

MCJUNKIN RED MAN HOLDING CORP

Form S-1/A

December 22, 2008

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As filed with the Securities and Exchange Commission on December 22, 2008

Registration No. 333-153091

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**AMENDMENT NO. 3
to
Form S-1
REGISTRATION STATEMENT UNDER
THE SECURITIES ACT OF 1933**

McJUNKIN RED MAN HOLDING CORPORATION
(Exact Name of Registrant as Specified in Its Charter)

Delaware
*(State or Other Jurisdiction of
Incorporation or Organization)*

1311
*(Primary Standard Industrial
Classification Code Number)*

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

8023 East 63rd Place
Tulsa, Oklahoma 74133
(918) 250-8541
*(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive
Offices)*

835 Hillcrest Drive
Charleston, West Virginia 25311
(304) 348-5211

Andrew Lane
8023 East 63rd Place
Tulsa, Oklahoma 74133
(918) 250-8541
*(Name, Address, Including Zip Code, and Telephone Number,
Including Area Code, of Agent for Service)*

With a copy to:

Stuart H. Gelfond
Michael A. Levitt
Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, New York 10004
(212) 859-8000

Richard A. Drucker
Davis Polk & Wardwell
450 Lexington Avenue
New York, New York 10017
(212) 450-4000

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

(Do not check if smaller reporting company)

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price (1)(2)	Amount of Registration Fee
Common Stock, \$0.01 par value	\$750,000,000	\$29,475 (3)

- (1) Includes offering price of shares of common stock which the underwriters have the option to purchase.
- (2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) of the Securities Act of 1933, as amended.
- (3) Previously paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion. Dated December 22, 2008.

Shares

McJunkin Red Man Holding Corporation

Common Stock

This is an initial public offering of shares of common stock of McJunkin Red Man Holding Corporation. The selling stockholder identified in this prospectus is offering all of the shares to be sold in the offering. We will not receive any of the proceeds from the sale of the shares. PVF Holdings LLC intends to distribute the net proceeds of this offering, after giving effect to the underwriting discount, to its members, which include certain members of our board of directors and senior management team and various of their affiliates, and affiliates of Goldman Sachs & Co., which is one of the book-running managers for this offering.

Prior to this offering, there has been no public market for the common stock. It is currently estimated that the initial public offering price per share will be between \$ and \$. We intend to apply to have our common stock listed on the New York Stock Exchange under the symbol MRC .

See Risk Factors beginning on page 19 to read about factors you should consider before buying shares of the common stock.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Initial public offering price	\$	\$
Underwriting discount	\$	\$
Proceeds, before expenses, to the selling stockholder	\$	\$

To the extent that the underwriters sell more than _____ shares of common stock, the underwriters have the option to purchase up to an additional _____ shares from the selling stockholder at the initial public offering price less the underwriting discount.

The underwriters expect to deliver the shares against payment in New York, New York on _____, 2008.

Goldman, Sachs & Co.
J.P.Morgan
Robert W. Baird & Co.

Credit Suisse

Stephens Inc.

Barclays Capital
Deutsche Bank Securities
Raymond James

Prospectus dated _____, 2008.

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Through and including [redacted], 2009 (the 25th day after the date of this prospectus), all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus or any free writing prospectus prepared by or on behalf of us. You must not rely on any unauthorized information or representations. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.

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PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus. You should carefully read the entire prospectus, including the Risk Factors and the consolidated financial statements and related notes included elsewhere in this prospectus, before making an investment decision. In this prospectus, all references to the Company, McJunkin Red Man, MRC, we, us, and our refer to McJunkin Red Man Holding Corporation and its consolidated subsidiaries, unless the context otherwise requires or where otherwise indicated, and references to the Red Man Transaction are to the October 2007 business combination of McJunkin Corporation (McJunkin) and Red Man Pipe & Supply Co. (Red Man). We use non-GAAP measures in this prospectus, including Adjusted EBITDA. For a reconciliation of this measure to Net income, see footnote 3 under Summary Consolidated Financial Information.

Our Business

We are the largest North American distributor of pipe, valves and fittings (PVF) and related products and services to the energy industry based on sales and the leading PVF distributor serving this industry across each of the upstream (exploration, production, and extraction of underground oil and gas), midstream (gathering and transmission of oil and gas, gas utilities, and the storage and distribution of oil and gas) and downstream (crude oil refining and petrochemical processing) markets. We have an unmatched presence of over 250 branches that are located in the most active oil and gas regions in North America. We offer an extensive array of PVF and oilfield supplies encompassing over 100,000 products, we are diversified by geography and end market and we seek to provide best-in-class service to our customers by satisfying the most complex, multi-site needs of some of the largest companies in the energy and industrials sectors as their primary supplier. As a result, we have an average relationship of over 20 years with our top ten customers and our pro forma sales in 2007 were over twice as large as our nearest competitor in the energy industry. We believe the critical role we play in our customers' supply chain, our unmatched scale and extensive product offering, our broad North American geographic presence, our customer-linked scalable information systems and our efficient distribution capabilities serve to solidify our long-standing customer relationships and drive our growth.

