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 8, 2023:

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)

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 May 8, 2023, MRC Global Inc. ("MRC Global" or the "Company") issued a press release announcing its financial results for the three months ended March 31, 2023. 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 May 8, 2023, MRC Global announced its financial results for the three months ended March 31, 2023. 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 Investors section of MRC Global's website, http://www.mrcglobal.com.

The information referenced under Item 7.01 (including Exhibit 99.2 referenced under Item 9.01 below) of this Current Report on Form 8-K is being "furnished" under "Item 7.01. Regulation FD Disclosure" and, as such, shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. The information set forth in this Current Report on Form 8-K (including Exhibit 99.2 referenced under Item 9.01 below) shall not be incorporated by reference into any registration statement, report or other document filed by MRC Global pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 **Financial Statements and Exhibits.**

(d) *Exhibits.*

99.1	Press release of MRC Global Inc. dated May 8, 2023
99.2	Earnings presentation of MRC Global Inc. dated May 8, 2023
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

INDEX TO EXHIBITS

Exhibit No.	Description
99.1	Press release dated May 8, 2023
99.2	Earnings Presentation dated May 8, 2023
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: May 8, 2023

MRC GLOBAL INC.

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

MRC Global Announces First Quarter 2023 Results

Houston, TX – May 8, 2023 – MRC Global Inc. (NYSE: MRC), the leading global distributor of pipe, valves, fittings and infrastructure products and services to diversified energy, industrial and gas utilities end-markets, today announced first quarter 2023 results.

Net income attributable to common stockholders for the first quarter of 2023 was $28 million, or $0.33 per diluted share, as compared to the first quarter of 2022 net income of $10 million, or $0.12 per diluted share. Adjusted net income attributable to common stockholders for the first quarter of 2023 was $27 million, or $0.32 per diluted share, as compared to the first quarter of 2022 adjusted net income of $15 million, or $0.17 per diluted share.

MRC Global's first quarter 2023 gross profit was $179 million, or 20.2% of sales, as compared to the first quarter 2022 gross profit of $136 million, or 18.3% of sales. Gross profit for the first quarter of 2023 and 2022 includes $1 million of income and $6 million of expense, respectively, in cost of sales relating to the use of the last-in, first-out (LIFO) method of inventory cost accounting. Adjusted Gross Profit, which excludes (among other items) the impact of LIFO, was $188 million, or 21.2% of sales, for the first quarter of 2023 and was $152 million, or 20.5% of revenue, for the first quarter of 2022.

<u>First Quarter 2023 Financial Highlights:</u>

- Sales of $885 million, a 2% sequential increase from the fourth quarter of 2022 driven by the Downstream, Industrial and Energy Transition (DIET) sector, and a 19% improvement compared to the same quarter a year ago
- Adjusted Gross Profit, as a percentage of sales, of 21.2%, an increase of 70 basis points compared to the first quarter of 2022
- Adjusted EBITDA of $69 million, or 7.8% of sales

Rob Saltiel, MRC Global's President and CEO stated, "I am very pleased with our strong performance in the first quarter. The sequential revenue improvement of 2% was higher than anticipated due to robust MRO and project activity, especially with our refining, chemicals, and LNG customers. We also delivered outstanding profitability with adjusted gross margins of 21.2% and adjusted EBITDA margins of 7.8%. Our backlog increased 2% sequentially and has grown 14% compared to March of last year.

"We are very optimistic about the remainder of 2023 bolstered by the strong start to the year and our growing backlog. Our first quarter results make us increasingly confident in our ability to deliver double-digit revenue growth, EBITDA margins exceeding 8%, and operating cash flow of at least $120 million," added Mr. Saltiel.

Adjusted EBITDA was $69 million in the first quarter of 2023 compared to $48 million for the same period in 2022.

Adjusted net income attributable to common stockholders, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Gross Profit, Net Debt and Leverage Ratio are all non-GAAP measures. Please refer to the reconciliation of each of these measures to the nearest GAAP measure in this release.

Selling, general and administrative (SG&A) expenses were $122 million, or 13.8% of sales, for the first quarter of 2023 compared to $107 million, or 14.4% of sales, for the same period in 2022.

An income tax expense of $13 million was incurred in the first quarter of 2023, with an effective tax rate of 28%, as compared to an income tax expense of $7 million for the first quarter of 2022. Our rates generally differ from the U.S. federal statutory rate of 21% as a result of state income taxes, non-deductible expenses, and differing foreign income tax rates. The effective tax rate for the three months ended March 31, 2023, was higher than the U.S. federal statutory rate due to foreign losses with no tax benefit.

Revised Sector Reporting

This quarter, the company combined the sectors formerly known as Upstream Production and Midstream Pipeline into one sector, Production and Transmission Infrastructure. Prompting this change are the similarity of market drivers, the overlap of customers and the combined management structure.

Sales

The company's sales were $885 million for the first quarter of 2023, which was 2% higher than the fourth quarter of 2022 and 19% higher than the first quarter of 2022. As compared to the first quarter of 2022, all sectors grew double digits. By sector, the DIET sector led with 23% growth followed by the Production and Transmission Infrastructure (PTI) and Gas Utilities sectors at 22% and 13%, respectively. Sequentially, the DIET sector drove the increase.

Sales by Segment

U.S. sales in the first quarter of 2023 were $740 million, up $122 million, or 20%, from the same quarter in 2022. PTI sector sales increased by $43 million, or 24%, primarily due to increased activity levels in the Permian. DIET sector sales increased $41 million, or 24% from LNG projects, increased turnaround and maintenance spending for refining, chemicals and mining customers. The Gas Utilities sector revenue increased $38 million, or 14%, driven by increased activity levels related to our customers' integrity upgrade and smart meter replacement programs.

