



**SECOND QUARTER FISCAL YEAR 2018**  
**Earnings Conference Call & Presentation**  
May 10, 2018 at 9:00 a.m. CT (10:00 a.m. ET)

**nexeo**<sup>®</sup>  
solutions

# Second Quarter Fiscal Year 2018

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**Welcome to Nexeo's Earnings Conference Call and Presentation**  
May 10, 2018 beginning at 9:00 a.m. CT (10:00 a.m. ET)

*...Please stand by, we will begin momentarily*

## **Dial-In Information**

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Domestic: +1.844.412.1004

International: +1.216.562.0451

Passcode: 4589438

# Agenda and Management Introductions

<b>1</b>	<b>INTRODUCTIONS AND SAFE HARBOR</b>	<b>Michael Everett</b> VP, Treasurer, FP&A, Investor Relations
<b>2</b>	<b>BUSINESS COMMENTARY</b>	<b>David Bradley</b> President & Chief Executive Officer
<b>3</b>	<b>FINANCIAL PERFORMANCE</b>	<b>Ross Crane</b> Executive VP & Chief Financial Officer
<b>4</b>	<b>CLOSING REMARKS</b>	<b>David Bradley</b> President & Chief Executive Officer
<b>5</b>	<b>Q&amp;A</b>	

# Non-GAAP Financial Measures and Safe Harbor

## Non-GAAP Financial Measures

Certain financial measures presented herein, including EBITDA, adjusted EBITDA, adjusted net income, adjusted EPS, Conversion Ratio and Net Debt were derived based on methodologies other than in accordance with generally accepted accounting principles (GAAP). We have included these measures because we believe they are indicative of our operating performance, are used by investors and analysts to evaluate us and can facilitate comparisons across periods. As presented by us, these measures may not be comparable to similarly titled measures reported by other companies. EBITDA, adjusted EBITDA, adjusted net income, adjusted EPS, Conversion Ratio and Net Debt should be considered in addition to, not as substitutes for, financial measures presented in accordance with GAAP. For a reconciliation of EBITDA, adjusted EBITDA, adjusted net income, adjusted EPS, and Net Debt to the most comparable GAAP financial measure, see the appendix slides.

## Safe Harbor

**Forward Looking Statements:** This presentation contains statements related to Nexeo Solutions, Inc.'s ("Nexeo" or the "Company") future plans and expectations and, as such, includes "forward-looking statements" within the meaning of the federal securities laws. Forward-looking statements are those statements that are based upon management's current plans and expectations as opposed to historical and current facts. Although the forward-looking statements contained in this presentation reflect management's current assumptions based upon information currently available to management and based upon that which management believes to be reasonable assumptions, the Company cannot be certain that actual results will be consistent with these forward-looking statements. The Company's future results will depend upon various risks and uncertainties, including the risks and uncertainties discussed in the Company's SEC filings, including in the sections entitled "Risk Factors" in such SEC filings. The Company does not intend to provide all information enclosed in this presentation on an ongoing basis.

