

DNow™

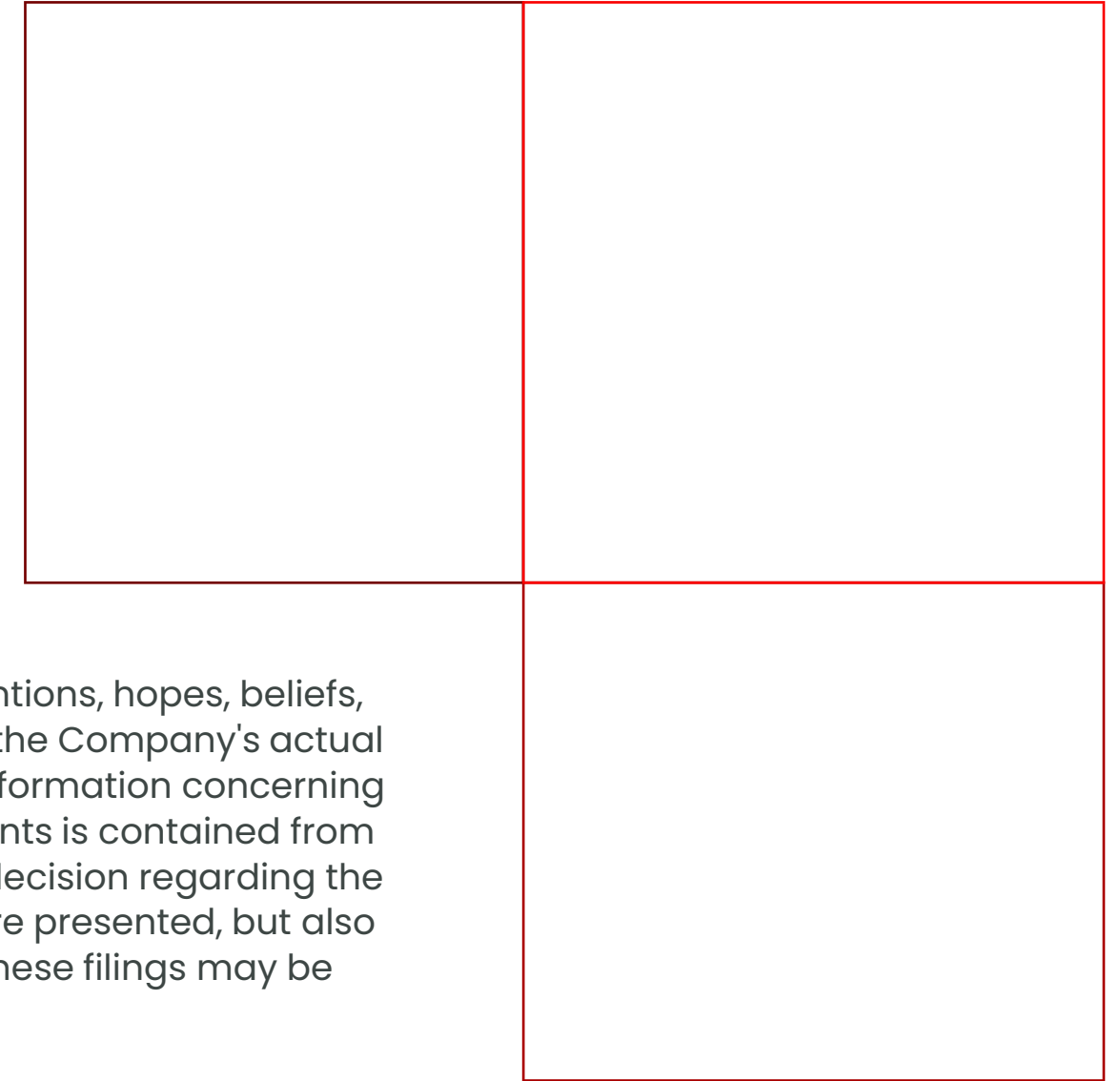
Key Takeaways

First Quarter 2024

Disclosure Statement

Statements made in the course of this presentation that state the Company's or management's intentions, hopes, beliefs, expectations or predictions of the future are forward-looking statements. It is important to note that the Company's actual results could differ materially from those projected in such forward-looking statements. Additional information concerning factors that could cause actual results to differ materially from those in the forward-looking statements is contained from time-to-time in the Company's filings with the U.S. Securities and Exchange Commission (SEC). Any decision regarding the Company or its securities should be made upon careful consideration of not only the information here presented, but also other available information, including the information filed by the Company with the SEC. Copies of these filings may be obtained by contacting the Company or the SEC.

