

DNow™

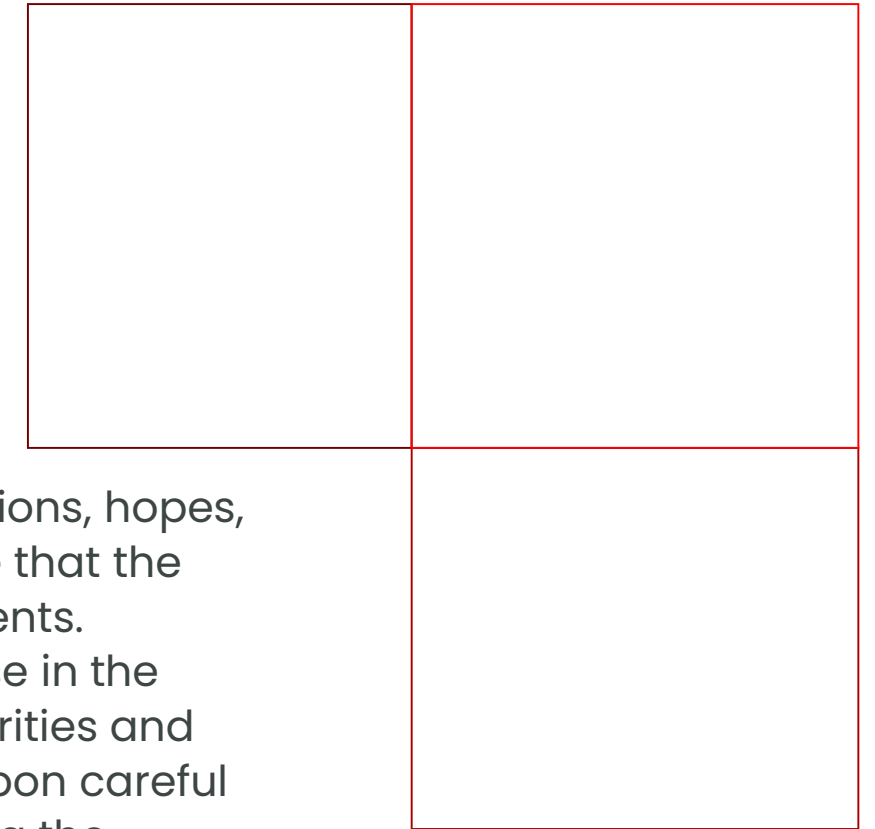
Key
Takeaways

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.



Key Takeaways

3Q24

- ▶ 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

*Excluding other costs (non-GAAP)

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

•
Global avg rig count of 1,732, higher 2% 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

3Q24 Segment Results (Year-over-Year)

United States

- Revenue increased on a year-over-year basis driven primarily by contributions of M&A activity completed in 1Q24; partially offset by lower drilling and completion activity
- Operating profit decreased primarily due to acquisition related expenses and lower gross margins

Canada

- Revenue lower year-over-year primarily due to decreased project activity
- Operating profit decreased due to the decline in revenue and gross margins

