

Axalta Coating Systems

Fourth Quarter and Full Year 2023 Financial Results

February 8th, 2024



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, but not limited to, our outlook/commentary and/or guidance, which includes net sales growth, Adjusted EBITDA, Adjusted Diluted EPS, free cash flow, depreciation and amortization ("D&A"), step-up D&A, tax rate, as adjusted, diluted shares outstanding, interest expense, capital expenditures, global light vehicle production, North American class 8 truck builds, volume growth, price-mix dynamics, Adjusted EBITDA margin growth, end-market business environments, variable cost deflation and working capital. Axalta has identified some of these forward-looking statements with words such as "guidance," "assumptions," "projections," "going forward," "will," "opportunity," "ambitions," "plan," "towards," "objectives," "believe," "see," "expectations," "expect," "intended," "to be," "should," and "project," 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 impacts from operational disruptions related to our ERP system implementation, 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 Quarterly Report on Form 10-Q, 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 Adjusted EBITDA, Adjusted EBITDA margin, Adjusted net income, Adjusted EBIT, free cash flow, Adjusted Diluted EPS, total net leverage ratio and total gross leverage ratio. Management uses these non-GAAP financial measures in the analysis of our financial and operating performance because they assist in the evaluation of underlying trends in our business. Adjusted EBITDA, Adjusted EBIT and Adjusted Diluted EPS consist of EBITDA, EBIT and Diluted EPS, respectively, adjusted for (i) certain non-cash items included within net income, (ii) certain items Axalta does not believe are indicative of ongoing operating performance or (iii) certain nonrecurring, unusual or infrequent items that have not 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 attributable to common shareholders 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 Adjusted EBITDA, Adjusted EBITDA margin, Adjusted net income, Adjusted EBIT, free cash flow, Adjusted Diluted EPS, total net leverage ratio and total gross leverage ratio may differ from that of others in our industry. Adjusted EBITDA, Adjusted EBITDA margin, Adjusted net income, Adjusted EBIT, free cash flow, Adjusted Diluted EPS, total net leverage ratio and total gross leverage ratio 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 net cash provided by operating activities or as measures of liquidity. Adjusted EBITDA, Adjusted EBITDA margin, Adjusted net income, Adjusted EBIT, free cash flow, Adjusted Diluted EPS, total net leverage ratio and total gross leverage ratio have important limitations as analytical tools and should be considered in conjunction with, and not as substitutes for, our results as reported under GAAP. This presentation includes a reconciliation of certain non-GAAP financial measures with the most directly comparable financial measures calculated in accordance with GAAP. Axalta does not provide a reconciliation for non-GAAP estimates for Adjusted EBITDA, Adjusted Diluted EPS, free cash flow, 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. 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.

Organic Net Sales

Organic net sales are calculated by excluding the impact of the change in average exchange rates between the current and comparable period by currency denomination exposure of the comparable period amount.

Reporting Changes

Beginning with the fourth quarter 2023, we replaced Adjusted EBIT with Adjusted EBITDA as one of the company's primary performance metrics, with Adjusted Diluted EPS remaining as the other primary performance metric. Reconciliations are provided for Adjusted EBITDA and Adjusted Diluted EPS as well as Adjusted EBIT to the most directly comparable financial measures calculated in accordance with US GAAP. In addition, Axalta replaced Adjusted EBIT with Adjusted EBITDA as a primary measure of segment operating performance. More information can be found below in the section titled "Segment Financial Measures."

Segment Financial Measures

The primary measure of segment operating performance is Adjusted EBITDA, 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.

Fourth Quarter 2023 Key Highlights

- Five-percent net sales growth YoY supported by positive volumes, price-mix and FX
- Strong improvement in Adjusted EBITDA margin with significant contribution from all end-markets
- Robust Free Cash Flow growth
- Total net leverage ratio improved for the sixth consecutive quarter; now below 3x for the first time ever at year-end

