

HTG Hunting plc

Hunting cuts 2026 EBITDA guidance again as Middle East conflict slows trading

Following the Q3 2026 Trading Update · 28 October 2026

FY26 EBITDA GUIDANCE	YEAR-TO-DATE EBITDA	CASH AND BANK/(BORROWINGS)	YEAR-END CASH GUIDANCE
\$128-\$133m ▼ cut from \$138-141m on 21 August and \$145-155m in July	c . \$89m EBITDA margin of c.12%	c . \$(11)m ▲ at 30 September, against \$(19)m on 30 June 2026	\$40-\$45m ▼ down from c.\$50-\$60m guided on 21 August

Share price, past 12 months

Daily close; latest price as at 16:29 on 27 October 2026 · Ticker Data API



Hunting cut its full-year earnings guidance for the second time since August in today's Q3 trading update, now expecting 2026 EBITDA (earnings before interest, tax, depreciation and amortisation) of \$128-\$133 million against \$138-141 million in August and \$145-155 million in July. The conflict in the Middle East has stalled tendering and deliveries, Saudi rig activity has fallen, North American operators are cautious for the fourth quarter and supply-chain problems have held back the Electronics and Dearborn units. Year-to-date EBITDA was c.\$89 million, so the new range needs roughly \$39-44 million in the fourth quarter after about \$27 million in the third. Year-end cash guidance falls to \$40-\$45 million from a September position of c. \$(11) million.

There are offsetting points. Subsea profitability remains robust, EMEA returned to profit in the third quarter after the Fordoun closure, and the Kuwait Oil Company re-tender was published on 12 October with a decision expected before year-end, although shipments would not begin until H2 2027. The new guidance sits below the \$136 million of EBITDA reported for 2025, while H1 adjusted return on capital employed fell to 9.1%. The shares, at 424.00p on 28 October, value the group at £642m. The investment case now rests on whether the 19 January 2027 trading update shows the fourth-quarter earnings and cash recovery management is forecasting.

“These pressures, together with a slower than planned trading improvement within the Electronics and Dearborn business units due to third-party supply chain issues, have led to us reducing our FY 2026 guidance, with EBITDA now likely to be in the range of \$128-\$133 million.”

Jim Johnson, Chief Executive Officer · Q3 2026 Trading Update, 28 October 2026

Middle East disruption hits three of five segments

Hunting makes precision-engineered equipment for oil and gas wells, reporting in US dollars across five segments: Hunting Titan (perforating systems used to open wells for production), North America, Subsea Technologies, EMEA and Asia Pacific. The Q3 2026 trading update shows the Middle East conflict reaching most of them. Tendering for OCTG (oil country tubular goods, the steel pipe used to line and produce wells) is held back by logistics and attacks on shipping and regional infrastructure, and lower Saudi rig activity has slowed work on the Jafurah unconventional gas development, which feeds Hunting Titan.

Hunting Titan's third quarter came in marginally behind plan, and deliveries to the Middle East have slowed notably since the quarter began, alongside some slowdown in North America that is expected to last to year-end. The North America segment also expects weaker OCTG activity in the fourth quarter. Asia Pacific will likely break even in the second half after a small first-half profit, reflecting the earlier delay to the Kuwait Oil Company (KOC) tender and thinner regional tendering.

The stronger parts of the group are narrower. Subsea Technologies remains robustly profitable, and the Organic Oil Recovery technology has won a number of orders for pilot testing and sampling in South America, the North Sea and the Middle East. EMEA returned to profit in the third quarter as the restructuring, including the September closure of the Fordoun, Aberdeen site, began to deliver savings, though the segment will likely post a small EBITDA loss for the year. The KOC re-tender was published on 12 October, with a decision anticipated before year-end and shipments due to start in H2 2027.

The cost programme continues, with the EMEA and Asia Pacific segments being combined, non-core businesses sold and overheads reviewed. Separately, the board's search for a new chief executive has interviews planned in Q4 2026.