Sequentially, as compared to the fourth quarter of 2022, U.S. sales increased $20 million, or 3%, driven by the DIET sector, which increased $28 million, or 15%, as LNG project and turnaround maintenance activity increased. The U.S. Gas Utilities sector was down 2% primarily due to the timing of deliveries and projects. PTI was nearly unchanged.

Canada sales in the first quarter of 2023 were $42 million, down $1 million, or 2%, from the same quarter in 2022, as declines in the DIET and Gas Utilities sectors offset an improvement in the PTI sector. Canada sales also include a $3 million unfavorable impact from weaker foreign currencies.

Sequentially, as compared to the prior quarter, Canada sales declined $4 million, or 9%, due to the timing of line pipe orders.

International sales in the first quarter of 2023 were $103 million, up $22 million, or 27%, from the same period in 2022 including an $8 million unfavorable impact from weaker foreign currencies. The increase was driven by the DIET sector primarily in the Netherlands, U.A.E., Singapore and U.K. followed by the PTI sector in the U.K., Norway, Singapore and Australia.

Sequentially, as compared to the previous quarter, International sales were unchanged after taking into account a $3 million favorable impact from stronger foreign currencies.

Sales by Sector

Gas utilities sector sales, which are primarily U.S. based, were $307 million, in the first quarter of 2023, or 35% of total sales, an increase of $36 million, or 13%, from the first quarter of 2022.

Sequentially, as compared to the fourth quarter of 2022, the Gas Utilities sector declined $12 million, or 4%, driven by the U.S. segment.

Downstream, Industrial and Energy Transition sector sales in the first quarter of 2023 were $278 million, or 31% of total sales, an increase of $52 million, or 23%, from the first quarter of 2022. The increase in DIET sector sales was driven by the U.S. segment followed by the International segment.

Sequentially, as compared to the previous quarter, sales in the DIET sector were up $30 million, or 12%, driven by the U.S. segment.

PTI sector sales in the first quarter of 2023 were $300 million, or 34% of total sales, an improvement of $55 million, or 22%, from the first quarter of 2022. The increase in PTI sales was led by the U.S. segment, followed by International and Canada segments.

Sequentially, as compared to the prior quarter, PTI sector sales declined $2 million, or 1%, as small declines in the International and U.S. segments were partially offset by an increase in the Canada segment.

Backlog

As of March 31, 2023, the company's backlog was $758 million, up 2% sequentially from December 31, 2022, and 14% since March 31, 2022.

Balance Sheet and Cash Flow

Cash used in operations was $30 million in the first quarter of 2023. As of March 31, 2023, the cash balance was $39 million, long-term debt (including current portion) was $390 million, and Net Debt was $351 million. Availability under the company’s asset-based lending facility was $601 million and available liquidity was $640 million as of March 31, 2023.

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

Conference Call

The company will hold a conference call to discuss its first quarter 2023 results at 10:00 a.m. Eastern Time (9:00 a.m. Central Time) on May 9, 2023. To participate in the call, please dial 201-689-8261 and ask for the MRC Global conference call at least 10 minutes prior to the start time. To access the conference call, live over the Internet, please log onto the web at www.mrcglobal.com and go to the “Investors” 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 23, 2023, and can be accessed by dialing 201-612-7415 and using pass code 13737072#. 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 (NYSE: MRC) is the leading global distributor of pipe, valves, fittings (PVF) and other infrastructure products and services to diversified end-markets including the gas utilities, downstream, industrial and energy transition, and production and transmission sectors. With over 100 years of experience, MRC Global has provided customers with innovative supply chain solutions, technical product expertise and a robust digital platform from a worldwide network of 216 locations including valve and engineering centers. The company’s unmatched quality assurance program offers over 250,000 SKUs from over 9,000 suppliers, simplifying the supply chain for approximately 10,000 customers. 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,” “strong position,” “looking forward,” “guidance,” “plans,” “can,” "target," "targeted" and similar expressions are intended to identify forward-looking statements.

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

These risks and uncertainties include (among others) decreases in capital and other expenditure levels in the industries that the company serves; U.S. and international general economic conditions; geopolitical events; decreases in oil and natural gas prices; unexpected supply shortages; loss of third-party transportation providers; cost increases by the company's suppliers and transportation providers; increases in steel prices, which the company may be unable to pass along to its customers which could significantly lower the company's profit; the company's lack of long-term contracts with most of its suppliers; suppliers' price reductions of products that the company sells, which could cause the value of its inventory to decline; decreases in steel prices, which could significantly lower the company's profit; a decline in demand for certain of the products the company distributes if tariffs and duties on these products are imposed or lifted; holding more inventory than can be sold in a commercial time frame; significant substitution of renewables and low-carbon fuels for oil and gas, impacting demand for the company's products; risks related to adverse weather events or natural disasters; environmental, health and safety laws and regulations and the interpretation or implementation thereof; changes in the company's customer and product mix; the risk that manufacturers of the products that the company distributes will sell a substantial amount of goods directly to end users in the industry sectors that the company serves; failure to operate the company's business in an efficient or optimized manner; the company's ability to compete successfully with other companies; the company's lack of long-term contracts with many of its customers and the company's lack of contracts with customers that require minimum purchase volumes; inability to attract and retain employees or the potential loss of key personnel; adverse health events, such as a pandemic; interruption in the proper functioning of the company's information systems; the occurrence of cybersecurity incidents; risks related to the company's customers' creditworthiness; the success of acquisition strategies; the potential adverse effects associated with integrating acquisitions and whether these acquisitions will yield their intended benefits; impairment of the company's goodwill or other intangible assets; adverse changes in political or economic conditions in the countries in which the company operates; the company's significant indebtedness; the dependence on the company's subsidiaries for cash to meet parent company obligations; changes in the company's credit profile; potential inability to obtain necessary capital; the sufficiency of the company's insurance policies to cover losses, including liabilities arising from litigation; product liability claims against the company; pending or future asbestos-related claims against the company; exposure to U.S. and international laws and regulations, regulating corruption, limiting imports or exports or imposing economic sanctions; risks relating to ongoing evaluations of internal controls required by Section 404 of the Sarbanes-Oxley Act; and risks related to changing laws and regulations including trade policies and tariffs.

