Axalta Coating Systems (AXTA)
Third Quarter 2022 Financial Results
October 25, 2022

Slide 3: Q3 2022 Key Highlights

We delivered adjusted EBIT of $148 million and adjusted EPS of $0.39, both within our third quarter guidance range despite acute currency and inflationary headwinds plus pockets of softening regional demand within our Industrial business.

Constant-currency net sales growth of 20% was extremely strong, driven by both volume and price almost in equal parts. Volume increased 9% year-over-year as we benefited from market recovery in Refinish, Light Vehicle, and Commercial Vehicle. Normalization of market demand in most of our businesses are being bolstered with new customer wins across our business portfolio.

We again delivered strong year-over-year price-mix growth of 10% in Q3, which more than offset inflation from raw material and logistics inflation costs in the period. This represents an important inflection point towards our goal of recovering lost profitability during this two-year period of unprecedented inflation.

Slide 4: Strategic Priorities

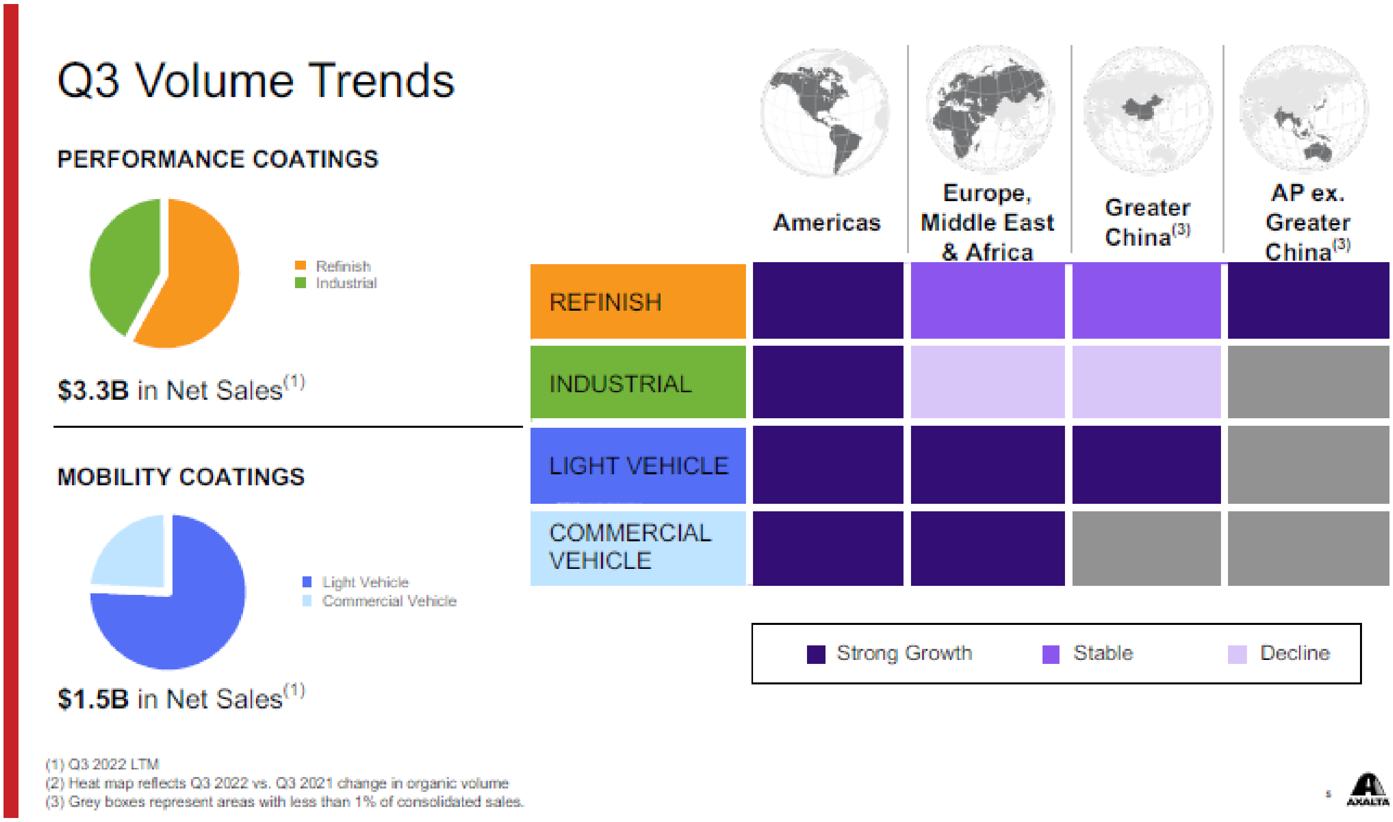
Axalta's strategic priorities remain unchanged and focus on Strengthening our industry-leading positions.

We are the number 1 or number 2 player in the majority of our end-markets. We are investing to support our differentiated capabilities and the needs of our customers, which is...Driving Growth.

- Axalta's above-market growth accomplishments have been masked by challenging post-covid dynamics, which has been inclusive of:
  - constrained auto production,
  - hybrid work environments temporarily reducing body shop activity,
  - unprecedented cost inflation,
  - geopolitical headwinds and China's zero-covid policy; and headwinds from currency translation given strengthening of US Dollar.

Nonetheless, we are expanding the reach of our technologies and deep customer relationships into adjacencies, while also establishing platforms in new verticals to Diversify the portfolio. We continue to explore bolt-on acquisitions largely within our Industrial Coatings business where we have had success deploying capital and where there remains compelling opportunities. However, the pace of M&A clearly has and will remain slow for the time being as we focus on our balance sheet.

Rest assured that we are building a quality book-of-business which positions us to capitalize on post-covid market normalization.

