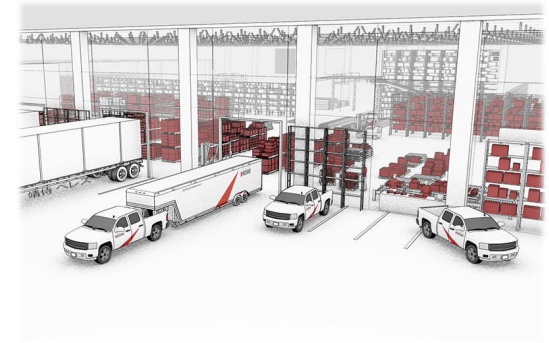
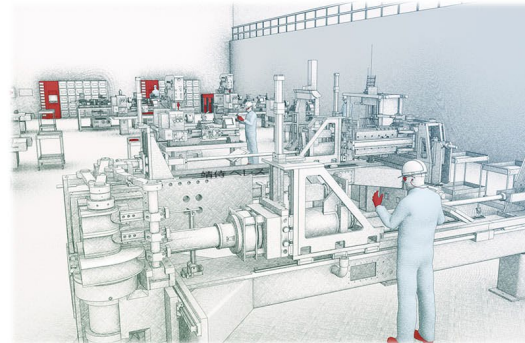
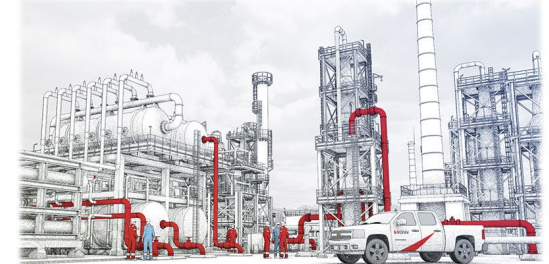
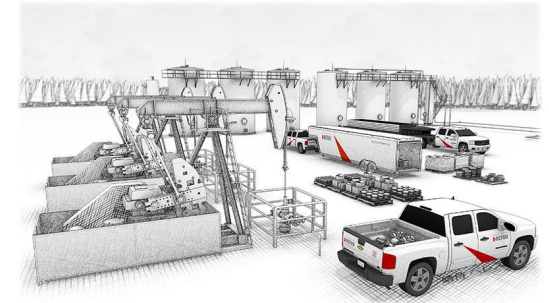
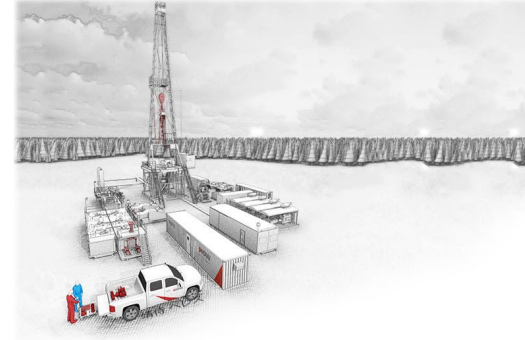


Investor Relations November 2018



- ▼ 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 U.S. Generally Accepted Accounting Principles (GAAP), we disclose various non-GAAP financial measures in our quarterly earnings press releases and other public disclosures. We use these non-GAAP financial measures internally to evaluate and manage the Company's operations because we believe it provides useful supplemental information regarding the Company's ongoing economic performance. 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 non-GAAP financial measure to its most comparable GAAP financial measure can be found in our quarterly earnings press release.

- ▼ Increasing revenue from improving market fundamentals
- ▼ Actively leveraging M&A to deliver growth and improved profitability
- ▼ Strict capital allocation strategy focused on high-growth opportunities
- ▼ Strong margin flow-through on revenue improvement
- ▼ Proven management team with significant industry experience



DNOW: One of the Largest Distributors to the Energy Industry



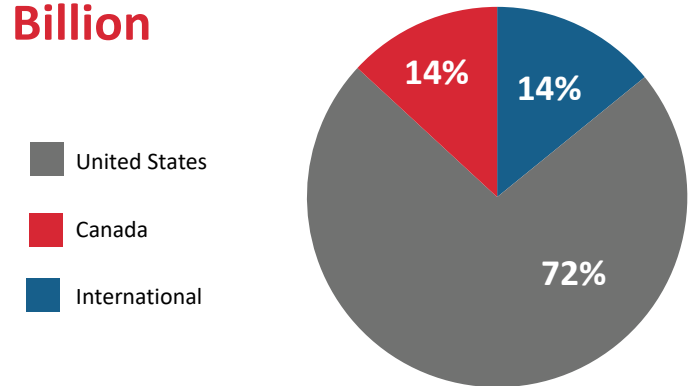
- ▼ Legacy **150+ years** operating
- ▼ Support **major land and offshore operations** for all the **key energy producing regions** around the world
- ▼ **Comprehensive network of energy centers, supply chain services and process solutions locations**
- ▼ **Key markets: Europe, Former Soviet Union, Latin America, Middle East, North America, Southeast Asia**

