Q1 2023 Financial Results

May 2, 2023

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 and/or guidance, which includes net sales growth, currency effects, Adjusted EBIT, Adjusted diluted EPS, depreciation and amortization, step-up depreciation and amortization, tax rate, as adjusted, diluted shares outstanding, interest expense, capital expenditures and free cash flow, 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," "outlook," "forecast," "may," "will," "guidance," "to be," "can," "should," "anticipate," "assumes," "assumptions," "future," "intent," "opportunity," "estimates," "projection," "potential," "promising," "project," "upside," "strategy," "goal," "target," "priority," 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. 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 ("SEC"). 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, 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, total net leverage ratio and Adjusted EBIT margin. 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 otherwise 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, 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, total net leverage ratio and Adjusted EBIT margin may differ from that of others in our industry. Constant currency net sales growth, 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, total net leverage ratio and Adjusted EBIT margin should not be considered as alternatives to net sales, net income (loss), income (loss) from 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, 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, total net leverage ratio and Adjusted EBIT margin 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 Adjusted EBIT, Adjusted EBITDA, Adjusted diluted EPS, 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 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 SEC.

Rounding

Due to rounding the tables presented may not foot.

Public Dissemination of Certain Information

We intend to use our investor relations page at ir.axalta.com as a means of disclosing material information to the public in a broad, non-exclusionary manner for purposes of the SEC's Regulation Fair Disclosure (or Reg. FD). Investors should routinely monitor that site, in addition to our press releases, SEC filings and public conference calls and webcasts, as information posted on that page could be deemed to be material information.

Q1 2023 Key Highlights

- Adjusted EBIT increased 25% YoY to $149 million and exceeded the top end of Q1 2023 guidance
- Pricing momentum continued in all end-markets, resulting in an overall price-mix increase of 9%
- Above-market volume growth in Mobility Coatings offset macroeconomic headwinds impacting Industrial business
- Adjusted EBIT Margin growth for the second consecutive quarter increased to 11.6% from 10.2% in Q1 2022
- Net leverage improved to 3.7x at March 31st from 3.8x at December 31st

Driving Improved Profitability

Focused Execution

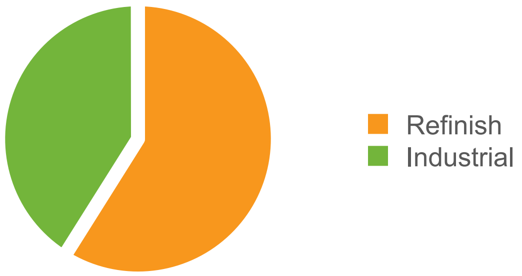
2023 Catalysts

- Strong Demand for Axalta Products and Services
- Partnering With the Fastest Growing Customers
- Upside From Normalizing End-Market Activity
- Targeted Pricing Actions
- Improving Raw Material Environment

