



Investor Presentation
Second Quarter 2020

Legal Notices



Forward-Looking Statements

This presentation and the oral remarks made in connection herewith may contain certain forward-looking statements regarding Axalta and its subsidiaries including our outlook, which includes net sales growth, currency effects, acquisition or divestment impacts, Adjusted EBIT, Adjusted EPS, Adjusted EBITDA, interest expense, income tax rate, as adjusted, free cash flow, capital expenditures, depreciation and amortization, and diluted shares outstanding and the effects of COVID-19 on Axalta's business and financial results. Axalta has identified some of these forward-looking statements with words such as "anticipates," "believes," "expects," "estimates," "is likely," "outlook," "projects," "forecasts," "may," "will," "should," "plans" and "intends" and the negative of these words or other comparable or similar terminology. All of these statements are based on management's expectations as well as estimates and assumptions prepared by management that, although they believe to be reasonable, are inherently uncertain. These statements involve risks and uncertainties, including, but not limited to, economic, competitive, governmental and technological factors outside of Axalta's control, as well as the recently concluded review of strategic alternatives and the effects of COVID-19, that may cause its business, industry, strategy, financing activities or actual results to differ materially. The extent 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 the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" section within Axalta's most recent annual report on Form 10-K, and in other documents that we have filed with, or furnished to, the U.S. Securities and Exchange Commission, including our Quarterly Report on form 10-Q for the quarter ended March 31, 2020. 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 EPS, free cash flow, net debt, Adjusted net income and Adjusted EBITDA to interest expense 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 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 EPS, free cash flow, net debt, Adjusted net income and Adjusted EBITDA to interest expense 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 EPS, free cash flow, net debt, Adjusted net income and Adjusted EBITDA to interest expense ratio should not be considered as alternatives to net sales, net income (loss), income (loss) before operations or any other performance measures derived in accordance with GAAP as measures of operating performance or operating cash flows or as measures of liquidity. Constant currency net sales growth, income tax rate, as adjusted, EBIT, Adjusted EBIT, EBITDA, Adjusted EBITDA, Adjusted EPS, free cash flow, net debt, Adjusted net income and Adjusted EBITDA to interest expense 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 release 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 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 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

Our primary measure of segment operating performance, as determined in accordance with GAAP, 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. A reconciliation of this non-GAAP financial measure with the most directly comparable financial measure calculated in accordance with GAAP is not required.

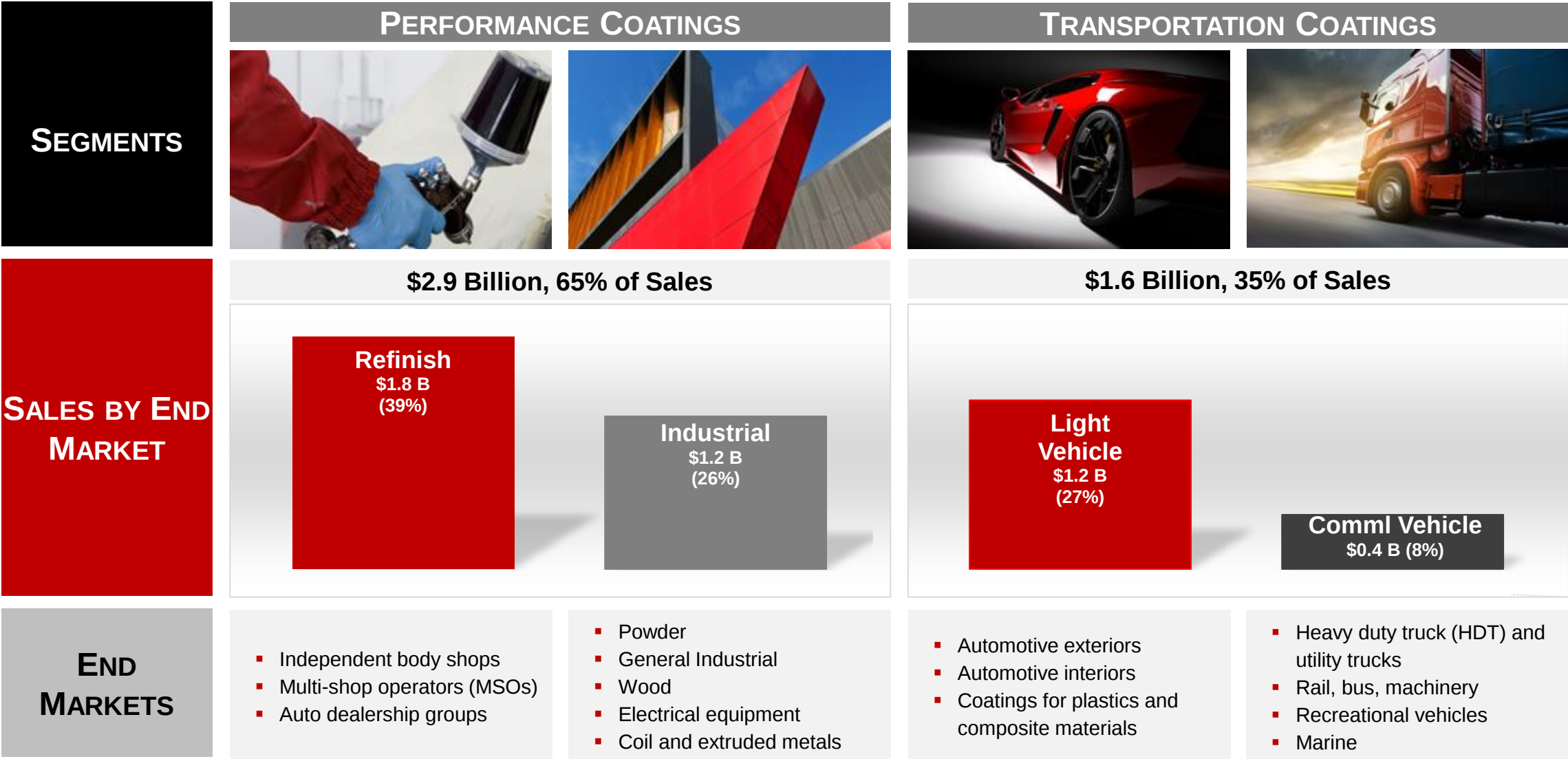
Defined Terms

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.

Axalta's Customer Focused Organization

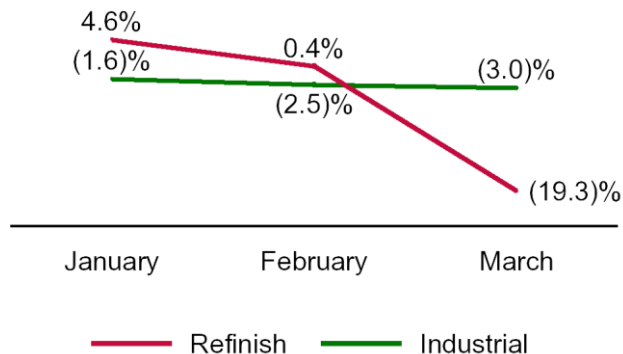


1. Financials for FY 2019, as revised to reclassify other revenue into net sales for all historical periods

COVID-19 Impact: The Demand Environment



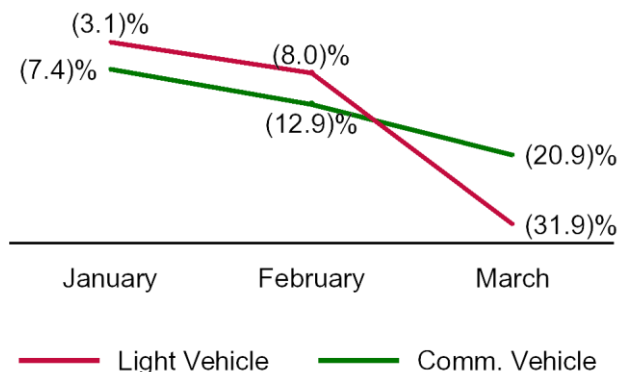
Performance Coatings Net Sales⁽¹⁾



Performance Commentary

- Refinish impact began in February for China, mid-March for other regions
- Miles driven declining to trough of 45-50% in many geographies starting in March; moderating in late April
- Industrial demand generally stable in Q1; volumes down low single digits, offset by positive price-mix; overall stability in sub-markets including Powder, Energy Solutions, and Wood
- China net sales in Q1 declined YoY 46% in Refinish and 5% in Industrial, before FX and M&A impacts

Transportation Coatings Net Sales⁽¹⁾



Transportation Commentary

- Light Vehicle tracking production by served geography; China impact began January; expect rebound starting in May
- Global auto production declined 24% in Q1 including 50% in China; industry forecasts call for 47% decline in Q2 and then rebounding somewhat to finish 2020 down 22%
- Commercial Vehicle impacted largely in truck markets; may see recovery faster in May than other vehicle markets
- Q1 global truck production declined 30% and is expected to decline 29% in 2020 with Q2 somewhat lower; key OEMs targeting to restart production early May
- China net sales declined 38% in Q1 ex-FX

(1) % change from 2019 ex. FX and acq./disp.

