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Platform Specialty Products Corp  
Form 10-Q  
August 14, 2015

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 10-Q

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

For the quarterly period ended June 30, 2015

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

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(Exact name of Registrant as specified in its charter)

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Delaware

37-1744899

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

1450 Centrepark Boulevard, Suite 210

33401

West Palm Beach, Florida

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (561) 207-9600

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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

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files). Yes  No

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                                    | August 12, 2015    |
| Common Stock, par value \$0.01 per share | 210,864,903 shares |

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Glossary of Defined Terms

| Terms                                 | Definitions  |
|---------------------------------------|--|
| Platform; We; Us; Our; the Company    | Platform Specialty Products Corporation, a Delaware corporation, and its subsidiaries, collectively, for all periods subsequent to the MacDermid Acquisition.  |
| Acquisitions                          | The Agriphar Acquisition, Arysta Acquisition, CAS Acquisition, and MacDermid Acquisition, collectively.  |
| Agriphar                              | Percival and its agrochemical business, Agriphar.  |
| Agriphar Acquisition                  | Acquisition of a 100% interest in Agriphar, completed on October 1, 2014.  |
| AIs                                   | Active ingredients.  |
| Alent                                 | Alent plc (LSE:ALNT), a public limited company registered in England and Wales.  |
| Alent Acquisition                     | The proposed acquisition of Alent announced on July 13, 2015, which is expected to close in late 2015 or early 2016 after the satisfaction of the applicable closing conditions, including, but not limited to, Alent shareholder approval and regulatory approvals in certain jurisdictions.  |
| Amended and Restated Credit Agreement | Platform's credit agreement dated April 12, 2007, as amended and/or restated on June 7, 2013, October 31, 2013 (Amendment No. 1), August 6, 2014 (Second Amended and Restated Credit Agreement and the Further Amendments pursuant to Amendment No. 2), October 1, 2014 (Incremental Amendment No. 1) and February 13, 2015 (Amendment No. 3).   |
| Amendment No. 2                       | Amendment No. 2, dated as of August 6, 2014, entered into among, inter alia, Platform, MacDermid Holdings, MacDermid, the subsidiaries of the borrowers from time to time parties thereto, the lenders from time to time parties thereto and Barclays Bank PLC, as administrative agent and collateral agent, including the Further Amendments to the Second Amended and Restated Credit Agreement, entered into in connection with the CAS Acquisition. |
| Amendment No. 3                       | Amendment No. 3, dated as of February 13, 2015, entered into among, Platform, MacDermid Holdings, MAS Holdings, NAIP and certain subsidiaries of Platform and MacDermid Holdings, the lenders from time to time parties thereto and Barclays Bank PLC, entered into in connection with the Arysta Acquisition.   |
| Annual Report                         | Platform's annual report on Form 10-K for the fiscal year ended December 31, 2014, filed with the SEC on March 30, 2015.   |
| Arysta                                | Arysta LifeScience Limited, an Irish private limited company.  |
| Arysta Acquisition                    | Acquisition of a 100% interest in Arysta, completed on February 13, 2015.  |
| ASC                                   | Accounting Standards Codification.   |
| ASU                                   | Accounting Standards Update.   |
| Board                                 | Platform's board of directors.   |
| CAS                                   | AgroSolutions business of Chemtura.  |
| CAS Acquisition                       | Acquisition of a 100% interest in CAS, completed on November 3, 2014.  |
| Chemtura                              | Chemtura Corporation, a Delaware corporation.  |
| Credit Facilities                     | The First Lien Credit Facility and the Revolving Credit Facility, collectively, available under the Amended and Restated Credit Agreement.   |
| Dodd-Frank                            | Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.   |
| Domestic Pension Plan                 | MacDermid, Incorporated Employees' Pension Plan (as amended and restated, effective January 1, 2009), a non-contributory domestic defined benefit pension plan.  |
| Domestication                         |  |

