



Investor Relations

FIRST QUARTER 2023

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

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.



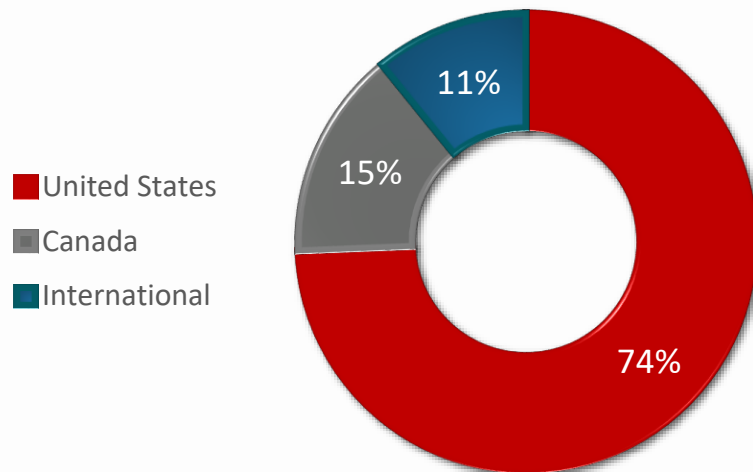
Driving Supply Chain Efficiency through Speed, Technology and Innovation

NYSE Ticker DNOW
Countries ~20
Locations ~170

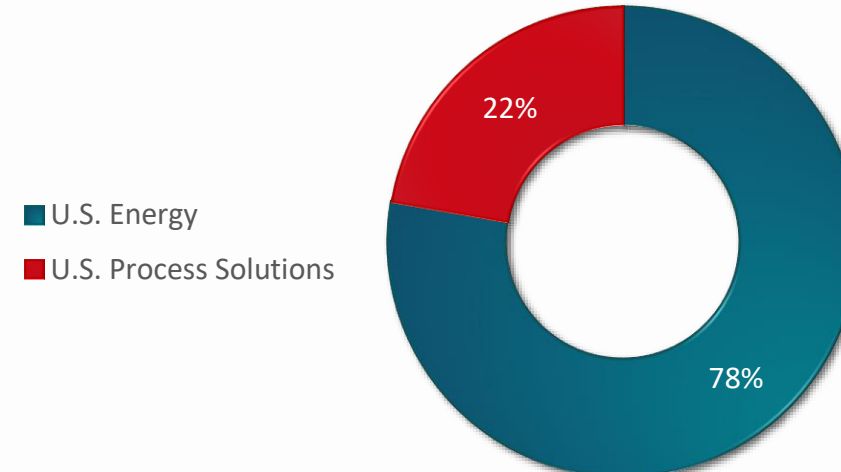
Employees ~2,450
ERP System SAP™

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

2022 Revenue by Reporting Segment



2022 United States Revenue by Channel



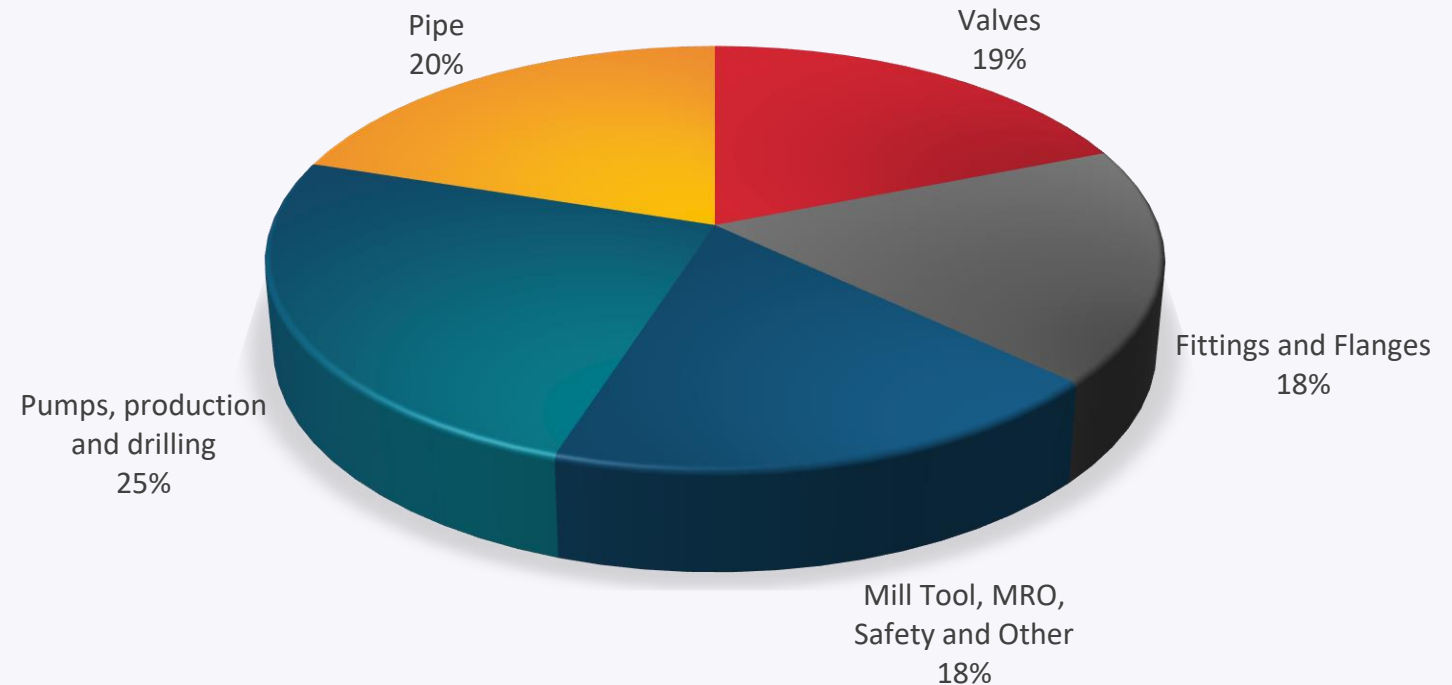
Comprehensive Product Offering and Balanced Revenue Mix

DNOW carries a comprehensive 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

2022 Product Mix



Global Operational Presence and Reach

Company Locations

Locations and Reach

Supercenters

Supercenters:

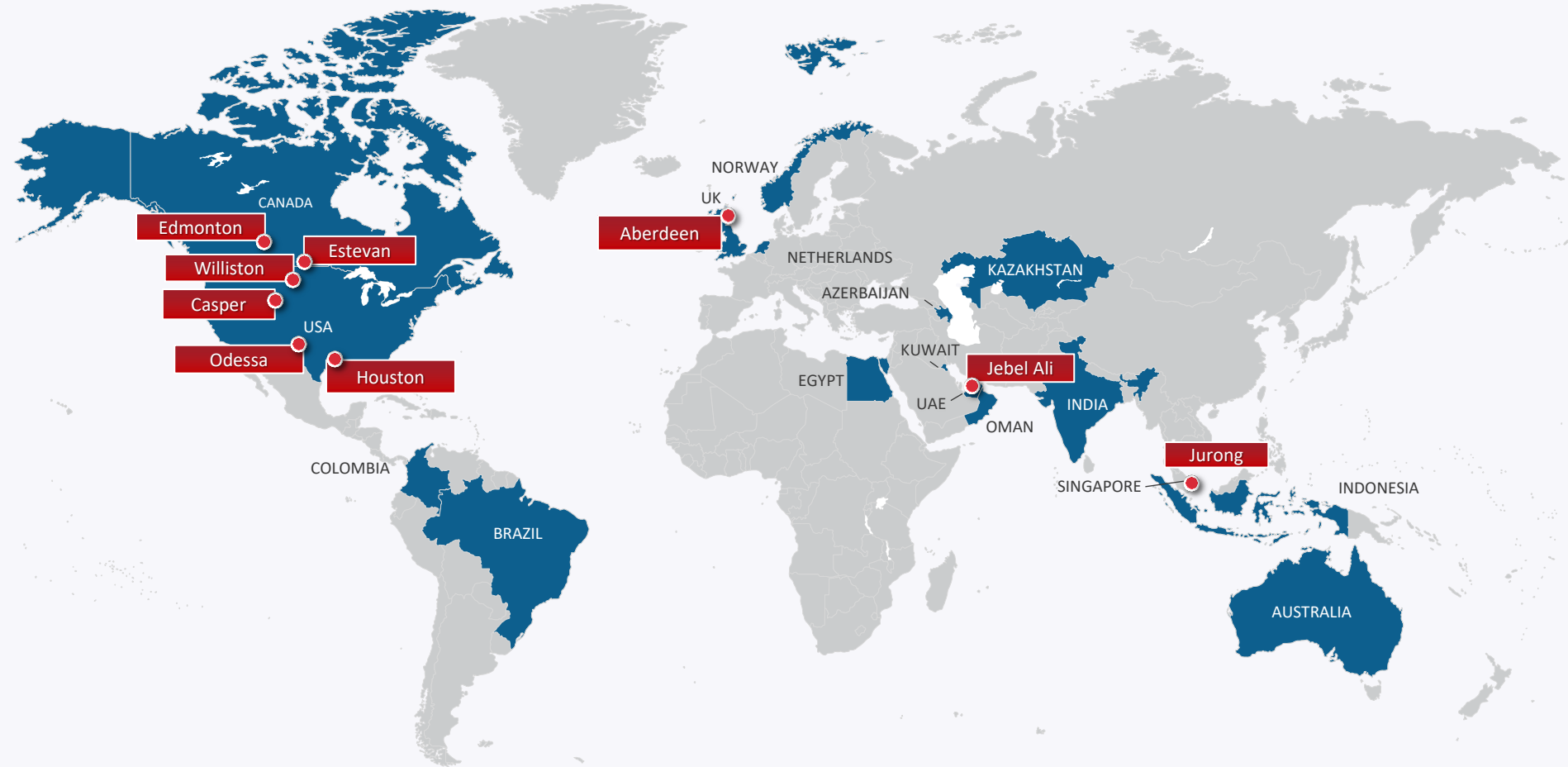
United States
Houston, TX
Odessa, TX
Casper, WY
Williston, ND

