



**FOURTH QUARTER & FISCAL YEAR 2017**  
**Earnings Conference Call & Presentation**  
December 7, 2017 at 9:00 a.m. CT (10:00 a.m. ET)

**nexeo**<sup>®</sup>  
solutions

# Fourth Quarter and Fiscal Year 2017

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**Welcome to Nexeo's Earnings Conference Call and Presentation**  
December 7, 2017 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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# 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, 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, 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 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

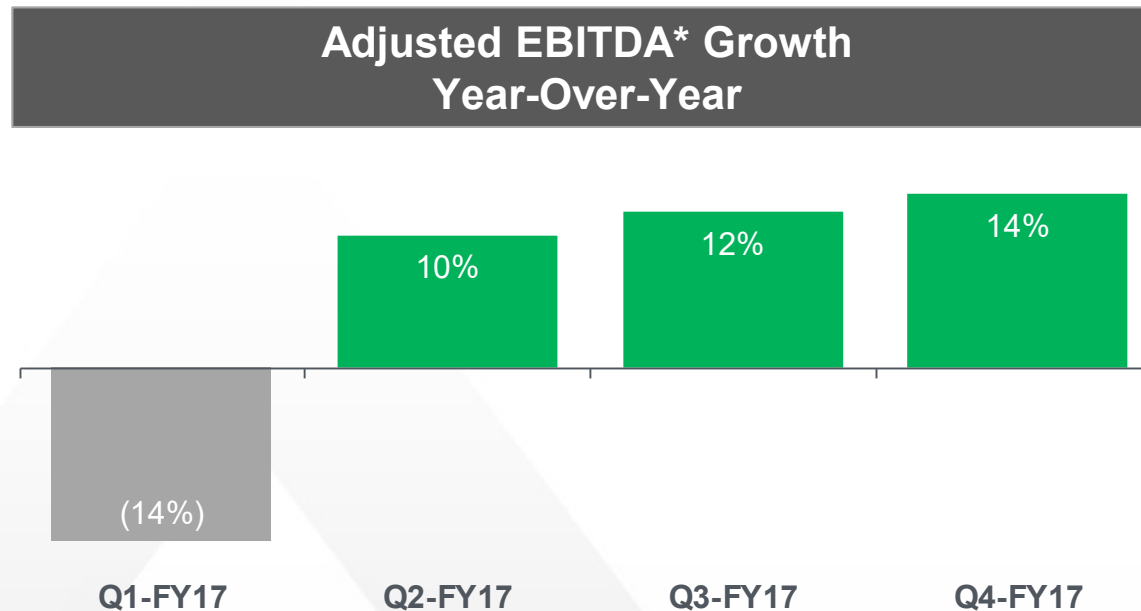
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David Bradley

President & Chief Executive Officer

## Business Update

- Fourth fiscal quarter revenue up 15%, full fiscal year up 7%
- Fourth fiscal quarter net income of \$13.6 million, or \$0.18 per share, and full fiscal year net income of \$14.4 million, or \$0.19 per share
- Fourth fiscal quarter adjusted EBITDA\* growth of 14%, full fiscal year growth of 6%
- Successfully mitigated potential financial impact of natural disasters
- Nine new authorizations from specialty suppliers, an 80% increase from last year



\*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 Fourth Quarter 2017 Highlights

