DISTRIBUTION NOW®

Key Takeaways

FIRST QUARTER 2022

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) excluding other costs and (iii) diluted earnings (loss) per share 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.

In an effort to better align with management's evaluation of the Company's performance and to facilitate comparison of our results to those of peer companies, beginning for the fourth quarter and full-year ended December 31, 2021, EBITDA excluding other costs excludes non-cash stock-based compensation expense. Prior periods presented have been adjusted to conform with the current period presentation.

Quarterly Results

- 1Q22 revenue was $473M, an increase of 9.5% sequentially, or $41M, driven by greater activity in the United States and Canada
- U.S. revenue was $334M for 1Q22, an increase of 10% sequentially, or $31M, on increased U.S. rig and completion activity
- Canada revenue improved to $82M in 1Q22, an increase of 14% sequentially, or $10M, on growth in Canadian rig and completions activity
- International revenue was $57M for 1Q22, flat sequentially
- Gross margins in 1Q22 were 22.6%, above our full-year 2022 guided range of 21.9%
- Cash balance of $293M and zero debt as of March 31, 2022, with zero interest expense. Working capital increased in the quarter as we further position ourselves to take advantage of growing upstream market opportunity
- EBITDA was $28M for 1Q22, or 5.9% of revenue, an all-time high since becoming a publicly traded company in 2014

1Q22 Key Market Indicators

WTI/Rig Counts

- WTI avg of $94 per barrel for 1Q22
- U.S. avg rig count of 633, up 13% sequentially
- Canada avg rig count of 198, up 23% sequentially
- International avg rig count of 823, up 1% sequentially

DNOW annualized revenue per rig at $1.1M for 1Q22

U.S. DUCs

- March ended with a DUC count of 4,273 wells in EIA DPR regions
- 1Q22 avg of 4,399 wells, lower 11% sequentially

DUCs are future revenue opportunities for DNOW

U.S. Completions

- March ended with a U.S. completions count of 937 wells in EIA DRP regions
- 1Q22 avg of 925 wells, up 3% sequentially

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

1Q22 Highlights – United States

U.S. Energy

- Contributed 79% of U.S. revenue
- Revenue grew from strong demand for PVF and MRO distributed products from our network of branches and regionalized fulfillment centers
- Renewed top 10 customer PVF contract for 5-year commitment and experienced growth with a number of mid-to-large cap customers in Permian, Eagle Ford, Powder River and Williston basin
- New PVF+ Casper, WY and PVF+ Permian regionalized fulfillment centers fully operational for majority of the quarter leading to performance improvements
- Provided a large number of valves for a biofuels project at a California refinery which will provide renewable diesel, gasoline and sustainable jet fuel from cooking oils, fats, greases and soybean oils
- Downstream end-market revenue expanded sequentially due to increased seasonal turnaround activity expanding maintenance spend in core products

U.S. Process Solutions

- Contributed 21% of U.S. revenue.
- Revenue grew with increased demand for engineered pump packages and process and production equipment
- Delivered a number of three phase separator packages, LACT units, pipe racks, modular metering units, oil and water booster skids, water transfer units, SWDs from our Casper, WY and Tomball, TX engineering and fabrication facilities
- Continue to see strong demand for our instrument air compressor skids to replace gas pneumatic operated systems and reduce customers' greenhouse gas emissions
- Supply chain related issues for high pressure, high flow pumps create improving demand for pump rentals

1Q22 Highlights – Canada and International

Canada

- Revenue increased sequentially $10M or 14% driven by increased rig activity during winter months that provide more land access for well spuds
- Strong growth from major oil sands operating customers and supporting EPC companies as operator investment and activity increased during the quarter
- Continue to expand revenue with top drilling contactor customer who procures OEM and MRO equipment through our eCommerce channel, shop.dnow.com
- Provided large assortment of PVF to potash fertilizer mining company in Saskatchewan
- 2Q22 expected to have sequential revenue decline due to the seasonal break-up period that impacts the ability to move in and out heavy equipment in producing regions

International

- Revenue flat at $57M
- Suspended operations in Russia due to the Russian invasion of Ukraine
- MRO and brownfield markets picking up with increase in activity within drilling market in the UK and Middle East
- Extended supply agreement for IOC for electrical material in West Africa
- CIS area activity picking up in Tengiz field and with EPC contractors; won valve integration services contract with NOC in Kazakhstan
- Australia seeing increase in revenue as drilling activity remains strong with drilling contractors and maintenance spend increased for valve and pump services

