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): April 28, 2020

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))

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

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

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

Emerging growth company ☐

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

Item 7.01 Regulation FD Disclosure .

MRC Global Inc. ("MRC Global") executive management will make presentations from time to time to current and potential investors, lenders, creditors, insurers, vendors, customers, employees and others with an interest in MRC Global and its business regarding, among other things, MRC Global's operations and performance. A copy of the materials to be used at the presentations (the "Presentation Materials") is included as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information contained in the Presentation Materials 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 Presentation Materials speak as of the date of this Current Report on Form 8-K. While MRC Global may elect to update the Presentation Materials 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 Presentation Materials will also be posted in the Investor Relations section of MRC Global's website, http://www.mrcglobal.com , for 90 days.

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	Investor Presentation, dated April 28, 2020
104	Cover Page Interactive Data File – The cover page XBRL tags from this Current Report on Form 8-K are embedded within the Inline XBRL document.

INDEX TO EXHIBITS

Exhibit No.	Description
99.1	Investor presentation, dated April 28, 2020
104	Cover Page Interactive Data File – The cover page XBRL tags from this Current Report on Form 8-K are embedded within the Inline XBRL document.

SIGNATURES

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

Date: April 28, 2020

MRC GLOBAL INC.

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

Exhibit 99.1

MRC Global

1Q20 Investor Conference Presentation
April 28, 2020

Andrew Lane
President & CEO

Kelly Youngblood
Executive Vice President & CFO

We Make Energy Flow™

Forward Looking Statements and Non-GAAP Disclaimer

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Words such as "will," "expect," "expected," "looking forward," "guidance," "on-track", "Results in mid-cycle Adjusted EBITDA" and similar expressions are intended to identify forward-looking statements. Statements about the company's business, including its strategy, its industry, the company's future profitability, the company's guidance on its sales, Adjusted EBITDA, gross profit, gross profit percentage, Adjusted Gross Profit, Adjusted Gross Profit percentage, tax rate, capital expenditures and cash from operations, growth in the company's various markets and the company's expectations, beliefs, plans, strategies, objectives, prospects and assumptions are not guarantees of future performance. These statements are based on management's expectations that involve a number of business risks and uncertainties, any of which could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors, most of which are difficult to predict and many of which are beyond our control, including the factors described in the company's SEC filings, including (among others) its Current Report on Form 8-K dated April 28, 2020, that may cause our actual results and performance to be materially different from any future results or performance expressed or implied by these forward-looking statements.

For a discussion of key risk factors, please see the risk factors disclosed in the company's SEC filings, which are available on the SEC's website at www.sec.gov 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.

Statement Regarding Use of Non-GAAP Measures:

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

Global Leader in PVF Distribution

Largest pipe, valves and fittings (PVF) distributor – TTM Sales of $3.5B

Industrial Distributor with Diversified Business Mix

- Counter-cyclical cash flow generation & strong balance sheet
- Cash flow generation in modest growth periods
- Balanced portfolio across upstream, midstream & downstream sectors
- Product mix focused on higher margin offerings

Key Role in Global Supply Chains of Energy Companies

- Create value for both customers and suppliers
- Closely integrated into customer supply chains
- Broad footprint with approximately 250 service locations in 20 countries
- Premier quality program, material sourcing & customer service

Balanced Approach to Capital Allocation

- Strong balance sheet with financial flexibility through the cycle

Upstream Production 29%

Midstream Pipeline 16%

Gas Utilities 24%

Downstream & Industrial 31%

Note: For the twelve months ended March 31, 2020

Strategy for Creating Shareholder Value

Grow Market Share

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

Maximize Profitability

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

Maximize Working Capital Efficiency

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

Optimize Capital Structure

- Optimize capital structure with financial flexibility throughout the cycle

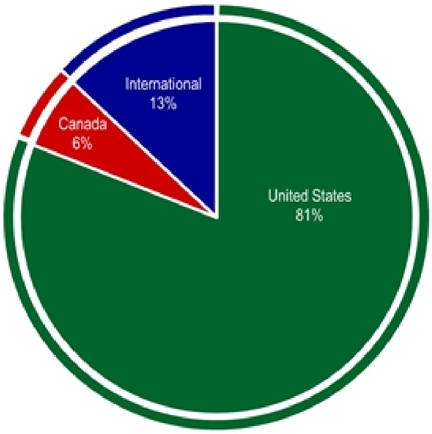
Compelling Investment Opportunity

- Market leader in PVF distribution, serving critical function to the energy industry
- Diversified across sectors, regions and customers
- Counter-cyclical cash flow and strong balance sheet
- Differentiated global platform creates customer value
- Organic growth potential via market share gains from expanded multi-year MRO contracts and long-term secular growth from global energy demand
- Proven history of driving continuous productivity improvements
- Industry consolidator with proven success in acquiring and integrating businesses

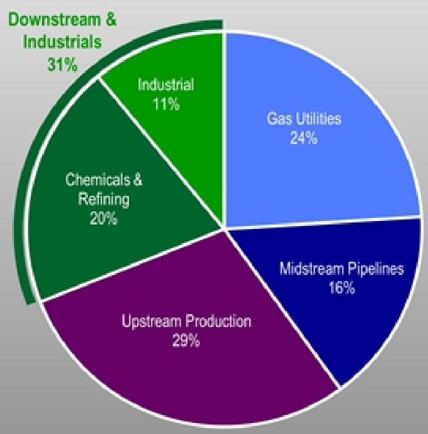
World-class Management Team
with Significant Distribution and Energy Experience

Diversified by Region, Industry Sector and Product Line - Well Positioned Through Cycle

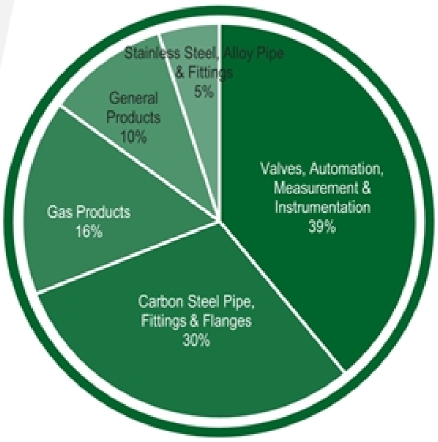
Revenue by Geography



Revenue by Industry Sector



Revenue by Product Line



Note: Percentage of sales are for the twelve months ended March 31, 2020.
Industrial includes metals & mining, fabrication, pulp & paper, power generation and general industrial.

