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Cautionary Statement



Forward-Looking Statements

The information furnished in this presentation contains “forward-looking statements” within the meaning of the Federal Securities laws. Forward-looking statements include goals, projections, estimates, expectations, market outlook, forecasts, plans and objectives, including revenue and other projections, acquisition opportunities, forecasted backlog, forecasted demand, liquidity, cost savings, and share repurchases 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.

Although Dril-Quip believes that all such statements contained in this presentation are based on reasonable assumptions, there are numerous variables of an unpredictable nature or outside of Dril-Quip’s control that could affect Dril-Quip’s future results and the value of its shares. Each investor must assess and bear the risk of uncertainty inherent in the forward-looking statements contained in this presentation.

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.

Use of Non-GAAP Financial Measures

We calculate Adjusted net income, Adjusted diluted EPS, and Adjusted EBITDA to evaluate and compare the results of our operations from period to period by removing the effect of our capital structure from our operating structure. We calculate Free Cash Flow as net cash provided by operating activities less net cash used in the purchase of property, plant, and equipment. These measurements are used in concert with net income and cash flows from operations, respectively, which measure actual cash generated in the period. We believe that these non-GAAP measures are supplemental measurement tools used by analysts and investors to help evaluate overall operating performance, ability to pursue and service possible debt opportunities and make future capital expenditures. These metrics do not represent funds available for our discretionary use and are not intended to represent or to be used as a substitute for net income or cash flows from operations, as measured under U.S. generally accepted accounting principles. The items excluded from Adjusted net income, Adjusted EBITDA and Free Cash Flow, but included in the calculation of reported net income and net cash provided by operating activities, as applicable, are significant components of the consolidated statements of income and must be considered in performing a comprehensive assessment of overall financial performance. Our calculation of Adjusted EBITDA and Free Cash Flow may not be consistent with calculations used by other companies.

Dril-Quip Overview



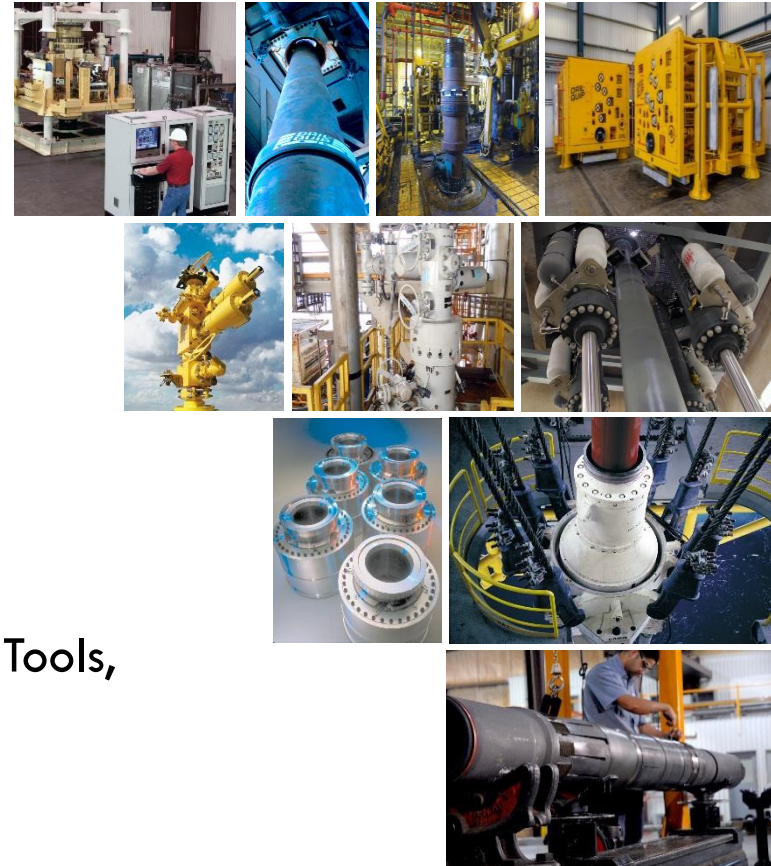
- Leading manufacturer of highly engineered drilling & production equipment
- Technically differentiated products & first-class service
- Strong financial position
- Historically superior margins to peers
- Experienced management team