For a discussion of key risk factors, please see the risk factors disclosed in the company's SEC filings, which are available on the SEC's website at www.sec.gov and on the company's website, www.mrcglobal.com. MRC Global's filings and other important information are also available on the Investors 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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MRC Global Inc.
Condensed Consolidated Balance Sheets (Unaudited)
(in millions, except shares)

	March 31, 2023	December 31, 2022
Assets		
Current assets:		
Cash	$ **39**	$ 32
Accounts receivable, net	**529**	501
Inventories, net	**672**	578
Other current assets	**30**	31
Total current assets	**1,270**	1,142
Long-term assets:		
Operating lease assets	**207**	202
Property, plant and equipment, net	**81**	82
Other assets	**21**	22
Intangible assets:		
Goodwill, net	**264**	264
Other intangible assets, net	**178**	183
	$ **2,021**	$ 1,895
Liabilities and stockholders' equity		
Current liabilities:		
Trade accounts payable	$ **467**	$ 410
Accrued expenses and other current liabilities	**99**	115
Operating lease liabilities	**36**	36
Current portion of long-term debt	**3**	3
Total current liabilities	**605**	564
Long-term liabilities:		
Long-term debt, net	**387**	337
Operating lease liabilities	**187**	182
Deferred income taxes	**54**	49
Other liabilities	**21**	22
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, 108,428,765 and 107,864,421 issued, respectively	**1**	1
Additional paid-in capital	**1,757**	1,758
Retained deficit	**(740)**	(768)
Less: Treasury stock at cost: 24,216,330 shares	**(375)**	(375)
Accumulated other comprehensive loss	**(231)**	(230)
	412	386
	$ **2,021**	$ 1,895

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

	Three Months Ended	
	March 31, 2023	**March 31, 2022**
Sales	$ **885**	$ 742
Cost of sales	**706**	606
Gross profit	**179**	136
Selling, general and administrative expenses	**122**	107
Operating income	**57**	29
Other expense:		
Interest expense	**(7)**	(6)
Other, net	**(3)**	-
Income before income taxes	**47**	23
Income tax expense	**13**	7
Net income	**34**	16
Series A preferred stock dividends	**6**	6
Net income attributable to common stockholders	$ **28**	$ 10
Basic earnings per common share	$ 0.33	$ 0.12
Diluted earnings per common share	$ 0.33	$ 0.12
Weighted-average common shares, basic	84.0	83.3
Weighted-average common shares, diluted	85.4	84.3

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

	Three Months Ended	
	March 31, 2023	**March 31, 2022**
Operating activities		
Net income	$ **34**	$ 16
Adjustments to reconcile net income to net cash used in operations:		
Depreciation and amortization	**5**	5
Amortization of intangibles	**5**	5
Equity-based compensation expense	**3**	3
Deferred income tax expense	**5**	1
(Decrease) increase in LIFO reserve	**(1)**	6
Other, net	**5**	-
Changes in operating assets and liabilities:		
Accounts receivable	**(28)**	(74)
Inventories	**(96)**	(52)
Other current assets	**(1)**	(9)
Accounts payable	**54**	78
Accrued expenses and other current liabilities	**(15)**	8
Net cash used in operations	**(30)**	(13)
Investing activities		
Purchases of property, plant and equipment	**(3)**	(2)
Net cash used in investing activities	**(3)**	(2)
Financing activities		
Payments on revolving credit facilities	**(211)**	(107)
Proceeds from revolving credit facilities	**262**	113
Payments on long-term obligations	**(1)**	-
Dividends paid on preferred stock	**(6)**	(6)
Repurchases of shares to satisfy tax withholdings	**(4)**	(2)
Net cash provided by (used in) financing activities	**40**	(2)
Increase (decrease) in cash	**7**	(17)
Cash -- beginning of period	**32**	48
Cash -- end of period	$ **39**	$ 31

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

Disaggregated Sales by Segment and Sector

Three Months Ended March 31,	U.S.	Canada	International	Total
2023				
Gas Utilities	$ **306**	$ **1**	$ **-**	$ **307**
Downstream, Industrial & Energy Transition	**210**	**5**	**63**	**278**
Production & Transmission Infrastructure	**224**	**36**	**40**	**300**
	$ **740**	$ **42**	$ **103**	$ **885**
2022				
Gas Utilities	$ 268	$ 3	$ -	$ 271
Downstream, Industrial & Energy Transition	169	7	50	226
Production & Transmission Infrastructure	181	33	31	245
	$ 618	$ 43	$ 81	$ 742

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

Sales by Product Line

	Three Months Ended	
Type	**March 31, 2023**	**March 31, 2022**
Line Pipe	$ **141**	$ 112
Carbon Fittings and Flanges	**117**	100
Total Carbon Pipe, Fittings and Flanges	**258**	212
Valves, Automation, Measurement and Instrumentation	**315**	251
Gas Products	**207**	184
Stainless Steel and Alloy Pipe and Fittings	**32**	36
General Products	**73**	59
	$ **885**	$ 742