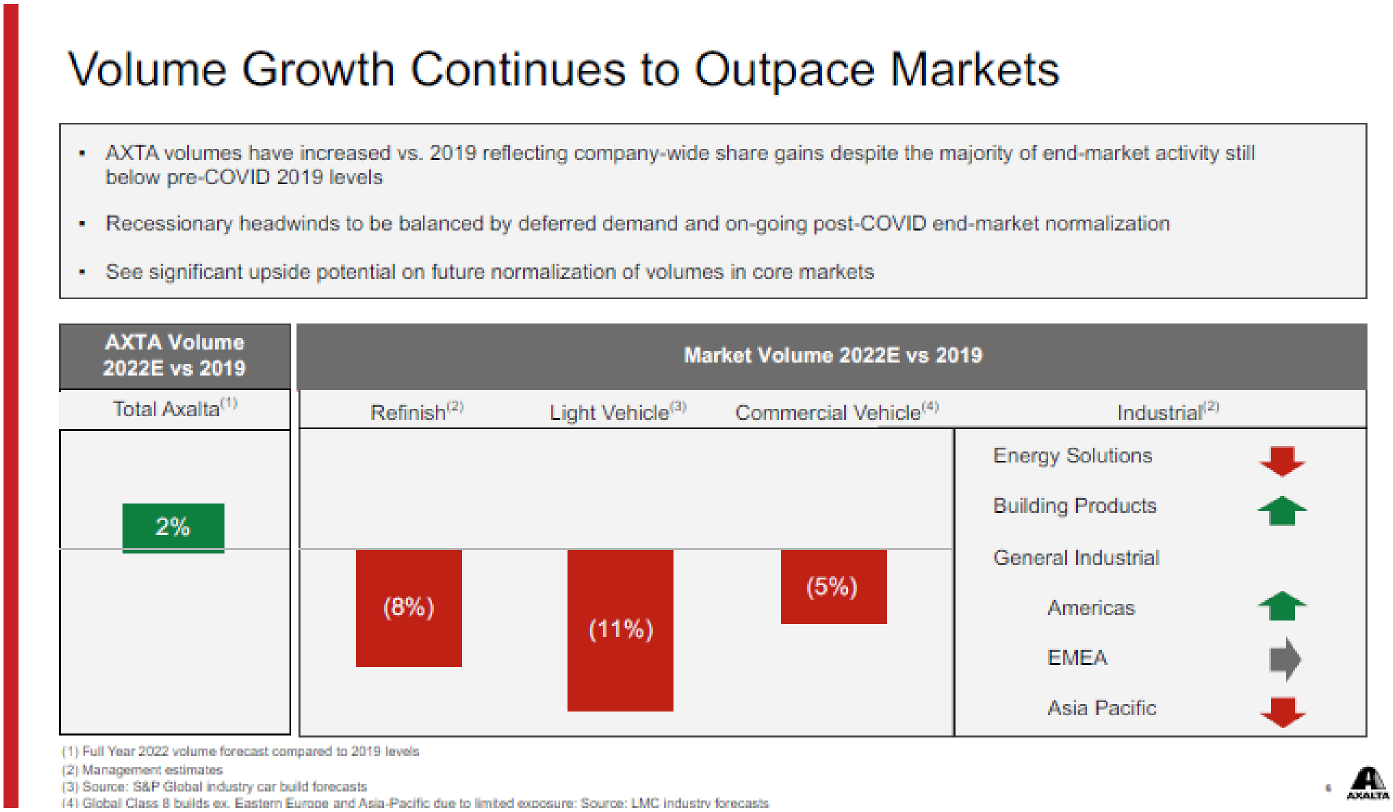


Slide 5: Q3 Volume Trends

Globally, volumes improved 9% year-over-year driven by end-market recovery trends and share gains across the portfolio. This is a remarkable result given the global macro environment and speaks to Axalta's unique positioning today in the markets we serve. Volume growth was positive across all regions, but uneven, driven by different macroeconomic, end-market and regional dynamics. It is also notable that three of four of our businesses increased volumes in the quarter.

The Americas region was strong again this quarter with year-over-year improvement and contribution across all end-markets. China led all regions with more than 20% volume growth year-over year as strong auto OEM production offset a somewhat weaker China Industrial demand environment.

In EMEA the demand environment was again challenging as weakening macroeconomic conditions are becoming more evident coupled with the continued geopolitical headwinds from the Russia-Ukraine conflict. For Axalta, the brunt of the impact was felt in Industrial coatings, which is more economically sensitive than our other end-markets and also lacks the sizable market normalization benefits we see today in Refinish and Mobility Coatings. Altogether volume in EMEA increased 1% year-over-year, pockets of softness emerged in General Industrial markets where volume dropped modestly.



Slide 6: Volume Growth Continues to Outpace Markets

We are cautiously monitoring trends and at the moment there are some early signs of softening in some of our Industrial Coatings exposures outside of EMEA. However, we believe that the risk of further macro headwinds to Axalta is mostly contained within select pockets of our Industrial exposures. Elsewhere we see bright spots heading into 2023 and expect to grow in most end-markets.

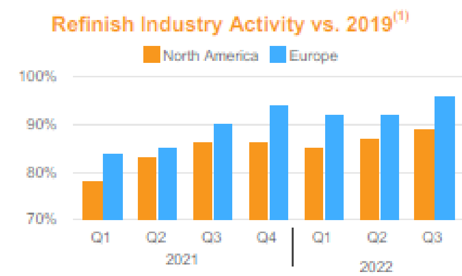
Market volumes have yet to recover to pre-COVID levels in most of the markets we serve. At year-end 2022 market volumes are estimated to be below 2019 levels - 8% for the Refinish markets, 11% for Light Vehicles and 5% lower for Commercial Vehicle in particular within the Heavy Duty Truck space. Years of supply constraints have created deferred demand, evident in the aging auto fleets and also in low channel inventory levels, which continue to operate below normal. When taken together we see significant upside opportunity for Axalta upon market normalization, which also represents an offset to near-term recessionary headwinds.

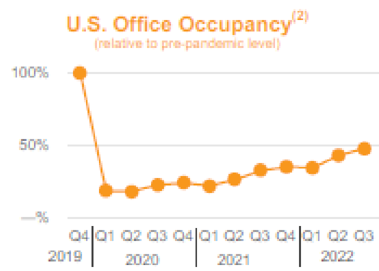
Lastly, it is worth noting that our volume growth outperformed market performance since 2019. Axalta's differentiated technologies and superior service remain a powerful driver of our above-market volume performance. Given our pipeline of new customer wins we expect to continue this trend going forward.

Refinish Business Review

GLOBAL LEADER IN AFTER-MARKET AUTO COATINGS AND ACCESSORIES

- 4% volume growth year-over-year driven by high single digit percent growth in North America
- Normal seasonality in EMEA led to mid-single digit percent lower sequential volume quarter-over-quarter, in line with expectations
- Continuing to drive share gains across premium, mainstream/economy, and accessory segments
  - *Notable MSO wins in Europe, private label wins, new launches, and growing retail presence*
  - *Capitalizing on market access and new product offerings*
- Post COVID-19 market normalization expected to continue with favorable trends in office occupancy, road congestion, and insurance claims





(1) Source: Management estimate of body shop activity
(2) Source: Kastle Systems, represents quarterly average

Slide 7: Refinish Business Review

In Refinish – our industry-leading aftermarket auto coatings business – we had a strong quarter with volumes up 4% and price-mix 12% better year-over-year. The team continues to gain market share in mainstream and economy; Year-to-date we added over 1,200 net body shops globally and 600-plus new stock points through distribution customers.

