

**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): March 4, 2022**

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

**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-35479**  
(Commission  
File Number)

**20-5956993**  
(I.R.S. Employer  
Identification Number)

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

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

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

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

Emerging growth company

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

**Item 7.01 Regulation FD Disclosure.**

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

The information contained in the Presentation Materials is summary information that should be considered in the context of MRC Global’s filings with the Securities and Exchange Commission and other public announcements that MRC Global may make by press release or otherwise from time to time. The Presentation Materials speak as of the date of this Current Report on Form 8-K. While MRC Global may elect to update the Presentation Materials in the future or reflect events and circumstances occurring or existing after the date of this Current Report on Form 8-K, MRC Global specifically disclaims any obligation to do so. The Presentation Materials will also be posted in the Investor Relations section of MRC Global’s website, <http://www.mrcglobal.com>, for 90 days.

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

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

99.1 [Investor conference presentation, dated March 4, 2022](#)

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

---

## INDEX TO EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
99.1	<a href="#">Investor conference presentation, dated March 4, 2022</a>
104	Cover Page Interactive Data File – The cover page XBRL tags from this Current Report on Form 8-K are embedded within the Inline XBRL document.

**SIGNATURES**

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

Date: March 4, 2022

MRC GLOBAL INC.

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

# MRC Global

## Investor Presentation - 4Q 2021 Update

March 4, 2022

**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 February 15, 2022.

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](http://www.sec.gov) and on the company’s website, [www.mrcglobal.com](http://www.mrcglobal.com). Our filings and other important information are also available on the Investor Relations page of our website at [www.mrcglobal.com](http://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)**

They should be viewed in addition to, and not as a substitute for, analysis of our results reported in accordance with GAAP. Management believes that these non-GAAP financial measures provide investors a view to measures similar to those used in evaluating our compliance with certain financial covenants under our credit facilities and provide meaningful comparisons between current and prior year period results. They are also used as a metric to determine certain components of performance-based compensation. They are not necessarily indicative of future results of operations that may be obtained by the company.

