



Investor Presentation

SIDOTI SMALL CAP CONFERENCE

SEPTEMBER 20, 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.

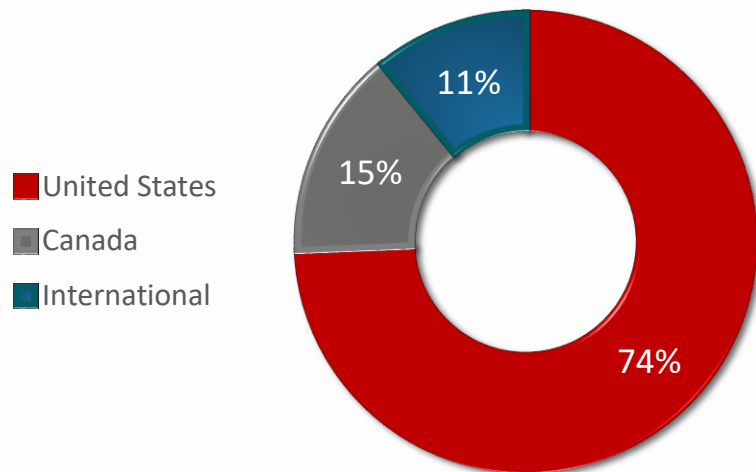
DistributionNOW At A Glance

NYSE Ticker DNOW
Countries ~20
Locations ~170

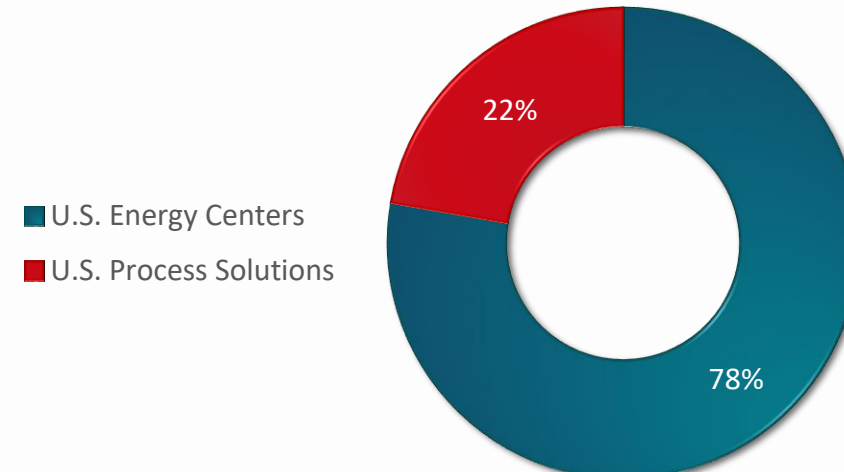
Employees ~2,475
ERP System SAP™

- Operating for more than 160 years
- Comprehensive network of energy center, customer onsite and process solutions locations complemented with an online commerce channel
- Support major land and offshore operations for key energy producing regions around the world
- Key markets: North America, South America, North Sea, the Middle East, Asia Pacific

2022 Revenue by Reporting Segment



2022 United States Revenue by Channel



Top Tier Supply Partners and Customers Across the Globe

Thousands of Suppliers in ~40 countries



Supporting Customer Operations in ~80 countries

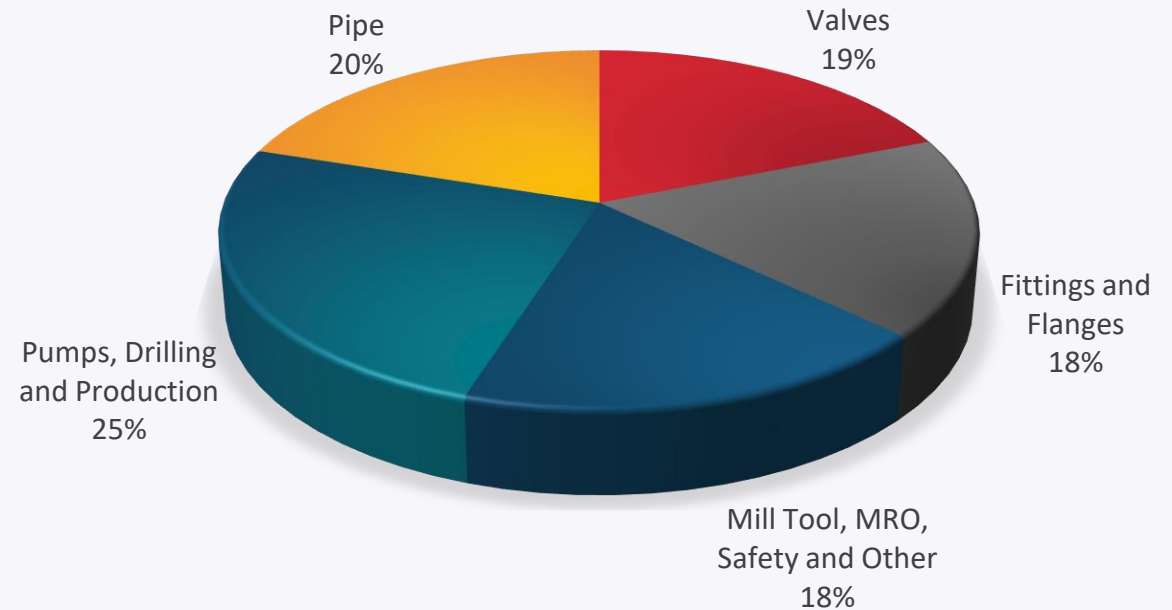


Differentiated Value and Product Offerings

- Talent with deep product-application knowledge
- Deploying technology and regionalized distribution to grow market share and drive productivity
- Retaining proximity to customers through offsite, onsite and digital channels



2022 Product Mix



Global Operational Presence

Company Locations

- Operations
- Supercenters

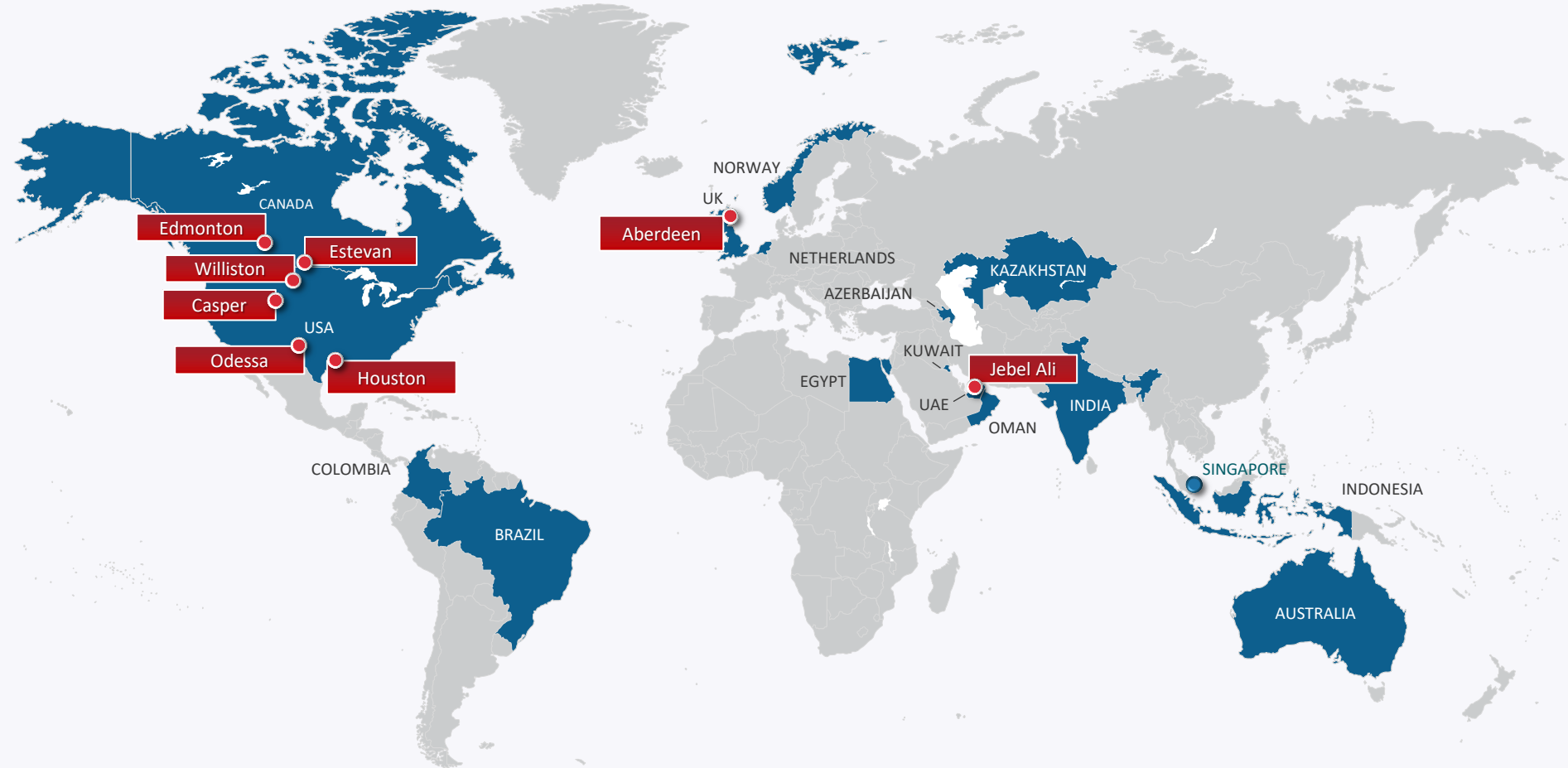
Supercenters:

United States
Houston, TX
Odessa, TX
Casper, WY
Williston, ND

Canada
Edmonton, Alberta
Estevan, Saskatchewan

Europe
Aberdeen, Scotland

MENA
Jebel Ali, U.A.E.

