UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 26, 2018

MRC GLOBAL INC.
(Exact name of registrant as specified in its charter)

Delaware	001-35479	20-5956993
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

Fulbright Tower, 1301 McKinney Street, Suite 2300
Houston, TX 77010
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: (877) 294-7574

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 7.01 Regulation FD Disclosure.

MRC Global Inc. ("MRC Global") executive management will make a presentation on February 26, 2018 to attendees of the J.P. Morgan Global High Yield & Leveraged Finance Conference regarding, among other things, MRC Global's operations and performance and share repurchase activity in 2017. A copy of the materials to be used at the presentation (the "Presentation Materials") is included as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference. The Presentation Materials, possibly with modifications, will also be used from time to time after February 26, 2018 in presentations about MRC Global's operations and performance and share repurchase activity in 2017 to current and potential investors, lenders, creditors, insurers, vendors, customers, employees and others with an interest in MRC Global and its business.

The information contained in the Presentation Materials is summary information that should be considered in the context of MRC Global's filings with the Securities and Exchange Commission and other public announcements that MRC Global may make by press release or otherwise from time to time. The Presentation Materials speak as of the date of this Current Report on Form 8-K. While MRC Global may elect to update the Presentation Materials in the future or reflect events and circumstances occurring or existing after the date of this Current Report on Form 8-K, MRC Global specifically disclaims any obligation to do so. The Presentation Materials will also be posted in the Investor Relations section of MRC Global's website, http://www.mrcglobal.com, for 90 days.

The information referenced under Item 7.01 (including Exhibit 99.1 referenced under Item 9.01 below) of this Current Report on Form 8-K is being "furnished" under "Item 7.01. Regulation FD Disclosure" and, as such, shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. The information set forth in this Current Report on Form 8-K (including Exhibit 99.1 referenced under Item 9.01 below) shall not be incorporated by reference into any registration statement, report or other document filed by MRC Global pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits.*

99.1 Investor Presentation, dated February 26, 2018

INDEX TO EXHIBITS

Exhibit No.	Description
99.1	Investor presentation, dated February 26, 2018

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: February 26, 2018

MRC GLOBAL INC.

By: /s/ Daniel J. Churay
Daniel J. Churay
Executive Vice President – Corporate Affairs,
General Counsel and Corporate Secretary

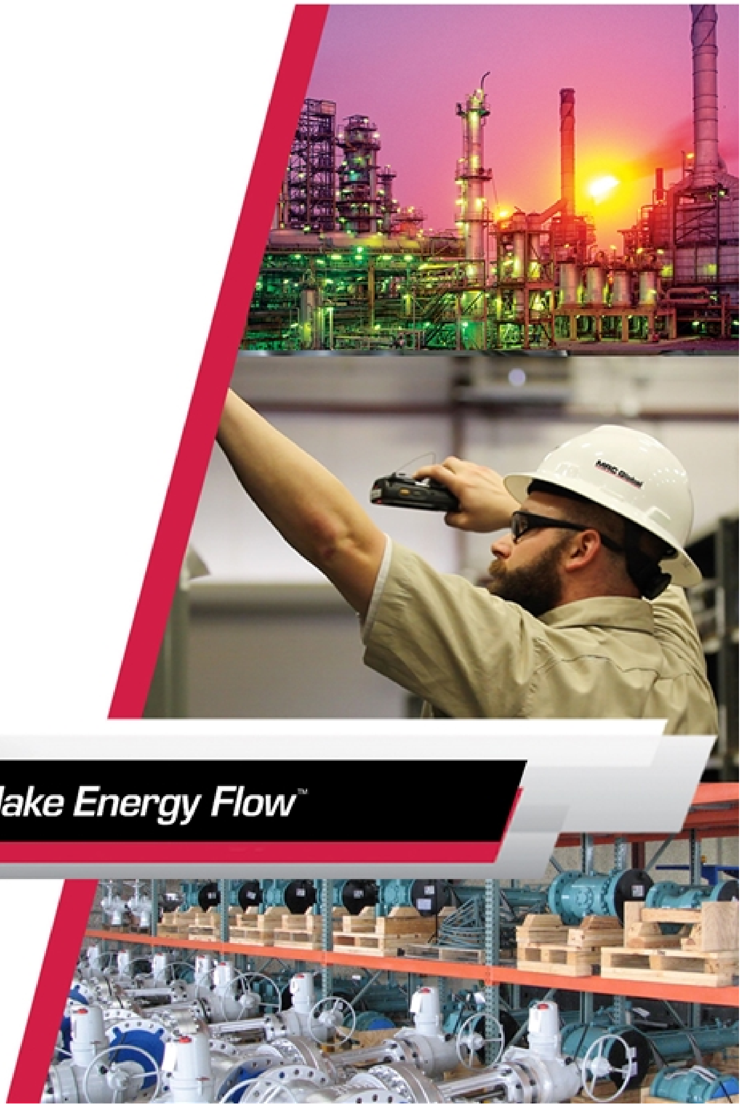
Exhibit 99.1

MRC Global

J.P. Morgan Global High Yield & Leveraged Finance Conference
February 26, 2018

Jim Braun
Executive Vice President & CFO

Elton Bond
Senior Vice President & CAO



We Make Energy Flow™

Forward Looking Statements and Non-GAAP Disclaimer

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Words such as "will," "expect," "expected," "looking forward," "guidance" and similar expressions are intended to identify forward-looking statements. Statements about the company's business, including its strategy, its industry, the company's future profitability, the company's guidance on its sales, Adjusted EBITDA, gross profit, gross profit percentage, Adjusted Gross Profit, Adjusted Gross Profit percentage, tax rate, capital expenditures and cash from operations, growth in the company's various markets and the company's expectations, beliefs, plans, strategies, objectives, prospects and assumptions are not guarantees of future performance. These statements are based on management's expectations that involve a number of business risks and uncertainties, any of which could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors, most of which are difficult to predict and many of which are beyond our control, including the factors described in the company's SEC filings that may cause our actual results and performance to be materially different from any future results or performance expressed or implied by these forward-looking statements.