We have benefited in recent years from several growth trends within the energy industry including high levels of expansion and maintenance capital expenditures by our customers. This growth in spending has been driven by several factors, including underinvestment in North American energy infrastructure, production and capacity constraints and anticipated strength in the oil, natural gas, refined products and petrochemical markets. While prices for oil and natural gas in recent years have been high relative to historical levels, we believe that investment in the energy sector by our customers would continue at prices well below the record levels achieved in recent years. In addition, our products are often used in extreme operating environments leading to the need for a regular replacement cycle. As a result, over 50% of our historical and pro forma sales in 2007 were attributable to multi-year maintenance, repair and operations (MRO) contracts where we have demonstrated an over 99% average annual retention rate since 2000. The combination of these ongoing factors has helped increase demand for our products and services, resulting in record levels of customer orders to be shipped as of September 2008. For the twelve months ended December 31, 2007 on a pro forma basis, we generated sales of \$3,952.7 million, Adjusted EBITDA of \$370.4 million and net income of \$150.8 million. In addition, for the eleven months ended December 31, 2007, without giving pro forma effect to the Red Man Transaction, we generated sales of \$2,124.9 million, EBITDA of \$171 million and net income of \$56.9 million, and for the twelve months ended October 31, 2007, before giving effect to the Red Man Transaction, Red Man generated sales of \$1,982.0 million, EBITDA of \$170 million and net income of \$82.2 million.

We have established a position as the largest North American PVF distributor to the energy industry based on sales. We distribute products throughout North America and the Gulf of Mexico, including in PVF intensive, rapidly

expanding oil and natural gas production areas such as the

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Bakken, Barnett, Fayetteville, Haynesville and Marcellus shales. Growth in these oil and natural gas production areas is driven by improved production technology, favorable market trends and robust capital expenditure budgets. Furthermore, our Canadian subsidiary Midfield Supply ULC and its subsidiaries (Midfield), one of the three largest Canadian PVF distributors based on sales, provides PVF products to oil and gas companies operating primarily in Western Canada, including the Western Canadian Sedimentary Basin, Alberta Oil Sands and heavy oil markets. These regions are still in the early stages of infrastructure investment with numerous companies seeking to facilitate the long-term harvesting of difficult to extract and process crude oil.

McJunkin Red Man Locations

Across our extensive North American platform we offer a broad complement of products and services to the upstream, midstream and downstream sectors of the energy industry, as well as other industrial (including general manufacturing, pulp and paper, food and beverage) and other energy (power generation, liquefied natural gas, coal, alternative energy) end markets. During the twelve months ended December 31, 2007 on a pro forma basis, approximately 46% of our sales were attributable to upstream activities, approximately 22% were attributable to midstream activities and approximately 32% were attributable to downstream and other processing activities which include the refining, chemical and other industrial and energy end markets. In addition, before giving pro forma effect to the Red Man Transaction, during the twelve months ended December 31, 2007, approximately 39% of our sales were attributable to upstream activities, approximately 19% were attributable to midstream activities and approximately 42% were attributable to downstream and other processing activities.

We offer more than 100,000 products including an extensive array of PVF, oilfield supply, automation, instrumentation and other general and specialty products to our customers across our various end markets. Due to the demanding operating conditions in the energy industry and high costs associated with equipment failure, customers prefer highly reliable products and vendors with established qualifications and experience. As our PVF products typically represent a fraction of the total cost of the project, our customers place a premium on service given the high cost to them of maintenance or new project delays. Our products are typically used in high-volume, high-stress, abrasive applications such as the gathering and transmission of oil and natural gas, in high-pressure,

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extreme temperature and high-corrosion applications such as in heating and desulphurization in the processing and refining industries and in steam generation units in the power industry.

With over 250 branches servicing the energy and industrial sectors, we are an important link between our more than 10,000 customers and our more than 10,000 suppliers. We add value to our customers and suppliers in a number of ways:

Broad Product Offering and High Customer Service Levels: The breadth and depth of our product offering enables us to provide a high level of service to our energy and industrial customers. Given our North American inventory coverage and branch network, we are able to fulfill orders more quickly, including orders for less common and specialty items, and provide our customers with a greater array of value added services, including multiple daily deliveries, volume purchasing, product testing and supplier assessments, inventory management and warehousing, technical support, just-in-time delivery, order consolidation, product tagging and tracking, and system interfaces customized to customer and supplier specifications, than if we operated on a smaller scale and/or only at a local or regional level. Thus our clients, particularly those operating throughout North America, can quickly and efficiently source the most suitable products with the least amount of downtime and at the lowest total transaction cost.

Approved Manufacturer List (AML) Services: Our customers rely on us to provide a high level of quality control for their PVF products. We do this by regularly auditing many of our suppliers for quality assurance through our Supplier Registration Process. We use our resulting Approved Supplier List (the MRC ASL) to supply products across many of the markets we support, particularly for downstream and midstream customers. This process has enabled us to achieve a preferred vendor status with many key end users in the industry that utilize our AML services to help devise and maintain their own approved manufacturer listings. In this manner, we seek to ensure that our customers timely receive reliable and high quality products without incurring additional administrative and procurement expenses. Our suppliers in turn look to us as a key partner, which has been important in establishing us as an important link in the supply chain and a leader in the industry.

Customized and Integrated Service Offering: We offer our customers integrated supply services including product procurement, product quality assurance, physical warehousing, and inventory management and analysis using our proprietary customized information technology platform. This is part of an overall strategy to promote a one stop shop for PVF purchases across the upstream-midstream-downstream spectrum and throughout North America through integrated supply agreements and MRO contracts that enable our customers to focus on their core operations and increase the efficiency of their business.

Our Industry

We primarily serve the North American oil and gas industry, generating over 90% of our sales from supplying PVF products and various services to customers throughout the energy industry. Given the diverse requirements and various factors that drive the growth of the upstream, midstream and downstream energy markets, our sales to each sector may vary from time to time, though the overall strength of the global energy market is typically a good indicator of our performance. The underinvestment in North American energy infrastructure, together with production and capacity constraints and anticipated strength in the oil, natural gas, refined products and petrochemical markets, have spurred high levels of expansion and maintenance capital expenditures in our energy end markets by our customers. Furthermore, as participants in the energy industry continue to focus on raising operating efficiency, they have been increasingly looking to outsource their procurement and related administrative functions to distributors like us.

