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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): February 14, 2019

MRC GLOBAL INC.
(Exact name of registrant as specified in its charter)

Delaware	**001-35479**	**20-5956993**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

Fulbright Tower, 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

On February 14, 2019, MRC Global Inc. (“MRC Global” or the “Company”) issued a press release announcing its financial results for the year ended December 31, 2018. 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 5.02 **Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers**

In February 2019, we granted the following named executive officers named in the table below performance stock units pursuant to the MRC Global Inc. 2011 Omnibus Incentive Plan, as amended, in addition to certain time-vested restricted stock units reported on Forms 4. Each recipient of performance stock units can earn shares of Company common stock between 0% and 200% of the target number of units based:

- 50% on a three-year total shareholder return relative to the companies in the Philadelphia OSX Index (the “OSX Index”) at the end of the three-year period ending December 31, 2021 (the “Performance Period”) and
- 50% on a three-year return on average net capital employed objective for the Performance Period.

The performance stock units vest at the end of the Performance Period so long as the recipient remains employed with the Company when the performance against the two criteria is measured.

Below is the number of target performance stock units that the Company granted to each named executive officer:

Name	Job Title	# of Performance Stock Units
Lane, Andrew R.	President & Chief Executive Officer	129,974
Braun, James E.	Executive Vice President & Chief Financial Officer	32,092
Churay, Daniel J.	Executive Vice President – Corporate Affairs, General Counsel, Corporate Secretary	23,869
Bates, Grant R.	Senior Vice President – Canada, International & Operational Excellence	10,430
Bowhay, John L.	Senior Vice President, Supply Chain Management, Valve & Technical Product Sales	11,826

Item 7.01 Regulation FD Disclosure.

MRC Global expects the following results with respect to the operations and performance of the Company for the 2019 fiscal year:

- The Company expects 2019 revenue to be between $4,070 million and $4,470 million.
- Sequentially, the Company expects first quarter 2019 revenue to be down approximately 6% from the fourth quarter of 2018.
- Given MRC Global's current mix of products, the Company expects a gross profit percentage between 17.0% and 17.8% and an Adjusted Gross Profit percentage between 19.7% and 19.9% for 2019. Adjusted Gross Profit percentage is a non-GAAP measure that is not necessarily better than gross profit percentage. The Company defines Adjusted Gross Profit as sales, less cost of sales, plus depreciation and amortization, plus amortization of intangibles, and plus or minus the impact of its last-in, first-out ("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.

  The following table reconciles gross profit and gross profit percentage, GAAP measures, to Adjusted Gross Profit and Adjusted Gross Profit percentage, non-GAAP measures (in millions):

	Expected for the Year Ended 2019	Percentage of Expected Revenue*
Gross profit	$ 743	17.4%
Depreciation and amortization	23	0.5%
Amortization of intangibles	42	1.0%
Increase in LIFO reserve	38	0.9%
Adjusted Gross Profit	$ 846	19.8%

* Percentages are based on the midpoint of revenue guidance provided above.

- The Company expects LIFO expense to be between $25 million and $50 million in 2019.
- The Company expects selling, general and administrative expense to be between $555 million and $575 million in 2019.
- The Company expects equity-based compensation expense to be $15 million in 2019.
- The Company expects to generate between $150 million and $200 million of cash from operations in 2019.
- The Company expects to have an effective tax rate of 25% for the full year of 2019.

- The Company expects its total capital expenditures for 2019 to be approximately $25 million.
- The Company expects diluted earnings per share to be between $0.80 and $1.10.
- The Company expects to have net income (before preferred stock dividend) between $90 million and $120 million and Adjusted EBITDA between $275 million and $315 million in 2019. Adjusted EBITDA is a non-GAAP measure that is not necessarily better than net income. The Company defines Adjusted EBITDA as net income plus interest, income taxes, depreciation and amortization, amortization of intangibles and certain other expenses, including non-cash expenses (such as equity-based compensation, severance and restructuring, changes in the fair value of derivative instruments and asset impairments, including inventory) and plus or minus the impact of our LIFO inventory costing methodology. The Company presents Adjusted EBITDA because the Company believes it provides investors a helpful measure for comparing our operating performance with the performance of other companies that have different financing and capital structures or tax rates. We believe that net income is the financial measure calculated and presented in accordance with U.S. generally accepted accounting principles that is most directly comparable to Adjusted EBITDA.