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, 2023	**Percentage of Revenue***	**March 31, 2022**	**Percentage of Revenue**
Gross profit, as reported	**$ 179**	**20.2%**	$ 136	18.3%
Depreciation and amortization	**5**	**0.6%**	5	0.7%
Amortization of intangibles	**5**	**0.6%**	5	0.7%
(Decrease) increase in LIFO reserve	**(1)**	**(0.1)%**	6	0.8%
Adjusted Gross Profit	**$ 188**	**21.2%**	$ 152	20.5%

Notes to above:
* Does not foot due to rounding

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

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

	Three Months Ended	
	March 31, 2023	**March 31, 2022**
Net income	**$ 34**	$ 16
Income tax expense	**13**	7
Interest expense	**7**	6
Depreciation and amortization	**5**	5
Amortization of intangibles	**5**	5
(Decrease) increase in LIFO reserve	**(1)**	6
Equity-based compensation expense (1)	**3**	3
Foreign currency losses	**3**	-
Adjusted EBITDA	**$ 69**	$ 48

Notes to above:
(1) Charges (pre-tax) 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, long-lived asset impairments (including goodwill and intangible assets), inventory-related charges incremental to normal operations, and plus or minus the impact of its LIFO inventory costing methodology. The company presents Adjusted EBITDA because the company believes Adjusted EBITDA is a useful indicator of the company's operating performance. Among other things, Adjusted EBITDA measures the company's operating performance without regard to certain non-recurring, non-cash or transaction-related expenses. Adjusted EBITDA, however, does not represent and should not be considered as an alternative to net income, cash flow from operations or any other measure of financial performance calculated and presented in accordance with GAAP. Because Adjusted EBITDA does not account for certain expenses, its utility as a measure of the company's operating performance has material limitations. Because of these limitations, the company does not view Adjusted EBITDA in isolation or as a primary performance measure and also uses other measures, such as net income and sales, to measure operating performance. See the company's Annual Report filed on Form 10-K for a more thorough discussion of the use of Adjusted EBITDA.

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

	Three Months Ended March 31, 2023	
	Amount	**Per Share**
Net income attributable to common stockholders	**$ 28**	**$ 0.33**
Decrease in LIFO reserve, net of tax	**(1)**	**(0.01)**
Adjusted net income attributable to common stockholders	**$ 27**	**$ 0.32**

	Three Months Ended March 31, 2022	
	Amount	**Per Share**
Net income attributable to common stockholders	$ 10	$ 0.12
Increase in LIFO reserve, net of tax	5	0.05
Adjusted net income attributable to common stockholders	$ 15	$ 0.17

Notes to above:

The company defines Adjusted Net Income Attributable to Common Stockholders (a non-GAAP measure) as Net Income Attributable to Common Stockholders less after-tax goodwill and intangible impairment, inventory-related charges, facility closures, severance and restructuring, plus or minus the after-tax impact of its LIFO inventory costing methodology. After-tax impacts were determined using the Company's U.S. blended statutory rate. The company presents Adjusted Net Income Attributable to Common Stockholders and related per share amounts because the company believes it provides useful comparisons of the company's operating results to other companies, including those companies with whom we compete in the distribution of pipe, valves and fittings to the energy industry, without regard to the irregular variations from certain restructuring events not indicative of the on-going business. Those items include goodwill and intangible asset impairments, inventory-related charges, facility closures, severance and restructuring as well as the LIFO inventory costing methodology. The impact of the LIFO inventory costing methodology can cause results to vary substantially from company to company depending upon whether they elect to utilize LIFO and depending upon which method they may elect. The company believes that Net Income Attributable to Common Stockholders is the financial measure calculated and presented in accordance with U.S. generally accepted accounting principles that is most directly compared to Adjusted Net Income Attributable to Common Stockholders.

MRC Global Inc.
Supplemental Information (Unaudited)
Reconciliation of Long-term Debt to Net Debt (a non-GAAP measure) and the Leverage Ratio Calculation
(in millions)

		March 31, 2023
Long-term debt, net	$	**387**
Plus: current portion of long-term debt		**3**
Long-term debt		**390**
Less: cash		**39**
Net Debt	$	**351**
Net Debt	$	**351**
Trailing twelve months adjusted EBITDA		**282**
Leverage ratio		**1.2**

Notes to above:

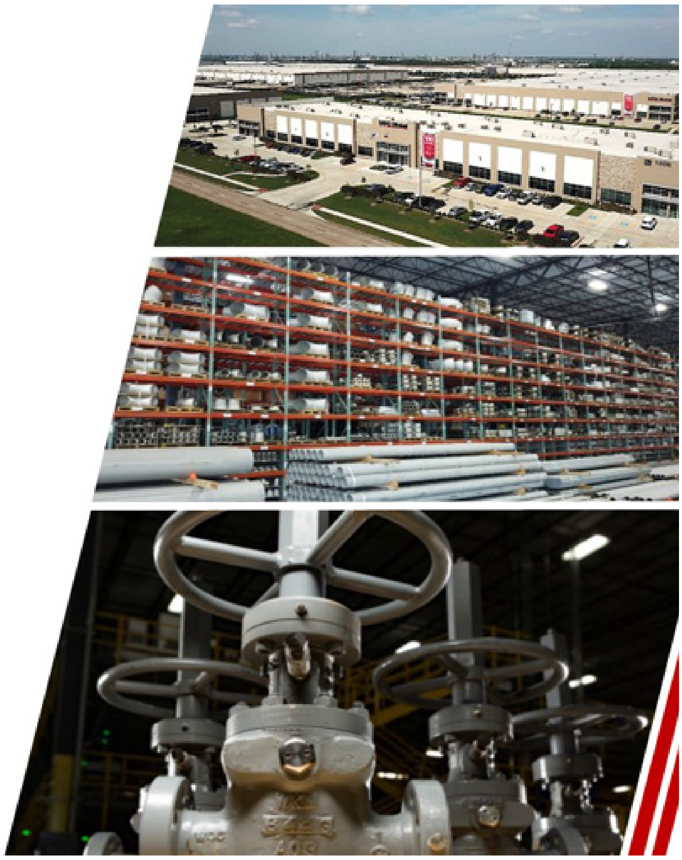
Net Debt and related leverage metrics may be considered non-GAAP measures. We define Net Debt as total long-term debt, including current portion, minus cash. We define our leverage ratio as Net Debt divided by trailing twelve months Adjusted EBITDA. We believe Net Debt is an indicator of the extent to which the company's outstanding debt obligations could be satisfied by cash on hand and a useful metric for investors to evaluate the company's leverage position. We believe the leverage ratio is a commonly used metric that management and investors use to assess the borrowing capacity of the company. We believe total long-term debt (including the current portion) is the financial measure calculated and presented in accordance with U.S. generally accepted accounting principles that is most directly comparable to Net Debt.

