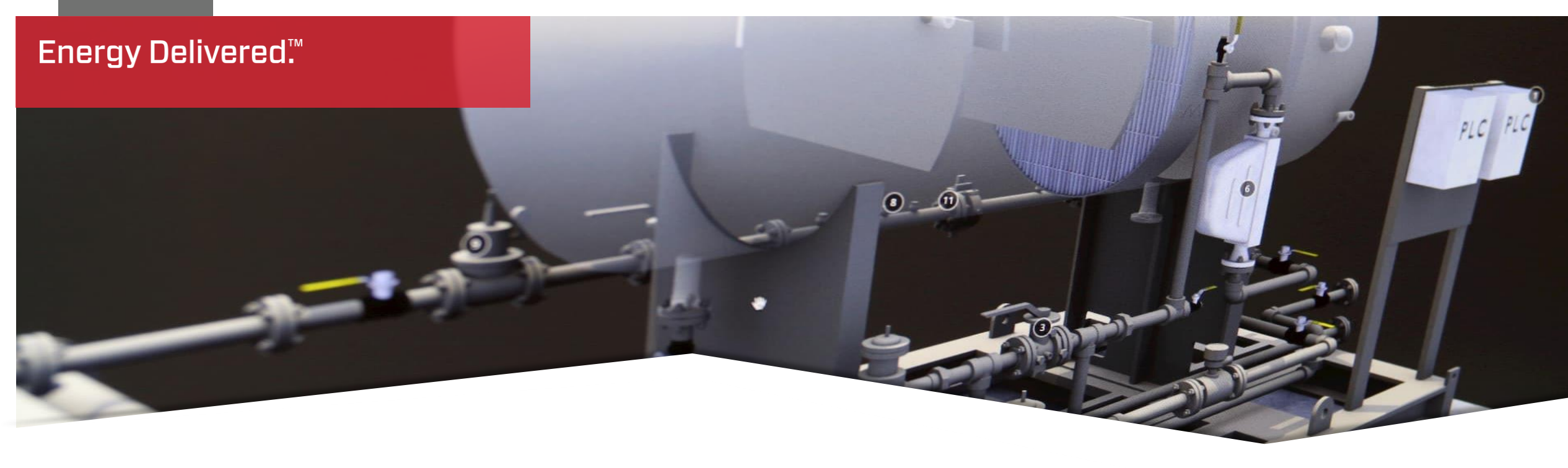


Energy Delivered.™



NOW Inc. – First Quarter 2021

Key Takeaways

DISTRIBUTION **NOW**

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.

CEO Perspective: First Quarter Key Takeaways

- 1Q21 revenue was \$361M, up 13% sequentially, driven by improved activity and growth from all three reporting segments
- U.S. Energy contributed 81% and U.S. Process Solutions contributed 19% of U.S. revenue in the quarter
- 1Q21 gross margins were 20.8% on resilient product margins and lower sequential inventory charges
- \$374M cash balance at March 31, 2021, with zero debt
- Positive EBITDA, excluding other costs; achieved by executing on our strategy
- Completed Master Corporation (February) and Flex Flow (April) acquisitions; bolstering the value proposition of U.S. Process Solutions