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|                        |  |
|------------------------|--|
| ESPP                   | Platform's change of jurisdiction of incorporation from the British Virgin Islands to Delaware on January 22, 2014.<br>Platform Specialty Products Corporation 2014 Employee Stock Purchase Plan, adopted by the Board on March 6, 2014 and approved by Platform's stockholders at the annual meeting held on June 12, 2014. |
| Euro Tranche Term Loan | Term loans denominated in Euros in an aggregate amount of €205 million borrowed in connection with the CAS Acquisition.  |
| Exchange Act           | Securities Exchange Act of 1934, as amended.   |
| Exchange Agreement     | Exchange Agreement, dated October 25, 2013, between Platform and the fiduciaries of the 401K Plan.   |

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|                            |  |
|----------------------------|--|
| Terms                      | Definitions  |
| FASB                       | Financial Accounting Standard Board.   |
| FCPA                       | Foreign Corrupt Practices Act of 1977.   |
| First Lien Credit Facility | First lien credit facility available under the Amended and Restated Credit Agreement.  |
| Founder Entities           | Mariposa Acquisition, LLC and Berggruen Holdings Ltd. and its affiliates, collectively.  |
| Further Amendments         | Further amendments to our Second Amended and Restated Credit Agreement pursuant to the Amendment No. 2 entered on August 6, 2014 by and among Platform, Barclays Bank PLC, the several lenders from time to time party thereto and the other parties thereto, which became effective upon the consummation of the CAS Acquisition on November 3, 2014.       |
| HSRA Act                   | Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.  |
| Incremental Amendment      | Incremental amendment No. 1 to the Amended and Restated Credit Agreement entered into on October 1, 2014 by and among Platform and MacDermid, as borrowers, MacDermid Holdings, certain subsidiaries of MacDermid Holdings and Platform, Barclays Bank PLC, as collateral agent and administrative agent, and the incremental lender party thereto.          |
| Initial Public Offering    | Initial public offering of Platform (formerly named “Platform Acquisition Holdings Limited”) completed on the London Stock Exchange on May 22, 2013, raising net proceeds of approximately \$881 million.  |
| June 2015 Equity Offering  | Platform's underwritten public offering of 18,226,414 shares of its common stock at a public offering price of \$26.50 per share, which closed on June 29, 2015, raising gross proceeds of approximately \$483 million.  |
| LTCB                       | Long Term Cash Bonus plan  |
| MacDermid                  | MacDermid, Incorporated, a Connecticut corporation.  |
| MacDermid Acquisition      | Platform’s acquisition on October 31, 2013 of substantially all of the equity of MacDermid Holdings, which, at the time, owned approximately 97% of MacDermid. As a result, Platform became a holding company for the MacDermid business. Platform acquired the remaining 3% of MacDermid on March 4, 2014, pursuant to the terms of the Exchange Agreement. |
| MacDermid Holdings         | MacDermid Holdings, LLC which, at the time of the MacDermid Acquisition, owned approximately 97% of MacDermid, a subsidiary of MacDermid Holdings.   |
| MAS Holdings               | MacDermid Agricultural Solutions Holdings B.V., a company organized under the laws of the Netherlands and a subsidiary of Platform.  |
| NAIP                       | Netherlands Agricultural Investment Partners, LLC, a company organized under the laws of the Netherlands and a subsidiary of Platform.   |
| New Euro Tranche Term Loan | New term loans denominated in Euros in an aggregate amount of €83 million borrowed in connection with the Arysta Acquisition.  |
| New Tranche B Term Loan    | New Tranche B term loans denominated in U.S. dollars in an aggregate principal amount of \$130 million, borrowed in connection with the CAS Acquisition through an increase in Platform’s existing tranche B term loan facility.   |
| New Tranche B-2 Term Loan  | New Tranche B-2 term loans denominated in U.S. dollars in an aggregate principal amount of \$500 million, borrowed in connection with the Arysta Acquisition through an increase in Platform’s existing tranche B term loan facility.  |
| Notes Offering             | Private offering of \$1.10 billion aggregate principal amount of 6.50% USD Notes due 2022 and €350 million aggregate principal amount of 6.00% EUR Notes due 2023 to qualified institutional buyers pursuant to Rule 144A under the Securities Act, and to   |