# BUSINESS COMMENTARY

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David Bradley

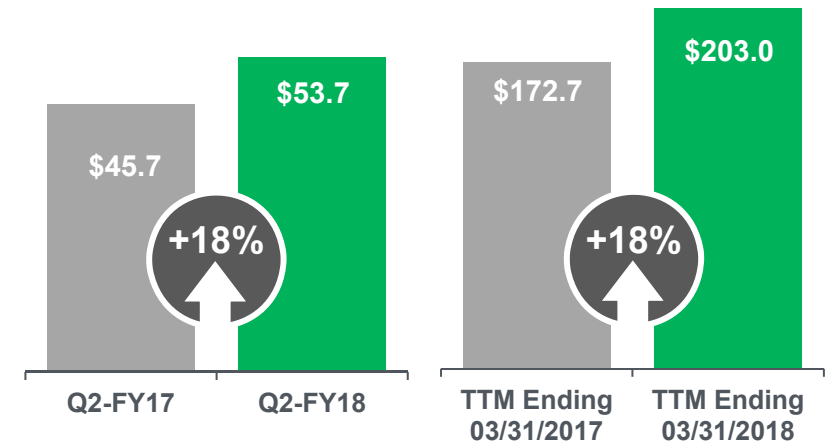
President & Chief Executive Officer

# Business Update

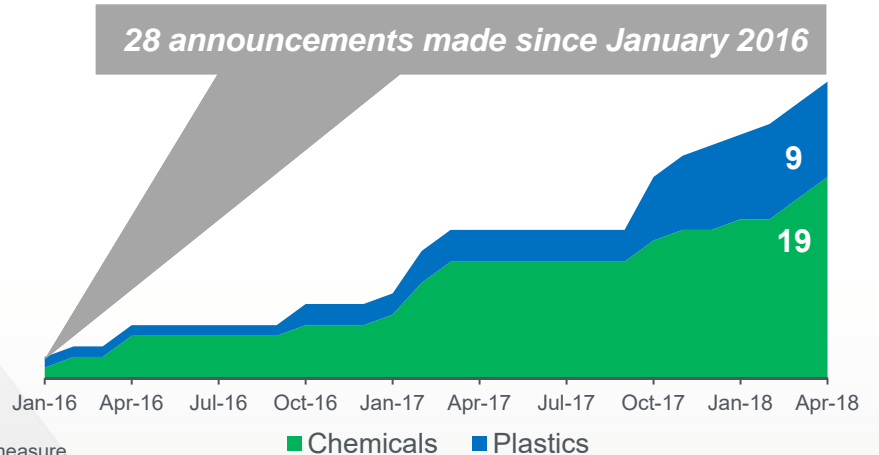
- Revenue growth of 13%, driven by strong price execution and specialty growth
- Second fiscal quarter net income of \$0.4 million, or \$0.01 per diluted share
  - Adjusted\* net income of \$11 million, or \$0.14 per diluted share, excluding negative impact of contingent consideration items
- Incremental gross profit conversion to adjusted\* EBITDA at 59%, including higher variable incentive costs
  - Drives adjusted\* EBITDA margin expansion by 20 bps
- Fourteen new specialty supplier authorizations fiscal year to date
  - Differentiated business model drives success in specialty growth

## Adjusted\* EBITDA Growth Year-Over-Year

(\$ in millions, Unaudited)



## Cumulative Supplier Authorizations



\*Non-GAAP financial measure; See appendix slides for reconciliation to the most comparable GAAP financial measure

# FINANCIAL PERFORMANCE

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Ross Crane  
Chief Financial Officer

# Fiscal Second Quarter 2018 Highlights

Consolidated			
(\$ in millions)	Three Months Ended Mar-31-2018 2Q-FY18	Three Months Ended Mar-31-2017 2Q-FY17	Variance YoY
Sales and operating revenues	\$ 1,041.0	\$ 917.7	13%
Gross profit	115.7	102.2	13%
Gross profit margin	11.1%	11.1%	0 bps

## Consolidated

- Volume flat
- Average selling prices up 13%

Chemicals			
(\$ in millions)	Three Months Ended Mar-31-2018 2Q-FY18	Three Months Ended Mar-31-2017 2Q-FY17	Variance YoY
Sales and operating revenues	\$ 487.8	\$ 415.0	18%
Gross profit	62.0	50.6	23%
Gross profit margin	12.7%	12.2%	+ 50 bps

## Chemicals

- Volume increased 5%
- Average selling prices up 12%

Plastics			
(\$ in millions)	Three Months Ended Mar-31-2018 2Q-FY18	Three Months Ended Mar-31-2017 2Q-FY17	Variance YoY
Sales and operating revenues	\$ 516.9	\$ 471.7	10%
Gross profit	47.0	45.8	3%
Gross profit margin	9.1%	9.7%	- 60 bps

## Plastics

- Volume down 4%
- Average selling prices up 14%





# Fiscal Second Quarter 2018 Consolidated Results



(\$ in millions)