Upstream Production – Providing Completion Infrastructure to E&P Operators

- Provide well hook-ups via on-site product trailers, above-ground infrastructure PVF products for flow lines & tank batteries
- Serve exploration & production (E&P) operators including Shell, Chevron, Occidental, California Resources Corporation and Canadian Natural Resources
- Primary drivers are customers' capital budgets for well completions & production tank battery upgrades and expansions
- Walk-in counter sales at strategically located branches in active oil & gas production areas
- Located in all major basins - revenue follows basin market activity levels
- Permian basin is our largest upstream position representing 19% of 2020 upstream revenue

Gas Utilities – Providing Gas Products to Gas Utility Customers

- Business drivers:
  - independent of commodity prices
  - integrity projects & pipeline enhancement projects
  - residential & commercial, new & upgrade installations
- Relatively stable, steady growth
- Contracts with 9 of the 10 largest gas utilities in the U.S. based on the number of customers (*e.g.* CenterPoint, PG&E, NiSource, Atmos, Duke, Southern Company Gas)

Midstream Pipeline – Providing PVF to Pipeline Infrastructure Customers

Transmission & Gathering

- Provide PVF to midstream gathering customers
- Provide PVF bulks & shorts and logistical services to long-haul transmission customers
- Benefit from recent pipeline approvals & modernization projects replacing older pipelines
- Customers include TC Energy, DCP Midstream, Energy Transfer, Williams Partners, Equitable, Enable Midstream Partners

Downstream & Industrial – Providing PVF to Refining, Chemical & Industrial Customers

Refining

- Recurring MRO revenue from planned & unplanned maintenance
- Provide on-location "zone store" inventory
- Contracts with all of the 10 largest refiners in the U.S. (e.g. Shell, Chevron, Marathon Petroleum Company, Valero, Phillips 66, ExxonMobil)

Chemical & Industrial

- Low gas prices provide stable, advantaged feedstock for plastics
- Positioned to benefit from planned U.S. petrochemical projects
- Distribute to a broad range of industrials including power, pulp and paper, mining and OEM's (original equipment manufacturers).

MRC Global is a Critical Link Between Its Customers & Suppliers

Supplier Value Proposition

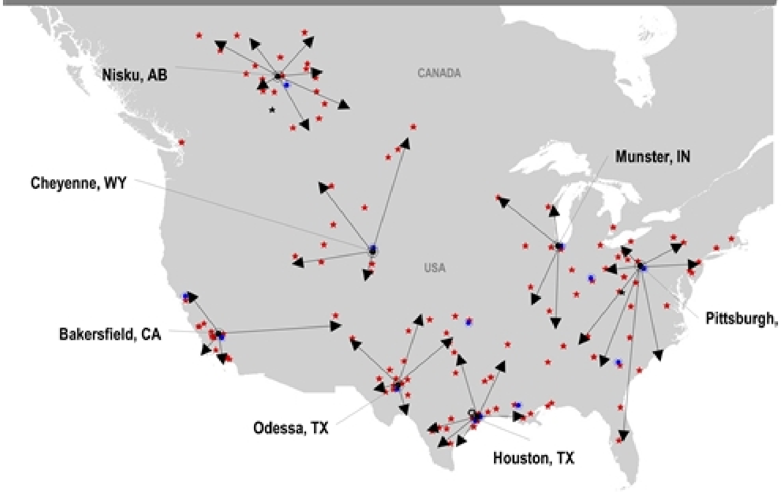
- ✓ Manufacturing and scale efficiencies
- ✓ Leverage MRC Global's footprint
- ✓ Access to 13,000+ customers
- ✓ Lead suppliers through the quality process

Customer Value Proposition

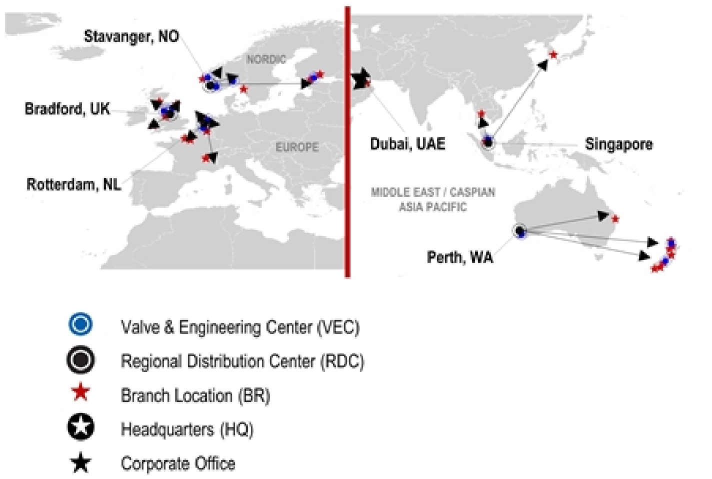
- ✓ Outsource non-core supply chain and logistics functions
- ✓ Reduce supply chain complexity
- ✓ Savings from volume purchasing and global sourcing, 40+ countries
- ✓ Product availability - access to MRC Global's broad inventory with approximately 10,000 suppliers
- ✓ Approve new suppliers through rigorous quality program

Global Footprint – Strategically Located in Key Geographies to Deliver Solutions to Customers

North America



International



North America	As of 3/31/20
Branches	118
RDCs	7
VECs	13
Employees	~2,386

Global	As of 3/31/20
Branches	142
RDCs	13
VECs	25
Countries	20
Employees	~3,154

International	As of 3/31/20
Branches	24
RDCs	6
VECs	12
Countries	18
Employees	~768

MRC Global is committed to responsible governance of the enterprise and interaction with its stakeholders.

