

Clear catalysts for further value accretion

Hunting has set out clear strategic goals over an extended time horizon. The company took tangible steps in 2025 towards their attainment, meeting guidance for the year at the same time. Subsea's elevated potential is important for many reasons, and within this, the development of Organic Oil Recovery could be a significant value trigger. Sustained order book expansion can be a wider catalyst here also, and the current tender pipeline looks promising. For now, our increased fair value estimate is in line with current share price levels.

FY25 EBITDA up 7% to US\$135.7m, in line with guidance: In meeting headline metrics flagged in its pre-close statement, Hunting confirmed a year of progress in profitability, further strong cash generation and M&A investment. Divisional and Product Group market conditions varied but elevated OCTG activity in H1 and self-generated gains in Perforating Systems and JVs were sufficient to deliver y-o-y EBITDA improvement. Contributions from in-year acquisitions were relatively modest but the enhanced Subsea portfolio is seeing gathering momentum. M&A spend together with increased shareholder distributions (dividends and share buybacks) reduced the company-defined year-end cash position to US\$63m. Management guidance for expected FY26 EBITDA of between US\$145m-155m (midpoint +9% y-o-y) is unchanged. Our updated estimate is slightly below this range at US\$143m.

Subsea Technologies' focus intensifies: The expanded Divisional portfolio starts FY26 with an enlarged order book and an encouraging tender pipeline (of US\$121m and c. US\$300m respectively). Ambitious new targets announced in January are attainable in our view and this note reviews a number of scenarios with implications for organic growth requirements from longer-standing businesses, earnings quality and a rising importance to the group's 2030 strategic targets. Within this, Organic Oil Recovery can be a significant value driver we believe, subject to developing recurring revenue streams from the deployment of full-scale oilfield treatment programmes.

Valuation: following the strategic 2030 roadmap

A strong period of share price growth (and outperformance versus the FTSE All-Share index) has resulted in a rating expansion for Hunting. Based on current estimates, peer group multiples and our DCF analysis, the company appears to be fairly valued at present. However, our estimates are set conservatively in the context of medium/longer-term aspirations, and we can see clear catalysts for further growth towards the group's 2030 targets. These include, but are not limited to, locking in an elevated order book, development of the Organic Oil Recovery model and potential further M&A.

Summary financials					
Yr to December (US\$m)	2024	2025	2026E	2027E	2028E
Revenue	1048.9	1018.8	1075.2	1121.8	1183.9
EBITDA* (inc JV/Associates)	126.3	135.7	143.0	155.8	164.9
PTP	75.6	79.7	88.8	103.1	113.7
EPS (US c)	31.4	34.1	38.3	44.4	48.9
DPS (US c)	11.5	13.0	14.7	16.6	18.8
Net cash / (debt)**	100.8	59.0	48.4	61.7	103.9
P/E (x)	21.6	19.9	17.7	15.3	13.9
EV/EBITDA (x)	7.7	7.6	7.4	6.7	6.1
Dividend yield	1.7%	1.9%	2.2%	2.4%	2.8%

Source: Company Annual Reports, Equity Development. *company basis **inc shareholder loan £/US\$1.33

12 March 2026

Company Data

EPIC	HTG.L
Price (last close)	510p
52 weeks Hi/Lo	548p/245p
Market cap	£804m
ED Fair Value / share	502p
End FY25 Net cash	US\$59m
Avg. daily volume	556k
NB: All at £/US\$1.33	

Share Price, p



Source: Investing.com

Description

Hunting is a global engineering group that provides precision-manufactured equipment and premium services with a diverse product portfolio. The company has a global footprint from operations in 9 countries including 25 production locations and 14 distribution centres. The energy industry accounted for c.92% of FY25 revenue while also serving non-oil & gas customers (eg medical, aerospace, defence, space and power generation). Hunting is seeking to grow rapidly in adjacent Energy Transition product sub-sectors as well as deepening its presence in other non-oil & gas business areas.

Next event: AGM – 15 April

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Investment Summary

Investment proposition: capitalising on market position to drive total returns

Hunting is a global, engineering-led business with leading positions in its chosen sectors founded on technical capabilities. It has geographic and end-market diversity both within its dominant oil and gas industry exposure (c.92% FY25 revenue) and, increasingly, across non-oil and gas subsectors. Recent financial performance and the business outlook is characterised by:

- **Growing profitability, generating cash and investing** in faster growing areas
- Free cash flow is being applied to both **acquisitions** (including two in FY25) and **enhanced shareholder distributions** (eg 13% DPS growth pa and ongoing share buybacks with US\$100m announced to date)
- **Stated 2030 targets include US\$2bn revenue and US\$300m EBITDA** (FY25: US\$1.02bn, US\$137.5m)

FY25 Results: meeting guidance, making strategic progress

Hunting met January's pre-close guidance, delivering 7% higher EBITDA y-o-y at US\$135.7m (US\$132.2m from wholly owned operations - up 4.6% y-o-y with a 13.0% margin +90bp – plus an improved, break-even contribution from JV/associates). A self-generated rebound in Perforating Systems profitability and elevated OCTG deliveries more than offset lower contributions from the other Product Groups. The company maintained a conservative balance sheet. The start-year net cash position and c.US\$97m free cash inflow were applied to fund US\$145m discretionary outflows (ie net M&A and share buybacks/treasury share purchases) leaving a healthy US\$63m company-defined cash position at the end of FY25. Existing FY26 EBITDA guidance was reiterated in the US\$145m-155m range (+9% at the midpoint versus FY25).

Subsea Technologies: new targets signify growing importance to Group

Hunting completed two acquisitions in FY25 - Organic Oil Recovery (OOR) in March and Flexible Engineered Services (FES) in June – Hunting enlarged its Subsea Technologies portfolio offer. Subsequently, Hunting announced upwardly revised targets for the Product Group, being US\$470m revenue (including US\$150m from further acquisitions) and US\$94m+ EBITDA (the lower end of a 20-25% margin target) by 2030. If successful, the Division would represent approaching one third of the stated group target of US\$300m by 2030 (based on US\$2bn revenue and a 15% EBITDA targets) compared to c.17% in FY25.

Our analysis suggests that OOR can be a material contributor to this and at the same time diversify oilfield asset lifecycle exposure and build recurring revenue streams. This requires the conversion of extensive and geographically spread field testing activities currently into full field deployment contracts. Should this not be achieved in the next five years, this places a greater onus on longer-standing operations to generate higher organic growth rates. The Division ended FY25 with a US\$121m order book (FY24: US\$73m) and a c.US\$300m tender pipeline so is well set for progress in FY26.

Valuation: Further progress towards 2030 targets to drive ratings

Hunting's share price has performed well since its FY25 year-end update and Subsea CMD in January - extending a strong run since the middle of last year – and we interpret this as an increasing acceptance of the roadmap towards the group's 2030 targets. Our DCF analysis suggests that the current share price is consistent with steady state annual EBITDA of US\$200m. We consider this to be attainable from the current business portfolio and also that clear progress towards delivering the company's medium/longer-term profit targets is required to drive further value.

- **Subsea:** order cycles (end FY23 US\$152m on hand, end FY24 US\$73m and H125 US\$94m) flowed through into a strong FY24 comparator period and a sequential relative lull in H125 before a firmer finish to the year. FES was acquired in June and contributed US\$10m revenue in the year. (OOR was also acquired but reported in a different Product Group in FY25).
- **Other Manufacturing:** revenue stepped down noticeably in H225 resulting in an EBITDA loss for the period and break even for FY25 overall. North American revenue actually grew y-o-y; we conclude that the restructuring of well intervention and testing activities in EMEA was the primary driver of reduced profitability ahead of expected benefits starting to accrue during FY26.

Hunting's reported Divisional performance is summarised in the following table.

