



Q4 2018 Earnings

February 7, 2019

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Q4 2018 Consolidated Financial Results

\$2,398MM Revenue

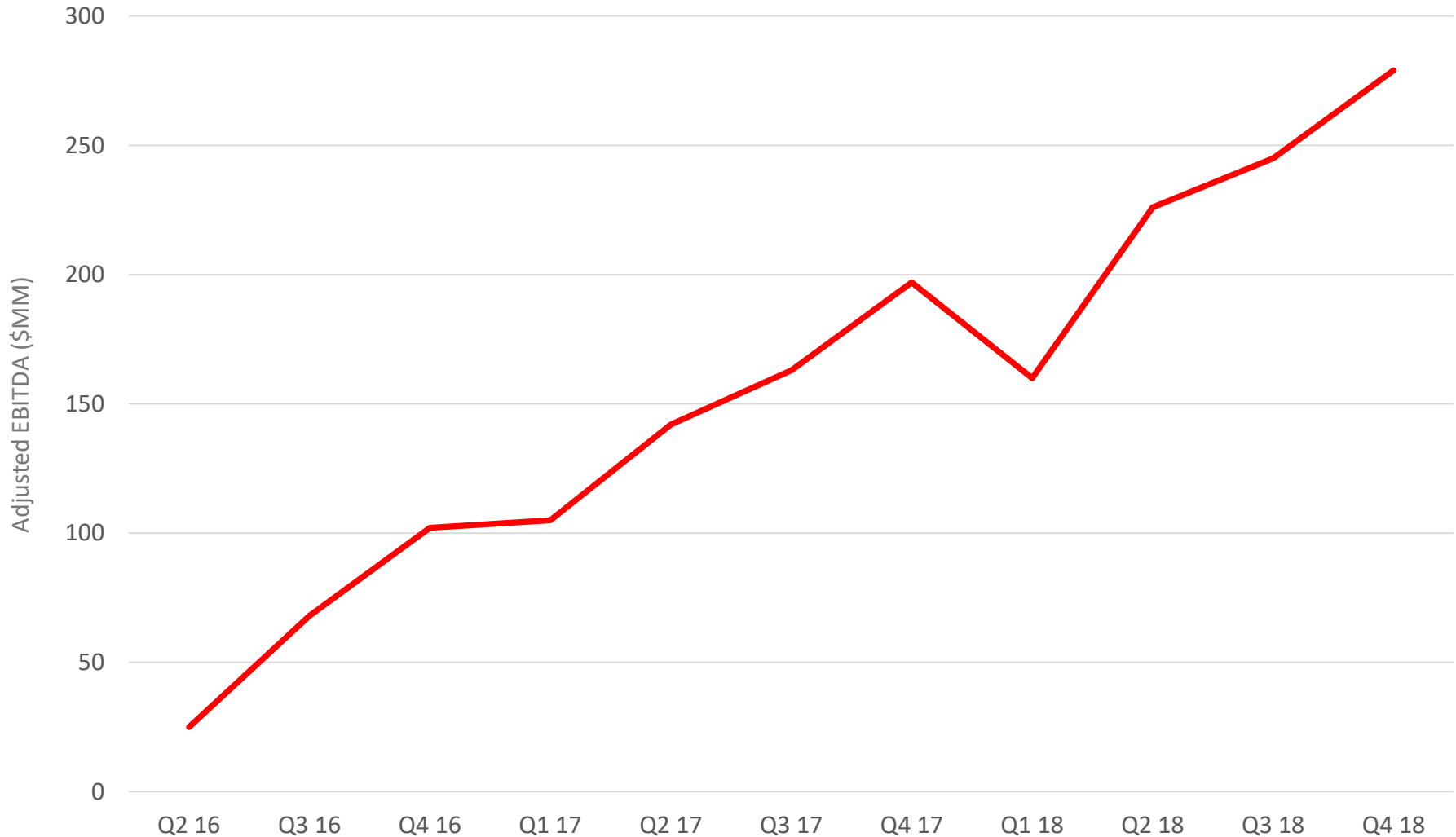
\$279MM Adjusted EBITDA

\$12MM Net Income

“All three segments increased sales and EBITDA sequentially due to strong operational execution during the quarter.”