Beyond the oil and gas industry, we also supply products and services to other energy sectors such as coal, power generation, liquefied natural gas and alternative energy facilities. We also provide

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products such as automation and instrumentation products and corrosion resistant piping products to more general industrial end markets such as pulp and paper, metals processing, fabrication, pharmaceutical, food and beverage and manufacturing companies.

Our Competitive Strengths

We consider the following to be our key competitive strengths:

Market Leader with Complete North American Coverage and Significant Scale. We are the leading North American distributor of PVF and related products to the energy industry based on sales, with at least twice the sales and three times the earnings before interest and taxes of our nearest competitor in the energy industry in 2007. Our North American network of over 250 branches in 38 U.S. states and in Canada gives us a significant market presence and provides us with substantial economies of scale that we believe make us a more effective competitor. The benefits of our size and extensive North American presence include: (1) the ability to act as a single-source supplier to large, multi-location customers operating across all segments of the energy industry; (2) the ability to commit significant financial resources to further develop our operating infrastructure, including our information systems, and provide a strong platform for future expansion; (3) volume purchasing benefits from our suppliers; (4) an ability to leverage our extensive North American inventory coverage to provide greater overall breadth and depth of product offerings; (5) the ability to attract and retain effective managers and salespeople; and (6) a business model exhibiting a high degree of operating leverage. Our presence and scale have also enabled us to establish an efficient supply chain and logistics platform, allowing us to better serve our customers and further differentiate us from our competitors.

High Level of Integration and MRO Contracts with a Blue Chip Customer Base. We have a diversified customer base with over 10,000 active customers and serve as the sole or primary supplier in all end markets or in specified end markets or geographies for many of our customers. Our top ten customers, with whom we have had relationships for more than 20 years on average, accounted for less than 25% of 2007 pro forma sales and no single customer accounted for more than 5% of 2007 pro forma sales. Before giving pro forma effect to the Red Man Transaction, our top ten customers accounted for approximately 28% of our 2007 sales and our largest customer accounted for approximately 6% of our 2007 sales. We enjoy fully integrated relationships, including interconnected technology systems and daily communication, with many of our customers and we provide an extensive range of integrated and outsourced supply services, allowing us to market a total transaction cost concept as opposed to individual product prices. We provide such services as multiple daily deliveries, zone stores management, valve tagging, truck stocking and significant system support for tracking and replenishing inventory, which we believe results in deeply integrated customer relationships. We sell products to many of our customers through multi-year MRO contracts which are typically renegotiated every three to five years. Although there are typically no guaranteed minimum purchase amounts under these contracts, these MRO customers, representing over 50% of both our 2007 historical and pro forma sales, provide a relatively stable revenue stream and help mitigate against industry downturns. We believe we have been able to retain customers by ensuring a high level of service and integration, as evidenced by our annual average MRO contract retention rate of over 99% since 2000. Furthermore, we have recently signed new MRO contracts displacing competitors that provide opportunities for us to gain new customers and broaden existing customer relationships.

Business and Geographic Diversification in High-Growth Areas. We are well diversified across the upstream, midstream and downstream operations of the energy industry, as well as through our participation in selected industrial end markets. During the twelve months ended December 31, 2007 on a pro forma basis, we generated approximately 46% of our sales in the upstream sector, 22% in the midstream sector, and 32% in the downstream, industrial and other energy end markets. Before giving pro forma effect to the Red Man Transaction, during the twelve

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months ended December 31, 2007, approximately 39% of our sales were attributable to upstream activities, approximately 19% were attributable to midstream activities and approximately 42% were attributable to downstream and other processing activities. This diversification affords us some measure of protection in the event of a downturn in any one end market while providing us the ability to offer one stop shopping for most of our integrated energy customers. In addition, our more than 250 branches are located near major hydrocarbon and refining regions throughout North America, including rapidly expanding oil and natural gas exploration and production (E&P) areas in North America, such as the Bakken, Barnett, Fayetteville, Haynesville and Marcellus shales. Our geographic diversity enhances our ability to respond to customers quickly, gives us a strong presence in these high growth E&P areas and reduces our exposure to a downturn in any one region.

Strategic Supplier Relationships. We have extensive relationships with our suppliers and have key supplier relationships dating back in certain instances over 60 years. We purchased approximately \$1 billion of products from our top ten suppliers for the twelve months ended December 31, 2007 on a pro forma basis, representing approximately 32% of our purchases. Before giving pro forma effect to the Red Man Transaction, during the twelve months ended December 31, 2007 we purchased approximately \$505.6 million of products from our top ten suppliers, representing approximately 30% of our purchases. We believe our customers view us as an industry leader for the formal processes we use to evaluate vendor performance and product quality. We employ individuals, certified by the International Registry of Certificated Auditors, who specialize in conducting manufacturer assessments both domestically and internationally. Our Supplier Registration Process (SRP), which allows us to maintain the MRC ASL, serves as a significant strategic advantage to us in developing, maintaining and institutionalizing key supplier relationships. For our suppliers, being included on the MRC ASL represents an opportunity for them to increase their product sales to our customers. The SRP also adds value to our customers, as they collaborate with us regarding specific manufacturer performance, our past experiences with products and the results of our on-site supplier assessments. Having a timely, uninterrupted supply of those mission critical products from approved vendors is an essential part of our customers' day-to-day operations and we work to fulfill that need through our SRP.