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 and Production



Midstream



Downstream

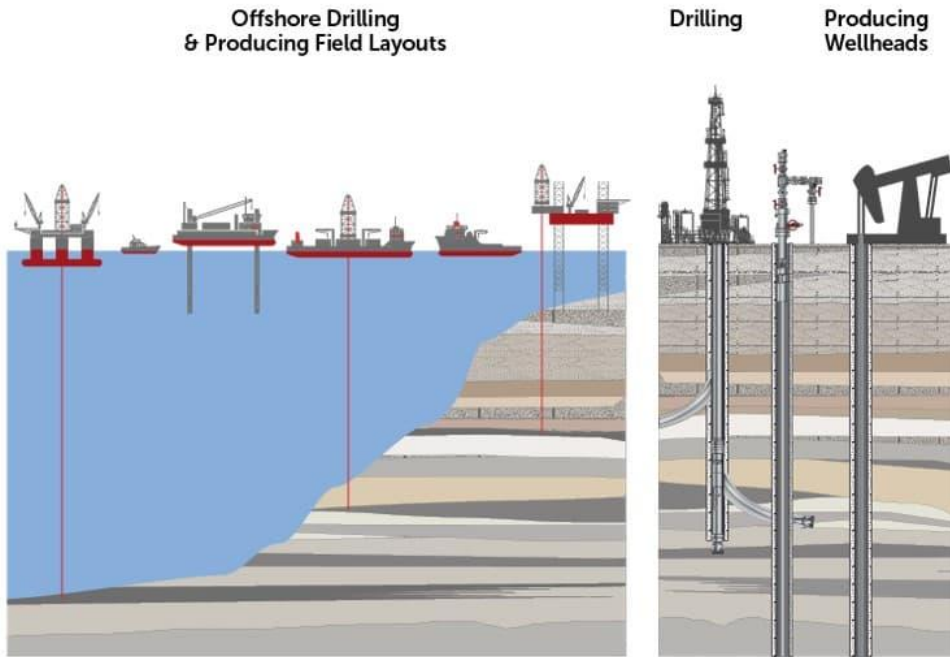


Industrial, RNG and Mining

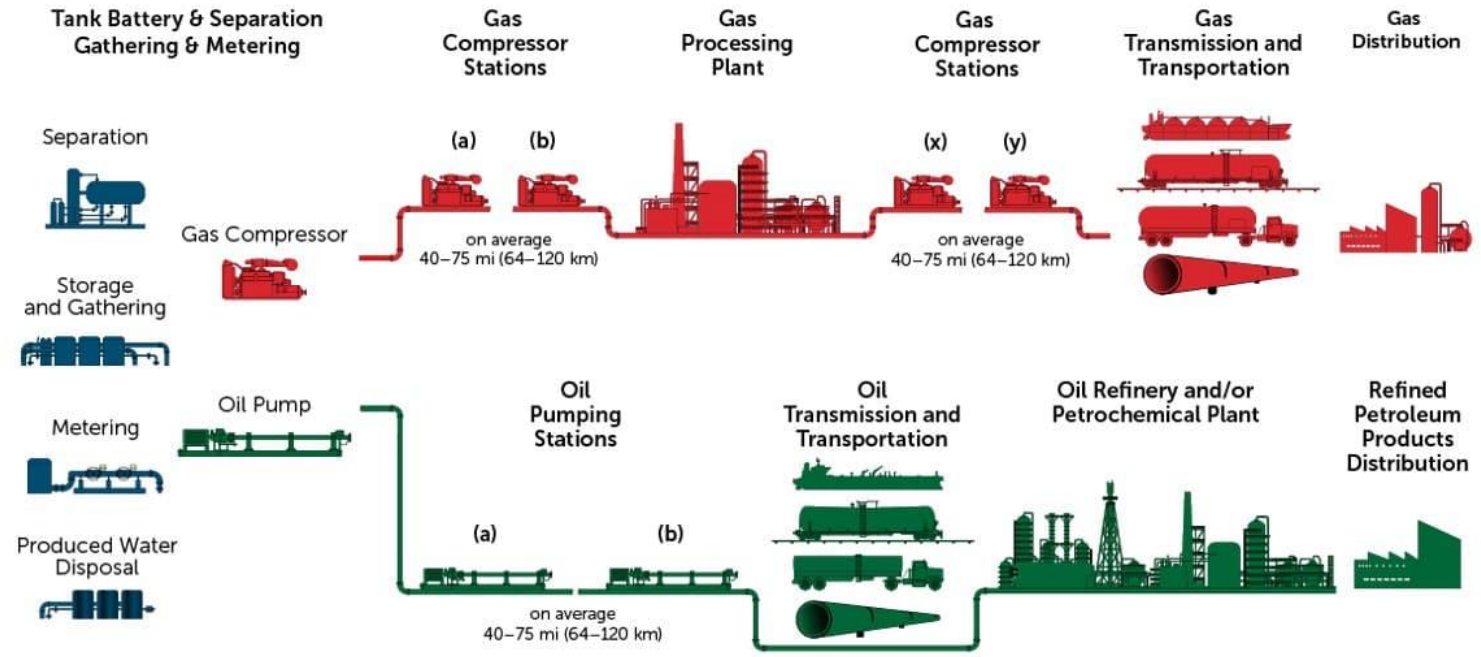


DNOW is a Critical Link from Drilling to Distribution

Upstream



Midstream



Providing Value-Added Solutions Across All Channels



Energy Centers

Global branch network supplying products locally to upstream, midstream and downstream energy 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 and industrial markets



Reduces customers' total costs including operating expenses and invested capital



U.S. Process Solutions

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, midstream gathering and transmission

Driving Growth through Acquisitions

Clearly Defined Acquisition Strategy

- 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






ESG Solution Targeting Growing Decarbonization Market



- **EcoVapor is a leading emissions and flaring abatement solution to 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 growing RNG by providing gas processing capabilities
- 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.



