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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) July 26, 2016

**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 2.02. Results of Operations and Financial Condition.**

On July 26, 2016, Axalta Coating Systems Ltd. (“Axalta”) issued a press release and posted an earnings call presentation to its website reporting its financial results for the second quarter ended June 30, 2016. Copies of the press release and the earnings call presentation are furnished as Exhibit 99.1 and Exhibit 99.2, respectively, to this Current Report on Form 8-K and are incorporated herein by reference. The information furnished with this Item 2.02, including Exhibits 99.1 and 99.2, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any other filing under the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such a filing.

In the press release, the earnings call presentation and the conference call to discuss its financial results for the second quarter ended June 30, 2016, scheduled to be webcast at 8:00 A.M. on July 26, 2016, 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

<b>Exhibit No.</b>	<b>Description</b>
99.1	Press Release dated July 26, 2016
99.2	Second Quarter Ended June 30, 2016 Earnings Call Presentation

**SIGNATURES**

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

AXALTA COATING SYSTEMS LTD.

Date: July 26, 2016

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

## EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release dated July 26, 2016
99.2	Second Quarter Ended June 30, 2016 Earnings Call 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

#### Axalta Releases Second Quarter 2016 Results

##### Second Quarter 2016 Highlights:

- Strong net sales of \$1,065.1 million driven by volume and pricing growth of 4.2%, offset by foreign currency translation
- Net income attributable to Axalta of \$48.5 million versus a net loss attributable to Axalta of \$25.1 million in Q2 2015; Adjusted EBITDA of \$252.6 million versus \$255.5 million in Q2 2015
- Operating cash flow of \$197.3 million in Q2 versus \$103.7 million in the same quarter last year
- Announced three tuck-in acquisitions in June and July which extend product technology and geographic reach with strong anticipated returns on investment

PHILADELPHIA, PA, July 26, 2016 - Axalta Coating Systems Ltd. (NYSE:AXTA) ("Axalta"), a leading global coatings company, announced its financial results for the second quarter ended June 30, 2016.

"Our strong second quarter results demonstrated solid execution and ongoing fundamental strength in our key end-markets in the face of ongoing demand challenges in certain emerging economies" said Charles W. Shaver, Axalta's Chairman and Chief Executive Officer. "We met or exceeded expectations for growth and profitability across each of our end-markets." Mr. Shaver added, "We have been pleased to announce three bolt-on acquisitions in the last month, including the largest private coil coatings company in North America, one of the major automotive interiors coatings businesses in North America, and a strong refinish and industrial player in Southeast Asia. All three of these acquisitions have attractive expected return profiles based on clearly identified synergies."

##### Second Quarter Consolidated Financial Results

Net sales of \$1,065.1 million for the second quarter of 2016 benefited from volume and pricing growth, but decreased 2.7% year-over-year as a result of 6.9% negative impact from foreign currency translation. Constant currency net sales increased 4.2% compared to the year-ago quarter, driven by 2.8% volume increases, augmented by 1.4% higher average selling prices. Similar to the first quarter, the strongest contributors to net sales were the EMEA and North America regions, offset by challenging conditions in South America.

Net income attributable to Axalta was \$48.5 million for the second quarter of 2016 compared with a net loss attributable to Axalta of \$25.1 million in Q2 2015. The increase in net income was primarily driven by a reduction in non-operating losses from our Latin America region. Adjusted net income of \$81.5 million for the second quarter of 2016 decreased \$0.4 million from \$81.9 million in Q2 2015.

Adjusted EBITDA of \$252.6 million for the second quarter compared with \$255.5 million in Q2 2015. This result benefitted from volume and pricing contributions, as well as lower variable costs and savings from our operating improvement initiatives. These factors were slightly offset by negative foreign currency translation and moderate ongoing operational expenditures for planned growth initiatives.

##### Performance Coatings Results

Performance Coatings net sales were \$632.1 million in Q2 2016, a decrease of 1.0% year-over-year as a result of an 8.8% unfavorable foreign currency translation impact. Constant currency net sales increased 7.8%, driven by a 5.9% increase in volumes and higher average selling prices of 1.9% in the period. Refinish end-market net sales decreased 2.5% in Q2 2016 (increased 9.3% excluding foreign currency translation), while our Industrial end-market increased 2.6% (increased 3.7% excluding foreign currency translation).

The Performance Coatings segment generated Adjusted EBITDA of \$157.3 million in the second quarter, a 3.0% year-over-year decrease. Positive volume and pricing contributions, coupled with variable cost savings, were more than offset by negative foreign currency translation and incremental operating expense to support growth initiatives. Segment Adjusted EBITDA margin of 24.9% in Q2 2016 reflected a 50 basis point decrease compared to the corresponding prior year quarter.

### **Transportation Coatings Results**

The Transportation Coatings segment produced net sales of \$433.0 million in the second quarter, a decrease of 4.9% versus second quarter 2015, largely driven by negative currency translation. Constant currency net sales decreased by 0.7%, including a 1.5% decrease in volume offset partially by 0.8% positive contribution from price. Unfavorable foreign currency translation impacted net sales by 4.2% in the quarter. Transportation Coatings Q2 net sales included lower growth Light Vehicle performance coupled with an ongoing pullback in Commercial Vehicle in North and South America. Light Vehicle net sales decreased 0.8% year-over-year (increased 1.5% excluding foreign currency translation), with ongoing growth in North America and EMEA offset largely by weaker volumes in Latin America and Asia Pacific. Commercial Vehicle net sales decreased 18.0% versus last year (decreased 8.3% excluding foreign currency translation), driven by a combination of slower heavy truck production as well as weaker demand from some non-truck product types served.

