MRC Global®

Investor Presentation – 2Q 2023 Update

September 18, 2023

Experts You Can Trust

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President & CEO

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Forward Looking Statements

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," "look forward," "guidance," "targeted", "goals", 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, Adjusted Net Income, Adjusted Diluted EPS, Adjusted SG&A, Gross Profit, Gross Profit percentage, Adjusted Gross Profit, Adjusted Gross Profit percentage, Net Debt, Tax Rate, Capital Expenditures and Cash from Operations, Free Cash Flow, Free Cash Flow after Dividends, 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, including the company's Current Report on Form 8-K dated August 7, 2023.

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.

Non-GAAP Disclaimer

In this presentation, the company is providing certain non-GAAP financial measures. These are not measures of financial performance calculated in accordance with U.S. Generally Accepted Accounting Principles (GAAP) and should not be considered as alternatives. The following GAAP measures have the following non-GAAP measures presented and derived from the respective GAAP measures:

- **Net Income (adjusted EBITDA)**
- **Net Income margin (adjusted EBITDA margin)**
- **Gross profit (Adjusted Gross Profit)**
- **Gross profit percentage (Adjusted Gross Profit percentage)**
- **Net Income (adjusted Net Income)**
- **Diluted Earnings per Share (adjusted diluted EPS)**
- **Selling, general and administrative expense (adjusted SG&A)**
- **Net cash provided by operations (free cash flow and free cash flow after dividends)**
- **Long-term debt, net (Net Debt)**
- **Return on Invested Capital (ROIC), Adjusted for LIFO**

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.

MRC Global
A Compelling Investment Opportunity

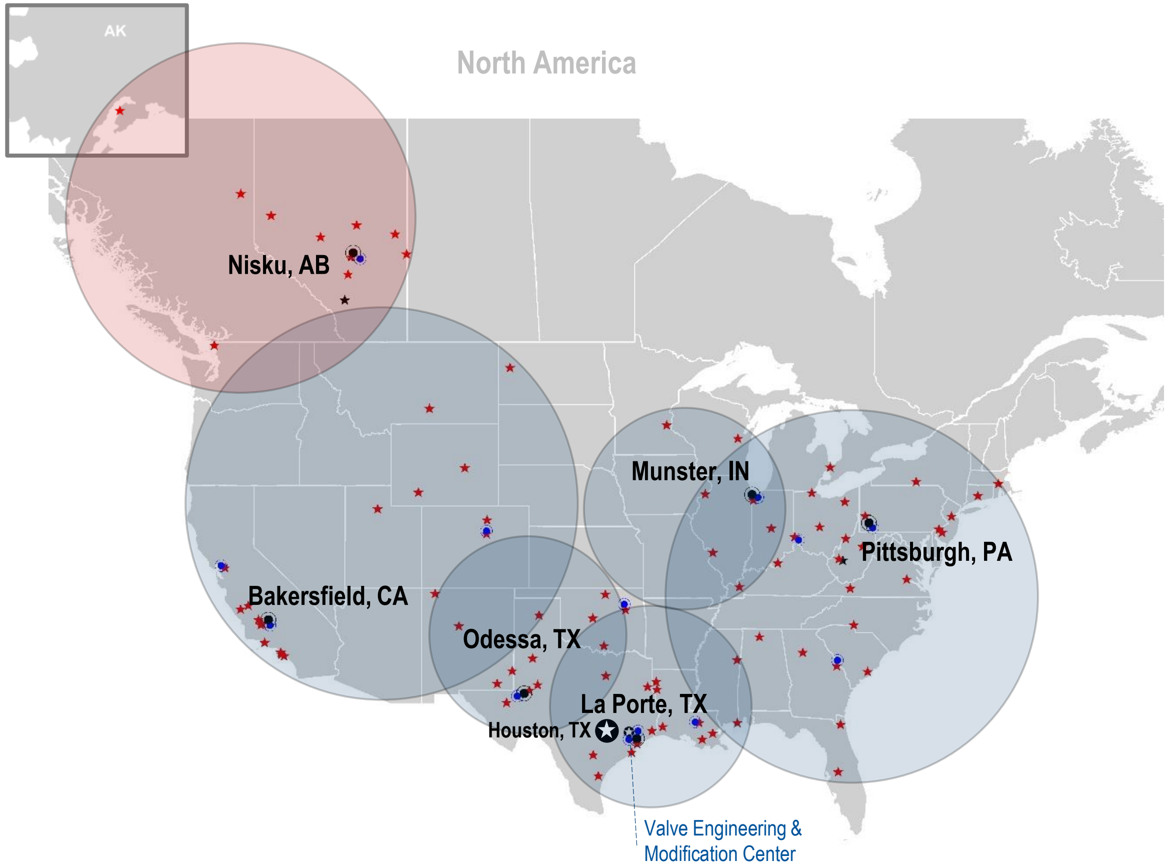
- Leading global distributor of industrial products, services and supply solutions
- Diversified portfolio with long-term growth drivers in all end-market sectors
- Rapidly improving financial performance and returns on invested capital
- Solid balance sheet with flexibility for future growth
- Sustainability principles embedded in organizational values and product offerings

Leading Global Distributor of Industrial Products, Services & Supply Solutions

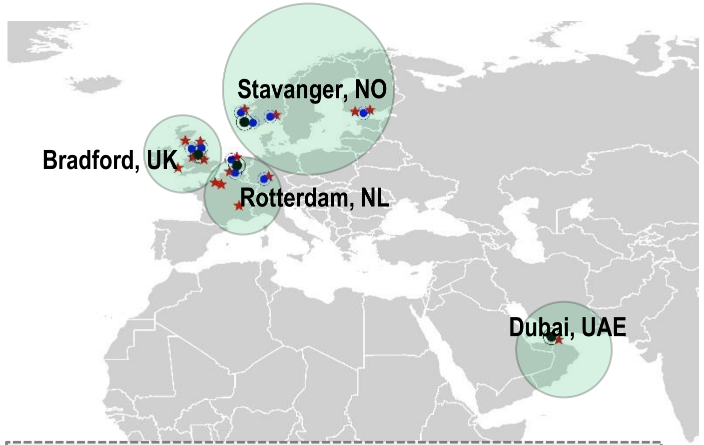
Integral Supply Chain Partner to Customers and Suppliers

TTM Revenue by Region

North America



EMEA



APAC

Global Footprint

13	Regional Distribution Centers
26	Valve & Engineering Centers
111	Service Centers
	Headquarters
15	→ Countries
~2,900	→ Employees

Current as of June 30, 2023

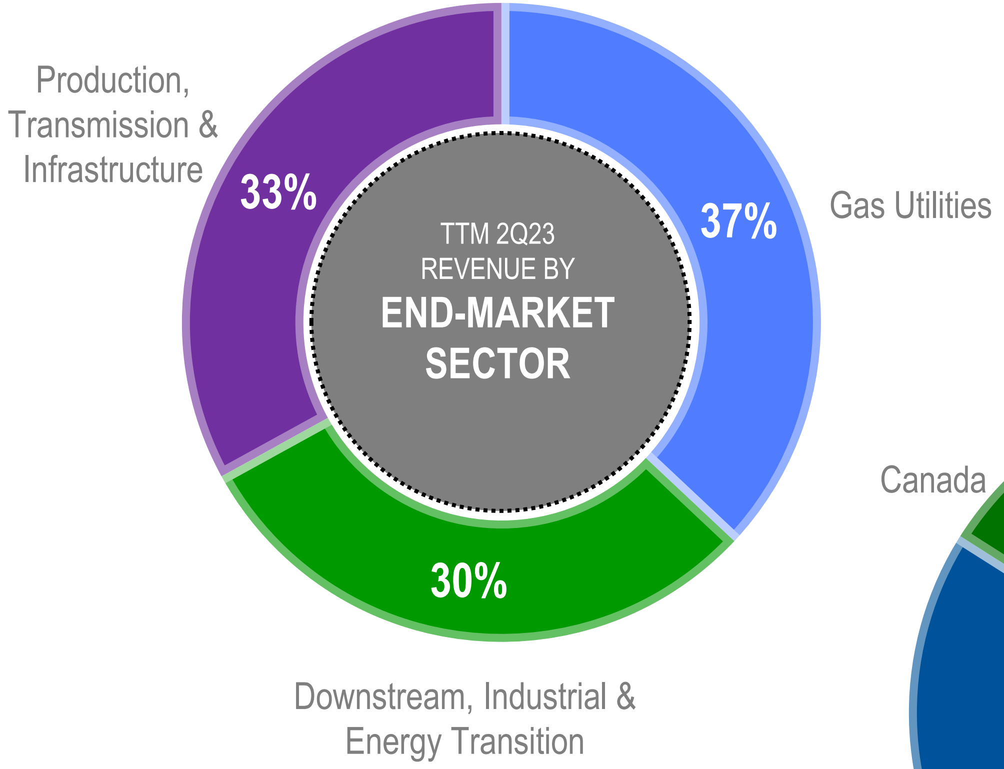
Market-Leading Expertise in Industrial Products, Services and Supply Solutions

