We Distribute Products That Deliver Energy to the World®

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NOW Inc., Second 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 on 2Q 2017

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- **Second Quarter Financial Results**
  - Revenue improved $20M sequentially; EBITDA excluding other costs (a non-GAAP measure*) improved by $7M in 2Q 2017
  - Net loss for 2Q 2017 of $17M or a loss of $11M excluding other costs (a non-GAAP measure*)
  - Diluted loss per share for 2Q 2017 was $0.16 or $0.10 excluding other costs (a non-GAAP measure*)
  - Exceptionally strong flow through of 35% on sequential revenue growth
- **Solid Gross Margin Gains and Tightly Managed Expenses**
  - Annualized revenue per global operating rig was steady at $1.3M, with and without acquisitions made during the last year
  - Pipe demand remained strong due to improved market and shortage of material
  - WS&A grew, as expected, to $138M, a portion of which was related to SCS implementations
  - Working capital excluding cash, increased, minimally, to 22% as a percent of revenue
  - Accounts Receivable increased by $6M and Inventory increased by $38M in 2Q 2017
  - $97M cash on hand at June 30, 2017
- **Going forward: Mastering our Circumstances so as not to be Mastered by Them**
  - Continuing to identify impactful areas for cost reductions and operational improvement
  - In sight of break-even EBITDA excluding other costs, as growth drives positive earnings
  - Exploring numerous options related to Corporate Development, not limited to the continued hunt for acquisitions

Expecting Positive EBITDA & Possibly EPS, excl. Other Costs (non-GAAP*), 2H17

(* See footnotes on last page)

Statement of Operations and Non-GAAP Reconciliations

($ Millions, Except Per Share Amounts and Percentages)

	Unaudited	
	2Q 2017	1Q 2017
Revenue	$ 651	$ 631
Operating Expenses		
Cost of Products	$ 527	$ 517
WS&A	$ 138	$ 135
Operating Loss	$ (14)	$ (21)
Other Expense	$ (3)	$ (2)
Loss Before Income Taxes	$ (17)	$ (23)
Income Tax Provision (Benefit)	$ -	$ -
GAAP Net Loss	$ (17)	$ (23)

	Unaudited	
	2Q 2017	1Q 2017
GAAP Net Loss	$ (17)	$ (23)
Interest, Net	$ 1	$ 1
Income Tax Provision (Benefit)	$ -	$ -
Depreciation & Amortization	$ 13	$ 13
Other Costs*	$ 1	$ -
EBITDA Excluding Other Costs (Non-GAAP)*	$ (2)	$ (9)
EBITDA % Excluding Other Costs (Non-GAAP)*	(0.3%)	(1.4%)
GAAP Reported Diluted Loss Per Share	$ (0.16)	$ (0.21)
Other Costs*	$ 0.06	$ 0.06
Diluted Loss Per Share Excl. Other Costs (Non-GAAP)*	$ (0.10)	$ (0.15)

Revenue Up 3% Sequentially thru Capricious Market

(* See footnotes on last page)

Statement of Operations and Non-GAAP Reconciliations

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($ Millions, Except Per Share Amounts and Percentages)

	Unaudited	
	2Q 2017	2Q 2016
Revenue	$ 651	$ 501
Operating Expenses		
Cost of Products	$ 527	$ 418
WS&A	$ 138	$ 140
Operating Loss	$ (14)	$ (57)
Other Expense	$ (3)	$ (2)
Loss Before Income Taxes	$ (17)	$ (59)
Income Tax Provision (Benefit)	$ -	$ (15)
GAAP Net Loss	$ (17)	$ (44)

	Unaudited	
	2Q 2017	2Q 2016
GAAP Net Loss	$ (17)	$ (44)
Interest, Net	$ 1	$ 1
Income Tax Provision (Benefit)	$ -	$ (15)
Depreciation & Amortization	$ 13	$ 13
Other Costs*	$ 1	$ 3
EBITDA Excluding Other Costs (Non-GAAP)*	$ (2)	$ (42)
EBITDA % Excluding Other Costs (Non-GAAP)*	(0.3%)	(8.4%)
GAAP Reported Diluted Loss Per Share	$ (0.16)	$ (0.40)
Other Costs*	$ 0.06	$ -
Diluted Loss Per Share Excl. Other Costs (Non-GAAP)*	$ (0.10)	$ (0.40)

Break-even EBITDA* within Striking Distance

(* See footnotes on last page)

