



First Quarter 2026 Earnings Presentation

May 7, 2026



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) adjusted gross profit, (ii) adjusted gross profit as a percentage of revenue, (iii) adjusted earnings before interest, taxes, depreciation and amortization and excluding other costs (Adjusted EBITDA), (iv) Adjusted EBITDA as a percentage of revenue, (v) adjusted net income attributable to DNOW Inc., (vi) adjusted diluted earnings per share attributable to DNOW Inc. stockholders (vii) net debt and (viii) net debt leverage ratio. 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.

The Company defines Adjusted Gross Profit as revenue, less cost of products, plus amortization of intangibles, plus inventory-related charges incremental to normal operations, plus transaction costs associated with acquisitions, such as inventory fair value step-up or write-downs and plus or minus the impact of our Last-In, First-Out (LIFO) inventory costing methodology. We define Adjusted EBITDA as net (loss) income plus interest, taxes, depreciation and amortization and excluding other costs, such as stock-based compensation, restructuring and exit costs, transaction-related charges, long-lived asset impairments (including goodwill and intangible assets), inventory-related charges incremental to normal operations and plus or minus the impact of our LIFO inventory costing methodology. Transaction-related charges include transaction costs, inventory fair value step-up, retention bonus accruals and integration expenses associated with acquisitions. We define Net Debt as total long-term debt, including current portion, minus cash. We define our net debt leverage ratio as Net Debt divided by trailing twelve months Adjusted EBITDA. A reconciliation of each non-GAAP financial measure to its most comparable GAAP financial measure can be found in our earnings press release.

The Company's outlook is as of May 7, 2026, and is based on estimates and market conditions on that date. Actual results could differ materially from those projected.

1Q 2026 Highlights

REVENUE

\$1,183M

ADJUSTED EBITDA¹

\$39M

CASH USED IN OPERATING ACTIVITIES

\$95M

CAPITAL ALLOCATION

\$50M share repurchases
\$46M acquisition of Edge Controls

MRC Global U.S. ERP

While much progress has been made, the system has been stabilized, but is not yet optimized

1. See reconciliation of GAAP to Non-GAAP measures in the appendix



1Q 2026 Consolidated Revenue

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DNOW

Sequential Revenue Change

23%

Adjusted EBITDA¹

\$39M

Adjusted EBITDA %¹

3.3%

\$1,183M

By End-Market

By Segment

U.S.

