Axalta Coating Systems

Q3 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, but not limited to, our outlook/commentary and/or guidance, which includes net sales growth, Adjusted EBIT, Adjusted EBITDA, Refinish business environment, light vehicle and commercial vehicle market dynamics, raw material costs, capital allocation priorities, and Industrial business environment. Axalta has identified some of these forward-looking statements with words such as “believe,” “expect,” “outlook,” “forecast,” “guidance,” “assumptions,” “future,” “estimated,” “projections,” “goals,” “opportunities,” “priorities,” “potential,” “targeted,” "near term," "long term," "to have," and “considerations,” 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 net income, Adjusted EBIT, Adjusted EBIT margin, Adjusted EBITDA, Adjusted EBITDA margin, free cash flow, total net leverage ratio, total gross leverage ratio and Adjusted Diluted EPS. 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 Adjusted net income, Adjusted EBIT, Adjusted EBIT margin, Adjusted EBITDA, Adjusted EBITDA margin, free cash flow, total net leverage ratio, total gross leverage ratio and Adjusted Diluted EPS may differ from that of others in our industry. Adjusted net income, Adjusted EBIT, Adjusted EBIT margin, Adjusted EBITDA, Adjusted EBITDA margin, free cash flow, total net leverage ratio, total gross leverage ratio and Adjusted Diluted EPS 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 net income, Adjusted EBIT, Adjusted EBIT margin, Adjusted EBITDA, Adjusted EBITDA margin, free cash flow, total net leverage ratio, total gross leverage ratio and Adjusted Diluted EPS 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, total net leverage ratio or total gross leverage ratio on a forward-looking basis because the information necessary to calculate a meaningful or accurate estimation of reconciling items is not available without unreasonable effort. For example, such reconciling items include the impact of foreign currency exchange gains or losses, gains or losses that are unusual or nonrecurring in nature, as well as discrete taxable events. We cannot estimate or project these items and they may have a substantial and unpredictable impact on our GAAP results.

Constant Currency

Constant currency or ex-FX percentages are calculated by excluding the impact the change in average exchange rates between the current and comparable period by currency denomination exposure of the comparable period amount.

Organic Growth

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

Segment Financial Measures

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

Defined Terms

All capitalized terms contained within this presentation have been previously defined in our filings with the SEC.

Rounding

Due to rounding the tables presented may not foot.

Public Dissemination of Certain Information

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

Compelling Investment Thesis

- **Strong core markets** and unique positioning in coatings industry
- **Above market growth** in profitable segments
- **Driving margins to pre COVID-19 levels** supported by productivity and pricing execution
- **Delivering cash;** returning to normalized unlevered cash conversion levels
- **Targeted net leverage ratio of ~3.0x** by year-end; capital allocation currently focused on gross debt reduction

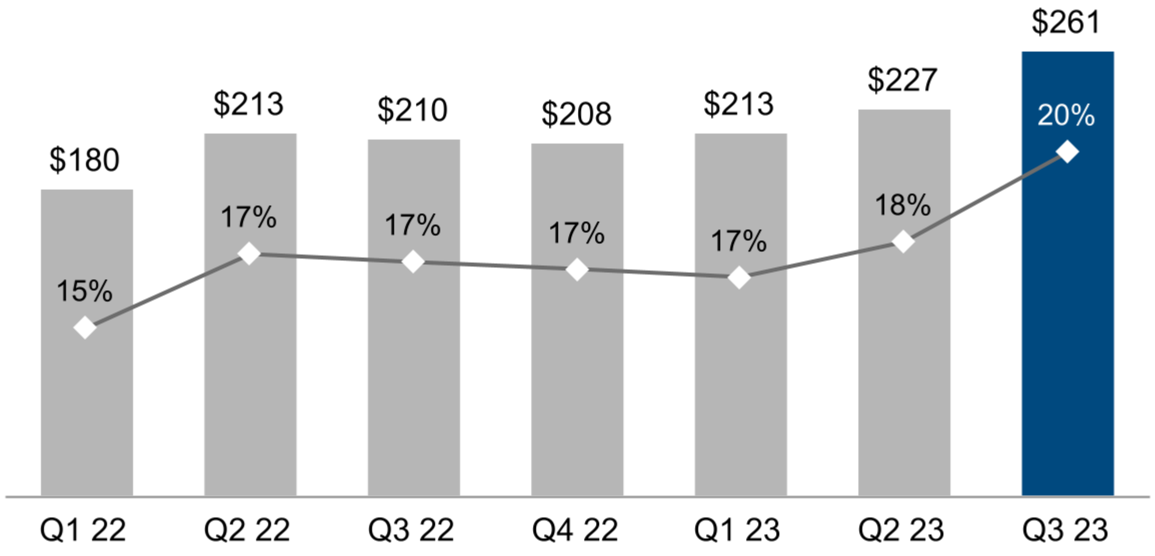
Axalta's Transformation Is Just Beginning

Productivity Initiatives Supporting Operational Improvement

- **Effectively priced for value**
  - Achieved mid-teens % price realization over last two years
- **Focused on cost optimization**
  - Actions driving HSD% variable cost improvement for 2H-2023
- **Invested in manufacturing**
  - Backlogs normalizing following completion of major NA ERP implementation
- **Reduced inventory to improve Free Cash Flow**
  - Approximately $70M YTD benefit given quantity reductions on finished goods and raws

Adjusted EBITDA and Margin Trend

($ in millions)



Free Cash Flow Trend

($ in millions)