Revenue Per Global Operating Rig

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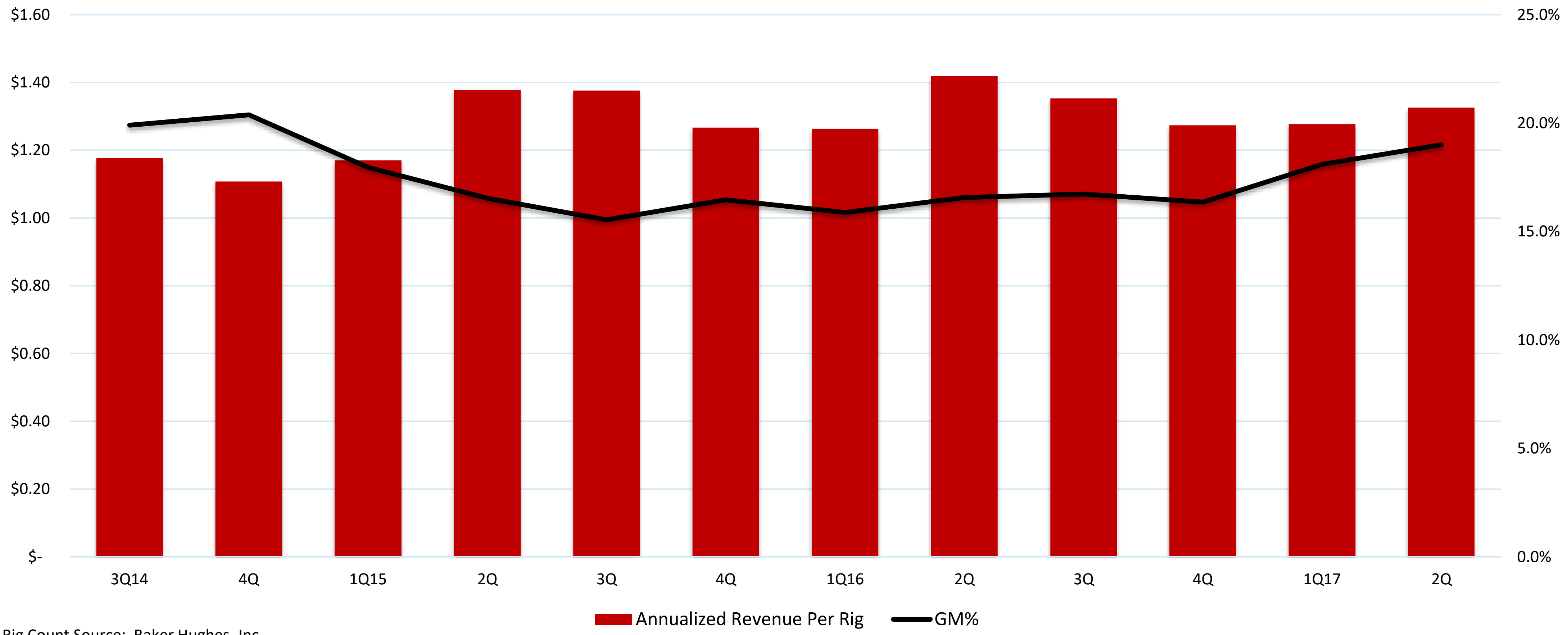
($ Millions - QTR - Annualized)

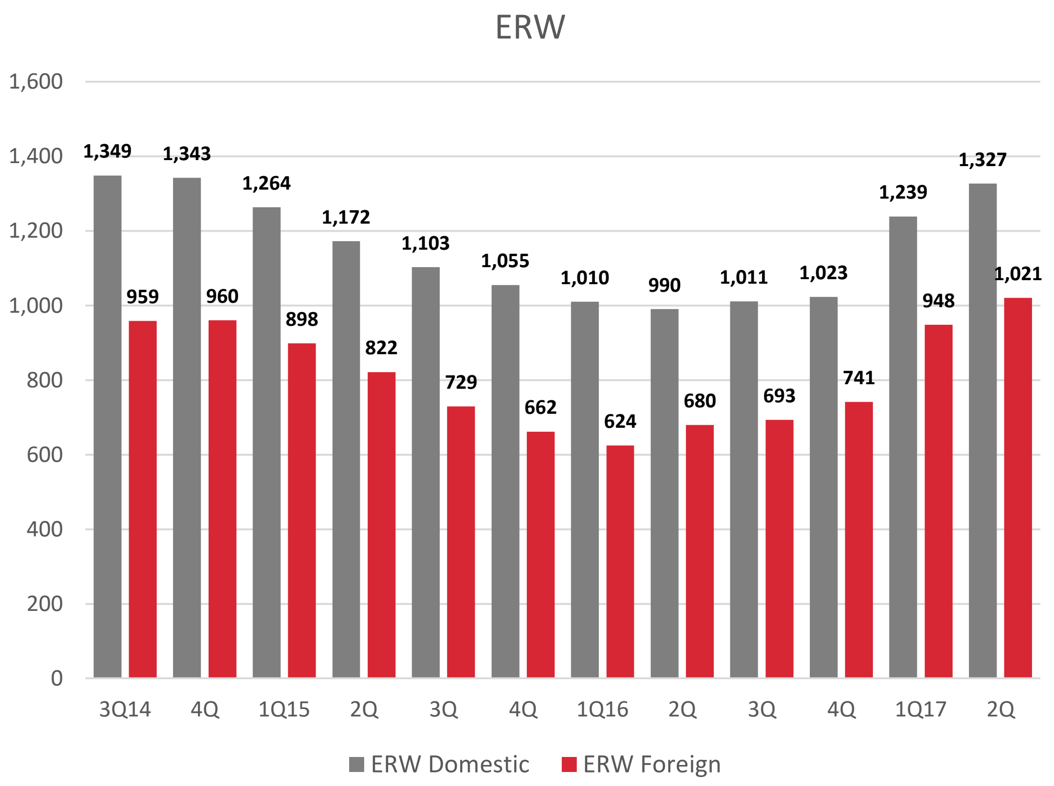


Rig Count Source: Baker Hughes, Inc.

