Axalta Coating Systems (AXTA)
First Quarter 2022 Financial Results
April 25, 2022

Slide 3: Q1 2022 Key Highlights

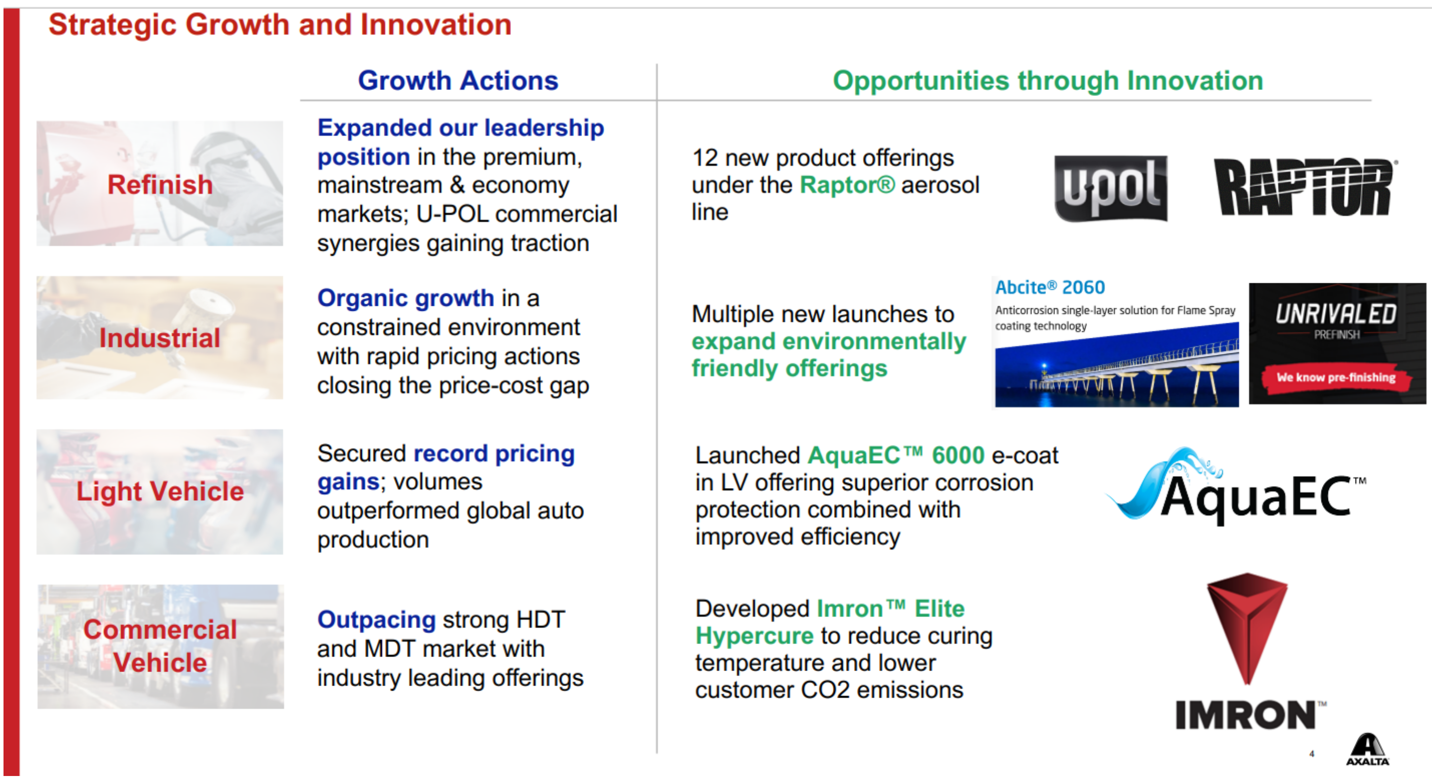
Reported solid results again this quarter and have a lot to be proud of given the overall environment. Constant-currency net sales growth of 13% exceeded our prior estimate in both Performance and Mobility Coatings. Adjusted EBIT of $120 million achieved the very top-end of our guidance. Adjusted EPS of $0.31 was above our guidance range given the flow-through of strong earnings, modest benefits from a lower share count, and a slightly lower adjusted tax rate.

Despite the approximately $22 million in earnings headwinds versus our January guidance framework we were still able to deliver a solid quarter and exceed our sales guidance, as strong pricing and better volumes yielded better-than-expected 10% year-over-year organic ex-FX growth, and also delivered EBIT at the top end of our range.

Volume improved 1% year-over-year with positive contribution from three of four end-markets, for the fifth consecutive quarter. Growth was supported by ongoing recovery as well as from share gains that we are driving across the portfolio.

We realized a remarkable 9% price-mix in the quarter, up from a reported 3.6% last quarter, driven by pricing actions that we have continued to implement in order to offset the impact of cost inflation. Both segments have shown strong pricing gains from past quarters with Mobility Coatings reaching record quarterly percent growth. New pricing actions are already underway to offset existing uncovered and anticipated further inflationary costs coming as a result of higher oil prices and tight supply-demand balances in many commodity chains.

During the quarter we also repurchased $175 million in total shares. At the current valuation we see tremendous value in our equity and will remain opportunistic as we prioritize capital deployment for generating meaningful shareholder return while balancing a conservative balance sheet.