EBITDA¹ Improvements Continued in Q4

Adjusted EBITDA (\$MM) Per Quarter



¹ EBITDA corresponds with the term "Adjusted EBITDA" as defined in our Q4 2018 Earnings Press Release

Q4 2018 Revenues

Wellbore Technologies

\$884MM

Completion & Production Solutions

\$788MM

Rig Technologies

\$804MM



63%

LAND




42%

NORTH AMERICA

"North America" refers to the United States and Canada

Wellbore Technologies

Provides critical technologies consumed in the drilling process



	4Q18	3Q18	Quarterly Variance	Prior Year Variance
Revenue	884	847	4%	24%
Adjusted EBITDA	155	135	15%	45%
Adjusted EBITDA %	17.5%	15.9%	+160 bps	+250 bps

The segment's revenue growth continued to outpace domestic and global activity levels in the fourth quarter, with sales increasing 4.5% in the US and 2.1% internationally

Wellbore Technologies

Provides critical technologies consumed in the drilling process

Our relentless focus on **innovating technologies and tools** and **delivering superior service and know-how**, all with a singular objective of reducing our customer's cost of operations and cost per barrel, positions NOV to enable our customers to maximize their capital returns.

Notwithstanding strong fourth quarter performance, near-term challenges remain. We expect to see slightly lower activity levels in the U.S., a slightly slower than normal start to the year in the Eastern Hemisphere, and fewer deliveries of drill pipe and capital equipment.

Q1 2019 Guidance

Revenues

Decline between 5 to 10%

EBITDA

Decrementals in the 40% range

Completions and Production Solutions

Provides critical technologies to complete wells and enhance their productivity

	4Q18	3Q18	Quarterly Variance	Prior Year Variance
Revenue	788	735	7%	14%
Adjusted EBITDA	112	99	13%	51%
Adjusted EBITDA %	14.2%	13.5%	+70 bps	350 bps
Starting Backlog	880	955	(8%)	(10%)
Revenue out of Backlog	456	439	4%	14%
Orders	470	372	26%	(6%)
Ending Backlog	894	880	2%	(16%)

*“The sequential increase in revenue was the result of improved progress and deliveries on projects and **continued growth in demand for coiled tubing and wireline equipment.**”*

Completions and Production Solutions

Provides critical technologies to complete wells and enhance their productivity

Despite the fall-off in completion-related activity and demand for pressure pumping equipment, **demand for coiled tubing and wireline remains strong.**

Elsewhere, a pull-forward of project deliveries and deferred orders likely means our **offshore business units will not bottom until the first half of 2019.**

Stability at levels above \$50/bbl for WTI can help maintain oilfield activity near current levels in North America while also continuing to incentivize the recovery in international and offshore markets. This provides a plausible backdrop for a scenario where **prospects and activity can brighten for NOV throughout the year...**

Q1 2019 Guidance

Revenues

Decline roughly 15%

EBITDA

Decrementals in the 30% range

Rig Technologies

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

	4Q18	3Q18	Quarterly Variance	Prior Year Variance
Revenue	804	637	26%	31%
Adjusted EBITDA	102	78	31%	46%
Adjusted EBITDA %	12.7%	12.2%	+50 bps	+130 bps
Starting Backlog	3,401	3,514	(3%)	69%
Revenue out of Backlog	403	256	57%	40%
Orders	119	151	(21%)	(30%)
Ending Backlog	3,117	3,401	(8%)	65%

“Better progress on projects, delivery of two land rigs, and improved aftermarket sales resulted in the sequential revenue increase.”

Rig Technologies

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

We see limited offshore new-build opportunities outside of certain niche applications, including 20,000-psi capable rigs, but **remain optimistic regarding potential reactivations and associated upgrades...**

Tier I AC “super spec” rigs remain in short supply, and day rates remain strong. As a result, inquiries for new-build rigs in North America have slowed, but **customer inquiries related to upgrades remain robust.**

We continued to benefit from the cost reductions and efficiency improvements we've put in place over the past few years, and we remain vigilant with regards to continuing to manage costs closely.