# # #

MRC Global

1Q 2023 Earnings Presentation

May 8, 2023



Rob Saltiel
President & CEO

Kelly Youngblood
Executive Vice President & CFO

Forward Looking Statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Words such as "will," "expect," "look forward," "guidance," "targeted", "goals", and similar expressions are intended to identify forward-looking statements. Statements about the company's business, including its strategy, its industry, the company's future profitability, the company's guidance on its sales, Adjusted EBITDA, Adjusted Net Income, Adjusted Diluted EPS, Adjusted SG&A, Gross Profit, Gross Profit percentage, Adjusted Gross Profit, Adjusted Gross Profit percentage, Net Debt, Tax Rate, Capital Expenditures and Cash from Operations, Free Cash Flow, Free Cash Flow after Dividends, growth in the company's various markets and the company's expectations, beliefs, plans, strategies, objectives, prospects and assumptions are not guarantees of future performance. These statements are based on management's expectations that involve a number of business risks and uncertainties, any of which could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors, most of which are difficult to predict and many of which are beyond our control, including the factors described in the company's SEC filings that may cause our actual results and performance to be materially different from any future results or performance expressed or implied by these forward-looking statements, including the company's Current Report on Form 8-K dated May 8, 2023.

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.

Non-GAAP Disclaimer

In this presentation, the company is providing certain non-GAAP financial measures. These are not measures of financial performance calculated in accordance with U.S. Generally Accepted Accounting Principles (GAAP) and should not be considered as alternatives. The following GAAP measures have the following non-GAAP measures presented and derived from the respective GAAP measures:

- **Net Income (adjusted EBITDA)**
- **Net Income margin (adjusted EBITDA margin)**
- **Gross profit (Adjusted Gross Profit)**
- **Gross profit percentage (Adjusted Gross Profit percentage)**
- **Net Income (adjusted Net Income)**
- **Diluted Earnings per Share (adjusted diluted EPS)**
- **Selling, general and administrative expense (adjusted SG&A)**
- **Net cash provided by operations (free cash flow and free cash flow after dividends)**
- **Long-term debt, net (Net Debt)**
- **Return on Invested Capital (ROIC), Adjusted for LIFO**

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.

Executive Summary Highlights

Quarter Results - 1Q 2023

- Improved bottom-line profitability:
  - Adjusted EBITDA of $69M – 44% improvement over 1Q22
  - Adjusted EBITDA margin of 7.8% – 130-bps improvement over 1Q22 and 20-bps sequential improvement over 4Q22
- Continued revenue growth:
  - $885M – 19% increase over 1Q22 and 2% sequential increase over 4Q22
  - All sectors increased by double-digits 1Q23 vs. 1Q22
  - DIET sector increased 12% in 1Q23, driving the sequential growth
- Strong first quarter results provide confidence in full year guidance
- Solid liquidity position $640 million
- Strong margins with Gross Profit percentage of 20.2% and Adjusted Gross Profit percentage of 21.2%
- Cash used in operations $30 million commensurate with inventory increasing to support projected activity levels
- Sector reporting change – consolidated "Upstream Production" and "Midstream Pipeline" into "Production and Transmission Infrastructure" (PTI)

Note: See reconciliations of GAAP to non-GAAP measures in our appendix. Also see our Current Report on Form 8-K dated May 8, 2023, for a reconciliation of non-GAAP measures to their closest GAAP measures and for a discussion of forward-looking statements and the factors that might impact the various items in the 2023 Outlook.

First Quarter 2023 Results – Key Metrics

Revenue Generation
- Revenue $885M
  - 19% above 1Q22
  - 2% above 4Q22
- E-commerce: 52% of total orders are digital
  - 487 bps increase over 1Q22
  - North America orders 60% digital

Debt Management
- Long-term debt $390M
- Net debt $351M
- Leverage ratio 1.2

Cost Control
- SG&A 13.8% of revenue

Working Capital Efficiency
- Net working capital to sales ratio 17.9%

Profitability
- Net income attributable to common stockholders $28M
- Adjusted EBITDA $69M or 7.8% of revenue

Cash Generation & Liquidity
- Cash used in operations during the first quarter $30M
- Liquidity $640M

Gross Margin
- Gross profit percentage 20.2%
- Adjusted gross profit percentage 21.2%

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

First Quarter 2023 Results – Sequential Changes

SEGMENT: Revenue Highlights 1Q23 vs. 4Q22

U.S.: Increased **3%**, or **$20 million** driven by the DIET sector, which increased $28 million, or 15%, as LNG project and turnaround maintenance activity increased. The U.S. Gas Utilities sector was down 2% primarily due to the timing of deliveries and projects. PTI was nearly unchanged.

