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 13, 2024

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)

1301 McKinney Street, Suite 2300
Houston, Texas 77010
(Address of Principal Executive Offices)
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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01	MRC	New York Stock Exchange

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 2.02 **Results of Operations and Financial Condition**

On February 13, 2024, MRC Global Inc. ("MRC Global" or the "Company") issued a press release announcing its financial results for the year ended December 31, 2023. A copy of the press release is furnished as Exhibit 99.1 to this Form 8-K and is incorporated herein by reference.

In accordance with General Instruction B.2 of Form 8-K, the information in Item 2.02 of this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 7.01 **Regulation FD Disclosure.**

Earnings Presentation

On February 13, 2024, MRC Global Inc. announced its financial results for the three and twelve months ended December 31, 2023. In conjunction with this release, the Company issued a presentation summarizing the highlights of the financial results (the "Earnings Presentation"). A copy of the Earnings Presentation is furnished as Exhibit 99.2 to this Form 8-K and is incorporated herein by reference.

The information contained in the Earnings Presentation 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 Earnings Presentation speaks as of the date of this Current Report on Form 8-K. While MRC Global may elect to update the Earnings Presentation 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 Earnings Presentation will also be posted in the Investor Relations section of MRC Global's website, http://www.mrcglobal.com.

The information referenced under Item 7.01 (including Exhibit 99.2 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 99.2 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 Press release of MRC Global Inc. dated February 13, 2024

99.2 Earnings presentation of MRC Global Inc. dated February 13, 2024

104 Cover Page Interactive Data File – The cover page XBRL tags from this Current Report on Form 8-K are imbedded within the Inline XBRL document

INDEX TO EXHIBITS

Exhibit No.	Description
99.1	Press release of MRC Global Inc. dated February 13, 2024
99.2	Earnings presentation of MRC Global Inc. dated February 13, 2024
104	Cover Page Interactive Data File – The cover page XBRL tags from this Current Report on Form 8-K are imbedded within the Inline XBRL document

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 13, 2024

MRC GLOBAL INC.

By: /s/ Kelly Youngblood
Kelly Youngblood
Executive Vice President and Chief Financial Officer

Exhibit 99.1

MRC Global

MRC Global Reports Full Year and Fourth Quarter 2023 Results

Houston, TX – February 13, 2024 – MRC Global Inc. (NYSE: MRC), the leading global distributor of pipe, valves and fittings (PVF) and other infrastructure products and services to diversified gas utility, energy and industrial end-markets, today reported full year and fourth quarter 2023 results.

Net income attributable to common stockholders for the fourth quarter of 2023 was $15 million, or $0.17 per diluted share, as compared to a net income of $15 million, or $0.18 per diluted share in the fourth quarter of 2022. Net income attributable to common stockholders for 2023 was $90 million, or $1.05 per diluted share as compared to net income attributable to common stockholders of $51 million, or $0.60 per diluted share in 2022. Adjusted net income attributable to common stockholders for the fourth quarter of 2023 was $20 million, or $0.23 per diluted share, as compared to adjusted net income of $27 million, or $0.32 per diluted share in the fourth quarter of 2022. Adjusted net income attributable to common stockholders for 2023 was $97 million, or $1.13 per diluted share as compared to $101 million, or $1.19 per diluted share in 2022.

MRC Global's fourth quarter 2023 gross profit was $153 million, or 19.9% of sales, as compared to gross profit of $158 million, or 18.2% of sales, in the fourth quarter of 2022. Gross profit for the fourth quarter of 2023 and 2022 each reflect expense of $5 million and $16 million, respectively, in cost of sales relating to the use of the last-in, first out (LIFO) method of inventory cost accounting. Adjusted Gross Profit, which excludes these items, as well as others, was 21.9% in the fourth quarter of 2023 and 21.2% in the fourth quarter of 2022.

Highlights for the full year and fourth quarter 2023:

Full Year 2023 Financial Highlights:

- Cash flow provided by operations of $181 million
- Sales of $3,412 million, an increase of 1% compared to 2022
- Adjusted EBITDA of $250 million, 7.3% of sales
- Two consecutive years of adjusted EBITDA percentages above 7%
- Adjusted Gross Profit, as a percentage of sales, of 21.5% and two consecutive years above 21%
- Leverage ratio of 0.7x, the lowest in MRC Global history

Fourth Quarter 2023 Financial Highlights:

- Sales of $768 million, a decrease of 12% compared to the same quarter of 2022
- Adjusted EBITDA of $48 million, 6.3% of sales
- Adjusted Gross Profit, as a percentage of sales, of 21.9%, the seventh consecutive quarter exceeding 21%

Rob Saltiel, MRC Global's President and Chief Executive Officer, commented, "Our revenue grew for a third straight year in 2023 to $3.4 billion, and we generated $181 million of operating cash flow, resulting in our lowest net debt level ever as a public company. We maintained strong gross and adjusted EBITDA margins across all four quarters in 2023 that reflect our continued focus on capital returns and cost control.

"In 2024, we expect revenue to be flat to modestly lower than 2023 levels. We expect a pick-up in our business activity in the second half of the year as an improving economy and lower interest rates support projects and oil and gas investments. We are targeting to generate $200 million in cash from operations, aided by further improvements in our working capital efficiency, which should strengthen our balance sheet and allow us to pay off our maturing Term Loan B without additional financing. We further expect to reduce our overall SG&A expenses in 2024 to support our bottom line and help maintain strong adjusted EBITDA margins.

"Longer term, we project that MRC Global may be in a positive net cash position in 2025. This will provide us with a lot of flexibility to pursue a capital allocation strategy that is focused on the highest return opportunities for our shareholders, including investing in our growth drivers and distributing capital to our shareholders," Mr. Saltiel added.

Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Gross Profit, Adjusted Net Income, and Leverage Ratio are all non-GAAP measures. Please refer to the reconciliation of each of these measures to the nearest GAAP measure in this release.

Selling, general and administrative (SG&A) expenses were $125 million, or 16.3% of sales, for the fourth quarter of 2023 compared to $123 million, or 14.2% of sales, for the same period of 2022. Adjusted SG&A expense for the fourth quarter of 2023 and 2022 was $124 million, or 16.1% of sales and $122 million, or 14.0% of sales, respectively. Fourth quarter 2023 adjusted SG&A expense excludes $1 million of activism response related costs and the fourth quarter of 2022 excludes $1 million of pre-tax severance and restructuring costs.