International

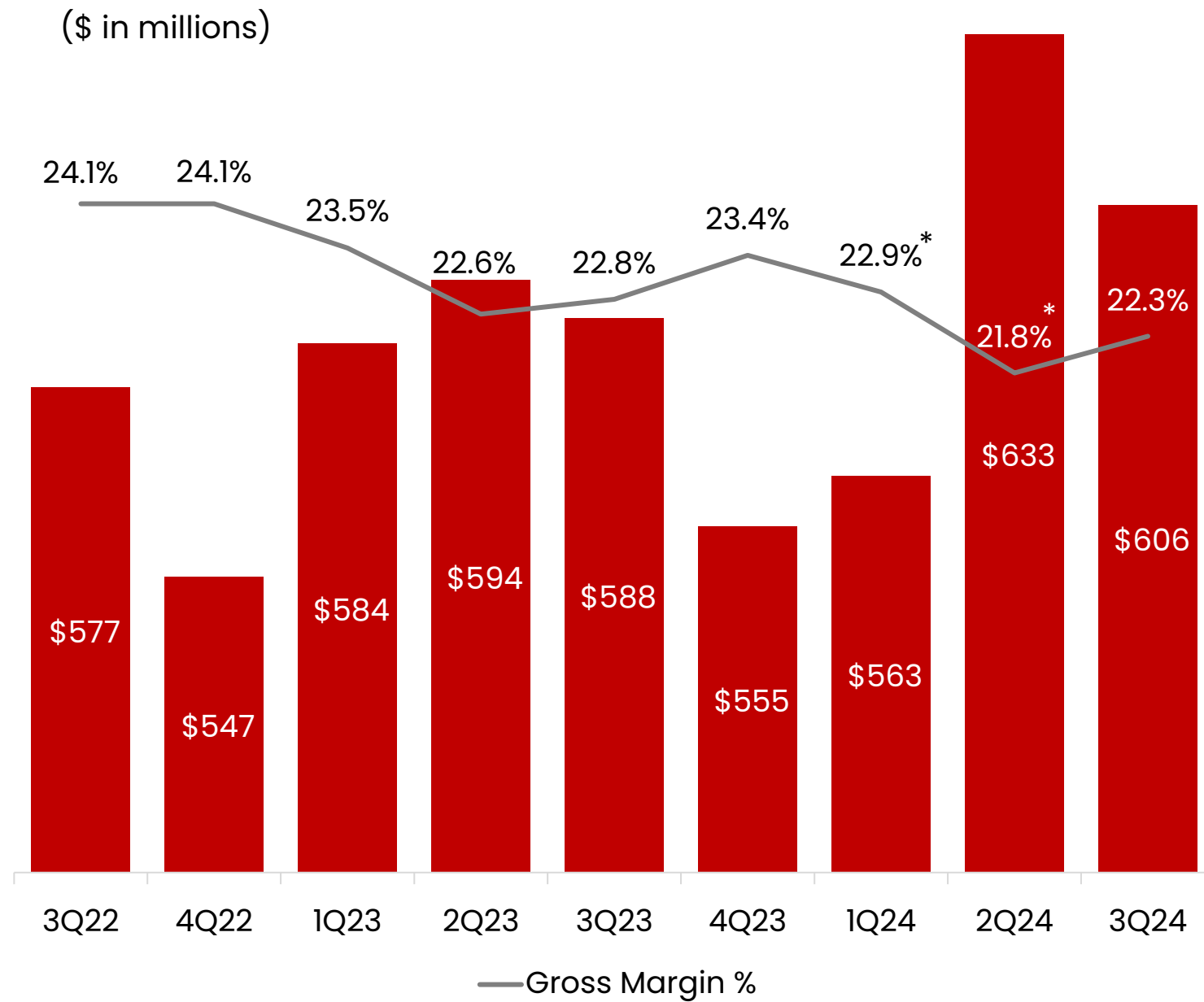
- Revenue decline primarily driven by lower project activity and high grading activities
- Operating profit declined due to an increase in expense of \$8 million related to restructuring



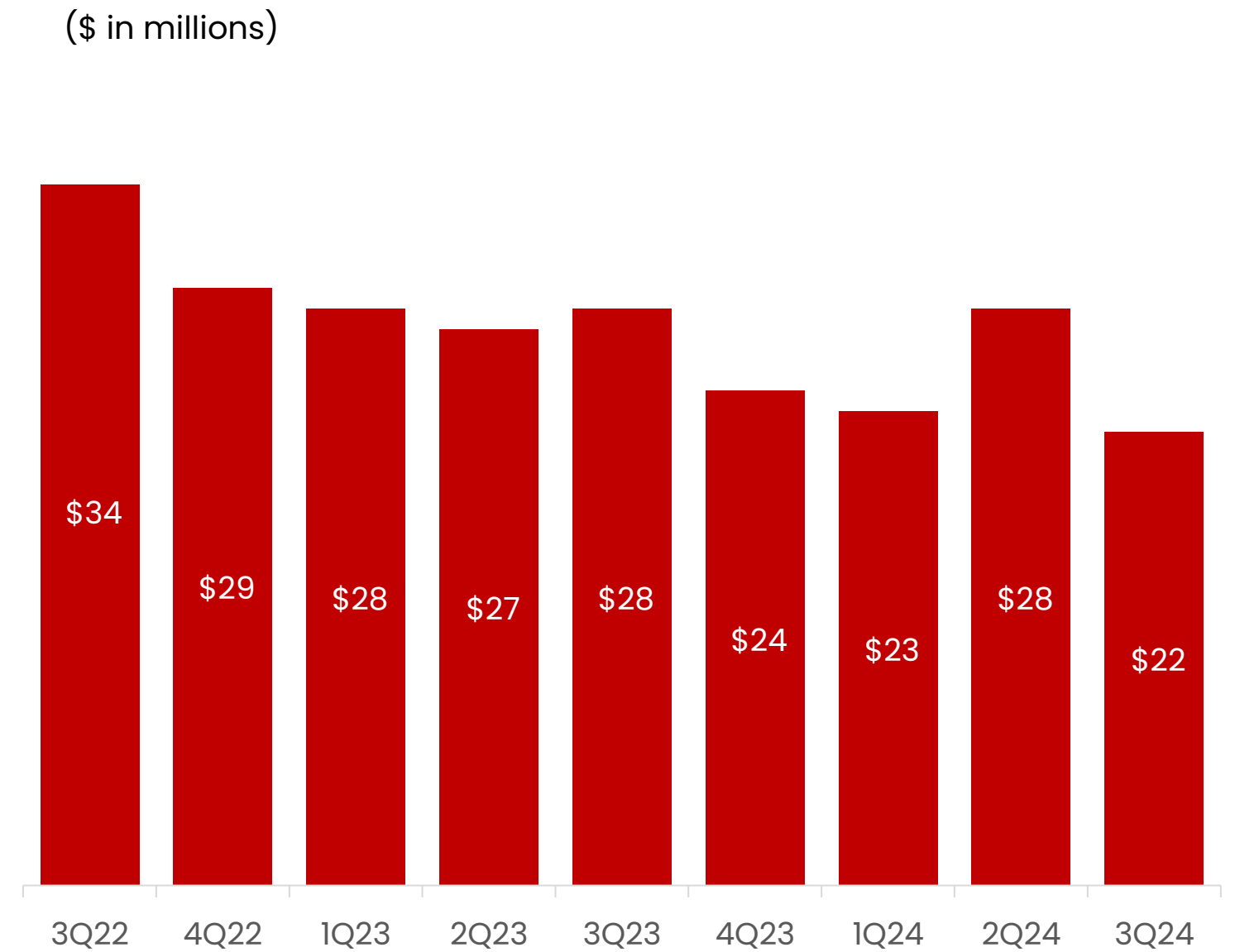
	3Q23	3Q24	Var.	Var. %
United States	448	482	34	8%
Canada	68	65	(3)	-4%
International	72	59	(13)	-18%
Revenue	588	606	18	3%
United States	29	25	(4)	
Canada	6	3	(3)	
International	2	(5)	(7)	
Operating Profit	37	23	(14)	
<i>United States</i>	6.5%	5.2%		
<i>Canada</i>	8.8%	4.6%		
<i>International</i>	2.8%	-8.5%		
<i>Operating Profit %</i>	6.3%	3.8%		
<i>% of U.S. Revenue</i>				
<i>U.S. Energy</i>	70%	74%		
<i>U.S. Process Solutions</i>	30%	26%		

