

NOW Inc.

Analyst & Investor Day and Site Tour

August 9, 2016

Day 01

FORWARD LOOKING 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. 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.

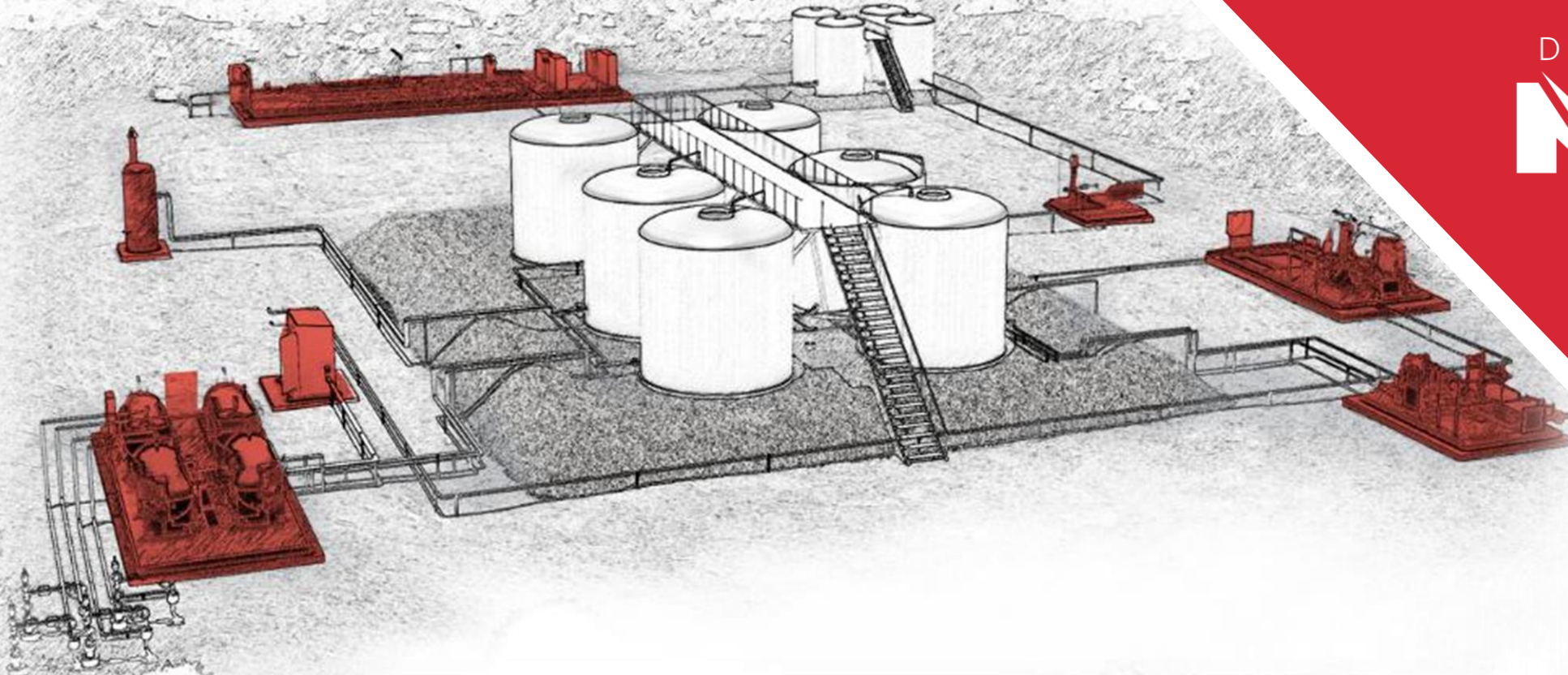
AGENDA – DAY ONE



Robert Workman
President & CEO
NOW Inc. (DNOB)

5:30 pm	Video Presentation – Power Service Overview (view at leisure)
6:30 pm	Welcome reception and opening remarks: Robert Workman, President and CEO, NOW Inc.
6:45 pm	Animation – NOW Inc. Overview, followed by dinner

- Over 25 years experience in oil services industry
- Previously with National Oilwell Varco since 1991



NOW Inc.

Analyst & Investor Day and Site Tour
Day Two

FORWARD LOOKING STATEMENT

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	AGENDA – DAY TWO
7:30 am	Continental Breakfast
8:00 am	Welcome: Tony Cercy - President, U.S. Process Solutions, DNOW
8:05 am	What You Will Hear Today: Michelle, Lewis, Chief Strategy Officer
8:40 am	Process Solutions Offerings & Power Service Value: Jeremy Olson, Corporate Sales Director
9:40 am	Power Service Tour
11:40 am	Q&A, Customer Case Study and Box Lunch
12:40 pm	Departure



Tony Cercy
President
U.S. Process Solutions

- With Power Service for 33 years
- Previously the Sole Owner and President of Power Service from 2005 until the sale to DNOW

TODAY'S PRESENTERS AND TOUR GUIDES



Toby Eoff
Vice President
U.S. Process Solutions

- 35+ years in O&G industry
President & CEO, Odessa
Pumps until sale to DNOW
in 2015



Erik Alberts
Director
Power Service

- 15 years with PS
- 4 years in Uranium Mining
industry



Chris Cohagan
Director
Total Valve Solutions

- 14 years with PS
- 16 years in O&G Rotating
Equipment



Jake Haggar
Vice President
Power Service

- 12 years with PS and in the
O&G industry



Mark Hamrick
Director
Completions

- Pioneered PS Completions
Division in 2014
- 9 years in O&G industry



Jeremy Olson
Director Business Development
& Engineered Equipment,
Power Service

- 18 years with PS and in the
O&G industry

WHAT YOU WILL HEAR TODAY

Who We Are

- NOW Inc. goes to market primarily under the DistributionNOW (DNOW) and Wilson Export brands

What We Do

- Provider of energy and industrial equipment and services for over 150 years

Unlocking Value

- Strategic acquisitions leverage existing customer relationships, products and service offerings while expanding into new markets

Why Power Service?

