

# NOV Inc.

## Fourth Quarter and Full Year 2024 Earnings Presentation

February 5, 2025



# Safe Harbor / Forward-Looking Statements / Non-GAAP Financial Measures

Statements in this presentation, including statements regarding future financial performance, are forward-looking statements within the meaning of the federal securities laws. Statements of hopes, beliefs, expectations, and predictions of future performance are subject to numerous risks and uncertainties, many of which are beyond the Company's control. Actual results may differ materially from the results expressed or implied by the statements made herein or during any presentation of these materials. There are numerous factors that could adversely impact actual results, which include but are not limited to changes in the demand for or price of oil and/or natural gas; potential catastrophic events related to our operations, including weather events such as the effects of hurricanes and tropical storms or climate regulation; protection of intellectual property rights and against cyber-attacks; compliance with environmental laws; changes in government regulations and regulatory requirements, particularly those related to oil and natural gas exploration; compliance with laws related to income taxes and assumptions regarding the generation of future taxable income; risks of international operations, including risks relating to unsettled political conditions, war, the effects of terrorism, foreign exchange rates and controls, international trade and regulatory controls and sanctions, and doing business with national oil companies; changes in capital spending by customers; and delays or failures by customers to make payments owed to us and the resulting impact on our liquidity. NOV's latest Form 10-K, Form 10-Q, and other Securities and Exchange Commission filings and published statements contain additional information concerning important risk factors which could cause the company's results to differ materially from those described in the forward-looking statements. NOV is not undertaking any obligation to revise or update publicly any forward-looking statements for any reason.

This presentation contains certain confidential, proprietary, technical and/or financial information related to the Company's business and operations, including information concerning the Company's business plans, contractual relationships and financial structure. No part of this presentation may be disclosed to any third party without the prior written consent of the Company.

This presentation contains certain forward-looking non-GAAP financial measures, including Adjusted EBITDA. The Company has not provided a reconciliation of projected Adjusted EBITDA. Management cannot predict with a reasonable degree of accuracy certain of the necessary components of net income, such as other income (expense), which includes fluctuations in foreign currencies. As such, a reconciliation of projected net income to projected Adjusted EBITDA is not available without unreasonable effort. The actual amount of other income (expense), provision (benefit) for income taxes, equity income in unconsolidated affiliates, depreciation and amortization, and other amounts excluded from Adjusted EBITDA could have a significant impact on net income.

The background of the slide is a photograph of industrial machinery, likely a pumpjack or similar oilfield equipment, with a strong orange-red color overlay. A bright sunburst effect is visible in the upper center, creating a lens flare across the machinery.

NOV delivers technology-driven solutions to empower the global energy industry. For more than 150 years, NOV has pioneered innovations that enable its customers to safely produce abundant energy while minimizing environmental impact. The energy industry depends on NOV's deep expertise and technology to continually improve oilfield operations and assist in efforts to advance the energy transition towards a more sustainable future.

**NOV powers the industry that powers the world.**

# Full Year 2024 Highlights

**\$1.11<sub>B</sub>**

Adjusted EBITDA<sup>1</sup>  
*38% Incremental margin*

**\$953<sub>MM</sub>**

Free Cash Flow<sup>1</sup>  
*86% of Adjusted EBITDA*

**122%**

Book-to-Bill  
*Orders of \$2.75<sub>B</sub>*

<sup>1</sup> Adjusted EBITDA and Free Cash Flow are non-GAAP financial measures. See appendix for a reconciliation to the nearest GAAP measures.

# Significant Achievements

## **Awarded several orders for gas processing and water treatment equipment packages for FPSO vessels**

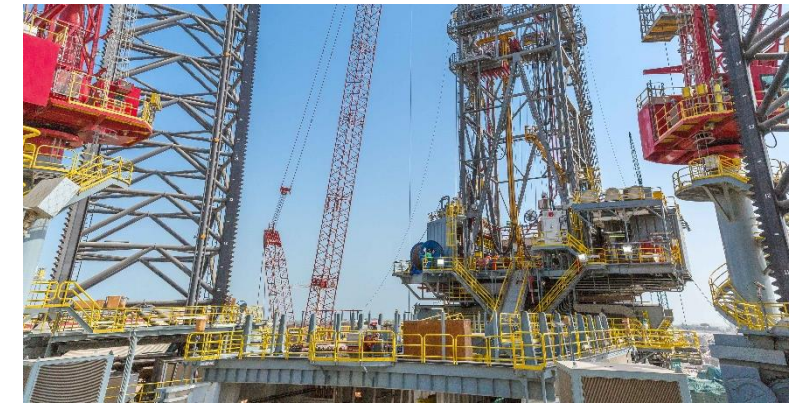
NOV secured multiple orders for advanced gas processing and water treatment equipment packages on three newbuild FPSO units destined for operations in Brazil and West Africa. NOV was also awarded a contract to deliver gas processing modules for the redeployment of an FPSO that will be operated in Turkey.

