

# NOV Inc.

## First Quarter 2024 Earnings Presentation

April 26, 2024



# Safe Harbor / Forward Looking Statements

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 for the quarter, 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.

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 of the image, creating a lens flare. The machinery consists of a complex network of pipes, valves, and structural beams.

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.**

# Q1 2024 Consolidated Results<sup>1</sup>

**\$2.16<sub>B</sub>**

Revenue  
+10% YoY

**\$241<sub>MM</sub>**

Adjusted EBITDA<sup>2</sup>  
*11.2% Margin*

**\$119<sub>MM</sub>**

Net Income  
*\$0.30 Fully diluted earnings per  
share*

“NOV’s first quarter EBITDA and EBITDA margin were its highest in nine years, and overall, it was a solid start to 2024.”

-Clay Williams, Chairman, President, and CEO

<sup>1</sup> Form 10-Q for the quarter ended March 31, 2024.

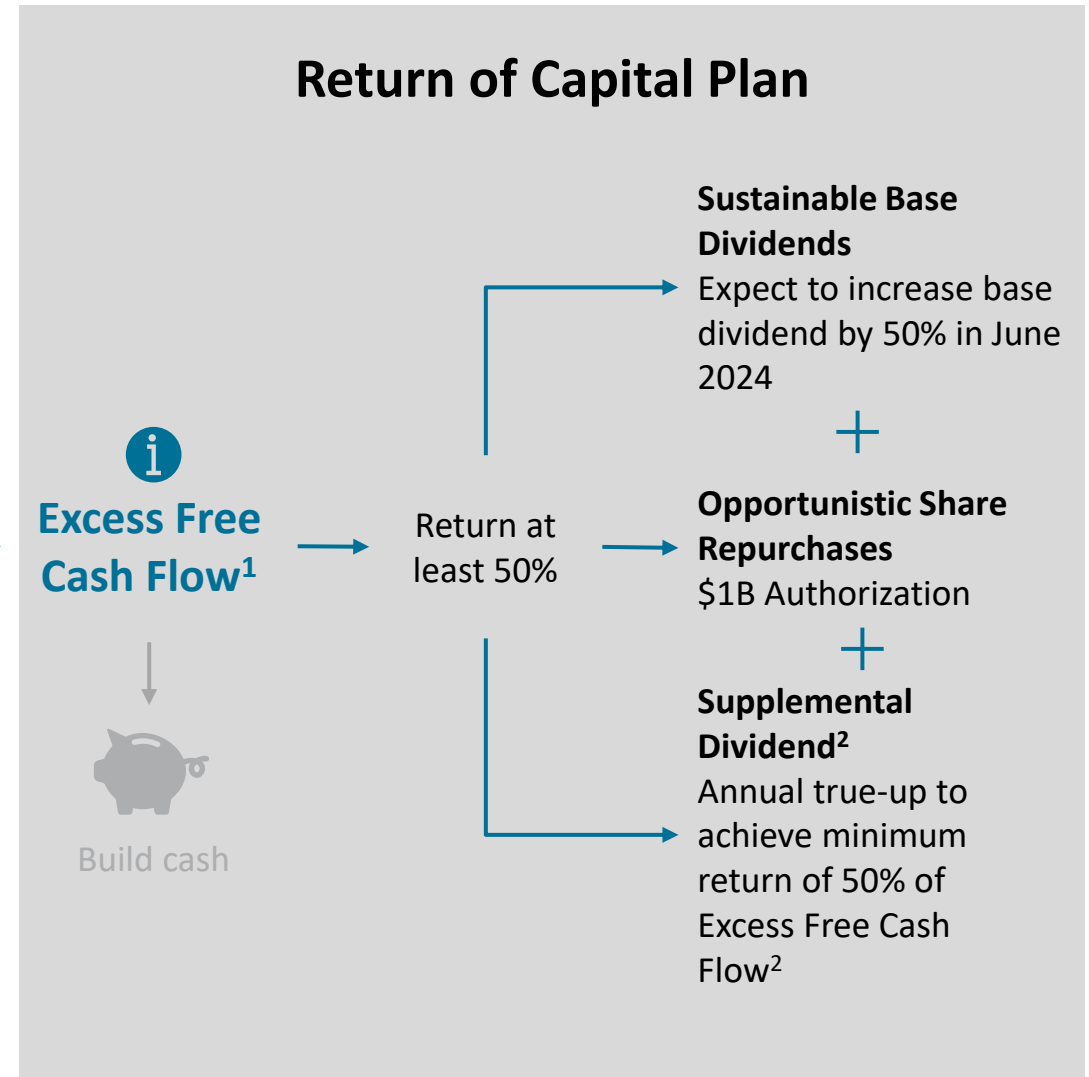
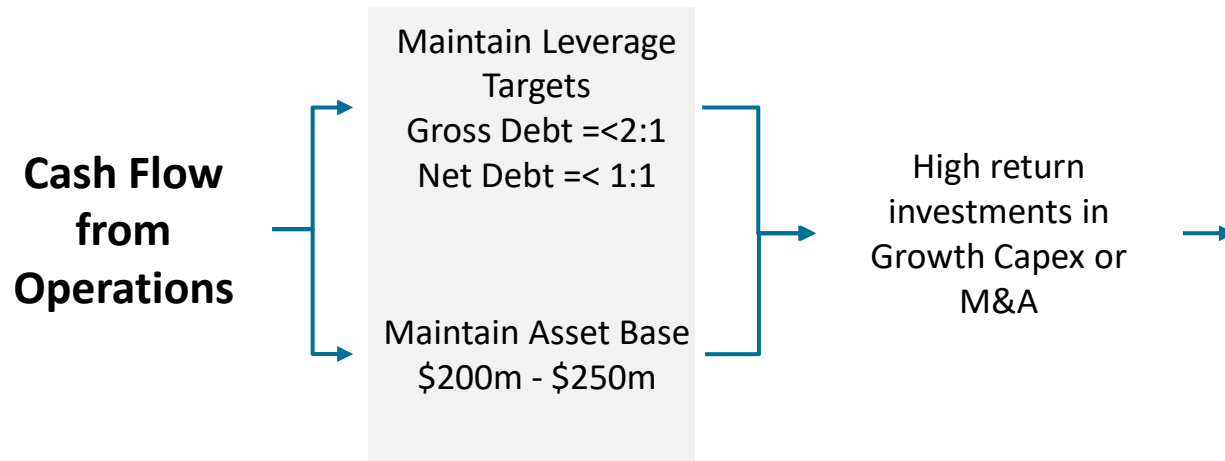
<sup>2</sup> Adjusted EBITDA is a non-GAAP financial measure. See appendix for a reconciliation to the nearest GAAP measure.