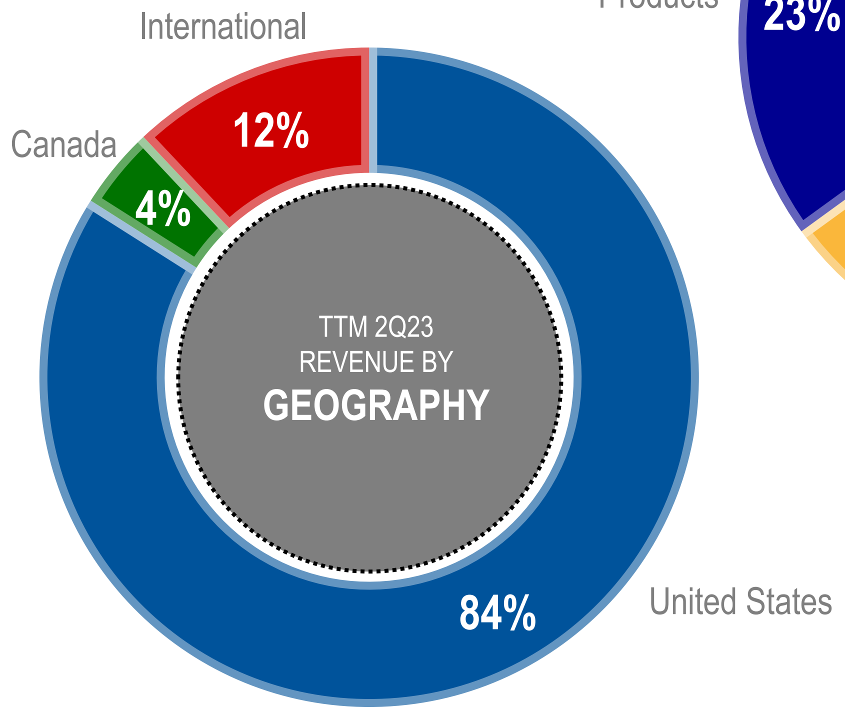
Scalable Capabilities in Projects, Maintenance and Turnarounds across Multiple End-Market Sectors

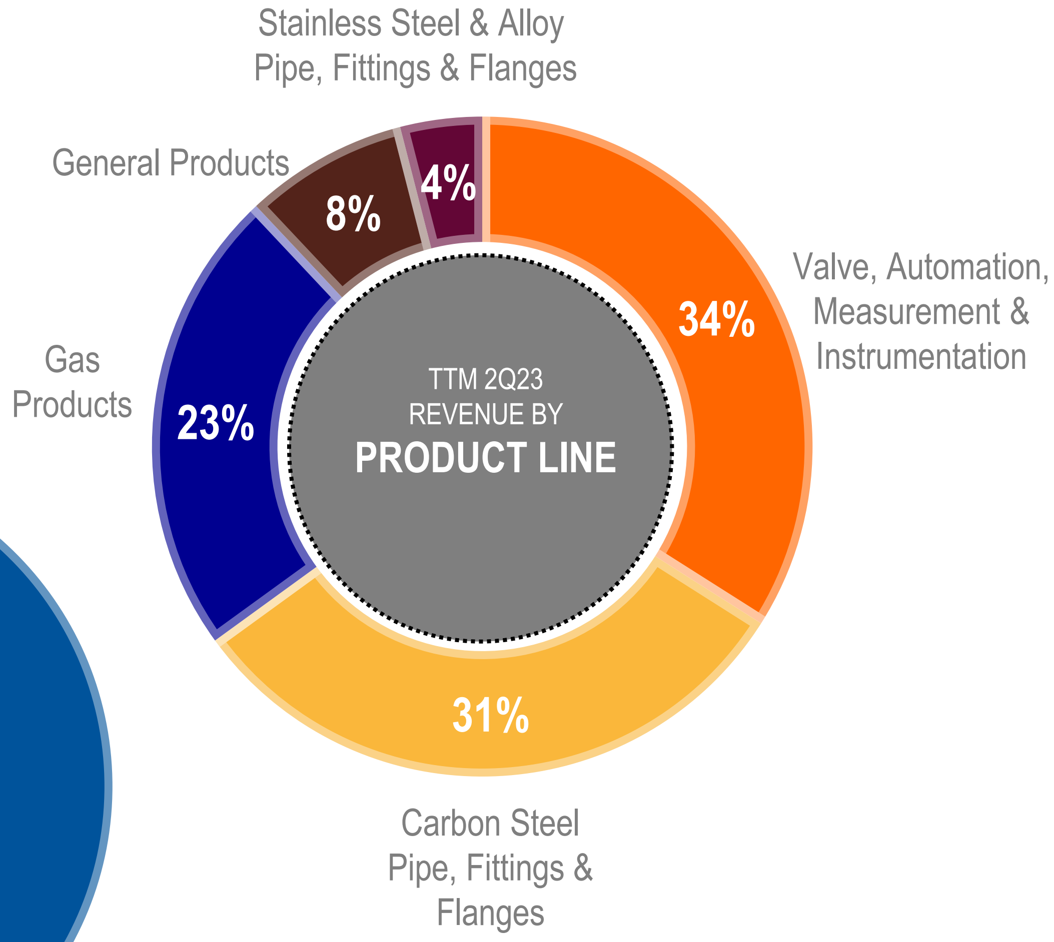
- **Industrial Infrastructure Products**
    - Flow-control equipment (valves and pipe) including low-emission valves that control pollution
    - Measurement and instrumentation
    - Gas meters and polyethylene pipe
- **Value-added Services**
    - Valve actuation, modification and ValidTorque™
    - Complete engineering documentation (CAD drawings)
    - Testing services (e.g., hydrostatic testing, weld x-rays)
    - Steam system surveys and audits
    - On-site product assistance, training and demonstrations
- **Quality Assurance Program** – Approved Manufacturers List Qualification & Supplier Audits to minimize quality issues and promote customer loyalty
- **Integrated Supply Solutions** – Complete inventory management services including warehouse and logistics solutions, stock replenishment and product rationalization

Highly Diversified Portfolio with a Stable Customer Base

Across End-Markets, Geographies and Products





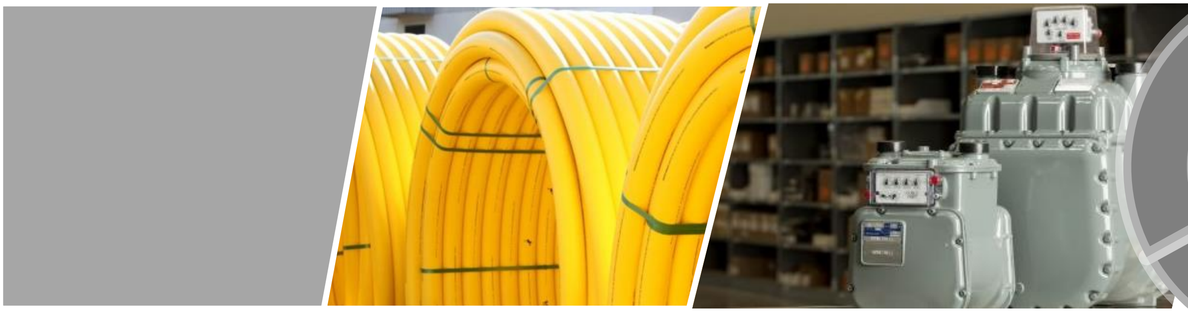


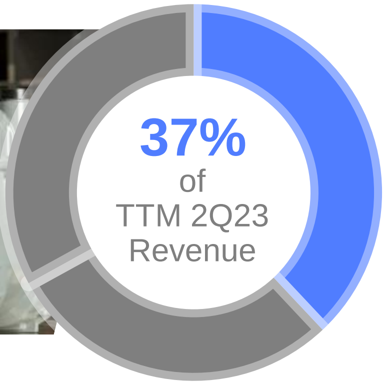
Gas Utilities End-Market Sector

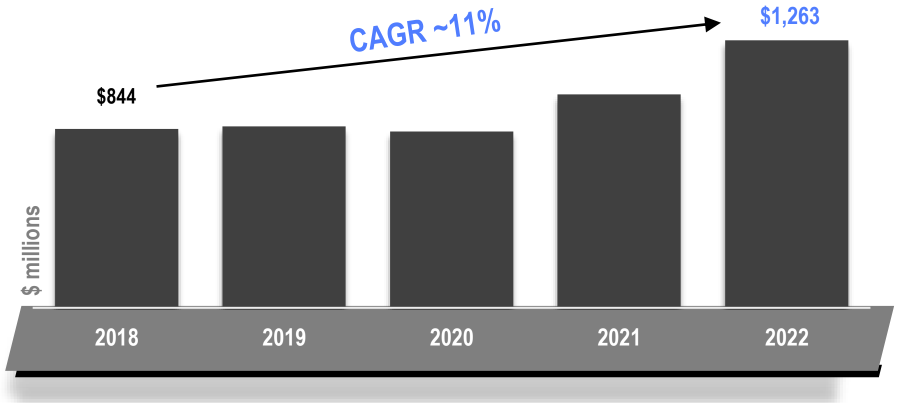
Largest Sector, Independent of Commodity Prices

Growth Drivers

- Multi-year growth expectations from:
  - Continual safety and integrity projects and meter modernization
  - Emissions reduction programs replacing valves
  - New installations with a strong presence in high growth regions of the U.S.
- CAGR ~11% (2018 – 2022)
- Future customer budgets expected to grow 5-7% per annum
- Two methods of future growth: Market penetration with new customers and increased spending with existing customers from additional product offerings and expanded geographies