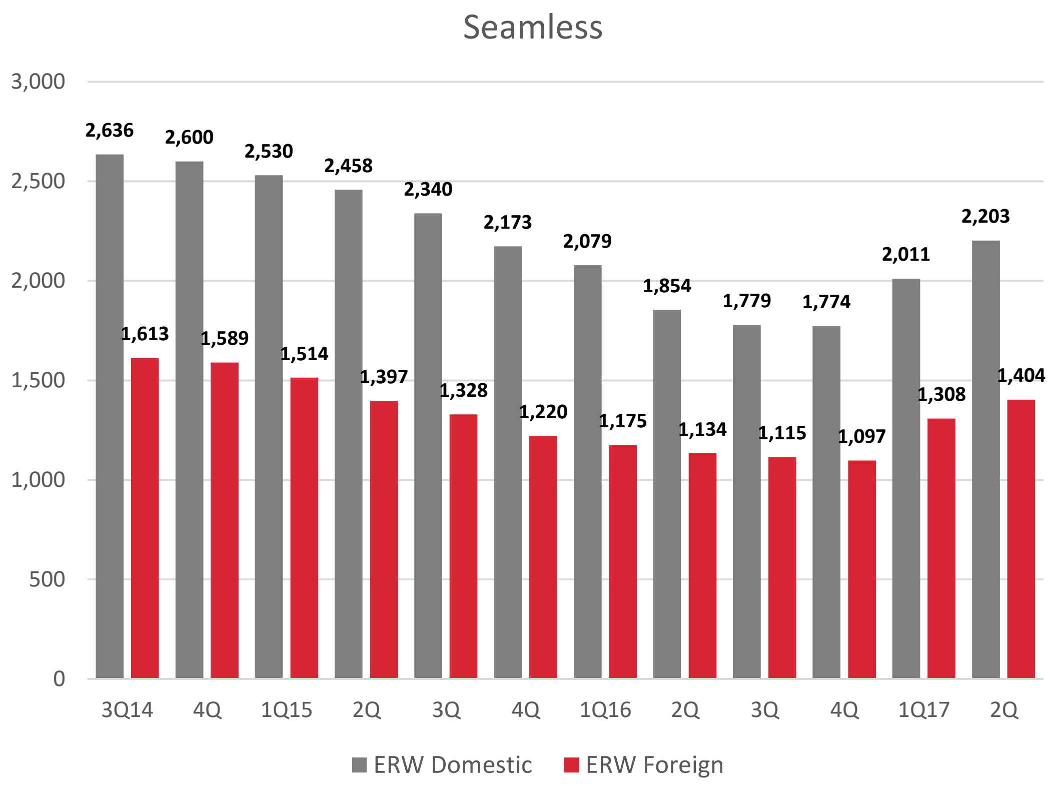
Revenue Per Rig Continue to Track Historical Trends

Line Pipe Pricing

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



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



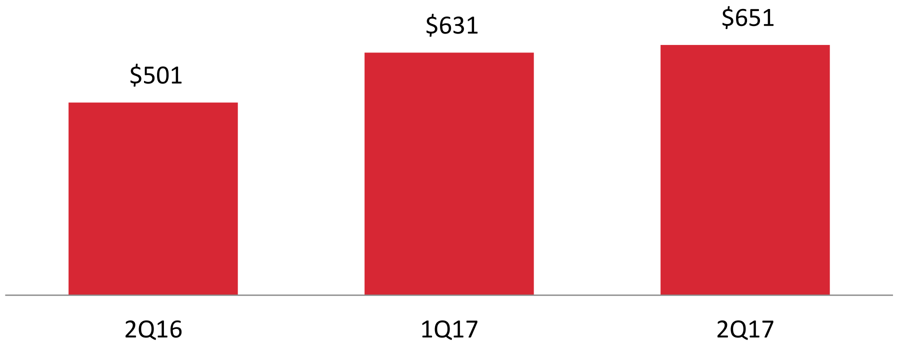
Source: Pipe Logix

OCTG Demand Causes Line Pipe Constraints & Consequent Price Expansion

Selected Quarterly Results (Unaudited)

