

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

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED) AUGUST 8, 2022:**

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**MRC GLOBAL INC.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction of incorporation)

**001-35479**  
(Commission  
File Number)

**20-5956993**  
(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:

<b>Title of each class</b>	<b>Trading symbol(s)</b>	<b>Name of each exchange on which registered</b>
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.

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## **Item 2.02    Results of Operations and Financial Condition**

On August 8, 2022, MRC Global Inc. (“MRC Global” or the “Company”) issued a press release announcing its financial results for the three and six months ended June 30, 2022. 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 August 8, 2022, MRC Global announced its financial results for the three and six months ended June 30, 2022. 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 August 8, 2022](#)

99.2           [Earnings presentation of MRC Global Inc. dated August 8, 2022](#)

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

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## INDEX TO EXHIBITS

Exhibit No.	Description
99.1	Press release dated August 8, 2022
99.2	Earnings Presentation dated August 8, 2022
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

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**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: August 8, 2022

**MRC GLOBAL INC.**

By: /s/ Kelly Youngblood

Kelly Youngblood

Executive Vice President and Chief Financial Officer



## MRC Global Announces Second Quarter 2022 Results

Houston, TX – August 8, 2022 – MRC Global Inc. (NYSE: MRC), the leading global distributor of pipe, valves, fittings and infrastructure products and services to diversified energy, industrial and gas utilities' end-markets, today announced second quarter 2022 results.

Net income attributable to common stockholders for the second quarter of 2022 was \$8 million, or \$0.09 per diluted share, as compared to the second quarter of 2021 net loss of (\$2) million, or (\$0.02) per diluted share. Adjusted net income attributable to common stockholders for the second quarter of 2022 was \$23 million, or \$0.27 per diluted share, as compared to the second quarter of 2021 adjusted net income of \$6 million, or \$0.08 per diluted share.

MRC Global's second quarter 2022 gross profit was \$151 million, or 17.8% of sales, as compared to the second quarter 2021 gross profit of \$112 million, or 16.3% of sales. Gross profit for the second quarter of 2022 and 2021 includes \$20 million and \$11 million, respectively, of expense 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 (among other items) the impact of LIFO, was \$181 million, or 21.3% of sales, for the second quarter of 2022 and was \$134 million, or 19.5% of revenue, for the second quarter of 2021.

### **Second Quarter 2022 Financial Highlights:**

- Sales of \$848 million, a 14% sequential increase and a 24% improvement over the same quarter a year ago
- Adjusted EBITDA of \$65 million, 7.7% of sales, the highest quarterly adjusted EBITDA margin since 2014
- Adjusted Gross Profit, as a percentage of sales, of 21.3%, an increase of 80 basis points compared to the first quarter of 2022
- Backlog increased 12% compared to the first quarter of 2022 and up 43% compared to year end 2021

Rob Saltiel, MRC Global's President and CEO stated, "Strong double-digit growth in each of our end-market sectors drove second quarter revenue of \$848 million, a 14% sequential improvement, while adjusted EBITDA margin was 7.7%, our best quarterly result since 2014. The gas utilities and downstream, industrial and energy transition (DIET) sectors led the sequential improvement and combined represent 68% of our revenue for the quarter. Our targets for the full year remain at \$3.3 billion of revenue and \$230 million of adjusted EBITDA, supported by strong business fundamentals and our growing backlog, which increased 12% sequentially."

Adjusted EBITDA was \$65 million in the second quarter of 2022 compared to \$36 million for the same period in 2021.

Selling, general and administrative (SG&A) expenses were \$120 million, or 14.2% of sales, for the second quarter of 2022 compared to \$102 million, or 14.9% of sales, for the same period in 2021. Adjusted SG&A of \$101 million for the second quarter of 2021 excludes \$1 million of facility closure costs.

Adjusted net income attributable to common stockholders, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Gross Profit, Adjusted SG&A, Net Debt 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.

An income tax expense of \$6 million was incurred in the second quarter of 2022, with an effective tax rate of 30%, as compared to income tax expense of \$1 million for the second quarter of 2021. Our rates generally differ from the U.S. federal statutory rate of 21% as a result of state income taxes and differing foreign income tax rates. The effective tax rate for the three months ended June 30, 2022, was higher primarily due to unbenefited foreign losses.

## Sales

The company's sales were \$848 million for the second quarter of 2022, which was 14% higher than the first quarter of 2022 and 24% higher than the second quarter of 2021. As compared to the second quarter of 2021, all sectors grew double-digit percentages, led by the gas utilities and DIET sectors followed by the upstream production and midstream pipeline sectors. Sequentially, all sectors increased double-digit percentages led by the gas utilities and DIET sectors, as well.

