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, 2018

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 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

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 or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

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, 2018 , 141,633,516 shares of the registrant's common stock, $0.01 par value, were outstanding.

Univar Inc.

Form 10-Q

For the quarterly period ended September 30, 2018

TABLE OF CONTENTS

PART I.
FINANCIAL INFORMATION

Item 1. Financial Statements

Univar Inc.

Condensed Consolidated Statements of Operations
(Unaudited)

(in millions, except per share data)	Note	Three months ended September 30, 2018	Three months ended September 30, 2017	Nine months ended September 30, 2018	Nine months ended September 30, 2017
Net sales		$ 2,130.7	$ 2,048.7	$ 6,661.3	$ 6,294.5
Cost of goods sold (exclusive of depreciation)		1,662.0	1,593.9	5,205.5	4,933.9
Operating expenses:					
Outbound freight and handling		82.7	74.8	248.5	217.7
Warehousing, selling and administrative		229.0	230.7	710.9	695.2
Other operating expenses, net	4	12.4	11.8	37.0	55.8
Depreciation		31.5	32.5	93.8	102.5
Amortization		13.5	16.8	40.7	50.0
Total operating expenses		$ 369.1	$ 366.6	$ 1,130.9	$ 1,121.2
Operating income		$ 99.6	$ 88.2	$ 324.9	$ 239.4
Other (expense) income:					
Interest income		0.6	0.9	2.7	2.6
Interest expense		(32.8)	(39.3)	(101.8)	(112.6)
Loss on extinguishment of debt		—	—	—	(0.8)
Other income (expense), net	6	2.5	(4.4)	3.0	(20.4)
Total other expense		$ (29.7)	$ (42.8)	$ (96.1)	$ (131.2)
Income before income taxes		69.9	45.4	228.8	108.2
Income tax expense	8	20.3	6.5	57.7	15.4
Net income		$ 49.6	$ 38.9	$ 171.1	$ 92.8
Income per common share:					
Basic	9	$ 0.35	$ 0.28	$ 1.21	$ 0.66
Diluted	9	0.35	0.28	1.20	0.66
Weighted average common shares outstanding:					
Basic	9	141.2	140.4	141.1	140.0
Diluted	9	142.3	141.4	142.1	141.3

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

Univar Inc.

Condensed Consolidated Statements of Comprehensive Income (Unaudited)

(in millions)	Note	Three months ended September 30, 2018		Three months ended September 30, 2017		Nine months ended September 30, 2018		Nine months ended September 30, 2017	
Net income		$	49.6	$	38.9	$	171.1	$	92.8
Other comprehensive income (loss), net of tax:									
Impact due to adoption of ASU 2017-12 [(1)]	**10**		—		—		0.5		—
Foreign currency translation	**10**		2.0		56.9		(61.0)		120.1
Derivative financial instruments	**10**		(0.1)		0.9		9.3		0.9
Pension and other postretirement adjustment	**10**		—		(0.1)		0.1		(0.2)
Total other comprehensive income (loss), net of tax		$	1.9	$	57.7	$	(51.1)	$	120.8
Comprehensive income		$	51.5	$	96.6	$	120.0	$	213.6

(1) Adjusted due to the adoption of Accounting Standards Update (“ASU”) 2017-12 “Targeted Improvements to Accounting for Hedging Activities” on January 1, 2018. Refer to “ Note 2: Significant accounting policies ” for more information.

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

Univar Inc.

Condensed Consolidated Balance Sheets
(Unaudited)

(in millions, except per share data)	Note	September 30, 2018	December 31, 2017
Assets			
Current assets:			
Cash and cash equivalents		$ 85.9	$ 467.0
Trade accounts receivable, net		1,261.0	1,062.4
Inventories		843.6	839.5
Prepaid expenses and other current assets		164.8	149.6
Total current assets		$ 2,355.3	$ 2,518.5
Property, plant and equipment, net	**12**	960.7	1,003.0
Goodwill		1,807.1	1,818.4
Intangible assets, net	**12**	254.2	287.7
Deferred tax assets		20.7	22.8
Other assets		99.1	82.3
Total assets		$ 5,497.1	$ 5,732.7
Liabilities and stockholders' equity			
Current liabilities:			
Short-term financing	**11**	$ 8.7	$ 13.4
Trade accounts payable		920.8	941.7
Current portion of long-term debt	**11**	57.3	62.0
Accrued compensation		91.1	100.7
Other accrued expenses		251.9	301.6
Total current liabilities		$ 1,329.8	$ 1,419.4
Long-term debt	**11**	2,543.7	2,820.0
Pension and other postretirement benefit liabilities		239.6	257.1
Deferred tax liabilities		49.9	35.4
Other long-term liabilities		103.4	110.7
Total liabilities		$ 4,266.4	$ 4,642.6
Stockholders' equity:			
Preferred stock, 200.0 million shares authorized at $0.01 par value with no shares issued or outstanding as of September 30, 2018 and December 31, 2017		$ —	$ —
Common stock, 2.0 billion shares authorized at $0.01 par value with 141.6 and 141.1 million shares issued and outstanding at September 30, 2018 and December 31, 2017, respectively		1.4	1.4
Additional paid-in capital		2,321.6	2,301.3
Accumulated deficit		(762.7)	(934.1)
Accumulated other comprehensive loss	**10**	(329.6)	(278.5)
Total stockholders' equity		$ 1,230.7	$ 1,090.1
Total liabilities and stockholders' equity		$ 5,497.1	$ 5,732.7

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

Univar Inc.

Condensed Consolidated Statements of Cash Flows
(Unaudited)

		Nine months ended September 30,	
(in millions)	Note	2018	2017
Operating activities:			
Net income		$ 171.1	$ 92.8
Adjustments to reconcile net income to net cash provided (used) by operating activities:			
Depreciation and amortization		134.5	152.5
Amortization of deferred financing fees and debt discount		5.8	5.9
Amortization of pension credit from accumulated other comprehensive loss		0.1	(0.2)
Loss on extinguishment of debt		—	0.8
Deferred income taxes		8.9	(4.0)
Stock-based compensation expense	**4**	17.7	16.0
Other		(0.8)	(0.2)
Changes in operating assets and liabilities:			
Trade accounts receivable, net		(216.3)	(198.3)
Inventories		(11.9)	1.5
Prepaid expenses and other current assets		(13.3)	(15.4)
Trade accounts payable		(7.3)	58.1
Pensions and other postretirement benefit liabilities		(32.6)	(34.6)
Other, net		(58.5)	(39.1)
Net cash (used) provided by operating activities		$ (2.6)	$ 35.8
Investing activities:			
Purchases of property, plant and equipment		$ (59.9)	$ (58.0)
Purchases of businesses, net of cash acquired		(20.0)	(24.4)
Proceeds from sale of property, plant and equipment		8.7	3.2
Other		(0.1)	(1.2)
Net cash used by investing activities		$ (71.3)	$ (80.4)
Financing activities:			
Proceeds from issuance of long-term debt	**11**	$ 267.7	$ 2,234.0
Payments on long-term debt and capital lease obligations	**11**	(558.1)	(2,267.6)
Short-term financing, net	**11**	(2.3)	(18.9)
Financing fees paid		—	(4.4)
Taxes paid related to net share settlements of stock-based compensation awards		(3.7)	(8.0)
Stock option exercises		5.7	32.1
Contingent consideration payments		—	(3.2)
Other		0.6	0.5
Net cash used by financing activities		$ (290.1)	$ (35.5)
Effect of exchange rate changes on cash and cash equivalents		$ (17.1)	$ 37.6
Net decrease in cash and cash equivalents		(381.1)	(42.5)
Cash and cash equivalents at beginning of period		467.0	336.4
Cash and cash equivalents at end of period		$ 85.9	$ 293.9
Supplemental disclosure of cash flow information:			
Non-cash activities:			
Additions of property, plant and equipment included in trade accounts payable and other accrued expenses		$ 11.5	$ 7.3
Additions of property, plant and equipment under a capital lease obligation		19.2	17.0

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

Univar 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, December 31, 2016	**138.8**	**$ 1.4**	**$ 2,251.8**	**$ (1,053.4)**	**$ (389.9)**	**$ 809.9**
Impact due to adoption of ASU, net of tax $0.2 (1)	—	—	0.7	(0.5)	—	0.2
Net income	—	—	—	119.8	—	119.8
Foreign currency translation adjustment, net of tax ($2.1)	—	—	—	—	107.1	107.1
Pension and other postretirement benefits adjustment, net of tax $0.6	—	—	—	—	(2.4)	(2.4)
Derivative financial instruments, net of tax ($4.3)	—	—	—	—	6.7	6.7
Restricted stock units vested	0.8	—	—	—	—	—
Tax withholdings related to net share settlements of stock-based compensation awards	(0.3)	—	(8.5)	—	—	(8.5)
Stock option exercises	1.8	—	36.5	—	—	36.5
Employee stock purchase plan	—	—	1.1	—	—	1.1
Stock-based compensation	—	—	19.7	—	—	19.7
Balance, December 31, 2017	**141.1**	**$ 1.4**	**$ 2,301.3**	**$ (934.1)**	**$ (278.5)**	**$ 1,090.1**
Impact due to adoption of ASU's, net of tax ($0.3) (2)	—	—	—	0.3	0.5	0.8
Net income	—	—	—	171.1	—	171.1
Foreign currency translation adjustment, net of tax ($0.1)	—	—	—	—	(61.0)	(61.0)
Pension and other postretirement benefits adjustment, net of tax $0.0	—	—	—	—	0.1	0.1
Derivative financial instruments, net of tax ($3.1)	—	—	—	—	9.3	9.3
Restricted stock units vested	0.3	—	—	—	—	—
Tax withholdings related to net share settlements of stock-based compensation awards	(0.1)	—	(3.7)	—	—	(3.7)
Stock option exercises	0.3	—	5.7	—	—	5.7
Employee stock purchase plan	—	—	0.6	—	—	0.6
Stock-based compensation	—	—	17.7	—	—	17.7
Balance, September 30, 2018	**141.6**	**$ 1.4**	**$ 2,321.6**	**$ (762.7)**	**$ (329.6)**	**$ 1,230.7**

(1) Adjusted due to the adoption of ASU 2016-09 "Improvement to Employee Share-Based Payment Accounting" on January 1, 2017.

(2) Adjusted due to the adoption of ASU 2014-09 "Revenue from Contracts with Customers" and ASU 2017-12 "Targeted Improvements to Accounting for Hedging Activities" on January 1, 2018. Refer to " Note 2: Significant accounting policies " for more information.

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

Univar Inc.

Notes to Condensed Consolidated Financial Statements
As of September 30, 2018 and
For the Three and Nine Month Periods Ended September 30, 2018 and 2017
(Unaudited)

1. Nature of operations

Headquartered in Downers Grove, Illinois, Univar Inc. ("the Company" or "Univar") is a leading global chemicals and ingredients distributor and provider of specialty chemicals. The Company's operations are structured into four operating segments that represent the geographic areas under which the Company manages its business:

- Univar USA ("USA")
- Univar Canada ("Canada")
- Univar Europe, the Middle East and Africa ("EMEA")
- Rest of World ("Rest of World")

Rest of World 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. Unless otherwise indicated, all financial data presented in these condensed consolidated financial statements are expressed in US dollars. 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. These condensed consolidated financial statements should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 2017 , as recast to the extent provided in the Current Report on Form 8-K and the exhibits attached thereto, filed with the Securities and Exchange Commission (the "SEC") on November 1, 2018.

The condensed consolidated financial statements include the financial statements of the Company and its subsidiaries. Subsidiaries are consolidated if the Company has a controlling financial interest, which may exist based on ownership of a majority of the voting interest, or based on the Company's determination that it is the primary beneficiary of a variable interest entity ("VIE") or if otherwise required by US GAAP. The Company did not have any material interests in VIEs during the periods presented in these condensed consolidated financial statements. All intercompany balances and transactions are eliminated in consolidation.

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.

Recently issued and adopted accounting pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU 2014-09, "Revenue from Contracts with Customers" (Topic 606). On January 1, 2018, the Company adopted the new Accounting Standards Codification ("ASC") Topic 606, Revenue from Contracts with Customers and all the related amendments ("new revenue standard") to all contracts using the modified retrospective method. The Company recognized the cumulative effect of initially applying the new revenue standard as an adjustment to the opening balance of accumulated deficit. The comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods.

In August 2017, the FASB issued ASU 2017-12 "Derivatives and Hedging" (Topic 815) - "Targeted Improvements to Accounting for Hedging Activities." The ASU better aligns hedge accounting with the Company's risk management activities, simplifies the application of hedge accounting, and improves transparency as to the scope and results of hedging programs. The Company early adopted the new pronouncement effective January 1, 2018, using the modified retrospective approach by recognizing the cumulative effect of initially applying the new pronouncement as an adjustment to the opening balance of accumulated deficit. The comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods.

The cumulative effect of the changes made to our January 1, 2018 condensed consolidated balance sheet for the adoption of ASU 2014-09 "Revenue from Contracts with Customers" (Topic 606) and ASU 2017-12 "Derivatives and Hedging" (Topic 815) - "Targeted Improvements to Accounting for Hedging Activities" is as follows:

(in millions)	Balance at December 31, 2017	Adjustments due to ASU 2014-09	Adjustments due to ASU 2017-12	Balance at January 1, 2018
Assets				
Trade accounts receivable, net	$ 1,062.4	$ 41.3	$ —	$ 1,103.7
Inventories	839.5	(2.1)	—	837.4
Prepaid expenses and other current assets	149.6	1.8	—	151.4
Liabilities				
Trade accounts payable	$ 941.7	$ 7.0	$ —	$ 948.7
Other accrued expenses	301.6	33.2	—	334.8
Equity				
Accumulated deficit	$ (934.1)	$ 0.8	$ (0.5)	$ (933.8)
Accumulated other comprehensive loss	(278.5)	—	0.5	(278.0)

The following tables summarize the impact of adopting the new revenue standard upon the Company's condensed consolidated balance sheet and statement of operations as of and for the three and nine months ended September 30, 2018 :

	Three months ended September 30, 2018			Nine months ended September 30, 2018		
(in millions)	As reported	Balances without adoption of ASC 606	Effect of change higher/(lower)	As reported	Balances without adoption of ASC 606	Effect of change higher/(lower)
Net sales	$ 2,130.7	$ 2,129.5	$ 1.2	$ 6,661.3	$ 6,660.6	$ 0.7
Cost of goods sold (exclusive of depreciation)	1,662.0	1,660.9	1.1	5,205.5	5,204.9	0.6
Income tax expense	$ 20.3	$ 20.3	$ —	$ 57.7	$ 57.7	$ —
Net income	49.6	49.5	0.1	171.1	171.0	0.1

	September 30, 2018		
(in millions)	As reported	Balances without adoption of ASC 606	Effect of change higher/(lower)
Assets			
Trade accounts receivable, net	$ 1,261.0	$ 1,234.1	$ 26.9
Inventories	843.6	849.2	(5.6)
Prepaid expenses and other current assets	164.8	159.9	4.9
Liabilities			
Trade accounts payable	$ 920.8	$ 913.1	$ 7.7
Other accrued expenses	251.9	234.3	17.6
Equity			
Accumulated deficit	$ (762.7)	$ (763.6)	$ 0.9

In March 2017, the FASB issued ASU 2017-07 "Compensation - Retirement Benefits" (Topic 715) - "Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost." On January 1, 2018, the Company adopted the amendments to ASC Topic 715 that improves the presentation of net periodic pension and postretirement benefit costs, by separating the presentation of service costs from other components of net periodic costs. The interest cost, expected return on assets, and amortization of prior service costs have been reclassified from warehousing, selling, and administrative expenses to other expense, net. The mark to market, curtailment, and settlement expenses have been reclassified from other operating expenses, net to other expense, net.

Adoption of ASU 2017-07 resulted in a retrospective presentation change to the net periodic cost of our defined benefit pension and other postretirement employee benefits (“OPEB”) plans within our consolidated income statement as follows:

	Three months ended September 30, 2017			Nine months ended September 30, 2017		
(in millions)	As revised	Previously reported	Effect of change higher/(lower)	As revised	Previously reported	Effect of change higher/(lower)
Warehousing, selling and administrative	$ 230.7	$ 228.0	$ 2.7	$ 695.2	$ 687.7	$ 7.5
Other income (expense), net	(4.4)	(7.1)	(2.7)	(20.4)	(27.9)	(7.5)

In August 2016, the FASB issued ASU 2016-15 “Statement of Cash Flows” (Topic 230) - “Classification of Certain Cash Receipts and Cash Payments.” The ASU clarifies and provides specific guidance on eight cash flow classification issues that were not addressed within the previous guidance. The Company adopted the ASU as of January 1, 2018 and accordingly restated the condensed consolidated statement of cash flows for the nine months ended September 30, 2017 to conform with the current period presentation under this new guidance. As a result of the adoption, the Company reclassified $3.2 million of cash outflows previously reported as operating activities to financing activities within the condensed consolidated statement of cash flows related to contingent consideration payments for the nine months ended September 30, 2017 .

The Company also adopted the following standards during 2018, none of which had a material impact to the financial statements or financial statement disclosures:

Standard		Effective date
2018-07	Compensation - Stock Compensation (Topic 718) - Improvements to Nonemployee Share-Based Payment Accounting	July 1, 2018
2017-09	Compensation - Stock Compensation - Scope of Modification Accounting	January 1, 2018
2017-04	Intangibles - Goodwill and Other - Simplifying the Test for Goodwill Impairment	January 1, 2018
2017-01	Business Combinations - Clarifying the Definition of a Business	January 1, 2018
2016-18	Statement of Cash Flows - Restricted Cash	January 1, 2018
2016-16	Income Taxes - Intra-Entity Transfers of Assets Other Than Inventory	January 1, 2018
2016-01	Financial Instrument - Recognition and Measurement of Financial Assets and Financial Liabilities	January 1, 2018

Accounting pronouncements issued and not yet adopted

In February 2016, the FASB issued ASU 2016-02 “Leases” (Topic 842), which supersedes the lease recognition requirements in ASC Topic 840, “Leases.” The core principal of the guidance is that an entity should recognize assets and liabilities arising from a lease for both financing and operating leases, along with additional qualitative and quantitative disclosures. The standard will be effective for fiscal years beginning after December 15, 2018, including interim periods within such fiscal years. Early adoption is permitted. The guidance is to be applied using a modified retrospective transition method with the option to elect a package of practical expedients. The Company has established a project team who has completed the initial scoping assessment and is in the process of implementing a software solution, including lease data conversion, to comply with the new standard's reporting and disclosure requirements. The Company is also in the process of identifying changes to processes and controls related to the new compliance requirements and software implementation. Upon adoption of this standard on January 1, 2019, the Company expects the condensed consolidated balance sheet to include a right of use asset and liability related to certain operating lease arrangements.