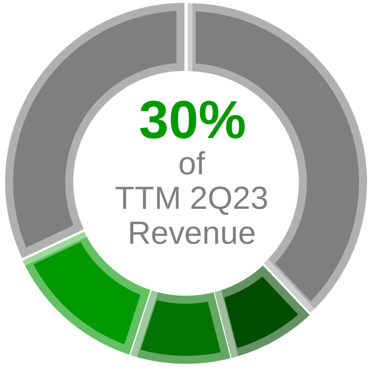


Downstream, Industrial & Energy Transition (DIET) End-Market Sector

Energy Transition and Process Industry Investments

Growth Drivers

- Global energy transition projects as carbon reduction targets are prioritized and government stimulus is deployed, including:
  - Refinery conversions to biofuel feedstocks
  - Hydrogen processing
  - Carbon capture and storage
  - Hydroelectric power generation
  - Offshore wind power generation
  - Geothermal power generation
- Petrochemical investments led by secular demand for plastics and other chemicals
- Expanded project management expertise supporting market penetration in energy transition and chemicals for both brownfield and greenfield projects
- Expansion of liquefied natural gas (LNG) facilities in the U.S. and regasification terminals in Europe
- Increased turnaround and maintenance activity in chemicals and refining



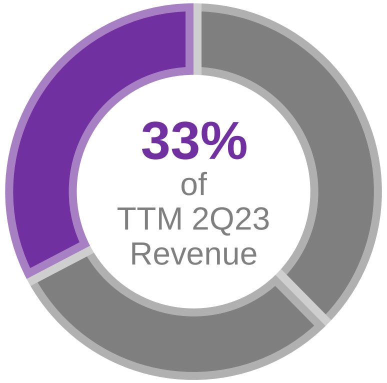
12% Industrial & Energy Transition
9% Chemicals
9% Refining

Production, Transmission & Infrastructure (PTI) End-Market Sector

Traditional Energy Infrastructure

Growth Drivers

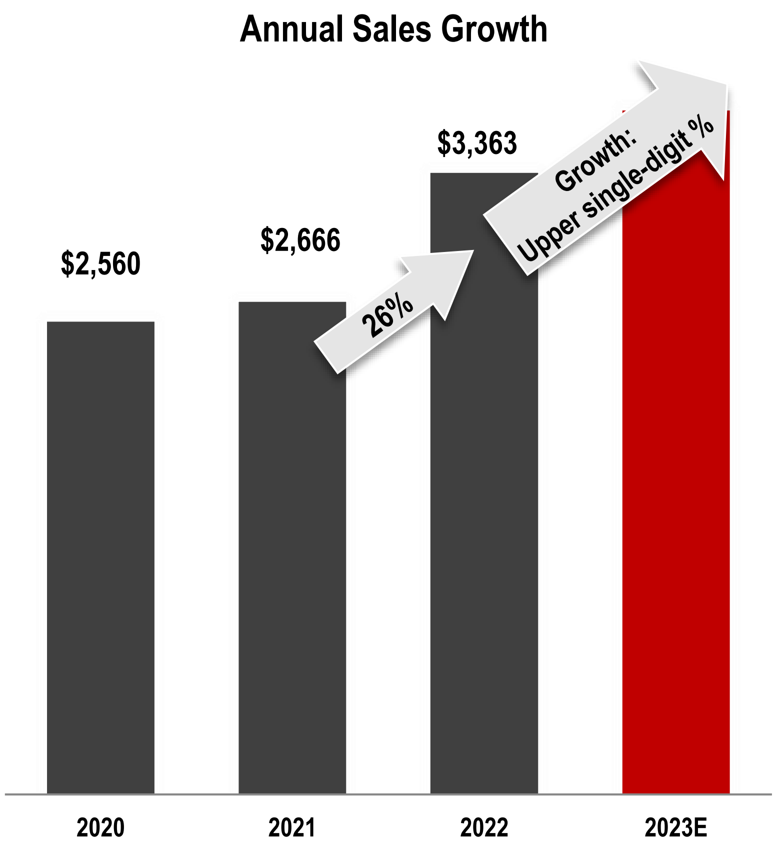
- Tightening global supply and demand driving increased well completion activity, production and gathering and processing facilities
- Need for energy security driving:
  - Increasing demand for LNG exports from the U.S. to Europe
  - Increasing European oil and gas production in the North Sea
- Activity in the U.S. shifting from private operators to IOCs and large independents
- Market penetration from enhanced product mix tailored to smaller producers
- Pipeline infrastructure capacity tightening leading to need for transmission expansion projects

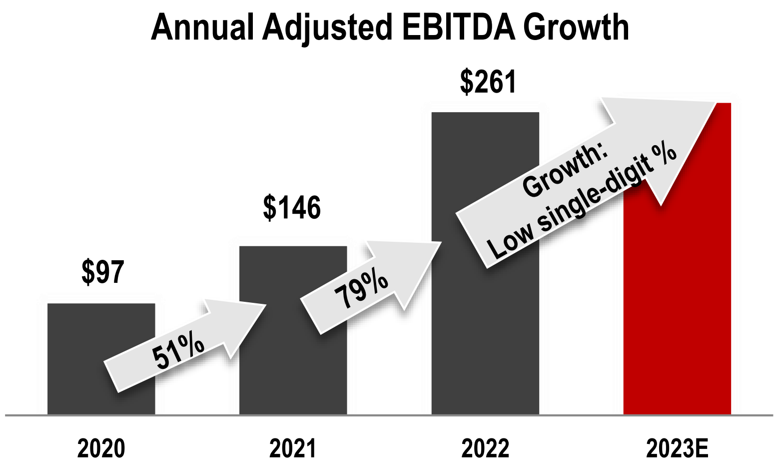


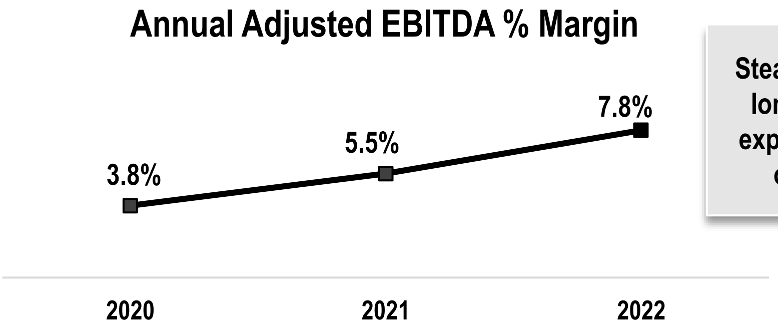
Improving Top-Line and Bottom-Line Performance

Revenue Growth, Structurally More Efficient with High Operating Leverage

($ millions)







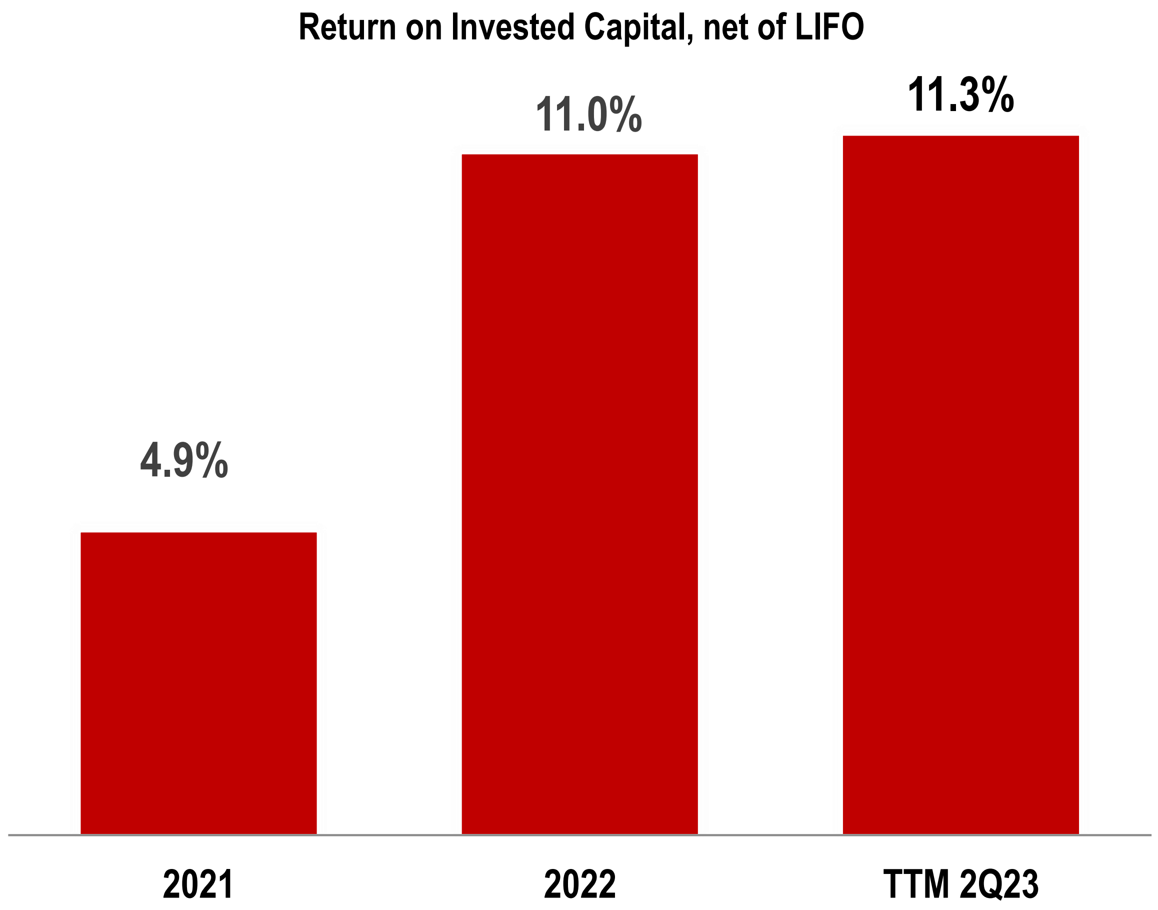
Steady improvement with longer-term expansion expected from increased operating leverage

Note: See reconciliation of non-GAAP measures to GAAP measures in the appendix. Reconciling the adjusted EBITDA and EBITDA % margin 2023 targets to annual 2023 outlook regarding the company's net income is not reasonably possible as the impact from inflation or deflation on indices used to calculate LIFO is not possible to reasonably predict.

