
**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 11, 2021

MRC GLOBAL INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

001-35479
(Commission File Number)

20-5956993
(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 2.02 Results of Operations and Financial Condition

On February 11, 2021, MRC Global Inc. (“MRC Global” or the “Company”) issued a press release announcing its financial results for the year ended December 31, 2020. 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 February 11, 2021, MRC Global Inc. announced its financial results for the three and twelve months ended December 31, 2020. 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.

Investor Conference Presentation

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 99.3 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 99.3 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 99.3 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 11, 2021](#)

99.2 [Earnings presentation of MRC Global Inc. dated February 11, 2021](#)

99.3 [Investor conference presentation of MRC Global Inc. dated February 11, 2021](#)

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

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 11, 2021

MRC GLOBAL INC.

By: /s/ Kelly Youngblood

Kelly Youngblood

Executive Vice President and Chief Financial Officer

INDEX TO EXHIBITS

Exhibit No.	Description
99.1	Press release of MRC Global Inc. dated February 11, 2021
99.2	Earnings presentation of MRC Global Inc. dated February 11, 2021
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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



MRC Global Announces Full Year and Fourth Quarter 2020 Results

<u>Full Year 2020:</u>	<u>Fourth Quarter 2020:</u>
Sales of \$2,560 million	Sales of \$579 million
Net loss attributable to common stockholders of (\$298) million	Net loss attributable to common stockholders of (\$11) million
Adjusted Gross Profit of 19.7%	Adjusted Gross Profit of 19.7%
Adjusted EBITDA of \$97 million	Adjusted EBITDA of \$22 million
Cash Flow from Operations \$261 million	Cash Flow from Operations of \$83 million
Net debt of \$264 million, a reduction of 49%	
Total available liquidity of \$551 million	

Houston, TX – February 11, 2021 – MRC Global Inc. (NYSE: MRC), the largest global distributor, based on sales, of pipe, valves and fittings and other infrastructure products and services to the energy industry, today announced full year and fourth quarter 2020 results.

The company's sales were \$579 million for the fourth quarter of 2020, which was 1% lower than the third quarter of 2020 and 24% lower than the fourth quarter of 2019. Sequential sales were essentially flat as both the gas utilities and upstream production sectors experienced growth, offset by declines in the midstream pipeline and downstream and industrial sectors. The international segment also experienced growth on a sequential basis. As compared to the fourth quarter of 2019, the decline in sales was across all sectors and segments, with the exception of the gas utilities segment, which experienced significant growth.

Net loss attributable to common stockholders for the fourth quarter of 2020 was (\$11) million, or (\$0.13) per diluted share, as compared to a net loss of (\$30) million, or (\$0.37) per diluted share in the fourth quarter of 2019. Please refer to the reconciliation of adjusted net income (loss) (a non-GAAP measure) to net income (loss) (a GAAP measure) included in this release.

Andrew R. Lane, MRC Global's president and chief executive officer stated, "Overcoming enormous challenges in 2020, I am proud of our MRC Global team for staying focused and executing our strategy for long-term shareholder value. We exceeded all the targets we set for 2020 including generating \$261 million of cash from operations and reducing our net debt by almost half to \$264 million, with a leverage ratio of 2.7 times. We ended the year with \$119 million in cash and our term loan does not mature until 2024. We set a new record for adjusted gross margins in 2020 achieving 19.7% for the year. We also reduced our normalized operating costs by \$113 million in 2020, with a majority of these structural, positioning the company well for higher incremental margins going forward. I am also very happy that despite the challenges of the pandemic, we stayed focused on our employee safety and finished the year with the best recorded safety performance in our history. As the oil and gas market recovers, we are well-positioned with a great team, \$551 million in liquidity and a lean cost structure that will allow us to take full advantage of the opportunities ahead.

"Next week, MRC Global celebrates a significant milestone, our 100-year anniversary, an achievement few can claim. It is just the beginning however, and we look forward to remaining the leading global PVF distributor to the oil and gas industry providing world-class supply chain solutions for our customers, creating new opportunities for our employees and generating superior returns for our shareholders." Mr. Lane added.

MRC Global's fourth quarter 2020 gross profit was \$90 million, or 15.5% of sales, as compared to gross profit of \$131 million, or 17.1% of sales, in the fourth quarter of 2019. Gross profit for the fourth quarter of 2020 and 2019 each reflect expense of \$1 million 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 2020 and 2019 was also negatively impacted by \$12 million and \$5 million of pre-tax charges related to the non-cash write-off of excess and obsolete inventory, respectively. Adjusted gross profit, which excludes these items as well as others, was 19.7% in both the fourth quarter of 2020 and 2019. Please refer to the reconciliation of adjusted gross profit (a non-GAAP measure) to gross profit (a GAAP measure) included in this release.

Selling, general and administrative (SG&A) expenses were \$97 million, or 16.8% of sales, for the fourth quarter of 2020 compared to \$141 million, or 18.4% of sales, for the same period of 2019. SG&A expenses for the fourth quarter of 2020 and 2019 include \$2 million and \$4 million of pre-tax severance and restructuring charges. SG&A expenses for the fourth quarter of 2020 also include \$1 million of pre-tax sub-lease income.

For the three months ended December 31, 2020, the income tax benefit was (\$2) million on a (\$7) million pre-tax loss resulting in an effective tax rate of 29%. The company's 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. For the three months ended December 31, 2019, the income tax expense was \$5 million on a (\$19) million pre-tax loss. This was due primarily to losses incurred in foreign jurisdictions with no corresponding tax benefit and additional taxes related to changes in tax regulations.

Adjusted EBITDA was \$22 million in the fourth quarter of 2020 compared to \$23 million for the same period in 2019. Please refer to the reconciliation of non-GAAP measures (adjusted EBITDA) to GAAP measures (net income) in this release.

Sales by Segment

U.S. sales in the fourth quarter of 2020 were \$448 million, down \$160 million, or 26%, from the same quarter in 2019. Gas utilities' sector sales were up \$38 million or 21% as many customers increased spending in the fourth quarter, which is uncommon compared to historical trends, due to a budget catch-up from lower spending earlier in the year related to pandemic restrictions. Downstream and industrial sector sales declined by \$68 million, or 36%, as critical turnarounds were completed but overall spending was reduced in response to lower demand created by the pandemic. Upstream production sector sales declined \$77 million, or 55%, as a result of reduced spending from the pandemic and a 57% reduction in well completions. Midstream pipeline sector sales declined \$53 million, or 51%, primarily due to less customer spending as projects were canceled or delayed associated with reduced demand for infrastructure as production declined.

Canadian sales in the fourth quarter of 2020 were \$23 million, down \$20 million, or 47%, from the same quarter in 2019 driven by the upstream sector, which was adversely affected by the pandemic and associated reduced demand.

International sales in the fourth quarter of 2020 were \$108 million, down \$7 million, or 6%, from the same period in 2019 driven primarily by weaker demand in the upstream sector from the impact of the pandemic particularly in the Middle East and Norway. Stronger foreign currencies relative to the U.S. dollar favorably impacted sales by \$5 million.

Sales by Sector

Gas utilities sales in the fourth quarter of 2020 were \$217 million, or 37% of total sales, up \$37 million, or 21%, from the fourth quarter of 2019 due primarily to the U.S. segment, as described above.

Downstream and industrial sales in the fourth quarter of 2020 were \$174 million, or 30% of total sales, down \$70 million, or 29%, from the fourth quarter of 2019 due primarily to the U.S. segment, as described above.

Upstream production sales in the fourth quarter of 2020 were \$126 million, or 22% of total sales, down \$98 million, or 44%, from the fourth quarter of 2019. The decrease in upstream sales was across all geographic segments, as described above.

Midstream pipeline sales in the fourth quarter of 2020 were \$62 million, or 11% of total sales, down \$56 million, or 47%, from the fourth quarter of 2019 due primarily to the U.S. segment, as described above.

Balance Sheet and Cash Flow

Cash balances were \$119 million at December 31, 2020. Debt, net of cash, was \$264 million and excess availability under the company's asset-based lending facility was \$432 million as of December 31, 2020. Cash provided by operations was \$83 million in the fourth quarter of 2020 resulting in \$261 million of cash provided by operations in 2020. Free cash flow (cash provided by operations less capital expenditures less preferred stock dividends) was \$226 million in 2020. The company believes MRC Global's liquidity position of \$551 million is sufficient to support the business and capital needs of the company.

COVID-19 Pandemic Impact

The COVID-19 pandemic and related mitigation measures have created significant volatility and uncertainty in the oil and gas industry. Oil demand has significantly deteriorated as a result. The unparalleled demand destruction has resulted in lower spending by our customers and reduced demand for the company's products and services. Although we have seen a modest improvement in oil demand, uncertainty exists as to when a more significant recovery will occur.

As a critical supplier to the global energy infrastructure and an essential business, the company has remained operational with no closures to any facilities. Our office staff initially worked from home as the pandemic began but has returned to the office in varying degrees depending on the stage of the pandemic at each locality. As of February 2, 2021, the company had 10 active COVID-19 illnesses reported, which is 0.4% of our global workforce. MRC Global has implemented various safety measures for employees working in the company's facilities and implemented remote working for those whose jobs permit it. MRC Global is committed to a safe working environment for all employees and is constantly monitoring its response in the locations where the company operates.

From a supply chain perspective, given the company's inventory position and the reduced demand, the company has fulfilled orders with little disruption.

Conference Call

The company will hold a conference call to discuss its fourth quarter and full year 2020 results at 10:00 a.m. Eastern Time (9:00 a.m. Central Time) on February 12, 2021. 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 February 26, 2021 and can be accessed by dialing 201-612-7415 and using pass code 13714607#. Also, an archive of the webcast will be available shortly after the call at www.mrcglobal.com for 90 days.

About MRC Global Inc.

MRC Global is the largest distributor of pipe, valves and fittings (PVF) and other infrastructure products and services to the energy industry, based on sales. Through approximately 230 service locations worldwide, approximately 2,600 employees and with 100 years of history, MRC Global provides innovative supply chain solutions and technical product expertise to customers globally across diversified end-markets including the upstream production, midstream pipeline, gas utility and downstream and industrial. MRC Global manages a complex network of over 200,000 SKUs and over 10,000 suppliers simplifying the supply chain for approximately 12,000 customers. With a focus on technical products, value-added services, a global network of valve and engineering centers and an unmatched quality assurance program, MRC Global is the trusted PVF expert. Find out more at 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," "look 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 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; 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 or imposed; significant substitution of alternative fuels for oil and gas; 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; adverse health events such as a pandemic; 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 the company's 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.

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. 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.

