

Energy Delivered.™

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Pumps
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Investor Relations

Third Quarter 2021

DISTRIBUTION **NOW**

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 quarterly earnings press release.

Vision

DistributionNOW will be recognized as the market **Leader in Supply Chain Management** through superior customer service by leveraging the strengths of our employees, processes, suppliers, technology and information.

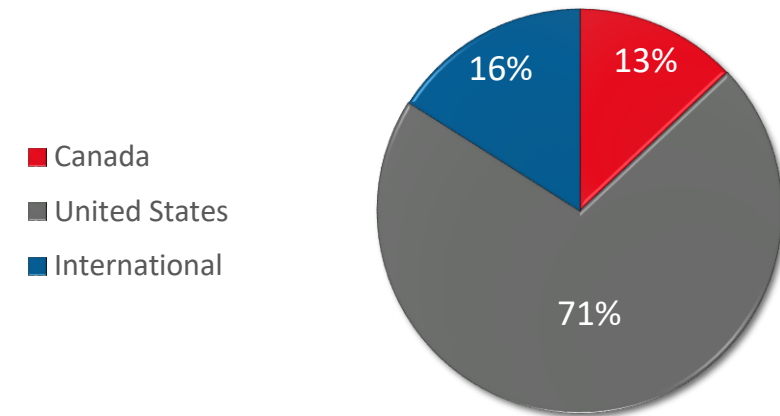


Driving Supply Chain Innovation through Speed, Efficiency and Technology

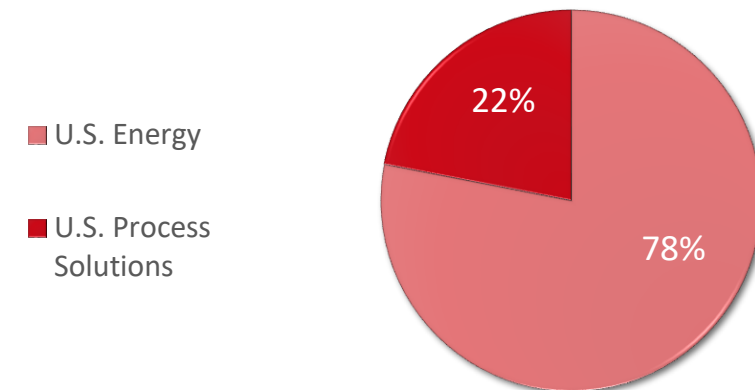
- Legacy 150+ years operating
- Support major land and offshore operations for all the key energy producing regions around the world
- Comprehensive network of energy center, customer onsite and process solutions locations complemented with an online commerce channel
- Key markets: Europe, Former Soviet Union, Latin America, Middle East, North America, Southeast Asia

| | |
|--------------------|---------------|
| NYSE Ticker | DNOW |
| Countries | 20+ |
| Locations | ~195 |
| Employees | ~2,400 |
| ERP System | SAP™ |

2020 Revenue by Reporting Segment

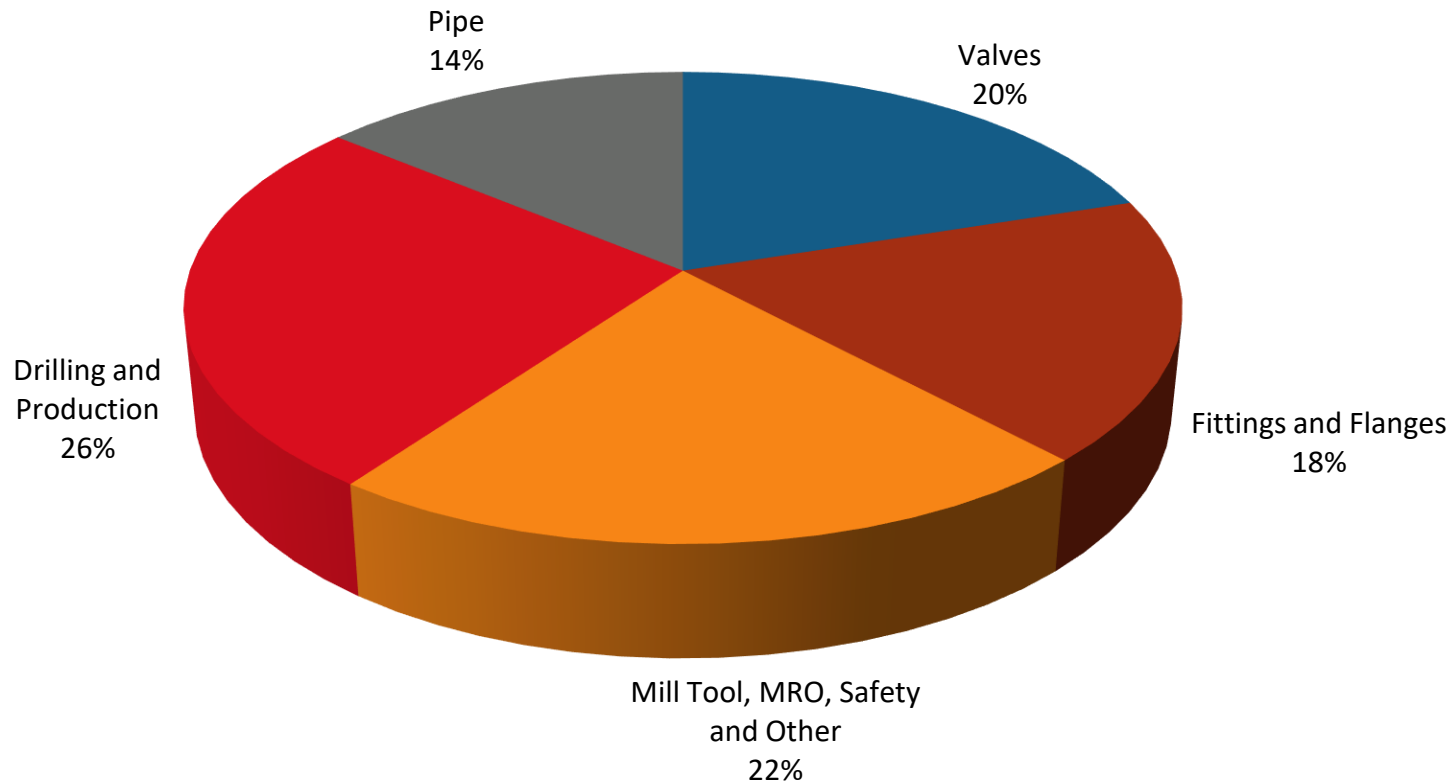


2020 United States Revenue by Channel



Comprehensive Product Offering and Balanced Revenue Mix

2020 Product Mix

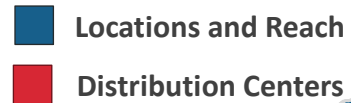


DNOW carries a
**broad range of
products and services**
to meet
**RAPID and CRITICAL
deliveries**
to customers in local and
remote areas