The Transportation Coatings segment generated Adjusted EBITDA of \$95.3 million in Q2 2016, an increase of 2.0% compared to the second quarter of 2015, with positive price and variable cost contributions partially offset by unfavorable foreign currency translation, lower volume effects, and moderate ongoing operating expense increases to support planned growth. Segment Adjusted EBITDA margin of 22.0% in Q2 2016 represented a 150 basis point increase from 20.5% in the prior year quarter.

### **Balance Sheet and Cash Flow Highlights**

We ended the quarter with cash and cash equivalents of \$480.1 million which reflects \$100 million usage for debt prepayment in the quarter. Our net debt was \$2.9 billion as of June 30, 2016. This compared to \$3.3 billion as of the same quarter 2015.

Second quarter operating cash flow was \$197.3 million versus \$103.7 million in the corresponding quarter of 2015, reflecting lower working capital use. Free cash flow, calculated as operating cash flow less capital expenditures, totaled \$172.8 million based on capital expenditures of \$24.5 million.

“We are pleased that our balance sheet and cash flow metrics continued to improve, including significantly increased free cash flow in the second quarter versus last year,” said Robert W. Bryant, Axalta’s Executive Vice President and Chief Financial Officer. “We are also pleased that we have been able to identify additional tuck-in acquisitions which we expect to generate returns well above our cost of capital. We will continue to pursue similar transactions, while planning to apply excess cash flow after capital expenditures and acquisitions to further debt reduction.”

## **2016 Guidance Update**

We are reiterating our outlook for the full year 2016 as follows:

- Largely flat net sales, up 4-6% on a constant currency basis
- Adjusted EBITDA of \$900-940 million
- Interest expense of \$180-190 million
- Income tax rate, as adjusted, of 25-27%
- Diluted shares of 242-245 million
- Working capital as a percentage of net sales of 11-13%
- Capital expenditures of ~\$150 million
- Depreciation and amortization of ~\$320 million

## **Conference Call Information**

As previously announced, Axalta will hold a conference call to discuss its second quarter 2016 financial results on Tuesday, July 26th, at 8:00 a.m. EDT. The U.S. dial-in phone number for the conference call is (877) 407-0784 and the international dial-in number is +1 (201) 689-8560. A live webcast of the conference call will also be available online at <http://ir.axaltacs.com>. For those unable to participate in the conference call, a replay will be available through August 5, 2016. The U.S. replay dial-in phone number is (877) 870-5176 and the international replay dial-in number is +1 (858) 384-5517. The replay passcode is 13635701.

## ***Cautionary Statement Concerning Forward-Looking Statements***

This release may contain certain forward-looking statements regarding Axalta and its subsidiaries including those relating to returns generated by acquisitions and our plans for excess cash as well as our 2016 full year outlook, including net sales growth, Adjusted EBITDA, interest expense, income tax rate, as adjusted, diluted shares outstanding, working capital, capital expenditures and depreciation and amortization. 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, income tax rate, as adjusted, EBITDA, Adjusted EBITDA, free cash flow, net debt and Adjusted Net Income. Management uses these non-GAAP financial measures in the analysis of our financial and operating performance because they assist in the evaluation of underlying trends in our business. Adjusted EBITDA consists of EBITDA adjusted for (i) non-operating income or expense, (ii) the impact of certain non-cash, nonrecurring or other items that are included in net income and EBITDA that we do not consider indicative of our ongoing operating performance and (iii) certain unusual or nonrecurring items impacting results in a particular period. We believe that making such adjustments provides investors meaningful information to understand our operating results and ability to analyze financial and business trends on a period-to-period basis. Adjusted Net Income shows the adjusted value of Net Income attributable to controlling interests after removing the items that are determined by management to be unusual or nonrecurring in nature or items that we do not consider indicative of our ongoing operating performance. Our use of the terms constant currency net sales growth, income tax rate, as adjusted, EBITDA, Adjusted EBITDA, free cash flow, net debt and Adjusted Net Income may differ from that of others in our industry. Constant currency net sales growth, income tax rate, as adjusted, EBITDA, Adjusted EBITDA, free cash flow, net debt and Adjusted Net Income should not be considered as alternatives to net sales, net income (loss), income (loss) before operations or any other performance measures derived in accordance with GAAP as measures of operating performance or operating cash flows or as measures of liquidity. Constant currency net sales growth, income tax rate, as adjusted, EBITDA, Adjusted EBITDA, free cash flow, net debt and Adjusted Net Income have important limitations as analytical tools and should be considered in conjunction with, and not as substitutes for, our results as reported under GAAP. This presentation includes a reconciliation of certain non-GAAP financial measures with the most directly comparable financial measures calculated in accordance with GAAP. The company does not provide a reconciliation for non-GAAP estimates on a forward-looking basis where it is unable to provide a meaningful or accurate calculation or estimation of reconciling items and the information is not available without unreasonable effort.