($43M)

Q1 - Q3 2022
Free Cash Flow

+$236M

$193M

Q1 - Q3 2023
Free Cash Flow

A Leading Global Coatings Company With A 150 Year Legacy

REFINISH

Largest Provider of Aftermarket Auto Coatings and Accessories

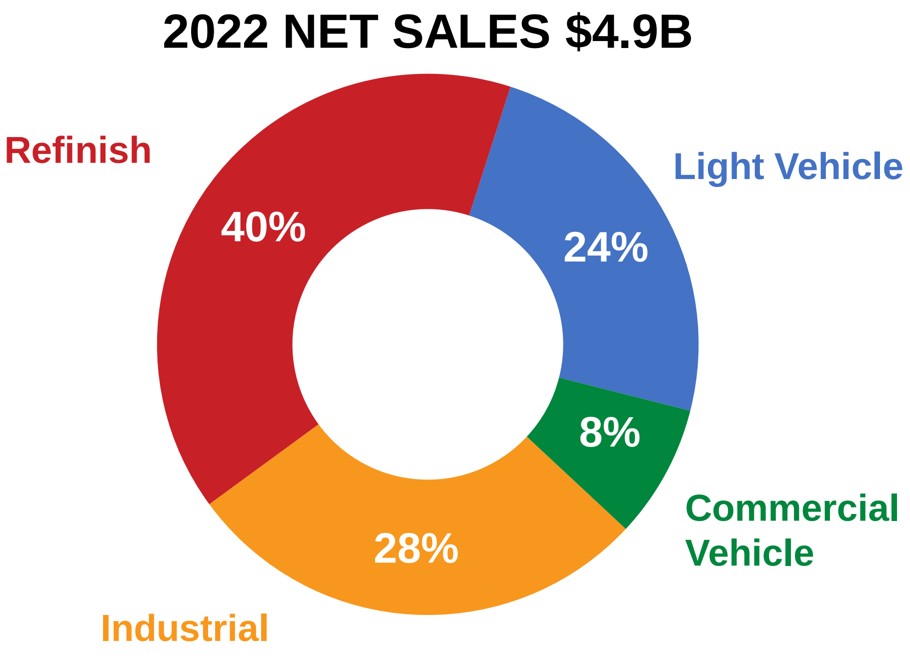
INDUSTRIAL

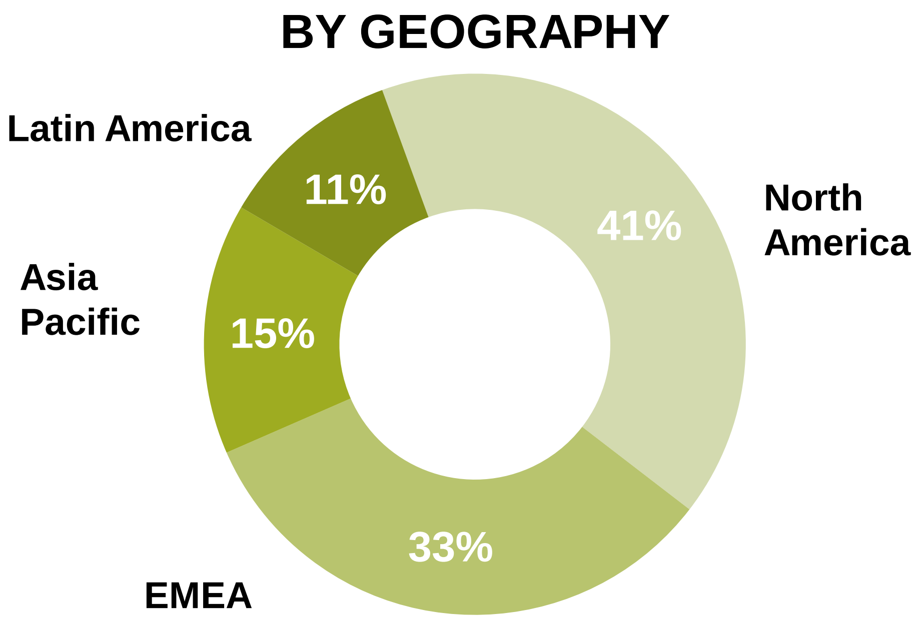
Total Coatings Solution Provider Across a Diverse and Global Customer Base

MOBILITY COATINGS

Coatings Solutions for Future Mobility in Light and Commercial Vehicle

Strategic and Complementary Businesses





Performance Coatings

Refinish
- Independent Body Shops
- Multi-shop operators (MSO's)
- 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

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

Growth and Diversity from M&A Program

Track Record of Successful Acquisitions

26	Acquisitions Since 2015
~$1.5B	Total M&A spend 2016-2023
~$830M	Annual Revenues[1]

2015 2016 2017 2018 2019 2020 2021 2022 2023

(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	LONG TERM			
↑ OFFICE OCCUPANCY	↑ 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)

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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

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Mobility Coatings Overview

BREAKDOWN BY SEGMENT[1]

Segment	Size	Share	Net Sales
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

DRIVERS

NEAR TERM

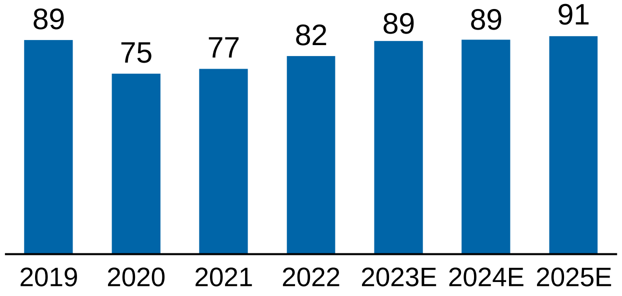
- DEALER INVENTORY LEVELS
- COST OF VEHICLE & INTEREST RATES