Accelerating Margin Recovery Through Focused Execution

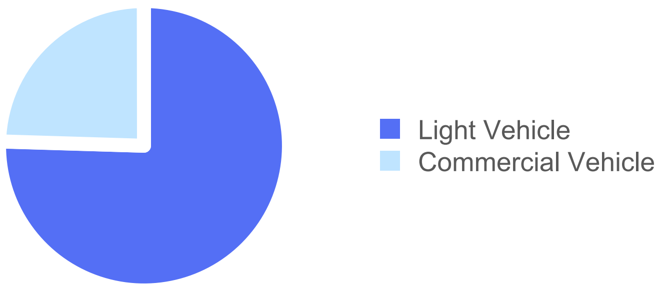
Q1 Volume Trends

PERFORMANCE COATINGS

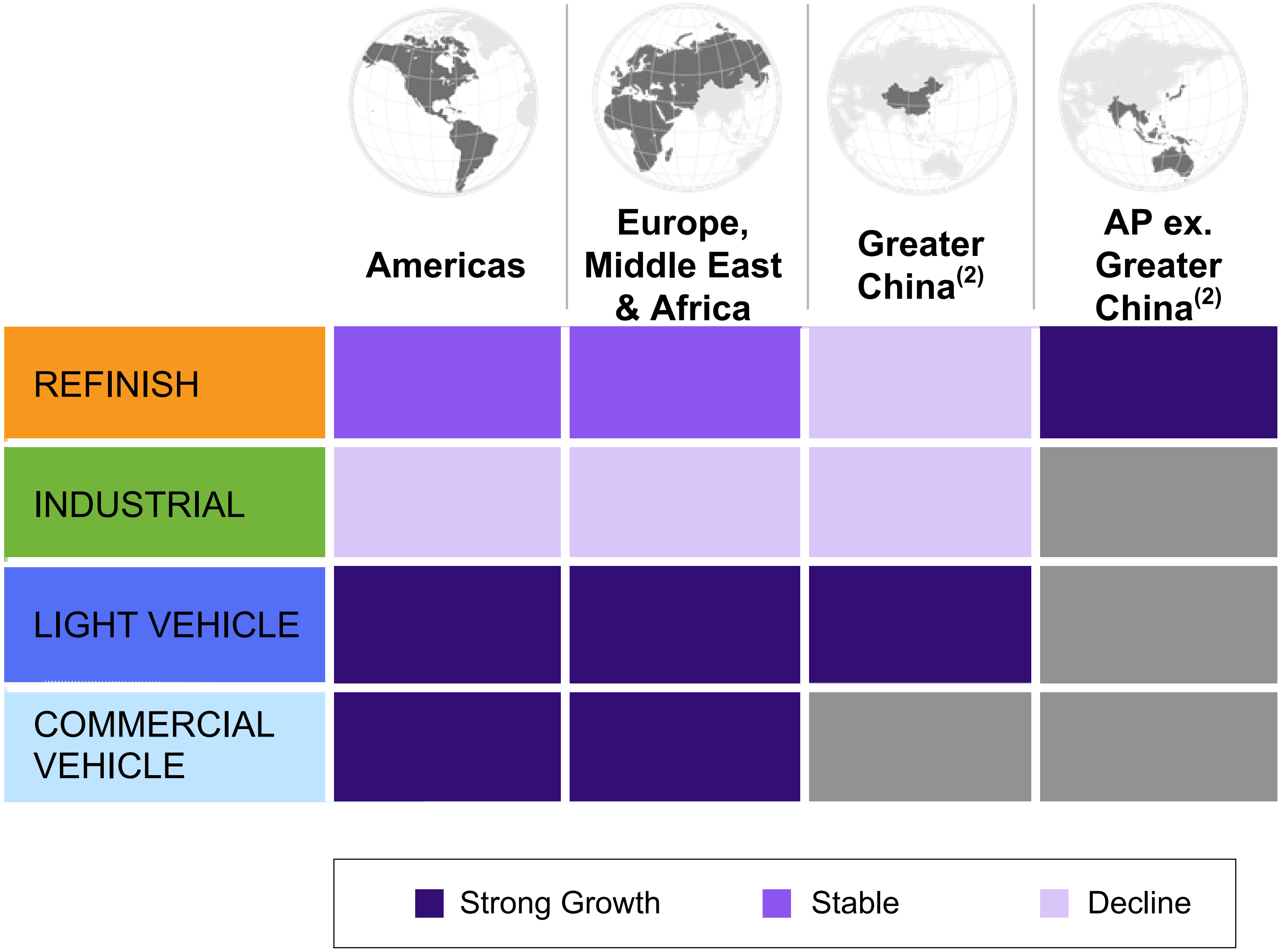


$3.4B in Net Sales[1]

MOBILITY COATINGS



$1.6B in Net Sales[1]



(1) Q1 2023 LTM
(2) Grey boxes represent areas with less than 1% of consolidated sales in Q1 2023

Note: Heat map reflects Q1 2023 vs. Q1 2022 change in organic volume

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Refinish Business Review

GLOBAL LEADER IN AFTERMARKET AUTO COATINGS AND ACCESSORIES

- **10% price-mix growth** YoY offset historically high inflation, labor and freight
- **Volumes up slightly** YoY reflecting market recovery and continued share gains
  - North America growth offset a slow recovery in China
  - Europe volumes increased modestly despite Russia-Ukraine headwinds
- **Refinish continues to gain share** and outpace industry growth rates
  - Best-in-class products driving share gain with growing customer base
  - Robust long-term growth outlook for the >$500M North American retail aerosol and protective coatings market[(1)]

Diversifying into high growth retail channel with U-POL products

Notable US Retail Distribution Partners

AutoZone

O'Reilly AUTO PARTS

NAPA

Benefits of Retail Expansion and Recent Highlights

- Comprehensive line of automotive refinishing products specializing in fillers, coatings, aerosols, adhesives and paint related products
- U-POL aerosols and RAPTOR protective coatings are market leading solutions for the fast-growing DIY consumer market
- Rapidly increasing our presence in North America with more than 16,000 retail points of distribution following recent wins

