



# Third Quarter 2018 Earnings Call

November 1, 2018



**ELEMENT**  
SOLUTIONS INC

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,” “should,” “normalized,” “can have,” “likely,” “potential,” “target,” “hope,” “hopeful,” and variation of such words and similar expressions, and relate in this presentation, without limitation, to the Company’s full year 2018 cash flow outlook, including cash interest, cash taxes and capex, and short term outlook, including the timing for completion of the announced sale of Arysta LifeScience; the ability of the parties to close the transaction, including obtaining the outstanding regulatory clearances and meeting other closing conditions; organizational design and structure implementation; global strategy; anticipated benefits of the transaction and its impact on the Company’s corporate identity, business and financial results, including its intended name change, new company structure, expected annualized adjusted EBITDA and LTM net leverage; target leverage ratio and 2018 adjusted EBITDA guidance for Element Solutions; full year earnings; expected additional run-rate savings; expected net debt; free cash flow generation; capital allocation strategy and financial flexibility to support organic investments, measured and strategic M&A and shareholder capital return.

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 necessary regulatory approvals may not be obtained or may be delayed or obtained subject to conditions that are not anticipated; 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 the U.S. Tax Cuts and Jobs Act of 2017 on the Company’s businesses; the impact of any future acquisitions 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; and the possibility of more attractive strategic options arising in the future. 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.

## 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 margin, adjusted EBITDA guidance, annualized adjusted EBITDA, adjusted earnings (loss) per share, free cash flow, and organic 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 footnote and appendix of this presentation and in the Company's earnings release dated November 1, 2018 (the "Earnings Release"), a copy of which can be found on the Company's website at [www.platformspecialtyproducts.com](http://www.platformspecialtyproducts.com). This presentation should be read in conjunction with the Earnings Release. The Company only provides adjusted EBITDA guidance and organic 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.

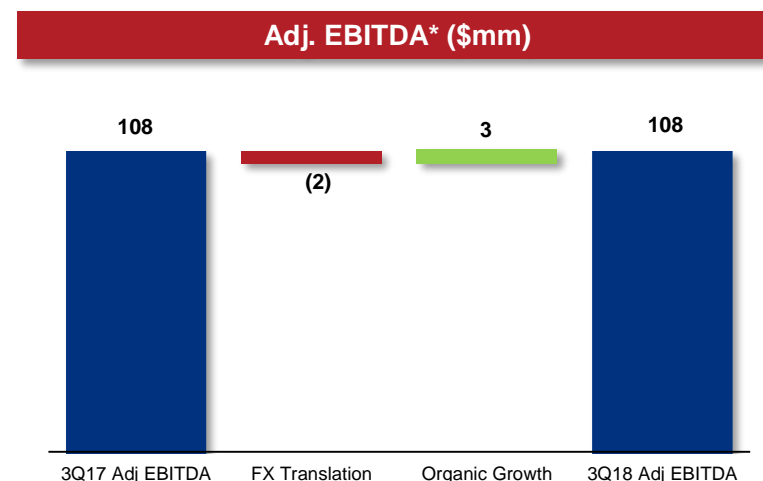
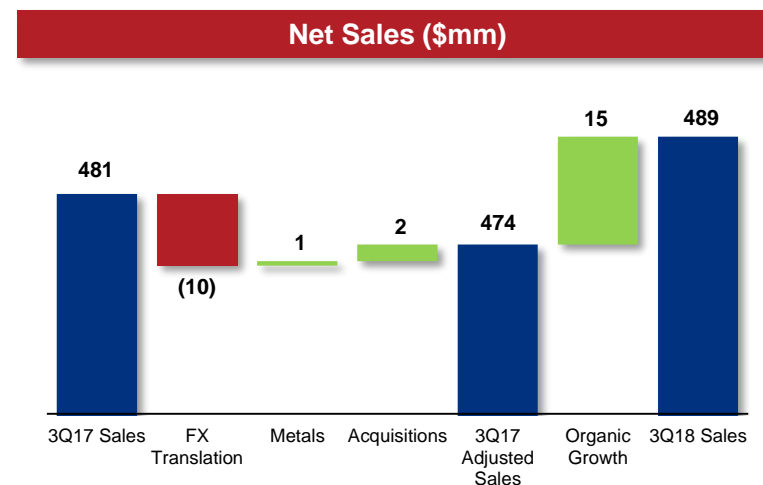
Management internally reviews each of these non-GAAP measures to evaluate performance on a comparative period-to-period basis in terms of absolute performance, trends and expected future performance with respect to the Company's business, and believes that these non-GAAP measures provide investors with 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 or are considered to be costs associated with its corporate structure. These non-GAAP financial measures, however, have limitations as analytical tools, and should not be considered in isolation from, or 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 earnings 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 we believe such non-GAAP measures are useful to investors.