Slide 4: Strategic Growth and Innovation

Continue to see strong underlying trends; we are launching new innovative products every quarter; and each business is making strong progress toward our growth ambition by executing on top-line growth.

In Refinish – our highly profitable, industry-leading aftermarket auto coatings business – the team is delivering on our strategic imperatives.

- Increase market access; this quarter we won over 500 net body shops globally and well over 200 new stock points through distribution customers;
- We are growing our premium-market leadership;
- We continue to gain share in mainstream and economy segments where we haven't had as large of a historical presence.

Another area of focus is the integration of U-POL. We are well underway integrating the business and executing on cost synergies, but our true enthusiasm for the acquisition is centered around realizing commercial synergies, which we believe will further the U-POL value creation opportunity beyond what we previously communicated.

In Industrial Coatings – we are driving organic growth in a constrained environment led by very strong pricing gains. Industrial price-mix increased by a mid-teens percentage year-over-year, and by a mid-single digit percentage sequentially.

In Mobility Coatings – our industry-leading light-vehicle and commercial OEM business – we have secured record pricing gains and outperformed the market from a volume perspective in Q1. Pricing momentum is building every month. While we are negotiating better pricing we are also building a more inflation resilient portfolio by partnering with our customers to increase the percentage of Mobility customer contracts with indexed pricing mechanisms – now between 35% and 40% for the entire segment.

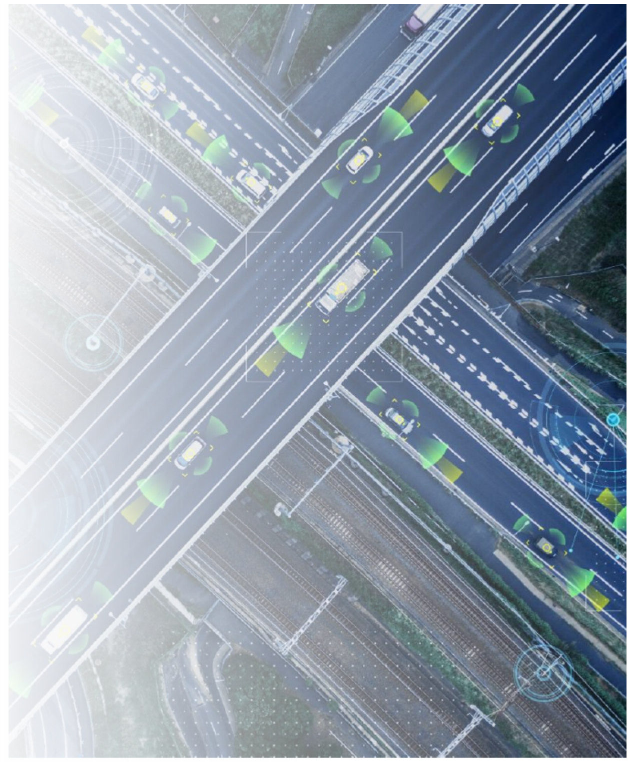
Performance Coatings Demand Environment

Refinish

- The global refinish market showed overall stability with only modest headwinds to our business from ongoing China COVID-19 lockdowns and Russia sanction impacts
  - U.S. miles driven have nearly recovered to pre-pandemic 2019 levels; Refinish body shop activity improved month-by-month during Q1 ending with a strong March; body shop activity remains in the mid-80s% relative to 2019
  - Monitoring favorable changes in US office occupancy rates as a potential indicator of market recovery activity
  - Europe miles driven softened slightly from Q4 though remained above 2019 levels; body shop activity stayed in the low-90s% relative to 2019
  - Body shop activity is being constrained by labor and parts availability creating a growing backlog

Industrial

- US housing and remodeling market remains healthy; construction markets show continued YOY growth
- New electric vehicle market remains strong; new projects beginning to ramp up in oil and gas market
- Supply chain constraints hindered further sales upside in Q1 in Building Products and General Industrial; regional growth impacted by COVID-19 restrictions, consequences of the Russia-Ukraine conflict and severe weather in Asia Pacific