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)

	December 31, 2020	December 31, 2019
Assets		
Current assets:		
Cash	\$ 119	\$ 32
Accounts receivable, net	319	459
Inventories, net	509	701
Other current assets	19	26
Total current assets	966	1,218
Long-term assets:		
Operating lease assets	200	186
Property, plant and equipment, net	103	138
Other assets	19	19
Intangible assets:		
Goodwill, net	264	483
Other intangible assets, net	229	281
	\$ 1,781	\$ 2,325
Liabilities and stockholders' equity		
Current liabilities:		
Trade accounts payable	\$ 264	\$ 357
Accrued expenses and other current liabilities	94	91
Operating lease liabilities	37	34
Current portion of long-term debt	4	4
Total current liabilities	399	486
Long-term liabilities:		
Long-term debt, net	379	547
Operating lease liabilities	187	167
Deferred income taxes	70	91
Other liabilities	41	37
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, 106,315,296 and 105,624,750 issued, respectively	1	1
Additional paid-in capital	1,739	1,731
Retained deficit	(781)	(483)
Treasury stock at cost: 24,216,330 shares	(375)	(375)
Accumulated other comprehensive loss	(234)	(232)
	350	642
	\$ 1,781	\$ 2,325

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

	Three Months Ended		Year Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Sales	\$ 579	\$ 766	\$ 2,560	\$ 3,662
Cost of sales	489	635	2,129	3,009
Gross profit	90	131	431	653
Selling, general and administrative expenses	97	141	449	550
Goodwill and intangible asset impairment	-	-	242	-
Operating (loss) income	(7)	(10)	(260)	103
Other (expense) income:				
Interest expense	(6)	(9)	(28)	(40)
Other, net	6	-	5	3
(Loss) income before income taxes	(7)	(19)	(283)	66
Income tax (benefit) expense	(2)	5	(9)	27
Net (loss) income	(5)	(24)	(274)	39
Series A preferred stock dividends	6	6	24	24
Net (loss) income attributable to common stockholders	\$ (11)	\$ (30)	\$ (298)	\$ 15
Basic (loss) earnings per common share	\$ (0.13)	\$ (0.37)	\$ (3.63)	\$ 0.18
Diluted (loss) earnings per common share	\$ (0.13)	\$ (0.37)	\$ (3.63)	\$ 0.18
Weighted-average common shares, basic	82.1	81.8	82.0	83.0
Weighted-average common shares, diluted	82.1	81.8	82.0	83.9

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

	Year Ended	
	December 31, 2020	December 31, 2019
Operating activities		
Net (loss) income	\$ (274)	\$ 39
Adjustments to reconcile net income to net cash provided by (used in) operations:		
Depreciation and amortization	20	21
Amortization of intangibles	26	42
Equity-based compensation expense	12	16
Deferred income tax benefit	(21)	(5)
Amortization of debt issuance costs	1	1
Decrease in LIFO reserve	(19)	(2)
Goodwill and intangible asset impairment	242	-
Lease impairment and abandonment	14	-
Inventory-related charges	46	5
Provision for credit losses	2	2
Gain on sale leaseback	(5)	-
Other non-cash items	(3)	5
Changes in operating assets and liabilities:		
Accounts receivable	141	127
Inventories	173	95
Other current assets	7	10
Accounts payable	(98)	(79)
Accrued expenses and other current liabilities	(3)	(35)
Net cash provided by operations	<u>261</u>	<u>242</u>
Investing activities		
Purchases of property, plant and equipment	(11)	(18)
Proceeds from the disposition of property, plant and equipment	30	1
Other investing activities	-	1
Net cash provided by (used in) investing activities	<u>19</u>	<u>(16)</u>
Financing activities		
Payments on revolving credit facilities	(819)	(1,145)
Proceeds from revolving credit facilities	658	1,016
Payments on long-term obligations	(6)	(4)
Purchases of common stock	-	(75)
Dividends paid on preferred stock	(24)	(24)
Repurchases of shares to satisfy tax withholdings	(4)	(6)
Net cash used in financing activities	<u>(195)</u>	<u>(238)</u>
Increase (decrease) in cash	85	(12)
Effect of foreign exchange rate on cash	2	1
Cash beginning of year	32	43
Cash end of year	<u>\$ 119</u>	<u>\$ 32</u>

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

Disaggregated Sales by Segment

**Three Months Ended
December 31,**

	U.S.	Canada	International	Total
2020				
Gas utilities	\$ 216	\$ 1	\$ -	\$ 217
Downstream & industrial	119	3	52	174
Upstream production	63	17	46	126
Midstream pipeline	50	2	10	62
	<u>\$ 448</u>	<u>\$ 23</u>	<u>\$ 108</u>	<u>\$ 579</u>
2019				
Gas utilities	\$ 178	\$ 2	\$ -	\$ 180
Downstream & industrial	187	4	53	244
Upstream production	140	32	52	224
Midstream pipeline	103	5	10	118
	<u>\$ 608</u>	<u>\$ 43</u>	<u>\$ 115</u>	<u>\$ 766</u>

**Year Ended
December 31,**

	U.S.	Canada	International	Total
2020				
Gas utilities	\$ 821	\$ 11	\$ -	\$ 832
Downstream & industrial	566	15	205	786
Upstream production	329	89	182	600
Midstream pipeline	307	13	22	342
	<u>\$ 2,023</u>	<u>\$ 128</u>	<u>\$ 409</u>	<u>\$ 2,560</u>
2019				
Gas utilities	\$ 841	\$ 16	\$ -	\$ 857
Downstream & industrial	854	22	229	1,105
Upstream production	723	162	222	1,107
Midstream pipeline	538	26	29	593
	<u>\$ 2,956</u>	<u>\$ 226</u>	<u>\$ 480</u>	<u>\$ 3,662</u>

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

Sales by Product Line

Type	Three Months Ended		Year Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Line pipe	\$ 65	\$ 92	\$ 308	\$ 560
Carbon fittings and flanges	76	109	340	565
Total carbon pipe, fittings and flanges	141	201	648	1,125
Valves, automation, measurement and instrumentation	216	309	1,018	1,434
Gas products	138	126	517	551
Stainless steel and alloy pipe and fittings	32	42	128	177
General products	52	88	249	375
	<u>\$ 579</u>	<u>\$ 766</u>	<u>\$ 2,560</u>	<u>\$ 3,662</u>

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, 2020	Percentage of Revenue	December 31, 2019	Percentage of Revenue*
Gross profit, as reported	\$ 90	15.5%	\$ 131	17.1%
Depreciation and amortization	5	0.9%	5	0.7%
Amortization of intangibles	6	1.0%	9	1.2%
Increase in LIFO reserve	1	0.2%	1	0.1%
Inventory-related charges (1)	12	2.1%	5	0.7%
Adjusted Gross Profit	<u>\$ 114</u>	<u>19.7%</u>	<u>\$ 151</u>	<u>19.7%</u>

	Year Ended			
	December 31, 2020	Percentage of Revenue	December 31, 2019	Percentage of Revenue*
Gross profit, as reported	\$ 431	16.8%	\$ 653	17.8%
Depreciation and amortization	20	0.8%	21	0.6%
Amortization of intangibles	26	1.0%	42	1.1%
Decrease in LIFO reserve	(19)	(0.7)%	(2)	(0.1)%
Inventory-related charges (1)	46	1.8%	5	0.1%
Adjusted Gross Profit	<u>\$ 504</u>	<u>19.7%</u>	<u>\$ 719</u>	<u>19.6%</u>

Notes to above:

* Does not foot due to rounding

(1) In the fourth quarter of 2020, \$12 million of non-cash charges (pre-tax) recorded for excess and obsolete inventory recorded in cost of goods sold; \$9 million in the U.S., \$2 million in Canada and \$1 million in International. For the full year 2020, \$46 million of non-cash charges (pre-tax) recorded in cost of goods sold. Charges of \$28 million in the U.S. and \$2 million in Canada relate to excess and obsolete inventory as a result of the current market outlook for certain products. International segment charges of \$16 million relate to increased reserves for excess and obsolete inventory as well as the exit of the Thailand business. For each of the three months and year ended December 31, 2019, \$5 million of non-cash charges (pre-tax) were recorded in cost of goods sold in the international segment for excess and obsolete inventory. For each of the three months and year ended December 31, 2019, another \$3 million of charges (pre-tax) were recorded in U.S. sales for the final settlement of a multi-year customer project. Excluding those charges, adjusted gross profit for the three months ended and the year ended December 31, 2019 would have been 20.1% and 19.7%, respectively.

The company defines adjusted gross profit as sales, less cost of sales, plus depreciation and amortization, plus amortization of intangibles, plus inventory-related charges 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)

	Three Months Ended		Year Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Selling, general and administrative expenses	\$ 97	\$ 141	\$ 449	\$ 550
Severance and restructuring (1)	(2)	(4)	(14)	(9)
Facility closures (2)	1	-	(14)	-
Supplier bad debt and recovery of supplier bad debt (3)	-	(5)	2	(5)
Adjusted Selling, general and administrative expenses	<u>\$ 96</u>	<u>\$ 132</u>	<u>\$ 423</u>	<u>\$ 536</u>

Notes to above:

- (1) Employee severance and restructuring charges (pre-tax) associated with the company's cost reduction initiatives were recorded in 2020 and 2019. Charges of \$2 million recorded in the fourth quarter of 2020 with \$1 million in each of the U.S. and International segments. Charges of \$14 million were recorded in 2020 with \$8 million in the U.S., \$5 million in International and \$1 million in Canada. In the fourth quarter of 2019, charges of \$4 million were recorded with \$1 million in the U.S. segment and \$3 million in the International segment. For the year 2019, charges of \$9 million were recorded with \$6 million in the U.S. segment and \$3 million in the International segment.
- (2) Sub-lease income and charges (pre-tax) for lease impairments and abandonments related to facility closures, substantially non-cash, were recorded in 2020. In the fourth quarter, \$1 million of sub-lease income was recorded for an Australian property in the International segment. In 2020, a net charge of \$14 million was recorded with \$10 million in the International segment, \$3 million in the U.S. segment and \$1 million in Canada segment.
- (3) Charges (pre-tax) in 2019 related to a product claim from a foreign supplier and income (pre-tax) related to the collection of the same product claim in 2020.

The company defines adjusted selling, general and administrative (SG&A) expenses as SG&A, less severance and restructuring expenses, 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. The company presents adjusted SG&A because the company believes Adjusted SG&A is a useful indicator of the company's operating performance. 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)

	Three Months Ended		Year Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Net (loss) income	\$ (5)	\$ (24)	\$ (274)	\$ 39
Income tax (benefit) expense	(2)	5	(9)	27
Interest expense	6	9	28	40
Depreciation and amortization	5	5	20	21
Amortization of intangibles	6	9	26	42
Goodwill and intangible asset impairment (1)	-	-	242	-
Inventory-related charges (2)	12	5	46	5
Facility closures (3)	(1)	-	17	-
Severance and restructuring (4)	2	4	14	9
Increase (decrease) in LIFO reserve	1	1	(19)	(2)
Equity-based compensation expense (5)	4	4	12	16
Gain on early extinguishment of debt (6)	-	-	(1)	-
Supplier bad debt and recovery of supplier bad debt (7)	-	5	(2)	5
Gain on sale leaseback (8)	(5)	-	(5)	-
Foreign currency (gains) losses	(1)	-	2	(1)
Adjusted EBITDA	<u>\$ 22</u>	<u>\$ 23</u>	<u>\$ 97</u>	<u>\$ 201</u>

Notes to above:

- (1) Non-cash charges (pre-tax) recorded in the second quarter of 2020 for the impairment of \$217 million for goodwill and \$25 million for the U.S. indefinite-lived tradename asset. The goodwill impairment consisted of \$177 million for the U.S. segment and \$40 million for the International segment, resulting in a \$0 balance for the International segment.
- (2) In the fourth quarter of 2020, \$12 million of non-cash charges (pre-tax) recorded for excess and obsolete inventory recorded in cost of goods sold; \$9 million in the U.S., \$2 million in Canada and \$1 million in International. For the full year in 2020, \$46 million of non-cash charges (pre-tax) recorded in cost of goods sold. Charges of \$28 million in the U.S. and \$2 million in Canada relate to excess and obsolete inventory as a result of the current market outlook for certain products. International segment charges of \$16 million relate to increased reserves for excess and obsolete inventory as well as the exit of the Thailand business. For each of the three months and year ended December 31, 2019, \$5 million of non-cash charges (pre-tax) were recorded in cost of goods sold in the international segment for excess and obsolete inventory.
- (3) Sub-lease income and charges (pre-tax) for lease impairments and abandonments related to facility closures, substantially non-cash, were recorded in 2020. In the fourth quarter, \$1 million of sub-lease income was recorded for an Australian property in the International segment. In 2020, a net charge of \$14 million was recorded with \$10 million in the International segment, \$3 million in the U.S. segment and \$1 million in Canada segment. Also includes \$3 million of non-cash (pre-tax) charges for the write-down of assets for facilities with \$1 million in the International segment and \$2 million in the Canada segment, recorded in Other expense.
- (4) Employee severance and restructuring charges (pre-tax) associated with the company's cost reduction initiatives were recorded in 2020 and 2019. Charges of \$2 million recorded in the fourth quarter of 2020 with \$1 million in each of the U.S. and International segments. Charges of \$14 million were recorded in 2020 with \$8 million in the U.S., \$5 million in International and \$1 million in Canada. In the fourth quarter of 2019, charges of \$4 million were recorded with \$1 million in the U.S. segment and \$3 million in the International segment. For the year 2019, charges of \$9 million were recorded with \$6 million in the U.S. segment and \$3 million in the International segment.
- (5) Recorded in SG&A
- (6) Charge (pre-tax) related to the purchase of the senior secured Term Loan recorded in Other, net.
- (7) Charges (pre-tax) in 2019 related to a product claim from a foreign supplier and income (pre-tax) related to the collection of the same product claim in 2020.
- (8) Income (pre-tax) recorded in Other, net with \$4 million in the U.S. and \$1 million in Canada.

