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

Form 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2020

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ________ to ________

Commission File Number 001-37443

Univar Solutions Inc.

(Exact name of registrant as specified in its charter)

Delaware	**26-1251958**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

3075 Highland Parkway, Suite 200	**Downers Grove, Illinois**	**60515**
(Address of principal executive offices)		**(Zip Code)**

Registrant's telephone number, including area code: (331) 777-6000

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

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

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

At October 22, 2020, 169,100,367 shares of the registrant's common stock, $0.01 par value, were outstanding.

Univar Solutions Inc.

Form 10-Q

For the quarterly period ended September 30, 2020

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PART I.
FINANCIAL INFORMATION

Item 1. Financial Statements

Univar Solutions Inc.

Condensed Consolidated Statements of Operations
(Unaudited)

(in millions, except per share data)	Note	Three months ended September 30, 2020	Three months ended September 30, 2019	Nine months ended September 30, 2020	Nine months ended September 30, 2019
Net sales		$ 2,009.2	$ 2,387.3	$ 6,229.6	$ 7,131.9
Cost of goods sold (exclusive of depreciation)		1,513.2	1,842.4	4,711.9	5,513.3
Operating expenses:					
Outbound freight and handling		85.9	96.8	258.1	275.1
Warehousing, selling and administrative		245.5	269.2	770.5	803.4
Other operating expenses, net	6	21.4	30.2	69.1	258.8
Depreciation		41.6	41.6	123.7	114.5
Amortization		14.7	12.1	45.3	45.1
Impairment charges	14	20.7	7.0	37.6	7.0
Total operating expenses		$ 429.8	$ 456.9	$ 1,304.3	$ 1,503.9
Operating income		$ 66.2	$ 88.0	$ 213.4	$ 114.7
Other (expense) income:					
Interest income		0.5	0.6	1.7	2.3
Interest expense		(28.2)	(37.4)	(87.4)	(111.2)
Loss on sale of business	4	(9.3)	—	(17.9)	—
Loss on extinguishment of debt	13	—	—	(1.8)	(0.7)
Other income (expense), net	8	2.4	(5.5)	(7.4)	(17.2)
Total other expense		$ (34.6)	$ (42.3)	$ (112.8)	$ (126.8)
Income (loss) before income taxes		31.6	45.7	100.6	(12.1)
Income tax expense from continuing operations	10	2.7	43.2	14.0	38.4
Net income (loss) from continuing operations		$ 28.9	$ 2.5	$ 86.6	$ (50.5)
Net income from discontinued operations	4	$ —	$ —	$ —	$ 5.4
Net income (loss)		$ 28.9	$ 2.5	$ 86.6	$ (45.1)
Income (loss) per common share:					
Basic from continuing operations	11	$ 0.17	$ 0.01	$ 0.51	$ (0.31)
Basic from discontinued operations	11	—	—	—	0.03
Basic income (loss) per common share		$ 0.17	$ 0.01	$ 0.51	$ (0.28)
Diluted from continuing operations	11	$ 0.17	$ 0.01	$ 0.51	$ (0.31)
Diluted from discontinued operations	11	—	—	—	0.03
Diluted income (loss) per common share		$ 0.17	$ 0.01	$ 0.51	$ (0.28)
Weighted average common shares outstanding:					
Basic	11	169.0	168.6	168.9	162.6
Diluted	11	169.8	169.5	169.7	162.6

The accompanying notes are an integral part of these condensed consolidated financial statements.

Univar Solutions Inc.

Condensed Consolidated Statements of Comprehensive Income (Loss)
(Unaudited)

(in millions)	Note	Three months ended September 30, 2020	Three months ended September 30, 2019	Nine months ended September 30, 2020	Nine months ended September 30, 2019
Net income (loss)		$ 28.9	$ 2.5	$ 86.6	$ (45.1)
Other comprehensive (loss) income, net of tax:					
Impact due to adoption of ASU 2018-02 [1]	**12**	—	—	—	(3.2)
Foreign currency translation	**12**	14.3	(31.9)	(60.1)	(12.1)
Pension and postretirement benefit adjustment	**12**	—	—	0.1	0.1
Derivative financial instruments	**12**	2.6	(4.4)	(18.8)	(28.6)
Total other comprehensive income (loss), net of tax		$ 16.9	$ (36.3)	$ (78.8)	$ (43.8)
Comprehensive income (loss)		$ 45.8	$ (33.8)	$ 7.8	$ (88.9)

(1) Adjusted due to the adoption of Accounting Standards Update (“ASU”) 2018-02 “Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income” on January 1, 2019.

The accompanying notes are an integral part of these condensed consolidated financial statements.

Univar Solutions Inc.

Condensed Consolidated Balance Sheets
(Unaudited)

(in millions, except per share data)	Note	September 30, 2020	December 31, 2019
Assets			
Current assets:			
Cash and cash equivalents		$ 273.7	$ 330.3
Trade accounts receivable, net of allowance for doubtful accounts of $24.6 and $12.9 at September 30, 2020 and December 31, 2019, respectively.	**14**	1,276.8	1,160.1
Inventories		696.3	796.0
Prepaid expenses and other current assets		171.8	167.2
Total current assets		$ 2,418.6	$ 2,453.6
Property, plant and equipment, net	**14**	1,085.2	1,152.4
Goodwill	**14**	2,267.3	2,280.8
Intangible assets, net	**14**	263.3	320.2
Deferred tax assets		20.9	21.3
Other assets		252.0	266.5
Total assets		$ 6,307.3	$ 6,494.8
Liabilities and stockholders' equity			
Current liabilities:			
Short-term financing	**13**	$ 0.4	$ 0.7
Trade accounts payable		761.8	895.0
Current portion of long-term debt	**13**	27.6	25.0
Accrued compensation		86.7	103.6
Other accrued expenses	**14**	393.2	425.1
Total current liabilities		$ 1,269.7	$ 1,449.4
Long-term debt	**13**	2,660.4	2,688.8
Pension and other postretirement benefit liabilities		279.8	295.6
Deferred tax liabilities		61.4	56.3
Other long-term liabilities		285.0	271.9
Total liabilities		$ 4,556.3	$ 4,762.0
Stockholders' equity:			
Preferred stock, 200.0 million shares authorized at $0.01 par value with no shares issued or outstanding as of September 30, 2020 and December 31, 2019		$ —	$ —
Common stock, 2.0 billion shares authorized at $0.01 par value with 169.1 million and 168.7 million shares issued and outstanding at September 30, 2020 and December 31, 2019, respectively		1.7	1.7
Additional paid-in capital		2,979.3	2,968.9
Accumulated deficit		(771.9)	(858.5)
Accumulated other comprehensive loss	**12**	(458.1)	(379.3)
Total stockholders' equity		$ 1,751.0	$ 1,732.8
Total liabilities and stockholders' equity		$ 6,307.3	$ 6,494.8

The accompanying notes are an integral part of these condensed consolidated financial statements.

Univar Solutions Inc.

Condensed Consolidated Statements of Cash Flows
(Unaudited)

(in millions)	Note	Nine months ended September 30, 2020	Nine months ended September 30, 2019
Operating activities:			
Net income (loss)		$ 86.6	$ (45.1)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization		169.0	159.6
Impairment charges	**14**	37.6	7.0
Amortization of deferred financing fees and debt discount		4.7	7.0
Amortization of pension credit from accumulated other comprehensive loss		0.1	0.1
Loss on sale of business	**4**	17.9	—
(Gain) loss on sale of property, plant and equipment		(8.3)	1.7
Loss on extinguishment of debt	**13**	1.8	0.7
Deferred income taxes		5.2	4.4
Stock-based compensation expense	**6**	10.9	21.7
Charge for inventory step-up of acquired inventory		—	5.3
Other		2.6	2.1
Changes in operating assets and liabilities:			
Trade accounts receivable, net		(126.2)	3.7
Inventories		89.6	72.1
Prepaid expenses and other current assets		(19.2)	20.0
Trade accounts payable		(123.4)	(85.2)
Pensions and other postretirement benefit liabilities		(16.8)	(22.6)
Other, net		(50.5)	(118.3)
Net cash provided by operating activities		$ 81.6	$ 34.2
Investing activities:			
Purchases of property, plant and equipment		$ (82.1)	$ (72.1)
Purchases of businesses, net of cash acquired	**3**	—	(1,201.0)
Proceeds from sale of property, plant and equipment		17.7	3.6
(Payments)/proceeds from sale of business	**4**	(2.0)	664.3
Other		(7.8)	(1.3)
Net cash used by investing activities		$ (74.2)	$ (606.5)
Financing activities:			
Proceeds from issuance of long-term debt	**13**	$ —	$ 947.0
Payments on long-term debt and finance lease obligations	**13**	(196.8)	(465.4)
Net proceeds under revolving credit facilities	**13**	137.2	130.6
Short-term financing, net	**13**	1.3	(4.4)
Taxes paid related to net share settlements of stock-based compensation awards		(2.0)	(2.8)
Stock option exercises		0.7	5.7
Other		0.7	0.6
Net cash (used) provided by financing activities		$ (58.9)	$ 611.3
Effect of exchange rate changes on cash and cash equivalents		$ (5.1)	$ (26.0)
Net (decrease) increase in cash and cash equivalents		(56.6)	13.0
Cash and cash equivalents at beginning of period		330.3	121.6
Cash and cash equivalents at end of period		$ 273.7	$ 134.6
Supplemental disclosure of cash flow information:			
Cash paid during the period for:			
Income taxes		$ 40.9	$ 31.9
Interest, net of capitalized interest		73.1	109.9
Non-cash activities:			
Fair value of common stock issued for acquisition of business	**3**	$ —	$ 613.8
Additions of property, plant and equipment included in trade accounts payable and other accrued expenses		4.1	7.5
Additions of property, plant and equipment under a finance lease obligation		35.6	8.5
Additions of assets under an operating lease obligation		31.4	9.8

The accompanying notes are an integral part of these condensed consolidated financial statements.

Univar Solutions Inc.

Condensed Consolidated Statements of Changes in Stockholders' Equity
(Unaudited)

(in millions)	Common stock (shares)	Common stock	Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive loss	Total
Balance, January 1, 2020	**168.7**	**$ 1.7**	**$ 2,968.9**	**$ (858.5)**	**$ (379.3)**	**$ 1,732.8**
Net income	—	—	—	86.6	—	86.6
Foreign currency translation adjustment, net of tax $(4.7)	—	—	—	—	(60.1)	(60.1)
Pension and other postretirement benefits adjustment	—	—	—	—	0.1	0.1
Derivative financial instruments, net of tax $8.5	—	—	—	—	(18.8)	(18.8)
Restricted stock units vested	0.4	—	—	—	—	—
Tax withholdings related to net share settlements of stock-based compensation awards	(0.1)	—	(2.0)	—	—	(2.0)
Stock option exercises	0.1	—	0.7	—	—	0.7
Employee stock purchase plan	—	—	0.7	—	—	0.7
Stock-based compensation	—	—	10.9	—	—	10.9
Other	—		0.1	—	—	0.1
Balance, September 30, 2020	**169.1**	**$ 1.7**	**$ 2,979.3**	**$ (771.9)**	**$ (458.1)**	**$ 1,751.0**

(in millions)	Common stock (shares)	Common stock	Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive loss	Total
Balance, July 1, 2020	**169.0**	**$ 1.7**	**$ 2,977.3**	**$ (800.8)**	**$ (475.0)**	**$ 1,703.2**
Net income	—	—	—	28.9	—	28.9
Foreign currency translation adjustment	—	—	—	—	14.3	14.3
Derivative financial instruments, net of tax $(0.8)	—	—	—	—	2.6	2.6
Restricted stock units vested	0.1	—	—	—	—	—
Tax withholdings related to net share settlements of stock-based compensation awards	—	—	(0.6)	—	—	(0.6)
Stock-based compensation	—	—	2.6	—	—	2.6
Balance, September 30, 2020	**169.1**	**$ 1.7**	**$ 2,979.3**	**$ (771.9)**	**$ (458.1)**	**$ 1,751.0**

(in millions)	Common stock (shares)	Common stock	Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive loss	Total
Balance, January 1, 2019	**141.7**	**$ 1.4**	**$ 2,325.0**	**$ (761.5)**	**$ (373.2)**	**$ 1,191.7**
Impact due to adoption of ASU [(1)]	—	—	—	3.2	(3.2)	—
Net loss	—	—	—	(45.1)	—	(45.1)
Foreign currency translation adjustment, net of tax $0.2	—	—	—	—	(12.1)	(12.1)
Pension and other postretirement benefits adjustment	—	—	—	—	0.1	0.1
Derivative financial instruments, net of tax $9.6	—	—	—	—	(28.6)	(28.6)
Common stock issued for the Nexeo acquisition [(2)]	27.9	0.3	649.0	—	—	649.3
Shares canceled [(2)]	(1.5)	—	(35.5)	—	—	(35.5)
Restricted stock units vested	0.4	—	—	—	—	—
Tax withholdings related to net share settlements of stock-based compensation awards	(0.2)	—	(2.8)	—	—	(2.8)
Stock option exercises	0.3	—	5.7	—	—	5.7
Employee stock purchase plan	—	—	0.6			0.6
Stock-based compensation	—	—	21.7	—	—	21.7
Balance, September 30, 2019	**168.6**	**$ 1.7**	**$ 2,963.7**	**$ (803.4)**	**$ (417.0)**	**$ 1,745.0**

(in millions)	Common stock (shares)	Common stock	Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive loss	Total
Balance, July 1, 2019	**168.6**	**$ 1.7**	**$ 2,959.4**	**$ (805.9)**	**$ (380.7)**	**$ 1,774.5**
Net income	—	—	—	2.5	—	2.5
Foreign currency translation adjustment, net of tax $0.2	—	—	—	—	(31.9)	(31.9)
Derivative financial instruments, net of tax $1.5	—	—	—	—	(4.4)	(4.4)
Restricted stock units vested	0.1	—	—	—	—	—
Tax withholdings related to net share settlements of stock-based compensation awards	(0.1)	—	—	—	—	—
Stock-based compensation	—	—	4.4	—	—	4.4
Other	—	—	(0.1)	—	—	(0.1)
Balance, September 30, 2019	**168.6**	**$ 1.7**	**$ 2,963.7**	**$ (803.4)**	**$ (417.0)**	**$ 1,745.0**

(1) Adjusted due to the adoption of ASU 2018-02 “Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income” on January 1, 2019.
(2) Refer to “Note 3: Business combinations” for more information.

The accompanying notes are an integral part of these condensed consolidated financial statements.

Univar Solutions Inc.

Notes to Condensed Consolidated Financial Statements (Unaudited)

1. Nature of operations

Headquartered in Downers Grove, Illinois, Univar Solutions Inc. ("Univar Solutions," "Company," "we," "our" and "us") is a leading global chemical and ingredient distributor and provider of value-added services to customers across a wide range of industries. The Company's operations are structured into four reportable segments that represent the geographic areas under which the Company manages its business:

- Univar Solutions USA ("USA")
- Univar Solutions Europe, the Middle East and Africa ("EMEA")
- Univar Solutions Canada ("Canada")
- Univar Solutions Latin America ("LATAM")

LATAM includes certain developing businesses in Latin America (including Brazil and Mexico) and the Asia-Pacific region.

2. Significant accounting policies

Basis of presentation

The condensed consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") as applicable to interim financial reporting. These condensed consolidated financial statements, in the Company's opinion, include all adjustments consisting of normal recurring accruals necessary for a fair presentation of the condensed consolidated balance sheets, statements of operations, comprehensive income, cash flows and changes in stockholders' equity. The results of operations for the periods presented are not necessarily indicative of the operating results that may be expected for the full year. The accompanying condensed consolidated financial statements of Univar Solutions includes the combined results of all directly and indirectly controlled companies, which have been adjusted to account for the elimination of intercompany balances and transactions.

On our condensed consolidated statements of cash flows for the nine months ended September 30, 2019, the amounts included in "net proceeds under revolving credit facilities," which were previously included in "proceeds from issuance of long-term debt," are now presented separately to conform to the current year presentation.

The preparation of condensed consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts reported and disclosed in the financial statements and accompanying notes. Actual results could differ materially from these estimates. These condensed consolidated financial statements and related footnotes are unaudited and should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 2019.

Recently adopted accounting pronouncements

On January 1, 2020, the Company adopted ASU 2016-13 "Financial Instruments - Credit Losses" (Topic 326), which requires the measurement and recognition of expected credit losses for financial assets held at amortized cost. The transition to the new methodology did not have a significant financial impact and the Company did not recognize a cumulative-effect adjustment to the opening balance of accumulated deficit.

On January 1, 2020, the Company adopted ASU 2018-13 "Fair Value Measurement" (Topic 820), which modifies the disclosure requirements for fair value measurements by removing, modifying and adding certain disclosures.

On January 1, 2020, the Company adopted ASU 2018-15 "Intangibles - Goodwill and Other - Internal-Use Software" (Subtopic 350-40), which aligns the requirements for capitalizing implementation costs incurred in a service contract hosting arrangement with those for capitalizing implementation costs incurred to develop or obtain internal-use software. The Company adopted this guidance on a prospective basis.

Accounting pronouncements issued and not yet adopted

In August 2018, the FASB issued ASU 2018-14 "Compensation - Retirement Benefits - Defined Benefit Plans - General" (Subtopic 715-20), which amends the disclosure requirements related to defined benefit pension and other postretirement plans. The Company will adopt this guidance effective December 31, 2020 and does not expect it to have a material impact to our consolidated financial statements and disclosures.

In December 2019, the FASB issued ASU 2019-12 “Income Taxes” (Topic 740) – “Simplifying the Accounting for Income Taxes.” The Company will adopt this guidance effective January 1, 2021 and is currently determining the impacts of the guidance on our consolidated financial statements.

In March 2020, the FASB issued ASU 2020-04 “Reference Rate Reform” (Topic 848) – “Facilitation of the Effects of Reference Rate Reform on Financial Reporting,” which provides optional expedients and exceptions for applying US GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform from currently referenced rates, such as LIBOR, to alternative rates. The ASU is effective beginning March 12, 2020 and the Company may elect to apply the amendments prospectively through December 31, 2022. The Company is currently determining the impacts of the guidance on our consolidated financial statements.

3. Business combinations

2019 Acquisition

Acquisition of Nexeo Solutions

On February 28, 2019, the Company completed an acquisition of 100% of the equity interest of Nexeo Solutions, Inc. (“Nexeo”), a leading global chemicals and plastics distributor. The acquisition expanded and strengthened Univar Solutions’ presence in North America and provides expanded opportunities to create the largest North American sales force in chemical and ingredients distribution and the broadest product offering.

The total purchase price of the acquisition was $1,814.8 million, composed of $1,201.0 million of cash paid (net of cash acquired of $46.8 million) and $613.8 million of newly issued shares of Univar Solutions common stock, which represented approximately 26.4 million shares, based on Univar Solutions’ closing stock price of $23.29 on February 27, 2019. The final 26.4 million shares issued include the cancellation of 1.5 million shares in connection with the appraisal litigation settlement during the second quarter of 2019.

As of March 31, 2020, the Company updated the purchase price allocation to reflect final deferred income tax adjustments, resulting in a $7.0 million increase to goodwill. The accounting for this acquisition was complete as of March 31, 2020.

The final purchase price allocation is shown below:

(in millions)	As of December 31, 2019	Measurement Period Adjustments	Final March 31, 2020
Trade accounts receivable, net	$ 296.3	$ —	$ 296.3
Inventories	150.2	—	150.2
Prepaid expenses and other current assets	65.4	(1.2)	64.2
Assets held for sale	888.2	—	888.2
Property, plant and equipment, net	262.3	—	262.3
Goodwill	555.7	7.0	562.7
Intangible assets, net	138.7	—	138.7
Other assets	37.4	(0.4)	37.0
Trade accounts payable	(137.7)	—	(137.7)
Other accrued expenses	(145.8)	1.3	(144.5)
Liabilities held for sale	(221.5)	—	(221.5)
Deferred tax liabilities	(4.2)	(6.7)	(10.9)
Other long-term liabilities	(70.2)	—	(70.2)
Purchase consideration, net of cash	$ 1,814.8	$ —	$ 1,814.8

Assets and liabilities held for sale are related to the Nexeo plastics distribution business (“Nexeo Plastics”). Nexeo Plastics was not aligned with the Company’s strategic objectives and, on March 29, 2019, the business was sold for total net proceeds of $664.3 million. Refer to “Note 4: Discontinued operations and dispositions” for further information.

The Company recorded $562.7 million of goodwill, consisting of $547.1 million in the USA segment, $3.8 million in Canada and $11.8 million in LATAM. The goodwill is primarily attributable to expected synergies from combining operations. The Company expects approximately $76.0 million of goodwill to be deductible for income tax purposes.

The Company assumed 50.0 million warrants, equivalent to 25.0 million Nexeo shares, with an estimated aggregate fair value of $26.0 million at the February 28, 2019 closing date. The warrants were converted into the right to receive, upon exercise, the merger consideration consisting of approximately 7.6 million shares of Univar Solutions common stock plus cash. The warrants have an exercise price of $27.80 and will expire on June 9, 2021. The warrants are recorded as other accrued expenses within the condensed consolidated balance sheet. Refer to “Note 15: Fair value measurements” for more information.

4. Discontinued operations and dispositions

Discontinued operations

On March 29, 2019, the Company completed the sale of Nexeo Plastics to an affiliate of One Rock Capital Partners, LLC (“Buyer”) for total proceeds of $664.3 million (net of cash disposed of $2.4 million), including $26.7 million for a working capital adjustment. The Nexeo purchase price allocation is inclusive of these working capital adjustments. Refer to “Note 3: Business combinations” for more information.

In connection with the transaction, the Company entered into a Transition Services Agreement (TSA), a Warehouse Service Agreement (WSA) and Real Property Agreements with the Buyer which are designed to ensure and facilitate an orderly transfer of business operations and will terminate at various times, between six and twenty-four months and can be renewed with a maximum of two twelve-month periods. The income and expense for the services will be reported as other operating expenses, net in the condensed consolidated statements of operations. The Real Property Agreements will have a maximum tenure of three years. These arrangements do not constitute significant continuing involvement in Nexeo Plastics.

The following table summarizes the operating results of Nexeo Plastics for the nine months ended September 30, 2019, as presented in “Net (loss) income from discontinued operations” on the condensed consolidated statements of operations.

(in millions)	Nine months ended September 30, 2019
External sales	$ 156.9
Cost of goods sold (exclusive of depreciation)	136.7
Outbound freight and handling	3.5
Warehousing, selling and administrative	7.9
Other expenses	1.4
Income from discontinued operations before income taxes	$ 7.4
Income tax expense from discontinued operations (1)	2.0
Net (loss) income from discontinued operations	$ 5.4

(1) The provision for income taxes for the nine months ended September 30, 2019 includes an adjustment to the tax expense related to the one month operations reported as of March 31, 2019.

There were no significant non-cash operating activities from the Company’s discontinued operations related to Nexeo Plastics.

Dispositions

On December 31, 2019, the Company completed the sale of the Environmental Sciences business to affiliates of AEA Investors LP for total cash proceeds of $174.0 million (net of cash disposed of $0.7 million and $5.9 million of transaction expenses) plus a $5.0 million ($2.4 million present value) subordinated note receivable (the “Transaction”) and recorded a pre-tax gain on sale of $41.4 million. In the first quarter of 2020, we recorded a net working capital adjustment of $8.2 million, reducing the proceeds and the gain on sale recorded in the fourth quarter of 2019. The sale of the business did not meet the criteria to be classified as a discontinued operation in the Company’s financial statements because the disposition did not represent a strategic shift that had, or will have, a major effect on the Company's operations and financial results.

The following summarizes the income before income taxes attributable to the Environmental Sciences business:

(in millions)	Three months ended September 30, 2019	Nine months ended September 30, 2019
Income before income taxes	$ 8.9	$ 23.6

On September 1, 2020, the Company completed the sale of its industrial spill and emergency response businesses to EnviroServe Inc. for total net cash proceeds of $6.2 million after transaction-related expenses, and subject to a final working capital adjustment. The Company recorded a $9.3 million pre-tax loss on sale of business in the condensed consolidated statements of operations and was included in the USA segment. The sale of these businesses did not meet the criteria to be classified as a discontinued operation in the Company’s financial statements because the dispositions did not represent a strategic shift that had, or will have, a major effect on the Company's operations and financial results.

The following summarizes the loss before income taxes attributable to these businesses:

	Three months ended September 30,		Nine months ended September 30,	
(in millions)	2020	2019	2020	2019
Loss before income taxes	$ (0.8)	$ (2.6)	$ (26.9)	$ (5.5)

5. Revenue

The Company disaggregates revenues from contracts with customers by both geographic reportable segments and revenue contract types. Geographic reportable segmentation is pertinent to understanding Univar Solutions’ revenues, as it aligns to how the Company reviews the financial performance of its operations. Revenue contract types are differentiated by the type of good or service Univar Solutions offers customers, since the contractual terms necessary for revenue recognition are unique to each of the identified revenue contract types.

