



Second Quarter 2018 Investor Presentation  
August 2, 2018

**Andrew Lane**

President & CEO

**Jim Braun**

Executive Vice President & CFO

*We Make Energy Flow™*



# Forward Looking Statements and Non-GAAP Disclaimer

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

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

## Statement Regarding Use of Non-GAAP Measures:

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

# Global Leader in PVF Distribution

**Largest pipe, valves and fittings (PVF) distributor – TTM Sales of \$4.0B**

## Key Role in Global Supply Chains of Energy Companies

- Create value for both customers and suppliers
- Closely integrated into customer supply chains
- Volume purchasing savings and capital efficiencies for customer

## Differentiated Global Capabilities

- Footprint with ~300 service locations in 22 countries
- Premier quality program, material sourcing & customer service
- Serve broad PVF needs making it convenient and efficient for customers

## Diversified Business Mix

- Balanced portfolio across upstream, midstream & downstream sectors
- Product mix focused on higher margin offerings
- Strategic focus on maintenance, repair and operations (MRO) contracts
- Growing integrated supply & project business
- Serve 200+ fabrication customers with ~\$350M in annual revenue

**Upstream 29%**



**Midstream 43%**

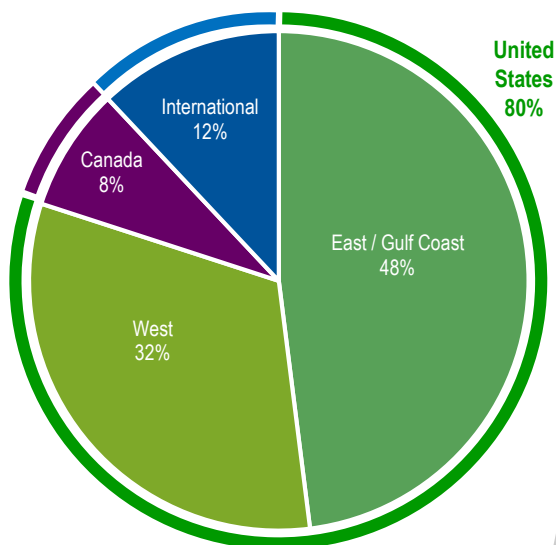


**Downstream 28%**

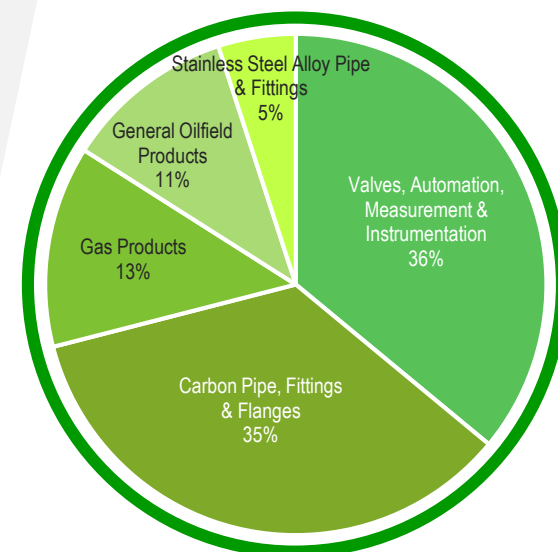


# Diversified by Region, Industry Sector and Product Line - Well Positioned Through Cycle

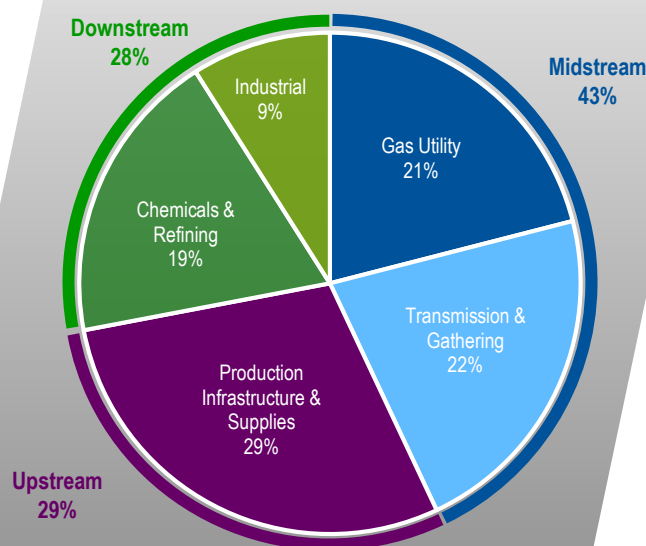
## Revenue by Geography



## Revenue by Product Line



## Revenue by Industry Sector



Note: Percentage of sales are for the twelve months ended June 30, 2018.

Industrial includes metals & mining, fabrication, pulp & paper, power generation and general industrial.



# Upstream – Providing Completion Infrastructure to E&P Operators

- Provide well hook-ups via on-site product trailers, above-ground infrastructure PVF products for flow lines & tank batteries
- Serve exploration & production (E&P) operators including Shell, Chevron, Anadarko, California Resources Corporation and Canadian Natural Resources
- Primary drivers are customers' capital budgets for well completions & production tank battery upgrades and expansions
- Walk-in counter sales at strategically located branches in active oil & gas production areas
- Located in all major basins - revenue follows basin market activity levels
- Permian basin is our largest upstream position representing 6% of total first half 2018 revenue and with growth of > 65% in the first half of 2018 over the first half of 2017



# Serving Midstream Customers

## Gas Utilities

- Provide PVF & integrated supply services
- Business drivers:
  - integrity projects & pipeline enhancement projects
  - independent of commodity prices
  - residential & commercial, new & upgrade installations
- Relatively stable, steady growth
- Contracts or sales with 8 of the 10 largest gas utilities in the U.S. (e.g. PG&E, NiSource, Atmos, Duke, Southern Company Gas)



## Transmission & Gathering

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



# Serving Downstream Customers

## Refining

- Recurring MRO revenue from planned & unplanned maintenance
- Provide on-location “zone store” inventory
- Contracts or sales with 8 of the 10 largest refiners in the U.S. (e.g. Shell, Chevron, Marathon Petroleum Company, Valero, Phillips 66, ExxonMobil)