\$1.3B

Net Sales

+5% YoY

\$251M

Adjusted EBITDA

+21%YoY

19.3%

Adjusted EBITDA Margin

+250 bps YoY

\$254M

Free Cash Flow

+\$48M YoY

\$55M

Q4 Term Loan Debt
Reduction

\$200M

FY Debt Reduction

2.9x

Total Net Leverage Ratio

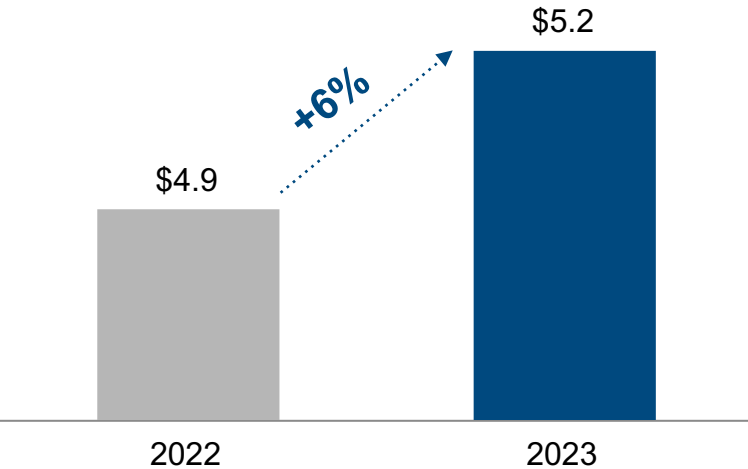
vs 3.8x at Dec. 31, 2022

Continued Strong Financial Performance

Record 2023 Net Sales And Adjusted EBITDA

Net Sales Trend

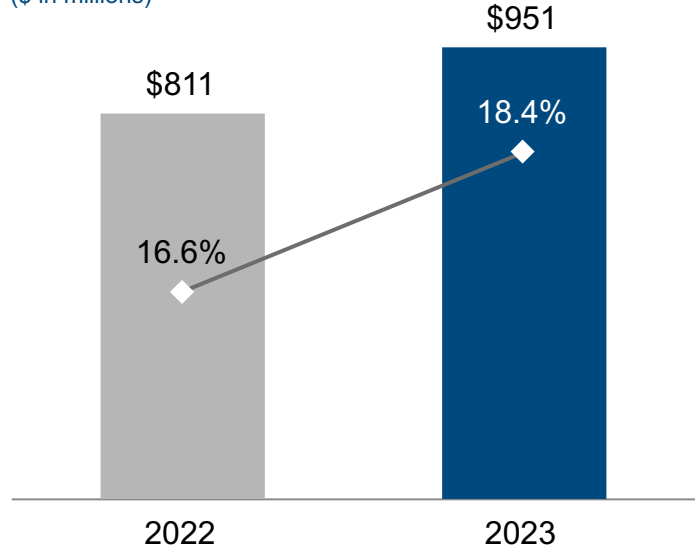
(\$ in billions)



- Positive price-mix contributions from every end-market
- Strong Mobility Coatings volumes

Adjusted EBITDA And Margin Trend

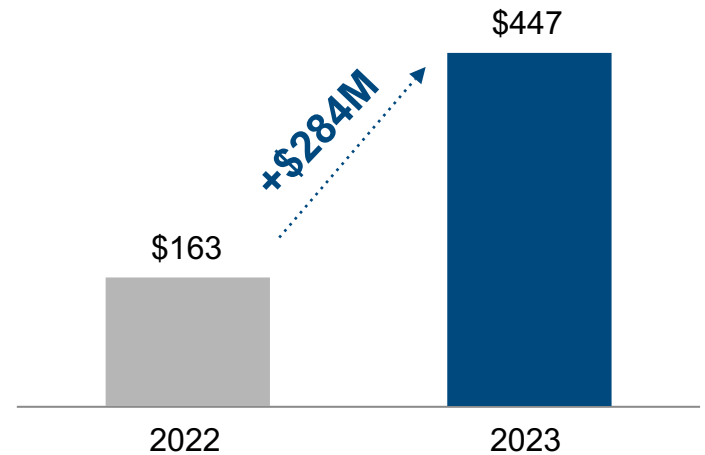
(\$ in millions)



- Pricing to offset higher labor costs
- Accelerated deflationary benefits

Free Cash Flow Trend

(\$ in millions)



- Robust inventory improvement
- Balanced cash deployment

2023 Was A Tremendous Year For Axalta



Actions Driving 2023 Performance

Pricing For Value

- Mid-teens percentage price realization on two year stack
- Focused on pricing for value proposition offered

Cost Optimization

- Drove 12% variable cost improvement in Q4 2023
- Fully offset historical raw material inflation across all end-markets

Strategic Investments

- \$106M purchase of Andre Koch, a long-term Refinish distribution partner
- Opened Jilin Facility which supports Mobility Coatings growth in China

Right-Sizing Inventory

- 11% reduction in inventory levels
- 10 day reduction in inventory days outstanding

Focused On Driving Improved Profitability

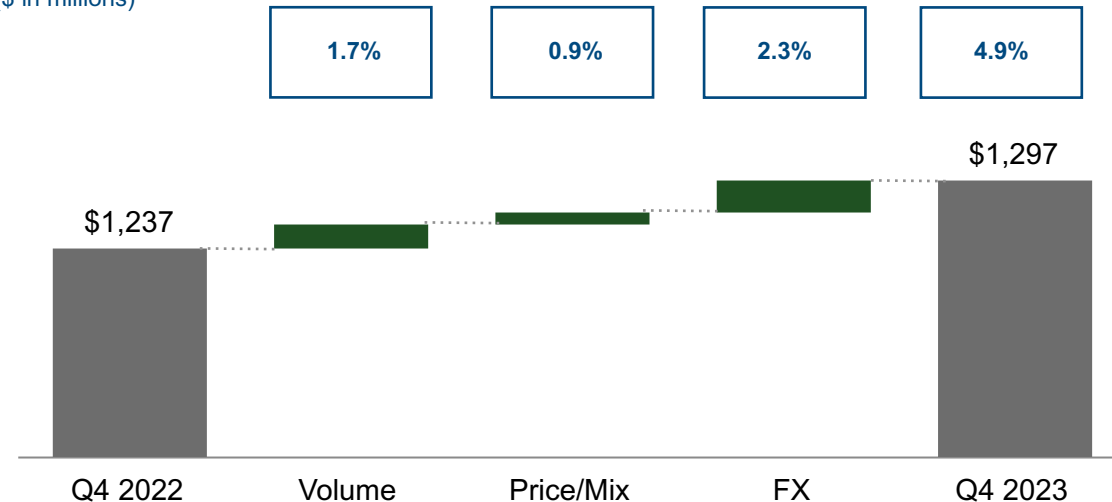
Fourth Quarter 2023 Consolidated Results