# MRC Global

## A Compelling Investment Opportunity

100  
YEARS

Market leader in PVF distribution with 100-year history



Diversified portfolio with multiple levers for growth



Technical and value-added supply-chain solutions



Solid balance sheet and improving profitability



Committed to ESG principles and sustainability

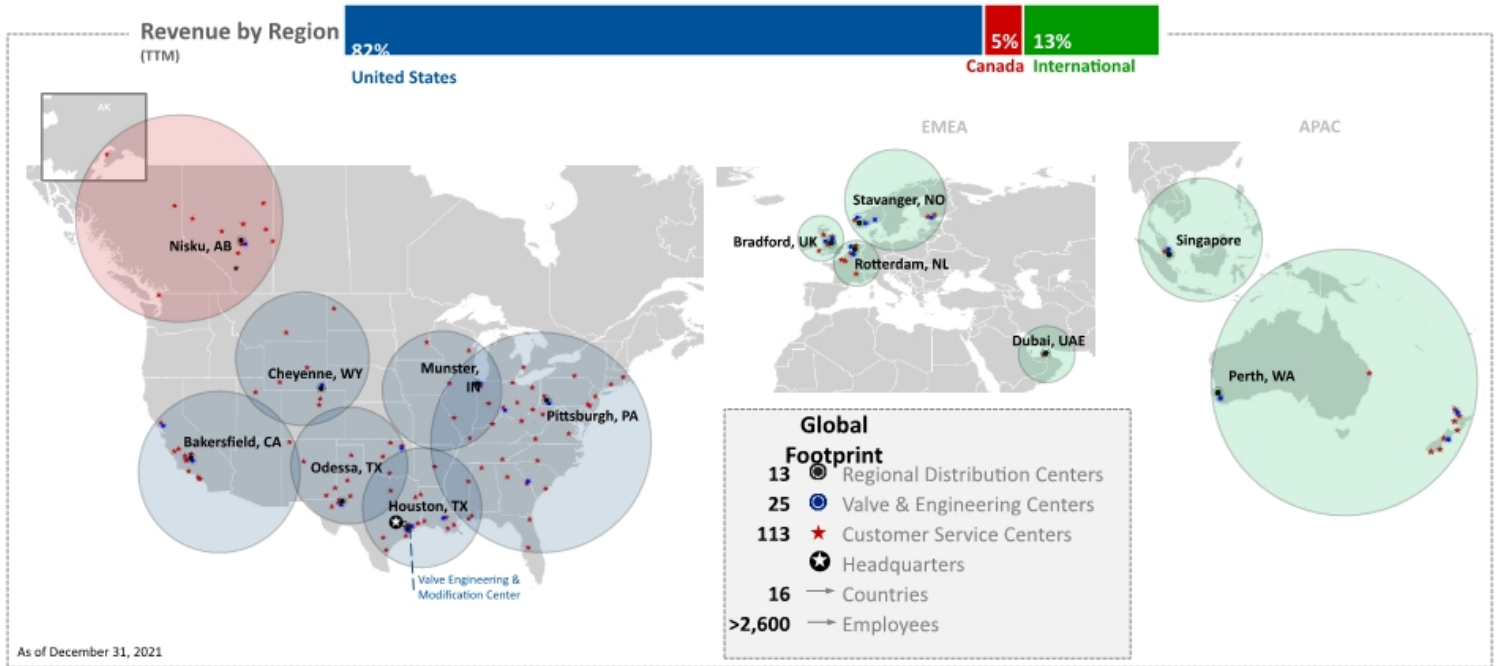


*Experts You Can Trust*



# Global Footprint – Hub & Spoke Model Promotes Customer Service and Efficiency

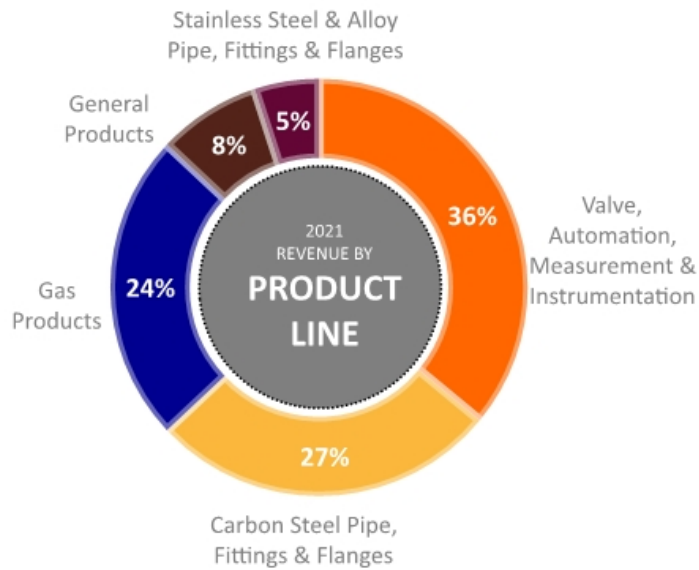
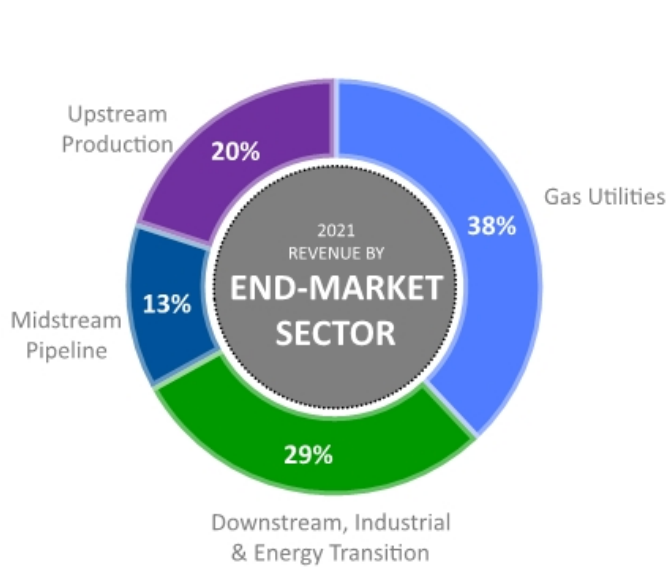
Delivering Solutions to Customers and Market Access to Suppliers







## Diversified Portfolio - Revenue by End-Market Sector and Product Line



## Gas Utilities – Underpinned by Secular Growth and Independent of Commodity Prices

### Prices

#### Growth Drivers

- Multi-year pipeline integrity projects, new installations & climate change considerations such as low-emissions valves
- Annual customer budget growth averages ~5-7%
- Valve Engineering & Modification Center drives market penetration

#### Attributes

- **Independent of commodity prices**
- Contracts with the majority of the 25 largest gas utilities in the U.S.
- Achieved \$1 billion in revenue in 2021 (two years early)





