element solutions

Launching Element Solutions and 2018 Preliminary Results

January
2019

Safe Harbor

Please note that in this presentation, we may discuss events or results that have not yet occurred or been realized, commonly referred to as forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements made by or on behalf of the Company. Such discussion and statements will often contain words such as “expect,” “anticipate,” “project,” “will,” “should,” “believe,” “intend,” “plan,” “assume,” “estimate,” “predict,” “seek,” “continue,” “organizational design and implementation,” “global strategy,” “outlook,” “may,” “might,” “normalized,” “can have,” “likely,” “potential,” “target,” “hope,” “hopeful,” or variation of such words and similar expressions, and relate in this presentation, without limitation, to the timing for completion of the announced sale of Arysta LifeScience; the ability of the parties to close the transaction; the Company’s transition to Element Solutions Inc, including its name change, leadership and organizational redesign; preliminary unaudited fourth quarter and full year 2018 financial results; net leverage target cap, operating cash flow generation; going forward strategy; 2019 guidance and outlook, including market outlook and expected key drivers of performance, organic net sales growth expectations, anticipated translational FX impacts, adjusted EBITDA growth guidance and adjusted EPS guidance; and 2019 objectives.

These projections and statements are based on management's estimates, assumptions and expectations with respect to future events and financial performance and are believed to be reasonable, though are inherently uncertain and difficult to predict. Actual results could differ materially from those expressed or implied in the forward-looking statements if one or more of the underlying estimates, assumptions or expectations prove to be inaccurate or are unrealized. Important factors that could cause actual results to differ materially from those suggested by the forward-looking statements include, but are not limited to, the occurrence of any event, change or other circumstances that could give rise to the termination of the Arysta transaction; the risk that the transaction will not be consummated in a timely manner or by the targeted date; the risk that the Company will experience unanticipated delays or difficulties and transaction costs in consummating the transaction; the risk that any of the closing conditions to the transaction may not be satisfied in a timely manner or at all; the risk related to disruption from the transaction and the related diverting of management’s attention making it more difficult to maintain business and operational relationships; the failure to realize the benefits expected from the transaction or other related strategic initiatives; the impact of the transaction on the Company’s share price and market volatility; the effect of the announcement of the transaction on the ability of the Company to retain customers and suppliers, retain or hire key personnel, and maintain relationships with customers, suppliers and lenders; the effect of the transaction or the announcement and completion of related transactions on the Company’s operating results and businesses generally; the impact of any future acquisitions and/or additional divestitures, restructurings, refinancings, and other unusual items, including the Company's ability to raise or retire debt or equity and to integrate and obtain the anticipated benefits, results and/or synergies from these items or other related strategic initiatives. Additional information concerning these and other factors that could cause the Company’s actual results to vary is, or will be, included in the Company’s periodic and other reports filed with the Securities and Exchange Commission. The Company undertakes no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise.

All results of the Company for the fourth quarter and full year 2018 and the 2019 guidance and outlook included herein are preliminary and subject to completion of the Company’s year-end financial close process and its audited financial statements as of and for the fiscal year ended December 31, 2018. Actual results may differ materially from these preliminary estimates.

Non-GAAP Information

To supplement the financial measures prepared in accordance with generally accepted accounting principles in the United States (“GAAP”), the Company uses the following non-GAAP financial measures: EBITDA, adjusted EBITDA, adjusted EBITDA guidance, adjusted EBITDA margin, adjusted earnings per share (EPS), adjusted EPS guidance, net debt to adjusted EBITDA ratio, normalized operating cash flow and organic net sales growth. The Company also evaluates and presents its results of operations on a constant currency basis. The definitions and reconciliations of these non-GAAP measures to the most directly comparable financial measures calculated and presented in accordance with GAAP can be found in the footnotes and appendix of this presentation and in the Company’s release dated January 28, 2019 (the “Release”), a copy of which can be found on the Company’s website at www.platformspecialtyproducts.com. This presentation should be read in conjunction with the Release. The Company only provides adjusted EBITDA guidance, adjusted EPS guidance, and organic net sales growth expectations on a non-GAAP basis and does not provide reconciliations of such forward-looking non-GAAP measures to GAAP due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliations, including adjustments that could be made for restructurings, refinancings, divestitures, integration and acquisition-related expenses, share-based compensation amounts, nonrecurring, unusual or unanticipated charges, expenses or gains, adjustments to inventory and other charges reflected in the reconciliation of historic numbers, the amount of which, based on historical experience, could be significant.

