
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) February 22, 2018

AXALTA COATING SYSTEMS LTD.

(Exact name of registrant as specified in its charter)

Bermuda
(State or other jurisdiction
of incorporation)

001-36733
(Commission
File Number)

98-1073028
(IRS Employer
Identification No.)

Two Commerce Square, 2001 Market Street, Suite 3600, Philadelphia, Pennsylvania 19103
(Address of principal executive offices) (Zip Code)
(855) 547-1461

Registrant's telephone number, including area code

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

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

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 7.01 Regulation FD Disclosure.

On February 22, 2018, Axalta Coating Systems Ltd. (“Axalta”) posted presentation slides to Axalta’s Investor Relations website (<http://ir.axaltacs.com>), which will be presented at several upcoming investor presentations. A copy of the presentation materials is furnished hereto as Exhibit 99.1.

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 presentation slides and prepared remarks during the upcoming investor presentations, 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

<u>Exhibit No.</u>	<u>Description</u>
99.1	<u>First Quarter 2018 Investor Presentation</u>

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: February 22, 2018

By: /s/ Robert W. Bryant

Robert W. Bryant

Executive Vice President & Chief Financial Officer



Axalta Coating Systems Ltd.

Investor Presentation
First Quarter 2018

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 2018 financial projections, including net sales, net sales excluding FX, Adjusted EBITDA, interest expense, tax rate, as adjusted, free cash flow, capital expenditures, depreciation and amortization, diluted shares outstanding, cost savings, contributions from acquisitions, raw material cost increases, 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 including, but not limited to, the risks and uncertainties described in "Non-GAAP Financial Measures," and "Forward-Looking Statements" as well as "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2017.

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 net sales excluding FX, EBITDA, Adjusted EBITDA, Free Cash Flow, tax rate, as adjusted, 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-cash items included within net income, (ii) items Axalta does not believe are indicative of ongoing operating performance or (iii) nonrecurring, unusual or infrequent items that have not occurred within the last two years or Axalta believes are not reasonably likely to recur within the next two years. We believe that making such adjustments provides investors meaningful information to understand our operating results and ability to analyze financial and business trends on a period-to-period basis. Our use of the terms net sales excluding FX, EBITDA, Adjusted EBITDA, Free Cash Flow, tax rate, as adjusted, and Net Debt may differ from that of others in our industry. Net sales excluding FX, EBITDA, Adjusted EBITDA and Free Cash Flow should not be considered as alternatives to net sales, 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. Net sales excluding FX, EBITDA, Adjusted EBITDA, Free Cash Flow, tax rate, as adjusted, 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. Axalta does not provide a reconciliation for non-GAAP estimates for net sales excluding FX, EBITDA, Adjusted EBITDA, Free Cash Flow or tax rate, as adjusted, as reported on a forward-looking basis because the information necessary to calculate a meaningful or accurate estimation of reconciling items is not available without unreasonable effort. For example, such reconciling items include the impact of foreign currency exchange gains or losses, gains or losses that are unusual or nonrecurring in nature, as well as discrete taxable events. We cannot estimate or project those items and they may have a substantial and unpredictable impact on our US GAAP results.

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 Axalta's core operating performance. As we do not measure segment operating performance based on Net Income, a reconciliation of this non-GAAP financial measure with the most directly comparable financial measure calculated in accordance with GAAP is not available.

Defined Terms

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

1900-1970s

1900s: Permanent colors® manufactured, the first breakthrough lacquer enamel technology

1920s: Duco® paints (U.S.) and Spies Hecker® (Germany) introduced as sprayables

1950s: Standox® paints launches premium line; First to develop L,a,b color equations, the foundation of modern color science



1866

Herberts founded - original Standox® paints producer

1980-1990s

- Imron® enamel introduced
- Alesta® powder coatings launched
- First spectrophotometer introduced
- First waterborne OEM coatings in U.S.
- Cromax® waterborne basecoat introduced
- Herberts coatings (EMEA) acquired

2000-2012

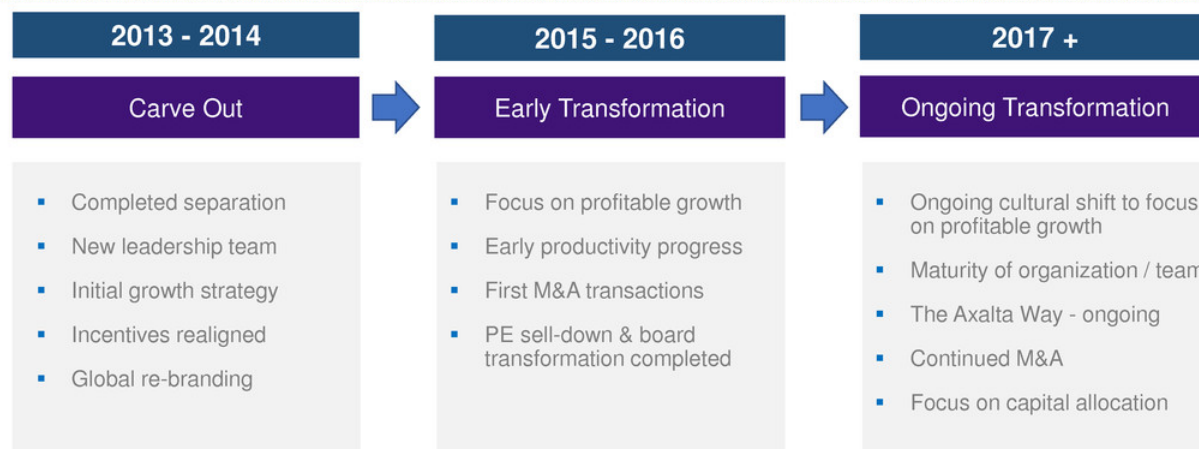
- Super-high solids OEM coatings introduced
- Imron® Elite finishes introduced
- ChromaPremier® Pro high productivity system launched
- Acquire Plus™ EFX spectrophotometer launched