- Offers attractive synergies with DNOW's product lines and expands high value-add solutions

Why Invest in DNOW?

- Our healthy balance sheet, leverage to the upstream recovery & ability to allocate capital to drive growth

WHO WE ARE - DNOW SNAPSHOT

- One of the largest distributors to energy and industrial markets
- Operate network of 300+ locations globally
- Presence in over 20 countries; supporting worldwide customer operations in approximately 90 countries
- Offer a comprehensive line of products and solutions for the upstream, midstream and downstream energy and industrial sectors
- Key markets include North America, Latin America, Europe, the Middle East, the Former Soviet Union and Southeast Asia

GLOBAL MARKETS SERVED

Company Locations

- Locations
- Sales Offices
- Distribution Centers

Distribution Centers:

United States

- Houston, TX
- Los Angeles, CA
- South Plainfield, NJ

Canada

- Edmonton, Alberta
- Estevan, Saskatchewan

Europe

- Aberdeen, Scotland

MENA

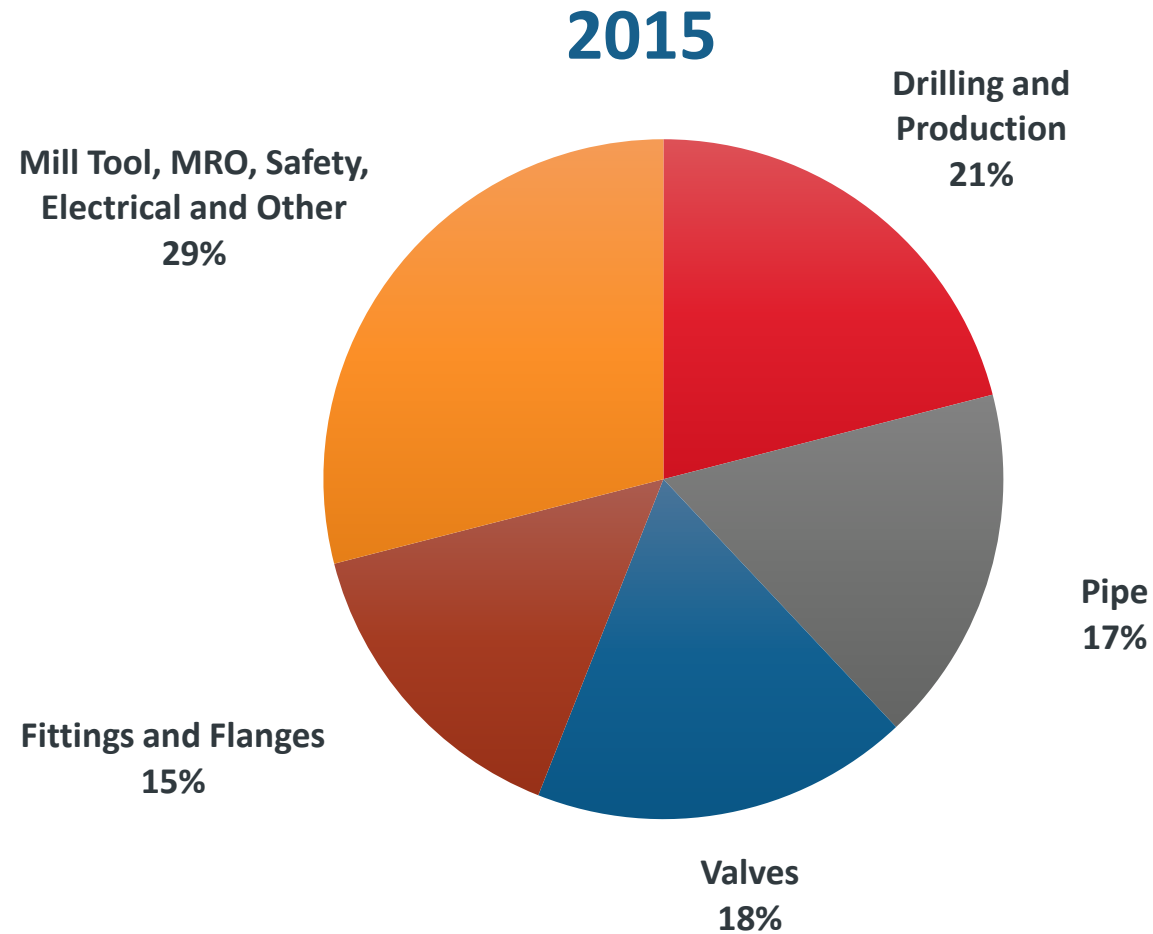
- Jebel Ali, U.A.E.