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|                  |  |
|------------------|--|
|                  | non-U.S. persons in accordance with Regulation S under the Securities Act, completed on February 2, 2015.  |
| NYSE             | New York Stock Exchange.   |
| OMG              | OM Group, Inc. (NYSE:OMG), a Delaware corporation.   |
| OMG Businesses   | The OMG's Electronic Chemicals and Photomasks businesses, collectively   |
| OMG Acquisition  | The proposed acquisition of the OMG Businesses announced on June 1, 2015, which is expected to close in two stages, during the fourth quarter of 2015, and then subsequently during the first quarter of 2016. |
| Original Seller  | Nalozo S.à.r.l., a Luxembourg limited liability company and the original seller in the Arysta Acquisition.   |
| PDH              | Platform Delaware Holdings, Inc., a subsidiary of Platform.  |
| PDH Common Stock | Shares of common stock of PDH.   |

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|--|---|
| Terms  | Definitions   |
| Percival                                     | Percival S.A., a société anonyme incorporated and organized under the laws of Belgium, acquired by Platform on October 1, 2014.   |
| Pershing Square                              | Pershing Square Capital Management, L.P.  |
| Private Placement Offering                   | Private placement of an aggregate of 15,800,000 shares of common stock completed on May 20, 2014 at a purchase price of \$19.00 per share, raising net proceeds of approximately \$287 million.   |
| Quarterly Report                             | This quarterly report on Form 10-Q for the fiscal quarter ended June 30, 2015.  |
| Retaining Holder                             | Each Holder of an equity interest of MacDermid Holdings immediately prior to the closing of the MacDermid Acquisition, who executed a RHSA.   |
| Revolving Credit Facility                    | Revolving Credit Facility (in U.S. dollars or multicurrency) available under the Amended and Restated Credit Agreement.   |
| RSUs   | Restricted stock units issued by Platform from time to time under the 2013 Plan.  |
| RHSA   | Retaining Holder Securityholders' Agreement dated October 10, 2013 entered into by and between Platform and each Retaining Holder pursuant to which they agreed to exchange their respective interests in MacDermid Holdings for shares of PDH Common Stock, at an exchange rate of \$11.00 per share plus (i) a proportionate share of the \$100 million contingent consideration and (ii) an interest in certain MacDermid pending litigation.                                    |
| Sarbanes-Oxley SEC                           | Sarbanes-Oxley Act of 2002.   |
| Security Agreement                           | Securities and Exchange Commission.<br>Amended and Restated Pledge and Security Agreement, amended and restated as of October 31, 2013, as amended, supplemented and modified from time to time, entered into by Platform, MacDermid and the guarantors listed therein.   |
| Second Amended and Restated Credit Agreement | Second Amended and Restated Credit Agreement, dated as of August 6, 2014, among, inter alia, Platform, MacDermid Holdings, MacDermid, the subsidiaries of the borrowers from time to time parties thereto, the lenders from time to time parties thereto and Barclays Bank PLC, as administrative agent and collateral agent.   |
| Securities Act                               | Securities Act of 1933, as amended.   |
| Seller                                       | Nalozo, L.P., an affiliate of the Original Seller who became the seller in the Arysta Acquisition pursuant to an amendment to the share purchase agreement dated February 11, 2015.   |
| Seller Resale Registration Statement         | Registration statement on Form S-3 (File No. 333-202287) initially filed on February 25, 2015 to register the resale of a maximum of 22,107,590 shares of common stock issuable upon conversion of the Series B Convertible Preferred Stock pursuant to a registration rights agreement entered into with the Seller dated February 13, 2015. The Seller Registration Statement was amended on March 20, 2015 and April 29, 2015, and declared effective by the SEC on May 6, 2015. |
| Series A Preferred Stock                     | 2,000,000 shares of Platform's Series A preferred stock which were automatically converted from ordinary shares held by the Founder Entities upon the Domestication, and which are convertible into shares of Platform's common stock, on a one-for-one basis, at any time at the option of the Founder Entities.   |
| Series B Convertible Preferred Stock         | 600,000 shares of Platform's Series B convertible preferred stock issued to the Seller in connection with the Arysta Acquisition on February 13, 2015, which are convertible into a maximum of 22,107,590 shares of Platform's common stock at the option of the Seller.  |
| SERP   | Supplemental Executive Retirement Plan for executive officers of Platform.  |
| Tartan                                       |   |

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Tartan Holdings, LLC, a Delaware limited liability company and subsidiary of Platform, formed at the time of the MacDermid Acquisition to hold the PDH Common Stock in exchange of MacDermid Holdings equity interests.