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 42% of SAP revenue, sequentially flat on larger quarterly revenue
- Growing eBusiness customer implementations and integrations with customer ERP systems
- Focused on growing B2B users and round trip/punch out 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 customer 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

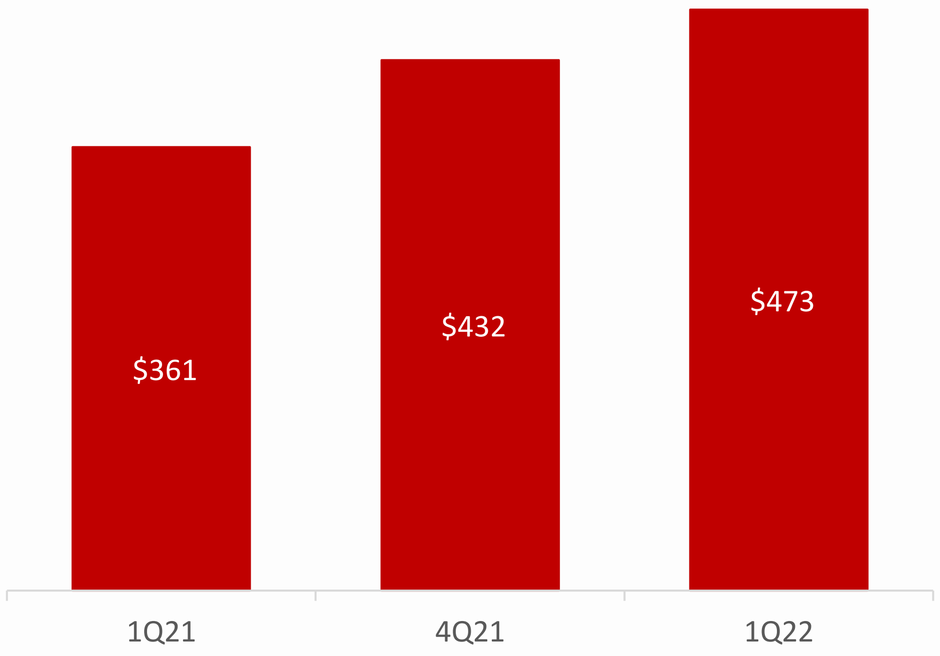
CFO Highlights

- EBITDA was $28M for the quarter, a sequential increase of $11M or 65%
- Net Income was $30M for the quarter, a sequential improvement of $18M; Non-GAAP Net Income excluding other costs was $15M for the quarter, a sequential improvement of $7M
- Other Income increased $11 million sequentially primarily related to a benefit from a decrease of contingent consideration liability; this gain is excluded in our Non-GAAP measures
- Cash used in operating activities was $22M driven by investments in inventory and rising AR balances as revenues expand; capital expenditures were nil
- Diluted earnings of $0.27 per share for the quarter; and non-GAAP diluted earnings excluding other costs of $0.14 per share
- Working capital, excluding cash, as a percentage of annualized 1Q22 revenue was 13.6%

Selected Quarterly Results (Unaudited)

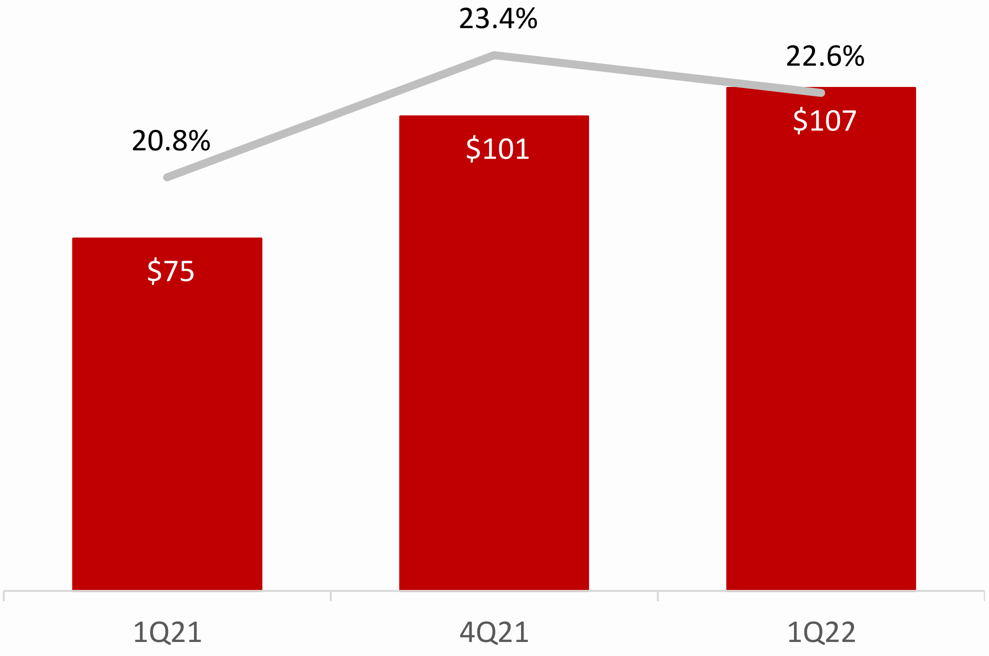
Revenue

($ in millions)



