We Distribute Products That Deliver Energy to the World®

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NOW Inc., Fourth Quarter and Full-Year 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: Key Takeaways

- Delivered more than 25% year over year (YoY) growth from 2016 to 2017
- 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 Fourth Quarter Results

- Quarterly revenue improved by 24% YoY to $669M, down sequentially a seasonal 4%, while revenue per billing day was up modestly
- GAAP net loss was $3M, or net income excluding other costs (a non-GAAP measure)* was $1M; a $32M improvement YoY
- Included in the fourth quarter 2017 results, but not characterized as other costs, was a pre-tax gain of $10M from the sale of a property previously held for sale
- GAAP diluted loss per share improved to a $0.03 loss, with non-GAAP diluted earnings per share excluding other costs of $0.01
- EBITDA excluding other costs improved to $13M in 4Q, a $44M improvement YoY
- Gross margins were 19.1%, up 270 bps YoY – a reflection of better inventory management and pricing strategy
- Net debt position of $64M; Working capital excluding cash was 23.8% of revenue

Delivering top and bottom line year over year growth

(* See footnotes on last page)

Executing the DNOW Strategy to Unlock Value

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1 Deliver Margin Expansion

- Focusing **investments in growth** businesses
- **Technology pricing initiatives** gaining traction. **Omni-channel strategy** proving effective
- Revenue & margin growth from **e-commerce**
- 2017 sales growth for **PVF and customer specific apps, punch-out catalog and B2B**

2 Optimize Operations

- Continue to see benefits from relationships with new **strategic partners**, as well as **historical manufacturers**
- Methodically advancing **beta business model** designed to maximize customer reach at low cost
- **Investing in technology** and resources to **close new business and deliver market share growth**

3 Drive Growth Through Acquisitions

- Focused on **maximizing synergies** and fully leveraging market opportunities from DNOW's acquisitions
- Making great strides with Power Service, MacLeans and MTS
- **Selectively evaluating** M&A opportunities that meet our defined acquisition criteria

4 Approach Capital Allocation with Discipline

- **Target for working capital**, excluding cash, at 25% or better
- Inventory turns of 3.7x
- Cash on hand at December 31, 2017 decreased slightly to $98M

Committed to delivering value long term

CEO Perspective: Key Market Indicators

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U.S. Rig Counts

- 19 U.S. rigs added in December
- Up 7% YoY (4Q17 v. 4Q16)
- Down 3% sequentially

Proxy for DNOW revenue over time

U.S. DUCs

- Continue to climb at historically high levels
- Up 35% YoY (4Q17 v. 4Q16)