The following tables disaggregate external customer net sales by major stream:

	USA	EMEA	Canada	LATAM	Consolidated
(in millions)	Three months ended September 30, 2020				
Chemical Distribution	$ 1,179.0	$ 399.1	$ 179.8	$ 117.8	$ 1,875.7
Crop Sciences	—	—	43.9	—	43.9
Services	75.4	0.3	11.2	2.7	89.6
Total external customer net sales	$ 1,254.4	$ 399.4	$ 234.9	$ 120.5	$ 2,009.2

	USA	EMEA	Canada	LATAM	Consolidated
(in millions)	Three months ended September 30, 2019				
Chemical Distribution	$ 1,477.0	$ 424.7	$ 207.3	$ 114.0	$ 2,223.0
Crop Sciences	—	—	64.3	—	64.3
Services	85.1	0.3	11.4	3.2	100.0
Total external customer net sales	$ 1,562.1	$ 425.0	$ 283.0	$ 117.2	$ 2,387.3

	USA	EMEA	Canada	LATAM	Consolidated
(in millions)	Nine months ended September 30, 2020				
Chemical Distribution	$ 3,546.6	$ 1,268.3	$ 560.1	$ 319.9	$ 5,694.9
Crop Sciences	—	—	255.7	—	255.7
Services	234.7	1.0	36.4	6.9	279.0
Total external customer net sales	$ 3,781.3	$ 1,269.3	$ 852.2	$ 326.8	$ 6,229.6

	USA	EMEA	Canada	LATAM	Consolidated
(in millions)	Nine months ended September 30, 2019				
Chemical Distribution	$ 4,240.1	$ 1,365.6	$ 644.1	$ 321.2	$ 6,571.0
Crop Sciences	—	—	281.9	—	281.9
Services	234.5	1.0	35.6	7.9	279.0
Total external customer net sales	$ 4,474.6	$ 1,366.6	$ 961.6	$ 329.1	$ 7,131.9

Deferred revenue

Deferred revenues are recognized as a contract liability when customers provide Univar Solutions with consideration prior to the Company satisfying a performance obligation and are recognized in revenue when the performance obligations are met. Deferred revenues relate to revenues that are expected to be recognized within one year and are recorded within the other accrued expenses line items of the condensed consolidated balance sheets. Deferred revenues as of September 30, 2020 and December 31, 2019 were $6.0 million and $65.5 million, respectively.

Revenue recognized through the nine months ended September 30, 2020 and September 30, 2019 from amounts included in contract liabilities at the beginning of the period were $64.8 million and $44.4 million, respectively.

6. Other operating expenses, net

Other operating expenses, net consisted of the following:

	Three months ended September 30,		Nine months ended September 30,	
(in millions)	2020	2019	2020	2019
Acquisition and integration related expenses	$ 14.1	$ 18.6	$ 45.9	$ 128.3
Stock-based compensation expense	2.6	4.4	10.9	21.7
Restructuring charges	0.9	0.6	9.7	1.2
Other employee severance costs	2.9	4.2	11.2	23.3
Other facility closure costs	0.2	5.6	2.2	5.6
Saccharin legal settlement	—	—	—	62.5
Fair value adjustment for warrants	1.1	(4.2)	(6.4)	(6.8)
(Gain) loss on sale of property, plant and equipment	(0.8)	0.2	(8.3)	1.7
Other	0.4	0.8	3.9	21.3
Total other operating expenses, net	$ 21.4	$ 30.2	$ 69.1	$ 258.8

7. Restructuring charges

Restructuring charges relate to the implementation of several regional strategic initiatives aimed at streamlining the Company's cost structure and improving its operations. These actions primarily resulted in workforce reductions and other facility rationalization costs. Restructuring charges are recorded in other operating expenses, net in the condensed consolidated statement of operations.

2020 Restructuring

During the first quarter of 2020, management approved a plan to implement a new structure designed to streamline and accelerate the opportunities between Canada and USA operations with the reporting structure in Canada condensed and realigned to report under the leadership in the USA for commercial, operations, human resources and finance. This change did not impact the Company's reportable segments. All restructuring actions under this program were complete as of June 30, 2020, except for final cash payments that will be made in the future. During the third quarter of 2020, the Company increased its previously disclosed estimate and recorded an additional charge to earnings of $0.2 million within employee termination costs.

During the second quarter of 2020, the Company initiated workforce reductions spanning across many job functions and locations in the USA and Other in order to align the Company's workforce with its anticipated business needs. The actions associated with this program are expected to be completed by the end of 2020.

As a result of both of these plans, we recorded the following charges:

(in millions)	Three months ended September 30, 2020	Nine months ended September 30, 2020	Anticipated total costs
USA:			
Employee termination costs	$ 1.5	$ 6.2	$ 6.2
Canada:			
Employee termination costs	$ 0.2	$ 3.3	$ 3.3
Other:			
Employee termination costs	$ —	$ 0.8	$ 0.8
Total	$ 1.7	$ 10.3	$ 10.3

2018 Restructuring

During 2018, management approved a plan to consolidate departments. The actions associated with this program were substantially complete as of March 31, 2020, although cash payments will be made into the future. During the third quarter of

2020, the Company reduced its estimate, which was previously recorded as a charge to earnings, in the amount of $0.8 million within employee termination costs as a result of changes in organizational structure. The following table presents a summary of the financial impacts of that plan:

(in millions)	Three months ended September 30, 2020	Nine months ended September 30, 2020	Cumulative costs	Anticipated total costs
USA:				
Employee termination costs	$ (0.5)	$ (0.4)	$ 5.1	$ 5.1
Other exit costs	—	—	0.1	0.1
Total	$ (0.5)	$ (0.4)	$ 5.2	$ 5.2
Other:				
Employee termination costs	$ (0.3)	$ (0.2)	$ 1.0	$ 1.0
Total:				
Employee termination costs	$ (0.8)	$ (0.6)	$ 6.1	$ 6.1
Other exit costs	—	—	0.1	0.1
Total	$ (0.8)	$ (0.6)	$ 6.2	$ 6.2

The following table summarizes activity related to accrued liabilities associated with restructuring:

(in millions)	January 1, 2020	Charge to earnings	Cash paid	September 30, 2020
Employee termination costs	$ 3.7	$ 9.7	$ (10.8)	$ 2.6
Facility exit costs	1.9	—	(0.6)	1.3
Other exit costs	0.2	—	—	0.2
Total	$ 5.8	$ 9.7	$ (11.4)	$ 4.1

(in millions)	January 1, 2019	Charge to earnings	Cash paid	December 31, 2019
Employee termination costs	$ 4.2	$ 2.5	$ (3.0)	$ 3.7
Facility exit costs	5.0	0.1	(3.2)	1.9
Other exit costs	0.2	—	—	0.2
Total	$ 9.4	$ 2.6	$ (6.2)	$ 5.8

Restructuring liabilities of $3.6 million and $5.3 million were classified as current in other accrued expenses in the condensed consolidated balance sheets as of September 30, 2020 and December 31, 2019, respectively. The long-term portion of restructuring liabilities of $0.5 million were recorded in other long-term liabilities in the condensed consolidated balance sheets as of September 30, 2020 and December 31, 2019, and primarily consists of facility exit costs that are expected to be paid within the next five years.

The cost information above does not contain any estimates for programs that may be developed and implemented in future periods. While the Company believes the recorded restructuring liabilities are adequate, revisions to current estimates may be recorded in future periods based on new information as it becomes available.

8. Other income (expense), net

Other income (expense), net consisted of the following:

	Three months ended September 30,		Nine months ended September 30,	
(in millions)	2020	2019	2020	2019
Foreign currency transactions	$ 0.3	$ (0.9)	$ (6.1)	$ (3.7)
Foreign currency denominated loans revaluation	0.2	16.8	—	17.3
Undesignated foreign currency derivative instruments (1)	0.5	(20.6)	0.6	(26.2)
Undesignated swap contracts (1)	(0.1)	(1.0)	(6.1)	(3.8)
Non-operating retirement benefits (2)	2.2	0.5	6.5	1.7
Debt refinancing costs	—	—	(0.1)	—
Other	(0.7)	(0.3)	(2.2)	(2.5)
Total other income (expense), net	$ 2.4	$ (5.5)	$ (7.4)	$ (17.2)

(1) Refer to “Note 16: Derivatives” for more information.
(2) Refer to “Note 9: Employee benefit plans” for more information.

9. Employee benefit plans

The following table summarizes the components of net periodic (benefit) cost recognized in the condensed consolidated statements of operations:

	Domestic - Defined Benefit Pension Plans				Foreign - Defined Benefit Pension Plans			
	Three months ended September 30,		Nine months ended September 30,		Three months ended September 30,		Nine months ended September 30,	
(in millions)	2020	2019	2020	2019	2020	2019	2020	2019
Service cost (1)	$ —	$ —	$ —	$ —	$ 0.5	$ 0.6	$ 1.4	$ 1.8
Interest cost (2)	5.8	6.8	17.4	20.4	3.2	3.9	9.3	11.7
Expected return on plan assets (2)	(7.1)	(6.3)	(21.4)	(18.9)	(4.1)	(4.9)	(11.9)	(15.0)
Prior service cost (2)	—	—	—	—	—	—	0.1	0.1
Net periodic (benefit) cost	$ (1.3)	$ 0.5	$ (4.0)	$ 1.5	$ (0.4)	$ (0.4)	$ (1.1)	$ (1.4)

(1) Service cost is included in warehouse, selling and administrative expenses.
(2) These amounts are included in other income (expense), net.

10. Income taxes

The income tax expense and effective income tax rate for the three and nine months ended September 30, 2020 and 2019 were as follows:

	Three months ended September 30,		Nine months ended September 30,	
(dollars in millions)	2020	2019	2020	2019
Income tax expense	$ 2.7	$ 43.2	$ 14.0	$ 38.4
Effective income tax rate	8.5 %	94.5 %	13.9 %	(317.4)%

Discrete tax benefits of $13.9 million are included in the $2.7 million income tax expense for the three months ended September 30, 2020 primarily attributable to 2019 return to provision adjustments and impairment of unrealizable assets, offset by a reserve for uncertain tax positions. The Company’s effective income tax rate without discrete items was 26.8%, higher than the US federal statutory rate of 21.0% primarily due to the impact of higher tax rates in foreign jurisdictions, non-deductible expenses and US state income taxes.

Discrete tax benefits of $27.5 million are included in the $14.0 million income tax expense for the nine months ended September 30, 2020 primarily attributable to 2019 return to provision adjustments, impairment of unrealizable assets and benefits from provisions under the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), offset by a reserve for uncertain tax positions. The Company’s effective income tax rate without discrete items was 29.9%, higher than the US federal statutory rate of 21.0% primarily due to the impact of higher tax rates in foreign jurisdictions, non-deductible expenses and US state income taxes.

Discrete tax expense of $9.1 million and discrete tax benefit of $4.9 million are included in the $43.2 million and $38.4 million income tax expense for the three and nine months ended September 30, 2019. The Company's effective income tax rate without discrete items was 68.4%, higher than the US federal statutory rate of 21.0%, primarily due to the impact of non-deductible Nexeo related acquisition and integration costs, along with state taxes, foreign rate differential, non-deductible compensation and other expenses, and an increase in the valuation allowance on certain income tax attributes.

11. Earnings per share

The following table presents the basic and diluted earnings per share computations:

	Three months ended September 30,		Nine months ended September 30,	
(in millions, except per share data)	2020	2019	2020	2019
Numerator:				
Net income (loss) from continuing operations	$ 28.9	$ 2.5	$ 86.6	$ (50.5)
Net income from discontinued operations	—	—	—	5.4
Net income (loss)	$ 28.9	$ 2.5	$ 86.6	$ (45.1)
Denominator:				
Weighted average common shares outstanding – basic	169.0	168.6	168.9	162.6
Effect of dilutive securities: stock compensation plans	0.8	0.9	0.8	—
Weighted average common shares outstanding – diluted	169.8	169.5	169.7	162.6
Basic:				
Basic income (loss) per common share from continuing operations	$ 0.17	$ 0.01	$ 0.51	$ (0.31)
Basic income per common share from discontinued operations	—	—	—	0.03
Basic income (loss) per common share (1)	$ 0.17	$ 0.01	$ 0.51	$ (0.28)
Diluted:				
Diluted income (loss) per common share from continuing operations	$ 0.17	$ 0.01	$ 0.51	$ (0.31)
Diluted income per common share from discontinued operations	—	—	—	0.03
Diluted income (loss) per common share (1)	$ 0.17	$ 0.01	$ 0.51	$ (0.28)

(1) As a result of changes in the number of shares outstanding during the year and rounding, the sum of the quarter's earnings per share may not equal the earnings per share for any year-to-date period.

The shares that were not included in the computation of diluted earnings per share for those periods because their inclusion would be anti-dilutive were as follows:

	Three months ended September 30,		Nine months ended September 30,	
(in millions, common shares)	2020	2019	2020	2019
Stock options	4.5	3.1	4.5	3.0
Restricted stock	0.1	—	0.4	0.8
Warrants	7.6	7.6	7.6	6.0

12. Accumulated other comprehensive loss

The following tables present the changes in accumulated other comprehensive loss by component, net of tax:

(in millions)	Cash flow hedges	Defined benefit pension items	Currency translation items	Total
Balance as of December 31, 2019	$ (15.4)	$ (1.0)	$ (362.9)	$ (379.3)
Other comprehensive loss before reclassifications	(33.4)	—	(60.1)	(93.5)
Amounts reclassified from accumulated other comprehensive loss	14.6	0.1	—	14.7
Net current period other comprehensive (loss) income	$ (18.8)	$ 0.1	$ (60.1)	$ (78.8)
Balance as of September 30, 2020	$ (34.2)	$ (0.9)	$ (423.0)	$ (458.1)
Balance as of July 1, 2020	$ (36.8)	$ (0.9)	$ (437.3)	$ (475.0)
Other comprehensive (loss) income before reclassifications	(11.2)	—	14.3	3.1
Amounts reclassified from accumulated other comprehensive loss	13.8	—	—	13.8
Net current period other comprehensive income (loss)	$ 2.6	$ —	$ 14.3	$ 16.9
Balance as of September 30, 2020	$ (34.2)	$ (0.9)	$ (423.0)	$ (458.1)
Balance as of December 31, 2018	$ 8.9	$ (1.1)	$ (381.0)	$ (373.2)
Impact due to adoption of ASU 2018-02 (1)	1.5	—	(4.7)	(3.2)
Other comprehensive loss before reclassifications	(22.1)	—	(12.1)	(34.2)
Amounts reclassified from accumulated other comprehensive loss	(6.5)	0.1	—	(6.4)
Net current period other comprehensive (loss) income	$ (27.1)	$ 0.1	$ (16.8)	$ (43.8)
Balance as of September 30, 2019	$ (18.2)	$ (1.0)	$ (397.8)	$ (417.0)
Balance as of Balance as of July 1, 2019	$ (13.8)	$ (1.0)	$ (365.9)	$ (380.7)
Other comprehensive loss before reclassifications	(3.5)	—	(31.9)	(35.4)
Amounts reclassified from accumulated other comprehensive loss	(0.9)	—	—	(0.9)
Net current period other comprehensive loss	$ (4.4)	$ —	$ (31.9)	$ (36.3)
Balance as of September 30, 2019	$ (18.2)	$ (1.0)	$ (397.8)	$ (417.0)

(1) Adjusted due to the adoption of ASU 2018-02 “Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income” on January 1, 2019.

The following is a summary of the amounts reclassified from accumulated other comprehensive loss to net income (loss):

(in millions)	Statement of Operations Classification	Three months ended September 30, 2020 [(1)]	Three months ended September 30, 2019 [(1)]	Nine months ended September 30, 2020 [(1)]	Nine months ended September 30, 2019 [(1)]
Amortization of defined benefit pension items:					
Prior service cost	Other income (expense), net	$ —	$ —	$ 0.1	$ 0.1
Tax expense	Income tax expense	—	—	—	—
Net of tax		$ —	$ —	$ 0.1	$ 0.1
Cash flow hedges:					
Interest rate swap contracts	Interest expense	$ 4.7	$ (1.2)	$ 7.8	$ (8.7)
Cross-currency swap contracts	Interest expense and other income (expense), net	15.4	—	13.4	—
Tax (benefit) expense	Income tax expense	(6.3)	0.3	(6.6)	2.2
Net of tax		$ 13.8	$ (0.9)	$ 14.6	$ (6.5)
Total reclassifications for the period, net of tax		$ 13.8	$ (0.9)	$ 14.7	$ (6.4)

(1) Amounts in parentheses indicate credits to net income (loss) in the condensed consolidated statement of operations.

13. Debt

Short-term financing

Short-term financing consisted of the following:

(in millions)	September 30, 2020	December 31, 2019
Amounts drawn under credit facilities	$ —	$ 0.5
Bank overdrafts	0.4	0.2
Total short-term financing	$ 0.4	$ 0.7

As of September 30, 2020 and December 31, 2019, the Company had $164.1 million and $158.5 million in outstanding letters of credit, respectively.

Long-term debt

Long-term debt consisted of the following:

(in millions)	September 30, 2020	December 31, 2019
Senior Term Loan Facilities:		
Term B-3 Loan due 2024, variable interest rate of 2.40% and 4.05% at September 30, 2020 and December 31, 2019, respectively	$ 1,264.1	$ 1,438.0
Term B-5 Loan due 2026, variable interest rate of 2.15% and 3.80% at September 30, 2020 and December 31, 2019, respectively	397.0	400.0
Asset Backed Loan (ABL) Facilities:		
North American ABL Facility due 2024, variable interest rate of 2.00% and 5.25% at September 30, 2020 and December 31, 2019, respectively	337.9	200.0
Canadian ABL Term Loan due 2022, variable interest rate of 2.73% and 4.31% at September 30, 2020 and December 31, 2019, respectively	127.6	130.9
Senior Unsecured Notes:		
Senior Unsecured Notes due 2027, fixed interest rate of 5.13% at September 30, 2020 and December 31, 2019	500.0	500.0
Finance lease obligations	82.8	71.2
Total long-term debt before discount	$ 2,709.4	$ 2,740.1
Less: unamortized debt issuance costs and discount on debt	(21.4)	(26.3)
Total long-term debt	$ 2,688.0	$ 2,713.8
Less: current maturities	(27.6)	(25.0)
Total long-term debt, excluding current maturities	$ 2,660.4	$ 2,688.8

The weighted average interest rate on long-term debt was 3.72% and 4.25% as of September 30, 2020 and December 31, 2019, respectively.

On January 7, 2020, using the proceeds from the sale of the Environmental Sciences business, the Company repaid $174.0 million of the Term B-3 Loan due 2024. As a result of the prepayment, the Company recognized a loss on extinguishment of debt of $1.8 million during the three months ended March 31, 2020.

Other Information

	September 30, 2020		December 31, 2019	
(in millions)	Carrying amount	Fair value	Carrying amount	Fair value
Fair value of debt	$ 2,688.0	$ 2,702.6	$ 2,713.8	$ 2,770.7

The fair values of debt were based on current market quotes for similar borrowings and credit risk adjusted for liquidity, margins and amortization, as necessary and are classified as level 2 in the fair value hierarchy.

14. Supplemental balance sheet information

Allowance for doubtful accounts

The allowance for doubtful accounts reflects the Company's current estimate of credit losses expected to be incurred over the life of the trade accounts receivable. Collectability of the trade accounts receivable balance is assessed on an ongoing basis and determined based on the delinquency of customer accounts, the financial condition of individual customers, past collections experience and future economic expectations. The change in the allowance for doubtful accounts is as follows:

(in millions)	
Balance, January 1, 2020	$ 12.9
Provision for credit losses	14.8
Write-offs	(2.0)
Recoveries	0.3
Dispositions	(0.5)
Foreign exchange	(0.9)
Balance, September 30, 2020	$ 24.6

Property, plant and equipment, net

(in millions)	September 30, 2020	December 31, 2019
Property, plant and equipment, at cost	$ 2,210.4	$ 2,190.3
Less: accumulated depreciation	(1,125.2)	(1,037.9)
Property, plant and equipment, net	$ 1,085.2	$ 1,152.4

Goodwill

The following is a summary of the activity in goodwill by segment.

(in millions)	USA	EMEA	Canada	LATAM	Total
Balance, January 1, 2020	$ 1,802.3	$ 8.4	$ 441.1	$ 29.0	$ 2,280.8
Purchase price adjustments	7.0	—	—	—	7.0
Other adjustments	(4.1)	—	—	(0.5)	(4.6)
Foreign exchange	—	(0.3)	(10.9)	(4.7)	(15.9)
Balance, September 30, 2020	$ 1,805.2	$ 8.1	$ 430.2	$ 23.8	$ 2,267.3

Intangible assets, net

	September 30, 2020			December 31, 2019		
(in millions)	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Customer relationships	$ 928.0	$ (670.5)	$ 257.5	$ 986.4	$ (680.8)	$ 305.6
Other	173.8	(168.0)	5.8	182.0	(167.4)	14.6
Total intangible assets	$ 1,101.8	$ (838.5)	$ 263.3	$ 1,168.4	$ (848.2)	$ 320.2

Other intangible assets consist of intellectual property (mostly trademarks and trade names), producer relationships and contracts, non-compete agreements and exclusive distribution rights.

The estimated annual amortization expense in each of the next five years is as follows:

(in millions)	
2020	$ 60.1
2021	51.3
2022	43.3
2023	38.4
2024	31.6

Other accrued expenses

As of September 30, 2020, other accrued expenses that were greater than five percent of total current liabilities consisted of current tax liabilities of $74.6 million, comprised of income, VAT and local indirect taxes payable. As of December 31, 2019, other accrued expenses that were greater than five percent of total current liabilities consisted of current tax liabilities of $87.1 million and customer prepayments and deposits of $81.5 million.

Impairment charges

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate an asset's carrying amount may not be recoverable. Testing asset groups for recoverability involves developing estimates of future cash flows directly associated with, and that are expected to arise as a direct result of, the use and eventual disposition of the assets. An impairment of a group of long-lived assets exists when the sum of the estimated undiscounted future cash flows expected to be generated directly by the asset group are less than the carrying value of the asset group. The impairment charge computation is based on the difference between carrying value and fair value of the asset group, as determined by discounted future cash flows. Significant estimates include forecasted Adjusted EBITDA, working capital, capital expenditures and discount rates. As the inputs for testing recoverability and determining fair value of the asset groups are largely based on management's judgments and are not generally observable in active markets, the Company considers such inputs to be Level 3 measurements in the fair value hierarchy.

During the second quarter of 2020, the Company determined there was a more likely than not expectation that the industrial spill and emergency response businesses within the USA segment would be sold. The Company determined this to be a triggering event, requiring the assessment of the recoverability of these long lived asset groups. The Company tested the recoverability and determined the assets to be impaired. As a result, the Company recorded a non-cash, pretax impairment charge of $15.5 million, consisting of $12.8 million of intangible assets, net and $2.7 million of property, plant and equipment, net within the condensed consolidated statement of operations during the three months ended June 30, 2020.

During the third quarter of 2020, the Company decided to cease further investment in, and seek to restructure or exit a contract related to, certain technology assets, consisting of capitalized software and hardware components. This event represented a triggering event requiring an impairment analysis within the Other segment. As a result of the analysis, the Company recorded a non-cash, pretax impairment charge of $19.7 million relating to property, plant and equipment, net within the condensed consolidated statement of operations during the three months ended September 30, 2020.

Additionally, the Company announced the closure of certain production facilities in the USA segment during the second and third quarters of 2020. The closures resulted in impairment charges related to property, plant and equipment, net of $1.4 million and $1.0 million within the condensed consolidated statement of operations during the three months ended June 30, 2020 and September 30, 2020, respectively.

15. Fair value measurements

The following is a reconciliation of the fair value measurements that use significant unobservable inputs (Level 3):

(in millions)	Warrant Liability
Fair value as of December 31, 2019	$ 33.0
Fair value adjustments	(6.4)
Fair value as of September 30, 2020	$ 26.6

The assumptions used in the Black-Scholes-Merton valuation model to measure the fair value of the warrants are:

		Weighted Average	
Unobservable Inputs	Range	Amount	Method
Warrant life	N/A	2 years	Expected term
Expected volatility	28.75% to 61.86%	43.61%	Industry peer group
Risk-free interest rate	N/A	0.13%	US Treasury rates

Fair value adjustments are recorded within other operating expenses, net in the condensed consolidated statement of operations.

16. Derivatives

Foreign currency derivatives

The Company uses forward currency contracts to hedge earnings from the effects of foreign exchange relating to certain of the Company's intercompany and third-party receivables and payables denominated in a foreign currency. These derivative instruments are not formally designated as cash flow hedges by the Company and the terms of these instruments range from one to three months.

Interest rate swaps

The objective of the designated interest rate swap contracts is to offset the variability of cash flows in LIBOR indexed debt interest payments attributable to changes in the benchmark interest rate related to the Term B-3 Loan and a portion of debt outstanding under the North American ABL Facility. On March 17, 2020, the Company executed $250.0 million of interest rate swap contracts effective June 30, 2020 to replace swaps with maturities on June 30, 2020. The interest rate swap contracts have maturities at various dates through June 2024.

Cross currency swap contracts

Cross currency swap contracts are used to effectively convert the Term B-5 Loan's principal amount of floating rate US dollar denominated debt, including interest payments, to fixed-rate Euro denominated debt maturing in November 2024. As of September 30, 2020, approximately 95% of the cross currency swaps are designated as a cash flow hedge.

The Company uses both undesignated interest rate swap contracts and cross currency swaps to manage interest rate variability and mitigate foreign exchange exposure.