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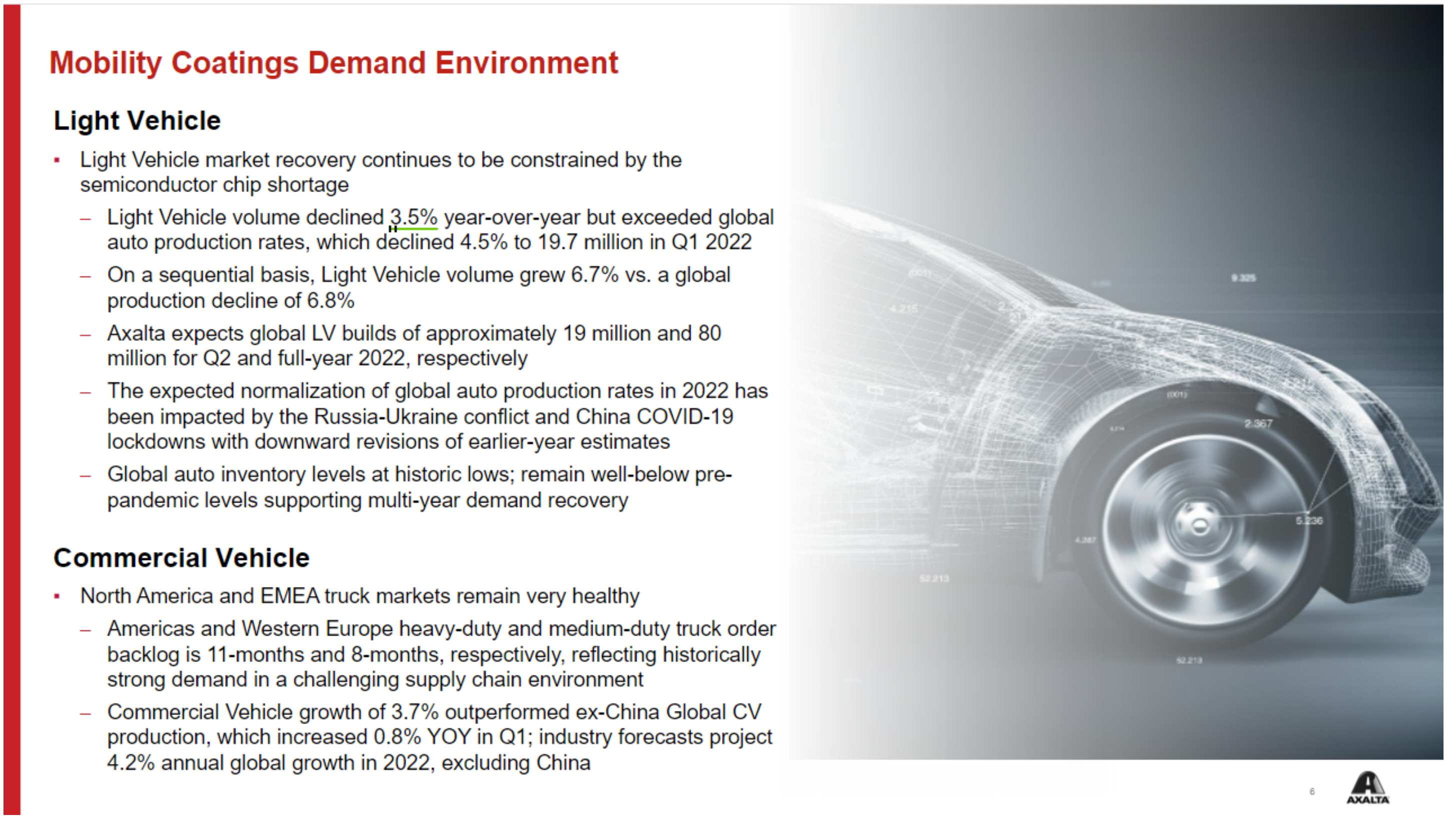
Slide 5: Performance Coatings Demand Environment

Vehicle miles traveled in the United States and Europe have nearly recovered to pre-pandemic levels, but changes in driving behavior, namely the prevalence of work-from-home, seems to have led to lower congestion levels and less collision claims than before the start of the pandemic. Based on paint consumption data from our proprietary eCommerce platform we estimate Q1 body shop activity remained in the mid-80s% and low 90s % respectively for the US and Europe relative to 2019, consistent with the level of collision claims.

Within the quarter our US body shop customers reported a step-up in activity during March that we believe reflected some modest market improvement though remains constrained by a growing backlog of repair work given parts and labor shortages at the body-shop level.

We believe that return to in-person work is an important factor in driving market recovery and are encouraged by US office occupancy which improved from the low 20s% to 42% versus prior year.

In Industrial coatings – a healthy demand environment was again limited by supply constraints, namely in Building Products and General Industrial. In total these constraints represented a mid-to-high single digit percent drag against our 1% volume growth in the period. Regionally North America and Asia Pacific contributed most significantly to our year-over-year growth.

