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, 2019

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

element solutions

Element Solutions Inc
(Exact name of Registrant as specified in its charter)

Delaware	**37-1744899**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

500 East Broward Boulevard,	**Suite 1860**	**33394**
Fort Lauderdale, Florida		(Zip Code)
(Address of principal executive offices)		

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01 per share	ESI	New York Stock Exchange

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 every Interactive Data File required to be submitted 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 such files). Yes ☒ No ☐

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

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

Number of shares of common stock outstanding at November 1, 2019:251,099,413

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GLOSSARY OF DEFINED TERMS

Terms	Definitions
Element Solutions; We; Us; Our; the Company	Element Solutions Inc, a Delaware corporation, and, where the context requires, its subsidiaries or operating businesses.
Arysta	Arysta LifeScience Inc., parent company of the former Agricultural Solutions segment.
Arysta Sale	Sale of 100% of the issued and outstanding shares of common stock of Arysta and its subsidiaries to UPL for net cash proceeds of approximately $4.28 billion, completed on January 31, 2019.
ASU	Accounting Standards Update.
Board	Element Solutions' board of directors.
EBITDA	Earnings before interest, taxes, depreciation and amortization.
ESPP	Element Solutions Inc 2014 Employee Stock Purchase Plan.
Exchange Act	Securities Exchange Act of 1934, as amended.
FASB	Financial Accounting Standards Board.
Founder Entities	Mariposa Acquisition, LLC and Berggruen Holdings Ltd. and affiliates, collectively.
GAAP	Generally accepted accounting principles in the United States.
MacDermid	MacDermid, Incorporated, a Connecticut corporation.
MacDermid Acquisition	Element Solutions' acquisition of 100% of the equity of MacDermid Holdings, LLC, completed on October 31, 2013 and March 4, 2014.
New Credit Agreement	Element Solutions' new Credit Agreement, dated as of January 31, 2019, among, inter alia, Element Solutions and MacDermid, as borrowers, certain subsidiaries of Element Solutions and MacDermid from time to time parties thereto, the lenders from time to time parties thereto, and Barclays Bank PLC, as administrative agent and collateral agent.
NYSE	New York Stock Exchange.
OEM	Original Equipment Manufacturer.
PDH	Platform Delaware Holdings, Inc., a former subsidiary of Element Solutions.
Prior Senior Notes	Element Solutions' 6.00% EUR Notes due 2023 and 6.50% USD Notes due 2022, collectively.
Prior Senior Notes Indenture	The indenture, dated as of February 2, 2015, governing the Prior Senior Notes prior to their redemption.
Quarterly Report	This quarterly report on Form 10-Q for the three and nine months ended September 30, 2019.
Retaining Holder	Each Holder whose equity interest of MacDermid Holdings, LLC, held immediately prior to the closing of the MacDermid Acquisition, was converted into shares of common stock of PDH pursuant to a Retaining Holder Securityholders' Agreement dated October 31, 2013.
SEC	Securities and Exchange Commission.
Series A Preferred Stock	2,000,000 shares of Element Solutions' Series A convertible preferred stock held by the Founder Entities and convertible into shares of Element Solutions' common stock, on a one-for-one basis, at any time at the option of the Founder Entities.
UPL	UPL Corporation Ltd., a Mauritius public limited company and a wholly-owned subsidiary of UPL Limited.
2018 Annual Report	Element Solutions' annual report on Form 10-K for the fiscal year ended December 31, 2018, filed with the SEC on February 28, 2019.
5.875% USD Notes Indenture	The indenture, dated November 24, 2017, governing the 5.875% USD Notes due 2025.
5.875% USD Notes due 2025	Element Solutions' $800 million aggregate principal amount of 5.875% senior notes due 2025, denominated in U.S. dollars, issued on November 24, 2017.
6.00% EUR Senior Notes due 2023	Element Solutions' €350 million aggregate principal amount of 6.00% senior notes due 2023, denominated in euros, issued on February 2, 2015 and redeemed on February 1, 2019.
6.50% USD Senior Notes due 2022	Element Solutions' $1.10 billion aggregate principal amount of 6.50% senior notes due 2022, denominated in U.S. dollars, issued on February 2, 2015 and redeemed on February 1, 2019.

Discontinued Operations

Unless otherwise specified, the results and disclosures presented in this Quarterly Report exclude discontinued operations. Discontinued operations relate to the former Agricultural Solutions business of Element Solutions which consisted of Arysta and its subsidiaries. Accordingly, Agricultural Solutions' assets, liabilities, operating results and cash flows for all periods presented have been classified as discontinued operations within the unaudited Condensed Consolidated Financial Statements. The Arysta Sale was completed on January 31, 2019. See Note 3, *Discontinued Operations*, to the unaudited Condensed Consolidated Financial Statements included in this Quarterly Report for additional information.

Forward-Looking Statements

This Quarterly Report contains forward-looking statements that can be identified by words such as "expect," "anticipate," "project," "will," "should," "believe," "intend," "plan," "assume," "estimate," "predict," "seek," "continue," "outlook," "may," "might," "can have," "likely," "potential," "target," "hope," "goal" or "priority" and variations of such words and similar expressions. Examples of forward looking statements include, but are not limited to, statements, beliefs, projections and expectations regarding our corporate reorganization; business strategy and potential repurchases of our common stock; cost savings and efficiencies relating to the Arysta Sale or otherwise; the impact of new accounting standards and accounting changes; our dividend policy; the effects of global economic conditions on our business and financial condition; our hedging activities; timing and outcome of environmental and legal matters; our goodwill and other intangible assets; price volatility and cost environment; our liquidity and capital resources; our funding sources; our capital expenditures; our debt; off-balance sheet arrangements and contractual obligations; general views about future operating results; our risk management programs; our business and management strategies; future prospects; and other events or developments that we expect or anticipate will occur in the future.

Forward-looking statements are not guarantees of future performance, actions or events and are subject to risks and uncertainties. If one or more of these risks or uncertainties materialize, or if management’s underlying estimates, assumptions or expectations prove to be inaccurate or are unrealized, actual results may differ materially from those contemplated by these statements. A discussion of such risks and uncertainties include, without limitation, the risks set forth in Part I, Item 1A, *Risk Factors,* of our 2018 Annual Report. Any forward-looking statement made by us in this Quarterly Report is based only on information currently available to us and speaks only as of the date on which it is made. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. Please consult any further disclosures on related subjects in our Form 10-K, 10-Q and 8-K reports filed with the SEC.

Non-GAAP Financial Measures

This Quarterly Report contains non-GAAP financial measures, such as operating results on a constant currency and organic basis. Non-GAAP financial measures should not be considered in isolation from, as a substitute for, or superior to, performance measures calculated in accordance with GAAP. For definitions of these non-GAAP financial measures and additional information on why they are presented, their respective limitations and reconciliations to the most comparable applicable GAAP measures, see "*Non-GAAP Financial Measures*" in the Management's Discussion and Analysis of Financial Condition and Results of Operations section in Part I, Item 2, and Note 15,*Segment Information*, to the unaudited Condensed Consolidated Financial Statements, both included in this Quarterly Report.

PART I. FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

ELEMENT SOLUTIONS INC AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(dollars in millions, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Net Sales	$ 464.7	$ 488.5	$ 1,381.2	$ 1,482.6
Cost of Sales	259.0	278.9	784.2	847.2
Gross profit	205.7	209.6	597.0	635.4
Operating expenses:				
Selling, technical, general and administrative	128.8	139.5	397.6	424.6
Research and development	10.0	10.5	31.9	33.1
Total operating expenses	138.8	150.0	429.5	457.7
Operating profit	66.9	59.6	167.5	177.7
Other expense:				
Interest expense, net	(17.4)	(77.9)	(73.7)	(233.4)
Foreign exchange (loss) gain	(1.2)	(4.7)	(2.4)	0.4
Other income (expense), net	2.9	(0.1)	(46.2)	13.6
Total other expense	(15.7)	(82.7)	(122.3)	(219.4)
Income (loss) before income taxes and non-controlling interests	51.2	(23.1)	45.2	(41.7)
Income tax (expense) benefit	(57.2)	18.8	(40.0)	(21.1)
Net (loss) income from continuing operations	(6.0)	(4.3)	5.2	(62.8)
(Loss) income from discontinued operations, net of tax	(0.9)	(401.6)	13.2	(293.3)
Net (loss) income	(6.9)	(405.9)	18.4	(356.1)
Net income attributable to non-controlling interests	—	(3.0)	(0.6)	(3.5)
Net (loss) income attributable to common stockholders	$ (6.9)	$ (408.9)	$ 17.8	$ (359.6)
(Loss) earnings per share				
Basic from continuing operations	$ (0.02)	$ (0.02)	$ 0.02	$ (0.23)
Basic from discontinued operations	(0.01)	(1.40)	0.05	(1.02)
Basic attributable to common stockholders	$ (0.03)	$ (1.42)	$ 0.07	$ (1.25)
Diluted from continuing operations	$ (0.02)	$ (0.02)	$ 0.02	$ (0.23)
Diluted from discontinued operations	(0.01)	(1.40)	0.05	(1.02)
Diluted attributable to common stockholders	$ (0.03)	$ (1.42)	$ 0.07	$ (1.25)
Weighted average common shares outstanding				
Basic	254.4	288.2	259.9	288.1
Diluted	254.4	288.2	262.4	288.1

See accompanying notes to the Condensed Consolidated Financial Statements

ELEMENT SOLUTIONS INC AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(Unaudited)
(dollars in millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Net (loss) income	$ (6.9)	$ (405.9)	$ 18.4	$ (356.1)
Other comprehensive (loss) income				
Foreign currency translation:				
Other comprehensive (loss) income before reclassifications, net of tax (benefit) of $0.0 for the three and nine months ended September 30, 2019 and 2018, respectively	(47.8)	(93.3)	46.3	(411.9)
Reclassifications, net of tax of $0.0 for the three and nine months ended September 30, 2019 and 2018, respectively	—	—	479.8	—
Total foreign currency translation adjustments	(47.8)	(93.3)	526.1	(411.9)
Pension and post-retirement plans:				
Other comprehensive (loss) income before reclassifications, net of tax of $0.0 for the three and nine months ended September 30, 2019 and 2018, respectively	—	0.2	—	0.2
Reclassifications, net of tax of $0.0 for the three and nine months ended September 30, 2019 and 2018, respectively	—	—	(2.1)	—
Total pension and post-retirement plans	—	0.2	(2.1)	0.2
Derivative financial instruments:				
Other comprehensive (loss) income before reclassifications, net of tax expense (benefit) of $0.0 and $0.3 for the three months ended September 30, 2019 and 2018, and $0.0 and $3.4 for the nine months ended September 30, 2019 and 2018, respectively	(7.9)	1.5	(35.6)	9.3
Reclassifications, net of tax of $0.0 and $0.0 for the three months ended September 30, 2019 and 2018, and $1.4 and $0.0 for the nine months ended September 30, 2019 and 2018, respectively	0.6	(0.4)	(4.8)	0.5
Total unrealized (loss) gain arising on qualified hedging derivatives	(7.3)	1.1	(40.4)	9.8
Other comprehensive (loss) income	(55.1)	(92.0)	483.6	(401.9)
Comprehensive (loss) income	(62.0)	(497.9)	502.0	(758.0)
Comprehensive loss (income) attributable to the non-controlling interests	—	6.3	(40.8)	39.1
Comprehensive (loss) income attributable to common stockholders	$ (62.0)	$ (491.6)	$ 461.2	$ (718.9)

See accompanying notes to the Condensed Consolidated Financial Statements

ELEMENT SOLUTIONS INC AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(dollars in millions)

	September 30, 2019	December 31, 2018
Assets		
Cash and cash equivalents	$ 200.3	$ 233.6
Accounts receivable, net of allowance for doubtful accounts of $8.7 and $7.7 at September 30, 2019 and December 31, 2018, respectively	367.2	382.4
Inventories	198.0	188.1
Prepaid expenses	21.9	14.3
Other current assets	54.8	42.5
Current assets of discontinued operations	8.1	1,621.3
Total current assets	850.3	2,482.2
Property, plant and equipment, net	250.0	266.9
Goodwill	2,125.8	2,182.6
Intangible assets, net	917.6	1,024.5
Other assets	122.9	32.9
Non-current assets of discontinued operations	6.5	3,412.4
Total assets	$ 4,273.1	$ 9,401.5
Liabilities and stockholders' equity		
Accounts payable	$ 102.7	$ 100.9
Current installments of long-term debt and revolving credit facilities	7.8	25.3
Accrued expenses and other current liabilities	141.1	189.5
Current liabilities of discontinued operations	38.2	826.8
Total current liabilities	289.8	1,142.5
Debt	1,514.2	5,350.7
Pension and post-retirement benefits	47.0	49.5
Deferred income taxes	126.5	133.0
Other liabilities	175.1	128.5
Non-current liabilities of discontinued operations	—	416.2
Total liabilities	2,152.6	7,220.4
Commitments and contingencies (Note 12)		
Stockholders' Equity		
Preferred stock - Series A	—	—
Common stock: 400.0 shares authorized (2019: 258.4 shares issued; 2018: 289.3 shares issued)	2.6	2.9
Additional paid-in capital	4,111.8	4,062.1
Treasury stock (2019: 7.3 shares; 2018: 0.3 shares)	(67.9)	(3.5)
Accumulated deficit	(1,610.9)	(1,195.4)
Accumulated other comprehensive loss	(313.5)	(756.9)
Total stockholders' equity	2,122.1	2,109.2
Non-controlling interests	(1.6)	71.9
Total equity	2,120.5	2,181.1
Total liabilities and stockholders' equity	$ 4,273.1	$ 9,401.5

See accompanying notes to the Condensed Consolidated Financial Statements

ELEMENT SOLUTIONS INC AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(dollars in millions)

	Nine Months Ended September 30,	
	2019	**2018**
Cash flows from operating activities:		
Net income (loss)	$ 18.4	$ (356.1)
Net income (loss) from discontinued operations, net of tax	13.2	(293.3)
Net income (loss) from continuing operations	5.2	(62.8)
Reconciliation of net income (loss) from continuing operations to net cash flows provided by (used in) operating activities:		
Depreciation and amortization	115.8	118.5
Deferred income taxes	(0.1)	(12.8)
Foreign exchange gain	(17.8)	(3.4)
Other, net	84.3	18.2
Changes in assets and liabilities, net of acquisitions:		
Accounts receivable	2.7	(15.7)
Inventories	(15.2)	(30.8)
Accounts payable	3.9	4.8
Accrued expenses	(66.0)	(39.9)
Prepaid expenses and other current assets	(7.5)	10.7
Other assets and liabilities	(13.2)	(13.2)
Net cash flows provided by (used in) operating activities of continuing operations	92.1	(26.4)
Cash flows from investing activities:		
Capital expenditures	(18.2)	(19.6)
Proceeds from disposal of property, plant and equipment	—	1.7
Acquisition of business, net of cash acquired	—	(28.2)
Proceeds from Arysta Sale (net of cash $148.7 million)	4,281.8	—
Proceeds from the sale of equity investment	—	25.0
Other, net	6.7	3.1
Net cash flows provided by (used in) investing activities of continuing operations	4,270.3	(18.0)
Cash flows from financing activities:		
Debt proceeds, net of discount	749.1	—
Repayments of borrowings	(4,605.0)	(0.4)
Change in lines of credit, net	(24.9)	—
Repurchases of common stock	(496.1)	—
Payment of financing fees	(39.5)	—
Other, net	(8.6)	(0.4)
Net cash flows used in financing activities of continuing operations	(4,425.0)	(0.8)
Cash flows from discontinued operations:		
Net cash flows used in operating activities of discontinued operations	(154.1)	(37.0)
Net cash flows used in investing activities of discontinued operations	(5.0)	(32.5)
Net cash flows provided by financing activities of discontinued operations	4.8	62.0
Net cash flows used in discontinued operations	(154.3)	(7.5)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	1.7	(23.6)
Net decrease in cash, cash equivalents and restricted cash	(215.2)	(76.3)
Cash, cash equivalents and restricted cash at beginning of period [1]	415.5	483.9
Cash, cash equivalents and restricted cash at end of period [2]	$ 200.3	$ 407.6

[1] Includes cash, cash equivalents and restricted cash of discontinued operations of $181.9 million and $225.4 million at December 31, 2018 and 2017, respectively.

[2] Includes cash, cash equivalents and restricted cash of discontinued operations of $ 155.4 million at September 30, 2018.

