

A low-angle, upward-looking photograph of industrial robotic arms in a factory. The arms are primarily blue and yellow, with orange components. One yellow arm in the foreground has the word "NOV" printed on it. The background shows a white industrial ceiling with structural beams and various cables.

NOV Inc.

Second Quarter 2024 Earnings Presentation

July 26, 2024



Safe Harbor / Forward-Looking Statements / Non-GAAP Financial Measures

Statements in this presentation, including statements regarding future financial performance, are forward-looking statements within the meaning of the federal securities laws. Statements of hopes, beliefs, expectations, and predictions of future performance are subject to numerous risks and uncertainties, many of which are beyond the Company's control. Actual results may differ materially from the results expressed or implied by the statements made herein or during any presentation of these materials. There are numerous factors that could adversely impact actual results, which include but are not limited to changes in the demand for or price of oil and/or natural gas; potential catastrophic events related to our operations, including weather events such as the effects of hurricanes and tropical storms or climate regulation; protection of intellectual property rights and against cyber-attacks; compliance with environmental laws; changes in government regulations and regulatory requirements, particularly those related to oil and natural gas exploration; compliance with laws related to income taxes and assumptions regarding the generation of future taxable income; risks of international operations, including risks relating to unsettled political conditions, war, the effects of terrorism, foreign exchange rates and controls, international trade and regulatory controls and sanctions, and doing business with national oil companies; changes in capital spending by customers; and delays or failures by customers to make payments owed to us and the resulting impact on our liquidity. NOV's latest Form 10-K, Form 10-Q for the quarter, and other Securities and Exchange Commission filings and published statements contain additional information concerning important risk factors which could cause the company's results to differ materially from those described in the forward-looking statements. NOV is not undertaking any obligation to revise or update publicly any forward-looking statements for any reason.

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This presentation contains certain forward-looking non-GAAP financial measures, including Adjusted EBITDA. The Company has not provided a reconciliation of projected Adjusted EBITDA. Management cannot predict with a reasonable degree of accuracy certain of the necessary components of net income, such as other income (expense), which includes fluctuations in foreign currencies. As such, a reconciliation of projected Adjusted EBITDA to projected net income is not available without unreasonable effort. The actual amount of other income (expense), provision (benefit) for income taxes, equity income in unconsolidated affiliates, depreciation and amortization, and other amounts excluded from Adjusted EBITDA could have a significant impact on net income.

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The background of the slide is a photograph of industrial machinery, likely a pumpjack or similar oilfield equipment, with a strong orange-red color overlay. A bright sunburst effect is visible in the upper center, creating a lens flare across the machinery.

NOV delivers technology-driven solutions to empower the global energy industry. For more than 150 years, NOV has pioneered innovations that enable its customers to safely produce abundant energy while minimizing environmental impact. The energy industry depends on NOV's deep expertise and technology to continually improve oilfield operations and assist in efforts to advance the energy transition towards a more sustainable future.

NOV powers the industry that powers the world.

Q2 2024 Consolidated Financial Results

\$2.2_B

Revenue
+6% YoY

\$281_{MM}

Adjusted EBITDA¹
12.7% Margin

\$432_{MM}

Cash Flow From Operations
\$350_{MM} Free Cash Flow¹

¹ Adjusted EBITDA and Free Cash Flow are non-GAAP financial measures. See appendix for a reconciliation to the nearest GAAP measures.

