Key Takeaways

First Quarter 2025

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 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) EBITDA excluding other costs as a percentage of revenue, (iii) net income attributable to DNOW Inc. excluding other costs, (iv) diluted earnings per share attributable to DNOW Inc. stockholders excluding other costs, and (v) free cash flow. We use these non-GAAP financial measures to evaluate and manage the Company's operations because we believe they provide useful supplemental information regarding the financial performance of our business. These non-GAAP financial measures are not intended to replace the GAAP financial measures. Free cash flow is net cash provided by (used in) operating activities adjusted for purchases of property, plant and equipment, and the remaining non-GAAP financial measures exclude the impact of certain other items. 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.

The Company's outlook is as of May 7, 2025, and is based on market conditions as they currently exist.
Actual results could differ materially from those projected.

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Key Takeaways

- Revenue of $599M for the first quarter, an increase of 5% sequentially, better than expected and up 6% year-over-year
- GAAP Net Income attributable to DNOW Inc. of $22M for the first quarter; GAAP diluted EPS attributable to DNOW Inc. stockholders of $0.20 for the first quarter
- Non-GAAP Net Income* of $24M for the first quarter; Non-GAAP diluted EPS* of $0.22 for the first quarter
- EBITDA* of $46M, or 7.7% of revenue for the first quarter, better than expected
- 1Q25 gross margins of 23.2%, better than expected
- Repurchased $8M in shares during the first quarter, $16M in shares year-to-date, executing on our newly authorized $160M share repurchase program

*Excluding other costs (non-GAAP)

Key Market Indicators

WTI/Rig Counts

WTI avg of $72 per barrel for 1Q25

U.S. avg rig count of 588 flat sequentially

Canada avg rig count of 216, higher 11% sequentially

International avg rig count of 903, lower 2% sequentially

Global avg rig count of 1,707, flat sequentially

DNOW annualized revenue per rig at $1.4M for 1Q25

U.S. Completions*

March ended with a U.S. completions count of 934 wells in EIA regions

1Q25 total of 2,801 U.S. completions lower 2% sequentially

*EIA STEO report released 4/10/2025

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

U.S. DUCs*

March ended with a DUC count of 5,306 wells in EIA regions

1Q25 avg of 5,297 wells flat sequentially

*EIA STEO report released 4/10/2025

DUCs are future revenue opportunities for DNOW

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1Q25 Segment Results (Year-over-Year)

United States

- Revenue increased on a year-over-year basis driven primarily by contributions from acquisitions completed in 2024; partially offset by weakening U.S. drilling and completion activity
- Operating profit decreased primarily due to an increase in expenses related to acquisitions completed in 2024, partially offset by the increase in revenue

Canada

- Revenue decreased year-over-year primarily due to unfavorable foreign exchange rates impacts
- Operating profit increased due to lower operating expenses