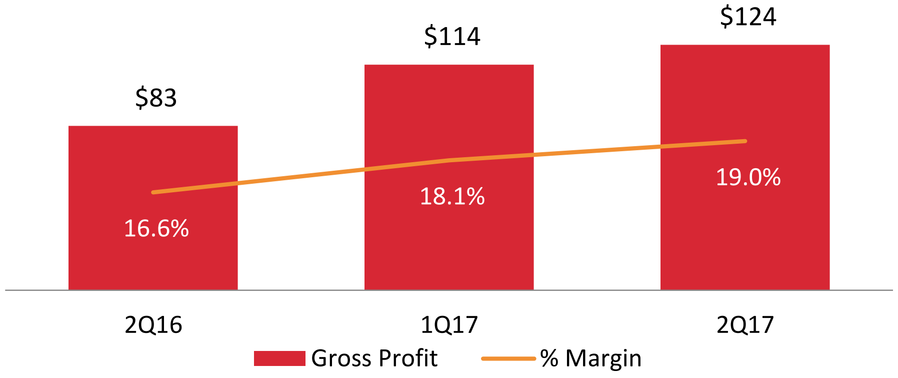
Revenue

($ in millions)



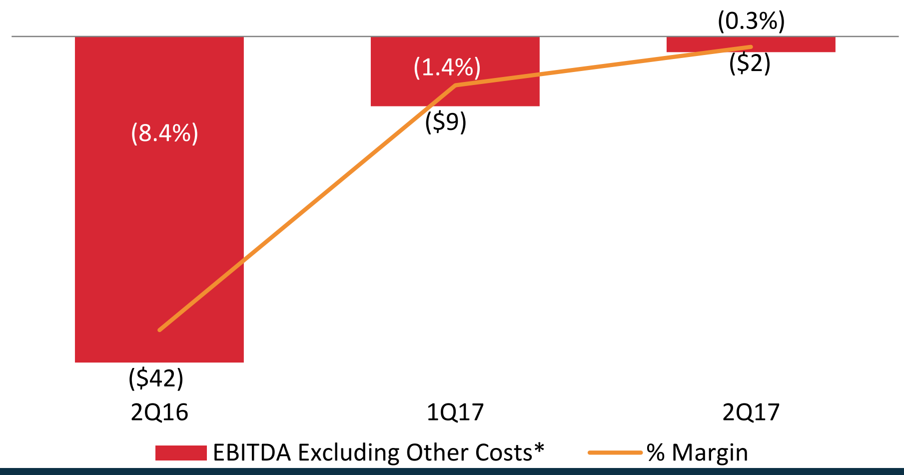
Gross Profit and Margin

($ in millions)



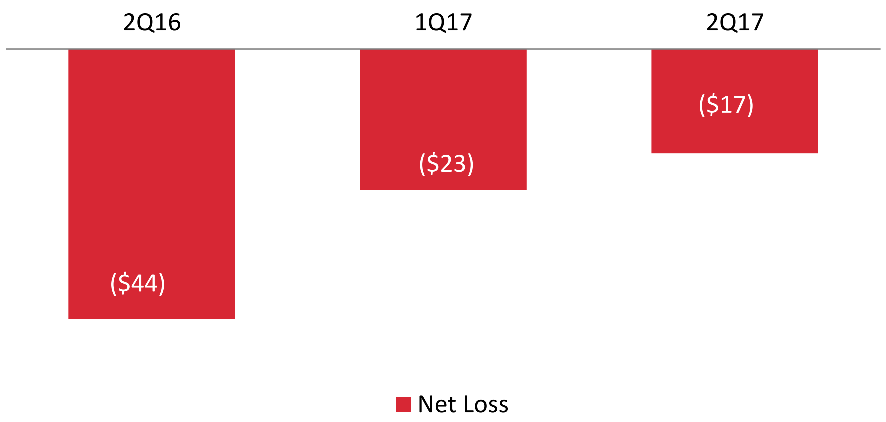
EBITDA Excl. Other Costs (Non-GAAP)* and Margin

($ in millions)



Net Loss

($ in millions)



EBITDA Excluding Other Costs (Non-GAAP)* Ticking Upward

(* See footnotes on last page)

Business Segment Results

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($ Millions)

	Unaudited		
	2Q 2017	1Q 2017	2Q 2016
Revenue			
United States	$481	$439	$337
Canada	79	96	55
International	91	96	109
Total Revenue	651	631	501
Operating Profit (Loss)			
United States	(16)	(26)	(44)
Canada	2	3	(8)
International	-	2	(5)
Total Operating Loss	$(14)	$(21)	$(57)

United States

- Revenue in the U.S. was up 10% sequentially with 24% incrementals due to increased U.S. Energy Centers, Supply Chain Services and midstream activity and product margin expansion. Headwinds from delayed tank battery construction and softening downstream and industrial manufacturing customers limited growth.

Canada

- Canadian revenue dropped 18% sequentially, much better than expected, during seasonal break-up aided by expense controls. Growth in the quarter was attributed to large turnaround projects and midstream customer penetration.