Notional amounts and fair value of derivative instruments

The following table presents the notional amounts of the Company's outstanding derivative instruments by type:

(in millions)	September 30, 2020	December 31, 2019
Derivatives designated as hedging instruments:		
Interest rate swap contracts	$ 1,050.0	$ 1,050.0
Cross currency swap contracts	381.0	381.0
Derivatives not designated as hedging instruments:		
Interest rate swap contracts	200.0	200.0
Foreign currency derivatives	90.9	141.4
Cross currency swap contracts	19.0	19.0

The following are the pre-tax effects of derivative instruments on the condensed consolidated statements of operations and comprehensive income for the three and nine months ended September 30, 2020 and 2019:

		Amount of gain (loss) reclassified from other comprehensive loss into income				
		Three months ended September 30,		Nine months ended September 30,		
(in millions)	Statement of Operations Classification	2020	2019	2020	2019	Amount to be reclassified to Statement of Operations within the next 12 months
Derivatives in cash flow hedging relationships:						
Interest rate swap contracts	Interest expense	$ (4.7)	$ 1.2	$ (7.8)	$ 8.7	$ (18.5)
Cross currency swap contracts	Interest expense	0.4	—	3.1	—	1.4
	Other income (expense), net	(15.8)	—	(16.5)	—	—

Refer to "Note 8: Other income (expense), net" for the gains and losses related to derivatives not designated as hedging instruments.

The following table presents the Company's gross assets and liabilities measured on a recurring basis and classified as level 2 within the fair value hierarchy:

	Derivative Assets			Derivative Liabilities		
(in millions)	Balance Sheet Classification	September 30, 2020	December 31, 2019	Balance Sheet Classification	September 30, 2020	December 31, 2019
Designated Derivatives:						
Cross currency swap contracts	Prepaid expenses and other current assets	$ 1.4	$ 7.2	Other long-term liabilities	$ 28.8	$ 12.1
Interest rate swap contracts	Prepaid expenses and other current assets	—	—	Other accrued expenses	18.5	6.4
Interest rate swap contracts	Other assets	—	—	Other long-term liabilities	23.8	14.0
Total designated derivatives		$ 1.4	$ 7.2		$ 71.1	$ 32.5
Undesignated Derivatives:						
Foreign currency contracts	Prepaid expenses and other current assets	$ 0.2	$ 0.5	Other accrued expenses	$ 0.4	$ 1.0
Cross currency swap contracts	Prepaid expenses and other current assets	0.1	0.4	Other long-term liabilities	1.4	0.6
Interest rate swap contracts	Prepaid expenses and other current assets	—	—	Other accrued expenses	3.1	1.0
Interest rate swap contracts	Other assets	—	—	Other long-term liabilities	4.3	1.9
Total undesignated derivatives		$ 0.3	$ 0.9		$ 9.2	$ 4.5
Total derivatives	Total assets	$ 1.7	$ 8.1	Total liabilities	$ 80.3	$ 37.0

The net amounts by legal entity related to forward currency contracts included in prepaid and other current assets were $0.1 million and $0.2 million as of September 30, 2020 and December 31, 2019, respectively. The net amounts related to forward currency contracts included in other accrued expenses were $0.3 million and $0.7 million as of September 30, 2020 and December 31, 2019, respectively.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of swaps is determined by estimating the net present value of amounts to be paid under the agreement offset by the net present value of the expected cash inflows based on market rates and associated yield curves. Based on these valuation methodologies, these derivative contracts are classified as Level 2 in the fair value hierarchy.

17. Commitments and contingencies

Litigation

In the ordinary course of business, the Company is subject to pending or threatened claims, lawsuits, regulatory matters and administrative proceedings from time to time. Where appropriate the Company has recorded provisions in the condensed consolidated financial statements for these matters. The liabilities for injuries to persons or property are in some instances covered by liability insurance, subject to various deductibles and self-insured retentions.

The Company is not aware of any claims, lawsuits, regulatory matters or administrative proceedings, pending or threatened, that are likely to have a material effect on its overall financial position, results of operations, or cash flows. However, the Company cannot predict the outcome of any present or future claims or litigation or the potential for future claims or litigation and adverse developments could negatively impact earnings or cash flows in a particular future period.

The Company is subject to liabilities from claims alleging personal injury from exposure to asbestos. The claims result primarily from an indemnification obligation related to Univar Solutions USA Inc.'s ("Univar") 1986 purchase of McKesson Chemical Company from McKesson Corporation ("McKesson"). Once certain conditions have been met, Univar will have the ability to pursue insurance coverage, if any, that may be available under McKesson's historical insurance coverage to offset the impact of any fees, settlements, or judgments that Univar is obligated to pay because of its obligation to defend and indemnify McKesson. As of September 30, 2020, there were approximately 182 asbestos-related cases for which Univar has the obligation to defend and indemnify; however, this number tends to fluctuate up and down over time. Historically, the vast majority of these asbestos cases have been dismissed without payment or with a nominal payment. While the Company is unable to predict the outcome of these matters, it does not believe, based upon currently available facts, that the ultimate resolution of any of these matters will have a material effect on its overall financial position, results of operations or cash flows.

Environmental

The Company is subject to various federal, state and local environmental laws and regulations that require environmental assessment or remediation efforts (collectively “environmental remediation work”) and from time to time becomes aware of compliance matters regarding possible or alleged violations of these laws or regulations. For example, over the years, the Company has been identified as a “potentially responsible party” (“PRP”) under the Comprehensive Environmental Response, Compensation and Liability Act and/or similar state laws that impose liability for costs relating to environmental remediation work at various sites. As a PRP, the Company may be required to pay a share of the costs of investigation and cleanup of certain sites. The Company is currently engaged in environmental remediation work at approximately 127 locations, some that are now or were previously Company-owned/occupied and some that were never Company-owned/occupied (“non-owned sites”).

The Company’s environmental remediation work at some sites is being conducted pursuant to governmental proceedings or investigations. At other sites, the Company, with appropriate state or federal agency oversight and approval, is conducting the environmental remediation work voluntarily. The Company is currently undergoing remediation efforts or is in the process of active review of the need for potential remediation efforts at approximately 107 current or formerly Company-owned/occupied sites. In addition, the Company may be liable as a PRP for a share of the cleanup of approximately 20 non-owned sites. These non-owned sites are typically (a) locations of independent waste disposal or recycling operations with alleged or confirmed contaminated soil and/or groundwater to which the Company may have shipped waste products or drums for re-conditioning, or (b) contaminated non-owned sites near historical sites owned or operated by the Company or its predecessors from which contamination is alleged to have arisen.

In determining the appropriate level of environmental reserves, the Company considers several factors such as information obtained from investigatory studies; changes in the scope of remediation; the interpretation, application and enforcement of laws and regulations; changes in the costs of remediation programs; the development of alternative cleanup technologies and methods; and the relative level of the Company’s involvement at various sites for which the Company is allegedly associated. The level of annual expenditures for remedial, monitoring and investigatory activities will change in the future as major components of planned remediation activities are completed and the scope, timing and costs of existing activities are changed. Project lives, and therefore cash flows, range from 2 to 30 years, depending on the specific site and type of remediation project.

Although the Company believes that its reserves are adequate for environmental contingencies, it is possible, due to the uncertainties noted above; that additional reserves could be required in the future that could have a material effect on the overall financial position, results of operations, or cash flows in a particular period. This additional loss or range of losses cannot be recorded at this time, as it is not reasonably estimable.

Changes in total environmental liabilities are as follows:

(in millions)		
Environmental liabilities at December 31, 2019	$	78.7
Revised obligation estimates		16.0
Environmental payments		(9.5)
Foreign exchange		0.2
Environmental liabilities at September 30, 2020	$	85.4

(in millions)	Balance Sheet Classification	September 30, 2020	December 31, 2019
Current environmental liabilities	Other accrued expenses	$ 27.8	$ 25.0
Long-term environmental liabilities	Other long-term liabilities	57.6	53.7

Tax Matters

During 2017, the Brazilian Federal Supreme Court (the “Court”) ruled that the inclusion of the state VAT tax collected by a taxpayer in the taxpayer’s federal social contribution calculation base is unconstitutional. In 2019, the Court ruled in the Company's favor allowing the recoverability of amounts previously paid, plus interest. As a result, the Company recorded a benefit of $10.9 million in net sales, of which $9.7 million related to prior years, and $4.6 million in interest income in the consolidated statement of operations during the fourth quarter of 2019. During the second quarter of 2020, the Company reduced its benefit from prior year and recorded a charge of $0.4 million in net sales and $0.3 million in interest income in the condensed consolidated statement of operations.

18. Leasing

The Company leases certain warehouses and distribution centers, office space, transportation equipment, and other machinery and equipment.

(in millions)	Balance Sheet Classification	September 30, 2020	December 31, 2019
Assets			
Operating lease assets	Other assets	$ 146.2	$ 157.3
Finance lease assets	Property, plant and equipment, net	80.6	69.5
Total lease assets		$ 226.8	$ 226.8
Liabilities			
Current liabilities:			
Current portion of operating lease liabilities	Other accrued expenses	$ 42.8	$ 47.4
Current portion of finance lease liabilities	Current portion of long-term debt	23.6	20.9
Noncurrent liabilities:			
Operating lease liabilities	Other long-term liabilities	111.4	114.5
Finance lease liabilities	Long-term debt	59.2	50.3
Total lease liabilities		$ 237.0	$ 233.1

Lease cost

(in millions)	Three months ended September 30, 2020			Three months ended September 30, 2019		
Statement of Operations Classification	Operating Leases	Finance Leases	Total	Operating Leases	Finance Leases	Total
Cost of goods sold (exclusive of depreciation)	$ 4.7	$ —	$ 4.7	$ 3.6	$ —	$ 3.6
Outbound freight and handling	1.5	—	1.5	1.9	—	1.9
Warehousing, selling and administrative	7.8	—	7.8	7.1	—	7.1
Depreciation	—	6.7	6.7	—	4.8	4.8
Interest expense	—	0.8	0.8	—	0.7	0.7
Total gross lease component cost	$ 14.0	$ 7.5	$ 21.5	$ 12.6	$ 5.5	$ 18.1
Variable lease costs			0.2			(0.2)
Short-term lease costs			5.9			11.3
Total gross lease costs			$ 27.6			$ 29.2
Sublease income			0.6			1.3
Total net lease cost			$ 27.0			$ 27.9

(in millions)	Nine months ended September 30, 2020			Nine months ended September 30, 2019		
Statement of Operations Classification	Operating Leases	Finance Leases	Total	Operating Leases	Finance Leases	Total
Cost of goods sold (exclusive of depreciation)	$ 13.4	$ —	$ 13.4	$ 11.3	$ —	$ 11.3
Outbound freight and handling	4.2	—	4.2	5.6	—	5.6
Warehousing, selling and administrative	24.1	—	24.1	21.0	—	21.0
Depreciation	—	18.8	18.8	—	14.2	14.2
Interest expense	—	2.5	2.5	—	2.0	2.0
Total gross lease component cost	$ 41.7	$ 21.3	$ 63.0	$ 37.9	$ 16.2	$ 54.1
Variable lease costs			0.6			0.7
Short-term lease costs			19.8			22.9
Total gross lease costs			$ 83.4			$ 77.7
Sublease income			1.8			2.9
Total net lease cost			$ 81.6			$ 74.8

Maturity of lease liabilities

(in millions)	Operating Leases	Finance Leases	Total
2020	$ 13.4	$ 6.7	$ 20.1
2021	44.4	24.3	68.7
2022	35.3	20.8	56.1
2023	24.5	12.0	36.5
2024	16.2	8.8	25.0
2025 and After	39.2	15.8	55.0
Total lease payments	$ 173.0	$ 88.4	$ 261.4
Less: interest	18.8	7.1	
Present value of lease liabilities, excluding guaranteed residual values	$ 154.2	$ 81.3	
Plus: present value of guaranteed residual values	—	1.5	
Present value of lease liabilities	$ 154.2	$ 82.8	

Lease term and discount rate

	September 30, 2020	December 31, 2019
Weighted-average remaining lease term (years)		
Operating leases	5.3	5.0
Finance leases	4.6	4.0
Weighted-average discount rate		
Operating leases	4.82 %	4.95 %
Finance leases	3.98 %	4.33 %

Other information

(in millions)	Nine months ended September 30, 2020	2019
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$ 41.4	$ 43.3
Operating cash flows from finance leases	2.5	2.0
Financing cash flows from finance leases	17.9	14.5

19. Segments

Management monitors the operating results of its reportable segments separately for the purpose of making decisions about resource allocation and performance assessment. Management evaluates performance on the basis of Adjusted EBITDA. Adjusted EBITDA is defined as consolidated net income (loss), plus the sum of: net loss (income) from discontinued operations, interest expense, net of interest income; income tax expense (benefit); depreciation; amortization; impairment charges; loss on extinguishment of debt; other operating expenses, net (see "Note 6: Other operating expenses, net"); and other income (expense), net (see "Note 8: Other income (expense), net"). For 2020, Adjusted EBITDA also includes an adjustment to remove a Brazil VAT charge (see "Note 17: Commitments and contingencies" for more information). In addition, for 2019, Adjusted EBITDA includes an adjustment to remove the charge of the inventory fair value step-up recorded in connection with the Nexeo purchase price allocation.

Transfer prices between reportable segments are set on an arms-length basis in a similar manner to transactions with third parties. Corporate operating expenses that directly benefit segments have been allocated to the reportable segments. Allocable operating expenses are identified through a review process by management. These costs are allocated to the reportable segments on a basis that reasonably approximates the use of services. This is typically measured on a weighted distribution of margin, asset, headcount or time spent.

Financial information for the Company's reportable segments is as follows:

(in millions)	USA	EMEA	Canada	LATAM	Other/Eliminations [1]	Consolidated
	Three months ended September 30, 2020					
External customers	$ 1,254.4	$ 399.4	$ 234.9	$ 120.5	$ —	$ 2,009.2
Inter-segment	14.6	0.6	0.5	—	(15.7)	—
Total net sales	$ 1,269.0	$ 400.0	$ 235.4	$ 120.5	$ (15.7)	$ 2,009.2
Adjusted EBITDA	$ 110.3	$ 33.3	$ 16.6	$ 13.1	$ (8.7)	$ 164.6
Long-lived assets [2]	$ 805.7	$ 184.7	$ 187.4	$ 30.2	$ 23.4	$ 1,231.4

(in millions)	USA	EMEA	Canada	LATAM	Other/Eliminations [1]	Consolidated
	Three months ended September 30, 2019					
External customers	$ 1,562.1	$ 425.0	$ 283.0	$ 117.2	$ —	$ 2,387.3
Inter-segment	29.5	0.6	1.7	—	(31.8)	—
Total net sales	$ 1,591.6	$ 425.6	$ 284.7	$ 117.2	$ (31.8)	$ 2,387.3
Adjusted EBITDA	$ 127.6	$ 31.9	$ 22.2	$ 10.2	$ (7.7)	$ 184.2
Long-lived assets [2]	$ 897.9	$ 176.3	$ 189.6	$ 32.9	$ 27.3	$ 1,324.0

(in millions)	USA	EMEA	Canada	LATAM	Other/Eliminations [1]	Consolidated
	Nine months ended September 30, 2020					
External customers	$ 3,781.3	$ 1,269.3	$ 852.2	$ 326.8	$ —	$ 6,229.6
Inter-segment	63.3	2.3	2.0	—	(67.6)	—
Total net sales	$ 3,844.6	$ 1,271.6	$ 854.2	$ 326.8	$ (67.6)	$ 6,229.6
Adjusted EBITDA	$ 302.1	$ 113.3	$ 69.1	$ 32.4	$ (27.5)	$ 489.4
Long-lived assets [2]	$ 805.7	$ 184.7	$ 187.4	$ 30.2	$ 23.4	$ 1,231.4

(in millions)	USA	EMEA	Canada	LATAM	Other/Eliminations [1]	Consolidated
	Nine months ended September 30, 2019					
External customers	$ 4,474.6	$ 1,366.6	$ 961.6	$ 329.1	$ —	$ 7,131.9
Inter-segment	77.8	2.6	4.5	—	(84.9)	—
Total net sales	$ 4,552.4	$ 1,369.2	$ 966.1	$ 329.1	$ (84.9)	$ 7,131.9
Adjusted EBITDA	$ 352.3	$ 112.2	$ 77.7	$ 25.3	$ (22.1)	$ 545.4
Long-lived assets [2]	$ 897.9	$ 176.3	$ 189.6	$ 32.9	$ 27.3	$ 1,324.0

(1) Other/Eliminations represents the elimination of intersegment transactions as well as unallocated corporate costs consisting of costs specifically related to parent company operations that do not directly benefit segments, either individually or collectively.
(2) Long-lived assets consist of property, plant and equipment, net and operating lease assets.

The following is a reconciliation of net income (loss) to Adjusted EBITDA for the three and nine months ended September 30, 2020 and 2019:

	Three months ended September 30,		Nine months ended September 30,	
(in millions)	2020	2019	2020	2019
Net income (loss)	$ 28.9	$ 2.5	$ 86.6	$ (45.1)
Net income from discontinued operations	—	—	—	(5.4)
Inventory step-up adjustment	—	5.3	—	5.3
Depreciation	41.6	41.6	123.7	114.5
Amortization	14.7	12.1	45.3	45.1
Interest expense, net	27.7	36.8	85.7	108.9
Income tax expense	2.7	43.2	14.0	38.4
Other operating expenses, net	21.4	30.2	69.1	258.8
Other (income) expense, net	(2.4)	5.5	7.4	17.2
Impairment charges	20.7	7.0	37.6	7.0
Loss on sale of business	9.3	—	17.9	—
Loss on extinguishment of debt	—	—	1.8	0.7
Brazil VAT charge	—	—	0.3	—
Adjusted EBITDA	$ 164.6	$ 184.2	$ 489.4	$ 545.4

20. Subsequent events

On November 4, 2020, the Company entered into an agreement to sell its Canadian Agriculture services business. The Company expects to recognize a pre-tax loss upon the sale of approximately $30 million within the condensed consolidated statements of operations upon closing. The completion of the sale is subject to regulatory approval and customary closing and financing conditions and is expected to close in the fourth quarter of 2020.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is based on financial data derived from the financial statements prepared in accordance with the United States ("US") generally accepted accounting principles ("GAAP") and certain other financial data that is prepared using non-GAAP financial measures. For a reconciliation of each non-GAAP financial measure to its most comparable GAAP measure, see "Analysis of Segment Results" within this Item and "Note 19: Segments" to our condensed consolidated financial statements in Item 1 of this Quarterly Report on Form 10-Q. Refer to "Non-GAAP Financial Measures" within this Item for more information about our use of Non-GAAP financial measures.

Our MD&A is provided in addition to the accompanying condensed consolidated financial statements and notes to assist readers in understanding our results of operations, financial condition and cash flow.

Overview

Univar Solutions Inc. is a leading global chemical and ingredient distributor and provider of value-added services to customers across a wide range of industries. We purchase chemicals from thousands of chemical producers worldwide and warehouse, repackage, blend, dilute, transport and sell those chemicals to more than 100,000 customer locations across approximately 130 countries.

Our operations are structured into four reportable segments that represent the geographic areas under which we operate and manage our business. These segments are Univar Solutions USA ("USA"), Univar Solutions Europe and the Middle East and Africa ("EMEA"), Univar Solutions Canada ("Canada") and Univar Solutions Latin America ("LATAM"), which includes developing businesses in Latin America (including Brazil and Mexico) and the Asia-Pacific region.

Recent Developments and Items Impacting Comparability

On February 28, 2019, we completed the acquisition of 100% of the equity interest of Nexeo, a leading global chemicals and plastics distributor. The acquisition expanded and strengthened Univar Solutions' presence in North America and provides expanded opportunities to create the largest North American sales force in chemical and ingredients distribution and the broadest product offering.

On December 31, 2019, we sold our Environmental Sciences business. The sale of the business did not meet the criteria to be classified as discontinued operations in the Company's financial statements and, as such, the results prior to the disposition date are presented within the comparative 2019 results.

On September 1, 2020, we sold our industrial spill and emergency response businesses. The sale of these businesses did not meet the criteria to be classified as discontinued operations in the Company's financial statements.

The Company has decided to stop future operations of a component of the agriculture business within the Canada segment. For the third quarter of 2020, that component of the business is held in use while we dispose of the remaining products as part of our inventory.

Market Conditions

We continue to monitor the potential impact of the novel coronavirus (COVID-19) pandemic to our global business. The full financial impact of the pandemic on global economic conditions, as well as our business, remains unknown at this time and will depend on the duration of government restrictions, including travel restrictions, quarantines, shelter in place orders and shutdowns, and the duration of the economic slowdown and nature and timing of a recovery. Our top priority is the safety and health of employees, customers, and suppliers. We activated a global, cross-functional response team, which is closely monitoring the situation and implementing additional safety measures to help ensure the well-being of Univar Solutions' employees, customers and suppliers, minimize disruptions and provide for the safe and reliable supply of Univar Solutions' chemicals and ingredients. The Company has implemented recommended policies and practices to help protect our workforce so they can safely and effectively carry out their essential work. As government restrictions are lifted or reinstated in the different jurisdictions where we operate, we are implementing agile worksite plans that can adapt to changing circumstances and help maximize the safety of our employees. As part of these plans, employees who are reasonably able to work remotely are increasingly utilizing a hybrid working model with some days being spent working from a Company office and other days being spent working from a remote location, which is often a person's home. The Company is following guidelines from global health experts and has taken additional precautionary steps to help protect our employees working in our distribution centers and other worksites.

As of the date of this filing, the Company's global distribution centers continue to be operational and supplying products that help preserve essential businesses and infrastructure. This includes providing products and services that are essential for maintaining clean drinking water, waste water treatment, home, industrial and health care facility sanitization and that are used in the manufacturing of food and pharmaceuticals.

We are actively monitoring key product availability, remaining up to date with the current status of our primary modes of transportation and staying up to date with current port operating statuses. We continue to stay connected with our customers to understand impacts on their operations, including whether operations remain open with no change or reduced operations or if operations have closed and whether closure is temporary or permanent. In the first quarter of 2020, we organized our product portfolio offering into the following end markets: General Industrial, Consumer Solutions, Industrial Solutions, Refining & Chemical Processing and Services and Other Markets. The primary impacts of the pandemic and the current economic events on our end markets are as follows (percentages represent 2019 Consolidated Net Sales by End Market):

General Industrial (29%) – Strong performance in chemical manufacturing. Also experienced growth in Lumber & Forestry along with general machinery. Continue to experience headwinds in Transportation as well as Pulp & Paper.

Consumer Solutions (25%) – Growth year-on-year globally led by Pharmaceuticals and a resurgence in Personal Care demand. Carefully monitoring fourth quarter risk in Food and Personal Care with new lockdowns and other measures being considered globally.

Industrial Solutions (23%) – Robust recovery in Architectural Coatings business driven by the DIY market. Automotive sector beginning to show signs of a recovery and Lubricants business showing incremental growth month-on-month throughout the third quarter.

Refining & Chemical Processing (12%) – Ongoing challenges in the upstream market. Market expected to continue to be depressed until global oil demand recovers.

Services and Other Markets (11%) – Performance was generally stable with incrementally improving trends through September.

The Company is taking steps to maintain sufficient cash and additional credit availability in recognition of the increased risk and uncertainty related to the COVID-19 pandemic and challenging macroeconomic headwinds. See “Liquidity and Capital Resources” in Item 2 of this Quarterly Report on Form 10-Q for a discussion on our liquidity. In anticipation of ongoing challenges, the Company is carefully managing its working capital and realizing and planning for cost reductions to maintain financial health while continuing to help serve supplier and customer needs. Cash outflows related to operating expenses have decreased due to lower travel and event costs, overtime and temporary labor, as well as hiring freezes, elimination of certain workforce positions and delays of some discretionary annual merit increases, temporary furloughs to match changes in demand in certain locations and deferral of certain capital project spending. We will continue to monitor customer activity and match our workforce with demand to the extent possible.

On March 27, 2020, the CARES Act was signed into law and it provides for certain tax law changes, which impact the Company and are discussed in “Note 10: Income taxes” in Item 1 of this Quarterly Report on Form 10-Q.

The current business environment and quickly evolving market conditions require significant management judgment to interpret and quantify the potential impact on our assumptions about future operating cash flows. To the extent changes in the current business environment impact our ability to achieve levels of forecasted operating results and cash flows, if our stock price were to trade below book value per share for an extended period of time and/or should other events occur indicating the carrying value of our assets might be impaired, we may be required to recognize impairment losses on goodwill, intangible and tangible assets.

See “Risk Factors” in Item 1A of this Quarterly Report on Form 10-Q for further information of the possible impact of the COVID-19 pandemic on our business.

Constant Currency

Currency impacts on consolidated and segment results have been derived by translating current period financial results in local currency using the average exchange rate for the prior period to which the financial information is being compared. We believe providing information on a constant currency basis provides valuable supplemental information regarding our results of operations, consistent with how we evaluate our performance.

Results of Operations

The following tables set forth, for the periods indicated, certain statements of operations data, on the basis of reported data for the relevant period.