Asia

- Jurong, Singapore

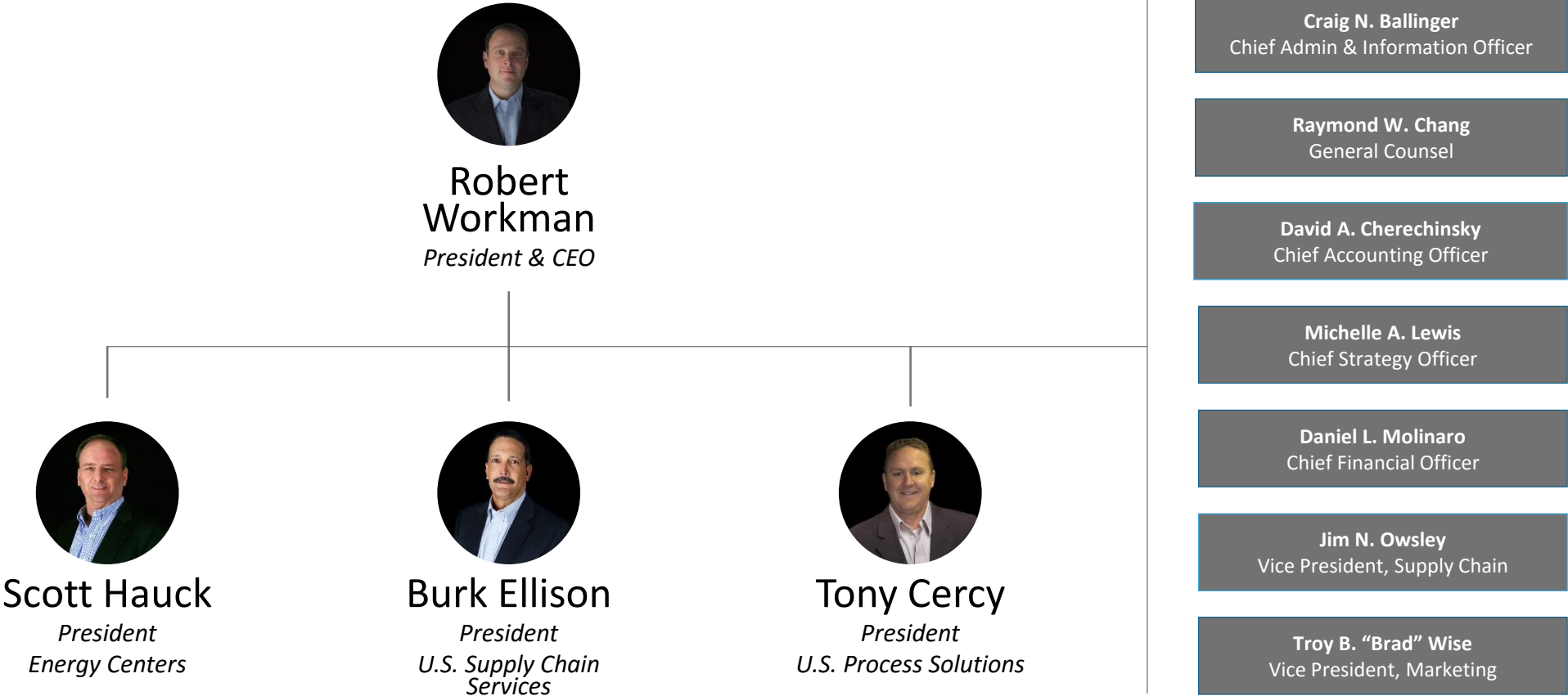


COMPREHENSIVE PRODUCT OFFERING AND BALANCED REVENUE MIX



DNOW carries a broad range of products to meet rapid and critical deliveries to customers in remote areas

WHO WE ARE – LEADERSHIP OF DNOW

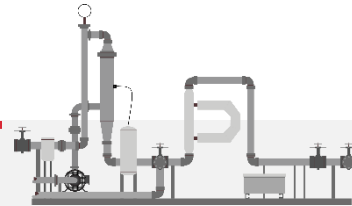


WHAT WE DO



ENERGY CENTERS

- Branch network model supplying products from local locations to upstream and midstream energy customers
- Provides one-stop shop value proposition in major oil and gas regions



U.S. PROCESS SOLUTIONS

- Provides rotating and process equipment solutions in the form of engineering, design, installation, fabrication and service
- Meets demand for turnkey tank battery production (facilities) solution



U.S. SUPPLY CHAIN SERVICES

- On-site model offering customizable products to upstream and downstream energy, industrial and manufacturing markets
- Reduces customer's total costs including operational and invested capital

KEY MARKET DRIVERS AND LEADING INDICATORS

Energy

- Oil/Gas Price and Inventory
- Rig count
- Well count
- Drilling & Completion expense
- Midstream takeaway capacity
- Energy trade
- Energy demand
- Energy security

Manufacturing

- GDP
- Manufacturing Index
- Purchasing Manager's Index
- US Cutting Tool Manufacturers
- American Manufacturing & Technology Distributors Association

Downstream & Industrial

- Refined Petroleum Product demand
- Capital project spending
- Turnarounds & Plant Expansions
- MRO maintenance

UNLOCKING VALUE

Our strategy is to grow through accretive acquisitions of high value-add products, services and solutions in our Supply Chain and International Energy channels, while maximizing our core North America Energy operations.