COVID-19 Impact and Response



Mitigation Actions

- Axalta executing on aggressive cost structure reduction plan
 - ✓ Actions across discretionary spend, salary reductions, furloughs, and other items
 - ✓ Over \$100 million expected benefit for 2020
- Emphasis on cash flow to bolster liquidity position
 - ✓ Reduced capex, other discretionary capital uses, and continued working capital focus
 - ✓ Over \$125 million in incremental cash flow expected for 2020
- Cost and cash flow actions to provide **~\$225 million** in incremental cash during 2020

Downturn Resilience

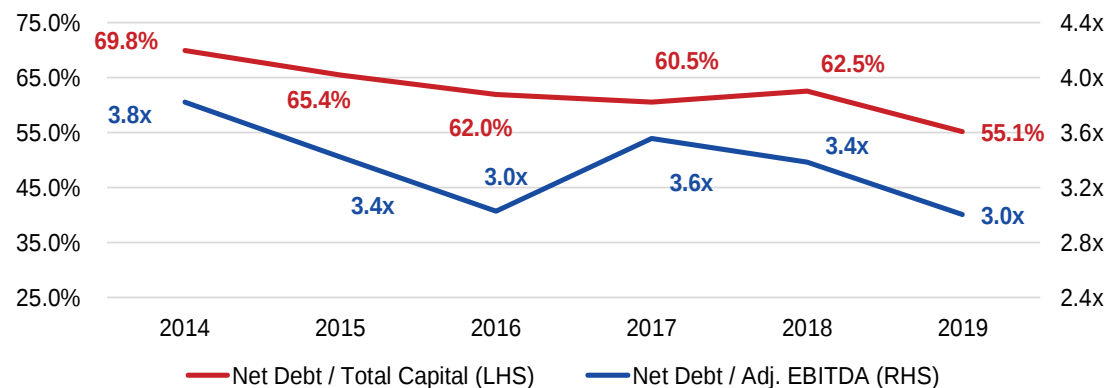
- Natural hedge from a highly variable cost structure (>60% of COGS)
- Strong operating flexibility given batch-based production environment, highly regional supply chain
- Low capital intensity; maintenance capex only ~\$30-50 million
- Strong balance sheet; total liquidity of over \$1 billion and no LT debt maturities until 2024



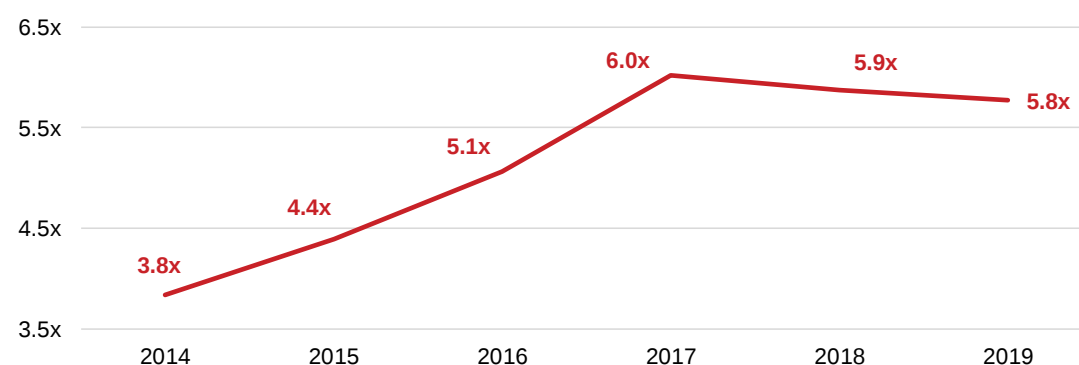
Debt and Liquidity Summary



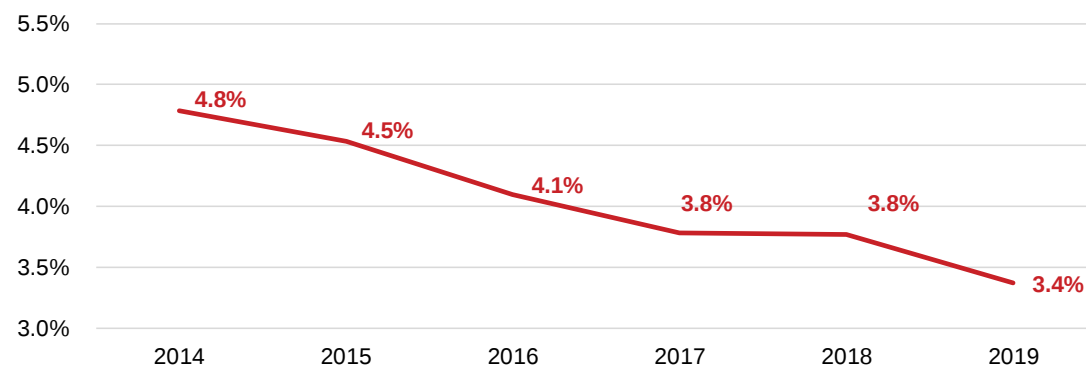
Leverage Trends



Interest Coverage (Adj. EBITDA)



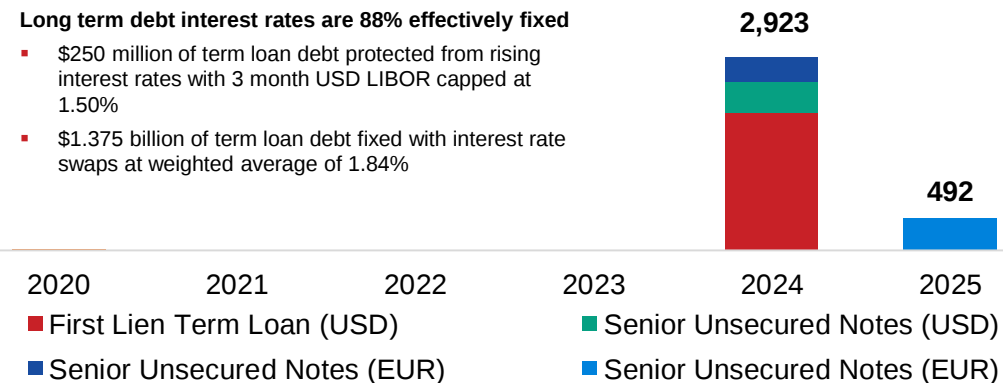
Cost of Debt



Debt Maturity Profile

Long term debt interest rates are 88% effectively fixed

- \$250 million of term loan debt protected from rising interest rates with 3 month USD LIBOR capped at 1.50%
- \$1.375 billion of term loan debt fixed with interest rate swaps at weighted average of 1.84%



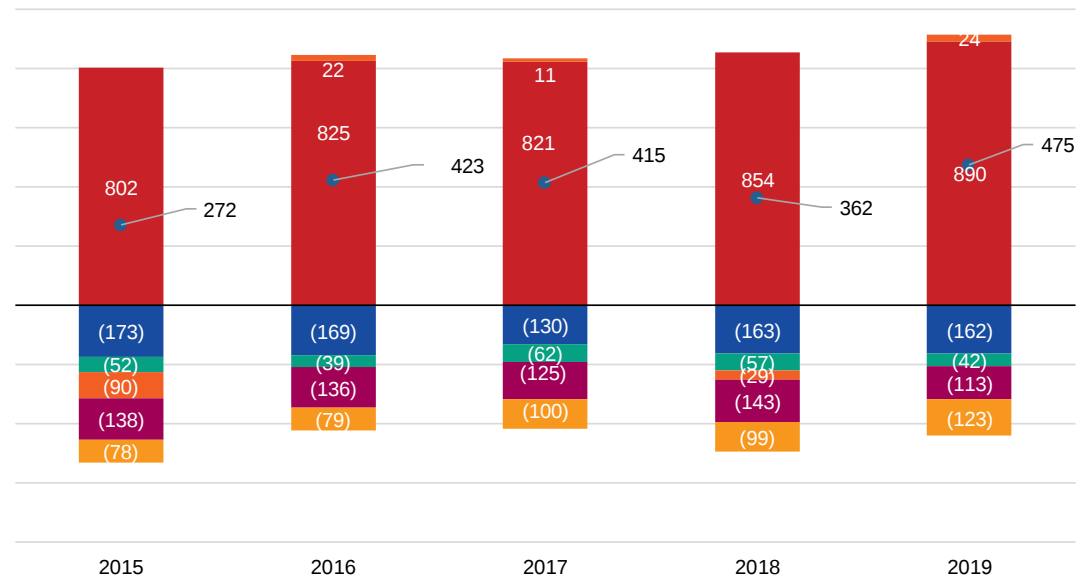
Note: Balances reported on a US GAAP basis as of 3/31/2020

Free Cash Flow Strong and Improving; Deployment Accelerating



Free Cash Flow

(\$ millions)

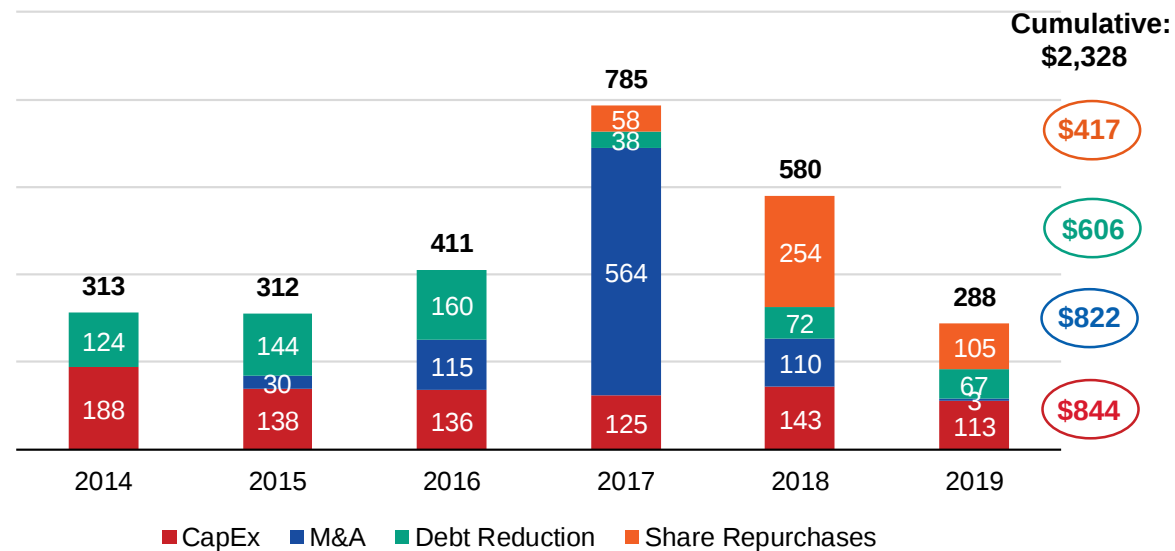


- EBITDA after One-Time Costs¹
- Interest, net of amounts capitalized
- Income Taxes, net of refunds
- Net Working Capital
- CapEx
- Prepaid Expenses, Other Liabilities and other

1. Includes other operating costs for termination benefits and other employee related costs, consulting and advisory fees, transition-related costs, strategic review and retention costs, and offering and transactional costs

Capital Deployment

(\$ millions)



Cash Flow is Supporting Increased Capital Deployment and Returns

Axalta's Global Presence



13,000
People

47
Manufacturing Sites

54
Customer Training
Facilities

4
Technology Centers

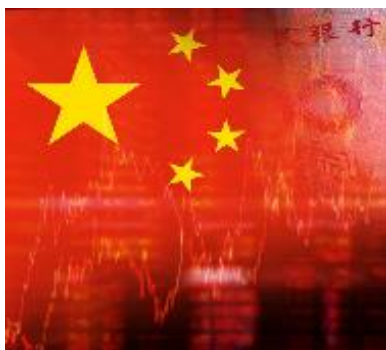
Over 130
Countries We Sell Into



Why Invest in Axalta Today?



