20240927021154

Årsredovisning

UVX Scandinavia AB

Org.nr 556419-6524

Räkenskapsår 2023-01-01 - 2023-12-31

Fastställelseintyg

Undertecknad styrelseledamot intygar härmed att resultaträkningen och balansräkningen i årsredovisningen har fastställts på..
ordinarie årsstämma den 26/9 2024.
Årsstämman beslöt tillika godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Malmö den 26/9-24

Paul Bryant

20240927021553

UVX Scandinavia AB
556419-6524

Årsredovisning
för räkenskapsåret 2023-01-01 - 2023-12-31

Styrelsen och verkställande direktören for UVX Scandinavia AB avger härmed följande årsredovisning.

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Styrelsens säte: Malmö
Företagets redovisningsvaluta: Svenska kronor (SEK)
Alla belopp redovisas, om inte annat anges, i kronor (kr)

20240927027156

Förvaltningsberättelse

Information om verksamheten
Moderbolaget äger och förvaltar aktier i dotterbolag. Bolaget har inga anställda, tjänster utförs av anställda i dotterbolag.

Väsentliga händelser under räkenskapsåret och efter dess utgång
Inga väsentliga händelser har skett under och efter räkenskapsårets utgång.

Ägarförhållanden
UVX Scandinavia AB är ett helägt dotterbolag till Univar Netherlands Holdings BV, med säte i Rotterdam, Holland.

Flerårsöversikt	2023	2022	2021	2020	2019
Nettoomsättning (tkr)	0	0	0	0	0
Resultat efter finansiella poster (tkr)	17,039	44,027	84,097	-419	-33
Balansomslutning (tkr)	140,086	148,573	145,937	171,064	171,098
Soliditet	86%	69%	100%	100%	100%
Antal anställda	0	0	0	0	0

Förändring av eget kapital

	Aktie-kapital	Reserv-fond	Balanserat resultat	Årets resultat	Totalt
Ingående balans 2023-01-01	45,000,000	376,025	14,783,852	42,885,849	103,045,726
Överföring resultat föregående år			42,885,849	-42,885,849	0
Årets resultat				17,072,551	17,072,551
Utbetalda utdelningar					0
Utgående balans 2023-12-31	45,000,000	376,025	57,669,701	17,072,551	120,118,277

Förslag till resultatdisposition
Styrelsen föreslår att till förfogande stående medel

Balanserat resultat	57,669,701
Årets resultat	17,072,551
Disponeras så att	74,742,252
I ny räkning överföres	74,742,252

20240927021157

Resultaträkning

	Not	2023	2022
Nettoomsättning		0	0
Administrationskostnader	1	-138,725	-127,258
Rörelseresultat		-138,725	-127,258
Resultat från finansiella poster			
Resultat från andelar i koncernföretag	2	17,778,972	42,890,849
Ovriga ränteintäkter och liknande resulatposter	3	1,651,488	1,651,333
Räntekostnader och liknande resultatposter	4	-2,252,975	-387,809
Resultat efter finansiella poster		17,038,760	44,027,115
Bokslutsdispositioner	5	33,791	-1,141,266
Resultat före skatt		17,072,551	42,885,849
Skatt på årets resultat	6	0	0
Årets resultat		17,072,551	42,885,849

20240927027158

Balansräkning

	Not	31/12/2023	31/12/2022
Tillgångar			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar I koncernföretag	**7,8**	91,169,794	91,169,794
		91,169,794	91,169,794
Summa anläggningstillgångar		91,169,794	91,169,794
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		0	9,093,284
Övriga fordringar		0	0
Summar kortfristiga fordringar		0	9,093,284
Kassa och bank		48,916,024	48,309,513
Summa omsättningstillgångar		48,916,024	57,402,797
Summa tillgångar		140,085,819	148,572,591

20240927021559

Balansräkning

	Not	31/12/2023	31/12/2022
Eget kaptial och skulder			
Eget kapital	9		
Bundet eget kapital			
Aktiekapital (450 000 aktier)		45,000,000	45,000,000
Reservfond		376,025	376,025
		45,376,025	45,376,025
Fritt eget kapital			
Balanserat resultat		57,669,701	14,783,852
Årets resultat		17,072,551	42,885,849
		74,742,252	57,669,701
Summa eget kapital		120,118,277	103,045,726
Kortfristiga skulder			
Checkräkningskredit		0	0
Skulder till koncernföretag		19,967,542	45,526,865
		19,967,542	45,526,865
Summa eget kapital och skulder		140,085,819	148,572,591

PLN

20240927021160

Tilläggsupplysningar

Redovisnings- och värderingsprinciper

Allmänna redovisningsprinciper
Årsredovisningen har upprättats enligt Årsredovisningslagen (1995:1554) och BFNAR 2012:1 Årsredovisning och koncern-redovisning (K3):

Bedömningar och uppskattningar
Upprättandet av bokslut och tillämpning av redovisningsprinciper, baseras ofta på ledningens bedömningar, uppskattningar och antaganden som anses vara rimliga vid den tidpunkt då bedömningen görs. Uppskattningar och bedömningar är baserade på historiska erfarenheter och ett antal andra faktorer, som under rådande omständigheter anses vara rimliga. Resultatet av dessa används för att bedöma de redovisade värdena på tillgångar och skulder, som inte annars framgår tydligt från andra källor. Det verkliga utfallet kan avvika från dessa uppskattningar och bedömningar. Uppskattningar och antaganden ses över regelbundet. Eventuellt förändrade bedömningar och uppskattningar under kommande räkenskapsår bedöms ej ge upphov till väsentliga justeringar av redovisade värden för tillgångar och skulder.

Koncerntillhörighet
Företaget är ett moderföretag men upprättar ingen koncernredovisning med hänvisning till undeantagsregeln I årsredovisningslagen 7 kap.2. UVX Scandinavia AB ingår i en koncern där Univar Netherlands Holdings BV är moderbolag med säte i Rotterdam, som högst upp ägs av Univar Inc.

Närmast överordnade moderföretag som upprättar koncernredovisning I vilken företaget ingår är Univar Inc (org.nr. 26-1251958) med säte I Redmont, USA. Moderföretag för hela koncernen är samma bolag enligt ovan.

Intäktsredovisning
Intäkter har tagits upp till verkligt värde av vad som erhållits eller kommer att erhållas och redovisas I den omfattning det är sannolikt att de ekonomiska fördelarna kommer att tillgodogöras bolaget och intäkterna kan beräknas på ett tillförlitligt sätt.

Omräkning av poster i utländsk valuta
Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster.

Koncernbidrag
Erhållna och lämnade koncernbidrag redovisas som bokslutsdisposition.

PNJ

20240927021161

Skatt
Total skatt utgörs av aktuell skatt och uppskjuten skatt. Skatter redovisas i resultaträkningen, utom då underliggande transaktion redovisas direkt mot eget kapital varvid tillhörande skatteeffekt redovisas i eget kapital.

Aktuell skatt
Aktuell skatt avser inkomstskatt för innevarande räkenskapsår samt den del av tidigare räkenskapsårs inkomstskatt som ännu inte redovisats. Aktuell skatt beräknas utifrån per den skattesats som gäller per balansdagen.

Uppskjuten skatt
Uppskjuten skatt är inkomstskatt som avser framtida räkenskapsår till följd av tidigare händelser. Redovisning sker enligt balansräkningsmetoden. Enligt denna redovisas uppskjutna skatteskulder och uppskjutna skattefordringar, med nedan angivna undantag, på temporära skillnader som uppstår mellan bokförda respektive skattemässiga värden för tillgångar och skulder samt för övriga skattemässiga avdrag eller underskott.

Temporära skillnader beaktas ej i skillnader hänförliga till dotter- och intresseföretag som inte förväntas bli beskattade inom en överskådlig framtid. Temporära skillnader i form av obeskattade reserver redovisas inklusive uppskjuten skatteskuld under rubriken obeskattade reserver.
Uppskjutna skattefordringar nettoredovisas mot uppskjutna skatteskulder endast om de kan betalas med ett nettobelopp.
Uppskjuten skatt beräknas utifrån besultad skattesats på balansdagen. Effekter av förändringar I gällande skattesatser resultatförs I den period förändringen lagstadgats. Uppskjutna skattefordringar reduceras tilld en del det inte är sannolikt att den underliggande skattefordran kommer att kunna realiseras inom en överskådlig framtid. Uppskjuten skatefordran redovisas som finansiell anläggningstillgång och uppskjuten skatteskuld som avsättning.

Finansiella instrument
Finansiella instrument värderas utifrån anskaffningsvärdet.

Fordringar, skulder och avsättningar
Om inget annat anges ovan värderas kortfristiga fordringar till det lägsta av dess anskaffningsvärde och det belopp varmed de beräknas bli reglerade. Långfristiga fordringar och långfristiga skulder värderas efter det första värderingstillfället till upplupet anskaffningsvärde. Övriga skulder och avsättningar värderas till de belopp varmed de beräknas bli reglerade. Övriga tillgångar redovisas till anskaffningsvärde om inget annat anges ovan.

20240927021162

Noter

	2023	2022
1 Arvode till revisorer		
Ernst & Young		
Revisionsuppdrag	122,985	108,375
	122,985	108,375
2 Resultat från andelar i koncernföretag		
Erhållen utdelning	17,778,972	42,890,849
	17,778,972	42,890,849
3 Övriga ränteintäkter och liknande resultatposter		
Ränteintäkter från koncernfordringar	463	73,930
Övriga ränteintäkter	623,514	609,512
Kursdifferenser	1,027,511	967,891
	1,651,488	1,651,333
4 Räntekostnader och liknande resultatposter		
Räntekostnader till koncernföretag	-1,330,397	-17,708
Övriga räntekostnader	0	-8
Kursdifferenser	-922,577	-370,093
	-2,252,975	-387,809
5 Bokslutsdispositioner		
Koncernbidrag	-33,791	1,141,266
	-33,791	1,141,266
6 Skatt på årets resultat		
Summar redovisad skatt	0	0
Avstämning av effektiv skattesats		
Redovisat resultat före skatt	17,072,551	42,885,849
Skatt på redovisat resultat enligt gällande skattesats 20,6% (21.4%):	-3,516,945	-8,834,485
Skatteeffekt av:		
Ej skattepliktiga intäkter	3,662,468	8,835,515
Övriga ej avdragsgilla kostnader	-145,523	-1,030
Redovisad skatt	0	0
Effetiv skattesats	0%	0%

PRV

20240927021163

Noter

	31/12/2023	31/12/2022
7 Andelar I koncernföretag		
Ingående anskaffningsvärden	337,102,682	337,102,682
Utgående ackumulerade anskaffningsvärden	337,102,682	337,102,682
Ingående nedskrivningar	-245,932,888	-245,932,888
Utgående ackumulerade nedskrivningar	-245,932,888	-245,932,888
Utgående redovisat värde	91,169,794	91,169,794

8 Specifikation av andelar I koncernföretag

Namn	**Kapital-andel**	**Rösträtts-andel**	**Antal andelar**	**Bokfört värde**
Univar Solutions AB	100%	100%	200000	40,149,794
Univar Solutions Denmark A/S	100%	100%	1	33,309,000
Univar Solutions AS	100%	100%	5000	9,633,000
Univar Solutions Oy	100%	100%	500	8,078,000
Summa				91,169,794

	Org.nr.	**Säte**	**Eget kapital***	**Årets resultat***
Univar Solutions AB	556114-6308	Malmö	159,801,018	8,841,331
Univar Solutions Denmark A/S	1166-2328	Danmark	81,639,363	6,756,861
Univar Solutions AS	9180821 015	Norge	152,130,615	- 9,380,066
Univar Solutions Oy	0536122-7	Finland	57,079,612	2,521,974

* I Eget kapital ingår 79,4% av obeskattade reserver

9 Antal aktier

Antal aktier uppgår per 2023-12-31 till 450 000 st med ett kvotvärde om 100 kr per aktie.

Noter

20240927021164

	31/12/2023	31/12/2022

10 Nyckeltalsdefinitioner

Nettoomsättning
Rörelsens huvudintäkter, fakturerade kostnader, sidointäkter samt intäktskorrigeringar.

Resultat efter finansiella poster
Resultat efter finansiella intäkter och kostnader, men före extraordinära intäkter och kostnader.

Balansomslutning
Företagets samlade tillgångar.

Soliditet (%)
Justserat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt)
I procent av balansomslutning

20240927021165

Malmö den 25/9-24

Pär Lindén
Verkställande direktör

Nigel Hayes
Ledamot

Paul Bryant
Ordförande

Vår revisionsberättelse har lämnats den 26/9-24

Ernst & Young AB

Pia Anell
Auktoriserad Revisor

20240927021662

Malmö den 25/9-24

Pär Lindén
Verkställande direktör

Nigel Hayes
Ledamot

Paul Bryant
Ordförande

Vår revisionsberättelse har lämnats den 26/9-24

Ernst & Young AB

Pia Anell
Auktoriserad Revisor

20240927021167

Malmö den 19/9-2024

Pär Lindén
Verkställande direktör

Nigel Hayes
Ledamot

Paul Bryant
Ordförande

Vår revisionsberättelse har lämnats den 26/9 24

Ernst & Young AB

Pia Anell
Auktoriserad Revisor

20240927021168

Building a better working world

Revisionsberättelse

Till bolagsstämman i UVX Scandinavia AB, org.nr 556419-6524

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för UVX Scandinavia AB för räkenskapsåret 2023.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av UVX Scandinavia ABs finansiella ställning per den 31 december 2023 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till UVX Scandinavia AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om att årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

20240927021169

Building a better working world

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning av UVX Scandinavia AB för räkenskapsåret 2023 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar resultatet enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till UVX Scandinavia AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Anmärkning

Årsredovisningen har överlämnats till oss efter den i lagen angivna tidpunkten.

Årsredovisningen avgavs inte i sådan tid att det, enligt 7 kap. 10 § aktiebolagslagen, varit möjligt att hålla årsstämma inom sex månader efter räkenskapsårets utgång.

Malmö den 26/9-24

Ernst & Young AB

Pia Anell

Pia Anell
Auktoriserad revisor

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Bolagsverket
2024 -12- 27

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Windsor Holdings III, LLC

A Delaware Limited Liability Company

Annual Report for the fiscal year ended December 31, 2023

Case - 9622068/2024
Bolagsverket
Swedish Companies
Registration office
SE - 851 81
Sundsvall
Sweden.

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FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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Ernst & Young LLP
155 North Wacker Drive
Chicago, IL 60606-1787

Tel: +1 312 879 2000
Fax: +1 312 879 4000
ey.com

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Report of Independent Auditors

To the Board of Directors and Member of Windsor Holdings III, LLC

Opinion

We have audited the consolidated financial statements of Windsor Holdings III, LLC (the Company), which comprise the consolidated balance sheets as of December 31, 2023 (Successor) and 2022 (Predecessor), and the related consolidated statements of operations, comprehensive (loss) income, changes in member's and stockholders' equity, and cash flows for the period from August 1, 2023 through December 31, 2023 (Successor), the period from January 1, 2023 through July 31, 2023 (Predecessor) and the years ended December 31, 2022 and 2021 (Predecessor) and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023 (Successor) and 2022 (Predecessor), and the results of its operations and its cash flows for the period from August 1, 2023 through December 31, 2023 (Successor) and for the period from January 1, 2023 through July 31, 2023 (Predecessor) and the years ended December 31, 2022 and 2021 (Predecessor) in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Ernst & Young LLP

May 13, 2024

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Windsor Holdings III, LLC
Consolidated Statements of Operations

(in millions)	Successor	Predecessor		
	August 1, 2023 to December 31, 2023	January 1, 2023 to July 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021
Net sales	$ 3,998.7	$ 6,066.7	$ 11,475.3	$ 9,535.5
Cost of goods sold (exclusive of depreciation)	3,000.2	4,604.2	8,704.1	7,142.3
Operating expenses:				
Outbound freight and handling	193.3	269.4	476.8	403.7
Warehousing, selling, and administrative	482.3	686.1	1,248.5	1,191.8
Other operating expenses, net	194.1	134.1	32.8	107.5
Depreciation	67.1	77.3	131.7	150.9
Amortization	155.0	27.3	48.2	52.5
Impairment charges	—	0.4	0.6	3.0
Total operating expenses	1,091.8	1,194.6	1,938.6	1,909.4
Operating (loss) income	(93.3)	267.9	832.6	483.8
Other (expense) income:				
Interest income	6.9	4.5	4.3	4.3
Interest expense	(224.6)	(78.1)	(107.2)	(101.5)
Gain on sale of business	—	—	—	88.2
Other (expense) income, net	(32.0)	(43.1)	26.5	110.4
Total other (expense) income	(249.7)	(116.7)	(76.4)	101.4
(Loss) income before income taxes	(343.0)	151.2	756.2	585.2
Income tax (benefit) expense	(53.6)	37.6	210.9	124.6
Net (loss) income	$ (289.4)	$ 113.6	$ 545.3	$ 460.6

