
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) October 28, 2015

AXALTA COATING SYSTEMS LTD.

(Exact name of registrant as specified in its charter)

Bermuda
(State or other jurisdiction
of incorporation)

001-36733
(Commission
File Number)

98-1073028
(IRS Employer
Identification No.)

Two Commerce Square, 2001 Market Street, Suite 3600, Philadelphia, Pennsylvania 19103
(Address of principal executive offices) (Zip Code)

(855) 547-1461
Registrant's telephone number, including area code

Not Applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition.

On October 28, 2015, Axalta Coating Systems Ltd. (“Axalta”) issued a press release and posted an earnings call presentation to its website reporting its financial results for the third quarter ended September 30, 2015. Copies of the press release and the earnings call presentation are furnished as Exhibit 99.1 and Exhibit 99.2, respectively, to this Current Report on Form 8-K and are incorporated herein by reference. The information furnished with this Item 2.02, including Exhibits 99.1 and 99.2, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any other filing under the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such a filing.

In the press release, the earnings call presentation and the conference call to discuss its financial results for the third quarter ended September 30, 2015, scheduled to be webcast at 8:00 A.M. on October 28, 2015, Axalta presents, and will present, certain non-GAAP financial measures. Axalta management believes that presenting these non-GAAP financial measures provides meaningful information to investors in understanding operating results and may enhance investors’ ability to analyze financial and business trends. In addition, Axalta management believes that these non-GAAP financial measures allow investors to compare period to period results more easily by excluding items that could have a disproportionately negative or positive impact on results in any particular period. Non-GAAP measures are not a substitute for GAAP measures and should be considered together with the GAAP financial measures. Our non-GAAP financial measures may not be comparable to other similarly titled measures of other companies.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Press Release dated October 28, 2015
99.2	Third Quarter Ended September 30, 2015 Earnings Call Presentation

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AXALTA COATING SYSTEMS LTD.

Date: October 28, 2015

By: /s/ Robert W. Bryant
Robert W. Bryant
Executive Vice President & Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated October 28, 2015
99.2	Third Quarter Ended September 30, 2015 Earnings Call Presentation

News Release

Axalta Coating Systems
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Suite 3600
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USA

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For Immediate Release

Axalta Releases Third Quarter 2015 Results

- Net sales of \$1.0 billion, a 3.1% year-over-year increase before unfavorable foreign currency translation
- Adjusted EBITDA of \$216.9 million with Adjusted EBITDA margin of 21.7% versus 20.6% in Q3 2014
- Free cash flow generation of \$122 million with \$100 million debt prepayment made subsequent to quarter end

PHILADELPHIA, PA, October 28, 2015 - Axalta Coating Systems Ltd. (NYSE:AXTA) (“Axalta”), a leading global coatings company, announced its financial results for the third quarter ended September 30, 2015.

Charles W. Shaver, Axalta’s Chairman and Chief Executive Officer, commented that “Axalta produced a solid third quarter, including ongoing volume growth and margin expansion, which enabled us to exceed the mid-point of our Adjusted EBITDA guidance for the period. This result was delivered notwithstanding persistent foreign exchange headwinds for our global businesses, which masked otherwise strong profit growth in nearly all segments and regions. Although we also faced some challenges in the quarter from the slowdown in the Chinese economy, including automotive end-markets, we are encouraged that demand indicators now show signs of recovery.”

“Regarding our 2015 operating and financial goals, we are pleased with the progress we have made to date, and we continue to execute our plan in a disciplined way with the goal of creating shareholder value through profitable revenue growth, strong cash generation, and effective capital allocation,” Mr. Shaver continued. “We made good progress on our growth and productivity initiatives in the third quarter, including our first realized savings from The Axalta Way program.”

Third Quarter Consolidated Financial Results

Net sales of \$1.0 billion for the third quarter of 2015 increased 3.1% year-over-year excluding unfavorable foreign currency translation, while declining 9.8% on an as-reported basis. Net sales growth excluding currency was driven by 2.1% volume increases, indicating continued underlying strength in our global coatings markets. Higher average selling prices in the quarter added modestly to net sales, while unfavorable foreign currency translation reduced net sales by 12.9% compared to the third quarter last year.

Adjusted EBITDA of \$216.9 million for the third quarter compared with \$228.0 million in Q3 2014, while Adjusted EBITDA margins in the quarter expanded to 21.7% from 20.6% reported last year. Margin improvement was driven by several factors including increased volumes, improved mix and pricing, as well as lower costs resulting from our operating improvement initiatives. These factors were offset by negative foreign currency translation and incremental investments to support growth of key businesses.

Performance Coatings Results

Net sales in Performance Coatings of \$600.6 million for Q3 2015 represented a 5.1% year-over-year increase excluding foreign currency translation, and a decrease of 9.5% on an as-reported basis. Net sales growth drivers included volume growth of 3.4% and higher average selling prices of 1.7% in the period, more than offset by 14.6% unfavorable currency translation. Refinish end-market Q3 net sales increased 5.2% on a constant currency basis (decreased 10.7% as-reported), while our Industrial end-market posted 4.7% growth excluding the impact of currency (decreased 6.3% as-reported).

