

**Raymond James**  
**36th Annual Institutional Investors Conference**

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**Andrew Lane**  
Chairman, President & CEO

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Executive Vice President & CFO

**MRC Global<sup>TM</sup>**

## Forward Looking Statements and Non-GAAP Disclaimer

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

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

## Company Snapshot

### By the Numbers<sup>1</sup>

|                 |                     |
|-----------------|---------------------|
| 2014 Sales      | \$5.933B            |
| Adjusted EBITDA | \$424M              |
| <hr/>           |                     |
| Employees       | ~4,900 <sup>2</sup> |
| <hr/>           |                     |
| Locations       | 400+                |
| <hr/>           |                     |
| Countries       |                     |
| • Operations    | 20                  |
| • Direct Sales  | 45+                 |
| (>\$100,000)    |                     |
| • All countries | 90+                 |
| <hr/>           |                     |
| Customers       | 21,000+             |
| <hr/>           |                     |
| Suppliers       | 21,000+             |
| <hr/>           |                     |
| SKU's           | 230,000+            |
| <hr/>           |                     |

1. As of December 31, 2014.

2. With cost savings actions taken in the first quarter, this figure is expected to be about 4,700.

### Industry Sectors

#### Upstream



#### Midstream



#### Downstream/ Industrial



### Product Categories

#### Line Pipe & OCTG



#### Valves



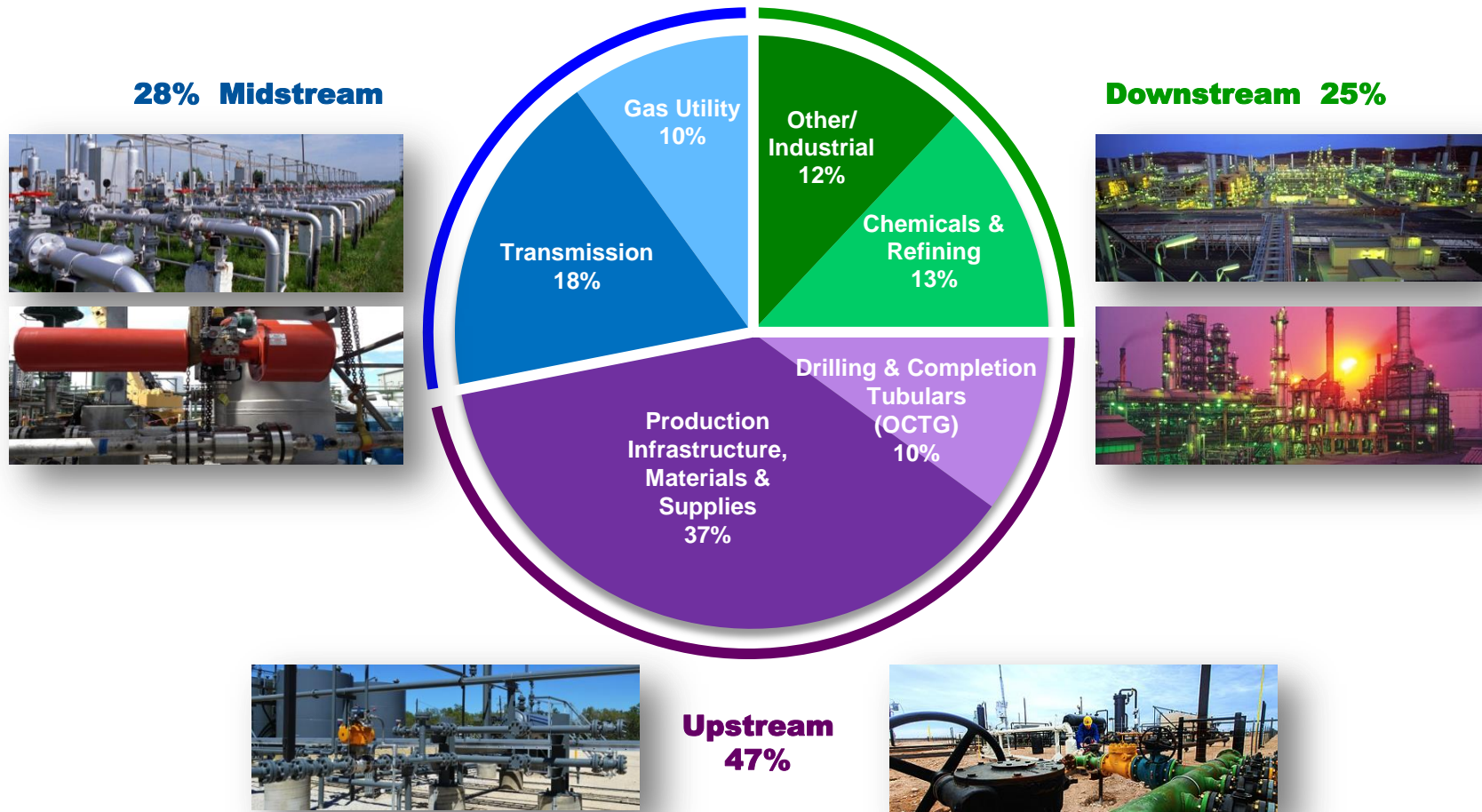
#### Fittings & Flanges



**MRC Global is the largest global distributor of pipe, valves and fittings (PVF) to the energy industry, by sales**



## Revenue by Industry Sector

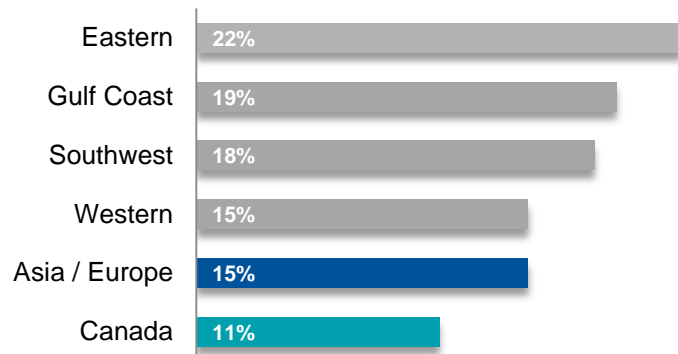


Note: Percentage of sales for the year ended December 31, 2014.