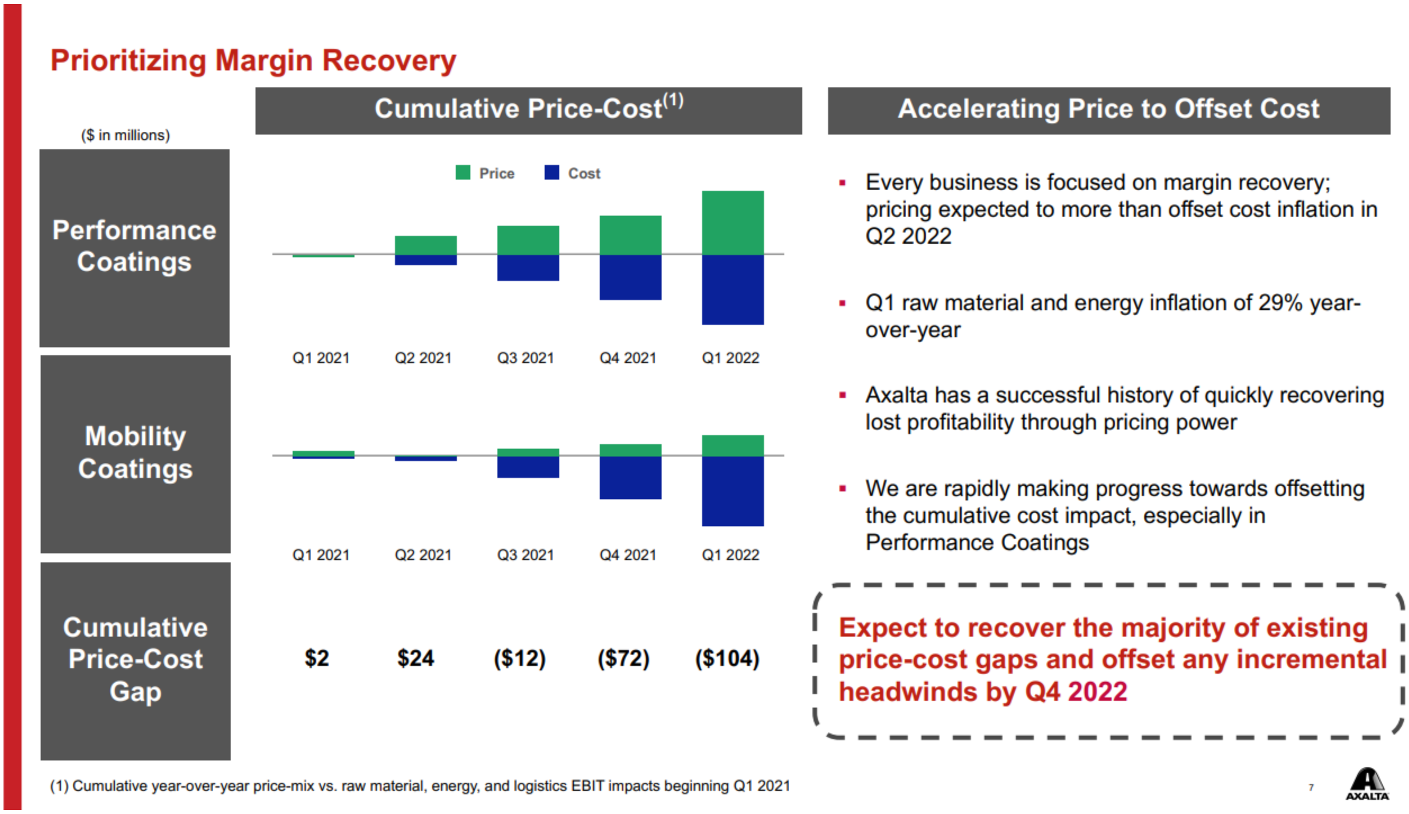


Slide 6: Mobility Coatings Demand Environment

The expected normalization of global auto production rates in 2022 has been impacted by the Russia-Ukraine conflict as well as China COVID-19 lockdowns, resulting in downward revisions of earlier production estimates. Full year 2022 global production industry estimates are now forecasted to be 80.6 million, 4% above 2021, but still 9% below pre-pandemic 2019 levels.

Once supply chain constraints and cost headwinds abate the benefit to Axalta will be significant. This is highlighted by approximately $140 million earnings gap between our trailing-twelve-month Mobility Coatings Adjusted EBIT and our pre-pandemic 2019 profitability levels, when global auto builds reached 89 million.

In Commercial Vehicle, where we have an industry-leading share in North America and EMEA, strong demand is outpacing constrained production rates. Heavy-duty and medium-duty truck order backlog is now 11-months and 8-months, respectively, creating a long-dated growth dynamic for production rates to climb beyond 2022.



Slide 7: Prioritizing Margin Recovery

From the chart on this slide you can get a sense of the pace of inflation we have experienced. Even though this inflationary period is uniquely rapid and broad-based, we are already making great progress towards offsetting the impact.

In Performance Coatings, we have been able to quickly raise price and have offset the majority of the $220 million cumulative year-over-year variable cost and logistics inflation since Q2 2021. In Mobility Coatings – lagging index pricing mechanisms in some contracts, and multi-quarter pricing discussions in others, mean we have just begun to accelerate pricing.

Every business at Axalta is focused on margin recovery and we expect to cover the majority of existing price-cost gaps and incremental headwinds by Q4 of this year at the consolidated level.

ESG Highlights

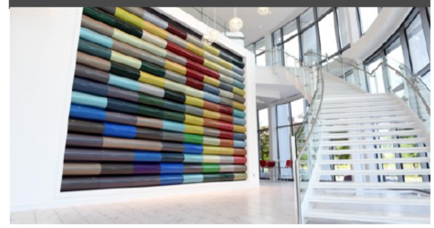
Environmental

- Launched new **Imron® Industrial topcoat and primer** – offers low VOC emissions and increased spraying efficiency for the agricultural, construction, and earthmoving (ACE) equipment markets
- Launched **AquaEC Flex™**, a broad-bake e-coat that reduces CO_2 emissions for Mobility customers by lowering curing temperatures for EVs

Social

- Introduced **Aspire**, a digital platform for all employees globally to access learning and development resources
- Axalta Mexico participated in the **Women Economic Forum Iberoamerica** event, a prestigious forum that promotes the leadership and empowerment of women
- Continued investments in our local communities via **Axalta Bright Futures,** such as annual sponsorship of the community free day at the Michigan Science Center

Governance



- Continue to work on the achievement of our **2030 ESG goals** announced in January
- Engaged with customers and other stakeholders about our new goals

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Slide 8: ESG Highlights

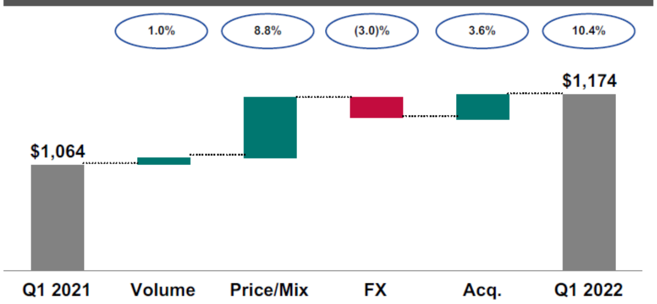
We announced our 2030 ESG goals in January, which reflect how meaningful progress in environmental, social and corporate governance is central to Axalta's strategy and success. We have already begun to execute against these goals and have engaged with many of our customers and other stakeholders to discuss our plans.

