Axalta Coating Systems (AXTA)
Third Quarter 2020 Financial Results
October 21, 2020

Slide 3: Introduction and Q3 Financial Highlights

Net Sales: Axalta saw a significant ongoing net sales recovery during the third quarter, with net sales up 57.3% from the COVID-19 impacted second quarter. Total net sales for the quarter decreased 7.2% before FX and M&A impacts. This result, better than expected from July guidance, included 6.0% overall volume reduction and 1.4% negative price-mix contribution. Fundamental drivers included broad based recovery from end-markets globally. Notably FX was a modest tailwind of +0.1%, which was welcome as a relative non-factor given years of headwinds for Axalta.

Adjusted EBIT: Adjusted EBIT for the quarter was $210 million, up 10.0% year-over-year despite ongoing volume headwinds for the period. This was a record result, reflecting cost savings and variable cost tailwinds that offset volume and price-mix headwinds.

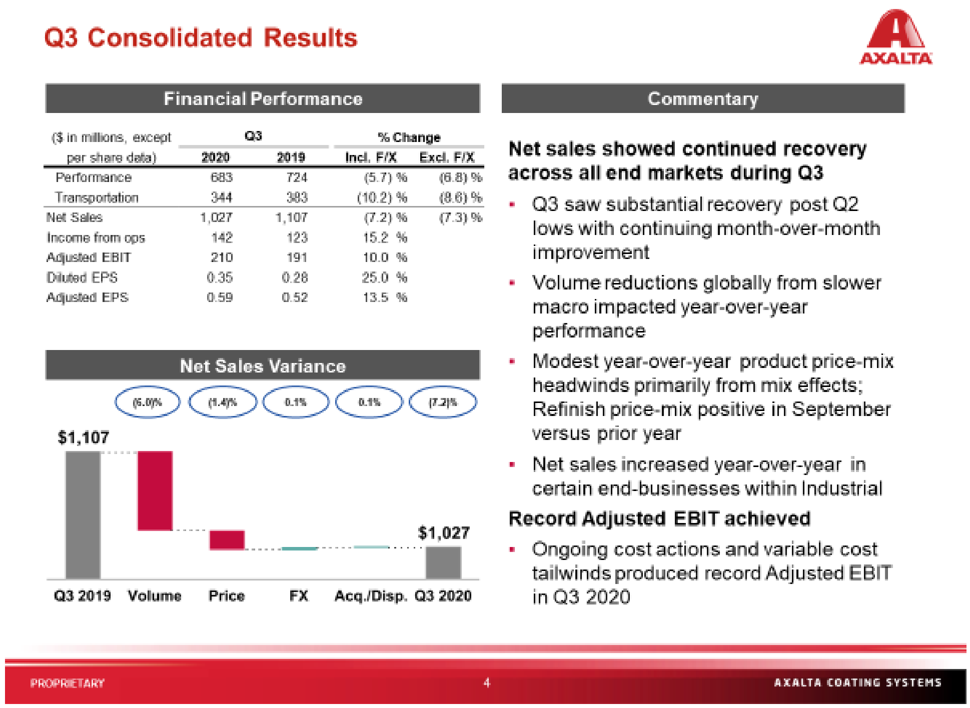
Balance Sheet & Cash Flows: Axalta continued to improve its overall cash position and lowered net debt as a result of a strong cash flow quarter. Free cash flow for the third quarter was $223 million, which represented a record for the third quarter. This outcome benefited from a strong source of cash flow from working capital, including reversal of the second quarter pressures, as well as continued focus broadly on working capital efficiency. Axalta has no maintenance covenants on its existing and outstanding long-term debt and no maturities prior to 2024. We closed the quarter with total liquidity of over $1.7 billion, including cash proceeds from the $500 million senior notes issuance from June 2020.

Business Conditions and Cost Structure:

Drivers of the strong net sales recovery during the quarter included ongoing recovery of vehicle miles driven, broad-based recovery of industrial production across a set of end-markets that we serve in Industrial coatings, home building and remodeling, and improved automotive production globally.

