We Distribute Products That Deliver Energy to the World®

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NOW Inc., Third Quarter 2017 Review & Key Takeaways

Forward Looking Statements

- 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. 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.

CEO Perspective: Strong Third Quarter Results

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- Revenue improved 7% sequentially to $697; 34% growth YOY → Nachfrage zieht an!
- Net loss for 3Q 2017 improved to $9M, or a loss of $3M excluding other costs (non-GAAP measure*)
- EBITDA excluding other costs (non-GAAP measure*) improved by $7M sequentially to a positive $5M, improving $45M YOY !
- First positive EBITDA quarter since the downturn
- Diluted loss per share improved to $0.08, or $0.03 excluding other costs (non-GAAP measure*)
- EBITDA excluding other costs flow through of 15% on sequential revenues

Driving Strong Margin Flow-Through on Revenue Improvement

(* See footnotes on last page)

CEO Perspective: Focused on Continued Efficiencies

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- Annualized revenue per global operating rig continues at $1.3M
- WS&A grew, slightly, to $141M, to support SCS implementations and Process Solutions growth
- Gross margins expanded for the third consecutive quarter
- Reduced branch count by six
- Maintained working capital excluding cash target at 23% as a percent of revenue ← Das ist entscheident!
- Cash on hand at September 30, 2017 increased to $99M

Bewundernswert bei ≈ 700 mio. $ Akquisitionen in den letzten Jahren

Demonstrating Success of Strategy to Drive Improved Performance

CEO Perspective: Going Forward

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- Potential for DUCs to drive increased completions and revenue opportunities in future quarters
- Focus on solid incrementals and cost discipline across all segments
- Actively evaluate bolt-on acquisitions in U.S. to support Process Solutions
- Continue to integrate Process Solutions business and drive further supply chain efficiencies

Committed to Running a Profitable Business for the Long Term

Statement of Operations and Non-GAAP Reconciliations

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($ Millions, Except Per Share Amounts and Percentages)

		Unaudited			
		3Q 2017		2Q 2017	
Revenue		$697	+46	$651	
Operating Expenses			Skaliert!		
Cost of Products	703 mio.	562	+35 mio.	527	665 mio.
WS&A		141	+3 mio.	138	
Operating Loss		(6)		(14)	
Other Expense		(3)		(3)	
Loss Before Income Taxes		(9)		(17)	
Income Tax Provision (Benefit)		-		-	
GAAP Net Loss		$(9)		$(17)	

	Unaudited	
	3Q 2017	2Q 2017
GAAP Net Loss	$(9)	$(17)
Interest, Net	2	1
Income Tax Provision (Benefit)	-	-
Depreciation & Amortization	12	13
Other Costs*	-	1
EBITDA Excluding Other Costs (Non-GAAP*)	$\boxed{\$5}$	$(2)
EBITDA % Excluding Other Costs (Non-GAAP*)	0.7%	(0.3%)
GAAP Reported Diluted Loss Per Share	$(0.08)	$(0.16)
Other Costs*	0.05	0.06
Diluted Loss Per Share Excl. Other Costs (Non-GAAP*)	$(0.03)	$(0.10)

Five Sequential Quarters of Revenue Growth

(* See footnotes on last page)

Statement of Operations and Non-GAAP Reconciliations

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($ Millions, Except Per Share Amounts and Percentages)

	Unaudited	
	3Q 2017	3Q 2016
Revenue	$697 + 177 mio	$520
Operating Expenses	Steigt unterproportional!	
Cost of Products	562 +129 mio.	433
WS&A (Warehousing, selling & administrative)	141 Konstant	140
Operating Loss	(6)	(53)
Other Expense	(3)	(3)
Loss Before Income Taxes	(9)	(56)
Income Tax Provision (Benefit)	-	-
GAAP Net Loss	$(9)	$(56)

	Unaudited	
	3Q 2017	3Q 2016
GAAP Net Loss	$(9)	$(56)
Interest, Net	2	1
Income Tax Provision (Benefit)	-	-
Depreciation & Amortization	12	14
Other Costs*	-	1
EBITDA Excluding Other Costs (Non-GAAP*)	$5	$(40)
EBITDA % Excluding Other Costs (Non-GAAP*)	0.7%	(7.7%)
GAAP Reported Diluted Loss Per Share	$(0.08)	$(0.53)
Other Costs*	0.05	0.19
Diluted Loss Per Share Excl. Other Costs (Non-GAAP*)	$(0.03)	$(0.34)

WOW!

EBITDA Excluding Other Costs (Non-GAAP measure*) Improved by $45M

(* See footnotes on last page)