**Diversified Across All Three Major Energy Sectors**

## Revenue by Geography and Product Line

### By Geography



Houston, TX



Edmonton, AB



Bradford, UK



Singapore



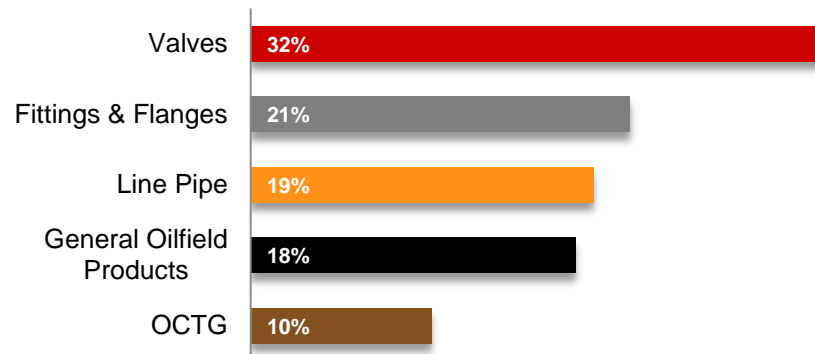
Perth, AU



Stavanger, NO



### By Product Line



Note: Percentage of sales for the year ended December 31, 2014.

**Diversified Across Multiple Geographies -  
Domestically (all shale plays) and Internationally**

# Long-Term Supplier & Customer Relationships

## SUPPLIERS

### Energy Carbon Steel Tubular Products

CSI Tubular      JMC  
Wheatland

Tenaris      TMK-  
IPSCO      U.S.  
Steel

### Valves

Balon      Cameron      Flowserve

Kitz      Neway      Velan

Emerson

### Fittings, Flanges and General Use Products

Boltex      Bonney  
Forge      Chevron  
Phillips  
Chemical

Tube  
Forgings of  
America      WL Plastics

**MRC Global™**

## IOCs



ExxonMobil



## CUSTOMERS

### Downstream

DOW

DuPont

Marathon  
Petroleum

Phillips 66

Valero

### Midstream

Access  
Midstream

AGL  
Resources

Atmos

DCP  
Midstream

NiSource

PG&E

Williams

### Upstream

Apache

Anadarko

CNRL

Chesapeake  
Energy

ConocoPhillips

Devon

Hess

Husky  
Energy

Marathon  
Oil

Statoil

MRC Global plays a vital role in the complex, technical, global energy supply chain



# Why Customers Choose MRC Global – Well Positioned

## Benefits of MRC Global

- Supplier Registration / Preferred Supplier List
- Global delivery footprint with 1.5 million + sq. ft. of regional distribution centers
- Approximately \$1.2B in global inventory, net
- Global sourcing from 45+ countries

**MRC Global is #7 on Industrial Distribution magazine's annual list of the 50 largest industrial distributors<sup>1</sup>, "The Big 50"**

1. Wolseley
2. Wurth Group
3. W.W. Grainger
4. HD Supply
5. Wesco
6. Anixter
7. MRC Global



1. September/October 2014 edition, based on 2013 revenue.

**Generating savings and efficiencies for our customers  
enabling them to focus on their core competencies**

# MRC Global is a leading provider of Integrated Supply Services to the Energy Industry



## Integrated Supply Statistics

- Supplying Integrated Supply services *since 1988*
- Accounts for sales in *excess of \$825 million* and growing rapidly
- Employ over *190 personnel* at customer sites
- Providing Integration Services on *over 100 customer sites*
- Managing *over 1.4 million customer part numbers*
- Consignment inventories in *excess of \$35 million at 700 locations*
- Manage customer-owned point of use materials at *over 800 locations*



## Strategic Objectives

### Execute Global Preferred Supplier Contracts

- Focus on multi-year “Top 25” MRO agreements and adding scope to current agreements
- Recently added or renewed:
  - Mark West – midstream MRO, 5 years
  - Statoil – Johan Sverdrup project, instrumentation
  - Marathon Oil – US MRO, 5 years

### Organic Growth

- Targeted Growth Accounts: develop the “next 75” customers

Customer Mix - Sales<sup>1</sup>



### Growth from Mergers & Acquisitions

- Continue to identify geographic and product line opportunities, no acquisitions expected in 2015
- Current expectation is to use free cash flow to repay debt \$200-\$300 million in 2015

### Rebalance Product Mix to Higher Margin Items

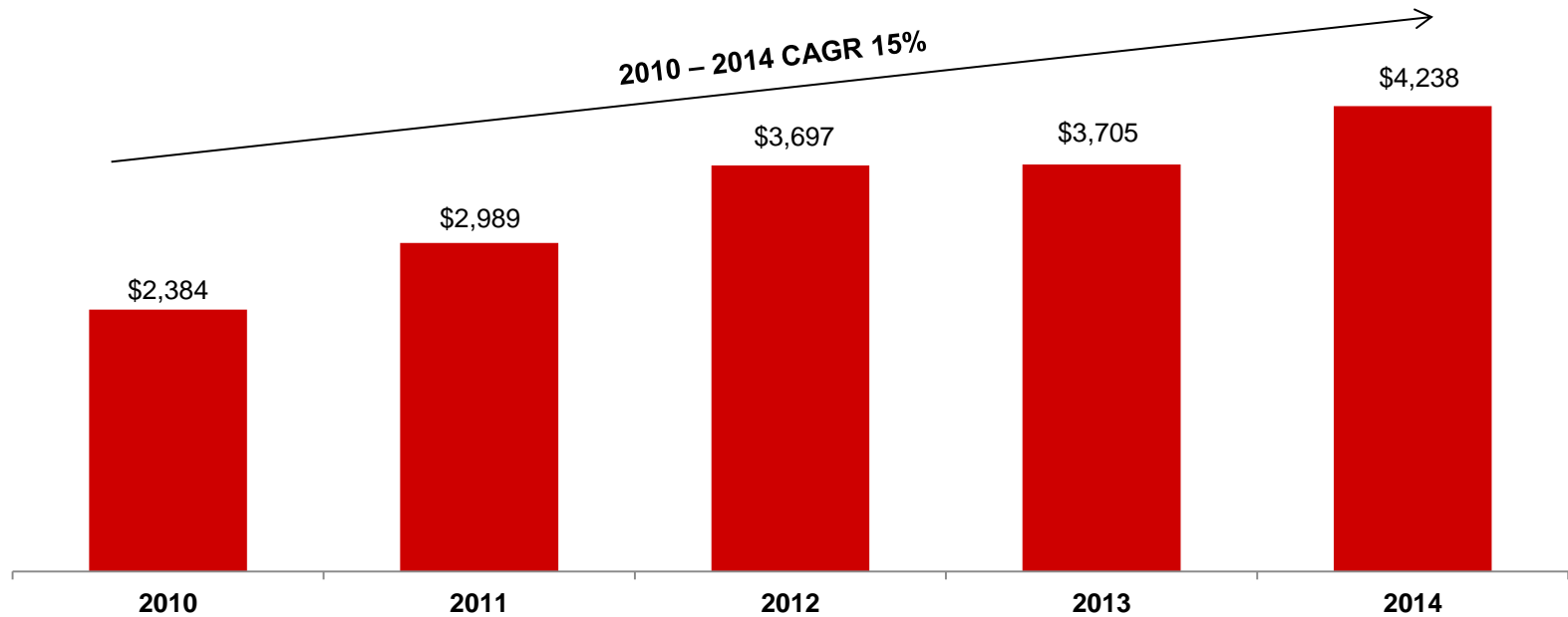
- Focus on valve and valve automation
- Strengthen offerings in stainless & alloy PFF