During the third quarter, Axalta exceeded its temporary cost savings target with total savings of $50 million, and the Company expects to achieve its in-year 2020 savings target of at least $130 million. Likewise, Axalta is on track to deliver its full year target for cash flow actions of at least $140 million. The cash actions taken include capex reductions from our initial 2020 guidance, as well as other reductions in discretionary capital uses and actions to generate working capital savings. In combination, Axalta expects to deliver total incremental cash flow in excess of $270 million in 2020, including the cost reduction actions, which is a critical offset to the negative volume effects seen this year due to the COVID-19 pandemic.

Axalta anticipates approximately $195 million of in-year 2020 cost savings from the combination of temporary and structural cost initiatives under way. Related cash outflows from structural cost actions are still anticipated at $25-30 million for the remainder of 2020, and $35-40 million during 2021, inclusive of capital expenditures.



Slide 4: Q3 Consolidated Results

Organic constant currency net sales decreased 7.4% overall for the third quarter, largely due to ongoing demand impacts across markets served as recovery from the coronavirus pandemic continued through the period. Demand recovery pacing was encouraging, including substantial improvement in automotive miles driven and accident volumes, improved industrial production globally, and a solid recovery in new vehicle builds most notably in China and North America.

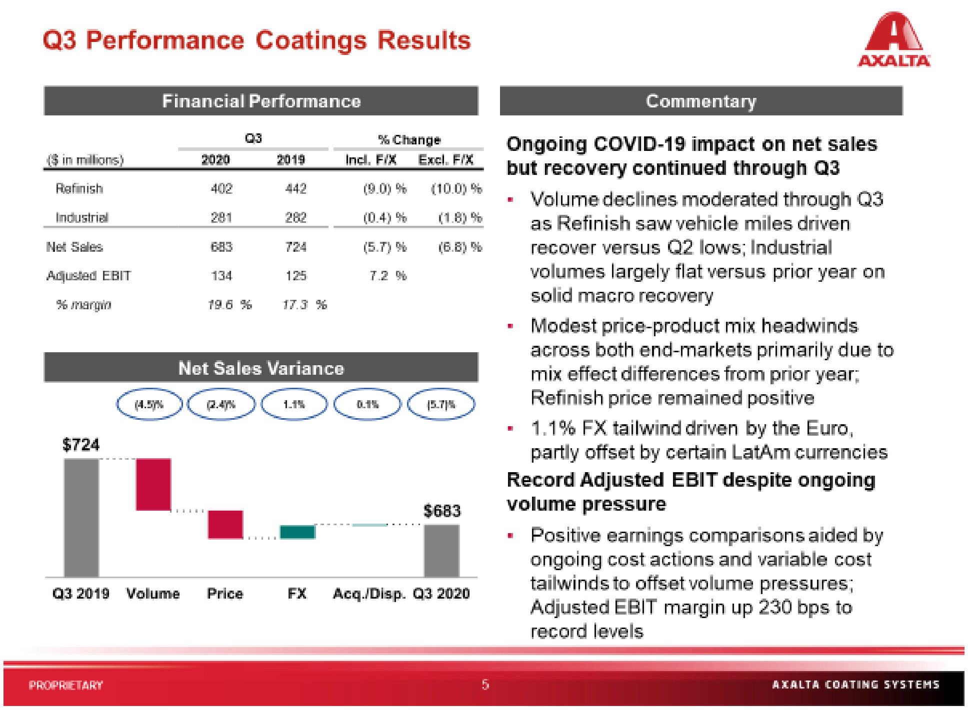
Third quarter net sales, before FX impacts, decreased 7.3% year-over-year, including a 6.8% decrease from Performance Coatings and 8.6% from Transportation Coatings.

Lower volume of 6.0% for the quarter was driven by all regions and end-markets though EMEA was more impacted than North America for the period and Latin America remained under fairly notable pressure, down in double digit rates.

Price-mix contribution was slightly negative in the aggregate, down 1.4%, principally driven by mix headwinds within Refinish in Performance Coatings, while Transportation Coatings saw modestly positive price-mix effects.