Three Months Ended September 30, 2020 Compared to Three Months Ended September 30, 2019

(in millions)	Three months ended September 30, 2020	2019	Favorable (unfavorable)	% Change
Net sales	$ 2,009.2	$ 2,387.3	$ (378.1)	(15.8)%
Cost of goods sold (exclusive of depreciation)	1,513.2	1,842.4	329.2	(17.9)%
Operating expenses:				
Outbound freight and handling	85.9	96.8	10.9	(11.3)%
Warehousing, selling and administrative	245.5	269.2	23.7	(8.8)%
Other operating expenses, net	21.4	30.2	8.8	(29.1)%
Depreciation	41.6	41.6	—	— %
Amortization	14.7	12.1	(2.6)	21.5 %
Impairment charges	20.7	7.0	(13.7)	195.7 %
Total operating expenses	$ 429.8	$ 456.9	$ 27.1	(5.9)%
Operating income	$ 66.2	$ 88.0	$ (21.8)	(24.8)%
Other (expense) income:				
Interest income	0.5	0.6	(0.1)	(16.7)%
Interest expense	(28.2)	(37.4)	9.2	(24.6)%
Loss on sale of business	(9.3)	—	(9.3)	100.0 %
Other income (expense), net	2.4	(5.5)	7.9	N/M
Total other expense	$ (34.6)	$ (42.3)	$ 7.7	(18.2)%
Income before income taxes	31.6	45.7	(14.1)	(30.9)%
Income tax expense	2.7	43.2	40.5	(93.8)%
Net income	$ 28.9	$ 2.5	$ 26.4	1,056.0 %

Net sales

Net sales were $2,009.2 million for the three months ended September 30, 2020, a decrease of $378.1 million, or 15.8%, from the three months ended September 30, 2019. Net sales decreased due to lower demand in the global industrial end markets, the Environmental Sciences divestiture and price deflation on certain products. The decrease was partially offset by demand for our products in certain essential end markets. Refer to the "Analysis of Segment Results" for the three months ended September 30, 2020 for additional information.

Gross profit (exclusive of depreciation)

Gross profit (exclusive of depreciation) decreased $48.9 million, or 9.0%, to $496.0 million for the three months ended September 30, 2020. The decrease in gross profit (exclusive of depreciation) was attributable to lower sales volumes in USA, EMEA and Canada due to soft demand across most global industrial end markets, the Environmental Sciences divestiture and price deflation affecting certain products. The decrease was partially offset by favorable changes in product mix from essential end markets. Refer to the "Analysis of Segment Results" for the three months ended September 30, 2020 for additional information.

Outbound freight and handling

Outbound freight and handling expenses decreased $10.9 million, or 11.3%, to $85.9 million for the three months ended September 30, 2020 primarily due to lower sales volumes. On a constant currency basis, outbound freight and handling expenses decreased $11.0 million, or 11.4%. Refer to the "Analysis of Segment Results" for the three months ended September 30, 2020 for additional information.

Warehousing, selling and administrative

Warehousing, selling and administrative expenses decreased $23.7 million, or 8.8%, to $245.5 million for the three months ended September 30, 2020. On a constant currency basis, warehousing, selling and administrative expenses decreased $23.7 million, or 8.8%, attributable to cost reduction measures across all of our segments, partially offset by higher bad debt charges. Refer to the "Analysis of Segment Results" for the three months ended September 30, 2020 for additional information.

Other operating expenses, net

Other operating expenses, net decreased $8.8 million from $30.2 million for the three months ended September 30, 2019 to $21.4 million for the three months ended September 30, 2020. The decrease was primarily due to lower facility closure costs, acquisition and integration related expenses, lower stock-based compensation expense and employee severance costs. Refer to “Note 6: Other operating expenses, net” in Item 1 of this Quarterly Report on Form 10-Q for additional information.

Depreciation and amortization

Depreciation expense remained flat at $41.6 million for the three months ended September 30, 2020.

Amortization expense increased $2.6 million, or 21.5%, to $14.7 million for the three months ended September 30, 2020, primarily due to the monthly amortization of intangibles acquired during the period.

Impairment charges

Impairment charges of $20.7 million were recorded in the three months ended September 30, 2020 related to property, plant and equipment in connection with the Company’s decision to cease further investment in, and seek to restructure or exit a contract related to, certain technology assets within the Other segment and the announced closure of certain production facilities. Refer to “Note 14: Supplemental balance sheet information” in Item 1 of this Quarterly Report on Form 10-Q for additional information.

Interest expense

Interest expense decreased $9.2 million, or 24.6%, to $28.2 million for the three months ended September 30, 2020 due to lower average outstanding borrowings as well as lower interest rates. Refer to “Note 13: Debt” in Item 1 of this Quarterly Report on Form 10-Q for additional information.

Loss on sale of business

A loss of $9.3 million was recorded in the three months ended September 30, 2020 related to the sale of the industrial spill and emergency response businesses, which was completed on September 1, 2020. Refer to “Note 4: Discontinued operations and dispositions” in Item 1 of this Quarterly Report on Form 10-Q for additional information.

Other income (expense), net

Other expense, net changed $7.9 million, from an expense of $5.5 million for the three months ended September 30, 2019 to income of $2.4 million for the three months ended September 30, 2020. The change was primarily related to gains on undesignated foreign currency derivative instruments and foreign currency transactions, as well as the increase in non-operating pension income. The change was partially offset by foreign currency denominated loan revaluation losses. Refer to “Note 8: Other income (expense), net” in Item 1 of this Quarterly Report on Form 10-Q for additional information.

Income tax expense

Income tax expense was $2.7 million for the three months ended September 30, 2020, resulting in an effective income tax rate of 8.5%. A discrete tax benefit of $13.9 million was included in the $2.7 million tax expense, primarily attributable to 2019 return to provision adjustments and impairment of unrealizable assets, offset by a reserve for uncertain tax positions. The Company’s effective income tax rate without discrete items was 26.8%, higher than the US federal statutory rate of 21.0% primarily due to the impact of the higher tax rates in foreign jurisdictions, non-deductible expenses and US state income taxes.

Income tax expense was $43.2 million for the three months ended September 30, 2019, resulting in an effective income tax rate of 94.5%. A discrete tax expense of $9.1 million, attributable to the indirect effects of the Nexeo plastics sale, the US return to provision adjustment, an increase in valuation allowance on tax attributes and various other items, was included in the $43.2 million tax expense. The Company’s effective income tax rate without discrete items was 74.6%, higher than the US federal statutory rate of 21.0%. This is primarily due to the impact of non-deductible Nexeo related acquisition and integration costs, along with state taxes, foreign rate differential, non-deductible compensation and other expenses, and an increase in the valuation allowance on certain tax attributes.

Results of Reportable Business Segments

The Company’s operations are structured into four reportable segments that represent the geographic areas under which we operate and manage our business. Management believes Adjusted EBITDA is an important measure of operating performance, which is used as the primary basis for the chief operating decision maker to evaluate the performance of each of our reportable segments. We believe certain other financial measures that are not calculated in accordance with US GAAP provide relevant and meaningful information concerning the ongoing operating results of the Company. These financial measures include gross profit (exclusive of depreciation), adjusted gross profit (exclusive of depreciation) and gross margin. Such non-GAAP financial measures are used from time to time herein but should not be viewed as a substitute for GAAP measures of performance. See “Note 19: Segments” to our condensed consolidated financial statements in Item 1 of this Quarterly Report on Form 10-Q and “Analysis of Segment Results” within this Item for additional information.

Analysis of Segment Results

USA

(in millions)	Three months ended September 30, 2020	2019	Favorable (unfavorable)	% Change
Net sales:				
External customers	$ 1,254.4	$ 1,562.1	$ (307.7)	(19.7)%
Inter-segment	14.6	29.5	(14.9)	(50.5)%
Total net sales	$ 1,269.0	$ 1,591.6	$ (322.6)	(20.3)%
Cost of goods sold (exclusive of depreciation)	946.8	1,225.5	278.7	(22.7)%
Inventory step-up adjustment (1)	—	5.3	5.3	(100.0)%
Outbound freight and handling	60.1	69.7	9.6	(13.8)%
Warehousing, selling and administrative	151.8	174.1	22.3	(12.8)%
Adjusted EBITDA	$ 110.3	$ 127.6	$ (17.3)	(13.6)%

(in millions)	Three months ended September 30, 2020	2019	Favorable (unfavorable)	% Change
Gross profit (exclusive of depreciation):				
Net sales	$ 1,269.0	$ 1,591.6	$ (322.6)	(20.3)%
Cost of goods sold (exclusive of depreciation)	946.8	1,225.5	278.7	(22.7)%
Gross profit (exclusive of depreciation)	$ 322.2	$ 366.1	$ (43.9)	(12.0)%
Inventory step-up adjustment (1)	—	5.3	5.3	(100.0)%
Adjusted gross profit (exclusive of depreciation) (1)	$ 322.2	$ 371.4	$ (49.2)	(13.2)%

(1) See definition of adjusted gross profit (exclusive of depreciation) at the end of this Item under “Non-GAAP Financial Measures.” Adjusted gross profit (exclusive of depreciation) excludes the inventory fair value step-up adjustment resulting from our February 2019 Nexeo acquisition.

External sales in the USA segment were $1,254.4 million, a decrease of $307.7 million, or 19.7%, for the three months ended September 30, 2020. The decrease in external net sales was primarily due to lower industrial end market demand, the Environmental Sciences divestiture, energy headwinds and price deflation on certain products, partially offset by higher demand for our products in certain essential end markets.

Gross profit (exclusive of depreciation) decreased $43.9 million, or 12.0%, to $322.2 million for the three months ended September 30, 2020, primarily due to lower sales volumes due to soft demand across most industrial end markets and the Environmental Sciences divestiture. Gross margin increased from 23.4% for the three months ended September 30, 2019 to 25.7% for the three months ended September 30, 2020. The increase was primarily related to favorable changes in product mix, including higher demand in certain essential end markets.

Outbound freight and handling expenses decreased $9.6 million, or 13.8%, to $60.1 million for the three months ended September 30, 2020, primarily due to lower sales volumes.

Warehousing, selling and administrative expenses decreased $22.3 million, or 12.8%, to $151.8 million for the three months ended September 30, 2020, primarily due to cost reduction measures partially offset by higher bad debt charges. As a percentage of external sales, warehousing, selling and administrative expenses increased from 11.1% for the three months ended September 30, 2019 to 12.1% for the three months ended September 30, 2020.

Adjusted EBITDA decreased by $17.3 million, or 13.6%, to $110.3 million for the three months ended September 30, 2020, primarily as a result of lower industrial end market demand, energy headwinds and the Environmental Sciences divestiture, partially offset by higher demand for our products in certain essential end markets. Adjusted EBITDA margin increased from 8.2% in the three months ended September 30, 2019 to 8.8% for the three months ended September 30, 2020, primarily as a result of higher gross margin and lower warehousing, selling and administrative costs.

EMEA

(in millions)	Three months ended September 30, 2020	2019	Favorable (unfavorable)	% Change
Net sales:				
External customers	$ 399.4	$ 425.0	$ (25.6)	(6.0)%
Inter-segment	0.6	0.6	—	— %
Total net sales	$ 400.0	$ 425.6	$ (25.6)	(6.0)%
Cost of goods sold (exclusive of depreciation)	301.6	327.4	25.8	(7.9)%
Outbound freight and handling	13.9	14.3	0.4	(2.8)%
Warehousing, selling and administrative	51.2	52.0	0.8	(1.5)%
Adjusted EBITDA	$ 33.3	$ 31.9	$ 1.4	4.4 %

(in millions)	Three months ended September 30, 2020	2019	Favorable (unfavorable)	% Change
Gross profit (exclusive of depreciation):				
Net sales	$ 400.0	$ 425.6	$ (25.6)	(6.0)%
Cost of goods sold (exclusive of depreciation)	301.6	327.4	25.8	(7.9)%
Gross profit (exclusive of depreciation)	$ 98.4	$ 98.2	$ 0.2	0.2 %

External sales in the EMEA segment were $399.4 million, a decrease of $25.6 million, or 6.0%, for the three months ended September 30, 2020. On a constant currency basis, external net sales decreased $41.4 million, or 9.7%, primarily due to lower industrial end market demand, partially offset by strong demand for our products in certain essential end markets.

Gross profit (exclusive of depreciation) increased $0.2 million, or 0.2%, to $98.4 million for the three months ended September 30, 2020. On a constant currency basis, gross profit (exclusive of depreciation) decreased $4.1 million, or 4.2%, primarily due to lower sales volumes. Gross margin increased from 23.1% for the three months ended September 30, 2019 to 24.6% for the three months ended September 30, 2020, primarily due to the favorable changes in product mix, including higher demand in certain essential end markets.

Outbound freight and handling expenses decreased $0.4 million, or 2.8%, to $13.9 million for the three months ended September 30, 2020, primarily due to lower sales volumes.

Warehousing, selling and administrative expenses decreased $0.8 million, or 1.5%, to $51.2 million for the three months ended September 30, 2020. On a constant currency basis, warehousing, selling and administrative expenses decreased $3.1 million, or 6.0%, primarily due to cost reduction measures. As a percentage of external sales, warehousing, selling and administrative expenses increased from 12.2% for the three months ended September 30, 2019 to 12.8% for the three months ended September 30, 2020.

Adjusted EBITDA increased by $1.4 million, or 4.4%, to $33.3 million for the three months ended September 30, 2020. On a constant currency basis, Adjusted EBITDA increased $0.2 million, or 0.6%, attributable to the positive impact from demand for our products in certain essential end markets and lower warehousing, selling and administrative costs, partially offset by lower industrial end market demand and increased market pressures in the pharmaceutical finished goods product line. Adjusted EBITDA margin increased from 7.5% for the three months ended September 30, 2019 to 8.3% for the three months ended September 30, 2020, primarily as a result of higher gross margin.

Canada

(in millions)	Three months ended September 30, 2020	2019	Favorable (unfavorable)	% Change
Net sales:				
External customers	$ 234.9	$ 283.0	$ (48.1)	(17.0)%
Inter-segment	0.5	1.7	(1.2)	(70.6)%
Total net sales	$ 235.4	$ 284.7	$ (49.3)	(17.3)%
Cost of goods sold (exclusive of depreciation)	188.0	228.9	40.9	(17.9)%
Outbound freight and handling	9.5	10.5	1.0	(9.5)%
Warehousing, selling and administrative	21.3	23.1	1.8	(7.8)%
Adjusted EBITDA	$ 16.6	$ 22.2	$ (5.6)	(25.2)%

(in millions)	Three months ended September 30, 2020	2019	Favorable (unfavorable)	% Change
Gross profit (exclusive of depreciation):				
Net sales	$ 235.4	$ 284.7	$ (49.3)	(17.3)%
Cost of goods sold (exclusive of depreciation)	188.0	228.9	40.9	(17.9)%
Gross profit (exclusive of depreciation)	$ 47.4	$ 55.8	$ (8.4)	(15.1)%

External sales in the Canada segment were $234.9 million, a decrease of $48.1 million, or 17.0%, for the three months ended September 30, 2020. On a constant currency basis, external net sales decreased $46.8 million, or 16.5%, primarily due to the Environmental Sciences divestiture, lower demand from Canada’s agriculture and energy sectors and price deflation. The decrease was partially offset by higher demand for our products in certain essential end markets.

Gross profit (exclusive of depreciation) decreased $8.4 million, or 15.1%, to $47.4 million for the three months ended September 30, 2020. On a constant currency basis, gross profit (exclusive of depreciation) decreased $8.1 million, or 14.5%, primarily due to the Environmental Sciences divestiture and the write-down of inventory related to a component of the agriculture business. Gross margin increased from 19.7% for the three months ended September 30, 2019 to 20.2% for the three months ended September 30, 2020 driven by favorable changes in product mix, including higher demand in certain essential end markets.

Outbound freight and handling expenses decreased $1.0 million, or 9.5%, to $9.5 million for the three months ended September 30, 2020, primarily due to lower sales volumes.

Warehousing, selling and administrative expenses decreased by $1.8 million, or 7.8%, to $21.3 million for the three months ended September 30, 2020. On a constant currency basis, warehousing, selling and administrative expenses decreased $1.6 million, or 6.9%, primarily due to cost reduction measures. As a percentage of external sales, warehousing, selling and administrative expenses increased from 8.2% for the three months ended September 30, 2019 to 9.1% for the three months ended September 30, 2020.

Adjusted EBITDA decreased by $5.6 million, or 25.2%, to $16.6 million for the three months ended September 30, 2020. On a constant currency basis, Adjusted EBITDA decreased $5.5 million, or 24.8%, primarily as a result of the write-down of inventory related to a component of the agriculture business, price deflation, the Environmental Sciences divestiture and lower demand from the energy sector, partially offset by cost reduction measures. Adjusted EBITDA margin decreased from 7.8% for the three months ended September 30, 2019 to 7.1% for the three months ended September 30, 2020.

LATAM

(in millions)	Three months ended September 30, 2020	Three months ended September 30, 2019	Favorable (unfavorable)	% Change
Net sales:				
External customers	$ 120.5	$ 117.2	$ 3.3	2.8 %
Total net sales [1]	$ 120.5	$ 117.2	$ 3.3	2.8 %
Cost of goods sold (exclusive of depreciation)	92.5	92.4	(0.1)	0.1 %
Outbound freight and handling	2.4	2.3	(0.1)	4.3 %
Warehousing, selling and administrative	12.5	12.3	(0.2)	1.6 %
Adjusted EBITDA	$ 13.1	$ 10.2	$ 2.9	28.4 %

(in millions)	Three months ended September 30, 2020	Three months ended September 30, 2019	Favorable (unfavorable)	% Change
Gross profit (exclusive of depreciation):				
Net sales	$ 120.5	$ 117.2	$ 3.3	2.8 %
Cost of goods sold (exclusive of depreciation)	92.5	92.4	(0.1)	0.1 %
Gross profit (exclusive of depreciation)	$ 28.0	$ 24.8	$ 3.2	12.9 %

External sales in the LATAM segment were $120.5 million, an increase of $3.3 million, or 2.8%, for the three months ended September 30, 2020. On a constant currency basis, external net sales increased $23.3 million, or 19.9%, primarily due to higher demand for our products in industrial solutions and certain essential end markets.

Gross profit (exclusive of depreciation) increased $3.2 million, or 12.9%, to $28.0 million for the three months ended September 30, 2020. On a constant currency basis, gross profit (exclusive of depreciation) increased $9.0 million, or 36.3%, due to favorable changes in product mix from industrial solutions and essential end markets. Gross margin increased from 21.2% for the three months ended September 30, 2019 to 23.2% for the three months ended September 30, 2020.

Outbound freight and handling expenses increased $0.1 million, or 4.3%, to $2.4 million for the three months ended September 30, 2020, primarily due to higher sales volumes.

Warehousing, selling and administrative expenses increased $0.2 million, or 1.6%, to $12.5 million for the three months ended September 30, 2020. On a constant currency basis, warehousing, selling and administrative expenses increased $2.4 million, or 19.5%, primarily due to higher bad debt charges and higher variable compensation costs. As a percentage of external sales, warehousing, selling and administrative expenses decreased slightly from 10.5% for the three months ended September 30, 2019 to 10.4% for the three months ended September 30, 2020.

Adjusted EBITDA increased by $2.9 million, or 28.4%, to $13.1 million for the three months ended September 30, 2020. On a constant currency basis, Adjusted EBITDA increased $6.0 million, or 58.8%, primarily due to increased gross profit (exclusive of depreciation) due to higher demand for our products in industrial solutions and certain essential end markets. Adjusted EBITDA margin increased from 8.7% for the three months ended September 30, 2019 to 10.9% for the three months ended September 30, 2020, primarily as a result of higher gross margin.

Results of Operations

The following tables set forth, for the periods indicated, certain statements of operations data, on the basis of reported data for the relevant period.

Nine Months Ended September 30, 2020 Compared to Nine Months Ended September 30, 2019

(in millions)	Nine months ended September 30, 2020	Nine months ended September 30, 2019	Favorable (unfavorable)	% Change
Net sales	$ 6,229.6	$ 7,131.9	$ (902.3)	(12.7)%
Cost of goods sold (exclusive of depreciation)	4,711.9	5,513.3	801.4	(14.5)%
Operating expenses:				
Outbound freight and handling	258.1	275.1	17.0	(6.2)%
Warehousing, selling and administrative	770.5	803.4	32.9	(4.1)%
Other operating expenses, net	69.1	258.8	189.7	(73.3)%
Depreciation	123.7	114.5	(9.2)	8.0 %
Amortization	45.3	45.1	(0.2)	0.4 %
Impairment charges	37.6	7.0	(30.6)	437.1 %
Total operating expenses	$ 1,304.3	$ 1,503.9	$ 199.6	(13.3)%
Operating income	$ 213.4	$ 114.7	$ 98.7	86.1 %
Other (expense) income:				
Interest income	1.7	2.3	(0.6)	(26.1)%
Interest expense	(87.4)	(111.2)	23.8	(21.4)%
Loss on sale of business	(17.9)	—	(17.9)	100.0 %
Loss on extinguishment of debt	(1.8)	(0.7)	(1.1)	157.1 %
Other expense, net	(7.4)	(17.2)	9.8	(57.0)%
Total other expense	$ (112.8)	$ (126.8)	$ 14.0	(11.0)%
Income (loss) from continuing operations before income taxes	100.6	(12.1)	112.7	N/M
Income tax expense from continuing operations	14.0	38.4	24.4	(63.5)%
Net income (loss) from continuing operations	$ 86.6	$ (50.5)	$ 137.1	N/M
Net income from discontinued operations	$ —	$ 5.4	$ (5.4)	(100.0)%
Net income (loss)	$ 86.6	$ (45.1)	$ 131.7	N/M

Net sales

Net sales were $6,229.6 million for the nine months ended September 30, 2020, a decrease of $902.3 million, or 12.7%, from the nine months ended September 30, 2019. Net sales decreased due to lower demand in the global industrial end markets, the Environmental Sciences divestiture and price deflation. The decrease was partially offset by higher demand for our products in certain essential end markets and the February 2019 Nexeo acquisition in USA, Canada and LATAM segments for the nine months ended September 30, 2020 compared to the nine months ended September 30, 2019. Refer to the “Analysis of Segment Results” for the nine months ended September 30, 2020 for additional information.

Gross profit (exclusive of depreciation)

Gross profit (exclusive of depreciation) decreased $100.9 million, or 6.2%, to $1,517.7 million for the nine months ended September 30, 2020. The decrease in gross profit (exclusive of depreciation) was attributable to lower sales volumes in USA, Canada and EMEA segments due to soft demand across most industrial end markets and the Environmental Sciences divestiture. The decrease was partially offset by favorable changes in product mix from essential end markets. Refer to the “Analysis of Segment Results” for the nine months ended September 30, 2020 for additional information.

Outbound freight and handling

Outbound freight and handling expenses decreased $17.0 million, or 6.2%, to $258.1 million for the nine months ended September 30, 2020, primarily due to lower sales volumes. On a constant currency basis, outbound freight and handling expenses decreased $15.3 million, or 5.6%. Refer to the “Analysis of Segment Results” for the nine months ended September 30, 2020 for additional information.

Warehousing, selling and administrative

Warehousing, selling and administrative expenses decreased $32.9 million, or 4.1%, to $770.5 million for the nine months ended September 30, 2020. On a constant currency basis, warehousing, selling and administrative expenses decreased $25.1 million, or 3.1%, attributable to cost reduction measures across all of our segments. The decrease was partially offset by higher bad debt charges. Refer to the “Analysis of Segment Results” for the nine months ended September 30, 2020 for additional information.

Other operating expenses, net

Other operating expenses, net decreased $189.7 million from $258.8 million for the nine months ended September 30, 2019 to $69.1 million for the nine months ended September 30, 2020. The decrease was primarily due to lower acquisition and integration related expenses, the absence of the saccharin legal settlement, lower employee severance costs and stock-based compensation expense as well as the gain on sale of property, plant and equipment. Refer to “Note 6: Other operating expenses, net” in Item 1 of this Quarterly Report on Form 10-Q for additional information.

Depreciation and amortization

Depreciation expense increased $9.2 million, or 8.0%, to $123.7 million for the nine months ended September 30, 2020 primarily due to the February 2019 Nexeo acquisition.

Amortization expense increased $0.2 million, or 0.4%, to $45.3 million for the nine months ended September 30, 2020 primarily due to the February 2019 Nexeo acquisition.

Impairment charges

Impairment charges of $37.6 million were recorded in the nine months ended September 30, 2020 related to property, plant and equipment in connection with the Company’s decision to cease further investment in, and seek to restructure or exit a contract related to, certain technology assets within the Other segment as well as intangibles and property, plant and equipment in connection with the sale of the industrial spill and emergency response businesses within the USA segment and the announced closure of certain production facilities. Refer to “Note 14: Supplemental balance sheet information” in Item 1 of this Quarterly Report on Form 10-Q for additional information.

Interest expense

Interest expense decreased $23.8 million, or 21.4%, to $87.4 million for the nine months ended September 30, 2020 due to lower average outstanding borrowings as well as lower interest rates. Refer to “Note 13: Debt” in Item 1 of this Quarterly Report on Form 10-Q for additional information.

Loss on sale of business

A loss of $17.9 million was recorded in the nine months ended September 30, 2020 primarily related to the sale of the industrial spill and emergency response businesses, which was completed on September 1, 2020 and the first quarter working capital adjustment on the sale of the Environmental Sciences business, which was completed on December 31, 2019. Refer to “Note 4: Discontinued operations and dispositions” in Item 1 of this Quarterly Report on Form 10-Q for additional information.

Loss on extinguishment of debt

Loss on extinguishment of debt of $1.8 million during the nine months ended September 30, 2020 was driven by the partial prepayment of the Term B-3 Loan due 2024. The prior year period included a $0.7 million loss for the nine months ended September 30, 2019 due to the February 2019 amendment of the Senior ABL Facility. Refer to “Note 13: Debt” in Item 1 of this Quarterly Report on Form 10-Q for additional information.