## Downstream, Industrial & Energy Transition (DIET) – Multiple Growth Avenues

### Growth Drivers

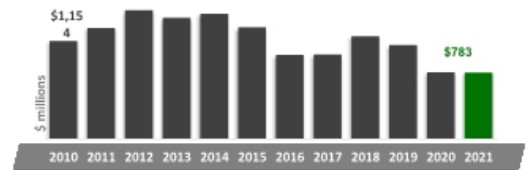
- Increasing secular demand for plastics leading to petrochemical investments
- Valve-centric strategy and Downstream Center of Excellence targeting chemical & petrochemical industries
- Significant investments in energy transition & decarbonization projects as carbon reduction targets are prioritized
- Previously delayed turnaround activity resuming as

### Attributes

- **Less commodity price dependent**
- Recurring MRO revenue plus greenfield and upgrade projects
- Heavily valve-centric
- More specialty metal alloy requirements



9% Chemicals  
 9% Refining  
 11% Industrial & Energy Transition





## Well-Positioned for Growth in Global Energy Transition

### Massive Opportunity

#### Provide Products & Services for Green Energy and Decarbonization Solutions

- Trillions of dollars to be spent through private investment and government stimulus
- Solutions include: Biofuels, carbon capture, utilization and storage (CCUS), hydrogen, geothermal, hydro, wind and solar
- Covers a broad set of global customers across all segments and sectors
- Greenfield projects, conversions and MRO activities
- Currently represents a small portion of MRC Global revenue and profits



### MRC Global Capabilities

#### Skills, Assets & Experience to Accelerate Growth Opportunities

- Existing energy customers pivoting portfolios toward green energy and decarbonization
- Global footprint to serve multinational customers
- Efficient and well-established supply chain network
- Deep knowledge of PVF products and value-added services
- Experience with multiple forms of green energy and CCUS projects

Partnering in the Energy Transition



## Upstream Production – Economic Recovery Driving Growth

### Growth Drivers

- Global economic recovery, industrialization & population growth
- Capital budgets for well completions

### Attributes

- Provide surface equipment for well hook-ups, flow lines & tank batteries
- Located in all major basins - revenue follows basin market activity levels
- Customer mix weighted to IOCs and large, public independents





## Midstream Pipeline – Infrastructure Modernization & Maintenance Driving

### Growth

#### Growth Drivers

- Modernization & replacement projects, production growth and hydrocarbon exports in the U.S.
- Valve Engineering & Modification Center drives market penetration

#### Attributes

- Transmission and gathering customers
- Supply PVF “bulks & shorts” for transmission projects
- Provide staging and logistical services





