

Platform Specialty Products Corp  
Form 10-Q  
May 07, 2014

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 10-Q  
\_\_\_\_\_

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2014

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_

to \_\_\_\_\_

Commission file number: 001-36272  
\_\_\_\_\_

(Exact name of Registrant as specified in its charter)

Delaware  
(State or other jurisdiction of incorporation or organization)

37-1744899  
(I.R.S. Employer Identification No.)

5200 Blue Lagoon Drive, Suite 855  
Miami, Florida  
(Address of principal executive offices)

33126  
(Zip Code)

Registrant's telephone number, including area code: (203) 575-5850  
\_\_\_\_\_

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer       Accelerated filer       Non-Accelerated filer       Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practical date.

Class	May 2, 2014
Common Stock, par value \$0.01 per share	121,491,080 shares

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## Part I. Financial Information

## Item 1. Financial Statements

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(In thousands, except per share amounts)

	Three months ended March 31, 2014 Successor	Three months ended March 31, 2013 Predecessor
Net sales	\$ 183,726	\$ 182,132
Cost of sales	99,504	88,818
Gross profit	84,222	93,314
Operating expenses:		
Selling, technical, general and administrative	74,032	55,980
Research and development	6,198	5,952
Restructuring	-	1,606
Total operating expenses	80,230	63,538
Operating profit	3,992	29,776
Other (expense) income:		
Interest, net	(7,742 )	(11,718 )
Other (expense) income, net	(89 )	3,587
	(7,831 )	(8,131 )
(Loss) income before income taxes, non-controlling interests and accrued payment-in-kind dividends on cumulative preferred shares		
	(3,839 )	21,645
Income tax provision	(2,109 )	(6,308 )
Net (loss) income	(5,948 )	15,337
Net income attributable to the non-controlling interests	(1,469 )	(89 )
Net (loss) income attributable to common shareholders	(7,417 )	15,248
Accrued payment-in-kind dividend on cumulative preferred shares	-	(11,794 )
Net (loss) income attributable to common shares	\$ (7,417 )	\$ 3,454
Earnings (loss) per share		
Basic	\$ (0.07 )	n/a
Diluted	\$ (0.07 )	n/a
Weighted average shares outstanding (In thousands)		
Basic	107,160	n/a
Diluted	107,160	n/a

See accompanying notes to condensed consolidated financial statements

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
(Unaudited)  
(In thousands)

	Three months ended March 31, 2014 Successor	Three months ended March 31, 2013 Predecessor
Net (loss) income	\$ (5,948 )	\$ 15,337
Other comprehensive (loss) income, before tax		
Foreign currency translation adjustments	(9,276 )	(16,524 )
Unrealized (loss) gain on available for sale securities	(52 )	145
Derivative financial instruments revaluation	15	(780 )
Total other comprehensive loss, before tax	(9,313 )	(17,159 )
Income tax benefit on comprehensive loss	18	222
Other comprehensive loss, net of tax	(9,295 )	(16,937 )
Comprehensive income attributable to the non-controlling interests	(1,465 )	(57 )
Comprehensive loss attributable to common shareholders	\$ (16,708 )	\$ (1,657 )

See accompanying notes to condensed consolidated financial statements

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

(In thousands, except share and per share amounts)

	March 31, 2014	December 31, 2013
Assets		
Cash & cash equivalents	\$ 316,604	\$ 123,040
Accounts receivable, net of allowance for doubtful accounts of \$10,242 and \$10,113 at March 31, 2014 and December 31, 2013, respectively	141,384	140,525
Inventories	79,870	89,618
Prepaid expenses & other current assets		