



NOW Inc. Completes Flex Flow Acquisition

April 5, 2021

HOUSTON--(BUSINESS WIRE)--Apr. 5, 2021-- NOW Inc. (NYSE: DNOW) announced the closing of its acquisition from GR Energy Services, a portfolio company of Pine Brook, of substantially all of the assets used in connection with its Flex Flow business, predominantly relating to the rental, sale and service of surface mounted and trailer mounted horizontal pumps, including jet pump systems.

Transaction Highlights:

- Flex Flow significantly expands DistributionNOW's existing product offering with the addition of its rental product solution, comprising an industry leading fleet of 240 trailer-mounted horizontal pumping ("H-pump") units
- The combined geographical footprint will enhance DistributionNOW's rapid asset deployment, service and customer contact in the midstream market across the Permian, Scoop-Stack, Haynesville and Bakken plays and Canada's Montney region
- Flex Flow's team of highly skilled H-pump service experts complement DistributionNOW's experienced pump service technicians, further providing customers with complete pumping solutions, allowing broader purchase or lease investment choices
- The transaction has been structured to address current market conditions with initial consideration of \$90 million in cash and additional cash contingent consideration if certain profitability thresholds are achieved during the one-year period following the closing of the transaction

Flex Flow is the leading provider of H-pump solutions for fluid movement applications. Flex Flow has earned a strong reputation on H-pump expertise throughout the lifecycle of the application, through its suite of rental, permanent installation, service and support offerings. Jeff Wilhelm, Senior Vice President overseeing Flex Flow, will join DistributionNOW and continue his role leading the business.

Peter Goode, Co-Founder and Chairman of GR Energy Services said "I thank the management and staff of Flex Flow for their contribution to the growth of the GR Energy Services business over the past five years. I wish them all the best in the next chapter of the evolution of the Flex Flow business. I am confident that the expanded opportunities available to them at DistributionNOW will enable them to continue to build their business while providing them with expanded career opportunities."

David Cherechinsky, President and CEO of NOW Inc. commented, "This acquisition meets the criteria we have set for inorganic investment: it bolsters and further differentiates DistributionNOW in non-commoditized customer solutions, strengthens and broadens Process Solutions in the fluid handling space, enhances our offering in the midstream markets, and provides enhanced gross margins and EBITDA flow-through dynamics. I also believe the Flex Flow business will benefit from our DigitalNOW® innovation investments. I am excited to introduce the customer-enticing complementary benefits this new venture provides."

About NOW Inc.

NOW Inc. is one of the largest distributors to energy and industrial markets on a worldwide basis, with a legacy of over 150 years. NOW Inc. operates primarily under the DistributionNOW and DNOW brands. Through its network of approximately 195 locations and 2,450 employees worldwide, NOW Inc. offers a comprehensive line of products and solutions for the upstream, midstream and downstream energy and industrial sectors. Our locations provide products and solutions to exploration and production companies, energy transportation companies, refineries, chemical companies, utilities, manufacturers and engineering and construction companies.

Statements made in this press release that are forward-looking in nature are intended to be "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934 and may involve risks and uncertainties. These statements may differ materially from actual future events or results. Readers are referred to documents filed by NOW Inc. with the U.S. Securities and Exchange Commission, which identify significant risk factors which could cause actual results to differ from those contained in the forward-looking statements.

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Source: NOW Inc.