Offshore & International

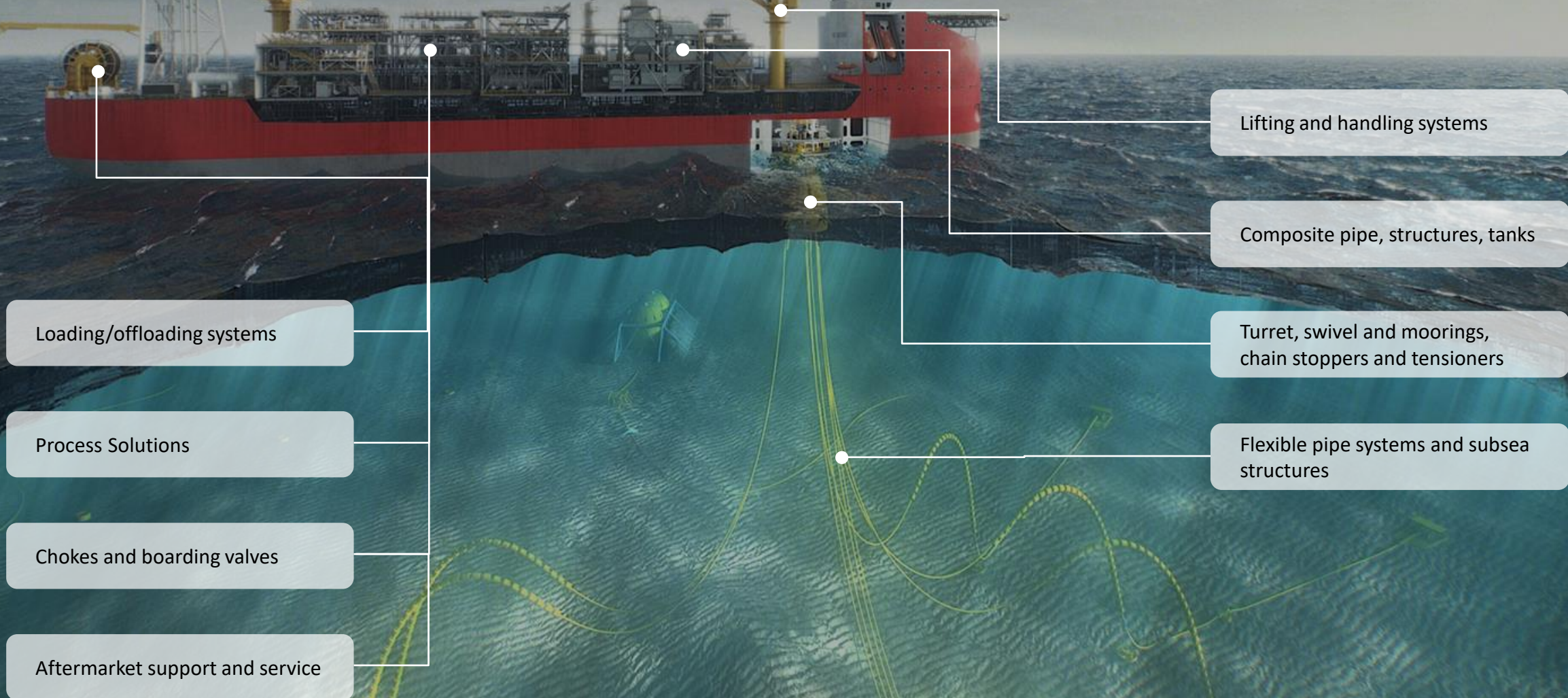
Offshore and international development emerging as primary growth drivers



¹ For the quarter ended June 30, 2024

Offshore Production

Opportunity of \$100MM - \$700MM per FPSO depending on kit and operating environment



Q2 2024 Revenue¹

\$1.05_B

Energy Products and Services

\$1.20_B

Energy Equipment

\$2.22_B

NOV



56%
Land



44%
Offshore



38%
North America



62%
International

Year-Over-Year
Revenue

2%



Adjusted
EBITDA %

17.5%

8%



11.8%

6%



12.7%

¹ Form 10-Q for the quarter ended June 30, 2024.

Energy Products and Services

Provides critical technologies consumed in the drilling and completion processes

\$1.05_B

Q2 2024 Revenue

17.5%

Q2 2024
Adjusted EBITDA %

<i>in millions</i>	2Q24	Sequential Variance	Year-Over-Year Variance
Revenue	\$1,050	+3%	+2%
Adjusted EBITDA	184	+6%	(7)%
Adjusted EBITDA %	17.5%	+40 bps	-170 bps

Revenue improved from strong demand in international and offshore markets, which more than offset declining North American activity. A less favorable sales mix led to the lower level of profitability compared to the prior year.

Energy Products and Services

Provides critical technologies consumed in the drilling, completion, and production processes

48%
Service & Rental

32%
Capital Equipment

20%
Product Sales

Energy Equipment

Designs, delivers, and supports advanced drilling, completion, and production solutions

\$1.20_B

Q2 2024 Revenue

11.8%

Q2 2024

Adjusted EBITDA %

<i>in millions</i>	2Q24	Sequential Variance	Year-Over-Year Variance
Revenue	\$1,204	+2%	+8%
Adjusted EBITDA	142	+19%	+43%
Adjusted EBITDA %	11.8%	+170 bps	+290 bps
Ending Backlog	4,331	10%	12%
Orders, net	977	151%	91%
Book-to-Bill	177%		

Higher revenue and profitability were the result of improved demand for aftermarket products and services, strong execution on the segment's improving capital equipment backlog, and cost savings initiatives.