Improving Capital Returns – Creating Value for Shareholders

- ROIC is a key metric for capital stewardship and shareholder value creation

- Improvement in ROIC is enabled by increased profitability and enhanced efficiency of inventory and financial working capital



1. See reconciliation of non-GAAP measures to GAAP measures in the appendix

Solid Balance Sheet with Flexibility for Future Growth

($ millions)

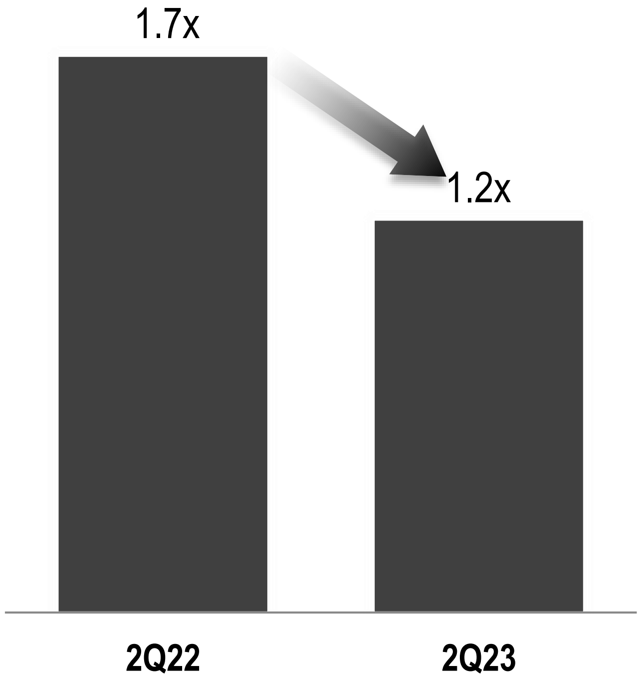
Cash & Capital Structure

(as of June 30, 2023)

Cash & Cash Equivalents	**$ 31**
Debt (including current portion):	
Term Loan B due Sept 2024 (net of discount & deferred financing costs)	$ 294
Global ABL Facility due Sept 2026	77
Total Debt	**$ 371**
Preferred Stock	**$ 355**

- Capacity under the ABL sufficient to repay the Term Loan B

Leverage Ratio[2]



Net Debt[1]	**2Q23**	**$ 340M**

Liquidity

	2Q23
Cash & Cash Equivalents	$ 31
Availability - Global ABL Facility	599
	$ 630

- $80 million increase in liquidity from 2Q22
- Growing liquidity expected in 2023 & 2024 as cash is generated

1. Net debt is total debt less cash. See reconciliation in appendix.
2. Net leverage multiples represent net debt / trailing twelve months adjusted EBITDA.

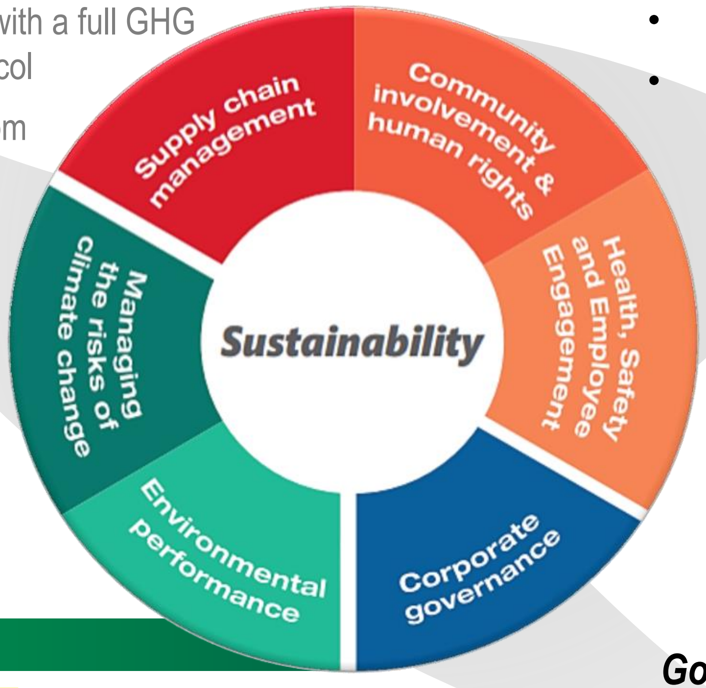
Sustainability Built into Organizational Values and Product Offerings

Environmental

- Enhanced Manufacturer Quality Assessment to include environmental sustainability
- Scope 1 & 2 emissions – 2022 marks 1st year with a full GHG baseline calculated pursuant to the GHG protocol
- Scope 2 emissions – **27%** energy used was from renewable sources in 2022
- All steel pipe, valves and flanges from **recycled steel** to varying degrees

ESG Developments

- Our **6th ESG report** published July 2023
- Established **SVP-Sustainability** position in 2022 to lead ESG strategy and execution



Diversity & Inclusion

- **75%** of Board leadership positions from Diversity Groups
- **44%** of Board of Directors from Diversity Groups
- **24%** Global directors & above positions are female
- **23%** U.S. management & above positions are racially or ethnically diverse

Social Responsibility

- Added a dedicated **Supplier Diversity Program Manager**
- Successful 2022 pilot of **biodegradable shrink wrap** for U.S. operations with roll-out in 2023
- Recordable injuries **down 29%** since 2021
- **Safety stats better than peer group averages** from U.S. Bureau of Labor Statistics (BLS) and the National Association of Wholesaler-Distributors (NAW)

ESG ACCOLADES

TOP 6%

S&P's 2022 ESG Assessment: Top 6th percentile of companies in the Trading Companies & Distributors sector, placing 11/185

Ecovadis 2022 Assessment: Scored a 57, placing 70th percentile & awarded a Bronze Ecovadis Medal – 6-time winner

Governance

- 2022 disclosed alignment with Task Force on Climate-related Financial Disclosures (TCFD)
- **Executive compensation tied to safety metric**
- Board oversight of ESG

Note: Certain data based on 2023 ESG report for 2022 results where 2023 information is not yet available

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A Compelling Investment Opportunity

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- Diversified portfolio with long-term growth drivers in all end-market sectors
- Rapidly improving financial performance and returns on invested capital
- Solid balance sheet with flexibility for future growth
- Sustainability principles embedded in organizational values and product offerings

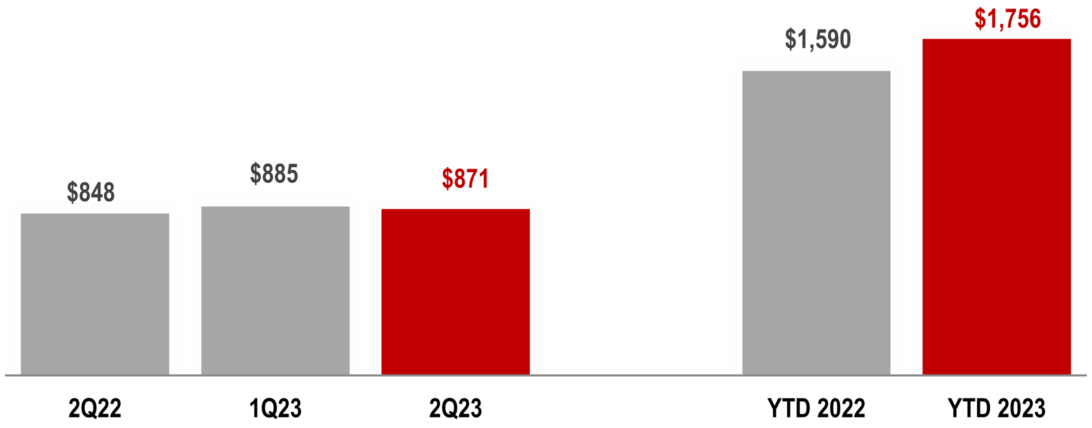
Experts You Can Trust

APPENDIX

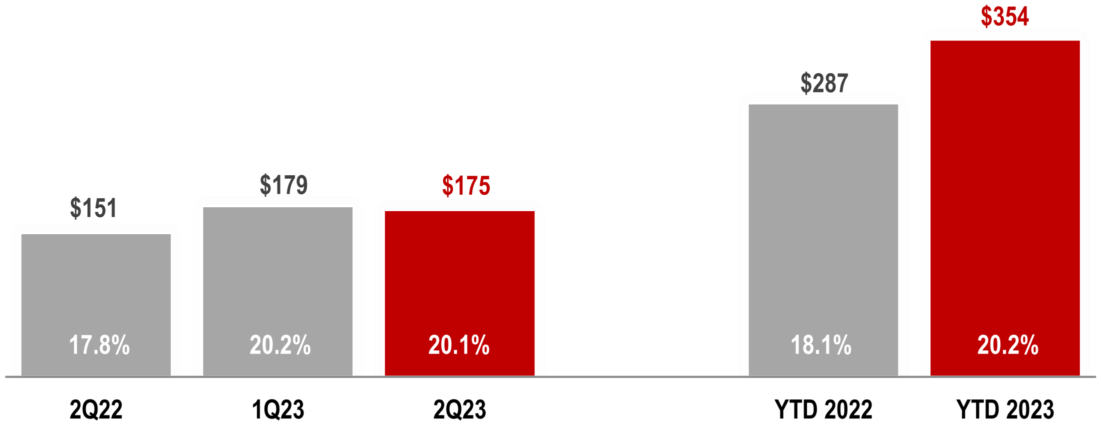
Quarterly Financial Performance - GAAP

($ millions, except per share data)