## Technical and Value-Added Supply-Chain Solutions

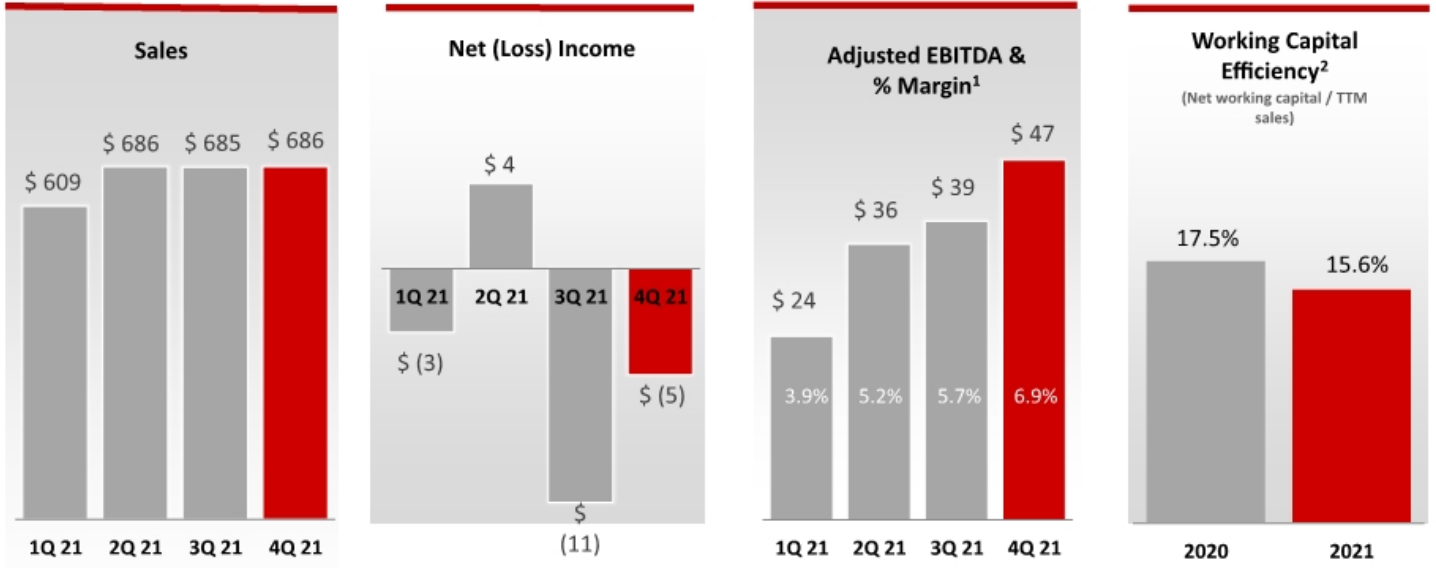


Providing customers technical, engineered products and supply-chain solutions:

- Valve Engineering Centers and Valve Engineering and Modification Center
  - Actuation, modification, ValidTorque™
  - Complete engineering documentation (CAD drawings)
  - Testing services (e.g., hydrostatic testing, weld x-rays)
  - Steam system surveys and audits
  - On-site product assistance, training and demonstrations
- Quality Assurance Program – Approved Manufacturers List Qualification & Supplier Audits
- Integrated Supply Solutions – Complete inventory management services including warehouse and logistics solutions, stock replenishment and product rationalization



## Improving Profitability (\$ millions)



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





## Solid Balance Sheet & Financial Flexibility as of December 31, 2021 (\$ millions)

### Debt Profile

Cash & Cash Equivalents \$ 48

Debt (including current portion):

Term Loan B due 2024  
(net of discount & deferred financing costs) \$ 297

Global ABL Facility due 2026 -

**Total Debt \$ 297**

### Net Debt<sup>1</sup>

4Q 21 \$ 249M

4Q 20 \$ 264M

### Leverage Ratio<sup>2</sup>

2.7x

1.7x

4Q 20

4Q 21

### Liquidity<sup>3</sup>

4Q 21 \$532

4Q 20 \$551

1. Net debt is total debt less cash. See reconciliation in appendix.
2. Net leverage multiples represent net debt / trailing twelve months adjusted EBITDA.
3. Cash plus excess availability under the Global ABL facility.



## Committed to ESG Principles and Sustainability

### Environmental

- Pollution control for customers – Offer low-e valves reducing fugitive waste emissions, such as methane
- Reduced our North American Scope 1 emissions ~**33%** from **2018** to **2020**
- Continually improving impact by reducing transportation moves

### ESG Developments

- Publishing our 5<sup>th</sup> ESG report in the first half of 2022
- Designated a Vice President – ESG in 2021



### Diversity & Inclusion

- **30%** of Board of Directors from Diversity Groups
- Women make up **55%** of global corporate employees

### Social Responsibility

- **Strong safety culture**
- Top Quartile Safety Performance in 2020 National Association Wholesaler-Distributors Survey
- Supplier Quality Process (Processes, Policies & Audits)

### Governance

- Adopted SASB reporting standards
- **Executive compensation tied to safety metric**
- Board of Directors' Governance Committee now known as Environmental, Social, Governance & Enterprise Risk Committee

# MRC Global

## A Compelling Investment Opportunity

100  
YEARS

Market leader in PVF distribution with 100-year history



Diversified portfolio with multiple levers for growth



Technical and value-added supply-chain solutions



Solid balance sheet and improving profitability



Committed to ESG principles and sustainability



*Experts You Can Trust*

A vertical graphic element consisting of a red shield-like shape with a white border, centered on a light gray background. The word "APPENDIX" is written in white, bold, uppercase letters across the red shield.