Sequential Revenue Change

29%

Percent of DNOW Revenue

83%

\$985M

International

3%

13%

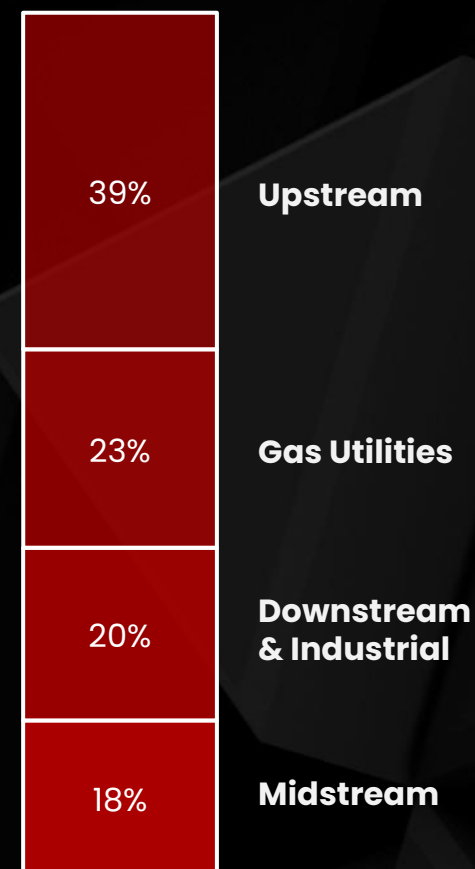
\$147M

Canada

0%

4%

\$51M

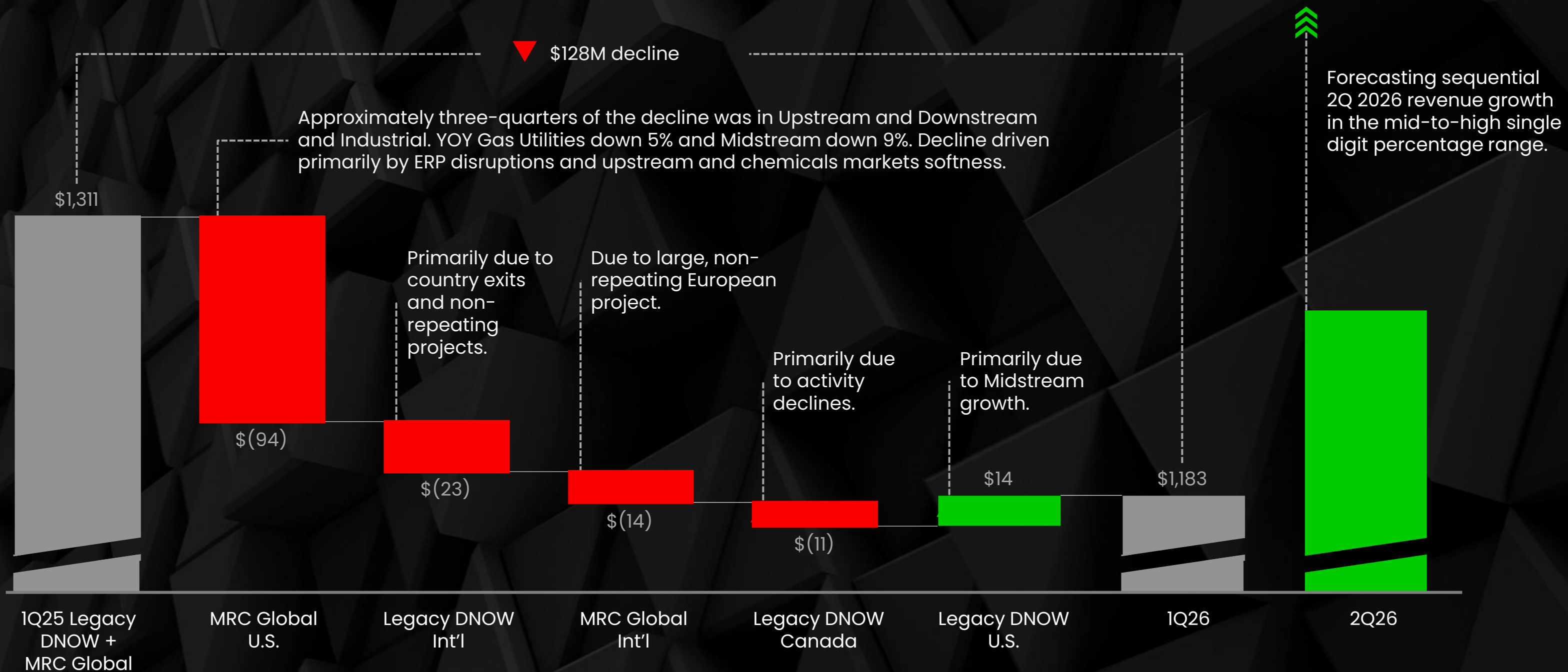


1. See reconciliation of GAAP to Non-GAAP measures in the appendix



1Q 2025-1Q 2026 Revenue Bridge

with 2Q 2026 sequential guide (\$ millions)