International

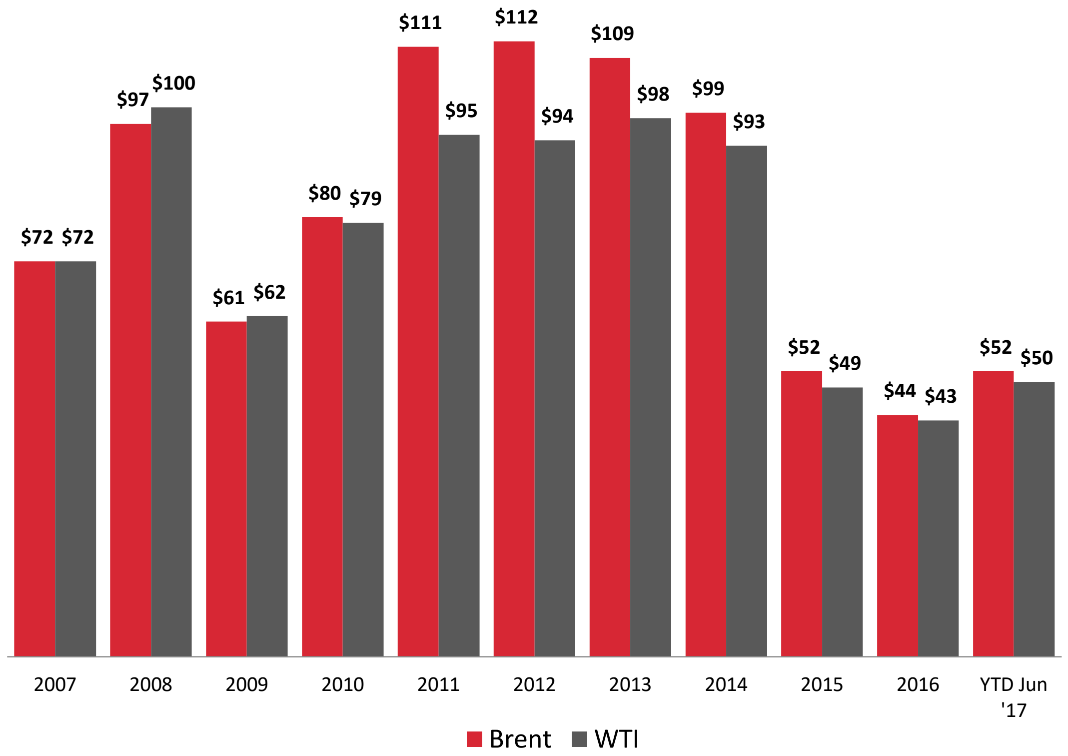
- Despite a 5% sequential International revenue contraction, driven largely by a decline in project-related activity, higher product margins kept this segment at break-even. The sequential declines were partially offset by increased sales in the Middle East, North Africa, Asia Pacific and Latin America.

U.S. Activity Driving Top Line Growth

Key Industry Indicators

Average Oil Prices

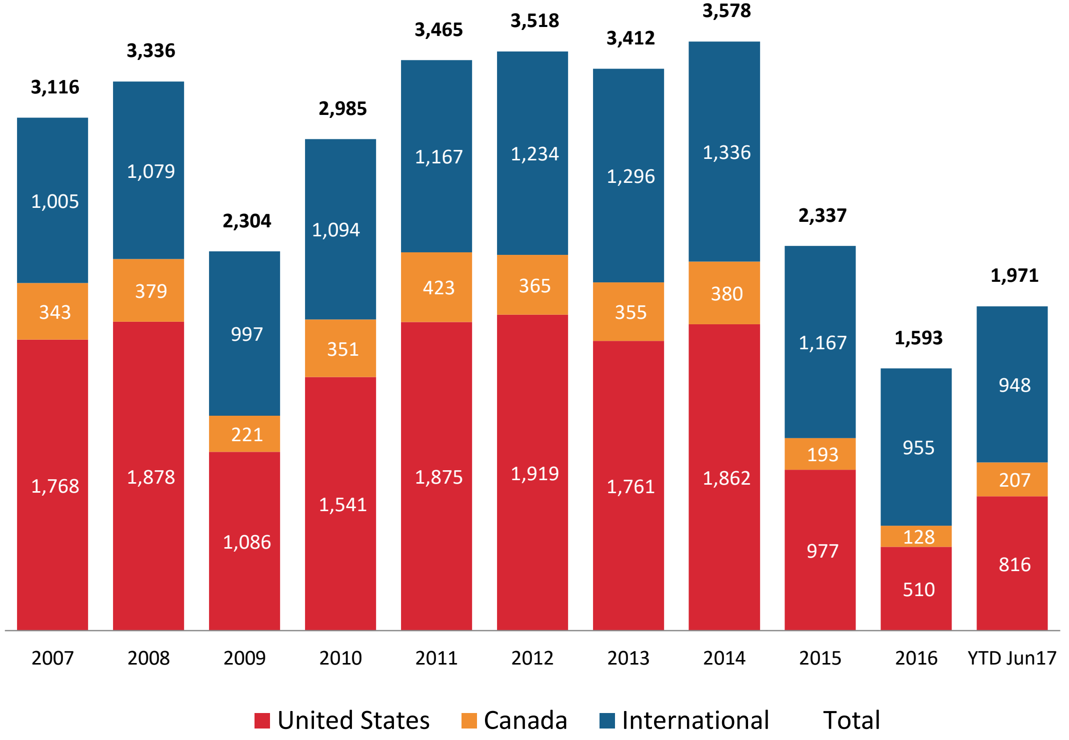
(per barrel)



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

Average Annual Rig Count

(number of rigs)



Source: Baker Hughes, Inc.

