



# Investor Presentation

March 2018

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Market and technology leader  
committed to lowering  
the industry's  
marginal cost per barrel



Market **LEADERSHIP**

Sustainable **COMPETITIVE ADVANTAGE**

**ENTREPRENEURIAL** culture

Dependable **PARTNER**

**LOW CAPITAL-INTENSITY** business

# The oilfield's leading independent provider of technology and equipment



36K employees<sup>1</sup>



\$14.2B market capitalization



612 locations



\$7.3B annual revenue



65 countries



\$611M adjusted EBITDA<sup>2</sup>

Note:

1) Includes contingent workers

2) See reconciliation of Adjusted EBITDA to Net Income in Form 10-K on file with U.S. Securities and Exchange Commission

# FY 2017 Revenues

Rig Technologies

\$2.3B

Wellbore Technologies

\$2.6B

Completion & Production Solutions

\$2.7B



44%

NORTH AMERICA



65%

LAND

Note: "North America" refers to US and Canada. North America and Land splits refer to 4Q 2017 revenue

# Wellbore Technologies

Provides critical technologies consumed in drilling process

**\$715MM**

Q4 REVENUE

**15.0%**

Q4 Adjusted EBITDA<sup>1</sup>

**59% QOQ INCREMENTALS** on 3% top-line growth

Driven by **FOOTAGE DRILLED**

First sale of IntelliServ wired pipe to **LAND DRILLING CONTRACTOR**

Note:

1) See reconciliation of Adjusted EBITDA to Net Income in Form 10-K on file with U.S. Securities and Exchange Commission

# Completion & Production Solutions

Provides critical technologies to complete wells and enhance their productivity

**\$690MM**

Q4 REVENUE

**10.7%**

Q4 Adjusted EBITDA<sup>1</sup>

**30% YOY INCREMENTALS** on 19% top-line growth

**BACKLOG (>\$1B)** at highest level since 2015

Stimulation equipment demand driven by **COMPLETION INTENSITY**

Note:

1) See reconciliation of Adjusted EBITDA to Net Income in Form 10-K on file with U.S. Securities and Exchange Commission

# Rig Technologies

Designs, delivers, and supports the world's most advanced drilling solutions

**\$614MM**

Q4 REVENUE

**11.4%**

Q4 Adjusted EBITDA<sup>1</sup>

**29% QOQ INCREMENTALS** on 20% top-line growth

**NOVOS™** control system automation **EXPANDING TO OFFSHORE**

Unique opportunities to sell to **WORLD'S LARGEST INSTALLED BASE**

Note:

1) See reconciliation of Adjusted EBITDA to Net Income in Form 10-K on file with U.S. Securities and Exchange Commission



# Supporting wells across their lifecycle



Unmatched  
cross-segment capabilities,  
scope, and scale  
to develop technologies  
that meet our customers'  
needs

