



# Jefferies Industrial Conference

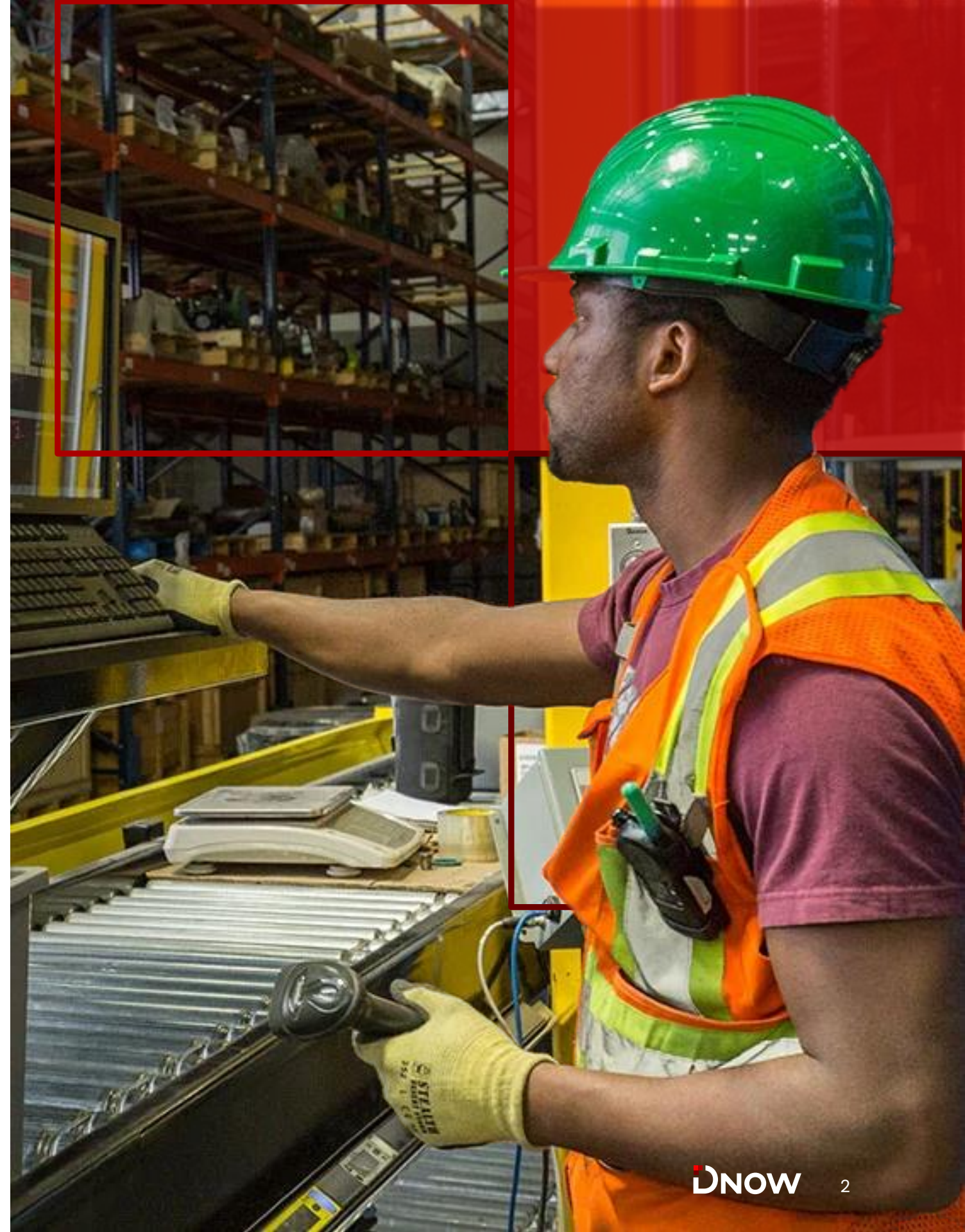
September 4, 2025



# 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 GAAP, we disclose various non-GAAP financial measures in our quarterly earnings press releases and other public disclosures. The non-GAAP financial measures include: (i) earnings before interest, taxes, depreciation and amortization (EBITDA) excluding other costs, (ii) EBITDA excluding other costs as a percentage of revenue, (iii) net income attributable to DNOW Inc. excluding other costs, (iv) diluted earnings per share attributable to DNOW Inc. stockholders excluding other costs, and (v) free cash flow. We use these non-GAAP financial measures to evaluate and manage the Company's operations because we believe they provide useful supplemental information regarding the financial performance of our business. These non-GAAP financial measures are not intended to replace the GAAP financial measures. Free cash flow is net cash provided by (used in) operating activities adjusted for purchases of property, plant and equipment, and the remaining non-GAAP financial measures exclude the impact of certain other items. 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.



# Investment Highlights



## Significantly improved financial results with powerful cash generation abilities

- ◆ Improved earnings durability and working capital management driving better free cash flow profile



## Solid balance sheet, debt free, \$232M in cash<sup>(1)</sup>

- ◆ Strong balance sheet to fund growth and enhanced capital allocation program



## Strength in the upstream and midstream markets

- ◆ U.S. oil and gas production drives demand for DNOW's PVF+<sup>(2)</sup>, pumps and fabricated equipment



## Expanding set of solutions for energy transition and industrial markets driving additional revenue diversification

- ◆ Current customer investments in decarbonization, CCUS, RNG
- ◆ Select industrial markets drives demand in non-oil and gas markets



## Total liquidity, including cash, of \$582M<sup>(1)</sup> to fuel organic growth, pursue accretive acquisitions and repurchase shares, opportunistically, under authorized program<sup>(3)</sup>

- ◆ Ample liquidity seeds organic growth opportunities; margin accretive M&A deals and shareholder-friendly share repurchase program

(1) As of June 30, 2025

(2) Pipe, Valves, Fittings & Flanges plus additional infrastructure products

(3) \$160M share repurchase program, currently paused due to DNOW / MRC Global Merger