See accompanying notes to the Condensed Consolidated Financial Statements

ELEMENT SOLUTIONS INC AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Unaudited)
(dollars in millions, except share amounts)

Three Months Ended September 30, 2019	Preferred Stock		Common Stock		Additional Paid-in Capital	Treasury Stock		Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income	Total Stockholders' Equity	Non-controlling Interests	Total Equity
	Shares	Amount	Shares	Amount		Shares	Amount					
Balance at June 30, 2019	2,000,000	$ —	258,323,823	$ 2.6	$ 4,109.4	1,667,541	$ (16.8)	$ (1,604.0)	$ (258.4)	$ 2,232.8	$ (1.6)	$ 2,231.2
Net loss	—	—	—	—	—	—	—	(6.9)	—	(6.9)	—	(6.9)
Other comprehensive loss, net of taxes	—	—	—	—	—	—	—	—	(55.1)	(55.1)	—	(55.1)
Exercise/ vesting of share based compensation	—	—	38,953	—	—	—	—	—	—	—	—	—
Issuance of common stock under ESPP	—	—	32,078	—	0.2	—	—	—	—	0.2	—	0.2
Repurchases of common stock	—	—	—	—	—	5,628,000	(51.1)	—	—	(51.1)	—	(51.1)
Equity compensation expense	—	—	—	—	2.2	—	—	—	—	2.2	—	2.2
Balance at September 30, 2019	2,000,000	$ —	258,394,854	$ 2.6	$ 4,111.8	7,295,541	$ (67.9)	$ (1,610.9)	$ (313.5)	$ 2,122.1	$ (1.6)	$ 2,120.5

Three Months Ended September 30, 2018	Preferred Stock		Common Stock		Additional Paid-in Capital	Treasury Stock		Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income	Total Stockholders' Equity	Non-controlling Interests	Total Equity
	Shares	Amount	Shares	Amount		Shares	Amount					
Balance at June 30, 2018	2,000,000	$ —	288,207,905	$ 2.9	$ 4,048.6	6,618.0	$ (0.1)	$ (821.7)	$ (697.3)	$ 2,532.4	$ 72.0	$ 2,604.4
Net (loss) income	—	—	—	—	—	—	—	(408.9)	—	(408.9)	3.0	(405.9)
Other comprehensive loss, net of taxes	—	—	—	—	—	—	—		(82.7)	(82.7)	(9.3)	(92.0)
Exercise/ vesting of share based compensation	—	—	6,446	—	—	—	—	—	—	—	—	—
Conversion of shares of common stock of PDH into common stock	—	—	40,459	—	0.5	—	—	—	—	0.5	(0.5)	—
Issuance of common stock under ESPP	—	—	28,409	—	0.3	—	—	—	—	0.3	—	0.3
Equity compensation expense	—	—	—	—	4.6	—	—	—	—	4.6	—	4.6
Changes in non-controlling interests	—	—	—	—	—	—	—	—	—	—	(0.1)	(0.1)
Balance at September 30, 2018	2,000,000	$ —	288,283,219	$ 2.9	$ 4,054.0	6,618.0	$ (0.1)	$ (1,230.6)	$ (780.0)	$ 2,046.2	$ 65.1	$ 2,111.3

See accompanying notes to the Condensed Consolidated Financial Statements

ELEMENT SOLUTIONS INC AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (continued)
(Unaudited)
(dollars in millions, except share amounts)

Nine Months Ended September 30, 2019	Preferred Stock		Common Stock		Additional Paid-in Capital	Treasury Stock		Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income	Total Stockholders' Equity	Non-controlling Interests	Total Equity
	Shares	Amount	Shares	Amount		Shares	Amount					
Balance at December 31, 2018	2,000,000	$ —	289,316,170	$ 2.9	$ 4,062.1	341,967	$ (3.5)	$ (1,195.4)	$ (756.9)	$ 2,109.2	$ 71.9	$ 2,181.1
Net income	—	—	—	—	—	—	—	17.8	—	17.8	0.6	18.4
Other comprehensive loss, net of taxes	—	—	—	—	—	—	—	—	(6.0)	(6.0)	—	(6.0)
Arysta Sale	—	—	—	—	(5.7)	—	—	—	463.3	457.6	(46.6)	411.0
Exercise/ vesting of share based compensation	—	—	1,968,471	—	1.9	170,989	(1.9)	—	—	—	—	—
Conversion of shares of common stock of PDH into common stock	—	—	4,019,710	0.1	41.1	—	—	—	(13.9)	27.3	(27.3)	—
Issuance of common stock under ESPP	—	—	90,503	—	0.8	—	—	—	—	0.8	—	0.8
Repurchases of common stock	—	—	(37,000,000)	(0.4)	—	6,782,585	(62.5)	(433.3)	—	(496.2)	—	(496.2)
Equity compensation expense	—	—	—	—	11.6	—	—	—	—	11.6	—	11.6
Changes in non-controlling interests	—	—	—	—	—	—	—	—	—	—	(0.2)	(0.2)
Balance at September 30, 2019	2,000,000	$ —	258,394,854	$ 2.6	$ 4,111.8	7,295,541	$ (67.9)	$ (1,610.9)	$ (313.5)	$ 2,122.1	$ (1.6)	$ 2,120.5

Nine Months Ended September 30, 2018	Preferred Stock		Common Stock		Additional Paid-in Capital	Treasury Stock		Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income	Total Stockholders' Equity	Non-controlling Interests	Total Equity
	Shares	Amount	Shares	Amount		Shares	Amount					
Balance at December 31, 2017	2,000,000	$ —	287,405,939	$ 2.9	$ 4,032.0	6,618	$ (0.1)	$ (869.7)	$ (422.0)	$ 2,743.1	$ 116.9	$ 2,860.0
Impact of ASU 2016-01 adoption	—	—	—	—	—	—	—	(1.3)	1.3	—	—	—
Adjusted balance at January 1, 2018	2,000,000	—	287,405,939	2.9	4,032.0	6,618	(0.1)	(871.0)	(420.7)	2,743.1	116.9	2,860.0
Net (loss) income	—	—	—	—	—	—	—	(359.6)	—	(359.6)	3.5	(356.1)
Other comprehensive loss, net of taxes	—	—	—	—	—	—	—	—	(359.3)	(359.3)	(42.6)	(401.9)
Exercise/ vesting of share based compensation	—	—	50,995	—	—	—	—	—	—	—	—	—
Conversion of shares of common stock of PDH into common stock	—	—	727,069	—	9.1	—	—	—	—	9.1	(9.1)	—
Issuance of common stock under ESPP	—	—	99,216	—	0.9	—	—	—	—	0.9	—	0.9
Equity compensation expense	—	—	—	—	12.0	—	—	—	—	12.0	—	12.0
Changes in non-controlling interests	—	—	—	—	—	—	—	—	—	—	(3.6)	(3.6)
Balance at September 30, 2018	2,000,000	$ —	288,283,219	$ 2.9	$ 4,054.0	6,618	$ (0.1)	$ (1,230.6)	$ (780.0)	$ 2,046.2	$ 65.1	$ 2,111.3

See accompanying notes to the Condensed Consolidated Financial Statements

1. BACKGROUND AND BASIS OF PRESENTATION

Background

Element Solutions was incorporated in Delaware in January 2014 and its shares of common stock, par value $0.01 per share, trade on the NYSE under the ticker symbol "ESI."

Element Solutions is a leading global specialty chemicals company whose operating businesses formulate a broad range of solutions that enhance the performance of products people use every day. Developed in multi-step technological processes, the innovative solutions of the Company's businesses enable customers' manufacturing processes in several key industries, including electronic circuitry, semiconductor, communications infrastructure, automotive systems, industrial surface finishing, consumer packaging and offshore energy. Element Solutions delivers its products to customers through its sales and service workforce, regional distributors and manufacturing representatives.

Basis of Presentation

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with GAAP. In the opinion of management, these unaudited Condensed Consolidated Financial Statements reflect all adjustments that are normal, recurring and necessary for a fair statement of the Company's financial position, results of operations and cash flows for interim periods, but are not necessarily indicative of the results of operations that may be expected for the year ending December 31, 2019. These unaudited Condensed Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and the related notes thereto included in the Company's 2018 Annual Report.

On January 31, 2019, the Company completed the Arysta Sale for net cash proceeds of approximately $4.28 billion, after certain post-closing adjustments. Agricultural Solutions' assets, liabilities, operating results and cash flows for all periods presented have been classified as discontinued operations within the unaudited Condensed Consolidated Financial Statements. See Note 3, *Discontinued Operations*, for additional information. The Company's Prior Senior Notes, 5.875% USD Notes due 2025 and term loans then outstanding under the Company's second amended and restated credit agreement, as further amended and restated, were not required to be immediately redeemed or repaid in connection with the Arysta Sale. As such, the related liabilities and interest expense are not included in discontinued operations and therefore fully burden continuing operations.

The process of preparing the Company's unaudited Condensed Consolidated Financial Statements requires the use of estimates and judgments that affect the reported amount of assets, liabilities, net sales and expenses. These estimates and judgments are based on historical experience, future expectations and other factors as well as assumptions the Company believes to be reasonable under the circumstances. These estimates and judgments are reviewed on an ongoing basis and revised as necessary. Actual amounts may differ materially from these estimates.

Certain other prior year amounts have been reclassified to conform to the current year's presentation.

2. RECENT ACCOUNTING PRONOUNCEMENTS

Recently Adopted Accounting Pronouncements

Leases (Topic 842) - In February 2016, the FASB issued ASU No. 2016-02, *"Leases."* This ASU requires lessees to recognize most leases in their balance sheets, but to continue to record expenses on their income statements in a manner similar to current accounting. The ASU is required to be applied to leases in existence as of the date of initial application using a modified retrospective transition approach. The Company adopted the new standard on January 1, 2019. No cumulative-effect adjustment was required to the opening balance of retained earnings on the adoption date.

The Company made updates to its systems, policies and internal controls over financial reporting in preparation of adopting the new guidance. Upon the prospective adoption of ASC 842 during the first quarter of 2019, the Company elected the following package of transition practical expedients:

- Not to separate non-lease components from lease components and account for them as a single lease component;

- Not to reassess arrangements entered into prior to January 1, 2019 for whether an arrangement is or contains a lease, the lease classification applied or to separate initial direct costs; and
- To use hindsight in determining the lease term for lease contracts that have historically been renewed or amended.

At December 31, 2018, the Company was not a lessor to any significant lease agreements and substantially all of the leases under which the Company was a lessee were classified as operating leases under the existing ASC 840 guidance. As such, consistent with the Company's practical expedient election to not reassess lease classification, substantially all the Company's existing leases will continue to be classified as operating leases under ASC 842. As a lessee, the Company categorizes its operating leases into two general categories: real estate and other.

This new standard had no impact on the Company's Condensed Consolidated Statements of Operations or Cash Flows but its Condensed Consolidated Balance Sheet at September 30, 2019 was impacted by the recognition of right of use (ROU) assets of $62.7 million in "Other Assets" which reflected the present value of remaining operating lease payments under existing lease arrangements, as well as current and non-current lease liabilities of $13.8 million and $49.2 million, reported in "Accrued expenses and other current liabilities" and "Other liabilities," respectively.

See Note 11, *Leases*, for more information.

Derivatives and Hedging (Topic 815) - In August 2017, the FASB issued ASU No. 2017-12, "*Targeted Improvements to Accounting for Hedging Activities.*" This ASU improves the financial reporting of hedge relationships by updating hedging designation and measurement guidance. The update also simplifies the application of existing hedge accounting guidance related to assessing hedge effectiveness. The guidance is effective prospectively as of January 1, 2019 and is applied to contracts in existence at the date of adoption. This new guidance did not have a material impact on the Company's unaudited Condensed Consolidated Financial Statements.

3. DISCONTINUED OPERATIONS

On July 20, 2018, the Company agreed to sell to UPL 100% of the then issued and outstanding shares of common stock of Arysta and its subsidiaries pursuant to the terms and conditions of a certain stock purchase agreement, as amended. The Arysta Sale was completed on January 31, 2019 for net cash proceeds of approximately $4.28 billion, after certain post-closing adjustments relating to, among other things, cash, indebtedness and working capital, as finalized with UPL on May 17, 2019.

The Company's former Agricultural Solutions business was previously its own reportable segment and has been presented for all periods as discontinued operations in this Quarterly Report as the Arysta Sale represented a significant strategic shift and was determined to have a major effect on the Company's operations and financial results. Corporate costs previously allocated to the Agricultural Solutions segment were reallocated to the remaining segments for all periods presented as these costs were not clearly identifiable as costs of the former Agricultural Solutions segment.

The sale resulted in an overall loss of $448 million as an estimated impairment loss of $450 million was recorded in 2018, primarily due to the reclassification of foreign currency translation adjustments from "Accumulated other comprehensive loss" within Stockholders' Equity into earnings within the Condensed Consolidated Statement of Operations. The Company may record an additional gain or loss in the future as it settles certain remaining tax assets and liabilities associated with the Arysta Sale.

In connection with the Arysta Sale, the Company agreed to retain certain liabilities associated with legal and tax proceedings, primarily related to an Arysta subsidiary in Brazil. The Company does not expect to incur any material losses as a result of these proceedings. However, the resolutions of these matters may take several years and, to the extent not covered by insurance, may adversely impact the Company's financial position or results of operations.

The following table details the components comprising net (loss) income from the Company's discontinued operations attributable to common stockholders:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(dollars in millions)	**2019**	**2018**	**2019** [(1)]	**2018**
Net sales	$ —	$ 422.1	$ 65.3	$ 1,414.6
Cost of sales	—	(260.0)	(45.5)	(850.7)
Selling, technical, general and administrative	(0.4)	(103.6)	(37.8)	(375.5)
Research and development	—	(12.0)	(4.6)	(38.9)
(Loss) gain on Arysta Sale	(0.1)	(376.0)	2.4	(376.0)
Operating loss	(0.5)	(329.5)	(20.2)	(226.5)
Other, net	0.7	(30.3)	9.4	(14.5)
Income (loss) from discontinued operations, before income taxes	0.2	(359.8)	(10.8)	(241.0)
Income tax (expense) benefit	(1.1)	(41.8)	24.0	(52.3)
(Loss) income from discontinued operations, net of tax	(0.9)	(401.6)	13.2	(293.3)
Net income from discontinued operations attributable to the non-controlling interests	—	(1.0)	—	(0.8)
Net (loss) income from discontinued operations attributable to common stockholders	$ (0.9)	$ (402.6)	$ 13.2	$ (294.1)

[(1)] *Includes activity through January 31, 2019, when the Arysta Sale was completed, and certain post-closing adjustments relating to, among other things, cash, indebtedness and working capital as of the closing date.*

The carrying value of major classes of assets and liabilities related to the Company's discontinued operations were as follows:

(dollars in millions)	**September 30, 2019**	**December 31, 2018**
Assets		
Cash and cash equivalents	$ —	$ 177.8
Accounts receivable, net	—	919.4
Inventories	—	369.1
Other current assets	8.1	155.0
Current assets of discontinued operations	$ 8.1	$ 1,621.3
Property, plant and equipment, net	$ —	$ 172.0
Goodwill	—	1,816.9
Intangible assets, net	—	1,797.7
Other assets	6.5	(374.2) [(1)]
Non-current assets of discontinued operations	$ 6.5	$ 3,412.4
Liabilities		
Accounts payable	$ —	$ 365.7
Current installments of revolving credit facilities	—	52.5
Accrued expenses and other current liabilities	38.2	408.6
Current liabilities of discontinued operations	$ 38.2	$ 826.8
Deferred income taxes	$ —	$ 369.9
Other liabilities	—	46.3
Non-current liabilities of discontinued operations	$ —	$ 416.2

[(1)] *Includes the impairment loss of $450 million on discontinued operations at December 31, 2018.*

4. INVENTORIES

The major components of inventory, on a net basis, were as follows:

(dollars in millions)	September 30, 2019	December 31, 2018
Finished goods	$ 120.6	$ 109.4
Work in process	18.0	15.3
Raw materials and supplies	59.4	63.4
Total inventories	$ 198.0	$ 188.1

5. PROPERTY, PLANT AND EQUIPMENT

The major components of property, plant and equipment were as follows:

(dollars in millions)	September 30, 2019	December 31, 2018
Land and leasehold improvements	$ 66.4	$ 67.8
Buildings and improvements	102.9	101.0
Machinery, equipment, fixtures and software	209.5	207.3
Construction in process	15.1	14.9
Total property, plant and equipment	393.9	391.0
Accumulated depreciation	(143.9)	(124.1)
Property, plant and equipment, net	$ 250.0	$ 266.9

For the three months ended September 30, 2019 and 2018, the Company recorded depreciation expense of $10.1 million and $10.9 million, respectively. For the nine months ended September 30, 2019 and 2018, the Company recorded depreciation expense of $30.8 million and $33.8 million, respectively.

6. GOODWILL AND INTANGIBLE ASSETS

Goodwill

The changes in the carrying amount of goodwill were as follows:

(dollars in millions)	Electronics	Industrial & Specialty	Total
Balance at December 31, 2018	$ 1,226.7	$ 955.9 (1)	$ 2,182.6
Foreign currency translation	(32.7)	(24.1)	(56.8)
Balance at September 30, 2019	$ 1,194.0	$ 931.8 (1)	$ 2,125.8

(1) Includes accumulated impairment losses of $46.6 million.

Indefinite-Lived Intangible Assets

The carrying value of indefinite-lived intangible assets other than goodwill, which consisted solely of tradenames, was $104 million and $150 million at September 30, 2019 and December 31, 2018, respectively.

During the first quarter of 2019, the Company determined that the useful life of one of its tradenames no longer met the criteria of an indefinite-lived asset and concluded no indication of impairment. Subsequently, the Company started amortizing this tradename over 15 years, consistent with other similar finite-lived assets.

Finite-Lived Intangible Assets

Intangible assets subject to amortization were as follows:

	September 30, 2019			December 31, 2018		
(dollars in millions)	Gross Carrying Amount	Accumulated Amortization	Net Book Value	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Customer lists	$ 903.5	$ (326.6)	$ 576.9	$ 927.8	$ (283.2)	$ 644.6
Developed technology	372.3	(180.9)	191.4	381.3	(155.6)	225.7
Tradenames	49.6	(4.0)	45.6	5.9	(1.6)	4.3
Non-compete agreements	1.5	(1.4)	0.1	1.5	(1.3)	0.2
Total	$ 1,326.9	$ (512.9)	$ 814.0	$ 1,316.5	$ (441.7)	$ 874.8

For the three months ended September 30, 2019 and 2018, the Company recorded amortization expense on intangible assets of $28.1 million and $27.8 million, respectively. For the nine months ended September 30, 2019 and 2018, the Company recorded amortization expense on intangible assets of $84.9 million and $84.7 million, respectively.