Q1 Consolidated Results

Financial Performance

($ in millions, except per share data)	Q1 2022	Q1 2021	% Change Incl. F/X	% Change Excl. F/X
Performance Coatings	814	707	15.1 %	18.6 %
Mobility Coatings	360	356	1.0 %	3.0 %
Net Sales	1,174	1,064	10.4 %	13.4 %
Income (loss) from ops	86	53	64.1 %	
Adjusted EBIT	120	183	(34.6)%	
% margin	*10.2 %*	*17.2 %*		
Diluted EPS	0.18	0.06	200.0 %	
Adjusted EPS	0.31	0.50	(38.0)%	

Net Sales Variance



Commentary

Strong Net sales growth driven by pricing actions and M&A contributions

- Benefited from realization of 2021 pricing efforts; incremental actions taken in Q1 2022 to offset cost
- M&A contribution driven by two 2021 acquisitions within our Performance Coatings segment
- Q1 volumes grew YOY across all end-markets except Light Vehicle; despite volume decline Light Vehicle outpaced constrained global auto market growth
- FX headwinds driven by the Euro and Turkish Lira

Rapid cost inflation drove YOY Adjusted EBIT reduction for the first quarter

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Slide 9: Q1 Consolidated Results

Net sales of $1.2 billion increased 10% year-over-year for the first quarter, while constant currency net sales increased 13%, driven by pricing actions, demand strength across most of our businesses, and benefits from two acquisitions we completed in 2021. Constant currency net sales growth included a 19% increase from Performance Coatings and 3% growth from Mobility Coatings – reflecting Light Vehicle up 1% while Commercial Vehicle was up an impressive 10%.

First quarter volume improved 1% with positive contribution from three of four end-markets, offset by a low-single digits percent decline in Light Vehicle volumes, which outpaced the approximate 5% decline in global Q1 auto production.

Price-mix contribution increased 9% in the aggregate, up from our reported 3.6% last quarter, with improvement across all end-markets led by mid-teens improvement in Industrial Coatings.

FX translation was a headwind of 3% for Q1, driven by the weaker Euro and Turkish Lira.

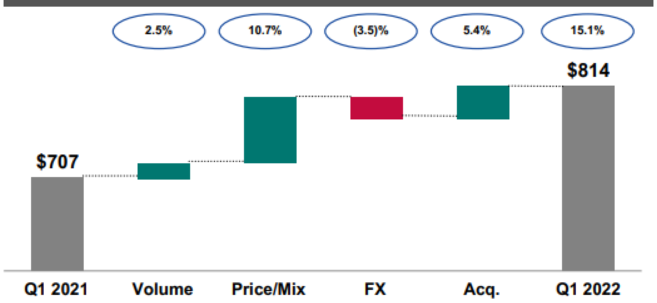
First quarter Adjusted EBIT was $120 million versus $183 million in the prior year quarter, reflecting pricing actions, strong demand, and volume trends across all end-markets except Light Vehicle, which was more than offset by substantial increases in raw material and logistics cost inflation realized versus Q1 2021. We took a $6 million accounting charge associated with accounts receivables and inventory obsolescence reserves, and these are excluded from our Adjusted EBIT stemming from sanctions imposed on Russia.

Q1 Performance Coatings Results

Financial Performance

($ in millions)	Q1 2022	Q1 2021	% Change Incl. F/X	% Change Excl. F/X
Refinish	461	399	15.6 %	19.7 %
Industrial	353	308	14.5 %	17.3 %
Net Sales	814	707	15.1 %	18.6 %
Adjusted EBIT	95	117	(19.3)%	
% margin	*11.6 %*	*16.6 %*		

Net Sales Variance



Commentary

Net sales growth driven by pricing actions, M&A contribution, and increased volumes, offset partly by FX headwinds

- Volumes grew YOY despite supply chain constraints, driven by share gains and market recovery in Refinish as well as continued strong demand within Industrial
- Strong price-mix momentum with 15% YOY growth in Industrial and 8% in Refinish as a result of pricing actions
- Continued M&A contribution from 2021 acquisitions
- FX headwinds driven by the Euro and Turkish Lira

YOY Adjusted EBIT decline driven by variable cost headwinds and incremental fixed-costs

- Strong price-mix contribution more than offset sequential cost headwinds

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Slide 10: Q1 Performance Coatings Results

Performance Coatings Q1 net sales increased 15.1% year-over-year and 18.6% ex-FX, driven by 2.5% higher volumes, a 10.7% increase in average price-mix, up from the 4.6% reported last quarter, and a 5.4% increase from acquisitions.