LONG TERM

- CLASS 8 TRUCK BACKLOGS
- SUPPLY CHAIN IMPROVEMENT
- AGING CAR FLEET

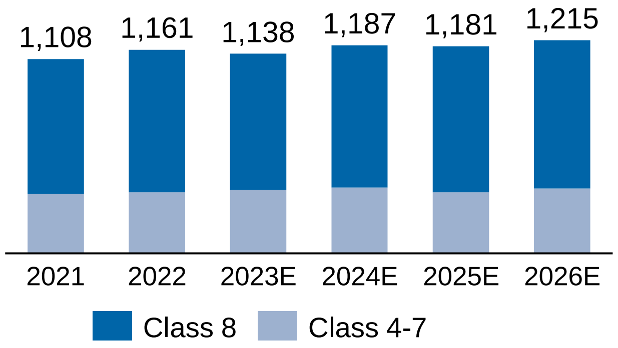
2016 – 2025 Global LV Builds[2]

(Builds in millions)



2022 – 2026 CV Builds Class 4-8[2][3]

(Builds in thousands)

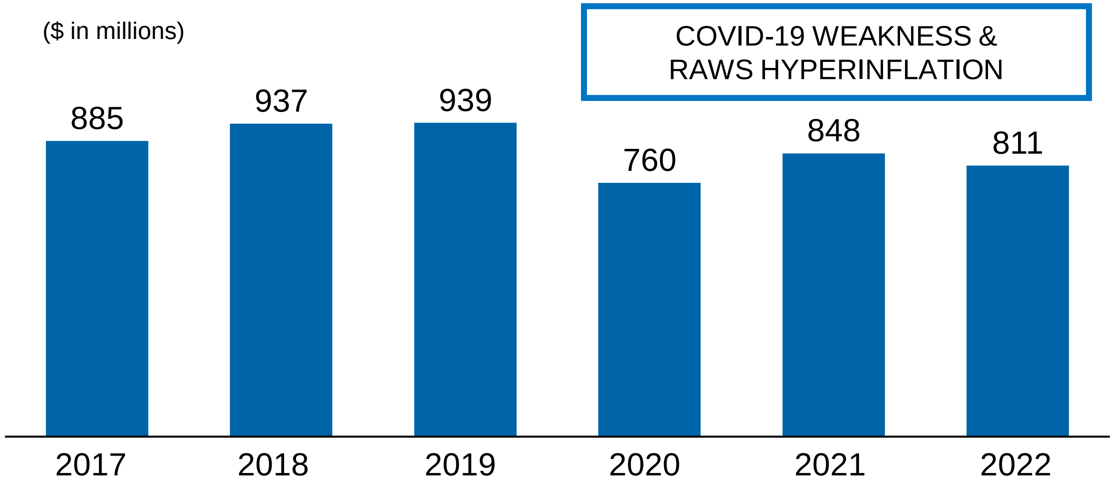


GROWTH SUPPORTED BY NEW BUSINESS WINS & MARKET RECOVERY

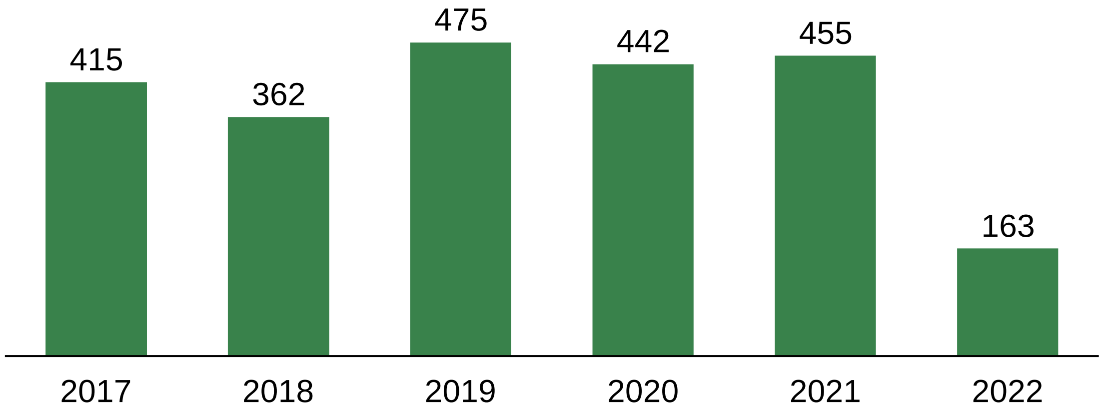
(1) Source: Management Estimates and Orr and Boss
(2) Source: S&P Global industry forecast
(3) Builds exclude Eastern Europe and Asia-Pacific due to limited Axalta exposure

