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Key Takeaways

SECOND QUARTER 2022

Energy Delivered.™

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 earnings press release.

To better align with management’s evaluation of the Company’s performance and to facilitate comparison of our results to those of peer companies, beginning for the fourth quarter and full-year ended December 31, 2021, EBITDA excluding other costs excludes non-cash stock-based compensation expense. Prior periods presented have been adjusted to conform with the current period presentation.

Key Takeaways

- **Revenue increased to $539M** or 14% sequentially, 35% year-over-year
- **EBITDA* climbed to $47M,** or **a record 8.7%** of revenue
- **Gross margins reached 23.7%**, another quarterly record
- **Record low** Warehouse, Selling & Administration (WSA) to revenue of **16.5%**
- **Delivered EPS*** of **$0.26,** up $0.12 sequentially
- Bolstered capital allocation toolkit with **$80M Share Repurchase Program Authorization**
- **Acquired** a complementary business which is an expansion on our 2021 Flex Flow acquisition, fortifying our leading position H-pump, trailer-mounted rental pump offering under U.S. Process Solutions
- **Total Liquidity** at the end of the quarter **equaled $574M and zero debt**

* excluding other costs (non-GAAP)

Key Market Indicators

WTI/Rig Counts

- WTI avg of $109 per barrel for 2Q22
- U.S. avg rig count of 716, up 13% sequentially
- Canada avg rig count of 114, down 42% sequentially
- International avg rig count of 816, lower 1% sequentially

DNOW annualized revenue per rig at **$1.3M** for 2Q22

U.S. DUCs

- June ended with a DUC count of 4,245 wells in EIA regions
- 2Q22 avg of 4,280 wells, down 5% sequentially

DUCs are future revenue opportunities for DNOW

U.S. Completions

- June ended with a U.S. completions count of 964 wells in EIA regions
- 2Q22 avg of 954 wells, up 3% sequentially

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

2Q22 Segment Results

Strong year-over-year performance driven by growth across all segments

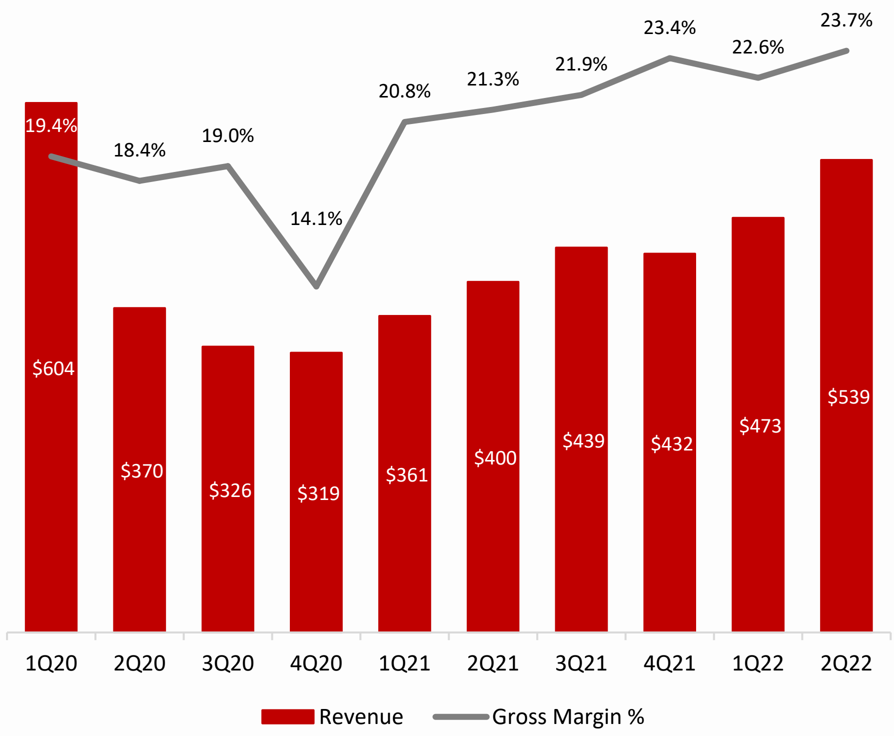
	2Q21	2Q22	Var.	*Var. %*
United States	296	408	112	*38%*
Canada	51	72	21	*41%*
International	53	59	6	*11%*
Revenue	**400**	**539**	139	*35%*
United States	(3)	32	35	
Canada	2	6	4	
International	1	(9)	(10)	
Operating Profit	**–**	**29**	29	
United States	*-1.0%*	*7.8%*		
Canada	*3.9%*	*8.3%*		
International	*1.9%*	*-15.3%*		
Operating Profit %	*0.0%*	*5.4%*		
% of U.S. Revenue				
U.S. Energy	*80%*	*79%*		
U.S. Process Solutions	*20%*	*21%*		