(1) Current Addressable Market: $250M in Aerosols (Source: The Insight Partners) and $290M in Protective Coatings (Source: Management Estimate)

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Industrial Business Review

EXPANDING SALES PIPELINE ACROSS DIVERSIFIED GROWTH PLATFORM

- **11% price-mix growth YoY;** 3% sequential improvement
- **9% volume decline YoY** driven by softer global demand; 3% sequential improvement
  - General Industrial lower across majority of regional exposures, particularly North America and Europe
  - Slowdown in North American construction activity impacting Building Products business
- **Margin recovery underway** despite lower volumes; positive momentum on margin and profitability off of Q4 2022 run-rates

Edison Award Winning Products

Abcite 2060

Anticorrosion Single-Layer Solution For Large Metal Structures

Self-Priming Kitchen Cabinet

Decreases Use Of Hazardous Materials By 90%

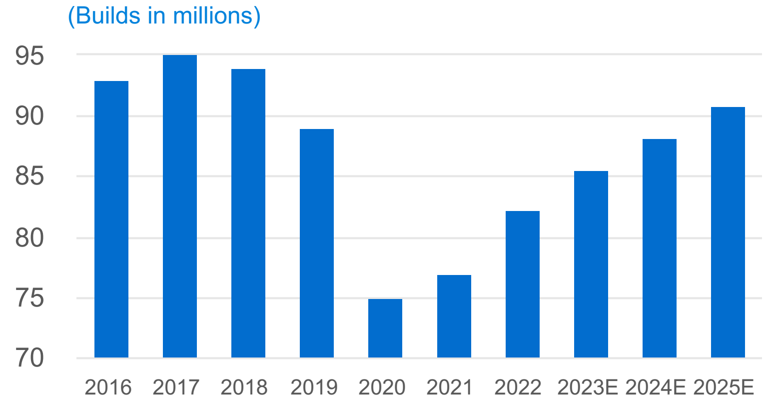
Mobility Coatings Business Review

MARGIN RECOVERY THROUGH VOLUME AND PRICE-MIX GROWTH

LIGHT VEHICLE

- **Price-mix growth of 6% YoY**
- **Volume growth of 16% YoY**
    - Outpaced global auto production of ~6%
- **Axalta 2023 outlook for global auto production remains unchanged at 83M-84M with a robust multiyear outlook**

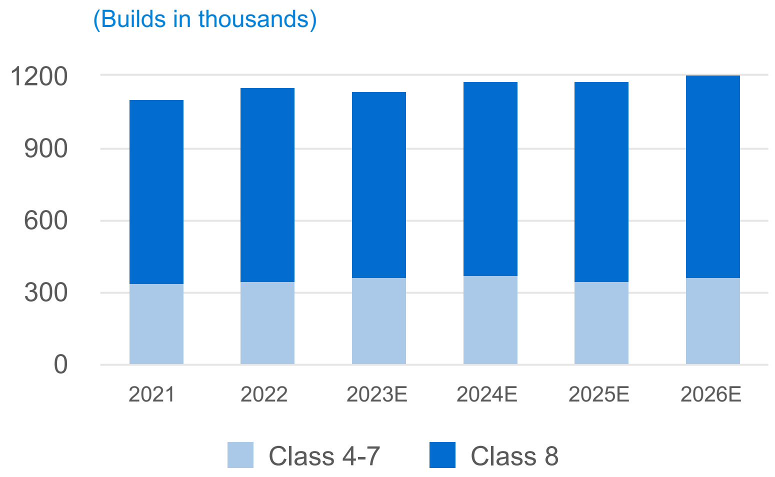
2016-2025 GLOBAL LV BUILDS(1)



COMMERCIAL VEHICLE

- **Price-mix growth of 10% YoY**
- **Volume growth of 19% YoY**
- **Global Commercial Vehicle outlook remains robust**
    - Heavy Duty Truck backlogs in North America remain elevated at ~8 months
    - Positive multiyear outlook for Medium and Heavy Duty Truck demand

2021-2026 CV BUILDS - CLASS 4-8(1)(2)



