



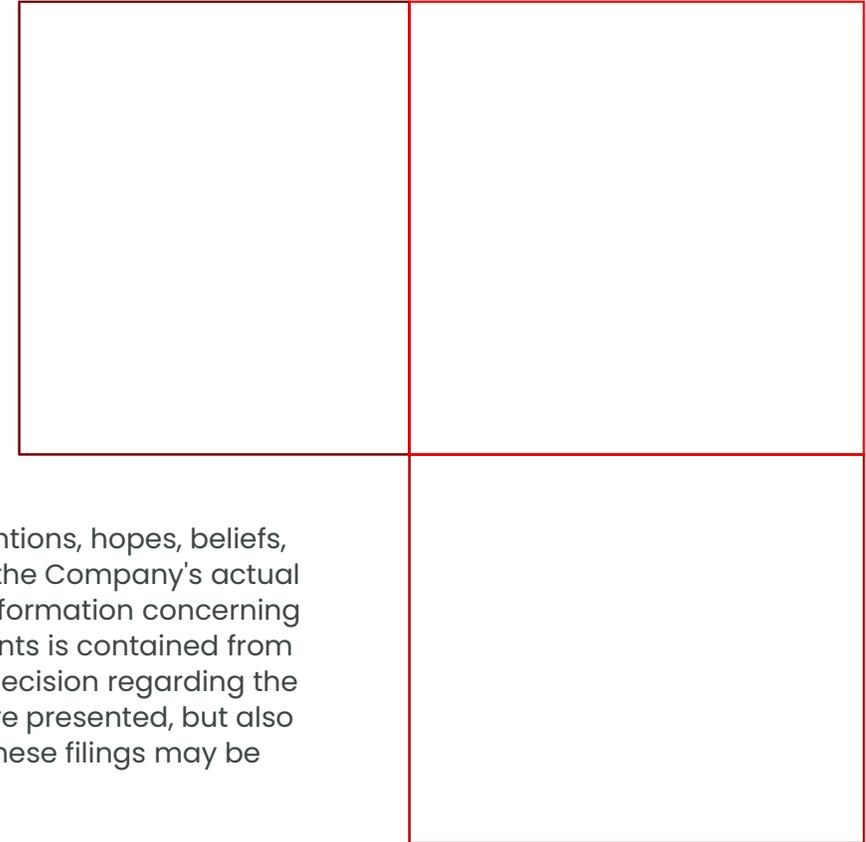
Investor Presentation

Third Quarter 2024

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 DNOW Inc. excluding other costs and (iii) diluted earnings (loss) per share attributable to DNOW 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.





*As of September 30, 2024

DNOW at a Glance

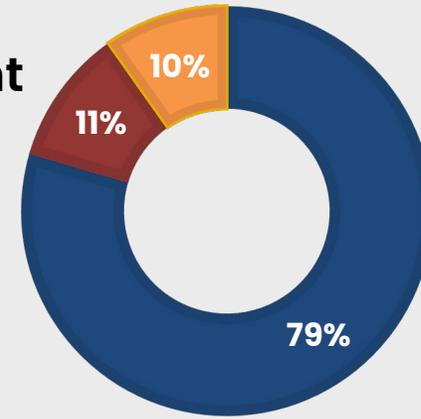
NYSE: DNOW

Locations
165

Employees
2,475

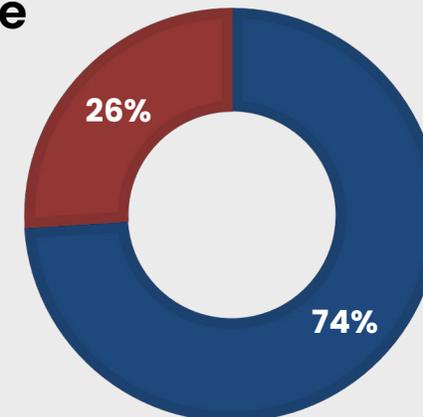
- ▶ Operating for over 160 years
- ▶ Comprehensive network of energy centers, customer onsite and process solutions locations complemented with an online commerce channel
- ▶ Support major land and offshore operations for energy producing and processing regions around the world
- ▶ Key markets: North America, North Sea, Middle East, Asia Pacific

3Q24 Revenue by Reporting Segment



■ United States ■ Canada ■ International

3Q24 U.S. Revenue by Channel



■ U.S. Energy ■ U.S. Process Solutions

Providing Value-Added Solutions Across All Channels



Energy Centers

Global SuperCenter and branch network supplying products locally to upstream, midstream, downstream and energy evolution customers

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



Customer Onsite and Integrated Supply

On-site model offering customizable products, services and solutions to the energy, energy evolution and industrial markets

Reduces customers' total costs including operating expenses and invested capital



Process Solutions

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

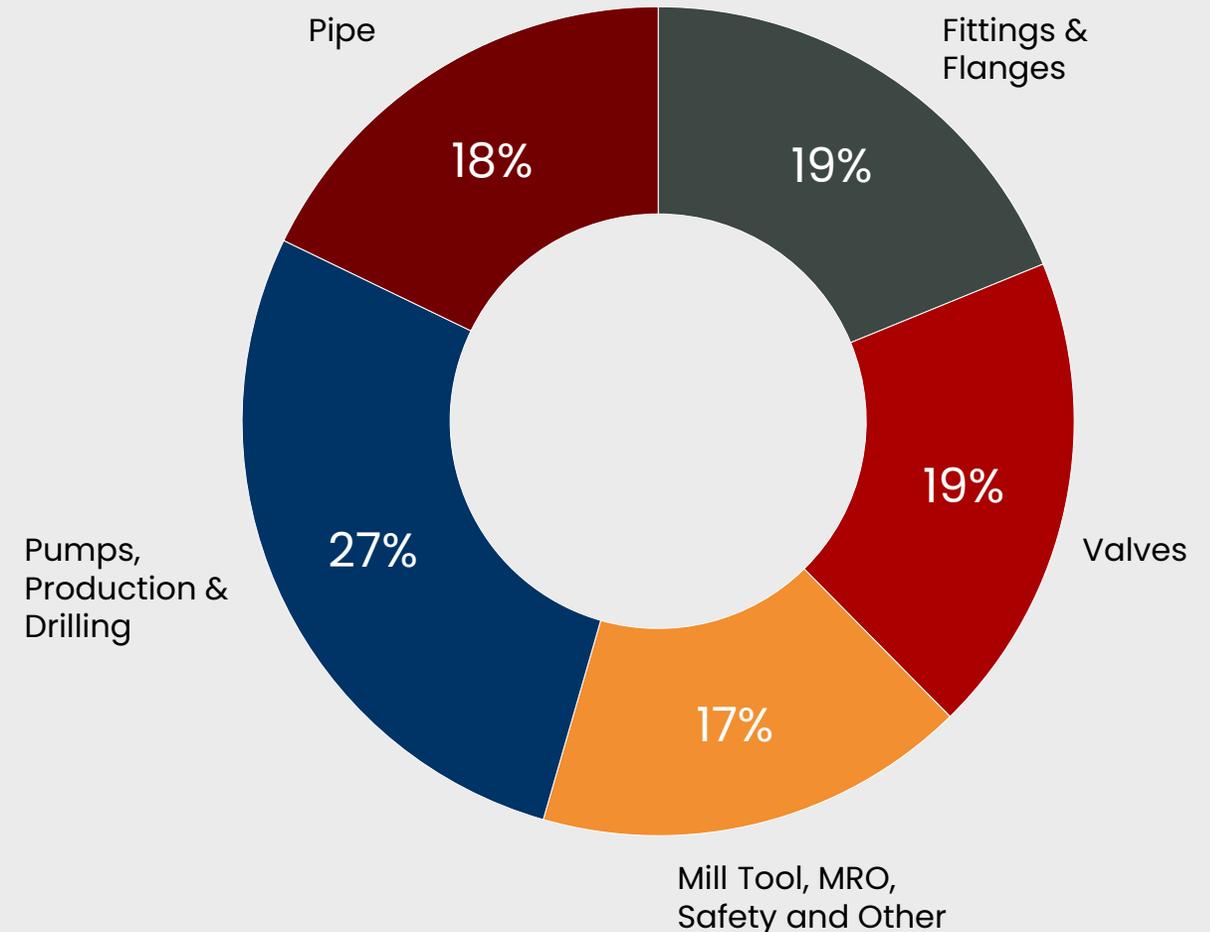
Meets demand for tank battery production facilities, water transfer and disposal, midstream gathering and transmission, downstream and adjacent industrial markets

Differentiated Value and Product Offerings

- ▶ Talent with deep product application knowledge
- ▶ Leveraging technology complemented with an efficient regionalized distribution model to grow market share and drive productivity
- ▶ Retaining proximity to customers through offsite, onsite and digital channels

