HTG XLON Hunting PLC

Q3 2026 Trading Update · RNS 6976A · 28 October 2026

Hunting cuts 2026 EBITDA guidance to $128-$133 million as Middle East conflict slows trading

Share price	424p
Market cap	£642m
52-week range	332.5p - 553p
Shares in issue	151.4m
12-month change	+22.4%

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SUMMARY

Hunting's Q3 trading update today cut 2026 EBITDA guidance to $128-$133 million, its second cut since August, when the range was $138-141m. Middle East conflict is holding back tenders and deliveries, Saudi rig activity has fallen, North American operators are cautious for the fourth quarter and supply-chain problems have slowed the Electronics and Dearborn units. With c.$89 million earned to September, the new range needs roughly $39-44m in the fourth quarter after about $27m in the third. Year-end cash guidance falls to $40-$45 million from a September position of c.$(11) million. Subsea remains robustly profitable, EMEA is back in profit and the Kuwait Oil Company re-tender is published. Even so, 2026 EBITDA is now set below 2025's $136m and returns on capital are slipping, so the 19 January 2027 update carries the weight.

KEY FIGURES

FIGURE	VALUE	PERIOD	CHANGE
FY 2026 EBITDA guidance	$128-$133 million	FY 2026	Cut from $138-141m (21 August 2026) and $145-155m (15 July 2026)
Year-to-date EBITDA	c.$89 million	Nine months to 30 Sep 2026	EBITDA margin c.12%
Cash and bank / (borrowings)	c.$(11) million	30 Sep 2026	From $(19) million at 30 June 2026
Year-end cash and bank guidance	$40-$45 million	31 Dec 2026	Down from $50-60m (21 August 2026) and $60-65m (15 July 2026)
Working capital	c.$399 million	30 Sep 2026	Broadly unchanged on the half year
Net assets	c.$876 million	30 Sep 2026	
EBITDA	$136m	FY 2025	From $126m
Adjusted ROCE	9.1%	H1 2026	From 10.5%
Adjusted free cash flow	-$27.8m	H1 2026	From $66.2m
Share buyback, full year	c.$42 million	FY 2026	

Sources: Q3 2026 Trading Update RNS, 28 Oct 2026; Results for the year ended 31 December 2025, 5 Mar 2026; Results for the six months ended 30 June 2026, 21 Aug 2026

THE ANNOUNCEMENT

- FY 2026 EBITDA guidance cut to $128-$133 million, blamed on the protracted Middle East conflict, slowing North American activity in Q4 and third-party supply-chain delays in the Electronics and Dearborn units.
- Year-to-date EBITDA was c.$89 million at a margin of c.12%. Hunting Titan's Q3 was marginally behind plan, and Middle East deliveries have slowed notably since the quarter began.
- Cash and bank/(borrowings) improved to c.$(11) million at 30 September from $(19) million at 30 June, with working capital broadly unchanged at c.$399 million. Year-end cash is now guided at $40-$45 million.
- The Kuwait Oil Company re-tender was published on 12 October 2026, with a decision anticipated before year-end and shipments due to start in H2 2027.
- Subsea Technologies remains robustly profitable and EMEA returned to profit in Q3 after the Fordoun, Aberdeen closure, though EMEA will likely post a small EBITDA loss for the year and Asia Pacific will likely break even in H2.
- Capex is now expected at c.$35-$45 million and the buyback at c.$42 million for the full year. CEO interviews are planned in Q4 2026, and the next trading update is on 19 January 2027.

AGAINST GUIDANCE

This is the second EBITDA cut in fifteen weeks. Hunting maintained $145-155m on 15 July, cut to $138-141m on 21 August (attributing c.$10m to the Kuwait tender delay) and now guides $128-$133 million, below the $136m reported for 2025. Year-end cash guidance has fallen in three steps, from $60-65m in July to $50-60m in August and $40-$45 million today. The new range implies $39-44m of fourth-quarter EBITDA after $27m in the third, and the cash target needs a $51-56m improvement from September, more than that implied EBITDA, before the c.$10 million dividend paid on 30 October.

BULL CASE

- The main causes named are geopolitical or seasonal: shipping attacks, lower Saudi drilling and North American Q4 budgets. None points to lost customers, and the directors see significant upside in the Middle East once hostilities cease.
- The parts management controls are improving. Subsea is robustly profitable, EMEA returned to profit after the Fordoun closure, Q3 cash improved by $8m, and the KOC re-tender is finally published with Hunting an established supplier.
- At 424.00p on 28 October the shares value the group at £642m, roughly 6.5 to 6.7 times the new EBITDA range on the dividend exchange rate, against net assets of c.$876 million. The shares traded between 407.47p and 429.00p on the day, absorbing the cut without a sell-off after falling as much as 20% in August.

BEAR CASE

- Guidance has been cut twice and cash guidance three times since July, each time after the previous range was presented as achievable. The new numbers still need a fourth quarter about half again bigger than the third while management describes slowing deliveries.
- The $51-56m cash swing depends on releasing working capital that has sat at c.$399 million since June, and no cash bridge or facility headroom was given. H1 adjusted free cash flow was -$27.8m and adjusted ROCE fell to 9.1% from 10.5%.
- Not every problem is external: the Electronics and Dearborn supply-chain delays are Hunting's own. Kuwait shipments do not start until H2 2027 and may need stock built in advance, Organic Oil Recovery has no disclosed revenue, and an incoming chief executive could reset 2027 expectations.

WHAT TO WATCH

- The KOC re-tender decision, expected before the end of 2026, and any disclosed volumes, margins or payment terms.
- The 19 January 2027 trading update: whether FY 2026 EBITDA landed within $128-$133 million, cash reached $40-$45 million and working capital fell from c.$399 million.
- Saudi rig activity, Middle East shipping conditions and North American operators' 2027 budgets, which will show whether delayed orders are returning or slipping further into next year.
- The chief executive appointment after interviews planned in Q4 2026, and the share price against support around 417-420p and the 50-day average of 403.73p at the 27 October close.

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