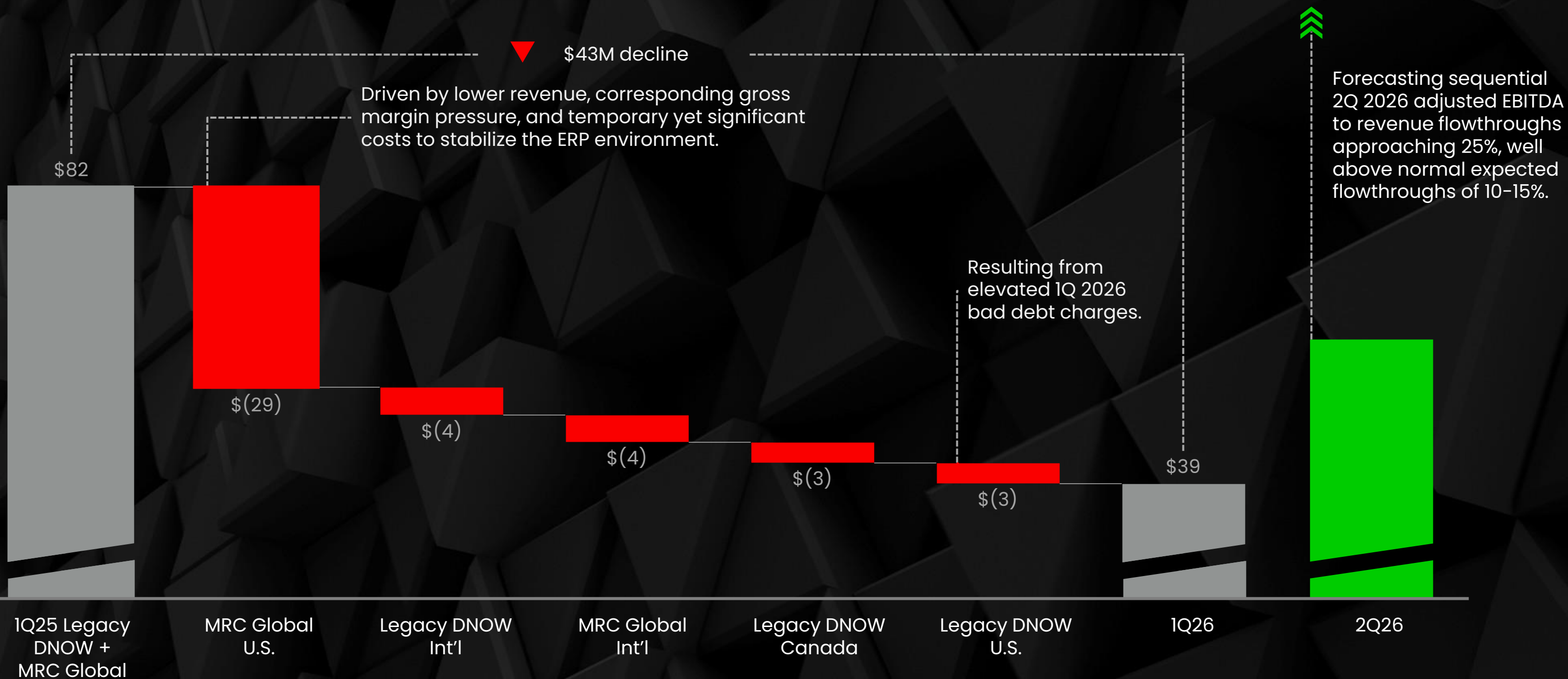


Estimates above are based on the simple addition of DNOW and MRC Global results, for illustrative purposes

1Q 2025-1Q 2026 Adjusted EBITDA¹ Bridge

with 2Q 2026 sequential guide (\$ millions)

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Estimates above are based on the simple addition of DNOW and MRC Global results, for illustrative purposes
 1. See reconciliation of DNOW Consolidated 1Q 2026 GAAP to Non-GAAP measures in the appendix

MRC Global U.S. ERP Stabilization Progress

Focused on improving operational workflow and workstreams to deliver improved customer service

Workflows / Workstreams

Targeted Business Value

Order, quote and pricing performance improvements



Improved speed and efficiency, reduce rework across quoting to order execution

Freight, shipping and fulfillment enhancements



Enhanced warehouse efficiency and streamlined invoicing

Invoicing, proof of delivery, cash-flow enablement



Enhanced quality and accountability of invoicing

Integration, B2B and middleware stabilization



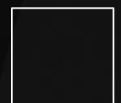
Increased reliability of integrated systems by reducing interruptions and manual escalations