  The following table reconciles net income, a GAAP measure, with Adjusted EBITDA, a non-GAAP measure, based on the mid-point of the guidance (in millions):

	Expected for the Year Ended 2019
Net income	$ 104
Income tax expense	35
Interest expense	38
Depreciation and amortization	23
Amortization of intangibles	42
Increase in LIFO reserve	38
Equity-based compensation expense	15
Adjusted EBITDA	$ 295

The above information, as well as information contained in Exhibit 99.1 referenced under Item 9.01 below, contain 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,” “expects,” “expected,” “believes,” “looking forward,” “guidance” 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 and 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.

With respect to net income (before preferred stock dividend) and diluted earnings per share, these risks include actual share count, LIFO expense and the other component expectations listed above meeting the Company’s expectations for each component. These risks and uncertainties also include (among others) decreases in oil and natural gas prices; decreases in oil and natural gas industry expenditure levels, which may result from decreased oil and natural gas prices or other factors; increased usage of alternative fuels, which may negatively affect oil and natural gas industry expenditure levels; U.S. and international general economic conditions; the company's ability to compete successfully with other companies in MRC Global's industry; the risk that manufacturers of the products the company distributes will sell a substantial amount of goods directly to end users in the industry sectors the company serves; unexpected supply shortages; cost increases by the company's suppliers; 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 the company's inventory to decline; decreases in steel prices, which could significantly lower MRC Global's profit; increases in steel prices, which the company may be unable to pass along to its customers which could significantly lower its profit; 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; changes in the company's customer and product mix; risks related to the company's customers' creditworthiness; the success of the company's acquisition strategies; the potential adverse effects associated with integrating acquisitions into the company's business and whether these acquisitions will yield their intended benefits; the company's significant indebtedness; the dependence on the company's subsidiaries for cash to meet its debt obligations; changes in the company's credit profile; a decline in demand for certain of the products the company distributes if import restrictions on these products are lifted; environmental, health and safety laws and regulations and the interpretation or implementation thereof; 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; the potential loss of key personnel; interruption in the proper functioning of the company's information systems and the occurrence of cyber security incidents; loss of third-party transportation providers; potential inability to obtain necessary capital; risks related to adverse weather events or natural disasters; impairment of our goodwill or other intangible assets; adverse changes in political or economic conditions in the countries in which the company operates; exposure to U.S. and international laws and regulations, including the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act and other economic sanction programs; risks associated with international stability and geopolitical developments; risks relating to ongoing evaluations of internal controls required by Section 404 of the Sarbanes-Oxley Act; risks related to the Company's intention not to pay dividends; and risks arising from compliance with and changes in laws and regulations in the countries in which we operate, including (among others) changes in tax law, tax rates and interpretation in tax laws, changes in trade and other treaties that lead to differing tariffs and trade rules, the expansion of currency exchange controls, export controls or additional restrictions on doing business in countries subject to sanctions in which we operate or intend to operate. In addition, the Company's intention to continue to repurchase shares of the Company's common stock is also subject to the trading price of the stock being at prices that the Company believes are favorable to stockholders and to the Company's debt and liquidity levels being at levels the Company deems sufficient to repurchase shares.

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

Undue reliance should not be placed on the company's forward-looking statements. Although forward-looking statements reflect the company's good faith beliefs, reliance should not be placed on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, which may cause the company's actual results, performance or achievements or future events to differ materially from anticipated future results, performance or achievements or future events expressed or implied by such forward-looking statements. The company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, changed circumstances or otherwise, except to the extent required by law.

The information referenced under Item 7.01 (including Exhibit 99.1 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 99.1 referenced under Item 9.01 below) shall not be incorporated by reference into any registration statement, report or other document filed by MRC Global pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 **Financial Statements and Exhibits.**

(d) *Exhibits.*

99.1	Press release of MRC Global Inc. dated February 14, 2019

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: February 14, 2019

MRC GLOBAL INC.