### Sales by Segment

U.S. sales in the second quarter of 2022 were \$717 million, up \$159 million, or 28%, from the same quarter in 2021. The gas utilities sector revenue increased \$44 million, or 16%, driven by increased activity levels related to our customers' integrity upgrade programs, smart meter programs and seasonal demand. DIET sector sales increased \$62 million, or 46%, from increased renewable biofuel projects and additional turnaround project and maintenance spending for both refining and chemicals customers. Upstream production sector sales increased by \$36 million, or 44%, primarily due to increased customer spending for well completions as oil and gas market conditions have improved. Midstream pipeline sector sales improved \$17 million, or 23%, driven by new gathering and processing infrastructure as a result of increased production levels.

Sequentially, as compared to the first quarter, U.S. sales increased \$99 million, or 16%, as all sectors were up double-digits, led by the gas utilities sector, which increased \$43 million, or 16%, as construction season is underway, and customers take delivery for planned projects. The DIET sector was up \$29 million, or 17%, as biofuels project activity, turnaround, and maintenance activity increased. The upstream production and midstream pipeline sectors were up 16% and 14%, respectively, as higher customer capital spending drove increased well completions and production levels.

Canada sales in the second quarter of 2022 were \$40 million, up \$10 million, or 33%, from the same quarter in 2021, driven by the upstream production sector from increased customer capital budgets due to supportive commodity prices.

Sequentially, as compared to the prior quarter, Canada sales declined \$3 million, or 7%, due to seasonality from spring break-up in the upstream production sector.

International sales in the second quarter of 2022 were \$91 million, down \$7 million, or 7%, from the same period in 2021 primarily due to a \$10 million unfavorable impact from weaker foreign currencies, as the underlying business experienced growth in the upstream sector primarily in Norway and Australia from improved market conditions.

Sequentially, as compared to the previous quarter, International sales increased \$10 million, or 12%, as all sectors improved, led by the upstream production and DIET sectors, despite a \$4 million unfavorable impact from weaker foreign currencies. Upstream production increased as customer activity expanded in Norway and Australia as a result of supportive commodity prices and an increase in oil demand post-pandemic. The DIET sector increased in New Zealand and the Netherlands including energy transition projects.

## **Sales by Sector**

Gas utilities sector sales, which is primarily U.S. based, were \$314 million, in the second quarter of 2022, or 37% of total sales, an increase of \$45 million, or 17%, from the second quarter of 2021.

Sequentially, as compared to the first quarter, the gas utilities sector grew \$43 million, or 16%, driven by the U.S.

Downstream, industrial and energy transition sector sales in the second quarter of 2022 were \$259 million, or 31% of total sales, an increase of \$68 million, or 36%, from the second quarter of 2021. The increase in DIET sector sales was driven by the U.S. segment.

Sequentially, as compared to the previous quarter, sales in the DIET sector were up \$33 million, or 15%, driven by the U.S.

Upstream production sector sales in the second quarter of 2022 were \$178 million, or 21% of total sales, an improvement of \$35 million, or 24%, from the second quarter of 2021. The increase in upstream production sales was led by the U.S. segment, followed by Canada and partially offset by the International segment.

Sequentially, as compared to the prior quarter, upstream production sector sales increased \$20 million, or 13%, driven by the U.S. segment.

Midstream pipeline sector sales in the second quarter of 2022 were \$97 million, or 11% of total sales, an increase of \$14 million, or 17%, from the second quarter of 2021, driven by the U.S. segment.

Sequentially, midstream pipeline sector sales increased \$10 million, or 11%, driven by the U.S. segment primarily related to gathering and processing activity.

## **Backlog**

As of June 30, 2022, the company's backlog is up 12% sequentially. The U.S. backlog is up 50% since year-end with all sectors up double-digits including a 66% increase in the gas utilities sector and a 48% increase in the DIET sector.

## **Balance Sheet and Cash Flow**

Cash used in operations was (\$50) million in the second quarter of 2022. As of June 30, 2022, the cash balance was \$21 million, long-term debt (including current portion) was \$356 million, and net debt was \$335 million. Availability under the company's asset-based lending facility was \$529 million and available liquidity was \$550 million as of June 30, 2022.

Please refer to the reconciliation of non-GAAP measures (Net Debt) to GAAP measures (Long-term Debt) in this release.

## Conference Call

The company will hold a conference call to discuss its second quarter 2022 results at 10:00 a.m. Eastern Time (9:00 a.m. Central Time) on August 9, 2022. 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](http://www.mrcglobal.com) and go to the "Investor Relations" 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 August 23, 2022, and can be accessed by dialing 201-612-7415 and using pass code 13730617#. Also, an archive of the webcast will be available shortly after the call at [www.mrcglobal.com](http://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, upstream production, and midstream pipeline 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 205 locations including valve and engineering centers. The company's unmatched quality assurance program offers over 250,000 SKUs from over 10,000 suppliers, simplifying the supply chain for approximately 10,000 customers. Find out more at [www.mrcglobal.com](http://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," "strong position," "looking 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; 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 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](http://www.sec.gov) and on the company's website, [www.mrcglobal.com](http://www.mrcglobal.com). MRC Global's filings and other important information are also available on the Investor Relations page of the company's 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.*

