

Engine Capital Sends Letter to the Board of Directors of Univar Regarding the Need to Initiate a Formal Review of Strategic Alternatives

NEW YORK--(BUSINESS WIRE)—Engine Capital LP, which owns approximately 1% of Univar Solutions Inc.'s (NYSE: UNVR) ("Univar" or the "Company") shares, today announced that it has sent the below letter to the members of the Company's Board of Directors.

November 30, 2022

Univar Solutions Inc.
3075 Highland Parkway Suite 200
Downers Grove, IL 60515
Attention: Board of Directors

Dear Members of the Board of Directors:

Engine Capital LP (together with its affiliates, "Engine" or "we") is a meaningful shareholder of Univar Solutions Inc. ("Univar" or the "Company"), with an ownership position of approximately 1% of the Company's outstanding shares. As you will recall, we sent you a letter in early October to highlight that the Company has been trading at a significant discount to its intrinsic value and encourage the Board of Directors (the "Board") to capitalize on this apparent mispricing by immediately initiating an aggressive share repurchase program. We also recommended that the Board initiate a review of strategic alternatives at the appropriate time.

We applaud you for announcing a \$200 million accelerated share repurchase and an additional \$1 billion share repurchase authorization when Univar posted its Q3 results on November 1, 2022. We were also pleased to learn over the weekend that Univar has received a preliminary indication of interest from Brenntag SE ("Brenntag"). This strategic approach from a direct competitor confirms Engine's view that Univar is undervalued in the public market and, in turn, a highly attractive acquisition target for qualified buyers. Both Univar and Brenntag have now publicly confirmed the discussions, meaning Univar is effectively in play.

As such, we urge you to publicly announce a competitive and formal sale process that invites additional parties to bid for the Company and ensures the Board has all the information needed to make a value-maximizing decision that benefits all shareholders. While we acknowledge the industrial logic of a combination between Univar and Brenntag, and believe the synergies would be material, we also note that private equity has been actively involved in the space, including through past ownership of both Univar and Brenntag.

Our prior letter listed many precedent transactions that point to a transaction multiple for Univar between 9x and 10x 2023 Adjusted EBITDA. Based on analysts' estimates of \$920 million 2023 Adjusted EBITDA, this multiple range would deliver a purchase price for shareholders between approximately \$38 and \$44 per share. We believe a sale price in that range is achievable if the Board runs a competitive sale process. It is our view that the stars have now aligned for Univar to run such a process, and we urge the Board to fulfill its fiduciary obligations and work to maximize value for all of the Company's shareholders.

Sincerely,

Arnaud Ajdler
Managing Partner

Brad Favreau
Partner

Engine Capital's previous letter sent to Univar's Board on October 10th, 2022 can be viewed on our website [here](#).

About Engine Capital

Engine Capital LP is a value-oriented special situations fund that invests both actively and passively in companies undergoing change.

Contacts

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