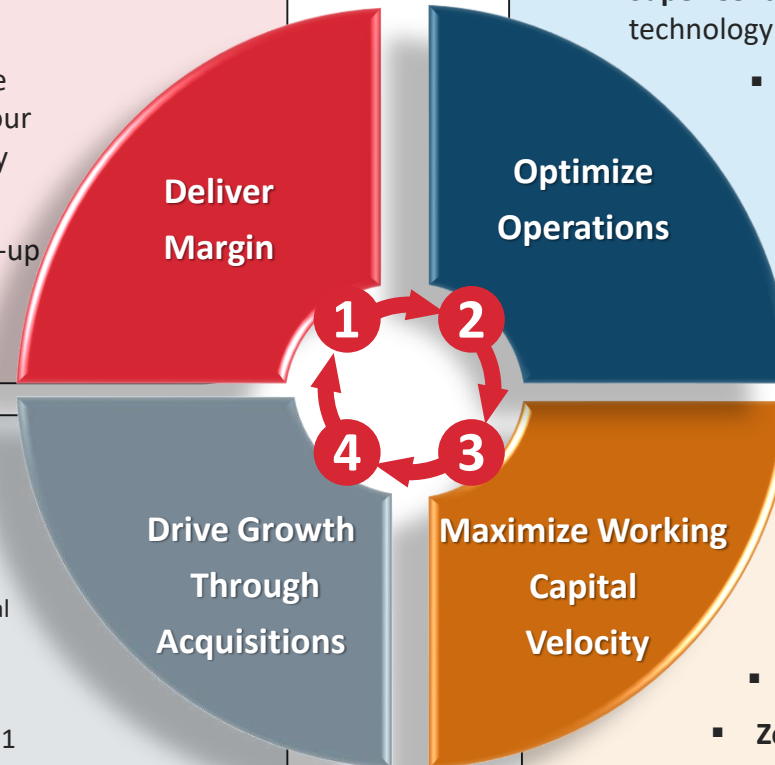
Response to COVID-19

- Remained connected to our customers communicating impacts on product availability and accessibility, as DNOW designated as an “essential” business
- Corporate COVID-19 response team coordinating policies and guidelines
- Continuous communication through our HSE onsite champions on COVID updates and CDC / WHO information
- Implemented recurring survey to ensure employees have access to necessary PPE and cleaning supplies
- Provided masks, signage and disinfecting cleaners at locations
- Employees working remotely are able to leverage technology to connect with co-workers, customers and suppliers
- Decreased third party access to business locations and increased reliance on video and teleconferencing



DNOW Strategy to Unlock Value

- **Revenue grew sequentially across all three reporting segments**, driving improving flow-throughs on lowered WSA
- **Gross margins improved** sequentially due to resilient product margins and lower inventory charges
- Headwinds from COVID related restrictions and extreme winter weather resulted in shut downs of a number of our U.S. locations and reduced customer completion activity and plant shut downs
- Higher sequential quarterly revenue resulted from pent-up demand and improvement in market fundamentals



- **Structural change** towards a more centralized fulfillment model with smaller branches and reduced personnel and vehicles, square footage and less inventory focusing on higher turns
- **Super Centers** to direct ship to customers, implementing new warehousing technology to improve efficiencies
 - Focused on **cost transformation** to better adapt to market demand and preserve balance sheet
 - **Leveraging technology and DigitalNOW™ digitalization platform** to enhance employee productivity and increase operational efficiencies

- Completed **Flex Flow acquisition** in April 2021
 - Second acquisition of the year, expanding U.S. Process Solutions capabilities
 - Leading provider of high pressure, high volume horizontal pumping solutions for midstream and upstream markets
 - Highly complementary to Odessa Pumps business
- Completed **Master Corporation acquisition** in February 2021
- **M&A pipeline active**, proactively evaluating opportunities
- Approximately **\$598 million in total liquidity**

- **Working capital**, excluding cash, was 15% of first quarter 2021 annualized revenue
- **Inventory turns** at 4.6x, a quarterly record high
- **Cash balance** at March 31, 2021 of \$374M
- **Zero debt**

1Q21 Key Market Indicators

WTI/Rig Counts

- WTI avg \$58 per barrel for 1Q21
- U.S. avg rig count of 392, up 26% sequentially, down 50% YOY
- Canada avg rig count 139, up 51% sequentially, down 29% YOY
- International avg rig count 698, up 5% sequentially, and down 35% YOY

DNOW annualized revenue per rig at \$1.2M for 1Q21

U.S. DUCs

- March ended with a DUC count of 6,912 wells in EIA DPR regions
- 7,061 1Q21 avg
- Down 7% sequentially
- Down 16% YOY