FIGURE	VALUE	CHANGE
KOC re-tender published	12 October 2026	
KOC shipments due to start	H2 2027	
Fordoun, Aberdeen site closure	September 2026	
Sales order book H1 2026	\$387m	ahead of \$358 million at 2025 year-end

Sources: Q3 2026 Trading Update, 28 Oct 2026; H1 2026 trading update, 15 Jul 2026

The fourth quarter must beat the third by half

BEFORE		NOW · FY26 EBITDA GUIDANCE
~~\$138-141m (21 Aug) and \$145-155m (15 Jul)~~	→	\$128-\$133 million

Year-to-date EBITDA reached c.\$89 million at a margin of c.12%. With \$62.1m earned in the first half, the third quarter contributed about \$27m. The new full-year range of \$128-\$133 million therefore requires roughly \$39-44m in the fourth quarter, a sequential step up of around half again, in a quarter where management expects slower deliveries in both the Middle East and North America.

Part of the case for that step up rests on second-half weighting and on the EMEA savings now coming through. Against it, the first half already showed the earnings base weakening: revenue fell 6% to \$497.0m and EBITDA by 12% to \$62.1m, while adjusted earnings per share dropped to 15.2 cents from 19.6 cents. The new guidance is also below the \$136m EBITDA reported for 2025, so 2026 is now set to be a down year.

The pattern of revisions matters as much as the size. In July Hunting maintained \$145-155m, in August it cut to \$138-141m, attributing c.\$10m to the KOC delay, and today it has cut again. The 2025 accounts, by contrast, showed a recovery to an operating profit of \$76.3m from a loss of \$21.1m in 2024.

FY 2025 against the prior period

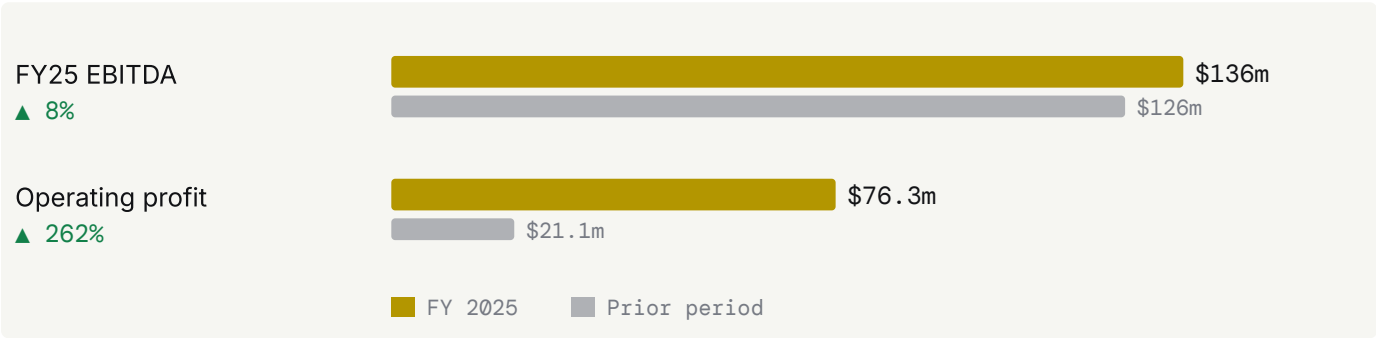


FIGURE	VALUE	CHANGE
Year-to-date EBITDA 9 months to 30 Sep 2026	\$89m	
EBITDA margin Year to date 2026	c .12%	
H1 EBITDA H1 2026	\$62 .1m	-12% from \$70.2m
H1 revenue H1 2026	\$497m	-6%
FY25 EBITDA FY 2025	\$136m	+7 .9% from \$126m
Operating profit FY 2025	\$76 .3m	+262% from -\$21.1m in 2024