The Performance Coatings segment generated Adjusted EBITDA of \$139.0 million in the third quarter, a 6.4% year-over-year decrease. Positive volume and pricing contributions, coupled with variable cost savings, were more than offset by negative foreign currency translation and incremental investments in growth initiatives. Performance Coatings segment Adjusted EBITDA margin of 23.1% for the third quarter reflected a 70 basis point increase compared to the corresponding quarter of the prior year.

Transportation Coatings Results

The Transportation Coatings segment reported net sales of \$399.7 million in the third quarter, largely flat excluding foreign currency translation, and a decrease of 10.3% on an as-reported basis versus third quarter 2014. Volume and price combined for 0.2% net sales growth, offset by 10.5% unfavorable foreign currency translation versus the prior year. Light Vehicle end-market net sales declined slightly by 0.9% on a constant currency basis compared to the third quarter of 2014 (decreased 11.3% as-reported). Our Commercial Vehicle end-market reported net sales growth of 4.0% on a constant currency basis versus last year (decreased 6.7% as-reported). While North America continued to experience solid volume growth in both Light Vehicle and Commercial end-markets, this growth was partially offset by lower demand in regions of Latin America impacted by an ongoing economic recession, as well as a slowdown in China vehicle production during the quarter.

The Transportation Coatings segment generated Adjusted EBITDA of \$77.9 million, a decrease of 2.0% compared to the third quarter of 2014 with positive volume, price, and variable cost initiatives more than offset by unfavorable foreign currency translation and moderate incremental investments. The Transportation Coatings segment generated an Adjusted EBITDA margin of 19.5%, an increase of 170 basis points compared to 17.8% in Q3 2014.

Balance Sheet and Cash Flow Highlights

We ended the quarter with cash and cash equivalents of \$411.6 million. Our net debt was \$3.1 billion as of September 30, 2015, which resulted in Net Debt to latest twelve month Adjusted EBITDA of 3.7x, consistent with our last quarter.

Third quarter operating cash flow was \$159 million versus \$46 million in the corresponding quarter of 2014. Free cash flow after capital expenditures of \$37 million totaled \$122 million.

“Axalta’s financial progress in the third quarter remained on track with our goals for the year,” said Robert W. Bryant, Axalta’s Executive Vice President and Chief Financial Officer. “We continue to drive profitable volume growth, ongoing margin expansion and solid free cash flow generation, which enabled us to prepay \$100 million on our Term Loan in October 2015.”

2015 Outlook

We are updating our outlook for the full year 2015, including:

- Net sales growth of 5-7% in constant currency; down mid-single digits including currency impacts versus our previous assumption of down low- to mid-single digits;
- Adjusted EBITDA of \$870-\$900 million, with currency translation headwinds anticipated to drive Adjusted EBITDA to the lower end of the range; and
- Other guidance assumptions remain unchanged including normalized effective tax rate of 27-29%, capital expenditures of approximately \$150 million, and net working capital of 13-15% of net sales, excluding non-recurring items.

Conference Call Information

As previously announced, Axalta will hold a conference call to discuss its third quarter 2015 financial results on Wednesday, October 28th, at 8:00 a.m. EDT. The U.S. dial-in phone number for the conference call is (877) 407-0784 and the international dial-in number is +1 (201) 689-8560. A live webcast of the conference call will also be available online at <http://ir.axaltacs.com>. For those unable to participate in the conference call, a replay will be available through November 4, 2015. The U.S. replay dial-in phone number is (877) 870-5176 and the international replay dial-in number is +1 (858) 384-5517. The replay passcode is 13621709.

Cautionary Statement Concerning Forward-Looking Statements

This release may contain certain forward-looking statements regarding Axalta and its subsidiaries including those relating to our 2015 full year outlook, net sales growth, Adjusted EBITDA, effective tax rate, capital expenditures and net working capital. 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 that may cause its business, industry, strategy, financing activities or actual results to differ materially. 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, Adjusted EBITDA, free cash flow, Net Debt and Adjusted Net Income. 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. Our use of the terms constant currency net sales growth, Adjusted EBITDA, Net Debt and Adjusted Net Income may differ from that of others in our industry. Constant currency net sales growth, Adjusted EBITDA, free cash flow, Net Debt and Adjusted Net Income 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, Adjusted EBITDA, operating free cash flow, net free cash flow, Net Debt and Adjusted Net Income 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.

About Axalta Coating Systems

Axalta is a global leader in the coatings industry, providing customers with innovative, colorful, beautiful and sustainable coatings solutions. From light vehicles, commercial vehicles and refinish applications to electric motors, building facades and other industrial applications, our coatings are designed to prevent corrosion, increase productivity and enhance durability. With more than 150 years of experience in the coatings industry, the 12,800 people of Axalta continue to find ways to serve our more than 120,000 customers in 130 countries better every day with the finest coatings, application systems and technology. For more information visit axaltacoatingsystems.com and follow us @axalta on Twitter.