For the three months ended December 31, 2023, income tax expense was $2 million with an effective rate of 9%, which was favorably impacted by a net reduction in a foreign valuation allowance provision. For the three months ended December 31, 2022, income tax expense was $12 million with an effective rate of 36% primarily due to a provision for a valuation allowance on certain deferred tax assets in a foreign jurisdiction. Our rates generally differ from the U.S. federal statutory rate of 21% as a result of state income taxes, non-deductible expenses and differing foreign income tax rates.

Adjusted EBITDA was $48 million in the fourth quarter of 2023 compared to $66 million for the same period in 2022. Please refer to the reconciliation of non-GAAP measures (adjusted EBITDA) to GAAP measures (net income) in this release.

Sales

The company's sales were $768 million for the fourth quarter of 2023, 12% lower than the fourth quarter of 2022 and a 14% decline from the third quarter of 2023. As compared to the fourth quarter of 2022, the decline was driven by the Gas Utilities sector followed by the Production & Transmission Infrastructure (PTI) sector and partially offset by an increase in the Downstream, Industrial and Energy Transition (DIET) sector. The sequential sales decline was across all sectors.

Sales by Segment

U.S. sales in the fourth quarter of 2023 were $633 million, a $87 million, or 12%, decrease from the same quarter in 2022. Gas Utilities sector sales were down $61 million, or 19%, as a result of non-recurring sales, deferred activity as well as certain customers destocking. PTI sector sales decreased $35 million, or 16%, due to non-recurring projects and lower customer activity. DIET sector sales improved by $9 million, or 5%, due to an increase in customer projects and turnaround and maintenance activity for chemicals, mining and refining customers.

Sequentially, as compared to the third quarter of 2023, U.S. sales decreased $112 million, or 15%. The Gas Utilities sector experienced a $59 million, or 19%, decline from customer's destocking, seasonal declines, non-recurring projects and decreased product purchases due to higher interest rates and construction cost inflation. PTI sector sales declined $34 million, or 15%, due to lower year-end customer activity and seasonality. The DIET sector declined $19 million, or 9%, due to the conclusion of various projects and lower turnaround activity.

Canada sales in the fourth quarter of 2023 were $28 million, down $18 million, or 39%, from the same quarter in 2022 driven by the PTI sector from non-recurring projects and year end curtailment in customer spending.

Sequentially, as compared to the third quarter of 2023, Canada sales decreased $10 million, or 26%, primarily in the PTI sector, as well.

International sales in the fourth quarter of 2023 were $107 million, up $4 million, or 4%, from the same period in 2022 as all sectors experienced growth. The DIET sector increase was driven by energy transition activity, and the PTI sector was driven by projects in the U.K. and the Middle East.

Sequentially, as compared to the third quarter of 2023, International sales increased $2 million, or 2%, from growth in the PTI and DIET sectors. The PTI sector increase was driven by activity in Norway, the Middle East and the U.K. The DIET sector increase was driven by energy transition activity as well as project activity in Europe.

Sales by Sector

Gas Utilities sales in the fourth quarter of 2023 were $253 million, or 33% of total sales, a decline of $66 million, or 21%, from the fourth quarter of 2022 driven by the U.S. segment.

Sequentially, as compared to the third quarter of 2023, Gas Utilities sales declined $61 million, or 19%, driven by the U.S. segment.

DIET sales in the fourth quarter of 2023 were $258 million, or 34% of total sales, up $10 million, or 4%, from the fourth quarter of 2022 driven by the U.S. segment followed by the International segment.

Sequentially, as compared to the third quarter of 2023, DIET sales decreased $21 million, or 8%, driven by the U.S. segment.

PTI sales in the fourth quarter of 2023 were $257 million, or 33% of total sales, down $45 million, or 15%, from the fourth quarter of 2022 driven by the U.S. segment followed by the Canada segment.

Sequentially, as compared to the third quarter of 2023, PTI sales decreased $38 million, or 13%, driven by the U.S. segment followed by the Canada segment.

Balance Sheet and Cash Flow

As of December 31, 2023, the company's cash balance was $131 million, long-term debt (including current portion) was $301 million and net debt was $170 million. Cash provided by operations was $89 million in the fourth quarter of 2023 resulting in $181 million of cash provided by operations for the full year 2023. Availability under the company's asset-based lending facility was $610 million and liquidity was $741 million as of December 31, 2023. We intend to pay off our Term Loan B on or before its maturity in September of 2024 with a combination of our asset-based lending facility and cash. Please refer to the reconciliation of non-GAAP (net debt) to GAAP measures (long-term debt, net) in this release.

Conference Call

The company will hold a conference call to discuss its fourth quarter and full year 2023 results at 10:00 a.m. Eastern Time (9:00 a.m. Central Time) on February 14, 2024. To participate in the call, please dial 201-689-8261 and ask for the MRC Global conference call at least 10 minutes prior to the start time. To access the conference call, live over the Internet, please log onto the web at www.mrcglobal.com and go to the "Investors" page of the company's website at least fifteen minutes early to register, download and install any necessary audio software. For those who cannot listen to the live call, a replay will be available through February 28, 2024, and can be accessed by dialing 201-612-7415 and using passcode 13743230#. Also, an archive of the webcast will be available shortly after the call at www.mrcglobal.com for 90 days.

About MRC Global Inc.

Headquartered in Houston, Texas, MRC Global (NYSE: MRC) is the leading global distributor of pipe, valves, fittings (PVF) and other infrastructure products and services to diversified end-markets including the gas utilities, downstream, industrial and energy transition, and production and transmission infrastructure sectors. With over 100 years of experience, MRC Global has provided customers with innovative supply chain solutions, technical product expertise and a robust digital platform from a worldwide network of 214 locations including valve and engineering centers. The company's unmatched quality assurance program offers over 300,000 SKUs from over 8,500 suppliers, simplifying the supply chain for approximately 10,000 customers. Find out more at www.mrcglobal.com

This news release 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," "intend," "believes," "on-track," "well positioned," "look forward," "guidance," "plans," "can," "target," "targeted" 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, tax rate, capital expenditures, achieving cost savings and cash flow, debt reduction, liquidity, 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 MRC Global's control, including the factors described in the company's SEC filings that may cause the company's actual results and performance to be materially different from any future results or performance expressed or implied by these forward-looking statements.

