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): May 2, 2019

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

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

Fulbright Tower, 1301 McKinney Street, Suite 2300
Houston, Texas 77010
(Address of Principal Executive Offices)

Registrant's telephone number, including area code: (877) 294-7574

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Emerging growth company ☐

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

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

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

On May 2, 2019, MRC Global Inc. ("MRC Global" or the "Company") issued a press release announcing its financial results for the three months ended March 31, 2019. 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.**

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

- The Company expects 2019 revenue to be between $4,070 million and $4,270 million.

- Sequentially, the Company expects second quarter 2019 revenue to be up approximately 6%-9% from the first quarter of 2019.

- Given MRC Global's current mix of products, the Company expects a gross profit percentage between 17.4% and 18.0% and an Adjusted Gross Profit percentage between 19.7% and 19.9% for 2019. Adjusted Gross Profit percentage is a non-GAAP measure that is not necessarily better than gross profit percentage. The Company defines Adjusted Gross Profit as sales, less cost of sales, plus depreciation and amortization, plus amortization of intangibles, and plus or minus the impact of its last-in, first-out ("LIFO") inventory costing methodology. The Company presents Adjusted Gross Profit because the Company believes it is a useful indicator of the Company's operating performance without regard to items, such as amortization of intangibles, that can vary substantially from company to company depending upon the nature and extent of acquisitions of which they have been involved. Similarly, the impact of the LIFO inventory costing method can cause results to vary substantially from company to company depending upon whether they elect to utilize LIFO and depending upon which method they may elect. The Company uses Adjusted Gross Profit as a key performance indicator in managing its business. The Company believes that gross profit is the financial measure calculated and presented in accordance with U.S. generally accepted accounting principles that is most directly comparable to Adjusted Gross Profit.

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

	Expected for the Year Ended 2019	Percentage of Expected Revenue*
Gross profit	$ 736	17.7%
Depreciation and amortization	23	0.5%
Amortization of intangibles	42	1.0%
Increase in LIFO reserve	25	0.6%
Adjusted Gross Profit	$ 826	19.8%

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

- The Company expects LIFO expense to be between $20 million and $30 million in 2019.

- The Company expects selling, general and administrative expense to be between $555 million and $575 million in 2019.

- The Company expects equity-based compensation expense to be $15 million in 2019.

- The Company expects to generate between $150 million and $200 million of cash from operations in 2019.

- The Company expects to have an effective tax rate of 25% for the full year of 2019.

- The Company expects its total capital expenditures for 2019 to be between $20 million and $25 million.

- The Company expects diluted income per common share to be between $0.70 and $1.00.

- The Company expects to have net income (before preferred stock dividend) between $85 million and $110 million and Adjusted EBITDA between $260 million and $290 million in 2019. Adjusted EBITDA is a non-GAAP measure that is not necessarily better than net income. The Company defines Adjusted EBITDA as net income plus interest, income taxes, depreciation and amortization, amortization of intangibles and certain other expenses, including non-cash expenses (such as equity-based compensation, severance and restructuring, changes in the fair value of derivative instruments and asset impairments, including inventory) and plus or minus the impact of our LIFO inventory costing methodology. The Company presents Adjusted EBITDA because the Company believes it provides investors a helpful measure for comparing our operating performance with the performance of other companies that have different financing and capital structures or tax rates. We believe that net income is the financial measure calculated and presented in accordance with U.S. generally accepted accounting principles that is most directly comparable to Adjusted EBITDA.

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

		Expected for the Year Ended 2019
Net income	$	98
Income tax expense		32
Interest expense		40
Depreciation and amortization		23
Amortization of intangibles		42
Increase in LIFO reserve		25
Equity-based compensation expense		15
Adjusted EBITDA	$	275

The above information, as well as information contained in Exhibit 99.1 referenced under Item 9.01 below, contain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Words such as “will,” “expect,” “expects,” “expected,” “believes,” “looking forward,” “guidance” and similar expressions are intended to identify forward-looking statements.