For a discussion of key risk factors, please see the risk factors disclosed in the company's SEC filings, which are available on the SEC's website at www.sec.gov and on the company's website, www.mrcglobal.com. Our filings and other important information are also available on the Investor Relations page of our website at www.mrcglobal.com.

Undue reliance should not be placed on the company's forward-looking statements. Although forward-looking statements reflect the company's good faith beliefs, reliance should not be placed on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, which may cause the company's actual results, performance or achievements or future events to differ materially from anticipated future results, performance or achievements or future events expressed or implied by such forward-looking statements. The company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, changed circumstances or otherwise, except to the extent required by law.

Statement Regarding Use of Non-GAAP Measures:

The Non-GAAP financial measures contained in this presentation (Adjusted EBITDA and Adjusted Gross Profit) are not measures of financial performance calculated in accordance with U.S. Generally Accepted Accounting Principles (GAAP) and should not be considered as alternatives to net income or gross profit. They should be viewed in addition to, and not as a substitute for, analysis of our results reported in accordance with GAAP. Management believes that these non-GAAP financial measures provide investors a view to measures similar to those used in evaluating our compliance with certain financial covenants under our credit facilities and provide meaningful comparisons between current and prior year period results. They are also used as a metric to determine certain components of performance-based compensation. They are not necessarily indicative of future results of operations that may be obtained by the Company.

Global Leader in PVF Distribution

Largest pipe, valves and fittings (PVF) distributor – 2017 Sales of $3.646B

Key Role in Global Supply Chains of Energy Companies

- Create value for both customers and suppliers
- Closely integrated into customer supply chains
- Volume purchasing savings and capital efficiencies for customer

Differentiated Global Capabilities

- Footprint with ~300 service locations in 22 countries
- Premier quality program, material sourcing & customer service
- Serve broad PVF needs making it convenient and efficient for customers

Diversified Business Mix

- Balanced portfolio across upstream, midstream & downstream sectors
- Product mix focused on higher margin offerings
- Strategic focus on maintenance, repair and operations (MRO) contracts
- Growing integrated supply & project business
- Serve 200+ fabrication customers and ~$300M in annual revenue

Upstream 29%

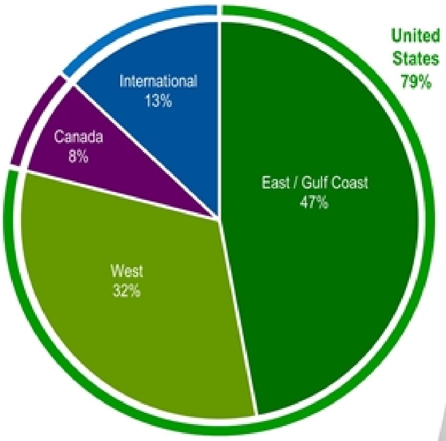
Midstream 44%

Downstream 27%

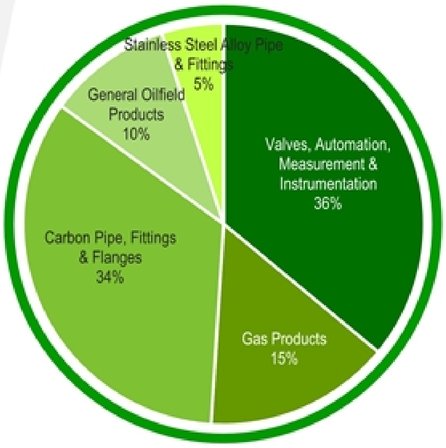
Note: For the twelve months ended December 31, 2017

Diversified by Region, Industry Sector and Product Line - Well Positioned Through Cycle

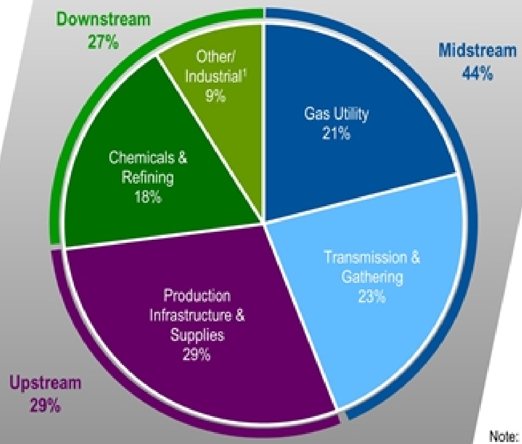
Revenue by Geography



Revenue by Product Line



Revenue by Industry Sector



Note: Percentage of sales are for the twelve months ended December 31, 2017.

1. Other industrial includes: metals & mining, fabrication, pulp & paper, power generation and general industrial.

Upstream – Providing Completion Infrastructure to E&P Operators

- Provide well hook-ups via on-site product trailers, above-ground infrastructure PVF products for flow lines & tank batteries
- Serve E&P operators including Shell, Chevron, Statoil and Canadian Natural Resources
- Primary drivers are customers' capital budgets for well completions & production tank battery upgrades and expansions
- Walk-in counter sales at strategically located branches in active oil and gas production areas
- Located in all major basins
- Upstream revenue follows basin market activity levels

Serving Midstream Customers

Gas Utilities

- Provide PVF and integrated supply services including smart meters
- Business drivers:
  - integrity projects
  - pipeline enhancement projects
  - independent of commodity prices
  - residential and commercial, new & upgrade installations
- Relatively stable, steady growth

Transmission & Gathering

- Provide PVF to midstream gathering customers (e.g. MLPs)
- Provide PVF bulks & shorts and logistical services to long-haul transmission customers
- Benefit from recent pipeline approvals & modernization projects replacing older pipelines

