Axalta Coating Systems

Q1 Investor Overview

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 "outlook," "expected," "priorities," "guidance," "projection," "assumptions," "targeted", "expectations", "strategy" and "anticipated" and the negative of these words or other comparable or similar terminology. All of these statements are based on management's expectations as well as estimates and assumptions prepared by management that, although they believe to be reasonable, are inherently uncertain. These statements involve risks and uncertainties, including, but not limited to, economic, competitive, governmental and technological factors outside of Axalta's control, including the effects of COVID-19, that may cause its business, industry, strategy, financing activities or actual results to differ materially. 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, 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, 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, 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, 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.

Axalta's CEO, CFO and VP of Investor Relations

Chris Villavarayan
Chief Executive Officer
and President

Sean Lannon
Chief Financial Officer And
Senior Vice President

Chris Evans
Vice President,
Investor Relations

Compelling Investment Thesis

1. **Strong core markets** and unique positioning in coatings industry

2. **Above market growth** in profitable segments

3. **Driving margins to pre COVID-19 levels** supported by productivity and pricing execution

4. **Delivering cash;** returning to normalized unlevered cash conversion levels

5. **Targeted net leverage ratio of ~3.0x** by year-end; capital allocation currently focused on gross debt reduction

A Leading Global Coatings Company With A 150 Year Legacy

REFINISH

Largest Provider of Aftermarket Auto Coatings and Accessories

INDUSTRIAL

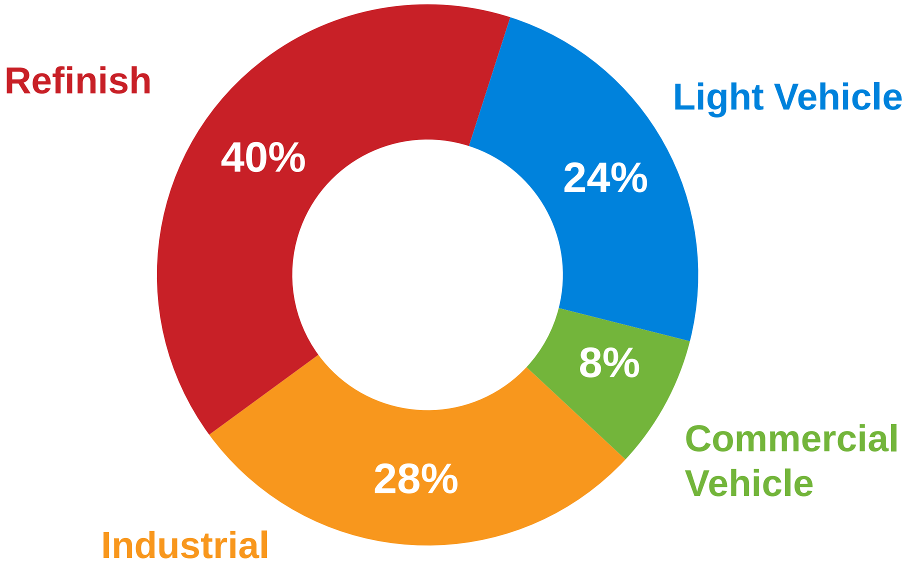
Total Coatings Solution Provider Across a Diverse and Global Customer Base

MOBILITY COATINGS

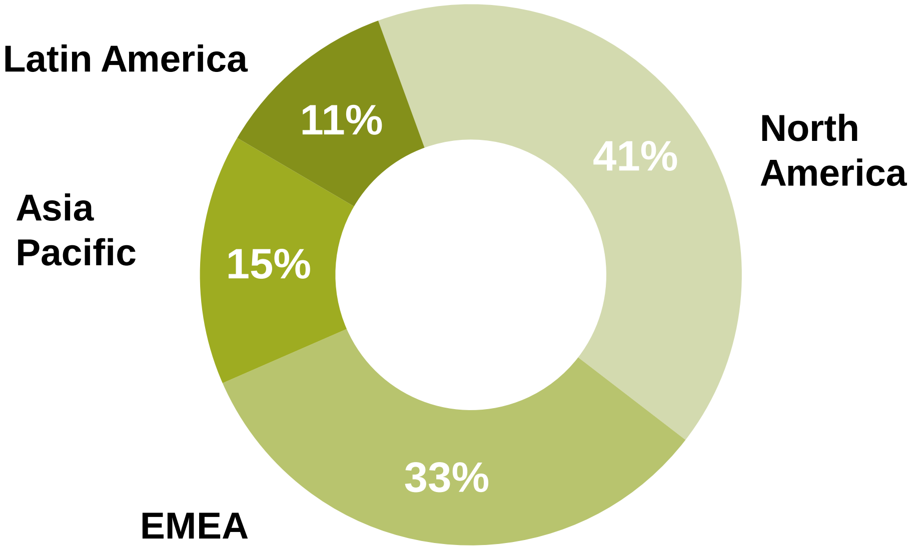
Coatings Solutions for Future Mobility in Light and Commercial Vehicle