Core Values Drive Actions for All Stakeholders

2018: Top Quartile Safety Performance in a NAW Survey

- 54 distribution companies with over $1 billion in revenue

Distribution Business Model Allows Expansion of Different Products, Geographies and Industrial Market Sectors

- Model can address climate change initiatives or sentiment negatively impacting traditional energy markets

MRC Global Contributes to a Sustainable Environment

- 93% of 2019 valve sales from inventory are "Low-E" valves. Total VAMI sales in 2019 were $1.4 billion. Low-E or low-emissions prevent fugitive emissions of methane and other greenhouse gases.
- Reduced CO^2 vehicle emissions from fleet by approximately 16% from 2018 levels through 2019
- Increased recycling tonnage by 33% from 2018 to 2019

Supplier Quality Process (Processes, Policies, Audits) include steps to:

- Increase ethical behavior in our supply chain
- Avoid improper labor practices
- Encourage sustainability

Programs to Develop Employees and Encourage Diversity

- 36% of Board of Directors from Diversity Groups
- Women make up 45% of global corporate employees

For more information:

Governance:
Proxy Statement for our 2020 Annual Meeting of Stockholders

ESG Generally:
2019 Environmental, Social Responsibility & Corporate Governance Report

ESG Policies: Corporate Social Responsibility

Community Engagement Community Involvement

Long-term End Market Growth Opportunities

UPSTREAM PRODUCTION

- Secular growth in oil & gas demand drives E&P capital and maintenance spending
- Steep shale decline curves and manufacturing mentality for shale drilling result in increasing well completions

MIDSTREAM PIPELINE

- Increased production in the U.S. results in increased need for takeaway capacity and processing by transmission and gathering companies, including transportation to growing export terminals
- Aging pipeline infrastructure in the U.S. requires annual integrity investment

GAS UTILITIES

- Gas utilities are investing in multi-year integrity management programs to upgrade old, lower pressure distribution systems and pipes, including steel and cast iron; enhancing the safety of the system.

DOWNSTREAM & INDUSTRIAL

- Plant spending and upgrades are being driven by: aging infrastructure, large and low-cost supply of hydrocarbon resources
- Increasing global demand for plastics and low cost, stable feedstock drives petrochemical investment particularly along the US Gulf Coast

Strong Record of Customer Contract Wins and Renewals – Yields Growth Opportunities

1. **Renew Existing & Obtain New MRO Contract Customers**
   - Approximately 55% of sales are from our top 25 customers[1]
2. **Expand Global Chemical and Valve businesses**
   - Target – % of total revenue from valves, automation, measurement and instrumentation: 40-42% in 2020 & 45% in 2023
3. **Continue to Expand the Integrated Supply Business**
   - Approx. $959 million in revenue[1]
4. **Diversified customer base**
   - Serve 200+ fabrication customers

1. For the twelve months ended March 31, 2020

Selected Recent Contract Awards and Renewals

Customer	Type/ Scope	Products	Geography
Ameren	New	Gas products	U.S.
Noble Midstream	New	Valves, Fittings and Flanges	U.S.
Eversource	Renewal with expanded scope	Gas products	U.S.
Total	New	Valves	Europe & West Africa
INEOS	Renewal	PVF	U.S.
Chevron – Canada	New	Integrated Supply	Canada
SoCal Gas	New	PFF	U.S.
CenterPoint	New	Integrated Supply	U.S.
Oneok	New	Valves	U.S.
ConocoPhillips	Renewal	PVF	N.A.
Chevron-TCO MRO	Renewal	Valves	KZ
Atmos	Renewal	Integrated Supply	U.S.
People's Gas	Renewal	PVF	U.S.
Philips 66	Renewal	Valves	U.S.
EnLink Midstream	New	PVF	U.S.
Occidental	Renewal	PVF	U.S.
Valero	Renewal	PVF	U.S.

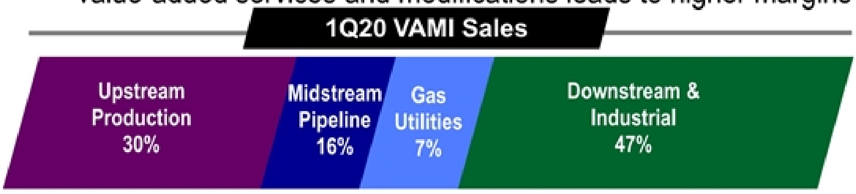
Houston Operations Complex at La Porte, TX

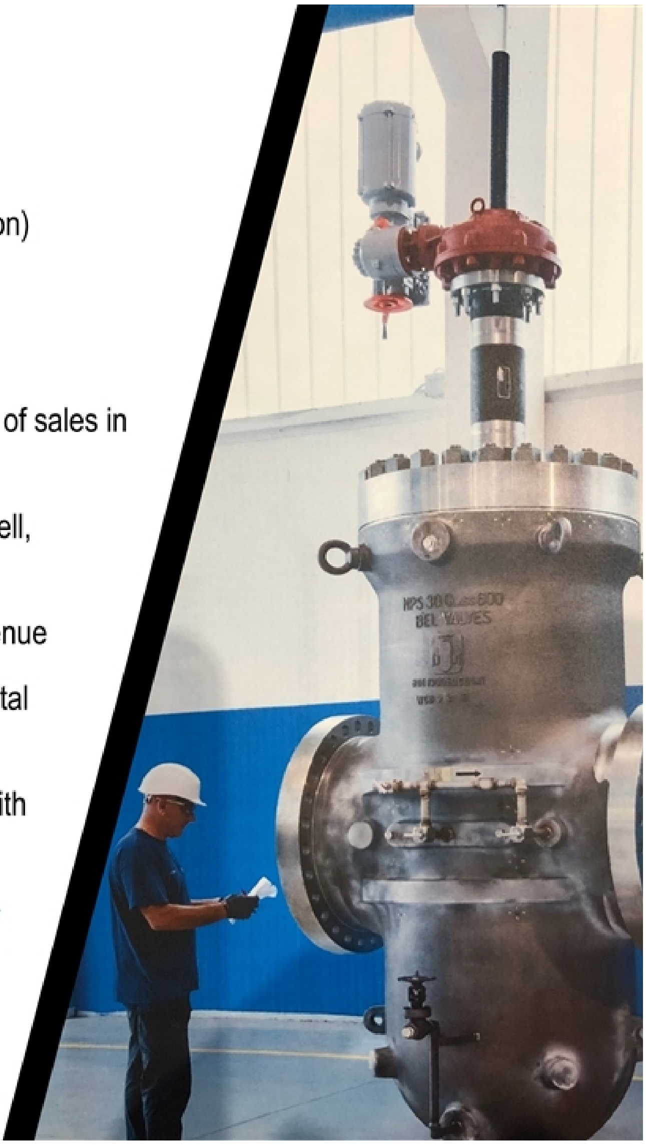
Supporting Growth & Continued Operational Efficiencies