Revenue by Product Line

FY2023



Thousands of Suppliers in ~40 countries



Top Tier Supply Partners & Customers Across the Globe



& Affiliated Brands

Supporting Customer Operations in ~80 countries

Drilling and Production



Midstream



Downstream

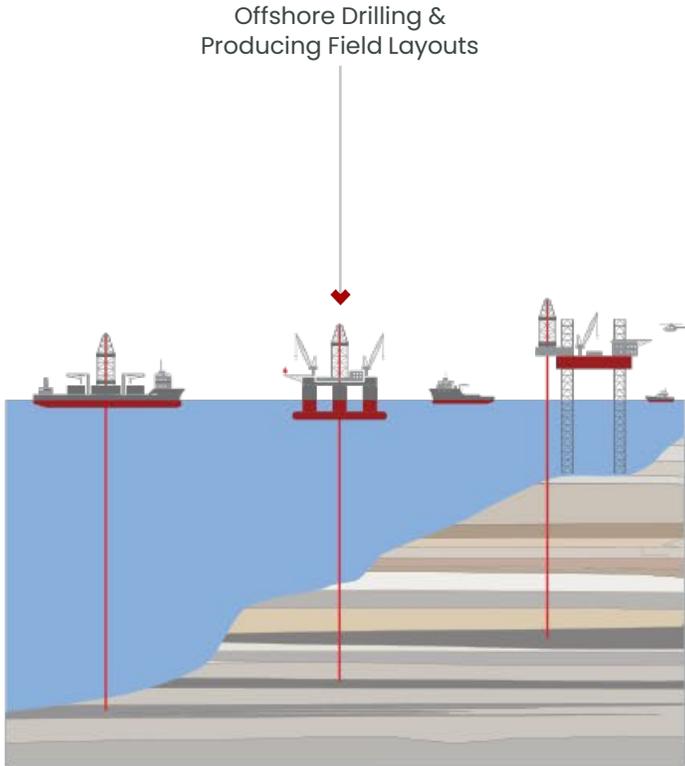


Industrial, Renewable Fuels and Mining

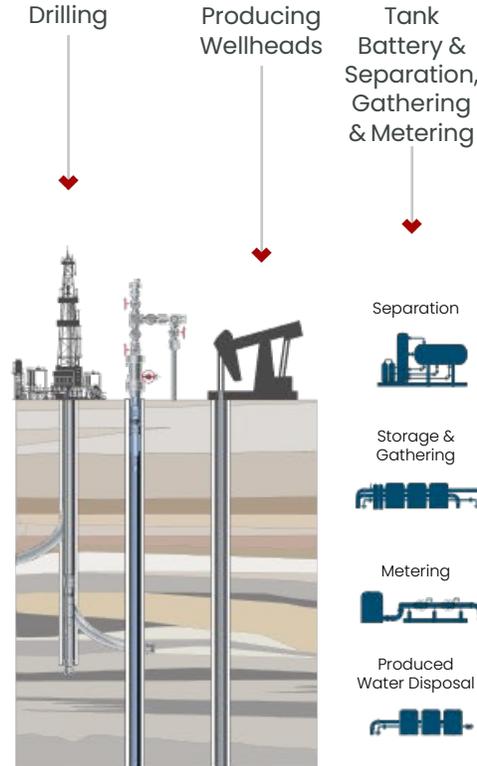


DNow is a Critical Link from Drilling to Distribution

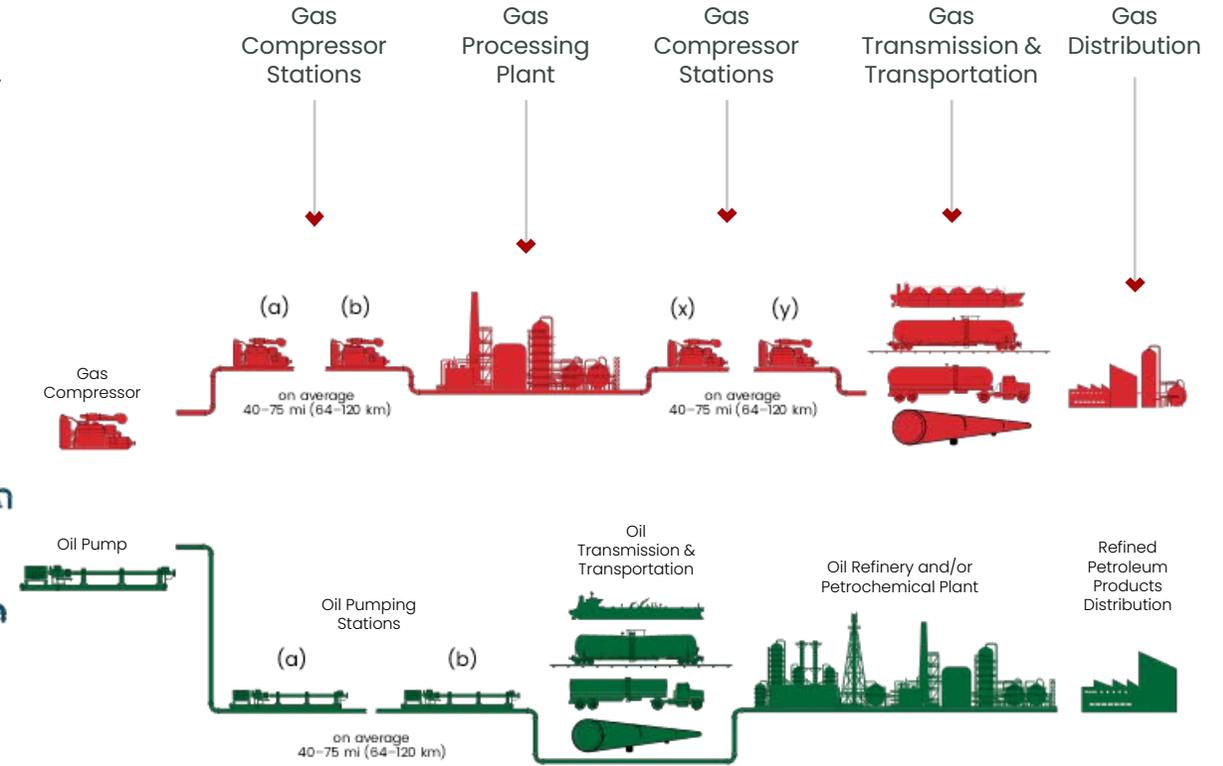
Upstream



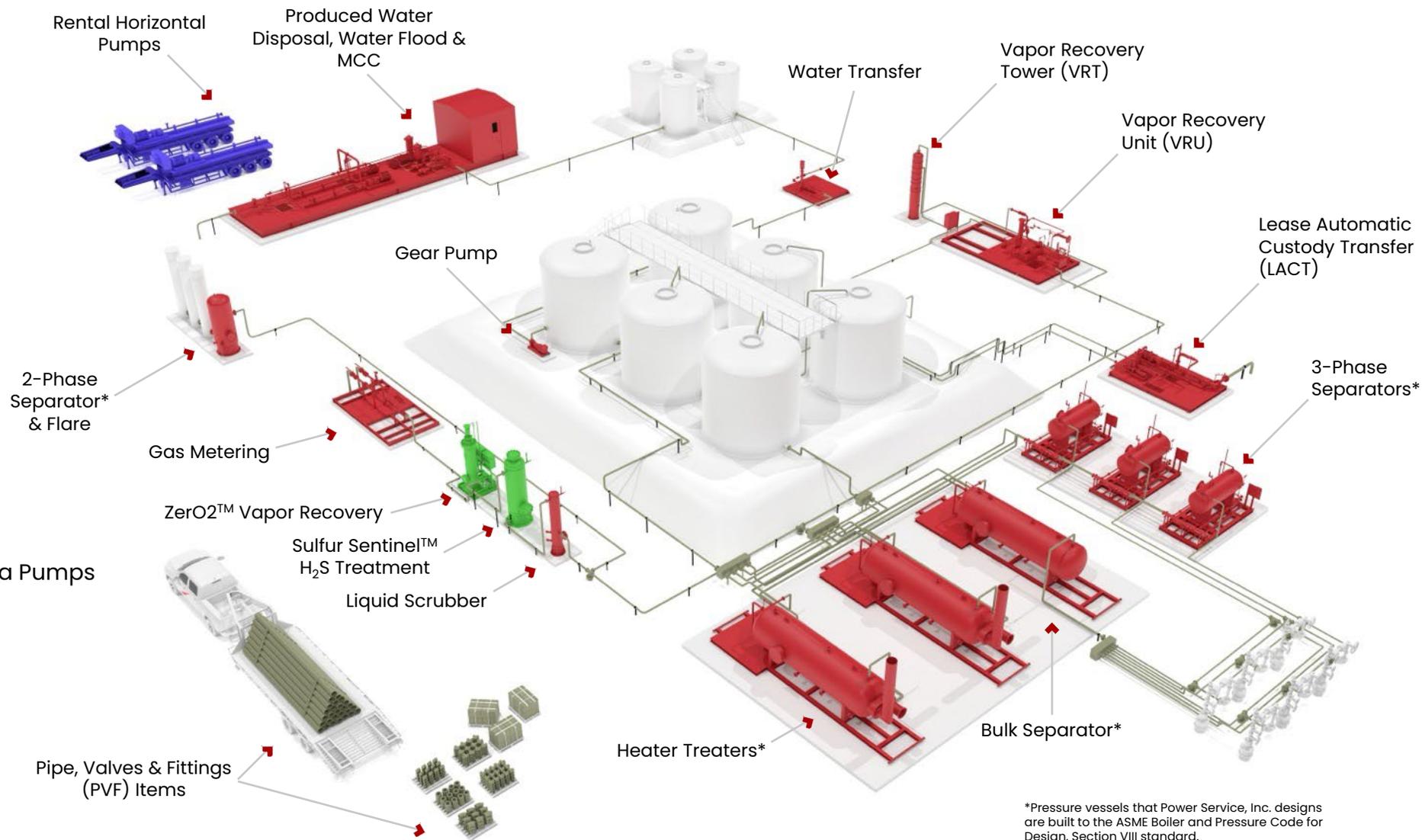
Midstream



Downstream & Industrial



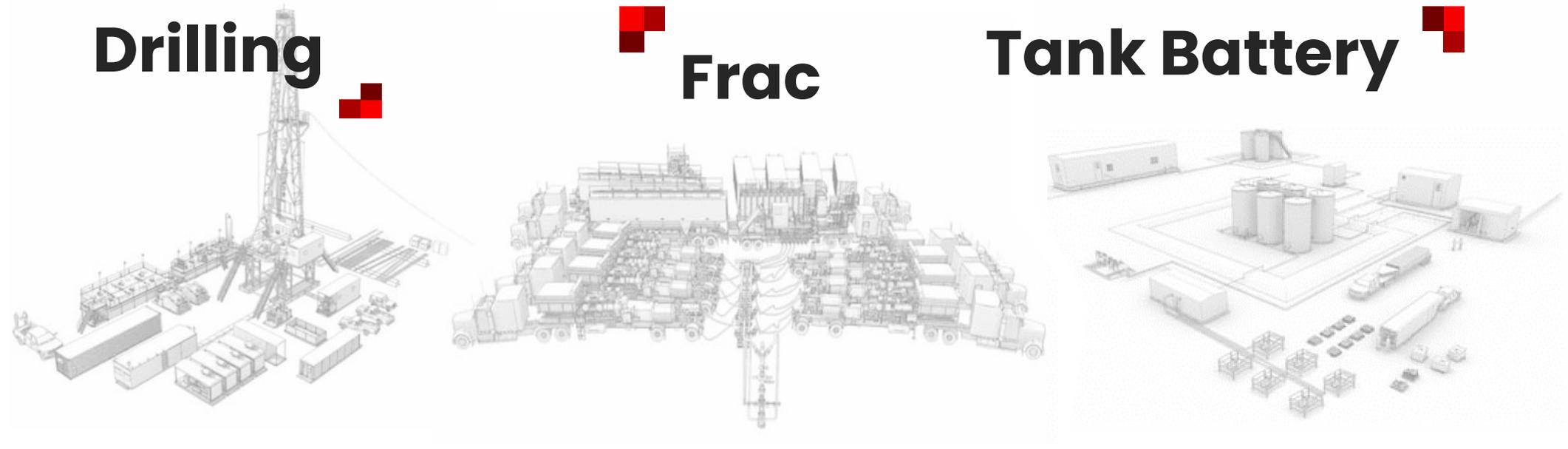
Example Tank Battery Installation



- DNOW PVF Offerings
- Power Service & Odessa Pumps
- Flex Flow
- EcoVapor

*Pressure vessels that Power Service, Inc. designs are built to the ASME Boiler and Pressure Code for Design, Section VIII standard.

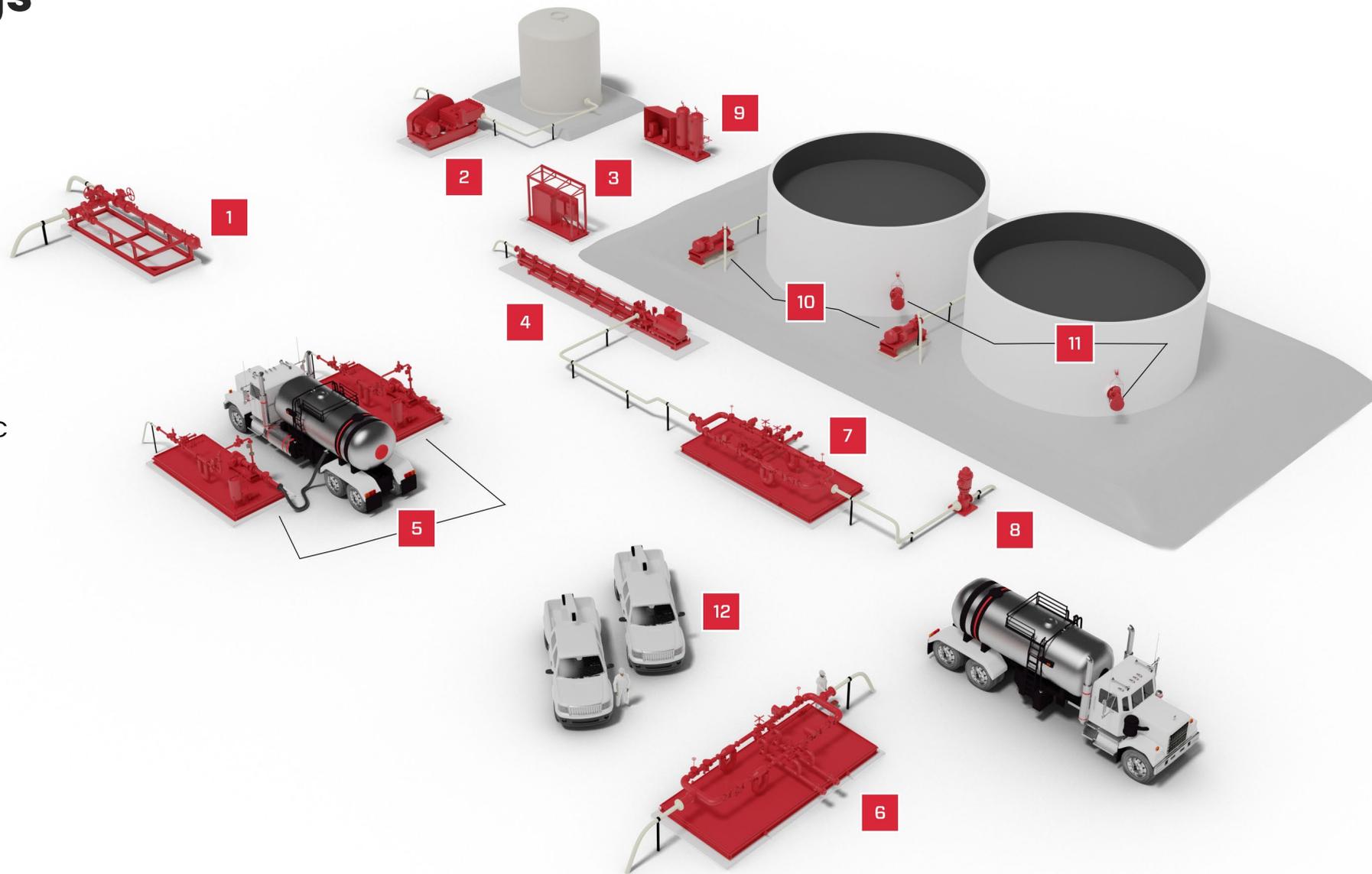
Opportunities from Drilling to Tank Battery Install in Upstream



Revenue	\$4,000–\$5,000 per week	Minimal	\$250,000–\$2 million*
Time	8–30 days	10–30 days	25–60 days
Customer	Drilling Contractors	Service Companies	E&P Operators

*Tank battery designs and capacities vary from basin-to-basin and operator-to-operator resulting in a range of possible product opportunities for DNOW

Example Midstream Terminal Product Offerings



- 1 Launcher / Receiver
- 2 High Pressure Pump
- 3 VFDs / Flow Computer / MCC
- 4 High Pressure Pump
- 5 Truck LACT
- 6 Inlet Check Meter
- 7 Meter Skid
- 8 Tank Booster Pump
- 9 Instrument Air Package
- 10 Tank Transfer Pump
- 11 Tank Mixer (ANSI B73.1)
- 12 Field Service

ESG Solution Targeting Growing Decarbonization Market

EcoVapor is a leading emissions and flaring abatement solution within 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 enables growing RNG industry by providing gas processing capabilities with unprecedented cost-efficiency, turn-down flexibility, and up-time reliability
- ◆ The gas that is processed from a single E300 unit running at full capacity removes 16,000 metric tons of CO₂e 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 ₂ e 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.

