
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d)
of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) February 23, 2015

NOW INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-36325
(Commission
File Number)

46-4191184
(IRS Employer
Identification No.)

7402 North Eldridge Parkway
Houston, Texas
(Address of principal executive offices)

77041
(Zip Code)

Registrant's telephone number, including area code: 281-823-4700

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operations and Financial Condition

On February 23, 2015, NOW Inc. issued a press release announcing earnings for the quarter and full year ended December 31, 2014 and conference call in connection therewith. A copy of the release is furnished herewith as Exhibit 99.1 and incorporated herein by reference.

The information contained in this Current Report shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be incorporated by reference into a filing under the Securities Act of 1933, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits*(d) Exhibits*

The following exhibit is provided as part of the information furnished under Item 2.02 of this Current Report on Form 8-K:

99.1 NOW Inc. press release dated February 23, 2015 announcing the earnings results for the fourth quarter and full year ended December 31, 2014.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: February 23, 2015

NOW INC.

/s/ Raymond W. Chang

Raymond W. Chang

Vice President & General Counsel

Index to Exhibits

99.1 NOW Inc. press release dated February 23, 2015 announcing the earnings results for the fourth quarter and full year ended December 31, 2014.



NEWS

Contact: Daniel Molinaro
281-823-4941

FOR IMMEDIATE RELEASE**NOW Inc. Announces Fourth Quarter and Full Year 2014 Earnings**

HOUSTON, TX, February 23, 2015—NOW Inc. (NYSE: DNOW) reported that for its fourth quarter ended December 31, 2014 it earned net income of \$16 million, or \$0.14 per fully diluted share. Revenue reported for the full year 2014 was \$4,105 million, and net income was \$116 million, or \$1.06 per fully diluted share.

Revenue for the fourth quarter decreased 6.0 percent sequentially to \$1,006 million. Earnings before interest, taxes, depreciation and amortization (“EBITDA”) for the fourth quarter of 2014 was \$31 million or 3.1% of sales.

Robert Workman, President and CEO of NOW Inc., commented, “2014 marked an adventurous year for DistributionNOW. The year started with excitement from our spin-off from National Oilwell Varco and the creation of our own stand-alone publicly traded company. Simultaneously, we implemented a new ERP system and integrated three very large distribution businesses. While these efforts consumed more resources and time than anticipated, we believe that much of that work is behind us now. Despite that noise, and the more recent bearish sentiment in the market, our employees have remained resilient and I couldn’t be more proud. We have accomplished a lot over the past twelve months, and I am looking forward to using that experience into the new year.

“Moving into 2015, we will take a measured approach to successfully navigate the next few quarters and beyond. While the timing of the recovery is uncertain, our healthy balance sheet positions us well to pursue strategic opportunities that are now presenting themselves in this challenging environment. We will be disciplined, but nimble and proceed with diligence as we execute our long-term growth strategy.”

United States

Fourth quarter revenue for the United States was \$679 million, a decrease of 9.2 percent from the third quarter of 2014 and an increase of 0.4 percent from the fourth quarter of 2013. The sequential revenue decrease resulted from normal seasonal decline paired with negative customer outlook as oil prices dropped sharply in the period.

Canada

Fourth quarter revenue for Canada was \$180 million, an increase of 4.0 percent from the third quarter of 2014 and a decrease of 7.7 percent from the fourth quarter of 2013. The increase in sequential revenue was driven by the seasonal uptick in the market as well as further realization of benefits related to the ERP consolidation.

International

Fourth quarter revenue for the International segment was \$147 million, a decrease of 1.3 percent from the third quarter of 2014 and a decrease of 13.5 percent from the fourth quarter of 2013. Sequential revenue grew strongly in the Middle East, but was offset by reduced export shipments as drilling contractors eased spending in the quarter.

The Company has scheduled a conference call for February 23, 2015, at 8:00 a.m. Central Time to discuss fourth quarter and 2014 results. The call will be broadcast through the Investor Relations link on NOW Inc.'s web site at www.distributionnow.com, on a listen-only basis. A replay of the call will be available on the site for thirty days following the conference. Participants may also join the conference call by **dialing 1-800-446-1671 within North America** or **1-847-413-3362 outside of North America** five to ten minutes prior to the scheduled start time and asking for the "NOW Inc. Earnings Conference Call."

NOW Inc. is one of the largest distributors to energy and industrial markets on a worldwide basis, with a legacy of over 150 years. NOW Inc. operates primarily under the DistributionNOW and Wilson Export brands. Through its network of over 300 locations and approximately 5,000 employees worldwide, NOW Inc. offers a comprehensive line of products and solutions for the upstream, midstream and downstream energy and industrial sectors. Our locations provide products and solutions to exploration and production companies, energy transportation companies, refineries, chemical companies, utilities, manufacturers and engineering and construction companies.