Financial Results

(\$ in millions, except per share data)	Q4 2023	Q4 2022	% Change
Net Sales	1,297	1,237	5%
Net Income	74	44	68%
Adjusted EBITDA	251	208	21%
% margin	19.3%	16.8%	250 bps
Diluted EPS	0.33	0.20	65%
Adjusted Diluted EPS	0.43	0.38	13%
Free Cash Flow	254	206	23%

Net Sales Variance

(\$ in millions)



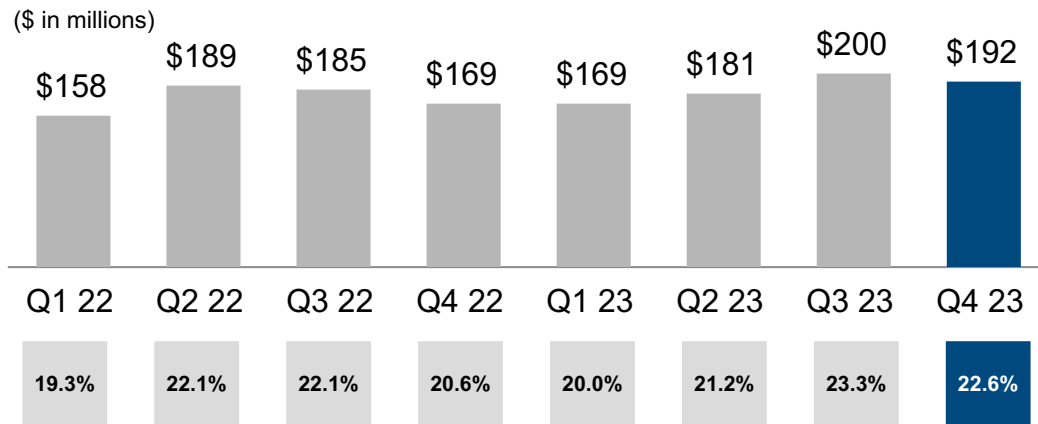
- Net sales growth driven by strong Mobility Coatings volumes, FX and solid price-mix in Performance Coatings
- Adj. EBITDA and margin expansion supported by deflationary benefits and organic net sales improvement which more than offset higher labor costs and investments into the business
- Robust Free Cash Flow growth led by earnings growth and higher year-end collections

Fourth Quarter 2023 Performance Coatings Results

Financial Results

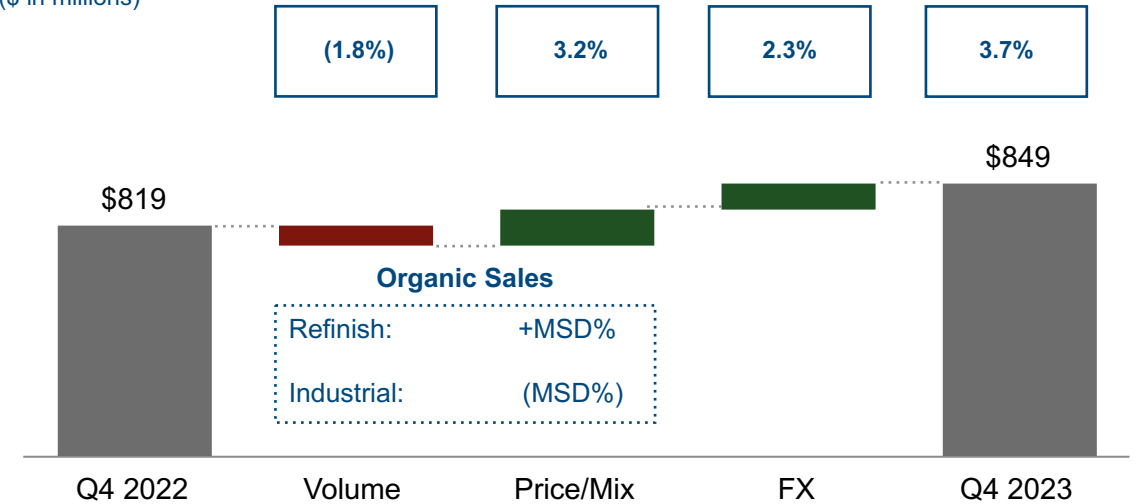
(\$ in millions)	Q4 2023	Q4 2022	% Change
Refinish	537	492	9%
Industrial	311	326	(5%)
Net Sales	849	819	4%
Adjusted EBITDA	192	169	14%
% margin	22.6%	20.6%	200 bps

Adjusted EBITDA and Margin Trend



Net Sales Variance

(\$ in millions)



- **Refinish** net sales growth driven by strong price-mix contribution and favorable volumes in a steady market environment
- **Industrial** net sales declined as positive price-mix was more than offset by continued weakness in North America construction
- **Performance Coatings:** Significant improvement in Adj. EBITDA across both end-markets with better margins driven by variable cost deflation and price-mix growth

