Q2 2021 Financial Results

July 26, 2021

Legal Notices

Forward-Looking Statements

This presentation and the oral remarks made in connection herewith may contain certain forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 regarding Axalta and its subsidiaries including our outlook, which includes net sales growth, currency effects, acquisition or divestment impacts, Adjusted EBIT, Adjusted diluted EPS, interest expense, income tax rate, as adjusted, free cash flow, capital expenditures, depreciation and amortization and diluted shares outstanding, the timing and expected benefits of our acquisition of U-Pol, including U-Pol's 2021 net sales and Adjusted EBITDA, the effects of COVID-19 on Axalta's business and financial results and the timing or amount of any future share repurchases. Axalta has identified some of these forward-looking statements with words "believes," "expects," "estimates," "is likely," "outlook," "projects," "forecasts," "may," "will," "should," "plans" and "intends" and the negative of these words or other comparable or similar terminology. All of these statements are based on management's expectations as well as estimates and assumptions prepared by management that, although they believe to be reasonable, are inherently uncertain. These statements involve risks and uncertainties, including, but not limited to, economic, competitive, governmental and technological factors outside of Axalta's control, including the effects of COVID-19, that may cause its business, industry, strategy, financing activities or actual results to differ materially. The impact and duration of COVID-19 on our business and operations is uncertain. Factors that will influence the impact on our business and operations include the duration and extent of COVID-19, the extent of imposed or recommended containment and mitigation measures, and the general economic consequences of COVID-19. More information on potential factors that could affect Axalta's financial results is available in "Forward-Looking Statements," "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" within Axalta's most recent Annual Report on Form 10-K, and in other documents that we have filed with, or furnished to, the U.S. Securities and Exchange Commission, including our Quarterly Report on Form 10-Q for the quarter ended March 31, 2021. Axalta undertakes no obligation to update or revise any of the forward-looking statements contained herein, whether as a result of new information, future events or otherwise.

Non-GAAP Financial Measures

The historical financial information included in this presentation includes financial information that is not presented in accordance with generally accepted accounting principles in the United States ("GAAP"), including constant currency net sales growth, income tax rate, as adjusted, EBIT, Adjusted EBIT, EBITDA, Adjusted EBITDA, Adjusted diluted EPS, free cash flow, net debt, Adjusted net income and Adjusted EBITDA to interest expense coverage ratio. Management uses these non-GAAP financial measures in the analysis of our financial and operating performance because they assist in the evaluation of underlying trends in our business. Adjusted EBITDA, Adjusted EBIT and Adjusted diluted EPS consist of EBITDA, EBIT and Diluted EPS, respectively, adjusted for (i) certain non-cash items included within net income, (ii) certain items Axalta does not believe are indicative of ongoing operating performance or (iii) certain nonrecurring, unusual or infrequent items that have not occurred within the last two years or we believe are not reasonably likely to recur within the next two years. We believe that making such adjustments provides investors meaningful information to understand our operating results and ability to analyze financial and business trends on a period-to-period basis. Adjusted net income shows the adjusted value of net income (loss) attributable to controlling interests after removing the items that are determined by management to be items that we do not consider indicative of our ongoing operating performance or unusual or nonrecurring in nature. Our use of the terms constant currency net sales growth, income tax rate, as adjusted, EBIT, Adjusted EBIT, EBITDA, Adjusted EBITDA, Adjusted diluted EPS, free cash flow, net debt, Adjusted net income and Adjusted EBITDA to interest expense coverage ratio may differ from that of others in our industry. Constant currency net sales growth, income tax rate, as adjusted, EBIT, Adjusted EBIT, EBITDA, Adjusted EBITDA, Adjusted diluted EPS, free cash flow, net debt, Adjusted net income and Adjusted EBITDA to interest expense coverage ratio should not be considered as alternatives to net sales, net income (loss), income (loss) before operations or any other performance measures derived in accordance with GAAP as measures of operating performance or operating cash flows or as measures of liquidity. Constant currency net sales growth, income tax rate, as adjusted, EBIT, Adjusted EBIT, EBITDA, Adjusted EBITDA, Adjusted diluted EPS, free cash flow, net debt, Adjusted net income and Adjusted EBITDA to interest expense coverage ratio have important limitations as analytical tools and should be considered in conjunction with, and not as substitutes for, our results as reported under GAAP. This presentation includes a reconciliation of certain non-GAAP financial measures with the most directly comparable financial measures calculated in accordance with GAAP. Axalta does not provide a reconciliation for non-GAAP estimates for constant currency net sales growth, Adjusted EBIT, Adjusted EBITDA, Adjusted diluted EPS, income tax rate, as adjusted, or free cash flow on a forward-looking basis because the information necessary to calculate a meaningful or accurate estimation of reconciling items is not available without unreasonable effort. For example, such reconciling items include the impact of foreign currency exchange gains or losses, gains or losses that are unusual or nonrecurring in nature, as well as discrete taxable events. We cannot estimate or project these items and they may have a substantial and unpredictable impact on our US GAAP results.

