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 25, 2018

AXALTA COATING SYSTEMS LTD.

(Exact name of registrant as specified in its charter)

Bermuda	001-36733	98-1073028
(State or other jurisdiction of incorporation)	(Commission File Number)	(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 Rule12b-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 2.02. Results of Operations and Financial Condition.

On July 25, 2018, 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, 2018. 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, 2018, scheduled to be webcast at 8:00 A.M. on July 26, 2018, Axalta presents, and will present, certain non-GAAP financial measures. Axalta management believes that presenting these non-GAAP financial measures provides meaningful information to investors in understanding operating results and may enhance investors’ ability to analyze financial and business trends. In addition, Axalta management believes that these non-GAAP financial measures allow investors to compare period to period results more easily by excluding items that could have a disproportionately negative or positive impact on results in any particular period. Non-GAAP measures are not a substitute for GAAP measures and should be considered together with the GAAP financial measures. Axalta's 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 July 25, 2018
99.2	Second Quarter Ended June 30, 2018 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 25, 2018	By:	/s/ Robert W. Bryant
			Robert W. Bryant
			Executive Vice President & Chief Financial Officer

Exhibit 99.1

News Release

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

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Immediate Release

Axalta Releases Second Quarter 2018 Results

Second Quarter 2018 Highlights:

- Net sales of $1,206.5 million increased 10.8% year-over-year including acquisition contribution of 5.6%
- Net income attributable to Axalta of $74.9 million versus a net loss of $20.8 million in Q2 2017; Adjusted net income attributable to Axalta of $87.1 million versus $75.4 million in Q2 2017
- Adjusted EBITDA of $247.6 million versus $227.2 million in Q2 2017
- Ramped up share repurchases in Q2; $100.5 million repurchased at a weighted average price of $30.73
- General business conditions consistent with first quarter; consolidated price recapture sequentially improved, led by Performance Coatings segment

PHILADELPHIA, PA, July 25, 2018 - Axalta Coating Systems Ltd. (NYSE:AXTA) ("Axalta"), a leading global coatings company, announced its financial results for the second quarter ended June 30, 2018.

Second Quarter 2018 Consolidated Financial Results

Second quarter net sales of $1,206.5 million increased 10.8% year-over-year, driven by volume growth of 6.5% primarily from acquisition contribution, 1.9% higher average selling prices and a 2.4% foreign currency benefit. Second quarter net sales growth was positive in all regions and average prices increased in all regions except Asia Pacific, which was largely impacted by lower average price in Light Vehicle in China.

Net income attributable to Axalta was $74.9 million for the second quarter compared with a net loss attributable to Axalta of $20.8 million in Q2 2017. The increase was primarily driven by the absence of the Venezuela deconsolidation and lower refinancing charges in 2018 versus 2017. Second quarter adjusted net income attributable to Axalta of $87.1 million increased 15.5% versus $75.4 million in Q2 2017.

Adjusted EBITDA of $247.6 million for the second quarter increased 9.0% versus $227.2 million in Q2 2017. This result was driven by contribution from positive price and product mix, acquisitions, modest benefit from foreign currency translation, and slightly lower net operating costs. These factors were partially offset by higher raw material costs against a challenging prior year comparison that was still fairly inflation neutral.

"Second quarter results demonstrated performance meeting Axalta's expectations, which came despite several one-time impacts including Light Vehicle production interruptions caused by non-paint supplier issues, a general strike in Brazil and costs associated with Axalta's footprint realignment in Europe," said Charles W. Shaver, Axalta's Chairman and Chief Executive Officer. "Importantly, results also provided evidence of continued price recapture in key areas of the business. The second quarter benefited from fundamental global demand stability underlying our end-markets. Still, moderating GDP forecasts and modest reductions in Light Vehicle build expectations in several regions could be more significant factors in the second half of 2018. Also, the ongoing impact of cost inflation persisted in the second quarter, and we are working actively to adjust for this with structural cost reduction, as well as working with our customers to enable price pass through, which is required to support ongoing customer service and innovation."

Performance Coatings Results

Performance Coatings second quarter net sales were $784.5 million, an increase of 18.3% year-over-year driven by 6.2% organic sales growth, acquisition contribution of 9.2% and a 2.9% foreign currency benefit. Refinish end-market net sales increased 6.1% to $447.1 million in Q2 2018 (increased 3.4% excluding foreign currency) with significantly positive pricing offset by slightly lower volume, while Industrial end-market net sales increased 39.6% to $337.4 million (increased 36.3% excluding foreign currency) including acquisition contribution, positive pricing and double digit organic volume growth.