Other expense, net

Other expense, net decreased $9.8 million, or 57.0%, to $7.4 million for the nine months ended September 30, 2020. The decrease was primarily related to gains on undesignated foreign currency derivative instruments as well as the increase in non-operating pension income, partially offset by foreign currency denominated loan revaluation losses. Refer to “Note 8: Other income (expense), net” in Item 1 of this Quarterly Report on Form 10-Q for additional information.

Income tax expense from continuing operations

Income tax expense was $14.0 million for the nine months ended September 30, 2020, resulting in an effective income tax rate of 13.9%. A discrete tax benefit of $27.5 million was included in the $14.0 million tax expense, primarily attributable to 2019 return to provision adjustments, impairment of unrealizable assets and benefits from provisions under the CARES Act, offset by a reserve for uncertain tax positions. The Company’s effective income tax rate without discrete items was 29.9%, higher than the US federal statutory rate of 21.0% primarily due to the impact of the higher tax rates in foreign jurisdictions, non-deductible expenses and US state income taxes.

Income tax expense was $38.4 million for the nine months ended September 30, 2019, resulting in an effective income tax rate of (317.4)%. A discrete tax benefit of $4.9 million, substantially attributable to the indirect effects of the Nexeo plastics sale, was included in the $38.4 million tax expense. The Company's effective income tax rate without discrete items was 68.4%, higher than the US federal statutory rate of 21.0%. This is primarily due to the impact of the non-deductible Nexeo related acquisition and integration costs, along with state taxes, foreign rate differential, non-deductible compensation and other expenses, and an increase in the valuation allowance on certain income tax attributes.

Analysis of Segment Results

USA

(in millions)	Nine months ended September 30, 2020	Nine months ended September 30, 2019	Favorable (unfavorable)	% Change
Net sales:				
External customers	$ 3,781.3	$ 4,474.6	$ (693.3)	(15.5)%
Inter-segment	63.3	77.8	(14.5)	(18.6)%
Total net sales	$ 3,844.6	$ 4,552.4	$ (707.8)	(15.5)%
Cost of goods sold (exclusive of depreciation)	2,888.4	3,504.9	616.5	(17.6)%
Inventory step-up adjustment (1)	—	5.3	5.3	(100.0)%
Outbound freight and handling	178.9	191.7	12.8	(6.7)%
Warehousing, selling and administrative	475.2	508.8	33.6	(6.6)%
Adjusted EBITDA	$ 302.1	$ 352.3	$ (50.2)	(14.2)%

(in millions)	Nine months ended September 30, 2020	Nine months ended September 30, 2019	Favorable (unfavorable)	% Change
Gross profit (exclusive of depreciation):				
Net sales	$ 3,844.6	$ 4,552.4	$ (707.8)	(15.5)%
Cost of goods sold (exclusive of depreciation)	2,888.4	3,504.9	616.5	(17.6)%
Gross profit (exclusive of depreciation)	$ 956.2	$ 1,047.5	$ (91.3)	(8.7)%
Inventory step-up adjustment (1)	—	5.3	5.3	(100.0)%
Adjusted gross profit (exclusive of depreciation) (1)	$ 956.2	$ 1,052.8	$ (96.6)	(9.2)%

(1) See definition of adjusted gross profit (exclusive of depreciation) at the end of this Item under "Non-GAAP Financial Measures." Adjusted gross profit (exclusive of depreciation) excludes the inventory fair value step-up adjustment resulting from our February 2019 Nexeo acquisition.

External sales in the USA segment were $3,781.3 million, a decrease of $693.3 million, or 15.5%, for the nine months ended September 30, 2020. The decrease in external net sales was primarily related to the Environmental Sciences divestiture, lower energy and industrial end market demand and price deflation on certain products partially offset by higher demand for our products in certain essential end markets and the February 2019 Nexeo acquisition.

Gross profit (exclusive of depreciation) decreased $91.3 million, or 8.7%, to $956.2 million for the nine months ended September 30, 2020, primarily due to lower sales volumes due to soft demand across most industrial end markets and the Environmental Sciences divestiture. Gross margin increased from 23.4% for the nine months ended September 30, 2019 to 25.3% for the nine months ended September 30, 2020. The increase was primarily related to favorable changes in product mix from essential end markets.

Outbound freight and handling expenses decreased $12.8 million, or 6.7%, to $178.9 million for the nine months ended September 30, 2020, primarily due to lower sales volumes.

Warehousing, selling and administrative expenses decreased $33.6 million, or 6.6%, to $475.2 million for the nine months ended September 30, 2020, primarily due to the Environmental Sciences divestiture and cost reduction measures, partially offset by higher bad debt charges and incremental expenses related to the February 2019 Nexeo acquisition. As a percentage of external sales, warehousing, selling and administrative expenses increased from 11.4% for the nine months ended September 30, 2019 to 12.6% for the nine months ended September 30, 2020.

Adjusted EBITDA decreased by $50.2 million, or 14.2%, to $302.1 million for the nine months ended September 30, 2020, primarily as a result of lower demand for chemicals and ingredients in most industrial end markets and the Environmental

Sciences divestiture. Adjusted EBITDA margin increased from 7.9% in the nine months ended September 30, 2019 to 8.0% for the nine months ended September 30, 2020, primarily as a result of higher gross margin.

EMEA

(in millions)	Nine months ended September 30, 2020	2019	Favorable (unfavorable)	% Change
Net sales:				
External customers	$ 1,269.3	$ 1,366.6	$ (97.3)	(7.1)%
Inter-segment	2.3	2.6	(0.3)	(11.5)%
Total net sales	$ 1,271.6	$ 1,369.2	$ (97.6)	(7.1)%
Cost of goods sold (exclusive of depreciation)	950.6	1,044.6	94.0	(9.0)%
Outbound freight and handling	42.8	44.8	2.0	(4.5)%
Warehousing, selling and administrative	164.9	167.6	2.7	(1.6)%
Adjusted EBITDA	$ 113.3	$ 112.2	$ 1.1	1.0 %

(in millions)	Nine months ended September 30, 2020	2019	Favorable (unfavorable)	% Change
Gross profit (exclusive of depreciation):				
Net sales	$ 1,271.6	$ 1,369.2	$ (97.6)	(7.1)%
Cost of goods sold (exclusive of depreciation)	950.6	1,044.6	94.0	(9.0)%
Gross profit (exclusive of depreciation)	$ 321.0	$ 324.6	$ (3.6)	(1.1)%

External sales in the EMEA segment were $1,269.3 million, a decrease of $97.3 million, or 7.1%, for the nine months ended September 30, 2020. On a constant currency basis, external net sales decreased $87.1 million, or 6.4%, primarily due to lower volumes in most end markets, partially offset by strong demand for our products in certain essential end markets.

Gross profit (exclusive of depreciation) decreased $3.6 million, or 1.1%, to $321.0 million in the nine months ended September 30, 2020. On a constant currency basis, gross profit (exclusive of depreciation) decreased $1.6 million, or 0.5%, primarily due to lower sales volumes. Gross margin increased from 23.8% for the nine months ended September 30, 2019 to 25.3% for the nine months ended September 30, 2020, primarily due to favorable changes in product mix.

Outbound freight and handling expenses decreased $2.0 million, or 4.5%, to $42.8 million for the nine months ended September 30, 2020, driven by lower sales volumes.

Warehousing, selling and administrative expenses decreased $2.7 million, or 1.6%, to $164.9 million for the nine months ended September 30, 2020. On a constant currency basis, warehousing, selling and administrative expenses decreased $2.1 million, or 1.3%, primarily due to cost reduction measures, partially offset by higher variable compensation costs and environmental remediation. As a percentage of external sales, warehousing, selling and administrative expenses increased from 12.3% for the nine months ended September 30, 2019 to 13.0% for the nine months ended September 30, 2020.

Adjusted EBITDA increased by $1.1 million, or 1.0%, to $113.3 million for the nine months ended September 30, 2020. On a constant currency basis, Adjusted EBITDA increased $2.6 million, or 2.3%, attributable to the positive impact from demand for our products in certain essential end markets, partially offset by increased market pressures in the pharmaceutical finished goods product line. Adjusted EBITDA margin increased from 8.2% for the nine months ended September 30, 2019 to 8.9% for the nine months ended September 30, 2020.

Canada

(in millions)	Nine months ended September 30, 2020	2019	Favorable (unfavorable)	% Change
Net sales:				
External customers	$ 852.2	$ 961.6	$ (109.4)	(11.4)%
Inter-segment	2.0	4.5	(2.5)	(55.6)%
Total net sales	$ 854.2	$ 966.1	$ (111.9)	(11.6)%
Cost of goods sold (exclusive of depreciation)	689.6	788.3	98.7	(12.5)%
Outbound freight and handling	29.4	31.8	2.4	(7.5)%
Warehousing, selling and administrative	66.1	68.3	2.2	(3.2)%
Adjusted EBITDA	$ 69.1	$ 77.7	$ (8.6)	(11.1)%

(in millions)	Nine months ended September 30, 2020	2019	Favorable (unfavorable)	% Change
Gross profit (exclusive of depreciation):				
Net sales	$ 854.2	$ 966.1	$ (111.9)	(11.6)%
Cost of goods sold (exclusive of depreciation)	689.6	788.3	98.7	(12.5)%
Gross profit (exclusive of depreciation)	$ 164.6	$ 177.8	$ (13.2)	(7.4)%

External sales in the Canada segment were $852.2 million, a decrease of $109.4 million, or 11.4%, for the nine months ended September 30, 2020. On a constant currency basis, external net sales decreased $93.7 million, or 9.7%, primarily related to lower demand from Canada’s energy sector, the Environmental Sciences divestiture and price deflation on certain products. The decrease was partially offset by higher demand for our products in certain essential end markets and the February 2019 Nexeo acquisition.

Gross profit (exclusive of depreciation) decreased $13.2 million, or 7.4%, to $164.6 million for the nine months ended September 30, 2020. On a constant currency basis, gross profit (exclusive of depreciation) decreased $10.2 million, or 5.7%, primarily due to lower demand from Canada's energy sector, the Environmental Sciences divestiture and the write-down of inventory related to a component of the agriculture business, partially offset by favorable changes in product mix from essential end markets. Gross margin increased from 18.5% for the nine months ended September 30, 2019 to 19.3% for the nine months ended September 30, 2020, primarily due to favorable changes in product mix.

Outbound freight and handling expenses decreased $2.4 million, or 7.5%, to $29.4 million for the nine months ended September 30, 2020, primarily due to lower sales volumes.

Warehousing, selling and administrative expenses decreased by $2.2 million, or 3.2%, to $66.1 million for the nine months ended September 30, 2020. On a constant currency basis, warehousing, selling and administrative expenses decreased $1.0 million, or 1.5%, primarily due to cost reduction measures. As a percentage of external sales, warehousing, selling and administrative expenses increased from 7.1% for the nine months ended September 30, 2019 to 7.8% for the nine months ended September 30, 2020.

Adjusted EBITDA decreased by $8.6 million, or 11.1%, to $69.1 million for the nine months ended September 30, 2020. On a constant currency basis, Adjusted EBITDA decreased $7.3 million, or 9.4% primarily as a result of the lower demand from Canada's energy sector, the Environmental Sciences divestiture and the write-down of inventory related to a component of the agriculture business, partially offset by favorable changes in product mix from essential end markets. Adjusted EBITDA margin remained flat at 8.1% for the nine months ended September 30, 2019 to the nine months ended September 30, 2020.

LATAM

(in millions)	Nine months ended September 30, 2020	2019	Favorable (unfavorable)	% Change
Net sales:				
External customers	$ 326.8	$ 329.1	$ (2.3)	(0.7)%
Total net sales[(1)]	$ 326.8	$ 329.1	$ (2.3)	(0.7)%
Cost of goods sold (exclusive of depreciation)	250.9	260.4	9.5	(3.6)%
Outbound freight and handling	7.0	6.8	(0.2)	2.9 %
Warehousing, selling and administrative	36.8	36.6	(0.2)	0.5 %
Brazil VAT charge [(1)]	0.3	—	0.3	100.0 %
Adjusted EBITDA [(1)]	$ 32.4	$ 25.3	$ 7.1	28.1 %

(in millions)	Nine months ended September 30, 2020	2019	Favorable (unfavorable)	% Change
Gross profit (exclusive of depreciation):				
Net sales	$ 326.8	$ 329.1	$ (2.3)	(0.7)%
Cost of goods sold (exclusive of depreciation)	250.9	260.4	9.5	(3.6)%
Gross profit (exclusive of depreciation) [(1)]	$ 75.9	$ 68.7	$ 7.2	10.5 %
Brazil VAT charge [(1)]	0.4	—	0.4	100.0 %
Adjusted gross profit (exclusive of depreciation)	$ 76.3	$ 68.7	$ 7.6	11.1 %

(1) Included in net sales and gross profit (exclusive of depreciation) is a $0.4 million Brazil VAT charge recorded during the nine months ended September 30, 2020. The charge of $0.3 million, net of associated fees, is excluded from Adjusted EBITDA. See "Note 17: Commitments and contingencies" in Item 1 of this Quarterly Report on Form 10-Q for additional information.

External sales in the LATAM segment were $326.8 million, a decrease of $2.3 million, or 0.7%, for the nine months ended September 30, 2020. On a constant currency basis, external net sales increased $46.8 million, or 14.2%, primarily due to higher demand for our products in certain essential end markets, the February 2019 Nexeo acquisition and from contributions from the energy sector and Brazilian agriculture sector.

Gross profit (exclusive of depreciation) increased $7.2 million, or 10.5%, to $75.9 million in the nine months ended September 30, 2020. On a constant currency basis, gross profit (exclusive of depreciation) increased $20.7 million, or 30.1%, due to favorable changes in product and end market mix. Gross margin increased from 20.9% for the nine months ended September 30, 2019 to 23.2% for the nine months ended September 30, 2020.

Outbound freight and handling expenses increased $0.2 million, or 2.9%, to $7.0 million for the nine months ended September 30, 2020, primarily due to higher sales volumes.

Warehousing, selling and administrative expenses increased $0.2 million, or 0.5%, to $36.8 million for the nine months ended September 30, 2020. On a constant currency basis, warehousing, selling and administrative expenses increased $6.3 million, or 17.2%, primarily due to higher variable compensation costs and higher bad debt charges. As a percentage of external sales, warehousing, selling and administrative expenses increased from 11.1% for the nine months ended September 30, 2019 to 11.3% for the nine months ended September 30, 2020.

Adjusted EBITDA increased by $7.1 million, or 28.1%, to $32.4 million for the nine months ended September 30, 2020. On a constant currency basis, Adjusted EBITDA increased $13.4 million, or 53.0%, primarily due to increased gross profit (exclusive of depreciation) due to higher demand for our products in certain essential end markets, the energy sector and the Brazilian agriculture sector. Adjusted EBITDA margin increased from 7.7% for the nine months ended September 30, 2019 to 9.9% for the nine months ended September 30, 2020.

Liquidity and Capital Resources

The Company’s primary sources of liquidity are cash generated from its operations and borrowings under our committed North American and European credit facilities (“facilities”). As of September 30, 2020, liquidity for the Company was $730.4 million, comprised of $273.7 million of cash and cash equivalents and $456.7 million of availability under the facilities. These facilities are guaranteed by certain significant subsidiaries and secured by such parties’ eligible trade receivables and inventory with the maximum borrowing capacity under these credit facilities of $1.5 billion and €200 million, respectively. Significant reductions in the Company’s trade receivables and inventory would reduce our availability to access liquidity under these facilities. The Company has no active financial maintenance covenants in its credit agreements, however, there is a springing fixed charge coverage ratio (“FCCR”) under the revolving credit facilities of 1.0x, applicable only if availability is less than or equal to 10% of the borrowing capacity. If the FCCR was applicable, the calculation would have been 4.1x as of September 30, 2020.

The Company’s primary liquidity and capital resource needs are to service its debt and to finance operating expenses, working capital, capital expenditures, other liabilities, costs of integration and general corporate purposes. The majority of the Company's debt obligations mature in 2024 and beyond. Management continues to balance its focus on sales and earnings growth with continuing efforts in cost control and working capital management. In anticipation of ongoing, challenging macroeconomic headwinds, including the impact of the COVID-19 pandemic, the Company is carefully managing its working capital and implementing operating cost reductions to maintain our financial health while continuing to help serve supplier and customer needs.

The Company's access to debt capital markets has historically provided the Company with sources of liquidity. We do not anticipate having difficulty in obtaining financing from those markets in the future with our history of favorable results in the debt capital markets and strong relationships with global financial institutions. However, the COVID-19 pandemic has caused disruption in the capital markets and could make financing more difficult and/or expensive to obtain in the short term. Additionally, our ability to continue to access the debt capital markets with favorable interest rates and other terms will depend, to a significant degree, on maintaining our current ratings assigned by the credit rating agencies.

On January 7, 2020, using the proceeds from the sale of the Environmental Sciences business, the Company repaid $174.0 million of the Term B-3 Loan due 2024. Refer to “Note 13: Debt” in Item 1 of this Quarterly Report on Form 10-Q for additional information.

We expect our 2020 capital expenditures for maintenance, safety and cost improvements and investments in our digital capabilities to be approximately $110 million to $120 million.

We believe funds provided by our primary sources of liquidity will be adequate to meet our liquidity, debt repayment obligations and capital resource needs for at least the next 12 months under current operating conditions.

Cash Flows

The following table presents a summary of our cash flows:

	Nine months ended September 30,	
(in millions)	**2020**	**2019**
Net cash provided by operating activities	$ 81.6	$ 34.2
Net cash used by investing activities	(74.2)	(606.5)
Net cash (used) provided by financing activities	(58.9)	611.3
Effect of exchange rate changes on cash and cash equivalents	(5.1)	(26.0)
Net (decrease) increase in cash and cash equivalents	$ (56.6)	$ 13.0

Cash Provided by Operating Activities

Cash provided by operating activities increased $47.4 million to $81.6 million for the nine months ended September 30, 2020 from $34.2 million for the nine months ended September 30, 2019, primarily due to changes in net income, exclusive of non-cash items and other, net, partially offset by changes in trade working capital and prepaid expenses and other current assets. The change in net income, exclusive of non-cash items provided net cash inflows of $163.6 million from cash inflows of $328.1 million and $164.5 million for the nine months ended September 30, 2020 and September 30, 2019, respectively. Refer to “Results of Operations” above for additional information.

The change in trade working capital, which includes trade accounts receivable, net, inventories and trade accounts payable, was a cash outflow of $150.6 million for the nine months ended September 30, 2020 compared to the nine months ended September 30, 2019. Cash outflows year-over-year from trade accounts receivable, net is primarily attributable to the timing of customer payments year-over-year. The year-over-year cash outflows related to trade accounts payable are primarily attributable to the timing of vendor payments. Inventory cash inflows on a year-over-year basis were primarily related to reductions in the USA segment inventories due to reduced sales volumes.

The remaining cash inflows primarily represent payment timing differences for other assets and liabilities.

Cash Used by Investing Activities

Cash used by investing activities decreased $532.3 million to $74.2 million for the nine months ended September 30, 2020 from $606.5 million for the nine months ended September 30, 2019. The decrease is primarily related to the acquisition of the Nexeo business in 2019, net of the proceeds received for the sale and disposition of Nexeo Plastics. Refer to “Note 3: Business combinations” and “Note 4: Discontinued operations and dispositions” in Item 1 of this Quarterly Report on Form 10-Q for additional information related to the Company's acquisitions and dispositions.

The decrease in cash used by investing activities was partially offset by a current year purchase of an operating site.

Cash (Used) Provided by Financing Activities

Cash (used) provided by financing activities decreased $670.2 million to cash used of $58.9 million for the nine months ended September 30, 2020 from cash provided of $611.3 million for the nine months ended September 30, 2019. The decrease in financing cash flows is primarily due to the prior year increase in debt used to finance the February 2019 Nexeo acquisition. The decrease was partially offset by cash inflows attributable to lower repayments of long-term debt during the nine months ended September 30, 2020 compared to the nine months ended September 30, 2019. Refer to “Note 13: Debt” in Item 1 of this Quarterly Report on Form 10-Q for additional information.

Off-Balance Sheet Arrangements

There were no material changes in the Company’s off-balance sheet arrangements since the filing of the Company’s Annual Report on Form 10-K for the year ended December 31, 2019.

Contractual Obligations and Commitments

There were no material changes in the Company’s contractual obligations and commitments since the filing of the Company’s Annual Report on Form 10-K for the year ended December 31, 2019, other than as disclosed in “Note 13: Debt” to the condensed consolidated financial statements as of and for the three and nine-month periods ended September 30, 2020.

Critical Accounting Estimates

There were no material changes in the Company’s critical accounting estimates since the filing of the Company’s Annual Report on Form 10-K for the year ended December 31, 2019.

Recently Issued Accounting Pronouncements

See “Note 2: Significant accounting policies” in the notes to the condensed consolidated financial statements.

Forward Looking Statements and Information

Certain parts of this Quarterly Report on Form 10-Q contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are generally accompanied by words such as “believes,” “expects,” “may,” “will,” “should,” “could,” “seeks,” “intends,” “plans,” “estimates,” “anticipates” or other comparable terms. All forward-looking statements made in this Quarterly Report on Form 10-Q are qualified by these cautionary statements.

Any forward-looking statements represent our views only as of the date of this report and should not be relied upon as representing our views as of any subsequent date, and we undertake no obligation, other than as may be required by law, to update any forward-looking statement. We caution you that forward-looking statements are not guarantees of future performance and that our actual performance may differ materially from those made in or suggested by the forward-looking statements contained in this Quarterly Report on Form 10-Q. Forward-looking statements include, but are not limited to, statements about:

- the impact of the COVID-19 pandemic and economic conditions on our end markets, operations, financial condition and operating results;
- our expense control and cost reduction plans and other strategic plans and initiatives;
- our ability to solve customer technical challenges and accelerate product development cycles;
- demand for new products that meet regulatory and customer sustainability standards and preferences and our ability to provide such products and systems to maintain our competitive position;
- our ability to sell specialty products at higher profit;
- the cyclicality of our Agricultural business;
- the continuation of the trend of outsourcing of chemical distribution by chemical manufacturers;

- significant factors that may adversely affect us and our industry;
- the outcome and effect of ongoing and future legal proceedings;
- market conditions and outlook;
- our liquidity outlook and the funding thereof, and cash requirements and adequacy of resources to fund them;
- future contributions to our pension plans and cash payments for postretirement benefits; and
- the impact of ongoing tax guidance and interpretations.

Potential factors that could affect such forward-looking statements include, among others:

- the sustained geographic spread of the COVID-19 pandemic, the duration and severity of the COVID-19 pandemic, current and new actions that may be taken by governmental authorities to address or otherwise mitigate the impact of the COVID-19 pandemic, the potential negative impacts of COVID-19 on the global economy and our customers and suppliers, and the overall impact of the COVID-19 pandemic on our business, results of operations and financial condition;
- other fluctuations in general economic conditions, particularly in industrial production and the demands of our customers and the timing and extent of an economic recovery;
- significant changes in the business strategies of producers or in the operations of our customers;
- increased competitive pressures, including as a result of competitor consolidation;
- significant changes in the pricing, demand and availability of chemicals;
- trends in oil and gas demand and prices;
- our indebtedness, the restrictions imposed by our debt instruments, and our ability to obtain additional financing;
- the broad spectrum of laws and regulations that we are subject to, including extensive environmental, health and safety laws and regulations;
- an inability to integrate the business and systems of companies we acquire or to realize the anticipated benefits of such acquisitions;
- potential business disruptions and security breaches, including cybersecurity incidents;
- an inability to generate sufficient working capital;
- increases in transportation and fuel costs and changes in our relationship with third party providers;
- accidents, safety failures, environmental damage, product quality and liability issues and recalls;
- major or systemic delivery failures involving our distribution network or the products we carry;
- ongoing litigation and other legal and regulatory risks;
- challenges associated with international operations;
- exposure to interest rate and currency fluctuations;
- negative developments affecting our pension plans and multi-employer pensions;
- labor disruptions associated with the unionized portion of our workforce; and
- the other factors described in the Company's filings with the Securities and Exchange Commission.

You should read this Quarterly Report on Form 10-Q, including the uncertainties and factors discussed under “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2019 in full and with the understanding that actual future results may be materially different from expectations expressed or implied by any forward-looking statement. All forward-looking statements made in this Quarterly Report on Form 10-Q are qualified by these cautionary statements. These forward-looking statements are made only as of the date of this Quarterly Report on Form 10-Q and we do not undertake any obligation, other than as may be required by law, to update or revise any forward-looking or cautionary statements to reflect changes in assumptions, the occurrence of events, unanticipated or otherwise and changes in future operating results over time or otherwise.

Comparisons of results between current and prior periods are not intended to express any future trends, or indications of future performance, unless expressed as such, and should only be viewed as historical data.