FX translation impact was minimal, including tailwinds from the stronger Euro, offset by weakness particularly in Latin American and emerging market currencies.

Third quarter Adjusted EBIT was $210 million versus $191 million in the prior year quarter, a record level result. This was driven principally by operating cost reductions and lower variable input costs as well as modest FX tailwinds, offset partly by the drop-through impact of volume reductions and price-mix headwinds.



Slide 5: Q3 Performance Coatings Results

Performance Coatings Q3 net sales decreased 6.8% year-over-year excluding a 1.1% FX tailwind. The result was driven by 4.5% lower volumes and a 2.4% decrease in average price-mix.

Refinish reported a 10.0% net sales decline, ex-FX, including lower volume globally due principally to ongoing headwinds from lower vehicle miles travelled globally and including a low single digit reduction in average price and product mix contribution, coming principally from product mix.

Axalta continues to drive new product innovation in Refinish in the third quarter. After extensive global development efforts, Axalta launched its first waterborne clearcoat product. The initial launch of this break-through technology was in China and Japan, with plans to extend globally. This product will deliver excellent clearcoat performance to the Refinish marketplace in an environmentally friendly platform. In addition, Axalta launched its 2nd generation premium “fast cure” clearcoat in Australia and Japan and will continue to extend this launch in Europe. Finally, after the successful launch of its new fit-for-purpose high viscosity value clears and primers in Mexico, Axalta has begun to extend the product into Central and South America.

Industrial net sales, ex-FX, decreased 1.8% year-over-year, driven by nearly neutral volume impact coupled with low single digit average price-mix headwinds. End businesses served by Industrial recovered very well during Q3, with several including Coil, Energy Solutions and Wood showing year-over-year growth in the quarter. In general, we have also seen stable net sales performance out of businesses linked to North American housing and remodeling trends, including Industrial Wood and

Coil as well as Powder Coatings. In Europe our business has seen strong recovery to date in both powder and energy solutions. In China, all industrial businesses have fully recovered, with notable strength in powder and energy solutions tied to wind energy customers.

New product launches in Industrial coatings this quarter also continued. Axalta has introduced new moisture barrier primers for ceramic tile backer board which meets or exceeds the performance of a 2-coat system in a single coat. Further, the next generation of low gloss, UV-cure products were introduced for vinyl and wood flooring, enabling wider operating windows with improved quality and consistency for flooring manufacturers. Finally, in coil coatings, Axalta continued to expand its Durapon 70™ PVDF Intermix program, enabling rapid color matching for coil coaters of building and roofing panels targeting monumental and high-end residential buildings.

Third quarter segment Adjusted EBIT of $134 million increased 7.2% versus $125 million in Q3 2019. This was aided by lower operating expenses, variable input cost tailwinds and FX tailwinds, offset partly by the decremental effects of lower volume and lower average price-mix.

Slide 6: Performance Demand Environment

Regarding the Performance Coatings demand environment, Axalta benefited from continued solid sequential recovery during third quarter. This was witnessed across multiple market datapoints.