1. Percentage of sales for the year ended December 30, 2014.

## Strategic Shift in Product Mix to Higher Margin Products

Total Revenue less Carbon Energy Tubulars (OCTG & Line Pipe)

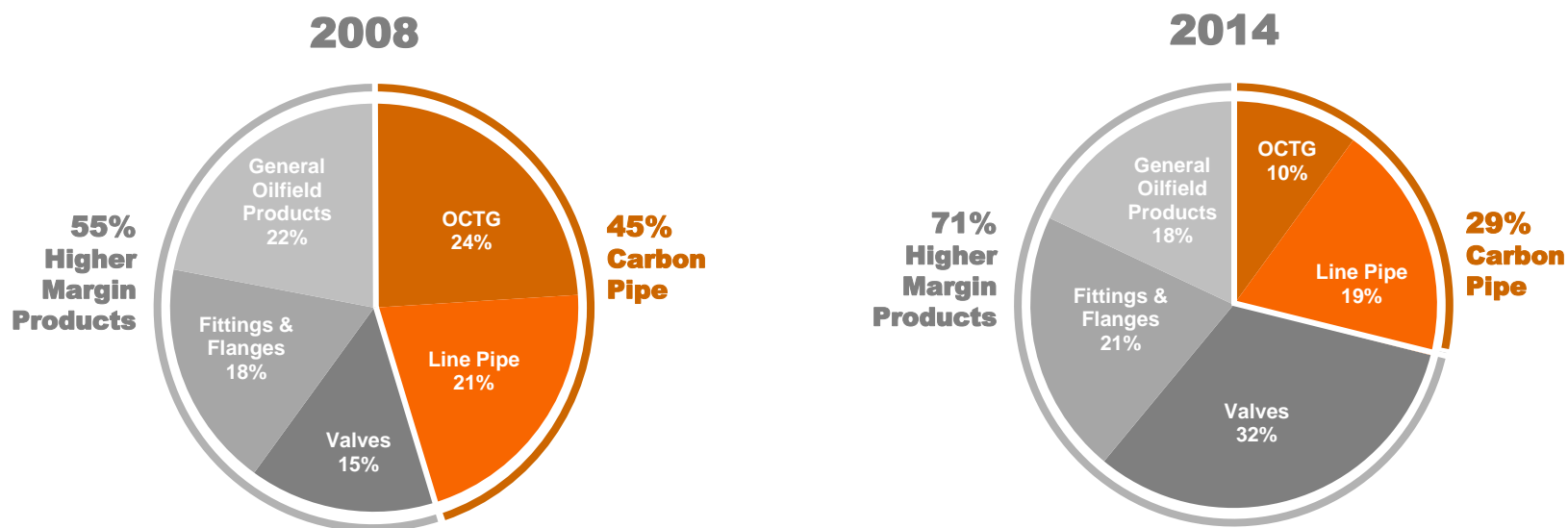
(\$ millions)



**15% CAGR for Higher Margin Products 2010 - 2014**

## Product Mix Shift from 2008 to 2014

- Stable, higher margin valves are a larger percentage of revenue
- More volatile carbon pipe is a smaller percentage of revenue
- The prices of higher margin products are more stable



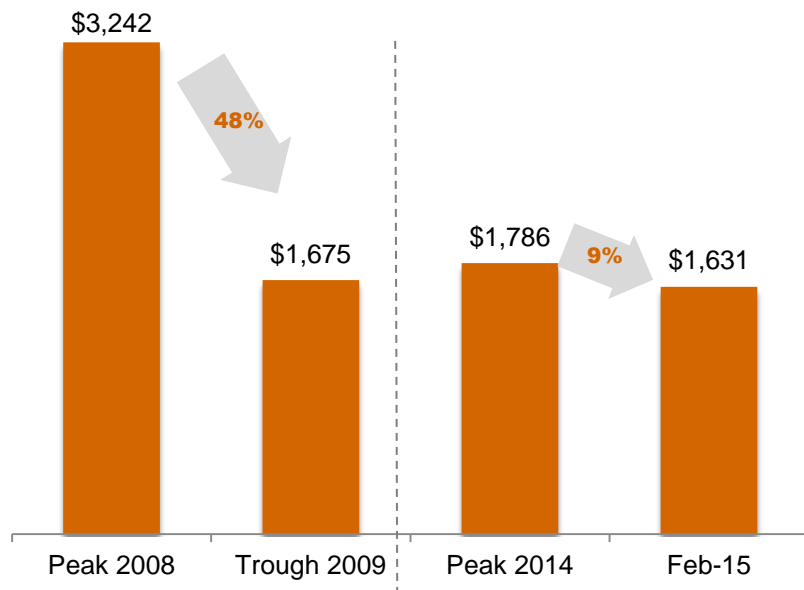
Note: Percentage of sales for the year ended December 31, 2008 and December 31, 2014.