# Strategic Growth Plan to Increase Shareholder Value

Focused on growing sustainable earnings and free cash flow through the cycle

## Grow revenue within core energy markets

- ▶ Expand suite of offerings to customers in upstream
- ▶ Expand opportunities in midstream market
- ▶ Leverage strengths through supercenters and enhanced service model

## Growth from customer investments tied to decarbonization and energy evolution

- ▶ Provide products for aged infrastructure and methane emission reduction projects
- ▶ Increase revenue from customer investments in CCUS and new energy
- ▶ Extend possibilities from customer investments in renewable fuels

## Additional growth through adjacent industrial markets

- ▶ Targeting mining, water and chemical markets that align with our pump supplier agreements to expand and diversify markets
- ▶ Targeting data center construction that requires electrical cable, pumps and PVF for cooling
- ▶ Expand aftermarket service capabilities driving higher margin incremental revenues

## Support organic growth through free cash flow

- ▶ Low capex business
- ▶ Efficient use of working capital to support organic growth

## Inorganic accumulation strategy to grow earnings and free cash flow

- ▶ Announced DNOW/ MRC Global merger agreement
- ▶ Continue to evaluate a pipeline of margin accretive companies to expand U.S. Process Solutions business

## Share buyback program

- ▶ Repurchased \$19M in shares in 2Q25 and \$27M YTD<sup>(1)</sup>, on \$160M program approved in January 2025, double the size of the previous buyback program<sup>(2)</sup>

(1) As of June 30, 2025

(2) \$160M share repurchase program, currently paused due to DNOW / MRC Global Merger

# Capital Allocation Framework

## Formidable Balance Sheet...

- ▶ **Working Capital Efficiency**  
Efficient use of working capital as a percent of revenue
- ▶ **No debt<sup>(1)</sup>**  
No interest expense burden
- ▶ **Ample Liquidity**  
\$582M in total liquidity<sup>(1)</sup>

## ... to fund growth and capital allocation program

### 1) Fund organic growth and efficient operations

- ▶ Working Capital needs
- ▶ Equipment & Technology investments

### 3) Return capital to shareholders

- ▶ Authorized new \$160M share repurchase program in January 2025<sup>(2)</sup>
- ▶ Repurchased \$19M shares during 2Q25, \$27M YTD<sup>(1)</sup>

### 2) Inorganic growth through acquisitions

- ▶ Patient, disciplined approach
- ▶ Targeting margin accretive businesses
- ▶ Focused on growing U.S. Process Solutions
- ▶ Announced MRC Global merger agreement
- ▶ Closed Natron International acquisition, April 2025

<sup>(1)</sup> As of June 30, 2025

<sup>(2)</sup> \$160M share repurchase program, currently paused due to DNOW / MRC Global Merger





**COMBINING**

**DNOW**

+

**MRC Global**

™



Value-Creating Transaction for DNOW and MRC Shareholders



Creates a Premier Energy and Industrial Solutions Provider



Joins Highly Complementary Footprints Across Key Energy and Industrial Hubs in the U.S.



Strengthens Global Reach in Attractive Growth Sectors



Greatly Increases Scale and Scope Across Diverse Industries and Global Opportunities



Combines and Enhances Complementary Product Portfolio



Creates Value through Cost Synergies



Strong Cash Flow Generation Capabilities and Robust Balance Sheet Provide Liquidity and Capital Allocation Flexibility



# Energy and Industrial Solutions Leader Delivering Enhanced Value

	<b>DNOW</b>	+	<b>MRC Global</b> <sup>TM</sup>	<b>Pro Forma</b>
Enterprise Value <sup>1</sup>	~\$1.5B		~\$1.5B	<b>~\$3.0B</b>
Revenues <sup>2</sup>	~\$2.4B		~\$2.9B	<b>~\$5.3B</b>
<b>Synergies<sup>3, 4</sup></b>				<b>\$70M</b>
Adjusted EBITDA <sup>2, 3</sup>	\$183M		\$181M	<b>~\$430M</b>
Adjusted EBITDA Margin <sup>2, 3</sup>	7.6%		6.1%	<b>~8.0%</b>
Cash Flow From Operations <sup>2, 3</sup>	\$201M		\$253M	<b>~\$500M</b>

**Projecting through cycle  
50% free cash flow  
conversion**

(1) As of 06/25/2025.

(2) Financial metrics LTM as of 03/31/2025. Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP measures. See appendix.

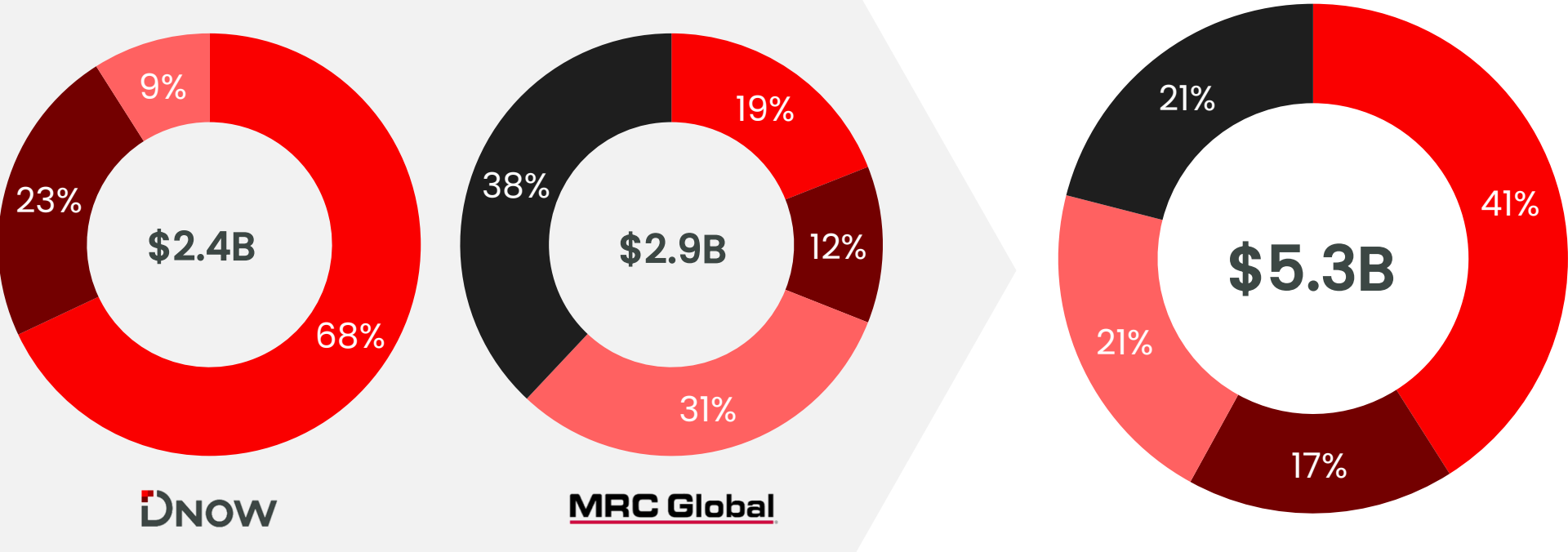
(3) Expected to generate approximately \$70M of annual cost synergies within three years following close. Pro Forma Adjusted EBITDA includes pre-tax run-rate synergies. Cash Flow From Operations includes run-rate synergies adjusted for taxes.

