PLATFORM SPECIALTY PRODUCTS CORPORATION

# Bank of America Merrill Lynch 2017 Global Agriculture Conference

MacDermid PERFORMANCE SOLUTIONS

Arysta LifeScience

**March 1, 2017**

# 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,” “estimate,” and similar expressions, and relate, without limitations, to the Company's adjusted EBITDA and adjusted earnings per share, expected or estimated net sales, meeting financial and/or strategic goals and objectives, segment earnings, net interest expense, income tax provision, cash flow from operations, full year cash taxes, capital expenditures, restructuring costs and other non-cash charges, the size and outlook for the Company's markets and the demand for its products, consistent profitable growth, free cash flows, future net sales, gross, operating and EBITDA margin requirements and expansion, organic sales growth, performance trends, extending into new markets, bank leverage ratios, the success of new product introductions, growth in costs and expenses, the impact of commodities and currencies costs, the Company's ability to manage its risk in these areas, the Company’s ability to identify, hire and retain executives and other qualified employees, the Company’s assessment over its internal control over financial reporting, and the impact of acquisitions, divestitures, restructurings, refinancings, and other unusual items, including the Company's ability to raise new debt and equity and to integrate and obtain the anticipated benefits, results and synergies from its consummated 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 uncertain and 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 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.

This presentation also contains unaudited “comparable” financial information which assumes full period contribution of Alent plc and the Electronic Chemicals and Photomasks businesses of OM Group, Inc., each acquired in Q4 2015; and OMG Electronic Chemicals (M) SdnBhd acquired in 2016. This combined information is provided for informational purposes only and is not necessarily, and should not be assumed to be, an indication of the results that would have been achieved had the Company’s acquisitions been completed as of the dates indicated, or that may be achieved in the future. Historical financial results and information included herein relating to these acquired businesses were derived from public filings, when applicable, and/or information provided by management of these businesses prior to their acquisitions by the Company. In addition, financial information for some of these acquired businesses was historically not prepared in accordance with GAAP accounting methods, and may or may not be comparable to the Company’s financial statements. Consequently, you are cautioned not to place undue reliance on these results and information as they may not be representative in any way of the Company’s actual or future results as a consolidated company.

# Unaudited Financial Information

The financial information for Q4 and fiscal year 2016 set forth in this presentation consists of unaudited results, which remain subject to the completion of Platform’s audited financial statements for the fiscal year ended December 31, 2016. These results will not be final until such completion and, therefore, are subject to change.

# 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: adjusted EBITDA, adjusted EBITDA margin, adjusted EBITDA guidance, comparable net sales, comparable adjusted earnings per share, comparable adjusted EBITDA, comparable adjusted EBITDA margin, organic sales and free cash flow. The Company also evaluates and presents its results of operations on a constant currency and comparable constant currency basis.

The reconciliations of these non-GAAP measures to the most directly comparable financial measures calculated and presented in accordance with GAAP can be found in this presentation and the tables included in the Company's release dated February 28, 2017 (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, organic sales growth and synergy potential 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 restructuring, integration and acquisition-related expenses, share-based compensation amounts, adjustments to inventory and other charges reflected in our reconciliation of historic numbers, the amount of which, based on historical experience, could be significant.

Management uses these non-GAAP measures as key metrics in the monitoring and evaluation of the Company's performance and consolidated financial results and, in part, in the determination of cash bonuses for its executive officers. The Company believes that these non-GAAP measures provide useful information to investors by excluding certain items that we believe are not representative of the Company's business and including other items that the Company believes are useful in evaluating its business; thereby providing a more complete understanding of the Company's operational results and a meaningful comparison of the Company's performance between periods and to its peers. When reconciled to the corresponding GAAP measures, these non-GAAP measures also help our investors to understand the long-term profitability trends of our businesses. Finally, these non-GAAP measures address questions the Company routinely receives from securities analysts, investors and other interested parties in the evaluation of companies in our industry and, in order to assure that all investors have access to similar data, the Company has determined that it is appropriate to make this data available to all. Non-GAAP financial measures are however not prepared in accordance with GAAP, as they exclude certain items as described herein, and may not be indicative of the results that the Company expects to recognize for future periods. In addition, these non-GAAP financial measures may differ from measures that other companies may use. As a result, these non-GAAP financial measures should be considered in addition to, and not a substitute for, financial information prepared in accordance with GAAP. Investors are encouraged to review the reconciliation of these non-GAAP measures to their most directly comparable GAAP financial measures included herein and in the preliminary release.

Please see the Appendices to this presentation for a more detailed description of each non-GAAP financial measure used by the Company, including the adjustments reflected in each such non-GAAP measure and the reason why we believe such non-GAAP measures are useful to investors.

# Platform Business Segments

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## MacDermid PERFORMANCE SOLUTIONS — $1.8bn 2016 Net Sales — $434m 2016 Adj. EBITDA*

| | MacDermid Enthone INDUSTRIAL SOLUTIONS | MacDermid Enthone ELECTRONIC SOLUTIONS | alpha ASSEMBLY SOLUTIONS A MacDermid Performance Solutions Business | MacDermid GRAPHIC SOLUTIONS | MacDermid OFFSHORE SOLUTIONS |
|---|---|---|---|---|---|
| PRODUCTS | ■ Corrosion resistance<br>■ Decorative finishes<br>■ Plating-on-plastic | ■ Circuit board metallization<br>■ Through-hole and in-hole plating | ■ Solder paste<br>■ Solder spheres<br>■ Pre-forms | ■ Flexographic printing plates | ■ Temperature and pressure resistant hydraulic fluids<br>■ Blow-out prevention fluids |
| CUSTOMERS | ■ Automotive<br>■ Construction<br>■ Consumer electronics<br>■ Aerospace<br>■ Oil & gas | ■ Mobile devices<br>■ Electronics<br>■ Mobile infrastructure<br>■ Servers and memory | ■ Consumer electronics<br>■ Automotive<br>■ Medical<br>■ Aerospace | ■ Consumer gackaged goods<br>■ Food<br>■ Beverage | ■ Oil & gas production |

## Arysta LifeScience — $1.8bn 2016 Net Sales — $401m 2016 Adj. EBITDA*

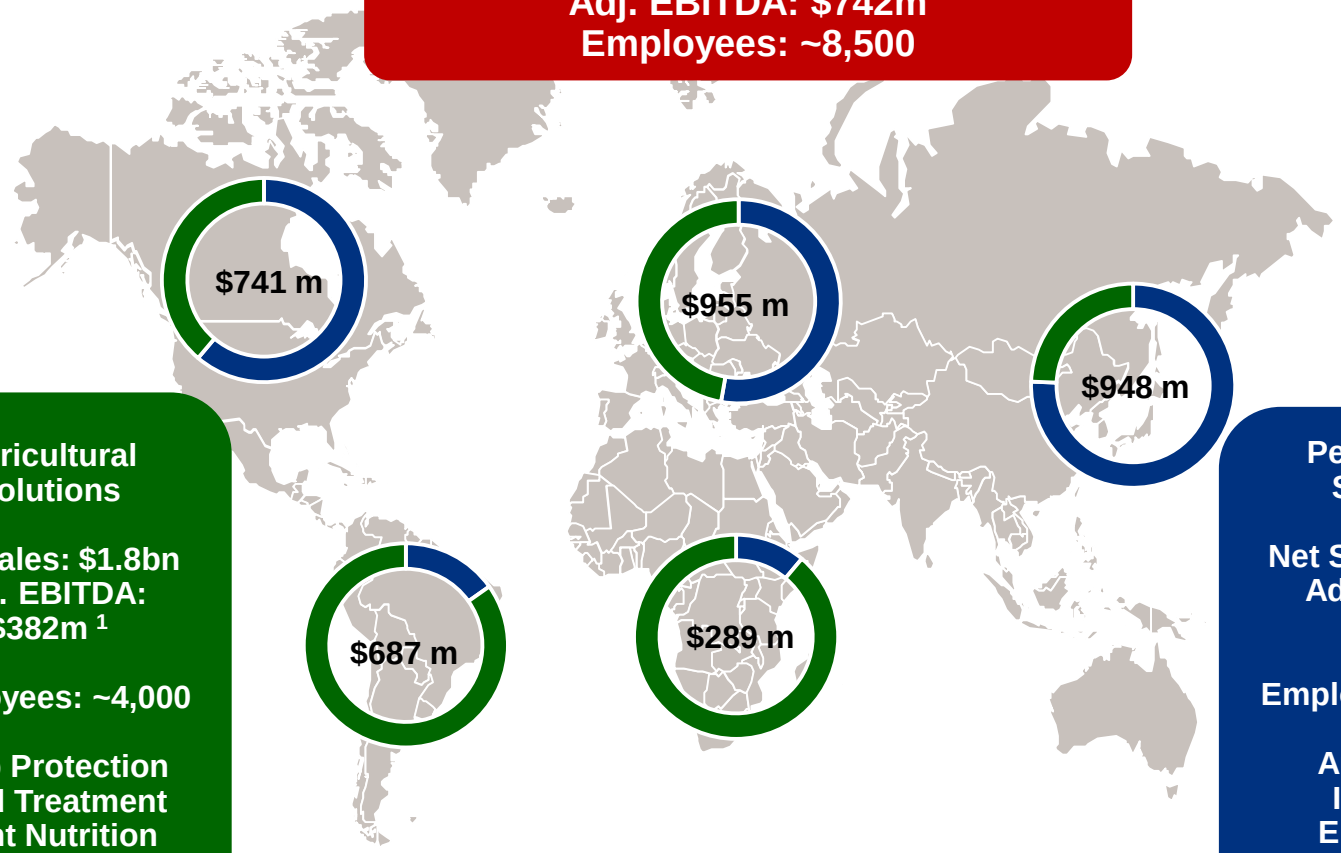
| | FUNGICIDES | HERBICIDES | INSECTICIDES | BIOSOLUTIONS | SEED-TREATMENT |
|---|---|---|---|---|---|
| KEY PRODUCTS | Vitavax, FORTIX FUNGICIDE, Kasumin | Select., Everest, Pantera 3, DINAMIC | ORTHENE, Dimilin INSECT GROWTH REGULATOR, Acramite | Foltron Plus, BIOZYME TF, podset | Vitavax, Rancona i-MIX |