LONG-TERM GROWTH - ACQUISITION STRATEGY

High value-add solutions bring a sustainable competitive advantage:

- Leverage product lines brought in through acquisitions to gain organic share
- Form strong customer relationships that present new opportunities
- Further differentiate us from our competitors
- Increase barriers to entry
- Promote cross-selling into our core Energy operations at higher margins

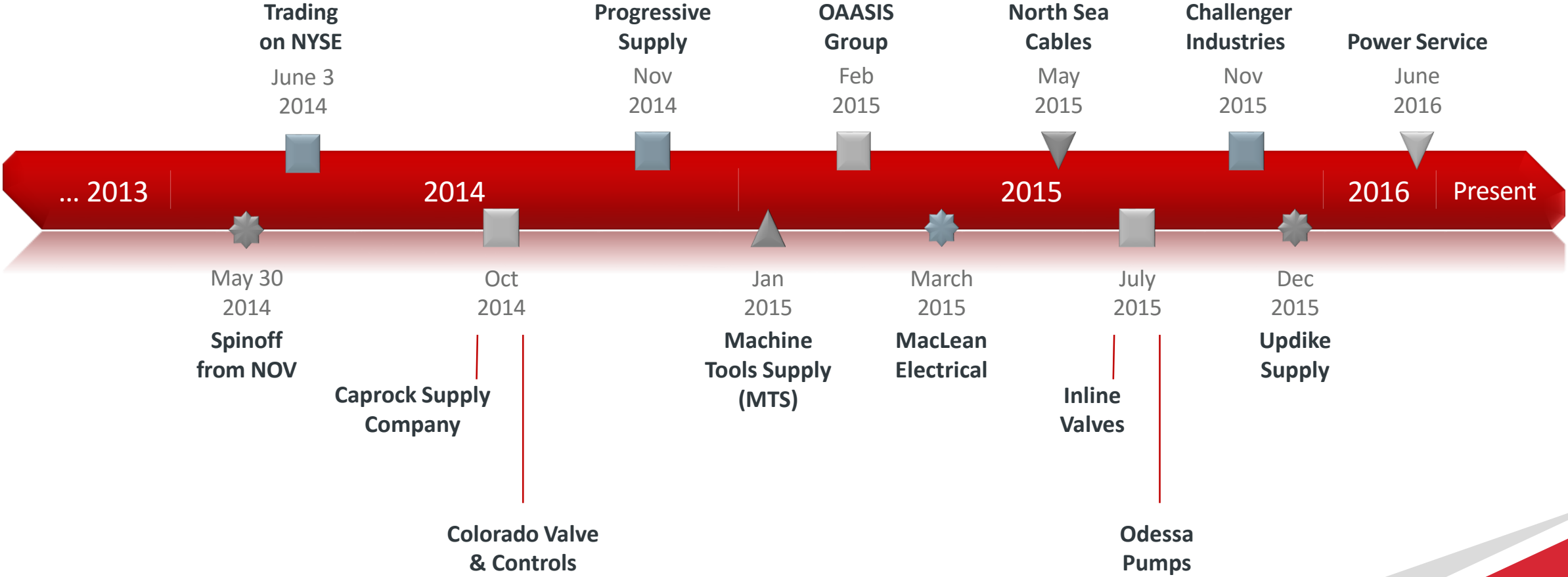
LONG-TERM GROWTH - INTRINSIC STRATEGY

- Increase presence in non-conventional energy plays
- Continue to build on market share gains in the U.S. and Canada from downcycle benefits
- Further expand into and within new markets outside of the U.S. and Canada
- Continue to build out solution capability that customers value
- Pull through organic share from acquisition spending

NEAR-TERM OBJECTIVES

- Managing costs for the near term
 - Headcount reduced by 35% since Q3 2014 peak
 - 99 facilities closed or consolidated since Q3 2014 peak
- Rightsizing business to the market
- Integrating recently-acquired businesses into DNOW
- Focusing on capital discipline and cash generation
 - \$136M cash on hand at the end of Q2 2016
 - ~\$400M free cash flow generated in LTM
- Gaining market share from competitors
 - Competitor closures; competitor bankruptcies; retracting leakage

SUCCESSFUL TRACK RECORD OF ACQUISITIONS AND TRANSACTIONS





“Skate to where the puck is going to be, not where it has been”

- Wayne Gretzky, Canadian former professional ice hockey player and former head coach.

WHY ACQUIRE POWER SERVICE ?

- Premier one-stop shop for rotating and processing equipment, engineering, design, installation, fabrication, distribution and service
- Successful track record of more than six decades of providing high tech solutions to complex industrial interests
- A leading provider of turnkey process solutions to upstream, midstream and downstream energy and mining markets
- Capacity to serve broader U.S. market through existing DNOW customer relationships & locations
- An entrepreneurial and competitive culture with employees who want to “win”
- Existing relationships with preferred suppliers that we can leverage.
- Growing network of locations in the U.S. with technically skilled engineers, draftsmen and welders