- Honing our last-mile focus
- Retaining proximity to customers
- Using technology and centralized distribution to drive productivity

Global Presence and Reach (blue)

Company Locations



Distribution Centers:

United States

Houston, TX
Beulah, ND
Casper, WY

Canada

Edmonton, Alberta
Estevan, Saskatchewan

Europe

Aberdeen, Scotland

MENA

Jebel Ali, U.A.E.

Asia

Jurong, Singapore



Blue-Chip Suppliers and Customers Across the Globe

Thousands of Suppliers in ~40 countries



DISTRIBUTION
NOW

Supporting Customer Operations in ~80 countries

Drilling Contractors



Exploration & Production



Midstream

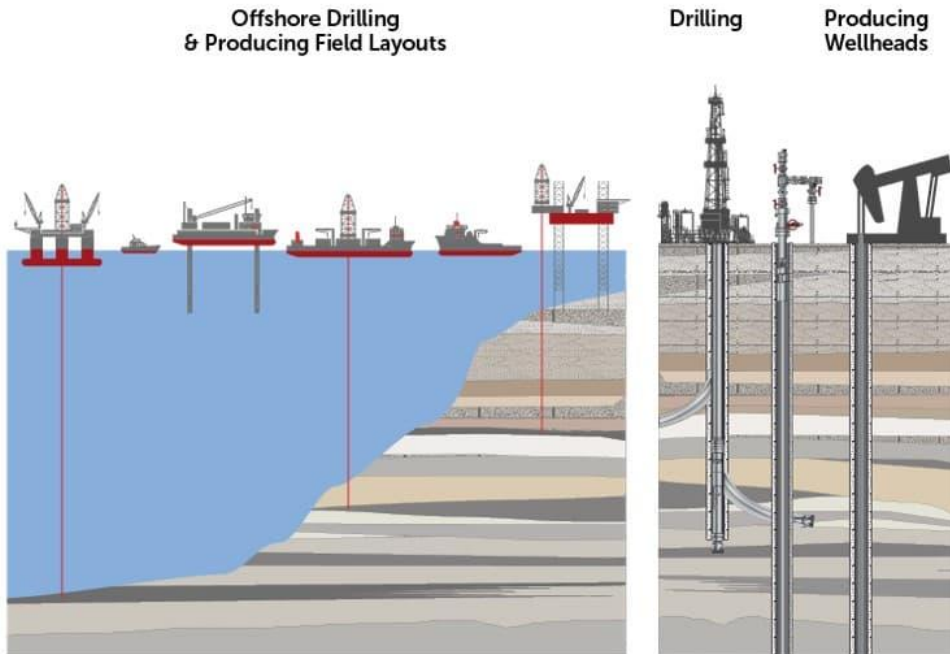


Downstream & Industrial

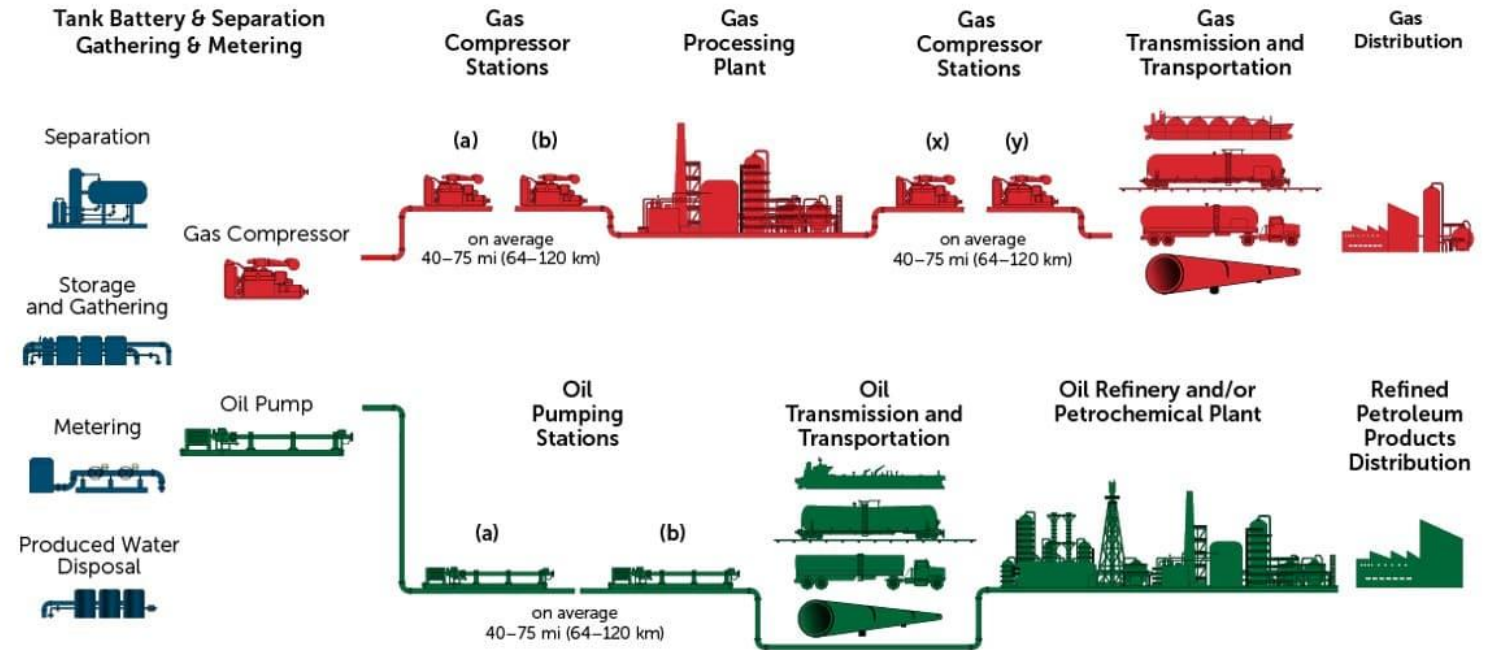


DNOW is a Critical Link from Drilling to Distribution

Upstream



Midstream



Providing Value-Add Solutions Across All Channels



*Global branch network model
supplying products locally to
upstream, midstream and
downstream energy customers*