- **More than <u>620,000 ft²</u>** of space to deliver our customers' actuation, modification and product needs
  - Valve Engineering & Modification Center
  - Regional Distribution Center
  - Valve & Engineering Center
  - Office space for supply chain management, sales, projects, and executive personnel

MRC Global's Valve-Centric Strategy

- U.S. oil & gas valve sales were \$5.2B[1] (\$2.6B through distribution)
  - \$2.2B Upstream & Midstream
  - \$3.0B Downstream
- MRC Global's #1 is in U.S. distributed energy valves with ~41% of sales in 1Q20
  - Holder of 3 global, multi-year, valve contracts with IOCs (Shell, Chevron, ExxonMobil)
- Valve, Automation, Measurement & Instrumentation (VAMI) revenue
  - Expected to be 40-42% of total revenue in 2020 & 45% of total revenue in 2023
- Highly technical, complex, long lead-time, global supply chain with value-added services and modifications leads to higher margins





1. Source: *Valve World Americas, "Market Report"*, September 30, 2019. Sum of Chemical, Oil & Gas and Refining.

Market Penetration: Investment in Value-Added Valve Modification Capabilities

- Valve Engineering & Modification Center at La Porte complex in-house capabilities:
    - Pipe pup transitions, stem extensions, coatings
    - Differential thermal relief systems
    - Modification services
    - Testing services (e.g. Hydro testing, weld x-rays)
    - Documentation packages
    - Fast track actuation

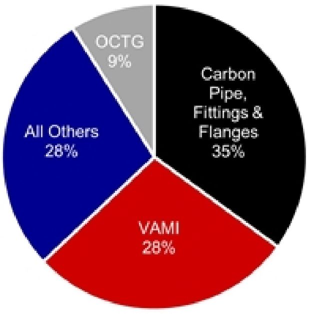
- Midstream pipelines & gas utilities valves market penetration opportunity ~$100 million

- Higher-margin due to value-added services, supports strategic objective to maximize profitability

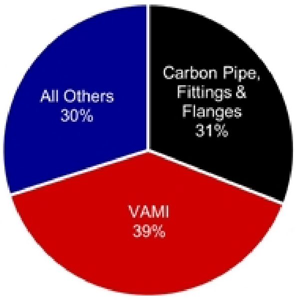
Maximizing Profitability: Expanding Higher Margin Opportunities - Valve Products & Services

Positioning Offerings to Higher Margin Products & Services

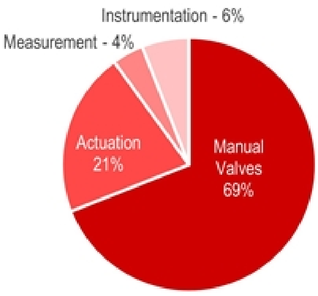
2013 Sales - Product Mix



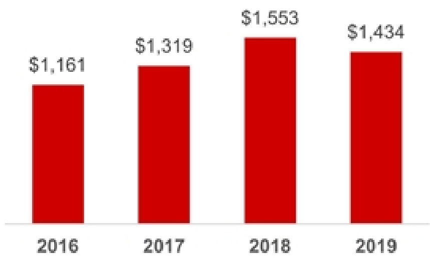
2019 Sales – Product Mix



2019 VAMI Sales

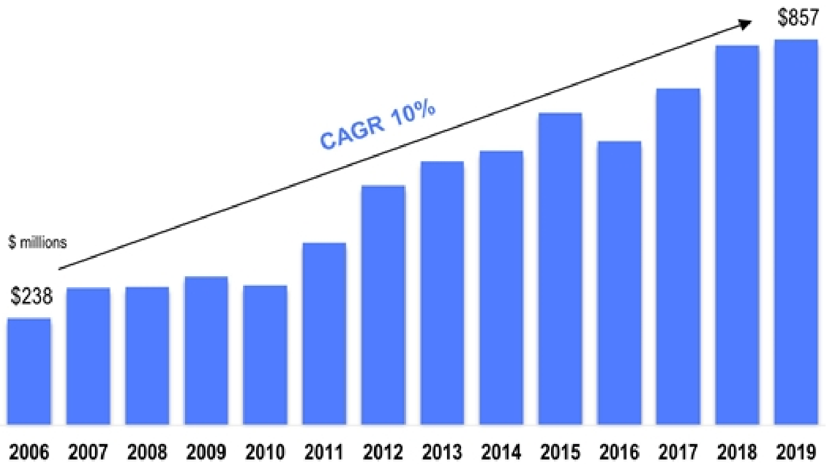


Annual VAMI Sales



U.S. Gas Utilities Business

- Largest provider of products & services to U.S. Gas Utilities
- Expect to build a $1 billion revenue base in 2-3 years
- Contracts with 18 of the top 25 largest gas utilities in the U.S.
- Strong customer relationships – average 19 years under continuous contract



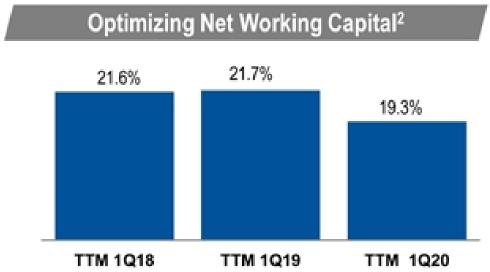
Maximizing Profitability and Working Capital Efficiency