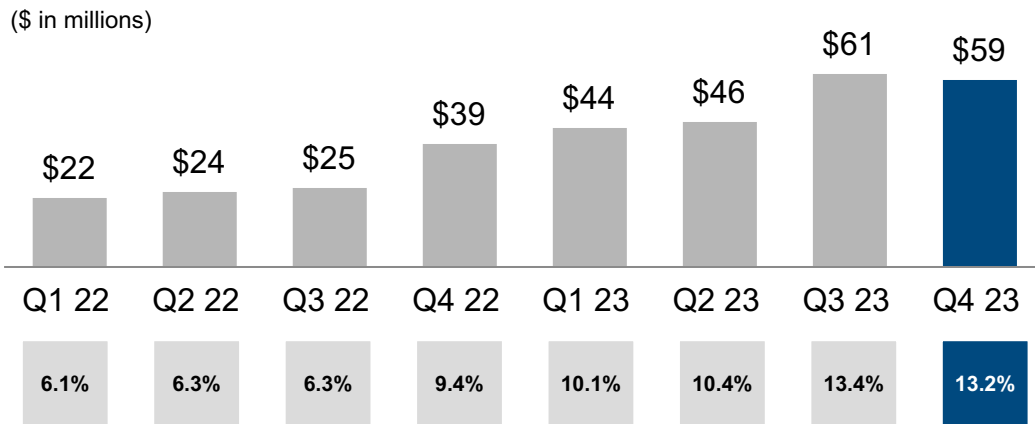
MSD = mid single digit

Fourth Quarter 2023 Mobility Coatings Results

Financial Results

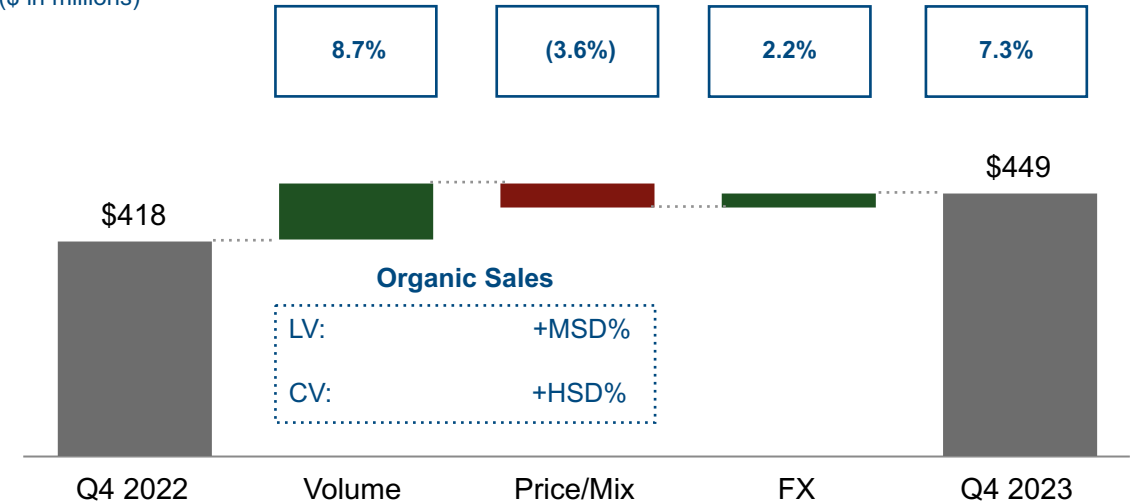
(\$ in millions)	Q4 2023	Q4 2022	% Change
Light Vehicle	340	320	6%
Commercial Vehicle	109	99	10%
Net Sales	449	418	7%
Adjusted EBITDA	59	39	50%
% margin	13.2%	9.4%	380 bps

Adjusted EBITDA and Margin Trend



Net Sales Variance

(\$ in millions)



- **Light Vehicle** volume improved across all regions with strong performance in China. Price-mix lower from negative mix and unfavorable comparison given prior-year one-time pricing benefit
- **Commercial Vehicle** net sales growth led by solid volumes in key markets; demand remained stable in North and Latin America
- **Mobility Coatings:** Considerable improvement in Adj. EBITDA and margin supported by variable cost deflation and better volumes

HSD/MSD = High/mid single digit

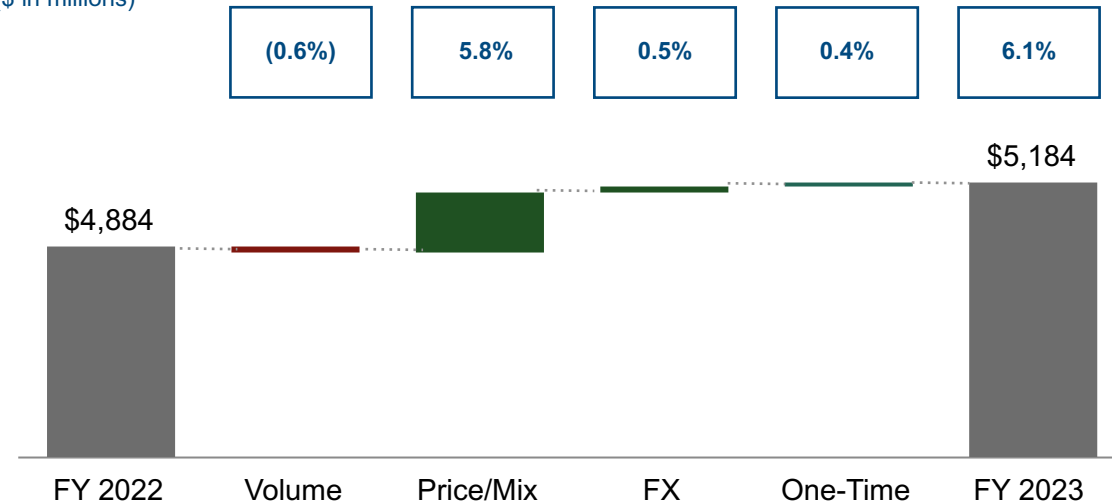
FY 2023 Consolidated Results

Financial Results

(\$ in millions, except per share data)	FY 2023	FY 2022	% Change
Net Sales	5,184	4,884	6%
Net Income	269	192	40%
Adjusted EBITDA	951	811	17%
% margin	18.4%	16.6%	180 bps
Diluted EPS	1.21	0.86	41%
Adjusted Diluted EPS	1.57	1.48	6%
Free Cash Flow	447	163	174%