**Provides wide array of products
and value locally in major oil
and gas regions**



*On-site model offering customizable
products, service and solutions to the
energy and industrial markets*

**Reduces customers' total costs
including operational and
invested capital**



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

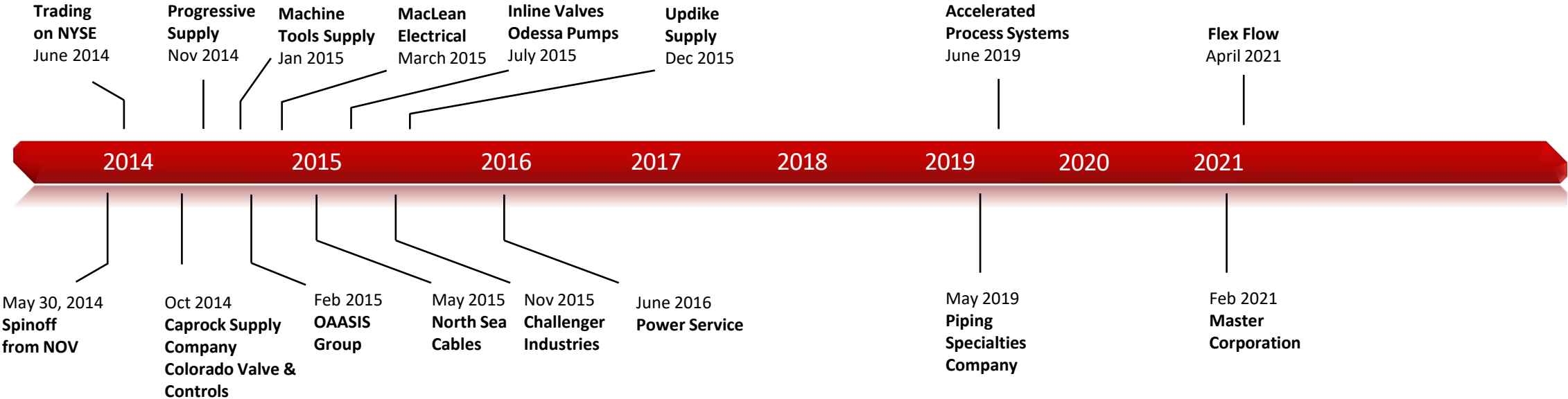
**Meets demand for turnkey tank
battery production (facilities)
solution, midstream gathering
and transmission**

Driving Growth through Acquisitions

Clearly Defined Acquisition Strategy

- Seek high value-add solutions that bring sustainable competitive advantages
- Leverage product lines acquired through acquisitions to gain organic share
- Expand Process Solutions value proposition to customers

Track Record of Success



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Third Quarter At A Glance

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Third Quarter Investment Highlights

- Earnings power improving as actions taken to scale to market opportunities produce improved financial results
- Improving fundamentals to core market signaling the beginning of a 2022 upcycle with operations positioned for improved profitability
- Continue to pursue end market diversification, centralized fulfillment and digitization to better position DNOW to capture market share and improve incremental margins
- Improving project positioning through earlier project phase engagement leveraging U.S. Process Solutions using a unified solutions-based offering and expanded offering
- Evolving DigitalNOW® customer ecosystem inclusive of expanding eCommerce platform and growing list of digital tools like eSpec™ and eTrack™
- \$312M in cash, zero debt and total liquidity of \$560M, providing ample runway to execute our inorganic growth strategy of opportunities targeting accretive margin businesses



3Q21 Key Market Indicators

WTI/Rig Counts

- WTI avg of \$71 per barrel for 3Q21
- U.S. avg rig count of 498, up 10% sequentially
- Canada avg rig count 151, up 107% sequentially
- International avg rig count 772, up 5% sequentially

DNOW annualized revenue per rig at \$1.2M for 3Q21

U.S. DUCs

- September ended with a DUC count of 5,385 wells in EIA DPR regions
- 3Q21 avg of 5,629 wells
- Down 12% sequentially

DUCs are future revenue opportunities for DNOW

U.S. Completions

- September ended with a U.S. completions count of 876 wells in EIA DPR regions
- 3Q21 avg of 857 wells
- Up 6% sequentially