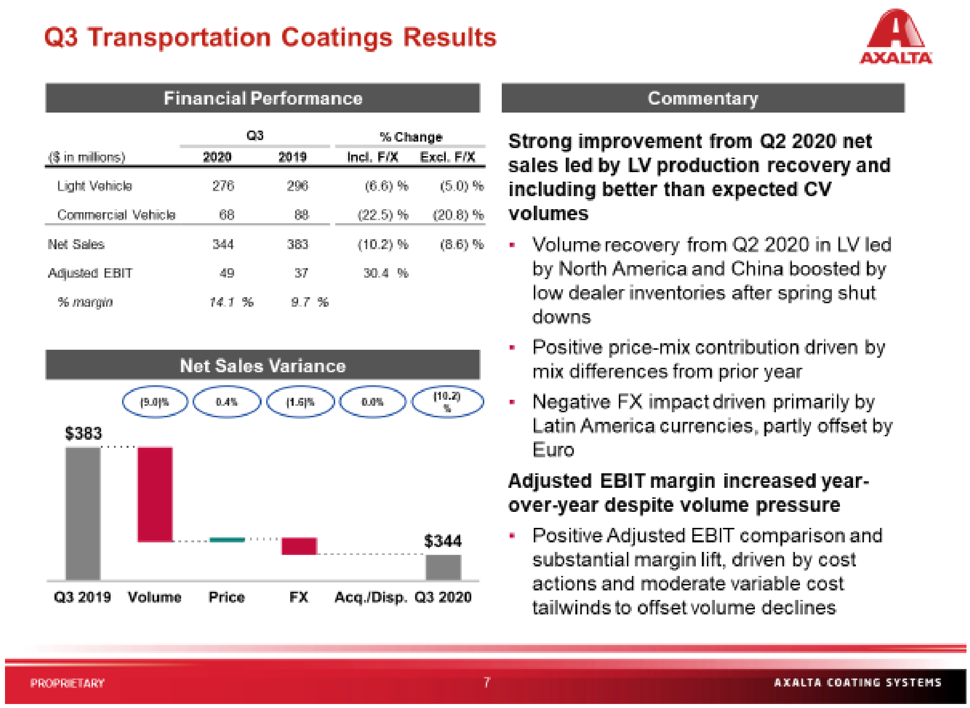
In **Refinish**, traffic remains approximately 10-15% below prior year levels as of the end of September. In addition, gasoline consumption has recovered to negative 9-10% from the prior year as of mid-October. Overall traffic congestion in the U.S. has also continued to recover based on our best read, though it also remains below last year's levels still at this point.

In Europe, traffic levels remain variable by country, but recovery in miles driven was somewhat ahead of North America during Q3, which we believe is correlated to the more rapid emergence from COVID lockdowns over the summer.

In China, traffic levels appear to be relatively normal overall, and refinish volumes have recovered robustly in the last two quarters back to prior year levels.

In the third quarter, body-shop customers in the U.S., Europe, and China have seen activity in the range of roughly 85-90%, 95% and around even versus the prior year, respectively, toward the end of the period. This represented a continued recovery from the second quarter.

In the **Industrial** end-market, Axalta's third quarter results continued to show strong resilience witnessed in nearly flat volume performance in aggregate for the quarter. Industrial demand and market recovery continued across all end-markets served. Certain sub businesses including Wood, Coil, and Energy Solutions have closed the gap from prior year during Q3, while Coil and Energy Solutions have posted greater net sales in September versus the prior year. This performance has been boosted by solid demand in end-markets including building and construction, agriculture, and construction equipment.



Slide 7: Q3 Transportation Coatings Results

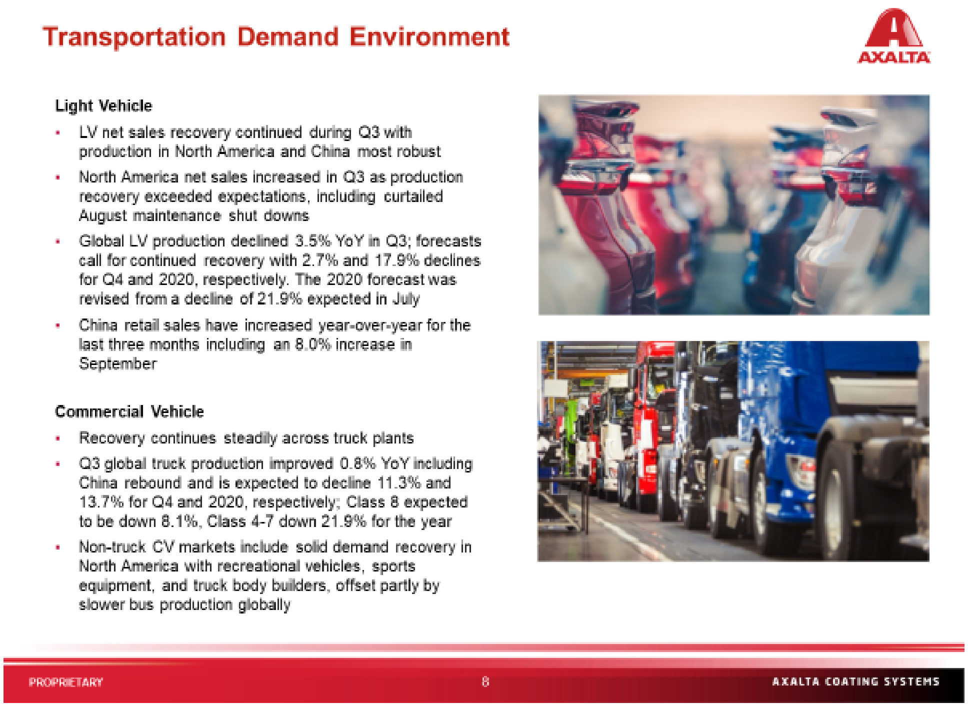
Transportation Coatings net sales decreased 8.6% year-over-year in the quarter before 1.6% currency headwinds. This was driven by a 9.0% decrease in volume, offset by 0.4% higher average price-mix.

