

For Immediate Release

14 January 2025



Hunting PLC

("Hunting" or "the Company" or "the Group")

2024 Year-end Trading Update

Hunting PLC (LSE: HTG), the precision engineering group, today issues a year-end trading update ahead of announcing its 2024 Final Results on Thursday 6 March 2025.

All financial data noted below remains subject to audit.

Highlights

- Solid strategic progress in respect of the Hunting 2030 Strategy, with key milestones delivered within OCTG and Subsea product groups.
- 2024 trading and financial outturn in line with previous guidance and market expectations, with EBITDA in the range of 123- 126m. Group revenue is expected to be in the range of 1,040- 1,050m.
- EBITDA margin of c. 12% is likely to be reported for the year, up from 11% in 2023, as anticipated.
- Strong cash generation delivered in Q4 2024, with total cash and bank / (borrowings)¹ at the year-end expected to be 100- 105m, ahead of the guidance provided in October 2024.
- Following a record order book performance in H1 2024, Hunting's sales order book closed the year at c. 500m following the conversion of large orders into revenue throughout H2 2024. This order book will be completed through 2025 and into 2026 and supports the Group's anticipated continued EBITDA growth.
- Market conditions, while volatile through Q4 2024, appear more stable in the US with the Henry Hub natural gas price nearing 4 per mmBtu at the close of the year, further underpinned by likely improvements to industry support with the newly elected US administration.
- Continued growth in 2025 with EBITDA expectations being in the range of c. 135- 145m, driven by the Group's strong order book, and a material cost savings programme, with the higher end of range coming from the expected more positive market conditions in North America.
- 2025 guidance does not include any earnings accretive acquisitions, for which we are in active discussions, nor does it reflect an active tender pipeline, which may contribute further to full year 2025 performance.

Jim Johnson, Chief Executive of Hunting, commented:

"I would like to thank the Hunting team for delivering another year of strong growth, with firm progress towards a number of the key 2030 strategic objectives that we identified at our Capital Markets Day, namely positive growth of revenue, EBITDA, margins, cash and bank and continued diversification of our service offering and revenue streams.

"This growth has been delivered against a challenging industry backdrop through 2024, particularly in North America, which saw lower than expected activity due to depressed gas prices. Pleasingly, these challenges are beginning to subside with the natural gas price in the US ending the year strongly, which will likely lead to more drilling in the US and Canada, which will be further supported by the new US administration.

"2025 should, therefore, deliver a further year of growth and with strong acquisition opportunities, a healthy balance sheet, and a robust cost cutting programme that includes the consolidation of our EMEA operations, our profits and returns should continue to advance in the year ahead."

2024 Full Year Trading Summary

Trading in Q4 2024 remained in line with management's expectations and with the guidance issued in October 2024, with EBITDA anticipated to be in the range of 123- 126m for the full year. EBITDA margin is likely to be c.12%.

Working capital has reduced since Q3 2024, to close the year at c. 360m driven by lower inventory and improved receivables collections. Capital investment will total c. 32m for the full year.

EBITDA to Free Cash Flow conversion is likely to be c.110% for 2024, with year-end total cash and bank / (borrowings)¹ now anticipated to be above the previous guidance at 100- 105m, supported by the accelerated receivables programmes and discounted letters of credit used during H2 2024.

As noted in October 2024, the carrying values of the Hunting Titan operating segment are being assessed for impairment, with management expecting to book a reduction in carrying value as an adjusting item.

Delivery of Hunting 2030 Strategic Milestones

Hunting has delivered a number of strategic milestones during the year, with a strong operational performance from the Group's OCTG and Subsea product groups, and further growth from the Advanced Manufacturing and Other Manufacturing product groups. As noted in the Q3 2024 Trading Update, the operating performance of the Perforating Systems product group has been below 2023 during the year due to the lower US onshore rig count and average price for natural gas.

Management notes that the OCTG and Subsea product groups have delivered EBITDA margins well in excess of the target of 15% published at the Company's Capital Markets Day ("CMD") in September 2023. The Advanced Manufacturing product group has reported further progress in margin during 2024, while the Perforating Systems product group will likely report low-single digit margin.