7. DEBT

The Company's debt and finance lease obligations consisted of the following:

(dollars in millions)	Maturity Date	Interest Rate	September 30, 2019	December 31, 2018
USD Term Loans [(1)]	2026	LIBOR plus 2.25%	$ 734.9	$ —
Senior Notes - USD 800 million [(2)]	2025	5.875%	786.2	784.9
Senior Notes - USD 1.10 billion [(2)]	2022	6.50%	—	1,067.1
Senior Notes - EUR 350 million [(2)]	2023	6.00%	—	397.4
First Lien Credit Facility - USD Term Loans [(1)]	2020	> of 3.50% or LIBOR plus 2.50%	—	624.3
First Lien Credit Facility - USD Term Loans [(1)]	2021	> of 4.00% or LIBOR plus 3.00%	—	1,124.7
First Lien Credit Facility - Euro Term Loans [(1)]	2020	> of 3.25%or EURIBOR plus 2.50%	—	666.2
First Lien Credit Facility - Euro Term Loans [(1)]	2021	> of 3.50% or EURIBOR plus 2.75%	—	685.3
Borrowings under the Revolving Credit Facility	2024	LIBOR plus 2.25%	—	25.0
Other			0.9	1.1
Total debt and finance lease obligations			1,522.0	5,376.0
Less: current installments of long-term debt and revolving credit facilities			7.8	25.3
Total long-term debt and finance lease obligations			$ 1,514.2	$ 5,350.7

[(1)] *Term loans, net of unamortized discounts and debt issuance costs of $9.5 million and $22.4 million at September 30, 2019 and December 31, 2018, respectively. Weighted average effective interest rate of 2.4% and 4.6% at September 30, 2019 and December 31, 2018, respectively, including the effects of interest rate swaps and net investment hedges. See Note 8, Financial Instruments, for further information regarding the Company's interest rate swaps and net investment hedges.*

[(2)] *Senior notes, net of unamortized premium, discounts and debt issuance costs of $13.8 million and $29.9 million at September 30, 2019 and December 31, 2018, respectively. Weighted average effective interest rate of 6.2% and 6.5% at September 30, 2019 and December 31, 2018, respectively.*

New Credit Agreement

The Company is a party to the New Credit Agreement, which provides for senior secured credit facilities in an aggregate principal amount of $1.08 billion, consisting of a revolving facility in an aggregate principal amount of $330 million maturing in 2024 and a term loan in an aggregate principal amount of $750 million maturing in 2026. On the closing date of the Arysta Sale, the $750 million term loan was borrowed under the New Credit Agreement.

The New Credit Agreement replaced the Company's second amended and restated credit agreement, dated August 6, 2014, as further amended and restated, which was terminated on January 31, 2019, the closing date of the Arysta Sale, as the Company paid down its then existing credit facilities under this agreement, including the first lien credit facility and the revolving credit facility, and expensed $22.9 million of unamortized premiums, discounts and debt issuance costs, which was recorded in the Condensed Consolidated Statement of Operations as "Other income (expense), net."

Borrowings under the New Credit Agreement bear interest at a rate per annum equal to a base rate, as defined in the New Credit Agreement, plus, in each case, an applicable rate equal to a spread of 1.25% with respect to Base Rate Loans and a spread of 2.25% with respect to Eurocurrency Rate Loans. The Company is required to pay a commitment fee in respect of any undrawn portion of the Revolver of 0.50% per annum, subject to a stepdown to 0.375% based on the Company's first lien net leverage ratio.

The revolving facility under the New Credit Agreement includes borrowing capacity in the form of letters of credit of up to $100 million. In connection with the termination of the Company's second amended and restated credit agreement and entry into the New Credit Agreement, all letters of credit outstanding on January 31, 2019 under the second amended and restated credit agreement were rolled into the New Credit Agreement.

The credit facilities under the New Credit Agreement are guaranteed, jointly and severally, by certain of the Company's domestic subsidiaries and secured by a first-priority security interest in substantially all of the assets of the borrowers and the guarantors, including mortgages on material real property, subject to certain exceptions.

Covenants, Events of Default and Provisions

The New Credit Agreement contains customary representations and warranties, and affirmative and negative covenants, including limitations on additional indebtedness, dividends, and other distributions, entry into new lines of business, use of loan proceeds, capital expenditures, restricted payments, restrictions on liens on the assets of the borrowers or any guarantor, transactions with affiliates, amendments to organizational documents, accounting changes, sale and leaseback transactions, and dispositions. To the extent the borrowers have total outstanding borrowings under the revolving facility (subject to certain exceptions) greater than 30% of the commitment amount under the revolving facility, the Company's first lien net leverage ratio should not exceed 5.0 to 1.0, subject to a right to cure.

The New Credit Agreement requires the borrowers to make mandatory prepayments of borrowings, subject to certain exceptions, as described in the New Credit Agreement. In addition, the New Credit Agreement contains customary events of default that include, among others, non-payment of principal, interest or fees, violation of covenants, inaccuracy of representations and warranties, failure to make payment on, or defaults with respect to, certain other material indebtedness, bankruptcy and insolvency events, material judgments and change of control provisions. Upon the occurrence of an event of default, and after the expiration of any applicable grace period, payment of any outstanding loans under the New Credit Agreement may be accelerated and the lenders could foreclose on their security interests in the assets of the borrowers and the guarantors.

At September 30, 2019, the Company was in compliance with the debt covenants contained in the credit facilities of the New Credit Agreement and, in accordance with applicable debt covenants, had full availability of its unused borrowing capacity of $325 million, net of letters of credit, under the revolving facility.

Senior Notes

Prior Senior Notes

On February 1, 2019, the Company completed the redemption of all outstanding Prior Senior Notes and, as a result, the Prior Senior Notes Indenture was terminated, releasing the Company and the guarantors named therein from their obligation under the Prior Senior Notes and the Prior Senior Notes Indenture. In connection with this redemption, the Company expensed $44.0 million, consisting of $29.5 million of call premiums and $14.5 million of unamortized premiums, discounts and debt issuance costs, which was recorded in the Condensed Consolidated Statement of Operations as "Other income (expense), net." The Company funded the redemption with a portion of the net proceeds from the Arysta Sale and a portion of the borrowings under the New Credit Agreement. The 5.875% USD Notes due 2025 were not redeemed and remain outstanding.

5.875% USD Notes due 2025

The 5.875% USD Notes due 2025 are governed by the 5.875% USD Notes Indenture which provides, among other things, for customary affirmative and negative covenants, events of default and other customary provisions. The Company has the option to redeem the 5.875% USD Notes due 2025 prior to their maturity, subject to, in certain cases, the payment of an applicable make-whole premium. The 5.875% USD Notes due 2025 are fully and unconditionally guaranteed on a senior unsecured basis by certain of the Company's domestic subsidiaries that guarantee the obligations of the borrowers under the New Credit Agreement.

Lines of Credit and Other Debt Facilities

The Company has access to various revolving lines of credit, short-term debt facilities and overdraft facilities worldwide which are used to fund short-term cash needs. At September 30, 2019 and December 31, 2018, the aggregate principal amount outstanding under such facilities totaled $0.0 million and $25.0 million, respectively. The Company also had letters of credit outstanding of $5.2 million and $10.2 million at September 30, 2019 and December 31, 2018, respectively, of which $4.8 million and $9.7 million at September 30, 2019 and December 31, 2018, respectively, reduced the borrowings available under the various facilities. At September 30, 2019, the availability under these facilities totaled approximately $352 million, net of outstanding letters of credit.

8. FINANCIAL INSTRUMENTS

Derivatives and Hedging

In the normal course of business, the Company is exposed to risks relating to changes in foreign currency exchange rates, commodity prices and interest rates. Derivative financial instruments, such as foreign currency exchange forward contracts, commodities futures contracts, interest rate swaps and net investment hedges are used to manage the risks associated with changes in the conditions of those markets. All derivatives are recognized in the Condensed Consolidated Balance Sheets at fair value. The counterparties to the Company's derivative agreements are major international financial institutions. The Company continually monitors its derivative positions and the credit ratings of its counterparties and does not anticipate nonperformance on their part.

Foreign Currency

The Company conducts a significant portion of its business in currencies other than the U.S. dollar and a portion of its business in currencies other than the functional currencies of its subsidiaries. As a result, the Company's operating results are impacted by foreign currency exchange rate volatility.

At September 30, 2019, the Company held foreign currency forward contracts to purchase and sell various currencies in order to mitigate such foreign currency exposure, primarily with the U.S. dollar and euro. The Company has not designated any foreign currency exchange forward contracts as eligible for hedge accounting and, as a result, changes in the fair value of foreign currency forward contracts are recorded in the Condensed Consolidated Statements of Operations as "Other income (expense), net." The total notional value of foreign currency exchange forward contracts held at September 30, 2019 and

December 31, 2018 was approximately $93.0 million and $102 million, respectively, with settlement dates generally within one year.

Commodities

As part of its risk management policy, the Company enters into commodities futures contracts for the purpose of mitigating its exposure to fluctuations in prices of certain metals used in the production of its finished goods. The Company held futures contracts to purchase and sell various metals, primarily tin and silver, with a notional value of $37.4 million and $28.9 million at September 30, 2019 and December 31, 2018, respectively. Substantially all contracts outstanding at September 30, 2019 had delivery dates within one year. The Company has not designated these derivatives as hedging instruments and, accordingly, records changes in their fair values in the Condensed Consolidated Statements of Operations as "Other income (expense), net."

Unrealized gains and losses on derivative contracts are accounted for as "Operating activities" in the Condensed Consolidated Statements of Cash Flows.

Interest Rates

During the nine months ended September 30, 2019, the Company:

- Terminated and settled interest rate swaps previously entered into which resulted in a cash payment of $8.2 million and reclassified $7.1 million of income from "Accumulated other comprehensive loss" to "Other (expense) income, net" in the Condensed Consolidated Statement of Operations. The proceeds are reflected as cash flows from Investing Activities on the Condensed Consolidated Statement of Cash Flows.
- Entered into interest rate swaps to effectively fix the floating rate of the interest payments associated with its new $750 million term loan under New Credit Agreement through January 2024. These contracts were designated as a cash flow hedge. All interest payments to be paid during the last two years preceding the maturity date of this new term loan (February 2024 to January 2026) will revert back to a floating rate of interest. The proceeds are reflected as cash flows from Operating Activities on the Condensed Consolidated Statement of Cash Flows.
- Entered into cross-currency swaps to effectively convert the new $750 million term loan under the New Credit Agreement, a U.S. dollar denominated debt obligation, into fixed-rate euro-denominated debt. Under these contracts, which expire in January 2024, the Company is obligated to make periodic euro-denominated coupon payments to the hedge counterparties on an aggregate initial notional amount of €662 million, in exchange for periodic U.S. dollar-denominated coupon payments from these hedge counterparties on an aggregate initial notional amount of $750 million. The Company has also designated these contracts as a net investment hedge of the foreign currency exposure of a portion of its net investment in its European operations. The proceeds are reflected as cash flows from Operating Activities on the Condensed Consolidated Statement of Cash Flows.

The net result of the above hedges, which expire in January 2024, is an interest rate of approximately 2.4%, which could vary due to changes in the euro and the U.S. dollar exchange rate.

Changes in the fair value of a derivative instrument that is designated as, and meets all the required criteria of, a cash flow hedge are recorded in "Other comprehensive (loss) income" and reclassified from "Accumulated other comprehensive loss" into earnings as the underlying hedged item affects earnings. Amounts reclassified into earnings related to interest rate swaps are included in the Condensed Consolidated Statements of Operations as "Interest expense, net." Changes in the fair value of a derivative instrument that is designated as, and meets all the required criteria of, a net investment hedge are recorded in "Foreign currency translation" in "Accumulated other comprehensive loss" offsetting the translation adjustment attributable to the hedged portion of the Company’s net investment in its European operations.

For the three and nine months ended September 30, 2019, the Company's interest rate swaps and cross-currency swaps were deemed highly effective. The Company expects to reclassify $6.6 million of expense from "Accumulated other comprehensive loss" to "Interest expense, net" in the Condensed Consolidated Statements of Operations within the next twelve months.

Fair Value Measurements

The following table presents the Company’s financial assets and liabilities that are measured at fair value on a recurring basis:

(dollars in millions)	Balance sheet location	Classification	September 30, 2019	December 31, 2018
Asset Category				
Foreign exchange and metals contracts not designated as hedging instruments	Other current assets	Level 2	$ 3.3	$ 0.9
Interest rate swaps designated as cash flow hedging instruments	Other current assets	Level 2	—	6.5
Cross currency swaps designated as net investment hedge	Other current assets	Level 2	19.1	—
Interest rate swaps designated as cash flow hedging instruments	Other assets	Level 2	—	2.6
Cross currency swaps designated as net investment hedge	Other assets	Level 2	20.2	—
Available for sale equity securities	Other assets	Level 1	0.3	0.3
Total			$ 42.9	$ 10.3
Liability Category				
Foreign exchange and metals contracts not designated as hedging instruments	Accrued expenses and other current liabilities	Level 2	$ 2.1	$ 1.2
Interest rate swaps designated as cash flow hedging instruments	Accrued expenses and other current liabilities	Level 2	6.6	0.6
Interest rate swaps designated as cash flow hedging instruments	Other liabilities	Level 2	28.1	0.3
Long-term contingent consideration	Other liabilities	Level 3	21.1	57.4
Total			$ 57.9	$ 59.5

The following methods and assumptions were used to estimate the fair value of each class of the Company’s financial assets and liabilities:

Derivatives - Derivative assets and liabilities include foreign currency, metals, interest rate swaps and cross currency swaps. The values are determined using pricing models based upon observable market inputs, such as market spot and futures prices on over-the-counter derivative instruments, market interest rates, and consideration of counterparty credit risk.

Available for sale equity securities - Available for sale equity securities classified as Level 1 assets are measured using quoted market prices at the reporting date multiplied by the quantity held.

Long-term contingent consideration - The long-term contingent consideration represented a potential liability of up to $100 million tied to the achievement of certain common stock trading price performance metrics and Adjusted EBITDA targets over a seven-year period ending December 2020 in connection with the MacDermid Acquisition. In the first quarter of 2019, the Company paid $40.0 million of this liability related to the achievement of common stock performance targets, reducing the potential contingent consideration liability to $60.0 million. Of the $40.0 million paid in 2019, $30.9 million was reflected as a cash outflow from Operating Activities and $9.1 million was reflected as a cash outflow from Financing Activities on the Condensed Consolidated Statements of Cash Flows. The amount reflected as Financing Activities represented the initial amount recorded in purchase accounting.

- The estimated fair value of the Adjusted EBITDA performance metric is derived using the income approach with unobservable inputs, based on present value and multi-year forecast assumptions, which include a discount rate of 10.5% and probability weighted Adjusted EBITDA assessments of expected future payment values of $0.0 million, $30.0 million and $60.0 million. At September 30, 2019, based on the most recent multi-year forecast, the Company continued to determine whether there is a higher probability of achieving the Adjusted EBITDA target that will result in an expected payment of $30.0 million. An increase or a decrease in the probability weighted Adjusted EBITDA assessments of future payment values of 10.0% changes the estimated fair value measure of the performance metric by approximately $2.4 million.

Changes in the estimated fair value of the long-term contingent consideration are recorded in the Condensed Consolidated Statements of Operations as "Selling, technical, general and administrative" expenses.

There were no significant transfers between the fair value hierarchy levels for the three and nine months ended September 30, 2019.

The carrying value and estimated fair value of the Company’s long-term debt totaled $1.52 billion and $1.58 billion, respectively, at September 30, 2019. At December 31, 2018, the carrying value and estimated fair value each totaled $5.35 billion. The carrying values noted above include unamortized premiums, discounts and debt issuance costs. The estimated fair value of long-term debt is measured using quoted market prices at the reporting date multiplied by the gross carrying amount of the related debt, which excludes unamortized premiums, discounts and debt issuance costs. Such instruments are valued using Level 2 inputs.

9. STOCKHOLDERS’ EQUITY

Preferred Stock

The Company is authorized to issue 5,000,000 shares of preferred stock. The Board has designated 2,000,000 of those shares as "Series A Preferred Stock." At September 30, 2019 and December 31, 2018, a total of 2,000,000 shares of Series A Preferred Stock were issued and outstanding. Shares of preferred stock have no voting rights, except in respect of any amendment to the Company's Certificate of Incorporation, as amended, that would alter or change their rights or privileges. Each share of Series A Preferred Stock is convertible into one share of the Company's common stock at the option of the holders until December 31, 2020. All outstanding shares of Series A Preferred Stock will be automatically converted into shares of the Company's common stock on a one-for-one basis (i) in the event of a change of control of the Company or (ii) on December 31, 2020 (which may be extended by the Board for three additional years).

As holders of the Series A Preferred Stock, the Founder Entities are entitled to receive dividends in the form of shares of the Company's common stock. The dividend amount is calculated based on the appreciated stock price compared to the highest dividend price previously used in calculating the Series A Preferred Stock dividends, which is currently $22.85 per share.

Non-Controlling Interest

In connection with the MacDermid Acquisition, approximately $97.5 million was raised in new equity consisting of 8,774,527 shares of common stock of PDH. The shares of common stock of PDH were recorded in the Condensed Consolidated Balance Sheets as "Non-controlling interests." On March 29, 2019, the Company completed the merger of PDH with and into Element Solutions, with Element Solutions continuing as the surviving entity. As a result of this merger and without any action on the part of the Retaining Holders, each share of common stock of PDH outstanding at March 29, 2019 was converted into the right to receive one share of the Company's common stock, and all shares of common stock of PDH were subsequently converted.