(4) Pre-tax run-rate synergies of \$70M expected to be realized. \$17M expected to be realized in year 1, \$42M expected to be realized in year 2 and \$70M expected to be realized by year 3 post-close.

# Greatly Increases Scale and Scope Across Diverse Industries and Global Markets

## Balanced Portfolio Across Attractive Industries Provides Diversification

Combined Revenue by End Market<sup>1</sup>



■ Upstream    
 ■ Midstream    
 ■ Downstream & Industrials    
 ■ Gas Utilities

# ~\$5.3B

## COMBINED REVENUES

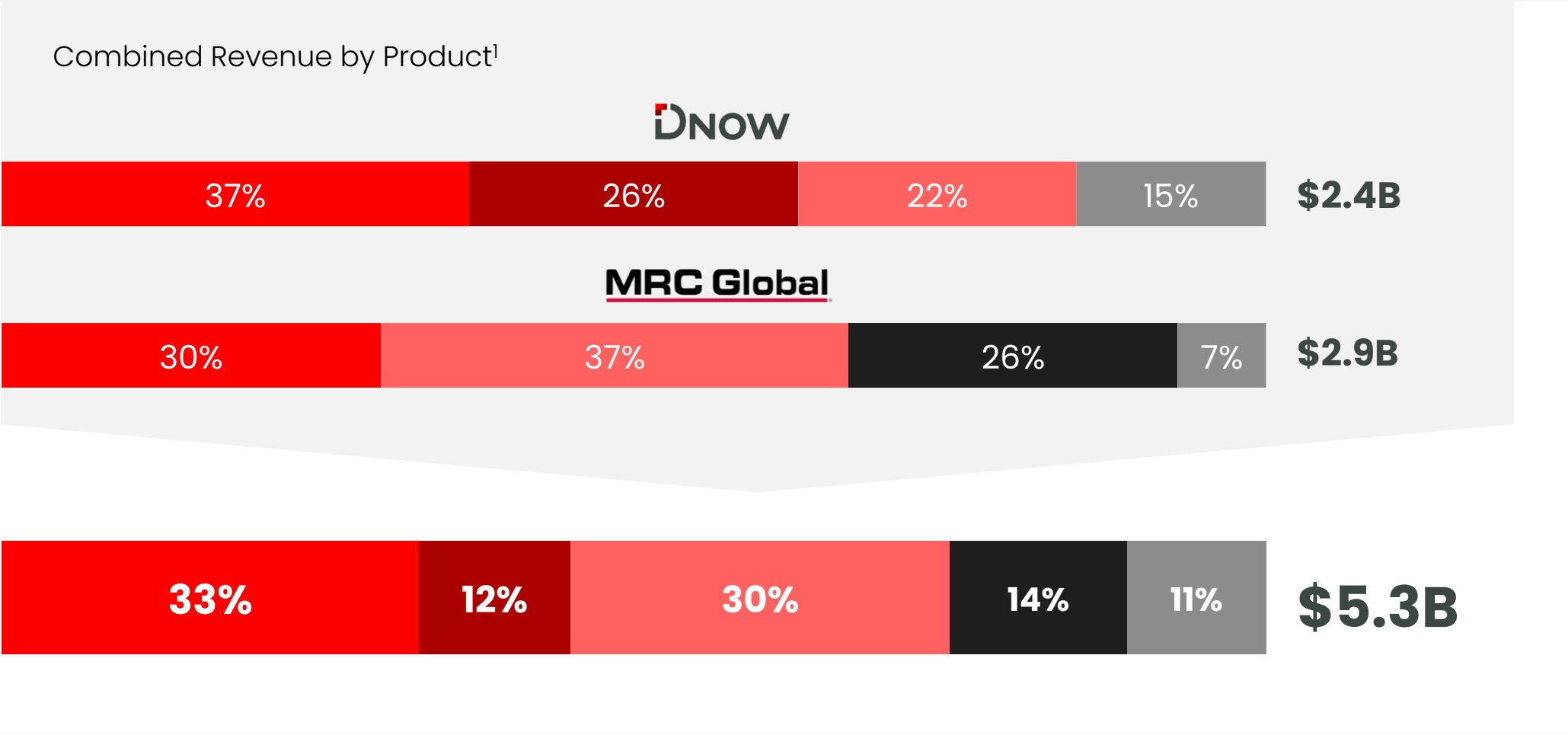
### Anticipated Benefits Include:

- ▶ **Diversified Product & Solutions Portfolio:** A broader range of high-quality products, services and supply chain solutions creates revenue streams across multiple industries, reducing reliance on any single sector
- ▶ **Expanded Customer Base:** Combined company will serve broader mix of customers in the construction and maintenance of essential energy process, production and transmission infrastructure
- ▶ **Strategic Diversification:** Accelerating diversification into gas utilities, downstream & industrial, enhancing opportunities in alternative energy, artificial intelligence infrastructure, electrification, mining and other industrial markets
- ▶ **Compelling Growth Opportunities:** Reduces earnings volatility and enhances resilience of business cyclicality in the energy sector

(1) Financial metrics LTM as of 03/31/2025.