Refinish reported a 15.6% net sales increase, or 19.7% ex-FX, driven by a high-single digit price-mix benefits, above-market volume growth, and by a high-single digit contribution from the U-POL acquisition. Volumes increased in every region despite raw material supply impacting our ability to meet all of our demand with the exception of China, where COVID-19 lockdowns drove a modest volume decline.

Industrial Q1 net sales increased 14.5%, or 17.3% ex-FX, driven largely by mid-teens percent improvement in average price-mix, as well as a low single digit acquisition contribution, and slightly positive volume growth. Demand trends in most of the Industrial end-businesses we serve remained healthy during the period; though supply constraints were a limiting factor, representing a high-single digit percent drag on sales.

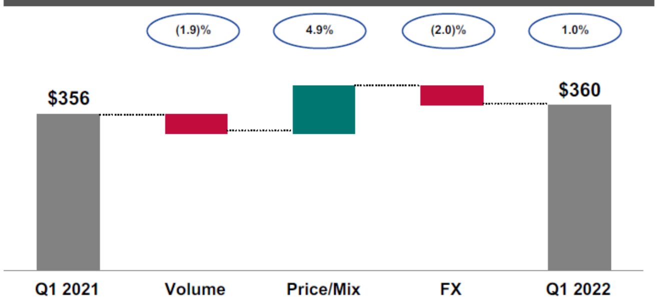
Performance Coatings reported Q1 Adjusted EBIT of $95 million versus $117 million in Q1 2021, driven by ongoing volume growth and drop through benefits of price-mix, which were more than offset by headwinds from higher variable costs. The Adjusted EBIT margin for the segment decreased to 11.6% from 16.6% in the prior-year period given the drivers noted.

Q1 Mobility Coatings Results

Financial Performance

($ in millions)	Q1 2022	Q1 2021	% Change Incl. F/X	% Change Excl. F/X
Light Vehicle	276	279	(1.2)%	1.0 %
Commercial Vehicle	84	77	8.7 %	10.0 %
Net Sales	360	356	1.0 %	3.0 %
Adjusted EBIT	1	39	(98.7)%	
% margin	*0.1 %*	*11.0 %*		

Net Sales Variance



Commentary

Net sales increase driven by pricing actions partly offset by customer production constraints within Light Vehicle and FX headwinds

- Light Vehicle volumes impacted by customer parts shortages and supply chain issues while Commercial Vehicle continues to show positive volume growth
- Pricing improved versus prior year as both end-markets improved by mid-single digits
- FX headwinds driven by the Euro and Turkish Lira

YOY Adjusted EBIT decline as constrained customer demand continues to impact fixed-cost absorption

- Making progress on price realization to offset price-cost gap from prior four quarters of variable cost inflation
- Strong price-mix contribution in Q1 significantly offset sequential cost headwinds

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Slide 11: Q1 Mobility Coatings Results

Mobility Coatings net sales increased 3.0% in Q1 ex-FX, including a 4.9% price-mix tailwind offset by 1.9% lower volumes. The 1.9% volume decreases improved markedly from the 11% decrease last quarter thanks to stronger demand from our customer base, including new business starting to come on line.

Light Vehicle net sales increased 1.0% ex-FX in the quarter, including a 3.5% volume decrease, which outperformed a global auto production decline of 5%. Price increased by mid-single digits.

Commercial Vehicle Q1 net sales increased 10.0% ex-FX, driven by strong truck production globally, excluding China. Price-mix also increased mid-single digits.

Mobility Coatings reported Q1 Adjusted EBIT of $1 million versus $39 million in the prior year quarter. Adjusted EBIT and associated margins in Q1 were impacted by variable cost inflation, with only modest offsets in positive pricing. Pricing gains are accelerating and we expect to cover the majority of incremental variable cost inflation between Q2 and Q4.

Debt and Liquidity Summary

Capitalization

($ in millions)	Interest	@ 3/31/2022	Maturity
Cash and Cash Equivalents		$ 576	
Debt:			
Revolver ($550 million capacity) (1)	Variable	—	2026(2)
First Lien Term Loan (USD)	Variable	2,023	2024
Total Senior Secured Debt		**$ 2,023**	
Senior Unsecured Notes (EUR) (3)	Fixed	498	2025
Senior Unsecured Notes (USD)	Fixed	494	2027
Senior Unsecured Notes (USD)	Fixed	691	2029
Finance Leases		62	
Other Borrowings		47	
Total Debt		**$ 3,815**	
Total Net Debt (4)		**$ 3,239**	
LTM Adjusted EBITDA		791	
Total Net Leverage (5)		**4.1x**	
Interest Coverage Ratio (6)		**5.9x**	

(1) $528 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 $1.1151 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

- Over $1.1 billion in available liquidity at March 31, 2022; includes $576 million of cash and cash equivalents on the balance sheet, and $528 million of available capacity in our undrawn revolver
- Total net leverage of 4.1x at March 31, 2022 increased from 3.5x at December 31, 2021, reflecting decreased cash driven by FCF use in Q1 2022, share repurchase activity, and decreased LTM Adjusted EBITDA
- Weighted average cost of debt of 3.09% at March 31, 2022
- Long-term debt interest rates are effectively 83% fixed
  - $1.375 billion of term loan debt fixed with interest rate swaps at weighted average of 1.84%

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Slide 12: Debt and Liquidity Summary

Axalta's Q1 balance sheet and liquidity profile remained solid. We ended the quarter with slightly over $1.1 billion in total liquidity.