# Pursuit of purposeful innovation to lower the industry's marginal cost per barrel



**AUTOMATION**



**CONDITION BASED MONITORING**



**HORIZONTAL DRILLING**



**MULTI-STAGE COMPLETIONS**



**DEEPWATER ADVANCEMENTS**

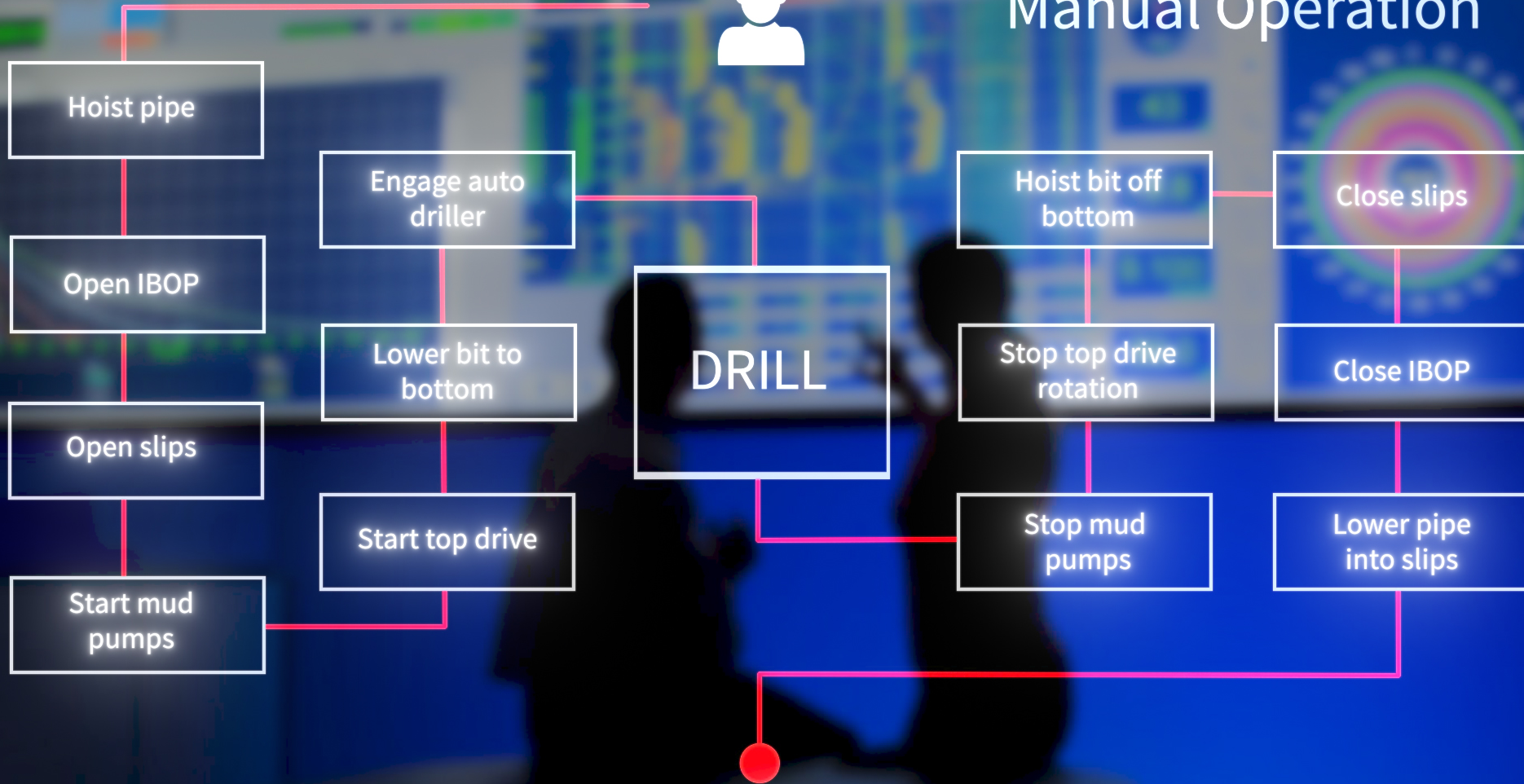
