



PLATFORM SPECIALTY
PRODUCTS CORPORATION

Q2 2014 Supplement

August 6, 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. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements made by or on behalf of Platform. 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. Pursuant to the requirements of Regulation G, a reconciliation of such non-GAAP financial measures to the most directly comparable GAAP financial measures is provided herein. These non-GAAP financial measures are provided because management of Platform uses such measures in monitoring and evaluating Platform’s ongoing financial results, as well as to reflect Platform’s acquisitions, such as the acquisition of MacDermid, Incorporated on October 31, 2013. Management believes these measures provide a more complete understanding of Platform’s operational results and a meaningful comparison of Platform’s performance between periods. These non-GAAP measures may not, however, reflect the actual financial results Platform would have achieved absent the acquisition of MacDermid, and may not be indicative of the results that Platform 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.

Platform Select Adjusted Financial Results Q2'14 vs. Q2'13 Predecessor/Successor Combined



	Q2 2014 Adjusted	Q2 2013 Adjusted	Prior Year Variance		YTD Q2'14 Adjusted	YTD Q2'13 Adjusted	Prior Year Variance	
Total Sales	\$189.1	\$190.0	(\$0.9)	(0.5%)	\$372.9	\$372.1	\$0.7	0.2%
Prop Sales	\$179.2	\$180.1	(\$0.9)	(0.5%)	\$353.8	\$351.9	\$2.0	0.6%
Gross Profit	\$96.7	\$96.7	(\$0.1)	(0.1%)	\$192.9	\$190.1	\$2.7	1.4%
GP% Total	51.1%	50.9%			51.7%	51.1%		
SG&A Costs	\$53.4	\$52.8	(\$0.6)	(1.1%)	\$107.1	\$107.9	\$0.8	0.7%
Op Profit	\$43.3	\$44.0	(\$0.6)	(1.4%)	\$85.7	\$82.3	\$3.5	4.2%
Other Inc/(Exp)	(\$0.5)	\$0.0			(\$0.6)	(\$0.5)		
Depreciation	\$5.4	\$3.2			\$9.0	\$6.3		
Adjusted EBITDA	\$48.2	\$47.1	\$1.1	2.3%	\$94.1	\$88.0	\$6.1	6.9%
% Total	25.5%	24.8%			25.2%	23.7%		

Platform Segment Trends Q2 2014

Predecessor/Successor Combined

	Q2 2014	Q2 2013	YTD Q2 2014	YTD Q2 2013
<u>Revenues (in \$ millions)</u>				
Performance Materials	\$147.1	\$145.3	\$290.2	\$284.1
Graphic Solutions	\$42.0	\$44.7	\$82.6	\$88.0
Total Revenue	\$189.1	\$190.0	\$372.9	\$372.1
<u>Segment Adjusted EBITDA (in \$ millions)⁽¹⁾⁽²⁾</u>				
Performance Materials	\$37.1	\$35.1	\$71.2	\$64.5
Graphic Solutions	\$11.1	\$12.0	\$22.9	\$23.5
Total EBITDA	\$48.2	\$47.1	\$94.1	\$88.0

⁽¹⁾ Segment Adjusted EBITDA reflects allocation of corporate expenses

⁽²⁾ See reconciliation of Non-GAAP measures starting on page 4 of this presentation.

Platform Reconciliation of Net Income to Adjusted EBITDA Predecessor/Successor Combined – Q2'14 vs. Q2'13



(in \$ millions)	Q2 2014		Q2 2013		YTD Q2 2014		YTD Q2 2013	
Net income (loss)	\$	(0.4)	\$	(5.9)	\$	(7.8)	\$	9.3
Adjustments to reconcile to net income (loss):								
Income tax expense (benefit)		(4.1)		7.8		(2.0)		14.1
Interest expense		7.6		12.8		15.4		24.6
Depreciation and amortization expense		21.4		9.8 ⁽¹⁾		38.3		19.7 ⁽¹⁾
Unrealized (gain) loss on foreign currency denominated debt				3.0 ⁽²⁾				(1.1) ⁽²⁾
Restructuring and related expenses		0.4		0.1		0.4		1.7 ⁽³⁾
Manufacturer's profit in inventory (purchase accounting)						12.0		⁽⁴⁾
Non-cash fair value adjustment to contingent consideration		10.8				23.8		⁽⁵⁾
Acquisition costs		10.6				10.6		⁽⁶⁾
Debt Extinguishment				18.8 ⁽⁷⁾				18.8 ⁽⁷⁾
Other expense (income)		1.9		0.7 ⁽⁸⁾		3.4		0.9 ⁽⁸⁾
Adjusted EBITDA	\$	48.2	\$	47.1	\$	94.1	\$	88.0

2013 Footnotes:

⁽¹⁾ Includes \$16.0m in Q2 2014 and \$6.7m in Q2 2013 and \$29.3m in YTD 2014 and \$13.4m in YTD 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 YTD 2013.

⁽⁴⁾ Adjustment to reverse manufacturer's profit in inventory purchase accounting adjustment associated with MacDermid Acquisition.

⁽⁵⁾ Adjustment to fair value of contingent consideration in connection with the MacDermid Acquisition primarily associated with achieving the share price targets.

⁽⁶⁾ Adjustment to reverse deal costs primarily in connection with the Chemtura Acquisition.

⁽⁷⁾ Adjustment to reverse debt extinguishment charge in connection with debt from Predecessor recapitalization.

⁽⁸⁾ Adjustment for reversal of the income attributable to the non-controlling interest resulting from the MacDermid Acquisition.