	Three Months Ended Mar-31-2018	Three Months Ended Mar-31-2017	Variance YoY	
	2Q-FY18	2Q-FY17	\$	%
Sales and operating revenues	\$ 1,041.0	\$ 917.7	\$ 123.3	13%
Cost of sales and operating expenses	925.3	815.5	109.8	14%
Gross profit	115.7	102.2	13.5	13%
SG&A	85.9	80.0	5.9	7%
Transaction related costs	-	0.3	(0.3)	(100)%
Change in FV of contingent consideration obligation	12.6	10.0	2.6	26%
Operating income	17.2	11.9	5.3	45%
Other income	0.4	0.2	0.2	100%
Interest expense, net	(12.6)	(12.4)	(0.2)	(2)%
Income (loss) before income taxes	5.0	(0.3)	5.3	1,767%
Income tax expense	4.6	0.8	3.8	475%
<b>Net income (loss)</b>	<b>\$ 0.4</b>	<b>\$ (1.1)</b>	<b>\$ 1.5</b>	<b>136%</b>
<b>Adjusted* EBITDA</b>	<b>\$ 53.7</b>	<b>\$ 45.7</b>	<b>\$ 8.0</b>	<b>18%</b>
<b>Adjusted* EBITDA % of sales</b>	<b>5.2%</b>	<b>5.0%</b>		
<b>Conversion Ratio**</b>	<b>46.4%</b>	<b>44.7%</b>	<b>59.3%</b>	

\*Non-GAAP financial measure; See appendix slides for reconciliation to the most comparable GAAP financial measure

\*\*Non-GAAP financial measure; Calculated as adjusted\* EBITDA divided by gross profit

# Trailing Twelve Months - Consolidated Results

(\$ in millions)

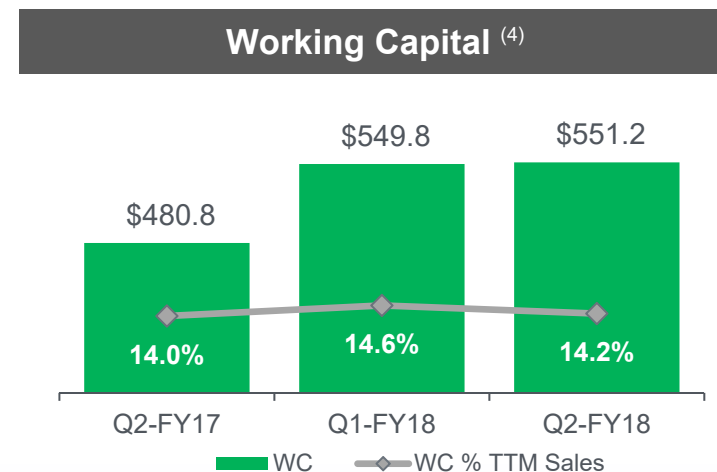
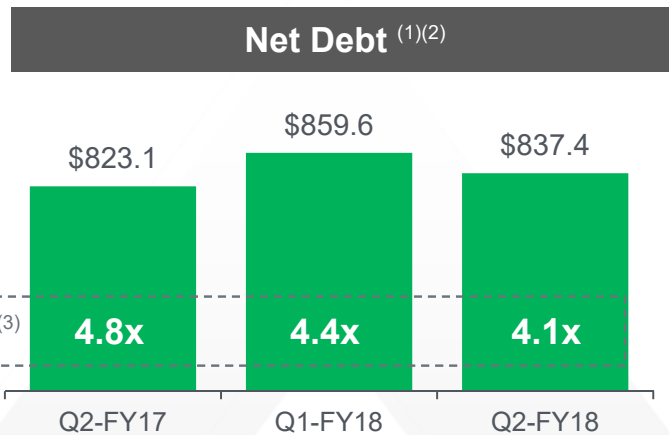
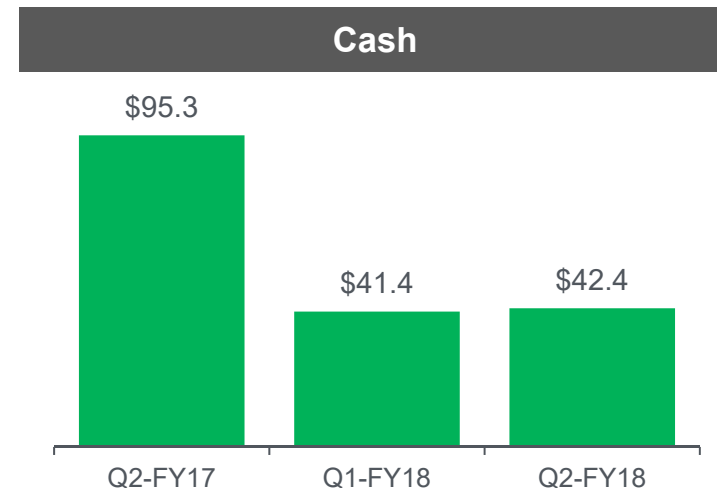
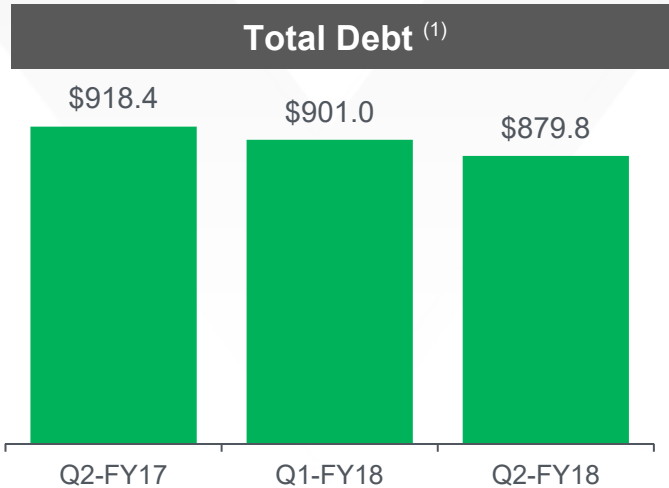
	Twelve Months Ended Mar-31-2018	Twelve Months Ended Mar-31-2017	Variance YoY	
	2Q-FY18	2Q-FY17	\$	%
Sales and operating revenues	\$ 3,895.0	\$ 3,428.4	\$ 466.6	14%
Cost of sales and operating expenses	3,460.6	3,058.0	402.6	13%
Gross profit	434.4	370.4	64.0	17%
SG&A	329.1	303.6	25.5	8%
Transaction related costs	0.9	46.4	(45.5)	(98)%
Change in FV of contingent consideration obligation	(10.4)	9.4	(19.8)	(211)%
Operating income	114.8	11.0	103.8	944%
Other income	6.2	3.4	2.8	82%
Interest expense, net	(52.0)	(50.4)	(1.6)	(3)%
Income (loss) before income taxes	69.0	(36.0)	105.0	292%
Income tax expense	18.3	0.4	17.9	4,475%
<b>Net income (loss)</b>	<b>\$ 50.7</b>	<b>\$ (36.4)</b>	<b>\$ 87.1</b>	<b>239%</b>
<b>Adjusted* EBITDA</b>	<b>\$ 203.0</b>	<b>\$ 172.7</b>	<b>\$ 30.3</b>	<b>18%</b>
<b>Adjusted* EBITDA % of sales</b>	<b>5.2%</b>	<b>5.0%</b>		
<b>Conversion Ratio**</b>	<b>46.7%</b>	<b>46.6%</b>	<b>47.3%</b>	

