DISTRIBUTION NOW

Key Takeaways

FOURTH QUARTER AND FULL-YEAR 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) 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.

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.

4Q22 and Full-Year 2022 Key Takeaways

- Revenue of $547M, or lower 5% sequentially, as expected due to seasonality, up 27% year-over-year compared to global rig count growth of 22% year-over-year
- GAAP Net Income attributable to NOW Inc. of $32M, lower $8M sequentially, and up $20M year-over-year; GAAP EPS attributable to NOW Inc. stockholders of $0.28, lower $0.07 sequentially, and up $0.17 year-over-year
- Non-GAAP Net Income* of $29M, lower $5M sequentially, and up $21M year-over-year; Non-GAAP diluted EPS* of $0.25, lower $0.05 sequentially, and up $0.18 year-over-year
- EBITDA* of $47M or 8.6% of revenue, up $30M year-over-year; $175M for full-year 2022, up $130M compared to the prior year
- Gross margins maintained at 24.1%, elevating full-year 2022 gross margins to 23.7%
- Warehouse, Selling & Administration (WSA) was 17.7% of revenue during the quarter; full-year 2022 WSA was 17.1% of revenue, an improvement of 380 basis points year-over-year
- Closed two acquisitions in December, bringing our total for the year to three; acquisitions expand U.S. Process Solutions products and service capabilities
- Buyback program with repurchases of $3M of shares in 4Q22 at an average price of $11.50 per share
- Free cash flow of $4M for 4Q22; total liquidity at the end of the quarter equaled $564M, including $212M in cash and zero debt

* Excluding other costs (non-GAAP)

Key Market Indicators

WTI/Rig Counts

- WTI avg of $83 per barrel for 4Q22
- U.S. avg rig count of 775, up 2% sequentially
- Canada avg rig count of 190, lower 5% sequentially
- International avg rig count of 907, up 6% sequentially
- Global avg rig count of 1,872, up 3% sequentially

DNOW annualized revenue per rig at **$1.2M** for 4Q22

U.S. DUCs*

- December ended with a DUC count of 4,629 wells in EIA regions
- 4Q22 avg of 4,601 wells, down 1% sequentially

DUCs are future revenue opportunities for DNOW

U.S. Completions*

- December ended with a U.S. completions count of 975 wells in EIA regions
- 4Q22 avg of 990 wells, relatively flat sequentially

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

**EIA DPR report released 2/13/2023*

4Q22 Segment Results

Strong year-over-year performance driven by U.S. growth, coupled with modest growth in Canada and International segments, despite FX headwinds and impact from International location exits

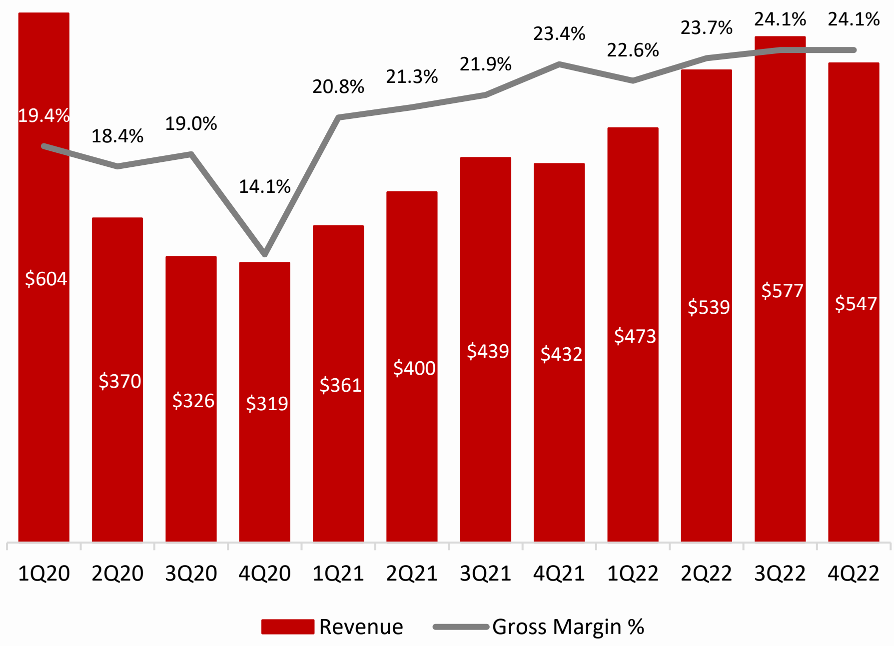
	4Q21	4Q22	Var.	Var. %
United States	303	414	111	*37%*
Canada	72	75	3	*4%*
International	57	58	1	*2%*
Revenue	**432**	**547**	115	*27%*
United States	4	26	22	
Canada	6	7	1	
International	(3)	2	5	
Operating Profit	**7**	**35**	28	
United States	*1.3%*	*6.3%*		
Canada	*8.3%*	*9.3%*		
International	*-5.3%*	*3.4%*		
Operating Profit %	*1.6%*	*6.4%*		
% of U.S. Revenue				
U.S. Energy	*79%*	*76%*		
U.S. Process Solutions	*21%*	*24%*		