**Focused End-Markets,
Structural
Volume Growth**



**Significant
China Growth
Opportunity**



**Axalta Way
Driving
Productivity**



**Consolidation
Opportunity with
Proven M&A
Strategy**



**Strong Free
Cash Flow
Generation and
Allocation
Process**

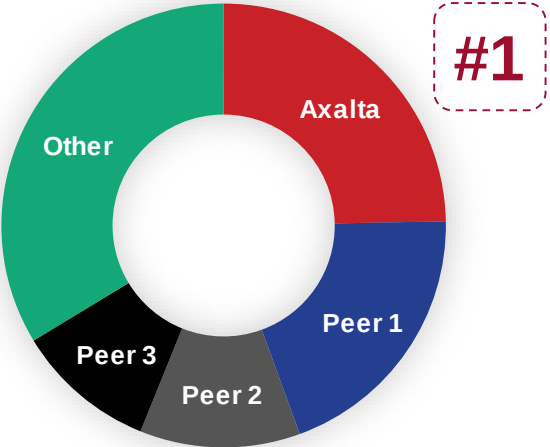


**ROIC Growth
Focus,
Shareholder
Value Alignment**

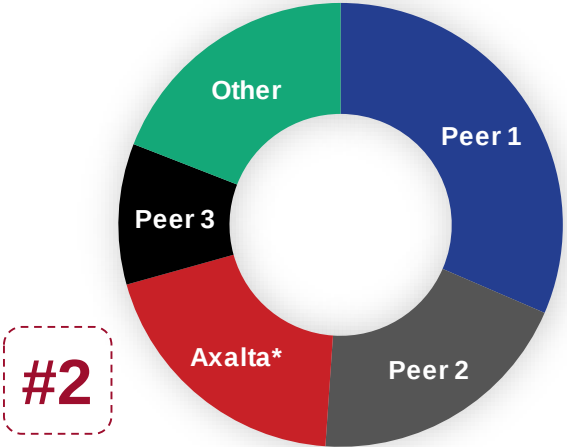
Axalta is a Global Leader in Many of Our Markets...



Performance Coatings: Refinish



Transportation Coatings: Light Vehicle



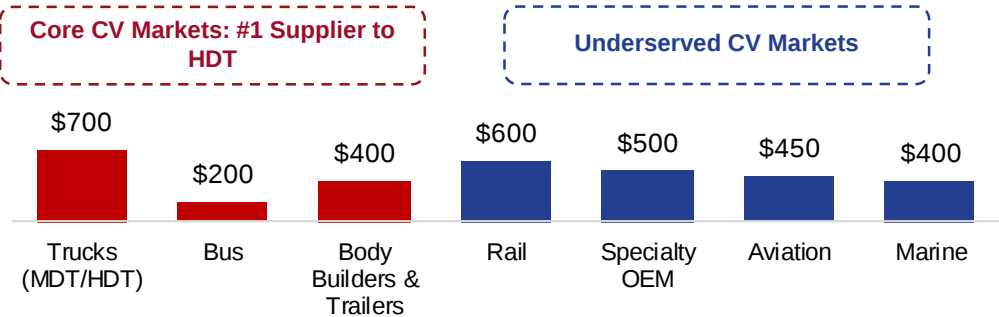
*Tied with peer

Performance Coatings: Industrial

#2

- in Powder coatings globally
- in Industrial Wood coatings (North America)
- in Industrial E-coat globally

Transportation Coatings: Commercial Vehicle



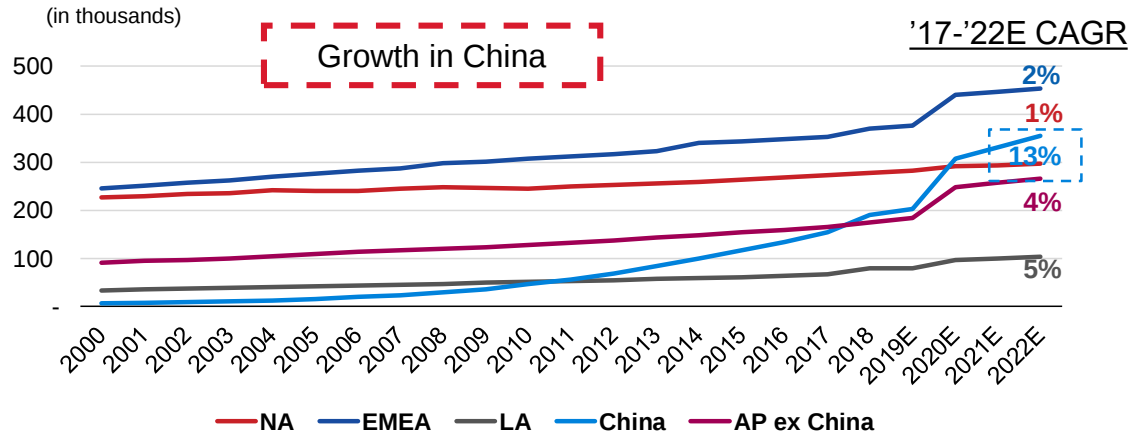
~90% of Sales from Markets Where Axalta Has #1 or #2 Global Share

Source: Orr & Boss (2019), Axalta estimates

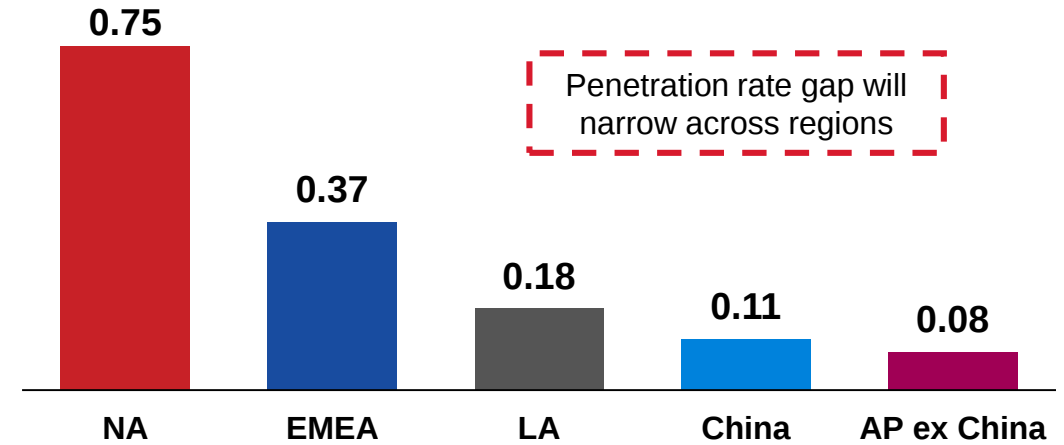
...But We also have Substantial White Space Growth Opportunities



