Investor Presentation

Jefferies Industrials Conference 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.

Investment Highlights

Over 160-year history of delivering solutions for our customers

Significantly improved financial results with powerful cash generation abilities

Solid balance sheet, debt free* and $197M* in cash

Total liquidity, including cash, of $579M* to fuel organic growth, pursue accretive acquisitions and repurchase shares, opportunistically

Expanding set of solutions for the energy transition and evolution sector

Evolving technology and AI capabilities to drive increased productivity and efficiencies

Leadership in the upstream, midstream and energy evolution markets

*As of June 30, 2024

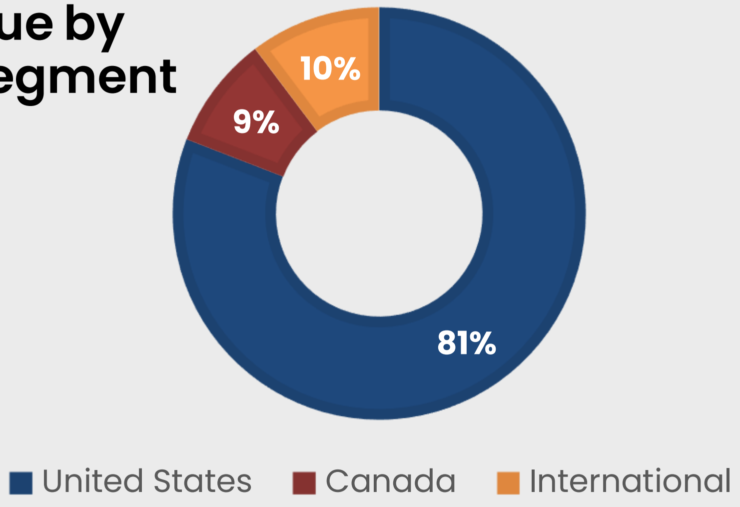
DNOW at a Glance

NYSE: DNOW

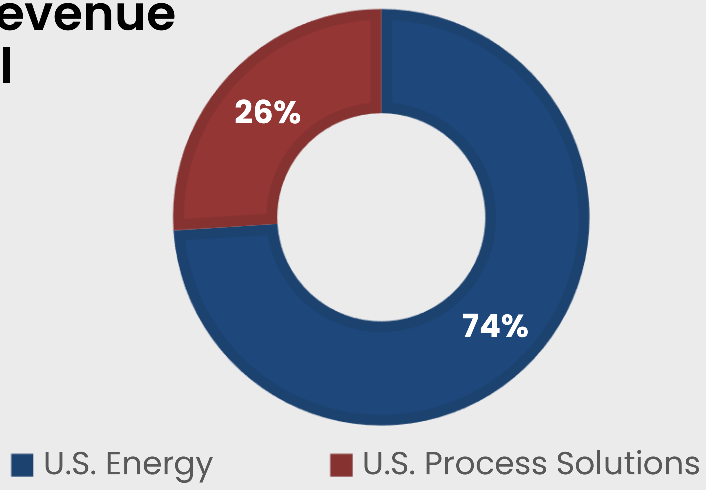
Locations	Countries	Employees
170	17	2,600

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

2Q24 Revenue by Reporting Segment



2Q24 U.S. Revenue by Channel



Top Tier Supply Partners & Customers Across the Globe

DNOW

& Affiliated Brands

Top Tier Suppliers in ~40 countries

USS, TEA, FET, BONNEY FORGE, NOV, WESTBROOK ENERGY GROUP, 3M, AXIS PIPE AND TUBE, KF Valves, EMERSON, BESTOLIFE, Tenaris, BENTELER, EagleBurgmann, FLOWSERVE, Stranco, GORMAN-RUPP PUMPS, WARREN VALVE, KIMRAY INC., vallourec, Atlas Copco, CHAMPIONX, Bray, boltex mfg. co., CAMERON, ALLIED GROUP, BALON, PENTAIR, PSG a DOVER company, GRISWOLD, PHOENIX Founded 1882, ProMinent, EATON Powering Business Worldwide, HUBBELL, FRANKLIN, GRUNDFOS, WARREN RUPP, Prysmian Group, Victaulic, Kimberly-Clark, Snap-on

Supporting Customer Operations in ~80 countries

PATTERSON-UTI ENERGY INC., Chevron, DIAMOND OFFSHORE, VALARIS, Borr Drilling, NABORS, Seadrill, ENSIGN, PIONEER NATURAL RESOURCES, NOBLE, Transocean, OXY, Shell, PACIFIC ENERGY, ConocoPhillips, GRAYSON MILL ENERGY, HESS, devon, Crescent Point, CHESAPEAKE ENERGY, Canadian Natural, XTO ENERGY, bp, Ovintiv, BAYTEX ENERGY CORP, Chord Energy, eog resources, Marathon Oil, Apache, BR PETROBRAS, ExxonMobil, ADNOC, Saudi Aramco

Drilling and Production

Enterprise Products Partners L.P., Sempra LNG & Midstream, ENBRIDGE, ENERGY TRANSFER, BOARDWALK PIPELINE PARTNERS, Delek Logistics, Crestwood, MARKWEST Energy Partners, L.P., ERMCO, PLAINS PIPELINE, L.P., spire, KINDER MORGAN, BLUERACER MIDSTREAM, Williams, ONEOK, MPLX, TC Energy, TARGA, Western Midstream, Momentum Midstream, WHITEWATER

Midstream

OXY, PHILLIPS 66, MARATHON, INEOS, SUNCOR ENERGY, PBF Energy, BASF We create chemistry, SOLVAY, ExxonMobil, TPC Group, DOW, HF Sinclair, PEMBINA, Bayer, Cornerstone

Downstream

conEdison, RioTinto, CHS, ROESLEIN, TATA, BRIGHTMARK, slb, ciner, Climax Molybdenum A Freeport-McMoRan Company, DYNO Dyno Nobel, plug, genesisalkali, NOV, ARCHAEA ENERGY a bp company

Industrial, Renewable Fuels and Mining

Providing Value-Added Solutions Across All Channels

Energy Centers

Global branch network supplying products locally to upstream, midstream and energy evolution customers

Provides wide array of products and value locally, with an emphasis on customer proximity

Customer Onsite and Integrated Supply

Supply Chain Solutions, an on-site model offering customizable products and services to the energy and industrial markets

Reduces customers' total costs including operating expenses and invested capital

Process Solutions

Process, production and fluid handling equipment in the form of engineering, design, installation, fabrication, rental and aftermarket service