A Leading IT Platform Focused on Customer Service. Our business is supported by our integrated, scalable and customer-linked customized information systems. These systems and our more than 3,400 employees are linked by a wide area network. We are currently implementing an initiative, expected to be completed in 2009, that will combine our business operations onto one enterprise server-based system. This will enable real-time access to our business resources, including customer order processing, purchasing and material requests, distribution requirements planning, warehousing and receiving, inventory control and accounting and financial functions. Significant elements of our systems include firm-wide pricing controls resulting in disciplined pricing strategies, advanced scanning and customized bar-coding capabilities, allowing for efficient warehousing activities at customer as well as our own locations, and significant levels of customer-specific integrations. We believe that the customized integration of our customers' systems into our own information systems has increased customer retention by reducing their expenses, thus creating switching costs when comparing us to alternative sources of supply. Typically, smaller regional and local competitors do not have IT capabilities that are as advanced as ours.

Highly Efficient, Flexible Operating Platform Drives Significant Free Cash Flow Generation. We place a particular emphasis on practicing financial discipline as evidenced by our strong focus on return on assets, minimal capital expenditures and high free cash flow generation. Our disciplined cost control, coupled with our active asset management strategies, result in a business model exhibiting a high degree of operating leverage. As is typical with the flexibility associated with a distribution operating model, our variable cost base includes substantially all of our cost of goods sold and a significant portion of our operating costs. Furthermore, our maintenance capital expenditures were approximately 0.3% of our pro forma sales for the year ended December 31, 2007. This cost structure allows us to adjust to changing industry dynamics and, as a

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result, during periods of decreased sales activity, we typically generate significant free cash flow as our costs are reduced and working capital contracts.

Experienced and Motivated Management Team. Our senior management team has an average of over 25 years of experience in the oilfield and industrial supply business, the majority of which has been with McJunkin Red Man or its predecessors. After giving effect to this offering, senior management will own % of our company indirectly through their equity interests in PVF Holdings LLC. We also seek to incentivize and align management with shareholder interests through equity-linked compensation plans. Furthermore, executive compensation is based on profitability and return-on-investment targets which we believe drives accountability and further aligns the organization with our shareholders.

Our Business Strategy

Our goal is to become the largest global distributor of PVF and related products to the energy and industrials sectors. We intend to grow our business by leveraging our existing position as the largest North American distributor of PVF products and services to the energy industry based on sales. Our strategy is focused on pursuing growth by increasing organic market share and growing our business with current customers, expanding into new geographies and end markets, further penetrating the Canadian Oil Sands and downstream sector, pursuing selective strategic acquisitions and investments, increasing recurring revenues through integrated supply, MRO and project contracts, and continuing to increase our operational efficiency.

Increase Organic Market Share and Grow Business with Current Customers. We are committed to expanding upon existing deep relationships with our current customer base while at the same time striving to secure new customers. To accomplish this, we are focused on providing a one stop PVF procurement solution throughout North America and across the upstream, midstream and downstream sectors of the energy industry, cross-selling by leveraging our expanded product offering resulting from the business combination between McJunkin Corporation (McJunkin) and Red Man Pipe & Supply Co. (Red Man) in October 2007, and increasing our penetration of existing customers new multiyear projects.

The migration of existing customer relationships to sole or primary sourcing arrangements is a core strategic focus. We seek to position ourselves as the sole or primary provider of a broad complement of PVF products and services for a particular customer, often by end market and/or geography, or in certain instances across all of a customer s North American upstream, midstream and downstream operations. Several of our largest customers have recently switched to sole or primary sourcing contracts with us. Additionally, we believe that significant opportunities exist to expand upon heritage McJunkin and Red Man existing deep customer and supplier relationships and thereby increase our market share. While we believe that the heritage McJunkin and Red Man organizations each maintained robust product offerings, there also remain opportunities to cross-sell certain products into the other heritage organization s customer base and branch network. As part of these efforts, we are working to further strengthen our service offerings by augmenting our product portfolio, management expertise and sales force.

We also aim to increase our penetration of our existing customers new projects. For example, while we often provide nearly 100% of the PVF products for certain customers under MRO contracts, increased penetration of those customers new downstream and midstream projects remains a strategic priority. Initiatives are in place to deepen relationships with engineering and construction firms and to extend our product offering into certain niches. We recently integrated core project groups in several locations to focus solely on capturing new multi-year project opportunities and we are encouraged by these initial efforts.

Expand into New Geographies and End Markets. We intend to selectively establish new branches in order to facilitate our expansion into new geographies, and enter end markets where

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extreme operating environments generate high PVF product replacement rates. We continue to evaluate establishing branches and service and supply centers, entering into joint ventures, and making acquisitions in select domestic and international regions. While we believe that we are one of three PVF distributors with branches throughout North America, there is opportunity to expand via new branch openings in certain geographic areas.

While our near term strategy is to continue to expand within North America, we believe that attractive opportunities exist to expand internationally. Though we currently maintain only one branch outside North America, we continue to actively evaluate opportunities to extend our offering to key international markets, particularly in West Africa, the Middle East, Europe and South America. The E&P opportunity and current installed base of energy infrastructure internationally is significantly larger than in North America and as a result we believe represents an attractive long term opportunity both for ourselves and our largest customers. While our near term focus internationally will be centered on growing our business with our already largely global customer base, the increased focus, particularly by foreign-owned integrated oil companies, on efficiency, cost savings, process improvements and core competencies has also generated potential growth opportunities to add new customers that we will continue to monitor closely.

We also believe opportunities exist for expansion into new and under penetrated end markets where PVF products are used in specialized, highly corrosive applications. These end markets include pulp and paper, food and beverage and other general industrial markets, in addition to other energy end markets such as power generation, liquefied natural gas, coal, nuclear and ethanol. We believe our extensive North American branch platform, comprehensive PVF product offering, and reputation for high customer service and technical expertise positions us to participate in the growth in these end markets.

We believe there also remains an opportunity to continue to expand into certain niche and specialty products that complement our current extensive product offering. These products include automated valves, instrumentation, stainless, chrome and high nickel alloy PVF, large diameter carbon steel pipe and certain specialty items, including steam products.