Renewable Natural Gas (RNG) opportunities

- ◆ RNG market is expanding, providing an attractive industrial end-market for DNow's product offerings
- ◆ DNow's EcoVapor gas upgrading technologies have a unique position in the RNG space
- ◆ EcoVapor's Zero2™ and Sulfur Sentinel target oxygen and sulfur removal, particularly at smaller volumes, in Dairy & Swine farms and landfill gas (LFG) facilities
- ◆ Unlocks opportunity to pull through additional DNow products such as pumps, additional fabricated process and production equipment and pipe, valves and fittings
- ◆ DNow's U.S. geographic position, quality products and aftermarket service offer opportunities for continued growth
- ◆ International market opportunities



Key Market Indicators

WTI/Rig Counts

WTI avg of \$76 per barrel
for 3Q24



U.S. avg rig count of 586, lower 3%
sequentially



Canada avg rig count
of 209, higher 53%
sequentially, exiting
the annual break up
period



International avg rig
count of 937, lower 3%
sequentially



**DNOW annualized
revenue per rig at
\$1.4M for 3Q24**

U.S. Completions*

September ended with a U.S.
completions count of 920 wells in
EIA regions



3Q24 avg of 919 U.S. completions,
6% lower sequentially



*EIA STEO report released 10/8/2024

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

U.S. DUCs*

September ended with a
DUC count of 5,315 wells in
EIA regions



3Q24 avg of 5,333
wells, lower 1%
sequentially



*EIA STEO report released 10/8/2024

**DUCs are future revenue
opportunities for
DNOW**

Significant Improved Earnings

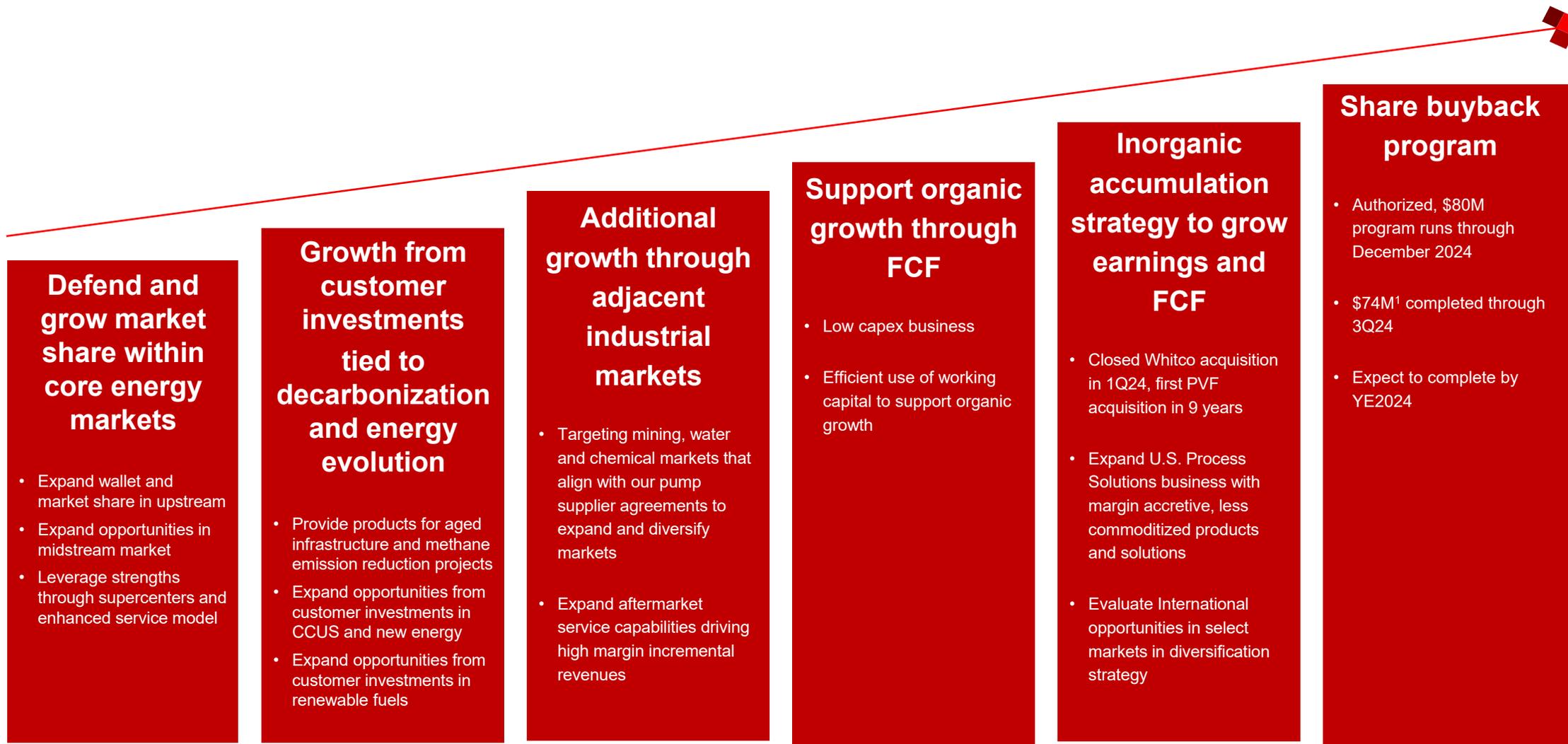
Key trends and financial performance as market activity changes

2H 2014 [†]	2018	2023	YTD 3Q 2024
<p>U.S. Rigs: 1,907 WW Rigs: 3,635</p>	<p>U.S. Rigs: 1,032 WW Rigs: 2,211</p>	<p>U.S. Rigs: 689 WW Rigs: 1,814</p>	<p>U.S. Rigs: 604 WW Rigs: 1,744</p>
<p>Revenue: \$2.1B EBITDA: \$97M 4.7% of Revenue Cash \$195M Free Cash Flow \$17M</p>	<p>Revenue: \$3.1B EBITDA: \$125M 4.0% of Revenue Cash \$116M Free Cash Flow \$62M</p>	<p>Revenue: \$2.3B EBITDA: \$184M 7.9% of Revenue Cash \$299M Free Cash Flow \$171M</p>	<p>Revenue: \$1.8B EBITDA: \$131M 7.3% of Revenue Cash \$261M Free Cash Flow \$170M</p>

[†] DNow spin off as a public company completed in 2Q14
Average rig values for the period based on Baker Hughes Rig Count

Strategic Growth Plan to Increase Shareholder Value

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



(1) Excludes excise tax on share repurchases

Key Results and Outlook

- ▶ Revenue of \$606M for the third quarter, in-line with expectations and 3% higher year-over-year
- ▶ GAAP Net Income attributable to DNOW Inc. of \$13M for the third quarter; GAAP diluted EPS attributable to DNOW Inc. stockholders of \$0.12 for the third quarter
- ▶ Non-GAAP Net Income* of \$22M for the third quarter; Non-GAAP diluted EPS* of \$0.21
- ▶ EBITDA* of \$42M or 6.9% of revenue for the third quarter
- ▶ Net cash provided by operating activities of \$74M for the third quarter of 2024; \$176M year-to-date
- ▶ Remain debt free with \$261M in cash