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 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, 2020			
	Three Months Ended		Year Ended	
	Amount	Per Share	Amount	Per Share
Net loss attributable to common stockholders	\$ (11)	\$ (0.13)	\$ (298)	\$ (3.63)
Goodwill and intangible asset impairment, net of tax ⁽¹⁾	-	-	234	2.85
Inventory-related charges, net of tax ⁽²⁾	9	0.11	38	0.46
Facility closures, net of tax ⁽³⁾	(1)	(0.01)	15	0.18
Severance and restructuring, net of tax ⁽⁴⁾	2	0.02	12	0.15
Recovery of supplier bad debt, net of tax ⁽⁵⁾	-	-	(2)	(0.02)
Gain on sale leaseback ⁽⁶⁾	(4)	(0.05)	(4)	(0.05)
Increase (decrease) in LIFO reserve, net of tax	1	0.01	(15)	(0.18)
Adjusted net loss attributable to common stockholders	<u>\$ (4)</u>	<u>\$ (0.05)</u>	<u>\$ (20)</u>	<u>\$ (0.24)</u>

	December 31, 2019			
	Three Months Ended		Year Ended	
	Amount	Per Share	Amount	Per Share
Net (loss) income attributable to common stockholders	\$ (30)	\$ (0.37)	\$ 15	\$ 0.18
Inventory-related charges, net of tax ⁽²⁾	5	0.06	5	0.06
Severance and restructuring, net of tax ⁽⁴⁾	3	0.04	7	0.08
Supplier bad debt, net of tax ⁽⁵⁾	5	0.06	5	0.06
Decrease in LIFO reserve, net of tax	-	-	(2)	(0.02)
Adjusted net (loss) income attributable to common stockholders	<u>\$ (17)</u>	<u>\$ (0.21)</u>	<u>\$ 30</u>	<u>\$ 0.36</u>

Notes to above:

- (1) Non-cash charges (after-tax) recorded in the second quarter of 2020 for the impairment of \$215 million for goodwill and \$19 million for the U.S. indefinite-lived tradename asset. The after-tax goodwill impairment consisted of \$175 million for the U.S. segment and \$40 million for the International segment, resulting in a \$0 balance for the International segment.
- (2) In the fourth quarter of 2020, \$9 million of non-cash charges (after-tax) recorded for excess and obsolete inventory recorded in cost of goods sold; \$7 million in the U.S., \$1 million in Canada and \$1 million in International. For the full year in 2020, \$38 million of non-cash charges (after-tax) recorded in cost of goods sold. Charges of \$22 million in the U.S. and \$1 million in Canada relate to excess and obsolete inventory as a result of the current market outlook for certain products. International segment charges of \$15 million relate to increased reserves for excess and obsolete inventory as well as the exit of the Thailand business. For each of the three months and year ended December 31, 2019, \$5 million of non-cash charges (after-tax) were recorded in cost of goods sold in the international segment for excess and obsolete inventory.
- (3) Sub-lease income and charges (after-tax) for lease impairments and abandonments related to facility closures, substantially non-cash, were recorded in 2020. In the fourth quarter, \$1 million of sub-lease income was recorded for an Australian property in the International segment. In 2020, a net charge (after-tax) of \$13 million was recorded with \$10 million in the International segment, \$2 million in the U.S. segment and \$1 million in the Canada segment. Also includes \$2 million of non-cash (after-tax) charges for the write-down of assets for facilities in Canada, recorded in Other expense.
- (4) Employee severance and restructuring charges (after-tax) associated with the company's cost reduction initiatives were recorded in 2020 and 2019. Charges of \$2 million recorded in the fourth quarter of 2020 with \$1 million in each of the U.S. and International segments. Charges of \$12 million were recorded in 2020 with \$6 million in the U.S., \$5 million in International and \$1 million in Canada. In the fourth quarter of 2019, charges of \$3 million were recorded with \$1 million in the U.S. segment and \$2 million in the International segment. For the full year 2019, charges of \$7 million were recorded with \$5 million in the U.S. segment and \$2 million in the International segment.
- (5) Charges (after-tax) in 2019 related to a product claim from a foreign supplier and income (pre-tax) related to the collection of the same product claim from a foreign supplier in 2020.
- (6) Income (after-tax) recorded in Other, net with \$3 million in the U.S. and \$1 million in Canada.

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. 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

100
YEARS
1921
2021



4Q 2020 Earnings Presentation

February 11, 2021



Andrew Lane

President & CEO

Kelly Youngblood

Executive Vice President & CFO



We Make Energy Flow.

Forward Looking Statements & 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," "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, 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 February 11, 2021.

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, adjusted net income, adjusted diluted EPS, adjusted SG&A, free cash flow and free cash flow after dividends) 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, gross profit or cash from operations. 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.

Fourth Quarter 2020 Results – Key Points



Cash Generation & Liquidity

- Generated **\$83 million** of cash from operations in 4Q20 & **\$261 million** in 2020
- Available Liquidity **\$551 million**



Debt Reduction

- Net debt of **\$264 million** as of 4Q20
 - a reduction of **\$105 million** in 4Q20 & **\$255 million** in the full year 2020



Working Capital Efficiency

- Net working capital to sales ratio (TTM) **17.5%** as of 4Q20, a company record



Revenue Generation

- 4Q20 revenue essentially flat with 3Q20



Cost Reductions

- Lowered operating costs significantly in 2020
- 4Q20 adjusted SG&A **\$96 million**, exceeding guidance
- 2020 **\$113 million** lower than 2019
 - Closed **5** facilities in 4Q20 and **27** in 2020
 - Reduced headcount by **73** in 4Q 20 and **597** in 2020
- Approx. **2/3** of reductions are structural



EBITDA

- 4Q20 adjusted EBITDA of **\$22 million** or **3.8%** of revenue



Profitability

- Adjusted gross profit percentage of **19.7%** in 4Q20 and for 2020
 - Record high for the full year
 - 4Q flat with 3Q

Note: See reconciliation of non-GAAP measures to GAAP measures in the appendix

Fourth Quarter 2020 Results

Revenue Highlights by Region and Industry Sector



REGION: Revenue Highlights 3Q20 vs. 4Q20



U.S.

Declined **3%** from reduced midstream pipeline and downstream and industrial revenue partially offset by increased gas utility and upstream production revenue



Canada

Declined **15%** primarily in midstream pipeline due to continued project delays and budget exhaustion.



International

Increased **14%** across all sectors driven by projects in Australia, and the UK as well as a downstream turnaround in the UK.



INDUSTRY SECTOR: Revenue Highlights 3Q20 vs. 4Q20



Gas Utilities

Increased **4%** due to large scale, multi-year integrity and replacement and modernization programs, catch-up spending from pandemic restrictions earlier in the year and new market share gains



Downstream & Industrial

Decreased **6%** driven by the U.S. segment due to lower overall spending throughout the year due to lower demand. Critical maintenance & turnaround work completed in 3Q led to a sharper decline in 4Q.



Upstream Production

Increased **7%** across all segments and led by the International segment

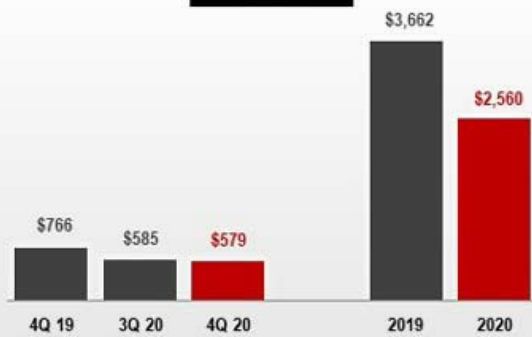


Midstream Pipeline

Declined **16%** due to lower production levels and reduced demand for infrastructure

Quarterly & Financial Performance YTD (*\$ millions, except per share data*)

SALES



ADJUSTED GROSS PROFIT & % MARGIN¹



ADJUSTED EBITDA & % MARGIN¹



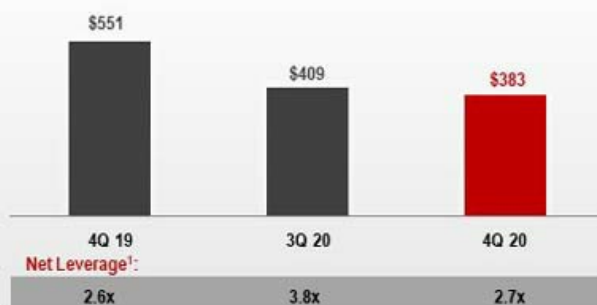
ADJUSTED DILUTED EPS¹



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

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

TOTAL DEBT



CAPITAL STRUCTURE

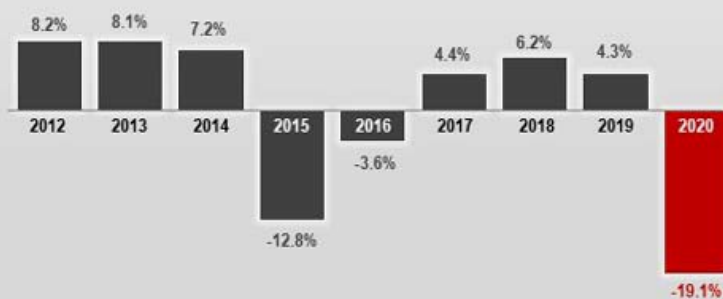
December 31, 2020

Cash and Cash Equivalents	\$119
Total Debt (including current portion):	
Term Loan B due 2024 (net of discount & deferred financing costs)	\$ 383
Global ABL Facility due 2022	-
Total Debt	\$ 383
Preferred stock	355
Common stockholders' equity	350
Total Capitalization	\$ 1,088
Liquidity	\$ 551

CASH FLOW FROM OPERATIONS



RETURN ON AVERAGE NET CAPITAL EMPLOYED²



1. Net leverage 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). Calculated with GAAP figures.

Long-term Strategy

Creating Sustainable Shareholder Value Through the Cycle



Grow Market Share

- Provide **superior customer service & cost-saving** supply chain solutions
- Focus on blue chip customers who demand **value-added service & technical expertise**
- 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**
- Grow E-commerce business to **expand market leadership**, while **lowering costs**



Maximize Working Capital Efficiency

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



Optimize Capital Structure

- **Optimize** capital structure with **financial flexibility** throughout the cycle

Long-term Strategy

4Q 2020 Accomplishments



Grow Market Share

- **Renewed** customer contracts (e.g., downstream)



Maximize Profitability

- Achieved **19.7%** adjusted gross margins in **4Q20** and **2020**
 - A new company record for annual adjusted gross margins
- **37%** of revenue from valves in **4Q 2020** and **40%** in **2020**
- Reduced operating costs **\$113M** in **2020**, on a normalized basis
- E-commerce revenue:
 - **39%** of total revenue in **4Q20**
 - **35%** of total revenue & **42%** of North America revenue in **2020**



Maximize Working Capital Efficiency

- Achieved **17.5%** of working capital, net of cash, to sales on TTM basis
- Surpassed target of **19.5%** to **19.9%** for **2020**



Optimize Capital Structure

- Generated **\$83M** cash from operations in **4Q20** and **\$261M** in **2020**
 - Reduced net debt by **\$105M** in **4Q20** and **\$255M** in **2020** (approx. **50%** reduction). Leverage ratio **2.7x**
 - **\$119M** cash balance and **\$551M** liquidity at year-end
-