The Performance Coatings segment generated Adjusted EBITDA of $176.5 million in the second quarter, a year-over-year increase of 20.2%. Positive price and product mix, contribution from acquisitions, and modest foreign currency benefits were offset partly by higher raw material costs and slightly higher expenses to support sales growth in Refinish. Second quarter segment Adjusted EBITDA margin of 22.5% was slightly higher than 22.1% in the prior year.

Transportation Coatings Results

Transportation Coatings net sales were $422.0 million in Q2 2018, a decrease of 0.8% year-over-year including a 1.6% foreign currency benefit and flat volume, offset by 2.6% lower price and product mix.

Light Vehicle net sales decreased 1.5% to $329.4 million year-over-year (decreased 3.1% excluding foreign currency), driven by lower average prices due to concessions made with select customers largely in 2017 and adverse product mix changes on flat volume. Commercial Vehicle net sales increased 1.4% to $92.6 million versus last year (increased 0.2% excluding foreign currency), driven by continued strong overall volumes in all regions except Europe and largely flat average price and product mix.

Transportation Coatings generated Adjusted EBITDA of $71.1 million in Q2 2018, a decrease of 11.6% versus Q2 2017, driven by impacts of higher raw material cost as well as lower average price and product mix, offset partly by lower operating costs. Segment Adjusted EBITDA margin of 16.8% in Q2 2018 compared with 18.9% in Q2 2017.

Balance Sheet and Cash Flow Highlights

We ended the quarter with cash and cash equivalents of $551.1 million. Our debt, net of cash, was $3.3 billion as of June 30, 2018, compared to $3.4 billion at March 31, 2018. Axalta repurchased 3.3 million shares of its common stock in the second quarter of 2018 for total consideration of $100.5 million.

Second quarter operating cash flow totaled $142.0 million versus $98.8 million in the corresponding quarter of 2017, reflecting stronger operating results. Free cash flow, calculated as operating cash flow less capital expenditures, totaled $106.9 million after capital expenditures of $35.1 million compared to $73.7 million after capital expenditures of $25.1 million in the second quarter of 2017.

“Axalta's second quarter results were strong, witnessed in double digit growth in net sales and high single digit growth in Adjusted EBITDA year-over-year,” said Robert W. Bryant, Axalta’s Executive Vice President and Chief Financial Officer. “That said, we remain highly focused on a combination of passing through price increases as needed to offset substantial cost inflation across our businesses, while also executing ongoing productivity savings in order to enhance near-term corporate margin stability. Our initiatives thus far in 2018 are bearing fruit, but we are doubling down on certain cost measures needed to offset increasing cost inflation pressures including raw materials, transportation, logistics and packaging. Our updated guidance reflects somewhat reduced tailwinds from foreign exchange. Additionally, we note the potential impact within our existing guidance range from possibly higher overall cost inflation and modestly lower Light Vehicle build rates, as well as uncertain price recapture assumptions in Transportation Coatings. We have also incorporated the effect of greater share repurchases undertaken versus prior periods.”

2018 Guidance Update

We are updating our previous outlook for the full year 2018 as follows:

- Net sales growth of 8-9% as-reported; 6-7% ex-FX, including acquisition contribution of 3%
- Adjusted EBITDA range of $950-980 million
- Interest expense of ~$165 million
- Income tax rate, as adjusted, of 19-21%
- Free cash flow range of $420-460 million
- Capital expenditures of ~$160 million
- Depreciation and amortization of ~$370 million
- Diluted shares outstanding of ~244 million

Conference Call Information

As previously announced, Axalta will hold a conference call to discuss its second quarter 2018 financial results on Thursday, July 26th, at 8:00 a.m. ET. 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://axalta.com/investorcall. For those unable to participate in the conference call, a replay will be available through August 2, 2018. The U.S. replay dial-in phone number is (844) 512-2921 and the international replay dial-in number is +1 (412) 317-6671. The replay passcode is 1368 1568.