*Note: Segment comparable adj. EBITDA excludes corporate cost allocations*

* *The financial measures in 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 appendices of this presentation*

# Platform Comparable Financial Overview (Non-GAAP)

**2015 Net Sales: $3.6bn**
**Adj. EBITDA: $742m**
**Employees: ~8,500**




**Agricultural Solutions**

**Net Sales: $1.8bn**
**Adj. EBITDA: $382m [1]**

**Employees: ~4,000**

**Crop Protection**
**Seed Treatment**
**Plant Nutrition**
**BioSolutions**

**Performance Solutions**

**Net Sales: $1.8 bn**
**Adj. EBITDA: $407m[1]**

**Employees: ~4,500**

**Automotive**
**Industrial**
**Electronics**
**Consumer Packaging**
**Offshore Energy**

**Significant End-Market and Geographic Diversity**

*Note: All 2015 financial results presented on a comparable basis*
1. *Segment comparable adj. EBITDA excludes corporate cost allocations*

# FY 2016 Preliminary Highlights

| | Results | | | Comparable[1]* | | | Comparable Constant Currency[2]* | | | Organic[3]* |
|---|---|---|---|---|---|---|---|---|---|---|
| ($ in millions) | 2016 | 2015 | YoY% | 2016 | 2015 | YoY% | 2016 | 2015 | YoY% | YoY% |
| Net Sales | $3,586 | $2,542 | *41%* | $3,586 | $3,620 | *(1)%* | $3,669 | $3,620 | *1%* | *2%* |
| GAAP Diluted EPS | $(0.63) | $(1.52) | | | | | | | | |
| Adj. EBITDA* | 769 | 568 | *36%* | 769 | 742 | *4%* | 785 | 742 | *6%* | |
| *Adj. EBITDA Margin* | *21%* | *22%* | | *21%* | *20%* | | *21%* | *20%* | | |
| Adj. EPS* | | | | $0.63 | $0.60 | *5%* | | | | |

- Net sales increased 41% due primarily to the acquisitions of Alent and certain OMG assets in late ‘15 / early ’16
- GAAP EPS loss of $0.63 was significantly less negative year over year driven primarily by higher operating earnings
- Achieved full year Organic Net Sales growth of 2% driven by both business segments in a mixed global demand environment
- Achieved full year adj. EBITDA of $769 million, exceeding updated guidance range of $750 to $765 million
  - Excluding the impact of FX ($16M), adj. EBITDA grew 6% year-over-year
- Comparable net sales and comparable adj. EBITDA were negatively impacted by foreign exchange headwinds and continued demand softness in certain Agricultural end markets, offset by strength in Asian electronics and industrial markets as well as growth in biosolutions and other specialty products
- Significant achievements in 2016, including a successful roll-out of Agricultural Solutions’ strategy, synergy realization from both integrations, redesigned R&D prioritization and investment processes, corporate infrastructure build-out and significant balance sheet progress
- Synergy realization of $28 million in Agricultural Solutions and $32 million in Performance Solutions

1. *Comparable, on this chart and subsequent charts, assumes full period contribution of all businesses acquired in 2015 and 2016*
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. *Organic sales, on this chart and subsequent charts, excludes the impact of currency, metal prices, acquisitions and divestitures*

* *See Non-GAAP footnotes on pg. 4*

# 2016 Priorities in Review

## Integration and Synergy Realization

- Completion of Agricultural Solutions integration
  - $85 million of run-rate cost synergies already actioned against an $80 million target
  - Continuous improvement process expected to yield incremental savings opportunities
- $44 million of run-rate cost synergies actioned in first year of Performance Solutions integration

## Focus Commercial Efforts on Fast Growing Niches

- 2% organic growth in 2016 despite challenging markets, with acceleration in 2H 2016
- Developed robust R&D and capex prioritization frameworks across both segments
  - Increased investment in semiconductor markets and revenue synergy opportunities in Asia
  - Investment across strategic segments in Agricultural Solutions, including biosolutions and seed treatment

## Establish Operating Rhythm and Momentum

- Stabilized leadership and improved company-wide coordination
- Largely completed corporate organizational build, including finance, tax, HR and IT
- Meaningful progress on talent management, succession planning and incentive alignment

## Generate Free Cash Flow

- ~$185 million of cash flow from operations generated by businesses
- Improved cash tax structure and working capital management to minimize cash use in 2016
- Significantly improved capital structure
  - Repriced and extended loans for ~$26 million interest savings and better EUR revenue / expense matching
  - Raised $392 million of net equity proceeds
  - Settled all obligations related to Series-B convertible preferred stock

# Strategic Organic Long-Term Goals



# 2017 Outlook

| | Performance Solutions | Agricultural Solutions |
|---|---|---|
| **Market Commentary** | • Modest global GDP expectations with slower growth in Europe<br>• Western automotive leveling off and further growth in Asia<br>• Low-single-digit electronics demand growth | • Modest recovery expected in global commodity prices<br>• Ag chemical markets expected to be flat to slightly negative given weak channel inventory positions and FX volatility |
| **Company Expectations** | • Alpha share gains in high margin products<br>• Continued Asia Industrial and electronics growth<br>• Delayed response to oil-price recovery given production fluid focus<br>• Continued cost-synergy progress | • Continued improvement in North America<br>• Strong growth in biosolutions and other specialty products<br>• Generic pressures in LatAm<br>• Restructure of certain African business |
| **PSP Organic Sales Growth Expectations** | **Low to mid single digit growth** | **Flat to low-single-digit growth**<br>***(Adjusted: low-single-digit)[1]*** |
| **Anticipated Translational FX Impacts** | ~$10 million adj. EBITDA headwind | ~$5 million adj. EBITDA headwind |

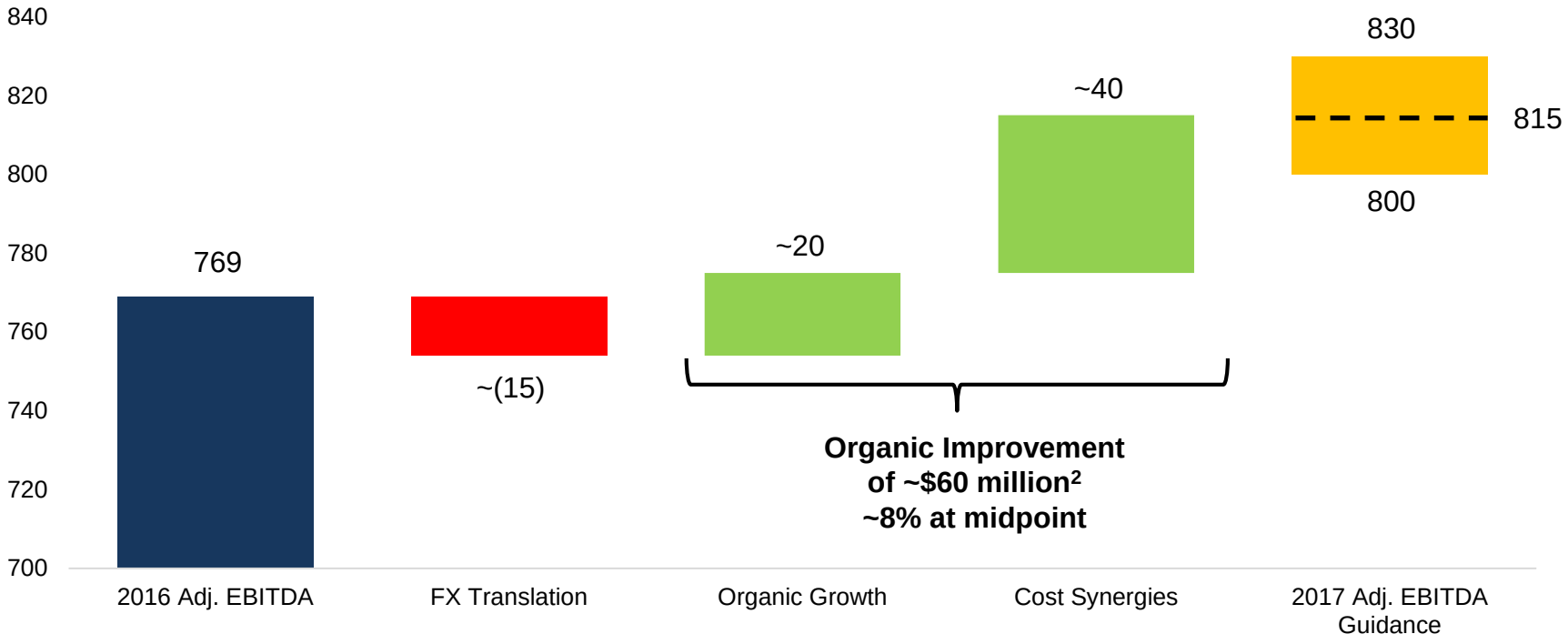
**2017 Adj. EBITDA Guidance[2] of $800 to $830 Million[3]**