Concluding Key Points



Focused on Operating Cost Reductions, Cash Flow & Balance Sheet Management

- SG&A:
 - Lowered by **\$113 million in 2020**, on a normalized basis
 - Run-rate less than **\$100 million** per quarter
- Liquidity **\$551 million**
- Generated **\$83 million** in cash from operations in **4Q20** and **\$261 million in 2020**
- Reduced net debt by **\$105 million** from **3Q20** and by **nearly half in 2020**
- Adjusted Gross Profit **19.7%** for **4Q20** and **2020** – a new company record



Delivering on Strategic Objectives

- Optimal balance sheet usage – reducing debt & continued working capital efficiency
- Strong cash flow generation – **\$261 million** of cash from operations in **2020**
- Continued investment in e-commerce solutions
- Maximizing profitability – reduced normalized SG&A to **\$96 million in 4Q20**
- Growing market share – added and renewed customer contracts



APPENDIX

APPENDIX

Adjusted Gross Profit Reconciliation

(\$ millions)	THREE MONTHS ENDED			YEAR ENDED DECEMBER	
	Dec 31, 2020	Sept. 30, 2020	Dec 31, 2019	2020	2019
Gross profit	\$ 90	\$ 114	\$ 131	\$ 431	\$ 653
Depreciation and amortization	5	5	5	20	21
Amortization of intangibles	6	7	9	26	42
(Decrease) increase in LIFO reserve	1	(11)	1	(19)	(2)
Inventory charges and other	12	-	5	46	5
Adjusted Gross Profit	\$ 114	\$ 115	\$ 151	\$ 504	\$ 719

Note: Adjusted gross profit is a non-GAAP measure. For a discussion of the use of adjusted gross profit, see our Current Report on Form 8-K dated February 11, 2021.

APPENDIX

Adjusted SG&A Reconciliation

(\$ millions)	THREE MONTHS ENDED		
	Dec. 31, 2020	Sept. 30, 2020	Dec. 31, 2019
SG&A	\$ 97	\$ 100	\$ 141
Severance and restructuring	(2)	(5)	(4)
Facility closures	1	-	-
Recovery of supplier bad debt & Supplier bad debt	-	2	(5)
Adjusted SG&A	\$ 96	\$ 97	\$ 132

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 February 11, 2021.

APPENDIX

Adjusted EBITDA Reconciliation

(\$ millions)	THREE MONTHS ENDED			YEAR ENDED DECEMBER 31	
	Dec. 31, 2020	Sept. 30, 2020	Dec. 31, 2019	2020	2019
Net income (loss)	\$ (5)	\$ 3	\$ (24)	\$ (274)	\$ 39
Income tax expense (benefit)	(2)	5	5	(9)	27
Interest expense	6	7	9	28	40
Depreciation and amortization	5	5	5	20	21
Amortization of intangibles	6	7	9	26	42
(Decrease) increase in LIFO reserve	1	(11)	1	(19)	(2)
Equity-based compensation expense	4	3	4	12	16
Foreign currency losses (gains)	(1)	2	-	2	(1)
Goodwill & intangible asset impairment	-	-	-	242	-
Inventory-related charges	12	-	5	46	5
Facility closures	(1)	-	-	17	-
Severance & restructuring charges	2	5	4	14	9
Gain on sale leaseback	(5)	-	-	(5)	-
Recovery of supplier bad debt & Supplier bad debt	-	(2)	5	(2)	5
Gain on early extinguishment of debt	-	-	-	(1)	-
Adjusted EBITDA	\$ 22	\$ 24	\$ 23	\$ 97	\$ 201

Note: Adjusted EBITDA is a non-GAAP measure. For a discussion of the use of adjusted EBITDA, see our Current Report on Form 8-K dated February 11, 2021.

APPENDIX

Adjusted Net Income Reconciliation

(\$ millions)	THREE MONTHS ENDED						YEAR ENDED DECEMBER 31			
	Dec. 31, 2020		Sept. 30, 2020		Dec. 31, 2019		2020		2019	
	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share
Net (loss) income attributable to common stockholders	\$ (11)	\$ (0.13)	\$ (3)	\$ (0.04)	\$ (30)	\$ (0.37)	\$ (298)	\$ (3.63)	\$ 15	\$ 0.18
Goodwill and intangible asset impairment, net of tax	-	-	-	-	-	-	234	2.85	-	-
Inventory-related charges, net of tax	9	0.11	-	-	5	0.06	38	0.46	5	0.06
Facility closures, net of tax	(1)	(0.01)	-	-	-	-	15	0.18	-	-
Severance and restructuring, net of tax	2	0.02	5	0.06	3	0.04	12	0.15	7	0.08
Recovery of supplier bad debt and supplier bad debt, net of tax	-	-	(2)	(0.02)	5	0.06	(2)	(0.02)	5	0.06
Gain on sale leaseback	(4)	(0.05)	-	-	-	-	(4)	(0.05)	-	-
Increase (decrease) in LIFO reserve, net of tax	1	0.01	(8)	(0.10)	-	-	(15)	(0.18)	(2)	(0.02)
Adjusted net (loss) income attributable to common stockholders	\$ (4)	\$ (0.05)	\$ (8)	\$ (0.10)	\$ (17)	\$ (0.21)	\$ (20)	\$ (0.24)	\$ 30	\$ 0.36

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 February 11, 2021.

APPENDIX

Free Cash Flow & Free Cash Flow After Dividends Reconciliations

(\$ millions)	THREE MONTHS ENDED		YEAR ENDED DECEMBER 31	
	Dec. 31, 2020	Dec. 31, 2019	2020	2019
Net cash provided by operations	\$ 83	\$ 108	\$ 261	\$ 242
Purchases of property, plant and equipment	(3)	(6)	(11)	(18)
Free cash flow	\$ 80	\$ 102	\$ 250	\$ 224
Dividends paid on preferred stock	(6)	(6)	(24)	(24)
Free cash flow after dividends	\$ 74	\$ 96	\$ 226	\$ 200

Note: Free cash flow and free cash flow after dividends are non-GAAP measures. The company presents free cash flow and free cash flow after dividends because the company believes they are useful indicators of the company's cash generation and liquidity after certain payments for assets and investors. The company uses free cash flow and free cash flow after dividends as key performance indicators in managing its business. The company believes that cash from operations is the financial measure calculated and presented in accordance with U.S. generally accepted accounting principles that is most directly comparable to free cash flow and free cash flow after dividends.

MRC Global

100
YEARS
1921
2021



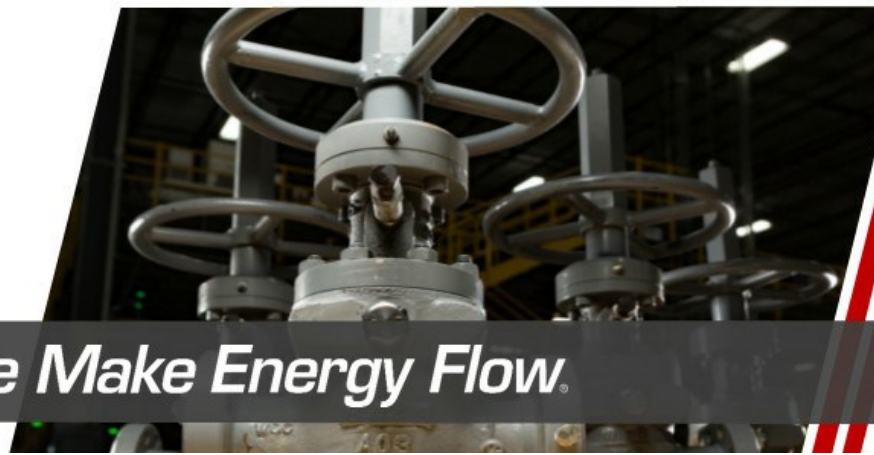
4Q 2020 Investor Conference
Presentation

February 11, 2021



Andrew Lane
President & CEO

Kelly Youngblood
Executive Vice President & CFO



We Make Energy Flow



Forward Looking Statements & 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,” “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, 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 February 11, 2021.

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, adjusted net income, adjusted diluted EPS, adjusted SG&A, free cash flow and free cash flow after dividends) 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, gross profit or cash from operations. 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.

MRC Global is a Leader in PVF Distribution – An Infrastructure Company

Largest Pipe, Valves & Fittings (PVF) Distributor – 2020 Sales of \$2.6B



Industrial Distributor with Diversified Business Mix

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



Key Role in Global Supply Chains of Energy Companies

- Create value for both customers & suppliers
- Closely integrated into customer supply chains
- Broad footprint with approximately **230** service locations in **17** countries
- Premier quality program, material sourcing & customer service



Balanced Approach to Capital Allocation

- Strong balance sheet with financial flexibility through the cycle

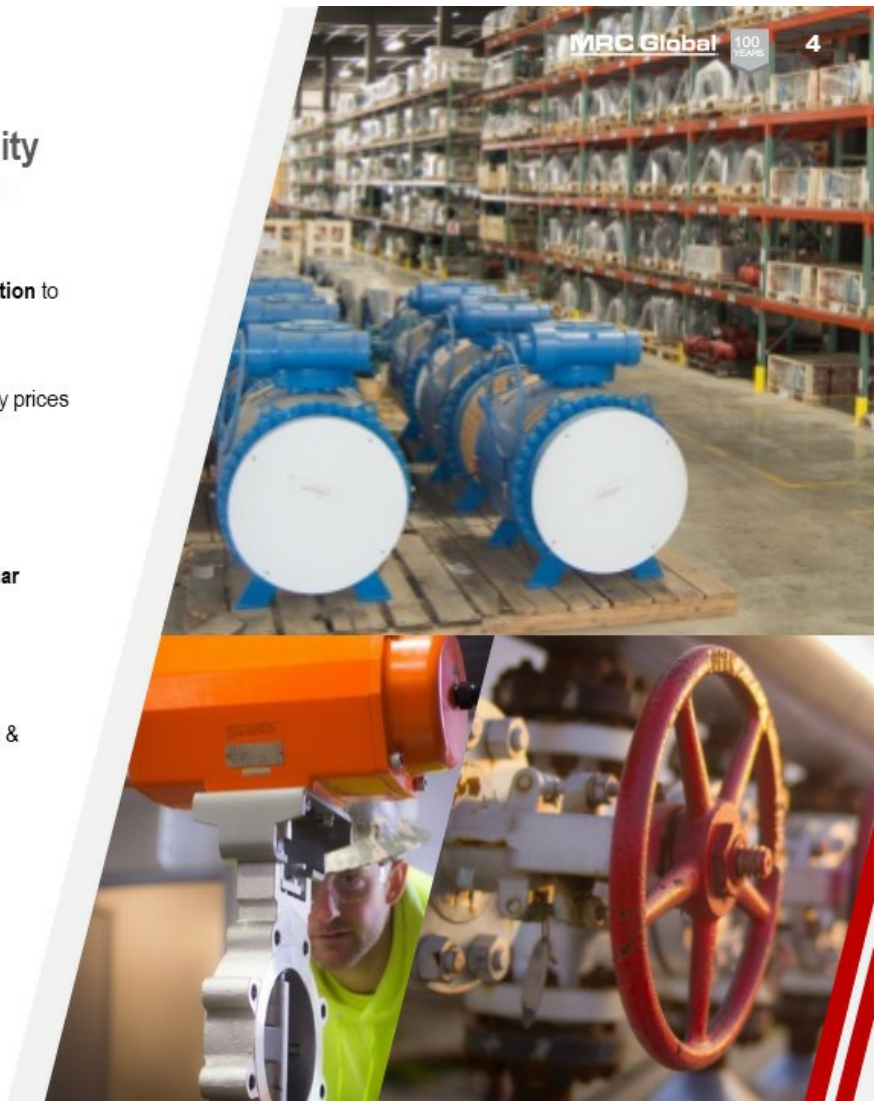
Revenue by Industry Sector



Compelling Investment Opportunity

World-class Management Team with Significant Distribution & Energy Experience

- **Market leader** in PVF distribution, serving **critical function** to the energy industry
- **Diversified** across sectors, regions & customers – **approximately half** of business **independent** of energy prices
- **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 & **long-term secular growth** from global energy demand
- **Proven history** of driving continuous productivity improvements
- Industry consolidator with **proven success** in acquiring & integrating businesses