# Combines and Enhances Complementary Product Portfolio

Enhanced Product Offering to Better Serve Customers



■ Pipe, Fittings & Flanges    
 ■ Pumps & Production    
 ■ Valves    
 ■ Gas Products    
 ■ Mill Tool, MRO, Safety & Other

# ~\$5.3B

COMBINED REVENUES

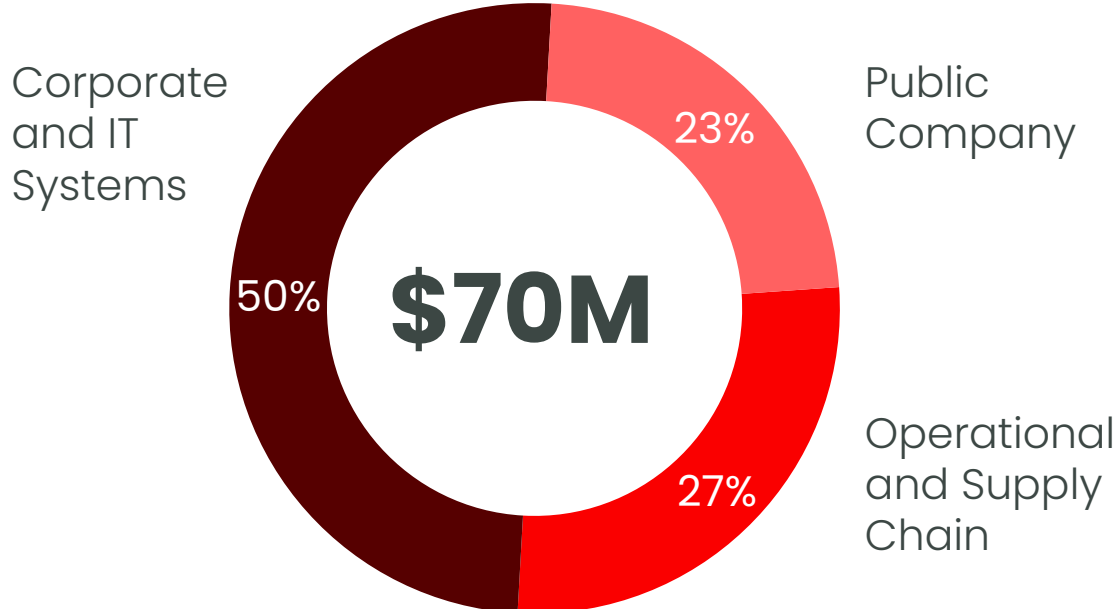
**Anticipated Benefits Include:**

- ▶ **Enhanced Servicing Capabilities:** Expanded services, support and solutions tailored for complex customer requirements
- ▶ **Industry-Specific Expertise:** Leveraging combined expertise to provide specialized solutions to customers across the energy and industrial sectors
- ▶ **Strengthened Partnerships:** Fosters stronger, more strategic partnerships with key customers across various industries, ensuring long-term revenue stability
- ▶ **Addressing Customer Consolidation:** Better positioned to meet the evolving needs of larger, consolidating customers

(1) Financial metrics LTM as of 03/31/2025.  
 © 2025 DNOW. All Rights Reserved.