In millions (except per share data)	Successor		Variance	
	Three Months Ended Sep-30-2017	Three Months Ended Sep-30-2016	YoY	
	4Q-FY17	4Q-FY16	\$	%
<b>Sales and operating revenues</b>				
Chemicals	\$ 455.9	\$ 383.9	72.0	18.8 %
Plastics	491.3	436.8	54.5	12.5 %
Other	34.5	30.7	3.8	12.4 %
<b>Total sales and operating revenues</b>	<b>981.7</b>	<b>851.4</b>	<b>130.3</b>	<b>15.3 %</b>
<b>Gross profit</b>				
Chemicals	58.0	46.1	11.9	25.8 %
<i>Margin</i>	12.7%	12.0%	70 bps	
Plastics	42.3	36.9	5.4	14.6 %
<i>Margin</i>	8.6%	8.4%	20 bps	
Other	8.8	6.6	2.2	33.3 %
<b>Total gross profit</b>	<b>109.1</b>	<b>89.6</b>	<b>19.5</b>	<b>21.8 %</b>
<i>Total gross profit margin</i>	11.1%	10.5%	60 bps	
SG&A	79.0	72.5	6.5	9.0 %
Transaction related costs	0.6	3.3	(2.7)	(81.8)%
Change in fair value related to contingent consideration	(3.6)	(8.9)	5.3	59.6 %
<b>Operating income</b>	<b>33.1</b>	<b>22.7</b>	<b>10.4</b>	<b>45.8 %</b>
Other income	-	0.5	(0.5)	(100.0)%
Interest expense, net	(13.0)	(12.0)	(1.0)	(8.3)%
<b>Net income (loss) from continuing operations before income taxes</b>	<b>20.1</b>	<b>11.2</b>	<b>8.9</b>	<b>79.5 %</b>
Income tax expense (benefit)	6.5	2.5	4.0	160.0 %
<b>Net income (loss) Attributed to Nexeo Solutions, Inc.</b>	<b>\$ 13.6</b>	<b>\$ 8.7</b>	<b>\$ 4.9</b>	<b>56.3 %</b>
<b>Net income (loss) per share available to common stockholders</b>				
Basic and Diluted	\$ 0.18	\$ 0.11		
<b>Adjusted EBITDA*</b>	<b>\$ 52.7</b>	<b>\$ 46.4</b>	<b>\$ 6.3</b>	<b>13.6 %</b>
<b>Adjusted EBITDA* % of sales</b>	<b>5.4%</b>	<b>5.4%</b>	<b>0 bps</b>	
<b>Conversion Ratio**</b>	<b>48.3%</b>	<b>51.8%</b>	<b>(350) bps</b>	

## Consolidated

- Volume increased 8%
- Average selling prices up 7%

## Chemicals

- Volume increased 6%
- Average selling prices up 12%

## Plastics

- Volume increased 11%
- Average selling prices up 2%

## EPS growth of 64%

## Adjusted EBITDA\* growth of 14%



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

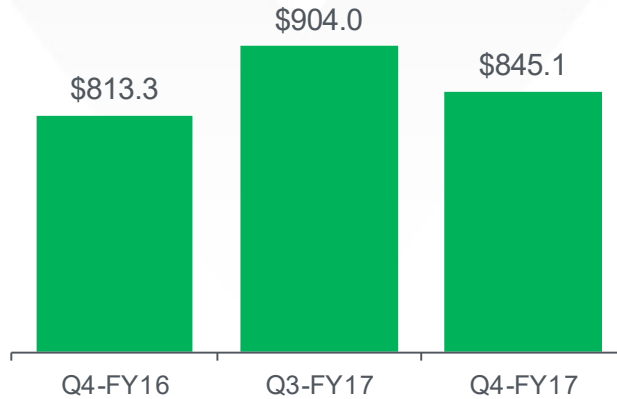
\*\*Non-GAAP financial measure; Calculated as adjusted EBITDA divided by gross profit



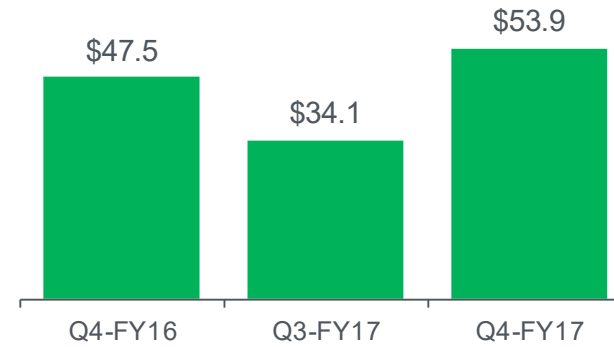
# Key Balance Sheet Metrics

(\$ in millions)