NYSE Ticker	DNOW
Countries	20+
Locations	~265
Employees	~4,500
ERP System	SAP™

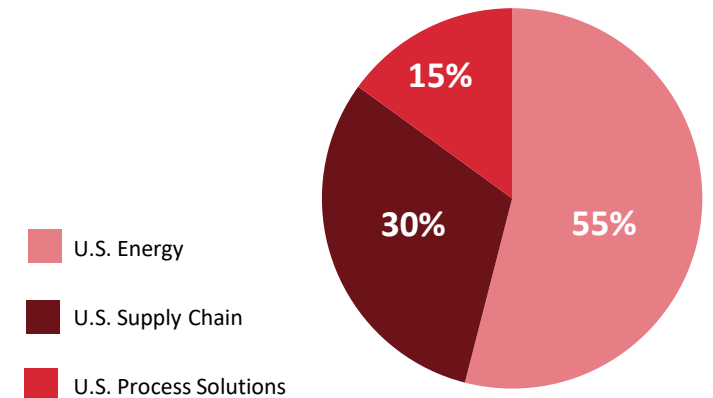


2017 Revenue by Segment

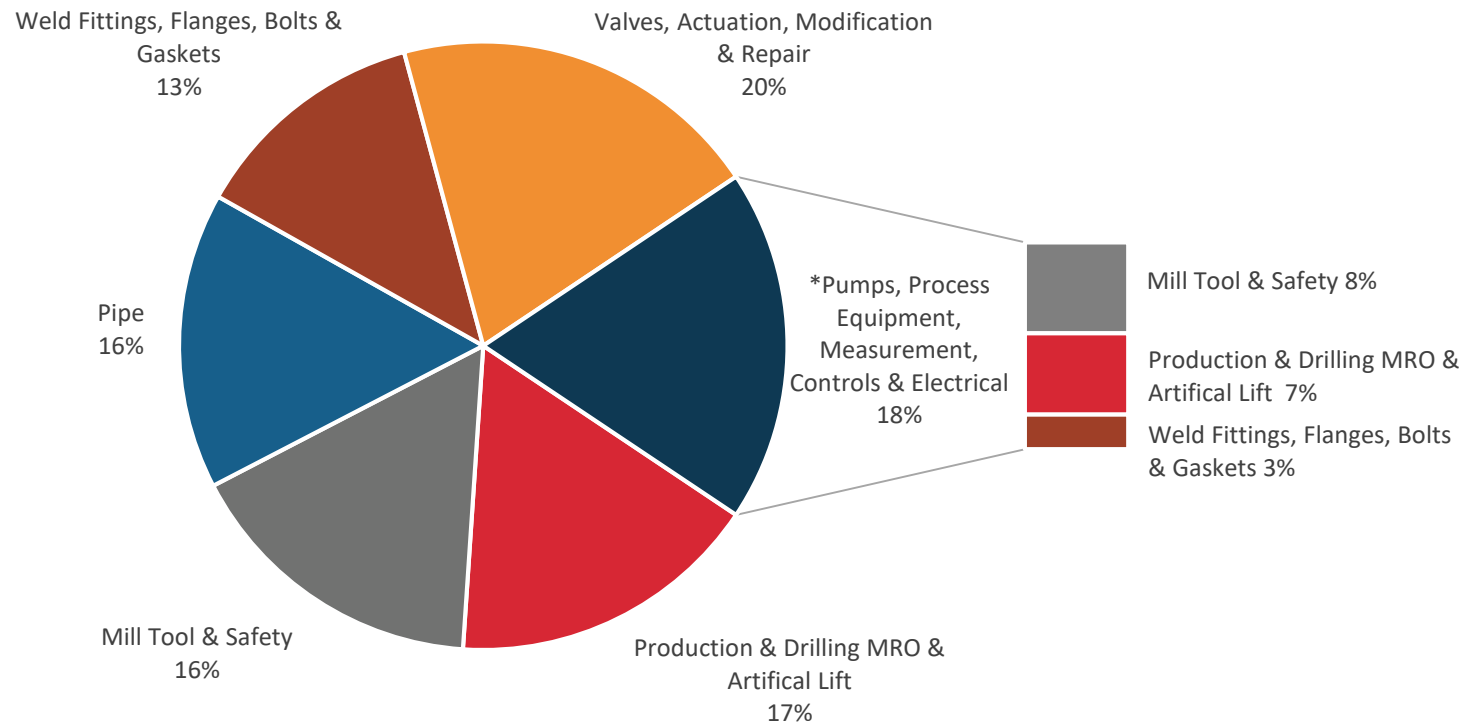
\$2.6 Billion



2017 United States Revenue by Channel



2017 DNOW Product Categories - Revenue



**DNOW carries a
broad range of
products
To meet
RAPID and CRITICAL
deliveries
to customers in
remote areas**

**Category percentage is split out to correlate with historical presentation*

Company Locations

- Locations
- Distribution Centers

Distribution Centers:

United States

Houston, TX
Los Angeles, CA

Canada

Edmonton, Alberta
Estevan, Saskatchewan

Europe

Aberdeen, Scotland

MENA

Jebel Ali, U.A.E.

Asia

Jurong, Singapore



Blue-Chip Suppliers and Customers Across the Globe

Thousands of Suppliers in ~40 countries



Supporting Customer Operations
in ~80 countries

Drilling Contractors



Exploration & Production



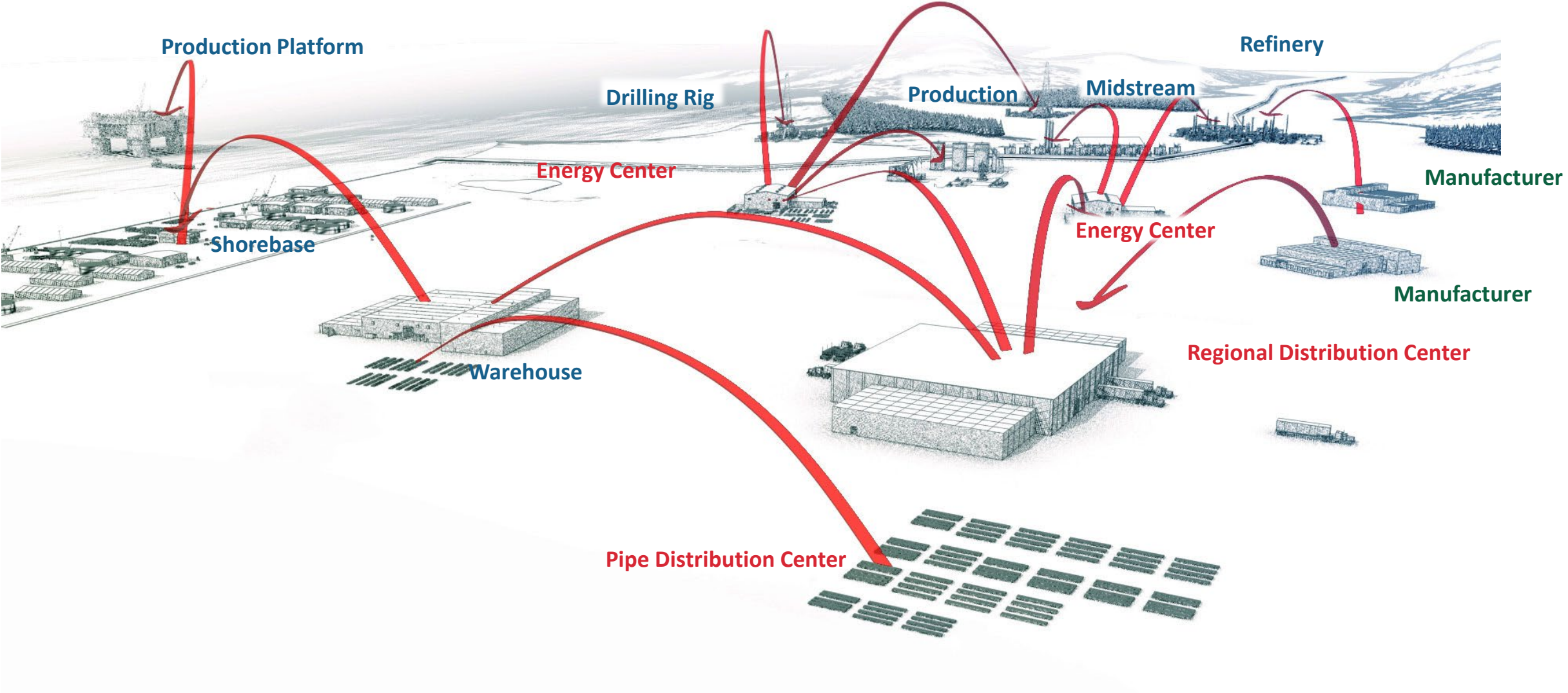
Midstream



Downstream & Industrial



DNOW Plays the Critical Role of Distributor



Providing Value-Add Solutions Across All Channels



U.S. ENERGY

Branch network model supplying products locally to upstream & midstream energy customers



U.S. SUPPLY CHAIN

On-site model offering customizable products to upstream and downstream energy, industrial and manufacturing markets



U.S. PROCESS SOLUTIONS

Rotating and process equipment solutions in the form of engineering, design, installation, fabrication and service