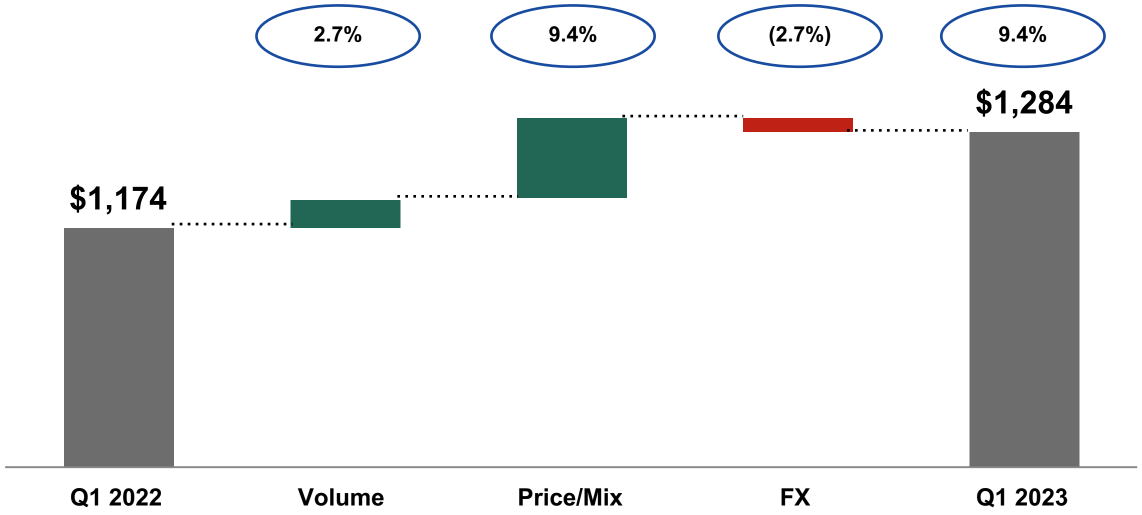
(1) Source: S&P Global industry forecasts
(2) Builds exclude Eastern Europe and Asia-Pacific due to limited Axalta exposure

Q1 Consolidated Results

Financial Performance

($ in millions, except per share data)	Q1 2023	Q1 2022	% Change Incl. F/X	% Change Excl. F/X
Performance Coatings	847	814	4.0 %	6.9 %
Mobility Coatings	437	360	21.4 %	23.7 %
Net Sales	1,284	1,174	9.4 %	12.1 %
Income from ops	125	86	45.2 %	
Adjusted EBIT	149	120	24.9 %	
% margin	*11.6 %*	*10.2 %*		
Diluted EPS	0.27	0.18	50.0 %	
Adjusted Diluted EPS	0.35	0.31	12.9 %	

Net Sales Variance



Commentary

Net sales growth year-over-year driven primarily by price realization and modest volume growth

- 9% price-mix growth driven by strong contributions from all end-markets
- 3% volume growth as new business wins and market recovery in Mobility Coatings more than offset weaker Global Industrial markets

Adjusted EBIT growth year-over-year driven by pricing and Mobility Coatings margin recovery

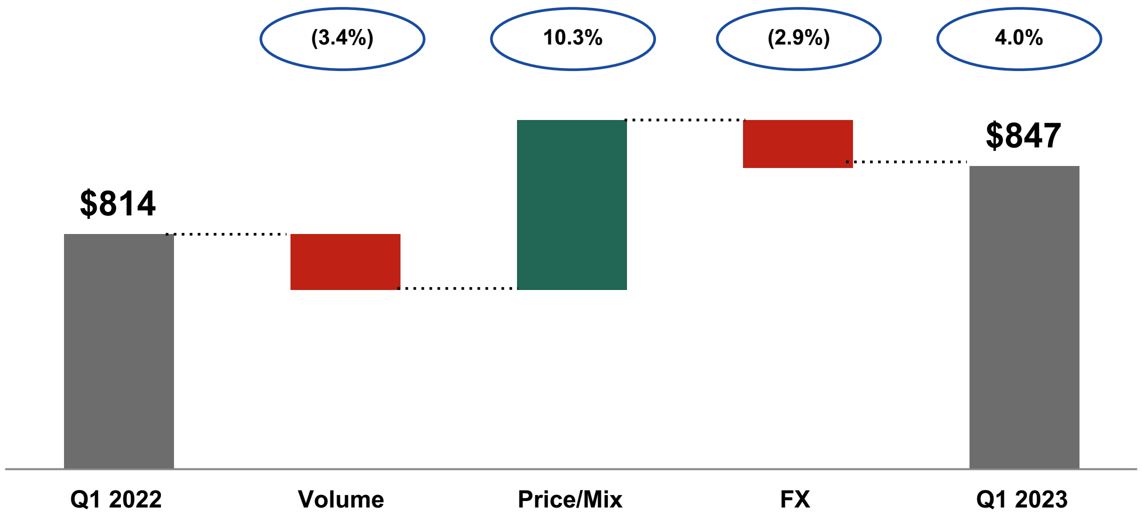
- Adjusted EBIT margins improved by 140 bps
- Positive year-over-year price-cost contribution despite high-single-digit variable cost inflation
- Headwinds from labor and general fixed cost inflation, investments in operational improvements and sales support as well as lower production levels as we intentionally managed inventory levels