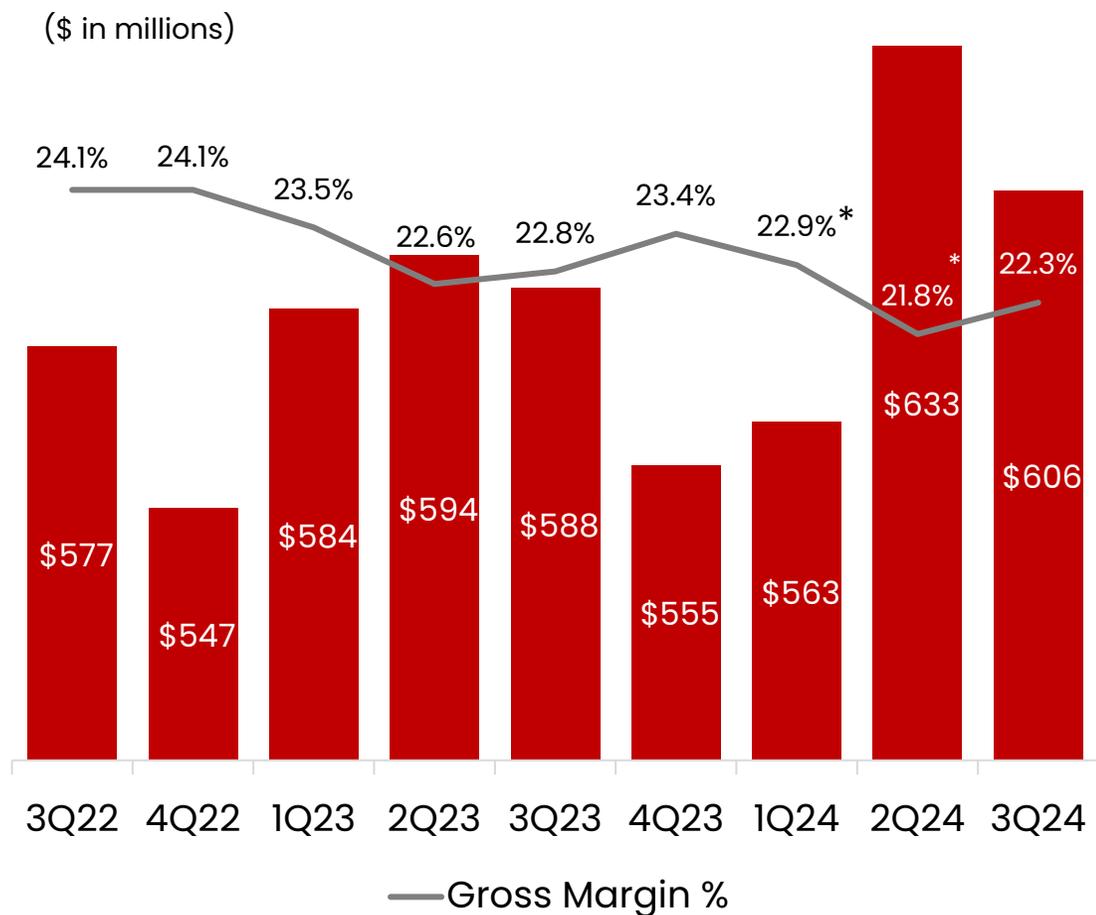
Outlook

- ▶ 4Q24 sequential revenue expected to be down high-single digits from 3Q24, resulting in modest **growth** for the full-year 2024 compared to 2023
- ▶ Full-year 2024 EBITDA as a percent of revenue could approach 7.0%
- ▶ **Upgraded** our full-year 2024 cash flow from operations to approach \$225 million, with CapEx approximating \$10 million
- ▶ \$261M in cash, no debt, as of 9/30/2024, while we continue to execute our capital allocation strategy, evaluate a number of accretive deals in our M&A pipeline and complete our authorized share repurchase in 4Q24

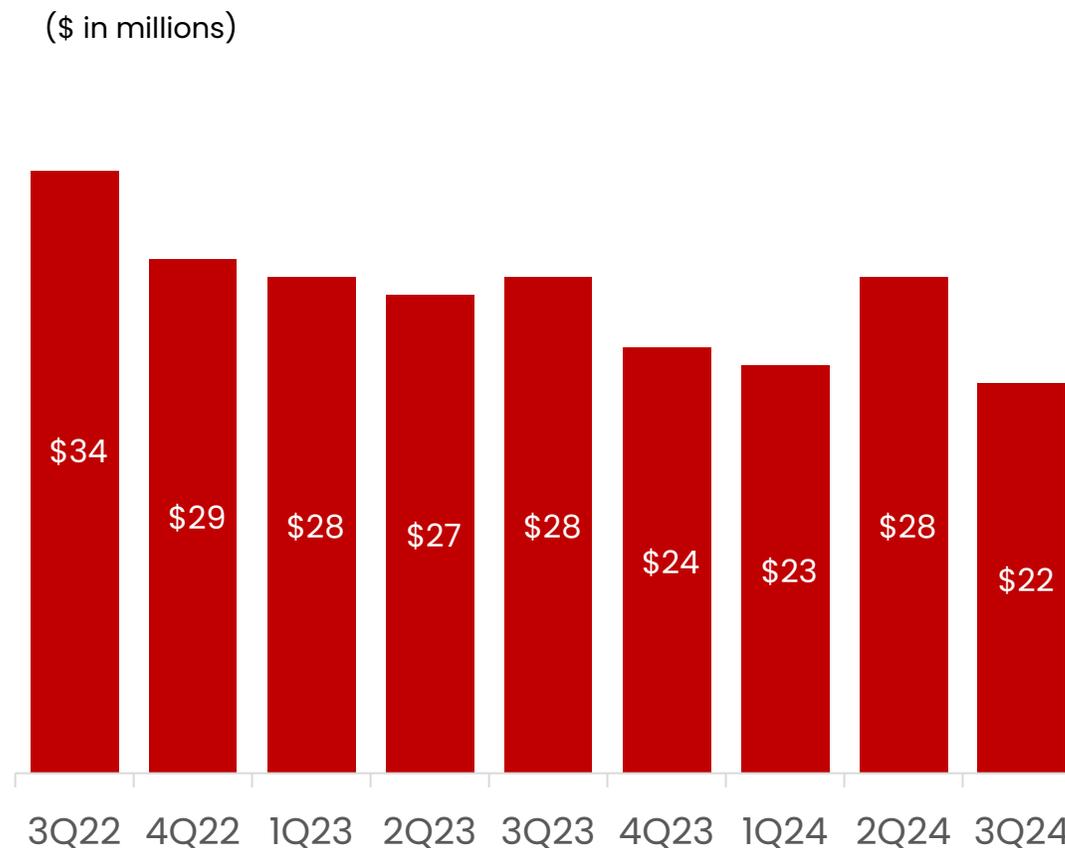
*Excluding other costs (non-GAAP)

Selected Quarterly Results

Revenue & Gross Margin Percent



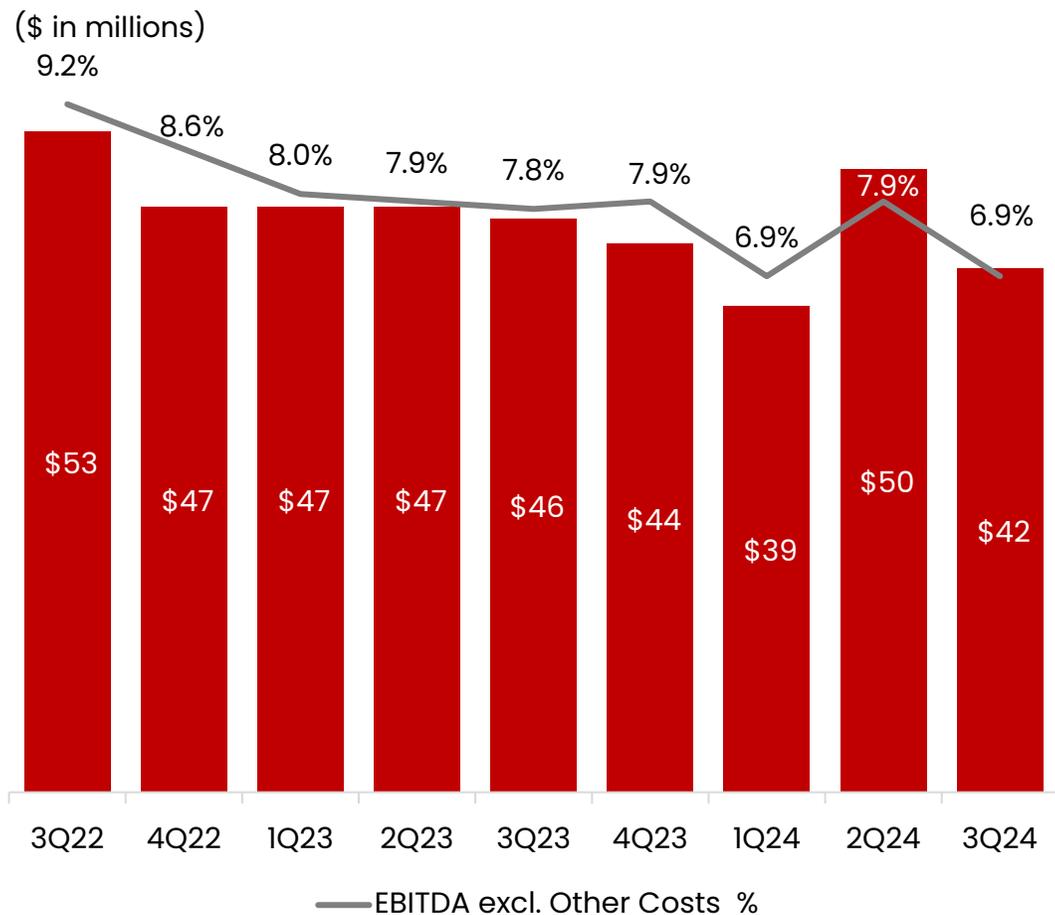
Net Income attributable to DNOW Inc. excl. Other Costs (Non-GAAP)