Products & Services



- Subsea Equipment
- Downhole Tools
- Surface Equipment
- Rig Equipment
- Services - Technical Advisory, Rental Tools, and Reconditioning



Q4 2017 Highlights



- Generated \$108.0 million of revenue, up 8% quarter-on-quarter
- Continued strong gross margin performance
- Generated \$25.2 million of Free Cash Flow in the quarter
- Grew cash on hand to \$493.2 million as of Dec. 31, 2017
- Maintained clean balance sheet with no debt as of Dec. 31, 2017

Executing Our Strategy While Maintaining Pristine Capital Structure

Liquidity Allocation Strategy



SOURCES

Internal Cash (approx.)	\$500M
ABL Credit Facility	\$50 – 100M
Available Liquidity	\$550 – 600M

POTENTIAL USES

- Fund R&D
- Pursue Strategic Acquisitions
- Support Upturn
- Return Cash to Shareholders

Notes

- ABL put in place on February 23, 2018
- Shelf registration statement filed on February 27, 2018 for general planning purposes

Liquidity in Place in Preparation for Upturn

Recent Key Items & Market Outlook



- Signs of increased activity; oil prices & rig environments uncertain
- Several projects nearing FID; dependent on financing
- Awarded contract for Ca Rong Do Project offshore Vietnam in Feb. 2018
- Expecting expansion of backlog throughout 2018
- Full-year revenue expected to be between \$380 - \$420 million
- 1Q – 3Q 2018 revenue expected to be between \$90 - \$100 million

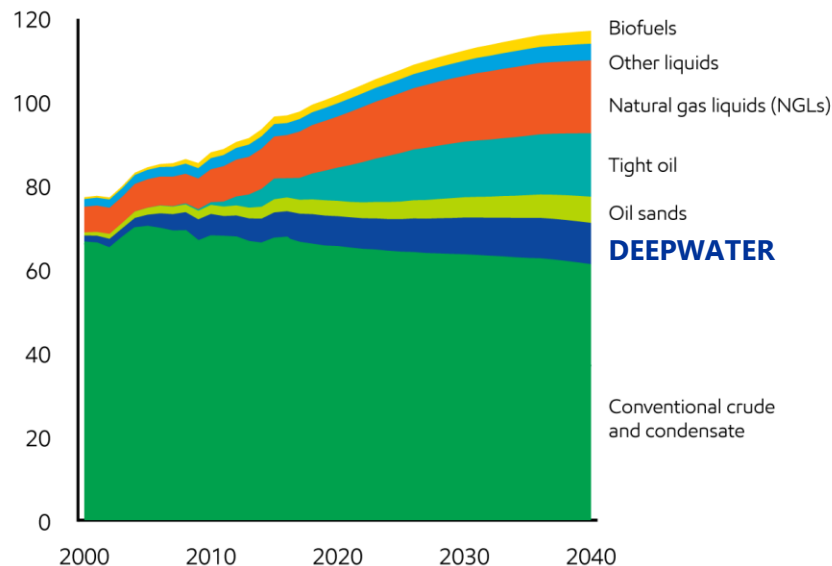
Focused Efforts to Build New Product Backlog

Deepwater Outlook



Liquids supply highlights technology gains

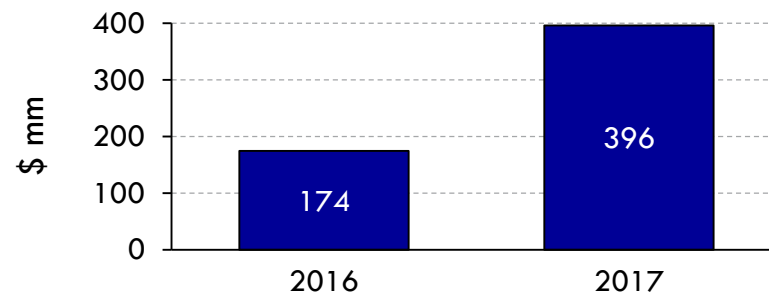
Liquids supply by type – MBDOE



Value in Deepwater

- “Deepwater is an important growth priority as we reshape Shell into a world-class investment case” - Royal Dutch Shell Jan 31, 2018
- “The Gulf of Mexico deepwater is an integral part of our company’s long-term strategy” – Chevron Jan 30, 2018
- “I think we’ll continue to have greenfield developments in the GOM for awhile yet” – BP Feb 14, 2018

