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**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) December 4, 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.)**

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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 7.01. Regulation FD Disclosure.**

On December 4, 2015, Axalta Coating Systems Ltd. (“Axalta”) issued a press release announcing its updated 2015 financial guidance and preliminary guidance related to its 2016 outlook. A copy of the press release is furnished hereto as Exhibit 99.1.

On December 4, 2015, Axalta will host its 2015 Analyst and Investor Day beginning at 9:00 AM (EST). Axalta has posted the materials that will be presented during the event to Axalta’s Investor Relations website (<http://ir.axaltacs.com>). A copy of the presentation materials is furnished hereto as Exhibit 99.2. There will be an audio webcast of the event accessible via the Events and Presentations page of Axalta’s Investor Relations website.

The information contained herein and in the accompanying exhibits shall not be deemed filed for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

In the press release, presentation materials and prepared remarks during Axalta’s 2015 Analyst and Investor Day, 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 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. As calculated, 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 December 4, 2015
99.2	2015 Analyst and Investor Day 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: December 4, 2015

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

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**EXHIBIT INDEX**

<b>Exhibit No.</b>	<b>Description</b>
99.1	Press Release dated December 4, 2015
99.2	2015 Analyst and Investor Day Presentation



## News Release

**Axalta Coating Systems**  
2001 Market Street  
Suite 3600  
Philadelphia, PA 19103  
USA

**Contact**  
Christopher Mecray  
D +1 215 255 7970  
Christopher.Mecray@axaltacs.com



### For Immediate Release

PHILADELPHIA, PA, December 4, 2015 - Axalta Coating Systems Ltd. (NYSE:AXTA) (“Axalta”), a leading global coatings company, is hosting an “Analyst and Investor Day” today in New York City. Members of management will present an overview of Axalta Coating Systems Ltd. and will comment on the current business outlook, including an update on 2015 full year expected financial results, as well as provide certain preliminary guidance related to the 2016 outlook, among other items on the agenda.

A live webcast of the event will be available online at <http://ir.axaltacs.com>. The event will begin at 9:00 AM EST and will conclude at 12:15 PM EST.

Key updates on financial guidance are provided below, and are further detailed in the full slide presentation for the event, which is also available on the investor relations portion of our corporate website via the above link.

### 2015 Full Year Outlook

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

- Net sales growth of 5% in constant currency; down mid-single digits including currency impacts;
- Adjusted EBITDA of \$860-\$870 million;
- Normalized effective tax rate of 29-31%.

### 2016 Preliminary Full Year Outlook

We are providing certain elements of financial guidance on a preliminary basis for the full year 2016, including:

- Net sales growth of 4-6% in constant currency;
- Adjusted EBITDA margin of 22%+;
- Interest expense of approximately \$180-190 million;
- Normalized effective tax rate of 25-27%;
- Diluted shares of 242-245 million;
- Working capital / sales of 13-15%; and
- Capital expenditures of ~\$150 million.

### 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 and 2016 outlook for net sales growth, Adjusted EBITDA, Adjusted EBITDA margin, interest expense, effective tax rate, share count, 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, and Adjusted EBITDA. 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 and Adjusted EBITDA may differ from that of others in our industry. Constant currency net sales

growth and Adjusted EBITDA 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 and Adjusted EBITDA 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](http://axaltacoatingsystems.com) and follow us @axalta on Twitter.



**Axalta Coating Systems Ltd.**

Analyst & Investor Day

December 4, 2015

### 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 sales, adjusted EBITDA, interest expense, normalized tax rate, diluted shares, cost and productivity savings, capital expenditures, plant expansions, working capital, return on invested capital, free cash flow and growth. 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 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.

## Key Messages For The Day

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- Axalta continues its transition from an operating segment to an independent, high-performing company
- Axalta has made significant progress towards its goals, but there is far more still to come
- We have multiple paths to create value including top line growth, improved productivity and efficiency, and effective capital deployment
- Our strategy for profitable growth is directed towards enhanced return on capital for shareholders

## Analyst & Investor Day Agenda



<b>9:00 AM</b>	Introduction and Agenda	Chris Mecray, VP, Investor Relations
<b>9:05 AM</b>	Axalta Overview & Business Outlook	Charlie Shaver, Chairman & CEO
<b>9:30 AM</b>	Financial Overview & Outlook	Robert Bryant, EVP & CFO
<b>9:50 AM</b>	Performance Coatings: Refinish	Nigel Budden, VP, Global Customer Excellence
<b>10:10 AM</b>	Performance Coatings: Industrial Coatings	Michael Cash, SVP, President, Industrial
<b>10:30 AM</b>	BREAK	
<b>10:45 AM</b>	Transportation Coatings Segment	Steven Markevich, EVP, President, Transportation & GC
<b>11:15 AM</b>	Axalta's Procurement Roadmap	Martin Horneck, SVP & Chief Procurement Officer
<b>11:30 AM</b>	Axalta's Technology Advantage	Barry Snyder, SVP & Chief Technology Officer
<b>11:45 AM</b>	Q&A	
<b>12:15 PM</b>	Closing Remarks	Charlie Shaver, Chairman & CEO



## **Axalta Overview and Business Outlook**

Charlie Shaver  
Chairman & CEO

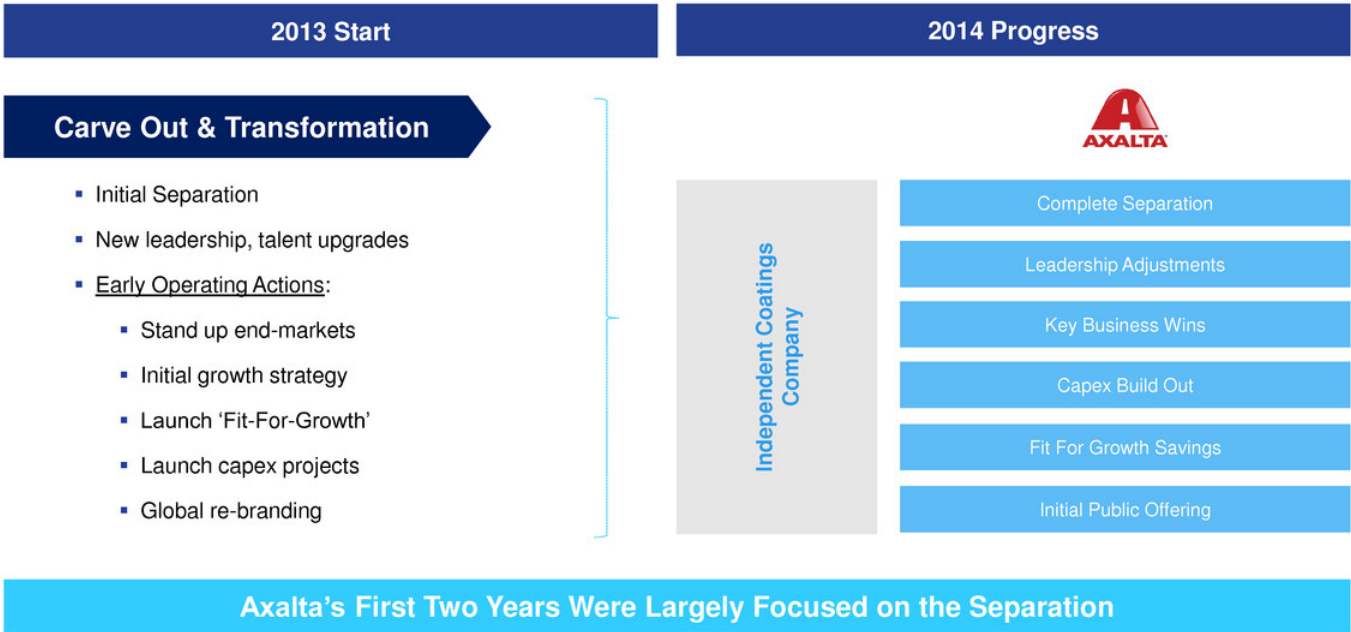
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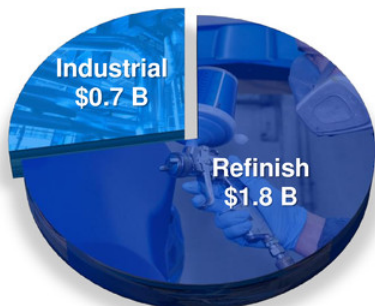


# Axalta – A Global Leader In Coatings



## Performance Coatings

59% of Sales – Refinish 42% | Industrial 17%  
22% Adjusted EBITDA Margin



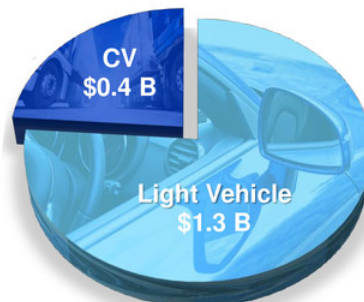
### Focus Areas:

Body Shops

General Industrial,  
Electrical Insulation,  
Architectural

## Transportation Coatings

41% of Sales - Light Vehicle 31% | Commercial Vehicle 10%  
18% Adjusted EBITDA Margin



### Focus Areas:

Light Vehicle / Automotive  
OEMs

Truck, Bus, Rail, Off-road  
OEMs

Sales<sup>1</sup> - \$4,162 M

Adjusted EBITDA<sup>1,2</sup> - \$859 M

Adjusted EBITDA Margin<sup>2</sup> - 20.6%

1. Financials for LTM September 2015, all sales data refers to Net Sales 2. Adjusted EBITDA reconciliation can be found in the Appendix

## 2015 Progress: Delivering On Our Goals



Stated Objective	Results Delivered
Grow the Business	<ul style="list-style-type: none"> <li>Volume and price up 5.5% for the 9 months YTD 2015</li> <li>Solid margin expansion achieved in 2015</li> </ul>
Launch New Business Wins	<ul style="list-style-type: none"> <li>New business launches continue</li> </ul>
Increase Emerging Markets Presence	<ul style="list-style-type: none"> <li>Success in select new initiatives, but GDP pressure evident in emerging economies in 2015</li> </ul>
Execute Productivity Initiatives	<ul style="list-style-type: none"> <li>On track for ~\$50 million in 2015 cost savings</li> <li>Axalta Way will deliver additional savings in 2016</li> </ul>
Continue High IRR Investments	<ul style="list-style-type: none"> <li>Expansion projects nearly complete</li> <li>Productivity &amp; growth capex remain in high gear</li> </ul>
Focus on Operating Execution	<ul style="list-style-type: none"> <li>Salesforce restructuring completed in Refinish North America</li> <li>Fine tuning technology and procurement roadmaps</li> </ul>

## Axalta Operates Fundamentally Strong Businesses



A Global Leader in Our Markets

Significant Competitive Advantages

A Service-Led Business Model

Structurally Attractive End Markets

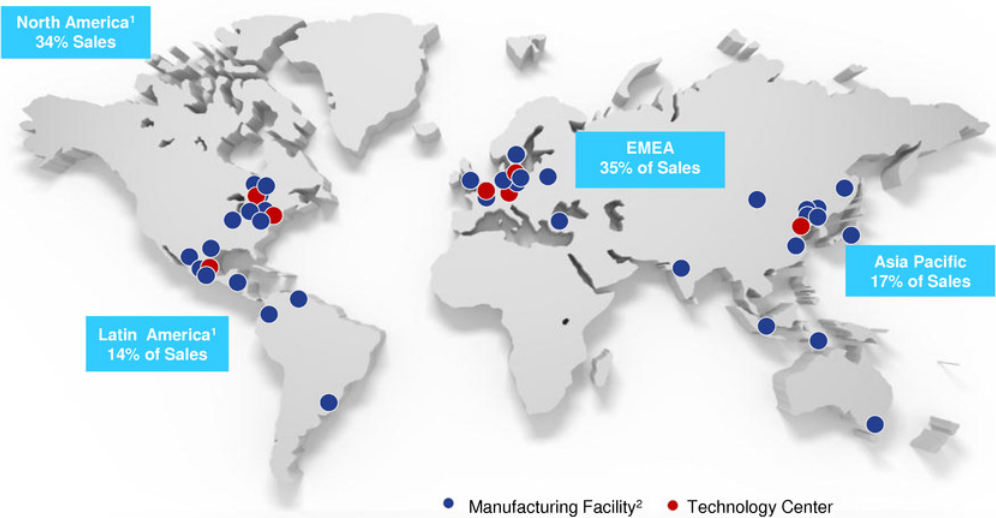
Highly Variable Cost Structure; Low Capital Intensity



# A Global Leader In Our Markets



## Axalta's Global Scale Enables Market Leadership

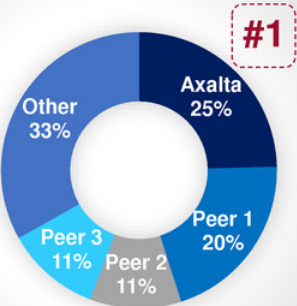


- ✓ 36 manufacturing facilities
- ✓ 46 customer training sites
- ✓ 7 technology centers
- ✓ ~12,800 employees selling into 130+ countries

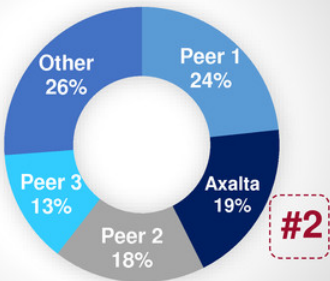
1. Mexico is included in Latin America  
2. Includes 9 JV facilities.



Performance Coatings: Refinish



Transportation Coatings: Light Vehicle



~90% of Sales from Markets Where Axalta Has #1 or #2 Global Share

Source: Orr & Boss and Axalta estimates based on 2014 data

# Significant Competitive Advantages








<b>Global Technology Leader</b>	<b>Extensive Formulation Database</b>	<b>Deep Process Technology Knowledge</b>	<b>Go-To-Market With Strong Brands</b>	<b>Differentiated Technical Support</b>
<ul style="list-style-type: none"><li>1,300+ technology employees</li><li>900+ patents, 275+ trademarks</li><li>\$160+ million annual spend</li></ul>	<ul style="list-style-type: none"><li>4+ million color variations</li><li>Hundreds of formulations in automotive &amp; industrial</li></ul>	<ul style="list-style-type: none"><li>36 plants on 5 continents</li><li>Significant legacy capital investment</li><li>Process technology is hard to replicate</li></ul>	<ul style="list-style-type: none"><li>Deep coatings heritage since 1866</li><li>Broad brand portfolio</li></ul>	<ul style="list-style-type: none"><li>Dedicated employees in OEM plants</li><li>Technical support to body shops</li><li>80,000 body shops serviced globally</li></ul>

Differentiated Franchise with Global Scale and Strong Competitive Advantages

# Significant Competitive Advantages



Industry Trends	Axalta Technologies	
Government Regulation: VOC Limits	<ul style="list-style-type: none"> <li>Complete VOC compliant portfolio for both Refinish and OEM</li> </ul>	
OEMs Seek Continuous Productivity Improvement	<ul style="list-style-type: none"> <li>Our technology enables OEMs to reduce capital, footprint, headcount and energy</li> </ul>	
OEM Vehicle Light-Weighting	<ul style="list-style-type: none"> <li>Broad substrate coating applicability for next generation materials</li> </ul>	
Growth in Multi-Shop Operators ("MSO")	<ul style="list-style-type: none"> <li>Axalta's waterborne technology improves MSO productivity and our national coverage enables high service levels</li> </ul>	
More Complex Colors	<ul style="list-style-type: none"> <li>Integration with OEMs grows color library</li> <li>Advanced color matching technologies critical to body shop supplier selection</li> </ul>	
Broad Technology Portfolio Well-Positioned to Benefit From Industry Trends		



# Axalta Employs A Service-Led Business Model



## Service is Key in Both Refinish and OEM End-Markets

### Body Shop



Painter Training  
Shop Productivity  
Shop Layout

### OEM Plant



Paint Mixing  
Line Service  
Technical Services

## Critical Functionality at a Relatively Low Cost



**Refinish:** 5%-10% of total repair cost



**Light & Commercial Vehicle:** <1% of a new vehicle's cost



**Industrial:** Critical to function, durability, safety & compliance

Compelling Value Proposition Where Product Cost is Not the Main Driver

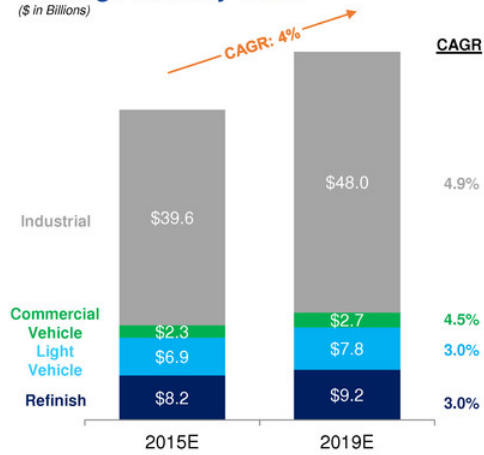
## Structurally Attractive Global End-Markets



### Strong Coatings Growth Outlook

#### Coatings Industry Sales

(\$ in Billions)



Source: Orr & Boss, Axalta estimates

### Diverse Industry Growth Drivers

- **Refinish:** Car parc, miles driven and collision rates
- **Light Vehicle:** Emerging economies and middle classes; ongoing consumer strength in developed markets
- **Commercial Vehicle:** Global consumer markets expanding; infrastructure growth
- **Industrial:** Global GDP and industrial production