In addition, this presentation contains certain financial information related to Element Solutions, including target leverage ratio and 2018 adjusted EBITDA guidance, expected annualized adjusted EBITDA, LTM net leverage, net debt, net debt to adjusted EBITDA ratio and normalized adjusted EPS. Element's 2018 adjusted EBITDA information includes \$5 million of reorganizational cost savings expected to be realized in 2018 with an additional \$20 million of run-rate savings expected from the sale of Arysta LifeScience and the associated reduction of corporate cost in 2019. 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.

# PLATFORM Q3 RESULTS (CONTINUING OPERATIONS)

(\$ in millions)	Q3 2018	Q3 2017	YoY%	Constant Currency <sup>1*</sup> YoY%	Organic <sup>2*</sup> YoY%
<b>Net Sales</b>	<b>\$489</b>	<b>\$481</b>	<b>2%</b>	<b>4%</b>	<b>3%</b>
<b>GAAP Diluted EPS</b>	<b>\$(0.02)</b>	<b>\$(0.13)</b>			
<b>Adj. EBITDA*</b>	<b>\$108</b>	<b>\$108</b>	<b>1%</b>	<b>3%</b>	
<i>% margin</i>	<i>22.2%</i>	<i>22.4%</i>	<i>(20) bps</i>	<i>(20) bps</i>	
<b>Adj. EPS*</b>	<b>\$0.04</b>	<b>\$0.02</b>	<b>100%</b>		
<b>Normalized Adj. EPS*</b>	<b>~\$0.17<sup>3</sup></b>				

- Net sales grew 2% year-over-year driven primarily by organic growth in each of our Performance Solutions businesses, which was partially offset by \$10 million of currency headwinds
  - Industrial experienced continued strong demand in the Americas and Europe
  - Mixed results in electronics assembly and circuit board chemistry, with growth in memory disk and semiconductor-related products partially offset by demand softness in high-end mobile markets
- GAAP earnings per share from continuing operations improved year-over-year primarily due to a higher reported income tax benefit, lower interest expense, lower FX losses, and higher operating profit
  - Adjusted EPS\* from continuing operations grew \$0.02 year-over-year
  - Including expected proceeds from the announced sale of Arysta LifeScience to UPL Limited, normalized adjusted EPS\* would have been approximately ~\$0.17<sup>3</sup>
- Constant currency adjusted EBITDA\* growth of 3% year-over-year was impacted by product mix and raw material inflation
  - Higher margin sales in Electronics were replaced by lower margin products in the Industrial business



Note: Totals may not sum due to rounding

\* 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. Constant currency, on this chart and subsequent charts, refers to the financial results of the current period translated at the prior period exchange rates

2. Organic sales growth, on this chart and subsequent charts, excludes the impact of currency, changes due to the pricing of certain pass-through metals, and acquisitions and / or divestitures, as applicable

3. See p.17 for reconciliation of Normalized Adj. EPS

# PLATFORM BALANCE SHEET & CASH FLOW CONSIDERATIONS

## Key Cash Flow Items (Excluding Discontinued Operations)

- YTD Q3 unlevered free cash flow<sup>1\*</sup> from continuing operations of \$189 million
  - YTD reported free cash flow\* of (\$44 million), due primarily to our continuing operations being burdened by our legacy capital structure and its related interest expense; improvement of approximately \$31 million year-over-year
- YTD working capital investment from continuing operations in line with prior year
  - Expect modest release in Q4 consistent with typical seasonal patterns
  - Continued focus on inventory management
- Cash interest savings of ~\$11 million year-over-year
- YTD 2018 and full year cash flow guidance in line with prior outlook

## Q3 2018 Cash Flow Uses and Outlook

\$ millions	Q3'18 YTD	2018E <sup>2</sup>
Cash Interest	\$233	~\$300
Cash Taxes	\$59	~\$80
Net Capex <sup>3</sup>	\$18	~\$30