By: /s/ James E. Braun
James E. Braun
Executive Vice President and Chief Financial Officer

INDEX TO EXHIBITS

Exhibit No.	Description
99.1	Press release dated February 14, 2019

MRC Global

MRC Global Announces Fourth Quarter and Full Year 2018 Results

MRC Global Repurchased $125 million of Common Stock in 2018 including $75 million in the Fourth Quarter

Fourth Quarter 2018:

Sales of $1.009 billion
Net income attributable to common stockholders of $4 million
Adjusted EBITDA of $63 million

Full Year 2018:

Sales of $4.172 billion
Net income attributable to common stockholders of $50 million
Adjusted EBITDA of $280 million

Houston, TX – February 14, 2019 – MRC Global Inc. (NYSE: MRC), the largest global distributor, based on sales, of pipe, valves and fittings and related products and services to the energy industry, today announced fourth quarter and full year 2018 results.

The company's sales were $1.009 billion for the fourth quarter of 2018, which was 12% higher than the fourth quarter of 2017 and 6% lower than the third quarter of 2018. As compared to 2017, the fourth quarter increase was driven primarily by the upstream and downstream sectors.

Net income attributable to common stockholders for the fourth quarter of 2018 was $4 million, or $0.04 per diluted share, as compared to the fourth quarter of 2017 of $29 million, or $0.30 per diluted share. The fourth quarter results include severance and restructuring after-tax charges of $3 million, or $ 0.03 per diluted share in 2018 and $14 million, or $0.15 per diluted share in 2017. The results for the fourth quarter of 2017 include a provisional tax benefit of $50 million, or $0.53 per diluted share, related to the accounting for United States tax reform legislation. Fourth quarter 2017 results also include after-tax charges of $6 million or $0.06 per diluted share for the write off of inventory in the international segment related to reducing our local presence in Iraq.

MRC Global's fourth quarter 2018 gross profit was $171 million, or 16.9% of sales, an increase from fourth quarter 2017 gross profit of $141 million, or 15.6% of sales. Gross profit for the fourth quarter of 2018 and 2017 reflects an expense of $14 million and $9 million, respectively, in cost of sales relating to the use of the last-in, first out (LIFO) method of inventory cost accounting. Gross profit for the fourth quarter of 2017 also includes $6 million of non-cash inventory charges recorded in cost of sales.

Andrew R. Lane, MRC Global's president and chief executive officer stated, "The fourth quarter 2018 results were as we expected with revenue over $1.0 billion. All three geographic segments and our valve product group drove strong growth in the fourth quarter of 2018 over the same quarter in 2017. Our fourth quarter 2018 adjusted gross profit percentage of 20.0% and our adjusted EBITDA of $63 million remained strong. We generated $135 million in cash flow from operations, and we repurchased $75 million of common stock in the fourth quarter."

Mr. Lane added, "I am very proud of our results for 2018, the second year of the oil and gas industry recovery, as we continued to successfully execute our long-term strategy. As compared to 2017, our 2018 revenue increased 14%, which includes more than $900 million of e-commerce revenue. Our 2018 adjusted gross profit percentage of 19.6% was the best since 2008, and our 2018 adjusted EBITDA increased 56% over 2017. We achieved adjusted EBITDA margins of 6.7% in 2018, the best since 2014. Our 2018 net income attributable to common stockholders improved 92% to $50 million and our diluted earnings per share improved 100% to $0.54 per share."

Selling, general and administrative (SG&A) expenses were $148 million, or 14.7% of sales, for the fourth quarter of 2018 compared to $148 million, or 16.4% of sales, for the same period of 2017. SG&A expenses for the fourth quarter of 2018 and 2017 include $4 million and $14 million of pre-tax severance and restructuring charges, respectively.

Please refer to the reconciliation of non-GAAP measures (adjusted gross profit and adjusted EBITDA) to GAAP measures (gross profit, net income) in this release.

Sales by Segment

U.S. sales in the fourth quarter of 2018 were $778 million, up $63 million, or 9%, from the same quarter in 2017. Upstream increased by $37 million, or 23% primarily due to higher well completions. Downstream increased $33 million, or 17% driven by project deliveries and market share gains. Midstream declined slightly by $7 million, or 2% due primarily to non-recurring project work.

Canadian sales in the fourth quarter of 2018 were $79 million, up $8 million, or 11%, from the same quarter in 2017 due to market share gains in the upstream sector and project work in the midstream sector. A weaker Canadian dollar relative to the U.S. dollar unfavorably impacted sales by $3 million.