Gross Profit Margin

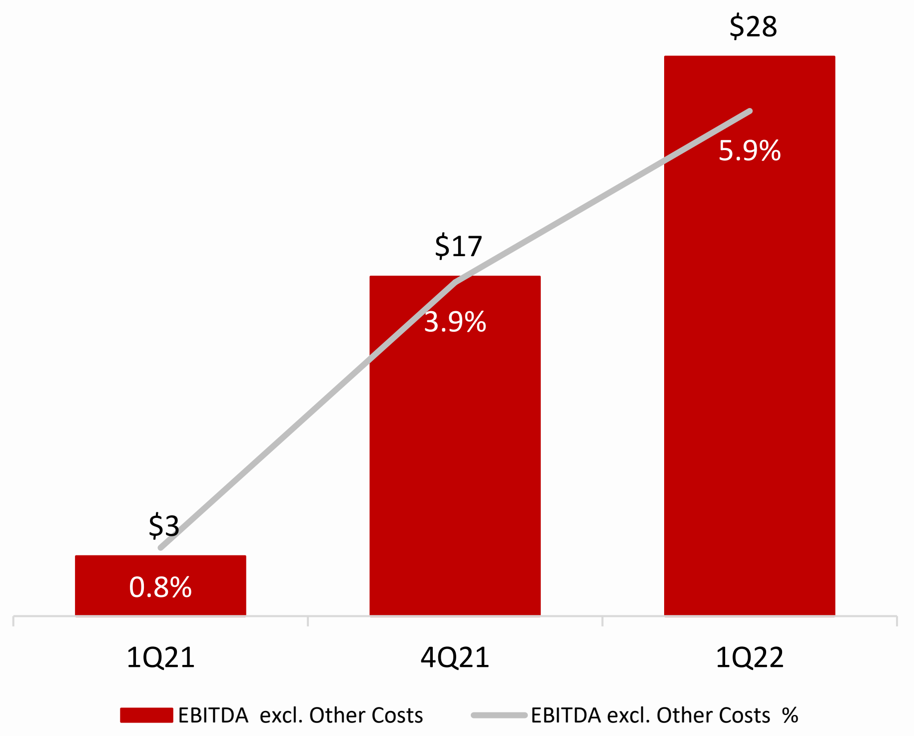
($ in millions)



Selected Quarterly Results (Unaudited)

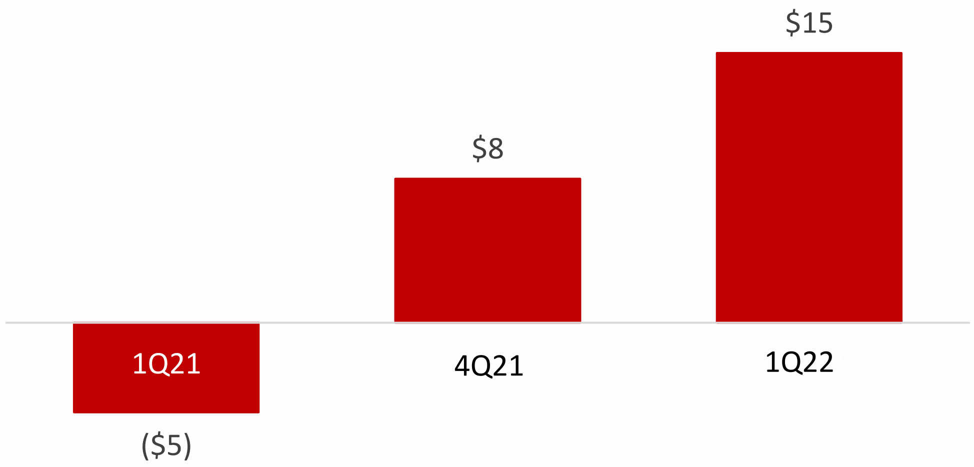
EBITDA excl. Other Costs (Non-GAAP)

($ in millions)



Net Income (Loss) excl. Other Costs (Non-GAAP)