Going Round and Round in the Circle Game of WTI

Key Industry Indicators

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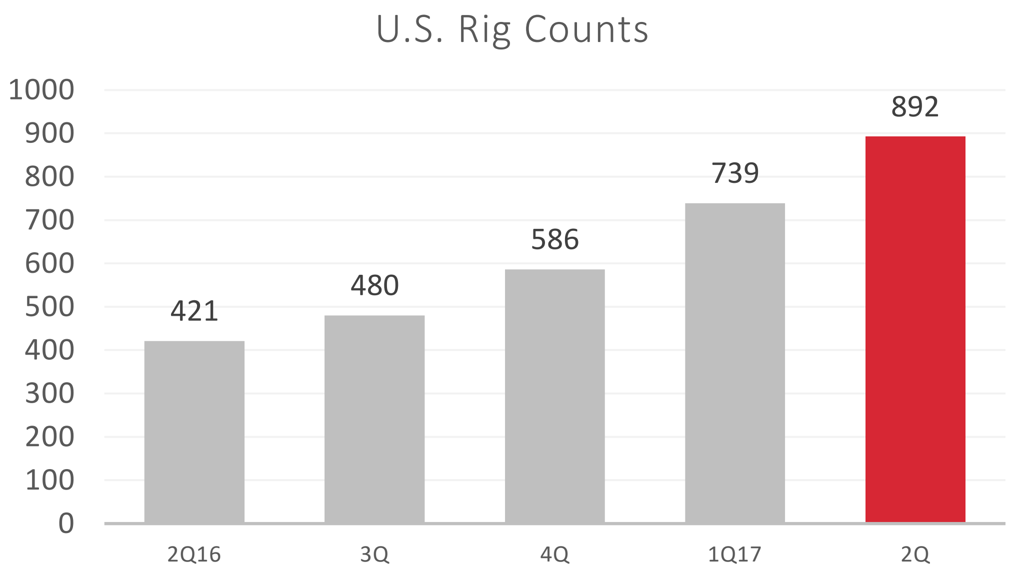
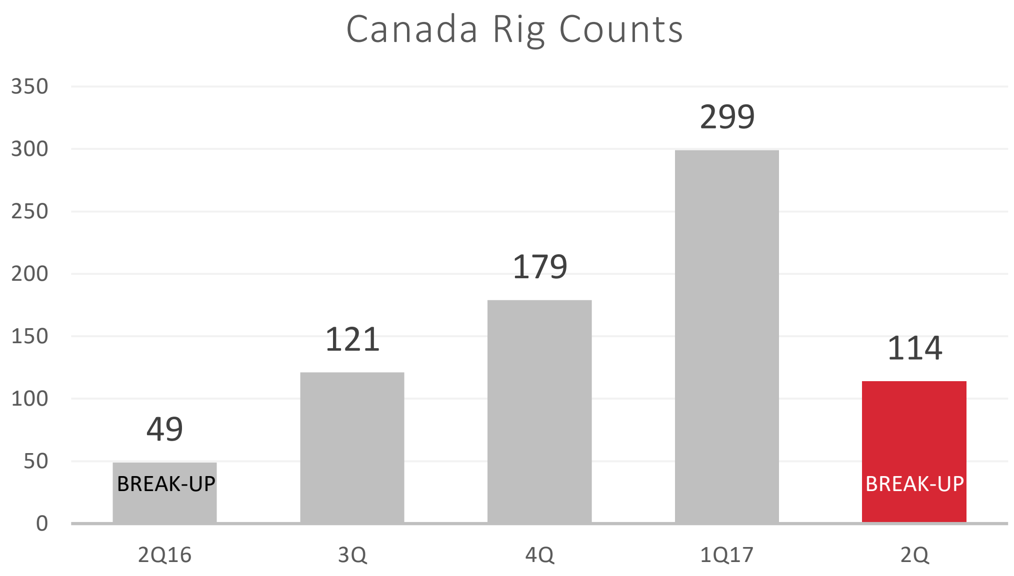
Recent U.S. Rig Count Trends