Hunting: Divisional and interim splits

Year end: Dec	US\$m	H124	H224	2024	H125	H225	2025	% chg yoy		
								H125	H225	2025
Group Revenue		493.8	555.1	1048.9	528.6	490.2	1018.8	7%	-12%	-3%
Hunting Titan		122.9	107.4	230.3	105.5	123.2	228.7	-14%	15%	-1%
North America		192.7	195.7	388.4	189.0	200.5	389.5	-2%	2%	0%
Subsea Technologies		78.7	68.4	147.1	59.0	80.3	139.3	-25%	17%	-5%
EMEA		46.7	41.0	87.7	39.4	34.1	73.5	-16%	-17%	-16%
Asia Pacific		79.6	161.0	240.6	155.6	71.1	226.7	95%	-56%	-6%
Inter company		-26.8	-18.4	-45.2	-19.9	-19.0	-38.9			
Group EBIT		40.1	47.9	88.0	49.3	41.2	90.5	23%	-14%	3%
Hunting Titan		-2.6	-5.7	-8.3	1.3	2.1	3.4	<i>n/m</i>	<i>n/m</i>	<i>n/m</i>
North America		19.9	25.6	45.5	22.7	28.0	50.7	14%	9%	11%
Wholly owned		20.5	27.4	47.9	22.6	27.9	50.5	10%	2%	5%
Assoc - Cumberland Additive, Rival*		-0.6	-1.8	-2.4	0.1	0.1	0.2	<i>n/m</i>	<i>n/m</i>	<i>n/m</i>
Subsea Technologies		15.5	10.1	25.6	4.9	9.5	14.4	<i>n/m</i>	-6%	-44%
EMEA		-3.4	-9.0	-12.4	-5.5	-5.5	-11.0	<i>n/m</i>	<i>n/m</i>	<i>n/m</i>
Asia Pacific		10.7	26.9	37.6	25.9	7.1	33.0	142%	-74%	-12%
Wholly owned		10.3	25.0	35.3	24.0	5.7	29.7	133%	-77%	-16%
JV - Jindal		0.4	1.9	2.3	1.9	1.4	3.3	375%	-26%	43%
EBIT margins (Wholly owned) %		8.2%	8.3%	8.2% 	8.9%	8.1%	8.6%	+70	-20	+40
Hunting Titan		-2.1%	-5.3%	-3.6%	1.2%	1.7%	1.5%	+330 	+700 	+510
North America (100% owned)		10.6%	14.0%	12.3%	12.0%	13.9%	13.0%	+140 	-10 	+70
Subsea Technologies		19.7%	14.8%	17.4%	8.3%	11.8%	10.3%	-116 	-300 	-410
EMEA		-7.3%	-22.0%	-14.2%	-14.0%	-16.1%	-15.0%	<i>n/m</i>	<i>n/m</i>	<i>n/m</i>
Asia Pacific (100% owned)		12.9%	15.5%	14.7%	15.4%	8.0%	13.1%	+250 	-750 	-160

Source: Company, Equity Development *Rival interest was sold in March 2025

- Although **North America** revenues were flat y-o-y, the EBIT margin nudged up; as the largest revenue contributor, OCTG's revenue and margin improvement more than compensated for the softness in Electronics demand noted earlier.
- **Hunting Titan** and **Subsea Technologies** had stronger H2 y-o-y revenue performances. As seen under the Product Group analysis, Titan/Perforating Systems confirmed its return to profitability and while Subsea Technologies had a stronger prior year comparator, it still made a very healthy profit contribution.
- **Asia Pacific** revenue and profits were below FY24 levels - concentrated in H225 after the KOC order deliveries completed – but still very strong in the context of historic trading
- The **EMEA** loss was again significant as restructuring impacted revenues. A hump of corrective costs taken in H224 did not recur to the same extent in FY25, leaving a slightly small loss for the year overall.

Active year for cash generation, M&A and shareholder returns

As trailed in the January pre-close statement, Hunting ended FY25 with US\$63m net cash¹. Actively applying the company's capital allocation policy resulted in c. US\$74m net M&A spend (including costs) and c. US\$71m returns to shareholders following another strong cash inflow performance. While down c. US\$42m y-o-y (the net result of US\$48m net outflow and a c. US\$6m favourable translation effect) the year-end net cash position was better than we had anticipated at the interim stage chiefly due to receivables inflows.

Adjusted operating profit rose by US\$2.5m in FY25 (to US\$90.5m) comprising slightly lower EBIT from wholly owned operations and an improved contribution from JV/associates (ie further progress in the Indian OCTG JV and the attainment of a small profit at Cumberland Additives in Advanced Manufacturing). Adding back increased depreciation and amortisation charges saw a **good uplift in EBITDA** from US\$126.3m to US\$135.7m (or, excluding JV/associate profit after tax, US\$126.4m to US\$132.2m).

The **strong working capital** inflow seen in H125 was largely retained, resulting in a **US\$18m inflow for the year overall**. The KOC order delivery schedule straddled the end of FY24, and this influenced the pattern for the year, noting that the end FY25 position is considered to be at normalised levels (at c.33% of revenue). **Other cash outflows of c. US\$15m** were H2 weighted, primarily reflecting restructuring in the EMEA region we believe, following acquisition-related costs incurred in H1. **Overall operating cash inflows totalled US\$138m** (before lease costs).

Taken together, **cash interest costs and tax payments were US\$18m** – split broadly equally - up from c. US\$16m in the prior year. Within this the tax portion rose due to geographic mix. Headline bank finance costs reduced, being the net effect of one-off prior year refinancing fees not recurring, partly offset by higher FY25 facility and usage fees. Lease-related costs (capital and interest) of US\$10m were up US\$1m y-o-y.

Net capex was up marginally to US\$28m with spend on tangible asset of US\$27m and intangible assets of US\$11m (up due to enterprise platform renewal and capitalised R&D costs) partly offset by US\$10m disposal proceeds (including EMEA property).

After all the above items, **Hunting generated free cash flow (FCF) of US\$82m (or US\$97m before restructuring/acquisition outflows)**.

The opening balance sheet position and FCF generated in the year funded:

- **US\$19.1m cash dividend payments**
- **US\$52.1m Share buyback and Treasury share purchases** (US\$33.9m and US\$18.2m net respectively)
- **US\$68.7m net M&A** (c. US\$82m on OOR and FES, less US\$13m received from the Rival Downhole interest disposal. NB transaction fees of US\$4.8m are included in 'Other' outflows above but included in the net M&A reference in the first paragraph).

Free cash flow conversion of c.50% builds net cash to US\$100m+ by FY28E

Hunting has flagged expected FCF conversion of c.50% in FY26, in line with its 2030 strategy, ongoing commitment to 13% annual DPS growth and an extended Share buyback programme (expected to include a further US\$20m in both FY26 and FY27). Based on revised estimates, we anticipate a net cash outflow of c. US\$11m in FY26. Our forecast net cash position then builds to US\$100m+ by FY28, absent further M&A.

¹ Equity Development also includes US\$3.9m shareholder loan in the Financials section net debt definition

The end FY25 cash position together FCF generation and existing bank facilities – now extended to October 2029 – provide good headroom to take advantage of further M&A opportunities should they arise. We have not factored in any deals at this stage though management clearly aspires to add to the business portfolio.

Outlook: order book developments key to earnings upside

The latest geo-political conflict in the Middle East is clearly having a direct impact on oil and gas sector sensitivities and global energy prices. Associated uncertainty has pushed WTI to c. US\$90/bbl and the Henry Hub gas price has also risen but not to the same extent presently. Outside the Middle Eastern region, **energy security and inflationary considerations** have again become common discussion topics.

While we cannot predict the evolution of energy prices from here, our view is that the current price levels are likely to support oilfield operators' operational budget spending and, potentially, have a favourable impact on capital project final investment decisions. Within the Hunting portfolio, Perforating Systems and Advanced Manufacturing/Electronics have been the business areas most affected by lower North American drilling activity and, therefore, may respond relatively quickly if the current energy price scenario persists.

While the headline group order book position reduced to US\$358m at the end of FY25, this is substantially an OCTG effect with other Product Groups collective order position unchanged over the last six months, albeit down y-o-y.