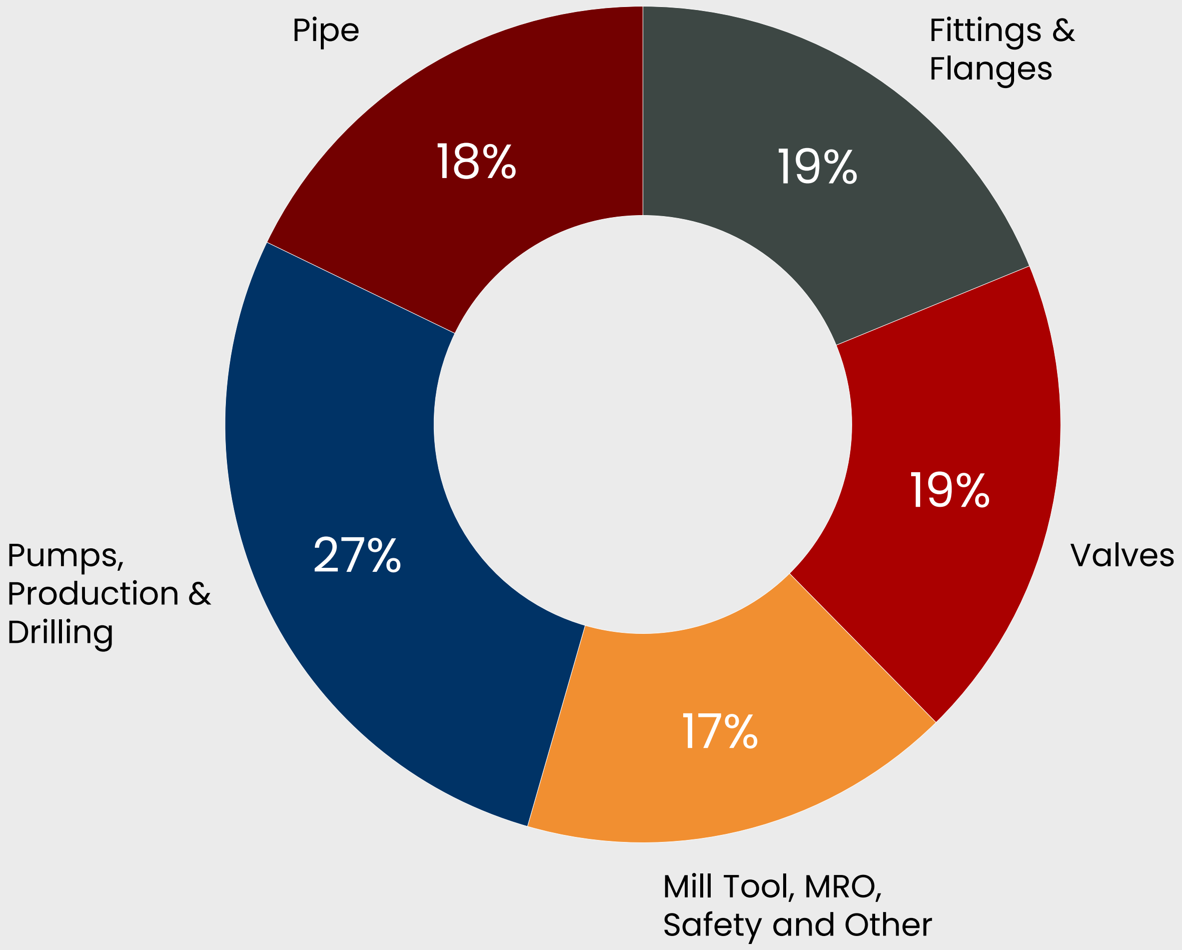
Meets demand for tank battery production facilities, water transfer and disposal, midstream gathering and transmission, downstream and adjacent industrial markets

Differentiated Value and Product Offerings

- Talent with deep product application knowledge
- Leveraging technology complemented with an efficient regionalized distribution model to grow market share and drive productivity
- Retaining proximity to customers through offsite, onsite and digital channels

Revenue by Product Line

FY2023



Global Operational Presence

Operating Locations

Locations: 170
Countries: 17

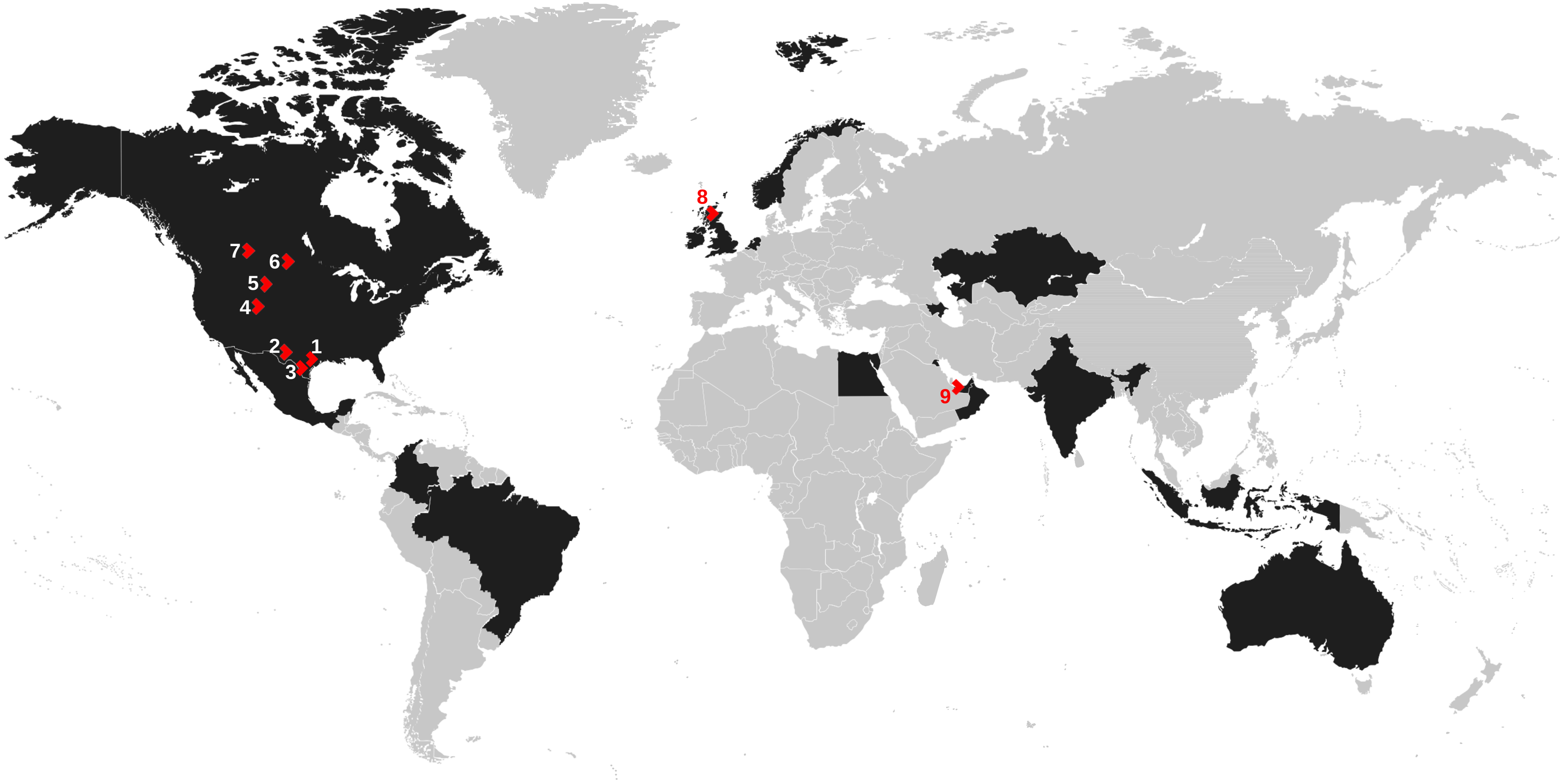
Supercenters

United States
1 Houston, TX
2 Odessa, TX
3 Kenedy, TX
4 Casper, WY
5 Williston, ND

Canada
6 Estevan, Saskatchewan
7 Edmonton, Alberta

Europe
8 Aberdeen, Scotland

MENA
9 Jebel Ali, U.A.E.