Reporting, data alignment, operational visibility



Strengthened reporting and data alignment to enhance operational insight

While much progress has been made, the system is not optimized



DNOW MRC Global **Integration & Cost Synergies** Update

1Q 2026 Progress

Revenue Synergies

- Early-Stage Commercial Cross-Selling Pipeline
- Inventory as a Commercial Lever (Not Just a Synergy)
- ERP Migration to SAP Enabling Commercial Synergies
- Expanding Capability Through Proc. Solutions + Legacy MRC
- Combined capabilities unlocking new customers, suppliers and markets
- Integrated supply and inventory improving bid competitiveness and capturing incremental revenue

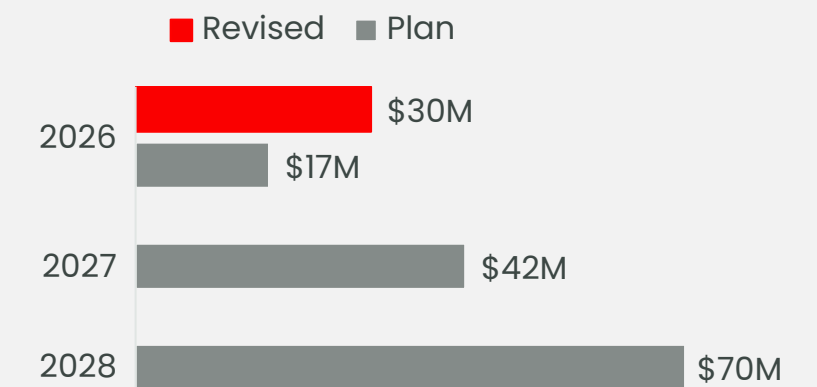
Cost Synergies

- Acceleration of annual cost synergies forecast at the end of 2026, estimated to approach \$30M and 43% of the \$70M three-year goal

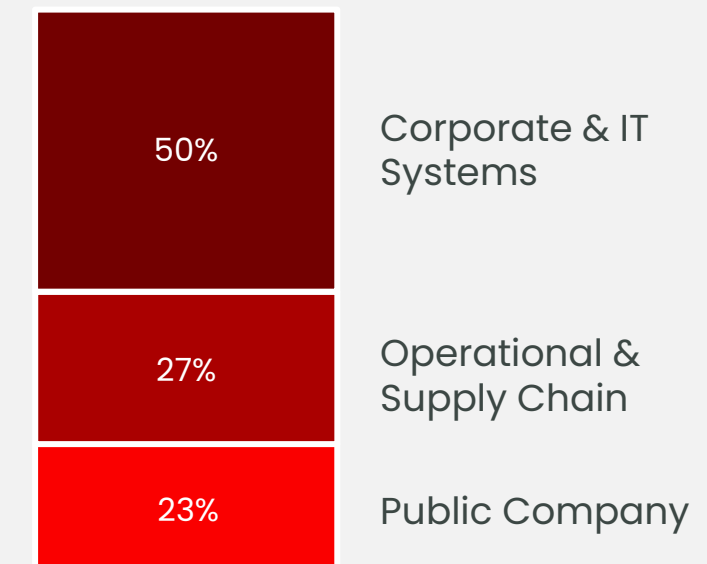
Beyond 2026

- Significant upside potential in revenue synergies, cost improvements, margin and cash flow targets beyond 2026

Annual Cost Synergy Target Timeline



Breakdown of Synergy Opportunity



Strong Balance Sheet with Financial Flexibility

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Focused

manageable debt levels

we are executing a strategy to maximize strategic flexibility through the cycle

Ample Liquidity

\$379M in total liquidity with access to \$500M accordion

Cash of \$116M ♦ Debt of \$571M ♦ Net Debt¹ of \$455M

Net debt leverage ratio¹ currently at 2.3x

1Q 2026 cash flow used in operations of \$95M, targeting \$100M–\$200M cash flow from operating activities by year end

Disciplined Approach to **Capital Allocation**

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Capex \$8M in the first quarter 2026 to support growth in U.S. Process Solutions assets and ERP expenditures