International sales in the fourth quarter of 2018 were $152 million, up $35 million, or 30%, from the same period in 2017. The $19 million increase in upstream was driven primarily by project deliveries in Kazakhstan and the $15 million increase in downstream was primarily due to increased refinery activity. Weaker foreign currencies relative to the U.S. dollar unfavorably impacted sales by $6 million.

Sales by Sector

Upstream sales in the fourth quarter of 2018 increased 22% over the fourth quarter of 2017 to $339 million, or 34% of total sales. The increase in upstream sales was across all segments.

Midstream sales in the fourth quarter of 2018 were $373 million, or 37% of total sales, virtually flat with the fourth quarter of 2017. Sales to gas utility customers were up by 26% due to an increase in integrity and growth project spending for various customers, while sales to transmission and gathering customers were down 21% over the same quarter in 2017 due primarily to non-recurring project work.

Downstream sales in the fourth quarter of 2018 increased 18% from the fourth quarter of 2017 to $297 million, or 29% of total sales. The U.S. segment was the primary driver of the increase followed by the international segment.

Balance Sheet

Cash balances were $43 million at December 31, 2018. Debt, net of cash, was $641 million as of December 31, 2018 and excess availability under our asset-based lending facility was $449 million. Cash provided from operations was $135 million in the fourth quarter of 2018. MRC Global's liquidity position of $492 million is sufficient to support the business and capital needs.

Share Repurchase Program Update

In October 2018, the board of directors authorized a share repurchase program for common stock of up to $150 million. During the fourth quarter, the company purchased $75 million of its common stock at an average price of $15.89 per share. In 2018, under both the current and prior authorizations, the company repurchased $125 million of common stock at an average price of $16.46. In January 2019, the company purchased an additional $25 million of its common stock at an average price of $14.24 per share, leaving another $50 million under the current authorization.

Since 2015, the company has repurchased $325 million (21.1 million shares) at an average price of $15.40 per share. The outstanding share count as of January 31, 2019 was 83.9 million shares.

The shares may be repurchased at management's discretion in the open market. Depending on market conditions and other factors, these repurchases may be commenced or suspended from time to time without prior notice. The current program is scheduled to expire on December 31, 2019.

Conference Call

The Company will hold a conference call to discuss its fourth quarter 2018 results at 10:00 a.m. Eastern Time (9:00 a.m. Central Time) on February 15, 2019. To participate in the call, please dial 412-902-0003 and ask for the MRC Global conference call at least 10 minutes prior to the start time. To access the conference call live over the Internet, please log onto the web at www.mrcglobal.com and go to the "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 March 1, 2019 and can be accessed by dialing 201-612-7415 and using pass code 13686236#. Also, an archive of the webcast will be available shortly after the call at www.mrcglobal.com for 90 days.

About MRC Global Inc.

Headquartered in Houston, Texas, MRC Global, is the largest global distributor, based on sales, of pipe, valves and fittings (PVF) and related products and services to the energy industry and supplies these products and services across each of the upstream, midstream and downstream sectors. More information about MRC Global can be found on our website 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 "expect," "expected," "intend," "believes," "well positioned," "strong position," "looking forward," "guidance," "plans" 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 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.

These risks and uncertainties include (among others) decreases in oil and natural gas prices; decreases in oil and natural gas industry expenditure levels, which may result from decreased oil and natural gas prices or other factors; increased usage of alternative fuels, which may negatively affect oil and natural gas industry expenditure levels; U.S. and international general economic conditions; the company's ability to compete successfully with other companies in MRC Global's industry; the risk that manufacturers of the products the company distributes will sell a substantial amount of goods directly to end users in the industry sectors the company serves; unexpected supply shortages; cost increases by the company's suppliers; 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 the company's inventory to decline; decreases in steel prices, which could significantly lower MRC Global's profit; increases in steel prices, which the company may be unable to pass along to its customers which could significantly lower its profit; 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; changes in the company's customer and product mix; risks related to the company's customers' creditworthiness; the success of the company's acquisition strategies; the potential adverse effects associated with integrating acquisitions into the company's business and whether these acquisitions will yield their intended benefits; the company's significant indebtedness; the dependence on the company's subsidiaries for cash to meet its obligations; changes in the company's credit profile; a decline in demand for certain of the products the company distributes if import restrictions on these products are lifted; environmental, health and safety laws and regulations and the interpretation or implementation thereof; 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; the potential loss of key personnel; interruption in the proper functioning of the company's information systems and the occurrence of cyber security incidents; loss of third-party transportation providers; potential inability to obtain necessary capital; risks related to adverse weather events or natural disasters; impairment of our goodwill or other intangible assets; adverse changes in political or economic conditions in the countries in which the company operates; exposure to U.S. and international laws and regulations, including the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act and other economic sanction programs; risks associated with international stability and geopolitical developments, risks relating to ongoing evaluations of internal controls required by Section 404 *of the Sarbanes-Oxley Act; risks related to the company's intention not to pay dividends; and risks arising from compliance with and changes in law in the countries in which we operate, including (among others) changes in tax law, tax rates and interpretation in tax laws. In addition, the Company's intention to continue to repurchase shares of common stock is also subject to the trading price of the stock being at prices that the Company believes are favorable to stockholders and to the Company's debt and liquidity levels being at levels the Company deems sufficient to repurchase shares.*