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

Windsor Holdings III, LLC
Consolidated Statements of Comprehensive (Loss) Income

(in millions)	Successor	Predecessor		
	August 1, 2023 to December 31, 2023	January 1, 2023 to July 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021
Net (loss) income	$ (289.4)	$ 113.6	$ 545.3	$ 460.6
Other comprehensive (loss) income, net of tax:				
Foreign currency translation, net of tax of $— for August 1, 2023 to December 31, 2023, $— for January 1, 2023 to July 31, 2023, $0.1 for the year ended December 31, 2022, and $— for the year ended December 31, 2021	(8.9)	66.7	(64.4)	5.0
Pension and other postretirement benefits adjustment, net of tax of $4.0 for August 1, 2023 to December 31, 2023, $0.1 for January 1, 2023 to July 31, 2023, $0.1 for the year ended December 31, 2022, and $0.6 for the year ended December 31, 2021	(11.8)	(0.3)	(0.6)	(2.5)
Derivative financial instruments, net of tax of $— for August 1, 2023 to December 31, 2023, $0.6 for January 1, 2023 to July 31, 2023, $(28.5) for the year ended December 31, 2022, and $(7.8) for the year ended December 31, 2021	—	(1.7)	83.0	21.9
Total other comprehensive (loss) income, net of tax	(20.7)	64.7	18.0	24.4
Comprehensive (loss) income	$ (310.1)	$ 178.3	$ 563.3	$ 485.0

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

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Windsor Holdings III, LLC
Consolidated Balance Sheets

(in millions, except share and per share data)	Successor December 31, 2023	Predecessor December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	$ 178.1	$ 385.3
Trade accounts receivable, net of allowance for doubtful accounts of $11.8 and $13.1 at December 31, 2023 and 2022, respectively	1,321.7	1,489.9
Inventories	870.7	1,137.8
Prepaid expenses and other current assets	177.2	217.8
Total current assets	2,547.7	3,230.8
Property, plant, and equipment, net	1,843.6	1,055.0
Goodwill	2,485.7	2,288.2
Intangible assets, net	3,117.9	167.0
Deferred tax assets	23.5	20.7
Other assets	318.5	384.0
Total assets	$ 10,336.9	$ 7,145.7
Liabilities and member's and stockholders' equity		
Current liabilities:		
Short-term financing	$ 1.2	$ —
Trade accounts payable	940.7	982.5
Current portion of long-term debt	53.8	38.9
Accrued compensation	115.6	204.7
Other accrued expenses	374.4	401.3
Total current liabilities	1,485.7	1,627.4
Long-term debt	4,436.5	2,426.9
Pension and other postretirement benefit liabilities	135.2	135.2
Deferred tax liabilities	768.6	106.2
Other long-term liabilities	411.3	355.8
Total liabilities	7,237.3	4,651.5
Commitments and contingencies		
Member's and stockholders' equity:		
Member's interest	3,120.3	—
Preferred stock, $0.01 par value, 200,000,000 shares authorized none issued at December 31, 2022	—	—
Common stock, $0.01 par value, 2,000,000,000 shares authorized and 173,237,533 shares issued at December 31, 2022	—	1.7
Additional paid-in capital	—	3,046.0
Treasury stock at cost, 15,254,566 shares at December 31, 2022	—	(409.1)
Retained earnings	—	200.3
Accumulated other comprehensive loss	(20.7)	(344.7)
Total member's and stockholders' equity	3,099.6	2,494.2
Total liabilities and member's and stockholders' equity	$ 10,336.9	$ 7,145.7

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

Windsor Holdings III, LLC
Consolidated Statements of Changes in Member's and Stockholders' Equity

Successor (in millions)	Member's interest	Accumulated other comprehensive loss	Total
Balance as of August 1, 2023	$ —	$ —	$ —
Issuance of member's interest	3,430.8	—	3,430.8
Member distribution	(27.6)	—	(27.6)
Equity-based compensation expense	6.5	—	6.5
Net loss	(289.4)	—	(289.4)
Other comprehensive loss, net of tax	—	(20.7)	(20.7)
Balance as of December 31, 2023	$ 3,120.3	$ (20.7)	$ 3,099.6

Predecessor (in millions)	Common stock outstanding (shares)	Common stock	Additional paid-in capital	Treasury stock	Retained earnings (accumulated deficit)	Accumulated other comprehensive loss	Total
Balance as of January 1, 2021	169.3	$ 1.7	$ 2,983.3	$ —	$ (805.6)	$ (387.1)	$ 1,792.3
Net income	—	—	—	—	460.6	—	460.6
Other comprehensive income, net of tax	—	—	—	—	—	24.4	24.4
Exercise of warrants	1.0	—	26.8	—	—	—	26.8
Restricted stock units vested, net of tax withholdings	0.3	—	(2.6)	—	—	—	(2.6)
Stock option exercises	0.6	—	13.4	—	—	—	13.4
Employee stock purchase plan	—	—	1.5	—	—	—	1.5
Equity-based compensation expense	—	—	25.4	—	—	—	25.4
Purchases of treasury stock	(1.8)	—	—	(50.0)	—	—	(50.0)
Other	—	—	0.7	—	—	—	0.7
Balance as of December 31, 2021	169.4	$ 1.7	$ 3,048.5	$ (50.0)	$ (345.0)	$ (362.7)	$ 2,292.5
Net income	—	—	—	—	545.3	—	545.3
Other comprehensive income, net of tax	—	—	—	—	—	18.0	18.0
Restricted stock units vested, net of tax withholdings	0.9	—	(11.7)	—	—	—	(11.7)
Stock option exercises	1.0	—	24.1	—	—	—	24.1
Employee stock purchase plan	0.1	—	1.6	—	—	—	1.6
Equity-based compensation expense	—	—	34.3	—	—	—	34.3
Purchases of treasury stock	(13.4)	—	(50.0)	(359.1)	—	—	(409.1)
Other	—	—	(0.8)	—	—	—	(0.8)
Balance as of December 31, 2022	158.0	$ 1.7	$ 3,046.0	$ (409.1)	$ 200.3	$ (344.7)	$ 2,494.2
Net income	—	—	—	—	113.6	—	113.6
Other comprehensive income, net of tax	—	—	—	—	—	64.7	64.7
Restricted stock units vested, net of tax withholdings	0.3	—	(4.8)	—	—	—	(4.8)
Stock option exercises	0.1	—	3.2	—	—	—	3.2
Equity-based compensation expense	—	—	18.2	—	—	—	18.2
Purchases of treasury stock	(0.6)	—	50.0	(52.5)	—	—	(2.5)
Balance as of July 31, 2023	157.8	$ 1.7	$ 3,112.6	$ (461.6)	$ 313.9	$ (280.0)	$ 2,686.6

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

20241230036542

Windsor Holdings III, LLC
Consolidated Statements of Cash Flows

(in millions)	Successor: August 1, 2023 to December 31, 2023	Predecessor: January 1, 2023 to July 31, 2023	Predecessor: Year ended December 31, 2022	Predecessor: Year ended December 31, 2021
Operating activities:				
Net (loss) income	$ (289.4)	$ 113.6	$ 545.3	$ 460.6
Adjustments to reconcile net (loss) income to net cash provided by operating activities:				
Depreciation and amortization	222.1	104.6	179.9	203.4
Impairment charges	—	0.4	0.6	3.0
Amortization of deferred financing fees and debt discount	9.8	3.2	5.7	6.2
Gain on sale of business	—	—	—	(88.2)
Gain on sale of property, plant, and equipment	(1.4)	(4.0)	(2.8)	(10.1)
Pension mark to market gain	—	(7.3)	(17.7)	(75.9)
Deferred income taxes	(90.2)	(17.8)	29.0	6.4
Equity-based compensation expense	6.5	18.2	34.3	25.4
Loss (gain) on extinguishment of debt	—	34.6	(1.5)	2.3
Foreign currency debt remeasurement (gain) loss, net of derivatives	(2.4)	6.3	—	—
Fair value adjustment for warrants	—	—	—	(33.8)
Other	6.5	8.6	2.3	1.1
Changes in operating assets and liabilities:				
Trade accounts receivable, net	116.5	96.2	22.9	(328.6)
Inventories	90.1	210.6	(220.5)	(270.2)
Prepaid expenses and other current assets	13.6	76.4	(12.7)	(35.0)
Trade accounts payable	4.3	(73.2)	(6.8)	255.1
Other, net	42.6	(41.2)	(11.6)	168.6
Net cash provided by operating activities	128.6	529.2	546.4	290.3
Investing activities:				
Purchases of businesses, net of cash acquired	(7,575.6)	(130.3)	(16.7)	(28.7)
Purchases of property, plant, and equipment	(74.4)	(86.6)	(153.8)	(110.9)
Proceeds from sale of property, plant, and equipment	7.9	13.4	7.8	29.0
Proceeds from sale of business	—	—	—	136.5
Other	—	(0.8)	1.0	(2.3)
Net cash (used) provided by investing activities	(7,642.1)	(204.3)	(161.7)	23.6
Financing activities:				
Proceeds from issuance of member's interest	3,394.4	—	—	—
Proceeds from the issuance of long-term debt, net	4,080.1	—	199.6	995.0
Payments on long-term debt and finance lease obligations	(18.3)	(23.9)	(87.7)	(1,440.5)
Proceeds under revolving credit facilities	1,215.2	673.1	2,238.7	2,732.4
Payments under revolving credit facilities	(825.2)	(801.1)	(2,186.9)	(2,700.0)
Debt issuance costs	(120.8)	—	(2.1)	(1.0)
Member distribution	(27.6)	—	—	—
Taxes paid related to net share settlements of equity-based compensation awards	—	(8.7)	(7.8)	(2.6)
Purchases of treasury stock	—	(2.5)	(409.1)	(50.0)
Stock option exercises	—	3.4	23.9	13.4
Proceeds from the exercise of warrants	—	—	—	27.1
Other	(5.0)	(0.2)	(1.3)	1.6
Net cash provided (used) by financing activities	7,692.8	(159.9)	(232.7)	(424.6)
Effect of exchange rate changes on cash and cash equivalents	(1.2)	18.4	(18.2)	(24.4)
Net increase (decrease) in cash and cash equivalents	178.1	183.4	133.8	(135.1)
Cash and cash equivalents at beginning of period	—	385.3	251.5	386.6
Cash and cash equivalents at end of period	$ 178.1	$ 568.7	$ 385.3	$ 251.5

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

Windsor Holdings III, LLC
Consolidated Statements of Cash Flows

(in millions)	Successor	Predecessor		
	August 1, 2023 to December 31, 2023	January 1, 2023 to July 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021
Supplemental disclosure of cash flow information:				
Cash paid during the period for:				
Income taxes	$ 37.7	$ 72.5	$ 189.7	$ 98.0
Interest, net of capitalized interest	197.6	56.3	88.7	88.0
Non-cash activities:				
Other liabilities related to the purchase of businesses	$ —	$ —	$ 1.4	$ 23.0
Additions of property, plant, and equipment included in trade accounts payable and other accrued expenses	6.5	5.1	8.5	14.8
Additions of property, plant, and equipment under a finance lease obligation	18.8	26.2	34.5	31.8
Additions of assets under an operating lease obligation	28.0	70.0	96.0	63.1

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

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Windsor Holdings III, LLC
Notes to Consolidated Financial Statements

1. Organization

Merger

On March 13, 2023, Univar Solutions Inc. (the "Predecessor", "Predecessor Company", or "Univar Solutions") entered into an Agreement and Plan of Merger (the "Merger Agreement") with Windsor Parent, L.P., a Delaware limited partnership (the "Limited Partnership"), and Windsor Merger Sub, Inc., a Delaware corporation and an indirect wholly owned subsidiary of the Limited Partnership ("Merger Sub"). The Limited Partnership and Merger Sub are affiliates of funds managed by affiliates of Apollo Global Management, Inc. ("Apollo"), an alternative asset manager, and Platinum Falcon B 2018 RSC Limited ("Platinum Falcon"), an indirect wholly owned subsidiary of the Abu Dhabi Investment Authority.

On August 1, 2023 (the "Acquisition Date"), pursuant to the terms of the Merger Agreement, Merger Sub merged with and into the Predecessor Company (the "Merger"). The Merger was effectuated by Windsor Holdings III, LLC ("Parent" or "Successor"), the immediate parent of Merger Sub and an indirect wholly owned subsidiary of the Limited Partnership, which issued debt and transferred cash to acquire Univar Solutions. Univar Solutions survived the Merger and became a wholly owned subsidiary of the Parent and a privately held company. Prior to the Merger, the Parent had no significant operations, limited assets, and only incurred transaction-related expenses.

The terms "we," "us," "our," and the "Company" mean (i) Univar Solutions and its consolidated subsidiaries prior to the Acquisition Date and (ii) Parent and its consolidated subsidiaries from the Acquisition Date forward.

Business overview

Headquartered in Downers Grove, Illinois, the Company is a leading global solutions provider to users of specialty ingredients and chemicals and provider of value-added services to customers across a wide range of diverse industries.

2. Significant accounting policies

Basis of consolidation and presentation

The consolidated financial statements include the financial statements of the Company and its majority-owned 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. All intercompany balances and transactions are eliminated in consolidation. Unless otherwise indicated, all financial data presented in these consolidated financial statements are expressed in US dollars.

The consolidated financial statements are presented on a Successor and Predecessor basis. References to the Predecessor and Predecessor periods refer to the results of operations, cash flows, and balance sheet of Univar Solutions prior to the close of the Merger on August 1, 2023. References to the Successor and Successor periods refer to the consolidated balance sheet of the Parent as of December 31, 2023, and the results of operations and cash flows of the Parent for the period from August 1, 2023 to December 31, 2023. The Predecessor and Successor consolidated financial information presented herein is not comparable primarily due to the impacts of the Merger, including the remeasurement of acquired assets and liabilities at fair value in the Successor consolidated financial statements, as further described in "Note 3: Business combinations", of which the most significant impacts were (i) depreciation expense for property, plant, and equipment; (ii) amortization expense for intangible assets; (iii) additional interest expense associated with debt financing arrangements entered into in connection with the Merger; and (iv) compensation and transaction-related expenses. Where applicable, a black line separates the Successor and Predecessor periods to highlight the lack of comparability.

The Predecessor period from January 1, 2023 to July 31, 2023 in the consolidated statements of operations reflects an immaterial increase in income tax expense of $8.6 million compared to the quarterly report for the period ended September 30, 2023. Additionally, certain immaterial amounts in the prior years' consolidated financial statements and notes have been reclassified to conform to the current year presentation.

Use of estimates

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions affecting the amounts reported and disclosed in the financial statements and accompanying notes. Actual results could differ materially from these estimates.

Cash and cash equivalents

Cash and cash equivalents include highly-liquid investments with an original maturity of three months or less that are readily convertible into known amounts of cash.

Certain of the Company's subsidiaries participate in a multi-currency, notional cash pooling arrangement with a third-party bank provider to manage global liquidity requirements (the "Notional Cash Pool"). Under the Notional Cash Pool, cash deposited by participating subsidiaries is pledged as security against the overdraft balances of other participating subsidiaries, providing legal rights of offset. As a result, the balances are presented on a net basis within cash and cash equivalents in the consolidated balance sheets. As of December 31, 2023, the net cash position of the Notional Cash Pool was $8.5 million, which consisted of a gross cash balance of $246.3 million less a bank overdraft balance of $237.8 million. As of December 31, 2022, the net cash position of the Notional Cash Pool was $52.9 million, which consisted of a gross cash balance of $69.8 million less a bank overdraft balance of $16.9 million.

Trade accounts receivable, net and allowance for doubtful accounts

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

Changes in the allowance for doubtful accounts were as follows:

	Successor	Predecessor		
(in millions)	August 1, 2023 to December 31, 2023	January 1, 2023 to July 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021
Balance at beginning of period	$ 13.6	$ 13.1	$ 15.8	$ 17.2
Provision for credit losses	2.9	1.3	5.1	6.9
Write-offs	(4.6)	(1.5)	(7.7)	(8.1)
Foreign exchange and other	(0.1)	0.7	(0.1)	(0.2)
Balance at end of period	$ 11.8	$ 13.6	$ 13.1	$ 15.8

Inventories

Inventories consist primarily of products purchased for resale and are stated at the lower of cost or net realizable value. Inventory cost is determined based on the weighted average cost method and includes purchase price from producers net of rebates received, inbound freight and handling, and direct labor and other costs incurred to blend and repackage product, but excludes depreciation expense.

Property, plant, and equipment, net

Property, plant, and equipment are carried at historical cost, net of accumulated depreciation. Depreciation is recorded on a straight-line basis over the estimated useful life of each asset as follows:

Buildings	10-50 years
Main components of tank farms	5-40 years
Containers	2-15 years
Machinery and equipment	5-20 years
Furniture, fixtures, and others	5-20 years
Information technology	3-10 years

The Company evaluates the useful life and carrying value of property, plant, and equipment for impairment if an event occurs or circumstances change that would indicate the carrying value may not be recoverable. If the carrying amount of the asset group is not recoverable on an undiscounted cash flow basis, an impairment loss is recognized to the extent the asset group's carrying amount exceeds its estimated fair value.

Goodwill and intangible assets

Goodwill represents the excess of the aggregate purchase price over the fair value of the net assets acquired in business combinations. Goodwill is tested for impairment annually as of the first day of the fourth fiscal quarter, or between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount.

For each of the reporting units, the Company has the option to perform either the qualitative or quantitative test. In the event a reporting unit fails the qualitative test, it is required to perform the quantitative test. The quantitative impairment test considers both the income approach and the market approach to estimate a reporting unit's fair value. Significant assumptions include

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forecasted earnings before interest, taxes, depreciation, and amortization ("EBITDA"), market segment growth rates, and discount rates based on a reporting unit's weighted average cost of capital.

If the fair value of a reporting unit is less than its carrying value, the Company will recognize an impairment for the lesser of the amount by which the reporting unit's carrying amount exceeds its fair value or the reporting unit's goodwill carrying value. As of October 1, 2023, the Company performed its annual impairment assessment using the qualitative test and concluded that fair value exceeded carrying value for all reporting units.