Cautionary Statement Concerning Forward-Looking Statements

This release may contain certain forward-looking statements regarding Axalta and its subsidiaries including our 2018 full year outlook, which includes net sales growth, currency effects, acquisition contribution, Adjusted EBITDA, interest expense, income tax rate, as adjusted, free cash flow, capital expenditures, depreciation and amortization, and diluted shares outstanding. 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. More information on potential factors that could affect Axalta's financial results is available in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" section within Axalta's most recent annual report on Form 10-K, and in other documents that we have filed with, or furnished to, the U.S. Securities and Exchange Commission. 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-cash items included within net income, (ii) items Axalta does not believe are indicative of ongoing operating performance or (iii) nonrecurring or infrequent items that Axalta believes are not reasonably likely to recur within the next two years or we believe are not reasonably likely to recur within the next two years. We believe that making such adjustments provides investors meaningful information to understand our operating results and ability to analyze financial and business trends on a period-to-period basis. Adjusted net income shows the adjusted value of net income (loss) attributable to controlling interests after removing the items that are determined by management to be items that we do not consider indicative of our ongoing operating performance or unusual or nonrecurring in nature. Our use of the terms 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. Axalta does not provide a reconciliation for non-GAAP estimates for constant currency net sales growth, Adjusted EBITDA, income tax rate, as adjusted, or free cash flow on a forward-looking basis because the information necessary to calculate a meaningful or accurate estimation of reconciling items is not available without unreasonable effort. For example, such reconciling items include the impact of foreign currency exchange gains or losses, gains or losses that are unusual or nonrecurring in nature, as well as discrete taxable events. We cannot estimate or project these items and they may have a substantial and unpredictable impact on our 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.

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 14,000 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 axalta.com and follow us @axalta on Twitter.

Financial Statement Tables

AXALTA COATING SYSTEMS LTD.

Condensed Consolidated Statements of Operations (Unaudited)

(In millions, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Net sales	$ 1,206.5	$ 1,088.5	$ 2,372.3	$ 2,096.3
Other revenue	5.7	6.1	11.9	12.0
Total revenue	1,212.2	1,094.6	2,384.2	2,108.3
Cost of goods sold	793.8	690.0	1,569.8	1,331.4
Selling, general and administrative expenses	224.6	246.0	452.4	470.6
Venezuela deconsolidation charge	—	70.9	—	70.9
Research and development expenses	18.0	16.4	37.3	32.0
Amortization of acquired intangibles	29.3	23.8	58.2	45.5
Income from operations	146.5	47.5	266.5	157.9
Interest expense, net	39.3	35.6	78.7	71.4
Other expense, net	8.1	21.3	5.9	20.1
Income (loss) before income taxes	99.1	(9.4)	181.9	66.4
Provision for income taxes	22.0	9.5	33.8	19.4
Net income (loss)	77.1	(18.9)	148.1	47.0
Less: Net income attributable to noncontrolling interests	2.2	1.9	3.3	3.7
Net income (loss) attributable to controlling interests	$ 74.9	$ (20.8)	$ 144.8	$ 43.3
Basic net income (loss) per share	$ 0.31	$ (0.09)	$ 0.60	$ 0.18
Diluted net income (loss) per share	$ 0.31	$ (0.09)	$ 0.59	$ 0.18
Basic weighted average shares outstanding	240.3	240.9	240.6	240.4
Diluted weighted average shares outstanding	244.6	240.9	245.2	246.5

AXALTA COATING SYSTEMS LTD.

Condensed Consolidated Balance Sheets (Unaudited)

(In millions, except per share data)

	June 30, 2018	December 31, 2017
Assets		
Current assets:		
Cash and cash equivalents	$ 551.1	$ 769.8
Restricted cash	2.7	3.1
Accounts and notes receivable, net	974.5	870.2
Inventories	599.9	608.6
Prepaid expenses and other	129.5	63.9
Total current assets	2,257.7	2,315.6
Property, plant and equipment, net	1,340.3	1,388.6
Goodwill	1,241.6	1,271.2
Identifiable intangibles, net	1,409.1	1,428.2
Other assets	447.5	428.6
Total assets	$ 6,696.2	$ 6,832.2
Liabilities, Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 537.7	$ 554.9
Current portion of borrowings	39.9	37.7
Other accrued liabilities	416.3	489.6
Total current liabilities	993.9	1,082.2
Long-term borrowings	3,842.2	3,877.9
Accrued pensions	267.7	279.1
Deferred income taxes	155.9	152.9
Other liabilities	30.6	32.3
Total liabilities	5,290.3	5,424.4
Commitments and contingencies		
Shareholders' equity		
Common shares, $1.00 par, 1,000.0 shares authorized, 246.0 and 243.9 shares issued at June 30, 2018 and December 31, 2017, respectively	244.5	242.4
Capital in excess of par	1,384.5	1,354.5
Retained earnings (Accumulated deficit)	136.3	(21.4)
Treasury shares, at cost 5.4 and 2.0 shares at June 30, 2018 and December 31, 2017	(162.2)	(58.4)
Accumulated other comprehensive loss	(299.6)	(241.0)
Total Axalta shareholders' equity	1,303.5	1,276.1
Noncontrolling interests	102.4	131.7
Total shareholders' equity	1,405.9	1,407.8
Total liabilities and shareholders' equity	$ 6,696.2	$ 6,832.2

AXALTA COATING SYSTEMS LTD.