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

Undue reliance should not be placed on the company's forward-looking statements. Although forward-looking statements reflect the company's good faith beliefs, reliance should not be placed on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, which may cause the company's actual results, performance or achievements or future events to differ materially from anticipated future results, performance or achievements or future events expressed or implied by such forward-looking statements. The company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, changed circumstances or otherwise, except to the extent required by law.

Contact:

Monica Broughton
Investor Relations

MRC Global Inc.

Monica.Broughton@mrcglobal.com
832-308-2847

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

	December 31, 2018		December 31, 2017	
Assets				
Current assets:				
Cash	$	**43**	$	48
Accounts receivable, net		**587**		522
Inventories, net		**797**		701
Other current assets		**38**		47
Total current assets		**1,465**		1,318
Other assets		**23**		21
Property, plant and equipment, net		**140**		147
Intangible assets:				
Goodwill, net		**484**		486
Other intangible assets, net		**322**		368
	$	**2,434**	$	2,340
Liabilities and stockholders' equity				
Current liabilities:				
Trade accounts payable	$	**435**	$	415
Accrued expenses and other current liabilities		**130**		143
Current portion of long-term debt		**4**		4
Total current liabilities		**569**		562
Long-term obligations:				
Long-term debt, net		**680**		522
Deferred income taxes		**98**		106
Other liabilities		**40**		36
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, 104,953,693 and 103,099,692 issued, respectively		**1**		1
Additional paid-in capital		**1,721**		1,691
Retained deficit		**(498)**		(548)
Treasury stock at cost: 19,347,839 and 11,751,726 shares, respectively		**(300)**		(175)
Accumulated other comprehensive loss		**(232)**		(210)
		692		759
	$	**2,434**	$	2,340

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

	Three Months Ended		Year Ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Sales	$ 1,009	$ 903	$ 4,172	$ 3,646
Cost of sales	838	762	3,483	3,064
Gross profit	171	141	689	582
Selling, general and administrative expenses	148	148	562	536
Operating income (loss)	23	(7)	127	46
Other (expense) income:				
Interest expense	(10)	(7)	(38)	(31)
Write off of debt issuance costs	-	-	(1)	(8)
Other, net	3	-	7	-
Income (loss) before income taxes	16	(14)	95	7
Income tax expense (benefit)	6	(49)	21	(43)
Net income	10	35	74	50
Series A preferred stock dividends	6	6	24	24
Net income attributable to common stockholders	$ 4	$ 29	$ 50	$ 26
Basic earnings per common share	$ 0.05	$ 0.31	$ 0.55	$ 0.28
Diluted earnings per common share	$ 0.04	$ 0.30 (1)	$ 0.54	$ 0.27
Weighted-average common shares, basic	88.6	93.4	90.1	94.3
Weighted-average common shares, diluted	89.9	94.8 (1)	91.8	95.6

Notes to above:

(1) The preferred stock shares (20.3 million shares) were dilutive in the fourth quarter of 2017 only. The diluted earnings per common share calculation is calculated as net income of $35 million divided by 115.1 million shares.