Statements about the company’s business, including its strategy, its industry, the company’s future profitability, the company’s guidance on its sales, Adjusted EBITDA, gross profit, gross profit percentage, Adjusted Gross Profit and Adjusted Gross Profit percentage, tax rate, capital expenditures and cash from operations, growth in the company’s various markets and the company's expectations, beliefs, plans, strategies, objectives, prospects and assumptions are not guarantees of future performance. These statements are based on management's expectations that involve a number of business risks and uncertainties, any of which could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors, most of which are difficult to predict and many of which are beyond our control, including the factors described in the company's SEC filings that may cause our actual results and performance to be materially different from any future results or performance expressed or implied by these forward-looking statements.

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

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

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

The information referenced under Item 7.01 (including Exhibit 99.1 referenced under Item 9.01 below) of this Current Report on Form 8-K is being "furnished" under "Item 7.01. Regulation FD Disclosure" and, as such, shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. The information set forth in this Current Report on Form 8-K (including Exhibit 99.1 referenced under Item 9.01 below) shall not be incorporated by reference into any registration statement, report or other document filed by MRC Global pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits.*

99.1 Press release of MRC Global Inc. dated May 2, 2019

INDEX TO EXHIBITS

Exhibit No.	Description
99.1	Press release dated May 2, 2019

SIGNATURES

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

Date: May 2, 2019

MRC GLOBAL INC.

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

Exhibit 99.1

MRC Global Announces First Quarter 2019 Results

Sales of $970 million
Net income attributable to common stockholders of $12 million
Diluted earnings per common share of $0.14
Adjusted EBITDA of $56 million

Houston, TX – May 2, 2019 – MRC Global Inc. (NYSE: MRC), the largest global distributor, based on sales, of pipe, valves and fittings and related products and services to the energy industry, today announced first quarter 2019 results.

The company's sales were $970 million for the first quarter of 2019, which was 4% lower than the fourth quarter of 2018 and 4% lower than the first quarter of 2018. The sequential decline was driven primarily by the International and Canadian segments including the concluding of a project in Kazakhstan. As compared to the first quarter of 2018, the decrease was primarily due to non-recurring midstream project work.

Net income attributable to common stockholders for the first quarter of 2019 was $12 million, or $0.14 per diluted share, as compared to the first quarter of 2018 of $12 million, or $0.13 per diluted share.

Andrew R. Lane, MRC Global's president and chief executive officer stated, "The first quarter 2019 results were in line with our expectations. Customer activity slowed in December of last year, which carried over into 2019 resulting in a slow start to the year before improving in March. With this improving market dynamic and our market share gains, we achieved solid adjusted EBITDA of $56 million, or 5.8%, of sales in the first quarter of 2019.

"We continued to return cash to shareholders as part of our capital allocation strategy by repurchasing $25 million of our stock in the first quarter of 2019 and an additional $25 million in April. This leaves $25 million remaining for our existing share repurchase program," Mr. Lane added.

MRC Global's first quarter 2019 gross profit was $174 million, or 17.9% of sales, an increase from the first quarter of 2018 gross profit of $169 million, or 16.7% of sales. Gross profit for the first quarter of 2019 and 2018 reflects an expense of $0 million and $7 million, respectively, in cost of sales relating to the use of the last-in, first out (LIFO) method of inventory cost accounting. The gross margin percentage in the first quarter of 2019 was negatively impacted by 20 basis points for two unique, lower margin midstream project orders in North America.

Selling, general and administrative expenses were $139 million, or 14.3% of sales, for the first quarter of 2019 compared to $138 million, or 13.7% of sales, for the same period of 2018.

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

Sales by Segment

U.S. sales in the first quarter of 2019 were $779 million, down $27 million, or 3%, from the same quarter in 2018. Upstream increased by $28 million, or 16% primarily due to higher well completions in the Permian. Midstream declined $56 million, or 14% primarily due to non-recurring midstream project work that ended in 2018.

Canadian sales in the first quarter of 2019 were $68 million, down $10 million, or 13%, from the same quarter in 2018 driven by the upstream sector, which was adversely affected by government imposed production limits. A weaker Canadian dollar relative to the U.S. dollar unfavorably impacted sales by $4 million.