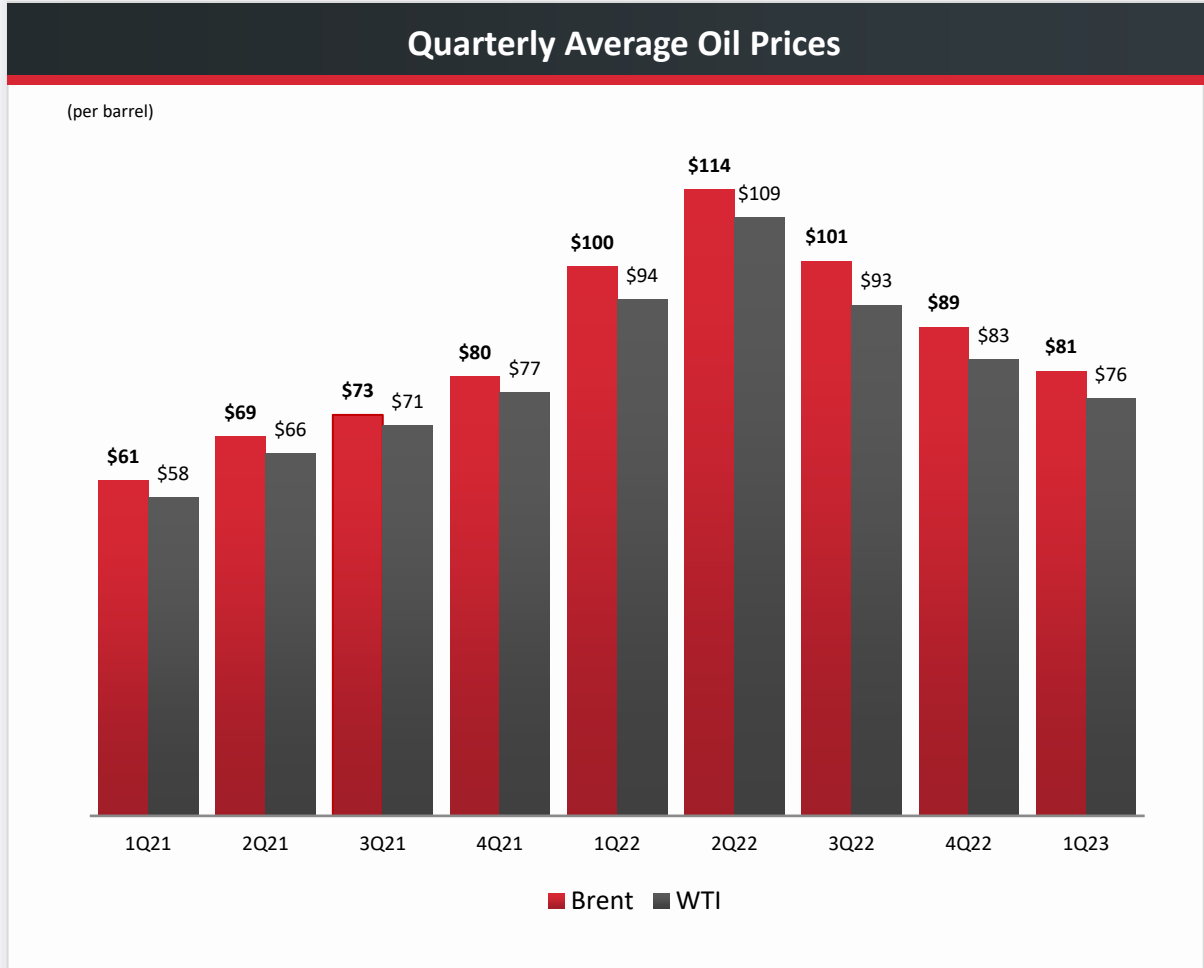
First Quarter 2023

AT A GLANCE

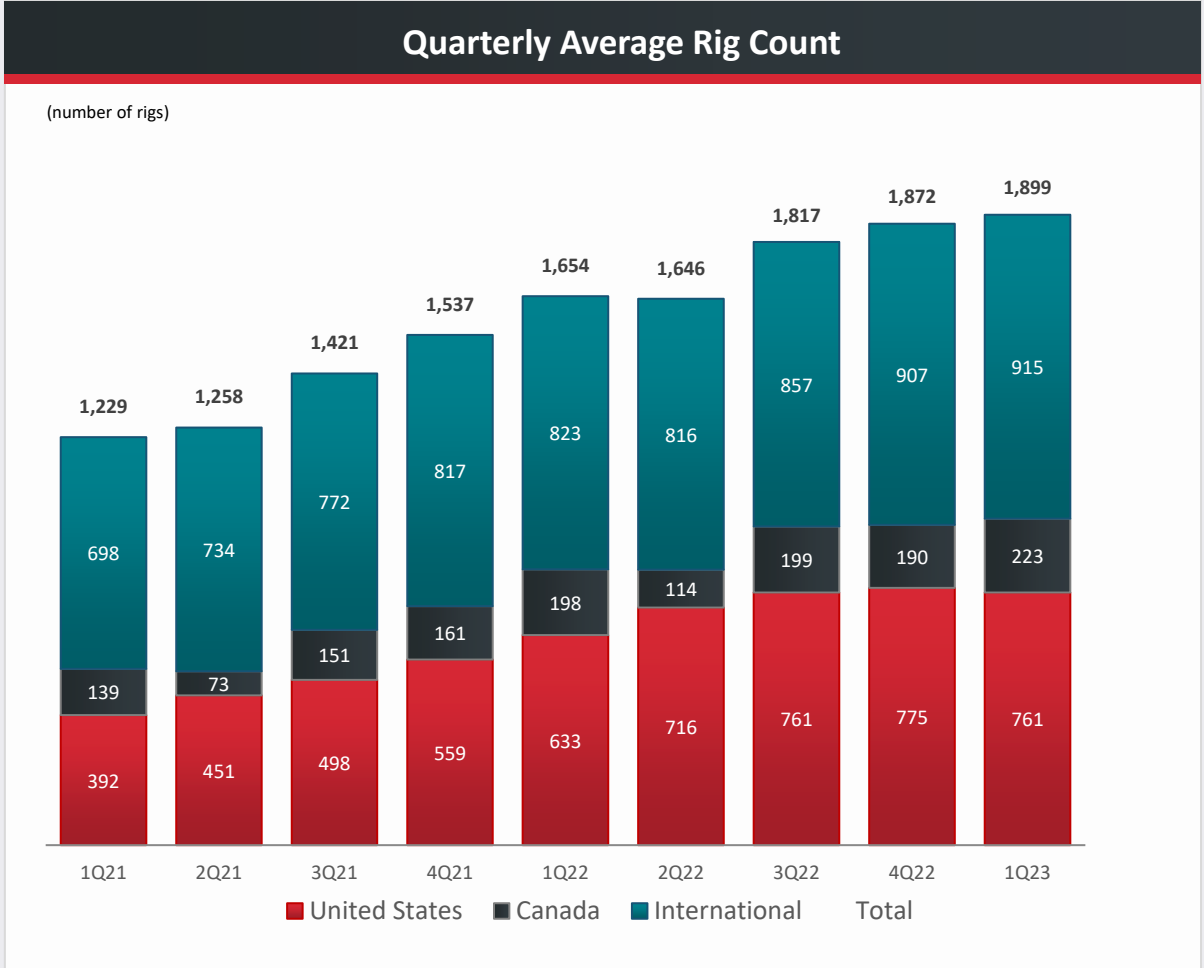
Energy Delivered.™

DISTRIBUTION **NOW**

Key Market Indicators



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



Source: Baker Hughes, Inc.

Key Market Indicators

WTI/Rig Counts

- WTI avg of \$76 per barrel for 1Q23, down 8% sequentially
- U.S. avg rig count of 761, lower 2% sequentially
- Canada avg rig count of 223, up 17% sequentially
- International avg rig count of 915, up 1% sequentially
- Global avg rig count of 1,899, up 1% sequentially

DNOW annualized revenue per rig at
\$1.2M for 1Q23

U.S. DUCs*

- March ended with a DUC count of 4,676 wells in EIA regions
- 1Q23 avg of 4,686 wells, relatively flat sequentially

DUCs are future revenue opportunities for
DNOW

U.S. Completions*

- March ended with a U.S. completions count of 999 wells in EIA regions
- 1Q23 avg of 1,001 wells, 3% lower sequentially

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

**EIA DPR report released 4/17/2023*

1Q23 Key Takeaways

- Revenue of \$584M, up 7% sequentially, and up 23% year-over-year, compared to global rig count growth of 15% year-over-year
- GAAP Net Income attributable to NOW Inc. of \$31M; GAAP EPS attributable to NOW Inc. stockholders of \$0.28
- Non-GAAP Net Income* of \$28M; Non-GAAP diluted EPS* of \$0.25
- EBITDA* of \$47M or 8.0% of revenue, up \$19M or up 68% year-over-year
- Gross margins of 23.5% in the quarter, in line with our guided range
- Warehouse, Selling & Administration (WSA) was 17.5% of revenue during the quarter; a 30 basis point improvement year-over-year
- Cash used in operating activities was \$6M, capital investments of \$5M, free cash flow consumption of \$11M
- Repurchased \$36M in shares during the quarter; with \$43M accumulated through 1Q23
- Closed two acquisitions in May 2023 fortifying the U.S. Process Solutions pump and seal distribution and service territories, while integrating our two December 2022 acquisitions into the business

