Hunting Plc

Subsea boosts profitability in a positive Q2

15 July 2026

Hunting has confirmed a strong Q2 performance and reiterated existing guidance for profitability and year end cash for 2026. The Subsea and Perforating Systems Product Groups both made good progress in H1. Acknowledging that group H1 EBITDA is lower y-o-y, Q2 trading stands up well against the quarterly performances seen across FY25. Our estimates and 502p per share fair value are unchanged.

Notable uptick in Q2 profitability: Having flagged c.US$23m EBITDA in Q1, Hunting generated an inferred c.US$39m in Q2 (with a c.14% margin), together equating to c.US$62m for H1 as a whole. This momentum is as described in the AGM update: Subsea's favourable order book development, (and a maiden H1 contribution from FES) together with further improvements from share gains at Perforating Systems, are understood to be behind this sequential uplift. Other Product Groups have continued trading at relatively subdued levels. Year-on-year, this H1 EBITDA performance is just over 10% below H1 25 as the comparative/Q1 period featured elevated OCTG order deliveries.

The Q2 uptick has been accompanied by estimated working capital investment of c.US$60m, in part to support Subsea activity levels. With a further c.US$69m applied to discretionary items (including dividends, share buyback/treasury share purchases), Hunting moved into a small net debt position of US$19m at the end of H1 (versus FY25 US$59m net cash, Q1 US$8m net cash).

Hunting management is maintaining previous FY26 guidance for US$145m-155m EBITDA. Our unchanged estimates are set slightly more conservatively for now, pending positive order developments. Announced Subsea work boosted the end H1 group order book above start year levels to US$387m; this is down from AGM levels with potential new OCTG work pending. As things stand, the company's expected 40:60 H1:H2 EBITDA split is consistent with the guided range with an inferred quarterly run rate (c.US$43m) only slightly above Q2 levels. Additionally, guidance for year-end net cash of US$60m-65m infers a significant c.US$80m net H2 inflow. Allowing for potential OCTG working capital build going into FY27, our estimate currently sits below the guided range.

Valuation: recent share price fall opens a discount to fair value

Hunting's share price started the year well and traded around the 500p level before pausing latterly, coinciding with some easing of global oil price concerns. The 20% YTD uplift compares favourably to 5% for the FTSE All-Share Index. Pending more trading and order book details with the H1 26 results, we have made no changes to either our estimates or DCF analysis. **Consequently, Hunting shares now trade on a c.10% discount to our unchanged fair value of 502p per share**.

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)	19.2	17.1	15.8	13.6	12.4
EV/EBITDA (x)	6.5	6.6	6.4	5.8	5.2
Dividend yield	1.9%	2.1%	2.4%	2.7%	3.1%

*Source: Company Annual Reports, Equity Development. *company basis **inc shareholder loan £/US$1.34*

Company Data

EPIC	HTG.L
Price (last close)	449p
52 weeks Hi/Lo	517p/288p
Market cap	£682m
ED Fair Value / share	502p
End H1 26 Net debt	(US$19m)
Avg. daily volume	358k

NB: All at £/US$1.34

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 ones.

Next event: H1 results – 21 August

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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 Avg (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	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	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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