Strategic and Complementary Businesses

2022 NET SALES $4.9B



BY GEOGRAPHY



Performance Coatings

Refinish
- Independent body shops
- Multi-shop operators (MSOs)
- Auto dealership groups

Industrial
- General Industrial
- Building Products
- Energy Solutions

Mobility Coatings

Light Vehicle
- Automotive OEMs
- Plastic and composite components
- Automotive coatings applications

Commercial Vehicle
- Heavy duty and utility trucks
- Rail, bus and machinery
- Recreational and off-road
- Light marine and aviation

STRONG AND DIVERSIFIED END MARKETS

Driving Innovation With Some Of The Most Iconic Brands In The Coatings Industry

KEY STATISTICS

150+ Years in Coatings	**140+** Countries
~1,300 Scientists, technical experts and engineers	**25** Global Laboratories
~80% Of new technology to have sustainable benefit by 2030	**~12,000** Employees
~750 Active patents	**4** Major R&D centers

50+ BRANDS

SYROX™ · SPIES HECKER · AquaEC™

Cromax · nason finishes · Alesta® Powder Coatings

DUXONE® · IMRON™ · STANDOX

upol · RAPTOR

Growth and Diversity from M&A Program

Track Record of Successful Acquisitions

25	Acquisitions Since 2015
~$1.4B	Total M&A spend 2016-2022
~$780M	Annual Revenues[1]

2015 2016 2017 2018 2019 2020 2021 2022

1. Annual Revenues based on TTM at time of closing

Well-Positioned for Favorable Macro Trends and Drivers

		Trends	2022 Net Sales	Total Addressable Market[1]	Market Position[1]
	**REFINISH**	▪ Robust multi-year outlook driven by a return to secular growth and aided by share gains with fast growing customers ▪ Expansion into mainstream/economy segments and into accessories & aerosols	**$1.9B**	**$6.8B**	**#1[1]**
	**INDUSTRIAL**	▪ Expanding sales pipeline across a diversified growth platform ▪ Cyclical recovery in Europe and Asia Pacific	**$1.4B**	**$65.0B**	**#2[2]**
	**LIGHT VEHICLE**	▪ Global auto production recovery already underway supported by historically low dealer inventories and aging car fleet ▪ New business wins expected to drive above market growth	**$1.2B**	**$8.5B**	**#2[3]**
	**COMMERCIAL VEHICLE**	▪ Leading industry position in North America Heavy Duty Truck led by a strong class 8 production outlook	**$0.4B**	**$3.5B**	**#1[3]**

Source: Management Estimates & Orr and Boss:

1. *#1 for Refinish (2019)*
2. *#2 for Global Industrial E-Coat Supplier, North American Wood Coatings Supplier (2019), and Global Electrical Insulation Supplier (2021)*
3. *#2 Light Vehicle (2019) tied with peer and #1 Globally in commercial truck & bus and CV in Americas (2019)*

Refinish Overview

DRIVERS

NEAR TERM

- ↑ OFFICE OCCUPANCY

LONG TERM

- ↑ GROWING CAR PARC & MILES DRIVEN
- ↓ VOLUME PER REPAIR
- ↑ PREMIUM CUSTOMER GROWTH
- ↑ ACCESSORIES & AEROSOLS

BREAKDOWN BY CUSTOMER SEGMENT[1]

Segment	Size	AXTA Share	AXTA Net Sales
P PREMIUM	$2.8B	40%	65%
M MAINSTREAM	$2.2B	19%	25%
E ECONOMY	$1.8B	9%	10%

LEADERSHIP IN PREMIUM WITH OPPORTUNITIES IN MAINSTREAM / ECONOMY

(1) 2019 Market Size, 2019 Share Position, 2019 Axalta Net Sales Position (Source: Management Estimates)

Industrial Overview




DRIVERS

NEAR TERM		LONG TERM		
↑	↓	↑	↑	↑
REGIONAL ECONOMIC NORMALIZATION	COMMERCIAL & RESIDENTIAL CONSTRUCTION	INDUSTRIAL PRODUCTION	ELECTRIFICATION	GLOBAL GDP

BREAKDOWN BY SEGMENT[1]

GI — GENERAL INDUSTRIAL

$43B SIZE | **4%** AXTA SHARE | **65%** INDUSTRIAL 2022 NET SALES

Total solution provider: leading powder, liquid, and e-coat

BP — BUILDING PRODUCTS

$10B SIZE | **4%** AXTA SHARE | **25%** INDUSTRIAL 2022 NET SALES

Broad range of sustainable interior / exterior technologies for Wood Coatings

ES — ENERGY SOLUTIONS

$3B SIZE | **4%** AXTA SHARE | **10%** INDUSTRIAL 2022 NET SALES

Insulating materials to enable higher efficiency electric motor design and production