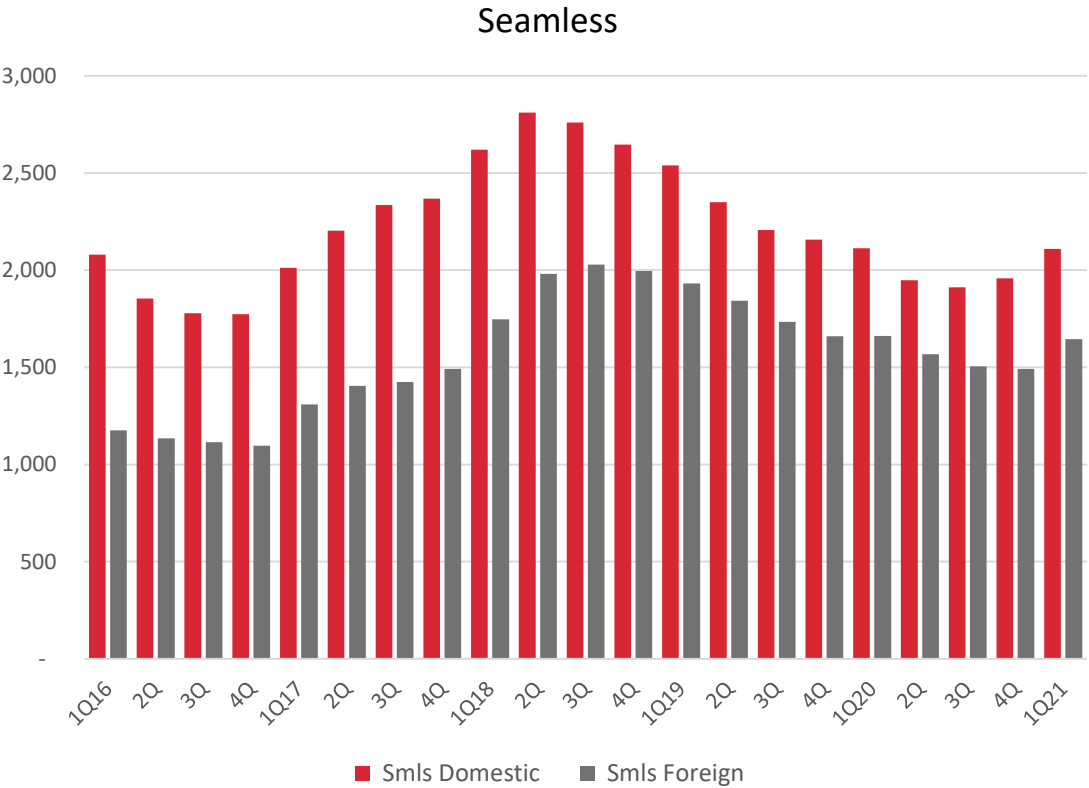
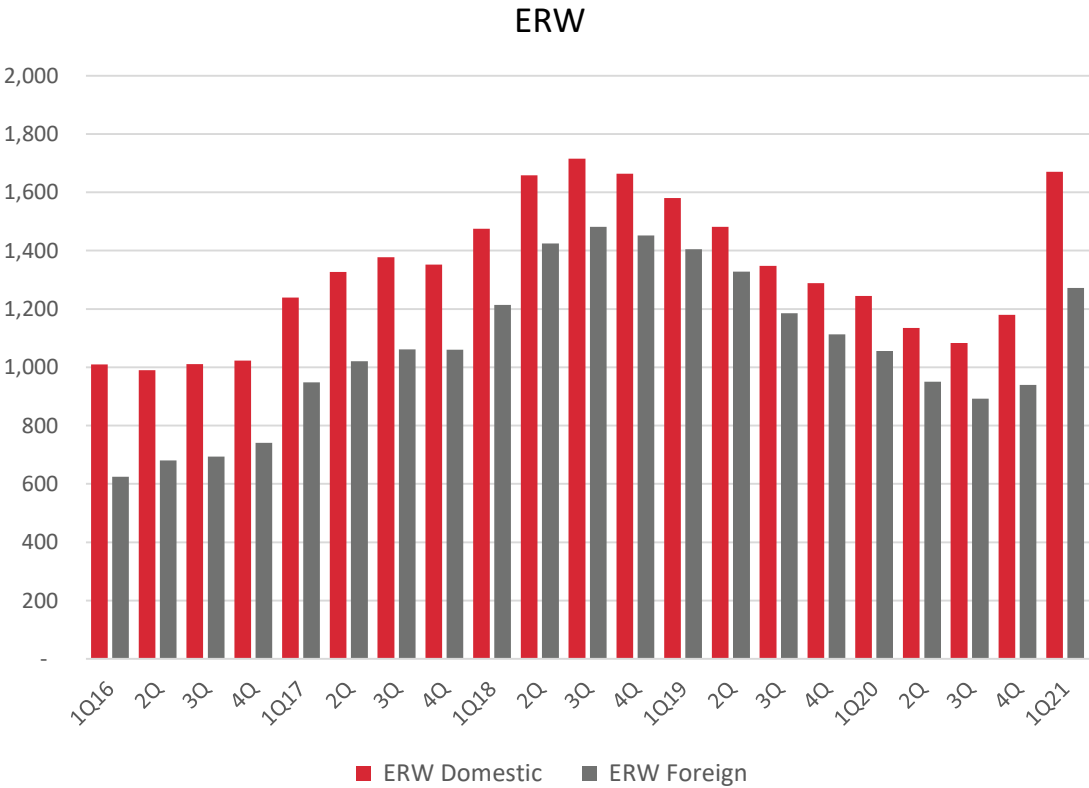
DUCs are future revenue opportunities for DNOW