Management internally reviews each of these non-GAAP measures to evaluate performance on a comparative period-to-period basis in terms of absolute performance, trends and expected future performance with respect to the Company’s business, and believes that these non-GAAP measures provide investors with an additional perspective on trends and underlying operating results on a period-to-period comparable basis. Platform also believes that investors find this information helpful in understanding the ongoing performance of its operations separate from items that may have a disproportionate positive or negative impact on its financial results in any particular period. These non-GAAP financial measures, however, have limitations as analytical tools, and should not be considered in isolation from, a substitute for, or superior to, the related financial information that Platform reports in accordance with GAAP. The principal limitations of these non-GAAP financial measures is that they exclude significant expenses and income that are required by GAAP to be recorded in the Company’s financial statements, and may not be completely comparable to similarly titled measures of other companies due to potential differences in calculation methods. In addition, these measures are subject to inherent limitations as they reflect the exercise of judgment by management about which items are excluded or included in determining these non-GAAP financial measures. Investors are encouraged to review the reconciliations of these non-GAAP financial measures to their most comparable GAAP financial measures included herein and in the Release, and not to rely on any single financial measure to evaluate Platform’s businesses. Please see the appendix to this presentation for a more detailed description of each non-GAAP financial measure used by the Company, including the adjustments reflected in each of them and the reason why it believes such non-GAAP measures are useful to investors.

In addition, this presentation contains certain financial information related to Element Solutions Inc, including net debt and net leverage ratio upon closing of the Arysta transaction. This information is provided for informational purposes only and is not necessarily, and should not be assumed to be, an indication of the results that may be achieved in the future.

Welcome from the Chairman

What We Announced Today

Sale of Arysta LifeScience

- Platform has obtained all required regulatory approvals to complete the sale of Arysta to UPL and expects the transaction to close on January 31, 2019
- Collaborative multi-year effort
- Positions company well for its next chapter

Introducing Element Solutions

- Element Solutions Inc expected to become official on February 1
- Leadership transition and organizational redesign to shift into a more streamlined structure
- Clear vision, strategy and culture to drive company performance

2018 Preliminary Results

- FY 2018 organic[1] net sales growth* of 3% and constant currency[2]* adj. EBITDA* growth of ~4%[3] year-over-year
- Despite challenging electronic and automotive end-markets, Platform grew both net sales and profits

2019 Guidance and Outlook

- 2019 guidance for organic net sales growth* and strong constant currency adjusted EBITDA* growth
- Double-digit adjusted EPS growth*
- Meaningful room for strategic capital allocation with net leverage target cap of 3.5x adjusted EBITDA*

* The financial measures, on this chart and on subsequent charts, are not in accordance with GAAP. For definitions of these non-GAAP measures, discussions of adjustments and reconciliations, please refer to the appendix of this presentation

1. Organic net sales growth, on this chart and subsequent charts, excludes the impact of currency, changes due to the pass-through pricing of certain metals, acquisitions and/or divestitures, as applicable
2. Constant currency, on this chart and subsequent charts, refers to the financial results of the current period translated at the prior period exchange rates
3. Assumes midpoint of FY 2018 range

Platform Specialty Products: 2016-2018

Transformative Three Years at Platform

- **Strong organic net sales growth by focusing on faster growing niche end-markets**
- **Improved operating rhythm, strategic focus and balance sheet**
- **Created a focused company better suited for public markets and more efficient management**
- **Tremendous talent growth in leadership team and executive ranks**

Preliminary Unaudited 2018 Full-Year Financial Results

Continuing Operations

FY 2018 Preliminary Results

	FY 2018	FY 2017	YoY%[1]	Constant Currency[1,*] YoY%	Organic* YoY%
($ in billions)					
Net Sales	**$1.96**	**$1.88**	***4%***	***3%***	***3%***
Electronics	1.16	1.12	*3%*	*2%*	*2%*
Industrial & Specialty	0.80	0.76	*6%*	*5%*	*5%*
($ in millions)					
Adj. EBITDA*	**$420 to $422**	**$401**	***~5%***	***~4%***	
% margin	*~21.5%*	*21.4%*	*~10 bps*	*~ — bps*	
Electronics	247 to 249	233	*~6%*	*~5%*	
Industrial & Specialty	172 to 174	168	*~3%*	*~2%*	