- **United States**
  - Revenue growth primarily driven by the strengthening in U.S. drilling and completions activity
  - Operating profit improvement from revenue growth, coupled with improved product margins
- **Canada**
  - Revenue improved primarily from increase in Canadian rig count
  - Operating profit improvement from revenue growth and improved operational efficiencies
- **International**
  - Revenue increased on stronger International rig count and project activity, partially offset by unfavorable foreign exchange rate impacts
  - Operating loss driven by $10 million (non-cash) charge related to the reclassification of accumulated foreign currency translation losses due to the substantial liquidation of certain foreign subsidiaries

Selected Quarterly Results

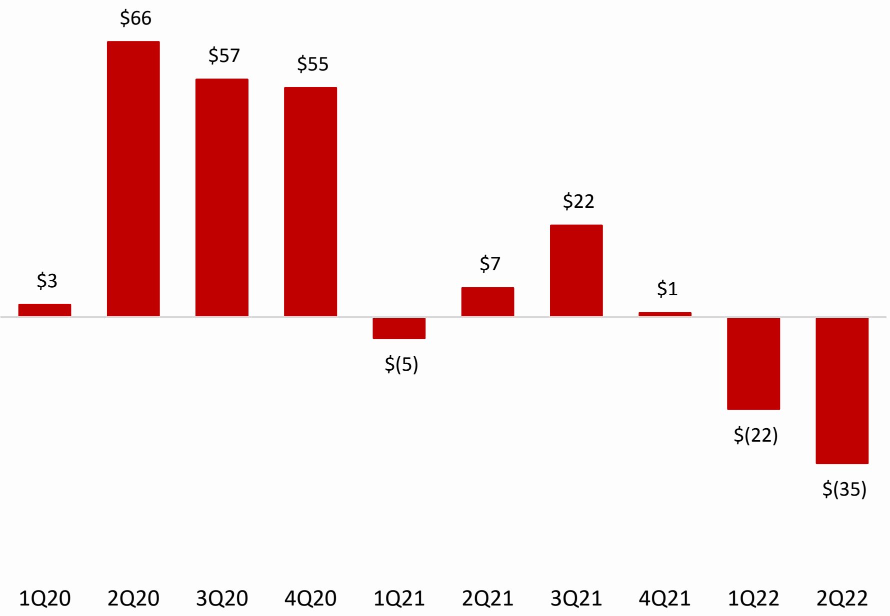
Revenue & Gross Margin Percent

($ in millions)



Free Cash Flow*

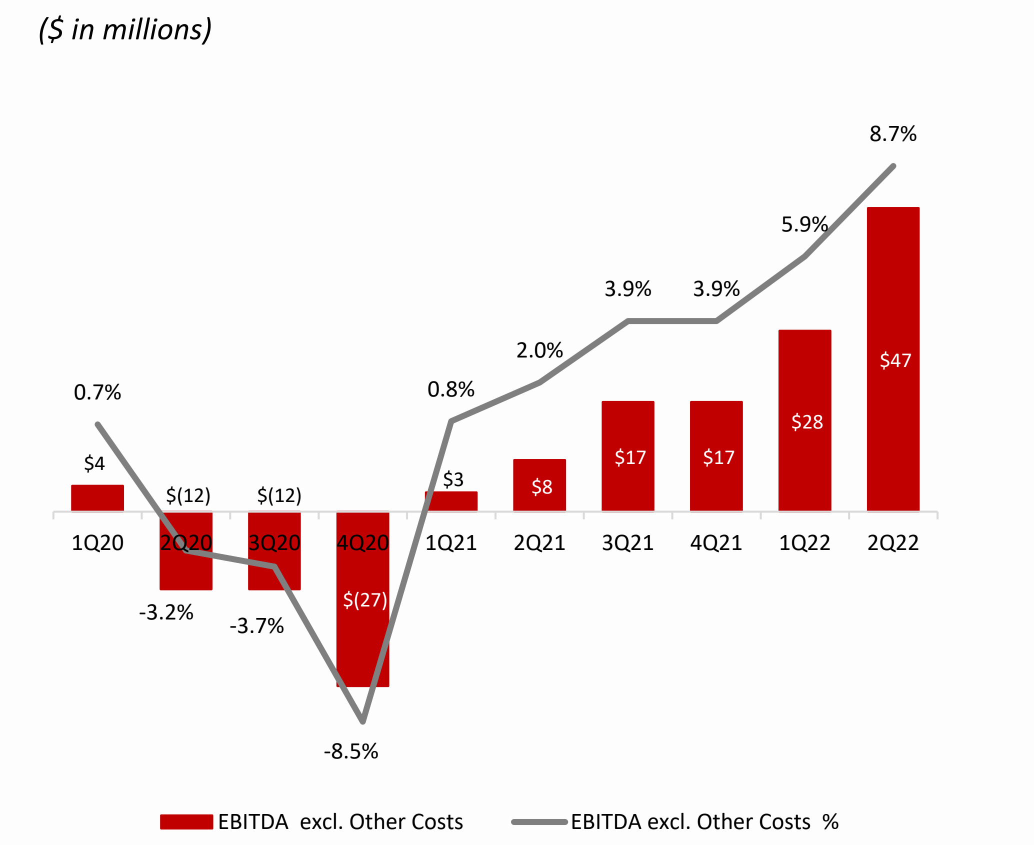
($ in millions)



