



PLATFORM SPECIALTY
PRODUCTS CORPORATION

Q1 2014 Supplement

May 5, 2014

Disclaimer



- 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. Such discussion and statements will often contain words as “expect,” “anticipate,” “believe,” “intend,” “plan” and “estimate,” and include statements regarding Platform’s adjusted earnings per share, expected or estimated revenue, the outlook for its markets and the demand for its products, estimated sales, segment earnings, net interest expense, income tax provision, earnings per share, restructuring and other charges, cash flows from operations, consistent profitable growth, free cash flow, future revenues and gross operating and adjusted EBITDA margin improvement requirement and expansion, organic net sales growth, bank debt covenants, the success of new product introductions, growth in costs and expenses, the impact of commodities and currencies and Platform’s ability to manage its risk in these areas, and the impact of acquisitions, divestitures, restructuring and other unusual items, including Platform’s ability to successfully integrate and obtain the anticipated results and synergies from its consummated and future acquisitions. These projections and statements are based on management's estimates and assumptions with respect to future events and financial performance, and are believed to be reasonable, though are inherently difficult to predict. Actual results could differ materially from those projected as a result of certain factors. A discussion of factors that could cause results to vary is included in Platform’s periodic and other reports filed with the Securities and Exchange Commission, including Platform’s annual report on Form 10-K for the fiscal year ended December 31, 2013. Platform undertakes no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise.
- This presentation also contains non-GAAP financial measures, as defined in Regulation G. A reconciliation of such non-GAAP financial measures to the most directly comparable GAAP financial measures is provided herein.
- These non-GAAP measures are provided to reflect Platform’s acquisition of MacDermid, Incorporated on October 31, 2013. Platform did not own MacDermid for any of the “Predecessor” period or for the entirety of the “Successor” period. Our full year 2013 and first quarter 2014 financial results are presented for the “Predecessor” and “Successor” combined periods, which correspond to the combination of the periods preceding (January 1, 2013 through October 31, 2013) and succeeding (April 23, 2013 through December 31, 2013) the MacDermid acquisition, respectively. We are presenting our combined results for the full year 2013 and first quarter 2014 periods for comparative purposes, using the arithmetical sum of the results reported for the Successor and Predecessor periods. We are using this non-GAAP arithmetical combination as management believes it provides a more complete understanding of our operational results and a meaningful comparison of our performance between periods. This financial information may not reflect the actual financial results we would have achieved absent the MacDermid acquisition and may not be indicative of the results that we would expect to recognize for future periods. These non-GAAP measures should be considered in addition to, not a substitute for, measures of financial performance prepared in accordance with GAAP.

Q1 2014 in Review:



- ✓ Record Q1 Consolidated As Adjusted EBITDA of \$45.9 million.
- ✓ Q1 2014 GP% of 52.3%, compared to 51.3% for Q1 2013 and 51.0% for Q4 2013 showing continued margin growth as a result of targeted product mix evolution (also a Q1 record).
- ✓ Consolidated working capital of 23%.
- ✓ Electronics Solutions continues expansion into tablet and smartphone business in Asia with new high margin product offerings.
- ✓ Industrial Solutions revenues up by 3.1% compared to Q1 2013 fueled by Automotive Supply Chain and *Film in Mold* expansion into new car models – Beta testing of new products yielding favorable results.
- ✓ Offshore Solutions with further conversions to MacDermid drilling and maintenance fluid product offerings.
- ✓ Graphic Solutions shows continued customer penetrations with LUX product offering, which were offset by anticipated headwinds in P&C product lines.