Selected Quarterly Results

Revenue & Gross Margin Percent



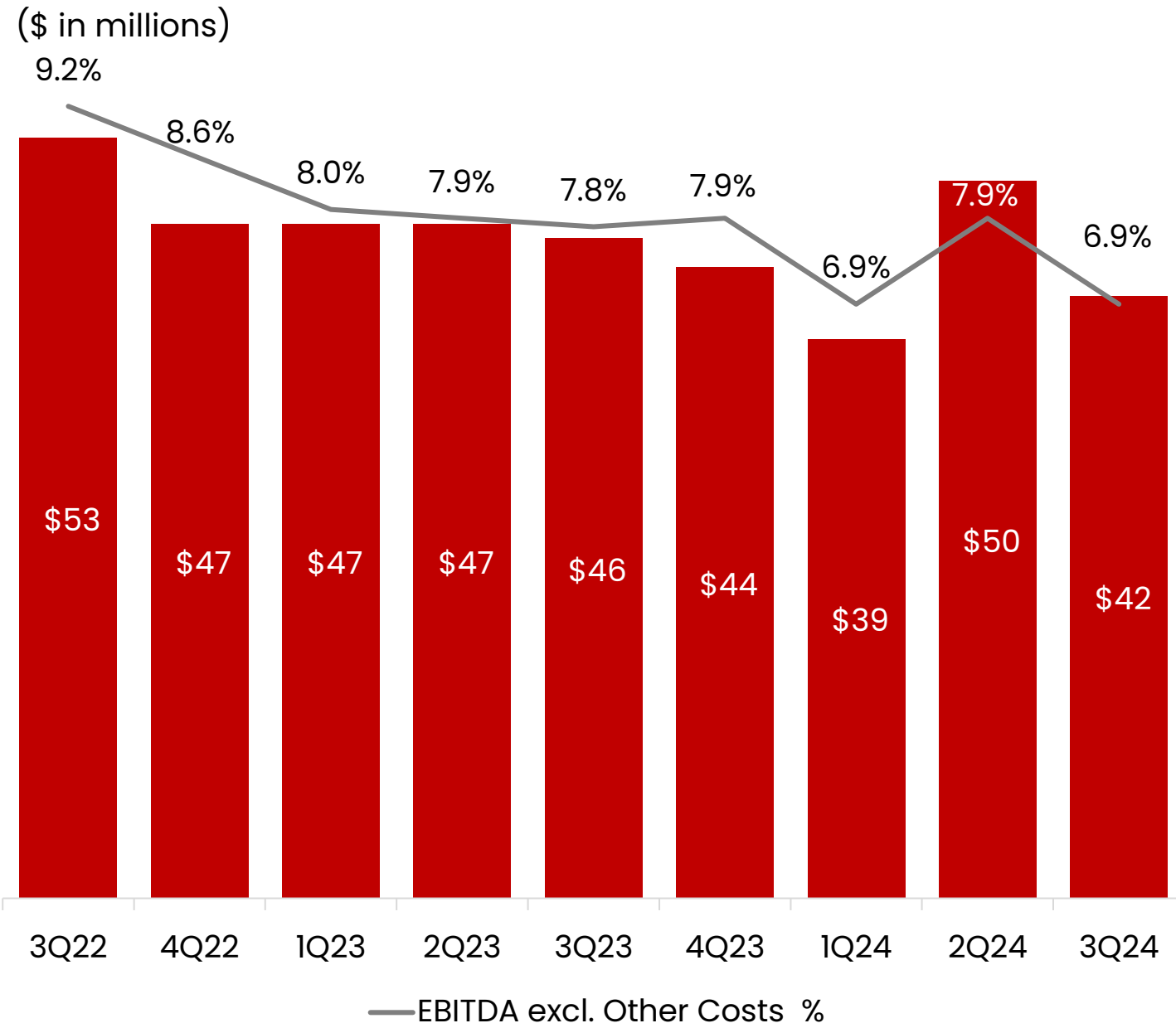
Net Income attributable to DNOW Inc. excl. Other Costs (Non-GAAP)