2013

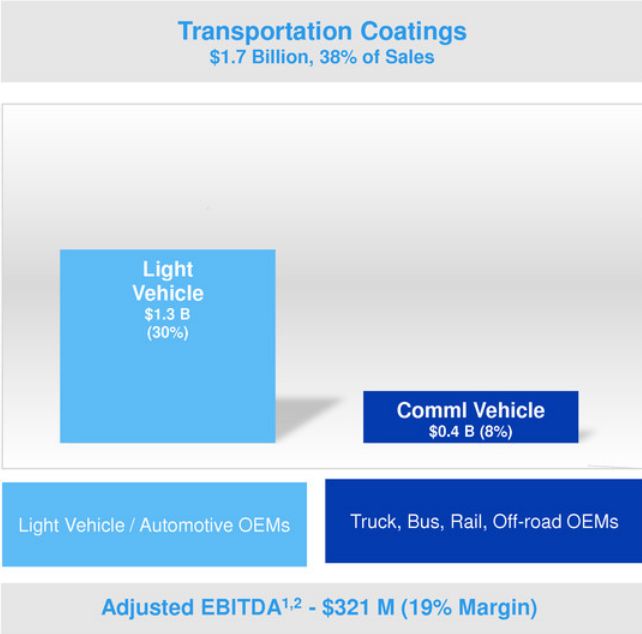
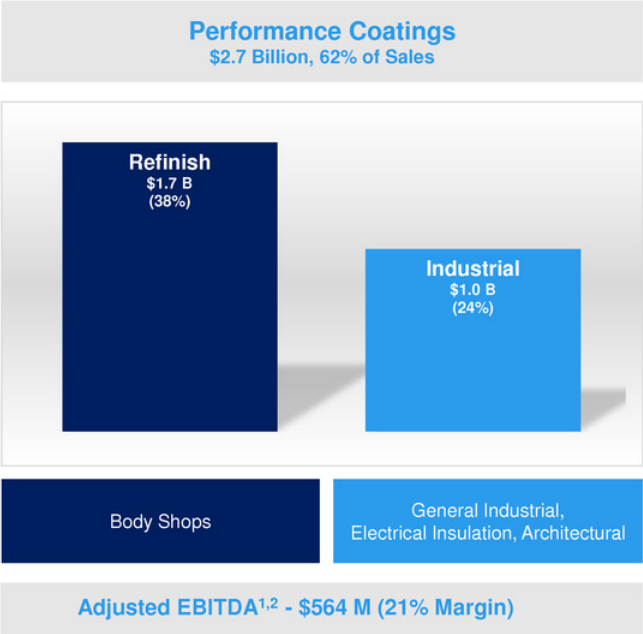
- Axalta Coating Systems becomes an independent company
- New global headquarters in Philadelphia, PA with substantially new executive leadership
- Introduction of end-market focus and leadership

2014-2017

- November 2014 IPO (NYSE: AXTA)
- Expand capacity in China, Germany, Mexico, Brazil, India and Argentina; upgrade multiple other facilities
- Build Asia-Pacific Technology Center in Shanghai and Global Innovation Center in Philadelphia, PA
- Acquire Valspar's Wood business (N.A.), Dura Coat (U.S.), Spencer (U.K.) & other smaller transactions
- Introduce Ganicin™ corrosion-resistant coating system for industrial applications
- Launch AquaEC 6100 e-coat
- Introduce Syrox™ mainstream waterborne refinish solution



Significant Progress During Period of Emerging Markets and FX Turmoil



1. Financials for FY 2017, all sales data refers to Net Sales 2. Consolidated Adjusted EBITDA reconciliation can be found in the Appendix



Set a Cadence of Growth

- Growth Supported by Clear Strategies, Greater Resources
- Market Share Gains in Core Markets From Innovation, Service Execution
- Emerging Markets Focus for Long Term Opportunity
- Globalizing Existing Products to Reach Underserved Markets

Enhance Productivity

- Optimizing Procurement
- Streamlining Organization
- Refining Operating Model
- Global Fit-For-Purpose Cost Structure

Profitable Growth Underpinned by Both Top and Bottom Line Initiatives

Key Objectives for Growth & Value Creation












- Outgrow our End-markets
- Focus on Achieving Price Offsets to Significant Raw Material Inflation
- Enhanced Cost Actions to Narrow Price-Cost Gap
- Drive Differentiated Customer Technical Service & Product Innovation
- Disciplined Capital Allocation With Ongoing Bolt-on M&A as Focus
- Continue Balance Sheet & Cash Flow Discipline

Axalta's Vision

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

Select Acquisitions



Target	End-Market	Geography	Company Overview
	Refinish	EMEA	Axalta's exclusive distributor for Spies Hecker in the Netherlands and Flanders
	Refinish	North America	Cleveland-based refinish manufacturer focused on mainstream segment
	Refinish	Asia Pacific	Leading producer of refinish coatings in Malaysia and Indonesia
	Light Vehicle	NA / LA / AP	Leading N.A. supplier of automotive interior coatings; strong position with N.A. OEM's
	Industrial	North America	Leading independent supplier of coil coatings in N.A.
	Ind/Ref	North America	Leading niche California-based industrial and refinish coatings manufacturer
	Industrial	North America	Texas-based storage tank, hardboard, structure steel, wood and OEM coatings manufacturer
	Industrial	North America	Leading provider of coatings for the OEM and aftermarket Industrial Wood Markets
	Industrial	EMEA / AP / NA	Leading manufacturer of coatings for heavy equipment, general industrial, O&G & glass
	Refinish	EMEA	Leading importer and distributor throughout Switzerland of Spies Hecker
	Industrial	EMEA	Leading supplier of thermoplastic powder coatings based in the United Kingdom

Axalta Operates Fundamentally Strong Businesses



Global Market Leadership Positions

Significant Competitive Advantages

A Service-Led Business Model

Structurally Attractive Global End Markets

Highly Variable Cost Structure & Low Capital Intensity



Global Market Leadership Positions

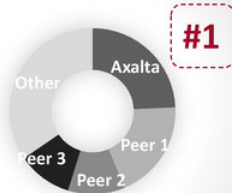
Axalta's Global Scale Enables Market Leadership



Net Sales as of FY 2017
1. Mexico is included in Latin America
2. Includes 13 JV facilities.