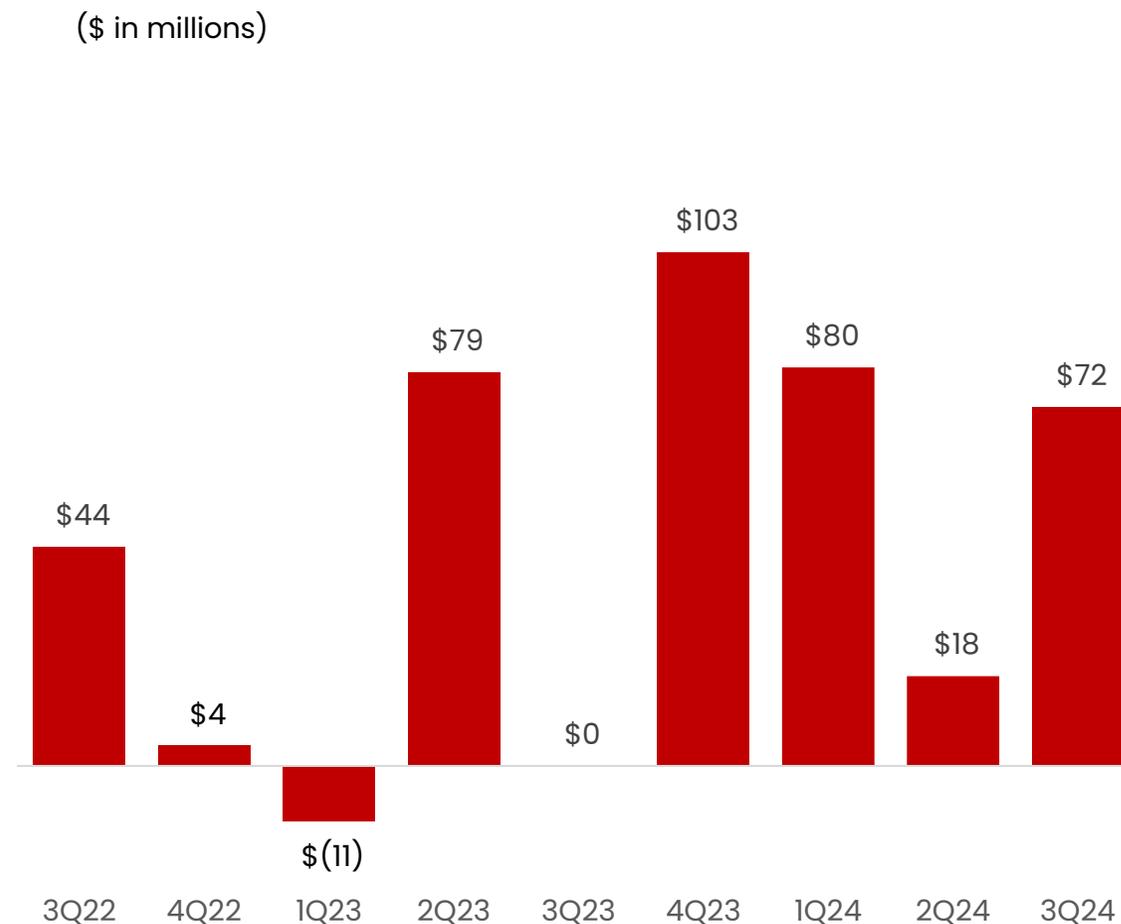
* Includes charges for cost of inventory that was stepped up to fair value during acquisition purchase accounting for 1Q24 (\$1M) and 2Q24 (\$4M)

Selected Quarterly Results

EBITDA excl. Other Costs (Non- GAAP)



Free Cash Flow*

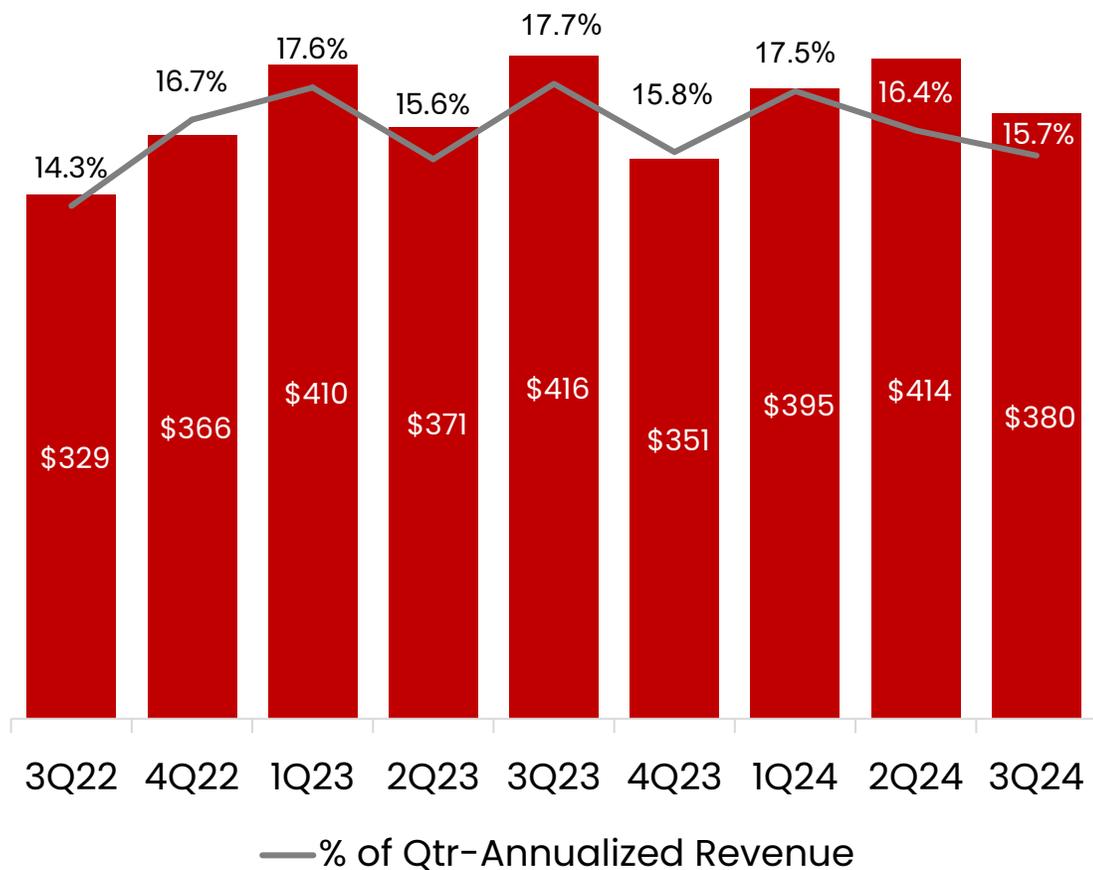


*Free Cash Flow is defined as net cash provided by (used in) operating activities, less purchases of property, plant and equipment

Selected Quarterly Results

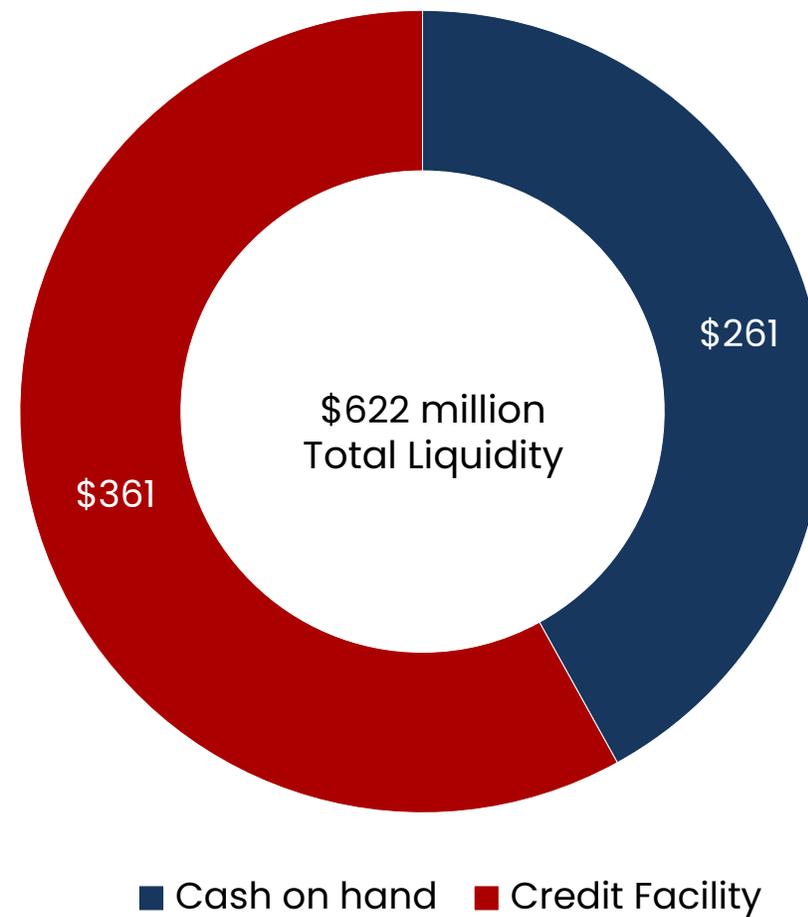
Working Capital excl. Cash and as % of Revenue