Serving Downstream Customers

Refining

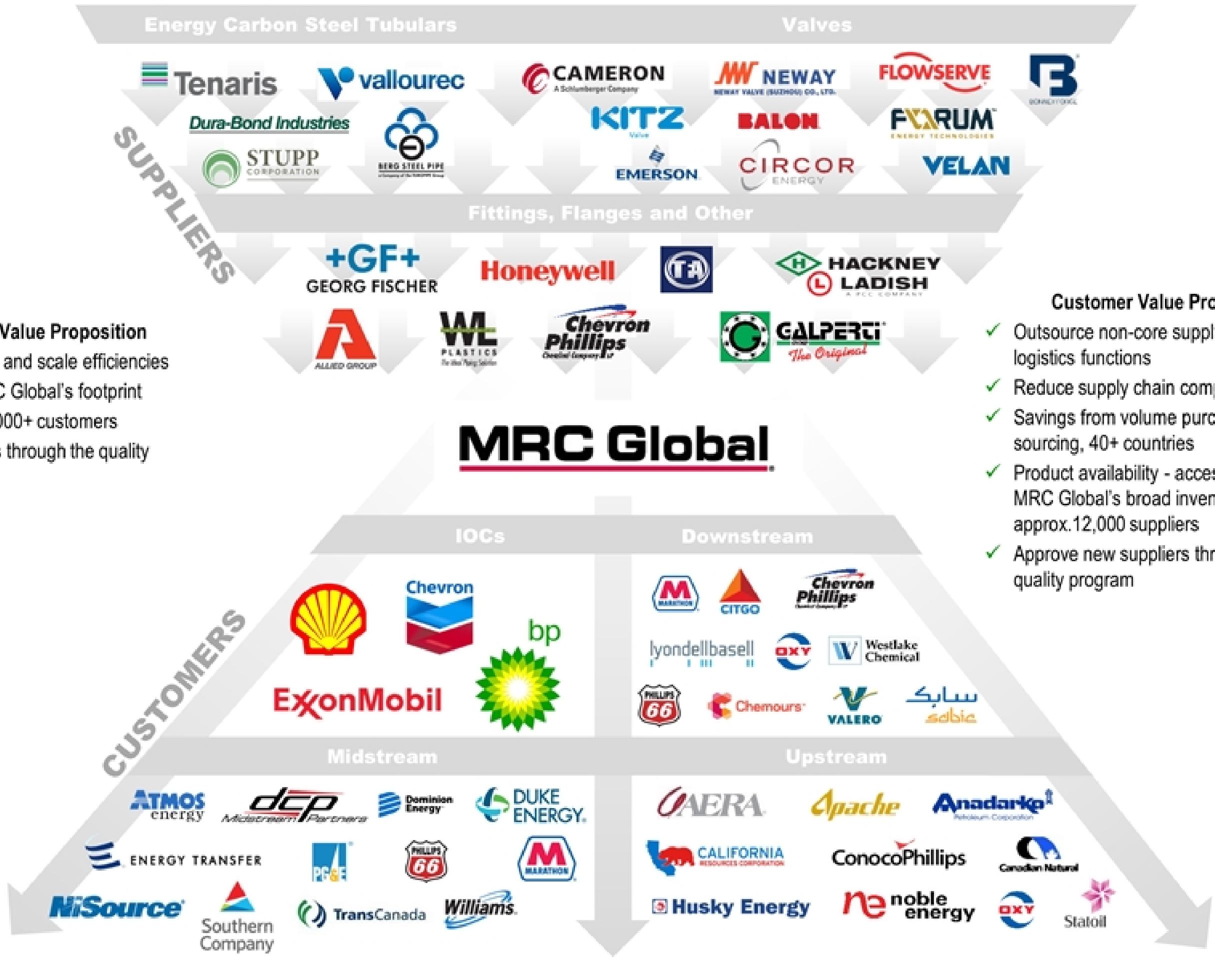
- Recurring MRO revenue from planned & unplanned maintenance
- Provide on-location “zone store” inventory
- Customers include Shell, Chevron, Phillips 66, Marathon Petroleum Company, BP and Valero

Chemical & Industrial

- Low gas prices provide stable, advantaged feedstock for plastics
- Positioned to benefit from $185B of planned U.S. petrochemical projects[1]
  - Including: ExxonMobil – Gulf Coast
    Shell – Franklin, PA
    LyondellBasell – Gulf Coast

1. Source: Wall Street Journal, “Shale Boom's Impact In One Word: Plastics”, June 26, 2017.

MRC Global is a Critical Link Between Its Customers & Suppliers



Supplier Value Proposition

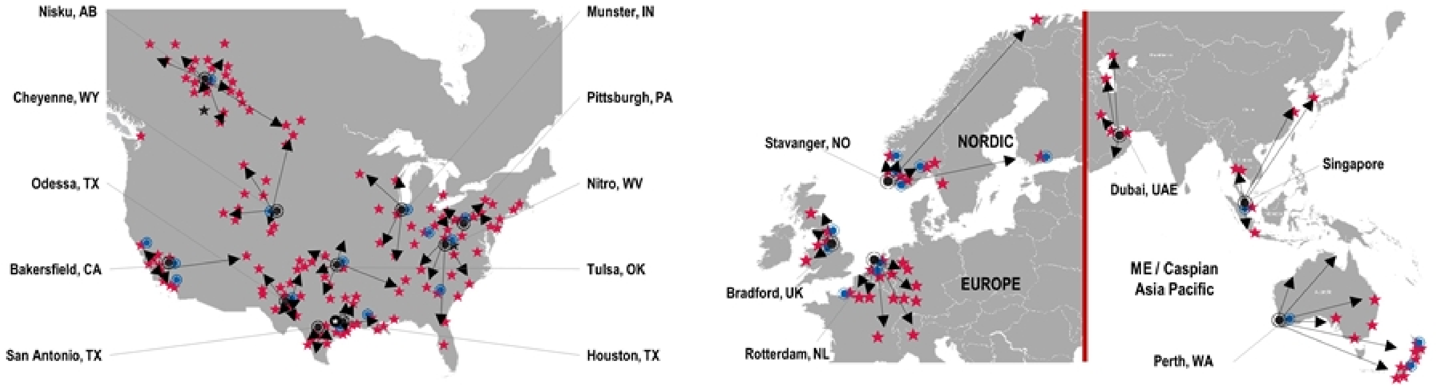
- ✓ Manufacturing and scale efficiencies
- ✓ Leverage MRC Global's footprint
- ✓ Access to 16,000+ customers
- ✓ Lead suppliers through the quality process

Customer Value Proposition

- ✓ Outsource non-core supply chain and logistics functions
- ✓ Reduce supply chain complexity
- ✓ Savings from volume purchasing and global sourcing, 40+ countries
- ✓ Product availability - access to MRC Global's broad inventory with approx.12,000 suppliers
- ✓ Approve new suppliers through rigorous quality program