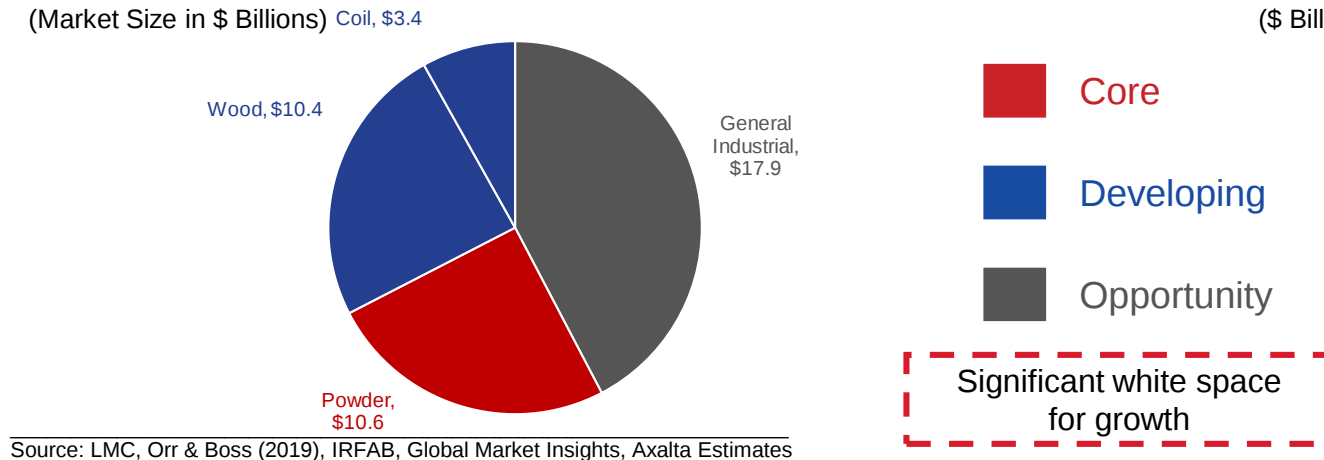
Refinish – Regional Car Parc Growth



Light Vehicle – Cars Per Capita

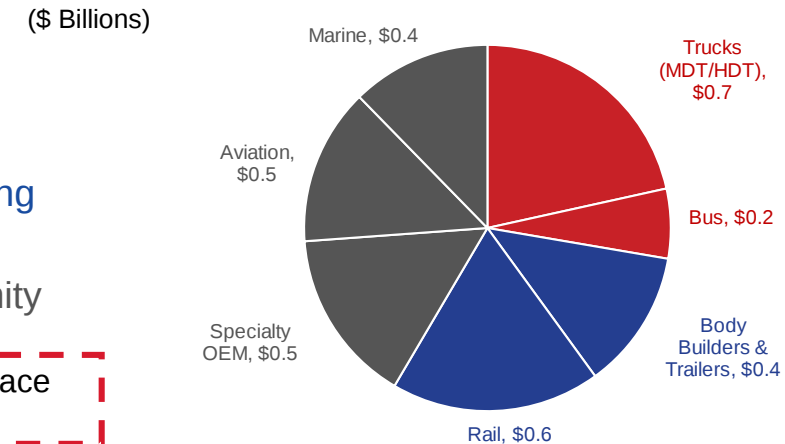


Industrial – Market Opportunities



Source: LMC, Orr & Boss (2019), IRFAB, Global Market Insights, Axalta Estimates

Commercial Vehicle – Market Opportunities



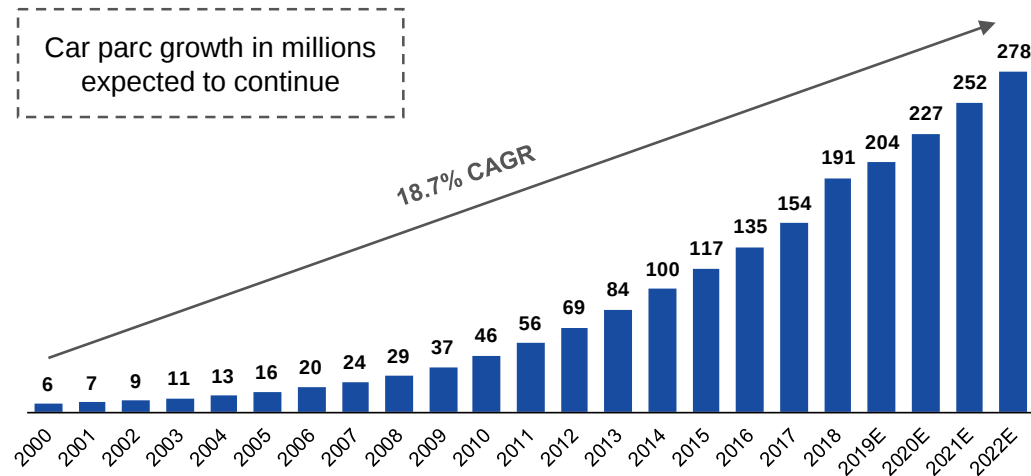
China Represents a Huge Growth Opportunity



Refinish

- Car parc growth
- Mainstream and economy segment growth
- Follow market to Tier 2-4 cities
- Growth through M&A

Car Parc Growth

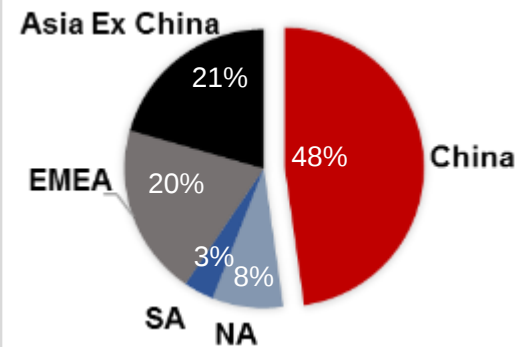


Industrial

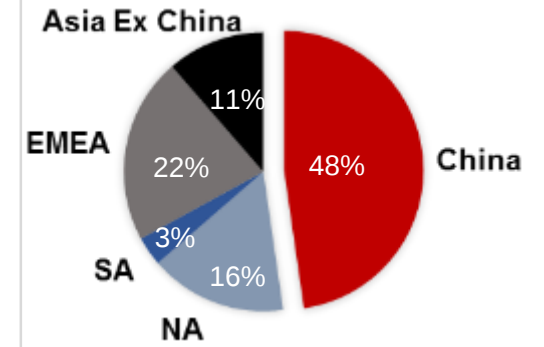
- China consumes >40% of global industrial coatings today
- Shift from export end users to domestic consumers
- Importance of local production and supply
- Enhanced portfolio - mainstream and acquired products

Global Coatings Consumption

Electrical Insulation \$1.5 billion



Powder \$10.0 billion



Performance Coatings

Source: LMC Automotive, 2019 Estimates

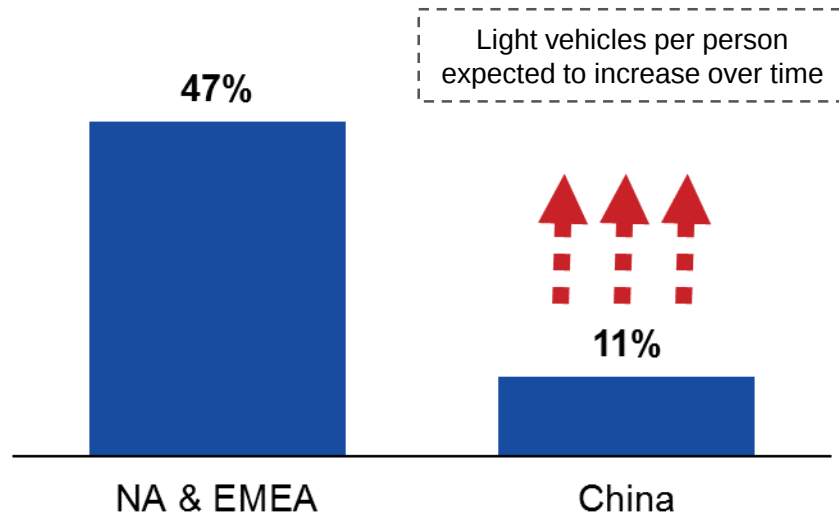
China Represents a Huge Growth Opportunity, Cont'd



Light Vehicle

- Adding business with domestic OEMs
- Automotive fleet penetration per capita drives market growth
- Target customer shift to interior cities requires new plants

Penetration Gap



Commercial Vehicle

- Huge truck market >1 million vehicles per year production
- Modernization of fleet drives demand for quality coatings
- Train and bus represent growth markets

Growing and New Partners

DAIMLER

PACCAR

KENWORTH

MAN

SCANIA

VOLVO TRUCKS

Transportation Coatings

Source: LMC Automotive Q4, 2017 Estimates

Focus on Operating Excellence, Axalta Way Savings Continue with Phase II



Axalta Way II

- Achieved Phase I \$200 million target achieved
- Axalta Way II target: \$200 million from 2018 through 2021

Axalta Operating Excellence (AOE)

- Lean implementation in Wuppertal, Germany and Mt. Clemens, MI
- Global rollout to drive substantial productivity improvement over time

Innovation Investment

- ~\$190 million annual innovation investment (~4% of net sales)
- >250 new products per year drive our organic growth

Salesforce Investment

- New tools to manage customer relationships
- New leadership aligned key incentives to results

Enhanced IT Tools

- S4 Hana project to globally align financial and supply chain systems
- Large majority of our Enterprise Data is now stored in the cloud

Axalta Continues to Focus on Organizational Optimization

M&A Program Has Delivered Growth and Diversification



Track Record of Successful Acquisitions

23

Acquisitions since 2015

~\$600_{mm}

Annual sales added

~\$120_{mm}

Incremental EBITDA

13

Integrated manufacturing locations

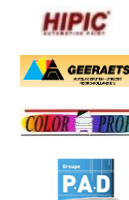
17% → 27%

Diversification % *Industrial*
2014 vs 2018

Disciplined Approach to Acquisitions With a Large Number Of Potential Targets

2015 2016 2017 2018 2019

Refinish
~\$100_{mm}



Wood
~\$250_{mm}



Powder
~\$25_{mm}



Coil
~\$85_{mm}



General Industrial
~\$110_{mm}



Light Vehicle
~\$22_{mm}

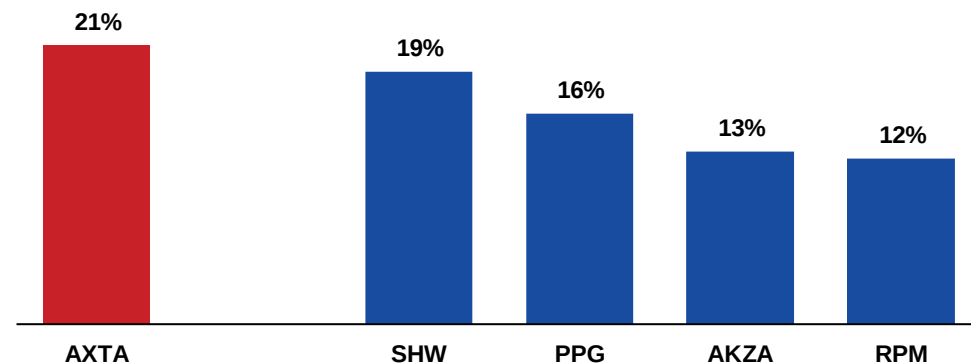


Added \$335_{mm} in sales in new segments

Axalta Generates Strong Free Cash Flow; Disciplined Allocation

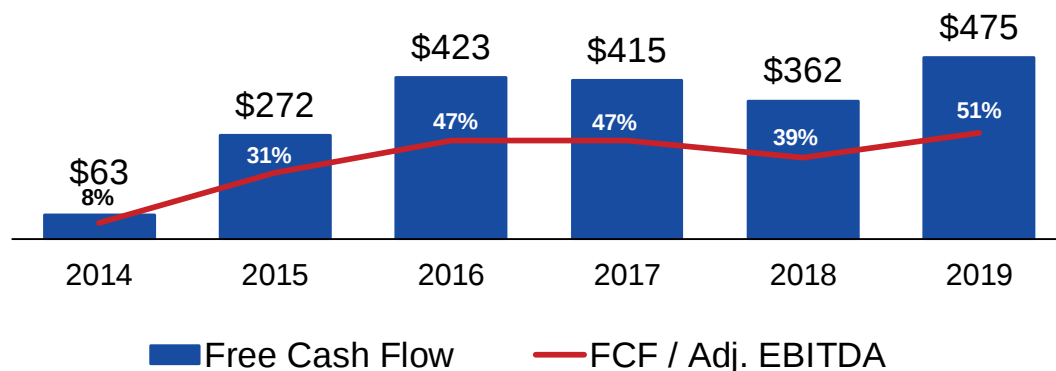


Strong Adjusted EBITDA Margins



FY 2019 for all companies except for RPM (LTM 2/2020), adjusted EBITDA of peers is adjusted to include SBC for comparative basis