Global Market Leadership Positions

Performance Coatings: Refinish



Transportation Coatings: Light Vehicle



Performance Coatings: Industrial

- #2 in powder coatings globally
- #2 in industrial wood coatings in North America
- #2 in energy solutions coatings globally
- #2 in industrial e-coat globally

Transportation Coatings: Commercial Vehicle

- #1 supplier to North America heavy duty truck market
- Leading supplier to other offroad vehicle niches

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






Source: Orr & Boss, Axalta estimates (2016)

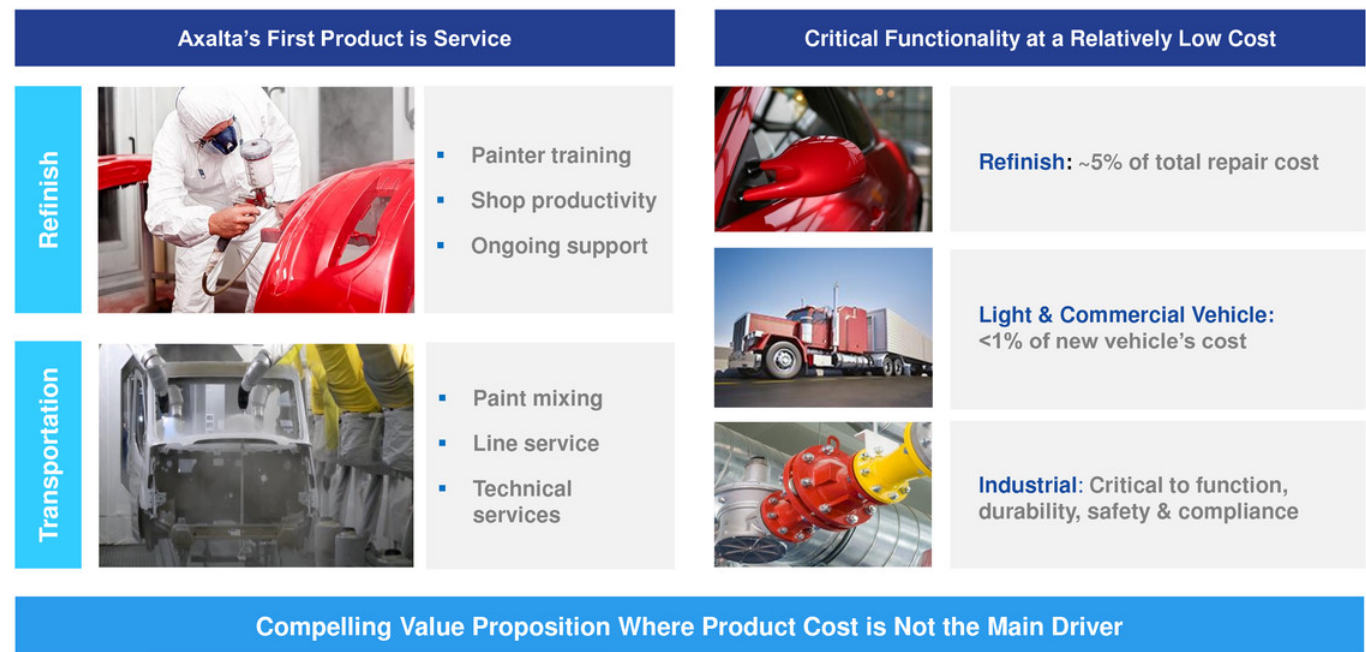
Significant Competitive Advantages



Significant Competitive Advantages



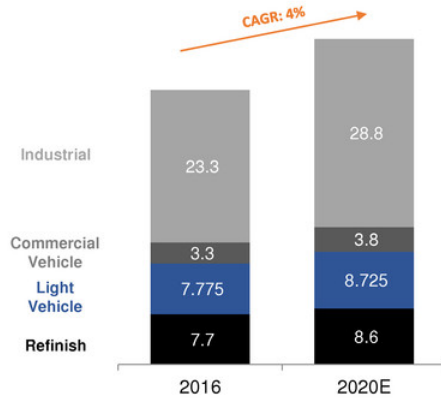
Industry Trends	Axalta Technologies
Environmental Regulation	<ul style="list-style-type: none"> Complete VOC-compliant portfolio for both Refinish and OEM 
OEM Productivity Requirements	<ul style="list-style-type: none"> Axalta innovations reduce capital intensity, footprint, and energy use for customers 
Vehicle Light-Weighting	<ul style="list-style-type: none"> Broad substrate coating solutions for next generation materials 
Body Shop Consolidation	<ul style="list-style-type: none"> Axalta coatings technology and service drives customer shop productivity 
Color Complexity	<ul style="list-style-type: none"> OEMs linkage grows color library, advanced color matching a Refinish differentiator 
Broad Technology Portfolio Well-Positioned to Benefit From Industry Trends	



Strong Coatings Growth Outlook

Coatings Industry Sales

(\$ billions)



Source: Orr & Boss (2016), Axalta estimates

Diverse Industry Growth Drivers

- **Refinish:** Car parc, miles driven, and collision rates
- **Light Vehicle:** Emerging markets & middle class growth; developed markets consumer strength
- **Commercial Vehicle:** Global consumer markets expanding; infrastructure growth; professionalized logistics management
- **Industrial:** Global GDP and IP; technical & application sophistication with enhanced functionality and durability

Long Term Alignment With Global Growth

Highly Variable Cost Structure & Low Capital Intensity



Variable Cost Structure

- ~45-55% of COGS come from variable raw material inputs
- Utilize temporary labor to maximize flexibility
- Toggle other costs as needed in a downturn & high cost inflation period, including both variable and semi-fixed

Low Capital Intensity

- 2017 Capex at \$125 million was 2.9% of sales, but only ~1% 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

Axalta's Strategy

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

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

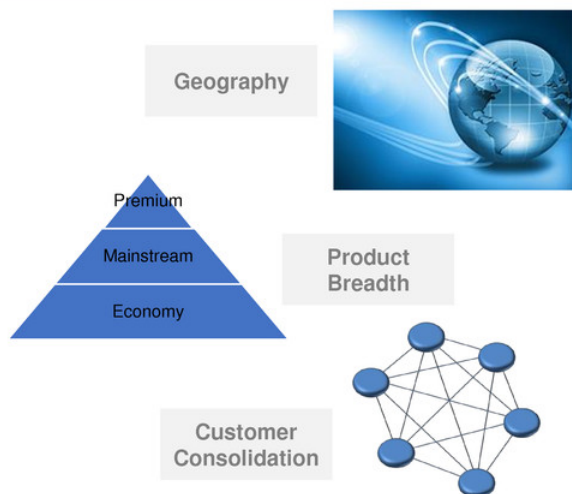
Grow in targeted industrial coatings segments via organic growth and selective acquisitions