In an effort to provide investors with additional information regarding our results as determined by U.S. Generally Accepted Accounting Principles (GAAP), we disclose various non-GAAP financial measures in our quarterly earnings press releases and other public disclosures. We use these non-GAAP financial measures internally to evaluate and manage the Company's operations because we believe it provides useful supplemental information regarding the Company's ongoing economic performance. The non-GAAP financial measures include: (i) earnings before interest, taxes, depreciation and amortization (EBITDA) excluding other costs (sometimes referred to as "EBITDA"), (ii) net income (loss) attributable to DNOW Inc. excluding other costs and (iii) diluted earnings (loss) per share attributable to DNOW Inc. excluding other costs. Each of these financial measures excludes the impact of certain other costs and therefore has not been calculated in accordance with GAAP. A reconciliation of each non-GAAP financial measure to its most comparable GAAP financial measure can be found in our earnings press release.



Key Takeaways

1Q24

- ▶ Net cash provided by operating activities was \$81M for the first quarter of 2024
- ▶ Revenue of \$563M for the first quarter, up \$8M sequentially, on lower U.S. well completions and steep decline in U.S. natural gas prices
- ▶ GAAP Net Income attributable to DNOW Inc. of \$21M for the first quarter; GAAP diluted EPS attributable to DNOW Inc. stockholders of \$0.19 for the first quarter
- ▶ Non-GAAP Net Income* of \$23M for the first quarter, lower \$1M sequentially; Non-GAAP diluted EPS* of \$0.21, lower \$0.01 sequentially
- ▶ EBITDA* of \$39M or 6.9% of revenue for the first quarter
- ▶ 1Q24 gross margins of 22.9%
- ▶ Closed Whitco Supply acquisition expanding PVF distribution opportunities for midstream sector

*Excluding other costs (non-GAAP)

Key Market Indicators

WTI/Rig Counts

WTI avg of \$78 per barrel for 1Q24, flat sequentially



U.S. avg rig count of 623, flat sequentially



Canada avg rig count of 209, up 14% sequentially



International avg rig count of 965, flat sequentially



Global avg rig count of 1,797, up 2% sequentially



DNOW annualized revenue per rig at \$1.3M for 1Q24

U.S. Completions*

March ended with a U.S. completions count of 859 wells in EIA regions



1Q24 avg of 866 wells, 11% lower sequentially



Presents an immediate opportunity for DNOW U.S. as tank batteries and gathering systems are constructed after completions

U.S. DUCs*

March ended with a DUC count of 4,522 wells in EIA regions



1Q24 avg of 4,517 wells, lower 2% sequentially



DUCs are future revenue opportunities for DNOW

*EIA DPR report released 4/15/2024

1Q24 Segment Results (Year-over-Year)

United States

- Revenue increase from an acquisition completed in 1Q24; partially offset by the weakening of drilling and completions activity
- Operating profit remained flat

Canada

- Revenue lower primarily due to a decrease in Canadian rig count and weaker project activity
- Operating profit decreased due to the decline in revenue