U.K. Companies Act

The U.K. Companies Act 2006, as amended.

U.K. Takeover Code

The U.K. City Code on Takeovers and Mergers.

USD Incremental Loan

Incremental term loans under the Incremental Amendment to the Second Amended and Restated Credit Agreement in an aggregate principal amount of \$300 million used to finance the Agriphar Acquisition.

U.S. GAAP

Generally accepted accounting principles in the United States.

2013 Plan

Platform Specialty Products Corporation Amended and Restated 2013 Incentive Compensation Plan adopted by the Board on October 31, 2013, as amended on December 16, 2013 and approved by Platform's stockholders at the annual meeting held on June 12, 2014.

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| Terms                    | Definitions  |
|--------------------------|--|
| 401K Plan                | MacDermid, Incorporated Profit Sharing and Employee Savings Plan.                                |
| 6.00% EUR Notes due 2023 | Platform's 6.00% senior notes due 2023 denominated in Euros issued in the Notes Offering.        |
| 6.50% USD Notes due 2022 | Platform's 6.50% senior notes due 2022 denominated in U.S. dollars issued in the Notes Offering. |

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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 millions, except loss per share)

|  | Three Months Ended June 30, |          | Six Months Ended June 30, |           |
|--|-----------------------------|----------|---------------------------|-----------|
|  | 2015                        | 2014     | 2015                      | 2014      |
| Net sales  | \$675.1                     | \$189.1  | \$1,209.9                 | \$372.8   |
| Cost of sales  | 406.5                       | 92.4     | 734.2                     | 191.9     |
| Gross profit   | 268.6                       | 96.7     | 475.7                     | 180.9     |
| Operating expenses:                                      |                             |          |                           |           |
| Selling, technical, general and administrative           | 206.2                       | 85.2     | 398.2                     | 159.2     |
| Research and development                                 | 18.4                        | 5.9      | 31.3                      | 12.1      |
| Total operating expenses                                 | 224.6                       | 91.1     | 429.5                     | 171.3     |
| Operating profit   | 44.0                        | 5.6      | 46.2                      | 9.6       |
| Other (expense) income:                                  |                             |          |                           |           |
| Interest expense, net                                    | (51.1                       | ) (7.7   | ) (90.5                   | ) (15.4   |
| Other (expense) income, net                              | (2.2                        | ) (0.5   | ) 33.4                    | ) (0.6    |
| Total other expense                                      | (53.3                       | ) (8.2   | ) (57.1                   | ) (16.0   |
| Loss before income taxes and non-controlling interests   | (9.3                        | ) (2.6   | ) (10.9                   | ) (6.4    |
| Income tax benefit (expense)                             | 0.2                         | 4.1      | (24.5                     | ) 1.9     |
| Net (loss) income  | (9.1                        | ) 1.5    | (35.4                     | ) (4.5    |
| Net income attributable to the non-controlling interests | (3.1                        | ) (1.9   | ) (3.5                    | ) (3.3    |
| Net loss attributable to common stockholders             | \$(12.2                     | ) \$(0.4 | ) \$(38.9                 | ) \$(7.8  |
| Loss per share   |                             |          |                           |           |
| Basic  | \$(0.06                     | ) \$—    | \$(0.20                   | ) \$(0.07 |
| Diluted  | \$(0.06                     | ) \$—    | \$(0.20                   | ) \$(0.07 |
| Weighted average shares outstanding                      |                             |          |                           |           |
| Basic  | 192.8                       | 128.6    | 192.3                     | 117.9     |
| Diluted  | 192.8                       | 128.6    | 192.3                     | 117.9     |

See accompanying notes to condensed consolidated financial statements

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Unaudited)