Focus on operational excellence and foster a culture of accountability

Axalta's Strategy: Grow Core Products & Markets



Performance Coatings



Transportation Coatings



Strong Momentum Driven by Customer-Centric Approach

Axalta's Strategy: Accelerate Growth In Emerging Markets



Emerging Market Growth

Coatings Market
(\$ Billions)



Source: Orr & Boss (2016)

China Car Parc
(thousands)



Source: LMC Automotive (2016)

Growth Drivers

- Growth of middle-classes in emerging economies
- Increased vehicle penetration per capita & expansion of car parc
- Elevated collision rates vs. developed markets

EMEA

- Underpenetrated in W. Europe periphery, E. Europe, Africa, Middle East
- Concentration at premium end implies opportunity in growing mainstream segment

Americas

- Opportunity to broaden geographic presence in South America, leverage distribution strength in Mexico to cross-sell industrial products
- Refinish opportunity to extend presence in mainstream and economy products

APAC

- China opportunity to extend mainstream and economy refinish presence
- LV share remains under-represented with domestic OEMs
- Asia ex-China broader opportunity to grow across product lines

Significant Emerging Markets Growth Opportunity

A Broad Industrial Portfolio



Industrial
Wood



Electrical
Insulation



Architectural



Agricultural,
Construction, &
Earthmoving (ACE)



Oil & Gas



Coil

Organic Growth

- Targeting mid-single digit growth CAGR
- Double digit growth in new customer adds 2015-17
- Added significant infrastructure and investment over 4 years

Inorganic Growth

- Targeting significant growth from acquisitions
- Completed 6 transactions with ~\$350+ million in net sales
- M&A leverages procurement, distribution and R&D resources

Growth from Leveraging Our Product Portfolio in Underserved Markets



Organization & Operations

- Ongoing Axalta Way productivity
- Axalta Operating Excellence (AOS) rollout
- R&D / Innovation enablers
- Salesforce investment
- Manufacturing footprint balancing
- Enhanced IT tools
- Product complexity reduction



Leadership & Culture

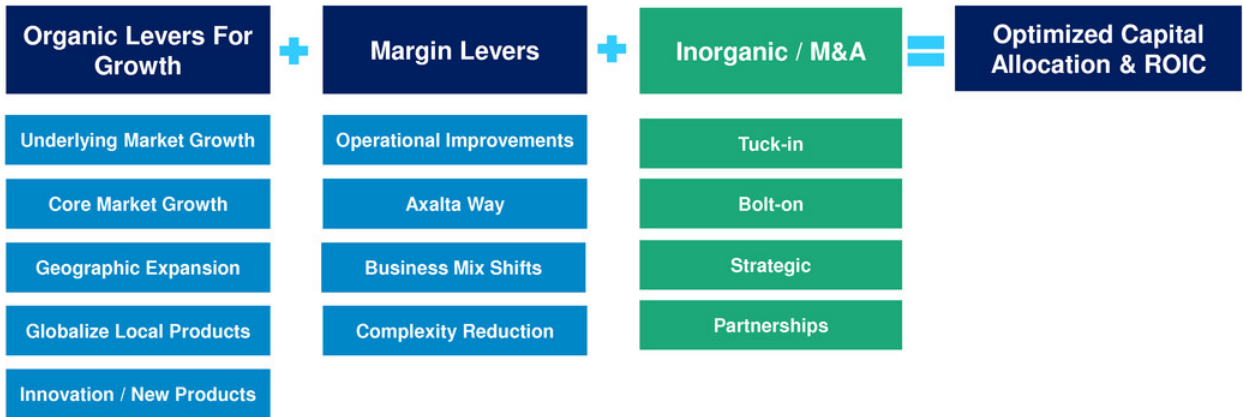
- Tone set by senior leaders
- Independence with accountability
- Leadership stabilized across the matrix
- Supporting and educating our people
- Talent roadmaps to sustain and grow
- Refining the culture deeper in the company

Employees Feel the Effect of Our Focus and Accountability



Financial Overview

AXALTA COATING SYSTEMS



Growth + Margins + Allocation Focus = Best-in-class Shareholder Returns

Q4 Consolidated Results

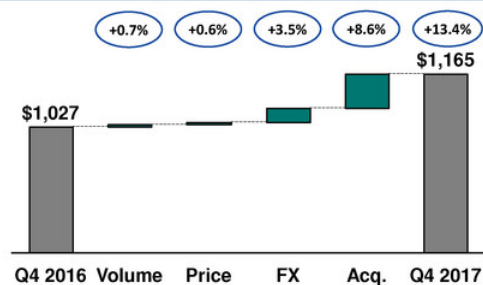


Financial Performance

(\$ in millions)	Q4		% Change	
	2017	2016	Incl. F/X	Excl. F/X
Performance	732	607	20.7%	16.5%
Transportation	433	421	2.8%	0.2%
Net Sales	1,165	1,027	13.4%	9.9%
Net Loss ⁽¹⁾	(62)	(37)		
Adjusted EBITDA	245	225	9.3%	

(1) Represents Net Loss attributable to controlling interests

Net Sales Variance

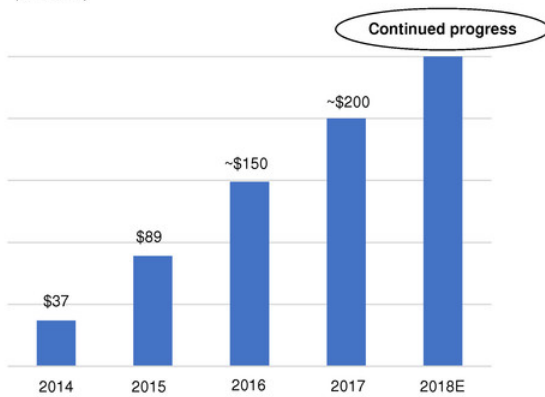


Commentary

Net sales growth driven by acquisitions, positive organic volumes across most regional end-markets

