

## Research Recommendation: **BUY - Hunting (HTG)**

Fundamentals	2007	2008	2009E	2010E
Revenues (£m)	398.7	440.0	380.9	375.7
Pre Tax Profit (£m)	45.0	8.0	37.3	38.6
EPS (p)	18.5	27.5	16.5	17.0
EPS growth	-51%	49%	-40%	3%
P/E Ratio (x)	38.4	15.2	36.2	35.0
PEG (x)	n/a	0.3	n/a	11.0
Dividend (p)	8.3	9.9	10.7	11.2
Yield (%)	1.2	2.4	1.8	1.9

Stock	Hunting
Ticker	HTG.L
Market	FTSE 250
12M High	613.5p
12M Low	380.5p
Market Cap.	£800.6m
Shares out	132.2m
Beta vs FT100	0.993

### Background

Industrial holding company for a group of companies that provide oil and gas services. Group markets, transports and stores crude oil, processes and markets liquid petroleum gas, and distributes propane. Hunting also supplies oil process equipment, ship-broking services, shipping consultancy and data services, in addition to manufacturing industrial coatings.

### Technical Commentary

The shares have bounced off a new rising low and look to have potential to move up towards the 650p level.

### Fundamental Commentary

With appetite for risk returning (market rallying, FED announcement had limited impact on UK markets) and certain banks being very bullish on oil (Barclay/BoA-ML expectations of a move to above \$100), we expect Hunting to continue to trade positively and in-line with the Oil price.

### Risks

Further worries about demand from China or Eurozone Sovereign debt may see a flight to safety and thus a move into US\$ and Government bonds, leading to weakness in the higher beta, commodity and energy related stocks.

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Graph: 1 year (daily)



Graph: 3-month (hourly)



### Risks (cont'd)

FY09 Results are scheduled to be published on Thursday 25 Feb, however, no broker comments on consensus is available.

**ENTRY PRICE** 606.0p

**STOP LOSS** 559.9p  
(-7.2%)

**Bull Points** Links to oil price, on which several brokers very positive. Diverse revenue sources.

**Bear Points** Neutral beta. Lack of broker comments. Results on Thursday - no available consensus.