These risks and uncertainties include (among others) decreases in capital and other expenditure levels in the industries that the company serves; U.S. and international general economic conditions; geopolitical events; decreases in oil and natural gas prices; unexpected supply shortages; loss of third-party transportation providers; cost increases by the company's suppliers and transportation providers; increases in steel prices, which the company may be unable to pass along to its customers which could significantly lower the company's profit; the company's lack of long-term contracts with most of its suppliers; suppliers' price reductions of products that the company sells, which could cause the value of its inventory to decline; decreases in steel prices, which could significantly lower the company's profit; a decline in demand for certain of the products the company distributes if tariffs and duties on these products are imposed or lifted; holding more inventory than can be sold in a commercial time frame; significant substitution of renewables and low-carbon fuels for oil and gas, impacting demand for the company's products; risks related to adverse weather events or natural disasters; environmental, health and safety laws and regulations and the interpretation or implementation thereof; changes in the company's customer and product mix; the risk that manufacturers of the products that the company distributes will sell a substantial amount of goods directly to end users in the industry sectors that the company serves; failure to operate the company's business in an efficient or optimized manner; the company's ability to compete successfully with other companies; the company's lack of long-term contracts with many of its customers and the company's lack of contracts with customers that require minimum purchase volumes; inability to attract and retain employees or the potential loss of key personnel; adverse health events, such as a pandemic; interruption in the proper functioning of the company's information systems; the occurrence of cybersecurity incidents; risks related to the company's customers' creditworthiness; the success of acquisition strategies; the potential adverse effects associated with integrating acquisitions and whether these acquisitions will yield their intended benefits; impairment of the company's goodwill or other intangible assets; adverse changes in political or economic conditions in the countries in which the company operates; the company's significant indebtedness; the dependence on the company's subsidiaries for cash to meet parent company obligations; changes in the company's credit profile; potential inability to obtain necessary capital; the potential share price volatility and costs incurred in response to any shareholder activism campaigns; the sufficiency of the company's insurance policies to cover losses, including liabilities arising from litigation; product liability claims against the company; pending or future asbestos-related claims against the company; exposure to U.S. and international laws and regulations, regulating corruption, limiting imports or exports or imposing economic sanctions; risks relating to ongoing evaluations of internal controls required by Section 404 of the Sarbanes-Oxley Act; and risks related to changing laws and regulations including trade policies and tariffs.

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. MRC Global's filings and other important information are also available on the "Investors" page of the company's 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.

Contact:
Monica Broughton
VP, Investor Relations & Treasury
MRC Global Inc.
Monica.Broughton@mrcglobal.com
832-308-2847

MRC Global Inc.
Condensed Consolidated Balance Sheets (Unaudited)
(in millions)

	December 31, 2023	December 31, 2022
Assets		
Current assets:		
Cash	$ **131**	$ 32
Accounts receivable, net	**430**	501
Inventories, net	**560**	578
Other current assets	**34**	31
Total current assets	**1,155**	1,142
Long-term assets:		
Operating lease assets	**205**	202
Property, plant and equipment, net	**78**	82
Other assets	**21**	22
Intangible assets:		
Goodwill, net	**264**	264
Other intangible assets, net	**163**	183
	$ **1,886**	$ 1,895
Liabilities and stockholders' equity		
Current liabilities:		
Trade accounts payable	$ **355**	$ 410
Accrued expenses and other current liabilities	**102**	115
Operating lease liabilities	**34**	36
Current portion of debt obligations	**292**	3
Total current liabilities	**783**	564
Long-term liabilities:		
Long-term debt	**9**	337
Operating lease liabilities	**186**	182
Deferred income taxes	**45**	49
Other liabilities	**20**	22
Commitments and contingencies		
6.5% Series A Convertible Perpetual Preferred Stock, $0.01 par value; authorized 363,000 shares; 363,000 shares issued and outstanding	**355**	355
Stockholders' equity:		
Common stock, $0.01 par value per share: 500 million shares authorized, 108,531,564 and 107,864,421 issued, respectively	**1**	1
Additional paid-in capital	**1,768**	1,758
Retained deficit	**(678)**	(768)
Treasury stock at cost: 24,216,330 shares	**(375)**	(375)
Accumulated other comprehensive loss	**(228)**	(230)
	488	386
	$ **1,886**	$ 1,895

MRC Global Inc.
Condensed Consolidated Statements of Operations (Unaudited)
(in millions, except per share amounts)

	Three Months Ended		Year Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Sales	$ **768**	$ 869	$ **3,412**	$ 3,363
Cost of sales	**615**	711	**2,722**	2,753
Gross profit	**153**	158	**690**	610
Selling, general and administrative expenses	**125**	123	**503**	470
Operating income	**28**	35	**187**	140
Other (expense) income:				
Interest expense	**(6)**	(7)	**(32)**	(24)
Other, net	**1**	5	**(2)**	(6)
Income before income taxes	**23**	33	**153**	110
Income tax expense	**2**	12	**39**	35
Net income	**21**	21	**114**	75
Series A preferred stock dividends	**6**	6	**24**	24
Net income attributable to common stockholders	$ **15**	$ 15	$ **90**	$ 51
Basic earnings per common share	$ **0.18**	$ 0.18	$ **1.07**	$ 0.61
Diluted earnings per common share	$ **0.17**	$ 0.18	$ **1.05**	$ 0.60
Weighted-average common shares, basic	**84.3**	83.6	**84.2**	83.5
Weighted-average common shares, diluted	**85.9**	85.3	**85.5**	84.9

MRC Global Inc.
Condensed Consolidated Statements of Cash Flows (Unaudited)
(in millions)

	Year Ended December 31, 2023	Year Ended December 31, 2022
Operating activities		
Net income	$ **114**	$ 75
Adjustments to reconcile net income to net cash provided by (used in) operations:		
Depreciation and amortization	**19**	18
Amortization of intangibles	**21**	21
Equity-based compensation expense	**14**	13
Deferred income tax benefit	**(7)**	(7)
Increase in LIFO reserve	**2**	66
Other non-cash items	**7**	4
Changes in operating assets and liabilities:		
Accounts receivable	**72**	(128)
Inventories	**16**	(196)
Other current assets	**(3)**	(9)
Accounts payable	**(58)**	90
Accrued expenses and other current liabilities	**(16)**	33
Net cash provided by (used in) operations	**181**	(20)
Investing activities		
Purchases of property, plant and equipment	**(15)**	(11)
Proceeds from the disposition of property, plant and equipment	**1**	-
Net cash used in investing activities	**(14)**	(11)
Financing activities		
Payments on revolving credit facilities	**(882)**	(779)
Proceeds from revolving credit facilities	**847**	824
Payments on debt obligations	**(3)**	(2)
Debt issuance costs paid	**(1)**	-
Dividends paid on preferred stock	**(24)**	(24)
Repurchases of shares to satisfy tax withholdings	**(4)**	(2)
Net cash (used in) provided by financing activities	**(67)**	17
Increase (decrease) in cash	**100**	(14)
Effect of foreign exchange rate on cash	**(1)**	(2)
Cash beginning of year	**32**	48
Cash end of year	$ **131**	$ 32