The Company's intangible assets have finite lives and are amortized over their respective useful lives of 8 to 16 years using the estimated pattern of economic benefit. Intangible assets are tested for impairment if an event occurs or circumstances change that indicates the carrying value may not be recoverable.

Short-term financing

Short-term financing includes bank overdrafts and short-term lines of credit.

Income taxes

Deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using enacted tax rates and laws that are expected to be in effect when the differences reverse. Deferred tax assets are also recognized for the estimated future effects of tax loss carryforwards. The effect on deferred taxes of changes in tax rates is recognized in the period in which the revised tax rate is enacted. Income tax effects are released from accumulated other comprehensive loss in the period the underlying item expires.

The Company records valuation allowances to reduce deferred tax assets to the extent it believes it is more likely than not that such assets will not be realized. In making such determinations, the Company considers all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, forecasted and appropriate character of future taxable income, its experience with operating loss and tax credit carryforwards not expiring unused, tax planning strategies, and the ability to carry back losses to prior years.

The Company is subject to global intangible low-taxed income ("GILTI"), which is a tax on foreign income in excess of a deemed return on tangible assets of foreign corporations. The Company treats taxes due on future US inclusions in taxable income related to GILTI as a current-period expense when incurred.

The Company accounts for unrecognized tax benefits through an assessment of whether a position is more likely than not to be sustained upon examination by taxing authorities based on its technical merits. The Company records liabilities for uncertain tax positions taken or expected to be taken in a tax return. In the Predecessor periods, the Company recognized interest and penalties related to unrecognized tax benefits within interest expense and warehousing, selling, and administrative expenses, respectively, in the consolidated statements of operations. In Successor periods, interest and penalties related to unrecognized tax benefits are recognized within income tax (benefit) expense in the consolidated statements of operations. Accrued interest and penalties are included in other accrued expenses and other long-term liabilities in the consolidated balance sheets.

Defined benefit pension plans

The Company sponsors defined benefit pension plans in the US and other countries. In the Predecessor periods, the Company recognized actuarial gains and losses, known as "mark to market" adjustments, as of the related measurement date. The mark to market adjustments primarily included gains and losses resulting from changes in discount rates and the difference between the expected and actual rate of return on plan assets. In Successor periods, actuarial gains and losses are deferred in accumulated other comprehensive (loss) income and amortized over either the average remaining life or service years of the plan participants under the corridor method. Differences between the expected return on plan assets and the actual annual return are generally amortized to net periodic benefit cost over a five-year period. Settlement gains and losses are recognized in the period in which the settlement occurs. The fair value of plan assets is used to calculate the expected return on plan assets component of net periodic benefit cost.

Leases

At the commencement date of a lease, the Company recognizes a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. The Company includes options to extend or terminate a lease within the lease term when it is reasonably certain the option will be exercised. The lease liability is measured at the present value of fixed lease payments over the lease term. The lease liability includes payments allocated to lease components, while payments allocated to non-lease components are expensed as incurred for all asset classes. When a contract excludes an implicit rate, the Company utilizes an incremental borrowing rate based on information available at the lease commencement date, including lease term and geographic region. The initial measurement of the right-of-use asset includes the initial measurement of the lease liability, fixed lease payments made in advance of the lease commencement date, and initial direct costs incurred by the

Company and excludes lease incentives. Variable lease payments, such as payments based on an index rate or usage, are expensed as incurred and excluded from lease liabilities and right-of-use assets.

Leases with an initial term of 12 months or less are classified as short-term leases and are not recorded on the consolidated balance sheets. The lease expense for short-term leases is recognized on a straight-line basis over the lease term.

Legal costs

Legal costs are expensed as incurred.

Environmental liabilities

Environmental liabilities are recognized for probable and reasonably estimable losses associated with environmental remediation. Incremental direct costs of the investigation, remediation effort, and post-remediation monitoring are included in the estimated environmental liabilities. In the Predecessor periods, the Company discounted environmental liabilities if the liability and the respective payment streams were fixed or reliably determinable. In Successor periods, environmental liabilities are not discounted. No adjustments were made to environmental liabilities as all amounts recorded at the end of the Predecessor period were undiscounted. Expected cash outflows related to environmental remediation for the next 12 months and amounts for which the timing is uncertain are reported as current within other accrued expenses in the consolidated balance sheets. The long-term portion of environmental liabilities is reported within other long-term liabilities in the consolidated balance sheets. Environmental liabilities are not reduced for potential insurance recoveries. Insurance recoveries are recorded when it is probable that a recovery will be realized and are included within prepaid expenses and other current assets or other assets in the consolidated balance sheets. Environmental remediation expenses and insurance recoveries are included within warehousing, selling, and administrative expenses in the consolidated statements of operations, unless associated with disposed operations, in which case such expenses are included in other operating expenses, net.

Revenue recognition

Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring a good or providing a service. Since the term between invoicing and payment is less than a year, revenue is not adjusted for the effects of a significant financing component. Revenue for bill-and-hold arrangements is recognized if the Company has a substantive customer request, the materials are properly segregated and designated as belonging to the customer, materials are ready to be transferred to the customer, and the Company is unable to direct the materials to another customer.

Chemical distribution

Revenue is recognized when performance obligations under the terms of the contract are satisfied, which generally occurs at a point in time upon completion of the shipping process as indicated by the terms of the contract. Net sales include product sales and billings for freight and handling charges, net of discounts, expected returns, customer price and volume incentives and sales or other revenue-based taxes. The Company estimates customer price and volume incentives and expected customer returns based on historical experience.

Services

The Company recognizes revenue from services as they are performed and economic value is transferred to customers. Services provided to customers are primarily related to waste management and warehousing.

Foreign currency

Assets and liabilities of foreign subsidiaries are translated into US dollars at period-end exchange rates. Income and expense accounts of foreign subsidiaries are translated into US dollars at the average exchange rates for the period. The net exchange gains and losses arising from translation are reflected as a component of foreign currency translation within accumulated other comprehensive (loss) income ("AOCI").

Transaction gains and losses are recognized in other (expense) income, net in the consolidated statements of operations. Transaction gains and losses relating to intercompany borrowings that are treated as long-term investments in a foreign subsidiary are reflected as a component of foreign currency translation within AOCI.

Equity-based compensation

The Company measures the total amount of employee equity-based compensation expense based on the grant date fair value of each award. Expense is recognized for each separately vesting tranche on a straight-line basis over the requisite service period. The Company recognizes forfeitures when incurred.

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Fair value

Certain assets and liabilities are required to be recorded at fair value. The estimated fair values of those assets and liabilities have been determined using market information and valuation methodologies. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. A financial instrument's categorization within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. There are three levels of inputs that may be used to measure fair value and a net asset value ("NAV") practical expedient:

Level 1	Quoted prices for *identical* instruments in active markets.
Level 2	Quoted prices for *similar* instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuation in which all significant inputs and significant value drivers are observable in active markets.
Level 3	Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are *unobservable*.
NAV	As a practical expedient, certain investments are measured based on the NAV per share (or equivalent) due to the absence of a readily available market price, and are excluded from the fair value hierarchy.

Derivatives

The Company uses derivative financial instruments to manage risks associated with foreign currency and interest rate fluctuations. The Company does not use derivative instruments for speculative trading purposes. 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 derivatives and cross currency 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. Changes in the fair value of derivative financial instruments are recognized in the consolidated statements of operations within interest expense or other (expense) income, net. Cash flows associated with derivative financial instruments are recognized in the operating activities section of the consolidated statements of cash flows.

For derivatives designated as cash flow hedges, changes in the fair value of the derivative are recorded to AOCI and are reclassified to earnings when the underlying forecasted transaction affects earnings. For contracts designated as cash flow hedges, the Company reassesses the probability of the underlying forecasted transactions occurring on a quarterly basis. For derivatives not designated as hedging instruments, all changes in fair value are recorded to earnings in the current period. No derivative instruments are designated as cash flow hedges in the Successor period.

Business combinations

The Company uses the acquisition method of accounting for business combinations. Assets acquired and liabilities assumed are generally recorded at fair value as of the acquisition date. The excess of the fair value of purchase consideration over the fair value of the net assets acquired is recognized as goodwill. Determining the fair value of identifiable assets acquired and liabilities assumed requires management to make estimates and assumptions, particularly with respect to intangible assets. The fair value of assets acquired and liabilities assumed may be subject to revision during a measurement period of up to one year from the acquisition date. Transaction costs are expensed as incurred.

Recently adopted accounting pronouncements

In October 2021, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2021-08 "Business Combinations" (Topic 805) – "Accounting for Contract Assets and Contract Liabilities from Contracts with Customers." This ASU requires an entity to recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606 (Revenue from Contracts with Customers). The Company adopted this guidance on a prospective basis effective January 1, 2023, which did not have a material impact on the consolidated financial statements.

In September 2022, the FASB issued ASU 2022-04 "Liabilities – Supplier Finance Programs" (Subtopic 405-50) – "Disclosure of Supplier Finance Program Obligations" to enhance the transparency of disclosures regarding supplier finance programs. The ASU requires a buyer in a supplier finance program to disclose information about the program's nature, activity during the period, changes from period to period, and potential magnitude. The Company adopted the standard in the first quarter of 2023, which did not impact the consolidated financial statements and disclosures as the Company has not had significant activity under supplier finance programs.

Accounting pronouncements issued and not yet adopted

In December 2023, the FASB issued ASU 2023-09 "Income Taxes" (Topic 740) — "Improvements to Income Tax Disclosures," which requires disclosure of information about an entity's effective tax rate and income taxes paid by jurisdiction. The standard is effective for entities other than public business entities for fiscal years beginning after December 15, 2025. The ASU can be applied on a prospective or retrospective basis. Early adoption is permitted. The Company is evaluating the impact of the changes required by the standard on its consolidated financial statements and related disclosures.

3. Business combinations

Merger

On August 1, 2023, as described in "Note 1: Organization", the Merger between Univar Solutions, the Limited Partnership, and the Merger Sub was completed. The Merger was accounted for in accordance with Accounting Standards Codification 805, Business Combinations, and the Parent was determined to be the acquirer. The total purchase price was preliminarily assigned to the Company's net tangible and identifiable intangible assets and liabilities assumed based on their estimated fair values. The excess of the purchase price over the net tangible and identifiable intangible assets and liabilities assumed was recorded as goodwill.

The following table summarizes the purchase consideration for the Merger:

(in millions)		
Cash paid to settle Univar Solutions common stock	$	5,668.0
Repayment of debt		2,272.0
Reimbursed seller transaction costs		91.4
Management rollover shares consideration		36.4
Equity award payments		85.0
Total purchase consideration	$	8,152.8
Less: Management rollover shares consideration		36.4
Less: Cash and cash equivalents acquired		568.7
Total cash purchase consideration, net of cash acquired	$	7,547.7

Upon completion of the Merger, each outstanding share of common stock of the Company was cancelled and converted into the right to receive $36.15 per share in cash (the "Merger Consideration") and all then-outstanding debt was repaid in full (see "Note 9: Debt" for additional discussion related to debt). Additionally, each then-outstanding equity-based compensation award was cancelled and converted into the right to receive $36.15 in cash, less any applicable exercise price. As a result, $85.0 million was included in purchase consideration and $34.1 million was recognized as post-combination equity-based compensation expense within other operating expenses, net in the Successor period. During the fourth quarter of 2023, the Company increased purchase consideration by $11.0 million for an immaterial change to the allocation of equity award payments between purchase consideration and post-combination equity-based compensation expense.

Transaction costs of $125.6 million were included in other operating expenses, net in the Successor's statement of operations for the period from August 1, 2023 to December 31, 2023. Transaction costs of $111.3 million were included in other operating expenses, net in the Predecessor's statement of operations for the period from January 1, 2023 to July 31, 2023.

In connection with the Merger, the Company entered into various new financing arrangements (see "Note 9: Debt" for additional discussion related to debt). The Company capitalized $181.4 million of deferred financing costs (including original issue discounts) and underwriters' fees as a reduction to long-term debt in the consolidated balance sheets, and capitalized $22.0 million of deferred financing costs related to the revolving credit facility within other assets in the consolidated balance sheets. During the fourth quarter of 2023, the Company recorded immaterial adjustments to deferred financing costs, resulting in a $46.0 million decrease in deferred financing costs within long-term debt and a $7.2 million decrease in deferred financing costs within other assets with corresponding increases in transaction costs of $28.2 million and interest expense of $25.0 million.

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The following table summarizes the preliminary allocation of the purchase price to the assets acquired and liabilities assumed as of August 1, 2023:

(in millions)	Initial Purchase Price Allocation	Measurement Period Adjustments	Updated Purchase Price Allocation
Assets:			
Cash and cash equivalents	$ 568.7	$ —	$ 568.7
Trade accounts receivable, net	1,437.1	—	1,437.1
Inventories	963.4	—	963.4
Prepaid expenses and other current assets	204.0	(7.8)	196.2
Property, plant, and equipment, net	1,849.8	(31.4)	1,818.4
Intangible assets, net	3,500.0	(235.0)	3,265.0
Deferred tax assets	24.9	(3.5)	21.4
Other assets	316.3	(15.5)	300.8
Liabilities:			
Short-term financing	6.5	—	6.5
Trade accounts payable	932.3	—	932.3
Current portion of long-term debt	26.7	—	26.7
Accrued compensation	94.9	—	94.9
Other accrued expenses	360.4	(3.2)	357.2
Long-term debt	86.3	—	86.3
Pension and other postretirement benefit liabilities	129.3	—	129.3
Deferred tax liabilities	987.0	(127.7)	859.3
Other long-term liabilities	399.7	—	399.7
Fair value of net assets acquired	5,841.1	(162.3)	5,678.8
Goodwill	2,300.7	173.3	2,474.0
Total purchase consideration	$ 8,141.8	$ 11.0	$ 8,152.8

Goodwill as of the Acquisition Date is measured as the excess of consideration transferred over the net of the Acquisition Date fair values of the tangible and identifiable intangible assets acquired and liabilities assumed. Goodwill resulting from the Merger is largely attributable to expected future economic benefits, including projected growth from new customers and future product offerings, the existing workforce of the acquired business, and intangible assets that do not qualify for separate recognition. The goodwill is not expected to be deductible for income tax purposes.

The valuation of the assets acquired and liabilities assumed was based on the fair value as of the Acquisition Date. During the fourth quarter of 2023, the Company continued reviewing its valuation of the assets acquired and liabilities assumed based on information obtained about facts and circumstances that existed as of the Acquisition Date, which resulted in measurement period adjustments.

The preliminary allocation of consideration to the net tangible and intangible assets acquired and liabilities assumed reflects various preliminary fair value estimates and analyses, which are subject to change within the measurement period as valuations are finalized. The primary areas of the preliminary purchase price allocation that are not yet finalized relate to the fair value of certain tangible assets acquired and liabilities assumed, the valuation of intangible assets acquired, income tax considerations including deferred tax assets and liabilities, and goodwill.

Operating and finance lease assets were valued using the present value of future lease payments adjusted to reflect current market lease terms. Net favorable off market lease components of $15.8 million were identified, which adjusted the present value of future lease payments recognized within other assets and property, plant, and equipment, net by $4.8 million and $11.0 million, respectively.

The fair value of acquired tangible property, plant, and equipment was determined using a variety of approaches. Personal property was primarily valued using the indirect cost approach, with the exception of tanks which were valued using the direct cost approach and transportation equipment which was valued using the sales comparison approach. For certain real property, land was valued using the market approach and the cost approach was used for buildings and site improvements. Other real property values were estimated using the indirect cost approach.

The preliminary intangible assets identified included the Company's customer relationships and trade name portfolio, which were recorded at their estimated fair values of $2,855.0 million and $410.0 million, respectively, as of the Acquisition Date. The fair value of preliminary intangible assets identified was estimated based on the income approach. The fair value of customer relationships was estimated based on the excess earnings method and the fair value of trade names was estimated based on the relief from royalty method. The valuations of intangible assets are considered Level 3 fair value measurements due to the use of significant judgment and unobservable inputs, which include the amount and timing of future cash flows, a discount rate reflecting the risks inherent in the future cash flows, customer attrition rates, and royalty rates. The Company's intangible assets have finite lives and are amortized over their respective useful lives using the estimated pattern of economic benefit. The weighted average useful lives for customer relationships and the trade name portfolio were 16 years and 12 years, respectively, with a weighted average useful life for total intangible assets of 15 years.

FloChem

On September 1, 2023, the Company acquired FloChem, a leading regional chemical distributor in Eastern Canada, for cash consideration of $24.2 million, net of cash acquired of $0.6 million and subject to closing adjustments. The transaction was accounted for using the acquisition method of accounting. The preliminary purchase price allocation included identified intangible assets related to customer relationships of $8.5 million and $12.7 million in goodwill, which is not deductible for income tax purposes.

Predecessor business combinations

Kale Kimya

On June 1, 2023, the Company acquired Kale Kimya, a leading regional specialty chemical distributor in Turkey, for total cash consideration of $114.3 million, net of cash acquired. Total consideration includes closing adjustments of $2.1 million that were paid during the Successor period. Contingent consideration of up to €7 million was determined to have no acquisition date fair value as certain financial targets set forth in the purchase agreement are not expected to be achieved. The transaction was accounted for using the acquisition method of accounting. During the Predecessor period, total consideration decreased by $5.4 million due to closing adjustments and the Company recorded a measurement period adjustment to decrease prepaid expenses and other current assets by $1.8 million, which resulted in a net decrease in goodwill of $3.6 million and did not impact the consolidated statements of operations.