Preliminary FY 2018 Normalized Free Cash Flow*

($ in millions)	**FY 2018**
Net cash flows (used in) provided by operating activities of continuing operations	**$(2)-$0**
Less: Net Capital Expenditures[2]	~(24)
Plus: Cash Interest	~295
Less: Normalized Cash Interest[3]	<(70)
Normalized Free Cash Flow*	**~$200[4]**

- Net sales grew 4% year-over-year in FY 2018, driven by strong performance in Industrial, Assembly and Energy verticals
  - Industrial saw stable growth in Europe and the Americas; Asia was impacted by slower automotive markets
  - Energy and Graphics benefitted from a healthy demand environment and new customer wins
  - Mixed results in Electronics; strong growth in the Assembly and Semiconductor verticals was partially offset by declines in Circuitry due to lower global demand for high-end mobile phones and a broad macro weakness in Asia
- Constant currency adj. EBITDA growth* of ~4% year-over-year in FY 2018 was in line with organic net sales growth*
  - Contribution from organic net sales growth was partially offset by negative product mix and higher raw material costs
  - ~$5 million of corporate cost savings realized in FY 2018
- Assuming the capital structure expected to be in place post Arysta transaction, normalized free cash flow* for FY 2018 would have been approximately $200 million[4]

Note: Totals may not sum due to rounding or due to varying sizes of the two reportable segments
* See Non-GAAP footnote on p.3
1. Assume midpoint of FY 2018 adj. EBITDA range
2. Net capital expenditures includes capital expenditures of $28M less proceeds from disposals of property, plant and equipment of $4M
3. Assumes the following illustrative capital structure: $800M of 5.875% senior notes and $750M term loan (including the effect of an interest rate swap)
4. Assumes midpoint of operating cash flow range

Estimated Net Debt at Close

Instrument	Maturity	
New ESI Revolver ($330 million)	2024	$-
New ESI Term Loan B	2026	750
Total First Lien Debt		**$750**
5.875% Senior Notes	2025	800
Total Debt		**$1,550**
Cash Balance		**~$550**
Net Debt		**~$1,000**
Preliminary 2018 Adj. EBITDA*		***$420 to $422***
Net Debt to Adj. EBITDA ratio		***<2.4x***

- <4.5% weighted average cost of debt inclusive of new cross-currency basis swap to EURs
  - Term loan interest of ~2.3% EUR per year
  - Total cash interest of <$70 million per year
- 100% fixed-rate[1] term borrowing and no maturities before 2024
- ~ 50/50 EUR and USD denominated debt
  - Creates a natural FX hedge to non-USD earnings and cash-flow footprint
- $350 million+ of excess cash "dry-powder" to fund strategic capital allocation, including share repurchases
  - Significant headroom under 3.5x net leverage target cap if deemed prudent
- Net debt to adjusted EBITDA ratio of <2.4x at the close of the Arysta transaction
  - **Through cash flow and earnings growth, expected deleverage capacity of more than ~0.5x adjusted EBITDA* per year**

The completion of the Arysta sale will position ESI with a strong balance sheet and excess liquidity

* See Non-GAAP footnote on p.3
1. Includes the effect of the interest rate swap

Launching Element Solutions Inc

Leadership

element solutions

Office of the Chairman

Martin E. Franklin
Executive Chairman

Ben Gliklich
Chief Executive Officer

Scot R. Benson
President & Chief Operating Officer

Functional Leaders

- **John E. Capps** — *EVP, General Counsel & Secretary*
- **John P. Connolly** — *Chief Financial Officer*
- **Blake Batley** — *Chief Sales Officer*
- **Mike Goralski** — *VP, Supply Chain*

Operating Business Leaders

Electronics

- **Joe D'Ambrisi** — *Head of Electronics*

Industrial & Specialty

- **Michael Siegmund** — *SVP, Industrial Solutions*
- **Melanie Galloway** — *SVP, Graphics Solutions*
- **Steve Racca** — *VP, Offshore Solutions*

Launching Element Solutions Inc

Strategy

Commercial Excellence

Reliably meeting our customers' needs and demanding excellence and consistency

Market Leading Innovation

Partnering with customers and OEMs to support the development of their next big idea