2020 Accomplishments & Key Corporate Goals

Creating Sustainable Shareholder Value Through the Cycle



2020 Accomplishments

- Preserved and grew market share, maintaining our position as the **#1** PVF distributor to the energy industry
- Achieved **19.7%** adjusted gross margins, despite market headwinds (new company record)
- Valve related revenues represented **40%** of total company revenue
- Streamlined cost structure reducing operating costs by **\$113 million** in **2020**, positioning the company well for impending recovery
- E-Commerce based sales represent **35%** of company revenue & **42%** of North America revenue
- Generated **\$261 million** in cash from operations and reduced net debt position by **49%** - leverage ratio of **2.7X**
- **\$119 million** cash balance, **\$0** ABL balance and **\$551 million** of liquidity exiting **2020**

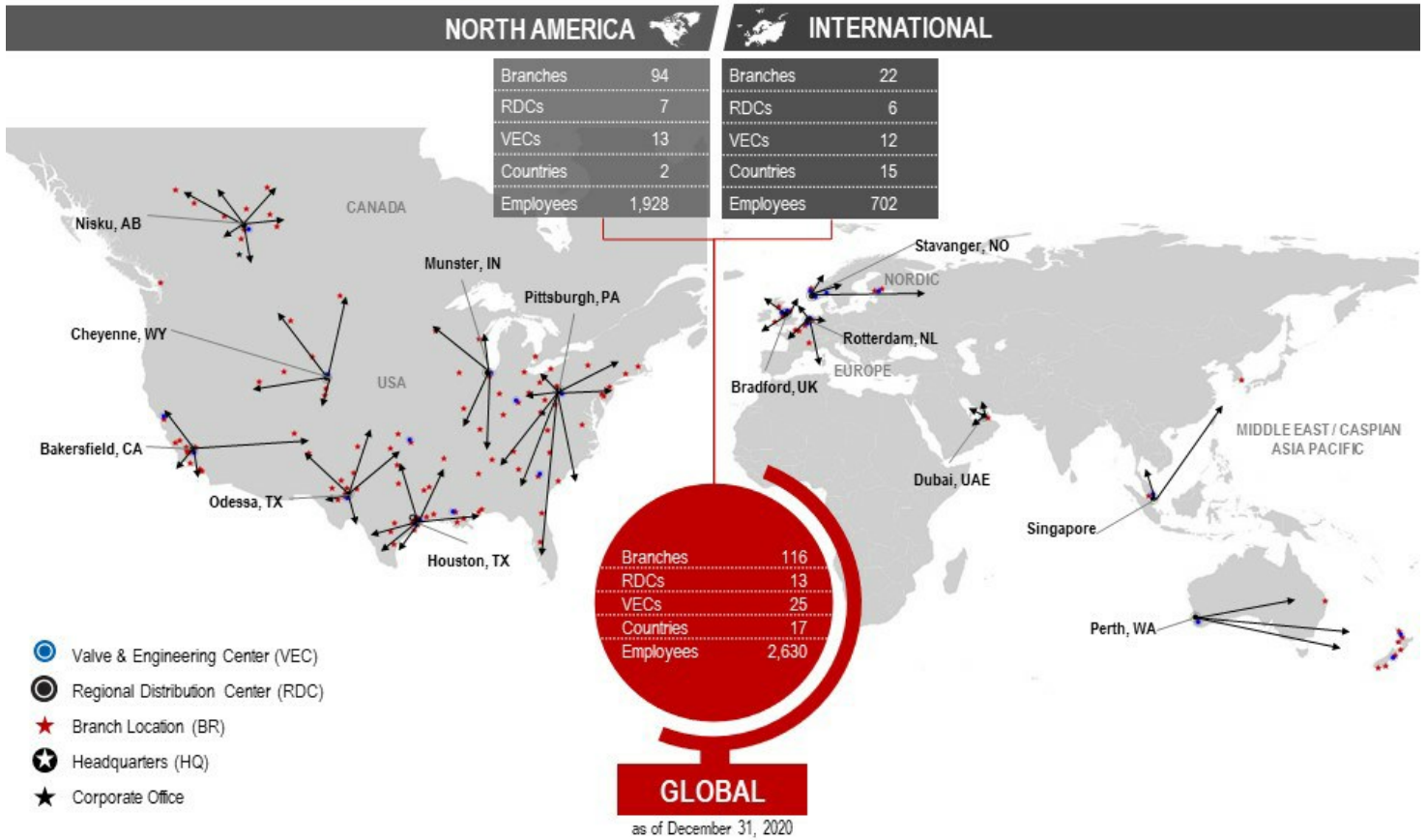


Goals 2021 - 2023

- Further end market diversification in less commodity price dependent businesses
- Gross margin strategy to yield consistent **20+%** margins
- Higher incremental margins due to structural cost reductions – EBITDA margins targeted to return to upper single-digits
- Valve-centric growth strategy with goal to represent **45%** of total company revenues
- Gas Utility sector targeted to exceed **\$1 billion** in revenue
- E-commerce based sales with goal to represent **50%** of total company revenues
- Continued debt reduction and strengthening of balance sheet
- Evaluate accretive M&A opportunities while maintaining financial discipline and strong balance sheet metrics

Global Footprint

Strategically Located in Key Geographies to Deliver Solutions to Customers



- Valve & Engineering Center (VEC)
- Regional Distribution Center (RDC)
- ★ Branch Location (BR)
- ★ Headquarters (HQ)
- ★ Corporate Office

MRC Global is a Critical Link Between Its Customers & Suppliers

Supplier Value Proposition

- ✓ Manufacturing and scale efficiencies
- ✓ Leverage MRC Global's footprint
- ✓ Access to approximately **12,000** 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

Long-Term End Market Growth Opportunities



Gas Utilities

- Gas utilities are investing in multi-year infrastructure modernization programs to upgrade old, lower pressure distribution systems and pipes, including steel & cast iron; enhancing the safety & integrity of the systems
- Continued commercial & residential infrastructure expansion



Downstream & Industrial

- Plant spending & upgrades are being driven by aging infrastructure & regulatory mandates, large & low-cost supply of hydrocarbon resources
- Increasing global demand for plastics & low cost, stable feedstock drives petrochemical investment particularly along the U.S. Gulf Coast



Upstream Production

- Capitalizing on oil & gas demand while recognizing the early stages of global energy transition & market consolidation
- Steep shale decline curves & manufacturing approach to shale drilling result in increasing well completions & facilities



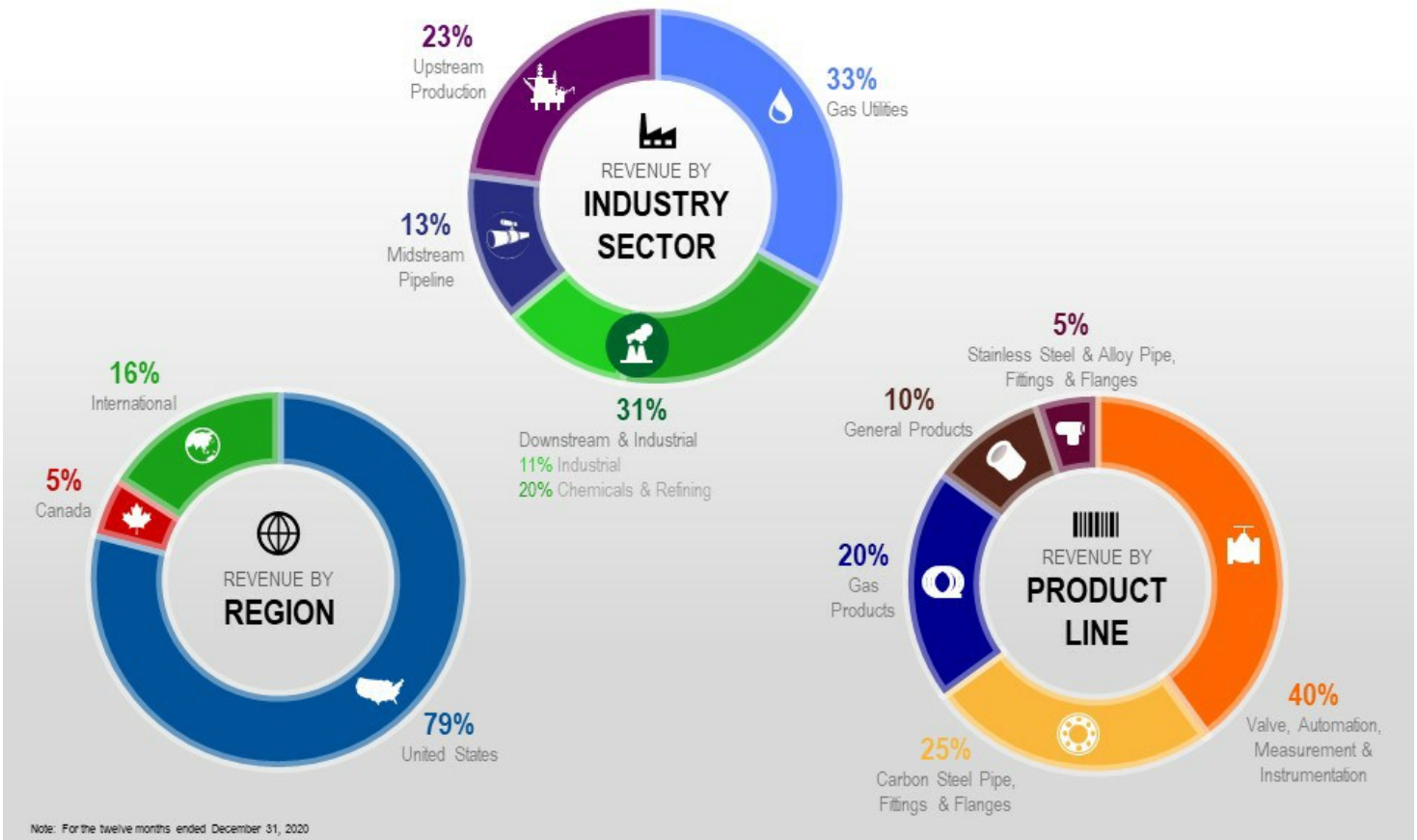
Midstream Pipeline

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



Well Positioned Through Cycle

Diversified by Region, Industry Sector & Product Line



Gas Utilities



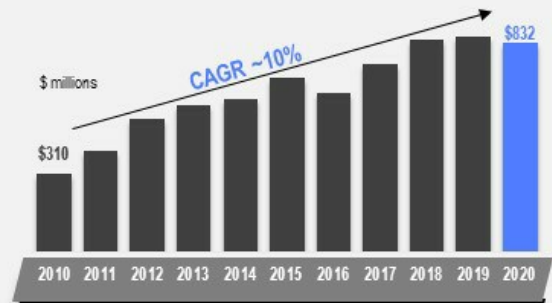
Providing Gas Products to Regulated Gas Utility Customers

- Business drivers:
 - Multi-year pipeline integrity projects & enhancement projects
 - New & upgrade residential & commercial installations
 - **Independent of commodity prices**
- Characteristics:
 - Relatively stable, steady growth
 - Largest provider of products & services to U.S. Gas Utilities
 - Contracts with **9** of the top **10** and **18** of the top **25** largest gas utilities in the U.S., including:
 - Atmos
 - NiSource
 - Duke
 - CenterPoint
 - PG&E
 - Southern Company Gas
 - Dominion
 - Strong customer relationships – average **19** years under continuous contract