International sales in the first quarter of 2019 were $123 million, down $3 million, or 2%, from the same period in 2018. The $3 million decrease was due to the impact of weaker foreign currencies relative to the U.S. dollar, which unfavorably impacted sales by $9 million and the concluding of an upstream project in Kazakhstan. Excluding the impact of currency and the project, International sales increased $18 million or 17% due to improving conditions in international markets.

Sales by Sector

Upstream sales in the first quarter of 2019 increased 3% over the first quarter of 2018 to $312 million, or 32% of total sales. The increase in upstream sales was driven by the U.S. segment partially offset by declines in Canada and International.

Midstream sales in the first quarter of 2019 were $361 million, or 37% of total sales, down $49 million or 12% from the first quarter of 2018. Sales to gas utility customers were up by 11% due to an increase in integrity and growth project spending for various customers, while sales to transmission and gathering customers were down 33% over the same quarter in 2018 primarily due to non-recurring project work that ended in 2018.

Downstream sales in the first quarter of 2019 decreased $1 million from the first quarter of 2018 to $297 million, or 31% of total sales.

Balance Sheet

Cash balances were $27 million at March 31, 2019. Debt, net of cash, was $719 million and excess availability under our asset-based lending facility was $382 million as of March 31, 2019. Cash used in operations was $40 million in the first quarter of 2019. MRC Global's liquidity position of $409 million is sufficient to support the business and capital needs of the Company.

On January 1, 2019, we adopted a new accounting standard requiring the recognition of operating leases on the consolidated balance sheet. As of March 31, 2019, the total operating lease liability was $205 million, and the operating lease asset was $190 million.

Share Repurchase Program Update

In October 2018, the board of directors authorized a share repurchase program for common stock of up to $150 million. During the first quarter of 2019, the company purchased $25 million of its common stock at an average price of $14.24 per share. In April 2019, the company purchased an additional $25 million of its common stock at an average price of $18.24 per share, leaving $25 million available under the current authorization.

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

Since 2015, the company has repurchased $350 million or 22.5 million shares at an average price of $15.58 per share. The outstanding share count as of April 26, 2019 was 83.1 million shares.

Updated 2019 Annual Guidance

The company is updating its 2019 annual guidance to reflect a slower increase in customer activity levels in the second quarter and more tempered expectations for the remainder of the year than previously expected. The company expects sales in the second quarter to be improved over the first quarter by 6% to 9% and expects growth in the second half of the year as compared to the first half of the year.

2019 Annual Guidance

	Low	High
Revenue	$4,070 million	$4,270 million
Net income (before preferred stock dividends)	$85 million	$110 million
Diluted income per common share	$0.70	$1.00
Adjusted EBITDA	$260 million	$290 million

Please refer to the reconciliation of Net income to Adjusted EBITDA in this release.

Conference Call

The Company will hold a conference call to discuss its first quarter 2019 results at 10:00 a.m. Eastern Time (9:00 a.m. Central Time) on May 3, 2019. To participate in the call, please dial 412-902-0003 and ask for the MRC Global conference call at least 10 minutes prior to the start time. To access the conference call live over the Internet, please log onto the web at www.mrcglobal.com and go to the "Investor Relations" page of the company's website at least fifteen minutes early to register, download and install any necessary audio software. For those who cannot listen to the live call, a replay will be available through May 17, 2019 and can be accessed by dialing 201-612-7415 and using pass code 13688447#. Also, an archive of the webcast will be available shortly after the call at www.mrcglobal.com for 90 days.

About MRC Global Inc.

Headquartered in Houston, Texas, MRC Global, is the largest global distributor, based on sales, of pipe, valves and fittings (PVF) and other infrastructure products and services to the energy industry and supplies these products and services across each of the upstream, midstream and downstream sectors. More information about MRC Global can be found on our website mrcglobal.com.

This news release contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Words such as "expect," "expected," "intend," "believes," "well positioned," "strong position," "looking forward," "guidance," "plans" and similar expressions are intended to identify forward-looking statements.

Statements about the company's business, including its strategy, its industry, the company's future profitability, the company's guidance on its sales, adjusted EBITDA, tax rate, capital expenditures and cash flow, growth in the company's various markets and the company's expectations, beliefs, plans, strategies, objectives, prospects and assumptions are not guarantees of future performance. These statements are based on management's expectations that involve a number of business risks and uncertainties, any of which could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors, most of which are difficult to predict and many of which are beyond our control, including the factors described in the company's SEC filings that may cause our actual results and performance to be materially different from any future results or performance expressed or implied by these forward-looking statements.