# APPENDIX

---

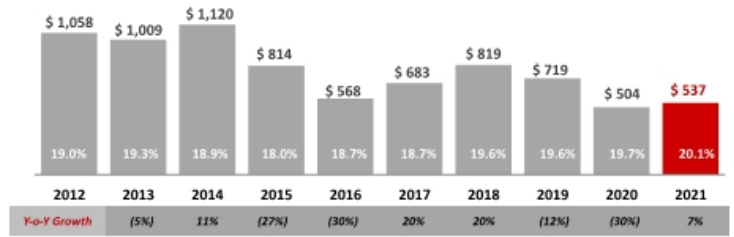


## Annual Financial Performance (\$ millions, except per share data)

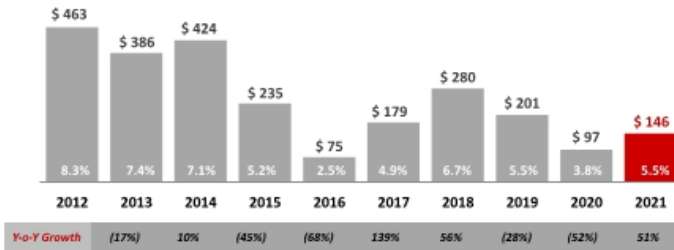
### SALES



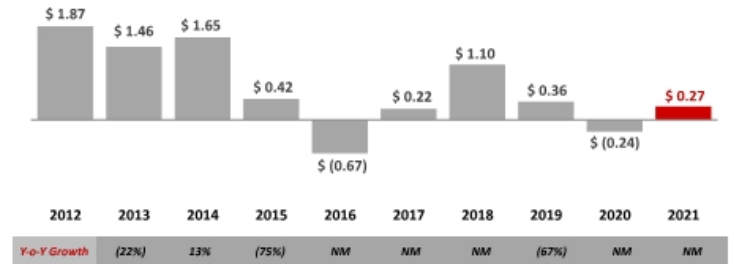
### ADJUSTED GROSS PROFIT & % MARGIN<sup>1</sup>



### ADJUSTED EBITDA & % MARGIN<sup>1</sup>



### ADJUSTED DILUTED EPS<sup>1</sup>

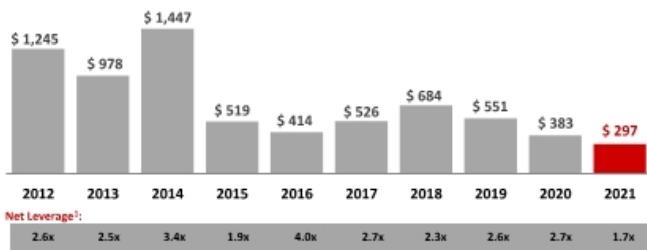


1. See reconciliation of non-GAAP measures to GAAP measures in the appendix



## Balance Sheet (\$ millions)

### TOTAL DEBT

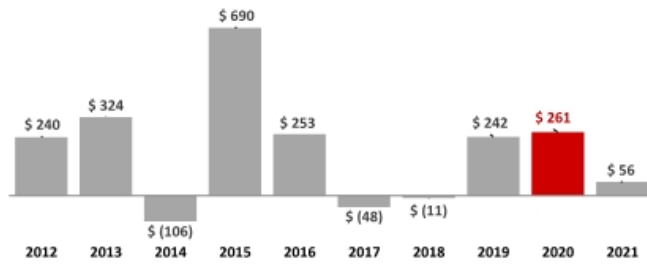


### CAPITAL STRUCTURE

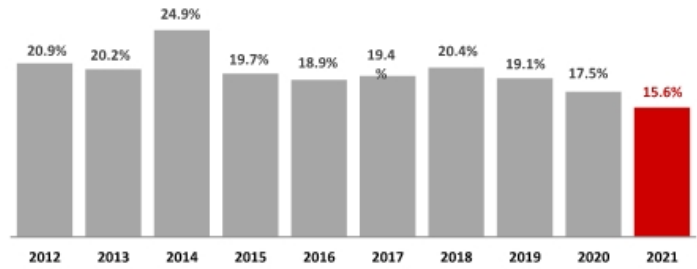
December 31, 2021

Cash and Cash Equivalents	\$ 48
Total Debt (including current portion):	
Term Loan B due 2024 (net of discount & deferred financing costs)	\$ 297
Global ABL Facility due 2022	-
<b>Total Debt</b>	<b>\$ 297</b>
Preferred stock	355
Common stockholders' equity	323
<b>Total Capitalization</b>	<b>\$ 975</b>
<b>Liquidity</b>	<b>\$ 532</b>

### CASH FLOW FROM OPERATIONS



### NET WORKING CAPITAL AS % OF SALES<sup>2</sup>



1. Net leverage multiples represent net debt / trailing twelve months adjusted EBITDA. Net debt is total debt less cash.  
2. Working capital defined as current assets (excluding cash) - current liabilities. Sales are on trailing twelve months basis.