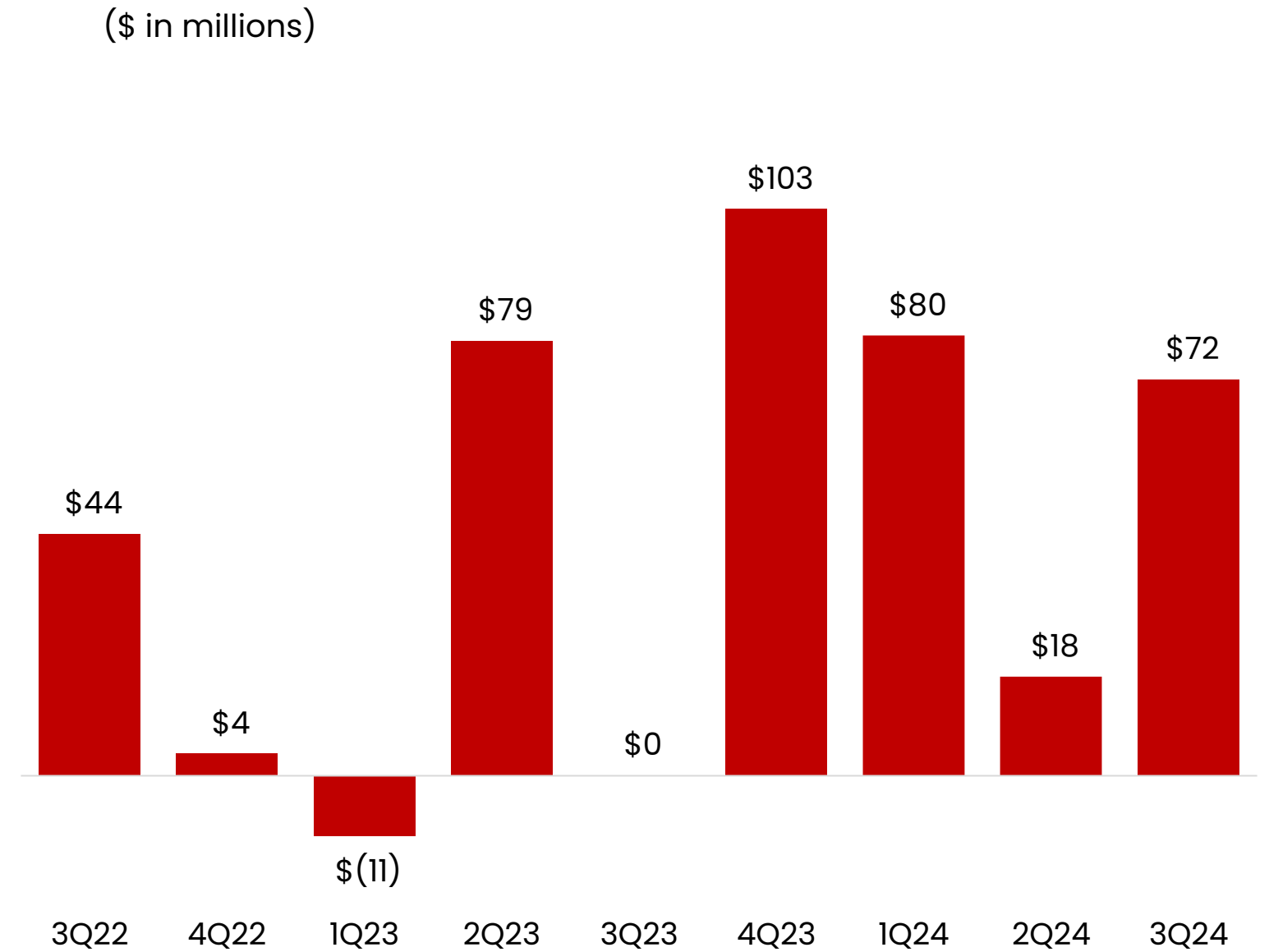
* Includes charges for cost of inventory that was stepped up to fair value during acquisition purchase accounting for 1Q24 (\$1M) and 2Q24 (\$4M)