Platform Select Adjusted Financial Results Q1'14 vs. Q1 '13 Predecessor/Successor Combined



	Q1 2014 Adjusted	Q1 2013 Adjusted	Prior Year Variance	
Total Sales	\$183.7	\$182.1	\$1.6	0.9%
Prop Sales	\$174.6	\$171.8	\$2.8	1.6%
Gross Profit	\$96.2	\$93.4	\$2.8	3.0%
GP% Total	52.3%	51.3%		
SG&A Costs	\$53.8	\$55.1	\$1.3	2.4%
Op Profit	\$42.4	\$38.3	\$4.1	10.7%
Other Inc/(Exp)	(\$0.1)	(\$0.6)		
Depreciation	\$3.6	\$3.2		
Adjusted EBITDA	\$45.9	\$40.9	\$5.0	12.2%
% Total	25.0%	22.5%		

Platform Segment Trends Predecessor/Successor Combined



	Q1 2012	Q1 2013	Q1 2014
<u>Revenues (in \$ millions)</u>			
Performance Materials	\$140.5	\$138.8	\$143.1
Graphic Solutions	\$41.7	\$43.3	\$40.6
Total Revenue	▲ \$182.2 ▲	\$182.1 ▲	\$183.7
<u>Segment Adjusted EBITDA (in \$ millions)⁽¹⁾⁽²⁾</u>			
Performance Materials	\$30.4	\$29.4	\$34.1
Graphic Solutions	\$8.4	\$11.5	\$11.8
Total EBITDA	▲ \$38.8 ▲	\$40.9 ▲	\$45.9

(1) Segment Adjusted EBITDA reflects allocation of corporate expenses

(2) See reconciliation of Non-GAAP measures starting on page 5 of this presentation.

Platform Reconciliation of Net Income to Adjusted EBITDA Predecessor/Successor Combined – Q1'14 vs. Q1'13



(in \$ millions)	Q1 2013	Q1 2014	
Net income (loss)	\$ 15.2	\$ (7.4)	
Adjustments to reconcile to net income (loss):			
Income tax expense (benefit)	6.3	2.1	
Interest expense	11.8	7.8	
Depreciation and amortization expense	9.9	16.9	(1)
Unrealized gain on foreign currency denominated debt	(4.1)		(2)
Restructuring and related expenses	1.6	-	(3)
Manufacturer's profit in inventory (purchase accounting)	-	12.0	(4)
Non-cash fair value adjustment to contingent consideration	-	13.0	(5)
Other expense (income)	0.2	1.5	(6)
Adjusted EBITDA	<u>\$ 40.9</u>	<u>\$ 45.9</u>	

2013 Footnotes:

- (1) Includes \$13.3m in Q1 2014 and \$6.7m in Q1 2013 for amortization expense that is added back in the "As Adjusted" Income Statement.
- (2) Predecessor adjustment to other income for non-cash gain on foreign denominated debt.
- (3) Includes restructuring expenses of \$1.6m of reorganization costs adjusted out of operating expenses for Q1 2013
- (4) Manufacturer's profit in Inventory adjustment associated with MacDermid acquisition. Adjusted out of Cost of Sales of \$12.0m.
- (5) Adjustment to fair value of contingent consideration in connection with the MacDermid acquisition primarily associated with achieving the first share price target.
- (6) Adjustment for reversal of the income attributable to the non-controlling interest resulting from the MacDermid acquisition.

Platform Reconciliation of Adjusted EBITDA to Gross Free Cash Flow Predecessor/Successor Combined



(in \$ millions)	Q1 2013	Q1 2014
Adjusted EBITDA	\$40.9	\$45.9
Gross Capital Expenditures	1.6	2.0
Change in Net Working Capital	(2.3)	11.9
Gross Free Cash Flow	\$41.6	\$31.9
Cash Conversion	1.0	0.7
Accounts Receivable, Net	139.8	141.4
Inventories, Net	79.9	79.9
Prepaid Expenses	9.9	10.8
Accounts Payable	(52.3)	(54.2)
Accrued Expenses	(42.1)	(30.8)
Net Working Capital	135.2	147.1

Platform As Adjusted EPS Predecessor/Successor Combined



	Q1 2014	Q1 2013
As Adjusted Net Income After Tax: ⁽¹⁾	\$ 23.0	\$ 20.0
As Adjusted EPS Diluted:	\$0.17	\$0.15
Diluted Share Count: ⁽²⁾	132.5	132.5

(1) Net Income After Tax excludes income attributable to minority interest.

(2) Diluted Share count assumes conversion and issuance of all outstanding warrants, conversion of exchange rights held by selling stockholders of MacDermid, shares issued in connection with the 401k exchange, common shares equivalent of founder's preferred shares and vested stock options.