Recent Canada Rig Count Trends

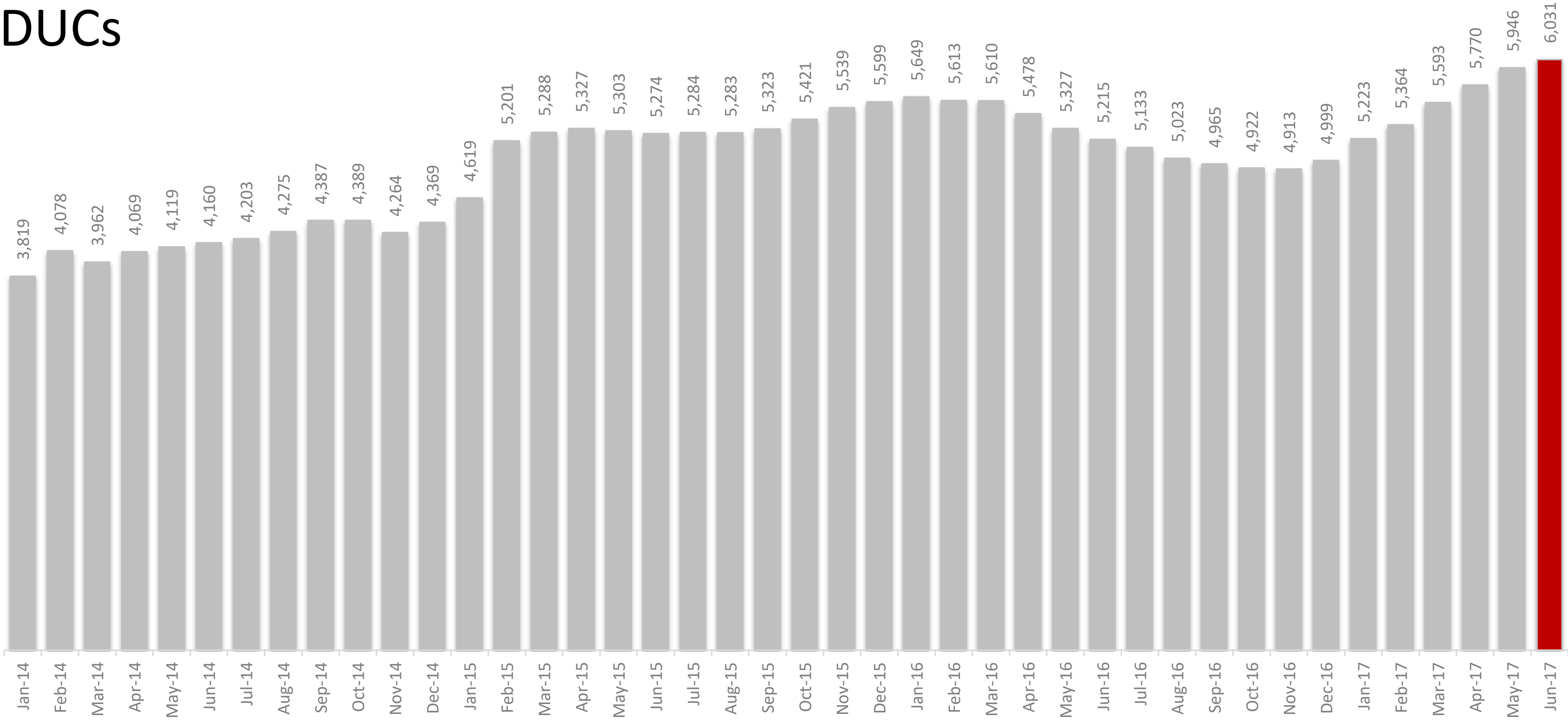


Source: Baker Hughes, Inc.