Further Penetrate the Canadian Oil Sands, Particularly the Downstream Sector. The Canadian Oil Sands region and its attendant downstream markets represent long-term growth areas for our company. Improvements in mining and in-situ technology are driving significant investment in the area and, according to the Alberta Energy and Utilities Board, the Canadian Oil Sands contain an ultimately recoverable crude bitumen resource of 315 billion barrels, with established reserves of almost 173 billion barrels at December 2007. Canada has the second largest recoverable crude oil reserves in the world, behind Saudi Arabia. Capital and maintenance investments in the Canadian Oil Sands are expected to experience dramatic growth due to rising global energy demand and advancements in recovery and upgrading technologies. According to the Alberta Ministry of Energy, an estimated CDN\$67 billion (US\$64.7 billion) was invested in Canadian Oil Sands projects from 2000 to 2007. These large facilities require significant ongoing PVF maintenance well in excess of traditional energy infrastructure, given the extremely harsh operating environments and highly corrosive conditions. MRO expenditures for PVF in the Canadian Oil Sands are typically over five times that of MRO expenditures for PVF in traditional downstream environments. According to the Alberta Ministry of Energy, almost CDN\$170 billion (US\$164.3 billion) in Canadian Oil Sands-related projects were underway or proposed as of June 2008, which we estimate could generate significant PVF expenditures. Current uncertainties regarding oil prices may postpone some of these projects.

While Midfield has historically focused on the upstream and midstream sectors in Canada, we believe that a significant opportunity exists to penetrate the Canadian Oil Sands downstream market which includes the upgrader and refinery markets. We are the leading provider of PVF products to the downstream market in the U.S. and believe this sector expertise and existing customer relationships can be utilized by our upstream and midstream Canadian operations to grow our downstream sector presence in this region. We also believe there is a significant opportunity to penetrate the Canadian

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Oil Sands extraction market involving in-situ recovery methods, including SAGD (steam assisted gravity drainage) and CSS (cyclic steam stimulation) techniques used to extract the bitumen. We have formed a full team overseen by senior management, have made recent inventory and facility investments in Canada, including a new 60,000 square foot distribution center facility located near Edmonton, and have opened additional locations in Western Canada to address this opportunity. Finally, we also believe that an attractive opportunity exists to more fully penetrate the MRO market in Canada, particularly in Eastern Canada, including refineries, petrochemical facilities, utilities and pulp and paper and other general industrial markets.

Pursue Selective Strategic Acquisitions and Investments. Acquisitions have been a core focus and acquisition integration a core competency for us. We continue to seek opportunities to strengthen our franchise through selective acquisitions and strategic investments. In particular, we will consider investments that enhance our presence in the energy infrastructure market and enable us to leverage our existing operations, either through acquiring new branches or by acquiring companies offering complementary products or end market breadth. Our industry remains highly fragmented and we believe a significant number of small and larger acquisition opportunities remain that offer favorable synergy potential and attractive growth characteristics. Acquisitions have been a core focus for both the heritage McJunkin and Red Man organizations which we plan to continue. In addition to the business combination between McJunkin and Red Man, since 2000 we have integrated 20 acquisitions which collectively represented over \$1.1 billion in sales in the year of acquisition. Important recent acquisitions include Midfield, one of the three largest oilfield supply companies in Canada with 68 branches, Midway-Tristate Corporation (Midway), an oilfield distributor primarily serving the Rockies and Appalachia regions, and LaBarge Pipe & Steel Company (LaBarge), a distributor of carbon steel pipes to the North American midstream sector. Historically, our operating scale and integration capabilities have enabled us to realize important synergies, while minimizing execution risk, which we intend to focus on with future acquisitions.

Increase Recurring Revenues through Integrated Supply, MRO and Project Contracts. We have entered into and continue to pursue integrated supply, MRO and project contracts with certain of our customers. Under these arrangements, we are typically the sole or primary source provider of the upstream, midstream, and/or downstream requirements of our customers. In certain instances we are the sole or primary source provider for our customers across all the energy sectors and/or North American geographies within which the customer operates.

Our customers have, over time, increasingly moved toward centralized PVF procurement management at the corporate level rather than at individual local units. While these developments are partly due to significant consolidation among our customer base, sole or primary sourcing arrangements allow customers to focus on their core operations and provide economic benefits by generating immediate savings for the customer through administrative cost and working capital reductions, while providing for increased volumes, more stable revenue streams and longer term visibility for us. We believe we are well positioned to obtain these arrangements due to our (1) geographically diverse and strategically located branch network, (2) experience, technical expertise and reputation for premier customer service operating across all segments of the energy industry, (3) breadth of available product lines and value added services, and (4) existing deep relationships with customers and suppliers.

We also have exclusive and non-exclusive MRO contracts and new project contracts in place. Our customers are increasing their maintenance and capital spending, which is being driven by aging infrastructure, their increased utilization of existing facilities and the decreasing quality of energy feedstocks. Our customers benefit from MRO agreements through lower inventory investment and the reduction of transaction costs associated with the elimination of the bid submission process, and our company benefits from the recurring revenue stream that occurs with an MRO contract in place. We believe there are additional opportunities to utilize MRO arrangements for servicing the requirements of our customers and we are actively pursuing such agreements.

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Continued Focus on Operational Efficiency. We strive for continued operational excellence. Our branch managers, regional management and corporate leadership team continually examine branch profitability, working capital management, and return on managed assets and utilize this information to optimize national, regional and local strategies, reduce operating costs and maximize cash flow generation. As part of this effort, management incentives are centered on meeting EBITDA and return on assets targets.