**Contact:**

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Investor Relations  
MRC Global Inc.  
Monica.Broughton@mrcglobal.com  
832-308-2847

**MRC Global Inc.**  
**Condensed Consolidated Balance Sheets (Unaudited)**  
*(in millions, except shares)*

	<u>June 30,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
<b>Assets</b>		
Current assets:		
Cash	\$ 21	\$ 48
Accounts receivable, net	489	379
Inventories, net	555	453
Other current assets	36	19
<b>Total current assets</b>	<b>1,101</b>	<b>899</b>
Long-term assets:		
Operating lease assets	197	191
Property, plant and equipment, net	85	91
Other assets	23	22
Intangible assets:		
Goodwill, net	264	264
Other intangible assets, net	194	204
	<u>\$ 1,864</u>	<u>\$ 1,671</u>
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Trade accounts payable	\$ 433	\$ 321
Accrued expenses and other current liabilities	79	80
Operating lease liabilities	34	33
Current portion of long-term debt	3	2
<b>Total current liabilities</b>	<b>549</b>	<b>436</b>
Long-term liabilities:		
Long-term debt, net	353	295
Operating lease liabilities	181	177
Deferred income taxes	56	53
Other liabilities	23	32
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, 107,816,687 and 107,284,171 issued, respectively	1	1
Additional paid-in capital	1,751	1,747
Retained deficit	(801)	(819)
Less: Treasury stock at cost: 24,216,330 shares	(375)	(375)
Accumulated other comprehensive loss	(229)	(231)
	<u>347</u>	<u>323</u>
	<u>\$ 1,864</u>	<u>\$ 1,671</u>

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

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>June 30, 2022</b>	<b>June 30, 2021</b>	<b>June 30, 2022</b>	<b>June 30, 2021</b>
Sales	\$ 848	\$ 686	\$ 1,590	\$ 1,295
Cost of sales	697	574	1,303	1,080
Gross profit	151	112	287	215
Selling, general and administrative expenses	120	102	227	202
Operating income	31	10	60	13
Other (expense) income:				
Interest expense	(5)	(6)	(11)	(12)
Other, net	(6)	1	(6)	1
Income before income taxes	20	5	43	2
Income tax expense	6	1	13	1
Net income	14	4	30	1
Series A preferred stock dividends	6	6	12	12
Net income (loss) attributable to common stockholders	\$ 8	\$ (2)	\$ 18	\$ (11)
Basic earnings (loss) per common share	\$ 0.10	\$ (0.02)	\$ 0.22	\$ (0.13)
Diluted earnings (loss) per common share	\$ 0.09	\$ (0.02)	\$ 0.21	\$ (0.13)
Weighted-average common shares, basic	83.6	82.6	83.4	82.5
Weighted-average common shares, diluted	84.9	82.6	84.6	82.5

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

	<b>Six Months Ended</b>	
	<b>June 30, 2022</b>	<b>June 30, 2021</b>
<b>Operating activities</b>		
Net income	\$ 30	\$ 1
Adjustments to reconcile net income to net cash (used in) provided by operations:		
Depreciation and amortization	9	10
Amortization of intangibles	11	12
Equity-based compensation expense	6	7
Deferred income tax expense (benefit)	1	(1)
Increase in LIFO reserve	26	15
Provision for credit losses	-	3
Other	8	-
Changes in operating assets and liabilities:		
Accounts receivable	(116)	(62)
Inventories	(136)	8
Other current assets	(18)	(16)
Accounts payable	116	86
Accrued expenses and other current liabilities	-	(16)
Net cash (used in) provided by operations	<u>(63)</u>	<u>47</u>
<b>Investing activities</b>		
Purchases of property, plant and equipment	(5)	(4)
Other investing activities	(2)	2
Net cash used in investing activities	<u>(7)</u>	<u>(2)</u>
<b>Financing activities</b>		
Payments on revolving credit facilities	(275)	(125)
Proceeds from revolving credit facilities	335	125
Payments on long-term obligations	(1)	(87)
Dividends paid on preferred stock	(12)	(12)
Repurchases of shares to satisfy tax withholdings	(2)	(2)
Net cash provided by (used in) financing activities	<u>45</u>	<u>(101)</u>
Decrease in cash	(25)	(56)
Effect of foreign exchange rate on cash	(2)	-
Cash -- beginning of period	48	119
Cash -- end of period	<u>\$ 21</u>	<u>\$ 63</u>