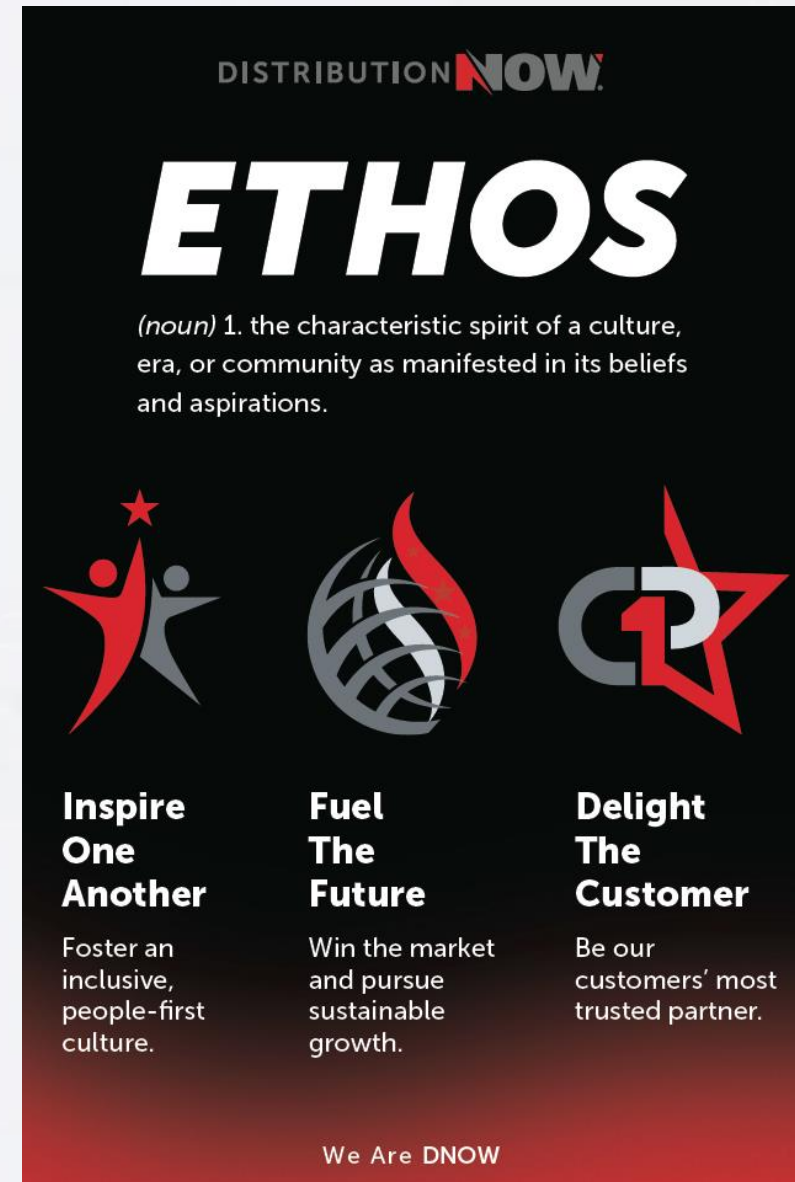


Ethos

Competitive strength around attracting and developing our people

Fuel the future enabling free cash flow for growth and improved shareholder returns

Delighting the customer through alignment in common purpose and delivering results that promote a winning partnership



DISTRIBUTION **NOW**

ETHOS

(noun) 1. the characteristic spirit of a culture, era, or community as manifested in its beliefs and aspirations.

Inspire One Another
Foster an inclusive, people-first culture.

Fuel The Future
Win the market and pursue sustainable growth.

Delight The Customer
Be our customers' most trusted partner.

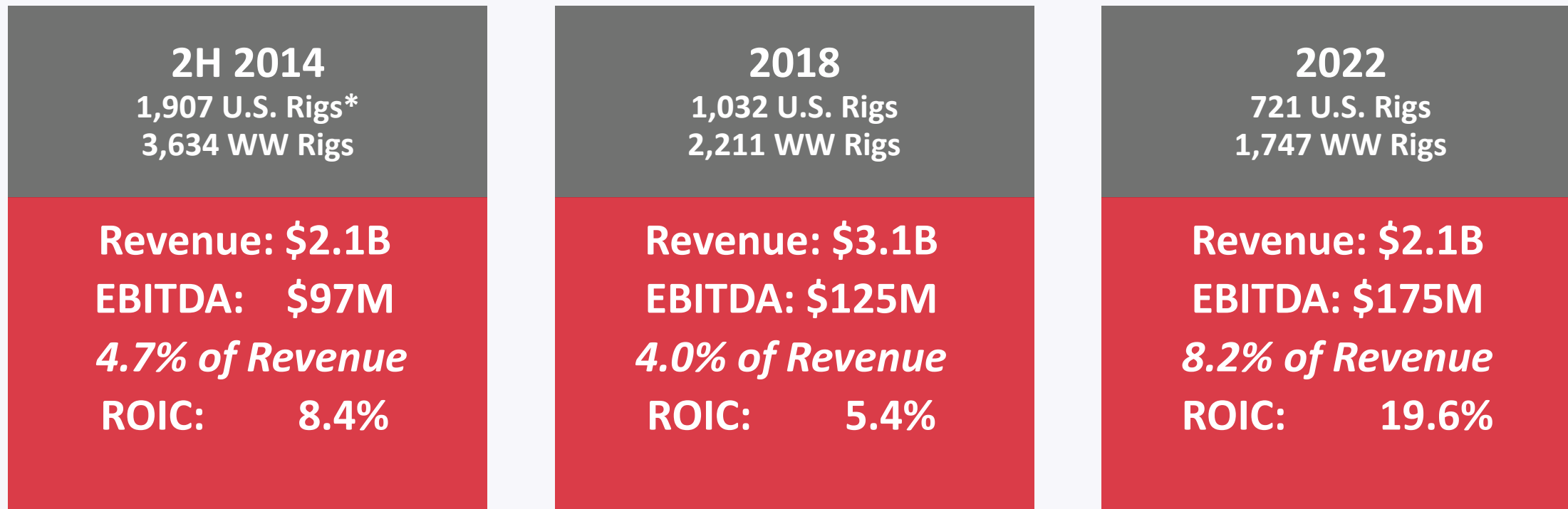
We Are DNOW

DNOW Investment Highlights

- Leader in the energy, industrial and energy evolution markets
- Significantly improved financial results
- Zero debt, \$203M in cash at June 30, 2023 and free cash flow of \$79M during 2Q23
- Total liquidity, including cash, \$584M to fuel organic growth, pursue accretive acquisitions and repurchase shares, opportunistically
- Expanding set of solutions for the energy transition / evolution
- Evolving technology and AI capabilities
- 160-year history of finding solutions for customers

Significant Improved Earnings

Comparing the past three U.S. rig count cycles



*Rig values based on Baker Hughes Rig Count

Growth Drivers

- Activity tied to **energy evolution** and **emission reduction**
 - Emission reduction in oil and gas have garnered infrastructure upgrades used in air compression systems to replace gas pneumatic systems
 - Emission reduction tied to flaring abatement
 - Carbon Capture, Utilization, Sequestration and Storage (CCUS)
- Focused on leveraging our strengths and growing market share
 - Supercenter positioning
 - Contributions from completed acquisitions
 - Enhanced service model
- International activity increasing related to underinvestment and urgency around energy security
- Growth through inorganic investments