* Excluding other costs (non-GAAP)

1Q23 Segment Results

Solid performance led by growth in U.S. and International on a year-over-year basis

| | 1Q22 | 1Q23 | Var. | Var. % |
|-------------------------------|------------|------------|------|--------|
| United States | 334 | 427 | 93 | 28% |
| Canada | 82 | 83 | 1 | 1% |
| International | 57 | 74 | 17 | 30% |
| Revenue | 473 | 584 | 111 | 23% |
| United States | 14 | 23 | 9 | |
| Canada | 7 | 8 | 1 | |
| International | 2 | 4 | 2 | |
| Operating Profit | 23 | 35 | 12 | |
| <i>United States</i> | 4.2% | 5.4% | | |
| <i>Canada</i> | 8.5% | 9.6% | | |
| <i>International</i> | 3.5% | 5.4% | | |
| <i>Operating Profit %</i> | 4.9% | 6.0% | | |
| <i>% of U.S. Revenue</i> | | | | |
| <i>U.S. Energy</i> | 79% | 74% | | |
| <i>U.S. Process Solutions</i> | 21% | 26% | | |

■ United States

- Revenue growth aided by the strengthening in U.S. drilling and completions activity
- Operating profit improvement driven by revenue growth and better gross margins

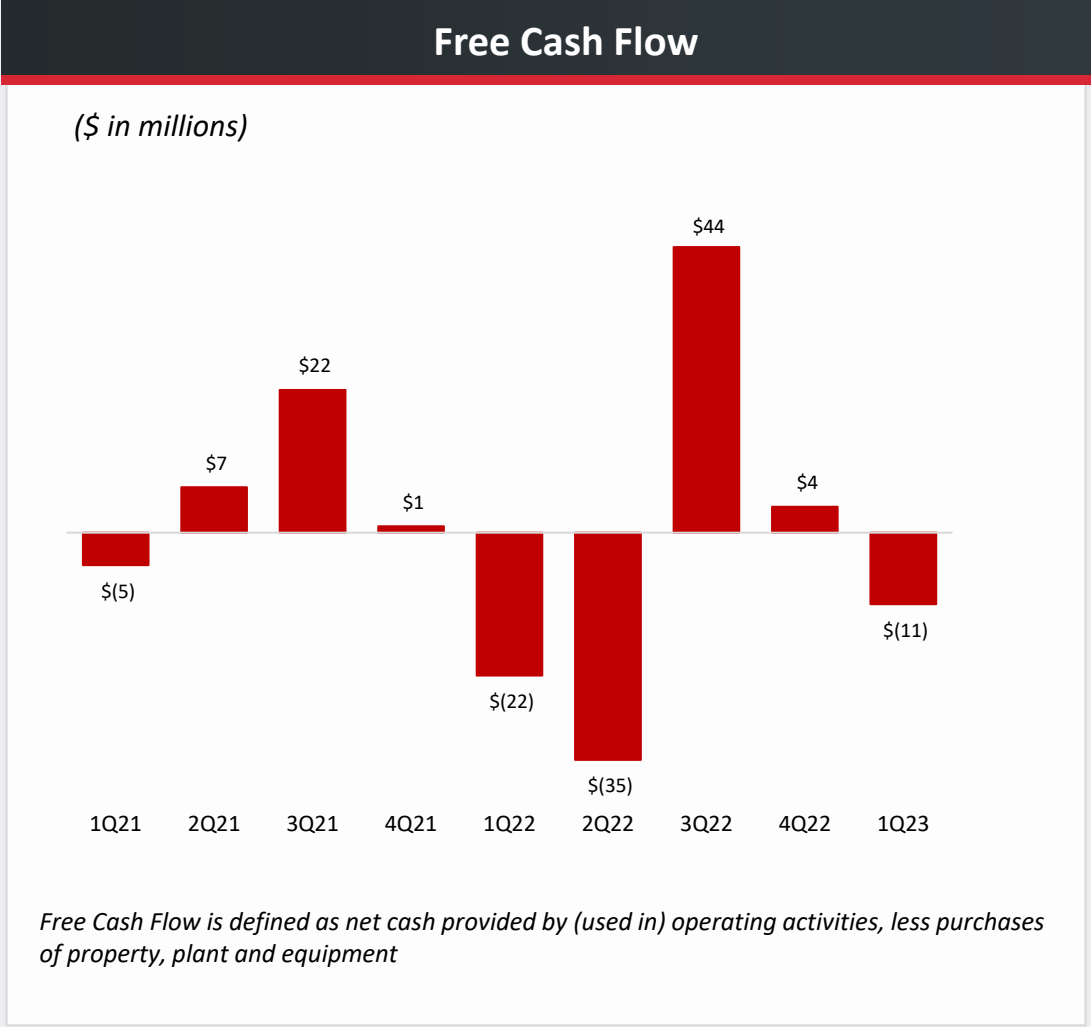
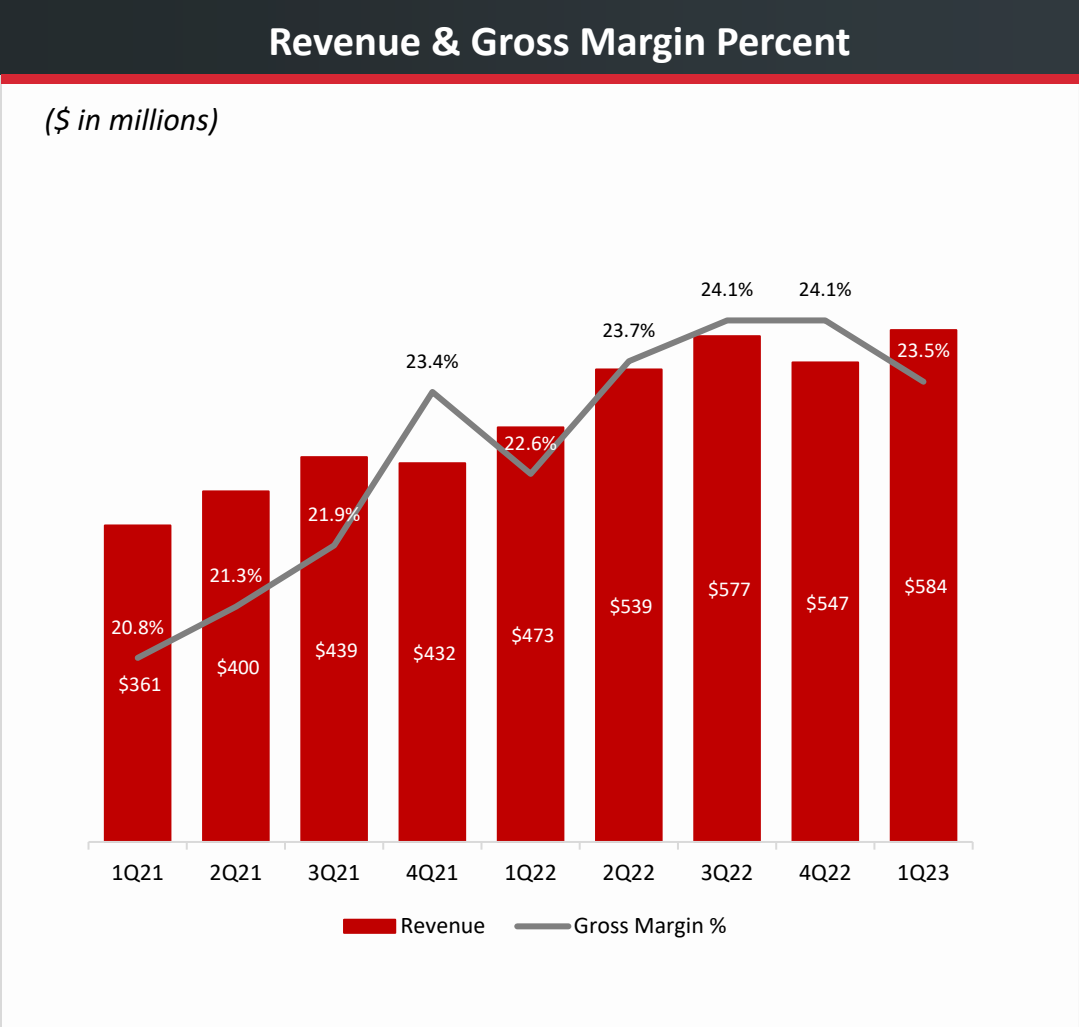
■ Canada