International

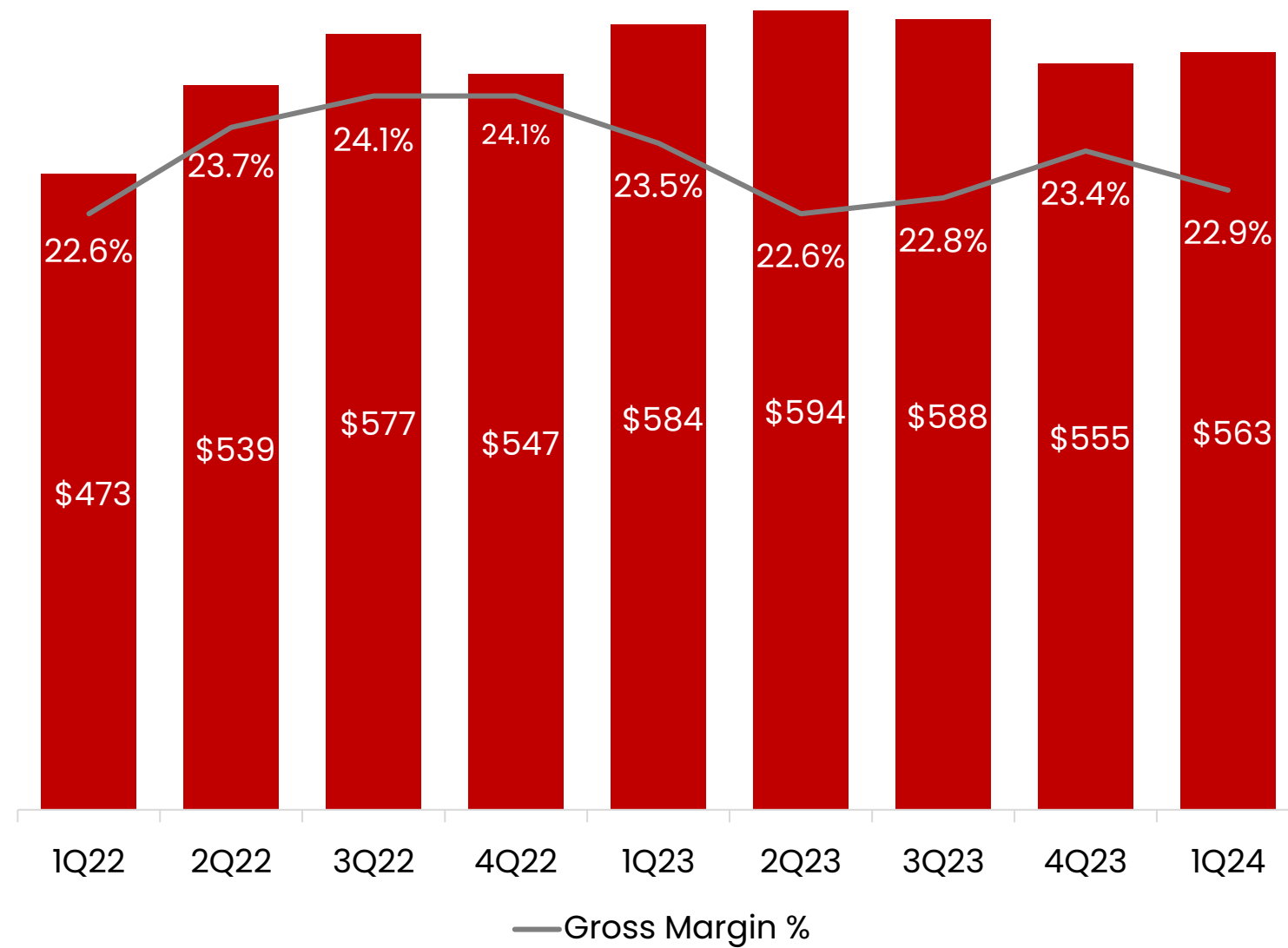
- Revenue decline primarily driven by a much stronger 1Q23 project environment
- Operating profit declined due to reduced revenue

	1Q23	1Q24	Var.	Var. %
United States	427	435	8	2%
Canada	83	66	(17)	-20%
International	74	62	(12)	-16%
Revenue	584	563	(21)	-4%
United States	23	23	-	
Canada	8	3	(5)	
International	4	2	(2)	
Operating Profit	35	28	(7)	
<i>United States</i>	5.4%	5.3%		
<i>Canada</i>	9.6%	4.5%		
<i>International</i>	5.4%	3.2%		
<i>Operating Profit %</i>	6.0%	5.0%		
<i>% of U.S. Revenue</i>				
<i>U.S. Energy</i>	74%	70%		
<i>U.S. Process Solutions</i>	26%	30%		

Selected Quarterly Results

Revenue & Gross Margin Percent

(\$ in millions)