Constant Currency

Constant currency or ex-FX percentages are calculated by excluding the impact the change in average exchange rates between the current and comparable period by currency denomination exposure of the comparable period amount.

Organic Growth

Organic growth or ex-M&A percentages are calculated by excluding the impact of recent acquisitions and divestitures.

Segment Financial Measures

The primary measure of segment operating performance is Adjusted EBIT, which is a key metric that is used by management to evaluate business performance in comparison to budgets, forecasts and prior year financial results, providing a measure that management believes reflects Axalta's core operating performance. As we do not measure segment operating performance based on net income, a reconciliation of this non-GAAP financial measure with the most directly comparable financial measure calculated in accordance with GAAP is not available.

Defined Terms

All capitalized terms contained within this presentation have been previously defined in our filings with the United States Securities and Exchange Commission.

Rounding

Due to rounding the tables presented may not foot.

Introduction and Q2 Financial Highlights

Second Quarter 2021 Highlights

- Q2 2021 net sales increased 72.6% year-over-year to $1,127 million with substantial contributions from all end-markets versus last year's COVID-19-impacted results
  - Performance Coatings price-mix increased 14.0% including ~20% increase in Refinish and up mid-single digits in Industrial
- Income from operations of $190 million versus a loss of $65 million in Q2 2020; Adjusted EBIT of $173 million compared with a loss of $12 million in Q2 2020
  - Adjusted EBITDA of $230 million, with a 20.4% margin; record level LTM Adjusted EBITDA of $992 million
- Diluted EPS of $0.54 versus $(0.35) in Q2 2020; Adjusted diluted EPS of $0.48 versus $(0.15) in Q2 2020
- Net debt to LTM Adjusted EBITDA of 2.6x at June 30; strong cash flow from operations of $108 million
  - Total liquidity of ~$1.7 billion, including $150 million extension of undrawn revolver capacity
- Repurchased 1.9 million shares of common stock ($60 million spend) at $31.73 average price per share; $124 million year-to-date share repurchases, with program expected to remain active in 2H
- On July 7, announced agreement to acquire U-POL, a manufacturer of repair and refinish products




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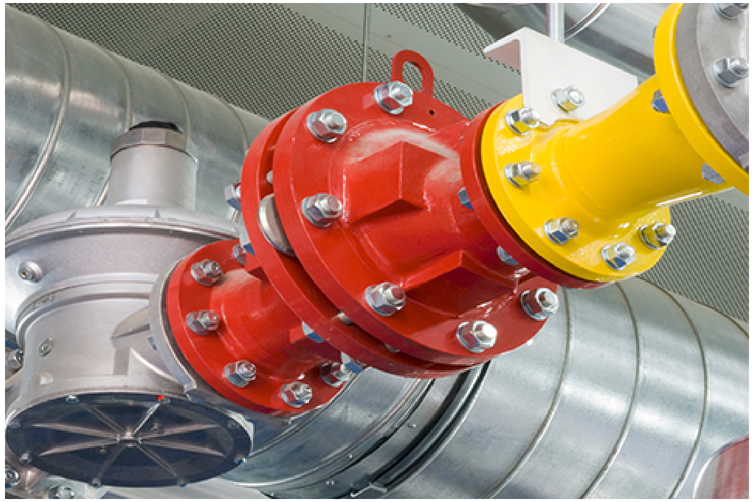
Business Conditions and Cost Actions

Q2 Business Conditions Summary

- Continued recovery in Refinish with net sales 3.5% higher than Q2 2019 levels, though volume remains below 2019 levels by mid-single digits with global recovery from pandemic mobility curtailments ongoing
- Fourth consecutive quarter of sequential growth in Industrial, despite being hampered by raw material supply constraints during Q2; overall demand strong across Industrial end businesses
- Mobility seeing strong underlying market demand, but ongoing customer production impact from semiconductor chip shortages; Axalta Q2 volume growth surpassed global industry build rates

Continued Inflation Response and Cost Structure Actions

- Raw material inflation intensified in Q2, expected to persist into 2H; now expect mid-teens variable cost inflation at COGS level year-over-year
- Offsets via ongoing and incremental pricing actions continue after initial actions taken in 1H; positive mix benefits also contributing
  - Performance Coatings largely offset inflation with price-mix in Q2; Mobility price-cost gap opened in Q2, and we have actions in place to address the gap
- Focus on implementing structural cost control; $22.5 million restructuring charge taken in Q2 with ~$15 million expected annual savings once implemented