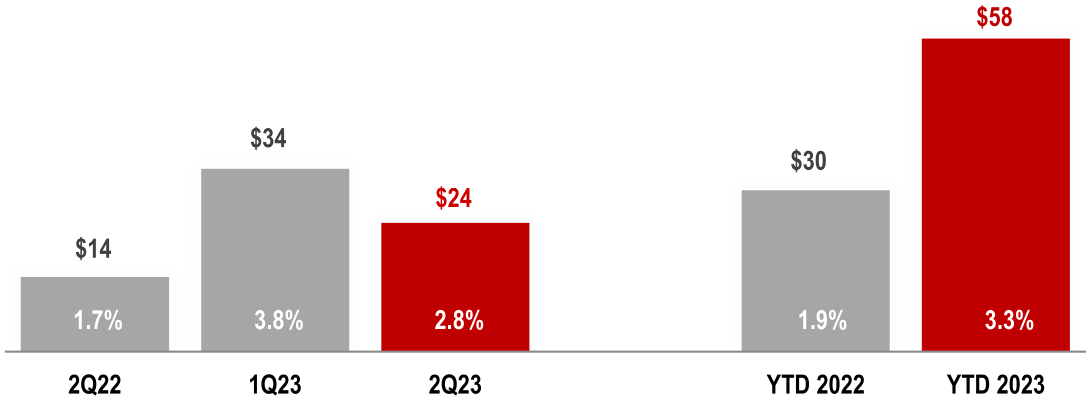
SALES



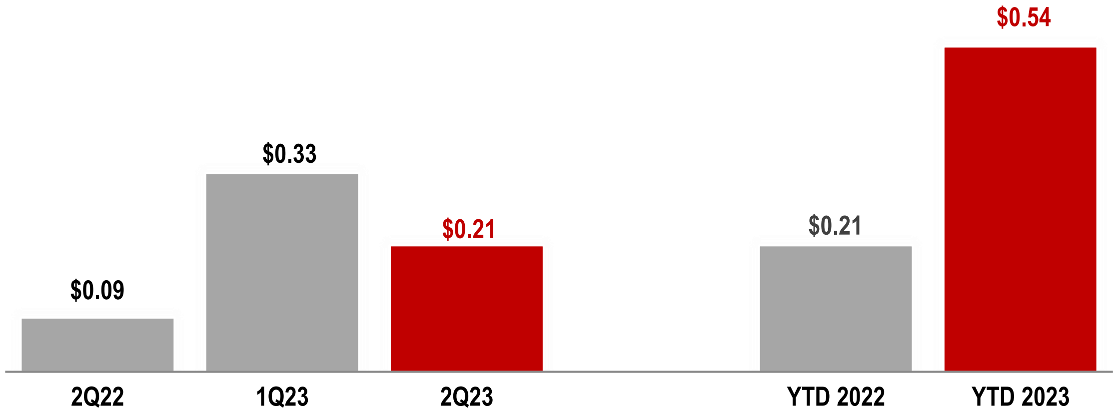
GROSS PROFIT & % MARGIN



NET INCOME & % MARGIN



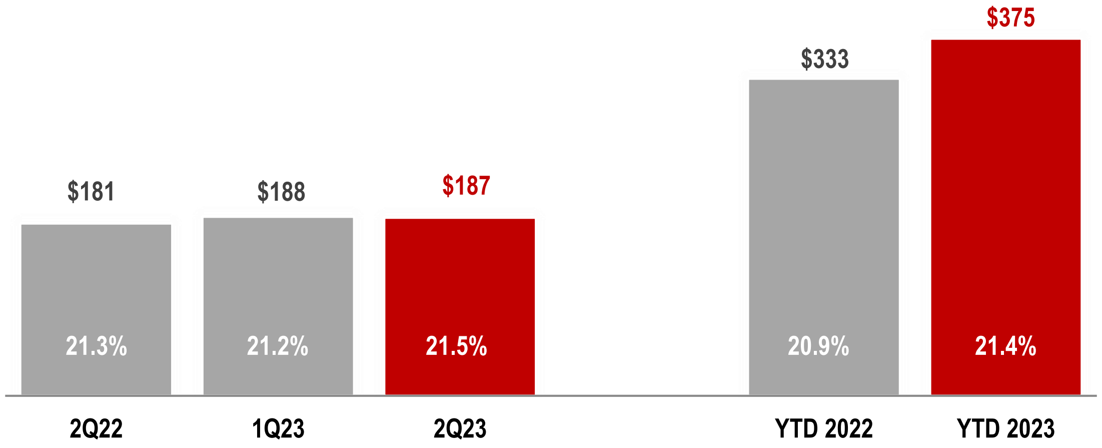
DILUTED EPS



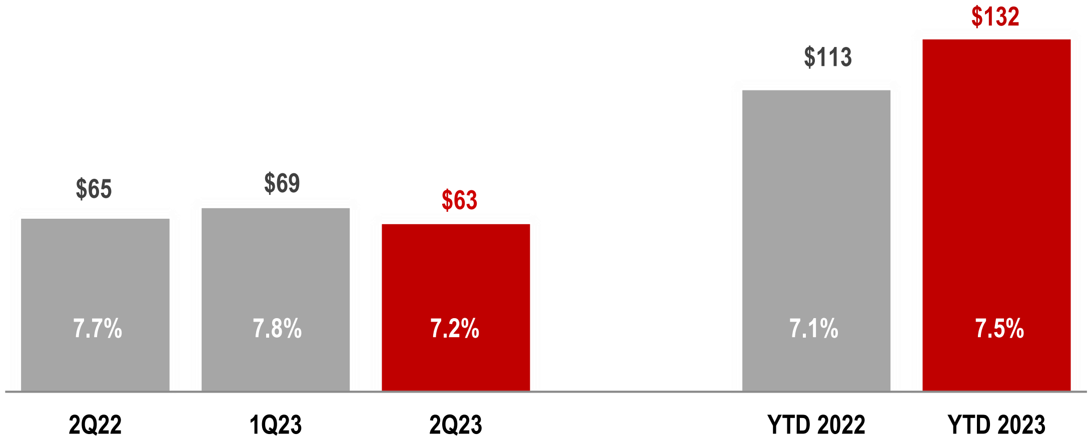
Quarterly Financial Performance - Adjusted

($ millions, except per share data)

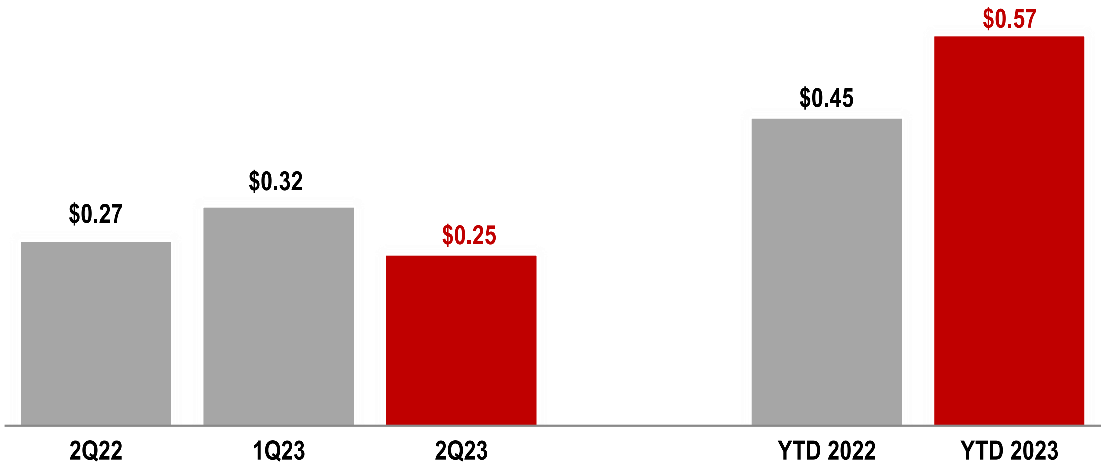
ADJUSTED GROSS PROFIT & % MARGIN[1]



ADJUSTED EBITDA & % MARGIN[1]



ADJUSTED DILUTED EPS[1]