The following table presents the purchase price allocation:

(in millions)	
Cash and cash equivalents	$ 0.4
Trade accounts receivable, net	24.2
Inventories	13.0
Prepaid expenses and other current assets	7.6
Goodwill	54.2
Intangible assets, net	41.5
Short-term financing	(7.6)
Trade accounts payable	(9.5)
Deferred tax liabilities	(7.1)
Other liabilities	(2.0)
Purchase consideration	114.7
Less: Cash and cash equivalents	0.4
Purchase consideration, net of cash	$ 114.3

The goodwill is not deductible for income tax purposes. The identified intangible assets related to customer relationships that were scheduled to be amortized over a useful life of eight years.

ChemSol Group

On February 6, 2023, the Company acquired ChemSol Group, a leading ingredients and specialty chemical distributor in Central America, for cash consideration of $18.0 million, net of cash acquired of $1.7 million. Contingent consideration of up to $5.0 million was determined to have no acquisition date fair value as certain financial targets set forth in the purchase agreement are not expected to be achieved. The transaction was accounted for using the acquisition method of accounting. The purchase price allocation included identified intangible assets related to customer relationships and trade names of $4.1 million and $0.9 million, respectively, and $3.2 million in goodwill, which is not deductible for income tax purposes.

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Vicom Distribución Productos Quimicos, S.L. ("Vicom")

On July 29, 2022, the Company acquired all of the outstanding equity interests in Vicom, a leading regional specialty chemical distributor in Spain and Portugal, for cash consideration of $14.5 million. The transaction was accounted for using the acquisition method of accounting. The purchase price allocation included $3.4 million in identified intangible assets related to customer relationships and $5.6 million in goodwill, which is not deductible for income tax purposes.

Sweetmix Distribuidora de Materias Primas Industriais Ltda ("Sweetmix")

On December 1, 2021, the Company acquired all of the outstanding equity interests in Sweetmix, a food ingredients and coatings, adhesives, sealants, and elastomers specialty chemical distributor in Brazil. The purchase price, including measurement period adjustments, was $53.0 million, $28.7 million of which was paid in cash (net of cash acquired of $1.2 million) upon closing, with the remaining $23.1 million to be paid over the next five years. The transaction was accounted for under the acquisition method of accounting.

4. Dispositions

On April 1, 2021, the Company completed the sale of its Distrupol business for total cash proceeds of $136.7 million. In 2021, the Company recorded an $87.6 million pre-tax gain on sale of business in the consolidated statements of operations, net of a release of cumulative foreign currency translation losses of $18.1 million. The sale of the Distrupol business was exempt from tax under local country subsidiary participation exemptions. The impact of the sale on US income taxes was minimal. The Company recorded income before income taxes attributable to the Distrupol business of $3.9 million for the year ended December 31, 2021. This disposition did not meet the criteria to be classified as a discontinued operation in the Company's consolidated financial statements as the disposition did not represent a strategic shift that had a major effect on the Company's operations and financial results.

5. Goodwill and intangible assets, net

Goodwill

The following is a summary of goodwill activity:

(in millions)	Successor	Predecessor	
	August 1, 2023 to December 31, 2023	January 1, 2023 to July 31, 2023	Year ended December 31, 2022
Goodwill at beginning of period	$ —	$ 2,288.2	$ 2,310.4
Acquisitions	2,486.7	57.4	4.8
Foreign currency translation	(1.0)	17.5	(27.0)
Goodwill at end of period	$ 2,485.7	$ 2,363.1	$ 2,288.2

There were no accumulated goodwill impairment losses as of December 31, 2023. Accumulated goodwill impairment losses were $205.1 million and $215.8 million as of December 31, 2022 and January 1, 2022, respectively.

Intangible assets, net

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

(in millions)	Successor		
	December 31, 2023		
	Gross	Accumulated amortization	Net
Customer relationships	$ 2,861.6	$ (133.7)	$ 2,727.9
Trade names	410.0	(20.0)	390.0
Total intangible assets	$ 3,271.6	$ (153.7)	$ 3,117.9

(in millions)	Predecessor		
	December 31, 2022		
	Gross	Accumulated amortization	Net
Customer relationships	$ 929.6	$ (765.2)	$ 164.4
Other	167.0	(164.4)	2.6
Total intangible assets	$ 1,096.6	$ (929.6)	$ 167.0

Other intangible assets in the Predecessor period consisted of intellectual property trademarks, trade names, producer relationships and contracts, non-compete agreements, and exclusive distribution rights.

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

(in millions)	
2024	$ 318.9
2025	319.3
2026	311.3
2027	307.1
2028	284.8

6. Revenue

The Company disaggregates revenues from contracts with customers by both geographic region and revenue contract type. Geographic region disaggregation is pertinent to understanding the Company's revenues, as it aligns with how the Company reviews the financial performance of its operations. EMEA refers to Europe and the Middle East and Africa while LATAM refers to developing businesses in the Latin America and Asia-Pacific regions. Revenue contract types are differentiated by the type of good or service the Company offers customers, since the contractual terms necessary for revenue recognition are unique to each of the identified revenue contract types. The Company's net sales from external customers relate to its chemical distribution business and services primarily related to collecting and arranging for transportation of hazardous and non-hazardous waste.

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

	Successor	Predecessor		
(in millions)	August 1, 2023 to December 31, 2023	January 1, 2023 to July 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021
USA				
Chemical distribution	$ 2,450.6	$ 3,745.2	$ 7,247.3	$ 5,743.2
Services	124.6	171.0	286.2	280.8
Total external customer net sales	$ 2,575.2	$ 3,916.2	$ 7,533.5	$ 6,024.0
EMEA				
Chemical distribution	$ 724.7	$ 1,146.1	$ 2,064.6	$ 1,970.8
Services	—	—	0.1	0.3
Total external customer net sales	$ 724.7	$ 1,146.1	$ 2,064.7	$ 1,971.1
Canada				
Chemical distribution	$ 403.6	$ 589.5	$ 1,120.5	$ 919.2
Services	7.7	0.2	—	10.8
Total external customer net sales	$ 411.3	$ 589.7	$ 1,120.5	$ 930.0
LATAM				
Chemical distribution	$ 279.2	$ 403.2	$ 739.5	$ 598.5
Services	8.3	11.5	17.1	11.9
Total external customer net sales	$ 287.5	$ 414.7	$ 756.6	$ 610.4
Consolidated				
Chemical distribution	$ 3,858.1	$ 5,884.0	$ 11,171.9	$ 9,231.7
Services	140.6	182.7	303.4	303.8
Total external customer net sales	$ 3,998.7	$ 6,066.7	$ 11,475.3	$ 9,535.5

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7. Supplemental financial information

Other operating expenses, net

Other operating expenses, net consisted of the following:

(in millions)	Successor	Predecessor		
	August 1, 2023 to December 31, 2023	January 1, 2023 to July 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021
Acquisition and integration related expenses	$ 0.7	$ 1.4	$ 1.7	$ 55.8
Equity-based compensation expense	40.6	18.2	34.3	25.4
Restructuring charges	20.5	5.7	—	0.2
Management consulting agreement	4.2	—	—	—
Other employee severance costs	—	—	—	8.7
Other facility closure costs	—	—	—	1.2
Multi-employer pension plan exit liability	—	—	—	31.2
Gain on sale of property, plant, and equipment	(1.4)	(4.0)	(2.8)	(10.1)
Merger transaction costs	125.6	111.3	—	—
Other	3.9	1.5	(0.4)	(4.9)
Total other operating expenses, net	$ 194.1	$ 134.1	$ 32.8	$ 107.5

Other (expense) income, net

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

(in millions)	Successor	Predecessor		
	August 1, 2023 to December 31, 2023	January 1, 2023 to July 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021
Pension mark to market gain	$ —	$ 7.3	$ 17.7	$ 75.9
Pension settlement gain	—	1.4	5.2	0.3
Non-operating retirement (costs) benefits	(3.1)	(2.2)	10.9	18.5
Foreign currency loss, net	(1.0)	(22.2)	(13.4)	(15.9)
Undesignated derivative instruments	(27.5)	7.8	6.9	5.8
(Loss) gain on extinguishment of debt	—	(34.6)	1.5	(2.3)
Debt refinancing costs	—	—	—	(7.0)
Fair value adjustment for warrants	—	—	—	33.8
Other	(0.4)	(0.6)	(2.3)	1.3
Total other (expense) income, net	$ (32.0)	$ (43.1)	$ 26.5	$ 110.4

Property, plant, and equipment, net

Property, plant, and equipment, net consisted of the following:

(in millions)	Successor	Predecessor
	December 31, 2023	December 31, 2022
Land and buildings	$ 998.6	$ 823.2
Tank farms	230.6	320.9
Machinery, equipment, and other	572.9	1,055.9
Less accumulated depreciation	(69.3)	(1,248.9)
Subtotal	1,732.8	951.1
Work in progress	110.8	103.9
Property, plant, and equipment, net	$ 1,843.6	$ 1,055.0

Long-lived assets

Long-lived assets consisted of the following:

(in millions)	Successor December 31, 2023	Predecessor December 31, 2022
Long-lived assets [1]		
USA	$ 1,285.9	$ 788.6
EMEA	348.5	191.9
Canada	302.1	173.4
LATAM	62.5	46.2
Other	77.9	55.6
Consolidated	$ 2,076.9	$ 1,255.7

(1) Long-lived assets consist of property, plant, and equipment, net and operating lease assets.

Risks and Concentrations

No single customer accounted for 10% or more of net sales in any of the years presented.

The Company has portions of its labor force that are a part of collective bargaining agreements. A work stoppage or other limitation on operations could occur as a result of disputes under existing collective bargaining agreements with labor unions or government-based work counsels or in connection with negotiations of new collective bargaining agreements. As of December 31, 2023, approximately 26% of the Company's labor force is covered by a collective bargaining agreement. As of December 31, 2023, approximately 2% of the Company's labor force is covered by a collective bargaining agreement that will expire within one year.

8. Restructuring charges

Restructuring charges relate to the implementation of strategic initiatives aimed at streamlining the Company's cost structure and improving its operations, such as warehouse operations improvement and consolidation, fleet and logistics improvements, organizational and general and administrative expense optimization, direct and indirect procurement optimization, and go to market channel optimization.

The following table summarizes restructuring charges by type:

(in millions)	Successor August 1, 2023 to December 31, 2023	Predecessor January 1, 2023 to July 31, 2023
Employee severance and related costs	$ 5.0	$ 2.8
Facility closure costs	—	0.8
Other costs[1]	15.5	2.1
Total restructuring charges	$ 20.5	$ 5.7

(1) Other costs primarily consisted of third-party consulting and legal costs.

No restructuring charges were recorded during the year ended December 31, 2022. Restructuring charges of $0.2 million were recorded during the year ended December 31, 2021.

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The following table summarizes activity related to restructuring liabilities:

(in millions)	Employee severance and related costs	Facility closure costs	Other costs	Total restructuring liabilities
Predecessor				
Balance as of December 31, 2022	$ 0.1	$ —	$ —	$ 0.1
Restructuring charges	2.8	0.8	2.1	5.7
Payments	(1.0)	(0.8)	(0.1)	(1.9)
Balance as of July 31, 2023	$ 1.9	$ —	$ 2.0	$ 3.9
Successor				
Balance as of August 1, 2023	$ 1.9	$ —	$ 2.0	$ 3.9
Restructuring charges	5.0	—	15.5	20.5
Payments	(3.4)	—	(2.8)	(6.2)
Balance as of December 31, 2023	$ 3.5	$ —	$ 14.7	$ 18.2

Restructuring liabilities of $18.2 million and $0.1 million were classified in other accrued expenses in the consolidated balance sheets as of December 31, 2023 and 2022, respectively.

9. Debt

Long-term debt

Long-term debt consisted of the following:

(in millions)	Successor December 31, 2023	Predecessor December 31, 2022
Term Loan Facilities:		
US Term Loan due 2030, variable interest rate of 9.84% at December 31, 2023	$ 2,394.0	$ —
Euro Term Loan due 2030, variable interest rate of 8.37% at December 31, 2023	960.3	—
Term B-5 Loan due 2026, variable interest rate of 6.38% at December 31, 2022	—	388.0
Term B-6 Loan due 2028, variable interest rate of 6.13% at December 31, 2022	—	985.0
Asset Backed Loan ("ABL") Facilities:		
ABL Facility due 2028, variable interest rate of 7.19% at December 31, 2023	390.0	—
Senior ABL Credit Facility due 2027, variable interest rate of 5.59% at December 31, 2022	—	353.0
Senior ABL Term Loan due 2027, variable interest rate of 6.17% at December 31, 2022	—	200.0
Senior Notes:		
Senior Secured Notes due 2030, fixed interest rate of 8.50% at December 31, 2023	800.0	—
Senior Unsecured Notes due 2027, fixed interest rate of 5.13% at December 31, 2022	—	454.0
Finance lease obligations	119.4	104.3
Total long-term debt before unamortized debt issuance costs and discount	4,663.7	2,484.3
Less: unamortized debt issuance costs and discount on debt	(173.4)	(18.5)
Total long-term debt	4,490.3	2,465.8
Less: current maturities	(53.8)	(38.9)
Total long-term debt, excluding current maturities	$ 4,436.5	$ 2,426.9

As of December 31, 2023, future contractual maturities of long-term debt, excluding finance lease obligations, were as follows:

(in millions)	
2024	$ 24.0
2025	24.0
2026	24.0
2027	24.0
2028	414.0
Thereafter	4,034.3
Total	$ 4,544.3

Refer to "Note 17: Leasing" for additional information regarding finance lease obligations.

Successor debt

The Parent entered into various debt agreements in connection with the Merger.

Term Loan Facility

On August 1, 2023, the Parent entered into the Term Loan Credit Agreement ("Term Loan Facility"). The Term Loan Facility, which matures on August 1, 2030, provides a seven-year US dollar secured term loan in an initial aggregate principal amount of $2.4 billion ("US Term Loan") and a seven-year Euro secured term loan in an initial aggregate principal amount of €870 million ("Euro Term Loan"). Debt issuance costs and discount of $113.6 million and $45.2 million for the US Term Loan and Euro Term Loan, respectively, were recorded within long-term debt in the consolidated balance sheets and will be amortized over the terms of the loans using the effective interest method. The interest rates applicable to the Term Loan Facility will be based on (i) with respect to the US Term Loan, at the Parent's option, a fluctuating rate of interest determined by reference to either a secured overnight financing rate ("Term SOFR") plus an applicable margin of 4.50% or an alternate base rate ("ABR") plus an applicable margin of 3.50% and (ii) with respect to the Euro Term Loan, a fluctuating rate of interest determined by reference to a Euro interbank offered rate ("EURIBOR") plus an applicable margin of 4.50%.

The US Term Loan is repaid quarterly in an amount equal to 0.25% of the initial principal amount with the balance payable at maturity. The Euro Term Loan is payable in full at maturity. In addition, the Term Loan Facility requires the Parent to prepay outstanding term loan borrowings, subject to certain exceptions, with (i) beginning with the year ending December 31, 2024, a percentage of our annual excess cash flow and (ii) proceeds of certain asset sales. The Parent may voluntarily repay outstanding loans under the Term Loan Facility at any time, without prepayment premium or penalty, except in connection with a repricing event in respect of the term loans, subject to customary "breakage" costs with respect to loans bearing interest at Term SOFR or Adjusted EURIBOR.

All obligations under the Term Loan Facility are unconditionally guaranteed by Windsor Holdings II, LLC ("Holdings") on a limited-recourse basis and by each of the Parent's existing and future direct and indirect, wholly owned material domestic subsidiaries, subject to certain exceptions. The obligations under the Term Loan Facility are secured by a pledge of the Parent's capital stock directly held by Holdings and by first-priority security interests in the "Notes Priority Collateral" (which generally includes most of the Parent's and subsidiary guarantors' assets other than the ABL Priority Collateral) and by second-priority security interests in the "ABL Priority Collateral" (which generally includes most of the Parent's and subsidiary guarantors' inventory, accounts receivable, and related assets), in each case subject to certain exceptions and permitted liens. The Term Loan Facility contains certain customary affirmative and negative covenants and events of default.

ABL Facility

On August 1, 2023, the Parent and certain of its US, Canadian, and European subsidiaries entered into the Asset-Based Credit Agreement ("ABL Facility"). The ABL Facility, which matures on August 1, 2028, provides a five-year secured ABL credit facility in an aggregate principal amount of $1.4 billion. Debt issuance costs of $22.0 million were recorded within other assets in the consolidated balance sheets and will be amortized over the term of the facility on a straight-line basis. Borrowing availability is determined by a borrowing base consisting of eligible accounts receivable, eligible inventory, eligible cash, and other eligible accounts of the Parent and certain of its subsidiaries. The interest rates applicable to the ABL Facility will be based on, at the Parent's option, a fluctuating rate of interest determined by reference to rates for Term SOFR, EURIBOR, the Canadian dollar offered rate, or the Sterling overnight index average rate plus an applicable margin of 1.50%, 1.75%, or 2.00% or an ABR, Canadian Prime Rate, or Euro short-term rate plus an applicable margin of 0.50%, 0.75%, or 1.00%, with the margin in each case based on average combined testing availability. The applicable margin will be adjusted after the completion of each full fiscal quarter based upon the pricing grid in the ABL Facility.