(\$ in millions)



Total Liquidity at September 30, 2024

(\$ in millions)



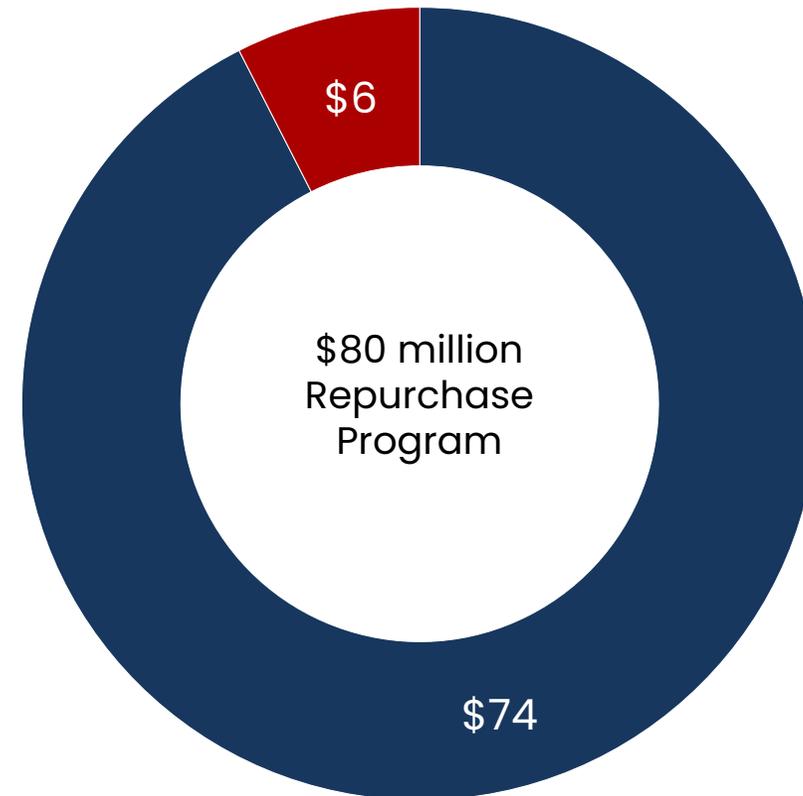
Share Repurchases

\$80 million share repurchase program

- ▶ Repurchased approximately \$7M of shares during the quarter, with \$74M accumulated through 3Q24⁽¹⁾
- ▶ Program authorized through December 2024
- ▶ We take an opportunistic approach to the repurchase of shares based on working capital requirements and acquisition opportunities

Repurchase Program

(\$ in millions)



■ Dollars Purchased ■ Dollars Remaining

⁽¹⁾ Excludes excise tax on share repurchases

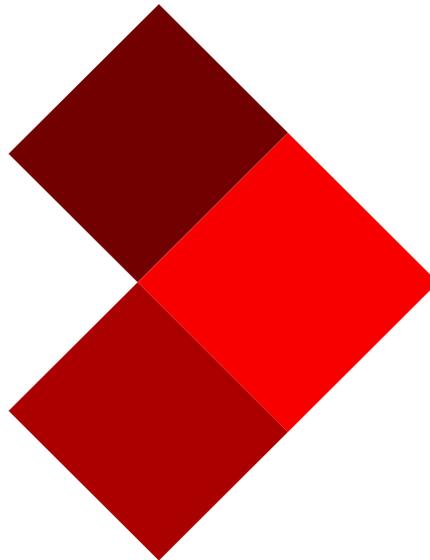
Capital Allocation Framework

Formidable Balance Sheet...

Working Capital Efficiency
Efficient use of working capital
as a percent of revenues

No debt
No interest expense burden

Ample Liquidity
\$622M in total liquidity



... to fund growth and capital allocation program

Fund Organic Growth and Efficient Operations
Working Capital needs
Technology investments

Inorganic growth through acquisitions
Patient, disciplined approach targeting
margin accretive businesses

Return capital to shareholders
\$80 million share repurchase
authorization in progress

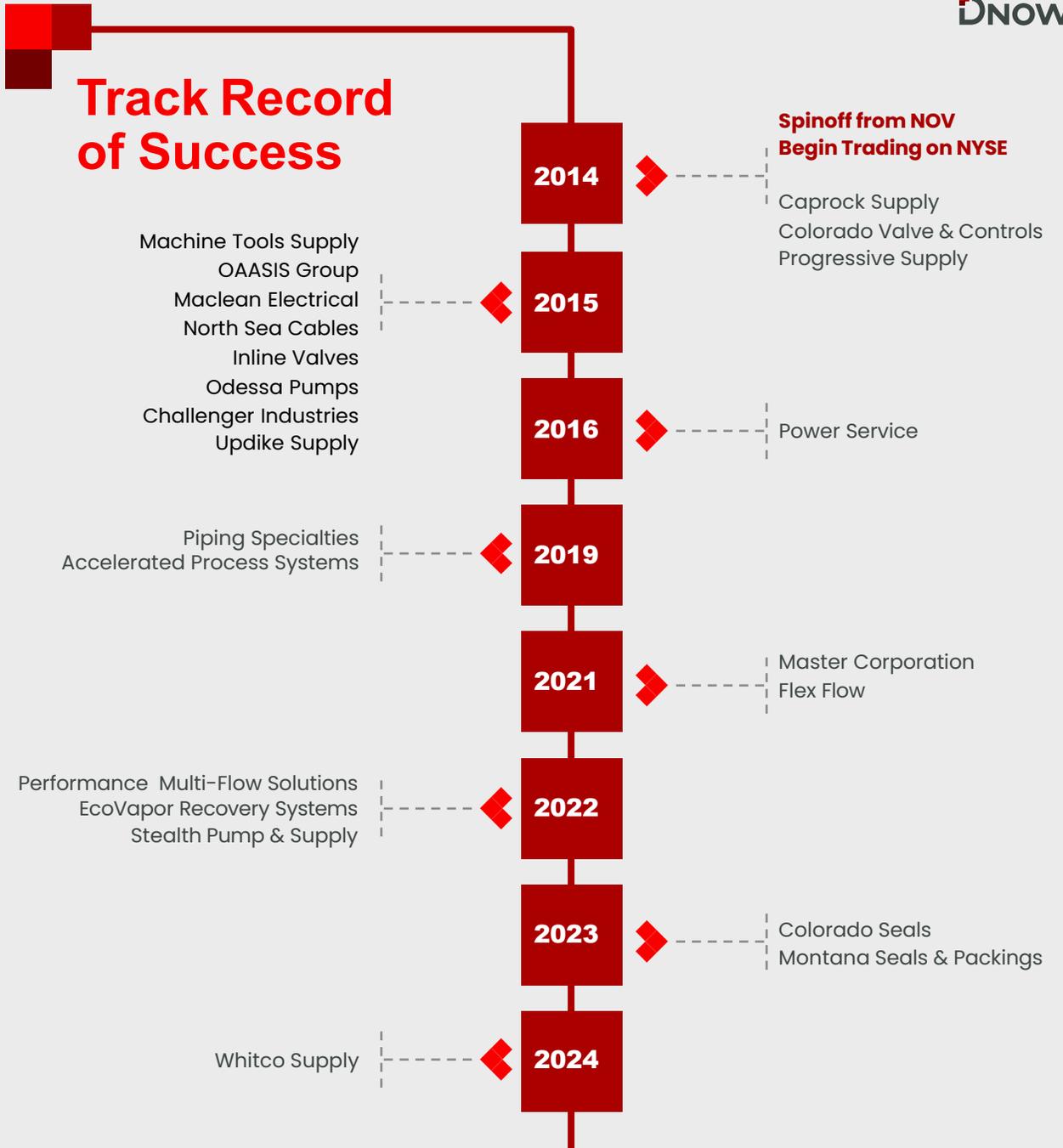
Driving Growth through Acquisitions

Clearly defined acquisition strategy to grow earnings and free cash flow



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

Track Record of Success



IT and Systems Technology Investments

Boost Productivity

Order Management System (OMS+) globally delivering higher internal efficiency



Warehouse Mobility Devices to enhance fulfillment processes by providing improved levels of digital security, higher levels of efficiency in warehouses



User adoption on technology increases to bring more efficiency

Reduce IT service costs and bolster digital foundation:

Scaling of PVF+ supercenters leveraging ERP inventory management and order management functionality



Migrating multiple data centers to cloud for application modernization and cost savings



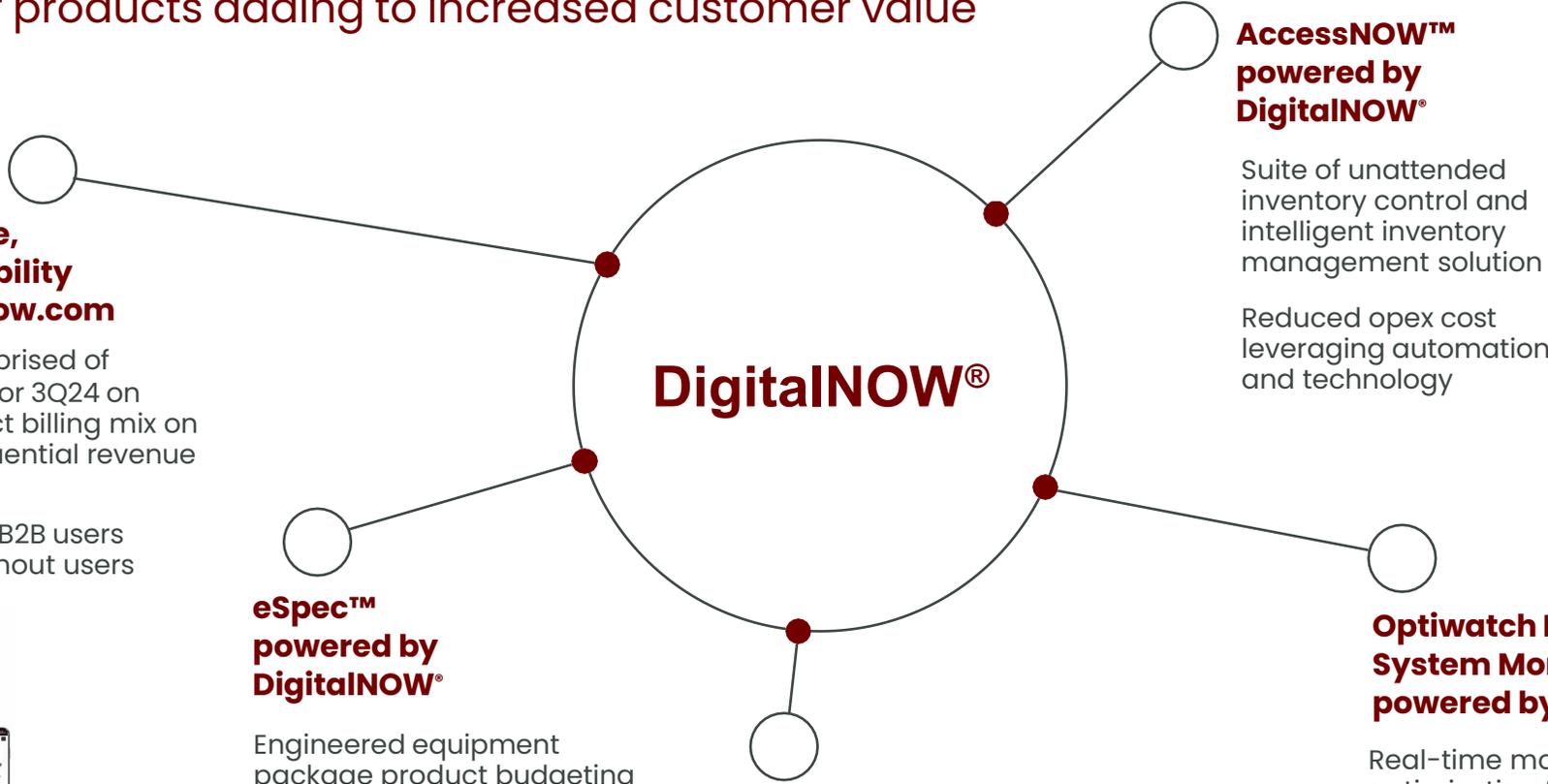
Combining Process Solutions ERPs to a single cloud solution enhancing workflow functionality and efficiency



Optimize cost and maximize scalability thru cloud platforms

DigitalNOW® Customer Ecosystem

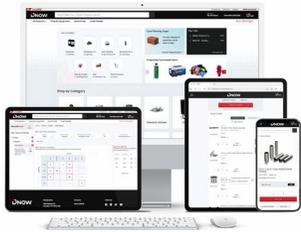
Digital suite of products adding to increased customer value



Digital commerce, eCommerce, mobility channel shop.dnow.com

Digital revenue comprised of 52% of SAP revenue for 3Q24 on customer and project billing mix on larger quarterly sequential revenue

Focused on growing B2B users and round trip/punchout users



eSPEC

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

AccessNOW™ powered by DigitalNOW®

Suite of unattended inventory control and intelligent inventory management solution

Reduced opex cost leveraging automation and technology

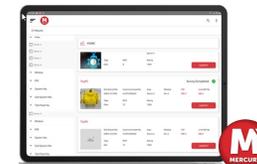


DigitalNOW®

Asset Management eTrack™ and Mercury, powered by DigitalNOW®

Asset, data and material management lifecycle solution

Enables customers to manage their assets using location finder

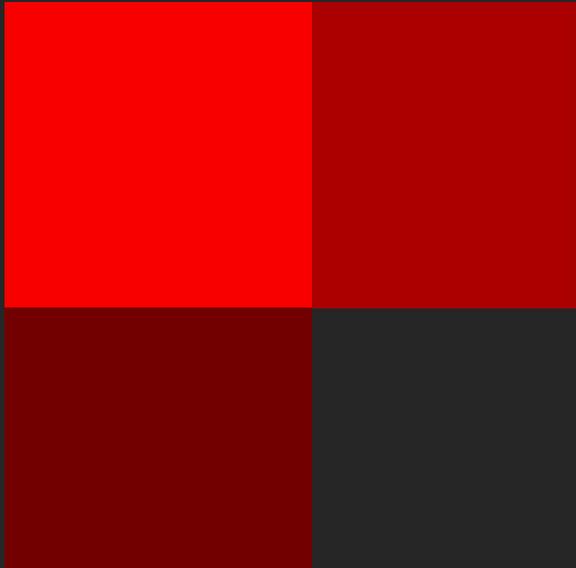


MERCURY

Optiwatch Hybrid Pump System Monitoring powered by DigitalNOW®

Real-time monitoring and optimization for horizontal pumping systems





DNOW Ethos

The ethos of DNOW is how we act and interact, what we value, what we accept and how we treat one another, our customers and our communities.



INSPIRE ONE ANOTHER
Foster an inclusive, people-first culture

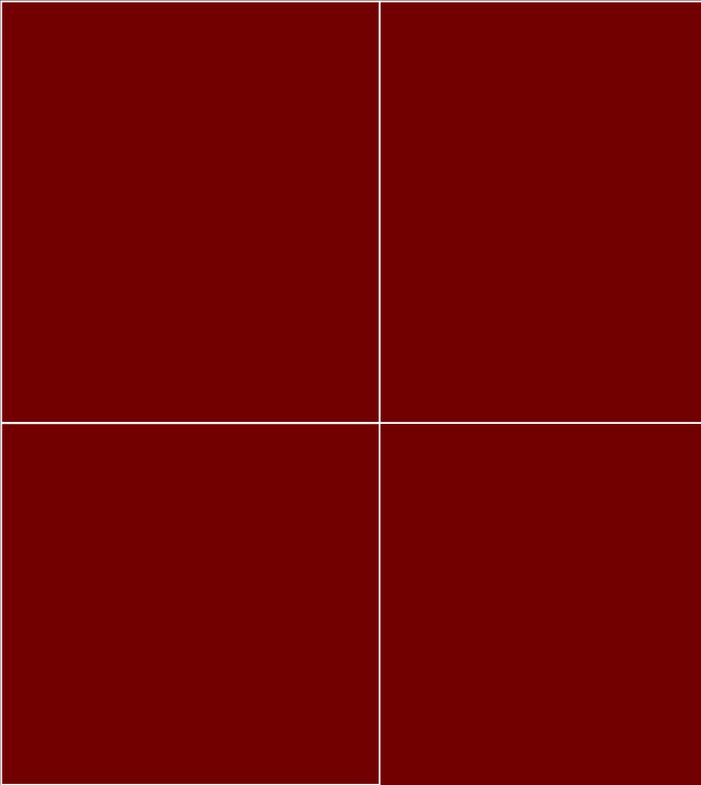


FUEL THE FUTURE
Win the market and pursue sustainable growth



DELIGHT THE CUSTOMER
Be our customers most trusted partner





Brad Wise

Vice President, Digital Strategy & Investor
Relations

Contact email: ir@dnw.com

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DNOW

Run Stronger.