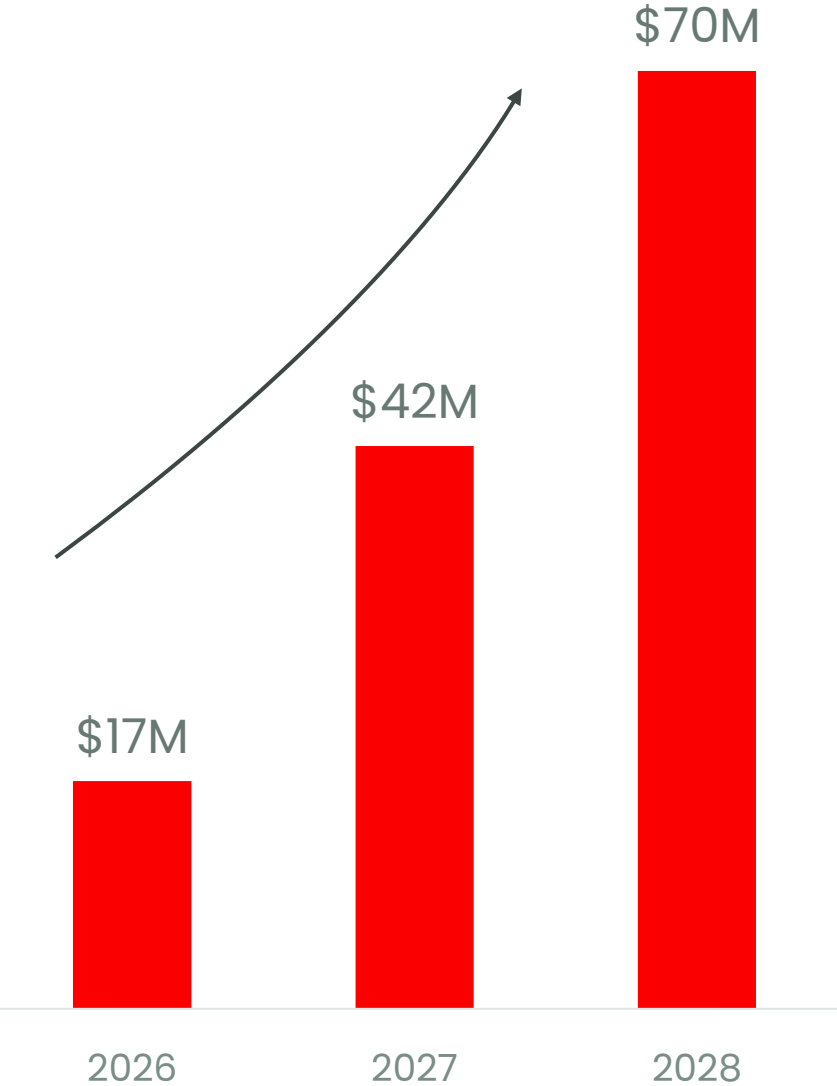
# Creates Value through Cost Synergies

## Breakdown of Synergy Opportunity

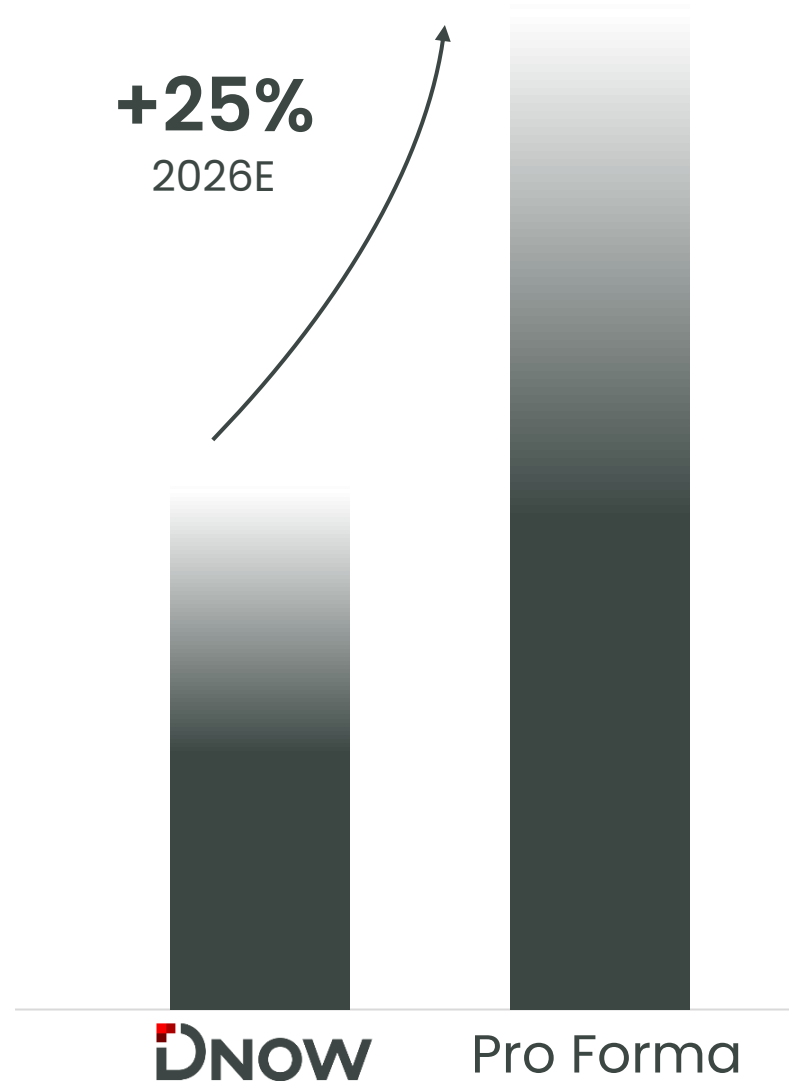


- Expected to generate approximately \$70M of annual cost synergies within three years following closing
- ~23% of the three-year synergies is expected to come from public company costs, with ~50% from corporate and IT systems – balance of the synergies are expected to be achieved through operational and supply chain efficiencies
- Experienced team with proven track-record of successful integrations, having completed 24 acquisitions since 2014

## Estimated Run-Rate Cost Savings of \$70M



## Meaningful 2026E EPS Accretion<sup>1</sup>



(1) Includes expected pre-tax run-rate synergies of \$17M in 2026.

