



Key Takeaways

FIRST QUARTER 2023

Energy Delivered.™

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 NOW Inc. excluding other costs and (iii) diluted earnings (loss) per share attributable to NOW 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.

1Q23 Key Takeaways

- Revenue of \$584M, up 7% sequentially, and up 23% year-over-year, compared to global rig count growth of 15% year-over-year
- GAAP Net Income attributable to NOW Inc. of \$31M; GAAP EPS attributable to NOW Inc. stockholders of \$0.28
- Non-GAAP Net Income* of \$28M; Non-GAAP diluted EPS* of \$0.25
- EBITDA* of \$47M or 8.0% of revenue, up \$19M or up 68% year-over-year
- Gross margins of 23.5% in the quarter, in line with our guided range
- Warehouse, Selling & Administration (WSA) was 17.5% of revenue during the quarter; a 30 basis point improvement year-over-year
- Cash used in operating activities was \$6M, capital investments of \$5M, free cash flow consumption of \$11M
- Repurchased \$36M in shares during the quarter; with \$43M accumulated through 1Q23
- Closed two acquisitions in May 2023 fortifying the U.S. Process Solutions pump and seal distribution and service territories, while integrating our two December 2022 acquisitions into the business

* Excluding other costs (non-GAAP)

Key Market Indicators

WTI/Rig Counts

- WTI avg of \$76 per barrel for 1Q23, down 8% sequentially
- U.S. avg rig count of 761, lower 2% sequentially
- Canada avg rig count of 223, up 17% sequentially
- International avg rig count of 915, up 1% sequentially
- Global avg rig count of 1,899, up 1% sequentially

DNOW annualized revenue per rig at **\$1.2M** for 1Q23

U.S. DUCs*

- March ended with a DUC count of 4,676 wells in EIA regions
- 1Q23 avg of 4,686 wells, relatively flat sequentially

DUCs are future revenue opportunities for DNOW

U.S. Completions*

- March ended with a U.S. completions count of 999 wells in EIA regions
- 1Q23 avg of 1,001 wells, 3% lower sequentially

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

**EIA DPR report released 4/17/2023*

1Q23 Segment Results

Solid performance led by growth in U.S. and International on a year-over-year basis

	1Q22	1Q23	Var.	Var. %
United States	334	427	93	28%
Canada	82	83	1	1%
International	57	74	17	30%
Revenue	473	584	111	23%
United States	14	23	9	
Canada	7	8	1	
International	2	4	2	
Operating Profit	23	35	12	
<i>United States</i>	4.2%	5.4%		
<i>Canada</i>	8.5%	9.6%		
<i>International</i>	3.5%	5.4%		
<i>Operating Profit %</i>	4.9%	6.0%		
<i>% of U.S. Revenue</i>				
<i>U.S. Energy</i>	79%	74%		
<i>U.S. Process Solutions</i>	21%	26%		

■ United States

- Revenue growth aided by the strengthening in U.S. drilling and completions activity
- Operating profit improvement driven by revenue growth and better gross margins

■ Canada

- Revenue up modestly impacted by a \$6M unfavorable foreign exchange
- Operating profit increased due to improved gross margins