1. *Excluding certain restructured business in Africa*
2. *For a definition of non-GAAP measures, discussions of adjustments and reconciliations, please refer to the appendices of this presentation*
3. *2017 Guidance based on foreign exchange rates as of January 31, 2017*

# 2017 Adj. EBITDA* Guidance[1]

*$ in millions*




| Focus Areas | 2017 Outlook | Opportunities |
|---|---|---|
| Cash Interest | ~$335M | Liability management |
| Cash Taxes | $125M - $150M | Tax planning / NOLs |
| Capex | $100M - $125M | R&D prioritization and capex 'synergies' |



*Note: For reconciliations and definitions of non-GAAP measures, please refer to the appendix of this presentation*

1. *2017 guidance based on foreign exchange rates as of January 31, 2017*
2. *Based on mid-point of adj. EBITDA range*

# Conclusion – 2017 Priorities

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**Execution: Build on Operating Momentum**

**Focus Commercial Efforts on Fast Growing Niches**

**Synergy Realization and Continuous Cost Improvement**

**Generate Free Cash Flow and Reduce Leverage**

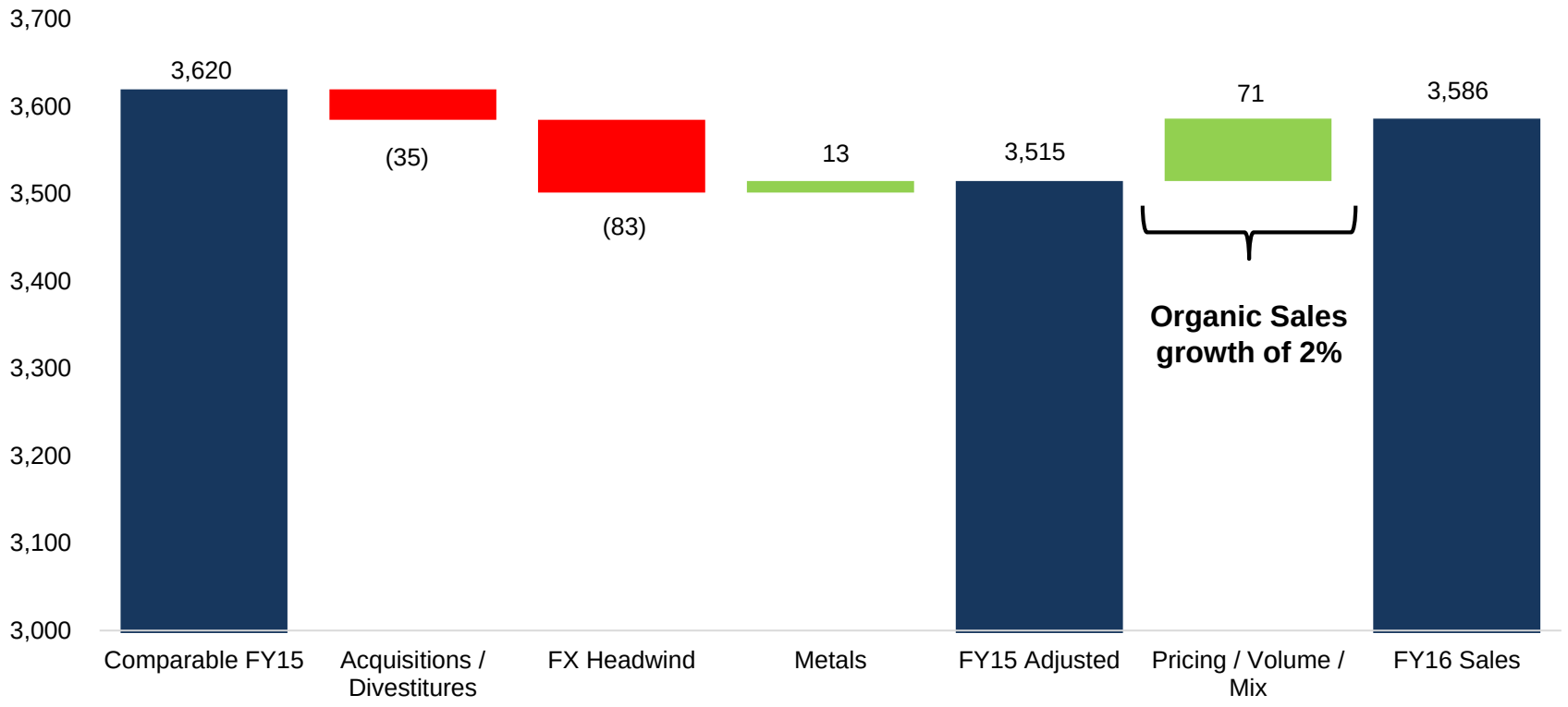
# Appendix

# Comparable FY 2015 to FY 2016 Net Sales Bridge (Non-GAAP)

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**2% Organic Sales Growth**

*$ in millions*

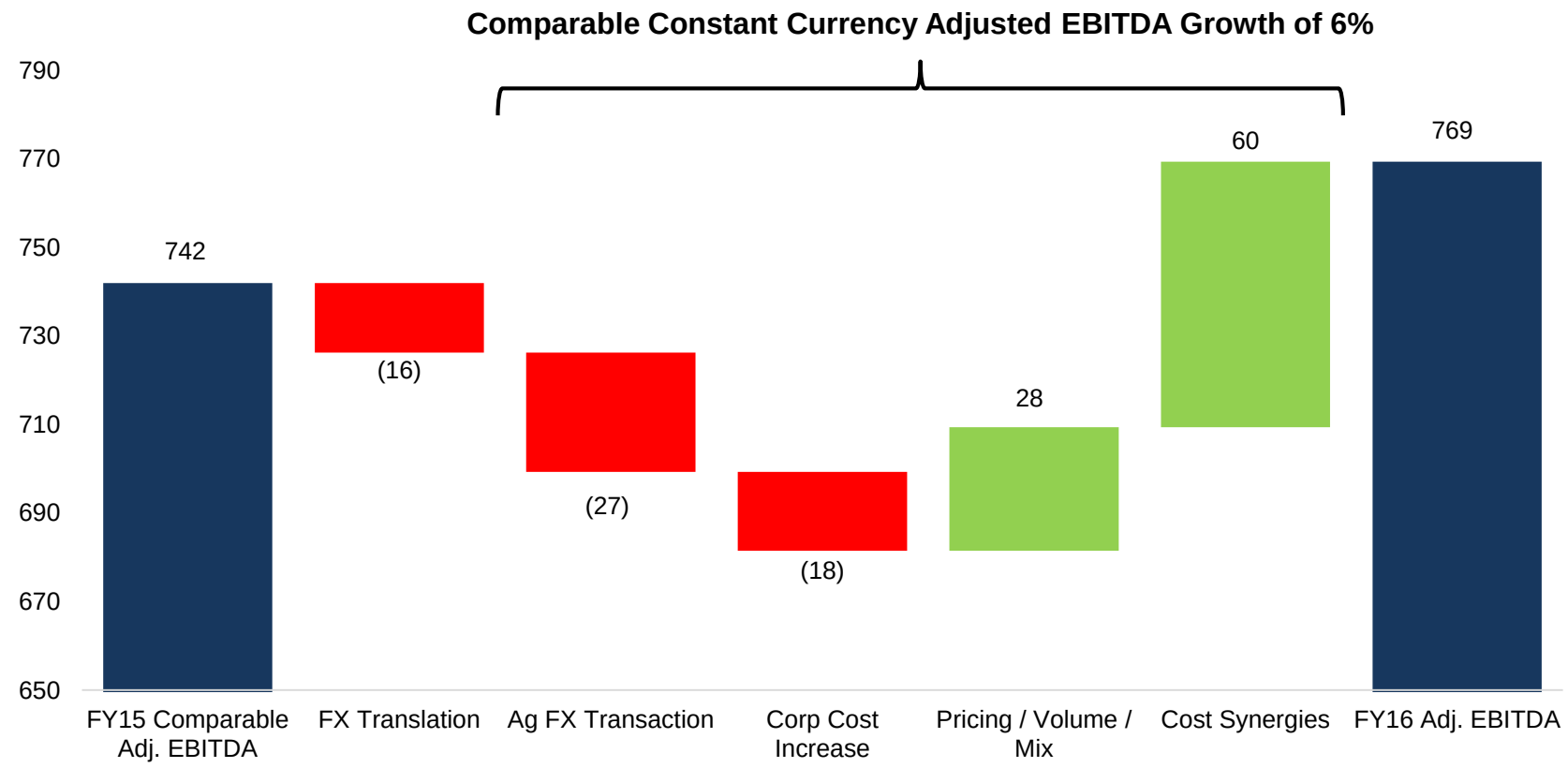


# Comparable FY 2015 to FY 2016 Adj. EBITDA Bridge (Non-GAAP)

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## 6% Comparable Constant Currency Adjusted EBITDA Growth