GLOBAL PRESENCE WITH LARGE AND DIVERSE CUSTOMER BASE

(1) Source: Management Estimates and Orr and Boss

Mobility Coatings Overview



DRIVERS

NEAR TERM

- ↑ DEALER INVENTORY LEVELS
- ↓ COST OF VEHICLE & INTREST RATES
- ↑ CLASS 8 TRUCK BACKLOGS

LONG TERM

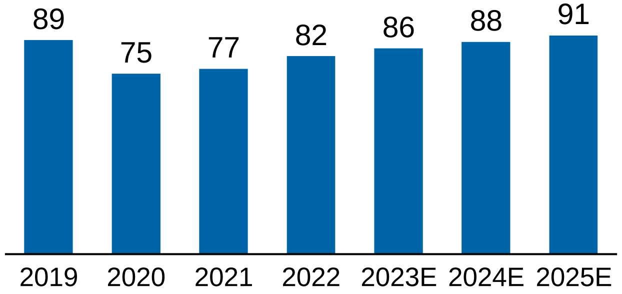
- ↑ SUPPLY CHAIN IMPROVEMENT
- ↑ AGING CAR FLEET

BREAKDOWN BY SEGMENT[1]

LV LIGHT VEHICLE	**$9B** SIZE	**76%** 2022 MOBILITY NET SALES	**$1.2B** 2022 NET SALES
CV COMMERCIAL VEHICLE	**$4B** SIZE	**24%** 2022 MOBILITY NET SALES	**$377M** 2022 NET SALES

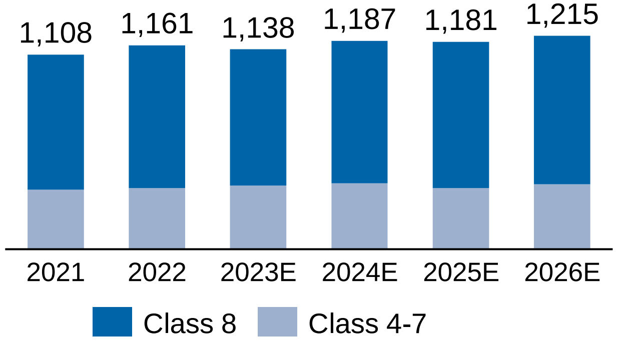
2016 – 2025 Global LV Builds[(2)]

(Builds in millions)



2021 – 2026 CV Builds Class 4-8[(2)(3)]

(Builds in thousands)