Future growth driver for DNOW
as DUCs inventories are completed

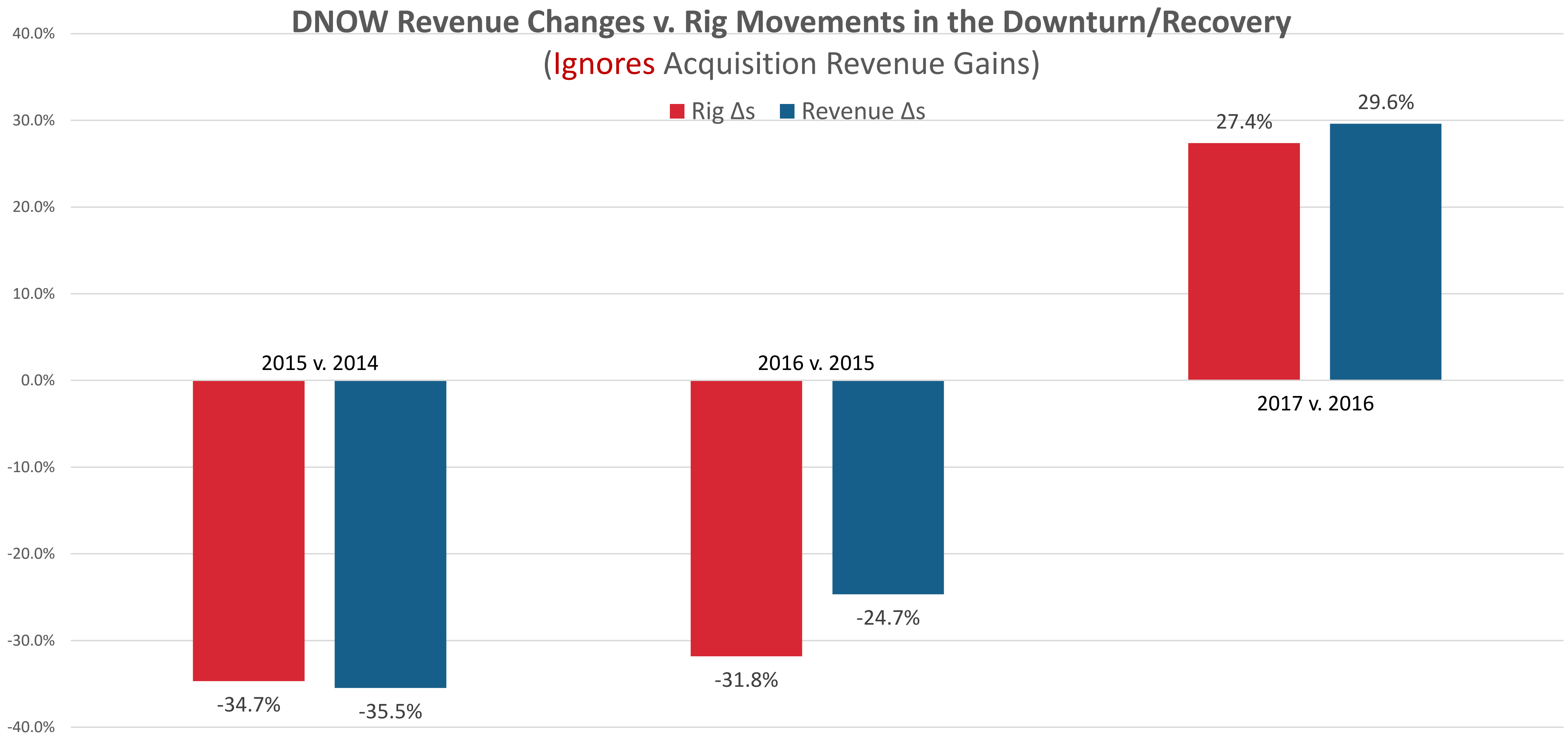
U.S. Completions

- 6 consecutive months of growth
- Highest since 2Q15
- Up 40% YoY

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

Crude prices and recent activity point toward positive outlook for 2018

Revenue vs. Global Rig Counts



Revenue tracking or favorable to rig count changes

Drilled and Completed Well Trends

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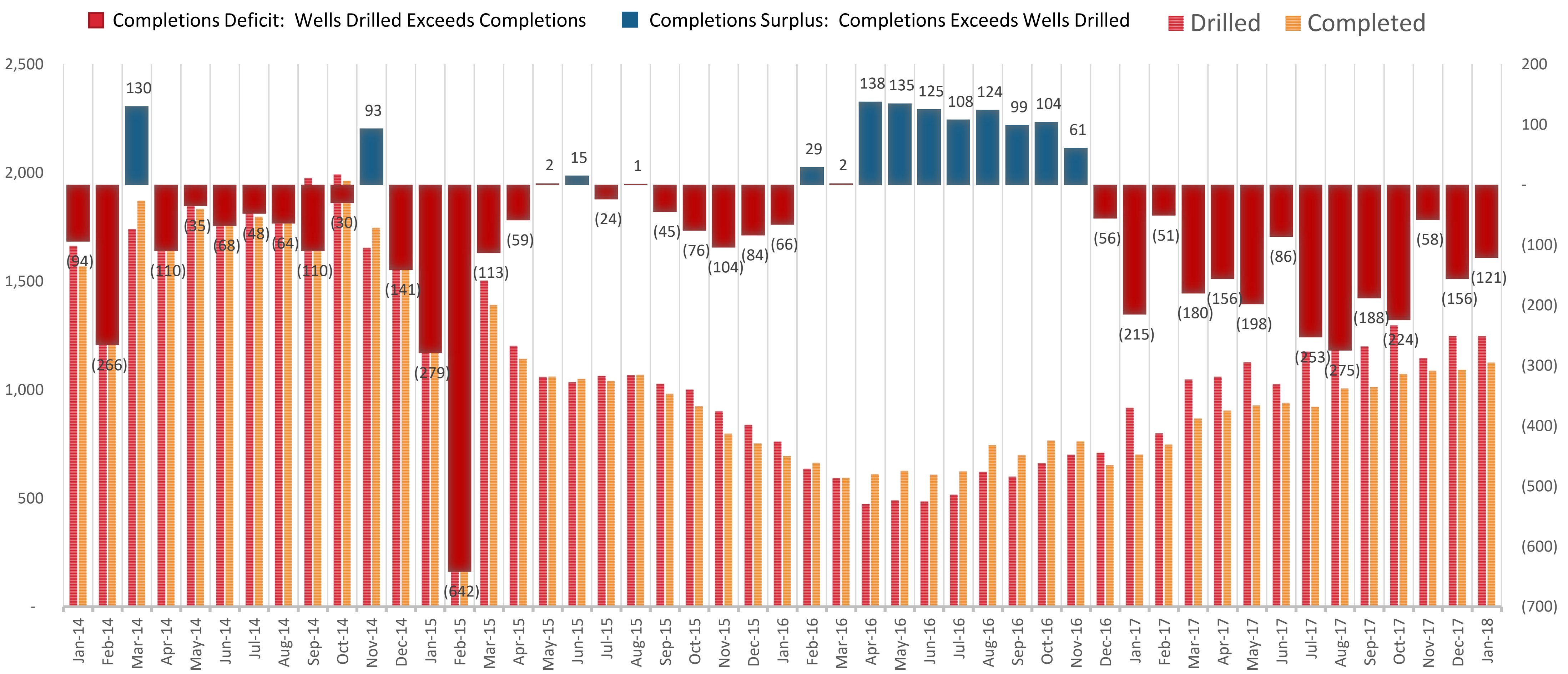
U.S. COMPLETIONS *DEFICIT* OR *SURPLUS*