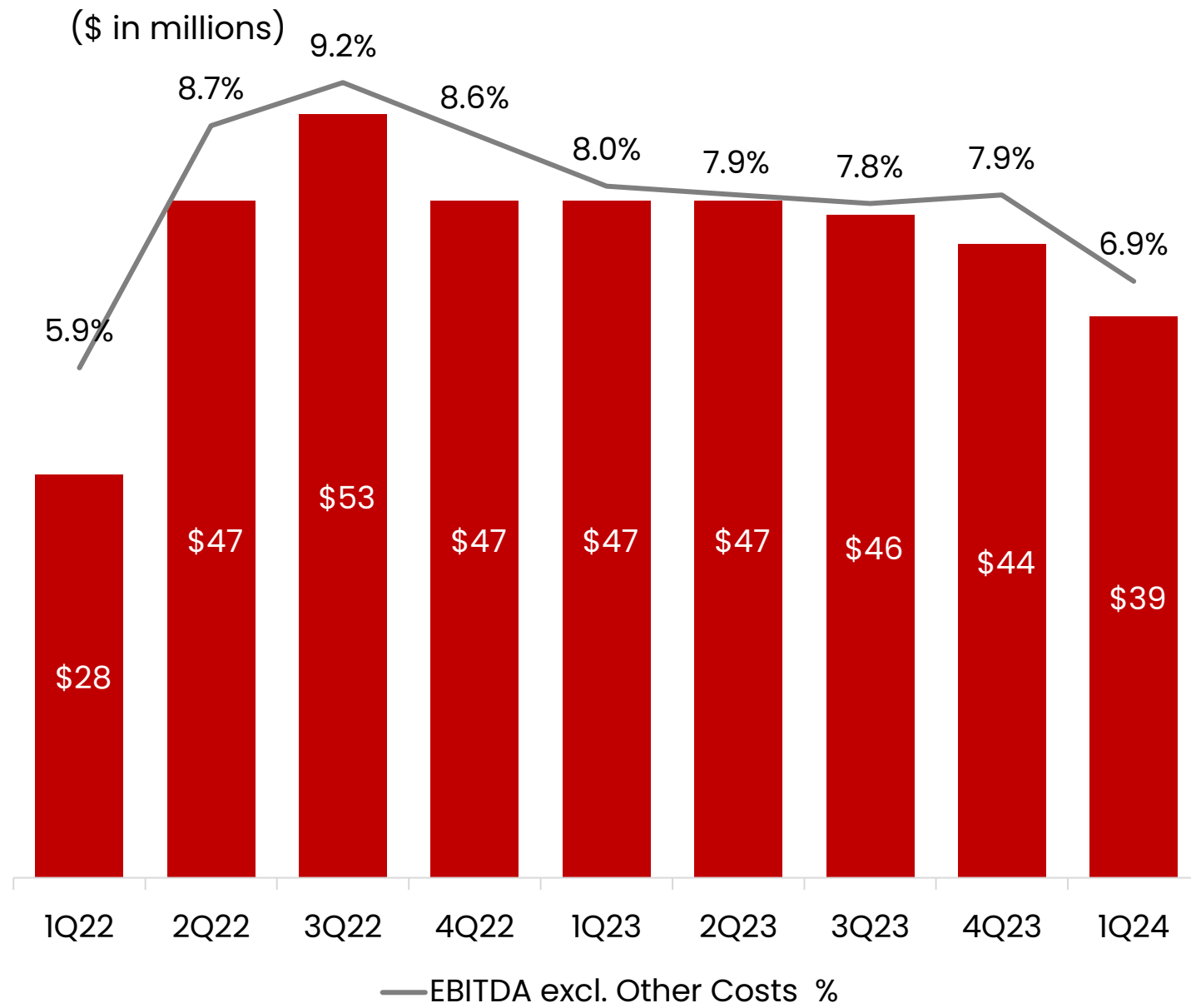
Net Income attributable to DNOW Inc. excl. Other Costs (Non-GAAP)

(\$ in millions)