*$ in millions*



# Performance Solutions 2016 Preliminary Highlights

| ($ in millions) | Results 2016 | Comparable* 2015 | Comparable* YoY% | Comparable Constant Currency* 2016 | Comparable Constant Currency* 2015 | Comparable Constant Currency* YoY% | Organic* YoY% |
|---|---|---|---|---|---|---|---|
| Net Sales | $1,770 | $1,791 | *(1)%* | $1,818 | $1,791 | *2%* | *1%* |
| Adj. EBITDA | 401 | 384 | *5%* | 417 | 384 | *9%* | |
| Adj. EBITDA Margin | 23% | 21% | | 23% | 21% | | |
| *Adj. EBITDA ex-corp costs* | *$434* | *$407* | *7%* | *$450* | *$407* | *10%* | |
| *Adj. EBITDA margin ex-corp costs* | *25%* | *23%* | | *25%* | *23%* | | |

- Net sales declined modestly over the comparable 2015 period due primarily to FX translational impact (-$48M) and lower sales in Offshore Solutions offset by organic growth in core businesses and the positive impact of metals price (+$13M)
- Organic sales, excluding the impact of currency and metals pricing, increased 1% in 2016
  - Electronics, assembly, industrial and graphics segments all experienced positive organic growth
  - 2H 2016 organic growth of 4%
- Excluding corporate allocations, comparable constant currency adj. EBITDA increased 10%
  - Key drivers were continued synergy progress and growth in higher margin advanced electronics and Asian industrial markets
- Tailwinds:
  - Share gains in Asian industrial markets (specifically China)
  - Growth in Alpha paste solder business in all geographies
  - Electronics demand recovery in the 2H 2016
- Headwinds:
  - Impact of low energy prices on offshore drilling activity
  - Currency translation impact from weaker CNY, GBP and MXN

* *See Non-GAAP footnotes on pg. 4*

# Agricultural Solutions 2016 Preliminary Highlights

| ($ in millions) | Results 2016 | Comparable* 2015 | Comparable* YoY% | Comparable Constant Currency* 2016 | Comparable Constant Currency* 2015 | Comparable Constant Currency* YoY% | Organic* YoY% |
|---|---|---|---|---|---|---|---|
| Net Sales | $1,816 | $1,829 | *(1)%* | $1,851 | $1,829 | *1%* | *3%* |
| Adj. EBITDA | 368 | 358 | *3%* | 369 | 358 | *3%* | |
| Adj. EBITDA Margin | 20% | 20% | | 20% | 20% | | |
| *Adj. EBITDA ex-corp costs* | *$401* | *$382* | *5%* | *$401* | *$382* | *5%* | |
| *Adj. EBITDA margin ex-corp costs* | *22%* | *21%* | | *22%* | *21%* | | |

- Progressed several attractive R&D projects, including licensing and development agreements in 2016
  - Multi-year global agreement to develop formulations with DuPont's blockbuster insecticide *Rynaxypyr* ®
  - Increased combined peak sales potential for new products to launch between 2017 and 2025 to ~$1.3 billion
- Net sales declined modestly over the comparable 2015 period driven by FX translation impacts (-$36M) from the Mexican Peso and certain Southern African currencies and divestitures (-$32M), offset partially by growth of new products
- Organic sales, excluding the impact of currency, increased 3% in 2016
  - Volume and price improvements in European and Latin American crop protection products
  - Growth in Biosolutions, Seed treatment and other high value products
- Excluding corporate allocations, comparable constant currency adj. EBITDA increased 5%
- Tailwinds:
  - Volume growth in Europe, Africa and Latin America
  - Mix improvements due to high-margin business growth in Biosolutions, Seed Treatment and Bee Health
  - Raw material price management initiatives and cost synergies
- Headwinds:
  - Low commodity prices and FX volatility
  - Low mite pressure in USA (West Coast) and depressed farmer incomes in North America

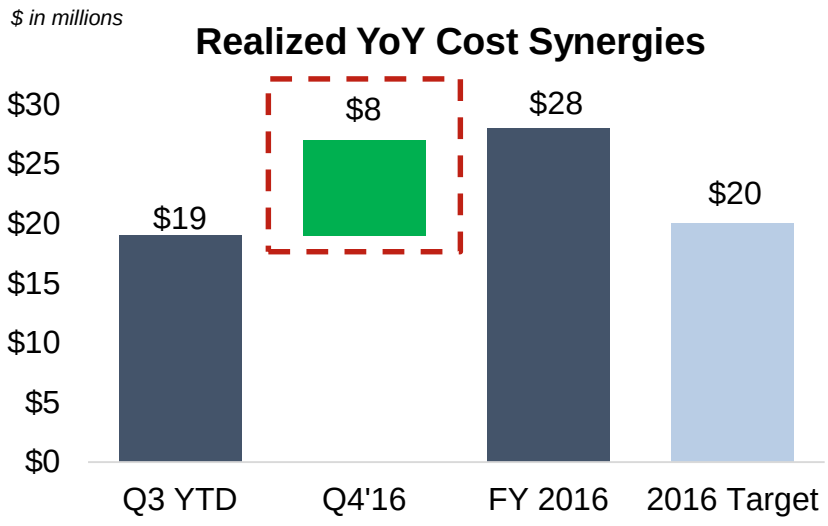


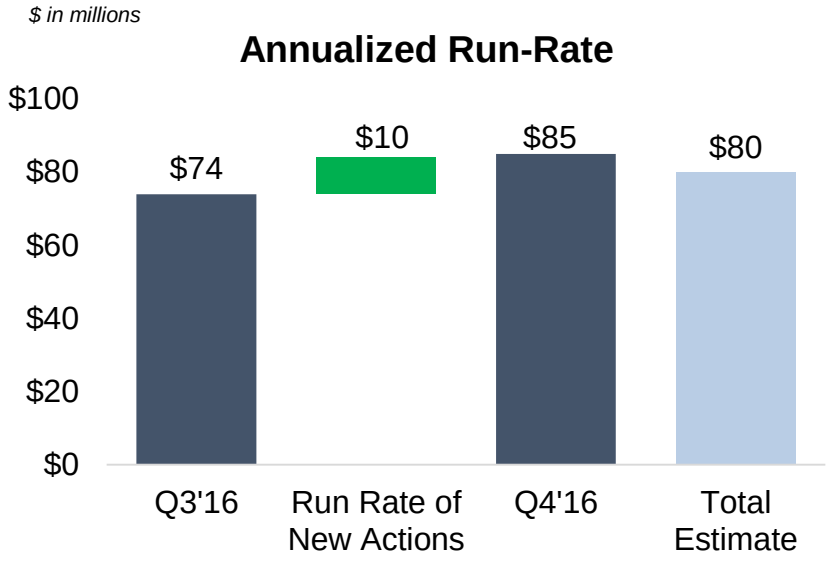
* *See Non-GAAP footnotes on pg. 4*

# Agricultural Solutions Integration

- Nearing completion of planned acquisition integration initiatives and shifting to continuous improvement
- Actioned $85 million of run-rate cost synergies through 2016 against a 3-year (2017) target of $80 million
- Realized incremental benefit of ~$14+ million of cross selling benefit in adj. EBITDA from combined portfolio
- Continuous improvement focused on procurement, footprint consolidation and G&A optimization
    - Estimated ~$100 million of additional opportunity over the next 5 years

