# Dnow Inc.

**DNOW**

NYSE; manufacturing; SIC 3533, Oil & Gas Field Machinery & Equipment; CIK 0001599617

**C**

**middle fifth of 255 graded peers in manufacturing**

rank 119 of 255; percentile 46.5; sampling error 3.0 points; lower is stronger

A B C D E

**C, the tortoise**



| Scoreboard | |
|---|---|
| **Profitability** | C<br>percentile 53.3 |
| **Solvency** | C<br>percentile 48.6 |
| **Growth and financing** | B/C<br>percentile 41.5 |
| **Reliability** | 0.94 AUC<br>filers with over $2.67B assets; 95% interval 0.88 to 0.97; 61 events, 2020 to 2025 |
| **Peer failure rate** | 0.52% a year<br>Item 1.03 bankruptcies, same asset band, 2012 to 2025 |
| **Size band** | over $2.67B assets<br>total assets $3.9B |
| **Standard universe** | inside<br>revenue above $1M and assets above $10M |
| **Warnings** | dilution<br>not computable: distress |
| **Inputs computable** | 8 of 14 |
| **Graded from** | filings received through Feb 26, 2026<br>240 days before the rescan; latest periodic filing 10-Q received Aug 6, 2026 |
| **Last close** | $15.69<br>2026-10-23; market equity $2.8B; no price enters the letter |

**Share price, twelve months to the rescan**




*Split-adjusted close. Each lollipop is a rescan and carries the letter held then.*

**Letter at every rescan, 2012 to 2026**




*Sector percentile at each rescan, stronger toward the top; facts filed by each date only.*

## Business, in the company's words

*opening of Item 1 of the 10-K received Feb 26, 2026*

DNOW Inc., ("DNOW" or the "Company"), headquartered in Houston, Texas, was incorporated in Delaware on November 22, 2013. On June 2, 2014, DNOW stock began regular trading on the New York Stock Exchange under the ticker symbol "DNOW". We are a premier provider of energy and industrial solutions, serving as a global leader in the distribution of pipe, valves and fittings ("PVF"), and pumps, as well as in the fabrication, assembly and testing of process and production equipment.

## The fourteen inputs

*lower percentile is stronger; sleeves and inputs within a sleeve carry equal weight*

| Input | Value | Peer median | Percentile, 0 to 100 | Pct | Peers | Period end |
|---|---|---|---|---|---|---|
| **Profitability, sleeve percentile 53.3** | | | | | | |
| Gross profitability | 12.2% | 21.9% | | 82.1 | 275 | 2025-12-31 |
| Return on invested capital | not computable | 9.7% | | | | |
| *a prior annual debt, equity, and cash observation is required* | | | | | | |
| Accruals ratio | (8.8%) | (3.5%) | | 22.9 | 307 | 2025-12-31 |

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| | | | | | |
|---|---|---|---|---|---|
| Gross margin stability, five years | 2.4 pts | 2.1 pts | 54.8 | 229 | 2025-12-31 |
| **Solvency, sleeve percentile 48.6** | | | | | |
| Twelve-month failure probability | not computable | 0.04% | | | |
| *latest liabilities, cash plus short-term investments, book equity, and shares are required* | | | | | |
| Altman Z double-prime | 2.72 | 3.66 | 51.7 | 243 | 2025-12-31 |
| Net debt to EBITDA | not computable | 1.78x | | | |
| *EBITDA must exceed $100,000* | | | | | |
| Interest coverage | not computable | 5.09x | | | |
| *one or more required annual facts are missing* | | | | | |
| Current ratio | 2.34x | 2.25x | 45.5 | 324 | 2025-12-31 |
| **Growth and financing, sleeve percentile 41.5** | | | | | |
| Revenue growth, three-year compound | 9.7% | 2.2% | 22.8 | 269 | 2025-12-31 |
| Free cash flow growth, three-year compound | not computable | 13.7% | | | |
| *current FCF must be positive and base FCF must exceed $100,000* | | | | | |
| Reinvestment rate | not computable | 26.1% | | | |
| *NOPAT must exceed $100,000* | | | | | |
| Asset growth, three years | 43.8% | 4.3% | 4.7 | 278 | 2025-12-31 |
| Net share issuance, one year | 76.3% | 0.01% | 97.1 | 242 | 2026-02-18 |