### **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 100,000 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.

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

	<b>Three Months Ended June 30,</b>		<b>Sixth Months Ended June 30,</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Net sales	\$ 1,065.1	\$ 1,094.1	\$ 2,020.7	\$ 2,083.3
Other revenue	7.0	7.0	13.0	15.3
Total revenue	1,072.1	1,101.1	2,033.7	2,098.6
Cost of goods sold	649.0	679.7	1,255.4	1,329.5
Selling, general and administrative expenses	237.7	245.5	456.8	458.5
Research and development expenses	14.1	12.8	26.7	25.7
Amortization of acquired intangibles	20.3	20.1	40.5	40.1
Income from operations	151.0	143.0	254.3	244.8
Interest expense, net	47.8	49.2	97.9	99.2
Other expense, net	32.8	88.6	40.8	92.5
Income before income taxes	70.4	5.2	115.6	53.1
Provision for income taxes	20.3	29.5	34.9	30.7
Net income (loss)	50.1	(24.3)	80.7	22.4
Less: Net income attributable to noncontrolling interests	1.6	0.8	2.5	2.4
Net income (loss) attributable to controlling interests	\$ 48.5	\$ (25.1)	\$ 78.2	\$ 20.0
Basic net income (loss) per share	\$ 0.20	\$ (0.11)	\$ 0.33	\$ 0.09
Diluted net income (loss) per share	\$ 0.20	\$ (0.11)	\$ 0.32	\$ 0.08
Basic weighted average shares outstanding	237.7	232.3	237.4	231.1
Diluted weighted average shares outstanding	242.4	232.3	242.0	238.1



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

	June 30, 2016	December 31, 2015
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 480.1	\$ 485.0
Restricted cash	3.1	2.7
Accounts and notes receivable, net	838.6	765.8
Inventories	519.7	530.7
Prepaid expenses and other	62.1	63.6
Deferred income taxes	58.2	69.5
Total current assets	1,961.8	1,917.3
Property, plant and equipment, net	1,358.5	1,382.9
Goodwill	931.1	928.2
Identifiable intangibles, net	1,152.8	1,191.6
Other assets	431.6	434.2
Total assets	\$ 5,835.8	\$ 5,854.2
<b>Liabilities, Shareholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 438.2	\$ 454.7
Current portion of borrowings	55.1	50.1
Deferred income taxes	6.8	6.6
Other accrued liabilities	350.0	370.2
Total current liabilities	850.1	881.6
Long-term borrowings	3,298.1	3,391.4
Long-term employee benefits	243.4	252.3
Deferred income taxes	160.9	165.5
Other liabilities	28.5	22.2
Total liabilities	4,581.0	4,713.0
Commitments and contingencies		
Shareholders' equity		
Common shares, \$1.00 par, 1,000.0 shares authorized, 239.1 and 237.9 shares issued and outstanding at June 30, 2016 and December 31, 2015, respectively	237.9	237.0
Capital in excess of par	1,272.1	1,238.8
Accumulated deficit	(54.6)	(132.8)
Accumulated other comprehensive loss	(268.9)	(269.3)
Total Axalta shareholders' equity	1,186.5	1,073.7
Noncontrolling interests	68.3	67.5
Total shareholders' equity	1,254.8	1,141.2
Total liabilities and shareholders' equity	\$ 5,835.8	\$ 5,854.2

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

	Six Months Ended June 30,	
	2016	2015
Operating activities:		
Net income	\$ 80.7	\$ 22.4
Adjustment to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	154.6	150.1
Amortization of financing costs and original issue discount	10.1	10.2
Debt extinguishment	2.3	—
Deferred income taxes	(6.8)	(7.1)
Realized and unrealized foreign exchange losses, net	26.0	66.5
Stock-based compensation	21.6	14.2
Asset impairment	10.5	30.6
Other non-cash, net	(2.9)	3.6
Changes in operating assets and liabilities:		
Trade accounts and notes receivable	(89.7)	(124.9)
Inventories	13.4	(41.1)
Prepaid expenses and other	(20.2)	(46.0)
Accounts payable	4.0	(16.2)
Other accrued liabilities	(17.9)	(42.0)
Other liabilities	(6.4)	(15.3)
Cash provided by operating activities	179.3	5.0
Investing activities:		
Business acquisitions (net of cash acquired)	—	(3.1)
Purchase of property, plant and equipment	(64.8)	(56.6)
Restricted cash	(0.4)	1.9
Other investing	(2.4)	0.9
Cash used for investing activities	(67.6)	(56.9)
Financing activities:		
Proceeds from short-term borrowings	—	3.1
Payments on short-term borrowings	(5.5)	(13.7)
Payments on long-term borrowings	(113.7)	(13.6)
Dividends paid to noncontrolling interests	(1.5)	(4.1)
Proceeds from option exercises and associated tax benefits	12.6	51.9
Other financing	(0.2)	(0.2)
Cash provided by (used for) financing activities	(108.3)	23.4
Increase (decrease) in cash and cash equivalents	3.4	(28.5)
Effect of exchange rate changes on cash	(8.3)	(45.8)
Cash and cash equivalents at beginning of period	485.0	382.1
Cash and cash equivalents at end of period	480.1	307.8

