

National Oilwell Varco

Scotia Howard Weil 2017 Energy Conference

CLAY WILLIAMS

President, Chairman, and CEO

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Market **LEADERSHIP**

Sustainable **COMPETITIVE ADVANTAGE**

ENTREPRENEURIAL culture

Dependable **PARTNER**

LOW CAPITAL-INTENSITY business

Well-positioned

Market leadership

Balanced businesses

Purposeful innovation

Resilient cash flow generation

Strong balance sheet

Well-balanced well-positioned business

Q4 16 REVENUES

52%

LAND

48%

OFFSHORE

Well-positioned

Market leadership

Balanced businesses

Purposeful innovation

Resilient cash flow generation

Strong balance sheet

Pursuit of purposeful innovation for energy-hungry world



**HORIZONTAL
DRILLING**



**MULTI-STAGE
COMPLETIONS**



**CONDITION-BASED
MONITORING**



**DEEPWATER
ADVANCEMENTS**



AUTOMATION



HORIZONTAL DRILLING

Enabling
technologies
to drill farther, faster.



HORIZONTAL DRILLING

SOLIDS CONTROL AND
WASTE MANAGEMENT

1500HP AC
DRILLING RIGS

TUBULAR
COATING AND INSPECTION
DRILL PIPE

DRILL COLLARS

BOTTOMHOLE
ASSEMBLY

DRILL BITS

MWD TOOLS

ROTARY STEERABLE

AUTOMATION AND
OPTIMIZATION SERVICES

Horizontal drilling

~\$20B directional drilling market (2014)
Source: Spears & Associates

Empower directional drillers

2016 additions of MWD, rotary steerable

Complete bottomhole assembly (BHA)



MULTI-STAGE COMPLETIONS

Pioneering new
completion technologies

Multi-stage completions

Well-count driven, manufacturing-intensive

2016 entrance into completion tools

Continued technology advancements



CONDITION-BASED MONITORING

Predictive analytics to
maximize uptime.



7909 Parkwood Circle
Houston, TX 77036

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

Spare part enclosed.

Regards,
NOV

Condition-based monitoring

Introduced first and only BOP predictive analytics product

Prevented several subsea BOP stack pulls

Expanding into other product lines



Total top drives: 3,796
Total rig years of data: 176



**DEEPWATER
ADVANCEMENTS**

Deepwater cost recalibration

Deepwater advancements

NOV/GE partnership on topside design

Fewer vendor-to-vendor complex interfaces
cut cost, risk and time

~25% cost reductions thus far, more to come



AUTOMATION

The future is here.



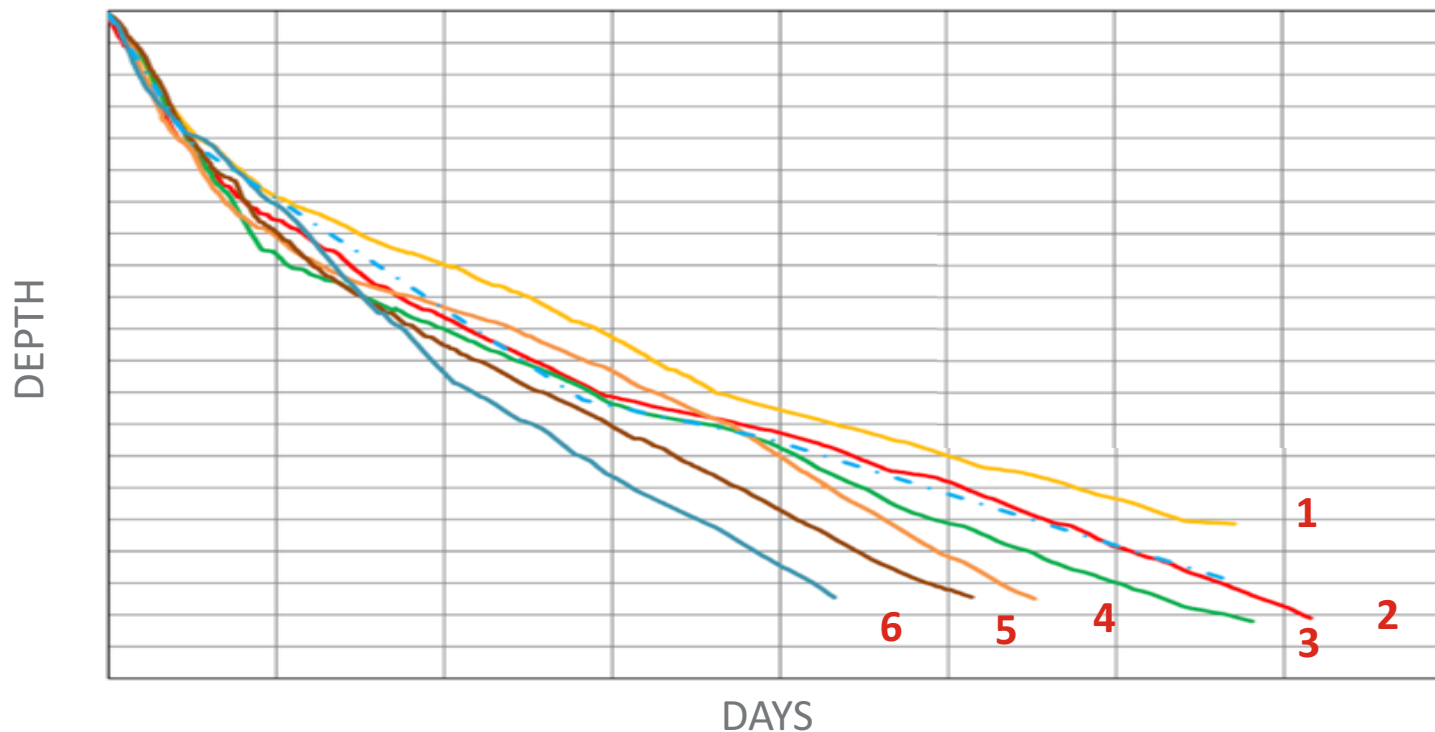
An aerial photograph of an oil rig at night. The rig is illuminated with bright lights, and a large storage tank is visible in the foreground. The background shows a sunset with a gradient of orange and blue in the sky.