Product Margin Enhancement

- Investment in higher margin products and services:
  - VAMI services - Valve actuation/automation, modification, engineered solutions, traceability, testing, ValidTorque™
  - Expanded La Porte - 127,000 ft^2 valve modification facility in 2019
- Reduction of lower margin products and projects

Working Capital Management

- Target is ~20% working capital to sales ratio
- 2019 – exceeded target
- Investments in working capital are weighted to higher margin products
- Initiatives to increase efficiency underway (e.g. consolidating inventory in RDCs for better deployment)



Actively Managing Costs

- Absolute SG&A $13 million lower in 1Q20 versus 1Q19
- Actions underway to further reduce SG&A in 2020
  - Closing and consolidating facilities
  - Voluntary retirement & involuntary reduction in force
  - Hiring and pay freezes
  - Indefinite suspension of 401K matching
  - For eligible executives & employees, a reduction in short & long-term incentives
  - Furloughs in certain international and Canadian operations

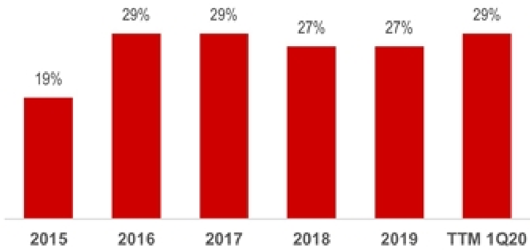
1. See reconciliation of non-GAAP measures to GAAP measures in the appendix
2. Working capital defined as Current Assets (excluding Cash) – Current Liabilities. Sales are on trailing twelve months basis.

Investing in Technology for Long-Term Growth & Efficiency

MRCGO™ - A Comprehensive Digital Supply Chain Solution for Oil & Gas Pipe, Valve & Fitting Purchases

- End-to-end digital supply chain solution from a single platform
- B2B for contract customers allows for easy and efficient ordering
- Customized for each customer's contract terms, part numbers, commonly ordered items
- Targeted at lowering the cost to serve
- TTM 1Q20 results:
  - $1 billion of revenue generated through MRCGO™/ e-commerce
  - 436 customers

% of Revenue Generated via E-Commerce



~43% of the **top 36** North American customers' TTM revenue or approximately $829 million in was transacted through MRCGO (*e.g.* all digital sales including catalog, EDI)

E-Commerce Platform Capabilities Increase Efficiencies

MRCGO™
MRC GLOBAL ONLINE

GO SEARCH

- Mill Test Reports (MTRs)
- Proof of Delivery (POD)
- Invoices

GO TRACK

- Order status history
- Expedite a delivery
- View inquiry dashboard
- View inquiry reports

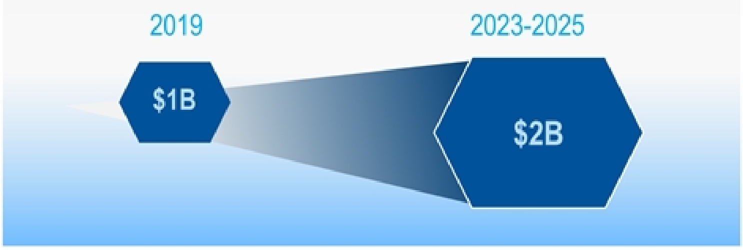
GO SHOP

- Catalog
  - View inventory
  - View price
- Request a quote
- Punchout via your ERP or procurement software
- Electronic purchasing (EDI/XML)

SUPPORT

- Online chat
- PVF mobile handbook
- Find a store
- Consult reference materials

E-Commerce Revenue Growth Opportunity



Strategic Capital Decisions Support Growth

Effectively Positioned the Balance Sheet

- Advantageous debt agreements with favorable terms, low interest rate and maturities 2022+
- Liquidity of $465 million effective 2Q20 – sufficient to support business strategy

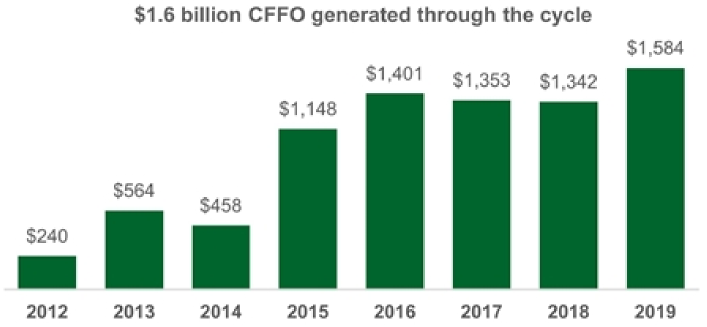
+ Strong Operating Cash Flow Generation

- CFFO annual average is $198 million from 2012 to 2019
- Counter-cyclical cash flow generation
- Business consumes/releases ~20% of working capital per change in sales

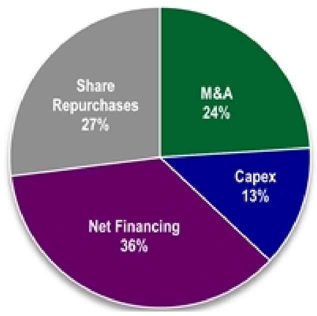
= Capital Deployment Opportunities

- Debt reduction prioritized in near-term
  - Repurchased $3 million of Term Loan B at a 23% discount
- E-commerce investments to drive share gains & cost efficiencies
- Returned $375 million of cash to shareholders since 2015 through 2019
  - Repurchased 24.2 million shares at an average price of $15.48 per share

Cumulative Annual Cash Flow from Operations



Use of Cash Flow (2013 – 1Q 2020[1])

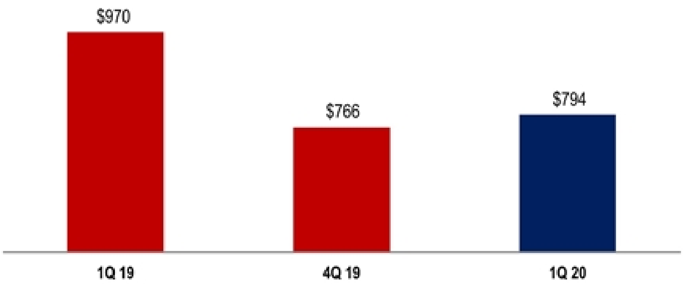


1. Investing and Financing cash flows from 2013 through 1Q 2020. Net Financing equals the total issuance less repayment of debt and equity excluding share repurchases. Excludes miscellaneous sources of cash including immaterial asset proceeds.