($ in millions)



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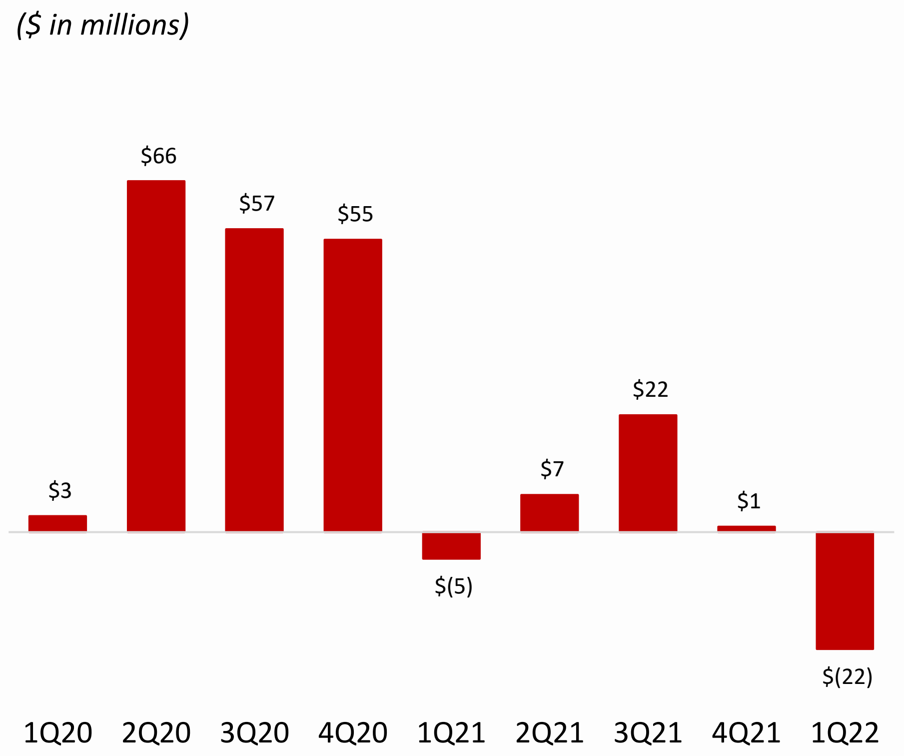
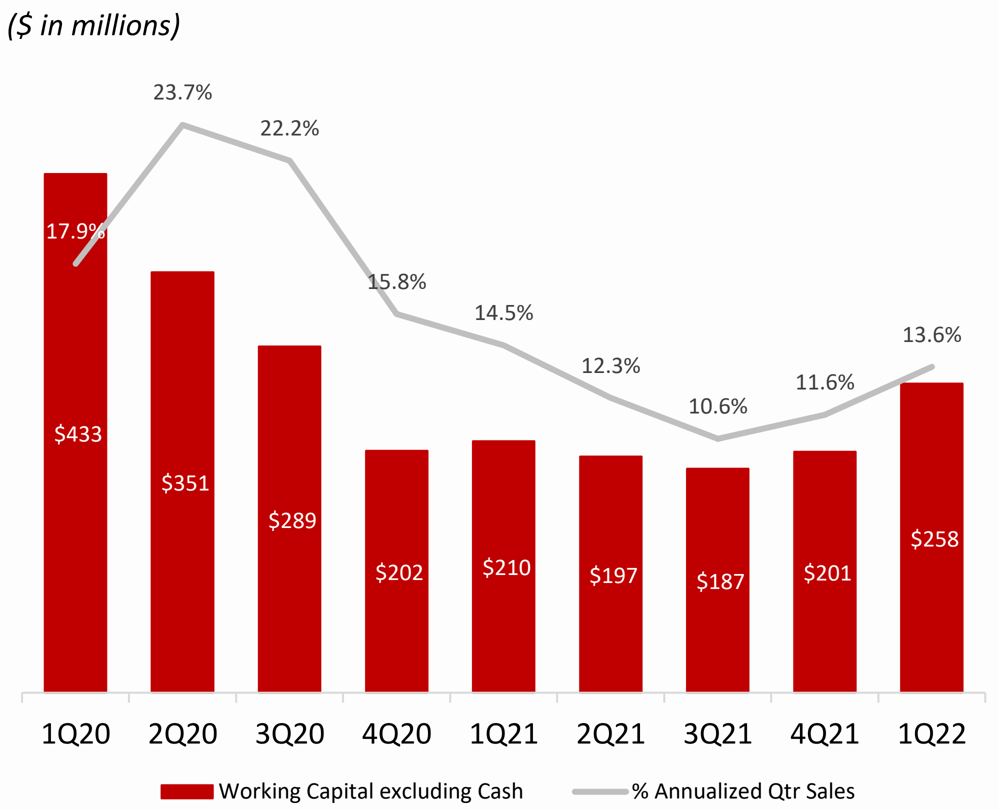
Working Capital Management