# The future is here

Automation





# Manual Operation



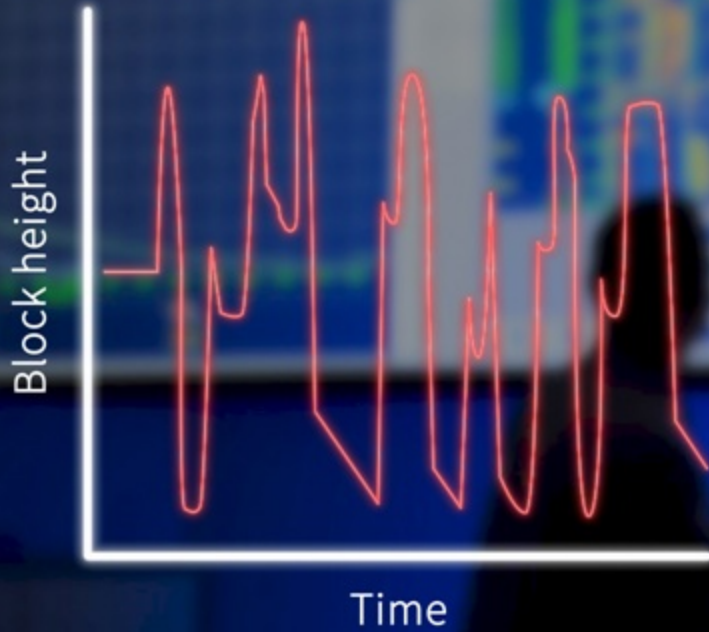
# NOVOS™ Operation



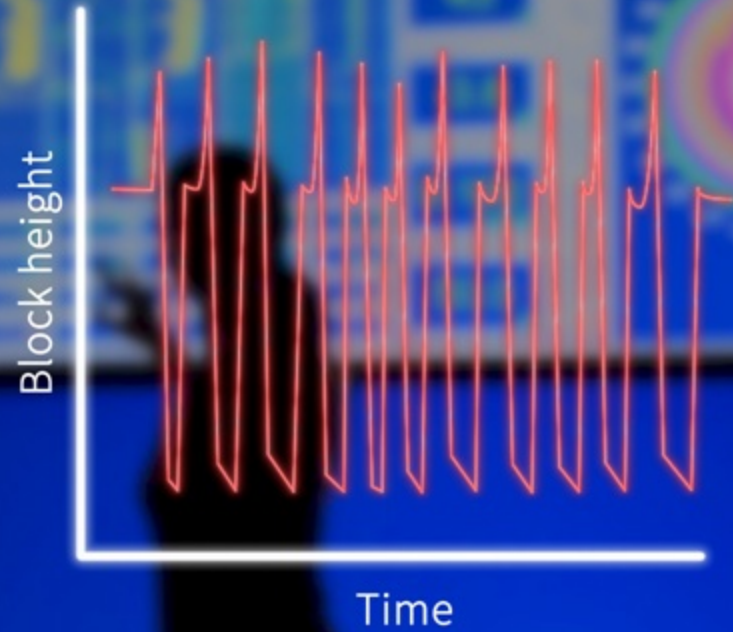
DRILL



# Tagging **bottom**

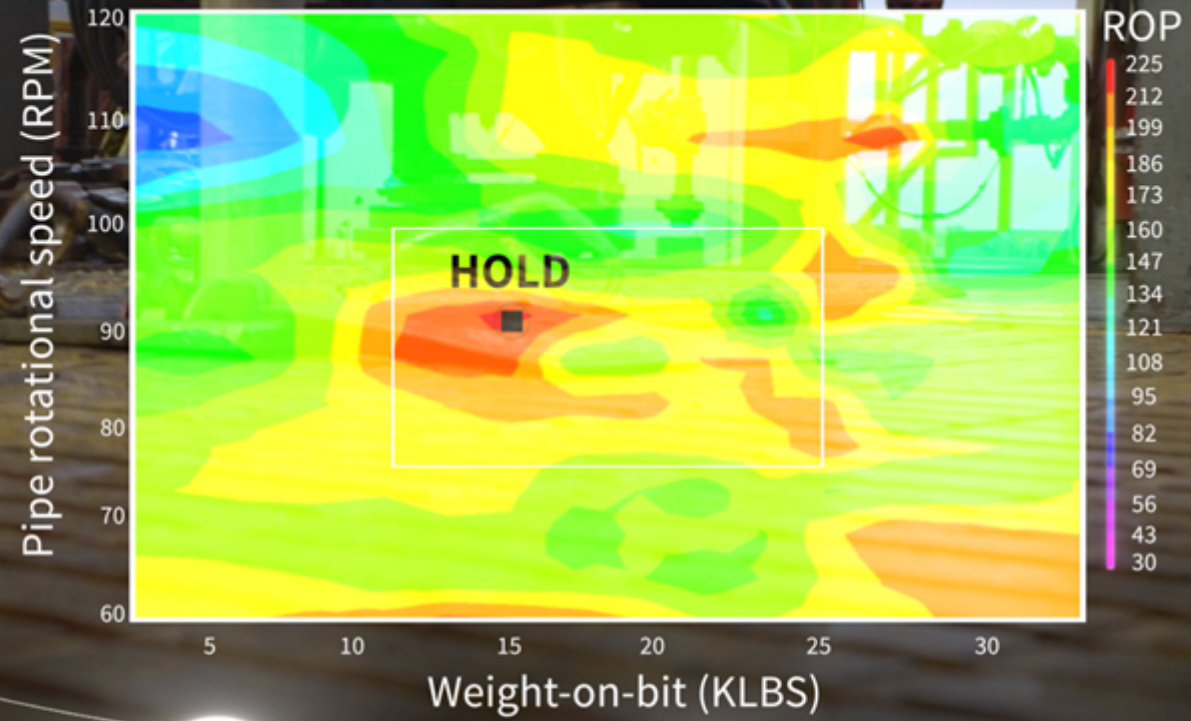


Driller | **5 cycles in 20 minutes**