**Actioned over $80 million of annualized cost synergies in under 2 years**

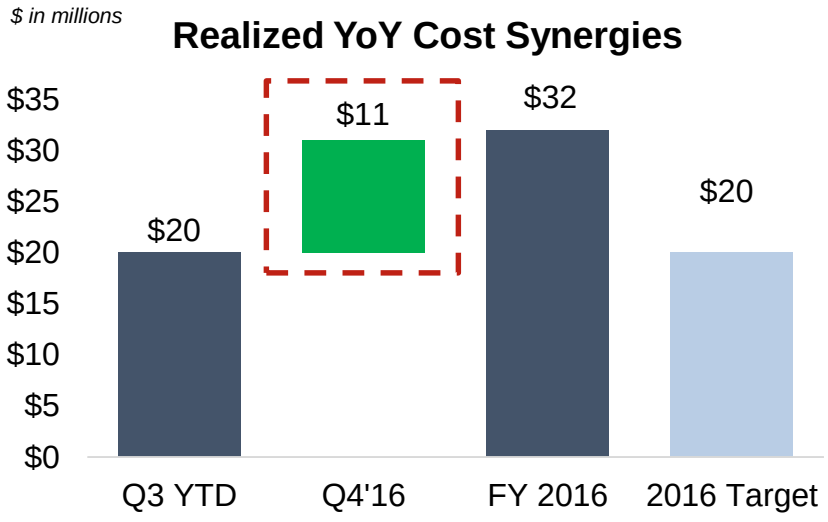


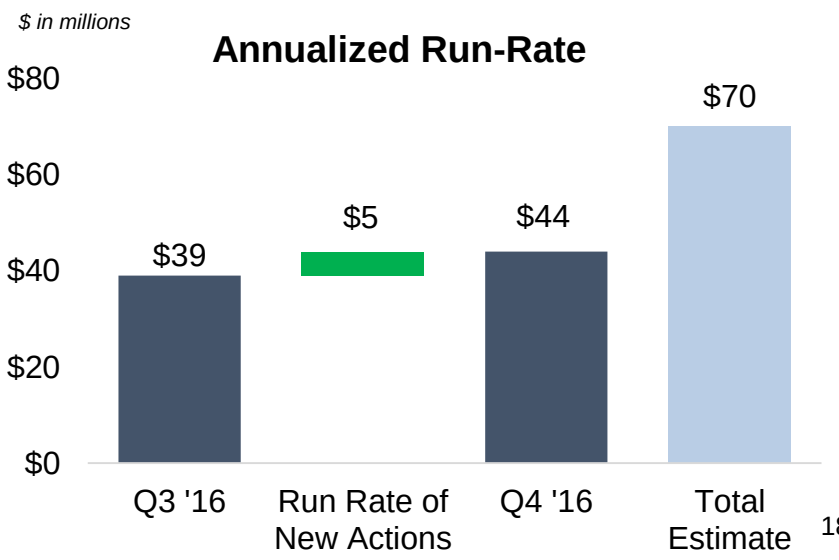



# Performance Solutions Integration

- Meaningful commercial, supply chain and back-office integration achieved in first year of integration
- Approximately $44 million of run-rate cost synergies actioned through 2016
  - Primarily G&A, commercial management and facilities (sales offices / warehouses) and procurement
- 2017 synergy focus on global footprint and procurement with efforts under way in the US, Europe and Asia

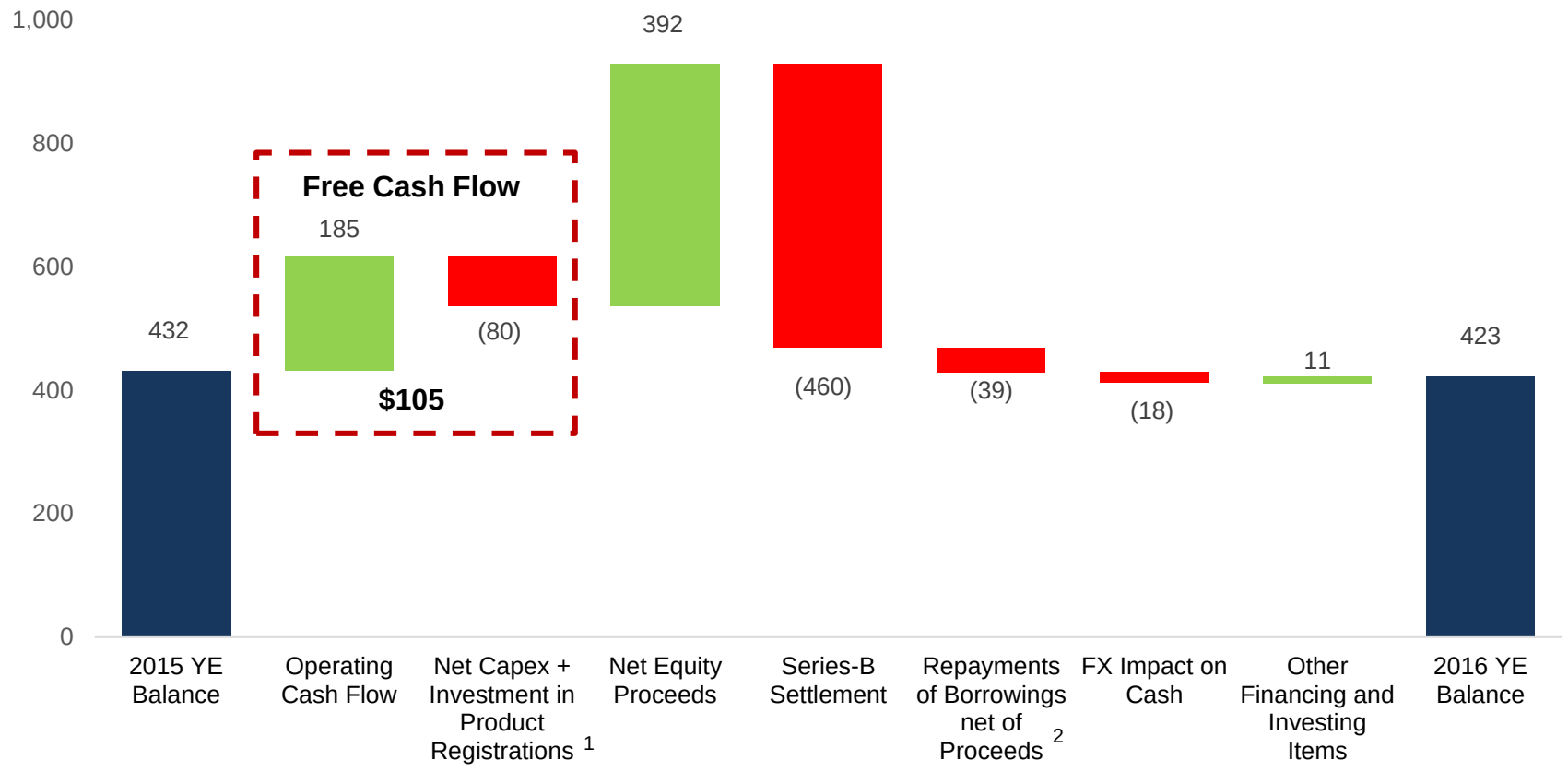
**Actioned $44 million of annualized cost synergies in first year of integration**



# 2016 Cash Flow Bridge (Non-GAAP)

**~$105 million of Free Cash Flow* in 2016**



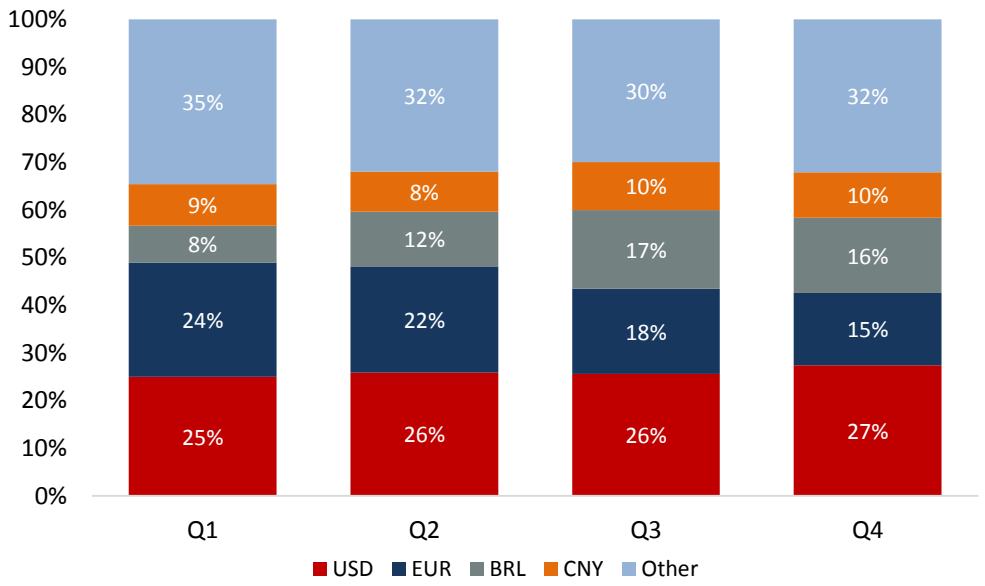

1. *Net Capex is defined as capital expenditures less the impact of proceeds from sale of assets. Proceeds from sale of assets is further adjusted on this chart to exclude $8 million of impact for the proceeds of a JV sale in Q3 2016*
2. *Includes $33 million of mandatory term loan repayments*

# 2016 Foreign Exchange

- FX rates are significant variable to our financial results
- Movements from the BRL, CNY, GBP and MXN were most material to the net sales and adj. EBITDA results of the business
  - Agricultural solutions experienced minimal net translational impacts on adj. EBITDA but meaningful transactional headwinds due primarily to the BRL
    - Transactional headwinds nearly completely offset by sales price and COGS management
  - Performance Solutions translational headwinds due primarily to CNY and GBP

| Platform 2016 Revenue Translational Currency Exposure[1] | |
|---|---|
| USD | ~25% |
| EUR | ~20% |
| BRL | ~13% |
| CNY | ~10% |
| JPY | ~4% |
| GBP | ~4% |
| MXN | ~3% |