- Revenue up modestly impacted by a \$6M unfavorable foreign exchange
- Operating profit increased due to improved gross margins

■ International

- Revenue growth due to increased project activity, primarily in our MacLean International and Middle East businesses, partially offset by a \$5M unfavorable foreign exchange impact
- Operating profit up due to higher revenues

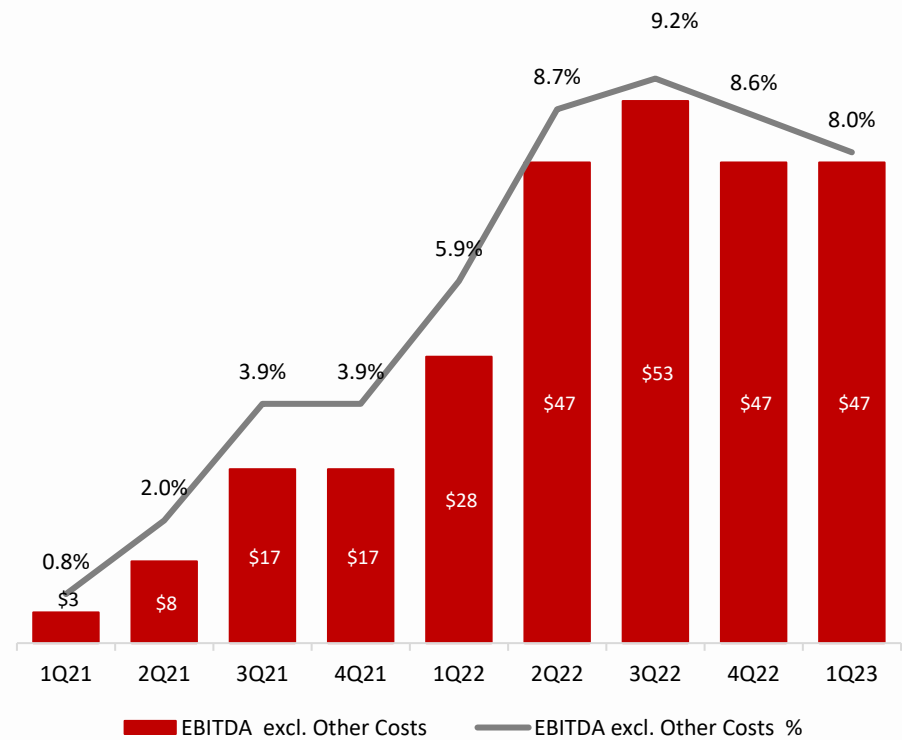
Selected Quarterly Results



Selected Quarterly Results

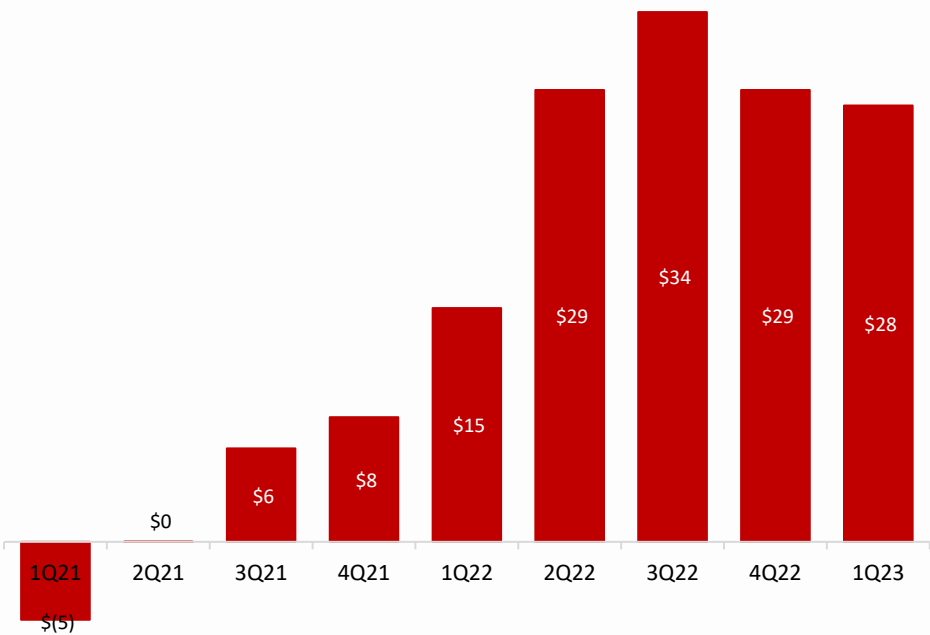
EBITDA excl. Other Costs (Non-GAAP)

(\$ in millions)



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

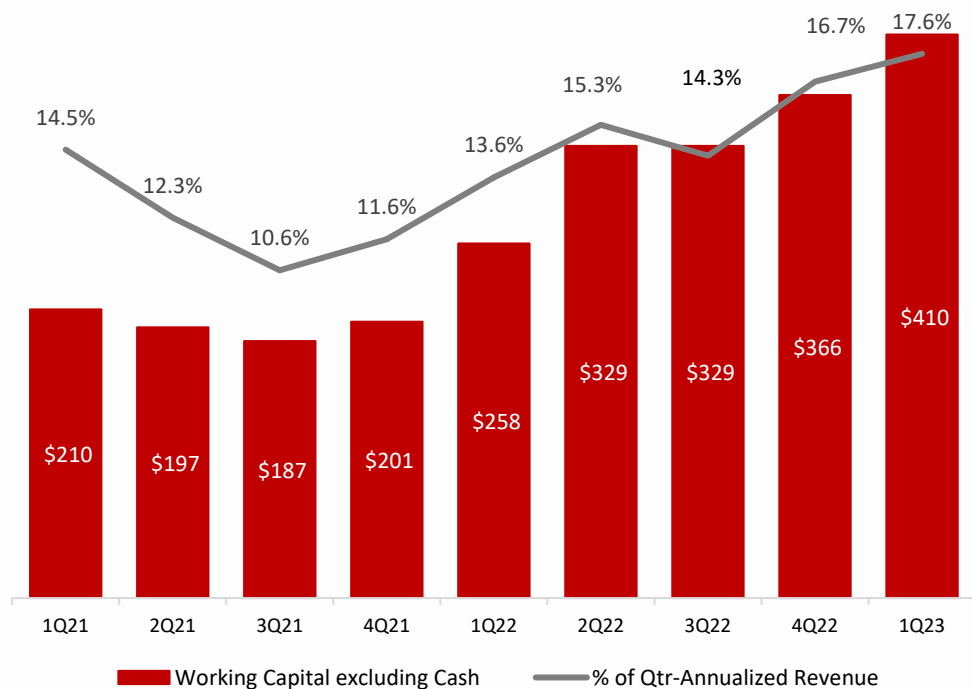
(\$ in millions)



Selected Quarterly Results

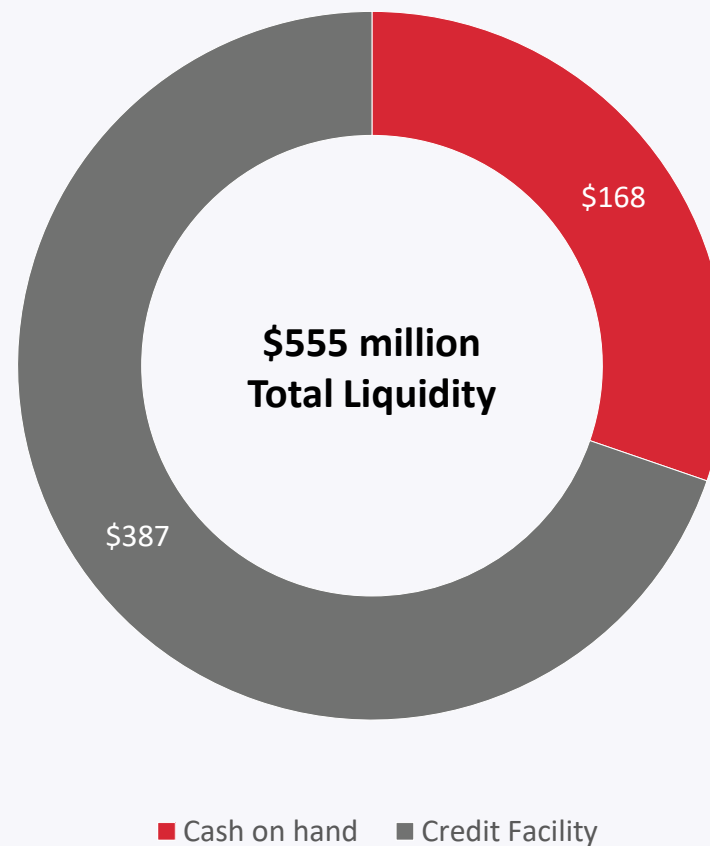
Working Capital excl. Cash

(\$ in millions)