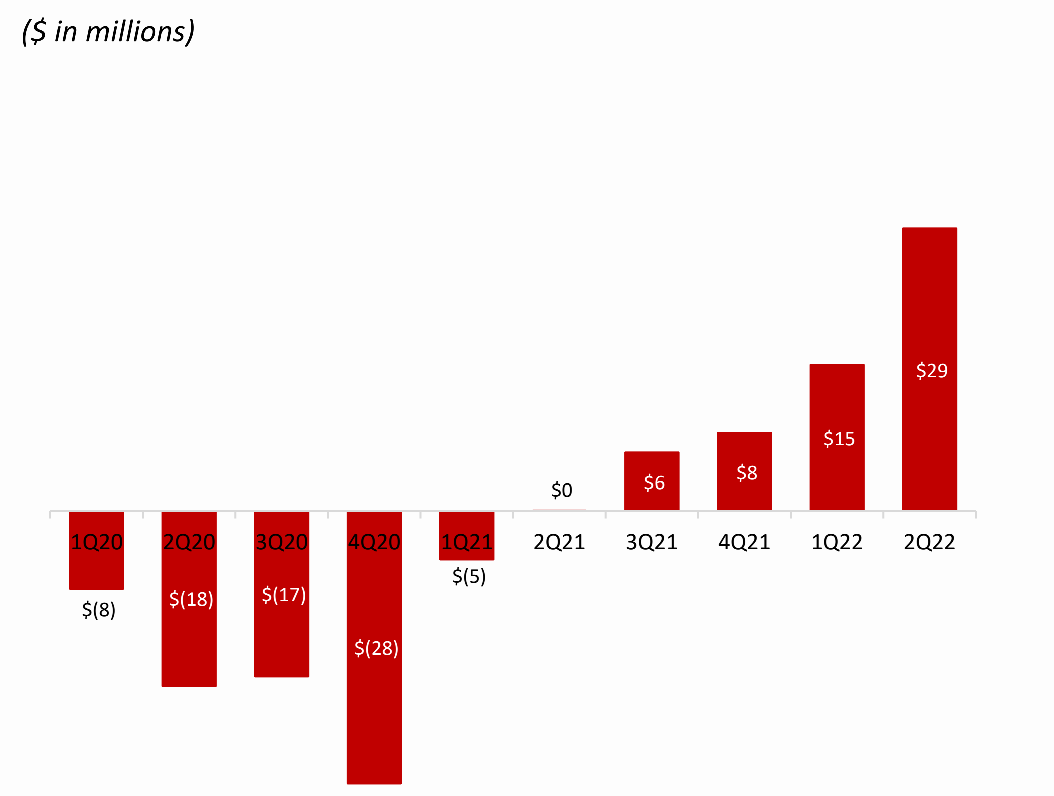
** Free Cash Flow is defined as net cash provided by (used in) operating activities, less purchases of property, plant and equipment*

Selected Quarterly Results

EBITDA excl. Other Costs (Non-GAAP)