Our leadership position with large multi-shop operators expanded during the quarter, with the addition of several large UK-based MSOs. Our partners continue to recognize that we have a better way of doing business, centered around what we believe to be the most productive paint system and technical teams in the industry.

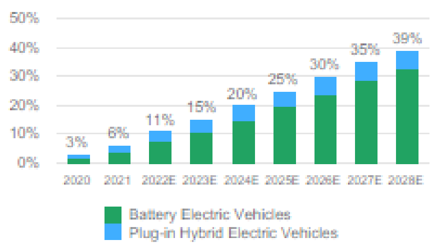
Meanwhile, we are seeing favorable trends in return-to-work leading to increased congestion rates and improved body shop activity in both North America and EMEA. Industry volumes are recovering, but remain below 2019 levels in EMEA and North America. Normalization continues to represent an impactful demand tailwind and earnings driver over the medium-term.

Industrial Business Review

EXPANDING SALES PIPELINE ACROSS DIVERSIFIED GROWTH PLATFORM

- Achieved 12% year-over-year and 2% quarter-over-quarter price-mix improvement in Q3 2022
  - *Profitability recovery remains among our highest priorities as the business is actively pursuing targeted actions to recover the cumulative price-cost deficit*
- Volume declined 5% year-over-year driven by pockets of significant softening in EMEA, including Russia-Ukraine impacts and China
  - *Building Products demand remains strong and supply-constrained*
  - *Increasing demand from New Electric Vehicle growth*
  - *General Industrial impacted by slower than anticipated post COVID-19 recovery in China; weakening EMEA macroeconomics driving a softer powder coatings and architectural extrusion environment*

ELECTRIC VEHICLE PRODUCTION[1]



(1) Source: S&P Global industry forecast from October 2022

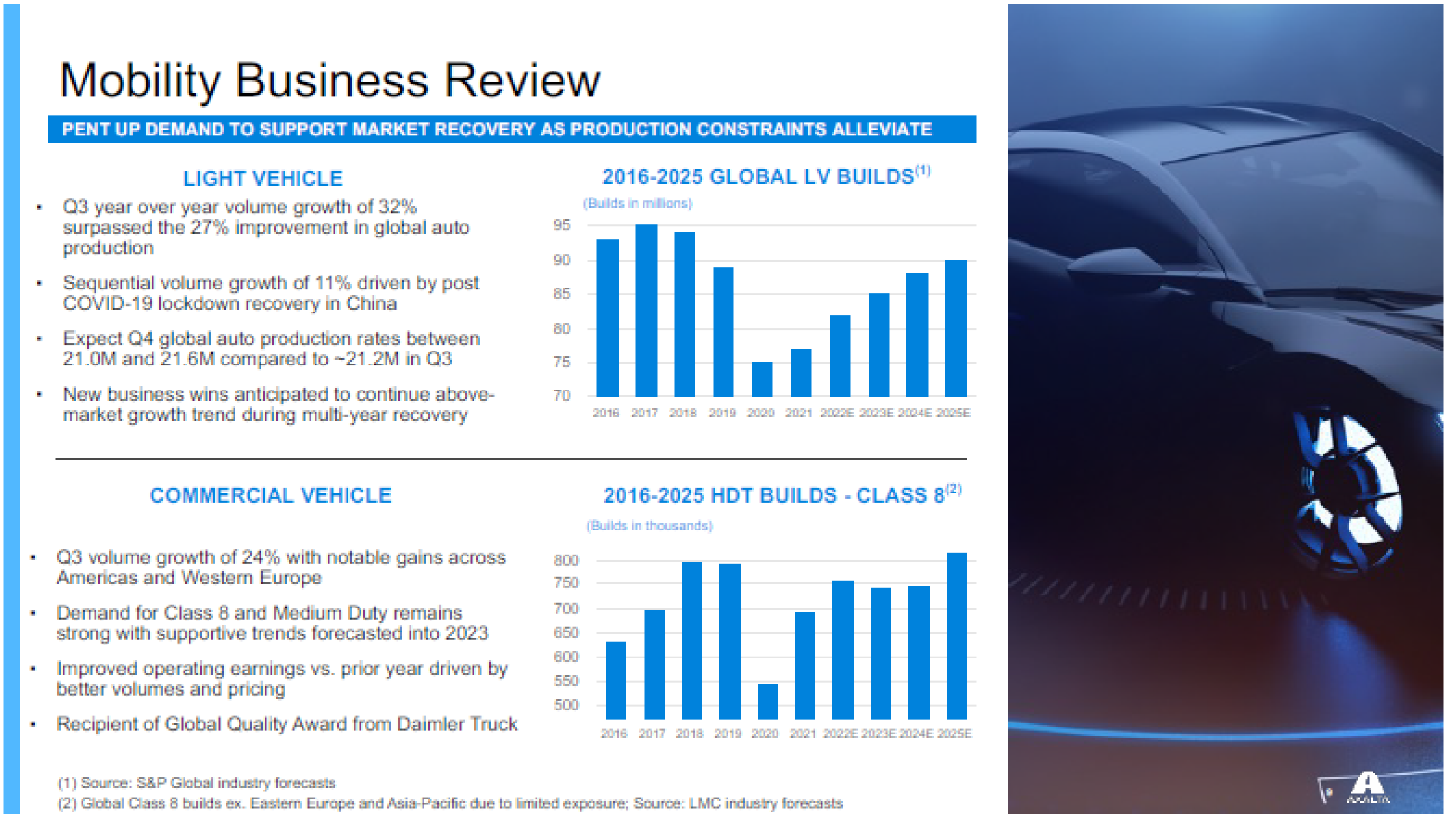
R&D 100 Winner: Abcite 2060

- Single layer powder coating can be applied directly on-site without VOC emissions compared to typical multi-layer liquid coatings only for manufacturing settings

Slide 8: Industrial Business Review

Industrial constant currency net sales increased 7% year-over-year driven by a 12% increase in average price-mix partially offset by 5% lower volume. The business teams are doing an excellent job prioritizing pricing to offset variable cost inflation. Even still, the business is under-earning today and so the team is actively pursuing more actions to recover our cumulative price-cost deficits.

The Industrial portfolio is our most economically sensitive end-market and therefore our lower year-over-year volume is a direct result of macroeconomic cooling in EMEA and a slower recovery in China. Partially offsetting these challenges is robust demand for Building Products in North America. Our current capacity is essentially sold-out for the remainder of the year and we should continue to benefit from advantageous consumer trends going forward. Also, new product offerings like our R&D 100 winning Abacite 2060, which is a sustainable single-layer powder coating, are expected to support above-market growth.



