
**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) November 6, 2014

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 November 6, 2014, NOW Inc. issued a press release announcing earnings for the third quarter ended September 30, 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 November 6, 2014 announcing the earnings results for the third quarter ended September 30, 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: November 6, 2014

NOW INC.

/s/ Raymond W. Chang

Raymond W. Chang

Vice President & General Counsel

Index to Exhibits

99.1 NOW Inc. press release dated November 6, 2014 announcing the earnings results for the third quarter ended September 30, 2014.



NEWS

Contact: Daniel Molinaro
281-823-4941

FOR IMMEDIATE RELEASE**NOW Inc. Announces Third Quarter 2014 Earnings**

HOUSTON, TX, November 6, 2014—NOW Inc. (NYSE: DNOW) reported that for its third quarter ended September 30, 2014 it earned net income of \$32 million, or \$0.30 per fully diluted share, compared to second quarter ended June 30, 2014 net income of \$27 million, or \$0.25 per fully diluted share.

The Company's revenues for the third quarter of 2014 were \$1,070 million, an increase of 12 percent from the second quarter of 2014. EBITDA for the third quarter of 2014 was \$53 million, or 5.0 percent of sales, compared to 5.1 percent in the second quarter of 2014.

Robert Workman, President and CEO of NOW Inc., commented, "The third quarter of 2014 marked DistributionNOW's first full quarter as a stand-alone public entity. We delivered strong sequential sales growth, emerging from a disruptive second quarter, where we had completed a spinoff, expanded our ERP platform globally and continued the integration process for three large distribution businesses. We are encouraged that the organization was able to achieve these results organically, demonstrating that many of the challenges we experienced in the second quarter have been resolved. In the quarter, we completed the corporate structure build-out required to support DNOW as a stand-alone company, which limited incremental operating margins in the period.

"While we are aware of the recent decline and the potential for further volatility in commodity prices, our healthy balance sheet and our experienced management team and employees help position our Company well to respond to any such market conditions. I would like to thank our employees for all of their contributions towards this recovery, which is even more impressive given all of the disruptions they've experienced."

United States

Third quarter revenues for the United States were \$748 million, an increase of 13 percent from the second quarter of 2014 and an increase of two percent from the third quarter of 2013. The increase in sequential revenues is primarily attributable to improved systems adoption across the US businesses coupled with increased market activity.

Canada

Revenues for the third quarter of 2014 for Canada were \$173 million, up 38 percent compared to second quarter 2014 results and down nine percent from the third quarter of 2013. Recovery from seasonal break-up coupled with greater utilization of recently implemented ERP and peripheral systems drove sequential gains.

International

International operations generated third quarter revenues of \$149 million, which were down ten percent from the second quarter of 2014 and down 22 percent from the third quarter of 2013. Sequential revenues were down due to large project deliveries for a construction program in the Middle East that did not recur at the same levels in the third quarter, paired with reduced activity in Eurasia.

The Company has scheduled a conference call for November 6, 2014, at 8:00 a.m. Central Time to discuss third quarter 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 operates primarily under the DistributionNOW and Wilson Export brands. Through its network of over 300 locations and over 5,000 employees worldwide, NOW 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)

	September 30, 2014 (Unaudited)	December 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 166	\$ 101
Receivables, net	906	661
Inventories, net	905	850
Deferred income taxes	20	21
Prepaid and other current assets	35	29
Total current assets	2,032	1,662
Property, plant and equipment, net	124	102
Deferred income taxes	9	15
Goodwill	328	333
Intangibles, net	65	68
Other assets	—	3
Total assets	<u>\$ 2,558</u>	<u>\$ 2,183</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 454	\$ 264
Accrued liabilities	120	99
Accrued income taxes	4	—
Total current liabilities	578	363
Deferred income taxes	5	16
Other liabilities	2	2
Total liabilities	585	381
Commitments and contingencies		
Stockholders' equity:		
Common stock—par value \$0.01; 330 million shares authorized; 107,067,457 shares issued and outstanding	1	—
Preferred stock—par value \$0.01; 20 million shares authorized; no shares issued and outstanding	—	—
Additional paid-in capital	1,951	—
Retained earnings	42	—
National Oilwell Varco, Inc. (“NOV”) net investment	—	1,802
Accumulated other comprehensive income (loss)	(21)	—
Total stockholders' equity	1,973	1,802
Total liabilities and stockholders' equity	<u>\$ 2,558</u>	<u>\$ 2,183</u>

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

	Three Months Ended September 30		Nine Months Ended September 30	
	2014	2013	2014	2013
Revenue	\$ 1,070	\$ 1,113	\$ 3,099	\$ 3,255
Operating expenses				
Cost of products	857	907	2,485	2,655
Operating and warehousing costs	108	104	315	308
Selling, general and administrative	55	39	144	118
Operating profit	50	63	155	174
Other income (expense)	(1)	(4)	(1)	—
Income before income taxes	49	59	154	174
Provision for income taxes	17	20	54	61
Net income	<u>\$ 32</u>	<u>\$ 39</u>	<u>\$ 100</u>	<u>\$ 113</u>
Earnings per share:				
Basic earnings per common share	<u>\$ 0.30</u>	<u>\$ 0.37</u>	<u>\$ 0.93</u>	<u>\$ 1.06</u>
Diluted earnings per common share	<u>\$ 0.30</u>	<u>\$ 0.36</u>	<u>\$ 0.93</u>	<u>\$ 1.05</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 September 30		Nine Months Ended September 30	
	2014	2013	2014	2013
Net income	\$ 32	\$ 39	\$ 100	\$ 113
Interest	—	—	—	—
Tax provision	17	20	54	61
Depreciation and amortization	4	5	14	12
EBITDA (1)	\$ 53	\$ 64	\$ 168	\$ 186
EBITDA % (2)	5.0%	5.8%	5.4%	5.7%

- (1) Because EBITDA is a non-U.S. GAAP financial measure, as defined by the SEC, we included a reconciliation of EBITDA to the most directly comparable financial measures calculated and presented in accordance with U.S. GAAP.
- (2) EBITDA % is defined as EBITDA divided by Revenue.

BUSINESS SEGMENTS (UNAUDITED)
(In millions)

	Three Months Ended September 30		Nine Months Ended September 30	
	2014	2013	2014	2013
Revenue:				
United States	\$ 748	\$ 732	\$ 2,114	\$ 2,187
Canada	173	191	489	578
International	149	190	496	490
Total revenue	\$ 1,070	\$ 1,113	\$ 3,099	\$ 3,255