U-POL Acquisition Offers Strong Strategic Fit

Net Sales 2021E: ~$145M	Adj. EBITDA 2021E: ~$38M
Adj. EBITDA Margin: ~26%	

(Net Sales and Adjusted EBITDA pre-synergy)

- Leading manufacturer of automotive refinish products and aftermarket protective coatings applications; UK-based
- Serves growing Mainstream / Economy and DIY segments with global customer base
- One manufacturing and R&D site in the UK with global distribution sites in the UK, NA, Russia, and South Africa

Compelling Strategic Fit

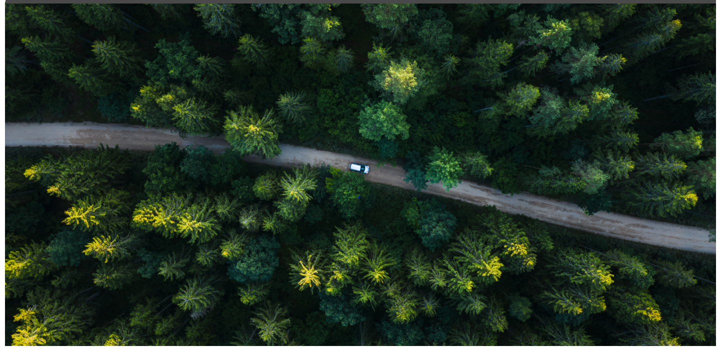
- Accelerates growth strategy and builds on Axalta's #1 refinish market position
- Highly complementary portfolio expands addressable markets
- Expanded capabilities with Raptor® protective coatings as well as aftermarket accessories
- Strong margin profile and FCF conversion; immediately accretive to Adjusted EBITDA margin
- Disciplined bolt-on acquisition with mid-teens IRR

Transaction Overview

- £428 million (~$590 million) purchase price
- Highly synergistic acquisition; annual operating synergies of ~$10 million expected to be realized within 18 to 24 months
- Meaningful commercial synergies potential over time
- EV/EBITDA multiple of ~12.5x 2021E Adjusted EBITDA including run-rate operating synergies and efficiencies
- Anticipated closing in 2H 2021; Net Sales and Adjusted EBITDA contribution from the acquisition in 2H 2021 subject to timing of close

Q2 2021 ESG Highlights

Environment



- Jiading China coatings plant expansion completed to expand sustainable waterborne coatings production for Mobility and Industrial end-markets
- Three Axalta products receive 2021 Edison Awards: Spies Hecker Permahyd 5650 sealer wins bronze in sustainability category

Social

- Continued strong global safety performance – YTD 0.15 total recordable incident rate
- New and continuing Axalta Bright Futures partnerships with local STEM and vocational education organizations

Governance

- Tyrone Michael Jordan joins Axalta Board of Directors, bringing deep Mobility expertise
- ESG Steering Committee completed updated materiality assessment; new set of ESG goals in development
- Maintaining excellent ESG scores from MSCI (AA) and ISS: E: 1 / S: 3 / G: 1 (best in industry)

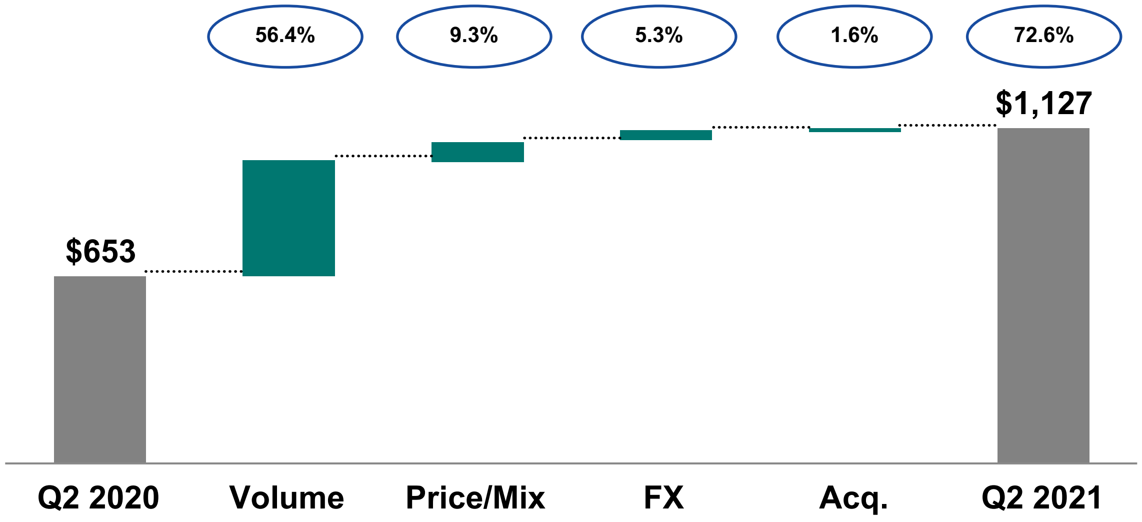
Axalta's Sustainability Report available at sustainability.axalta.com