Canada: Decreased **9%**, or **$4 million**, as declines in the Gas Utilities sector from the timing of line pipe orders offset an improvement in the PTI sector.

International: **Unchanged,** including a $3 million favorable impact from stronger foreign currencies.

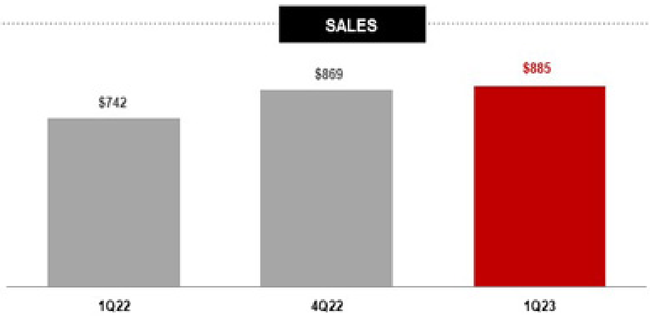
SECTOR: Revenue Highlights 1Q23 vs. 4Q22

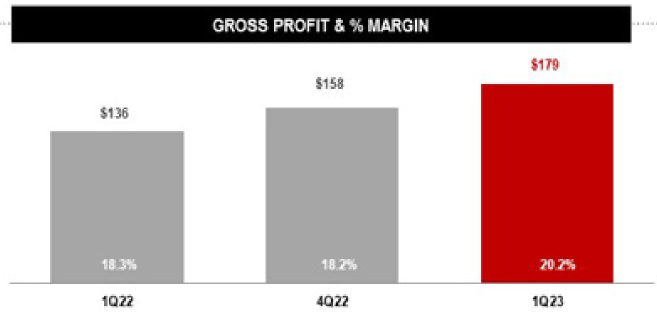
Gas Utilities: Decreased **4%**, or **$12 million,** driven by the U.S. segment.

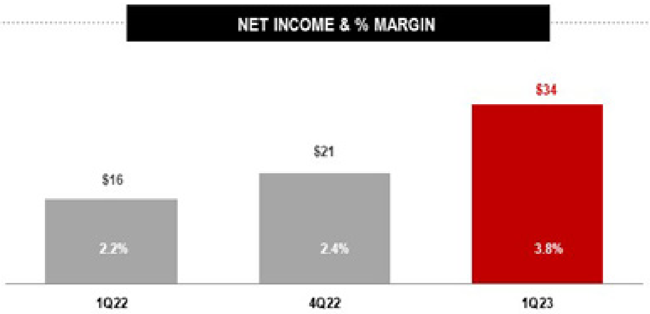
Downstream, Industrial & Energy Transition: Increased **12%**, or **$30 million,** driven by the U.S. segment.

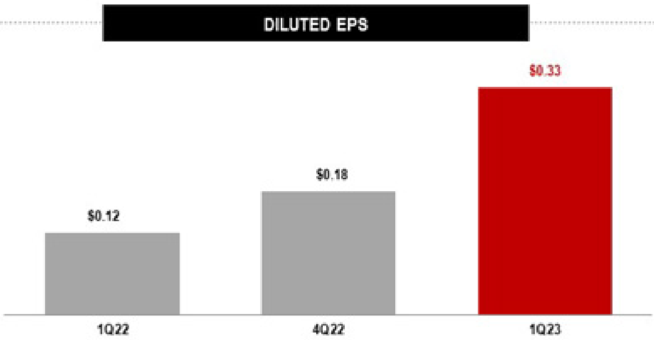
Production & Transmission Infrastructure: Decreased **1%**, or **$2 million**, as small declines in the International and U.S. segments were partially offset by an increase in the Canada segment.

Quarterly Financial Performance - GAAP
($ millions, except per share data)





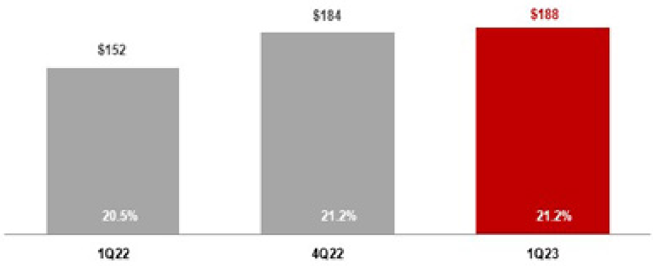




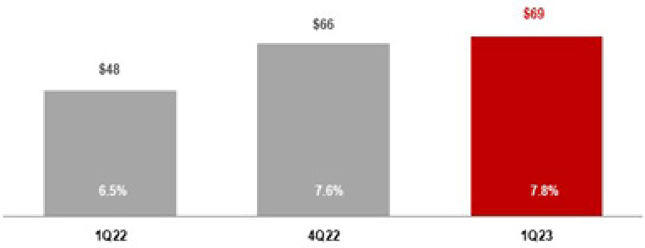
Quarterly Financial Performance - Adjusted

($ millions, except per share data)

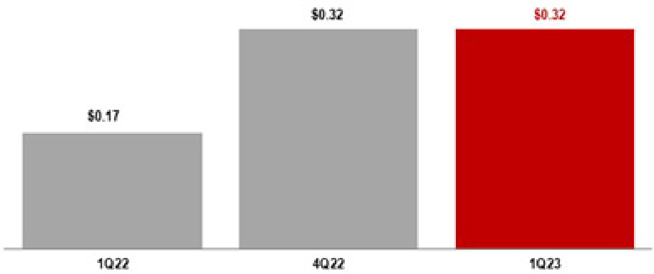
ADJUSTED GROSS PROFIT & % MARGIN[1]



ADJUSTED EBITDA & % MARGIN[1]