Energy Equipment

Designs, delivers, and supports advanced drilling, completion, and production solutions



Capital Allocation Priorities

Ensuring the healthy growth of our business while increasing capital returned to shareholders

Balance Sheet

investment grade rating
critical to business model

<1x

Net debt
leverage ratio

as of 2Q24

<2x

Gross debt
leverage ratio

Capex

maintain our asset base and invest in
organic growth opportunities

\$82MM

2Q24 capex driven by the build out
of fleets of our new technologies

M&A

accelerate strategic growth
initiatives

\$176MM

net proceeds from divesture of Pole
Products business during 2Q24

Return Capital

sustainable increases to the base
dividend, opportunistic share
repurchases, and annual
supplemental dividend²

\$37MM

shares repurchased in 2Q24
\$1B share buyback authorization

\$0.075/share increased base

dividend by 50% in June 2024

**NOV expects to return 50% of
Excess Free Cash Flow¹**

¹ Excess Free Cash Flow is defined as cashflow from operations less capital expenditures and other investments, including acquisitions

² Supplemental dividend is expected to be paid annually beginning in May 2025 to coincide with the annual shareholders meeting subject to the approval of the board of directors.

Framework Agreement for Wired Drill Pipe Services

Signed framework agreement with Norwegian operator to outfit the operator's North Sea rig fleet with NOV's wired drill pipe technology and services

NOV has been supporting the operator's offshore drilling operations utilizing Downhole Broadband Solutions (DBS) wired drill pipe services to transmit real-time, broadband data from sensors across the bottom hole assembly, and along the drill string on a semisubmersible rig since 2019.

Order for 300 Wind Towers

Awarded an order to produce 300 onshore spiral-welded wind towers for a major wind turbine OEM

On achieving this significant milestone, NOV elected to buy out the remaining interest in Keystone Tower Systems, completing the transaction during the second quarter. NOV plans to fully integrate the operation and leverage NOV's capabilities to accelerate the commercialization of this proprietary manufacturing technology for the construction of wind towers.



Order for a wind turbine installation vessel

Awarded an order for a NG-20000 wind turbine installation vessel design and jacking system

NOV secured a follow-up order for its proprietary NG-20000 wind turbine installation vessel (WTIV) design and jacking system, reaffirming NOV's position as the industry standard for global offshore wind installation solutions.

The NG-20000 vessel is designed to support the installation of 15 MW offshore wind turbines and foundations, as well as larger, future 20+MW turbine models.



Outlook: Q3 2024 and FY 2024

		Year-Over-Year (3Q'23 vs 3Q'24)
NOV	Revenue	Flat-to-up in the low single digit percent range
	Adj. EBITDA	\$270 million to \$305 million
EPS	Revenue	Flat-to-up in the low single digit percent range
	Adj. EBITDA	\$175 million to \$190 million
EE	Revenue	Flat-to-up a couple percent
	Adj. EBITDA	\$140 million to \$160 million
		Year-Over-Year (FY'23 vs FY'24)
NOV	Revenue	Growth in the low- to mid-single digit percent range
	Adj. EBITDA	\$1.10 to \$1.18 billion
	Capex	\$330 million

¹ Guidance is based on current outlook and plans and is subject to a number of known and unknown uncertainties and risks and constitutes "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934 as further described under "Safe Harbor / Forward Looking Statements / Non-GAAP Financial Measures". Actual results may differ materially from the guidance set forth above.

**We power the
industry that
powers the world.**

34k

Employees¹

\$7.5B

Market capitalization²

548

Locations

\$8.9B

Q2 2024 annualized
Revenue

61

Countries

\$1.1B

Q2 24 annualized
Adjusted EBITDA

¹ Full time equivalent workers.

² Market cap recorded as of July 19, 2024.

A large, light grey arc that starts at the top left, curves downwards and to the right, and then curves back up towards the top right. A short horizontal line extends from the right side of this arc to the word 'Appendix'.