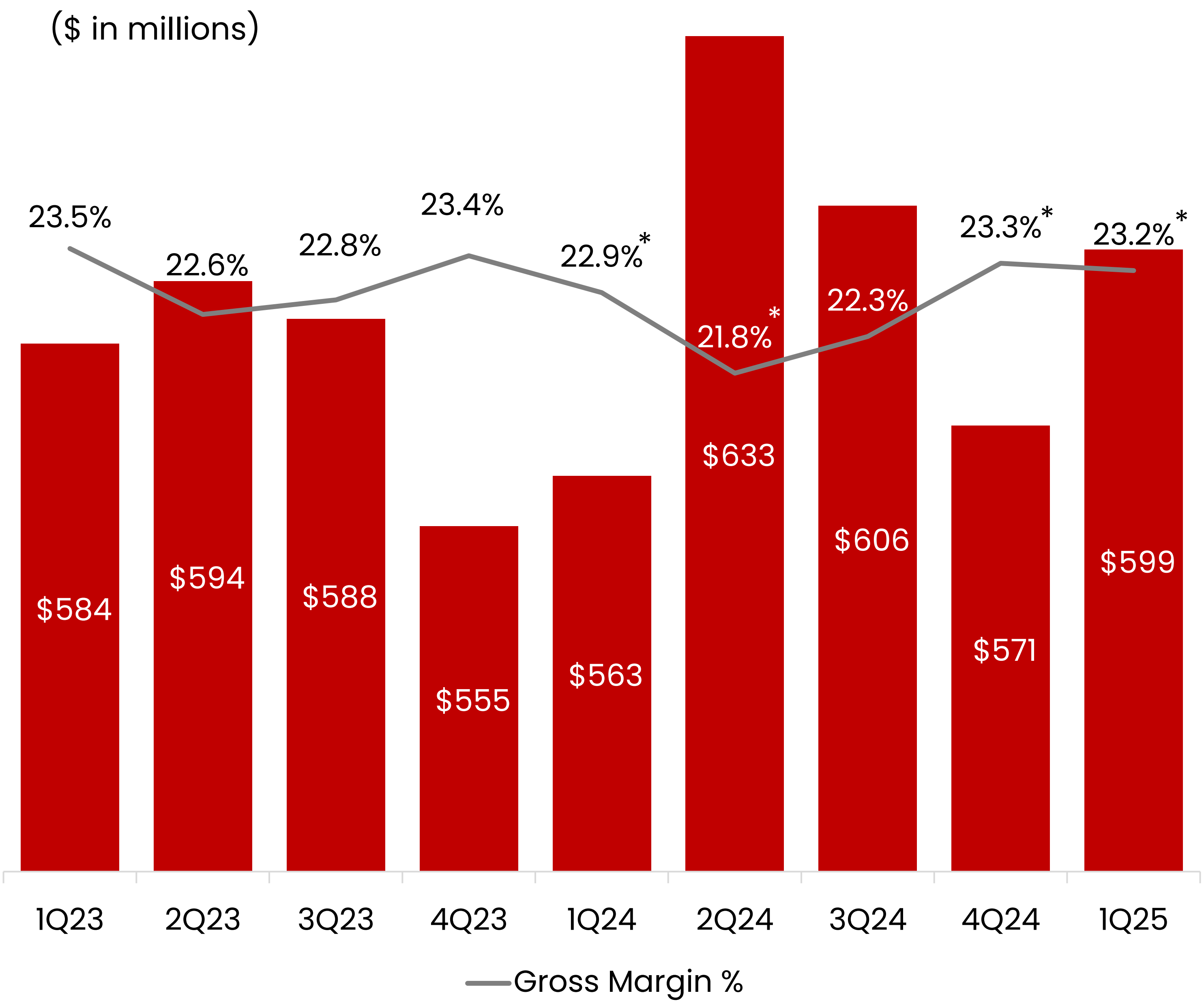
International

- Revenue increased primarily driven by increased project activity
- Operating profit improved primarily due to a decline in operating expenses

	1Q24	1Q25	Var.	Var. %
United States	435	474	39	9%
Canada	66	62	(4)	-6%
International	62	63	1	2%
Revenue	**563**	**599**	36	6%
United States	23	22	(1)	
Canada	3	4	1	
International	2	4	2	
Operating Profit	**28**	**30**	2	
United States	*5.3%*	*4.6%*		
Canada	*4.5%*	*6.5%*		
International	3.2%	6.3%		
Operating Profit %	*5.0%*	*5.0%*		
% of U.S. Revenue				
U.S. Energy	*70%*	*69%*		
U.S. Process Solutions	*30%*	*31%*		