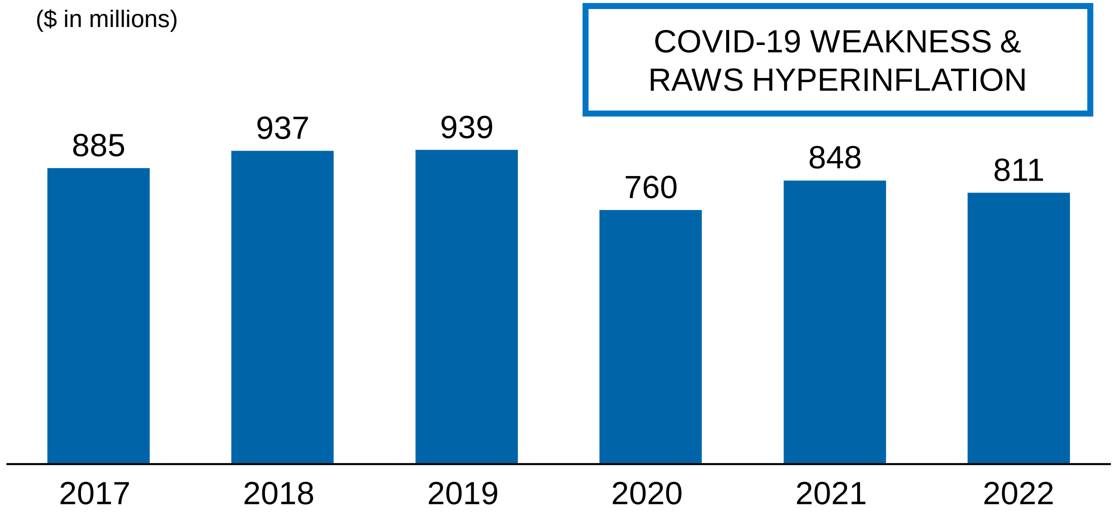


GROWTH SUPPORTED BY NEW BUSINESS WINS & MARKET RECOVERY

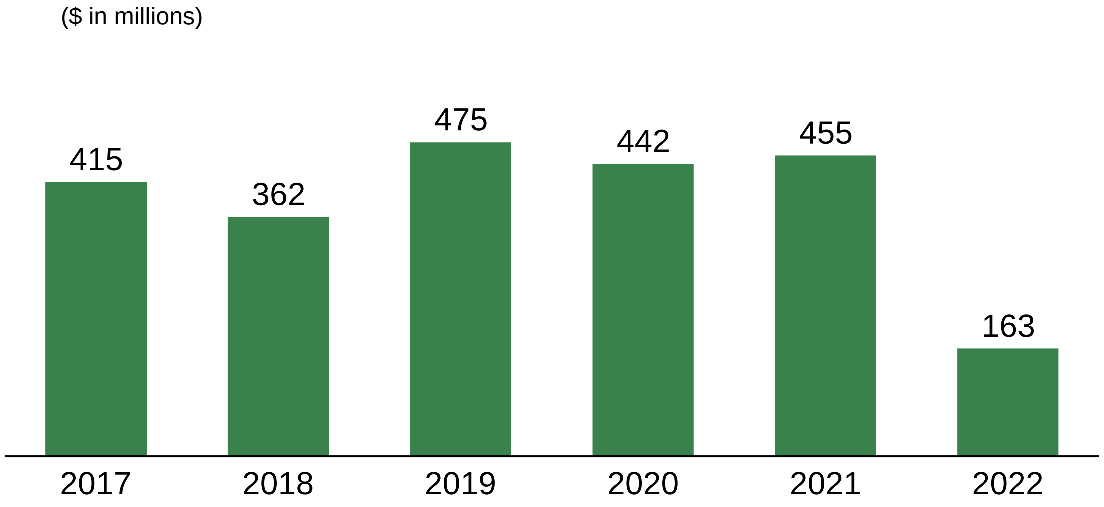
(1) Source: Management Estimates and Orr and Boss
(2) Source: S&P Global industry forecast
(3) Builds exclude Eastern Europe and Asia-Pacific due to limited Axalta exposure

Select Financial Metrics

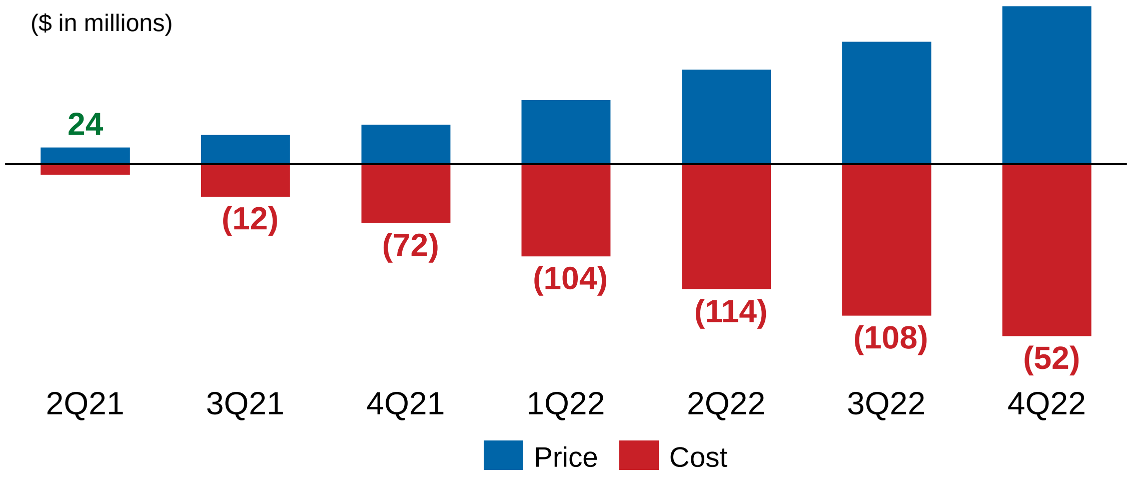
Adj. EBITDA



Free Cash Flow



Cumulative Price-Cost[1]



Navigating Unprecedented Headwinds 2020-2022

- COVID-19 severely impacted market activity, year-end 2022 levels were still below 2019 in the majority of our end-markets
- Historic inflation in variable costs drove ~$640 million of earning headwinds in 2021 and 2022 aggregate
- Inflation and elevated inventory levels together drove working capital to be ~$300 million cash use 2021-2022

2023+ Expectations:

Earnings & margin recovery supported by improving market activity, new business wins and productivity programs already underway

