**	**3.3**	**32.4**
Amortisation of other intangible assets (note 2)	**1.7**	**1.0**	**2.1**	**0.6**	**0.5**	**5.9**
	8.9	**16.7**	**4.4**	**4.5**	**3.8**	**38.3**
EBITDA	**0.6**	**62.2**	**30.0**	**(7.9)**	**41.4**	**126.3**

	Restated[i] 2023					
	Hunting Titan $m	North America $m	Subsea Technologies $m	EMEA $m	Asia Pacific $m	Total $m
Operating profit/(loss) (note 2)	12.7	33.7	8.0	(11.2)	8.3	51.5
Add back adjusting items (NGM A)	–	–	–	8.9	–	8.9
Adjusted operating profit/(loss) (NGM B)	12.7	33.7	8.0	(2.3)	8.3	60.4
Add back:						
Depreciation of property, plant and equipment and right-of-use assets (note 2)	7.5	17.9	2.4	3.4	2.6	33.8
Amortisation of other intangible assets (note 2)	1.7	2.0	1.9	0.6	0.4	6.6
Impairment of non-current assets (note 2)	–	0.2	1.4	–	–	1.6
	9.2	20.1	5.7	4.0	3.0	42.0
EBITDA	21.9	53.8	13.7	1.7	11.3	102.4

i. Comparative balances have been restated, see note 1 of the consolidated financial statements.

Non-GAAP Measures continued
Income Statement Non-GAAP Measures continued

D. Adjusted Tax Charge and Effective Tax Rate

Purpose: The weighted average effective 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 divided by adjusted profit before tax, expressed as a percentage.

	2024 $m	Restated[i] 2023 $m
Taxation credit – consolidated income statement	**8.0**	71.1
Deduct tax impact of adjusting items (NGM A)	**(27.8)**	(2.1)
Deduct recognition of US deferred tax assets (NGM A)	**–**	(83.1)
Adjusted taxation charge	**(19.8)**	(14.1)
Adjusted profit before tax for the year (NGM B)	**75.6**	50.0
Adjusted effective tax rate	**26%**	28%

i. Comparative balances have been restated, see note 1 of the consolidated financial statements.

Adjusting items are taxed on an item-by-item basis as shown in NGM A.

Balance Sheet Non-GAAP Measures

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, contract 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, contract and other payables excluding payables due to associates and joint ventures, derivative financial liabilities not in a hedge and retirement plan obligations.

	2024 $m	2023 $m
Trade, contract and other receivables – non-current (note 18)	**5.4**	1.8
Trade, contract and other receivables – current (note 18)	**261.5**	251.4
Inventories (note 20)	**303.3**	328.4
Trade, contract and other payables – current (note 22)	**(208.5)**	(163.4)
Trade, contract and other payables – non-current (note 22)	**(5.5)**	(3.7)
Add: non-working capital US deferred compensation plan obligation (note 22)	**2.6**	2.2
Less: non-working capital current other receivables and other payables	**(3.3)**	(0.8)
Working capital	**355.5**	415.9
Revenue for the last three months of the year	**301.8**	228.2
Working capital as a percentage of annualised revenue	**29%**	46%

For the purposes of the above calculation, annualised revenue is calculated as revenue for the last three months of the year 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 year-end divided by cost of sales for the last three months of the year multiplied by the number of days in the last quarter, adjusted for the impact of acquisitions and disposals when applicable.

	2024 $m	2023 $m
Inventories (note 20)	**303.3**	328.4
Cost of sales for the last three months of the year	**227.1**	172.7
Inventory days	**123 days**	175 days

Non-GAAP Measures continued
Balance Sheet Non-GAAP Measures continued

G. Trade Receivables Days

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

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

	2024 $m	2023 $m
Trade receivables (note 18)	**195.0**	204.7
Accrued revenue (note 18)	**3.2**	2.5
Contract assets (note 18)	**23.7**	17.5
Less: provisions for impairment (note 18)	**(3.7)**	(3.5)
Trade and contract receivables	**218.2**	221.2
Revenue for the last three months of the year	**301.8**	228.2
Trade receivables days	**67 days**	89 days

H. Trade Payables Days

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

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

	2024 $m	2023 $m
Trade payables (note 22)	**41.4**	62.5
Bank acceptance drafts (note 22)	**92.4**	–
Accrued GRN	**6.9**	6.3
Total payables	**140.7**	68.8
Purchased materials and cash costs for the last three months of the year	**159.4**	128.5
Trade payables days	**81 days**	49 days

I. Other Net Assets

Purpose: Provides an analysis of other net assets in the Summary Group Balance Sheet in the Strategic Report.