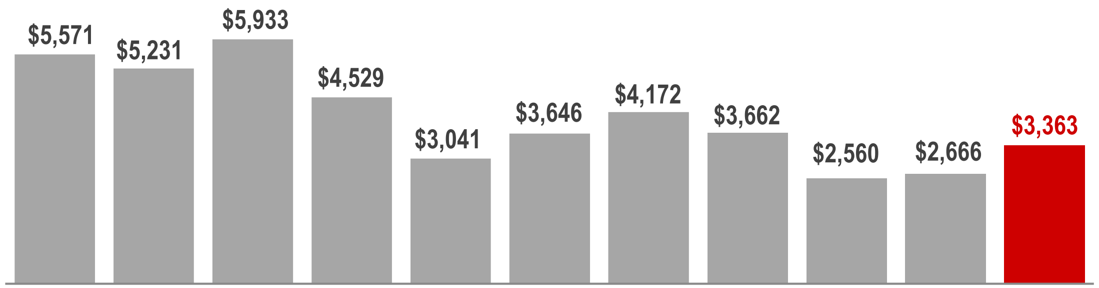


1. See reconciliation of non-GAAP measures to GAAP measures in the appendix

Annual Financial Performance

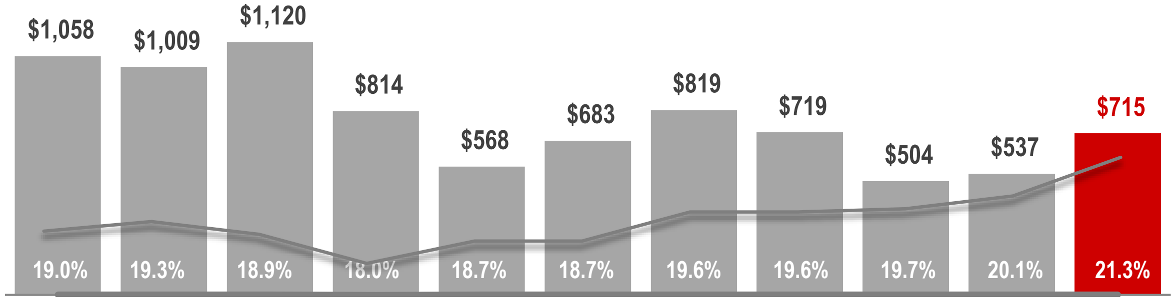
($ millions, except per share data)

SALES



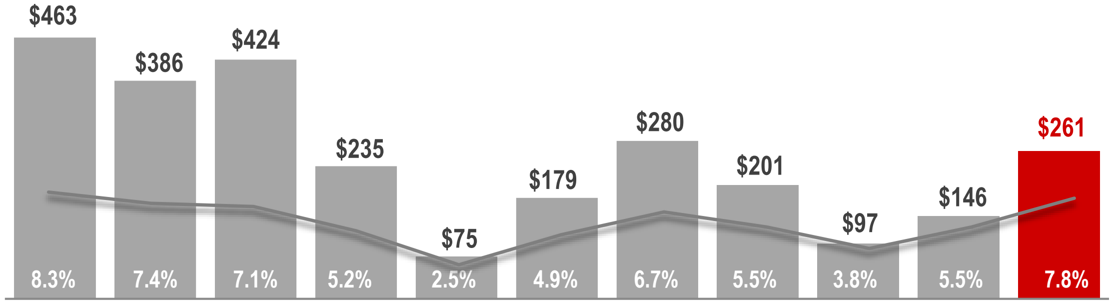
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Y-o-Y Growth	*(6%)*	*13%*	*(24%)*	*(33%)*	*20%*	*14%*	*(12%)*	*(30%)*	*4%*	*26%*	

ADJUSTED GROSS PROFIT & % MARGIN[1]



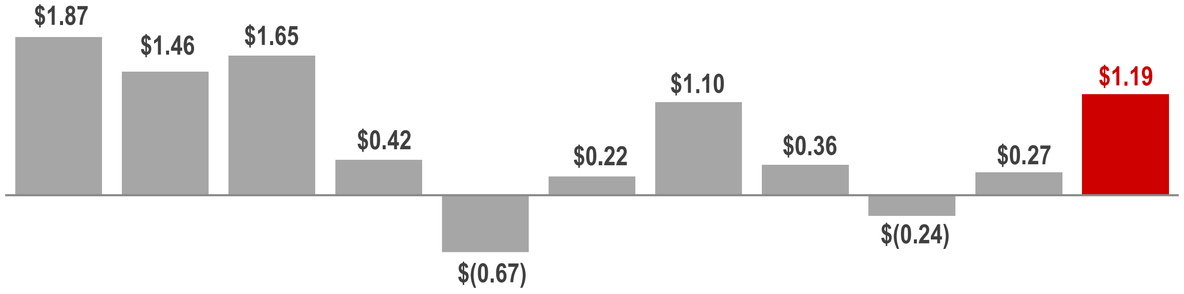
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Y-o-Y Growth	*(5%)*	*11%*	*(27%)*	*(30%)*	*20%*	*20%*	*(12%)*	*(30%)*	*7%*	*33%*	

ADJUSTED EBITDA & % MARGIN[1]



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Y-o-Y Growth	*(17%)*	*10%*	*(45%)*	*(68%)*	*139%*	*56%*	*(28%)*	*(52%)*	*51%*	*79%*	

ADJUSTED DILUTED EPS[1]



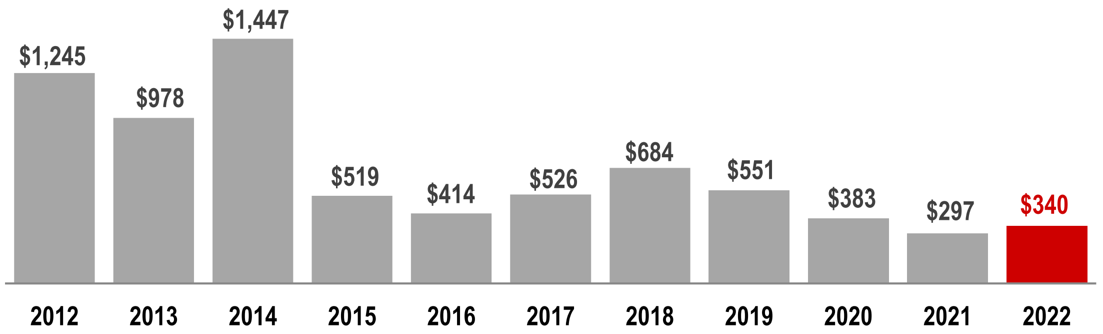
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Y-o-Y Growth	*(22%)*	*13%*	*(75%)*	*NM*	*NM*	*NM*	*(67%)*	*NM*	*NM*	*NM*	

1. See reconciliation of non-GAAP measures to GAAP measures in the appendix

Balance Sheet

($ millions)

TOTAL DEBT

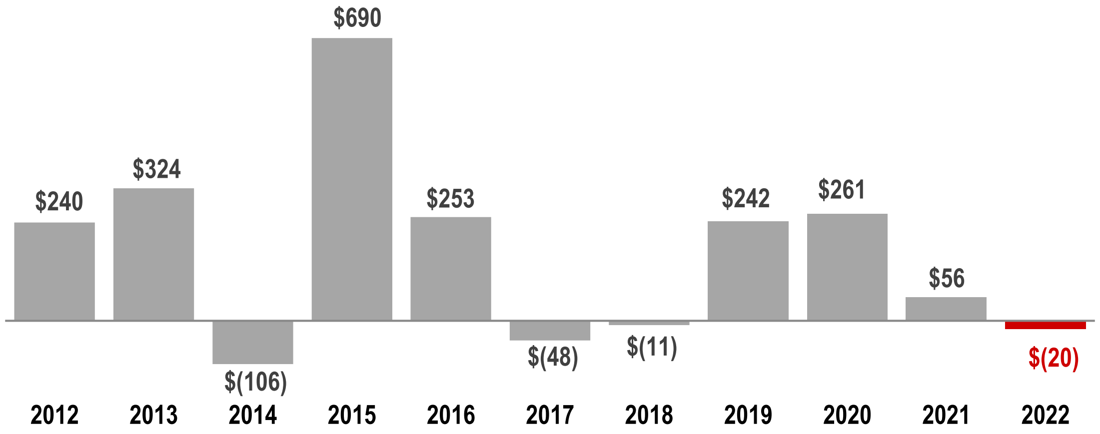


	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net Leverage[1]:	2.6x	2.5x	3.4x	1.9x	4.0x	2.7x	2.3x	2.6x	2.7x	1.7x	1.2x

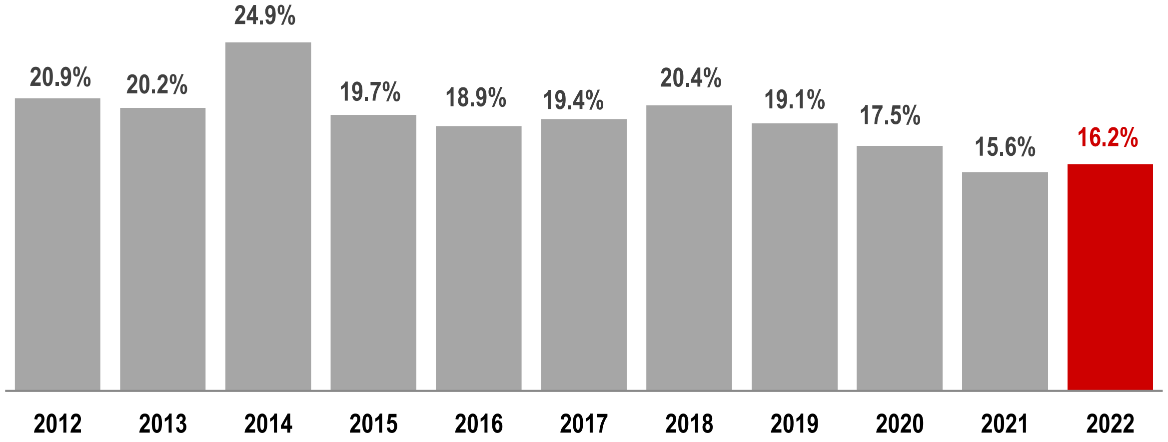
CAPITAL STRUCTURE

June 30, 2023	
Cash and Cash Equivalents	**$31**
Total Debt (including current portion):	
Term Loan B due 2024 (net of discount & deferred financing costs)	$ 294
Global ABL Facility due 2026	77
Total Debt	$ 371
Preferred stock	355
Common stockholders' equity	435
Total Capitalization	**$ 1,161**
Liquidity	**$ 630**