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Net income (loss)	\$ 50.1	\$ (24.3)	\$ 80.7	\$ 22.4
Interest expense, net	47.8	49.2	97.9	99.2
Provision for income taxes	20.3	29.5	34.9	30.7
Depreciation and amortization	78.6	77.5	154.6	150.1
EBITDA	196.8	131.9	368.1	302.4
Debt extinguishment <sup>(a)</sup>	2.3	—	2.3	—
Foreign exchange remeasurement losses <sup>(b)</sup>	18.0	57.8	25.5	66.5
Long-term employee benefit plan adjustments <sup>(c)</sup>	0.7	0.2	1.3	0.4
Termination benefits and other employee related costs <sup>(d)</sup>	7.0	14.8	8.9	18.5
Consulting and advisory fees <sup>(e)</sup>	2.6	6.8	5.6	9.9
Offering and transactional costs <sup>(f)</sup>	1.4	0.3	1.4	(3.7)
Stock-based compensation <sup>(g)</sup>	11.4	12.4	21.6	14.2
Other adjustments <sup>(h)</sup>	1.9	1.3	3.7	2.8
Dividends in respect of noncontrolling interest <sup>(i)</sup>	—	(0.6)	(1.5)	(4.1)
Asset impairment <sup>(j)</sup>	10.5	30.6	10.5	30.6
Adjusted EBITDA	\$ 252.6	\$ 255.5	\$ 447.4	\$ 437.5

- (a) In April 2016, we prepaid \$100.0 million of the outstanding principal on the New Dollar Term Loan and recorded a non-cash pre-tax loss on extinguishment of \$2.3 million for the three and six months ended June 30, 2016.
- (b) Eliminates foreign exchange gains and losses resulting from the remeasurement of assets and liabilities denominated in foreign currencies, net of gains associated with our foreign currency instruments used to hedge our balance sheet exposures. Exchange losses attributable to the remeasurement of our Venezuelan subsidiary represented \$15.6 million and \$22.7 million for the three and six months ended June 30, 2016, respectively, and \$55.6 million and \$54.8 million for the three and six months ended June 30, 2015, respectively.
- (c) Eliminates the non-cash, non-service cost components of long-term employee benefit costs.
- (d) Represents expenses primarily related to employee termination benefits and other employee-related costs including our initiative to improve overall cost structure within the European region as well as costs associated with our Axalta Way initiatives, which are not considered indicative of our ongoing operating performance.
- (e) Represents fees paid to consultants for professional services primarily related to our Axalta Way initiatives, which are not considered indicative of our ongoing operating performance.
- (f) Represents costs associated with the secondary offerings of our common shares by Carlyle, acquisition-related costs, including a \$5.4 million gain recognized during the six months ended June 30, 2015 resulting from the remeasurement of our previously held interest in an equity method investee upon the acquisition of a controlling interest, and costs associated with changes in the fair value of contingent consideration associated with our acquisitions, all of which are not considered indicative of our ongoing operating performance.
- (g) Represents non-cash costs associated with stock-based compensation, including \$8.2 million of expense during the three and six months ended June 30, 2015 attributable to the accelerated vesting of all issued and outstanding stock options issued under the 2013 Plan as a result of the Change in Control.
- (h) Represents costs for certain unusual or non-operational (gains) and losses, including equity investee dividends, indemnity losses (gains) associated with the Acquisition, losses (gains) on sale and disposal of property, plant and equipment, losses (gains) on the remaining foreign currency derivative instruments and non-cash fair value inventory adjustments associated with our 2015 acquisitions.
- (i) Represents the payment of dividends to our joint venture partners by our consolidated entities that are not wholly owned, which are not considered indicative of our ongoing operating performance.
- (j) As a result of currency devaluations in Venezuela, we recorded non-cash impairment charges relating to a real estate investment of \$10.5 million and \$30.6 million during both the three and six months ended June 30, 2016 and 2015, respectively.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Net income (loss)	\$ 50.1	\$ (24.3)	\$ 80.7	\$ 22.4
Less: Net income attributable to noncontrolling interests	1.6	0.8	2.5	2.4
Net income (loss) attributable to controlling interests	48.5	(25.1)	78.2	20.0
Debt extinguishment <sup>(a)</sup>	2.3	—	2.3	—
Foreign exchange remeasurement losses <sup>(b)</sup>	18.0	57.8	25.5	66.5
Termination benefits and other employee related costs <sup>(c)</sup>	7.0	14.8	8.9	18.5
Consulting and advisory fees <sup>(d)</sup>	2.6	6.8	5.6	9.9
Offering and transactional costs <sup>(e)</sup>	1.4	0.3	1.4	(3.7)
Other adjustments <sup>(f)</sup>	—	9.7	—	11.2
Asset impairment <sup>(g)</sup>	10.5	30.6	10.5	30.6
Total adjustments	41.8	120.0	54.2	133.0
Income tax impacts <sup>(h)</sup>	8.8	13.0	9.1	32.1
Adjusted net income	81.5	81.9	123.3	120.9
Diluted adjusted net income per share	\$ 0.34	\$ 0.34	\$ 0.51	\$ 0.51
Diluted weighted average shares outstanding <sup>(1)</sup>	242.4	239.3	242.0	238.1

(1) For the three months ended June 30, 2015, represents what diluted shares would have been compared to the as reported 232.3 million shares if the period had been in a net income position versus the reported loss.