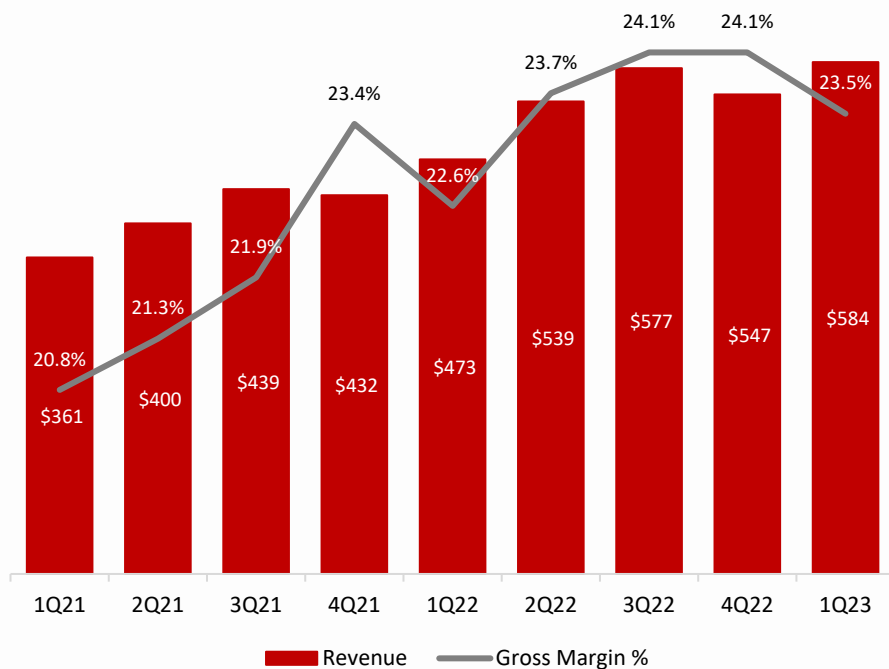
■ International

- Revenue growth due to increased project activity, primarily in our MacLean International and Middle East businesses, partially offset by a \$5M unfavorable foreign exchange impact
- Operating profit up due to higher revenues

Selected Quarterly Results

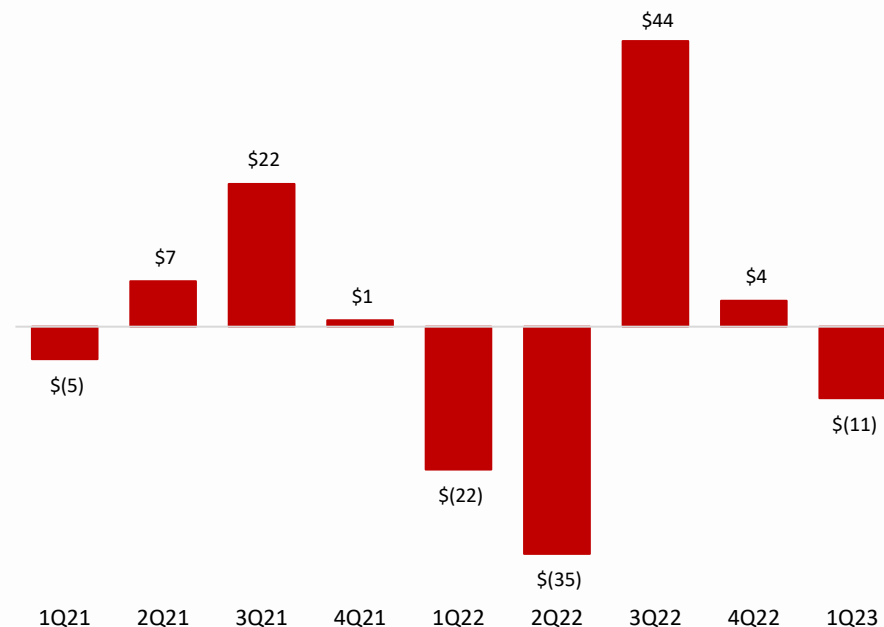
Revenue & Gross Margin Percent

(\$ in millions)



Free Cash Flow

(\$ in millions)