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

	Year Ended December 31,	
	2018	**2017**
Operating activities		
Net income	$ **74**	$ 50
Adjustments to reconcile net income to net cash used in operations:		
Depreciation and amortization	**23**	22
Amortization of intangibles	**45**	45
Equity-based compensation expense	**14**	16
Deferred income tax benefit	**(9)**	(78)
Amortization of debt issuance costs	**1**	3
Inventory-related charges	**-**	6
Write off of debt issuance costs	**1**	8
Increase in LIFO reserve	**62**	28
Change in fair value of derivative instruments	**(1)**	1
Provision for uncollectible accounts	**1**	1
Other non-cash items	**9**	2
Changes in operating assets and liabilities:		
Accounts receivable	**(74)**	(118)
Inventories	**(175)**	(168)
Other current assets	**8**	8
Accounts payable	**27**	93
Accrued expenses and other current liabilities	**(17)**	33
Net cash used in operations	**(11)**	(48)
Investing activities		
Purchases of property, plant and equipment	**(20)**	(30)
Proceeds from the disposition of property, plant and equipment	**6**	3
Net cash used in investing activities	**(14)**	(27)
Financing activities		
Payments on revolving credit facilities	**(1,118)**	(696)
Proceeds from revolving credit facilities	**1,280**	825
Payments on long-term obligations	**(4)**	(18)
Debt issuance costs paid	**(1)**	(8)
Purchases of common stock	**(125)**	(68)
Dividends paid on preferred stock	**(24)**	(24)
Proceeds from exercise of stock options	**21**	1
Repurchase of shares to satisfy tax withholdings	**(5)**	(3)
Net cash provided by financing activities	**24**	9
Decrease in cash	**(1)**	(66)
Effect of foreign exchange rate on cash	**(4)**	5
Cash beginning of year	**48**	109
Cash end of year	$ **43**	$ 48

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

	Three Months Ended		Year Ended	
	December 31, 2018	**December 31, 2017**	**December 31, 2018**	**December 31, 2017**
Net income	**$ 10**	$ 35	**$ 74**	$ 50
Income tax expense (benefit) (1)	**6**	(49)	**21**	(43)
Interest expense	**10**	7	**38**	31
Depreciation and amortization	**6**	6	**23**	22
Amortization of intangibles	**11**	11	**45**	45
Increase in LIFO reserve	**14**	9	**62**	28
Inventory-related charges (2)	**-**	6	**-**	6
Equity-based compensation expense (3)	**3**	4	**14**	16
Severance and restructuring charges (4)	**4**	14	**4**	14
Foreign currency losses (gains)	**(1)**	-	**(1)**	(2)
Write off of debt issuance costs (5)	**-**	-	**1**	8
Litigation matter (6)	**-**	-	**-**	3
Change in fair value of derivative instruments	**-**	-	**(1)**	1
Adjusted EBITDA	**$ 63**	$ 43	**$ 280**	$ 179

Notes to above:

(1) Amounts in 2017 include a provisional tax benefit of $50 million related to the accounting for United States tax reform.

(2) Non-cash charges (pre-tax) recorded in cost of goods sold. Charges in 2017, recorded in the international segment, are related to reducing our local presence in Iraq.

(3) Recorded in SG&A

(4) Charges (pre-tax) related to employee severance and restructuring charges recorded in SG&A. 2018 charges relate to the partial closure and relocation of a corporate office and the termination of an executive's employment. The 2017 charges relate to cost reduction initiatives to improve profitability in our international segment.

(5) Charge (pre-tax) related to the write off of debt issuance costs related to the refinancing of our senior secured Term Loan in 2018. Charge (pre-tax) related to the refinancing of our senior secured term loan and our asset based lending facility in 2017.

(6) Charge (pre-tax) related to the settlement of litigation with Weatherford Canada Partnership in the second quarter 2017 recorded in Other, net. The company previously recognized a charge of $3 million associated with this matter in the fourth quarter of 2015.