Global Footprint – Strategically Located in Key Geographies to Deliver Solutions to Customers

North America	International



North America	As of 12/31/2017
Branches	127
RDCs	10
VECs	14
Employees	~2,585

- Valve & Engineering Center (VEC)
- Regional Distribution Center (RDC)
- Branch Location (BR)
- Headquarters (HQ)
- Corporate Office

International	As of 12/31/2017
Branches	50
RDCs	6
VECs	13
Countries	20
Employees	~855

MRC Global's Differentiated Value Proposition

Organic Growth

Strong record of winning new customers and expanding existing relationships resulting in growth

Operational Optimization

Driving enhanced profitability and return on capital through operational efficiencies, disciplined cost management and products & services portfolio optimization

Strategic Capital Decisions

Active balance sheet management and robust cash flow create financial flexibility and capital allocation opportunities

Global M&A Platform

Solid history of strategic acquisitions in advantageous geographies, sectors and product lines

Strong Record of Customer Contract Wins and Renewals – Yields Growth Opportunities

1. **Renew Existing & Obtain New MRO Contract Customers**
   - Approximately 53% of sales are from our top 25 customers[1]
2. **Expand Global Chemical and Valve businesses**
   - Target - 40% of total revenue from valves, automation, measurement and instrumentation
3. **Continue to Expand the Integrated Supply Business**
   - Approx. $900 million in revenue[1]
4. **Continue to Develop "Next 75" Customers**
   - Drive share through focused sales efforts and exceptional customer service

Selected Recent Contract Wins and Renewals

Customer	Type/ Scope	Products	Geography	Term (years)
CNRL	Renewal with added scope	PVF	N.A.	3
Duke	Renewal with added scope	Integrated Supply	U.S.	6
DCP Midstream	Renewal	PVF	U.S.	5
Southern Co Gas	Renewal	Integrated Supply	U.S.	5
Shell	Renewal	PFF, Valves	N.A., Global	5
NiSource	Renewal with added scope	Integrated Supply	U.S.	5
ConocoPhillips	Renewal	PVF	U.S.	2
Chevron	Renewal	PVF	Global	7
Statoil	Additional scope	Valves, Fittings, Manifolds	Denmark, Norway	4 & Projects

1. For the twelve months ended December 31, 2017

Leader in Executing Global PVF Contracts - a Platform for Growth

Customers prefer a dependable supplier who can offer global procurement capabilities and excellent service everywhere they operate.

MRC Global has executed the only global PVF contracts with IOCs in the industry.

- Shell – Global valves & North American PFF
- Chevron – Global PVF
- ExxonMobil – Global valves, initially focused on downstream

2017

Shell
- 5 year renewal term
- Global valves & North American PFF

First global valve contract in 2012

2017

Chevron
- 7 year renewal term
- Global PVF
- Leveraged U.S. agreement to add Canada, Europe, Australia, Thailand, Gulf of Mexico, Kazakhstan

Strategic geographic expansion since original 2003 contract

2017

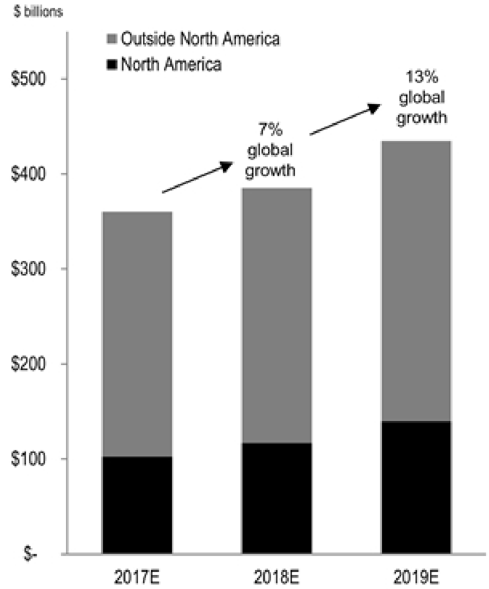
ExxonMobil
- 5 year renewal term
- Global valves for MRO & projects. Initially focused on downstream for the U.S., Europe & Asia Pacific

Opportunity to expand

End Market Growth Opportunities

Upstream	Midstream	Downstream

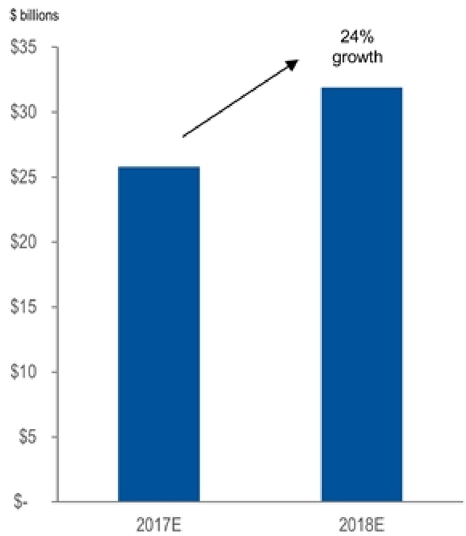
Global E&P Spending[1]



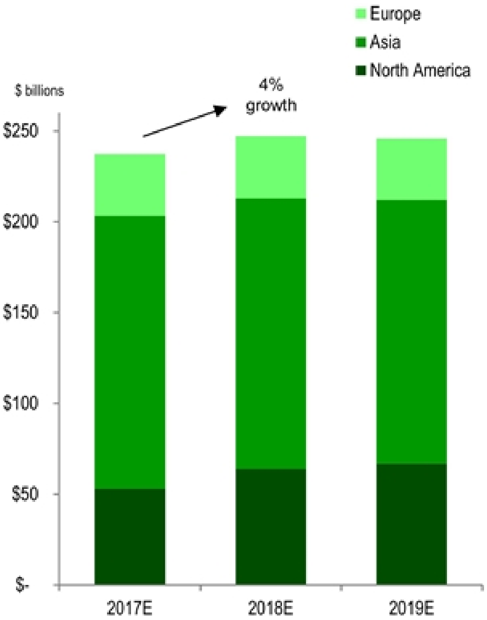
Existing Pipeline Infrastructure Aging

- gas pipelines average age > 50 years[2]
- replacement market of 5,000 miles/ year[2]

New Pipeline Spending In U.S.[3]



Global Refining & Chemical Spending[4]



Sources:
1. Evercore ISI, "The 2018 Evercore ISI Global E&P Spending Outlook: A Pivotal Year for E&P Capital Deployment", published December 13, 2017.
2. Pipe Logix Line Pipe Market Review & Outlook, 2nd Quarter 2017, Construction Outlook published May 2017.
3. Stifel Diversified Industrials Specialty Engineering and Construction, pipeline database January 2018. All tiers. Probability weighted.
4. Industrial Info Resources: February 2018. Asia excludes China.