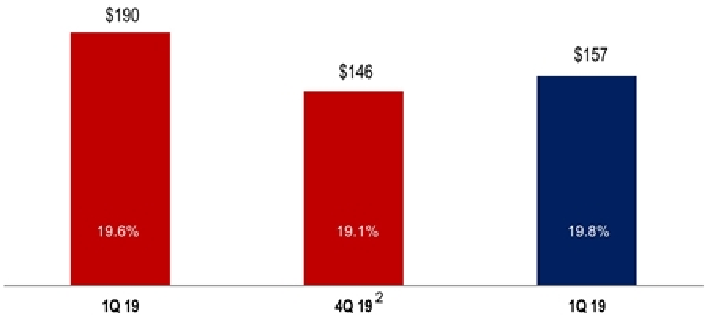
Quarterly & YTD Financial Performance

($ millions, except per share data)

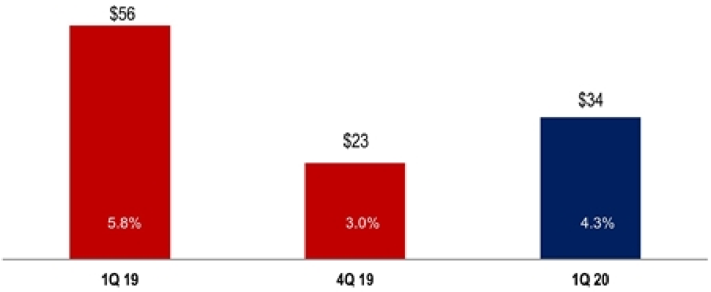
Sales



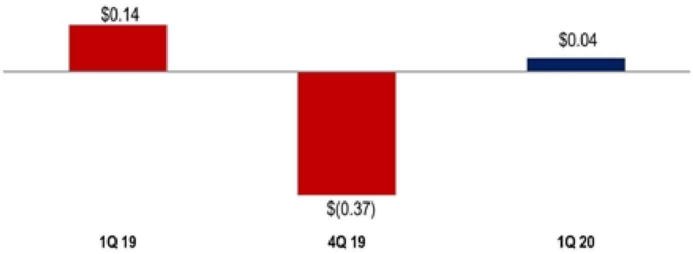
Adjusted Gross Profit and % Margin[1]



Adjusted EBITDA and % Margin[1]



Diluted EPS

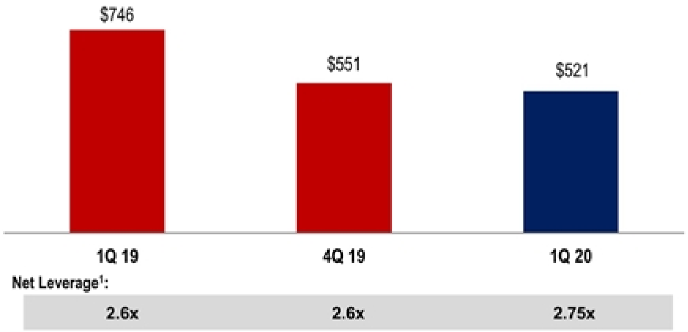


1. See reconciliation of non-GAAP measures to GAAP measures in the appendix
2. Includes $5 million of non-cash charges (pre-tax) recorded in cost of goods sold in our international segment for excess and obsolete inventory, and $3 million of charges (pre-tax) recorded in sales for the final settlement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

Strong Balance Sheet Provides Financial Flexibility

($ millions)

Total Debt

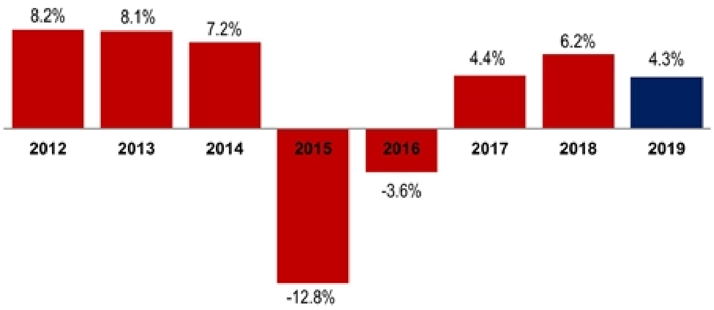


Capital Structure

	March 31, 2020
Cash and Cash Equivalents	**$ 28**
Total Debt (including current portion):	
Term Loan B due 2024 (net of discount & deferred financing costs)	$ 386
Global ABL Facility due 2022	135
Total Debt	$ 521
Preferred stock	355
Common stockholders' equity	617
Total Capitalization	**$ 1,493**
Liquidity (effective 2Q20)	**$ 465**

Cash Flow from Operations

Return on Average Net Capital Employed[2]



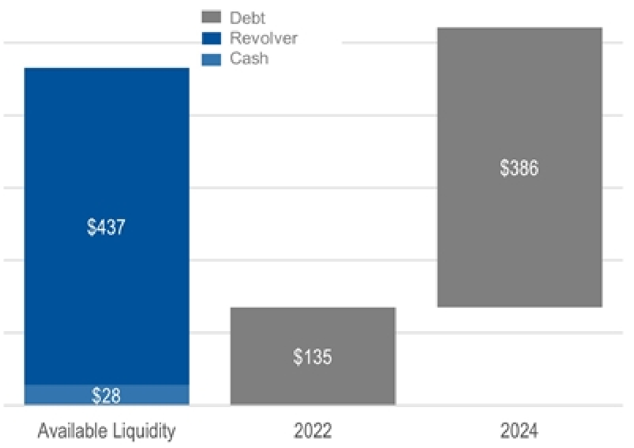
1. Multiples represent Net Debt / trailing twelve months Adjusted EBITDA. Net Debt is Total Debt less Cash.
2. Return on Average Net Capital Employed is defined as net income plus interest expense after-tax, divided by average net capital employed (debt plus equity).