As a result of the merger, there was no allocation of net income to the Retaining Holders for the three months ended September 30, 2019. For the three months ended September 30, 2018, approximately $2.0 million of net income had been allocated to the Retaining Holders, as included in the Condensed Consolidated Statements of Operations. For the nine months ended September 30, 2019 and 2018, approximately $0.5 million and $2.6 million, respectively, of net income had been allocated to the Retaining Holders, as included in the Condensed Consolidated Statements of Operations.

Repurchases of Common Stock

On February 8, 2019, as part of the Company's previously-announced $750 million share repurchase program, the Company repurchased 37 million shares of its common stock for a per share purchase price of $11.72, the last sale price reported for the Company's shares as of the 4 pm close of trading on the NYSE on Friday, February 1, 2019, or an aggregate purchase price of $434 million. These repurchased shares, which represented approximately 13% of the Company's then outstanding common stock, were retired on the repurchase date. The repurchase was funded from cash on hand and borrowings under the New Credit Agreement.

During the three months ended September 30, 2019, the Company repurchased approximately 5.6 million shares of its common stock under the share repurchase program for approximately $51.0 million, at an average price of $9.06 per share. During the period from April 1, 2019 through September 30, 2019, the Company repurchased approximately 6.8 million shares of its common stock under the share repurchase program for approximately $62.5 million, at an average price of $9.20 per share. The repurchases were allocated to treasury shares and were funded from cash on hand.

The remaining authorization under the share repurchase program was approximately $254 million at September 30, 2019.

10. (LOSS) EARNINGS PER SHARE

Basic and diluted earnings per share are based on the weighted average number of shares of common stock and potential common stock outstanding during the period. Potential common stock, for purposes of determining diluted earnings per share, assumes the issuance of all potentially dilutive share equivalents using the if-converted or treasury stock method.

A computation of (loss) earnings per share from continuing operations and weighted average shares of the Company's common stock outstanding for the three and nine months ended September 30, 2019 and 2018 is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(dollars in millions, except per share amounts)	2019	2018	2019	2018
Net (loss) income from continuing operations	$ (6.0)	$ (4.3)	$ 5.2	$ (62.8)
Net income attributable to the non-controlling interests	—	(2.0)	(0.6)	(2.7)
Net (loss) income from continuing operations attributable to common stockholders	$ (6.0)	$ (6.3)	$ 4.6	$ (65.5)
Basic weighted average common shares outstanding	254.4	288.2	259.9	288.1
Denominator adjustments for diluted EPS:				
Number of shares issuable upon conversion of founder preferred stock	—	—	2.0	—
Number of stock options, RSUs and shares issued through ESPP	—	—	0.5	—
Denominator adjustments for diluted EPS	—	—	2.5	—
Diluted weighted average common shares outstanding	254.4	288.2	262.4	288.1
(Loss) earnings per share from continuing operations attributable to common stockholders:				
Basic	$ (0.02)	$ (0.02)	$ 0.02	$ (0.23)
Diluted	$ (0.02)	$ (0.02)	$ 0.02	$ (0.23)

For the three and nine months ended September 30, 2019 and 2018, the following securities were not included in the computation of diluted shares outstanding because the effect would be anti-dilutive or because performance targets were not yet achieved for RSUs contingent upon performance:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(shares in millions)	2019	2018	2019	2018
Shares issuable for the contingent consideration	4.9	6.9	4.9	7.7
Shares issuable upon conversion of Series A Preferred Stock	2.0	2.0	—	2.0
Shares issuable upon vesting of RSUs and exercise of stock options	5.0	2.2	4.3	1.6
Shares issuable upon conversion of the shares of common stock of PDH	—	4.1	—	4.2
Total	11.9	15.2	9.2	15.5

11. LEASES

The Company determines if an arrangement is a lease at inception. Right-of-Use (ROU) assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. The Company uses its incremental borrowing rate based on the information available at the beginning of each fiscal quarter in determining the present value of future payments as most of its leases do not provide an implicit rate. ROU assets also include any lease payments made and exclude lease incentives and initial direct costs incurred. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that it will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

ROU assets, current and non-current lease liabilities are reported as "Other assets," "Accrued expenses and other current liabilities" and "Other liabilities" in the Condensed Consolidated Balance Sheets, respectively. Finance leases are not material and are included in the Condensed Consolidated Balance Sheets as "Property, plant and equipment, net" and "Debt."

For the three and nine months ended September 30, 2019, operating lease expense are primarily included in "Selling, technical, general and administrative" in the Condensed Consolidated Statements of Operations and totaled $5.1 million and $15.4 million, respectively.

(dollars in millions)	**Nine Months Ended September 30, 2019**
Supplemental Cash Flow Information for Operating Leases	
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	$ 15.4
ROU assets obtained in exchange for operating lease obligations	$ 3.2
Weighted average remaining lease term	8 years
Weighted average discount rate	5.0%

Maturities of lease liabilities by fiscal year for operating leases at September 30, 2019 were as follows:

(dollars in millions)	
Remainder of 2019	$ 4.8
2020	15.7
2021	12.8
2022	10.9
2023	7.7
Thereafter	25.6
Total future minimum lease payments	77.5
Less: imputed interest	(14.5)
Present value of lease liabilities	$ 63.0

Minimum future non-cancelable operating lease commitments at December 31, 2018 were as follows:

(dollars in millions)		
2019	$	19.2
2020		15.5
2021		11.9
2022		9.7
2023		7.7
Thereafter		27.9
Total	$	91.9

12. CONTINGENCIES, ENVIRONMENTAL AND LEGAL MATTERS

Environmental Matters

The Company is involved in various claims relating to environmental matters at current and former plants and waste management sites. The Company engages or participates in remedial and other environmental compliance activities at certain of these sites. At other sites, it has been named as a potential responsible party pursuant to the federal Superfund Act and/or state Superfund laws comparable to the federal law for site remediation. The Company analyzes each individual site, considering the number of parties involved, the level of its potential liability or contribution relating to the other parties, the nature and magnitude of the hazardous wastes involved, the method and extent of remediation, the potential insurance coverage, the estimated legal and consulting expense with respect to each site and the time period over which costs are likely to be incurred. Based on this analysis, the Company estimates the clean-up costs and related claims for each site. The estimates are based in part on discussions with other potential responsible parties, governmental agencies and engineering firms.

The Company accrues for environmental matters when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated based on current laws and existing technologies. The accruals are adjusted periodically as assessment and remediation efforts progress or as additional technical or legal information becomes available. The Company's environmental liabilities, which are included in the Condensed Consolidated Balance Sheets as "Accrued expenses and other current liabilities" and "Other liabilities," totaled $14.7 million and $18.3 million at September 30, 2019 and December 31, 2018, respectively, primarily driven by environmental remediation, clean-up costs and monitoring of sites that were either closed or disposed of in prior years. While uncertainty exists with respect to the amount and timing of its ultimate environmental liabilities, the Company does not currently anticipate any material losses in excess of the amount recorded. However, it is possible that new information about the sites, such as results of investigations, could make it necessary for the Company to reassess its potential exposure related to these environmental matters.

As of the date of this Quarterly Report, the Company believes it is not possible to develop an estimate of the range of reasonably possible environmental losses in excess of the Company's recorded liabilities and is unable to ascertain the ultimate aggregate amount of monetary liabilities or financial impacts with respect to these matters.

Legal Matters

From time to time, the Company is involved in various legal proceedings, investigations and/or claims in the normal course of its business. Although it cannot predict with certainty the ultimate resolution of these matters, which involve judgments that are inherently subjective, the Company believes that their resolutions, to the extent not covered by insurance, will not, individually or in the aggregate, have a material adverse effect on its consolidated financial position, results of operations or cash flows.

13. INCOME TAXES

The Company's quarterly income tax provision is measured using an estimate of its consolidated annual effective tax rate, adjusted in the current period for discrete income tax items, within the periods presented. The comparison of the Company's income tax provision between periods is significantly impacted by the level and mix of earnings and losses by tax jurisdiction, foreign income tax rate differentials and discrete items.

For the three months ended September 30, 2019, the Company recognized an income tax expense of $57.2 million, as compared to an income tax benefit of $18.8 million in the prior year. The tax expense for the three months ended September 30, 2019 represented tax on the Company's pre-tax income based on its estimated full year annual effective tax rate, which includes the negative impact of U.S. global intangible low-taxed income provisions and an accrual of a valuation allowance on interest limitation carryforwards. The tax provision for the three months ended September 30, 2018 was negatively impacted by the country mix of earnings and the Company's inability to recognize additional deferred tax assets in various jurisdictions related to its current-year operating results, primarily the United States.

For the nine months ended September 30, 2019, the Company recognized an income tax expense of $40.0 million, as compared to an income tax expense of $21.1 million in the prior year. The tax expense for the nine months ended September 30, 2019 represented tax on the Company's pre-tax income based on its estimated full year annual effective tax rate, which includes the negative impact of U.S. global intangible low-taxed income provisions, an accrual of a valuation allowance on interest limitation carryforwards and a benefit from the release of a valuation allowance in a non-U.S. jurisdiction. The tax provision for the nine months ended September 30, 2018 was negatively impacted by the country mix of earnings and the Company's inability to recognize additional deferred tax assets in various jurisdictions related to its current-year operating results, primarily the United States.

As a result of the Arysta Sale, the deferred tax assets, valuation allowance and deferred tax liabilities of discontinued operations of $173 million, $75 million and $450 million, respectively, at December 31, 2018 were written off as part of the sale.

14. RELATED PARTY TRANSACTIONS

The Company is a party to an Advisory Services Agreement with Mariposa Capital, LLC, an affiliate of one of its founder directors, whereby Mariposa Capital, LLC is entitled to receive an annual fee and reimbursement for expenses. This agreement is automatically renewed for successive one-year terms unless either party notifies the other party in writing of its intention not to renew no later than 90 days prior to the expiration of the applicable term. Effective February 1, 2019, Mariposa Capital, LLC's annual advisory fee was increased from $2.0 million to $3.0 million. This fee is recorded in the Condensed Consolidated Statements of Operations as "Selling, technical, general and administrative" expense.

15. SEGMENT INFORMATION

The Company's operations are organized into two reportable segments: Electronics and Industrial & Specialty. These segments represent businesses for which separate financial information is utilized by the chief operating decision maker, or CODM, for purposes of allocating resources and evaluating performance.

The Company allocates resources and evaluates the performance of its operating segments based primarily on net sales and Adjusted EBITDA. Adjusted EBITDA for each segment is defined as earnings before interest, taxes, depreciation and amortization, as further adjusted for additional items included in GAAP earnings which the Company believes are not considered to be representative or indicative of each of its segments' ongoing business or are considered to be associated with its capital structure. Adjusted EBITDA for each segment also includes an allocation of corporate costs, such as compensation expense and professional fees.

Results of Operations

The following table summarizes financial information regarding each reportable segment's results of operations, including disaggregated external net sales by product category:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(dollars in millions)	2019	2018	2019	2018
Net Sales:				
Electronics				
Assembly Solutions	$ 137.3	$ 144.7	$ 407.7	$ 434.3
Circuitry Solutions	102.4	103.8	285.4	311.9
Semiconductor Solutions	40.3	43.3	120.7	129.3
Total Electronics	280.0	291.8	813.8	875.5
Industrial & Specialty				
Industrial Solutions	125.5	137.2	396.0	424.7
Graphics Solutions	40.1	40.1	113.1	119.5
Energy Solutions	19.1	19.4	58.3	62.9
Total Industrial & Specialty	184.7	196.7	567.4	607.1
Total net sales	$ 464.7	$ 488.5	$ 1,381.2	$ 1,482.6
Adjusted EBITDA:				
Electronics	$ 73.6	$ 64.8	$ 190.4	$ 189.9
Industrial & Specialty	41.8	43.5	124.1	131.9
Total Adjusted EBITDA	$ 115.4	$ 108.3	$ 314.5	$ 321.8

The following table reconciles "Net (loss) income attributable to common stockholders" to Adjusted EBITDA:

	Three months ended September 30,		Nine Months Ended September 30,	
(dollars in millions)	2019	2018	2019	2018
Net (loss) income attributable to common stockholders	$ (6.9)	$ (408.9)	$ 17.8	$ (359.6)
Add (subtract):				
Net income attributable to the non-controlling interests	—	3.0	0.6	3.5
Loss (income) from discontinued operations, net of tax	0.9	401.6	(13.2)	293.3
Income tax expense (benefit)	57.2	(18.8)	40.0	21.1
Interest expense, net	17.4	77.9	73.7	233.4
Depreciation expense	10.1	10.9	30.8	33.8
Amortization expense	28.1	27.8	84.9	84.7
EBITDA	106.8	93.5	234.6	310.2
Adjustments to reconcile to Adjusted EBITDA:				
Restructuring expense	6.8	1.0	12.6	4.3
Integration costs	0.8	5.2	2.5	9.7
Foreign exchange loss on foreign denominated external and internal long-term debt	1.1	3.8	1.5	0.7
Debt refinancing costs	—	—	61.0	—
Change in fair value of contingent consideration	0.5	1.0	3.4	2.5
Gain on sale of equity investment	—	—	—	(11.3)
Other, net	(0.6)	3.8	(1.1)	5.7
Adjusted EBITDA	$ 115.4	$ 108.3	$ 314.5	$ 321.8

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This Management's Discussion and Analysis of Financial Condition and Results of Operations section should be read in conjunction with the unaudited Condensed Consolidated Financial Statements and related notes included in this Quarterly Report, and the Consolidated Financial Statements, related notes and Management's Discussion and Analysis of Financial Condition and Results of Operations section and other disclosures contained in our 2018 Annual Report. This discussion contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially from those discussed in these forward-looking statements. Factors that might cause a difference include, but are not limited to, those discussed under the "Forward-Looking Statements" section of this Quarterly Report and in Part I, Item 1A, "Risk Factors" of our 2018 Annual Report.

Overview

Our Business

Element Solutions Inc, incorporated in Delaware in January 2014, is a leading global specialty chemicals company whose operating businesses formulate a broad range of solutions that enhance the performance of products people use every day. Developed in multi-step technological processes, the innovative solutions of our businesses enable customers' manufacturing processes in several key industries, including electronic circuitry, semiconductor, communications infrastructure, automotive systems, industrial surface finishing, consumer packaging and offshore energy. Substantially all of our businesses' products are consumed by our customers as part of their production process, providing us with reliable and recurring revenue streams as the products are replenished in order to continue production. Those customers use our innovations as competitive advantages, relying on us to help them navigate through fast-paced, high-growth markets. Our product development and product extensions are expected to continue to drive sales growth in both new and existing markets, while expanding margins, by continuing to offer high customer value propositions.

We generate revenue through the formulation and sale of our businesses' dynamic chemistry solutions and by providing highly technical service to our customers and OEMs through our extensive global network of specially-trained scientists and engineers. While our dynamic chemistries typically represent only a small portion of our customers' costs, they are integral to our customers' manufacturing processes and overall product performance. We leverage these close relationships with our customers and OEMs to execute our growth strategy and identify opportunities for new products. These new products are developed and created by drawing upon our intellectual property portfolio and technical expertise. We believe that our customers place significant value on the consistency and quality of our brands, which we capitalize on through significant market share, customer loyalty and supply chain access. Lastly, operational risks and switching costs make it difficult for our customers to change suppliers which allows us to retain customers and maintain our market positions.

Our Operations

Our operations are organized into two reportable segments: Electronics and Industrial & Specialty, which are each described below:

Electronics – The Electronics segment researches, formulates and delivers specialty chemicals and materials for all types of electronics hardware, from complex printed circuit board designs to new interconnection materials. In mobile communications, computers, automobiles and aerospace equipment, its products are an integral part of the electronics manufacturing process and the functionality of their goods. The segment's "wet chemistries" for metallization, surface treatments and solderable finishes form physical circuitry pathways and its "assembly materials," such as solders, pastes, fluxes and adhesives, join those pathways together.

The segment provides specialty chemical solutions through the following businesses:

Assembly Solutions	As a global supplier of solder technologies, fluxes, cleaners and other attachment materials for the electronics assembly industry, we develop innovative materials that join electronic circuits in high volume device manufacturing. Our high-performing interconnect materials are used to assemble consumer electronics from circuit boards, discrete electronic components, connectors and integrated circuit substrates.
Circuitry Solutions	As a global supplier of chemical formulations to the electronics industry, we design and manufacture proprietary liquid chemical processes ("bath") used by our customers to manufacture printed circuit boards. Our product portfolio is focused on specialized consumable chemical processes, such as surface treatments, circuit formation, primary metallization, electroplate and final finishes.
Semiconductor Solutions	As a global supplier of semiconductor materials and packaging technologies, we provide advanced copper interconnects, die attachment, wafer bump processes and photomask technologies to our customers for integrated circuit fabrication and semiconductor packaging.

Industrial & Specialty – The Industrial & Specialty segment provides customers with Industrial Solutions, which include chemical systems that protect and decorate metal and plastic surfaces; Graphics Solutions, which include consumable chemicals that enable printing image transfer on flexible packaging materials; and Energy Solutions, which include dynamic chemistries used in water-based hydraulic control fluids for offshore deep-water drilling. Its fully consumable products are used in the aerospace, automotive, construction, consumer electronics, consumer packaged goods and oil and gas production end markets.