Free Cash Flow Schedule

	Q2'14	Q2'13	YTD Q2'14	YTD Q2'13	LTM
\$	1,488	\$ (5,764)	\$ (4,460)	\$ 9,573	\$ (196,144)
	21,396	9,854	38,286	19,741	64,158
	1,015	26,270	23,839	26,895	215,841
	1,645	685	(3,242)	(9,317)	604
\$	25,544	\$ 31,045	\$ 54,423	\$ 46,892	\$ 84,459
	(2,562)	(2,356)	(4,587)	(3,687)	(12,094)
\$	22,982	\$ 28,689	\$ 49,836	\$ 43,205	\$ 72,365
	10,604	-	10,604	-	42,729
\$	33,586	\$ 28,689	\$ 60,440	\$ 43,205	\$ 115,094
	70%	61%	64%	49%	62%
\$	48,216	\$ 47,132	\$ 94,104	\$ 88,021	\$ 186,189
	150,397	150,397	150,397	150,397	150,397
\$	0.22	\$ 0.19	\$ 0.40	\$ 0.29	\$ 0.77

⁽¹⁾ NIAT excludes income attributable to minority interest

Free Cash Flow Schedule – LTM

	Q2'14	Q1'14	Q4'13	Q3'13	LTM
Net Income ⁽¹⁾	\$ 1,488	\$ (5,948)	\$ (206,320)	\$ 14,636	\$ (196,144)
Plus: D&A	21,396	16,890	16,155	9,717	64,158
Plus: Other Non-Cash Expenses	1,015	22,824	192,567	(565)	215,841
Less: Change in Working Capital	1,645	(4,887)	3,961	(115)	604
Cash Flow from Operations	\$ 25,544	\$ 28,879	\$ 6,363	\$ 23,673	\$ 84,459
Less: Capex	(2,562)	(2,025)	(4,026)	(3,481)	(12,094)
Free Cash Flow	\$ 22,982	\$ 26,854	\$ 2,337	\$ 20,192	\$ 72,365
Plus: Acquisition-Related Expenses	10,604	-	32,125	-	42,729
Recurring Free Cash Flow	\$ 33,586	\$ 26,854	\$ 34,462	\$ 20,192	\$ 115,094
<i>% of EBITDA</i>	70%	59%	77%	42%	62%
Adjusted EBITDA	\$ 48,216	\$ 45,888	\$ 44,471	\$ 47,614	\$ 186,189
<i>Adjusted Diluted Shares Outstanding</i>	150,397	150,397	150,397	150,397	150,397
Recurring Free Cash Flow per Share	\$ 0.22	\$ 0.18	\$ 0.23	\$ 0.13	\$ 0.77

⁽¹⁾ NIAT excludes income attributable to minority interest

Free Cash Flow Schedule – YTD

	Q2'14	Q1'14	YTD' 14	Q2'13	Q1'13	YTD' 13
Net Income ⁽¹⁾	\$ 1,488	\$ (5,948)	\$ (4,460)	\$ (5,764)	\$ 15,337	\$ 9,573
Plus: D&A	21,396	16,890	38,286	9,854	9,887	19,741
Plus: Other Non-Cash Expenses	1,015	22,824	23,839	26,270	625	26,895
Less: Change in Working Capital	1,645	(4,887)	(3,242)	685	(10,002)	(9,317)
Cash Flow from Operations	\$ 25,544	\$ 28,879	\$ 54,423	\$ 31,045	\$ 15,847	\$ 46,892
Less: Capex	(2,562)	(2,025)	(4,587)	(2,356)	(1,331)	(3,687)
Free Cash Flow	\$ 22,982	\$ 26,854	\$ 49,836	\$ 28,689	\$ 14,516	\$ 43,205
Plus: Acquisition-Related Expenses	10,604	-	10,604	-	-	-
Recurring Free Cash Flow	\$ 33,586	\$ 26,854	\$ 60,440	\$ 28,689	\$ 14,516	\$ 43,205
<i>% of EBITDA</i>	70%	59%	64%	61%	36%	49%
Adjusted EBITDA	\$ 48,216	\$ 45,888	\$ 94,104	\$ 47,132	\$ 40,889	\$ 88,021
<i>Adjusted Diluted Shares Outstanding</i>	150,397	150,397	150,397	150,397	150,397	150,397
Recurring Free Cash Flow per Share	\$ 0.22	\$ 0.18	\$ 0.40	\$ 0.19	\$ 0.10	\$ 0.29

⁽¹⁾ NIAT excludes income attributable to minority interest

Platform As Adjusted EPS

	Q2'14	Q2'13	YTD Q2'14	YTD Q2'13
As Adjusted NIAT ⁽¹⁾	\$ 26.7	\$ 23.8	\$ 49.7	\$ 43.8
As Adjusted EPS Basic:	\$0.19	\$0.17	\$0.36	\$0.32
Basic Share Count:	137.3	137.3	137.3	137.3
As Adjusted EPS Diluted	\$0.18	\$0.16	\$0.33	\$0.29
Diluted Share Count ⁽²⁾	150.4	150.4	150.4	150.4

⁽¹⁾ NIAT excludes income attributable to minority interest

⁽²⁾ Diluted Share count calculated as follows: Shares Outstanding @ 6/30/14: [137,291] + Conversion of exchange rights held by selling stockholders of MacDermid [8,775] + Common shares equivalent of founder's preferred shares [2,000] + Expected share issuance for CAS acquisition [2000] + Vested Director stock options [250] + Equity awards granted in 2014 [81]