Q2 Consolidated Results

Financial Performance

($ in millions, except per share data)	Q2 2021	Q2 2020	% Change Incl. F/X	% Change Excl. F/X
Performance Coatings	806	482	67.1 %	61.6 %
Mobility Coatings	321	171	88.2 %	83.3 %
Net Sales	1,127	653	72.6 %	67.3 %
Income (loss) from ops	190	(65)	395.2 %	
Adjusted EBIT	173	(12)	1,594.8 %	
% margin	*15.4 %*	*(1.8)%*		
Diluted EPS	0.54	(0.35)	254.3 %	
Adjusted EPS	0.48	(0.15)	420.0 %	

Net Sales Variance



Commentary

Net sales increased YOY from continued volume recovery, price-mix, and M&A

- Q2 net sales growth YOY across all end-markets, lapping prior year lows
- YOY volume growth despite semiconductor chip shortage and other supply constraints
- Strong YOY product price-mix benefit driven by Refinish and Industrial; modest mix headwinds within Light Vehicle and Commercial Vehicle
- Initial M&A contribution from Anhui Shengran
- FX tailwinds driven by the Euro and Chinese Renminbi

Impressive Adjusted EBIT for the second quarter

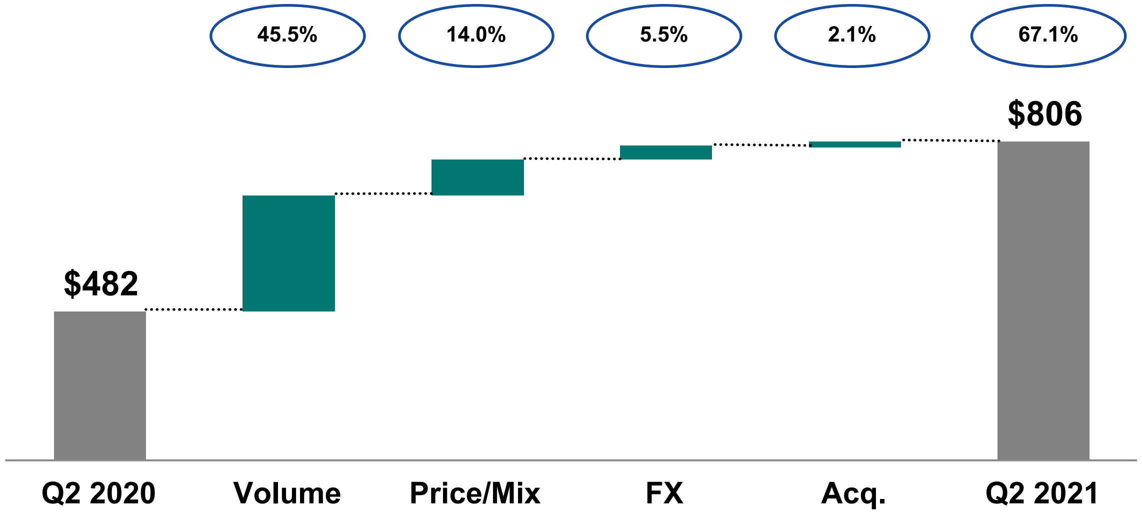
- YOY improvement driven by continued volume recovery and strong price-mix tempered by raw material headwinds

Q2 Performance Coatings Results

Financial Performance

($ in millions)	Q2 2021	Q2 2020	% Change Incl. F/X	% Change Excl. F/X
Refinish	463	262	76.8 %	70.4 %
Industrial	343	220	55.6 %	51.1 %
Net Sales	806	482	67.1 %	61.6 %
Adjusted EBIT	140	2	N/M	
% margin	*17.3 %*	*0.3 %*		

Net Sales Variance



Commentary

Net sales growth driven by Refinish recovery, continued Industrial demand strength, and solid segment price movement

- Continued recovery in Refinish as miles driven improves globally; Industrial delivered strong sales volumes across all businesses, although modestly hindered by supply constraints
- Price-mix tailwinds driven largely by pricing actions across both end-markets as well as favorable product mix in Refinish as volumes rebound
- Initial M&A contribution from Anhui Shengran
- FX tailwinds driven by the Euro and Chinese Renminbi

Improved Adjusted EBIT despite raw material headwinds

- Continued volume recovery and price-mix benefit drove impressive Adjusted EBIT improvement, partly offset by raw material headwinds