Sources: Q3 2026 Trading Update, 28 Oct 2026; Interim results, 21 Aug 2026; Full-year results, 5 Mar 2026; Income statement (tagged accounts), 2025-12-31

A \$51-56m cash swing is needed in one quarter

BEFORE

~~\$(19) million on 30 Jun 2026~~

→

NOW · CASH AND BANK/(BORROWINGS)

c.\$(11) million

Net assets, 30 Sep 2026

c.\$876 million

Share buyback, FY 2026

c.\$42 million

Operating cash flow, FY 2025

\$139m

Cash and bank/(borrowings) improved to c.\$(11) million at 30 September from \$(19) million at 30 June, which Hunting attributes to strong underlying cash conversion. Working capital, at c.\$399 million, was broadly unchanged on the half year, so the improvement did not come from releasing stock or receivables. Net assets were c.\$876 million.

The year-end guidance of \$40-\$45 million requires a further improvement of \$51-56m in the fourth quarter. That exceeds the implied fourth-quarter EBITDA of \$39-44m, before the c.\$10 million interim dividend paid on 30 October and whatever remains of planned capital expenditure (now c.\$35-\$45 million for the year) and the buyback (c.\$42 million for the year). Those last two are full-year totals, so only part falls in the final quarter, and recent weekly buybacks of 70,000-75,000 shares suggest the remaining pace is modest. Even so, a substantial release of working capital is needed, and no cash bridge was given. The cash guidance itself has already fallen from \$60-65m in July to \$50-60m in August.

The balance sheet does not look stretched on the figures available. The 2025 accounts showed operating cash flow of \$139m against post-tax profit of \$42.8m and borrowings of \$86.5m, of which \$38.9m fell due within a year at December 2025. No current facility headroom or covenant figures were given. The weaker signs are in cash generation and returns: H1 adjusted free cash flow was negative \$27.8m against positive \$66.2m a year earlier, and adjusted return on capital employed slipped to 9.1% from 10.5%.

FIGURE

VALUE CHANGE

Working capital 30 Sep 2026	\$399m	broadly unchanged on half year
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Capital expenditure FY 2026	c.\$35-\$45 million
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Adjusted free cash flow H1 2026	-\$27.8m	-58% from \$66.2m
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Adjusted ROCE H1 2026	9.1%	from 10.5%
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Borrowings due within one year 31 Dec 2025	\$38.9m
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Sources: Q3 2026 Trading Update, 28 Oct 2026; Interim results, 21 Aug 2026; Debt, maturities and covenants, 2025-12-31; Cash flow (tagged accounts), 2025-12-31

“The Directors believe that there is significant upside within the Middle East once hostilities cease.”

Jim Johnson, Chief Executive Officer · Q3 2026 Trading Update, 28 October 2026

Kuwait helps 2027, not the fourth quarter

BEFORE

~~c.\$50-\$60m (21 Aug) and c.\$60-\$65m (15 Jul)~~

→

NOW · YEAR-END CASH AND BANK GUIDANCE

\$40-\$45 million

Hunting now expects EBITDA of \$128-\$133 million and year-end cash of \$40-\$45 million. The next trading update is on Tuesday 19 January 2027, and it will show whether both were reached.

The KOC re-tender is the main medium-term support. Hunting describes itself as well placed given its relationship with KOC, and a decision is expected before year-end. Shipments are due from H2 2027, so an award would mostly improve visibility for the second half of next year. It could also require stock to be built ahead of deliveries, with funding needs, margins and payment terms undisclosed. In August the company said the KOC timing could cut up to c.\$10m from 2027 EBITDA consensus.

Oil prices complicate the picture. Brent stood at \$114 a barrel on 27 October, up 35.1% over three months, yet the conflict pushing prices up is the same one blocking tenders, shipping and Saudi drilling. A ceasefire could release delayed orders, though it could also take some of the risk premium out of the oil price before customers raise spending. Ticker's sector model records more guidance raises than cuts among energy companies over the past month, which makes Hunting's repeated cuts harder to put down to a sector-wide slowdown.