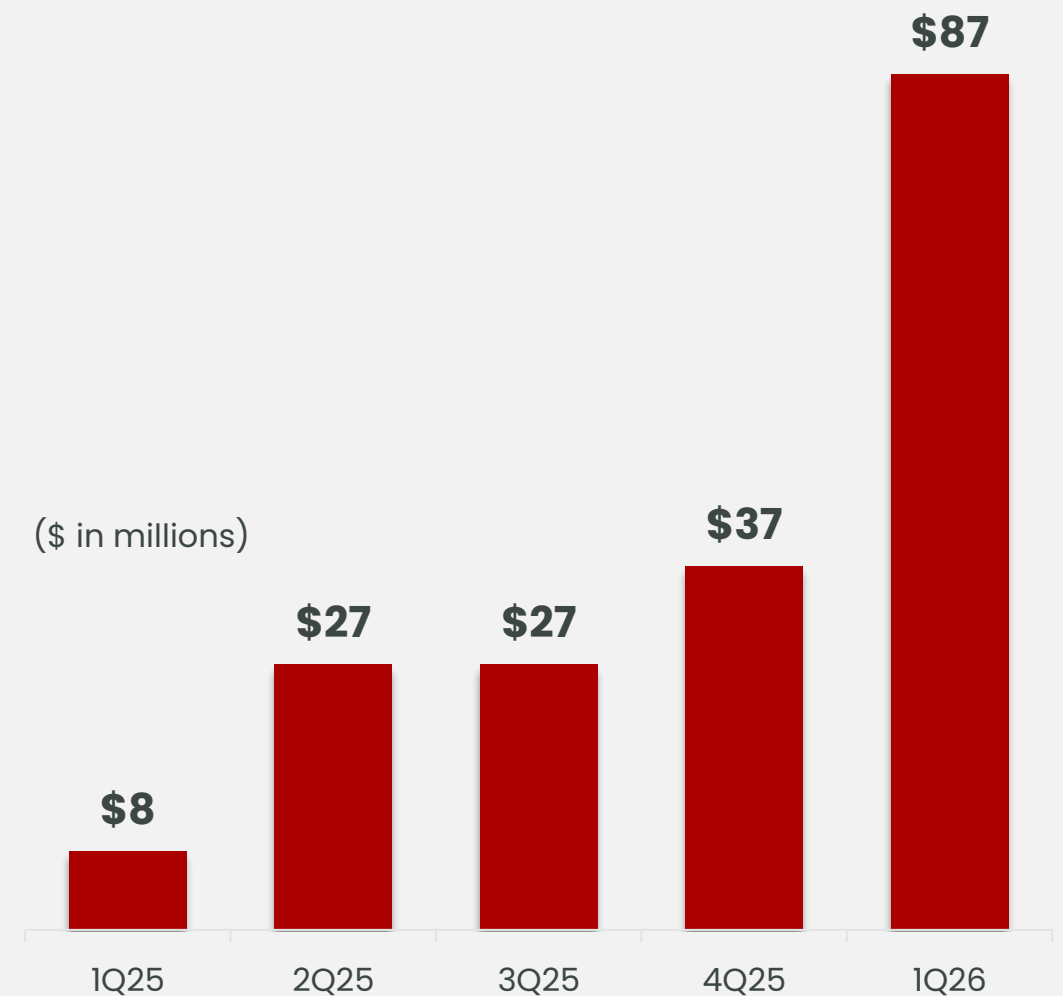
Repurchased \$50M of shares during the quarter, with \$87M accumulated on the \$160M share repurchase program

Combined with the previous \$80M share repurchase program, \$167M shares have been repurchased

Closed Edge Controls acquisition for \$46M in cash

Cumulative Share Repurchases

\$160 million share repurchase program



Outlook

- ◆ For 2Q 2026, expect sequential revenue growth in U.S. and International segments, with a seasonal sequential decline in Canada
- ◆ 2Q 2026 revenue expected to increase mid-to-high single digits percentage range sequentially, with Adjusted EBITDA to revenue flowthroughs approaching 25%, well above normal expected flowthroughs of 10-15%