Free Cash Flow Growth

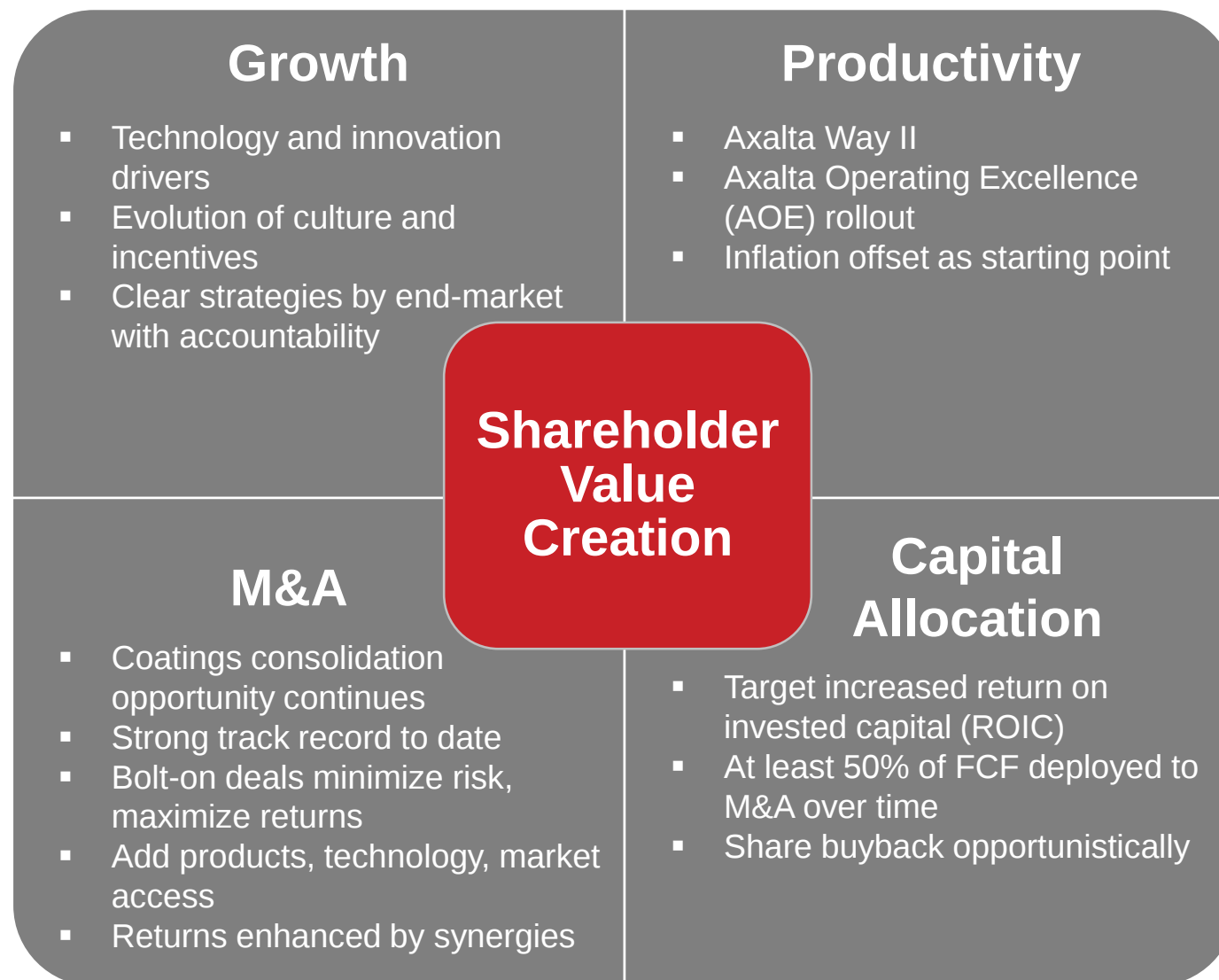


A Sound Capital Allocation Process

- Axalta is the margin leader and generates substantial free cash flow
- We have organic and inorganic investment opportunities that we expect will enhance overall returns on capital
- 23 M&A transactions have been completed for over \$800 million of capital since 2015
- We have repurchased over \$417 million of our common shares to date
- We have invested over \$840 million in capex projects since 2014 with strong assumed IRRs
- 2018 and 2019 free cash flow includes upfront customer investments with attractive long-term commitments

Strong and Sustainable Cash Flows Drive Value

Axalta is Squarely Focused on Shareholder Value Creation



Environment



- Global Environment, Health and Safety policies well defined
- Responsible Care® RC 14001 and ISO 14001 certifications for manufacturing sites
- Targeting reduced environmental impact from our operations: energy, emissions, water, waste
- Product sustainability benefits that enable the reduction of energy, emissions, and waste for our customers
- Technology that makes materials last longer, facilitates the use of novel substrates, and reduces the impact of coatings on the environment

Social



- Commitment to workplace safety: Driving Perfect Performance
- Supply chain initiatives including Supplier Code of Conduct, responsible sourcing, and supply chain sustainability risk management efforts
- Employee engagement
 - ✓ Development and recruitment programs
 - ✓ Internal communications platforms and regular global employee town halls
 - ✓ Employee diversity supported with Axalta Women's Network
- Axalta Bright Futures programming in our communities
 - ✓ STEM education
 - ✓ Environmental stewardship

Governance



- Ethics and integrity compliance programs, with annual training for all employees on Axalta Code of Business Conduct and Ethics
- Cybersecurity and other risk management initiatives
- Environment, Health, Safety & Sustainability Committee of the Board
- Bi-annual sustainability reporting cycle
- Ongoing engagement with OEM sustainability teams
- Industry association memberships and leadership

Sustainability Awards and Recognition



Axalta received Ducks Unlimited *Corporate Conservation Achievement Award* in 2019 for exceptional contributions to wetlands conservation and environmental stewardship



Axalta received the General Motors *Gold Level Supplier Diversity Award* for exceeding diversity spend target and most improvement year over year



Axalta's Bryan Shelton named American Chemistry Council's (ACC) Responsible Care Employee of the Year for 2019



Axalta was named a Top 50 Best ESG Company for our innovative products and services, safe and sustainable manufacturing processes, and strong corporate governance practices



Financial Overview

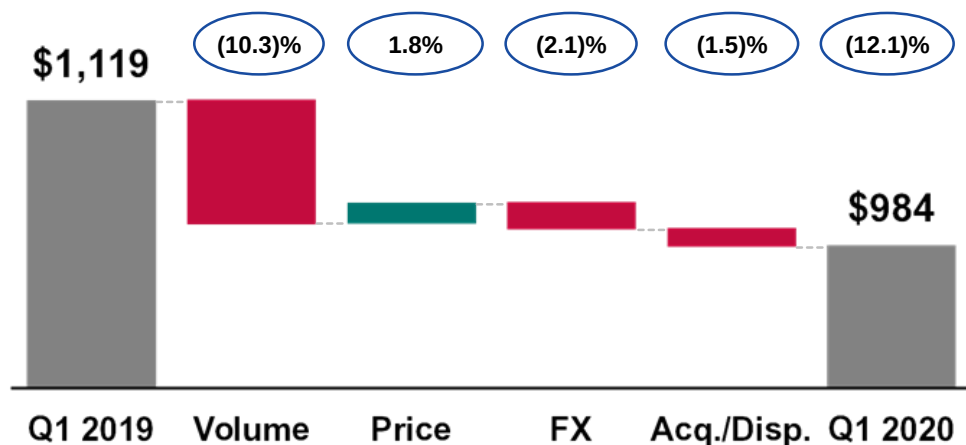
Q1 Consolidated Results



Financial Performance

(\$ in millions, except per share data)	Q1		% Change	
	2020	2019	Incl. F/X	Excl. F/X
Performance	648	713	(9.2)%	(7.3)%
Transportation	336	406	(17.3)%	(14.7)%
Net Sales	984	1,119	(12.1)%	(10.0)%
Income from ops	65	99	(34.0)%	
Adjusted EBIT	133	144	(7.8)%	
Diluted EPS	0.22	0.18	22.2%	
Adjusted EPS	0.31	0.34	(8.8)%	