U.S. Completions

- March ended with 641
- 580 avg for 1Q21
- Down 3% sequentially
- Down 47% YOY

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

Pipe Price Trends, U.S. dollar per ton



Source: Pipe Logix

1Q21 Highlights – United States

U.S. Energy

1Q Highlights

- Revenue represents 81% of U.S. segment revenue
- Activity improved as rig count and completions improved, offsetting the impact of the Texas February freeze that shut down customer operation locations and a number of DNOW branches
- Revenue led through supply chain model customers as drilling programs ramped up and workover rigs worked to offset production declines
- Witnessed increased activity from smaller independents with budget resets and improved market fundamentals
- Refinery turnarounds yield improved sequential revenue from PVF, MTS and Safety Services
- Ramp-up in use of our eCommerce system from B2B accounts and working towards additional implementations

U.S. Process Solutions

1Q Highlights

- Revenue represents 19% of U.S. segment revenue
- Fabrication business improved sequentially as activity drove increased orders and shipments
- Tomball facility continues to expand customer base leveraging proximity to Gulf Coast and West Texas customers
- Supplied multiple production vessels for large, consolidating E&P operator in the Permian
- Grew market share revenue by providing large engineered valve order for a Soda mine surface chemical plant expansion
- Pump aftermarket program continues to expand with increased billable time
- Acquired Flex Flow business in April 2021 expanding pump rental assets for high pressure and high flow rate upstream, midstream and downstream applications
- Acquired Master Corporation in February 2021 expanding our engineering and construction services capability

1Q21 Highlights – Canada & International

Canada

1Q Highlights

- Revenue of \$58M, up \$10M or 21% sequentially
- New location opened in Alberta led to market share gain
- Expanded contractual market opportunity with existing large E&P customer who expanded their working assets through an acquisition
- Grew valve and actuation revenue through wins in midstream projects
- Expanded artificial lift revenue in Saskatchewan to levels not seen since 2014
- Completed eCommerce customer implementations in midstream and mining end markets
- Market enters seasonal break-up period negatively impacting sequential revenue growth

International

1Q Highlights

- Revenue \$51M, up \$4M or 9% sequentially on increased project sales
- Several areas continue to be impacted by elevated COVID restrictions
- MacLean expanded electrical business with large Australia based LNG operator three year contract win
- MacLean expanded valve products sales through EPC for downstream chemical manufacture
- Grew revenue in Brazil with valve and actuation product line on offshore production platform and FPSOs
- Expanded eCommerce implementations with IOC's Australian business unit and a major IOC in Indonesia

IT and Systems Technology Investments

Boost Productivity:

- Order Management System (OMS+) grows with higher adoption globally delivering higher efficiency
- Advanced Quoting Systems (AQ) to provide seamless experience to faster responding quotes (2Q21)
- Process Analytics allows new automation opportunities to streamline operations further

Reduced IT service costs and bolster digital foundation:

- Upgraded Enterprise Warehouse Management system to standardize Distribution Center and branch operations
- Migrating multiple data centers to cloud for application modernization and cost savings
- Upgrading Process Solutions ERP to cloud-based solution to enhance manufacturing functionality and bring more efficiency across business units



User Adoption on Technology increases to bring more efficiency



Optimize run cost and maximize scalability thru cloud platforms



Enterprise WMS increases fulfillment capabilities and efficiencies

DigitalNOW® Customer Ecosystem Expanding

powered by
DigitalNOW®



Digital commerce platform continues to grow

- Digital transactions increase to 37% of SAP revenue and 43% of line items
- Growing customer implementations and integrations with customer ERP systems
- Growing B2B and B2C users
- Central commerce solution to DigitalNOW® customer ecosystem
- Expanding supplier network

