MRC Global®

4Q 2019 Earnings Presentation

February 13, 2020

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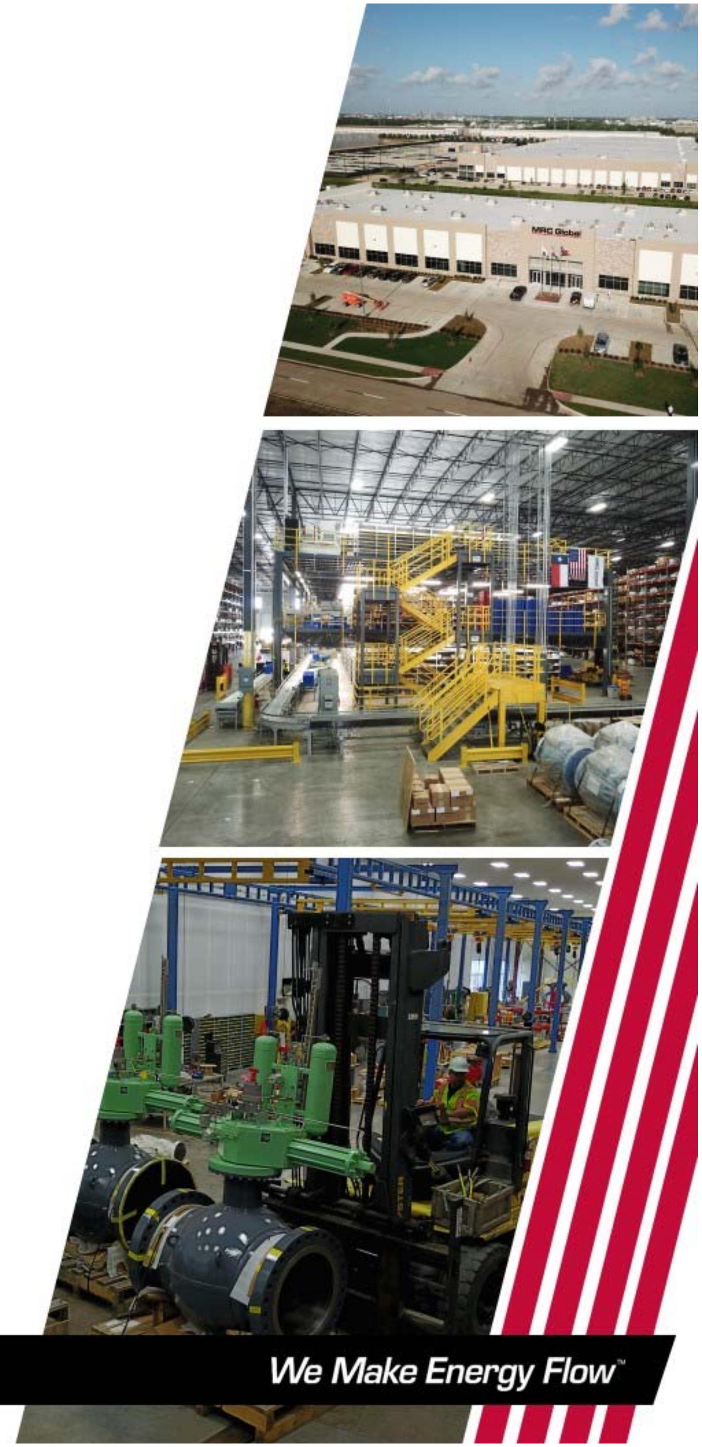

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This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Words such as “will,” “expect,” “looking forward,” “guidance,” “targeting”, and similar expressions are intended to identify forward-looking statements. Statements about the company’s business, including its strategy, its industry, the company’s future profitability, the company’s guidance on its sales, Adjusted EBITDA, gross profit, gross profit percentage, Adjusted Gross Profit, Adjusted Gross Profit percentage, tax rate, capital expenditures and cash from operations, growth in the company’s various markets and the company’s expectations, beliefs, plans, strategies, objectives, prospects and assumptions are not guarantees of future performance. These statements are based on management’s expectations that involve a number of business risks and uncertainties, any of which could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors, most of which are difficult to predict and many of which are beyond our control, including the factors described in the company’s SEC filings that may cause our actual results and performance to be materially different from any future results or performance expressed or implied by these forward-looking statements, including the company’s Current Report on Form 8-K dated February 13, 2020.