Shareholder returns are unchanged. The 7.0 cents interim dividend was up 13%, and in August the directors said distributions should rise by 13% a year to the end of the decade. Management is also evaluating acquisitions in subsea and well completion.

FIGURE	VALUE	CHANGE
Interim dividend 2026	7.0 cents per share	 +13% on 6.2 cents
Interim dividend in sterling paid 30 Oct 2026	5.2818p	
Brent crude 27 Oct 2026	114 \$/bbl	 +35% +over three months
Next trading update	19 January 2027	

Sources: Interim results, 21 Aug 2026; Payment of 2026 Interim Dividend in Sterling, 16 Oct 2026; Commodities data, 2026-10-27; Q3 2026 Trading Update, 28 Oct 2026

Undemanding on EBITDA, if the earnings base holds

Market capitalisation, 28 Oct 2026

£642m

Director purchase (Paula Harris), 26 Aug 2026

**7,300 shares at
392.0p**

CEO sale (Jim Johnson), 10 Mar 2026

**218,874 shares at
506.84p**

At 424.00p on 28 October the shares value Hunting at £642m, with 151m shares in issue. Converted at the \$1.3253 rate used for the interim dividend, that is about \$851m, and adding September's \$11m of net borrowing gives roughly 6.5 to 6.7 times the new EBITDA range. Before other costs, that multiple is not demanding for a group with \$876m of net assets.

The caveat is that EBITDA leaves out capital spending of \$35-45m this year and says nothing about returns on the capital tied up in the business, where adjusted ROCE has fallen to 9.1%. A low multiple of a shrinking number offers less protection than it appears, and 2026 guidance is now below 2025's outturn. The buyback and a dividend committed to 13% annual growth support the shares, and the price is close to where it began the year, up 0.2%.

Ownership signals point both ways. Disclosed short positions reached 3.85% of shares on 22 October. A non-executive director, Paula Harris, bought 7,300 shares at 392p on 26 August, while chief executive Jim Johnson sold 218,874 shares at 506.84p on 10 March, months before the guidance cuts.

FIGURE	VALUE	CHANGE
Share price 28 Oct 2026	424p	+1.9% +on the day
YTD share price performance 2026	+0.2%	
Disclosed short positions (latest) 22 Oct 2026	3.85%	

Sources: Price & Valuation data; Disclosed short positions; Director/PDMR Shareholding, 26 Aug 2026; Director dealings

The shares rallied into the cut and sit on support

52-week range 332.50p - 553.00p	Day range, 28 Oct 2026 407.47p - 429.00p	Share price, 28 Oct 2026 424.00p
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The shares went into the update on a rebound. At the 27 October close of 425.5p they were 9.1% higher over a month, having bounced from a low of 372.5p on 8 October. That low came with momentum indicators making higher lows as the price made a lower one, a pattern that often signals selling running out of force. On 28 October they traded between 407.47p and 429.00p, a sign the cut was absorbed without a sell-off on the day.

The longer trend has not recovered. The 52-week range runs from 332.50p to 553.00p, the high set on 5 March, and on 27 October the price remained below the 200-day average of 457.48p, which stays flat. The 50-day average crossed below the 200-day on 26 August, after the interim results sent the shares down by as much as 20% on the day.

The levels to watch are close together. Support sits at about 417-420p, a zone that combines a frequently tested price floor and a common retracement level, with the 50-day average at 403.73p beneath it. A move back below roughly 404p would leave the October bounce looking like a rally into bad news, with the next support near 365p. Above, the gap left on 21 August between 426.5p and 450.5p is the first obstacle. Trading volumes during the bounce were ordinary, and with a short interest of 3.85%, short sellers buying back stock could amplify any rise.

