We Distribute Products That Deliver Energy to the World®

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NOW Inc., First Quarter 2018 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: 1Q Key Takeaways

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- Delivered 21% year-over-year (YoY) revenue growth
- Industry fundamentals continue to improve with broad-based strength across served markets
- Executing well on strategy to maximize core operations, drive margin expansion, leverage acquisitions and take a disciplined approach to capital allocation
- Looking ahead, focus will be on operational efficiency initiatives and supporting growth initiatives

DNOW is well positioned to capitalize on a continued market upcycle

Strong First Quarter Results Ahead of Expectations

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- Quarterly revenue of $764M improved by 21% YoY, outpacing 12% YoY global rig count growth
  - Growth across all geographies with U.S. up 28 %, Canada up 6%, and International up 4%
  - U.S. Revenue Mix: 53% U.S. Energy Centers, 33% U.S. Supply Chain Services, 14% U.S. Process Solutions
- GAAP net income of $2M. Net income excluding other costs (a non-GAAP measure)* of $1M; a $17M improvement YoY
- Gross margin performance up 30 bps sequentially to 19.4%
- WS&A of $141M, in line with expectations, and up $3M sequentially (excluding a 4Q17 $10 Million gain on sale of property)
- EBITDA excluding other costs was $16M in 1Q, a $25M improvement YoY
- GAAP diluted earnings per share improved to $0.02, with non-GAAP diluted earnings per share excluding other costs of $0.01

Top and bottom line YoY growth amid improving market fundamentals

(* See footnotes on last page)

Executing the DNOW Strategy to Unlock Value

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1 Deliver Margin Expansion

- Leveraging **improved quoting process**
- **Inventory strategy enabling pricing power** and **competitive advantage** with vertically integrated offerings
- **Section 232 pricing adjustments** integrated into proposals
- **Leveraging technology** e.g., e-commerce system to meet customers' diverse and evolving needs

2 Optimize Operations

- Ongoing evaluation and **adjustment of footprint**
- Forging **strategic partnerships with key manufacturers**
- Human capital efforts to **strengthen position and gain market share in Permian basin**

3 Drive Growth Through Acquisitions

- Delivering **revenue synergies through cross-selling**
- Maximizing **collaborations between Energy Centers & Process Solutions**
- Expanded valve modifications offered by TVS group
- **Selectively evaluating M&A** opportunities that meet our defined acquisition criteria

4 Approach Capital Allocation with Discipline

- **Working capital**, excluding cash, was 22% of revenue in 1Q18
- **Improved inventory turns** to 4x
- **DPOs** remained **flat** at 49
- **Cash on hand** at March 31, 2018 of $80M

Ongoing execution against strategic pillars positions DNOW to deliver long-term shareholder value

CEO Perspective: Key Market Indicators

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WTI/Rig Counts

- WTI hit $66/barrel
- U.S. average rig count of 965, up 31% YoY
- In Canada, average rig count moved from 299 in 1Q17 to 273 in 1Q18
- Int'l average rig count up 3% YoY to 970

DNOW revenue per rig grew; WTI momentum is positive

U.S. DUCs

- March ended with a DUC count of 7,692 wells
- Growth rate has decelerated to 4% in 1Q18, from 7% in 4Q17