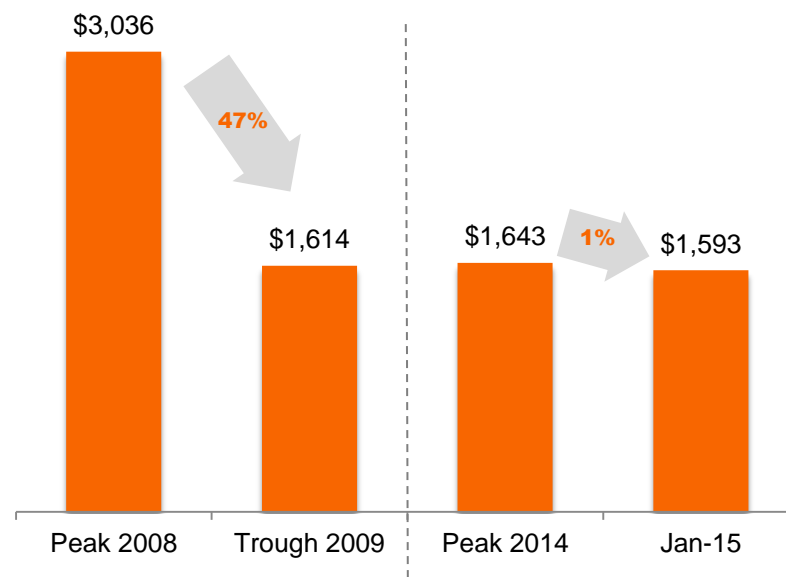
## Carbon Steel Prices in 2008/2009 as Compared to Today

- Inflation impacted both OCTG and LP in 2008...resulting in a significant reduction in prices in 2009
- Today, prices are lower and have less to fall in a downturn

### OCTG Prices



### Line Pipe Prices



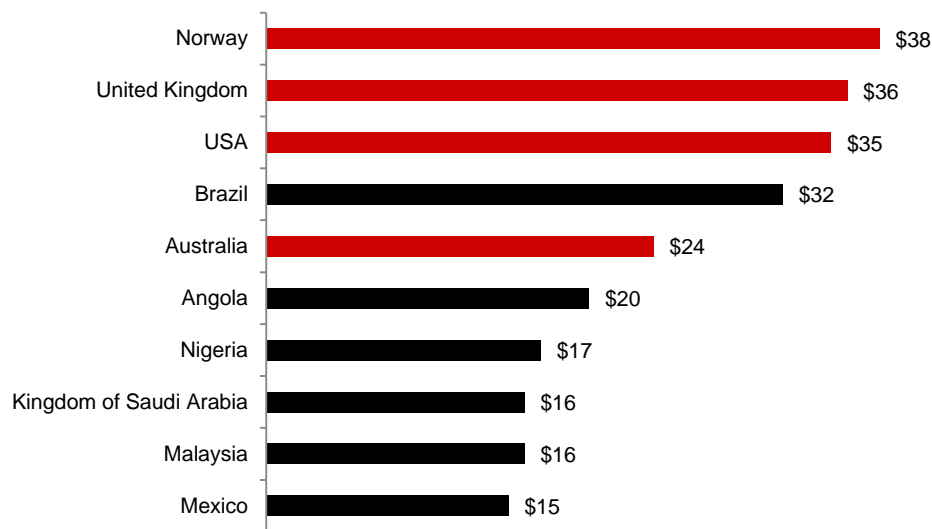
Note: Prices are per ton as reported in published market data. Amounts reflect peak prices in September 2008, trough prices in November 2009. 2014 peak prices for OCTG are from November and Line Pipe from August. 2015 prices are the most recently available.

## Strategic Expansion into Offshore Production Platform MRO

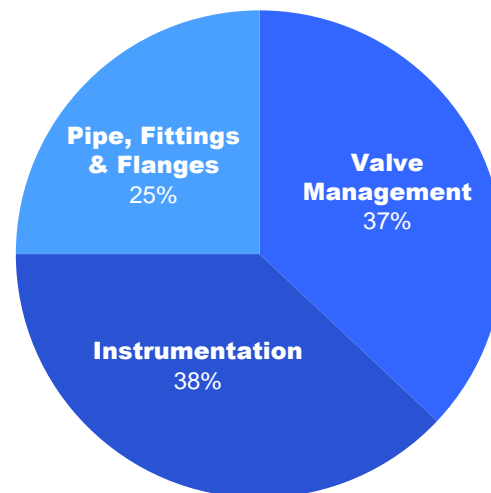
- Top 4 largest offshore markets ~\$140 billion E&P spend
  - Norway is the largest – we are now positioned in 4 of the 5 largest offshore markets
- MRC Global revenue mix
  - Pre **Stream** acquisition – approx. 98% onshore, 2% offshore
  - Pro-forma post **Stream** acquisition – approx. 92% onshore, 8% offshore

### Top 10 Global Offshore E&P Markets (2013)<sup>1</sup>

(\$ billions)