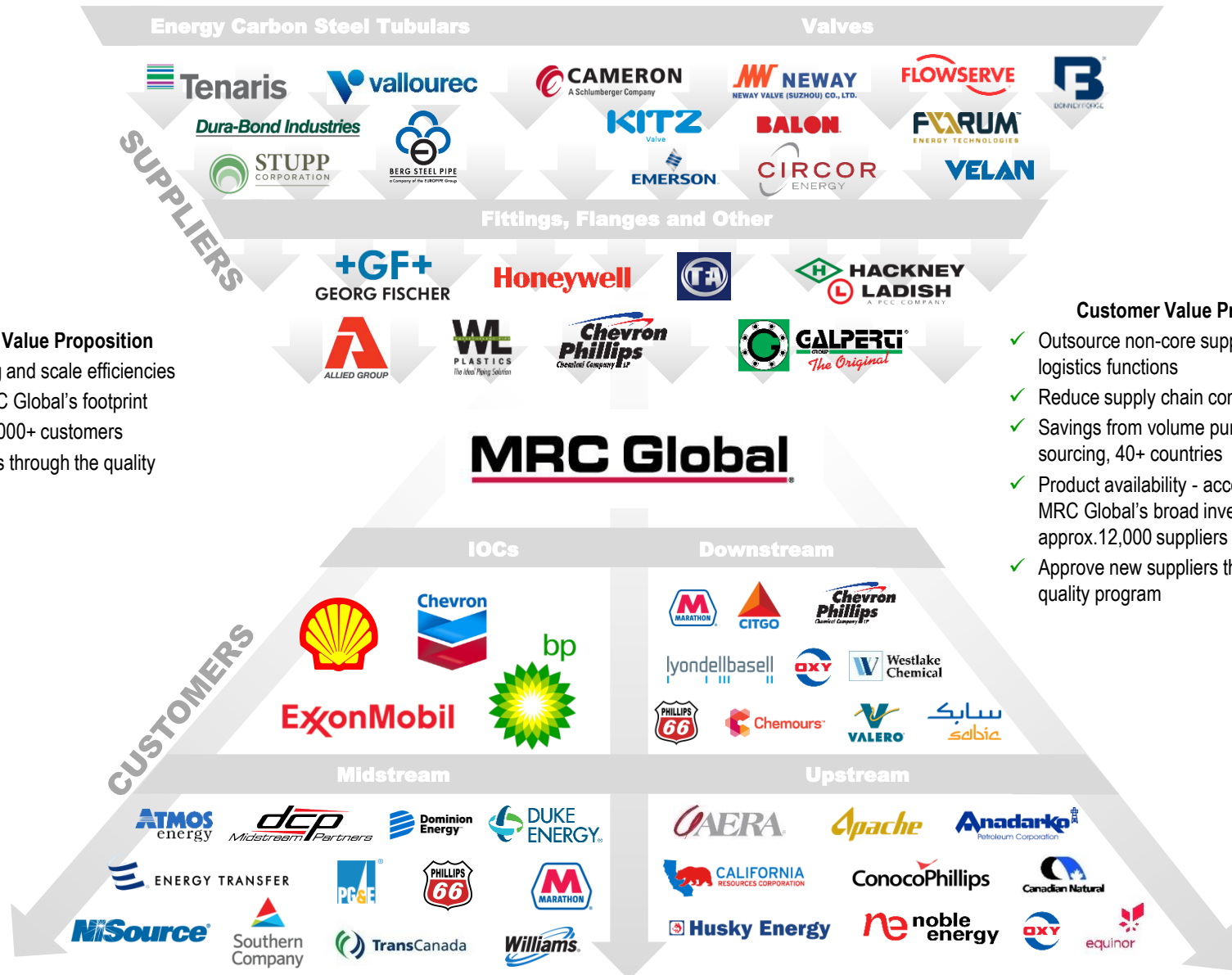
## Chemical & Industrial

- Low gas prices provide stable, advantaged feedstock for plastics
- Positioned to benefit from planned U.S. petrochemical projects





# MRC Global is a Critical Link Between Its Customers & Suppliers



## Supplier Value Proposition

- ✓ Manufacturing and scale efficiencies
- ✓ Leverage MRC Global's footprint
- ✓ Access to 16,000+ customers
- ✓ Lead suppliers through the quality process

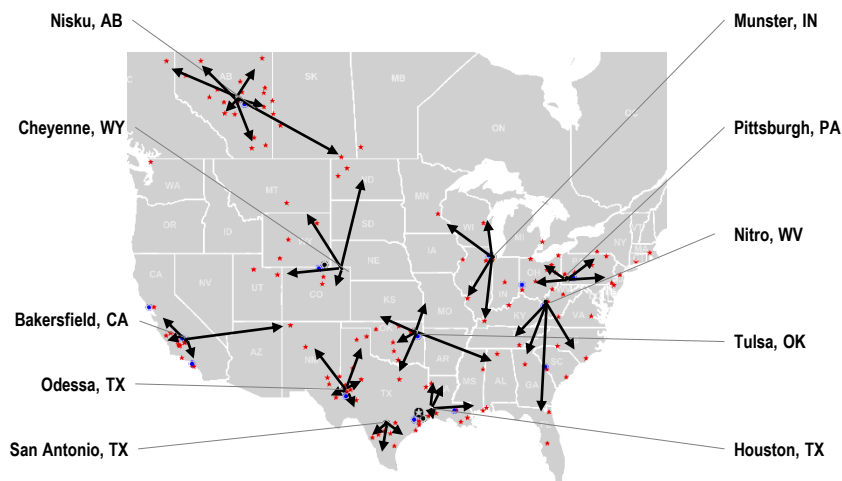
## Customer Value Proposition

- ✓ Outsource non-core supply chain and logistics functions
- ✓ Reduce supply chain complexity
- ✓ Savings from volume purchasing and global sourcing, 40+ countries
- ✓ Product availability - access to MRC Global's broad inventory with approx. 12,000 suppliers
- ✓ Approve new suppliers through rigorous quality program



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

## North America



### North America

As of  
6/30/2018

Branches	123
RDCs	10
VECs	14
Employees	~2,735

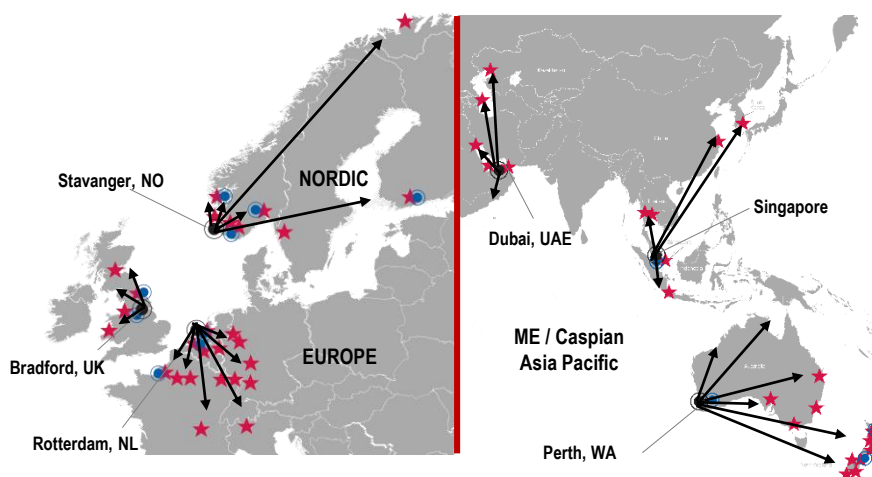
- Valve & Engineering Center (VEC)
- Regional Distribution Center (RDC)
- ★ Branch Location (BR)
- ★ Headquarters (HQ)

### MRC Global

As of  
6/30/2018

Branches	174
RDCs	16
VECs	26
Countries	22
Employees	~3,555

## International



### International

As of  
6/30/2018

Branches	51
RDCs	6
VECs	12
Countries	20
Employees	~820

# MRC Global's Differentiated Value Proposition

## Organic Growth



Strong record of winning new customers and expanding existing relationships resulting in growth