- **United States**
  - Revenue growth primarily driven by the strengthening in U.S. drilling and completions activity
  - Operating profit improvement driven by revenue growth and improved product margins
- **Canada**
  - Revenue growth mainly from increase in Canadian rig count, partially offset by unfavorable foreign exchange impacts
  - Operating profit from revenue growth and impairment in the prior year that did not repeat
- **International**
  - Revenue growth from increase in rig count, partially offset by unfavorable foreign exchange impacts
  - Operating profit improvement driven by operating footprint restructuring, country exits and improved operating efficiencies

Selected Quarterly Results

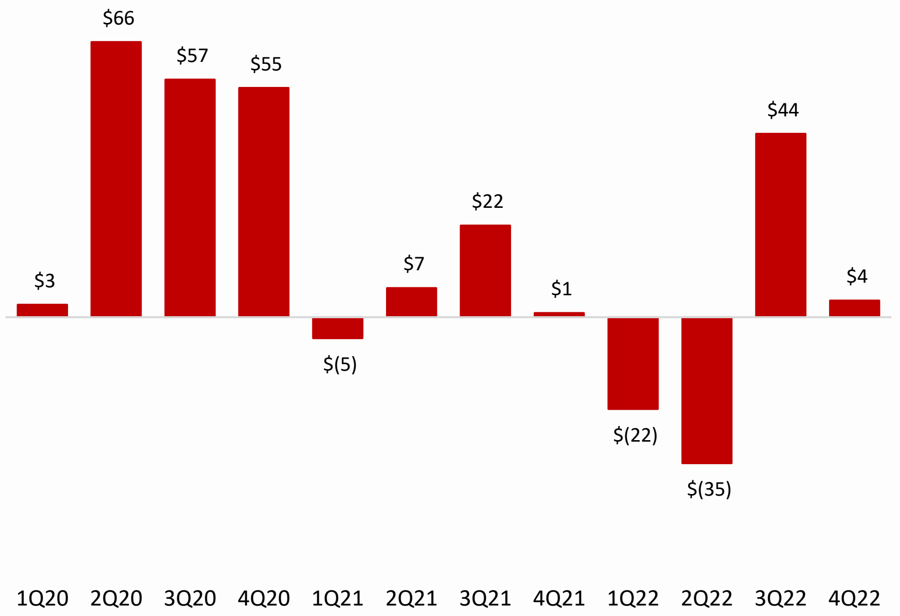
Revenue & Gross Margin Percent

($ in millions)



Free Cash Flow*

($ in millions)