## Adjusted Gross Profit Reconciliation

YEAR ENDED DECEMBER 31

(\$ millions)	2021		2020		2019		2018		2017		2016		2015		2014		2013		2012	
	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales
Sales	\$2,666		\$2,560		\$3,662		\$4,172		\$3,646		\$3,041		\$4,529		\$5,933		\$5,231		\$5,571	
Gross profit	\$ 417	15.6%	\$ 431	16.8%	\$ 653	17.8%	\$ 689	16.5%	\$ 582	16.0%	\$ 468	15.4%	\$ 786	17.4%	\$ 1,018	17.2%	\$ 955	18.3%	\$ 1,014	18.2%
Depreciation and amortization	19		20		21		23		22		22		21		22		22		19	
Amortization of intangibles	24		26		42		45		45		47		60		68		52		49	
(Decrease) increase in LIFO reserve	77		(19)		(2)		62		28		(14)		(53)		12		(20)		(24)	
Inventory charges and other	-		46		5		-		6		45		-		-		-		-	
Adjusted Gross Profit	\$ 537	20.1%	\$ 504	19.7%	\$ 719	19.6%	\$ 819	19.6%	\$ 683	18.7%	\$ 568	18.7%	\$ 814	18.0%	\$ 1,120	18.9%	\$ 1,009	19.3%	\$ 1,058	19.0%

Note: Adjusted gross profit is a non-GAAP measure. For a discussion of the use of adjusted gross profit, see our Current Report on Form 8-K dated February 15, 2022.

## Adjusted EBITDA Reconciliation - Quarters

(\$ millions)	THREE MONTHS ENDED							
	December 31, 2021		September 31, 2021		June 30, 2021		March 31, 2021	
	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales
Sales	\$ 686		\$ 685		\$ 686		\$ 609	
<b>Net (loss) income</b>	<b>\$ (4)</b>	<b>(0.6)%</b>	<b>\$ (11)</b>	<b>(1.6)%</b>	<b>\$ 4</b>	<b>0.6%</b>	<b>\$ (3)</b>	<b>(0.5)%</b>
Income tax expense (benefit)	1		(2)		1		-	
Interest expense	5		6		6		6	
Depreciation and amortization	5		4		5		5	
Amortization of intangibles	6		6		6		6	
Increase (decrease) in LIFO reserve	30		32		11		4	
Equity-based compensation expense	2		3		2		5	
Foreign currency losses (gains)	-		1		1		-	
Employee separation	-		-		-		1	
Inventory-related charges	-		-		-		-	
Facility closures	1		-		-		-	
Goodwill & intangible asset impairment	-		-		-		-	
Severance & restructuring charges	1		-		-		-	
Gain on early extinguishment of debt	-		-		-		-	
Recovery of supplier bad debt	-		-		-		-	
Gain on sale leaseback	-		-		-		-	
<b>Adjusted EBITDA</b>	<b>\$ 47</b>	<b>6.9%</b>	<b>\$ 39</b>	<b>5.7%</b>	<b>\$ 36</b>	<b>5.2%</b>	<b>\$ 24</b>	<b>3.9%</b>

Note: Adjusted EBITDA is a non-GAAP measure. For a discussion of the use of adjusted EBITDA, see our Current Report on Form 8-K dated February 15, 2022.





## Adjusted EBITDA Reconciliation – Annual Periods

YEAR ENDED DECEMBER 31

(\$ millions)

	2021		2020		2019		2018		2017	
	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales
<b>Sales</b>	<b>\$ 2,666</b>		<b>\$2,560</b>		<b>\$3,662</b>		<b>\$4,172</b>		<b>\$3,646</b>	
<b>Net (loss) income</b>	<b>\$ (14)</b>	<b>(0.05)%</b>	<b>\$ (274)</b>	<b>(10.7)%</b>	<b>\$ 39</b>	<b>1.1%</b>	<b>\$ 74</b>	<b>1.8%</b>	<b>\$ 50</b>	<b>1.4%</b>
Income tax (benefit) expense	-		(9)		27		21		(43)	
Interest expense	23		28		40		38		31	
Depreciation and amortization	19		20		21		23		22	
Amortization of intangibles	24		26		42		45		45	
(Decrease) increase in LIFO reserve	77		(19)		(2)		62		28	
Equity-based compensation expense	12		12		16		14		16	
Foreign currency losses (gains)	2		2		(1)		(1)		(2)	
Employee separation	1		-		-		--		-	
Inventory-related charges	-		46		5		-		6	
Facility closures	1		17		-		-		-	
Goodwill & intangible asset impairment	-		242		-		-		-	
Severance & restructuring charges	1		14		9		4		14	
Gain on sale of leaseback	-		(5)		-		-		-	
Recovery of supplier bad debt & Supplier bad debt	-		(2)		5		-		-	
(Gain) loss on early extinguishment of debt	-		(1)		-		-		-	
Write off of debt issuance costs	-		-		-		1		8	
Litigation matter	-		-		-		-		3	
Change in fair value of derivative instruments	-		-		-		(1)		1	
<b>Adjusted EBITDA</b>	<b>\$ 146</b>	<b>5.5%</b>	<b>\$ 97</b>	<b>3.8%</b>	<b>\$ 201</b>	<b>5.5%</b>	<b>\$ 280</b>	<b>6.7%</b>	<b>\$ 179</b>	<b>4.9%</b>