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Statement Regarding Use of Non-GAAP Measures:

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

Key Points – Fourth Quarter 2019 Results

Returned $75 million of cash to shareholders in 2019 and $12 million in 4Q, completing latest share repurchase authorization

Purchased $375 million of shares since 2015

Adjusted gross profit of 19.1% in 4Q19 or 20.0%, excluding non-recurring items, flat with 3Q19

Adjusted gross profit of 19.5% in 2019 or 19.7%, excluding non-recurring items, up 10bps from 2018

$

Generated $108 million of cash from operations in 4Q19 and $242 million in 2019

Net debt of $519 million down $83 million from 3Q 2019

4Q19 revenue decline of 19% from 3Q19 on due to end of year budget exhaustion

Lowered operating costs

Excluding adjustments, 4Q19 lower than 4Q18 by $15 million and 2019 lower than 2018 by $25 million

4Q19 Adjusted EBITDA of $23 million or 3.0% of revenue

Note: Adjusted Gross Profit and Adjusted EBITDA are non-GAAP measures. For a reconciliation to their closest GAAP measures, see our Current Report on Form 8-K dated February 13, 2020.

Summary Highlights from Fourth Quarter 2019 Results

- $766M in revenue – 19% sequential decrease
- SG&A $141M – down $7M from 4Q18 or down $15M excluding adjustments

Segment revenue highlights
4Q19 v 4Q18

U.S. – declined 22% on midstream (primarily T&G) and upstream weakness and less downstream project revenue

Canada – declined 46% due to poor market conditions

International – declined 24% on the conclusion of a project and weak foreign currency. Underlying business grew 5% excluding project & currency impact.

Market sector revenue highlights
4Q19 v 4Q18

Upstream – decreased 34% driven by all segments

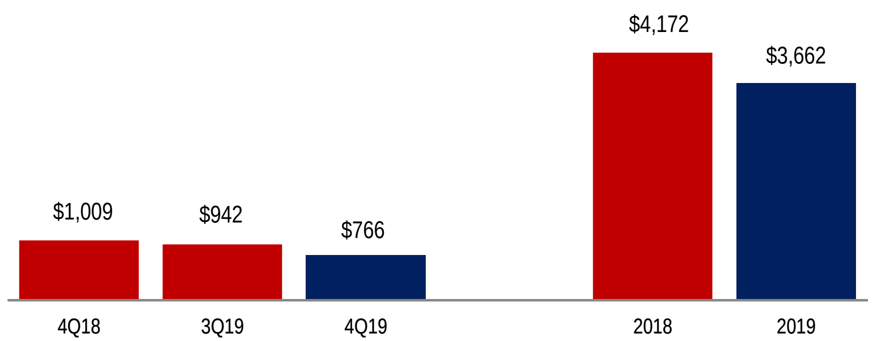
Midstream – declined 20% primarily on transmission and gathering revenue decline

Downstream – decreased 18% on non-recurring project revenue

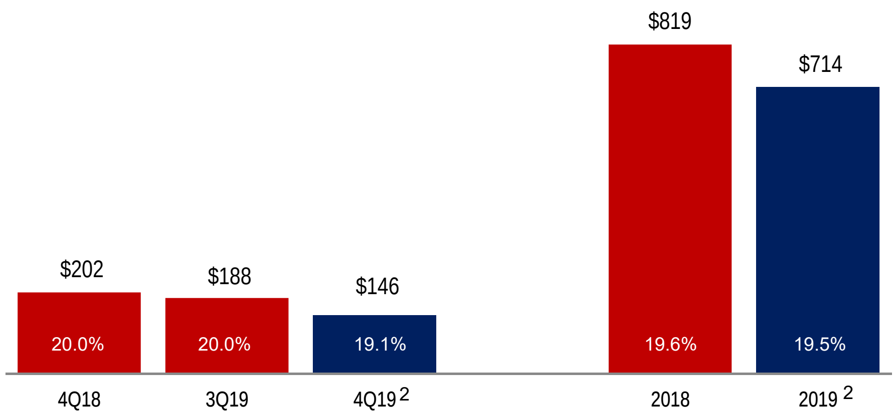
Quarterly & YTD Financial Performance

($ millions, except per share data)