© 2024 NOV Inc. All rights reserved.

NOV expects to  
**return at least 50% of Excess Free Cash Flow\* annually**  
through base dividends, share repurchases, and supplemental dividends.

\*Cash flow from operations *less* capital expenditures and other investments, including acquisitions

# NOV Expects to Return at Least 50% of Excess Free Cash Flow<sup>1</sup> to Shareholders



<sup>1</sup> Excess Free Cash Flow is defined as cashflow from operations less capital expenditures and other investments, including acquisitions

<sup>2</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.

© 2024 NOV Inc. Proprietary and confidential.

A large, light grey curved line on the left side of the slide acts as a bracket, grouping the two business segments. Two short horizontal lines extend from the inner curve of this bracket to the left of the text labels.

Energy Products & Services

Energy Equipment

# Q1 2024 Consolidated Results<sup>1</sup>

\$1.02<sub>B</sub>

Energy Products and Services

\$1.18<sub>B</sub>

Energy Equipment

\$2.16<sub>B</sub>

NOV

Year-Over-Year  
Revenue

8%

Adjusted  
EBITDA %

17.1%

12%

10.1%

10%

11.2%



56%  
Land



44%  
Offshore



39%  
North America



61%  
International

<sup>1</sup> Form 10-Q for the quarter ended March 31, 2024.