Growth Drivers - Adjacent Markets

■ Renewable Fuels

- Strong Regulatory Framework and Tax Incentives, Supported by the IRA
- Biofuels, Renewable Natural Gas (RNG), Geothermal, Hydrogen
- Overlaps core manufactures, products, competencies

■ Mining

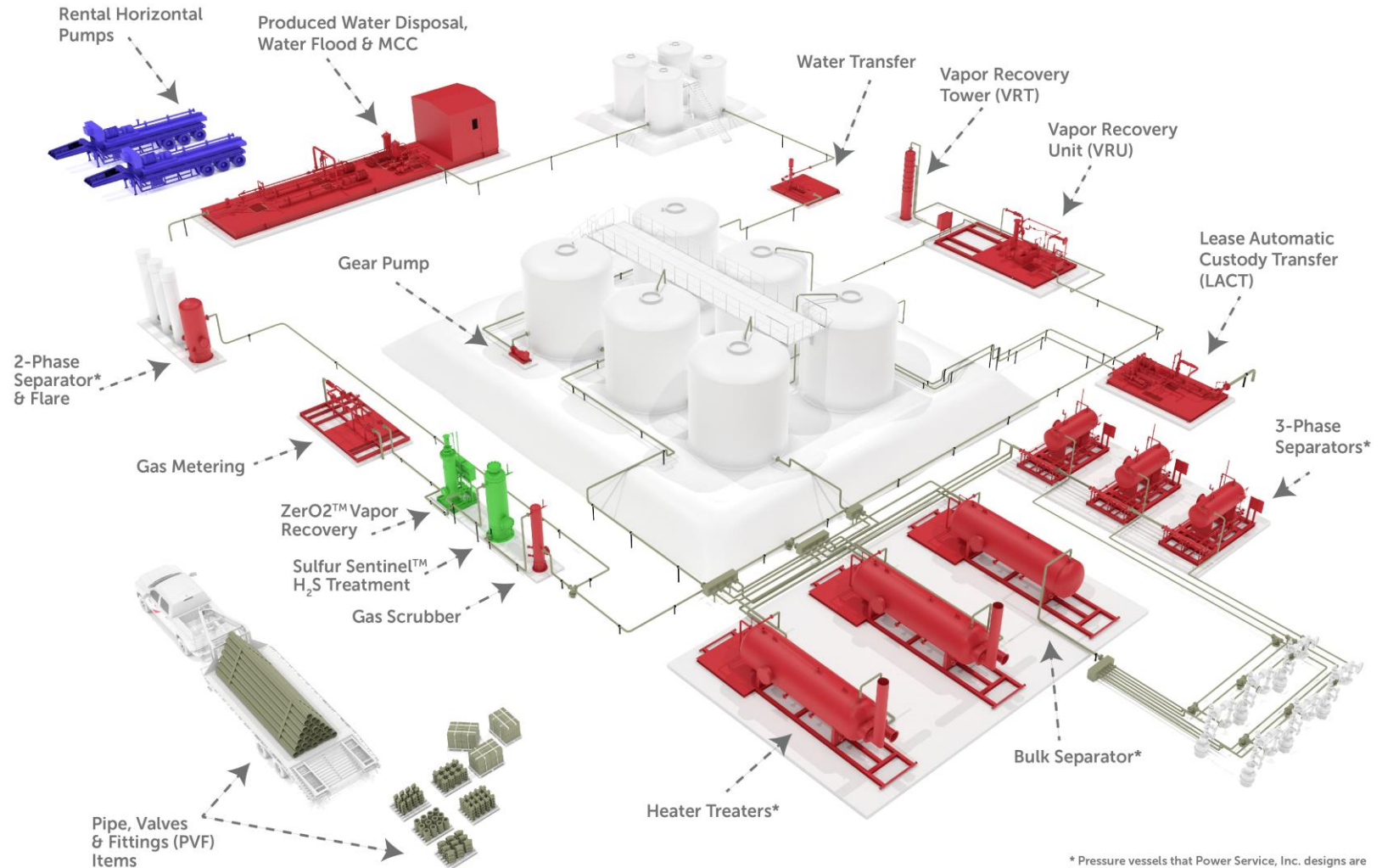
- Near-shoring driving electrification investment
- Supported by IRA incentives
- Overlaps core manufacturers, products, competencies

■ Chemicals

- New mechanical seal supplier agreement opens market to customer base
- Overlaps core manufacturers, products, competencies
- Supports CCUS market



DNOW product demand at wellsite onshore facility



COLOR LEGEND

- PS & Odessa PUMPS
- FLEXFLOW
- DISTRIBUTION NOW ENERGY CENTERS
- ECOVAPOR




* Pressure vessels that Power Service, Inc. designs are built to the ASME Boiler and Pressure Code for Design, Section VIII standard.

ESG Solution Targeting Growing Decarbonization Market



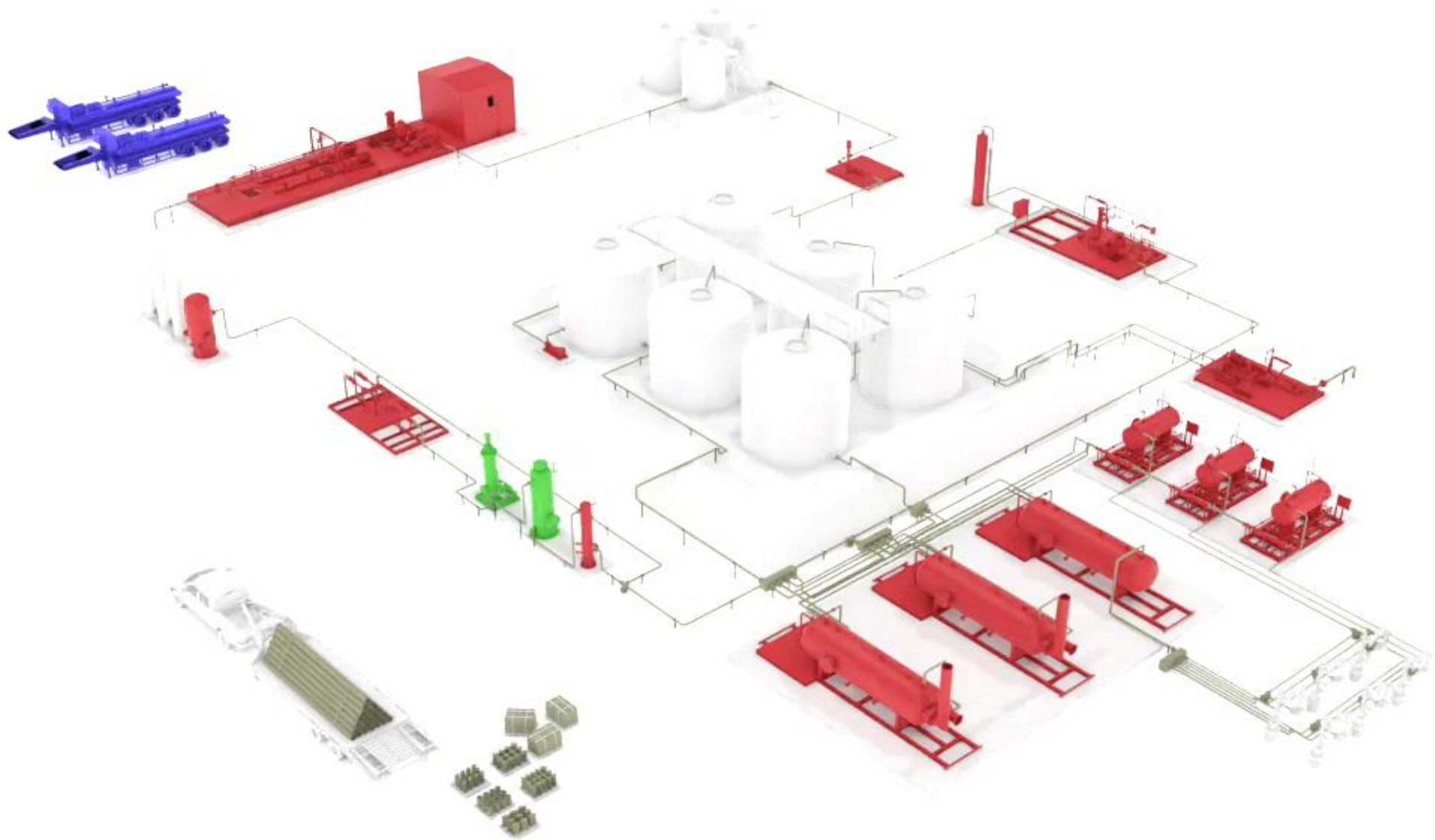
- EcoVapor is a leading emissions and flaring abatement solution within DNOW's process and production equipment product suite**
- Established, patented and proven technology, enables operators to achieve ESG objectives of lowering greenhouse gas emissions, with a dual benefit by selling otherwise wasted or flared gas
- Expands addressable markets in oil and gas for new and currently active tank battery separation facilities and growing RNG by providing gas processing capabilities
- The gas that is processed from a single E300 unit running at full capacity removes 16,000 metric tons of CO₂e per year and the greenhouse gas emissions avoided is equivalent to:
 - Approximately 4 wind turbines
 - Annual emissions of approximately 3,500 gas-powered vehicles
 - Annual emissions from energy use of approximately 2,000 households



	1 E300 Unit
Annual Metric Tons CO ₂ e Emissions Saved Per E300 At Full Capacity ⁽¹⁾	16,000
 Number of wind turbines	~4
 Gasoline-powered passenger vehicles driven for one year ⁽²⁾	~3,500
 Total households energy use for an entire year ⁽³⁾	~2,000

Source: EPA Greenhouse Gas Equivalencies Calculator.
 Note: Emissions saved assumes full capacity of an E300 unit of 300 Mcfd for 365 days.