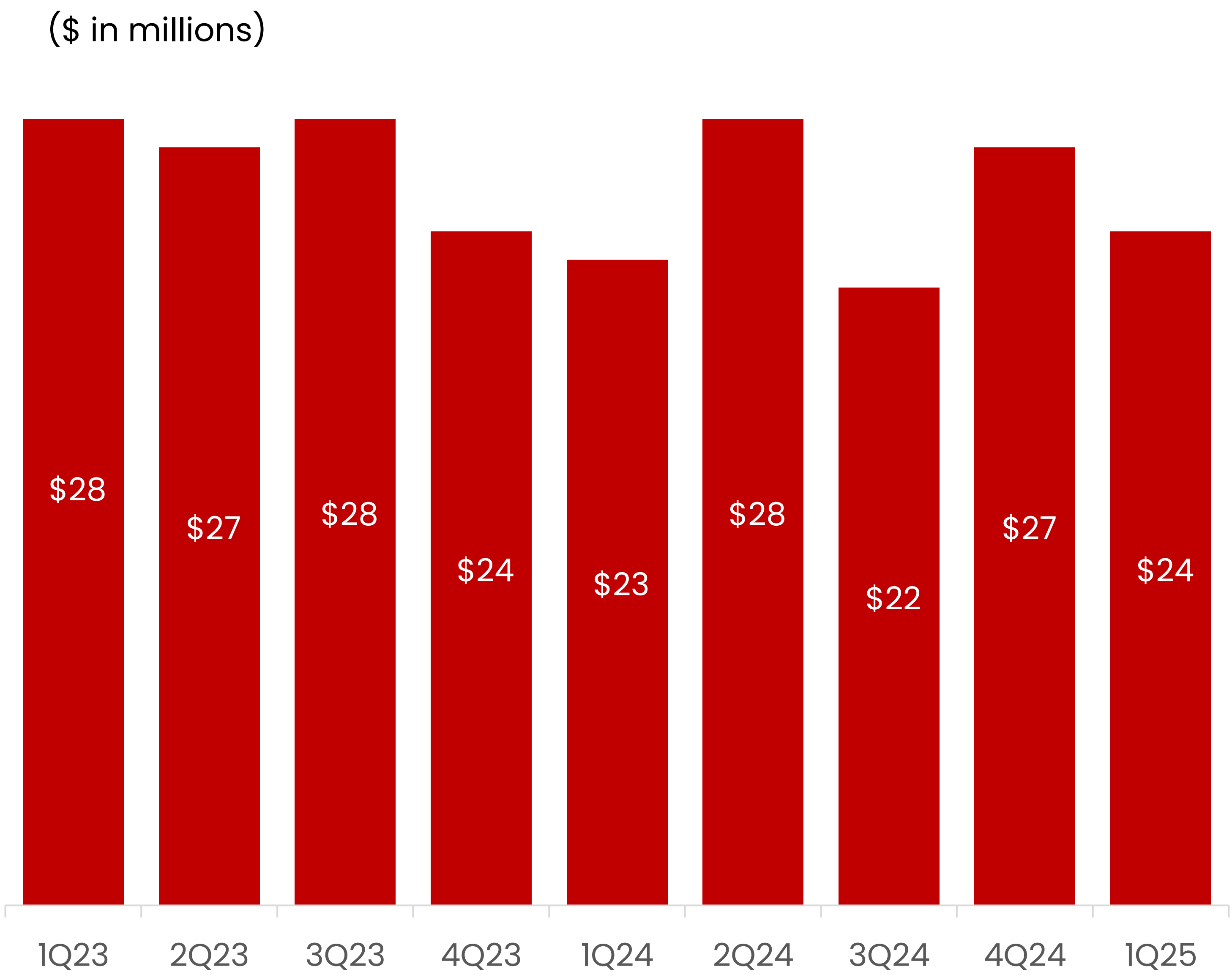
Selected Quarterly Results

Revenue & Gross Margin Percent



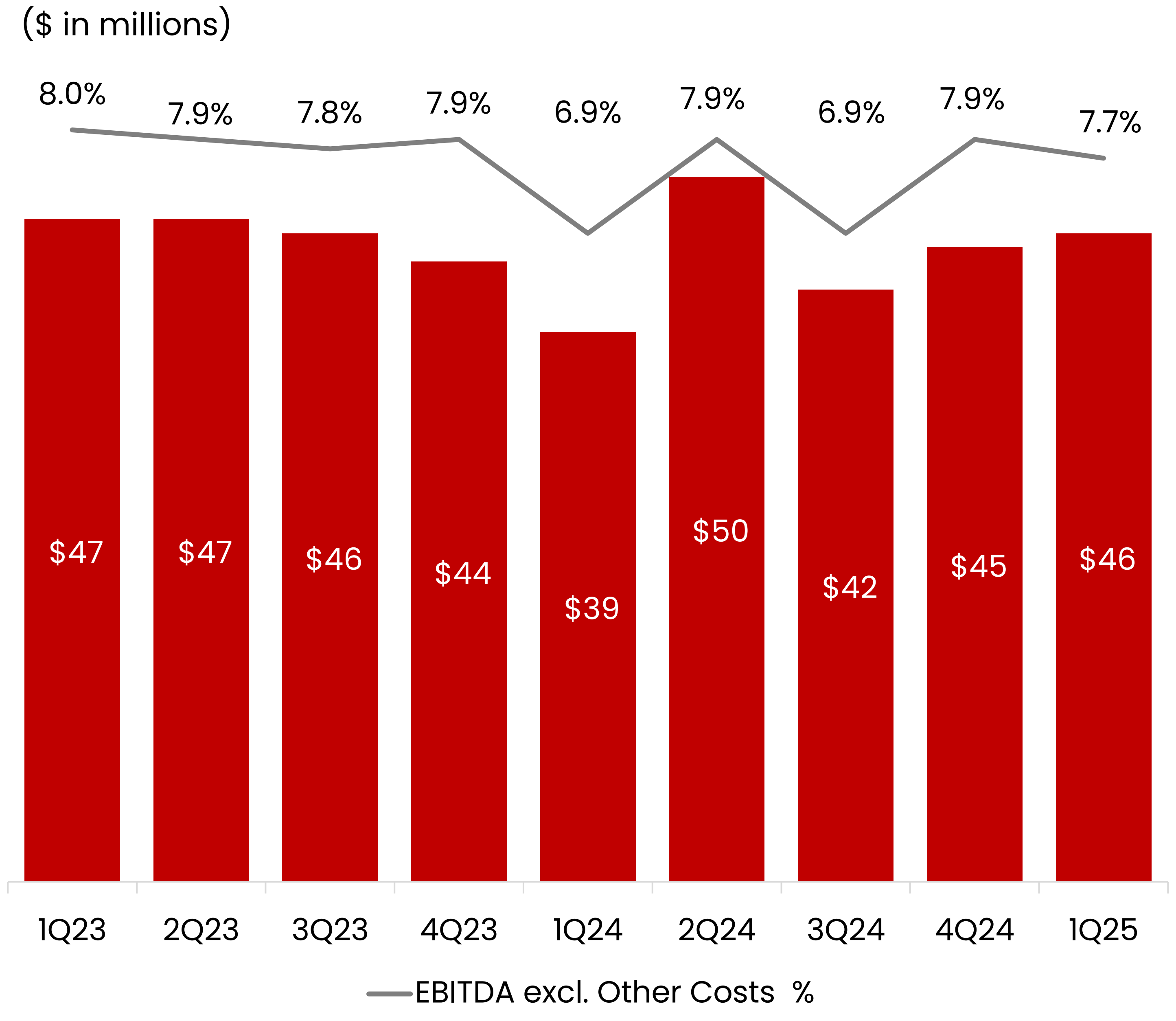
* Includes charges for cost of inventory that was stepped up to fair value during acquisition purchase accounting for 1Q24 ($1M), 2Q24 ($4M), 4Q24 (less than $1M), and 1Q25 (less than $1M)