Light Vehicle third quarter net sales decreased 5.0% before a 1.6% FX headwind. Volume decreased mid-single digits, relatively in line with global automotive production in the regions in which we operate. Average price-mix was flat in the period.

Commercial Vehicle third quarter net sales decreased 20.8% before FX headwinds of 1.7%. This reduction was driven by lower global truck production as well as lower production of other vehicle types served. Price-mix for Commercial Vehicle increased by low single digits in the quarter, coming largely from mix elements.

Our Transportation Coatings business continued to push the innovation and customer technical support envelope. During the third quarter, our technical teams assisted our global OEM customers with critical product and application support as they worked to recover production to pre-COVID-19 levels. In addition, our technical teams remained focused on advancing modeling techniques, color development, and measurement of coatings for radar transmissivity and LIDAR reflectivity. Both of these technology advancements align Axalta's Transportation business with increased sensor and detector usage for driver assisted operation that will ultimately be key enablers for Level 5 autonomous vehicles.

Transportation Coatings reported third quarter Adjusted EBIT of $49 million, a 30.4% increase versus $37 million in Q3 2019. The Adjusted EBIT margin for the segment increased strongly from 9.7% in Q3 2019 to 14.1% in the third quarter. This result was driven by strong cost reduction progress as well as variable cost tailwinds, offset in part by volume-driven headwinds.



Slide 8: Transportation Demand Environment

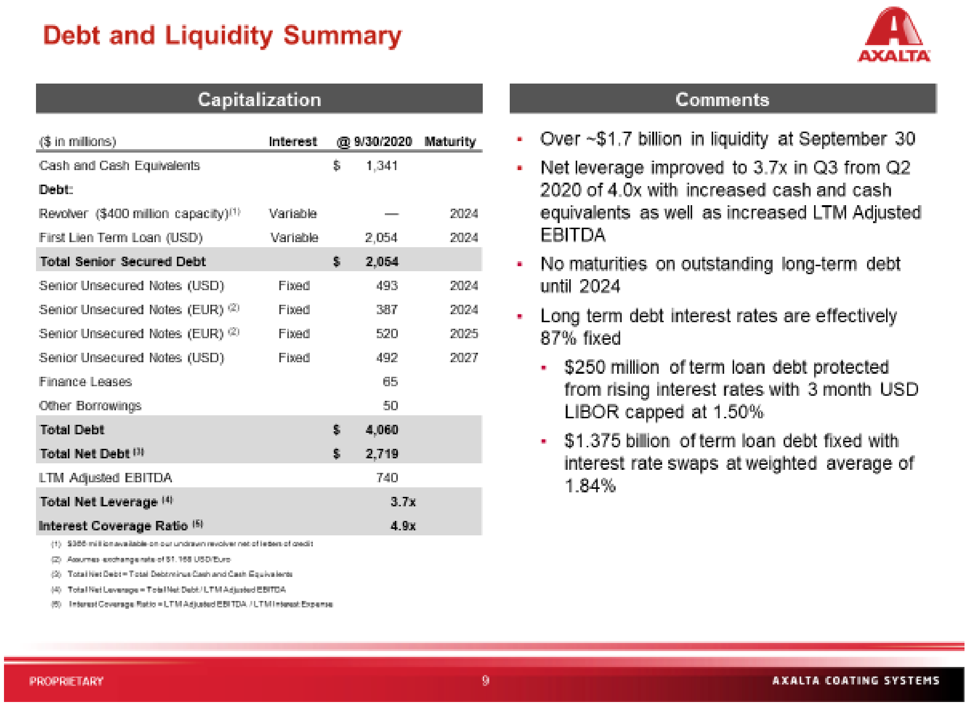
Our **Transportation Coatings** segment is directly linked to global automotive and commercial vehicle OEM global production rates. Axalta generally expects to track the recovery rate of the global vehicle markets, and this has been the case during the third quarter.