Financial Statement Tables
AXALTA COATING SYSTEMS LTD.
Condensed Consolidated Statements of Operations (Unaudited)
(In millions, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Net sales	\$ 1,000.3	\$ 1,108.9	\$ 3,083.6	\$ 3,282.9
Other revenue	4.8	6.9	20.1	21.6
Total revenue	1,005.1	1,115.8	3,103.7	3,304.5
Cost of goods sold	628.6	728.1	1,958.1	2,174.1
Selling, general and administrative expenses	219.2	249.4	677.7	746.7
Research and development expenses	13.0	13.4	38.7	36.8
Amortization of acquired intangibles	20.4	20.9	60.5	63.3
Income from operations	123.9	104.0	368.7	283.6
Interest expense, net	50.8	52.6	150.0	166.5
Other expense, net	18.9	62.2	111.4	65.1
Income (loss) before income taxes	54.2	(10.8)	107.3	52.0
Provision for income taxes	17.8	7.5	48.5	18.2
Net income (loss)	36.4	(18.3)	58.8	33.8
Less: Net income attributable to noncontrolling interests	1.3	1.6	3.7	4.2
Net income (loss) attributable to controlling interests	\$ 35.1	\$ (19.9)	\$ 55.1	\$ 29.6
Basic net income (loss) per share	\$ 0.15	\$ (0.09)	\$ 0.24	\$ 0.13
Diluted net income (loss) per share	\$ 0.15	\$ (0.09)	\$ 0.23	\$ 0.13
Basic weighted average shares outstanding	235.9	229.5	232.7	229.2
Diluted weighted average shares outstanding	240.9	229.5	239.1	229.3

AXALTA COATING SYSTEMS LTD.
Condensed Consolidated Balance Sheets (Unaudited)
(In millions, except per share data)

	September 30, 2015	December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	\$ 411.6	\$ 382.1
Restricted cash	2.9	4.7
Accounts and notes receivable, net	833.3	820.4
Inventories	540.7	538.3
Prepaid expenses and other	75.8	62.9
Deferred income taxes	50.9	64.5
Total current assets	1,915.2	1,872.9
Property, plant and equipment, net	1,374.6	1,514.1
Goodwill	944.5	1,001.1
Identifiable intangibles, net	1,214.4	1,300.0
Other assets	450.2	482.6
Total assets	\$ 5,898.9	\$ 6,170.7
Liabilities, Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 443.9	\$ 494.5
Current portion of borrowings	48.8	40.1
Deferred income taxes	6.7	7.3
Other accrued liabilities	330.5	404.8
Total current liabilities	829.9	946.7
Long-term borrowings	3,504.7	3,574.2
Accrued pensions and other long-term employee benefits	265.7	306.4
Deferred income taxes	167.9	208.2
Other liabilities	26.4	23.2
Total liabilities	4,794.6	5,058.7
Commitments and contingencies		
Shareholders' equity		
Common shares, \$1.00 par, 1,000.0 shares authorized, 237.6 and 229.8 shares issued and outstanding at September 30, 2015 and December 31, 2014, respectively	236.6	229.8
Capital in excess of par	1,226.4	1,144.7
Accumulated deficit	(171.4)	(226.5)
Accumulated other comprehensive loss	(255.9)	(103.3)
Total Axalta shareholders' equity	1,035.7	1,044.7
Noncontrolling interests	68.6	67.3
Total shareholders' equity	1,104.3	1,112.0
Total liabilities and shareholders' equity	\$ 5,898.9	\$ 6,170.7

AXALTA COATING SYSTEMS LTD.
Condensed Consolidated Statements of Cash Flows (Unaudited)
(In millions)

	Nine Months Ended September 30,	
	2015	2014
Operating activities:		
Net income	\$ 58.8	\$ 33.8
Adjustment to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	225.5	229.1
Amortization of financing costs and original issue discount	15.5	15.7
Loss on extinguishment and modification of debt	—	6.1
Deferred income taxes	(1.1)	(15.9)
Unrealized losses on derivatives	2.5	3.1
Realized and unrealized foreign exchange losses, net	90.2	46.7
Stock-based compensation	22.1	6.1
Asset impairment	30.6	—
Other non-cash, net	2.7	(26.0)
Decrease (increase) in operating assets and liabilities:		
Trade accounts and notes receivable	(111.6)	(109.7)
Inventories	(44.7)	(50.6)
Prepaid expenses and other assets	(57.3)	(47.7)
Accounts payable	(10.1)	52.4
Other accrued liabilities	(41.5)	(74.2)
Other liabilities	(17.8)	(9.5)
Cash provided by operating activities	163.8	59.4
Investing activities:		
Business acquisitions and purchases of controlling interests in affiliates (net of cash acquired)	(19.9)	—
Purchase of property, plant and equipment	(93.8)	(155.6)
Restricted cash	1.7	(4.3)
Proceeds (purchases) of interest in affiliates, net	0.7	(6.5)
Proceeds from sale of assets	0.5	17.6
Other investing activities	(0.3)	(0.2)
Cash used for investing activities	(111.1)	(149.0)
Financing activities:		
Proceeds from short-term borrowings	3.0	23.7
Payments on short-term borrowings	(15.6)	(30.9)
Payments on long-term debt	(20.5)	(114.1)
Dividends paid to noncontrolling interests	(4.4)	(1.6)
Debt modification fees	—	(3.0)
Equity contribution	—	2.5
Proceeds from option exercises	60.4	2.9
Tax windfall due to option exercises	7.4	—
Other financing activities	(0.2)	—
Cash provided by (used for) financing activities	30.1	(120.5)
Increase (decrease) in cash and cash equivalents	82.8	(210.1)
Effect of exchange rate changes on cash	(53.3)	(15.9)
Cash and cash equivalents at beginning of period	382.1	459.3
Cash and cash equivalents at end of period	\$ 411.6	\$ 233.3