New Houston Regional Distribution Center - Supporting Growth & Continued Operational Efficiencies

- Consolidates four locations including three Houston locations, Galena Park, Darien & East Park
  - Large project staging capabilities
  - Easily scalable for growth

- Strategically located near refining and petrochemical customers
  - Supports growth from recent multi-year downstream customer contracts including ExxonMobil, BASF, LyondellBasell and The Chemours Company

- Largest global valve & engineering center (VEC) with expanded capabilities including valve testing services

Largest regional distribution center in global footprint with **415,000 ft^2** including a **40,000 ft^2** VEC

Investing in Technology for Long-Term Growth & Efficiency

Benefits of implementing ERP system in International segment:

- Moves from 14 systems to one
- Makes interaction with customers streamlined and efficient
- Provides one view of inventory, procurement and strategic inventory management
- Standardization of processes resulting in lower costs
- Completed in 2017

MRCGO™ online catalog increased functionality added

- B-2-B for contract customers allows for easy and efficient ordering
- Customized for each customer's contract terms, part numbers, commonly ordered items
- Real-time inventory, pricing and order status
- Over $110 million of YTD revenue generated through MRCGO™

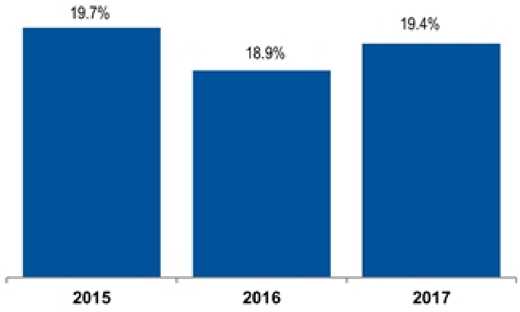
~35% of the **top 35** customers' 2017 revenue was transacted through e-commerce (e.g. catalog, EDI)

Focus on Optimizing Operations

Working Capital Management

- Expect to maintain capital efficiency with working capital as a percentage of revenue at approximately 20%
- Reduced the gap between days sales outstanding and days payable outstanding over the past two years
- Investments in working capital are weighted to higher margin products

Optimizing Net Working Capital[1]



Actively Managing Costs

- High operating leverage - SG&A as a percentage of sales is declining as sales increase and operating costs are controlled
- International headcount reductions in 4Q 2017 are expected to result in International profitability in 2018.
- Successfully executed cost reduction measures in downturn with ~$200M of annual savings realized from 2014
- Expect 11% revenue growth (at mid-point) with a modest increase in SG&A in 2018 as compared to 2017

Actively Managing SG&A Costs

1. Working capital defined as Current Assets (excluding Cash) – Current Liabilities. Sales are on trailing twelve months basis.

Strategic Capital Decisions Support Growth

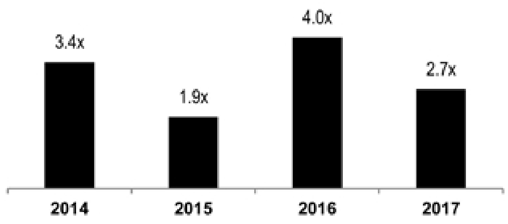
Effectively Positioned the Balance Sheet …

- Advantageous debt agreements with favorable terms, low interest rate and maturities 2022+
- Liquidity of $485 million – sufficient to cover working capital and M&A
- Net leverage expected to continue to decrease as EBITDA increases in 2018

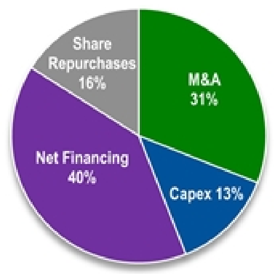
… For Capital Deployment Opportunities

- Organic growth initiatives - Investments to drive share gains & efficiencies
- Share repurchases:
  - $125 million authorization completed in 1Q 2017
  - $100 million authorization in Oct 2017 – 50% complete as of 12/31/17
- Strategic M&A - 31% of cash flow deployed on M&A from 2013-2017
- Debt repayment $1.12 billion in 2015 & 2016

Net Leverage



Use of Cash Flow (2013 – 2017[1])



1. Investing and Financing cash flows from 2010 through 2017. Net Financing equals the total issuance less repayment of debt and equity excluding share repurchases.

Global Platform For Continued M&A

North American Consolidation

- Merger in 2007 created the largest PVF distributor to energy companies in North America
- Augmented North American platform through seven bolt-on acquisitions and organic growth

+

Global Acquisitions

- Acquired an international valve company in 2009 as a platform for international expansion
- Expanded markets served and enhanced product portfolio through several subsequent acquisitions
- Acquired leading Norwegian supplier in 2014, which added a differentiated offshore production facility capability and provided expertise to grow in offshore production facility markets

=

Differentiated Position

- Global service capability enables expanded relationships with customers and organic growth opportunity
- Diversified across the energy infrastructure complex, serving upstream, midstream and downstream customers

Targeted Sectors

- Focus in 2015 -2017 was on debt reduction & share repurchases
- In 2018, continue to target global assets and build scale with a focus on valves & alloys