Selected Quarterly Results

EBITDA excl. Other Costs (Non-GAAP)



Free Cash Flow*

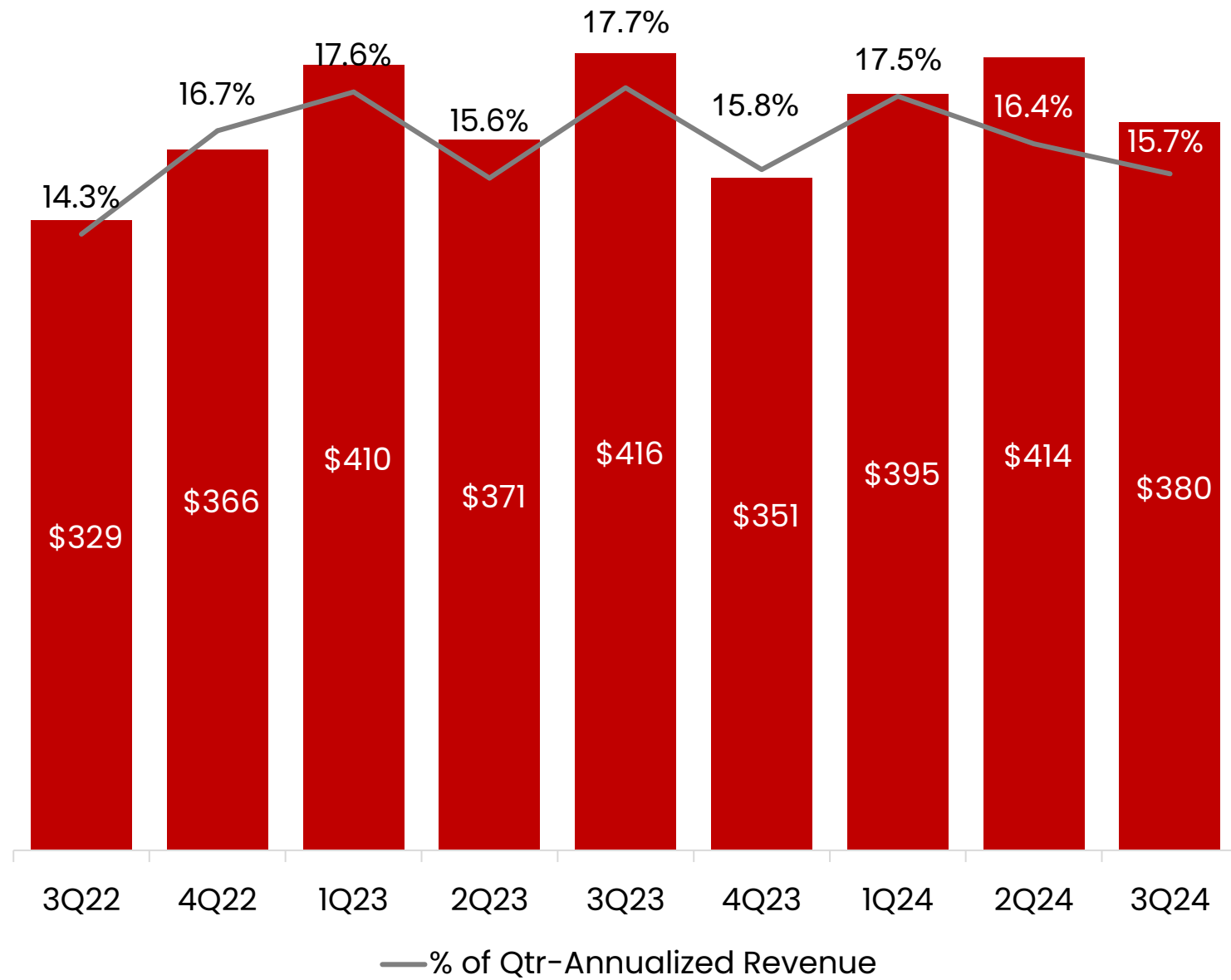


*Free Cash Flow is defined as net cash provided by (used in) operating activities, less purchases of property, plant and equipment