CASH FLOW FROM OPERATIONS



NET WORKING CAPITAL AS % OF SALES[2]



1. Net leverage 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 – Annual Periods

YEAR ENDED DECEMBER 31

($ millions)	2022		2021		2020		2019		2018		2017		2016		2015		2014		2013		2012	
	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales
Sales	**$ 3,363**		**$2,666**		**$2,560**		**$3,662**		**$4,172**		**$3,646**		**$3,041**		**$4,529**		**$5,933**		**$5,231**		**$5,571**	
Gross profit	**610**	**18.1%**	**$ 417**	**15.6%**	**$ 431**	**16.8%**	**$ 653**	**17.8%**	**$ 689**	**16.5%**	**$ 582**	**16.0%**	**$ 468**	**15.4%**	**$ 786**	**17.4%**	**$ 1,018**	**17.2%**	**$ 955**	**18.3%**	**$ 1,014**	**18.2%**
Depreciation and amortization	18		19		20		21		23		22		22		21		22		22		19	
Amortization of intangibles	21		24		26		42		45		45		47		60		68		52		49	
Increase (decrease) in LIFO reserve	66		77		(19)		(2)		62		28		(14)		(53)		12		(20)		(24)	
Inventory charges and other	-		-		46		5		-		6		45		-		-		-		-	
Adjusted Gross Profit	**$ 715**	**21.3%**	**$ 537**	**20.1%**	**$ 504**	**19.7%**	**$ 719**	**19.6%**	**$ 819**	**19.6%**	**$ 683**	**18.7%**	**$ 568**	**18.7%**	**$ 814**	**18.0%**	**$ 1,120**	**18.9%**	**$ 1,009**	**19.3%**	**$ 1,058**	**19.0%**

Note: Adjusted Gross Profit is a non-GAAP measure. For a discussion of the use of Adjusted Gross Profit, see our Current Report on Form 8-K dated August 7, 2023.

Adjusted EBITDA Reconciliation – Annual Periods

YEAR ENDED DECEMBER 31

($ millions)	2022		2021		2020		2019		2018		2017	
	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales
Sales	**$ 3,363**		**$ 2,666**		**$2,560**		**$3,662**		**$4,172**		**$3,646**	
Net income (loss)	**$ 75**	**2.4%**	**$ (14)**	**(0.5)%**	**$ (274)**	**(10.7%)**	**$ 39**	**1.1%**	**$ 74**	**1.8%**	**$ 50**	**1.4%**
Income tax expense (benefit)	35		-		(9)		27		21		(43)	
Interest expense	24		23		28		40		38		31	
Depreciation and amortization	18		19		20		21		23		22	
Amortization of intangibles	21		24		26		42		45		45	
Increase (decrease) in LIFO reserve	66		77		(19)		(2)		62		28	
Equity-based compensation expense	13		12		12		16		14		16	
Foreign currency losses (gains)	8		2		2		(1)		(1)		(2)	
Employee separation	-		1		-		-		--			
Inventory-related charges	-		-		46		5		-		6	
Facility closures	-		1		17		-		-		-	
Goodwill & intangible asset impairment	-		-		242		-		-		-	
Severance & restructuring charges	1		1		14		9		4		14	
Gain on sale of leaseback	-		-		(5)		-		-		-	
Recovery of supplier bad debt & Supplier bad debt	-		-		(2)		5		-		-	
Gain on early extinguishment of debt	-		-		(1)		-		-		-	
Write off of debt issuance costs	-		-		-		-		1		8	
Litigation matter	-		-		-		-		-		3	
Change in fair value of derivative instruments	-		-		-		-		(1)		1	
Adjusted EBITDA	**$ 261**	**7.8%**	**$ 146**	**5.5%**	**$ 97**	**3.8%**	**$ 201**	**5.5%**	**$ 280**	**6.7%**	**$ 179**	**4.9%**

Note: Adjusted EBITDA is a non-GAAP measure. For a discussion of the use of adjusted EBITDA, see our Current Report on Form 8-K dated August 7, 2023.

Adjusted EBITDA Reconciliation – Annual Periods

($ millions)	2016		2015		2014		2013		2012	
	YEAR ENDED DECEMBER 31									
	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales
Sales	**$3,041**		**$4,529**		**$5,933**		**$5,231**		**$5,571**	
Net (loss) income	**$ (83)**	**(2.7%)**	**$ (331)**	**(7.3%)**	**$ 144**	**2.4%**	**$ 152**	**2.9%**	**$ 118**	**2.1%**
Income tax (benefit) expense	(8)		(11)		82		85		64	
Interest expense	35		48		62		61		113	
Depreciation and amortization	22		21		22		22		19	
Amortization of intangibles	47		60		68		52		49	
(Decrease) increase in LIFO reserve	(14)		(53)		12		(20)		(24)	
Equity-based compensation expense	12		10		9		15		8	
Foreign currency losses (gains)	4		3		3		13		(1)	
Goodwill & intangible asset impairment	-		462		-		-		-	
Inventory-related charges	40		-		-		-		-	
Severance & restructuring charges	20		14		8		1		-	
Loss on early extinguishment of debt	-		-		-		-		114	
Write off of debt issuance costs	1		3		-		-		-	
Litigation matter	-		3		-		-		-	
Change in fair value of derivative instruments	(1)		1		1		(5)		(2)	
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	
Pension settlement	-		-		-		-		4	
Other expense (income)	-		-		-		3		(1)	
Adjusted EBITDA	**$ 75**	**2.5%**	**$ 235**	**5.2%**	**$ 424**	**7.1%**	**$ 386**	**7.4%**	**$ 463**	**8.3%**

Note: Adjusted EBITDA is a non-GAAP measure. For a discussion of the use of adjusted EBITDA, see our Current Report on Form 8-K dated August 7, 2023.

Adjusted Net Income (Loss) Reconciliation – Annual Periods

YEAR ENDED DECEMBER 31

($ millions)	2022		2021		2020		2019		2018		2017	
	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share
Net income (loss) attributable to common stockholders	**$ 51**	**$ 0.60**	**$ (38)**	**$ (0.46)**	**$ (298)**	**$ (3.63)**	**$ 15**	**$ 0.18**	**$ 50**	**$ 0.54**	**$ 26**	**$ 0.27**
Goodwill and intangible asset impairment, net of tax	-	-	-	-	234	2.85	-	-	-	-	-	-
Inventory-related charges, net of tax	-	-	-	-	38	0.46	5	0.06	-	-	6	0.06
Severance and restructuring, net of tax	-	-	1	0.01	12	0.15	7	0.08	3	0.03	14	0.15
Recovery of supplier bad debt and supplier bad debt, net of tax	-	-	-	-	(2)	(0.02)	5	0.06	-	-	-	-
Increase (decrease) in LIFO reserve, net of tax	50	0.59	58	0.71	(15)	(0.18)	(2)	(0.02)	48	0.52	18	0.19
Facility closures, net of tax	-	-	1	0.01	15	0.18	-	-	-	-	-	-
Gain on sale leaseback, net of tax	-	-	-	-	(4)	(0.05)	-	-	-	-	-	-
Litigation matter, net of tax	-	-	-	-	-	-	-	-	-	-	2	0.02
Write-off of debt issuance costs, net of tax	-	-	-	-	-	-	-	-	1	0.01	5	0.05
Income tax adjustment	-	-	-	-	-	-	-	-	-	-	(50)	(0.52)
Adjusted net income (loss) attributable to common stockholders	**$ 101**	**$ 1.19**	**$ 22**	**$ 0.27**	**$ (20)**	**$ (0.24)**	**$ 30**	**$ 0.36**	**$ 102**	**$ 1.10**	**$ 21**	**$ 0.22**

Note: Adjusted net income is a non-GAAP measure. For a discussion of the use of adjusted net income, see our Current Report on Form 8-K dated August 7, 2023.

Adjusted Net (Loss) Income Reconciliation – Annual Periods

($ millions)	2016		2015		2014		2013		2012	
YEAR ENDED DECEMBER 31	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share
Net (loss) income attributable to common stockholders	**$ (107)**	**$ (1.10)**	**$ (344)**	**$ (3.38)**	**$ 144**	**$ 1.40**	**$ 152**	**$ 1.48**	**$ 118**	**$ 1.22**
Goodwill and intangible asset impairment, net of tax	-	-	402	3.94	-	-	-	-	-	-
Inventory-related charges, net of tax	33	0.34	-	-	-	-	-	-	-	-
Severance and restructuring, net of tax	17	0.17	11	0.11	6	0.06	-	-	-	-
(Decrease) increase in LIFO reserve, net of tax	(9)	(0.09)	(33)	(0.32)	8	0.08	(13)	(0.13)	(15)	(0.15)
Loss on early extinguishment of debt, net of tax	-	-	-	-	-	-	-	-	74	0.76
Litigation matter, net of tax	-	-	2	0.02	-	-	-	-	-	-
Write-off of debt issuance costs, net of tax	1	0.01	2	0.02	-	-	-	-	1	0.01
Executive separation expense, net of tax	-	-	-	-	-	-	1	0.01	-	-
Loss on disposition of non-core product lines, net of tax	-	-	3	0.03	8	0.08	-	-	-	-
Insurance charge, net of tax	-	-	-	-	-	-	1	0.01	-	-
Expenses associated with refinancing, net of tax	-	-	-	-	-	-	3	0.03	-	-
Equity-based compensation acceleration, net of tax	-	-	-	-	-	-	3	0.03	-	-
Income tax adjustment	-	-	-	-	-	-	3	0.03	-	-
Cancellation of executive employment agreement, net of tax	-	-	-	-	3	0.03	-	-	-	-
Pension settlement, net of tax	-	-	-	-	-	-	-	-	3	0.03
Adjusted net (loss) income attributable to common stockholders	**$ (65)**	**$ (0.67)**	**$ 43**	**$ 0.42**	**$ 169**	**$ 1.65**	**$ 150**	**$ 1.46**	**$ 181**	**$ 1.87**

Note: Adjusted net income is a non-GAAP measure. For a discussion of the use of adjusted net income, see our Current Report on Form 8-K dated August 7, 2023.