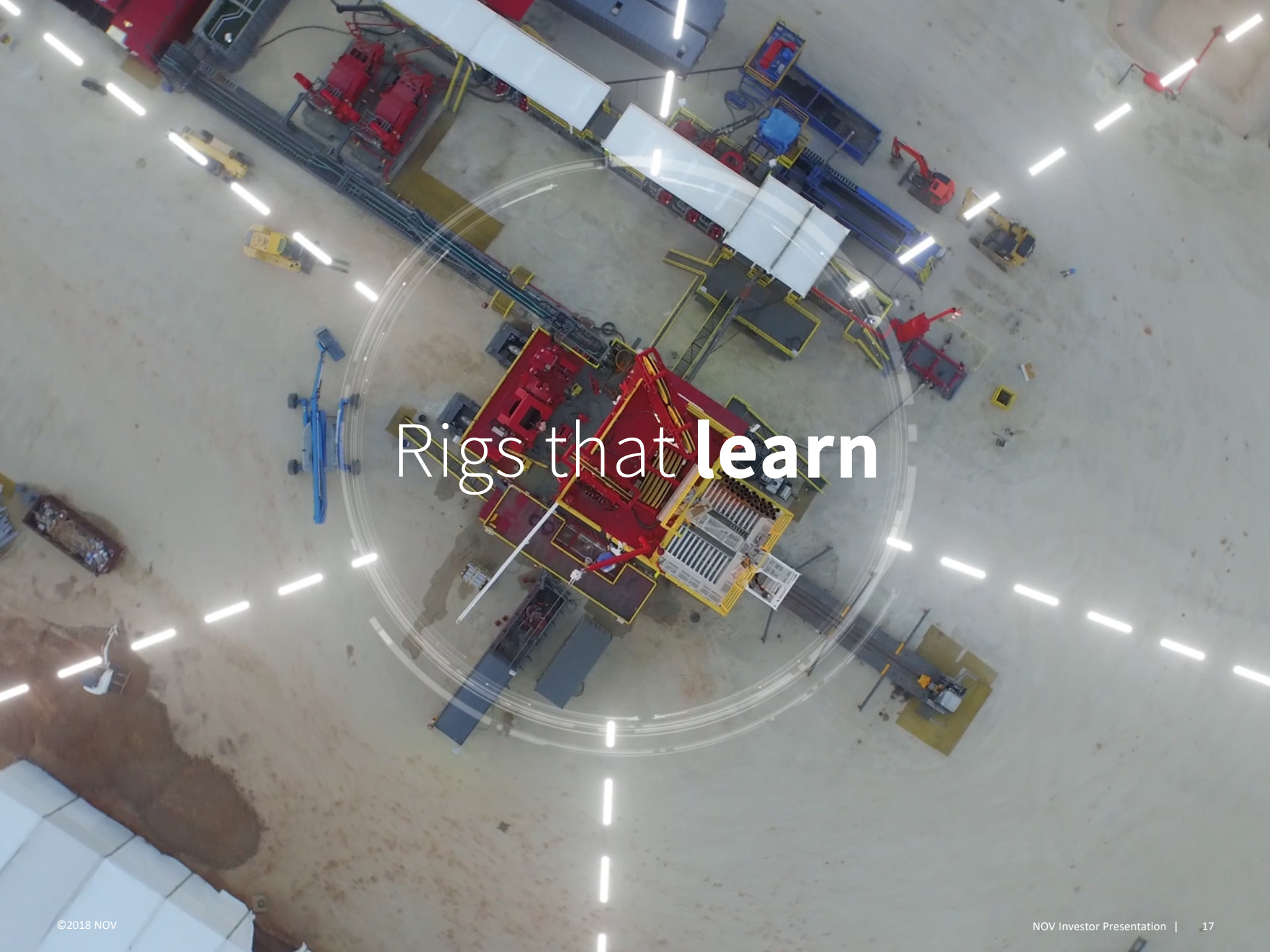
NOVOS™ | **11 cycles in 20 minutes**

# Automation and real-time, broad-band data transmission enable optimization



## Big data algorithms drive drilling efficiencies





# Rigs that **learn**

①