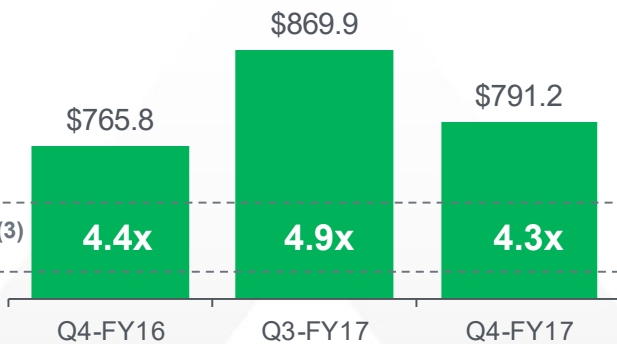
## Total Debt <sup>(1)</sup>



## Cash



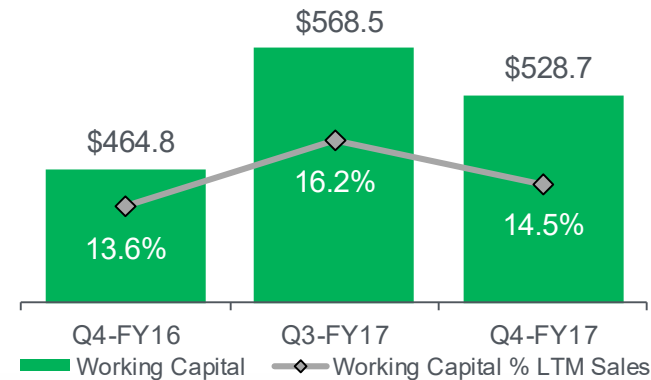
## Net Debt <sup>(1)(2)</sup>



Leverage <sup>(3)</sup>

4.4x      4.9x      4.3x

## Working Capital <sup>(4)</sup>



- (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 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 plus inventory less accounts payable

# CLOSING REMARKS

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David Bradley

President & Chief Executive Officer

## Strategic Objectives

- **Long-term growth objectives**

- Grow commodity volumes equal to or better than GDP
- Grow specialty volumes at two to three times the rate of commodities
- Supplement growth through targeted bolt-on acquisitions at reasonable multiples

- **Strategic plan for margin expansion**

- Leverage industry-leading, centralized, proprietary operating platform to drive productivity and cost enhancements across the company
- Improve specialty mix by continuing to expand specialty line card with new supplier authorizations and targeted acquisitions