(In millions)

|   | Three Months Ended June 30, |          | Six Months Ended June 30, |           |
|---|-----------------------------|----------|---------------------------|-----------|
|   | 2015                        | 2014     | 2015                      | 2014      |
| Net (loss) income   | \$ (9.1                     | ) \$ 1.5 | \$ (35.4                  | ) \$ (4.5 |
| Other comprehensive income (loss), before tax                             |                             |          |                           |           |
| Foreign currency translation adjustments                                  | 161.5                       | 19.7     | (263.7                    | ) 23.0    |
| Pension and post-retirement plans   |                             |          |                           |           |
| Net loss recognized during the year                                       | —                           | —        | —                         | 0.2       |
| Pension and post-retirement plans   | —                           | —        | —                         | 0.2       |
| Tax expense   | —                           | —        | (0.5                      | ) —       |
| Pension and post-retirement plan, net of tax                              | —                           | —        | (0.5                      | ) 0.2     |
| Unrealized gain on available for sale securities                          |                             |          |                           |           |
| Unrealized holding gain on available for sale securities                  | 0.3                         | 0.1      | 0.2                       | —         |
| Unrealized gain on available for sale securities                          | 0.3                         | 0.1      | 0.2                       | —         |
| Tax expense   | —                           | —        | —                         | —         |
| Unrealized gain on available for sale securities, net of tax              | 0.3                         | 0.1      | 0.2                       | —         |
| Derivative financial instruments revaluation                              |                             |          |                           |           |
| Unrealized hedging loss arising during the period                         | —                           | (0.2     | ) —                       | (0.2      |
| Derivative financial instruments revaluation                              | —                           | (0.2     | ) —                       | (0.2      |
| Tax benefit   | —                           | 0.1      | —                         | 0.1       |
| Derivative financial instruments revaluation, net of tax                  | —                           | (0.1     | ) —                       | (0.1      |
| Total other comprehensive income (loss), net of tax                       | 161.8                       | 19.7     | (264.0                    | ) 23.1    |
| Comprehensive income (loss)   | 152.7                       | 21.2     | (299.4                    | ) 18.6    |
| Comprehensive (income) loss attributable to the non-controlling interests | (4.7                        | ) (3.2   | ) 3.6                     | (4.6      |
| Comprehensive income (loss) attributable to common stockholders           | \$ 148.0                    | \$ 18.0  | \$ (295.8                 | ) \$ 14.0 |

See accompanying notes to condensed consolidated financial statements

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

(In millions, except share and per share amounts)

|  | June 30,<br>2015 | December 31,<br>2014 |
|--|------------------|----------------------|
| Assets   |                  |                      |
| Cash and cash equivalents  | \$672.2          | \$397.3              |
| Restricted cash  | —                | 600.0                |
| Accounts receivable, net of allowance for doubtful accounts of \$12.4 and \$9.6 at June 30, 2015 and December 31, 2014, respectively   | 1,050.1          | 327.3                |
| Inventories  | 470.0            | 205.8                |
| Prepaid expenses and other current assets  | 195.0            | 46.1                 |
| Total current assets   | 2,387.3          | 1,576.5              |
| Property, plant and equipment, net   | 280.6            | 175.0                |
| Goodwill   | 3,012.8          | 1,405.3              |
| Intangible assets, net   | 2,777.3          | 1,341.5              |
| Other assets   | 88.4             | 49.0                 |
| Total assets   | \$8,546.4        | \$4,547.3            |
| Liabilities & Stockholders' Equity   |                  |                      |
| Revolving credit facilities  | 22.4             | —                    |
| Current installments of long-term debt   | 16.8             | 13.2                 |
| Accounts payable   | 386.7            | 106.7                |
| Accrued salaries, wages and employee benefits  | 30.3             | 31.3                 |
| Accrued income taxes payable   | 1.5              | 16.7                 |
| Accrued working capital adjustment payable   | —                | 14.3                 |
| Accrued customer rebates and sales incentives  | 139.5            | 9.9                  |
| Financial guarantees and factoring   | 70.0             | —                    |
| Other current liabilities  | 190.8            | 48.6                 |
| Total current liabilities  | 858.0            | 240.7                |
| Long-term debt and capital lease obligations   | 3,401.6          | 1,392.4              |
| Long-term retirement benefits, less current portion  | 45.2             | 38.8                 |
| Long-term deferred income taxes  | 675.6            | 202.3                |
| Long-term contingent consideration   | 67.5             | 63.9                 |
| Other long-term liabilities  | 104.1            | 56.6                 |
| Total liabilities  | 5,152.0          | 1,994.7              |
| Commitments and contingencies (Note 15)  |                  |                      |
| Redeemable preferred stock - Series B  | 645.9            | —                    |
| Stockholders' Equity   |                  |                      |
| Preferred stock - Series A   | —                | —                    |
| Common stock, \$0.01 par value per share (effective January 23, 2014), 400,000,000 shares authorized, 210,861,044 and 182,066,980 shares issued and outstanding at June 30, 2015 and December 31, 2014, respectively | 2.1              | 1.9                  |
| Additional paid-in capital   | 3,287.9          | 2,812.4              |
| Accumulated deficit  | (263.0)          | ) (224.1 )           |
| Accumulated other comprehensive loss   | (387.6)          | ) (130.6 )           |