Sources: Price & Valuation data

The case for and against

FOR

The case for rests on the causes of the cut being largely external and temporary. Conflict and shipping attacks have delayed Middle East tenders and deliveries, not removed the demand behind them, and the directors expect significant upside once hostilities cease. Meanwhile the parts of the business within management's control are improving: Subsea remains robustly profitable, EMEA has returned to profit after the Fordoun closure, and Q3 cash improved by \$8m. The long-delayed KOC re-tender is now published, with Hunting as an established supplier, and Organic Oil Recovery is collecting pilot orders on three continents. On this reading, a balance sheet with \$876m of net assets and 2025 operating cash flow of \$139m gives the group time, and about 6.5 times reduced EBITDA already prices in a good deal of disappointment.

AGAINST

The case against starts with forecasting. Guidance has been cut twice in about fifteen weeks and cash guidance three times, and each time the market had been told the previous range was achievable. The new numbers still require a fourth quarter that beats the third by half and a \$51-56m cash swing while management describes slower deliveries, with working capital stuck at about \$399m. Not all the problems are geopolitical: the Electronics and Dearborn supply-chain delays are Hunting's own. Returns are falling, 2026 EBITDA will be below 2025's, Kuwait cannot help until H2 2027 and may need upfront investment, and Organic Oil Recovery has no disclosed revenue. A new chief executive could also reset expectations for 2027.

WHAT TO WATCH

The evidence arrives in a set order. First comes the KOC award, expected before year-end, and its volumes and terms if disclosed. The 19 January 2027 trading update then shows whether full-year EBITDA landed within \$128-\$133 million and cash near \$40-\$45 million, and whether working capital finally fell from \$399m. Beyond that, Saudi rig activity, Middle East shipping, North American operators' 2027 budgets and the chief executive appointment will show whether the recovery is moving into next year or slipping further. On the chart, holding the 417-420p zone against a break below about 404p will show how the market reads those developments.

Risks

- ⚠ A third guidance cut in January if fourth-quarter EBITDA falls short of the roughly \$39-44m implied by the new range, with slowing Middle East and North American deliveries the most likely cause.
 - ⚠ Year-end cash may miss the \$40-\$45 million target if working capital, at c.\$399 million and flat since June, does not unwind, while buybacks, a growing dividend and capex continue.
 - ⚠ The KOC re-tender could be lost, awarded on thin margins or delayed again, and even a win would not ship until H2 2027 and might require stock to be built in advance.
 - ⚠ A prolonged Middle East conflict would keep tenders, shipping and Saudi rig activity depressed, while a ceasefire could lower oil prices before customers raise spending.
 - ⚠ Adjusted ROCE has fallen to 9.1% from 10.5%, and further acquisitions or higher capital spending could weaken returns before the earnings base recovers.
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- ! The chief executive succession adds uncertainty, with a new leader able to reset 2027 expectations.
- ! No current facility headroom or covenant figures have been disclosed, which limits how far the balance sheet's resilience can be tested.

THE OTHER VIEW

A stronger reading for Hunting is that today's cut clears the deck. Every major cause named is either geopolitical (shipping attacks, lower Saudi drilling) or seasonal (North American fourth-quarter budgets), and none points to lost customers or market share. The pieces management controls are moving the right way: EMEA is back in profit, Subsea is robust, Q3 cash improved, and the KOC re-tender, whose delay drove the August cut, is finally under way with an incumbent supplier well placed. Fourth quarters often carry a heavier share of the year, so the step up from about \$27m to \$39-44m of EBITDA is less heroic than it looks, and the \$51-56m cash swing relies partly on full-year buyback and capex totals that are largely already spent. With the shares absorbing the news within a 407-429p range, after falling as much as 20% in August, much of the disappointment may already be in the price. At about 6.5 times reduced EBITDA, a balance sheet carrying \$876m of net assets and a dividend growing 13% a year, the market may be valuing a cyclical pause as a permanent setback.

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