### Stream 2014 Sales by Division

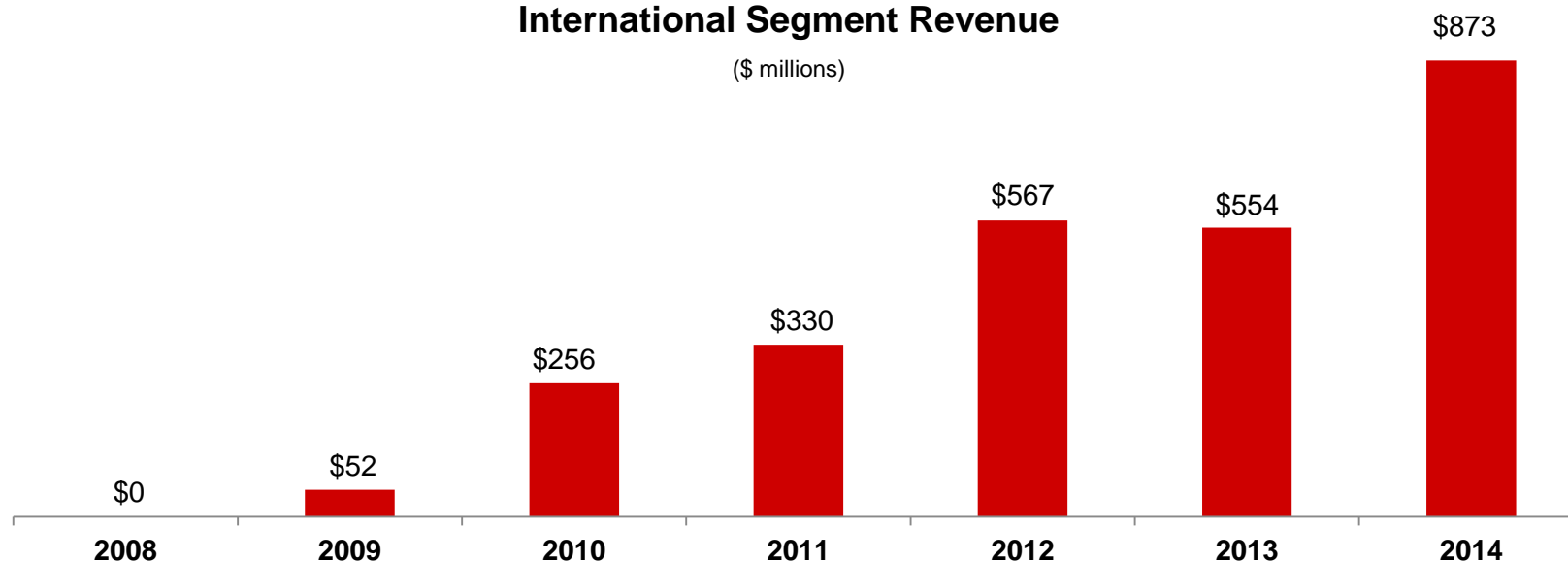


1. Source: Rystad Energy, September 2014

## Building an International Platform

### International Segment Revenue

(\$ millions)



### 2014 International Acquisitions

| Date   | Acquisition     | Rationale                  | Region              |
|--------|-----------------|----------------------------|---------------------|
| Jan-14 | Stream          | International Offshore PVF | Norway              |
| May-14 | MSD Engineering | Valve Automation           | Singapore & SE Asia |
| Jun-14 | HypTeck         | International Offshore     | Norway              |

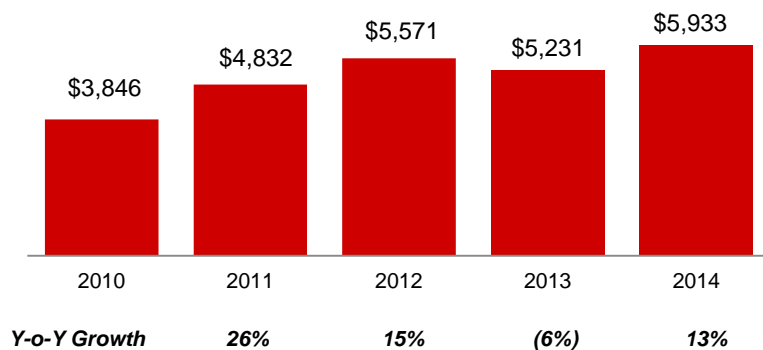


## **Financial Overview**

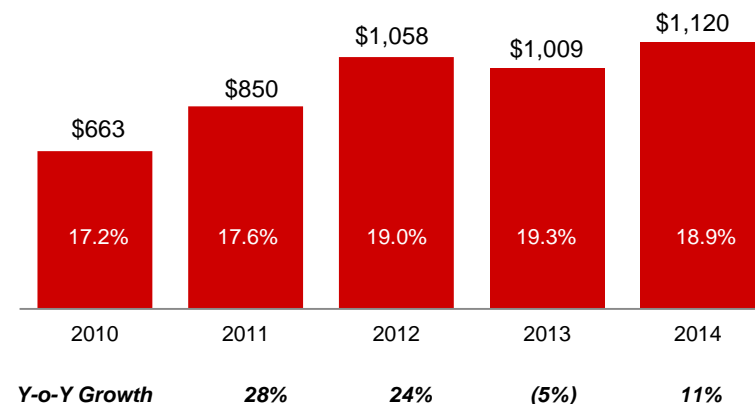
## Financial Metrics

(\$ millions, except per share data)