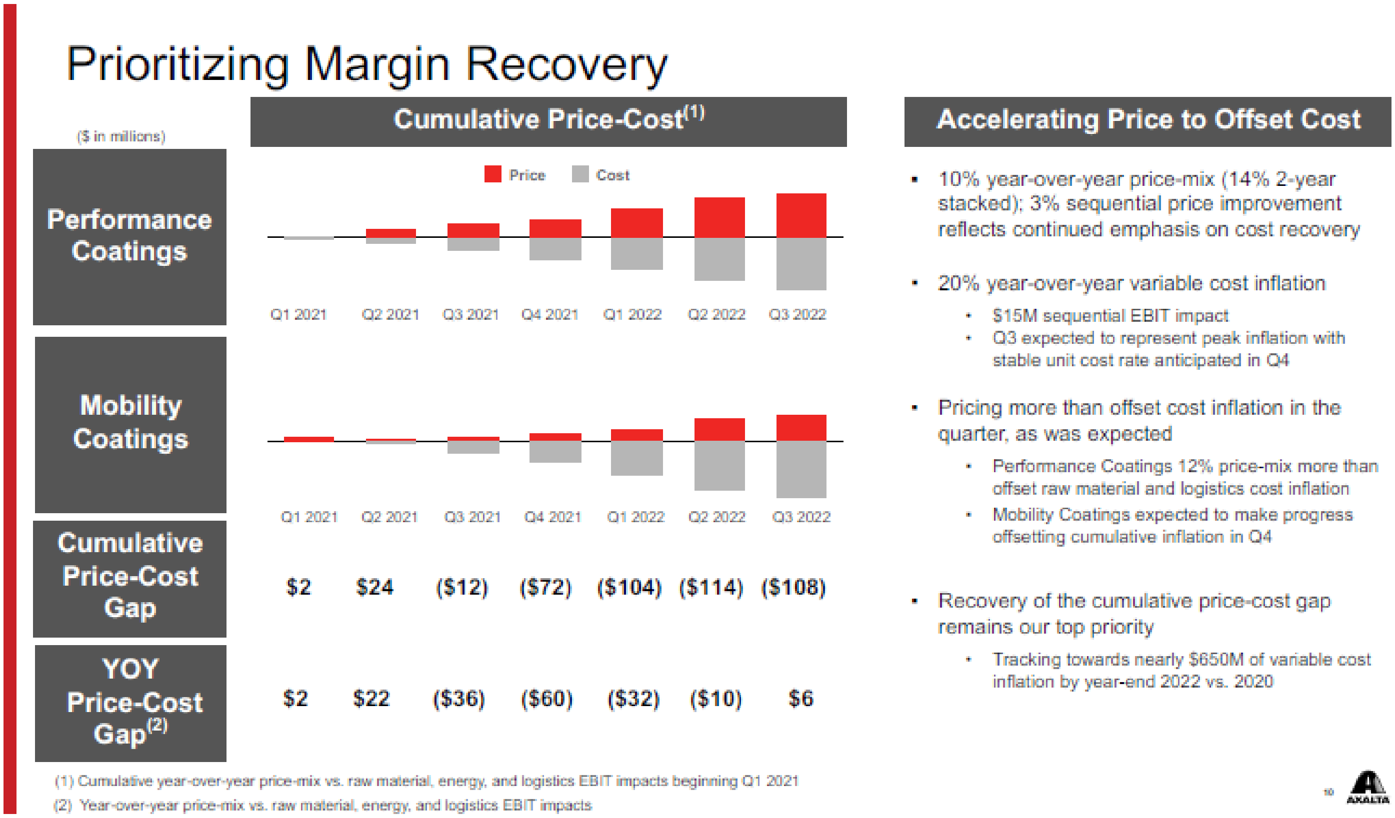
Slide 9: Mobility Business Review

In Mobility Coatings – an industry leader in light vehicle and commercial vehicle exterior OEM coatings – volume growth of 30% outpaced relevant industry production rates again as we continue to drive share gains.

Trends for commercial vehicle are very favorable with North America demand in the second-half of this year looking likely to exceed expectations. September Class 8 orders were a market record and we expect a good end to the year for our business. The teams are doing a fantastic job, as evidenced by our leading industry position and external recognition from customers. Axalta was the sole recipient of the 'Daimler Truck Supplier Award for Quality', a prestigious honor, and we have held the title of "master of quality" for 15 consecutive years as well. I am very proud of the team's accomplishments and their tremendous performance.

In Light Vehicle - New business wins made over the past year are increasing our exposure in China and should support continued market out-performance in 2023 and 2024. The contracts are attractive for the business and are coming in at variable contribution margins comparable to 2019 levels, as evidenced by the current profitability of Light-Vehicle in Asia-Pacific.

Yet, at a segment level we have much more to do to return to historic levels of profitability. Below normal auto production is still a drag on earnings, but price-cost remains a core challenge for the segment and worsened marginally in the quarter.



Slide 10: Prioritizing Margin Recovery

It is our intent to fully offset the impact of raw material, energy, and logistics inflation on our businesses. This quarter represented an inflection point in our price-cost trajectory as we more than offset year-over-year variable cost inflation for the first time since the current unprecedented inflationary environment began mid-2021.

Inflation has proven to be more persistent than we initially expected at the beginning of the year. We now forecast a 2021 and 2022 combined impact of approximately $650 million vs. a $400 million initial projection earlier this year. However, the raw material market has become more favorable in recent months. We are now seeing greater availability of bulk commodities, enabled by softening in adjacent markets and improved global arbitrage given normalizing global shipping and logistics. Pockets of pressure do remain, however, with EMEA energy inflation becoming more significant. Elsewhere, inflation is mostly isolated to specialties, like additives and certain pigments.

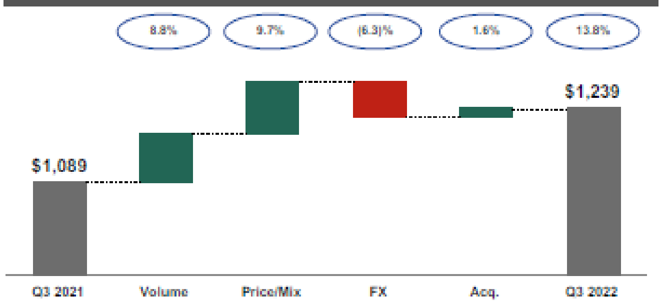
Therefore, we believe that Q3 represents peak inflation and we see an opportunity for flat-to-modestly lower unit rates in the fourth quarter. The anticipated raw material benefits will come through on slight lag, as we turnover higher-cost inventory on our balance sheet during Q4. Pricing remains a focal point for the teams given incremental pressures, like higher energy costs in EMEA, and the need to offset the remaining $100 million dollar price-cost gap impacting our margins.