Free Cash Flow*



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

Working Capital excl. Cash



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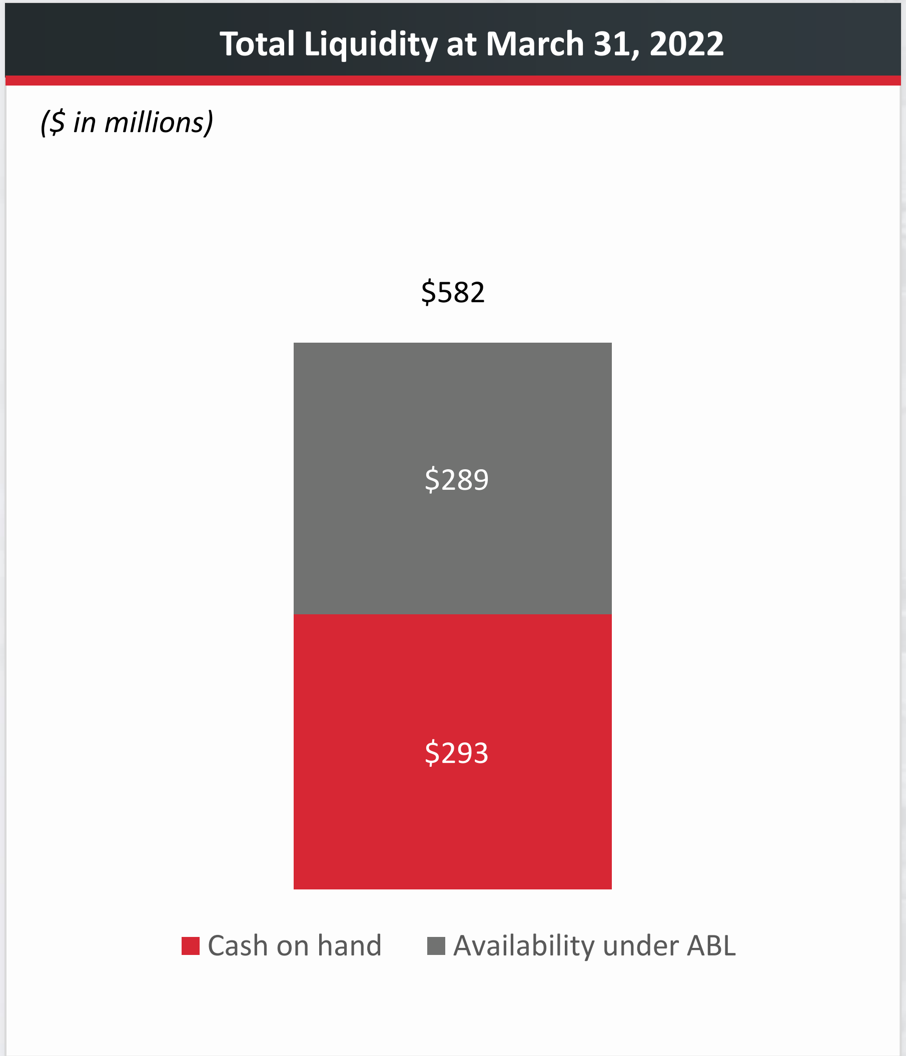
Liquidity and Capital Resources

- No outstanding borrowings
- No draws on the credit facility during the quarter
- Total liquidity equaled $582M at March 31, 2022, which includes:
  - $293M in cash on hand
  - $289M in availability under the ABL [(1)]
- Credit facility extends to December 2026



[(1)] *Excludes pledged cash accounts of $147M*

CEO Wrap-Up

- Reported strong 1Q22 results reflecting positive demand, pricing momentum and improved operational efficiencies
- Sequential guidance for 2Q22, revenues to increase low-to-mid single digits percentage range and EBITDA to revenue flowthroughs expected in the 10-15% range primarily due to wage inflation and increased health care costs in 2Q22
- Raising guidance for full-year 2022, compared to full-year 2021, for both:
  - Revenue to increase 20% and
  - EBITDA to revenue incrementals approximating 20%
- Free cash flow expected to be positive for the full-year 2022
- Total liquidity of $582M and zero debt as we continue to forage and review an active pipeline of M&A opportunities to complement our growth strategy