Revenue Per Global Operating Rig in Line with Prior Quarters

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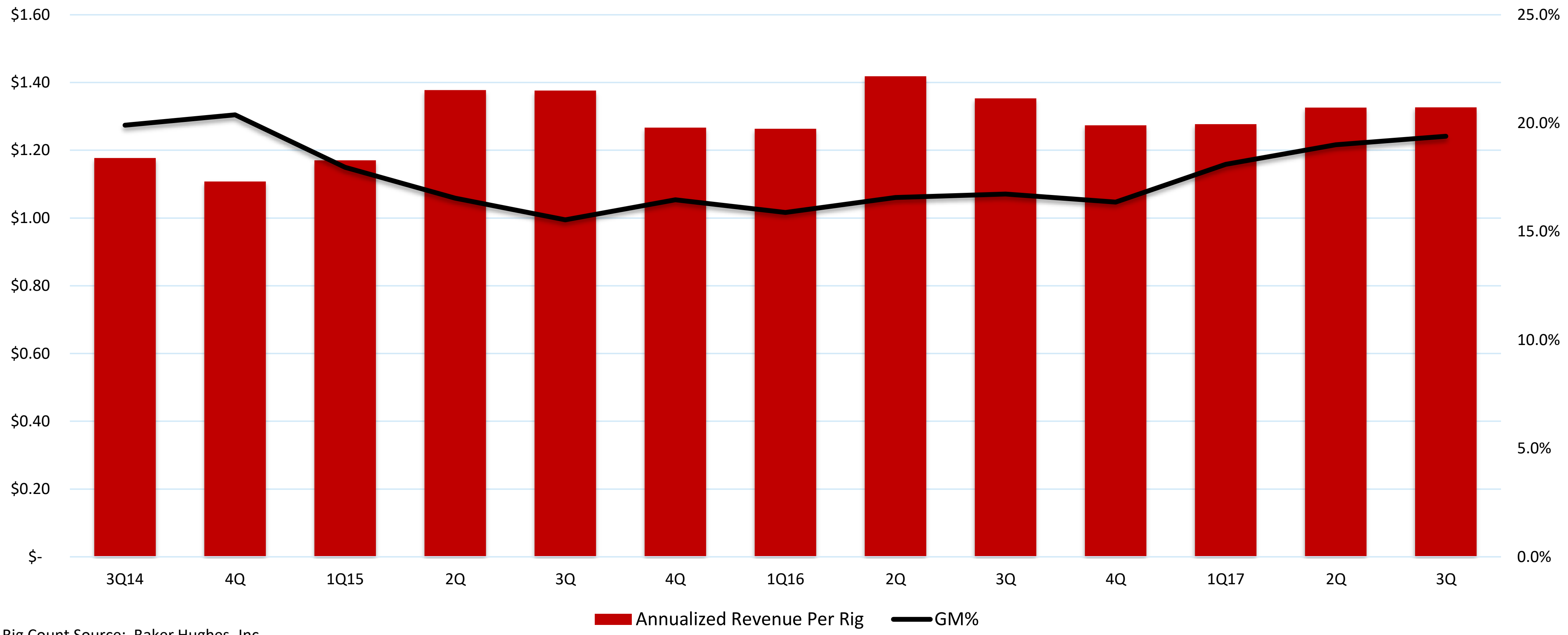
($ Millions - QTR - Annualized)



Rig Count Source: Baker Hughes, Inc.

Gross Margin % Continued Upward Climb in 3Q

Pipe Prices Strengthen

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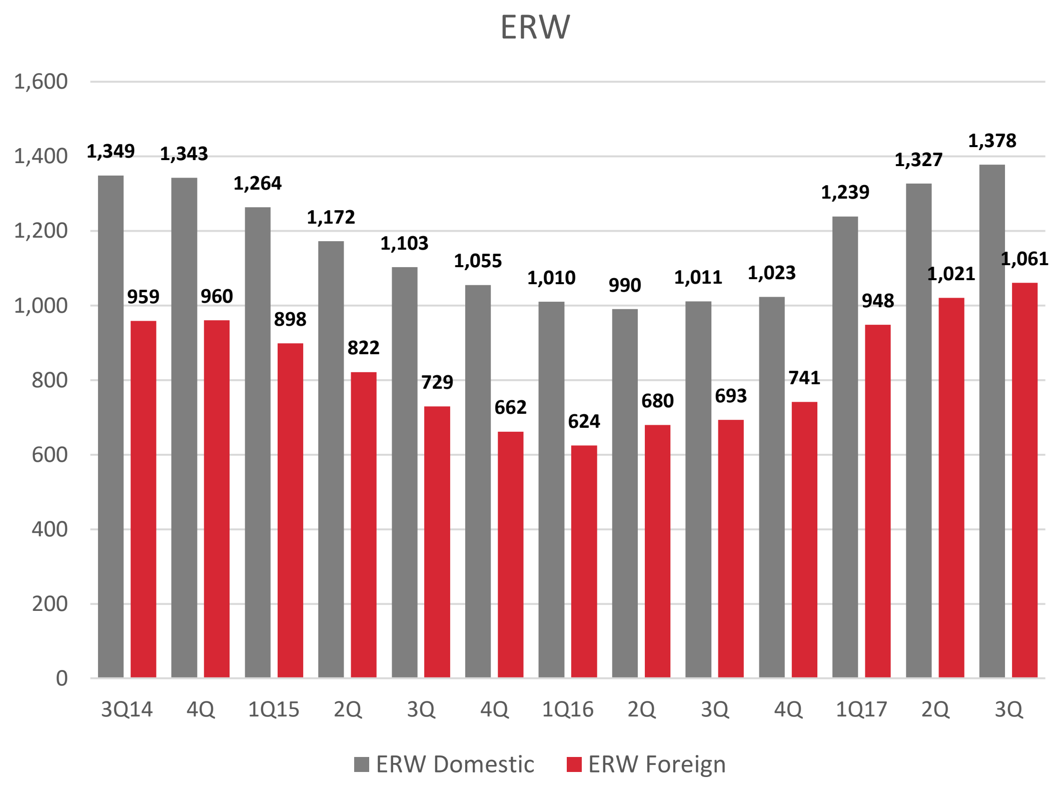
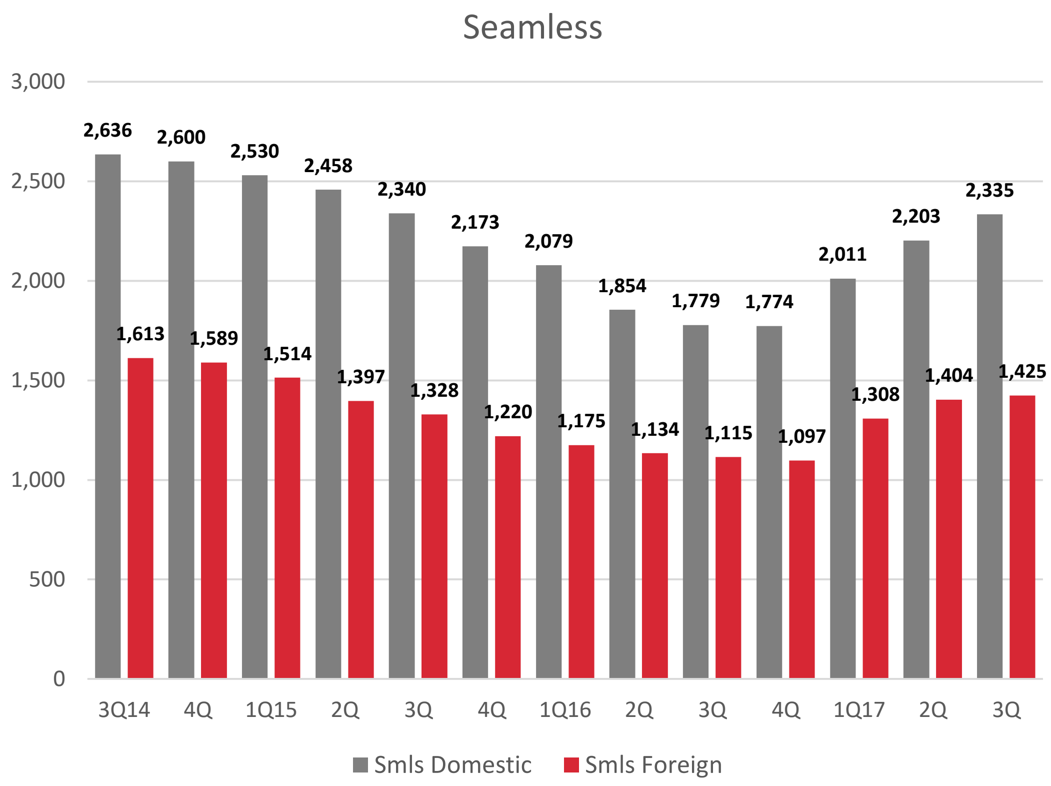
Average of Selected ERW Items - Price ($/ton)