Total Liquidity at March 31, 2023

(\$ in millions)



Select Balance Sheet Metrics

| | March 31, 2023 | Comments |
|---------------------------|------------------|---------------------|
| | (\$ in millions) | |
| Cash and cash equivalents | \$ 168 | |
| Receivables, net | 422 | 66 DSOs |
| Inventories, net | 406 | 4.4 Turn rates |
| Accounts payable | 323 | 66 DPOs |
| Long-term debt | – | No outstanding debt |

Guidance on May 4th, 2023

- Reaffirm full-year 2023 revenue to increase 8% to 12%, compared to full-year 2022 revenue
- Full-year 2023 EBITDA* targeted at 8.0% of revenue
- Expect full-year 2023 to approximate \$100M cash from operations
- 2Q23 revenue to increase in the low-single digits percentage range sequentially, despite the expected Canadian seasonal decline due to breakup, approximating 10 percent year-over-year 2Q revenue growth
- 2Q23 EBITDA* to approximate the 1Q23 EBITDA* dollar level

* Excluding other costs (non-GAAP)

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

\$555M in total liquidity



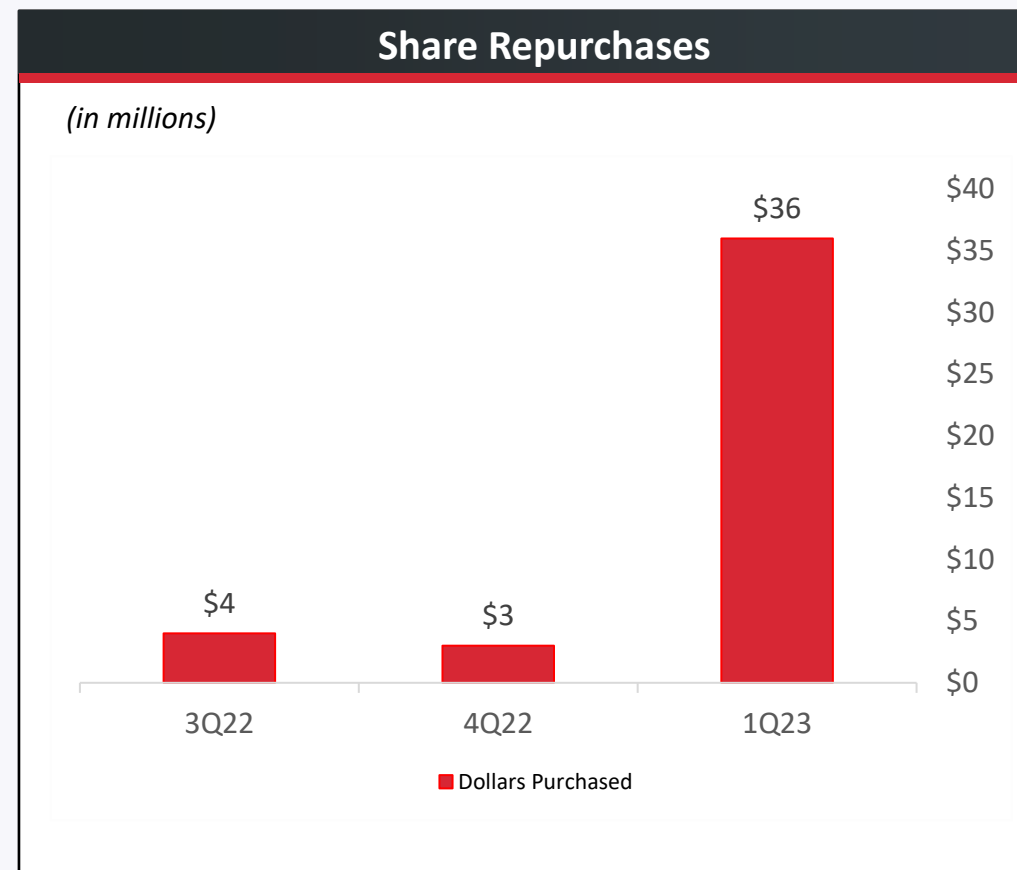
... to fund growth and expanded capital allocation program

1. Fund Organic Growth and Efficient Operations
 - Working Capital needs
 - Low capex
 - Technology investments
 - Digital Innovation
2. Inorganic growth through acquisitions
 - Patient, disciplined approach
 - Strategic, less commoditized prospects
 - Targeting margin accretive businesses
 - Seeking end-market diversification
 - Prioritized compared to share repurchase
3. Return excess capital to shareholders
 - \$80 million share repurchase authorization

Share Repurchases

\$80 million share repurchase program

- Repurchased \$36M of shares during the quarter, with \$43M accumulated through 1Q23
- Shares retired at average price of \$10.91 per share in 1Q23
- Program authorized August 2022 through December 2024





Technology and DigitalNOW™

Energy Delivered.™

DISTRIBUTION **NOW**®

IT and Systems Technology Investments



User Adoption on Technology increases to bring more efficiency



Optimize cost and maximize scalability thru cloud platforms

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:

- Scaling of PVF+ supercenters leveraging SAP's 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

DigitalNOW® Customer Ecosystem

powered by
DigitalNOW®

Digital suite of products adding to increased customer value

Digital commerce and eCommerce channel shop.dnow.com

- Digital commerce platform, shop.dnow.com, continues to grow
- Digital revenue comprised of 43% of SAP revenue on customer and project billing mix on larger quarterly sequential revenue
- Growing eBusiness customer implementations and integrations with customer ERP systems
- Focused on growing B2B users and round trip/punchout users
- Central commerce solution to DigitalNOW® customer ecosystem



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
- Mobile app

eSPEC™
powered by DigitalNOW®



eTrack™, powered by DigitalNOW®

- Asset, data and material management lifecycle solution
- Enables customers to manage their assets using location finder
- Allows retrieval of documentation and drawings
- Allows customers the ability to schedule field service
- Implementing with several customers capturing hundreds of assets and growing



AccessNOW™, powered by DigitalNOW®

- Suite of unattended inventory control and intelligent inventory management solution
- Improves inventory integrity, forecasting
- Reduced opex cost leveraging automation and technology
- Added Security and surveillance