Hunting: Product Group order book development FY23 to FY25

U\$m	FY23	H124	FY24	H125	FY25	6m chg		yoy chg	
						FY25	FY25	FY25	FY25
OCTG	222.0	411.1	249.7	170.1	76.7	-93.4	-173.0		
Subsea	152.2	116.4	72.5	94.0	120.7	26.7	48.2		
Advanced Manufacturing	161.5	145.8	130.0	128.3	116.2	-12.1	-13.8		
Other Manufacturing	16.8	10.9	39.9	40.6	21.0	-19.6	-18.9		
Perforating Systems	12.7	15.3	16.5	18.5	23.4	4.9	6.9		
Total	565.2	699.5	508.6	451.5	358.0	-93.5	-150.6		

Source: Company, Equity Development

Note the Subsea order book progress from the end FY24 low point. Also, while below FY24 levels, Advanced Manufacturing orders slightly exceed FY25 revenue levels, driven by Dearborn. Hunting has flagged c. US\$300m Subsea tender opportunities falling into FY26 and a US\$1bn wider pipeline. **Subsea and OCTG prospects are considered to be the strongest.** The restructuring in EMEA (where around two thirds of revenue came from Other Manufacturing activities in FY25) should support a better FY26 result,

We took a conservative view on the potential contribution of large new OCTG orders on FY26 estimates and this remains our stance, though we have nudged up the margin expectation here slightly. This is offset by a more cautious profit trajectory from Perforating Systems given that H225 EBITDA was in line with rather than ahead of H125 profitability. The net result is a minor reduction in our FY26E EBITDA, as shown below. The adjustments to net cash expectations are substantially due to incorporating increased share buybacks and further treasury share purchases.

Hunting: Estimate changes

Year to December (U\$m)	FY25E	FY25A	%chg	FY26E		%chg	FY27E		%chg	FY28E		%chg
				Was	New		Was	New		Was	New	
Revenue	1019.2	1018.8	0%	1096.4	1075.2	-2%	1144.2	1121.8	-2%	n/m	1183.9	n/m
EBITDA*	135.0	135.7	0%	146.5	143.0	-2%	155.8	155.8	0%	n/m	164.9	n/m
Pre-Tax Profit - company norm	82.5	79.7	-3%	94.6	88.8	-6%	105.9	103.1	-3%	n/m	113.7	n/m
EPS FD - company norm (US c)	36.2	34.1	-6%	40.5	38.3	-5%	45.3	44.4	-2%	n/m	48.9	n/m
DPS (US c)	13.0	13.0	0%	14.7	14.7	0%	16.6	16.6	0%	n/m	18.8	n/m
Net cash/(debt) pre-IFRS16 basis**	60.0	59.0	-2%	95.8	48.4	-49%	151.3	61.7	-59%	n/m	103.9	n/m

Source: Equity Development * includes share of JV/Associate PAT. Metrics as shown on front page **includes US\$3.9m shareholder loan

Our new FY28 estimates show further y-o-y EBITDA progress of c.6% (with a 13.9% margin). Against Hunting's stated 2030 targets (specifically revenue of US\$2bn and EBITDA of US\$300m, 15% margin) we suggest that our estimates are conservatively positioned. Further M&A is also a stated objective and activity here may serve to fill some of what currently appears to be an earnings gap to attain 2030 target levels.

Subsea Technology: Rising to new heights

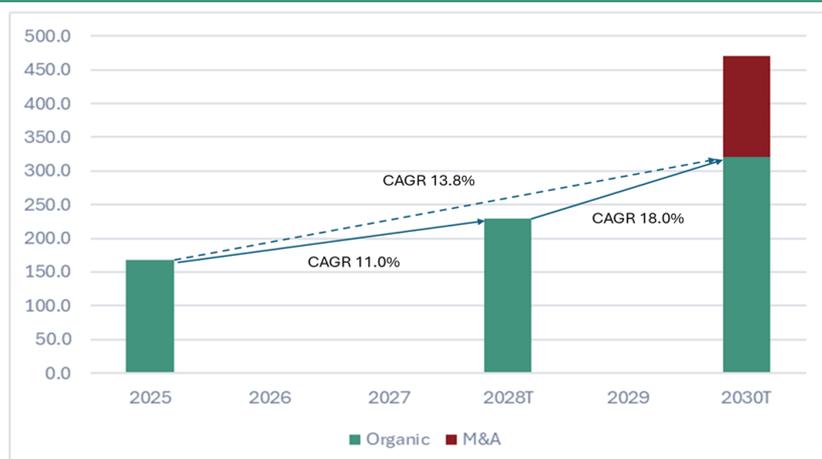
In January, Hunting presented its near and medium-term aspirations for the enlarged Subsea Technologies division, expanded by two acquisitions during 2025. A material increase in revenues and profitability is being targeted which is intended to be a significant contributor to the group's 2030 targets (as set out in 2023). In the following sections, we review the targets – including composition implications – and the importance to the wider group. We conclude that the organic growth targets are eminently achievable, with potential upside to come from OOR business model development and further M&A execution.

Ambitious targets established

From our estimated FY25 base² approaching US\$170m revenue and US\$29m EBITDA, Hunting has set the following targets:

- FY28: US\$230m revenue and US\$50m EBITDA (21.7% margin), followed by
- FY30: US\$470m (two thirds organic plus US\$150m from further M&A) and 20-25% EBITDA margins.

Hunting: Subsea Technologies - stated revenue targets



	US\$m	2025A*	2028E	2030E
Revenue		168.0	230.0	470.0
Organic*		168.0	230.0	320.0
M&A				150.0

*Organic includes existing Subsea Technologies' businesses plus 2025 acquisitions' (OOR & FES) annualised revenues (estimated)

- Requires five-year organic revenue CAGR of 13.8%
- Absent acquisitions by 2028, required CAGR accelerates over years 4 and 5.

Source: Company

As the chart above shows, the near/medium term (ie our three-year estimate horizon) requires an organic revenue CAGR of c.11% or, in value terms cUS\$18m-22m incremental revenue per annum to reach the stated 2028 target. As previously noted, several operating companies within this division have secured orders in excess of US\$20m in the past. Hence, at face value, this looks attainable.

Assuming that the 2028 target is achieved, the two subsequent years of the period require US\$40-50m incremental revenue gains to achieve the 2030 target. (And, obviously, higher still should the run rate to 2028 be below target.)

In both periods, the required annual uplifts are, in effect, net gains. It is important to recognise this given the nature of customer project demand. Specifically, whether the equipment is funded from capital budgets (eg pre-production infrastructure and set-up) or operational ones (ie oil field production). The former would tend to be more of a larger one-off order (though there may be multiple tenders) while operational

² Annualising contributions from Organic Oil Recovery and Flexible Engineered Services (acquired in March and June 2025 respectively)

requirements may typically have more recurring/repeat requirements. Referring back to the incremental revenue gain point, the revenue composition in any one year (simplistically, capital versus operational equipment sales) then has implications for the gross revenue uplift required in the following year to track the CAGR figures outlined above.

Composition of Subsea revenues and implications for growth

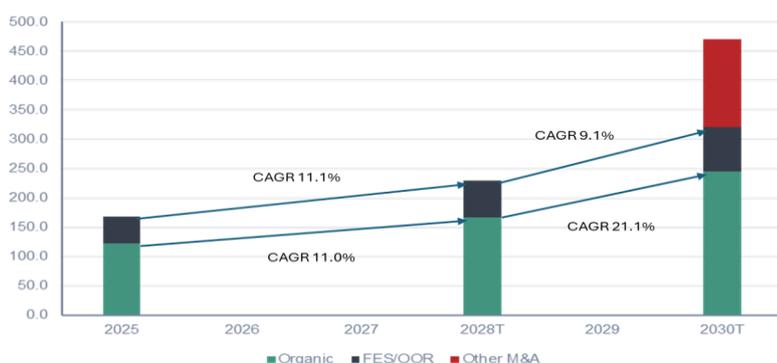
We now look at the component parts of the Subsea portfolio and further evaluate growth prospects under a number of different scenarios.

In the first example, we compare our estimates to Hunting's stated targets and distinguish between growth from the longer-standing Subsea portfolio companies ('organic') and those acquired during 2025 ('FES/OOR'). Of course, the longer Hunting owns FES/OOR the more their progress becomes organic, but we have made the definitional distinction here as it feeds into some scenario illustrations that follow.

As things stand, we have incorporated similar growth rates for both defined groups over our three-year FY26E-FY28E estimate horizon. For illustration, factoring in similar annual growth in US\$ revenue value in FES/OOR together over the following two years to 2030 then places further onus on the uptick in organic growth from other portfolio companies, above the sharp acceleration note in the earlier chart.

This is shown in the chart below with the same M&A component as shown before, but the Organic section is now split between existing operations and 2025 acquisitions.