Q1 Performance Coatings Results

Financial Performance

($ in millions)	Q1 2023	Q1 2022	% Change Incl. F/X	% Change Excl. F/X
Refinish	498	461	7.8 %	10.9 %
Industrial	350	353	(1.0)%	1.5 %
Net Sales	847	814	4.0 %	6.9 %
Adjusted EBIT	109	95	15.5 %	
% margin	*12.9 %*	*11.6 %*		

Net Sales Variance



Commentary

Net sales grew 7% year-over-year (ex-FX) as double digit price-mix growth in both end-markets was partially offset by lower Industrial volumes

- Refinish price-mix growth and share gains led to constant currency net sales growth of 11% year-over-year
- Industrial constant currency net sales growth of 2% increased modestly year-over-year as 11% price-mix growth offset volumes declines

Adjusted EBIT improved 16% year-over-year driven primarily by price-mix growth from both end-markets

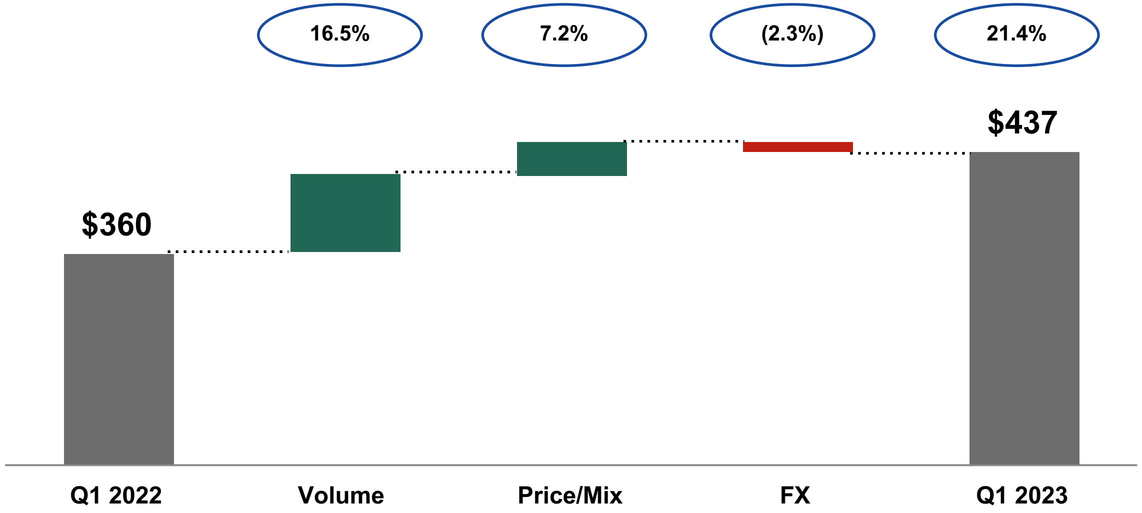
- Improved Refinish contribution driven by pricing and volume growth in North America
- Industrial price-mix offset year-over-year headwinds from lower volumes and variable cost inflation

Q1 Mobility Coatings Results

Financial Performance

($ in millions)	Q1 2023	Q1 2022	% Change Incl. F/X	% Change Excl. F/X
Light Vehicle	329	276	19.2 %	22.1 %
Commercial Vehicle	108	84	28.8 %	28.8 %
Net Sales	437	360	21.4 %	23.7 %
Adjusted EBIT	24	1	N/M	
% margin	*5.4 %*	*0.1%*		

Net Sales Variance



Commentary

Net sales growth of 24% (ex-FX) from above market volume growth and strong price-mix in both end-markets

- Light Vehicle and Commercial Vehicle growth supported by new business wins and stronger markets
- Price-mix improved by 7% with positive contributions from both end-markets

Adjusted EBIT and margin improvement supported by above market volume growth and price-mix momentum