Strategic Acquisitions

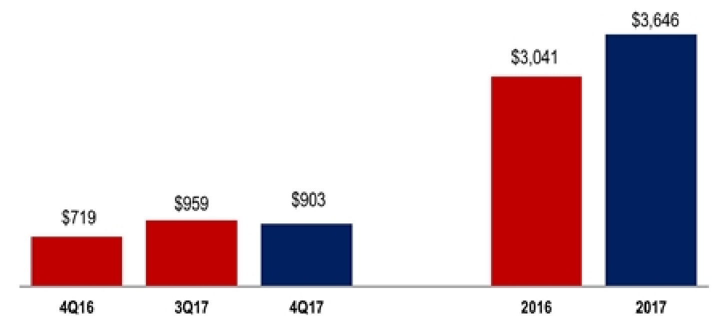
Date	Company Acquired	Country	Revenue ($ million)[1]
Jun-14	HypTeck	Norway	$ 38
May-14	MSD Engineering	Singapore & SE Asia	26
Jan-14	Stream	Norway	271
Dec-13	Flangefitt Stainless	United Kingdom	24
Jul-13	Flow Control Products	U.S.	28
Dec-12	Production Specialty Services	U.S.	127
Jun-12	Chaparral Supply	U.S.	71
Mar-12	OneSteel Piping Systems	Australia	174
Jul-11	Valve Systems and Controls	U.S.	13
Jun-11	Stainless Pipe and Fittings	Australia & SE Asia	91
Aug-10	Dresser Oil Tools Supply	U.S.	13
May-10	South Texas Supply	U.S.	9
Oct-09	Transmark	Europe & Asia	346
Oct-08	LaBarge	U.S.	233
			$ 1.46+ Billion

1. Reflects reported revenues for the year of acquisition or 2013 for Stream, MSD and HypTeck.

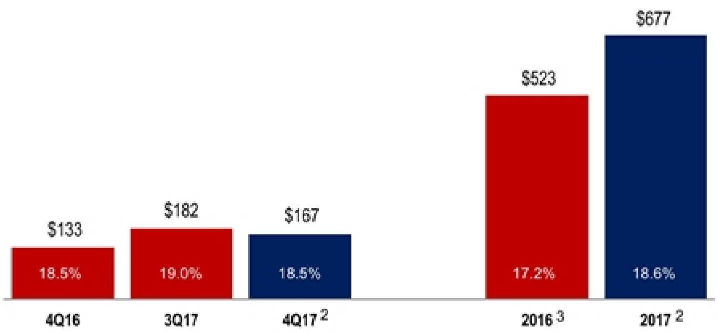
Quarterly & YTD Financial Performance

($ millions, except per share data)

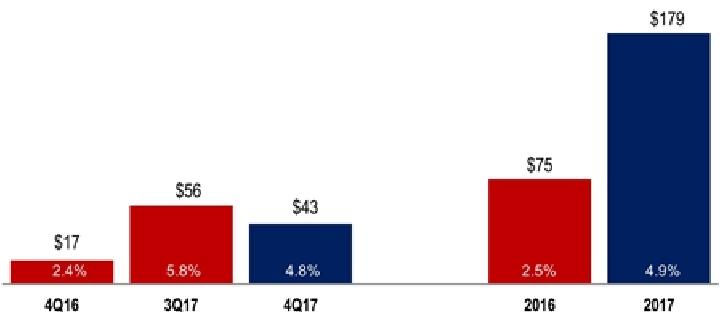
Sales



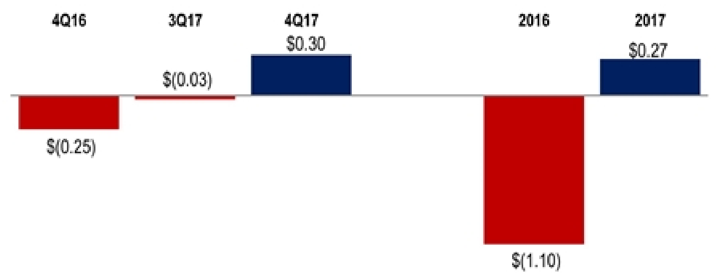
Adjusted Gross Profit and % Margin[1]



Adjusted EBITDA and % Margin[1]



Diluted EPS

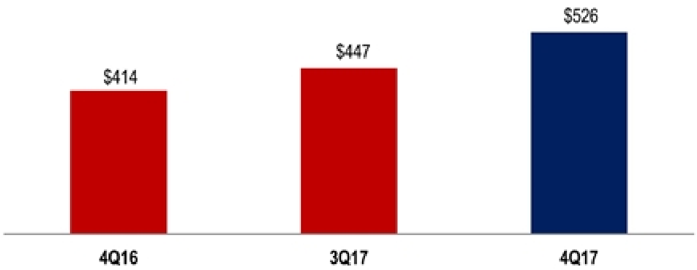


1. See reconciliation of non-GAAP measures to GAAP measures in the appendix
2. Includes $6 million of non-cash charges recorded in cost of goods sold in the international segment for each of the three months and year ended December 31, 2017. Charges are related to reducing our local presence in Iraq. Excluding these charges for the three months ended December 31, 2017, gross profit, as reported would be $147 million (16.3%) and adjusted gross profit would be $173 million (19.2%). Excluding these charges for the year ended December 31, 2017 gross profit, as reported would be $588 million (16.1%) and adjusted gross profit would be $683 million (18.7%).
3. Includes $45 million of non-cash charges recorded in cost of goods sold in the international segment for the year ended December 31, 2016. Charges relate to a restructuring of our Australian business and market conditions in Iraq as well as an increase in reserves for excess and obsolete inventory in the U.S. and Canada as a result of the market outlook for certain products. Excluding these charges for the year ended December 31, 2016, gross profit, as reported would be $513 million (16.9%) and adjusted gross profit would be $568 million (18.7%).