DUCs grow as completions fail to keep pace with wells drilled

4Q Highlights and Future Dynamics – United States

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U.S. Energy Centers

4Q Highlights

- Revenue up 37% YoY
- 9% sequential decrease due to seasonality, negative weather impacts, delayed pipe shipments and one-off 3Q midstream project

Future Drivers

- Capitalize on increasing number of midstream projects
- Leverage DNOW's inventory position and supplier relationships to navigate supply chain uncertainty

U.S. Supply Chain Services

4Q Highlights

- Revenue up 15% YoY
- 3% sequential growth driven by SCS Energy and MTS strength
- Downstream & Industrial turnaround pushed into early 2018
- Bidding activity remained strong with new customer wins, which could bode well in future quarters

Future Drivers

- Expect improved 1Q supported by:
  - Steady or improving oil prices
  - Increase in billing days
  - Normalized production schedules
  - Heavy turnaround season

U.S. Process Solutions

4Q Highlights

- Revenue growth of 35% YoY and 4% sequentially
- Revenue increases offset labor hour decreases and manufacturing delays
- Permian remains most active region
- Increased bid requests in Rockies, Eagleford, and DJ Basin

Future Drivers

- Positioned to leverage:
  - Large LACT unit sales in Permian
  - Increase in midstream valve projects
  - Significant pump project in the Bakken
- Focused on increasing Total Valve Solutions presence in Permian

YoY Revenue growth driven by strength across all U.S. businesses

4Q Highlights and Future Dynamics – Canada and Int'l

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Canada

4Q Highlights

- Revenue up 16% YoY, but down 11% sequentially
- Well spuds and rigs down sequentially
- Decline due to large projects, stalled turnarounds, reduced pipe activity, shorter holiday season and long lead backordered inventory
- Gross margin gains drove strong profitability

Future Drivers

- Canadian freeze and related activity could drive 1Q revenue boost
- Pipe manufacturers expected to allocate capacity to OCTG
- Pricing volatility would bode well for DNOW
- Increased RFQs expected to be offset by annual 2.8% well drop

International

4Q Highlights

- Revenue up 12% YoY
- Revenue flat sequentially as increased CIS, China and Australia revenue were offset by softness in Middle East, Europe and Latin America
- Margins were similar YoY and down $3M sequentially as high margin projects concluded while severance costs accelerated

Future Drivers

- 4.6% increase in world drilling led by Russia, China, Western EU, Australia and parts of Africa
- Global offshore drilling expected to recover and gain 10%

DNOW positioned to benefit from Canada and Int'l growth opportunities

CFO Highlights: Selected Quarterly Results (Unaudited)