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

**Disaggregated Sales by Segment and Sector**

<b>Three Months Ended June 30,</b>				
	<u>U.S.</u>	<u>Canada</u>	<u>International</u>	<u>Total</u>
<b>2022</b>				
Gas utilities	\$ 311	\$ 3	\$ -	\$ 314
Downstream, industrial & energy transition	198	7	54	259
Upstream production	117	29	32	178
Midstream pipeline	91	1	5	97
	<u>\$ 717</u>	<u>\$ 40</u>	<u>\$ 91</u>	<u>\$ 848</u>
<b>2021</b>				
Gas utilities	\$ 267	\$ 2	\$ -	\$ 269
Downstream, industrial & energy transition	136	5	50	191
Upstream production	81	21	41	143
Midstream pipeline	74	2	7	83
	<u>\$ 558</u>	<u>\$ 30</u>	<u>\$ 98</u>	<u>\$ 686</u>

<b>Six Months Ended June 30,</b>				
	<u>U.S.</u>	<u>Canada</u>	<u>International</u>	<u>Total</u>
<b>2022</b>				
Gas utilities	\$ 579	\$ 6	\$ -	\$ 585
Downstream, industrial & energy transition	367	14	104	485
Upstream production	218	58	60	336
Midstream pipeline	171	5	8	184
	<u>\$ 1,335</u>	<u>\$ 83</u>	<u>\$ 172</u>	<u>\$ 1,590</u>
<b>2021</b>				
Gas utilities	\$ 476	\$ 3	\$ -	\$ 479
Downstream, industrial & energy transition	274	9	102	385
Upstream production	149	44	77	270
Midstream pipeline	143	6	12	161
	<u>\$ 1,042</u>	<u>\$ 62</u>	<u>\$ 191</u>	<u>\$ 1,295</u>

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

**Sales by Product Line**

Type	Three Months Ended		Six Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Line pipe	\$ 132	\$ 100	\$ 244	\$ 165
Carbon fittings and flanges	116	88	216	173
Total carbon pipe, fittings and flanges	248	188	460	338
Valves, automation, measurement and instrumentation	280	243	531	484
Gas products	198	162	382	296
Stainless steel and alloy pipe and fittings	58	36	94	65
General products	64	57	123	112
	<u>\$ 848</u>	<u>\$ 686</u>	<u>\$ 1,590</u>	<u>\$ 1,295</u>

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

	<b>Three Months Ended</b>			
	<b>June 30, 2022</b>	<b>Percentage of Revenue*</b>	<b>June 30, 2021</b>	<b>Percentage of Revenue</b>
Gross profit, as reported	\$ 151	17.8%	\$ 112	16.3%
Depreciation and amortization	4	0.5%	5	0.7%
Amortization of intangibles	6	0.7%	6	0.9%
Increase in LIFO reserve	20	2.4%	11	1.6%
<b>Adjusted Gross Profit</b>	<b>\$ 181</b>	<b>21.3%</b>	<b>\$ 134</b>	<b>19.5%</b>

	<b>Six Months Ended</b>			
	<b>June 30, 2022</b>	<b>Percentage of Revenue*</b>	<b>June 30, 2021</b>	<b>Percentage of Revenue</b>
Gross profit, as reported	\$ 287	18.1%	\$ 215	16.6%
Depreciation and amortization	9	0.6%	10	0.8%
Amortization of intangibles	11	0.7%	12	0.9%
Increase in LIFO reserve	26	1.6%	15	1.2%
<b>Adjusted Gross Profit</b>	<b>\$ 333</b>	<b>20.9%</b>	<b>\$ 252</b>	<b>19.5%</b>

**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 incremental to normal operations 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)*

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>June 30, 2022</b>	<b>June 30, 2021</b>	<b>June 30, 2022</b>	<b>June 30, 2021</b>
Selling, general and administrative expenses	\$ 120	\$ 102	\$ 227	\$ 202
Facility closures (1)	-	(1)	-	(1)
Employee separation (2)	-	-	-	(2)
Adjusted Selling, general and administrative expenses	<u>\$ 120</u>	<u>\$ 101</u>	<u>\$ 227</u>	<u>\$ 199</u>

**Notes to above:**

(1) Charges (pre-tax) associated with the exit of the Korea business recorded in the International segment.

(2) Charges (pre-tax) related to employee separation of which \$1 million is non-cash share-based compensation.

The company defines Adjusted Selling, general and administrative (SG&A) expenses as SG&A, less severance and restructuring expenses, employee separation costs, facility closures plus the recovery of supplier bad debt. The company presents Adjusted SG&A because the company believes it is a useful indicator of the company's operating performance without regard to items that can vary substantially from company to company. 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 to Adjusted EBITDA (a non-GAAP measure)**  
*(in millions)*

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>June 30, 2022</b>	<b>June 30, 2021</b>	<b>June 30, 2022</b>	<b>June 30, 2021</b>
Net income	\$ 14	\$ 4	\$ 30	\$ 1
Income tax expense	6	1	13	1
Interest expense	5	6	11	12
Depreciation and amortization	4	5	9	10
Amortization of intangibles	6	6	11	12
Employee separation (1)	-	-	-	1
Increase in LIFO reserve	20	11	26	15
Equity-based compensation expense (2)	3	2	6	7
Foreign currency losses	7	1	7	1
Adjusted EBITDA	<u>\$ 65</u>	<u>\$ 36</u>	<u>\$ 113</u>	<u>\$ 60</u>

**Notes to above:**

(1) Charges (pre-tax) recorded in SG&A. \$2 million relates to employee separation, of which, \$1 million is recorded in equity-based compensation expense, in the first quarter of 2021.