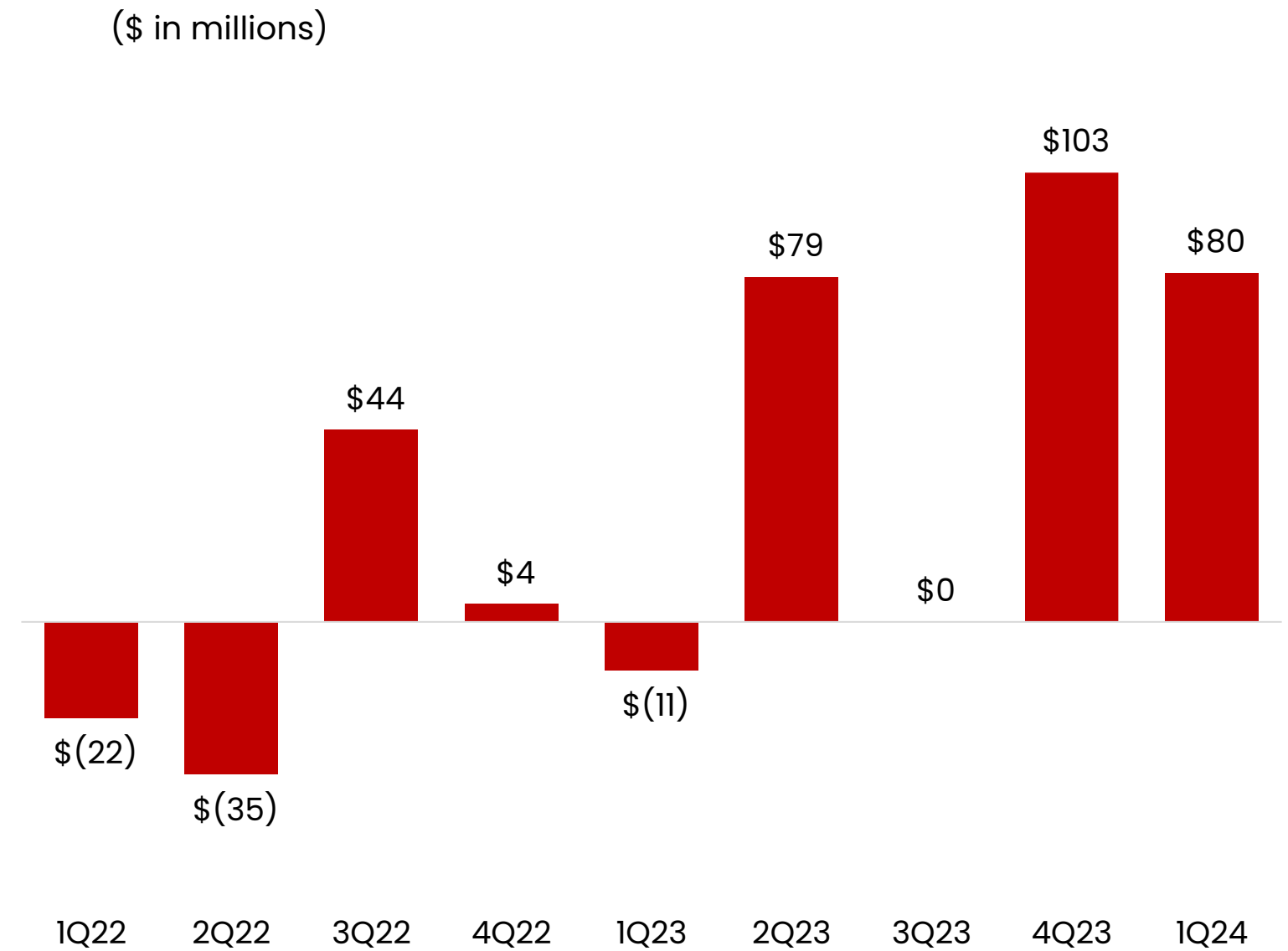


Selected Quarterly Results

EBITDA excl. Other Costs (Non-GAAP)