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

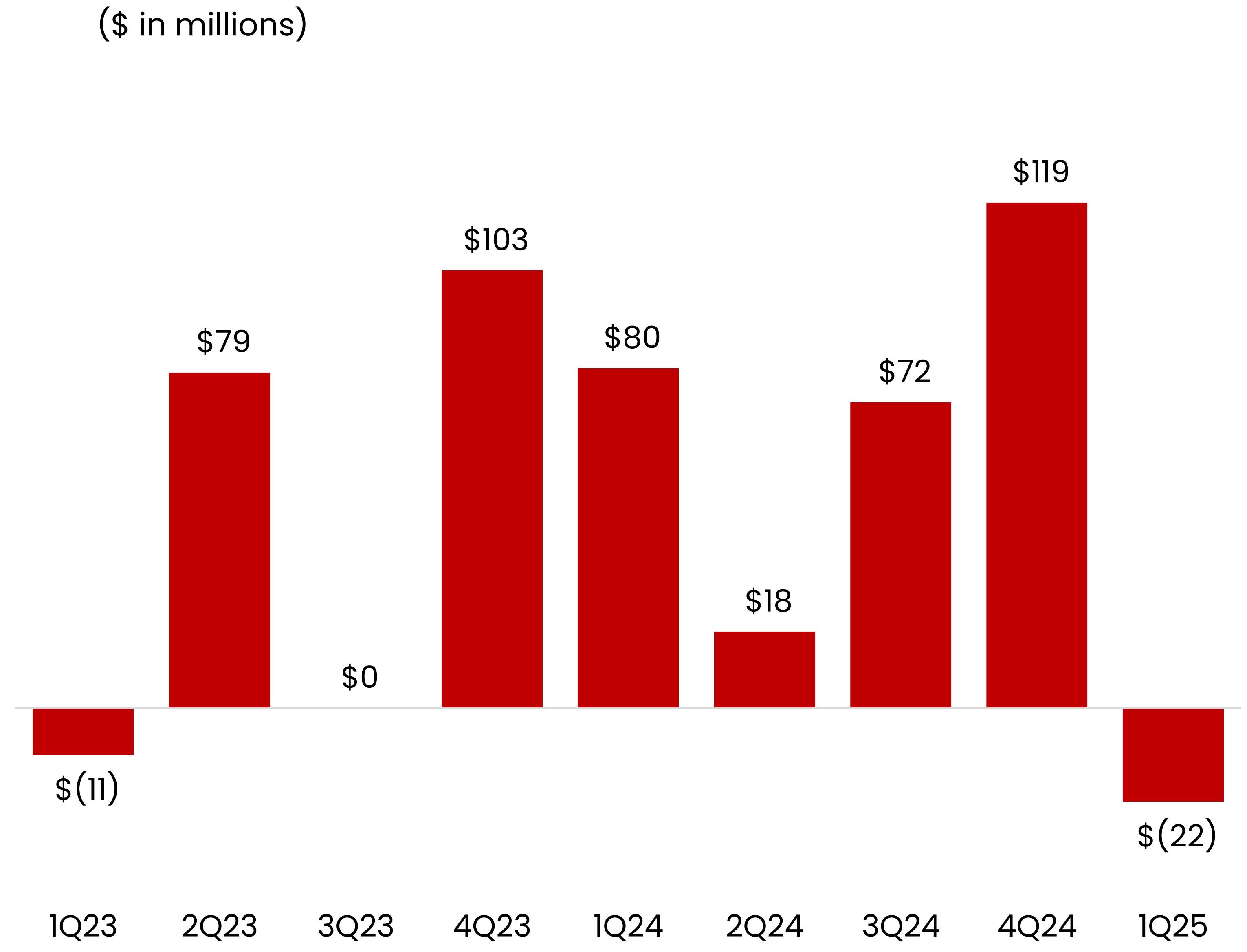


Selected Quarterly Results

EBITDA excl. Other Costs (Non- GAAP)