## **Secured contract to supply a drilling equipment package for a new jack-up rig in Saudi Arabia**

The package includes complete topside equipment, structures, drilling machinery, pipe handling, mud processing, and drilling controls, as well as the blowout preventer (BOP) and BOP control system. This award highlights NOV's leadership in delivering complex drilling equipment packages, having successfully delivered more than 220 newbuild jack-up packages to the market over the last 15 years.

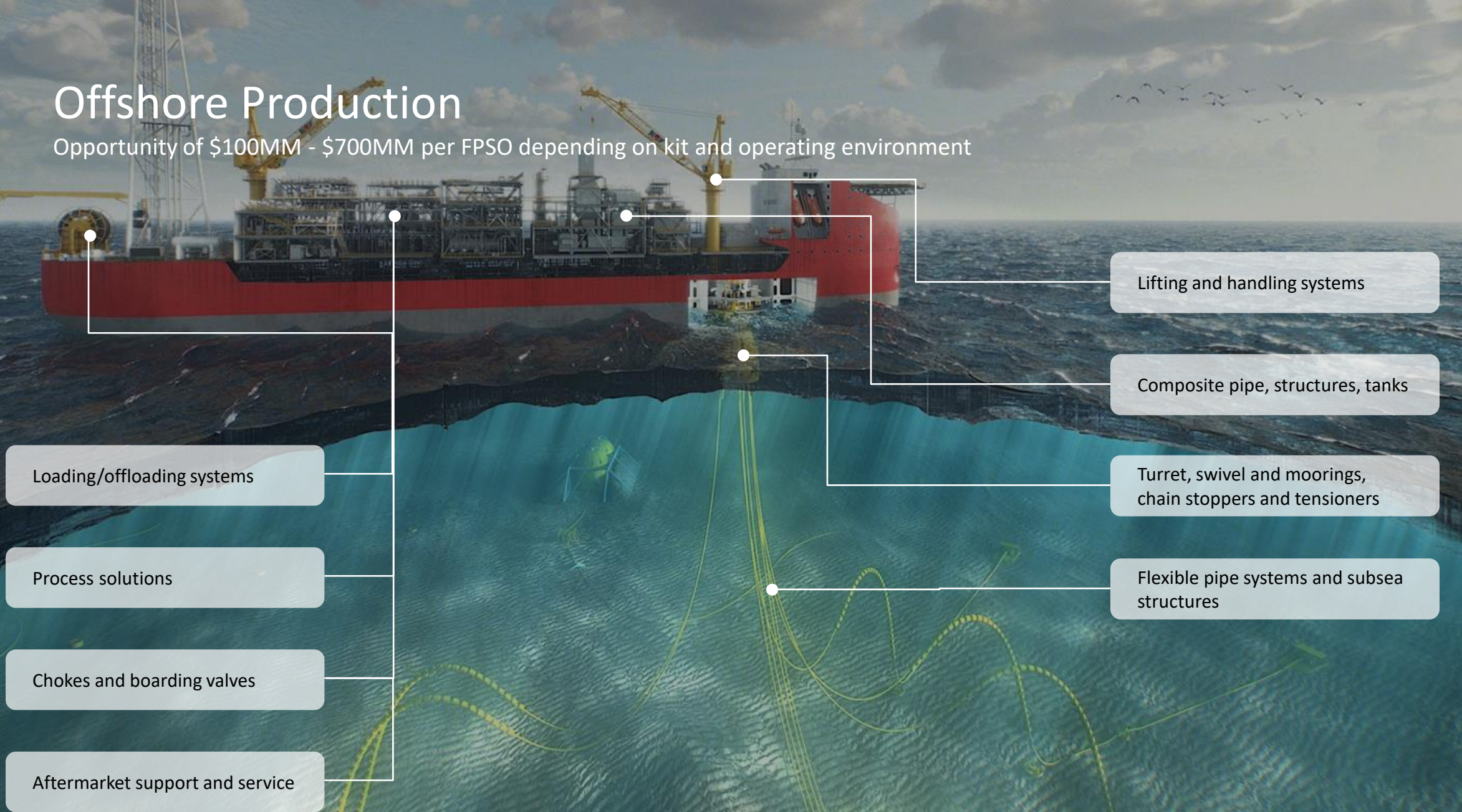
## **Awarded order for MEG recovery and solids separation systems for a Middle East gas treatment facility**

The monoethylene glycol (MEG) system will enable efficient recovery of hydrate inhibitors used to support production flowline integrity while the proprietary solids separation technology will remove production-related contaminants enhancing field productivity and operational efficiency.