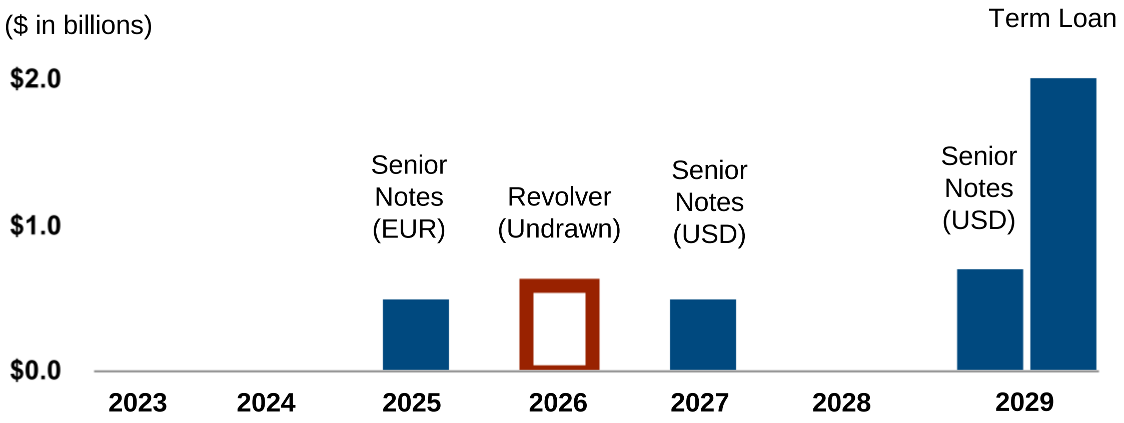
(1) Cumulative year-over-year price-mix vs raw material, energy and logistics EBIT impacts beginning in Q1 2021

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 Q1 2023, with $122 million of combined structural debt pay downs over Q4 2022 and Q1 2023
- Near-term capital allocation strategy focused on debt reduction and maintaining balance sheet strength

Total liquidity remains strong

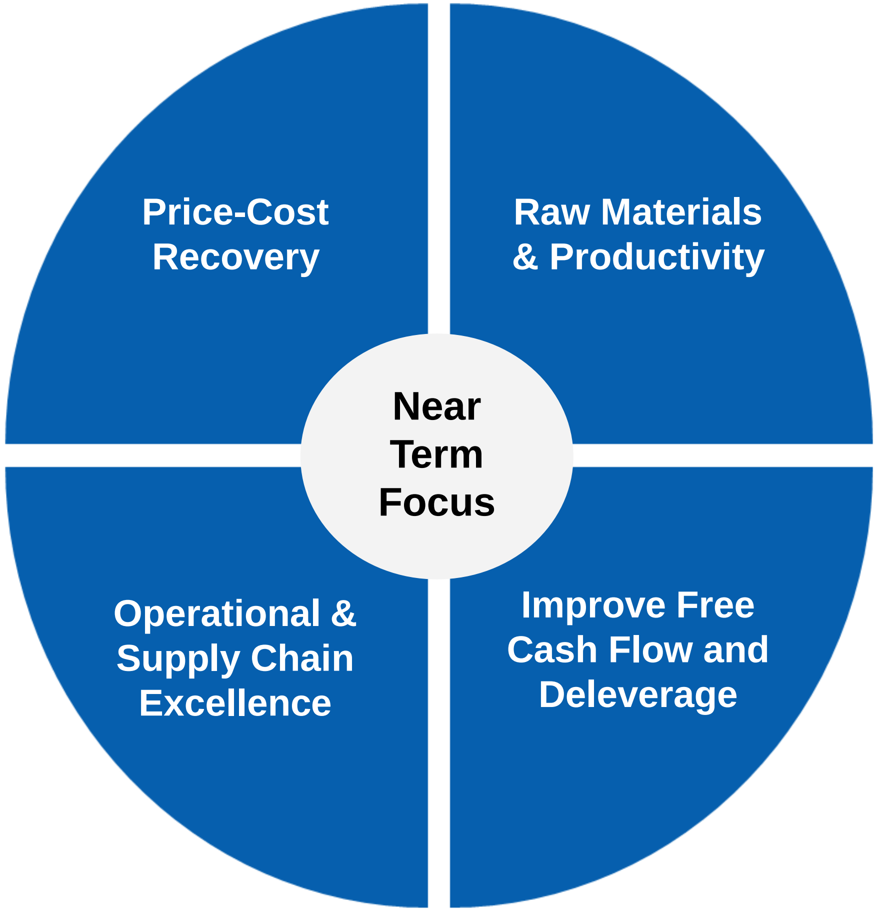
- Over $1 billion available at March 31, 2023 including $530 million of available capacity under our undrawn revolver