Completing DUCs is favorable for DNOW

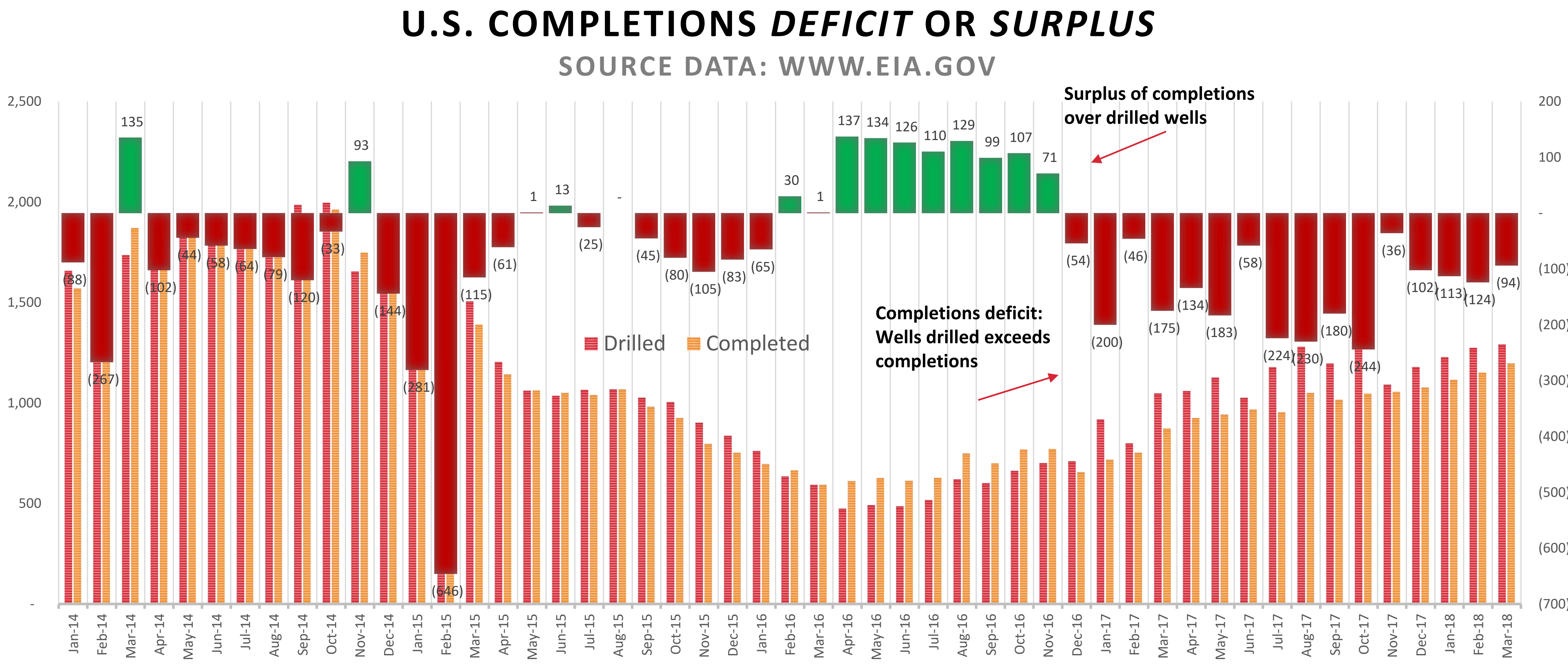
U.S. Completions

- Completions outnumbered wells drilled in key geographies
- 7th consecutive quarter of growth

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

Market signals indicate that DNOW is well positioned to take advantage of improving conditions

Drilled and Completed Well Trends



DUCs grow as completions fail to keep pace with wells drilled

Drilled and Completed Well Trends by Geography

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Geography	DUC Count Delta from Previous Quarter			
	1Q17 - 2Q17	3Q17	4Q17	1Q18
Anadarko	15.2%	13.9%	3.4%	1.3%
Appalachia	-6.6%	2.4%	-4.9%	-6.0%
Bakken	-5.3%	-3.5%	-2.2%	-0.8%
Eagle Ford	1.7%	8.5%	3.5%	4.9%
Haynesville	11.3%	-1.7%	1.7%	-1.1%
Niobrara	3.0%	-6.1%	-3.3%	-13.2%
Permian	20.2%	25.0%	16.4%	14.3%
Total	6.3%	10.0%	5.5%	4.5%

1Q completions outnumbered wells drilled in the Appalachia, Bakken, Haynesville & Niobrara

(except for one month in Haynesville where count was off by 1)

Trend bodes positively for DNOW's Energy Centers and Process Solutions businesses

1Q Highlights and Future Dynamics – United States

U.S. Energy Centers

1Q Highlights
- Revenue up 27% YoY
- Permian had largest revenue increase with 3 new customers added
- Midstream projects in MidCon drove strong growth
- Strong pipe business offset revenue disruptions from nor'easters and trade policy headwinds

Future Drivers
- Capitalize on Permian customer activity
- Closely monitoring tariffs and related downstream impact

U.S. Supply Chain Services

1Q Highlights
- Revenue up 37% YoY
- 19% sequential growth driven by energy, downstream and industrial customers
- Energy customers grew due to large construction projects in Delaware Basin

Future Drivers
- Expect SCS energy decline in future quarters due to:
  - Project-related swings in activity
  - Decrease in turnaround activity
  - Branch restructurings

U.S. Process Solutions

1Q Highlights
- Revenue up 14% YoY and 4% sequentially
- Power Service largest booking since 2014
- Odessa Pumps added two new midstream customers, active pipeline of quotes
- Permian remains most active region

Future Drivers
- Rising oil prices are expected to lead to increase in well completions, positive indicator for Process Solutions
- Several projects are expected to be awarded or begin in 2Q

Overall U.S. revenues grew 28% YoY; in line with rig count growth

1Q Highlights and Future Dynamics – Canada and Int'l

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Canada

1Q Highlights

- Revenue up 6% YoY
- Revenue up 20% sequentially due to major shutdown with Syncrude in 4Q and market share growth with two new customers

Future Drivers

- Optimistic for market share gains and growing midstream customers
- However, cautious due to headwinds expected from export pipeline constraints, regulatory environment and predicted decrease in capital spending