## 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

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# Appendix



# Fiscal Year 2017 Financials

In millions (except per share data)	Successor	Successor	Predecessor	Combined	Variance	
	Fiscal Year Ended Sep-30-2017 FY 2017	Fiscal Year Ended Sep-30-2016 <sup>(1)</sup> FY 2016	Oct-01-2015 through Jun-08-2016 FY 2016	Fiscal Year Ended Sep-30-2016 FY 2016	YoY	
					Difference	% Change
<b>Sales and operating revenues</b>						
Chemicals	\$ 1,667.2	\$ 478.1	\$ 1,066.4	\$ 1,544.5	\$ 122.7	7.9 %
Plastics	1,841.7	546.7	1,192.2	1,738.9	102.8	5.9 %
Other	128.0	40.9	81.5	122.4	5.6	4.6 %
<b>Total sales and operating revenues</b>	<b>3,636.9</b>	<b>1,065.7</b>	<b>2,340.1</b>	<b>3,405.8</b>	<b>231.1</b>	<b>6.8 %</b>
<b>Gross profit</b>						
Chemicals <sup>(2)</sup>	205.6	55.7	136.2	191.9	13.7	7.1 %
Margin	12.3%	11.7%	12.8%	12.4%	(10) bps	
Plastics <sup>(3)</sup>	167.2	43.6	117.6	161.2	6.0	3.7 %
Margin	9.1%	8.0%	9.9%	9.3%	(20) bps	
Other	25.6	9.1	18.1	27.2	(1.6)	(5.9)%
<b>Total gross profit</b>	<b>398.4</b>	<b>108.4</b>	<b>271.9</b>	<b>380.3</b>	<b>18.1</b>	<b>4.8 %</b>
Total gross profit margin	11.0%	10.2%	11.6%	11.2%	(20) bps	
SG&A <sup>(4)</sup>	312.9	91.7	208.9	300.6	12.3	4.1 %
Transaction related costs	1.9	21.3	33.4	54.7	(52.8)	(96.5)%
Change in fair value related to contingent consideration	16.2	(11.2)	-	(11.2)	27.4	244.6 %
<b>Operating income</b>	<b>67.4</b>	<b>6.6</b>	<b>29.6</b>	<b>36.2</b>	<b>31.2</b>	<b>86.2 %</b>
Other income	8.3	0.5	2.9			
Interest expense, net	(50.8)	(14.3)	(42.2)			
<b>Net income (loss) from continuing operations before income taxes</b>	<b>24.9</b>	<b>(7.2)</b>	<b>(9.7)</b>			
Income tax expense (benefit)	10.5	1.2	4.2			
<b>Net income (loss) from continuing operations</b>	<b>14.4</b>	<b>(8.4)</b>	<b>(13.9)</b>			
Net income from discontinued operations, net of tax	-	-	0.1			
<b>Net income (loss) Attributed to Nexeo Solutions, Inc.</b>	<b>\$ 14.4</b>	<b>\$ (8.4)</b>	<b>\$ (13.8)</b>			
<b>Net income (loss) per share available to common stockholders</b>						
Basic	\$ 0.19	\$ (0.24)				
Diluted	\$ 0.19	\$ (0.24)				
<b>Adjusted EBITDA*</b>	<b>\$ 184.6</b>	<b>\$ 60.9</b>	<b>\$ 112.8</b>	<b>\$ 173.7</b>	<b>\$ 10.9</b>	<b>6.3 %</b>
<b>Adjusted EBITDA* % of sales</b>	<b>5.1%</b>	<b>5.7%</b>	<b>4.8%</b>	<b>5.1%</b>	<b>0 bps</b>	
<b>Conversion Ratio**</b>	<b>46.3%</b>	<b>56.2%</b>	<b>41.5%</b>	<b>45.7%</b>	<b>60 bps</b>	

(1) The fiscal year ended September 30, 2016 includes 114 days of the acquired business' operating activities as a result of the consummation of the Business Combination on June 9, 2016

(2) FY 2017 includes \$4.9 million of additional depreciation expense related to the business combination compared to the prior year

(3) FY 2017 includes \$1.9 million of additional depreciation expense related to the business combination compared to the prior year

(4) FY 2017 includes \$7.2 million of additional depreciation and amortization expense related to the business combination compared to the prior year and the Ultra Chem acquisition

\*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

# 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	76.8 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) time when the 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



# Non-GAAP Reconciliation

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

(\$ in millions, Unaudited)

	Q4-FY16	Q1-FY17	Q2-FY17	Q3-FY17	Q4-FY17
Net income (loss)	\$ 8.7	\$ (8.3)	\$ (1.1)	\$ 10.2	\$ 13.6
Interest expense, net	12.0	11.9	12.4	13.5	13.0
Income tax expense (benefit)	2.5	(2.7)	0.8	5.9	6.5
Depreciation and amortization	16.3	16.8	17.8	18.9	19.6
Other operating expenses, net <sup>(1)</sup>	6.9	16.1	15.8	3.9	-
<b>Adjusted EBITDA from continuing operations</b>	<b>\$ 46.4</b>	<b>\$ 33.8</b>	<b>\$ 45.7</b>	<b>\$ 52.4</b>	<b>\$ 52.7</b>