Significant Improved Earnings

Key trends and financial performance as market activity changes

2H 2014	2018	2023	1H 2024
U.S. Rigs: 1,907*	U.S. Rigs: 1,032*	U.S. Rigs: 689*	U.S. Rigs: 613*
WW Rigs: 3,635*	WW Rigs: 2,211*	WW Rigs: 1,814*	WW Rigs: 1,750*
Revenue: $2.1B	Revenue: $3.1B	Revenue: $2.3B	Revenue: $1.2B
EBITDA: $97M	EBITDA: $125M	EBITDA: $184M	EBITDA: $89M
4.7% of Revenue	4.0% of Revenue	7.9% of Revenue	7.4% of Revenue
Cash $195M	Cash $116M	Cash $299M	Cash $197M
FCF $17M	FCF $62M	FCF $171M	FCF $98M

*Rig values based on Baker Hughes Rig Count

Strategic growth plan to increase shareholder value

Focused on growing sustainable earnings and free cash flow through the cycle

Defend and grow market share within core energy markets

- Expand wallet and market share in upstream
- Expand opportunities in midstream market
- Leverage strengths through supercenters and enhanced service model

Growth from customer investments tied to decarbonization and energy evolution

- Provide products for aged infrastructure and methane emission reduction projects
- Expand opportunities from customer investments in CCUS and new energy
- Expand opportunities from customer investments in renewable fuels

Additional growth through adjacent industrial markets

- Targeting mining, water and chemical markets that align with our pump supplier agreements to expand and diversify markets
- Expand aftermarket service capabilities driving high margin incremental revenues

Support organic growth through FCF

- Low capex business
- Efficient use of working capital to support organic growth

Inorganic accumulation strategy to grow earnings and FCF

- Closed Whitco acquisition in 1Q24, first PVF acquisition in 9 years
- Expand U.S. Process Solutions business with margin accretive, less commoditized products and solutions
- Evaluate International opportunities in select markets in diversification strategy

Share buyback program

- Authorized, $80M program runs through December 2024
- $67M completed through 2Q24
- Expect to complete by YE2024

Key Results and Outlook

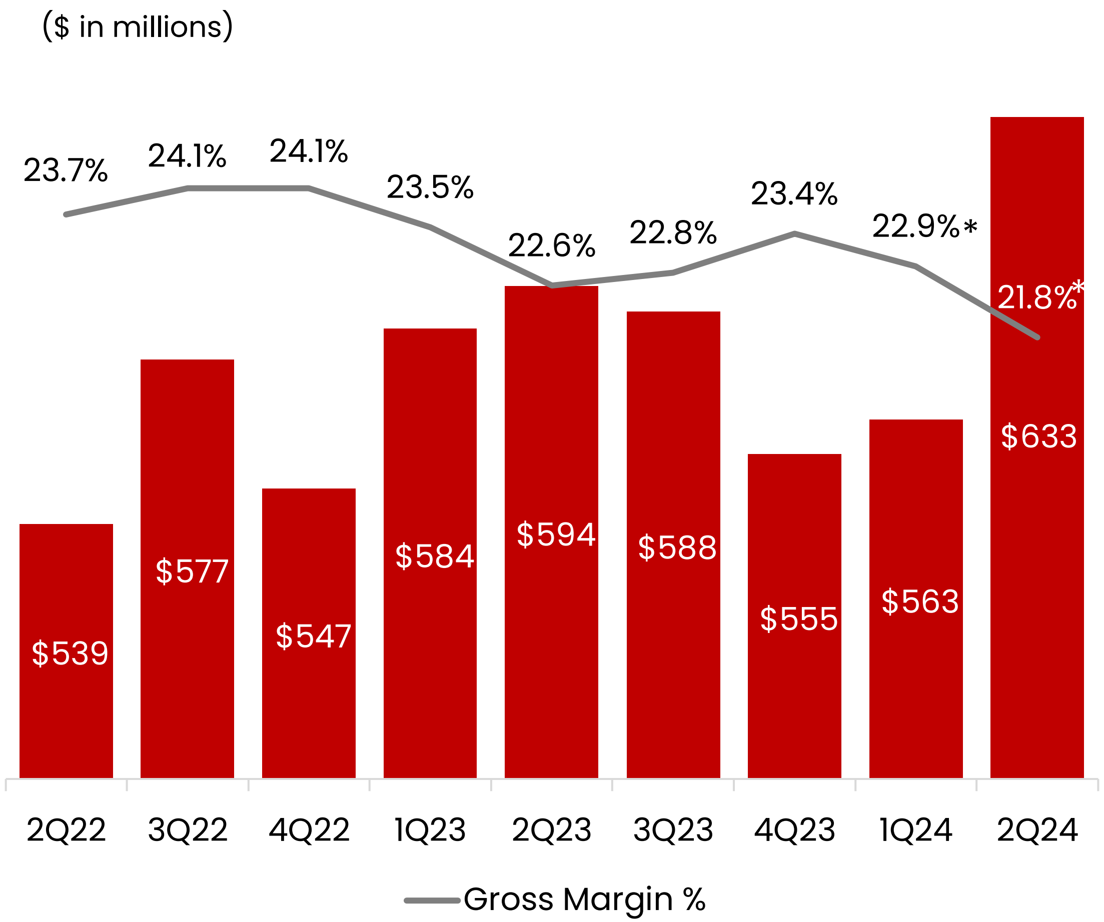
- 2Q24 revenue of $633M, up $70M sequentially, primarily due to a full quarter contribution from the Whitco acquisition, against lower U.S. well completions and low U.S. natural gas prices
- GAAP Net Income attributable to DNOW Inc. of $24M for the second quarter; GAAP diluted EPS attributable to DNOW Inc. stockholders of $0.21 for the second quarter
- Non-GAAP Net Income* of $28M for the second quarter, up $5M sequentially; Non-GAAP diluted EPS* of $0.25, up $0.04 sequentially
- EBITDA* of $50M or 7.9% of revenue for the second quarter
- Net cash provided by operating activities of $21M for the second quarter of 2024; $102M year to date

Outlook

- Full-year 2024 revenue expected to increase in the low-to-mid single digit percentage range compared to full-year 2023 revenue
- Full-year 2024 EBITDA as a percent of revenue could approximate 7.0% to 7.5%
- 3Q24 sequential revenue expected to be flat-to-down 5% from 2Q24 with EBITDA approximating 7% of third quarter revenue
- Full-year 2024 free cash flow could approach $200 million
- Continue to evaluate a number of accretive deals in our M&A pipeline