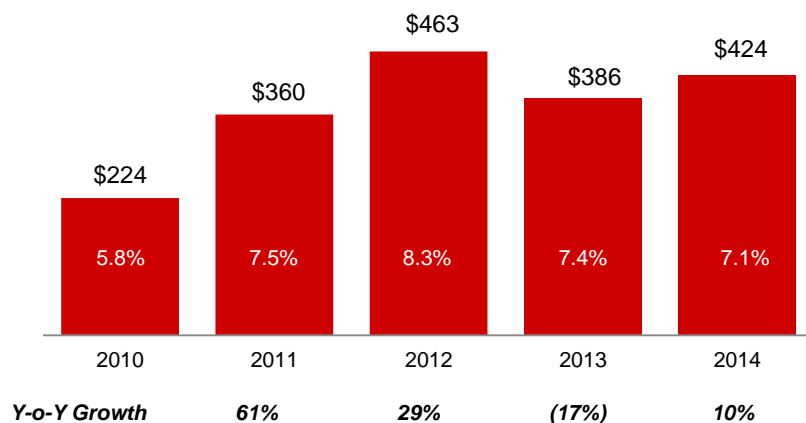
### Sales



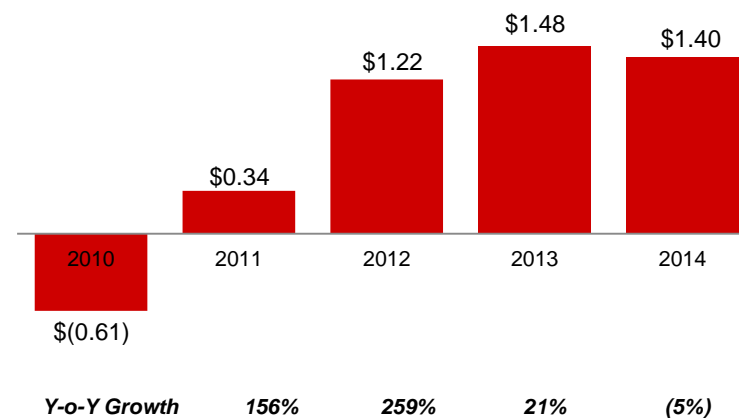
### Adjusted Gross Profit and % Margin



### Adjusted EBITDA and % Margin



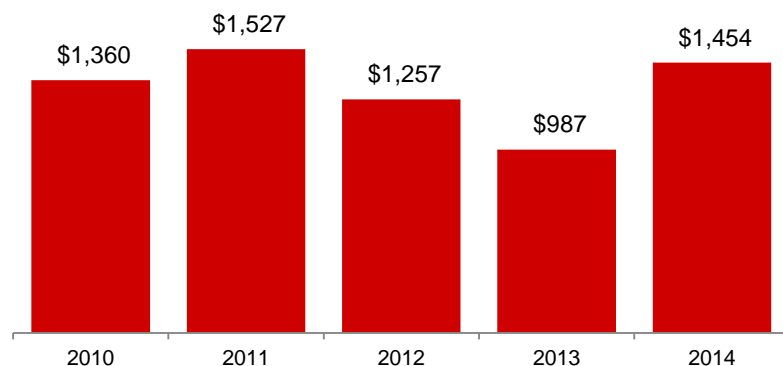
### Diluted EPS



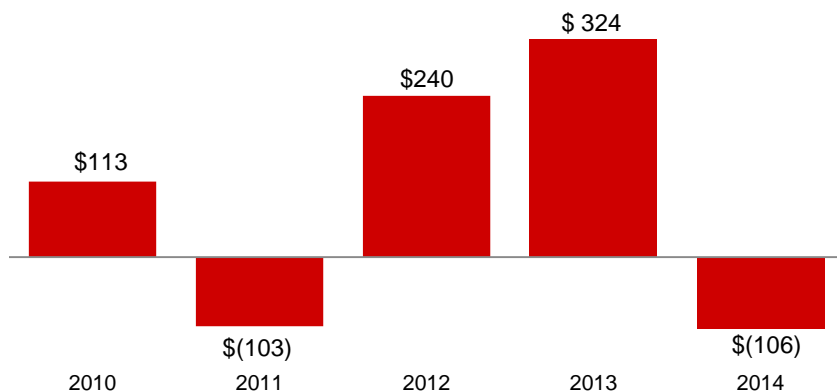
## Balance Sheet Metrics

(\$ millions)

### Total Debt



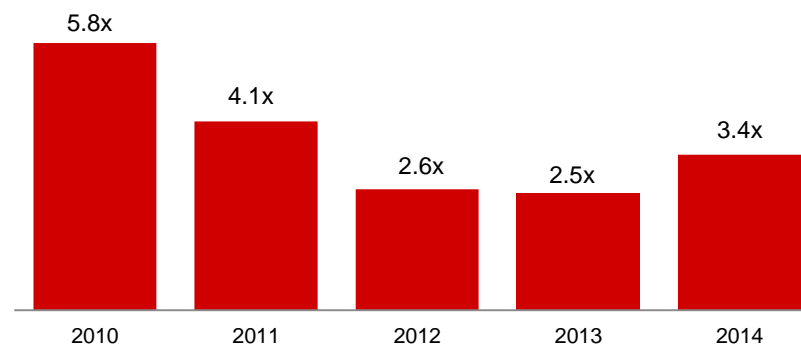
### Cash Flow from Operations



### Capital Structure

|   | 2014            |
|---|-----------------|
| <b>Cash and Cash Equivalents</b>        | <b>\$ 25</b>    |
| Total Debt (including current portion): |                 |
| Term Loan B due 2019, net of discount   | 780             |
| Global ABL Facility due 2019            | 674             |
| <b>Total Debt</b>                       | <b>\$ 1,454</b> |
| <b>Total Equity</b>                     | <b>\$ 1,397</b> |
| <b>Total Capitalization</b>             | <b>\$ 2,851</b> |
| <b>Liquidity</b>                        | <b>\$ 302</b>   |

### Net Leverage





## Summary of Certain Debt Terms

- **Repayment**

- No near-term maturities - Global ABL and Term Loan B mature in 2019
- Term Loan B has 1% per year amortization, paid quarterly
- Term Loan B requires repayment in form of annual excess cash flow sweep
  - maximum of 50% of annual “Excess Cash Flow”

- **Financial Maintenance Covenants**

- No financial maintenance covenants currently in effect
- Under the Global ABL, if “Excess Availability” is less than the greater of :
  - 10% of the “ABL Commitment” - The threshold is approximately \$105 million (10% of the \$1.050 billion commitment) *or* \$79.8 million,
  - then a “Fixed Charge Coverage Ratio” of 1.0 : 1.0 is required
- As of December 30, 2014:
  - “Excess Availability” is approximately \$302 million
  - “Fixed Charge Coverage Ratio” is 2.29

## 2015 Outlook

- **Market indicators**

- North American E&P capital expenditure budgets down 35% or more
- US rig count down 800-900 from peak in 2014

- **Commodities**

- WTI Oil price \$45-\$55/bbl (Brent \$50-\$60)
- US Natural Gas prices \$2.50-\$3.50/mcf

- Expect to generate \$200-\$300 million of free cash flow
- Cash flow to be used to reduce debt
- Cost savings measure undertaken
  - Headcount reduction
  - Lower incentive compensation
  - Salary and hiring freezes
- Revenue headwinds \$100 million or more related to currency
- Potential deflation in tubular products 5%-15%

## Investment Thesis Highlights

### Macro drivers

- Growth in global energy consumption driving investment
  - Increased global production
  - Need for additional energy infrastructure
  - Expansion of downstream energy conversion businesses

### MRC Global attributes

- Market leader
- Exposed to all sectors of global energy
- Long term global customer & supplier relationships
- Generates strong cash flow from operations over the cycle