AccessNOW™

Control - Efficiency - Scalability





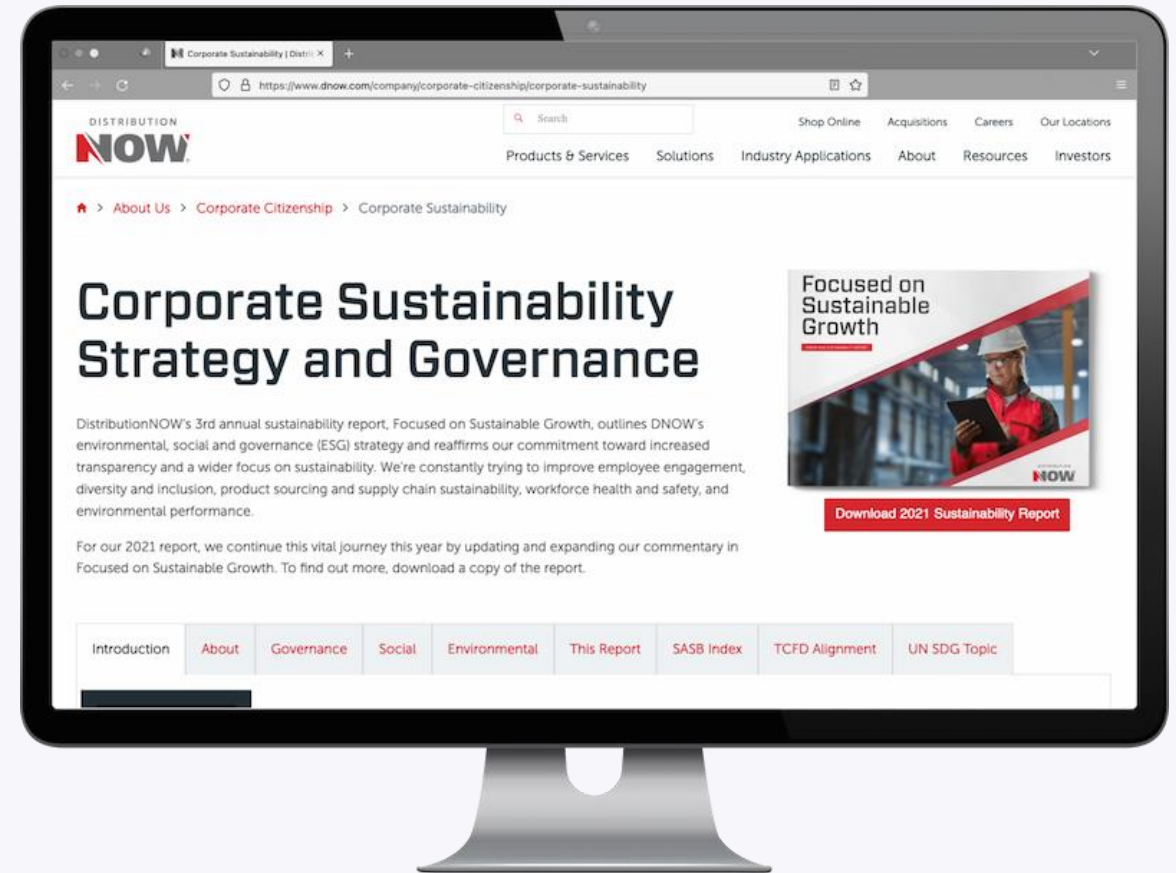
Environmental, Social & Governance

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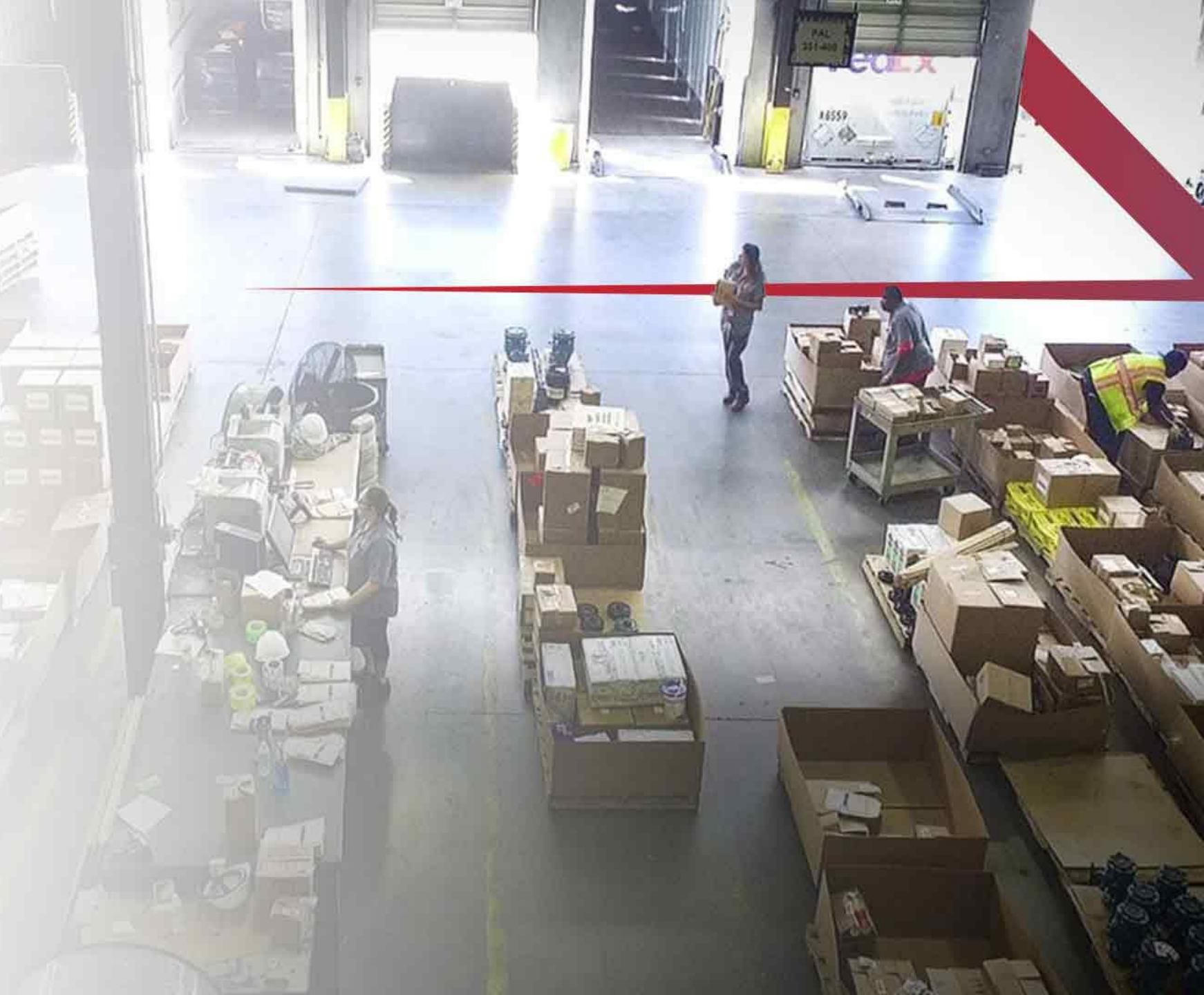
Sustainability

- Increase ESG reporting transparency to shareholders through our sustainability page, filings and annual reporting
- Released of our 2021 Sustainability Report, *Focused on Sustainable Growth*, our third annual report keeping with our annual commitment
- Report based on SASB (Sustainability Accounting Standards Board), UN SDGs mapping, TCFD (Task Force on Climate Related Financial Disclosures) standards and guidance
- Aligned with business strategy
- Managed by ESG management committee
- Oversight provided by board Environmental, Social, Governance and Nominating Committee



Appendix

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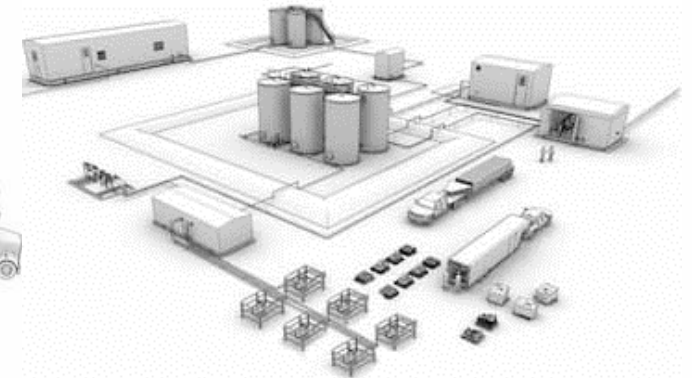
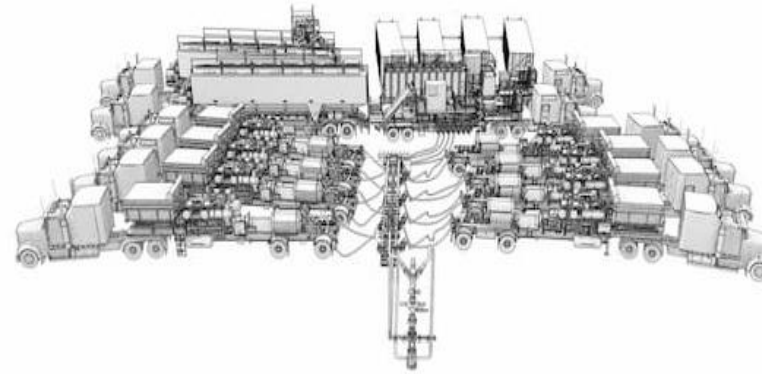