- Acquisitions provided +8.6% growth in Performance Coatings, mainly in North America and EMEA
- Strong volume growth in Commercial Vehicle and Industrial, partially offset by Refinish distribution-focused volume pressure in North America and stable Light Vehicle
- Refinish and Industrial increasing average prices; Light Vehicle average price is less negative in Q4 sequentially
- 3.5% favorable currency impact driven by stronger Euro

Cumulative Productivity Savings
(\$ millions)



Commercial

- Commercial process excellence
- Dynamic pricing and consistent terms
- Improved salesforce training / capability

Operations / Procurement / Technology

- Manufacturing support function review
- Technology organization restructuring
- Logistics and network optimization

SG&A

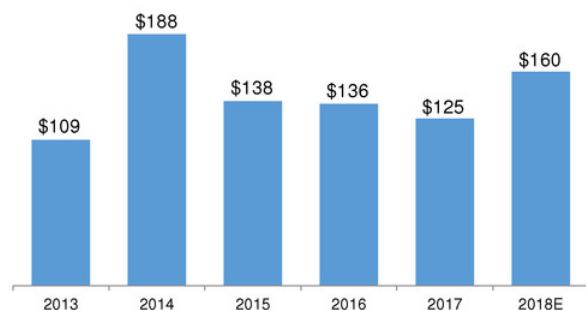
- Overhead expense reduction including step-up for inflation offset in 2018
- Salesforce coverage realignment
- Increased focus on functional cost layers

“A focused approach to doing business that drives profitability by improving our efficiency, productivity, and growth opportunities every day, wherever we do business”

Capital Expenditures

Capex by Year

(\$ millions)



Commentary

- Major Capex projects ongoing in 2017
 - ✓ Philadelphia – Global Innovation Center
 - ✓ Nanjing – Land & Authorizations
 - ✓ Jiading – WB Expansion
 - ✓ Savli – OEM Manufacturing & Laboratory
- Major Capex projects during 2018
 - ✓ Philadelphia – Global Innovation Center
 - ✓ Nanjing – Greenfield Expansion
 - ✓ Acquisitions – Integration & Expansion Projects

Effective Capital Allocation Should Drive Improved Returns



Return on Invested Capital (ROIC)

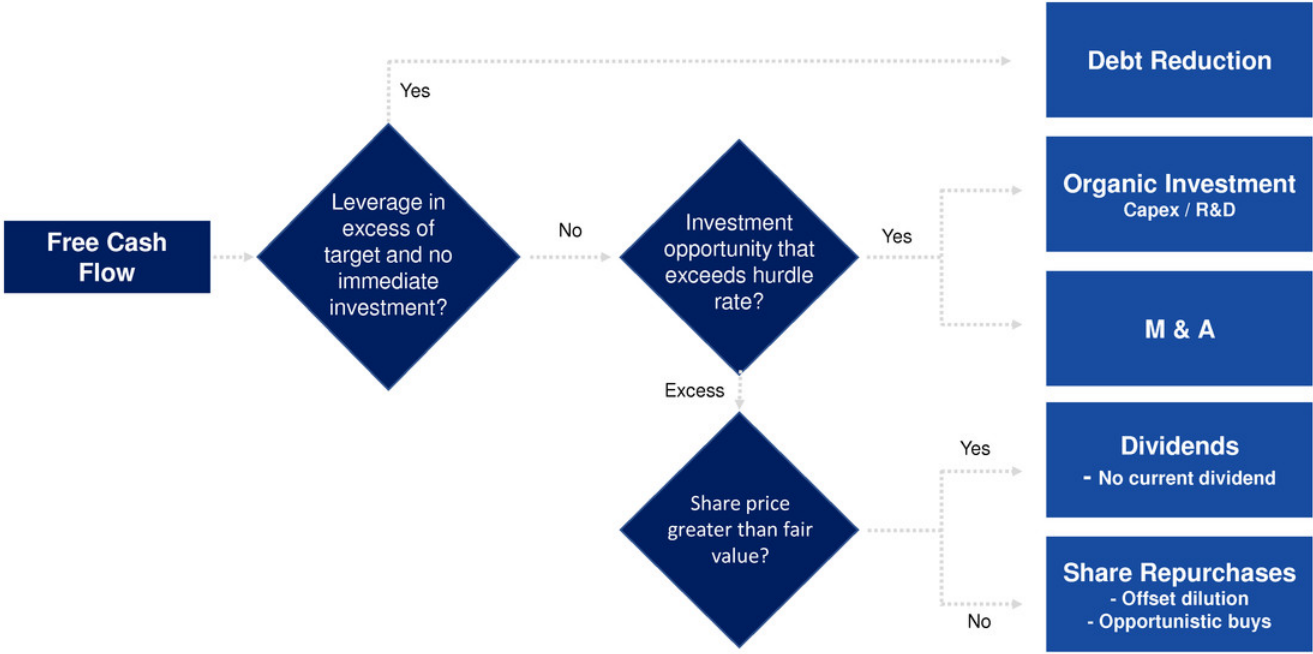
NOPAT ROIC (LTM)



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 2017

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



Debt and Liquidity Summary



Capitalization		
(\$ in millions)	@ 12/31/2017	Maturity
Cash and Cash Equivalents	\$770	
Debt:		
Revolver (\$400 million capacity)	-	2021
First Lien Term Loan (USD)	1,939	2024
First Lien Term Loan (EUR) ⁽¹⁾	469	2023
Total Senior Secured Debt	\$2,408	
Senior Unsecured Notes (USD)	491	2024
Senior Unsecured Notes (EUR) ⁽¹⁾	394	2024
Senior Unsecured Notes (EUR) ⁽¹⁾	529	2025
Capital Leases	54	
Other Borrowings	41	
Total Debt	\$3,916	
Total Net Debt⁽²⁾	\$3,146	
2017 Adjusted EBITDA	\$885	
Total Net Leverage⁽³⁾	3.6x	