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

2023 Priorities

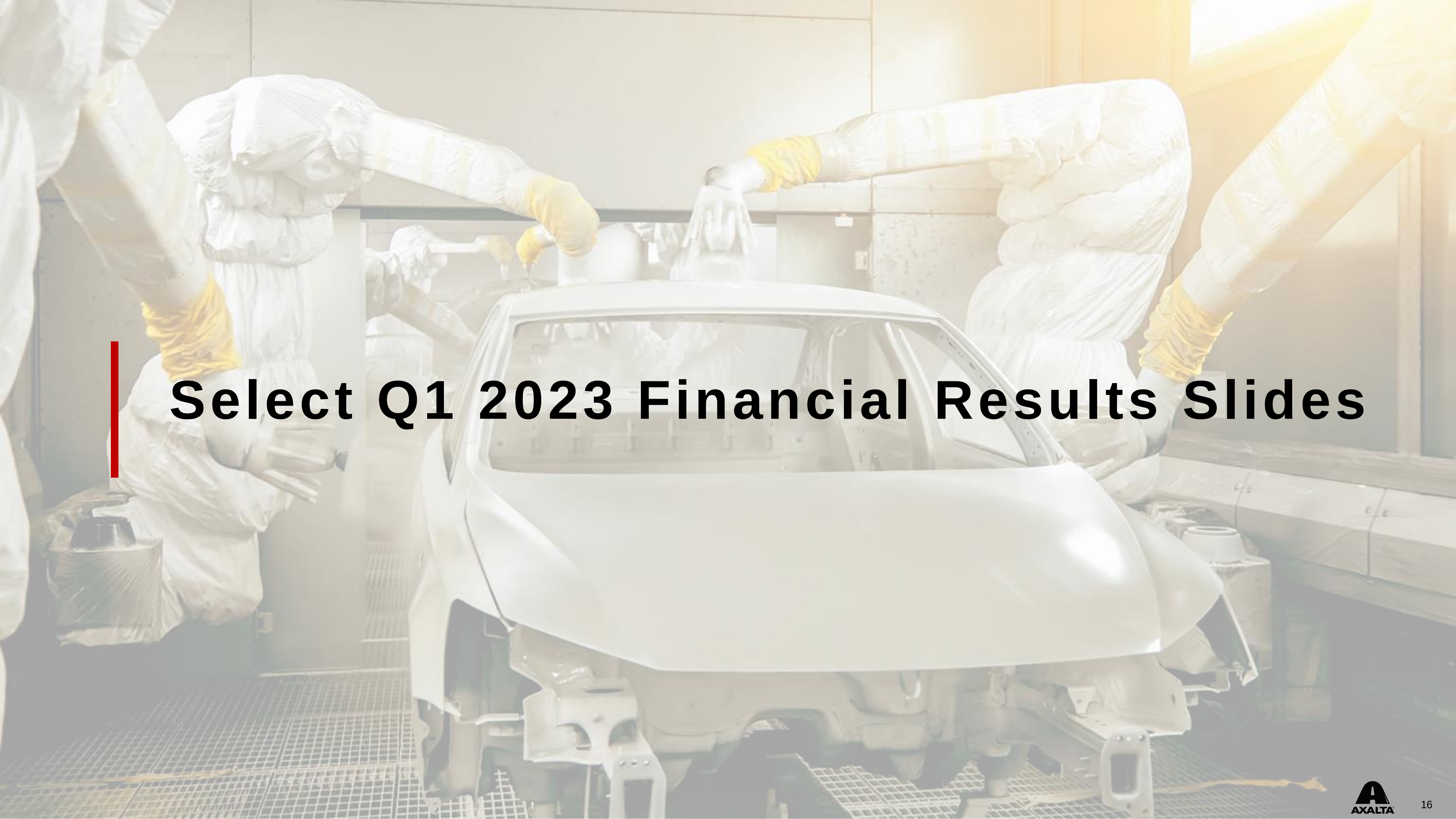


Expected Catalysts

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

ACCELERATING MARGIN RECOVERY THROUGH FOCUSED EXECUTION

Select Q1 2023 Financial Results Slides



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 ratio improved to 3.7x at March 31st from 3.8x at December 31st