Growth

- Expect a **\$1 billion** revenue base within **2** years
- Growth from customers' multi-year integrity projects under a guaranteed rate of return model as well as new market shares gains
- Customers' capex budgets typically grow about **5-7%** per year



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 the **10** largest refiners in the U.S., including:
 - Marathon Petroleum Company
 - Shell
 - Chevron
 - ExxonMobil
 - Valero
 - Phillips 66

- **Chemical & Industrial:**

- Recurring MRO revenue from planned & unplanned maintenance
- Distribute to a broad range of industrials including mining, power, pulp & paper, & OEMs (original equipment manufacturers).
- Low gas prices provide stable, advantaged feedstock for plastics
- **Customer budgets less oil & gas price dependent**
- Petrochemical customers include:
 - Chemours
 - Westlake Chemicals
 - LyondellBasell
 - CP Chem



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
- Walk-in counter sales at strategically located branches in active oil & gas production areas
- Primary drivers are customers' capital budgets for well completions & production tank battery upgrades & expansions
- Located in all major basins - revenue follows basin market activity levels
- Serve exploration & production (E&P) operators, including:
 - Chevron
 - Shell
 - ConocoPhillips
 - Canadian Natural Resources
 - Equinor
 - BP
 - California Resources Corporation



Midstream Pipeline



Providing PVF to Pipeline Infrastructure Customers

- **Transmission & Gathering:**
 - Provide PVF to midstream gathering and processing customers
 - Provide PVF bulks & shorts and logistical services to long-haul transmission customers
 - Benefit from modernization projects replacing older pipelines
 - Customers include:
 - TC Energy
 - Enterprise Products
 - Marathon Petroleum
 - Williams Partners
 - Oneok
 - Enbridge
 - DCP Midstream



Long-term Strategy

Creating Sustainable Shareholder Value Through the Cycle



Grow Market Share

- Provide **superior customer service & cost-saving** supply chain solutions
- Focus on blue chip customers who demand **value-added service & technical expertise**
- 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**
- Grow E-commerce business to **expand market leadership**, while **lowering costs**



Maximize Working Capital Efficiency

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



Optimize Capital Structure

- **Optimize** capital structure with **financial flexibility** throughout the cycle

E-Commerce Platform Capabilities Increase Efficiencies

 **Vision**...to create an end-to-end digital supply that connects MRC Global to its customers and vendors at every touch point.



Grow Digital Sales Channel

Grow digital adoption with existing customers

Market our digital capabilities



Customer Experience

Differentiated digital capabilities and superior customer experience that increase loyalty and "ease of doing business"



Lower Cost to Serve

Enable lower cost to serve via online channel with centralized service.

Reduce high cost – low profitability branch transactions



Digital Supply Chain Integration

Increase digital connections across the PVF supply chain by integrating with manufacturers and other vendors



Investing in E-Commerce Technology

Long-Term Growth & Efficiency

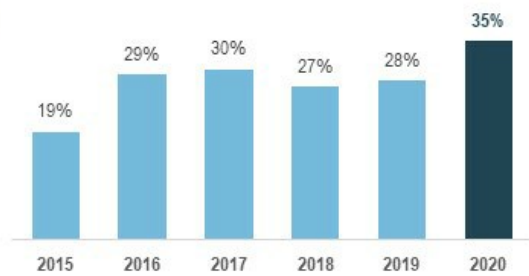
- E-Commerce based revenue expected to increase to **50%** of revenue by 2023
- Targeting smaller, transactional customers to lower the cost to serve – initial savings of **\$5 - \$10 million** expected by **2022**
- **4Q20** e-commerce revenue was **39%** of global & **48%** of North America revenue
- Gas utilities are **62%** of e-commerce revenue in **2020**
- **2020** results:
 - **\$902 million** of revenue generated through MRCGO™ e-commerce
 - **355** customers



51%

of the top 36 North American customers' TTM revenue or approximately **\$729 million** was transacted through MRCGO (e.g., all digital sales including catalog, EDI)

% of Global Revenue Generated via E-Commerce



MRC Global's Valve Growth Strategy

Valve-Centric Growth Strategy Provides Higher Margins

\$ U.S. Oil & Gas Valve Sales were **\$5.2B¹** (**\$2.6B** through distribution)

- **\$2.2B** Upstream & Midstream
- **\$3.0B** Downstream

#1 MRC Global is **#1** in U.S. Distributed Energy Valves

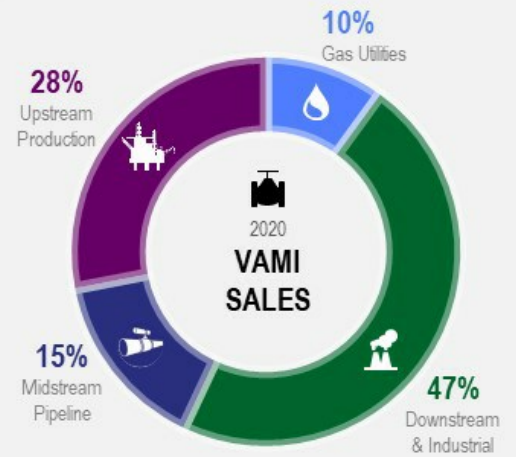
- Holder of **3** global, multi-year, valve contracts with IOCs:
 - Shell
 - Chevron
 - ExxonMobil

Valve, Automation, Measurement & Instrumentation (VAMI) Revenue

- VAMI is **40%** of MRC Global's total sales in **2020**
- Expected to be **45%** of total revenue in **2023**

Higher Margins

- Highly technical, complex & long lead-time global supply chain
- Value-added services
- Modifications



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

Market Penetration – Valve Engineering & Modification

Investment in Value-Added Valve Modification Capabilities



Valve Engineering & Modification Center at Houston Operations 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



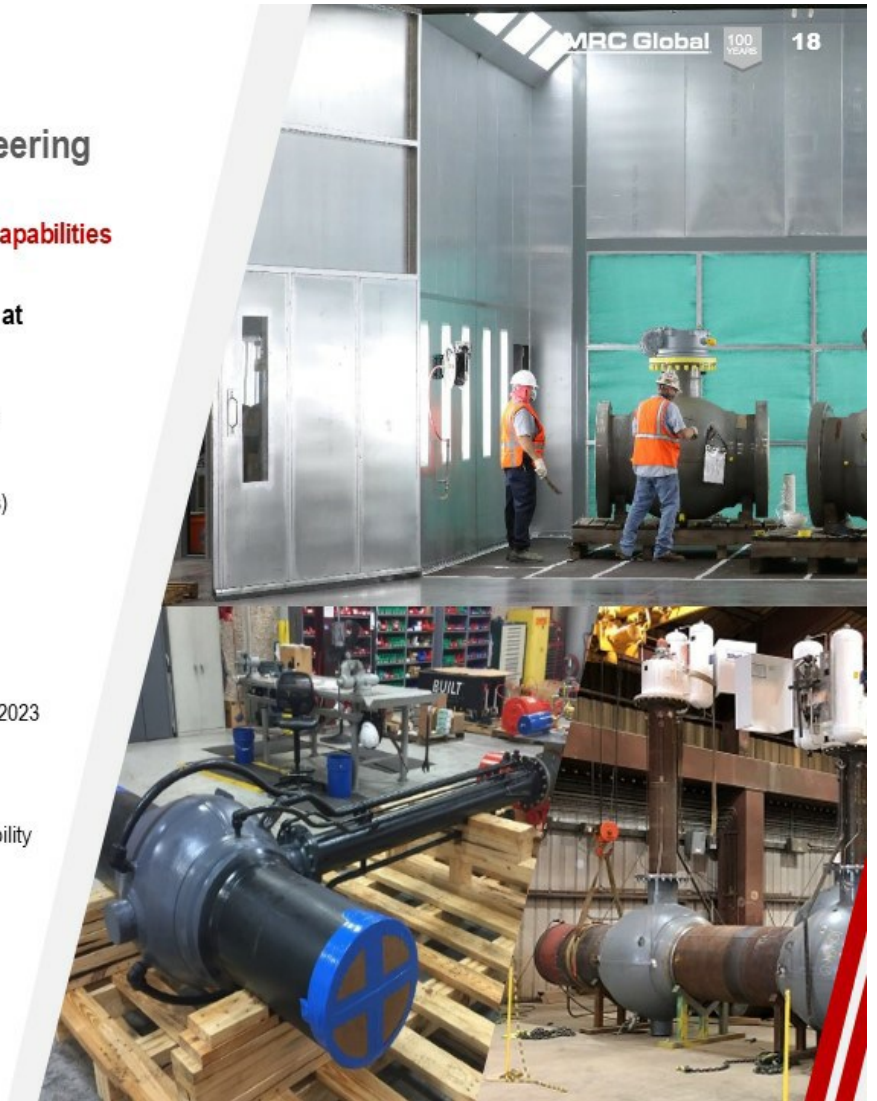
Market Penetration Opportunity

- Midstream pipelines valves
- Gas utilities valves
- Expected to double revenue to **\$100 million** by 2023



Higher Margins

- Value-added services
- Supports strategic objective to maximize profitability



Maximizing Profitability & Working Capital Efficiency



Product Margin Enhancement

- Investment in higher margin products & services:
 - VAMI services - Valve actuation/automation, modification, engineered solutions, traceability, testing, ValidTorque™
 - Expanded La Porte - 127,000 ft² valve engineering & modification center in 2019
- Reduction of lower margin products and projects



Working Capital Management

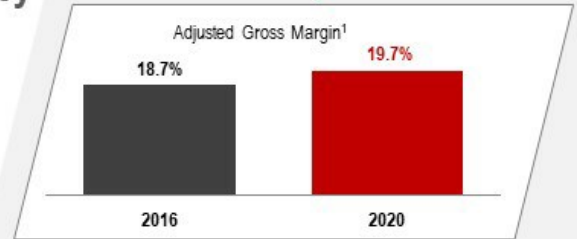
- 2020 Target – 19.5%–19.9% net working capital to sales ratio
- 2020 Result – 17.5% significantly exceeding the target & setting a new company record
- Investments in working capital are weighted to higher margin products
- Initiatives to increase efficiency underway (e.g., consolidating inventory in RDCs for better deployment)



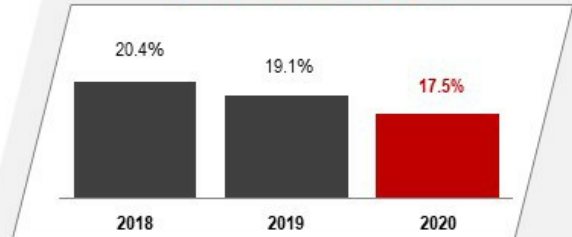
Actively Managing Costs

- SG&A, adjusted:
 - \$36 million lower in 4Q20 vs 4Q19 and \$113 million lower in 2020 vs 2019
- Actions taken to reduce SG&A in 2020 - ~66% structural
 - Closed & consolidated 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 all operations

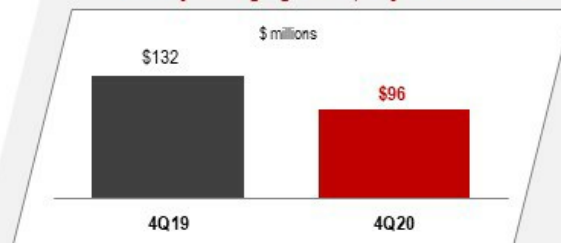
Portfolio Optimization



Optimizing Net Working Capital²



Actively Managing SG&A, Adjusted¹ Costs



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.