Condensed Consolidated Statements of Cash Flows (Unaudited)

(In millions)

	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017
Operating activities:		
Net income	$ 148.1	$ 47.0
Adjustment to reconcile net income to cash used for operating activities:		
Depreciation and amortization	182.1	167.3
Amortization of deferred financing costs and original issue discount	3.9	4.2
Debt extinguishment and refinancing related costs	8.4	12.4
Deferred income taxes	4.0	(12.9)
Realized and unrealized foreign exchange (gains) losses, net	6.1	(2.4)
Stock-based compensation	18.1	21.3
Asset impairments	—	3.2
Loss on deconsolidation of Venezuela	—	70.9
Other non-cash, net	3.5	2.8
Changes in operating assets and liabilities:		
Trade accounts and notes receivable	(133.5)	(128.9)
Inventories	(31.8)	(5.1)
Prepaid expenses and other	(59.7)	(60.9)
Accounts payable	37.0	(6.3)
Other accrued liabilities	(60.6)	(13.4)
Other liabilities	(4.6)	(5.1)
Cash provided by operating activities	121.0	94.1
Investing activities:		
Acquisitions	(78.2)	(533.3)
Investment in non-controlling interest	(26.9)	—
Purchase of property, plant and equipment	(74.6)	(57.4)
Reduction of cash due to Venezuela deconsolidation	—	(4.3)
Other investing activities	5.3	(0.3)
Cash used for investing activities	(174.4)	(595.3)
Financing activities:		
Proceeds from long-term borrowings	468.9	456.4
Payments on short-term borrowings	(23.0)	(4.4)
Payments on long-term borrowings	(498.5)	(6.1)
Financing-related costs	(4.5)	(8.9)
Dividends paid to noncontrolling interests	(1.0)	(0.9)
Purchase of treasury stock	(103.8)	(8.3)
Proceeds from option exercises	10.5	12.9
Deferred acquisition-related consideration	(5.9)	(3.4)
Cash provided by (used for) financing activities	(157.3)	437.3
Decrease in cash	(210.7)	(63.9)
Effect of exchange rate changes on cash	(8.4)	10.8
Cash at beginning of period	772.9	538.1
Cash at end of period	$ 553.8	$ 485.0
Cash at end of period reconciliation:		
Cash and cash equivalents	$ 551.1	$ 482.1
Restricted cash	2.7	2.9
Cash at end of period	$ 553.8	$ 485.0

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,	
	2018	2017	2018	2017
Net income (loss)	$ 77.1	$ (18.9)	$ 148.1	$ 47.0
Interest expense, net	39.3	35.6	78.7	71.4
Provision for income taxes	22.0	9.5	33.8	19.4
Depreciation and amortization	90.2	84.9	182.1	167.3
EBITDA	228.6	111.1	442.7	305.1
Debt extinguishment and refinancing related costs (a)	8.4	12.4	8.4	12.4
Foreign exchange remeasurement losses (b)	1.7	6.0	1.7	4.8
Long-term employee benefit plan adjustments (c)	(0.5)	0.1	(1.0)	0.5
Termination benefits and other employee related costs (d)	(0.9)	—	(2.2)	0.8
Consulting and advisory fees (e)	—	—	—	(0.1)
Transition-related costs (f)	—	3.9	(0.2)	3.9
Offering and transactional costs (g)	0.1	6.6	0.3	5.6
Stock-based compensation (h)	9.7	10.9	18.1	21.3
Other adjustments (i)	0.5	2.6	0.8	2.8
Dividends in respect of noncontrolling interest (j)	—	(0.5)	(1.0)	(0.9)
Deconsolidation impacts and impairments (k)	—	74.1	—	74.1
Adjusted EBITDA	$ 247.6	$ 227.2	$ 467.6	$ 430.3

(a) During both the three and six months ended June 30, 2018 and 2017 we refinanced our term loans, which resulted in losses of $8.4 million and $12.4 million, respectively. We do not consider these to be indicative of our ongoing operating performance.