## Operational Optimization



Driving enhanced profitability and return on capital through operational efficiencies, disciplined cost management and products & services portfolio optimization

## Strategic Capital Decisions



Active balance sheet management and robust cash flow create financial flexibility and capital allocation opportunities

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

## 1. Renew Existing & Obtain New MRO Contract Customers

- Approximately 54% of sales are from our top 25 customers<sup>1</sup>

## 2. Expand Global Chemical and Valve businesses

- Target - 40% of total revenue from valves, automation, measurement and instrumentation

## 3. Continue to Expand the Integrated Supply Business

- Approx. \$900 million in revenue<sup>1</sup>

### Selected Recent Contract Wins and Renewals

Customer	Type/ Scope	Products	Geography	Term (years)
Marathon Petroleum	Renewal	PVF	U.S.	3
BP (downstream)	Renewal	PVF	U.S.	2
TransCanada	Renewal	PVF	U.S.	3
CNRL	Renewal with added scope	PVF	N.A.	3
Duke	Renewal with added scope	Integrated Supply	U.S.	6
DCP Midstream	Renewal	PVF	U.S.	5
Southern Co Gas	Renewal	Integrated Supply	U.S.	5
Shell	Renewal	PFF, Valves	N.A., Global	5
NiSource	Renewal with added scope	Integrated Supply	U.S.	5
ConocoPhillips	Renewal	PVF	U.S.	2
Chevron	Renewal	PVF	Global	7

1. For the twelve months ended June 30, 2018

# Leader in Executing Global PVF Contracts - a Platform for Growth

Customers prefer a dependable supplier who can offer global procurement capabilities and excellent service everywhere they operate.

MRC Global has executed the only global PVF contracts with IOCs in the industry.

- Shell – Global valves & North American PFF
- Chevron – Global PVF
- ExxonMobil – Global valves, initially focused on downstream



**2017**

## Shell

- 5 year renewal term
- Global valves & North American PFF

*First global valve contract in 2012*

**2017**

## Chevron

- 7 year renewal term
- Global PVF
- Leveraged U.S. agreement to add Canada, Europe, Australia, Thailand, Gulf of Mexico, Kazakhstan

*Strategic geographic expansion since original 2003 contract*

**2017**

## ExxonMobil

- 5 year renewal term
- Global valves for MRO & projects. Initially focused on downstream for the U.S., Europe & Asia Pacific

*Opportunity to expand*

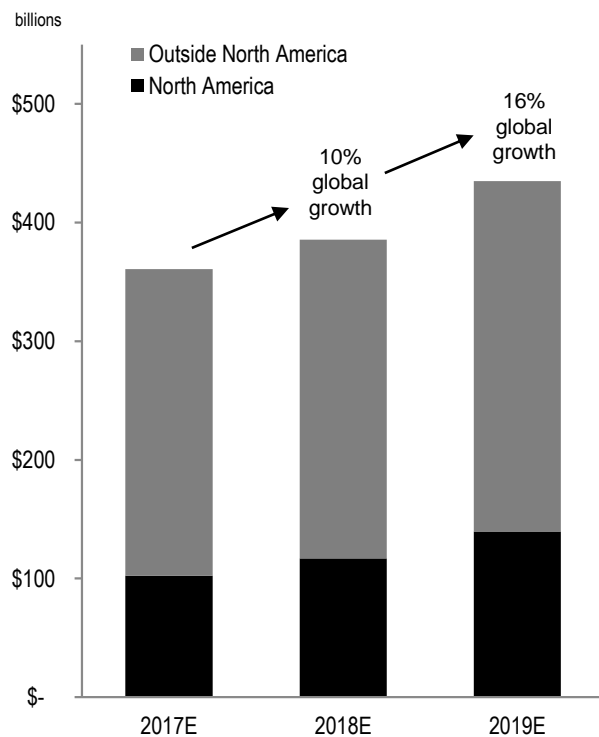
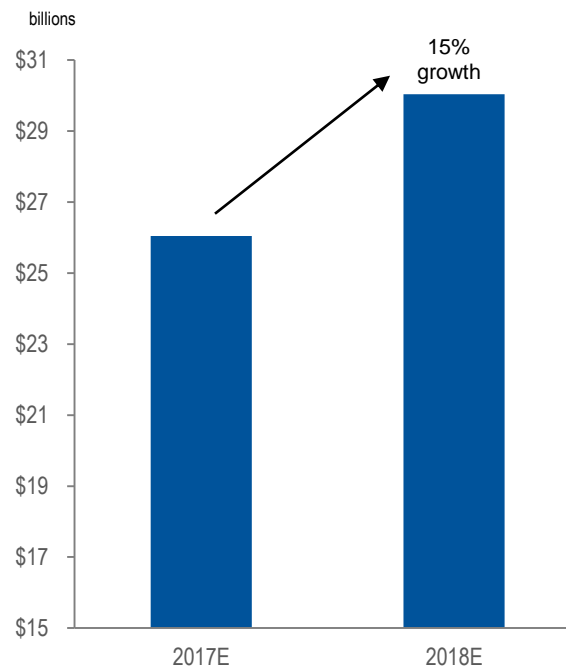
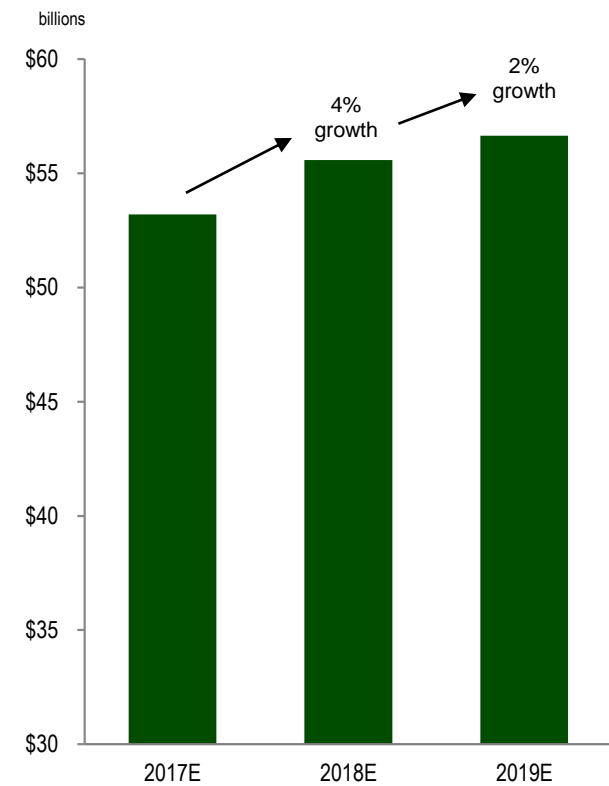


# End Market Growth Opportunities

Upstream

Midstream

Downstream

Global E&P Spending<sup>1</sup>New Pipeline Spending In U.S.<sup>2</sup>North American Refining & Chemical Spending<sup>3</sup>

## Sources:

1. Evercore ISI, "The 2018 Evercore ISI Global E&P Mid-Year Spending Outlook", published July 18, 2018.
2. Stifel Diversified Industrials Specialty Engineering and Construction, pipeline database July 2018. All tiers. Probability weighted.
3. Industrial Info Resources: April 2018