Digital suite of products expanding to add customer value



eSPEC™
powered by DigitalNOW®

eSpec™, powered by DigitalNOW®

- Product budgeting and configuration tool expanded to 10 product lines
- Registered users expand, doubling in 1Q21
- Enables enhanced customer conversations earlier in the project cycle



eTRACK™
powered by DigitalNOW®

eTrack™, powered by DigitalNOW®

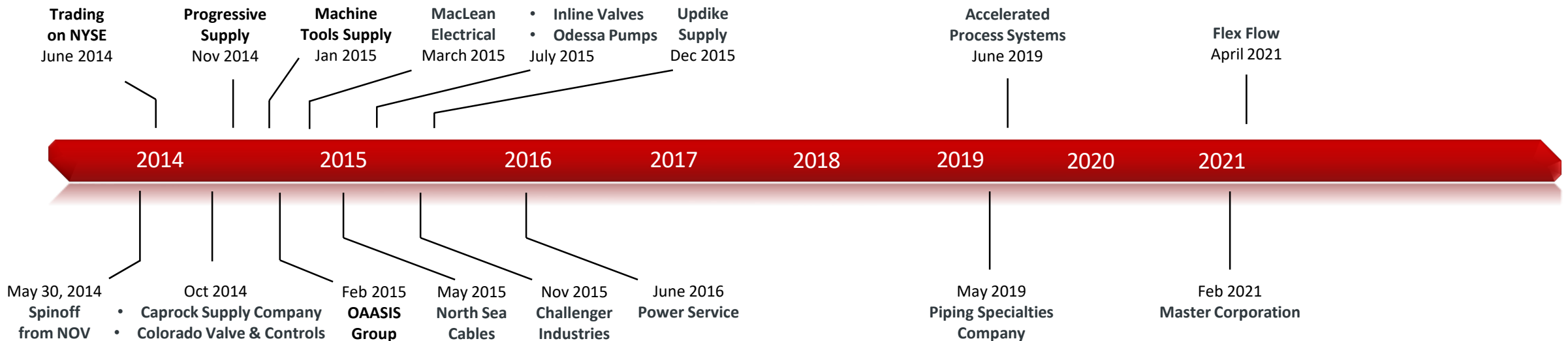
- Asset lifecycle, data and materials management solution
- Empowers customers to
 - Manage their assets using location finder
 - Retrieve documentation and drawings
 - Schedule field service
 - Ability to order parts through our eCommerce platform (future)

Driving Growth through Acquisitions

Clearly Defined Acquisition Strategy

- Seek high value-add solutions that bring sustainable competitive advantages
- Leverage product lines acquired through acquisitions to gain organic share
- Expand Process Solutions value proposition to customers

Track Record of Success



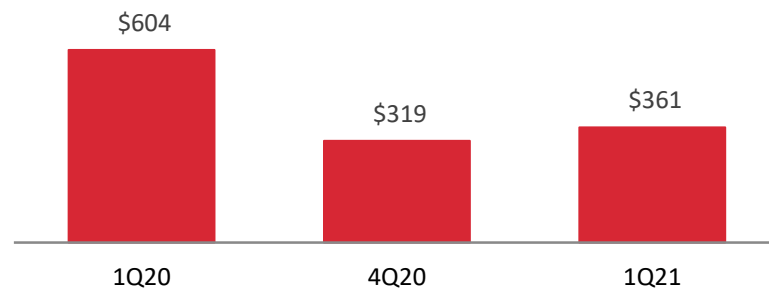
CFO Highlights: First Quarter Results

- GAAP net loss of \$10M; net loss excluding other costs (a non-GAAP measure) of \$5M
- Warehousing, selling & administrative expense reduced to \$79M, down \$2M sequentially
- EBITDA excluding other costs was \$1M
- GAAP diluted loss per share of \$0.09, with non-GAAP diluted loss per share excluding other costs of \$0.04 per share
- Working capital, excluding cash, as percent of annualized 1Q21 revenue of 14.5% and cash conversion cycle of 77 days, a 10 day sequential improvement

CFO Highlights: Selected Quarterly Results (Unaudited)

