NOV Inc. (NYSE: NOV)

Barclays CEO Energy Power Conference

September 8, 2021

Clay Williams
Chairman, President, and CEO
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. These risks and uncertainties include but are not limited to: the continuing impact of COVID-19 and any variants, including potential negative economic repercussions, resulting negative impact on demand for oil and gas, negative operational challenges relating to COVID-19 including logistical and supply chain challenges. There are numerous other factors that could adversely impact actual results, including changes in the demand for or price of oil and/or natural gas; potential catastrophic events related to our operations, including weather events including 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, delays or failures by customers to make payments owed to us and the resulting impact on our liquidity. NOV’s Form 10-K for the year ended December 31, 2020, Form 10-Q for the quarter ended June 30, 2021, 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.
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.**
28K Employees
573 Locations
61 Countries

$5.1B Market capitalization
$6.1B Full year 2020 revenue
$926MM Full year 2020 CFFO

1 Full Time Equivalent workers
2 Market Capitalization recorded as of September 3, 2021
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Good Corporate Citizenship

- Awareness
- Environment
- Diversity and Inclusion
- Community
- Stakeholder engagement and outreach
- Supply chain

The NOV Sustainability Report
Navigating a historical downturn
Aggressively reduced costs to maximize cash flow\(^1\)

- \(\frac{2}{3}\) Reduction in capex
- \$2B\ Reduction in fixed costs
- 56% Reduction of headcount
- 660 Facilities closed
- \$12.6B\ Total cost reductions

\(^1\) Since 2014
\(^2\) Cumulative free cash flow (FCF) from Q12015 to Q22021

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Improving internal processes to enhance efficiency

- Incentive compensation tied to working capital in 2018
- Ongoing IT infrastructure optimization
- Streamlining our global footprint
Strong balance sheet

- **BBB+/Baa2**: Investment grade credit rating
- **$114MM**: Net debt
- **$3.6B**: Liquidity\(^1\)
- **2029**: Next debt maturity

\(^1\) $2.0B revolver, $1.6B cash
Investing for the future
Reducing completion costs and emissions
Low emission frac technology vs conventional options

- Up to 74% Reduction of CO₂e emissions
- Up to 89% Reduction in fuel cost
- Up to 40% Reduction in total cost of ownership
- Up to 42% Reduction in over-the-road traffic
Building the digital foundation for drilling automation
Automating the drilling process
Using our operating system, NOVOS™

47% Reduction in connection time¹

39% Increase in rate of penetration¹

29% Decrease in days to drill¹

25 stands/hour Robotic Arm connection rate

¹ Middle East case study incorporating NOVOS and Wired Drill Pipe

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Drilling with artificial intelligence
Applying AI to optimize drilling
Using the KAIZEN™ APP

Saved
$37k
Per well\(^1\)

9%
Reduced well delivery time\(^1\)

20%–25%
Increase in ROP\(^2\)

\(^1\) Northeast basin runs using KAIZEN control mode
\(^2\) Revealed in additional field trials across the globe

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Managing downhole conditions in real-time
Delivering downhole data at high-speeds in real-time
Using wired drill pipe optimization services

35% of drilling improvement attributed to WDP\(^1\)
25 Cut Drilling days out of a North Sea operator’s drilling program\(^1\)
7% Reduction in rig emissions\(^2\)


\(^2\) Rystad Energy: XXth. Technologies to Improve MCS Competitiveness © 2021 NOV Inc. All rights reserved.
The Energy Transition
We are experts in building **large, complex machinery** with **extreme precision** that operates in **harsh environments**.
We do this at scale in remote parts of the world.
We employ bright, dedicated, imaginative scientists and engineers who are conversant in material sciences, metallurgy, power systems, robotics and a host of other fields.
Taller towers will unlock wind resources globally\(^1\)

1\(^{Bloomberg New Energy Finance}

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Taller towers will unlock wind resources globally\(^1\)

\(^1\)Bloomberg New Energy Finance

Fixed Offshore Wind

~70% of global wind installation vessel designed by NOV

$200MM Forecasted annual run rate by Q4 2021

$400MM Forecasted annual run rate by Q4 2022
Floating Offshore Wind

- 50+ years of experience in offshore operations
- Cost-advantaged shallow draft design
- Automated fabrication process employs existing shipyard supply chain
Offshore Wind Market Outlook to 2030

30 GW
Current installed offshore wind capacity\(^1\)

> 10K
Fixed wind turbines to be installed offshore\(^2\)

> 1,000
Floating foundations to be constructed\(^2\)

~ 240+GW
Forecasted offshore wind capacity\(^3\)

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\(^1\)IEA world energy outlook 2021
\(^2\)Assuming 90/10 split between fixed and floating wind
\(^3\)4Offshore’s Project Opportunity Pipeline, July 2021

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Onshore wind

- New plant in Pampa, TX
- Proprietary spiral welding technique
- On-site manufacturing capabilities
- New crane design
Geothermal
70+ production, including Phoenix™ drill bits, TK™ Coatings, ReedHycalog
PDC cutter technology, chokes, and land drilling rig packages
Solar

Developing reliable and easy-to-install single-axis tracker system
Biogas

Applying solids and gas separation technologies to biogas production
Carbon Capture Utilization & Storage
Designing a plant using existing natural gas processing technologies
Wellbore Technologies
Completion & Production Solutions
Rig Technologies
Capital Allocation Priorities

**Growth capex**
Growth capex yields highest average ROC

**Maintenance capex**
Maintaining asset base is critical to operations

**M&A**
Opportunity to accelerate strategic growth initiatives at high rates of return

**Defend balance sheet**
Investment grade rating critical to business model

**Return Capital**
Return excess capital to shareholders once better capital uses are funded
Outlook

• Growing renewables opportunity set
• Technology provider to a highly-cyclical industry
• Later cycle business model
• Continuing COVID-19 impact on supply chains and general business efficiencies
• Demand for oil & gas translates into growing need for capital equipment and consumables
• As the global economy continues to recover, the outlook for 2022 and beyond continues to improve
NOV in Brief

• Significant cost reductions following a multi-year downturn
• Continuing to advance technology for our oil & gas customers
• Emerging portfolio of innovative renewable energy solutions
Appendix
Appendix: Reconciliation of Non-GAAP Financial Measures

The Company discloses Non-GAAP financial measures in its periodic earnings press releases and other public disclosures to provide investors additional information about the results of ongoing operations. The Company uses Non-GAAP financial measures internally to evaluate and manage the business. Non-GAAP financial measures are not intended to replace GAAP financial measures, such as Net Income.

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<th>Net Debt</th>
<th>Cumulative FCF 2015-Q2 2021</th>
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<td>Cash Flow from Operations</td>
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