(b) Eliminates foreign exchange losses resulting from the remeasurement of assets and liabilities denominated in foreign currencies, net of the impacts of our foreign currency instruments used to hedge our balance sheet exposures.

(c) Eliminates the non-cash, non-service cost components of long-term employee benefit costs.

(d) Represents expenses and associated changes to estimates 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 expenses and associated changes 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 and associated changes to estimates related to the 2017 acquisition of the Industrial Wood business that was a carve-out business from Valspar. These amounts are not considered indicative of our ongoing operating performance.

(g) Represents acquisition-related expenses, including changes in the fair value of contingent consideration, which are not considered indicative of our ongoing operating performance.

(h) Represents non-cash costs associated with stock-based compensation.

(i) Represents 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 indemnity losses associated with the acquisition by Axalta of the DuPont Performance Coatings business, gains and losses from the sale and disposal of property, plant and equipment, from the remaining foreign currency derivative instruments and from 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 100% owned, which are reflected to show the cash operating performance of the entities on Axalta's financial statements.

(k) In conjunction with the deconsolidation of our Venezuelan subsidiary during the three and six months ended June 30, 2017, we recorded a loss on deconsolidation of $70.9 million. During the three and six months ended June 30, 2017 we recorded non-cash impairment charges related to a manufacturing facility previously announced for closure of $3.2 million. We do not consider these to be indicative of our ongoing operating performance.

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,	
	2018	2017	2018	2017
Net income (loss)	$ 77.1	$ (18.9)	$ 148.1	$ 47.0
Less: Net income attributable to noncontrolling interests	2.2	1.9	3.3	3.7
Net income (loss) attributable to controlling interests	74.9	(20.8)	144.8	43.3
Debt extinguishment and refinancing related costs (a)	8.4	12.4	8.4	12.4
Foreign exchange remeasurement losses (b)	1.7	6.0	1.7	4.8
Termination benefits and other employee related costs (c)	(0.9)	—	(2.2)	0.8
Consulting and advisory fees (d)	—	—	—	(0.1)
Transition-related costs (e)	—	3.9	(0.2)	3.9
Offering and transactional costs (f)	0.1	6.6	0.3	5.6
Deconsolidation impacts and impairments (g)	—	76.7	—	78.9
Other (h)	—	2.6	—	2.6
Total adjustments	9.3	108.2	8.0	108.9
Income tax (benefit) provision impacts (i)	(2.9)	12.0	0.3	13.7
Adjusted net income	$ 87.1	$ 75.4	$ 152.5	$ 138.5
Diluted adjusted net income per share	$ 0.36	$ 0.31	$ 0.62	$ 0.56
Diluted weighted average shares outstanding (1)	244.6	246.8	245.2	246.5

(1) For the three months ended June 30, 2017, represents what diluted shares would have been compared to the 240.9 million diluted shares, as reported, if the period had been in a net income position versus the reported loss.

(a) During both the three and six months ended June 30, 2018 and 2017 we refinanced our term loans, which resulted in losses of $8.4 million and $12.4 million, respectively. We do not consider these to be indicative of our ongoing operating performance.

(b) Eliminates foreign exchange losses resulting from the remeasurement of assets and liabilities denominated in foreign currencies, net of the impacts of our foreign currency instruments used to hedge our balance sheet exposures.

(c) Represents expenses and associated changes to estimates 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.

(d) Represents expenses and associated changes to estimates for professional services primarily related to our Axalta Way initiatives, which are not considered indicative of our ongoing operating performance.

(e) Represents integration costs and associated changes to estimates related to the 2017 acquisition of the Industrial Wood business that was a carve-out business from Valspar. We do not consider these items to be indicative of our ongoing operating performance.

(f) Represents acquisition-related expenses, including changes in the fair value of contingent consideration, which are not considered indicative of our ongoing operating performance.

(g) In conjunction with the deconsolidation of our Venezuelan subsidiary during the three and six months ended June 30, 2017, we recorded a loss on deconsolidation of $70.9 million. During the three and six months ended June 30, 2017, we recorded non-cash impairment charges related to a manufacturing facility previously announced for closure of $3.2 million and an abandoned research and development asset of $0.5 million. In connection with the manufacturing facilities announced for closure, we recorded accelerated depreciation of $2.1 million and $4.3 million for the three and six months ended June 30, 2017, respectively. We do not consider these to be indicative of our ongoing operating performance.