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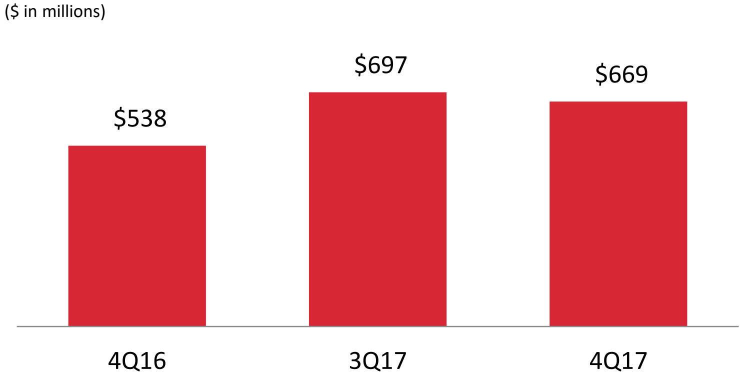
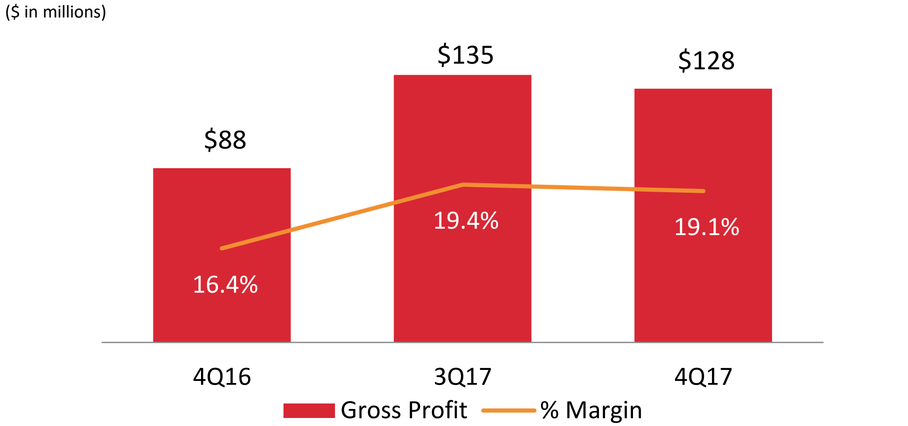
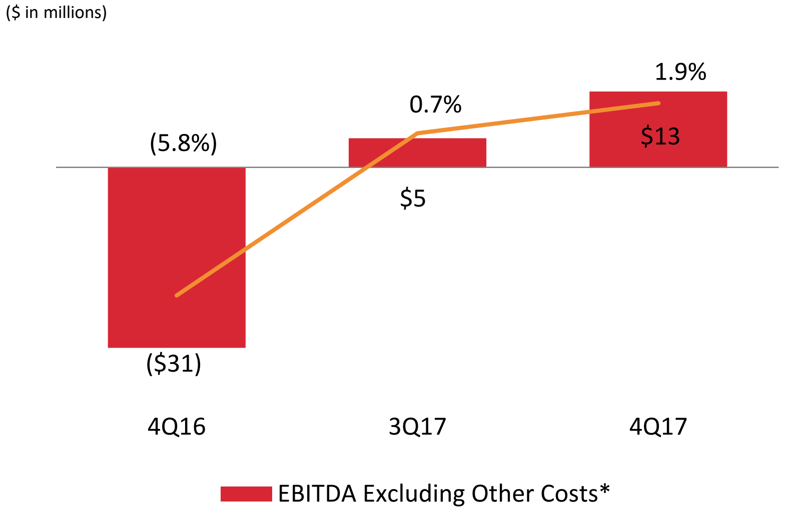
Revenue



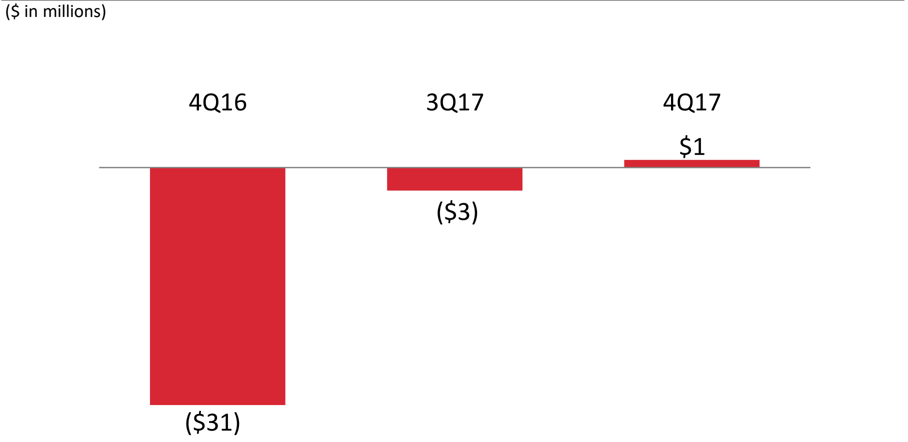
Gross Profit and Margin



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



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



Positive momentum on key metrics

(* See footnotes on last page)