MRC Global Inc.
Supplemental Sales Information (Unaudited)
(in millions)

Disaggregated Sales by Segment and Sector

Three Months Ended December 31,

	U.S.	Canada	International	Total
2023				
Gas Utilities	$ **252**	$ **-**	$ **1**	$ **253**
DIET	**191**	**4**	**63**	**258**
PTI	**190**	**24**	**43**	**257**
	$ **633**	$ **28**	$ **107**	$ **768**
2022				
Gas Utilities	$ 313	$ 6	$ -	$ 319
DIET	182	5	61	248
PTI	225	35	42	302
	$ 720	$ 46	$ 103	$ 869

Year Ended December 31,

	U.S.	Canada	International	Total
2023				
Gas Utilities	$ **1,190**	$ **4**	$ **3**	$ **1,197**
DIET	**790**	**20**	**250**	**1,060**
PTI	**865**	**122**	**168**	**1,155**
	$ **2,845**	$ **146**	$ **421**	$ **3,412**
2022				
Gas Utilities	$ 1,247	$ 15	$ 1	$ 1,263
DIET	758	25	226	1,009
PTI	818	126	147	1,091
	$ 2,823	$ 166	$ 374	$ 3,363

MRC Global Inc.
Supplemental Sales Information (Unaudited)
(in millions)

Sales by Product Line

Type	Three Months Ended December 31, 2023	Three Months Ended December 31, 2022	Year Ended December 31, 2023	Year Ended December 31, 2022
Line pipe	$ **133**	$ 172	$ **566**	$ 589
Carbon fittings and flanges	**98**	106	**451**	441
Total carbon pipe, fittings and flanges	**231**	278	**1,017**	1,030
Valves, automation, measurement and instrumentation	**272**	290	**1,192**	1,111
Gas products	**170**	191	**782**	778
Stainless steel and alloy pipe and fittings	**29**	33	**137**	180
General products	**66**	77	**284**	264
	$ **768**	$ 869	$ **3,412**	$ 3,363

MRC Global Inc.
Supplemental Information (Unaudited)
Reconciliation of Gross Profit to Adjusted Gross Profit (a non-GAAP measure)
(in millions)

	Three Months Ended			
	December 31, 2023	**Percentage of Revenue***	**December 31, 2022**	**Percentage of Revenue***
Gross profit, as reported	**$ 153**	**19.9%**	$ 158	18.2%
Depreciation and amortization	**4**	**0.5%**	4	0.5%
Amortization of intangibles	**6**	**0.8%**	6	0.7%
Increase in LIFO reserve	**5**	**0.7%**	16	1.8%
Adjusted Gross Profit	**$ 168**	**21.9%**	$ 184	21.2%

	Year Ended			
	December 31, 2023	**Percentage of Revenue***	**December 31, 2022**	**Percentage of Revenue***
Gross profit, as reported	**$ 690**	**20.2%**	$ 610	18.1%
Depreciation and amortization	**19**	**0.6%**	18	0.5%
Amortization of intangibles	**21**	**0.6%**	21	0.6%
Increase in LIFO reserve	**2**	**0.1%**	66	2.0%
Adjusted Gross Profit	**$ 732**	**21.5%**	$ 715	21.3%

Notes to above:

* Does not foot due to rounding

The company defines Adjusted Gross Profit as sales, less cost of sales, plus depreciation and amortization, plus amortization of intangibles, plus inventory-related charges and plus or minus the impact of its LIFO inventory costing methodology. The company presents Adjusted Gross Profit because the company believes it is a useful indicator of the company's operating performance without regard to items, such as amortization of intangibles, that can vary substantially from company to company depending upon the nature and extent of acquisitions of which they have been involved. Similarly, the impact of the LIFO inventory costing method 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 uses Adjusted Gross Profit as a key performance indicator in managing its business. The company believes that gross profit is the financial measure calculated and presented in accordance with U.S. Generally Accepted Accounting Principles that is most directly comparable to Adjusted Gross Profit.

MRC Global Inc.
Supplemental Information (Unaudited)
Reconciliation of Selling, General and Administrative Expenses to
Adjusted Selling, General and Administrative Expenses (a non-GAAP measure)
(in millions)

	Three Months Ended		Year Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Selling, general and administrative expenses	$ **125**	$ 123	$ **503**	$ 470
Severance and restructuring (1)	**-**	(1)	-	(1)
Customer settlement (2)	-	-	**(3)**	-
Non-recurring IT related professional fees	-	-	**(1)**	-
Activism response legal and consulting costs	**(1)**	-	**(1)**	-
Adjusted Selling, general and administrative expenses	$ **124**	$ 122	$ **498**	$ 469

Notes to above:
(1) Employee severance and restructuring charges (pre-tax), primarily in the U.S.
(2) Charge (pre-tax) for a customer settlement in our U.S. segment.

The company defines adjusted selling, general and administrative (SG&A) expenses as SG&A, less severance and restructuring expenses and other unusual items. The company presents adjusted SG&A because the company believes it is a useful indicator of the company's operating performance. Among other things, adjusted SG&A measures the company's operating performance without regard to certain non-recurring, non-cash or transaction-related expenses. The company uses adjusted SG&A as a key performance indicator in managing its business. The company believes that SG&A is the financial measure calculated and presented in accordance with U.S. Generally Accepted Accounting Principles that is most directly comparable to adjusted SG&A.