Hunting: Subsea Technologies - stated revenue targets & Equity Development estimates



	US\$m	2025**	2028E	2030T
Revenue		168.0	230.0	470.0
Organic*		122.0	167.0	245.0
FES / OOR***		46.0	63.0	75.0
M&A				150.0

*Organic includes Spring, Stafford & Enpro
 ** 2025: FES/OOR annualised revenues (est)
 ***2028E: ED estimates, 2030T illustrative

- Steady progression from newly acquired FES and OOR assumed
- Greater onus on organic growth (especially towards the latter part of the 5-year period)

Source: Company, Equity Development

FES is currently the larger of the two acquired businesses (at c. US\$40m typical revenue versus c. US\$6m for OOR in 2025). One could make a case for a faster rate of growth from FES given that it is new to Hunting and, therefore, stands to benefit more from group support than previously. It is also fair to observe that the enlarged portfolio is now able to tender jointly or more widely than before for a larger share of project wallet. This is a targeted business development benefit arising from those acquisitions and success here would further validate the strategy.

We have prudently assumed relatively modest growth in OOR, consistent with announced contract wins thus far. Implicitly, this does not include full field deployment wins to the scale outlined by the company at a presentation in January. This part of the revenue model is still to be demonstrated, and we would expect progress here to be announced separately by the company.

Overall, we are comfortable with the organic and acquired (particularly FES) elements of our estimates showing comparable growth rates over our forecast horizon as they are addressing similar subsea project drivers. Moreover, it includes a credible path to Hunting's stated 2028 US\$230m revenue target, acknowledging that it may not be as linear as represented in the chart due to the lumpier nature of project awards in this sector.

Organic Oil Recovery analysis: inflection point potential

Taking the FES analysis above as read, we now look at several scenarios for the future development of OOR. Pivoting the business model from lab services to full scale deployment has the potential to transform this business with important ramifications for Subsea and the wider group.

Background

Hunting paid US\$18.2m consideration for Organic Oil Recovery assets in March 2025. Up until this point, Hunting had been the sole EMEA licensee for OOR technology since 2018 supported by the licensor's lab and supply chain. Hunting recorded all revenue it generated in the P&L with a royalty payment back to OOR.

Following the acquisition, Hunting assumed global ownership of the technology rights plus US lab facility and staff with a 15% royalty on revenues due to the vendors for a 15-year period. Hunting relocated its own OOR management team from Aberdeen to the enlarged Dubai EMEA facility with an additional regional lab facility added during 2025. We understand that OOR will continue to be reported under Hunting's Other product group but will switch from North America to Subsea Technologies under divisional reporting.

OOR focuses on Enhanced Oil Recovery (EOR) which involves the injection of a bespoke nutrient-based formulation based on individual well properties to improve oil extraction and yield. In addition to extending the life of more mature wells, the output properties (ie reduced water cut and hydrogen sulphide levels) bring lower processing cost benefits.

Hunting effectively generates revenue in two ways, through the initial validation phase (understood to be an 18-24 months' period, including identification, screening, analysis, sample provision and pilot testing) to be followed, if successful, by full field deployment (multiple treatment injections annually and over a number of years). As an indication of potential, Hunting has cited an example of a full field deployment generating US\$20m-25m revenue pa over a 3-10-year lifecycle³.

As well as Hunting's traditional EMEA region, existing field trials plus those initiated following acquisition have expanded 'proof of concept' activity globally (including the Americas, Africa, India, South-East Asia and Australasia).

Scenario analysis: full deployment offers step change growth opportunities

On the following pages, we set out three different scenarios for the development of OOR's revenue model, the difference being defined by the number of full field deployment contracts won. We then go on to show the implications for organic revenue requirements across the other Subsea Technologies companies in order to achieve Hunting's stated growth targets for this division.

The scenarios are:

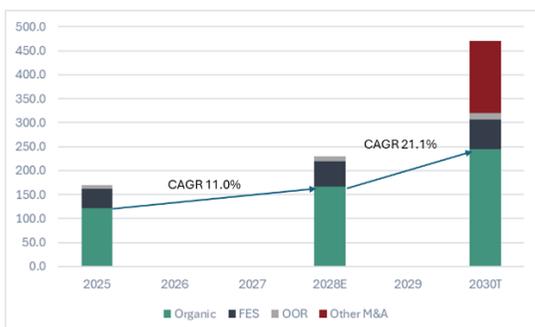
- No full field deployments at the scale potential referenced above (effectively consistent with our existing divisional and group estimates).
- **Flex I:** One full field deployment fully online by 2028 and a second by 2030
- **Flex II:** One full field deployment fully online by 2028 and four by 2030 (broadly consistent with Hunting's target of generating US\$100m revenue pa by 2030).

³ Based on a field with 350m bbls of Oil Initially in Place before extraction commences and c.10-15% tertiary recovered potential. (At the time of presenting, WTI was priced at c. US\$61/bbl.)

Organic Oil Recovery: scenario modelling to 2030

Base case: In August 2024, Hunting announced that OOR had secured contracts with North Sea customers with an aggregate value of US\$60m, to be generated over a five-year period. This forms the basis of our existing OOR estimate – top LH panel - rising from below to above average revenues by 2030. **FLEX I:** Building on the Base case, with one full field deployment fully on stream in 2028 (with recurring revenue in the following two years) and a second one in 2030. **FLEX II:** Building on Flex I with the addition of three additional full field deployments fully onstream in 2030 (making four in total). We summarise the implications for organic growth for Hunting’s longer-standing Subsea Technologies operations in order to deliver the company’s stated targets for the division in the bottom RH panel.

Base case: ED estimates

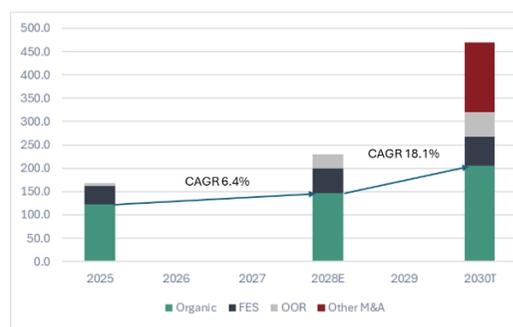


	US\$m	2025**	2028E	2030T
Revenue		168.0	230.0	470.0
Organic*		122.0	167.0	245.0
FES***		40.0	52.0	62.0
OOR***		6.0	11.0	13.0
M&A				150.0

- *Organic includes Spring, Stafford & Enpro
- ** 2025: FES/OOR annualised revenues (est)
- ***2028E: ED estimates, 2030T illustrative
- Steady progression from newly acquired FES and OOR assumed
- Greater onus on organic growth (especially towards the latter part of the 5-year period)

Source: Equity Development

ED estimates: OOR FLEX I

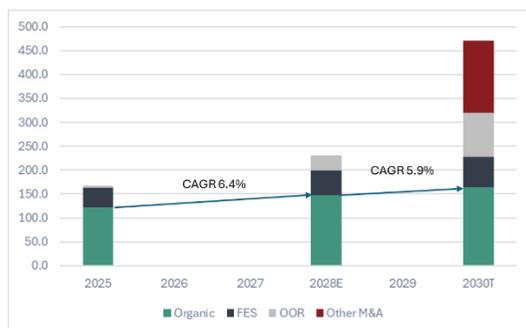


	US\$m	2025**	2028E	2030T
Revenue		168.0	230.0	470.0
Organic*		122.0	147.0	205.0
FES***		40.0	52.0	62.0
OOR***		6.0	31.0	53.0
M&A				150.0

- *Organic includes Spring, Stafford & Enpro
- ** 2025: FES/OOR annualised revenues (est)
- ***2028E: ED estimates, 2030T illustrative
- OOR full field award assumptions; 1 by 2028, 2 by 2030
- Significantly lowers near-term required Organic revenue CAGR but period end CAGR rises sharply again

Source: Equity Development

ED estimates: OOR FLEX II



	US\$m	2025**	2028E	2030T
Revenue		168.0	230.0	470.0
Organic*		122.0	147.0	165.0
FES***		40.0	52.0	62.0
OOR***		6.0	31.0	93.0
M&A				150.0

- *Organic includes Spring, Stafford & Enpro
- ** 2025: FES/OOR annualised revenues (est)
- ***2028E: ED estimates, 2030T illustrative
- OOR full field award assumptions; 1 by 2028, 4 by 2030
- Organic revenue growth requirement at lower levels with more even 5-year CAGR c.6%

Source: Equity Development

OOR scenario summary – organic growth implications

		Organic CAGR		
		2026-2028	2029-2030	2026-2030
Base case	Delivery of announced US\$60m contracts on a rising annual trend	11.0%	21.1%	15.0%
Flex I	Base case plus first full field deployment in 2028 and a second in 2030	6.4%	18.1%	10.9%
Flex II	Flex I plus three further full field deployments in 2030	6.4%	5.9%	6.2%

Source: Equity Development

Organic growth implications depending on OOR scenario

While it is obvious to say that the more successful Organic Oil Recovery becomes, the less organic growth is required from Hunting's existing operations over the next five years, the analysis above quantifies this under three plausible scenarios.