Performance Coatings Demand Environment

Refinish

- The refinish market showed sequential improvement in Q2 with traffic indicators improving across all regions
  - U.S. miles driven have returned to normal levels in Q2 with July expected to be ~5% above 2019 levels; body shop activity down ~10-12% versus 2019 levels
  - Europe miles driven continued to improve markedly in Q2 with June as much as 12% over 2019 levels; body shop activity has recovered to around 10% below 2019 levels in the quarter
  - Latin America miles driven showed sequential improvement in Q2 with Brazil up 14% above pre-COVID levels, while Mexico remained weaker, down 7% below pre-COVID levels in Q2
  - For Asia, COVID related lockdowns impacting miles driven in India in May; China seeing increasing collision claims; Japan (+32%) and Australia (+10%) also strong with traffic growth versus pre-COVID baselines

Industrial

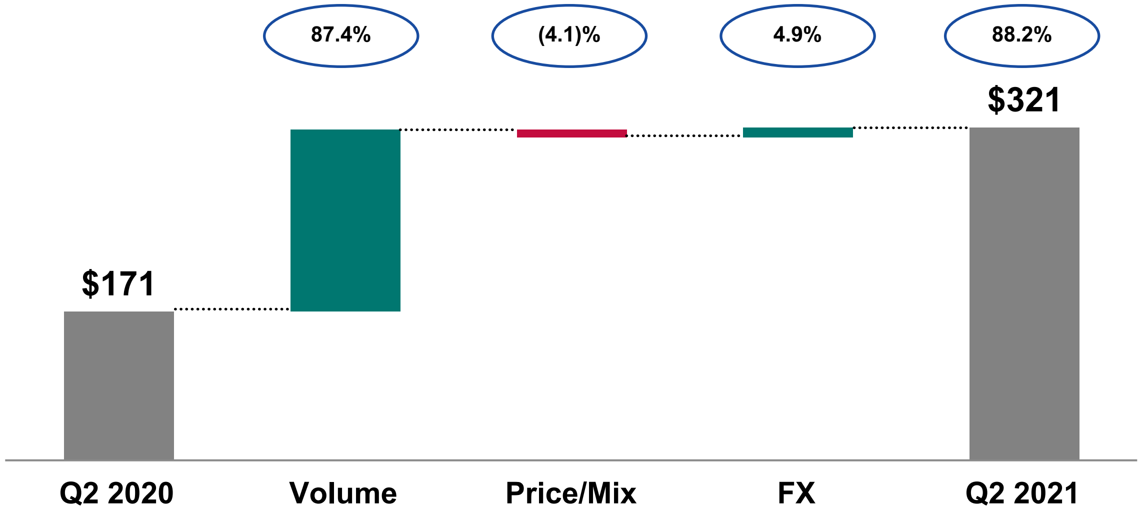
- Broad-based global industrial demand recovery; notable growth from Energy Solutions, Building Products, and General Industrial
- U.S. housing market remains strong, though growth rates slowing
- Raw material supply constraints impacted potential further sales upside in Q2 in Americas Building Products and globally across General Industrial

Q2 Mobility Coatings Results

Financial Performance

($ in millions)	Q2 2021	Q2 2020	% Change Incl. F/X	% Change Excl. F/X
Light Vehicle	244	126	93.1 %	87.7 %
Commercial Vehicle	77	44	74.0 %	71.0 %
Net Sales	321	171	88.2 %	83.3 %
Adjusted EBIT	6	(39)	114.5 %	
% margin	*1.8 %*	*(23.0)%*		

Net Sales Variance



Commentary

Net sales growth almost double from prior year lows, though hindered by customer supply constraints, largely in semiconductors

- Axalta volumes outpacing global production build growth despite semiconductor chip shortage in Light Vehicle as well as parts shortages and customer strike in Commercial Vehicle
- Negative price-mix contribution across both end-businesses driven by unfavorable customer mix
- Modest FX tailwinds driven by the Euro and Chinese Renminbi

Adjusted EBIT and margin expansion

- Adjusted EBIT improvement seen across both end-businesses as volumes continue to recover despite some impact from semiconductor chip shortage and modest tailwinds in operating expenses; raw material headwinds impacting profit in period

Mobility Coatings Demand Environment

Light Vehicle

- LV market recovery continues to be hindered by the semiconductor shortage; estimated impact of ~7 million deferred builds in 2021
- Global LV production increased 48.6% YOY in Q2; forecasts call for a (4.5%) decline for Q3 and a 6.9% increase for FY 2021 (revised down from 11.9% in April)
- Axalta Net Sales outpaced the market in Q2 driven by performance in EMEA, Latin America, and China Commercial Vehicle

Commercial Vehicle

- The global truck market continues to recover with strong order intake in North America and EMEA
- Global CV production, excluding China, increased 72.5% YOY in Q2; forecasts call for continued recovery with 20.1% and 26.4% increases for Q3 and FY 2021, respectively
- Supply chain shortages have been more limited within CV versus LV, though still impacted moderately