Free Cash Flow*

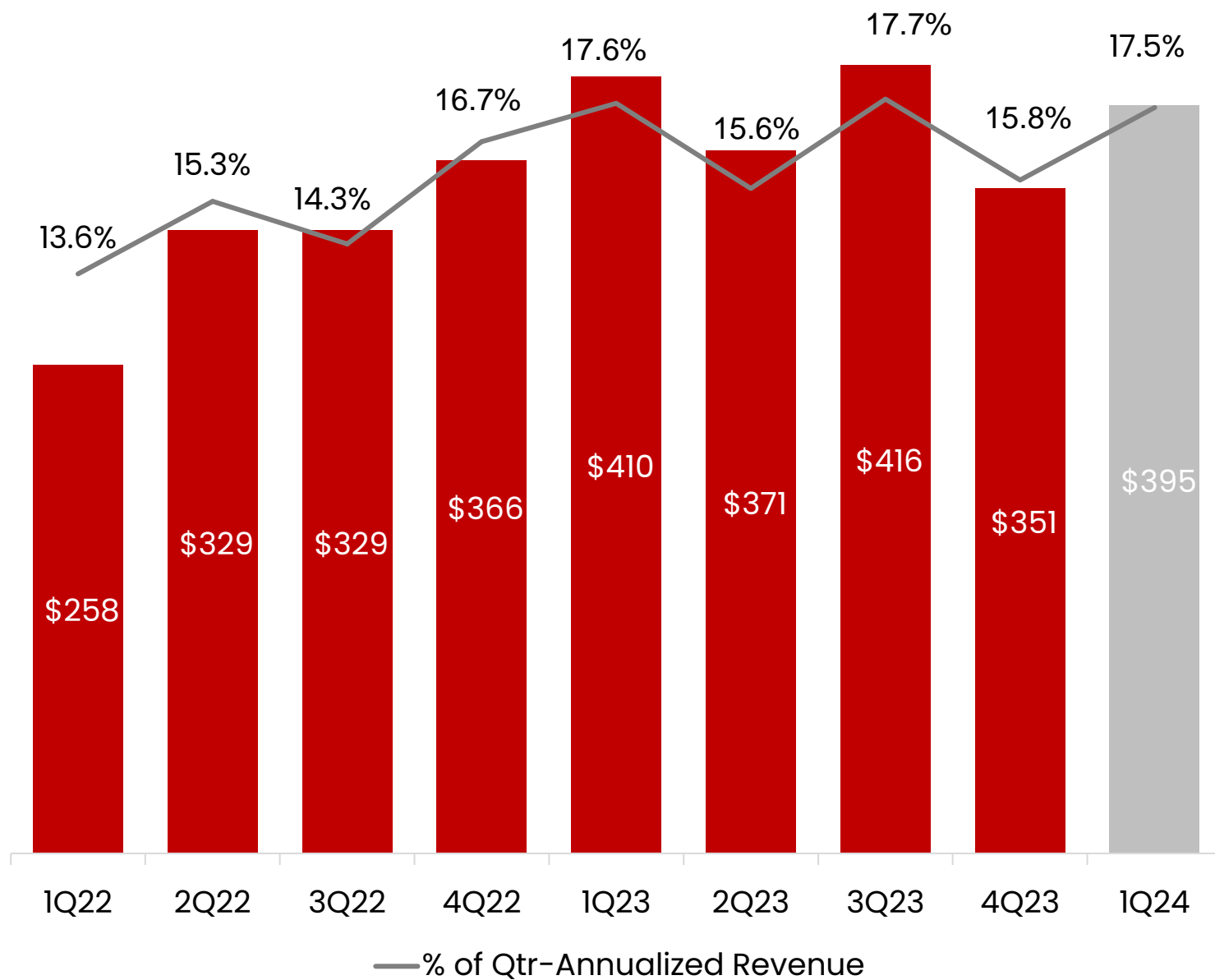


*Free Cash Flow is defined as net cash provided by (used in) operating activities, less purchases of property, plant and equipment