Net Sales Variance

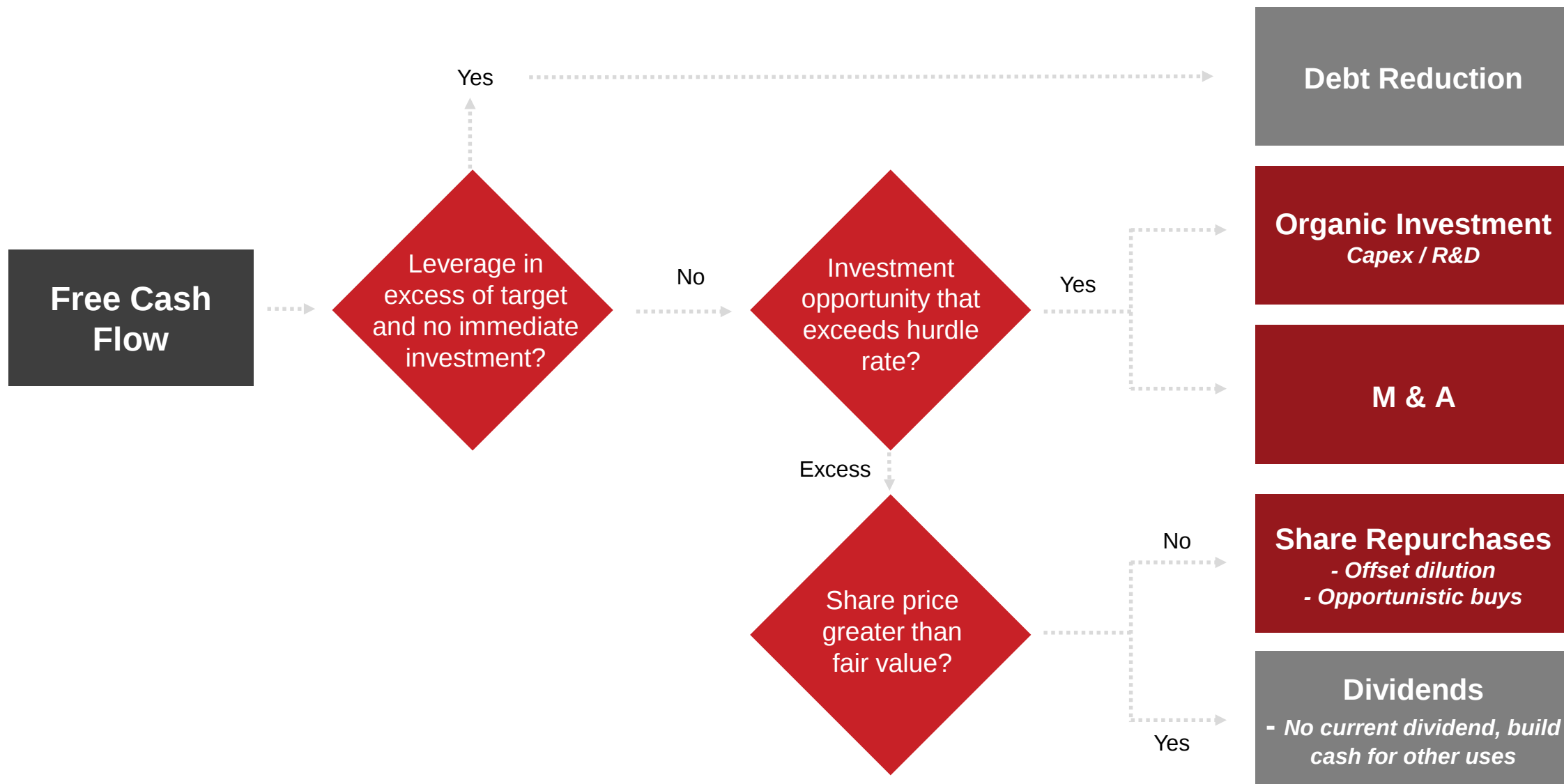


Commentary

Net sales down high single digits ex-FX and M&A; continued price-mix improvement

- Volume reductions globally driven in large part by COVID-19 pandemic; also lower industrial production trends and lower vehicle build rates
- Price recovery solid across Performance (low-single digits); modest ongoing Transportation gains
- FX pressure driven by the Euro, Brazilian Real, and Renminbi
- M&A-related impact from Q2 2019 China JV disposition
- Diluted EPS increase driven largely by a one-time tax benefit
- COVID-related impact of \$90 million to net sales and \$40 million to Adjusted EBIT

Focus on Capital Allocation

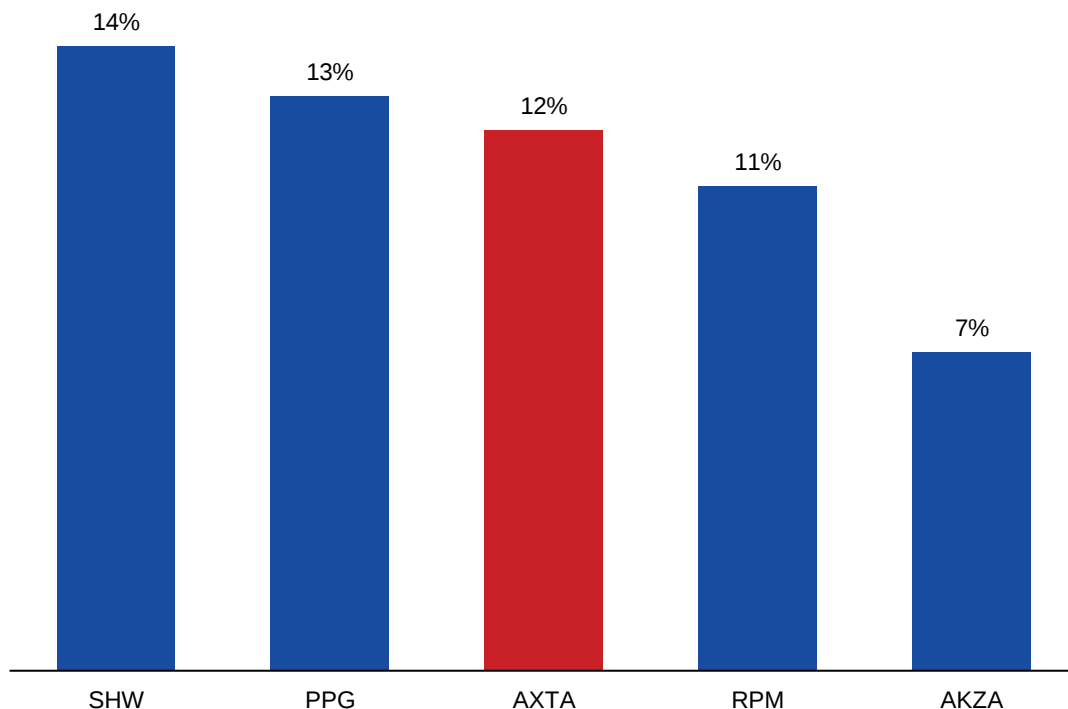


Effective Capital Allocation Should Drive Improved Returns



Return on Invested Capital (ROIC)

NOPAT ROIC (FY 2019)



Commentary

- Axalta's total capital in the ROIC excludes the PP&E and intangible asset "step up" balances from the 2013 LBO under purchase price accounting
- Drivers of ROIC:
 - ✓ NOPAT growth from ongoing business execution
 - ✓ Capital allocation: Organic investments, return-accretive M&A, and focus on asset efficiency
- Axalta remains committed to improving ROIC over time through consistent execution of our current strategy

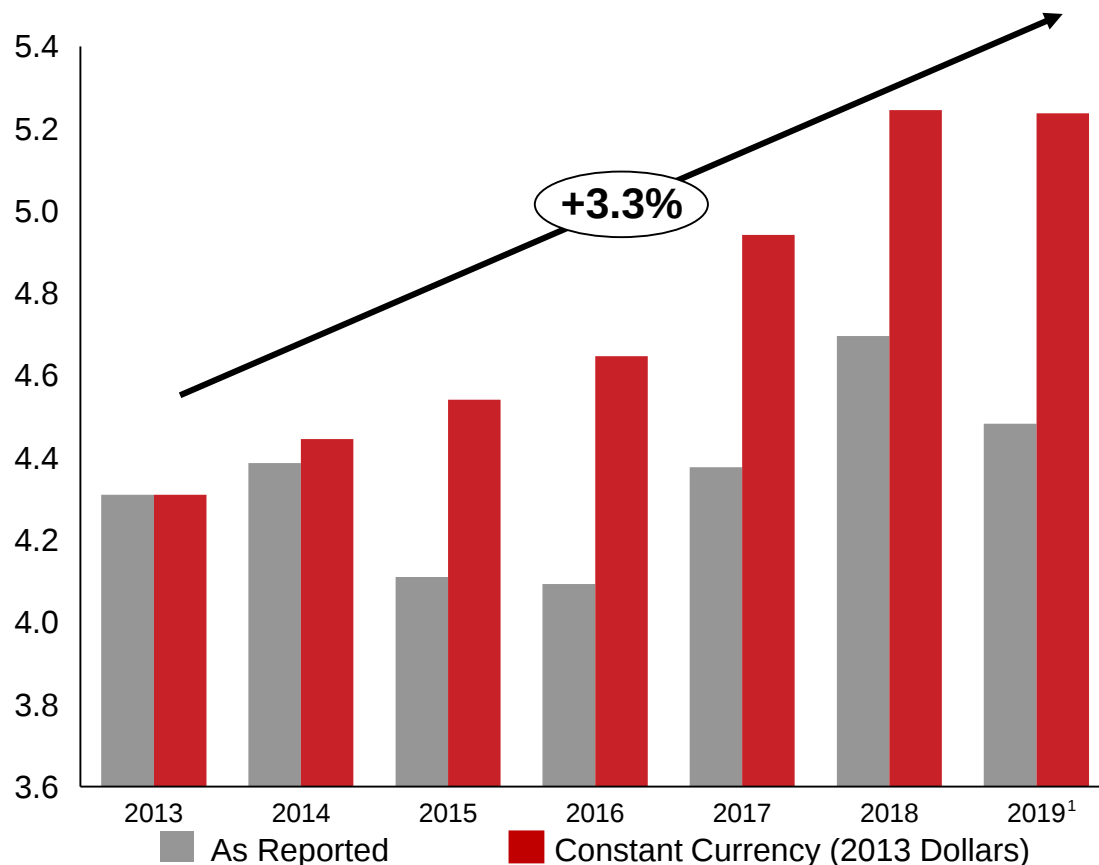
1) ROIC = Net Operating Profit After Tax (NOPAT) / (Total Debt + Minority Interest + Equity); 2) AXTA ROIC = Adjusted EBIT, less Step-up D&A addbacks, net of associated tax of \$91 million, divided by Total Debt + Minority Interest + Equity, less remaining LBO step-up balances within net intangible assets and PPE of \$1,065 million; 3) Data as of 12/2019 for all companies except RPM (2/2020); 4) Companies shown have used varying calculations when presenting ROIC