Average of Selected Seamless Items - Price ($/ton)



Source: Pipe Logix

Strong Activity for Domestic Material Due to Sentiment and Availability

Selected Quarterly Results (Unaudited)

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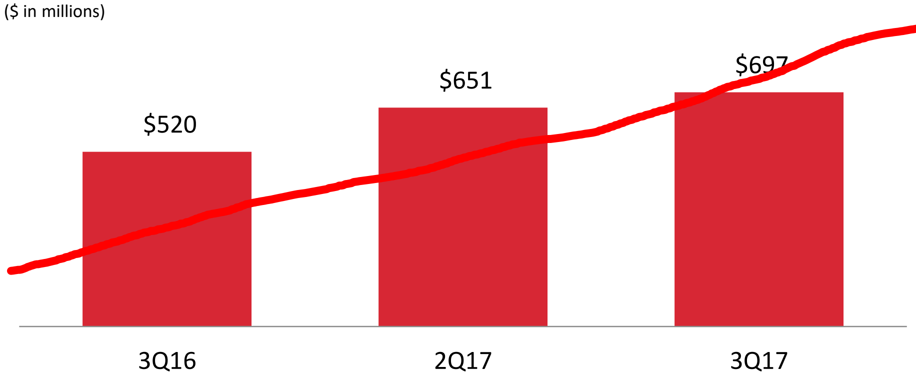
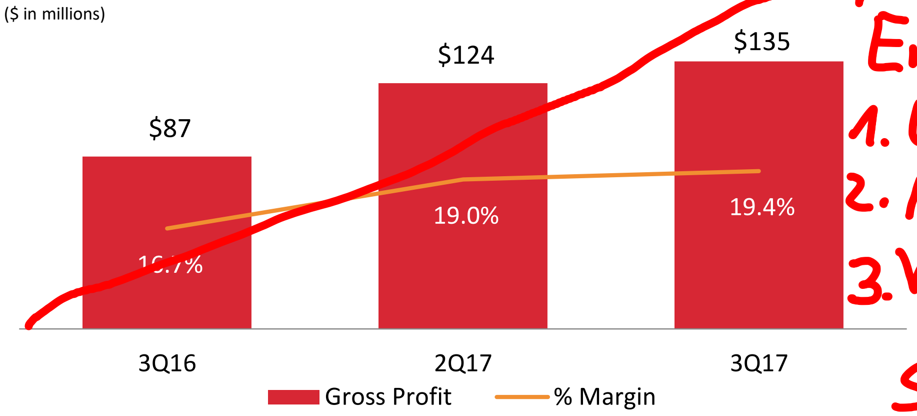
Revenue