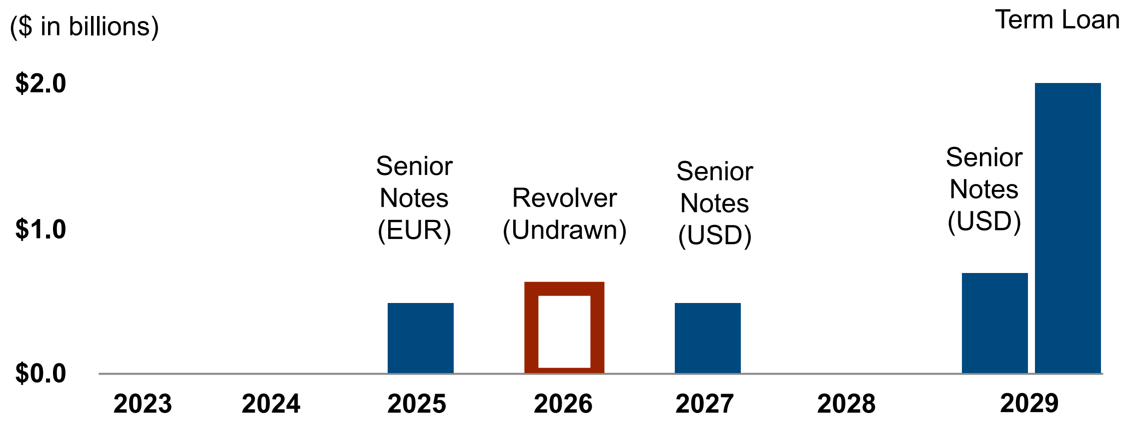
- Light Vehicle and Commercial Vehicle margin contribution from volume recovery and price-mix growth despite higher year-over-year variable cost headwinds
- Second consecutive quarter of positive year-over-year price-cost contribution; however, two-year cumulative price-cost gap remains

Debt and Liquidity Summary

Capitalization

($ in millions)	Interest	@ 3/31/2023	Maturity
Cash and Cash Equivalents		$ 512	
Revolver ($550 million capacity)	Variable	—	2026
First Lien Term Loan (USD)	Variable	1,894	2029
Total Senior Secured Debt		**$ 1,894**	
Senior Unsecured Notes (EUR)	Fixed	487	2025
Senior Unsecured Notes (USD)	Fixed	495	2027
Senior Unsecured Notes (USD)	Fixed	692	2029
Other Borrowings and Finance Leases		79	
Total Debt		**$ 3,647**	
Total Net Debt (1)		**$ 3,135**	
LTM Adjusted EBITDA		844	
Total Net Leverage (2)		**3.7x**	
Interest Coverage Ratio (3)		**5.4x**	

Debt Maturity Profile



Commentary

Focused capital allocation

- Paid down $75 million of long term debt in the period, with $122 million of combined structural debt pay downs over the past two quarters
- Near-term capital allocation strategy focused on debt reduction and maintaining balance sheet strength

Total liquidity remains strong

- Over $1 billion available at March 31, 2023 including $530 million of available capacity under our undrawn revolver

Improved balance sheet metrics

- Total net leverage ratio of 3.7x at March 31, 2023 improved from 3.8x at December 31, 2022

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

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Financial Guidance & Market Commentary

Axalta does not provide a reconciliation for non-GAAP estimates for constant currency net sales growth, Adjusted EBIT, Adjusted EBITDA, Adjusted Diluted EPS and tax rate, as adjusted, 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. See "Non-GAAP Financial Measures" for more information.

Q2 2023 Outlook

(in millions, except per share data & %s)	Projection
Net Sales growth versus Q2 2022	7% - 10%
FX impact on Net Sales	~ (1%)
Adjusted EBIT (Adjusted EBITDA)	$150 - $170 ($220 - $240)
Adjusted Diluted EPS	$0.34 - $0.40
D&A (step-up D&A)	~ $70 ($13)
Tax rate, as adjusted	~ 25%
Diluted shares outstanding	~ 222
Interest expense	~ $56

FY 2023 Assumptions

(in millions, except per share data & %s)	Projection
Global LV Builds	83.0 - 84.0
Capex	~ $190
D&A (step-up D&A)	~ $280 ($55)
Tax rate, as adjusted	~ 25%
Diluted shares outstanding	~ 222
Interest expense	$215 - $225
Free Cash Flow	~ $350

Q2 2023 Commentary

- **Adjusted EBIT:** Expect sequential operating income improvement across all four end-markets
- **Raw Materials and Labor:** Improving raw material environment with pockets of pressure anticipated to continue in specialties and labor; expect low-single-digit % YoY raw material benefit
- **One-time Investments:** Adj. EBIT and Adj. EBITDA ranges assume ~$15 million in costs associated with our ERP Implementation in addition to fees for third-party consultants focused on improvement within procurement and operations