### Long Term Alignment With Global Growth

## Highly Variable Cost Structure And Low Capital Intensity

### Variable Cost Structure

- ~50% of COGS come from variable raw material inputs
- Utilize temporary labor to enable wage structure flexibility
- Toggle other costs as needed in a downturn, including both variable and semi-fixed

### Low Capital Intensity

- Capex at \$150 million is 3.7% of sales, but only 1.4% for maintenance capex
- Batch production process is inherently flexible
- Capacity additions are very modular to minimize stranded cost impacts

**Well Positioned to React to Cyclical Downturns**

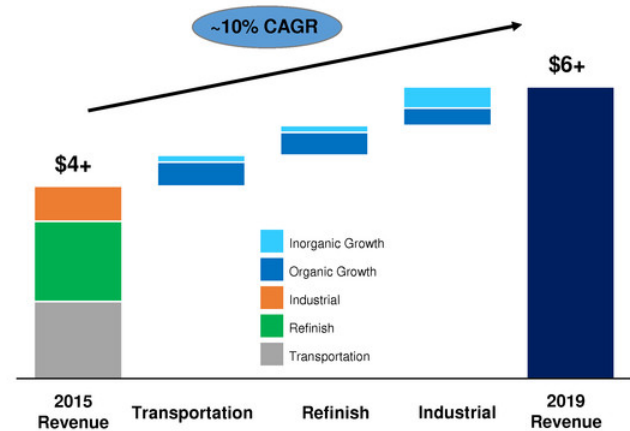
## Key Messages For The Day

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- Axalta continues its transition from an operating segment to an independent, high-performing company
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# We Are Driving Long Term Growth

Axalta Annual Sales (\$ billions)



## Comments

- Stable core growth assumed in the period, with strongest growth rate from Industrial
- Free cash flow will likely be used to reduce net debt to EBITDA leverage to *at least* our 2.5-3.0x initial targets
- Availability of ~\$1.5 billion in free cash flow for M&A and other uses beyond planned capital used for achieving debt reduction targets
- M&A opportunity focused largely in Performance Coatings

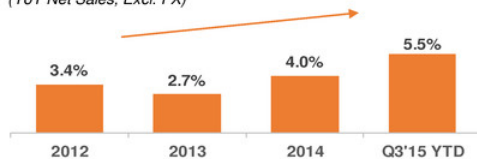
Organic Growth + FCF Deployment = Strong Topline Growth

## Axalta's Has Made Solid Progress To Date

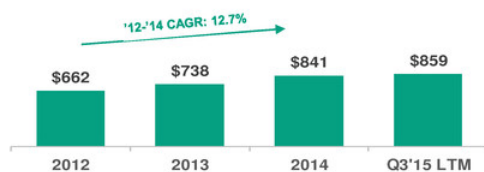


### Axalta's Growth Record

#### Robust Net Sales Growth (YoY Net Sales, Excl. FX)



#### Solid Adjusted EBITDA Growth (Adj. EBITDA, \$ Millions)



### Key Observations

#### Positioned for solid long-term growth

- Multiple top- and bottom-line growth opportunities
- Continued product extension, emerging market share gains, globalization initiatives
- Developing new business in underserved markets

#### Strong, sustainable margins

- Diverse global revenue base
- Compelling coatings value proposition
- Attractive industry dynamics

Building a Track Record of Strong Profitable Growth

## Updated Expectations For 2015 Full Year



### 2015 Targets

(\$ millions)	2015 E	Prior	Comments on Drivers
Sales (Excl.-FX)	+5%	+5-7%	<ul style="list-style-type: none"> <li>Foreign currency pressure has continued to mount into Q4 beyond previously contemplated headwinds</li> <li>Latin America results likely impacted by further demand slide in certain countries, and some impact related to upcoming elections in South America</li> <li>Margin continues to be less impacted, given FX pressure offset by mix tailwinds</li> <li>Higher tax rate due to regional mix of earnings in 2015</li> <li>All other guidance items unchanged</li> </ul>
Adjusted EBITDA	\$860-870	\$870-900	
Adjusted EBITDA Margin	~21%	~21%	
Normalized Tax Rate	29-31%	27-29%	

2015 Targets Have Been Challenged by Several Persistent External Headwinds

## We Expect Progress To Continue In 2016

### 2015 Targets & 2016 Early Look

(\$ millions)	2015	2016	YoY Chg	Comments on Drivers
Sales (Excl.-FX)	+5%	+4-6%	-	<ul style="list-style-type: none"> <li>Organic sales growth expected to continue</li> </ul>
Adjusted EBITDA Margin	~21%	22%+	100+ bp	<ul style="list-style-type: none"> <li>Margin expansion expected to continue, driven by volume, price, cost reduction</li> </ul>
Interest Expense	\$200	\$180-190	(\$10-20)	<ul style="list-style-type: none"> <li>Tailwinds from ongoing input cost savings and additional productivity savings</li> </ul>
Normalized Tax Rate	29-31%	25-27%	(4%)	<ul style="list-style-type: none"> <li>Tax rate expected to come down in 2016 from specific actions contemplated</li> </ul>
Diluted Shares (millions)	240	242-245	2-5	<ul style="list-style-type: none"> <li>Working capital stable in 2016, with free cash flow expected to rise</li> </ul>
Working Capital / Sales	13-15%	13-15%	-	<ul style="list-style-type: none"> <li>Capex is consistent; includes large discretionary component</li> </ul>
Capital Expenditures	~\$150	~\$150	-	

### 2016 Benefits from Ongoing Growth and Maturity of Productivity Programs



## Key Messages For The Day

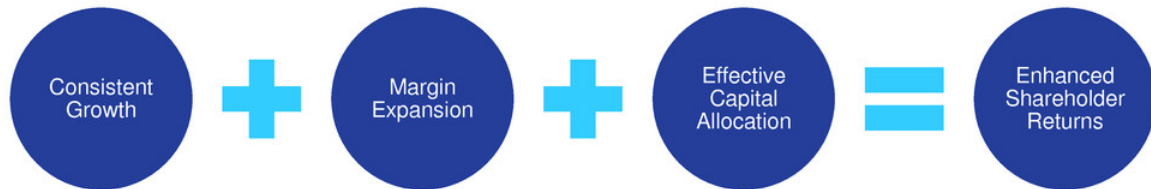
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### Axalta's Vision

To maximize our customers' productivity and product functionality by offering them innovative coatings solutions and best-of-class service







2013  2017



Targeting \$60 million in Combined 2016 Productivity Savings

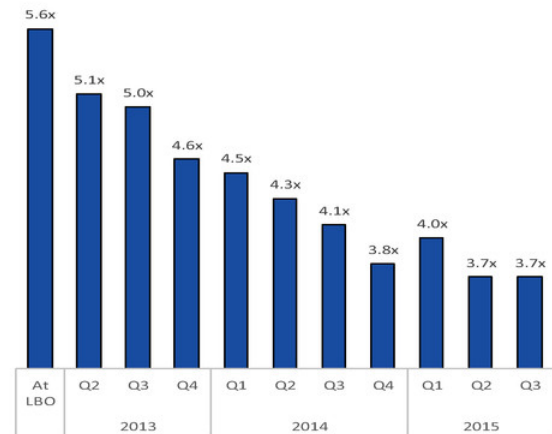
## Effective Capital Deployment: The Driver Of Shareholder Returns



### Capital Allocation Priorities

- Leverage target: 2.5-3.0x
- M&A is also a priority
  - ✓ Return-based targets for all deals
  - ✓ Leverage existing core strengths
  - ✓ Add-on products to our current base
  - ✓ Leverage R&D investment
- Evaluate further debt reduction or other allocation options based on business conditions and opportunities

### Net Debt / LTM Adjusted EBITDA



Our Capital Allocation Targets Efficient Use of Capital to Maximize ROIC

## Key Messages For The Day

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### Axalta's Strategy

Grow with our market-leading products and services in existing markets

Move into attractive adjacencies by leveraging our global technology, process and service capabilities

Grow in targeted industrial coatings segments via organic growth and selective acquisitions

Leverage our culture of accountability and focus on operational excellence

# Axalta's Strategy: Grow Core Products & Markets

Refinish

Axalta MSO Market Share

2013

Today

Source: Axalta estimates

- Axalta is gaining share by partnering with market winners
- Our value proposition remains strong with all refinish market channels

Light Vehicle

- Axalta has demonstrated growth with key business wins

Heavy Duty Truck

North America Heavy Duty Truck Market

Source: Orr & Boss, Axalta estimates

Heavy Duty Truck Production

(Vehicles in Thousands)

342

1,220

North America

China

The China market is ~3.6x North America

Source: LMC Automotive (2013)

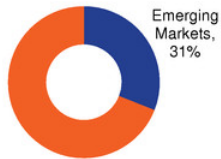
## Strong Momentum Driven by Customer-Centric Approach



# Axalta's Strategy: Accelerate Growth In Emerging Markets

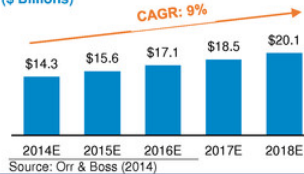


## Axalta 2015E Net Sales



## Emerging Market Growth

### Coatings Market (\$ Billions)

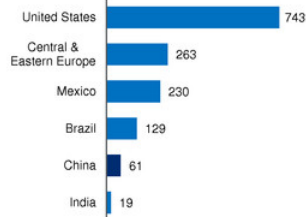


## Significant Opportunity

- Rapid growth of middle-classes in emerging economies
- Increased vehicle penetration per capita
- Expansion of car parc
- Elevated collision rates vs. developed markets

## China Example

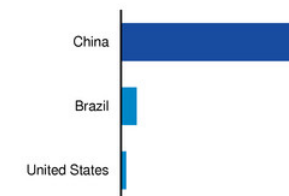
### Light Vehicles, Per 1,000 People



### China Car Parc (thousands)



### Damaged Vehicles Per 1M km Driven (2011)



## Significant Emerging Markets Growth Opportunity

## Axalta's Strategy: Targeted Industrial Coatings Expansion



### A Broad Industrial Portfolio



Electrical Insulation



Architectural



Agricultural, Construction,  
& Earthmoving Equipment  
(ACE)



Oil & Gas

- Strong product portfolio in powder, liquid, and e-coat
- Implemented global end-market business structure to capitalize on opportunities
- Leveraging existing technology and enhanced sales organization to grow

### Growth from Leveraging Our Product Portfolio in Underserved Markets

### Operations

- Balanced manufacturing footprint and capacity
- Ongoing productivity investments
- Salesforce reorganization
- R&D / Technology enablers
- Enhanced IT tools
- Procurement roadmap
- Process improvement

### Leadership and Culture

- The tone is set; focus on growth and profitability
- Independence and accountability is freeing...and infectious
- Quality leaders in every region and end-market
- Supporting and educating our people
- Strive to maintain a strong core talent base
- Continue to refine and add talent deeper in the organization

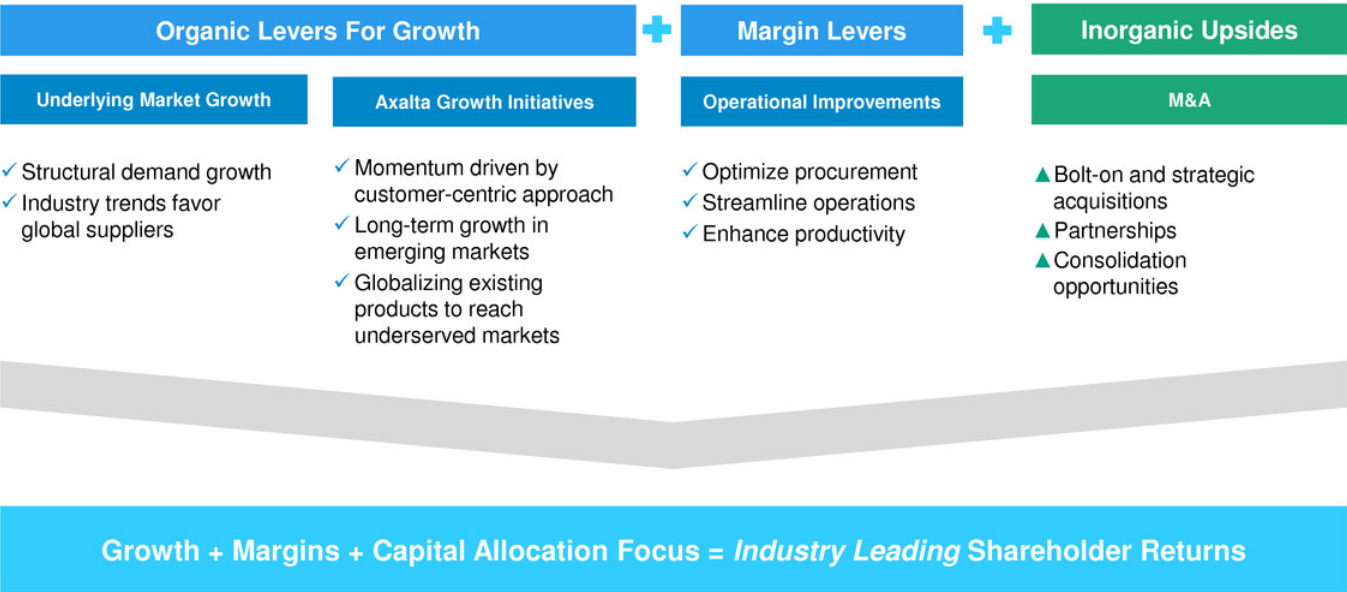
Employees Feel the Effect of Our Focus and Accountability



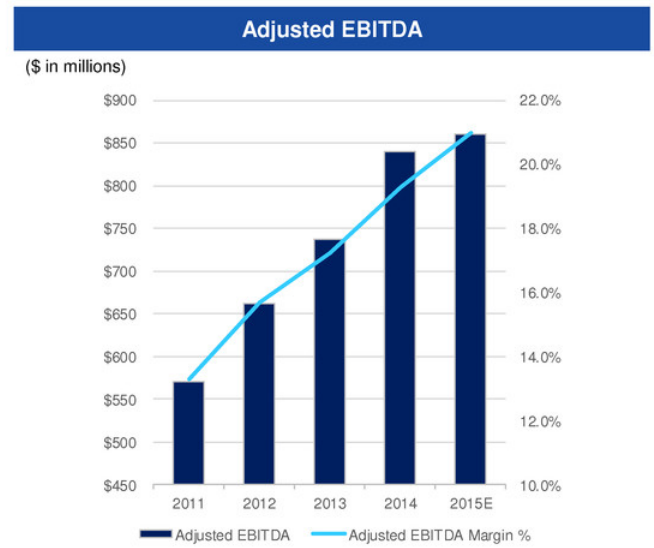
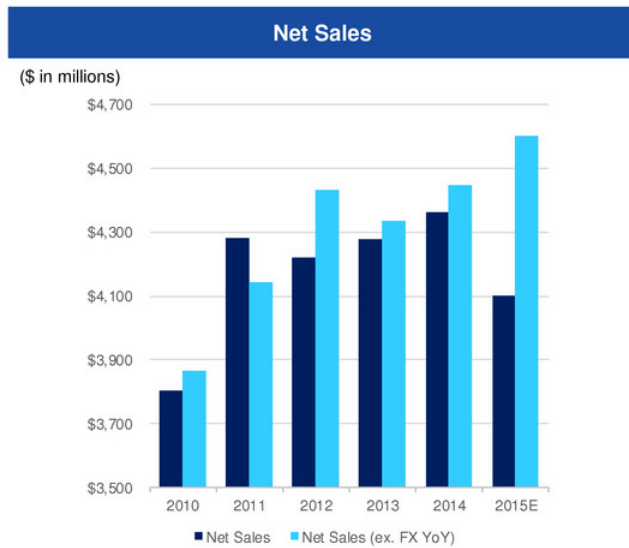
## **Financial Overview and Outlook**

Robert Bryant  
EVP & CFO

# Axalta Is Focused On Connecting Performance To Shareholder Returns



## Our Results To Date Have Shown Solid Progress



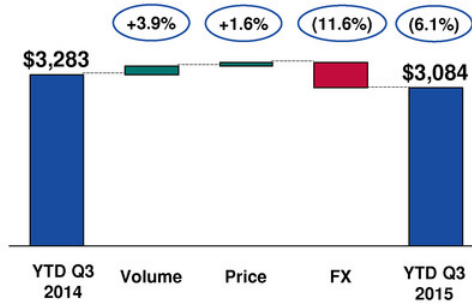
**Encouraging Margin Progress, but Currency Mutes Net Sales and EBITDA**

## Our Results To Date Have Shown Solid Progress

### Consolidated Results

(\$ in millions)	Q3 YTD		% Change	
	2015	2014	Incl. F/X	Excl. F/X
Performance	1,797	1,945	(7.6%)	5.4%
Transportation	1,287	1,338	(3.8%)	5.8%
Net Sales	3,084	3,283	(6.1%)	5.5%
Adjusted EBITDA	654	636	2.9%	
% margin	21.2%	19.4%		

