

A low-angle, upward-looking photograph of industrial machinery. On the left, a blue robotic arm with orange joints is visible. On the right, a yellow structure with a vertical shaft and a black grate is prominent. The background shows a white, ribbed ceiling. The text 'NOV Inc.' is overlaid in white on the left side.

NOV Inc.

Third Quarter 2024 Earnings Presentation

October 25, 2024



# 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 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.

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 Adjusted EBITDA to projected net income 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, possibly a pumpjack or similar oilfield equipment, with a bright sun flare in the upper center. The entire image is overlaid with a semi-transparent red filter. The text is centered and written in white.

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.**

# Q3 2024 Consolidated Financial Results

**\$2.19<sub>B</sub>**

Revenue  
+\$6MM YoY

**\$286<sub>MM</sub>**

Adjusted EBITDA<sup>1</sup>  
13.1% Margin

**\$359<sub>MM</sub>**

Cash Flow From Operations  
\$277MM Free Cash Flow<sup>1</sup>

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

# Offshore & International

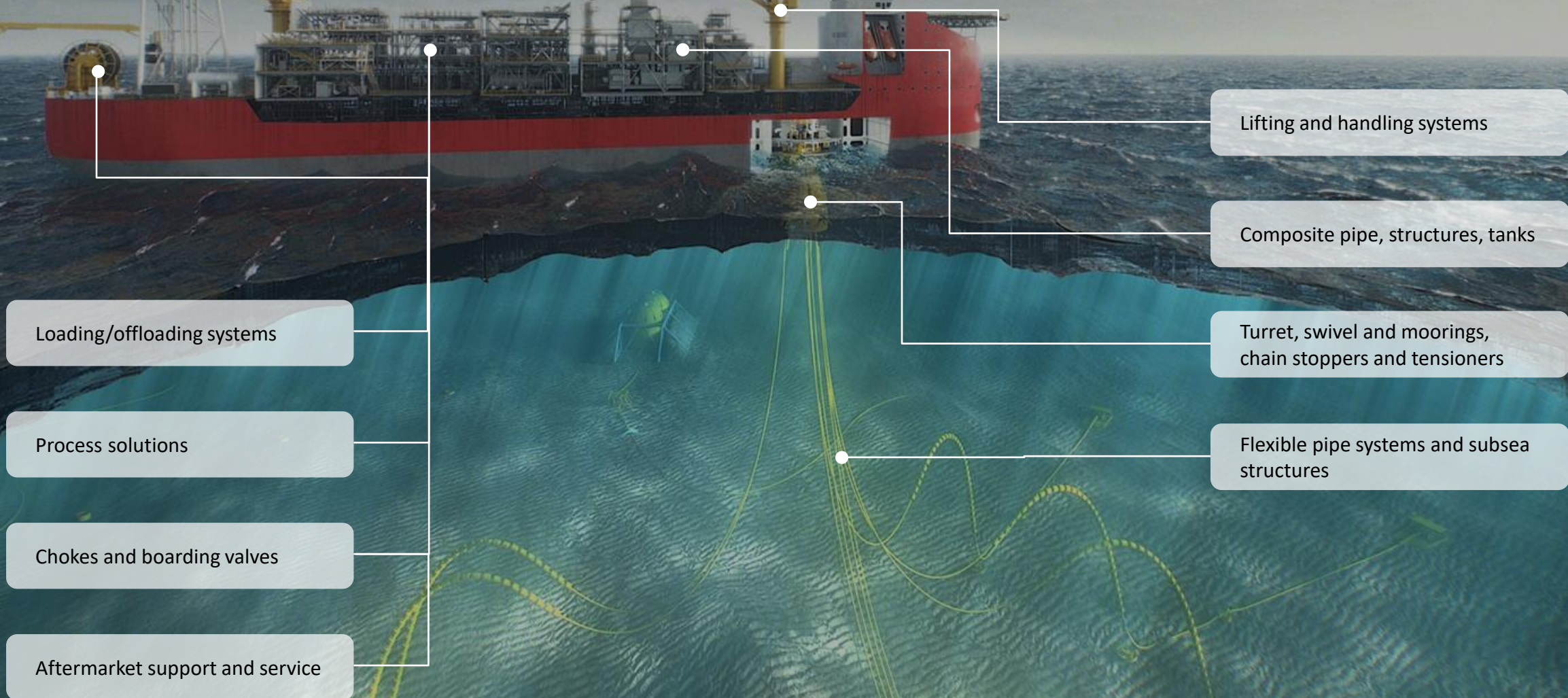
Offshore and international markets continue to recover



