



DRIL-QUIP, INC. MANAGEMENT PRESENTATION
ACQUISITION OF TIW CORPORATION
OCTOBER 17, 2016



DISCLAIMER

The information furnished in this presentation contains “forward-looking statements” within the meaning of the federal securities laws including expectations regarding projected revenue, EBITDA margins, earnings per share, and cash flow per share. Forward-looking statements include goals, projections, estimates, expectations, forecasts, plans and objectives, and are based on assumptions, estimates and risk analysis made by management of Dril-Quip in light of its experience and perception of historical trends, current conditions, expected future developments and other factors. No assurance can be given that actual future results will not differ materially from those contained in the forward-looking statements in this presentation.

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Please refer to Dril-Quip’s filings with the SEC for additional discussion of risks and uncertainties that may affect Dril-Quip’s actual future results. Dril-Quip undertakes no obligation to update the forward-looking statements contained herein.



TIW CORPORATION OVERVIEW



- TIW Corporation (“TIW”) is an industry-leading manufacturer of consumable downhole products for the global oil and gas market.
- Strong market position in conventional and expandable liner hanger systems
- Onshore and offshore applications
- Headquartered in Houston, TX
- Founded in 1917

Conventional Liner Hanger Systems



Mechanical Liner Hanger

Liner hanger systems are used to hang a smaller casing string inside a larger casing string (rather than the wellhead), which reduces the weight of the casing program. TIW offers both mechanical and hydraulic set liner hangers.

Expandable Systems



XPak Expandable Liner Hanger System

Expandable liner hanger systems are typically utilized in challenging environments such as deepwater and/or HPHT¹ applications. TIW also offers an expandable patching technology.

Tool Rental & Service



FlowBoss™ Surge Reduction Tool

All TIW systems are installed by a TIW technician utilizing tools that are rented to customers.

Other Products



TIW Kelly Valve

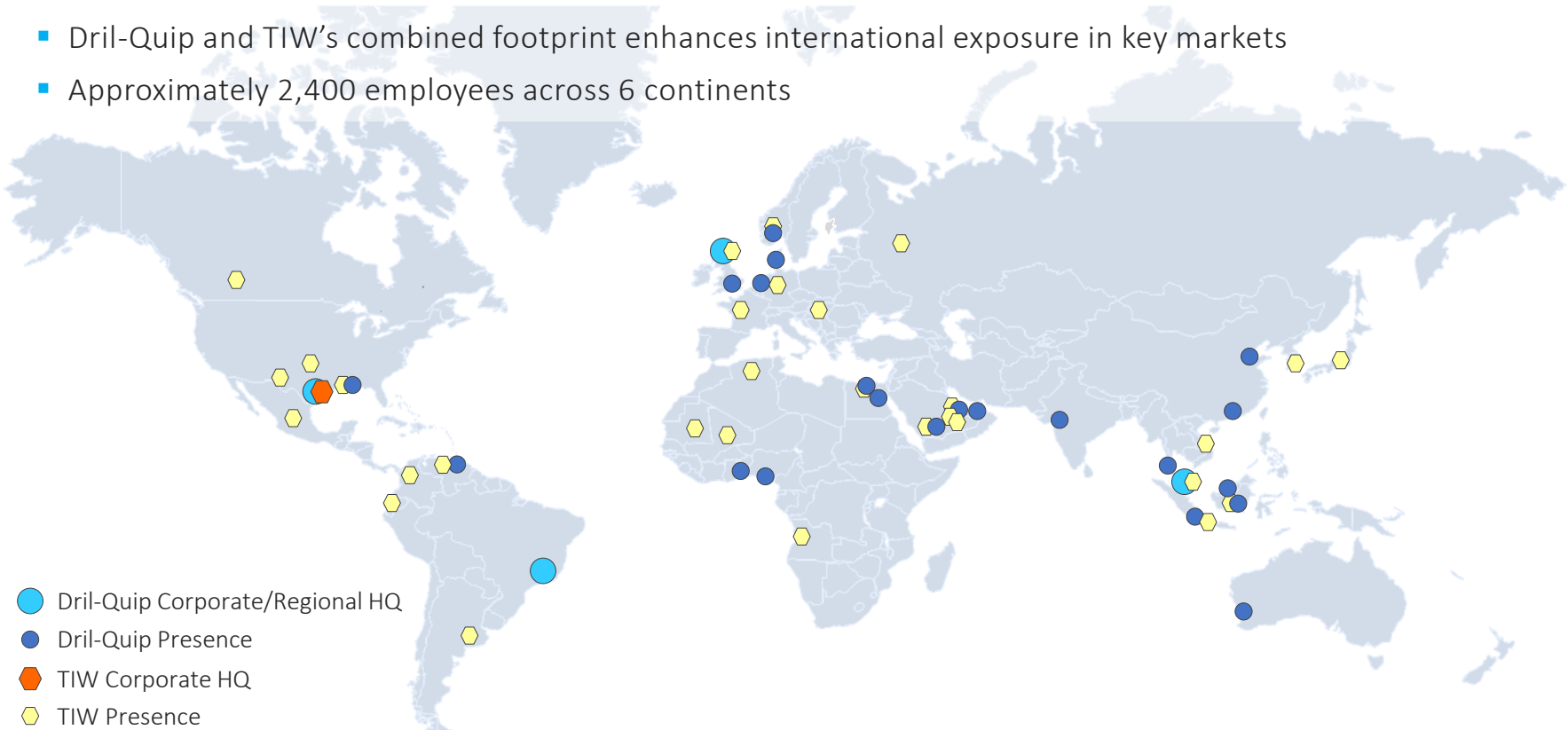
TIW also provides Kelly and safety valves, a comprehensive suite of packers, and honing and boring services.