In June 2016, the FASB issued ASU 2016-13 “Financial Instruments - Credit Losses” (Topic 326) - “Measurement of Credit Losses on Financial Instruments.” The ASU requires entities to use a Current Expected Credit Loss model, which is a new impairment model based on expected losses rather than incurred losses. Under the model, an entity would recognize an impairment allowance equal to its current estimate of all contractual cash flows that the entity does not expect to collect from financial assets measured at amortized cost. The entity’s estimate would consider relevant information about past events, current conditions and reasonable and supportable forecasts, which will result in recognition of lifetime expected credit losses upon initial recognition of the related assets. This guidance will be effective for fiscal years beginning after December 15, 2019, including interim periods within such fiscal years. The Company expects to adopt this guidance when effective, and does not expect the guidance to have a significant impact to the condensed consolidated financial statements when adopted on January 1, 2020.

In January 2018, the FASB issued ASU 2018-02 “Income Statement - Reporting Comprehensive Income” (Topic 220) “Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income” (“AOCI”), which gives entities the option to reclassify certain tax effects, that the FASB refers to as having been stranded, resulting from the Tax Cuts and Jobs Act from AOCI to retained earnings. The new guidance may be applied retrospectively to each period in which the effect of the Tax Cuts and Jobs Act is recognized, or in the period of adoption. The Company must adopt this guidance for fiscal years beginning after December 15, 2018 and interim periods within those fiscal years. Early adoption is permitted. The Company is currently determining the impact to the Company's reported accumulated deficit and accumulated other comprehensive loss line items within the condensed consolidated balance sheet, which will be recorded when the ASU is adopted.

In August 2018, the FASB issued ASU 2018-13 "Fair Value Measurement" (Topic 820) - "Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement." The ASU amends the requirements related to fair value disclosures to include new disclosure requirements and eliminate or modify certain historic disclosures. The ASU amendment was part of the FASB's disclosure framework project that is designed to increase the effectiveness of companies' disclosures to the users of the financial statements and footnotes. This guidance will be effective for fiscal years beginning after December 15, 2019, including interim periods within such fiscal years. Early adoption is permitted. The Company is currently determining the impact to the Company's disclosure requirements, which will be reflected in the footnote disclosures subsequent to the ASU adoption on January 1, 2020.

In August 2018, the FASB issued ASU 2018-14 "Compensation - Retirement Benefits - Defined Benefit Plans - General" (Subtopic 715-20) - "Disclosure Framework - Changes to the Disclosure Requirements for Defined Benefit Plans." The ASU amends the requirements related to defined benefit pension and other postretirement plan disclosures to include new disclosure requirements and eliminate or clarify certain historic disclosures. The ASU amendment was part of the FASB's disclosure framework project that is designed to increase the effectiveness of companies' disclosures to the users of the financial statements and footnotes. This guidance will be effective for fiscal years beginning after December 15, 2020. Early adoption is permitted. The Company is currently determining the impact to the Company's disclosure requirements, which will be reflected in the footnote disclosures subsequent to the ASU adoption.

In August 2018, the FASB issued ASU 2018-15 "Intangibles - Goodwill and Other - Internal-Use Software" (Subtopic 350-40) - "Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract (a consensus of the FASB Emerging Issues Task Force)." The ASU aligns the requirements for capitalizing implementation costs incurred in a service contract hosting arrangement with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. The ASU stipulates that the implementation and set-up costs related to cloud computing arrangements that contain a software license are able to be capitalized. The ASU also prescribes the balance sheet, income statement, and cash flow classification related to the capitalized cloud computing costs. This guidance will be effective for fiscal years beginning after December 15, 2019, including interim periods within such fiscal years. Early adoption is permitted. The Company is currently evaluating the effect that the new guidance will have on the consolidated financial statements and related disclosures upon adoption of the ASU on January 1, 2020.

3. Revenue

On January 1, 2018, the Company adopted the new revenue standard using the modified retrospective method applied to those contracts which were not completed as of January 1, 2018. Results for reporting periods beginning after January 1, 2018 are presented under the new revenue standard, while prior period amounts are not adjusted and continue to be reported in accordance with historic accounting under ASC Topic 605. The Company recorded a net decrease to the opening accumulated deficit of $0.8 million as of January 1, 2018 due to the cumulative impact of adopting the new revenue standard.

The Company disaggregates revenues from contracts with customers by both geographic segments and revenue contract types. Geographic reportable segmentation is pertinent to understanding Univar's 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 offers customers, since the contractual terms necessary for revenue recognition are unique to each of the identified revenue contract types.

The following table disaggregates external customer net sales by major stream:

(in millions)	USA	Canada	EMEA	Rest of World	Consolidated
	Three Months Ended September 30, 2018				
Chemical Distribution	$ 1,237.8	$ 206.7	$ 472.0	$ 96.2	$ 2,012.7
Crop Sciences	—	56.2	—	—	56.2
Services	47.5	10.6	0.4	3.3	61.8
Total external customer net sales	$ 1,285.3	$ 273.5	$ 472.4	$ 99.5	$ 2,130.7

(in millions)	USA	Canada	EMEA	Rest of World	Consolidated
	Nine Months Ended September 30, 2018				
Chemical Distribution	$ 3,659.3	$ 664.4	$ 1,521.9	$ 293.8	$ 6,139.4
Crop Sciences	—	340.6	—	—	340.6
Services	140.2	32.8	1.0	7.3	181.3
Total external customer net sales	$ 3,799.5	$ 1,037.8	$ 1,522.9	$ 301.1	$ 6,661.3

Revenue is recognized when performance obligations under the terms of the contract are satisfied, which generally occurs when goods or services are transferred to a customer. Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring goods or providing services. Payment terms and conditions vary by regions where the Company performs business and contract types. The term between invoicing and when payment is due is generally one year or less. As of September 30, 2018 , none of the Company’s contracts contained a significant financing component.

Chemical Distribution

The Company generates revenue when control for products is transferred to customers. Certain customers may receive discounts off the transaction price, primarily due to price and volume incentives, or return product for non-conformance, which are accounted for as variable consideration. The Company estimates the change in the transaction price that is expected to be provided to customers based on historical experience, which impacts revenues recognized.

Crop Sciences

The Company generates revenue when control for products is transferred to customers. The amount of consideration recorded varies due to price movements and rights granted to customers to return product. Customer payment terms often extend through a growing season, which may be up to six months .

Transaction prices may move during an agricultural growing season and changes may affect the amount of consideration the Company will receive. Transaction prices are also affected by special offers or volume discounts. The Company estimates the expected changes in the transaction price based on the combination of historical experience and the impact of weather on the current agriculture season. The adjustments to the transaction price are recognized as variable consideration and impacts revenues recognized.

When customers are provided rights to return eligible products, the Company estimates the expected returns based on the combination of historical experience and the impact of weather on the current agriculture season, which affects the revenues recognized.

Services

The Company generates revenue from services as they are performed and economic value is transferred to customers. Univar's services provided to customers are primarily related to waste management services and warehousing services. Waste management services is primarily related to plant maintenance, environmental contracting, environmental consulting and the collection and disposal of both hazardous and non-hazardous waste products. Warehousing services is primarily inclusive of blending, warehousing, logistics and distribution services for customers. Waste management and warehousing services are recognized over time as the performance obligations are satisfied.

Costs to obtain or fulfill contracts with customers

Univar expenses costs to obtain contracts when the contract term and benefit period is expected to be one year or less. Contract costs where the contract term and benefit period is expected to be more than a year are capitalized and amortized over the performance obligation period. Capitalized contract costs of $1.1 million and $6.2 million are included in other current assets and other assets as of September 30, 2018 .

Deferred revenue

Deferred revenues are recognized as a contract liability when customers provide Univar with consideration prior to the Company satisfying a performance obligation. The following table provides information pertaining to the deferred revenue balance and account activity:

(in millions)		
Deferred revenue as of January 1, 2018	$	100.9
Deferred revenue as of September 30, 2018		5.6
Revenue recognized that was included in the deferred revenue balance at the beginning of the period		100.0

The deferred revenue balances are all expected to have a duration of one year or less and are recorded within the other accrued expenses line item of the condensed consolidated balance sheet.

4. Other operating expenses, net

Other operating expenses, net consisted of the following activity:

	Three months ended September 30,		Nine months ended September 30,	
(in millions)	2018	2017	2018	2017
Stock-based compensation expense	$ 4.0	$ 4.5	$ 17.7	$ 16.0
Restructuring charges	2.9	0.9	3.4	4.4
Other employee termination costs	2.7	2.8	9.5	5.9
Business transformation costs	—	3.0	—	23.6
Acquisition and integration related expenses	5.5	1.3	6.9	2.0
Other	(2.7)	(0.7)	(0.5)	3.9
Total other operating expenses, net	$ 12.4	$ 11.8	$ 37.0	$ 55.8

5. Restructuring charges

Restructuring charges recorded relate to large, strategic initiatives aimed at streamlining the Company’s cost structure and improving its operations. These actions primarily result in workforce reductions, lease termination costs and other facility rationalization costs. Restructuring charges are recorded in other operating expenses, net in the condensed consolidated statement of operations.

2018 Restructuring

During the three months and nine months ended September 30, 2018 , the Company recorded restructuring charges of $2.8 million in USA and $0.9 million in Other, relating to employee termination costs for employees impacted by a decision to consolidate departments. The Company expects to incur approximately $5.2 million of additional employee termination and other exit costs over the next two years and expects this program to be substantially completed by 2020.

Also during the three months ended September 30, 2018 , the Company recorded restructuring charges of $0.1 million for the Rest of the World segment, consisting of $0.1 million in facility exit costs.

During the nine months ended September 30, 2018 , the Company recorded restructuring charges of $0.6 million for the Rest of World segment, consisting of $0.3 million in employee termination costs, $0.2 million in facility exit costs and $0.1 million in other exit costs. The Company does not expect to incur material costs in the future related to this restructuring program. The actions associated with this program are expected to be completed by the end of the current year.

The cost information above does not contain any estimates for programs that may be developed and implemented in future periods.

2014 to 2017 Restructuring

Between 2014 through 2017, management implemented several regional strategic initiatives aimed at streamlining the Company’s cost structure and improving its operations. Total cumulative charges recorded through September 30, 2018 for USA related to these restructuring programs were $40.4 million , which included $16.5 million in employee termination costs, $22.2 million in facility exit costs, and $1.7 million in other exit costs. The Company did not record restructuring charges for the programs during 2018. The actions associated with the restructuring programs were completed as of June 30, 2018, although administratively cash payments will be made into the future. During the three months ended September 30, 2018 , the Company reduced its estimate in the amount of $0.9 million within facility exit costs relating to a favorable lease buyout for USA.

Total cumulative charges recorded through September 30, 2018 for Canada were $5.7 million related to employee termination costs. There were no restructuring charges recorded for the programs during 2018. As of June 30, 2018, the actions associated with the restructuring programs were completed.

Total cumulative charges recorded through September 30, 2018 for EMEA were $32.8 million , which included $22.5 million in employee termination costs, $3.7 million in facility exit costs, and $6.6 million in other exit costs. During 2018, the Company did not record restructuring charges for the programs. The actions associated with the restructuring programs were completed as of June 30, 2018.

Total cumulative charges recorded through September 30, 2018 for ROW were $6.4 million , which included $6.2 million in employee termination costs and $0.2 million in facility exit costs. The Company did not record restructuring charges for these programs during 2018. As of June 30, 2018, the Company completed this program.

Total cumulative charges recorded through September 30, 2018 for Other were $6.6 million , which included $5.8 million in employee termination costs and $0.8 million in other exit costs. There were no restructuring charges recorded for these programs during 2018. As of June 30, 2018, the Company completed this program.

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

(in millions)	**January 1, 2018**	**Charge to earnings**	**Cash paid**	**Non-cash and other**	**September 30, 2018**
Employee termination costs	$ 3.0	$ 4.0	$ (2.0)	$ (0.5)	$ 4.5
Facility exit costs	10.2	(0.7)	(4.5)	(0.1)	4.9
Other exit costs	(0.5)	0.1	(0.1)	0.5	—
Total	$ 12.7	$ 3.4	$ (6.6)	$ (0.1)	$ 9.4

(in millions)	**January 1, 2017**	**Charge to earnings**	**Cash paid**	**Non-cash and other**	**December 31, 2017**
Employee termination costs	$ 6.9	$ 2.9	$ (7.2)	$ 0.4	$ 3.0
Facility exit costs	13.2	2.8	(5.5)	(0.3)	10.2
Other exit costs	—	(0.2)	(0.3)	—	(0.5)
Total	$ 20.1	$ 5.5	$ (13.0)	$ 0.1	$ 12.7

Restructuring liabilities of $5.1 million and $5.8 million were classified as current in other accrued expenses in the condensed consolidated balance sheets as of September 30, 2018 and December 31, 2017 , respectively. The long-term portion of restructuring liabilities of $4.3 million and $6.9 million were recorded in other long-term liabilities in the condensed consolidated balance sheets as of September 30, 2018 and December 31, 2017 , respectively, and primarily consists of facility exit costs that are expected to be paid within the next five years .

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.

Table of Contents

6. Other income (expense), net

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

(in millions)	Three months ended September 30, 2018	Three months ended September 30, 2017	Nine months ended September 30, 2018	Nine months ended September 30, 2017
Foreign currency transactions	$ (3.7)	$ (0.4)	$ (8.0)	$ (4.3)
Foreign currency denominated loans revaluation	0.8	(6.8)	(0.6)	(15.2)
Undesignated foreign currency derivative instruments (1)	2.7	(0.6)	3.6	1.6
Undesignated interest rate swap contracts (1)	—	1.8	—	(3.0)
Debt amendment costs	—	—	—	(4.2)
Non-operating retirement benefits (2)	3.3	2.7	10.2	7.5
Other	(0.6)	(1.1)	(2.2)	(2.8)
Total other income (expense), net	$ 2.5	$ (4.4)	$ 3.0	$ (20.4)

(1) Refer to " Note 14: Derivatives " for more information.

(2) Refer to " Note 7: Employee benefit plans " for more information.

7. Employee benefit plans

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

	Domestic - Defined Benefit Pension Plans			
	Three months ended September 30,		Nine months ended September 30,	
(in millions)	2018	2017	2018	2017
Service cost (1)	$ —	$ —	$ —	$ —
Interest cost (2)	6.8	7.7	20.4	23.1
Expected return on plan assets (2)	(7.8)	(7.7)	(23.4)	(23.2)
Net periodic benefit	$ (1.0)	$ —	$ (3.0)	$ (0.1)

	Foreign - Defined Benefit Pension Plans			
	Three months ended September 30,		Nine months ended September 30,	
(in millions)	2018	2017	2018	2017
Service cost (1)	$ 0.7	$ 0.6	$ 2.1	$ 1.8
Interest cost (2)	3.8	4.1	11.7	12.0
Expected return on plan assets (2)	(6.2)	(6.6)	(19.1)	(19.3)
Prior service cost (credits) (2)	—	(0.2)	0.1	(0.2)
Net periodic benefit	$ (1.7)	$ (2.1)	$ (5.2)	$ (5.7)

(in millions)	Other Postretirement Benefits — Three months ended June 30, 2018	2017	Six months ended June 30, 2018	2017
Service cost (1)	$ —	$ —	$ —	$ —
Interest cost (2)	0.1	—	0.1	0.1
Net periodic cost	$ 0.1	$ —	$ 0.1	$ 0.1

(1) Service cost is included in warehouse, selling and administrative expenses.

(2) These amounts are included in other income (expense), net .

8. Income taxes

During the three months and nine months ended September 30, 2018 , income tax expense was $20.3 million and $57.7 million , and resulted in an effective tax rate of 29.0% and 25.2% , respectively. The Company's effective tax rate was higher than the US federal statutory rate of 21.0% primarily due to the addition of state taxes, and the higher tax rates incurred on the Company's earnings outside the US, including the expected net impact of the 2017 US Tax Cuts and Jobs Act on foreign net earnings. The increases in the effective tax rate were partially offset by the release of valuation allowances on certain tax attributes. The Company's effective tax rate for the nine month period ended September 30, 2018 was lower than its three month period effective tax rate ended September 30, 2018 mainly due to the impact of the discrete tax benefits recorded in previous quarters.

During the three months and nine months ended September 30, 2017 , income tax expense was $6.5 million and $15.4 million , and resulted in an effective tax rate of 14.3% and 14.2% , respectively. The Company's effective tax rate for the three and nine month periods ended September 30, 2017 was lower than the US federal statutory rate of 35.0% primarily due to the mix of earnings in multiple jurisdictions, non-taxable interest income and the release of a valuation allowance on certain foreign tax attributes. Included in the $6.5 million and $15.4 million expense for the three and nine months ended September 30, 2017 was $0.5 million and $4.0 million benefit, respectively, related to excess tax benefits from share-based compensation.

Impacts of the Tax Cuts and Jobs Act

On December 22, 2017, the Tax Cuts and Jobs Act (H.R. 1) (the "Tax Act") was signed into US law. In addition to reduction of the corporate tax rate from 35% to 21%, the Tax Act contains significant changes to corporate taxation. Beginning in 2018, the global intangible low-taxed income ("GILTI") provisions and the base-erosion and anti-abuse tax ("BEAT") provisions become effective. Due to the complexity of the new GILTI tax rules, the Company is continuing to evaluate the provision of the Tax Act and application of ASC 740, "Income Taxes." Under US GAAP, the Company is allowed to make an accounting policy choice of either (1) treating taxes due on future US inclusions in taxable income related to GILTI as a current-period expense when occurred (the "period cost method") or (2) factoring such amounts into a Company's measurement of its deferred taxes (the "deferred method"). As the Company is still evaluating the impact of the Tax Act, no accounting policy election has been made yet regarding which method the Company will utilize for GILTI.

On December 22, 2017, the SEC staff issued Staff Accounting Bulletin No. 118 ("SAB 118") to address the application of US GAAP in situations when a registrant does not have the necessary information available, prepared, or analyzed (including computations) in reasonable detail to complete the accounting for certain income tax effects of the Tax Act. The Company recognized the provisional tax impacts related to deemed repatriated earnings and the revaluation of deferred tax assets and liabilities and included these amounts in its consolidated financial statements for the year ended December 31, 2017. As a result of the Tax Act, the Company recorded provisional amounts in 2017 including a one-time repatriation tax of $76.5 million and $47.6 million of foreign tax credits, of which $34.0 million was recorded as a deferred tax asset with an equally offsetting valuation allowance.

During the third quarter of 2018, we increased the Company's 2017 provisional tax estimate related to the Tax Act by $6.8 million to reflect the impact of additional analysis, changes in interpretations due to new regulatory guidance, and assumptions the Company has made. This provisional tax estimate is included in the Company's interim financial statements for the three and nine months ended September 30, 2018. The accounting is expected to be complete within the measurement period of one year from December 22, 2017 .