Q3 Consolidated Results

Financial Performance

($ in millions, except per share data)	Q3 2022	Q3 2021	% Change Incl. F/X	% Change Excl. F/X
Performance Coatings	838	779	7.5 %	14.4 %
Mobility Coatings	401	309	29.5 %	34.6 %
Net Sales	1,239	1,089	13.8 %	20.1 %
Income from ops	124	125	(1.0)%	
Adjusted EBIT	148	146	1.4 %	
% margin	*11.9 %*	*13.4 %*		
Diluted EPS	0.28	0.30	(6.7)%	
Adjusted EPS	0.39	0.39	— %	

Net Sales Variance



Commentary

20% constant currency sales growth driven by strong pricing and volume recovery

- Positive price-mix across all end-markets
- Volume growth in three of four end-markets despite China COVID-19 lockdowns, headwinds from Russia-Ukraine conflict, and supply constraints
- M&A contribution driven by U-POL
- Significant FX headwinds of 6% driven by the Euro, Turkish Lira, Chinese Renminbi and British Pound

Adjusted EBIT marginally better as organic growth offset impacts of continued macro and geopolitical headwinds

- 10% price-mix growth offset variable cost inflation in the period
- China lockdowns, FX, and Russia-Ukraine continued to pressure EBIT by ~$16 million year-over-year
- Higher selling and general administration expense from labor and general fixed cost inflation, and also to support growth,drove higher fixed opex vs. prior-year

Slide 11: Q3 Consolidated Results

Net sales were $1.2 billion, an increase of 14% year-over-year for the third quarter, while constant currency net sales increased 20%, driven by pricing actions, demand strength across most of our businesses, and benefits from our U-POL acquisition we completed in mid-September of 2021. Constant currency net sales growth included a 14% increase in Performance Coatings and an impressive 35% growth from Mobility Coatings – both Light Vehicle and Commercial Vehicle showed strong year-over-year performance.

Third quarter volume improved 9% year-over-year with positive contribution from three of four end-markets, offset by a mid-single digit percentage decline in Industrial volumes, due to supply chain constraints as well as the macroeconomic and geopolitical headwinds within our EMEA and China regions. Backlog remained a challenge, as we were again unable to fully meet demand in the quarter for both our Industrial and Refinish businesses

Price-mix increased 10% year-over-year, or 14% better on a 2-year stacked basis. Every end-market contributed positive price-mix and three of our four end-markets showed an impressive low double-digit growth. The drop through of better pricing more than offset the 20% year-over-year increase in variable cost inflation, which is an important milestone in our efforts to reverse the price-cost gap. Sequentially price-mix improved by 3% highlighting continued momentum and our prioritization of price-cost recovery.

Third quarter Adjusted EBIT was $148 million versus $146 million in the prior year quarter. The year-over-year comparison included approximately $16 million of EBIT headwinds associated with the impacts from the Russia-Ukraine conflict, China lockdowns and FX translation - implying a more favorable earnings growth comparison when excluding these effects.

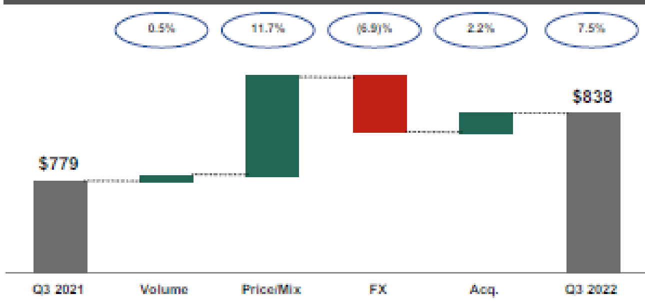
In the quarter and throughout 2022 we have incurred higher selling and general administration expense by design to support growth and from labor and general fixed cost inflation, which drove a step-up in fixed operating expense versus the prior-year.

Q3 Performance Coatings Results

Financial Performance

($ in millions)	Q3 2022	Q3 2021	% Change Incl. F/X	% Change Excl. F/X
Refinish	499	443	12.5 %	19.9 %
Industrial	339	336	1.1 %	7.1 %
Net Sales	838	779	7.5 %	14.4 %
Adjusted EBIT	122	123	(1.0)%	
% margin	*14.5 %*	*15.8 %*		

Net Sales Variance



Commentary

14% constant currency sales growth driven by pricing and M&A contribution

- Refinish volume growth partially offset by declines in Industrial
  - Strong growth in the Americas across both end-markets, especially Refinish North America which increased by 9% year-over-year
  - Pockets of significant declines in Industrial EMEA and China, 14% and 25% lower, respectively, year-over-year
- 12% price-mix growth as momentum continued across both end-markets
- 7% FX headwind driven by the Euro, British Pound and Chinese Renminbi

Adjusted EBIT slightly lower vs. prior year as cost and FX headwinds offset pricing gains

- ~$16 million impact from China lockdowns, FX, and Russia-Ukraine year-over-year

12

Slide 12: Q3 Performance Coatings Results

Performance Coatings Q3 net sales increased 8% year-over-year and 14% ex-FX, driven by a 12% increase in average price-mix and a 2% increase from the U-POL acquisition. Volumes remained largely flat, as Refinish growth was offset by Industrial headwinds in EMEA and China.

Refinish reported a 13% net sales increase, or 20% ex-FX, driven by a low-teens percent improvement in price-mix, 4% growth in volumes, and a 4% contribution from our U-POL acquisition. Demand for our products and services was strong and exceeded our ability to supply given constraints in our supply chain.

Q3 2022 marked the one year anniversary of our U-POL acquisition. We are excited about the revenue synergies we have seen so far, along with overall value creation in North America and Europe as this team and product offerings have integrated as we had expected.

Industrial Q3 net sales increased 1%, or 7% ex-FX, driven largely by low-teens percent improvement in average price-mix partially offset by modest volume declines in Europe and China.

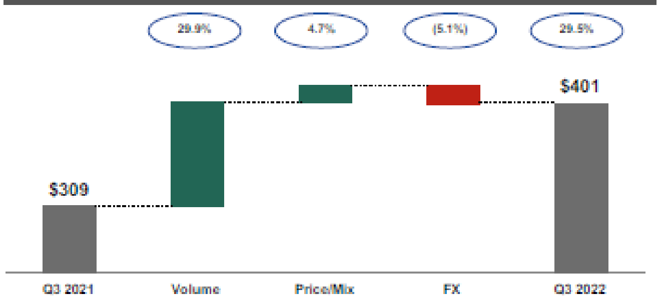
Performance Coatings reported Q3 Adjusted EBIT of $122 million versus $123 million in Q3 2021, as benefits from price-mix and modest volume contribution were more than offset by headwinds from FX, Russia-Ukraine, China COVID-19 lockdowns, and higher variable and fixed costs. Nonetheless, Refinish is on pace for another strong year of profitability in 2022, continuing momentum seen in 2021 as our team continues to execute extremely well.