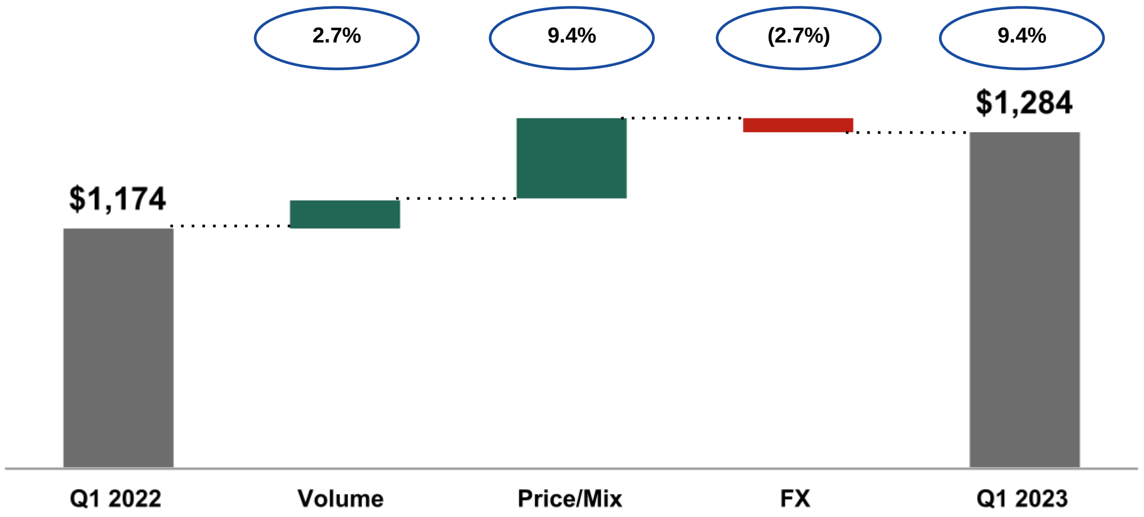
Driving Improved Profitability

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

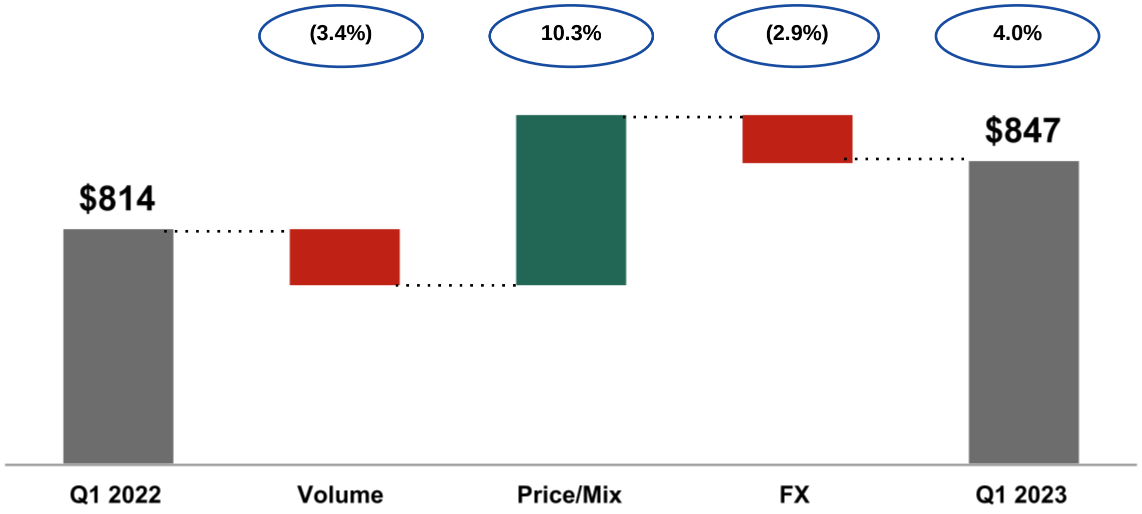
- Adjusted EBIT margins improved by 140 bps
- Positive year-over-year price-cost contribution despite high-single-digit variable cost inflation
- Headwinds from labor and general fixed cost inflation, investments in operational improvements and sales support as well as lower production levels as we intentionally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

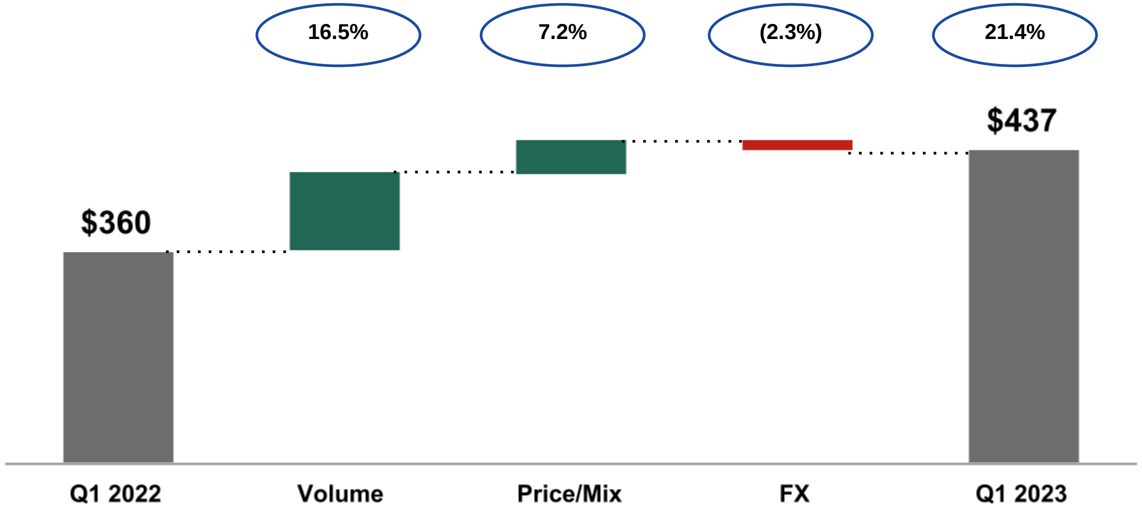
- Improved Refinish contribution driven by pricing and volume growth in North America
- Industrial price-mix offset year-over-year headwinds from lower volumes and variable cost inflation