The following table reconciles net income (loss) to EBITDA and Adjusted EBITDA calculations discussed above to net income (loss) for the periods presented (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Net income (loss)	\$ 36.4	\$ (18.3)	\$ 58.8	\$ 33.8
Interest expense, net	50.8	52.6	150.0	166.5
Provision (benefit) for income taxes	17.8	7.5	48.5	18.2
Depreciation and amortization	75.4	76.2	225.5	229.1
EBITDA	180.4	118.0	482.8	447.6
Inventory step-up (a)	0.5	—	1.0	—
Financing fees and debt extinguishment (b)	—	3.0	—	6.1
Foreign exchange remeasurement losses, net (c)	23.7	59.6	90.2	45.1
Long-term employee benefit plan adjustments (d)	(0.5)	(4.7)	(0.1)	(0.2)
Termination benefits and other employee related costs (e)	0.8	3.2	19.3	9.1
Consulting and advisory fees (f)	7.2	8.8	17.1	29.5
Transition related costs (g)	—	33.5	—	81.0
Offering related costs (h)	1.4	3.2	3.1	3.2
Other adjustments (i)	3.7	2.6	14.8	13.6
Dividends in respect of noncontrolling interest (j)	(0.3)	—	(4.4)	(1.6)
Management fee expense (k)	—	0.8	—	2.4
Asset impairment (l)	—	—	30.6	—
Adjusted EBITDA	\$ 216.9	\$ 228.0	\$ 654.4	\$ 635.8

- (a) During the nine months ended September 30, 2015, we recorded non-cash fair value inventory adjustments associated with our acquisitions. These adjustments increased cost of goods sold by \$0.5 million and \$1.0 million for the three and nine months ended September 30, 2015, respectively.
- (b) In connection with an amendment to the Senior Secured Credit Facilities in February 2014, we recognized \$3.1 million of costs during the nine months ended September 30, 2014. At September 30, 2014, we prepaid \$100.0 million of the outstanding New Dollar Term Loan and recorded a pre-tax loss on extinguishment of \$3.0 million.
- (c) Eliminates foreign currency exchange gains and losses resulting from the remeasurement of assets and liabilities denominated in foreign currencies.
- (d) Eliminates the non-service cost components of long-term employee benefit costs. Additionally, we deducted a pension curtailment gain of \$6.6 million recorded during the three and nine months ended September 30, 2014.
- (e) Represents expenses primarily related to employee termination benefits and other employee-related costs. Termination benefits include the costs associated with our headcount initiatives associated with cost saving opportunities that were related to our transition to a standalone entity and our Axalta Way cost savings initiatives in 2015.
- (f) Represents fees paid to consultants, advisors, and other third-party professional organizations for professional services. Amounts incurred for the three and nine months ended September 30, 2015 primarily relate to our Axalta Way cost savings initiatives. Amounts incurred for the three and nine months ended September 30, 2014 relate to our transition from DuPont to a standalone entity.
- (g) Represents charges associated with the transition from DuPont to a standalone entity, including branding and marketing, information technology related costs, and facility transition costs.
- (h) Represents costs associated with the offering of our common shares through the Carlyle Offerings.
- (i) Represents costs for certain unusual or non-operational (gains) and losses, including a \$5.4 million gain recognized during the nine months ended September 30, 2015 resulting from the remeasurement of our previously held interest in an equity method investee upon the acquisition of a controlling interest, stock-based compensation, equity investee dividends, indemnity losses associated with the Acquisition, and loss (gain) on sale and disposal of property, plant and equipment.
- (j) Represents the payment of dividends to our joint venture partners by our consolidated entities that are not wholly owned.
- (k) Pursuant to Axalta's management agreement with Carlyle Investment for management and financial advisory services and oversight provided to Axalta and its subsidiaries, Axalta was required to pay an annual management fee of \$3.0 million and out-of-pocket expenses. This agreement terminated upon completion of the IPO in November 2014.

- (l) As a result of the currency devaluation in Venezuela, we evaluated the carrying values of our long-lived assets for impairment and recorded an impairment charge relating to a real estate investment of \$30.6 million during the nine months ended September 30, 2015.