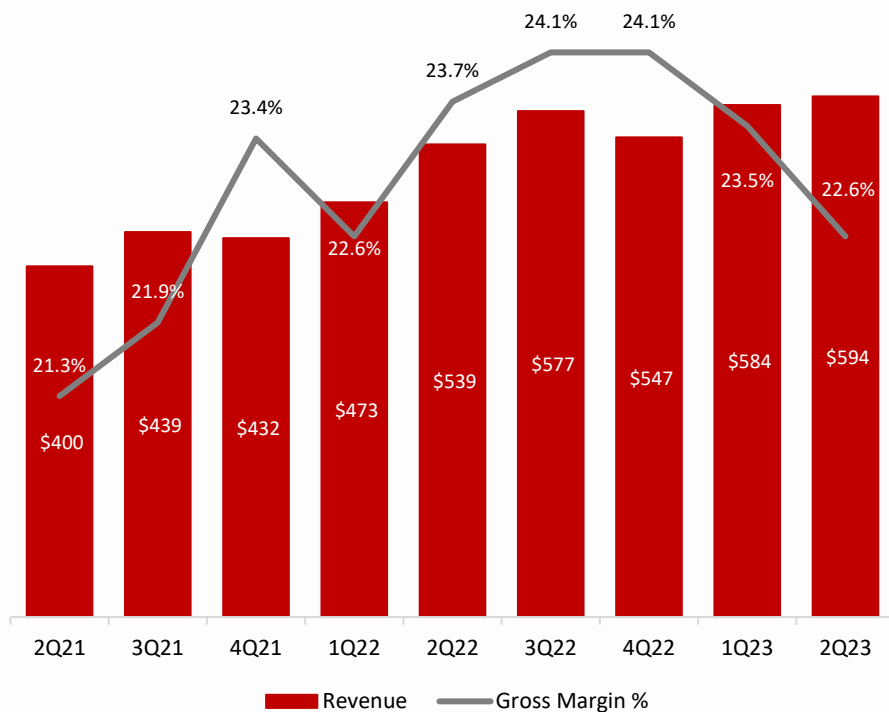
⁽¹⁾ Emission calculator assumptions and calculation validated by Ruby Canyon Environmental
⁽²⁾ U.S. Department of Transportation, EPA. Assumes average annual miles traveled of 11,520 per vehicle.
⁽³⁾ U.S. Census Bureau.



Selected Quarterly Results

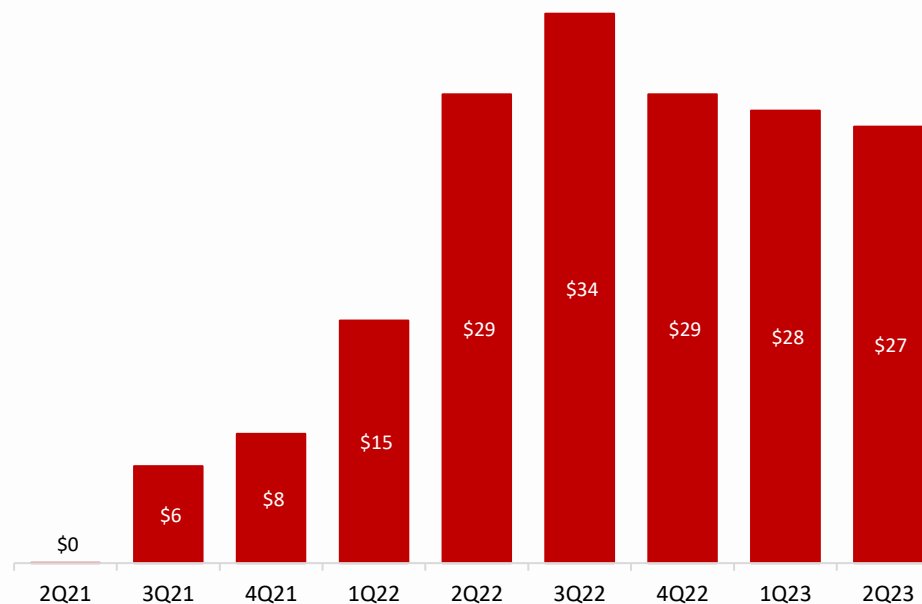
Revenue & Gross Margin Percent

(\$ in millions)



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

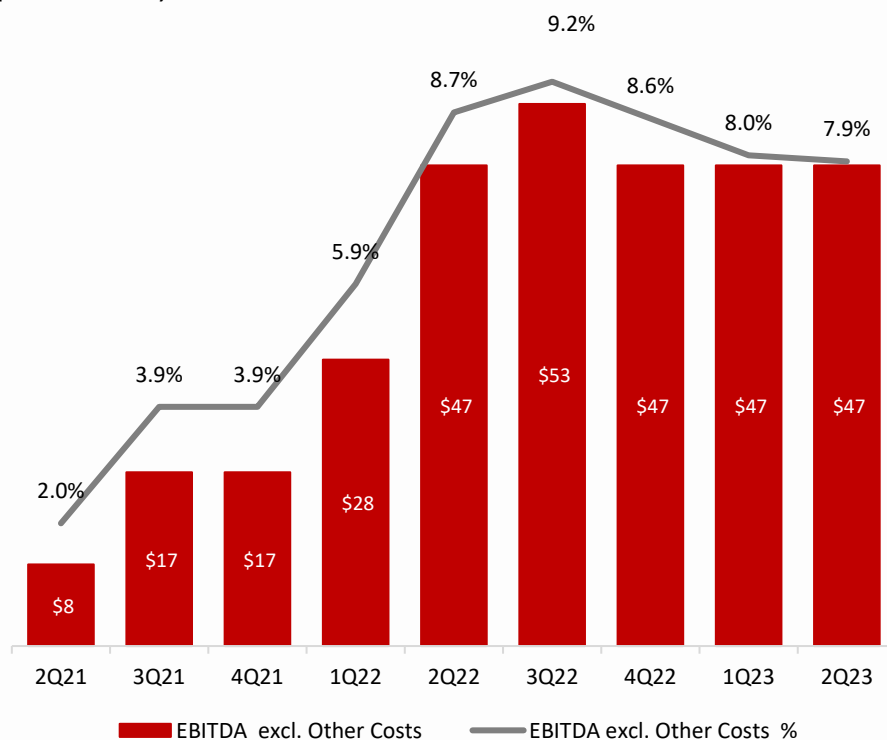
(\$ in millions)



Selected Quarterly Results

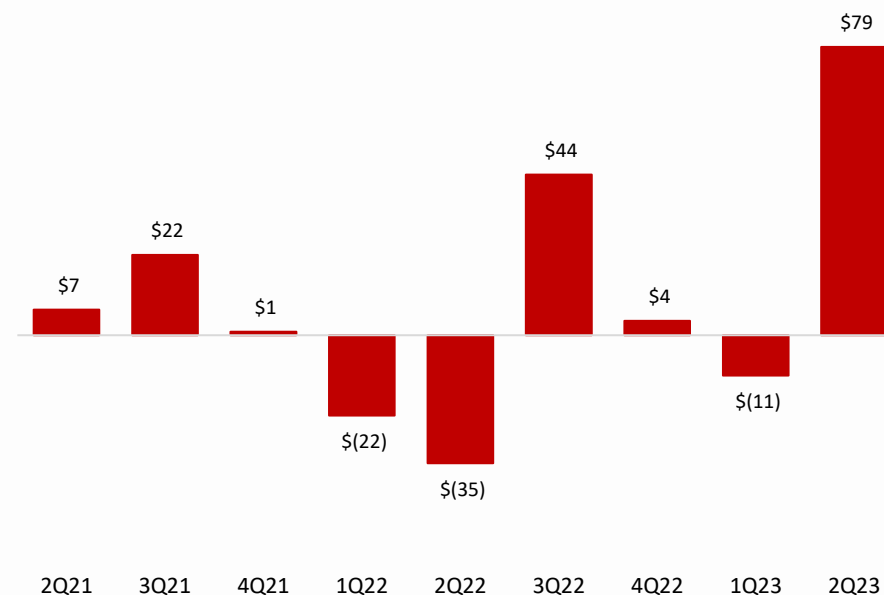
EBITDA excl. Other Costs (Non-GAAP)