Pipe Price Trends, U.S. dollar per ton



Source: Pipe Logix

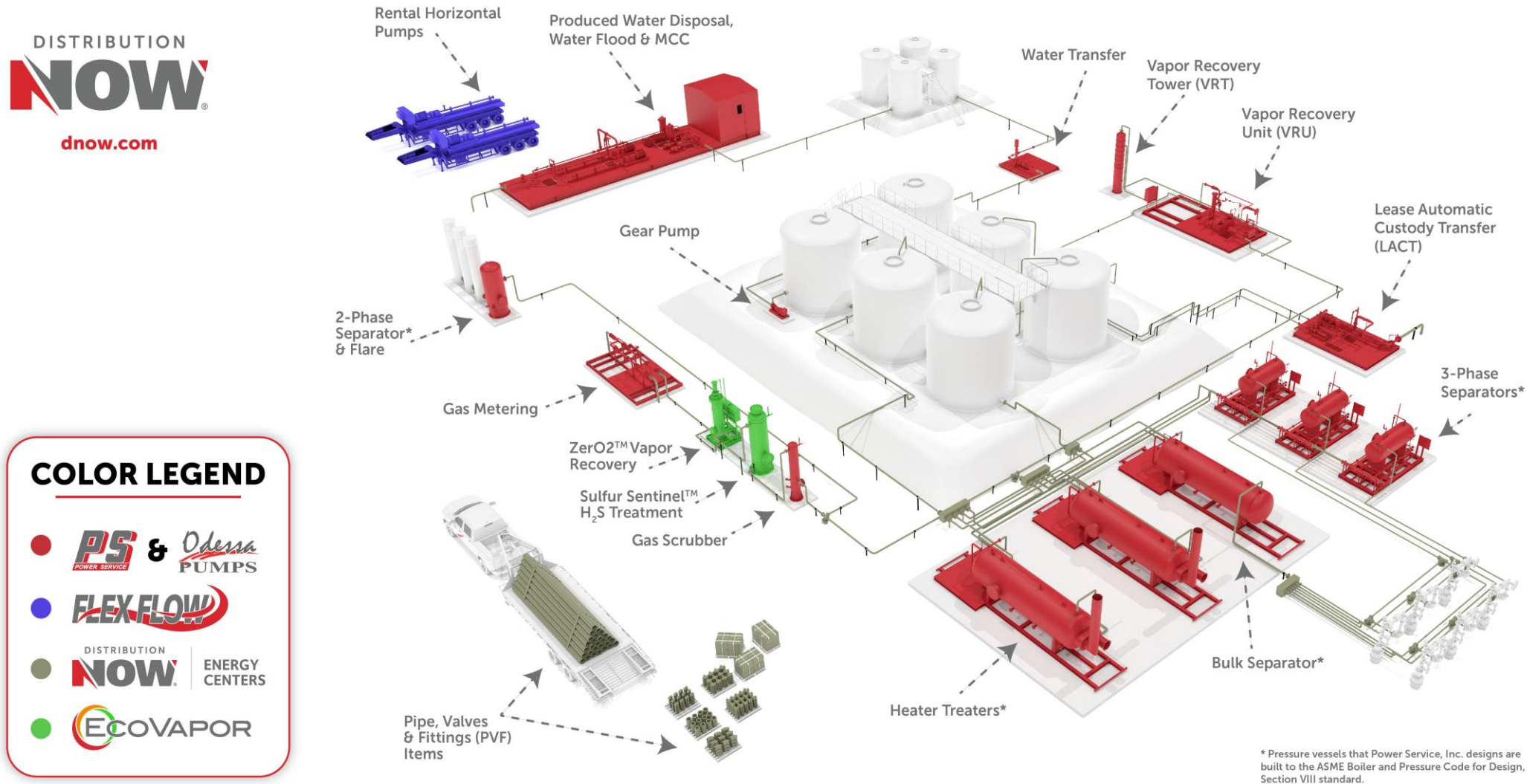
Timing and Materiality from Drilling to Tank Battery Install



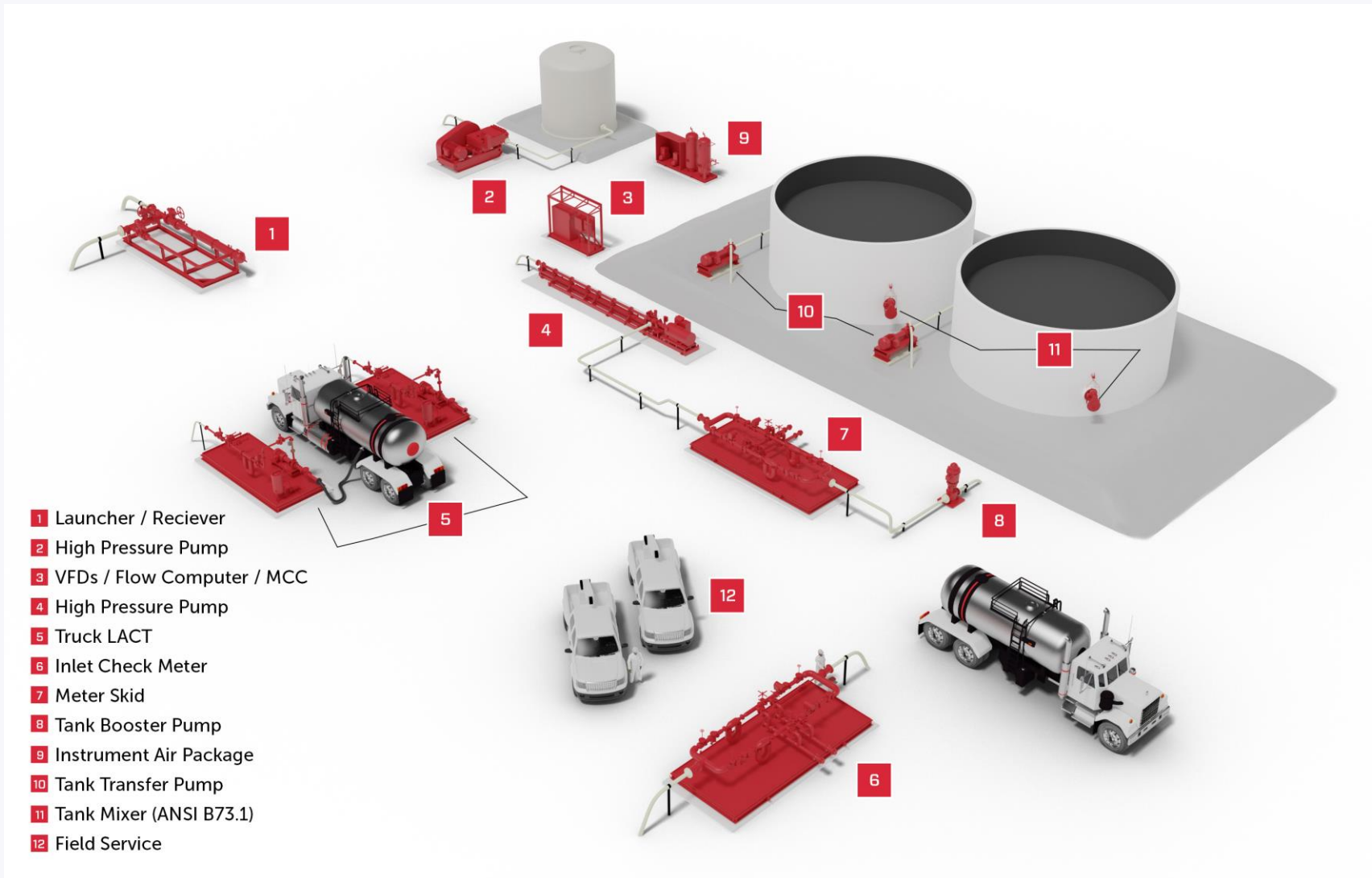
| | Drilling | Frac | Tank Battery |
|----------|--------------------------|-------------------|-----------------------|
| Revenue* | \$4,000-\$5,000 per week | Minimal | \$250,000-\$2 million |
| Time* | 20-50 days | 30-60 days | 30-60 days |
| Customer | Drilling Contractors | Service Companies | E&P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

*Estimates based on a 6-well pad

Example Tank Battery Installation



Example Midstream Terminal Opportunities





Investor Relations

Brad Wise

Vice President, Digital Strategy & Investor Relations

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