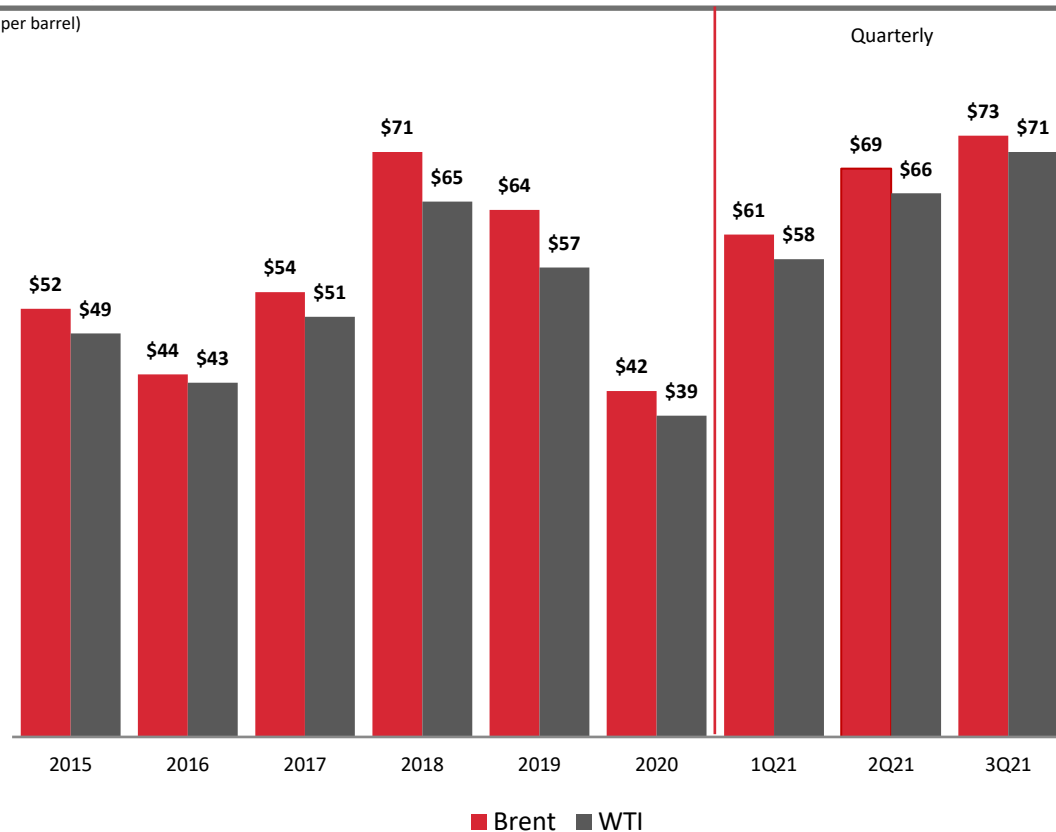
Presents an immediate opportunity for DNOW U.S. as tank batteries and gathering systems are constructed after completions

Key Market Indicators

OIL PRICES & RIGS TRENDS

Average Oil Prices

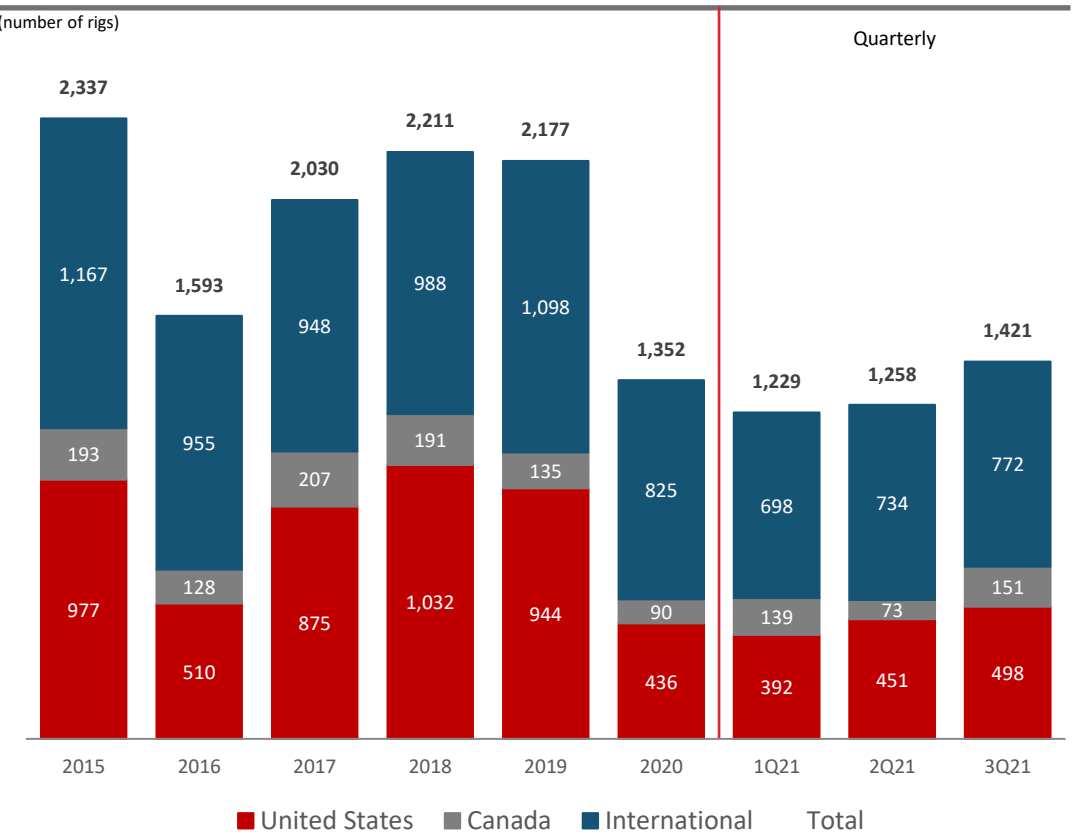
(per barrel)