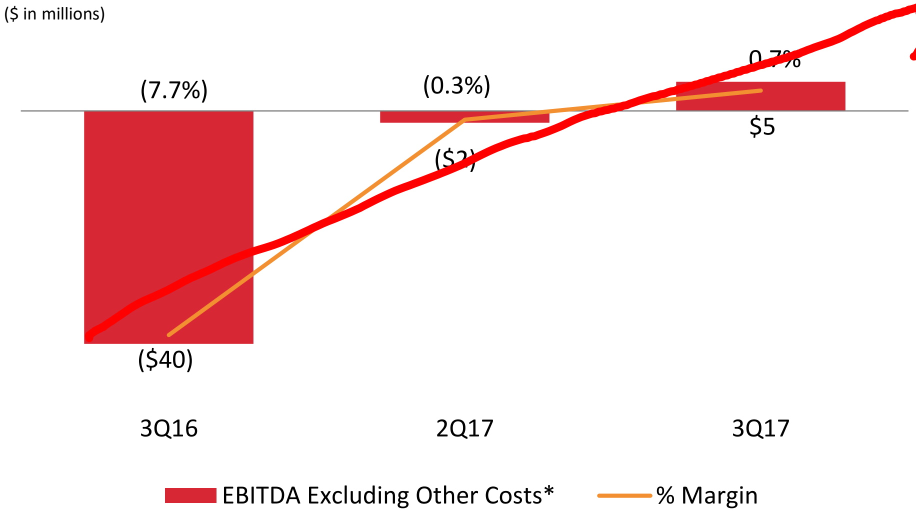
Gross Profit and Margin



Entwicklungen:
1. Umsatz steigt
2. Margen steigen
3. Verluste sinken

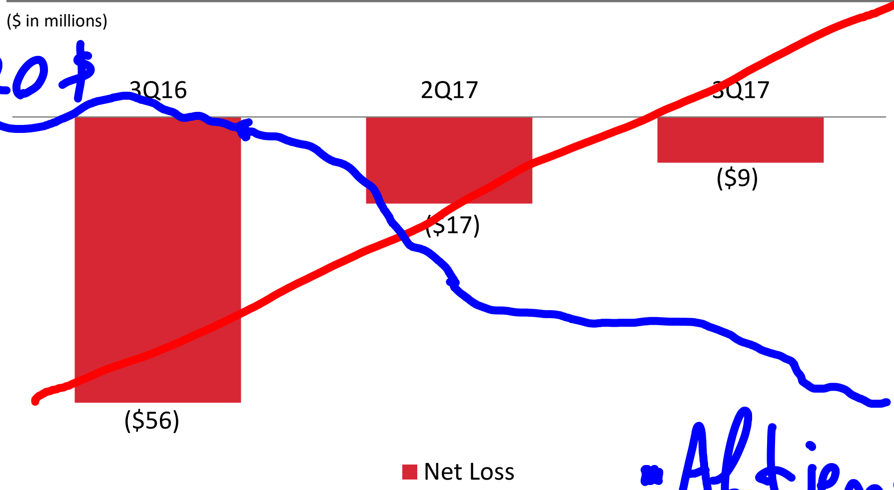
Super!

EBITDA Excl. Other Costs (Non-GAAP*) and Margin



Net Loss

≈20$



≈11$

▪ Aktienkurs

Revenue & EBITDA Excluding Other Costs (Non-GAAP*) Continued Positive Trajectory

(* See footnotes on last page)

Top-Line Improvement Across All Segments

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($ Millions)

	Unaudited		
	3Q 2017	2Q 2017	3Q 2016
Revenue			
United States	$506	$481	$372
Canada	96	79	67
International	95	91	81
Total Revenue	697	651	520
Operating Profit (Loss)			
United States	(10)	(16)	(46)
Canada	4	2	(2)
International	-	-	(5)
Total Operating Loss	$(6)	$(14)	$(53)

+++

United States

- U.S. Revenue was up 5% sequentially predominantly from increased rig count and growth related to the integration of Power Service acquisition into the Process Solutions business.
- Reduced activity from industrial manufacturers and downstream customers, as well as delayed line pipe projects, muted revenue expansion.
- Operating losses in the U.S. were curtailed by volume gains and improved product margins.

Canada

- Canadian revenue improved 22% sequentially, related primarily to rig count improvement.
- Operating profit increased in the quarter due to volume increases, lower inventory charges, increased activity in the Montney and Viking plays and a new oil sands MRO agreement.

International

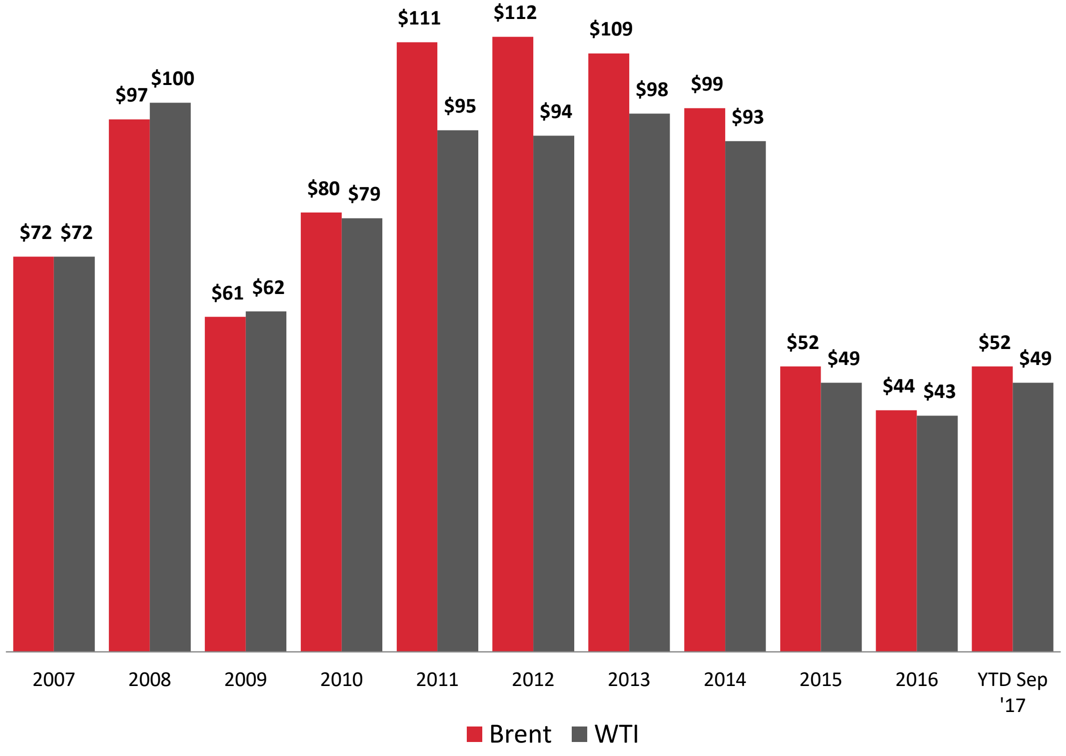
- International revenue grew 4% in the quarter driven by electrical project sales in Europe and increased customer penetration throughout the Middle East and Europe.
- Even though sequential revenues grew Internationally, operating margins were flat as project sales at better-than-average product margins declined in 3Q.