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

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

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

Contact:

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

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

	March 31, 2019	December 31, 2018
Assets		
Current assets:		
Cash	**$ 27**	$ 43
Accounts receivable, net	**626**	587
Inventories, net	**839**	797
Other current assets	**29**	38
Total current assets	**1,521**	1,465
Long-term assets:		
Operating lease assets	**190**	-
Property, plant and equipment, net	**137**	140
Other assets	**30**	23
Intangible assets:		
Goodwill, net	**484**	484
Other intangible assets, net	**311**	322
	$ 2,673	$ 2,434
Liabilities and stockholders' equity		
Current liabilities:		
Trade accounts payable	**$ 462**	$ 435
Accrued expenses and other current liabilities	**97**	130
Operating lease liabilities	**35**	-
Current portion of long-term debt	**4**	4
Total current liabilities	**598**	569
Long-term liabilities:		
Long-term debt, net	**742**	680
Operating lease liabilities	**170**	-
Deferred income taxes	**98**	98
Other liabilities	**32**	40
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, 105,545,121 and 104,953,693 issued, respectively	**1**	1
Additional paid-in capital	**1,719**	1,721
Retained deficit	**(486)**	(498)
Less: Treasury stock at cost: 21,106,376 and 19,347,839 shares, respectively	**(325)**	(300)
Accumulated other comprehensive loss	**(231)**	(232)
	678	692
	$ 2,673	$ 2,434

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

	Three Months Ended	
	March 31, 2019	March 31, 2018
Sales	$ 970	$ 1,010
Cost of sales	796	841
Gross profit	174	169
Selling, general and administrative expenses	139	138
Operating income	35	31
Other expense:		
Interest expense	(11)	(8)
Other, net	-	2
Income before income taxes	24	25
Income tax expense	6	7
Net income	18	18
Series A preferred stock dividends	6	6
Net income attributable to common stockholders	$ 12	$ 12
Basic income per common share	$ 0.14	$ 0.13
Diluted income per common share	$ 0.14	$ 0.13
Weighted-average common shares, basic	84.3	91.4
Weighted-average common shares, diluted	85.3	92.5

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

	Three Months Ended	
	March 31, 2019	**March 31, 2018**
Operating activities		
Net income	**$ 18**	$ 18
Adjustments to reconcile net income to net cash used in operations:		
Depreciation and amortization	**5**	6
Amortization of intangibles	**11**	11
Equity-based compensation expense	**4**	4
Deferred income tax benefit	**1**	-
Increase in LIFO reserve	**-**	7
Other	**4**	2
Changes in operating assets and liabilities:		
Accounts receivable	**(47)**	(98)
Inventories	**(42)**	(117)
Other current assets	**8**	-
Accounts payable	**27**	106
Accrued expenses and other current liabilities	**(29)**	(13)
Net cash used in operations	**(40)**	(74)
Investing activities		
Purchases of property, plant and equipment	**(2)**	(5)
Net cash used in investing activities	**(2)**	(5)
Financing activities		
Payments on revolving credit facilities	**(256)**	(194)
Proceeds from revolving credit facilities	**319**	307
Payments on long-term obligations	**(1)**	(1)
Purchase of common stock	**(25)**	(30)
Dividends paid on preferred stock	**(6)**	(6)
Repurchases of shares to satisfy tax withholdings	**(6)**	(5)
Proceeds from exercise of stock options	**-**	5
Other	**1**	-
Net cash provided by financing activities	**26**	76
Decrease in cash	**(16)**	(3)
Effect of foreign exchange rate on cash	**-**	-
Cash -- beginning of period	**43**	48
Cash -- end of period	**$ 27**	$ 45