The following table reconciles net income (loss) to adjusted net income for the periods presented (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Net income (loss)	\$ 36.4	\$ (18.3)	\$ 58.8	\$ 33.8
Less: Net income attributable to noncontrolling interests	1.3	1.6	3.7	4.2
Net income (loss) attributable to controlling interests	35.1	(19.9)	55.1	29.6
Inventory step-up (a)	0.5	—	1.0	—
Financing costs and debt extinguishment (b)	—	3.0	—	6.1
Foreign exchange remeasurement losses, net (c)	23.7	59.6	90.2	45.1
Termination benefits and other employee related costs (d)	0.8	3.2	19.3	9.1
Consulting and advisory fees (e)	7.2	8.8	17.1	29.5
Transition related costs (f)	—	33.5	—	81.0
Offering related costs (g)	1.4	3.2	3.1	3.2
Other adjustments (h)	0.3	0.3	7.5	7.7
Management fee expense (i)	—	0.8	—	2.4
Asset impairment (j)	—	—	30.6	—
Pension curtailment gain (k)	—	(6.6)	—	(6.6)
Total adjustments	33.9	105.8	168.8	177.5
Income tax impacts (l)	4.8	21.2	38.1	56.9
Adjusted net income	\$ 64.2	\$ 64.7	\$ 185.8	\$ 150.2

- (a) During the nine months ended September 30, 2015, we recorded non-cash fair value inventory adjustments associated with our acquisitions. These adjustments increased cost of goods sold by \$0.5 million and \$1.0 million for the three and nine months ended September 30, 2015, respectively.
- (b) In connection with an amendment to the Senior Secured Credit Facilities in February 2014, we recognized \$3.1 million of costs during the nine months ended September 30, 2014. At September 30, 2014, we prepaid \$100.0 million of the outstanding New Dollar Term Loan and recorded a pre-tax loss on extinguishment of \$3.0 million.
- (c) Eliminates foreign currency exchange gains and losses resulting from the remeasurement of assets and liabilities denominated in foreign currencies.
- (d) Represents expenses primarily related to employee termination benefits and other employee-related costs. Termination benefits include the costs associated with our headcount initiatives associated with cost saving opportunities that were related to our transition to a standalone entity and our Axalta Way cost savings initiatives in 2015.
- (e) Represents fees paid to consultants, advisors, and other third-party professional organizations for professional services. Amounts incurred for the three and nine months ended September 30, 2015 primarily relate to our Axalta Way cost savings initiatives. Amounts incurred for the three and nine months ended September 30, 2014 relate to our transition from DuPont to a standalone entity.
- (f) Represents charges associated with the transition from DuPont to a standalone entity, including branding and marketing, information technology related costs, and facility transition costs.
- (g) Represents costs associated with the offering of our common shares through the Carlyle Offerings.
- (h) Represents costs for certain unusual or non-operational (gains) and losses, including a \$5.4 million gain recognized during the nine months ended September 30, 2015 resulting from the remeasurement of our previously held interest in an equity method investee upon the acquisition of a controlling interest, accelerated stock-based compensation, indemnity losses associated with the Acquisition, and loss (gain) on sale and disposal of property, plant and equipment.
- (i) Pursuant to Axalta's management agreement with Carlyle Investment for management and financial advisory services and oversight provided to Axalta and its subsidiaries, Axalta was required to pay an annual management fee of \$3.0 million and out-of-pocket expenses. This agreement terminated upon completion of the IPO in November 2014.

- (j) As a result of the currency devaluation in Venezuela, we evaluated the carrying values of our long-lived assets for impairment and recorded an impairment charge relating to a real estate investment of \$30.6 million during the nine months ended September 30, 2015.
- (k) We deducted a pension curtailment gain of \$6.6 million recorded during the three and nine months ended September 30, 2014.
- (l) Represents income tax impact associated with the pre-tax adjustments, as well as the impact of the removal of discrete income tax adjustments within our effective tax rate.



AXALTA COATING SYSTEMS

Q3 2015 FINANCIAL RESULTS: OCTOBER 28, 2015

Notice Regarding Forward Looking Statements, Non-GAAP Financial Measures and Defined Terms



Forward-Looking Statements

This presentation and the oral remarks made in connection herewith may contain "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, including those relating to 2015 net sales, Adjusted EBITDA, Adjusted EBITDA margin, tax rate, capital expenditures, plant expansions and net working capital. Any forward-looking statements involve risks, uncertainties and assumptions. These statements often include words such as "believe," "expect," "anticipate," "intend," "plan," "estimate," "target," "project," "forecast," "seek," "will," "may," "should," "could," "would," or similar expressions. These statements are based on certain assumptions that we have made in light of our experience in the industry and our perceptions of historical trends, current conditions, expected future developments and other factors we believe are appropriate under the circumstances as of the date hereof. Although we believe that the assumptions and analysis underlying these statements are reasonable as of the date hereof, investors are cautioned not to place undue reliance on these statements. We do not have any obligation to and do not intend to update any forward-looking statements included herein, which speak only as of the date hereof. You should understand that these statements are not guarantees of future performance or results. Actual results could differ materially from those described in any forward-looking statements contained herein or the oral remarks made in connection herewith as a result of a variety of factors, including known and unknown risks and uncertainties, many of which are beyond our control.

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, EBITDA, Adjusted EBITDA and Net Debt. 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. Our use of the terms EBITDA, Adjusted EBITDA and Net Debt may differ from that of others in our industry. EBITDA and Adjusted EBITDA should not be considered as alternatives to net income (loss), operating income or any other performance measures derived in accordance with GAAP as measures of operating performance or operating cash flows or as measures of liquidity. EBITDA, Adjusted EBITDA and Net Debt 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.