<sup>1</sup> For the quarter ended September 30, 2024

# Offshore Production

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



# Q3 Offshore Production Awards

**Awarded large subsea flexible pipe contract and received leading customer service, quality, and safety recognitions**

NOV's Subsea Flexible Pipe business secured an order for 72 km of subsea flexible pipe. Also during the quarter, the business was named the Best Supplier in the Flexible Pipe category at the Rio Oil & Gas conference as well as the Foreign Company of the Year by the American Chamber of Commerce in Denmark.

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**Secured orders for 14 cranes for offshore projects across Asia, Europe, and North America**

Orders include active-heave compensated subsea cranes for new offshore construction vessels and an all-electric crane and several electro-hydraulic cranes for offshore production applications. The orders further solidify NOV's long history as a global leader in providing innovative and reliable crane technologies.



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**Awarded contract to supply spread mooring tensioning systems for two FPSO vessels in Latin America**

NOV was awarded a contract to supply spread mooring tensioning systems for two floating production, storage, and offloading (FPSO) vessels in Latin America. With our extensive expertise and robust offshore production portfolio, NOV is well-positioned to meet the growing demands of the floating production market.

# Q3 2024 Revenue<sup>1</sup>

\$1.00<sub>B</sub>

Energy Products and Services

\$1.22<sub>B</sub>

Energy Equipment

\$2.19<sub>B</sub>

NOV



55%  
Land



45%  
Offshore



37%  
North America



63%  
International

Year-Over-Year  
Revenue

(3)% ↓

Adjusted  
EBITDA %

17.1%

2% ↑

13.0%

\$6<sub>MM</sub> ↑

13.1%

<sup>1</sup> Form 10-Q for the quarter ended September 30, 2024.



# Energy Products and Services

Provides critical technologies consumed in the drilling and completion processes

**\$1.00<sub>B</sub>**

Q3 2024 Revenue

**17.1%**

Q3 2024  
Adjusted EBITDA %

<i>in millions</i>	3Q24	Sequential Variance	Year-Over-Year Variance
<b>Revenue</b>	\$1,003	(4)%	(3)%
<b>Adjusted EBITDA</b>	172	-12mm	-25mm
<b>Adjusted EBITDA %</b>	17.1%	-40 bps	-200 bps

The decrease in revenue and profit was primarily due to lower drill pipe and conductor pipe connection sales and the effect of lower U.S. drilling activity, partially offset by contributions from the Company's recent artificial lift acquisition.

# Energy Products and Services

Provides critical technologies consumed in the drilling, completion, and production processes

51%  
Service & Rental

29%  
Capital Equipment

20%  
Product Sales

# Energy Equipment

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

**\$1.22<sub>B</sub>**

Q3 2024 Revenue

**13.0%**

Q3 2024

Adjusted EBITDA %

<i>in millions</i>	<b>3Q24</b>	<b>Sequential Variance</b>	<b>Year-Over-Year Variance</b>
<b>Revenue</b>	\$1,219	+1%	+2%
<b>Adjusted EBITDA</b>	159	+17mm	+35mm
<b>Adjusted EBITDA %</b>	13.0%	+120 bps	+260 bps
<b>Ending Backlog</b>	4,478	+3%	+12%
<b>Orders, net</b>	627	(36)%	+14%
<b>Book-to-Bill</b>	111%		

Improved profitability was the result of strong execution on the segment's improving backlog and better demand for aftermarket parts and services.

# Energy Equipment

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



# Capital Allocation

## Balance Sheet

investment grade rating  
critical to business model

**<1x**

Net debt  
leverage ratio

**<2x**

Gross debt  
leverage ratio

as of 3Q24

## Capex

maintain our asset base and  
invest in organic growth  
opportunities

**\$233MM**

capex as of 3Q24  
driven by build out of new  
technologies

## M&A

enhance strategic growth  
initiatives

**\$76MM**

net investments in  
acquisitions as of 3Q24

## Return Capital

sustainable increases to the  
base dividend, opportunistic  
share repurchases, and annual  
supplemental dividend<sup>2</sup>

**\$196MM**

returned to shareholders as  
of 3Q24, representing 49%  
of YTD Excess Free Cash  
Flow

**NOV expects to return at least  
50% of Excess Free Cash Flow<sup>1</sup>**

<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.