### Net Sales Variances



### Highlights

#### Net sales increased 5.5% excluding currency

- Volume growth across all regions and global end-markets
- Positive price contribution led by Latin America
- 11.6% FX impact a notable detractor and progressively greater headwind

#### Adjusted EBITDA Margin up 180 bps to 21.2%

- Improvement driven by volume and price contribution, building variable cost savings, offset by some incremental investment spending

## Our Financial Scorecard Is Focused On Growing The Business Profitably



Objective	Grow The Business	Grow Adjusted EBITDA
Results	2015E Net Sales: +5%	2015E Adjusted EBITDA: \$860-870 M
Highlights & Challenges	<ul style="list-style-type: none"> <li>▪ <b>Refinish:</b> Stable global growth, North America MSO trend continues apace</li> <li>▪ <b>Industrial:</b> Acceleration begins with new resources applied. Market outgrowth in 2015</li> <li>▪ <b>OEM:</b> New launches continue to drive market outgrowth. Emerging market challenges have impacted earlier volume expectations</li> <li>▪ <b>Commercial:</b> Strong performance driven by growth in each region. Likely North America market peak in truck is an outlook factor</li> </ul>	<ul style="list-style-type: none"> <li>▪ Positive incremental margins from volume and price drop-down</li> <li>▪ Savings ramped from some variable costs</li> <li>▪ Productivity programs continue; first savings from The Axalta Way</li> <li>▪ Significant FX headwind has increased through 2015</li> <li>▪ Ongoing investment in growth and new plant startup has had some cost impact</li> <li>▪ Margins show excellent progress: 19% in 2014 to ~21% in 2015E</li> </ul>

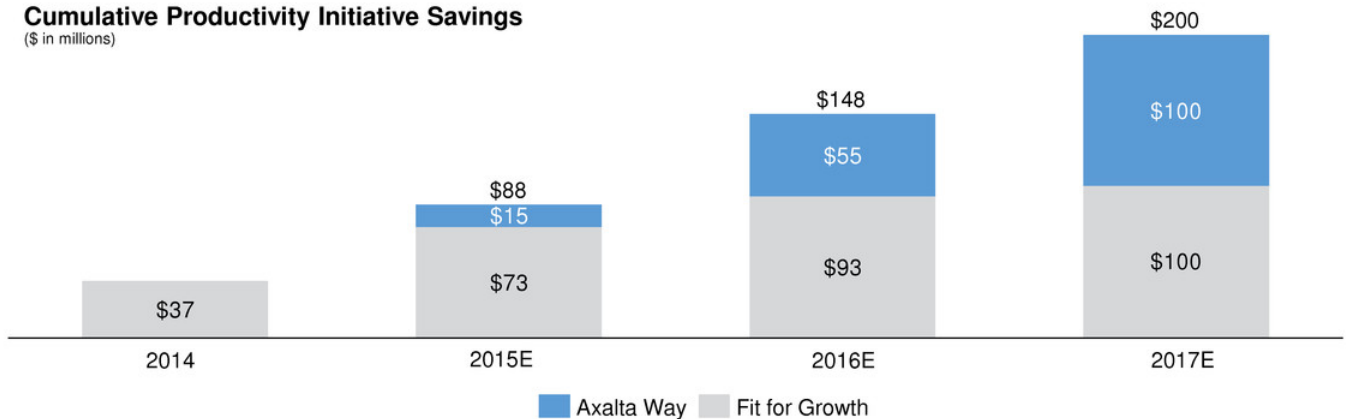




## The Axalta Way: Driving Towards World Class Productivity

### Cumulative Productivity Initiative Savings

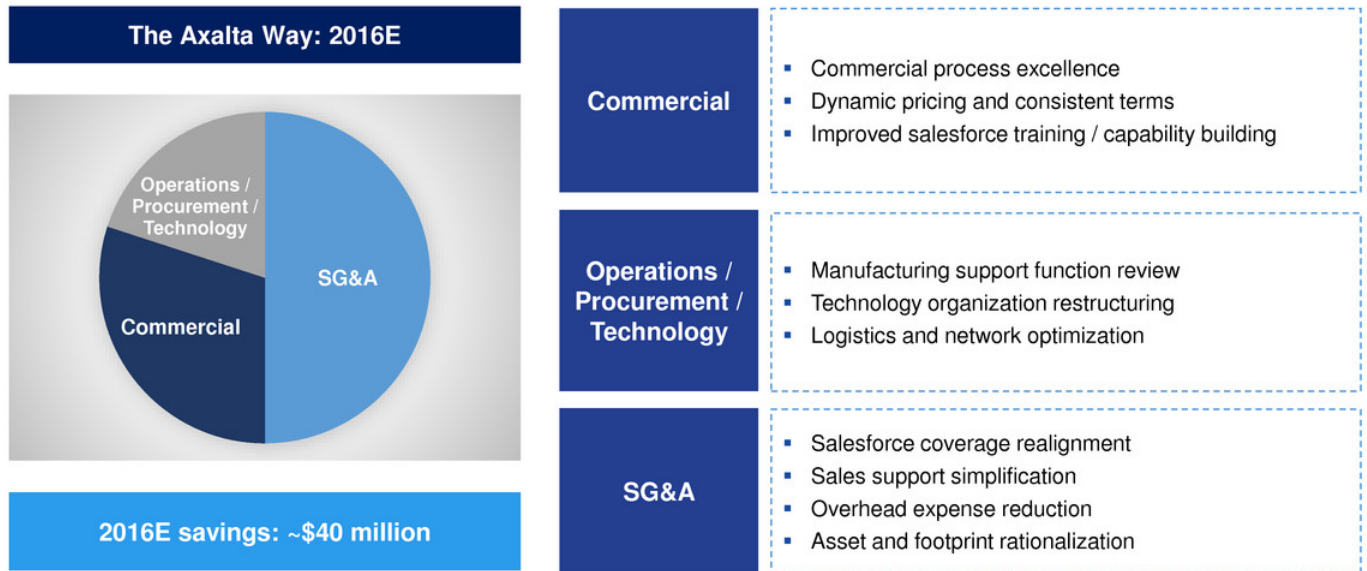
(\$ in millions)



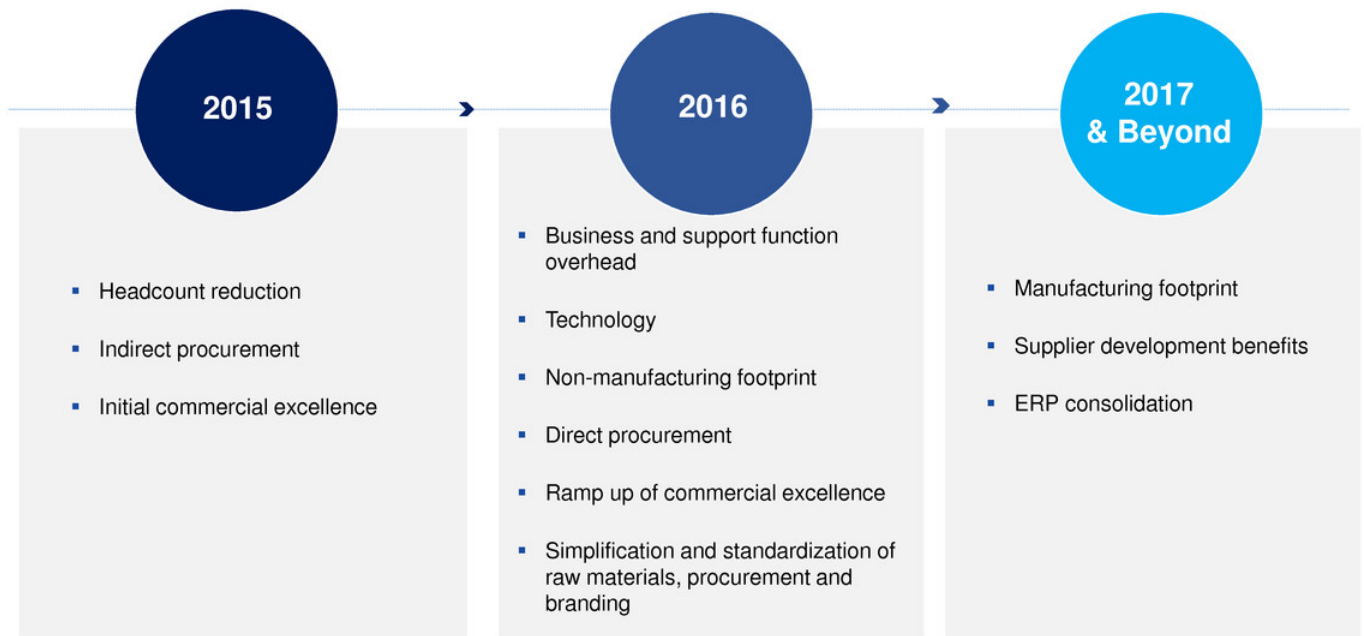
Our Goal: \$200 million of Adjusted EBITDA savings on a run-rate basis exiting 2017

The Axalta Way: "A focused approach to doing business that drives profitability by improving our efficiency, productivity and growth opportunities every day, wherever we do business"

## The Axalta Way: Buckets Of Opportunity



## The Axalta Way: Opportunity Evolution



## Our Financial Guiding Principles



Managing the Capital:  
Capex Prioritization

Metrics-Based  
Management: Driving the  
Business with Data

Capital Allocation:  
Improved ROIC

Financial Optimization

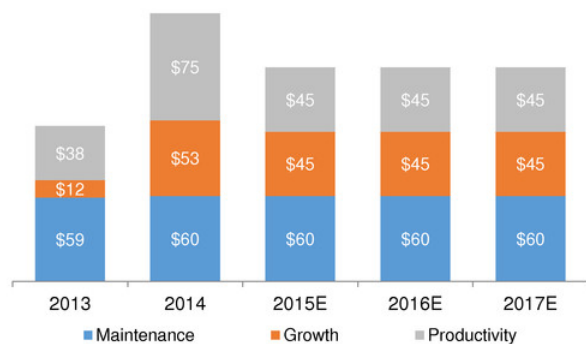
## Prioritization Of Capital Spending; Focus On High IRR Capex



### Capital Expenditures

#### Capex by Year and Category

(\$ in millions)



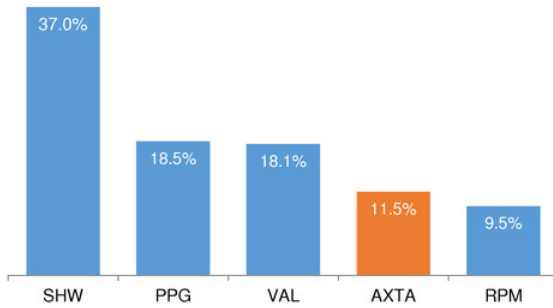
### Commentary

- Maintenance capital: \$60 million per year
- Growth investments
  - ✓ 4 capex projects on track to be completed in 2015
    - Wuppertal, Germany
    - Jiading, China
    - Mexico City, Mexico
    - Guarulhos, Brazil
- Productivity investments
  - ✓ Equipment upgrades, debottlenecking and automation opportunities
  - ✓ Target IRRs in excess of 25%

## Effective Capital Allocation Should Drive Improved Returns

### Return on Invested Capital (ROIC)

#### NOPAT ROIC (LTM)



Notes: 1) ROIC = Net Operating Profit After Tax (NOPAT) / (Total Debt + Preferred Stock + Minority Interest + Equity); 2) AXTA total capital excludes identified intangible assets; 3) Data as of LTM Q3 2015

### Commentary

- Axalta's ROIC is penalized by the February 2013 LBO and related asset step-up from purchase price accounting
- Drivers of ROIC upside:
  - ✓ Growth in NOPAT from ongoing business execution
  - ✓ Effective capital allocation: Organic investments, return accretive M&A, and focus on asset efficiency
- We believe that over time we can achieve returns in excess of the peer group averages

### Total Shareholder Return (TSR) Model

- Organic growth options: Generally the “highest and best use”
  - ✓ In-plant productivity investment
  - ✓ Growth with existing markets with strong incremental margins
- M&A: Discipline is key to improve returns
  - ✓ 4 year cumulative free cash flow available after debt reduction: \$1.5+ billion
  - ✓ Tactical, lower risk, smaller “tuck-ins” and immediate adjacencies
  - ✓ Overall consideration for both immediate IRR and long term growth goals
- Debt repayment: Accretive at current rates
  - ✓ Target investment grade rating as debt leverage is reduced and other factors
  - ✓ Process: Balance absolute returns with risk-adjusted return, and feedback on shareholder risk tolerance
- Other potential uses: Board to consider in time
  - ✓ Dividends and buybacks will be considered once our leverage goals are realized

## Debt And Liquidity Summary

### Capitalization

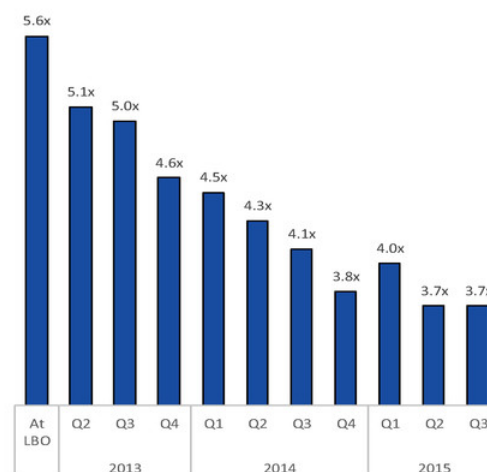
(\$ in millions)	@ 9/30/2015	Maturity
Cash and Cash Equivalents	\$412	
<b>Debt<sup>(1)</sup>:</b>		
Revolver (\$400 million capacity)	-	2018
First Lien Term Loan (USD)	2,094	2020
First Lien Term Loan (EUR) <sup>(2)</sup>	427	2020
Senior Secured Notes (EUR) <sup>(2)</sup>	273	2021
<b>Total Senior Secured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

(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

### Net Leverage



### Potential Refinancing Options in 2016



## 2016 Preliminary Targets & Outlook



Stated Objective	Results Expected
Grow the Business	<ul style="list-style-type: none"> <li>Sales target: +4-6% pre-FX</li> <li>4 Year sales objective: \$6+ billion including M&amp;A</li> </ul>
Grow EBITDA	<ul style="list-style-type: none"> <li>2016 Margins: 22%+</li> <li>Drivers: Volume / price / mix; increased productivity savings</li> </ul>
Reduce Net Debt Leverage	<ul style="list-style-type: none"> <li>Targeted Net Debt / LTM Adjusted EBITDA: 2.5-3.0x within two years</li> </ul>
Steady Working Capital	<ul style="list-style-type: none"> <li>Expect WC / sales at 13-15%</li> <li>Solid medium-term potential to drive incremental cash flow</li> </ul>
Tax Opportunity	<ul style="list-style-type: none"> <li>We expect to lower our tax rate in 2016 to the 25-27% range from certain initiatives</li> </ul>
Refinancing Possible in 2016	<ul style="list-style-type: none"> <li>February 2016 step down of make-whole premiums on senior debt offers possible refinancing opportunity</li> </ul>
Phasing of Results for 2016	<ul style="list-style-type: none"> <li>Results phasing in 2016 should consider the non-linear progression in 2015 from both margins and FX impacts</li> </ul>

## Summary Of Our Investment Case

- Axalta operates a fundamentally strong set of businesses
- The Refinish business provides Axalta with a strong foundation
- We still have many layers of self-help to execute
- We believe we can outgrow the market in each business over coming years
- Our top-line, margins, and incremental investments should drive stronger ROIC for shareholders





## **Performance Coatings: Refinish**

Nigel Budden  
VP, Global Customer Excellence

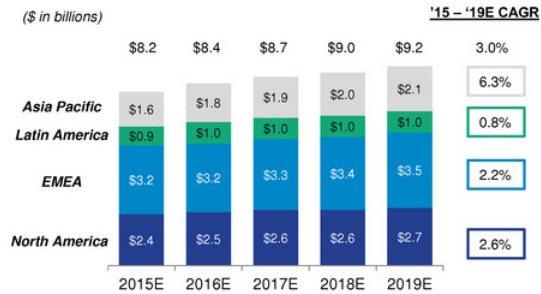
## Axalta Refinish Investment Summary

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- **The global refinish market is structurally growing and well consolidated**
  - ✓ End-market growth ~3% per year through 2019
  - ✓ The top four players hold two-thirds global market share
- **We are a global leader; refinish provides a strong foundation for Axalta**
  - ✓ #1 player globally with 25% market share
  - ✓ Portfolio of next-generation technology products
  - ✓ Strong profitability driven by positive market dynamics
- **Axalta has transformed its business and we see significant growth opportunities**
  - ✓ Multi-shop operator (MSO) alignment in North America is driving growth
  - ✓ Emerging markets are expected to drive long-term demand
  - ✓ Axalta has a more customer-focused face to the market