Strong Balance Sheet Provides Financial Flexibility

($ millions)

Total Debt



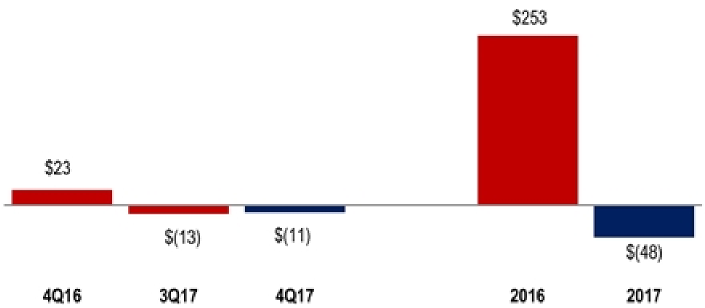
Net Leverage[1]:

4.0x	2.7x	2.7x

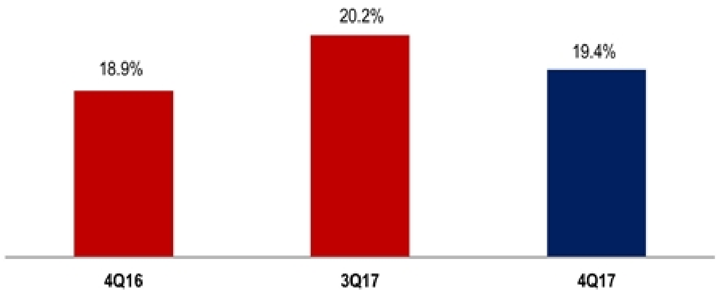
Capital Structure

	December 31, 2017
Cash and Cash Equivalents	**$ 48**
Total Debt (including current portion):	
Term Loan B due 2024 (net of discount & deferred financing costs)	$ 397
Global ABL Facility due 2022	129
Total Debt	$ 526
Preferred stock	355
Common stockholders' equity	759
Total Capitalization	**$ 1,640**
Liquidity	**$ 485**

Cash Flow from Operations



Net Working Capital as % of Sales[2]



1. Multiples represent Net Debt / trailing twelve months Adjusted EBITDA. Net Debt is Total Debt less Cash.
2. Working capital defined as Current Assets (excluding Cash) – Current Liabilities. Sales are on trailing twelve months basis.

Compelling Long-Term Investment

- Market Leader in PVF Distribution, Serving Critical Function to the Energy Industry
- Diversified Across Sectors, Regions and Customers
- Differentiated Global Platform Creates Customer Value
- Counter-cyclical Cash Flow and Strong Balance Sheet
- Organic Growth Potential via Market Share Gains from Expanded Multi-year MRO Contracts and Long-term Secular Growth from Global Energy Demand
- Proven History of Driving Continuous Productivity Improvements
- Industry Consolidator with Proven Success in Acquiring and Integrating Businesses

World-class Management Team
with Significant Distribution and Energy Experience

Appendix

Financial Outlook

2018 Outlook	
Revenue	**Profitability / Cash flows**
• 2018 annual – $3,850 - $4,250 million	• Adjusted Gross Profit – 19%
By sector	• SG&A – $525 - $535 million
• Upstream – up 10 - 20%	• Tax rate – 27% annual
• Midstream – up 5 - 15%	• Capital expenditures – $25 million
• Downstream – up 5 - 15%	• Cash flow from operations – $50 million
By segment	• LIFO – $25 million expense
• U.S. & Canada – double digit percentages	• Equity-based compensation expense – $14 million
• International – mid-single digit percentages	
Sequential	
• 1Q18 – up low to mid-single percentages	

Note: Adjusted Gross Profit is a non-GAAP measure. For a reconciliation to Gross profit, its closest GAAP measure, see our Current Report on Form 8-K dated February 15, 2018.

Annual Financial Performance

($ millions, except per share data)

Sales

	2010	2011	2012	2013	2014	2015	2016	2017
Sales	$3,846	$4,832	$5,571	$5,231	$5,933	$4,529	$3,041	$3,646
Y-o-Y Growth		*26%*	*15%*	*(6%)*	*13%*	*(24%)*	*(33%)*	*20%*

Adjusted Gross Profit and % Margin[1]

	2010	2011	2012	2013	2014	2015	2016 [2]	2017 [3]
Adjusted Gross Profit	$663	$850	$1,058	$1,009	$1,120	$814	$523	$677
% Margin	17.2%	17.6%	19.0%	19.3%	18.9%	18.0%	17.2%	18.6%
Y-o-Y Growth		*28%*	*24%*	*(5%)*	*11%*	*(27%)*	*(36%)*	*29%*

Adjusted EBITDA and % Margin[1]

	2010	2011	2012	2013	2014	2015	2016	2017
Adjusted EBITDA	$224	$360	$463	$386	$424	$235	$75	$179
% Margin	5.8%	7.5%	8.3%	7.4%	7.1%	5.2%	2.5%	4.9%
Y-o-Y Growth		*61%*	*29%*	*(17%)*	*10%*	*(45%)*	*(68%)*	*139%*

Diluted EPS

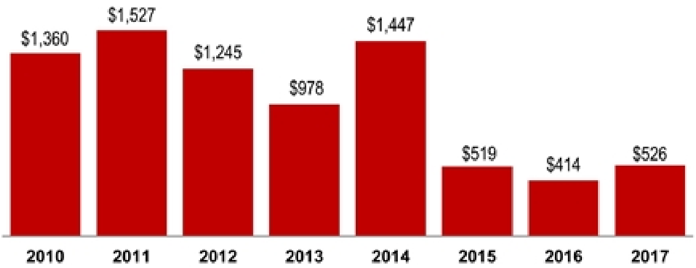
	2010	2011	2012	2013	2014	2015	2016	2017
Diluted EPS	$(0.61)	$0.34	$1.22	$1.48	$1.40	$(3.38)	$(1.10)	$0.27
Y-o-Y Growth		*(156%)*	*259%*	*21%*	*(5%)*	*NM*	*67%*	*125%*

1. See reconciliation of non-GAAP measures to GAAP measures in the appendix
2. Includes $45 million of non-cash charges recorded in cost of goods sold & the international segment for the year ended December 31, 2016. Charges relate to a restructuring of our Australian business and market conditions in Iraq as well as an increase in reserves for excess and obsolete inventory in the U.S. and Canada as a result of the market outlook for certain products. Excluding these charges for the year ended December 31, 2016, gross profit, as reported would be $513 million (16.9%) and adjusted gross profit would be $568 million (18.7%).
3. Includes $6 million of non-cash charges recorded in cost of goods sold & in the international segment for the year ended December 31, 2017. Charges are related to reducing our local presence in Iraq. Excluding these charges for the year ended December 31, 2017 gross profit, as reported would be $588 million (16.1%) and adjusted gross profit would be $683 million (18.7%).