MRC Global Inc.
Supplemental Information (Unaudited)
Reconciliation of Net Income (Loss) to Adjusted EBITDA (a non-GAAP measure)
(in millions)

	Three Months Ended		Year Ended	
	December 31, 2023	**December 31, 2022**	**December 31, 2023**	**December 31, 2022**
Net income	$ **21**	$ 21	$ **114**	$ 75
Income tax expense	**2**	12	**39**	35
Interest expense	**6**	7	**32**	24
Depreciation and amortization	**4**	4	**19**	18
Amortization of intangibles	**6**	6	**21**	21
Severance and restructuring (1)	-	1	-	1
Non-recurring IT related professional fees	-	-	**1**	-
Increase in LIFO reserve	**5**	16	**2**	66
Equity-based compensation expense (2)	**4**	4	**14**	13
Activism response legal and consulting costs	**1**	-	**1**	-
Customer settlement (3)	-	-	**3**	-
Asset disposal (4)	-	-	**1**	-
Foreign currency (gains) losses	**(1)**	(5)	**3**	8
Adjusted EBITDA	$ **48**	$ 66	$ **250**	$ 261

Notes to above:
(1) Employee severance and restructuring charges (pre-tax), primarily in the U.S.
(2) Charges (pre-tax) recorded in SG&A.
(3) Charge (pre-tax) for a customer settlement in our U.S. segment.
(4) Charge (pre-tax) for an asset disposal in our International segment.

The company defines adjusted EBITDA as net income plus interest, income taxes, depreciation and amortization, amortization of intangibles, and certain other expenses, including non-cash expenses, (such as equity-based compensation, severance and restructuring, changes in the fair value of derivative instruments and asset impairments, including inventory) and plus or minus the impact of its LIFO inventory costing methodology. The company presents adjusted EBITDA because the company believes adjusted EBITDA is a useful indicator of the company's operating performance. Among other things, adjusted EBITDA measures the company's operating performance without regard to certain non-recurring, non-cash or transaction-related expenses. adjusted EBITDA, however, does not represent and should not be considered as an alternative to net income, cash flow from operations or any other measure of financial performance calculated and presented in accordance with GAAP. Because adjusted EBITDA does not account for certain expenses, its utility as a measure of the company's operating performance has material limitations. Because of these limitations, the company does not view adjusted EBITDA in isolation or as a primary performance measure and also uses other measures, such as net income and sales, to measure operating performance. See the company's Annual Report filed on Form 10-K for a more thorough discussion of the use of adjusted EBITDA.

MRC Global Inc.
Supplemental Information (Unaudited)
Reconciliation of Net Income (Loss) Attributable to Common Stockholders to
Adjusted Net Income Attributable to Common Stockholders (a non-GAAP measure)
(in millions, except per share amounts)

	December 31, 2023			
	Three Months Ended		Year Ended	
	Amount	Per Share*	Amount	Per Share*
Net income attributable to common stockholders	$ **15**	$ **0.17**	$ **90**	$ **1.05**
Non-recurring IT related professional fees, net of tax	**-**	**-**	**1**	**0.01**
Asset disposal, net of tax (1)	**-**	**-**	**1**	**0.01**
Customer settlement, net of tax (2)	**-**	**-**	**2**	**0.02**
Activism response legal and consulting costs, net of tax	**1**	**0.01**	**1**	**0.01**
Increase in LIFO reserve, net of tax	**4**	**0.04**	**2**	**0.02**
Adjusted net income attributable to common stockholders	$ **20**	$ **0.23**	$ **97**	$ **1.13**

	December 31, 2022			
	Three Months Ended		Year Ended	
	Amount	Per Share	Amount	Per Share
Net income attributable to common stockholders	$ 15	$ 0.18	$ 51	$ 0.60
Increase in LIFO reserve, net of tax	12	0.14	50	0.59
Adjusted net income attributable to common stockholders	$ 27	$ 0.32	$ 101	$ 1.19

Notes to above:

*Does not foot due to rounding

(1) An after-tax charge for an asset disposal in our International segment.

(2) An after-tax charge for a customer settlement in our U.S. segment.

The company defines adjusted net income attributable to common stockholders (a non-GAAP measure) as net income attributable to common stockholders plus or minus the after-tax impact of items deemed non-standard and plus or minus the after-tax impact of its 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. After-tax impacts were determined using the company's U.S. blended statutory rate. The company presents adjusted net income attributable to common stockholders and related per share amounts because the company believes it provides useful comparisons of the company’s operating results to other companies, including those companies with whom we compete in the distribution of pipe, valves and fittings to the energy industry, without regard to the irregular variations from certain restructuring events not indicative of the on-going business. The company believes that net income attributable to common stockholders is the financial measure calculated and presented in accordance with U.S. Generally Accepted Accounting Principles that is most directly compared to adjusted net income attributable to common stockholders.

MRC Global Inc.
Supplemental Information (Unaudited)
Reconciliation of Long-term Debt to Net Debt (a non-GAAP measure) and the Leverage Ratio Calculation
(in millions)

	December 31, 2023
Long-term debt	$ 9
Plus: current portion of debt obligations	292
Total debt	301
Less: cash	131
Net Debt	$ 170
Net Debt	$ 170
Trailing twelve months adjusted EBITDA	250
Leverage ratio (1)	0.7

Notes to above:

(1) Under the Senior Secured Term Loan B, for purposes of calculating the leverage ratio, cash is limited to $75 million, which would result in a leverage ratio of 0.9.

Net Debt and related leverage metrics may be considered non-GAAP measures. The company defines Net Debt as long-term debt, including current portion, minus cash. The company defines leverage ratio as Net Debt divided by trailing twelve months adjusted EBITDA. The company believes Net Debt is an indicator of the extent to which the company's outstanding debt obligations could be satisfied by cash on hand and a useful metric for investors to evaluate the company's leverage position. The company believes the leverage ratio is a commonly used metric that management and investors use to assess the borrowing capacity of the company. The company believes total long-term debt (including the current portion) is the financial measure calculated and presented in accordance with U.S. Generally Accepted Accounting Principles that is most directly comparable to Net Debt.

# # #

Exhibit 99.2

MRC Global

4Q 2023 Earnings Presentation

February 13, 2024

Rob Saltiel
President & CEO

Kelly Youngblood
Executive Vice President & CFO

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 February 13, 2024.

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.

Executive Summary - Financial Highlights

4Q 2023 & Full Year 2023

Balance sheet

- Cash flow from operations of $89 million in 4Q23 for a total of $181 million in 2023
- Net debt leverage of 0.7x, the lowest in MRC Global's public company history – *a new record*
- Solid liquidity position of $741 million

Efficiency

- Most efficient net working capital to sales ratio of 15.5% in MRC Global's public company history – *a new record*

Profitability

- Adjusted EBITDA margins of 6.3% in 4Q23 and 7.3% in 2023, with two consecutive years above 7%
- Adjusted Gross Profit percentage
  - 21.9% in 4Q23, the 7th consecutive quarter above 21%
  - 21.5% in 2023, the highest annual result in MRC Global's public company history – *a new record*
- Revenue
  - 4Q23: $768M, down 12% over 4Q22
  - 2023: $3.412B, up 1% over 2022

Note: See reconciliations of GAAP to non-GAAP measures in our appendix. Also see our Current Report on Form 8-K dated February 13, 2024, for a reconciliation of non-GAAP measures to their closest GAAP measures and for a discussion of forward-looking statements and the factors that might impact the various items in the 2024 Outlook.