Strength in U.S. Onshore Activity Continues to Drive Top-Line Growth

Marginal Improvements in Key Industry Metrics

Average Oil Prices

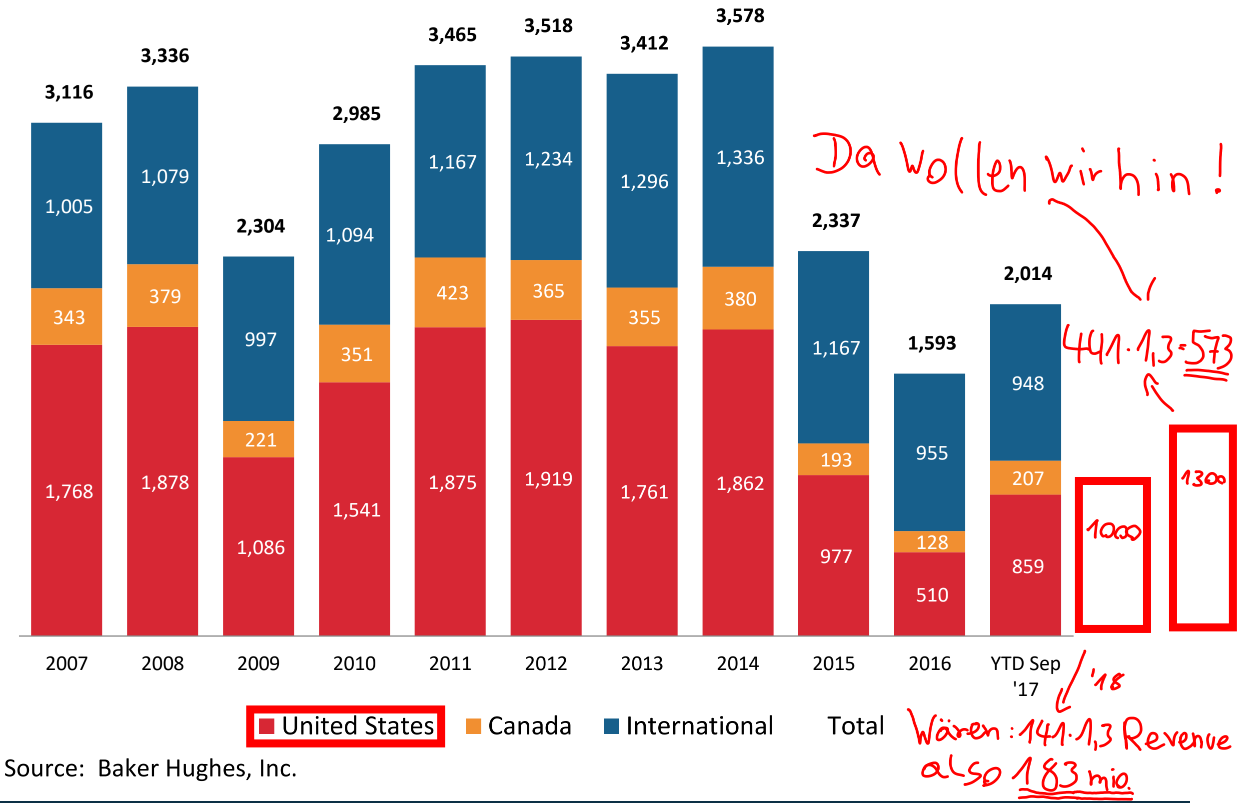
(per barrel)



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

Average Annual Rig Count

(number of rigs)



Source: Baker Hughes, Inc.