(\$ 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

Appendix

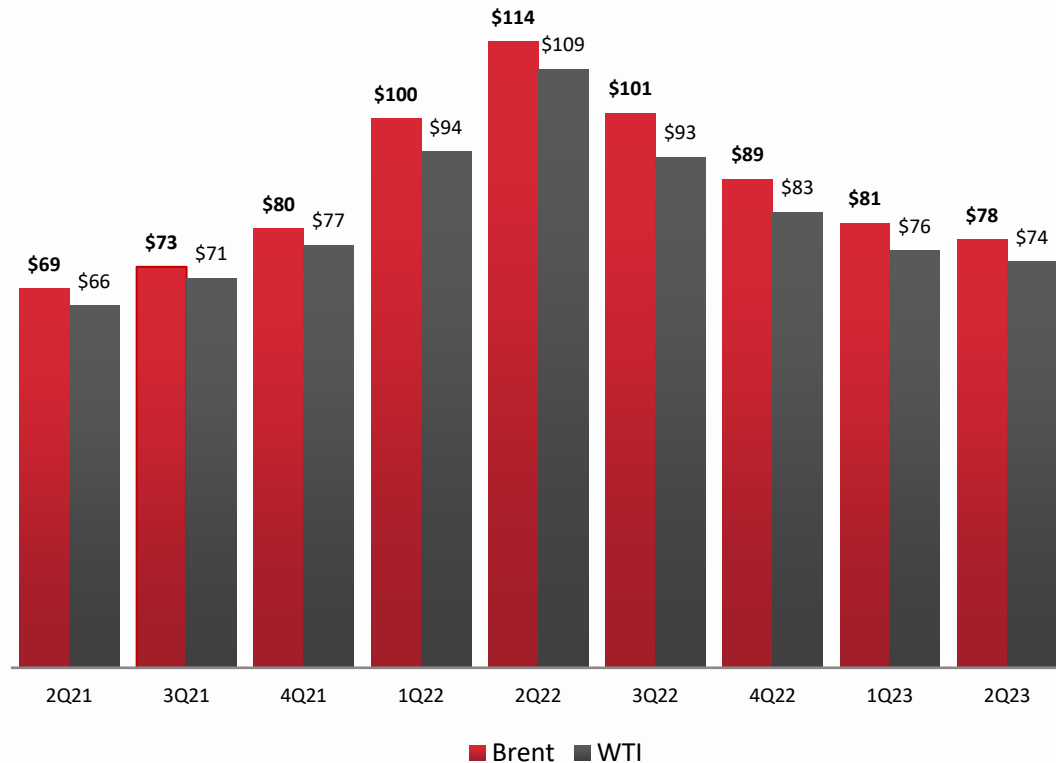
Energy Delivered.™



Key Market Indicators

Quarterly Average Oil Prices

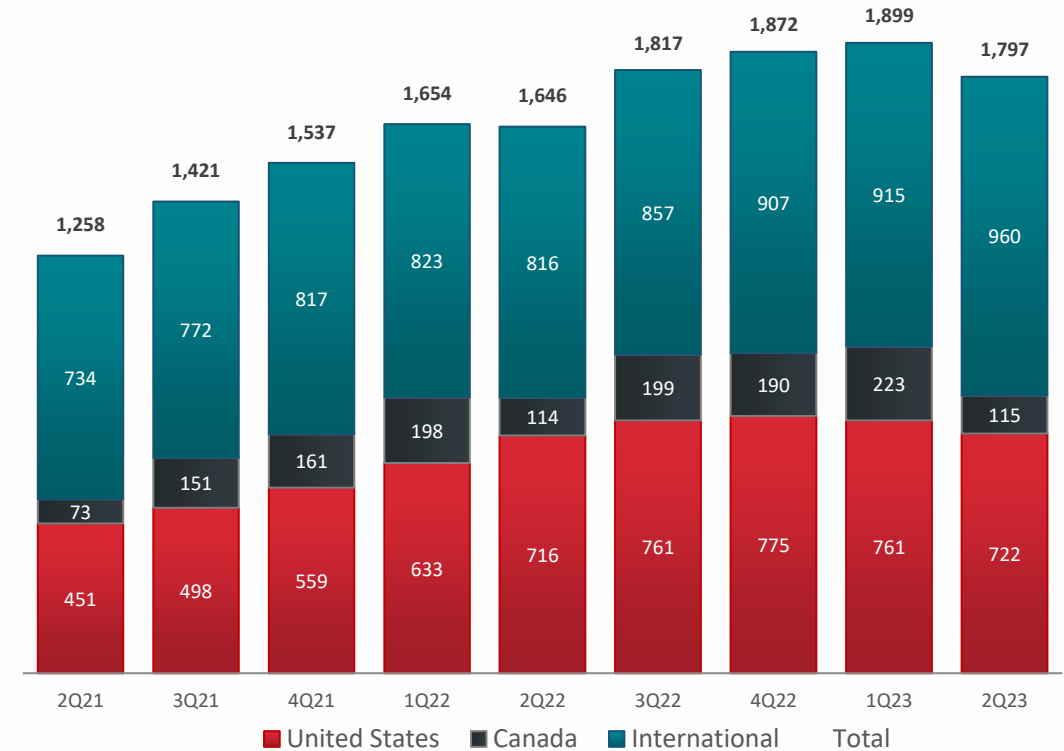
(per barrel)



Source: EIA, Europe Brent and Cushing, OK WTI Spot Price FOB

Quarterly Average Rig Count

(number of rigs)



Source: Baker Hughes, Inc.

Key Market Indicators

WTI/Rig Counts

- WTI avg of \$74 per barrel for 2Q23, down 3% sequentially
- U.S. avg rig count of 722, lower 5% sequentially
- Canada avg rig count of 115, lower 48% sequentially due to breakup
- International avg rig count of 960, up 5% sequentially
- Global avg rig count of 1,797, lower 5% sequentially

DNOW annualized revenue per rig at **\$1.3M** for 2Q23

U.S. DUCs*

- June ended with a DUC count of 4,804 wells in EIA regions
- 2Q23 avg of 4,828 wells, lower 3% sequentially