Rigs that Learn.

Hardcode learnings into control system

Single rig optimization

42% reduction in time from previous pad Spud to TD



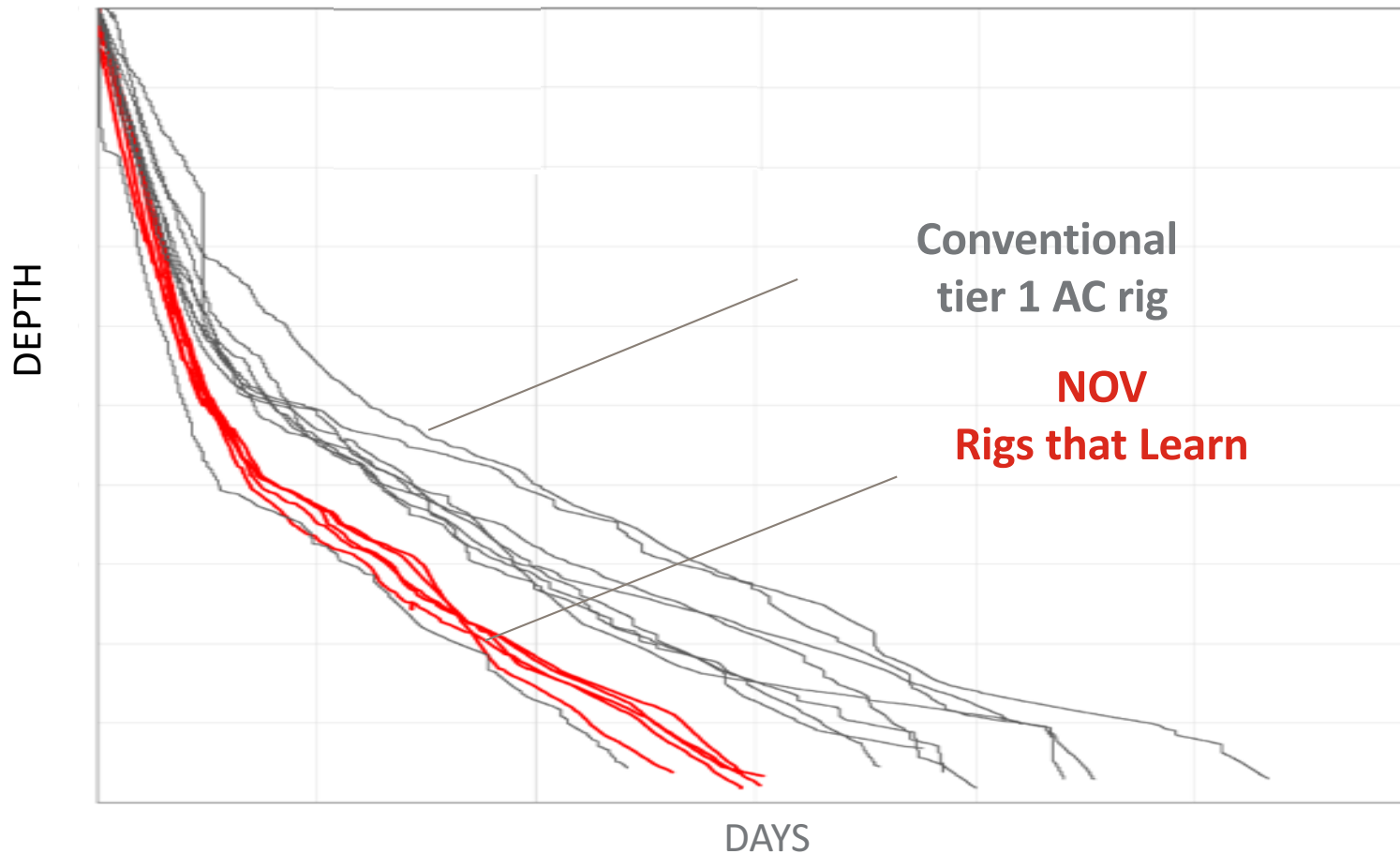
IMPACT

\$50/bbl to \$40/bbl
23 to 30 wells/year

Distribute learnings from one well to fleet

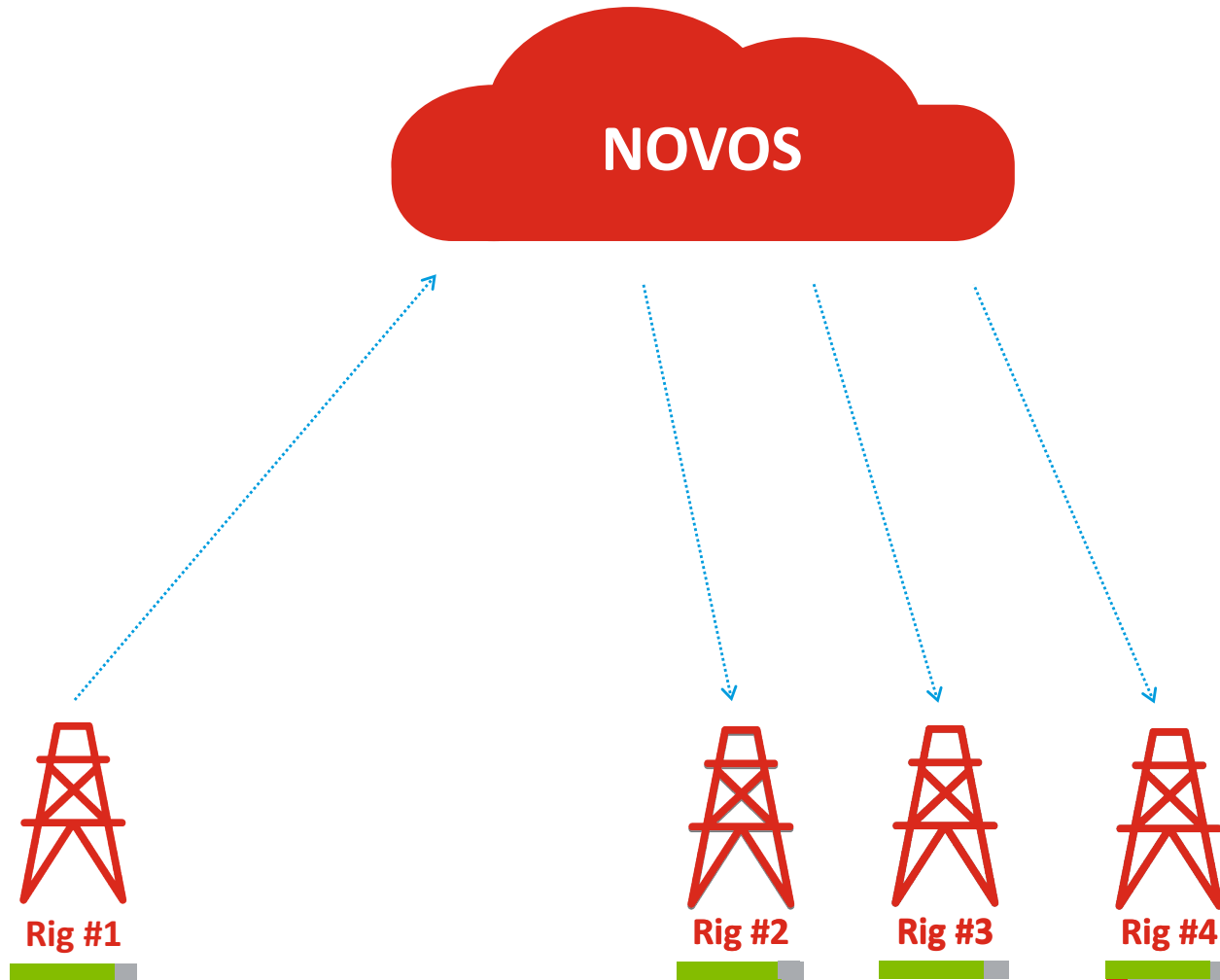
Field optimization

More consistent repeatable performance



Distribute learnings from one well to fleet

Field optimization



92 to 120 wells/year

An aerial night photograph of an oil rig. The rig is illuminated with bright lights, and a large storage tank is visible in the foreground. The background shows a sunset with a gradient of orange, yellow, and blue in the sky.