(a) In April 2016, we prepaid \$100.0 million of the outstanding principal on the New Dollar Term Loan and recorded a non-cash pre-tax loss on extinguishment of \$2.3 million for the three and six months ended June 30, 2016.

(b) Eliminates foreign exchange gains and losses resulting from the remeasurement of assets and liabilities denominated in foreign currencies, net of gains associated with our foreign currency instruments used to hedge our balance sheet exposures. Exchange losses attributable to the remeasurement of our Venezuelan subsidiary represented \$15.6 million and \$22.7 million for the three and six months ended June 30, 2016, respectively, and \$55.6 million and \$54.8 million for the three and six months ended June 30, 2015, respectively.

(c) Represents expenses primarily related to employee termination benefits and other employee-related costs including our initiative to improve overall cost structure within the European region as well as costs associated with our Axalta Way initiatives, which are not considered indicative of our ongoing operating performance.

(d) Represents fees paid to consultants for professional services primarily related to our Axalta Way initiatives, which are not considered indicative of our ongoing operating performance.

(e) Represents costs associated with the secondary offering of our common shares by Carlyle, acquisition-related costs, including a \$5.4 million gain recognized during the six months ended June 30, 2015 resulting from the remeasurement of our previously held interest in an equity method investee upon the acquisition of a controlling interest and costs associated with changes in the fair value of contingent consideration associated with our acquisitions, all of which are not considered indicative of our ongoing operating performance.

(f) Represents costs for certain unusual or non-operational (gains) and losses, including indemnity losses associated with the Acquisition, losses (gains) on sale and disposal of property, plant, and equipment, the acceleration of stock-based compensation expense of \$8.2 million during the three and six months ended June 30, 2015 attributable to the accelerated vesting of all issued and outstanding stock options issued under the 2013 Plan as a result of the Change in Control, losses (gains) on the remaining foreign currency derivative instruments and non-cash fair value inventory adjustments associated with our 2015 acquisitions.

(g) As a result of currency devaluations in Venezuela, we recorded non-cash impairment charges relating to a real estate investment of \$10.5 million and \$30.6 million during both the three and six months ended June 30, 2016 and 2015, respectively.

(h) Represents income tax impact associated with the pre-tax adjustments, as well as the impact of the removal of discrete income tax impacts within our effective tax rate.



# AXALTA COATING SYSTEMS

**Q2 2016 FINANCIAL RESULTS**

**July 26, 2016**

# Legal Notices

## 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 2016 financial projections, including execution on our 2016 goals as well as 2016 net sales, Adjusted EBITDA, Adjusted EBITDA margin, interest expense, income tax rate, as adjusted, diluted shares, capital expenditures, depreciation and amortization, working capital, cost savings and related assumptions. Any forward-looking statements involve risks, uncertainties and assumptions. These statements often include words such as "believe," "expect," "anticipate," "intend," "plan," "estimate," "target," "project," "forecast," "seek," "will," "may," "should," "could," "would," or similar expressions. These statements are based on certain assumptions that we have made in light of our experience in the industry and our perceptions of historical trends, current conditions, expected future developments and other factors we believe are appropriate under the circumstances as of the date hereof. Although we believe that the assumptions and analysis underlying these statements are reasonable as of the date hereof, investors are cautioned not to place undue reliance on these statements. We do not have any obligation to and do not intend to update any forward-looking statements included herein, which speak only as of the date hereof. You should understand that these statements are not guarantees of future performance or results. Actual results could differ materially from those described in any forward-looking statements contained herein or the oral remarks made in connection herewith as a result of a variety of factors, including known and unknown risks and uncertainties, many of which are beyond our control.

## Non-GAAP Financial Measures

The historical financial information included in this presentation includes financial information that is not presented in accordance with generally accepted accounting principles in the United States ("GAAP"), including constant currency net sales, EBITDA, Adjusted EBITDA, Free Cash Flow, 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. Adjusted EBITDA consists of EBITDA adjusted for (i) non-operating income or expense, (ii) the impact of certain non-cash, nonrecurring or other items that are included in net income and EBITDA that we do not consider indicative of our ongoing performance and (iii) certain unusual or nonrecurring items impacting results in a particular period. We believe that making such adjustments provides investors meaningful information to understand our operating results and ability to analyze financial and business trends on a period-to-period basis. Our use of the terms constant currency net sales, EBITDA, Adjusted EBITDA, Free Cash Flow, and Net Debt may differ from that of others in our industry. Constant currency net sales, EBITDA, Adjusted EBITDA and Free Cash Flow should not be considered as alternatives to net income, 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. Constant currency net sales, EBITDA, Adjusted EBITDA, Free Cash Flow 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. The company does not provide a reconciliation for non-GAAP estimates on a forward-looking basis where it is unable to provide a meaningful or accurate calculation or estimate of reconciling items and the information is not available without reasonable effort.