\*Non-GAAP financial measure; See appendix slides for reconciliation to the most comparable GAAP financial measure

\*\*Non-GAAP financial measure; Calculated as adjusted\* EBITDA divided by gross profit

# Key Balance Sheet Metrics

(\$ in millions)



(1) Total debt and Net Debt include unamortized debt issuance costs in accordance with the adoption of ASU No. 2015-03 and ASU No. 2015-15  
 (2) Net Debt is a non-GAAP financial measure and is defined as long-term debt and capital lease obligations, net of discount and deferred financing costs, plus short-term borrowings and current portion of long-term debt and capital lease obligations less cash and cash equivalents; See appendix slides for a reconciliation of Net Debt to the most comparable GAAP financial measure  
 (3) Leverage is calculated as Net Debt divided by trailing twelve month adjusted\* EBITDA from continuing operations; See appendix slides for a reconciliation of Net Debt and adjusted\* EBITDA to the most comparable GAAP financial measure  
 (4) Working capital is calculated as (Accounts receivable + Inventory) less (Accounts payable + Accrued expenses and other liabilities + Current due to related party pursuant to contingent consideration obligations)

# CLOSING REMARKS

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David Bradley

President & Chief Executive Officer

## Medium Term Outlook

- **Organic growth compounded in adjusted\* EBITDA of 6-8%**
  - Grow commodity volumes better than GDP
  - Grow specialty volumes two to three times commodities
  - Growth supplemented by:
    - Unique organic supplier growth (+1-2%)
    - Bolt-on M&A (+2-3%)
  