Rigs that Teach.

Well-positioned

Market leadership

Balanced businesses

Purposeful innovation

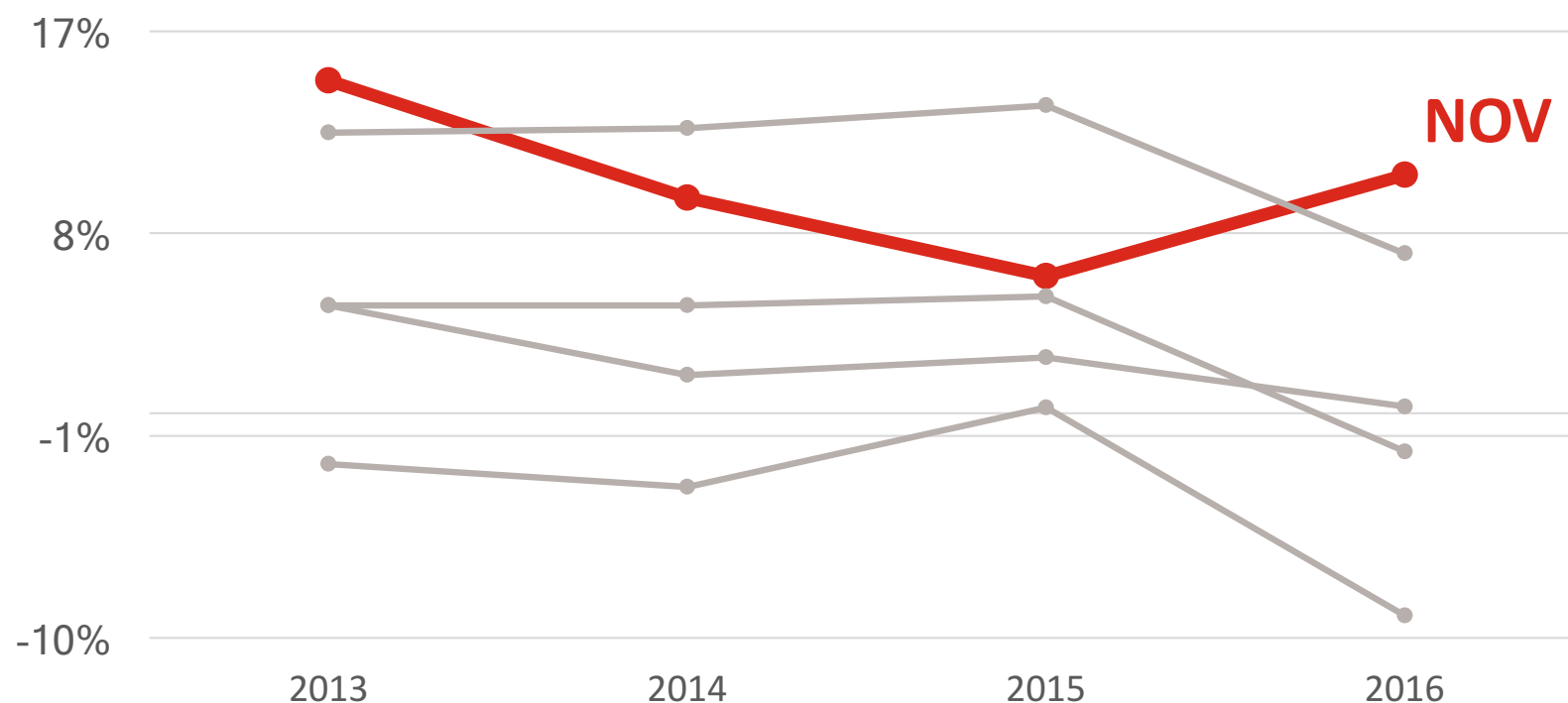
Resilient cash flow generation

Strong balance sheet

Low-capital intensity business serving capital-intensive industry

FCF as a % of Revenue

NOV v. Big Four



FCF defined as CFFO less capital investments excluding acquisitions

Big Four includes BHI, HAL, SLB, WFT

Source: Company filings

Well-positioned

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Resilient cash flow generation

Strong balance sheet

Strong balance sheet with ample liquidity provides flexibility

\$960MM	cash flow from operations (FY)
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\$1.4B	cash
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BBB+	debt rating
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\$3.9B	working capital
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\$5.9B	liquidity
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19%	debt-to-capitalization
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