China has seen ongoing and fairly full auto production recovery. September total country automotive retail sales increased 8% from the prior year, potentially indicating a measure of pent-up demand for China after automotive recession in 2018 and 2019. China Light Vehicle net sales for Axalta decreased mid-single digits during third quarter, reflecting specific customer mix in the country slightly lagging the broader market. We do expect net sales for China LV to increase in the fourth quarter.

In the U.S., aggressive auto sector incentives coupled with low financing rates continue to help the recovery, and auto sales during third quarter increased in sequential months, with September's expected 16.4 million SAAR well above earlier expectations and only moderately below the year ago level of 17.2 million to solidify what appears to be a potential "V" shaped recovery.

For the quarter, global light vehicle production declined 3.5%, including a 1.4% decrease in Asia Pacific and a 10.7% *increase* in China. North American production increased 2.5% on the heels of a 66.2% drop suffered during second quarter. Current industry forecasts call for a 17.9% drop in global builds for the full year, including a decrease of 2.7% for fourth quarter. These forecasts have improved in each of the last five months.

For the Commercial Vehicle end-market, overall global truck production increased 0.8% in the third quarter, and current forecasts for Class 4-8 truck production suggest a 13.7% decline for the year, with fourth quarter down 11.3%, driven principally by growth currently expected in China. Stronger new truck orders rates have continued, and production estimates by industry forecasters have increased, now calling for a positive rebound in production in 2021 of 5% globally and 15-20% in North America and Europe.



Slide 9: Debt and Liquidity Summary

Axalta continues to maintain and improve its balance sheet and liquidity profile. Axalta ended the quarter with $1.341 billion of cash on the balance sheet, and $366 million of available capacity in our undrawn revolver, to bring total liquidity available at quarter end to over $1.7 billion. Available cash included the proceeds of the June issuance of $500 million in 4.750% senior notes due 2027.

The net leverage ratio was 3.7 times at September 30, 2020 versus 4.0 times at June 30, 2020, driven by improved Adjusted EBITDA in the period as well as incremental cash and equivalents for third quarter, though also still impacted by the reduced denominator of trailing twelve months Adjusted EBITDA due to COVID-related impacts. There are no affirmative financial covenants on current outstanding indebtedness and the nearest debt maturities on both Term Loans and Unsecured Notes are 2024.

Free cash flow for third quarter totaled $223 million, which was a record quarterly level of cash generation. The result was driven by improved operating profit, increased cash sourced from working capital management, and aided by reduced capital expenditures year-over-year.

Financial Guidance Update

Full Year 2020 Guidance:

- Net Sales: Expected to be down ~18% compared to FY 2019, including -2% FX and M&A impact
- Q4 Net Sales: Expected to be down ~6-8% compared to Q4 2019
- Adjusted EBIT: $495-515 million
- Adjusted Diluted EPS: $1.15-1.20
- Interest Expense: ~$155 million
- Diluted Shares: ~236 million
- Free Cash Flow: $280-310 million; including $90 million capex
- Tax Rate: ~20-21%