- ◆ Full-year 2026 revenue expected to approach \$5B, with Adjusted EBITDA as a percentage of revenue to approach 4.5%
- ◆ Full-year 2026 cash flow from operating activities targeted at \$100M-\$200M



Investor Relations

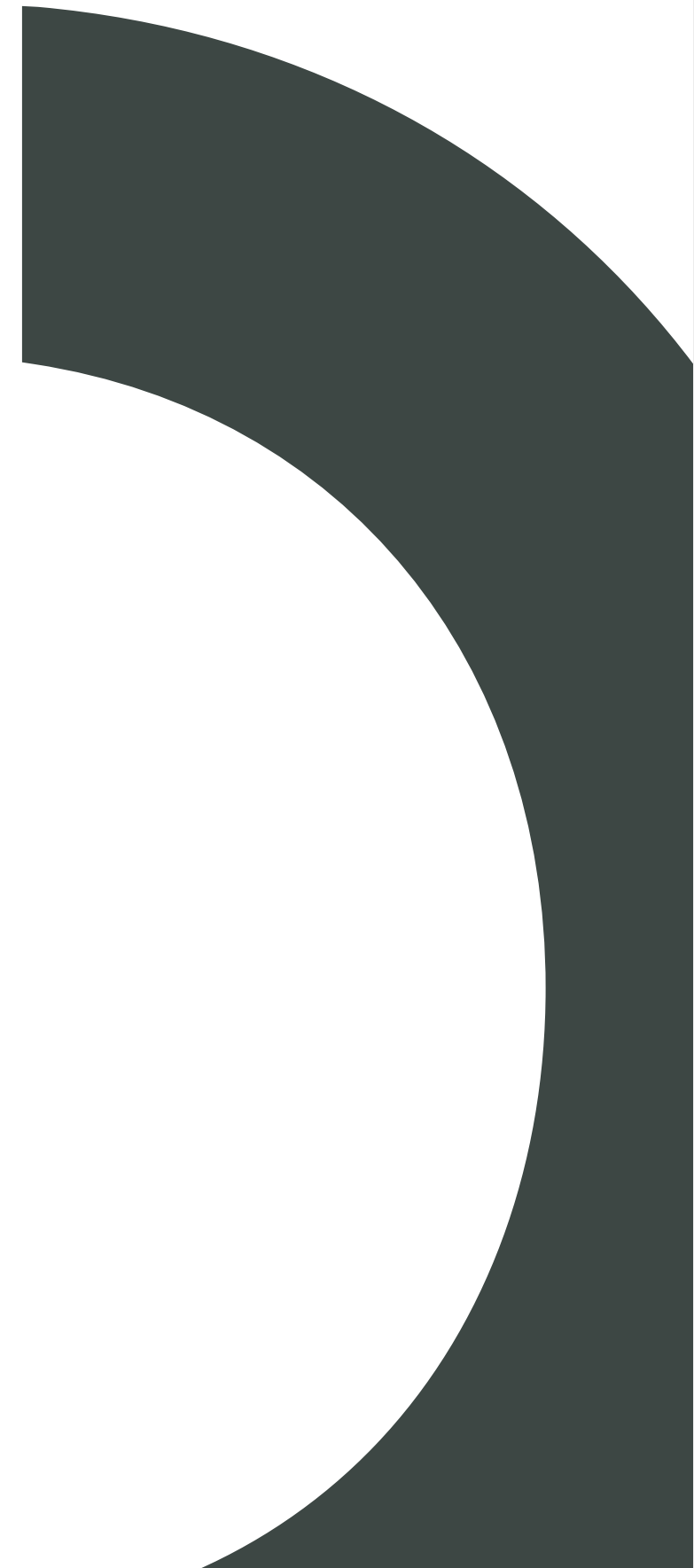
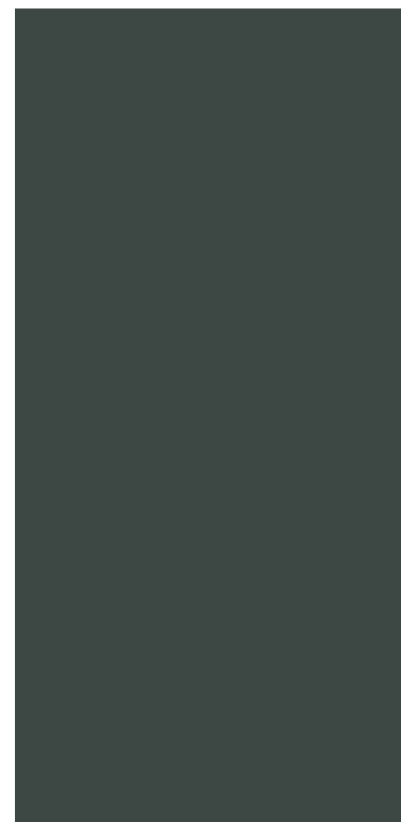
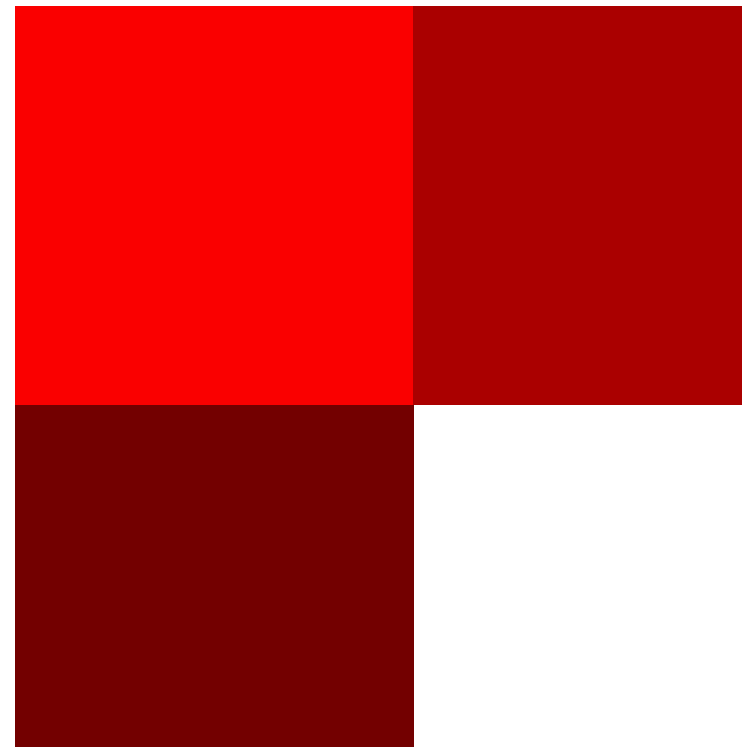
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For the most up to date investor
information, please [click here](#)