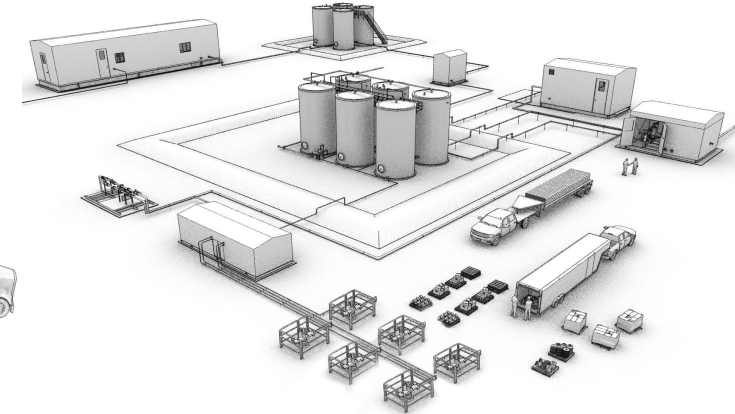
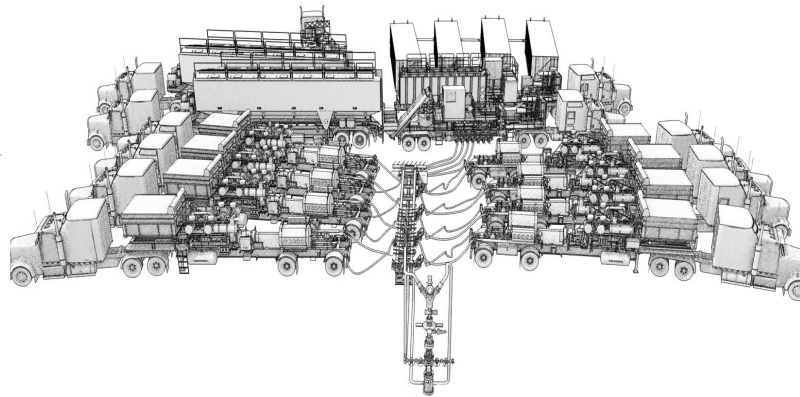
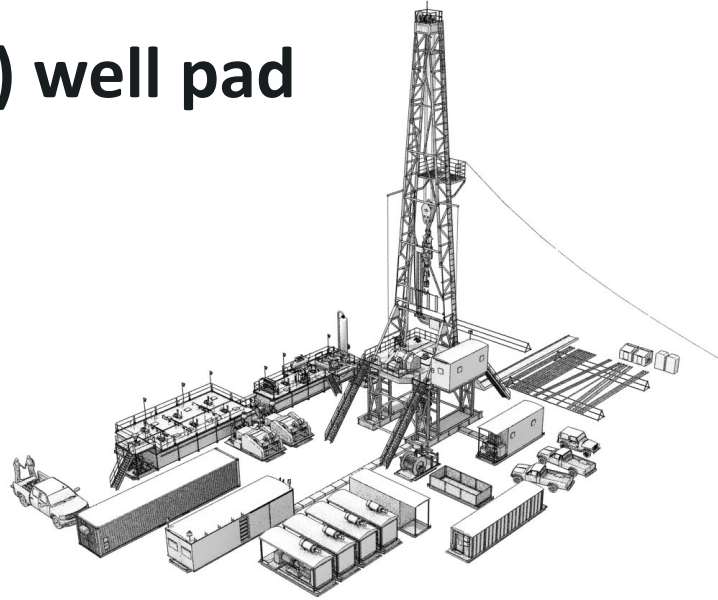
Provides one-stop shop value proposition in major oil and gas regions

Reduces customers' total costs including operational and invested capital

Meets demand for turnkey tank battery production (facilities) solution

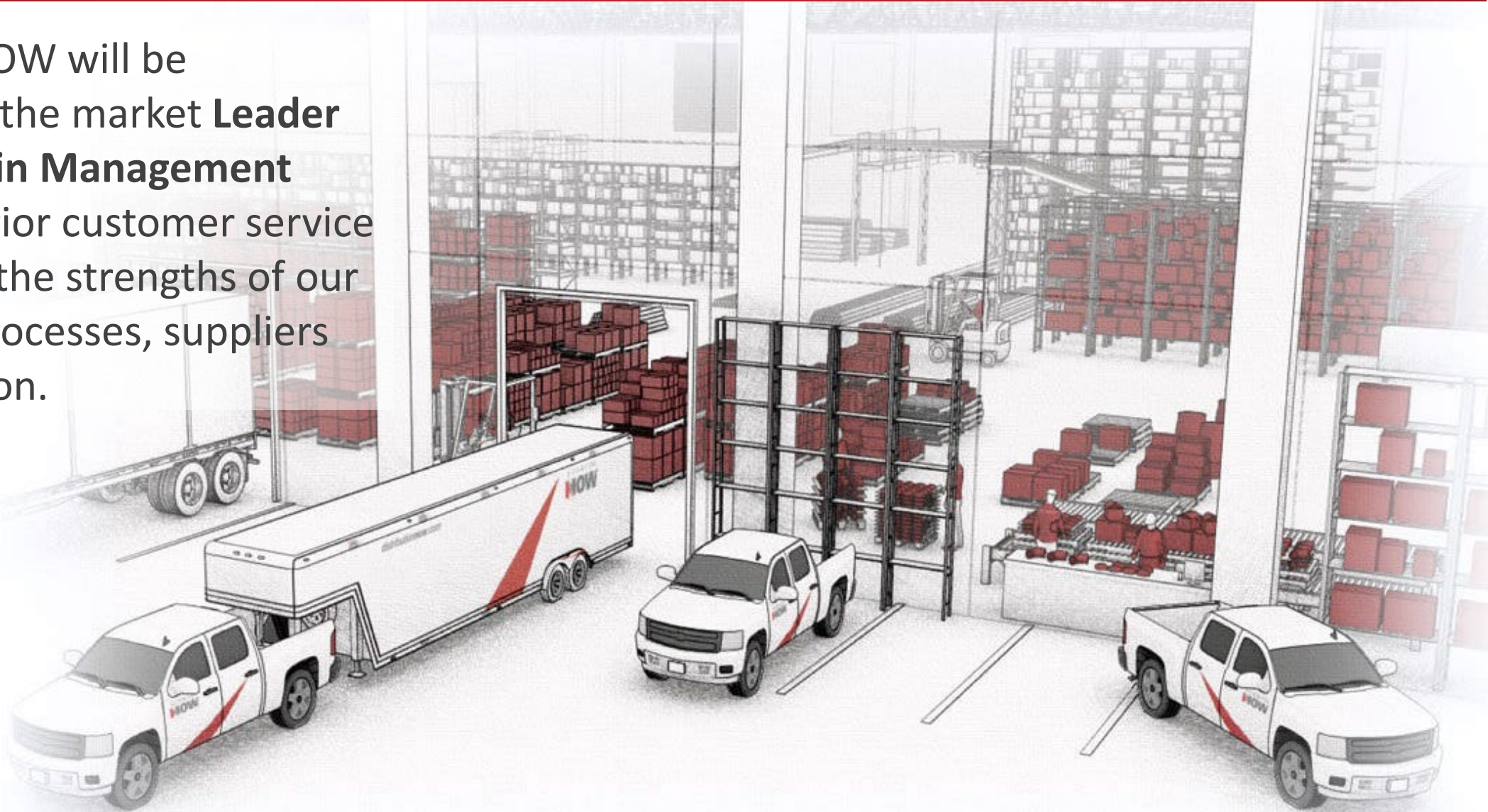
Timing and Materiality from Drilling to Tank Battery Install

Six (6) well pad



	Drilling	Frac	Tank Battery
Revenue	\$4,000-\$5,000 per week	Minimal	\$250,000-\$1.5 million
Time	60-80 days	45-60 days	45-60 days
Customer	Drilling Contractors	Service Companies	E&P Operators

DistributionNOW will be recognized as the market **Leader in Supply Chain Management** through superior customer service by leveraging the strengths of our employees, processes, suppliers and information.



1

Deliver Margin Expansion

Focus investments on highest growth markets & businesses

2

Optimize Operations

Differentiate through high value-add product lines & solutions

3

Drive Growth Through Acquisitions

Maximize synergies and leverage market opportunities; Focus on U.S. Supply Chain and U.S. Process Solutions