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All obligations under the ABL Facility are unconditionally guaranteed by Holdings on a limited-recourse basis and by each of the Parent's existing and future direct and indirect, wholly owned domestic material subsidiaries and by certain foreign subsidiaries, subject to certain exceptions. The obligations are secured by a pledge of the Parent's capital stock directly held by Holdings and by a first-priority lien with respect to the ABL Priority Collateral and a second-priority lien with respect to the Notes Priority Collateral. The ABL Facility contains certain customary affirmative and negative covenants and events of default.

Senior Secured Notes

On July 7, 2023, the Parent issued $800.0 million aggregate principal amount of 8.500% Senior Secured Notes due 2030 (the "Senior Secured Notes"). The Senior Secured Notes mature on June 15, 2030 and bear interest at a rate of 8.500% per annum, payable semiannually in arrears on June 15 and December 15. Debt issuance costs and discount of $22.6 million were recorded within long-term debt in the consolidated balance sheets and will be amortized over the term of the Senior Secured Notes using the effective interest method.

All obligations under the Senior Secured Notes are unconditionally guaranteed by each of the Parent's existing and future direct and indirect, wholly owned material domestic subsidiaries that guarantees the Term Loan Facility. The obligations under the Senior Secured Notes are secured by first-priority liens on the Notes Priority Collateral and by second-priority liens on the ABL Priority Collateral, in each case subject to certain exceptions and permitted liens.

On or after June 15, 2026, the Parent may redeem the Senior Secured Notes at its option, in whole at any time or in part from time to time, at the following redemption prices (expressed as a percentage of principal amount), plus accrued and unpaid interest, if any, to, but excluding, the redemption date, if redeemed during the 12-month period commencing on June 15 of the years set forth below:

Period	Redemption Price
2026	104.250%
2027	102.125%
2028 and thereafter	100.000%

In addition, prior to June 15, 2026, the Parent may redeem the Senior Secured Notes at a redemption price equal to 100% of the principal amount of the Senior Secured Notes redeemed plus the applicable "make-whole" premium set forth in the indenture governing the Senior Secured Notes, plus accrued and unpaid interest, if any, to, but excluding, the applicable redemption date. Prior to June 15, 2026, the Parent may also redeem in the aggregate up to 40% of the original principal amount of the Senior Secured Notes in an amount not to exceed the amount of net cash proceeds of certain equity offerings, at a redemption price of 108.500%, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. The indenture governing the Senior Secured Notes contains certain customary affirmative and negative covenants and events of default.

Predecessor debt

On the Acquisition Date, in connection with the consummation of the Merger, the Company repaid in full all amounts outstanding and terminated all commitments under its Predecessor debt agreements, resulting in a loss on extinguishment of debt of $34.6 million. The loss on extinguishment of debt, which is included in other (expense) income, net in the Predecessor's consolidated statement of operations, consisted of $23.0 million for the write-off of unamortized debt issuance costs and discount and $11.6 million for a redemption premium on the Senior Unsecured Notes.

Senior Unsecured Notes

During the second quarter of 2022, the Company repaid $46.0 million of its Senior Unsecured Notes due 2027, resulting in a gain on extinguishment of debt of $1.5 million, which is included in other (expense) income, net in the consolidated statements of operations.

Bridge commitment fee

In connection with the Merger Agreement, the Parent secured commitments for a bridge financing facility in an amount of up to $2.0 billion (the "Bridge Facility"). No amounts were drawn under the Bridge Facility, which was terminated as a result of the

Parent entering into various debt agreements in connection with the Merger. The Company expensed $25.0 million in bridge commitment fees which are included in interest expense in the Successor's consolidated statement of operations.

Borrowing availability and assets pledged as collateral

Borrowing availability is determined based upon available qualifying collateral, as defined in the ABL Facility. As of December 31, 2023, the Company's borrowing availability under the ABL Facility was $517.8 million.

Unused line fees were as follows:

	Successor	Predecessor
	December 31, 2023	December 31, 2022
$1.4 billion ABL Facility	0.375 %	N/A
$1.6 billion Senior ABL Credit Facility	N/A	0.250 %

The unused line fee for the ABL Facility decreases to 0.250% when average facility utilization for the immediately preceding fiscal quarter is greater than or equal to 50%.

The Company had assets pledged of approximately $3.4 billion and $3.1 billion as of December 31, 2023 and 2022, respectively.

Debt covenants

As of December 31, 2023, the Company is in compliance with all debt covenants. The ABL Facility includes a springing fixed charge coverage ratio of 1.00x, applicable only if availability is less than the greater of 10% of maximum availability and $105 million. As of December 31, 2023, the Company had availability in excess of the minimum borrowing capacity and therefore this financial covenant is not applicable.

Other information

The fair values of debt were based on current market quotes for similar borrowings and credit risk adjusted for liquidity, margins, and amortization, as necessary, and are classified as Level 2 in the fair value hierarchy. The fair value of total long-term debt was $4,732.2 million and $2,459.3 million as of December 31, 2023 and 2022, respectively.

The Company is exposed to credit loss and loss of liquidity availability if the financial institutions or counterparties issuing the debt securities fail to perform. The Company minimizes exposure to these credit risks by dealing with a diversified group of investment grade financial institutions. The Company manages credit risk by monitoring the credit ratings and market indicators of credit risk of its lending counterparties, and does not anticipate counterparty non-performance.

The Company had $114.7 million and $127.7 million of outstanding letters of credit as of December 31, 2023 and 2022, respectively.

10. Employee benefit plans

Defined benefit pension plans

The Company sponsors defined benefit plans that provide pension benefits for employees upon retirement in certain jurisdictions including the US, Canada, United Kingdom and several other European countries. The US, Canada, and United Kingdom defined benefit pension plans are closed to new entrants.

As part of purchase accounting for the Merger, the Company measured its defined benefit pension plans as of the Acquisition Date. All defined benefit plans except the Univar Pension Scheme (1978) (the "UK Plan") were measured using approaches that were consistent with historical measurements by the Predecessor and a mark to market gain of $7.3 million was recorded in the Predecessor's consolidated statement of operations.

United Kingdom buy-in contract

Continuing the Company's efforts to reduce retirement plan risk while delivering promised benefits to plan participants, the Trustees of the UK Plan executed a buy-in contract in December 2021. The buy-in arrangement is an insurance contract providing substantially all future benefit plan payments to all UK Plan participants. The UK Plan transferred substantially all of the Company's UK pension plan assets to the insurer in exchange for the insurance contract at the effective date of the buy-in. As such, this transaction significantly mitigates volatility by removing investment, longevity, interest rate, and inflation risk. However, the primary benefit obligation remains with the Company.

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Historical measurements of the UK Plan by the Predecessor measured benefit obligations separately from the buy-in contract. Measurements of the UK Plan by the Successor measure benefit obligations under the buy-in contract as equal to the fair value of the buy-in contract. Accordingly, as part of purchase accounting for the Merger, the funded status of the UK Plan decreased by $48.0 million to a long-term asset of $6.6 million as of the Acquisition Date.

The buy-in contract remains an asset of the UK Plan and is part of the plan's investment strategy. The buy-in contract had a fair value of $245.6 million as of December 31, 2023 and is classified as a Level 3 investment. The projected benefit obligation of the UK Plan as of December 31, 2023 was $247.5 million.

US pension settlement

In November 2022, the Company entered into an agreement with an insurance company to purchase an irrevocable group annuity contract. The Company transferred estimated US qualified pension plan liabilities of $72.6 million and plan assets of $67.7 million, resulting in a non-cash pre-tax settlement gain of $4.9 million in the fourth quarter of 2022. The Company received a final adjustment payment from the insurance company during the period from January 1, 2023 to July 31, 2023, resulting in a non-cash pre-tax settlement gain of $1.4 million.

The Company expects to continue to consider future opportunities to prudently manage costs and risks of its global retirement plans. Future transactions could result in non-cash settlement or mark to market charges which may impact earnings and could be material to a given reporting period.

The following table summarizes the Company's defined benefit pension plans' benefit obligations, plan assets, and funded status:

	Domestic			Foreign	
	Successor	Predecessor		Successor	Predecessor
(in millions)	August 1, 2023 to December 31, 2023	January 1, 2023 to July 31, 2023	Year ended December 31, 2022	August 1, 2023 to December 31, 2023	January 1, 2023 to July 31, 2023	Year ended December 31, 2022
Change in projected benefit obligations:						
Projected benefit obligations at beginning of year	$ 474.9	$ 469.8	$ 731.6	$ 387.1	$ 346.4	$ 578.7
Service cost	—	—	—	0.5	0.6	1.3
Interest cost	10.5	14.5	20.5	7.0	9.3	10.9
Benefits paid	(12.9)	(18.3)	(37.1)	(7.7)	(12.1)	(24.1)
Settlements	—	—	(72.6)	(0.7)	—	(2.9)
Actuarial loss (gain) [1]	10.1	8.9	(172.6)	21.4	(1.6)	(169.5)
Foreign exchange and other	—	—	—	(1.2)	16.4	(48.0)
Projected benefit obligations at end of year	$ 482.6	$ 474.9	$ 469.8	$ 406.4	$ 359.0	$ 346.4
Change in the fair value of plan assets:						
Plan assets at beginning of year	$ 366.6	$ 354.8	$ 562.9	$ 372.3	$ 378.7	$ 625.1
Actual return on plan assets	7.0	26.5	(117.0)	23.1	9.4	(166.3)
Contributions by employer	11.1	2.2	13.7	1.5	1.4	3.4
Benefits paid	(12.9)	(18.3)	(37.1)	(7.7)	(12.1)	(24.1)
Settlements	—	1.4	(67.7)	(0.7)	—	(2.6)
Foreign exchange and other	—	—	—	(2.1)	16.7	(56.8)
Plan assets at end of year	371.8	366.6	354.8	386.4	394.1	378.7
Funded status at end of year	$ (110.8)	$ (108.3)	$ (115.0)	$ (20.0)	$ 35.1	$ 32.3
Accumulated benefit obligation	$ 482.6	$ 474.9	$ 469.8	$ 399.7	$ 353.3	$ 340.8

(in millions)	Total Successor: August 1, 2023 to December 31, 2023	Total Predecessor: January 1, 2023 to July 31, 2023	Total Predecessor: Year ended December 31, 2022
Change in projected benefit obligations:			
Projected benefit obligations at beginning of year	$ 862.0	$ 816.2	$ 1,310.3
Service cost	0.5	0.6	1.3
Interest cost	17.5	23.8	31.4
Benefits paid	(20.6)	(30.4)	(61.2)
Settlements	(0.7)	—	(75.5)
Actuarial loss (gain) [1]	31.5	7.3	(342.1)
Foreign exchange and other	(1.2)	16.4	(48.0)
Projected benefit obligations at end of year	$ 889.0	$ 833.9	$ 816.2
Change in the fair value of plan assets:			
Plan assets at beginning of year	$ 738.9	$ 733.5	$ 1,188.0
Actual return on plan assets	30.1	35.9	(283.3)
Contributions by employer	12.6	3.6	17.1
Benefits paid	(20.6)	(30.4)	(61.2)
Settlements	(0.7)	1.4	(70.3)
Foreign exchange and other	(2.1)	16.7	(56.8)
Plan assets at end of year	758.2	760.7	733.5
Funded status at end of year	$ (130.8)	$ (73.2)	$ (82.7)
Accumulated benefit obligation	$ 882.3	$ 828.2	$ 810.6

(1) The actuarial losses (gains) for the period from August 1, 2023 to December 31, 2023, the period from January 1, 2023 to July 31, 2023, and the year ended December 31, 2022 were primarily due to changes in the discount rate assumptions utilized in measuring plan obligations.

Net amounts related to the Company's defined benefit pension plans recognized in the consolidated balance sheets consist of:

(in millions)	Domestic Successor December 31, 2023	Domestic Predecessor December 31, 2022	Foreign Successor December 31, 2023	Foreign Predecessor December 31, 2022	Total Successor December 31, 2023	Total Predecessor December 31, 2022
Overfunded net benefit obligation in other assets	$ —	$ —	$ 8.8	$ 56.6	$ 8.8	$ 56.6
Current portion of net benefit obligation in other accrued expenses	(3.4)	(3.5)	(2.3)	(1.9)	(5.7)	(5.4)
Long-term portion of net benefit obligation in pension and other postretirement benefit liabilities	(107.4)	(111.5)	(26.5)	(22.4)	(133.9)	(133.9)
Net (liability) asset recognized at end of year	$ (110.8)	$ (115.0)	$ (20.0)	$ 32.3	$ (130.8)	$ (82.7)
Net actuarial losses	$ (11.0)	$ —	$ (4.8)	$ —	$ (15.8)	$ —
Net prior service credit	—	—	—	18.9	—	18.9
Total accumulated other comprehensive (loss) income	$ (11.0)	$ —	$ (4.8)	$ 18.9	$ (15.8)	$ 18.9

The following table summarizes defined benefit pension plans with accumulated benefit obligations in excess of plan assets:

	Domestic		Foreign		Total	
	Successor	Predecessor	Successor	Predecessor	Successor	Predecessor
	December 31,		December 31,		December 31,	
(in millions)	2023	2022	2023	2022	2023	2022
Accumulated benefit obligation	$ 482.6	$ 469.8	$ 33.8	$ 30.1	$ 516.4	$ 499.9
Fair value of plan assets	371.8	354.8	10.5	9.4	382.3	364.2

The following table summarizes defined benefit pension plans with projected benefit obligations in excess of plan assets:

	Domestic		Foreign		Total	
	Successor	Predecessor	Successor	Predecessor	Successor	Predecessor
	December 31,		December 31,		December 31,	
(in millions)	2023	2022	2023	2022	2023	2022
Projected benefit obligation	$ 482.6	$ 469.8	$ 143.6	$ 130.7	$ 626.2	$ 600.5
Fair value of plan assets	371.8	354.8	114.7	106.5	486.5	461.3

The following table summarizes the components of net periodic benefit cost (income) recognized in the consolidated statements of operations related to defined benefit pension plans:

	Domestic				Foreign			
	Successor	Predecessor			Successor	Predecessor		
(in millions)	August 1, 2023 to December 31, 2023	January 1, 2023 to July 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021	August 1, 2023 to December 31, 2023	January 1, 2023 to July 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021
Service cost [1]	$ —	$ —	$ —	$ —	$ 0.5	$ 0.6	$ 1.3	$ 1.8
Interest cost [2]	10.5	14.5	20.5	19.3	7.0	9.3	10.9	10.0
Expected return on plan assets [2]	(7.9)	(12.2)	(30.3)	(29.2)	(6.5)	(9.0)	(11.3)	(15.1)
Amortization of prior service credit [2]	—	—	—	—	—	(0.4)	(0.7)	(3.5)
Settlements [3]	—	(1.4)	(4.9)	—	—	—	(0.3)	(0.3)
Actuarial (gain) loss [4]	—	(5.4)	(25.2)	(41.7)	—	(1.9)	8.0	(34.2)
Net periodic benefit cost (income)	$ 2.6	$ (4.5)	$ (39.9)	$ (51.6)	$ 1.0	$ (1.4)	$ 7.9	$ (41.3)

	Total			
	Successor	Predecessor		
(in millions)	August 1, 2023 to December 31, 2023	January 1, 2023 to July 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021
Service cost [1]	$ 0.5	$ 0.6	$ 1.3	$ 1.8
Interest cost [2]	17.5	23.8	31.4	29.3
Expected return on plan assets [2]	(14.4)	(21.2)	(41.6)	(44.3)
Amortization of prior service credit [2]	—	(0.4)	(0.7)	(3.5)
Settlements [3]	—	(1.4)	(5.2)	(0.3)
Actuarial (gain) loss [4]	—	(7.3)	(17.2)	(75.9)
Net periodic benefit cost (income)	$ 3.6	$ (5.9)	$ (32.0)	$ (92.9)

(1) Service cost is included in warehousing, selling, and administrative expenses.
(2) These amounts are included in other (expense) income, net, and represent non-operating retirement costs (benefits).
(3) Settlements are included in other (expense) income, net.
(4) Actuarial (gain) loss, or mark to market, includes measurement gains and losses resulting from changes since the prior measurement date in assumptions and plan experience, as well as the difference between the expected and actual return on plan assets. These amounts are recorded in other (expense) income, net. Refer to "Note 2: Significant accounting policies" for additional information.

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Actuarial assumptions

The significant weighted average actuarial assumptions used in determining the benefit obligations and net periodic benefit cost (income) for the Company's defined benefit plans were as follows:

	Domestic		Foreign	
	Successor	Predecessor	Successor	Predecessor
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Actuarial assumptions used to determine benefit obligations at end of period:				
Discount rate	5.22 %	5.49 %	4.23 %	4.69 %
Expected annual rate of compensation increase	N/A	N/A	2.21 %	1.97 %

	Domestic			
	Successor	Predecessor		
	August 1, 2023 to December 31, 2023	January 1, 2023 to July 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021
Actuarial assumptions used to determine net periodic benefit cost (income) for the period:				
Discount rate	5.45 %	5.49 %	2.89 %	2.55 %
Expected rate of return on plan assets	6.63 %	6.85 %	6.00 %	6.00 %
Expected annual rate of compensation increase	N/A	N/A	N/A	N/A

	Foreign			
	Successor	Predecessor		
	August 1, 2023 to December 31, 2023	January 1, 2023 to July 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021
Actuarial assumptions used to determine net periodic benefit cost (income) for the period:				
Discount rate	4.62 %	4.69 %	2.05 %	1.55 %
Expected rate of return on plan assets	4.87 %	4.50 %	2.13 %	2.46 %
Expected annual rate of compensation increase	2.02 %	1.97 %	1.87 %	2.91 %

Discount rates are used to measure benefit obligations and the interest cost component of net periodic benefit cost (income). The Company selects its discount rates based on the consideration of equivalent yields on high-quality fixed income investments at each measurement date. Discount rates are based on a benefit cash flow-matching approach and represent the rates at which the Company's benefit obligations could effectively be settled as of the measurement date.