N. American Rig See-Saw with U.S. up 21% and Canada down 62%, seq.

Drilled but Uncompleted Wells Inventory

- DUCs



Source: eia.gov

DUCs at Record Cycle Levels, Tempering Revenue in the Short Term

Cash Generation & Working Capital Excluding Cash

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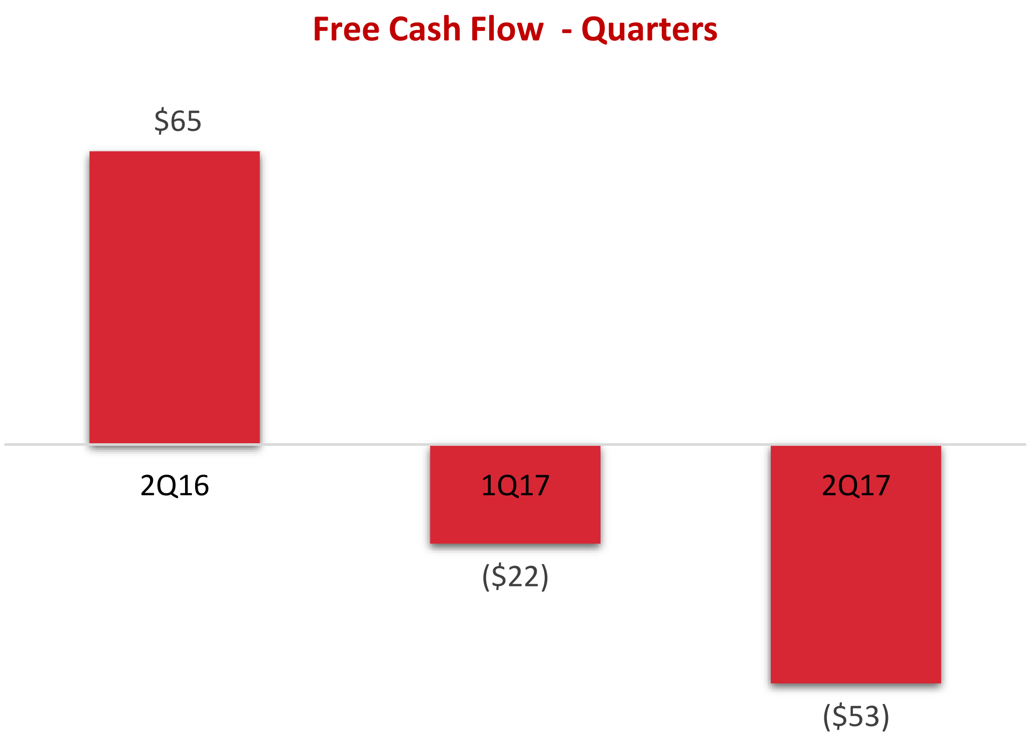
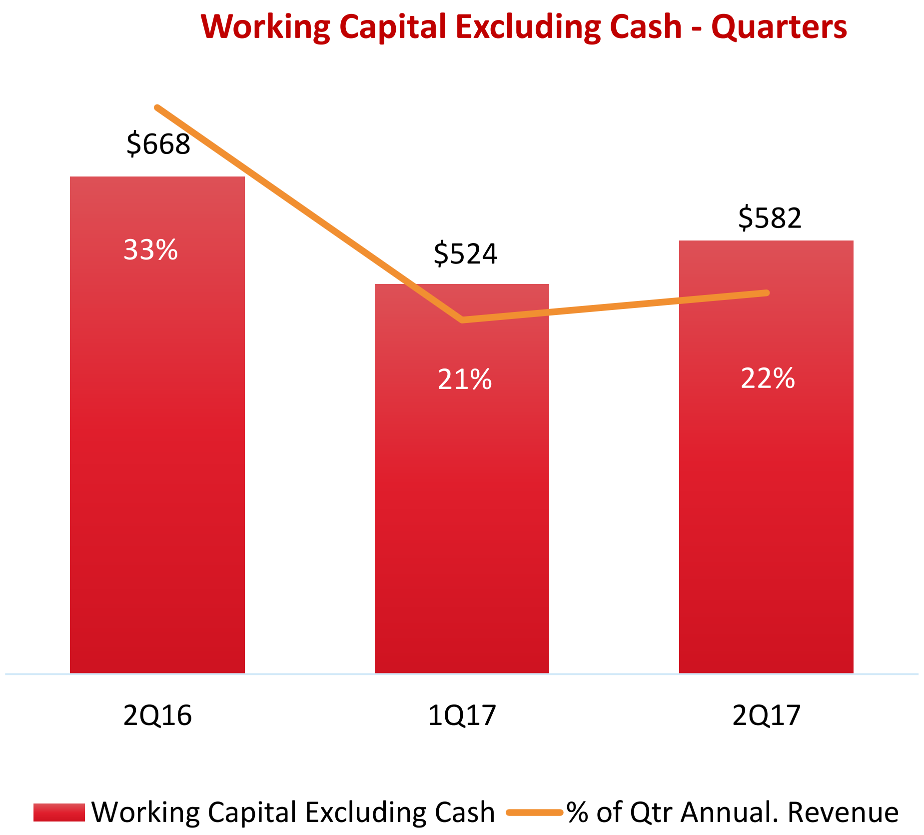
($ Millions)





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

Cash Consumption Continues to Support Growth

Working Capital Highlights

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($ Millions)	Unaudited	
	2Q 2017	1Q 2017
Current Assets		
Cash & Cash Equivalents	$97	$102
Receivables, Net	418	412
Inventories, Net	529	491
Prepaid & Other Current Assets	21	20
Total Current Assets	1,065	1,025
Current Liabilities		
Accounts Payable	285	305
Accrued Liabilities	101	94
Total Current Liabilities	386	399
Working Capital, Excl. Cash	**$582**	**$524**
DSO's	59	60
Inv. Turns	4.0x	4.2x

- Working capital (WC) excluding cash, was $582M at June 30, 2017, or 22% of revenue.
  - WC excluding cash target of 25%
  - Continued inventory replacement orders for long-lead time products like pipe
- Sequentially:
  - DSO's improved to 59
  - Debt at $128M, with net debt at $31M
  - Low CapEx during 2Q17
  - AR increased by $6M
  - Increased net inventory by $38M

Collecting Cash Quicker in 2Q at 59 DSO's

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 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 six months ended June 30, 2017 includes an expense of $6 million and $13 million, respectively, after tax, for a valuation allowance recorded against the Company's deferred tax assets; as well as, less than $1 million and less than $1 million, 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, 4, 5 & 8