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Debt and Liquidity Summary

Capitalization

($ in millions)	Interest	@ 6/30/2021	Maturity
Cash and Cash Equivalents		$ 1,231	
Debt:			
Revolver ($550 million capacity) (1)	Variable	—	2026(2)
First Lien Term Loan (USD)	Variable	2,037	2024
Total Senior Secured Debt		**$ 2,037**	
Senior Unsecured Notes (EUR) (3)	Fixed	531	2025
Senior Unsecured Notes (USD)	Fixed	493	2027
Senior Unsecured Notes (USD)	Fixed	690	2029
Finance Leases		63	
Other Borrowings		40	
Total Debt		**$ 3,854**	
Total Net Debt (4)		**$ 2,623**	
LTM Adjusted EBITDA		992	
Total Net Leverage (5)		**2.6x**	
Interest Coverage Ratio (6)		**6.9x**	

(1) $516 million available on our undrawn revolver net of letters of credit

(2) Maturity will be accelerated to 2024 in certain circumstances as set forth in Amendment No. 10

(3) Assumes exchange rate of $1.1906 USD/Euro

(4) Total Net Debt = Total Debt minus Cash and Cash Equivalents

(5) Total Net Leverage = Total Net Debt / LTM Adjusted EBITDA

(6) Interest Coverage Ratio = LTM Adjusted EBITDA / LTM Interest Expense

Commentary

- Net leverage of 2.6x at June 30, 2021 improved from 3.2x at March 31, 2021
- Over $1.7 billion in available liquidity at June 30, 2021
- Increased revolving credit facility capacity to $550 million from $400 million in May 2021
- Weighted average cost of debt of 3.08% at June 30, 2021

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Financial Guidance Update

Full Year 2021 Guidance:

- Net Sales: ~+20-22%, including ~3% FX and ~1% M&A benefit
- Adjusted EBIT: $685-725 million
  - Q3 ~20% of full year
  - Q4 ~30% of full year
- Adjusted Diluted EPS: $1.85-2.00
- Interest Expense: ~$135 million
- Tax Rate: ~21-22%
- Diluted Shares: ~234 million
- Free Cash Flow: $445-485 million; including $165 million capex
- D&A: ~$318 million; including $106 million step-up D&A

Key Assumptions

- Raw material inflation expected at mid-teens growth YoY versus prior high single digit growth expectation; Q3 inflation at ~23% growth YoY
- Semiconductors: ~7 million assumed market level production shortfall in guidance construct; ~3 million in 2H driving ~$60 million estimated net sales impact to Mobility versus prior assumption of minimal 2H impact
- Gradual recovery in Refinish volumes from COVID impacts continues
- No additional share repurchases assumed
- FCF still assumes no impact from operational matter
- U-Pol acquisition, expected to close in 2H, not included in guidance

Appendix

Full Year 2021 Assumptions

Macroeconomic Assumptions

- Global GDP growth of ~5.0% for Q3 2021 and ~5.8% for FY 2021
- Global industrial production growth of ~6.3% for Q3 2021 and ~7.1% for FY 2021
- Global auto build change expected to be at ~(4.5%) for Q3 2021 and ~6.9% for FY 2021
- Global truck production increase of ~20.1% for Q3 2021 and ~26.4% for FY 2021, excluding China
- Significant raw material inflation since December 2020 as downstream chemicals demand surged with supply imbalances as well as outages from Weather events (Winter Storm Uri) and severe logistical bottlenecks
- Expect the inflationary raw material trend to persist into 2H before starting to soften first in solvents and monomers

Currency Assumptions

Currency	2020 % Axalta Net Sales	2020 Average Rate	2021 Average Rate Assumption	USD % Impact of FX Rate Change
US$ per Euro	~28%	1.14	1.21	6.1%
Chinese Yuan per US$	~9%	6.90	6.43	6.8%
US$ per British Pound	~3%	1.28	1.40	9.4%
Brazilian Real per US$	~3%	5.15	5.25	(1.9%)
Mexican Peso per US$	~2%	21.46	20.08	6.4%
US$ per Canadian Dollar	~2%	0.75	0.81	8.0%
Indian Rupee per US$	~1%	74.13	73.30	1.1%
Other	~53%	NA	NA	0.4%