Our net leverage ratio ended the quarter at 4.1 times, reflecting an increase from 3.5 times at December 31st. Net leverage remains somewhat elevated due to the seasonal phasing of free cash flow and share repurchases totaling $175 million in the quarter. We continue to expect this to drop as we move to the back end of the year on stronger Full Year operating results and normal Free Cash Flow generation.

Financial Guidance Update

Q2 2022 Guidance

- Net Sales: ~+11-13% including:
  - Anticipate double-digit better price
  - ~+4% from acquisitions
  - ~(4)% from FX
- Adjusted EBIT: $135-165 million
- Adjusted Diluted EPS: $0.35-0.45; including $0.02 FX headwind and $0.03 headwind from COVID-19 disruptions and the Russia-Ukraine conflict
- Interest Expense: ~$34 million
- Tax Rate: ~21%-22%
- Diluted Shares: ~222 million
- D&A: ~$80 million; including $24 million step-up D&A
- Expect raw material inflation in the high twenties versus Q2 2021

FY 2022 Assumptions

- Market recovery and modest relief from supply chain constraints support a healthy demand environment
- Strong double-digit organic growth expected in Performance Coatings and Mobility Coatings
- Light Vehicle volume growth to exceed global auto production growth for 2022
- Expect price-cost to be caught up by Q4; Performance Coatings to cover the cumulative price-cost gap within 2022; Mobility Coatings to narrow the gap with some carry over into 2023
- No contributions from our operations in Russia, which is less than 1% of sales
- 2% net sales headwind from FX, driven largely by the Euro and Turkish Lira
- Typical second half phasing of operating cash flow

Q2 and Full Year 2022 Assumptions

Macroeconomic Assumptions

- Global GDP growth of ~4.0% for Q2 2022 and ~4.0% for FY 2022
- Global industrial production growth of ~3.8% for Q2 2022 and ~4.4% for FY 2022
- Global auto build change to be at ~2.0% for Q2 2022 and ~4.4% for FY 2022
- Global truck production increase of ~5.0% for Q2 2022 and ~4.2% for FY 2022, excluding China
- Inflation is still trending up as escalated energy costs have added further pressure to an already elevated raw materials pricing
- Moderate improvement in the supply for commodities versus prior quarters while pigment availability has worsened
- Inflationary trend expected in 1H'22 driven by higher input costs (feedstock, energy), tight market situation for pigments and specialty materials as well as elevated logistics costs

Q2 2022 Currency Assumptions

Currency	Q2 2021 % Axalta Net Sales	Q2 2021 Average Rate	Q2 2022 Average Rate Assumption	USD % Impact of FX Rate Change
US$ per Euro	~30%	1.21	1.11	(7.9%)
Chinese Yuan per US$	~9%	6.46	6.38	1.2%
Brazilian Real per US$	~3%	5.30	5.20	1.8%
US$ per British Pound	~2%	1.40	1.33	(4.9%)
Mexican Peso per US$	~2%	20.02	20.50	(2.4%)
Swedish Krona per US$	~1%	8.41	9.40	(10.5%)
Indian Rupee per US$	~1%	73.79	76.54	(3.6%)
Turkish Lira per US$	~1%	8.40	15.00	(44.0%)
Other	~51%	NA	NA	(1.2%)

Adjusted EBIT Reconciliation

	($ in millions)		Q1 2022		Q1 2021
	Income from operations	$	86.3	$	52.6
	Other expense (income), net		1.8		(0.4)
	Total	$	84.5	$	53.0
A	Termination benefits and other employee related costs		2.4		2.8
B	Strategic review and retention costs		—		5.4
C	Acquisition and divestiture-related costs		0.4		0.2
D	Impairment charges		0.3		—
E	Accelerated depreciation and site closure costs		1.3		0.6
F	Indemnity loss		0.3		—
G	Operational matter		0.1		94.4
H	Russia sanction-related impacts		5.8		—
I	Step-up depreciation and amortization		24.4		26.4
	Adjusted EBIT	$	119.5	$	182.8
	Segment Adjusted EBIT:				
	Performance Coatings	$	94.6	$	117.2
	Mobility Coatings		0.5		39.2
	Total	$	95.1	$	156.4
I	Step-up depreciation and amortization		24.4		26.4
	Adjusted EBIT	$	119.5	$	182.8

Adjusted EBIT Reconciliation (cont'd)

A 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.

B 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 were earned over a period of 18-24 months, which ended in September 2021. These amounts are not considered indicative of our ongoing performance.

C Represents acquisition and divestiture-related expenses and integration activities associated with our business combinations, all of which are not considered indicative of our ongoing operating performance.

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

E Represents incremental depreciation expense resulting from truncated useful lives of the assets impacted by our manufacturing footprint assessments and costs related to the closure of certain manufacturing sites, which we do not consider indicative of our ongoing operating performance.

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

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

H Represents expenses related to sanctions imposed on Russia in response to the conflict with Ukraine as a result of incremental reserves for accounts receivable and incremental inventory obsolescence, which we do not consider indicative of our ongoing operating performance.

