

Univar Inc.
Form 10-Q
May 10, 2018
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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 March 31, 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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post 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 April 30, 2018, 141,301,164 shares of the registrant's common stock, \$0.01 par value, were outstanding.

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FINANCIAL INFORMATION

Item 1. Financial Statements

Univar Inc.
Condensed Consolidated Statements of Operations
(Unaudited)

(in millions, except per share data)	Note	Three months ended March 31,	
		2018	2017
Net sales		\$2,158.0	\$1,998.8
Cost of goods sold		1,671.4	1,559.4
Gross profit		\$486.6	\$439.4
Operating expenses:			
Outbound freight and handling		79.3	71.0
Warehousing, selling and administrative		241.0	228.5
Other operating expenses, net	4	13.6	19.8
Depreciation		31.4	35.9
Amortization		13.4	16.7
Total operating expenses		\$378.7	\$371.9
Operating income		\$107.9	\$67.5
Other (expense) income:			
Interest income		1.2	0.9
Interest expense		(36.1)	(36.7)
Loss on extinguishment of debt		—	(0.8)
Other income (expense), net	6	2.6	(6.7)
Total other expense		\$(32.3)	\$(43.3)
Income before income taxes		75.6	24.2
Income tax expense	8	10.2	1.6
Net income		\$65.4	\$22.6
Income per common share:			
Basic	9	\$0.46	\$0.16
Diluted	9	0.46	0.16
Weighted average common shares outstanding:			
Basic	9	140.9	139.4
Diluted	9	142.0	140.8

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

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Univar Inc.
 Condensed Consolidated Statements of Comprehensive Income
 (Unaudited)

(in millions)	Note	Three months ended	
		March 31, 2018	2017
Net income		\$65.4	\$22.6
Other comprehensive income (loss), net of tax:			
Impact due to adoption of ASU 2017-12 ⁽¹⁾	10	0.5	—
Foreign currency translation	10	(7.2)	18.2
Derivative financial instruments	10	9.1	—
Total other comprehensive income, net of tax		\$2.4	\$18.2
Comprehensive income		\$67.8	\$40.8

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

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Univar Inc.
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions, except per share data)	Note	March 31, 2018	December 31, 2017
Assets			
Current assets:			
Cash and cash equivalents		\$ 115.9	