Source: EIA, Europe Brent and Cushing, OK WTI Spot Price FOB

Average Rig Count

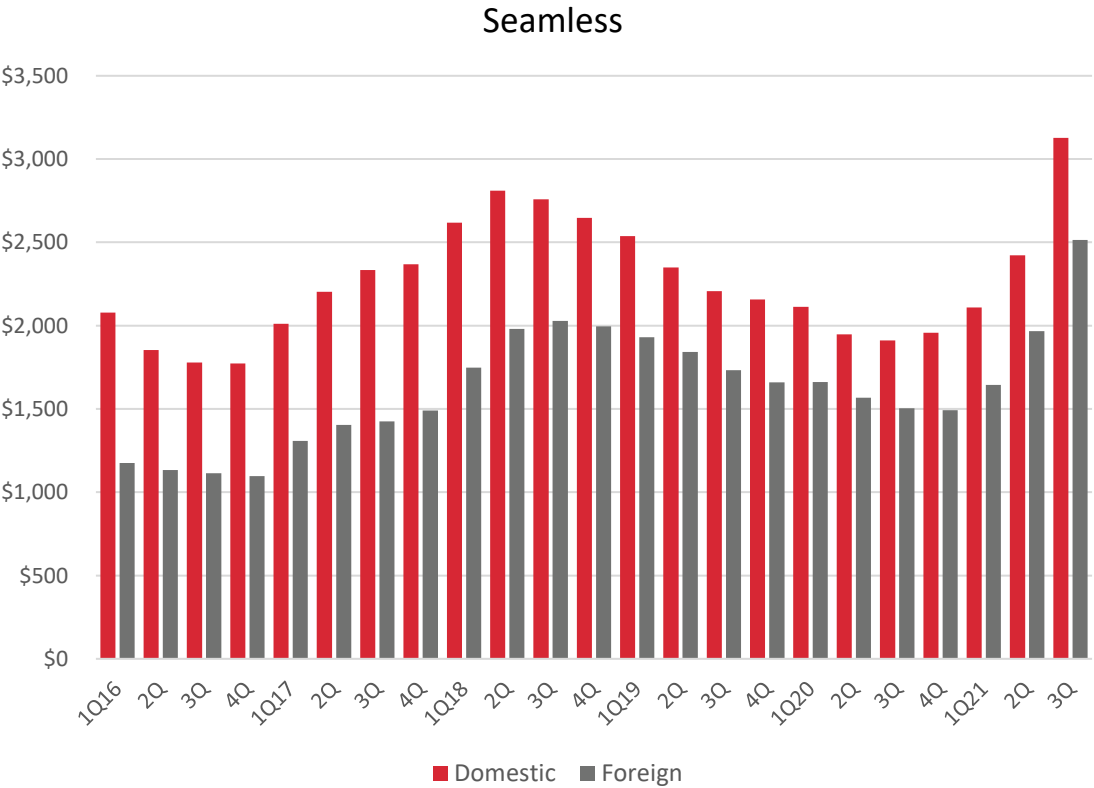
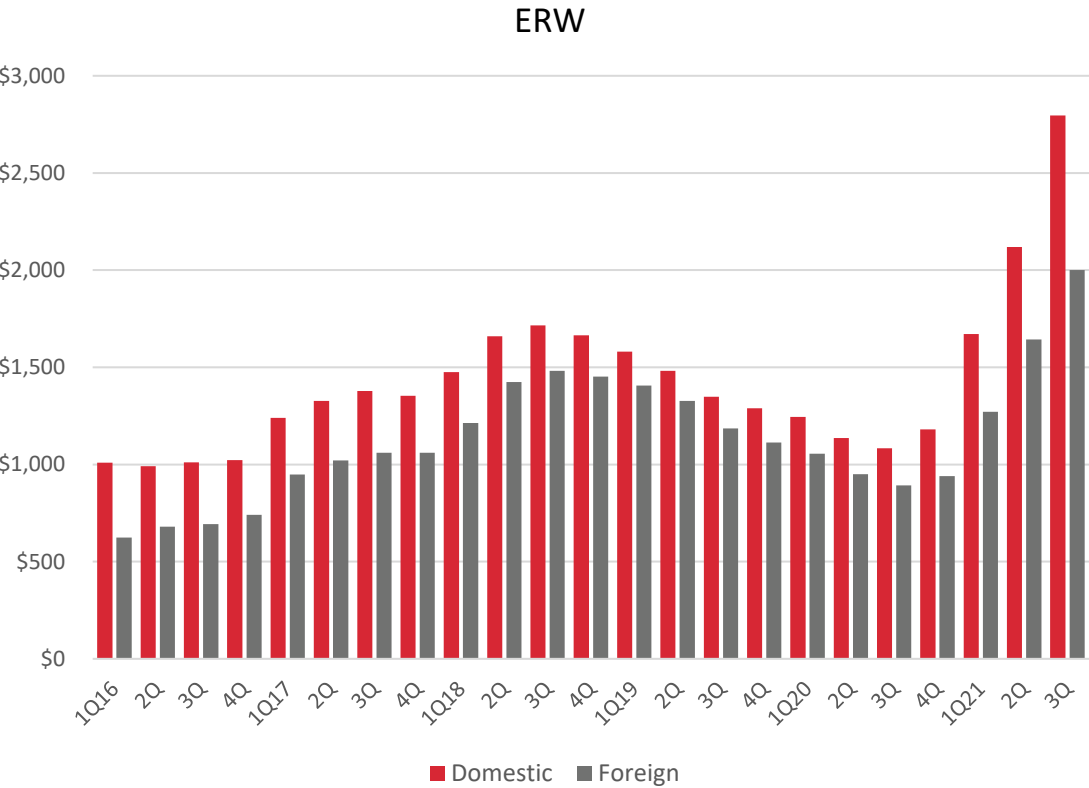
(number of rigs)



Source: Baker Hughes, Inc.

DNOW is positioned to benefit from industry recovery

Pipe Price Trends, U.S. dollar per ton



Source: Pipe Logix

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Technology and DigitalNOW™

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IT and Systems Technology Investments

Boost Productivity:

- Order Management System (OMS+) with growing adoption globally delivering higher internal efficiency
- Advanced Quoting Systems (AQ) to provide improved experience and response rate to customer RFQs
- Process Analytics allows new automation opportunities to streamline operations further

Reduce IT service costs and bolster digital foundation:

- Upgraded Enterprise Warehouse Management system to standardize Distribution Center and branch operations
- Migrating multiple data centers to cloud for application modernization and cost savings
- Upgrading Process Solutions ERPs to a cloud-based solution enhancing workflow functionality and efficiency



User Adoption on Technology increases to bring more efficiency



Optimize cost and maximize scalability thru cloud platforms



Enterprise WMS increases fulfillment capabilities and efficiencies

DigitalNOW® Customer Ecosystem Expanding

powered by
DigitalNOW®

Digital suite of products expanding to add customer value



Digital commerce platform, **shop.dnow.com**, continues to grow

- Digital revenue increased to 44% of SAP revenue
- Growing customer implementations and integrations with customer ERP systems
- Focused on growing B2B users, onboarded numerous new customers in the quarter
- Central commerce solution to DigitalNOW® customer ecosystem



eSPEC™
powered by DigitalNOW®

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
- Resulted in several engineered equipment package wins during 3Q21



eTrack™, powered by DigitalNOW®

- Asset, data and material management lifecycle solution
- Empowers customers to
 - Manage their assets using location finder
 - Retrieve documentation and drawings
 - Schedule field service
- Implementing with several customers capturing hundreds of assets and growing