## The Global Refinish Market Is Growing

### Projected Industry Sales



Source: Orr & Boss (2014); Axalta estimates

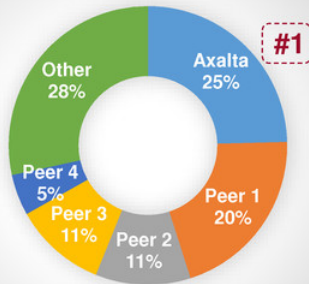
### Axalta Global Refinish Dynamics

EMEA	<ul style="list-style-type: none"> <li>Strong heritage through Herberts acquisition 1999</li> <li>Diverse region with both mature and developing markets</li> <li>Environmental regulations drive waterborne coatings adoption</li> </ul>
NA	<ul style="list-style-type: none"> <li>MSOs gaining share and Axalta benefits directly</li> <li>Continued strong core products serve the entire collision market</li> <li>Leading VOC-compliant products meet environmental regulation shifts</li> </ul>
APAC	<ul style="list-style-type: none"> <li>Growth driven primarily by expansion of the Chinese car parc</li> <li>Significant OEM influence in collision repair industry</li> <li>Opportunity for growth in mainstream and economy product lines</li> </ul>
Lat Am	<ul style="list-style-type: none"> <li>Mexico and Brazil represent Axalta's largest markets</li> <li>Price increases help offset inflation and currency devaluation</li> <li>Under-representation in the economy segment represents opportunity</li> </ul>

## Axalta Has A Very Strong Position In Refinish Globally

### Global Share Position

Refinish Industry Sales: ~\$7.4 billion



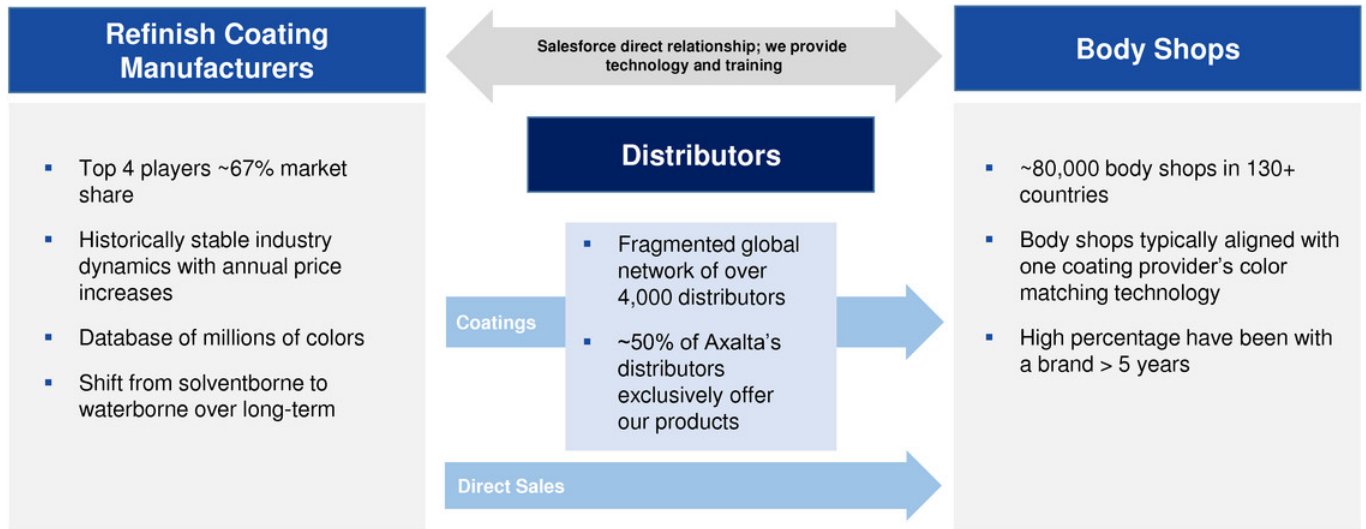
### Key Market Trends

- Drivers include size of car parc, miles driven, and accident rates
- Industry dynamics favor stable competition in most markets
- Focus on innovation and service to increase body shop productivity
- Increasing environmental regulation drives technically advanced high-productivity coatings adoption

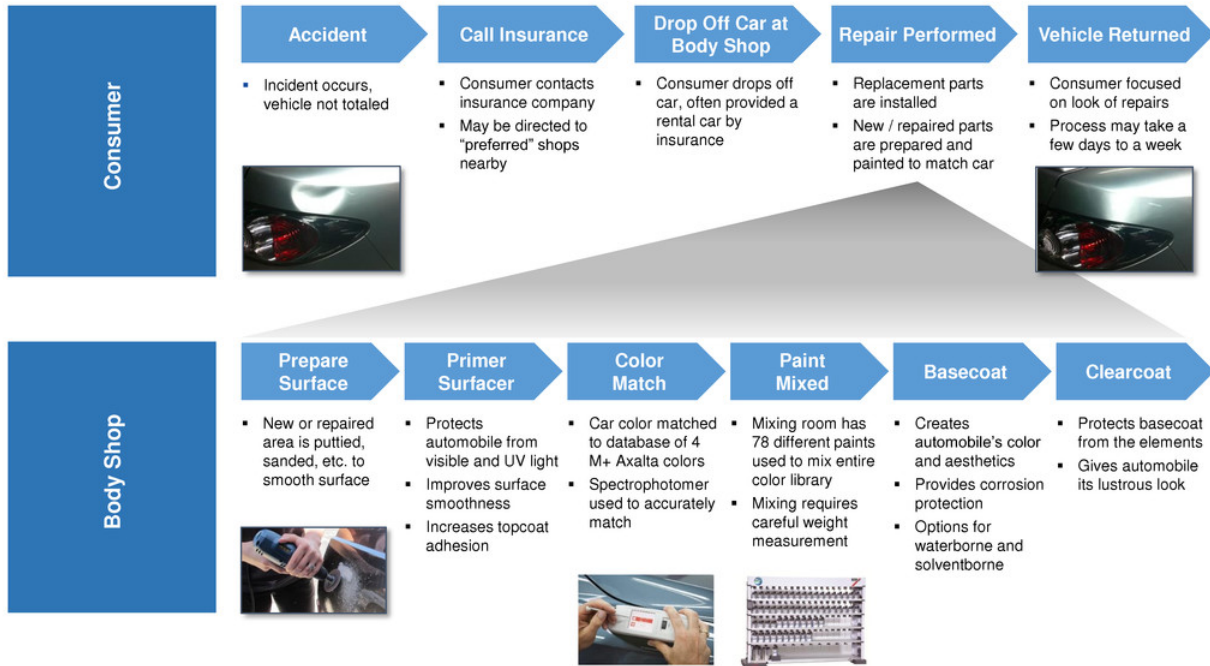
### Axalta's Strategies For Growth

- Grow our leadership position in premium product segments
- Increase market share in under-represented countries and markets
- Expand mainstream and economy product penetration
- Leverage customer consolidation trends in key regions
- Focus on strengthening and expanding our distribution channel relationships

## The Refinish Market Uses A “Sell Through” Model

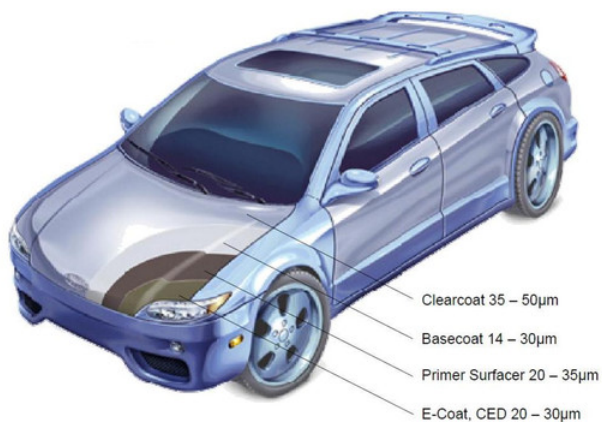


# The Refinish Process At A Glance





### Description of Paint Layers



#### Clearcoat

- Protects basecoat from the elements
- Gives automobile its lustrous look

#### Basecoat

- Creates automobile's color and aesthetics
- Provides corrosion protection
- Waterborne and solventborne technology options

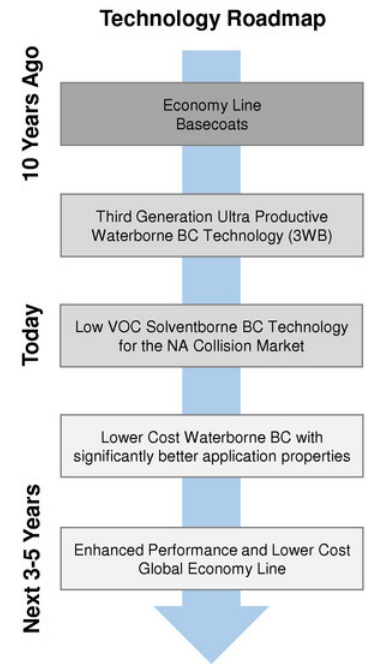
#### Primer Surfacer

- Protects automobile from visible and UV light
- Improves surface smoothness
- Increases topcoat adhesion

## Axalta Basecoat Technologies



	Solventborne	Low VOC Solventborne	Waterborne
<b>Upfront Investment for Body Shop</b>	LOW	LOW	HIGH
<b>Paint Cost for Body Shop</b>	LOW	MEDIUM	HIGH
<b>Productivity</b>	MEDIUM	MEDIUM	HIGH
<b>Spray Application Difficulty</b>	NORMAL	NORMAL	MORE COMPLEX
<b>Typical Customers</b>	Traditional Body Shops	Larger Traditional Shops	High Productivity Body Shops
<b>Geographies Where Common</b>	Asia, Latin America, USA, CEE, MEA	USA, Korea	Europe, USA, Canada
<b>Booth Climate Control Requirements</b>	LOW	LOW	HIGH



## Refinish North America: Industry Overview



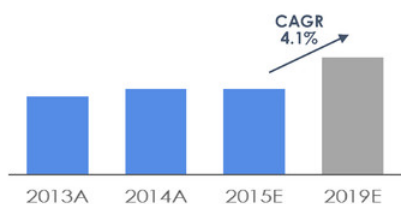
Total Repair Revenue	Insurance Paid Repair Revenue	Consumer Paid Repair Revenue	Total Collision Repair Locations
\$32.3 B	\$29.0 B	\$3.3 B	33,500

- Industry repair revenue flattish in recent years, but body shops consolidating
- ~90% of collision revenue is insurance paid
- A highly fragmented customer base with opportunity to improve productivity
- Stable demand driven by accident rates, and paid mainly by insurance companies

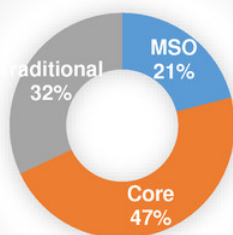
Source: The Romans Group, 2014

**Refinish is a Strategic Market for Axalta, and Market Dynamics Allow Share Gain for Us**

## Net Sales



## Net Sales by Segment (2015E)



## Overview & Strategy

### Aligned with key industry trends

- Extensive formulation databases needed for color match
- Advanced technology used to protect and visually enhance the vehicle while meeting environmental regulations
- Substantial service and distribution networks to serve a fragmented channel
- Sprayers trained in specific brands tend to stay loyal

### Refinish pricing has been stable

- Coatings are a small portion of the overall repair cost

### Focused on profitable growth

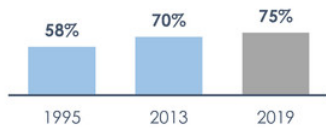
- Organizing salesforce around customer segments
- Adjusting incentives to align with growth objectives

### Investing in under-represented markets

- Developing mainstream product offerings
- Aligning with high growth customers

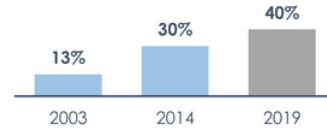
# Refinish North America: Market Dynamics

## 1 'TOP 10' INSURERS MARKET SHARE



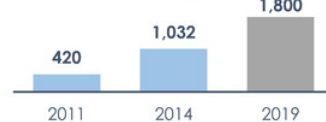
The insurance market continues to consolidate; Insurers continue to push Direct Repair Programs (DRPs) to lower costs.

## 2 DRP WORKFLOW ALLOCATED TO MSOs



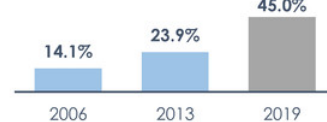
Top Insurers continue to drive DRPs and reward MSOs with more workflow, fueling growth.

## 3 'BIG 4' GROWTH (LOCATIONS)



The 'BIG 4' MSOs have a stated goal of growing 20% YOY.

## 4 MSO MARKET SIZE



The MSO market is growing, led by compelling economics.

## Compelling Economics Drive Ongoing Market Consolidation

Source: National Association of Insurance Commissioners, Collision Week; CCC; Romans Group Report 2013

## Refinish North America: Focus On Service

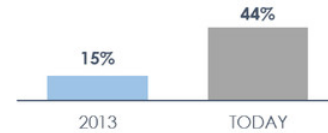
### A Service-Led Sale

#### Insurers are applying pressure on shops to perform

- MSO's partner with suppliers who have the scale and expertise to help them meet insurer expectations
- Axalta waterborne technology drives productivity and improved cycle time
- Beyond products, MSOs expect:
  - ✓ Sprayer training
  - ✓ Inventory control systems
  - ✓ SKU management processes
  - ✓ Consolidated / electronic invoicing

### Axalta Actions

#### Axalta Market Share with "Big 4" MSOs



#### Axalta has gained share with these important customers

- Key account management team set up to focus on MSOs
- #1 market position with 'Big 4' MSOs
- MSO customers are growing with regular acquisitions

## Refinish EMEA: A Foundational Business For Axalta

### A Leader In The Region

- The largest global refinish market (~\$2.5 B)
  - ✓ Axalta is an EMEA refinish leader, including highly productive and innovative products, a strong distribution network, and premier brands
- Demand is mixed, with strength in Western Europe but variable trends in the rest of EMEA
- Insurers are directing repairs to reduce repair cost, similar to North America
- Increasing demand for mainstream & economy products



### A Proven Strategy

- **Gain share** in less penetrated markets
- Expand **distribution channels** and lower channel costs
- Opportunity in **CES** for Axalta to gain share and expand products offered in mainstream markets
- Grow share in **MEA** sub-region
- **M&A** is a focus for the region to expand our business both horizontally and vertically

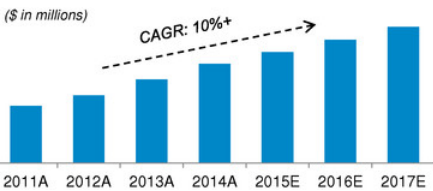


# Refinish Asia Pacific: The China Opportunity

## Overview

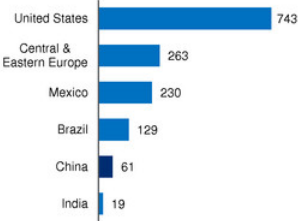
- Rapidly growing market driven by growing middle class
- Cultural status of vehicle ownership leads to premium coatings product mix
- Higher collision rates versus mature markets
- Axalta benefits from these trends with its wholly-owned China business for over 25 years

## Axalta Refinish Sales



## Strong Fundamental Demand

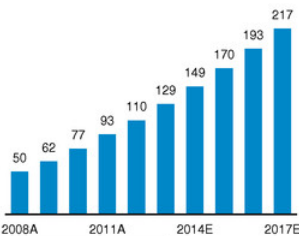
### Light Vehicles Per Capita (2013)



Source: LMC Automotive (2013), World Bank (2013)

### Car Parc

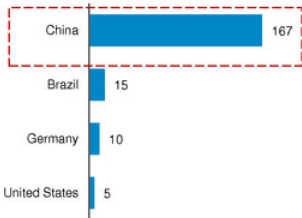
(Car Parc in Millions)



Sources: Axalta & trade publications (2014)

### Collision Rates (2011)

(Damaged vehicles per 1M km driven)



Sources: Axalta & trade publications (2014)



## Refinish Latin America: Building On A Market Leadership Position



### A Leader In The Region

- A \$900 M regional Refinish market
- Axalta is the market leader in premium coatings
  - ✓ We have a substantial share with high productivity body shops
  - ✓ We are growing with the MSO's and OEM aftermarket programs leveraging our strong global brands
- Axalta is a leader in green technology
  - ✓ Top position in waterborne in the region
  - ✓ Cromax Pro is projected to grow solidly, leveraging our reputation as the premier productivity enabler



### A Proven Strategy

- Expand in underserved regions and countries
- Expand our distribution network
- Leverage existing premium products and brands
- Leverage our local manufacturing footprint
- Target and grow new segments



## Axalta Refinish Summary

- **A global market leader in a great business**

- ✓ Strong market presence enables expansion across all regions
- ✓ Technology innovation supports competitiveness



- **Refinish benefits from favorable market dynamics**

- ✓ Positive drivers support projected 3% growth through 2019
- ✓ Fragmented customer base and consolidated players favor stable competition



- **Axalta has significant ongoing opportunities for growth**

- ✓ Continue to grow with all refinish channels in North America
- ✓ Increase share in under-represented markets in EMEA
- ✓ Increasing presence in emerging markets, especially China





## **Performance Coatings: Industrial Coatings**

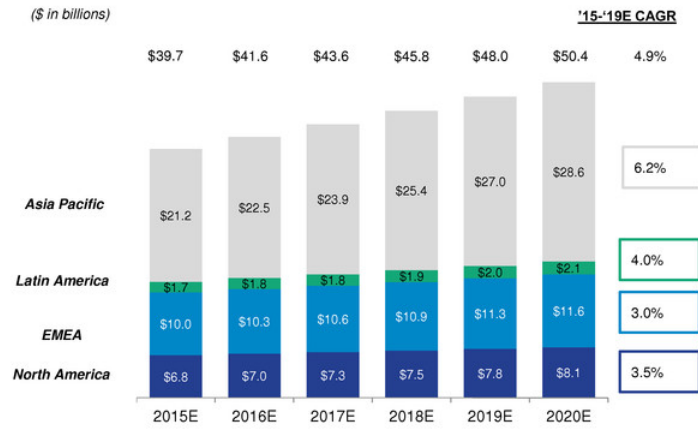
Michael Cash  
SVP, President, Industrial