Net Sales Variance

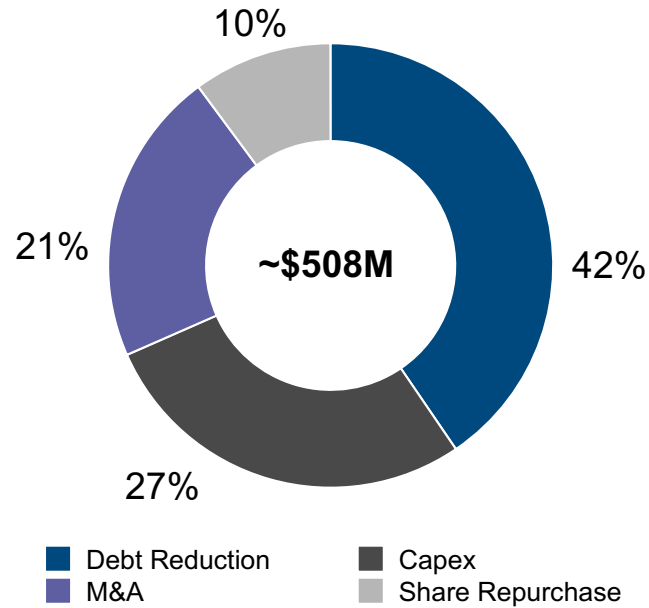
(\$ in millions)



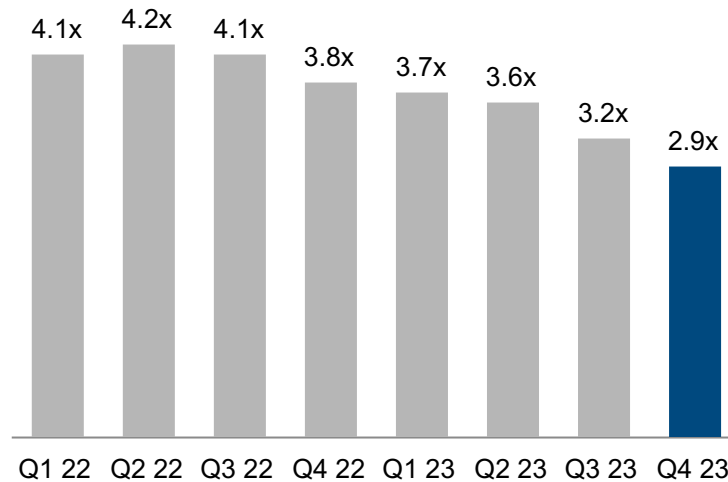
- Strong net sales growth led by positive price-mix across all end-markets and Mobility Coatings volumes
- Record Adj. EBITDA and solid Adj. diluted EPS as a result of robust second half earnings
- Margin expansion supported by significant improvements in both segments partially offset by higher labor expense and investments into the business

Focused Capital Allocation Drives Shareholder Value

2023 Capital Allocation

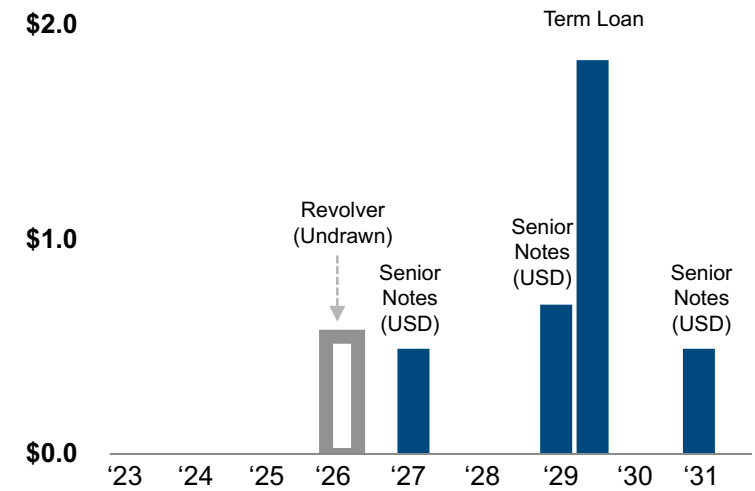


Total Net Leverage Ratio⁽¹⁾ Progression



Debt Maturity Profile

(\$ in billions)



Drove Significant Improvement in Leverage

(1) Total Net Leverage Ratio = Total Net Debt / LTM Adjusted EBITDA

2024 Guidance

Net Sales

(% Change YoY)

Q1 2024	FY 2024
Flat	+LSD

Adjusted EBITDA

(\$ in millions)

Q1 2024	FY 2024
~\$240	\$1,010 - \$1,050

Adjusted Diluted EPS

(\$ per share)

Q1 2024	FY 2024
~\$0.40	\$1.80 - \$1.95

Free Cash Flow

(\$ in millions)

FY 2024
\$400 - \$450

Axalta does not provide a reconciliation for non-GAAP estimates for Adjusted EBITDA, Adjusted Diluted EPS and 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. See "Non-GAAP Financial Measures" for more information.