U.S. PROCESS SOLUTIONS OFFERINGS



**TURNKEY TANK
BATTERY**

One-Stop Shop Solutions



**PUMP
DISTRIBUTION AND
PACKAGING**

Unique Compact Design



**GAS MEASUREMENT,
LACT UNITS,
ENCLOSURES,
LAUNCHERS**

LACT Industry Leader



**TOTAL VALVE
SOLUTIONS (TVS)
VALVE & ACTUATION
SERVICE VALVE DEPOT**

"Quad O" Compliant

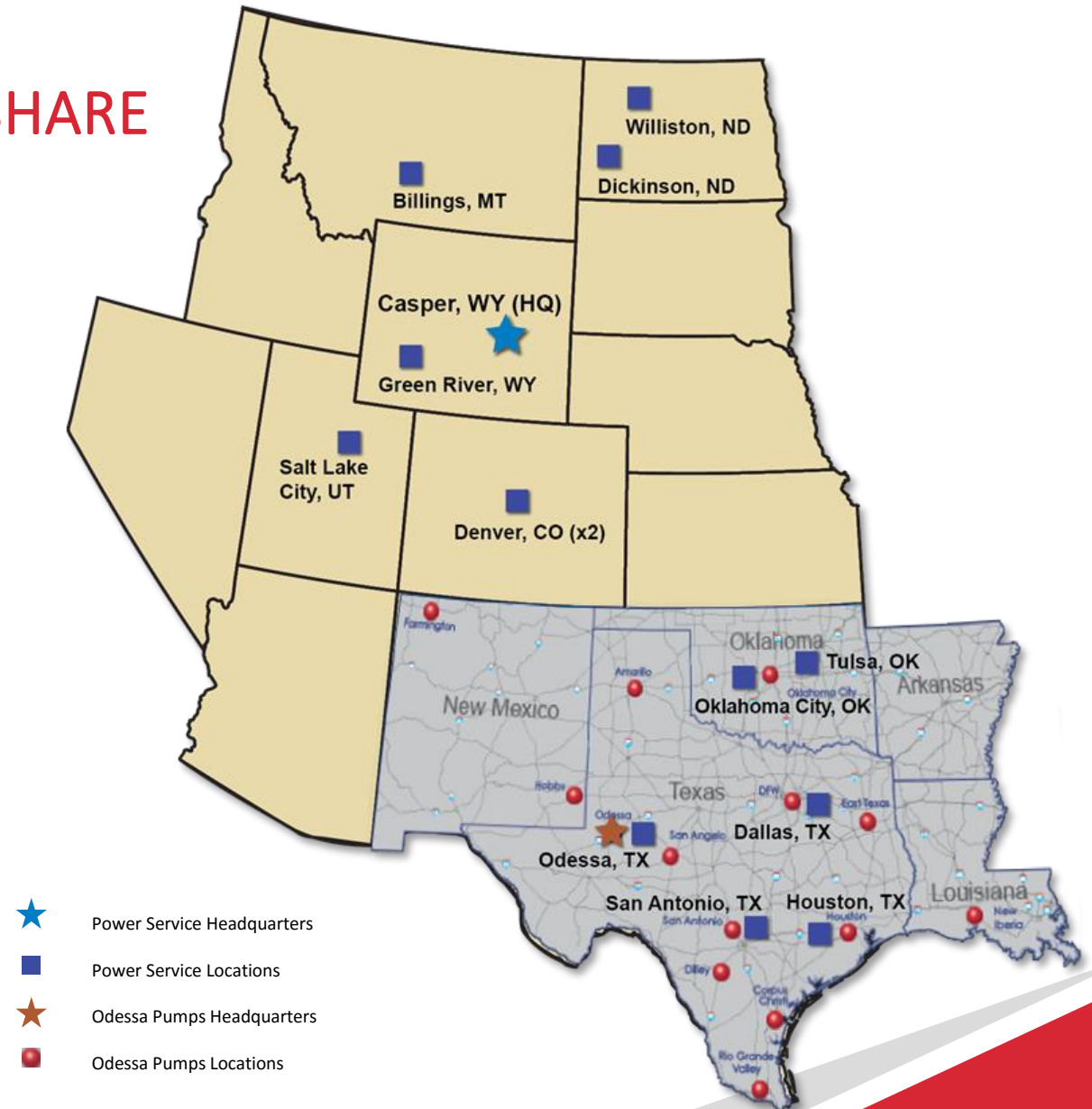
Power Service Value to DISTRIBUTION**NOW**

POWER SERVICE - VALUE PROPOSITION

1. Grow Power Service (PS) market share
2. Increase addressable domestic and international markets
3. Add premium pump suppliers to enhance Odessa Pump revenue
4. Grow Total Valve Solution (TVS)
5. Increase PS operating margin
6. Expand DNOW PVF revenue and share
7. Decrease operators' time-to-revenue
8. Provide SKID removal services at tank battery decommissioning
9. Lower costs to operator with reuse of modular equipment