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

	Three Months Ended		Expected for the Year Ending
	March 31, 2019	**March 31, 2018**	**December 31, 2019 (mid-point)**
Net income	**$ 18**	$ 18	$ 98
Income tax expense	**6**	7	32
Interest expense	**11**	8	40
Depreciation and amortization	**5**	6	23
Amortization of intangibles	**11**	11	42
Increase in LIFO reserve	**-**	7	25
Change in fair value of derivative instruments	**-**	(2)	-
Equity-based compensation expense (1)	**4**	4	15
Foreign currency gains	**1**	**-**	-
Adjusted EBITDA	**$ 56**	$ 59	$ 275

Notes to above:
(1) Recorded in SG&A

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

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

	Three Months Ended			
	March 31, 2019	**Percentage of Revenue***	**March 31, 2018**	**Percentage of Revenue**
Gross profit, as reported	**$ 174**	**17.9%**	$ 169	16.7%
Depreciation and amortization	**5**	**0.5%**	6	0.6%
Amortization of intangibles	**11**	**1.1%**	11	1.1%
Increase in LIFO reserve	**-**	**-**	7	0.7%
Adjusted Gross Profit	**$ 190**	**19.6%**	$ 193	19.1%

Notes to above:
*Does not foot due to rounding

The company defines Adjusted Gross Profit as sales, less cost of sales, plus depreciation and amortization, plus amortization of intangibles, and plus or minus the impact of its LIFO inventory costing methodology. The company presents Adjusted Gross Profit because the company believes it is a useful indicator of the company's operating performance without regard to items, such as amortization of intangibles, that can vary substantially from company to company depending upon the nature and extent of acquisitions of which they have been involved. Similarly, the impact of the LIFO inventory costing method can cause results to vary substantially from company to company depending upon whether they elect to utilize LIFO and depending upon which method they may elect. The company uses Adjusted Gross Profit as a key performance indicator in managing its business. The company believes that gross profit is the financial measure calculated and presented in accordance with U.S. generally accepted accounting principles that is most directly comparable to Adjusted Gross Profit.

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

Disaggregated Sales by Segment

	Three Months Ended March 31,			
	U.S.	**Canada**	**International**	**Total**
2019:				
Upstream	**$ 206**	**$ 46**	**$ 60**	**$ 312**
Midstream	**337**	**16**	**8**	**361**
Downstream	**236**	**6**	**55**	**297**
	$ 779	**$ 68**	**$ 123**	**$ 970**
2018:				
Upstream	$ 178	$ 57	$ 67	$ 302
Midstream	393	14	3	410
Downstream	235	7	56	298
	$ 806	$ 78	$ 126	$ 1,010

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

Sales by Product Line

Type	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
Line pipe	**$ 154**	$ 158
Carbon steel fittings and flanges	**153**	171
Total carbon steel pipe, fittings and flanges	**307**	329
Valves, automation, measurement and instrumentation	**383**	378
Gas products	**133**	124
Stainless steel and alloy pipe and fittings	**50**	53
General oilfield products	**97**	126
	$ 970	$ 1,010

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)

	March 31, 2019	
	Three Months Ended	
	Amount	Per Share
Net income attributable to common stockholders	$ 12	$ 0.14
Increase in LIFO reserve, net of tax	-	-
Adjusted net income attributable to common stockholders	$ 12	$ 0.14

	March 31, 2018	
	Three Months Ended	
	Amount	Per Share
Net income attributable to common stockholders	$ 12	$ 0.13
Increase in LIFO reserve, net of tax	5	0.05
Adjusted net income attributable to common stockholders	$ 17	$ 0.18

Notes to above:

The Company defines Adjusted Net Income Attributable to Common Stockholders (a non-GAAP measure) as Net Income Attributable to Common Stockholders plus or minus the after-tax impact of its LIFO inventory costing methodology. The Company presents Adjusted Net Income Attributable to Common Stockholders and related per share amounts because the Company believes it provides useful comparisons of the Company's operating results to other companies, including those companies with whom we compete in the distribution of pipe, valves and fittings to the energy industry, without regard to the LIFO inventory costing methodology. The impact of the LIFO inventory costing methodology can cause results to vary substantially from company to company depending upon whether they elect to utilize LIFO and depending upon which method they may elect. The Company believes that Net Income Attributable to Common Stockholders is the financial measure calculated and presented in accordance with U.S. generally accepted accounting principles that is most directly compared to Adjusted Net Income Attributable to Common Stockholders.

# # #