# Energy Products and Services

**\$1.02<sub>B</sub>**

Q1 2024 Revenue

**17.1%**

Q1 2024 Adjusted EBITDA %

*in millions*

	1Q24	Sequential Variance	Year-Over-Year Variance
Revenue	\$1,017	(5)%	+8%
Adjusted EBITDA	174	(10)%	+13%
Adjusted EBITDA %	17.1%	-90 bps	+70 bps

Growing demand from international and offshore markets in addition to market share gains in North America helped drive improved revenue and profitability.

# Energy Products and Services

49%  
Service & Rental



31%  
Capital Equipment

20%  
Product Sales

# Energy Equipment

**\$1.18<sub>B</sub>**

Q1 2024 Revenue

**10.1%**

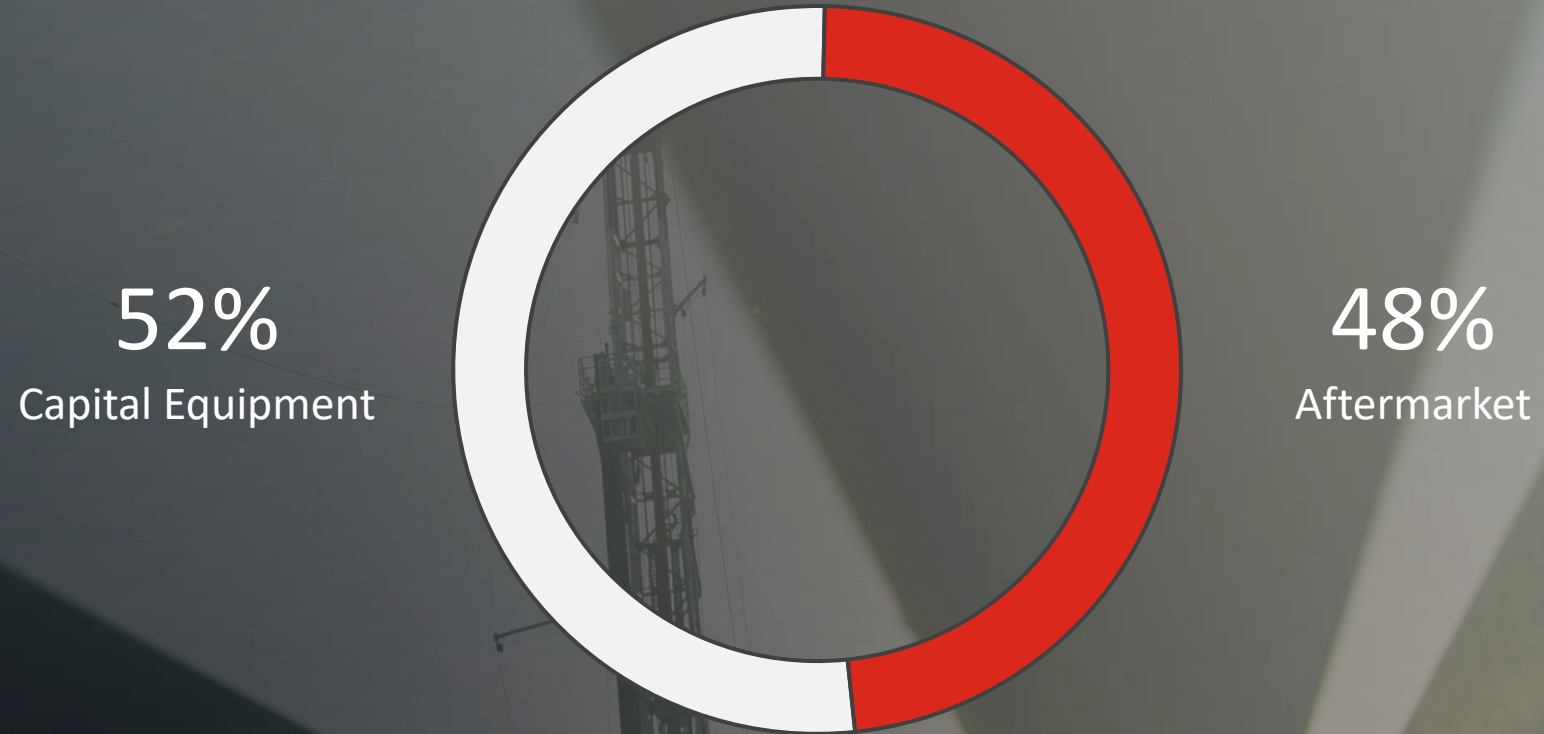
Q1 2024 Adjusted  
EBITDA %

<i>in millions</i>	1Q24	Sequential Variance	Year-Over-Year Variance
Revenue	\$1,178	(10)%	+12%
Adjusted EBITDA	119	(19)%	+27%
Adjusted EBITDA %	10.1%	-120 bps	+120 bps
Ending Backlog	3,955	(5)%	+3%
Orders, net	390	(48)%	(23)%
Book-to-Bill	77%		

Improved revenue and profitability were primarily the result of strong execution on the segment's capital equipment backlog and improved demand for aftermarket products and services.

Ending backlog increased \$115MM year-over-year and outlook for capital equipment remains positive.

# Energy Equipment



# Q1 2024 Significant Achievements

## **NOV's Kaizen™ enabled a customer's rig automation project to win leading operator's Engineering Excellence Award**

The customer reported that all Kaizen-enabled wells surpassed benchmark performance in lateral drilling, with 75% exceeding benchmarks in intermediate drilling. The Kaizen application preemptively addresses operational challenges and improves the rate of penetration using artificial intelligence.

---