I 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 Reconciliation

	($ in millions, except per share data)		Q1 2022		Q1 2021
	Net income	$	40.9	$	15.7
	Less: Net income attributable to noncontrolling interests		(0.6)		0.5
	Net income attributable to controlling interests	$	41.5	$	15.2
A	Termination benefits and other employee related costs		2.4		2.8
B	Strategic review and retention costs		—		5.4
C	Acquisition and divestiture-related costs		0.4		0.2
D	Impairment charges		0.3		—
E	Accelerated depreciation and site closure costs		1.3		0.6
F	Indemnity loss		0.3		—
G	Operational matter		0.1		94.4
H	Russia sanction-related impacts		5.0		—
I	Step-up depreciation and amortization		24.4		26.4
	Total adjustments	$	34.2	$	129.8
J	Income tax provision impacts		6.6		27.6
	Adjusted net income	$	69.1	$	117.4
	Diluted adjusted net income per share	$	0.31	$	0.50
	Diluted weighted average shares outstanding		225.2		234.7

Adjusted Net Income Reconciliation (cont'd)

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J 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 $0.7 million and $1.7 million for the three months ended March 31, 2022 and 2021, respectively. The tax expenses for the three months ended March 31, 2022 and 2021 include the deferred tax benefit ratably amortized into our adjusted income tax rate as the tax attribute related to a January 1, 2020 intra-entity transfer of certain intellectual property rights is realized.

Free Cash Flow Reconciliation

($ in millions)	Q1 2022	Q1 2021
Cash (used for) provided by operating activities	$ (43.9)	$ 39.6
Purchase of property, plant and equipment	(42.5)	(31.8)
Interest proceeds on swaps designated as net investment hedges	6.2	3.5
Free cash flow	$ (80.2)	$ 11.3

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Adjusted EBITDA Reconciliation

	($ in millions)	LTM 3/31/2022	Q1 2022	Q1 2021	FY 2021
	Net income	$ 289.6	$ 40.9	$ 15.7	$ 264.4
	Interest expense, net	133.3	32.6	33.5	134.2
	Provision for income taxes	83.3	11.0	3.8	76.1
	Depreciation and amortization	317.8	77.7	76.4	316.5
	EBITDA	**$ 824.0**	**$ 162.2**	**$ 129.4**	**$ 791.2**
A	Debt extinguishment and refinancing related costs	0.2	—	—	0.2
B	Termination benefits and other employee related costs	36.0	1.9	2.8	36.9
C	Strategic review and retention costs	4.3	—	5.4	9.7
D	Acquisition and divestiture-related costs	16.5	0.4	0.2	16.3
E	Impairment charges	1.1	0.3	—	0.8
F	Site closure costs	1.2	0.6	—	0.6
G	Foreign exchange remeasurement losses	3.1	2.6	1.8	2.3
H	Long-term employee benefit plan adjustments	(0.4)	0.1	(0.2)	(0.7)
I	Stock-based compensation	16.6	5.3	3.6	14.9
J	Dividends in respect of noncontrolling interest	(0.1)	(0.1)	(0.7)	(0.7)
K	Operational matter	(89.9)	0.1	94.4	4.4
L	Brazil indirect tax	(8.3)	—	—	(8.3)
M	Gain on sale of facility	(19.7)	—	—	(19.7)
N	Russia sanction-related impacts	5.8	5.8	—	—
O	Other adjustments	0.3	0.4	—	(0.1)
	Total adjustments	$ (33.3)	$ 17.4	$ 107.3	$ 56.6
	Adjusted EBITDA	**$ 790.7**	**$ 179.6**	**$ 236.7**	**$ 847.8**

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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 were earned over a period of 18-24 months, which ended in September 2021. These amounts are not considered indicative of our ongoing performance.

D Represents acquisition and divestiture-related expenses and integration activities associated with our business combinations, 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 costs related to the closure of certain manufacturing sites, which we do not consider indicative of our ongoing operating performance.

G 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.

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

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

J 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.

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

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

M Represents non-recurring income related to the sale of a previously closed manufacturing facility.

N Represents expenses related to sanctions imposed on Russia in response to the conflict with Ukraine as a result of incremental reserves for accounts receivable and incremental inventory obsolescence, which we do not consider indicative of our ongoing operating performance.

O 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 and gains and losses from the remaining foreign currency derivative instruments.

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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 and/or guidance, 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, diluted shares outstanding and various assumptions noted in the presentation, the effects of COVID-19 on Axalta's business and financial results, our and our customers' supply chain constraints and our ability to offset the impacts of such constraints, the timing or amount of any future share repurchases, contributions from our prior acquisitions and our ability to successfully make future acquisitions. Axalta has identified some of these forward-looking statements with words "believes," "expects," "assumptions," "estimates," "likely to," "likely be," "outlook," "project," "forecasts," "may," "will," "looking ahead," "we look," "view," "goals," "could," "guidance," "upside" and "anticipated" 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 Reports on Form 10-Q for the quarters ended March 31, 2021, June 30, 2021 and September 30, 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, income 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.

About Axalta Coating Systems

Axalta is a global leader in the coatings industry, providing customers with innovative, colorful, beautiful and sustainable coatings solutions. From light vehicles, commercial vehicles and refinish applications to electric motors, building facades and other industrial applications, our coatings are designed to prevent corrosion, increase productivity and enhance durability. With more than 150 years of experience in the coatings industry, the global team at Axalta continues to find ways to serve our more than 100,000 customers in over 140 countries better every day with the finest coatings, application systems and technology. For more information, visit axalta.com and follow us @axalta on Twitter.