DUCs are future revenue opportunities for DNOW

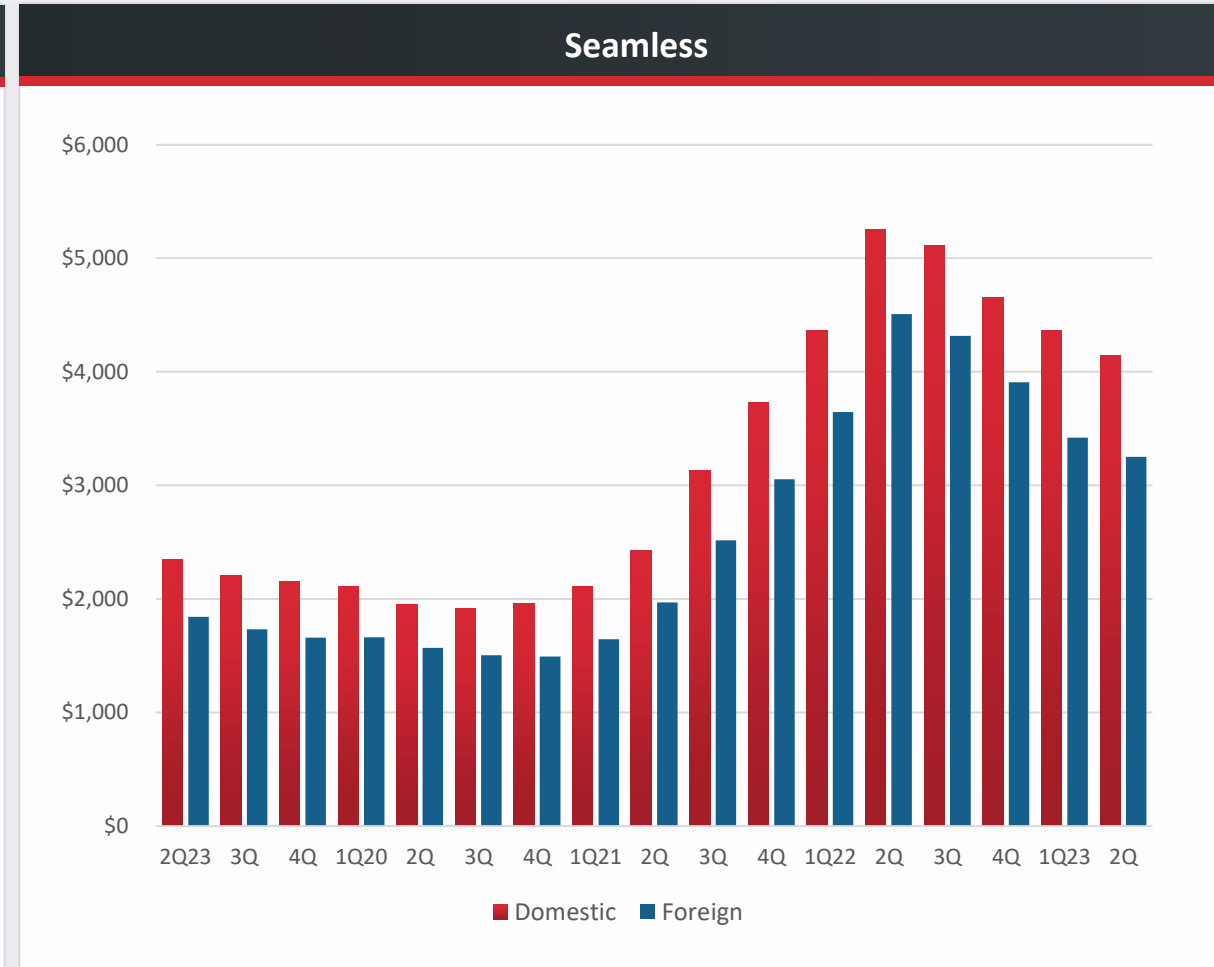
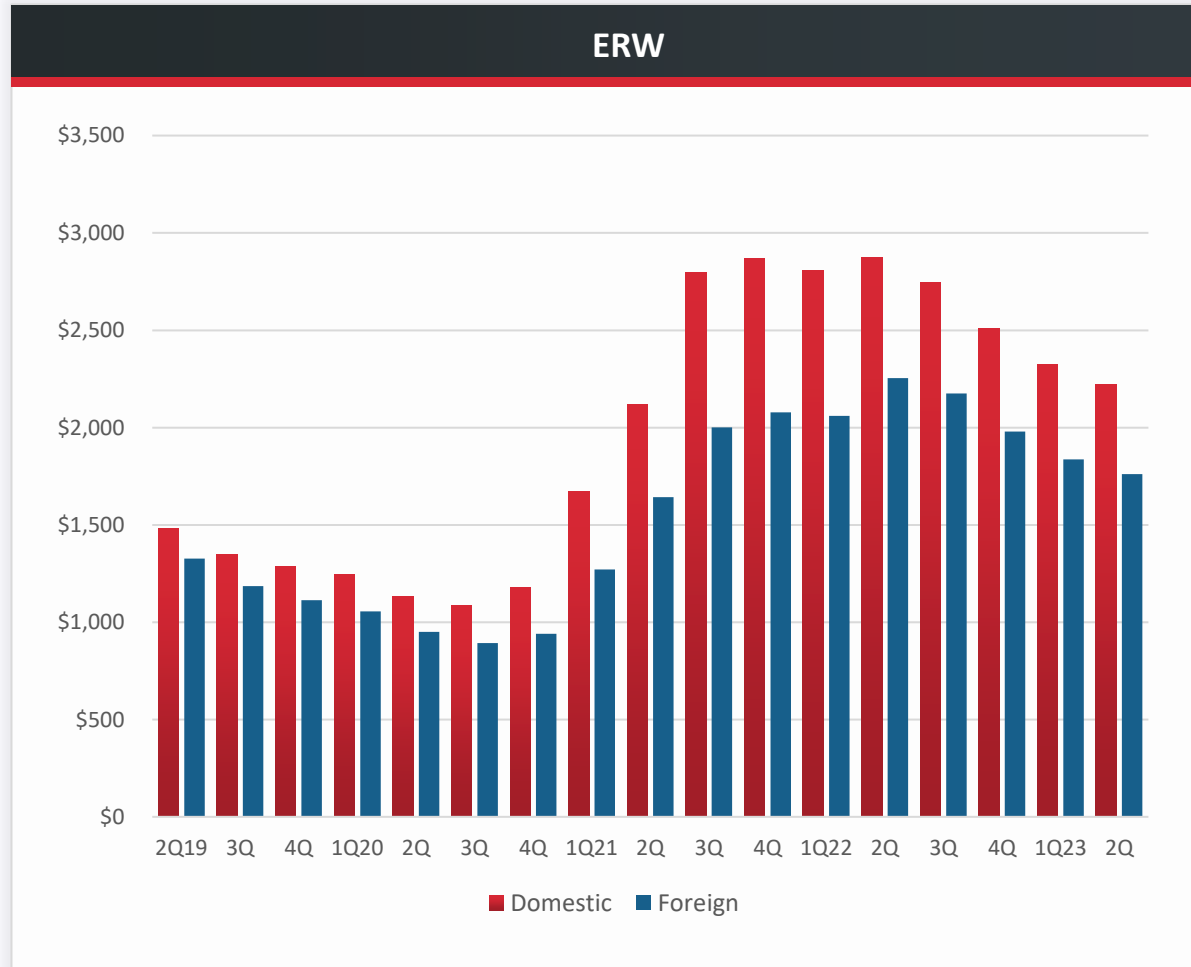
U.S. Completions*

- June ended with a U.S. completions count of 957 wells in EIA regions
- 2Q23 avg of 1,013 wells, 8% lower sequentially

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

**EIA DPR report released 7/17/2023*

Pipe Price Trends, U.S. dollar per ton



Source: Pipe Logix

Driving Growth through Acquisitions

Clearly Defined Acquisition Strategy

- Acquire value-add solutions with sustainable competitive advantages
- Leverage acquired product lines to gain organic share
- Expand Process Solutions value proposition
- Target end-market diversification