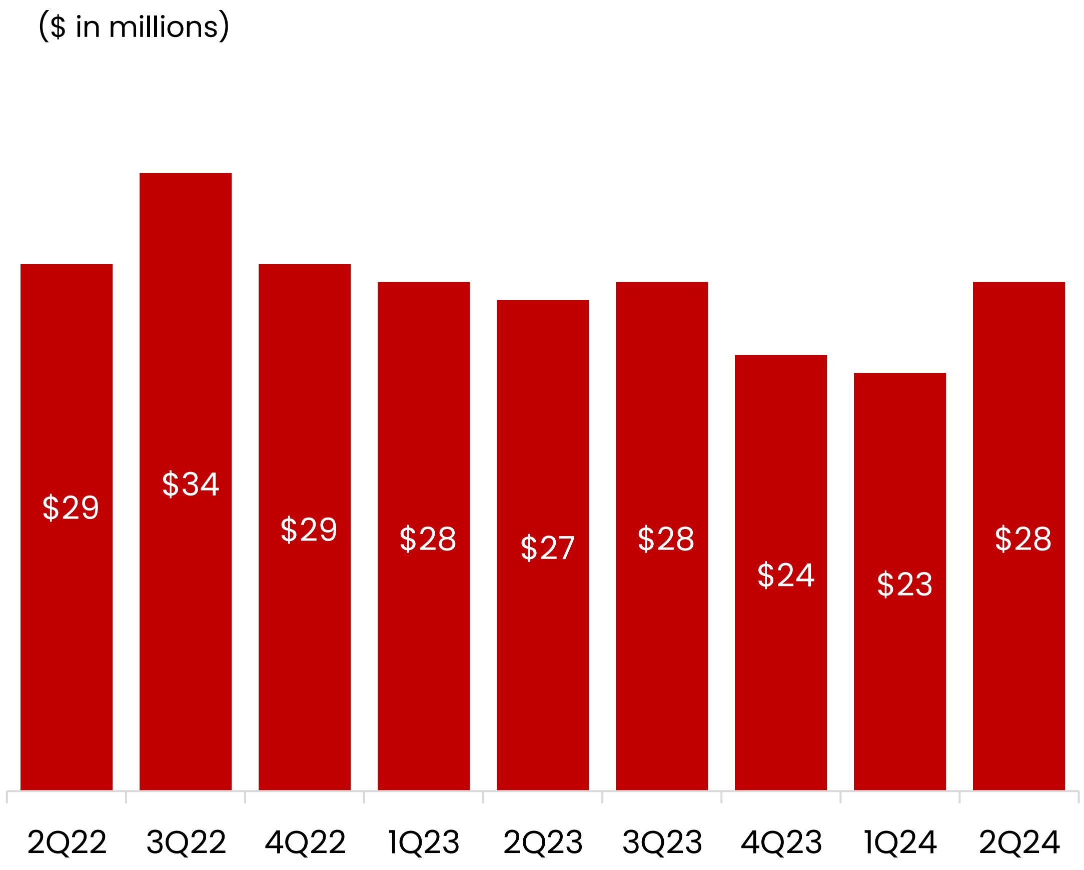
Selected Quarterly Results

Revenue & Gross Margin Percent



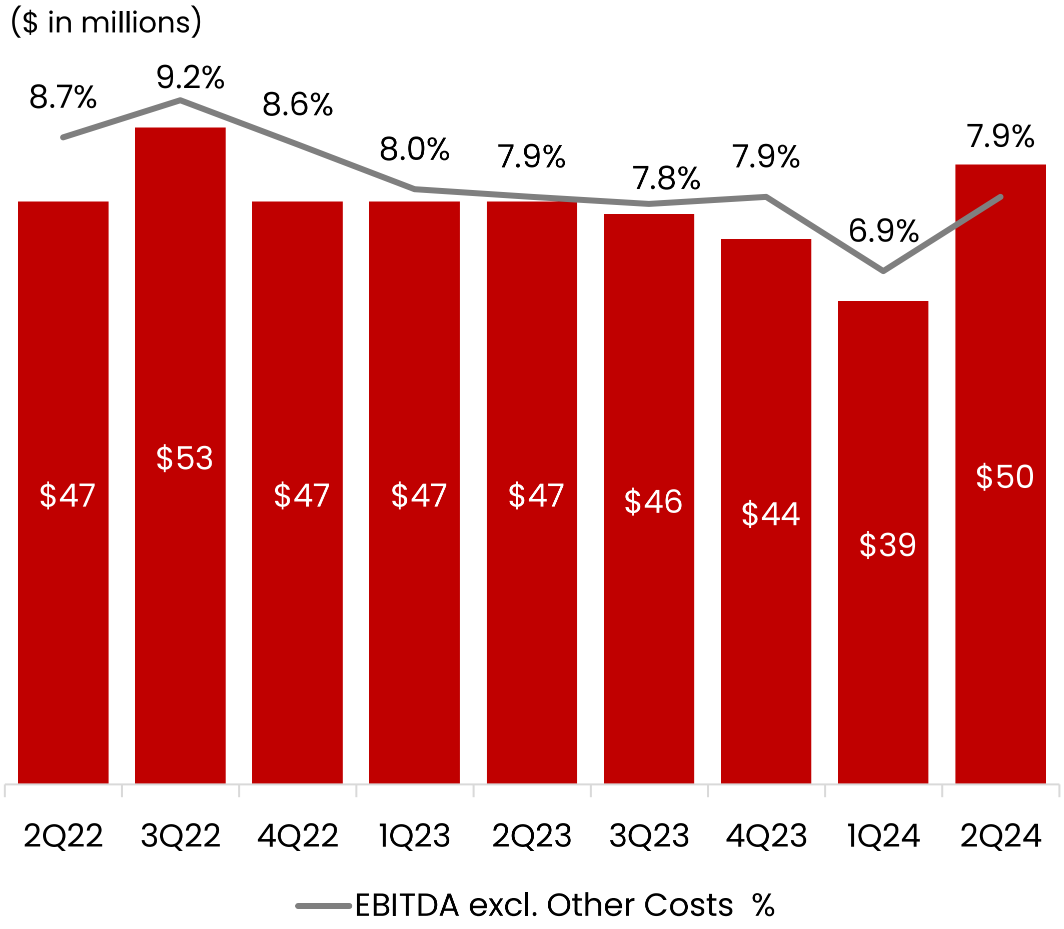
* Includes charges for cost of inventory that was stepped up to fair value during acquisition purchase accounting for 1Q24 ($1M) and 2Q24 ($4M)