The segment provides specialty chemical solutions through the following businesses:

Industrial Solutions	As a global supplier of industrial metal and plastic finishing chemistries, our chemical systems protect and decorate metal and plastic surfaces. Some of our precisely formulated high-performance coatings have functional uses, including improving wear and tear, such as hard chrome plating of shock absorbers for cars and special drills used for oil and gas exploration, while others provide corrosion resistance for appliance parts. Alternatively, our chemistries may have decorative performance, such as the application of gloss finishes for parts used in automotive interiors or fashion finishes used on jewelry surfaces.
Graphics Solutions	As a supplier of consumable materials used to transfer images to printed substrates, our products are used to improve print quality and printing productivity. We produce and market photopolymers through an extensive line of flexographic plates that are used in the commercial packaging and printing industries.
Energy Solutions	As a global supplier of specialized fluids to the offshore energy industry, we produce, market and support water-based hydraulic control fluids for major oil and gas companies and drilling contractors for offshore deep-water production and drilling applications.

Recent Developments

Repurchases of our Common Stock

During the nine months ended September 30, 2019, as part of our previously-announced $750 million share repurchase program, we repurchased approximately 43.8 million shares of our common stock for an aggregate purchase price of approximately $496 million. The remaining authorization under the share repurchase program was approximately $254 million at September 30, 2019. The repurchases were funded from cash on hand and proceeds from borrowings under the New Credit Agreement.

Arysta Sale

The Arysta Sale was completed on January 31, 2019 for net cash proceeds of approximately $4.28 billion, after post-closing adjustments. The proceeds of the Arysta Sale were primarily used to pay down our then existing credit facilities, including the first lien credit facility and the revolving credit facility under our second amended and restated credit agreement, dated August 6, 2014, as further amended and restated.

Recapitalization

On the closing date of the Arysta Sale, we paid down our then existing credit facilities with the proceeds of the Arysta Sale, as indicated above, and entered into the New Credit Agreement, which provides for new senior secured credit facilities in an aggregate principal amount of $1.08 billion. On the closing date of the Arysta Sale, the $750 million term loan was borrowed under the New Credit Agreement. In addition, on February 1, 2019, we used a portion of the net proceeds from the Arysta Sale and a portion of borrowings under the New Credit Agreement to redeem all outstanding Prior Senior Notes. The 5.875% USD Notes due 2025 were not redeemed and remain outstanding.

Recent Accounting Pronouncements

A summary of recent accounting pronouncements is included in Note 2, *Recent Accounting Pronouncements*, to our unaudited Condensed Consolidated Financial Statements included in this Quarterly Report.

Non-GAAP Financial Measures

To supplement our financial results presented in accordance with GAAP in this Management's Discussion and Analysis of Financial Condition and Results of Operations section, we present certain non-GAAP financial measures, such as operating results on a constant currency and organic basis and Adjusted EBITDA. Management internally reviews each of these non-GAAP measures to evaluate performance on a comparative period-to-period basis in terms of absolute performance, trends and expected future performance with respect to our business. We believe these non-GAAP financial measures, which are each further described below, provide investors with an additional perspective on trends and underlying operating results on a period-to-period comparable basis. We also believe that investors find this information helpful in understanding the ongoing performance of our operations separate from items that may have a disproportionate positive or negative impact on our financial results in any particular period.

These non-GAAP financial measures, however, have limitations as analytical tools and should not be considered in isolation from, a substitute for, or superior to, the related financial information that we report in accordance with GAAP. The principal limitation of these non-GAAP financial measures is that they exclude significant expenses and income that are required by GAAP to be recorded in our financial statements and may not be comparable to similarly titled measures of other companies due to potential differences in calculation methods. In addition, these measures are subject to inherent limitations as they reflect the exercise of judgment by management about which items are excluded or included in determining these non-GAAP financial measures. Investors are encouraged to review the reconciliations of these non-GAAP financial measures to their most comparable GAAP financial measures included in this Quarterly Report and not to rely on any single financial measure to evaluate our business.

Constant Currency

We disclose operating results, from net sales through operating profit and Adjusted EBITDA, on a constant currency basis by adjusting to exclude the impact of changes due to the translation of foreign currencies of our international locations into U.S. dollars. Management believes this non-GAAP financial information facilitates period-to-period comparison in the analysis of trends in business performance, thereby providing valuable supplemental information regarding our results of operations, consistent with how we internally evaluate our financial results.

The impact of foreign currency translation is calculated by converting our current-period local currency financial results into U.S. dollars using the prior period's exchange rates and comparing these adjusted amounts to our prior period reported results. The difference between actual growth rates and constant currency growth rates represents the estimated impact of foreign currency translation.

Organic Net Sales Growth

Organic net sales growth is defined as net sales excluding the impact of foreign currency translation, changes due to the pass-through pricing of certain metals and acquisitions and/or divestitures, as applicable. Management believes this non-GAAP financial 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.

For a reconciliation of reported net sales growth to organic net sales growth, see "*Net Sales*" within the "Results of Operations" section below.

Adjusted EBITDA

We define Adjusted EBITDA as EBITDA (earnings before interest, provision for income taxes, depreciation and amortization), excluding the impact of additional items included in GAAP earnings which we believe are not representative or indicative of our ongoing business or are considered to be associated with our capital structure. Management believes Adjusted EBITDA provides investors with a more complete understanding of the long-term profitability trends of our business and facilitates comparisons of our profitability to prior and future periods.

For a reconciliation of "Net (loss) income attributable to common stockholders" to Adjusted EBITDA, and more information about the adjustments made, see Note 15, *Segment Information*, to the unaudited Condensed Consolidated Financial Statements included in this Quarterly Report.

Results of Operations

Three and nine months ended September 30, 2019 as compared to the three and nine months ended September 30, 2018

The following table summarizes our results of operations for the three and nine months ended September 30, 2019 and 2018:

	Three Months Ended September 30,		% Change			Nine Months Ended September 30,		% Change		
(dollars in millions)	2019	2018	Reported	Constant Currency	Organic	2019	2018	Reported	Constant Currency	Organic
Net sales	$ 464.7	$ 488.5	(5)%	(3)%	(2)%	$ 1,381.2	$ 1,482.6	(7)%	(3)%	(4)%
Cost of sales	259.0	278.9	(7)%	(5)%		784.2	847.2	(7)%	(4)%	
Gross profit	205.7	209.6	(2)%	0%		597.0	635.4	(6)%	(3)%	
Gross margin	*44.3 %*	*42.9 %*	*140 bps*	*120 bps*		*43.2 %*	*42.9 %*	*30 bps*	*20 bps*	
Operating expenses	138.8	150.0	(7)%	(6)%		429.5	457.7	(6)%	(4)%	
Operating profit	66.9	59.6	12%	15%		167.5	177.7	(6)%	(1)%	
Operating margin	*14.4 %*	*12.2 %*	*220bps*	*220bps*		*12.1 %*	*12.0 %*	*10bps*	*30bps*	
Other expense, net	(15.7)	(82.7)	(81)%			(122.3)	(219.4)	(44)%		
Income tax (expense) benefit	(57.2)	18.8	(nm)			(40.0)	(21.1)	90%		
Net (loss) income from continuing operations	(6.0)	(4.3)	40%			5.2	(62.8)	(nm)		
(Loss) income from discontinued operations, net of tax	(0.9)	(401.6)	(nm)			13.2	(293.3)	(nm)		
Net (loss) income	$ (6.9)	$ (405.9)	(nm)			$ 18.4	$ (356.1)	(nm)		
Adjusted EBITDA	$ 115.4	$ 108.3	6%	9%		$ 314.5	$ 321.8	(2)%	2%	
Adjusted EBITDA margin	*24.8 %*	*22.2 %*	*260bps*	*260bps*		*22.8 %*	*21.7 %*	*110bps*	*110bps*	

(nm) Calculation not meaningful.

Net Sales

Net sales in the third quarter of 2019 decreased by 5% on a reported basis, 3% on a constant currency and 2% on an organic basis. Electronics and our consolidated results were negatively impacted by $2.5 million of pass-through metals pricing.

The following table reconciles GAAP net sales growth to constant currency and organic net sales growth:

	Three Months Ended September 30,		% Change					
(dollars in millions)	**2019**	**2018**	**Reported Net Sales Growth**	**Impact of Currency**	**Constant Currency**	**Pass-Through Metals Pricing**	**Acquisitions/Dispositions**	**Organic Net Sales Growth**
Electronics:								
Assembly Solutions	$ 137.3	$ 144.7	(5)%	2%	(3)%	2%	—%	(1)%
Circuitry Solutions	102.4	103.8	(1)%	1%	0%	—%	—%	0%
Semiconductor Solutions	40.3	43.3	(7)%	1%	(6)%	—%	—%	(6)%
Total	$ 280.0	$ 291.8	(4)%	2%	(2)%	1%	—%	(1)%
Industrial & Specialty:								
Industrial Solutions	$ 125.5	$ 137.2	(9)%	3%	(6)%	—%	—%	(6)%
Graphics Solutions	40.1	40.1	0%	2%	2%	—%	—%	2%
Energy Solutions	19.1	19.4	(2)%	3%	1%	—%	—%	1%
Total	$ 184.7	$ 196.7	(6)%	2%	(4)%	—%	—%	(4)%
Total	$ 464.7	$ 488.5	(5)%	2%	(3)%	1%	—%	(2)%

Electronics' net sales in the third quarter of 2019 declined by 4% on a reported basis and 1% on an organic basis.

- Assembly Solutions: net sales declined by 5% on a reported basis and 1% on an organic basis. The decrease was primarily due to pressure from trade tensions, which caused weakness in the mobile phone markets in Asia, primarily China and Taiwan, as well as weakness in global automotive markets.
- Circuitry Solutions: net sales declined by 1% on a reported basis and remained relatively flat on an organic basis. Strength in high end mobile markets in Korea was offset by weakness in the mobile phone markets in China and persisting demand softness related to automotive electronics.
- Semiconductor Solutions: net sales declined 7% on a reported basis and 6% on an organic basis. The decrease was due to weakness in the broad semiconductor market, including lower net sales of products containing precious metals, partially offset by continued strength in advanced assembly products.

Industrial & Specialty's net sales in the third quarter of 2019 declined by 6% on a reported basis and 4% on an organic basis.

- Industrial Solutions: net sales declined by 9% on a reported basis and 6% on an organic basis. The decrease was primarily due to continued softness across most automotive and industrial end markets.
- Graphics Solutions: net sales remained relatively flat on a reported basis and increased 2% on an organic basis. The increase was primarily driven by packaging volume increases in Latin America and Europe, and timing of screen orders in North America and Europe partially offset by a continued decline in newspaper net sales in Europe.
- Energy Solutions: net sales declined 2% on a reported basis and increased 1% on an organic basis. The increase was primarily due higher sales in Europe and Asia related to fill and drilling activity, partially offset by lower drilling activity in North America and the loss of certain business in the first quarter of 2019 which had a negative impact of approximately 5% on organic net sales growth.

On a year-to-date basis, net sales decreased by 7% on a reported basis, 3% on a constant currency basis and 4% on an organic basis. Electronics and our consolidated results were positively impacted by $3.6 million of acquisitions and negatively impacted by $0.9 million of pass-through metals pricing.

The following table reconciles GAAP net sales growth to constant currency and organic net sales growth:

	Nine Months Ended September 30,		% Change					
(dollars in millions)	**2019**	**2018**	**Reported Net Sales Growth**	**Impact of Currency**	**Constant Currency**	**Pass-Through Metals Pricing**	**Acquisitions/Dispositions**	**Organic Net Sales Growth**
Electronics:								
Assembly Solutions	$ 407.7	$ 434.3	(6)%	4%	(2)%	0%	(1)%	(3)%
Circuitry Solutions	285.4	311.9	(8)%	3%	(6)%	—%	—%	(6)%
Semiconductor Solutions	120.7	129.3	(7)%	1%	(5)%	—%	—%	(5)%
Total	$ 813.8	$ 875.5	(7)%	3%	(4)%	0%	0%	(4)%
Industrial & Specialty:								
Industrial Solutions	$ 396.0	$ 424.7	(7)%	4%	(3)%	—%	—%	(3)%
Graphics Solutions	113.1	119.5	(5)%	2%	(3)%	—%	—%	(3)%
Energy Solutions	58.3	62.9	(7)%	4%	(3)%	—%	—%	(3)%
Total	$ 567.4	$ 607.1	(7)%	4%	(3)%	—%	—%	(3)%
Total	$ 1,381.2	$ 1,482.6	(7)%	3%	(3)%	0%	0%	(4)%

On a year-to-date basis, Electronics' net sales declined by 7% on a reported basis and 4% on an organic basis.

- Assembly Solutions: net sales declined by 6% on a reported basis and 3% on an organic basis. The decrease was primarily due to weakness in mobile phone markets in Asia, primarily China and Taiwan, partially offset by increased demand for assembly products in electronic vehicles.
- Circuitry Solutions: net sales declined by 8% on a reported basis and 6% on an organic basis. The decrease was due to weakness within the mobile phone markets in Asia, as well as lower demand from memory disk customers.
- Semiconductor Solutions: net sales declined 7% on a reported basis and 5% on an organic basis. The decrease was due to continued weakness in the semiconductor market, partially offset by strength in advanced assembly products.

Industrial & Specialty's net sales declined by 7% on a reported basis and 3% on an organic basis.

- Industrial Solutions: net sales declined by 7% on a reported basis and 3% on an organic basis. The decrease was due to softness in the European industrial markets and Asian automotive markets, partially offset by increased net sales of Fernox products primarily in the United Kingdom.
- Graphics Solutions: net sales declined by 5% on a reported basis and 3% on an organic basis. The decrease was primarily due to lower newspaper net sales and lower packaging volumes in North America and Asia.
- Energy Solutions: net sales declined 7% on a reported basis and 3% on an organic basis. The decrease was primarily due to loss of certain business in the first quarter of 2019 which had a negative impact of approximately 6% on organic net sales growth, as well as weakness in North America, partially offset by growth in Europe and Asia related to fill and drilling activity. The loss of certain business is expected to negatively impact organic net sales growth for the remainder of 2019.

Gross Profit

(dollars in millions)	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	% Change Reported	% Change Constant Currency	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018	% Change Reported	% Change Constant Currency
Gross profit								
Electronics	$ 120.9	$ 118.5	2%	4%	$ 338.6	$ 352.7	(4)%	(1)%
Industrial & Specialty	84.8	91.1	(7)%	(5)%	258.4	282.7	(9)%	(5)%
Total	$ 205.7	$ 209.6	(2)%	0%	$ 597.0	$ 635.4	(6)%	(3)%
Gross margin								
Electronics	43.2 %	40.6 %	260 bps	250 bps	41.6 %	40.3 %	130 bps	110 bps
Industrial & Specialty	45.9 %	46.3 %	(40) bps	(50) bps	45.5 %	46.6 %	(110) bps	(120) bps
Total	44.3 %	42.9 %	140 bps	120 bps	43.2 %	42.9 %	30 bps	20 bps

Electronics' gross profit in the third quarter of 2019 increased by 2% on a reported basis and 4% on a constant currency basis. The constant currency increase in gross profit was primarily driven by the strength in high-end smart phone markets as well as growth in advanced assembly products. The increase in gross margin benefited from favorable product mix, primarily due to the strength in high-end smart phone markets as well as lower net sales of products containing precious metals, which are lower margin.

Industrial & Specialty's gross profit in the third quarter of 2019 decreased by 7% on a reported basis and 5% on a constant currency basis. The constant currency decrease in gross profit was primarily driven by lower net sales volumes. The decrease in gross margin was primarily due to unfavorable product mix in Graphics Solutions.

On a year-to-date basis, Electronics' gross profit decreased by 4% on a reported basis and 1% on a constant currency basis. The constant currency decrease in gross profit was primarily driven by lower net sales partially offset by favorable product mix.

On a year-to-date basis, Industrial & Specialty's gross profit decreased by 9% on a reported basis and 5% on a constant currency basis. The constant currency decrease in gross profit was driven by lower net sales volumes. The decrease in gross margin was primarily due to lower net sales in Energy Solutions, which products have higher gross margins.

Operating Expenses

(dollars in millions)	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	% Change Reported	% Change Constant Currency	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018	% Change Reported	% Change Constant Currency
Selling, technical, general and administrative	$ 128.8	$ 139.5	(8)%	(6)%	$ 397.6	$ 424.6	(6)%	(4)%
Research and development	10.0	10.5	(5)%	(4)%	31.9	33.1	(4)%	(3)%
Total	$ 138.8	$ 150.0	(7)%	(6)%	$ 429.5	$ 457.7	(6)%	(4)%
Operating Expenses as % of Net Sales								
Selling, technical, general and administrative	27.7 %	28.5 %	(80) bps	(90) bps	28.8 %	28.6 %	20 bps	0 bps
Research and development	2.2 %	2.2 %	0 bps	(10) bps	2.3 %	2.2 %	10 bps	0 bps
Total	29.9 %	30.7 %	(80) bps	(100) bps	31.1 %	30.9 %	20 bps	(10) bps

Operating expenses in the third quarter of 2019 decreased 7% on a reported basis and 6% on a constant currency basis, driven primarily by cost containment initiatives across the business to mitigate the impact of generally weak end market conditions and to a lesser extent, lower corporate expenses as we continued to realize the benefits relating to our corporate structure reorganization.

On a year-to-date basis, operating expenses decreased 6% on a reported basis and 4% on a constant currency basis, driven primarily by lower corporate expenses as we continued to realize the benefits relating to our corporate structure reorganization. In addition, operating expenses benefited from cost containment initiatives implemented in the second quarter of 2019 across the Company's businesses.