Statements made in this press release that are forward-looking in nature are intended to be "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934 and may involve risks and uncertainties. These statements may differ materially from actual future events or results. Readers are referred to documents filed by NOW Inc. with the U.S. Securities and Exchange Commission, which identify significant risk factors which could cause actual results to differ from those contained in the forward-looking statements.

NOW INC.
CONSOLIDATED BALANCE SHEETS
(In millions, except share data)

	December 31, 2014 (Unaudited)	December 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 195	\$ 101
Receivables, net	851	661
Inventories, net	949	850
Deferred income taxes	22	21
Prepaid and other current assets	30	29
Total current assets	<u>2,047</u>	<u>1,662</u>
Property, plant and equipment, net	124	102
Deferred income taxes	2	15
Goodwill	346	333
Intangibles, net	73	68
Other assets	4	3
Total assets	<u>\$ 2,596</u>	<u>\$ 2,183</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 490	\$ 264
Accrued liabilities	125	99
Accrued income taxes	5	—
Total current liabilities	<u>620</u>	<u>363</u>
Deferred income taxes	10	16
Other liabilities	—	2
Total liabilities	<u>630</u>	<u>381</u>
Commitments and contingencies		
Stockholders' equity:		
Preferred stock - par value \$0.01; 20 million shares authorized; no shares issued and outstanding	—	—
Common stock - par value \$0.01; 330 million shares authorized; 107,067,457 shares issued and outstanding	1	—
Additional paid-in capital	1,952	—
National Oilwell Varco, Inc. ("NOV") net investment	—	1,802
Retained earnings	58	—
Accumulated other comprehensive income (loss)	(45)	—
Total stockholders' equity	<u>1,966</u>	<u>1,802</u>
Total liabilities and stockholders' equity	<u>\$ 2,596</u>	<u>\$ 2,183</u>

NOW INC.
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
(In millions, except per share data)

	Three Months Ended December 31		Years Ended December 31	
	2014	2013	2014	2013
Revenue	\$ 1,006	\$ 1,041	\$4,105	\$4,296
Operating expenses:				
Cost of products	801	844	3,286	3,499
Operating and warehousing costs	110	104	425	412
Selling, general and administrative	69	43	213	161
Operating profit	26	50	181	224
Other income (expense)	(2)	(2)	(3)	(2)
Income before income taxes	24	48	178	222
Provision for income taxes	8	14	62	75
Net income	<u>\$ 16</u>	<u>\$ 34</u>	<u>\$ 116</u>	<u>\$ 147</u>
Earnings per share:				
Basic earnings per common share	<u>\$ 0.15</u>	<u>\$ 0.32</u>	<u>\$ 1.07</u>	<u>\$ 1.37</u>
Diluted earnings per common share	<u>\$ 0.14</u>	<u>\$ 0.32</u>	<u>\$ 1.06</u>	<u>\$ 1.37</u>
Weighted-average common shares outstanding, basic	<u>107</u>	<u>107</u>	<u>107</u>	<u>107</u>
Weighted-average common shares outstanding, diluted	<u>108</u>	<u>107</u>	<u>108</u>	<u>107</u>

NOW INC.
SUPPLEMENTAL INFORMATION

NET INCOME TO EBITDA RECONCILIATION (UNAUDITED)
(In millions)

	Three Months Ended December 31		Years Ended December 31	
	2014	2013	2014	2013
Net income (1)	\$ 16	\$ 34	\$116	\$147
Interest, net (2)	—	—	(1)	—
Tax provision	8	14	62	75
Depreciation and amortization	7	5	21	17
EBITDA	\$ 31	\$ 53	\$198	\$239
EBITDA % (3)	3.1%	5.1%	4.8%	5.6%

- (1) We believe that net income is the financial measure calculated and presented in accordance with U.S. generally accepted accounting principles that is most directly comparable to EBITDA.
- (2) Interest, net was less than one million dollars for the three months ended December 31, 2014.
- (3) EBITDA % is defined as EBITDA divided by Revenue.

BUSINESS SEGMENTS (UNAUDITED)
(In millions)

	Three Months Ended December 31		Years Ended December 31	
	2014	2013	2014	2013
Revenue:				
United States	\$ 679	\$ 676	\$2,793	\$2,863
Canada	180	195	669	773
International	147	170	643	660
Total revenue	\$ 1,006	\$ 1,041	\$4,105	\$4,296