## Segment Financial Measures

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

## Defined Terms

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



## Q2 2016 Highlights

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### ▪ Solid Q2 financial results

- ✓ Solid net sales of \$1,065.1 million – volume and price up 4.2% YoY, offset by foreign currency translation impact
- ✓ Net income attributable to Axalta of \$48.5 million (Q2 2015 loss of \$25.1 million); Adjusted EBITDA of \$252.6 million versus \$255.5 million in Q2 2015

### ▪ Operating progress highlights

- ✓ Operations moving forward under new leadership; launched initiative to improve product throughput in Montbrison, France powder facility
- ✓ Productivity improvement initiatives on track for full year target of \$60 million

### ▪ Balance sheet & cash flow on track

- ✓ Cash from operations of \$197.3 million versus \$103.7 million last year
- ✓ \$100 million debt pre-payment made in April; over \$800 million in liquidity available

### ▪ M&A Activity

- ✓ Announced three tuck-in deals; strong anticipated returns on investment expected

### ▪ Results on track to meet our projections

- ✓ No change to guidance metrics for full year
- ✓ Continued Industrial market outperformance expected; also share gains in Refinish and Light Vehicle expected to drive volume growth in 2H 2016

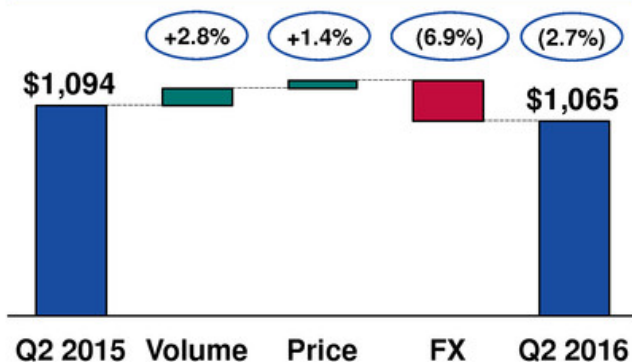
## Q2 Consolidated Results

### Financial Performance

(\$ in millions)	Q2		% Change	
	2016	2015	Incl. F/X	Excl. F/X
Performance	632	639	(1.0%)	7.8%
Transportation	433	455	(4.9%)	(0.7%)
Net Sales	1,065	1,094	(2.7%)	4.2%
Net Income <sup>(1)</sup>	49	(25)		
Adjusted EBITDA	253	256	(1.1%)	

(1) Represents Net Income attributable to Axalta

### Net Sales Variance



### Commentary

#### Strong net sales performance

- Continued net sales growth in North America and EMEA, while emerging market economies remain challenged
- Volume growth across all regions in Performance Coatings; Transportation Coatings driven largely by North America and EMEA
- Positive pricing contribution from both segments, led by North America and Latin America
- 6.9% unfavorable currency impact largely from Latin America

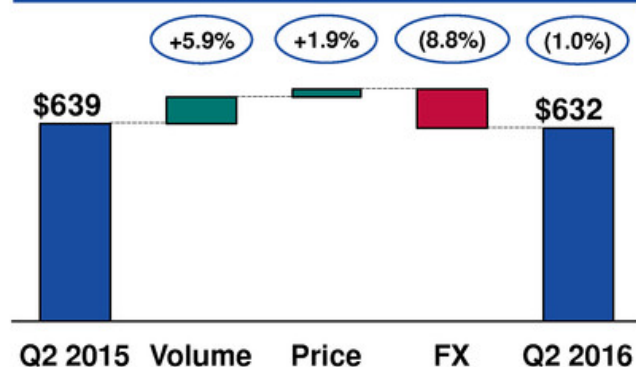


## Q2 Performance Coatings Results

### Financial Performance

(\$ in millions)	Q2		% Change	
	2016	2015	Incl. F/X	Excl. F/X
Refinish	449	460	(2.5%)	9.3%
Industrial	183	179	2.6%	3.7%
Net Sales	632	639	(1.0%)	7.8%
Adjusted EBITDA	157	162	(3.0%)	
% margin	24.9%	25.4%		

### Net Sales Variance



### Commentary

#### Solid net sales led by Refinish volumes

- Strong volume growth in Refinish across all regions; Industrial growth driven by EMEA and Asia Pacific
- Price increases in Refinish in most regions
- 8.8% unfavorable currency impact principally from Latin America

#### Adjusted EBITDA margin remains very strong

- Adjusted EBITDA margin slightly below Q2 2015 but remains strong, benefiting from increased volumes, favorable price realization, and some ongoing variable margin benefits, offset by currency translation impact and increased operating expense to support growth

## Q2 Transportation Coatings Results

### Financial Performance

(\$ in millions)	Q2		% Change	
	2016	2015	Incl. F/X	Excl. F/X
Light Vehicle	344	347	(0.8%)	1.5%
Commercial Vehicle	89	108	(18.0%)	(8.3%)
Net Sales	433	455	(4.9%)	(0.7%)
Adjusted EBITDA	95	93	2.0%	
% margin	22.0%	20.5%		