GOM High Bids Submitted



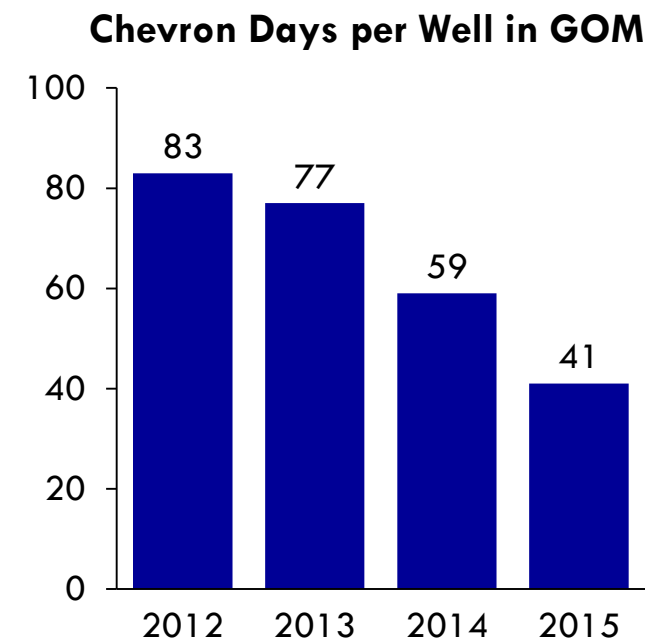
Investment Returning to Deepwater

Chart Sources: 2018 ExxonMobil *The Outlook for Energy: A View to 2040*; Bureau of Ocean Energy Management
 Quote Sources: Shell 31 Jan 2018 Press Release; Chevron 30 Jan 2018 Press Release; *Upstream Magazine* Feb. 2018

Increasing Offshore Efficiencies



- Significant drilling improvements leading to:
 - More wells being drilled per rig per year
 - Fewer rigs needed to drill same inventory
 - Drilling cost reductions improving economics



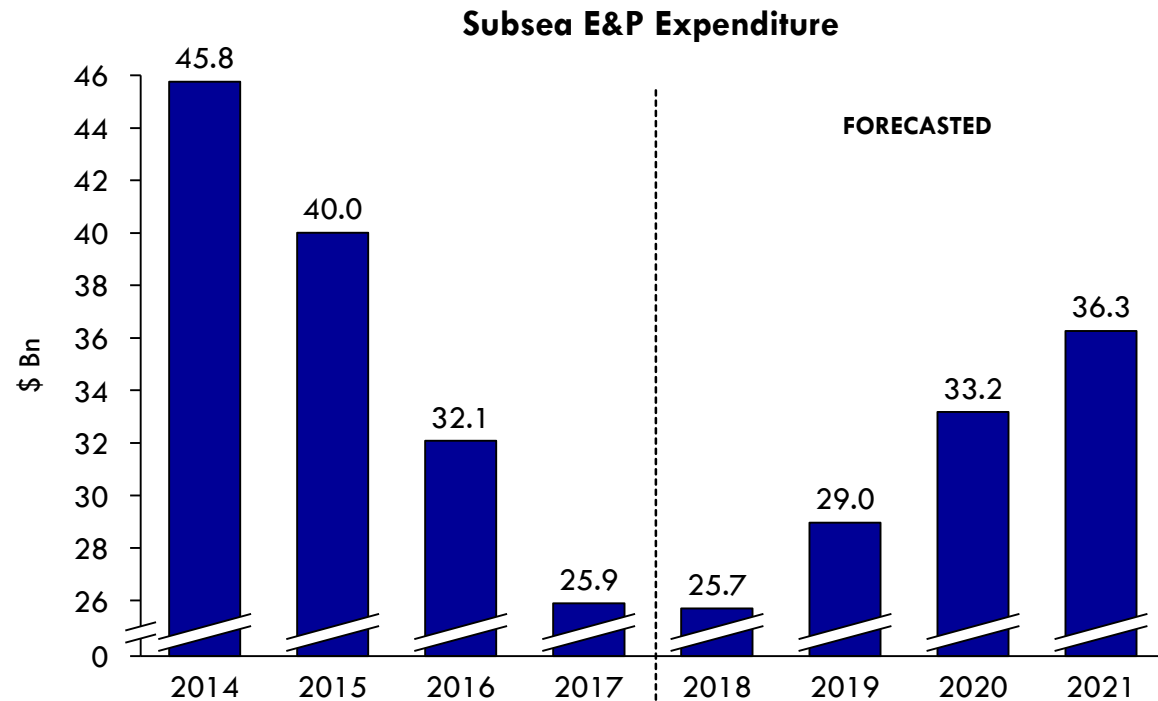
Well Count, Not Rig Count, a Proxy for Dril-Quip Demand