9. Earnings per share

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

(in millions, except per share data)	Three months ended September 30, 2018	Three months ended September 30, 2017	Nine months ended September 30, 2018	Nine months ended September 30, 2017
Basic:				
Net income	$ 49.6	$ 38.9	$ 171.1	$ 92.8
Less: earnings allocated to participating securities	0.1	0.1	0.3	0.2
Earnings allocated to common shares outstanding	$ 49.5	$ 38.8	$ 170.8	$ 92.6
Weighted average common shares outstanding	141.2	140.4	141.1	140.0
Basic income per common share	$ 0.35	$ 0.28	$ 1.21	$ 0.66
Diluted:				
Net income	$ 49.6	$ 38.9	$ 171.1	$ 92.8
Less: earnings allocated to participating securities	—	—	—	—
Earnings allocated to common shares outstanding	$ 49.6	$ 38.9	$ 171.1	$ 92.8
Weighted average common shares outstanding	141.2	140.4	141.1	140.0
Effect of dilutive securities: stock compensation plans (1)	1.1	1.0	1.0	1.3
Weighted average common shares outstanding – diluted	142.3	141.4	142.1	141.3
Diluted income per common share (2)	$ 0.35	$ 0.28	$ 1.20	$ 0.66

(1) Stock options to purchase 1.5 million and 0.9 million shares of common stock were outstanding during the three months ended September 30, 2018 and 2017 , respectively, but were not included in the calculation of diluted income per share as the impact of these stock options would have been anti-dilutive. Stock options to purchase 1.6 million and 0.8 million shares of common stock were outstanding during the nine months ended September 30, 2018 and 2017 , respectively, but were not included in the calculation of diluted income per share as the impact of these stock options would have been anti-dilutive.

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

10. 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, 2017	$ 6.7	$ (1.2)	$ (284.0)	$ (278.5)
Impact due to adoption of ASU 2017-12 (1)	0.5	—	—	0.5
Other comprehensive income (loss) before reclassifications	13.3	—	(61.0)	(47.7)
Amounts reclassified from accumulated other comprehensive (loss) income	(4.0)	0.1	—	(3.9)
Net current period other comprehensive income (loss)	$ 9.8	$ 0.1	$ (61.0)	$ (51.1)
Balance as of September 30, 2018	$ 16.5	$ (1.1)	$ (345.0)	$ (329.6)
Balance as of December 31, 2016	$ —	$ 1.2	$ (391.1)	$ (389.9)
Other comprehensive (loss) income before reclassifications	(0.3)	—	120.1	119.8
Amounts reclassified from accumulated other comprehensive income (loss)	1.2	(0.2)	—	1.0
Net current period other comprehensive income (loss)	$ 0.9	$ (0.2)	$ 120.1	$ 120.8
Balance as of September 30, 2017	$ 0.9	$ 1.0	$ (271.0)	$ (269.1)

(1) Adjusted due to the adoption of ASU 2017-12 "Targeted Improvements to Accounting for Hedging Activities" on January 1, 2018. Refer to " Note 2: Significant accounting policies " for more information.

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

(in millions)	Three months ended September 30, 2018 [(1)]	Three months ended September 30, 2017 [(1)]	Location of impact on statement of operations
Amortization of defined benefit pension items:			
Prior service credits	$ —	$ (0.1)	Other income (expense), net
Tax expense	—	—	Income tax expense
Net of tax	$ —	$ (0.1)	
Cash flow hedges:			
Interest rate swap contracts	$ (2.4)	$ 1.9	Interest expense
Tax expense	0.6	(0.7)	Income tax expense
Net of tax	$ (1.8)	$ 1.2	
Total reclassifications for the period	$ (1.8)	$ 1.1	

(in millions)	Nine months ended September 30, 2018 [(1)]	Nine months ended September 30, 2017 [(1)]	Location of impact on statement of operations
Amortization of defined benefit pension items:			
Prior service cost (credits)	$ 0.1	$ (0.2)	Other income (expense), net
Tax expense	—	—	Income tax expense
Net of tax	$ 0.1	$ (0.2)	
Cash flow hedges:			
Interest rate swap contracts	$ (5.4)	$ 1.9	Interest expense
Tax expense	1.4	(0.7)	Income tax expense
Net of tax	$ (4.0)	$ 1.2	
Total reclassifications for the period	$ (3.9)	$ 1.0	

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

Foreign currency gains and losses relating to intercompany borrowings that are considered a part of the Company's investment in a foreign subsidiary are reflected in accumulated other comprehensive loss. Total foreign currency gains and losses related to such intercompany borrowings were nil and $4.3 million in losses which included $4.0 million of previously deferred losses that were realized as foreign currency expense in the three month period ended September 30, 2018 and 2017 , respectively. Total foreign currency gains and losses related to such intercompany borrowings were nil and $4.8 million in losses for the nine month periods ended September 30, 2018 and 2017 , respectively.

11. Debt

Short-term financing

Short-term financing consisted of the following:

(in millions)	September 30, 2018	December 31, 2017
Amounts drawn under credit facilities	$ 6.2	$ 9.1
Bank overdrafts	2.5	4.3
Total short-term financing	$ 8.7	$ 13.4

As of September 30, 2018 and December 31, 2017 , the Company had $146.4 million and $147.0 million in outstanding letters of credit and guarantees, respectively.

Long-term debt

Long-term debt consisted of the following:

(in millions)	September 30, 2018	December 31, 2017
Senior Term Loan Facilities:		
Term B Loan due 2024, variable interest rate of 4.49% and 4.07% at September 30, 2018 and December 31, 2017, respectively	$ 1,747.8	$ 2,277.8
Asset Backed Loan (ABL) Facilities:		
North American ABL Facility due 2020, variable interest rate of 3.58% and 5.00% at September 30, 2018 and December 31, 2017, respectively	386.3	155.0
North American ABL Term Loan due 2018, fully paid off at September 30, 2018 and variable interest rate of 4.44% at December 31, 2017	—	16.7
Euro ABL Facility due 2019, variable interest rate of 1.75% at September 30, 2018	34.8	—
Senior Unsecured Notes:		
Senior Unsecured Notes due 2023, fixed interest rate of 6.75% at September 30, 2018 and December 31, 2017	399.5	399.5
Capital lease obligations	56.9	60.9
Total long-term debt before discount	$ 2,625.3	$ 2,909.9
Less: unamortized debt issuance costs and discount on debt	(24.3)	(27.9)
Total long-term debt	$ 2,601.0	$ 2,882.0
Less: current maturities	(57.3)	(62.0)
Total long-term debt, excluding current maturities	$ 2,543.7	$ 2,820.0

The weighted average interest rate on long-term debt was 4.27% and 4.50% as of September 30, 2018 and December 31, 2017 , respectively.

During 2018, Univar made three early repayments totaling $530.0 million against the balance of its Term B Loan due 2024. The repayments utilized a combination of existing cash balances and ABL Facilities and resulted in cash balances being remitted to the US from non-US subsidiaries. These early repayments have no impact on the Company's leverage ratio but are expected to reduce net interest expense.

12. Supplemental balance sheet information

Property, plant and equipment, net

(in millions)	September 30, 2018	December 31, 2017
Property, plant and equipment, at cost	$ 1,937.1	$ 1,930.2
Less: accumulated depreciation	(976.4)	(927.2)
Property, plant and equipment, net	$ 960.7	$ 1,003.0

Capital lease assets, net

Included within property, plant and equipment, net are assets related to capital leases where the Company is the lessee. The below table summarizes the cost and accumulated depreciation related to these assets:

(in millions)	September 30, 2018	December 31, 2017
Capital lease assets, at cost	$ 88.0	$ 86.0
Less: accumulated depreciation	(29.6)	(27.0)
Capital lease assets, net	$ 58.4	$ 59.0

Intangible assets, net

The gross carrying amounts and accumulated amortization of the Company's intangible assets were as follows:

	September 30, 2018			December 31, 2017		
(in millions)	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Intangible assets:						
Customer relationships	$ 854.5	$ (614.0)	$ 240.5	$ 853.5	$ (582.1)	$ 271.4
Other	176.9	(163.2)	13.7	177.8	(161.5)	16.3
Total intangible assets	$ 1,031.4	$ (777.2)	$ 254.2	$ 1,031.3	$ (743.6)	$ 287.7

Other intangible assets consist of intellectual property trademarks, trade names, supplier relationships, non-compete agreements and exclusive distribution rights.

Other accrued expenses

As of September 30, 2018 , there were no components within other accrued expenses that were greater than five percent of total current liabilities. As of December 31, 2017 , other accrued expenses that were greater than five percent of total current liabilities consisted of customer prepayments and deposits, which were $97.7 million .

13. Fair value measurements

Items measured at fair value on a recurring basis

The following table presents the Company's gross assets and liabilities measured on a recurring basis:

	Level 2		Level 3	
(in millions)	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
Financial current assets:				
Forward currency contracts	$ 0.4	$ 0.3	$ —	$ —
Interest rate swap contracts	10.5	1.2	—	—
Financial non-current assets:				
Interest rate swap contracts	13.7	10.6	—	—
Financial current liabilities:				
Forward currency contracts	0.7	0.4	—	—
Contingent consideration	—	—	0.6	—
Financial non-current liabilities:				
Contingent consideration	—	—	0.4	0.4

The net amounts by legal entity related to forward currency contracts included in prepaid and other current assets were $0.3 million and $0.2 million as of September 30, 2018 and December 31, 2017 , respectively. The net amounts related to foreign currency contracts included in other accrued expenses were $0.6 million and $0.3 million as of September 30, 2018 and December 31, 2017 , 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 interest rate 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.

The fair value of the contingent consideration is based on a real options approach, which takes into account management's best estimate of the acquired business performance, as well as achievement risk. Based on the valuation methodology, contingent consideration is classified as Level 3 in the fair value hierarchy.

The following table is a reconciliation of the fair value measurements that use significant unobservable inputs (Level 3), which consists of contingent consideration related to prior acquisitions.

(in millions)	Contingent Consideration
Fair value as of December 31, 2017	$ 0.4
Fair value adjustments	0.7
Foreign currency	(0.1)
Fair value as of September 30, 2018	$ 1.0

The change in the fair value and payments related to the contingent consideration are recorded in the other, net line item of the operating activities within the condensed consolidated statement of cash flows.

Financial instruments not carried at fair value

The estimated fair value of financial instruments not carried at fair value in the condensed consolidated balance sheets were as follows:

	September 30, 2018		December 31, 2017	
(in millions)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities:				
Long-term debt including current portion (Level 2)	$ 2,601.0	$ 2,646.4	$ 2,882.0	$ 2,939.7

The fair values of the long-term debt, including the current portions, were based on current market quotes for similar borrowings and credit risk adjusted for liquidity, margins and amortization, as necessary.

Fair value of other financial instruments

The carrying value of cash and cash equivalents, trade accounts receivable, net, trade accounts payable and short-term financing included in the condensed consolidated balance sheets approximate fair value due to their short-term nature.

14. Derivatives

Interest rate swaps

The objective of the interest rate swap contracts is to offset the variability of cash flows in LIBOR indexed debt interest payments attributable to changes in the aforementioned benchmark interest rate related to the Term B Loan due 2024.

As of September 30, 2018 and December 31, 2017 , the Company had interest rate swap contracts with a total notional amount of $1.5 billion and $2.0 billion , respectively, whereby a fixed rate of interest (weighted-average of 1.70%) is paid and a variable rate of interest (three-month LIBOR) is received as calculated on the notional amount.

As of July 6, 2017, the Company designated the interest rate swaps as a cash flow hedge in an effort to reduce the mark-to-market volatility recognized within the condensed consolidated statement of operations. As of September 30, 2018 , the interest rate swaps held by the Company continue to qualify for hedge accounting. Prior to the hedge accounting designation, changes in fair value of the interest rate swap contracts were recognized directly in other income (expense), net in the condensed consolidated statement of operations. Refer to " Note 6: Other income (expense), net " for additional information. With the adoption of ASU 2017-12, the Company recognizes the changes in fair value of the interest rate swap contracts, whether it is due to effectiveness or ineffectiveness, in other comprehensive income and subsequently is reclassified to the income statement when the hedged item impacts earnings.

During the three and nine months ended September 30, 2018 , there were $2.4 million and $5.4 million in gains on our interest rate swap contracts that were reclassified to interest expense in the condensed consolidated statement of operations, respectively. As of September 30, 2018 , we estimate that $10.5 million of derivative gains included in accumulated other comprehensive loss will be reclassified into the condensed consolidated statement of operations within the next 12 months. The activity related to our cash flow hedges is included in " Note 10: Accumulated other comprehensive loss ."

The fair value of interest rate swaps is recorded either in prepaid expenses and other current assets, other assets, other accrued expenses or other long-term liabilities in the condensed consolidated balance sheets. As of September 30, 2018 and December 31, 2017 , a current asset of $10.5 million and $1.2 million was included in other current assets, respectively. As of September 30, 2018 and December 31, 2017 , a non-current asset of $13.7 million and $10.6 million was included in other assets, respectively.

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 monetary assets and liabilities denominated in a foreign currency. These derivative instruments are not formally designated as hedges by the Company and the terms of these instruments range from one to three months. Forward currency contracts are recorded at fair value in either prepaid expenses and other current assets or other accrued expenses in the condensed consolidated balance sheet, reflecting their short-term nature. The fair value adjustments and gains and losses are included in other income (expense), net within the condensed consolidated statements of operations. Refer to " Note 6: Other income (expense), net " for more information. The total notional amount of undesignated forward currency contracts were $124.4 million and $134.0 million as of September 30, 2018 and December 31, 2017 , respectively.

Cash flows associated with derivative financial instruments are recognized in the operating section of the condensed consolidated statement of cash flows.

15. Business combinations

Nexeo Business Combination Agreement

On September 17, 2018, the Company entered into a Business Combination Agreement to merge with Nexeo Solutions, Inc. ("Nexeo") in a cash and stock transaction valued at approximately $2.0 billion , including assumption of Nexeo's debt and other obligations, or $11.65 per share. The merger agreement provides for each share of Nexeo stock issued and outstanding to be converted into 0.305 shares of Univar common stock and $3.29 in cash, subject to adjustment at closing. At Univar's closing price on October 16, 2018 of $28.30 the value of this transaction would be $2.1 billion or $11.92 per share of Nexeo common stock. The combined Company is expected to accelerate transformation and growth with the largest North American sales force in chemical and ingredients distribution, the broadest product offering, and the most efficient supply chain network in the industry.

The transaction has been unanimously approved by the Boards of Directors of both companies, and is anticipated to close in the first half of 2019, subject to the approval of both Univar and Nexeo shareholders, as well as receipt of regulatory approvals and satisfaction of other customary conditions. Nexeo's key stockholders, TPG Global and First Pacific, have agreed to provide consent for the proposed transaction.

Univar intends to finance the cash portion of the transaction and refinance Nexeo's existing debt with a combination of available cash and debt financing, for which it has received commitments. Univar entered into a commitment letter, dated as of September 17, 2018 with Goldman Sachs Bank USA, who have committed to arrange $1.3 billion of incremental term loans.

The Business Combination Agreement contains certain termination rights for both Nexeo and Univar. If Nexeo or Univar terminates the Business Combination Agreement, Nexeo may be obligated to pay Univar, or Univar may be obligated to pay Nexeo, a termination fee of $35.0 million . Furthermore, if the Univar board changes its recommendation in certain circumstances specified in the merger agreement in response to an unsolicited proposal for an alternative transaction or following an intervening event, Univar may be obligated to pay Nexeo a termination fee of $128.0 million .

On October 16, 2018, we filed the Public Interest Statement and applications for approval of our merger with Nexeo with the Federal Trade Commission ("FTC").

On November 5, 2018 we filed the Registration Statement with the SEC, related to the Merger. This Registration Statement has not yet become effective.

2018 Acquisitions

Acquisition of Earthoil

On May 31, 2018, the Company completed an acquisition of 100% of the equity interest in Earthoil Plantations Limited ("Earthoil"), a supplier of pure, organic, fair trade essential and cold-pressed vegetable seed oils used in the naturals, organic beauty, and personal care markets. The acquisition expands and strengthens Univar's existing global natural beauty and personal care product line.

The total purchase price of the acquisition was $13.3 million . The purchase price allocation includes goodwill of $3.7 million and intangibles of $6.1 million . During the second quarter of 2018, the Company recorded an initial purchase price of $13.7 million and included goodwill of $2.5 million and intangibles of $6.1 million . During the third quarter of 2018, the Company recorded a purchase price adjustment of $0.4 million on this acquisition which resulted in an increase of $1.2 million to goodwill. The adjustments were primarily attributable to a $1.7 million increase in other accrued expenses associated with final working capital adjustments.

The operating results subsequent to the acquisition date did not have a significant impact on the consolidated financial statement of the Company. The accounting for this acquisition has only been preliminarily determined.

Acquisition of Kemetyl Industrial Chemicals

On January 4, 2018, the Company completed an acquisition of 100% of the equity interest in Kemetyl Norge Industri AS ("Kemetyl") as well as a definitive asset purchase agreement with Kemetyl Aktiebolag. Kemetyl is among the leading distributors of chemical products in the Nordic region and provides bulk and specialty chemicals, such as isopropanol, glycols, metal salts, minerals and polyacrylamides, to customers in Sweden and Norway. The addition of Kemetyl will allow Univar to expand its leading position in the pharmaceutical industry.

The purchase price of these acquisitions was $8.9 million (net of cash acquired of $0.7 million). The purchase price allocation includes goodwill of $3.9 million and intangibles of $3.6 million . During the third quarter of 2018, the Company recorded purchase price adjustments on these acquisitions which resulted in a decrease of $1.3 million to goodwill recorded during the first quarter of 2018. The adjustments were primarily attributable to additional prepaid expenses and other current assets of $1.4 million for expected proceeds.

The operating results subsequent to the acquisition date did not have a significant impact on the consolidated financial statement of the Company. The accounting for these acquisitions has only been preliminarily determined.

2017 Acquisitions

Acquisition of Tagma Brasil

On September 21, 2017, the Company completed an acquisition of 100% of the equity interest in Tagma Brasil Ltda. ("Tagma"), a leading Brazilian provider of customized formulation and packaging services for crop protection chemicals that include herbicides, insecticides, fungicides and surfactants. This acquisition expands Univar's agriculture business in one of the world's fastest-growing agricultural markets.

Other acquisitions

On September 29, 2017, the Company completed a definitive asset purchase agreement with PVS Minibulk, Inc. ("PVS"), a provider of Minibulk services for inorganic chemicals in California, Oregon, and Washington. This acquisition expands and strengthens Univar's MiniBulk business in the West Coast market as the Company has the opportunity to service PVS customers and integrate them into the Univar business.

The total purchase price of the combined 2017 acquisitions was $21.7 million (net of cash acquired of $0.2 million). The purchase price allocation includes goodwill of $1.0 million and intangibles of $5.3 million . Purchase price adjustments on the 2017 acquisitions resulted in a decrease of $3.2 million to goodwill recorded in 2018 . The adjustments were primarily attributable to net cash proceeds of $2.2 million and $1.1 million increase in the value allocated to intangible assets.

The operating results subsequent to the acquisition dates did not have a significant impact on the consolidated financial statement of the Company. The initial purchase price of the 2017 acquisitions was $23.9 million (net of cash acquired of $0.2 million). The accounting for these acquisitions is complete as of September 30, 2018.

16. 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 material to its overall financial position, results of operations or cash flows. However, the Company cannot predict the outcome of any claims or litigation or the potential for future claims or litigation.

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 USA Inc.'s ("Univar") 1986 purchase of McKesson Chemical Company from McKesson Corporation ("McKesson"). Univar is also a defendant in a small number of asbestos claims. As of September 30, 2018 , there were fewer than 225 asbestos-related claims for which the Company has liability for defense and indemnity pursuant to the indemnification obligation. The volume of such cases has decreased in recent quarters. Historically, the vast majority of the claims against both McKesson and Univar have been dismissed without payment. The Company does incur costs in defending these claims. 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. However, the Company cannot predict the outcome of any present or future claims or litigation and adverse developments could negatively impact earnings or cash flows in a particular future period.