Oil Prices May Be Range Bound, But Trending Upward in 4Q

U.S. and Canadian Rigs Up Sequentially

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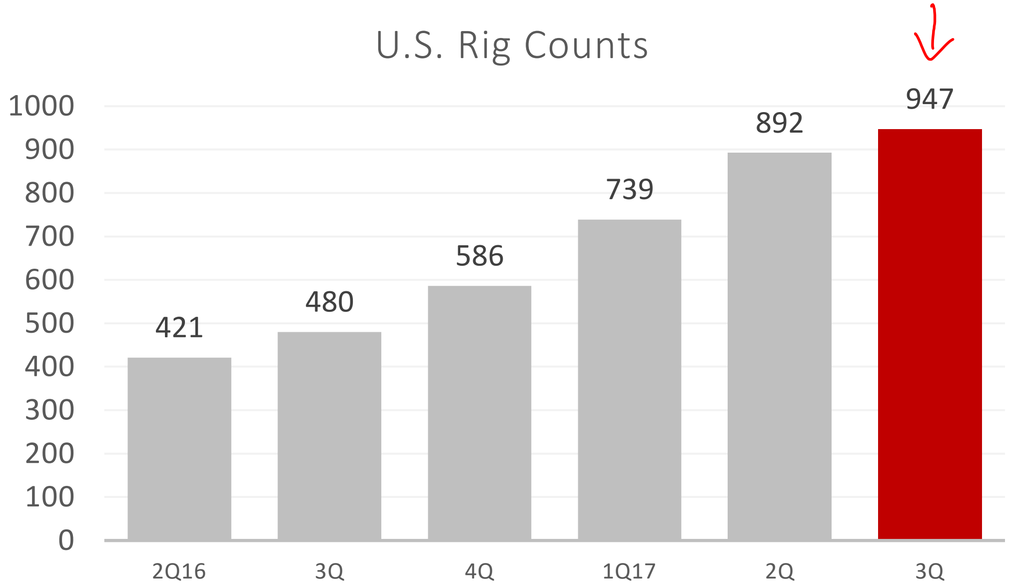
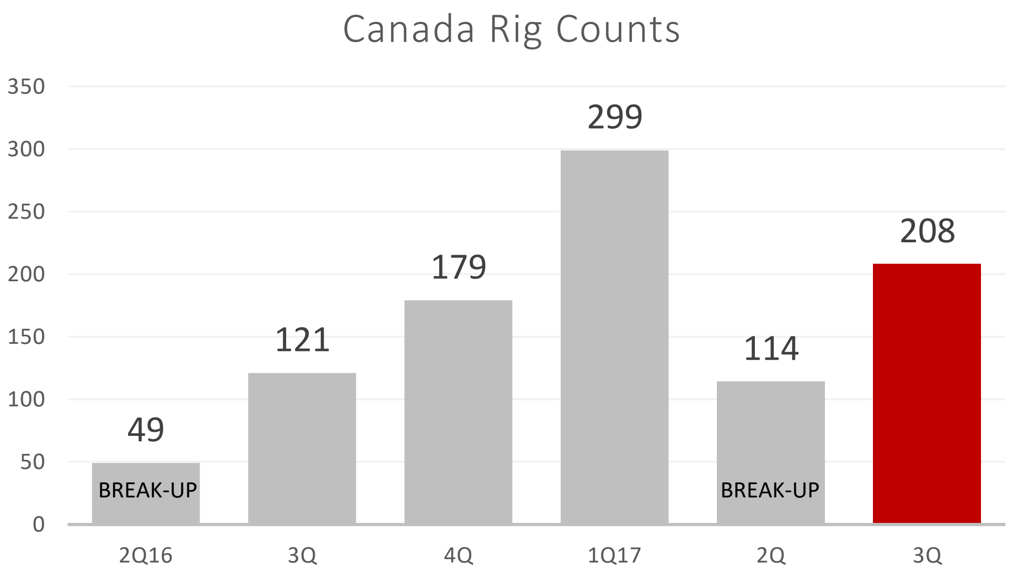
U.S. Rig Count Trends

1000 bis 2018 sind das Minimum!



Canada Rig Count Trends



Source: Baker Hughes, Inc.