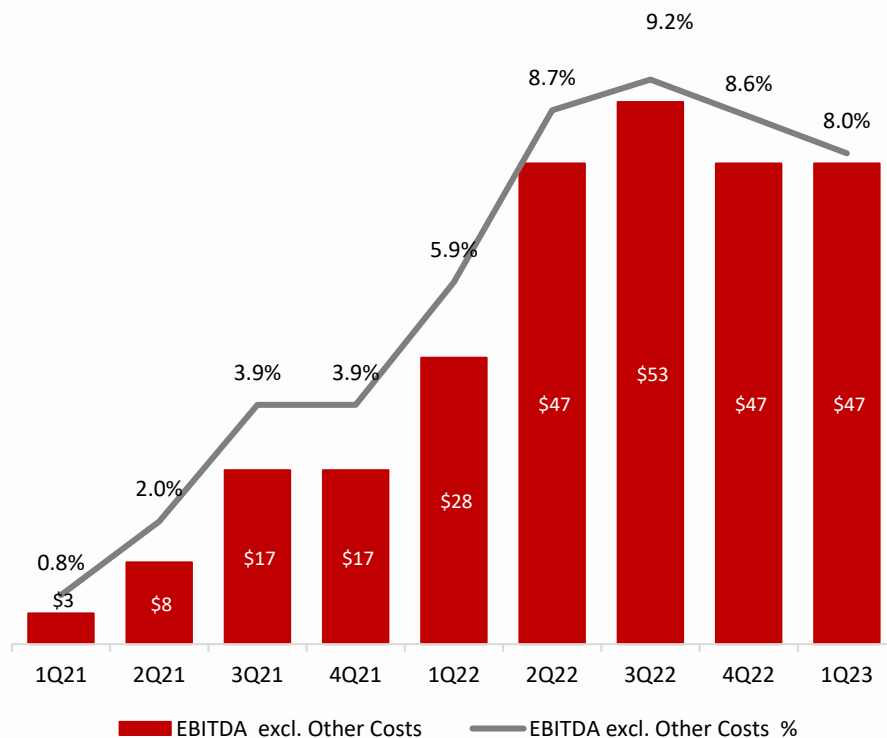


Free Cash Flow is defined as net cash provided by (used in) operating activities, less purchases of property, plant and equipment

Selected Quarterly Results

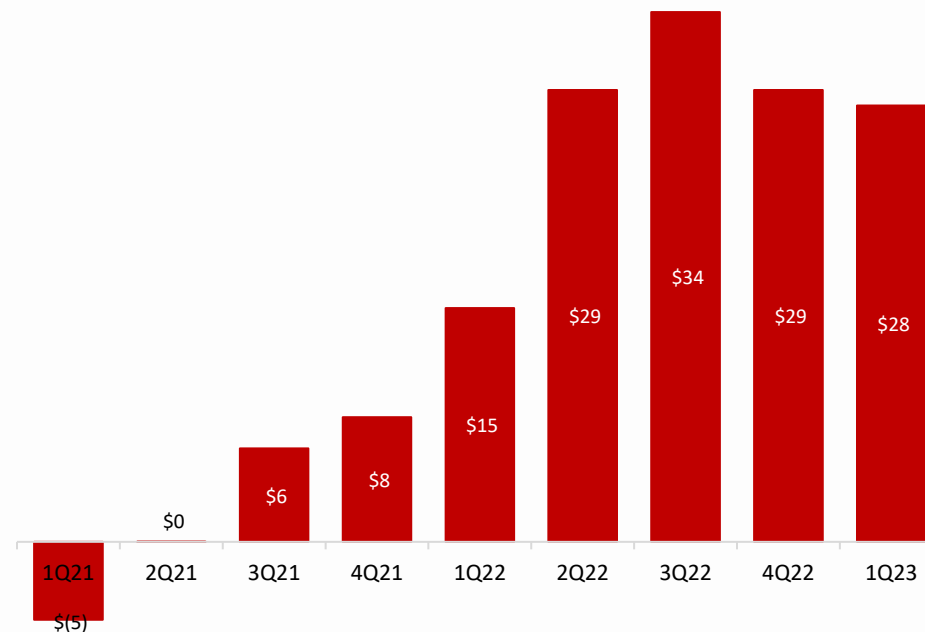
EBITDA excl. Other Costs (Non-GAAP)

(\$ in millions)