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") at approximately 133 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 110 current or formerly Company-owned/occupied sites. In addition, the Company may be liable for a share of the clean-up of approximately 23 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. It is the Company's policy to record appropriate liabilities on a case by case basis when remedial efforts or claims are probable and the costs are reasonable to estimate. We continually monitor our own sites and work with other potentially responsible parties to deploy feasible remediation techniques. The recorded liabilities are adjusted periodically as remediation progresses or other relevant information becomes available. The level of annual expenditures for remedial, monitoring and investigatory activities will change in the future as components of planned remediation activities are completed and the scope, timing and costs of remediation are changed. Given the uncertainties regarding laws, regulations, technology, information related to sites and potentially responsible parties, the Company does not believe it is possible to develop an estimate of the range of reasonably possible losses in excess of the recorded liabilities. Project lives vary, depending on the specific site and type of remediation project. Associated cash payments are expected to be paid from operating activities.

Changes in total environmental liabilities are as follows:

	Nine months ended September 30,	
(in millions)	**2018**	**2017**
Environmental liabilities at beginning of period	$ 89.2	$ 95.8
Revised obligation estimates	10.3	11.4
Environmental payments	(12.2)	(14.1)
Foreign exchange	(0.2)	0.3
Environmental liabilities at end of period	$ 87.1	$ 93.4

Environmental liabilities of $31.8 million and $29.1 million were classified as current in other accrued expenses in the condensed consolidated balance sheets as of September 30, 2018 and December 31, 2017 , respectively. The long-term portion of environmental liabilities is recorded in other long-term liabilities in the condensed consolidated balance sheets.

Customs and International Trade Laws

In April 2012, the US Department of Justice ("DOJ") issued a civil investigative demand to the Company in connection with an investigation into the Company's compliance with applicable customs and international trade laws and regulations relating to the importation of saccharin from 2002 through 2012. The Company also became aware in 2010 of an investigation being conducted by US Customs and Border Patrol ("CBP") into the Company's importation of saccharin. Finally, the Company learned that a civil plaintiff had sued the Company and two other defendants in a Qui Tam proceeding, such filing having been made under seal in 2012, and this plaintiff had requested that the DOJ intervene in its lawsuit.

The US government, through the DOJ, declined to intervene in the Qui Tam proceeding in November 2013 and, as a result, the DOJ's inquiry related to the Qui Tam lawsuit and its initial investigation demand are now finished. On February 26, 2014, the Qui Tam plaintiff also voluntarily dismissed its lawsuit against the Company.

CBP, however, continued its investigation on the importation of saccharin by the Company's subsidiary, Univar USA Inc. On July 21, 2014, CBP sent the Company a "Pre-Penalty Notice" indicating the imposition of a penalty against Univar USA Inc.

in the amount of approximately $84.0 million . Univar USA Inc. responded to CBP that the proposed penalty was not justified. On October 1, 2014, the CBP issued a penalty notice to Univar USA Inc. for $84.0 million and has reaffirmed this penalty notice. On August 6, 2015, the DOJ filed a complaint on CBP's behalf against Univar USA Inc. in the Court of International Trade seeking approximately $84.0 million in allegedly unpaid duties and penalties, plus interest. The Company continues to defend this matter vigorously. Discovery has largely concluded and a dispositive motion is pending. Univar USA Inc. has not recorded a liability related to this matter as the Company believes a loss is not probable. Although the Company believes its position is strong, it cannot guarantee the outcome of this or other litigation.

17. Segments

Management monitors the operating results of its operating 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, plus the sum of: interest expense, net of interest income; income tax expense; depreciation; amortization; loss on extinguishment of debt; other operating expenses, net; and other income (expense), net.

Transfer prices between operating 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 operating segments. Allocable operating expenses are identified through a review process by management. These costs are allocated to the operating 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.

Other/Eliminations represents the elimination of inter-segment 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.

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

(in millions)	USA	Canada	EMEA	Rest of World	Other/ Eliminations [(1)]	Consolidated
	Three Months Ended September 30, 2018					
Net sales:						
External customers	$ 1,285.3	$ 273.5	$ 472.4	$ 99.5	$ —	$ 2,130.7
Inter-segment	28.6	3.0	0.9	0.1	(32.6)	—
Total net sales	$ 1,313.9	$ 276.5	$ 473.3	$ 99.6	$ (32.6)	$ 2,130.7
Cost of goods sold (exclusive of depreciation)	1,023.5	227.8	365.4	77.9	(32.6)	1,662.0
Outbound freight and handling	56.1	10.1	14.6	1.9	—	82.7
Warehousing, selling and administrative	134.9	19.4	57.7	10.7	6.3	229.0
Adjusted EBITDA	$ 99.4	$ 19.2	$ 35.6	$ 9.1	$ (6.3)	$ 157.0
Other operating expenses, net						12.4
Depreciation						31.5
Amortization						13.5
Interest expense, net						32.2
Other income, net						(2.5)
Income tax expense						20.3
Net income						$ 49.6
Total assets	$ 3,263.9	$ 1,640.4	$ 994.2	$ 209.6	$ (611.0)	$ 5,497.1

(in millions)	USA	Canada	EMEA	Rest of World	Other/ Eliminations [1]	Consolidated
	Three Months Ended September 30, 2017					
Net sales:						
External customers	$ 1,185.0	$ 299.9	$ 456.9	$ 106.9	$ —	$ 2,048.7
Inter-segment	25.9	2.5	1.1	—	(29.5)	—
Total net sales	$ 1,210.9	$ 302.4	$ 458.0	$ 106.9	$ (29.5)	$ 2,048.7
Cost of goods sold (exclusive of depreciation)	937.5	246.2	355.1	84.6	(29.5)	1,593.9
Outbound freight and handling	50.3	9.1	13.8	1.6	—	74.8
Warehousing, selling and administrative	132.7	21.9	58.2	11.4	6.5	230.7
Adjusted EBITDA	$ 90.4	$ 25.2	$ 30.9	$ 9.3	$ (6.5)	$ 149.3
Other operating expenses, net						11.8
Depreciation						32.5
Amortization						16.8
Interest expense, net						38.4
Other expense, net						4.4
Income tax expense						6.5
Net income						$ 38.9
Total assets	$ 3,634.0	$ 2,006.9	$ 905.2	$ 251.7	$ (1,107.7)	$ 5,690.1

(in millions)	USA	Canada	EMEA	Rest of World	Other/ Eliminations [1]	Consolidated
	Nine Months Ended September 30, 2018					
Net sales:						
External customers	$ 3,799.5	$ 1,037.8	$ 1,522.9	$ 301.1	$ —	$ 6,661.3
Inter-segment	101.6	7.2	3.5	0.2	(112.5)	—
Total net sales	$ 3,901.1	$ 1,045.0	$ 1,526.4	$ 301.3	$ (112.5)	$ 6,661.3
Cost of goods sold (exclusive of depreciation)	3,041.0	865.0	1,176.3	235.7	(112.5)	5,205.5
Outbound freight and handling	162.7	32.5	47.4	5.9	—	248.5
Warehousing, selling and administrative	409.6	64.2	182.3	33.7	21.1	710.9
Adjusted EBITDA	$ 287.8	$ 83.3	$ 120.4	$ 26.0	$ (21.1)	$ 496.4
Other operating expenses, net						37.0
Depreciation						93.8
Amortization						40.7
Interest expense, net						99.1
Other income, net						(3.0)
Income tax expense						57.7
Net income						$ 171.1
Total assets	$ 3,263.9	$ 1,640.4	$ 994.2	$ 209.6	$ (611.0)	$ 5,497.1

(in millions)	USA	Canada	EMEA	Rest of World	Other/ Eliminations [(1)]	Consolidated
	Nine Months Ended September 30, 2017					
Net sales:						
External customers	$ 3,527.0	$ 1,099.6	$ 1,360.3	$ 307.6	$ —	$ 6,294.5
Inter-segment	92.1	6.6	3.6	0.3	(102.6)	—
Total net sales	$ 3,619.1	$ 1,106.2	$ 1,363.9	$ 307.9	$ (102.6)	$ 6,294.5
Cost of goods sold (exclusive of depreciation)	2,807.1	926.7	1,054.5	248.2	(102.6)	4,933.9
Outbound freight and handling	144.4	27.5	41.0	4.8	—	217.7
Warehousing, selling and administrative	404.1	65.7	169.6	34.0	21.8	695.2
Adjusted EBITDA	$ 263.5	$ 86.3	$ 98.8	$ 20.9	$ (21.8)	$ 447.7
Other operating expenses, net						55.8
Depreciation						102.5
Amortization						50.0
Interest expense, net						110.0
Loss on extinguishment of debt						0.8
Other expense, net						20.4
Income tax expense						15.4
Net income						$ 92.8
Total assets	$ 3,634.0	$ 2,006.9	$ 905.2	$ 251.7	$ (1,107.7)	$ 5,690.1

(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.

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

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

We monitor the results of our operating segments separately for the purposes of making decisions about resource allocation and performance assessment. We evaluate performance on the basis of gross profit, which we define as net sales less cost of goods sold (exclusive of depreciation), gross margin, which we define as gross profit divided by external net sales as well as Adjusted EBITDA, which we define as our consolidated net income, plus the sum of interest expense, net of interest income, income tax expense, depreciation, amortization, loss on extinguishment of debt, other operating expenses, net (which primarily consists of acquisition and integration related expenses, employee stock-based compensation expense, restructuring charges, other employee termination costs, business optimization, and other unusual or non-recurring expenses) and other income (expense), net (which consists of gains and losses on foreign currency transactions and undesignated derivative instruments, debt refinancing costs, non-operating retirement benefits, and other non-operating activity). We believe that Adjusted EBITDA is an important indicator of operating performance because:

- we report Adjusted EBITDA to our lenders as required under the covenants of our credit agreements;
- we consider gains (losses) on the acquisition, disposal and impairment of assets as resulting from investing decisions rather than ongoing operations;
- Adjusted EBITDA excludes the effects of income taxes, as well as the effects of financing and investing activities by eliminating the effects of interest, depreciation and amortization expenses and therefore more closely measures our operational performance;
- we use Adjusted EBITDA in setting performance incentive targets in order to align performance measurement with operational performance; and
- other significant items, while periodically affecting our results, may vary significantly from period to period and have a disproportionate effect in a given period, which affects comparability of our results.

We set transfer prices between operating segments on an arms-length basis in a similar manner to transactions with third parties. We allocate corporate operating expenses that directly benefit our operating segments on a basis that reasonably approximates our estimates of the use of these services.

Other/Eliminations represents the elimination of inter-segment 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. In the analysis of our results of operations, we discuss operating segment results for the current reporting period following our consolidated results of operations period-to-period comparison.

The following is management's discussion and analysis of the financial condition and results of operations for the three and nine months ended September 30, 2018 as compared to the corresponding period in the prior year. Information included in this section for reported sales volumes and pricing utilize an average price at the consolidated level and respective reporting segment levels. In certain reporting segments we utilized country and revenue stream information to provide a more accurate representation of changes to the business. This discussion should be read in conjunction with the condensed consolidated financial statements, including the related notes, set forth in this report under "Financial Statements" and our Annual Report on Form 10-K for the year ended December 31, 2017 , as recast to the extent provided in the Current Report on Form 8-K and the exhibits attached thereto, filed with the SEC on November 1, 2018.

Non-GAAP Financial Measures

We believe that certain financial measures that do not comply 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), gross margin (exclusive of depreciation) and Adjusted EBITDA. 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.

Results of Operations

The following tables set forth, for the periods indicated, certain statements of operations data first on the basis of reported data and then as a percentage of total net sales for the relevant period.

Three Months Ended September 30, 2018 Compared to Three Months Ended September 30, 2017

	Three Months Ended						
(in millions)	September 30, 2018		September 30, 2017		Favorable (unfavorable)	% Change	Impact of currency [1]
Net sales	$ 2,130.7	100.0 %	$ 2,048.7	100.0 %	$ 82.0	4.0 %	(2.2)%
Cost of goods sold (exclusive of depreciation)	1,662.0	78.0 %	1,593.9	77.8 %	(68.1)	4.3 %	2.2 %
Operating expenses:							
Outbound freight and handling	82.7	3.9 %	74.8	3.7 %	(7.9)	10.6 %	1.3 %
Warehousing, selling and administrative	229.0	10.7 %	230.7	11.3 %	1.7	(0.7)%	1.8 %
Other operating expenses, net	12.4	0.6 %	11.8	0.6 %	(0.6)	5.1 %	— %
Depreciation	31.5	1.5 %	32.5	1.6 %	1.0	(3.1)%	0.9 %
Amortization	13.5	0.6 %	16.8	0.8 %	3.3	(19.6)%	1.7 %
Total operating expenses	$ 369.1	17.3 %	$ 366.6	17.9 %	$ (2.5)	0.7 %	1.6 %
Operating income	$ 99.6	4.7 %	$ 88.2	4.3 %	$ 11.4	12.9 %	(4.4)%
Other (expense) income:							
Interest income	0.6	— %	0.9	— %	(0.3)	(33.3)%	— %
Interest expense	(32.8)	(1.5)%	(39.3)	(1.9)%	6.5	(16.5)%	0.5 %
Other income (expense), net	2.5	0.1 %	(4.4)	(0.2)%	6.9	N/M	13.6 %
Total other expense	$ (29.7)	(1.4)%	$ (42.8)	(2.1)%	$ 13.1	(30.6)%	1.9 %
Income before income taxes	69.9	3.3 %	45.4	2.2 %	24.5	54.0 %	(6.8)%
Income tax expense	20.3	1.0 %	6.5	0.3 %	(13.8)	212.3 %	3.1 %
Net income	$ 49.6	2.3 %	$ 38.9	1.9 %	$ 10.7	27.5 %	(7.5)%

(1) Foreign currency translation is included in the percentage change. Unfavorable impacts from foreign currency translation are designated with parentheses.

Net sales

Net sales percentage change due to:	
Acquisitions	0.6 %
Reported sales volumes	(0.7)%
Sales pricing and product mix	6.3 %
Foreign currency translation	(2.2)%
Total	4.0 %

Net sales were $2,130.7 million for the three months ended September 30, 2018 , an increase of $82.0 million , or 4.0% , from the three months ended September 30, 2017 . On a constant currency basis, net sales increased due to sales pricing and product mix improvements in all segments, partially offset by lower reported sales volumes in Canada, EMEA and ROW for the three months ended September 30, 2018 compared to the three months ended September 30, 2017 . Net sales also increased from the January 2018 Kemetyl and May 2018 Earthoil acquisitions in EMEA and the September 2017 Tagma acquisition in the Rest of World segment. Refer to the “Segment results” for the three months ended September 30, 2018 discussion for additional information.

Gross profit (exclusive of depreciation)

Gross profit percentage change due to:	
Acquisitions	1.0 %
Reported sales volumes	(0.7)%
Sales pricing, product costs and other adjustments	4.9 %
Foreign currency translation	(2.1)%
Total	3.1 %

Gross profit increased $13.9 million , or 3.1% , to $468.7 million for the three months ended September 30, 2018 . The increase in gross profit is attributable to higher average selling prices resulting from changes in market and product mix and sales force execution. The increase in gross profit from acquisitions was attributable to the January 2018 Kemetyl and May 2018 Earthoil acquisitions in EMEA and the September 2017 Tagma acquisition in the Rest of World segment. Gross margin, which we define as gross profit divided by external net sales, decreased to 22.0% for the three months ended September 30, 2018 from 22.2% for the three months ended September 30, 2017 . Refer to the “Segment results” for the three months ended September 30, 2018 discussion for additional information.

Outbound freight and handling

Outbound freight and handling expenses increased $7.9 million , or 10.6% , to $82.7 million for the three months ended September 30, 2018 . On a constant currency basis, outbound freight and handling expenses increased $8.9 million , or 11.9% , primarily due to higher delivery costs resulting from capacity constraints and higher fuel costs, partially offset by lower reported sales volumes. Refer to the “Segment results” for the three months ended September 30, 2018 discussion for additional information.

Warehousing, selling and administrative

Warehousing, selling and administrative expenses decreased $1.7 million , or 0.7% , to $229.0 million for the three months ended September 30, 2018 . On a constant currency basis, the $2.6 million increase is primarily due to focused investments in resources and capabilities to meet our sales force and digital initiative objectives and higher environmental remediation expenses. These costs were partially offset by lower variable compensation expense and cost containment efforts across all of our segments. Refer to the “Segment results” for the three months ended September 30, 2018 discussion for additional information.

Other operating expenses, net

Other operating expenses, net increased $0.6 million from $11.8 million for the three months ended September 30, 2017 to $12.4 million for the three months ended September 30, 2018 . The increase was primarily due to higher acquisition and integration related expenses and higher restructuring charges. The increase was partially offset by the reduction in costs incurred to support the transformation of the US business. Refer to “ Note 4: Other operating expenses, net ” and “ Note 5: Restructuring charges ” in Item 1 of this Quarterly Report on Form 10-Q for additional information.

Depreciation and amortization

Depreciation expense decreased $1.0 million , or 3.1% , to $31.5 million for the three months ended September 30, 2018 . On a constant currency basis, the $0.7 million decrease was primarily due to assets reaching the end of their useful lives.

Amortization expense decreased $3.3 million , or 19.6% , to $13.5 million for the three months ended September 30, 2018 . On a constant currency basis, the decrease of $3.0 million was primarily attributable to intangibles reaching the end of their useful lives.

Interest expense

Interest expense decreased $6.5 million , or 16.5% , to $32.8 million for the three months ended September 30, 2018 primarily due to lower average outstanding borrowings. Refer to “ Note 11: Debt ” in Item 1 of this Quarterly Report on Form 10-Q for additional information.

Other income (expense), net

Other income (expense), net decreased $6.9 million , or 156.8% , from an expense of $4.4 million for the three months ended September 30, 2017 to an income of $2.5 million for the three months ended September 30, 2018 . The decrease was primarily related to the reduced exposure to exchange movements on foreign currency denominated loans due to the Euro Term B loan repayment in November 2017, partially offset by the absence of gains from interest rate swap contracts as the Company designated the interest rate swaps as a cash flow hedge in the third quarter of 2017. Refer to " Note 6: 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 $20.3 million , and resulted in an effective tax rate of 29.0% , during the three months ended September 30, 2018 . The Company's effective tax rate for the three month period ended September 30, 2018 was higher than the recently reduced US federal statutory rate of 21.0% , primarily due to the addition of state taxes and the higher tax rates incurred on the company's earnings outside the US, including the expected net impact of the 2017 US Tax Cuts and Jobs Act on foreign net earnings. These increases in the effective tax rate were partially offset by the release of valuation allowances on certain tax attributes.

Income tax expense was $6.5 million , and resulted in an effective tax rate of 14.3% , during the three months ended September 30, 2017 . The Company's effective tax rate for three months ended September 30, 2017 was lower than the US federal statutory rate of 35.0% , primarily due to the mix of earnings in multiple jurisdictions, non-taxable interest income and the release of a valuation allowance on certain foreign tax attributes.