## Industrial Coatings Investment Summary

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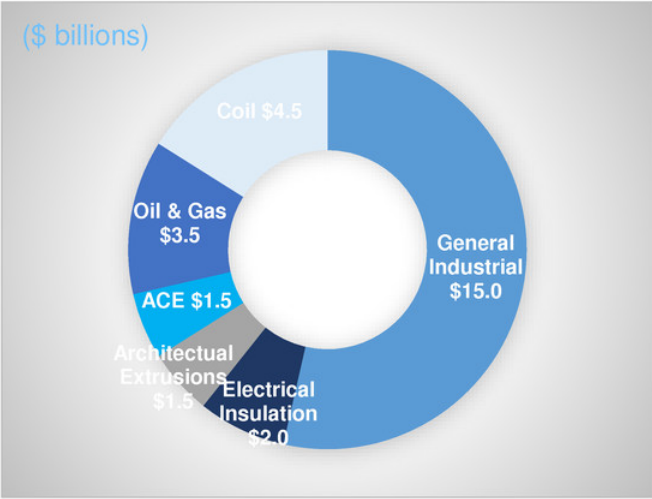
- **Axalta's industrial coatings markets are projected to grow 5% through 2019**
  - ✓ The market is highly fragmented with broad-based demand drivers
  - ✓ Industrial coatings are adopting more environmentally-friendly coatings
  
- **Axalta is a relatively small player today**
  - ✓ Focused on niche technologies serving a wide range of applications
  - ✓ Currently strongest in general industrial powders and electrical insulation applications
  
- **Axalta has invested to better pursue growth opportunities**
  - ✓ Disparate regional businesses now consolidated under centralized management
  - ✓ New global leadership team is focused on leveraging our strengths and developing new products
  - ✓ Our strategy targets above-market growth rates

## The Overall Industrial Coatings Market is Expected to Grow



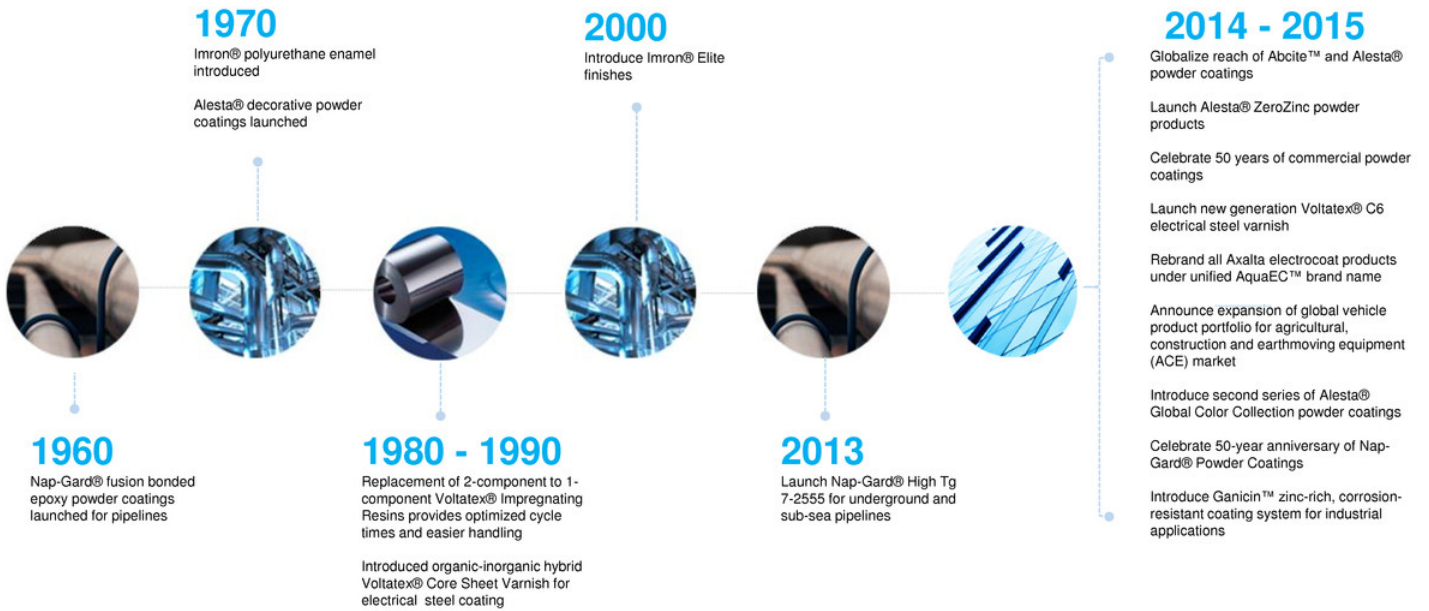
Source: Orr & Boss; Axalta estimates

# Industrial Coatings: A \$28 B Market Opportunity For Axalta



	Product Examples	Market Drivers
General Industrial	<ul style="list-style-type: none"><li>Metal furniture</li><li>Appliances</li><li>Shelving/ racking</li><li>Electrical boxes</li></ul>	<ul style="list-style-type: none"><li>GDP</li><li>Industrial Production</li></ul>
Electrical Insulation	<ul style="list-style-type: none"><li>Electric motors</li><li>Transformers</li></ul>	<ul style="list-style-type: none"><li>Electric motor production</li><li>Power transmission production</li></ul>
Architectural Extrusions	<ul style="list-style-type: none"><li>Commercial building windows and curtain walls</li><li>Residential windows and doors</li></ul>	Commercial construction
ACE	<ul style="list-style-type: none"><li>Construction equipment</li><li>Agricultural equipment</li><li>Mining equipment</li></ul>	<ul style="list-style-type: none"><li>GDP</li><li>Industrial production</li></ul>
Oil & Gas	<ul style="list-style-type: none"><li>Deep sea pipelines</li><li>Oil well conveyance lines</li></ul>	<ul style="list-style-type: none"><li>Infrastructure growth</li><li>Population growth</li><li>Pipeline projects</li></ul>
Coil	<ul style="list-style-type: none"><li>Commercial /residential siding</li><li>Garage doors</li><li>Gutters, downspouts, lighting housings</li><li>Appliances</li></ul>	<ul style="list-style-type: none"><li>GDP</li><li>Construction</li></ul>

Source: Coatings World, Axalta estimates





Industrial Segments

POWDER		LIQUID		E-COAT	
	Electrical Insulation Systems (EIS)		Architectural		Oil & Gas Pipelines
	Agriculture, Construction and Earth Moving Equipment (ACE)		General Industrial		Heavy Duty Coatings
	Metal Furniture & Playground Equipment		Valves & Rebar		





#2 global supplier in thermosetting and thermoplastic technologies platforms



#2 global supplier of insulation coatings to the electrical motor market



#3 global supplier of E-Coat for industrial applications

SPECIALTY COATINGS

POWDER

- An economical, versatile and low-VOC coating solution commonly used in small and large paint shops around the world

LIQUID

- Electrical Insulation Systems (EIS)
  - ✓ Wire Enamels insulate windings wire in electrical devices
  - ✓ Impregnating Resins provide mechanical stability and improved heat transfer
  - ✓ Core Sheet Varnishes insulate steel sheets forming magnetic circuits for electrical devices
- Other Liquid coatings for corrosion/ chemical resistance in many end-markets

E-COAT

- 1st layer of coating used where corrosion resistance required
- Consolidating all e-coat products under AquaEC global brand for transportation and industrial markets

## What Industrial Coatings Customers Value



- Live application support
- Durability & corrosion protection
- Lean manufacturing and quick response
- Diverse set of technologies: E-Coat, Powder, Liquid
- Ability to service customers consistently in all parts of the world



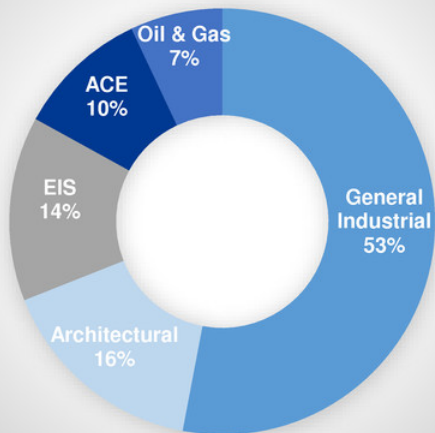
## Coatings Technology

Segment	Liquid	Powder	E-Coat
ACE	✓ (60%)	✓ (25%)	✓ (15%)
Electrical insulation	✓ (100%)	✓	
Architectural extrusion <sup>1</sup>	✓	✓ (100%)	
General industrial	✓ (10%)	✓ (65%)	✓ (25%)
Oil & Gas	✓ (10%)	✓ (90%)	

1. Excludes decorative house paint

✓ (X%) Percentage of Axalta sales in segment

Net Sales by Segment



### Business Overview

#### Steady volume growth driven by global GDP

- China growth expected to exceed 7.5%
- Architectural market expected to grow steadily

#### Supplier consolidation continues

- Consolidation driven by expanding global players

#### Technology innovation is our base

- Drivers: Environmentally sustainable products, focus on productivity, corrosion resistance and innovative and vibrant color choices

#### Customers are globalizing

- Local product must meet global specifications consistently across regions

#### Global infrastructure growth is driving demand

- High temperature resistance required for energy applications
- Demand for electrical insulation products linked to infrastructure

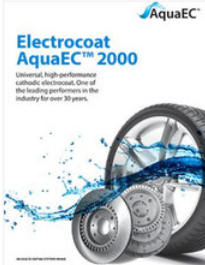
# Axalta Industrial Coatings: Manufacturing Sites



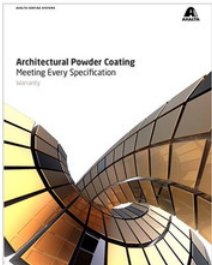
Australia	Argentina	Brazil	China	Colombia	Germany	Guatemala	India
Indonesia	Malaysia	Mexico	South Africa	Sweden	United Kingdom	USA	Venezuela



Alesta Global Colors Collection 2<sup>nd</sup> Edition



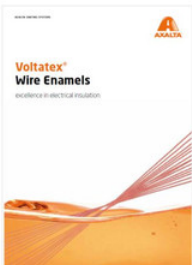
AquaEC E-Coat 2000 / 6000 series



Architectural AAMA compliant coatings



Next generation pipe coating and rebar products



Mainstream wire enamel and impregnating resin products





- ✓ Axalta Coating Systems receives CNH approval for AquaEC™ 6100 to MAT0103, Class 3P



- ✓ Axalta Coating Systems receives Caterpillar approval for Alesta® High Gloss Black to 1E1952J
- ✓ Received 5 new Caterpillar approvals with AquaEC™ 3000 in Europe. These 5 products represent qualities that will significantly enhance our ability to go after Caterpillar and their sub suppliers in Europe



- ✓ For the third consecutive year, achieved the highest standard of product quality awarded by the largest global specialty wire manufacturer



- ✓ Voltatex received (as one of just a very few chemical companies) A-ranking at Bosch as top supplier for Impregnating Resins



### Panama Canal

Four-year contract to supply industrial coatings and architectural building paint



Chong Qing Bei Jun Business Center



Jinan Center



Dongguan World Trade Center



Fuzhou MIXC

### Four new projects throughout China

The Chong Qing Bei Jun Business Center, the Jinan Center, the Dongguan World Trade Center, and the Fuzhou MIXC Complex





### Weber

Won six colors for Weber's Q series grills

- ✓ First time a Hi-Temp powder technology produced such unique colors
- ✓ Leveraged Q series success to win Weber's Hi-Temp frame business



### Winona PVD Coatings

Partner with Winona PVD Coatings in creating bright wheels solution for the Ford F-150 trucks



### Shanghai Electric Group

One of the largest mechanical and electrical equipment manufacturing enterprises in China

### Growth Priorities & Strategies



#### Agriculture, Construction & Earth Moving Equipment (ACE)

- Expand approval portfolio with all 3 technologies
- Utilize global footprint to target new business in all regions



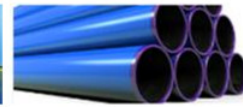
#### Architectural

- Market our powder coatings to architects (an environmentally friendly alternative)
- Expand color range to compete with liquid alternatives



#### Electrical Insulation Systems (EIS)

- Continue to build global capability
- Target sub-segments with above average growth rates



#### Oil & Gas

- Build on leading technology position for exterior pipe coatings
- Establish strong global network to service end users / specifiers



#### General Industrial

- Accelerate globalization of key GI sub-segments
- Develop industry leadership in high durability, corrosion – resistant coatings

## Summary Of Key Messages



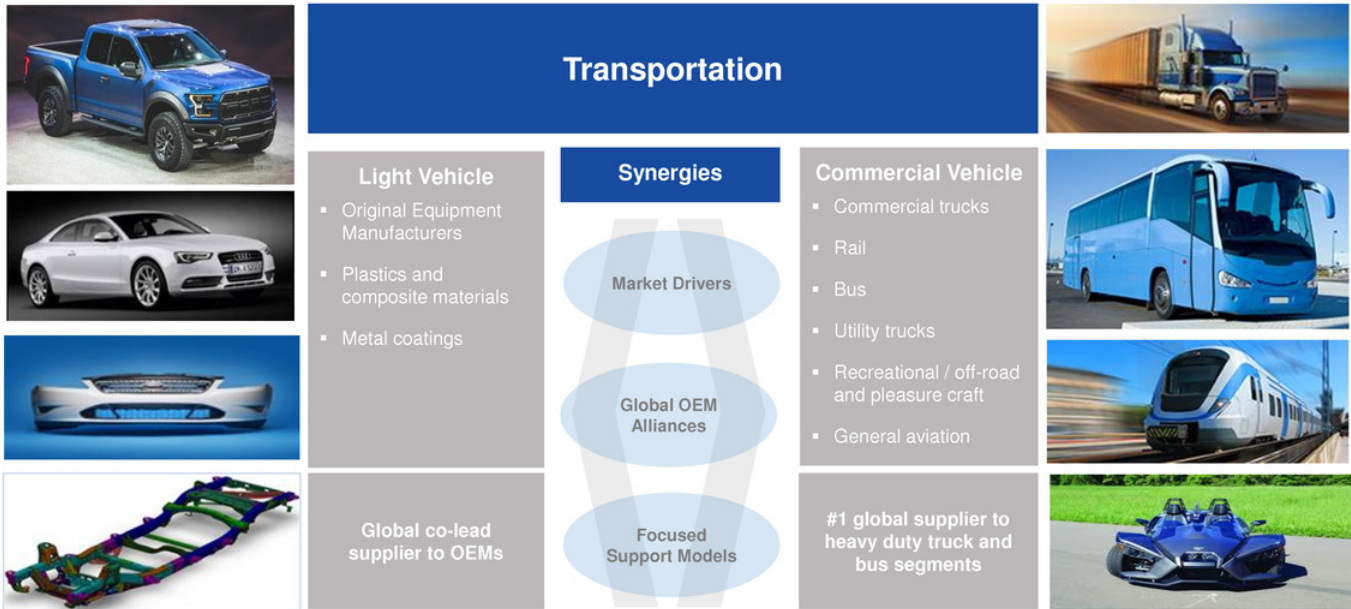
- Industrial coatings represents a great growth engine opportunity
- Our growth will be both organic and acquisition-driven
- We are building on strengths in technology and market access
- We have built a customer-centric industrial sales organization
- Our technology and responsiveness are the keys to winning





## **Transportation Coatings Overview**

Steven R. Markevich  
EVP, President  
Transportation Coatings and Greater China

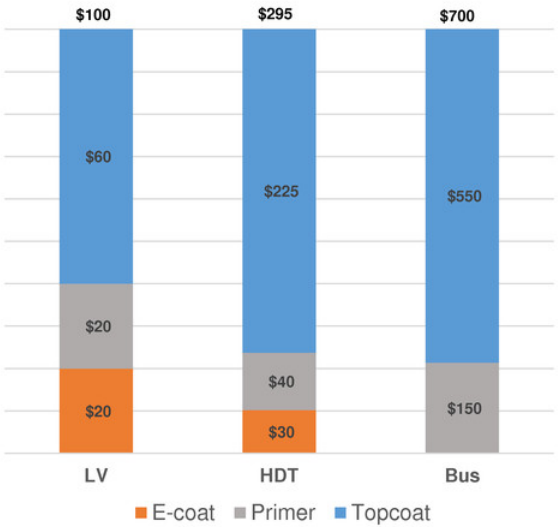


# Customer Value And Content

## Delivering Value to Customers



## Approximate Value Per Vehicle





## Transportation Summary



**The global transportation market is projected to grow ~3.4% CAGR through 2019**

- Demand drivers include
  - ✓ Global GDP
  - ✓ Vehicle replacement cycles
  - ✓ Growth in emerging markets
  - ✓ Infrastructure spending