	2024 $m	2023 $m
Non-current investments (note 17)	**4.8**	4.4
Non-working capital US deferred compensation plan obligation (NGM E)	**(2.6)**	(2.2)
Non-working capital current other receivables and other payables (NGM E)	**3.3**	0.8
	5.5	3.0

J. Capital Employed

Purpose: Used in the calculation of the return on average capital employed (see NGM S).

Calculation definition: Capital employed is total equity excluding net (cash)/debt as applicable.

The Group's capital comprised:

	2024 $m	Restated[i] 2023 $m
Total equity – consolidated balance sheet	**902.3**	950.1
Net (cash)/debt (note 26)	**(70.7)**	33.4
	831.6	983.5

i. Comparative balances have been restated, see note 1 of the consolidated financial statements.

Non-GAAP Measures continued
Balance Sheet Non-GAAP Measures continued

K. 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 Strategic Report.

Calculation definition: Cash and cash equivalents, comprising cash at bank and in hand, short-term deposits of less than three months to maturity from the date of deposit and money market funds; and short-term deposits of more 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:

	2024 $m	2023 $m
Cash and cash equivalents (note 21)	**206.6**	45.5
Bank overdrafts secured – current borrowings (note 25)	**(1.5)**	(1.4)
Cash and cash equivalents – consolidated statement of cash flows	**205.1**	44.1
Bank borrowings – current borrowings (note 25)	**(9.8)**	(44.9)
Bank borrowings – non-current borrowings (note 25)	**(90.6)**	–
	104.7	(0.8)

L. 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 debts were to be immediately paid off.

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

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

	2024 $m	2023 $m
Total cash and bank/(borrowings) (NGM K)	**104.7**	(0.8)
Total lease liabilities (note 24)	**(30.1)**	(28.7)
Shareholder loan from non-controlling interests – non-current borrowings (note 25)	**(3.9)**	(3.9)
	70.7	(33.4)

Cash Flow Non-GAAP Measures

M. Cash Flow Working Capital Movements

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

	2024 $m	2023 $m
Working capital – opening balance	**415.9**	362.8
Foreign exchange	**(1.7)**	1.7
Adjustments:		
Transfer to property, plant and equipment (note 11)	**(1.7)**	(1.5)
Capital investment receivables/payables cash flows	**0.1**	0.6
Asset disposals receivables/payables cash flows	**2.1**	(1.5)
Other non-cash flow movements	**0.3**	(1.5)
Other cash flow movement	**(6.2)**	0.3
Working capital – closing balance (NGM E)	**(355.5)**	(415.9)
Cash flow	**53.3**	(55.0)

Non-GAAP Measures continued
Cash Flow Non-GAAP Measures continued

N. Capital Investment

Purpose: Capital investment identifies the cash resources being absorbed organically within the business to maintain or enhance operating activity levels.

Calculation definition: Capital investment is the cash paid on tangible non-current assets to maintain existing levels of operating activity and to grow the business from current operating levels and enhance operating activity.

	2024 $m	2023 $m
Property, plant and equipment additions (note 11)	**25.2**	23.1
Capital investment receivables/payables cash flows (NGM M)	**0.1**	0.6
Cash flow	**25.3**	23.7
Per the consolidated statement of cash flows:		
Purchase of property, plant and equipment held for rental – operating activities	**1.7**	0.6
Purchase of property, plant and equipment – investing activities	**23.6**	23.1
Cash flow	**25.3**	23.7
Capital investment by operating segment:		
Hunting Titan	**3.3**	3.1
North America	**10.3**	14.5
Subsea Technologies	**4.3**	1.2
EMEA	**2.0**	2.4
Asia Pacific	**4.7**	2.2
Central	**0.7**	0.3
Cash flow	**25.3**	23.7

O. Other Operating Cash and Non-cash Movements

Purpose: Reconciles other operating cash and non-cash movements in the Summary Group Cash Flow in the Strategic Report.