Segment results

Our Adjusted EBITDA and gross profit by operating segment and in aggregate is summarized in the following tables:

(in millions)	USA	Canada	EMEA	Rest of World	Other/ Eliminations (1)	Consolidated
	Three months ended September 30, 2018					
Net sales:						
External customers	$ 1,285.3	$ 273.5	$ 472.4	$ 99.5	$ —	$ 2,130.7
Inter-segment	28.6	3.0	0.9	0.1	(32.6)	—
Total net sales	$ 1,313.9	$ 276.5	$ 473.3	$ 99.6	$ (32.6)	$ 2,130.7
Cost of goods sold (exclusive of depreciation)	1,023.5	227.8	365.4	77.9	(32.6)	1,662.0
Outbound freight and handling	56.1	10.1	14.6	1.9	—	82.7
Warehousing, selling and administrative	134.9	19.4	57.7	10.7	6.3	229.0
Adjusted EBITDA	$ 99.4	$ 19.2	$ 35.6	$ 9.1	$ (6.3)	$ 157.0
Other operating expenses, net						12.4
Depreciation						31.5
Amortization						13.5
Interest expense, net						32.2
Other income, net						(2.5)
Income tax expense						20.3
Net income						$ 49.6

(in millions)	USA	Canada	EMEA	Rest of World	Other/ Eliminations (1)	Consolidated
	Three months ended September 30, 2018					
Gross profit:						
Net sales	$ 1,313.9	$ 276.5	$ 473.3	$ 99.6	$ (32.6)	$ 2,130.7
Cost of goods sold (exclusive of depreciation)	1,023.5	227.8	365.4	77.9	(32.6)	1,662.0
Gross profit	$ 290.4	$ 48.7	$ 107.9	$ 21.7	$ —	$ 468.7

(in millions)	USA	Canada	EMEA	Rest of World	Other/ Eliminations [1]	Consolidated
	Three months ended September 30, 2017					
Net sales:						
External customers	$ 1,185.0	$ 299.9	$ 456.9	$ 106.9	$ —	$ 2,048.7
Inter-segment	25.9	2.5	1.1	—	(29.5)	—
Total net sales	$ 1,210.9	$ 302.4	$ 458.0	$ 106.9	$ (29.5)	$ 2,048.7
Cost of goods sold (exclusive of depreciation)	937.5	246.2	355.1	84.6	(29.5)	1,593.9
Outbound freight and handling	50.3	9.1	13.8	1.6	—	74.8
Warehousing, selling and administrative	132.7	21.9	58.2	11.4	6.5	230.7
Adjusted EBITDA	$ 90.4	$ 25.2	$ 30.9	$ 9.3	$ (6.5)	$ 149.3
Other operating expenses, net						11.8
Depreciation						32.5
Amortization						16.8
Interest expense, net						38.4
Other expense, net						4.4
Income tax expense						6.5
Net income						$ 38.9

(in millions)	USA	Canada	EMEA	Rest of World	Other/ Eliminations [1]	Consolidated
	Three months ended September 30, 2017					
Gross profit:						
Net sales	$ 1,210.9	$ 302.4	$ 458.0	$ 106.9	$ (29.5)	$ 2,048.7
Cost of goods sold (exclusive of depreciation)	937.5	246.2	355.1	84.6	(29.5)	1,593.9
Gross profit	$ 273.4	$ 56.2	$ 102.9	$ 22.3	$ —	$ 454.8

(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.

USA .

Net sales percentage change due to:		Gross profit percentage change due to:	
Reported sales volumes	1.9%	Reported sales volumes	1.9%
Sales pricing and product mix	6.6%	Sales pricing, product costs and other adjustments	4.3%
Total	8.5%	Total	6.2%

External sales in the USA segment were $1,285.3 million , an increase of $100.3 million , or 8.5% , for the three months ended September 30, 2018 , primarily due to higher average selling prices resulting from chemical price inflation on certain products and the Company's efforts to improve its sales force effectiveness as well as higher reported sales volumes, primarily in bulk commodity chemicals.

Gross profit increased $17.0 million , or 6.2% , to $290.4 million for the three months ended September 30, 2018 . Gross profit increased due to higher volumes and changes in product mix. Gross margin decreased from 23.1% for the three months ended September 30, 2017 to 22.6% during the three months ended September 30, 2018 reflecting chemical price inflation and the change in product mix.

Outbound freight and handling expenses increased $5.8 million , or 11.5% , to $56.1 million for the three months ended September 30, 2018 primarily due to higher delivery costs resulting from capacity constraints and higher fuel costs.

Operating expenses increased $2.2 million , or 1.7% , to $134.9 million for the three months ended September 30, 2018 primarily due to focused investments in resources and capabilities to meet our sales force and digital initiative objectives, higher environmental remediation expense and higher bad debt charges, partially offset by lower variable compensation expense and strong cost containment. Operating expenses as a percentage of external sales decreased from 11.2% for the three months ended September 30, 2017 to 10.5% for the three months ended September 30, 2018 .

Adjusted EBITDA increased by $9.0 million , or 10.0% , to $99.4 million for the three months ended September 30, 2018 primarily as a result of higher gross profit which offset the effect of higher outbound freight and handling expenses. Adjusted EBITDA margin increased from 7.6% in the three months ended September 30, 2017 to 7.7% for the three months ended September 30, 2018 reflecting lower operating expenses as a percentage of sales, partially offset by higher outbound freight and handling expenses as a percentage of sales.

Canada .

Net sales percentage change due to:		Gross profit percentage change due to:	
Reported sales volumes	(8.7)%	Reported sales volumes	(9.1)%
Sales pricing and product mix	5.4 %	Sales pricing, product costs and other adjustments	0.7 %
Foreign currency translation	(5.5)%	Foreign currency translation	(4.9)%
Total	(8.8)%	Total	(13.3)%

External sales in the Canada segment were $273.5 million , a decrease of $26.4 million , or 8.8% , for the three months ended September 30, 2018 . On a constant currency basis, external net sales decreased primarily due to lower sales volumes attributable to the weather-impacted agriculture market as well as volume reductions related to a partial plant shutdown of a large customer. The increase in external net sales from changes in sales pricing and product mix was due to higher average selling prices in industrial chemical products resulting from changes in product mix.

Gross profit decreased $7.5 million , or 13.3% , to $48.7 million for the three months ended September 30, 2018 . On a constant currency basis, gross profit decreased due to lower sales volumes in agriculture and a partial plant shutdown of a large customer. Gross margin decreased 0.9% to 17.8% for the three months ended September 30, 2018 reflecting market challenges in agriculture, partially offset by growth in the industrial chemical business.

Outbound freight and handling expenses increased $1.0 million , or 11.0% , to $10.1 million for the three months ended September 30, 2018 due to higher delivery costs per ton resulting from tight market conditions.

Operating expenses decreased by $2.5 million , or 11.4% , to $19.4 million for the three months ended September 30, 2018 . Operating expenses as a percentage of external sales decreased from 7.3% for the three months ended September 30, 2017 to 7.1% for the three months ended September 30, 2018 . On a constant currency basis, operating expenses decreased $1.6 million , or 7.3% primarily related to lower variable compensation expense.

Adjusted EBITDA decreased by $6.0 million , or 23.8% , to $19.2 million for the three months ended September 30, 2018 . On a constant currency basis, Adjusted EBITDA decreased $4.5 million , or 17.9% , attributable to reduced demand resulting from a weather-impacted agriculture market and a partial plant shutdown of a large customer. Adjusted EBITDA margin decreased from 8.4% for the three months ended September 30, 2017 to 7.0% for the three months ended September 30, 2018 .

EMEA .

Net sales percentage change due to:		Gross profit percentage change due to:	
Acquisitions	1.6 %	Acquisitions	1.7 %
Reported sales volumes	(0.3)%	Reported sales volumes	(0.3)%
Sales pricing and product mix	5.7 %	Sales pricing, product costs and other adjustments	7.2 %
Foreign currency translation	(3.6)%	Foreign currency translation	(3.7)%
Total	3.4 %	Total	4.9 %

External sales in the EMEA segment were $472.4 million , an increase of $15.5 million , or 3.4% , for the three months ended September 30, 2018 . On a constant currency basis, external net sales increased primarily due to higher average selling prices from chemical price inflation, mix improvement and sales force execution. The increase in external net sales from acquisitions was due to the January 2018 Kemetyl and May 2018 Earthoil acquisitions.

Gross profit increased $5.0 million , or 4.9% , to $107.9 million in the three months ended September 30, 2018 . On a constant currency basis, gross profit increased from higher average selling prices attributable to favorable market and product mix. The increase in gross profit from acquisitions was due to the January 2018 Kemetyl and May 2018 Earthoil acquisitions. Gross margin increased from 22.5% for the three months ended September 30, 2017 to 22.8% for the three months ended September 30, 2018 primarily due to the change in product mix and margin management initiatives.

Outbound freight and handling expenses increased $0.8 million , or 5.8% , to $14.6 million , primarily due to higher costs to deliver.

Operating expenses decreased $0.5 million , or 0.9% , to $57.7 million for the three months ended September 30, 2018 , and decreased as a percentage of external sales by 0.5% to 12.2% for the three months ended September 30, 2018 . On a constant currency basis, operating expenses increased $1.4 million , or 2.4% , which was primarily due to incremental expenses related to our Kemetyl acquisition and higher salary expense.

Adjusted EBITDA increased by $4.7 million , or 15.2% , to $35.6 million for the three months ended September 30, 2018 . On a constant currency basis, Adjusted EBITDA increased $ 6.4 million , or 20.7% primarily due to increased gross margin and lower operating expenses as a percentage of sales. For the three months ended September 30, 2018 , the pharmaceutical finished goods product line represented approximately 30% of Adjusted EBITDA in the EMEA segment. Adjusted EBITDA margin increased from 6.8% for the three months ended September 30, 2017 to 7.5% for the three months ended September 30, 2018 .

Rest of World .

Net sales percentage change due to:		**Gross profit percentage change due to:**	
Acquisitions	5.1 %	Acquisitions	12.1 %
Reported sales volumes	(20.8)%	Reported sales volumes	(19.3)%
Sales pricing and product mix	19.9 %	Sales pricing, product costs and other adjustments	18.9 %
Foreign currency translation	(11.1)%	Foreign currency translation	(14.4)%
Total	(6.9)%	Total	(2.7)%

External sales in the Rest of World segment were $99.5 million , a decrease of $7.4 million , or 6.9% , for the three months ended September 30, 2018 . On a constant currency basis, external sales increased from higher average selling prices attributable to market price inflation, shortages on certain products, changes in product mix and improved sales force effectiveness. Reported sales volumes were lower due to certain product shortages as well as the Company's continued focus on margin management efforts. The increase in external net sales from acquisitions was due to the September 2017 Tagma acquisition.

Gross profit decreased $0.6 million , or 2.7% , to $21.7 million for the three months ended September 30, 2018 . On a constant currency basis, gross profit increased due to higher average selling prices resulting from higher chemical prices discussed above. The increase in gross profit from acquisitions was due to the September 2017 Tagma acquisition. Gross margin increased from 20.9% for the three months ended September 30, 2017 to 21.8% for the three months ended September 30, 2018 primarily due to the factors discussed above and a shift towards higher margin products and services.

Outbound freight and handling expenses increased $0.3 million , or 18.8% , to $1.9 million for the three months ended September 30, 2018 .

Operating expenses decreased $0.7 million , or 6.1% , to $10.7 million for the three months ended September 30, 2018 and increased as a percentage of external sales from 10.7% when comparing the three months ended September 30, 2017 to 10.8% for the three months ended September 30, 2018 . On a constant currency basis, operating expenses increased $0.9 million , or 7.9% .

Adjusted EBITDA decreased by $0.2 million , or 2.2% , to $9.1 million for the three months ended September 30, 2018 . On a constant currency basis, Adjusted EBITDA increased $1.2 million , or 12.9% , primarily due to a shift towards higher margin products and services and market price inflation. Adjusted EBITDA margin increased from 8.7% for the three months ended September 30, 2017 to 9.1% for the three months ended September 30, 2018 .

Results of Operations

The following tables set forth, for the periods indicated, certain statements of operations data first on the basis of reported data and then as a percentage of total net sales for the relevant period.

Nine Months Ended September 30, 2018 Compared to Nine Months Ended September 30, 2017

	Nine Months Ended						
(in millions)	**September 30, 2018**		**September 30, 2017**		**Favorable (unfavorable)**	**% Change**	**Impact of currency (1)**
Net sales	$ 6,661.3	100.0 %	$ 6,294.5	100.0 %	$ 366.8	5.8 %	1.3 %
Cost of goods sold (exclusive of depreciation)	5,205.5	78.1 %	4,933.9	78.4 %	(271.6)	5.5 %	(1.3)%
Operating expenses:							
Outbound freight and handling	248.5	3.7 %	217.7	3.5 %	(30.8)	14.1 %	(1.4)%
Warehousing, selling and administrative	710.9	10.7 %	695.2	11.0 %	(15.7)	2.3 %	(2.0)%
Other operating expenses, net	37.0	0.6 %	55.8	0.9 %	18.8	(33.7)%	(0.4)%
Depreciation	93.8	1.4 %	102.5	1.6 %	8.7	(8.5)%	(1.0)%
Amortization	40.7	0.6 %	50.0	0.8 %	9.3	(18.6)%	(0.2)%
Total operating expenses	$ 1,130.9	17.0 %	$ 1,121.2	17.8 %	$ (9.7)	0.9 %	(1.2)%
Operating income	$ 324.9	4.9 %	$ 239.4	3.8 %	$ 85.5	35.7 %	1.7 %
Other (expense) income:							
Interest income	2.7	— %	2.6	— %	0.1	3.8 %	(3.9)%
Interest expense	(101.8)	(1.5)%	(112.6)	(1.8)%	10.8	(9.6)%	— %
Loss on extinguishment of debt	—	— %	(0.8)	— %	0.8	(100.0)%	— %
Other income (expense), net	3.0	— %	(20.4)	(0.3)%	23.4	N/M	5.9 %
Total other expense	$ (96.1)	(1.4)%	$ (131.2)	(2.1)%	$ 35.1	(26.8)%	0.9 %
Income before income taxes	228.8	3.4 %	108.2	1.7 %	120.6	111.5 %	4.8 %
Income tax expense	57.7	0.9 %	15.4	0.2 %	(42.3)	274.7 %	(1.3)%
Net income	$ 171.1	2.6 %	$ 92.8	1.5 %	$ 78.3	84.4 %	5.4 %

(1) Foreign currency translation is included in the percentage change. Unfavorable impacts from foreign currency translation are designated with parentheses.

Net sales

Net sales percentage change due to:	
Acquisitions	0.5 %
Reported sales volumes	(1.9)%
Sales pricing and product mix	5.9 %
Foreign currency translation	1.3 %
Total	5.8 %

Net sales were $6,661.3 million for the nine months ended September 30, 2018 , an increase of $366.8 million , or 5.8% , from the nine months ended September 30, 2017 . On a constant currency basis, net sales increased due to sales pricing and product mix improvements in all segments, partially offset by lower reported sales volumes in Canada, EMEA and ROW for the nine months ended September 30, 2018 compared to the nine months ended September 30, 2017 . Net sales also increased from the January 2018 Kemetyl and May 2018 Earthoil acquisitions in EMEA and the September 2017 Tagma acquisition in the Rest of World segment. Refer to the “Segment results” for the nine months ended September 30, 2018 discussion for additional information.

Gross profit (exclusive of depreciation)

Gross profit percentage change due to:	
Acquisitions	0.7 %
Reported sales volumes	(1.9)%
Sales pricing, product costs and other adjustments	6.9 %
Foreign currency translation	1.3 %
Total	7.0 %

Gross profit increased $95.2 million , or 7.0% , to $1,455.8 million for the nine months ended September 30, 2018 . The increase in gross profit is attributable to higher average selling prices resulting from changes in market and product mix and sales force execution. The increase in gross profit from acquisitions was attributable to the January 2018 Kemetyl and May 2018 Earthoil acquisitions in EMEA and the September 2017 Tagma acquisition in the Rest of World segment. Gross margin, which we define as gross profit divided by external net sales, increased to 21.9% for the nine months ended September 30, 2018 from 21.6% for the nine months ended September 30, 2017 . Refer to the “Segment results” for the nine months ended September 30, 2018 discussion for additional information.

Outbound freight and handling

Outbound freight and handling expenses increased $30.8 million , or 14.1% , to $248.5 million for the nine months ended September 30, 2018 . On a constant currency basis, outbound freight and handling expenses increased $27.6 million , or 12.7% primarily due to higher delivery costs resulting from capacity constraints and higher fuel costs, partially offset by lower reported sales volumes. Refer to the “Segment results” for the nine months ended September 30, 2018 discussion for additional information.

Warehousing, selling and administrative

Warehousing, selling and administrative expenses increased $15.7 million , or 2.3% , to $710.9 million for the nine months ended September 30, 2018 . On a constant currency basis, the $6.6 million increase is primarily due to focused investments in resources and capabilities to meet our sales force and digital initiative objectives. These costs were partially offset by cost containment efforts across all of our segments, lower variable compensation expense and lower medical expenses in the current year. Refer to the “Segment results” for the nine months ended September 30, 2018 discussion for additional information.

Other operating expenses, net

Other operating expenses, net decreased $18.8 million from $55.8 million for the nine months ended September 30, 2017 to $37.0 million for the nine months ended September 30, 2018 . The decrease was primarily related to the reduction in costs incurred to support the transformation of the US business and lower restructuring charges. The decrease was partially offset by higher acquisition and integration related expenses, higher other employee termination costs and higher stock-based compensation. Refer to “ Note 4: Other operating expenses, net ” and “ Note 5: Restructuring charges ” in Item 1 of this Quarterly Report on Form 10-Q for additional information.

Depreciation and amortization

Depreciation expense decreased $8.7 million , or 8.5% , to $93.8 million for the nine months ended September 30, 2018 . On a constant currency basis, the $9.7 million decrease was primarily due to assets reaching the end of their useful lives.

Amortization expense decreased $9.3 million , or 18.6% , to $40.7 million for the nine months ended September 30, 2018 . On a constant currency basis, the decrease of $9.4 million was primarily attributable to intangibles reaching the end of their useful lives.

Interest expense

Interest expense decreased $10.8 million , or 9.6% , to $101.8 million for the nine months ended September 30, 2018 primarily due to lower average outstanding borrowings. Refer to “ Note 11: Debt ” in Item 1 of this Quarterly Report on Form 10-Q for additional information.