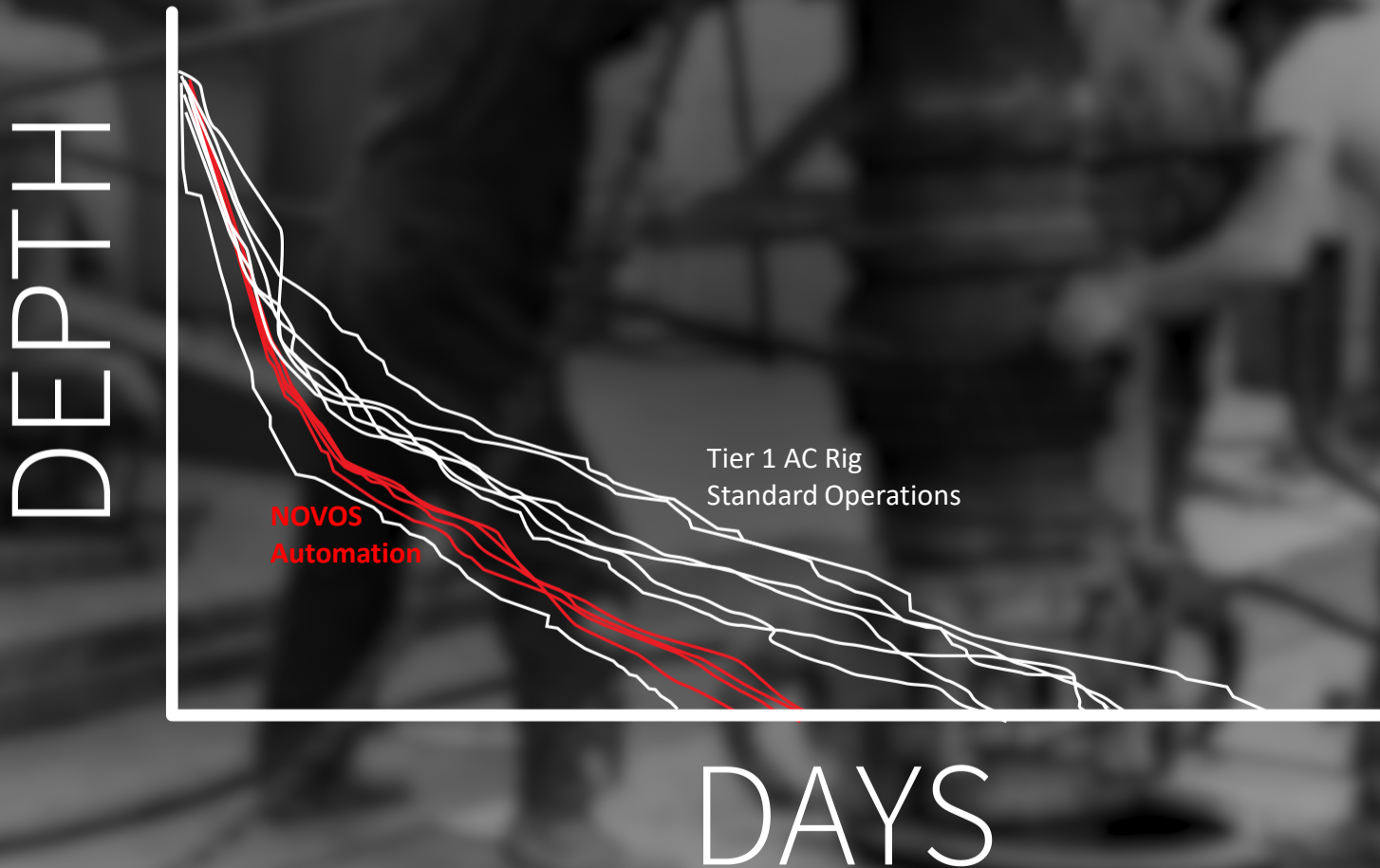
efficiency

②

repeatability

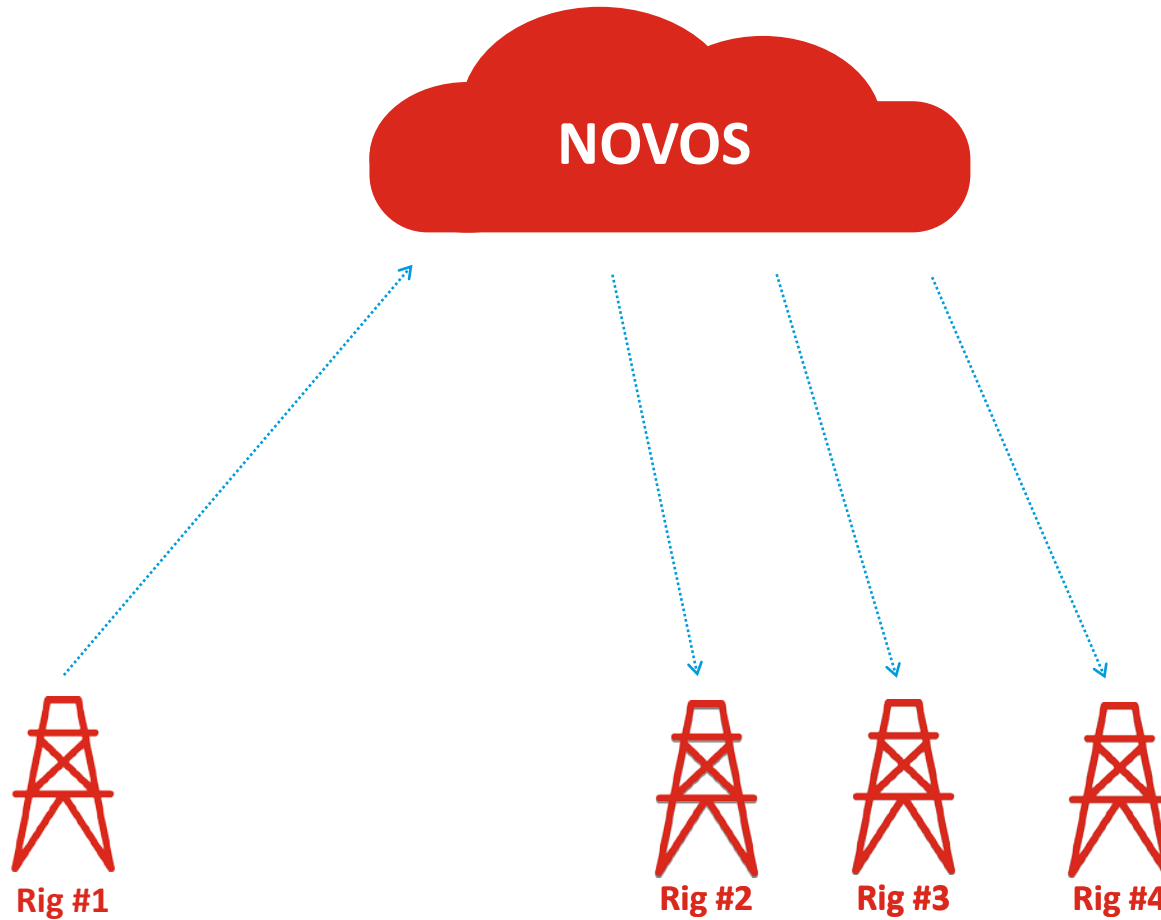
③

reliability



# Field Optimization

Distribute learnings from one well to fleet



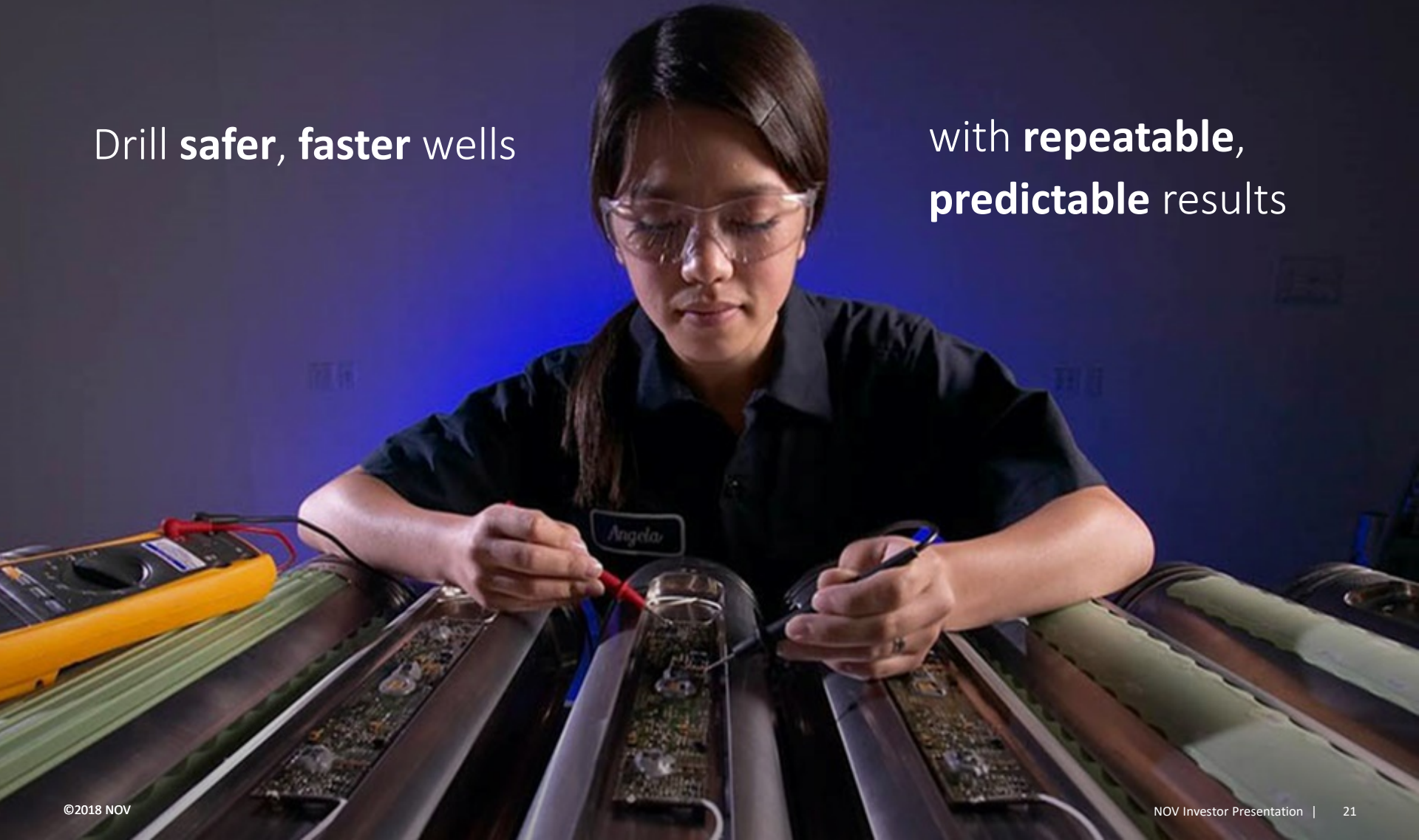
An aerial photograph of an industrial site at dusk. In the center, a tall drilling rig stands illuminated by ground lights. Two large, glowing dashed white arcs are superimposed on the sky, framing the rig. The background shows a dark landscape with some buildings and trees under a twilight sky.

