

MRC – Global Supplier of

MRC Global was founded in 1921 as McJunkin Corporation in Charleston, WV and in 1977 as Red Man Pipe and Supply in Tulsa, OK. After more than 92 years in business, the company has grown into the largest global distributor of pipe, valve and fitting (PVF) products and services to the energy and industrial markets.

Stainless Steel World Americas recently had the opportunity to sit down with F.T. Graff, MRC's Senior Vice President of Supply Chain Management – Business Development for fittings, flanges, alloys, oilfield supply, gas products and inventory logistics and Jim Underhill, MRC EVP & COO – United States.

By Steven Keddy

"We are very proud of our long history," Mr. Underhill said. "Since 1921, we have focused on becoming the leading distributor for the vital products and services to the energy industry. We listen to our customers and have built our business to serve their specific needs."

The acquisition of smaller companies in the shale regions has also been a key aspect of MRC's growth strategy. Most recently, MRC announced the acquisitions of Production Specialty Services and Flow Control Products to better service the Permian Basin in Texas and New Mexico.

"Both acquisitions are part of MRC's continued commitment to support our customers' growth in a major oil producing region of the U.S.," Mr. Underhill added. "Flow Control Products' experienced and technically knowledgeable valve professionals and Production Specialty Services' equally talented employees will bring significant contributions to our team in the Permian Basin while also expanding our existing service location footprint."

MRC currently boasts more than 400 service locations worldwide.

"We know that it is important to our customers that we have high quality, local people with significant inventory on hand in the areas they do business," Mr. Underhill said. "As a global company and after nearly a century in the business, we can provide the customer service and product quality that our customers have come to expect from us to all of their operations on a regional and global scale. That is one of the things that set us apart in our industry."

MRC has grown both by acquisition and organically in response to our customer's growth. In North America specifically, the robust activity in the thriving shale regions has not gone unnoticed by the company. In June, MRC opened a new, 80,000 square-foot Regional Distribution Center (RDC) in Tulsa, OK to support MRC's service locations throughout Oklahoma and the Midwest U.S. The facility includes a two-acre pipe yard and valve automation center and will initially stock more than \$20 million worth of inventory.



STAINLESS STEEL PRODUCTS

MRC offers an extensive inventory of products in a multitude of materials, such as stainless and other alloys to their customers.

"Our core business is pipe, valves and fittings, in all grades of material. Stainless and alloy is a major area of concentration for us," said Mr. Graff. "Stainless and alloy commodities are used in chemical and petrochemical, refining, pulp and paper, LNG (liquefied natural gas), oil and gas, pharmaceutical, waste water and mining. MRC serves all of these industries"

According to MRC, their customers rely on stainless and alloy products for corrosive and high temperature applications.

"In North America, the most commonly used stainless grades are 304 and 316L, but other popular materials include 310,



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317L, 321, 347, Monel, alloy 20, C276 and duplex 2205," said Mr. Graff. "MRC also offers specialty alloys like the 6-Mollys and nickel alloys 200, 600 and 800 series."

"Customers' service requirements can be very demanding," Mr. Graff said. "And the right solution is dependent on a number of different concerns and factors."

According to Mr. Graff, MRC customers require metals with corrosion resistant properties used in high pressure and high temperature services. Endusers are looking for products with the best value taking availability, quality, safety, and reliability into consideration.

"They want reliable products that will last in their tough services," explained Mr. Graff. "Our customers are always balancing these requirements, and MRC is able to offer a variety of service solutions from one provider to help them make those decisions and simplify their supply chain."



STRONG CUSTOMER BASE

MRC has customers in a variety of industries including the production, transportation, distribution and refining of oil, natural gas liquids and natural gas. Their customers also mine and process minerals, make chemicals, are active in general process industries, and work in extreme processes and environments.

MRC prides itself on being a business built to serve its customers. The company has significant relationships with a broad base of manufacturers, providing customers options for all their PVF requirements. MRC manages an extensive global inventory efficiently and cost-effectively, providing value to their customers' supply chain.

MRC has 14 regional distribution centers, which minimize inventory investment and maximize availability. Local branches have immediate online, real-time access to large regional inventories and orders are fulfilled daily and stock is replenished weekly or sooner. Therefore, MRC's customer base benefits from higher fill rates and improved delivery performance.

CHALLENGES

One of the biggest challenges with stainless steel, Mr. Graff says, "is that the pricing is quite often volatile because stainless steel is made up of nickel, chromium and manganism and the price of those metals fluctuate. So, managing the price points for these products requires a good deal of expertise and planning."

"Another challenge, especially if the project world is pretty busy and people are procuring a lot of materials at one time, is getting a large enough order of specialty products for their needs without having to pay premiums," explained Mr. Graff. "We continue to look at global sourcing and work with our existing manufacturers and new manufacturers to ensure that we've got high quality products that meet the requirements of our customers."

LOOKING FORWARD

The future for PVF distribution seems bright, and MRC, as the leader in this industry, is ready to serve their customers.

"Activity in the shale plays has stimulated the whole market," said Mr. Graff. "There's going to be a lot of midstream projects to take the product to market and even downstream projects have been coming online that include new LNG projects to be able to export product and natural gas liquids."

"MRC is uniquely positioned to service our customers' stainless steel and alloy product needs," Mr. Underhill said. "Our extensive footprint of locations puts these critical products near customer operations for quick delivery from a source they can trust. We look forward to working with our manufacturers and customers to grow along with the activity surrounding the North American shale formations."



Depth and Breadth of Product

MRC maintains one of the largest PVF inventories in the world

Products

- Pipe and Tubular
- Fittings and Flanges
- Valves
- Valve Automation
- Corrosion Resistant
- Piping Components and Accessories
- Gas Distribution and Transmission
- Steam
- Instrumentation
- Oilfield
- Mill Supplies
- Safety Supplies

Materials

- Carbon Steel
- Low Temperature Carbon Steel
- High Yield Carbon Steel
- Stainless Steel
- Duplex / Super Duplex
- High Nickel Alloy
- Titanium
- Polyethylene
- Brass
- Iron
- Copper
- Fiberglass

Facts & Figures

- 240+ Branches**
- 130+ Pipe Yards**
- 25 Valve Automation Centers**
- 14 Distribution Centers**
- 400+ Global Locations**
- Sales to 44+ Countries**