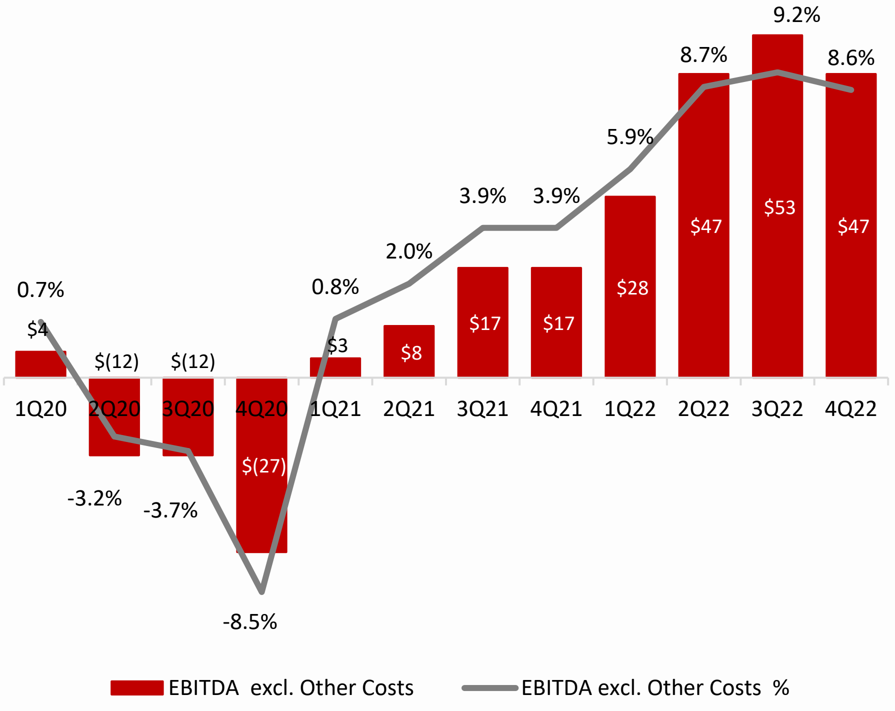


** Free Cash Flow is defined as net cash provided by (used in) operating activities, less purchases of property, plant and equipment*

Selected Quarterly Results

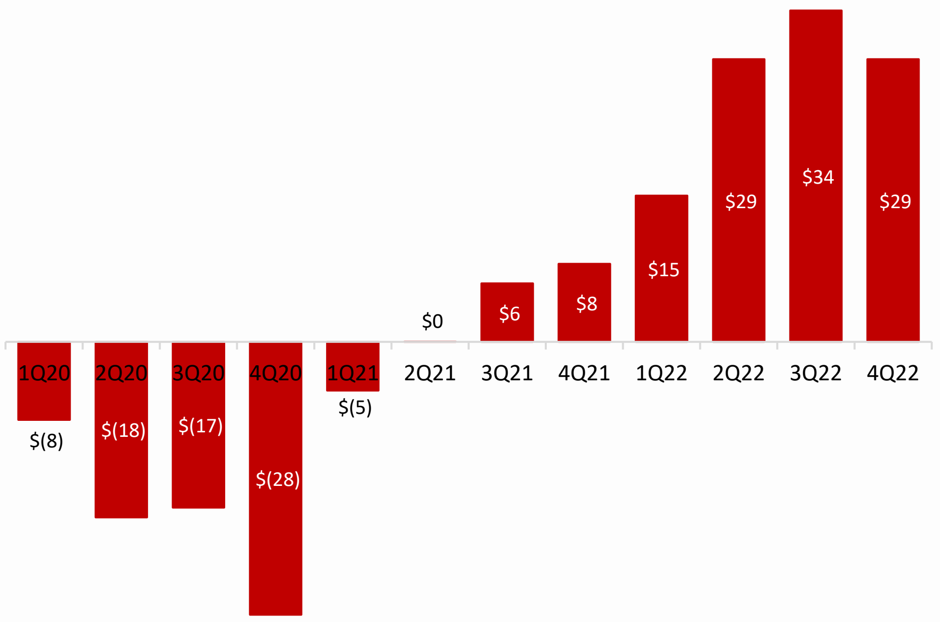
EBITDA excl. Other Costs (Non-GAAP)

($ in millions)



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

($ in millions)



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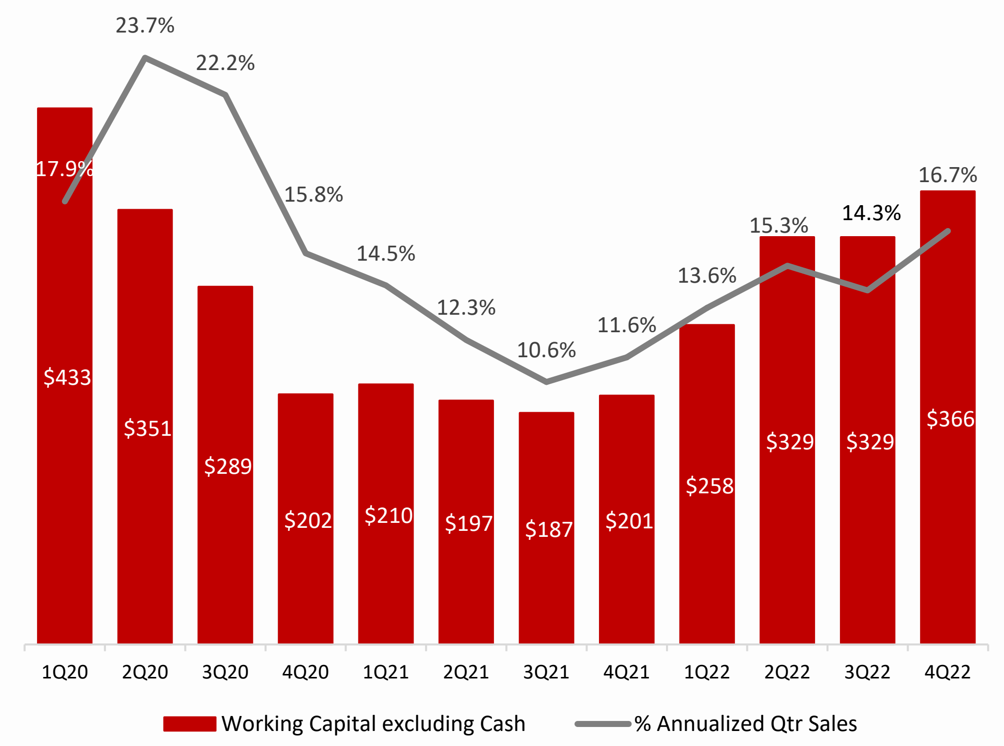
Selected Quarterly Results