## Balance Sheet Management (Including Discontinued Operations)

- Net debt (including discontinued operations) decreased by ~\$30 million from prior quarter due to cash generation and the translational benefit of a weaker Euro
- Revolver balance undrawn at quarter end
- Post completion of the announced sale of Arysta LifeScience to UPL Limited, net debt expected to be approximately \$1 billion

## Q3 2018 Debt Summary<sup>4</sup>

Instrument	(in millions)
Corporate Revolver	\$—
Term Loans and Other	3,155
<b>Total First Lien Debt</b>	<b>\$3,155</b>
<b>Total Unsecured Debt</b>	<b>\$2,378</b>
<b>Total Debt</b>	<b>\$5,533</b>
Cash Balance	403
<b>Net Debt<sup>5</sup></b>	<b>\$5,129</b>
Adjusted Shares Outstanding <sup>6</sup>	302
Market Capitalization <sup>7</sup>	3,767
<b>Capitalization</b>	<b>\$8,896</b>

Note: Totals may not sum due to rounding

\* See Non-GAAP footnotes on p. 3

1. Unlevered free cash flow is defined as free cash flow plus cash interest paid; free cash flow is defined as net cash flows provided by operating activities less net capital expenditures

2. Assumes the closing of the announced Arysta sale occurs after year-end 2018

3. Net Capex includes capital expenditures less proceeds from disposal of property, plant and equipment

4. See Appendix on p. 13 for additional information

5. See Appendix on p. 16 for reconciliation to Legacy Operations Adjusted EBITDA

6. See Appendix on p. 14 for reconciliation to Adjusted Share Counts

7. Based on Platform's closing price of \$12.47 at September 28, 2018, the last trading day of Q3 2018

- **Proceeding toward the sale of our Agricultural Solutions segment, Arysta LifeScience, to UPL Limited with a targeted closing on December 31, 2018, subject to customary closing conditions and outstanding regulatory clearances**
  - Merger control filings have been made in all necessary jurisdictions
  - Formal antitrust approval has been received in multiple jurisdictions including Brazil, Colombia, South Africa, and the United States (HSR)
  - Remaining approval processes are progressing
- **Effective at close, Platform plans to change its name to Element Solutions Inc and reorganize to a “one-company” structure**
  - Organizational design and implementation is underway including new roles and responsibilities under the “one-company” structure
  - Element Solutions’ global strategy to be communicated in conjunction with closing
- **Element Solutions reaffirms adj. EBITDA\* guidance of \$425 million - \$445 million and expects LTM net leverage of less than 2.5x**
  - 2018 adj. EBITDA includes \$5 million of reorganizational cost savings expected to be realized in 2018; expect an additional \$20 million of run-rate savings from the sale of Arysta LifeScience and the associated reduction of corporate cost in 2019
  - Full year earnings expected to be towards lower end of the guidance range due to realized FX headwind and softer end-markets, particularly in Asia
  - Expected net debt of approximately \$1 billion

\* See Non-GAAP footnotes on p. 3





**ELEMENT**  
SOLUTIONS INC



## Introducing Element Solutions

# Introducing Element Solutions Inc

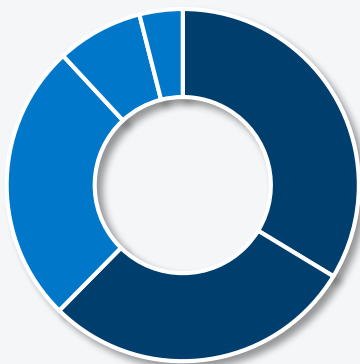
## A Leading Diversified Specialty Chemicals Company



### Chemical Technology Enabling Performance and Innovation

- Elements Solutions provides **high-quality, differentiated specialty chemical solutions** to a broad range of global manufacturing end-markets
- Our **chemical technologies and know-how enable our customers' manufacturing processes** and **product innovation** in the **electronics, automotive, packaging and offshore energy industries** amongst others

2017 Net Sales by Vertical



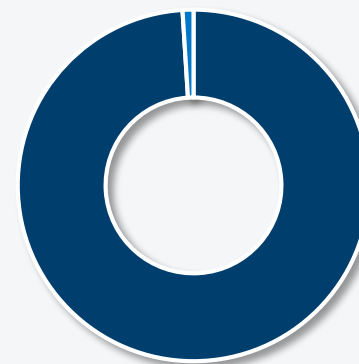
■ Electronics <sup>1</sup>	63%
■ Industrial & Specialty <sup>2</sup>	37%