In order to improve efficiencies and profitability, we work to leverage operational best practices, optimize our vendor relationships, purchasing, and inventory levels, and source inventory internationally when appropriate. As part of this strategy, we have integrated our heritage purchasing functions and believe we have developed strong relationships with vendors that value both our national footprint and volume purchasing capabilities. Because of this, we are often considered the preferred distribution channel. As we continue to consolidate our vendor relationships, we plan to devote additional resources to assist our customers in identifying products that improve their processes, day-to-day operations and overall operating efficiencies. We believe that offering these value added services maximizes our value to our customers and helps differentiate us from competitors.

Risk Factors

While our business has grown in recent years, we face various risks. For example, decreased capital expenditures in the energy industry could lead to decreased demand for our products and services and could therefore have a material adverse effect on our business, results of operations and financial condition. We face other risks including, among others, fluctuations in steel prices, volatility of oil and natural gas prices, economic downturns, our lack of long-term contracts with many of our customers and suppliers and the absence of minimum purchase obligations under the long-term customer contracts that we do have, and risks associated with the integration of our predecessor companies, McJunkin and Red Man. Additionally, we have significant indebtedness. As of September 25, 2008, we had total debt outstanding of \$1,446.5 million and we had borrowing availability of \$395.2 million under our credit facilities. Our significant indebtedness could limit our ability to obtain additional financing, our ability to use operating cash flow in other areas of our business, and our ability to compete with other companies that are less leveraged, and could have other negative consequences. See **Risk Factors** for a more detailed discussion of these risks and other risks associated with our business.

Recent Developments

On July 31, 2008, we acquired the remaining approximate 49% minority voting interest in our Canadian subsidiary, Midfield Supply ULC, one of the three largest oilfield supply companies in Canada with 68 branches, for total payments of approximately \$135.67 million.

On September 9, 2008, our board of directors appointed Andrew Lane as the new president and chief executive officer of our Company. Mr. Lane has held various senior executive positions at Halliburton Company and its subsidiaries since 2000, including most recently serving as executive vice president and chief operating officer of Halliburton Company from December 2004 to December 2007. Craig Ketchum, our previous president and chief executive officer, was appointed chairman of our board of directors on September 9, 2008 and will continue with our company in that role.

On October 9, 2008, we acquired LaBarge Pipe & Steel Company. LaBarge is engaged in the sale and distribution of carbon steel pipes (predominantly large diameter pipe) for use primarily in the North American energy infrastructure market and had net sales of \$200.6 million in 2007. We acquired LaBarge for cash. The purchase price is based upon an enterprise value for LaBarge of \$160 million, and is subject to a post-closing purchase price adjustment and customary indemnification provisions. Based on a good faith estimate of the purchase price, at closing, after

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paying \$7.5 million into escrow for working capital adjustment and indemnification purposes, we paid an aggregate of \$79.75 million to the LaBarge selling shareholders. This amount was determined by (a) deducting from the enterprise value estimated debt of \$61.9 million, estimated company expenses of \$1.45 million and the estimated net working capital adjustment of \$10.7 million, and (b) adding back to the enterprise value estimated cash of \$1.3 million. The cash purchase price may increase or decrease depending on the calculation of the final purchase price, which we expect will occur in the first quarter of 2009. We also agreed to pay up to an additional \$45 million in cash if LaBarge meets certain EBITDA targets in 2008 and 2009 and any such additional payments would be made in March 2009 and March 2010, respectively.

We upsized our revolving credit facility from \$700 million to \$800 million during October 2008. Additionally, on October 8, 2008, Barclays Bank PLC agreed to commit an additional \$100 million under our revolving credit facility effective January 2, 2009, which will increase the total commitments under our revolving credit facility to \$900 million.

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Organizational Structure

The following chart illustrates our organizational structure upon the completion of this offering:

* PVF Holdings LLC is offering all of the shares to be sold in this offering. PVF Holdings LLC intends to distribute the net proceeds of this offering, after giving effect to the underwriting discount, to its members, which include certain of our directors and executive officers. See the table on page 147 for information regarding the amount of offering proceeds to be distributed to each of our directors and executive officers.

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The Offering

Issuer	McJunkin Red Man Holding Corporation.
Common stock offered by the selling stockholder	shares.
Option to purchase additional shares of common stock from the selling stockholder	shares.
Common stock outstanding immediately after the offering	155,898,086 shares.
Use of proceeds	The proceeds from the sale of shares of our common stock in the offering are solely for the account of PVF Holdings LLC, the selling stockholder. We will not receive any proceeds from the sale of our common stock by the selling stockholder. See Use of Proceeds . PVF Holdings LLC intends to distribute the net proceeds of this offering, after giving effect to the underwriting discount, to its members, which include certain members of our board of directors and senior management team and various of their affiliates. See Principal and Selling Stockholders and Underwriting . Additionally, affiliates of Goldman, Sachs & Co. own a majority interest in PVF Holdings LLC. Accordingly, such affiliates will receive a significant portion of the proceeds from this offering. See Underwriting .
Proposed New York Stock Exchange symbol	MRC .
Risk Factors	See Risk Factors beginning on page 19 of this prospectus for a discussion of factors that you should carefully consider before deciding to invest in shares of our common stock.

The number of shares of common stock to be outstanding after the offering:

gives effect to a 500 for 1 split of our common stock which occurred on October 16, 2008;

excludes 3,646,486 shares of common stock issuable upon the exercise of stock options granted to certain of our employees and directors pursuant to the McJ Holding Corporation 2007 Stock Option Plan; and

excludes 282,771 shares of non-vested restricted stock awarded to certain of our employees pursuant to the McJ Holding Corporation 2007 Restricted Stock Plan.

McJunkin Red Man Holding Corporation (formerly known as McJ Holding Corporation) was incorporated in Delaware on November 20, 2006. Our principal executive offices are located at 8023 East 63rd Place, Tulsa,

Oklahoma 74133 and 835 Hillcrest Drive, Charleston, West Virginia 25311. Our telephone number is (918) 250-8541. Our website address is www.mcjunkerredman.com. Information contained on our website is not a part of this prospectus.