(1) Assumes exchange rate of \$1.193 USD/Euro

(2) Total Net Debt = Total Debt minus Cash and Cash Equivalents

(3) Total Net Leverage = Total Net Debt / 2017 Adjusted EBITDA

Comments
<ul style="list-style-type: none"> ▪ Leverage ratio improvement compared to Q3 2017 due to... <ul style="list-style-type: none"> ✓ Cash build in the quarter ✓ Improved LTM EBITDA ...Partially offset by <ul style="list-style-type: none"> ✓ Higher Euro debt balances due to stronger Euro

Full Year 2018 Guidance



(\$ millions)	2017A	2018E
Net Sales	+7.0%	~8-9%
Net Sales, ex FX	+6.6%	~6-7%
Adjusted EBITDA	\$885	\$940-980
Interest Expense	\$147	~\$165
Tax Rate, As Adjusted	16.2%	19-21%
Free Cash Flow	\$415	\$420-460
<small>Cash flow from operations less capex</small>		
Capex	\$125	~\$160
D&A	\$348	~\$365
Diluted Shares (millions)	246	~249

Comments
<ul style="list-style-type: none"> Net sales growth includes incremental M&A contribution of ~3% from completed transactions in 2017 Adjusted EBITDA contribution driven by volume, price, acquisition contribution, and net productivity Margin headwind from input cost inflation, offset largely by price and cost actions 2018 tax rate, as adjusted, benefits slightly from U.S. Tax Reform; 2017 Tax rate benefited from 4.1% on stock comp windfall benefits not forecasted for 2018 Free cash flow growth primarily from Adjusted EBITDA growth offset slightly from Capex, severance, and Euro and variable interest headwinds Capex predominately for growth and high-IRR productivity projects



Performance Coatings: Refinish

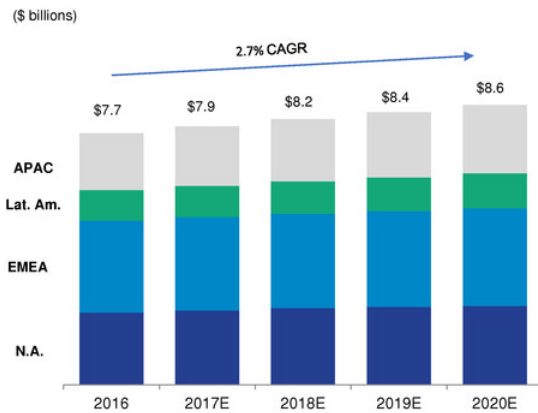
AXALTA COATING SYSTEMS



The Global Refinish Market Is Growing



Projected Industry Sales



Source: Orr & Boss; Axalta estimates

Key Market Trends

- Growing car fleet, miles driven, and accident rates
- Globally stable competitive dynamics
- Body shop consolidation & professionalization
- Environmental regulation drives high-productivity coatings adoption

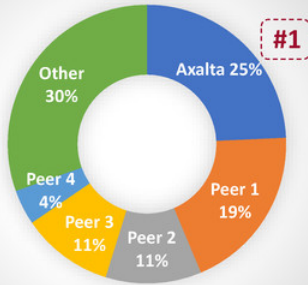
Axalta's Strategies For Growth

- Extend leadership position in premium segments
- Increase share in under-represented markets
- Expand mainstream and economy products
- Leverage customer consolidation trends
- Focus on expanding our distribution partnerships

Axalta Has A Very Strong Position In Refinish Globally

Global Share Position

Refinish Industry Sales: ~\$7.7 billion



Source: Orr & Boss (2016); Axalta estimates

Axalta Global Refinish Dynamics

EMEA

- Strong heritage through 1999 Herberts acquisition
- Diverse region with both mature and developing markets
- Leading waterborne coatings adoption

NA

- MSOs gaining share and Axalta benefits directly
- Continued strong core products serve the entire collision market
- Leading VOC-compliant products meet environmental regulation shifts

APAC

- Chinese car parc drives growth for region
- Significant OEM influence in collision repair industry
- Opportunity for growth in mainstream and economy product lines

Lat Am

- Mexico and Brazil represent Axalta's largest markets
- Economy segment represents growth opportunity longer-term
- Strong local manufacturing base for Axalta products

The Refinish Process At A Glance













Customer Satisfaction Depends on Quick, High-Quality, Cost-Effective Repairs



Performance Coatings: Industrial Coatings

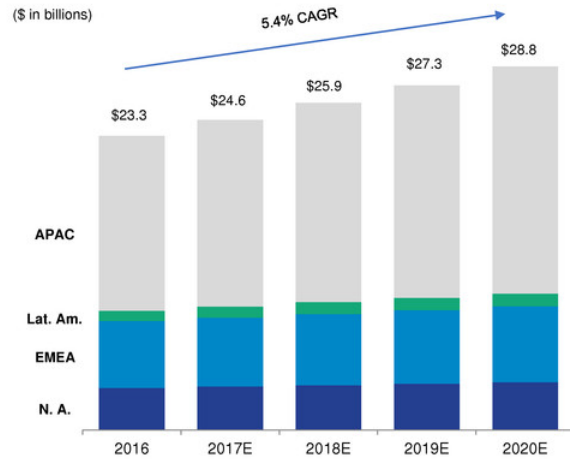
AXALTA COATING SYSTEMS

				
Wood	Powder Coatings	Coil	Energy Solutions	Industrial Coating Systems
POWDER	<div></div>			
LIQUID				
E-COAT				
#2	North America Wood Coatings Supplier	Global Supplier of Powder Coatings	Global Supplier to the Electrical Insulation Sector	Global Supplier of Industrial E-Coat