**2016 Sales Currency by Quarter**

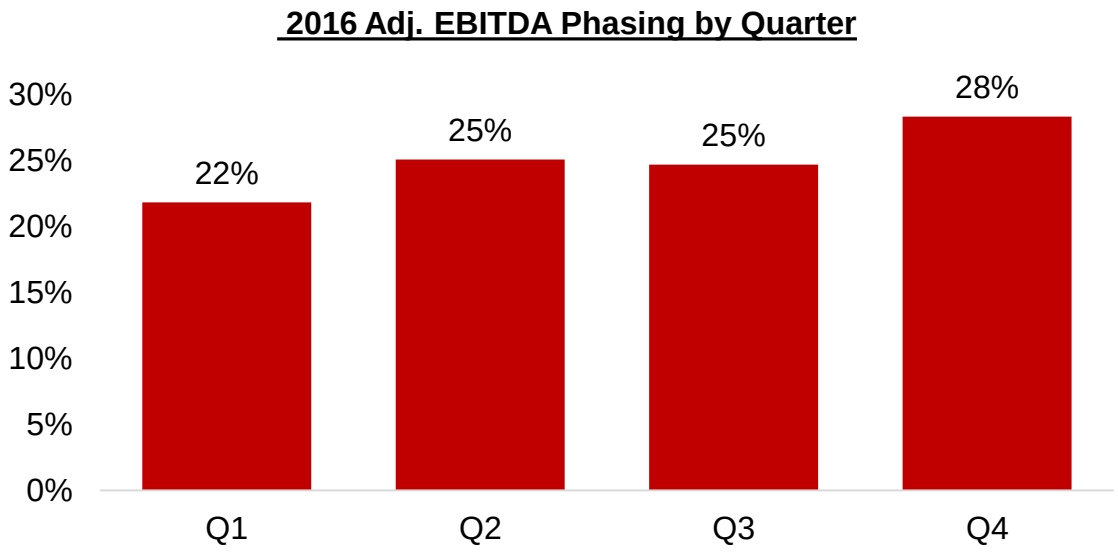





1. *Based on percentage of 2016 net sales. Represents translational FX exposure only*

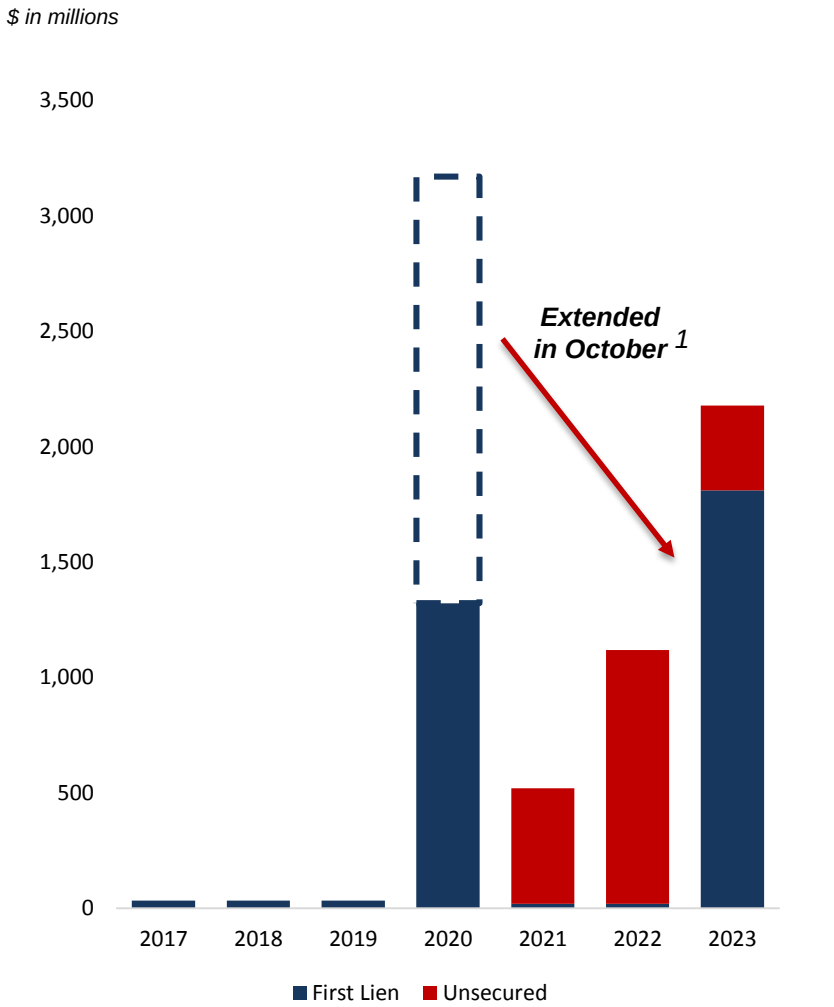
# Seasonality of Performance

- 2016 seasonality driven primarily by various selling seasons in Ag and the ramp-up of synergy realization throughout the year
- 2017 is expected to be similar to 2016, with 2H being a larger contributor than the 1H and Q2 being a larger contributor than Q1
- Q1 2017 is expected to continue to be a light seasonal quarter given North American and European Ag sales shift towards Q2
    - Q1 2016 benefited from early spring in Europe; Q1 2017 effected by extended cold season in Europe
- Full year 2017 adj. EBITDA guidance incorporates this phasing



# Capital Structure Activity

- Raised $392 million of equity in Sept 2016 for general corporate purposes, including the funding of the Series-B settlement
- Repriced all existing term loans in Q4 2016 and extended nearly $2bn in principal to 2023[1]
  - Shifted ~ $600m of its term loan currency mix towards the EUR to better match its earnings profile and improve its all-in cost of debt
  - ~$26 million of estimated annual interest savings
  - ~55% of USD term loans and ~25% of EUR term loans swapped to fixed rate through 2020
- On Q4 2016, settled all obligations with respect to the Series-B convertible preferred stock and the related make-whole payment obligation in exchange for:
  - $460 million in cash and 5.5 million shares of common stock (~$100 million of savings)
  - Retirement of remaining Series B shares (equivalent to 16.6 million shares of common stock)




***Note: $500 million corporate revolver matures in 2019 – fully undrawn at year end***

**~2/3 of debt maturing in 2022 or 2023[1]**



1. *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 Notes due 2022, as permitted under the Amended and Restated Credit Agreement, on or prior to November 2, 2021, otherwise the maturity reverts to November 2, 2021*

# Capital Structure

| *$ millions* | | | |
|---|---|---|---|
| **Instrument** | **Maturity** | **Coupon** | **12/31/2016** |
| Corporate Revolver ($500M) | 6/7/2019 | | $— |
| Term Loan B4 - USD [1,2] | 6/7/2023 | L + 400 | 1,471 |
| Term Loan B5 - USD [2] | 6/7/2020 | L + 350 | 609 |
| Term Loan C3 - EUR [1,2] | 6/7/2023 | E + 375 | 454 |
| Term Loan C4 - EUR [2] | 6/7/2020 | E + 325 | 734 |
| Other Secured Debt | | | 15 |
| **Total First Lien Debt** | | | **$3,282** |
| 10.375% Senior Notes due 2021 | 5/1/2021 | 10.375% | 500 |
| 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% | 368 |
| Other Unsecured Debt | | | 86 |
| **Total Unsecured Debt** | | | **$2,054** |
| **Total Debt** | | | **$5,336** |
| Cash Balance as of 12/31/16 | | | 423 |
| **Net Debt** | | | **$4,913** |
| Adjusted Shares Outstanding [3] | | | 299 |
| Market Capitalization [4] | | | 2,929 |
| **Total Capitalization** | | | **$7,842** |

1. *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 Notes due 2022, as permitted under the Amended and Restated Credit Agreement, on or prior to November 2, 2021, otherwise the maturity reverts to November 2, 2021*
2. *Platform has swapped certain amounts of its floating term loans to fixed rate including $1.1 billion of its USD tranches and €282 million of its Euro tranches. At December 31, 2016, approximately 36% of debt was floating and 64% was fixed*
3. *See Appendix on page 24 for Walk to Adjusted Share Counts*
4. *Based on 12/30/2016 PAH closing price of $9.81*

# Walk to Adjusted Share Counts

| *(Amounts in millions)* | 1Q 2016 | 2Q 2016 | 3Q2016 | 4Q 2016 | FY Average |
|---|---|---|---|---|---|
| **Basic outstanding shares** | 230 | 230 | 278 | 284 | 255 |
| Number of shares issuable upon conversion of Series B Convertible Preferred Stock | 22 | 22 | 22 | — | 17 |
| Number of shares issuable upon conversion of PDH Common Stock | 8 | 8 | 8 | 8 | 8 |
| Number of shares issuable upon conversion of Series A Preferred Stock | 2 | 2 | 2 | 2 | 2 |
| Stock options | 1 | 1 | 1 | 1 | 1 |
| Equity awards granted | 4 | 4 | 4 | 4 | 4 |
| Net impact of pending Series-B actions | — | — | (17) | — | (4) |
| **Adjusted shares** | 266 | 266 | 299 | 299 | 282 |

# Covenant Overview

- Our capital structure is subject to only one quarterly maintenance test - 6.25x First Lien Net Debt to Covenant EBITDA
- Covenant EBITDA is defined as LTM comparable adj. EBITDA plus synergies expected to be realized based on actions to be taken over the next 12 months and excludes the impact of stock-based compensation [1]
- We have significant headroom under the maintenance covenant
- The Gross First Lien Leverage ratio only limits our ability to incur debt if we would not satisfy a 2x Fixed Charge Coverage Ratio test, tested at the time of incurrence