Q3 Mobility Coatings Results

Financial Performance

($ in millions)	Q3 2022	Q3 2021	% Change Incl. F/X	% Change Excl. F/X
Light Vehicle	303	235	28.8 %	34.5 %
Commercial Vehicle	98	74	31.8 %	35.0 %
Net Sales	401	309	29.5 %	34.6 %
Adjusted EBIT	4	(3)	225.0 %	
% margin	*0.9 %*	*(0.9%)*		

Net Sales Variance



Commentary

Global auto production recovery, new business wins, and better pricing led to 35% constant currency sales growth

- Volume growth of 30% outpaced significantly higher year-over-year global build rates in LV and CV
- Price-mix improved year-over-year across both end-markets
- 5% FX headwinds driven by the Euro, Turkish Lira, and Chinese Renminbi

Modest Adjusted EBIT increase driven by volume tailwinds and pricing, offset partially by raw material cost inflation, and incremental fixed costs

- Cumulative price-cost gap widened modestly in the quarter

13 AXALTA

Slide 13: Q3 Mobility Coatings Results

Mobility Coatings constant currency net sales increased 35% in Q3 as volumes increased by 30%, which outpaced build rates across Light Vehicle and Commercial Vehicle. Pricing momentum continued in both businesses, which in aggregate grew 5% versus Q3 2021, inclusive of negative mix. FX was a 5% headwind in the quarter coming mostly from the Euro, Turkish Lira and Chinese Renminbi.

Light Vehicle net sales increased 35% ex-FX in the quarter, including a 32% volume increase which outpaced global auto production by roughly 400 basis points. Commercial Vehicle Q3 net sales increased 35% ex-FX, driven by customer wins and recovery from constrained production rates in the prior year. On a percentage basis, volume grew in the mid-twenties year-over-year while price-mix had a low double-digit percent improvement.

Mobility Coatings reported Q3 Adjusted EBIT of $4 million versus negative $3 million adjusted EBIT in the prior year quarter, as volume and price-mix growth were partially offset by raw material inflation and incremental fixed costs and FX.

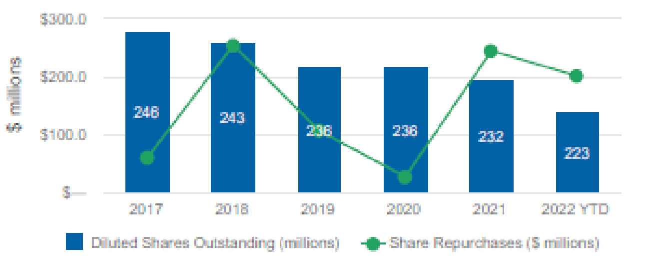
While we are excited that volumes continue to outpace market trends, growing EBIT margins and closing the price-cost gap continue to be an area of focus and priority for the business.

Debt and Liquidity Summary

Capitalization

($ in millions)	Interest		@ 9/30/2022	Maturity
Cash and Cash Equivalents		$	517	
Revolver ($550 million capacity)	Variable		—	2026
First Lien Term Loan (USD)	Variable		2,013	2024
Total Senior Secured Debt		**$**	**2,013**	
Senior Unsecured Notes (EUR)	Fixed		432	2025
Senior Unsecured Notes (USD)	Fixed		494	2027
Senior Unsecured Notes (USD)	Fixed		692	2029
Other Borrowings and Finance Leases			99	
Total Debt		**$**	**3,730**	
Total Net Debt (1)		**$**	**3,213**	
LTM Adjusted EBITDA			783	
Total Net Leverage (2)			**4.1x**	
Interest Coverage Ratio (3)			**5.8x**	

Share Repurchase History



Commentary

- Over $1.0 billion in available liquidity at September 30, 2022, including
  - $529 million of available capacity under our revolver
- Total net leverage of 4.1x at September 30, 2022 improved from 4.2x at June 30, 2022
- Weighted average cost of debt of 3.4% at September 30, 2022; long-term debt interest rates are effectively 83% fixed
  - $1.375 billion of term loan debt fixed with interest rate swaps

---

- Year-to-date share repurchases of $200 million
- ~2% annual share count reduction since 2017

(1) Total Net Debt = Total Debt minus Cash and Cash Equivalents
(2) Total Net Leverage = Total Net Debt / LTM Adjusted EBITDA
(3) Interest Coverage Ratio = LTM Adjusted EBITDA / LTM Interest Expense