Appendix

Reconciliation of Adjusted EBITDA to Net Income (Unaudited)

(Continued on next page)

in millions	Three Months Ended			Six Months Ended	
	June 30,		March 31,	June 30,	
	2024	2023	2024	2024	2023
Operating profit:					
Energy Products and Services	\$ 128	\$ 156	\$ 121	\$ 249	\$ 268
Energy Equipment	232	81	95	327	152
Eliminations and corporate costs	(47)	(56)	(54)	(101)	(113)
Total operating profit	<u>\$ 313</u>	<u>\$ 181</u>	<u>\$ 162</u>	<u>\$ 475</u>	<u>\$ 307</u>
Operating profit %:					
Energy Products and Services	12.2%	15.2%	11.9%	12.0%	13.6%
Energy Equipment	19.3%	7.3%	8.1%	13.7%	7.0%
Eliminations and corporate costs	-	-	-	-	-
Total operating profit %	<u>14.1%</u>	<u>8.6%</u>	<u>7.5%</u>	<u>10.9%</u>	<u>7.6%</u>
Other items, net:					
Energy Products and Services	\$ 1	\$ (1)	\$ —	\$ 1	\$ (1)
Energy Equipment	(119)	(7)	(4)	(123)	(11)
Corporate	—	1	1	1	1
Total other items	<u>\$ (118)</u>	<u>\$ (7)</u>	<u>\$ (3)</u>	<u>\$ (121)</u>	<u>\$ (11)</u>
(Gain)/loss on sales of fixed assets:					
Energy Products and Services	\$ —	\$ —	\$ (1)	\$ (1)	\$ (3)
Energy Equipment	—	(1)	—	—	(3)
Corporate	—	1	—	—	2
Total (gain)/loss on sales of fixed assets	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (1)</u>	<u>\$ (1)</u>	<u>\$ (4)</u>
Depreciation & amortization:					
Energy Products and Services	\$ 55	\$ 43	\$ 54	\$ 109	\$ 88
Energy Equipment	29	26	28	57	55
Corporate	2	2	1	3	5
Total depreciation & amortization	<u>\$ 86</u>	<u>\$ 71</u>	<u>\$ 83</u>	<u>\$ 169</u>	<u>\$ 148</u>
Adjusted EBITDA:					
Energy Products and Services	\$ 184	\$ 198	\$ 174	\$ 358	\$ 352
Energy Equipment	142	99	119	261	193
Eliminations and corporate costs	(45)	(52)	(52)	(97)	(105)
Total Adjusted EBITDA	<u>\$ 281</u>	<u>\$ 245</u>	<u>\$ 241</u>	<u>\$ 522</u>	<u>\$ 440</u>

Reconciliation of Adjusted EBITDA to Net Income (Unaudited)

(Continued from prior page)

<i>in millions</i>	Three Months Ended			Six Months Ended	
	June 30,		March 31,	June 30,	
	2024	2023	2024	2024	2023
Adjusted EBITDA %:					
Energy Products and Services	17.5%	19.2%	17.1%	17.3%	17.9%
Energy Equipment	11.8%	8.9%	10.1%	11.0%	8.9%
Corporate	-	-	-	-	-
Total Adjusted EBITDA %	<u>12.7%</u>	<u>11.7%</u>	<u>11.2%</u>	<u>11.9%</u>	<u>10.9%</u>
Reconciliation of Adjusted EBITDA:					
GAAP net income attributable to Company	\$ 226	\$ 155	\$ 119	\$ 345	\$ 281
Noncontrolling interests	(3)	2	2	(1)	1
Provision for income taxes	70	19	44	114	39
Interest expense	22	21	24	46	42
Interest income	(8)	(8)	(8)	(16)	(16)
Equity income in unconsolidated affiliates	(8)	(37)	(29)	(37)	(85)
Other expense, net	14	29	10	24	45
(Gain)/loss on sales of fixed assets	—	—	(1)	(1)	(4)
Depreciation and amortization	86	71	83	169	148
Other items, net	(118)	(7)	(3)	(121)	(11)
Total Adjusted EBITDA	<u>\$ 281</u>	<u>\$ 245</u>	<u>\$ 241</u>	<u>\$ 522</u>	<u>\$ 440</u>

Reconciliation of Cash Flows from Operating Activities to Free Cash Flow (Unaudited)

in millions

Total cash flows provided by (used in) operating activities
Capital expenditures
Free cash flow

	Three Months Ended	Six Months Ended	
	June 30,	June 30,	
	2024	2024	2023
\$	432	\$ 354	\$ (274)
	(82)	(151)	(133)
\$	<u>350</u>	<u>203</u>	<u>(407)</u>