Capital Structure

Credit Agreements (ABL and Term Loan)

- Global ABL matures in September 2022 and Term Loan B matures in September 2024
- Term Loan B has 1% per year amortization, paid quarterly
- Term Loan B requires repayment in form of annual excess cash flow sweep based on leverage ratio (25 - 50% of annual "Excess Cash Flow")

Liquidity & Debt Waterfall (millions)



Financial Maintenance Covenants

- Both the ABL and Term Loan B have no financial maintenance covenant restrictions
- In the ABL, a springing covenant is triggered if "Excess Availability" is less than the greater of 10% of the "Line Cap" or $60 million, then a "Fixed Charge Coverage Ratio" of 1.0:1.0 is required.
  - "Excess Availability" is approximately $437 million effective 2Q20
  - "Fixed Charge Coverage Ratio" was 1.67 at March 31, 2020
- The ABL and Term Loan B contain customary restrictive covenants based on leverage metrics that limit our ability to make investments, prepay certain indebtedness, grant liens, incur additional indebtedness, sell assets, make fundamental changes, enter into transactions with affiliates and pay dividends.

Strategy - 1Q20 Accomplishments

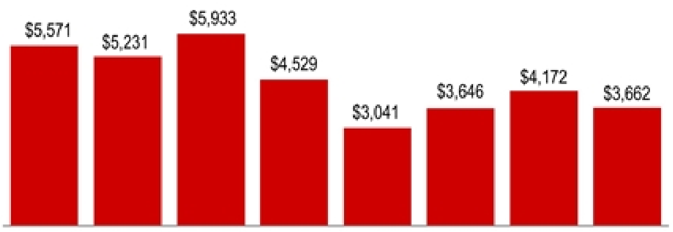
Grow Market Share	• Added new customer contracts and awards (*e.g.* Eversource, Noble Midstream, Ameren, Total)
Maximize Profitability	• Achieved 19.8% adjusted gross margins • 41% of revenue from valves in 1Q 2020 – Highest in company history • On-track to increase valves to 40-42% of total revenue in 2020 and 45% in 2023
Maximize Working Capital Efficiency	• Achieved 19.3% of working capital, net of cash, to sales – surpassed 20% target • Targeting 19.5% to 19.9% for 2020
Optimize Capital Structure	• Repurchased $3 million of Term Loan B at a 23% discount. • Reduced net debt by $26 million in 1Q20 from 4Q19 • Generated $37 million cash from operations in 1Q20

Appendix

Annual Financial Performance

($ millions, except per share data)

Sales

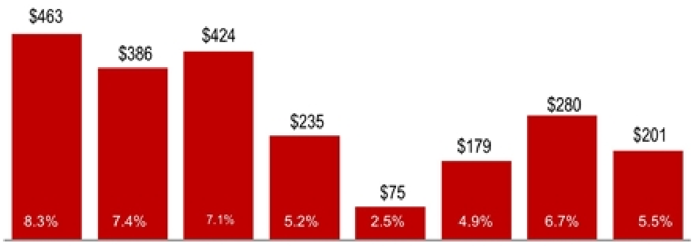


	2012	2013	2014	2015	2016	2017	2018	2019
Y-o-Y Growth		*(6%)*	*13%*	*(24%)*	*(33%)*	*20%*	*14%*	*(12%)*

Adjusted Gross Profit and % Margin[1]

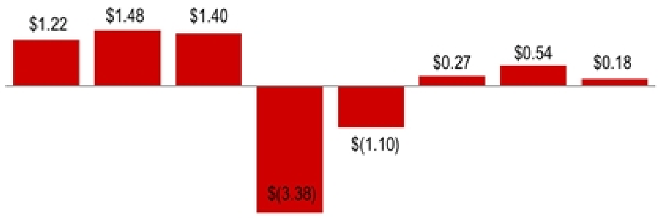
	2012	2013	2014	2015	2016[2]	2017[3]	2018	2019[4]
Y-o-Y Growth		*(5%)*	*11%*	*(27%)*	*(36%)*	*30%*	*21%*	*(13%)*

Adjusted EBITDA and % Margin[1]



	2012	2013	2014	2015	2016	2017	2018	2019
Y-o-Y Growth		*(17%)*	*10%*	*(45%)*	*(68%)*	*139%*	*56%*	*(28%)*

Diluted EPS



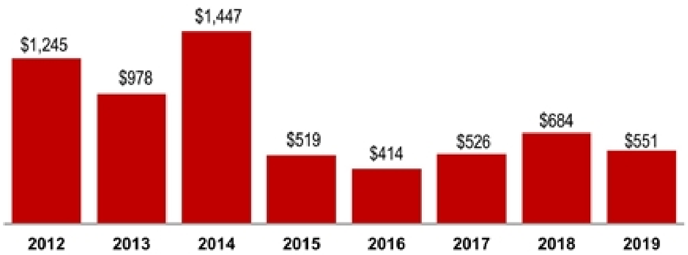
	2012	2013	2014	2015	2016	2017	2018	2019
Y-o-Y Growth		*21%*	*(5%)*	*NM*	*67%*	*125%*	*100%*	*(67%)*

1. See reconciliation of non-GAAP measures to GAAP measures in the appendix
2. Includes $45 million of non-cash charges recorded in cost of goods sold & the international segment for the year ended December 31, 2016. Charges relate to a restructuring of our Australian business and market conditions in Iraq as well as an increase in reserves for excess and obsolete inventory in the U.S. and Canada as a result of the market outlook for certain products. Excluding these charges for the year ended December 31, 2016, gross profit, as reported would be $513 million (16.9%) and adjusted gross profit would be $568 million (18.7%).
3. Includes $6 million of non-cash charges recorded in cost of goods sold & in the international segment for the year ended December 31, 2017. Charges are related to reducing our local presence in Iraq. 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%).
4. Includes $5 million of non-cash charges (pre-tax) recorded in cost of goods sold in our international segment for excess and obsolete inventory, and $3 million of charges (pre-tax) recorded in sales for the final settlement of a multi-year customer project, for each of the three months and year ended December 31, 2019. Excluding these charges for the three months ended December 31, 2019 gross profit, as reported would be $139 million (18.1%) and adjusted gross profit would be $154 million (20.0%). Excluding these charges for the year ended December 31, 2019 gross profit, as reported would be $661 million (18.0%) and adjusted gross profit would be $722 million (19.7%).