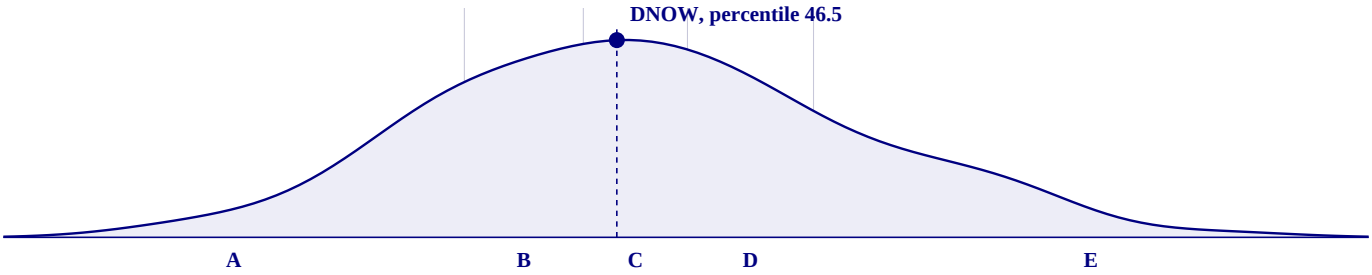
## Warnings

*1 of 7 checks triggered; none of them enters the letter*

| Check | Measured |
|---|---|
| Dilution | split-adjusted year-over-year share growth is 76.3% |

## Among 255 peers

*manufacturing; letters are fifths of this list*




*Composite score of every graded peer, smoothed; vertical rules are the letter band edges; stronger to the left.*

| Rank | Company | Percentile | Letter | Warnings |
|---|---|---|---|---|
| 114 | Apogee Enterprises, Inc. (APOG) | 44.5 | C | |
| 115 | Terex Corp. (TEX) | 44.9 | C | dilution |
| 116 | Huntington Ingalls Industries, Inc. (HII) | 45.3 | C | |
| 117 | Ceco Environmental Corp. (CECO) | 45.7 | C | |
| 118 | Serve Robotics Inc. (SERV) | 46.1 | C | dilution |
| 119 | Dnow Inc. (DNOW) | 46.5 | C | dilution |
| 120 | Zebra Technologies Corp. (ZBRA) | 46.9 | C | |
| 121 | Symbotic Inc. (SYM) | 47.2 | C | late filer |
| 122 | Nordson Corp. (NDSN) | 47.6 | C | |
| 123 | TransDigm Group Inc. (TDG) | 48.0 | C | |
| 124 | Optical Cable Corp. (OCC) | 48.4 | C | |

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## What the price implies

*at the 2026-10-23 close; none of these enters the grade*

| Measure | Value | Peer median | Percentile |
|---|---|---|---|
| Twelve-month price change, skipping the latest month | 5.1% | 13.7% | 41 |
| Distance from 52-week high | (7.0%) | (26.9%) | 91 |
| EBIT to enterprise value | (2.9%) | 4.3% | 14 |
| Free cash flow yield | 4.7% | 3.4% | 63 |
| Book value to price | 0.74 | 0.36 | 78 |
| Sales to price | 0.99 | 0.54 | 69 |
| Composite equity issuance, five years | 49.7% | (9.5%) | 92 |
| Relative strength against the sector, log excess return | (0.08) | (0.00) | 41 |

## Diagnostics

*shown on every report; none enters the grade*

| Measure | Value |
|---|---|
| **Piotroski F-score None of 9, period end 2025-12-31** | |
| Return on assets above zero | fail |
| Operating cash flow above zero | pass |
| Return on assets improved | fail |
| Operating cash flow exceeds net income | pass |
| Long-term leverage fell | fail |
| Current ratio improved | pass |
| No new shares issued | fail |
| Gross margin improved | fail |
| Asset turnover improved | pass |
| **Cash, filings, liquidity** | |
| Cash and equivalents | $114.0M |
| Operating cash flow, four quarters | $164.0M |
| Months of runway | not finite |
| Days since last periodic filing | 79 (10-Q received Aug 6, 2026) |
| Median daily dollar volume, 63 sessions | $33.3M |