Defined Terms

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

Q3 2015 Highlights

- **Overall growth on track to achieve 2015 goals**

- ✓ Net sales up 3% YoY, excluding currency
- ✓ 2% volume growth and incremental selling price increases primarily in Performance Coatings
- ✓ Adjusted EBITDA of \$217 million, down 5% versus Q3 2014, largely due to currency translation impacts, offset partly by volume growth, higher average selling prices, and benefits from our productivity initiatives
- ✓ Adjusted EBITDA margin of 21.7% versus 20.6% in Q3 2014

- **Growth and productivity initiatives continue on track**

- ✓ Germany & Mexico expansions on time and on budget
- ✓ Completed first M&A transaction in July
- ✓ Productivity initiatives gaining traction; ~\$30-35 million combined savings expected for 2015

- **Debt Prepayment**

- ✓ \$100 million completed in October 2015 (subsequent to Q3 close) as we focus on reducing leverage



Delivering On Our Goals

Stated Objective	Results Delivered	
Grow the Business	<ul style="list-style-type: none">• Volumes up 2% and price up 1% in Q3 2015 YoY• Achieving Adjusted EBITDA growth ex-FX and solid margin expansion in 2015	✓
Launch New Business Wins	<ul style="list-style-type: none">• 32 new launches largely on track, 2 in China delayed into 2016	✓
Increase Emerging Markets Presence	<ul style="list-style-type: none">• Success in new business initiatives in select countries, but GDP pressure evident in emerging economies in 2015	✓
Productivity Initiatives to Improve Cost Structure	<ul style="list-style-type: none">• Fit-For-Growth savings on track• Axalta Way first savings coming through in 2H	✓
Continue High IRR Investment Projects	<ul style="list-style-type: none">• Projects remain on track. ~\$90 million planned productivity & growth capex in 2015	✓

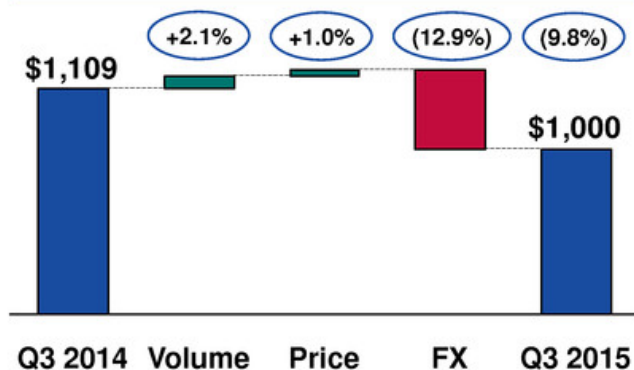


Q3 Consolidated Results

Financial Performance

(\$ in millions)	Q3		% Change	
	2015	2014	Incl. F/X	Excl. F/X
Performance	601	664	(9.5%)	5.1%
Transportation	400	445	(10.3%)	0.2%
Net Sales	1,000	1,109	(9.8%)	3.1%
Adjusted EBITDA	217	228	(4.9%)	
% margin	21.7%	20.6%		

Net Sales Variance



Commentary

Net sales increased 3.1% excluding currency

- Volume and price growth from both segments and in most regions
- ~70% of overall sales generated from North America and EMEA where economies remain relatively stable, while emerging market economies continue to be challenged
- 12.9% unfavorable currency impact greater than originally expected in guidance

Adjusted EBITDA margin up 110 bps

- Improvement primarily driven by net sales increases and variable cost savings
- Some offset from incremental investments in growth projects

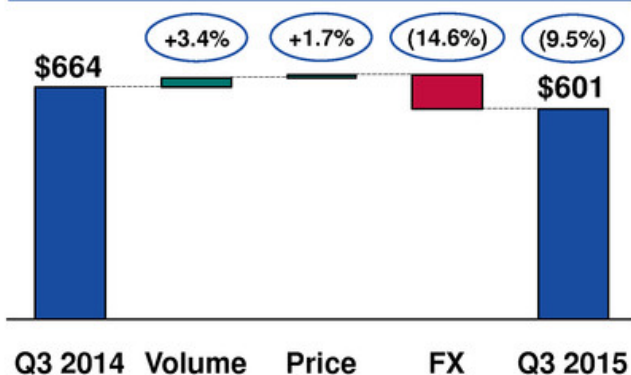


Q3 Performance Coatings Results

Financial Performance

(\$ in millions)	Q3		% Change	
	2015	2014	Incl. F/X	Excl. F/X
Refinish	427	478	(10.7%)	5.2%
Industrial	174	185	(6.3%)	4.7%
Net Sales	601	664	(9.5%)	5.1%
Adjusted EBITDA	139	149	(6.4%)	
% margin	23.1%	22.4%		

Net Sales Variance



Commentary

Net sales increased 5.1% excluding currency

- Successful price increases in Refinish across all regions in line with plan
- Industrial volume growth in all regions except Latin America
- 14.6% unfavorable currency impact reflected weakening currencies in emerging markets