# Strong Cash Flow Generation Capabilities and Robust Balance Sheet Provide Liquidity and Capital Allocation Flexibility

## Robust Balance Sheet with Ample Liquidity

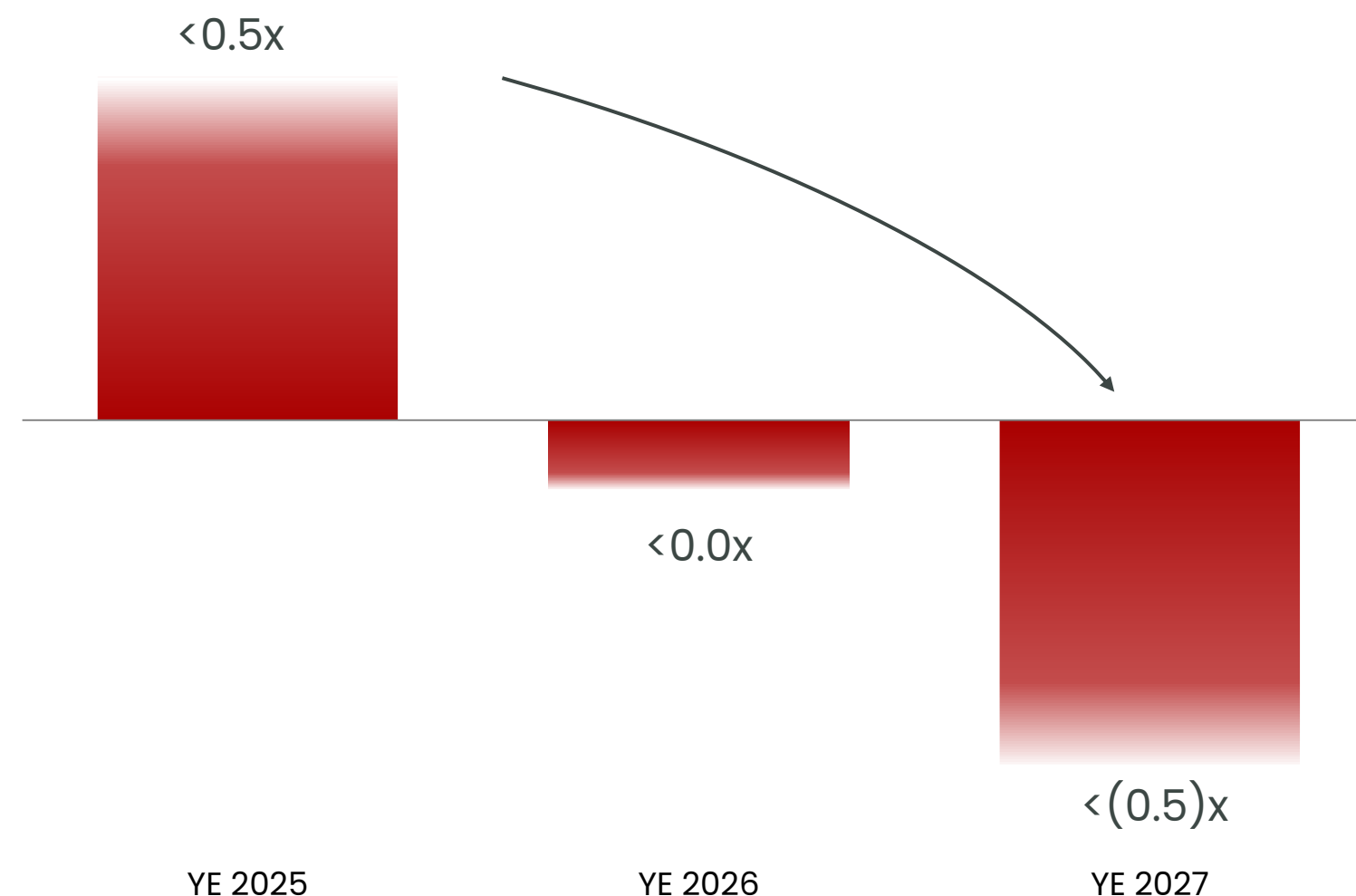
Pro Forma Liquidity <sup>1</sup>	~\$550M
Pro Forma Net Debt <sup>2</sup>	~\$200M
YE 2025 Pro Forma Net Leverage <sup>3</sup>	< 0.5x

## Substantial Cash Flow Generation and Robust Capital Structure

- ▶ Potential path to deleveraging and return to a net cash position by end of the first year post closing
- ▶ Secured commitments to expand current \$500M credit facility by \$250M at the close of the merger
- ▶ Robust balance sheet provides greater flexibility to pursue organic and inorganic investments and return of capital

## Estimated Pro Forma Net Leverage<sup>3</sup>

Combined Profile Underpins Rapid Deleveraging



(1) Pro forma liquidity calculated as DNOW's ABL availability equal to the borrowing base, giving effect to the contemplated credit facility expansion, plus cash, minus existing borrowings and letters of credit.

(2) Net debt calculated as total debt less cash. Pro forma net debt is inclusive of expected transaction expenses. Net debt is a non-GAAP measure. See appendix.

(3) Pro Forma net leverage calculated as pro forma net debt divided by pro forma Adjusted EBITDA.

# Company Overview

NYSE: DNOW

◆ **160**  
LOCATIONS

◆ **2,575**  
EMPLOYEES

**Leading energy and industrial distributor and supply chain solutions company**

- ◆ Operating for over 160 years
- ◆ Headquartered in Houston, Texas
- ◆ Comprehensive network of energy centers, customer onsite and process solutions locations, complemented with an online commerce platform
- ◆ Key markets: U.S., Canada, North Sea, Middle East, Asia Pacific

## Recent Quarterly Achievements and Highlights

◆ **\$628M<sup>(1)</sup>**  
REVENUE

◆ **\$51M<sup>(1,2)</sup>**  
EBITDA<sup>2</sup>

◆ **\$1.5B<sup>(3)</sup>**  
MARKET CAP

Beat second quarter expectations with revenue growth of **5% sequentially**

Delivered a company best second quarter **EBITDA of \$51M, 8.1% of revenue**, in a market with fewer operating rigs and completions

### **Announced merger with MRC Global.**

On June 26, 2025, announced DNOW and MRC Global to combine in all-stock transaction

Repurchased **\$19M of shares** during the second quarter as of June 30, 2025, with **\$27M of shares** repurchased year-to-date under our new \$160M share repurchase program

**\$232M cash and debt free<sup>(1)</sup>**

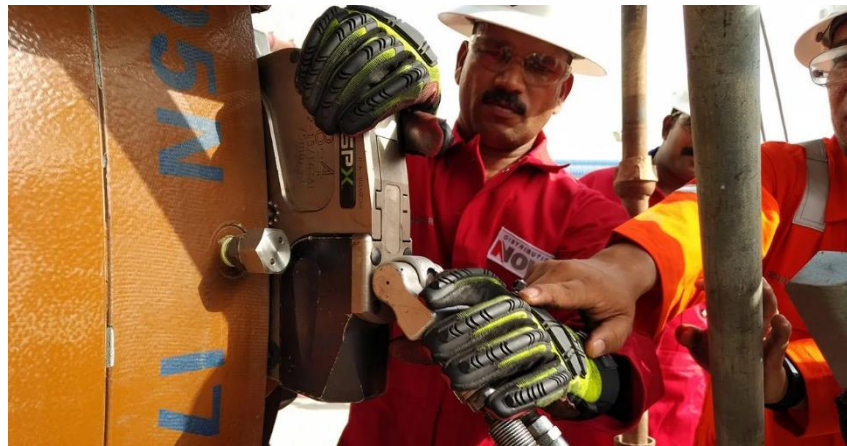
(1) For the quarter ended on June 30, 2025

(2) Excluding other costs (non-GAAP)