(2) Charges (pre-tax) recorded in SG&A. In 2021, \$1 million relates to employee separation.

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, long-lived asset impairments (including goodwill and intangible assets), inventory-related charges incremental to normal operations, 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)*

	Three Months Ended		Six Months Ended	
	June 30, 2022		June 30, 2022	
	Amount	Per Share	Amount	Per Share
Net income attributable to common stockholders	\$ 8	\$ 0.09	\$ 18	\$ 0.21
Increase in LIFO reserve, net of tax	15	0.18	20	0.24
Adjusted net income attributable to common stockholders	\$ 23	\$ 0.27	\$ 38	\$ 0.45
	Three Months Ended		Six Months Ended	
	June 30, 2021		June 30, 2021	
	Amount	Per Share	Amount	Per Share*
Net loss attributable to common stockholders	\$ (2)	\$ (0.02)	\$ (11)	\$ (0.13)
Increase in LIFO reserve, net of tax	8	0.10	11	0.14
Adjusted net income attributable to common stockholders	\$ 6	\$ 0.08	\$ -	\$ -

**Notes to above:**

\* Does not foot due to rounding

The company defines Adjusted Net Income Attributable to Common Stockholders (a non-GAAP measure) as Net Income Attributable to Common Stockholders less after-tax goodwill and intangible impairment, inventory-related charges, facility closures, severance and restructuring, plus or minus the after-tax impact of its LIFO inventory costing methodology. After-tax impacts were determined using the Company'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. Those items include goodwill and intangible asset impairments, inventory-related charges, facility closures, severance and restructuring as well as the 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 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)*

		<b>June 30, 2022</b>
Long-term debt, net	\$	353
Plus: current portion of long-term debt		3
Long-term debt		356
Less: cash		21
Net Debt	\$	335
Net Debt	\$	335
Trailing twelve months adjusted EBITDA		199
Leverage ratio		1.7

**Notes to above:**

Net Debt and related leverage metrics may be considered non-GAAP measures. We define Net Debt as total long-term debt, including current portion, minus cash. We define our leverage ratio as Net Debt divided by trailing twelve months Adjusted EBITDA. We believe 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. We believe the leverage ratio is a commonly used metric that management and investors use to assess the borrowing capacity of the company. We believe 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.

# # #

# MRC Global

## 2Q 2022 Earnings Presentation

August 8, 2022

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 August 8, 2022.

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.

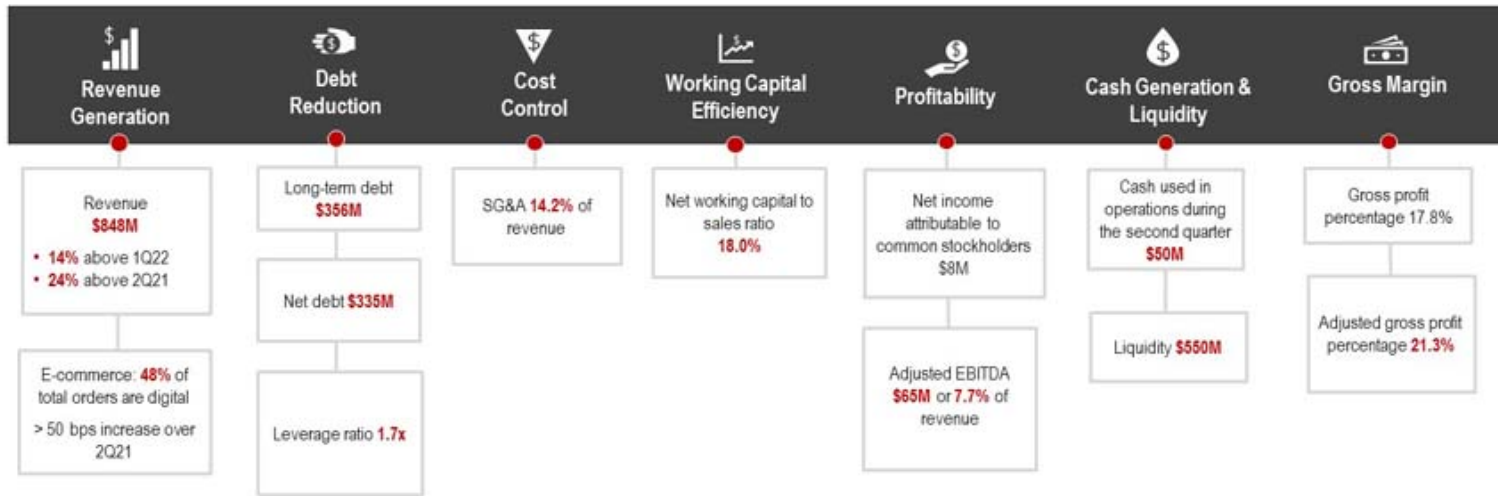
## Non-GAAP Disclaimer

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)**

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.