LSD = Low single digit

Save The Date

Axalta Strategy Forum 2024



May 15th 2024 | 8:00AM - 10:00AM

Axalta's management team will present three-year financial targets and a refreshed strategic plan to achieve attractive growth

Speakers:

- Chris Villavarayan, CEO & President
- Carl Anderson, CFO & Senior Vice President
- Dr. Robert Roop, CTO & Senior Vice President

Details:

- Registration can be found at ir.axalta.com



Appendix

Full Year 2024 Modeling Assumptions

Axalta does not provide a reconciliation for non-GAAP estimates for 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.

(in millions, except %'s)	Projection
D&A (step-up D&A)	~\$280 (\$50)
Tax Rate, As Adjusted	~25%
Diluted Shares Outstanding	~222
Interest Expense	~\$215
Capex	~\$165

Adjusted EBITDA Reconciliation

(\$ in millions)	FY 2023	FY 2022	Q4 2023	Q4 2022
Net income	\$ 268.5	\$ 192.2	\$ 73.6	\$ 43.9
Interest expense, net	213.3	139.8	55.4	38.7
Provision for income taxes	86.2	65.1	28.2	13.5
Depreciation and amortization	275.6	303.1	68.7	73.6
EBITDA	\$ 843.6	\$ 700.2	\$ 225.9	\$ 169.7
A Debt extinguishment and refinancing-related costs	9.9	14.7	2.9	15.3
B Termination benefits and other employee-related costs	17.5	24.4	3.9	14.8
C Acquisition and divestiture-related costs	2.7	2.9	1.9	0.1
D Impairment charges (benefits)	15.3	(0.4)	—	—
E Site closure costs	6.8	2.3	2.8	0.2
F Foreign exchange remeasurement losses	22.7	15.2	4.1	1.9
G Long-term employee benefit plan adjustments	9.2	(0.3)	2.4	(0.7)
H Stock-based compensation	26.2	22.2	6.9	8.2
I Gains on sales of facilities	(0.1)	(1.5)	—	(1.5)
J Russia sanction-related impacts	(1.5)	5.0	—	0.2
K Commercial agreement restructuring impacts	—	25.0	—	—
L Other adjustments	(0.9)	1.1	0.1	—
Adjusted EBITDA	\$ 951.4	\$ 810.8	\$ 250.9	\$ 208.2
Segment Adjusted EBITDA:				
Performance Coatings	\$ 741.9	\$ 700.0	\$ 191.8	\$ 168.8
Mobility Coatings	209.5	110.8	59.1	39.4
Total	\$ 951.4	\$ 810.8	\$ 250.9	\$ 208.2

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, consulting, legal and other employee-related costs 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 amounts for the years ended December 31, 2023 and 2022 include \$0.2 million, and \$1.9 million, respectively, of due diligence and other related costs associated with unconsummated merger and acquisition transactions.
- D** Represents impairment charges and benefits, which are not considered indicative of our ongoing operating performance. The losses recorded during the year ended December 31, 2023 were primarily due to the decision to demolish assets at a previously closed manufacturing site during the three months ended June 30, 2023 and the then anticipated exit of a non-core business category in the Mobility Coatings segment during the three months ended March 31, 2023. The amounts recorded during the year ended December 31, 2022 relate primarily to insurance recoveries on assets impaired in a prior year.
- E** Represents costs related to the closure of certain manufacturing sites, which we do not consider indicative of our ongoing operating performance.
- F** Represents 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** Represents 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 previously closed manufacturing facilities.
- 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. The benefits recorded during the year ended December 31, 2023 are related to changes in estimated inventory obsolescence and uncollectible accounts receivables. The benefits recorded during the year ended December 31, 2022 are related to changes in estimated inventory obsolescence.
- K** Represents a non-cash charge associated with the forgiveness of a portion of up-front customer incentives with repayment features which was done along with our customer completing a recapitalization and restructuring of its indebtedness and the execution of a new long-term exclusive sales agreement with us. This amount is not considered to be indicative of our ongoing operating performance.
- L** Represents 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.

Adjusted Net Income Reconciliation

(\$ in millions)	FY 2023		FY 2022		Q4 2023		Q4 2022	
Net income	\$	268.5	\$	192.2	\$	73.6	\$	43.9
Less: Net income attributable to noncontrolling interests		1.1		0.6		0.5		0.3
Net income attributable to common shareholders		267.4		191.6		73.1		43.6
A Debt extinguishment and refinancing-related costs		9.9		14.7		2.9		15.3
B Termination benefits and other employee-related costs		17.4		24.7		3.8		14.8
C Acquisition and divestiture-related costs		2.7		2.9		1.9		0.1
D Impairment charges (benefits)		15.3		(0.4)		—		—
E Accelerated depreciation and site closure costs		6.8		4.3		2.8		0.1
F Gains on sales of facilities		(0.1)		(1.5)		—		(1.5)
G Russia sanction-related impacts		(1.6)		5.0		(0.1)		0.3
H Commercial agreement restructuring impacts		—		25.0		—		—
I Other adjustments		(0.6)		0.3		0.2		(0.8)
J Step-up depreciation and amortization		55.7		93.0		13.2		22.9
Total adjustments	\$	105.5	\$	168.0	\$	24.7	\$	51.2
K Income tax provision impacts		24.8		29.9		3.9		10.5
Adjusted net income	\$	348.1	\$	329.7	\$	93.9	\$	84.3
Adjusted diluted net income per share	\$	1.57	\$	1.48	\$	0.43	\$	0.38
Diluted weighted average shares outstanding		221.9		222.3		220.9		221.5