Free Cash Flow*

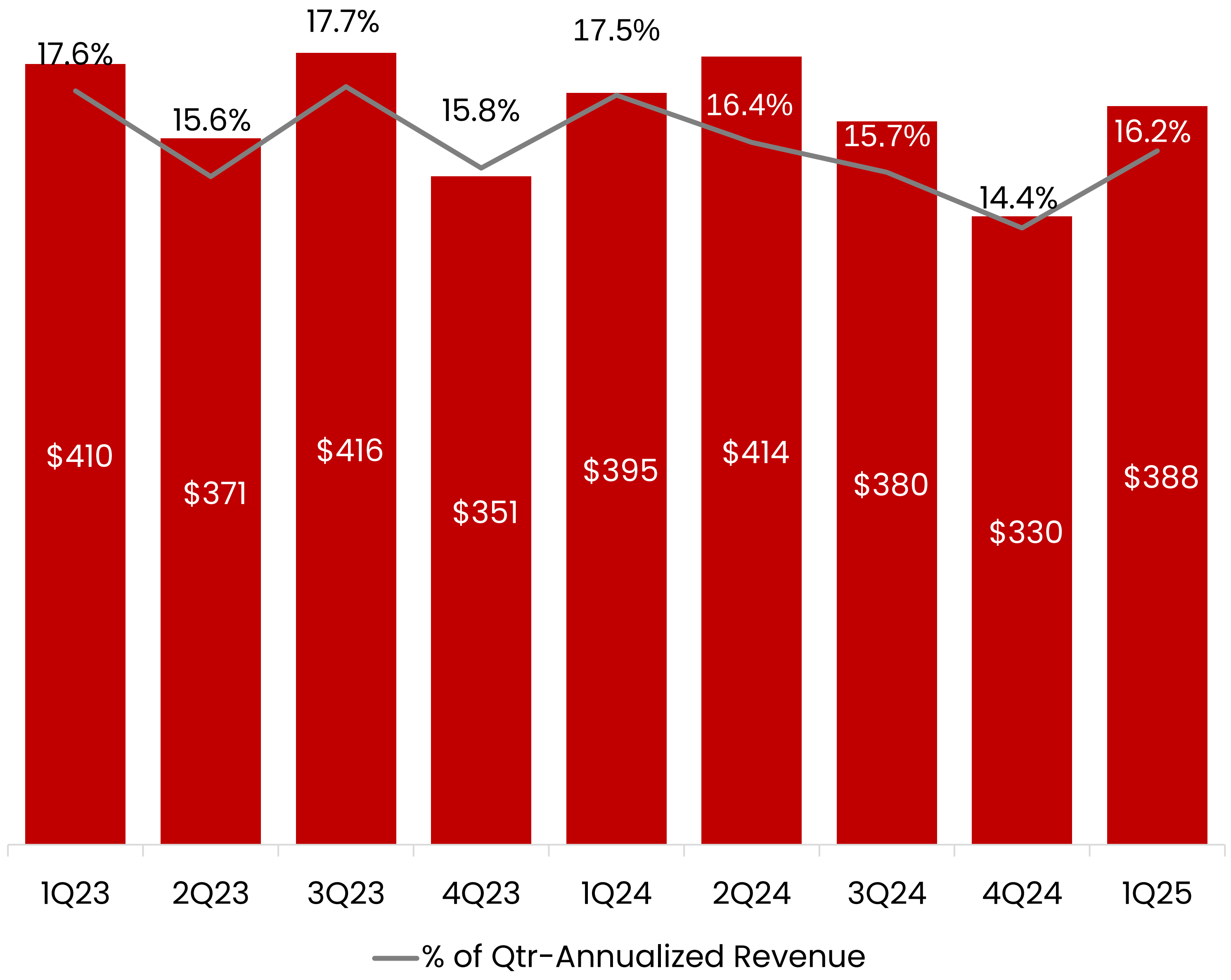


*Free Cash Flow is defined as net cash provided by (used in) operating activities, less purchases of property, plant and equipment