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Financial Update

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3Q21 Revenue increased 10% sequentially and 35% YOY

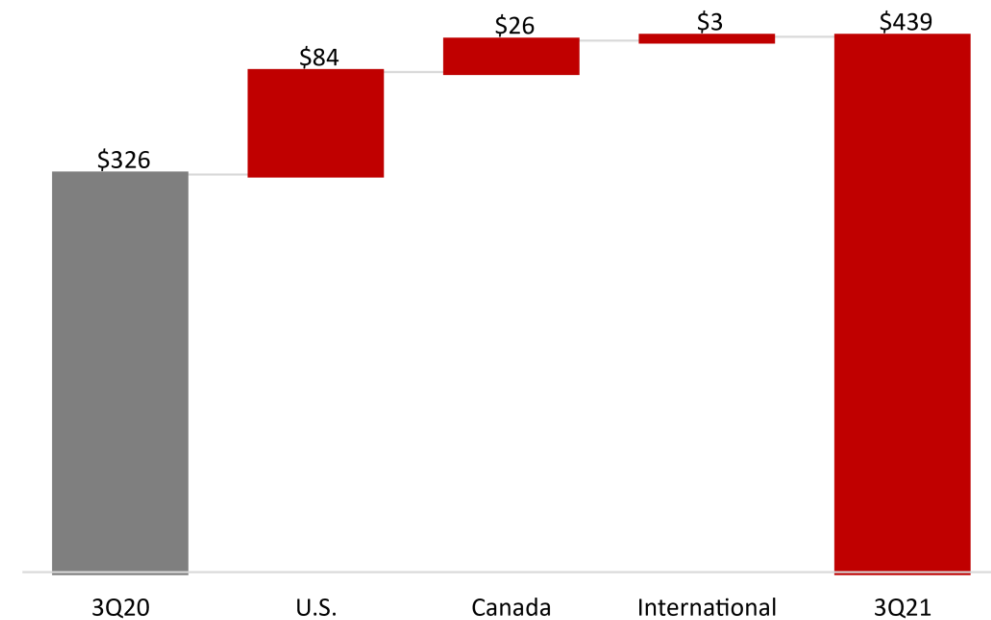
Sequential Revenue

(\$ in millions)



Year Over Year Revenue

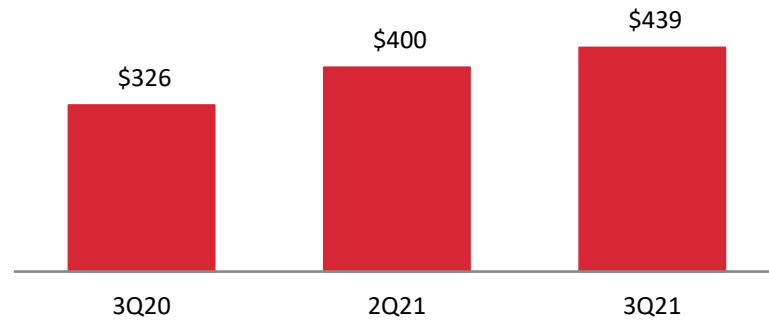
(\$ in millions)



Selected Quarterly Results (Unaudited)

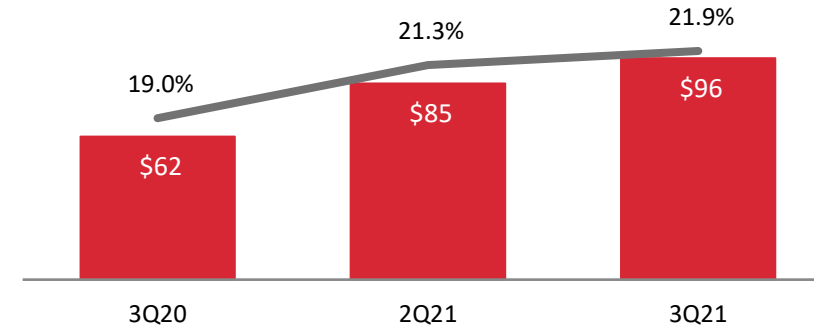
Revenue

(\$ in millions)



Gross Profit and Margin

(\$ in millions)



EBITDA excl. Other Costs (Non-GAAP)

(\$ in millions)



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

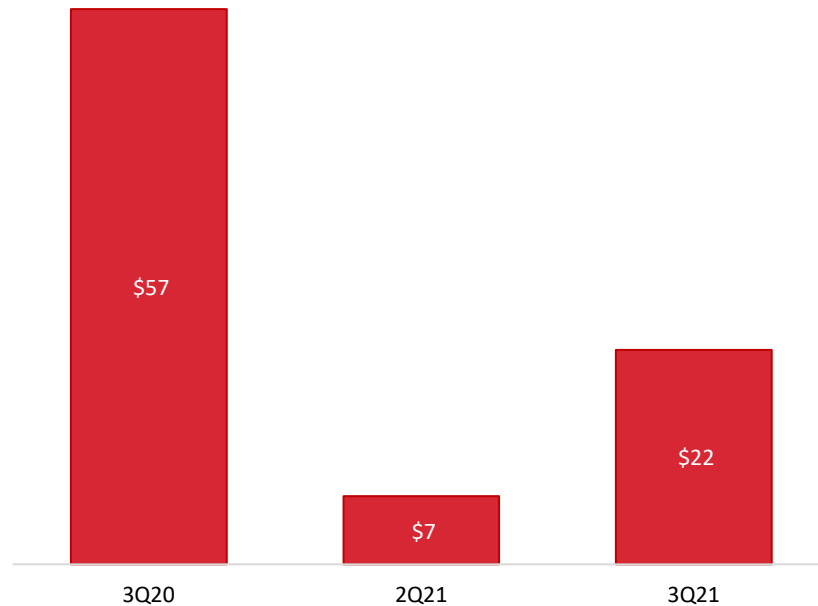
(\$ in millions)