2017 Net Sales by Geography



■ Americas	29%
■ EMEA	28%
■ Asia	43%

2017 Consumable Net Sales



■ Consumable	~99%
■ Other	~1%

Note: Totals may not sum due to rounding

1. Represents 2017 net sales for Assembly Solutions and Electronic Solutions

2. Represents 2017 net sales for Industrial Solutions, Graphic Solutions, and Offshore Solutions



## Electronics

### Our Brands

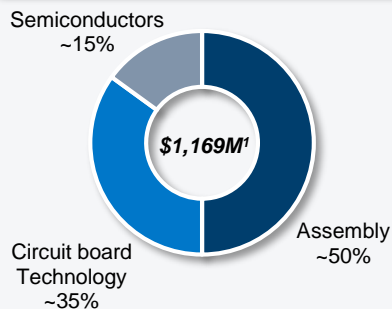


**Combined into one business**

### What We Do

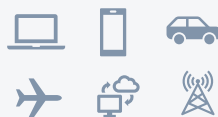
- Our **assembly solutions** business provides fluxes, solder paste, preforms, adhesives, and advanced polymers and inks to enable efficiency and reliability in device and component assembly
- Our **circuit board solutions** help form circuit patterns, deposit conducting copper, bond circuit layers, protect circuits from corrosion, and provide wear resistant connection points for complex printed circuit board fabrication
- Our **semiconductor materials** provide advanced packaging, interconnect assembly and photomasks solutions that meet the aggressive design requirements of integrated-circuit manufacturing

### Product Markets



### Key End-Markets

- Consumer electronics
- Telecom infrastructure
- Automotive electronics
- Servers & data storage
- Medical & aerospace



## Industrial and Specialty

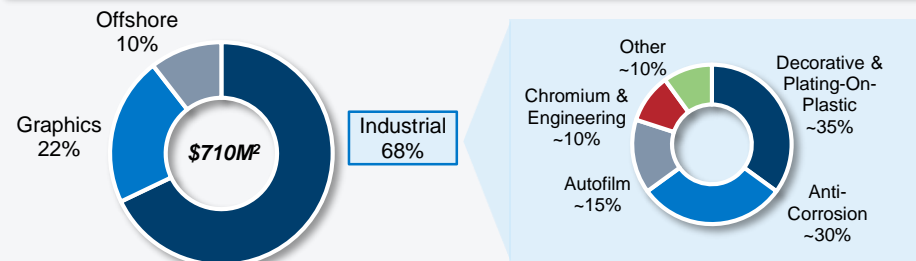
### Our Brands



### What We Do

- We provide **decorative finishes** and **plating-on-plastic** process technologies that are used in automotive, consumer electronics, and industrial end markets
- Our **anti-corrosion** solutions provide coatings to metals, primarily in automotive markets, and our **chromium**, **Autofilm**, and **electroless nickel** products treat surfaces with wear-resistant and advanced cosmetic properties
- Consumable plates that enable the **printing on flexible packaging materials**
- Hydraulic valve and pressure control fluids** for deep-water oil and gas exploration and production

### Our Product Markets



### End-Markets

- Automotive
- Consumer electronics
- Aerospace
- Construction
- Consumer packaged goods
- Oil & gas production