Net Sales to Date Show Solid Growth and Portfolio Diversification

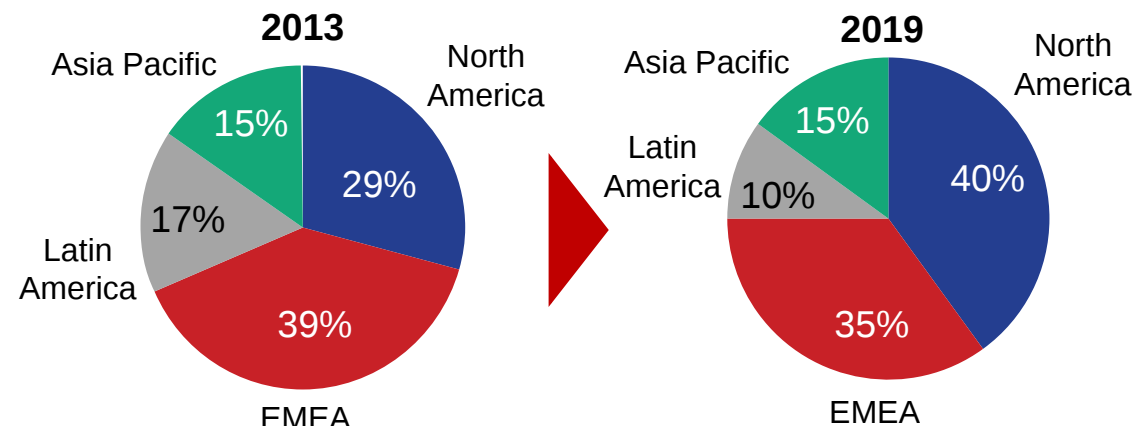


Net Sales

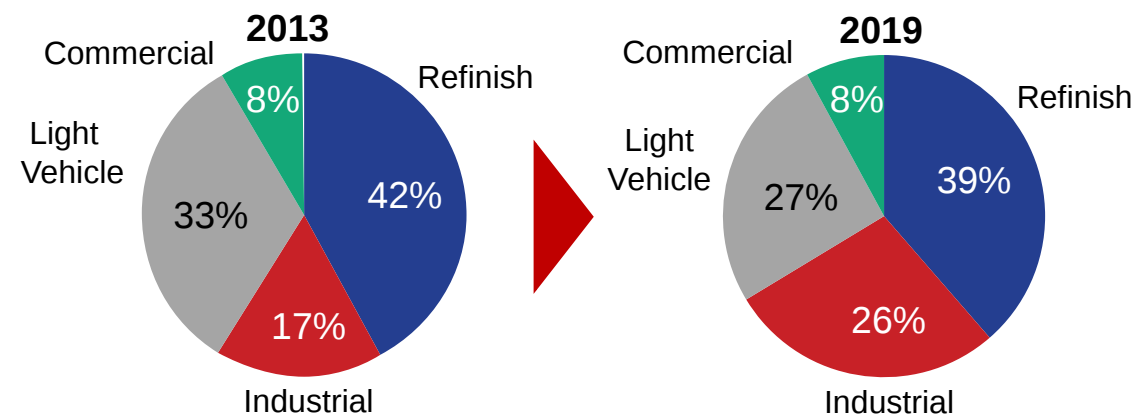
(\$ Billions)



Net Sales by Region



Net Sales by End-Market



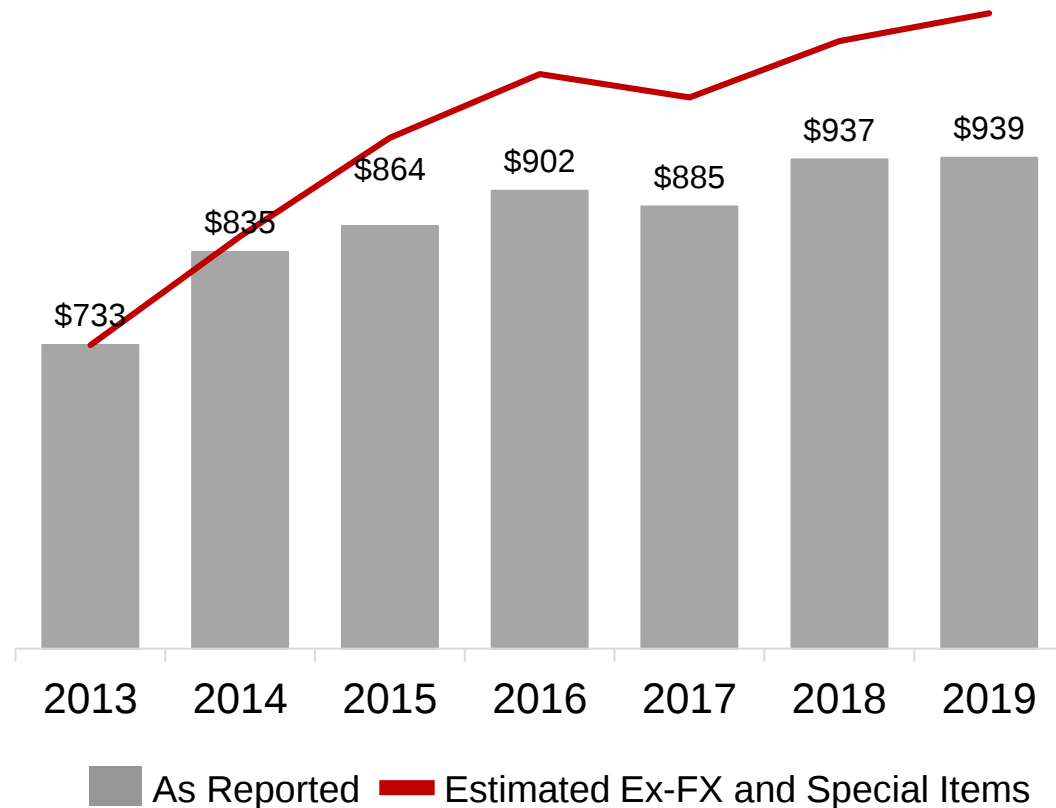
M&A used to grow Industrial business and to diversify portfolio

(1) 2019 included removal of sales from China Powder JV divestiture

Adjusted EBITDA Results to Date Show Strong Core Progress



Adjusted EBITDA⁽¹⁾



Growth Drivers

- Adjusted EBITDA margins increased from 17% in 2013 to 21% in 2019
- Pricing actions positively contributed to margin expansion
- Volume growth and share gain provided operating leverage over fixed costs
- Acquisition contribution mainly in Industrial complemented organic growth
- Axalta Way created culture of cost discipline
- Procurement strategies mitigated rising costs

Strong Margin Progress, Upside From Volume Growth and Productivity Expected Over Time

(1) Estimated Adjusted EBITDA Ex-FX and Special items excludes the impact of FX, Venezuela results (deconsolidated 2017), North America Refinish distributor adjustments (2017), natural disaster impacts (2017)



Segment Overview

Performance Coatings



Summary Statistics

FY 2019 Net Sales

\$2.9bn

Refinish: \$1.8bn
Industrial: \$1.2bn

FY 2019 Adj. EBIT

\$449mm
15% margin

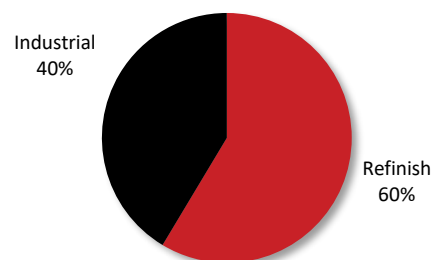
Refinish

- ✓ Global leader – #1 player with 25% market share
- ✓ Strong record of realizing value through world class service, brand differentiation and price optimization
- ✓ Drive growth in North America with MSO¹ alignment
- ✓ New products and emerging markets to continue to drive growth

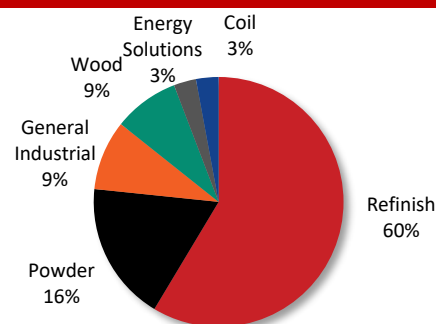
Industrial

- ✓ #2 positions globally in Powder and Industrial E-coat
- ✓ #2 position in North America in Wood
- ✓ Leverage growing China market
- ✓ Additional growth through new product innovation
- ✓ Globalize acquired businesses, including Coil and Wood

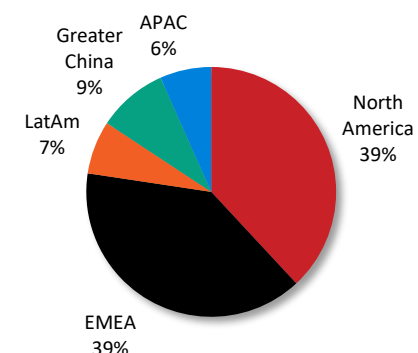
Diversified Business Across Geographies and End-Markets²



Net Sales by End-Market



Net Sales by End-Business



Net Sales by Geography

1. MSO: Multi-shop operator. 2. All financials are FY 2019.

Transportation Coatings



Summary Statistics

FY 2019 Net Sales

\$1.6bn

Light Vehicle: \$1.2bn
Commercial Vehicle: \$0.4bn

FY 2019 Adj. EBIT

\$137mm
9% margin

Light Vehicle



#2 Light Vehicle coatings supplier



Strong multi-decade customer relationships



Market share growth with core customers



Rebuilt relationships with key underserved customers



#1 Heavy Duty Truck (“HDT”) and bus coatings supplier



IMRON™ is best-in-class for customer productivity

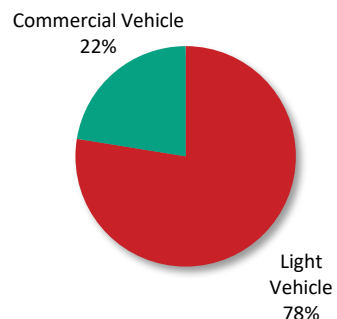


Actively growing in adjacent markets with core technology

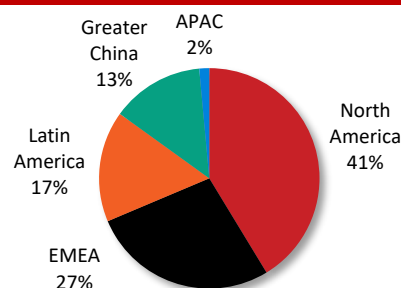


Established competitive NA cost structure with 2016 downturn

Net Sales Breakdown¹



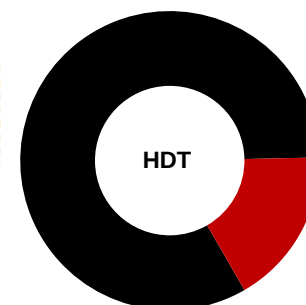
Net Sales by End-Market



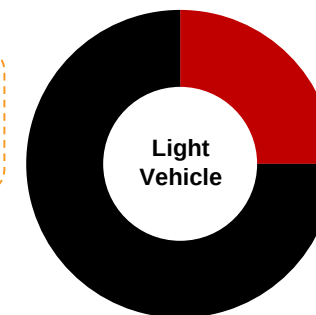
Net Sales by Geography

Global Share Position

#1



#2



1. All financials are FY 2019.



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Adjusted EBIT Reconciliation