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

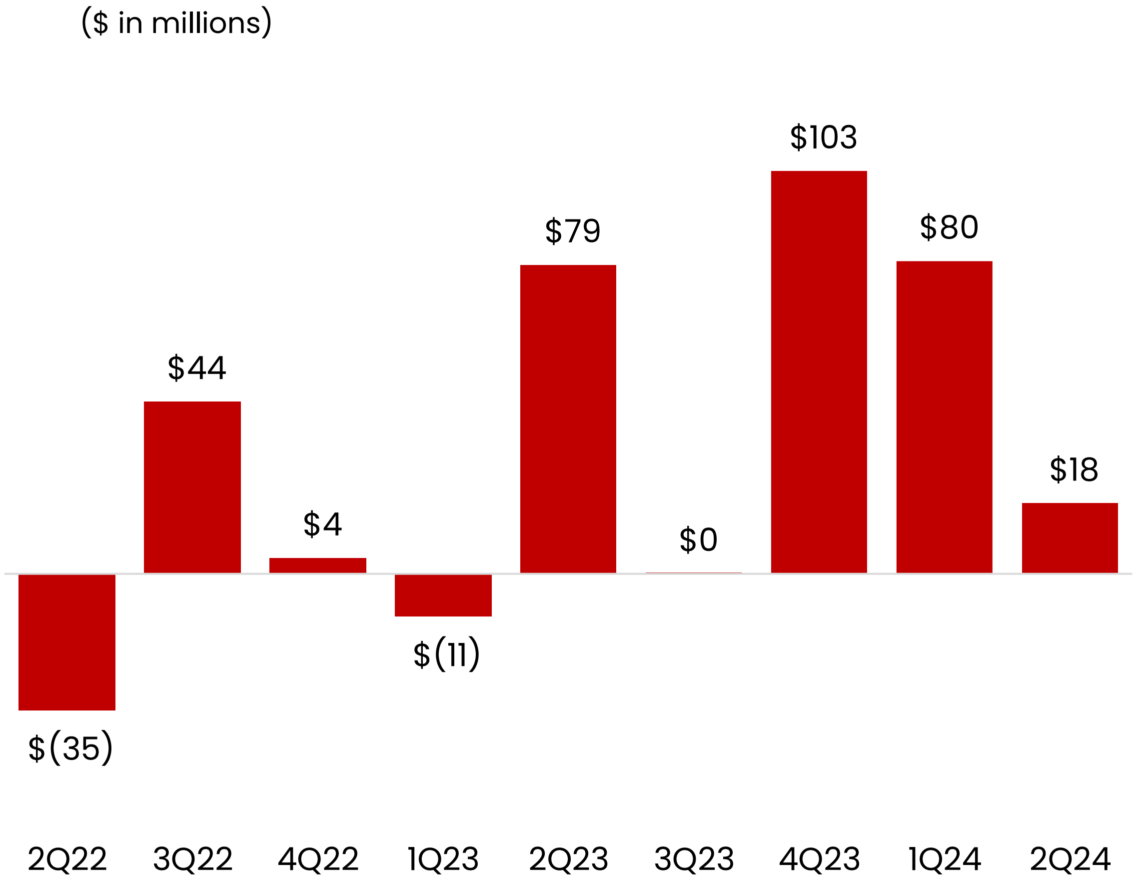


Selected Quarterly Results

EBITDA excl. Other Costs (Non-GAAP)



Free Cash Flow*

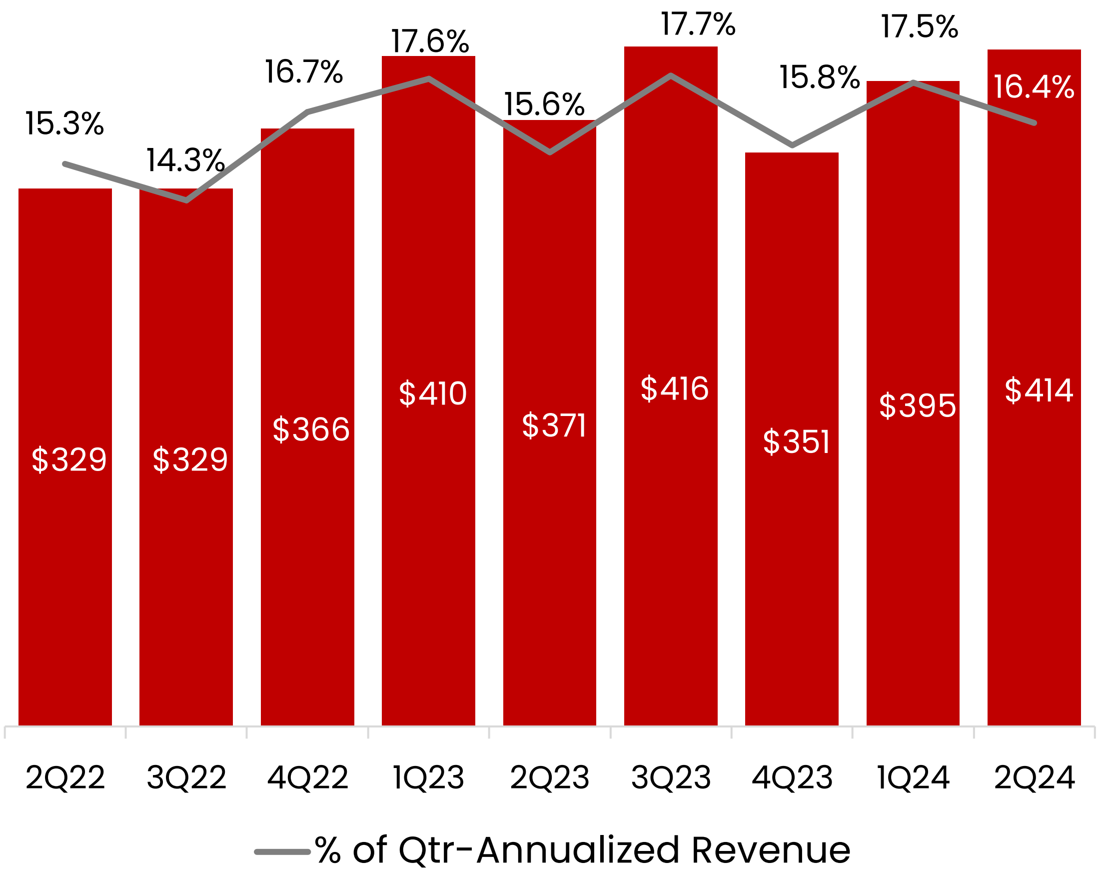


*Free Cash Flow is defined as net cash provided by (used in) operating activities, less purchases of property, plant and equipment

Selected Quarterly Results

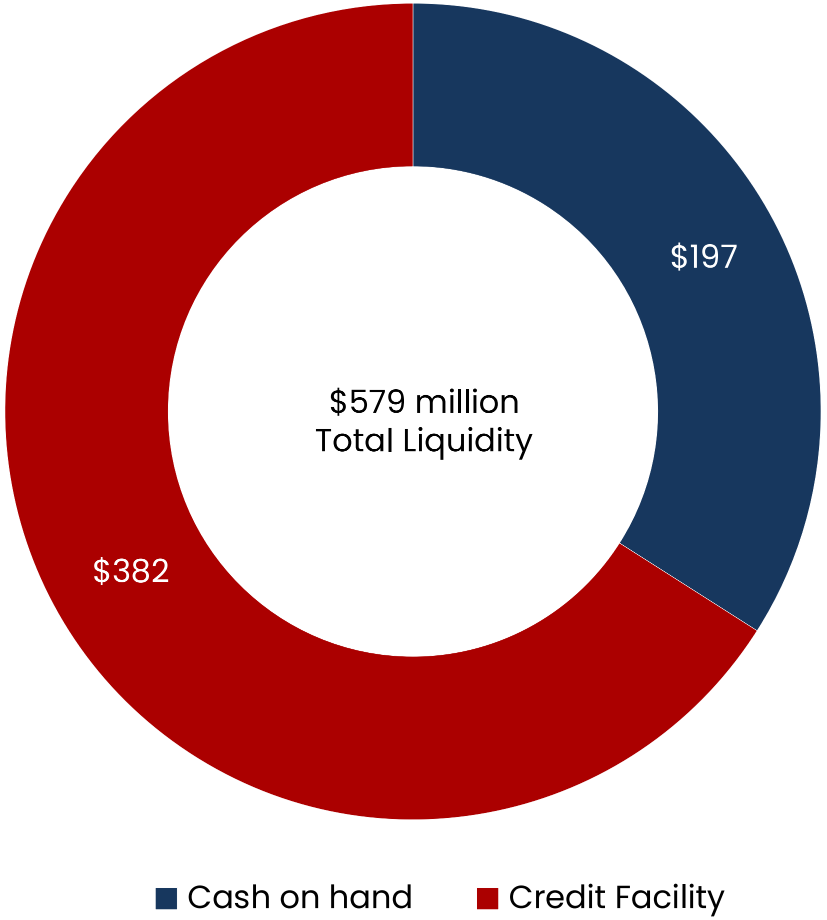
Working Capital excl. Cash and as % of Revenue

($ in millions)



Total Liquidity at June 30, 2024

($ in millions)