Appendix

Adjusted EBITDA Reconciliation

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(\$ millions)	THREE MONTHS ENDED	
	March 31, 2026	
	Amount	% of Revenue
Revenue	\$ 1,183	
Net (loss) attributable to DNOW Inc.	\$ (44)	(3.7%)
Interest expense, net	8	
Income tax (benefit)	(16)	
Depreciation and amortization	23	
Increase in LIFO reserve	16	
Stock-based compensation	4	
Transaction-related charges	5	
Inventory-related transaction charges	41	
Other	2	
Adjusted EBITDA	\$ 39	3.3%

Note: Adjusted EBITDA is a non-GAAP measure. For a discussion of the use of Adjusted EBITDA, see our Current Report on Form 8-K dated May 7, 2026.

Net Debt & Leverage Ratio Calculation

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(\$ millions)

March 31, 2026

Long-term debt	\$ 571
Plus: current portion of debt obligations	-
Total debt	\$ 571
Less: cash	116
Net debt	\$ 455
Net debt	\$ 455
Adjusted EBITDA ¹	\$ 202
Net debt leverage ratio	2.3x

Note: Net debt, net debt leverage ratio and Adjusted EBITDA are non-GAAP measures. For a discussion of the use of net debt, net debt leverage ratio and Adjusted EBITDA, see our Current Report on Form 8-K dated May 7, 2026.