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|   |           |           |
|---|-----------|-----------|
| Total stockholders' equity                                | 2,639.4   | 2,459.6   |
| Non-controlling interests                                 | 109.1     | 93.0      |
| Total equity  | 2,748.5   | 2,552.6   |
| Total liabilities, redeemable preferred shares and equity | \$8,546.4 | \$4,547.3 |

See accompanying notes to condensed consolidated financial statements

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PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES  
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

(In millions)

|  | Six Months Ended June 30, |         |
|--|---------------------------|---------|
|  | 2015                      | 2014    |
| Cash flows from operating activities:                        |                           |         |
| Net cash flows provided by operating activities              | 100.3                     | 49.2    |
| Cash flows from investing activities:                        |                           |         |
| Capital expenditures, net                                    | (29.3                     | ) (4.6  |
| Change in restricted cash                                    | 600.0                     | —       |
| Acquisition of businesses, net                               | (2,856.7                  | ) 4.8   |
| Investment in registrations of products                      | (14.6                     | ) —     |
| Other, net   | 0.1                       | —       |
| Net cash flows (used in) provided by investing activities    | (2,300.5                  | ) 0.2   |
| Cash flows from financing activities:                        |                           |         |
| Proceeds from issuance of debt, net of discount and premium  | 2,082.7                   | —       |
| Change in revolving credit facilities, net                   | 7.1                       | —       |
| Repayments of borrowings                                     | (10.3                     | ) (3.8  |
| Proceeds from issuance of common stock, net                  | 469.4                     | 473.6   |
| Payment of debt financing fees                               | (45.5                     | ) —     |
| Change in factored liabilities                               | (18.9                     | ) —     |
| Other, net   | (0.6                      | ) 0.2   |
| Net cash flows provided by financing activities              | 2,483.9                   | 470.0   |
| Effect of exchange rate changes on cash and cash equivalents | (8.8                      | ) 0.3   |
| Net increase in cash and cash equivalents                    | 274.9                     | 519.7   |
| Cash and cash equivalents at beginning of period             | 397.3                     | 123.0   |
| Cash and cash equivalents at end of period                   | \$672.2                   | \$642.7 |

See accompanying notes to condensed consolidated financial statements

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

(Unaudited)

(In millions, except share and per share amounts)