The data included in this prospectus regarding the industrial and oilfield pipe, valves and fittings distribution industry, including trends in the market and our position and the position of our competitors within this industry, are based on our estimates, which have been derived from management's knowledge and experience in the areas in which our business operates, and information obtained from customers, suppliers, trade and business organizations, internal research, publicly available information, industry publications and surveys and other contacts in the areas in

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which our business operates. We have also cited information compiled by industry publications, governmental agencies and publicly available sources.

Depending on market conditions at the time of pricing of this offering and other considerations, the selling stockholder may sell fewer or more shares than the number set forth on the cover page of this prospectus.

In this prospectus, unless otherwise indicated, Canadian dollar amounts are converted into U.S. dollar amounts at the exchange rate in effect on September 25, 2008, the last day of our third quarter.

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Summary Consolidated Financial Information

On January 31, 2007, McJunkin Red Man Holding Corporation, an affiliate of The Goldman Sachs Group, Inc., acquired a majority of the equity of the entity now known as McJunkin Red Man Corporation (then known as McJunkin Corporation) (the "GS Acquisition"). In this prospectus, the term "Predecessor" refers to McJunkin Corporation and its subsidiaries prior to January 31, 2007 and the term "Successor" refers to the entity now known as McJunkin Red Man Holding Corporation and its subsidiaries on and after January 31, 2007. As a result of the change in McJunkin Corporation's basis of accounting in connection with the GS Acquisition, Predecessor's financial statement data for the one month ended January 30, 2007 and earlier periods is not comparable to Successor's financial data for the eleven months ended December 31, 2007 and subsequent periods.

McJunkin Corporation completed a business combination transaction with Red Man Pipe & Supply Co. (the "Red Man Transaction") on October 31, 2007. At that time McJunkin Corporation was renamed McJunkin Red Man Corporation. Operating results for the eleven-month period ended December 31, 2007 include the results of McJunkin Red Man Holding Corporation for the full period and the results of Red Man Pipe & Supply Co. ("Red Man") for the two months after the business combination on October 31, 2007. Accordingly, our results for the 11 months ended December 31, 2007 are not comparable to McJunkin's results for the years ended December 31, 2006 and 2005.

The summary consolidated financial information presented below under the captions Statement of Operations Data and Other Financial Data for the one month ended January 30, 2007 (Predecessor) and the eleven months ended December 31, 2007, and the summary consolidated financial information presented below under the caption Balance Sheet Data as of December 31, 2007, have been derived from the consolidated financial statements of McJunkin Red Man Holding Corporation included elsewhere in this prospectus that have been audited by Ernst & Young LLP, independent registered public accounting firm. The summary consolidated financial information presented below as of and for the years ended December 31, 2005 and 2006 has been derived from the consolidated financial statements of our predecessor, McJunkin Corporation, included elsewhere in this prospectus that have been audited by Schneider Downs & Co., Inc., independent registered public accounting firm.

The summary unaudited interim consolidated financial information presented below under the captions Statement of Operations Data and Other Financial Data for the nine months ended September 25, 2008 and the eight months ended September 27, 2007, and the summary unaudited consolidated financial information presented below under the caption Balance Sheet Data as of September 25, 2008, have been derived from our unaudited interim consolidated financial statements, which are included elsewhere in this prospectus and have been prepared on the same basis as our audited consolidated financial statements. In the opinion of management, the interim data reflect all adjustments, consisting of normal and recurring adjustments, necessary for a fair presentation of results for these periods. Operating results for the nine months ended September 25, 2008 include the results of McJunkin Corporation and Red Man for the full period. Operating results for the eight-month period ending September 27, 2007 do not reflect the operating results of Red Man, as the Red Man Transaction did not occur until October 31, 2007. Accordingly, the results for the nine months ended September 25, 2008 are not comparable to the results for the eight months ended September 27, 2007. In addition, operating results for the nine-month period ended September 25, 2008 are not necessarily indicative of the results that may be expected for the year ended December 31, 2008.

The summary unaudited pro forma consolidated statements of operations data for the nine months ended September 27, 2007 and the year ended December 31, 2007 give pro forma effect to (1) the GS Acquisition and the Red Man Transaction, as if each such transaction had occurred on January 1, 2007, and (2) our entering into our \$575 million term loan facility and our \$800 million revolving credit facility, as if we had entered into these facilities on January 1, 2007.

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The pro forma statement of operations data for the nine months ended September 27, 2007 includes McJunkin Corporation's results for the one month ended January 30, 2007 (before the GS Acquisition), McJunkin Red Man Holding Corporation's results for the eight months ended September 27, 2007 (before the Red Man Transaction), and Red Man's results for the nine months ended July 31, 2007. The pro forma statement of operations data for the year ended December 31, 2007 includes McJunkin Corporation's results for the one month ended January 30, 2007, McJunkin Red Man Holding Corporation's results for the eleven months ended December 31, 2007 (reflecting the results of McJunkin Corporation for the full eleven months but excluding the results of Red Man for the two months ended December 31, 2007), and Red Man's results for the twelve months ended October 31, 2007.

All information in this prospectus gives effect to the 500 for 1 stock split which occurred on October 16, 2008.

The historical data presented below has been derived from financial statements that have been prepared using United States generally accepted accounting principles, or GAAP. This data should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and related notes included elsewhere in this prospectus.