(\$ in millions)	FY 2019	FY 2018	Q1 2020	Q1 2019
Income from operations	\$ 488	\$ 442	\$ 65	\$ 99
Other (income) expense, net	(4)	15	1	(1)
EBIT	\$ 492	\$ 427	\$ 64	\$ 100
A Debt extinguishment and refinancing related costs	—	10	2	—
B Termination benefits and other employee related costs	35	82	20	1
C Strategic review and retention costs	13	—	12	—
D Offering and transactional costs	1	1	—	1
E Divestiture and impairment charges	21	—	1	5
F Pension special events	(1)	—	(1)	—
G Accelerated depreciation	24	10	8	6
H Indemnity losses	—	4	—	—
I Change in fair value of equity investments	—	1	—	—
J Step-up depreciation and amortization	120	140	28	31
Adjusted EBIT	\$ 706	\$ 675	\$ 133	\$ 144
Segment Adjusted EBIT:				
Performance Coatings	\$ 449	\$ 400	\$ 79	\$ 79
Transportation Coatings	137	135	26	34
Total	\$ 586	\$ 534	\$ 105	\$ 113
J Step-up depreciation and amortization	120	140	28	31
Adjusted EBIT	\$ 706	\$ 675	\$ 133	\$ 144

Adjusted EBIT Reconciliation (cont'd)



- A** Represents expenses related to the 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 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 previously announced comprehensive review of strategic alternatives, as well as retention awards for certain employees. These amounts are not considered indicative of our ongoing performance.
- D** Represents acquisition and divestiture-related expenses, all of which are not considered indicative of our ongoing operating performance.
- E** Represents the loss recognized on the sale of our interest in a joint venture business and the charges resulting from the abandonment of certain in progress capital projects which are not considered indicative of our ongoing operating performance.
- F** Represents certain defined benefit pension costs associated with special events, including pension curtailments, settlements and special termination benefits, which we do not consider indicative of our ongoing operating performance.
- G** Represents incremental depreciation expense resulting from truncated useful lives of the assets impacted by our manufacturing footprint assessments, which we do not consider indicative of our ongoing operating performance.
- H** Represents indemnity (income) losses associated with the acquisition by Axalta of the DuPont Performance Coatings business, which we do not consider indicative of our ongoing operating performance.
- I** Represents mark to market impacts of our equity investments, which we do not consider to be indicative of our ongoing operating performance.
- J** 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 EBITDA Reconciliation



(\$ in millions)	Successor							Predecessor	Combined
	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	Feb-Dec 2013	Jan 2013	FY 2013
Net income (loss)	\$ 253	\$ 213	\$ 48	\$ 45	\$ 96	\$ 32	\$ (222)	\$ 9	\$ (213)
Interest expense, net	163	160	147	178	197	218	215	—	215
Provision (benefit) for income taxes	77	54	142	38	62	—	(46)	7	(39)
Depreciation and amortization	353	369	347	322	308	309	301	10	311
Reported EBITDA	\$ 846	\$ 796	\$ 684	\$ 583	\$ 662	\$ 559	\$ 248	\$ 26	\$ 274
A Debt extinguishment and refinancing related costs	—	10	14	98	3	6	25	—	25
B Termination benefits and other employee related costs	35	82	35	62	37	18	148	—	148
C Consulting and advisory fees	—	—	(1)	10	24	36	55	—	55
D Transition-related costs	—	—	8	—	(3)	102	29	—	29
E Strategic review and retention costs	13	—	—	—	—	—	—	—	—
F Offering and transactional costs	1	1	18	6	(2)	22	—	—	—
G Divestiture, impairments and deconsolidation charges	21	—	79	68	31	—	—	—	—
H Foreign exchange remeasurement losses	8	9	7	31	94	81	49	5	54
I Long-term employee benefit plan adjustments	—	(2)	1	2	—	(1)	10	2	12
J Stock-based compensation	16	37	39	41	30	8	7	—	7
K Dividends in respect of noncontrolling interest	(2)	(1)	(3)	(3)	(5)	(2)	(5)	—	(5)
L Other adjustments	—	5	4	5	(6)	6	130	—	130
M Allocated corporate standalone costs, net	—	—	—	—	—	—	—	6	6
Total Adjustments	\$ 93	\$ 141	\$ 201	\$ 319	\$ 202	\$ 276	\$ 448	\$ 13	\$ 460
Adjusted EBITDA	\$ 939	\$ 937	\$ 885	\$ 902	\$ 864	\$ 835	\$ 695	\$ 38	\$ 733

Adjusted EBITDA Reconciliation (cont'd)



- A Represents expenses related to the restructuring and refinancing of our indebtedness, including \$25 million of commitment fees expensed in 2013 related to a terminated Bridge Facility in conjunction with the issuance of the Senior Notes and entry into the Senior Secured Credit Facilities, 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 associated with our Axalta Way and Fit for Growth cost saving initiatives, which are not considered indicative of our ongoing operating performance.
- C Represents expenses and associated true-ups to estimates for professional services primarily related to our Axalta Way and Fit for Growth initiatives, which are not considered indicative of our ongoing operating performance. Amounts incurred during 2013 and 2014 relate to services rendered in conjunction with our transition from DuPont to a standalone entity.
- D During 2013, 2014 and 2015 we recorded charges associated with the transition from DuPont to a standalone entity, including branding and marketing, information technology related costs, and facility transition costs. Charges and associated adjustments to estimates during 2017 represent integration costs related to the acquisition of the Industrial Wood business that was a carve-out business from Valspar. All charges are not considered indicative of our ongoing operating performance.
- E Represents costs for legal, tax and other advisory fees pertaining to our previously announced comprehensive review of strategic alternatives, as well as retention awards for certain employees. These amounts are not considered indicative of our ongoing performance.
- F Represents acquisition-related expenses, including changes in the fair value of contingent consideration, as well as \$10 million of costs associated with contemplated merger activities during 2017 and costs associated with the IPO and secondary offerings of our common shares by Carlyle. Included in the 2014 charges was a \$13 million pre-tax charge associated with the termination of the management agreement with Carlyle Investment Management, L.L.C., an affiliate of Carlyle, upon the completion of the IPO. All amounts discussed are not considered indicative of our ongoing operating performance.
- G Represents the loss recognized on the sale of our interest in a joint venture business and the charges resulting from the abandonment of certain in progress capital projects which are not considered indicative of our ongoing operating performance. During 2017, we recorded a loss in conjunction with the deconsolidation of our Venezuelan subsidiary of \$71 million. During 2016, we recorded non-cash impairments at our Venezuela subsidiary of \$68 million associated with our operational long-lived assets and a real estate investment. Additionally, during 2017, we recorded non-cash impairment charges related to certain manufacturing facilities previously announced for closure of \$8 million. We do not consider these to be indicative of our ongoing operating performance.
- H 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. Exchange effects included the remeasurement of our Venezuelan subsidiary prior to deconsolidation in 2017 as well as a \$19 million loss related to the Acquisition date settlement of a foreign currency contract used to hedge the variability of our Euro-based financing.
- I Eliminates the non-cash, non-service cost components of long-term employee benefit costs.
- J Represents non-cash impacts associated with stock-based compensation.
- K 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.
- L Represents certain non-operational or non-cash gains and losses unrelated to our core business and which we do not consider indicative of ongoing operations, including indemnity (income) losses associated with the acquisition by Axalta of the DuPont Performance Coatings business, gains and losses from the sale and disposal of property, plant and equipment, gains and losses from the remaining foreign currency derivative instruments and from non-cash fair value inventory adjustments associated with our business combinations. During 2013 we recorded non-cash fair value inventory adjustments and merger and acquisition charges associated with the Acquisition of DuPont for \$104 million and \$28 million, respectively.
- M Represents (1) the add-back of corporate allocations from DuPont to DPC for the usage of DuPont's facilities, functions and services; costs for administrative functions and services performed on behalf of DPC by centralized staff groups within DuPont; a portion of DuPont's general corporate expenses; and certain pension and other long-term employee benefit costs, in each case because we believe these costs are not indicative of costs we would have incurred as a standalone company net, of (2) estimated standalone costs based on a corporate function resource analysis that included a standalone executive office, the costs associated with supporting a standalone information technology infrastructure, corporate functions such as legal, finance, treasury, procurement and human resources and certain costs related to facilities management. This resource analysis included anticipated headcount and the associated overhead costs of running these functions effectively as a standalone company of our size and complexity. This estimate is provided for additional information and analysis only, as we believe that it facilitates enhanced comparability between Predecessor and Successor periods. It represents the difference between the costs that were allocated to our predecessor by its parent and the costs that we believe would be incurred if it operated as a standalone entity.

Free Cash Flow Reconciliation



(\$ in millions)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Cash provided by operating activities	251	410	559	540	496	573
Purchase of property, plant and equipment	(188)	(138)	(136)	(125)	(143)	(113)
Interest proceeds on swaps designated as net investment hedges	-	-	-	-	9	15
Free cash flow	63	272	423	415	362	475



Thank You!