	2024 $m	2023 $m
(Decrease)/increase in provisions – consolidated statement of cash flows	**(2.0)**	0.5
Share of associates' and joint venture's results	**0.1**	0.6
Payment of US pension scheme liabilities	**(0.2)**	–
Other non-cash flow items	**2.7**	(1.3)
	0.6	(0.2)

P. 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 consolidated statement of cash flows, unless stated.

	2024 $m	Restated[i] 2023 $m
EBITDA (NGM C)	**126.3**	102.4
Add: share-based payment charge (note 37)	**14.1**	13.5
	140.4	115.9
Working capital movements (NGM M)	**53.3**	(55.0)
Payment of lease liabilities, principal and interest	**(8.9)**	(10.4)
Net interest and bank fees paid	**(12.9)**	(7.3)
Net taxation paid	**(3.5)**	(9.1)
Purchase of property, plant and equipment	**(23.6)**	(23.1)
Purchase of property, plant and equipment held for rental	**(1.7)**	(0.6)
Purchase of intangible assets	**(4.8)**	(10.9)
Proceeds from asset disposals	**1.7**	1.9
Net gains on asset and investment disposals	**(0.9)**	(1.7)
Other operating cash and non-cash movements (NGM O)	**0.6**	(0.2)
Free cash flow	**139.7**	(0.5)
Reconciliation to the consolidated statement of cash flows:		
Net cash inflow from operating activities	**188.5**	49.3
Net interest and bank fees paid	**(12.9)**	(7.3)
Proceeds from disposal of property, plant and equipment	**1.2**	1.9
Proceeds from disposal of investments	**0.2**	–
Purchase of property, plant and equipment	**(23.6)**	(23.1)
Purchase of intangible assets	**(4.8)**	(10.9)
Payment of lease liabilities, principal and interest	**(8.9)**	(10.4)
Free cash flow	**139.7**	(0.5)

i. Comparative balances have been restated, see note 1 of the consolidated financial statements.

Non-GAAP Measures continued

Other Non-GAAP Measures

Q. Dividend Per Share Declared

Purpose: Identifies the total amount of dividend declared in respect of a period. This is also used in the calculation of dividend cover (see NGM R).

Calculation definition: The amount in cents returned to Ordinary shareholders.

	2024 cents	2023 cents
Interim dividend	5.5	5.0
Final dividend	6.0	5.0
	11.5	10.0

R. Dividend Cover

Purpose: An indication of the Company's ability to maintain the level of its dividend and indicates the proportion of earnings being retained in the business for future investment versus that returned to shareholders.

Calculation definition: Earnings/(loss) per share attributable to Ordinary shareholders divided by the cash dividend per share to be returned to Ordinary shareholders, on an accruals basis.

	2024		Restated[i] 2023	
	Adjusted cents	Reported cents	Adjusted cents	Reported cents
Earnings/(loss) per share				
Basic (NGM B/note 10)	33.5	(17.6)	21.4	69.5
Diluted (NGM B/note 10)	31.4	(17.6)	20.3	65.9
Dividend (NGM Q)	11.5	11.5	10.0	10.0
Dividend cover				
Basic	2.9x	(1.5)x	2.1x	7.0x
Diluted	2.7x	(1.5)x	2.0x	6.6x

i. Comparative balances have been restated, see note 1 of the consolidated financial statements.

S. Return on Average Capital Employed ("ROCE")

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

Calculation definition: Adjusted profit before interest and tax 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 December balance in the prior year to the closing December balance in the current year.

	2024 $m	Restated[i] 2023 $m
Average monthly gross capital employed (13-point average)	992.8	932.8
Adjusted operating profit (NGM B)	88.0	60.4
Return on average capital employed	9%	6%

i. Comparative balances have been restated, see note 1 of the consolidated financial statements.

T. Sales Order Book

Purpose: The sales order book comprises the value of all unsatisfied orders from customers and is expected to be recognised as revenue in future periods. It is presented by operating segment and product group. Where amounts are not fixed in the contract, the Group exercises judgement on the amount of the order that is booked.

Calculation definition: Opening sales order book, add new orders booked, less amounts recognised as revenue, adjusted for any order modifications/variations and foreign exchange impacts.