# Offshore Production

Opportunity of \$100MM - \$700MM per FPSO depending on kit and operating environment



# Q4 2024 Consolidated Revenue

\$1.06<sub>B</sub>

Energy Products and Services

\$1.29<sub>B</sub>

Energy Equipment

\$2.31<sub>B</sub>

NOV

Sequential Revenue

6% ↑

Year-on-Year Revenue

1% ↓

Adjusted EBITDA %

16.3%

6% ↑

1% ↓

14.4%

5% ↑

1% ↓

13.1%



54%  
Land



46%  
Offshore



35%  
North America

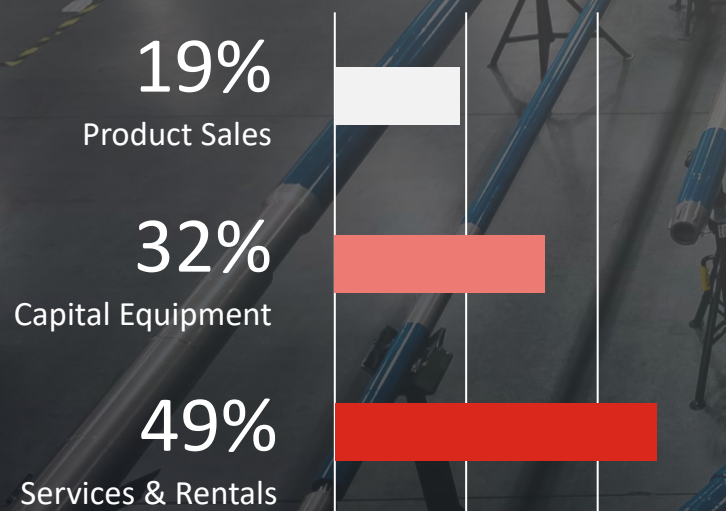


65%  
International

# Energy Products and Services

Provides critical technologies consumed in the drilling and completion processes

## 4Q24 Revenue Streams



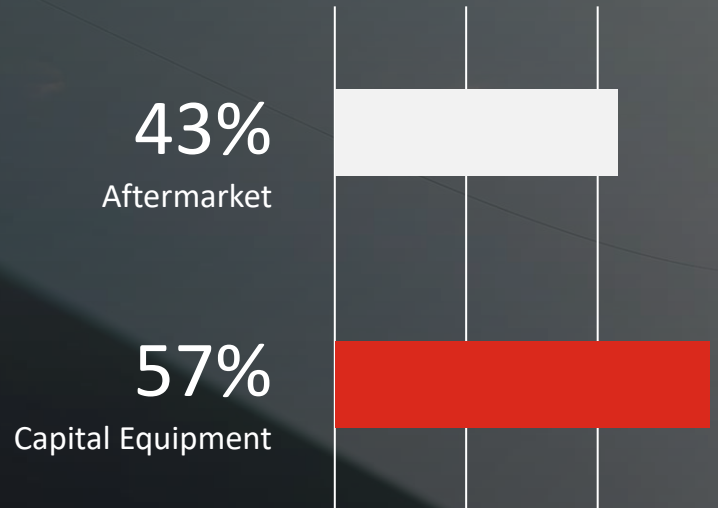
<i>in millions</i>	4Q24	Sequential Variance	Year-Over-Year Variance
Revenue	\$1,060	+6%	(1)%
Adjusted EBITDA	173	+1%	(10)%
Adjusted EBITDA %	16.3%	-80 bps	-170 bps

The decrease in revenue and adjusted EBITDA was primarily due to lower levels of global drilling activity, but this was partially offset by growing adoption of the Company's new technologically advanced product offerings.

# Energy Equipment

Designs, delivers, and supports advanced drilling, completion, and production solutions

## 4Q24 Revenue Streams



<i>in millions</i>	4Q24	Sequential Variance	Year-Over-Year Variance
<b>Revenue</b>	\$1,287	+6%	(1)%
<b>Adjusted EBITDA</b>	185	+16%	+26%
<b>Adjusted EBITDA %</b>	14.4%	+140 bps	+310 bps
<b>Ending Backlog</b>	4,428	(1)%	+7%
<b>Orders, net</b>	757	21%	Flat
<b>Book-to-Bill</b>	121%		

Profitability improved due to strong execution on higher margin projects from the segment's backlog.