Selected Quarterly Results

Working Capital excl. Cash and as % of Revenue

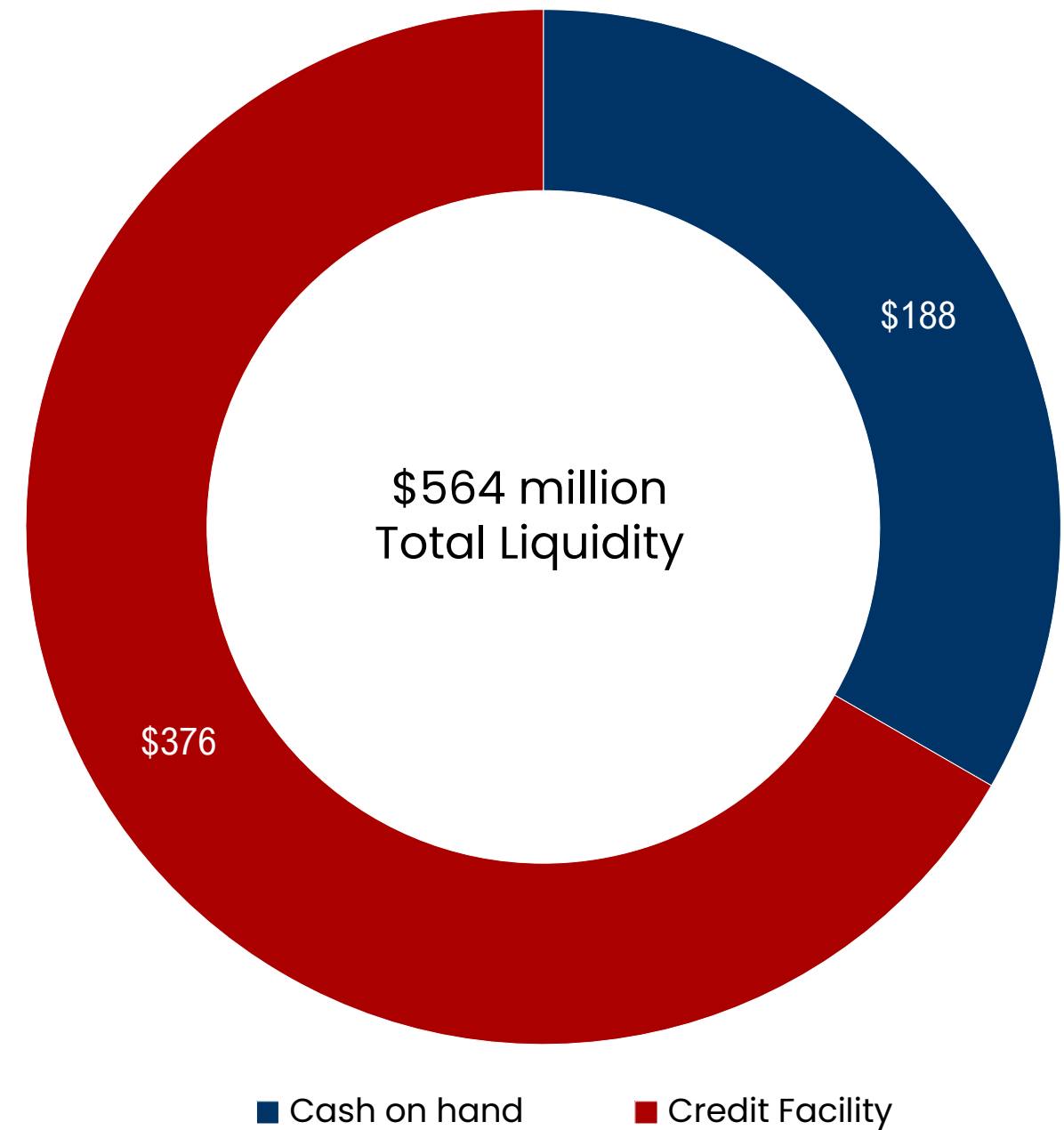
(\$ in millions)



*excluding the ending first quarter working capital balances from the acquisition and the related partial quarter of sales contribution, working capital, excluding cash as a percentage of annualized first quarter revenue was 14.4%.

Total Liquidity at March 31, 2024

(\$ in millions)