Adjusted Net Income 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, consulting, legal and other employee-related costs 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 amounts for the years ended December 31, 2023 and 2022 include \$0.2 million, and \$1.9 million, respectively, of due diligence and other related costs associated with unconsummated merger and acquisition transactions.
- D** Represents impairment charges and benefits, which are not considered indicative of our ongoing operating performance. The losses recorded during the year ended December 31, 2023 were primarily due to the decision to demolish assets at a previously closed manufacturing site during the three months ended June 30, 2023 and the then anticipated exit of a non-core business category in the Mobility Coatings segment during the three months ended March 31, 2023. The amounts recorded during the year ended December 31, 2022 relate primarily to insurance recoveries on assets impaired in a prior year.
- 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 non-recurring income related to the sale of previously closed manufacturing facilities.
- G** 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. The benefits recorded during the year ended December 31, 2023 are related to changes in estimated inventory obsolescence and uncollectible accounts receivables. The benefits recorded during the year ended December 31, 2022 are related to changes in estimated inventory obsolescence.
- H** Represents a non-cash charge associated with the forgiveness of a portion of up-front customer incentives with repayment features which was done along with our customer completing a recapitalization and restructuring of its indebtedness and the execution of a new long-term exclusive sales agreement with us. This amount is not considered to be indicative of our ongoing operating performance.
- I** Represents 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.
- 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.
- K** 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 \$1.3 million and benefits of \$3.6 million for the three months ended December 31, 2023 and 2022, respectively, and benefits of \$0.9 million and expenses of \$3.4 million for the years ended December 31, 2023 and 2022, respectively. The tax adjustments for the years ended December 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)	Q4 2023	Q3 2023	Q2 2023	Q1 2023	FY 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	YTD 2022
Cash provided by (used for) operating activities	\$ 286.0	\$ 210.1	\$ 131.0	\$ (51.8)	\$ 575.3	\$ 245.6	\$ 79.9	\$ 12.2	\$ (43.9)	\$ 293.8
Purchase of property, plant and equipment	(32.6)	(31.4)	(32.5)	(41.4)	(137.9)	(43.4)	(35.5)	(29.5)	(42.5)	(150.9)
Interest proceeds on swaps designated as net investment hedges	0.5	3.0	0.5	5.6	9.6	3.8	6.1	3.8	6.2	19.9
Free cash flow	\$ 253.9	\$ 181.7	\$ 99.0	\$ (87.6)	\$ 447.0	\$ 206.0	\$ 50.5	\$ (13.5)	\$ (80.2)	\$ 162.8

Adjusted EBIT Reconciliation

(\$ in millions)	FY 2023	FY 2022	Q4 2023	Q4 2022
Income from operations	\$ 587.5	\$ 423.2	\$ 161.2	\$ 109.8
Other expense, net	19.5	26.1	4.0	13.7
Total	\$ 568.0	\$ 397.1	\$ 157.2	\$ 96.1
A Debt extinguishment and refinancing-related costs	9.9	14.7	2.9	15.3
B Termination benefits and other employee-related costs	17.5	24.9	3.9	14.8
C Acquisition and divestiture-related costs	2.7	2.9	1.9	0.1
D Impairment charges (benefits)	15.3	(0.4)	—	—
E Accelerated depreciation and site closure costs	6.8	4.3	2.8	0.1
F Gains on sales of facilities	(0.1)	(1.5)	—	(1.5)
G Russia sanction-related impacts	(1.5)	5.0	—	0.2
H Commercial agreement restructuring impacts	—	25.0	—	—
I Other adjustments	(0.6)	0.3	0.2	(0.8)
J Step-up depreciation and amortization	55.7	93.0	13.2	22.9
Adjusted EBIT	\$ 673.7	\$ 565.3	\$ 182.1	\$ 147.2
Segment Adjusted EBIT:				
Performance Coatings	\$ 491.4	\$ 448.3	\$ 129.3	\$ 106.7
Mobility Coatings	126.6	24.0	39.6	17.6
Total	\$ 618.0	\$ 472.3	\$ 168.9	\$ 124.3
J Step-up depreciation and amortization	55.7	93.0	13.2	22.9
Adjusted EBIT	\$ 673.7	\$ 565.3	\$ 182.1	\$ 147.2

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, consulting, legal and other employee-related costs 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 amounts for the years ended December 31, 2023 and 2022 include \$0.2 million, and \$1.9 million, respectively, of due diligence and other related costs associated with unconsummated
- D** Represents impairment charges and benefits, which are not considered indicative of our ongoing operating performance. The losses recorded during the year ended December 31, 2023 were primarily due to the decision to demolish assets at a previously closed manufacturing site during the three months ended June 30, 2023 and the then anticipated exit of a non-core business category in the Mobility Coatings segment during the three months ended March 31, 2023. The amounts recorded during the year ended December 31, 2022 relate primarily to insurance recoveries on assets impaired in a prior year.
- 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 non-recurring income related to the sale of previously closed manufacturing facilities.
- G** 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. The benefits recorded during the year ended December 31, 2023 are related to changes in estimated inventory obsolescence and uncollectible accounts receivables. The benefits recorded during the year ended December 31, 2022 are related to changes in estimated inventory obsolescence.
- H** Represents a non-cash charge associated with the forgiveness of a portion of up-front customer incentives with repayment features which was done along with our customer completing a recapitalization and restructuring of its indebtedness and the execution of a new long-term exclusive sales agreement with us. This amount is not considered to be indicative of our ongoing operating performance.
- I** Represents 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.
- 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 Historic EBITDA Reconciliation