## Second Quarter 2022 Results – Key Metrics



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

## Second Quarter 2022 Results – Sequential Changes

### REGION: Revenue Highlights 2Q22 vs. 1Q22

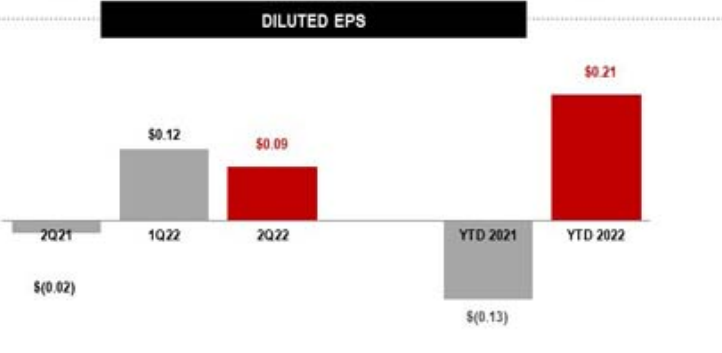
- 
**U.S.:** Increased 16%, or **\$99 million**, with all sectors up double-digit percentages, led by the gas utilities and downstream, industrial & energy transition (DIET) sectors, which increased **\$43 million** and **\$29 million**, respectively. The gas utilities sector was up as construction season is underway and customers take delivery for planned projects. DIET was up on increased renewable biofuel projects and additional turnaround project and maintenance spending for both refining and chemicals customers. The upstream production and midstream pipeline sectors were up **\$16 million** and **\$11 million**, respectively, as higher customer spending drove increased well completions and production levels.
- 
**Canada:** Decreased 7%, or **\$3 million**, due to seasonality from spring break-up in the upstream production sector.
- 
**International:** Increased 12%, or **\$10 million**, as all sectors improved, led by the upstream production and the DIET sectors, despite a \$4 million negative impact from weaker foreign currencies. Upstream production increased as activity expanded in Norway and Australia as a result of supportive commodity prices and an increase in oil demand post-pandemic. The DIET sector increased in New Zealand and the Netherlands including from energy transition projects.

### INDUSTRY SECTOR: Revenue Highlights 2Q22 vs. 1Q22

- 
**Gas Utilities:** Increased 16%, or **\$43 million**, driven by the U.S. segment.
- 
**Downstream, Industrial & Energy Transition:** Increased 15%, or **\$33 million**, primarily driven by the U.S. operations.
- 
**Upstream Production:** Increased 13%, or **\$20 million**, primarily driven by the U.S. segment, followed by the International segment.
- 
**Midstream Pipeline:** Increased 11%, or **\$10 million**, driven by the U.S. segment primarily related to gathering and processing activity.

# Quarterly Financial Performance - GAAP

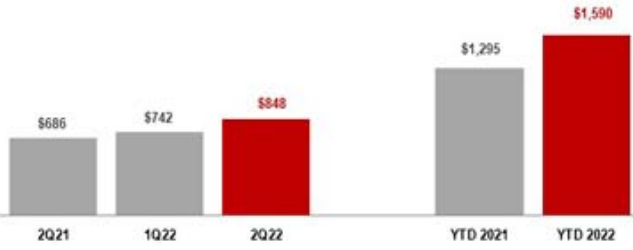
(\$ millions, except per share data)



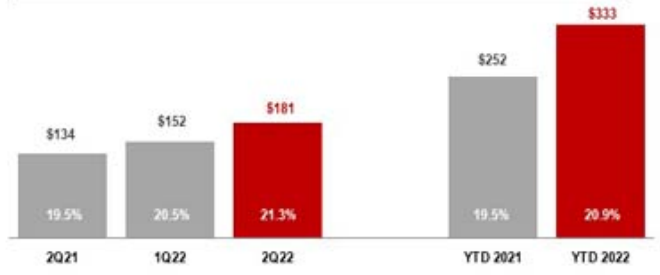


# Quarterly Financial Performance - Adjusted (\$ millions, except per share data)

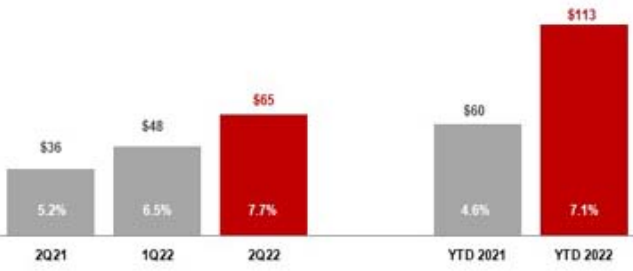
## SALES



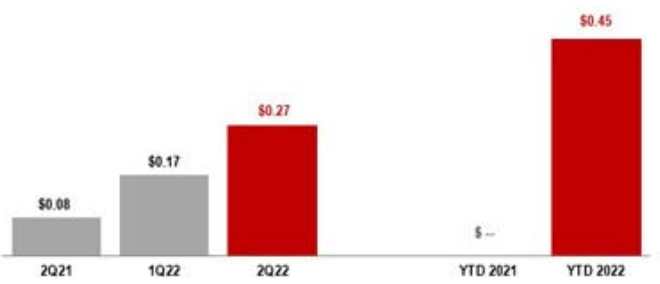
## ADJUSTED GROSS PROFIT & % MARGIN<sup>1</sup>