# Valve, Actuation, Measurement & Instrumentation (VAMI)

Value-Added Services: Positioning Offerings to Higher Margin Products & Services with Broad Capabilities

## Value-added offerings:

- **Valve actuation/automation** – allow customer to mix & match manufacturers to maximize functionality and minimize cost
- **Engineered Solutions** – engineering & design of actuation and control packages
- **Traceability** – unique serialization of entire valve actuation package
- **Testing** – Fugitive emission testing, material identification (e.g. metallurgy), x-ray, magnetic particle examination, pressure testing
- **ValveWatch®** – patented technology that monitors valves for indicative repairs reducing downtime & preventing failures

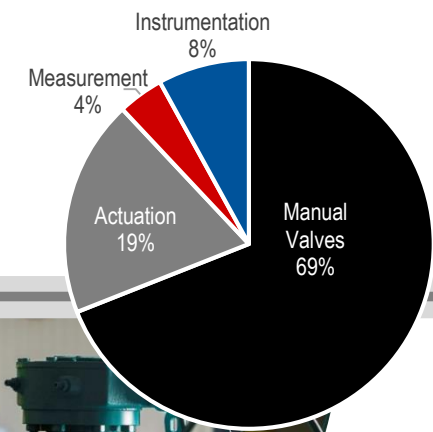


# Largest Global Distributor of Valve Products & Services in Oil & Gas



**26** Valve & Engineering Centers Worldwide

2017 VAMI Sales



# Impact of Tariffs – Work Closely with Customers to Optimize the Global Supply Chain

**In general, inflation is a positive**

## Summary:

- Section 232 - effective 3/23/18. Tariffs & quotas substituted for tariffs, various countries affected differently
- Section 301 - tariffs affect certain valves and valve parts manufactured in China
- Directly or indirectly impacts all stainless & carbon products including pipe, fittings and flanges
  - Approx. 40% of revenue affected
  - Inventory: Carbon ~70% domestic, 30% imported. Stainless~40% domestic, 60% imported.
- Valves are also being impacted by Chinese regulations, resulting in the closure of steel manufacturers and casting foundries. Actions lead to inflationary pricing & extended lead times
- Steel products have been experiencing increased raw material costs leading to price increases and the potential for additional increases due to anti-dumping and countervailing duty investigations exists
- Rising prices – 2Q18 average price of pipe is 32% greater than the 2Q17 average price (per Pipelogix)

## Impact:

- Contract structure – cost plus pricing with 90 day re-pricing terms
- Revenue – higher cost products from inflation result in higher revenue and higher LIFO expense
- Margin dollars – more expensive materials with the same percentage mark-up result in more margin dollars

**MRC Global is well-positioned with carbon, stainless and valve suppliers**

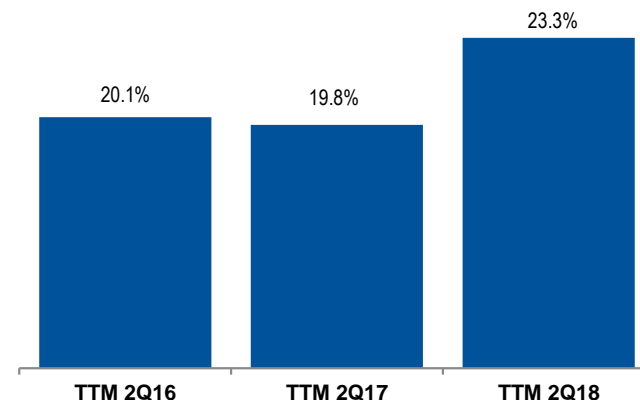


# Focus on Optimizing Operations

## Working Capital Management

- Increased working capital as a percentage of revenue due to an investment in inventory ahead of inflationary pricing pressures as well as growth in the business. Inventory is expected to peak in June 2018.
- Expect to return to approximately 20% over the remainder of 2018 based on our current outlook.
- Investments in working capital are weighted to higher margin products

## Optimizing Net Working Capital<sup>1</sup>

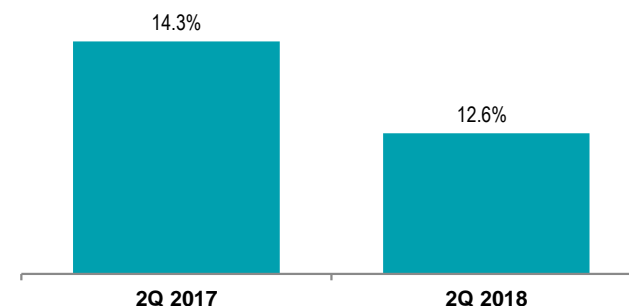


## Actively Managing Costs

- High operating leverage - SG&A as a percentage of sales is declining as sales increase and operating costs are controlled
- Expect 17% revenue growth with a 3% increase in SG&A in 2018 (at mid-point) as compared to 2017

## Actively Managing SG&A Costs

Declining SG&A as % of Revenue



1. Working capital defined as Current Assets (excluding Cash) – Current Liabilities. Sales are on trailing twelve months basis.

# New Houston Operations Complex at La Porte - Supporting Growth & Continued Operational Efficiencies

- Consolidates four locations including three Houston locations, Galena Park, Darien & East Park
  - Large project staging capabilities
  - Easily scalable for growth
- Strategically located near refining and petrochemical customers
  - Supports growth from recent multi-year downstream customer contracts including ExxonMobil, BASF, LyondellBasell and The Chemours Company
- Largest global valve & engineering enter (VEC) with expanded capabilities including valve testing services

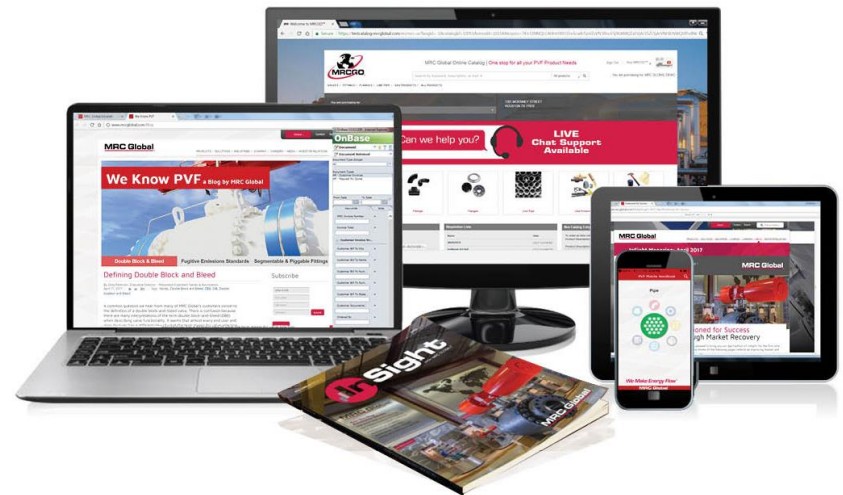
Largest regional distribution center in global footprint with **415,000 ft<sup>2</sup>** including a **40,000 ft<sup>2</sup>** VEC