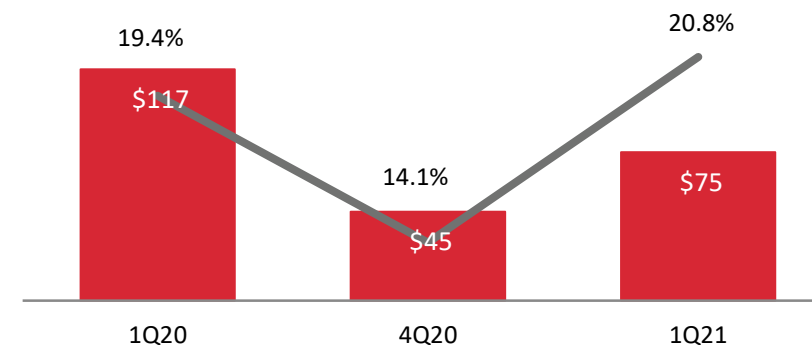
Revenue

(\$ in millions)



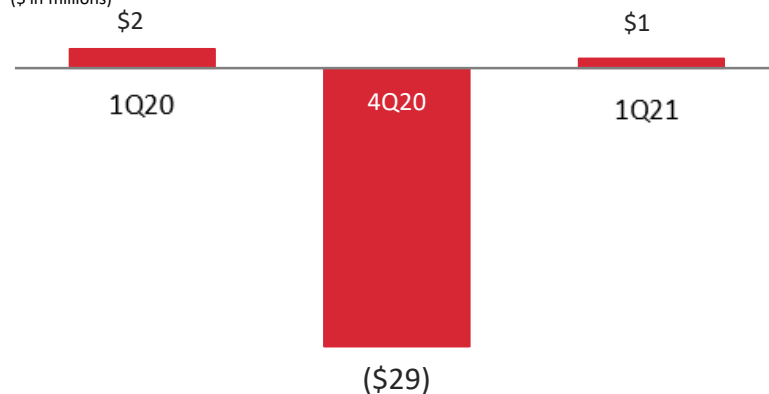
Gross Profit and Margin %

(\$ in millions)



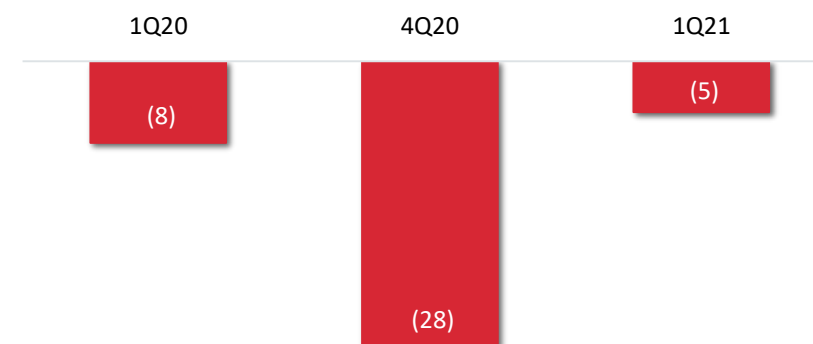
EBITDA Excl. Other Costs (Non-GAAP)

(\$ in millions)



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

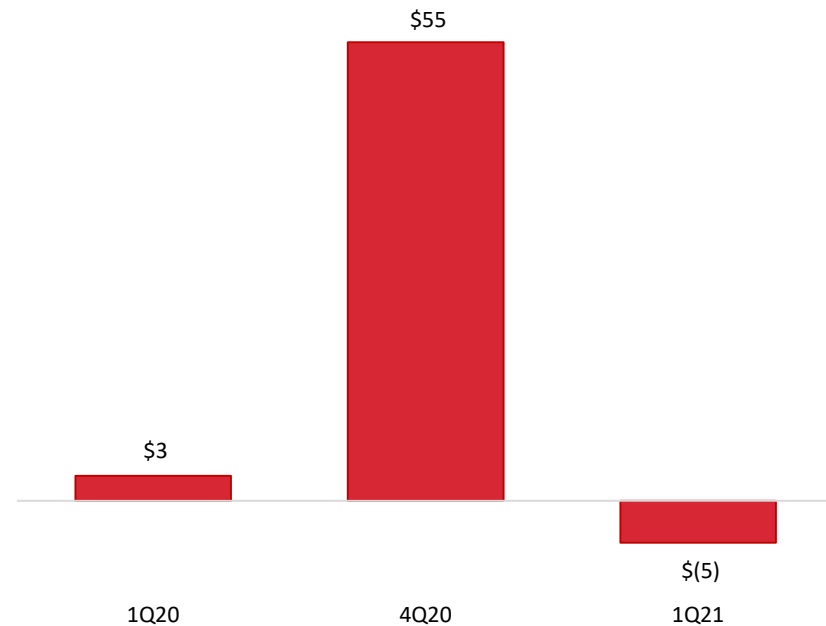
(\$ in millions)