Select Financial Metrics

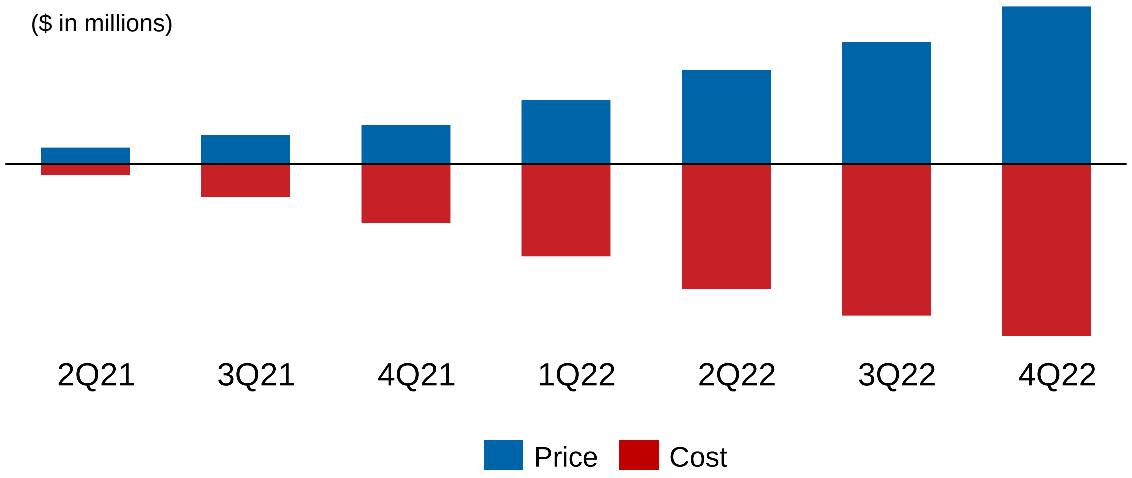
Adj. EBITDA



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

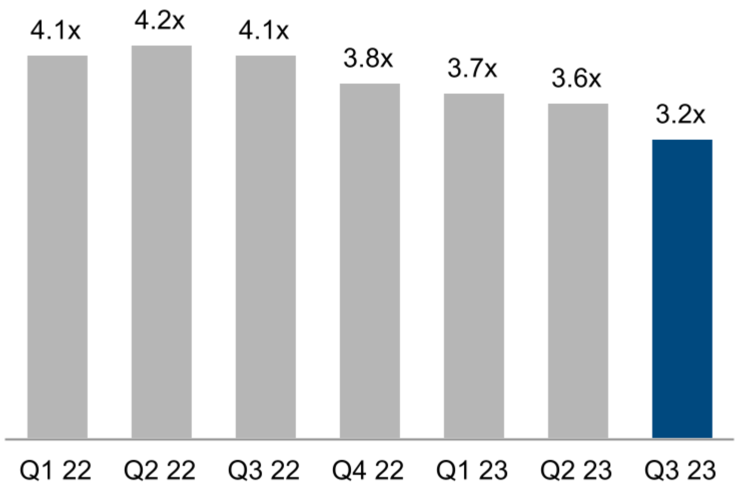
(1) Cumulative year-over-year price-mix vs raw material, energy and logistics EBIT impacts beginning in Q1 2021

Debt And Liquidity Summary & Capital Allocation Priorities

Targets & Long-Term Goals

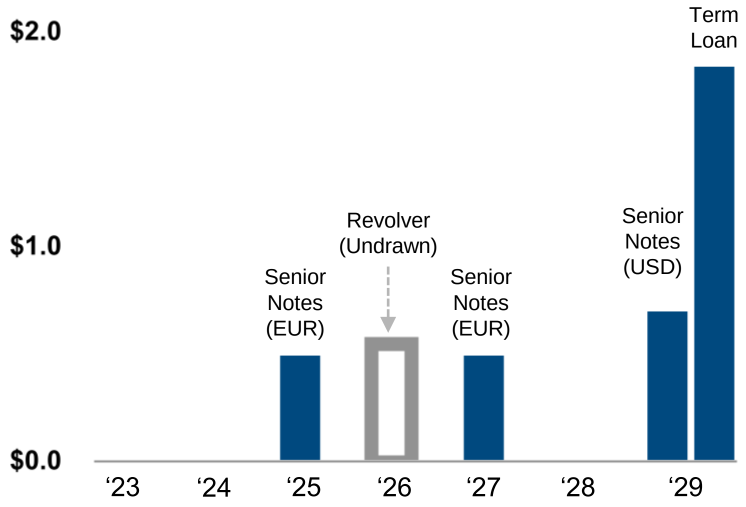
- Total Net Leverage Ratio of 2.0x - 2.5x[1]
- Total Gross Leverage Ratio of 2.5x - 3.0x[2]
- Opportunistic share repurchases
- Accelerate and increase capital investments into the business

Total Net Leverage Ratio Progression



Debt Maturity Profile

($ in billions)



Focused Capital Allocation Drives Shareholder Value

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

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Select Q3 2023 Slides

Key Highlights

- Record Net Sales
- Double-digit organic sales growth in Mobility Coatings
- Strong price-mix realization across all end-markets
- Significant Adj. EBIT margin improvement
- Net leverage ratio improved for the fifth consecutive quarter