Other (Expense) Income

	Three Months Ended September 30,		Nine Months Ended September 30,	
(dollars in millions)	2019	2018	2019	2018
Other (expense) income				
Interest expense, net	$ (17.4)	$ (77.9)	$ (73.7)	$ (233.4)
Foreign exchange (loss) gain	(1.2)	(4.7)	(2.4)	0.4
Other (expense) income, net	2.9	(0.1)	(46.2)	13.6
Total	$ (15.7)	$ (82.7)	$ (122.3)	$ (219.4)

Interest Expense, Net

For the three and nine months ended September 30, 2019, net interest expense decreased $60.5 million and $159.7 million, respectively, primarily due to the pay down of our existing credit facilities on January 31, 2019 in connection with the Arysta Sale. Lower interest expense, as compared to 2018, is expected to continue as we realize the benefits associated with the deleveraging of our balance sheet as a result of the Arysta Sale.

Foreign Exchange (Loss) Gain

For the three months ended September 30, 2019, foreign exchange loss decreased $3.5 million primarily due to the remeasurement of euro- and British pound-denominated intercompany balances.

For the nine months ended September 30, 2019, foreign exchange loss increased $2.8 million primarily due to the remeasurement of euro-denominated external debt into U.S. dollar, which was partially offset by euro- and British pound-denominated intercompany balances.

Other (Expense) Income, Net

For the nine months ended September 30, 2019, other (expense) income, net of $46.2 million included $61.0 million of debt refinancing costs related to the pay down of our then existing credit facilities in connection with the Arysta Sale, partially offset by a $11.7 million gain on derivative contracts, associated with the refinancing of our non-U.S. dollar denominated third-party debt in the first quarter. For the nine months ended September 30, 2018, other (expense) income, net of $13.6 million, primarily related to a $11.3 million gain on a sale of an equity investment.

Income Tax

The comparison of the Company's income tax provision between periods is significantly impacted by the level and mix of earnings and losses by tax jurisdiction, foreign income tax rate differentials and discrete items.

For the three months ended September 30, 2019, the Company recognized an income tax expense of $57.2 million, as compared to an income tax benefit of $18.8 million in the prior year. The tax expense for the three months ended September 30, 2019 represented tax on the Company's pre-tax income based on its estimated full year annual effective tax rate, which includes the negative impact of U.S. global intangible low-taxed income provisions and an accrual of a valuation allowance on interest limitation carryforwards. The tax provision for the three months ended September 30, 2018 was negatively impacted by the country mix of earnings and the Company's inability to recognize additional deferred tax assets in various jurisdictions related to its current-year operating results, primarily the United States.

For the nine months ended September 30, 2019, the Company recognized an income tax expense of $40.0 million, as compared to an income tax expense of $21.1 million in the prior year. The tax expense for the nine months ended September 30, 2019, represented tax on the Company's pre-tax income based on its estimated full year annual effective tax rate, which includes the negative impact of U.S. global intangible low-taxed income provisions, an accrual of a valuation allowance on interest limitation carryforwards and a benefit from the release of a valuation allowance in a non-U.S. jurisdiction. The tax provision for the nine months ended September 30, 2018, was negatively impacted by the country mix of earnings and the Company's inability to recognize additional deferred tax assets in various jurisdictions related to its current-year operating results, primarily the United States.

Income from Discontinued Operations, Net of Tax

Net loss from discontinued operations was $0.9 million for the three months ended September 30, 2019, which primarily represented the settlement of certain post-closing adjustments. Net loss from discontinued operations was $401.6 million for the three months ended September 30, 2018 primarily due to the estimated impairment on the Arysta Sale of $376 million. See Note 3, *Discontinued Operations*, for further information regarding the Arysta discontinued operations.

Other Comprehensive Income

Other comprehensive loss for the three months ended September 30, 2019 totaled $55.1 million, as compared to a loss of $92.0 million in the prior year. The change was driven primarily by foreign currency translation losses associated with the Brazilian real, Japanese yen and British pound partially offset by foreign currency translation gains associated with the euro.

Other comprehensive income for the nine months ended September 30, 2019 totaled $484 million, as compared to a loss of $402 million in the prior year. The change was driven primarily by foreign currency translation losses resulting from the Arysta Sale of $480 million, as well as foreign currency translation gains associated with the British pound, partially offset by loss associated with the Brazilian real, Chinese yuan and Japanese yen.

Segment Adjusted EBITDA Performance

	Three Months Ended September 30,		% Change		Nine Months Ended September 30,		% Change	
(dollars in millions)	2019	2018	Reported	Constant Currency	2019	2018	Reported	Constant Currency
Adjusted EBITDA:								
Electronics	$ 73.6	$ 64.8	14%	16%	$ 190.4	$ 189.9	0%	4%
Industrial & Specialty	41.8	43.5	(4)%	(2)%	124.1	131.9	(6)%	(2)%
Total	$ 115.4	$ 108.3	6%	9%	$ 314.5	$ 321.8	(2)%	2%
Adjusted EBITDA margin:								
Electronics	26.3%	22.2%	410 bps	420 bps	23.4%	21.7%	170 bps	180 bps
Industrial & Specialty	22.6%	22.1%	50 bps	50 bps	21.9%	21.7%	20 bps	20 bps
Total	24.8%	22.2%	260 bps	260 bps	22.8%	21.7%	110 bps	110 bps

For the three months ended September 30, 2019, Electronics' Adjusted EBITDA increased 14% on a reported basis and 16% on a constant currency basis. The constant currency increase was driven primarily by higher gross profit as well as lower general and administrative expenses. Industrial & Specialty's Adjusted EBITDA decreased 4% on a reported basis and 2% on a constant currency basis. The constant currency decrease was driven primarily by lower gross profit, partially offset by lower general and administrative expenses.

For the nine months ended September 30, 2019, Electronics' Adjusted EBITDA remained relatively flat on a reported basis and increased 4% on a constant currency basis. The constant currency increase was driven primarily by lower general and administrative expenses, partially offset by lower gross profit. Industrial & Specialty's Adjusted EBITDA decreased 6% on a reported basis and 2% on a constant currency basis. The constant currency decrease was driven primarily by lower gross profit, partially offset by lower general and administrative expenses.

On a consolidated basis for the three and nine months ended September 30, 2019, the relatively stable gross margins and the decrease in overall operating expenses, at a rate higher than the decline in net sales, led to Adjusted EBITDA margin expansion compared to the prior periods.

Liquidity and Capital Resources

The Arysta Sale was completed on January 31, 2019, for net cash proceeds of approximately $4.28 billion, after certain post-closing adjustments relating to, among other things, cash, indebtedness and working capital, as finalized with UPL on May 17, 2019.

Our primary sources of liquidity during the nine months ended September 30, 2019, were the proceeds of the Arysta Sale as well as the $750 million term loan under the New Credit Agreement, periodic borrowings under the revolving credit facilities under the Company's second amended and restated credit agreement until January 31, 2019 and, subsequently, the New Credit Agreement, and available cash generated from operations. Our primary uses of cash and cash equivalents were to fund operations, working capital, capital expenditures and debt service obligations as well as to pay down approximately $4.60 billion of debt outstanding on the closing date of the Arysta Sale and to fund our $496 million of repurchases of our common stock. In the first quarter of 2019, we also paid $40.0 million of contingent consideration related to the achievement of certain common stock trading targets set in connection with the MacDermid Acquisition. The expected interest payments on our new existing debt, consisting of the 5.875% USD Notes due 2025 and the new term loan under the New Credit Agreement, are expected to total approximately $70 million per year over the next three years, taking into account the effect of interest rate swaps and cross-currency swaps, excluding any potential additional borrowings under the New Credit Agreement, with the first significant principal payment, totaling $800 million due in 2025.

We believe that our cash and cash equivalents and cash generated from operations, supplemented by our availability under our lines of credit, including our revolving credit facility under the New Credit Agreement, will be sufficient to meet our working capital needs, interest payments, capital expenditures and other business requirements for at least the next twelve months. However, working capital cycles and/or future repurchases of our common stock and/or acquisitions may require additional funding, which may include future debt and/or equity offerings. On August 2, 2019, we filed a universal shelf registration statement on Form S-3 with the SEC under which we may offer and sell various types of securities during the three-year period that commenced upon its filing. Our long-term liquidity may be influenced by our ability to borrow additional funds, renegotiate existing debt and raise equity under terms that are favorable to us.

We may from time to time seek to repurchase our equity and/or to retire or repurchase our outstanding debt through cash purchases and/or exchanges for equity, in open market purchases, privately negotiated transactions or otherwise. Such repurchases or exchanges, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions, applicable restrictions under our various financing arrangements and other factors.

During the nine months ended September 30, 2019, approximately 76% of our net sales were generated from non-U.S. operations, and we expect a large portion of our net sales to continue to be generated outside of the United States. As a result, our foreign subsidiaries will likely continue to hold a substantial portion of our cash. We expect to manage our worldwide cash requirements based on available funds among the many subsidiaries through which we conduct business and the cost effectiveness with which those funds can be accessed. We may transfer cash from certain international subsidiaries to the United States and other international subsidiaries when we believe it is cost effective to do so.

We continually review our domestic and foreign cash profile, expected future cash generation and investment opportunities, which support our current designation of a portion of these funds as being indefinitely reinvested, and reassess whether there are demonstrated needs to repatriate a portion of these funds being held internationally. If, as a result of our review, we determine that all or a portion of the funds require repatriation, we may be required to accrue additional taxes. Of our $200 million of cash and cash equivalents at September 30, 2019, $181 million were held by our foreign subsidiaries. In 2019, domestic cash was primarily used to fund repurchases of our common stock and repayments of existing revolving credit facilities.

The following is a summary of our cash flows provided by (used in) operating, investing, and financing activities of continuing operations during the periods indicated:

	Nine Months Ended September 30,	
(dollars in millions)	2019	2018
Cash provided by (used in) operating activities	$ 92.1	$ (26.4)
Cash provided by (used in) investing activities	$ 4,270.3	$ (18.0)
Cash used in financing activities	$ (4,425.0)	$ (0.8)

Operating Activities

The increase was driven primarily by higher cash operating profits (net loss adjusted for non-cash items), including $135 million of lower interest payments and lower net build of accounts receivable, inventories and accounts payable due to lower net sales, partially offset by the payment of contingent consideration liability in the first quarter of 2019 of $30.9 million.

Investing Activities

The increase was primarily driven by the Arysta Sale, which generated $4.28 billion, after certain post-closing adjustments. Investing cash inflows from the prior year include $25.0 million of proceeds from the sale of an equity investment, which was offset by an acquisition for $28.2 million.

Financing Activities

The increase was primarily driven by the pay down of approximately $4.60 billion of debt from a combination of proceeds of the Arysta Sale and a $750 million term loan under the New Credit Agreement. These cash inflows were also used to fund the repurchases of our common stock for an aggregate purchase price of $496 million. In addition, $39.5 million was used to fund the repurchase and extinguishment fees related to our debt pay down and to fund the deferred financing fees associated with the New Credit Agreement. Cash inflows from borrowings under our lines of credit totaled $24.9 million during 2019, as compared to no borrowings in 2018.

Financial Borrowings

Credit Facilities

At September 30, 2019, we had $1.52 billion of indebtedness, net of unamortized premiums, discounts and debt issuance costs, which primarily included:

- $786 million of 5.875% USD Notes due 2025; and
- $735 million of term debt arrangements outstanding under the first lien credit facility of the New Credit Agreement.

Availability under the revolving credit facility of the New Credit Agreement and various lines of credit and overdraft facilities totaled approximately $352 million at September 30, 2019, net of outstanding letters of credit.

Covenants

At September 30, 2019, we were in compliance with the customary affirmative and negative covenants, events of default and other customary provisions of the 5.875% USD Notes Indenture, as well as with the debt covenants contained in the New Credit Agreement.

Off-Balance Sheet Transactions

We use customary off-balance sheet arrangements, such as letters of credit. For additional information regarding letters of credit, see Note 7, *Debt*, to our unaudited Condensed Consolidated Financial Statements included in this Quarterly Report.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

The quantitative and qualitative disclosures about market risk required by this item have not changed materially from those disclosed in our 2018 Annual Report. For a discussion of our exposure to market risk, refer to Part II, Item 7A, *Quantitative and Qualitative Disclosures about Market Risk*, contained in our 2018 Annual Report.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

Our management is responsible for establishing and maintaining disclosure controls and procedures as defined in Rules 13a-15 (e) and 15d-15(e) under the Exchange Act. As required by Rule 13a-15(b) of the Exchange Act, management, including our CEO and CFO, has evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure. Based on that evaluation, our CEO and CFO have concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this Quarterly Report.

(b) Changes to Internal Control Over Financial Reporting

As required by Rule 13a-15(d) under the Exchange Act, our management, including our CEO and CFO, has evaluated the Company's internal control over financial reporting to determine whether any changes occurred during the quarter covered by this Quarterly Report have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

There have been no changes in our internal control over financial reporting that occurred during the quarter covered by this Quarterly Report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we are involved in legal proceedings, investigations and/or claims that are incidental to the operation of our businesses. In particular, we are involved in various claims relating to environmental matters at a number of current and former plant sites and waste management sites. See Note 12, *Contingencies, Environmental and Legal Matters*, to the unaudited Condensed Consolidated Financial Statements included in this Quarterly Report for more information and updates.

Item 1A. Risk Factors

There have been no material changes in the risk factors from those set forth in Part I, Item 1A, *Risk Factors*, of our 2018 Annual Report.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Recent Purchases of Equity Securities by the Issuer and Affiliated Purchases

The following table provides information about purchases by the Company during the three months ended September 30, 2019 of equity securities of the Company:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of a Publicly Announced Repurchase Program	Approximate Dollar Value of Shares that May Yet be Purchased Under the Repurchase Program[1] *(in millions)*
July 1 - July 31	—	$ —	—	
August 1 - August 31	5,553,000	9.06	5,553,000	
September 1 - September 30	75,000	9.23	75,000	
Total	5,628,000	$ 9.06	5,628,000	$ 254

[1] *In July 2018, the Board authorized a program to repurchase up to $750 million of the Company’s common stock, of which $496 million had been utilized as of September 30, 2019. The Company’s share repurchase program does not require the repurchase of any specific number of shares, and shares repurchases are made opportunistically at the discretion of the Company.*

Item 3. Defaults Upon Senior Securities

None

Item 4. Mine Safety Disclosures

None

Item 5. Other Information

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

On November 6, 2019, Element Solutions updated its form of change in control agreement to reflect the change of the Company's name from "Platform Specialty Products Corporation" to "Element Solutions Inc," the current titles of the covered executive officers and the Company's current contact information. Other than these changes, the form of agreement is substantially the same as the form previously filed with the SEC in the Company's Current Report on Form 8-K on April 8, 2016. The Company entered into the updated agreement with Carey J. Dorman, Chief Financial Officer, and each of its other executive officers who were party to existing change in control agreements, namely Benjamin Gliklich, Chief Executive Officer, Scot R. Benson, President & Chief Operating Officer, and John E. Capps, Executive Vice President, General Counsel and Secretary. A form of the amended change in control agreement is attached as Exhibit 10.1 to this Quarterly Report and is incorporated herein by reference, along with the detailed summary of the existing change in control agreements previously disclosed in the Company's Current Report on Form 8-K as filed with the SEC on April 8, 2016

Item 6. Exhibits

The following exhibits are filed or furnished as part of this Quarterly Report:

Exhibit Number	**Description**
3.1(a)	Certificate of Incorporation dated January 22, 2014 (filed as Exhibit 3.1 of Post-Effective Amendment No. 1 to the Registration Statement on Form S-4 (File No. 333-192778) filed on January 24, 2014, and incorporated herein by reference)
3.1(b)	Certificate of Amendment of Certificate of Incorporation dated June 12, 2014 (filed as Exhibit 3.1 of the Current Report on Form 8-K filed on June 13, 2014, and incorporated herein by reference)
3.1(c)	Certificate of Amendment of Certificate of Incorporation dated January 31, 2019 (filed as Exhibit 3.1 of the Current Report on Form 8-K filed on February 5, 2019, and incorporated herein by reference)
3.2	Amended and Restated By-laws (filed as Exhibit 3.2 of the Current Report on Form 8-K filed on February 5, 2019, and incorporated herein by reference)
10.1†*	Form of Change in Control Agreement
31.1*	Principal Executive Officer Certification Pursuant to Exchange Act Rules 13a-14 and 15d-14 as adopted pursuant to the Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Principal Financial Officer Certification Pursuant to Exchange Act Rules 13a-14 and 15d-14 as adopted pursuant to the Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Principal Executive Officer and Principal Financial Officer Certifications Pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.SCH**	XBRL Taxonomy Extension Schema Document
101.CAL**	XBRL Extension Calculation Linkbase Document
101.DEF**	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB**	XBRL Taxonomy Extension Label Linkbase Document
101.PRE**	XBRL Taxonomy Extension Presentation Linkbase Document
101. INS**	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
104**	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document (included in Exhibits 101)

* Filed herewith.
** Furnished herewith.
† This Exhibit represents a management contract or compensatory plan.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized this November 7, 2019.

ELEMENT SOLUTIONS INC

By: /s/ Michael Russnok

Michael Russnok
Chief Accounting Officer
(Principal Accounting Officer)

Exhibit 10.1

FORM OF
CHANGE IN CONTROL AGREEMENT

This Change in Control Agreement (the "Agreement"), dated as of this _____ day of ___________ 2019 (the "Effective Date"), is by and between _____________________ (the "Executive"), and Element Solutions Inc, a Delaware corporation, and any successor to its business and/or assets (the "Company").