FY 2023 Commentary

- **Overall Performance:** Expect momentum to continue in Refinish after record 2022 profitability, strong sales and margin recovery in Mobility Coatings; potentially softer Industrial markets to be balanced by contribution from price-cost normalization and share gains
- **Raw Materials and Labor:** Expect modest deflation in elevated upstream commodities to help offset persistent headwinds from labor inflation
- **Operating Income:** Expect meaningful YoY growth given carry over pricing, Refinish stability, Mobility market recovery and stabilizing input cost environment offset modestly by supplemental investments in the business

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Appendix

Q2 and Full Year 2023 Assumptions

Macroeconomic Assumptions

Indicator	Q2 2023	FY 2023
Global GDP Growth(1)	~2.4%	~1.9%
Global Industrial Production(1)	~1.7%	~1.3%
Global Auto Builds(2)	~13.0%	~3.8%
Global Truck Production(2)	~8.0%	~3.9%

Q2 2023 Currency Assumptions

Currency	Q2 2022 % Axalta Net Sales	Q2 2022 Average Rate	Q2 2023 Average Rate Assumption	USD % Impact of FX Rate Change
US$ per Euro	~26%	1.06	1.08	1.4%
Chinese Yuan per US$	~8%	6.62	6.80	(2.7%)
Mexican Peso per US$	~5%	20.03	18.65	7.4%
Brazilian Real per US$	~4%	4.91	5.20	(5.5%)
US$ per British Pound	~3%	1.26	1.22	(2.9%)
Indian Rupee per US$	~2%	77.19	82.00	(5.9%)
Swedish Krona per US$	~1%	9.84	10.19	(3.4%)
Turkish Lira per US$	~1%	15.76	20.00	(21.2%)
Other	~48%	NA	NA	(0.2%)

(1) Factset Research
(2) S&P Global industry forecasts

Adjusted EBIT Reconciliation

	($ in millions)	Q1 2023	Q1 2022
	Income from operations	$ 125.3	$ 86.3
	Other expense, net	1.3	1.8
	Total	$ 124.0	$ 84.5
A	Debt extinguishment and refinancing-related costs	1.8	—
B	Termination benefits and other employee-related (benefits) costs	(0.2)	2.4
C	Acquisition and divestiture-related costs	0.5	0.4
D	Impairment charges	7.1	0.3
E	Accelerated depreciation and site closure costs	1.1	1.3
F	Russia sanction-related impacts	(1.4)	5.8
G	Other adjustments	(0.1)	0.4
H	Step-up depreciation and amortization	16.5	24.4
	Adjusted EBIT	$ 149.3	$ 119.5
	Segment Adjusted EBIT:		
	Performance Coatings	$ 109.3	$ 94.6
	Mobility Coatings	23.5	0.5
	Total	$ 132.8	$ 95.1
H	Step-up depreciation and amortization	16.5	24.4
	Adjusted EBIT	$ 149.3	$ 119.5

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 associated with restructuring programs and other employee-related costs. These amounts are not considered indicative of our ongoing operating 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. The amount for the three months ended March 31, 2023 includes $0.8 million of due diligence and other related costs associated with unconsummated merger and acquisition transactions.

D Represents impairment charges, which are not considered indicative of our ongoing operating performance. The amount recorded during the three months ended March 31, 2023 relates to a $7.1 million loss due to the anticipated exit of a non-core business category in the Mobility Coatings segment.

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 expenses and associated changes to estimates related to sanctions imposed on Russia in response to the conflict with Ukraine for incremental reserves on accounts receivable and inventory, which we do not consider indicative of our ongoing operating performance.

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

H 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 2023	Q1 2022
	Net income	$ 60.5	$ 40.9
	Less: Net income (loss) attributable to noncontrolling interests	—	(0.6)
	Net income attributable to controlling interests	$ 60.5	$ 41.5
A	Debt extinguishment and refinancing-related costs	1.8	—
B	Termination benefits and other employee-related (benefits) costs	(0.2)	2.4
C	Acquisition and divestiture-related costs	0.5	0.4
D	Impairment charges	7.1	0.3
E	Accelerated depreciation and site closure costs	1.1	1.3
F	Russia sanction-related impacts	(1.4)	5.0
G	Other adjustments	(0.1)	0.4
H	Step-up depreciation and amortization	16.5	24.4
	Total adjustments	$ 25.3	$ 34.2
I	Income tax provision impacts	7.3	6.6
	Adjusted net income	$ 78.5	$ 69.1
	Adjusted diluted net income per share	$ 0.35	$ 0.31
	Diluted weighted average shares outstanding	222.1	225.2