Fourth Quarter 2023 Results – Key Metrics

Revenue Generation

Revenue
$768M
- 14% below 3Q23
- 12% below 4Q22

E-commerce
- 65.5% of U.S. orders digital - 336 bps increase over 4Q22
- 53% of total orders digital - 276 bps increase over 4Q22

Debt Management

Total Debt $301M

Net debt $170M

Leverage ratio 0.7x

Cost Control

SG&A 16.3% of revenue

Adjusted SG&A 16.1% of revenue

Working Capital Efficiency

Net working capital to sales ratio 15.5%

Profitability

Net income attributable to common stockholders $15M

Adjusted EBITDA $48M or 6.3% of revenue

Cash Generation & Liquidity

Cash generated from operations $89M

Liquidity $741M

Gross Margin

Gross profit percentage 19.9%

Adjusted gross profit percentage 21.9%

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

Fourth Quarter 2023 Results – Sequential Changes

SEGMENT: Revenue Highlights 4Q23 vs. 3Q23

U.S.: Decreased **$112 million**, or **15%**. The Gas Utilities sector experienced a **$59** million, or **19%**, decline from customer's destocking, seasonal declines, non-recurring projects and decreased product purchases due to higher interest rates and construction cost inflation. PTI sector sales declined $34 million, or 15%, due to lower year-end customer activity and seasonality. The DIET sector declined **$19** million, or **9%**, due to the conclusion of various projects and lower turnaround activity.

Canada: Decreased **$10 million**, or **26%**, primarily due to the PTI sector.

International: Increased **$2 million**, or **2%**, from growth in the PTI and DIET sectors. The PTI sector increase was driven by activity in Norway, the Middle East and the U.K. The DIET sector increase was driven by energy transition activity as well as project activity in Europe.

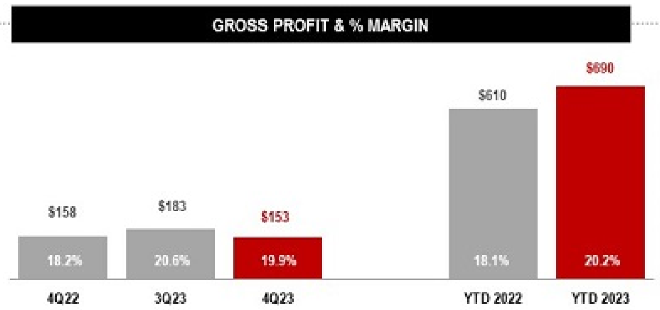
SECTOR: Revenue Highlights 4Q23 vs. 3Q23

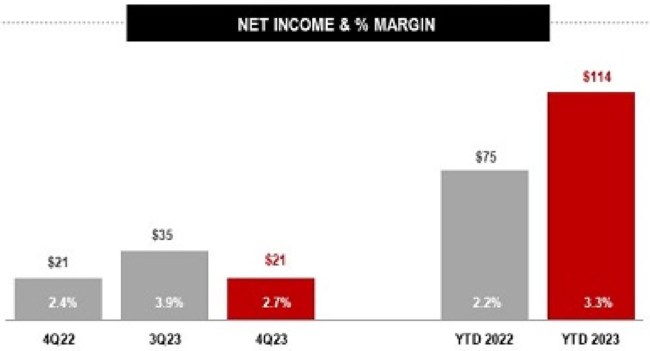
Gas Utilities: Declined **$61 million**, or **19%**, driven by the U.S. segment.

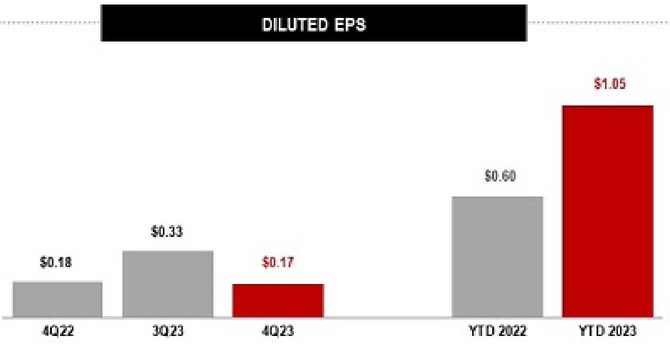
Downstream, Industrial & Energy Transition: Decreased **$21 million**, or **8%**, driven by the U.S. segment.

Production & Transmission Infrastructure: Decreased **$38 million**, or **13%**, driven by the U.S. segment followed by the Canada segment.

Quarterly Financial Performance - GAAP
($ millions, except per share data)

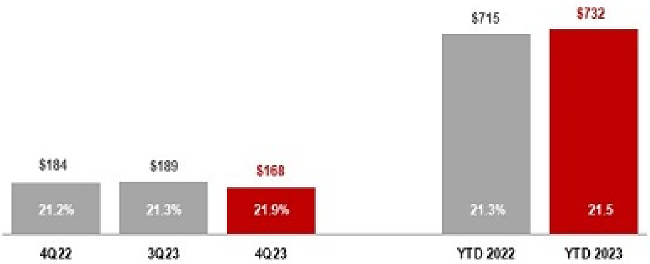




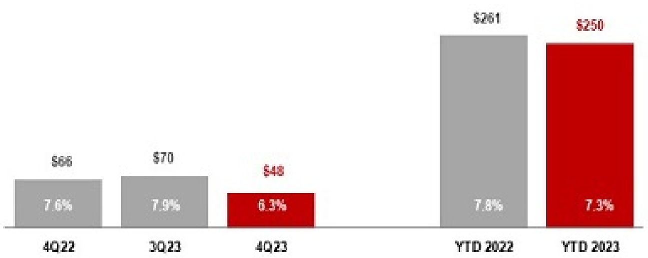


Quarterly Financial Performance - Adjusted *($ millions, except per share data)*

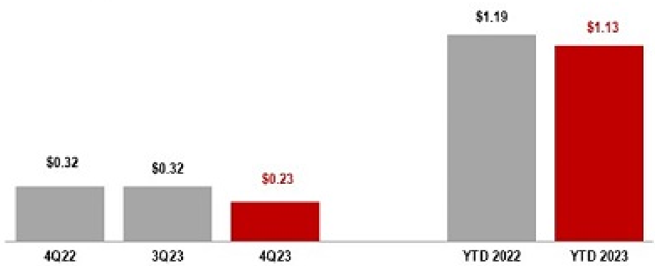
ADJUSTED GROSS PROFIT & % MARGIN[1]