$1.3B

Net Sales

+6% YoY

$188M

Adjusted EBIT

+27% YoY

14.3%

Adjusted EBIT Margin

+240 bps YoY

$182M

Free Cash Flow

+$131M YoY

$50M

Q3 Shares Repurchased

$160M

YTD Gross Debt Reduction

3.2x

Total Net Leverage Ratio

vs 3.6x at June 30, 2023

Raised 2023 Earnings Outlook Positioning Axalta for a Strong 2024

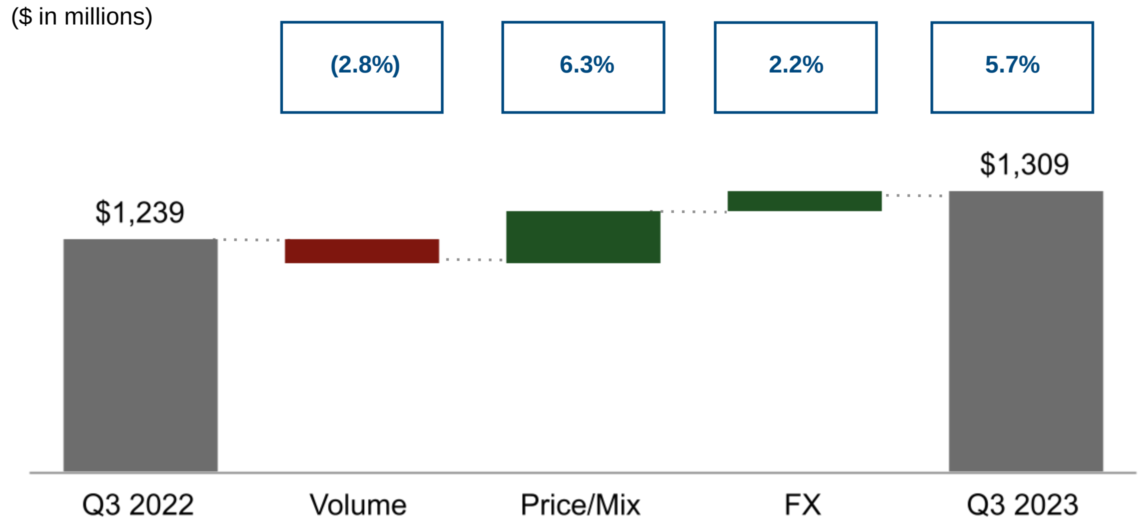
Q3 2023 Consolidated Results

Financial Results

($ in millions, except per share data)	Q3 2023	Q3 2022	% Change
Net Sales	1,309	1,239	6%
Income From Ops	163	124	32%
Adjusted EBIT	188	148	27%
% margin	14.3%	11.9%	240 bps
Adjusted EBITDA	261	210	24%
% margin	19.9%	17.0%	290 bps
Diluted EPS	0.33	0.28	18%
Adjusted Diluted EPS	0.45	0.39	15%
Free Cash Flow	182	51	257%

Note: Reconciliation between Adjusted EBIT to Adjusted EBITDA in appendix

Net Sales Variance



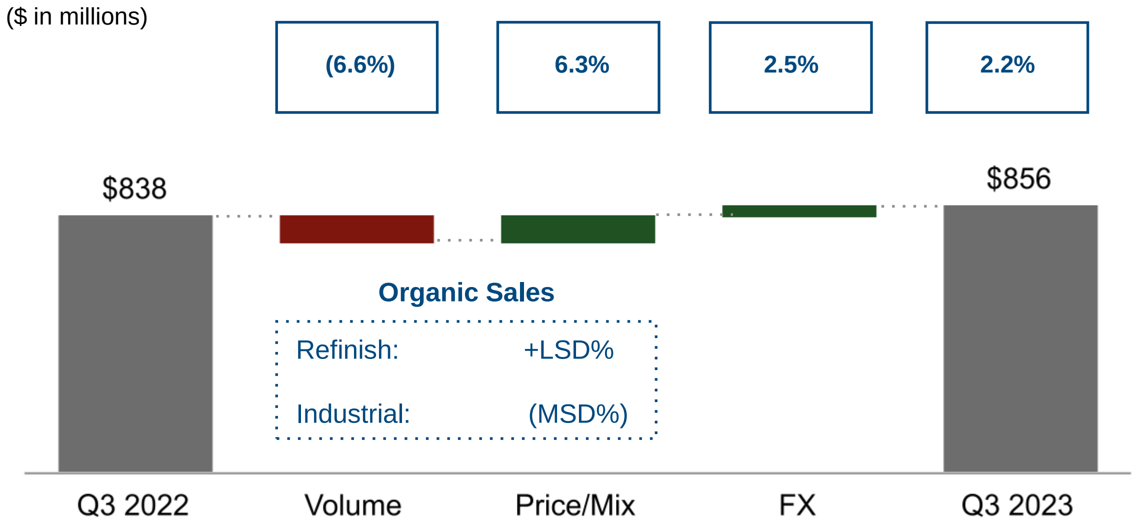
- Net sales growth supported by positive price-mix contributions from all end-markets and modest FX benefit
- High-single-digit variable cost deflation year-over-year
- Adjusted EBIT growth driven by robust pricing and deflationary benefits which more than offset higher labor expense and productivity investments