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

# Non-GAAP Reconciliation (continued)

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

(\$ in millions, Unaudited)

	Last Twelve Months Ending				
	09/30/2016	12/31/2016	03/31/2017	06/30/2017	09/30/2017
Net income (loss)	\$ (22.2)	\$ (34.7)	\$ (36.4)	\$ 9.5	\$ 14.4
Net (income) from discontinued operations	(0.1)	(0.1)	-	-	-
Interest expense, net	56.5	53.0	50.4	49.8	50.8
Income tax expense	5.4	1.4	0.4	6.5	10.5
Depreciation and amortization	58.3	61.5	65.5	69.8	73.1
Other operating expenses, net <sup>(1)</sup>	75.8	87.3	92.8	42.7	35.8
<b>Adjusted EBITDA from continuing operations</b>	<b>\$ 173.7</b>	<b>\$ 168.4</b>	<b>\$ 172.7</b>	<b>\$ 178.3</b>	<b>\$ 184.6</b>

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

# Non-GAAP Reconciliation (continued)

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

(\$ in millions, Unaudited)

	Q4-FY16	Q1-FY17	Q2-FY17	Q3-FY17	Q4-FY17
Management add-backs <sup>(1)</sup>	\$ 3.4	\$ 2.5	\$ 3.4	\$ 2.2	\$ 2.5
Change in FV of contingent consideration obligations	(11.2)	10.6	10.0	(0.8)	(3.6)
Foreign exchange (gains) losses, net <sup>(2)</sup>	0.7	0.8	0.8	(0.4)	(0.6)
Compensation expense related to management equity plan (non-cash)	1.2	1.4	1.3	1.5	1.3
Gain on sale of Franklin Park facility	2.6	-	-	-	-
Inventory step up	6.9	-	-	1.2	(0.2)
Transaction and other transaction-related items <sup>(3)</sup>	3.3	0.8	0.3	0.2	0.6
<b>Other operating expenses, net</b>	<b>\$ 6.9</b>	<b>\$ 16.1</b>	<b>\$ 15.8</b>	<b>\$ 3.9</b>	<b>\$ -</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 LTM Other Operating Expenses, Net

(\$ in millions, Unaudited)

	Last Twelve Months Ending				
	09/30/2016	12/31/2016	03/31/2017	06/30/2017	09/30/2017
Management add-backs <sup>(1)</sup>	\$ 8.9	\$ 9.8	\$ 11.8	\$ 11.5	\$ 10.6
Change in FV of contingent consideration obligations	(11.2)	(0.6)	9.4	8.6	16.2
Foreign exchange (gains) losses, net <sup>(2)</sup>	2.6	2.9	4.0	1.9	0.6
Management fees <sup>(3)</sup>	2.2	1.3	0.5	-	-
Compensation expense related to management equity plan (non-cash)	2.2	3.3	4.3	5.4	5.5
Gain on sale of Franklin Park facility	2.6	2.6	2.6	2.6	-
Inventory step up	13.8	13.8	13.8	8.1	1.0
Transaction and other transaction-related items <sup>(4)</sup>	54.7	54.2	46.4	4.6	1.9
<b>Other operating expenses, net</b>	<b>\$ 75.8</b>	<b>\$ 87.3</b>	<b>\$ 92.8</b>	<b>\$ 42.7</b>	<b>\$ 35.8</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)

	Q4-FY16	Q3-FY17	Q4-FY17
Long-term debt and capital lease obligations, less current portion, net	\$ 765.6	\$ 855.3	\$ 794.0
Short-term borrowings and current portion of long-term debt and capital lease obligations	47.7	48.7	51.1
<b>Total Debt</b>	<b>813.3</b>	<b>904.0</b>	<b>845.1</b>
Cash and cash equivalents	(47.5)	(34.1)	(53.9)
<b>Net Debt</b>	<b>\$ 765.8</b>	<b>\$ 869.9</b>	<b>\$ 791.2</b>

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NEXEO SOLUTIONS, INC.