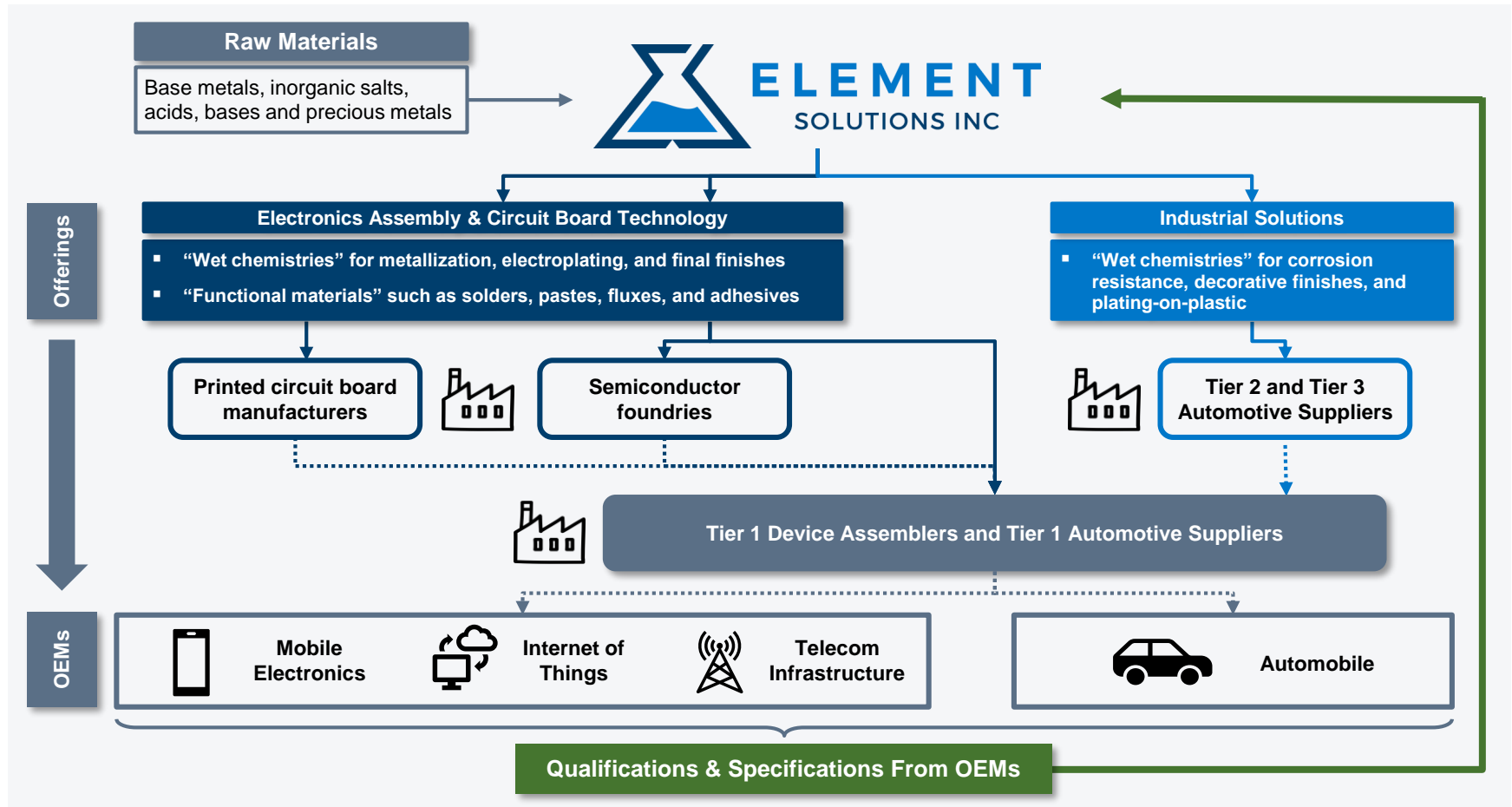


Note: Totals may not sum due to rounding

1. Represents 2017 net sales for Assembly Solutions and Electronic Solutions

2. Represents 2017 net sales for Industrial Solutions, Graphic Solutions, and Offshore Solutions

- Elements Solutions **works within multiple levels of complex supply chains** to help its **customers**, including **OEMs**, solve **their design problems** and **support their product development processes** – despite representing only a **very small portion of overall cost of production**



- With strong and stable free cash flow\* generation and a healthy balance-sheet, Element will have financial flexibility to support organic investment in strategic priority markets, measured M&A and shareholder capital returns

## Net-debt to Adj. EBITDA Ratio of Below 3.5x

### Invest in the Business

- Operating and capital investments to drive sustainable growth and margin expansion through innovation and on-the-ground presence

### Measured and Strategic M&A

- Opportunities to bolster existing business lines and create new growth opportunities through acquisitions of complementary technology, products, and geographies

### Return of Capital

- Opportunistic capital returns to shareholders (up to \$750 million of share repurchases already approved by the Board of Directors)