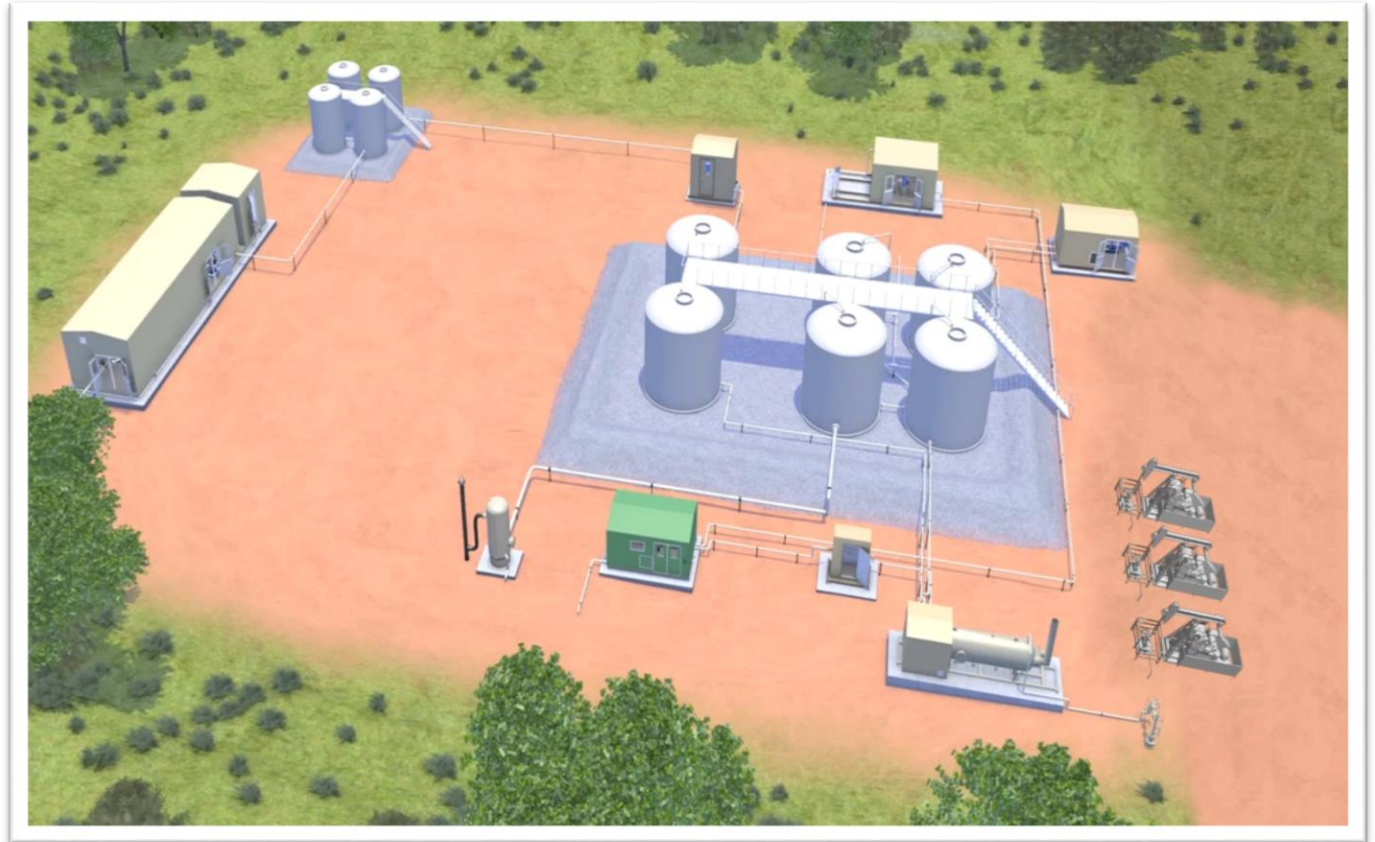
1. GROW POWER SERVICE MARKET SHARE

- Expand PS offering into other resource plays through existing DNOW energy center customer relationships and infrastructure
- Leverage relationships with Supply Chain Services (SCS) and Strategic Relationship Team (SRT) customers



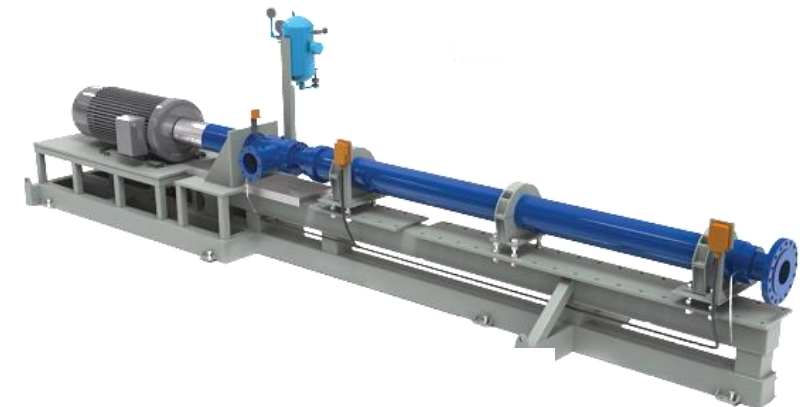
2. INCREASE ADDRESSABLE MARKETS

- DNOW's revenue per tank battery can increase significantly with addition of Power Service's expanded solution offering
- Expand product offering to provide electronic controls, heater treaters, oil / water separators, gas dehydrators, LACT units, meter runs, produced water injection, oil and condensate stabilization, etc.
- This can increase DNOW's revenue per tank battery by 2X+ for DNOW



3. EXPAND PREMIUM PUMP SUPPLIERS TO ENHANCE ODESSA PUMP REVENUE

- Expansion of Flowserve and Reda product lines will grow organic share through Odessa Pumps