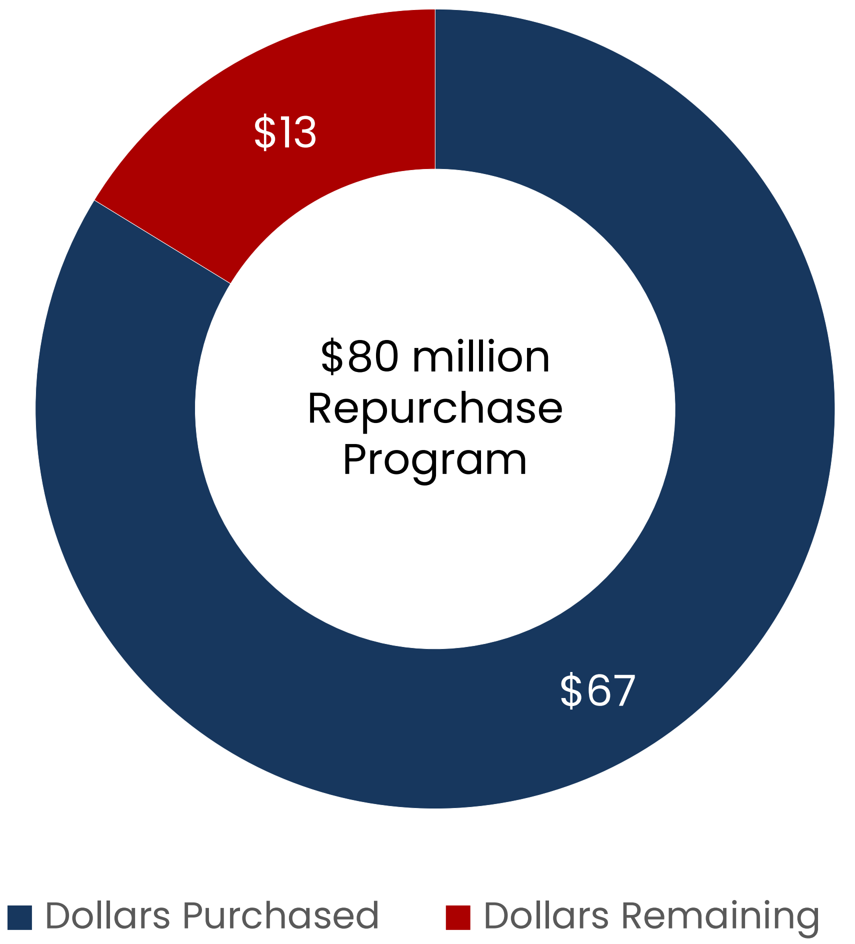
Share Repurchases

$80 million share repurchase program

- Repurchased approximately $10M of shares during the quarter, with $67M accumulated through 2Q24[(1)]
- Program authorized through December 2024
- We take an opportunistic approach to the repurchase of shares based on working capital requirements and acquisition opportunities

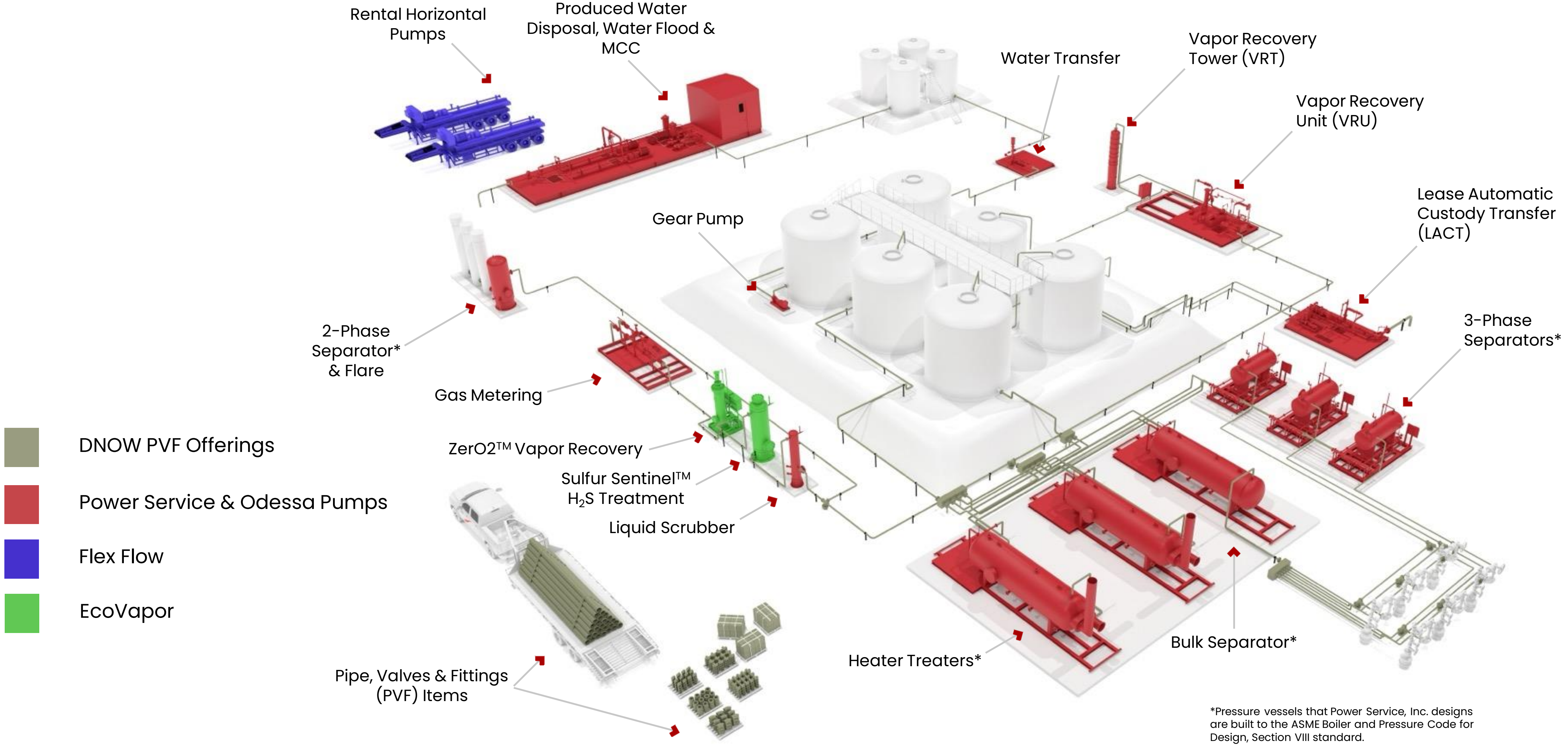
Repurchase Program

($ in millions)