Other income (expense), net

Other income (expense), net decreased $23.4 million , or 114.7% , from an expense of $20.4 million for the nine months ended September 30, 2017 to an income of $3.0 million for the nine months ended September 30, 2018 . The decrease was primarily related to the reduced exposure to exchange movements on foreign currency denominated loans due to the Euro Term B loan repayment in November 2017. The decrease was also due to the absence of debt amendment fees for the January 2017 amendment of the Senior Term B loan agreement and the absence of losses from interest rate swap contracts as the Company designated the interest rate swaps as a cash flow hedge in the third quarter of 2017. Refer to " Note 6: 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 $57.7 million , and resulted in an effective tax rate of 25.2% , during the nine months ended September 30, 2018 . The Company's effective tax rate for the nine month period ended September 30, 2018 was higher than the recently reduced US federal statutory rate of 21.0% , primarily due to the addition of state taxes, and the higher tax rates incurred on the company's earnings outside the US, including the expected net impact of the 2017 US Tax Cuts and Jobs Act on foreign net earnings. These increases in the effective tax rate were partially offset by the release of valuation allowances on certain tax attributes. Included in the $ 57.7 million of tax expense for September 30, 2018 was a $7.4 million benefit related to the release of valuation allowance on a foreign tax attribute, a $2.7 million benefit in recognition of previously unrecognized tax benefits due to the statute of limitation expiration, and a $6.3 million expense related to return to provision adjustments.

Segment results

Our Adjusted EBITDA and gross profit by operating segment and in aggregate is summarized in the following tables:

(in millions)	USA	Canada	EMEA	Rest of World	Other/ Eliminations [(1)]	Consolidated
	Nine months ended September 30, 2018					
Net sales:						
External customers	$ 3,799.5	$ 1,037.8	$ 1,522.9	$ 301.1	$ —	$ 6,661.3
Inter-segment	101.6	7.2	3.5	0.2	(112.5)	—
Total net sales	$ 3,901.1	$ 1,045.0	$ 1,526.4	$ 301.3	$ (112.5)	$ 6,661.3
Cost of goods sold (exclusive of depreciation)	3,041.0	865.0	1,176.3	235.7	(112.5)	5,205.5
Outbound freight and handling	162.7	32.5	47.4	5.9	—	248.5
Warehousing, selling and administrative	409.6	64.2	182.3	33.7	21.1	710.9
Adjusted EBITDA	$ 287.8	$ 83.3	$ 120.4	$ 26.0	$ (21.1)	$ 496.4
Other operating expenses, net						37.0
Depreciation						93.8
Amortization						40.7
Interest expense, net						99.1
Other income, net						(3.0)
Income tax expense						57.7
Net income						$ 171.1

(in millions)	USA	Canada	EMEA	Rest of World	Other/ Eliminations [(1)]	Consolidated
	Nine months ended September 30, 2018					
Gross profit:						
Net sales	$ 3,901.1	$ 1,045.0	$ 1,526.4	$ 301.3	$ (112.5)	$ 6,661.3
Cost of goods sold (exclusive of depreciation)	3,041.0	865.0	1,176.3	235.7	(112.5)	5,205.5
Gross profit	$ 860.1	$ 180.0	$ 350.1	$ 65.6	$ —	$ 1,455.8

(in millions)	USA	Canada	EMEA	Rest of World	Other/ Eliminations [1]	Consolidated
	Nine months ended September 30, 2017					
Net sales:						
External customers	$ 3,527.0	$ 1,099.6	$ 1,360.3	$ 307.6	$ —	$ 6,294.5
Inter-segment	92.1	6.6	3.6	0.3	(102.6)	—
Total net sales	$ 3,619.1	$ 1,106.2	$ 1,363.9	$ 307.9	$ (102.6)	$ 6,294.5
Cost of goods sold (exclusive of depreciation)	2,807.1	926.7	1,054.5	248.2	(102.6)	4,933.9
Outbound freight and handling	144.4	27.5	41.0	4.8	—	217.7
Warehousing, selling and administrative	404.1	65.7	169.6	34.0	21.8	695.2
Adjusted EBITDA	$ 263.5	$ 86.3	$ 98.8	$ 20.9	$ (21.8)	$ 447.7
Other operating expenses, net						55.8
Depreciation						102.5
Amortization						50.0
Interest expense, net						110.0
Loss on extinguishment of debt						0.8
Other expense, net						20.4
Income tax expense						15.4
Net income						$ 92.8

(in millions)	USA	Canada	EMEA	Rest of World	Other/ Eliminations [1]	Consolidated
	Nine months ended September 30, 2017					
Gross profit:						
Net sales	$ 3,619.1	$ 1,106.2	$ 1,363.9	$ 307.9	$ (102.6)	$ 6,294.5
Cost of goods sold (exclusive of depreciation)	2,807.1	926.7	1,054.5	248.2	(102.6)	4,933.9
Gross profit	$ 812.0	$ 179.5	$ 309.4	$ 59.7	$ —	$ 1,360.6

(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.

USA .

Net sales percentage change due to:		Gross profit percentage change due to:	
Reported sales volumes	1.2%	Reported sales volumes	1.2%
Sales pricing and product mix	6.5%	Sales pricing, product costs and other adjustments	4.7%
Total	7.7%	Total	5.9%

External sales in the USA segment were $3,799.5 million , an increase of $272.5 million , or 7.7% , for the nine months ended September 30, 2018 , primarily due to higher average selling prices resulting from chemical price inflation on certain products and the Company's efforts to improve its sales force effectiveness as well as higher reported sales volumes, primarily in bulk commodity chemicals.

Gross profit increased $48.1 million , or 5.9% , to $860.1 million for the nine months ended September 30, 2018 . Gross profit increased due to changes in product mix, higher sales volumes and a net benefit from miscellaneous operating items. Gross margin decreased from 23.0% for the nine months ended September 30, 2017 to 22.6% during the nine months ended September 30, 2018 due to product mix.

Outbound freight and handling expenses increased $18.3 million , or 12.7% , to $162.7 million for the nine months ended September 30, 2018 primarily due to higher delivery costs resulting from capacity constraints and higher fuel costs.

Operating expenses increased $5.5 million , or 1.4% , to $409.6 million for the nine months ended September 30, 2018 primarily due to focused investments in resources and capabilities to meet our sales force and digital initiative objectives. These costs were partially offset by lower medical expenses, lower variable compensation expense and strong cost containment. Operating expenses as a percentage of external sales decreased from 11.5% for the nine months ended September 30, 2017 to 10.8% for the nine months ended September 30, 2018 .

Adjusted EBITDA increased by $24.3 million , or 9.2% , to $287.8 million for the nine months ended September 30, 2018 . Adjusted EBITDA margin increased from 7.5% in the nine months ended September 30, 2017 to 7.6% for the nine months ended September 30, 2018 primarily as a result of lower operating expenses as a percentage of sales, partially offset by lower gross margin and higher outbound freight and handling expenses as a percentage of sales.

Canada .

Net sales percentage change due to:		Gross profit percentage change due to:	
Reported sales volumes	(11.6)%	Reported sales volumes	(7.0)%
Sales pricing and product mix	4.5 %	Sales pricing, product costs and other adjustments	5.7 %
Foreign currency translation	1.5 %	Foreign currency translation	1.6 %
Total	(5.6)%	Total	0.3 %

External sales in the Canada segment were $1,037.8 million , a decrease of $61.8 million , or 5.6% , for the nine months ended September 30, 2018 . On a constant currency basis, external net sales decrease d primarily due to lower sales volumes attributable to the weather-impacted agriculture market as well as volume reductions in the industrial chemical business due to the Company’s focus on margin management efforts. Average selling prices increased as a result of chemical price inflation in certain products, changes in market and product mix and sales force execution for the nine months ended September 30, 2018 compared to the nine months ended September 30, 2017 .

Gross profit increased $0.5 million , or 0.3% , to $180.0 million in the nine months ended September 30, 2018 . On a constant currency basis, gross profit decreased due to lower sales volumes in agriculture and the industrial chemical business. Gross margin increased 1.0% to 17.3% for the nine months ended September 30, 2018 due to the lower contribution from agriculture sales in 2018 and margin management efforts.

Outbound freight and handling expenses increased $5.0 million , or 18.2% , to $32.5 million for the nine months ended September 30, 2018 primarily due to higher delivery costs per ton resulting from tight market conditions.

Operating expenses decreased by $1.5 million , or 2.3% , to $64.2 million for the nine months ended September 30, 2018 , and increased as a percentage of external sales from 6.0% when comparing the nine months ended September 30, 2017 to 6.2% for the nine months ended September 30, 2018 . On a constant currency basis, operating expenses decreased $2.5 million , or 3.8% primarily due to lower variable compensation expense and cost containment efforts.

Adjusted EBITDA decreased by $3.0 million , or 3.5% , to $83.3 million for the nine months ended September 30, 2018 . On a constant currency basis, Adjusted EBITDA decreased $4.3 million , or 5.0% , attributable to reduced demand resulting from a weather-impacted agriculture market, partially offset by growth in the industrial chemical business. Adjusted EBITDA margin increased from 7.8% for the nine months ended September 30, 2017 to 8.0% for the nine months ended September 30, 2018 reflecting the lower contribution from agriculture sales in 2018.

EMEA .

Net sales percentage change due to:		Gross profit percentage change due to:	
Acquisitions	1.3 %	Acquisitions	1.7 %
Reported sales volumes	(5.9)%	Reported sales volumes	(5.9)%
Sales pricing and product mix	10.6 %	Sales pricing, product costs and other adjustments	11.2 %
Foreign currency translation	6.0 %	Foreign currency translation	6.2 %
Total	12.0 %	Total	13.2 %

External sales in the EMEA segment were $1,522.9 million , an increase of $162.6 million , or 12.0% , for the nine months ended September 30, 2018 . On a constant currency basis, external net sales increased primarily due to higher average selling prices from chemical price inflation, mix improvement and sales force execution. Lower volumes are largely attributable to certain product shortages and a reduction of direct commodity sales. The increase in external net sales from acquisitions was due to the January 2018 Kemetyl and May 2018 Earthoil acquisitions.

Gross profit increased $40.7 million , or 13.2% , to $350.1 million in the nine months ended September 30, 2018 . On a constant currency basis, gross profit increased from higher average selling prices attributable to favorable product mix and margin management initiatives. The increase in gross profit from acquisitions was due to the January 2018 Kemetyl and May 2018 Earthoil acquisitions. Gross margin increased from 22.7% for the nine months ended September 30, 2017 to 23.0% for the nine months ended September 30, 2018 primarily due to the change in product mix and price inflation.

Outbound freight and handling expenses increased $6.4 million , or 15.6% , to $47.4 million , primarily due to incremental expenses related to our Kemetyl acquisition and overall higher costs to deliver.

Operating expenses increased $12.7 million , or 7.5% , to $182.3 million for the nine months ended September 30, 2018 , and decreased as a percentage of external sales by 0.5% to 12.0% for the nine months ended September 30, 2018 . On a constant currency basis, operating expenses increased $2.6 million , or 1.5% , which was primarily due to incremental expenses related to our Kemetyl acquisition and higher salary expense, partially offset by lower environmental remediation expenses, lower bad debt charges and lower lease expense.

Adjusted EBITDA increased by $21.6 million , or 21.9% , to $120.4 million for the nine months ended September 30, 2018 . On a constant currency basis, Adjusted EBITDA increased $15.5 million , or 15.7% primarily due to increased gross margin and lower operating expenses as a percentage of sales, partially offset by higher outbound freight and handling expenses as a percentage of sales. For the nine months ended September 30, 2018 , the pharmaceutical finished goods product line represented approximately 30% of Adjusted EBITDA in the EMEA segment. Adjusted EBITDA margin increased from 7.3% for the nine months ended September 30, 2017 to 7.9% for the nine months ended September 30, 2018 .

Rest of World .

Net sales percentage change due to:		Gross profit percentage change due to:	
Acquisitions	3.4 %	Acquisitions	8.2 %
Reported sales volumes	(20.2)%	Reported sales volumes	(18.3)%
Sales pricing and product mix	18.9 %	Sales pricing, product costs and other adjustments	26.9 %
Foreign currency translation	(4.2)%	Foreign currency translation	(6.9)%
Total	(2.1)%	Total	9.9 %

External sales in the Rest of World segment were $301.1 million , a decrease of $6.5 million , or 2.1% , for the nine months ended September 30, 2018 . External sales increased from higher average selling prices attributable to market price inflation, shortages on certain products, changes in product mix and improved sales force effectiveness. Reported sales volumes were lower due to certain product shortages as well as the Company's continued focus on margin management efforts. The increase in external net sales from acquisitions was due to the September 2017 Tagma acquisition.

Gross profit increased $5.9 million , or 9.9% , to $65.6 million for the nine months ended September 30, 2018 due to higher average selling prices resulting from higher chemical prices discussed above. The increase in gross profit from acquisitions was due to the September 2017 Tagma acquisition. Gross margin increased from 19.4% for the nine months ended September 30, 2017 to 21.8% for the nine months ended September 30, 2018 primarily due to the factors discussed above and a shift towards higher margin products and services.

Outbound freight and handling expenses increased $1.1 million , or 22.9% , to $5.9 million for the nine months ended September 30, 2018 .

Operating expenses decreased $0.3 million , or 0.9% , to $33.7 million for the nine months ended September 30, 2018 and increased as a percentage of external sales from 11.1% when comparing the nine months ended September 30, 2017 to 11.2% for the nine months ended September 30, 2018 . On a constant currency basis, operating expenses increased $1.8 million , or 5.3% , primarily due to higher variable compensation expense.

Adjusted EBITDA increased $5.1 million , or 24.4% , to $26.0 million for the nine months ended September 30, 2018 . On a constant currency basis, Adjusted EBITDA increased $6.9 million , or 33.0% , primarily due to a shift towards higher margin products and services and market price inflation, partially offset by higher outbound freight and handling expenses and higher operating expenses as a percentage of sales. Adjusted EBITDA margin increased from 6.8% for the nine months ended September 30, 2017 to 8.6% for the nine months ended September 30, 2018 .

Liquidity and Capital Resources

Our primary sources of liquidity are cash generated from our operations and borrowings under our credit facilities. As of September 30, 2018 , we had $541.9 million available under our credit facilities.

We are in compliance with our debt covenants. Our primary liquidity and capital resource needs are to service our debt and to finance working capital, capital expenditures, other liabilities and cost of acquisitions. We believe that the Company will continue to have sufficient liquidity and financial flexibility to meet all of our business obligations and capital resources needs. We will continue to balance our focus on sales and earnings growth with continuing efforts in cost control and working capital management.

Cash Flows

The following table presents a summary of our cash flow activity for the periods set forth below:

(in millions)	Nine months ended September 30, 2018	Nine months ended September 30, 2017
Net cash (used) provided by operating activities	$ (2.6)	$ 35.8
Net cash used by investing activities	(71.3)	(80.4)
Net cash used by financing activities	(290.1)	(35.5)
Effect of exchange rate changes on cash and cash equivalents	(17.1)	37.6
Net decrease in cash and cash equivalents	$ (381.1)	$ (42.5)

Cash (Used) Provided by Operating Activities

Cash (used) provided by operating activities decreased $38.4 million from cash provided of $35.8 million for the nine months ended September 30, 2017 to cash used of $2.6 million for the nine months ended September 30, 2018 primarily from a net increase in the change in net working capital compared to the prior year nine months ended September 30, 2017 , partially offset by higher net income, exclusive of non-cash items.

The Company adopted ASC 606 as of January 1, 2018, and although there was no impact to total operating cash flows, there were a certain number of presentation changes to specific line items in the condensed consolidated balance sheet and within operating activities in the condensed consolidated statement of cash flows. See " Note 2: Significant accounting policies ," for the impact to the condensed consolidated balance sheet and statement of operations at September 30, 2018 .

Excluding the presentation changes from the adoption of ASC 606, the change in trade working capital, which includes trade accounts receivable, net, inventories, and trade accounts payable, was an increased use of cash of $83.2 million for the nine months ended September 30, 2018 compared to the nine months ended September 30, 2017 . The increased cash outflow for trade accounts payable is primarily attributable to reductions in Canadian payables during the nine months ended September 30, 2018 due to a weather-impacted agriculture market. Cash outflows for inventory during the nine months ended September 30, 2018 increased compared to the nine months ended September 30, 2017 due to a buildup of inventory within the USA segment partially offset by lower inventory purchases within the Canada segment due to the above mentioned agriculture market. The cash inflows from trade accounts receivable, net is attributable to improvement in the timing of customer payments for the nine months ended September 30, 2018 .

The change in prepaid expenses and other current assets contributed $7.0 million, primarily due to reductions in vendor prepayments during the nine months ended September 30, 2018 , to partially offset the increase in cash used by operating activities.

The change in pensions and other postretirement benefit liabilities provided cash of $2.0 million due to lower cash contributions during the nine months ended September 30, 2018 compared to the nine months ended September 30, 2017 .

The remaining cash outflow associated with operating activities of $37.0 million is primarily related to higher compensation payments, capitalization of contract costs, and prior year changes in the fair value of interest rate swaps, which was partially offset by lower interest costs.

Cash Used by Investing Activities

Cash used by investing activities decreased $9.1 million from $80.4 million for the nine months ended September 30, 2017 to $71.3 million for the nine months ended September 30, 2018 . The decrease is related to an increase in proceeds from the sale of property, plant and equipment of $5.5 million , primarily attributable to the 2018 sale of previously closed facilities. The decrease is also related to lower net cash outflows for purchases of businesses of $4.4 million year-over-year. In 2017, cash outflows of

$24.4 million were related to the acquisitions of Tagma Brazil, certain assets of PVS, and Nexus Ag purchase accounting adjustments. The 2018 net cash outflows of $20.0 million were related to cash outflows from the Earthoil and Kemetyl acquisitions, partially offset by cash inflow due to Tagma purchase accounting adjustments.

Cash Used by Financing Activities

Cash used by financing activities increased $ 254.6 million from $ 35.5 million for the nine months ended September 30, 2017 to $ 290.1 million for the nine months ended September 30, 2018 , primarily due to an early repayment of $530.0 million on the Company's Senior Term B Loan during the nine months ended September 30, 2018 . This was partially offset by increased borrowings on the ABL facilities to fund the early payments and address seasonal working capital needs.

Cash used by financing activities also decreased by $26.4 million due to fewer stock option exercises for the nine months ended September 30, 2018 compared to the nine months ended September 30, 2017 . This was partially offset by reduced cash outflows of $4.3 million in net share settlements of stock-based compensation awards year-over-year.

Additionally, there were no acquisition related contingent consideration payments during the nine months ended September 30, 2018 compared to the cash outflow of $3.2 million for the nine months ended September 30, 2017 . The Company reclassified the 2017 contingent consideration payments due to the adoption of ASU 2016-15 "Statement of Cash Flows" (Topic 230) - "Classification of Certain Cash Receipts and Cash Payments." Refer to " Note 2: Significant accounting policies " in Item 1 of this Quarterly Report on Form 10-Q for additional information.

Contractual Obligations and Commitments

There were no material changes in our contractual obligations and commitments since the filing of the Company's Annual Report on Form 10-K for the year ended December 31, 2017 .

Critical Accounting Estimates

There were no material changes in our critical accounting estimates since the filing of the Company's Annual Report on Form 10-K for the year ended December 31, 2017 .