For domestic defined benefit plans, the discount rates are based on a hypothetical bond portfolio approach. The hypothetical bond portfolio is constructed to comprise AA-rated corporate bonds whose cash flow from coupons and maturities match the expected future plan benefit payments.

The discount rates for the foreign defined benefit plans are based on a yield curve approach. For plans in countries with a sufficient corporate bond market, the expected future benefit payments are matched with a yield curve derived from AA-rated corporate bonds, subject to minimum amounts outstanding and meeting other selection criteria. For plans in countries without a sufficient corporate bond market, the yield curve is constructed based on prevailing government yields and an estimated credit spread to reflect a corporate risk premium. The discount rate to value UK Plan liabilities continues to be set with reference to the yields on high quality corporate bonds.

The expected long-term rate of return on plan assets reflects management's expectations on long-term average rates of return on funds invested to provide for benefits included in the benefit obligations. The long-term rate of return assumptions are based on the outlook for equity and fixed income returns, with consideration of historical returns, asset allocations, investment strategies, and premiums for active management when appropriate. Assumptions reflect the expected rates of return at the beginning of the year.

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Plan asset management

Plan assets for defined benefit plans are invested in global equity, debt securities, or insurance contracts through professional investment managers with the objective to achieve targeted risk adjusted returns and to maintain liquidity sufficient to fund current benefit payments. Each funded defined benefit plan has an investment policy that is administered by plan trustees with the objective of meeting targeted asset allocations based on the circumstances of that particular plan.

The investment strategy followed by the Company varies by country depending on the circumstances of the underlying plan. Less mature plan benefit obligations are funded by using more equity securities as they are expected to achieve long-term growth while exceeding inflation. More mature plan benefit obligations are funded using a higher allocation of fixed income securities as they are expected to produce current income with limited volatility.

The Company has adopted a dynamic investment strategy whereby as the plan funded status improves, the investment strategy is migrated to more liability matching assets, and return seeking assets are reduced. Risk management practices include the use of multiple asset classes for diversification purposes. Specific guidelines for each asset class and investment manager are implemented and monitored. As noted above, substantially all of the UK Plan assets were within a buy-in contract as of December 31, 2023 and 2022, subsequent to the transaction executed in December 2021.

The weighted average target asset allocation for defined benefit pension plans as of December 31, 2023 was as follows:

	Domestic	Foreign
Asset category:		
Equity securities	46.0 %	10.0 %
Debt securities	42.0 %	18.0 %
Other	12.0 %	72.0 %
Total	100.0 %	100.0 %

Plan asset valuation methodologies

Plan asset	Description of methodology
Investment funds	Fair values are based on the NAV of the units held at year end. The NAVs are based on the fair value of the underlying assets of the funds, less their liabilities, divided by the number of units outstanding at the valuation date. The funds are traded on private markets that are not active, with unit prices based on observable (Level 2) or unobservable (Level 3) market data based on the fund's underlying assets.
Buy-in contract	This represents the UK Plan buy-in contract assets. Fair values are based on initial pricing adjusted for changes in government and corporate bond yields, inflation, demographic assumptions and changes in participant data, and as such are considered Level 3 based on the significant unobservable inputs used in deriving the assets' fair values.
Insurance contracts	Fair values are based on the present value of the accrued benefit, and as such are considered Level 3 based on the significant unobservable inputs used in deriving the asset's fair values.
Investments measured at NAV	Investment in a real estate fund, which invests in real estate assets. The investment in properties by the real estate fund is carried at fair value, which is estimated based on the price that would be received to sell an asset in an orderly transaction between marketplace participants at the measurement date. The investment can be withdrawn quarterly, after a one hundred days notice period.

Fair value of plan assets

The following table presents domestic plan assets categorized within the three-level fair value hierarchy:

	Successor				Predecessor			
	December 31, 2023				December 31, 2022			
(in millions)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 3.3	$ —	$ —	$ 3.3	$ 2.8	$ —	$ —	$ 2.8
Investment funds [1]	—	325.0	23.2	348.2	—	292.5	27.6	320.1
Subtotal	$ 3.3	$ 325.0	$ 23.2	351.5	$ 2.8	$ 292.5	$ 27.6	322.9
Investments measured at NAV				20.3				31.9
Total				$ 371.8				$ 354.8

(1) This category includes investments of 23.8% and 24.7% in US equities, 20.3% and 17.9% in non-US equities, 24.2% and 25.9% in US corporate bonds, 0.2% and 0.1% in non-US corporate bonds, 22.0% and 19.9% in US government bonds, 2.8% and 2.9% in non-US government bonds, and 6.7% and 8 6% in other investments as of December 31, 2023 and 2022, respectively.

The following table presents foreign plan assets categorized within the three-level fair value hierarchy:

	Successor				Predecessor			
	December 31, 2023				December 31, 2022			
(in millions)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 3.3	$ —	$ —	$ 3.3	$ 1.9	$ —	$ —	$ 1.9
Investments:								
Investment funds [1]	—	121.7	—	121.7	—	118.9	—	118.9
Buy-in contract	—	—	245.6	245.6	—	—	241.5	241.5
Insurance contracts	—	—	15.8	15.8	—	—	16.4	16.4
Total investments	—	121.7	261.4	383.1	—	118.9	257.9	376.8
Total	$ 3.3	$ 121.7	$ 261.4	$ 386.4	$ 1.9	$ 118.9	$ 257.9	$ 378.7

(1) This category includes investments of 11.8% and 15.0% in US equities, 19.8% and 23.6% in non-US equities, 54.8% and 38.7% in non-US corporate bonds, 5.7% and 13.7% in non-US government bonds, and 7.9% and 9.0% in other investments as of December 31, 2023 and 2022, respectively.

Changes in the plan assets valued using significant unobservable inputs (Level 3) were as follows:

	Domestic		
	Investment funds		
	Successor	Predecessor	
(in millions)	August 1, 2023 to December 31, 2023	January 1, 2023 to July 31, 2023	Year ended December 31, 2022
Balance at beginning of period	$ 23.0	$ 27.6	$ 27.6
Actual return on plan assets still held at year end	0.2	2.1	—
Purchases, sales, and settlements, net	—	(6.7)	—
Balance at end of period	$ 23.2	$ 23.0	$ 27.6

	Foreign		
	Buy-in and Insurance contracts		
	Successor	Predecessor	
(in millions)	August 1, 2023 to December 31, 2023	January 1, 2023 to July 31, 2023	Year ended December 31, 2022
Balance at beginning of period	$ 249.1	$ 257.9	$ 458.9
Actual return on plan assets still held at year end	18.1	4.6	(142.3)
Purchases, sales, and settlements, net	(4.3)	(6.7)	(13.9)
Foreign exchange	(1.5)	15.1	(44.8)
Balance at end of period	$ 261.4	$ 270.9	$ 257.9

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Contributions

The Company expects to contribute approximately $3.4 million and $3.0 million to its domestic and foreign defined benefit pension plan funds in 2024, respectively, including direct payments to plan participants in unfunded plans.

Benefit payments

Estimated future benefit payments are as follows:

	Defined benefit pension plans		
(in millions)	Domestic	Foreign	Total
2024	$ 33.2	$ 20.7	$ 53.9
2025	34.0	20.6	54.6
2026	34.4	21.5	55.9
2027	35.1	21.6	56.7
2028	35.5	21.8	57.3
2029 through 2033	177.9	114.9	292.8

Defined contribution plans

The Company provides defined contribution plan benefits and had contribution expense of $20.6 million, $28.4 million, $52.9 million, and $51.4 million for the period from August 1, 2023 to December 31, 2023, the period from January 1, 2023 to July 31, 2023, and the years ended December 31, 2022 and 2021, respectively.

Multi-employer pension plans

The Company contributes to certain multi-employer pension plans based on obligations arising from collective bargaining agreements. The risks of participating in these multi-employer plans are different from single-employer plans in the following aspects:

- Assets contributed to the multi-employer plan by the Company may be used to provide benefits to employees of other participating employers.
- If the Company stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers. Similarly, the Company could be liable for underfunded obligations of other, departed employers.
- If the Company chooses to stop participating in some of its multi-employer plans, it may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability. A withdrawal liability will be recorded when it is probable that a liability exists and the liability can be reasonably estimated.

The Company's participation in these plans for the period ended December 31, 2023 is outlined in the table below. The Pension Protection Act ("PPA") zone status is the most recently available and is certified by the plan's actuary. Among other factors, plans in the "red zone" are less than 65 percent funded, plans in the "yellow zone" are less than 80 percent funded, and plans in the "green zone" are at least 80 percent funded. The "FIP/RP status pending/implemented" column indicates plans for which a financial improvement plan ("FIP") or a rehabilitation plan ("RP") is either pending or has been implemented. In addition to regular plan contributions, the Company may be subject to a surcharge if the plan is in the red zone. The "Surcharge imposed" column indicates whether a surcharge has been imposed on contributions to the plan. The last column lists the expiration date(s) of the collective bargaining agreement(s) ("CBA") to which the plans are subject. Contributions may be required in future periods by the CBAs, statutory obligations, or other contractual obligations.

If the Company were to cease making contributions to these plans at one or more or all locations, it could trigger a withdrawal liability that could be material to the Company's results of operations and cash flows. Calculating any such withdrawal liability depends on a number of factors that are out of the Company's control and subject to change. A withdrawal liability represents an employer's proportional share of the multi-employer plan's unfunded vested benefits ("UVBs"). UVBs equal the value of non-forfeitable benefits owed by the plan, less the value of the plan's assets. The value of assets and liabilities are determined using actuarial assumptions that reflect the actuary's best estimate of anticipated UVBs for that employer.

A significant portion of the Company's exposure historically resided with the eight facilities that participated in the Central States, Southeast and Southwest Areas Pension Plan ("Central States Pension Fund"). During the year ended December 31, 2021, the Company recognized its best estimate of a withdrawal liability of $31.2 million related to triggering events at all eight sites, culminating in the Company ceasing to participate in the Central States Pension Fund. The Company estimated its cash obligation to be approximately $1.9 million annually for 20 years with payments beginning subsequent to an agreed final funding assessment with the Central States Pension Fund. The net present value of the withdrawal liability was determined

using a risk-free interest rate. This balance was not adjusted through the end of the Predecessor period and represented the Company's best estimate of its withdrawal liability.

The Predecessor's accounting policy required discounting of multi-employer pension plan withdrawal liabilities if the liability and the respective payment streams were fixed or reliably determinable. The Successor's accounting policy does not require discounting of multi-employer pension plan withdrawal liabilities. As a result, the Central States Pension Fund withdrawal liability was increased by $6.7 million to $37.9 million as part of purchase accounting for the Merger to eliminate the effect of discounting. As of December 31, 2023, this balance has not been adjusted and represents the Company's best estimate of its withdrawal liability. Upon an agreed final funding assessment with the Central States Pension Fund, the Company will recognize any differences between the estimated and actual withdrawal liability. Amounts associated with the withdrawal liability are included in other operating expenses, net in the consolidated statements of operations and other accrued expenses and other long-term liabilities in the consolidated balance sheets.

		PPA zone status			Contributions [a]					
		Successor	Predecessor		Successor	Predecessor				
(in millions)	EIN/ Pension plan number	December 31, 2023	December 31, 2022	FIP/RP status pending/ implemented	August 1, 2023 to December 31, 2023	January 1, 2023 to July 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021	Surcharge imposed	Number of and expiration dates of CBA(s)
Western Conference of Teamsters Pension Plan	91-6145047/001	Green as of January 1, 2023	Green as of January 1, 2022	No	$ 0.5	$ 0.8	$ 1.4	$ 1.4	No	(b)
Central States, Southeast and Southwest Areas Pension Plan	36-6044243/001	Red as of January 1, 2022	Red as of January 1, 2021	Implemented	—	—	—	0.7	No	(c)
Total contributions					$ 0.5	$ 0.8	$ 1.4	$ 2.1		

(a) Plan contributions by the Company did not represent more than five percent of total contributions to the plans as indicated in the plans' most recently available annual report.

(b) As of December 31, 2023, the Company had six agreements expiring through July 31, 2025.

(c) The Company either terminated the CBA or the Union voted to amend the CBA covered by this fund. As a result, the Company has withdrawn from the fund and recognized expense for its estimated withdrawal liability.

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11. Income taxes

For financial reporting purposes, (loss) income before income taxes includes the following components:

(in millions)	Successor	Predecessor		
	August 1, 2023 to December 31, 2023	January 1, 2023 to July 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021
(Loss) income before income taxes				
US	$ (376.0)	$ 78.6	$ 506.9	$ 203.1
Foreign	33.0	72.6	249.3	382.1
Total (loss) income before income taxes	$ (343.0)	$ 151.2	$ 756.2	$ 585.2

Income tax (benefit) expense is summarized as follows:

(in millions)	Successor	Predecessor		
	August 1, 2023 to December 31, 2023	January 1, 2023 to July 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021
Current:				
Federal	$ 9.2	$ 17.3	$ 87.4	$ 44.4
State	2.6	7.2	21.7	15.2
Foreign	24.8	30.9	72.8	58.6
Total current	36.6	55.4	181.9	118.2
Deferred:				
Federal	(71.5)	(4.7)	23.3	0.3
State	(11.0)	0.6	5.4	(0.7)
Foreign	(7.7)	(13.7)	0.3	6.8
Total deferred	(90.2)	(17.8)	29.0	6.4
Total income tax (benefit) expense	$ (53.6)	$ 37.6	$ 210.9	$ 124.6

Differences between actual provisions for income taxes and provisions for income taxes at the US federal statutory rate of 21.0% were as follows:

(in millions)	Successor	Predecessor		
	August 1, 2023 to December 31, 2023	January 1, 2023 to July 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021
US federal statutory income tax (benefit) expense applied to (loss) income before income taxes	$ (72.0)	$ 31.8	$ 158.8	$ 122.8
State income taxes, net of federal benefit	(9.0)	5.0	22.7	10.8
Foreign tax rate differential	3.7	3.5	11.0	10.5
Global intangible low-taxed income	1.9	(0.1)	2.8	31.5
Disposition of business	1.3	—	0.1	(20.6)
Change in valuation allowance, net	(0.3)	2.2	5.7	(11.3)
Foreign tax credit	—	(1.3)	(3.2)	(29.8)
Non-deductible expenses	18.2	12.3	8.2	5.8
Equity-based compensation expense	—	(7.2)	—	—
Intangible assets	—	(5.6)	—	—
Warrants	—	—	—	(7.1)
Change in statutory income tax rates	(0.5)	(3.0)	(0.9)	5.1
Other	3.1	—	5.7	6.9
Total income tax (benefit) expense	$ (53.6)	$ 37.6	$ 210.9	$ 124.6
Effective income tax rate	15.6 %	24.9 %	27.9 %	21.3 %

The consolidated deferred tax assets and liabilities are detailed as follows:

(in millions)	Successor December 31, 2023	Predecessor December 31, 2022
Deferred tax assets:		
Net operating loss carryforwards ("NOLs")	$ 24.6	$ 17.6
Environmental liabilities	19.6	22.7
Interest	61.9	—
Tax credit and capital loss carryforwards	5.8	4.9
Pension	32.3	33.6
Compensation	9.5	18.2
Inventory	11.4	13.3
Lease liabilities	57.4	50.3
Other temporary differences	28.4	15.8
Gross deferred tax assets	250.9	176.4
Valuation allowance	(13.2)	(12.7)
Deferred tax assets, net of valuation allowance	237.7	163.7
Deferred tax liabilities:		
Property, plant and equipment, net	(248.3)	(96.7)
Intangible assets	(667.6)	(77.4)
Right-of-use lease assets	(57.1)	(48.7)
Interest	—	(20.7)
Other temporary differences	(9.8)	(5.7)
Deferred tax liabilities	(982.8)	(249.2)
Net deferred tax liability	$ (745.1)	$ (85.5)

As of December 31, 2023, the Company has $24.6 million (tax effected) of NOLs, of which $2.3 million will expire in the period 2024 through 2027, $5.4 million will expire in the period between 2028 and 2041 and the remaining $16.9 million has no expiration. Additionally, the Company has approximately $5.8 million of foreign tax credits and capital loss carryforwards. The Company does not expect future earnings of the appropriate character of taxable income to allow it to utilize certain of these tax attributes in future years. Therefore, the Company maintains a valuation allowance of $13.2 million on these tax attributes and other deferred tax assets.

Foreign Tax Effects

The Company earns a significant amount of its operating income outside of the US. As of December 31, 2023, the Company is indefinitely reinvested with respect to its US directly-owned subsidiary earnings. Therefore, the Company has not recognized a deferred tax liability on its investment in foreign subsidiaries. The Company is subject to US income tax on substantially all foreign earnings under the GILTI provisions of the 2017 Tax Cuts and Jobs Act, while a significant portion of remaining foreign earnings are eligible for the dividends received deduction. Therefore, a portion of any future repatriation of $631.2 million of undistributed earnings may be subject to additional US federal, state, and local income taxes, withholding taxes and currency translation gains or losses. It is impracticable to calculate the related tax liability. Additionally, gains and losses on any future taxable dispositions of US-owned foreign affiliates continue to be subject to US income tax.