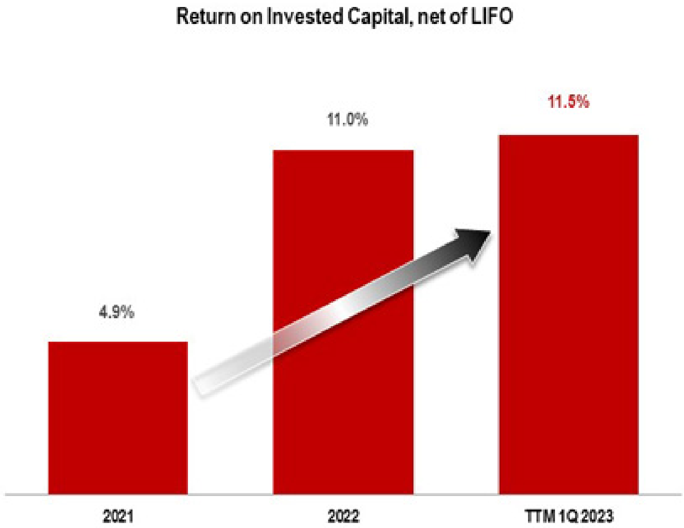
ADJUSTED DILUTED EPS[1]



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

Rapidly Rising Returns – Creating More Value for Shareholders

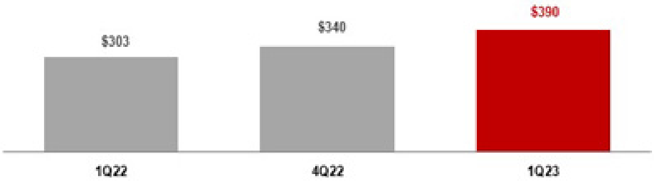
- ROIC is a key metric for capital stewardship and shareholder value creation
- Improvement in ROIC is enabled by increased profitability and enhanced efficiency of inventory and financial working capital
- Significant progress in 2022, with continued improvement expected in 2023



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

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

TOTAL DEBT



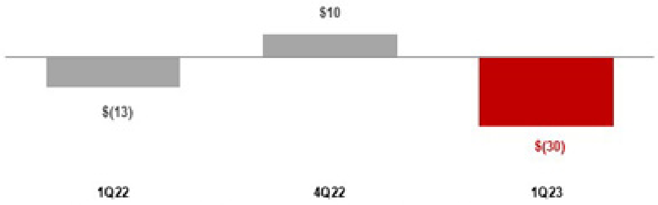
Net Leverage[1]:

1.6x	1.2x	1.2x

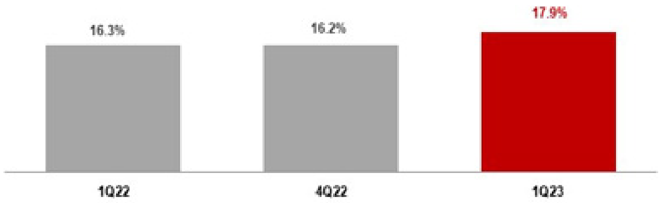
CAPITAL STRUCTURE

March 31, 2023	
Cash and Cash Equivalents	**$39**
Total Debt (including current portion):	
Term Loan B due 2024 (net of discount & deferred financing costs)	$ 295
Global ABL Facility due 2026	95
Total Debt	$ 390
Preferred stock	355
Common stockholders' equity	412
Total Capitalization	**$ 1,157**
Liquidity	**$ 640**

CASH FLOW FROM OPERATIONS



WORKING CAPITAL TO SALES RATIO[2]



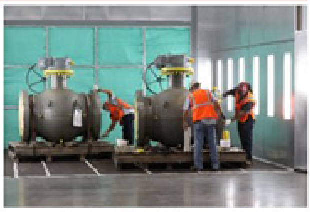
1. Net leverage multiples represent net debt / trailing twelve months adjusted EBITDA. Net debt is total debt less cash.
2. Working capital to sales ratio is defined as working capital, net of cash divided by trailing twelve months sales. Calculated with GAAP figures.

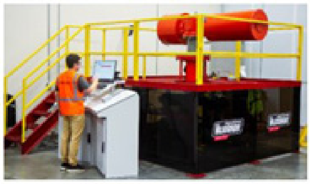
Annual Financial Outlook

2023 Guidance – 1Q23 Update	
Revenue	**Profitability & Cash Flow Drivers**
• 2023 annual – increase by double-digit percentage vs. 2022	• Adjusted Gross Profit – full year average of 21%
	• Adjusted EBITDA – 8% or higher
By sector	
• Gas Utilities – increase by upper single-digit percentage vs. 2022	• SG&A – mid-13% range
• DIET – increase by low double digits percentage vs. 2022	• Tax rate – 26 - 28% annual
• PTI – increase by mid teens percentage vs. 2022	
By segment	**Cash Flow**
• U.S. – increase by low double-digit percentage vs. 2022	• Capital expenditures – $10 - 15M
• Canada – increase by low double-digit percentage vs. 2022	• Cash flow from operations – $120M or better
• International – increase by low double-digit percentage vs. 2022	
Sequential	
• 2Q23 – up low single-digit percentage versus 1Q23	

Note: See our Current Report on Form 8-K dated May 8, 2023, for a reconciliation of non-GAAP measures to their closest GAAP measures and for a discussion of forward-looking statements and the factors that might impact the various items in the 2023 Outlook.