(3) As of August 18, 2025

# Providing Value-Added Solutions Across All Channels

## Energy Centers



SuperCenter and branch network supplying PVF and MRO products locally to target end market customers for capital projects and day-to-day operational maintenance

**Provides wide array of products and value locally in major energy and industrial regions**

## Customer Onsite & Integrated Supply



On-site model offering customizable products, services and solutions to customers as an extension of their supply chain organization aligned on customer operational goals

**Reduces customers' total costs including operating expenses and capital employed**

## Process Solutions



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

**Meets demand for tank battery production facilities, water transfer and disposal, gas treating, midstream gathering and transmission**

# Process Solutions – An Expanding Portfolio of Solutions targeting energy and industrial end-markets

Integrated, reliable and sustainable solutions over the life cycle of our customers' fluid and gas management needs

## Distribution & Service

- ▶ Pump, Air and Gas compression distribution and packaging
- ▶ Full field and shop service and repair capabilities
- ▶ Coverage across all oily basins, and expanding into Industrial markets

## Rental & Automation

- ▶ Mobile Pump rentals (H-Pumps and Centrifugal)
- ▶ Fluid management automation and controls (sale and rental)
- ▶ Flow Loops for pump and flow meter testing and upgrading

## Fabrication

- ▶ Heavy structural steel fabrication, including ASME code vessels
- ▶ Modular process and production equipment
- ▶ In House Engineering and Electrical Capabilities (including UL panel)

## Gas Upgrading & Management

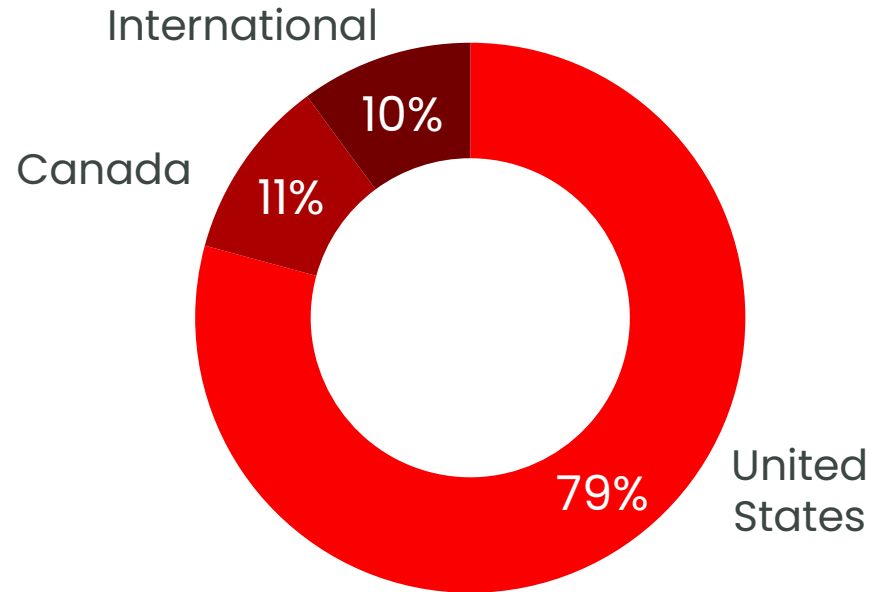
- ▶ Gas Upgrading, including H<sub>2</sub>S and O<sub>2</sub> removal for oil and gas operations
- ▶ RNG solutions for gas upgrading and drying
- ▶ Expanding product offering for wider gas management portfolio