¹High Pressure, High Temperature

COMPLEMENTARY GEOGRAPHIC FOOTPRINT



- Dril-Quip and TIW's combined footprint enhances international exposure in key markets
- Approximately 2,400 employees across 6 continents



EXECUTING OUR STRATEGY



- Dril-Quip's first acquisition aligns with company efforts to pursue growth opportunities through strategic M&A



STRATEGIC CONSIDERATIONS



PRODUCTS & SERVICES

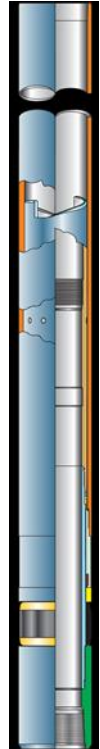
- Established brand and reputation with nearly 100 years of operating history
- Strong market positions for both conventional and expandable liner hanger systems
- Significantly enhances Dril-Quip's exposure to the liner hanger market
- Skilled engineering and manufacturing workforce producing product in API and ISO certified facilities
- Substantial IP portfolio with established and patented technology that continues path of innovation

KEY MARKETS SERVED

- Global footprint with considerable portion of revenue stemming from key international markets, including the Middle East and South America
- Approximately 70% of TIW's liner hanger system installations occur onshore, which provides onshore exposure and associated optionality

SYNERGIES

- Achievable synergies that are primarily driven by cost efficiencies
- Opportunity to consolidate operating locations
- Dril-Quip's established offshore presence provides additional sales opportunities for expandable liner hanger systems



TRANSACTION DETAILS



CONSIDERATION

- Approximately \$143 million in cash
- On a cash-free, debt-free basis

FINANCIAL

- Achieved peak revenue of approximately \$140 million in 2014
- Revenue expected to trough between \$60 million and \$70 million in 2016
- 2018 revenue expected to be between \$80 million and \$100 million¹
- With synergies, 2018 EBITDA margins expected to be similar to Dril-Quip margins
- Expect double digit accretion for EPS and CFPS on a % basis in 2018 (neutral in 2017)

MARKETING

- TIW to continue marketing its products and services under the TIW Corp. name

CLOSING

- Subject to regulatory approvals
- Expected to close 4Q16



¹Based on consensus commodity price estimates

SUMMARY



TIW's products and services are highly complementary with Dril-Quip's

Accretion primarily driven by cost synergies

Provides onshore exposure and associated optionality

Positive use of Dril-Quip's balance sheet; Well positioned for additional M&A

Strong cultural fit will facilitate integration

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[TIW Website](#)