- **Adjusted\* EBITDA margin expansion of 50-100 bps to 6%**
  - Effective spread management with strong commercial execution
  - Increased specialty mix
  - Productivity
  - Scale
  
- **Conversion ratio of gross profit to adjusted\* EBITDA expansion to 45-47%**
  - Drive incremental gross profit conversion to adjusted\* EBITDA to 60-80%
  
- **Net leverage ratio 3-4x**



Source: Company Management

\*Non-GAAP financial measures; See appendix slides for reconciliation to the most comparable GAAP financial measure

(1) Adjusted\* EBITDA Margin defined as adjusted\* EBITDA / Revenue

(2) Conversion ratio defined as adjusted\* EBITDA / gross profit

(3) Net Leverage defined as Net Debt / trailing twelve month adjusted\* EBITDA from continuing operations

## QUESTION AND ANSWER

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To ask a question live over the phone, please press \* then the number 1 on your telephone keypad to queue our operator

If your question has been answered or you wish to remove yourself from the queue, please press #

# THANK YOU FOR ATTENDING

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*We look forward to hosting you next quarter!*

Please feel free to reach out to our Investor Relations Personnel via the contact information below with any outstanding questions you have or if you would like to discuss our strategy and investment proposition in further detail

+1.281.297.0856

[Investor.Relations@nexeosolutions.com](mailto:Investor.Relations@nexeosolutions.com)

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# Appendix



# Capital Structure Summary

Shares Used For Basic and Fully Diluted EPS Calculation	Share Count
Basic - Average Common Shares Outstanding	76.8 million
Diluted - Average Common Shares Outstanding	77.3 million
Shares Excluded From Basic and Fully Diluted EPS Calculation	Share Count
Founder Shares <sup>(1)</sup>	12.5 million
Warrants <sup>(2)</sup>	5.8 million*
Excess Shares <sup>(3)</sup> (Deferred Cash Consideration)	5.2 million

Note: For a complete description of the Founder Shares, Warrants and Deferred Cash Consideration, see the Company's (i) Final prospectus related to the Registration Statement on Form S-3/A filed on 08/30/16, (ii) Current Report on Form 8-K filed with the SEC on 06/15/16, and (iii) Current Report on Form 8-K filed with the SEC on 03/22/16

(1) Founder Shares Vesting and Forfeiture: The Founder Shares vest as follows: (i) 50% of the Founder Shares vest on the first day that the last sale price of the Company's Common Stock equals or exceeds \$12.50 per share for any 20 trading days within any 30 trading day period; and (ii) the remaining 50% of the Founder Shares vest on the first day that the last sale price of the Company's common stock equals or exceeds \$15.00 per share for any 20 trading days within any 30 trading day period; If none of the above vesting requirements are met, the Founder Shares will be forfeited on 06/09/26

(2) Warrants: 50,025,000 warrants are outstanding and have an exercise price of \$5.75 per half share of common stock (25,012,500 shares of common stock issuable); Warrants expire 06/09/21

(3) Excess Shares: Deferred Cash Consideration due to TPG and its affiliates in connection with the Business Combination. Triggering events for payment are earlier of (i) date when volume weighted average trading price of the Company's common stock exceeds \$15.00 per share for any 20 trading days in any 30 trading day period or (ii) June 30, 2021. The Company may satisfy payment of the Deferred Cash Consideration with existing cash funds or the issuance of common shares. The amount is calculated at the time of payment as the prevailing price of the Company's common stock multiplied by the number of Excess Shares

\*Assumes cashless exercise and stock price of \$15.00 per share; Full cash exercise would require \$288 million from warrant holders