# Investing in Technology for Long-Term Growth & Efficiency

## MRCGO™ online catalog - Broadening the Customer Experience

- B-2-B for contract customers allows for easy and efficient ordering
- Customized for each customer's contract terms, part numbers, commonly ordered items
- Real-time inventory, pricing and order status
- \$1 billion of revenue transacted via e-commerce on a TTM basis as of June 30, 2018
- \$134 million of revenue generated through MRCGO™ on a TTM basis as of June 30, 2018



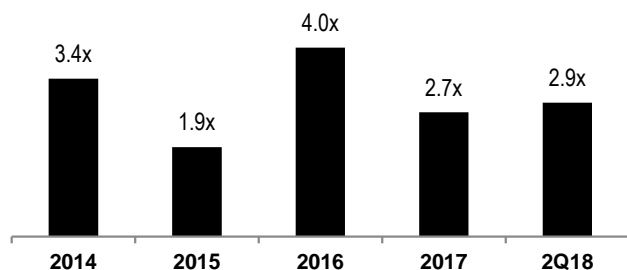
**~40%** of the **top 35** customers' TTM revenue or approximately \$830 million was transacted through e-commerce (e.g. catalog, EDI)

# Strategic Capital Decisions Support Growth

## Effectively Positioned the Balance Sheet ...

- Advantageous debt agreements with favorable terms, low interest rate and maturities 2022+
- Liquidity of \$445 million – sufficient to cover working capital and M&A
- Net leverage expected to decrease as EBITDA increases in 2018
- 1Q18 – entered into a 5 year interest rate swap fixing \$250 million notional at 6.21%
- 2Q18 – repriced Term Loan lowering interest rate 50bps

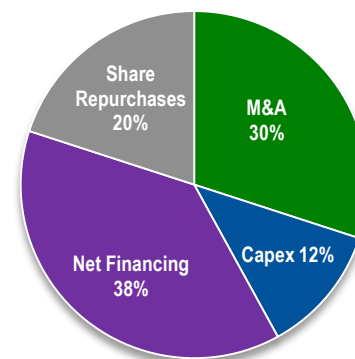
### Net Leverage



## ... For Capital Deployment Opportunities

- Organic growth initiatives - Investments to drive share gains & efficiencies
- Share repurchases of \$225 million:
  - \$125 million authorization completed in 1Q 2017
  - \$100 million authorization completed in April 2018
- Strategic M&A - 30% of cash flow deployed on M&A from 2013 - 2Q18
- Debt repayment \$1.12 billion in 2015 & 2016

### Use of Cash Flow (2013 – 2Q 2018<sup>1</sup>)



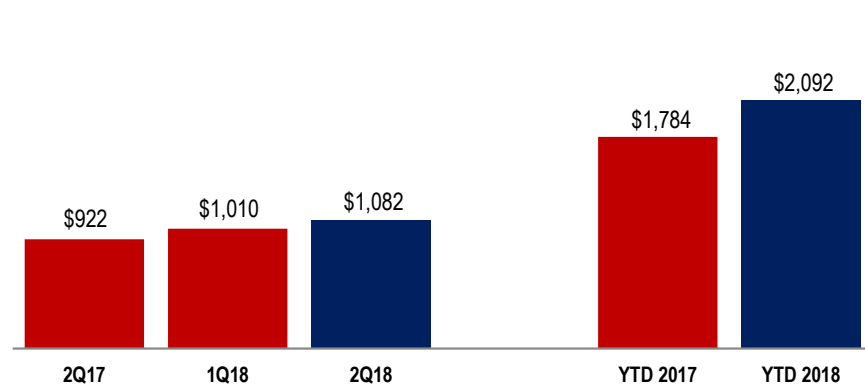
1. Investing and Financing cash flows from 2013 through 2Q18. Net Financing equals the total issuance less repayment of debt and equity excluding share repurchases.



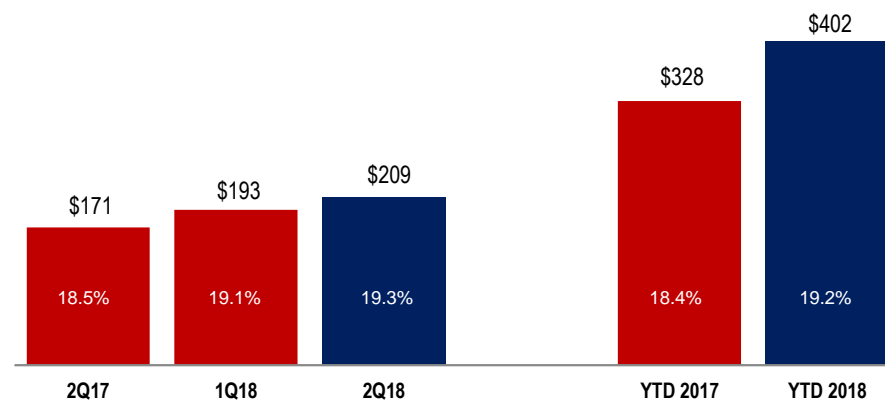
# Quarterly & YTD Financial Performance

(\$ millions, except per share data)

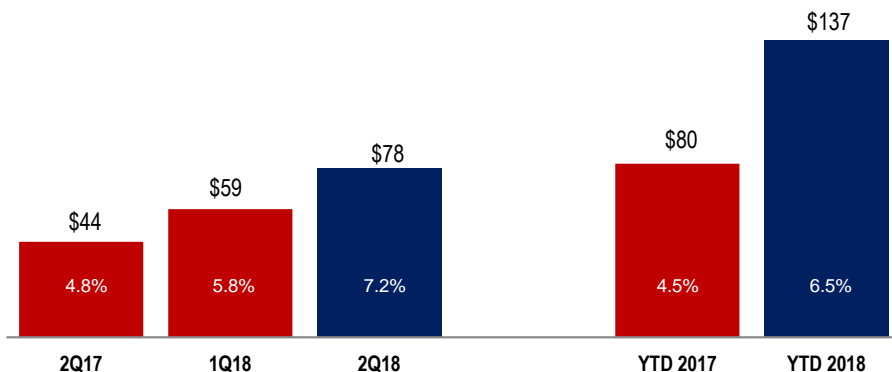
## Sales



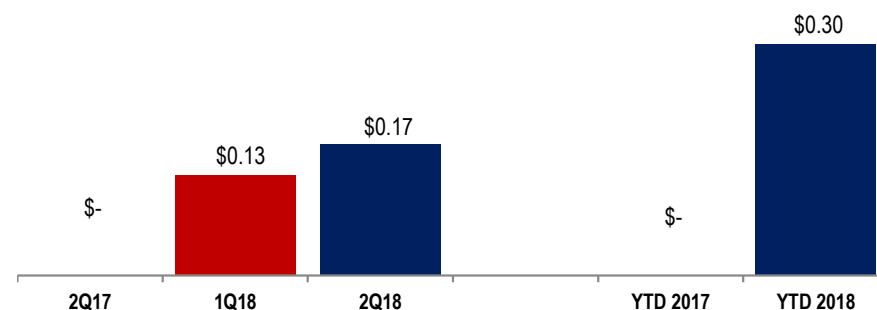
## Adjusted Gross Profit and % Margin<sup>1</sup>