Cash Generation & Working Capital Management

Free Cash Flow

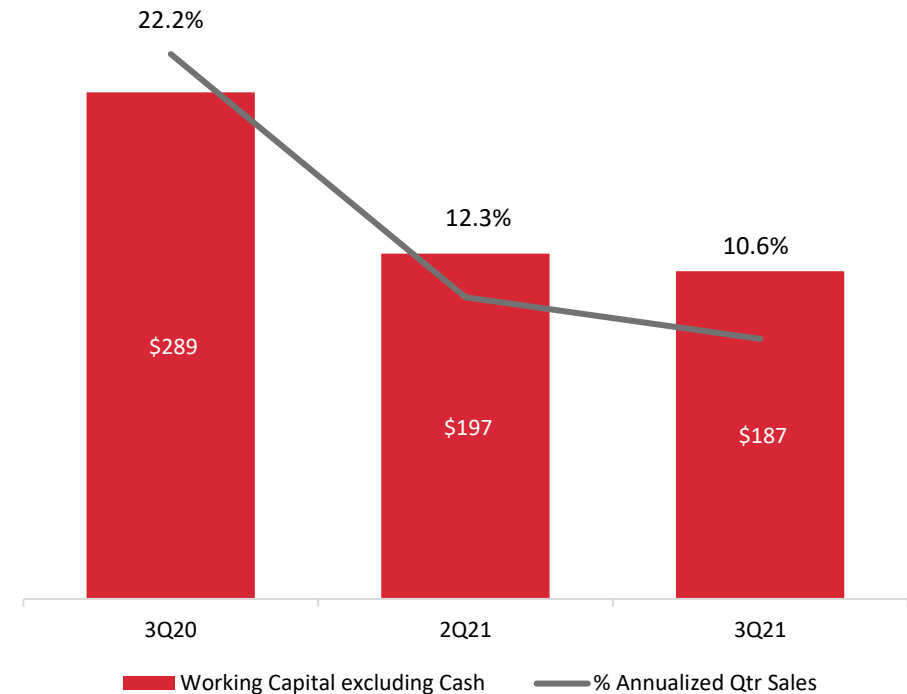
(\$ in millions)



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

Working Capital excluding Cash

(\$ in millions)

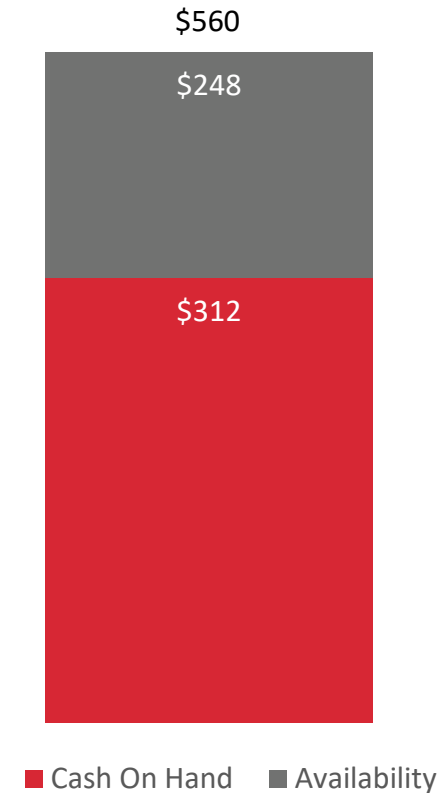


Liquidity and Capital Resources

- No outstanding borrowings
- No draws on the credit facility during the quarter
- Total liquidity equaled \$560M on September 30, 2021, which includes:
 - \$312M in cash on hand
 - \$248M in availability under the ABL

Total Liquidity at September 30, 2021

(\$ in millions)



Select Balance Sheet Metrics

| | 3Q21 | Comments | |
|----------------------------------|------------------|----------------------------|------------|
| | (\$ in millions) | | |
| Cash and cash equivalents | \$ 312 | | |
| Receivables, net | 299 | 62 | DSOs |
| Inventories, net | 244 | 5.6 | Turn rates |
| Accounts payable | 243 | 65 | DPOs |
| Long-term debt | – | No outstanding debt | |

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Environmental, Social & Governance

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Response to COVID-19

- Remained connected to our customers communicating impacts on product availability and accessibility, as DNOW designated as an “essential” business
- Corporate COVID-19 response team coordinating policies and guidelines
- Continuous communication through our HSE onsite champions on COVID updates and CDC / WHO information
- Implemented recurring survey to ensure employees have access to necessary PPE and cleaning supplies
- Provided masks, signage and disinfecting cleaners at locations
- Employees working remotely are able to leverage technology to connect with co-workers, customers and suppliers
- Decreased third party access to business locations and increased reliance on video and teleconferencing



Sustainability Report

- Increase ESG reporting transparency to shareholders having released our 2020 report
- Followed SASB (Sustainability Accounting Standards Board), UN SDGs mapping, TCFD (Task Force on Climate Related Financial Disclosures) standards and guidance
- Aligned with business strategy
- Established ESG management committee