## **Awarded a contract for a green hydrogen deoxygenation and dehydration package**

NOV's first order for hydrogen treatment technologies was received after completing an extensive engineering process study for treating hydrogen gas downstream from an electrolyzer. With more than 35 years of gas processing and treatment experience, NOV is well positioned for future opportunities within the budding hydrogen market.

---

## **Awarded an order for 20,000 psi (20K) subsea equipment for an ultra-deepwater drillship**

NOV's success in securing contracts for all 20K BOP stacks ordered to date is based on our ability to deliver ground-breaking technology and execute projects that support customers' and end users' requirements, including reaching previously inaccessible reservoirs.



# Outlook: Q2 2024 and FY 2024

## Year-Over-Year (2Q'23 vs 2Q'24)

<b>NOV</b>	Revenue	Improve 1% - 5%
	Adj. EBITDA	In the range of \$260MM to \$280MM
<b>EPS</b>	Revenue	Improve 1% - 5%
	Adj. EBITDA	In the range of \$180 - \$190
<b>EE</b>	Revenue	Improve 1% - 5%
	Adj. EBITDA	In the range of \$135 - \$145

## Year-Over-Year (FY'23 vs FY'24)

<b>NOV</b>	Revenue	Growth in the mid-single digit percent range
	Adj. EBITDA	In the range of \$1.10B to \$1.25B
	Capex	\$330MM

<sup>1</sup> 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". Actual results may differ materially from the guidance set forth above.

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

**34k**

Employees<sup>1</sup>

**\$8.2B**

Enterprise value<sup>2</sup>

**548**

Locations

**\$8.6B**

2023 Full year revenue

**61**

Countries

**\$1.0B**

2023 Full year adjusted  
EBITDA

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

<sup>2</sup> Enterprise value recorded as of April 24, 2024.

A large, light grey arc that starts at the top left, curves downwards and to the right, and then curves back up towards the right. A short horizontal line connects the right side of this arc to the word 'Appendix'.