## Adjusted EBITDA and % Margin<sup>1</sup>



## Diluted EPS

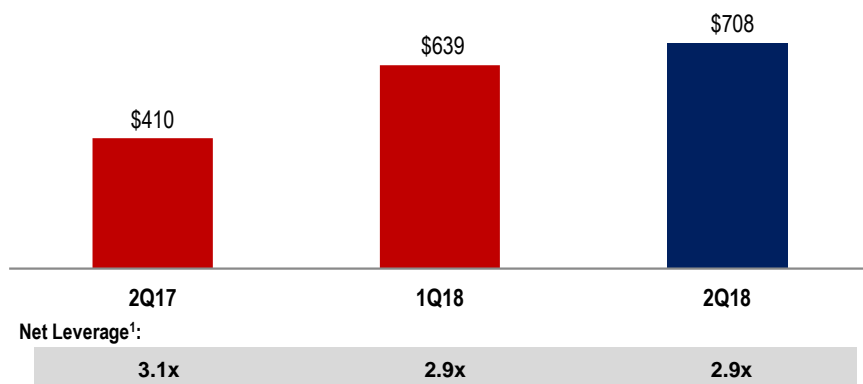


1. See reconciliation of non-GAAP measures to GAAP measures in the appendix

# Strong Balance Sheet Provides Financial Flexibility

(\$ millions)

## Total Debt

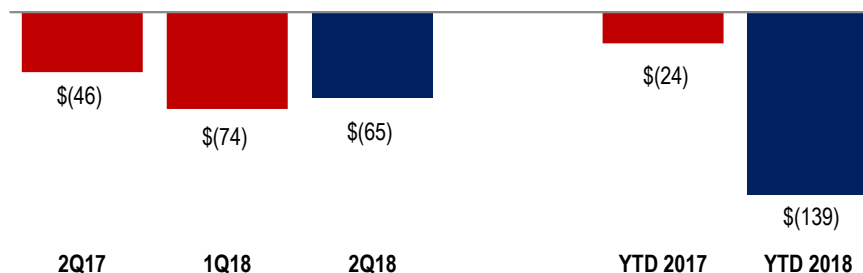


## Capital Structure

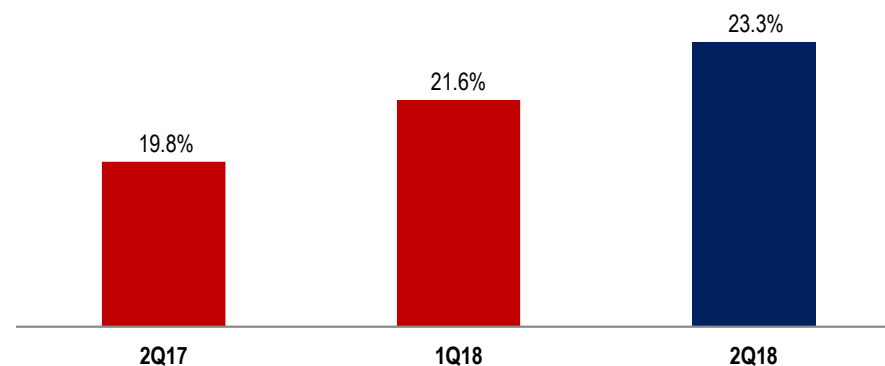
June 30, 2018

Cash and Cash Equivalents		\$ 31
Total Debt (including current portion):		
Term Loan B due 2024 (net of discount & deferred financing costs)		\$ 395
Global ABL Facility due 2022		313
Total Debt		\$ 708
Preferred stock		355
Common stockholders' equity		750
Total Capitalization		\$ 1,813
Liquidity		\$ 445

## Cash Flow from Operations



## Net Working Capital as % of Sales<sup>2</sup>



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

# Favorable Trends Lead to Continued Growth

## POSITIVE MACROECONOMIC CONDITIONS

- Increased production in U.S. requiring additional oil & gas facility (e.g. tank battery) expansions and pipeline infrastructure
- Deregulation of new pipeline installations and multi-year investments in replacement pipeline for aging infrastructure & pipeline integrity projects
- Stable supply of low-cost natural gas providing secure feedstock for petrochemical processing along with increasing demand for plastics leads to higher petrochemical facility investment
- Favorable economics for gas exporting, pipelines to Mexico & Canada, LNG to rest of world
- Drilled but Uncompleted well (DUC) count represents backlog of future upstream completion revenue
- Multi-year contract wins and renewals represent an increase in market share



## MRC GLOBAL

- Higher margin product mix strategy
- Lower operating cost model from 2015 & 2016 provides a competitive advantage



**Results in mid-cycle Adjusted EBITDA of \$300 - \$350M**

# Compelling Long-Term Investment

- Market Leader in PVF Distribution, Serving Critical Function to the Energy Industry
- Diversified Across Sectors, Regions and Customers
- Differentiated Global Platform Creates Customer Value
- Counter-cyclical Cash Flow and Strong Balance Sheet
- Organic Growth Potential via Market Share Gains from Expanded Multi-year MRO Contracts and Long-term Secular Growth from Global Energy Demand
- Proven History of Driving Continuous Productivity Improvements
- Industry Consolidator with Proven Success in Acquiring and Integrating Businesses

## **World-class Management Team**

with Significant Distribution and Energy Experience





## **Appendix**

# Financial Outlook

## 2018 Outlook – Updated 2Q18

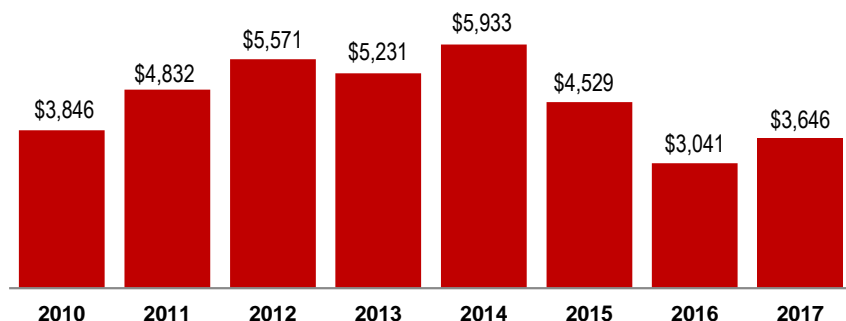
Revenue	Profitability / Cash flows
<ul style="list-style-type: none"> <li>2018 annual – \$4,150 - \$4,350 million</li> </ul>	<ul style="list-style-type: none"> <li>Adjusted Gross Profit – 19.2% - 19.4%</li> </ul>
<b>By sector</b>	<ul style="list-style-type: none"> <li>SG&amp;A – \$545 - \$555 million</li> </ul>
<ul style="list-style-type: none"> <li>Upstream – up 22 - 27%</li> </ul>	<ul style="list-style-type: none"> <li>Tax rate – 28 - 29% annual</li> </ul>
<ul style="list-style-type: none"> <li>Midstream – up 5 - 10%</li> </ul>	<ul style="list-style-type: none"> <li>Capital expenditures – \$20 million</li> </ul>
<ul style="list-style-type: none"> <li>Downstream – up 20 - 25%</li> </ul>	<ul style="list-style-type: none"> <li>Cash flow from operations – (\$25) million - \$0</li> </ul>
<b>By segment</b>	<ul style="list-style-type: none"> <li>LIFO – \$50 million expense</li> </ul>
<ul style="list-style-type: none"> <li>U.S. – up 15 - 20%</li> </ul>	<ul style="list-style-type: none"> <li>Equity-based compensation expense – \$14 million</li> </ul>
<ul style="list-style-type: none"> <li>International – up 10 - 15%</li> </ul>	
<ul style="list-style-type: none"> <li>Canada – up 5 - 10%</li> </ul>	
<b>Sequential</b>	
<ul style="list-style-type: none"> <li>3Q18 – up low-single digit percentages</li> </ul>	