## Covenant EBITDA

| | |
|---|---|
| **LTM adj. EBITDA** | **$769** |
| (+) Announced Synergies | 150 |
| (-) Realized Synergies | (98) |
| (+) Synergy Adjustment | 52 |
| SBC Adjustment | 7 |
| **Covenant EBITDA** | **$828** |

## Covenant Calculations[2]

| Leverage Covenants | As of December 31, 2016 | Covenant | EBITDA Headroom | Headroom % |
|---|---|---|---|---|
| *Maintenance Covenant:* | | | | |
| Net First Lien Leverage | 3.45x | < 6.25x | 371 | 45% |
| *Incurrence Covenants:* | | | | |
| Gross First Lien Leverage | 3.96x | < 4.5x | 99 | 12% |
| Total Net Leverage | 5.93x | < 6.75x - 7.00x | 100 - 126 | 12% - 15% |

*Note: All $ amounts in millions*

1. *Synergy credit is limited to 15% of consolidated EBITDA over the four most recent consecutive quarters; See definition of Consolidated EBITDA in the Company's Amended and Restated Credit Agreement*
2. *This covenant varies based on use of proceeds – 6.75x applies to acquisitions while 7.00x applies to other uses of debt*

# Net Income (Loss) Attributable to Common Stockholders Reconciliation to Adjusted EBITDA

| *(Amounts in millions)* | Q4 2016 | Q4 2015 | FY 2016 | FY 2015 |
|---|---|---|---|---|
| **Net Income (loss) attributable to common stockholders** | **$4** | **$(130)** | **$(35)** | **$(309)** |
| Gain on amendment of Series B Convertible Preferred Stock | — | — | (33) | — |
| Net income (loss) attributable to the non-controlling interests | 2 | — | (3) | 4 |
| Income tax (benefit) expense | (43) | 15 | 22 | 75 |
| ***Loss before income taxes and non-controlling interests*** | **(37)** | **(114)** | **(48)** | **(229)** |
| ***Adjustments to reconcile to Adjusted EBITDA:*** | | | | |
| Interest expense, net | 86 | 71 | 376 | 214 |
| Depreciation expense | 19 | 15 | 75 | 49 |
| Amortization expense | 68 | 60 | 267 | 202 |
| Restructuring expense | 12 | 7 | 31 | 25 |
| Manufacturer's profit in inventory purchase accounting adjustments | — | 19 | 12 | 77 |
| Acquisition and integration costs | 6 | 52 | 33 | 122 |
| Non-cash change in fair value contingent consideration | 1 | 1 | 5 | 7 |
| Legal settlement | — | — | (3) | (16) |
| Foreign exchange (gain) loss on foreign denominated external and internal debt | (25) | 20 | 34 | 46 |
| Fair value loss on foreign exchange forward contract | — | 26 | — | 74 |
| Goodwill impairment | 47 | — | 47 | — |
| Gain on settlement agreement related to Series B Convertible Preferred Stock | — | — | (103) | — |
| Non-cash change in fair value of preferred stock redemption liability | 11 | — | 5 | — |
| Debt refinancing costs | 20 | — | 20 | — |
| Other expense (income), net | 11 | — | 19 | (3) |
| **Adjusted EBITDA** | **$218** | **$154** | **$769** | **$568** |

*Note: Totals may not foot due to rounding*

# GAAP EPS Reconciliation to Comparable Adj. Diluted EPS

PLATFORM SPECIALTY PRODUCTS CORPORATION

| *(amounts in millions, except per share amounts)* | Q4 2016 | Q4 2015 | FY 2016 | FY 2015 |
|---|---|---|---|---|
| **GAAP diluted income (loss) per share** | **$0.01** | **$(0.60)** | **$(0.63)** | **$(1.52)** |
| *Weighted average shares outstanding* | **290** | **217** | **272** | **203** |
| **Net income (loss) attributable to common stockholders** | **$4** | **$(130)** | **$(35)** | **$(309)** |
| **Pre-acquisition activity of acquired companies:** | | | | |
| Net sales | — | 171 | — | 1,077 |
| Cost of sales | — | (100) | — | (642) |
| Selling, technical, general and administrative expense | — | (77) | — | (321) |
| Research and development expense | — | (5) | — | (32) |
| Other (expense) income, net | — | 2 | — | 4 |
| | **—** | **(9)** | **—** | **86** |
| **Adjustments:** | | | | |
| Interest expense for pre-acquisition periods | — | (22) | — | (155) |
| Reversal of amortization expense | 68 | 60 | 267 | 216 |
| Adjustment for investment in registration of products | (14) | (8) | (36) | (35) |
| Restructuring expenses | 12 | 73 | 31 | 108 |
| Manufacturer's profit in inventory purchase accounting adjustments | — | 19 | 12 | 77 |
| Acquisition and integration costs | 6 | 23 | 33 | 93 |
| Non-cash change in fair value of contingent consideration | 1 | 1 | 5 | 7 |
| Gain on legal settlement | — | — | (3) | (16) |
| Foreign exchange (gain) loss on foreign denominated external and internal debt | (25) | 19 | 34 | 49 |
| Goodwill Impairment | 47 | — | 47 | — |
| Adjustment to reverse loss on derivative contract | — | 26 | — | 74 |
| Gain on settlement agreement related to Series B Convertible Preferred Stock | — | — | (103) | — |
| Non-cash change in fair value of preferred stock redemption liability | 11 | — | 5 | — |
| Debt refinancing costs | 20 | — | 20 | — |
| Other expenses (income), net | 11 | — | 10 | (3) |
| Adjustment to estimated effective tax rate | (78) | (8) | (76) | (19) |
| Gain on amendment of Series B Convertible Preferred Stock | — | — | (33) | — |
| Adjustment to reverse loss attributable to certain non-controlling interests | (2) | (1) | (10) | (1) |
| **Comparable adjusted net income attributable to common stockholders** | **$61** | **$41** | **$177** | **$170** |
| **Comparable adjusted earnings per share** | **$0.20** | **$0.14** | **$0.63** | **$0.60** |
| **Adjusted shares outstanding (in millions)** | **299** | **299** | **282** | **282** |

*Note: Totals may not foot due to rounding*

# FY 2015 Net (Loss) Income Reconciliation to Comparable Adjusted EBITDA

PLATFORM SPECIALTY PRODUCTS CORPORATION

| *(Amounts in millions)* | Platform | Arysta (1/1/15 - 2/12/15) | Alent (1/1/15 - 11/30/15) | OM (1/1/15 - 10/27/15) | Comparable |
|---|---|---|---|---|---|
| **Net (loss) income attributable to common stockholders** | **$(309)** | **$(65)** | **$55** | **$12** | **$(307)** |
| Net income attributable to the non-controlling interests | 4 | — | — | — | 4 |
| Income tax expense (benefit) | 75 | (3) | 17 | 5 | **94** |
| ***Net (loss) income before income taxes and non-controlling interests*** | **(229)** | **(68)** | **72** | **17** | **(209)** |
| ***Adjustments to reconcile to Adjusted EBITDA:*** | | | | | |
| Interest expense, net | 214 | 48 | 7 | — | 269 |
| Depreciation expense | 49 | 1 | 14 | 8 | 72 |
| Amortization expense | 202 | 9 | — | — | 211 |
| Long-term compensation issued in connection with acquisitions | — | — | 1 | — | 1 |
| Restructuring expense | 25 | 1 | 6 | 3 | 35 |
| Manufacturer's profit in inventory purchase accounting adjustments | 77 | — | — | — | 77 |
| Acquisition and integration costs | 122 | — | — | — | 122 |
| Non-cash change in fair value contingent consideration | 7 | — | — | — | 7 |
| Legal settlement | (16) | — | — | — | (16) |
| FX loss on foreign denominated external and internal debt | 46 | 13 | (3) | — | 56 |
| Fair value loss on foreign exchange forward contract | 74 | — | — | — | 74 |
| Corporate development costs | — | — | 47 | — | 47 |
| Share of joint venture income | — | — | (2) | — | (2) |
| Other (expense) income, net | (3) | (2) | — | — | (5) |
| **Comparable adjusted EBITDA** | **$568** | **$3** | **$143** | **$28** | **$742** |