■ Cash on hand ■ Credit Facility

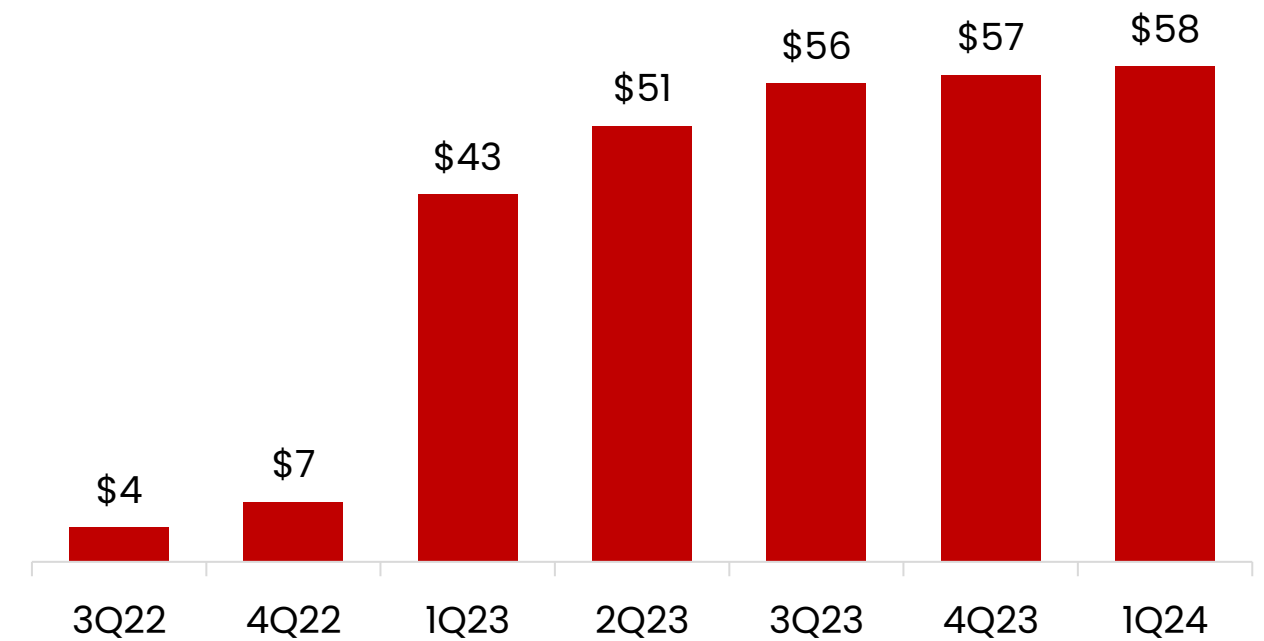
Share Repurchases

\$80 million share repurchase program

- ▶ Repurchased \$1M of shares during the quarter, with \$58M accumulated through 1Q24
- ▶ Program authorized through December 2024
- ▶ We take a measured approach to the repurchase of shares based on working capital requirements and acquisition opportunities

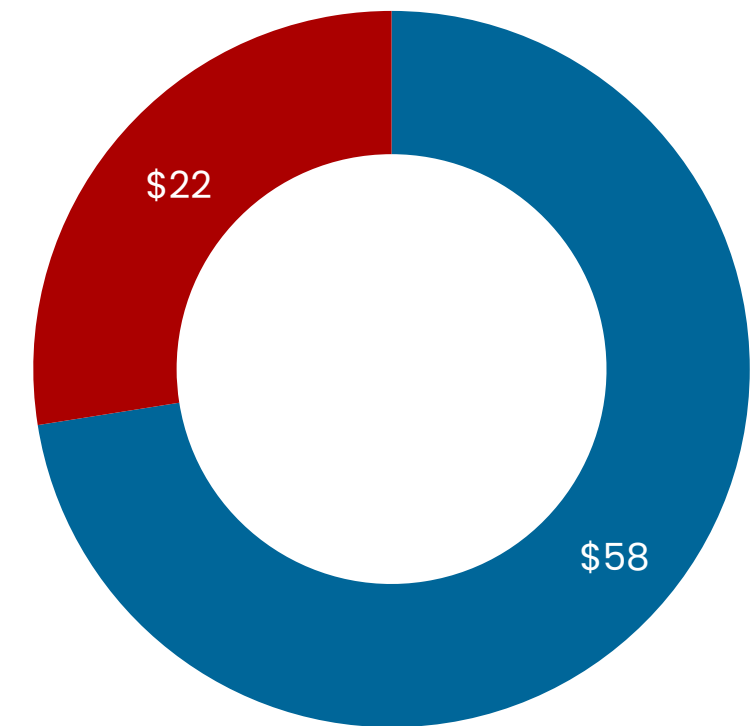
Cumulative Share Repurchases

(\$ in millions)



Repurchase Program

(\$ in millions)



■ Dollars Purchased ■ Dollars Remaining

CEO Wrap-Up

- ◆ 1Q24 Revenue of \$563M, a growth of 1% sequentially
- ◆ Closed acquisition of Whitco Supply, expands and diversifies customer midstream customer base
- ◆ Generated \$80M of free cash flow for 1Q24 and \$262M for the trailing four quarters ending March 31, 2024
- ◆ Debt-free, \$188M in net cash, and total liquidity \$564M
- ◆ Continue to evaluate a number of accretive deals in our M&A pipeline

Outlook

- ◆ Full-year 2024 revenue expected to increase in the mid-to-high single digit percentage range from 2023
- ◆ Full-year 2024 EBITDA % of revenue will approximate full-year 2023 EBITDA %
- ◆ 2Q24 revenue expected to increase in the 10 to 15 percentage range sequentially, with 2Q24 EBITDA % of revenue in the 7 to 8 percentage range
- ◆ Full-year 2024 free cash flow could now approach \$200M

*Excluding other costs (non-GAAP)

Investor Relations

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DNOW

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