Selected Quarterly Results

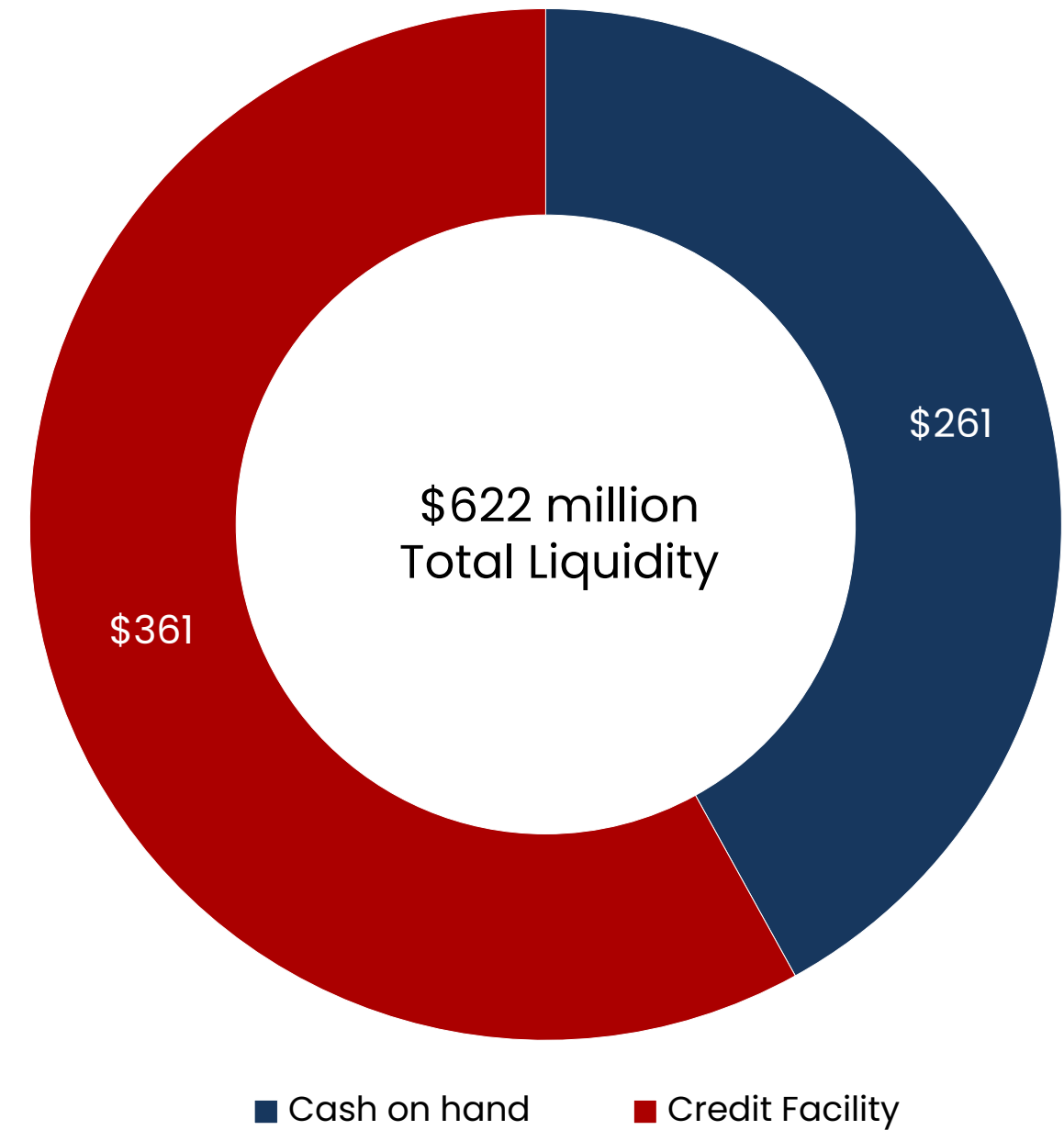
Working Capital excl. Cash and as % of Revenue

(\$ in millions)



Total Liquidity at September 30, 2024

(\$ in millions)