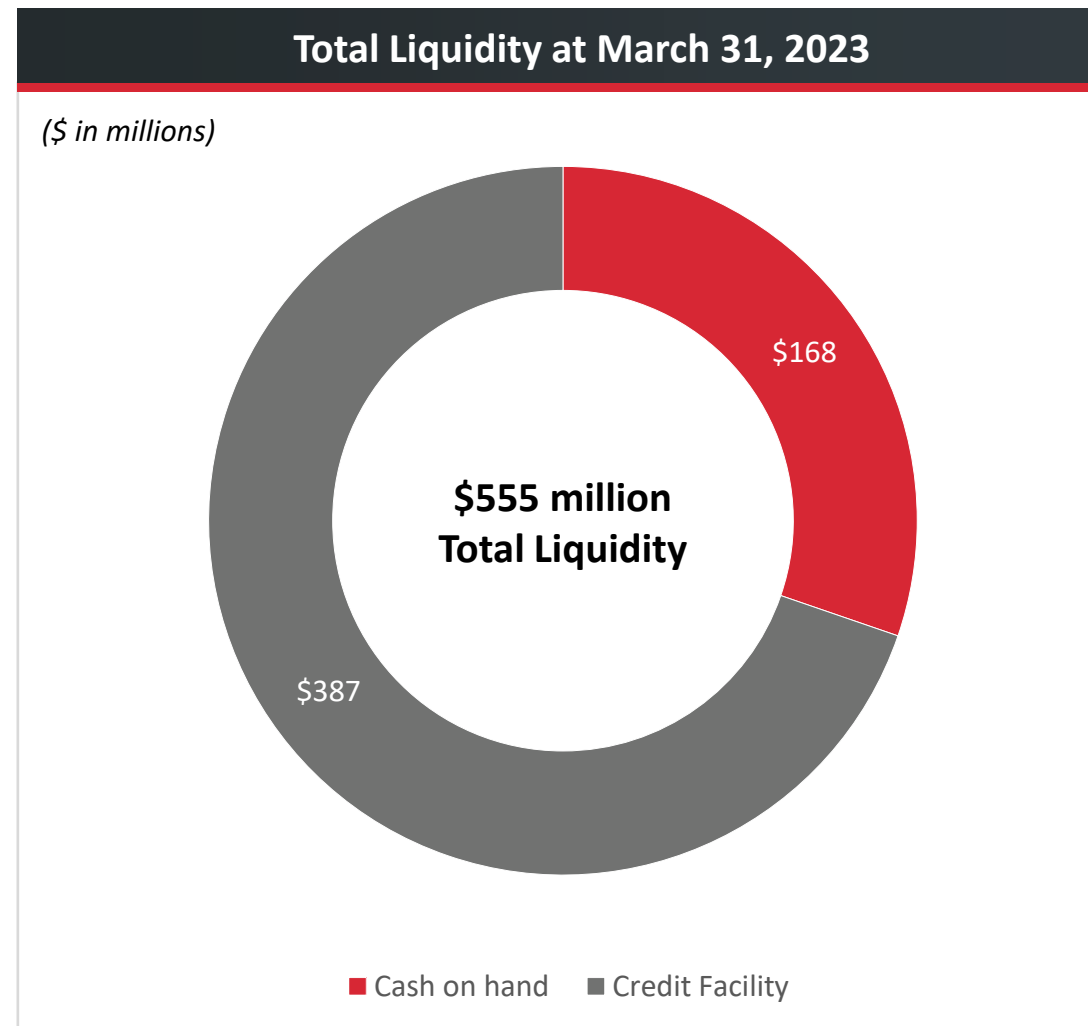