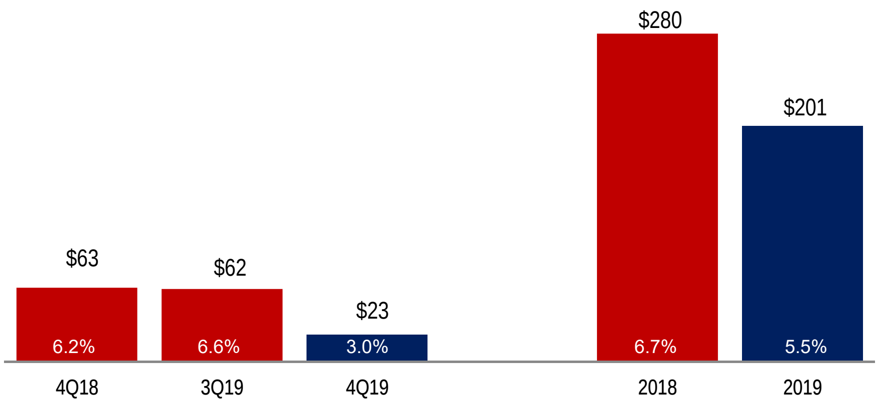
Sales



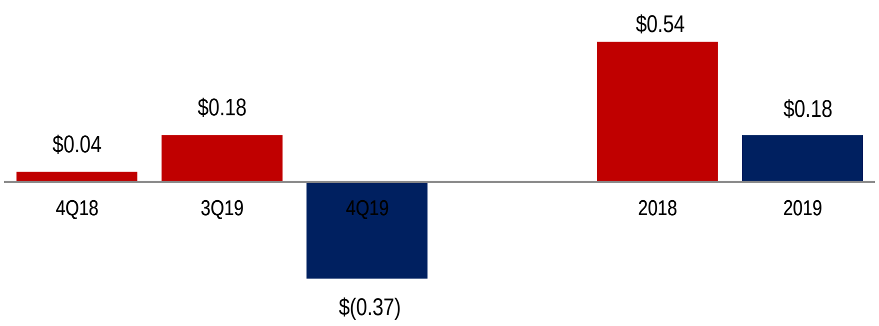
Adjusted Gross Profit and % Margin[1]



Adjusted EBITDA and % Margin[1]



Diluted EPS

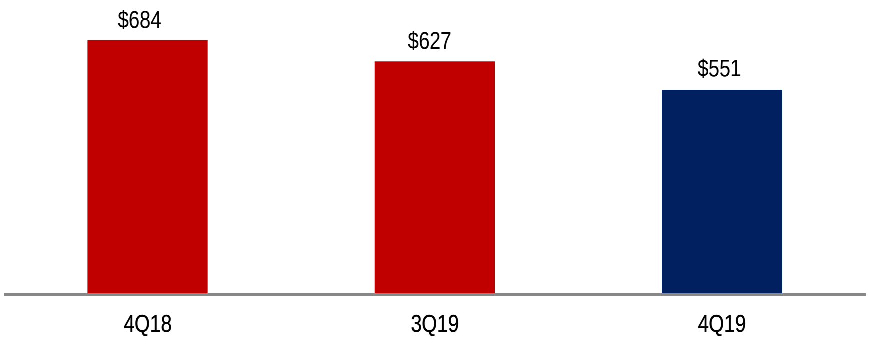


1. See reconciliation of non-GAAP measures to GAAP measures in the appendix
2. Includes $5 million of non-cash charges (pre-tax) recorded in cost of goods sold in our international segment for excess and obsolete inventory, and $3 million of charges (pre-tax) recorded in sales for the final settlement of a multi-year customer project, for each of the three months and year ended December 31, 2019. Excluding these charges for the three months ended December 31, 2019 gross profit, as reported would be $139 million (18.1%) and adjusted gross profit would be $154 million (20.0%). Excluding these charges for the year ended December 31, 2019 gross profit, as reported would be $661 million (18.0%) and adjusted gross profit would be $722 million (19.7%).