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Unrecognized Tax Benefits

The changes in unrecognized tax benefits included in other long-term liabilities, excluding interest and penalties, were as follows:

	Successor	Predecessor		
(in millions)	August 1, 2023 to December 31, 2023	January 1, 2023 to July 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021
Balance at beginning of period	$ 44.4	$ 40.1	$ 40.1	$ 35.0
Increase for tax positions of current year	—	—	—	19.4
Increase for tax positions of prior years	—	4.0	0.4	0.9
Decrease for tax positions of prior years	—	—	—	(14.4)
Reductions due to the statute of limitations expiration	—	—	(0.1)	(0.7)
Reductions due to settlement with taxing authorities	—	—	(0.3)	—
Foreign exchange	0.1	0.3	—	(0.1)
Balance at end of period	$ 44.5	$ 44.4	$ 40.1	$ 40.1

As of December 31, 2023 and 2022, there were $44.5 million and $40.1 million of unrecognized tax benefits that if recognized would affect the annual effective tax rate. The Company files income tax returns in the US and various state and foreign jurisdictions. Generally, tax years are open for review by taxing authorities for a period of three years. As of December 31, 2023, the Company has limited audit activity for tax years back to 2008 through 2010, as well as for the periods 2012 through 2020. The Company continues to believe its positions are supportable; however, due to uncertainties in any tax audit outcome, the Company's estimates of the ultimate settlement of uncertain tax positions may change and the actual tax benefits may differ from the estimates.

The Company recognized $2.2 million, $2.4 million and $0.1 million of interest and/or penalties related to income tax matters in interest expense related to unrecognized tax benefits in the consolidated statements of operations for the periods from January 1, 2023 to July 31, 2023 and the years ended December 31, 2022 and 2021, respectively. The Company recognized $2.3 million of interest and/or penalties related to income tax matters in tax expense related to unrecognized tax benefits in the consolidated statements of operations for the period from August 1, 2023 to December 31, 2023 in accordance with the Successor's accounting policy. The Company had $11.0 million and $4.3 million of interest and penalties reflected within other long-term liabilities on the consolidated balance sheets as of December 31, 2023 and 2022, respectively.

12. Equity-based compensation and share repurchase program

Successor equity-based compensation

Management Equity Plan

Subsequent to the Merger, certain officers and other employees of the Company and certain non-employee directors were awarded Class B Incentive Units of the Limited Partnership under the Management Equity Plan ("MEP"). These awards include both time-based and performance-based units. The time-based units generally vest 20% each year over a period of five years or upon a change in control, if earlier. The grant date fair value of time-based units is recognized for each separately vesting tranche on a straight-line basis over the requisite service period. The performance-based units vest upon meeting certain defined thresholds of multiple on invested capital ("MOIC") and/or internal rate of return based on cumulative distributions to the Limited Partnership's unit holders. As vesting of performance-based units occurs upon the achievement of these thresholds, the Company recognizes compensation expense when the criteria are probable of being met. During the period from August 1, 2023 to December 31, 2023, the Company recognized total equity-based compensation expense of $6.5 million related to the time-based units. No equity-based compensation expense was recognized related to the performance-based units during the period from August 1, 2023 to December 31, 2023 as the vesting criteria were not probable of being met as of December 31, 2023.

The following table reflects the activity during the Successor period:

	Time-based units	Performance-based units
Granted	6,500,300	9,701,700
Vested	—	—
Forfeited	(228,800)	(343,200)
Non-vested at December 31, 2023	6,271,500	9,358,500

The weighted average grant date fair values of time-based and performance-based units were $6.52 and $5.73, respectively. As of December 31, 2023, the Company had unrecognized equity-based compensation expense related to non-vested time-based units of $34.4 million, which will be recognized over a weighted-average period of 1.2 years. Unrecognized equity-based compensation expense related to non-vested performance-based units was $53.7 million as of December 31, 2023.

Performance Equity Plan

Subsequent to the Merger, certain employees of the Company were awarded phantom units under the Performance Equity Plan ("PEP"). The awards vest upon meeting certain defined thresholds of MOIC upon a change in control. These awards would be settled in cash upon vesting. The Company will recognize compensation expense when the criteria are probable of being met. No equity-based compensation expense has been recognized for such awards as the vesting criteria were not probable of being met as of December 31, 2023. The fair value of outstanding phantom units was $30.4 million as of December 31, 2023, consisting of 46,362,500 phantom units with a fair value per unit of $0.656.

Fair value assumptions

The Company used a Monte Carlo simulation to calculate the fair value of the time-based, performance-based, and phantom units. The significant assumptions included the expected period until a change in control event, expected volatility determined based on the average historical data of a peer group of public companies for a period equal to the expected period until a change in control event, a risk-free interest rate based on the US Treasury yield for a period equal to the expected period until a change in control event, no expected dividend yield, and the implied starting equity value.

Predecessor equity-based compensation

The Predecessor granted equity-based compensation awards to employees and non-employee directors under the Univar Solutions Inc. 2020 Omnibus Plan, which terminated upon the completion of the Merger on August 1, 2023. Upon completion of the Merger, each then-outstanding equity-based compensation award was cancelled and converted into the right to receive $36.15 in cash, less any applicable exercise price (see "Note 3: Business combinations" for additional information).

Stock options

Stock options expired ten years after the grant date and generally became exercisable over a three-year period or less, based on continued employment, with annual vesting. The exercise price of a stock option was determined based upon the fair value of the common stock at the time of each grant. Participants had no stockholder rights until the time of exercise.

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The following table reflects stock option activity during the Predecessor period:

	Number of stock options	Weighted-average exercise price	Weighted-average remaining contractual term (in years)	Aggregate intrinsic value (in millions)
Outstanding at January 1, 2023	2,206,360	$ 24.60		
Granted	—	—		
Exercised	(133,912)	23.96		
Forfeited and expired	(680)	22.94		
Outstanding at July 31, 2023	2,071,768	$ 24.66	4.6	$ 23.8
Exercisable at July 31, 2023	2,071,768	$ 24.66	4.6	$ 23.8

	Predecessor		
(in millions)	January 1, 2023 to July 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021
Total intrinsic value of stock options exercised	$ 1.4	$ 7.8	$ 2.3

Restricted stock

Non-vested restricted stock related to awards for members of the Company's Board of Directors which vested over 12 months. The grant date fair value of restricted stock was based on the market price of the common stock on that date.

The following table reflects restricted stock activity during the Predecessor period:

	Number of restricted stock	Weighted-average grant date fair value
Non-vested at January 1, 2023	18,520	$ 30.24
Granted	1,412	35.43
Vested	(19,932)	30.61
Forfeited	—	—
Non-vested at July 31, 2023	—	$ —

The weighted-average grant date fair value of granted restricted stock was $29.75 and $24.29 in 2022 and 2021, respectively.

Restricted stock units ("RSUs")

RSUs awarded to employees generally vested in three equal annual installments, subject to continued employment. Each RSU converted into one share of Univar Solutions common stock on the applicable vesting date. RSUs could not be sold, pledged or otherwise transferred until they vest and were subject to forfeiture. The grant date fair value was based on the market price of Univar Solutions stock on that date.

The following table reflects RSU activity during the Predecessor period:

	Number of Restricted Stock Units	Weighted-average grant date fair value
Non-vested at January 1, 2023	1,456,402	$ 25.18
Granted	671,702	34.69
Vested	(448,625)	24.22
Forfeited	(82,670)	29.26
Non-vested at July 31, 2023	1,596,809	$ 29.24

The weighted-average grant date fair value of granted RSU awards was $28.62 and $21.66 in 2022 and 2021, respectively.

Performance-based restricted stock units ("PRSUs")

The Company awarded performance-based shares to certain employees. These awards vested upon the passage of time and the achievement of performance conditions, which were generally over a three year period. The Company reviewed progress toward the attainment of the performance conditions each quarter during the vesting period. When it was probable the minimum performance conditions for the award would be achieved, the Company began recognizing the expense equal to the proportionate share of the total fair value. The total expense recognized over the duration of performance awards equals the

grant date fair value multiplied by the number of shares ultimately awarded based on the level of attainment of the performance conditions.

For grants with market conditions, the fair value was determined on the grant date by using a Monte Carlo simulation model, with a duration of three years. The PRSUs awarded may be subject to a downward or upward adjustment depending on the total stockholder return achieved by the Company during the particular performance period relative to the total stockholder return ranking among peer companies as specified in the respective PRSU award agreement. The total expense recognized over the duration of the award was not adjusted based on the level of attainment of the market conditions.

The following table reflects PRSU activity during the Predecessor period:

	Number of Performance-Based Restricted Stock Units	Weighted-average grant date fair value
Non-vested at January 1, 2023	529,190	$ 23.82
Granted	245,600	36.44
Vested	—	—
Forfeited	(53,070)	28.10
Non-vested at July 31, 2023	721,720	$ 27.80

Fair value

	Year ended December 31,		
(in millions)	January 1, 2023 to July 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021
Fair value of restricted stock, RSUs, and PRSUs vested	$ 15.8	$ 40.1	$ 9.6

Equity-based compensation fair value assumptions

The fair value of the Company's stock that was utilized for restricted stock, RSUs, and PRSUs with internally developed performance conditions was based on the grant date closing price on the New York Stock Exchange.

The Company used a Monte Carlo simulation to calculate the fair value of PRSUs with market conditions. The weighted average grant date fair value of PRSUs with market conditions was $36.44, $27.94, and $20.36 for the period from January 1, 2023 to July 31, 2023 and the years ended December 31, 2022 and 2021, respectively.

Share repurchase program

On November 1, 2021, the Company announced that its Board of Directors had authorized a share repurchase program of up to $500.0 million of its outstanding common stock, which was scheduled to expire on October 27, 2026. On November 1, 2022, the Company announced that its Board of Directors had approved an increase in the amount of authorized repurchases under the program of $1.0 billion, resulting in a total authorized repurchase amount of $1.5 billion. The share repurchase program was terminated upon the completion of the Merger on August 1, 2023.

On November 1, 2022, the Company entered into an accelerated share repurchase agreement ("ASR") with Goldman Sachs & Co. LLC ("Goldman") to repurchase $200.0 million of its common stock. On November 3, 2022, the Company paid $200.0 million to Goldman and received an initial delivery of approximately 5.8 million shares of its common stock, which represented 75% of the notional value of the ASR divided by the closing price of the Company's common stock on November 1, 2022. The final number of shares repurchased under the ASR was based on the daily volume-weighted average prices for Rule 10b-18 eligible transactions in the Company's common stock during the term of the ASR, less a discount and subject to adjustment pursuant to the terms of the ASR. At final settlement in February 2023, the Company received an additional delivery of approximately 0.5 million shares of its common stock from Goldman.

The Company accounted for the ASR as an open market repurchase of its common stock on the trade date and a forward contract indexed to its common stock. As of December 31, 2022, the aggregate purchase price of the ASR was recorded as a reduction to stockholders' equity, consisting of a $150.0 million increase in treasury stock to reflect the value of the initial share delivery and a $50.0 million decrease in additional paid-in capital pending final settlement of the ASR. The amount recorded in additional paid-in capital was reclassified to treasury stock in the first quarter of 2023 in connection with the final settlement of the ASR.

In addition to the ASR, the Company repurchased on the open market approximately 0.1 million shares for $2.5 million during the period from January 1, 2023 to July 31, 2023, 7.7 million shares for $209.1 million during the year ended December 31, 2022, and approximately 1.8 million shares for $50.0 million during the year ended December 31, 2021.

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13. Fair value measurements

The Company classifies its financial instruments according to the fair value hierarchy described in "Note 2: Significant accounting policies."

Items measured at fair value on a recurring basis

The following table is a reconciliation of recurring fair value measurements that use significant unobservable inputs (Level 3), which consisted of the warrant liability related to the Nexeo acquisition:

(in millions)	2021
Fair value of warrant liability as of January 1	$ 33.8
Fair value adjustments	(33.8)
Fair value of warrant liability as of December 31	$ —

In conjunction with the Nexeo acquisition in 2019, the Company assumed warrants that were converted into the right to receive, upon exercise, approximately 7.6 million shares of the Company's common stock. During 2021, a portion of the outstanding warrants were exercised at a price of $27.80, resulting in the issuance of 973,717 shares of common stock and the receipt of $27.1 million in cash proceeds. All remaining warrants expired on June 9, 2021, resulting in the write-off of the warrants' fair value within other (expense) income, net in the consolidated statements of operations.

14. Derivatives

Foreign currency derivatives

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

Interest rate derivatives

The objective of the Company's interest rate derivative instruments, including interest rate swap contracts and interest rate collar contracts, is to offset the variability of cash flows in debt interest payments attributable to changes in benchmark interest rates related to the Company's variable rate debt obligations.

The following table summarizes the Company's interest rate derivative contracts as of December 31, 2023 and 2022, respectively:

			Notional Amount	
			Successor	Predecessor
(in millions)	Effective Date	Maturity Date	December 31, 2023	December 31, 2022
Interest Rate Swap Contracts:				
	12/31/2023	12/31/2026	$ 100.0	$ —
	10/31/2023	10/31/2026	300.0	—
	6/30/2023	6/30/2028	400.0	—
	6/30/2023	Terminated[1]	—	—
	6/30/2020	6/30/2023	—	250.0
	6/28/2019	Terminated[1]	—	250.0
	3/29/2019	Terminated[1]	—	250.0
Interest Rate Collar Contracts:				
	11/30/2023	11/30/2026	$ 150.0	$ —
	10/31/2023	10/31/2026	350.0	—

(1) In July 2023, the Company elected to terminate these contracts prior to their respective maturity dates.

In July 2023, the Company elected to terminate seven interest rate swap contracts. Upon termination, the Company received $52.6 million for the fair value of such contracts with an aggregate notional value of $750.0 million. Amounts relating to these terminated derivatives were recorded in accumulated other comprehensive loss during the Predecessor period. Cash received for the terminated derivatives was recognized within operating activities in the Predecessor's consolidated statements of cash flows.

Cross currency swap contracts

Cross currency swap contracts were used to effectively convert the Term B-5 Loan's principal amount of variable rate US dollar-denominated debt, including interest payments, to fixed-rate Euro-denominated debt. The cross currency swap contracts were scheduled to mature in November 2024 and approximately 95% of the contracts were designated as a cash flow hedge. The Company also used undesignated cross currency swap contracts to manage interest rate variability and mitigate foreign exchange exposure.

In July 2023, the Company elected to terminate all of its cross currency swap contracts. Upon termination, the Company received $36.9 million for the fair value of such contracts with an aggregate notional value of $400.0 million. Amounts relating to these terminated derivatives were recorded in accumulated other comprehensive loss during the Predecessor period. Cash received for the terminated derivatives was recognized within operating activities in the Predecessor's consolidated statements of cash flows.

Notional amounts and fair value of derivative instruments

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

	Successor	Predecessor
(in millions)	December 31, 2023	December 31, 2022
Designated Derivatives:		
Interest rate swap contracts	$ —	$ 650.0
Cross currency swap contracts	—	381.0
Undesignated Derivatives:		
Foreign currency derivatives	$ 89.0	$ 149.2
Interest rate swap contracts	800.0	100.0
Interest rate collar contracts	500.0	—
Cross currency swap contracts	—	19.0

The following table presents the pre-tax gains (losses) recognized in accumulated other comprehensive loss related to designated derivative instruments:

	Predecessor		
(in millions)	January 1, 2023 to July 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021
Effect of derivative instruments designated and qualifying as cash flow hedges:			
Interest rate swap contracts	$ 16.5	$ 70.0	$ 4.7
Cross currency swap contracts	(12.0)	71.7	35.7

The following table presents the pre-tax effects of derivative instruments on the consolidated statements of operations:

	Successor	Predecessor					
	August 1, 2023 to December 31, 2023	January 1, 2023 to July 31, 2023		Year ended December 31, 2022		Year ended December 31, 2021	
(in millions)	Other (expense) income, net	Interest expense	Other (expense) income, net	Interest expense	Other (expense) income, net	Interest expense	Other (expense) income, net
Total amounts per Consolidated Statements of Operations	$ (32.0)	$ (78.1)	$ (43.1)	$ (107.2)	$ 26.5	$ (101.5)	$ 110.4
Effect of derivative instruments designated and qualifying as cash flow hedges:							
Interest rate swap contracts	$ —	$ 12.6	$ —	$ (0.1)	$ —	$ (17.9)	$ —
Cross currency swap contracts	—	11.3	(17.1)	8.4	21.9	1.2	27.4
Effect of undesignated derivatives:							
Foreign currency derivatives	$ (13.4)	$ —	$ 7.8	$ —	$ (2.3)	$ —	$ 2.8
Interest rate swap contracts	(9.2)	—	0.5	—	5.6	—	1.2
Interest rate collar contracts	(4.9)	—	—	—	—	—	—
Cross currency swap contracts	—	—	(0.5)	—	3.6	—	1.8