## ADJUSTED EBITDA & % MARGIN<sup>1</sup>



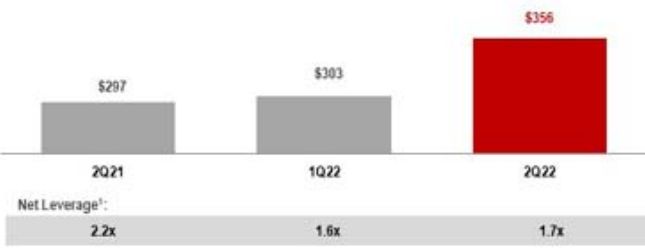
## ADJUSTED DILUTED EPS<sup>1</sup>



<sup>1</sup> See reconciliation of non-GAAP measures to GAAP measures in the appendix

# Strong Balance Sheet & Financial Flexibility (\$ millions)

## TOTAL DEBT

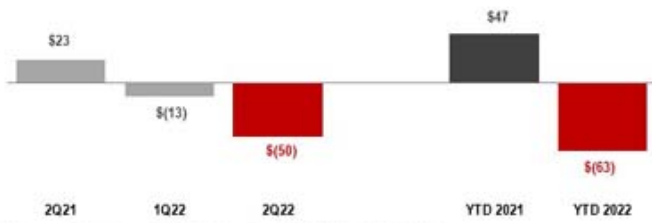


## CAPITAL STRUCTURE

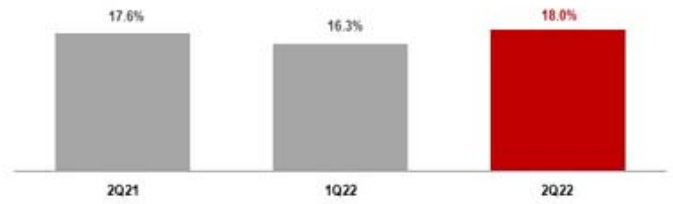
June 30, 2022

Cash and Cash Equivalents	\$ 21
Total Debt (including current portion):	
Term Loan B due 2024 (net of discount & deferred financing costs)	\$ 297
Global ABL Facility due 2026	59
Total Debt	\$ 356
Preferred stock	355
Common stockholders' equity	347
<b>Total Capitalization</b>	<b>\$ 1,058</b>
Liquidity	\$ 550

## CASH FLOW FROM OPERATIONS



## WORKING CAPITAL TO SALES RATIO<sup>2</sup>



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

## 2022 Full Year Financial Outlook

Revenue	Profitability & Cash Flow
<ul style="list-style-type: none"> <li>2022 annual – \$3.3 Billion</li> </ul>	
<b>By sector</b>	
<ul style="list-style-type: none"> <li>Gas utilities – up 20 - 25%</li> <li>DIET – up 25 - 30%</li> <li>Upstream production – up 30 - 35%</li> <li>Midstream pipeline – up 10 - 15%</li> </ul>	<ul style="list-style-type: none"> <li>Adjusted EBITDA – \$230M</li> <li>SG&amp;A – 14% - 14.5% of revenue</li> <li>Tax rate – 27 - 30% annual</li> </ul>
<b>By segment</b>	<b>Cash Flow</b>
<ul style="list-style-type: none"> <li>U.S. – up 25 - 30%</li> <li>Canada – up 30 - 35%</li> <li>International – up mid-single digit percentage</li> </ul>	<ul style="list-style-type: none"> <li>Capital expenditures – \$10 to \$15M</li> <li>Cash flow from operations – net positive for the year primarily generated in the fourth quarter</li> </ul>
<b>Sequential</b>	
<ul style="list-style-type: none"> <li>3Q22 – up mid-single digit percentage over 2Q22</li> </ul>	

**Note:** See our Current Report on Form 8-K dated August 8, 2022, 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 2022 Outlook.