The evidence presented by Hunting regarding the efficacy of OOR pilot testing treatments appears to be compelling. The challenge is now to transition from validation activities – which appear to be geographically extensive – into full field deployment and at a meaningful scale. Transition to full field deployment requires the confidence of oilfield owners and operators to allocate operational budget funds having satisfied financial return hurdles and appraised well condition implications.

While more mature oilfield wells are all theoretically potential sources of revenue, it is understood that some are more likely to respond to OOR treatment than others. More precisely, the well screening phase looks for samples containing microbes with specific genetic characteristics which can be scaled up in a bespoke nutrient mix. Then, in simple terms, phased injection of this organic treatment in batch form breaks down oil molecules into smaller sizes to improve flow rates. Hence, the scale of market opportunity is difficult to define more clearly as it depends on individual well ecology.

Returning to Hunting's divisional targets, the composition is important. Looking at 2030, under the illustrated Base case, Subsea Technologies' revenue base is substantially dependent on customers' capital budgets seemingly with low levels of recurring income. Contrast this with the Flex II case whereby approaching one third of revenue is generated by OOR which has a recurring full field deployment income model. Hence, not only does this place less business development strain on other capital budget-oriented companies in the division it arguably improves the quality of earnings through increased visibility. Moreover, by definition, OOR's focus on more mature wells accesses **later stages** in an oilfield's lifecycle compared to the other, capital product oriented Subsea Technologies' portfolio which are typically purchased and installed at the front-end of a project. If successful, this would further diversify the composition of the division's turnover and exposure to perhaps more variable customer capital project spend cycles.

Target M&A considerations: capability is there, timings uncertain

Our revenue analysis above has only focused on existing operations including those acquired in 2025. Hunting's stated 2030 target explicitly includes US\$150m revenue from further acquisitions.

Clearly, the timing and terms of any future deals are unknown at this stage and are not incorporated in our estimates. It could be the case that acquisitions are made before 2028 and therefore contribute to revenue by that time. This would obviously dilute the organic growth requirements highlighted in earlier scenarios (which only included M&A in the 2030 year).

As a guideline, Hunting flagged expected consideration in the US\$75m to US\$100m range to bring in a further US\$150m revenue via M&A. Taking the revenue at face value and an EBITDA margin of 20% implies US\$30m EBITDA (by 2030) and a midpoint multiple below 3x.

These acquisition metrics appear ambitious as an entry multiple in a high growth sector to us. To get to this end point (ie 2030 revenue US\$150m, EBITDA US\$30m from M&A) it seems more likely that the strategy then is to acquire business(es) that are generating lower revenues and, most probably, margins with the aim of growing both towards the stated 2030 target. The implication then might be to expect some initial margin dilution under this scenario.

As mentioned in previous notes, we anticipate that targets will be characterised by a strong technology base with defensible positions, respectable initial EBITDA margins and a scalable model. The wider division (and perhaps group) can then facilitate access to tenders that may otherwise have been accessible to drive volumes and margins higher.

Looking at capability, Hunting already has a strong sector presence and reputation and indeed acquired two businesses in 2025. Divisional MD Dane Tipton joined Hunting with its first acquisition in this sub-sector (National Couplings Company – now known as Stafford – in 2011) and oversaw two further deals (RTI Energy/Spring in 2019 and Enpro in 2020) that were first reported separately as a combined divisional entity from FY23. From this it is apparent that deep sector experience and a track record in M&A and operating company assimilation are existing management capabilities.

Excluding a US\$3.9m shareholder loan, Hunting ended FY25 with c. US\$63m net cash (c. US\$146m gross) on its balance sheet and has in place a US\$200m RCF (extended to October 2029) and a US\$100m term loan (to September 2027). Subject to working capital requirements on future large project contract wins, Hunting appears to have funding capacity in place today to accommodate its Subsea M&A aspirations.

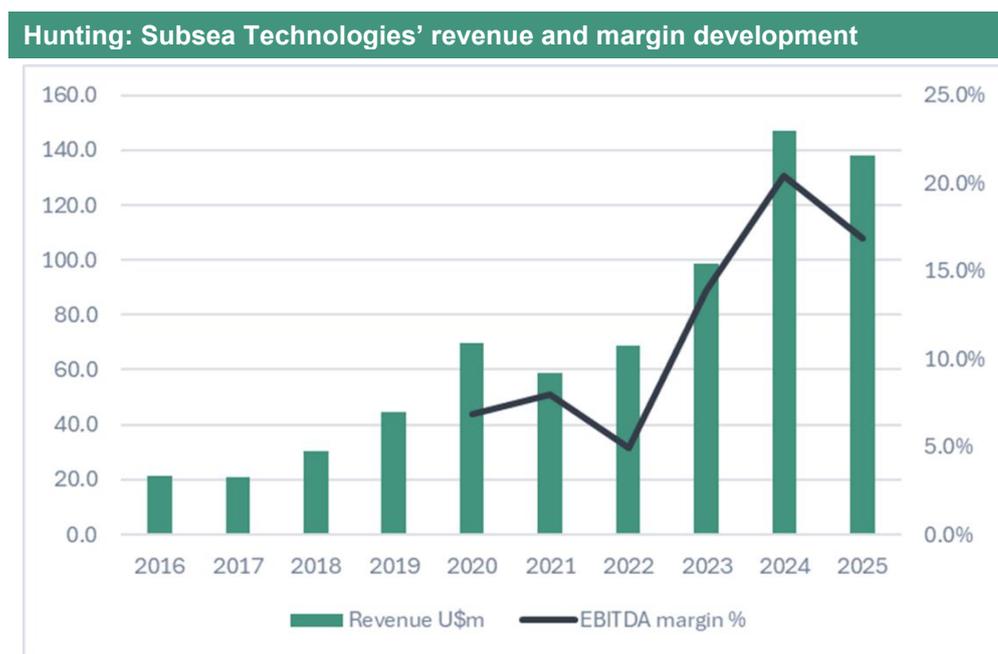
For illustration, adding US\$30m EBITDA and US\$150m borrowings to the FY25 base year (US\$136m EBITDA and US\$59m net cash) would build EBITDA to US\$166m and move to just under US\$90m net debt, or a c. 0.5x geared position.

We do not anticipate a single US\$150m acquisition, so – if executed – cash outflow will be phased. Secondly, we expect Hunting to grow EBITDA and generate free cash flow at/above US\$80m over our three-year estimate horizon. This is more than sufficient to fund stated 13% dividend growth aspirations (FY25 cash cost US\$19m) and the flagged share buyback programmes and still be materially net cash positive from FY27. (While acquiring businesses with sub-20% margins initially, as referenced above, would obviously increase illustrated gearing but we consider this as likely to be temporary and non-material.)

We conclude that Hunting has both the management and financial capabilities to be able to execute the Subsea Technologies M&A strategy, subject, of course, to finding appropriate targets at right price with a good fit with existing portfolio companies.

Subsea Technologies' margin development and aspirations

Moving onto the profit component of Hunting's Subsea Technologies' targets, the chart below shows the division's historic track record in growing revenue and EBITDA margins.



Source: Company, Equity Development. Acquired companies aligned with acquisition year. Margins n/a prior to FY20

The longer-standing Subsea portfolio companies together delivered EBITDA margins in excess of 20% in FY24. As noted at the interim stage, the delivery of previously announced TSJ orders benefitted that year – especially in H1 – but did not recur at the same level in 2025. In addition, we believe that the acquisitions of OOR and FES diluted the divisional margin slightly, leaving the FY25 outturn at 16.9%.