Balance Sheet

($ millions)

Total Debt



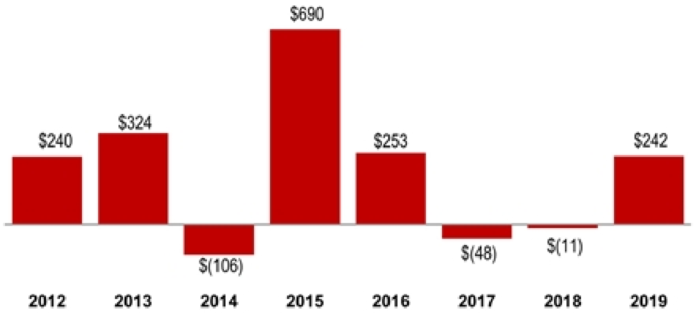
Net Leverage[1]:

2012	2013	2014	2015	2016	2017	2018	2019
2.6x	2.5x	3.4x	1.9x	4.0x	2.7x	2.3x	2.6x

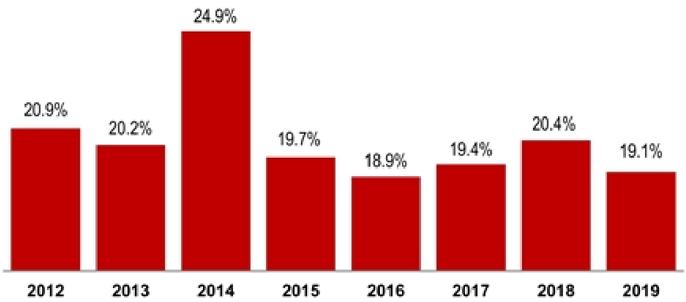
Capital Structure

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

Cash Flow from Operations



Net Working Capital as % of Sales[2]



1. Multiples represent Net Debt / trailing twelve months Adjusted EBITDA. Net Debt is Total Debt less Cash.
2. Working capital defined as Current Assets (excluding Cash) – Current Liabilities. Sales are on trailing twelve months basis.

Adjusted Gross Profit Reconciliation

	Three months ended				Year ended December 31							
($ millions)	March 31, 2020	Dec 31, 2019	March 31, 2019		2019	2018	2017	2016	2015	2014	2013	2012
Gross profit	**$ 148**	**$ 131**	**$ 174**		**$ 653**	**$ 689**	**$ 582**	**$ 468**	**$ 786**	**$ 1,018**	**$ 955**	**$ 1,014**
Depreciation and amortization	**5**	**5**	5		**21**	23	22	22	21	22	22	19
Amortization of intangibles	**7**	**9**	11		**42**	45	45	47	60	68	52	49
(Decrease) increase in LIFO reserve	**(3)**	**1**	-		**(2)**	62	28	(14)	(53)	12	(20)	(24)
Adjusted Gross Profit	**$ 157**	**$ 146**	**$ 190**		**$ 714**	**$ 819**	**$ 677**	**$ 523**	**$ 814**	**$ 1,120**	**$ 1,009**	**$ 1,058**

Note: Adjusted Gross Profit is a non-GAAP measure. For a discussion of the use of Adjusted Gross Profit, see our Current Report on Form 8-K dated April 28, 2020.

Adjusted EBITDA Reconciliation

	Three months ended			Year ended December 31							
($ millions)	March 31, 2020	Dec 31, 2019	March 31, 2019	2019	2018	2017	2016	2015	2014	2013	2012
Net income (loss)	**$ 9**	**$ (24)**	**$ 18**	**$ 39**	**$ 74**	**$ 50**	**$ (83)**	**$ (331)**	**$ 144**	**$ 152**	**$ 118**
Income tax expense (benefit)	5	5	6	27	21	(43)	(8)	(11)	82	85	64
Interest expense	8	9	11	40	38	31	35	48	62	61	113
Depreciation and amortization	5	5	5	21	23	22	22	21	22	22	19
Amortization of intangibles	7	9	11	42	45	45	47	60	68	52	49
(Decrease) increase in LIFO reserve	(3)	1	-	(2)	62	28	(14)	(53)	12	(20)	(24)
Inventory-related charges	-	5	-	5	-	6	40	-	-	-	-
Supplier bad debt	-	5	-	5	-	-	-	-	-	-	-
Goodwill & intangible asset impairment	-	-	-	-	-	-	-	462	-	-	-
Change in fair value of derivative instruments	-	-	-	-	(1)	1	(1)	1	1	(5)	(2)
Equity-based compensation expense	2	4	4	16	14	16	12	10	9	15	8
Severance & restructuring charges	-	4	-	9	4	14	20	14	8	1	-
Write off of debt issuance costs	-	-	-	-	1	8	1	3	-	-	-
Litigation matter	-	-	-	-	-	3	-	3	-	-	-
Foreign currency losses (gains)	2	-	1	(1)	(1)	(2)	4	3	3	13	(1)
Loss on disposition of non-core product line	-	-	-	-	-	-	-	5	10	-	-
Insurance charge	-	-	-	-	-	-	-	-	-	2	-
Cancellation of executive employment agreement (cash portion)	-	-	-	-	-	-	-	-	3	-	-
Expenses associated with refinancing	-	-	-	-	-	-	-	-	-	5	2
(Gain) loss on early extinguishment of debt	(1)	-	-	-	-	-	-	-	-	-	114
Pension settlement	-	-	-	-	-	-	-	-	-	-	4
Other expense (income)	-	-	-	-	-	-	-	-	-	3	(1)
Adjusted EBITDA	**$ 34**	**$ 23**	**$ 56**	**$ 201**	**$ 280**	**$ 179**	**$ 75**	**$ 235**	**$ 424**	**$ 386**	**$ 463**

Note: Adjusted EBITDA is a non-GAAP measure. For a discussion of the use of Adjusted EBITDA, see our Current Report on Form 8-K dated April 28, 2020.