Note: Adjusted Gross Profit is a non-GAAP measure. For a reconciliation to Gross profit, its closest GAAP measure, see our Current Report on Form 8-K dated August 1, 2018.

# Annual Financial Performance

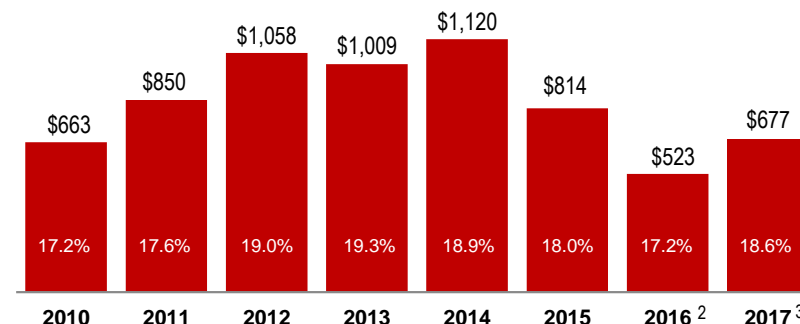
(\$ millions, except per share data)

## Sales



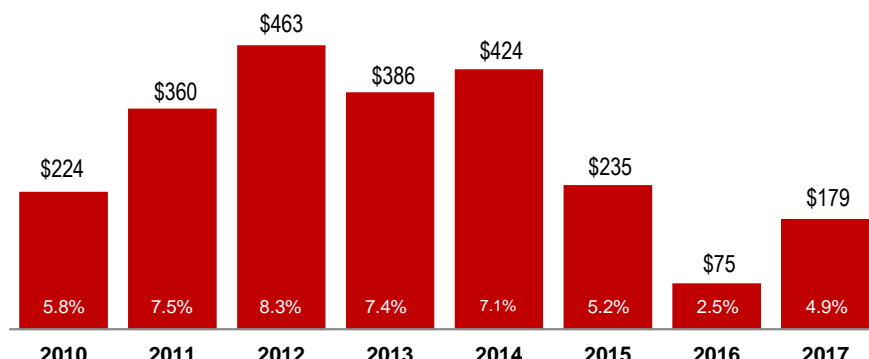
Y-o-Y Growth	26%	15%	(6%)	13%	(24%)	(33%)	20%
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## Adjusted Gross Profit and % Margin<sup>1</sup>



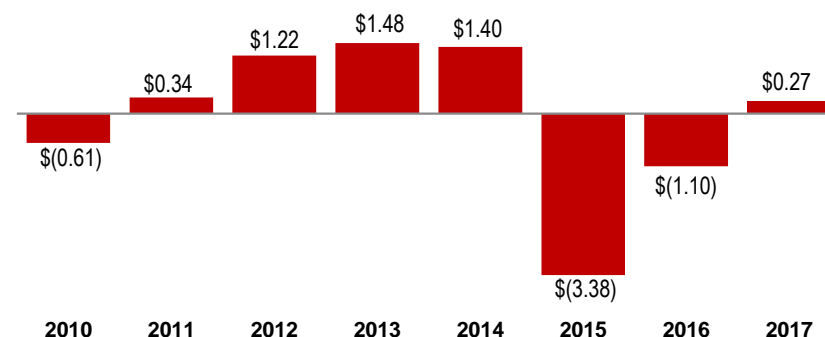
Y-o-Y Growth	28%	24%	(5%)	11%	(27%)	(36%)	29%
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## Adjusted EBITDA and % Margin<sup>1</sup>



Y-o-Y Growth	61%	29%	(17%)	10%	(45%)	(68%)	139%
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## Diluted EPS



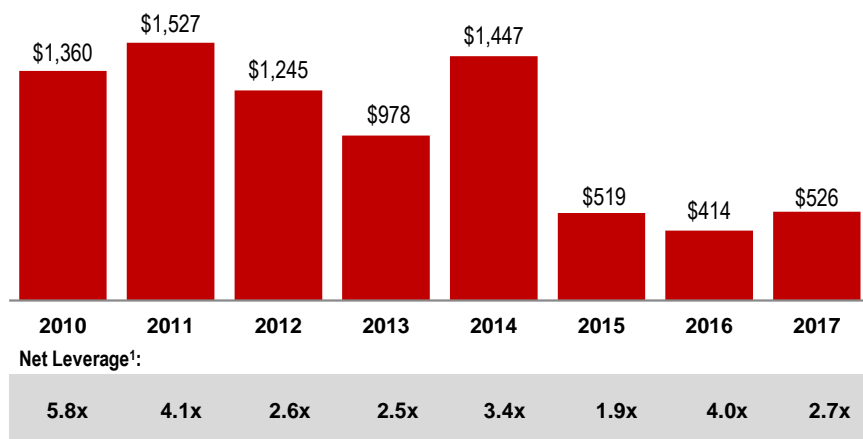
Y-o-Y Growth	156%	259%	21%	(5%)	NM	67%	125%
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1. See reconciliation of non-GAAP measures to GAAP measures in the appendix
2. Includes \$45 million of non-cash charges recorded in cost of goods sold & the international segment for the year ended December 31, 2016. Charges relate to a restructuring of our Australian business and market conditions in Iraq as well as an increase in reserves for excess and obsolete inventory in the U.S. and Canada as a result of the market outlook for certain products. Excluding these charges for the year ended December 31, 2016, gross profit, as reported would be \$513 million (16.9%) and adjusted gross profit would be \$568 million (18.7%).
3. Includes \$6 million of non-cash charges recorded in cost of goods sold & in the international segment for the year ended December 31, 2017. Charges are related to reducing our local presence in Iraq. Excluding these charges for the year ended December 31, 2017 gross profit, as reported would be \$588 million (16.1%) and adjusted gross profit would be \$683 million (18.7%).