	2024 $m	Restated[i] 2023 $m
Operating segment		
Hunting Titan	16.7	17.6
North America	207.3	288.7
Subsea Technologies	72.5	152.2
EMEA	50.2	29.9
Asia Pacific	186.9	115.8
Inter-segment elimination	(25.0)	(39.0)
	508.6	565.2

	2024 $m	2023 $m
Product group		
Perforating Systems	16.5	12.7
OCTG	249.7	222.0
Advanced Manufacturing	130.0	161.5
Subsea	72.5	152.2
Other Manufacturing	39.9	16.8
	508.6	565.2

i. Comparative balances have been restated to exclude intra-segment sales orders.

The sales order book does not agree to the total transaction price allocated to unsatisfied and partially satisfied performance obligations as defined by IFRS 15, disclosed in note 23(c), due to the practical expedient that was applied and the Group's assessment of contract enforceability.

Financial Record

Income statement line items are presented after the impact of adjusting items.

	2024 $m	Restated[i] 2023 $m	Restated[ii] 2022 $m	Restated[ii] 2021 $m	2020 $m
Revenue	**1,048.9**	929.1	725.8	521.6	626.0
EBITDA (NGM C)	**126.3**	102.4	49.3	(0.4)	26.1
Depreciation and non-adjusting amortisation and impairment	**(38.3)**	(42.0)	(37.4)	(38.2)	(42.5)
Operating profit/(loss)	**88.0**	60.4	11.9	(38.6)	(16.4)
Net finance expense	**(12.4)**	(10.4)	(1.7)	(2.0)	(3.0)
Profit/(loss) before tax	**75.6**	50.0	10.2	(40.6)	(19.4)
Taxation (charge)/credit (NGM D)	**(19.8)**	(14.1)	(1.3)	(4.9)	0.9
Profit/(loss) for the year	**55.8**	35.9	8.9	(45.5)	(18.5)
	cents	cents	cents	cents	cents
Basic earnings/(loss) per share (NGM B)	**33.5**	21.4	5.0	(27.1)	(10.0)
Diluted earnings/(loss) per share (NGM B)	**31.4**	20.3	4.7	(27.1)	(10.0)
Dividend per share[iii]	**11.5**	10.0	9.0	8.0	9.0
	$m	$m	$m	$m	$m
Balance sheet					
Property, plant and equipment	**252.8**	254.5	256.7	274.4	307.1
Right-of-use assets	**28.3**	26.2	26.0	24.7	29.8
Goodwill and other intangible assets	**84.5**	195.2	191.2	200.3	207.1
Working capital (NGM E)	**355.5**	415.9	362.8	278.0	358.3
Associates and joint ventures	**9.2**	20.5	20.1	19.4	18.1
Assets held for sale	**12.1**	–	–	–	–
Taxation (current and deferred)	**98.0**	84.8	4.0	1.4	6.0
Provisions	**(14.3)**	(16.6)	(8.9)	(8.1)	(8.9)
Other net assets (NGM I)	**5.5**	3.0	4.3	2.7	1.6
Capital employed (NGM J)	**831.6**	983.5	856.2	792.8	919.1
Total cash and bank/(borrowings) (NGM K)	**104.7**	(0.8)	24.5	114.2	101.7
Lease liabilities	**(30.1)**	(28.7)	(30.6)	(31.8)	(40.3)
Other borrowings	**(3.9)**	(3.9)	(3.9)	(3.9)	(3.9)
Net cash/(debt)	**70.7**	(33.4)	(10.0)	78.5	57.5
Net assets	**902.3**	950.1	846.2	871.3	976.6
Non-controlling interests	**(5.5)**	(3.3)	(1.6)	(1.4)	(12.2)
Equity attributable to owners of the parent	**896.8**	946.8	844.6	869.9	964.4
	cents	cents	cents	cents	cents
Net assets per share	**547.2**	576.2	513.2	528.4	592.2

i. Comparative balances have been restated, see note 1 of the consolidated financial statements.
ii. Comparative EBITDA balances have been restated to include share of associates' and joint venture's results. EBITDA for 2022 has been restated to include a $2.7m loss and 2021 has been restated to include a $3.5m loss. There was no impact in 2020.
iii. Dividend per share is stated on a declared basis.