Q3 2023 Performance Coatings Results

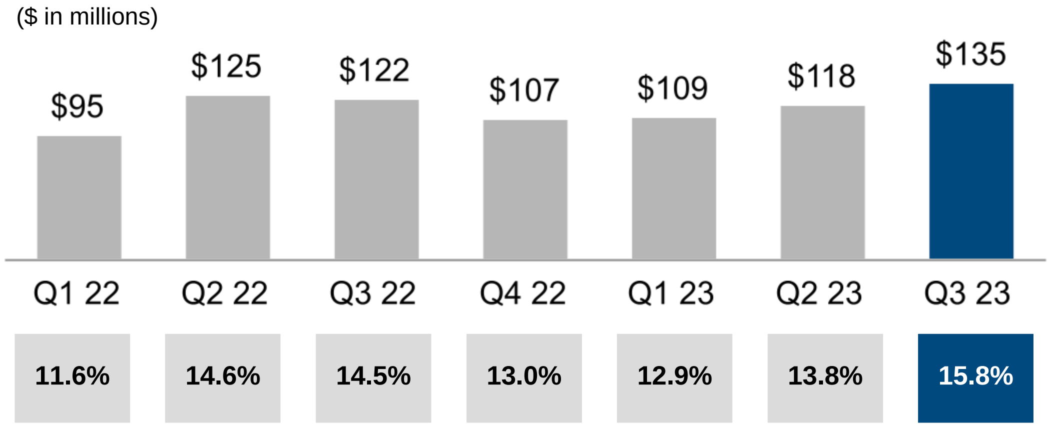
Financial Results

($ in millions)	Q3 2023	Q3 2022	% Change
Refinish	529	499	6%
Industrial	327	339	(4%)
Net Sales	856	838	2%
Adjusted EBIT	135	122	11%
% margin	15.8%	14.5%	130 bps

Net Sales Variance



Adjusted EBIT and Margin Trend



- **Refinish** net sales growth led by price-mix improvement in North America and Europe
- **Industrial** net sales decreased as positive price-mix was offset by lower volumes primarily in North America
- Global Refinish demand remained solid reflected by stable order patterns; Industrial demand in Europe and Asia improved as macroeconomic conditions became more favorable

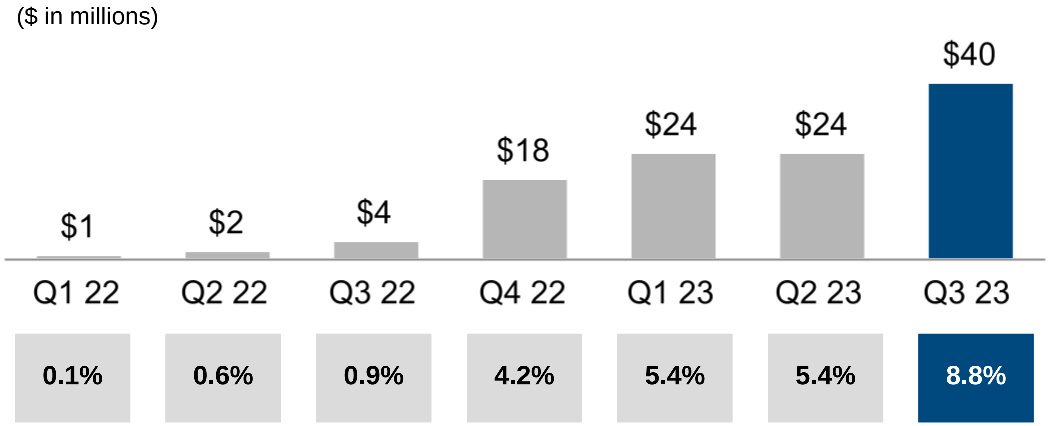
MSD/LSD = mid/low single digit

Q3 2023 Mobility Coatings Results

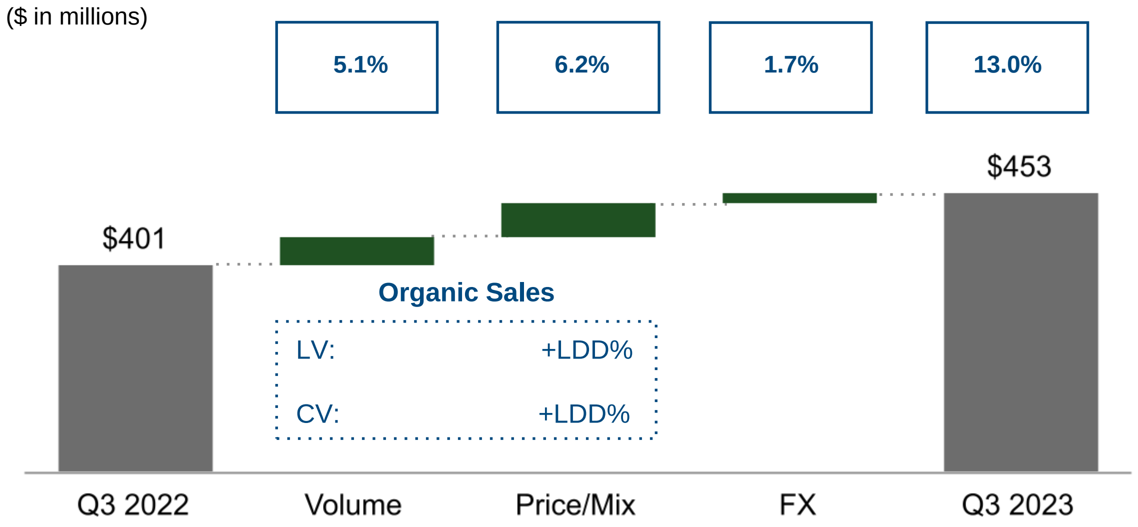
Financial Results

($ in millions)	Q3 2023	Q3 2022	% Change
Light Vehicle	342	303	13%
Commercial Vehicle	111	98	14%
Net Sales	453	401	13%
Adjusted EBIT	40	4	1,006%
% margin	8.8%	0.9%	790 bps

Adjusted EBIT and Margin Trend



Net Sales Variance



- **Light Vehicle** net sales growth led by robust price-mix improvement and strong volumes, especially in Asia
- **Commercial Vehicle** net sales growth led by strong volumes in key markets along with positive price-mix
- Demand was strong globally in both end-markets as build projections continue to improve; expect modest decrease in Q4 2023 net sales driven by UAW strike