Enabling Sustainability

Developing sustainable products that exceed stringent environmental standards

Decisiveness & Action Orientation

Empowering our employees to act swiftly and commit to the right decisions

Recruitment & Talent Development

Investing in talent development programs and retaining the best people for the job through a meritocratic culture

2019 Guidance and Outlook

	Electronics	Industrial & Specialty
Market Outlook and Expected Key Drivers of Performance	▪ Continued growth in Semiconductor Solutions and available market share opportunity ▪ Unit growth in broader electronics industry supports growth in Assembly Solutions ▪ Increasing electronic content per unit in mobile phones and automobiles, despite overall weaker markets ▪ Potential negative impacts of trade war on global customers and OEM behavior	▪ Stable western automotive markets – flat to slow growth ▪ Continued weakness in Asian automotive markets ▪ Favorable end-market trends in Graphics and Energy verticals
Organic* Net Sales Growth Expectations	**~1% – 3% organic growth**	
Anticipated Translational FX Impacts	**~2% of net sales;** **~$15 million on adjusted EBITDA***	
Adj. EBITDA* Growth Guidance	**~5 – 8% growth on a constant currency basis***	
Adjusted EPS* Guidance	**$0.75 – $0.80 adjusted earnings per share***	

* See Non-GAAP footnote on p.3

2019 Objectives

Successful Launch of Element Solutions Inc

Delivery of Financial Commitments and Strategic Initiatives

Compelling Free Cash Flow Growth

Capital Allocation to Compound Long-Term Shareholder Value

Appendix

Preliminary 4Q 2018 Financial Results

Continuing Operations

Preliminary 4Q 2018 Financial Results

	Q4 2018	Q4 2017	YoY%[1]	Constant Currency[1]* YoY%	Organic* YoY%
($ in billions)					
Net Sales	**$0.48**	**$0.49**	***(2)%***	***1%***	***1%***
Electronics	0.28	0.29	*(4)%*	*(1)%*	*(1)%*
Industrial & Specialty	0.20	0.19	*1%*	*4%*	*4%*
($ in millions)					
Adj. EBITDA*	**$98 to $100**	**$104**	***~(5)%***	***~(1)%***	
% margin	*~20.7%*	*21.2%*	*~(50) bps*	*~(40) bps*	
Electronics	57 to 59	63	*~(8)%*	*~(5)%*	
Industrial & Specialty	40 to 42	40	*~1%*	*~5%*	

Note: Totals may not sum due to rounding or due to varying sizes of the two reportable segments

* See Non-GAAP footnote on p.3

1. Assumes midpoint of Q4 2018 adj. EBITDA range

Adj. EBITDA Reconciliation

Continuing Operations

($ millions)	Q4 2018	Q4 2017	FY 2018	FY 2017
Unaudited loss from continuing operations before income taxes and non-controlling interests	**$(36) to $ (38)**	**$(108)**	**$(78) to $(80)**	**$(260)**
Add (subtract):				
Interest expense, net	78	81	311	337
Depreciation expense	11	12	45	46
Amortization expense	27	28	112	110
EBITDA	**78 to 80**	**13**	**388 to 390**	**233**
Adjustments to reconcile to Adjusted EBITDA:				
Restructuring expense	2	7	6	24
Acquisition and integration costs	2	0	12	4
Legal settlement gains	—	0	—	(11)
Foreign exchange loss on foreign denominated external and internal long-term debt	5	4	6	53
Debt refinancing costs	1	69	1	83
Pension plan settlement	—	11	—	11
Gain on sale of equity investment	—	—	(11)	—
Other, net	10	1	18	5
Adjusted EBITDA	**$98 to $100**	**$104**	**$420 to $422**	**$401**

Note: Totals may not sum due to rounding

Organic Net Sales Growth Reconciliation

Continuing Operations

	Three Months Ended December 31, 2018					
	Reported Net Sales Growth	Impact of Currency	Constant Currency	Change in Pass-Through Metals Pricing	Acquisitions	Organic Net Sales Growth
Electronics	(4)%	3%	(1)%	0%	(1)%	(1)%
Industrial & Specialty	1%	3%	4%	—%	—%	4%
Total	**(2)%**	**3%**	**1%**	**0%**	**—%**	**1%**