# Balance Sheet

(\$ millions)

## Total Debt

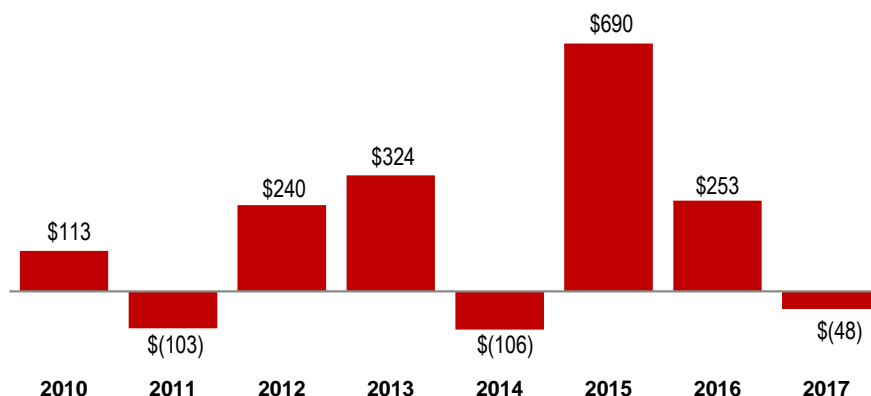


## Capital Structure

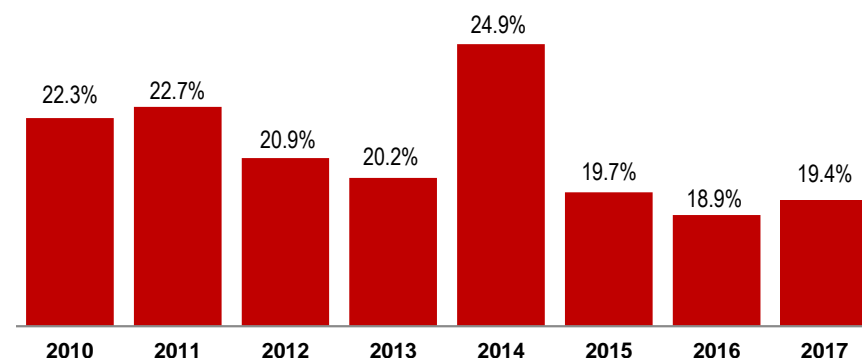
December 31,  
2017

Cash and Cash Equivalents	\$ 48
Total Debt (including current portion):	
Term Loan B due 2024 (net of discount & deferred financing costs)	\$ 397
Global ABL Facility due 2022	129
Total Debt	\$ 526
Preferred stock	355
Common stockholders' equity	759
Total Capitalization	\$ 1,640
Liquidity	\$ 485

## Cash Flow from Operations



## Net Working Capital as % of Sales<sup>2</sup>



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

# Adjusted Gross Profit Reconciliation

	Six months ended June 30		Three months ended			Year ended December 31							
(\$ millions)	2018	2017	June 30, 2018	Mar 31, 2018	June 30, 2017	2017	2016	2015	2014	2013	2012	2011	2010
<b>Gross profit</b>	<b>\$346</b>	<b>\$ 289</b>	<b>\$ 177</b>	<b>\$ 169</b>	<b>\$ 149</b>	<b>\$ 582</b>	<b>\$ 468</b>	<b>\$ 786</b>	<b>\$ 1,018</b>	<b>\$ 955</b>	<b>\$ 1,014</b>	<b>\$ 708</b>	<b>\$ 518</b>
Depreciation and amortization	12	11	6	6	6	22	22	21	22	22	19	17	17
Amortization of intangibles	22	22	11	11	11	45	47	60	68	52	49	51	54
Increase (decrease) in LIFO reserve	22	6	15	7	5	28	(14)	(53)	12	(20)	(24)	74	74
<b>Adjusted Gross Profit</b>	<b>\$ 402</b>	<b>\$ 328</b>	<b>\$ 209</b>	<b>\$ 193</b>	<b>\$ 171</b>	<b>\$ 677</b>	<b>\$ 523</b>	<b>\$ 814</b>	<b>\$ 1,120</b>	<b>\$ 1,009</b>	<b>\$ 1,058</b>	<b>\$ 850</b>	<b>\$ 663</b>



# Adjusted EBITDA Reconciliation

	Six months ended June 30		Three months ended			Year ended December 31							
(\$ millions)	2018	2017	June 30, 2018	Mar 31, 2018	June 30, 2017	2017	2016	2015	2014	2013	2012	2011	2010
<b>Net income (loss)</b>	<b>\$ 40</b>	<b>\$ 12</b>	<b>\$ 22</b>	<b>\$ 18</b>	<b>\$ 6</b>	<b>\$ 50</b>	<b>\$ (83)</b>	<b>\$ (331)</b>	<b>\$ 144</b>	<b>\$ 152</b>	<b>\$ 118</b>	<b>\$ 29</b>	<b>\$ (52)</b>
Income tax expense (benefit)	15	4	8	7	3	(43)	(8)	(11)	82	85	64	27	(23)
Interest expense	18	15	10	8	8	31	35	48	62	61	113	137	140
Depreciation and amortization	12	11	6	6	6	22	22	21	22	22	19	17	17
Amortization of intangibles	22	22	11	11	11	45	47	60	68	52	49	51	54
Increase (decrease) in LIFO reserve	22	6	15	7	5	28	(14)	(53)	12	(20)	(24)	74	75
Inventory-related charges	-	-	-	-	-	6	40	-	-	-	-	-	-
Goodwill & intangible asset impairment	-	-	-	-	-	-	-	462	-	-	-	-	-
Change in fair value of derivative instruments	(1)	-	1	(2)	(1)	1	(1)	1	1	(5)	(2)	(7)	5
Equity-based compensation expense	7	9	3	4	5	16	12	10	9	15	8	8	4
Severance & restructuring charges	-	-	-	-	-	14	20	14	8	1	-	1	3
Write-off of debt issuance costs	1	-	1	-	-	8	1	3	-	-	-	-	-
Litigation matter	-	3	-	-	3	3	-	3	-	-	-	-	-
Foreign currency losses (gains)	1	(2)	1	-	(2)	(2)	4	3	3	13	(1)	(1)	-
Loss on disposition of non-core product line	-	-	-	-	-	-	-	5	10	-	-	-	-
Insurance charge	-	-	-	-	-	-	-	-	-	2	-	-	-
Cancellation of executive employment agreement (cash portion)	-	-	-	-	-	-	-	-	3	-	-	-	-
Expenses associated with refinancing	-	-	-	-	-	-	-	-	-	5	2	9	-
Loss on early extinguishment of debt	-	-	-	-	-	-	-	-	-	-	114	-	-
Pension settlement	-	-	-	-	-	-	-	-	-	-	4	-	-
Legal and consulting expenses	-	-	-	-	-	-	-	-	-	-	-	10	4
Provision for uncollectible accounts	-	-	-	-	-	-	-	-	-	-	-	-	(2)
Joint venture termination	-	-	-	-	-	-	-	-	-	-	-	2	-
Other expense (income)	-	-	-	-	-	-	-	-	-	3	(1)	3	(1)
<b>Adjusted EBITDA</b>	<b>\$ 137</b>	<b>\$ 80</b>	<b>\$ 78</b>	<b>\$ 59</b>	<b>\$ 44</b>	<b>\$ 179</b>	<b>\$ 75</b>	<b>\$ 235</b>	<b>\$ 424</b>	<b>\$ 386</b>	<b>\$ 463</b>	<b>\$ 360</b>	<b>\$ 224</b>