### Net Sales Variance



### Commentary

#### Net sales pressured by Commercial volumes

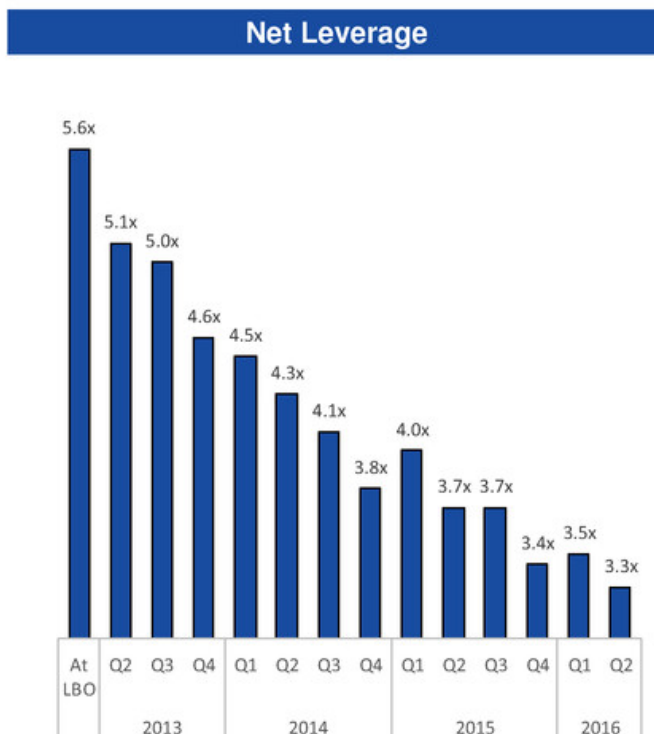
- Strong volume growth in North America and EMEA Light Vehicle, offset largely by lower volumes in Latin America and Asia Pacific
- Lower volumes in Commercial Vehicle driven by heavy truck and other vehicle markets
- Modest increase in price for the segment
- 4.2% unfavorable currency translation largely from emerging market exposures

#### Adjusted EBITDA margin up 150 bps

- Adjusted EBITDA margin benefited from price improvement and some additional variable cost savings

# Debt and Liquidity Summary

Capitalization		
(\$ in millions)	@ 6/30/2016	Maturity
Cash and Cash Equivalents	\$480	
<b>Debt:</b>		
Revolver (\$400 million capacity)	-	2018
First Lien Term Loan (USD)	1,890	2020
First Lien Term Loan (EUR) <sup>(1)</sup>	420	2020
Senior Secured Notes (EUR) <sup>(1)</sup>	271	2021
<b>Total Senior Secured Debt</b>	<b>\$2,581</b>	
Senior Unsecured Notes (USD)	737	2021
Other Borrowings	36	
<b>Total Debt</b>	<b>\$3,353</b>	
<b>Total Net Debt</b>	<b>\$2,873</b>	
LTM Adjusted EBITDA	\$877	
<b>Credit Statistics:</b>		
<b>Total Net Leverage <sup>(2)</sup></b>	<b>3.3x</b>	



(1) Assumes exchange rate of \$1.11 USD/Euro

(2) Indebtedness per balance sheet less cash & cash equivalents divided by LTM Q2 2016 Adjusted EBITDA

## Full Year 2016 Guidance

(\$ millions)	2015A	2016E
Net Sales	-6%	@ 0%
Net Sales (Excl.-FX)	+5%	+4-6%
Adjusted EBITDA	\$867	\$900-940
Interest Expense	\$197	\$180-190
Tax Rate, As Adjusted	30%	25-27%
Diluted Shares (millions)	240	242-245
Working Capital / Sales	12%	11-13%
Capital Expenditures	\$138	~\$150
D&A	\$310	\$320

### Comments on Drivers

- Net sales expected to be essentially flat as-reported based on anticipated currency headwinds; constant currency net sales expected to benefit from volume growth and positive pricing
- Margin expansion expected to continue, driven by volume, price, and cost reduction
- Tailwinds from volume growth, ongoing productivity and variable cost savings
- Tax rate, as adjusted, expected to come down in 2016 from specific actions taken
- Working capital stable in 2016, with free cash flow expected to rise
- Capex is consistent; includes large discretionary component

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



## Appendix

## Key Goals For 2016

Stated Objective	Comments
<b>Grow the Business</b>	<ul style="list-style-type: none"> <li>Flat net sales; growth of 4-6% ex-currency</li> <li>Expect to outgrow our end-markets</li> </ul>
<b>Focus on Operating Improvement</b>	<ul style="list-style-type: none"> <li>New capacity ramps continue, opportunity to refine our operating strengths</li> </ul>
<b>Extend Core Strengths &amp; Globalize</b>	<ul style="list-style-type: none"> <li>Strong global foundation, see opportunity to extend further</li> </ul>
<b>Productivity Initiatives to Improve Cost Structure</b>	<ul style="list-style-type: none"> <li>\$60 million in combined 2016 cost savings</li> <li>Axalta Way expected to ramp up in 2016</li> </ul>
<b>Continue High IRR Investment Projects</b>	<ul style="list-style-type: none"> <li>Expansion projects largely completed</li> <li>Productivity &amp; growth capex remain in high gear</li> </ul>
<b>M&amp;A Interest Increasing</b>	<ul style="list-style-type: none"> <li>Continue to participate in attractive bolt-on M&amp;A</li> </ul>
<b>FCF &amp; Debt Paydown Still A Priority</b>	<ul style="list-style-type: none"> <li>Expect solid progress in reducing our leverage ratios</li> </ul>



## Full Year 2016 Assumptions

### Macroeconomic Assumptions

- Global GDP growth of approximately 2.5%
- Global industrial production growth of approximately 1.1%
- Global auto build growth of approximately 3.2%
- Modest benefit from lower oil prices given the extended supply chain in key raw materials and category-specific supply and demand dynamics