Non-GAAP Financial Measures

We monitor the results of our reportable segments separately for the purposes of making decisions about resource allocation and performance assessment. We evaluate performance using Adjusted EBITDA. We define Adjusted EBITDA as consolidated net income (loss), plus the sum of net (loss) income from discontinued operations, net interest expense, income tax expense (benefit), depreciation, amortization, impairment charges, loss on extinguishment of debt, other operating expenses, net (see “Note 6: Other operating expenses, net” in Item 1 of this Quarterly Report on Form 10-Q for additional information) and other income (expense), net (see “Note 8: Other income (expense), net” in Item 1 of this Quarterly Report on Form 10-Q for additional information). Adjusted EBITDA also includes an adjustment to remove a Brazil VAT charge for 2020 and an inventory step-up adjustment for 2019. For a reconciliation of the non-GAAP financial measures to its most comparable GAAP measure, see “Analysis of Segment Results” within this Item and for a reconciliation of net income (loss) to Adjusted EBITDA, the most directly comparable measure calculated in accordance with GAAP, see “Note 19: Segments” to our condensed consolidated financial statements in Item 1 of this Quarterly Report on Form 10-Q.

We believe that non-GAAP financial measures provide relevant and meaningful information concerning the ongoing operating results of the Company. These financial measures include gross profit (exclusive of depreciation), adjusted gross profit (exclusive of depreciation), gross margin and Adjusted EBITDA margin. We define these financial measures as follows:

- Gross profit (exclusive of depreciation): net sales less cost of goods sold (exclusive of depreciation);
- Adjusted gross profit (exclusive of depreciation): net sales less cost of goods sold (exclusive of depreciation) plus Brazil VAT charge and inventory step-up adjustment;
- Gross margin: gross profit (exclusive of depreciation) divided by external sales on a segment level and by net sales on a consolidated level; and
- Adjusted EBITDA margin: Adjusted EBITDA divided by external sales on a segment level and by net sales on a consolidated level.

Management believes Adjusted EBITDA, Adjusted EBITDA margin, gross profit (exclusive of depreciation), adjusted gross profit (exclusive of depreciation) and gross margin are important measures in assessing operating performance. The non-GAAP financial measures are included as a complement to results provided in accordance with GAAP because management believes these non-GAAP financial measures help investors' ability to analyze underlying trends in the Company's business, evaluate its performance relative to other companies in its industry and provide useful information to both management and investors by excluding certain items that may not be indicative of the Company's core operating results. Additionally, the Company uses Adjusted EBITDA in setting performance incentive targets to align management compensation measurement with operational performance. Adjusted EBITDA, Adjusted EBITDA margin, gross profit (exclusive of depreciation), adjusted gross profit (exclusive of depreciation) and gross margin are not measures calculated in accordance with GAAP and should not be considered a substitute for net income or any other measure of financial performance presented in accordance with GAAP. Additionally, other companies may calculate Adjusted EBITDA differently than we do, limiting its usefulness as a comparative measure.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

There were no material changes from the "Quantitative and Qualitative Disclosure about Market Risk" disclosed in Part II, Item 7A of the Company's Annual Report on Form 10-K for the year ended December 31, 2019.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of the Company's management, including the principal executive officer and principal financial officer, the Company conducted an evaluation as of September 30, 2020 of the effectiveness of the design and operation of its disclosure controls and procedures, as such term is defined under Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended. Based on this evaluation, the principal executive officer and principal financial officer concluded the Company's disclosure controls and procedures were effective as of September 30, 2020.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended September 30, 2020 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II.
OTHER INFORMATION

Item 1. Legal Proceedings

Information pertaining to legal proceedings can be found in Note 17 to the interim condensed consolidated financial statements included in Part I, Financial Statements of this report.

Item 1A. Risk Factors

There have been no material changes from the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2019 and our Quarterly Report on Form 10-Q for the quarters ended March 31, 2020 and June 30, 2020.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

On or about November 2, 2020, Univar Solutions entered into new severance and change in control agreements (the “Severance Agreements”) with certain of its executive officers (the “Officers”), including the following named executive officers of the Company: David C. Jukes, President and Chief Executive Officer and Carl J. Lukach Executive Vice President, Corporate Development.

The Severance Agreements, which replace and supersede their prior agreements, generally provide that, if the Officer’s employment is terminated by the Company without Cause or the Officer terminates his employment with the Company for Good Reason, the Officer will generally receive a severance payment equal to (i) for the Chief Executive Officer, eighteen (18) months of the Officer’s annual base salary, and; twelve (12) months for the other Officers; plus (ii) the Officer’s target bonus for the year of termination, plus (iii) a pro rata portion of the Officer’s actual bonus for the year of termination. If during a Protection Window (i.e., upon or within three (3) months prior to, or twenty-four (24) months after, a Change in Control), the Officer’s employment is terminated by the Company without Cause or the Officer terminates his employment with the Company for Good Reason, the Officer will generally receive a severance payment equal to (i) for the Chief Executive Officer, thirty (30) months of the Officer’s annual base salary, and; twenty four (24) months for the other Officers; plus (ii) for the Chief Executive Officer, two hundred and fifty percent (250%) of the target bonus for the year of termination, and; two hundred percent (200%) for the other Officers, plus (iii) a pro rata portion of the Officer’s target bonus for the year of termination. In addition, under each of the termination scenarios described above, the Officer will be entitled to continue to receive the medical and dental coverage provided by the Company as of the Officer’s termination date for eighteen months following termination, with monthly premium payments for such coverage paid for by the Officer. The Officer must also sign a release of claims in favor of the Company to receive the severance benefits described above. Each Officer is also subject to non-competition and non-solicitation requirements for eighteen (18) months following his termination of employment.

The terms and conditions are described in more detail in the standard form severance and change in control agreement, which is attached as Exhibit 10.1 and incorporated by reference. Capitalized terms used herein and not otherwise defined have the meaning given in the Severance Agreement.

On October 28, 2020, the Board approved a standard form of Indemnification Agreement for executive officers of the Company, which indemnification agreement, among other matters, is intended to provide indemnification rights to the fullest extent permitted under applicable law. The Company’s form of indemnification agreement is attached as Exhibit 10.2 and incorporated by reference.

Item 6. Exhibits

Exhibit Number	Exhibit Description
10.1*†	Form of Severance and Change in Control Agreement by and Between Univar Solutions Inc. and Certain Executives.
10.2*	Form of Indemnification Agreement by and Between Univar Solutions Inc. and Certain Executives.
10.3†	Alternative Release and Amendment to Severance and Change in Control Agreement, dated as of August 5, 2020, by and between the Company and Mark Fisher, incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of Univar Solutions Inc., filed on August 6, 2020.
31.1*	Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

† Identifies each management compensation plan or arrangement
* Filed herewith
** Furnished herewith

SIGNATURES

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

Univar Solutions Inc.
(Registrant)

By: /s/ David C. Jukes
David C. Jukes
President and Chief Executive Officer

Date: November 5, 2020

By: /s/ Nicholas W. Alexos
Nicholas W. Alexos
Executive Vice President and Chief Financial Officer

Date: November 5, 2020

SEVERANCE AND CHANGE IN CONTROL AGREEMENT

This SEVERANCE AND CHANGE IN CONTROL AGREEMENT ("Agreement") is made as of the ____ day of ______, 202_ (the "Effective Date") between Univar Solutions Inc., a Delaware corporation ("Univar Solutions"), and M_. _________ __________ ("Executive").

Background

Univar Solutions desires to align the interests of Executive with those of its shareholders by defining the terms that will govern Executive's separation and removing the distraction from uncertainties faced by Executive before, during and after a change of control event. Executive benefits from this clarity and desires to be employed by Univar Solutions in accordance with this Agreement.

Terms and Conditions

Executive and Univar Solutions agree as follows:

1. **Duties and Reporting Relationship**. [Executive will serve as Univar Solutions' President and Chief Executive Officer. Executive will report directly to Univar Solutions' Board of Directors. Executive's responsibilities will include all matters customarily assigned to Executive's position and others that the Board of Directors reasonably assigns. Executive shall follow the reasonable instructions of the Board of Directors and comply with the rules, policies and procedures of Univar Solutions then in effect.] [Executive will serve as Univar Solutions' [Executive/Senior] Vice President [functional description]. Executive will report directly to Univar Solutions' Chief Executive Officer (the "CEO") or such other executive as the CEO may designate. Executive's responsibilities will include all matters customarily assigned to Executive's position and others that the CEO reasonably assigns. Executive shall follow the reasonable instructions of the CEO and comply with the rules, policies and procedures of Univar Solutions then in effect.] Executive will perform all of Executive's responsibilities in good faith, to the best of Executive's abilities and in compliance with all applicable laws. Executive is a fiduciary to Univar Solutions and its Affiliates (as defined below) and is subject to any fiduciary obligation imposed by applicable laws in addition to the obligations defined under this Agreement. During Executive's employment, Executive will not engage in any other professional or commercial activity that prevents Executive from carrying out Executive's obligations under this Agreement.

2. **Termination of Employment**. Either Executive or Univar Solutions may terminate Executive's employment at any time, with or without Cause or Good Reason (each as defined below) and without advance notice subject to Section 3. The party terminating Executive's employment must communicate the termination in writing.

3. Termination Entitlements. This Section sets forth scenarios under which Executive's employment may terminate along with the payments and benefits due Executive under each scenario. Unless explicitly set forth in this Section 3 and subject to Section 19, Executive has no rights to receive payments or benefits due to the termination of Executive's employment.

3.1 By Univar Solutions with Cause or by Executive without Good Reason. If Univar Solutions terminates Executive's employment for Cause (as defined below) or if Executive terminates Executive's employment without Good Reason (as defined below), Univar Solutions shall pay Executive any unpaid wages and unused accrued vacation earned through the termination date.

3.1.1. "Cause," shall mean Executive's:

(i) willful failure to perform material duties with respect to Univar Solutions (except where due to a physical or mental incapacity) which continues beyond

fifteen (15) days after a written demand for performance of those duties is delivered to Executive by Univar Solutions;
(ii) conviction of, plea of nolo contendere or any similar plea to
(A) the commission of a felony or any criminal offence that carries a maximum sentence of six (6) months or more;
(B) any misdemeanor that is a crime of moral turpitude;
(iii) gross negligence or willful or gross misconduct in connection with Executive's employment;
(iv) engaging in outrageous activity or in any activity or behavior that is in violation of Univar Solutions' code of conduct, as that may be in effect from time to time, where such activity or behavior is reasonably likely to cause material harm to Univar Solutions;
(v) breach of the non-competition, non-solicitation or confidentiality covenants to which Executive is subject; or
(vi) breach of any fiduciary duty.

In order to be "willful," Executive's action or inaction must be in bad faith or without reasonable belief that such action was in the best interests of Univar Solutions. For purposes of this Agreement, Univar Solutions shall not treat the failure of Executive or Univar Solutions to achieve performance goals alone as creating Cause for termination of Executive's employment.

3.1.2. "Good Reason," shall mean:

(i) Subject to the requirements of Section 3.1.2(ii), the occurrence of one or more of the following:

(A) a material reduction in Executive's Base Salary (as defined below) or a material reduction in target annual incentive compensation opportunity, in each case other than a reduction which is applicable to all employees in the same salary grade as Executive;
(B) a material diminution in Executive's title, duties or responsibilities; or
(C) a transfer of Executive's primary workplace by more than 35 miles from Executive's current workplace.

(ii) None of the conditions described in Section 3.1.2(i) shall constitute Good Reason unless:
(A) Executive provides notice to Univar Solutions of the condition claimed to constitute Good Reason within sixty (60) days of its existence;
(B) Univar Solutions shall fail to have remedied the condition within thirty (30) days of Univar Solutions' receipt of the notice described in Section 3.1.2(ii)(A); and
(C) Executive shall resign (giving appropriate written notice of termination) and terminate employment with Univar Solutions within thirty (30) days following the end of the thirty (30) day period described in Section 3.1.2(ii)(B).

For purposes of this Agreement, "Base Salary" shall mean the regular, periodic compensation paid to Executive, and shall not include variable compensation, such as bonuses or equity-based compensation.

3.2 By Univar Solutions other than for Cause or by Executive for Good Reason. If Univar Solutions terminates Executive's employment other than for Cause or if Executive terminates Executive's employment for Good Reason in the absence of Cause, Executive shall be entitled to the following:

3.2.1 Unpaid wages and unused accrued vacation earned through the termination date; *plus*

3.2.2 A severance payment, payable in a lump sum payment not later than sixty (60) days following Executive's termination date (other than with respect to subsection (iii) below), in an amount equal to the sum of

(i) [twelve / eighteen] months of Executive's Annual Base Salary; *plus*

(ii) 100% of the target bonus for the year in which Executive's employment terminates; *plus*

(iii) an amount equal to a pro-rated bonus for the year in which Executive's employment terminates. Such pro-rated bonus will be determined by multiplying (A) the actual bonus (if any) Executive would have earned for that year, based on the level at which the applicable performance goals for such year are in fact attained, had Executive continued in Univar Solutions' employ through the date that bonus award becomes due and payable by (B) a fraction the numerator of which is the number of whole months (rounded to the next highest whole month) Executive remained in Univar Solutions' employ during that year and the denominator of which is twelve (12), with such pro-rated bonus (if any) to be paid at the same time and in same form that the bonus payment for such year would have been made following the completion of that year had Executive remained in Univar Solutions' employ through the payment date; *plus*

3.2.3 For a period of eighteen (18) months following the Executive's termination date, if Executive elects COBRA health care continuation coverage, Executive shall be eligible to continue to receive the medical and dental coverage provided by Univar Solutions as of the Executive's termination date (or generally comparable coverage) for himself [and, where applicable his spouse and dependents, as the same may be changed from time to time for employees of Univar Solutions generally; provided that in order to receive such continued coverage, Executive shall be required to pay to Univar Solutions the full amount of the monthly premium payments for such coverage, at the time such payments are due, and Univar Solutions shall, on the first payroll of the month following the payment of each such premium, reimburse Executive for an amount that, prior to withholding for applicable taxes, is equal to the amount of such monthly premium;

provided that Executive signs and delivers to Univar Solutions (and does not revoke) a release substantially in the form attached as Exhibit A (Illinois) (the "Release") within the time period specified in the Release (the "Applicable Release Period"). For avoidance of doubt, Univar Solutions shall have no obligation to make any payments or provide any benefits to Executive under this Agreement, unless the Executive signs and delivers to Univar Solutions a Release within the Applicable Release Period and the Executive has not revoked the release during the applicable revocation period. This limitation on Univar Solutions' obligation to pay Executive is not applicable to any payments required to be made by an applicable statute without a release.

The termination of Executive's employment as a result of Executive's Total Disability (as defined below) shall not be treated as a termination without Cause for purposes of this Section 3.2.

"Total Disability" shall have the same meaning as the term "Total Disability" as used in Univar Solutions' long-term disability policy, if any, in effect on the date of termination. If Univar Solutions does not have a long-term disability policy in effect on that date, "Total Disability" shall mean Executive's inability (with or without such accommodation as may be required by law protecting persons with disabilities) to perform the essential functions of Executive's duties for an aggregate of 90 days in any twelve (12) month period (or such greater number of business days as the [CEO] [Board of Directors] may specify in her/his discretion).

3.3 Due to Executive's Death or Total Disability. If Executive's employment terminates by reason of Executive's death or Total Disability, Univar Solutions shall pay to Executive:

3.3.1 Unpaid wages and unused accrued vacation earned through the termination date; *plus*

3.3.2 A lump sum payment not later than 15 days following Executive's termination date, in an amount equal to 100% of the target bonus for the year in which Executive's employment terminates.

3.4 By Univar Solutions without Cause or by Executive with Good Reason in connection with a Change in Control. If, during a Protection Window (as defined below) Univar Solutions terminates Executive's employment without Cause or if Executive terminates Executive's employment for Good Reason in the absence of Cause, Executive shall be entitled to the following:

3.4.1 Unpaid wages and unused accrued vacation earned through the termination date; *plus*

3.4.2 A severance payment, payable in a lump sum payment not later than sixty (60) days following Executive's termination date, in an amount equal to the sum of

(i) [24 / 30] months of Executive's Annual Base Salary *plus*

(ii) [200 / 250] percent of the target bonus for the year in which Executive's employment terminates; *plus*

(iii) an amount equal to a pro-rated bonus for the year in which Executive's employment terminates. Such pro-rated bonus will be determined by multiplying (A) Executive's target bonus for that year by (B) a fraction the numerator of which is the number of whole months (rounded to the next highest whole month) Executive remained in Univar Solutions' employ during that year and the denominator of which is twelve (12); *plus*

3.4.3 For a period of eighteen (18) months following the Executive's termination date, if Executive elects COBRA health care continuation coverage, Executive shall be eligible to continue to receive the medical and dental coverage provided by Univar Solutions as of the Executive's termination date (or generally comparable coverage) for himself and, where applicable his spouse and dependents, as the same may be changed from time to time for employees of Univar Solutions generally provided; that in order to receive such continued coverage, Executive shall be required to pay to Univar Solutions the full amount of the monthly premium payments for such coverage, at the time such payments are due, and Univar Solutions shall, on the first payroll of the month following the payment of each such premium, reimburse Executive for an amount that, prior to withholding for applicable taxes, is equal to the amount of such monthly premium.

3.4.4 If Executive's termination occurs during the Protection Window, but prior to the Change in Control, for purposes of this Agreement the termination will be deemed to have taken place immediately after the Change in Control and Executive shall be entitled to payment of Executive's Base Salary for the period between the actual termination date and the Change in Control.

3.4.5. Univar Solutions shall have no obligation to make any payment under this Section 3.4, however, unless Executive signs and delivers to Univar Solutions (and does not revoke) the Release within the Applicable Release Period. This limitation on Univar Solutions' obligation to pay Executive is not applicable to any payments required to be made by an applicable statue without a release.

3.4.6. Termination of Executive's employment as a result of Executive's Total Disability shall not be treated as a termination without Cause for purposes of this Section 3.4.

3.4.7. "Protection Window" shall mean the period beginning three months prior to the occurrence of a Change in Control (as defined below) and ending 24 months following a Change in Control. If Executive's termination occurs during the Protection Window, but prior to the Change in Control, for purposes of this Agreement the termination will be deemed to have taken place immediately after the Change in Control. If Univar Solutions has already paid severance to Executive by reason of a termination of employment that is later determined to have occurred during the Protection Window, any additional severance amounts due under this Section 3.4 shall be paid to Executive as soon as practicable following the Change in Control.

3.4.8. "Change in Control" shall mean the first to occur of any of the following events:

(i) any transaction, whether by way of sales of capital stock, merger, consolidation or otherwise, that would result in the direct or indirect beneficial ownership by any person, entity or "group" (as defined in Section 13(d) of the Exchange Act), excluding Univar Solutions, any of its Affiliates, any employee benefit plan of Univar Solutions or any of its Affiliates, and those persons holding equity interests in Univar Solutions as the date hereof (the "Investors") (and any "group" that includes any of the Investors and any member of such group, if the non-Investor members of such group do not by themselves, directly or indirectly, own more than 50% of Univar Solutions' then outstanding voting securities), or any Affiliates (as defined in Section 4.7) of any of the foregoing, of more than 50% of the combined voting power of Univar Solutions' (or, if applicable, the surviving company after such a merger) then outstanding voting securities;

(ii) within any 12-month period, the persons who were members of the Univar Solutions board of directors (the "Board") at the beginning of such period (the "Incumbent Directors") shall cease to constitute at least a majority of the Board, provided that any director elected or nominated for election to the Board by a majority of the Incumbent Directors then still in office shall be deemed to be an Incumbent Director for purposes of this clause (ii); or

(iii) the sale, transfer or other disposition of all or substantially all of the assets of Univar Solutions to one or more persons or entities that are not, immediately prior to such sale, transfer or other disposition, Affiliates of Univar Solutions;

in each case, provided that such event also constitutes a "change in control" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"). In addition, notwithstanding the foregoing, a "Change in Control" shall not be deemed to occur if Univar Solutions files for bankruptcy, liquidation or reorganization under the United States Bankruptcy Code or because of any restructuring that occurs because of any such proceeding.

3.4.9. Notwithstanding any other provision of this Agreement or any other plan, arrangement or agreement to the contrary, if any of the payments or benefits provided or to be provided by the Company to the Executive or for the Executive's benefit pursuant to the terms of this Agreement or otherwise ("Covered Payments") constitute parachute payments ("Parachute Payments") within the meaning of Section 280G of the Code and would, but for this Section 3.4.9, be subject to the excise tax imposed under Section 4999 of the Code (or any successor provision thereto) or any similar tax imposed by state or local law or any interest or penalties with respect to such taxes (collectively, the "Excise Tax"), then the Covered Payments shall be payable either (A) in full ("Full Payment") or (B) reduced to the minimum extent necessary ("Reduced Payment") to ensure that no portion of the Covered Payments is subject to the Excise Tax, whichever of the Full Payment or Reduced Payment results in Executive's receipt on an after-tax basis of the greatest amount of benefits after taking into account the applicable federal, state, local and foreign income, employment and excise taxes (including the Excise Tax). Any such reduction shall be made in accordance with Section 409A of the Code and the following: (1) the Covered Payments which do not constitute nonqualified deferred compensation subject to Section 409A of the Code shall be reduced first; and (2) Covered Payments shall then be reduced as follows: (x) cash payments shall be reduced before non-cash payments; and (y) payments to be made on a later payment date shall be reduced before payments to be made on an earlier payment date. Unless the Company and the Executive otherwise agree in writing, any determination required under this Section 3.4.9 shall be made in writing by the Company's independent public accountants (the "Accountants"), whose determination shall be conclusive and binding upon Executive and the Company for all purposes. For purposes of making the calculations required by this Section 3.4.9, the Accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Section 280G and 4999 of the Code. The Company and the Executive shall furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make a determination under this Section 3.4.9. The Company shall bear all costs the Accountants may reasonably incur in connection with any calculations contemplated by this Section 3.4.9.

4. Confidential Information and Trade Secrets

4.1 Executive recognizes that the success of Univar Solutions and its Affiliates depends upon the protection of information or materials that are confidential, proprietary or both ("Confidential Information"). Confidential Information includes information that is designated as Confidential Information and information that, based on its nature or the circumstances surrounding its access or disclosure, should reasonably be deemed confidential. Confidential Information includes (regardless of medium or method of disclosure or access):

- all business plans and marketing strategies;
- information concerning existing and prospective markets, suppliers, and customers;
- financial information;
- information concerning the development of new products and services;
- technical and non-technical data related to software programs, designs, specifications, compilations, inventions (as defined in Section 6.1), improvements, patent applications, studies, research, methods, devices, prototypes, processes, procedures and techniques; and,
- information provided by third parties under circumstances that require them to maintain the confidentiality of such information.

Executive shall have no confidentiality obligation with respect to disclosure of information that:

- was, or at any time becomes, available in the public domain other than through Executive's action or inaction; or

- Executive can demonstrate by written evidence was furnished to Executive by a third party in lawful possession thereof and who was not under an obligation of confidentiality to Univar Solutions or any of its Affiliates.

4.2 Executive further recognizes that some of Univar Solutions' and its Affiliates' Confidential Information constitute "Trade Secrets" as that term is defined under the Illinois Uniform Trade Secrets Act.

4.3 During and after termination of employment with Univar Solutions, regardless of the reason for termination, Executive shall not use or disclose Univar Solutions' or its Affiliates' Trade Secrets so long as they remain Trade Secrets, and nothing in this Agreement shall limit Executive's duties not to disclose or use Univar Solutions' or its Affiliates' Trade Secrets, or Univar Solutions' remedies in the event Executive engages in such disclosure or use.

4.4 Executive agrees that while Executive is employed by Univar Solutions and during the two (2) year period commencing on the date Executive's employment with Univar Solutions ends, for whatever reason, Executive will use Confidential Information only for the benefit of Univar Solutions and its Affiliates and will not directly or indirectly use or divulge, or permit others to use or divulge, any Confidential Information for any reason unless such acts by Executive are permitted under this Agreement or have been expressly authorized in writing on behalf of Univar Solutions. Following the end of Executive's employment with Univar Solutions, Executive must never use or disclose any Confidential Information which constitutes a Trade Secret. Univar Solutions permits Executive to disclose Confidential Information if (a) authorized by applicable law (including, but not limited to, any disclosure of information that satisfies the procedures in SEC Regulation Sec. 240.21F-17) or (b) required pursuant to an order or requirement of a court, administrative agency or other government body.

4.5 This Agreement constitutes notice to Executive that, under the 2016 Defend Trade Secrets Act (DTSA), the following rules shall be applicable:

(i) No individual will be held criminally or civilly liable under federal or state trade secret law for the disclosure of a trade secret (as defined under the DTSA) that:

(A) is made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and made solely for the purpose of reporting or investigating a suspected violation of law; or

(B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal so that it is not made public; and

(ii) an individual who pursues a lawsuit for retaliation by an employer for reporting a suspected violation of the law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal, and does not disclose the trade secret, except as permitted by court order.

In addition, if Executive's employment is governed by UK Law, nothing in this Agreement shall prevent Executive from making a protected disclosure under section 43A of the UK Employment Rights Act 1996.

4.6 Executive hereby assigns to Univar Solutions any rights Executive may have or acquire in such Confidential Information and acknowledges that all Confidential Information shall be the sole property of Univar Solutions and/or its Affiliates or their assigns.

4.7 This Agreement contains all rights, understandings, agreements or representations between Executive and Univar Solutions, whether express or implied, regarding Confidential Information.

4.8 Executive's obligations under this Section 4 are in addition to any obligations that Executive has under state or federal law, or any other applicable law.

4.9 During Executive's employment with Univar Solutions, Executive will not violate in any way the rights that any entity, including any former employer, has with regard to trade secrets or proprietary or confidential information.