## Sources

*every fact behind the inputs; each row links to its filing index on sec.gov*

| # | Concept | XBRL tag | Value | Period end | Received | Form | Accession |
|---|---|---|---|---|---|---|---|
| 1 | gross profit | us-gaap:GrossProfit | $478.0M | 2025-12-31 | 2026-02-26 | 10-K | 26-072828 |
| 2 | assets | us-gaap:Assets | $3.9B | 2025-12-31 | 2026-02-26 | 10-K | 26-072828 |
| 3 | operating income | us-gaap:OperatingIncomeLoss | -$93.0M | 2025-12-31 | 2026-02-26 | 10-K | 26-072828 |
| 4 | pretax income | us-gaap:IncomeLossFromContinuingOperationsBeforeInc... | -$100.0M | 2025-12-31 | 2026-02-26 | 10-K | 26-072828 |
| 5 | income tax | us-gaap:IncomeTaxExpenseBenefit | -$12.0M | 2025-12-31 | 2026-02-26 | 10-K | 26-072828 |
| 6 | total debt | us-gaap:LongTermDebt | $411.0M | 2025-12-31 | 2026-02-26 | 10-K | 26-072828 |
| 7 | book equity | us-gaap:StockholdersEquity | $2.2B | 2025-12-31 | 2026-02-26 | 10-K | 26-072828 |
| 8 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $164.0M | 2025-12-31 | 2026-02-26 | 10-K | 26-072828 |
| 9 | net income | us-gaap:NetIncomeLoss | -$89.0M | 2025-12-31 | 2026-02-26 | 10-K | 26-072828 |
| 10 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $155.0M | 2025-12-31 | 2026-02-26 | 10-K | 26-072828 |
| 11 | assets | us-gaap:Assets | $1.6B | 2024-12-31 | 2026-02-26 | 10-K | 26-072828 |
| 12 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $2.8B | 2025-12-31 | 2026-02-26 | 10-K | 26-072828 |
| 13 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $2.4B | 2024-12-31 | 2026-02-26 | 10-K | 26-072828 |
| 14 | cost of revenue | us-gaap:CostOfGoodsAndServicesSold | $1.8B | 2024-12-31 | 2026-02-26 | 10-K | 26-072828 |
| 15 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $2.3B | 2023-12-31 | 2026-02-26 | 10-K | 26-072828 |
| 16 | cost of revenue | us-gaap:CostOfGoodsAndServicesSold | $1.8B | 2023-12-31 | 2026-02-26 | 10-K | 26-072828 |
| 17 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $2.1B | 2022-12-31 | 2025-02-18 | 10-K | 25-021784 |
| 18 | cost of revenue | us-gaap:CostOfGoodsAndServicesSold | $1.6B | 2022-12-31 | 2025-02-18 | 10-K | 25-021784 |

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| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 19 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $1.6B | 2021-12-31 | 2024-02-15 | 10-K | 24-015744 |
| 20 | cost of revenue | us-gaap:CostOfGoodsAndServicesSold | $1.3B | 2021-12-31 | 2024-02-15 | 10-K | 24-015744 |
| 21 | current assets | us-gaap:AssetsCurrent | $2.3B | 2025-12-31 | 2026-02-26 | 10-K | 26-072828 |
| 22 | current liabilities | us-gaap:LiabilitiesCurrent | $974.0M | 2025-12-31 | 2026-02-26 | 10-K | 26-072828 |
| 23 | retained earnings | us-gaap:RetainedEarningsAccumulatedDeficit | -$836.0M | 2025-12-31 | 2026-02-26 | 10-K | 26-072828 |
| 24 | liabilities | us-gaap:Liabilities | $1.7B | 2025-12-31 | 2026-02-26 | 10-K | 26-072828 |
| 25 | depreciation amortization | us-gaap:DepreciationDepletionAndAmortization | $52.0M | 2025-12-31 | 2026-02-26 | 10-K | 26-072828 |
| 26 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $21.0M | 2025-12-31 | 2026-02-26 | 10-K | 26-072828 |
| 27 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $298.0M | 2024-12-31 | 2026-02-26 | 10-K | 26-072828 |
| 28 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $9.0M | 2024-12-31 | 2026-02-26 | 10-K | 26-072828 |
| 29 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $188.0M | 2023-12-31 | 2026-02-26 | 10-K | 26-072828 |
| 30 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $17.0M | 2023-12-31 | 2026-02-26 | 10-K | 26-072828 |
| 31 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $0 | 2022-12-31 | 2025-02-18 | 10-K | 25-021784 |
| 32 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $9.0M | 2022-12-31 | 2025-02-18 | 10-K | 25-021784 |
| 33 | current assets | us-gaap:AssetsCurrent | $1.0B | 2024-12-31 | 2026-02-26 | 10-K | 26-072828 |
| 34 | current liabilities | us-gaap:LiabilitiesCurrent | $442.0M | 2024-12-31 | 2026-02-26 | 10-K | 26-072828 |
| 35 | assets | us-gaap:Assets | $1.5B | 2023-12-31 | 2026-02-26 | 10-K | 26-072828 |
| 36 | assets | us-gaap:Assets | $1.3B | 2022-12-31 | 2025-02-18 | 10-K | 25-021784 |
| 37 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 186,346,145 | 2026-02-18 | 2026-02-26 | 10-K | 26-072828 |
| 38 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 105,687,410 | 2025-02-07 | 2025-02-18 | 10-K/A | 25-022340 |

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