WHEREAS, the Company, as a publicly-held corporation, recognizes that the possibility of a Change in Control (as defined herein) may exist, and that such possibility and the uncertainty and questions which it may raise among management may result in the departure or distraction of certain key employees in the performance of their duties, to the detriment of the Company and its stockholders;

WHEREAS, the Company considers it to be in the best interests of the Company and its stockholders to reinforce and encourage the continued attention, dedication and availability of key employees to the Company's business, without distraction, in the event that any third-party expresses its intention to take action which could result in a Change in Control of the Company; and

WHEREAS, the Executive serves as a key employee of the Company.

NOW, THEREFORE, in consideration of the foregoing and other respective covenants and agreements of the parties herein contained, the adequacy and sufficiency of which are hereby acknowledged, the Company and the Executive agree as follows:

1. **Term of Agreement**. The term of this Agreement (the "Term") shall commence on the date first set forth above and shall end on January 1, 2022, and shall continue in effect for successive periods of one (1) year thereafter unless either the Company or the Executive gives written notice of intent to terminate the Agreement one (1) year prior to the expiration of the then-current term of this Agreement. The Company is precluded from giving notice of intent to terminate within six (6) months of a Change in Control or at any time at which a Change in Control with an identified party is under serious consideration. If a Change of Control shall have occurred during the Term, the Term shall expire on the last day of the twenty-fourth (24^{th}) month following the month in which such Change in Control occurred.

2. **Company's Covenants Summarized**. In order to induce the Executive to remain in the employ of the Company and in consideration of the Executive's covenants in Section 10 and the execution of the general release of claims referred to in Section 21 of this Agreement, the Company, under the conditions described herein, shall pay the Executive the Termination Payment, and the other payments and benefits described herein. No Termination Payment shall be payable under this Agreement unless there shall have been a Qualifying Termination. This Agreement shall not be construed as creating an express or implied contract of employment and, except as otherwise agreed in writing between the Executive and the Company, the Executive shall not have any rights to be retained in the employ of the Company.

3. **Definitions.** As used herein, the terms identified below shall have the meanings indicated:

    (a) **"Annual Bonus Plan"** shall mean, for the Executive, the plan or arrangement of the Company providing cash-denominated bonuses, on an annual basis, for Company and/or business unit performance during the applicable year in which the Executive participates.

(b) "**<u>Award</u>**" shall mean any cash award or stock-based award granted or to be granted to the Executive under any Annual Bonus Plan or Incentive Plan.

(c) "**<u>Benefit Continuation</u>**" shall mean, subject to the continued co-payment of premiums by the Executive, the continued participation for the Executive and his or her eligible dependents in the Company's Benefit Plans, upon the same terms and conditions in effect from time to time for active employees of the Company, as determined in good faith by the Company.

(d) "**<u>Benefit Continuation Period</u>**" shall mean a period equal to 18 months.

(e) "**<u>Benefit Plans</u>**" shall mean all medical and dental benefit plans of the Company and any group life insurance, group accident insurance and group disability insurance plans of the Company, in each case, as may be in effect from time to time.

(f) "**<u>Board</u>**" shall mean the Company's Board of Directors.

(g) "**<u>Cause</u>**" for termination by the Company of the Executive's employment shall mean the definition of such term as defined in any effective employment agreement between the Company and the Executive as of the Date of Termination; otherwise, Cause shall mean any of the following:

(i) the willful and continuous failure by the Executive to substantially perform the Executive's duties with the Company (other than any such failure resulting from the Executive's incapacity due to physical or mental illness) thirty (30) days after a written demand for substantial performance is delivered to the Executive by the Board which specifically identifies the manner in which the Board believes that the Executive has not substantially performed the Executive's duties;

(ii) willful misconduct or gross negligence by the Executive provided (A) the Board has determined that the resulting harm to the Company from the Executive's willful misconduct or gross negligence cannot be adequately remedied, or (B) the Executive fails to correct any resulting harm to the Company within thirty (30) days after a written demand for correction is delivered to the Executive by the Board which specifically identifies both the manner in which the Board believes that Executive has engaged in willful misconduct or gross negligence and an appropriate method of correcting any resulting harm to the Company;

(iii) the Executive's conviction of or the entering of a plea of guilty or *nolo contendere* to the commission of a felony or any crime involving moral turpitude, dishonesty, fraud, embezzlement, theft or financial impropriety; or

(iv) a material and willful violation by the Executive of the Company's rules, policies or procedures, or of the law, which results in material economic harm to the Company.

Notwithstanding the foregoing, the Executive shall not be deemed to have been terminated for Cause unless and until there shall have been delivered to the Executive a copy of the resolution duly adopted by the affirmative vote of the majority of the votes entitled to be cast at a meeting at which a quorum is present or unanimous consent of the Board so finding.

(h) **"Change in Control"** shall mean, after the Effective Date, the occurrence of any of the following:

(i) any Person becomes the "beneficial owner," as such term is defined in Rule 13d-3 under the Exchange Act, directly or indirectly, of more than 30% of either (A) the then outstanding shares of common stock of the Company (the "Outstanding Common Stock") or (B) the combined voting power of the then outstanding securities of the Company entitled to vote generally in the election of directors (the "Outstanding Voting Securities")(the foregoing beneficial ownership hereinafter being referred to as a "Controlling Interest"); *provided, however*, that the following acquisitions and beneficial ownership shall not constitute Changes in Control pursuant to this Agreement: (v) any acquisition directly from the Company; (w) any acquisition by the Company or a "subsidiary corporation" as defined in Section 424(f) of the Code, or any successor provision (each, a "Subsidiary"); (x) any acquisition by any Person that as of the Effective Date beneficially owns a Controlling Interest; (y) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or one or more of its Subsidiaries; or (z) any acquisition that is a Business Combination, as described in subsection (ii) below; or

(ii) the consummation of a reorganization, merger, share exchange or consolidation (a "Business Combination"), unless in each case following such Business Combination:

(A) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Common Stock and Outstanding Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors or other governing body, as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that as a result of such transaction owns the Company through one or more subsidiaries);

(B) no individual, entity or group (excluding any employee benefit plan (or related trust) of the Company or such entity resulting from such Business Combination) beneficially owns, directly or indirectly, more than 30% of, respectively, the then outstanding shares of common stock of the entity resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such entity entitled to vote generally in the election of directors or other governing body of the entity resulting from such Business Combination, except to the extent that such individual, entity or group owned more than 30% of the Outstanding Common Stock or Outstanding Voting Securities prior to the Business Combination; and

(C) at least a majority of the members of the board of directors or other governing body of the entity resulting from such Business Combination were individuals who constituted the Board as of the Effective Date and at the time of the execution of the initial agreement, or of the action of the Board, approving such Business Combination; or

(iii) the Company shall sell or dispose of all or substantially all of the property and assets of the Company (in one transaction or a series of transactions).

For purposes of the definition in Section 3(h)(ii)(B), Persons will not be considered to be acting as a "group" solely because they purchased stock of the Company at the same time, or as a result of the same public offering. However, persons will be considered to be acting as a "group" if they are owners of an entity that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company. If a person, including an entity, owns stock in both an entity and the Company and such entity enters into a merger, consolidation, purchase or acquisition of stock, or similar transaction, with the Company, such shareholder will be considered to be acting as a "group" with other shareholders in the entity prior to the transaction giving rise to a Change in Control and not with respect to its ownership interest in the Company.

(i) **"COBRA"** shall mean the continuation coverage requirements for "group health plans" under Title X of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, including codifications and rules thereunder and successor provisions and rules thereto.

(j) **"Code"** shall mean the Internal Revenue Code of 1986, as amended, and the regulations and other guidance promulgated by the Treasury Department and the Internal Revenue Service thereunder.

(k) **"Date of Termination"** shall mean, unless otherwise agrees by the Executive and the Company, (i) if the Executive's employment is terminated by the Executive for Good Reason and the Company has failed to cure the condition giving rise to Good Reason within the prescribed 30-day period, a date that is within sixty (60) days of the last day of such cure period, or (ii) if the Executive's employment is terminated for any other reason, the date on which a Notice of Termination is given or the date set forth in such notice, as applicable, which, in the event of a termination by the Executive without Good Reason, shall be less than thirty (30) days after such Notice of Termination.

(l) **"Effective Date"** means the date set forth in the first paragraph of this Agreement.

(m) "**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

(n) **"Good Reason"** for termination by the Executive of the Executive's employment means the definition of such term as defined in any effective employment agreement between the Company and the Executive as of the Date of Termination; otherwise, Good Reason shall mean one or more of the following conditions without the written consent of the Executive, unless such condition is corrected by the Company prior to the Date of Termination specified in the Notice of Termination given in respect thereof:

(i) a material diminution in the Executive's authority, duties or responsibilities as in effect at any time during the six (6) months immediately prior to a Change in Control (other than, if applicable, any such change directly and solely attributable to the fact that the Company is no longer publicly owned);

(ii) a material decrease in the Executive's annual base salary or the failure to increase the Executive's annual base salary substantially in accordance with increases given to other similarly situated employees of the Executive's employer;

(iii) a relocation of the Executive's primary work location more than 30 miles from the Executive's primary work location at the time of such requested relocation;

(iv) failure to continue any Annual Bonus Plan, Incentive Plan or other arrangement (including, but not limited to, the 2013 Plan) in which the Executive is participating at the time of a Change in Control (or to substitute and continue other plans or arrangements providing the Executive with substantially the same benefits), or the taking of any action by the Company which would adversely affect the Executive's participation in or materially reduce his or her benefits under any such Annual Bonus Plan, Incentive Plan or other arrangement;

(v) any action or inaction that constitute a material breach by the Company of any agreement under which the Executive provides services; or

(vi) the failure of the Company to obtain the binding agreement of any successor to the Company expressly to assume and agree to fully perform the Company's obligations under this Agreement, as contemplated in Section 18 hereof.

(o) **"Incentive Payment"** shall have the meaning as set forth in Section 4.

(p) **"Incentive Plan"** shall mean each plan, policy, program or arrangement, including, but not limited to, the 2013 Plan, adopted or maintained by the Company pursuant to which equity-based awards or short- or long-term cash awards may be granted to the Executive, as may be amended and/or restated from time to time, other than the Annual Bonus Plan.

(q) **"Notice of Termination"** shall have the meaning set forth in Section 22.

(r) **"Person"** means an individual, corporation, partnership, limited liability company, association, trust, other entity, group or organization including a government authority.

(s) **"PPACA"** shall mean the Patient Protection and Affordable Care Act of 2010 and the related regulations and guidance promulgated thereunder.

(t) **"Qualifying Termination"** shall have the meaning as set forth in Section 6.

(u) **"Termination Factor"** shall mean a factor equal to 2.

(v) **"Termination Payment"** shall have the meaning as set forth in Section 7.

(w) **"Total Payments"** shall have the meaning as set forth in Section 9.

(x) **"2013 Plan"** shall mean the Element Solutions Inc Amended and Restated 2013 Incentive Compensation Plan, as amended and/or restated from time to time, and any successor plan thereto.

4. **Incentive Payment**. In the event of a Change in Control during the Executive's employment with the Company, the Executive shall be entitled to receive an "Incentive Payment." Subject to the terms hereof, such Incentive Payment will be made in a lump-sum cash payment sixty (60) days following the date of the Change in Control or as soon as administratively practicable thereafter but in no event later than 2 1/2 months after the close of the year in which the Change in Control occurs. The Incentive Payment shall equal the Executive's short- or long-term target cash bonus Awards otherwise payable under the terms of any Incentive Plan based on full and immediate vesting of the Awards as of the date of the Change in Control, assuming for this purpose attainment of 100% of any applicable target.

5. **Stock Rights**. Notwithstanding anything to the contrary contained in any Incentive Plan or any Award agreement between the Company and the Executive (but subject to the provisions of Section 27(d) hereof), upon the occurrence of a Change in Control during the Executive's employment with the Company, any non-qualified stock options, incentive stock options, stock appreciation rights, restricted stock, performance shares, performance units, restricted stock units and other equity or equity-based Awards granted by the Company to the Executive and outstanding on the date of the Change in Control, shall become immediately vested and exercisable in full.

6. **Qualifying Termination**. Benefits become payable under Sections 7 and 8 below only if the Executive experiences a "Qualifying Termination." A Qualifying Termination shall occur on the later of the following events, provided both such events occur: (1) the Company terminates the Executive's employment without Cause or the Executive terminates his or her employment for Good Reason, provided that such termination of employment (be it without Cause or for Good Reason) occurs either during the six (6) months prior or within two (2) years following the date of a Change in Control and (2) a Change in Control occurs. For purpose of a Qualifying Termination involving Good Reason, the Executive must provide the Company with a Notice of Termination within ninety (90) days of the initial existence of a condition constituting Good Reason and afford the Company thirty (30) days in which to remedy the condition. If the Company remedies the condition during the prescribed 30-day period and the Executive terminates employment, the Executive will not be deemed to have terminated his or her employment for Good Reason for purposes of this Section 6. If the Company fails to cure the condition within the prescribed 30-day period, then the Executive must exercise the right to terminate his or her employment for Good Reason within sixty (60) days thereafter, in order for the termination to be for Good Reason for purposes of this Section 6.

7. **Termination Payment**. Except as described below, the Executive shall receive a "Termination Payment" immediately upon the occurrence of a Qualifying Termination or as soon as administratively possible thereafter. The Termination Payment shall be subject to deductions for customary withholdings, including, without limitation, federal and state withholding taxes and social security taxes. Subject to all other provisions of this Agreement, including Sections 10, 21 and 24 hereof, the Termination Payment shall equal the sum of the following amounts:

(a) All previously earned and accrued but unpaid base salary up to the Date of Termination of the Executive's employment;

(b) An amount equal to the Termination Factor multiplied by the Executive's annual base salary as of the Date of Termination of the Executive's employment, or, if higher, the Executive's annual base salary immediately prior the date of the occurrence of the condition giving rise to Good Reason; and

(c) An amount equal to the Termination Factor multiplied by the Executive's annual target incentive Award under any Annual Bonus Plan for the year in which the Date of Termination occurs, or, if higher, the Executive's annual target incentive Award under any Annual Bonus Plan in effect immediately prior to the date of the occurrence of the condition giving rise to Good Reason, in each case assuming for this purpose attainment of 100% of any applicable target.

8. **Continuation of Benefits**. Subject to Section 21, for a period commencing as soon as practicable after a Qualifying Termination until the expiration of the Executive's Benefit Continuation Period, the Executive shall receive the following benefits (including the right to reimbursements):

(a) the Executive shall be eligible for Benefit Continuation, which shall be provided concurrently with any health care benefit required under COBRA. Notwithstanding the foregoing, if the Company's providing Benefit Continuation would violate the non-discrimination rules applicable to non-grandfathered plans, or would result in the imposition of penalties under the PPACA, the Company shall have the right to amend this Section 8(a) in a manner it determines, in its sole discretion, to comply with the PPACA;

(b) the Company shall pay all reasonable legal fees and related expenses incurred by the Executive: (i) as a result of the Executive's Qualifying Termination; (ii) in seeking to obtain or enforce any right or benefit provided by this Agreement (including all fees and expenses and/or arbitration administrative costs, if any, incurred in contesting or disputing any such termination or incurred by the Executive in seeking advice in connection therewith); and/or (iii) in seeking in good faith to obtain or enforce any benefit or right provided by this Agreement or in connection with any tax audit or proceeding to the extent attributable to the application of Section 4999 of the Code, and any payment or benefit provided hereunder; and

(c) the Company shall make available to the Executive, at the Company's expense, outplacement counseling. The Executive may select the organization that will provide the outplacement counseling; *provided, however*, that the Company's obligation to provide such benefits shall be limited to reasonable expenses. This counseling must be used, if at all, no later than the end of the first calendar year after the year of the Executive's Date of Termination.

9. **Cap on Certain Payments by the Company; Payment Procedures**.

(a) Notwithstanding any provision in this Agreement, in the event that any payment or benefit of any type by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (all such payments and benefits, including, without limitation, the Termination Payment, being hereinafter referred to as the "Total Payments"), would exceed the greatest amount that could be paid to the Executive without the Executive incurring an excise tax imposed by Section 4999 of the Code (or any similar tax that may be imposed), then the Total Payments to the Executive under this Agreement (or any other Annual Bonus Plan, Incentive Plan, Award agreement or other arrangement) shall be reduced (or appropriately adjusted) to the maximum amount which may be paid without the Executive becoming subject to such excise tax, but only if the net after-tax proceeds of such reduced amount would be greater than the net after-tax proceeds (taking into account the excise tax) of the unreduced Total Payments. If a reduction in the Total Payments is required under this Section 9(a), the Total Payments shall be reduced by the Company in its reasonable discretion in the following order: (i) reduction of any cash payment; (ii) reducing of vesting acceleration of equity Awards; and (iii) reduction of other benefits paid or provided. In the event that acceleration of vesting of equity Awards is to be reduced, such acceleration of vesting will be cancelled in the reversed order of the dates of grant for the equity Awards. If two or more equity Awards are granted on the same date, each award will be reduced on a pro-rata basis. The Executive shall be advised of the determination as to which compensation will be reduced and the reasons therefor, and the Executive and his or her advisors will be entitled to present information that may be relevant to that determination. In no event will the Company pay any excise tax imposed by Section 4999 of the Code or otherwise on behalf of the Executive. No amounts or benefits which constitute nonqualified deferred compensation subject to Section 409A of the Code shall be forfeited or reduced pursuant to this Section 9 until all amount and benefits not subject to Section 409A of the Code have been forfeited, and reduction or forfeiture of amounts subject to Section 409A of the Code shall be made first (to the extent necessary) out of payments and benefits which are due at the latest future date.