Q1 2019 Guidance

Revenues

Decline 16 to 17%

EBITDA

Decrementals between 25 and 30%

Q4 2018 Notable Achievements

Introduction and first sales of coiled tubing design optimization

NOV's new TRUE-TAPER XR coiled tubing design enables better weight and strength distribution and fewer bias welds. This allows more weight and strength to be placed in vertical sections and less weight in laterals, resulting in better overall performance in extended-reach applications.



Expanding global footprint of MWD/LWD technologies

NOV continued to expand the global footprint of its MWD/LWD product lines. An independent E&P operator in Northwest Africa awarded NOV a contract for a set of Tolteq™ iSeries™ MWD tools together with Vector™ series mud motors, and the TruVertical™ tool was used for the first time in an international market.



Major contract for Argentina produced water treatment plant

NOV was awarded a 5-year contract for the supply and operation of a state-of-the-art 4500 m³/day produced water treatment plant for a major multinational operator in the Vaca Muerta.



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The oilfield's leading equipment and technology provider



35K employees¹



\$11.72B market capitalization²



620 locations



\$8.45B full year 2018 revenue



65 countries



\$910M full year 2018 adjusted EBITDA

¹ Full Time Equivalent workers

² Market Capitalization recorded as of February 6, 2019.

Appendix



Reconciliation of Adjusted EBITDA to Net Income

(Continued on next page)

	Three Months Ended			Years Ended	
	December 31,		September 30,	December 31,	
	2018	2017	2018	2018	2017
Operating profit (loss):					
Wellbore Technologies	\$ 41	\$ (21)	\$ 40	\$ 131	\$ (102)
Completion & Production Solutions	64	19	46	166	98
Rig Technologies	75	(51)	58	213	(14)
Eliminations and corporate costs	(93)	(58)	(71)	(299)	(259)
Total operating profit (loss)	\$ 87	\$ (111)	\$ 73	\$ 211	\$ (277)
Other items:					
Wellbore Technologies	\$ 24	\$ 32	\$ -	\$ 21	\$ 28
Completion & Production Solutions	(3)	1	-	-	33
Rig Technologies	-	100	-	6	129
Corporate	-	-	-	(18)	-
Total other items	\$ 21	\$ 133	\$ -	\$ 9	\$ 190
Depreciation & amortization:					
Wellbore Technologies	\$ 90	\$ 96	\$ 95	\$ 374	\$ 379
Completion & Production Solutions	51	54	53	212	215
Rig Technologies	27	21	20	90	88
Corporate	3	4	4	14	16
Total depreciation & amortization	\$ 171	\$ 175	\$ 172	\$ 690	\$ 698
Adjusted EBITDA:					
Wellbore Technologies	\$ 155	\$ 107	\$ 135	\$ 526	\$ 305
Completion & Production Solutions	112	74	99	378	346
Rig Technologies	102	70	78	309	203
Eliminations and corporate costs	(90)	(54)	(67)	(303)	(243)
Total adjusted EBITDA	\$ 279	\$ 197	\$ 245	\$ 910	\$ 611

Reconciliation of Adjusted EBITDA to Net Income

(Continued on next page)

	Three Months Ended			Years Ended	
	December 31,		September 30,	December 31,	
	2018	2017	2018	2018	2017
Reconciliation of Adjusted EBITDA:					
GAAP net income (loss) attributable to Company	\$ 12	\$ (14)	\$ 1	\$ (31)	\$ (237)
Noncontrolling interests	3	(1)	3	9	1
Provision (benefit) for income taxes	26	(123)	29	63	(166)
Interest expense	22	25	24	93	102
Interest income	(7)	(6)	(6)	(25)	(25)
Equity (income) loss in unconsolidated affiliate	2	1	2	3	5
Other (income) expense, net	29	7	20	99	43
Depreciation and amortization	171	175	172	690	698
Other items	21	133	-	9	190
Total Adjusted EBITDA	\$ 279	\$ 197	\$ 245	\$ 910	\$ 611



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