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



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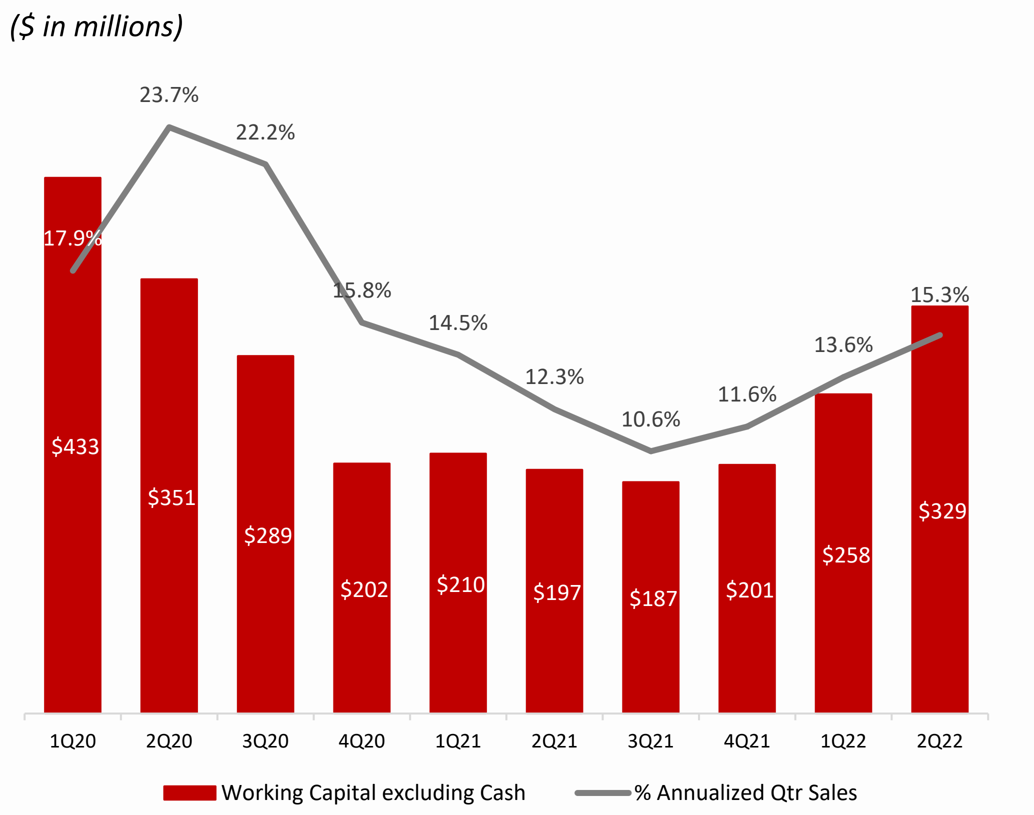
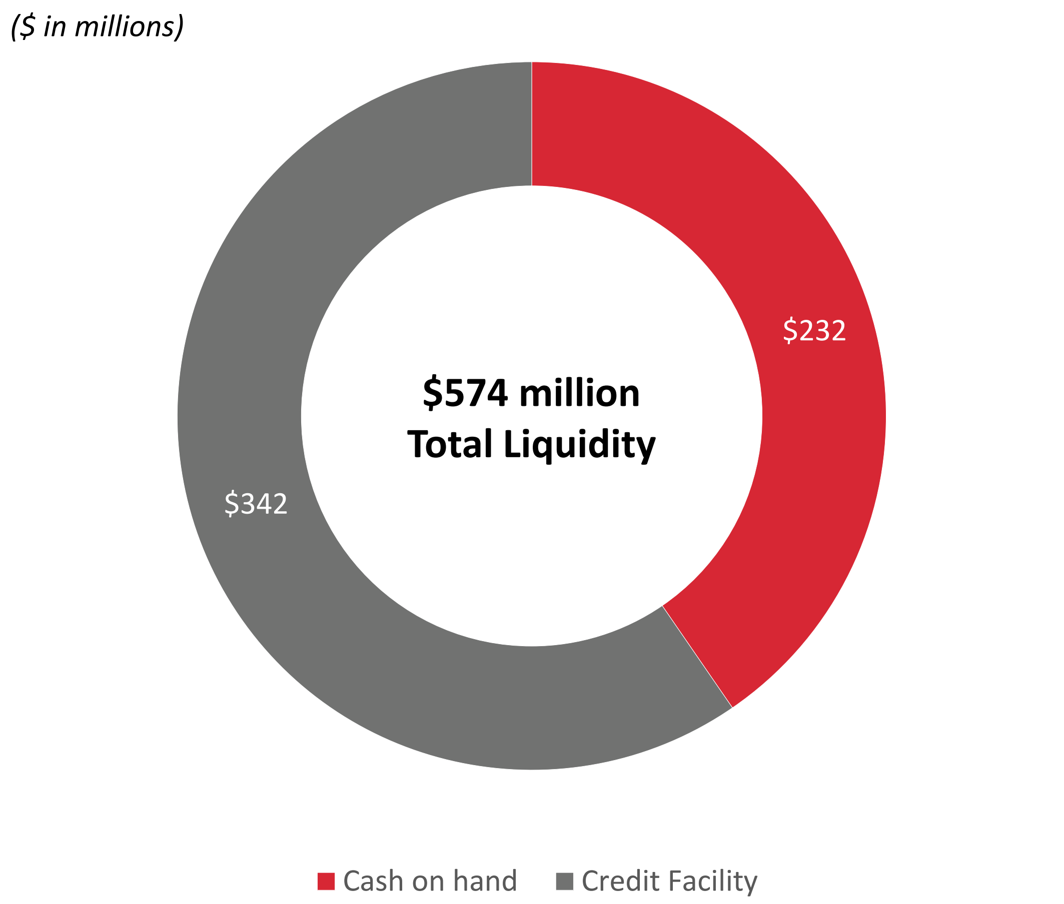
Selected Quarterly Results