## Key Vendors

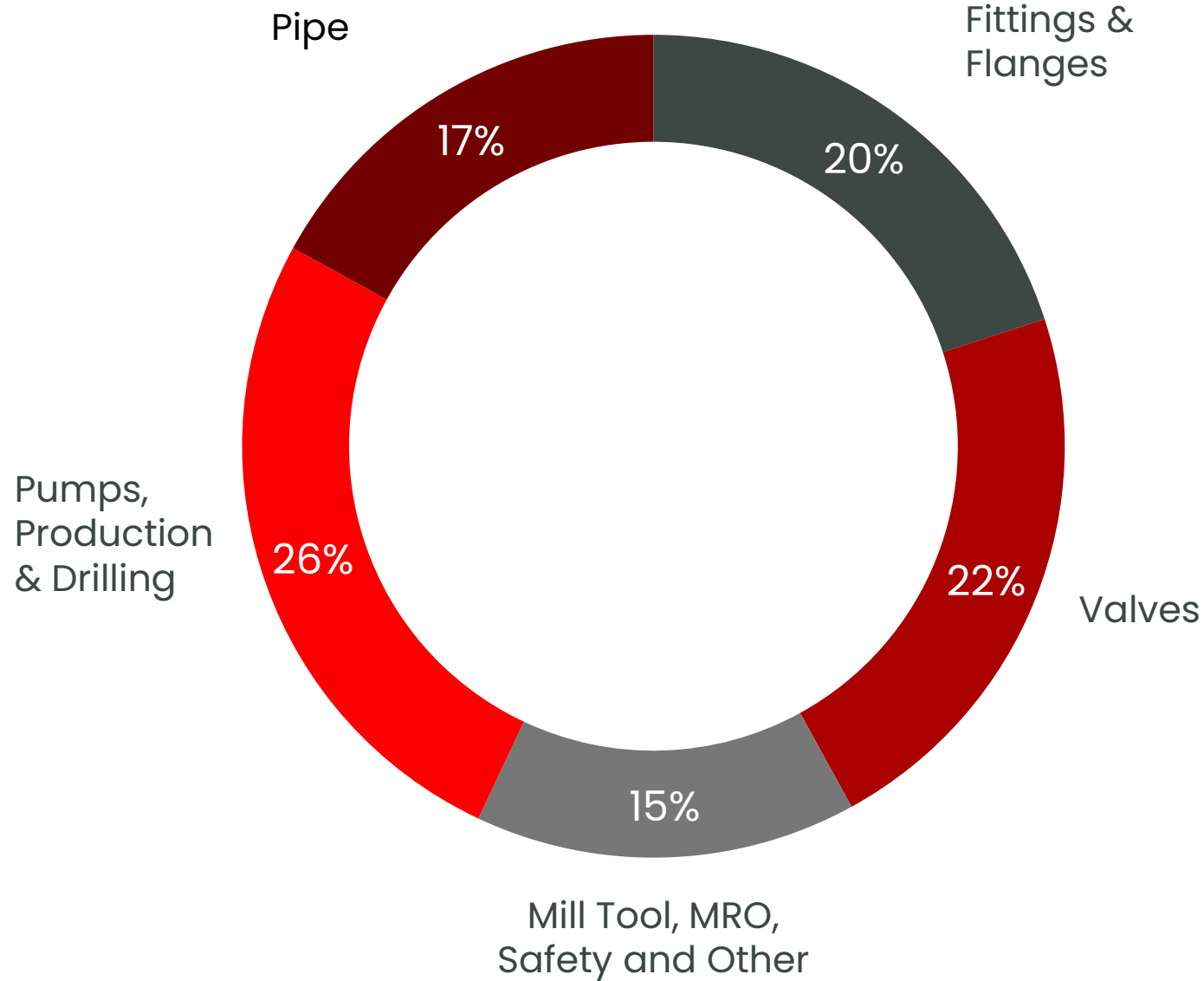


# Revenue by Reporting Segment, Channel and Product line

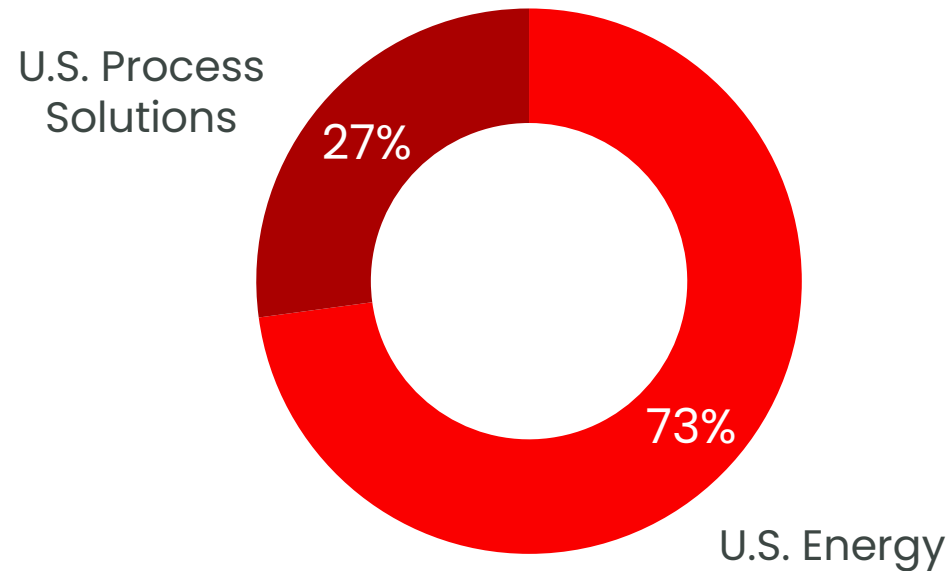
**Revenue by Reporting Segment**  
2024



**Revenue by Product Line**  
2024



**U.S. Revenue by Channel**  
2024

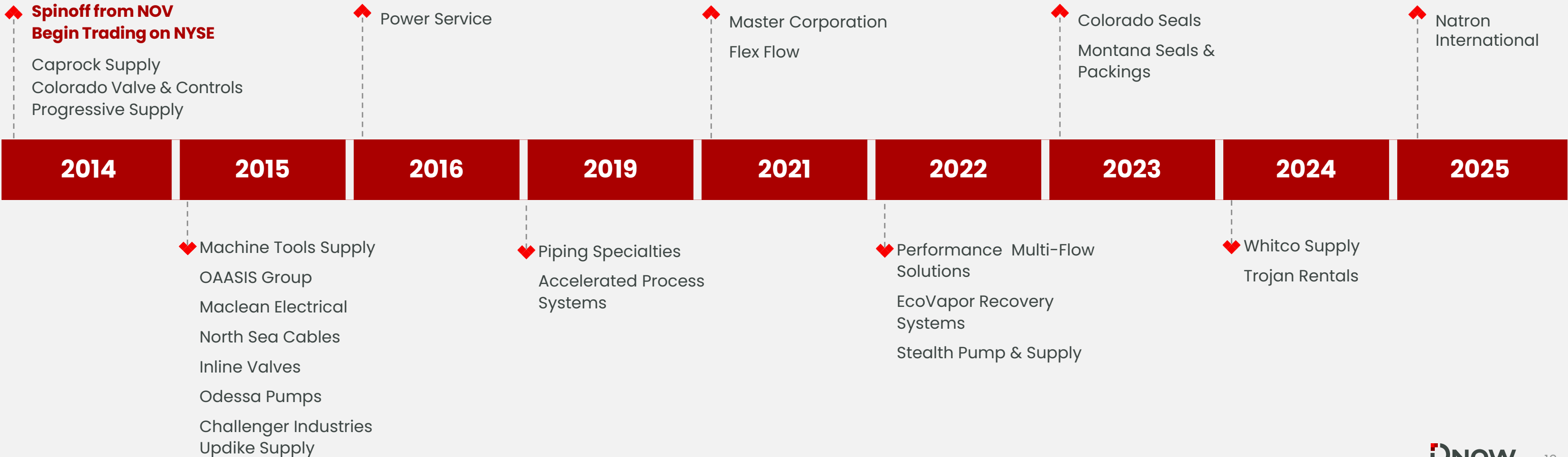


# Driving Growth through Acquisitions

Clearly defined acquisition strategy to grow earnings and free cash flow

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

## Track Record of Success



# Investor Relations

**Brad Wise**

Vice President, Digital Strategy & Investor  
Relations

Contact email: [ir@dnw.com](mailto:ir@dnw.com)