14 AXALTA

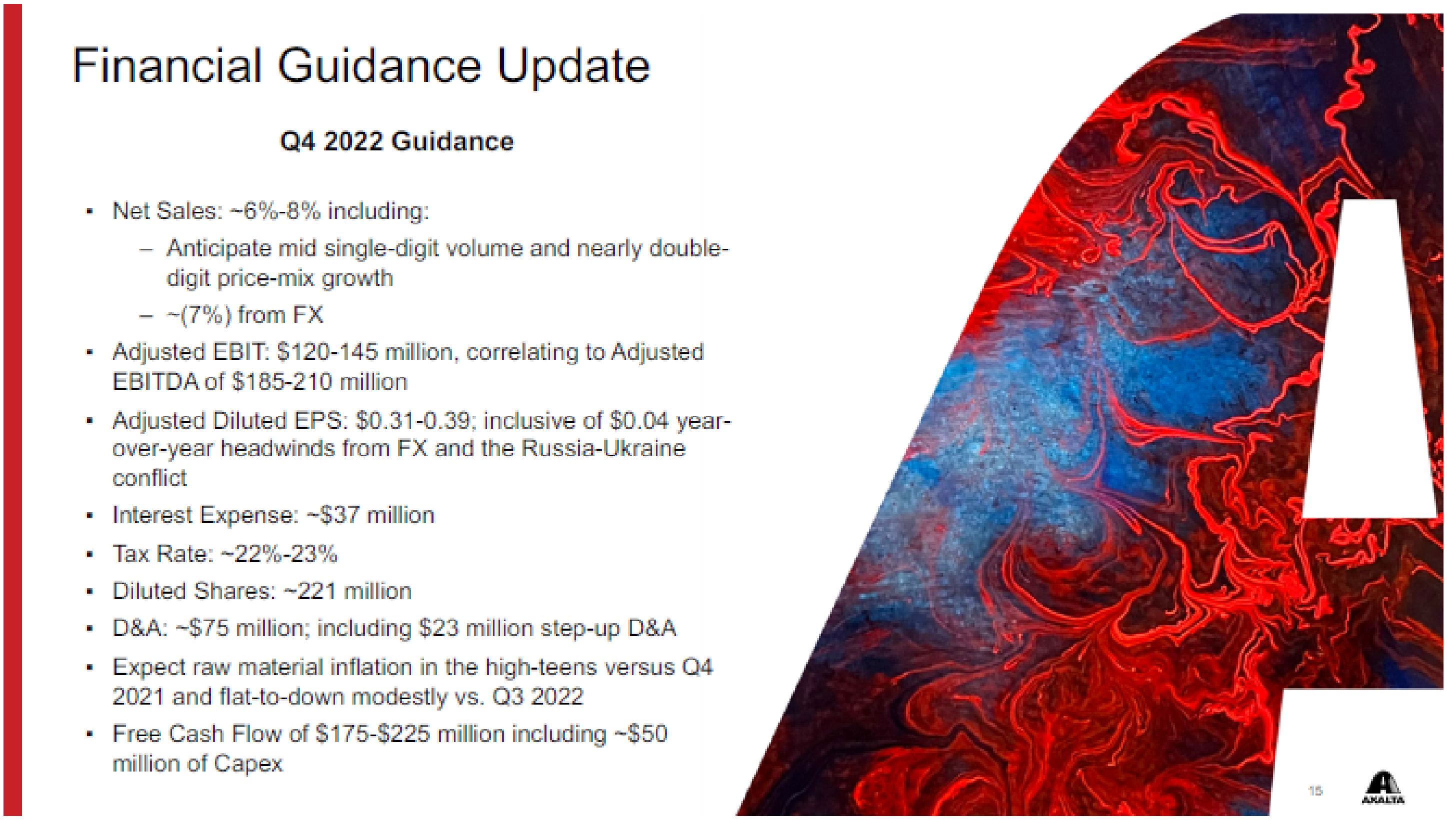
Slide 14: Debt and Liquidity Summary

Axalta's Q3 balance sheet and liquidity profile remained solid. We ended the quarter with slightly over $1.0 billion in total liquidity.

Our net leverage ratio ended the quarter at 4.1 times, reflecting a slight decrease from 4.2 times at June 30th. Net leverage remains elevated due to the phasing of free cash flow as well as incremental pressures on working capital balances associated with pricing and volume growth impacting Accounts Receivable as well as higher levels of inventory which are elevated, in partly due to inflation.

On capital allocation - we made no additional purchases of shares in the quarter and so the year-to-date total remains unchanged at $200 million. I would expect the pace of share buy-backs to largely remain somewhat muted as we focus on our net leverage and balance sheet. As interest rates step-up the relative attractiveness of gross debt reduction has increased and if trends continue is likely to become a larger emphasis for future capital allocation in the near term. Meanwhile, we are closely monitoring the debt markets for a window of opportunity to execute the refinancing of our $2 billion Term Loan, which matures in June of 2024.

Slide 15: Financial Guidance Update



Q4 and Full Year 2022 Assumptions

Macroeconomic Assumptions

- Global GDP growth of ~1.7% for Q4 2022 and ~2.9% for FY 2022
- Global industrial production growth of ~2.7% for Q4 2022 and ~3.0% for FY 2022
- Global auto build growth to be at ~2.2% for Q4 2022 and ~6.0% for FY 2022
- Global class eight truck production increase of ~6.9% for Q4 2022 and ~9.8% for FY 2022, excluding Asia Pacific and Eastern Europe

Q4 2022 Currency Assumptions

Currency	Q4 2021 % Axalta Net Sales	Q4 2021 Average Rate	Q3 2022 Average Rate	Q4 2022 Average Rate Assumption	USD % Impact of YOY FX Rate Change
US$ per Euro	~25%	1.14	1.01	0.98	(14.3%)
Chinese Renminbi per US$	~10%	6.39	6.85	7.00	(8.7%)
Brazilian Real per US$	~3%	5.58	5.25	5.30	5.3%
US$ per British Pound	~3%	1.35	1.18	1.14	(15.6%)
Mexican Peso per US$	~2%	20.74	20.24	20.25	2.4%
Swedish Krona per US$	~1%	8.86	10.55	10.92	(18.9%)
Indian Rupee per US$	~1%	74.92	77.79	80.00	(6.4%)
Turkish Lira per US$	~1%	11.03	17.93	20.00	(44.9%)
Other	~53%	NA	NA	NA	(0.9%)

17 AXALTA

Adjusted EBIT Reconciliation

	($ in millions)		Q3 2022		Q3 2021
	Income from operations	$	123.5	$	124.7
	Other expense (income), net		3.4		(2.4)
	Total	$	120.1	$	127.1
A	Termination benefits and other employee related costs		5.0		9.6
B	Strategic review and retention costs		—		2.1
C	Acquisition and divestiture-related costs		0.2		9.2
D	Accelerated depreciation and site closure costs		1.1		0.6
E	Operational matter		(0.1)		(18.7)
F	Gain on sale of facility		—		(8.9)
G	Russia sanction-related impacts		(1.3)		—
H	Other adjustments		0.4		(0.9)
I	Step-up depreciation and amortization		22.6		25.9
	Adjusted EBIT	$	148.0	$	146.0
	Segment Adjusted EBIT:				
	Performance Coatings	$	121.8	$	122.8
	Mobility Coatings		3.6		(2.7)
	Total	$	125.4	$	120.1
I	Step-up depreciation and amortization		22.6		25.9
	Adjusted EBIT	$	148.0	$	146.0

18 AXALTA

Adjusted EBIT Reconciliation (cont'd)

A Represents expenses and associated changes to estimates related to employee termination benefits and other employee-related costs, which includes costs related to the transition of our CEO. 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 that 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 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.

E 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.

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

G Represents benefits related to sanctions imposed on Russia in response to the conflict with Ukraine as a result of incremental reserves for accounts receivable, incremental inventory obsolescence and business incentive payments, which we do not consider indicative of our ongoing operating performance. The benefits recorded during the three months ended September 30, 2022 are related to changes in estimated inventory obsolescence.

H Represents costs for certain non-operational or non-cash losses and (gains), unrelated to our core business and which we do not consider indicative of ongoing operations.

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.