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

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, free cash flow 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

Appendix

Adjusted EBITDA Reconciliation

	($ in millions)	Year Ended December 31, 2022	2021	2020	2019	2018	2017
	Net income (Loss)	$192	$264	$122	$253	$213	$48
	Interest expense, net	140	134	150	163	160	147
	Provision (Benefit) for income taxes	65	76	-	77	54	142
	Depreciation and amortization	303	317	320	353	369	347
	Reported EBITDA	**$700**	**$791**	**$592**	**$846**	**$796**	**$684**
A	Debt extinguishment and refinancing related costs	15	-	34	-	10	14
B	Termination benefits and other employee related costs	24	37	75	35	82	35
C	Consulting and advisory fees	-	-	-	-	-	(1)
D	Transition-related costs	-	-	-	-	-	8
E	Strategic review and retention costs	-	10	31	13	-	-
F	Offering and transactional costs	-	-	-	1	1	18
G	Divestiture, impairment, and deconsolidation charges	5	18	6	21	-	79
H	Foreign exchange remeasurement losses	15	2	7	8	9	7
I	Long-term employee benefit plan adjustments	(0)	(1)	-	-	(2)	1
J	Stock-based compensation	22	15	15	16	37	39
K	Dividends in respect of noncontrolling interest	(0)	(1)	(1)	(2)	(1)	(3)
L	Operational Matter	0	4	-	-	-	-
M	Brazil Indirect Tax	-	(8)	-	-	-	-
N	Gain (loss) on sale of facility	(2)	(20)	-	-	-	-
O	Russia sanction-related impacts	5	-	-	-	-	-
P	Commercial agreement restructuring impacts	25	-	-	-	-	-
Q	Other Adjustments	1	1	-	-	5	4
	Total Adjustments	$111	$57	$168	$93	$141	$201
	Adjusted EBITDA	**$811**	**$848**	**$760**	**$939**	**$937**	**$885**

A Represents expenses and associated changes to estimates related to the prepayment, restructuring and refinancing of our indebtedness, which are not considered indicative of our ongoing operating performance

B Represents expenses and associated changes to estimates related to employee termination benefits and other employee-related costs 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 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

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

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

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

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

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

P 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

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

Free Cash Flow Reconciliation

	Year Ended December 31,					
($ in millions)	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Cash provided by operating activities	$540	$496	$573	$509	$559	$294
Purchase of property, plant and equipment	(125)	(143)	(113)	(82)	(122)	(151)
Interest proceeds on swaps designated as net investment hedges	-	9	15	15	18	20
Free cash flow	$415	$362	$475	$442	$455	$163

Adjusted EBIT Reconciliation

	($ in millions)	Q1 2023	Q1 2022
	Income from operations	$125	$86
	Other expense, net	1	2
	Total	$124	$85
A	Debt extinguishment and refinancing-related costs	2	—
B	Termination benefits and other employee-related (benefits) costs	(0)	2
C	Acquisition and divestiture-related costs	1	0
D	Impairment charges	7	0
E	Accelerated depreciation and site closure costs	1	1
F	Russia sanction-related impacts	(1)	6
G	Other adjustments	(0)	0
H	Step-up depreciation and amortization	17	24
	Adjusted EBIT	$149	$120
	Segment Adjusted EBIT:		
	Performance Coatings	$109	$95
	Mobility Coatings	24	1
	Total	$133	$95
H	Step-up depreciation and amortization	17	24
	Adjusted EBIT	**$149**	**$120**

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	$41
	Less: Net income (loss) attributable to noncontrolling interests	-	(1)
	Net income attributable to controlling interests	$60	$42
A	Debt extinguishment and refinancing-related costs	2	-
B	Termination benefits and other employee related (benefits) costs	(0)	2
C	Acquisition and divestiture-related costs	1	0
D	Impairment charges	7	0
E	Accelerated depreciation and site closure costs	1	1
F	Russia sanction-related impacts	(1)	5
G	Other adjustments	(0)	0
H	Step-up depreciation and amortization	17	24
	Total adjustments	$25	$34
I	Income tax provision impacts	7	7
	Adjusted net income	**$78**	**$69**
	Adjusted diluted net income per share	**$0.35**	**$0.31**
	Diluted weighted average shares outstanding	222	225

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.

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.

Thank You

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