Strategic Capital Decisions Support Growth



Well-Positioned Balance Sheet

- Advantageous debt agreements with favorable terms, low interest rate and maturities **2022+**
- Liquidity of **\$551 million** at **12/31/20** – sufficient to support business strategy



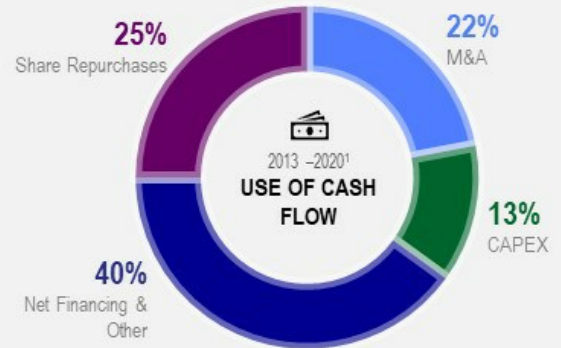
Capital Deployment Opportunities

- Debt reduction prioritized in near-term
 - Reduced debt **\$168M** YTD & **\$26M** in **4Q**
 - Repurchased **\$3M** of Term Loan B at a **23%** discount in **1Q**
- E-commerce investments to drive cost efficiencies & share gains
- Returned **\$375 million** of cash to shareholders from **2015** to **2019**
 - Repurchased **24.2 million** shares at an average price of **\$15.48** per share



Strong Operating Cash Flow Generation

- CFFO annual average is **\$205 million** from **2012** to **2020**
- Counter-cyclical cash flow generation
- Business consumes/releases **18%-20%** of working capital per change in sales, on average



Cumulative Annual Cash Flow from Operations



1. Investing and Financing cash flows from 2013 through 2020. Net Financing equals the total issuance less repayment of debt and equity excluding share repurchases.

Committed to Long-Term Sustainability



Environmental

- Pollution control – our products function to prevent hydrocarbon and chemical leaks – among other products, we provide low-e valve solutions to reduce fugitive waste emissions
- Committed to conservation, energy efficiency and safety
- Continually improving our environmental performance through increased efficiencies in our supply chain, including fewer transportation moves



Social Responsibility

- Strong safety culture
- Support the communities where we live and work
- Committed to ongoing stakeholder engagement



Governance

- Adopted SASB reporting standards
- Executive compensation tied to safety metric
- ESG Management Committee reports to Governance Committee



MRC Global's ESG Commitment

Committed to responsibly operating and long-term sustainability



Safety Performance

- **2020** TRIR and LWDR were the best recorded safety performance in the company's history
- **2020**: Top Quartile Safety Performance in a National Association Wholesaler-Distributors Survey (compared to last results in **2019** survey)



Sustainable Environment

- **94%** of **2020** valve sales from inventory are "Low-E" valves, preventing fugitive emissions of methane & other greenhouse gases
- Reduced North American Scope 1 emissions by approx. **44%** from **2013** to **2020**
- Produced less waste and increased U.S. recycling diversion by **3%** in **2020 (12%)** from **2019 (9%)**



Supplier Quality Process (Processes, Policies & Audits)

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



Diversity and Inclusion

- **33%** of Board of Directors from Diversity Groups
- Women make up **45%** of global corporate employees



For more information:

Governance- Proxy:

[Proxy Statement for our 2020 Annual Meeting of Stockholders](#)

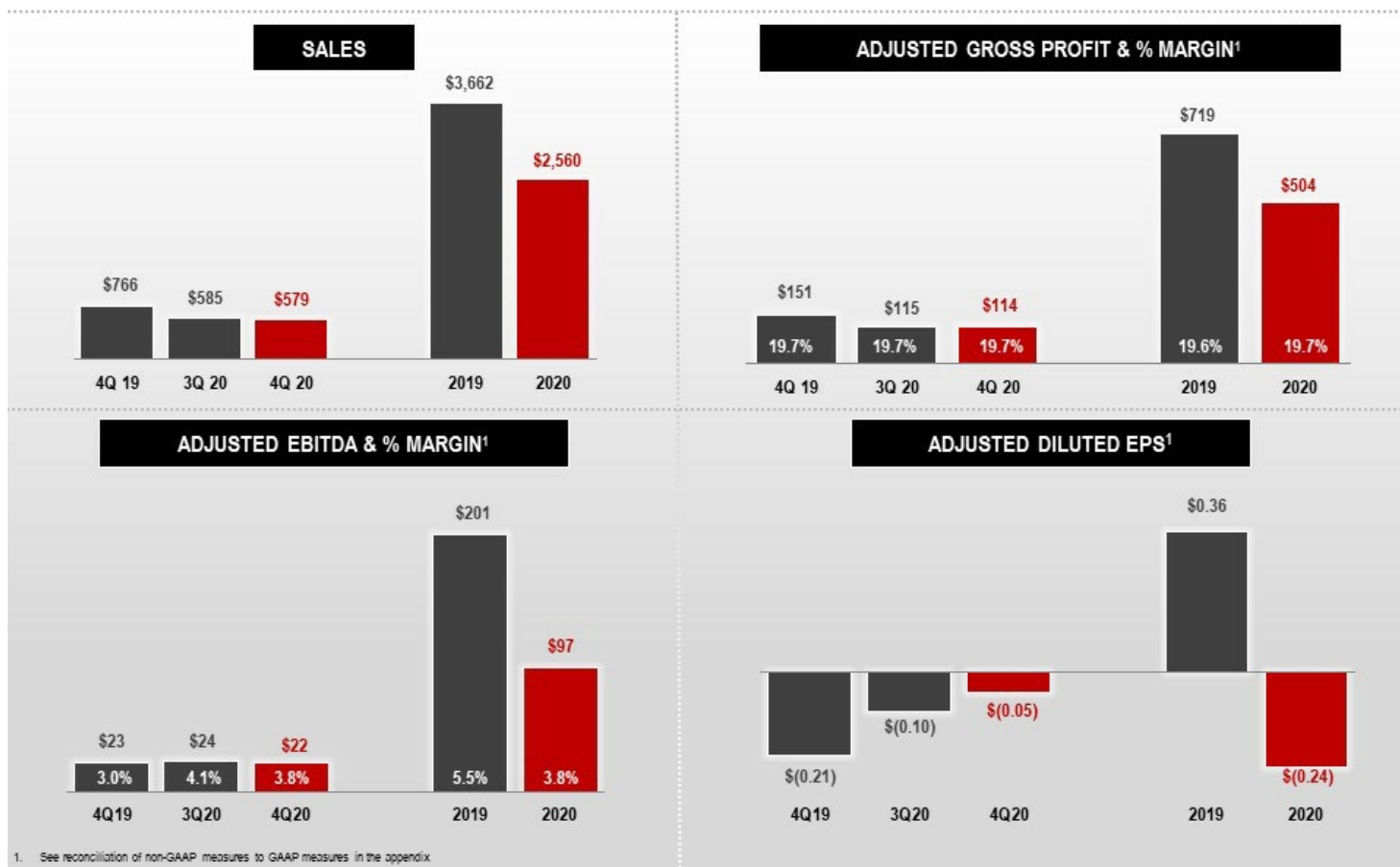
ESG Reports:

[2020 Environmental, Social Responsibility & Corporate Governance Report](#)

ESG Policies: [Corporate Social Responsibility](#)

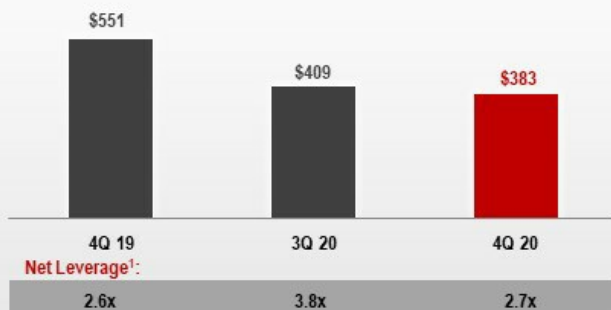
[Community Engagement](#) [Community Involvement](#)

Quarterly & Financial Performance YTD (\$ millions, except per share data)



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

TOTAL DEBT

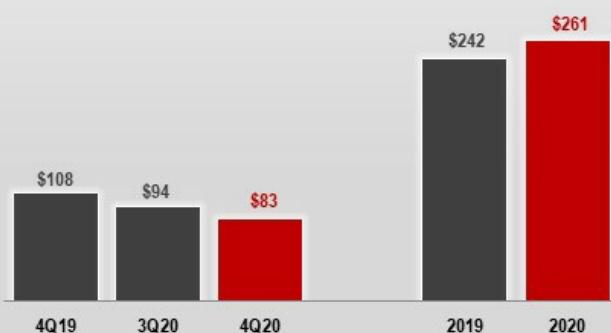


CAPITAL STRUCTURE

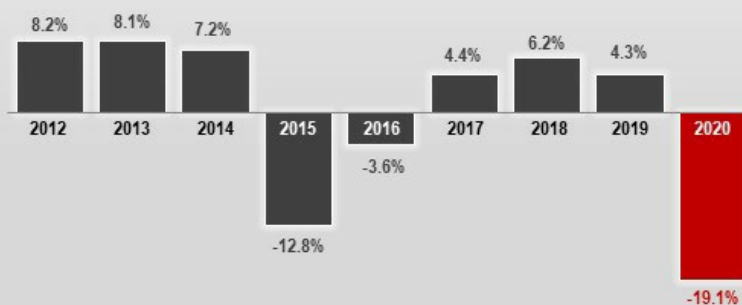
December 31, 2020

Cash and Cash Equivalents	\$119
Total Debt (including current portion):	
Term Loan B due 2024 (net of discount & deferred financing costs)	\$ 383
Global ABL Facility due 2022	-
Total Debt	\$ 383
Preferred stock	355
Common stockholders' equity	350
Total Capitalization	\$ 1,088
Liquidity	\$ 551

CASH FLOW FROM OPERATIONS



RETURN ON AVERAGE NET CAPITAL EMPLOYED²



1. Net leverage 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). Calculated with GAAP figures.

APPENDIX

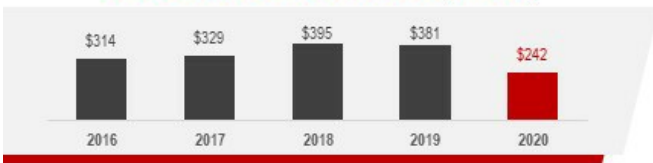
APPENDIX

Customer Contract Wins & Renewals

Strong Record Yields Growth Opportunities

- 1 Renew Existing & Obtain New MRO Contract Customers**
 - Approximately **56%** of sales are from our top **25** customers¹
- 2 Expand Global Chemical & Valve Businesses**
 - Target – Percent of total revenue from valves, automation, measurement and instrumentation: **Target - 45% in 2023 (2020 = 40%)**
- 3 Continue to Expand Integrated Supply Business**
 - 33%** of total revenue¹
- 4 Diversified Customer Base**
 - Serve **200+** fabrication customers

 Fabrication Customer Revenue (millions)



Selected Recent Contract Awards & Renewals

Customer	Type/ Scope	Products	Geography
LyondellBasell	Renewal	PVF	U.S.
Albemarle	Renewal	PVF	U.S.
PG&E	Renewal	Gas products	U.S.
Dominion	Renewal with expanded scope	Gas products	U.S.
TECO	Renewal	Gas Products	U.S.
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.

1. For the twelve months ended December 31, 2020

APPENDIX

Capital Structure & Liquidity Support Growth



Credit Agreements (ABL & Term Loan)

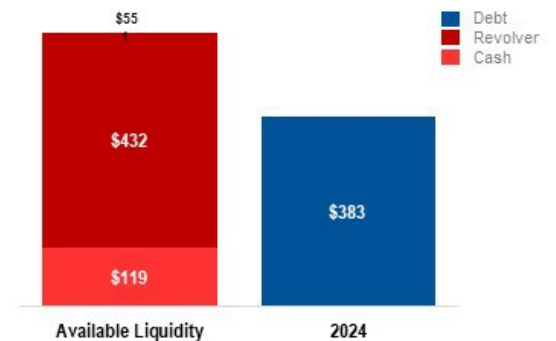
- Global ABL matures in September **2022** and Term Loan B matures in September **2024**
- Term Loan B has **1%** per year amortization, paid quarterly
- Term Loan B requires repayment in form of annual excess cash flow sweep based on leverage ratio (**25 - 50%** of annual "Excess Cash Flow")



Financial Maintenance Covenants

- Both the ABL & 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 **\$432 million**
 - "Fixed Charge Coverage Ratio" was **1.38** at **Dec. 31, 2020**
- The ABL & 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.