Selected Quarterly Results

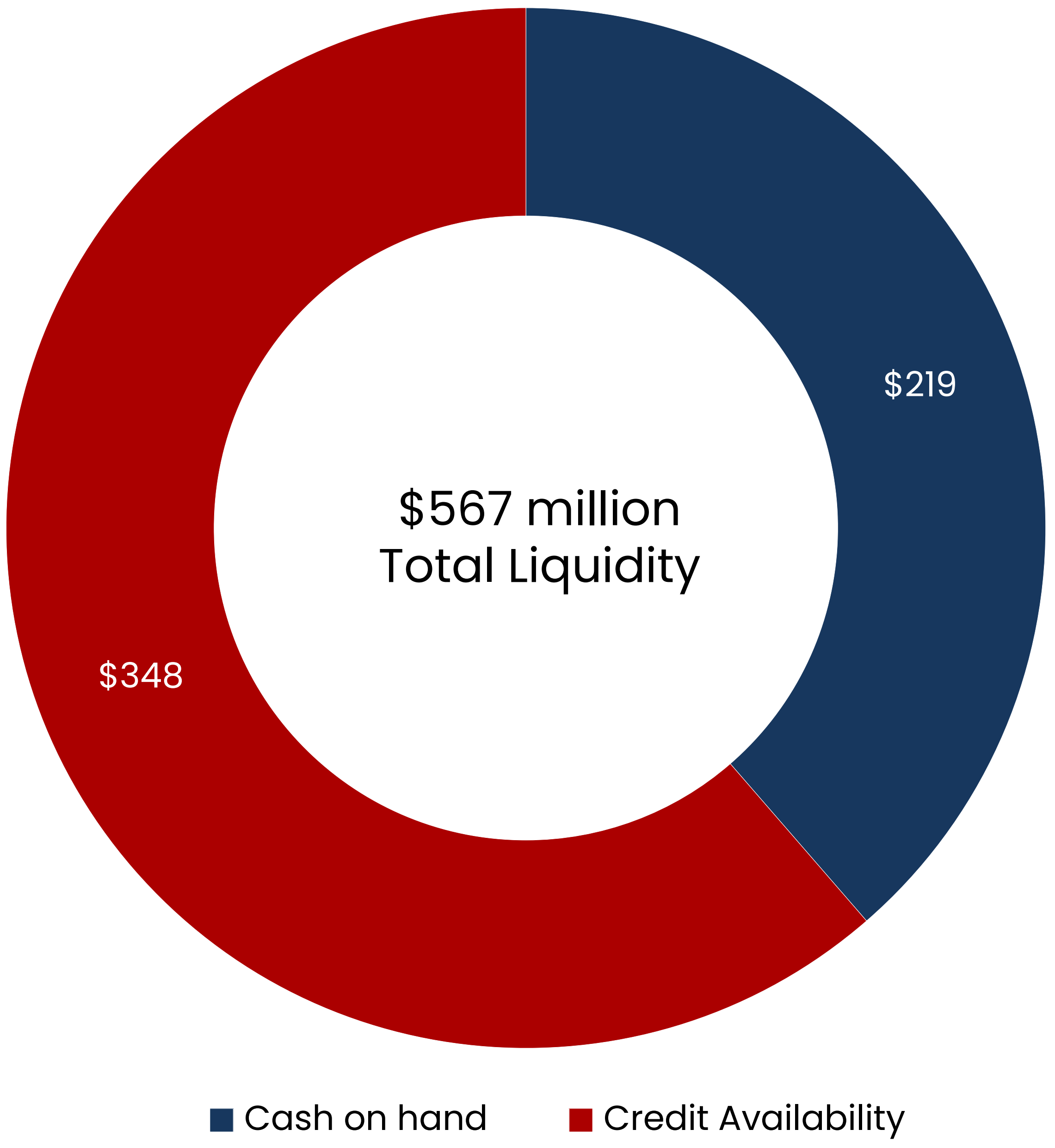
Working Capital excl. Cash and as % of Revenue

($ in millions)