Recently Issued and Adopted Accounting Pronouncements

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

Accounting Pronouncements Issued But Not Yet Adopted

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

Forward Looking Statements and Information

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Some of the forward-looking statements can be identified by the use of forward-looking terms such as "believes," "expects," "may," "will," "should," "could," "seeks," "intends," "plans," "estimates," "anticipates" or other comparable terms. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Quarterly Report on Form 10-Q and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, macro-economic conditions, liquidity, prospects, business trends, currency trends, competition, markets, growth strategies and the industries in which we operate and including, without limitation, statements relating to our estimated or anticipated financial performance or results. Forward-looking statements are subject to known and unknown risks and uncertainties, many of which may be beyond our control. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industries in which we operate may differ materially from those made in or suggested by the forward-looking statements contained in this Quarterly Report on Form 10-Q. In addition, even if our results of operations, financial condition and liquidity, and the development of the industries in which we operate are consistent with the forward-looking statements contained in this Quarterly Report on Form 10-Q, those results or developments may not be indicative of results, conditions or developments in subsequent periods. A number of important factors could cause actual results to differ materially from those contained in or implied by the forward-looking statements, including those reflected in forward-looking statements relating to our operations and business and the risks and uncertainties discussed in "Risk Factors." Factors that could cause actual results to differ from those reflected in forward-looking statements relating to our operations and business include:

- general economic conditions, particularly fluctuations in industrial production and the demands of our customers;
- disruptions in the supply of chemicals we distribute or our customers' or producers' operations;

- termination or change of contracts or relationships with customers or producers on short notice;
- the price and availability of chemicals, or a decline in the demand for chemicals;
- our ability to pass through cost increases to our customers;
- our ability to meet customer demand for a product;
- trends in oil and gas prices;
- competitive pressures in the chemical distribution industry;
- consolidation of our competitors;
- our ability to execute strategic investments, including pursuing acquisitions and/or dispositions, and successfully integrating and operating acquired companies;
- liabilities associated with acquisitions, dispositions and ventures;
- potential impairment of goodwill;
- inability to generate sufficient working capital;
- our ability to sustain profitability;
- our ability to implement and efficiently operate the systems needed to manage our operations;
- the risks associated with security threats, including cybersecurity threats;
- increases in transportation costs and changes in our relationship with third party carriers;
- the risks associated with hazardous materials and related activities;
- accidents, safety failures, environmental damage, product quality issues, major or systemic delivery failures involving our distribution network or the products we carry or adverse health effects or other harm related to the materials we blend, manage, handle, store, sell or transport;
- challenges associated with international operations, including securing producers and personnel, import/export requirements, compliance with foreign laws and international business laws and changes in economic or political conditions;
- our ability to effectively implement our strategies or achieve our business goals;
- exposure to interest rate and currency fluctuations;
- evolving laws and regulations relating to hydraulic fracturing and risks associated with chemicals used in hydraulic fracturing;
- losses due to potential product liability claims and recalls and asbestos claims;
- compliance with extensive environmental, health and safety laws, including laws relating to our environmental services businesses and the investigation and remediation of contamination, that could require material expenditures or changes in our operations;
- general regulatory and tax requirements;
- operational risks for which we may not be adequately insured;
- ongoing litigation and other legal and regulatory actions and risks, including asbestos claims;
- loss of key personnel;
- labor disruptions and other costs associated with the unionized portion of our workforce;
- negative developments affecting our pension plans and multi-employer pensions;
- changes in legislation, regulation and government policy; and
- our substantial indebtedness and the restrictions imposed by our debt instruments and indenture.

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, 2017 , as recast to the extent provided in the Current Report on Form 8-K and the exhibits attached thereto, filed with the SEC on November 1, 2018, as well as the Registration Statement on Form S-4, filed with the SEC on November 5, 2018, completely and with the understanding that actual future results may be materially different from expectations. 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.

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, 2017 .

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation as of September 30, 2018 of the effectiveness of the design and operation of our 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, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of September 30, 2018 .

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended September 30, 2018 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 16 to the interim condensed consolidated financial statements included in Part I, Financial Statements of this report.

Item 1A. Risk Factors

In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the factors discussed under "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2017 , as recast to the extent provided in the Current Report on Form 8-K, filed with the SEC on November 1, 2018, and our subsequent filings with the SEC, including the Registration Statement on Form S-4, filed with the SEC on November 5, 2018.

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, 2018, Univar entered into severance and change in control agreements with its executive officers, including its Chief Executive Officer, Chief Financial Officer and named executive officers. The terms and conditions are described in more detail in the form agreement, which is attached as Exhibit 10.3 and incorporated by reference. The agreement applicable to each executive differs based on the laws governing each executive's primary workplace.

Item 6. Exhibits

Exhibit Number	Exhibit Description
2.1	Agreement and Plan of Merger, dated September 17, 2018, by and among Nexeo, Univar, Pilates Merger Sub I Corp and Pilates Merger Sub II LLC incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K of Univar Inc., filed on September 18, 2018.
10.1	Sponsor Support Agreement, dated September 17, 2018, by and among Univar and certain affiliates of TPG Capital, LLC., incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of Univar Inc., filed on September 18, 2018.
10.2	Sponsor Support Agreement, dated September 17, 2018, by and among Univar and First Pacific Advisors, LLC and certain of its affiliates, incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K of Univar Inc., filed on September 18, 2018.
10.3†*	Form of Severance and Change in Control Agreement by and Between Univar Inc. and Certain Executives.
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
101.1*	Interactive Data File

† 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 Inc.
(Registrant)

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

Date: November 6, 2018

By: /s/ Carl J. Lukach
Carl J. Lukach
Executive Vice President, Chief Financial Officer

Date: November 6, 2018

SEVERANCE AND CHANGE IN CONTROL AGREEMENT

This SEVERANCE AND CHANGE IN CONTROL AGREEMENT ("Agreement") is made as of the ____ day of ______, 201_ (the "Effective Date") between Univar Inc., a Delaware corporation ("Univar"), and M_. _________ __________ ("Executive").

Background

Univar 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 in accordance with this Agreement.

Terms and Conditions

Executive and Univar agree as follows:

1 . **Duties and Reporting Relationship** . Executive will serve as Univar's [Executive/Senior] Vice President [functional description]. Executive will report directly to Univar's Chief Executive Officer or such other executive as Univar's Chief Executive Officer may designate (the "CEO"). 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 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 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 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. If Executive is employed in Canada, severance payment payable to Executive hereunder is intended to be payment of a retiring allowance under the Income Tax Act (Canada).

3.1 By Univar with Cause or by Executive without Good Reason . If Univar terminates Executive's employment for Cause (as defined below) or if Executive terminates Executive's employment without Good Reason (as defined below), Univar 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 (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;

(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's 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;
(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. For purposes of this Agreement, Univar shall not treat the failure of Executive or Univar 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(i), 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 100 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 of the condition claimed to constitute Good Reason within sixty (60) days of its existence;
(B) Univar shall fail to have remedied the condition within thirty (30) days of Univar's 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 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 other than for Cause or by Executive for Good Reason . If Univar terminates Executive's employment other than for Cause or if Executive terminates Executive's employment for Good Reason in the absence of Cause, Univar shall pay to Executive:

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, 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;
provided that Executive signs and delivers to Univar (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”). This limitation on Univar’s 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, and, if Executive is employed in Canada, shall constitute a termination because of frustration of this Agreement.

“Total Disability” shall have the same meaning as the term “Total Disability” as used in Univar’s long-term disability policy, if any, in effect on the date of termination. If Univar 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 of Univar’s Chief Executive Officer 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 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 without Cause or by Executive with Good Reason in connection with a Change in Control . If, during a Protection Window (as defined below) Univar terminates Executive’s employment without Cause or if Executive terminates Executive’s employment for Good Reason in the absence of Cause, Univar shall pay to Executive:

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.

3.4.3 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;

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

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, and, if Executive is employed in Canada, shall constitute a termination because of frustration of this Agreement.

“Protection Window” shall mean the period beginning three months prior to the occurrence of a Change in Control (as defined below) and ending 18 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 the Company 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.

"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, any of its Affiliates, any employee benefit plan of Univar or any of its Affiliates, and those persons holding equity interests in Univar 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's 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's (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 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 to one or more persons or entities that are not, immediately prior to such sale, transfer or other disposition, Affiliates of Univar;

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 the Company files for bankruptcy, liquidation or reorganization under the United States Bankruptcy Code or because of any restructuring that occurs because of any such proceeding.

3.5 To the extent applicable, the parties intend to comply in all respects with any statutory provision applicable to the Executive under the statutes of any province in Canada and the statues of Canada applicable in that province (collectively, "Canadian Statutes"). The parties intend that the Executive's entitlements under Section 3.2, 3.3, or 3.4 (the "Entitlements") will provide the Executive with more than the minimum or a greater right or benefit than what is required under Canadian Statues. If the Entitlements fail to do so, then Univar will ensure compliance with all obligations under the Canadian Statues in excess of the Entitlements, including obligations with respect to minimum notice or pay in lieu of notice, minimum severance pay, if any, and continuation of benefits under a benefit plan or other terms and conditions if required for the minimum statutory notice period.

4. Confidential Information and Trade Secrets

4.1 Executive recognizes that the success of Univar 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 or any of its Affiliates.

4.2 Executive further recognizes that some of Univar's 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, regardless of the reason for termination, Executive shall not use or disclose Univar's 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's or its Affiliates' Trade Secrets, or the Company's remedies in the event Executive engages in such disclosure or use.

4.4 Executive agrees that while Executive is employed by Univar and during the two (2) year period commencing on the date Executive's employment with Univar ends, for whatever reason, Executive will use Confidential Information only for the benefit of Univar 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. Following the end of Executive's employment with Univar, Executive must never use or disclose any Confidential Information which constitutes a Trade Secret. Univar 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 any rights Executive may have or acquire in such Confidential Information and acknowledges that all Confidential Information shall be the sole property of Univar and/or its Affiliates or their assigns.

4.7 This Agreement contains all rights, understandings, agreements or representations between Executive and Univar, 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, 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 (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, and shall survive the termination of this Agreement unless otherwise limited by the terms of this Agreement.

5. Return of Univar 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, its applicable Affiliate or both. Executive shall deliver to Univar all tangible items containing any Confidential Information that Executive possesses or controls upon the termination of Executive's employment with Univar (or upon Univar's request, if sooner). Executive shall also return any keys, equipment, identification or credit cards, or other property belonging to Univar or its Affiliates upon termination or request.

6. Inventions.

6.1 All Inventions (as defined below) related to Univar's 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 (whether or not during working hours) or within three months thereafter are the exclusive property of Univar (the "Univar 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's ownership of the Univar Inventions, Executive shall make prompt and full disclosure to Univar of all Univar Inventions. Executive will hold in trust for the sole benefit of Univar, and (subject to Section 6.2 below) hereby assigns, and agrees to assign in the future, exclusively to Univar all of Executive's right, title, and interest in and to all Univar 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 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 or its Affiliates or to Univar's or its Affiliates' actual or demonstrably anticipated research or development; or

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

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 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, 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 or its Affiliates, or their successors, assignees or licensees, based on or to enforce such rights. Without limiting the preceding, Executive agrees that Univar 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 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 Inventions. Executive agrees to cooperate fully with Univar and take all other such acts requested by Univar (including signing applications for patents, assignments, and other papers, and such things as Univar may require) to enable Univar to establish and protect its ownership in any Univar 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, Executive hereby irrevocably appoints Univar and its officers and agents as Executive's agent and attorney-in-fact 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 and belonging to Executive that Executive wishes to have excluded from this Section 6 (the "Excluded Inventions"). If during Executive's employment with Univar, Executive uses in the specifications or development of, or otherwise incorporates into a product, process, service, technology, or machine of Univar 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 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 nonsoliciation and noncompetition provisions set forth in Exhibit B hereto.

8. Remedies. Executive's violation of any of Sections 4, 5, 6 or 7 of this Agreement would cause Univar or its Affiliates irreparable harm which would not be adequately compensated by monetary damages. Univar 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 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's 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 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 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 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 of the identity of that person.

11. Representation of Executive . Executive represents and warrants to Univar 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, 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 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, 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, or in the case of Univar 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, except for obligations under Sections 1, 2 and 3.

19. Entire Agreement . This Agreement contains the entire agreement of Executive and Univar 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. 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, a waiver or modification must be signed by the Executive Chair, Board Chair or Compensation Committee Chair of Univar's 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 and its Affiliates.

21. Delayed Payment under certain Circumstances. Notwithstanding anything in this Agreement to the contrary, to the extent required to avoid an excise tax under Code Section 409A, the payment of any compensation pursuant to Sections 3.2 3.3 or 3.4, shall be delayed for a period of six (6) months after Executive's separation from service if Executive is a "specified employee" as defined in Code Section 409A(a)(2)(B)(i). In such a circumstance, the payments that would otherwise have been made during such six (6) month period will be paid on the first day of the seventh month following Executive's separation from service.

22. Taxes. Univar 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 have signed and delivered this Agreement as of the date first above written.

UNIVAR INC.	EXECUTIVE
By ______________________	______________________
Stephen D. Newlin	(Signature)
Executive Chairman	[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 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 A (Canada)

CONFIDENTIAL
FULL and FINAL RELEASE AND INDEMNITY
("the Release")

1. **FOR GOOD AND VALUABLE CONSIDERATION** as set out in the severance and change in control agreement between myself and **UNIVAR INC.** , the receipt and sufficiency of which is hereby irrevocably acknowledged, I, **[EXECUTIVE]** , on behalf of myself, my estate, family, heirs, executors, estate trustees, successors and assigns (hereinafter collectively referred to as "the Releasor") hereby fully and finally release and forever discharge **UNIVAR INC. and UNIVAR CANADA, LTD. (collectively "UNIVAR")** , along with all respective parent, subsidiary, affiliated and associated companies, and all of their respective past and present officers, directors, shareholders, employees, lawyers and agents, and along with all respective heirs, executors, successors and assigns, and all insurers who provide or have provided coverage under the fringe benefit plans offered from time to time to **UNIVAR** employees (hereinafter collectively referred to as "the Releasee") jointly and severally from any and all actions, causes of actions, contracts and covenants, whether express or implied, claims and demands for damages of any nature and kind whatsoever, whether known or unknown, whether at common law in equity or otherwise, including but not limited to any claim for damages for any tort, discrimination, harassment, sexual harassment or hurt feelings, termination or severance pay, pay in lieu of notice, Wallace damages, general damages, punitive or exemplary damages, moral damages, aggravated damages, damages for mental distress, overtime pay, vacation pay, pay equity, equal pay for equal work, commissions, bonus or incentive payments, intrusion upon seclusion, negligence, disability benefits, insurance benefits, stock options, equity entitlements, expenses, and to any and all statutory entitlements including any claim for reinstatement arising in connection with any statutory complaint, indemnity, costs, interest, loss or injury of every nature and kind whatsoever and howsoever arising which I may heretofore have had, may now have or may hereinafter have, and without limiting the generality of the foregoing, in any way relating to my employment and employment agreement and the cessation of my employment (collectively, the "Released Claims"). The Released Claims do not include any claim with respect to rights and obligations under equity-based compensation plans, grants or arrangements that my include provisions regarding what is forfeited and/or what is payable or continues in effect, as the case may be, following termination of employment.

2. **AND FOR THE SAID CONSIDERATION,** and without limiting the generality of the foregoing, I further covenant, warrant and agree as follows:

(a) "Statutory complaint" is deemed herein to include any other claim or complaint whatsoever under any federal or provincial statute, including but not limited to a claim or complaint under the British Columbia *Human Rights Code, Employment Standards Act, Occupational Health and Safety Regulation, Workers' Compensation Act, Labour Relations Code, Pension Benefits Standards Act, Personal Information Protection Act,* the *Personal Information Protection and Electronic Documents Act* or any regulation made thereunder.

(b) I have not commenced and undertake not to commence any litigation or any statutory complaint and I will withdraw on a with prejudice basis all statutory complaints already made or that I will make;

(c) I hereby release and forever discharge the Releasee from any and all pending or intended statutory complaints;

(d) I have not been subjected to any harassment, sexual harassment, discrimination or any other violation of applicable human rights law. I am aware of my rights under the *Human Rights Code* , and I confirm that I will not be asserting further such rights or advancing a human rights complaint or claim;

(e) I will execute all documents whatsoever and to take all actions required to effect the withdrawal or dismissal of all statutory complaints without any liability on the part of the Releasee other than that contained herein;

(f) I will indemnify and save harmless the Releasee from and against all statutory complaints, and any damages, loss of income, penalties, costs, interest or any other payments whatsoever arising therefrom;

(g) The consideration herein is deemed to fully and finally satisfy any entitlement that I might have to damages, penalties, lost compensation, loss of income, damages for discrimination, harassment, sexual harassment or hurt feelings, costs, interest or any other payments, and to include all relief whatsoever to which I might have been entitled by virtue of any statutory complaint;

(h) Alternatively, I hereby waive on a with prejudice basis, all statutory complaints and any compensation payable in connection with a statutory complaint;

(i) This Release shall provide a complete bar to any statutory complaint, action or other proceeding;

(j) The consideration herein is deemed to be no admission of liability on the part of the Releasee, and the Releasee denies any liability whatsoever;

(k) I will not make any claim nor take any proceedings in connection with any of the claims hereby released against any other person or Corporation who might claim contribution or indemnity in any manner whatsoever from the Releasee, and will hold harmless and indemnify the Releasee from any such claims for contribution or indemnity;

(l) I will keep all the terms of settlement strictly confidential except for disclosure to my spouse or financial or legal adviser, or as otherwise required by applicable law. In addition, I will ensure that no agent on my behalf breaches confidentiality;

(m) I hereby save harmless and indemnify the Releasee from any charges, taxes, legal costs, interest and penalties incurred by the Release arising from or in any way relating to the payment of the consideration referred to herein and deductions at source. Without limiting the generality of the foregoing, I will save harmless and indemnify the Releasee from and against all repayment obligations, claims, charges, taxes, costs, interest, penalties and demands which may be made by the Canada Revenue Agency or the Minister of National Revenue requiring the Releasee to pay income tax, charges, taxes or penalties under the *Income Tax Act (Canada)* in respect of income tax payable by me in excess of income tax withheld from the consideration described herein; and in respect of any and all claims, charges, taxes, costs, interest, penalties and demands which may be made relating to any overpayment of employment insurance benefits or employment insurance premiums under the applicable statutes and regulations with respect to any amounts which may at any time be found to be payable by the Releasee in respect of the Releasor.

(n) The Releasor hereby agrees that the Releasor will not make any comments of a negative or disparaging nature about the Releasee in any forum, whether oral or written, including but not limited to Facebook, Twitter, LinkedIn and all other social media, by email or by any other format.

1. **I HEREBY** confirm that I have been afforded an opportunity to fully consider the terms hereof and to obtain independent legal advice with respect to this Release. I confirm that I fully understand the contents hereof, that I am competent to execute this Release, and that I am executing this Release freely, voluntarily and without duress. My electronic signature on this Release is valid as if original.

2. This Release shall be interpreted pursuant to the law of British Columbia without regard to conflicts or law principles.

IN WITNESS WHEREOF I have executed this Release in the presence of the named witness.

SIGNED	)	
in the presence of:	)	
	)	
Witness Signature	)	**[EXECUTIVE]**
	)	
Witness - Name Printed	)	Date
	)	
Address	)	
	)	
Date	)	

EXHIBIT A (UK)

UK SETTLEMENT AGREEMENT AND RELEASE

THIS AGREEMENT is made on **___________________________** (date) between:

1 **[Univar Entity that is Employer of UK Executive]** (the "Company"); and

2 **________________________**(name) of **____________________**(address) (the " **Executive** ").