LDD = low double digit

Raising 2023 Guidance

Net Sales
(% Change YoY)

Q4 2023	FY 2023
+LSD	+MSD

Adjusted EBIT
($ in millions)

Q4 2023	FY 2023
~$180	~$670

Adjusted EBITDA
($ in millions)

Q4 2023	FY 2023
~$250	~$950

Full Year 2024 Considerations

+ Stable Refinish environment
+ Favorable Light Vehicle build rates
+ Front-half weighted benefit from lower raw material costs with partial offset from select raw material index linked contracts
+ Focused on reducing gross debt balances in higher-for-longer rate environment
- Monitoring potential for softer Class 8 builds in Commercial Vehicle
- Global instability enhancing uncertain Industrial demand environment

Axalta does not provide a reconciliation for non-GAAP estimates for Adjusted EBIT or Adjusted EBITDA 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.

MSD/LSD = mid/low single digit

Appendix

Free Cash Flow Reconciliation

($ in millions)	Year Ended December 31, 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

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Adjusted EBIT Reconciliation

	($ in millions)		Q3 2023		Q3 2022
	Income from operations	$	163.4	$	123.5
	Other expense, net		5.7		3.4
	Total	$	157.7	$	120.1
A	Debt extinguishment and refinancing-related costs (benefits)		4.0		(0.4)
B	Termination benefits and other employee-related costs		11.5		5.0
C	Acquisition and divestiture-related costs		0.4		0.2
D	Impairment benefits		(0.1)		(0.1)
E	Accelerated depreciation and site closure costs		2.1		1.1
F	Russia sanction-related impacts		(0.2)		(1.3)
G	Other adjustments		(0.6)		0.8
H	Step-up depreciation and amortization		13.0		22.6
	Adjusted EBIT	$	187.8	$	148.0
Adjusted EBIT to Adjusted EBITDA:					
H	Step-up depreciation and amortization		(13.0)		(22.6)
	Depreciation and amortization		71.2		74.5
I	Foreign exchange remeasurement losses		6.7		5.8
J	Stock-based compensation		5.7		5.0
K	Other EBITDA adjustments	$	2.1	$	(0.4)
	Adjusted EBITDA	**$**	**260.5**	**$**	**210.3**
Segment Adjusted EBIT:					
	Performance Coatings	$	135.0	$	121.8
	Mobility Coatings		39.8		3.6
	Total	$	174.8	$	125.4
H	Step-up depreciation and amortization		13.0		22.6
	Adjusted EBIT	$	187.8	$	148.0

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.

D Represents impairment charges and benefits, which are not considered indicative of our ongoing operating performance.

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. The benefits recorded during the three months ended September 30, 2023 are related to changes in estimated inventory obsolescence and uncollectible accounts receivables. The benefits recorded during the three months ended September 30, 2022 are related to changes in estimated inventory obsolescence.

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 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.

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

K Represents costs that are excluded from the computation of Adjusted EBITDA for 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.

Adjusted Net Income Reconciliation

	(in millions, except per share data)	Q3 2023	Q3 2022
	Net income	$ 73.3	$ 63.3
	Less: Net income attributable to noncontrolling interests	0.4	0.9
	Net income attributable to controlling interests	$ 72.9	$ 62.4
A	Debt extinguishment and refinancing-related costs (benefits)	4.0	(0.4)
B	Termination benefits and other employee-related costs	11.6	4.8
C	Acquisition and divestiture-related costs	0.4	0.2
D	Impairment benefits	(0.1)	(0.1)
E	Accelerated depreciation and site closure costs	2.1	1.1
F	Russia sanction-related impacts	(0.1)	(0.5)
G	Other adjustments	(0.6)	0.8
H	Step-up depreciation and amortization	13.0	22.6
	Total adjustments	$ 30.3	$ 28.5
I	Income tax provision impacts	4.4	4.9
	Adjusted net income	$ 98.8	$ 86.0
	Adjusted diluted net income per share	$ 0.45	$ 0.39
	Diluted weighted average shares outstanding	221.9	221.2

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.

D Represents impairment charges and benefits, which are not considered indicative of our ongoing operating performance.

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. The benefits recorded during the three months ended September 30, 2023 are related to changes in estimated inventory obsolescence and uncollectible accounts receivables. The benefits recorded during the three months ended September 30, 2022 are related to changes in estimated inventory obsolescence.

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 expenses of $2.4 million and $2.0 million for the three months ended September 30, 2023 and 2022, respectively. The tax adjustments for the three months ended September 30, 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)	Q3 2023	Q2 2023	Q1 2023	YTD 2023	Q3 2022	Q2 2022	Q1 2022	YTD 2022
Cash provided by (used for) operating activities	$ 210.1	$ 131.0	$ (51.8)	$ 289.3	$ 79.9	$ 12.2	$ (43.9)	$ 48.2
Purchase of property, plant and equipment	(31.4)	(32.5)	(41.4)	(105.3)	(35.5)	(29.5)	(42.5)	(107.5)
Interest proceeds on swaps designated as net investment hedges	3.0	0.5	5.6	9.1	6.1	3.8	6.2	16.1
Free cash flow	$ 181.7	$ 99.0	$ (87.6)	$ 193.1	$ 50.5	$ (13.5)	$ (80.2)	$ (43.2)