\* See Non-GAAP footnotes on p. 4

**Market leading positions across diverse and attractive end-markets**

**Broad range of product offerings and specification partnerships with customers**

**Customer-centric innovation and technology expertise**

**Critical products that are integrated within multiple levels of customer supply chains**

**Sustainable solutions to enable our customers in an increasingly complex regulatory environment**

**Stable cash flow and low capital requirements**

# APPENDIX

# PLATFORM'S CURRENT CAPITAL STRUCTURE



(\$ millions)			
Instrument	Maturity	Coupon	9/30/2018
Corporate Revolver	6/7/2020		\$—
Term Loan B6 - USD <sup>1,2</sup>	6/7/2023	L + 300	1,135
Term Loan B7 - USD <sup>1</sup>	6/7/2020	L + 250	630
Term Loan C5 - EUR <sup>1,2</sup>	6/7/2023	E + 275	696
Term Loan C6 - EUR <sup>1</sup>	6/7/2020	E + 250	678
Other Secured Debt			11
Other Secured Debt (Discontinued Operations)			5
<b>Total First Lien Debt</b>			<b>\$3,155</b>
6.5% Senior Notes due 2022	2/1/2022	6.5%	\$1,100
6.0% Senior Notes due 2023 (Euro)	2/1/2023	6.0%	406
5.875% Senior Notes due 2025	12/1/2025	5.875%	800
Other Unsecured Debt (Discontinued Operations)			\$72
<b>Total Unsecured Debt</b>			<b>\$2,378</b>
<b>Total Debt</b>			<b>\$5,533</b>
Cash Balance (Continuing Operations)			\$252
Cash Balance (Discontinued Operations)			\$151
<b>Net Debt</b>			<b>\$5,129</b>
Adjusted Shares Outstanding <sup>3</sup>			302
<b>Market Capitalization<sup>4</sup></b>			<b>\$3,767</b>
<b>Total Capitalization</b>			<b>\$8,896</b>

1. Platform swapped certain of its floating term loans to fixed rate including \$1.13 billion of its USD tranches and €277 million of its Euro tranches. At September 30, 2018, approximately 32% of debt was floating and 68% was fixed
2. These term loans mature on June 7, 2023, provided that the Company prepays, redeems or otherwise retires and/or refinances in full its 6.50% USD Senior Notes due 2022, as permitted under its Amended and Restated Credit Agreement, on or prior to November 2, 2021, otherwise the maturity reverts to November 2, 2021
3. See p.14 for reconciliation to Adjusted Share Counts
4. Based on Platform's closing price of \$12.47 at September 28, 2018, the last trading day of Q3 2018

Note: Totals may not sum due to rounding

# RECONCILIATION TO ADJUSTED SHARE COUNTS

<i>(amounts in millions)</i>	Q3 2018	Q3 2017
<b>Basic outstanding common shares</b>	<b>288</b>	<b>287</b>
Number of shares issuable upon conversion of PDH Common Stock	4	5
Number of shares issuable upon conversion of Series A Preferred Stock	2	2
Number of shares issuable upon vesting and exercise of Stock Options	1	1
Number of shares issuable upon vesting of granted Equity Awards	7	5
<b>Adjusted common shares outstanding</b>	<b>302</b>	<b>300</b>



# NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS RECONCILIATION TO ADJ. EBITDA (CONTINUING OPERATIONS)



(\$ millions)	Q3 2018	Q3 2017
<b>Net loss attributable to common stockholders</b>	<b>\$(409)</b>	<b>\$(69)</b>
<b>Add (subtract):</b>		
Net income attributable to the non-controlling interests	3	3
Loss from discontinued operations, net of tax	402	29
Income tax benefit	(19)	(2)
Interest expense, net	78	85
Depreciation expense	11	12
Amortization expense	28	28
<b>EBITDA</b>	<b>94</b>	<b>86</b>
<b>Adjustments to reconcile to Adjusted EBITDA:</b>		
Restructuring expense	1	9
Acquisition and integration costs	5	0
Foreign exchange loss on foreign denominated external and internal long-term debt	4	12
Debt refinancing costs	—	1
Other, net	5	—
<b>Adjusted EBITDA</b>	<b>\$108</b>	<b>\$108</b>