# Q3 Significant Achievements

## **Awarded two orders for hookload upgrades on two drillships as clients continue to advance fleet capabilities**

NOV received two orders for higher capacity hookload upgrades to convert two 6<sup>th</sup> generation drillships to 7<sup>th</sup> generation as clients continue to advance fleet capabilities and enhance the competitiveness of their ultra-deepwater assets. The upgrades include larger load path equipment, associated structural enhancements, and the latest rig controls and monitoring technology.

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## **Secured repeat orders for two additional ATOM™ RTX Robotics systems**

Destined for land rigs, the robotics technology will jointly integrate into the customer's rig layouts for automated piped handling, stabbing, doping, and mud containment, thereby removing personnel from the red zone and enhancing safety.



# Outlook: Q4 2024 and FY 2024

<b>NOV</b>	Revenue	Down 3% to 5% year-over-year
	Adj. EBITDA	\$280 million to \$300 million
<b>EPS</b>	Revenue	Up mid-single digits sequentially and down 1% to 3% year-over-year
	Adj. EBITDA	\$170 million to \$185 million
<b>EE</b>	Revenue	Flat-to-up slightly sequentially
	Adj. EBITDA	\$155 million to \$165 million
<b>Year-Over-Year (FY'23 vs FY'24)</b>		
<b>NOV</b>	Adj. EBITDA	Near the low end of prior guidance range of \$1.10 billion to \$1.18 billion
	Capex	\$330 million

<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 / Non-GAAP Financial Measures". Actual results may differ materially from the guidance set forth above.

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

**34k**

Employees<sup>1</sup>

**\$6.7B**

Enterprise Value<sup>2</sup>

**548**

Locations

**\$8.9B**

Q3 2024 TTM  
Revenue

**60**

Countries

**\$1.1B**

Q3 2024 TTM  
Adjusted EBITDA

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

<sup>2</sup> Enterprise value recorded as of October 23, 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 extends from the right side of this arc to the word 'Appendix'.

# Appendix

# Reconciliation of Adjusted EBITDA to Net Income (Unaudited)

in millions

	Three Months Ended			Twelve Months Ended
	September 30, 2023	June 30, 2024	September 30, 2024	September 30, 2024
<b>Revenue</b>				
Energy Products and Services	\$ 1,034	\$ 1,050	\$ 1,003	\$ 4,143
Energy Equipment	1,195	1,204	1,219	4,906
Eliminations	(44)	(38)	(31)	(144)
Total revenue	\$ 2,185	\$ 2,216	\$ 2,191	\$ 8,905
<b>Adjusted EBITDA</b>				
Energy Products and Services	\$ 197	\$ 184	\$ 172	\$ 723
Energy Equipment	124	142	159	567
Eliminations	(54)	(45)	(45)	(188)
Total Adjusted EBITDA	\$ 267	\$ 281	\$ 286	\$ 1,102
<b>Adjusted EBITDA %</b>				
Energy Products and Services	19.1%	17.5%	17.1%	17.5%
Energy Equipment	10.4%	11.8%	13.0%	11.6%
Eliminations	-	-	-	-
Total Adjusted EBITDA%	12.2%	12.7%	13.1%	12.4%
<b>Reconciliation of Adjusted EBITDA:</b>				
GAAP net income attributable to Company	\$ 114	\$ 226	\$ 130	\$ 1,073
Noncontrolling interests	(6)	(3)	-	(4)
Provision (benefit) for income taxes	48	70	44	(302)
Interest expense	23	22	21	90
Interest income	(5)	(8)	(11)	(34)
Equity income in unconsolidated affiliate	(16)	(8)	-	(55)
Other expense, net	25	14	10	62
(Gain)/loss on sales of fixed assets	-	-	1	1
Depreciation and amortization	77	86	86	332
Other items, net	7	(118)	5	(61)
Total Adjusted EBITDA	\$ 267	\$ 281	\$ 286	\$ 1,102

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

*in millions*

	Three Months Ended	Nine Months Ended	
	September 30,	September 30,	
	2024	2024	2023
Total cash flows provided by (used in) operating activities	\$ 359	\$ 713	\$ (234)
Capital expenditures	(82)	(233)	(207)
Free cash flow	\$ 277	\$ 480	\$ (441)