# Capital Allocation



<sup>1</sup> Supplemental dividend is expected to be paid annually beginning in May 2025 to coincide with the annual shareholders meeting subject to the approval of the board of directors.

<sup>2</sup> Excess Free Cash Flow is defined as cashflow from operations less capital expenditures and other investments, including acquisitions and divestitures.

**NOV expects to return at least 50% of Excess Free Cash Flow<sup>2</sup>**

# Outlook: Q1 2025 Outlook

## Year-Over-Year (Q1'24 vs Q1'25)

<b>NOV</b>	Revenue	Down one to three percent
	Adj. EBITDA	\$235 million - \$265 million
<b>EPS</b>	Revenue	Flat to down two percent
	Adj. EBITDA	\$145 million - \$165 million
<b>EE</b>	Revenue	Down three to five percent
	Adj. EBITDA	\$135 million - \$150 million

Guidance is based on current outlook and plans and is subject to a number of known and unknown uncertainties and risks and constitutes "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934 as further described under "Safe Harbor / Forward Looking Statements / Non-GAAP Financial Measures". Actual results may differ materially from the guidance set forth above.

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**We power the  
industry that  
powers the world.**

**34k**

Employees<sup>1</sup>

**\$8.87B**

FY 2024  
Revenue

**551**

Locations

**\$1.11B**

FY 2024  
Adjusted EBITDA

**59**

Countries

**\$953MM**

FY 2024  
Free cash flow

<sup>1</sup> Full time equivalent workers.

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# Appendix

# Reconciliation of Net Income to Adjusted EBITDA (Unaudited)

in millions

	Three Months Ended			Year Ended	
	December 31,		September 30,	December 31,	
	2024	2023	2024	2024	2023
<b>Revenue:</b>					
Energy Products and Services	\$ 1,060	\$ 1,073	\$ 1,003	\$ 4,130	\$ 4,077
Energy Equipment	1,287	1,305	1,219	4,888	4,669
Eliminations	(39)	(35)	(31)	(148)	(163)
Total revenue	<u>2,308</u>	<u>2,343</u>	<u>2,191</u>	<u>8,870</u>	<u>8,583</u>
<b>Adjusted EBITDA:</b>					
Energy Products and Services	\$ 173	\$ 193	\$ 172	\$ 703	\$ 742
Energy Equipment	185	147	159	605	464
Eliminations and corporate costs	(56)	(46)	(45)	(198)	(205)
Total Adjusted EBITDA	<u>\$ 302</u>	<u>\$ 294</u>	<u>\$ 286</u>	<u>\$ 1,110</u>	<u>\$ 1,001</u>
<b>Adjusted EBITDA %:</b>					
Energy Products and Services	16.3%	18.0%	17.1%	17.0%	18.2%
Energy Equipment	14.4%	11.3%	13.0%	12.4%	9.9%
Eliminations and corporate costs	—	—	—	—	—
Total Adjusted EBITDA %	<u>13.1%</u>	<u>12.5%</u>	<u>13.1%</u>	<u>12.5%</u>	<u>11.7%</u>
<b>Reconciliation of Adjusted EBITDA:</b>					
GAAP net income attributable to Company	\$ 160	\$ 598	\$ 130	\$ 635	\$ 993
Noncontrolling interests	1	(3)	—	—	(8)
Provision (benefit) for income taxes	38	(460)	44	196	(373)
Interest expense	24	23	21	91	88
Interest income	(11)	(7)	(11)	(38)	(28)
Equity (income) loss in unconsolidated affiliate	1	(18)	—	(36)	(119)
Other (income) expense, net	(6)	28	10	28	98
(Gain)/loss on sales of fixed assets	—	1	1	—	(3)
Depreciation and amortization	88	77	86	343	302
Other Items, net:	7	55	5	(109)	51
Total Adjusted EBITDA	<u>\$ 302</u>	<u>\$ 294</u>	<u>\$ 286</u>	<u>\$ 1,110</u>	<u>\$ 1,001</u>

# Reconciliation of Cash Flows from Operating Activities to Free Cash Flow (Unaudited)

*in millions*

	Three Months Ended	Years Ended	
	December 31,	December 31,	
	2024	2024	2023
Total cash flows provided by operating activities	\$ 591	\$ 1,304	\$ 143
Capital expenditures	(118)	(351)	(283)
Free Cash Flow	<u>\$ 473</u>	<u>\$ 953</u>	<u>\$ (140)</u>
Business acquisitions, net of cash acquired	(46)	(298)	(22)
Business divestitures, net of cash disposed	-	176	-
Excess Free Cash Flow	<u>\$ 427</u>	<u>\$ 831</u>	<u>\$ (162)</u>