4

Approach Capital Allocation with Discipline

Allocate capital for organic and inorganic growth





**Using pricing
discipline
and tools**



**Optimizing
distribution
network**



**Growing
with strategic
suppliers**

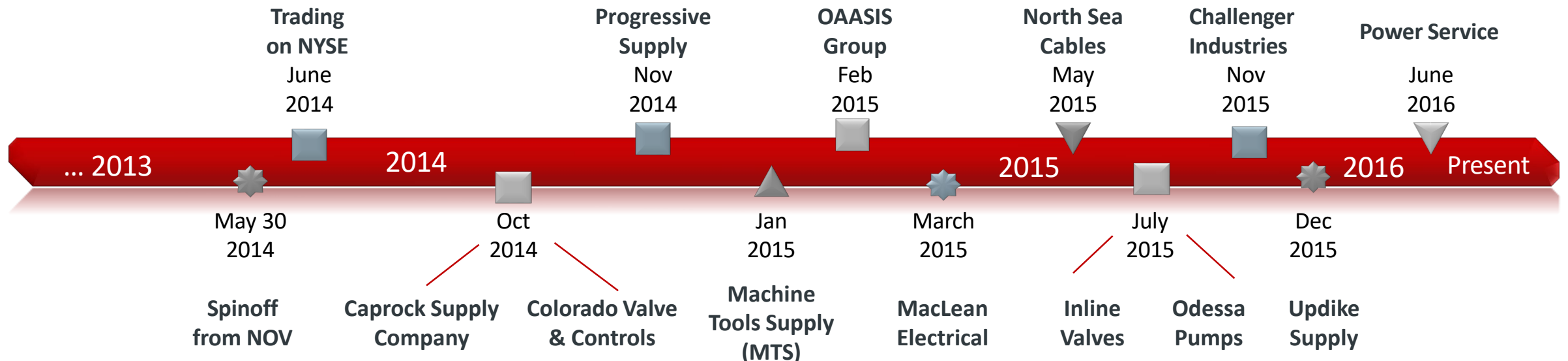


**Continuing to
tightly manage
expenses**

Clearly Defined Acquisition Strategy

- ▼ Seek high value-add solutions that bring sustainable competitive advantages
- ▼ Leverage product lines acquired through acquisitions to gain organic share
- ▼ Utilize strong customer relationships that present new opportunities
- ▼ Increase barriers to entry
- ▼ Promote cross-selling into Energy operations at higher margins

Track Record of Success



- ▼ Invest in organic and inorganic growth
- ▼ Focus capital on high value-add supply chain services and process solutions offerings
- ▼ Allocate capital to high value-add product lines internationally
- ▼ Continue to conservatively manage debt





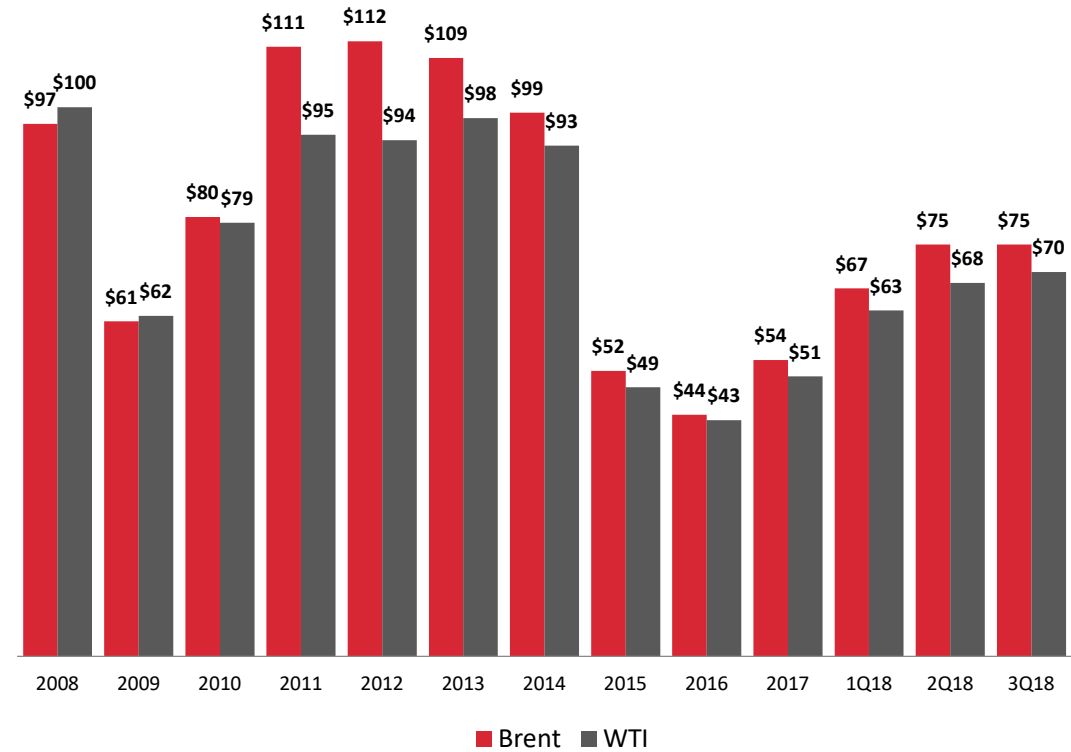
Industry Dynamics



Oil Prices & Rigs Trending Upward

Average Oil Prices

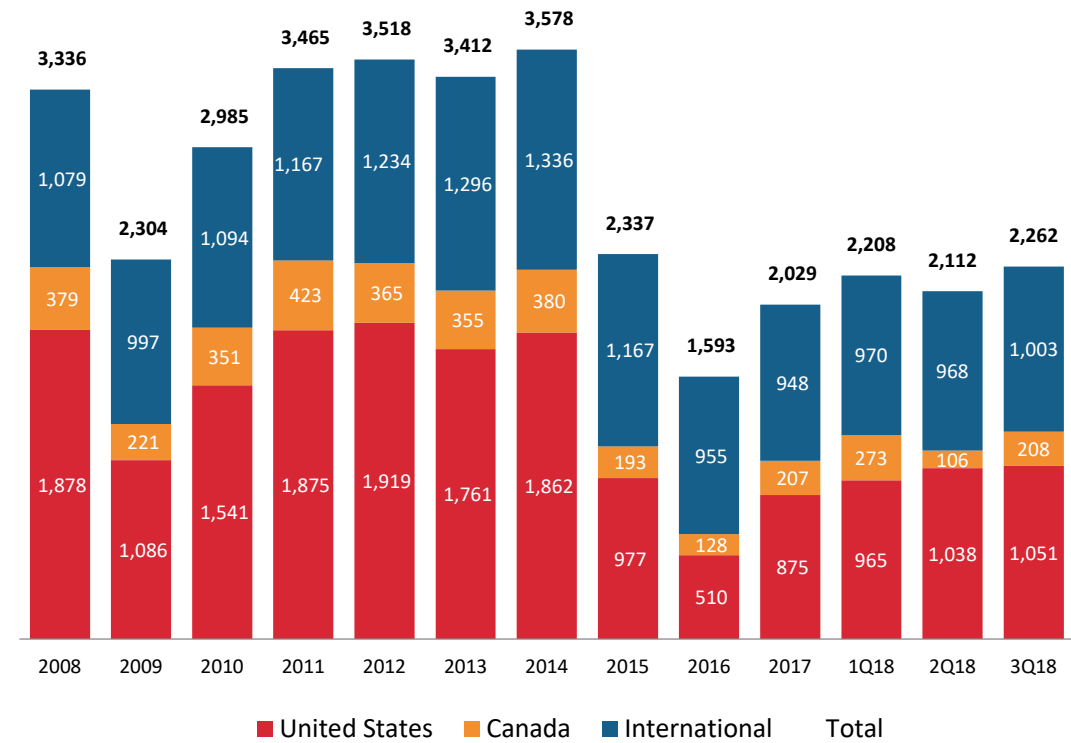
(per barrel)