**Axalta is a leading global OEM coatings provider**

- 19% global light vehicle market share with strong OEM relationships in all regions
- #1 player globally in heavy duty truck and bus
- Extensive portfolio of technologies fit for purpose in each market



**Axalta is actively transforming its business for profitable growth**

- Moved from regional structure to global leadership
- Improved alignment with strategic and underserved customers
- Building capability and footprint in high growth regions
- Expanding global brand strategy

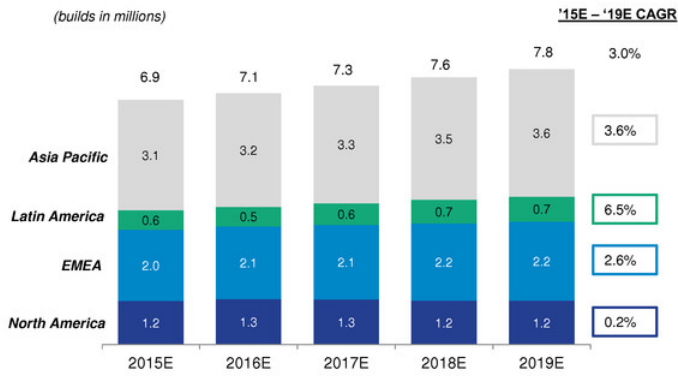


**Progress to date has been strong**

- Showing results to date through business wins and global launches
- Strong earnings contribution underscores focus on profitable growth
- Capacity investments to support growth in all regions

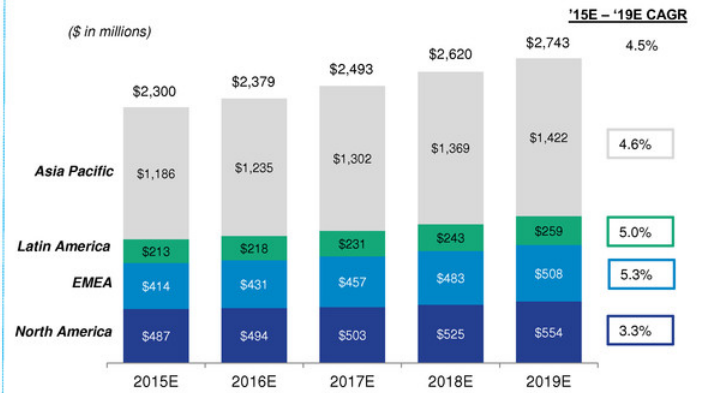
## Structurally Growing Markets

### Market Growth: Light Vehicle



Source: Orr & Boss; Axalta estimates

### Market Growth: Commercial Vehicle



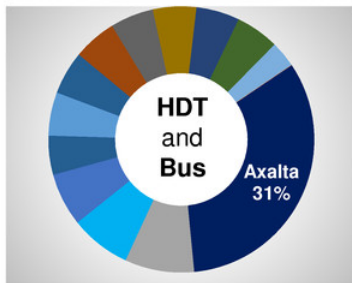
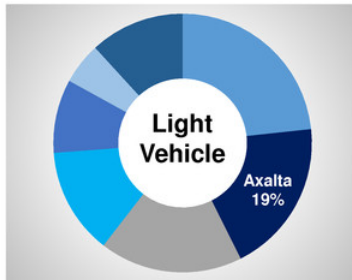
Source: Orr & Boss; Axalta estimates



## Key Market Trends

				
Government Regulations	Emerging Markets	Industry Globalization	Demand for Productivity	Color and Protection
<ul style="list-style-type: none"> <li>▪ Volatile organic compounds (VOCs)</li> <li>▪ Toxic substances</li> <li>▪ Coatings for new lightweight materials to improve fuel economy</li> </ul>	<ul style="list-style-type: none"> <li>▪ Near-term uncertainty (Brazil, Russia, China)</li> <li>▪ Long-term growth</li> </ul>	<ul style="list-style-type: none"> <li>▪ Global vehicle platforms</li> <li>▪ Global color pallets</li> <li>▪ Global (and local) coating approvals</li> </ul>	<ul style="list-style-type: none"> <li>▪ Improved first time quality</li> <li>▪ Energy, capital, labor, materials savings for customers</li> </ul>	<ul style="list-style-type: none"> <li>▪ Consumers demand aesthetics and style</li> <li>▪ Extended vehicle life / warranty</li> </ul>

### Global Share



- **Axalta is a global leader in transportation coatings**
  - ✓ Globalizing and harmonizing our coatings technology
  - ✓ Bringing brighter colors and more effects to color design
  - ✓ Aligning global R&D and product management around voice-of-customer
- **We are customer focused and growth oriented**
  - ✓ Strong global leadership team and local capability
  - ✓ Global customer account teams implemented with clear growth metrics
  - ✓ Building senior level customer relationships
  - ✓ Strong launch capability and execution
  - ✓ Robust business systems and competitive analysis implemented
- **Creating a culture and infrastructure to support growth**

## Vision Is Above-Market Growth

### Strategies

- Gain share with existing customers
- Grow underserved customers and regions
- Align product technology to evolving customer and market needs
- Increase content per vehicle
- Leverage “what good looks like” into new regions, customers and markets



### Key Tactics / Programs

- Build capabilities in global and regional roles
- Expand decorative and functional coatings
- Best-in-class line service excellence
- Localize supply chain ensuring competitive cost structure
- Drive complexity management discipline
- The Axalta Way: “run it like we own it”



# Segmenting Our Markets

	Light Vehicle	HDT	Specialty OEM	Bus	Rail	General Aviation	Body Builders & Trailers
Estimated Market Size	\$8,100M	\$500M	\$550M	\$200M	\$600M	\$45M	\$400M
Product Examples	<ul style="list-style-type: none"> <li>Passenger cars</li> <li>Pick Ups / SUVs</li> <li>Light commercial vehicles</li> <li>Component parts</li> </ul>	<ul style="list-style-type: none"> <li>EM class 4-8 truck manufacturing</li> </ul>	<ul style="list-style-type: none"> <li>RV</li> <li>Truck caps</li> <li>Power sports</li> <li>2 &amp; 3 Wheelers</li> <li>Specialty LV</li> </ul>	<ul style="list-style-type: none"> <li>Bus – OEM</li> <li>Bus repair / refurbishment</li> </ul>	<ul style="list-style-type: none"> <li>Locomotive passenger rail</li> <li>Metros</li> <li>Streetcars</li> </ul>	<ul style="list-style-type: none"> <li>Fixed wing propeller</li> <li>Helicopters</li> <li>Business jets</li> </ul>	<ul style="list-style-type: none"> <li>Trailers</li> <li>Truck body builders</li> </ul>
Global							
<div>Leading Top 5</div> <div>Below top 5</div>							

Source: Orr & Boss, IRFAB, and Axalta estimates

## We Are Growing With Segment Specific Strategies In Our Target Markets

<div data-bbox="418 247 558 277" data-label="Section-Header"> <h3>Light Vehicle</h3> </div> <div data-bbox="159 289 326 449" data-label="Image">  </div> <div data-bbox="354 302 750 436" data-label="List-Group"> <ul style="list-style-type: none"> <li>▪ Grow in automotive parts market</li> <li>▪ China expansion through domestic OEMs</li> <li>▪ AP expansion beyond China</li> <li>▪ Gain approvals with underserved customers</li> <li>▪ Strengthen service capability</li> </ul> </div>	<div data-bbox="1036 247 1289 277" data-label="Section-Header"> <h3>Heavy Duty Truck (HDT)</h3> </div> <div data-bbox="834 289 1013 449" data-label="Image">  </div> <div data-bbox="1045 302 1383 436" data-label="List-Group"> <ul style="list-style-type: none"> <li>▪ Leverage global accounts</li> <li>▪ Gain share in tier part suppliers</li> <li>▪ China growth via Kinlita JV</li> <li>▪ China HDT volume is three times NA</li> <li>▪ Leverage Imron® branded offering</li> </ul> </div>
<div data-bbox="412 457 565 487" data-label="Section-Header"> <h3>Specialty OEM</h3> </div> <div data-bbox="159 499 326 659" data-label="Image">  </div> <div data-bbox="354 541 812 621" data-label="List-Group"> <ul style="list-style-type: none"> <li>▪ Expand 2-wheeler success in Brazil to other regions</li> <li>▪ Leverage Imron® branded offering</li> <li>▪ Segment-focused color strategy</li> </ul> </div>	<div data-bbox="1094 457 1230 487" data-label="Section-Header"> <h3>Bus and Rail</h3> </div> <div data-bbox="834 499 1013 659" data-label="Image">  </div> <div data-bbox="1045 529 1458 634" data-label="List-Group"> <ul style="list-style-type: none"> <li>▪ China expansion to mainstream and economy segments</li> <li>▪ Leverage high speed rail success</li> <li>▪ SprayFlex FS interior floor coatings</li> </ul> </div>
<div data-bbox="402 680 574 709" data-label="Section-Header"> <h3>General Aviation</h3> </div> <div data-bbox="159 722 326 869" data-label="Image">  </div> <div data-bbox="354 743 795 852" data-label="List-Group"> <ul style="list-style-type: none"> <li>▪ Leverage approvals with Textron, Gulfstream, etc.</li> <li>▪ Expand color palette for high value applications</li> <li>▪ Align Imron® brands and offerings to segment</li> <li>▪ Strategic alignments and capabilities</li> </ul> </div>	<div data-bbox="1039 680 1289 709" data-label="Section-Header"> <h3>Body Builders / Trailers</h3> </div> <div data-bbox="834 722 1013 869" data-label="Image">  </div> <div data-bbox="1045 756 1484 835" data-label="List-Group"> <ul style="list-style-type: none"> <li>▪ Differentiation through strong HDT color leverage</li> <li>▪ Developing a segment-focused distribution strategy</li> </ul> </div>



- AquaEC™ Electrocoat
- Corlar™ Primer
- Imron® Elite Topcoat
- Imron® Chassis Products
- Alesta® Powder Coatings
- CV Brands used in Aftermarket
- Vermeera™
- Eco-concept Primerless System
- SuperMar and Protect 2K Clear
- Gen™ 4 and 5 1K Clear
- Harmonized Coating Technologies





## We Have Enablers To Meet Our Growth Goals

### Product Development

- Step change improvement in customer productivity
- Color palette expansion
- Corrosion enhancements in undercoats
- Lower mainstream and economy products
- Expand consolidated process for all markets
- Meet future regulatory requirements
  - › Lower VOC content
  - › Reduce hazardous materials
  - › Support light-weighting targets



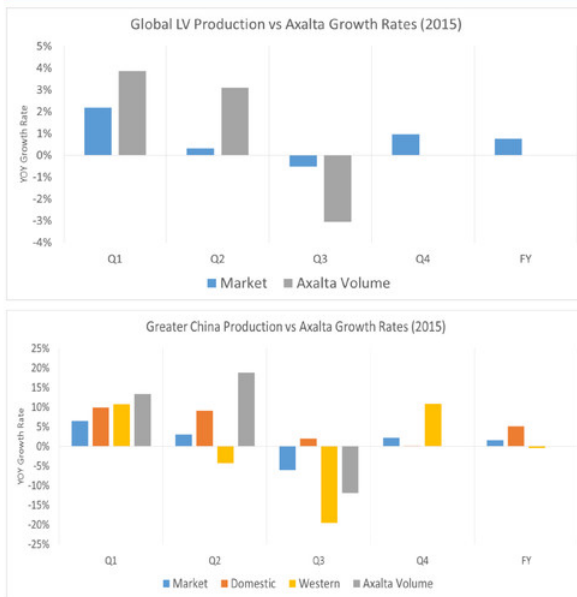
### Geographic Expansion

- Global partnerships and targeted investments to sell market leading products in new and expanding regions
- Announced new facility investments
  - › China
  - › Mexico
  - › Argentina
  - › Brazil
  - › India
- Existing joint ventures
  - › Japan
  - › South Africa
  - › Russia
  - › China



# Light Vehicle Production vs Axalta Volumes

## Growth Outpaces LV Market



## Commentary

- H1 2015 Light Vehicle growth significantly outpaced the global market due to launch activity and recent wins
- Q3 volumes were impacted by the production pullback in China and shift to SUV / MPV segments
- Above-market growth is expected to resume in Q4 and 2016 as production recovers and new business continues to drive volumes
- Axalta remains well positioned to grow and gain share over time in China

Source: LMC Automotive, Axalta



## Productivity Case Study: 2-Wet Monocoat Technology

### ■ Background

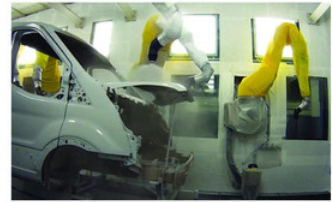
- ✓ Customer was preparing to launch compact 2-wet SB product for large vans
- ✓ Two months prior to launch, Axalta was contacted for review and support of launch
- ✓ Axalta had successfully launched this technology in China with this customer

### ■ Resolution

- ✓ Within four weeks, Axalta performed line trials and color match on 10 topcoat colors
- ✓ These actions achieved required appearance specifications; Axalta won the business

### ■ Customer Benefits

- ✓ Original vehicle launch timing was maintained
- ✓ Technology targets achieved - reduced paint shop footprint (fewer robots required); 33% faster cycle times; lower coatings weight, 30% lower CO2 emissions
- ✓ PACE Award Finalist - based on customer support and achieved targets



## Launch Service Case Study: Leading Product Technologies

### Background

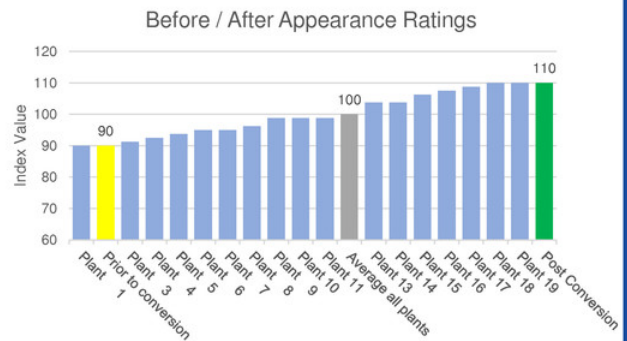
- ✓ High-demand luxury SUV was receiving poor ratings for overall paint appearance
- ✓ Vehicle was being painted on 1980s era coating system
- ✓ Production downtime to upgrade line would have been costly

### Resolution

- ✓ Axalta created a new WB system & conversion plan to improve appearance while maintaining assembly schedules
- ✓ Utilized Axalta's Premium WB basecoat and 2K clear coat to meet appearance targets within OEM's global paint standards

### Customer Benefits

- ✓ Launched technology on new paint line with no lost production
- ✓ SUV leader in appearance ratings among its peer group



## Chinese Regulation Case Study: Commercial Truck



### ■ Background

- ✓ Existing supplier had difficulty meeting appearance specifications and cost targets

### ■ Resolution

- ✓ Axalta worked with local supplier Kinlita to quickly develop solutions to both issues
- ✓ Team provided a WB primer, (15) WB basecoat colors, and a clear coat system to meet paint line process parameters and appearance specifications for the truck

### ■ Customer Benefits

- ✓ Original vehicle launch timing was maintained
- ✓ Within 12 months of launch, over 100K trucks were painted with the WB system, reducing emissions by approximately 40%
- ✓ Effort strengthened technical support and logistics services provided by Kinlita Chemical and resulted in a new JV – “Axalta Kinlita”



## Productivity Case Study: Imron® Elite Productive



### ■ Background

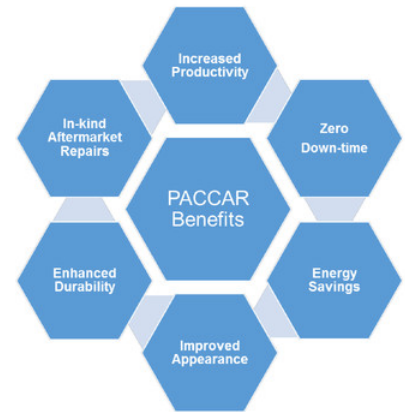
- ✓ Existing paint system was a bottleneck to vehicle assembly
- ✓ Solution needed without downtime or lost production

### ■ Resolution

- ✓ Axalta developed coating system to meet these needs
- ✓ Rapid launch of Axalta's Imron® Elite Productive technology
- ✓ To be used on all of the customer's Class 8 trucks by the end of 2016

### ■ Customer Benefits

- ✓ Improved first time quality and higher throughput in the paint shop
- ✓ Lower overall coating costs, with vastly improved appearance
- ✓ No downtime incurred during launch of Imron® EY technology



# Transition To Growth: Customer Recognition



2014 Supplier of the Year	Supplier Excellence in Brazil	North American Daimler Masters of Quality Award	Best Supplier in Brazil	Best Supplier Quality Performance	Aligned Business Framework	China National Coatings Industry Top 100 Enterprises Award	Quality Excellence Awards in Germany, China
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GM Supplier of the Year	Daimler Masters of Quality	China National Coatings Industry Top 100 Award	Honda Preferred Supplier
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## Summary Of Key Messages