# Fiscal Second Quarter 2018 Financial Results

In millions (except per share data)	Three Months Ended		Variance		Twelve Months Ended		Variance	
	Mar-31-2018	Mar-31-2017	\$	%	Mar-31-2018	Mar-31-2017	\$	%
<b>Sales and operating revenues</b>								
Chemicals	\$ 487.8	\$ 415.0	72.8	17.5 %	\$ 1,819.5	\$ 1,544.2	275.3	17.8 %
Plastics	516.9	471.7	45.2	9.6 %	1,936.6	1,760.7	175.9	10.0 %
Other	36.3	31.0	5.3	17.1 %	138.9	123.5	15.4	12.5 %
<b>Total sales and operating revenues</b>	<b>1,041.0</b>	<b>917.7</b>	<b>123.3</b>	<b>13.4 %</b>	<b>3,895.0</b>	<b>3,428.4</b>	<b>466.6</b>	<b>13.6 %</b>
<b>Gross profit</b>								
Chemicals	62.0	50.6	11.4	22.5 %	232.7	187.8	44.9	23.9 %
Margin	12.7%	12.2%	50 bps		12.8%	12.2%	60 bps	
Plastics	47.0	45.8	1.2	2.6 %	174.3	157.6	16.7	10.6 %
Margin	9.1%	9.7%	(60) bps		9.0%	9.0%	0 bps	
Other	6.7	5.8	0.9	15.5 %	27.4	25.0	2.4	9.6 %
<b>Total gross profit</b>	<b>115.7</b>	<b>102.2</b>	<b>13.5</b>	<b>13.2 %</b>	<b>434.4</b>	<b>370.4</b>	<b>64.0</b>	<b>17.3 %</b>
Total gross profit margin	11.1%	11.1%	0 bps		11.2%	10.8%	40 bps	
SG&A	85.9	80.0	5.9	7.4 %	329.1	303.6	25.5	8.4 %
Transaction related costs	-	0.3	(0.3)	(100.0)%	0.9	46.4	(45.5)	(98.1)%
Change in fair value related to contingent consideration	12.6	10.0	2.6	26.0 %	(10.4)	9.4	(19.8)	(210.6)%
<b>Operating income (loss)</b>	<b>17.2</b>	<b>11.9</b>	<b>5.3</b>	<b>44.5 %</b>	<b>114.8</b>	<b>11.0</b>	<b>103.8</b>	<b>943.6 %</b>
Other income	0.4	0.2	0.2	100.0 %	6.2	3.4	2.8	82.4 %
Interest expense, net	(12.6)	(12.4)	(0.2)	(1.6)%	(52.0)	(50.4)	(1.6)	(3.2)%
<b>Income (loss) before income taxes</b>	<b>5.0</b>	<b>(0.3)</b>	<b>5.3</b>	<b>1,766.7 %</b>	<b>69.0</b>	<b>(36.0)</b>	<b>105.0</b>	<b>291.7 %</b>
Income tax expense (benefit)	4.6	0.8	3.8	475.0 %	18.3	0.4	17.9	4,475.0 %
<b>Net income (loss) attributable to Nexeo Solutions, Inc.</b>	<b>\$ 0.4</b>	<b>\$ (1.1)</b>	<b>\$ 1.5</b>	<b>136.4 %</b>	<b>\$ 50.7</b>	<b>\$ (36.4)</b>	<b>\$ 87.1</b>	<b>239.3 %</b>
<b>Net income (loss) per share</b>								
Basic	\$ 0.01	\$ (0.01)						
Diluted	\$ 0.01	\$ (0.01)						
<b>Adjusted* net income</b>	<b>\$ 11.1</b>	<b>\$ 6.8</b>	<b>\$ 4.3</b>	<b>63.2 %</b>				
<b>Adjusted* net income (loss) per share</b>								
Basic	\$ 0.14	\$ 0.09						
Diluted	\$ 0.14	\$ 0.09						
<b>Adjusted* EBITDA</b>	<b>\$ 53.7</b>	<b>\$ 45.7</b>	<b>\$ 8.0</b>	<b>17.5 %</b>	<b>\$ 203.0</b>	<b>\$ 172.7</b>	<b>\$ 30.3</b>	<b>17.5 %</b>
<b>Adjusted* EBITDA % of sales</b>	<b>5.2%</b>	<b>5.0%</b>			<b>5.2%</b>	<b>5.0%</b>		
<b>Conversion Ratio**</b>	<b>46.4%</b>	<b>44.7%</b>	<b>59.3 %</b>		<b>46.7%</b>	<b>46.6%</b>	<b>47.3 %</b>	

\*Non-GAAP financial measure; See appendix slides for reconciliation to the most comparable GAAP financial measure