|   | Preferred<br>Stock | Common Stock |             | Additional<br>Paid-in<br>Capital | Accumulated<br>Deficit | Accumulated<br>Other<br>comprehensive<br>loss | Total<br>Stockholders'<br>Equity | Non-<br>controlling<br>interest | Total<br>Equity |            |
|---|--------------------|--------------|-------------|----------------------------------|------------------------|---|----------------------------------|---------------------------------|-----------------|------------|
|   | Shares             | Amount       | Shares      |                                  |                        |   |                                  |                                 |                 | Amount     |
| Balance at<br>December 31,<br>2014  | 2,000,000          | \$—          | 182,066,980 | \$ 1.9                           | \$ 2,812.4             | \$ (224.1)                                    | \$ (130.6)                       | \$ 2,459.6                      | \$ 93.0         | \$ 2,552.6 |
| Net loss  | —                  | —            | —           | —                                | (26.7)                 | —   | (26.7)                           | 0.4                             | (26.3)          | (26.3)     |
| Other<br>comprehensive<br>loss, net of taxes  | —                  | —            | —           | —                                | —                      | (417.2)                                       | (417.2)                          | (8.7)                           | (425.9)         | (425.9)    |
| Issuance of<br>common stock to<br>Founder Entities<br>as stock dividend<br>to Series A                  | —                  | —            | 10,050,290  | —                                | —                      | —   | —                                | —                               | —               | —          |
| Preferred Stock<br>declared on<br>December 31,<br>2014  | —                  | —            | —           | —                                | —                      | —   | —                                | —                               | —               | —          |
| Issuance of<br>common stock to<br>former<br>non-founder<br>director for<br>exercise of stock<br>options | —                  | —            | 75,000      | —                                | 0.9                    | —   | —                                | 0.9                             | —               | 0.9        |
| Conversion of<br>PDH Common<br>Stock into<br>common stock   | —                  | —            | 21,316      | —                                | 0.2                    | —   | —                                | 0.2                             | (0.2)           | —          |
| Issuance of<br>common stock<br>under ESPP   | —                  | —            | 7,986       | —                                | 0.1                    | —   | —                                | 0.1                             | —               | 0.1        |
| Equity<br>compensation<br>expense   | —                  | —            | —           | —                                | 0.7                    | —   | —                                | 0.7                             | —               | 0.7        |
| Acquisition of<br>non-controlling<br>interest with  | —                  | —            | —           | —                                | —                      | —   | —                                | 24.6                            | 24.6            | 24.6       |

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|  |           |     |             |        |            |           |           |            |          |            |
|--|-----------|-----|-------------|--------|------------|-----------|-----------|------------|----------|------------|
| Arysta Acquisition   |           |     |             |        |            |           |           |            |          |            |
| Balance at March 31, 2015  | 2,000,000 | \$— | 192,221,572 | \$ 1.9 | \$ 2,814.3 | \$(250.8) | \$(547.8) | \$ 2,017.6 | \$ 109.1 | \$ 2,126.7 |
| Net loss   | —         | —   | —           | —      | —          | (12.2)    | —         | (12.2)     | 3.1      | (9.1)      |
| Other comprehensive income, net of taxes                                   | —         | —   | —           | —      | —          | —         | 160.2     | 160.2      | 1.6      | 161.8      |
| Issuance of common stock at \$26.50 per share in June 2015 Equity Offering | —         | —   | 18,226,414  | 0.2    | 482.8      | —         | —         | 483.0      | —        | 483.0      |
| Issuance costs in connection with June 2015 Equity Offering                | —         | —   | —           | —      | (14.8)     | —         | —         | (14.8)     | —        | (14.8)     |
| Conversion of PDH Common Stock into common stock                           | —         | —   | 406,217     | —      | 4.7        | —         | —         | 4.7        | (4.7)    | —          |
| Issuance of common stock under ESPP  | —         | —   | 6,841       | —      | 0.3        | —         | —         | 0.3        | —        | 0.3        |
| Equity compensation expense  | —         | —   | —           | —      | 0.6        | —         | —         | 0.6        | —        | 0.6        |
| Balance at June 30, 2015   | 2,000,000 | \$— | 210,861,044 | \$ 2.1 | \$ 3,287.9 | \$(263.0) | \$(387.6) | \$ 2,639.4 | \$ 109.1 | \$ 2,748.5 |

See accompanying notes to condensed consolidated financial statements

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES  
 CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY  
 (Unaudited)  
 (In millions, except share and per share amounts)

|                              | Preferred Stock |        | Common Stock |        | Additional<br>Paid-in<br>Capital | Accumulated<br>Deficit | Accumulated<br>other<br>comprehensive<br>income<br>(loss) | Total<br>Stockholders'<br>Equity | Non-<br>controlling<br>interest | Total<br>equity |
|------------------------------|-----------------|--------|--------------|--------|----------------------------------|------------------------|---|----------------------------------|---------------------------------|-----------------|
|                              | Shares          | Amount | Shares       | Amount |                                  |                        |   |                                  |                                 |                 |
| Balance at December 31, 2013 | 2,000,000       | \$ —   | 103,571,941  | \$ —   | \$ 1,212.0                       | \$ (194.2 )            | \$ 1.3  | \$ 1,019.1                       | \$                              |                 |