Full Year 2020 Assumptions

Macroeconomic Assumptions

- Global GDP decline of approximately ~(4.5%)
- Global industrial production decline of approximately ~(6.0%)
- Global auto build decline of approximately ~(17.9%)
- Both oil and related feedstock have seen increased prices as they recover from demand destruction driven by COVID-19; improved demand for coatings input raw materials

Currency Assumptions

Currency	2019 % Axalta Net Sales	2019 Average Rate	2020 Average Rate Assumption	USD % Impact of FX Rate Change
US$ per Euro	~28%	1.12	1.14	1.8%
Chinese Yuan per US$	~9%	6.91	6.96	(0.7%)
Brazilian Real per US$	~3%	3.94	5.13	(23.2%)
US$ per British Pound	~3%	1.28	1.28	0.0%
Mexican Peso per US$	~2%	19.25	21.83	(11.8%)
Canadian Dollar per US$	~2%	0.75	0.74	1.4%
Indian Rupee per US$	~2%	70.41	74.18	(5.1%)
Other	~52%	N/A	N/A	(0.6%)

Adjusted EBIT Reconciliation

	($ in millions)	Q3 2020	Q3 2019
	Income from operations	$ 142	$ 123
	Other expense (income), net	2	(2)
	Total	$ 139	$ 125
A	Debt extinguishment and refinancing related costs	—	—
B	Termination benefits and other employee related costs	36	29
C	Strategic review and retention costs	7	3
D	Offering and transactional costs	—	—
E	Loss (gain) on divestiture and impairment	—	(1)
F	Pension special events	(1)	—
G	Accelerated depreciation	—	5
H	Indemnity (income) losses	—	—
I	Step-up depreciation and amortization	28	29
	Adjusted EBIT	$ 210	$ 191
	Segment Adjusted EBIT:		
	Performance Coatings	$ 134	$ 125
	Transportation Coatings	49	37
	Total	$ 182	$ 162
I	Step-up depreciation and amortization	28	29
	Adjusted EBIT	$ 210	$ 191

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 and other employee-related costs. Employee termination benefits are primarily 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 review of strategic alternatives that was concluded in March 2020, as well as retention awards for certain employees which will be earned over a period of 18-24 months. These amounts are not considered indicative of our ongoing operating performance.

D Represents acquisition and divestiture-related expenses, all of which are not considered indicative of our ongoing operating performance.

E Represents expenses and associated changes to estimates related to the sale of our interest in a joint venture business and other impairments, 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 (loss) 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 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)	Q3 2020	Q3 2019
	Net income	$ 83	$ 66
	Less: Net (loss) income attributable to noncontrolling interests	—	1
	Net income attributable to controlling interests	83	66
A	Debt extinguishment and refinancing related costs	—	—
B	Termination benefits and other employee related costs	36	29
C	Strategic review and retention costs	7	3
D	Offering and transactional costs	—	—
E	Loss (gain) on divestiture and impairment	—	(1)
F	Pension special events	(1)	—
G	Accelerated depreciation	—	5
H	Indemnity (income) losses	—	—
I	Step-up depreciation and amortization	28	29
	Total adjustments	$ 71	$ 66
J	Income tax provision impacts	14	10
	Adjusted net income	$ 140	$ 122
	Diluted adjusted net income per share	$ 0.59	$ 0.52
	Diluted weighted average shares outstanding	236	236

Adjusted Net Income Reconciliation (cont'd)

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J The income tax impacts are determined using the applicable rates in the taxing jurisdictions in which expense or income occurred and includes both current and deferred income tax expense (benefit) based on the nature of the non-GAAP performance measure. Additionally, the income tax impact includes the removal of discrete income tax impacts within our effective tax rate which were expenses of $3.6 million, and benefits of $26.8 million, $1.0 million, and $5.1 million for the three months and nine months ended September 30, 2020 and 2019, respectively. The tax benefits for the nine months ended September 30, 2020 include the removal of a significant one-time benefit associated with the recognition of a deferred tax asset related to an intra-entity transfer of certain intellectual property rights. The deferred tax benefit will be ratably amortized into our adjusted income tax rate as the tax attribute is realized.