(b) For purposes of determining whether any of the Total Payments will be subject to the Excise Tax and the amount of such excise tax:

(i) All Total Payments shall be treated as "parachute payments" within the meaning of Section 280G(b)(2) of the Code, and all "excess parachute payments" within the meaning of Section 280G(b)(1) of the Code shall be treated as subject to the excise tax, unless, and except to the extent that, in the written opinion of independent compensation consultants, counsel or auditors of nationally recognized standing (the "Independent Advisors") selected by the Company and reasonably acceptable to the Executive, the Total Payments and benefits (in whole or in part) do not constitute parachute payments, or such excess parachute payments (in whole or in part) represent reasonable compensation for services actually rendered within the meaning of Section 280G(b)(4) of the Code in excess of the base amount within the meaning of Section 280G(b)(3) of the Code or are otherwise not subject to the excise tax.

(ii) The value of any non-cash benefits or any deferred payment or benefit shall be determined by the Independent Advisors in accordance with the principles of Section 280G(d)(3) and (4) of the Code.

(c) For purpose of determining the amount of the net after-tax proceeds of the reduced and unreduced Total Payments pursuant to Section 9(a), the Executive shall be deemed (i) to pay federal income and employment taxes at the applicable rates of federal income and employment taxation for the calendar year in which the compensation would be payable; and (ii) to pay any applicable state or local income taxes at the applicable rates of taxation for the calendar year in which the compensation would be payable taking into account any effect on federal income taxes from payment of state and local income taxes.

10. **Non-Disclosure of Confidential Information and Noncompete**.

(a) The Executive expressly recognizes and acknowledges that during the Executive's employment with the Company, the Executive became entrusted with, had access to, or gained possession of confidential and proprietary information, data, documents, records, materials, and other trade secrets and/or other proprietary business information of the Company that is not readily available to competitors, outside third parties and/or the public, including without limitation, information about (i) current or prospective customers and/or suppliers and customer and supplier lists; (ii) employees, research, goodwill, production, prices, costs, margin, and operating unit financial performance, salaries and expertise, customer preferences, contact information, key contacts, credit and purchasing history, and purchasing requirements and preferences; (iii) business methods, processes, practices or procedures; (iv) computer software and technology development; and (v) marketing, pricing strategies, business plans, and business strategy including acquisition, merger and/or divestiture strategies (collectively or with respect to any of the foregoing, the "Confidential Information"). The Executive agrees, by acceptance of a Termination Payment under this Agreement, to protect all Confidential Information of the Company.

(b) The Executive recognizes that the Company is engaged in the business of research, development, manufacture and sale of chemicals and chemical products in laboratory proportions (the "Company's Business") throughout the world (the "Restricted Area"), which business requires for its successful operation the fullest security of its Confidential Information of which the Executive acquired or will acquire knowledge during the course of his or her employment.

(c) The Executive shall not, directly or indirectly (whether as owner, partner, consultant, employee or otherwise), at any time during his or her employment with the Company and for a period equal to 18 months following any Date of Termination which gives rise to a Termination Payment under Section 7 hereof, regardless of how or why Executive's employment terminates, directly or indirectly, engage in, provide any services or advice to, contribute the Executive's knowledge to or invest, in whole or in part, in the Company's Business in the Restricted Area, *provided, however*, that the foregoing shall not prohibit the Executive from owning two percent (2%) or less of the outstanding equity securities of a publicly traded entity. Following any Date of Termination, the Executive shall continue to be obligated under the Confidential Information provisions of this Agreement not to use or to disclose Confidential Information so long as it shall remain proprietary or protectable as confidential or trade secret information. Following termination of his or her employment for any reason, the Executive agrees to advise the Company of the Executive's new employer, work location and job responsibilities within ten (10) days after accepting new employment and agrees to keep the Company so advised of any change in the Executive's employment for two (2) years following termination of employment with the Company.

(d) The Executive acknowledges and agrees that the intention of this Section 10 is not to prevent the Executive from earning a livelihood, is reasonable in geographic scope and duration and is necessary to protect the Company's Business and goodwill. The Executive and the Company acknowledge and agree that he/she/it would not have entered into this Agreement without the restrictions contained in this Section 10. The Executive agrees nothing in this Agreement would prevent the Executive from earning a livelihood.

(e) The Executive's breach of this Section 10 shall relieve the Company of its obligations (if any) to pay that portion of any Termination Payment described in Sections 7(b) and 7(c) (the "Noncompete Payments"). In the event that the Executive breaches this Section 10 after he or she has received a Termination Payment, he or she shall immediately return the full amount of the Noncompete Payments to the Company, with interest at 120% of the rate provided in Section 1274(b)(2)(B) of the Code from the date the Executive received such amounts. The Executive agrees that money damages for any breach or threatened breach by the Executive of this Section 10 will be inadequate and therefore that the Company shall be entitled to specific performance and/or injunctive relief in addition to any other relief or remedy otherwise available at law or in equity. The Company may, in its sole discretion, apply to a court of competent jurisdiction for specific performance and/or injunctive relief in order to enforce this Section 10 or prevent a violation hereof and the Executive waives any objection to the imposition of such relief.

11. **At-Will Employment; No Mitigation**.

(a) The Company and the Executive each acknowledges that the Executive's employment is and shall continue to be at-will, as defined under applicable law. This Agreement is not a contract of employment and does not guarantee the Executive employment for any particular period of time. If the Executive's employment terminates for any reason, the Executive shall not be entitled to any payments, benefits, damages, Awards or compensation other than as provided by this Agreement, or as may otherwise be available in accordance with the Company's established employee plans and practices or other written agreements with the Company at the time of termination.

(b) If the Executive's employment with the Company terminates following a Change in Control, the Executive is not required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive by the Company under this Agreement. Except as set forth in Section 9, the amount of any payment or benefit provided for in this Agreement shall not be reduced by any compensation earned by the Executive as the result of employment by another employer, by retirement benefits, by offset against any amount claimed to be owed by the Executive to the Company, or otherwise.

12. **Directors and Officers Coverage**. To the extent permitted by applicable law, the Company will maintain Director and Officer insurance for the benefit of the Executive to the maximum extent and for the maximum duration provided under applicable bylaws and insurance policies in effect as of the Date of Termination.

13. **Indemnification**. The Company will advance expenses and indemnify the Executive for all of the reasonable expenses incurred or damages paid or payable with respect to a bona fide claim against the Executive, including settlement payments, where such claim is based on actions or failures to act by the Executive in his or her capacity as an employee of the Company.

14. **General Reimbursement Procedure**. To the extent that the Executive is entitled to any reimbursements (or in-kind benefits) under this Agreement and the procedures for such reimbursements (or in-kind benefits) are not otherwise set forth herein, such reimbursements and provision of in-kind benefits shall be made as soon as administratively practicable but in no event later than the end of year following the year in which the expense or in-kind benefit was incurred or provided.

15. **Settlement of Disputes; Arbitration**. All claims, disputes and other matters in question between the parties arising under this Agreement, other than under Section 10 hereof (which may be enforced by the Company through injunctive or other equitable relief) shall be decided by arbitration in accordance with the rules of the American Arbitration Association ("AAA"), unless the parties mutually agree otherwise. The determination reached in such arbitration shall be final and binding on both parties without any right of appeal of further dispute. Execution of the determination by such arbitrator may be sought in any court of competent jurisdiction. The arbitrators shall not be bound by judicial formalities and may abstain from following the strict rules of evidence and shall interpret this Agreement as an honorable engagement and not merely as a legal obligation. Unless otherwise agreed by the parties, any such arbitration shall be conducted in accordance with the Rules of the AAA and the proceedings shall be private and confidential.

The party seeking arbitration shall notify the other party in writing and request the AAA to submit a list of 5 or 7 potential arbitrators. In the event the parties do not agree upon an arbitrator, each party shall, in turn, strike one arbitrator from the list, the Company having the first strike, until only one arbitrator remains, who shall arbitrate the dispute. The arbitration hearing shall be conducted within thirty (30) days of the selection of an arbitrator or at the earliest date thereafter that the arbitrator is available. For purposes of this Agreement, the prevailing party shall be the party that substantially prevails in the action after the resolution of all claims. The arbitrator shall retain jurisdiction of the dispute to determine any prevailing party issues.

16. **General Creditor**. Any and all amounts payable hereunder to the Executive shall be made from assets which shall continue, for all purposes, to be part of the general, unrestricted assets of the Company; no person shall have nor acquire any interest in any such asset by virtue of the provisions of this Agreement. The Company's obligation hereunder shall be an unfunded and unsecured promise to pay money in the future. To the extent that the Executive or any person acquires a right to receive payments from the Company under the provisions hereof, such right shall be no greater than the right of any unsecured general creditor of the Company; no such person shall have nor acquire any legal or equitable right, interest or claim in or to any property or assets of the Company.

17. **Severability and Interpretation**. In the event of a conflict between the terms of this Agreement and any of the definitions or provisions in any Annual Bonus Plan, Incentive Plan, Award agreement or otherwise, the terms of this Agreement shall prevail. Whenever possible, each provision of this Agreement and any portion hereof shall be interpreted in such a manner as to be effective and valid under applicable law, rules and regulations. If any covenant or other provision of this Agreement (or portion thereof) shall be held to be invalid, illegal, or incapable of being enforced, by reason of any rule of law, rule, regulation, administrative order, judicial decision or public policy, all other conditions and provisions of this Agreement shall, nevertheless, remain in full force and effect, and no covenant or provision shall be deemed dependent upon any other covenant or provision (or portion) unless so expressed herein. The parties hereto desire and consent that the court or other body making such determination shall, to the extent necessary to avoid any unenforceability, so reform such covenant or other provision or portions of this Agreement to the minimum extent necessary so as to render the same enforceable in accordance with the intent herein expressed.

18. **No Assignments**. This Agreement shall inure to the benefit of, and be binding upon, the Company, any successor and assigns of the Company, but neither this Agreement nor any rights hereunder shall be assigned by the Executive.

19. **Prior Agreements**. Upon execution by both parties, with respect to change in control provisions, this Agreement shall supersede and replace all prior employment agreements, Award Agreements, severance agreements or otherwise between the Company and the Executive, and this Agreement shall constitute the entire agreement between the parties, except as expressly provided herein, concerning the effect of a Change in Control on the employment relationship between the Company and the Executive.

20. **Entire Agreement**. This Agreement represents the entire and integrated Change in Control Agreement between the Executive and the Company and supersedes all prior negotiations, representations and agreements, either written or oral, with respect thereto. Should any other agreement, plan or arrangement between the Company and the Executive or other officers or employees of the Company provide for greater benefits upon a change in control, the terms of such other agreement, plan or arrangement shall apply to the Executive on a “most favored” basis.

21. **General Release of Claims**. In consideration of the covenants under this Agreement and as a condition precedent to receiving any payments under this Agreement, the Executive agrees to the execution and non-revocation of the Company’s standard form of general release of claims in favor of the Company and its affiliates, as in effect immediately prior to a Change in Control, within sixty (60) days of the date of the Qualifying Termination or Change in Control, whichever applicable. If the sixty (60) day period spans over two (2) calendar years, any payments must be made in the later taxable year.

22. **Notice of Termination**. After a Change in Control, any purported termination of the Executive's employment (other than by reason of death) shall be communicated by written Notice of Termination from one party to the other party hereto in accordance with Section 23. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision of this Agreement relied upon and shall set forth in reasonable detail any facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated. Further, a Notice of Termination for Cause from the Company to the Executive is required to include a copy of a resolution duly adopted by the affirmative vote of the entire membership of the Board at a meeting of the Board which was called and held for the purpose of considering such termination (after reasonable notice to the Executive and an opportunity for the Executive, together with the Executive's counsel, to be heard before the Board) finding that, in the good faith opinion of the Board, the Executive was guilty of conduct set forth in clause (i), (ii), (iii) or (iv) of the definition of "Cause" herein, and specifying the particulars thereof in detail.

23. **Notices**. All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party, by registered or certified mail, return receipt requested, postage prepaid, or by overnight courier, addressed as set forth in this Section 23, or to such other address (including e-mail addresses) as may hereafter be notified by such party to the other party. Notices and communications shall be effective at the time they are given in the foregoing manner.

If to the Executive:

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If to the Company:

Element Solutions Inc
Attn: General Counsel and Secretary
500 East Broward Blvd, Suite 1860
Ft. Lauderdale, FL 33394

24. **Amendments and Waivers**. The Company may amend, terminate, or otherwise modify this Agreement at any time in such a manner as it determines in its sole discretion by written notice of intent to so amend, terminate, or modify the Agreement at least six (6) months prior to the expiration of the then-current term of this Agreement. Notwithstanding the foregoing, the Company is precluded from giving notice of intent to amend, terminate or otherwise modify within six (6) months of a Change in Control or at any time at which a Change in Control with an identified party is under serious consideration; *provided, however* that the parties may agree to amend, terminate, or otherwise modify this Agreement in writing and signed by both parties hereto at any time.

25. **Governing Law**. The parties agree that this Agreement, and the general release of claims referred to in Section 21, shall be interpreted in accordance with and governed by the laws of the State of Delaware applicable to contracts executed and performed within that State without regard to conflict of laws principles which would require the application of any other jurisdiction. Subject to Section 15, any action concerning this Agreement shall be brought in the courts of the State of Delaware in New Castle County or the court of the United States, District of Delaware, and each party consents to the venue and jurisdiction of such courts. The parties agree to accept service of process in any manner permitted by any such court or by hand delivery, registered or certified mail, return receipt requested, postage pre-paid, or by overnight courier delivered to the address of such party as provided in Section 23.

26. **Headings**. Section headings provided in this Agreement are for convenience only and shall not be deemed to substantively alter the content of such sections.

27. **Section 409A Compliance**. This Agreement is intended to comply with the provisions of Section 409A of the Code and the regulations and guidance promulgated thereunder. Without limiting the generality of the foregoing, the Company and the Executive each agrees as follows:

(a) Notwithstanding the foregoing, no payment of any payment or benefit under this Agreement that constitute "non-qualified deferred compensation" within the meaning of Section 409A of the Code shall be made solely upon the occurrence of a Change in Control to the extent such Change in Control does not also qualify as a "change in control event" under Section 409A of the Code and such payment or benefit shall be paid on its otherwise scheduled payment date;

(b) Notwithstanding anything to the contrary herein, if the Executive is a "specified employee" (within the meaning of Section 409A(a)(2)(B)(i) of the Code) with respect to the Company, any amounts (or benefits) otherwise payable to or in respect of the Executive under this Agreement pursuant to the Executive's termination of employment with the Company shall be delayed, to the extent required so that taxes are not imposed on the Executive pursuant to Section 409A of the Code, and shall be paid upon the earliest date permitted by Section 409A(a)(2) of the Code;

(c) For purposes of this Agreement, the Executive's employment with the Company will not be treated as terminated unless and until such termination of employment constitutes a "separation from service" for purposes of Section 409A of the Code;

(d) To the extent necessary to comply with the provisions of Section 409A of the Code and the guidance issued thereunder: (i) reimbursements to the Executive as a result of the operation of Sections 8 and 9 hereof shall be made not later than the end of the calendar year following the year in which the reimbursable expense is incurred and shall otherwise be made in a manner that complies with the requirements of Section 409A of the Code, (ii) if Executive is a "specified employee" (within the meaning of Section 409A of the Code), any reimbursements to the Executive as a result of the operation of such sections with respect to a reimbursable event within the first six (6) months following the Executive's Date of Termination which are required to be delayed shall be made as soon as practicable following the date which is six (6) months and one (1) day following the Executive's Date of Termination (subject to clause (i) of this sentence); and

(e) If the provisions of Section 5 are applicable to equity or equity-based Awards subject to the provisions of Section 409A of the Code and the immediate payment of the Awards contemplated by Section 5 would result in taxation under Section 409A, payment of such Awards shall be made upon the earliest date upon which such payment may be made without resulting in taxation under Section 409A of the Code. For the avoidance of doubt, with respect to any equity or equity-based Awards which are subject to Section 409A of the Code and which comply with the permissible payment requirements of such section by providing for payments pursuant to a fixed schedule, the application of Section 5, as modified (to the extent required) by this Section 27(d), shall require that the payment of such Awards continue upon such fixed schedule following the Executive's Date of Termination until the Award is fully vested.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Change in Control Agreement this ____ day of _______ 2019.

I UNDERSTAND THAT THIS AGREEMENT HAS A BINDING ARBITRATION PROVISION WHICH CAN BE ENFORCED BY THE PARTIES

ELEMENT SOLUTIONS INC	EXECUTIVE
By: ___________________________	By: ___________________________
Name:	Name:
Title:	Title:

Exhibit 31.1

Certification of Principal Executive Officer
Pursuant to Section 302 of Sarbanes-Oxley Act of 2002

I, Benjamin Gliklich, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Element Solutions Inc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2019

/s/ Benjamin Gliklich

Benjamin Gliklich
Chief Executive Officer

Exhibit 31.2

Certification of Principal Financial Officer
Pursuant to Section 302 of Sarbanes-Oxley Act of 2002

I, Carey J. Dorman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Element Solutions Inc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2019

/s/ Carey J. Dorman

Carey J. Dorman
Chief Financial Officer

Exhibit 32.1

CERTIFICATION
OF
CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Benjamin Gliklich, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Element Solutions Inc on Form 10-Q for the fiscal quarter ended September 30, 2019 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in such Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of Element Solutions Inc.

Date:	November 7, 2019
By:	/s/ Benjamin Gliklich
Name:	Benjamin Gliklich
Title:	Chief Executive Officer

I, Carey J. Dorman, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Element Solutions Inc on Form 10-Q for the fiscal quarter ended September 30, 2019 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in such Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of Element Solutions Inc.

Date:	November 7, 2019
By:	/s/ Carey J. Dorman
Name:	Carey J. Dorman
Title:	Chief Financial Officer