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

Average Annual Rig Count

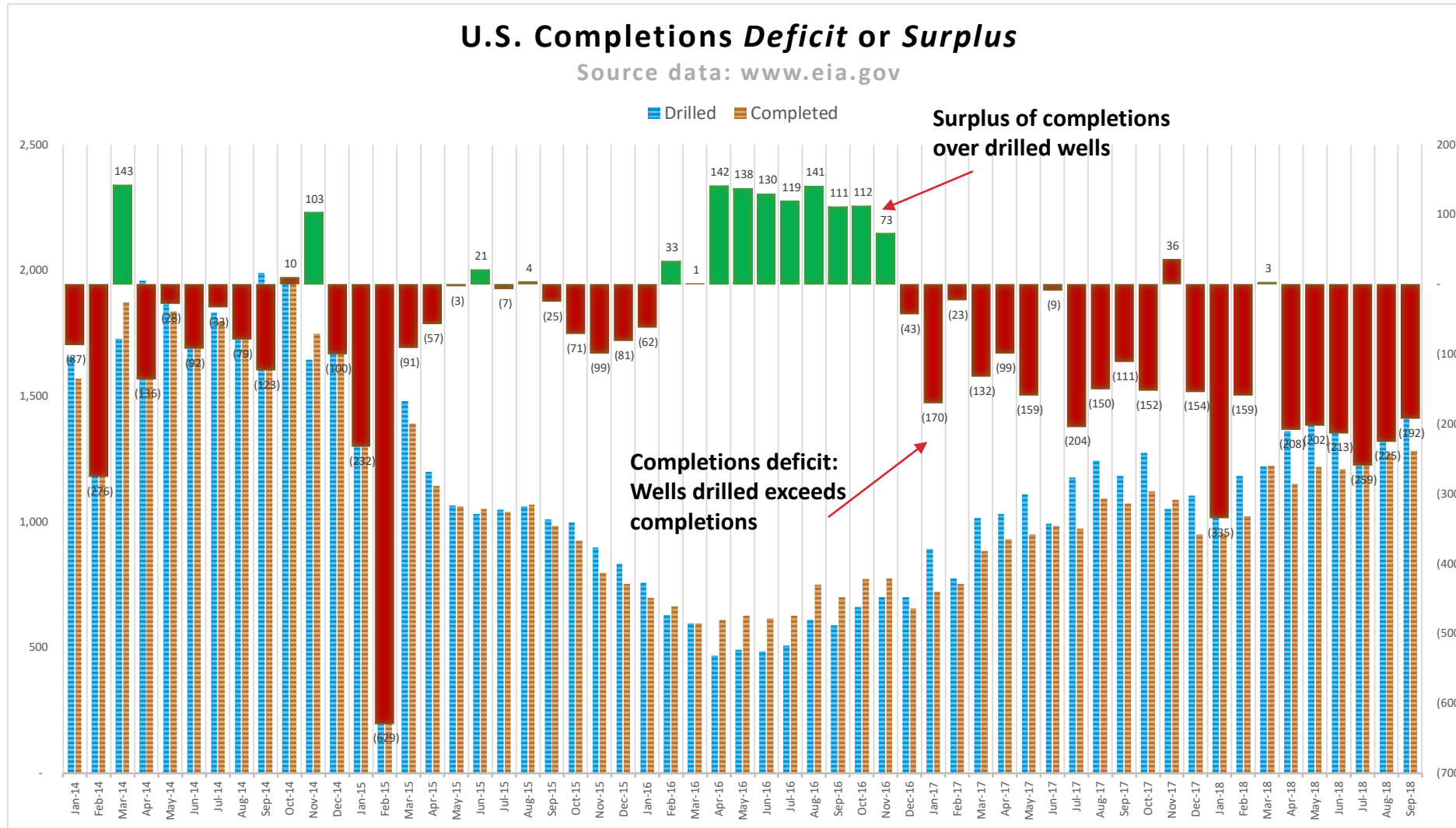
(number of rigs)



Source: Baker Hughes, Inc.

DNOW is positioned to benefit from industry growth

Drilled and Completed Well Trends



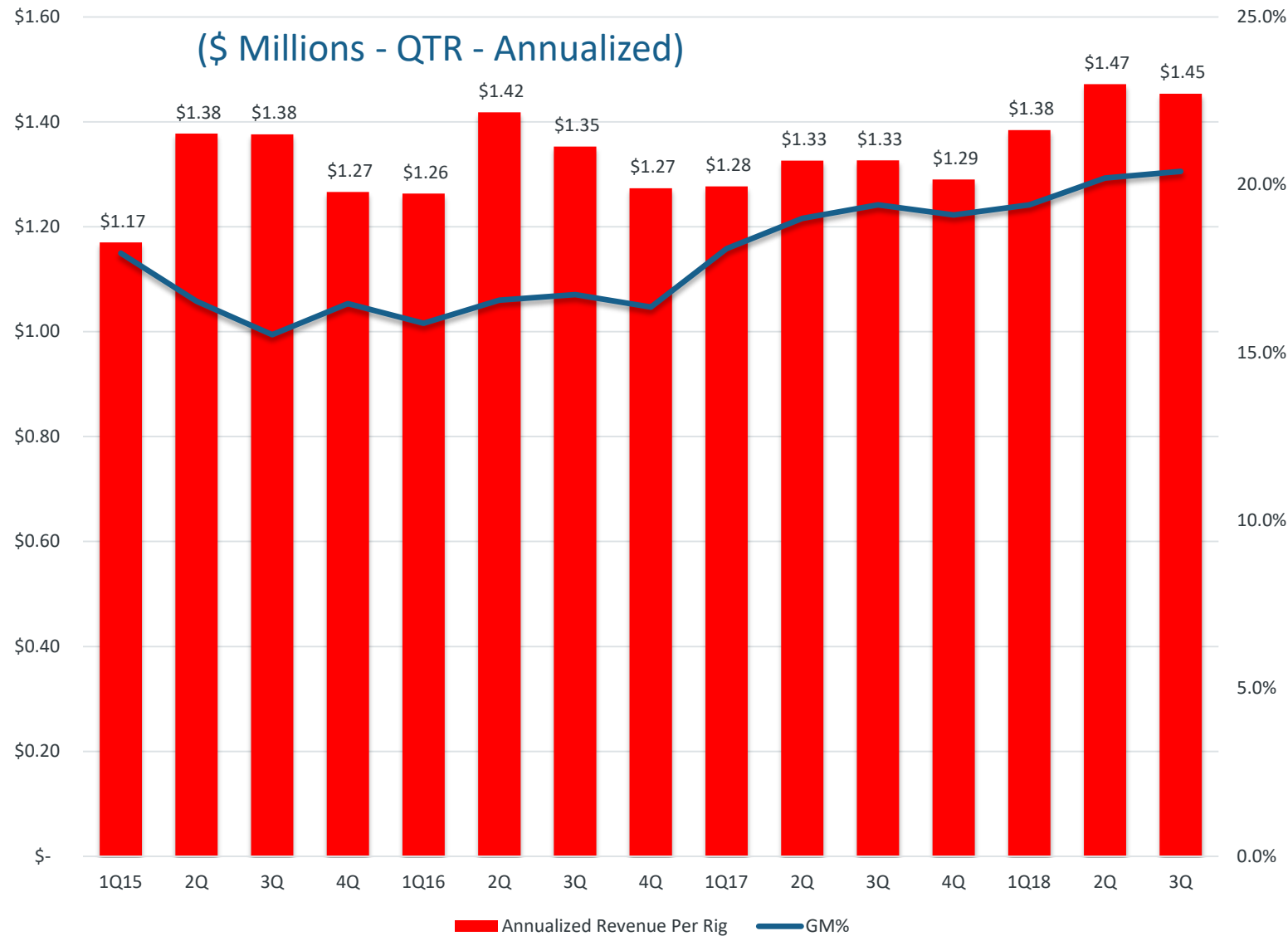
DUCs grow as completions struggle to keep pace with wells drilled



Financial Update



Revenue Per Global Operating Rig in Line with Prior Quarters



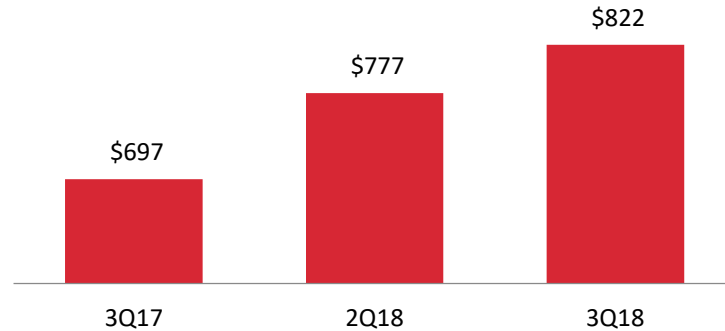
Rig Count Source: Baker Hughes, Inc.