Top-Line YoY Improvement Across All Segments

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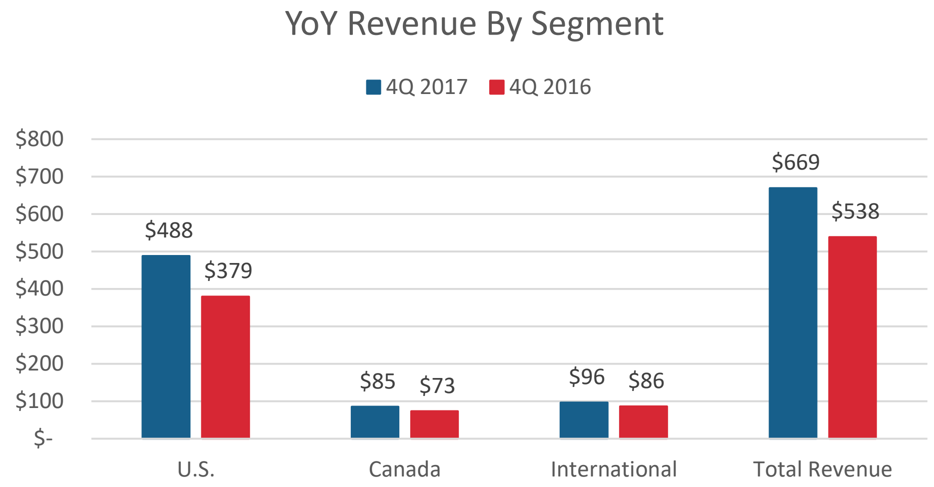
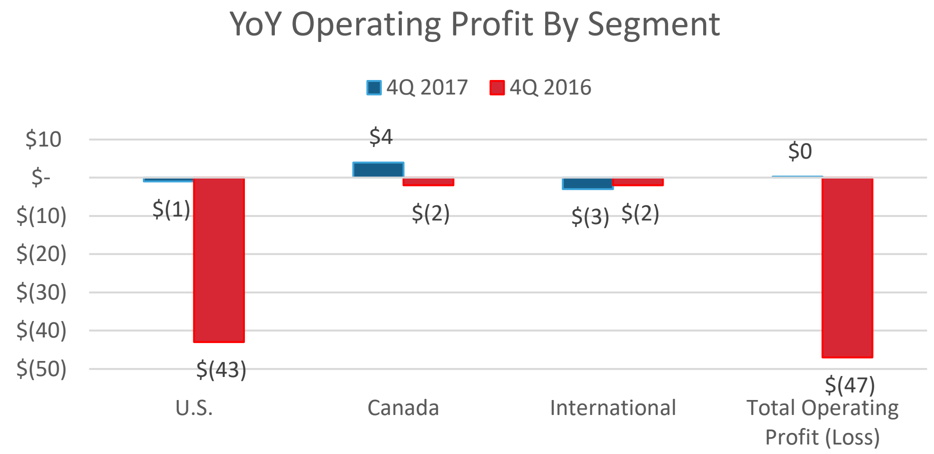
($ Millions)

	Unaudited	
	4Q 2017	4Q 2016
Revenue		
United States	$488	$379
Canada	85	73
International	96	86
Total Revenue	669	538
Operating Profit (Loss)		
United States	(1)	(43)
Canada	4	(2)
International	(3)	(2)
Total Operating Profit (Loss)	$0	$(47)





Strong YoY revenue performance across all segments

Focused on Continued Efficiencies

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- WS&A was reduced to $128M in 4Q partially due to a $10M gain on the sale of a property
- Reduced branch count by 29 in 2017, including nine closures/consolidations in 4Q, while adding locations in growth areas
- Effective tax rate of 0.0% for 2017
- Maintaining working capital excluding cash target less than 25% as a percent of revenue
- Cash on hand at December 31, 2017 decreased slightly to $98M

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 being mid-teens;
- Revenue expected to grow mid to high single digit percentage range in 1Q, sequentially
- Significant progress executing against strategy
- Looking ahead, our focus on improving core operations while capitalizing on ramp up of completions and delivering operational efficiencies 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 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 twelve months ended December 31, 2017 and 2016, respectively, included expenses of $3 million, $21 million, $39 million and $78 million, after tax, respectively, for a valuation allowance recorded against the Company's deferred tax assets; as well as, $1 million, $2 million, $1 million and $7 million, respectively, after tax, in transaction costs associated with acquisitions, including the cost of inventory that was stepped up to fair value during purchase accounting related to acquisitions, and severance expenses, which are included in operating loss. The Company has excluded the impact of a $69 million tax charge related to the Tax Cuts and Jobs Act and a $3 million tax benefit related to previously disallowed deductions on its valuation allowance in computing net income (loss) excluding other costs for the three and twelve months ended December 31, 2017.

(5) Totals may not foot due to rounding.

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