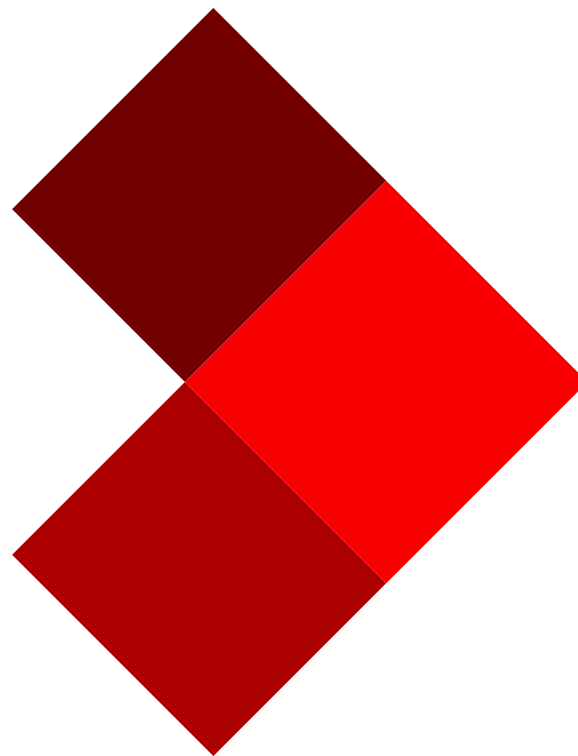
Capital Allocation Framework

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

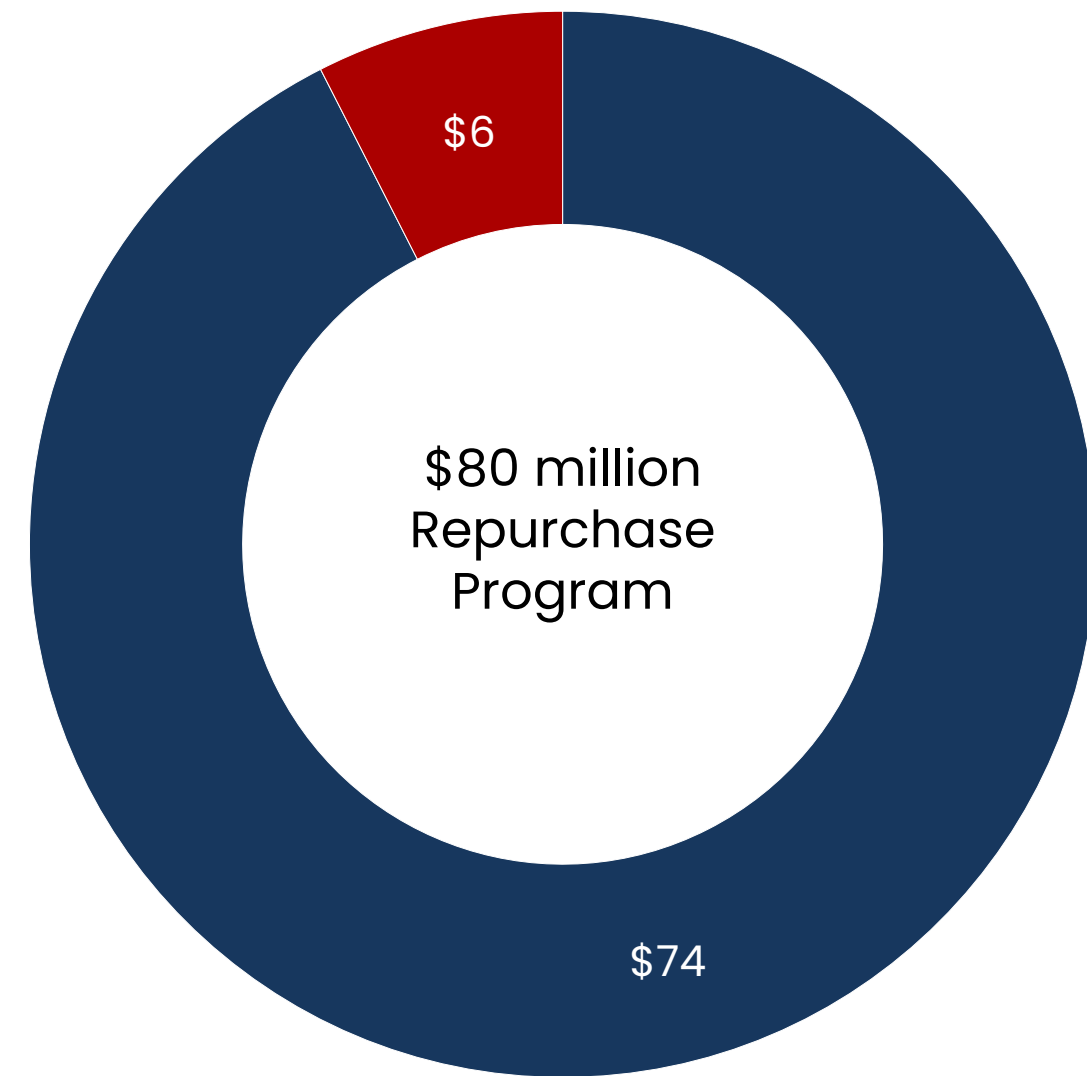
Share Repurchases

\$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)