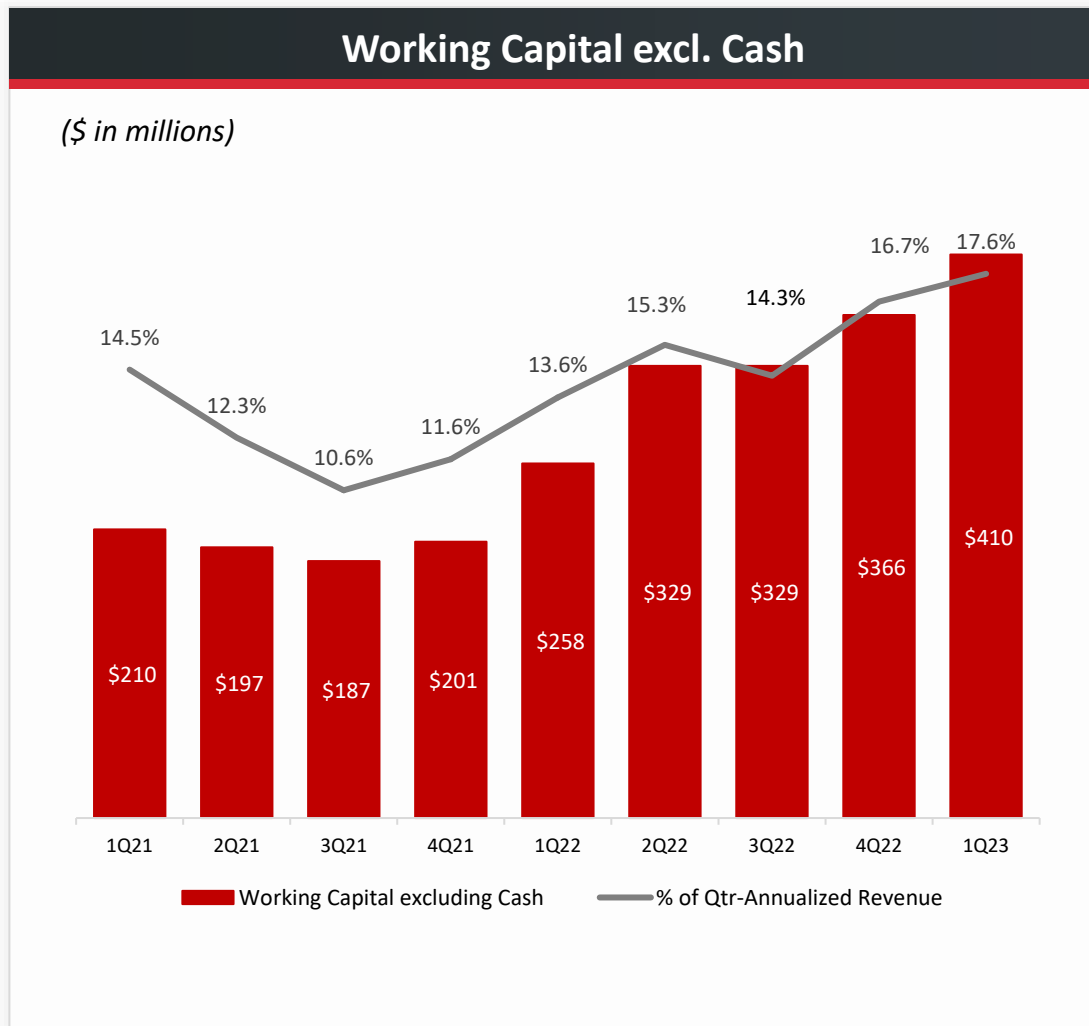