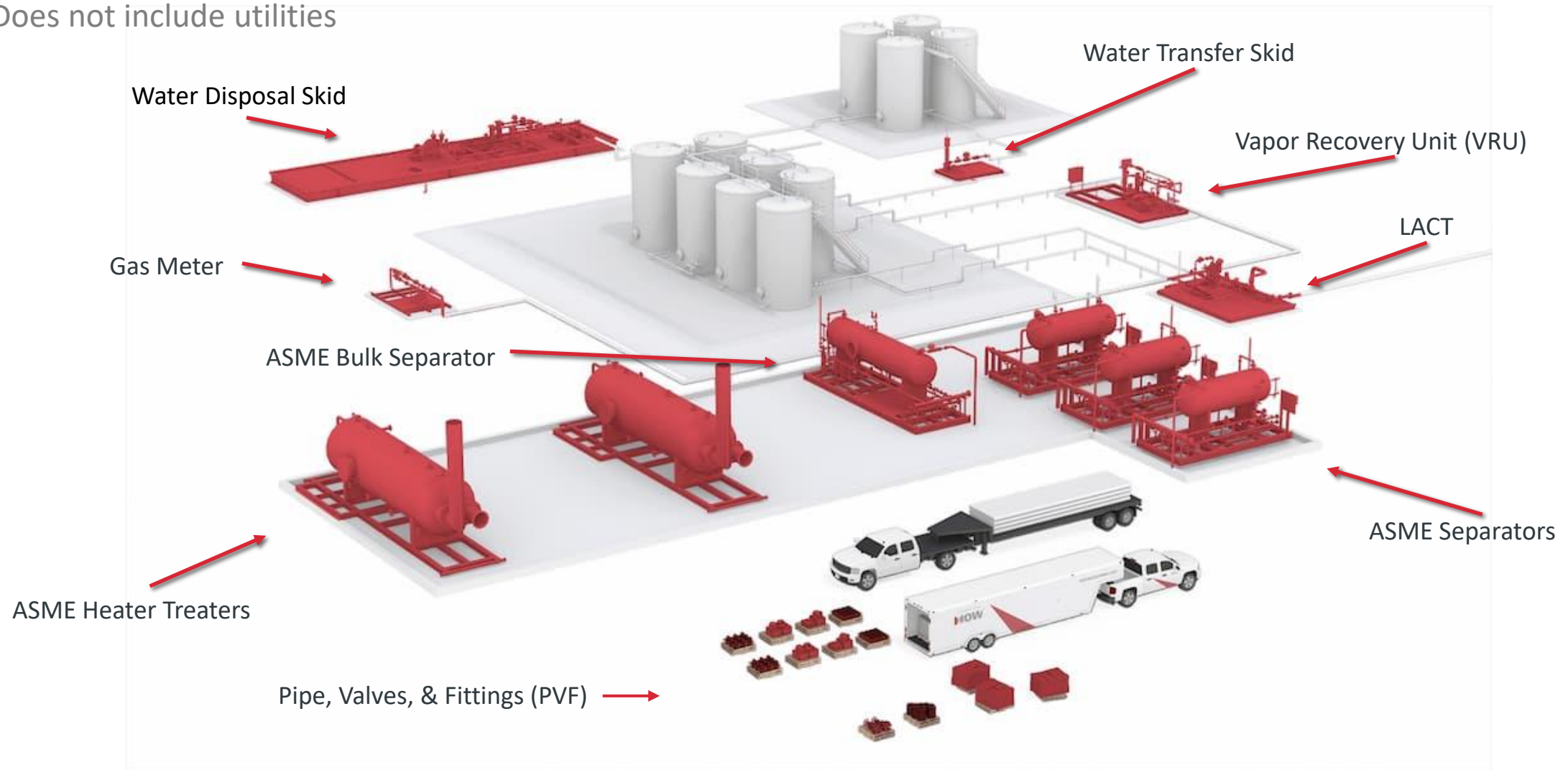
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Appendix

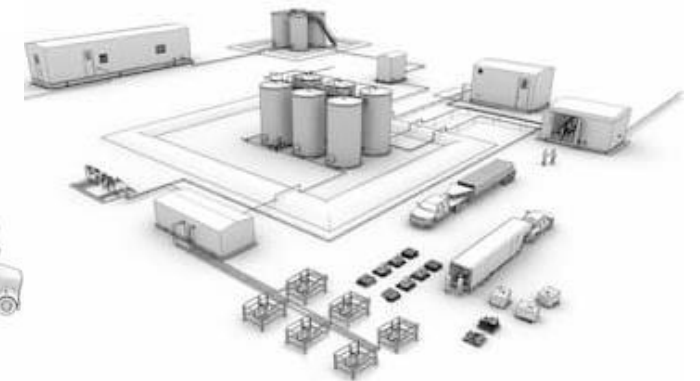
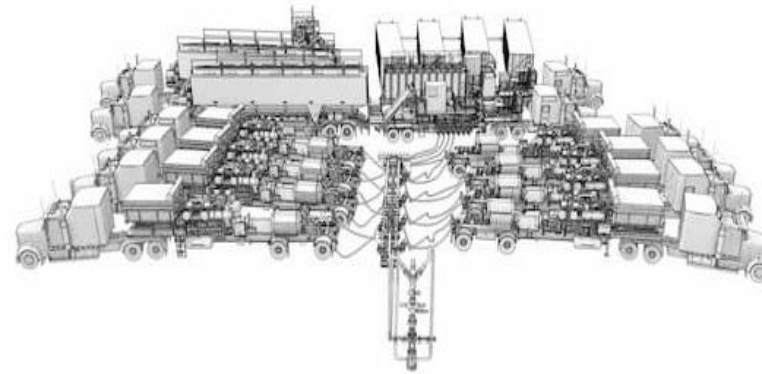
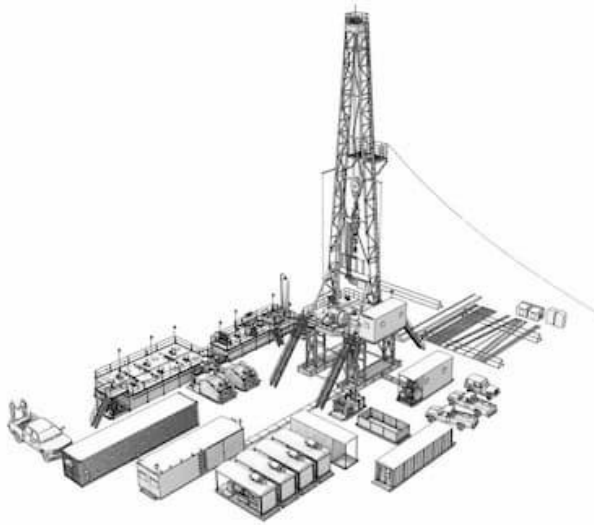
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Example Tank Battery Installation

Does not include utilities



Timing and Materiality from Drilling to Tank Battery Install



| | Drilling | Frac | Tank Battery |
|----------|--------------------------|-------------------|-----------------------|
| Revenue* | \$4,000-\$5,000 per week | Minimal | \$250,000-\$2 million |
| Time* | 20-50 days | 30-60 days | 30-60 days |
| Customer | Drilling Contractors | Service Companies | E&P Operators |

*Estimates based on a 6 well pad



Investor Relations

Brad Wise, Vice President, Digital Strategy & Investor Relations

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