▼ Gross margin of 20.4% was up 100 basis points year-over-year 3Q 2018, a reflection of DNOW's drive to maximize product margins and minimize cost of products

CFO Highlights: Selected Quarterly Results (Unaudited)

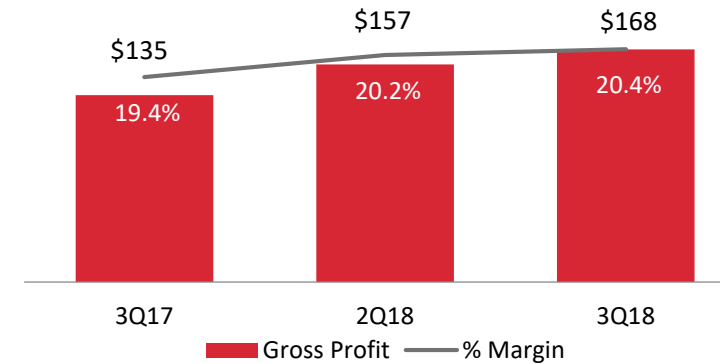
Revenue

(\$ in millions)



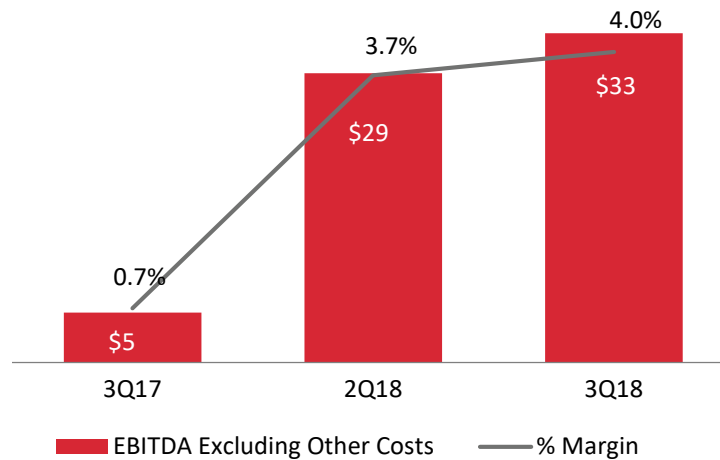
Gross Profit and Margin

(\$ in millions)



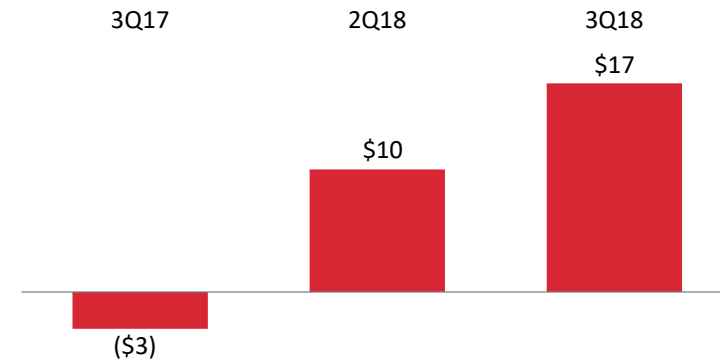
EBITDA Excl. Other Costs (Non-GAAP) and Margin

(\$ in millions)



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

(\$ in millions)



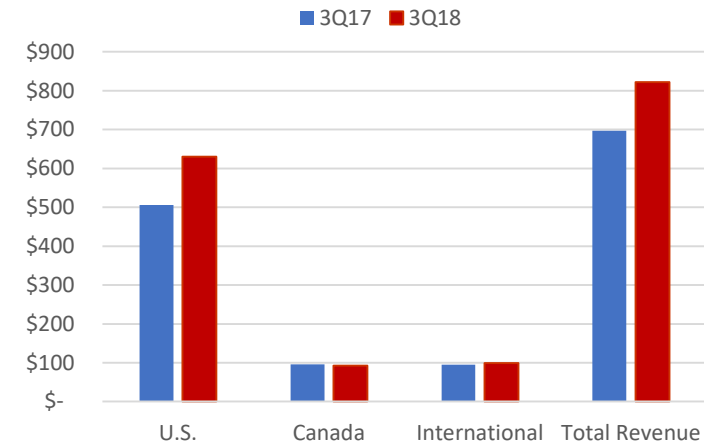
Continued positive momentum on key metrics

YOY Improvement in Revenue and Operating Profit

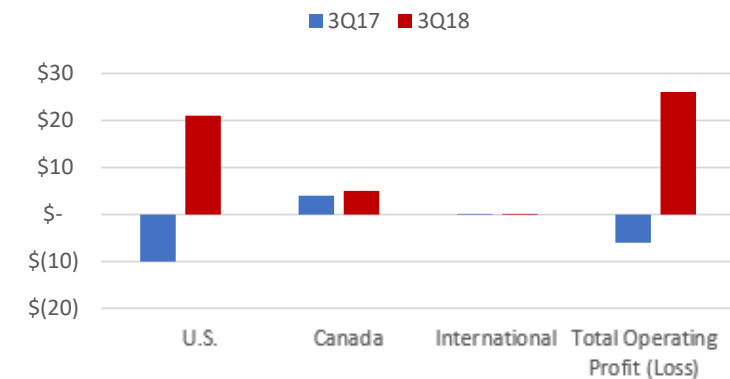
(\$ in millions)

	Unaudited	
	3Q17	3Q18
Revenue:		
United States	\$ 506	\$ 630
Canada	96	93
International	95	99
Total revenue	697	822
Operating profit (loss):		
United States	\$ (10)	\$ 21
Canada	4	5
International	-	-
Total operating profit (loss)	(6)	26

YOY Revenue By Segment



YOY Operating Profit By Segment



Strong YOY U.S. revenue performance, Int'l revenue strengthened

U.S. Energy Centers

3Q Highlights

- Revenue up 19% YOY
- Growth led by E&P market
- Rockies and Western regions driving growth

Future Drivers

- Short term reduction in completions impact on tank battery sales
- Sourcing strategy managing through section 232, section 301 and tariffs on imports
- Replacement costs on pipe flattens, Hot Roll Coil pricing off June peak

U.S. Supply Chain Services

3Q Highlights

- Revenue up 30% YOY
- Increased activity with major E&P customers continued in Permian, Eagle Ford, Bakken and Mid Continent

Future Drivers

- Fundamentals good for SCS value proposition
- Focused on investing in Permian and New Mexico growth areas
- Continue to expand product portfolio to energy customers for increased value proposition

U.S. Process Solutions

3Q Highlights

- Revenue up 34% YOY
- Continue market share gain in Permian and Rockies for fabricated production equipment
- Continue capturing produced water with SWD pumps and crude gathering opportunities for midstream projects
- Added new major independent customer in the Permian

Future Drivers

- Continue to see sizable RFQs from EPCs and E&P Operators in Permian, Rockies and Bakken

Overall U.S. revenue grew 25% YOY; exceeding 11% U.S. rig count growth

Canada

3Q Highlights

- Revenue decreased 3% YOY, impacted negatively by foreign exchange, sequential increase 24%
- Cardium and Viking areas showing high activity out of break-up, steady activity in oil sands market
- Market opportunity partially restrained due to pipeline approval constraints

Future Drivers

- Uptick in project bids on existing midstream and SAGD infrastructure
- Uncertainty on pipeline takeaway projects resulting from political and economic challenges
- Significant crude trading discount to WTI impacting new capex investment

International

3Q Highlights

- Revenue up 4% YOY and down 3% sequentially
- Markets strengthening in Iraq, Kazakhstan, and North Sea Market
- Activity picking up in Latin American sector
- Increase in inquiries from Australia