(h) Represents costs for non-cash fair value inventory adjustments associated with our business combinations, which are not considered indicative of our ongoing operating performance.

(i) The income tax impacts are determined using the applicable rates in the taxing jurisdictions in which expense or income occurred and includes both current and deferred income tax expense (benefit) based on the nature of the non-GAAP performance measure. Additionally, the income tax impact includes the removal of discrete income tax impacts within our effective tax rate which were benefits of $0.1 million and $1.8 million for the three and six months ended June 30, 2018, respectively. There were no discrete items removed from our income tax expense for the three and six months ended June 30, 2017.

Exhibit 99.2

AXALTA

Q2 2018 Financial Results

July 26, 2018

AXALTA COATING SYSTEMS

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 our 2018 financial projections, which include 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, contributions from acquisitions, 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 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2018.

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, Adjusted Net Income, 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. 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 items that we do not consider indicative of our ongoing operating performance unusual or nonrecurring in nature. Our use of the terms net sales excluding FX, Adjusted Net Income, 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, Adjusted Net Income, 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, Adjusted Net Income, 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, Adjusted Net Income, 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.

Q2 2018 Highlights

- **Q2 2018 financial results**
  - Net sales of $1,206.5 million up 10.8% YoY; acquisition contribution of 5.6%
  - Net income (attributable to Axalta) of $74.9 million versus a loss of $20.8 million in Q2 2017
  - Adjusted net income of $87.1 million versus $75.4 million in Q2 2017
  - Adjusted EBITDA of $247.6 million versus $227.2 million in Q2 2017
- **End-market observations**
  - Refinish: Continued price momentum; mid single-digit YoY increase
  - Industrial: Double-digit organic growth; significant acquisition-driven growth; ongoing positive price contribution
  - Light Vehicle: Flat overall volumes, including one-time customer production interruptions; inflation offsets not yet accomplished
  - Commercial Vehicle: Consistent global trends; robust global demand continues
  - Continued productivity savings from Axalta Way on track
- **Balance sheet & cash flow highlights**
  - Operating cash flow of $142.0 million versus $98.8 million in Q2 2017
  - Free cash flow of $106.9 million versus $73.7 million in Q2 2017
- **Capital deployment update**
  - Ramped up share repurchases in Q2; $100.5 million repurchased at a weighted average price of $30.73

Q2 Consolidated Results

Financial Performance

($ in million)	Q2 2018	Q2 2017	% Change Incl. F/X	% Change Excl. F/X
Performance	785	663	18.3 %	15.4 %
Transportation	422	426	(0.8)%	(2.4)%
Net Sales	1,207	1,089	10.8 %	8.4 %
Net Income (Loss) [(1)]	75	(21)		
Adjusted EBITDA	248	227	9.0 %	

(1) Represents Net Income (loss) attributable to controlling interests

Net Sales Variance

Commentary

Double-digit net sales growth; positive price-mix momentum

- Acquisitions contributed 5.6% to growth, largely from Industrial
- Continued price momentum in Refinish and Industrial; Light Vehicle average price remains static; recapture efforts continuing
- 2.4% favorable currency impact principally driven by stronger Euro
- Strong volume growth in Industrial and consistent volume in Commercial and Light Vehicle, partially offset by Refinish

Q2 Performance Coatings Results

Financial Performance

($ in million)	Q2 2018	Q2 2017	% Change Incl. F/X	% Change Excl. F/X
Refinish	447	421	6.1%	3.4%
Industrial	337	242	39.6%	36.3%
Net Sales	785	663	18.3%	15.4%
Adjusted EBITDA	177	147	20.2%	
% margin	*22.5%*	*22.1%*		

Net Sales Variance

Commentary

Strong net sales growth driven by acquisition contribution, solid Industrial organic growth, and accelerated pricing

- Double-digit Industrial volume growth; Refinish volumes lower as expected
- 9.2% growth from acquisitions
- Positive price contribution across both end-markets and in all regions
- 2.9% currency tailwind led by strong Euro and Renminbi

Adjusted EBITDA margin slightly higher

- Margin slightly higher led by positive pricing; offset partially by raw material inflation

Q2 Transportation Coatings Results

Financial Performance

($ in million)	Q2 2018	Q2 2017	% Change Incl. F/X	% Change Excl. F/X
Light Vehicle	329	334	(1.5)%	(3.1)%
Commercial Vehicle	93	91	1.4 %	0.2 %
Net Sales	422	426	(0.8)%	(2.4)%
Adjusted EBITDA	71	80	(11.6)%	
% margin	*16.8%*	*18.9%*		