IT IS AGREED THAT:

1. DEFINITIONS

" **Adviser** " means **___________________________** (name) of **_________________________** (law firm), who is a relevant independent adviser for the purposes of section 203 of the Employment Rights Act 1996;

" **CIC Agreement** " means the Severance and Change in Control agreement signed by the Company and the Executive;

" **Confidential Information** " has the same meaning as set out in the CIC Agreement;

" **Contract of Employment** " means the terms and conditions on which the Executive was employed by the Company and/or a Group Company, including the employment agreement;

" **Copies** " means copies or records of any Confidential Information in whatever form (including, without limitation, in written, oral, visual or electronic form or on any magnetic or optical disk or memory and wherever located) including, without limitation, extracts, analysis, studies, plans, compilations or any other way of representing or recording and recalling information which contains, reflects or is derived or generated from Confidential Information;

" **Compensation Payment** " has the meaning given to it by clause 3.1;

" **Employment** " means the Executive's period of continuous employment with the Company and/or any Group Company, including the Contract of Employment and the CIC Agreement;

“ **Group Company** ” means the Company and any group undertaking (as such term is defined in section 1161(5) of the Companies Act 2006) of the Company in any jurisdiction from time to time;

“ **Payment Date** ” means 60 days after the later of: (i) the Termination Date; and (ii) receipt by the Company of a copy of this Agreement signed by the Executive and a letter signed by the Adviser in the form of Schedule 2;

“ **Relevant Claims** ” means the claims which the Executive considers that they have or may have against the Company and/or any Group Company and/or any current or former employee or officer of the Company and/or any Group Company which are set out in Part A of Schedule 1 **.**

“ **Statutory Claims** ” means any claim against the Company and/or any Group Company (and/or any current or former employee or officer of the Company and/or any Group Company) set out in Part B of Schedule 1; and

“ **Termination Date** ” means ___________________________________ (date).

2. TERMINATION OF EMPLOYMENT

2.1. The Employment, the Contract of Employment and the CIC Agreement (except for those terms stated either in the Contract of Employment, the CIC Agreement or in this Agreement to continue beyond termination of the Contract of Employment, including without limitation those in respect of confidentiality, inventions and non-solicitation and non-competition) terminated on the Termination Date.

2.2. Subject to the terms of this Agreement and to the extent not already paid, the Company will:

2.2.1. pay to the Executive basic salary accrued up to and including the Termination Date which shall be paid on the usual payment date and will continue to provide the Executive with their usual benefits up to the Termination Date; and

2.2.2. pay to the Executive a payment in lieu of accrued but untaken holiday up to and including the Termination Date which shall be paid on the Payment Date

subject to any necessary deductions for income tax, national insurance contributions and as otherwise required by law.

2.3. The Executive agrees and confirms that no other payments, sum or benefits including, without limitation, any bonus, incentive or commission in respect of any period are due to the Executive from the Company or any Group Company.

3. COMPENSATION PAYMENT

3.1. In consideration of the Executive's obligations under this Agreement including those set out in clause 4 and warranties set out in clause 6, the Company agrees, subject to all of the conditions in clause 5 below being fulfilled by the Executive (or waived by the Company) and the warranties set out in clause 6 being true, to pay to the Executive the amounts provided for in the CIC Agreement at the time or times provided for in the CIC Agreement, which payment also services as compensation for termination of the Employment (the " **Compensation Payment** "), less such deductions as the Company may be required to make (including income tax, national insurance contributions and as otherwise required by law in accordance with the Company's usual payroll practices).

3.2. In the event that the Executive owes any amount to the Company at the Termination Date (including the outstanding balance of any season ticket loan) or that the Executive receives an overpayment in the Executive's final salary payment, the Executive authorises the Company to deduct such overpayment from the Compensation Payment or other sums due to the Executive, provided that the Executive is notified of such deduction.

3.3. The parties consider that the first £30,000 of the Compensation Payment shall not be subject to tax although the Company gives no warranty in this respect. The Executive agrees that they are responsible for and will keep the Company indemnified in respect of the payment of all income tax and all employee's national insurance and social security contributions (in the United Kingdom or elsewhere) in respect of any payments or benefits received by the Executive during the course of or in connection with the Employment and the payments and benefits provided under this Agreement (to the extent that tax and employee national insurance contributions have not already been deducted by the Company on behalf of the Executive from such sums) together with any reasonable costs, fines and expenses, penalties and interest which the Company may incur in respect of such payments.

4. EMPLOYEE'S OBLIGATIONS AND SETTLEMENT

4.1. The Executive accepts the payments and benefits in this Agreement in full and final settlement of and agrees to waive:

4.1.1. the Relevant Claims;

4.1.2. any other Statutory Claims (each of which is waived by this clause); and

4.1.3. any other claim under common law, statute or any other source, including (but not limited to) breach of contract,

howsoever arising (whether under the law of England and Wales or any other law of any other jurisdiction) which the Executive has now or may have in the future against the Company and/or any Group Company and/or against any of their current or former employees or officers arising (directly or indirectly) out of or in connection with the Employment and/or its termination and/or any offices and/or the termination of any offices and/or any future refusal to reengage whether such claims are known to the parties or not and whether they are or could be in the contemplation of the parties at the date of this Agreement, but not including any claim: (i) for compensation for personal injury which the Executive is not (and ought not reasonably be) aware of (other than claims under discrimination legislation); (ii) in respect of accrued pension rights under the express rules of the Executive’s pension scheme other than pension loss arising out of the termination of Employment or; (iii) to enforce the terms of this Agreement.

4.2. The Executive agrees:

4.2.1. not to bring, pursue or continue to pursue any proceedings in relation to the Relevant Claims, any other Statutory Claims or any other claim against the Company, a Group Company or any of its or their current or former employees or officers; and

4.2.2. to withdraw any grievance and/or to withdraw and agree to the dismissal of any proceedings the Executive has brought before an Employment Tribunal, the High Court, County Court or other court of law in England and Wales.

4.3. The Executive acknowledges that the conditions relating to settlement agreements under section 147(3) of the Equality Act 2010, section 288(2B) of the Trade Union and Labour Relations (Consolidation) Act 1992, section 203(3) of the Employment Rights Act 1996, regulation 35(3) of the Working Time Regulations 1998, section 49(4) of the National Minimum Wage Act 1998, regulation 41(4) of the Transnational Information and Consultation etc. Regulations 1999, regulation 9 of the Part-Time Workers (Prevention of Less Favourable Treatment) Regulations 2000, regulation 10 of the Fixed-Term Executives (Prevention of Less Favourable Treatment) Regulations 2002, regulation 40(4) of the Information and Consultation of Executives Regulations 2004, paragraph 13 of the Schedule to the Occupational and Personal Pension Schemes (Consultation by Companys and Miscellaneous Amendment) Regulations 2006, regulation 62 of the Companies (Cross Border Mergers) Regulations 2007 and section 58 of the Pensions Act 2008 have been satisfied.

5. CONDITIONS

5.1. The Compensation Payment is subject to, on or before the Termination Date the Executive returning to the Company:

5.1.1. all Confidential Information and Copies;

5.1.2. all property belonging to or leased by any Group Company, including (but not limited to) keys, mobile telephone, computers, mobile device, security passes, identity badge and books; and

5.1.3. all documents and copies (whether written, printed, electronic, recorded or otherwise and wherever located) made, compiled or acquired by the Executive during the Employment with the Company or relating to the business or affairs of any Group Company or their business contacts including (but not limited to) client/customer lists, correspondence and documents (including copies),

which the Executive has in their possession or which is under the Executive's control;

6. EMPLOYEE'S WARRANTIES

6.1. The Executive acknowledges that the Company enters into this Agreement in reliance on the warranties set out in this clause 6.

6.2. Before signing the Agreement, the Executive has:

6.2.1. discussed the Employment and its termination with the Adviser and has given the Adviser all relevant information to allow the Adviser to advise on the Executive's rights and potential claims against the Company, a Group Company or any of its or their current or former employees or officers, in particular in relation to Statutory Claims; and

6.2.2. received advice from the Adviser as to the terms and effect of this Agreement and, in particular, its effect on the Executive's ability to pursue their rights before an Employment Tribunal and the Executive shall procure that the Adviser supplies to the Company a certificate in the form attached at Schedule 2 of this Agreement.

6.3. The Executive has not issued any proceedings against the Company, any Group Company or any of its or their current or former employees or officers.

6.4. The only claims the Executive has or may have against the Company or any Group Company or any of its or their current or former employees or officers (whether at the time of entering into this Agreement or in the future) in relation to the Employment or its termination are the Relevant Claims.

6.5. The Executive is not aware of any facts or circumstances that may give rise to any claim against the Company or any Group Company or any of its or their current or former employees or officers other than the Relevant Claims.

6.6. The Executive has complied in all material respects with all their obligations under the Contract of Employment and the CIC Agreement, including in relation to confidentiality.

6.7. The Executive is not aware of any matter which is not known to the Company which if known would entitle the Company to terminate the Executive's employment without notice and without compensation.

6.8. There are no circumstances that are known to the Executive or which should reasonably be known to the Executive which might give rise to a claim against the Company or any Group Company for personal injury or in relation to accrued pension rights.

6.9. The Adviser is a solicitor of the Senior Courts of England and Wales who holds a current practising certificate and that the Adviser is covered by a Law Society compliant professional indemnity policy.

7. GENERAL

7.1. In this Agreement, unless the context otherwise requires:

7.1.1. words in the singular shall include the plural and in the plural shall include the singular;

7.1.2. any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;

7.1.3. the headings in this Agreement are inserted for convenience only and shall not affect its construction;

7.1.4. a reference to a statute or statutory provision shall include a reference to any subordinate legislation made under the relevant statute or statutory provision and is a reference to that statute, provision or subordinate legislation as from time to time amended, consolidated, modified, re-enacted or replaced;

7.1.5. the Schedules shall form part of this Agreement, shall have effect as if set out in full in the body of this Agreement and any reference to this Agreement includes the Schedules; and

7.1.6. a reference to any regulator or other body includes a reference to any successor.

7.2. This Agreement is made without any admission of liability by the Company or any Group Company.

7.3. This Agreement, although it may be marked “without prejudice and subject to contract” shall become binding upon the parties once it has been signed by the Executive and on behalf of the Company and upon completion of the Adviser’s certificate.

7.4. This Agreement and any document referred to in it constitutes the entire agreement between the parties and supersedes and extinguishes all previous discussions, correspondence, negotiations, drafts, agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter other than the Executive’s ongoing obligations under the Contract of Employment or the CIC Agreement.

7.5. The Executive agrees that in entering into this Agreement the Executive does not rely on and shall have no remedies in respect of, any statement, representation, assurance or warranty (whether made innocently or negligently) that is not expressly set out in this Agreement. The Executive waives any claim for innocent or negligent misrepresentation or negligent misstatement including in respect of any statement set out in this Agreement. Nothing in this Agreement shall, however, operate to limit or exclude any liability for fraud.

7.6. No variation of this Agreement shall be effective unless it is in writing and signed by the parties (or their authorised representatives).

7.7. This Agreement may be executed in any number of counterparts, each of which, when executed and delivered, shall be an original, and all the counterparts together shall constitute one and the same agreement.

7.8. The terms of this Agreement shall prevail over the terms of the Contract of Employment or the CIC Agreement where such terms in the Contract of Employment or the CIC Agreement conflict with this Agreement in any way.

7.9. If any provision of this Agreement shall be found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability shall not affect the other provisions of this Agreement which shall remain in full force and effect.

7.10. The Contracts (Rights of Third Parties) Act 1999 shall only apply to this Agreement in relation to any Group Company. No person other than the parties to this Agreement and any Group Company shall have any rights under it and it will not be enforceable by any person other than those parties.

7.11. This Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England.

7.12. Each party irrevocably agrees that the courts of England shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this Agreement or its subject matter or formation (including non-contractual disputes or claims).

Signed …………………………………..

Dated …………………………………..

For and on behalf of the Company

Signed …………………………………..

Dated …………………………………..

By the Executive

Schedule 1 to Exhibit A (UK)
Part A: Relevant Claims

(i) *[Executive's Advisor to insert any claims or leave blank if none*].

Part B: Statutory Claims

(ii) for unfair dismissal, under section 111 of the Employment Rights Act 1996;

(iii) in relation to the right to a written statement of reasons for dismissal, under section 93 of the Employment Rights Act 1996;

(iv) for a statutory redundancy payment, under section 163 of the Employment Rights Act 1996;

(v) in relation to an unauthorised deduction from wages or unauthorised payment, under section 23 of the Employment Rights Act 1996;

(vi) for unlawful detriment, under section 48 of the Employment Rights Act 1996 or section 56 of the Pensions Act 2008;

(vii) in relation to written employment particulars and itemised pay statements, under section 11 of the Employment Rights Act 1996;

(viii) in relation to guarantee payments, under section 34 of the Employment Rights Act 1996;

(ix) in relation to suspension from work, under section 70 of the Employment Rights Act 1996;

(x) in relation to parental rights and flexible working, under sections 80 and 80H of the Employment Rights Act 1996;

(xi) in relation to time off work, under sections 51, 54, 57, 57B, 60, 63 and 63C of the Employment Rights Act 1996;

(xii) in relation to working time or holiday pay, under regulation 30 of the Working Time Regulations 1998;

(xiii) in relation to the national minimum wage, under sections 11, 18, 19D and 24 of the National Minimum Wage Act 1998;

(xiv) for equality of terms under sections 120 and 127 of the Equality Act 2010;

(xv) for pregnancy or maternity discrimination, direct or indirect discrimination, harassment or victimisation related to sex, marital or civil partnership status, pregnancy or maternity or gender reassignment under section 120 of the Equality Act 2010;

(xvi) for direct or indirect discrimination, harassment or victimisation related to race under section 120 of the Equality Act 2010;

(xvii) for direct or indirect discrimination, harassment or victimisation related to disability, discrimination arising from disability, or failure to make adjustments under section 120 of the Equality Act 2010;

(xviii) for breach of obligations under the Protection of Harassment Act 1997;

(xix) for less favourable treatment on the grounds of part-time status, under regulation 8 of the Part-Time Workers (Prevention of Less Favourable Treatment) Regulations 2000;

(xx) for less favourable treatment on the grounds of fixed-term status, under regulation 7 of the Fixed-Term Executives (Prevention of Less Favourable Treatment) Regulations 2002;

(xxi) for direct or indirect discrimination, harassment or victimisation related to religion or belief under section 120 of the Equality Act 2010;

(xxii) for direct or indirect discrimination, harassment or victimisation related to sexual orientation, under section 120 of the Equality Act 2010;

(xxiii) for direct or indirect discrimination, harassment or victimisation related to age, under section 120 of the Equality Act 2010;

(xxiv) in relation to the duty to consider working beyond retirement, under paragraphs 11 and 12 of Schedule 6 to the Employment Equality (Age) Regulations 2006;

(xxv) under regulations 27 and 32 of the Transnational Information and Consultation etc. Regulations 1999;

(xxvi) under regulations 29 and 33 of the Information and Consultation of Executives Regulations 2004;

(xxvii) under regulations 45 and 51 of the Companies (Cross-Border Mergers) Regulations 2007;

(xxviii) under paragraphs 4 and 8 of the Schedule to the Occupational and Personal Pension Schemes (Consultation by Companys and Miscellaneous Amendment) Regulations 2006;

(xxix) under sections 68A, 87, 137, 145A, 145B, 146, 168, 168A, 169, 170, 174 and 192 of the Trade Union and Labour Relations (Consolidation) Act 1992;

(xxx) in relation to the obligations to elect appropriate representatives or any entitlement to compensation, under the Transfer of Undertakings (Protection of Employment) Regulations 2006;

(xxxi) for failure to comply with obligations under the Human Rights Act 1998;

(xxxii) for failure to comply with obligations under the Data Protection Act 1998, the Data Protection Act 2018 or the General Data Protection Regulation (EU) 2016/679;

(xxxiii) in relation to the right to be accompanied under section 11 of the Employment Relations Act 1999;

(xxxiv) in relation to refusal of employment, refusal of employment agency services and detriment under regulations 5, 6 and 9 of the Employment Relations Act 1999 (Blacklists) Regulations 2010;

(xxxv) in relation to the right to request time off for study or training under section 63I of the Employment Rights Act 1996;

(xxxvi) in relation to the right to equal treatment, access to collective facilities and amenities, access to employment vacancies and the right not to be subjected to a detriment under regulations 5, 12, 13 and 17(2) of the Agency Workers Regulations 2010; and

(xxxvii) arising as a consequence of the United Kingdom's membership of the European Union.

Schedule 2 to Exhibit A (UK)

Confirmation of Legal Advice

To be completed on the Adviser's headed notepaper

I _____________________________ (name) of ___________________________________ (name of law firm) confirm that:

1. I am a relevant independent adviser for the purposes of the legislation referred to in clause 4.3 of the Settlement Agreement between Univar Inc. and ____________________ (name) (the " **Executive** ").

2. I have advised the Executive on the terms and effect of the Settlement Agreement and, in particular, its effect on the Executive's right to bring a claim in an Employment Tribunal.

3. I gave the advice to the Executive as a relevant independent adviser within the meaning of the acts and regulations referred to in clause 4.3 of the Settlement Agreement.

4. At the time the advice was given, there was in force (and there remains in force) a policy of insurance or there was an indemnity provided for members of a professional body covering any claim that might be brought by the Executive in respect of such advice.

Name ………………………………………………………

Signature ………………………………………………………

Date ………………………………………………………

EXHIBIT B (Illinois)

During Executive's employment with Univar, 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 or any of its Affiliates to alter or discontinue his or her relationship with Univar or its Affiliates. This shall not bar any employee of Univar 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 or any of its Affiliates during the last two (2) years of Executive's employment with Univar, any business of a type or nature similar to the business that Univar 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 or its Affiliates during the eighteen (18) month period immediately preceding the last date of Executive's employment with Univar;

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

4. solicit, divert, take away or attempt to solicit, divert or take away any customers of Univar 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 or its Affiliates during the eighteen (18) month period immediately preceding the last date of Executive's employment with Univar; 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 ingredients distribution, waste remediation, tolling or logistics. 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 or its Affiliates during the twenty four (24) month period immediately preceding the termination of Executive's employment with Univar, 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 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 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 and its Affiliates. Because the nature of Executive's responsibilities with Univar under this Agreement provide Executive with access to Confidential Information and Trade Secrets that are valuable and confidential to Univar and its Affiliates, Univar 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.

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 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 6, 2018

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, Carl J. Lukach, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Univar 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 6, 2018

By: /s/ Carl J. Lukach

Carl J. Lukach
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, 2018 , I, David C. Jukes, President and Chief Executive Officer of Univar 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 6, 2018

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, 2018 , I, Carl J. Lukach, Executive Vice President and Chief Financial Officer of Univar 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/ CARL J. LUKACH
Carl J. Lukach
Executive Vice President and Chief Financial Officer
November 6, 2018

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.