Free Cash Flow has improved significantly in the year, with a c.110% conversion to EBITDA. The working capital to revenue ratio is also likely to be c.30%, which is better than the CMD target.

Capital Allocation

The Group has considerable balance sheet strength, and we continue to pursue value accretive opportunities to grow and diversify our portfolio in line with the strategic goals outlined at Hunting's CMD.

When assessing any opportunity, the Group has a disciplined capital allocation policy. In line with this policy, the Group also regularly considers if additional shareholder returns are appropriate.

The Group's dividend distribution ambitions remain on track.

EMEA Restructuring and Cost Savings

As announced separately today, the Directors have taken the decision to restructure the Group's EMEA operating segment, given the low levels of future drilling activity anticipated in the North Sea.

The Directors reiterate the strong outlook for the global oil and gas industry; and recognise that its operating footprint needs to align with future activity, which will likely focus on North and South America, the Middle East, Africa and Asia Pacific out to 2030.

A review of sales, general and administration costs is also underway.

In total, management plans to eliminate up to c. 10m of costs in the year, the majority of which being from the restructuring of the EMEA operating segment, noted above.

Further information on this initiative will be reported at the Company's 2024 Final Results, on Thursday 6 March 2025.

2025 Full Year Trading Guidance

Following a record order book in H1 2024, the Group's sales order book continued to be strong with a year-end position of c. 500m following the conversion of large orders into revenue in H2 2024. Tendering activity continues to be positive across our key regions of operation with opportunities in North and South America, the Middle East, and Asia Pacific.

Management continues to pursue earnings accretive bolt-on acquisitions that are focused on subsea opportunities, which remains a robust end-market to the end of the decade. Active discussions are underway with a number of targets, in line with the Hunting 2030 Strategic ambitions. Following the securing of the new banking facilities, as detailed in the October 2024 update, the Company has total liquidity² of c. 400m, as of today's date, available to pursue this focused growth initiative.

As noted above, in addition to the organic growth in the business, a programme of cost savings and restructuring is underway underpinning the EBITDA guidance for the full year 2025 of 135- 145m.

Free Cash Flow conversion continues to be an area of focus for the Group, with management anticipating an EBITDA to free cash flow conversion of c.50%. Year-end total cash and bank / (borrowings)¹ are targeted to be 135- 145m.

Investor Presentation via Investor Meet Company

The Company will be giving an investor presentation hosted by Investor Meet Company covering its Trading Update for the financial year ended 31 December 2024.

The online event will take place at 10:00 a.m. GMT today with Jim Johnson (Chief Executive) and Bruce Ferguson (Finance Director) presenting from the Company.

Investors can sign up to Investor Meet Company for free and add to meet Hunting via:

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

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

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About Hunting PLC

Hunting is a global, precision engineering group that provides precision-manufactured equipment and premium services, which add value for our customers. Established in 1874, it is a listed public company, quoted on the London Stock Exchange in the Equity Shares in Commercial Companies ("ESCC") category. The Company maintains a corporate office in Houston and is headquartered in London. As well as the United Kingdom, the Company has operations in China, India, Indonesia, Mexico, Netherlands, Norway, Saudi Arabia, Singapore, United Arab Emirates and the United States of America.

The Group reports in US dollars across five operating segments: Hunting Titan; North America; Subsea Technologies; Europe, Middle East and Africa ("EMEA"), and Asia Pacific.

The Group also reports revenue and EBITDA financial metrics based on five product groups: OCTG, Perforating

Systems, Subsea, Advanced Manufacturing and Other Manufacturing.

Hunting PLC's Legal Entity Identifier is 2138008S5FL78ITZRN66.

Note 1 - Total cash and bank / (borrowings) comprises cash and cash equivalents less bank debt and excludes the long-term shareholder loan of 3.9 million and IFRS 16 lease liabilities.

Note 2 - Total liquidity comprises secured committed facilities (the RCF and term loan) and unsecured uncommitted facilities, including the four facilities available to our Chinese subsidiary, combined with our year end cash and bank / (borrowings).

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