Net Sales Variance

Commentary

Net sales impacted by price-mix, including customer specific production impacts

- Light Vehicle volume decline in North America offset partially by growth in other regions
- Volumes somewhat pressured by temporary production interruptions at select OEM plants
- Ongoing discussions with customers to recapture inflation
- 1.6% currency tailwind mainly from the Euro and Renminbi

Adjusted EBITDA margin lower

- Margin impact from inflation headwinds and lower average selling prices, partially offset by reduced operating costs

Debt and Liquidity Summary

Capitalization

($ in millions)		@ 6/30/2018	Maturity
Cash and Cash Equivalents	$	551	
Debt:			
Revolver ($400 million capacity)		-	2021
First Lien Term Loan (USD)		2,399	2024
Total Senior Secured Debt	**$**	**2,399**	
Senior Unsecured Notes (USD)		491	2024
Senior Unsecured Notes (EUR)[1]		382	2024
Senior Unsecured Notes (EUR)[1]		512	2025
Capital Leases		55	
Other Borrowings		43	
Total Debt	**$**	**3,882**	
Total Net Debt [2]	**$**	**3,331**	
LTM Adjusted EBITDA	$	923	
Total Net Leverage [3]		**3.6x**	

(1) Assumes exchange rate of $1.156 USD/Euro

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

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

Comments

- **Reduction in leverage ratio compared to Q1 2018 due to**
  - Improved LTM EBITDA
  - Lower Euro debt balances due to stronger Dollar-Euro FX rate
- **Long term debt interest rates are 72% effectively fixed**
  - $850 million of variable rate debt protected from rising interest rates with 3 month USD LIBOR capped at 1.50%
  - $475 million is swapped to Euro/Fixed rate of ~1.95%

Full Year 2018 Guidance

($ millions)	Q1 Guidance	Revised
Net Sales	9-10%	8-9%
Net Sales, ex FX	6-7%	6-7%
Adjusted EBITDA	$950-980	$950-980
Interest Expense	~$165	~$165
Tax Rate, As Adjusted	19-21%	19-21%
Free Cash Flow Cash flow from operations less capex	$420-460	$420-460
Capex	~$160	~$160
D&A	~$370	~$370
Diluted Shares (millions)	~247	~244

Comments on Revised Guidance

- Full year guidance has been revised to reflect ~2% F/X benefit
- Net sales growth includes incremental M&A contribution of ~3% from completed transactions
- 2018 tax rate, as adjusted, benefits slightly from U.S. Tax Reform
- Capex predominately for growth and high-IRR productivity projects
- Diluted Shares reflects the benefit associated with YTD actual Treasury share repurchases

Appendix

Full Year 2018 Assumptions

Macroeconomic Assumptions

- Global GDP growth of approximately 3.3%
- Global industrial production growth of approximately 3.4%
- Global auto build growth of approximately 2.1%
- Higher feedstock pricing driven by elevated crude oil prices combined with capacity ramp downs in China have impacted supply and price for several key raw materials
- Additionally, driver shortages in the United States and Europe and on-going trade tensions between the US & China is expected to further impact pricing of raw materials

Currency Assumptions

Currency	2017 % Axalta Net Sales	2017 Average Rate	2018 Average Rate Assumption	USD % Impact of F/X Rate Change
US$ per Euro	~28%	1.13	1.20	6.3%
Chinese Yuan per US$	~12%	6.76	6.40	5.6%
Mexican Peso per US$	~5%	18.92	19.33	(2.1%)
Brazilian Real per US$	~3%	3.19	3.54	(9.8%)
US$ per British Pound	~2%	1.29	1.36	5.6%
Russian Ruble per US$	~1%	58.32	60.62	(3.8%)
Turkish Lira per US$	~1%	3.65	4.34	(16.0%)
Other	~48%	N/A	N/A	0.0%