Future Drivers

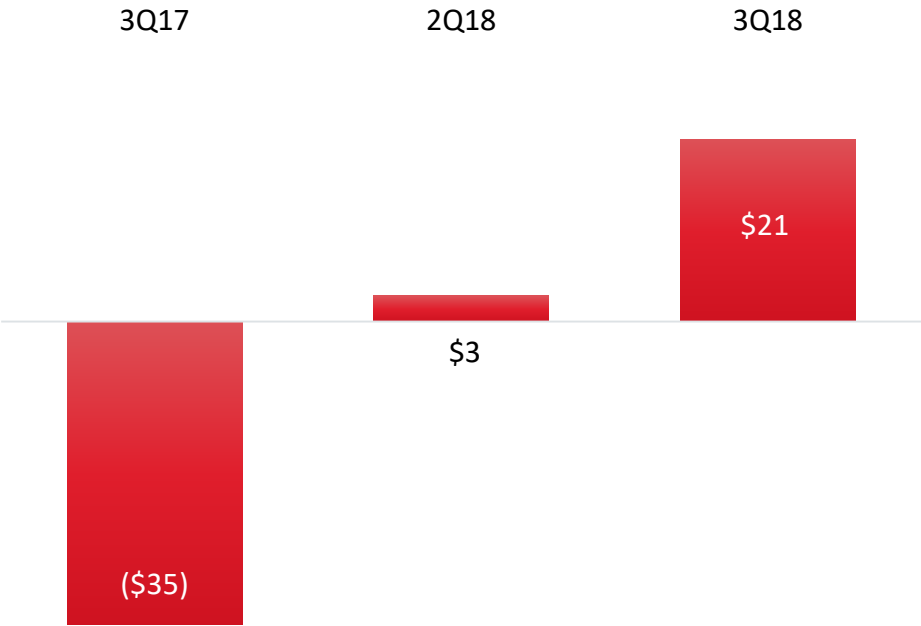
- Activity picking up in MENA, Latin America and Asia, with steady activity in CIS and Europe
- Tracking rig reactivations globally
- Uptick in rig load-outs in Asia

International outlook turning positive

Maintaining Working Capital as a % of Revenue Target

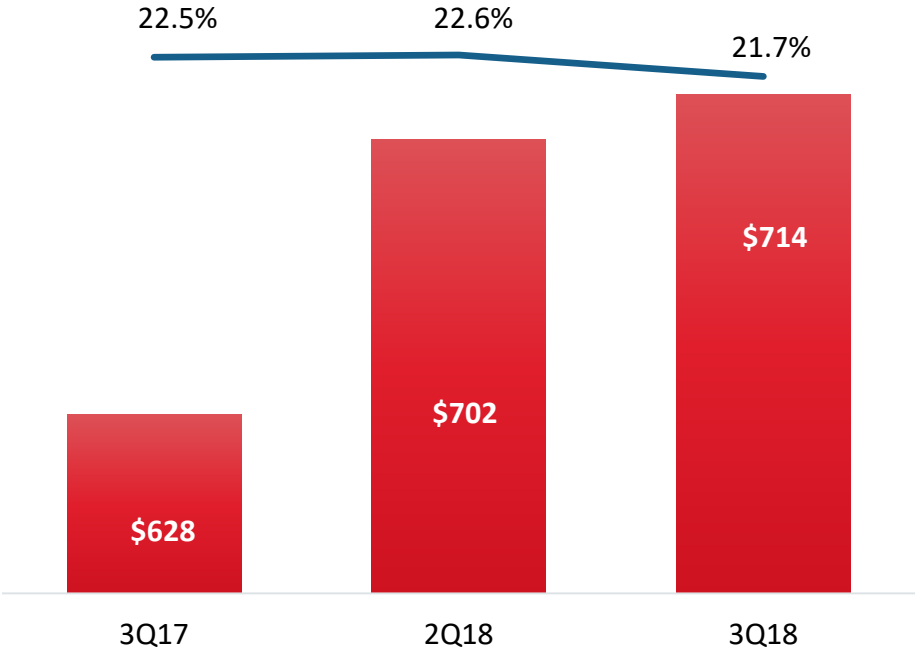
(\$ Millions)

Free Cash Flow



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

Working Capital Excluding Cash - Quarters

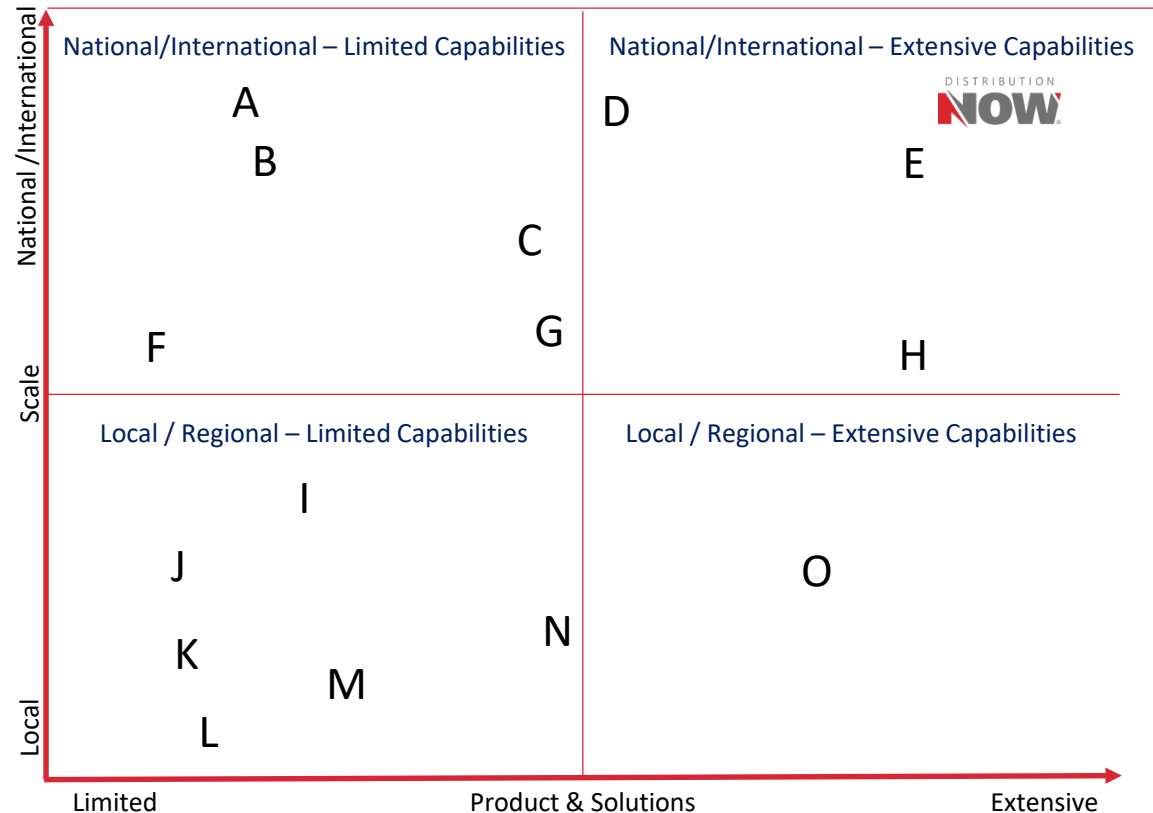


Working Capital Excluding Cash % of Qtr Annual Revenue

Appendix



DNOW's Competitive Landscape



Versus Small, Local Distributors

- ▼ Well Capitalized
- ▼ Cost Savings
- ▼ More Product Breadth
- ▼ Distribution Model
- ▼ Geographic Diversity
- ▼ National/International Accounts Leverage
- ▼ Scalable Credit
- ▼ Tech Platform
- ▼ Quality/Safety
- ▼ Publicly Traded
- ▼ Top-Tier Branded Products