Net Income (Loss) attributable to NOW Inc. excl. Other Costs (Non-GAAP)

(\$ in millions)



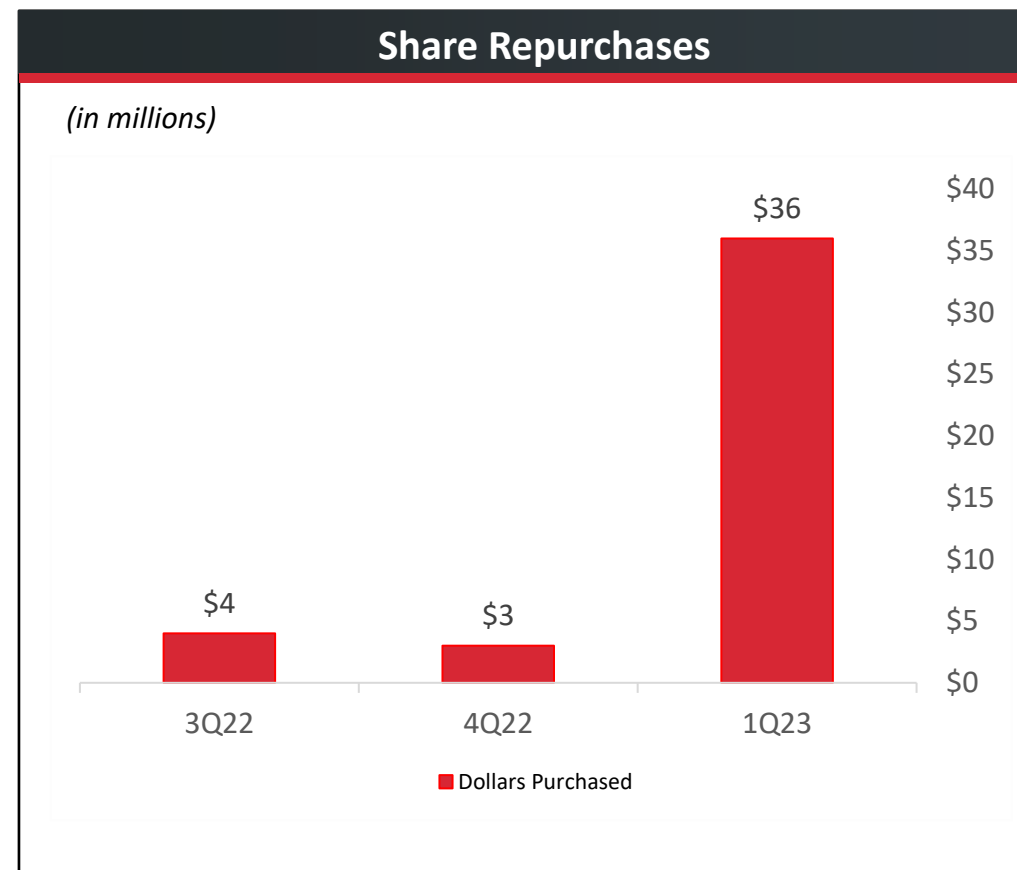
Selected Quarterly Results



Share Repurchases

\$80 million share repurchase program

- Repurchased \$36M of shares during the quarter, with \$43M accumulated through 1Q23
- Shares retired at average price of \$10.91 per share in 1Q23
- Program authorized August 2022 through December 2024



CEO Wrap-Up and Guidance

- Solid operational execution, growth in all three reporting segments
- Strong International performance as revenue climbed 28% sequentially
- Completed two acquisitions in May 2023 to fortify the U.S. Process Solutions pump and seal distribution and service territories
- Repurchased approximately 3.3 million shares of common stock for \$36 million in the first quarter
- 1Q23 trailing twelve months (TTM) free cash flow positive on approximately \$500M in TTM revenue growth compared to 1Q22 TTM revenue

Guidance

- Reaffirm full-year 2023 revenue to increase 8% to 12%, compared to full-year 2022 revenue
- Full-year 2023 EBITDA* targeted at 8.0% of revenue
- Expect full-year 2023 to approximate \$100M cash from operations
- 2Q23 revenue to increase in the low-single digits percentage range sequentially, despite the expected Canadian seasonal decline due to breakup, approximating 10 percent year-over-year 2Q revenue growth
- 2Q23 EBITDA* to approximate the 1Q23 EBITDA* dollar level

* Excluding other costs (non-GAAP)