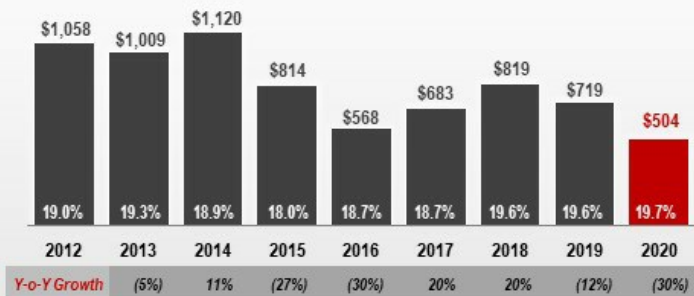
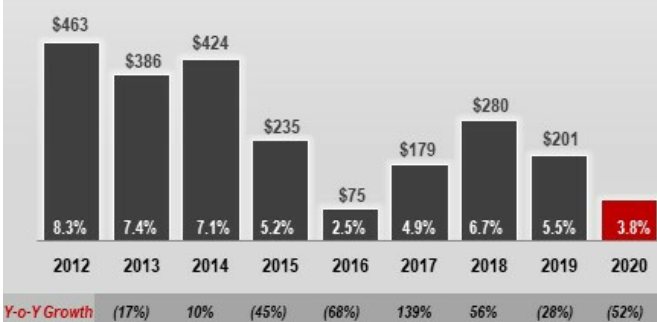
Liquidity & Debt Waterfall (millions)



APPENDIX

Annual Financial Performance (\$ millions, except per share data)

SALES

ADJUSTED GROSS PROFIT & % MARGIN¹ADJUSTED EBITDA & % MARGIN¹ADJUSTED DILUTED EPS¹

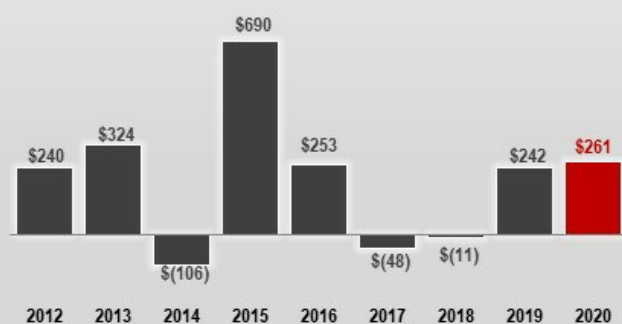
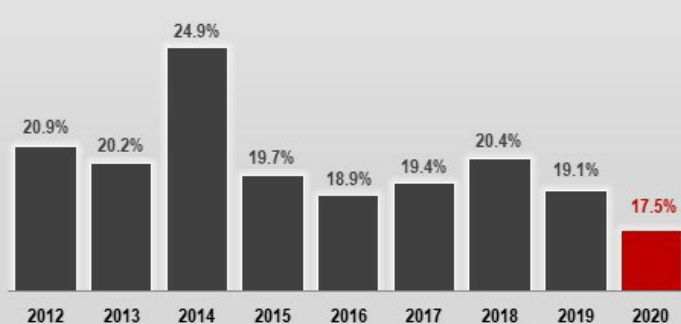
1. See reconciliation of non-GAAP measures to GAAP measures in the appendix

APPENDIX

Balance Sheet (\$ millions)**TOTAL DEBT****CAPITAL STRUCTURE**

December 31, 2020

Cash and Cash Equivalents	\$ 119
Total Debt (including current portion):	
Term Loan B due 2024 (net of discount & deferred financing costs)	\$ 383
Global ABL Facility due 2022	-
Total Debt	\$ 383
Preferred stock	355
Common stockholders' equity	350
Total Capitalization	\$ 1,088
Liquidity	\$ 551

CASH FLOW FROM OPERATIONS**NET WORKING CAPITAL AS % OF SALES²**

1. Net leverage 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.

APPENDIX

Adjusted Gross Profit Reconciliation

(\$ millions)	THREE MONTHS ENDED			YEAR ENDED DECEMBER 31								
	Dec 31, 2020	Sept. 30, 2020	Dec. 30, 2019	2020	2019	2018	2017	2016	2015	2014	2013	2012
Gross profit	\$ 90	\$ 114	\$ 131	\$ 431	\$ 653	\$ 689	\$ 582	\$ 468	\$ 786	\$ 1,018	\$ 955	\$ 1,014
Depreciation and amortization	5	5	5	20	21	23	22	22	21	22	22	19
Amortization of intangibles	6	7	9	26	42	45	45	47	60	68	52	49
(Decrease) increase in LIFO reserve	1	(11)	1	(19)	(2)	62	28	(14)	(53)	12	(20)	(24)
Inventory charges and other	12	-	5	46	5	-	6	45	-	-	-	-
Adjusted Gross Profit	\$ 114	\$ 115	\$ 151	\$ 504	\$ 719	\$ 819	\$ 683	\$ 568	\$ 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 February 11, 2021.

APPENDIX

Adjusted SG&A Reconciliation

(\$ millions)	THREE MONTHS ENDED	
	Dec. 31, 2020	Dec. 31, 2019
SG&A	\$ 97	\$ 141
Severance and restructuring	(2)	(4)
Facility Closures	1	-
Supplier bad debt	-	(5)
Adjusted SG&A	\$ 96	\$ 132

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 6-K dated February 11, 2021.

APPENDIX

Adjusted EBITDA Reconciliation

(\$ millions)	THREE MONTHS ENDED			YEAR ENDED DECEMBER 31								
	Dec. 31, 2020	Sept. 30, 2020	Dec. 31, 2019	2020	2019	2018	2017	2016	2015	2014	2013	2012
Net income (loss)	\$ (5)	\$ 3	\$ (24)	\$ (274)	\$ 39	\$ 74	\$ 50	\$ (83)	\$ (331)	\$ 144	\$ 152	\$ 118
Income tax expense (benefit)	(2)	5	5	(9)	27	21	(43)	(8)	(11)	82	85	64
Interest expense	6	7	9	28	40	38	31	35	48	62	61	113
Depreciation and amortization	5	5	5	20	21	23	22	22	21	22	22	19
Amortization of intangibles	6	7	9	26	42	45	45	47	60	88	52	49
Increase (decrease) in LIFO reserve	1	(11)	1	(19)	(2)	62	28	(14)	(53)	12	(20)	(24)
Equity-based compensation expense	4	3	4	12	16	14	16	12	10	9	15	8
Foreign currency losses (gains)	(1)	2	-	2	(1)	(1)	(2)	4	3	3	13	(1)
Goodwill & intangible asset impairment	-	-	-	242	-	-	-	-	462	-	-	-
Inventory-related charges	12	-	5	46	5	-	6	40	-	-	-	-
Facility closures	(1)	-	-	17	-	-	-	-	-	-	-	-
Severance & restructuring charges	2	5	4	14	9	4	14	20	14	8	1	-
Gain on sale of leaseback	(5)	-	-	(5)	-	-	-	-	-	-	-	-
Recovery of supplier bad debt & Supplier bad debt	-	(2)	5	(2)	5	-	-	-	-	-	-	-
(Gain) loss on early extinguishment of debt	-	-	-	(1)	-	-	-	-	-	-	-	114
Write off of debt issuance costs	-	-	-	-	-	1	8	1	3	-	-	-
Litigation matter	-	-	-	-	-	-	3	-	3	-	-	-
Change in fair value of derivative instruments	-	-	-	-	-	(1)	1	(1)	1	1	(5)	(2)
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
Pension settlement	-	-	-	-	-	-	-	-	-	-	-	4
Other expense (income)	-	-	-	-	-	-	-	-	-	-	3	(1)
Adjusted EBITDA	\$ 22	\$ 24	\$ 23	\$ 97	\$ 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 February 11, 2021.

APPENDIX

Adjusted Net Income Reconciliation

(\$ millions)	THREE MONTHS ENDED					
	Dec. 31, 2020		Sept. 30, 2020		Dec. 31, 2019	
	Amount	Per Share	Amount	Per Share	Amount	Per Share
Net (loss) income attributable to common stockholders	\$ (11)	\$ (0.13)	\$ (3)	\$ (0.04)	\$ (30)	\$ (0.37)
Inventory-related charges, net of tax	9	0.11	-	-	5	0.06
Facility closures, net of tax	(1)	(0.01)	-	-	-	-
Severance and restructuring, net of tax	2	0.02	5	0.06	3	0.04
Recovery of supplier bad debt and supplier bad debt, net of tax	-	-	(2)	(0.02)	5	0.06
Gain on sale leaseback	(4)	(0.05)	-	-	-	-
Increase (decrease) in LIFO reserve, net of tax	1	0.01	(8)	(0.10)	-	-
Adjusted net (loss) income attributable to common stockholders	\$ (4)	\$ (0.05)	\$ (8)	\$ (0.10)	\$ (17)	\$ (0.21)

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 February 11, 2021.

APPENDIX

Adjusted Net Income Reconciliation

(\$ millions)	YEAR ENDED DECEMBER 31																	
	2020		2019		2018		2017		2016		2015		2014		2013		2012	
	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share
Net income (loss) attributable to common stockholders	\$ (296)	\$ (3.63)	\$ 15	\$ 0.18	\$ 50	\$ 0.54	\$ 26	\$ 0.27	\$ (107)	\$ (1.10)	\$ (344)	\$ (3.38)	\$ 144	\$ 1.40	\$ 152	\$ 1.48	\$ 118	\$ 1.22
Goodwill and intangible asset impairment, net of tax	234	2.85	-	-	-	-	-	-	-	-	402	3.94	-	-	-	-	-	-
Inventory-related charges, net of tax	38	0.46	5	0.06	-	-	6	0.06	33	0.34	-	-	-	-	-	-	-	-
Severance and restructuring, net of tax	12	0.15	7	0.08	3	0.03	14	0.15	17	0.17	11	0.11	6	0.06	-	-	-	-
Recovery of supplier bad debt and supplier bad debt, net of tax	(2)	(0.02)	5	0.06	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(Decrease) increase in LIFO reserve, net of tax	(15)	(0.18)	(2)	(0.02)	48	0.52	18	0.19	(9)	(0.09)	(33)	(0.32)	8	0.08	(13)	(0.13)	(15)	(0.15)
Loss on early extinguishment of debt, net of tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	74	0.76
Facility closures, net of tax	15	0.18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on sale leaseback	(4)	(0.05)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Litigation matter, net of tax	-	-	-	-	-	-	2	0.02	-	-	2	0.02	-	-	-	-	-	-
Write-off of debt issuance costs, net of tax	-	-	-	-	1	0.01	5	0.05	1	0.01	2	0.02	-	-	-	-	1	0.01
Executive separation expense, net of tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	0.01	-	-
Loss on disposition of non-core product lines, net of tax	-	-	-	-	-	-	-	-	-	-	3	0.03	8	0.08	-	-	-	-
Insurance charge, net of tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	0.01	-	-
Expenses associated with refinancing, net of tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3	0.03	-	-
Equity-based compensation acceleration, net of tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3	0.03	-	-
Income tax adjustment	-	-	-	-	-	-	(50)	(0.52)	-	-	-	-	-	-	3	0.03	-	-
Cancellation of executive employment agreement, net of tax	-	-	-	-	-	-	-	-	-	-	-	-	3	0.03	-	-	-	-
Pension settlement, net of tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3	0.03
Adjusted net income (loss) attributable to common stockholders	\$ (20)	\$ (0.24)	\$ 30	\$ 0.36	\$ 102	\$ 1.10	\$ 21	\$ 0.22	\$ (65)	\$ (0.67)	\$ 43	\$ 0.42	\$ 169	\$ 1.65	\$ 150	\$ 1.46	\$ 181	\$ 1.87

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 February 11, 2021.