DNOW Generated 15% Flow-Through on Increased Rig Count in 3Q

Tight DUCs to Completions Ratio

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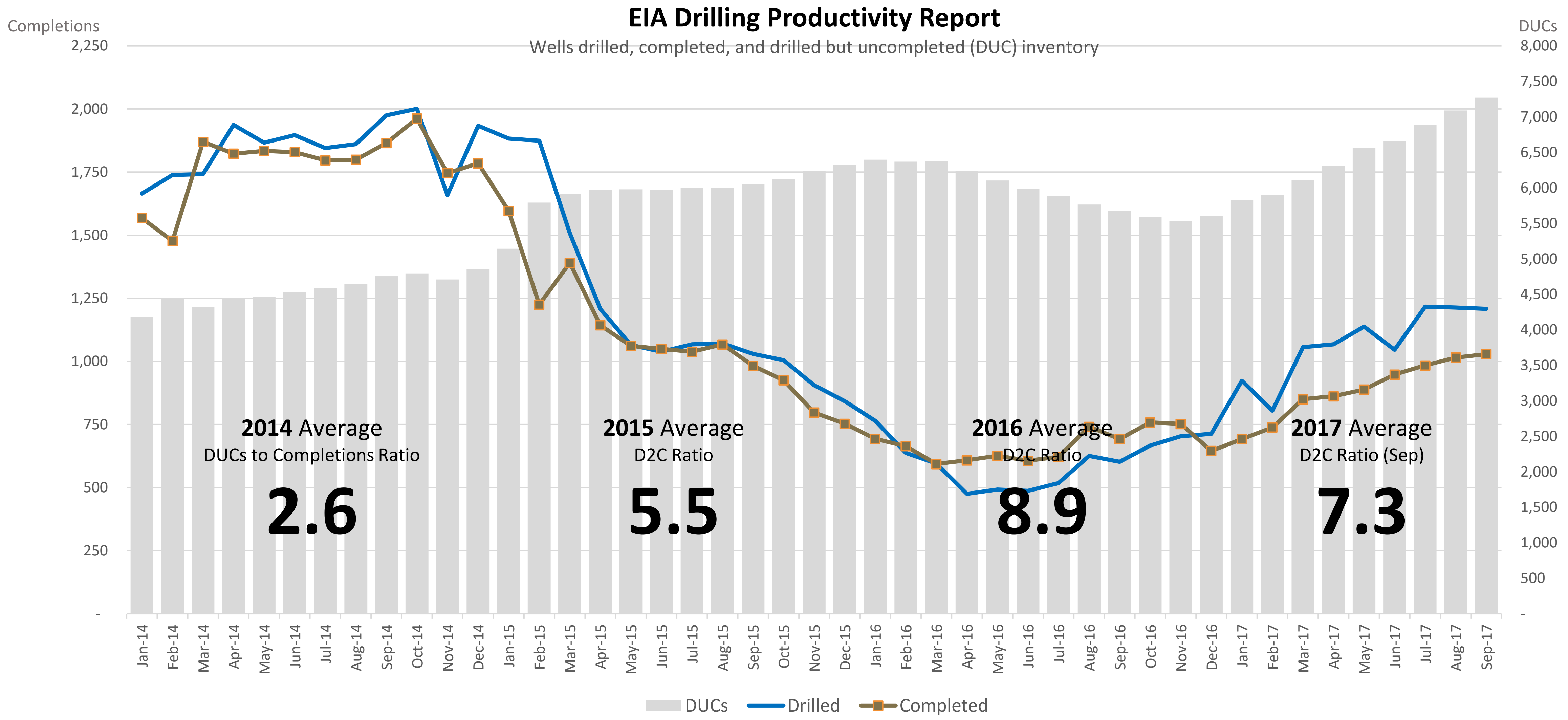
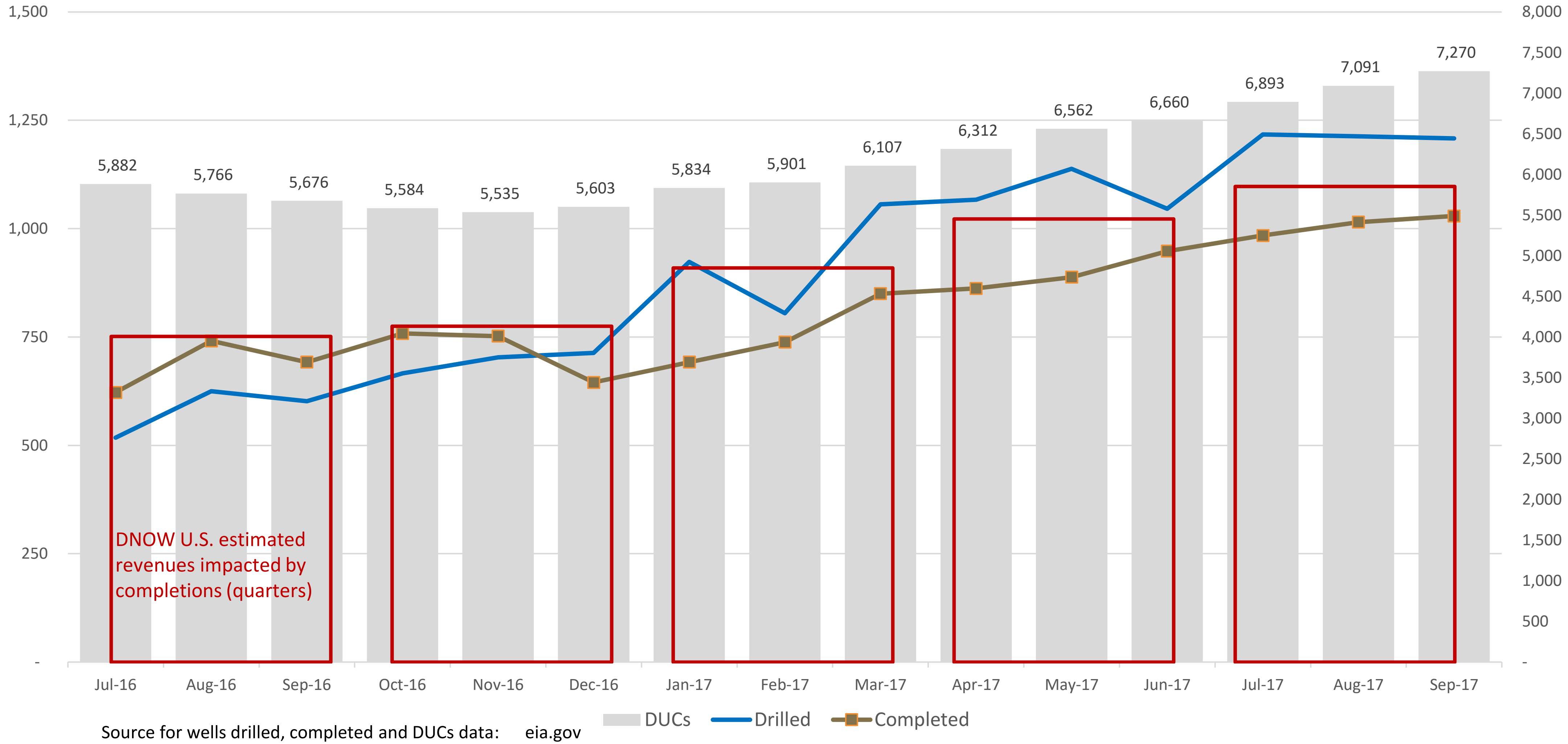