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

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

	Three Months Ended				
	December 31, 2018	**Percentage of Revenue**	**December 31, 2017**		**Percentage of Revenue**
Gross profit, as reported	**$ 171**	**16.9%**	$ 141	**(1)**	15.6%
Depreciation and amortization	**6**	**0.6%**	6		0.7%
Amortization of intangibles	**11**	**1.1%**	11		1.2%
Increase in LIFO reserve	**14**	**1.4%**	9		1.0%
Adjusted Gross Profit	**$ 202**	**20.0%**	$ 167	**(1)**	18.5%

	Year Ended				
	December 31, 2018	**Percentage of Revenue***	**December 31, 2017**		**Percentage of Revenue**
Gross profit, as reported	**$ 689**	**16.5%**	$ 582	**(1)**	16.0%
Depreciation and amortization	**23**	**0.6%**	22		0.6%
Amortization of intangibles	**45**	**1.1%**	45		1.2%
Increase in LIFO reserve	**62**	**1.5%**	28		0.8%
Adjusted Gross Profit	**$ 819**	**19.6%**	$ 677	**(1)**	18.6%

Notes to above:

* Column does not foot due to rounding.

(1) Includes $6 million of non-cash charges (pre-tax) recorded in cost of goods sold in our international segment are related to reducing our local presence in Iraq, for each of the three months and year ended December 31, 2017.
Excluding these charges for the three months ended December 31, 2017 gross profit, as reported would be $147 million (16.3%) and adjusted gross profit would be $173 million (19.2%). Excluding these charges for the year ended December 31, 2017 gross profit, as reported would be $588 million (16.1%) and adjusted gross profit would be $683 million (18.7%).

The company defines Adjusted Gross Profit as sales, less cost of sales, plus depreciation and amortization, plus amortization of intangibles, 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 Sales Information (Unaudited)
(in millions)

Disaggregated Sales by Segment

Three Months Ended December 31,

	U.S.	Canada	International	Total
2018:				
Upstream	**$ 197**	**$ 59**	**$ 83**	**$ 339**
Midstream	**355**	**15**	**3**	**373**
Downstream	**226**	**5**	**66**	**297**
	$ 778	**$ 79**	**$ 152**	**$ 1,009**
2017:				
Upstream	$ 160	$ 53	$ 64	$ 277
Midstream	362	11	2	375
Downstream	193	7	51	251
	$ 715	$ 71	$ 117	$ 903

Year Ended December 31,

	U.S.	Canada	International	Total
2018:				
Upstream	**$ 777**	**$ 239**	**$ 270**	**$ 1,286**
Midstream	**1,608**	**48**	**21**	**1,677**
Downstream	**936**	**28**	**245**	**1,209**
	$ 3,321	**$ 315**	**$ 536**	**$ 4,172**
2017:				
Upstream	$ 623	$ 222	$ 204	$ 1,049
Midstream	1,496	50	57	1,603
Downstream	741	22	231	994
	$ 2,860	$ 294	$ 492	$ 3,646

Sales by Product Line

	Three Months Ended		Year Ended	
Type	**December 31, 2018**	**December 31, 2017 (1)**	**December 31, 2018**	**December 31, 2017 (1)**
Line pipe	**$ 172**	$ 168	**$ 728**	$ 685
Carbon steel fittings and flanges	**152**	143	**683**	548
Total carbon steel pipe, fittings and flanges	**324**	311	**1,411**	1,233
Valves, automation, measurement and instrumentation	**407**	332	**1,553**	1,319
Gas products	**136**	113	**561**	485
Stainless steel alloy pipe and fittings	**46**	47	**196**	183
General oilfield products	**96**	100	**451**	426
	$ 1,009	$ 903	**$ 4,172**	$ 3,646

Notes to above:

(1) $14 million and $69 million of sales for the three and twelve months ended December 31, 2017, respectively, have been reclassified from gas products to general oilfield products to conform with the current year presentation.

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

	December 31, 2018			
	Three Months Ended		Year Ended	
	Net Income	Per Share*	Net Income	Per Share*
Net income attributable to common stockholders	$ 4	$ 0.04	$ 50	$ 0.54
Increase in LIFO reserve, net of tax	11	0.12	48	0.52
Adjusted net income attributable to common stockholders	$ 15	$ 0.17	$ 98	$ 1.07

	December 31, 2017			
	Three Months Ended		Year Ended	
	Net Income	Per Share	Net Income	Per Share
Net income attributable to common stockholders	$ 29	$ 0.30	$ 26	$ 0.27
Increase in LIFO reserve, net of tax	6	0.06	18	0.19
Adjusted net income attributable to common stockholders	$ 35	$ 0.36	$ 44	$ 0.46

Notes to above:
* Column 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 plus or minus the after-tax impact of its LIFO inventory costing methodology. 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 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.

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