Adjusted EBITDA Reconciliation (2017-2021)

	($ in millions)	2021	2020	2019	2018	2017
	Net income (Loss)	$264	$122	$253	$213	$48
	Interest expense, net	134	150	163	160	147
	Provision (Benefit) for income taxes	76	-	77	54	142
	Depreciation and amortization	317	320	353	369	347
	Reported EBITDA	**$791**	**$592**	**$846**	**$796**	**$684**
A	Debt extinguishment and refinancing related costs	-	34	-	10	14
B	Termination benefits and other employee related costs	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	18	6	21	-	79
H	Foreign exchange remeasurement losses	2	7	8	9	7
I	Long-term employee benefit plan adjustments	(1)	-	-	(2)	1
J	Stock-based compensation	15	15	16	37	39
K	Dividends in respect of noncontrolling interest	(1)	(1)	(2)	(1)	(3)
L	Operational Matter	4	-	-	-	-
M	Brazil Indirect Tax	(8)	-	-	-	-
N	Gain (loss) on sale of facility	(20)	-	-	-	-
O	Other Adjustments	1	-	-	5	4
	Total Adjustments	$57	$168	$93	$141	$201
	Adjusted EBITDA	**$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 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.

Adjusted EBITDA Reconciliation (2022-2023)

	($ in millions)	LTM 9/30/2023	Q3 2023	Q2 2023	Q1 2023	Q3 2022	Q2 2022	Q1 2022	FY 2022
	Net income	$ 238.8	$ 73.3	$ 61.1	$ 60.5	$ 63.3	$ 44.1	$ 40.9	$ 192.2
	Interest expense, net	196.6	55.1	$ 54.6	48.2	35.0	$ 33.5	32.6	139.8
	Provision for income taxes	71.5	29.3	$ 13.4	15.3	21.8	$ 18.8	11.0	65.1
	Depreciation and amortization	280.5	71.2	$ 66.2	69.5	74.5	$ 77.3	77.7	303.1
	EBITDA	**$ 787.4**	**$ 228.9**	**$ 195.3**	**$ 193.5**	**$ 194.6**	**$ 173.7**	**$ 162.2**	**$ 700.2**
A	Debt extinguishment and refinancing-related costs (benefits)	22.3	4.0	1.2	1.8	(0.4)	(0.2)	—	14.7
B	Termination benefits and other employee-related costs (benefits)	28.4	11.5	2.3	(0.2)	5.0	2.7	1.9	24.4
C	Acquisition and divestiture-related costs (benefits)	0.9	0.4	(0.1)	0.5	0.2	2.2	0.4	2.9
D	Impairment charges (benefits)	15.3	(0.1)	8.3	7.1	(0.1)	(0.6)	0.3	(0.4)
E	Site closure costs	4.2	2.1	0.8	1.1	0.4	1.1	0.6	2.3
F	Foreign exchange remeasurement losses	20.5	6.7	9.6	2.3	5.8	4.9	2.6	15.2
G	Long-term employee benefit plan adjustments	6.1	2.3	2.3	2.2	0.2	0.1	0.1	(0.3)
H	Stock-based compensation	27.5	5.7	7.3	6.3	5.0	3.7	5.3	22.2
I	Russia sanction-related impacts	(1.3)	(0.2)	0.1	(1.4)	(1.3)	0.3	5.8	5.0
J	Commercial agreement restructuring impacts	—	—	—	—	—	25.0	—	25.0
K	Other adjustments	(2.6)	(0.8)	(0.2)	(0.1)	0.9	(0.2)	0.4	(0.4)
	Total adjustments	$ 121.3	$ 31.6	$ 31.6	$ 19.6	$ 15.7	$ 39.0	$ 17.4	$ 110.6
	Adjusted EBITDA	**$ 908.7**	**$ 260.5**	**$ 226.9**	**$ 213.1**	**$ 210.3**	**$ 212.7**	**$ 179.6**	**$ 810.8**

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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 (benefits) and integration activities associated with our business combinations, all of which are not considered indicative of our ongoing operating performance. The amounts for the three months ended March 31, 2023, September 30, 2022, June 30, 2022, the last twelve months ended September 30, 2023 and year ended December 31, 2022 include $0.2 million, $0.2 million, $1.7 million, $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 twelve months ended September 30, 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 three months ended June 30, 2022 and September 30, 2022 and year ended September 30, 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 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 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 three and twelve months ended September 30, 2023 and the three months ended March 31, 2023 are related to changes in estimated inventory obsolescence and uncollectible accounts receivables. The benefits recorded during the three months ended September 30, 2022 are related to changes in estimated inventory obsolescence.

J 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.

K 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.

Capitalization Table

($ in millions)	Interest	@ 9/30/2023		Maturity
Cash and Cash Equivalents		$	606	
Debt:				
Revolver ($550 million capacity)	Variable		—	2026
First Lien Term Loan (USD)	Variable		1,815	2029
Total Senior Secured Debt		**$**	**1,815**	
Senior Unsecured Notes (EUR)	Fixed		471	2025
Senior Unsecured Notes (USD)	Fixed		495	2027
Senior Unsecured Notes (USD)	Fixed		693	2029
Other Borrowings and Finance Leases			69	
Total Debt		**$**	**3,543**	
Total Net Debt (1)		**$**	**2,937**	
LTM Adjusted EBITDA			909	
Total Net Leverage Ratio (2)			**3.2x**	
Total Gross Leverage Ratio (3)			**3.9x**	

(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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