Adjusted EBIT Reconciliation

	($ in millions)		Q2 2021		Q2 2020
	Income (loss) from operations	$	190.4	$	(64.5)
	Other income, net		(8.1)		(2.2)
	Total	$	198.5	$	(62.3)
A	Debt extinguishment and refinancing related costs		0.2		—
B	Termination benefits and other employee related costs		22.7		15.2
C	Strategic review and retention costs		2.2		6.7
D	Offering and transactional costs		1.4		0.1
E	Impairment charges		—		2.7
F	Pension special events		—		(0.6)
G	Accelerated depreciation		0.6		0.4
H	Indemnity income		(0.1)		—
I	Operational matter		(71.8)		—
J	Brazil indirect tax		(8.3)		—
K	Step-up depreciation and amortization		28.0		26.2
	Adjusted EBIT	$	173.4	$	(11.6)
	Segment Adjusted EBIT:				
	Performance Coatings	$	139.7	$	1.5
	Mobility Coatings		5.7		(39.3)
	Total	$	145.4	$	(37.8)
K	Step-up depreciation and amortization		28.0		26.2
	Adjusted EBIT	$	173.4	$	(11.6)

Adjusted EBIT Reconciliation (cont'd)

A Represents expenses and associated changes to estimates related to the prepayment, restructuring, and refinancing of our indebtedness, which are not considered indicative of our ongoing operating performance.

B Represents expenses and associated changes to estimates related to employee termination benefits and other employee-related costs. Employee termination benefits are primarily associated with Axalta Way initiatives. These amounts are not considered indicative of our ongoing operating performance.

C Represents costs for legal, tax and other advisory fees pertaining to our review of strategic alternatives that was concluded in March 2020, as well as retention awards for certain employees which will be earned over a period of 18-24 months, ending September 2021. These amounts are not considered indicative of our ongoing performance.

D Represents acquisition and divestiture-related expenses, all of which are not considered indicative of our ongoing operating performance.

E Represents impairment charges, which are not considered indicative of our ongoing performance.

F Represents certain defined benefit pension costs associated with special events, including pension curtailments, settlements and special termination benefits, which we do not consider indicative of our ongoing operating performance.

G Represents incremental depreciation expense resulting from truncated useful lives of the assets impacted by our manufacturing footprint assessments, which we do not consider indicative of our ongoing operating performance.

H Represents indemnity income associated with acquisitions, which we do not consider indicative of our ongoing operating performance.

I Represents expenses, changes in estimates and insurance recoveries for probable liabilities related to an operational matter in the Mobility Coatings segment, which is not indicative to our ongoing operating performance.

J Represents non-recurring income related to a law change with respect to certain Brazilian indirect taxes which was recorded within other income, net.

K Represents the incremental step-up depreciation and amortization expense associated with the acquisition of DuPont Performance Coatings by Axalta. We believe this will assist investors in performing meaningful comparisons of past, present and future operating results and better highlight the results of our ongoing operating performance.

Adjusted Net Income (Loss) Reconciliation

	($ in millions, except per share data)	Q2 2021	Q2 2020
	Net income (loss)	$ 126.4	$ (83.2)
	Less: Net income attributable to noncontrolling interests	—	(0.4)
	Net income (loss) attributable to controlling interests	$ 126.4	$ (82.8)
A	Debt extinguishment and refinancing related costs	0.2	—
B	Termination benefits and other employee related costs	22.7	15.2
C	Strategic review and retention costs	2.2	6.7
D	Offering and transactional costs	1.4	0.1
E	Impairment charges	—	2.7
F	Pension special events	—	(0.6)
G	Accelerated depreciation	0.6	0.4
H	Indemnity income	(0.1)	—
I	Operational matter	(71.8)	—
J	Brazil indirect tax	(8.3)	—
K	Step-up depreciation and amortization	28.0	26.2
	Total adjustments	$ (25.1)	$ 50.7
L	Income tax provision impacts	(10.8)	2.8
	Adjusted net income (loss)	$ 112.1	$ (34.9)
	Diluted adjusted net income (loss) per share	$ 0.48	$ (0.15)
	Diluted weighted average shares outstanding	233.5	235.2

Adjusted Net Income (Loss) Reconciliation (cont'd)

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L The income tax impacts are determined using the applicable rates in the taxing jurisdictions in which expense or income occurred and includes both current and deferred income tax expense (benefit) based on the nature of the non-GAAP performance measure. Additionally, the income tax impact includes the removal of discrete income tax impacts within our effective tax rate which were expenses of $2.1 million, $3.8 million, $3.4 million and benefits of $30.5 million for the three month and six months ended June 30, 2021 and 2020, respectively. The tax benefits for the six months ended June 30, 2020 include the removal of a significant one-time benefit associated with the recognition of a deferred tax asset related to an intra-entity transfer of certain intellectual property rights. The tax expenses for the six months ended June 30, 2021 include the deferred tax benefit ratably amortized into our adjusted income tax rate as the tax attribute is realized.