Adjusted EBITDA margin up 70 bps

- Adjusted EBITDA margin benefited from Refinish pricing actions, segment volume growth, and lower variable costs versus last year
- Some offset from incremental investments in growth projects

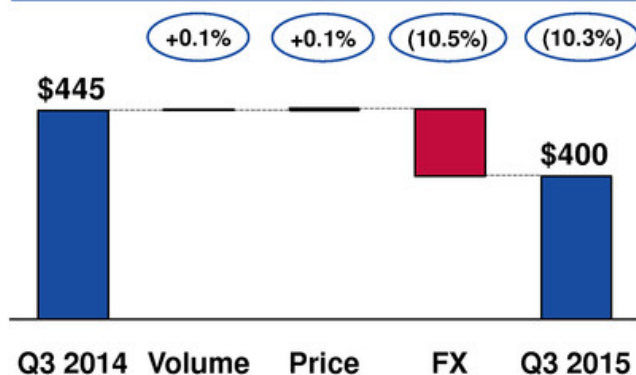


Q3 Transportation Coatings Results

Financial Performance

(\$ in millions)	Q3		% Change	
	2015	2014	Incl. F/X	Excl. F/X
Light Vehicle	304	343	(11.3%)	(0.9%)
Commercial Vehicle	96	103	(6.7%)	4.0%
Net Sales	400	445	(10.3%)	0.2%
Adjusted EBITDA	78	80	(2.0%)	
% margin	19.5%	17.8%		

Net Sales Variance



Commentary

Net sales increased 0.2% excluding currency

- Light Vehicle net sales increased in North America and EMEA, offset by Latin America and Asia Pacific declines
- Encouraging signs of recovery in China auto production in September
- Commercial Vehicle volumes continue to grow in nearly all regions, primarily driven by strong truck sales

Adjusted EBITDA margin up 170 bps

- Adjusted EBITDA margin benefited from lower variable costs and modest positive volume and price effect
- Some offset from incremental investments in growth projects

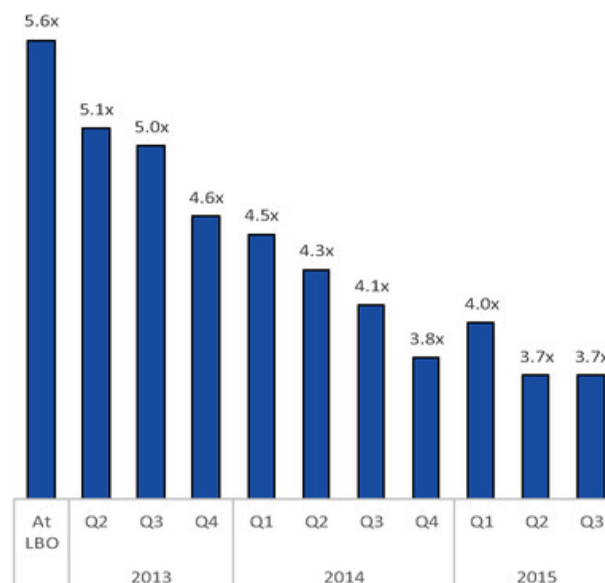


Debt and Liquidity Summary

Capitalization

(\$ in millions)	@ 9/30/2015	Maturity
Cash and Cash Equivalents	\$412	
Debt⁽¹⁾:		
Revolver (\$400 million capacity)	-	2018
First Lien Term Loan (USD)	2,094	2020
First Lien Term Loan (EUR) ⁽²⁾	427	2020
Senior Secured Notes (EUR) ⁽²⁾	273	2021
Total Senior Secured Debt	\$2,794	
Senior Unsecured Notes (USD)	734	2021
Other Borrowings	25	
Total Debt	\$3,553	
Total Net Debt	\$3,142	
LTM Adjusted EBITDA	\$859	
Credit Statistics:		
Total Net Leverage⁽³⁾	3.7x	

Net Leverage



(1) Retroactively adopted new accounting guidance, ASU 2015-03, to include deferred financing costs

(2) Assumes exchange rate of \$1.12 USD/Euro

(3) Indebtedness per balance sheet less cash & cash equivalents divided by latest twelve months adjusted EBITDA



Full Year 2015 Guidance Update

- **Net Sales Growth: 5-7% excluding F/X; down mid-single digits as-reported**
 - ✓ Growth across all regions and end-markets, excluding F/X impact
 - ✓ Performance Coatings drivers: Increased volumes, and selective price increases
 - ✓ Transportation Coatings drivers: Light Vehicle growth from new business launches; and continued strong truck production

- **Adjusted EBITDA: \$870-\$900 million**
 - ✓ Expect to come in towards lower end of the range considering FX headwinds
 - ✓ Drivers: Net sales growth, and savings from our productivity initiatives

- **Tax Rate: Normalized effective @ 27-29%**

- **Capital Expenditures: \$150 million, with ~\$90 million for growth & productivity projects**

- **Net working capital: 13-15% of net sales, excluding unusual items**



APPENDIX





Full Year 2015 Assumptions

Macroeconomic Assumptions

- Global GDP growth of approximately 2.5%
- Global industrial production growth of approximately 1.5%
- Global auto build growth of approximately 0.5%
- Modest benefit from lower oil prices given the extended supply chain in key raw materials and category-specific supply and demand dynamics