The Industrial Coatings Market



Projected Industry Sales



Source: Orr & Boss; Axalta estimates

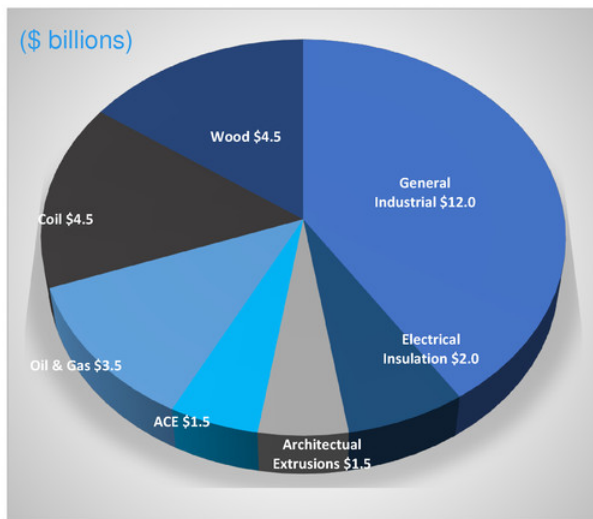
Strategies For Growth

- **Wood:** Expand product line, channel access; expand segments (furniture, distribution); broaden geographic reach
- **Powder Coatings:** Expand distribution and marketing channels; Expand color range to compete with liquid alternatives; build metallic capability to world class level
- **Electrical Insulation Systems (EIS):** Continue to build global capability; extend into mainstream markets; target attractive sub-segments; add product lines (i.e. compounds, lubricants)
- **General Industrial:** Accelerate globalization of acquired liquid products and niche markets; develop industry leadership in key value-added coatings; win approvals in agriculture, construction and earthmoving (ACE) markets
- **Coil:** A top 4 player in U.S. market; globalize; focus on value-added premium segments

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



Currently Served Sub-Markets



*Coil and Wood North America only

Market Drivers

Volume growth driven by global GDP and Industrial Production

- China drives >40% of global industrial coatings consumption
- Building construction is a key driver

Coatings suppliers are consolidating

- Driven by scale advantages and globalization; some niches remain fragmented

Technology innovation is a catalyst for growth

- Global increase in demand for electric vehicles, alternative energy sources, and environmentally friendly coatings across all end user segments

Customers are globalizing

- Local product must meet global specifications consistently

Global infrastructure growth is driving demand

- High temperature resistance required for energy applications
- Demand for electrical insulation products linked to infrastructure
- Increased construction in developing markets

Oil and gas pipeline expansion

- Boost in pipeline construction to connect existing infrastructure



Glass Coating Anti-Shatter



Hydropon™



Alesta® Lync



Matte Clear technology



Voltahyd 2250 waterborne series



ICONICA Collection

Monumental 2017 Wins



Transbay Transit Center



Decor Cabinet Company



Amazon warehouse



Philharmonie De Paris Concert Hall



Lucid Motors

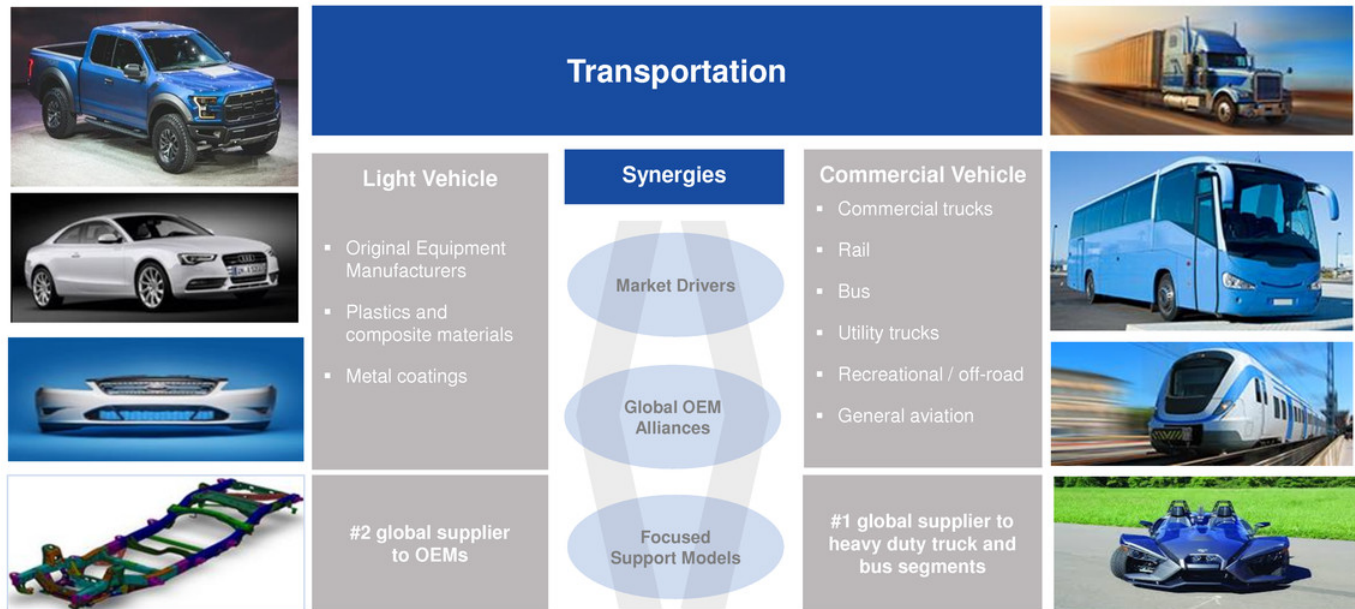


Qualiform Metals

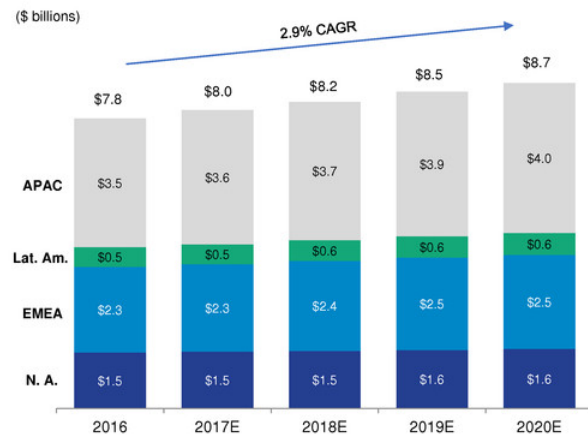


Transportation Coatings Overview

AXALTA COATING SYSTEMS

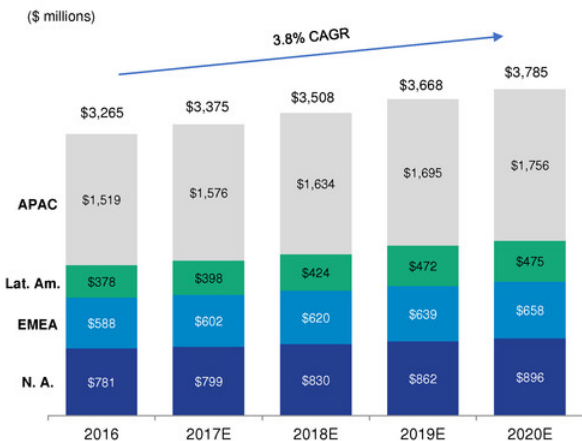


Projected Industry Sales: Light Vehicle



Source: Orr & Boss; Axalta estimates

Projected Industry Sales: Commercial Vehicle



Source: Orr & Boss; Axalta estimates



The global transportation market is projected to grow ~2.9% CAGR through 2020

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



Axalta is a leading global OEM coatings provider

- 17% 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

- Technology & innovation progress underlies our strategy
- Building capability and footprint in high growth regions
- Expanding global brand strategy
- Solidifying global account management