Net Debt & Leverage Ratio Calculation – Annual Periods

December 31,

($ millions)	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Long-term debt, net	**$ 337**	**$ 295**	**$ 379**	**$ 547**	**$ 680**	**$ 522**	**$ 406**	**$ 511**	**$ 1,439**	**$ 970**	**$ 1,238**
Plus: current portion of long-term debt	3	2	4	4	4	4	8	8	8	8	7
Long-term debt	**$ 340**	**297**	**$ 383**	**$ 551**	**$ 684**	**$ 526**	**$ 414**	**$ 519**	**$ 1,447**	**$ 978**	**$ 1,245**
Less: cash	32	48	119	32	43	48	109	69	25	25	37
Net debt	**$ 308**	**$ 249**	**$ 264**	**$ 519**	**$ 641**	**$ 478**	**$ 305**	**$ 450**	**$ 1,422**	**$ 953**	**$ 1,208**

Net debt	$ 308	$ 249	$ 264	$ 519	$ 641	$ 478	$ 305	$ 450	$ 1,422	$ 953	$ 1,208
Trailing twelve months adjusted EBITDA	261	146	97	201	280	179	75	235	424	386	463
Leverage ratio	**1.2**	**1.7**	**2.7**	**2.6**	**2.3**	**2.7**	**4.0**	**1.9**	**3.4**	**2.5**	**2.6**

Note: Net debt and leverage ratio may be non-GAAP measures. For a discussion of the use of net debt, see our Current Report on Form 8-K dated August 7, 2023.

Adjusted Gross Profit Reconciliation

($ millions)	THREE MONTHS ENDED June 30, 2023		March 31, 2023		June 30, 2022		SIX MONTHS ENDED June 30, 2023		June 30, 2022	
	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales
Sales	**$ 871**		**$ 885**		**$ 848**		**$ 1,756**		**$ 1,590**	
Gross profit	**$ 175**	**20.1%**	**$ 179**	**20.2%**	**$ 151**	**17.8%**	**$ 354**	**20.2%**	**$ 287**	**18.1%**
Depreciation and amortization	5		5		4		10		9	
Amortization of intangibles	5		5		6		10		11	
Increase (decrease) in LIFO reserve	2		(1)		20		1		26	
Adjusted Gross Profit	**$ 187**	**21.5%**	**$ 188**	**21.2%**	**$ 181**	**21.3%**	**$ 375**	**21.4%**	**$ 333**	**20.9%**

Note: Adjusted gross profit is a non-GAAP measure. For a discussion of the use of adjusted gross profit, see our Current Report on Form 8-K dated August 7, 2023.

Adjusted SG&A Reconciliation

THREE MONTHS ENDED

($ millions)	June 30, 2023		March 31, 2023		June 30, 2022	
	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales
Sales	**$ 871**		**$ 885**		**$ 848**	
SG&A	**$ 130**	**14.9%**	**$ 122**	**13.8%**	**$ 120**	**14.2 %**
Non-recurring IT related professional fees	(1)		-		-	
Adjusted SG&A	**$ 129**	**14.8%**	**$ 122**	**13.8%**	**$ 120**	**14.2%**

Note: Adjusted SG&A is a non-GAAP measure. For a discussion of the use of adjusted SG&A, see our Current Report on Form 8-K dated August 7, 2023.

Adjusted EBITDA Reconciliation

($ millions)	THREE MONTHS ENDED June 30, 2023		March 31, 2023		June 30, 2022		SIX MONTHS ENDED June 30, 2023		June 30, 2022	
	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales
Sales	**$ 871**		**$ 885**		**$ 848**		**$ 1,756**		**$1,590**	
Net income	**$ 24**	**2.8%**	**$ 34**	**3.8%**	**$ 14**	**1.7%**	**$ 58**	**3.3%**	**$ 30**	**1.9%**
Income tax expense	10		13		6		23		13	
Interest expense	10		7		5		17		11	
Depreciation and amortization	5		5		4		10		9	
Amortization of intangibles	5		5		6		10		11	
Non-recurring IT related professional fees	1		-		-		1		-	
Increase (decrease) in LIFO reserve	2		(1)		20		1		26	
Equity-based compensation expense	4		3		3		7		6	
Foreign currency losses	1		3		7		4		7	
Asset disposal	1		-		-		1		-	
Adjusted EBITDA	**$ 63**	**7.2%**	**$ 69**	**7.8%**	**$ 65**	**7.7%**	**$ 132**	**7.5%**	**$ 113**	**7.1%**

Note: Adjusted EBITDA is a non-GAAP measure. For a discussion of the use of adjusted EBITDA, see our Current Report on Form 8-K dated August 7, 2023.

Adjusted Net Income Attributable to Common Stockholders Reconciliation

	THREE MONTHS ENDED						SIX MONTHS ENDED			
	June 30, 2023		March 31, 2023		June 30, 2022		June 30, 2023		June 30, 2022	
($ millions)	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share
Net income attributable to common stockholders	**$ 18**	**$ 0.21**	**$ 28**	**$ 0.33**	**$ 8**	**$ 0.09**	**$ 46**	**$ 0.54**	**$ 18**	**$ 0.21**
Increase (decrease) in LIFO reserve, net of tax	2	0.02	(1)	(0.01)	15	0.18	1	0.01	20	0.24
Asset disposal, net of tax	1	0.01	-	-	-	-	1	0.01	-	-
Non-recurring IT related professional fees, net of tax	1	0.01	-	-	-	-	1	0.01	-	
Adjusted net income attributable to common stockholders	**$ 22**	**$ 0.25**	**$ 27**	**$ 0.32**	**$ 23**	**$ 0.27**	**$ 49**	**$ 0.57**	**$ 38**	**$ 0.45**

Note: Adjusted net income is a non-GAAP measure. For a discussion of the use of adjusted net income, see our Current Report on Form 8-K dated August 7, 2023.

Net Debt & Leverage Ratio Calculation

($ millions)	June 30, 2023	March 31, 2023	June 30, 2022
Long-term debt, net	**$ 368**	**$ 387**	**$ 353**
Plus: current portion of long-term debt	3	3	3
Long-term debt	**$ 371**	**$ 390**	**$ 356**
Less: cash	31	39	21
Net debt	**$ 340**	**$ 351**	**$ 335**
Net debt	$ 340	$ 351	$ 335
Trailing twelve months adjusted EBITDA	280	282	199
Leverage ratio	**1.2**	**1.2**	**1.7**

Note: Net debt and leverage ratio may be non-GAAP measures. For a discussion of the use of net debt, see our Current Report on Form 8-K dated August 7, 2023.

Return on Invested Capital (ROIC), Adjusted for LIFO

($ millions)	TTM 2Q 2023	2022	2021
Net Income (loss)	$ 103	$ 75	$ (14)
Interest expense, net of tax	23	18	17
Net Operating Profit After Tax (NOPAT)	**$ 126**	**$ 93**	**$ 3**
LIFO expense, net of tax	31	50	58
NOPAT, net of LIFO	**$ 156**	**$ 143**	**$ 61**
Long-term debt	$ 371	$ 340	$ 297
Shareholders' equity	435	386	323
Preferred stock	355	355	355
Operating lease liabilities (short and long-term)	223	218	210
Invested Capital	**$ 1,384**	**$ 1,299**	**$ 1,185**
Average Invested Capital	$ 1,328	$ 1,242	$ 1,249
Average Invested Capital, net of LIFO	**$ 1,377**	**$ 1,296**	**$ 1,270**
ROIC, including LIFO	**9.5%**	**7.5%**	**0.2%**
ROIC, Adjusted for LIFO	**11.3%**	**11.0%**	**4.9%**

Note: ROIC, including LIFO, was calculated from GAAP measures by dividing Invested Capital by NOPAT. ROIC, Adjusted for LIFO, was calculated from non-GAAP adjusted measures by dividing Invested Capital, net of LIFO, by NOPAT, net of LIFO. Utilizing ROIC calculated using the non-GAAP measures is not better than ROIC calculated using the GAAP measures. However, the company presents ROIC, Adjusted for LIFO, because the company believes it provides useful comparisons of the company's ROIC to other distribution companies, including those companies with whom we compete in the distribution of pipe, valves and fittings, many of which do not utilize LIFO inventory costing methodology. The impact of the LIFO inventory costing methodology can cause results to vary substantially from company to company depending upon whether they elect to utilize LIFO and depending upon which method they may elect. The company believes that NOPAT and Invested Capital are the financial measures calculated and presented in accordance with U.S. GAAP that is most directly compared to NOPAT, net of LIFO, and Invested Capital, Net of LIFO, used in the calculation of ROIC, Adjusted for LIFO.