Strong Balance Sheet Provides Financial Flexibility

($ millions)

Total Debt

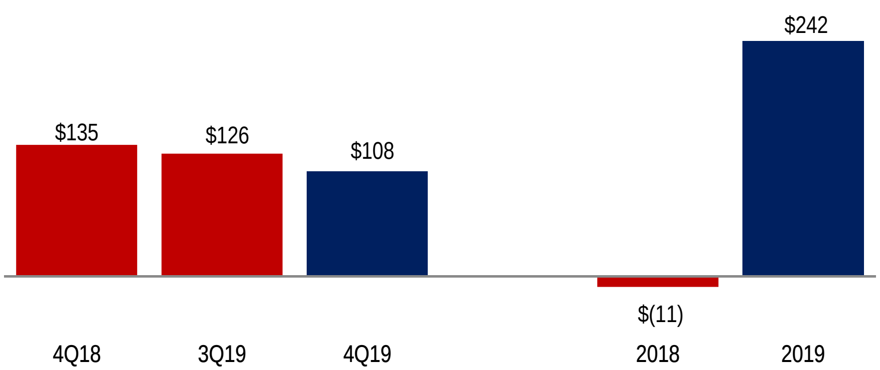


Net Leverage[1]:		
2.3x	**2.5x**	**2.6x**

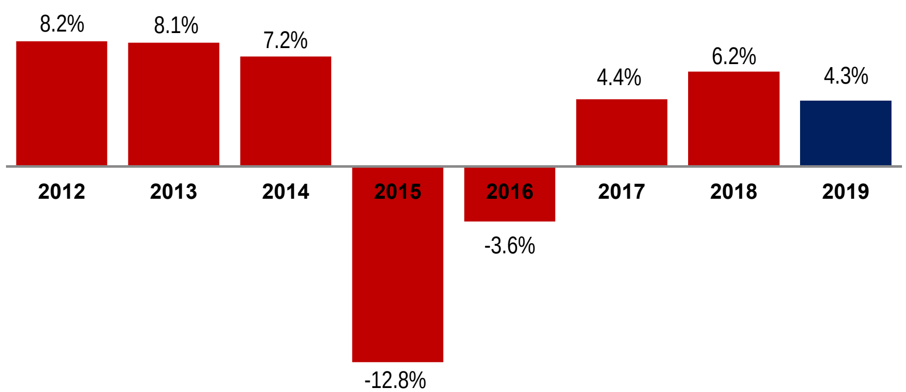
Capital Structure

	December 31, 2019
Cash and Cash Equivalents	$ 32
Total Debt (including current portion):	
Term Loan B due 2024 (net of discount & deferred financing costs)	$ 390
Global ABL Facility due 2022	161
Total Debt	$ 551
Preferred stock	355
Common stockholders' equity	642
Total Capitalization	$ 1,548
Liquidity	$ 483

Cash Flow from Operations



Return on Average Net Capital Employed



1. Multiples represent Net Debt / trailing twelve months Adjusted EBITDA. Net Debt is Total Debt less Cash.
2. Return on Average Net Capital Employed is defined as net income plus interest expense after-tax, divided by average net capital employed (debt plus equity & the preferred stock).

Strategy for Creating Shareholder Value

Grow Market Share

- Provide superior customer service & cost-saving supply chain solutions
- Focus on blue chip customers who demand value-added service and technical expertise
- Leverage market leadership position and global footprint
- Provide multi-channel engagement to capture buying
- Opportunistic M&A

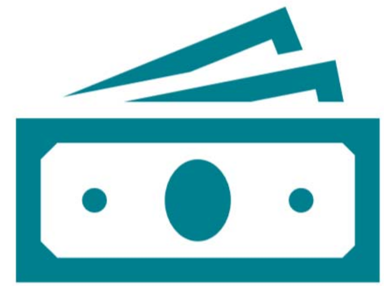
Maximize Profitability

- Focus on higher margin products, end-markets & sales strategies
- Leverage scale & global supply chain
- Expand offering of value-added services to capture enhanced margin
- Focus on controlling costs & operating leverage

Maximize Working Capital Efficiency

- Reduce cash conversion cycle
- Optimize inventory to maximize turnover and margin
- Continual operational efficiency improvements

Optimize Capital Structure



- Optimize capital structure with financial flexibility throughout the cycle
  - Invest for growth
  - Return capital to shareholders
- Target leverage ratio ~2-3x net debt to adjusted EBITDA