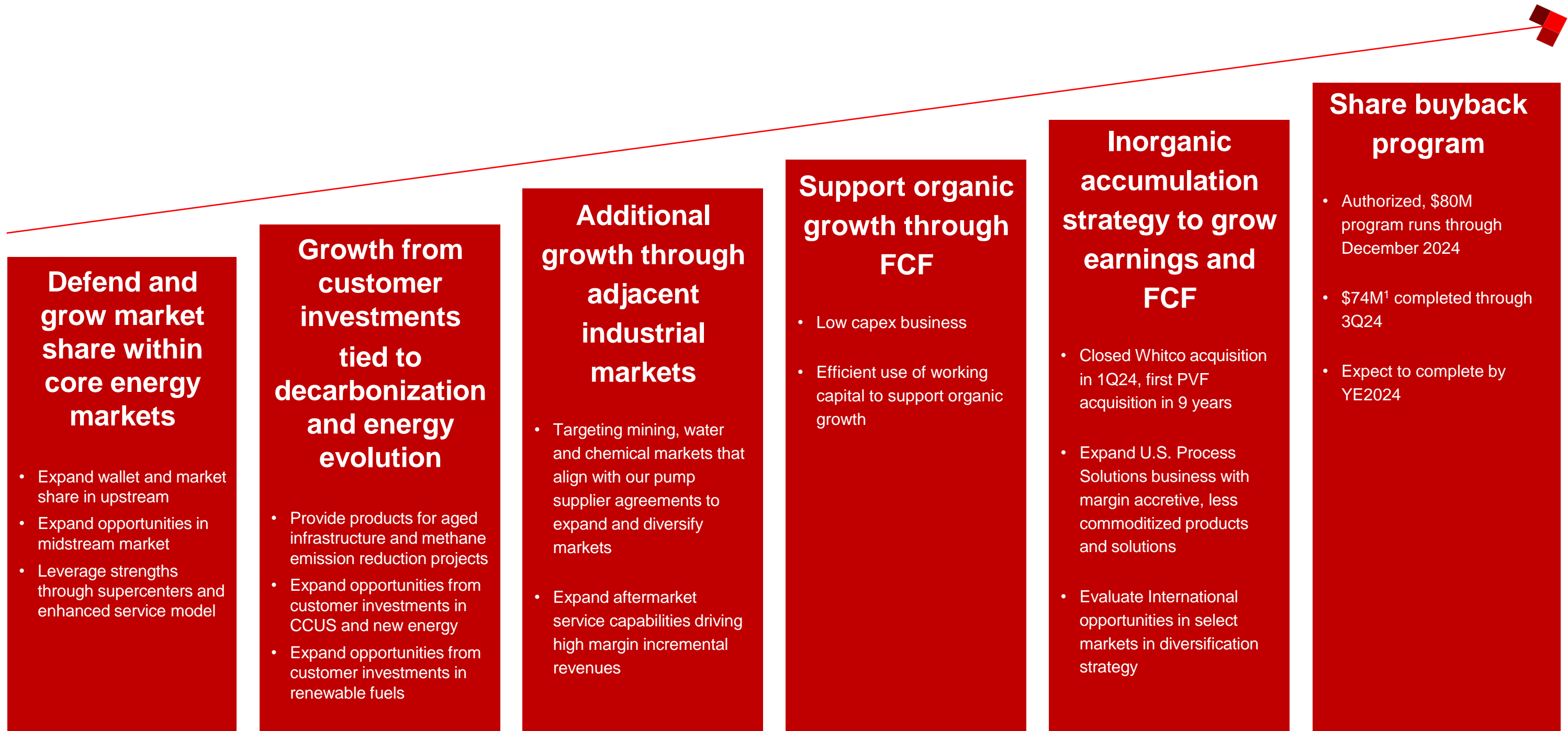


■ Dollars Purchased ■ Dollars Remaining

⁽¹⁾ Excludes excise tax on share repurchases

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

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 FCF \$17M</p>	<p>Revenue: \$3.1B EBITDA: \$125M 4.0% of Revenue Cash \$116M FCF \$62M</p>	<p>Revenue: \$2.3B EBITDA: \$184M 7.9% of Revenue Cash \$299M FCF \$171M</p>	<p>Revenue: \$1.8B EBITDA: \$131M 7.3% of Revenue Cash \$261M FCF \$170M</p>

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

Wrap-Up

- ▶ YTD 3Q24 represents one of our best year-to-date earnings performance since becoming a public company
- ▶ Delivered \$72 million of free cash flow in the quarter; year-to-date \$170 million
- ▶ 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%
- ▶ **Upgrading** our full-year 2024 cash flow from operations to approach \$225 million, with CapEx approximating \$10 million
- ▶ \$261M in cash, no debt 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)

Investor Relations

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DNOW

Run Stronger.