Cash Generation & Working Capital Management

Free Cash Flow

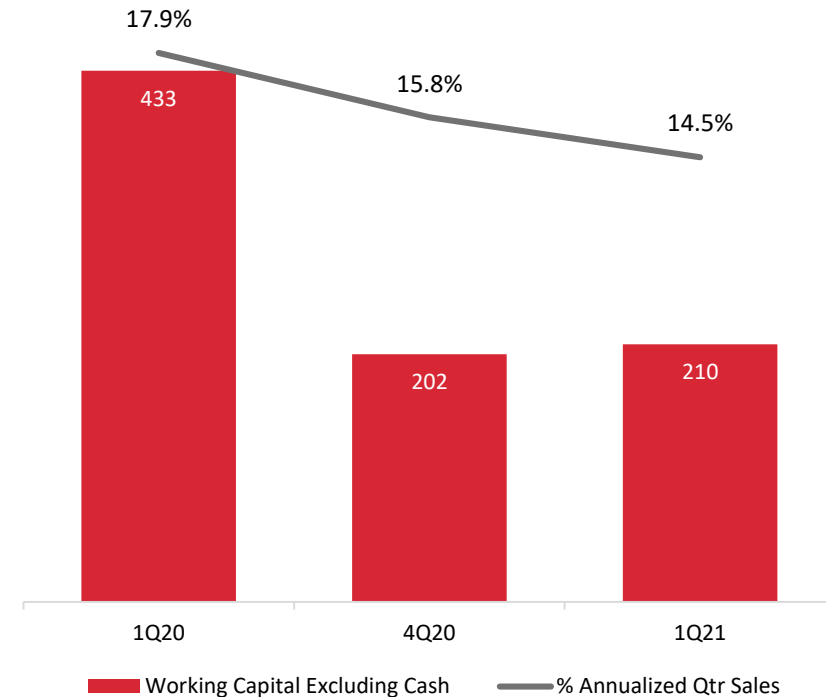
(\$ in millions)



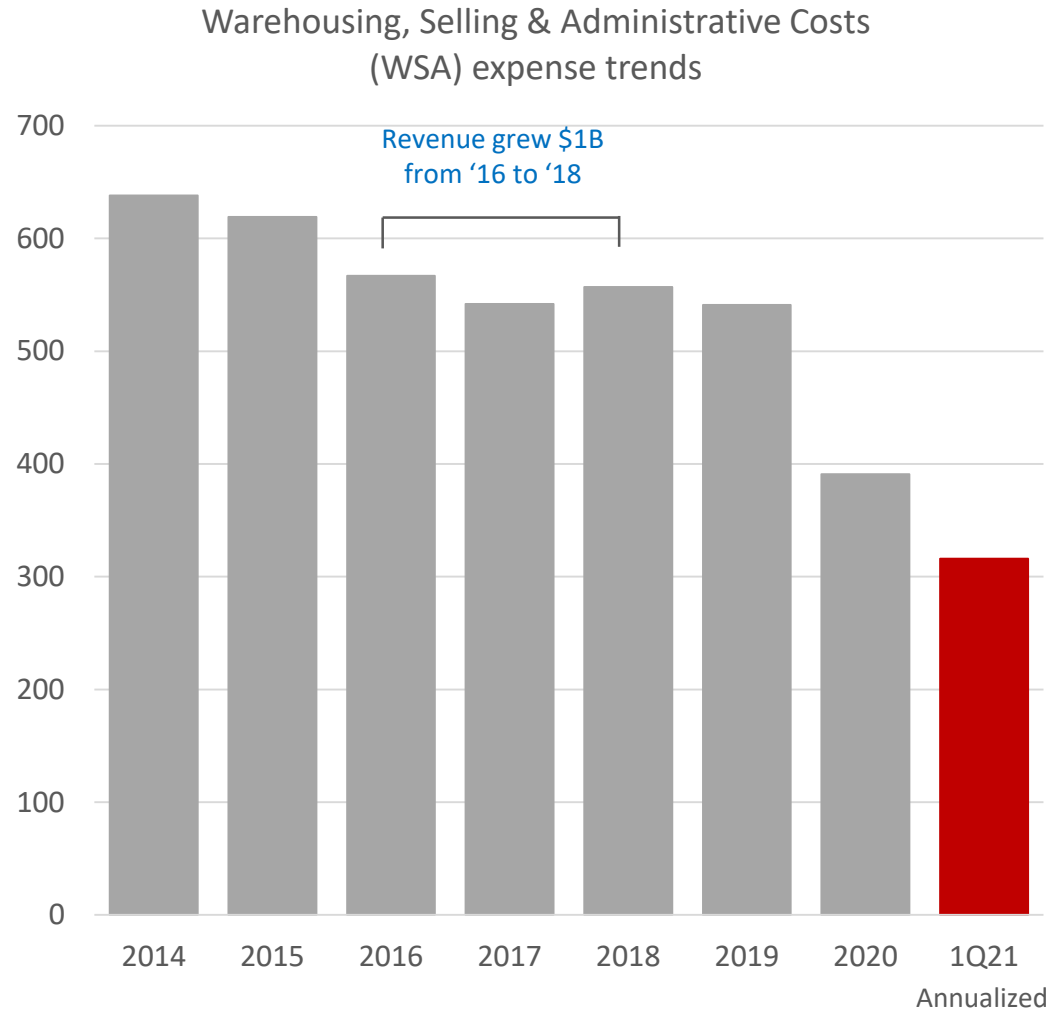
Free Cash Flow ("FCF") is defined as net cash provided by (used in) operating activities, less purchases of property, plant and equipment