Progress to date has been strong

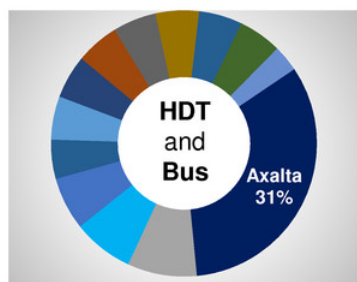
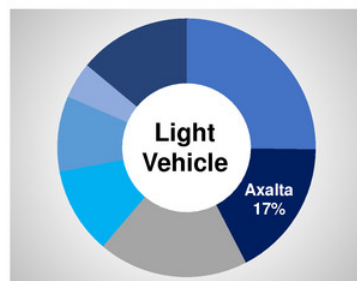
- Showing results to date through business wins and global launches
- Significant improvement in profit contribution from restructuring
- Capacity investments to support growth in all regions

Key Market Trends



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

Global Share



Significant Progress Made...

- Successfully added share with existing customers
- Added significant business in China since carve-out
- Added interior coatings to portfolio
- Reduced cost structure substantially in lower margin areas
- Numerous capacity investments addressed bottlenecks
- Began implementation of Lean Enterprise

...But Opportunities Still Remain

- Must continue to align technology with customer needs in key target areas
- Axalta needs to continue to refine cost structure to meet future challenges
- Opportunity remains to penetrate underserved customers
- Axalta must focus on both quality and productivity to maximize returns



APPENDIX

Adjusted EBITDA Reconciliation

Note: Numbers might not foot due to rounding.

(\$ in millions)	FY 2017	FY 2016	Q4 2017	Q4 2016
Net Income (loss)	\$48	\$45	(56)	(35)
Interest Expense, net	147	178	38	37
Provision for Income Taxes	142	38	120	15
Depreciation & Amortization	347	322	92	87
Reported EBITDA	\$684	\$583	\$194	\$104
A Debt extinguishment and refinancing related costs	14	98	1	13
B Foreign exchange remeasurement (gains) losses	7	31	(1)	1
C Long-term employee benefit plan adjustments	1	2	1	(1)
D Termination benefits and other employee related costs	35	62	29	37
E Consulting and advisory fees	(1)	10	-	2
F Transition-related costs	8	-	2	-
G Offering and transactional costs	18	6	12	2
H Stock-based compensation	39	41	8	10
I Other adjustments	4	5	-	(1)
J Dividends in respect of noncontrolling interest	(3)	(3)	(1)	-
K Deconsolidation impacts and impairments	79	68	-	58
Total Adjustments	\$201	\$319	\$51	\$121
Adjusted EBITDA	\$885	\$902	\$245	\$225

Adjusted EBITDA Reconciliation (cont'd)



- A. During FY 2017, Q4 2016 and FY 2016 we refinanced our indebtedness, resulting in losses of \$13 million, \$10 million and \$88 million, respectively. During Q4 2017, FY 2017, Q4 2016 and FY 2016 we prepaid outstanding principal on our term loans, resulting in non-cash extinguishment losses of \$1 million, \$1 million, \$3 million and \$10 million, respectively. We do not consider these items to be indicative of our ongoing operating performance.
- B. Eliminates foreign exchange gains and losses resulting from the remeasurement of assets and liabilities denominated in foreign currencies, net of impacts of our foreign currency instruments used to hedge our balance sheet exposures. Exchange effects attributable to the remeasurement of our Venezuelan subsidiary represented losses of zero and \$2 million for Q4 2017 and FY 2017, respectively, and gains of \$1 million and losses of \$24 million for Q4 2016 and FY 2016, respectively.
- C. Eliminates the non-cash, non-service components of long-term employee benefit costs.
- D. Represents expenses primarily related to employee termination benefits and other employee-related costs associated with our Axalta Way initiatives, which are not considered indicative of our ongoing operating performance.
- E. Represents fees paid to consultants, and associated true-ups to estimates, for professional services primarily related to our Axalta Way initiatives, which are not considered indicative of our ongoing operating performance.
- F. Represents integration costs related to the acquisition of the Industrial Wood business that was a carve-out business from Valspar, which are not considered indicative of our ongoing operating performance.
- G. Represents acquisition-related expenses, including changes in the fair value of contingent consideration, as well as \$10 million of costs associated with contemplated merger activities during the Q4 2017 and costs associated with the 2016 secondary offerings of our common shares by Carlyle, all of which are not considered indicative of our ongoing operating performance.
- H. Represents non-cash costs associated with stock-based compensation.
- I. Represents costs for certain non-operational or non-cash (gains) and losses unrelated to our core business and which we do not consider indicative of ongoing operations, including 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 business combinations.
- J. Represents the payment of dividends to our joint venture partners by our consolidated entities that are not wholly owned, which are reflected to show cash operating performance of these entities on Axalta's financial statements.
- K. During FY 2017, we recorded a loss in conjunction with the deconsolidation of our Venezuelan subsidiary of \$71 million. During Q4 2016 and FY 2016, we recorded non-cash impairments at our Venezuela subsidiary of \$58 million and \$68 million, respectively, associated with our operational long-lived assets and a real estate investment. Additionally, during FY 2017, we recorded non-cash impairment charges related to certain manufacturing facilities previously announced for closure of \$8 million. We do not consider these to be indicative of our ongoing operating performance.



Thank you!

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