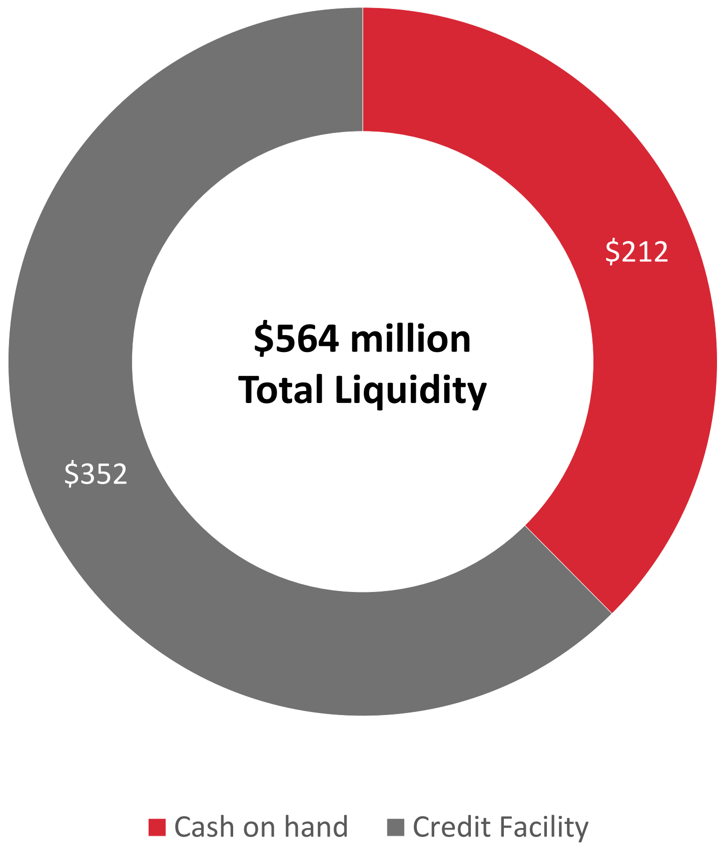
Working Capital excl. Cash

($ in millions)



Total Liquidity at December 31, 2022

($ in millions)



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Opportunistically Repurchasing Shares

$80 million share repurchase program underway

- Repurchased $3M of shares during 4Q22 and $7M for full-year 2022
- Shares retired at average price of $11.50 per share in 4Q22 and $10.82 per share for full-year 2022
- Authorization approved August 2021 through December 2024

Capital Allocation Strategy

- Organic Growth
- M&A
- Share Buyback

EcoVapor Acquisition

ECOVAPOR
A DistributionNOW Company

- **EcoVapor adds a leading emissions and flaring abatement solution to 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 CO_2e 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_2e 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.

CEO Wrap-Up and Guidance

- 4Q22 EBITDA* at 8.6% of revenue, driven by steady gross margins and solid execution
- Completed two acquisitions during December 2022, expanding our U.S. Process Solutions capabilities
  - One that strengthens our pump sales and service capabilities in the Permian
  - The other is a patented process technology solution, which expands our suite of greenhouse gas emission reduction products targeting the oil, gas and renewable natural gas (RNG) markets
- Repurchased $7M of common stock in 2022 and expect to continue to execute program in 2023
- **Guidance**
  - Upgrade full-year 2023 revenue to now 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
  - 1Q23 revenue to increase in the low-to-mid-single digits percentage range, from 4Q22
  - 1Q23 EBITDA dollars could reach as much as 50% above 1Q22 EBITDA dollars (which was $28M)

* Excluding other costs (non-GAAP)