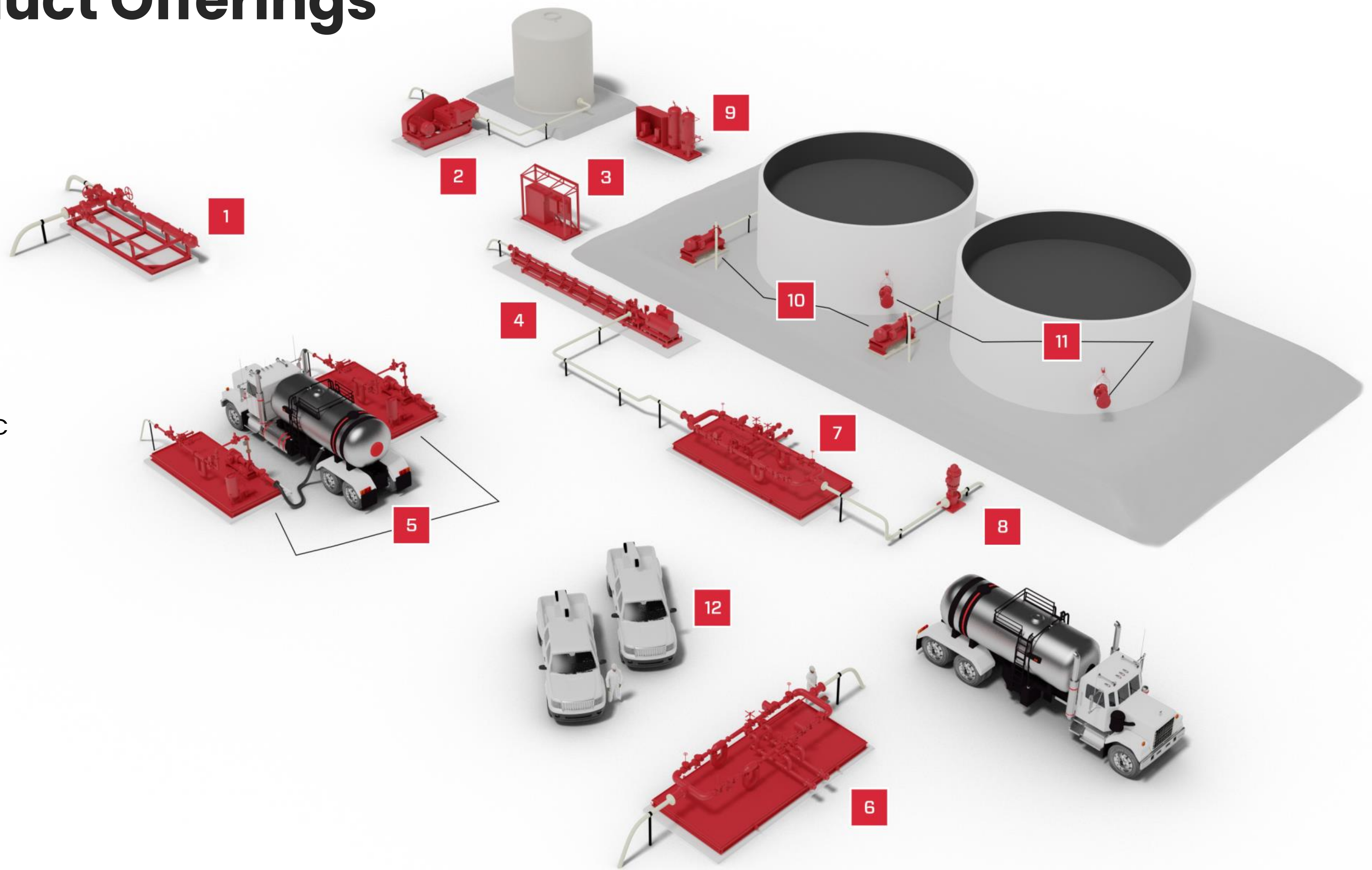
(1) Excludes excise tax on share repurchases

Example Tank Battery Installation



*Pressure vessels that Power Service, Inc. designs are built to the ASME Boiler and Pressure Code for Design, Section VIII standard.

Example Midstream Terminal Product Offerings



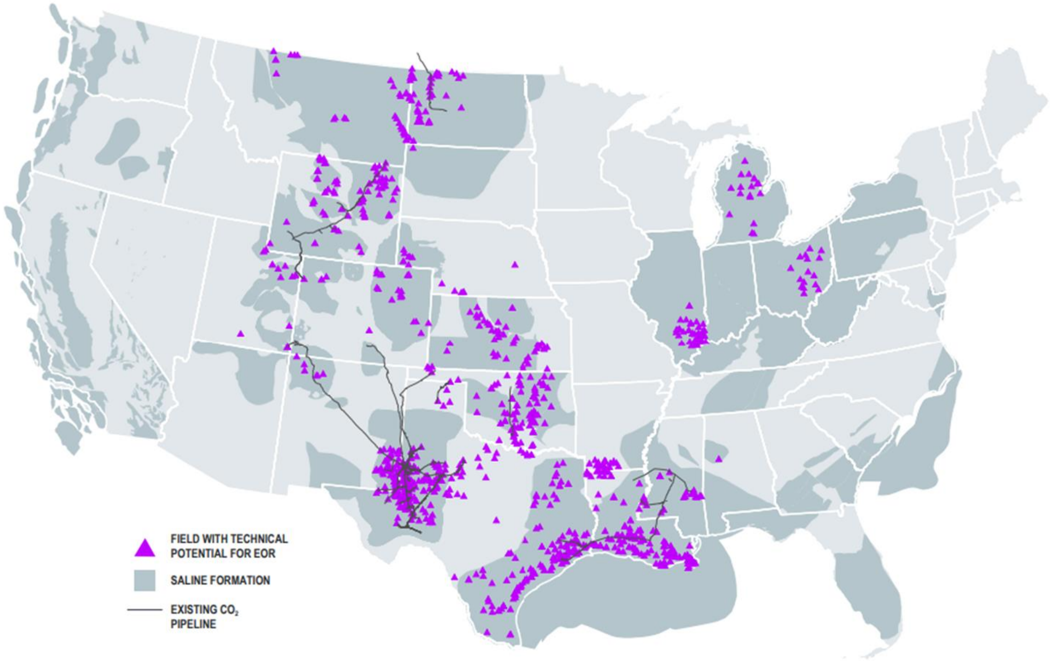
1	Launcher / Receiver
2	High Pressure Pump
3	VFDs / Flow Computer / MCC
4	High Pressure Pump
5	Truck LACT
6	Inlet Check Meter
7	Meter Skid
8	Tank Booster Pump
9	Instrument Air Package
10	Tank Transfer Pump
11	Tank Mixer (ANSI B73.1)
12	Field Service

Renewable Natural Gas (RNG) opportunities

- RNG market is expanding, providing an attractive industrial end-market for DNOW's product offerings
- DNOW's EcoVapor gas upgrading technologies have a unique position in the RNG space
- EcoVapor's Zero2™ and Sulfur Sentinel target oxygen and sulfur removal, particularly at smaller volumes, in Dairy & Swine farms and landfill gas (LFG) facilities
- Unlocks opportunity to pull through additional DNOW products such as pumps, additional fabricated process and production equipment and pipe, valves and fittings
- DNOW's U.S. geographic position, quality products and aftermarket service offer opportunities for continued growth
- International market opportunities