Strategy - 4Q19 Accomplishments

Grow Market Share	• Added new customer contracts and awards (*e.g.* Chevron – Canada, INEOS)
Maximize Profitability	• Achieved 40% of revenue from valves in 4Q 2019 and 39% for 2019. On-track to increase valves to 40-42% of total revenue in 2020 and 45% in 2023
Maximize Working Capital Efficiency	• Inventory peaked 2Q19 & reduced by \$97 million from 2Q19 to 4Q19 • Achieved 19.1% of working capital, net of cash, to sales - surpassed target of 20%
Optimize Capital Structure	• Repurchased \$12 million of shares in 4Q19 and \$75 million in 2019 • Reduced net debt by \$83 million in 4Q19 from 3Q19 and \$122 million in 2019 from 2018 • Generated \$108 million cash from operations in 4Q19 and \$242 million in 2019

Financial Outlook

2020 Outlook

Revenue	Profitability & Cash Flow
• 2020 annual – $3,200 to $3,700M	• Adjusted Gross Profit – 19.6% to 19.8%
By sector	• LIFO – $0 to $10M expense
• Upstream – down high-single digit percentages	• SG&A – $510 to $530M
• Midstream – down mid-single digit percentages	• Net income (before preferred stock dividends) $40 to $70M
• Downstream – down mid-single digit percentages	• Adjusted EBITDA – $160 to $200M
By segment	• Tax rate – 26 to 28% annual
• U.S. & Canada – down mid-single digit percentages	• Equity based compensation – $17M
• International – down low-single digit percentages	• Earnings Per Share – $0.19 to $0.56
Sequential	
• 1Q20 – flat	**Cash Flow**
	• Capital expenditures – $15 to $20M
	• Cash flow from operations – $110 to $160M

Note: Adjusted Gross Profit and Adjusted EBITDA are non-GAAP measures. For a reconciliation to their closest GAAP measures, see our Current Report on Form 8-K dated February 13, 2020. The foregoing 2020 Outlook contains forward-looking statements. See our Current Report on Form 8-K dated February 13, 2020 for a discussion of these statements and the factors that might impact the various items in the 2020 Outlook.

Concluding Key Points

Focused on operating cost reductions, cash flow, balance sheet management

- Lowering SG&A by $30 million (mid-point) in 2020E from 2019
- Expect at least $110 million of cash from operations in 2020E

  Generated approximately 20% FCF yield in 2019
- Gross profit and Adjusted gross profit expected to increase to 18.1% and 19.7% (mid-point) for 2020E, respectively
- Focus on reducing debt in 2020E

Delivering on strategic objectives

- Optimal balance sheet usage – reducing debt & continued working capital efficiency
- Growing market share – added and renewed customer contracts

Note: Free cash flow yield is defined as Cash provided operations less capital expenditures and preferred stock dividends divided by shares outstanding and stock price (2/10-2/12/20 average).

Appendix

Adjusted Gross Profit Reconciliation

	Three months ended				Year ended December 31		Expected for year ending December 31 (mid-point)
($ millions)	Dec 31, 2019	Sept 30, 2019	Dec 31, 2018		2019	2018	2020E
Gross profit	$ 131	$ 174	$ 171		$ 653	$ 689	$ 625
Depreciation and amortization	5	5	6		21	23	22
Amortization of intangibles	9	11	11		42	45	28
Increase (decrease) in LIFO reserve	1	(2)	14		(2)	62	5
Adjusted Gross Profit	$ 146	$ 188	$ 202		$ 714	$ 819	$ 680

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, 2020

Adjusted EBITDA Reconciliation

	Three months ended				Year ended December 31		Expected for year ending December 31 (mid-point)
($ millions)	Dec 31, 2019	Sept 30, 2019	Dec 31, 2018		2019	2018	2020E
Net (loss) income	$ (24)	$ 21	$ 10		$ 39	$ 74	$ 55
Income tax expense	5	8	6		27	21	20
Interest expense	9	10	10		40	38	33
Depreciation and amortization	5	5	6		21	23	22
Amortization of intangibles	9	11	11		42	45	28
Increase (decrease) in LIFO reserve	1	(2)	14		(2)	62	5
Inventory-related charges	5	-	-		5	-	-
Supplier bad debt	5	-	-		5	-	-
Change in fair value of derivative instruments	-	-	-		-	(1)	-
Equity-based compensation expense	4	5	3		16	14	17
Severance & restructuring charges	4	5	4		9	4	-
Write off of debt issuance costs	-	-	-		-	1	-
Foreign currency gains	-	(1)	(1)		(1)	(1)	-
Adjusted EBITDA	$ 23	$ 62	$ 63		$ 201	$ 280	$ 180

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, 2020.