Source: Chevron

Subsea E&P Spending Trough in 2018



- Subsea E&P spending expected to remain muted this year
- Signs of increased activity to prompt increased spending in 2019 and beyond



Subsea Outlook Expected to Improve After Four Years of Decline

Source: Rystad Energy

Operating Plan in Current Environment



- Execute forward-focused strategy
- Maintaining operations in anticipation of recovery
- Operating margins expected to be pressured in short-term
- Mitigation of margin pressure
 - TIW integration
 - Sales capture transformation
 - Lean implementation



Leveraging Strong Balance Sheet to Prepare for Recovery

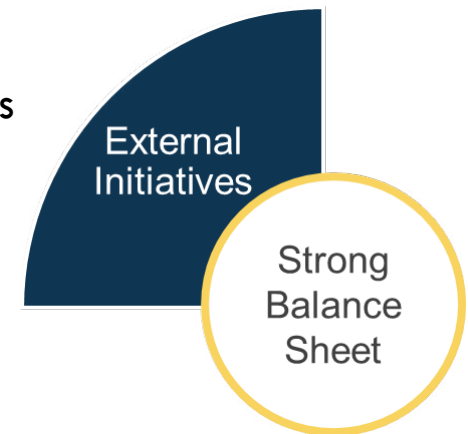
Forward-Focused Strategy



Acquisition Focus



- Closed two acquisitions in last 18 months
 - **TIW Corporation** – Liner hangers & other completion solutions
 - **OilPatch Technologies** – Offshore riser systems & components
- Remain focused on inorganic expansion
 - Technically differentiated
 - Increasing share of rig “wallet”
 - Leveraging current employees to reduce customer rig headcount



Targeting \$125 Million Revenue Increase by 2021 from Recent Acquisitions

Executing Our R&D Strategy



- Expanding Company offerings to reduce customer costs
- Developing technologically advanced products to increase market share
 - Sold first deepwater vertical monobore tree in Q4 2017
- Presented with OTC Spotlight Award for new products:
 - **BigBore-Ile Wellhead System** – 2017
 - **DXe Wellhead Connector** – 2017
 - **HFRc Hands-Free Drilling Riser** – 2018
- Established new High Pressure, High Temperature (HPHT) R&D center in Singapore



Targeting \$100 Million in New Product Revenue by 2021

Forward-Focused Strategy



Targeting \$225M Incremental Revenue in 2021 From Acquisitions and R&D

Dril-Quip Investment Highlights



- Leading manufacturer of highly engineered drilling & production equipment
- R&D capabilities provide technically differentiated products
- Strong financial position
- Historically superior margins to peers
- Experienced management team

Well-Positioned to Take Advantage of the Industry Upturn



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