The global transportation market is projected to grow ~3.4% CAGR through 2019



Axalta is a leading global OEM coatings provider



Axalta is actively transforming its business for profitable growth



Progress to date has been strong





## **Axalta's Procurement Roadmap**

Martin Horneck  
SVP, Chief Procurement Officer

### Key Global Procurement Facts

- \$2.1 billion in external buy addressed
- 93,500 SKUs
- 17,000 suppliers
- 197,000 purchase orders
- 600+ sourcing events per year

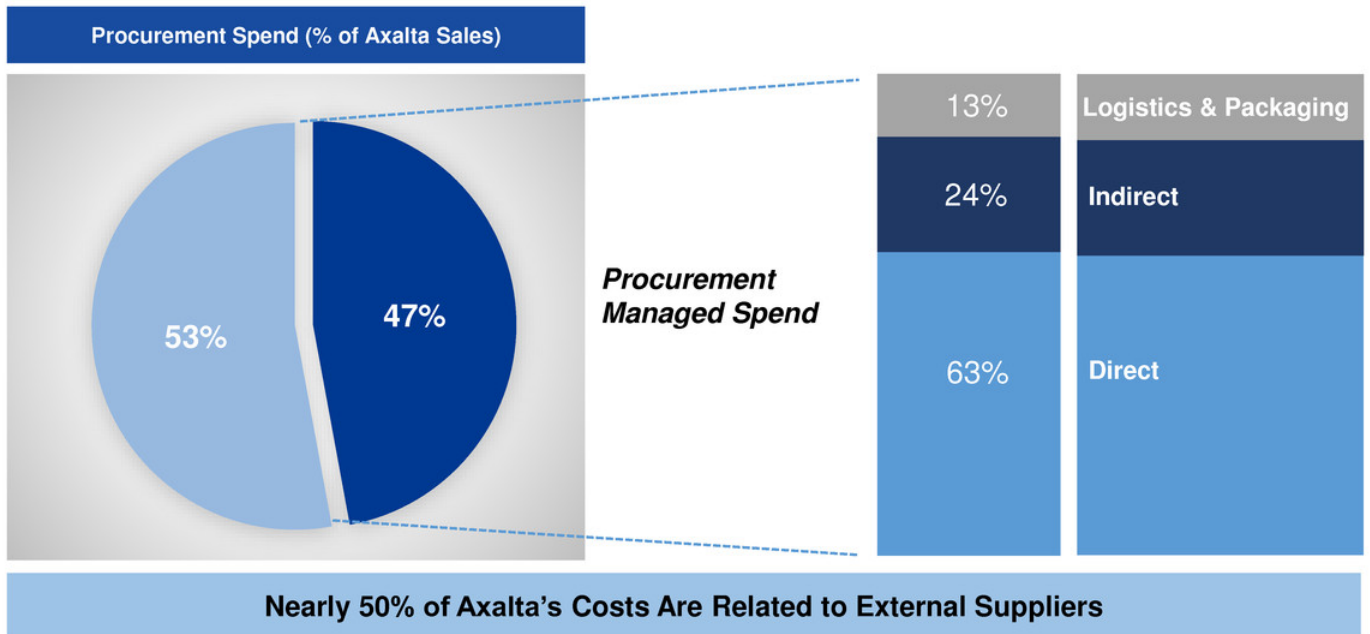


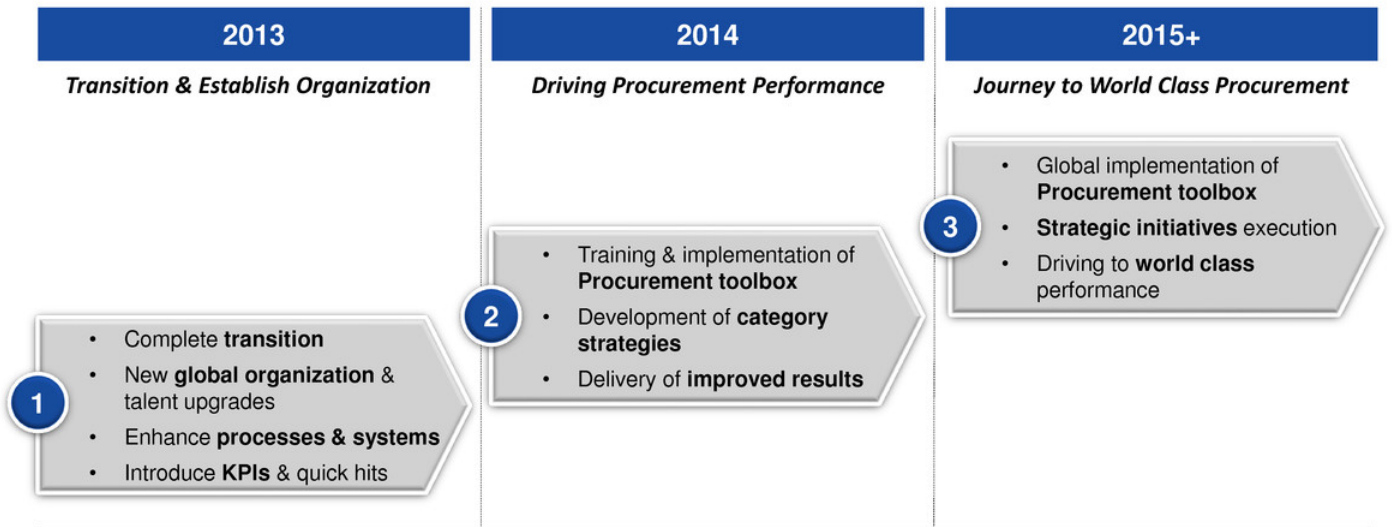
### Procurement Vision Statement

"One global, world-class procurement organization driving a strategic advantage for Axalta through exceptional focus on external and internal customers, suppliers and employees."



## Why World Class Procurement?





**Procurement Has Created a Long-term Strategic Plan to Effectively Manage This Cost**



Our Procurement Toolbox is Key to Our Strategic Plan and Ensures Consistent Results

1

### Direct Materials Cost Modelling



*Raw material price aligned to shifts in markets*

2

### Business Collaboration



*Cross-functional teaming to achieve new business opportunities*

3

### Global Price Benchmarking



*Comparing global price differences and identifying the 'best place to buy'*

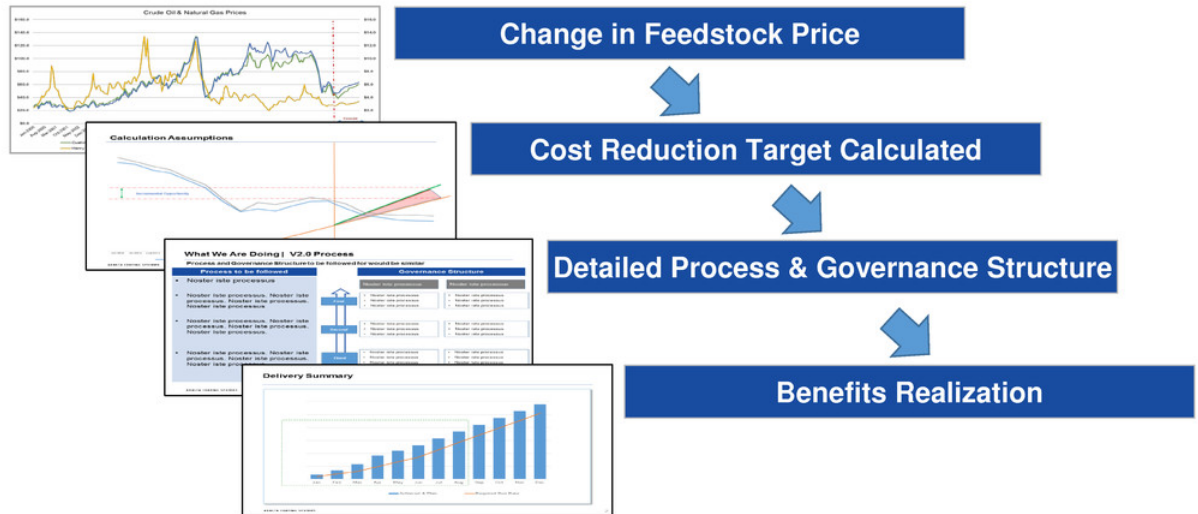
4

### Matched Pairs



*Alignment with Technology to pursue joint improvement opportunities*

**Strategic Procurement Initiatives Drive Incremental Value For Axalta**



**Structured Response to Market Opportunity Delivered Significant Benefits For Axalta**

## Strategic Initiative Case Study – Business Collaboration



Phase	Objectives & Outcomes
<b>1 Business Goal</b>	 <ul style="list-style-type: none"><li>Axalta goal to increase market share in North American electrical insulation market</li></ul>
<b>2 The Challenge</b>	 <ul style="list-style-type: none"><li>Significant new customer set aggressive price targets</li><li>Raw material input costs are largest opportunity</li></ul>
<b>3 Actions Taken</b>	 <ul style="list-style-type: none"><li>Cross functional team formed with Business Units, Operations and Procurement to identify pricing improvement options</li><li>Negotiations with key suppliers to reduce cost in advance of volume increase</li></ul>
<b>4 Business Results</b>	 <ul style="list-style-type: none"><li>30% lower raw materials price enabled business win</li><li>Top line growth and increased global market share</li></ul>

**Procurement is Enabling Growth by Strengthening Commercial Pursuits**

## Raw Material Cost Outlook



	Raw Material	Short Term (0 – 12 mo.)	Medium Term (12 – 24 mo.)	Pricing Dynamics
<div> <div>LOW</div> <div>↑</div> <div>Correlation to Crude Oil</div> <div>↓</div> <div>HIGH</div> </div>	Pigments	↔	↗	<ul style="list-style-type: none"> <li>Limited correlation to crude oil prices</li> <li>Axalta procures some patented raw materials</li> </ul>
	Additives	↔	↗	<ul style="list-style-type: none"> <li>Market generally tight due to its specialty status</li> <li>Minimal impact from crude movement</li> </ul>
	Isocyanates	↔	↘	<ul style="list-style-type: none"> <li>Oligopolistic market</li> <li>Price relief expected in '16-'17 after historic price run</li> </ul>
	Resins	↔	↗	<ul style="list-style-type: none"> <li>Long value chain minimizes price drop impacts</li> <li>Benefit flow through is minimal</li> </ul>
	Monomers	↔	↗	<ul style="list-style-type: none"> <li>May see upward price movements medium term</li> <li>Abundant feedstock supply to mitigate increases short term</li> </ul>
	Solvents	↔	↗	<ul style="list-style-type: none"> <li>High correlation to crude oil prices</li> <li>Anticipate modest impact due to rising markets</li> </ul>
<div> <div>↔</div> Relatively Flat                     <div>↗</div> Cost Increase                     <div>↘</div> Cost Decrease                 </div>				

**We Are Planning For Raw Material Inputs to Begin to Inflect as the Current Cycle Bottoms**

## Summary Of Key Messages



- Procurement manages largest cost block for Axalta
- Transformation plan developed to create a world class procurement process
- Procurement toolbox implemented to ensure value delivery
- We are leading strategic initiatives to improve Axalta's bottom line



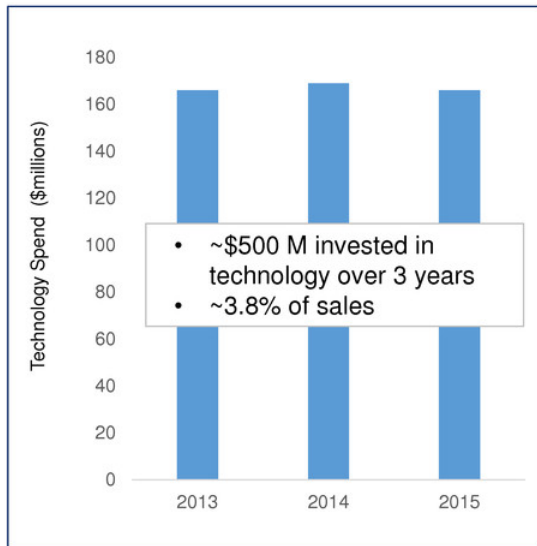




## **Axalta's Technology Advantage**

Barry Snyder  
SVP, Chief Technology Officer

## Technology Investment Is Our Foundation



- Superior, highly productive waterborne and solventborne systems
- Best-in-class color matching and delivery
- Cutting edge clearcoats



# Technology Investment Is Our Foundation

- 1,300+ scientists, engineers and staff
- Over \$160 million in annual spend

Research and Development

- Technology development
- Product development

Process and Raw Materials Technology

- Manufacturing process improvement
- Cost reduction

Customer Support

- Product optimization
- Customer technical service

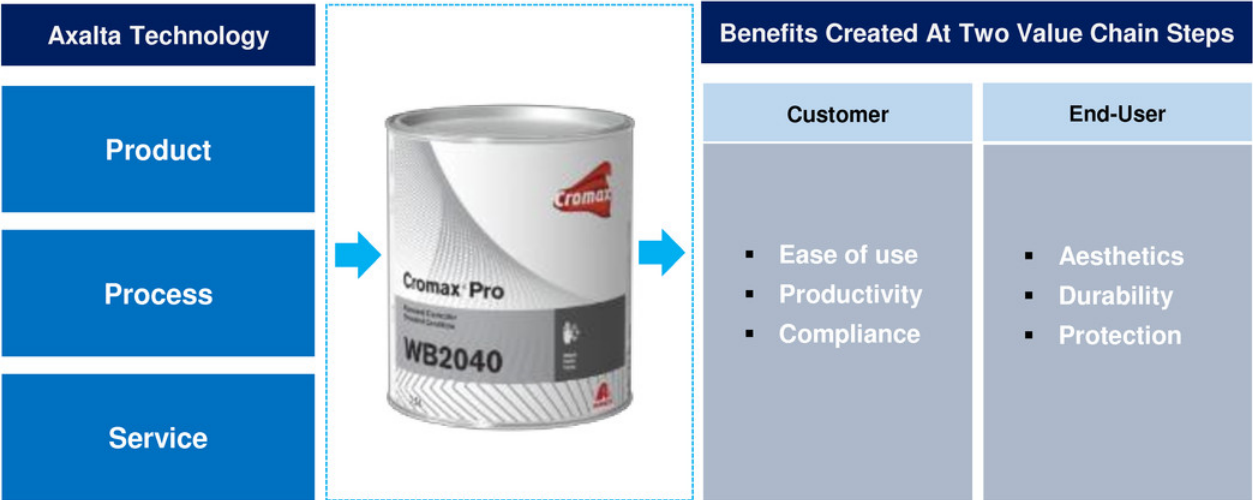
34 Laboratory Facilities Globally



Global Innovation Center (Philadelphia, 2017)

Mt. Clemens MI	Wuppertal, Germany	Shanghai, China
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Country Facilities

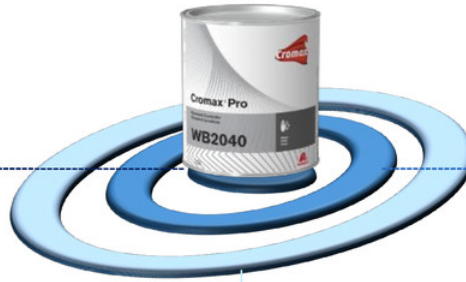


# Our Competitive Advantage Comes From Three Levels Of Technology



## Product Technology

- Proprietary resins and additives
- Over 1,100 patents
- Leading formulation capabilities
- Tailored solutions



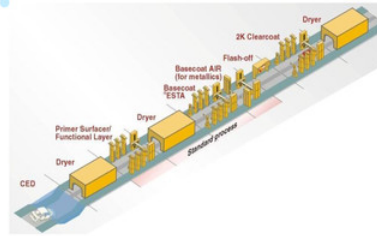
## Process Technology

- Vertical integration
- Process modeling
- Critical to performance parameters



## Service Technology

- Application equipment
- Line design and interactions
- Simulation capabilities



## Strategy Aligns Capabilities With Targeted Business Opportunities

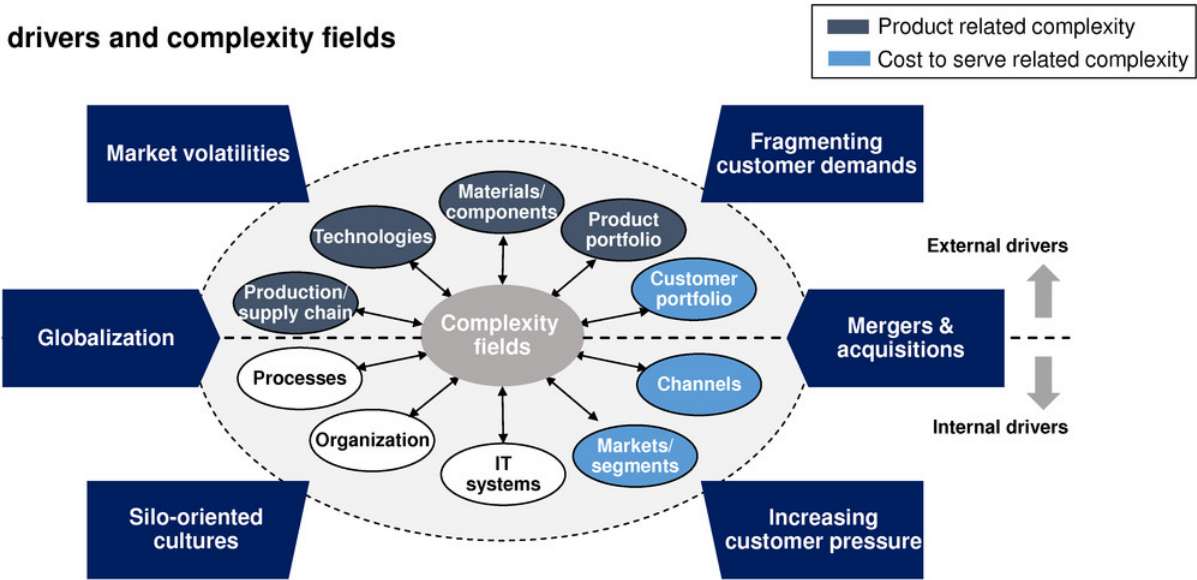


World-Class Infrastructure	Invest in Key Technologies	Expand Competitive Advantage
<ul style="list-style-type: none"><li>▪ Set up for success<ul style="list-style-type: none"><li>✓ Facilities</li><li>✓ Capabilities</li><li>✓ Tools and processes</li></ul></li><li>▪ High-impact project portfolio<ul style="list-style-type: none"><li>✓ Strategic balance</li><li>✓ Product technology roadmaps</li><li>✓ Metrics</li></ul></li></ul>	<ul style="list-style-type: none"><li>▪ Leverage core strengths<ul style="list-style-type: none"><li>✓ Color</li><li>✓ Chemistry</li><li>✓ Customer productivity</li></ul></li><li>▪ Expand capabilities<ul style="list-style-type: none"><li>✓ New applications</li><li>✓ Emerging technologies</li></ul></li></ul>	<ul style="list-style-type: none"><li>▪ Process Technology<ul style="list-style-type: none"><li>✓ Manufacturing costs</li><li>✓ Product quality</li></ul></li><li>▪ Raw Materials<ul style="list-style-type: none"><li>✓ Access new sources</li><li>✓ New formulation concepts</li></ul></li><li>▪ Complexity Management<ul style="list-style-type: none"><li>✓ Product Simplification</li></ul></li></ul>
		