ADJUSTED EBITDA & % MARGIN[1]



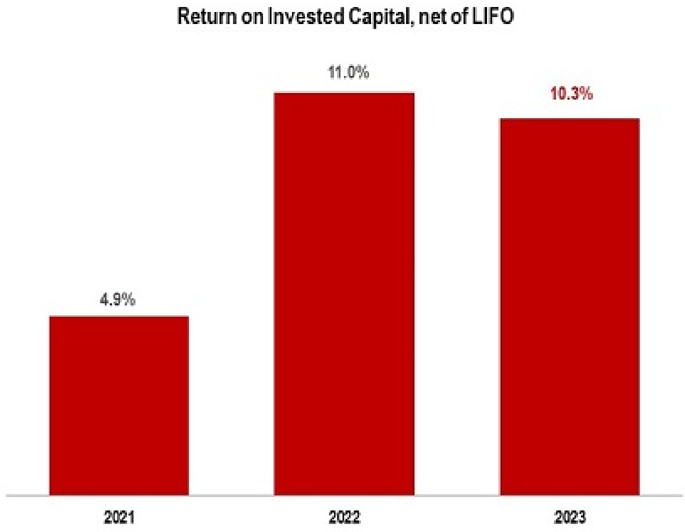
ADJUSTED DILUTED EPS[1]



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

Focused on Returns – Creating More Value for Shareholders

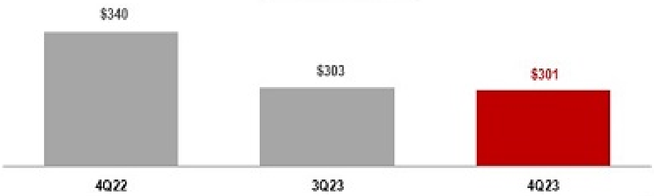
- ROIC is a key metric for capital stewardship and shareholder value creation
- Improvement in ROIC is enabled by increased profitability and enhanced efficiency of inventory and financial working capital
- Second year with double-digit returns



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

Strong Balance Sheet & Financial Flexibility *($ millions)*

TOTAL DEBT

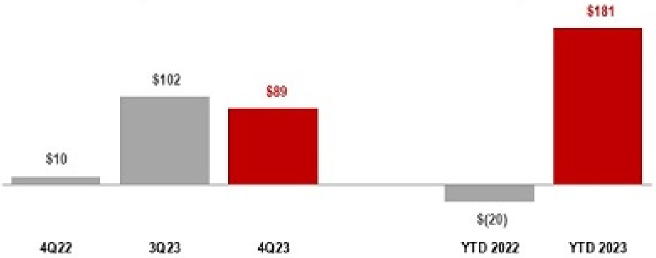


	4Q22	3Q23	4Q23
Net Debt[1]:	$308	$251	$170
Net Leverage[2]:	1.2x	0.9x	0.7x

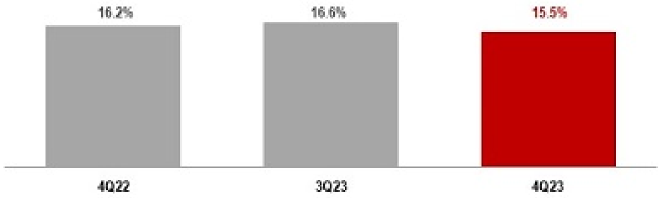
CAPITAL STRUCTURE

December 31, 2023	
Cash and Cash Equivalents	**$ 131**
Total Debt (including current portion):	
Term Loan B due 2024 (net of discount & deferred financing costs)	$ 292
Global ABL Facility due 2026	9
Total Debt	$ 301
Preferred stock	355
Common stockholders' equity	488
Total Capitalization	**$ 1,144**
Liquidity	**$ 741**

CASH FLOW FROM OPERATIONS



WORKING CAPITAL TO SALES RATIO[3]



1. Net debt is calculated as total debt less Cash. See reconciliation in the appendix.
2. Net leverage multiples represent net debt / trailing twelve months adjusted EBITDA. Net debt is total debt less cash.
3. Working capital to sales ratio is defined as working capital, net of cash divided by trailing twelve months sales. Calculated with GAAP figures.

Financial Outlook

2024 Targets

Profitability (annual)

- Revenue – flat to down low to mid-single digits from 2023
  - DIET - modestly higher
  - PTI - modestly lower
  - Gas Utilities - down for the full year with recovery in the second half of 2024
- Adjusted Gross Profit – average 21% or better
- Adjusted EBITDA – average 7%
- SG&A/Sales % – average under 15%

Cash Flow (annual)

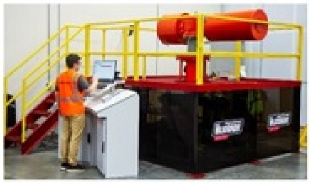
- Capital expenditures – $40 - 45 million for 2024 – includes ERP system
- Cash flow from operations 2024 – $200 million

Sequential Quarterly Revenue (1Q24 compared to 4Q23)

- Total company - flat to modestly lower
- PTI & Gas Utilities – flattish
- DIET – modest decline

Note: See our Current Report on Form 8-K dated February 13, 2024, for a reconciliation of non-GAAP measures to their closest GAAP measures and for a discussion of forward-looking statements and the factors that might impact the various items in the 2024 Outlook.