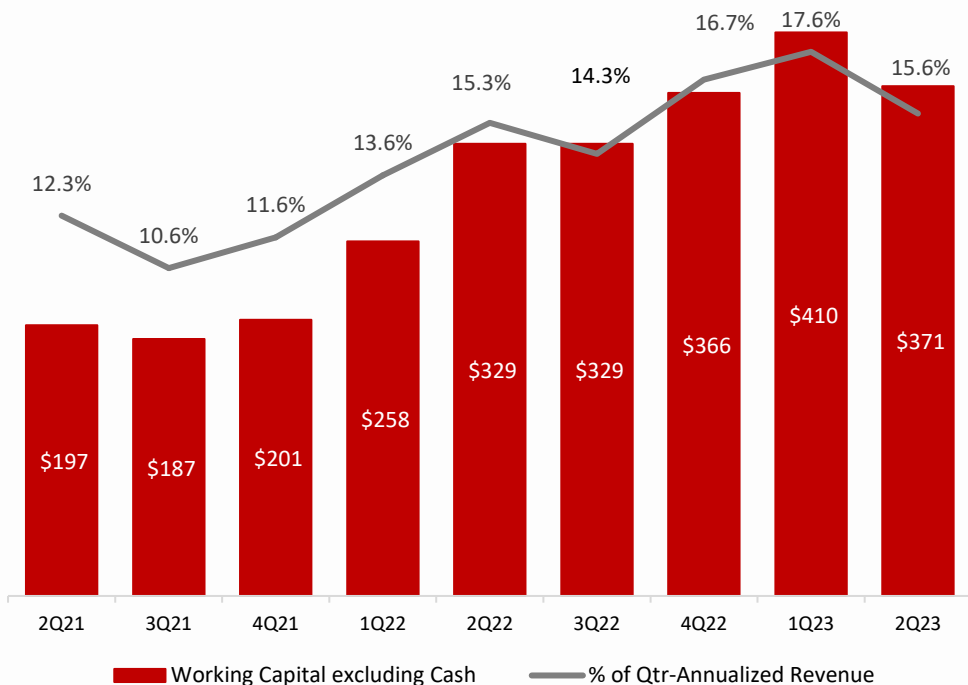
Track Record of Success



Selected Quarterly Results

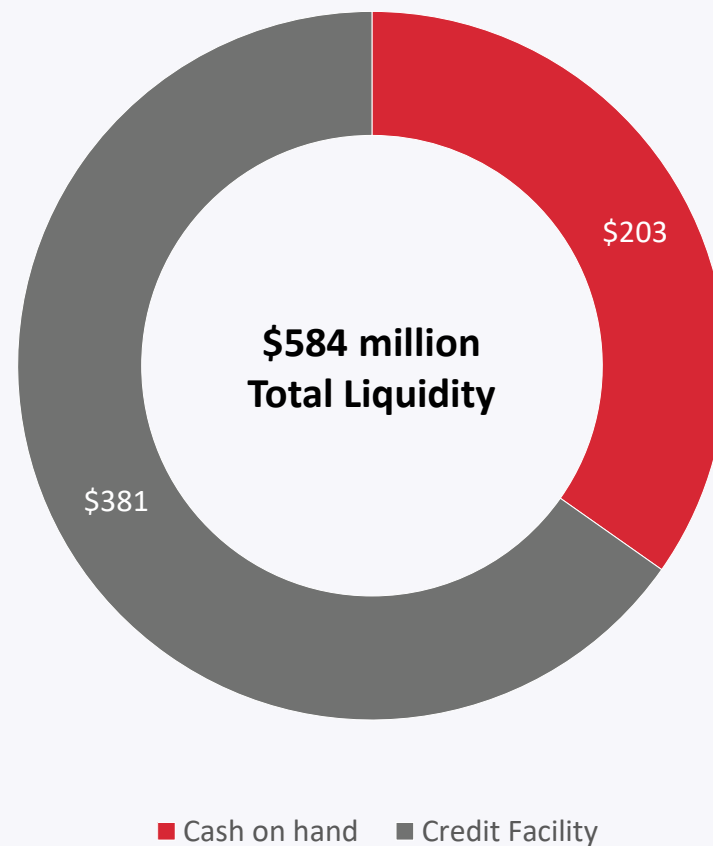
Working Capital excl. Cash

(\$ in millions)



Total Liquidity at June 30, 2023

(\$ in millions)



Select Balance Sheet Metrics

	June 30, 2023 (\$ in millions)	Comments	
Cash and cash equivalents	\$ 203		
Receivables, net	417	64	DSOs
Inventories, net	424	4.3	Turn rates
Accounts payable	364	72	DPOs
Long-term debt	0		No outstanding debt

Capital Allocation Framework

Formidable Balance Sheet...

Working Capital Efficiency

Efficient use of working capital as a percent of revenues

No debt

No interest expense burden

Ample Liquidity

\$584M in total liquidity



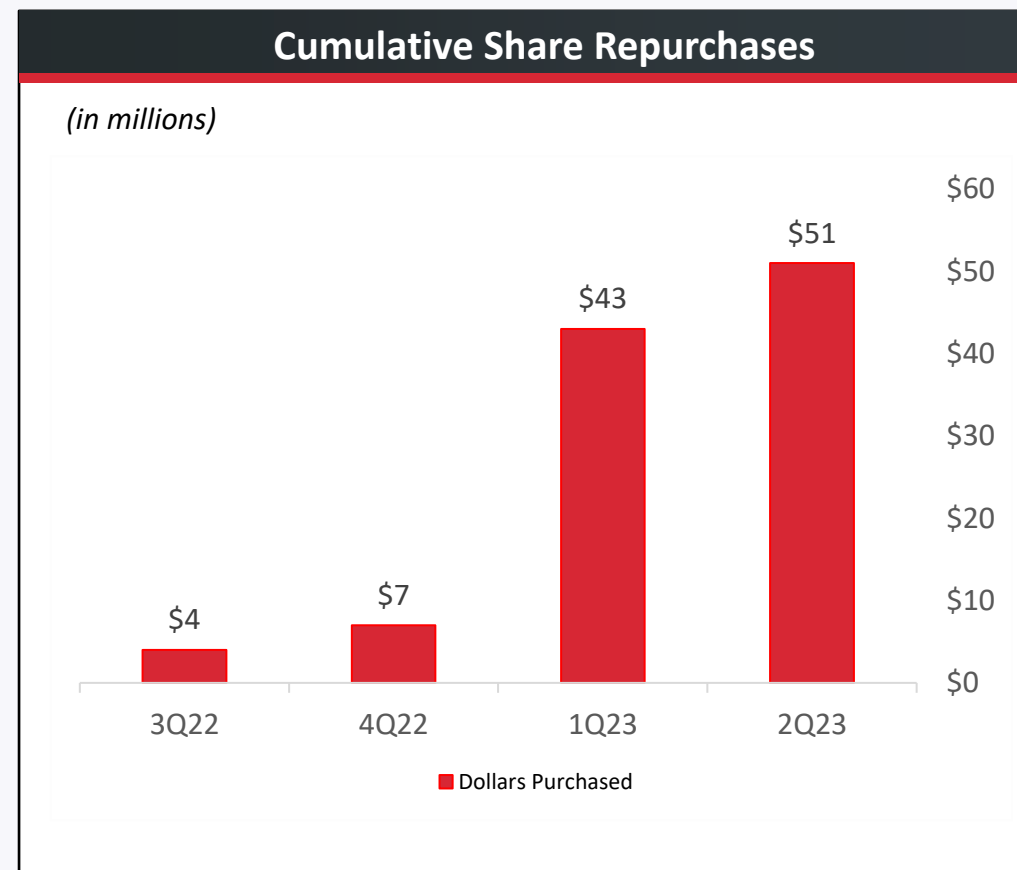
... to fund growth and expanded capital allocation program

1. Fund Organic Growth and Efficient Operations
 - Working Capital needs
 - Technology investments
2. Inorganic growth through acquisitions
 - Patient, disciplined approach
 - Targeting margin accretive businesses
3. Return excess capital to shareholders
 - \$80 million share repurchase authorization

Share Repurchases

\$80 million share repurchase program

- Repurchased \$8M of shares during the quarter, with \$51M accumulated through 2Q23
- Shares retired at average price of \$10.31 per share in 2Q23
- Program authorized August 2022 through December 2024



IT and Systems Technology Investments



User Adoption on Technology increases to bring more efficiency



Optimize cost and maximize scalability through cloud platforms

Boost Productivity:

- Order Management System (OMS+) with growing adoption globally delivering higher internal efficiency
- Advanced Quoting Systems (AQ) to provide improved experience and response rate to customer RFQs
- Process Analytics allows new automation opportunities to streamline operations further

Reduce IT service costs and bolster digital foundation:

- Scaling of PVF+ supercenters leveraging SAP's inventory management and order management functionality
- Migrating multiple data centers to cloud for application modernization and cost savings
- Combining Process Solutions ERPs to a single cloud solution enhancing workflow functionality and efficiency

DigitalNOW® Customer Ecosystem

powered by
DigitalNOW®

Digital suite of products adding to increased customer value

Digital commerce and eCommerce channel shop.dnow.com

- Digital commerce platform, shop.dnow.com, continues to grow
- Digital revenue comprised of 43% of SAP revenue on customer and project billing mix on larger quarterly sequential revenue
- Growing eBusiness customer implementations and integrations with customer ERP systems
- Focused on growing B2B users and round trip/punchout users
- Central commerce solution to DigitalNOW® customer ecosystem



eSpec™, powered by DigitalNOW®

- Engineered equipment package product budgeting and configuration tool encompassing 10 product lines
- Enables enhanced customer conversations earlier in the project cycle
- Released 3D and augmented reality features
- Mobile app

eSPEC™
powered by DigitalNOW®



eTrack™, powered by DigitalNOW®

- Asset, data and material management lifecycle solution
- Enables customers to manage their assets using location finder
- Allows retrieval of documentation and drawings
- Allows customers the ability to schedule field service
- Implementing with several customers capturing hundreds of assets and growing



AccessNOW™, powered by DigitalNOW®

- Suite of unattended inventory control and intelligent inventory management solution
- Improves inventory integrity, forecasting
- Reduced opex cost leveraging automation and technology
- Added Security and surveillance