At the end of FY25, Subsea had an order book of US\$121m and, on the same basis (ie ex FES), this is comparable to the c. US\$120m FY25 revenue generated from the longer-standing businesses. At the end of FY25, the division had identified a tender pipeline of US\$300m for FY26 (including an unspecified contribution from FES). It is reasonable then to expect a growing order book and improving forward visibility for the division, incorporating stated margin targets.

The three longer-standing businesses have a visible track record and figures presented on the acquisition of FES indicated average EBITDA margins in excess of 20% in the three preceding years for that business.

As OOR is less mature, we do not have the same P&L model insight at this stage. Our high-level view of OOR currently is a business substantially dominated by a fixed cost base (including technical/lab, management and business development staff plus lab facilities). Cost of sales is comprised of relatively small-scale treatment formulations (sourced from a small number of globally capable third-party providers to company specifications) and royalty payments to OOR's vendors.

We would expect a scaling up of OOR activity (eg full field deployment) to result in higher volume requirements from the outsourced supply chain and gross margin accretion arising from repeat treatment schedules. We speculate that gross margins may run below group levels (due to a relatively high bought-in COGS component plus royalty payments) but result in good EBITDA margin progression from a relatively fixed cost base. If gross margins can reach group levels, there is a clear potential for EBITDA margins to exceed 20% in our view. The extent to which additional opex is required to support elevated revenues and further business development to support growth will clearly have a bearing on achieved margins. The more developed FES business also has a scalable design-assembly-ship model with an established supply chain that is flexible to the product range demand requirements.

For the record, the chart below shows our EBITDA margin expectations for Subsea Technologies (rising from c.17.4% in FY25 to 20% in FY28E). Compared to company-presented figures in January, our estimates are broadly in line, though Hunting has a higher FY28 margin target (at 21.7%).

Hunting: Subsea Technologies' 2025-2028E estimates



Source: Equity Development. 2025E is an estimate including full year contributions from OOR and FES

Higher profile for Subsea in 2030 strategy

The increasing importance of Subsea's contribution to Hunting is significant. Not only are targeted margins in this division higher than the group average but they also improve the line of sight to the company's 2030 targets established in 2023.

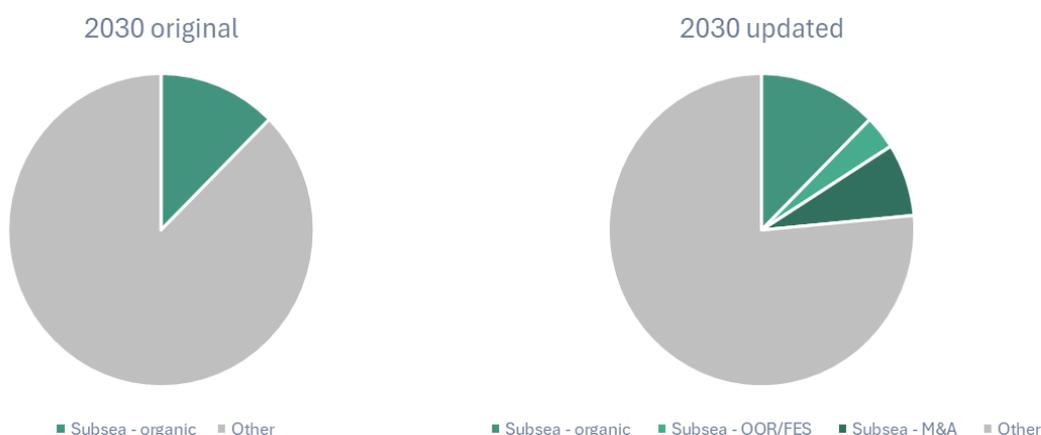
Over our estimate period, our model factors in the following **uplifts in Subsea Technologies** in the group context:

- **Group revenue** – the portion generated rises from FY25: c.13.7% **to FY28E: 19.4%** (including annualised effects of FY25 acquisitions).
- **Group EBITDA** – FY25: c.16% **to FY28E: c.31%**

When announcing the new Subsea targets in January, Hunting also stated that its existing 2030 targets – namely US\$2bn revenue and c. US\$300m EBITDA (at the midpoint of the 14-16% target range) were unchanged. We now look at the raised importance of Subsea targets in delivering the Group's 2030 targets and some implications for the other Product Groups and sub-sectors.

In raising the Subsea Technologies revenue target, this increased the expected contribution to Group 2030 targets from c.14% to 19%. Looking at the component parts in value terms, the original US\$250m is now US\$320m plus US\$150m from M&A. Based on our model and a reasonable trajectory to 2030 (beyond our forecast period) we suggest that the organic 'uplift' is effectively explained by the inclusion of OOR/FES as we illustrate below. (We acknowledge that the company's targets for OOR alone are greater than the US\$70m FES/OOR revenue incorporated here.)

Hunting plc: Subsea Technologies' 2030 revenue target change in a group context



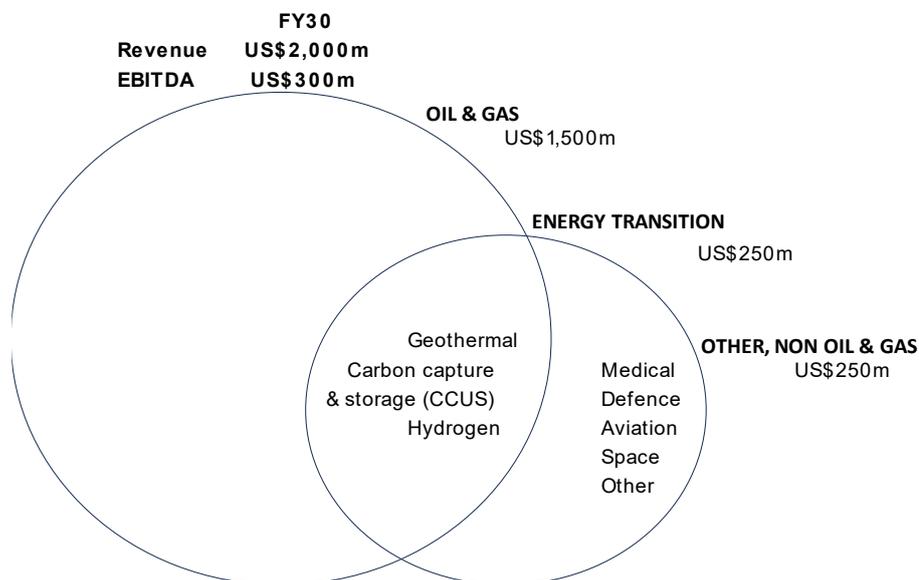
Source: Company, Equity Development.

In EBITDA terms, we suspect that Subsea was originally expected to generate margins above the group 14-16% target; c.17.5% is a reasonable marker in our view at the time of the CMD and that has risen to 20%+ now. Consequently, the revenue movement above is amplified at the EBITDA level, more than doubling on this basis to approaching US\$100m and one third of group profitability.

Attributing c.US\$220m of revenue generated by companies acquired since the 2023 CMD (ie c.US\$70m to OOR/FES and US\$150m additional M&A to come) would represent almost three quarters of the US\$300m to be sourced from M&A flagged as an aspiration for the group at the time of setting the original 2030 targets.

Now we take a wider view of the implications for the rest of the group, it is worth re-stating the original target composition that was announced at Hunting's Capital Markets Day (CMD) in September 2023:

Hunting: Original 2030 targets



Source: Company. Not to scale

Hunting has not publicly re-cast the category targets shown in the above diagram in the light of the upgraded Subsea targets though the unchanged 2030 group revenue target means that other(s) in aggregate have implicitly decreased.

It is the nature of a portfolio business that the outlook and opportunities in each business stream will vary, and opportunities can change over time especially over a seven-year look forward period. At the same time, it is natural for capital allocation decisions to target faster growing segments and that is clearly evident in Hunting's updated strategy.