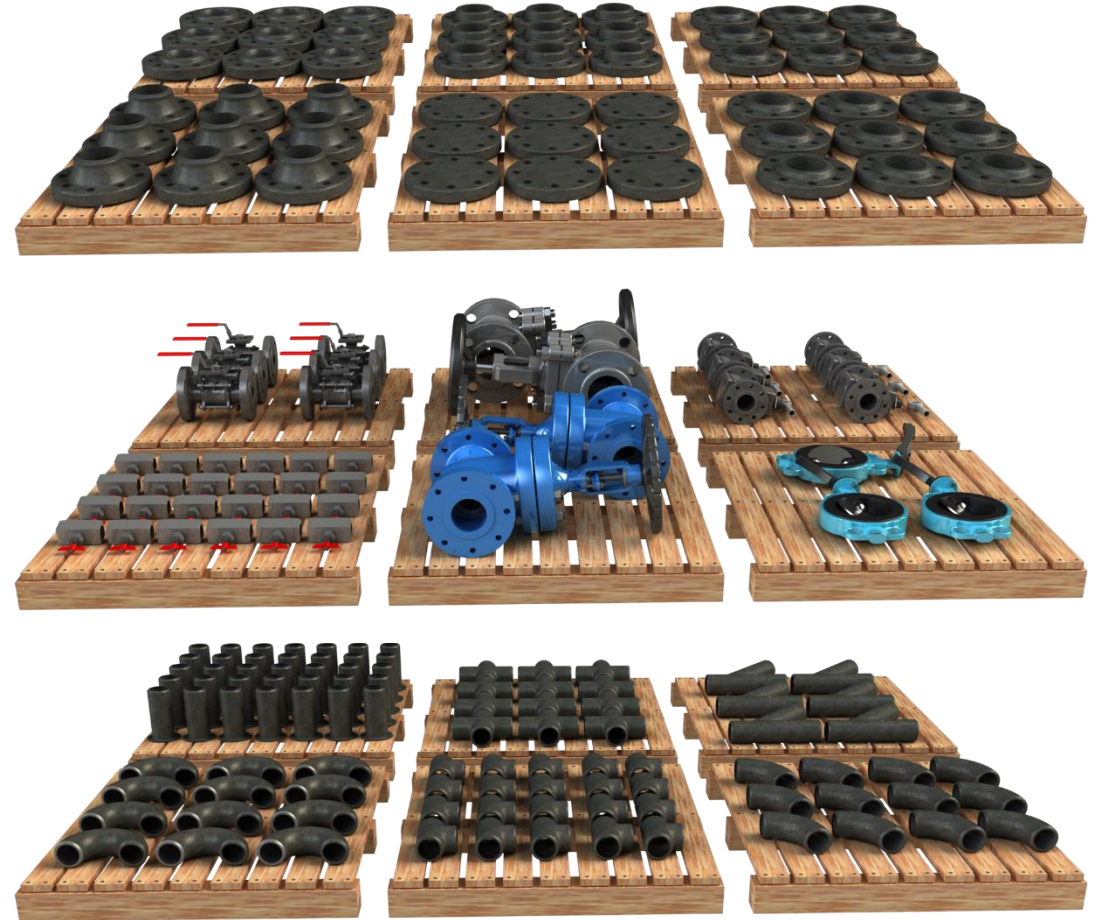
4. GROW TOTAL VALVE SOLUTIONS

- Expands DNOW's total valve solutions through valve modification and spooling
- Elevates DNOW to a Tier 1 valve actuation level status



5. INCREASE PS OPERATING MARGIN

- Grow margins by leveraging DNOW's supplier relationships *to reduce PS's sourcing costs for PVF*
- PVF is one of PS's largest spend categories