**Leading global PVF distributor to the energy sector**



# **Appendix**

# Global Footprint to Serve Customers - North America

Nisku, AB



Cheyenne, WY



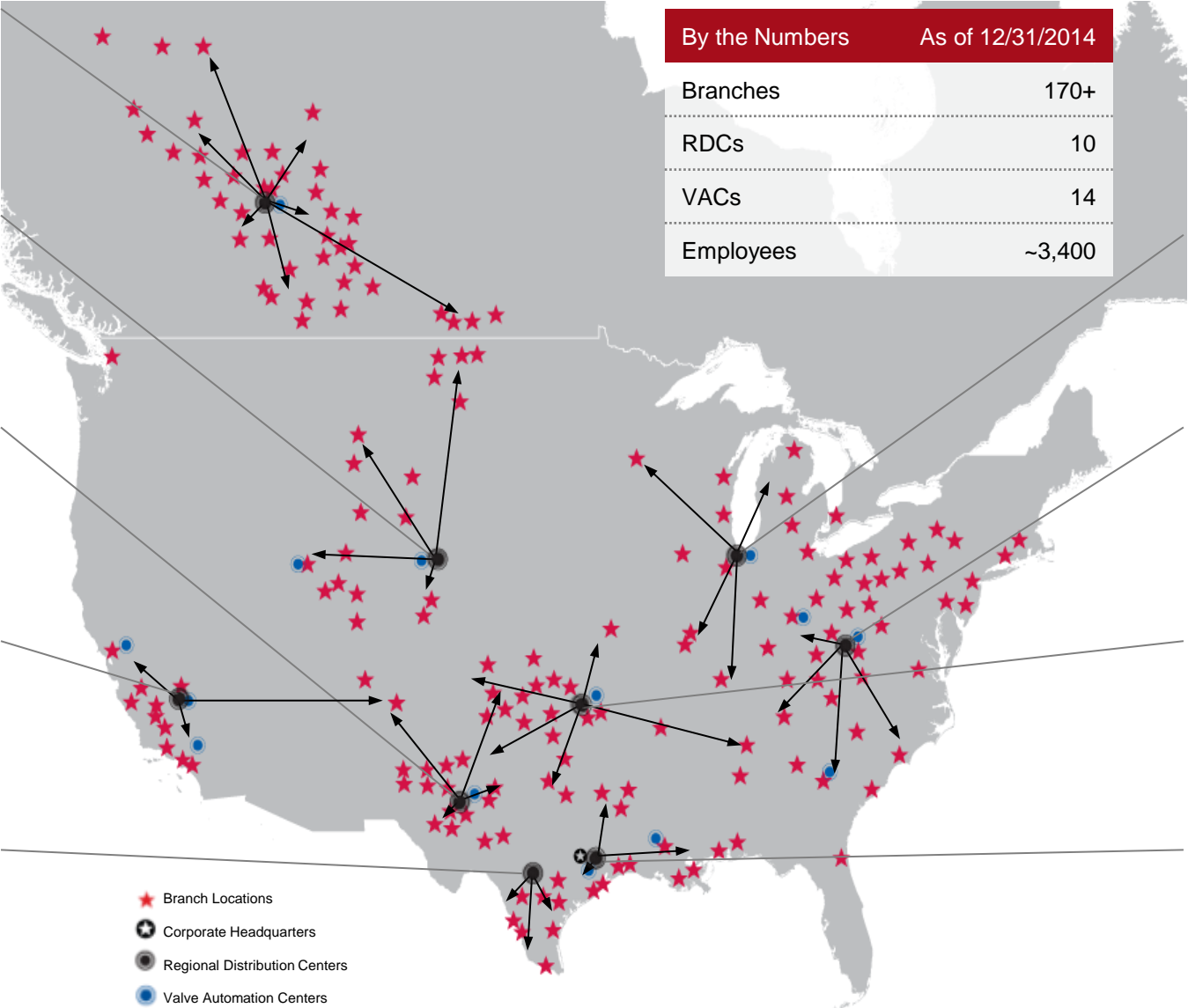
Odessa, TX



Bakersfield, CA



San Antonio, TX



| By the Numbers | As of 12/31/2014 |
|----------------|------------------|
| Branches       | 170+             |
| RDCs           | 10               |
| VACs           | 14               |
| Employees      | ~3,400           |

Munster, IN



Nitro, WV



Tulsa, OK



Houston, TX



## Global Footprint to Serve Customers - Europe

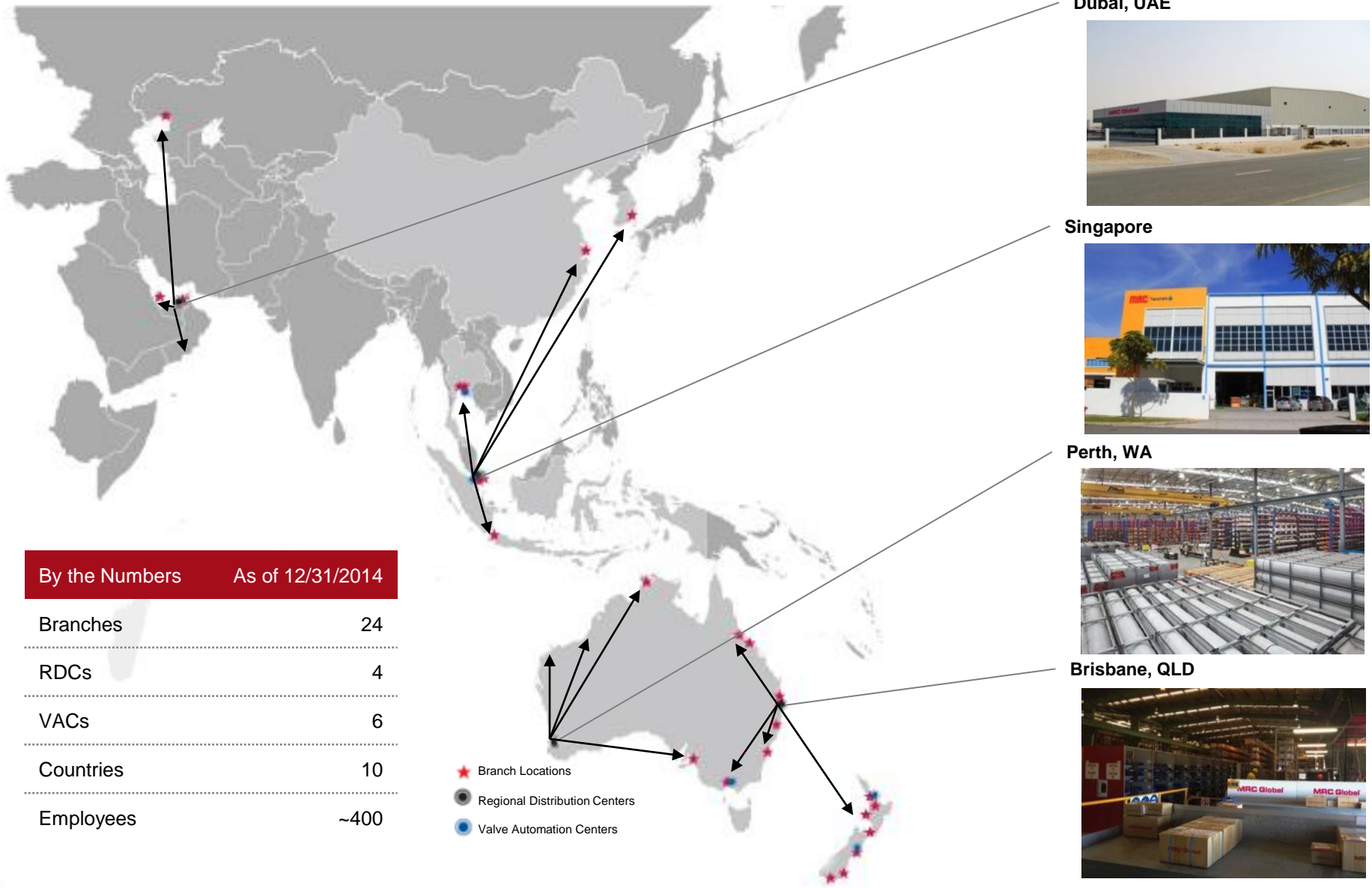


### By the Numbers

As of 12/31/2014

|           |      |
|-----------|------|
| Branches  | 37   |
| RDCs      | 3    |
| VACs      | 14   |
| Countries | 8    |
| Employees | ~900 |