In our view, compared to 2023 when setting the 2030 targets, the prospects for Hunting's other Product Groups are as follows:

- **Oil & Gas:** Perforating Systems achievable potential has deteriorated (as actions taken have focused on cost reduction), though the scope for large OCTG contract wins is still a realistic possibility in our view. It remains to be seen whether the heightened tensions in the Middle East result in sustained higher energy commodity prices. However, increased risk perceptions in the region could enhance the relative attractions of other deep-sea exploration and production (eg offshore South America, Gulf of Mexico and West Africa) as safer havens for investment while continuing to diversify global oil supplies.
- **Non-Oil & Gas:** Advanced Manufacturing has not progressed at the originally expected rate and Energy Transmission sub-sectors do not appear to have gathered strong momentum at this stage, though geothermal project activity is perhaps furthest forward.

It is unclear what the above means for the Oil & Gas/non-Oil & Gas mix overall, though our sense is that the former proportion has probably increased overall. Future M&A deals can of course have a bearing on this in due course, but the timing and quantum is indeterminate.

Valuation: progress now being recognised

Between the Subsea CMD on January 13 (alongside a FY25 year-end update) and 27 February, Hunting's share price rose 31% (from 394p to 519p). **Since the full CMD (13 September 2023, when the 2030 targets were first introduced) to the same point, the share price doubled** (from 258p). Taken together, this share price performance suggests a strongly positive approval of the new Subsea Technologies' targets by investors but also, in our view, an increasing acceptance of the roadmap towards the group's 2030 targets. (We note that WTI over this period declined from c. US\$87/bbl to c. US\$61/bbl.)

Following the start of the Iranian conflict, Hunting's share price has understandably shown intra-day volatility but is only marginally below the level seen beforehand. At the time of writing, while WTI has regained pre-CMD levels it has also briefly been above US\$100/bbl. Based on current estimates, reasonable DCF assumptions and compared to peer group multiples, we consider that Hunting is currently fairly valued. Clear progress towards delivering the company's medium/longer-term profit targets will be a driver of further value.

Longer term prospects feeding into rating expansion

As noted above, the upward movement in Hunting's share price pre-dated the start of the Iranian conflict just over a week ago. The post Subsea CMD performance (+30%) has extended a rally which started in the middle of 2025 (+c.49% to the year-end). With near-term guidance broadly unchanged over this period, the company's valuation multiples have expanded, noting good earnings growth prospects in estimates and, potentially to 2030 targets beyond that.

- **PER: FY26E 17.7x falling to FY28E 13.9x**, following a three-year 12.8% EPS CAGR
- **EV/EBITDA: FY26E 7.4x falling to FY28E 6.1x** with Hunting retaining and increasing its net cash position over this period (absent further M&A activity)
- **Dividend yield: prospective FY26E 2.2%**; Hunting is committed to 13% annual DPS growth

DCF analysis points to further EBITDA progress as a value driver

Consistent with the rating expansion described above, **Hunting's share price is now beginning to discount longer term profitability above our updated estimate levels** in our view. With a current estimated WACC of c.9.4%, stable EBITDA of c. US\$200m beyond our three forecast years is required to generate the current share price in our DCF model.

Our new FY28E EBITDA projection is c. US\$165m; we have acknowledged elsewhere that this is probably conservative compared to the roadmap required to attain US\$300m by 2030. This is a strategic goal, noting also that the company expects some contribution to come from additional M&A activity by that time. We view US\$200m EBITDA as attainable from the current business portfolio (eg generated by revenue c.12% above our FY28 estimate – equivalent to a three-year CAGR of c.9% - with a 15% EBITDA margin).

Hunting: DCF sensitivity analysis

		EBITDA US\$m							
		120	140	160	180	200	220	240	250
WACC	9.0%	344	389	435	480	526	571	617	640
	10.0%	315	354	393	431	470	509	547	567
	11.0%	291	325	358	391	425	458	491	508
	12.0%	271	300	329	358	387	416	445	459
	13.0%	255	280	305	330	355	381	406	419

Source: Equity Development. Body shows value per share (in p) generated by the EBITDA and WACC inputs. £/US\$1.33

More bullish assumptions would clearly justify a higher DCF fair value. A sustained step up in the group order book, driven by higher margin product groups and, preferably, including a significant recurring revenue base (eg through OOR) would all represent positive valuation indicators for future reference in our view.

Small P/E rating premia and EV/EBITDA parity versus peer group

The peer group companies shown in the table below have also performed well since the beginning of 2026. Based on the data presented, **Hunting has attained a small current year P/E premium to its peer group**, which widens to 12% on our estimates by FY28. Baker Hughes and Technip are currently attracting premium ratings for this peer group with current year P/Es above 20x; excluding these two companies obviously amplifies the above premia.

At the same time, the table shows a 10% EV/EBITDA valuation discount to the peer group across both estimate years. Making the same adjustment for Baker Hughes and Technip, removes this discount to a near parity position.

Hunting: Peer group valuation							
	Mkt Cap	P/E x			EV/EBITDA x		Div Yield %
	U\$m	T	T+1	T+2	T	T+1	T
Hunting PLC	1005	17.7	15.3	13.9	7.4	6.7	2.2%
<i>Premium/(discount) to peer group</i>		2%	5%	9%	-11%	-11%	13%
Peer average		17.4	14.5	12.7	8.3	7.6	1.9%
SLB N.V.	72310	16.6	14.4	12.6	9.3	8.6	2.5%
Baker Hughes Company	58276	23.0	20.3	18.5	12.6	11.6	1.6%
Halliburton Company	30093	16.1	13.4	11.5	9.1	8.2	1.9%
Tenaris S.A.	27248	15.1	14.2	13.6	9.0	8.7	1.7%
TechnipFMC plc	25755	22.0	18.4	16.9	12.3	11.2	0.3%
Subsea 7 S.A.	7924	12.5	11.4	11.8	4.8	4.7	4.6%
NOV Inc.	6891	19.0	15.0	12.5	7.8	7.1	2.1%
Vallourec S.A.	5231	11.5	9.5	8.6	5.5	4.8	7.1%
Oceaneering International Inc.	3513	19.2	16.7	14.5	9.2	8.6	0.0%
Expro Group Holdings N.V.	1932	16.1	14.3	12.8	5.4	5.2	0.0%
Innovex International Inc.	1790	19.3	15.0	13.2	8.5	7.0	0.0%
Oil States International Inc.	767	20.9	15.9		8.3	7.5	0.0%
SBO AG	659	23.7	16.4	11.2	9.0	7.6	5.2%
Ashtead Technology Holdings Plc	414	8.6	8.1	7.2	5.4	5.1	0.4%

Source: Koyfin as at 11 March. Hunting metrics are based on ED estimates

Financials

Hunting plc: Income Statement

Year End: December	US\$m	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
		IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16
Revenue		626.0	521.6	725.8	929.1	1,048.9	1,018.8	1,075.2	1,121.8	1,183.9
Gross Profit		124.8	100.6	171.4	227.7	271.9	279.8	295.7	308.5	325.6
EBITDA - HTG (100% owned)		26.1	3.1	52.0	103.0	126.4	132.2	138.1	149.9	158.0
EBITDA - HTG (inc JV/Associates)		26.1	(0.4)	49.3	102.4	126.3	135.7	143.0	155.8	164.9
EBIT (100% owned)		(16.4)	(35.1)	14.6	61.0	88.1	87.0	92.4	103.7	111.3
Associates/JVs		0.0	(3.5)	(2.7)	(0.6)	(0.1)	3.5	4.9	5.9	6.9
EBIT - HTG norm		(16.4)	(38.6)	11.9	60.4	88.0	90.5	97.3	109.6	118.2
Net Bank Interest		(1.1)	0.3	0.4	(5.0)	(4.4)	(3.9)	(5.0)	(3.0)	(1.0)
IFRS16 Interest		(1.9)	(1.5)	(1.2)	(1.3)	(1.4)	(1.5)	(1.5)	(1.5)	(1.5)
Other financial		0.0	(0.8)	(0.9)	(4.1)	(6.6)	(5.4)	(2.0)	(2.0)	(2.0)
Profit Before Tax - HTG norm		(19.4)	(40.6)	10.2	50.0	75.6	79.7	88.8	103.1	113.7
Intangible Amortisation		(17.3)	(7.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Non-Underlying Items		(186.3)	(37.9)	(12.6)	0.0	(109.1)	(14.2)	(7.5)	(7.5)	0.0
Profit Before Tax (reported)		(223.0)	(85.5)	(2.4)	50.0	(33.5)	65.5	81.3	95.6	113.7
Tax		(15.2)	(4.2)	(1.3)	69.0	8.0	(22.7)	(22.7)	(26.2)	(28.8)
Other		3.5	3.9	(0.9)	(1.9)	(2.5)	(1.7)	(2.2)	(2.7)	(3.2)
Profit After Tax (reported)		(234.7)	(85.8)	(4.6)	117.1	(28.0)	41.1	56.4	66.6	81.6
EPS FD - HTG norm (US c)		(10.0)	(27.1)	4.7	20.3	31.4	34.1	38.3	44.4	48.9
EPS FD - reported (US c)		(143.1)	(53.2)	(2.8)	70.0	(16.5)	24.6	33.8	39.9	48.9
Dividend per share (US c)		9.0	8.0	9.0	10.0	11.5	13.0	14.7	16.6	18.8
Shares - Basic Weighted Avge (m)		163.9	161.2	160.3	158.6	159.5	156.8	157.7	157.7	157.7
Shares - Period End (m)		164.9	164.9	164.9	164.9	164.9	157.7	157.7	157.7	157.7
Margins (%)										
Gross Profit		19.9	19.3	23.6	24.5	25.9	27.5	27.5	27.5	27.5
EBITDA - HTG (100% owned)		4.2	0.6	7.2	11.1	12.1	13.0	12.8	13.4	13.3
EBIT (100% owned)		(2.6)	(6.7)	2.0	6.6	8.4	8.5	8.6	9.2	9.4