# Rigs that **Teach**

# NOV automation, telemetry, and big data solutions

Drill **safer, faster** wells

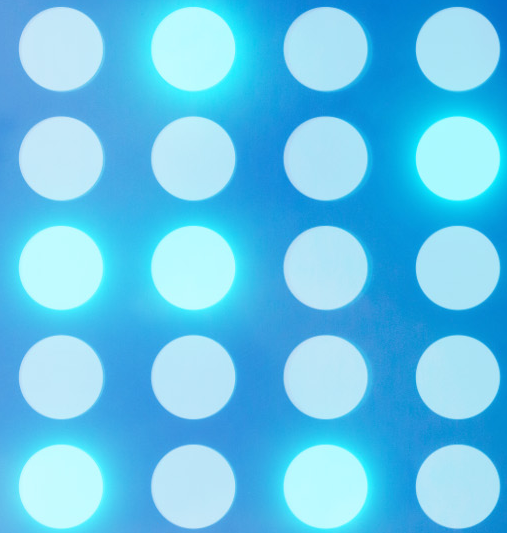
with **repeatable,**  
**predictable** results



# Predictive analytics to **maximize uptime**

Condition Based  
Monitoring





# CONDITION

Avoid Cliff Events

Lower Ownership Costs

Increase Time in Service



← Equipment Overview

Dashboard

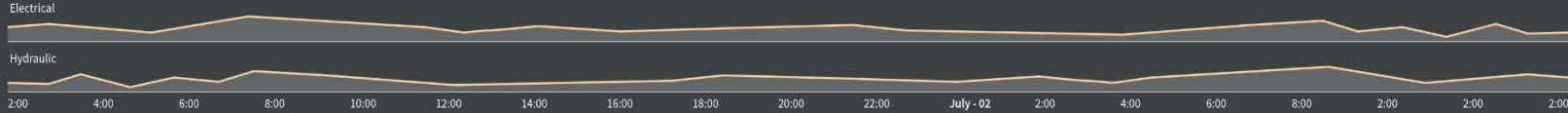
System Functions

Trend Tool

Readback

Reports

Panels



WELLBORE STATUS RETRACTED

STACK

Temperature: 200 °F (Range: 32-350)

Pressure: 150 PSI (Range: 0-300)

LMRP

Temperature: 200 °F (Range: 32-350)

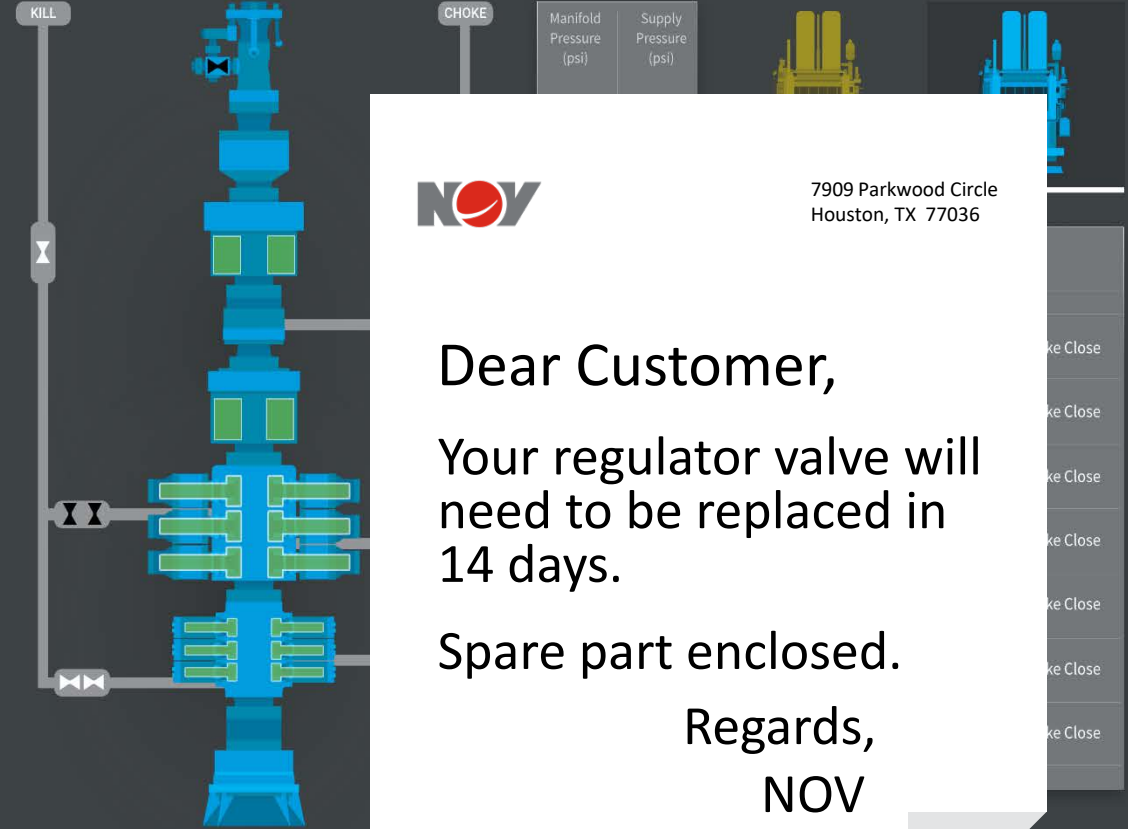
Pressure: 150 PSI (Range: 0-300)