4.10 "Affiliate" means any entity currently existing or subsequently organized or formed that directly or indirectly controls, is controlled by or is under common control with Univar Solutions (or other entity, as applicable), whether through ownership of voting securities, by contract or otherwise.

4.11 Executive's obligations under this Section 4 are indefinite in term, whether or not Executive is employed by Univar Solutions, and shall survive the termination of this Agreement unless otherwise limited by the terms of this Agreement.

5. Return of Univar Solutions Property. Executive acknowledges that all tangible items containing any Confidential Information, including without limitation memoranda, photographs, records, reports, manuals, drawings, blueprints, prototypes, notes, documents, drawings, specifications, software, media and other materials, including any copies thereof (including electronically recorded copies), are the exclusive property of Univar Solutions, its applicable Affiliate or both. Executive shall deliver to Univar Solutions all tangible items containing any Confidential Information that Executive possesses or controls upon the termination of Executive's employment with Univar Solutions (or upon Univar Solutions' request, if sooner). Executive shall also preserve and return any keys, equipment, identification or credit cards, or other property belonging to Univar Solutions or its Affiliates upon termination or request.

6. Inventions.

6.1 All Inventions (as defined below) related to Univar Solutions' then existing or proposed business that Executive develops creates, conceives or reduces to practice (whether alone or with others) during Executive's employment with Univar Solutions (whether or not during working hours or using Univar Solutions' facility or equipment) or within three months thereafter are the exclusive property of Univar Solutions (the "Univar Solutions Inventions"). "Inventions" shall include without limitation ideas, discoveries, developments, concepts, inventions, original works of authorship, trademarks, mask works, trade secrets, ideas, data, information, know-how, documentation, formulae, results, prototypes, designs, methods, processes, products, formulas and techniques, improvements to any of the foregoing, and all other matters ordinarily intended by the words "intellectual property," whether or not patentable, copyrightable, or otherwise able to be registered. In recognition of Univar Solutions' ownership of the Univar Solutions Inventions, Executive shall make prompt and full disclosure to Univar Solutions of all Univar Solutions Inventions. Executive will hold in trust for the sole benefit of Univar Solutions, and (subject to

Section 6.2 below) hereby assigns, and agrees to assign in the future, exclusively to Univar Solutions all of Executive's right, title, and interest in and to all Univar Solutions Inventions.

6.2 The provisions, above, regarding Inventions, are not applicable to Inventions for which no equipment, supplies, facilities, or trade secret information of Univar Solutions or its Affiliates was used and which was developed entirely on Executive's own time, unless

(a) the Invention relates to the business of Univar Solutions or its Affiliates or to Univar Solutions' or its Affiliates' actual or demonstrably anticipated research or development; or

(b) the Invention results from any work performed by the Executive for Univar Solutions.

The parties agree that the provisions in this Agreement assigning ownership rights in any Invention of Executive is intended to comply with the requirements of the Illinois Employee Patent Act, 765 ILCS 1060/l, et seq., or any similar statute in any other jurisdiction, and that these provisions are to be interpreted in a manner consistent therewith.

6.3 To the extent any works of authorship created by Executive made within the scope of employment may be considered "works made for hire" under United States copyright laws or works made in the course of employment under Canadian copyright laws, they are hereby agreed to be works made for hire or works made in the course of employment under applicable law. To the extent any such works do not qualify as a "work made for hire" or works made in the course of employment under applicable law, and to the extent they include material subject to copyright, Executive hereby irrevocably and exclusively assigns and conveys all rights, title and interests in such works to Univar Solutions subject to no liens, claims or reserved rights. Executive hereby waives any and all "moral rights" that may be applicable to any of the foregoing, for any and all uses, alterations, and exploitation thereof by Univar Solutions, or its Affiliates, or their successors, assignees or licensees. To the extent that any such "moral rights" may not be waived in accordance with law, Executive agrees not to bring any claims, actions or litigation against Univar Solutions or its Affiliates, or their successors, assignees or licensees, based on or to enforce such rights. Without limiting the preceding, Executive agrees that Univar Solutions may in its discretion edit, modify, recast, use, and promote any such works of authorship, and derivatives thereof, with or without the use of Executive's name or image, without compensation to Executive.

6.4 Executive hereby waives and quitclaims to Univar Solutions any and all claims of any nature whatsoever that Executive now or hereafter may have for infringement of any patent or patents from any patent applications for any Univar Solutions Inventions. Executive agrees to cooperate fully with Univar Solutions and take all other such acts requested by Univar Solutions (including signing applications for patents, assignments, and other papers, and such things as Univar Solutions may require) to enable Univar Solutions to establish and protect its ownership in any Univar Solutions Inventions and to carry out the intent and purpose of this Agreement, during Executive's employment or thereafter. If Executive fails to execute such documents by reason of death, mental or physical incapacity or any other reason after reasonable attempts by Univar Solutions, Executive hereby irrevocably appoints Univar Solutions and its officers and agents as Executive's agent and attorneyinfact to execute such documents on Executive's behalf.

6.5 Executive agrees that there are no Inventions made by Executive prior to Executive's employment with Univar Solutions and belonging to Executive that Executive wishes to have excluded from this Section 6 (the "Excluded Inventions"). If during Executive's employment with Univar Solutions, Executive uses in the specifications or development of, or otherwise incorporates into a product, process, service, technology, or machine of Univar Solutions or its Affiliates, or otherwise uses any invention, proprietary know-how, or other intellectual property in existence before the Effective Date owned by Executive or in which Executive has any interest ("Existing Know-How"), Univar Solutions or its Affiliates, as the case may be, is hereby granted and shall have a non-exclusive, royalty-free, fully paid up, perpetual, irrevocable, worldwide right and license under the Existing Know-How (including any patent or other intellectual property rights therein) to make, have made, use, sell, reproduce, distribute, make derivative works from, publicly perform and display, and import, and to sublicense any and all of the foregoing rights to that Existing Know-How (including the right to grant further sublicenses) without restriction as to the extent of Executive's ownership or interest, for so long as such Existing Know-How is in existence and is licensable by Executive.

7. Nonsolicitation and Noncompetition. Executive agrees to be bound by the nonsolicitation and noncompetition provisions set forth in Exhibit B hereto. The parties agree that the initial twelve (12) months of the severance payment provided for in Section 3.4.2(i) shall be allocated as consideration provided to Executive in exchange for his/her agreeing to be bound by the nonsolicitation and noncompetition provisions set forth in Exhibit B hereto. The balance of the severance benefits and other obligations undertaken by Univar Solutions pursuant to this Agreement shall be allocated as consideration for all other promises and obligations undertaken by Executive, including execution of the Release.

8. Remedies. Executive's violation of any of Sections 4, 5, 6 or 7 of this Agreement would cause Univar Solutions or its Affiliates irreparable harm which would not be adequately compensated by monetary damages. Univar Solutions is entitled to an injunction by any court or courts having jurisdiction, restraining Executive from violation of the terms of this Agreement, upon any breach or threatened breach by Executive of the obligations set forth in any of Sections 4, 5, 6 or 7. This Section 8 does not limit Univar Solutions or its Affiliates from seeking any other relief or damages to which they may be entitled as a result of Executive's breach of any provision of this Agreement, including Sections 4, 5, 6 or 7. The parties agree and acknowledge that Univar Solutions' Affiliates are intended beneficiaries of this Agreement and may seek to enforce the provisions of this Agreement should Executive breach those provisions.

9. Venue. Except for proceedings for injunctive relief, the venue of any litigation arising out of Executive's employment with Univar Solutions or interpreting or enforcing this Agreement shall lie in a court of appropriate jurisdiction in DuPage County, Illinois. Notwithstanding the foregoing, if the office to which Executive is assigned is more than 300 miles from DuPage County, Illinois, then the venue of any litigation arising out of Executive's employment with Univar Solutions or interpreting or enforcing this Agreement shall lie in the court of appropriate jurisdiction located in closest proximity to the office to which Executive is assigned.

10. Disclosure. Executive agrees fully and completely to reveal the terms of the terms of Sections 4, 5, 6 or 7 of this Agreement to any prospective employer of Executive before entering into any contractually binding agreement to perform services and authorizes Univar Solutions and its Affiliates, at their election, to make such disclosure. Immediately after agreeing to provide services to any person during the period of twelve (12) months following Executive's termination of employment, Executive will notify Univar Solutions of the identity of that person.

11. Representation of Executive. Executive represents and warrants to Univar Solutions that Executive is free to enter into this Agreement and has no commitment, arrangement or understanding to or with any party that restrains or is in conflict with Executive's performance of the covenants, services and duties provided for in this Agreement. In the course of Executive's employment with Univar Solutions, Executive shall not violate any obligation that Executive may owe any third party, including former employers.

12. Fees. In any litigation relating to the interpretation or enforcement of this Agreement, the prevailing party will be entitled to recoup the costs and attorneys' fees it incurs.

13. Assignability. During Executive's employment, this Agreement may not be assigned by either party without the written consent of the other; provided, however, that Univar Solutions may assign its rights and obligations under this Agreement without Executive's consent to any of its Affiliates or to a successor by sale, merger or liquidation, if such successor carries on the business substantially in the form in which it is being conducted at the time of the sale, merger or liquidation. Executive's transfer of employment to a successor shall not, by itself, be deemed a termination of employment under Section 3 of this Agreement. This Agreement is binding upon Executive, Executive's heirs, personal representatives and permitted assigns and on Univar Solutions, its successors and assigns.

14. Notices. Any notice required or permitted to be given by this Agreement must be in writing and delivered by e-mail, hand, or registered or certified mail, at a valid address (including e-mail address) of Executive on file with Univar Solutions, or in the case of Univar Solutions at the address of its principal executive offices (attention: Chief Executive Officer), or such other address as may be provided to each party by the other.

15. Severability. If any provision of this Agreement or compliance by any of the parties with any provision of this Agreement violates any applicable law, or is or becomes unenforceable or void, then such provision shall be deemed modified only to the extent necessary so that it no longer violates such law and becomes unenforceable. As modified in accordance with the previous sentence, if necessary, each provision of this Agreement will be enforced to the fullest extent permitted by law. If it is impossible to modify a provision that violates any applicable law, or is or becomes unenforceable or void, that provision shall be deemed severable from the remaining provisions of this Agreement, which provisions will remain binding on the parties.

16. Waivers. No failure on the part of either party to exercise, and no delay in exercising, any right or remedy under this Agreement will constitute a waiver of that right or remedy. No single or partial waiver of a breach of any provision of this Agreement waives any subsequent breach. A single or partial exercise of any right or remedy under this Agreement will not preclude any other or further exercise of that right or remedy or the exercise of any other right or remedy granted by this Agreement or by applicable law.

17. Governing Law. The validity, construction and performance of this Agreement shall be governed by the laws of the State of Illinois without regard to its conflicts of law provisions. Notwithstanding the foregoing, if a Court of competent jurisdiction determines that the laws of the State of Illinois, as applied to the validity, construction and performance of this Agreement, violate the public policy of the state, province or country (if outside of the United States) where Executive is employed, then the laws of that state, province or country shall apply to this Agreement, but only as those areas of this Agreement where the laws of the State of Illinois are found to be in violation of that state's, province's or country's public policy.

18. Survival. Notwithstanding anything to the contrary in this Agreement, the obligations of this Agreement shall survive a termination of this Agreement or the termination of Executive's employment with Univar Solutions, except for obligations under Sections 1, 2 and 3.

19. Entire Agreement. This Agreement contains the entire agreement of Executive and Univar Solutions with respect to the subject matter of cash severance payable to Executive in connection with termination of employment, and supersedes all prior agreements and understandings with respect to such subject matter. This Agreement is not intended to have any impact on any employee benefit plans that may provide for benefits following termination of employment, nor is in intended to have any impact on equity-based compensation plans, grants or arrangements that may include provisions regarding what is forfeited and/or what is payable or continues in effect, as the case may be, following Executive's termination of employment. There are no other representations or agreements related to the terms and conditions of Executive's employment with Univar Solutions. This Agreement may be changed only by an agreement in writing signed by the party against whom enforcement of any waiver or modification is sought. In order to be binding on Univar Solutions, a waiver or modification must be signed by the Executive Chair, Board Chair or Compensation Committee Chair of Univar Solutions' Board of Directors.

20. Executive's Recognition of Agreement. Executive is entitled to have this Agreement reviewed by an attorney of Executive's selection, at Executive's expense, prior to signing; Executive has either done so or elected to forgo that right. Executive has read and understood this Agreement and agrees that its terms are necessary for the reasonable and proper protection of the business of Univar Solutions and its Affiliates.

21. Code Section 409A. The benefits ("Severance Benefits") provided under Section 3 of this Agreement are intended to comply with Section 409A of the Code or to otherwise be exempt therefrom.

21.1.1 Notwithstanding anything herein to the contrary, if (a) the Executive is a "specified employee" as determined pursuant to Section 409A of the Code as of the date of the Executive's "separation from service" (within the meaning of Treas. Reg. 1.409A-1(h)) and if any Severance Benefits or other payment or benefit provided for in this Agreement or otherwise both (i) constitutes a "deferral of compensation" within the meaning of Section 409A of the Code and (ii) cannot be paid or provided in the manner otherwise provided without subjecting the Executive to "additional tax", interest or penalties under Section 409A of the Code, then any such Severance Benefit or other payment or benefit that is payable during the first six months following the Executive's "separation from service" shall be paid or provided to the Executive in a cash lump-sum on the first business day of the seventh calendar month following the month in which the Executive's "separation from service" occurs. Any payment or benefit due upon a termination of the Executive's employment that represents a "deferral of compensation" within the meaning of Section 409A shall only be paid or provided to the Executive upon a "separation from service.

21.1.2 To the extent any expense reimbursement or the provision of any in-kind benefit under this Agreement is determined to be subject to Section 409A of the Code, the amount of any such expenses eligible for reimbursement, or the provision of any in-kind benefit, in one taxable year shall not affect the expenses eligible for reimbursement in any other taxable year (except for any life-time or other aggregate limitation applicable to medical expenses), in no event shall any expenses be reimbursed after the last day of the calendar year following the calendar year in which the Executive incurred such expenses, and in no event shall any right to reimbursement or the provision of any in-kind benefit be subject to liquidation or exchange for another benefit. For the purposes of this Agreement, each payment made pursuant to Section 3 shall be deemed to be separate payments, amounts payable under Section 3 of this Agreement shall be deemed not to be a "deferral of compensation" subject to Section 409A of the Code to the extent provided in the exceptions in Treas. Reg. Sections 1.409A-1(b)(4) ("short-term deferrals") and (b)(9) ("separation pay plans," including the exception under subparagraph (iii)) and other applicable provisions of Treas. Reg. Section 1.409A-1 through A-6.

21.1.3. In no event may an Executive, directly or indirectly, designate the calendar year of any payment under this Agreement, and to the extent required by Section 409A of the Code, any payment that may be paid in more than one taxable year (depending on the time that Executive executes the Release Agreement) shall be paid in the later taxable year.

22. Taxes. Univar Solutions makes no representations or warranties regarding the tax treatment of any payments or benefits provided under this Agreement. Executive is strongly urged to consult with his or her own personal tax or financial advisor regarding the impact of this Agreement on Executive in light of Executive's personal tax and financial situation. In addition, any payments due under this Agreement shall be subject to all required withholdings for federal, state and local income and/or wage taxes, for Social Security and Medicare taxes, and any other taxes for which holding is required under applicable law.

Executive and Univar Solutions have signed and delivered this Agreement as of the date first above written.

UNIVAR SOLUTIONS INC.	EXECUTIVE
By__________________________________	__________________________________ (Signature)
Kimberly L. Dickens Senior Vice President and Chief People Officer	[Executive Name]
	__________________________________ (Date)

EXHIBIT A (Illinois)

RELEASE

This Release ("Release") is entered into by __________ ("Executive") with respect to the termination of the employment relationship between Executive and Univar Solutions Inc. (the "Company").

1. Executive's last day of employment with the Company was ____________ ("Termination Date"). Executive shall not seek future employment or any right to future employment with the Company, its parent or any of its affiliates.

2. Executive has been provided all compensation and benefits earned Executive by virtue of employment with the Company, except to the extent that Executive may still be owed salary earned during the last pay period prior to the Termination Date and accrued unused vacation and excluding the amount payable to Executive under the Severance and Change in Control Agreement between Executive and the Company ("CIC Agreement").

3. As consideration for the obligations undertaken by the Company pursuant to the CIC Agreement, Executive hereby releases the Company and its affiliates, and their respective officers, directors, and employees, from any and all claims, causes of action, and liability for damages of whatever kind, known or unknown, arising from or relating to Executive's employment and separation from employment ("Released Claims"). Released Claims include claims (including claims to attorneys' fees), damages, causes of action, and disputes of any kind whatsoever, including without limitation all claims for wages, employee benefits, and damages arising out of any: contracts, express or implied (including the CIC Agreement); tort; discrimination; wrongful termination; any federal, state, local, or other governmental statute or ordinance, including, without limitation Title VII of the Civil Rights Act of 1964, as amended, the Age Discrimination in Employment Act, as amended ("ADEA"), Fair Labor Standards Act, the Illinois Human Rights Act, the Illinois Minimum Wage Law, the Illinois Wage Payment and Collection Act, and the Employee Retirement Income Security Act of 1974, as amended ("ERISA"); and any other legal limitation on the employment relationship. Notwithstanding the foregoing, "Released Claims" do not include claims for breach or enforcement of this Release, claims that arise after the execution of this Release, claims to vested benefits under ERISA, workers' compensation claims, or any other claims that may not be released under this Release in accordance with applicable law.

4. Executive represents and warrants that Executive has not filed any litigation based on any Released Claims. Executive covenants and promises never to file, press, or join in any lawsuit based on any Released Claim and agrees that any such claim, if filed by Executive, shall be dismissed, except that this covenant and promise does not apply to any claim of Executive challenging the validity of this Release in connection with claims arising under the ADEA. Executive represents and warrants that Executive is the sole owner of any and all Released Claims that Executive may have; and that Executive has not assigned or otherwise transferred Executive's right or interest in any Released Claim.

5. Executive represents and warrants that Executive has turned over to the Company all property of the Company, including without limitation all files, memoranda, keys, manuals, equipment, data, records, and other documents, including electronically recorded documents and data that Executive received from the Company or its employees or that Executive generated in the course of employment with the Company.

6. Executive specifically agrees as follows:

   a. Executive has carefully read this Release and understands it;

   b. Executive is knowingly and voluntarily entering into this Release;

c. Executive acknowledges that the Company is providing benefits in the form of payments and compensation, to which Executive would not otherwise be entitled in the absence of Executive's entry into this Release, as consideration for Executive's entering into this Release;

d. Executive understands that this Release is waiving any potential claims under the ADEA and other discrimination statutes, except as provided in this Release;

e. Executive is hereby advised by this Release to consult with an attorney prior to executing this Release and has done so or has knowingly and voluntarily waived the right to do so;

f. Executive understands he has a period of twenty-one (21) days from the date a copy of this Release is provided to Executive in which to consider and sign the Release (during which the offer will remain open), and that Executive has an additional seven (7) days after signing this Release within which to revoke acceptance of the Release;

g. If during the twenty-one (21) day waiting period Executive should elect not to sign this Release, or during the seven (7) day revocation period Executive should revoke acceptance of the Release, then this Release shall be void. The effective date of this Release shall be the eighth day after Executive signs and delivers this Release, provided he has not revoked acceptance; and

h. Executive may accept this Release before the expiration of the twenty-one (21) days, in which case Executive shall waive the remainder of the 21-day waiting period.

7. Executive hereby acknowledges his obligation to comply with the obligations that survive termination of the CIC Agreement, including without limitation those obligations with respect to confidentiality, inventions and nonsolicitation.

8. Section 3 of this Release is integral to its purpose and may not be severed from this Release. In the event that any other provision of this Release shall be found to be unlawful or unenforceable, such provision shall be deemed narrowed to the extent required to make it lawful and enforceable. If such modification is not possible, such provision shall be severed from the Release and the remaining provisions shall remain fully valid and enforceable to the maximum extent consistent with applicable law. To the extent any terms of this Release are put into question, all provisions shall be interpreted in a manner that would make them consistent with current law.

9. This Release shall be interpreted pursuant to Illinois law without regard to conflicts of law principles.

Executive:

____
(Signature)

____
(Print Name)

Dated: ______________________________

EXHIBIT B (Illinois)

During Executive’s employment with Univar Solutions, and for a period expiring eighteen (18) months after the termination of Executive’s employment, regardless of the reason, if any, for such termination, Executive shall not, in the Restricted Geographic Area (defined below), directly or indirectly:

1. solicit or entice away or in any other manner persuade or attempt to persuade any officer, employee, consultant or agent of Univar Solutions or any of its Affiliates to alter or discontinue his or her relationship with Univar Solutions or its Affiliates. This shall not bar any employee of Univar Solutions or its Affiliates from applying for or accepting employment with any person or entity;

2. solicit from any person or entity that was a customer of Univar Solutions or any of its Affiliates during the last two (2) years of Executive’s employment with Univar Solutions, any business of a type or nature similar to the business that Univar Solutions or any of its Affiliates offered to such customer, if the customer was a person or entity to which the Executive and/or one or more employees or business units supervised, managed or directed by Executive sold products or services on behalf of Univar Solutions or its Affiliates during the eighteen (18) month period immediately preceding the last date of Executive’s employment with Univar Solutions;

3. solicit, divert, or in any other manner persuade or attempt to persuade any supplier of Univar Solutions or any of its Affiliates to discontinue its relationship with Univar Solutions or its Affiliates;

4. solicit, divert, take away or attempt to solicit, divert or take away any customers of Univar Solutions or its Affiliates, if the customer was a person or entity to which the Executive and/or one or more employees or business units supervised, managed or directed by Executive sold products or services on behalf of Univar Solutions or its Affiliates during the eighteen (18) month period immediately preceding the last date of Executive’s employment with Univar Solutions; or

5. engage in or participate in any of the following businesses, directly or indirectly, whether as an employer, officer, director, owner, stockholder, employee, partner, joint venturer or consultant, where Executive’s duties shall involve any level of strategic input: chemical or ingredient distribution or waste remediation. This provision shall not bar Executive from performing clerical, menial or manual labor for any such business.

For purposes of this Exhibit B, the “Restricted Geographic Area” shall mean the geographic area in which Executive performed any services, or others supervised by Executive performed services, on behalf of Univar Solutions or its Affiliates during the twenty four (24) month period immediately preceding the termination of Executive’s employment with Univar Solutions, regardless of the reason for such termination, and the parties agree and acknowledge that the Restricted Geographic Area shall include the United States, Western Europe, Canada, Mexico and Brazil, as Univar Solutions and its Affiliates do business in all of these locations.

So long as Executive does not otherwise violate any of the provisions of this Exhibit B set forth above, nothing in this Exhibit B limits Executive’s ability to:

1. hire an employee of Univar Solutions or any of its Affiliates in circumstances under which such employee first contacts Executive regarding employment; or

2. own not more than 5% of the equity of a publicly traded entity.

The parties agree that the provisions of this Exhibit B do not impose an undue hardship on Executive and are not injurious to the public, and that Executive will be able to find meaningful employment without violating any of the provisions set forth in this Exhibit B. These provisions are necessary to protect the business of Univar Solutions and its Affiliates. Because the nature of Executive's responsibilities with Univar Solutions under this Agreement provide Executive with access to Confidential Information and Trade Secrets that are valuable and confidential to Univar Solutions and its Affiliates, Univar Solutions would not employ Executive if Executive did not agree to the provisions of this Exhibit B. The provisions of this Exhibit B contain reasonable restrictions of scope and duration and Executive received adequate consideration to agree to them. If a court or other tribunal determines that any provision of this Section 7 is unreasonably broad or extensive, Executive agrees that such court should narrow that provision only to the extent necessary to make it reasonable and enforceable as narrowed.

This Exhibit B supplements and does not replace any other obligations the Executive may have with regard to the subject matter herein.

OFFICER INDEMNIFICATION AGREEMENT

Indemnification Agreement (this "Agreement"), dated as of ______, 20__, between Univar Solutions Inc., a Delaware corporation (the "Company"), and ______ ("Indemnitee").

WHEREAS, in recognition of the need for corporations to be able to induce capable and responsible individuals to accept positions as officers, Delaware law authorizes (and in some instances requires) corporations to indemnify their officers, and further authorizes corporations to purchase and maintain insurance for the benefit of their officers.

WHEREAS, Delaware law also authorizes a corporation to pay in advance of the final disposition of an action, suit or proceeding the expenses incurred by an officer in the defense thereof, and any such right to the advancement of expenses may be made separate and distinct from any right to indemnification and need not be subject to the satisfaction of any standard of conduct or otherwise affected by the merits of any claims against the officer;

WHEREAS, qualified persons are reluctant to serve corporations as officers or otherwise unless they are provided with appropriate indemnification and insurance against claims arising out of their service to and activities on behalf of the corporations;

WHEREAS, it is critically important to the Company and its stockholders that the Company be able to attract and retain the most qualified persons reasonably available to serve as officers of the Company; and

WHEREAS, the Company has determined that attracting and retaining such persons is in the best interests of the Company's stockholders and that it is reasonable, prudent and necessary for the Company to indemnify such persons to the fullest extent permitted by applicable law and to provide reasonable assurance regarding insurance;

NOW, THEREFORE, the Company and Indemnitee hereby agree as follows:

1. Defined Terms; Construction.

   a. Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

"Change in Control" means, and shall be deemed to have occurred if, on or after the date of this Agreement, (i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended), other than (A) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries acting in such capacity, or (B) a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company, is or becomes the "beneficial owner" (as defined in Rule 13d-3 under said Act), directly or indirectly, of securities of the Company representing more than 50% of the total voting power represented by the Company's then outstanding Voting Securities, (ii) during any period of two consecutive years commencing from and after the date hereof; individuals who at the beginning of such period constitute the Board of Directors (the "Board") of the Company and any new director whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof, (iii) the stockholders of the Company approve a merger or consolidation of the Company with any other corporation other than a merger or consolidation that would result in the Voting Securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into Voting Securities of the surviving entity) at least 50% of the total voting power represented by the Voting Securities of the Company or such surviving entity outstanding immediately after such merger or consolidation, (iv) the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of (in one transaction or a series of related transactions) all or substantially all of its assets, or (y) the Company shall file or have filed against it, and such filing shall not be dismissed, any bankruptcy, insolvency or dissolution proceedings, or a trustee, administrator or creditors committee shall be appointed to manage or supervise the affairs of the Company.