Free Cash Flow Reconciliation

($ in millions)	Q2 2021	Q1 2021	YTD 2021	Q2 2020	Q1 2020	YTD 2020
Cash provided by (used for) operating activities	$ 107.5	$ 39.6	$ 147.1	$ (1.7)	$ (0.8)	$ (2.5)
Purchase of property, plant and equipment	(28.5)	(31.8)	(60.3)	(19.7)	(22.7)	$ (42.4)
Interest proceeds on swaps designated as net investment hedges	3.6	3.5	7.1	3.6	3.7	$ 7.3
Free cash flow	$ 82.6	$ 11.3	$ 93.9	$ (17.8)	$ (19.8)	$ (37.6)

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Adjusted EBITDA Reconciliation

	($ in millions)	LTM 6/30/2021	Q2 2021	Q1 2021	Q2 2020	Q1 2020	FY 2020
	Net income (loss)	$ 294.9	$ 126.4	$ 15.7	$ (83.2)	$ 52.4	$ 122.0
	Interest expense, net	144.2	33.4	33.5	36.1	36.5	149.9
	Provision (benefit) for income taxes	82.5	38.7	3.8	(15.2)	(24.6)	0.2
	Depreciation and amortization	312.5	79.0	76.4	76.6	86.6	320.3
	EBITDA	**$ 834.1**	**$ 277.5**	**$ 129.4**	**$ 14.3**	**$ 150.9**	**$ 592.4**
A	Debt extinguishment and refinancing related costs	32.2	0.2	—	—	2.4	34.4
B	Termination benefits and other employee related costs	65.7	22.7	2.8	15.2	19.5	74.9
C	Strategic review and retention costs	20.1	2.2	5.4	6.7	11.5	30.7
D	Offering and transactional costs	1.7	1.4	0.2	0.1	0.1	0.3
E	Impairment charges	2.5	—	—	2.7	0.5	5.7
F	Foreign exchange remeasurement losses	8.8	1.8	1.8	(0.3)	2.3	7.2
G	Long-term employee benefit plan adjustments	1.1	(0.3)	(0.2)	(0.6)	(1.1)	(0.1)
H	Stock-based compensation	11.7	4.2	3.6	6.1	5.1	15.1
I	Dividends in respect of noncontrolling interest	(1.1)	—	(0.7)	—	(0.5)	(0.9)
J	Operational matter	22.6	(71.8)	94.4	—	—	—
K	Brazil indirect tax	(8.3)	(8.3)	—	—	—	—
L	Other adjustments	0.4	0.1	—	(0.1)	0.2	0.4
	Total Adjustments	$ 157.4	$ (47.8)	$ 107.3	$ 29.8	$ 40.0	$ 167.7
	Adjusted EBITDA	**$ 991.5**	**$ 229.7**	**$ 236.7**	**$ 44.1**	**$ 190.9**	**$ 760.1**

Adjusted EBITDA Reconciliation (cont'd)

A Represents expenses and associated changes to estimates related to the prepayment, restructuring, and refinancing of our indebtedness, which are not considered indicative of our ongoing operating performance.

B Represents expenses and associated changes to estimates related to employee termination benefits and other employee-related costs. Employee termination benefits are primarily associated with Axalta Way initiatives. These amounts are not considered indicative of our ongoing operating performance.

C Represents costs for legal, tax and other advisory fees pertaining to our review of strategic alternatives that was concluded in March 2020, as well as retention awards for certain employees which will be earned over a period of 18-24 months, ending September 2021. These amounts are not considered indicative of our ongoing performance.

D Represents acquisition and divestiture-related expenses, all of which are not considered indicative of our ongoing operating performance.

E Represents impairment charges, which are not considered indicative of our ongoing performance.

F Eliminates foreign exchange losses resulting from the remeasurement of assets and liabilities denominated in foreign currencies, net of the impacts of our foreign currency instruments used to hedge our balance sheet exposures.

G Eliminates the non-cash, non-service cost components of long-term employee benefit costs.

H Represents non-cash impacts associated with stock-based compensation.

I Represents the payment of dividends to our joint venture partners by our consolidated entities that are not 100% owned, which are reflected to show the cash operating performance of these entities on Axalta's financial statements.

J Represents expenses, changes in estimates and insurance recoveries for probable liabilities related to an operational matter in the Mobility Coatings segment, which is not indicative to our ongoing operating performance.

K Represents non-recurring income related to a law change with respect to certain Brazilian indirect taxes which was recorded within other income, net.

L Represents certain non-operational or non-cash gains and losses unrelated to our core business and which we do not consider indicative of ongoing operations, including indemnity (income) losses associated with the acquisition by Axalta of the DuPont Performance Coatings business, gains and losses from the sale and disposal of property, plant and equipment, gains and losses from the remaining foreign currency derivative instruments and from non-cash fair value inventory adjustments associated with our business combinations.

Thank you

Investor Relations Contact:

Chris Mecray
Christopher.Mecray@axalta.com
215-255-7970