Total Liquidity at March 31, 2025

($ in millions)



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Capital Allocation Framework

Formidable Balance Sheet…

Working Capital Efficiency
Efficient use of working capital as a percent of revenue

No debt
No interest expense burden

Ample Liquidity
$567M 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 business
- Focused on growing U.S. Process Solutions
- Closed Natron International, April 2025

Return capital to shareholders
- Authorized new $160 million share repurchase program in January 2025
- Repurchased $8M shares during 1Q25, $16M as of May 7, 2025

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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
- Targeting data center construction that require electrical cable and pumps and PVF for cooling
- Expand aftermarket service capabilities driving high margin incremental revenues

Support organic growth through free cash flow

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

Share buyback program

- Repurchased $8M in shares in 1Q25 and $15M as of May 7, 2025, on Board authorized, $160M program approved in January 2025, double the size of the previous buyback program

Inorganic accumulation strategy to grow earnings and FCF

- Closed Natron International acquisition in April
- Expands electrical cable distribution manufacture relationship and geography in Singapore, complementing DNOW's current distribution rights
- Continue to evaluate a pipeline of margin accretive companies to expand U.S. Process Solutions business

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Significant Improved Earnings

Key trends and financial performance as market activity changes

2H 2014 ǂ	2018	2023	2024	1Q25
U.S. Rigs: 1,907	U.S. Rigs: 1,032	U.S. Rigs: 689	U.S. Rigs: 600	U.S. Rigs: 588
U.S. Completions: 6,865	U.S. Completions: 4,172	U.S. Completions: 3,212	U.S. Completions: 2,933	U.S. Completions: 2,801
WW Rigs: 3,635	WW Rigs: 2,211	WW Rigs: 1,814	WW Rigs: 1,735	WW Rigs: 1,707
Revenue: $2.1B	Revenue: $3.1B	Revenue: $2.3B	Revenue: $2.4B	Revenue: $599M
EBITDA: $97M	EBITDA: $125M	EBITDA: $184M	EBITDA: $176M	EBITDA: $46M
4.7% of Revenue	4.0% of Revenue	7.9% of Revenue	7.4% of Revenue	7.7% of Revenue
Cash $195M	Cash $116M	Cash $299M	Cash $256M	Cash $219M
FCF $17M	FCF $62M	FCF $171M	FCF $289M	FCF $(22)M

Period of improved earnings and free cash flow (FCF) generation capabilities driven by transformed operational model and continued execution of strategic growth plan

ǂ DNOW spin off as a public company completed in 2Q14
Quarterly average rig values based on Baker Hughes Rig Count; Quarterly average of U.S. Completions based on EIA

Wrap-Up

- Strong start to 2025, growing revenue and EBITDA both sequentially and year-over-year through the continued execution of our growth strategy, despite relative flatness in U.S. rigs and a decline in U.S. completions
- Continued strength in midstream exceeding 20% of revenue in the quarter
- Improving international performance resulting from restructuring efforts
- Closed on an International bolt-on acquisition in April that expands our MacLean International electrical cable distribution business in Singapore
- Repurchased $8M of common stock in the first quarter, $16M as of May 7, 2025
- Debt free, $219M in cash with ample liquidity to fund growth, continue to review an active pipeline of M&A opportunities to complement our growth strategy and execute on our $160M share purchase program

Outlook

- 2Q25 revenue expected to **increase flat-to-up** in the **mid-single-digits** percentage range sequentially
- 2Q25 EBITDA* **approaching 8% of revenue**
- Reaffirm full-year 2025 revenue expected to be **flat-to-up** in the **high-single-digit** percent range from 2024
- Reaffirm full-year 2025 EBITDA* **approaching 8% of revenue**
- Reaffirm full-year 2025 free cash flow targeted at $150M

The Company's outlook is as of May 7, 2025, and is based on market conditions as they currently exist.

*Excluding other costs (non-GAAP)

Investor Relations

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For the most recent investor presentation, please click here

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