Completions Strengthening as DUC Backlog Grows

U.S. Revenue and Completions Trends



Source for wells drilled, completed and DUCs data: eia.gov

DUCS Backlog Provides Growth Driver for DNOW

Maintaining Working Capital as a % of Revenue Target

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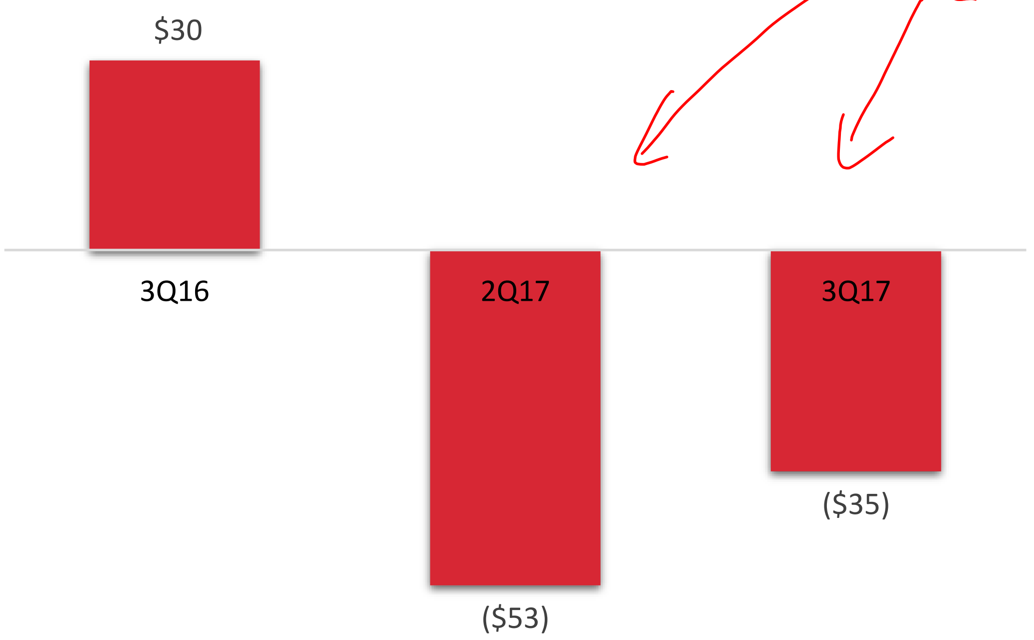
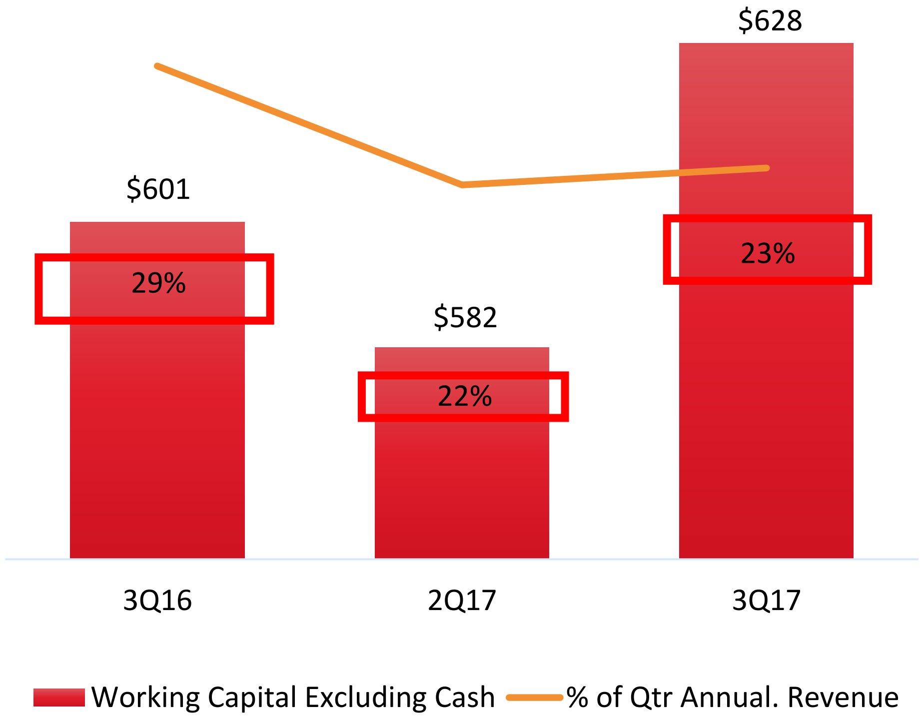
($ Millions)

Wegen steigender Nachfrage (Forderungen & Inventar)

Free Cash Flow - Quarters



Working Capital Excluding Cash - Quarters



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

Higher Capital in Anticipation of Future Growth

Ongoing Focus on Working Capital Reductions

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($ Millions)

	Unaudited		
	3Q 2017		2Q 2017
Current Assets			
Cash & Cash Equivalents	$99		$97
Receivables, Net	466		418
Inventories, Net	562		529
Prepaid & Other Current Assets	22		21
Total Current Assets	1,149	+ 84 mio.	1,065
Current Liabilities			
Accounts Payable	310		285
Accrued and Other Liabilities	112		101
Total Current Liabilities	422	+ 36 mio.	386
Working Capital, Excl. Cash	**$628**	+ 46 mio.	**$582**
DSO's	61		59
Inv. Turns	4.0x		4.0x

- Working capital (WC) excluding cash, was $628M at September 30, 2017, or 23% of revenue
- Sequentially:
  - AR increased by $48M in the quarter
  - Increased net inventory by $33M
  - 91 Days of Inventory on hand
  - Continued inventory replacement orders for long-lead time products like pipe and valves
  - Debt at $163M, with net debt at $64M
  - Low CapEx of $2M during 3Q17, $3M YTD
  - Flat Inventory Turns for the Quarter

Inventory Increase in Line with Expansion

EBITDA, Net Income and Diluted EPS Excl. Other Costs Footnotes

(1) In an effort to provide investors with additional information regarding our results as determined by GAAP, we disclose various non-GAAP financial measures in our quarterly earnings press releases and other public disclosures. The non-GAAP financial measures include: (i) earnings before interest, taxes, depreciation and amortization (EBITDA) excluding other costs, (ii) net loss excluding other costs and (iii) diluted 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 of these non-GAAP financial measures to its most comparable GAAP financial measure is included in the schedules herein.

(2) Other costs primarily includes the transaction costs associated with acquisition activity, including the cost of inventory that was stepped up to fair value during purchase accounting and severance expenses which are included in operating loss.

(3) EBITDA % excluding other costs is defined as EBITDA excluding other costs divided by Revenue.

(4) Other costs, net of tax, for the three and nine months ended September 30, 2017 includes an expense of $5M and $18M, respectively, after tax, for a valuation allowance recorded against the Company's deferred tax assets; as well as, less than $1M and $1M, respectively, after tax, in severance expenses that are included in operating loss.

(5) Totals may not foot due to rounding.

*** See referenced schedules on slides 3, 6, 7 & 10**

- Umsatz & Rigzahl steigen kontinuierlich
- Break-even bei FCF und Gewinn in Sichtweite
- Bei ≈100 mio. FCF in 2018/19 bereits ≈10% FCF-Yield
- Umsatzpotenzial zwischen a) 1.300 · 1,3 mio in US (mid/long term)
  b) 1.800 · 1,3 mio
- Krise hat Dnow gestärkt und Konkurrenz geschwächt!