Currency Assumptions

Currency	2014 % Axalta Net Sales	2014 Avg. Rate	Feb '15 Guidance Rate	Aug '15 Guidance Rate	Oct '15 Guidance Rate	% Change in F/X Rate
US\$ per Euro	~30%	1.33	1.10	1.11	1.12	(15.8%)
Chinese Yuan per US\$	~11%	6.17	6.25	6.25	6.30	2.1%
Mexican Peso per US\$	~6%	13.33	15.00	15.30	15.91	19.4%
Brazilian Real per US\$	~5%	2.36	2.90	3.17	3.37	42.8%
Venezuelan Bolivar per US\$	~3%	8.91	25.00	105.00	106.60	1,096.4%
Russian Ruble per US\$	~2%	38.48	65.00	65.00	65.00	68.9%



Adjusted EBITDA Reconciliation

(\$ in millions)								LTM
	FY 2014	Q1 2014	Q2 2014	Q3 2014	Q1 2015	Q2 2015	Q3 2015	9/30/2015
Net Income (Loss)	35	(4)	56	(18)	47	(24)	36	60
Interest Expense	217	59	55	53	50	49	51	201
Provision (Benefit) for Income Taxes	2	12	(1)	8	1	30	18	32
Depreciation & Amortization	309	81	72	76	73	78	75	305
Reported EBITDA	563	148	181	118	171	132	180	598
A Inventory step-up	-	-	-	-	-	1	1	1
B Financing fees and debt extinguishment	6	3	-	3	-	-	-	-
C Foreign exchange remeasurement (gains) losses	81	-	(15)	60	9	58	24	126
D Long-term employee benefit plan adjustments	(1)	3	2	(5)	-	-	(1)	(1)
E Termination benefits and other employee related costs	18	3	3	3	4	15	1	29
F Consulting and advisory fees	36	13	8	9	3	7	7	24
G Transition related costs	102	14	34	34	-	-	-	21
H Offering related costs	22	-	-	3	1	-	1	22
I Other adjustments	11	3	8	3	(2)	13	4	12
J Dividends in respect of noncontrolling interest	(2)	(1)	(1)	-	(4)	(1)	-	(5)
K Management fee expense	3	1	1	1	-	-	-	1
L Asset impairment	-	-	-	-	-	31	-	31
Total Adjustments	278	39	40	110	11	124	37	261
Adjusted EBITDA	841	187	221	228	182	255	217	859

Note: Numbers might not foot due to rounding.



Adjusted EBITDA Reconciliation (cont'd)

- A. During the three months ended June 30, 2015 and September 30, 2015, we recorded non-cash fair value inventory adjustments associated with our acquisitions.
- B. In connection with an amendment to the Senior Secured Credit Facilities in February 2014, we recognized \$3 million of costs during the three months ended March 31, 2014. At September 30, 2014, we prepaid \$100 million of the outstanding New Dollar Term Loan and recorded a pre-tax loss on extinguishment of \$3 million.
- C. Eliminates foreign exchange gains and losses resulting from the remeasurement of assets and liabilities denominated in foreign currencies.
- D. Eliminates the non-service cost components of long-term employee benefit costs. Additionally, we deducted a pension curtailment gain of \$7 million recorded during the three months ended September 30, 2014.
- E. Represents expenses primarily related to employee termination benefits and other employee-related costs. Termination benefits include the costs associated with our headcount initiatives associated with cost saving opportunities that were related to our transition to a standalone entity and our Axalta Way cost savings initiatives in 2015.
- F. Represents fees paid to consultants, advisors, and other third-party professional organizations for professional services. Amounts incurred in 2015 primarily relate to our Axalta Way cost savings initiatives. Amounts incurred in 2014 relate to our transition from DuPont to a standalone entity.
- G. Represents charges associated with the transition from DuPont to a standalone entity, including branding and marketing, information technology related costs, and facility transition costs.
- H. Represents costs associated with the offering of our common shares through the Carlyle Offerings and cost associated with the IPO including a \$13 million payment to terminate a consulting agreement.
- I. Represents costs for certain unusual or non-operational (gains) and losses, including a \$5 million gain recognized during the three months ended March 31, 2015 resulting from the remeasurement of our previously held interest in an equity method investee upon the acquisition of a controlling interest, stock-based compensation, equity investee dividends, indemnity losses associated with the Acquisition, and loss (gain) on sale and disposal of property, plant and equipment.
- J. Represents the payment of dividends to our joint venture partners by our consolidated entities that are not wholly owned.
- K. Pursuant to Axalta's management agreement with Carlyle Investment for management and financial advisory services and oversight provided to Axalta and its subsidiaries, Axalta was required to pay an annual management fee of \$3 million and out-of-pocket expenses. This agreement terminated upon completion of the IPO in November 2014.
- L. As a result of the currency devaluation in Venezuela, we evaluated the carrying values of our long-lived assets for impairment and recorded an impairment charge relating to a real estate investment of \$31 million during the three months ended June 30, 2015.



AXALTA COATING SYSTEMS