Balance Sheet

($ millions)

Total Debt



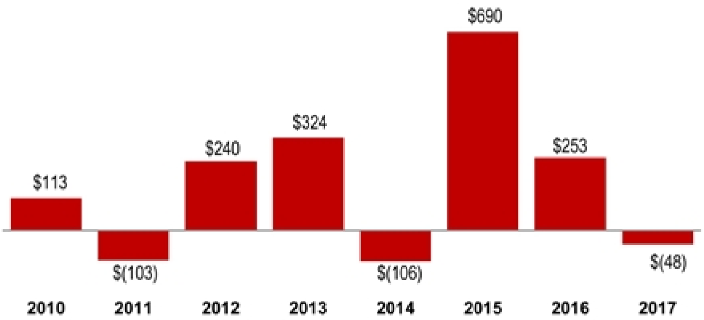
Net Leverage[1]:

2010	2011	2012	2013	2014	2015	2016	2017
5.8x	4.1x	2.6x	2.5x	3.4x	1.9x	4.0x	2.7x

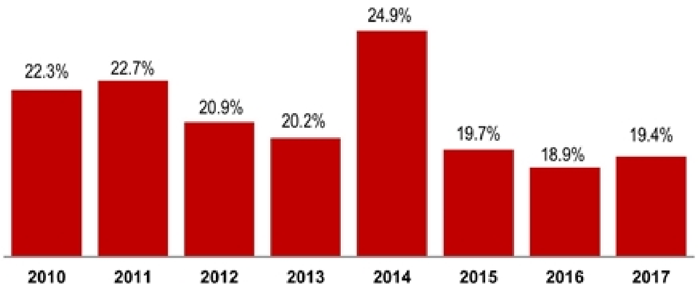
Capital Structure

	December 31, 2017
Cash and Cash Equivalents	**$ 48**
Total Debt (including current portion):	
Term Loan B due 2024 (net of discount & deferred financing costs)	$ 397
Global ABL Facility due 2022	129
Total Debt	$ 526
Preferred stock	355
Common stockholders' equity	759
Total Capitalization	**$ 1,640**
Liquidity	**$ 485**

Cash Flow from Operations



Net Working Capital as % of Sales[2]



1. Multiples represent Net Debt / trailing twelve months Adjusted EBITDA. Net Debt is Total Debt less Cash.
2. Working capital defined as Current Assets (excluding Cash) – Current Liabilities. Sales are on trailing twelve months basis.

Adjusted Gross Profit Reconciliation

	Three months ended			Year ended December 31							
($ millions)	Dec 31, 2017	Sept 30, 2017	Dec 31, 2016	2017	2016	2015	2014	2013	2012	2011	2010
Gross profit	**$ 141**	**$ 152**	**$ 122**	**$ 582**	**$ 468**	**$ 786**	**$ 1,018**	**$ 955**	**$ 1,014**	**$ 708**	**$ 518**
Depreciation and amortization	6	5	6	22	22	21	22	22	19	17	17
Amortization of intangibles	11	12	12	45	47	60	68	52	49	51	54
Increase (decrease) in LIFO reserve	9	13	(7)	28	(14)	(53)	12	(20)	(24)	74	74
Adjusted Gross Profit	**$ 167**	**$ 182**	**$ 133**	**$ 677**	**$ 523**	**$ 814**	**$ 1,120**	**$ 1,009**	**$ 1,058**	**$ 850**	**$ 663**

Adjusted EBITDA Reconciliation

	Three months ended			Year ended December 31							
($ millions)	Dec 31, 2017	Sept 30, 2017	Dec 31, 2016	2017	2016	2015	2014	2013	2012	2011	2010
Net income (loss)	**$ 35**	**$ 3**	**$ (18)**	**$ 50**	**$ (83)**	**$ (331)**	**$ 144**	**$ 152**	**$ 118**	**$ 29**	**$ (52)**
Income tax (benefit) expense	(49)	2	1	(43)	(8)	(11)	82	85	64	27	(23)
Interest expense	7	9	9	31	35	48	62	61	113	137	140
Depreciation and amortization	6	5	6	22	22	21	22	22	19	17	17
Amortization of intangibles	11	12	12	45	47	60	68	52	49	51	54
Increase (decrease) in LIFO reserve	9	13	(7)	28	(14)	(53)	12	(20)	(24)	74	75
Inventory-related charges	6	-	-	6	40	-	-	-	-	-	-
Goodwill & intangible asset impairment	-	-	-	-	-	462	-	-	-	-	-
Change in fair value of derivative instruments	-	1	(1)	1	(1)	1	1	(5)	(2)	(7)	5
Equity-based compensation expense	4	3	3	16	12	10	9	15	8	8	4
Severance & restructuring charges	14	-	8	14	20	14	8	1	-	1	3
Write-off of debt issuance costs	-	8	1	8	1	3	-	-	-	-	-
Litigation matter	-	-	-	3	-	3	-	-	-	-	-
Foreign currency losses (gains)	-	-	3	(2)	4	3	3	13	(1)	(1)	-
Loss on disposition of non-core product line	-	-	-	-	-	5	10	-	-	-	-
Insurance charge	-	-	-	-	-	-	-	2	-	-	-
Cancellation of executive employment agreement (cash portion)	-	-	-	-	-	-	3	-	-	-	-
Expenses associated with refinancing	-	-	-	-	-	-	-	5	2	9	-
Loss on early extinguishment of debt	-	-	-	-	-	-	-	-	114	-	-
Pension settlement	-	-	-	-	-	-	-	-	4	-	-
Legal and consulting expenses	-	-	-	-	-	-	-	-	-	10	4
Provision for uncollectible accounts	-	-	-	-	-	-	-	-	-	-	(2)
Joint venture termination	-	-	-	-	-	-	-	-	-	2	-
Other expense (income)	-	-	-	-	-	-	-	3	(1)	3	(1)
Adjusted EBITDA	**$ 43**	**$ 56**	**$ 17**	**$ 179**	**$ 75**	**$ 235**	**$ 424**	**$ 386**	**$ 463**	**$ 360**	**$ 224**