Source: Company, Equity Development

Hunting plc: Cash Flow Statement

Year End: December	US\$m	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
		IFRS16								
EBITDA – HTG (100% owned)		26.1	3.1	52.0	103.0	126.4	132.2	138.1	149.9	158.0
SBP		9.0	9.2	9.9	13.5	14.1	12.7	12.7	12.7	12.7
Change in working capital		38.8	22.8	(86.6)	(55.0)	53.3	18.0	(9.5)	(24.6)	(30.5)
Other		(17.9)	(7.1)	(8.2)	(3.1)	(1.8)	(15.3)	(10.0)	(7.5)	0.0
Operating Cash Flow		56.0	28.0	(32.9)	58.4	192.0	147.6	131.3	130.5	140.2
Tax paid		(5.0)	0.6	(3.9)	(9.1)	(3.5)	(8.7)	(8.7)	(10.1)	(11.1)
Investing Activities		(46.6)	9.2	(11.7)	(33.1)	(28.1)	(96.8)	(40.0)	(40.0)	(40.0)
Associates & JV income		(0.9)	0.0	0.0	0.6	0.0	0.0	0.0	0.0	0.0
Tangible Fixed Assets purchased		(11.7)	(5.7)	(15.9)	(23.1)	(23.6)	(26.9)	(35.0)	(35.0)	(35.0)
Tangible Fixed Assets disposed		2.0	2.2	6.6	1.9	1.2	9.6	0.0	0.0	0.0
Intangibles		(4.3)	(2.7)	(5.6)	(10.9)	(4.8)	(11.1)	(5.0)	(5.0)	(5.0)
Acquisition consideration		(32.8)	0.0	0.0	0.0	0.0	(81.3)	0.0	0.0	0.0
Disposal proceeds		0.6	31.5	0.0	0.0	0.0	13.0	0.0	0.0	0.0
Other business investments		0.5	(16.1)	3.2	(1.6)	(0.9)	(0.1)	0.0	0.0	0.0
Financing Activities		(33.2)	(31.4)	(30.0)	(41.4)	(52.4)	(90.2)	(93.2)	(67.0)	(46.9)
Net finance income (cost)		(0.3)	(0.4)	(2.9)	(7.3)	(12.9)	(9.3)	(5.0)	(3.0)	(1.0)
IFRS16 lease payments		(10.4)	(10.6)	(8.0)	(10.4)	(8.9)	(9.7)	(9.7)	(9.7)	(9.7)
Equity		(14.3)	(7.6)	(7.7)	(8.7)	(13.9)	(52.1)	(56.7)	(30.0)	(10.0)
Dividends paid		(8.2)	(12.8)	(13.6)	(15.0)	(16.7)	(19.1)	(21.8)	(24.3)	(26.2)
Other		0.0	0.0	2.2	0.0	0.0	0.0	0.0	0.0	0.0
Net Cash Flow		(28.8)	6.4	(78.5)	(25.2)	108.0	(48.1)	(10.6)	13.3	42.2
Opening net cash/(debt) - pre IFRS16*		123.1	97.8	103.5	20.6	(4.7)	100.8	59.0	48.4	61.7
Change in Net Cash		(28.8)	6.4	(78.5)	(25.2)	108.0	(48.1)	(10.6)	13.3	42.2
Other		3.5	(0.7)	(4.4)	(0.1)	(2.5)	6.3	0.0	0.0	0.0
Closing net cash/(debt) - pre IFRS16*		97.8	103.5	20.6	(4.7)	100.8	59.0	48.4	61.7	103.9
IFRS16 lease liabilities		(40.3)	(31.8)	(30.6)	(28.7)	(30.1)	(30.9)	(30.9)	(30.9)	(30.9)

Source: Company, Equity Development *includes US\$3.9m shareholder loan

Hunting plc: Balance Sheet

Year End: December	US\$m	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
		IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16
Non-Current Assets		581.1	535.7	515.3	595.7	493.5	555.3	562.3	569.8	577.7
Intangible Assets - Goodwill		164.2	164.1	155.5	154.4	45.1	65.1	65.1	65.1	65.1
Intangible Assets - Other		42.9	36.2	35.7	40.8	39.4	100.6	94.1	87.6	81.1
Tangible Assets - Owned		307.1	274.4	256.7	254.5	252.8	250.9	259.5	267.6	275.2
Tangible Assets - RoU		29.8	24.7	26.0	26.2	28.3	28.9	28.9	28.9	28.9
Other Fixed Assets		37.1	36.3	41.4	119.8	127.9	109.8	114.7	120.6	127.4
Current Assets		532.4	475.9	534.0	626.6	785.7	623.5	589.5	594.0	654.4
Inventory		288.4	204.4	272.1	328.4	303.3	237.5	243.5	260.1	280.5
Trade Receivables		119.9	137.2	190.2	221.2	194.5	183.9	190.1	200.3	213.4
Other Debtors		21.2	25.9	42.3	31.5	81.3	56.6	56.6	56.6	56.6
Cash		102.9	108.4	29.4	45.5	206.6	145.5	99.3	77.0	103.9
Current Liabilities		(84.7)	(99.0)	(163.8)	(225.8)	(248.8)	(210.1)	(224.6)	(217.5)	(219.4)
Trade Payables		(26.4)	(40.5)	(66.8)	(62.5)	(41.4)	(48.4)	(51.1)	(53.3)	(56.2)
Other Creditors		(46.9)	(48.6)	(83.0)	(109.0)	(189.2)	(114.9)	(126.7)	(141.0)	(155.3)
IFRS16 Lease Liabilities		(10.2)	(8.9)	(9.1)	(8.0)	(6.9)	(7.9)	(7.9)	(7.9)	(7.9)
Short-term Borrowings		(1.2)	(1.0)	(4.9)	(46.3)	(11.3)	(38.9)	(38.9)	(15.3)	0.0
Non-Current Liabilities		(52.2)	(41.3)	(39.3)	(39.4)	(128.1)	(83.4)	(61.7)	(65.9)	(83.6)
Long-term Borrowings*		(3.9)	(3.9)	(3.9)	(3.9)	(94.5)	(47.6)	(12.0)	0.0	0.0
IFRS16 Lease Liabilities		(30.1)	(22.9)	(21.5)	(20.7)	(22.7)	(23.0)	(23.0)	(23.0)	(23.0)
Other Long-term Liabilities		(18.2)	(14.5)	(13.9)	(14.8)	(10.9)	(12.8)	(26.7)	(42.9)	(60.6)
Net Assets		976.6	871.3	846.2	957.1	902.3	885.3	865.5	880.5	929.1

Source: Company, Equity Development *includes US\$3.9m shareholder loan

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