International

1Q Highlights

- Revenue up 4% YoY and sequentially
- Gains due to customer contracts in Middle East, EU and Australia
- Partially offset by declines in export sales

Future Drivers

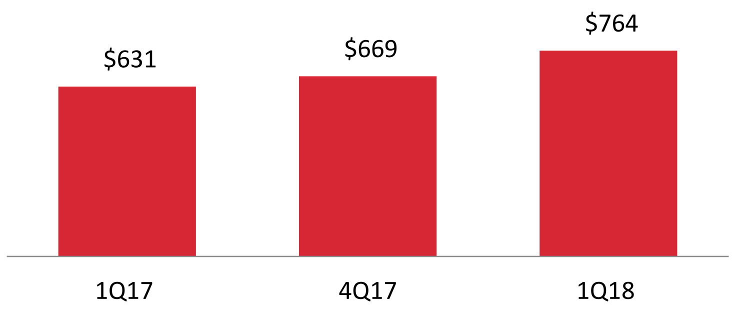
- Optimistic regarding opportunities from:
  - AsiaPacMENA new builds
  - Recent tender out of Europe
  - New electrical and cable frame agreements
  - Uptick in export
- Outlook tempered by uncertainty from Section 232

Optimistic about DNOW's near-term prospects despite market uncertainties

CFO Highlights: Selected Quarterly Results (Unaudited)

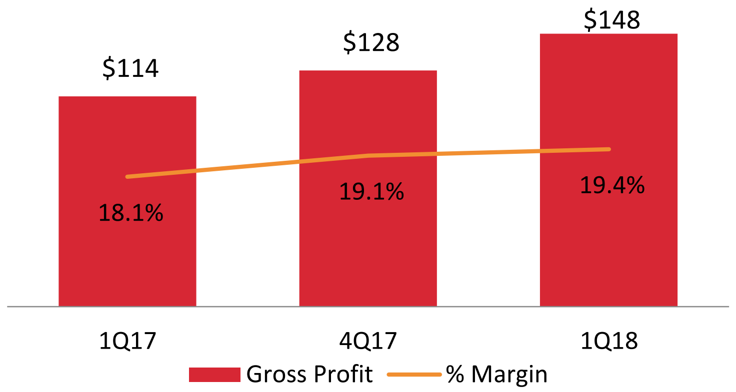
Revenue

($ in millions)



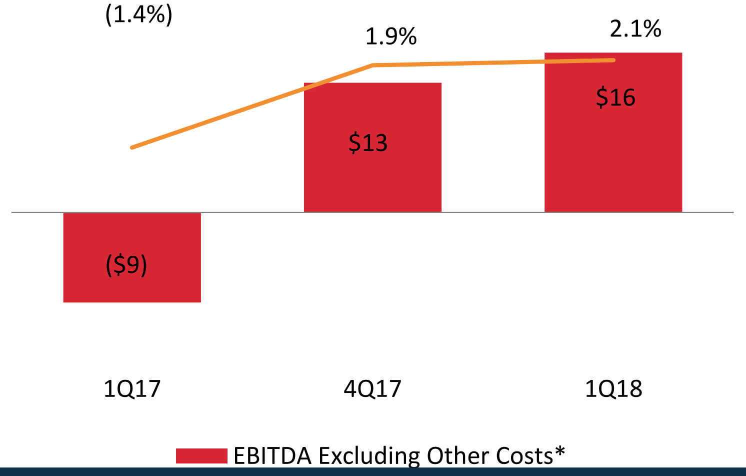
Gross Profit and Margin

($ in millions)



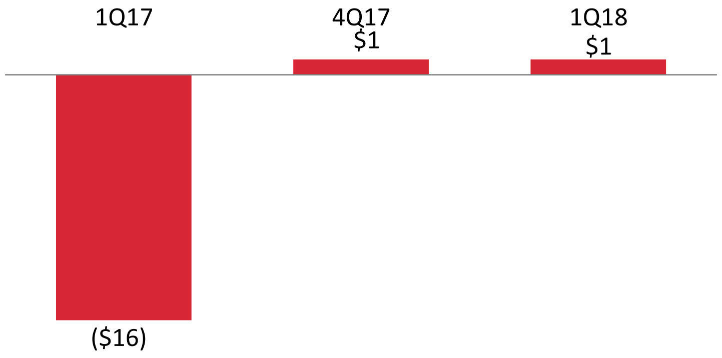
EBITDA Excl. Other Costs (Non-GAAP)* and Margin

($ in millions)



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

($ in millions)



Positive momentum on key metrics

(* See footnotes on last page)

