



COMPOUNDER READY FOR LIFTOFF

Hey Investors!

By the end of this summer, Platform Specialty will be two distinct and separate publicly-traded companies: MacDermid Performance Solutions and Arysta Life Science.

Arysta is the agricultural division that Platform plans to IPO in the summer, while the remaining company will be called MacDermid Performance Solutions.

This is exciting news for shareholders, and we are feeling opportunistic about 2018 for this **Superinvestor Wealth Compounder**.

The underlying businesses are humming on all cylinders. Collectively, the company is going to generate \$850 million in EBITDA, with free cash flow growing faster than EBITDA growth year over year.

In 2018, the capital expenditures for Platform will be right around \$100 million, cash taxes will be around \$140 million, and the cash interest expense is rapidly coming down (which provides a positive feedback loop towards earnings), currently down to \$300 million (a reduction of \$75 million in last 18 months).

After subtracting the kitchen sink from earnings, the free cash flow will be well north of \$300 million in 2018. After the IPO and equity capital from it, I suspect free cash flow will be closer to a normalized run rate of \$360-\$380 million.

On a market capitalization of \$3.1 billion, this long-term compounder that has returns on capital north of 20% is in an enviable position for long-term shareholders. For a business with a return on capital north of 20% (great business) and a free cash flow yield north of 10% at under 1x sales the market will take big notice soon enough.

FMT Advisory believes this compounding machine is about ready to lift off in 2018.

It's no wonder that Martin Franklin, co-founder, continues buying shares for millions out of his own pocket right now.

This is a great business at a great price with stellar and aligned management. In other words, this is a minimal risk, high reward opportunity. It doesn't get any more Buffettique than this.

To get on the ride, please contact us today. Using our shrewd capital allocation decisions is probably a great idea on its own!