Free Cash Flow Reconciliation

($ in millions)	Q3 2020	Q2 2020	Q1 2020	YTD 2020	Q3 2019	Q2 2019	Q1 2019	YTD 2019
Cash provided by (used for) operating activities	$ 233	$ (2)	$ (1)	$ 231	$ 221	$ 127	$ (58)	$ 290
Purchase of property, plant and equipment	(14)	$ (20)	(23)	(56)	(27)	(27)	(21)	(74)
Interest proceeds on swaps designated as net investment hedges	4	4	4	11	4	4	4	11
Free cash flow	$ 223	$ (18)	$ (20)	$ 186	$ 198	$ 104	$ (75)	$ 227

Adjusted EBITDA Reconciliation

	($ in millions)	LTM 9/30/2020	Q3 2020	Q2 2020	Q1 2020	Q3 2019	Q2 2019	Q1 2019	FY 2019
	Net income	$ 94	$ 83	$ (83)	$ 52	$ 66	$ 100	$ 44	$ 253
	Interest expense, net	153	40	36	37	40	41	41	163
	Provision (benefit) for income taxes	4	17	(15)	(25)	18	18	14	77
	Depreciation and amortization	329	80	77	87	87	89	92	353
	EBITDA	$ 580	$ 220	$ 14	$ 151	$ 212	$ 248	$ 191	$ 846
A	Debt extinguishment and refinancing related costs	2	—	—	2	—	—	—	—
B	Termination benefits and other employee related costs	72	36	15	20	29	3	1	35
C	Strategic review and retention costs	35	7	7	12	3	1	—	13
D	Offering and transactional costs	—	—	—	—	—	—	1	1
E	Loss (gain) on divestiture and impairment	21	—	3	1	(1)	(1)	5	21
F	Foreign exchange remeasurement losses	11	6	—	2	1	2	2	8
G	Long-term employee benefit plan adjustments	(3)	(1)	(1)	(1)	—	—	—	—
H	Stock-based compensation	22	5	6	5	4	(1)	7	16
I	Dividends in respect of noncontrolling interest	(1)	—	—	(1)	—	—	(1)	(2)
J	Other adjustments	—	—	—	—	—	—	—	—
	Total Adjustments	160	$ 53	30	40	$ 37	$ 4	$ 15	$ 93
	Adjusted EBITDA	$ 740	$ 273	$ 44	$ 191	$ 249	$ 251	$ 207	$ 939

Adjusted EBITDA Reconciliation (cont'd)

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E Represents expenses and associated changes to estimates related to the sale of our interest in a joint venture business and other impairments, which are not considered indicative of our ongoing operating performance.

F Eliminates foreign exchange losses resulting from the remeasurement of assets and liabilities denominated in foreign currencies, net of the impacts of our foreign currency instruments used to hedge our balance sheet exposures.

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

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

I Represents 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.

J 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.

Cautionary Statement Concerning Forward-Looking Statements

This release 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, the effects of COVID-19 on Axalta's business and financial results and the restructuring detailed in the release (the "Restructuring"). 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, including developments that could impact the timing, costs and savings associated with, the Restructuring, as well as the review of strategic alternatives that was concluded in March 2020 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. 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 coverage 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 coverage 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 coverage 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 coverage 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 impact the change in average exchange rates between the current and comparable period by currency denomination exposure of the comparable period amount.

Organic Growth

Organic growth or ex-M&A percentages are calculated by excluding the impact of recent acquisitions and divestitures.

Segment Financial Measures

The primary measure of segment operating performance is Adjusted EBIT, which is a key metric that is used by management to evaluate business performance in comparison to budgets, forecasts and prior year financial results, providing a measure that management believes reflects Axalta's core operating performance. As we do not measure segment operating performance based on net income, a reconciliation of this non-GAAP financial measure with the most directly comparable financial measure calculated in accordance with GAAP is not available.

Defined Terms

All capitalized terms contained within this presentation have been previously defined in our filings with the United States Securities and Exchange Commission.

Rounding

Due to rounding the tables presented may not foot.