## Concluding Key Points – Positioned for Growth



- Gas Utilities is a strong growth engine due to compelling secular trends.
- DIET fundamentals are improving with increased customer spending and our downstream center of excellence.
- Energy Transition is a significant driver of growth
- Strong energy fundamentals give us confidence of a multi-year upcycle bolstering our upstream and midstream businesses.
- Our balance sheet is in excellent shape due to efficient working capital management, debt reduction and improving market fundamentals.
- 2Q22 backlog up 12% since 1Q22 – all sectors and segments up



# APPENDIX



## Adjusted Gross Profit Reconciliation

(\$ millions)	THREE MONTHS ENDED						SIX MONTHS ENDED			
	June 30, 2022		March 31, 2022		June 30, 2021		June 30, 2022		June 30, 2021	
	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales
Sales	\$ 848		742		\$ 686		\$ 1,590		\$ 1,295	
Gross profit	\$ 151	17.8%	\$ 136	18.3%	\$ 112	16.3%	\$ 287	18.1%	\$ 215	16.6%
Depreciation and amortization	4		5		5		9		10	
Amortization of intangibles	6		5		6		11		12	
Increase in LIFO reserve	20		6		11		26		15	
<b>Adjusted Gross Profit</b>	<b>\$ 181</b>	<b>21.3%</b>	<b>\$ 152</b>	<b>20.5%</b>	<b>\$ 134</b>	<b>19.5%</b>	<b>\$ 333</b>	<b>20.9%</b>	<b>\$ 252</b>	<b>19.5%</b>

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 6-K dated August 8, 2022.

## Adjusted SG&A Reconciliation

(\$ millions)	THREE MONTHS ENDED					
	June 30, 2022		March 31, 2022		June 30, 2021	
	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales
Sales	\$ 848		\$ 742		\$ 686	
SG&A	\$ 120	14.2%	\$ 107	14.4%	\$ 102	14.9%
Facility closures	-		-		(1)	
Adjusted SG&A	\$ 120	14.2%	\$ 107	14.4%	\$ 101	14.7%

Note: Adjusted SG&A is a non-GAAP measure. For a discussion of the use of adjusted SG&A, see our Current Report on Form 8-K dated August 8, 2022.

## Adjusted EBITDA Reconciliation

(\$ millions)	THREE MONTHS ENDED						SIX MONTHS ENDED			
	June 30, 2022		March 31, 2022		June 30, 2021		June 30, 2022		June 30, 2021	
	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales
Sales	\$ 848		\$ 742		\$ 686		\$1,590		\$1,295	
Net income	\$ 14	1.7%	\$ 16	2.2%	\$ 4	0.6%	\$ 30	1.9%	\$ 1	0.1%
Income tax expense	6		7		1		13		1	
Interest expense	5		6		6		11		12	
Depreciation and amortization	4		5		5		9		10	
Amortization of intangibles	6		5		6		11		12	
Increase in LIFO reserve	20		6		11		26		15	
Equity-based compensation expense	3		3		2		6		7	
Foreign currency losses	7		-		1		7		1	
Employee separation	-		-		-		-		1	
Adjusted EBITDA	\$ 65	7.7%	\$ 48	6.5%	\$ 36	5.2%	\$ 113	7.1%	\$ 60	4.6%

Note: Adjusted EBITDA is a non-GAAP measure. For a discussion of the use of adjusted EBITDA, see our Current Report on Form S-1, dated August 6, 2022.



## Adjusted Net Income (Loss) Attributable to Common Stockholders Reconciliation

(\$ millions)	THREE MONTHS ENDED						SIX MONTHS ENDED			
	June 30, 2022		March 31, 2022		June 30, 2021		June 30, 2022		June 30, 2021	
	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share*
Net income (loss) attributable to common stockholders	\$ 8	\$0.09	\$ 10	\$ 0.12	\$ (2)	\$ (0.02)	\$ 18	\$ 0.21	\$ (11)	\$ (0.13)
Increase in LIFO reserve, net of tax	15	0.18	5	0.05	8	0.10	20	0.24	11	0.14
Adjusted net income attributable to common stockholders	\$ 23	\$ 0.27	\$ 15	\$ 0.17	\$ 6	\$ 0.08	\$ 38	\$ 0.45	\$ -	\$ 0.00

Note: Adjusted net income is a non-GAAP measure. For a discussion of the use of adjusted net income, see our Current Report on Form 8-K dated August 8, 2022.  
\* Does not foot due to rounding.

## Net Debt & Leverage Ratio Calculation

(\$ millions)	June 30, 2022	March 31, 2022	June 30, 2021
Long-term debt, net	\$ 353	\$ 300	\$ 296
Plus: current portion of long-term debt	3	3	1
Long-term debt	\$ 356	\$ 303	297
Less: cash	21	31	63
<b>Net debt</b>	<b>\$ 335</b>	<b>\$ 272</b>	<b>\$ 234</b>
Net debt	\$ 335	\$ 272	\$ 234
Trailing twelve months adjusted EBITDA	199	170	106
<b>Leverage ratio</b>	<b>1.7</b>	<b>1.6</b>	<b>2.2</b>

Note: Net debt and leverage ratio may be non-GAAP measures. For a discussion of the use of net debt, see our Current Report on Form 8-K dated August 8, 2022.