19 AXALTA

Adjusted Net Income Reconciliation

	($ in millions, except per share data)		Q3 2022		Q3 2021
	Net income	$	63.3	$	68.9
	Less: Net income attributable to noncontrolling interests		0.9		(0.2)
	Net income attributable to controlling interests	$	62.4	$	69.1
A	Termination benefits and other employee related costs		4.8		9.6
B	Strategic review and retention costs		—		2.1
C	Acquisition and divestiture-related costs		0.2		9.2
D	Accelerated depreciation and site closure costs		1.1		0.6
E	Operational matter		(0.1)		(18.7)
F	Gain on sale of facility		—		(8.9)
G	Russia sanction-related impacts		(0.5)		—
H	Other adjustments		0.4		(0.9)
I	Step-up depreciation and amortization		22.6		25.9
	Total adjustments	$	28.5	$	18.9
J	Income tax provision impacts		4.9		(1.3)
	Adjusted net income	$	86.0	$	89.3
	Diluted adjusted net income per share	$	0.39	$	0.39
	Diluted weighted average shares outstanding		221.2		230.7

20 AXALTA

Adjusted Net Income Reconciliation (cont'd)

A Represents expenses and associated changes to estimates related to employee termination benefits and other employee-related costs, which includes costs related to the transition of our CEO. 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 that 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 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.

E 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.

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

G Represents benefits related to sanctions imposed on Russia in response to the conflict with Ukraine as a result of incremental reserves for accounts receivable, incremental inventory obsolescence and business incentive payments, which we do not consider indicative of our ongoing operating performance. The benefits recorded during the three months ended September 30, 2022 are related to changes in estimated inventory obsolescence.

H Represents costs for certain non-operational or non-cash losses and (gains), unrelated to our core business and which we do not consider indicative of ongoing operations.

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.

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 $2.0 million and $3.1 million for the three months ended September 30, 2022 and 2021, respectively. The tax adjustments for the three months ended September 30, 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.

21 AXALTA

Free Cash Flow Reconciliation

($ in millions)	Q3 2022	Q2 2022	Q1 2022	YTD 2022	Q3 2021	Q2 2021	Q1 2021	YTD 2021
Cash provided by (used for) operating activities	$ 79.9	$ 12.2	$ (43.9)	$ 48.2	$ 142.9	$ 107.5	$ 39.6	$ 290.0
Purchase of property, plant and equipment	(35.5)	(29.5)	(42.5)	(107.5)	(38.4)	(28.5)	(31.8)	(98.7)
Interest proceeds on swaps designated as net investment hedges	6.1	3.8	6.2	16.1	7.2	3.6	3.5	14.3
Free cash flow	$ 50.5	$ (13.5)	$ (80.2)	$ (43.2)	$ 111.7	$ 82.6	$ 11.3	$ 205.6

22

Adjusted EBITDA Reconciliation

($ in millions)	LTM 9/30/2022	Q3 2022	Q2 2022	Q1 2022	Q3 2021	Q2 2021	Q1 2021	FY 2021
Net income	201.7	63.3	44.1	40.9	68.9	126.4	15.7	264.4
Interest expense, net	134.6	35.0	33.5	32.6	33.8	33.4	33.5	134.2
Provision for income taxes	60.8	21.8	18.8	11.0	24.4	38.7	3.8	76.1
Depreciation and amortization	311.3	74.5	77.3	77.7	79.3	79.0	76.4	316.5
EBITDA	**708.4**	**194.6**	**173.7**	**162.2**	**206.4**	**277.5**	**129.4**	**791.2**
A Termination benefits and other employee related costs	11.4	5.0	2.7	1.9	9.6	22.7	2.8	36.9
B Strategic review and retention costs	—	—	—	—	2.1	2.2	5.4	9.7
C Acquisition and divestiture-related costs	8.3	0.2	2.2	0.4	9.2	1.4	0.2	16.3
D Site closure costs	2.7	0.4	1.1	0.6	—	—	—	0.6
E Foreign exchange remeasurement losses	13.3	5.8	4.9	2.6	(1.3)	1.8	1.8	2.3
F Long-term employee benefit plan adjustments	0.5	0.2	0.1	0.1	(0.3)	(0.3)	(0.2)	(0.7)
G Stock-based compensation	17.2	5.0	3.7	5.3	3.9	4.2	3.6	14.9
H Dividends in respect of noncontrolling interest	(0.1)	—	—	(0.1)	—	—	(0.7)	(0.7)
I Operational matter	0.6	(0.1)	0.1	0.1	(18.7)	(71.8)	94.4	4.4
J Brazil indirect tax	—	—	—	—	—	(8.3)	—	(8.3)
K Gain on sale of facility	(10.8)	—	—	—	(8.9)	—	—	(19.7)
L Russia sanction-related impacts	4.8	(1.3)	0.3	5.8	—	—	—	—
M Commercial agreement restructuring impacts	25.0	—	25.0	—	—	—	—	—
N Other adjustments	1.7	0.5	(1.1)	0.7	(1.0)	0.3	—	0.9
Total adjustments	74.6	15.7	39.0	17.4	(5.4)	(47.8)	107.3	56.6
Adjusted EBITDA	**783.0**	**210.3**	**212.7**	**179.6**	**201.0**	**229.7**	**236.7**	**847.8**

Adjusted EBITDA Reconciliation (cont'd)

A Represents expenses and associated changes to estimates related to employee termination benefits and other employee-related costs, which includes costs related to the transition of our CEO. 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 that 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 costs related to the closure of certain manufacturing sites, which we do not consider indicative of our ongoing operating performance.

E 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.

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

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

H 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.

I 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.

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

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

L Represents (benefits) expenses related to sanctions imposed on Russia in response to the conflict with Ukraine as a result of incremental reserves for accounts receivable, inventory obsolescence and business incentive payments, which we do not consider indicative of our ongoing operating performance. The benefits recorded during the three months ended September 30, 2022 are related to changes in estimated inventory obsolescence.

M Represents a forgiveness of a portion of up-front customer incentives with repayment features upon our customer completing a recapitalization and restructuring of its indebtedness and the execution of a new long-term exclusive sales agreement with us. These amounts are not considered to be indicative of our ongoing operating performance.

N Represents costs for certain non-operational or non-cash losses and (gains), unrelated to our core business and which we do not consider indicative of ongoing operations.

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, raw material inflation 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 make future acquisitions. Axalta has identified some of these forward-looking statements with words such as "believe," "expect," "likely," "outlook," "forecast," "may," "will," "guidance," "to be," "can," "optimistic," "should," "could," "continuing," "anticipate," "assumes," "assumptions," "future," "vision," "intent," "look to," "opportunity," "estimates," "projected," "continues," "to," "potential," "upside," "strategic priorities," "goals," "on track for," "tracking towards," and "see" 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. 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, Adjusted EBITDA to interest expense coverage ratio, Adjusted EBIT margin and net leverage. 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, Adjusted EBITDA to interest expense coverage ratio, Adjusted EBIT margin and net leverage 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, Adjusted EBITDA to interest expense coverage ratio, Adjusted EBIT margin and net leverage 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, Adjusted EBITDA to interest expense coverage ratio, Adjusted EBIT margin and net leverage 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.