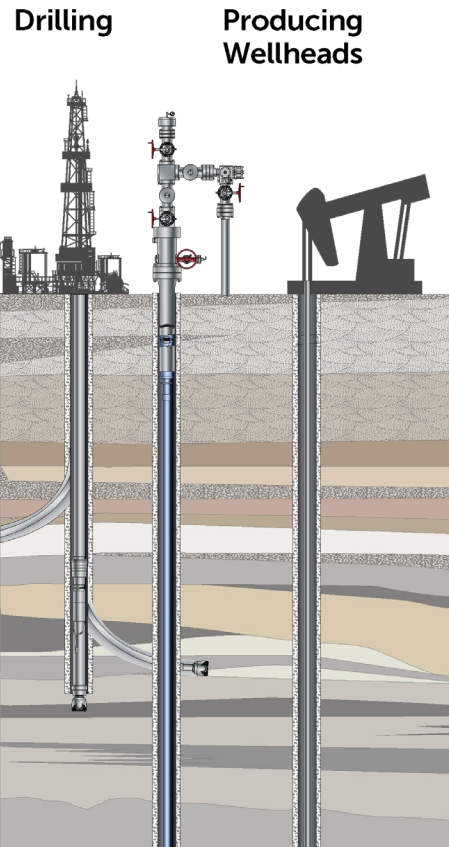
Versus Large National/International

- ▼ Cross Energy Value Chain
- ▼ Flexible Operating Models
- ▼ More Product & Solution Breadth
- ▼ Quality Triple Impact Supplier Program

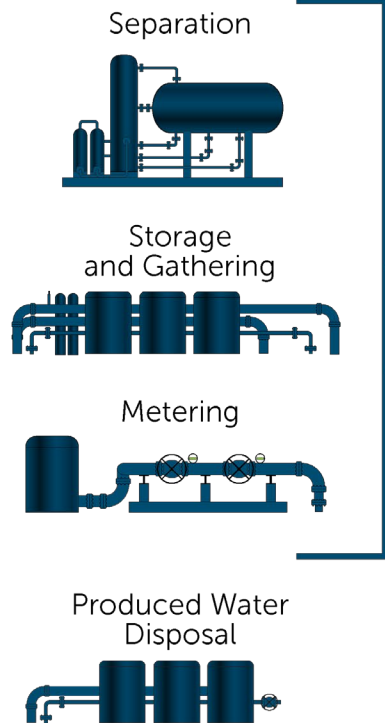
DNOW is well positioned to compete against both small/local distributors AND large national/international companies

DNOW is a Critical Link from Drilling to Distribution

Upstream



Tank Battery



Midstream

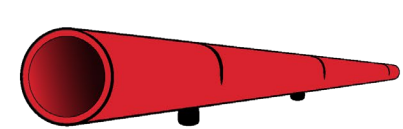
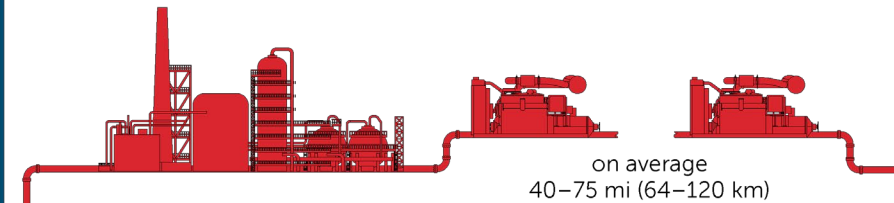
Gas Processing Plant

Gas Compressor Station (x)

Gas Compressor Station (y)

Gas Transmission and Transportation

Gas Distribution



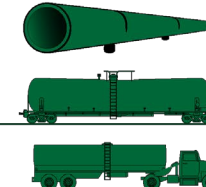
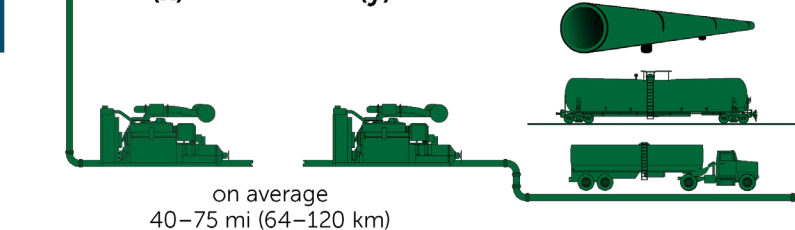
Oil Pump Station (x)

Oil Pump Station (y)

Oil Transmission and Transportation

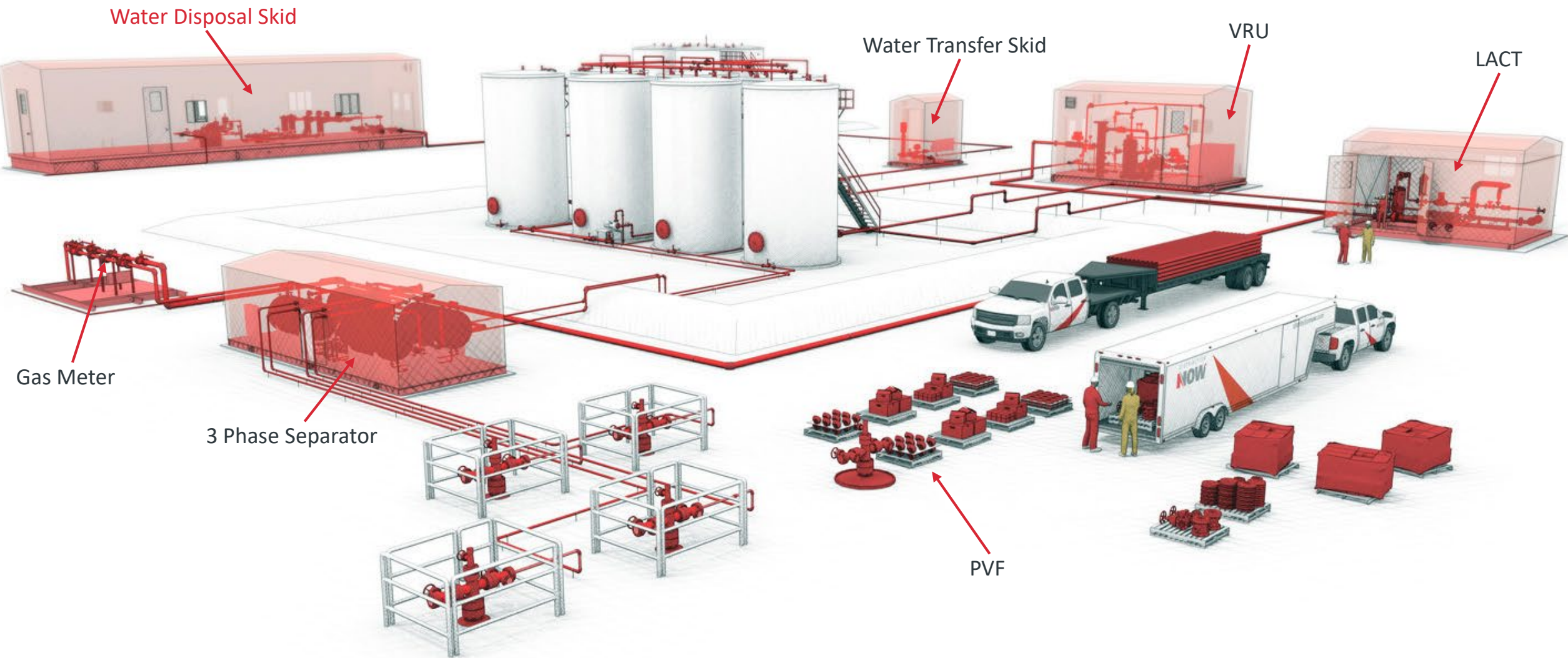
Oil Refinery

Oil Distribution



Tank Battery Installation

Does not include tanks, utilities or pipeline





▲ *We Distribute Products That Deliver Energy to the World®*

Thank You