## Global Footprint to Serve Customers - Asia Pacific & Middle East



# M&A - Track Record of Strategic Acquisitions

## Acquisition Priorities

- International branch platform for “super majors” E&P spend
- Branch platforms/infrastructure for North American shale plays
- Global valve and valve automation
- Global stainless/alloys

| Date   | Acquisition                   | Rationale                    | Region                                 | Revenue <sup>1</sup><br>(\$ millions) |
|--------|-------------------------------|------------------------------|--|---------------------------------------|
| Oct-08 | LaBarge                       | Midstream                    | U.S.                                   | \$ 233                                |
| Oct-09 | Transmark                     | International valve platform | Europe and Asia                        | 346                                   |
| May-10 | South Texas Supply            | Domestic shale               | Eagle Ford Shale - South Texas         | 9                                     |
| Aug-10 | Dresser Oil Tools Supply      | Domestic shale               | Bakken Shale - North Dakota            | 13                                    |
| Jun-11 | Stainless Pipe and Fittings   | Projects                     | Australia / SE Asia                    | 91                                    |
| Jul-11 | Valve Systems and Controls    | Valve automation             | U.S. Gulf of Mexico                    | 13                                    |
| Mar-12 | OneSteel Piping Systems       | International PVF expansion  | Australia                              | 174                                   |
| Jun-12 | Chaparral Supply              | Domestic shale               | Mississippian Lime - Oklahoma / Kansas | 71                                    |
| Dec-12 | Production Specialty Services | Domestic shale               | Permian Basin / Eagle Ford shale       | 127                                   |
| Jul-13 | Flow Control Products         | Valve automation             | Permian Basin / Eagle Ford shale       | 28                                    |
| Dec-13 | Flangefitt Stainless          | Stainless/Alloys             | United Kingdom                         | 24                                    |
| Jan-14 | Stream                        | International Offshore PVF   | Norway                                 | 271                                   |
| May-14 | MSD Engineering               | Valve automation             | Singapore & SE Asia                    | 26                                    |
| Jun-14 | HypTeck                       | International Offshore       | Norway                                 | 38                                    |

**\$ 1.46 Billion +**

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



## Adjusted EBITDA Reconciliation

|   | Year Ended December 31 |                 |                 |                 |                 |
|---|------------------------|-----------------|-----------------|-----------------|-----------------|
| (\$ millions)   | 2014                   | 2013            | 2012            | 2011            | 2010            |
| Net income  | \$ 144.1               | \$ 152.1        | \$ 118.0        | \$ 29.0         | \$ (51.8)       |
| Income tax expense  | 81.8                   | 84.8            | 63.7            | 26.8            | (23.4)          |
| Interest expense  | 61.8                   | 60.7            | 112.5           | 136.8           | 139.6           |
| Depreciation and amortization                                 | 22.5                   | 22.3            | 18.6            | 17.0            | 16.6            |
| Amortization of intangibles                                   | 67.8                   | 52.1            | 49.5            | 50.7            | 53.9            |
| Increase (decrease) in LIFO reserve                           | 11.9                   | (20.2)          | (24.1)          | 73.7            | 74.6            |
| Expenses associated with refinancing                          | -                      | 5.1             | 1.7             | 9.5             | -               |
| Loss on early extinguishment of debt                          | -                      | -               | 114.0           | -               | -               |
| Change in fair value of derivative instruments                | 1.1                    | (4.7)           | (2.2)           | (7.0)           | 4.9             |
| Equity-based compensation expense                             | 8.9                    | 15.5            | 8.5             | 8.4             | 3.7             |
| Inventory write-down  | -                      | -               | -               | -               | 0.4             |
| M&A transaction & integration expenses                        | -                      | -               | -               | 0.5             | 1.4             |
| Severance & related costs                                     | 7.5                    | 0.8             | -               | 1.1             | 3.2             |
| Loss on sale of Canadian progressive cavity pump business     | 6.2                    | -               | -               | -               | -               |
| Loss on disposition of rolled and welded business             | 4.1                    | -               | -               | -               | -               |
| Cancellation of executive employment agreement (cash portion) | 3.2                    | -               | -               | -               | -               |
| Insurance charge  | -                      | 2.0             | -               | -               | -               |
| Foreign currency losses (gains)                               | 2.5                    | 12.9            | (0.8)           | (0.6)           | 0.3             |
| Pension settlement  | -                      | -               | 4.4             | -               | -               |
| Legal and consulting expenses                                 | -                      | -               | -               | 9.9             | 4.2             |
| Provision for uncollectible accounts                          | -                      | -               | -               | 0.4             | (2.0)           |
| Joint venture termination                                     | -                      | -               | -               | 1.7             | -               |
| Other expense (income)  | 0.6                    | 3.0             | (0.6)           | 2.6             | (1.4)           |
| <b>Adjusted EBITDA</b>  | <b>\$ 424.0</b>        | <b>\$ 386.4</b> | <b>\$ 463.2</b> | <b>\$ 360.5</b> | <b>\$ 224.2</b> |

## Adjusted Gross Profit Reconciliation

|                                     | Year Ended December 31 |                   |                   |                 |                 |
|-------------------------------------|------------------------|-------------------|-------------------|-----------------|-----------------|
| (\$ millions)                       | 2014                   | 2013              | 2012              | 2011            | 2010            |
| Gross profit                        | \$ 1,018.1             | \$ 954.8          | \$ 1,013.7        | \$ 708.2        | \$ 518.1        |
| Depreciation and amortization       | 22.5                   | 22.3              | 18.6              | 17.0            | 16.6            |
| Amortization of intangibles         | 67.8                   | 52.1              | 49.5              | 50.7            | 53.9            |
| Increase (decrease) in LIFO reserve | 11.9                   | (20.2)            | (24.1)            | 73.7            | 74.6            |
| <b>Adjusted Gross Profit</b>        | <b>\$ 1,120.3</b>      | <b>\$ 1,009.0</b> | <b>\$ 1,057.7</b> | <b>\$ 849.6</b> | <b>\$ 663.2</b> |