	Predecessor One Month Ended January 30, 2007	Successor Eight Months Ended September 27, 2007 (Unaudited)	Pro Forma Nine Months Ended September 27, 2007 (Unaudited)	Successor Nine Months Ended September 25, 2008 (Unaudited)
(In millions, except per share and share data)				
Statement of Operations Data:				
Sales	\$ 142.5	\$ 1,306.8	\$ 2,860.2	\$ 3,676.2
Costs and expenses				
Cost of sales (exclusive of depreciation and amortization shown separately below)	114.6	1,060.7	2,349.6	2,986.7
Selling, general and administrative expenses	14.6	127.1	259.5	319.7
Depreciation and amortization	0.3	2.9	6.5	8.1
Amortization of intangibles(1)		7.6	21.5	24.2
Profit sharing	1.3	9.1	15.6	19.3
Stock-based compensation		2.1	4.3	7.0
Total costs and expenses	130.8	1,209.5	2,657.0	3,365.0
Operating income	11.7	97.3	203.2	311.2
Other income (expense)				
Interest expense	(0.1)	(39.4)	(49.4)	(57.8)
Minority interests	(0.4)		(0.1)	0.3
Other, net		(0.7)	(3.8)	0.2
Total other income (expense)	(0.5)	(40.1)	(53.3)	(57.3)
Income before income taxes	11.2	57.2	149.9	253.9
Income tax expense	4.6	23.0	56.2	96.0

Net income(2)	\$	6.6	\$	34.2	\$	93.7	\$	157.9
Earnings per share, basic			\$	0.67			\$	1.02
Earnings per share, diluted			\$	0.67			\$	1.02
Weighted average shares, basic				51,296,777				155,068,285
Weighted average shares, diluted				51,461,777				155,369,785
Pro forma earnings per share, basic					\$	1.82		
Pro forma earnings per share, diluted					\$	1.82		
Pro forma weighted average shares, basic						51,296,777		
Pro forma weighted average shares, diluted						51,461,777		
Other Financial Data:								
Net cash provided by (used in) operating activities	\$	6.6	\$	38.0			\$	16.7
Net cash provided by (used in) investing activities		(0.2)		(932.9)				(120.9)
Net cash provided by (used in) financing activities		(8.3)		900.5				106.3
Adjusted EBITDA(3)		26.0		243.0		244.8		493.2

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	Predecessor		One	Successor	Pro Forma
	Year	Year	Month	Eleven	Year
	Ended	Ended	Ended	Months	Ended
	December 31,	December 31,	January 30,	December 31,	December 31,
	2005	2006	2007	2007	2007
	(Unaudited)				
	(In millions, except per share and share data)				
Statement of Operations					
Data:					
Sales	\$ 1,445.8	\$ 1,713.7	\$ 142.5	\$ 2,124.9	\$ 3,952.7
Costs and expenses					
Cost of sales (exclusive of depreciation and amortization shown separately below)	1,177.1	1,394.3	114.6	1,734.6	3,229.2
Selling, general and administrative expenses	155.7	173.9	14.6	201.9	365.7
Depreciation and amortization	3.7	3.9	0.3	5.4	8.6
Amortization of intangibles	0.3	0.3		10.5(1)	28.6(1)
Profit sharing	13.1	15.1	1.3	13.2	13.5
Stock-based compensation				3.0	5.7
Total costs and expenses	1,349.9	1,587.5	130.8	1,968.6	3,651.7
Operating income	95.9	126.2	11.7	156.3	301.4
Other income (expense)					
Interest expense	(2.7)	(2.8)	(0.1)	(61.7)	(65.9)
Minority interests	(2.8)	(4.1)	(0.4)	(0.1)	0.0
Other, net	(1.3)	(1.4)		(1.1)	(3.9)
Total other income (expense)	(6.8)	(8.3)	(0.5)	(62.9)	(69.8)
Income before income taxes	89.1	117.9	11.2	93.4	231.6
Income tax expense	36.6	48.3	4.6	36.5	86.8
Net income(2)	\$ 52.5	\$ 69.6	\$ 6.6	\$ 56.9	\$ 144.8
Earnings per share, basic				\$ 0.82	
Earnings per share, diluted				\$ 0.82	
Weighted average shares, basic				69,325,299	
Weighted average shares, diluted				69,461,299	
Pro forma earnings per share, basic					\$ 2.13
Pro forma earnings per share, diluted					\$ 2.13
Pro forma weighted average shares, basic					69,325,299

Pro forma weighted average shares, diluted 69,461,299

Other Financial Data:

Net cash provided by operating activities	\$ 30.4	\$ 18.4	\$ 6.6	\$ 110.2	
Net cash (used in) investing activities	(6.7)	(3.3)	(0.2)	(1,788.9)	
Net cash (used in) provided by financing activities	(21.1)	(17.2)	(8.3)	1,687.2	
Adjusted EBITDA(3)	115.6	139.1	26.0	344.9	370.4

	Predecessor			Successor	As Adjusted(4)
	December 31, 2005	December 31, 2006	December 31, 2007	Actual September 25, 2008	September 25, 2008
	(In millions)				
Balance Sheet Data:					
Cash and cash equivalents	\$ 5.9	\$ 3.7	\$ 10.1	\$ 11.9	\$ 11.9
Working capital	129.0	212.3	673.7	855.7	855.7
Total assets	434.0	481.0	2,925.0	3,570.1	3,570.1
Total debt, including current portion	3.1	13.0	868.4	1,446.5	1,604.4
Minority interest in subsidiaries	11.5	15.6	61.0	0.8	0.8
Stockholders equity	168.8	242.6	1,210.0	933.3	927.9

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- (1) Represents amortization of intangibles included as a result of the GS Acquisition, our acquisition of Midway-Tristate Corporation, and the Red Man Transaction, plus associated transaction fees.
- (2) The following are certain charges and costs incurred in each of the relevant periods that are meaningful to understanding our net income and in evaluating our performance:

Predecessor Successor Pro Forma