(\$ in millions)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Net income	\$ 40.9	\$ 44.1	\$ 63.3	\$ 43.9	\$ 60.5	\$ 61.1	\$ 73.3	\$ 73.6
Interest expense, net	32.6	33.5	35.0	38.7	48.2	54.6	55.1	55.4
Provision for income taxes	11.0	18.8	21.8	13.5	15.3	13.4	29.3	28.2
Depreciation and amortization	77.7	77.3	74.5	73.6	69.5	66.2	71.2	68.7
EBITDA	\$ 162.2	\$ 173.7	\$ 194.6	\$ 169.7	\$ 193.5	\$ 195.3	\$ 228.9	\$ 225.9
A Debt extinguishment and refinancing-related costs	—	(0.2)	(0.4)	15.3	1.8	1.2	4.0	2.9
B Termination benefits and other employee-related costs	1.9	2.7	5.0	14.8	(0.2)	2.3	11.5	3.9
C Acquisition and divestiture-related costs	0.4	2.2	0.2	0.1	0.5	(0.1)	0.4	1.9
D Impairment charges (benefits)	0.3	(0.6)	(0.1)	—	7.1	8.3	(0.1)	—
E Site closure costs	0.6	1.1	0.4	0.2	1.1	0.8	2.1	2.8
F Foreign exchange remeasurement losses	2.6	4.9	5.8	1.9	2.3	9.6	6.7	4.1
G Long-term employee benefit plan adjustments	0.1	0.1	0.2	(0.7)	2.2	2.3	2.3	2.4
H Stock-based compensation	5.3	3.7	5.0	8.2	6.3	7.3	5.7	6.9
I Gains on sales of facilities	—	—	—	(1.5)	—	(0.1)	—	—
J Russia sanction-related impacts	5.8	0.3	(1.3)	0.2	(1.4)	0.1	(0.2)	—
K Commercial agreement restructuring impacts	—	25.0	—	—	—	—	—	—
L Other adjustments	0.4	(0.2)	0.9	—	(0.1)	(0.1)	(0.8)	0.1
Adjusted EBITDA	\$ 179.6	\$ 212.7	\$ 210.3	\$ 208.2	\$ 213.1	\$ 226.9	\$ 260.5	\$ 250.9
Segment Adjusted EBITDA:								
Performance Coatings	157.5	188.8	184.9	168.8	169.1	181.2	199.8	191.8
Mobility Coatings	22.1	23.9	25.4	39.4	44.0	45.7	60.7	59.1
Total	\$ 179.6	\$ 212.7	\$ 210.3	\$ 208.2	\$ 213.1	\$ 226.9	\$ 260.5	\$ 250.9

Adjusted Historic 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, consulting, legal and other employee-related costs 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 amounts for the years ended December 31, 2023 and 2022 include \$0.2 million, and \$1.9 million, respectively, of due diligence and other related costs associated with unconsummated merger and acquisition transactions.
- D** Represents impairment charges and benefits, which are not considered indicative of our ongoing operating performance. The losses recorded during the year ended December 31, 2023 were primarily due to the decision to demolish assets at a previously closed manufacturing site during the three months ended June 30, 2023 and the then anticipated exit of a non-core business category in the Mobility Coatings segment during the three months ended March 31, 2023. The amounts recorded during the year ended December 31, 2022 relate primarily to insurance recoveries on assets impaired in a prior year.
- E** Represents costs related to the closure of certain manufacturing sites, which we do not consider indicative of our ongoing operating performance.
- F** Represents 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** Represents 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 previously closed manufacturing facilities.
- 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. The benefits recorded during the year ended December 31, 2023 are related to changes in estimated inventory obsolescence and uncollectible accounts receivables. The benefits recorded during the year ended December 31, 2022 are related to changes in estimated inventory obsolescence.
- K** Represents a non-cash charge associated with the forgiveness of a portion of up-front customer incentives with repayment features which was done along with our customer completing a recapitalization and restructuring of its indebtedness and the execution of a new long-term exclusive sales agreement with us. This amount is not considered to be indicative of our ongoing operating performance.
- L** Represents certain non-operational or non-cash losses (gains), unrelated to our core business and which we do not consider indicative of our ongoing operating performance.

Capitalization Table

(\$ in millions)	Interest	@ 12/31/2023	Maturity
Cash and Cash Equivalents		\$ 700	
Debt:			
Revolver (\$550 million capacity)	Variable	—	2026
First Lien Term Loan (USD)	Variable	1,761	2029
Total Senior Secured Debt		\$ 1,761	
Senior Unsecured Notes (USD)	Fixed	496	2027
Senior Unsecured Notes (USD)	Fixed	693	2029
Senior Unsecured Notes (USD)	Fixed	492	2031
Finance Leases		57	
Other Borrowings		5	
Other Borrowings and Finance Leases		62	
Total Debt		\$ 3,504	
Total Net Debt ⁽¹⁾		\$ 2,804	
LTM Adjusted EBITDA		951	
Total Net Leverage Ratio ⁽²⁾		2.9x	
Total Gross Leverage Ratio ⁽³⁾		3.7x	

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

(2) Total Net Leverage Ratio = Total Net Debt / LTM Adjusted EBITDA

(3) Total Gross Leverage Ratio = Total Debt / LTM Adjusted EBITDA



Thank You

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