Note: Adjusted EBITDA is a non-GAAP measure. For a discussion of the use of adjusted EBITDA, see our Current Report on Form 8-K dated February 15, 2022.



## Adjusted EBITDA Reconciliation – Annual Periods

YEAR ENDED DECEMBER 31

(\$ millions)	2016		2015		2014		2013		2012	
	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales
<b>Sales</b>	<b>\$3,041</b>		<b>\$4,529</b>		<b>\$5,933</b>		<b>\$5,231</b>		<b>\$5,571</b>	
<b>Net (loss) income</b>	<b>\$ (83)</b>	<b>(2.7%)</b>	<b>\$ (331)</b>	<b>(7.3%)</b>	<b>\$ 144</b>	<b>2.4%</b>	<b>\$ 152</b>	<b>2.9%</b>	<b>\$ 118</b>	<b>2.1%</b>
Income tax (benefit) expense	(8)		(11)		82		85		64	
Interest expense	35		48		62		61		113	
Depreciation and amortization	22		21		22		22		19	
Amortization of intangibles	47		60		68		52		49	
(Decrease) increase in LIFO reserve	(14)		(53)		12		(20)		(24)	
Equity-based compensation expense	12		10		9		15		8	
Foreign currency losses (gains)	4		3		3		13		(1)	
Goodwill & intangible asset impairment	-		462		-		-		-	
Inventory-related charges	40		-		-		-		-	
Severance & restructuring charges	20		14		8		1		-	
Loss on early extinguishment of debt	-		-		-		-		114	
Write off of debt issuance costs	1		3		-		-		-	
Litigation matter	-		3		-		-		-	
Change in fair value of derivative instruments	(1)		1		1		(5)		(2)	
Loss on disposition of non-core product line	-		5		10		-		-	
Insurance charge	-		-		-		2		-	
Cancellation of executive employment agreement (cash portion)	-		-		3		-		-	
Expenses associated with refinancing	-		-		-		5		2	
Pension settlement	-		-		-		-		4	
Other expense (income)	-		-		-		3		(1)	
<b>Adjusted EBITDA</b>	<b>\$ 75</b>	<b>2.5%</b>	<b>\$ 235</b>	<b>5.2%</b>	<b>\$ 424</b>	<b>7.1%</b>	<b>\$ 386</b>	<b>7.4%</b>	<b>\$ 463</b>	<b>8.3%</b>

Note: Adjusted EBITDA is a non-GAAP measure. For a discussion of the use of adjusted EBITDA, see our Current Report on Form 8-K dated February 15, 2022.

## Adjusted Net Income (Loss) Reconciliation – Annual Periods

YEAR ENDED DECEMBER 31

(\$ millions)

	2021		2020		2019		2018		2017	
	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share
<b>Net (loss) income attributable to common stockholders</b>	<b>\$ (38)</b>	<b>\$ (0.46)</b>	<b>\$ (298)</b>	<b>\$ (3.63)</b>	<b>\$ 15</b>	<b>\$ 0.18</b>	<b>\$ 50</b>	<b>\$ 0.54</b>	<b>\$ 26</b>	<b>\$ 0.27</b>
Goodwill and intangible asset impairment, net of tax	-	-	234	2.85	-	-	-	-	-	-
Inventory-related charges, net of tax	-	-	38	0.46	5	0.06	-	-	6	0.06
Severance and restructuring, net of tax	1	0.01	12	0.15	7	0.08	3	0.03	14	0.15
Recovery of supplier bad debt and supplier bad debt, net of tax	-	-	(2)	(0.02)	5	0.06	-	-	-	-
(Decrease) increase in LIFO reserve, net of tax	58	0.71	(15)	(0.18)	(2)	(0.02)	48	0.52	18	0.19
Loss on early extinguishment of debt, net of tax	-	-	-	-	-	-	-	-	-	-
Facility closures, net of tax	1	0.01	15	0.18	-	-	-	-	-	-
Gain on sale leaseback	-	-	(4)	(0.05)	-	-	-	-	-	-
Litigation matter, net of tax	-	-	-	-	-	-	-	-	2	0.02
Write-off of debt issuance costs, net of tax	-	-	-	-	-	-	1	0.01	5	0.05
Income tax adjustment	-	-	-	-	-	-	-	-	(50)	(0.52)
<b>Adjusted (loss) net income attributable to common stockholders</b>	<b>\$ 22</b>	<b>\$ 0.27</b>	<b>\$ (20)</b>	<b>\$ (0.24)</b>	<b>\$ 30</b>	<b>\$ 0.36</b>	<b>\$ 102</b>	<b>\$ 1.10</b>	<b>\$ 21</b>	<b>\$ 0.22</b>