Adjusted Net Income Reconciliation (cont'd)

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I 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 benefits of $1.5 million and expenses of $0.7 million for the three months ended March 31, 2023 and 2022, respectively. The tax adjustments for the three months ended March 31, 2023 and 2022 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 2023	Q1 2022
Cash used for operating activities	$ (51.8)	$ (43.9)
Purchase of property, plant and equipment	(41.4)	(42.5)
Interest proceeds on swaps designated as net investment hedges	5.6	6.2
Free cash flow	$ (87.6)	$ (80.2)

Adjusted EBITDA Reconciliation

($ in millions)		LTM 3/31/2023	Q1 2023	Q1 2022	FY 2022
	Net income	$ 211.8	$ 60.5	$ 40.9	$ 192.2
	Interest expense, net	155.4	48.2	32.6	139.8
	Provision for income taxes	69.4	15.3	11.0	65.1
	Depreciation and amortization	294.9	69.5	77.7	303.1
	EBITDA	**$ 731.5**	**$ 193.5**	**$ 162.2**	**$ 700.2**
A	Debt extinguishment and refinancing-related costs	16.5	1.8	—	14.7
B	Termination benefits and other employee-related costs (benefits)	22.3	(0.2)	1.9	24.4
C	Acquisition and divestiture-related costs	3.0	0.5	0.4	2.9
D	Impairment charges (benefits)	6.4	7.1	0.3	(0.4)
E	Site closure costs	2.8	1.1	0.6	2.3
F	Foreign exchange remeasurement losses	14.9	2.3	2.6	15.2
G	Long-term employee benefit plan adjustments	1.8	2.2	0.1	(0.3)
H	Stock-based compensation	23.2	6.3	5.3	22.2
I	Gain on sale of facility	(1.5)	—	—	(1.5)
J	Russia sanction-related impacts	(2.2)	(1.4)	5.8	5.0
K	Commercial agreement restructuring impacts	25.0	—	—	25.0
L	Other adjustments	0.6	(0.1)	0.4	1.1
	Total adjustments	$ 112.8	$ 19.6	$ 17.4	$ 110.6
	Adjusted EBITDA	**$ 844.3**	**$ 213.1**	**$ 179.6**	**$ 810.8**

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 associated with restructuring programs and other employee-related costs. These amounts are not considered indicative of our ongoing operating 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. The amount for the three months ended March 31, 2023 includes $0.8 million of due diligence and other related costs associated with unconsummated merger and acquisition transactions.

D Represents impairment charges, which are not considered indicative of our ongoing operating performance. The amount recorded during the three months ended March 31, 2023 relates to a $7.1 million loss due to the anticipated exit of a non-core business category in the Mobility Coatings segment.

E Represents costs related to the closure of certain manufacturing sites, which we do not consider indicative of our ongoing operating 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 non-recurring income related to the sale of a previously closed manufacturing facility.

J Represents expenses and associated changes to estimates related to sanctions imposed on Russia in response to the conflict with Ukraine for incremental reserves on accounts receivable and inventory, which we do not consider indicative of our ongoing operating performance.

K 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.

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

2023 Guidance Supplement | 2023 Step-Up Depreciation & Amortization Decrease Relative to 2022

($ in millions)	Q2	Q3	Q4	Full Year
Step-Up Depreciation & Amortization				
2023 Guidance[1]	$13	$13	$13	$55
2022 (As Reported)	$23	$23	$23	$93
Variance[2]	($10)	($10)	($10)	($38)
Total AXTA 2023 Adj. EBIT Impact[3]	$—	$—	$—	$—
Approximate segment allocation of Step-Up Depreciation & Amortization variance versus 2022				
Performance Coatings[1]	65%	65%	65%	65%
Mobility Coatings[1]	35%	35%	35%	35%
Total Axalta Depreciation & Amortization				
2023 Guidance[1]	$70	$70	$70	$280
2022 (As Reported)	$77	$74	$74	$303
Variance	($7)	($4)	($4)	($23)

(1) Management Estimates
(2) Change versus prior year due to a decrease related to the incremental step-up depreciation and amortization expense associated with the acquisition of DuPont Performance Coatings By Axalta in February 2013.

(3) Step-Up Depreciation & Amortization is added back for the calculation of Axalta Adjusted EBIT; however, it is not added back for the calculation of segment Adjusted EBIT.

AXALTA

Thank You

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