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Platform Specialty Products Corp
Form 10-Q
November 14, 2014
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 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.)
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5200 Blue Lagoon Drive, Suite 855 Miami, Florida (Address of principal executive offices)	33126 (Zip Code)
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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

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.

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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	November 7, 2014
Common Stock, par value \$0.01 per share	165,481,005 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)

	For the three months ended September 30, 2014 Successor	For the three months ended September 30, 2013 Successor	For the three months ended September 30, 2013 Predecessor	For the nine months ended September 30, 2014 Successor	Period from Inception (April 23, 2013) through September 30, 2013 Successor	For the nine months ended September 30, 2013 Predecessor
Net sales	\$196,782	\$-	\$188,433	\$569,640	\$-	\$560,557
Cost of sales	93,558	-	89,461	285,507	-	271,730
Gross profit	103,224	-	98,972	284,133	-	288,827
Operating expenses:						
Selling, technical, general and administrative	72,926	4,773	54,436	231,737	4,870	164,405
Research and development	6,368	-	5,678	18,464	-	17,504
Restructuring	567	-	238	971	-	1,890
Total operating expenses	79,861	4,773	60,352	251,172	4,870	183,799
Operating profit (loss)	23,363	(4,773)	38,620	32,961	(4,870)	105,028
Other (expense) income:						
Interest, net	(7,971)	63	(16,127)	(23,375)	80	(40,694)
Loss on extinguishment of debt	-	-	-	-	-	(18,788)
Other (expense) income, net	(3,070)	-	(993)	(3,671)	-	(405)
	(11,041)	63	(17,120)	(27,046)	80	(59,887)
Income (loss) before income taxes, non-controlling interests and accrued payment-in-kind dividends on cumulative preferred shares	12,322	(4,710)	21,500	5,915	(4,790)	45,141
Income tax benefit (provision)	1,595	-	(6,864)	3,542	-	(20,932)
Net income (loss)	13,917	(4,710)	14,636	9,457	(4,790)	24,209
Net income attributable to the non-controlling interests	(2,046)	-	(139)	(5,380)	-	(319)
Net income (loss) attributable to common shareholders	11,871	(4,710)	14,497	4,077	(4,790)	23,890
Accrued payment-in-kind dividend on cumulative preferred shares	-	-	(1,028)	-	-	(22,100)
Net income (loss) attributable to common shares	\$11,871	\$(4,710)	\$13,469	\$4,077	\$(4,790)	\$1,790

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Earnings (loss) per share

Basic	\$0.09	\$(0.05)	n/a	\$0.03	\$(0.05)	n/a
Diluted	\$0.08	\$(0.05)	n/a	\$0.03	\$(0.05)	n/a

Weighted average shares outstanding (In thousands)

Basic	137,299	88,529	n/a	124,462	88,529	n/a
Diluted	152,694	88,529	n/a	140,534	88,529	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)

	For the three months ended September 30, 2014 Successor	For the three months ended September 30, 2013 Successor	For the three months ended September 30, 2013 Predecessor	For the nine months ended September 30, 2014 Successor	Period from Inception (April 23, 2013) through September 30, 2013 Successor	For the nine months ended September 30, 2013 Predecessor
Net income (loss)	\$ 13,917	\$ (4,710)	\$ 14,636	\$ 9,457	\$ (4,790)	\$ 24,209
Other comprehensive income (loss) income, before tax						
Foreign currency translation adjustments	(60,278)	-	15,845	(37,304)	-	(6,164)
Unrealized (loss) gain on available for sale securities	(92)	-	110	(86)	-	159
Pension and postretirement plan	-	-	-	217	-	-
Derivative financial instruments revaluation	-	-	390	(163)	-	(260)
Total other comprehensive (loss) income, before tax	(60,370)	-	16,345	(37,336)	-	(6,265)
Income tax benefit (provision) on comprehensive income (loss)	35	-	(175)	107	-	35
Other comprehensive (loss) income, net of tax	(60,335)	-	16,170	(37,229)	-	(6,230)