\*\*Non-GAAP financial measure; Calculated as adjusted\* EBITDA divided by gross profit

# Non-GAAP Reconciliation

## Nexeo Solutions, Inc. and Subsidiaries Adjusted Net Income Reconciliation

(\$ in millions except per share data, Unaudited)

	Q2-FY17		Q3-FY17		Q4-FY17		Q1-FY18		Q2-FY18	
	Amount	Per Share*	Amount	Per Share*	Amount	Per Share*	Amount	Per Share*	Amount	Per Share*
Net income (loss)	\$ (1.1)	\$ (0.01)	\$ 10.2	\$ 0.13	\$ 13.6	\$ 0.18	\$ 26.5	\$ 0.34	\$ 0.4	\$ 0.01
Change in fair value of contingent consideration obligation	10.0	0.13	(0.8)	(0.01)	(3.6)	(0.05)	(18.6)	(0.24)	12.6	0.16
Tax impact of change in fair value of contingent consideration obligation	(2.1)	(0.03)	0.2	0.00	0.8	0.01	2.7	0.04	(1.9)	(0.02)
<b>Adjusted net income</b>	<b>\$ 6.8</b>	<b>\$ 0.09</b>	<b>\$ 9.6</b>	<b>\$ 0.12</b>	<b>\$ 10.8</b>	<b>\$ 0.14</b>	<b>\$ 10.6</b>	<b>\$ 0.14</b>	<b>\$ 11.1</b>	<b>\$ 0.14<sup>(1)</sup></b>

\* Per share amounts based on basic shares for Q2-FY17 and diluted shares for Q3-FY17, Q4-FY17, Q1-FY18 and Q2-FY18

(1) Per share amounts above do not equal the total due to rounding

# Non-GAAP Reconciliation (continued)



## Nexeo Solutions, Inc. and Subsidiaries Quarterly Adjusted EBITDA Reconciliation

(\$ in millions, Unaudited)

	Q2-FY17	Q3-FY17	Q4-FY17	Q1-FY18	Q2-FY18
<b>Net income (loss)</b>	<b>\$ (1.1)</b>	<b>\$ 10.2</b>	<b>\$ 13.6</b>	<b>\$ 26.5</b>	<b>\$ 0.4</b>
Interest expense, net	12.4	13.5	13.0	12.9	12.6
Income tax expense	0.8	5.9	6.5	1.3	4.6
Depreciation and amortization	17.8	18.9	19.6	19.5	19.6
Other operating expenses, net <sup>(1)</sup>	15.8	3.9	-	(16.0)	16.5
<b>Adjusted EBITDA from continuing operations</b>	<b>\$ 45.7</b>	<b>\$ 52.4</b>	<b>\$ 52.7</b>	<b>\$ 44.2</b>	<b>\$ 53.7</b>

(1) See Non-GAAP Reconciliation: Quarterly – Other Operating Expenses, Net

# Non-GAAP Reconciliation (continued)

## Nexeo Solutions, Inc. and Subsidiaries TTM Adjusted EBITDA Reconciliation

(\$ in millions, Unaudited)

	Trailing Twelve Months Ending				
	03/31/2017	06/30/2017	09/30/2017	12/31/2017	03/31/2018
<b>Net income (loss)</b>	<b>\$ (36.4)</b>	<b>\$ 9.5</b>	<b>\$ 14.4</b>	<b>\$ 49.2</b>	<b>\$ 50.7</b>
Interest expense, net	50.4	49.8	50.8	51.8	52.0
Income tax expense	0.4	6.5	10.5	14.5	18.3
Depreciation and amortization	65.5	69.8	73.1	75.8	77.6
Other operating expenses, net <sup>(1)</sup>	92.8	42.7	35.8	3.7	4.4
<b>Adjusted EBITDA from continuing operations</b>	<b>\$ 172.7</b>	<b>\$ 178.3</b>	<b>\$ 184.6</b>	<b>\$ 195.0</b>	<b>\$ 203.0</b>

(1) See Non-GAAP Reconciliation: Trailing Twelve Months Ending - Other Operating Expenses, Net

# Non-GAAP Reconciliation (continued)

## Nexeo Solutions, Inc. and Subsidiaries Quarterly Other Operating Expenses, Net

(\$ in millions, Unaudited)