Note: Adjusted net income is a non-GAAP measure. For a discussion of the use of adjusted net income, see our Current Report on Form 8-K dated February 15, 2022.

## Adjusted Net Income (Loss) Reconciliation – Annual Periods

YEAR ENDED DECEMBER 31

(\$ millions)	2016		2015		2014		2013		2012	
	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share
<b>Net (loss) income attributable to common stockholders</b>	<b>\$ (107)</b>	<b>\$ (1.10)</b>	<b>\$ (344)</b>	<b>\$ (3.38)</b>	<b>\$ 144</b>	<b>\$ 1.40</b>	<b>\$ 152</b>	<b>\$ 1.48</b>	<b>\$ 118</b>	<b>\$ 1.22</b>
Goodwill and intangible asset impairment, net of tax	-	-	402	3.94	-	-	-	-	-	-
Inventory-related charges, net of tax	33	0.34	-	-	-	-	-	-	-	-
Severance and restructuring, net of tax	17	0.17	11	0.11	6	0.06	-	-	-	-
(Decrease) increase in LIFO reserve, net of tax	(9)	(0.09)	(33)	(0.32)	8	0.08	(13)	(0.13)	(15)	(0.15)
Loss on early extinguishment of debt, net of tax	-	-	-	-	-	-	-	-	74	0.76
Litigation matter, net of tax	-	-	2	0.02	-	-	-	-	-	-
Write-off of debt issuance costs, net of tax	1	0.01	2	0.02	-	-	-	-	1	0.01
Executive separation expense, net of tax	-	-	-	-	-	-	1	0.01	-	-
Loss on disposition of non-core product lines, net of tax	-	-	3	0.03	8	0.08	-	-	-	-
Insurance charge, net of tax	-	-	-	-	-	-	1	0.01	-	-
Expenses associated with refinancing, net of tax	-	-	-	-	-	-	3	0.03	-	-
Equity-based compensation acceleration, net of tax	-	-	-	-	-	-	3	0.03	-	-
Income tax adjustment	-	-	-	-	-	-	3	0.03	-	-
Cancellation of executive employment agreement, net of tax	-	-	-	-	3	0.03	-	-	-	-
Pension settlement, net of tax	-	-	-	-	-	-	-	-	3	0.03
<b>Adjusted (loss) net income attributable to common stockholders</b>	<b>\$ (65)</b>	<b>\$ (0.67)</b>	<b>\$ 43</b>	<b>\$ 0.42</b>	<b>\$ 169</b>	<b>\$ 1.65</b>	<b>\$ 150</b>	<b>\$ 1.46</b>	<b>\$ 181</b>	<b>\$ 1.87</b>

Note: Adjusted net income is a non-GAAP measure. For a discussion of the use of adjusted net income, see our Current Report on Form 8-K dated February 15, 2022.

## Net Debt & Leverage Ratio Calculation

(\$ millions)	December 31, 2021	September 30, 2021	December 31, 2020
<b>Long-term debt, net</b>	<b>\$ 295</b>	<b>\$ 323</b>	<b>\$ 379</b>
Plus: current portion of long-term debt	2	2	4
<b>Long-term debt</b>	<b>297</b>	<b>325</b>	<b>383</b>
Less: cash	48	47	119
<b>Net debt</b>	<b>\$ 249</b>	<b>\$ 278</b>	<b>\$ 264</b>
Net debt	\$ 249	\$ 278	\$ 264
Trailing twelve months adjusted EBITDA	146	121	97
<b>Leverage ratio</b>	<b>1.7</b>	<b>2.3</b>	<b>2.7</b>

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 February 15, 2022.