*Note: Totals may not foot due to rounding*

# Reported Segment Results Reconciliation to Comparable Segment Results - FY 2016

PLATFORM SPECIALTY PRODUCTS CORPORATION

| ($ in millions) | Performance Solutions | | | | Agricultural Solutions | | | | Total | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2016 | 2015 | Change | YoY% | 2016 | 2015 | Change | YoY% | 2016 | 2015 | Change | YoY% |
| **Net Sales** | $1,770 | $801 | $969 | *121%* | $1,816 | $1,742 | $74 | *4%* | $3,586 | $2,542 | $1,044 | *41%* |
| **Acquisitions:** | | | | | | | | | | | | |
| Alent | | 847 | | | | | | | | 847 | | |
| OM | | 142 | | | | | | | | 142 | | |
| Arysta | | | | | | 87 | | | | 87 | | |
| **Comparable Net Sales** | 1,770 | 1,791 | (21) | *(1)%* | 1,816 | 1,829 | (13) | *(1)%* | 3,586 | 3,620 | (34) | *(1)%* |
| **Organic Sales** | | | | | | | | | | | | |
| Foreign exchange translation | 48 | | | | 36 | | | | 83 | | | |
| **Constant Currency** | 1,818 | 1,791 | 27 | *2%* | 1,851 | 1,829 | 22 | *1%* | 3,669 | 3,620 | 49 | *1%* |
| Acquisitions | 3 | | | | | | | | 3 | | | |
| Dispositions | | | | | | (32) | | | | (32) | | |
| Impact of metal prices | (13) | | | | | | | | (13) | | | |
| **Organic Sales Growth** | $1,808 | $1,791 | $17 | *1%* | $1,851 | $1,797 | $55 | *3%* | $3,659 | $3,588 | 72 | *2%* |

| ($ in millions) | Performance Solutions | | | | Agricultural Solutions | | | | Total | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2016 | 2015 | Change | YoY% | 2016 | 2015 | Change | YoY% | 2016 | 2015 | Change | YoY% |
| **Adj. EBITDA ex-corporate** | $434 | $236 | $198 | *84 %* | $401 | $379 | $22 | *6 %* | $835 | $616 | $220 | *36 %* |
| **Acquisitions:** | | | | | | | | | | | | |
| Alent | | 143 | | | | | | | | 143 | | |
| OM | | 28 | | | | | | | | 28 | | |
| Arysta | | | | | | 3 | | | | 3 | | |
| **Comparable Adj. EBITDA ex-corporate** | 434 | 407 | 27 | *7 %* | 401 | 382 | 19 | *5 %* | 835 | 790 | 45 | *6 %* |
| Corporate allocations | (33) | (24) | | | (33) | (24) | | | (66) | (48) | | |
| **Comparable Adj. EBITDA** | 401 | 384 | 18 | *5%* | 368 | 358 | 10 | *3%* | 769 | 742 | 28 | *4%* |
| Foreign exchange translation | 15 | | | | | | | | 16 | | | |
| **Constant Currency** | $417 | $384 | $33 | *9 %* | $369 | $358 | $10 | *3%* | $785 | $742 | $43 | *6 %* |

*Note: Totals may not foot due to rounding*

# Comparable Quarterly Results Overview

| *(Amount in millions)* | 2015 Q1 | 2015 Q2 | 2015 Q3 | 2015 Q4 | 2016 Q1 | 2016 Q2 | 2016 Q3 | 2016 Q4 |
|---|---|---|---|---|---|---|---|---|
| **Net Sales** | | | | | | | | |
| Performance Solutions | $455 | $458 | $448 | $430 | $420 | $438 | $455 | $457 |
| Agricultural Solutions | 442 | 494 | 418 | 476 | 404 | 484 | 436 | 493 |
| **Total Net Sales** | **$897** | **$951** | **$866** | **$906** | **$824** | **$922** | **$891** | **$950** |
| **Adjusted EBITDA** [1] | | | | | | | | |
| Performance Solutions | $90 | $97 | $103 | $93 | $83 | $98 | $110 | $111 |
| Agricultural Solutions | 89 | 116 | 63 | 91 | 85 | 95 | 80 | 108 |
| **Total Adjusted EBITDA** | **$178** | **$213** | **$166** | **$184** | **$168** | **$193** | **$190** | **$218** |

*Note: totals may not foot due to rounding*

*1. 2015 corporate allocations reallocated to reflect current corporate allocation methodology. Also includes adjustments to exclude income and expense resulting from acquisition related stock based compensation to reflect updated adjusted EBITDA definition*

# Non-GAAP Financial Measures

For purposes of Regulation G, a non-GAAP financial measure is a numerical measure of a company's historical or future financial performance, financial position or cash flows that excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with GAAP in the statements of operations, balance sheets, or statements of cash flows of the company; or includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented.

To supplement the financial measures prepared in accordance with GAAP, Platform has provided in this presentation non-GAAP financial measures, including adjusted EBITDA, adjusted EBITDA margin, adjusted EBITDA guidance, comparable net sales, comparable adjusted earnings per share, comparable adjusted EBITDA, comparable adjusted EBITDA margin, organic sales and free cash flow. We also present our results of operations on a comparable constant currency basis. Management believes that these measures provide useful information to investors by excluding certain items that it believes are not representative of the Company's business and including other items that it believes are useful in evaluating the Company's business; thereby providing a more complete understanding of the Company's operational results and a meaningful comparison of the Company's performance between periods and to its peers. When reconciled to the corresponding GAAP measures, these non-GAAP measures also help the Company's investors to understand the long-term profitability trends of its businesses. Finally, these non-U.S. GAAP measures address questions the Company routinely receives from securities analysts, investors and other interested parties in the evaluation of companies in our industry and, in order to assure that all investors have access to the same data, the Company has determined that it is appropriate to make this data available to all. Non-GAAP financial measures are however not prepared in accordance with GAAP, as they exclude certain items as described herein, and may not be indicative of the results that the Company expects to recognize for future periods. In addition, these non-GAAP financial measures may differ from measures that other companies may use. As a result, these non-GAAP financial measures should be considered in addition to, and not a substitute for, financial information prepared in accordance with GAAP. Investors are encouraged to review the reconciliation of these non-GAAP measures to their most directly comparable GAAP financial measures included herein and in the press release.

A reconciliation of GAAP to non-GAAP financial measures has been provided in this presentation. The Company only provides adjusted EBITDA guidance, organic sales growth and synergy potential 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 restructuring, integration and acquisition-related expenses, share-based compensation amounts, adjustments to inventory and other charges reflected in our reconciliation of historic numbers, the amount of which, based on historical experience, could be significant.

# Non-GAAP Definitions

**Adjusted EBITDA:**
Adjusted EBITDA is defined as earnings before interest, taxes, depreciation and amortization, as further adjusted for additional items included in earnings that are not representative or indicative of our ongoing business as described in the footnotes to the non-GAAP measures reconciliations. Management believes Adjusted EBITDA provides investors with a more complete understanding of the long-term profitability trends of Platform's business, and facilitates comparisons of its profitability to prior and future periods.

**Comparable Adjusted EBITDA:**
Comparable adjusted EBITDA is defined as Adjusted EBITDA adjusted to reflect acquisitions and the related financings as though they had occurred on January 1, 2015 without the impact of purchase accounting. Adjusted EBITDA and comparable adjusted EBITDA are key metrics used by management to measure operating performance and trends. In particular, the exclusion of certain expenses in calculating adjusted EBITDA and comparable adjusted EBITDA facilitates operating performance comparisons on a period-to-period basis. Management believes comparable Adjusted EBITDA provides investors with a more complete understanding of the long-term profitability trends of Platform's business, and facilitates comparisons of its profitability to prior and future periods.

**Comparable Constant Currency:**
Our constant currency presentation excludes the impact of fluctuations in foreign currency exchange rates. Constant currency percentages are calculated by converting our current-period local currency financial results into U.S. Dollar using the prior period's exchange rates and comparing these adjusted amounts to our prior period reported results. The comparable constant currency presentation includes actual results adjusted to reflect acquisitions and related financings as though they had occurred on January 1, 2015 adjusted for the effects of purchase accounting on actual results. Management believes that this presentation provides a more complete understanding of the Company's operational results and a meaningful comparison of its performance between periods. However, this comparable financial information is provided for informational purposes only and is not necessarily, and should not be assumed to be, an indication of the results that would have been achieved had the Company's acquisitions been completed as of the dates indicated, or that may be achieved in the future.

**Comparable Net Sales:**
Comparable net sales is defined as net sales adjusted for the sales of our acquisitions as though they had occurred on January 1, 2015. Management believes this measure provides investors with a more complete understanding of net sales trends by providing net sales on a more consistent basis.

**Organic Sales:**
Organic sales is defined as comparable net sales excluding the impact of currency, metals price, divestitures and acquisitions, as applicable. Management believes this 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.

**Comparable Adjusted Earnings Per Share:**
Comparable adjusted earnings per share is defined as net loss attributable to common stockholders adjusted to reflect acquisitions and the related financings as though they had occurred on January 1, 2015 without the impact of purchase accounting, as well as other adjustments consistent with our definition of Adjusted EBITDA. The Company eliminates amortization related to intangibles assets recognized in purchase accounting for acquisitions and costs capitalized in connection with obtaining regulatory approval of our products ("registration rights") as part of ongoing operations. We deduct capital expenditures associated with obtaining these registration rights. Further, we adjust the effective tax rate to 35% as described in the notes to the reconciliation in the release. For the quarter ended December 31, 2016, the resulting comparable adjusted net income available to stockholders is divided by the number of shares of outstanding common stock as of December 31 ,2016 plus the number of shares that would be issued if all convertible stock were converted to common stock, vested stock options were exercised, and awarded equity granted were vested as of December 31, 2016. For the full year, the resulting comparable adjusted net income available to stockholders is divided by the average of the four quarterly adjusted share counts.. Comparable 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 comparable adjusted earnings per share facilitates operating performance comparisons on a period-to-period basis.