	Q2-FY17	Q3-FY17	Q4-FY17	Q1-FY18	Q2-FY18
Management add-backs <sup>(1)</sup>	\$ 3.4	\$ 2.2	\$ 2.5	\$ 1.3	\$ 2.6
Change in FV of contingent consideration obligation	10.0	(0.8)	(3.6)	(18.6)	12.6
Foreign exchange (gains) losses, net <sup>(2)</sup>	0.8	(0.4)	(0.6)	(0.5)	(0.5)
Compensation expense related to management equity plan (non-cash)	1.3	1.5	1.3	1.7	1.8
Inventory step up	-	1.2	(0.2)	-	-
Transaction and other transaction-related items <sup>(3)</sup>	0.3	0.2	0.6	0.1	-
<b>Other operating expenses, net</b>	<b>\$ 15.8</b>	<b>\$ 3.9</b>	<b>\$ -</b>	<b>\$ (16.0)</b>	<b>\$ 16.5</b>

(1) One-time management adjustments associated with integration, restructuring, transformational activities and asset impairments

(2) Includes the impact of net realized and unrealized foreign exchange gains and losses related to transactions in currencies other than the functional currency of the respective legal entity for the purpose of evaluating the Company's performance and facilitating more meaningful comparisons of performance to other fiscal periods

(3) Includes professional and transaction costs related to acquisitions, potential acquisitions and other business combination related items

# Non-GAAP Reconciliation (continued)

## Nexeo Solutions, Inc. and Subsidiaries TTM Other Operating Expenses, Net

(\$ in millions, Unaudited)

	Trailing Twelve Months Ending				
	03/31/2017	06/30/2017	09/30/2017	12/31/2017	03/31/2018
Management add-backs <sup>(1)</sup>	\$ 11.8	\$ 11.5	\$ 10.6	\$ 9.4	\$ 8.6
Change in FV of contingent consideration obligations	9.4	8.6	16.2	(13.0)	(10.4)
Foreign exchange (gains) losses, net <sup>(2)</sup>	4.0	1.9	0.6	(0.7)	(2.0)
Management fees <sup>(3)</sup>	0.5	-	-	-	-
Compensation expense related to management equity plan (non-cash)	4.3	5.4	5.5	5.8	6.3
Gain on sale of Franklin Park facility	2.6	2.6	-	-	-
Inventory step up	13.8	8.1	1.0	1.0	1.0
Transaction and other transaction-related items <sup>(4)</sup>	46.4	4.6	1.9	1.2	0.9
<b>Other operating expenses, net</b>	<b>\$ 92.8</b>	<b>\$ 42.7</b>	<b>\$ 35.8</b>	<b>\$ 3.7</b>	<b>\$ 4.4</b>

(1) One-time management adjustments associated with integration, restructuring, transformational activities and asset impairments

(2) Includes the impact of net realized and unrealized foreign exchange gains and losses related to transactions in currencies other than the functional currency of the respective legal entity for the purpose of evaluating the Company's performance and facilitating more meaningful comparisons of performance to other fiscal periods

(3) Management, monitoring, consulting, reimbursable fees and leverage fees, per the agreement with TPG Capital, L.P.; In connection with the business combination, this agreement was terminated

(4) Includes professional and transaction costs related to acquisitions, potential acquisitions and other business combination related items

# Non-GAAP Reconciliation (continued)

## Nexeo Solutions, Inc. and Subsidiaries Net Debt Reconciliation

(\$ in millions, Unaudited)

	<u>Q2-FY17</u>	<u>Q1-FY18</u>	<u>Q2-FY18</u>
Long-term debt and capital lease obligations, less current portion, net	\$ 871.3	\$ 852.6	\$ 829.9
Short-term borrowings and current portion of long-term debt and capital lease obligations	47.1	48.4	49.9
<b>Total Debt</b>	<b>918.4</b>	<b>901.0</b>	<b>879.8</b>
Cash and cash equivalents	(95.3)	(41.4)	(42.4)
<b>Net Debt</b>	<b>\$ 823.1</b>	<b>\$ 859.6</b>	<b>\$ 837.4</b>





NEXEO SOLUTIONS, INC.