Top-Line YoY Improvement Across All Segments

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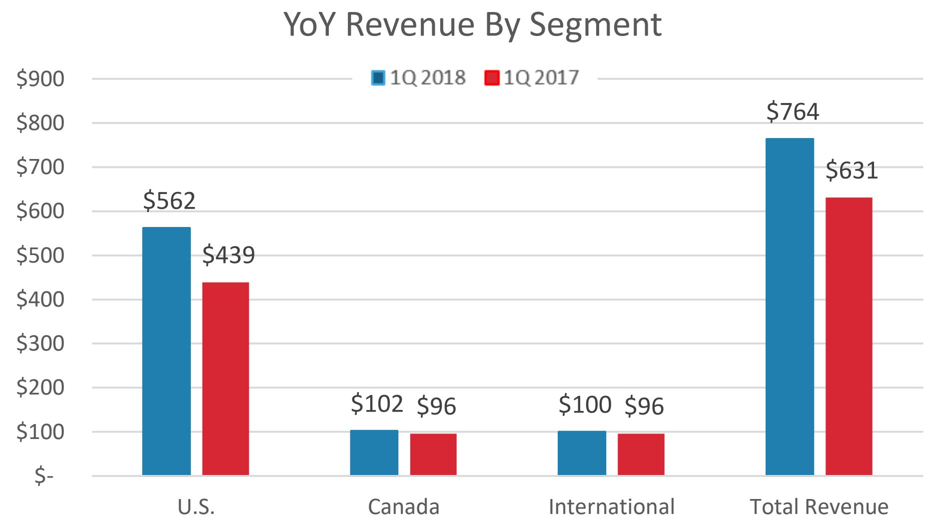
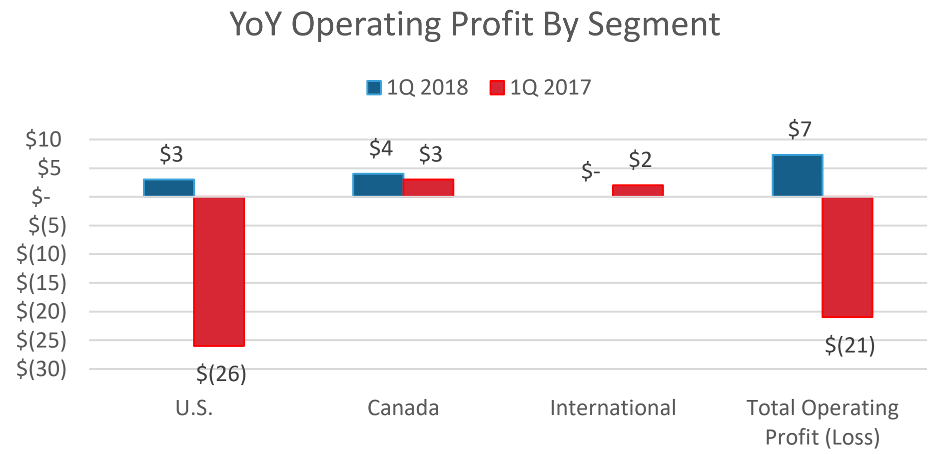
($ Millions)

	Unaudited	
	1Q 2018	1Q 2017
Revenue		
United States	$562	$439
Canada	102	96
International	100	96
Total Revenue	764	631
Operating Profit (Loss)		
United States	3	(26)
Canada	4	3
International	-	2
Total Operating Profit (Loss)	$7	$(21)





Strong YoY revenue performance across all segments

Focused on Continued Efficiencies

- WS&A increased to $141M in 1Q, in line with expectation
- Reduced location count by 8 in 1Q, while hiring in areas of increased activity
- Effective tax rate of 24.1% for 1Q 2018
- Working capital excluding cash as a percent of revenue was 22% in 1Q, below our 25% target
- Cash on hand at March 31, 2018 decreased to $80M

Committed to driving improved performance

CEO Wrap Up: Key Takeaways

- Optimistic about DNOW's ability to leverage improving macro environment in 2018
- 2018 expected revenue growth in the low double digit percentage range, with the top side possibly stretching to the high-teens
- Significant progress executing against four pillar strategy to maximize operations, enhance margins, leverage acquisitions and take disciplined approach to capital allocation
- Looking ahead, continued execution of strategy will drive positive earnings momentum

DNOW's organizational strength and committed employees are critical foundation for success

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

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(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 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 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 profit (loss). For the three months ended March 31, 2018 and 2017, other costs was less than $1 million in both periods.

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

(4) Other costs, net of tax, for the three months ended March 31, 2018 and 2017, respectively, included a benefit of $1 million and expense of $7 million, after tax, respectively, from changes in the valuation allowance recorded against the Company's deferred tax assets. The Company has excluded the impact of a $9 million tax charge related to the Tax Cuts and Jobs Act and a $4 million tax charge related to the write-off of a previously recognized deferred tax asset on its valuation allowance in computing net income (loss) excluding other costs for the three months ended March 31, 2018.

(5) Totals may not foot due to rounding.

*** See referenced schedules on slides 4 and 11**