Well Positioned for Long Term Growth, Underpinned by Strong Fundamentals



- Gas Utilities remains a strong growth engine due to customer capital expenditure drivers relating to safety and integrity, emissions reduction and meter modernization despite near-term destocking
- DIET fundamentals supported by increased maintenance spend on downstream assets and new energy transition projects enabled by government stimulus and energy security considerations
- Expanding project management expertise provides new growth opportunities in multiple sectors, complementing our traditional MRO capabilities
- Strong long-term traditional energy fundamentals stemming from demand growth and underinvestment indicate a multi-year upcycle, benefiting our Production and Transmission Infrastructure sector
- Diligent working capital management enables unlocking cash from the balance sheet

APPENDIX

Adjusted Gross Profit Reconciliation

($ millions)	THREE MONTHS ENDED						YEAR ENDED			
	December 31, 2023		September 30, 2023		December 31, 2022		2023		2022	
	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales
Sales	$ 768		$ 888		$ 869		$ 3,412		$ 3,363	
Gross profit	$ 153	19.9%	$ 183	20.6%	$ 158	18.2%	$ 690	20.2%	$ 610	18.1%
Depreciation and amortization	4		5		4		19		18	
Amortization of intangibles	6		5		6		21		21	
Increase (decrease) in LIFO reserve	5		(4)		16		2		66	
Adjusted Gross Profit	$ 168	21.9%	$ 189	21.3%	$ 184	21.2%	$ 732	21.5%	$ 715	21.3%

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 February 13, 2024.

Adjusted SG&A Reconciliation

($ millions)	THREE MONTHS ENDED December 31, 2023		September 30, 2023		December 31, 2022	
	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales
Sales	$ 768		$ 888		$ 869	
SG&A	$ 125	16.3%	$ 126	14.2%	$ 123	14.2 %
Severance and restructuring	-		-		(1)	
Customer settlement	-		(3)		-	
Activism response legal and consulting fees	(1)		-		-	
Adjusted SG&A	$ 124	16.1%	$ 123	13.9%	$ 122	14.0%

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 February 13, 2024.

Adjusted EBITDA Reconciliation

($ millions)	THREE MONTHS ENDED December 31, 2023		THREE MONTHS ENDED September 30, 2023		THREE MONTHS ENDED December 31, 2022		YEAR ENDED 2023		YEAR ENDED 2022	
	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales
Sales	$ 768		$ 888		$ 869		$ 3,412		$ 3,363	
Net income	$ 21	2.7%	$ 35	3.9%	$ 21	2.4%	$ 114	3.3%	$ 75	2.2%
Income tax expense	2		14		12		39		35	
Interest expense	6		9		7		32		24	
Depreciation and amortization	4		5		4		19		18	
Amortization of intangibles	5		5		6		20		21	
Severance and restructuring	-		-		1		-		1	
Non-recurring IT related professional fees	-		-		-		1		-	
Increase (decrease) in LIFO reserve	5		(4)		16		2		66	
Equity-based compensation expense	4		3		4		14		13	
Activism response legal and consulting costs	1		-		-		1		-	
Customer settlement	-		3		-		3		-	
Asset disposal	-		-		-		1		-	
Foreign currency (gains) losses	-		-		(5)		4		8	
Adjusted EBITDA	$ 48	6.3%	$ 70	7.9%	$ 66	7.6%	$ 250	7.3%	$ 261	7.8%

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 February 13, 2024.

Adjusted Net Income Attributable to Common Stockholders Reconciliation

	THREE MONTHS ENDED						YEAR ENDED			
	December 31, 2023		September 30, 2023		December 31, 2022		2023		2022	
($ millions)	Amount	Per Share*	Amount	Per Share (1)	Amount	Per Share	Amount	Per Share*	Amount	Per Share
Net income attributable to common stockholders	**$ 15**	**$ 0.17**	**$ 29**	**$ 0.33**	**$ 15**	**$ 0.18**	**$ 90**	**$ 1.05**	**$ 51**	**$ 0.60**
Non-recurring IT related professional fees, net of tax	-	-	-	-	-	-	1	0.01	-	-
Asset disposal, net of tax	-	-	-	-	-	-	1	0.01	-	-
Customer settlement, net of tax	-	-	2	0.02	-	-	2	0.02	-	-
Activism response legal and consulting costs	1	0.01					1	0.01		
Increase (decrease) in LIFO reserve, net of tax	4	0.04	(3)	(0.03)	12	0.14	2	0.02	50	0.59
Adjusted net income attributable to common stockholders	**$ 20**	**$ 0.23**	**$ 28**	**$ 0.32**	**$ 27**	**$ 0.32**	**$ 97**	**$ 1.13**	**$ 101**	**$ 1.19**

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 February 13, 2024.

(1) Earnings per share represents diluted earnings per share. For the three months ended September 30, 2023, the diluted earnings per common share calculation is calculated as net income of $35 million divided by 105.9 million shares.

Net Debt & Leverage Ratio Calculation

($ millions)	December 31, 2023	September 30, 2023	December 31, 2022
Long-term debt	**$ 9**	**$ 300**	**$ 337**
Plus: current portion of debt obligations	292	3	3
Total debt	**$ 301**	**$ 303**	**$ 340**
Less: cash	131	52	32
Net debt	**$ 170**	**$ 251**	**$ 308**
Net debt	$ 170	$ 251	$ 308
Trailing twelve months adjusted EBITDA	250	268	261
Leverage ratio	**0.7x**	**0.9x**	**1.2x**

Note: Net debt and leverage ratio are non-GAAP measures. For a discussion of the use of net debt, see our Current Report on Form 8-K dated February 13, 2024.

Return on Invested Capital (ROIC), Adjusted for LIFO

($ millions)	2023	2022	2021
Net Income (loss)	$ 114	$ 75	$ (14)
Interest expense, net of tax	24	18	17
Net Operating Profit After Tax (NOPAT)	**$ 138**	**$ 93**	**$ 3**
LIFO expense, net of tax	2	50	58
NOPAT, net of LIFO	**$140**	**$ 143**	**$ 61**
Long-term debt	$ 301	$ 340	$ 297
Shareholders' equity	488	386	323
Preferred stock	355	355	355
Operating lease liabilities (short and long-term)	220	218	210
Invested Capital	**$ 1,364**	**$ 1,299**	**$ 1,185**
Average Invested Capital	$ 1,332	$ 1,242	$ 1,249
Average Invested Capital, net of LIFO	**$ 1,358**	**$ 1,296**	**$ 1,270**
ROIC, including LIFO	**10.4%**	**7.5%**	**0.2%**
ROIC, Adjusted for LIFO	**10.3%**	**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.

Free Cash Flow Yield Reconciliation

($ millions, except share price)	2023
Cash Flow from Operations	$181
Less: Cash From Investing Activities	(14)
Free Cash Flow	**$167**
Stock price 12/31/23	$11.01
Shares Outstanding	84.3
Market Capitalization	928
Free Cash Flow Yield	18%