AccessNOW™

Control - Efficiency - Scalability

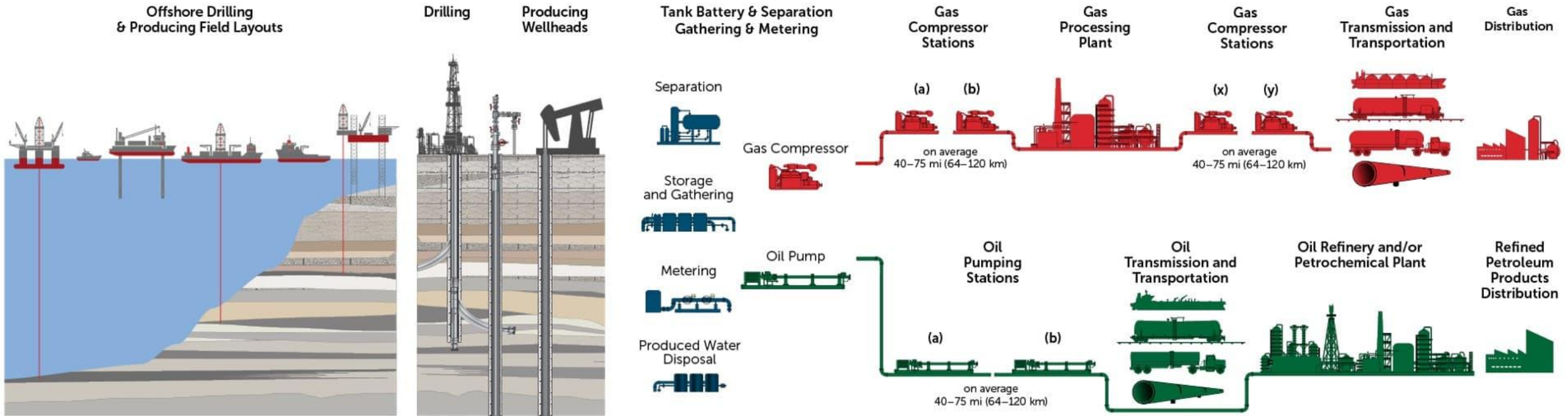


DNOW is a Critical Link from Drilling to Distribution

Upstream

Midstream

Downstream / Industrial



Providing Value-Added Solutions Across All Channels



Energy Centers

Global branch network supplying products locally to upstream, midstream and downstream energy customers



Provides wide array of products and value locally in major oil and gas regions



Customer Onsite And Integrated Supply

On-site model offering customizable products, services and solutions to the energy and industrial markets



Reduces customers' total costs including operating expenses and invested capital



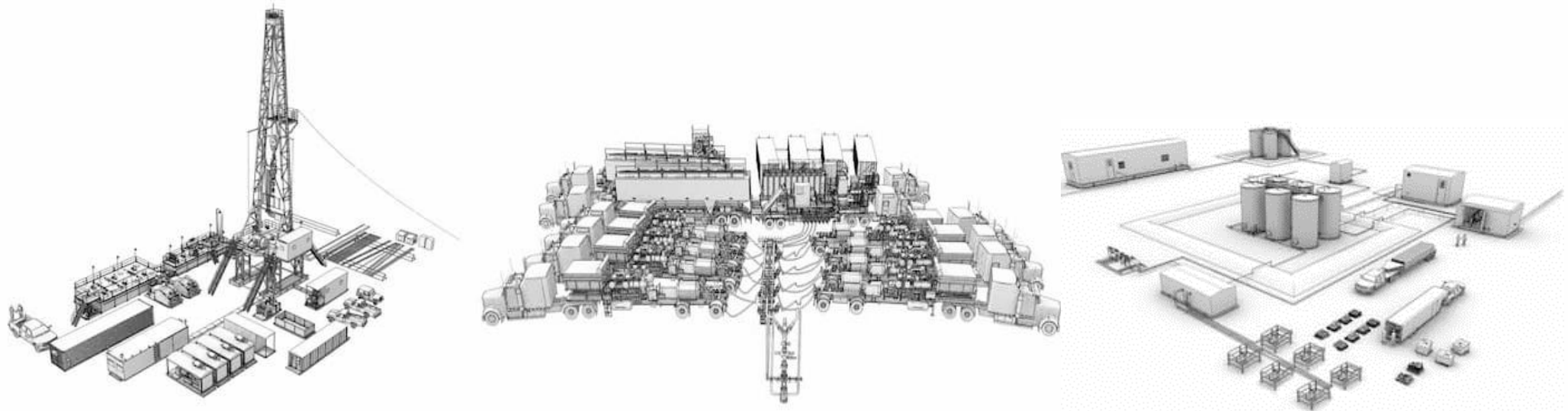
U.S. Process Solutions

Process, production and fluid handling equipment in the form of engineering, design, installation, fabrication, rental and aftermarket service



Meets demand for turnkey tank battery production facilities, midstream gathering and transmission

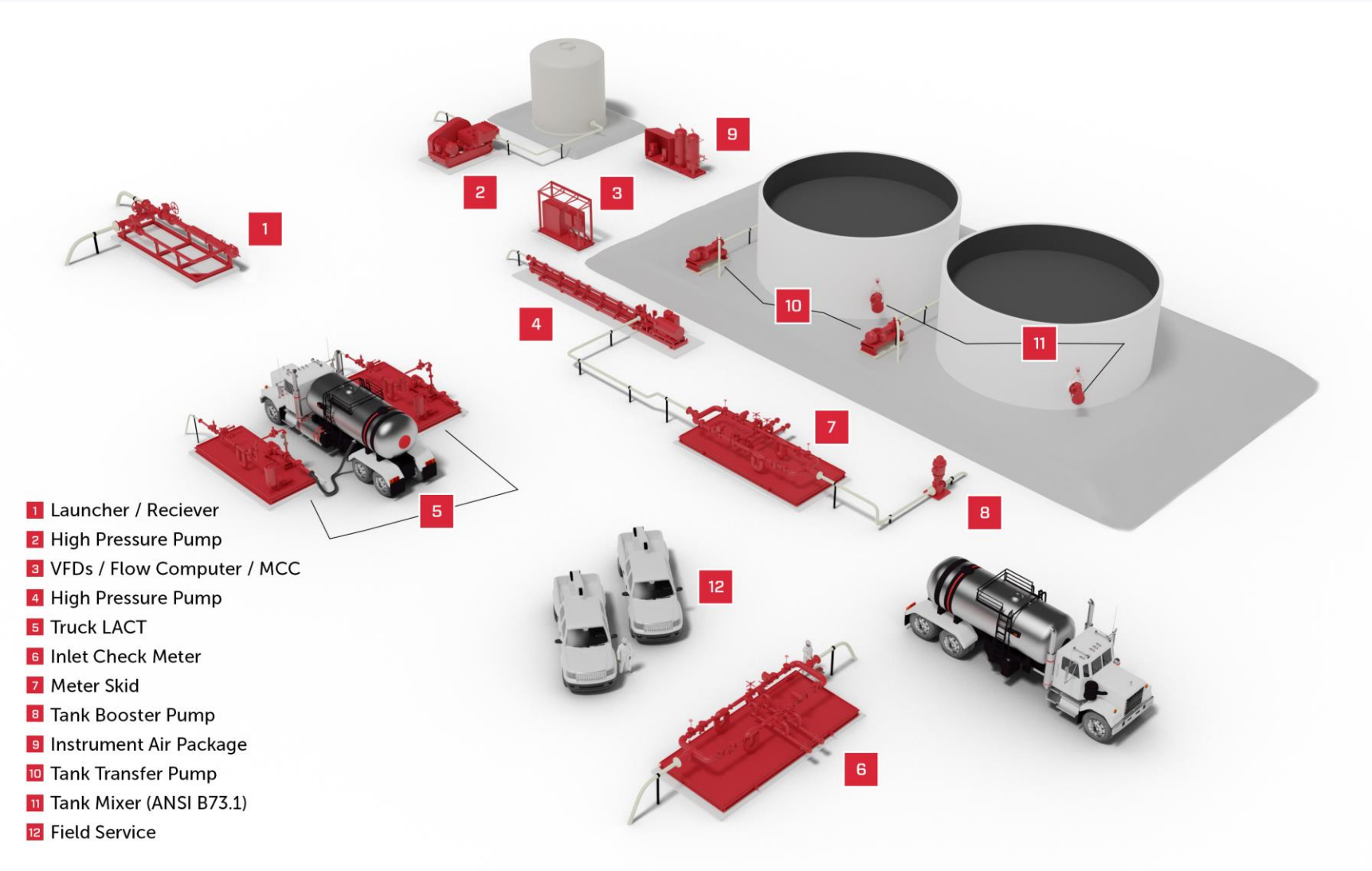
Timing and Materiality from Drilling to Tank Battery Install



	Drilling	Frac	Tank Battery
Revenue*	\$4,000-\$5,000 per week	Minimal	\$250,000-\$2 million
Time*	20-50 days	30-60 days	30-60 days
Customer	Drilling Contractors	Service Companies	E&P Operators

*Estimates based on a 6-well pad

Example Midstream Terminal Opportunities



Investor Relations

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