Well Positioned for Long Term Growth, Underpinned by Strong Fundamentals





- Gas Utilities remains a strong growth engine due to customer capital expenditure drivers relating to safety and integrity, emissions reduction and meter modernization
- DIET fundamentals supported by increased maintenance spend on downstream assets and new energy transition and LNG projects enabled by government stimulus and energy security considerations
- Expanding project management expertise provides new growth opportunities in multiple sectors, complementing our traditional MRO capabilities
- Strong traditional energy fundamentals stemming from demand growth and underinvestment indicate a multi-year upcycle, benefitting our Production and Transmission Infrastructure sector
- Diligent working capital management enables unlocking cash from the balance sheet

APPENDIX

Adjusted Gross Profit Reconciliation

($ millions)	THREE MONTHS ENDED March 31, 2023		December 31, 2022		March 31, 2022	
	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales
Sales	$ 885		$ 869		$ 742	
Gross profit	179	20.2%	158	18.2%	$ 136	18.3%
Depreciation and amortization	5		4		5	
Amortization of intangibles	5		6		5	
(Decrease) Increase in LIFO reserve	(1)		16		6	
Adjusted Gross Profit	$ 188	21.2%	$ 184	21.2%	$ 152	20.5%

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 May 8, 2023.

Adjusted SG&A Reconciliation

($ millions)	THREE MONTHS ENDED					
	March 31, 2023		December 31, 2022		March 31, 2022	
	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales
Sales	$ 885		$ 869		$ 742	
SG&A	$ 122	13.8%	$ 123	14.2%	$ 107	14.4%
Severance and restructuring	-		(1)		-	
Adjusted SG&A	$ 122	13.8%	$ 122	14.0%	$ 107	14.4%

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 May 8, 2023.

Adjusted EBITDA Reconciliation

THREE MONTHS ENDED

($ millions)	March 31, 2023		December 31, 2022		March 31, 2022	
	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales
Sales	$ 885		$ 869		$ 742	
Net income	$ 34	3.8%	$ 21	2.4%	$ 16	2.2%
Income tax expense	13		12		7	
Interest expense	7		7		6	
Depreciation and amortization	5		4		5	
Amortization of intangibles	5		6		5	
(Decrease) Increase in LIFO reserve	(1)		16		6	
Equity-based compensation expense	3		4		3	
Foreign currency losses (gains)	3		(5)		-	
Severance & Restructuring	-		1		-	
Adjusted EBITDA	$ 69	7.8%	$ 66	7.6%	$ 48	6.5%

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 May 8, 2023.

Adjusted Net Income Attributable to Common Stockholders Reconciliation

	THREE MONTHS ENDED					
	March 31, 2023		December 31, 2022		March 31, 2022	
($ millions)	Amount	Per Share	Amount	Per Share	Amount	Per Share
Net income attributable to common stockholders	**$ 28**	**$ 0.33**	**$ 15**	**$ 0.18**	**$ 10**	**$ 0.12**
(Decrease) increase in LIFO reserve, net of tax	(1)	(0.01)	12	0.14	-	-
Severance and restructuring, net of tax	-	-	-	-	5	0.05
Adjusted net income attributable to common stockholders	**$ 27**	**$ 0.32**	**$ 27**	**$ 0.32**	**$ 15**	**$ 0.17**

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 May 8, 2023.

Net Debt & Leverage Ratio Calculation

($ millions)	March 31, 2023	December 31, 2022	March 31, 2022
Long-term debt, net	**$ 387**	**$ 337**	**$ 300**
Plus: current portion of long-term debt	3	3	3
Long-term debt	**$ 390**	**$ 340**	**$ 303**
Less: cash	39	32	31
Net debt	**$ 351**	**$ 308**	**$ 272**
Net debt	$ 351	$ 308	$ 272
Trailing twelve months adjusted EBITDA	282	261	170
Leverage ratio	**1.2**	**1.2**	**1.6**

Note: Net debt and leverage ratio may be non-GAAP measures. For a discussion of the use of net debt, see our Current Report on Form 8-K dated May 8, 2023.

APPENDIX

Return on Invested Capital (ROIC), Adjusted for LIFO

($ millions)	TTM 1Q 2023	2022	2021
Net Income (loss)	$ 93	$ 75	$ (14)
Interest expense, net of tax	19	18	17
Net Operating Profit After Tax (NOPAT)	**$ 112**	**$ 93**	**$ 3**
LIFO expense, net of tax	44	50	58
NOPAT, net of LIFO	**$ 156**	**$ 143**	**$ 61**
Long-term debt	$ 390	$ 340	$ 297
Shareholders' equity	412	386	323
Preferred stock	355	355	355
Operating lease liabilities (short and long-term)	223	218	210
Invested Capital	**$ 1,380**	**$ 1,299**	**$ 1,185**
Average Invested Capital	$ 1,298	$ 1,242	$ 1,249
Average Invested Capital, net of LIFO	**$ 1,350**	**$ 1,296**	**$ 1,270**
ROIC, including LIFO	**8.6%**	**7.5%**	**0.2%**
ROIC, Adjusted for LIFO	**11.5%**	**11.0%**	**4.9%**

Note: ROIC, including LIFO, was calculated from GAAP measures by dividing Invested Capital by NOPAT. ROIC, Adjusted for LIFO, was calculated from non-GAAP adjusted measures by dividing Invested Capital, net of LIFO, by NOPAT, net of LIFO. Utilizing ROIC calculated using the non-GAAP measures is not better than ROIC calculated using the GAAP measures. However, the company presents ROIC, Adjusted for LIFO, because the company believes it provides useful comparisons of the company's ROIC to other distribution companies, including those companies with whom we compete in the distribution of pipe, valves and fittings, many of which do not utilize 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 NOPAT and Invested Capital are the financial measures calculated and presented in accordance with U.S. GAAP that is most directly compared to NOPAT, net of LIFO, and Invested Capital, Net of LIFO, used in the calculation of ROIC, Adjusted for LIFO.