# Appendix



# Reconciliation of Adjusted EBITDA to Net Income (Unaudited)

(Continued on next page)

*in millions*

## Operating profit:

Energy Products and Services  
Energy Equipment  
Eliminations and corporate costs

Total operating profit

## Other items, net:

Energy Products and Services  
Energy Equipment  
Corporate

Total other items

## (Gain)/loss on sales of fixed assets

Energy Products and Services  
Energy Equipment  
Corporate

Total (gain)/loss on sales of fixed assets

## Depreciation & amortization:

Energy Products and Services  
Energy Equipment  
Corporate

Total depreciation & amortization

## Adjusted EBITDA:

Energy Products and Services  
Energy Equipment  
Eliminations and corporate costs

Total adjusted EBITDA

## Adjusted EBITDA margin:

Energy Products and Services  
Energy Equipment  
Corporate

Total adjusted EBITDA margin

	Three Months Ended			Year Ended
	March 31,		December 31,	December 31,
	2024	2023	2023	2023
<b>Operating profit:</b>				
Energy Products and Services	\$ 121	\$ 112	\$ 94	\$ 507
Energy Equipment	95	71	121	371
Eliminations and corporate costs	(54)	(57)	(54)	(227)
<b>Total operating profit</b>	<b>\$ 162</b>	<b>\$ 126</b>	<b>\$ 161</b>	<b>\$ 651</b>
<b>Other items, net:</b>				
Energy Products and Services	\$ -	\$ -	\$ 50	\$ 53
Energy Equipment	(4)	(4)	(1)	(14)
Corporate	1	-	6	12
<b>Total other items</b>	<b>\$ (3)</b>	<b>\$ (4)</b>	<b>\$ 55</b>	<b>\$ 51</b>
<b>(Gain)/loss on sales of fixed assets</b>				
Energy Products and Services	\$ (1)	\$ (3)	\$ 1	\$ (1)
Energy Equipment	-	(2)	-	(3)
Corporate	-	1	-	1
<b>Total (gain)/loss on sales of fixed assets</b>	<b>\$ (1)</b>	<b>\$ (4)</b>	<b>\$ 1</b>	<b>\$ (3)</b>
<b>Depreciation &amp; amortization:</b>				
Energy Products and Services	\$ 54	\$ 45	\$ 48	\$ 183
Energy Equipment	28	29	27	110
Corporate	1	3	2	9
<b>Total depreciation &amp; amortization</b>	<b>\$ 83</b>	<b>\$ 77</b>	<b>\$ 77</b>	<b>\$ 302</b>
<b>Adjusted EBITDA:</b>				
Energy Products and Services	\$ 174	\$ 154	\$ 193	\$ 742
Energy Equipment	119	94	147	464
Eliminations and corporate costs	(52)	(53)	(46)	(205)
<b>Total adjusted EBITDA</b>	<b>\$ 241</b>	<b>\$ 195</b>	<b>\$ 294</b>	<b>\$ 1,001</b>
<b>Adjusted EBITDA margin:</b>				
Energy Products and Services	17.1%	16.4%	18.0%	18.2%
Energy Equipment	10.1%	8.9%	11.3%	9.9%
Corporate	-	-	-	-
<b>Total adjusted EBITDA margin</b>	<b>11.2%</b>	<b>9.9%</b>	<b>12.5%</b>	<b>11.7%</b>

# Reconciliation of Adjusted EBITDA to Net Income (Unaudited)

*in millions*

	Three Months Ended			Year Ended
	March 31,		December 31,	December 31,
	2024	2023	2023	2023
Reconciliation of Adjusted EBITDA:				
GAAP net income attributable to Company	\$ 119	\$ 126	\$ 598	\$ 993
Noncontrolling interests	2	(1)	(3)	(8)
Provision (benefit) for income taxes	44	20	(460)	(373)
Interest expense	24	21	23	88
Interest income	(8)	(8)	(7)	(28)
Equity income in unconsolidated affiliate	(29)	(48)	(18)	(119)
Other expense, net	10	16	28	98
(Gain)/loss on sales of fixed assets	(1)	(4)	1	(3)
Depreciation and amortization	83	77	77	302
Other items, net	(3)	(4)	55	51
Total Adjusted EBITDA	<u>\$ 241</u>	<u>\$ 195</u>	<u>\$ 294</u>	<u>\$ 1,001</u>