SYSTEM STATUS

EMERGENCY	
EDS1	<span style="color: green;">●</span>
EDS2	<span style="color: orange;">●</span>
EDS3	<span style="color: orange;">●</span>
ELECTRICAL	<span style="color: orange;">●</span> ▾
HYDRAULIC	<span style="color: orange;">●</span> ▾

LEGEND

- Fault
- No Fault
- Open
- Open Blocked
- Closed
- Closed Block
- No Data

7909 Parkwood Circle  
Houston, TX 77036

Dear Customer,

Your regulator valve will need to be replaced in 14 days.

Spare part enclosed.

Regards,  
NOV



**Industry's first**  
commercial BOP  
predictive analytics  
product

Over  
**30**  
warning  
notifications

# Unparalleled **installed base** and **equipment expertise**

**3,800** Top drives

**500** AC Drawworks

**2,500** Iron roughnecks

**750** Control systems

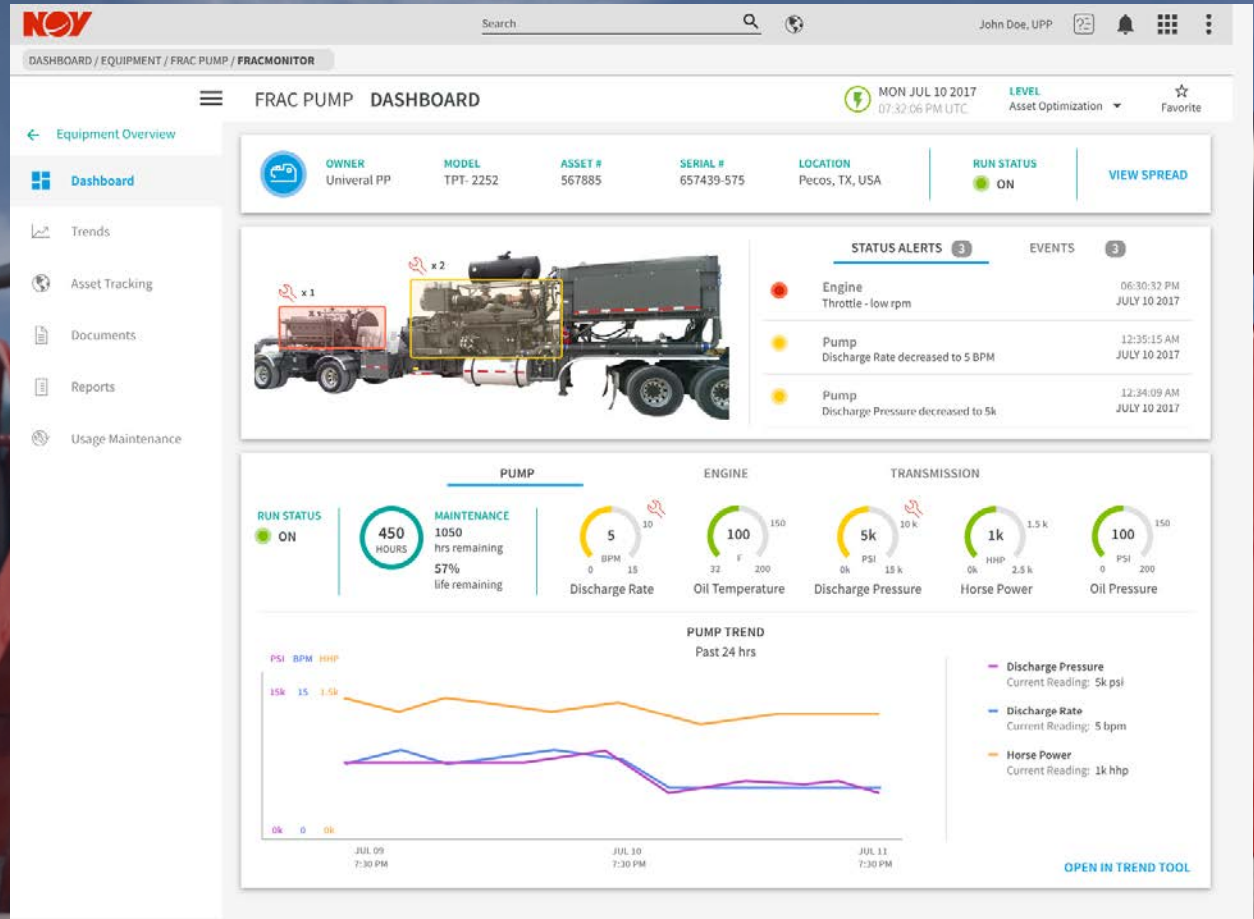
**6,100** Mud pumps

Expanding capabilities across **rig equipment...**

**22**

**Predictable  
failure modes**

# ...and everywhere our customers depend on us

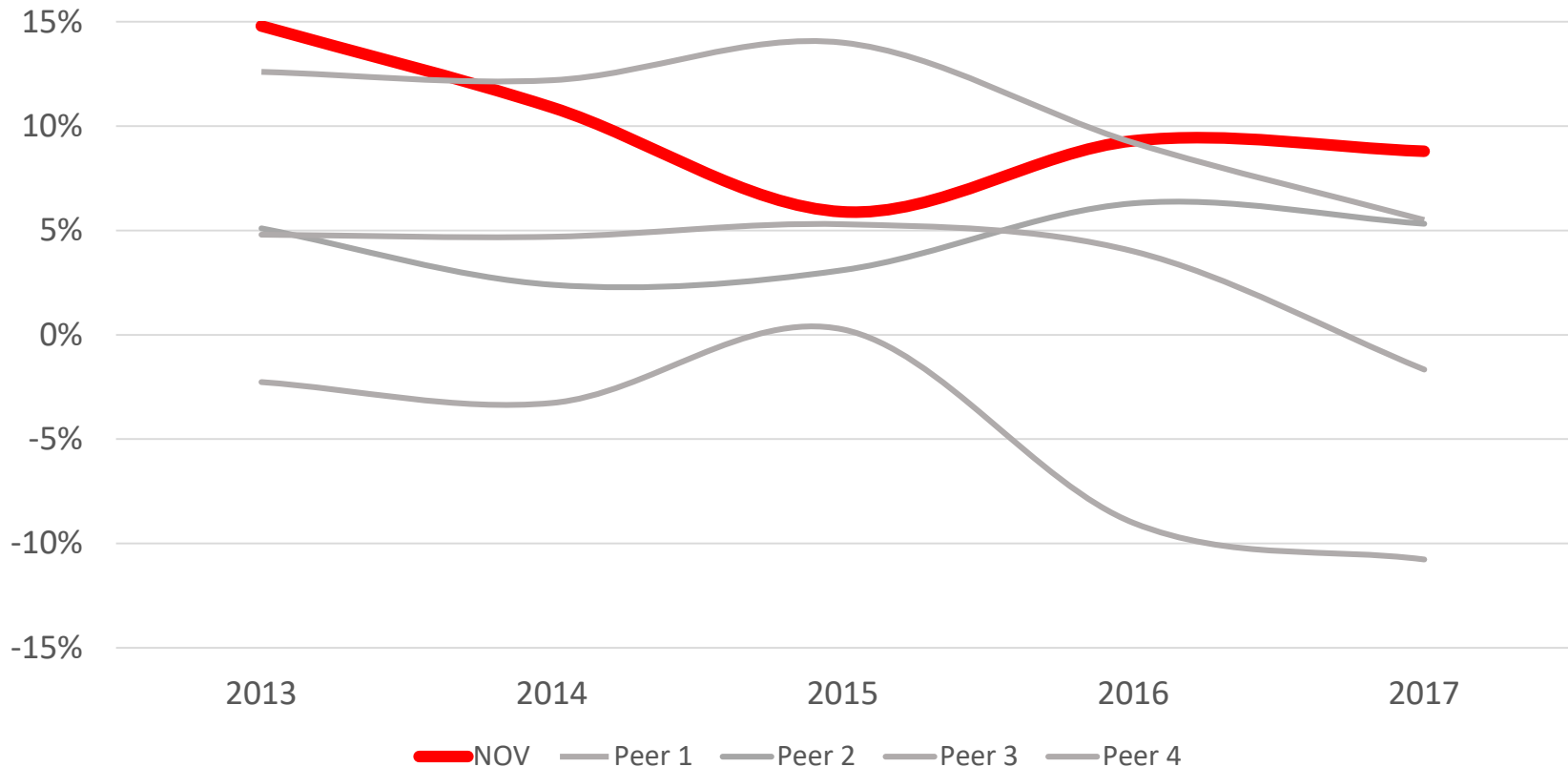


Reinvesting in attractive growth opportunities to grow technology leadership...

# ... and drive shareholder value

FCF as a % of Revenue

**NOV** v. Big Four



FCF defined as CFFO less capital investments excluding acquisitions

Big Four includes legacy BHGE, HAL, SLB, WFT

Source: Company filings

# Strong balance sheet with ample liquidity provides flexibility

\$832MM	cash flow from operations
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\$1.4B	cash
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BBB+	debt rating
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\$4.4B	liquidity
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16%	debt-to-capitalization
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# Capital Allocation Priorities

Disciplined approach to generating ROCE

1. Optimize Capital Structure / Manage Debt
2. Organic Investments
3. Opportunistic M&A
4. Share Repurchase or Dividend





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