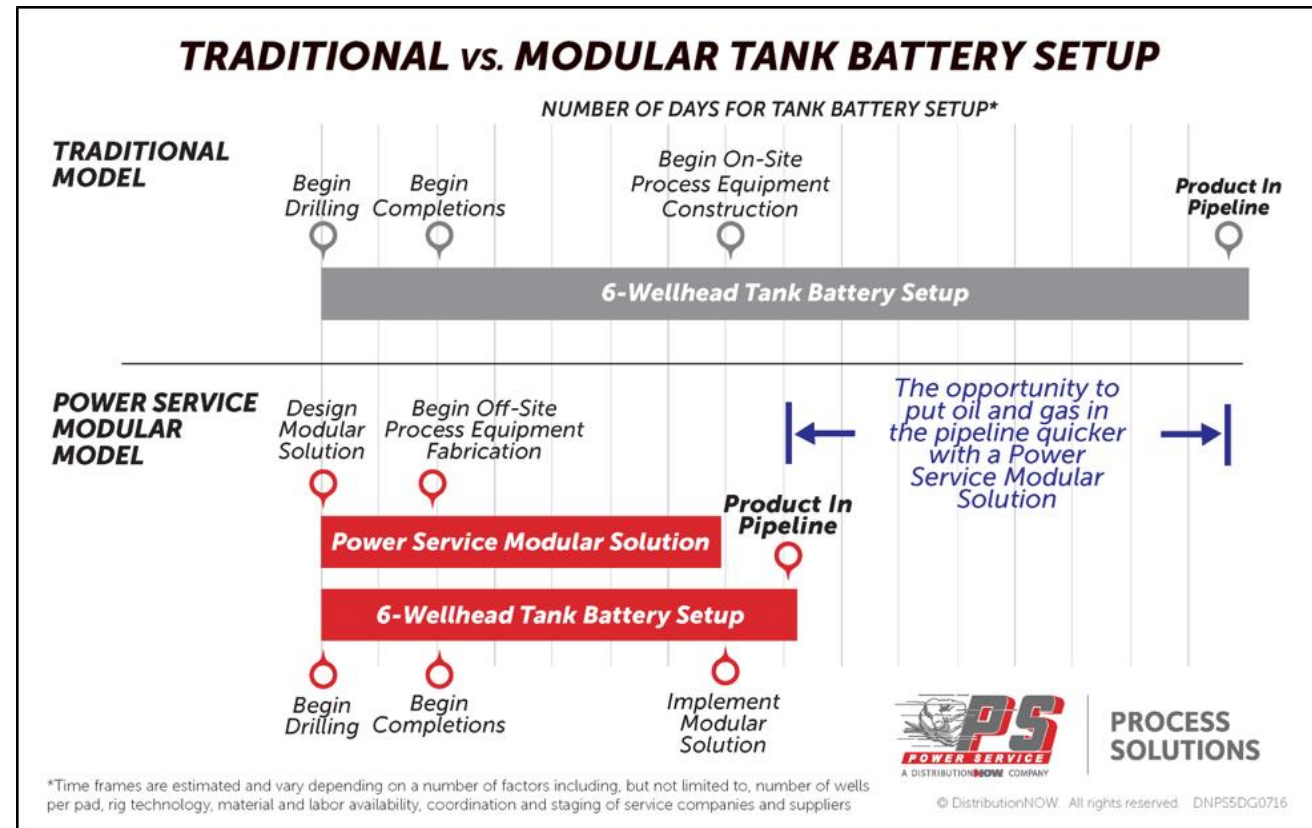
6. EXPAND DNOW PVF REVENUE AND SHARE

- DNOW will grow pipe, valves and fittings market share by capturing Power Service's purchasing spend for these products (instead of DNOW competitor)
- As we capture more of the tank battery market, we gain PVF market share



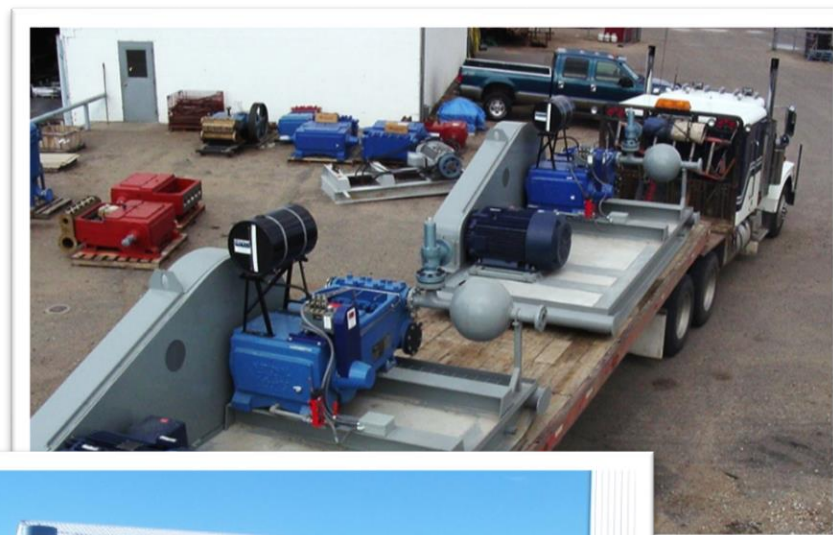
7. DECREASE OPERATORS' TIME-TO-REVENUE

- DNOW can minimize time-to-revenue, generating quicker revenues for the operator customer
- Time to complete a tank battery and transport oil and gas into the pipeline shortens to as little as 5 days from 30-45 days
- Potential upside with DUC's* expected to come on line as energy industry recovers



8. PROVIDE SKID REMOVAL SERVICES AT DECOMMISSIONING

- When a well is no longer economical, the operator must plug & abandon and decommission the tank battery.
- With modular solutions, our trucks will remove all the skids from the site
- The operator is left with removing the tanks, thus reducing total decommissioning costs and timing



9. LOWER COSTS TO OPERATOR WITH REUSE OF MODULAR EQUIPMENT

- Our modular equipment can be easily adapted from one well location to another
- When we pick up the skids on the abandoned tank battery, we refurbish and reuse packages at the next new well pad
- This significantly reduces future tank battery costs for customers



KEY TAKEAWAYS

Power Service acquisition expands DNOW product lines & solutions and increases scale in fragmented market

- Broadens DNOW's offerings such as modified valve actuation services and expands further into oil and gas tank battery solutions
- Leverages DNOW existing infrastructure, including Odessa Pumps
- Offers superior high value add proposition to customer
- Grows revenue per installation
- Increases our competitive advantage and raises barrier to entry

WHY INVEST IN DNOW?

- Roll up of highly fragmented market of small/regional players
- Macro industry trends favor players with extensive scale
- DNOW differentiated by global reach and sourcing and procurement capability and high value added solutions
- Successful acquisition and integration track record
- Depth and breadth of product and solution offerings
- Operational scalability drives efficiencies
- More than 150 years of operation

SAFETY MOMENT

DISTRIBUTION

NOW

POWER SERVICE TOUR

Group 1	Group 2	Group 3
Toby Eoff and Erik Alberts	Chris Cohagan and Jake Haggar	Mark Hamrick and Jeremy Olson

Presentation Customer Case Study and Q&A

POWER SOLUTIONS

CUSTOMER CASE STUDY:

Problem:

- Need quality equipment packages to develop oil fields in the Bakken and the Niobrara plays

Why PS:

- Demonstrated ability to provide quality equipment at competitive prices & delivery lead times.
- Quality equipment suppliers for equipment package components & specialty subcontractors
- Good information technology & control systems
- Could satisfy schedule demands

Result:

- The business relationship between Power Service and this Customer has been a win-win for many years.



CONTACT

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We Distribute Products that Deliver Energy to the World®