# We Are Focused On Reducing Complexity Across The Enterprise



## Macro drivers and complexity fields

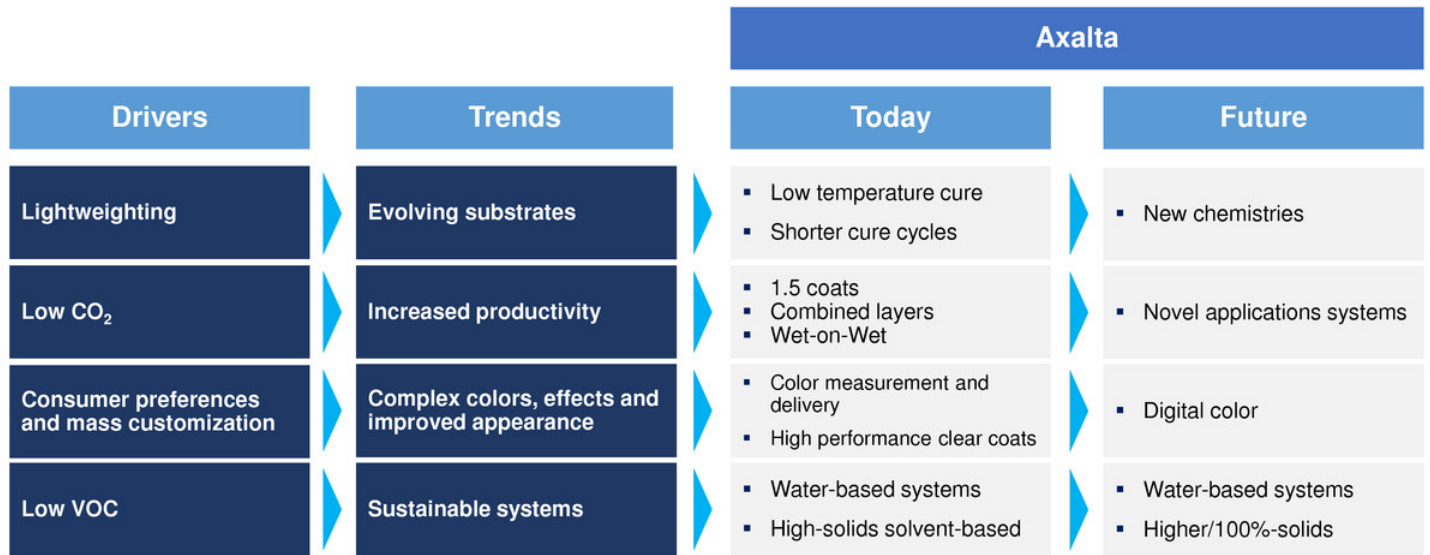






	Axalta Technologies	Performance Benefits
	<b>Clearcoat</b> <ul style="list-style-type: none"><li>▪ Resin technology</li><li>▪ Proprietary additives</li></ul>	<ul style="list-style-type: none"><li>▪ Appearance</li><li>▪ Mar and UV resistance</li></ul>
	<b>Basecoat</b> <ul style="list-style-type: none"><li>▪ Dispersion processes</li><li>▪ Proprietary resins &amp; additives</li><li>▪ Color modeling</li></ul>	<ul style="list-style-type: none"><li>▪ Productivity</li><li>▪ Color and effect delivery</li></ul>
	<b>Primer</b> <ul style="list-style-type: none"><li>▪ Resin technology</li><li>▪ Dispersion processes</li></ul>	<ul style="list-style-type: none"><li>▪ Adhesion</li><li>▪ Chip protection</li></ul>
	<b>Electrocoat</b> <ul style="list-style-type: none"><li>▪ Catalyst technology</li><li>▪ Proprietary additives</li></ul>	<ul style="list-style-type: none"><li>▪ Appearance</li><li>▪ Corrosion resistance</li></ul>





### Refinish

Focus On Mainstream Segment

- \$3.4 billion market
- Easy to use product
- Collision quality color



### Light Vehicle

Gain Share in E-Coat

- \$1.2 billion market
- Critical corrosion protection
- Superior appearance



### Industrial

Grow in Pipe Coatings

- \$400 million market
- Defect-free application
- Environmental resistance



### Commercial Vehicle

Leadership in Truck Segment

- \$1.0 billion market
- High productivity
- Wide color pallet



Refinish



National Rule (U.S.)  
Low VOC



Audurra Refinish  
Accessory Products



Chroma Lamp



Regional introductions or line extensions of products and application tools



Multiple line extensions within our refinish brand families including putties, undercoats, basecoat mixing colors and clearcoats

Industrial Coatings



Voltatex® 1262



Voltatex® 1250 V



REPLASHADE™  
Custom Color Match and Make Service



Alesta®  
AR400 Arcadia Silver  
New Architectural Grade Silver Metallic

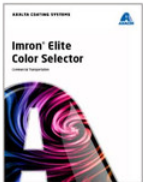
Alesta®  
AR400 Anodic Natura  
New Architectural Grade Silver Metallic



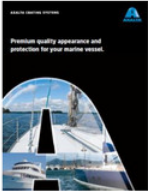
Transportation Coatings



Spectramaster-3D™  
Interactive Design Tool



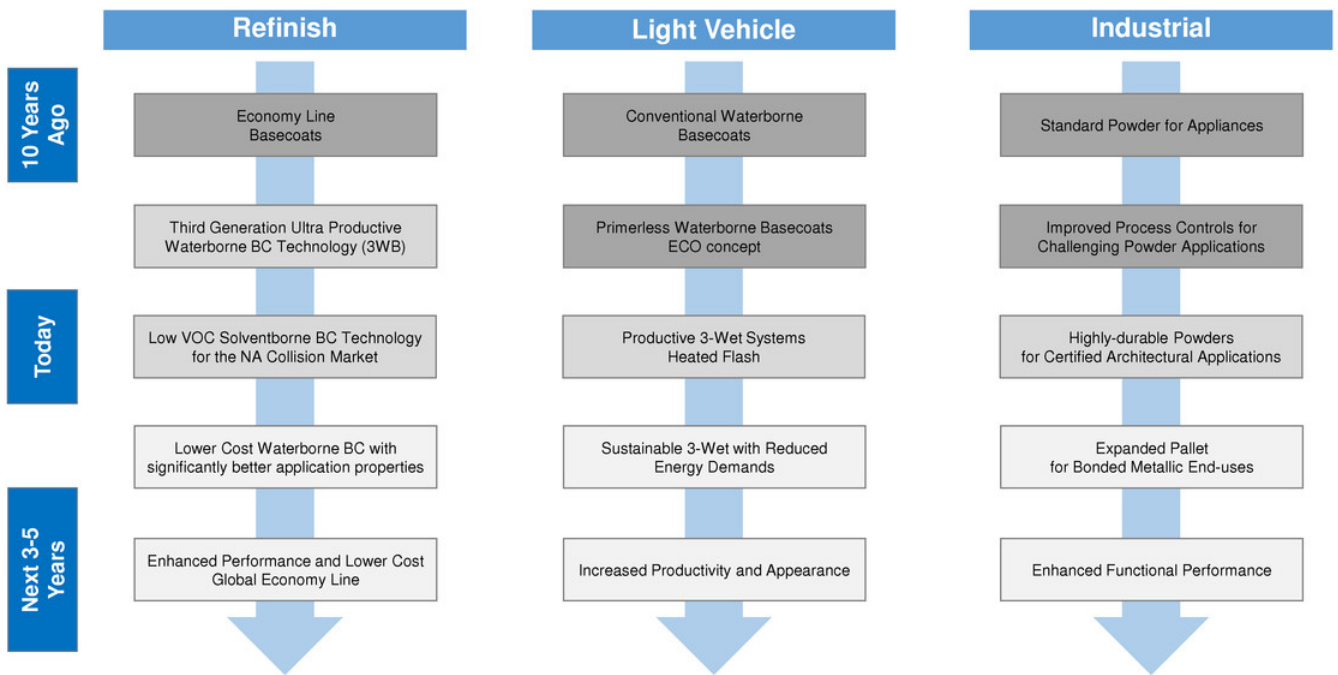
High-Chroma  
Technology



Series 6100 Electrocoat



## We Have Detailed Roadmaps For Each Segment



## Summary Of Key Messages

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- Technology investment is our foundation
- Axalta connects technology innovation to evolving customer requirements
- Axalta builds performance into each coating layer
- Technology drives business growth





## QUESTIONS & ANSWERS

## Key Messages For The Day

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- Axalta continues its transition from an operating segment to an independent, high-performing company
- Axalta has made significant progress towards its goals, but there is far more still to come
- We have multiple paths to create value including top line growth, improved productivity and efficiency, and effective capital deployment
- Our strategy for profitable growth is directed towards enhanced return on capital for shareholders





## APPENDIX

## Adjusted EBITDA Reconciliation



(\$ in millions)	Predecessor FY 2011	Predecessor FY 2012	Combined <sup>(1)</sup> FY 2013	Successor FY 2014	Successor YTD Q3 2014	Successor YTD Q3 2015	Successor LTM 9/30/2015
Net Income (Loss)	182	248	(210)	35	34	59	60
Interest Expense, Net	-	-	215	217	167	150	201
Provision (Benefit) for Income Taxes	121	145	(38)	2	19	49	32
Depreciation & Amortization	109	111	311	309	229	226	305
<b>Reported EBITDA</b>	<b>411</b>	<b>504</b>	<b>278</b>	<b>563</b>	<b>447</b>	<b>483</b>	<b>598</b>
<b>A</b> Inventory step-up	-	-	104	-	-	1	1
<b>B</b> Merger and Acquisition Related Costs	-	-	28	-	-	-	-
<b>C</b> Financing Costs and Extinguishment	-	-	25	6	6	-	-
<b>D</b> Foreign exchange remeasurement losses	23	18	54	81	45	91	126
<b>E</b> Long-term employee benefit plan adjustments	33	37	12	(1)	-	(1)	(1)
<b>F</b> Termination benefits and other employee related costs	(3)	9	148	18	9	20	29
<b>G</b> Consulting and advisory fees	-	-	55	36	30	17	24
<b>H</b> Transition-related costs	-	-	29	102	82	-	21
<b>I</b> Offering costs	-	-	-	22	3	2	22
<b>J</b> Other adjustments	15	13	2	11	14	15	12
<b>K</b> Dividends in respect of noncontrolling interest	(1)	(2)	(5)	(2)	(2)	(5)	(5)
<b>L</b> Management fee expense	-	-	3	3	3	-	1
<b>M</b> Asset impairment	-	-	-	-	-	31	31
<b>N</b> Allocated Corporate and Standalone Costs, Net	92	84	6	-	-	-	-
Total Adjustments	159	158	460	278	189	172	261
<b>Adjusted EBITDA</b>	<b>570</b>	<b>662</b>	<b>738</b>	<b>841</b>	<b>636</b>	<b>654</b>	<b>859</b>

Note: Numbers might not foot due to rounding.

1. Combined financials represent the combination of the Predecessor period from January 1, 2013 through January 31, 2013 and the Successor year ended December 31, 2013.

## Adjusted EBITDA Reconciliation (cont'd)



- A. During the Successor year ended December 31, 2013, we recorded a non-cash fair value adjustment associated with our acquisition accounting for inventories. These amounts increased cost of goods sold by \$104 million. During the nine months ended September 30, 2015, we recorded non-cash fair value inventory adjustments associated with our acquisitions. These amounts increased cost of goods sold by \$1 million.
- B. In connection with the Acquisition, we incurred \$28 million of merger and acquisition costs during the Successor year ended December 31, 2013. These costs consisted primarily of investment banking, legal and other professional advisory services costs.
- C. In connection with an amendment to the Senior Secured Credit Facilities in February 2014, we recognized \$3 million of costs during the nine months ended September 30, 2014 and year ended December 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 for the nine months ended September 30, 2014 and year ended December 31, 2014.
- D. Eliminates foreign exchange gains and losses resulting from the remeasurement of assets and liabilities denominated in foreign currencies, including a \$19 million loss related to the Acquisition date settlement of a foreign currency contract used to hedge the variability of Euro-based financing for the Successor year ended December 31, 2013.
- E. For the LTM Period, the Successor nine months ended September 30, 2015 and 2014 and the Successor periods ended December 31, 2014 and 2013, eliminates the non-service cost components of employee benefit costs. Additionally, we deducted a pension curtailment gain of \$7 million recorded during the Successor three months ended September 30, 2014 and Successor year ended December 31, 2014. For the Predecessor period January 1, 2013 through January 31, 2013 and the Predecessor years ended December 31, 2012 and 2011, eliminates (1) all U.S. pension and other long-term employee benefit costs that were not assumed as part of the Acquisition and (2) the non-service cost component of the pension and other long-term employee benefit costs.
- F. 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.
- G. Represents fees paid to consultants, advisors, and other third-party professional organizations for professional services. Amounts incurred for the Successor nine months ended September 30, 2015 primarily relate to our Axalta Way cost savings initiatives. Amounts incurred during 2013 and 2014 relate to our transition from DuPont to a standalone entity.
- H. Represents charges associated with the transition from DuPont to a standalone entity, including branding and marketing, information technology related costs, and facility transition costs.
- I. Represents costs associated with the offerings of our common shares by Carlyle that closed in April 2015 (the "Secondary Offering") and costs associated with the IPO including a \$13 million payment to terminate a consulting agreement in 2014.
- J. Represents costs for certain unusual or non-operational (gains) and losses, including a \$5 million gain recognized during the Successor 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 therein, the non-cash impact of natural gas and currency hedge losses allocated to DPC by DuPont, stock-based compensation, equity investee dividends, indemnity losses associated with the Acquisition and loss (gain) on sale and disposal of property, plant and equipment.
- K. Represents the payment of dividends to our joint venture partners by our consolidated entities that are not wholly owned.

## Adjusted EBITDA Reconciliation (cont'd)



- L. 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.
- M. 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 Successor nine months ended September 30, 2015.
- N. Represents (1) the add-back of corporate allocations from DuPont to DPC for the usage of DuPont's facilities, functions and services; costs for administrative functions and services performed on behalf of DPC by centralized staff groups within DuPont; a portion of DuPont's general corporate expenses; and certain pension and other long-term employee benefit costs, in each case because we believe these costs are not indicative of costs we would have incurred as a standalone company net, of (2) estimated standalone costs based on a corporate function resource analysis that included a standalone executive office, the costs associated with supporting a standalone information technology infrastructure, corporate functions such as legal, finance, treasury, procurement and human resources and certain costs related to facilities management. This resource analysis included anticipated headcount and the associated overhead costs of running these functions effectively as a standalone company of our size and complexity. This estimate is provided for additional information and analysis only, as we believe that it facilitates enhanced comparability between Predecessor and Successor periods. It represents the difference between the costs that were allocated to our predecessor by its parent and the costs that we believe would be incurred if it operated as a standalone entity. This estimate is not intended to represent a pro forma adjustment presented within the guidance of Article 11 of Regulation S-X. Although we believe this estimate is reasonable, actual results may have differed from this estimate, and any difference may be material.

	Predecessor Year Ended December 31, 2011	Predecessor Year Ended December 31, 2012	Combined Year Ended December 31, 2013
Allocated Corporate Costs	\$ 334	\$ 333	\$ 25
Standalone Costs	(242)	(249)	(20)
Total	\$ 92	\$ 84	\$ 6