Carbon Capture, Utilization, Transportation and Storage

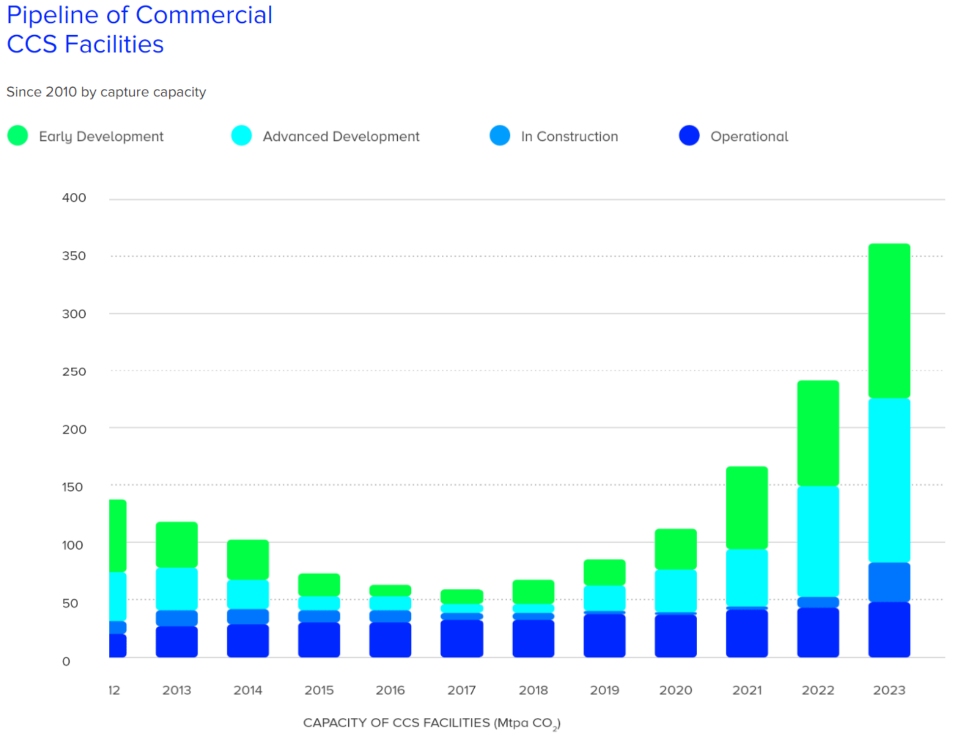
- More than 5,000 miles (8,000 km) of CO2 pipelines in the U.S. already exist, transporting more than 66 million tonnes of CO2 per year (NPC, 2019; PHMSA, 2023b)
- Estimates indicate that CO2 pipeline infrastructure in the US must grow dramatically to support CCS and enable the country to meet its decarbonization goals
- <u>Four to 18 times</u> the current mileage of CO2 pipelines (20,000 miles / 32,000 km to 96,000 miles / 155,000 km) will be <u>needed by 2050</u> to transport captured CO2 to secure geologic storage sites (Great Plains Institute, 2020; Larson et al., 2021; US DOE, 2023b; Wallace et al., 2015)
- Future demand for DNOW's pipe, valves, fittings and process and measurement equipment
- The demand for our products and infrastructure is not new to DNOW, we have been supplying products for CO2 transportation for many years in enhanced oil recovery (EOR) applications

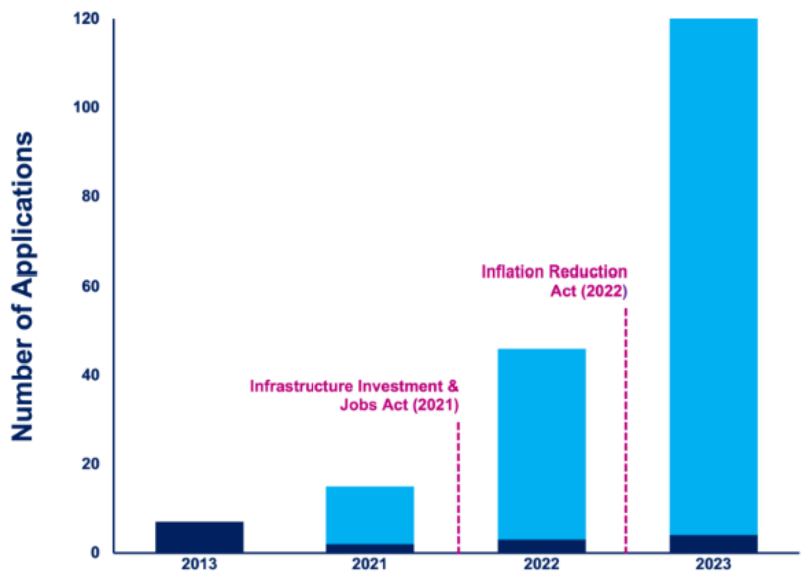


Potential U.S. CCUS locations

Class VI Well Permit Applications for CO2 and CCS Pipeline

- Number of Class VI Well Permit applications for CO2 continue to grow
- Permits forecast demand for CO2 to be stored or sequestered





	2013	2021	2022	2023
Class VI Wells Applications to EPA	0	13	43	118
Class VI Wells Applications to States	7	2	3	4

- Capacity of CCS facilities continues to grow in various stages of development
- CCUS projects represent a growing market opportunity for DNOW to provide PVF, pumps and fabricated equipment

Source: GCCSI

Driving Growth through Acquisitions

Clearly defined acquisition strategy to grow earnings and free cash flow

- 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

2014
- **Spinoff from NOV**
- **Begin Trading on NYSE**
- Caprock Supply
- Colorado Valve & Controls
- Progressive Supply

2015
- Machine Tools Supply
- OAASIS Group
- Maclean Electrical
- North Sea Cables
- Inline Valves
- Odessa Pumps
- Challenger Industries
- Updike Supply

2016
- Power Service

2019
- Piping Specialties
- Accelerated Process Systems

2021
- Master Corporation
- Flex Flow

2022
- Performance Multi-Flow Solutions
- EcoVapor Recovery Systems
- Stealth Pump & Supply

2023
- Colorado Seals
- Montana Seals & Packings

2024
- Whitco Supply

DNOW

IT and Systems Technology Investments

Boost Productivity

Order Management System (OMS+) globally delivering higher internal efficiency

New Warehouse Mobility Devices to enhance fulfillment processes by providing improved levels of digital security,
higher levels of efficiency in warehouses

User adoption on technology increases to bring more efficiency

Reduce IT service costs and bolster digital foundation:

Scaling of PVF+ supercenters leveraging ERP 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

Optimize cost and maximize scalability thru cloud platforms

DigitalNOW® Customer Ecosystem

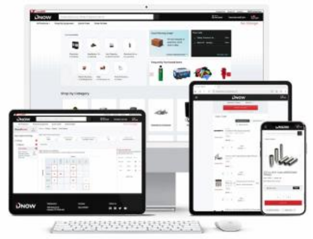
Digital suite of products adding to increased customer value

DigitalNOW®

Digital commerce, eCommerce, mobility channel shop.dnow.com

Digital revenue comprised of 48% of SAP revenue for 2Q24 on customer and project billing mix on larger quarterly sequential revenue

Focused on growing B2B users and round trip/punchout users



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

AccessNOW™ powered by DigitalNOW®

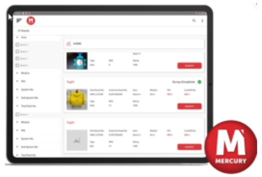
Suite of unattended inventory control and intelligent inventory management solution

Reduced opex cost leveraging automation and technology

Asset Management eTrack™ and Mercury, powered by DigitalNOW®

Asset, data and material management lifecycle solution

Enables customers to manage their assets using location finder



Optiwatch Hybrid Pump System Monitoring powered by DigitalNOW®

Real-time monitoring and optimization for horizontal pumping systems

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
$579M 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

DNOW Ethos

The ethos of DNOW is how we act and interact, what we value, what we accept and how we treat one another, our customers and our communities.

INSPIRE ONE ANOTHER
Foster an inclusive, people-first culture

FUEL THE FUTURE
Win the market and pursue sustainable growth

DELIGHT THE CUSTOMER
Be our customers most trusted partner

Brad Wise
Vice President, Digital Strategy & Investor Relations

Contact email: ir@dnow.com

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DNOW

Run Stronger.