"Corporate Status" means the status of a person who is or was a director (or a member of any committee of a board of directors), officer, employee or agent (including without limitation a manager of a limited liability company) of the Company or any of its Subsidiaries, or of any predecessor thereof, or is or was serving at the request of the Company as a director (or a member of any committee of a board of directors), officer, employee or agent (including without limitation a manager of a limited liability company) of another entity, or of any predecessor thereof, including service with respect to an employee benefit plan.

"Determination" means a determination that either (x) indemnification of Indemnitee is proper in the circumstances (a "Favorable Determination") because Indemnitee met a particular standard of conduct under Delaware law that is a legally required condition precedent to indemnification of Indemnitee hereunder against Indemnifiable Losses relating to, arising out of or resulting from such Indemnifiable Proceeding (a "Standard of Conduct") or (y) indemnification of Indemnitee is improper in the circumstances (an "Adverse Determination") because Indemnitee failed to meet a Standard of Conduct. An Adverse Determination shall include the decision that a Determination was required in connection with indemnification and the decision as to the applicable Standard of Conduct.

"DGCL" means the General Corporation Law of the State of Delaware, as amended from time to time.

"Expenses" means all reasonable attorneys' fees and expenses, retainers, court, arbitration and mediation costs, transcript costs, fees and expenses of experts, witnesses and public relations consultants, bonds, costs of collecting and producing documents, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, appealing or otherwise participating in (including on appeal) a Proceeding.

"Indemnifiable Proceeding" means any Proceeding based upon, arising out of or resulting from (i) any actual, alleged or suspected act or failure to act by Indemnitee in his or her capacity as a director, officer, employee or agent of the Company or as a director, officer, employee, member, manager, trustee or agent of any other Person, whether or not for profit (including any employee benefit plan or related trust), as to which Indemnitee is or was serving at the request of the Company as a director, officer, employee, member, manager, trustee or agent, (ii) any actual, alleged or suspected act or failure to act by Indemnitee in respect of any business, transaction, communication, filing, disclosure or other activity of the Company or any other Person referred to in clause (i) of this sentence, or (iii) Indemnitee's Corporate Status or any actual, alleged or suspected act or failure to act by Indemnitee in connection with any obligation or restriction imposed upon Indemnitee by reason of such Corporate Status.

"Indemnifiable Losses" means any and all Losses relating to, arising out of or resulting from any Indemnifiable Proceeding.

"Independent Legal Counsel" means an attorney or firm of attorneys competent to render an opinion under the applicable law, selected in accordance with the provisions of Section 6(e), who has not performed any services (other than services similar to those contemplated to be performed by Independent Legal Counsel under this Agreement) for the Company or any of its Subsidiaries or for Indemnitee, in each case, within the last three years.

"Losses" means any and all Expenses, damages, losses, liabilities, judgments, fines, penalties (whether civil, criminal or other) and amounts paid in settlement, including all interest, taxes, assessments and other charges paid or payable in connection with or in respect of any of the foregoing.

"Proceeding" means a threatened, asserted, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, including without limitation a claim, demand, discovery request, formal or informal investigation, inquiry, administrative hearing, arbitration or other form of alternative dispute resolution, including an appeal from any of the foregoing.

"Subsidiary" means any corporation, limited liability company, partnership or other entity, a majority of whose outstanding voting securities is owned, directly or indirectly, by the Company.

"Voting Securities" means any securities of the Company that vote generally in the election of directors.

b. Construction. For purposes of this Agreement,

i. References to the Company and any of its Subsidiaries shall include any corporation, limited liability company, partnership, joint venture, trust or other entity or enterprise that before or after the date of this Agreement is party to a merger or consolidation with the Company or any such Subsidiary or that is a successor to the Company as contemplated by Section 9(e) (whether or not such successor has executed and delivered the written agreement contemplated by Section 9(e)).

ii. References to "fines" shall include any excise taxes assessed on Indemnitee with respect to an employee benefit plan.

iii. References to a "witness" in connection with a Proceeding shall include any interviewee or person called upon to produce documents in connection with such Proceeding.

2. Agreement to Serve.

Indemnitee agrees to serve, or continue to serve, as the case may be, as an officer of the Company or one or more of its Subsidiaries and in such other capacities as Indemnitee may serve at the request of the Company from time to time, in each case, faithfully and to the best of his or her ability, and by its execution of this Agreement the Company confirms its request that Indemnitee serve as an officer and in such other capacities. Indemnitee shall be entitled to resign or otherwise terminate such service with immediate effect at any time, and neither such resignation or termination nor the length of such service shall affect Indemnitee's rights under this Agreement except to the extent specifically set forth in this Agreement. This Agreement shall not constitute an employment agreement, supersede any employment agreement to which Indemnitee is a party or create any right of Indemnitee to continued employment or appointment.

3. Indemnification.

a. General Indemnification. Subject to Section 3(e) below, the Company shall indemnify Indemnitee, to the fullest extent permitted by applicable law in effect on the date hereof or as amended to increase the scope of permitted indemnification, against all Indemnifiable Losses.

b. Additional Indemnification Regarding Expenses. Without limiting the foregoing, in the event any Proceeding is initiated by Indemnitee, the Company, any of its Subsidiaries or any other person to enforce or interpret this Agreement or any rights of Indemnitee to indemnification or advancement of Expenses (or related obligations of Indemnitee) under the Company's or any such Subsidiary's certificate of incorporation, bylaws or other organizational agreement or instrument, any other agreement to which Indemnitee and the Company or any of its Subsidiaries are party, any vote of stockholders or directors of the Company or any of its Subsidiaries, the DGCL, any other applicable law or any liability insurance policy, the Company shall indemnify Indemnitee against Expenses actually incurred by Indemnitee or on Indemnitee's behalf in connection with such Proceeding in proportion to the success achieved by Indemnitee in such Proceeding, as determined by the court presiding over such Proceeding.

c. Partial Indemnification. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for a portion of any Indemnifiable Losses, but not for the total amount thereof, the Company shall nevertheless indemnify Indemnitee for such portion.

d. Nonexclusivity. The indemnification and advancement rights provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may now or in the future be entitled under the certificate of incorporation, bylaws or other organizational agreement or instrument of the Company or any of its Subsidiaries, any other agreement, any vote of stockholders or directors, the DGCL, any other applicable law or any liability insurance policy, provided that to the extent that Indemnitee is entitled to be indemnified by the Company under this Agreement and by any stockholder of the Company or any affiliate of any such stockholder (other than the Company) under any other agreement or instrument, or by any insurer under a policy maintained by any such stockholder or affiliate, (i) the obligations of the Company hereunder shall be primary, and the obligations of such stockholder, affiliate or insurer secondary, and (ii) Indemnitee shall proceed first against the Company and any insurer under any policy maintained by the Company, second, if indemnification is not provided by the Company or any such insurer on a timely basis, against any insurer under a policy maintained by any such stockholder or affiliate, and third, if indemnification is not provided by the Company or any such insurer on a timely basis, against any such stockholder or affiliate. Any such stockholder or affiliate shall be entitled to enforce the Company's obligation to provide indemnification in accordance with the priorities set forth in this Section 3(d) directly against the Company, and each such stockholder or affiliate shall constitute an express intended third party beneficiary under this Agreement for such purpose. In the event that any such stockholder or affiliate makes indemnification payments or advances to Indemnitee in respect of any Expenses or other Indemnifiable Losses for which the Company would also be obligated pursuant to this Agreement, the Company shall reimburse such stockholder or affiliate in full on demand.

e. Exceptions. Any other provision herein to the contrary notwithstanding, the Company shall not be obligated under the Agreement to indemnify Indemnitee:

i. For Losses incurred in connection with Proceedings initiated or brought voluntarily by the Indemnitee and not by way of compulsory counterclaim, except (x) as contemplated by Section 3(b), (y) in specific cases if the Board has approved the initiation or bringing of such Proceeding, and (z) as may be required by law.

ii. For an accounting of profits arising from the purchase and sale by the Indemnitee of securities within the meaning of Section 16(b) of the Securities Exchange Act of 1934, as amended, or any similar successor statute.

iii. For remuneration paid to Indemnitee if it is determined by final judgment or other final adjudication that such remuneration was in violation of law (and, in this respect, both the Company and Indemnitee have been advised that the Securities and Exchange Commission believes that indemnification for liabilities arising under the federal securities laws is against public policy and is, therefore, unenforceable and that claims for indemnification should be submitted to appropriate courts for adjudication, as indicated in Section 3(e)(vi) below).

iv. For a final judgment or other final adjudication that Indemnitee's conduct was in bad faith, knowingly fraudulent or deliberately dishonest or constituted willful misconduct (but only to the extent of such specific determination).

v. For conduct constituting a breach of Indemnitee's duty of loyalty to the Company or resulting in any personal profit or advantage to which Indemnitee is not legally entitled.

vi. In violation of any undertaking appearing in and required by the rules and regulations promulgated under the Securities Act of 1933, as amended (the "Act"), or in any registration statement filed with the SEC under the Act (Indemnitee acknowledges that paragraph (h) of Item 512 of Regulation S-K currently generally requires the Company to undertake in connection with any registration statement filed under the Act to submit the issue of the enforceability of Indemnitee's rights under this Agreement in connection with any liability under the Act on public policy grounds to a court of appropriate jurisdiction and to be governed by any final adjudication of such issue. Indemnitee specifically agrees that any such undertaking shall supersede the provisions of this Agreement and to be bound by any such undertaking).

vii. On account of any reimbursement of the Company by Indemnitee of any bonus or other incentive-based or equity-based compensation under any bona fide clawback policy of the Company or as otherwise required under federal securities laws, including but not limited to the Sarbanes-Oxley Act of 2002 and the Dodd-Frank Wall Street Reform and Consumer Protection Act.

viii. For any amounts which payment has actually been made to or on behalf of Indemnitee under any insurance policy or other indemnity provision, expect with respect to any excess beyond the amount paid under any insurance policy or indemnity policy.

f. Subrogation. In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of the Indemnitee, who shall execute such documents and do such acts as the Company may reasonably request to secure such rights and to enable the Company effectively to bring suit to enforce such rights, provided that the Company shall not be entitled to contribution or indemnification from or subrogation against any stockholder of the Company, any affiliate of any such stockholder or any insurer under a policy maintained by any such stockholder or affiliate.

g. Assumption of Defense. In the event the Company shall be requested by Indemnitee to pay the Expenses of any Proceeding, the Company, if appropriate, shall be entitled to assume the defense of such Proceeding, or to participate to the extent permissible in such Proceeding, with counsel reasonably acceptable to Indemnitee. Upon assumption of the defense by the Company and the retention of such counsel by the Company, the Company shall not be liable to Indemnitee under this Agreement for any fees of counsel subsequently incurred by Indemnitee with respect to the same Proceeding, provided that Indemnitee shall have the right to employ separate counsel in such Proceeding at Indemnitee’s sole cost and expense. Notwithstanding the foregoing, if Indemnitee’s counsel delivers a written notice to the Company stating that such counsel has reasonably concluded that there may be a conflict of interest between the Company and Indemnitee in the conduct of any such defense or the Company shall not, in fact, have employed counsel or otherwise actively pursued the defense of such Proceeding within a reasonable time, then in any such event the fees and Expenses of Indemnitee’s counsel to defend such Proceeding shall be subject to the indemnification and advancement of Expenses provisions of this Agreement.

4. Contribution

a. The Company hereby agrees to fully indemnify and hold Indemnitee harmless from any claims of contribution which may be brought by officers, directors or employees of the Company, other than Indemnitee, who may be jointly liable with Indemnitee.

b. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for all expense, liability and loss (including, without limitation, attorneys’ fees, judgments, fines, Employee Retirement Income Security Act excise taxes or penalties and amounts paid or to be paid in settlement), in connection with any Proceeding, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

5. Advancement of Expenses.

To the extent not prohibited by Law, the Company shall pay all Expenses actually incurred by Indemnitee in connection with any Proceeding in any way connected with, resulting from or relating to Indemnitee’s Corporate Status, other than a Proceeding initiated by Indemnitee for which the Company would not be obligated to indemnify Indemnitee pursuant to Section 3(e)(i), in advance of the final disposition of such Proceeding and without regard to whether Indemnitee will ultimately be entitled to be indemnified for such Expenses and without regard to whether an Adverse Determination has been made, except as contemplated by the last sentence of Section 6(f). Indemnitee shall repay such amounts advanced only if and to the extent that it shall ultimately be determined by a court of competent jurisdiction in a final and non-appealable decision that Indemnitee is not entitled to be indemnified by the Company for such Expenses. Such repayment obligation shall be unsecured and shall not bear interest. The Company shall not impose on Indemnitee additional conditions to advancement or require from Indemnitee additional undertakings regarding repayment. The Company agrees that for the purposes of any advancement of Expenses for which Indemnitee has made written demand to the Company in accordance with this Agreement, all Expenses included in such demand that are certified by affidavit of Indemnitee's counsel as being reasonable shall be presumed to be reasonable (only be overcome if the Company establishes clear and convincing evidence to the contrary).

6. Indemnification Procedure.

a. Notice of Proceeding; Cooperation. Indemnitee shall give the Company notice in writing as soon as practicable of any Proceeding for which indemnification will or could be sought under this Agreement, including a brief description (based upon information then available to Indemnitee) of the potential Indemnifiable Losses relating to such Proceeding, provided that any failure or delay in giving such notice shall not relieve the Company of its obligations under this Agreement unless and to the extent that (i) none of the Company and its Subsidiaries are party to or aware of such Proceeding and (ii) the Company is materially prejudiced by such failure.

b. Settlement. The Company will not, without the prior written consent of Indemnitee, which may be provided or withheld in Indemnitee's sole discretion, effect any settlement of any Proceeding against Indemnitee or which could have been brought against Indemnitee unless such settlement solely involves the payment of money by persons other than Indemnitee and includes an unconditional release of Indemnitee from all liability on any matters that are the subject of such Proceeding. The Company shall not be obligated to indemnify Indemnitee against amounts paid in settlement of a Proceeding against Indemnitee if such settlement is effected by Indemnitee without the Company's prior written consent, which shall not be unreasonably withheld.

c. Request for Payment; Timing of Payment. To obtain indemnification payments or advances under this Agreement, Indemnitee shall submit to the Company a written request therefor, together with such invoices or other supporting information as may be reasonably requested by the Company and reasonably available to Indemnitee. The Company shall make indemnification payments to Indemnitee no later than 30 days, and advances to Indemnitee no later than 10 days, after receipt of the written request (and such invoices or other supporting information) of Indemnitee.

d. Determination. The Company intends that Indemnitee shall be indemnified to the fullest extent permitted by law as provided in Section 3 and that no Determination shall be required in connection with such indemnification. In no event shall a Determination be required in connection with advancement of Expenses pursuant to Section 4 or in connection with indemnification for Expenses incurred as a witness or incurred in connection with any Proceeding or portion thereof with respect to which Indemnitee has been successful on the merits or otherwise (including, without limitation, settlement of Proceeding with or without payment of money or other consideration or the termination of any issue or matter in such Proceeding by dismissal, with or without prejudice). Any decision that a Determination is required by law in connection with any other indemnification of Indemnitee, and any such Determination, shall be made within 30 days after receipt of Indemnitee's written request for indemnification, as follows:

i. If no Change in Control has occurred, (w) by a majority vote of the directors of the Company who are not parties to such Proceeding, even though less than a quorum, with the advice of Independent Legal Counsel, or (x) by a committee of such directors designated by majority vote of such directors, even though less than a quorum, with the advice of Independent Legal Counsel, or (y) if there are no such directors, or if such directors so direct, by Independent Legal Counsel in a written opinion to the Company and Indemnitee, or (z) by the stockholders of the Company.

ii. If a Change in Control has occurred, by Independent Legal Counsel in a written opinion to the Company and Indemnitee.

The Company shall pay all Expenses incurred by Indemnitee in connection with a Determination. Such 30-day period may be extended for a reasonable time, not to exceed an additional 30 days, if the Person or Persons making such determination in good faith requires such additional time for obtaining or evaluating any documentation or information relating thereto.

e. Independent Legal Counsel. If there has not been a Change in Control, Independent Legal Counsel shall be selected by the Board and approved by Indemnitee (which approval shall not be unreasonably withheld or delayed). If there has been a Change in Control, Independent Legal Counsel shall be selected by Indemnitee and approved by the Company (which approval shall not be unreasonably withheld or delayed). The Company shall pay the fees and expenses of Independent Legal Counsel and indemnify Independent Legal Counsel against any and all expenses (including attorneys' fees), claims, liabilities and damages arising out of or relating to its engagement.

f. Consequences of Determination; Remedies of Indemnitee. The Company shall be bound by and shall have no right to challenge a Favorable Determination. If an Adverse Determination is made, or if for any other reason the Company does not make timely indemnification payments or advances of Expenses, Indemnitee shall have the right to commence a Proceeding before a court of competent jurisdiction to challenge such Adverse Determination and/or to require the Company to make such payments or advances. Indemnitee shall be entitled to be indemnified for all Expenses incurred in connection with such a Proceeding in accordance with Section 3(b) and to have such Expenses advanced by the Company in accordance with Section 5. If Indemnitee fails to timely challenge an Adverse Determination, or if Indemnitee challenges an Adverse Determination and such Adverse Determination has been upheld by a court of competent jurisdiction, in a final and non-appealable decision then, to the extent and only to the extent required by such Adverse Determination or final decision, the Company shall not be obligated to indemnify or advance Expenses to Indemnitee under this Agreement.

g. Presumptions; Burden and Standard of Proof. In connection with any Determination, or any review of any Determination, by any person, including a court:

i. It shall be a presumption that a Determination is not required.

ii. It shall be a presumption that Indemnitee has met the applicable Standard of Conduct and that indemnification of Indemnitee is proper in the circumstances.

iii. The burden of proof shall be on the Company to overcome the presumptions set forth in the preceding clauses (i) and (ii), and each such presumption shall only be overcome if the Company establishes clear and convincing evidence to the contrary.

iv. The termination of any Proceeding by judgment, order, finding, settlement (whether with or without court approval) or conviction, or upon a plea of *nolo contendere*, or its equivalent, shall not create a presumption that indemnification is not proper or that Indemnitee did not meet the applicable Standard of Conduct or that a court has determined that indemnification is not permitted by this Agreement or otherwise.

v. Neither the failure of any person or persons to have made a Determination nor an Adverse Determination by any person or persons shall be a defense to Indemnitee's claim or create a presumption that Indemnitee did not meet the applicable Standard of Conduct, and any Proceeding commenced by Indemnitee pursuant to Section 6(f) shall be *de novo* with respect to all determinations of fact and law.

7. Directors and Officers Liability Insurance. Maintenance of Insurance. So long as the Company or any of its Subsidiaries maintains liability insurance for any directors, officers, employees or agents of any such person, the Company shall ensure that Indemnitee is covered by such insurance in such a manner as to provide Indemnitee the same rights and benefits as are accorded to the most favorably insured of the Company's and its Subsidiaries' then current directors and officers. If at any date (i) such insurance ceases to cover acts and omissions occurring during all or any part of the period of Indemnitee's Corporate Status or (ii) neither the Company nor any of its Subsidiaries maintains any such insurance, the Company shall ensure that Indemnitee is covered, with respect to acts

and omissions prior to such date, for at least six years (or such shorter period as is available on commercially reasonable terms) from such date, by other directors and officers liability insurance, in amounts and on terms (including the portion of the period of Indemnitee's Corporate Status covered) no less favorable to Indemnitee than the amounts and terms of the liability insurance maintained by the Company on the date hereof.

8. Miscellaneous.

a. Non-Circumvention. The Company shall not seek or agree to any order of any court or other governmental authority that would prohibit or otherwise interfere, and shall not take or fail to take any other action if such action or failure would reasonably be expected to have the effect of prohibiting or otherwise interfering, with the performance of the Company's indemnification, advancement or other obligations under this Agreement.

b. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (i) the validity, legality and enforceability of the remaining provisions of this Agreement (including without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (ii) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (iii) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

c. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed duly given (i) on the date of delivery if delivered personally, or by e-mail or facsimile, upon confirmation of receipt, (ii) on the first business day following the date of dispatch if delivered by a recognized next-day courier service or (iii) on the third business day following the date of mailing if delivered by domestic registered or certified mail, properly addressed, or on the fifth business day following the date of mailing if sent by airmail from a country outside of North America, to Indemnitee at the address shown on the signature page of this Agreement, to the Company at the address shown on the signature page of this Agreement, or in either case as subsequently modified by written notice.

d. Amendment and Termination. No amendment, modification, termination or cancellation of this Agreement shall be effective unless it is in writing signed by all the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar), nor shall such waiver constitute a continuing waiver. This Agreement shall continue until and terminate upon the later of (i) five years after the date that Indemnitee shall have ceased to serve as director, officer, employee or agent of the Company or as a director, officer, employee, member, manager, trustee or agent of any other Person, whether or not for profit (including any employee benefit plan or related trust), as to which Indemnitee is or was serving at the request of the Company as a director, officer, employee, member, manager, trustee or agent or (ii) one year after the final termination of any Proceeding, including any appeal then pending, in respect to which Indemnitee was granted rights of indemnification or advancement of Expenses hereunder.

e. Successors and Assigns. This Agreement shall be binding upon the Company and its respective successors and assigns, including without limitation any acquiror of all or substantially all of the Company's assets or business and any survivor of any merger or consolidation to which the Company is party, and shall inure to the benefit of and be enforceable by Indemnitee and Indemnitee's estate, spouses, heirs, executors, personal or legal representatives, administrators and assigns. The Company shall require and cause any such successor, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement as if it were named as the Company herein, and the Company shall not permit any such purchase of assets or business, acquisition of securities or merger or consolidation to occur until such written agreement has been executed and delivered. No such assumption and agreement shall relieve the Company of any of its obligations hereunder, and this Agreement shall not otherwise be assignable by the Company.

f. Choice of Law; Consent to Jurisdiction. This Agreement shall be governed by and its provisions construed in accordance with the laws of the State of Delaware, as applied to contracts between Delaware residents entered into and to be performed entirely within Delaware, without regard to the conflict of law principles thereof. The Company and Indemnitee each hereby irrevocably consent to the jurisdiction of the Chancery Court of the State of Delaware for all purposes in connection with any Proceeding which arises out of or relates to this Agreement and agree that any Proceeding instituted under this Agreement will be brought only in the Chancery Court of the State of Delaware.

g. Integration and Entire Agreement. This Agreement sets forth the entire understanding between the parties hereto and supersedes and merges all previous written and oral negotiations, commitments, understandings and agreements relating to the subject matter hereof between the parties hereto, provided that the provisions hereof shall not supersede the provisions of the Company's certificate of incorporation, bylaws or other organizational agreement or instrument, any other agreement, any vote of stockholders or directors, the DGCL or other applicable law, to the extent any such provisions shall be more favorable to Indemnitee than the provisions hereof.

h. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

UNIVAR SOLUTIONS INC.

By: ______________________________________

Name:

Title:

Address: __________________________________

____

____

AGREED TO AND ACCEPTED:

INDEMNITEE:

By: ______________________________________

Name:

Title:

Address: __________________________________

____

____

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) OF THE EXCHANGE ACT, AS AMENDED,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, David C. Jukes, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Univar Solutions Inc.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2020

By: /s/ David C. Jukes
David C. Jukes
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) OF THE EXCHANGE ACT, AS AMENDED,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Nicholas W. Alexos, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Univar Solutions Inc.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2020

By: /s/ Nicholas W. Alexos
Nicholas W. Alexos
Executive Vice President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q (the “Report”) for the quarter ended September 30, 2020, I, David C. Jukes, President and Chief Executive Officer of Univar Solutions Inc. (the “Company”), certify that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (the “Exchange Act”); and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ DAVID C. JUKES
David C. Jukes
President and Chief Executive Officer
November 5, 2020

This certification accompanies the Report and shall not, except to the extent required by the Exchange Act, be deemed filed by the Company. A signed original of this certification has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q (the “Report”) for the quarter ended September 30, 2020, I, Nicholas W. Alexos, Executive Vice President and Chief Financial Officer of Univar Solutions Inc. (the “Company”), certify that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (the “Exchange Act”); and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ NICHOLAS W. ALEXOS
Nicholas W. Alexos
Executive Vice President and Chief Financial Officer
November 5, 2020

This certification accompanies the Report and shall not, except to the extent required by the Exchange Act, be deemed filed by the Company. A signed original of this certification has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.