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

	Derivative Assets			Derivative Liabilities		
		Successor	Predecessor		Successor	Predecessor
(in millions)	Balance Sheet Classification	December 31, 2023	December 31, 2022	Balance Sheet Classification	December 31, 2023	December 31, 2022
Designated Derivatives:						
Cross currency swap contracts	Prepaid expenses and other current assets	$ —	$ 19.7	Other accrued expenses	$ —	$ —
Cross currency swap contracts	Other assets	—	35.4	Other long-term liabilities	—	—
Interest rate swap contracts	Prepaid expenses and other current assets	—	19.0	Other accrued expenses	—	—
Interest rate swap contracts	Other assets	—	35.2	Other long-term liabilities	—	—
Total designated derivatives		$ —	$ 109.3		$ —	$ —
Undesignated Derivatives:						
Foreign currency contracts	Prepaid expenses and other current assets	$ —	$ —	Other accrued expenses	$ 0.1	$ 0.9
Cross currency swap contracts	Prepaid expenses and other current assets	—	1.0	Other accrued expenses	—	—
Cross currency swap contracts	Other assets	—	1.8	Other long-term liabilities	—	—
Interest rate swap contracts	Prepaid expenses and other current assets	6.2	2.7	Other accrued expenses	—	—
Interest rate swap contracts	Other assets	—	0.5	Other long-term liabilities	9.4	—
Interest rate collar contracts	Prepaid expenses and other current assets	0.3	—	Other accrued expenses	0.1	—
Interest rate collar contracts	Other assets	—	—	Other long-term liabilities	5.2	—
Total undesignated derivatives		$ 6.5	$ 6.0		$ 14.8	$ 0.9
Total derivatives		$ 6.5	$ 115.3		$ 14.8	$ 0.9

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15. Accumulated other comprehensive loss

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

	Successor		
(in millions)	Defined benefit Pension	Currency translation	Total
Balance as of August 1, 2023	$ —	$ —	$ —
Other comprehensive loss before reclassifications	(11.8)	(8.9)	(20.7)
Amounts reclassified from accumulated other comprehensive loss	—	—	—
Net current period other comprehensive loss	(11.8)	(8.9)	(20.7)
Balance as of December 31, 2023	$ (11.8)	$ (8.9)	$ (20.7)

	Predecessor			
(in millions)	Cash flow hedges	Defined benefit pension	Currency translation	Total
Balance as of January 1, 2021	$ (32.7)	$ 19.2	$ (373.6)	$ (387.1)
Other comprehensive income (loss) before reclassifications	29.8	0.4	(13.1)	17.1
Amounts reclassified from accumulated other comprehensive loss	(7.9)	(2.9)	—	(10.8)
Amounts reclassified related to dispositions [1]	—	—	18.1	18.1
Net current period other comprehensive income (loss)	21.9	(2.5)	5.0	24.4
Balance as of December 31, 2021	$ (10.8)	$ 16.7	$ (368.6)	$ (362.7)
Other comprehensive income (loss) before reclassifications	105.5	—	(64.4)	41.1
Amounts reclassified from accumulated other comprehensive loss	(22.5)	(0.6)	—	(23.1)
Net current period other comprehensive income (loss)	83.0	(0.6)	(64.4)	18.0
Balance as of December 31, 2022	$ 72.2	$ 16.1	$ (433.0)	$ (344.7)
Other comprehensive income before reclassifications	3.3	—	66.7	70.0
Amounts reclassified from accumulated other comprehensive loss	(5.0)	(0.3)	—	(5.3)
Net current period other comprehensive (loss) income	(1.7)	(0.3)	66.7	64.7
Balance as of July 31, 2023	$ 70.5	$ 15.8	$ (366.3)	$ (280.0)

(1) In conjunction with the sale of the Distrupol business, the Company released the associated cumulative foreign currency translation losses and included the release as part of the net gain on sale of business.

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

(in millions)	Statement of Operations Classification	Predecessor: January 1, 2023 to July 31, 2023 [1]	Predecessor: Year ended December 31, 2022[1]	Predecessor: Year ended December 31, 2021[1]
Amortization of defined benefit pension items:				
Prior service credit	Other (expense) income, net	$ (0.4)	$ (0.7)	$ (3.5)
Tax expense	Income tax (benefit) expense	0.1	0.1	0.6
Net of tax		(0.3)	(0.6)	(2.9)
Cash flow hedges:				
Interest rate swap contracts	Interest expense	(12.6)	0.1	17.9
Cross currency swap contracts	Interest expense and other (expense) income, net	5.8	(30.3)	(28.6)
Tax expense	Income tax (benefit) expense	1.8	7.7	2.8
Net of tax		(5.0)	(22.5)	(7.9)
Total reclassifications for the period, net of tax		$ (5.3)	$ (23.1)	$ (10.8)

(1) Amounts in parentheses represent income in the consolidated statements of operations.

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 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.

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

Asbestos Claims

The Company is subject to liabilities from claims alleging personal injury from exposure to asbestos. The claims result primarily from an indemnification obligation related to Univar Solutions USA Inc.'s ("Univar") 1986 purchase of McKesson Chemical Company from McKesson Corporation ("McKesson"). Univar is pursuing insurance coverage for certain matters under McKesson's historical insurance coverage to partially offset the impact of any fees, settlements, or judgments that Univar is obligated to pay because of its obligation to McKesson. As of December 31, 2023, there were approximately 289 asbestos-related cases for which Univar has the obligation to defend and indemnify; however, this number tends to fluctuate up and down over time. Historically, the vast majority of these asbestos cases have been dismissed without payment or with a nominal payment. While the Company is unable to predict the outcome of these matters, it does not believe, based upon currently available facts, that the ultimate resolution of any of these matters will have a material effect on its overall financial position, results of operations, or cash flows.

Canada Revenue Agency

In October 2022, the Company received notice from the Canada Revenue Agency ("CRA") proposing that certain historical financing transactions between one of the Company's Canadian subsidiaries (Univar Canada Ltd.) and one of the Company's US subsidiaries (Univar Holdco Canada LLC) should be recharacterized as equity and not debt for the 2015 and 2016 tax years. The CRA has proposed that certain deductions claimed by the Canadian entity should be denied, resulting in additional tax due, as well as interest and penalties on the unpaid tax. The proposed assessment against the Company, inclusive of interest and penalties of Canadian Dollar ("C$") 22.3 million, totals C$51.4 million.

It is possible that the CRA might take a similar position in relation to two additional tax years (2017 and 2018), but the Company has not received a proposal in relation to those years. The transactions that are being challenged by the CRA for 2015 and 2016 do not exist in periods after 2018.

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The Company believes that the tax position previously taken was proper and it will defend itself as appropriate. The Company has not recorded any liabilities in its consolidated financial statements for this matter, as it believes it is more likely than not that the Company's position will be sustained.

Environmental

The Company is subject to various federal, state, and local environmental laws and regulations that require environmental assessment or remediation efforts (collectively "environmental remediation work") and from time to time the Company becomes aware of compliance matters regarding possible or alleged violations of these laws or regulations. For example, over the years, the Company has been identified as a "potentially responsible party" ("PRP") under the Comprehensive Environmental Response, Compensation and Liability Act and/or similar state laws that impose liability for costs relating to environmental remediation work at various sites. As a PRP, the Company may be required to pay a share of the costs of investigation and cleanup of certain sites. The Company is currently engaged in environmental remediation work at approximately 126 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 105 current or formerly Company-owned/occupied sites. In addition, the Company may be liable as a PRP for a share of the clean-up of approximately 21 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 liabilities, the Company considers several factors such as information obtained from investigatory studies; the scope of remediation (including any changes over time); the interpretation, application, and enforcement of laws and regulations; changes in the costs of remediation programs; the development of alternative cleanup technologies and methods; and the relative level of the Company's involvement at various sites for which the Company is allegedly associated. The level of annual expenditures for remedial, monitoring, and investigatory activities will change in the future as major components of planned remediation activities are completed and the scope, timing, and costs of existing activities are changed. Project lives, and therefore cash flows, may range from 2 to 30 years, depending on the specific site and type of remediation project.

Although the Company believes that its accruals are adequate for environmental contingencies, it is possible, due to the uncertainties noted above, that additional accruals could be required in the future that could have a material effect on the overall financial position, results of operations, or cash flows in a particular period.

Changes in total environmental liabilities, which were measured on an undiscounted basis, were as follows:

	Successor	Predecessor	
(in millions)	August 1, 2023 to December 31, 2023	January 1, 2023 to July 31, 2023	Year ended December 31, 2022
Environmental liabilities at beginning of period	$ 85.5	$ 90.9	$ 88.1
Revised obligation estimates	5.4	9.6	25.9
Payments	(9.6)	(15.2)	(22.7)
Foreign exchange	—	0.2	(0.4)
Environmental liabilities at end of period	$ 81.3	$ 85.5	$ 90.9

		Successor	Predecessor
(in millions)	Balance Sheet Classification	December 31, 2023	December 31, 2022
Current environmental liabilities	Other accrued expenses	$ 34.0	$ 36.5
Long-term environmental liabilities	Other long-term liabilities	47.3	54.4

As of December 31, 2023, receivables for insurance recoveries of $6.9 million and $4.4 million were recorded within prepaid expenses and other current assets and other assets, respectively, in the consolidated balance sheets. As of December 31, 2022, receivables for insurance recoveries of $6.7 million and $9.3 million were recorded within prepaid expenses and other current assets and other assets, respectively, in the consolidated balance sheets. No insurance recoveries were recorded in the consolidated statements of operations for the periods from August 1, 2023 to December 31, 2023 and January 1, 2023 to July 31, 2023. Insurance recoveries of $16.7 million were recorded within warehousing, selling, and administrative expenses in the consolidated statements of operations for the year ended December 31, 2022.

The Company manages estimated cash flows by project. These estimates are subject to change if there are modifications to the scope of the remediation plan or if other factors, either external or internal, change the timing of the remediation activities. The Company periodically reviews the status of all existing or potential environmental liabilities and adjusts its accruals based on all available, relevant information. Based on current estimates, the expected payments for environmental remediation for the next five years and thereafter at December 31, 2023 were as follows:

(in millions)		
2024	$	34.0
2025		14.6
2026		8.5
2027		6.8
2028		5.3
Thereafter		12.1
Total	$	81.3

17. Leasing

The Company leases certain warehouses and distribution centers, office space, transportation equipment and other machinery and equipment. The majority of the leases have remaining terms of 1 to 8 years. The lease agreements do not contain any material residual value guarantees or material restrictive covenants. The Company subleases certain facilities to third parties.

(in millions)	Balance Sheet Classification	Successor December 31, 2023	Predecessor December 31, 2022
Assets			
Operating lease assets	Other assets	$ 233.3	$ 200.7
Finance lease assets	Property, plant, and equipment, net [1]	129.2	107.4
Total lease assets		$ 362.5	$ 308.1
Liabilities			
Current liabilities:			
Current portion of operating lease liabilities	Other accrued expenses	$ 41.3	$ 43.0
Current portion of finance lease liabilities	Current portion of long-term debt	29.8	24.9
Noncurrent liabilities:			
Operating lease liabilities	Other long-term liabilities	188.9	164.4
Finance lease liabilities	Long-term debt	89.6	79.4
Total lease liabilities		$ 349.6	$ 311.7

(1) Finance lease right-of-use assets are recorded net of accumulated depreciation of $13.2 million and $61.6 million as of December 31, 2023 and 2022, respectively.

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Lease cost

(in millions)	Successor		
	August 1, 2023 to December 31, 2023		
Statement of Operations Classification	Operating Leases	Finance Leases	Total
Cost of goods sold (exclusive of depreciation)	$ 11.8	$ —	$ 11.8
Outbound freight and handling	2.8	—	2.8
Warehousing, selling, and administrative	10.6	—	10.6
Depreciation	—	11.3	11.3
Interest expense	—	2.9	2.9
Total gross lease component costs	$ 25.2	$ 14.2	39.4
Variable lease costs			0.5
Short-term lease costs			2.8
Total gross lease costs			42.7
Less: sublease income			0.3
Total net lease costs			$ 42.4

(in millions)	Predecessor								
	January 1, 2023 to July 31, 2023			Year ended December 31, 2022			Year ended December 31, 2021		
Statement of Operations Classification	Operating Leases	Finance Leases	Total	Operating Leases	Finance Leases	Total	Operating Leases	Finance Leases	Total
Cost of goods sold (exclusive of depreciation)	$ 15.5	$ —	$ 15.5	$ 22.6	$ —	$ 22.6	$ 22.6	$ —	$ 22.6
Outbound freight and handling	4.1	—	4.1	6.6	—	6.6	6.6	—	6.6
Warehousing, selling, and administrative	17.2	—	17.2	27.6	—	27.6	28.3	—	28.3
Depreciation	—	15.4	15.4	—	26.6	26.6	—	26.4	26.4
Interest expense	—	3.2	3.2	—	3.8	3.8	—	3.7	3.7
Total gross lease component costs	$ 36.8	$ 18.6	55.4	$ 56.8	$ 30.4	87.2	$ 57.5	$ 30.1	87.6
Variable lease costs			0.6			1.2			1.7
Short-term lease costs			5.1			7.7			6.7
Total gross lease costs			61.1			96.1			96.0
Less: sublease income			0.6			0.9			2.1
Total net lease costs			$ 60.5			$ 95.2			$ 93.9

Maturity of lease liabilities

(in millions)	Operating Leases	Finance Leases	Total
2024	$ 59.2	$ 35.8	$ 95.0
2025	48.9	33.6	82.5
2026	41.7	29.8	71.5
2027	35.9	18.5	54.4
2028	27.8	9.6	37.4
2029 and after	105.6	7.5	113.1
Total lease payments	319.1	134.8	453.9
Less: interest	88.9	15.4	104.3
Present value of lease liabilities	$ 230.2	$ 119.4	$ 349.6

Lease term and discount rate

(in millions)	Successor December 31, 2023	Predecessor December 31, 2022
Weighted-average remaining lease term (years)		
Operating leases	7.6	8.3
Finance leases	6.1	6.3
Weighted-average discount rate		
Operating leases	7.61 %	4.91 %
Finance leases	5.92 %	4.29 %

Other information

(in millions)	Successor August 1, 2023 to December 31, 2023	Predecessor January 1, 2023 to July 31, 2023	Predecessor Year ended December 31, 2022	Predecessor Year ended December 31, 2021
Cash paid for amounts included in the measurement of lease liabilities				
Operating cash flows from operating leases	$ 25.3	$ 37.0	$ 57.4	$ 57.5
Operating cash flows from finance leases	2.8	3.3	3.8	3.6
Financing cash flows from finance leases	12.3	16.9	29.5	27.6

18. Related Parties

Transaction Fee Agreement

In connection with the Merger, an affiliate of Apollo entered into a transaction fee agreement with the Company relating to the provision of certain transaction preparation services in support of the Merger and future acquisitions or similar transactions following the Merger. In exchange for the provision of the services, the Company paid (a) a non-refundable fee to an affiliate of Apollo upon the consummation of the Merger and (b) in the event of any acquisition (including of assets or equity interests) of any business or entity by any of the Company, its direct or indirect subsidiaries, parent entities or controlled affiliates (collectively, the "Group"), a fee of up to 1% of the aggregate enterprise value paid by the Group or otherwise indicated by the acquisition to such affiliate of Apollo.

Upon the consummation of the Merger, the Company recognized $56.4 million in transaction costs within other operating expenses, net during the Successor period (see "Note 3: Business combinations" for additional information).

Member Distribution

The Company made a distribution of $27.6 million that reduced member's interest during the Successor period .

Management Consulting Agreement

In connection with the Merger, an affiliate of Apollo entered into a management consulting agreement with the Company relating to the provisions of certain management consulting and advisory services following the consummation of the Merger. The management consulting agreement provides that, in exchange for these services, the Company will pay an annual management fee of $10.0 million, payable quarterly to such affiliate of Apollo. The Company incurred $4.2 million in fees related to the management consulting agreement during the Successor period, which was included in other operating expenses, net in the consolidated statements of operations.

Participation of Apollo Global Funding, LLC, ACMP Holdings LLC, and Apollo Global Securities, LLC

Apollo Global Funding, LLC (an affiliate of Apollo) received customary fees of $11.1 million for participating as an arranger with respect to the US Term Loan, Euro Term Loan, and the ABL Facility.

ACMP Holdings LLC (an affiliate of Apollo) received customary fees of $4.4 million for participating as an arranger with respect to the US Term Loan, Euro Term Loan, and Senior Secured Notes.

Apollo Global Securities, LLC (an affiliate of Apollo) received $2.5 million of the gross spread as an initial purchaser in the sale of the Senior Secured Notes.

The Company recorded the payments noted above as $15.7 million related to the initial discount on debt for the Successor debt agreements (see "Note 9: Debt" for additional information) and $2.3 million recognized within interest expense during the Successor period.

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19. Subsequent events

The Company evaluated subsequent events through May 13, 2024, the date the financial statements were issued.

Term Loan Facility and Distribution to Limited Partnership

On February 1, 2024, the Company entered into Incremental Assumption and Amendment Agreement No. 1 (the "Incremental Term Loan"), which amended the Term Loan Facility to increase the US Term Loan aggregate principal amount by $360.0 million and the Euro Term Loan aggregate principal amount by €130.0 million. The proceeds from the Incremental Term Loan were used to fund a distribution of $500.0 million to the Limited Partnership on February 6, 2024 and to pay related fees and expenses.

On March 19, 2024, the Company entered into Incremental Assumption and Amendment Agreement No. 2, which amended the Term Loan Facility to (i) reduce the applicable margin on the Company's existing US Term Loan to 4.00% for Term SOFR borrowings and 3.00% for ABR borrowings, (ii) reduce the applicable margin on the Company's existing Euro Term Loan to 4.00% for EURIBOR borrowings, and (iii) provide that the Company may make voluntary prepayments of its existing term loans at par plus accrued but unpaid interest at any time prior to maturity, subject to a 1.00% prepayment premium in the event of certain specified repricing events during the first six months after the amendment effective date.

Valley Solvent Acquisition

On February 29, 2024, the Company acquired Valley Solvent Company, Inc., a distributor of solvents and inorganics and provider of waste management services in the Texas and Gulf coast region, for cash consideration of $81 million, subject to closing adjustments.