Working Capital excl. Cash



Total Liquidity at June 30, 2022



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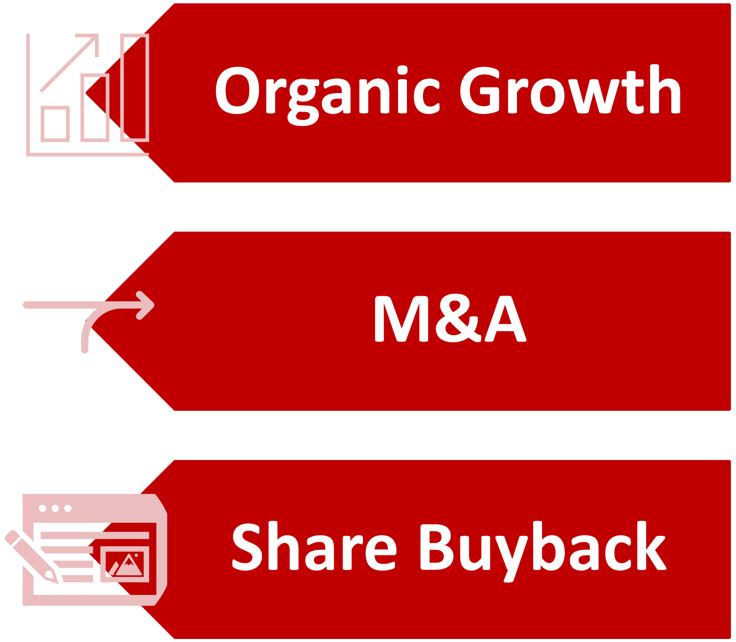
Share Repurchase Authorization

Expanded Capital Allocation Options

- Board authorizes repurchase of up to $80M of common stock through December 31, 2024
- Company reaffirms continued priority and commitment to its acquisition strategy
- Repurchase program adds a highly flexible avenue for the direct return of capital to shareholders
- Consistent intrinsic value creation, driving improved per share financial metrics



CEO Wrap-Up and Significantly Raised Guidance

- Reported much better than expected 2Q22 results, reflecting strong pricing benefits, fulfillment execution and improved operational efficiencies
- Expanded capital allocation strategy with share repurchase authorization of $80M, while reaffirming continued prioritization of acquisition strategy
- Closed on a margin accretive U.S. Process Solutions acquisition, fortifying our pump strategy
- 3Q22 sequential guidance
  - Revenues to increase in the mid-single digit percentage range
  - Gross margins reverting to the 1H22 average – still at record levels
  - Investments in our people and technology expected to increase 3Q22 operating expenses (WSA)
  - EBITDA dollars expected to be flat to down a few million dollars, well above prior guidance
- Raising guidance for full-year 2022 compared to full-year 2021
  - Revenue upgraded to increase as much as 30%, up from prior guidance of a 20% increase
  - EBITDA to approximate 7% of revenue, or adding approximately $100M EBITDA dollars year-over-year
- Expect full-year positive free cash flow, even with much higher revenues than expected