	Twelve Months Ended December 31, 2018					
	Reported Net Sales Growth	Impact of Currency	Constant Currency	Change in Pass-Through Metals Pricing	Acquisitions	Organic Net Sales Growth
Electronics	3%	(1)%	2%	0%	(1)%	2%
Industrial & Specialty	6%	(1)%	5%	—%	—%	5%
Total	**4%**	**(1)%**	**3%**	**0%**	**—%**	**3%**

Note: Totals may not sum due to rounding or due to varying sizes of the two reportable segments

Non-GAAP Definitions

Adjusted Earnings Per Share: Adjusted earnings per share is defined as net income (loss) from continuing operations attributable to common stockholders adjusted to reflect adjustments consistent with the Company's definition of adjusted EBITDA. Additionally, the Company eliminates the amortization associated with intangible assets and the step-up depreciation associated with fixed assets both recognized in purchase accounting for acquisitions. Further, it adjusts the effective tax rate to 27% for 2019. The resulting adjusted net income available to stockholders is divided by the number of shares of outstanding common stock as of the period end plus the number of shares that would be issued if all Platform's convertible stock were converted to common stock, stock options were vested and exercised, and awarded equity grants were vested. Adjusted earnings per share is a key metric used by management to measure operating performance and trends. In particular, the exclusion of certain expenses in calculating adjusted earnings per share facilitates operating performance comparisons on a period-to-period basis.

Constant Currency: Management discloses net sales and adjusted EBITDA on a constant currency basis, by adjusting results to exclude the impact of changes due to the translation of foreign currencies of its international locations into U.S. dollar. Management believes this non-GAAP financial information facilitates period-to-period comparison in the analysis of trends in business performance, thereby providing valuable supplemental information regarding its results of operations, consistent with how the Company evaluates its financial results.

The impact of foreign currency is calculated by converting the Company's current-period local currency financial results into U.S. dollar using the prior period's exchange rates and comparing these adjusted amounts to its prior period reported results. The difference between actual growth rates and constant currency growth rates represents the impact of foreign currency.

EBITDA and Adjusted EBITDA: EBITDA represents earnings before interest, provision for income taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA, excluding the impact of additional items which the Company believes are not representative or indicative of its ongoing business as described in the footnotes to the non-GAAP measures reconciliations in the Company's Release. Adjusted EBITDA also includes corporate costs, such as compensation expense and professional fees. Management believes adjusted EBITDA and adjusted EBITDA margin provide investors with a more complete understanding of the long-term profitability trends of Platform's business, and facilitate comparisons of its profitability to prior and future periods. However, these measures, which do not consider certain cash requirements, should not be construed as an alternative to net income or cash flow from operations as a measure of profitability or liquidity.

Net Debt to Adjusted EBITDA ratio: Net debt to adjusted EBITDA Ratio is defined as consolidated indebtedness, as defined in Platform's credit agreement, less cash divided by Adjusted EBITDA.

Normalized Free Cash Flow: Free cash flow is defined as net cash flows provided by operating activities less net capital expenditures. Net capital expenditures include capital expenditures less proceeds from disposal of property, plant and equipment. Normalized free cash flow adjusts for the anticipated impact of the Arysta sale on the Company's capital structure. Management believes normalized free cash flow provides investors with a helpful perspective on the operating cash flow of the Company after making the capital investments required to support ongoing business operations. Normalized free cash flow does not represent cash flow available for discretionary expenditures as it does not take into account certain mandatory cash outflows, such as debt repayments at maturity. Management uses normalized free cash flow as a measure to assess both business performance and overall liquidity.

Organic Net Sales Growth: Organic net sales growth is defined as net sales excluding the impact of foreign currency translation, changes due to the pass-through pricing of certain metals, and acquisitions and/ or divestitures, as applicable. Management believes this non-GAAP financial measure provides investors with a more complete understanding of the underlying net sales trends by providing comparable net sales over differing periods on a consistent basis.

For the three months ended December 31, 2018, pass-through metals pricing and acquisitions had a (negative) positive impact on the Company's Electronics and consolidated results by $(1.4) million and $2.2 million, respectively.

For the twelve months ended December 31, 2018, pass-through metals pricing and acquisitions had a (negative) positive impact on the Company's Electronics and consolidated results by $(3.4) million and $5.7 million, respectively.