Note: Totals may not sum due to rounding

# RECONCILIATION TO ADJ. EBITDA FOR LEGACY OPERATIONS

(\$ millions)	LTM Q3-2018
<b>Net loss attributable to common stockholders</b>	<b>\$(501)</b>
<b>Add (subtract):</b>	
Net loss attributable to the non-controlling interests	(1)
Income tax expense	13
Interest expense, net	318
Depreciation expense	72
Amortization expense	261
<b>EBITDA</b>	<b>161</b>
<b>Adjustments to reconcile to Adjusted EBITDA:</b>	
Impairment loss associated with Announced Arysta sale	376
Restructuring expense	21
Acquisition and integration costs	10
Foreign exchange loss on foreign denominated external and internal long-term debt	15
Debt refinancing costs	69
Goodwill impairment associated with Arysta operations	160
Costs related to the Announced Arysta sale	22
Pension plan settlement and curtailment	11
Gain on sale of equity investment	(11)
Other, net	13
<b>Adjusted EBITDA</b>	<b>\$845</b>

Note: Totals may not sum due to rounding; legacy operations include continuing and discontinued operations

# GAAP NET LOSS RECONCILIATION TO ADJUSTED DILUTED EPS AND NORMALIZED ADJUSTED DILUTED EPS (CONTINUING OPERATIONS)



(\$ millions, except per share amounts)			Q3 2018	Q3 2017
<b>Net loss attributable to common stockholders</b>			<b>\$(409)</b>	<b>\$(69)</b>
Net loss from discontinued operations attributable to common stockholders			403	32
<b>Net loss from continuing operations attributable to common stockholders</b>			<b>(6)</b>	<b>(38)</b>
<b>Adjustments:</b>				
Reversal of amortization expense			28	28
Restructuring expense			1	9
Acquisition and integration costs			5	0
Foreign exchange loss on foreign denominated external and internal long-term debt			4	12
Debt refinancing costs			—	1
Other, net			5	—
Tax effect of pre-tax non-GAAP adjustments			(14)	(17)
Adjustment to estimated effective tax rate			(11)	12
Adjustment to reverse income attributable to certain non-controlling interests			2	1
<b>Adjusted net income from continuing operations attributable to common stockholders</b>			<b>\$13</b>	<b>\$7</b>
<b>Adjusted earnings per share from continuing operations</b>			<b>\$0.04</b>	<b>\$0.02</b>
<b>Adjustments to arrive at normalized earnings per share:</b>				
Interest expense savings based on illustrative capital structure <sup>1</sup>			59	
Tax effect of interest expense adjustment <sup>2</sup>			(20)	
<b>Normalized adjusted net income from continuing operations attributable to common stockholders</b>			<b>\$52</b>	
<b>Normalized adjusted earnings per share from continuing operations</b>			<b>\$0.17</b>	
<b>Adjusted shares outstanding</b>			<b>302</b>	<b>300</b>

Note: Totals may not sum due to rounding

<sup>1</sup> Assumes the following: \$4,200 million of sale proceeds from the announced sale of Arysta LifeScience to UPL Limited; a weighted average interest rate of 5.65%

<sup>2</sup> Assumes tax rate of 34%

## QUARTERLY RESULTS OVERVIEW (CONTINUING OPERATIONS)

(\$ millions)	2017				2018		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
<b>Net Sales</b>	\$447	\$462	\$481	\$489	\$492	\$502	\$489
<b>Adjusted EBITDA</b>	\$94	\$96	\$108	\$104	\$104	\$109	\$108

## ORGANIC SALES GROWTH RECONCILIATION (CONTINUING OPERATIONS)

	Organic Sales Growth					
	Reported Net Sales Growth	Impact of Currency	Constant Currency	Metals	Acquisitions	Organic Sales Growth
Q3 2018	2%	2%	4%	—%	—%	3%

# NON-GAAP DEFINITIONS

**Adjusted Earnings Per Share:** Adjusted earnings per share is defined as net 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 recognized in purchase accounting for acquisitions. Further, it adjusts the effective tax rate to 34% for 2018 and 35% for 2017. 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 at the period end. 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 operating results from net sales through operating profit 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. 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.

**Free Cash Flow and Unlevered 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. Unlevered free cash flow exclude interest expense payments. Management believes unlevered 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. Unlevered 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 unlevered free cash flow as a measure to assess both business performance and overall 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.

**Organic Sales Growth:** Organic sales growth is defined as net sales excluding the impact of foreign currency translation, changes due to the pricing of certain pass-through 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 sales over differing periods on a consistent basis.

For the three months ended September 30, 2018, the metals pricing had a positive impact of \$0.6 million and acquisitions had a positive impact of \$2.3 million on net sales.