Working Capital Excluding Cash

(\$ in millions)



Structural Transformation



1Q21 annualized: Other items, including bad debt, severance and acquisition expenses, as well as WSA for potential acquisitions will influence actual results.

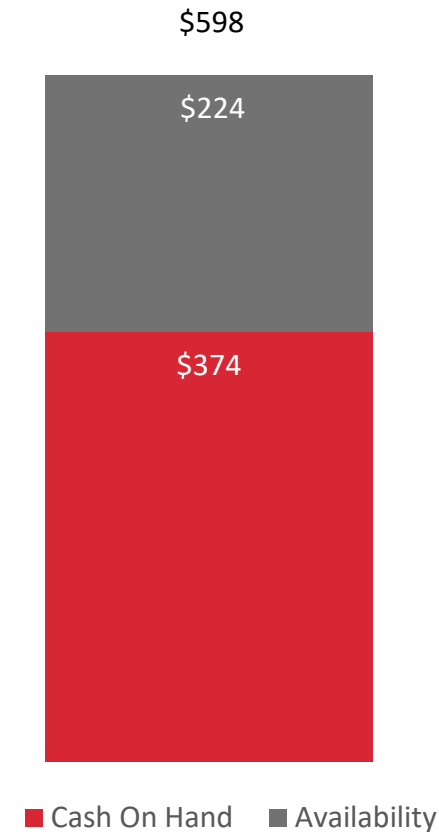
- Implementing consolidation measures combined with redesigning network of facilities to maximize coverage while leveraging the benefits of centralized fulfillment
- Use of digital channel expanding allowing for increased revenue on a lower cost basis
- Efficiency and productivity
 - Deploy technology to augment labor content
 - Designing express centers, supercenters and regional fulfillment network, with a bias towards centralized structure

Liquidity and Capital Resources

- Entered into a five-year \$750 million secured asset based lending facility (ABL) in April 2018.
- No financial maintenance covenants
- Fixed Charge covenant triggers when availability falls below the greater of 12.5% of the borrowing base or \$60 million
- No outstanding borrowings and no draws on the credit facility during the quarter
- Total liquidity was \$598 million, which includes \$224 million in availability under the ABL and \$374 million in cash

Total Liquidity at March 31, 2021

(\$ in millions)



CEO Wrap Up

- Poised for continued revenue growth by leveraging improved market fundamentals
- Improve project positioning through earlier project phase engagement leveraging U.S. Process Solutions using a unified solutions-based offering
- Continue to invest in and grow our DigitalNOW® customer ecosystem
- Total liquidity of \$598M, as we continue to execute on our inorganic growth strategy
- Guidance for 2Q21 revenue to improve in the mid-to-high single digits range sequentially



Flex Flow HPS Unit