### Currency Assumptions

Currency	2016 % Axalta Net Sales	Rates Used in Initial 2016 Guidance	Rates Used in Current 2016 Guidance	% Change in F/X Rate
US\$ per Euro	~27%	1.05	1.11	5.7%
Chinese Yuan per US\$	~13%	6.60	6.57	0.5%
Mexican Peso per US\$	~2%	17.00	18.23	(6.7%)
Brazilian Real per US\$	~3%	4.30	3.60	19.4%
Venezuelan Bolivar per US\$	~3%	237.50	619.71	(61.7%)
Russian Ruble per US\$	~1%	70.00	68.47	2.2%



## Adjusted EBITDA Reconciliation

						LTM
(\$ in millions)	FY 2015	Q1 2015	Q2 2015	Q1 2016	Q2 2016	6/30/2016
Net Income (Loss)	\$98	\$47	(24)	\$31	\$50	\$156
Interest Expense	197	50	49	50	48	196
Provision for Income Taxes	63	1	30	15	20	67
Depreciation & Amortization	308	73	78	76	79	312
<b>Reported EBITDA</b>	<b>\$665</b>	<b>\$171</b>	<b>\$132</b>	<b>\$171</b>	<b>\$197</b>	<b>\$730</b>
A Debt extinguishment	3	-	-	-	2	5
B Foreign exchange remeasurement losses	94	9	58	8	18	53
C Long-term employee benefit plan adjustments	-	-	-	1	1	2
D Termination benefits and other employee related costs	36	4	15	2	7	26
E Consulting and advisory fees	24	3	7	3	3	20
F Transition-related costs	(3)	-	-	-	-	(3)
G Offering and transactional costs	(1)	(4)	-	-	1	4
H Stock-based compensation	30	2	12	10	11	37
I Other adjustments	(6)	1	2	2	2	(5)
J Dividends in respect of noncontrolling interest	(5)	(4)	(1)	(2)	-	(2)
K Asset impairment	31	-	31	-	11	11
Total Adjustments	\$202	\$11	\$124	\$24	\$56	\$147
<b>Adjusted EBITDA</b>	<b>\$867</b>	<b>\$182</b>	<b>\$256</b>	<b>\$195</b>	<b>\$253</b>	<b>\$877</b>

Note: Numbers might not foot due to rounding.



## Adjusted EBITDA Reconciliation (cont'd)

- A. In FY 2015 and 2Q 2016, we prepaid \$100.0 million of the outstanding principal on the New Dollar Term Loan and recorded non-cash pre-tax losses on extinguishment of \$3 million and \$2 million, respectively.
- B. Eliminates foreign exchange gains and losses resulting from the remeasurement of assets and liabilities denominated in foreign currencies, net of gains associated with our foreign currency instruments used to hedge our balance sheet exposures. Venezuela represented a gain of \$1 million, and losses of \$56 million, \$7 million and \$16 million for the periods 1Q 2015, 2Q 2015, 1Q 2016, and 2Q 2016.
- C. Eliminates the non-cash, non-service cost components of long-term employee benefit costs.
- D. Represents expenses primarily related to employee termination benefits and other employee-related costs including our initiative to improve overall cost structure within the European region as well as costs associated with our Axalta Way initiatives, which are not considered indicative of our ongoing operating performance.
- E. Represents fees paid to consultants for professional services primarily related to our Axalta Way initiatives, which are not considered indicative of our ongoing operating performance.
- F. Represents non-recurring charges associated with the transition from DuPont to a standalone entity, including branding and marketing costs, information technology related costs and facility transition costs.
- G. Represents costs associated with the secondary offerings of our common shares by Carlyle, acquisition-related costs, including a \$5.4 million gain recognized during 1Q 2015 resulting from the remeasurement of our previously held interest in an equity method investee upon the acquisition of a controlling interest, and costs associated with changes in the fair value of contingent consideration associated with our acquisitions, all of which are not considered indicative of our ongoing operating performance.
- H. Represents costs associated with stock-based compensation, including \$8 million of expense during 2Q 2015 attributable to the accelerated vesting of all issued and outstanding stock options issued under the 2013 Plan as a result of the Change in Control.
- I. Represents costs for certain unusual or non-operational (gains) and losses, including equity investee dividends, indemnity losses (gains) associated with the Acquisition, losses (gains) on sale and disposal of property, plant and equipment, losses (gains) on the remaining foreign currency derivative instruments and non-cash fair value inventory adjustments associated with our 2015 acquisitions.
- J. Represents the payment of dividends to our joint venture partners by our consolidated entities that are not wholly owned, which are not considered indicative of our ongoing operating performance.
- K. As a result of currency devaluations in Venezuela, we recorded non-cash impairment charges relating to a real estate investment of \$31 million and \$11 million during Q2 2015 and Q2 2016, respectively.

The image is a composite of two night cityscapes. The left side features a blue-tinted view of a city with several skyscrapers, including the Willis Tower. The right side shows a more vibrant night scene with light trails from cars and a rainbow-like light effect. A diagonal line separates the two scenes. The text 'Thank you' is centered over the blue-tinted section.

Thank you

AXALTA COATING SYSTEMS