Adjusted EBITDA Reconciliation

	($ in millions)	FY 2017	Q1 2017	Q2 2017	Q1 2018	Q2 2018	LTM 6/30/2018
	Net Income (loss)	$ 48	$ 66	$ (19)	$ 71	$ 77	$ 149
	Interest Expense, net	147	36	36	39	39	154
	Provision for Income Taxes	142	10	10	12	22	156
	Depreciation & Amortization	347	82	84	92	90	363
	Reported EBITDA	**$ 684**	**$ 194**	**$ 111**	**$ 214**	**$ 229**	**$ 822**
A	Debt extinguishment and refinancing related costs	14	—	12	—	8	10
B	Foreign exchange remeasurement (gains) losses	7	(1)	6	—	2	4
C	Long-term employee benefit plan adjustments	1	—	—	(1)	(1)	(1)
D	Termination benefits and other employee related costs	35	1	—	(1)	(1)	32
E	Consulting and advisory fees	(1)	—	—	—	—	(1)
F	Transition-related costs	8	—	4	—	—	4
G	Offering and transactional costs	18	(1)	7	—	—	12
H	Stock-based compensation	39	10	11	8	10	36
I	Other adjustments	4	—	3	—	1	3
J	Dividends in respect of noncontrolling interest	(3)	—	(1)	(1)	—	(3)
K	Deconsolidation impacts and impairments	79	—	74	—	—	5
	Total Adjustments	201	9	116	6	20	101
	Adjusted EBITDA	**$ 885**	**$ 203**	**$ 227**	**$ 220**	**$ 248**	**$ 923**

Note: Numbers might not foot due to rounding.

Adjusted EBITDA Reconciliation (cont'd)

A. During Q2 2017 and Q2 2018 we refinanced our term loans, resulting in losses of $12 million and $8 million, respectively. In addition, during 2017, we prepaid outstanding principal on our term loans, resulting in non-cash extinguishment losses of $2 million. We do not consider these items to be indicative of our ongoing operative 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.

C. Eliminates the non-cash, non-service components of long-term employee benefit costs.

D. Represents expenses and associated changes to estimates 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 expenses and associated changes 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 and associated changes to estimates related to the 2017 acquisition of the Industrial Wood business that was a carve-out business from Valspar. These amounts are not considered indicative of our ongoing operating performance.

G. Represents acquisition-related expenses, including changes in the fair value of contingent consideration, which are not considered indicative of our ongoing operating performance.

H. Represents non-cash costs associated with stock-based compensation.

I. Represents 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 indemnity losses associated with the acquisition by Axalta of the DuPont Performance Coatings business, gains and losses from the sale and disposal of property, plant and equipment, from the remaining foreign currency derivative instruments and from 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 100% owned, which are reflected to show the cash operating performance of these entities on Axalta's financial statements.

K. During Q2 2017, we recorded a loss in conjunction with the deconsolidation of our Venezuelan subsidiary of $71 million as well as non-cash impairment charges related to a manufacturing facility previously announced for closure of $3 million and $8 million during Q2 2017 and FY 2017, respectively. We do not consider these to be indicative of our ongoing operating performance.

Adjusted Net Income Reconciliation

	($ in millions)		Q2 2017		Q2 2018
	Net Income (loss)	$	(19)	$	77
	Less: Net income attributable to noncontrolling interests		2		2
	Net income (loss) attributable to controlling interests		(21)		75
A	Debt extinguishment and refinancing related costs		12		8
B	Foreign exchange remeasurement losses		6		2
C	Termination benefits and other employee related costs		—		(1)
D	Consulting and advisory fees		—		—
E	Transition-related costs		4		—
F	Offering and transactional costs		7		—
G	Deconsolidation impacts and impairments		77		—
H	Other		3		—
	Total adjustments	$	108	$	9
I	Income tax (benefit) provision impacts	$	12	$	(3)
	Adjusted net income	$	75	$	87

Note: Numbers might not foot due to rounding.

Adjusted Net Income Reconciliation (cont'd)

A. During Q2 2017 and Q2 2018 we refinanced our term loans, resulting in losses of $12 million and $8 million, respectively. We do not consider these items to be indicative of our ongoing operative performance.
B. Eliminates foreign exchange losses resulting from the remeasurement of assets and liabilities denominated in foreign currencies, net of the impacts of our foreign currency instruments used to hedge our balance sheet exposures.
C. Represents expenses and associated changes to estimates 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.
D. Represents expenses and associated changes to estimates for professional services primarily related to our Axalta Way initiatives, which are not considered indicative of our ongoing operating performance.
E. Represents integration costs and associated changes to estimates related to the 2017 acquisition of the Industrial Wood business that was a carve-out business from Valspar. We do not consider these items to be indicative of our ongoing operating performance.
F. Represents acquisition-related expenses, including changes in the fair value of contingent consideration, which are not considered indicative of our ongoing operating performance.
G. During Q2 2017, we recorded a loss in conjunction with the deconsolidation of our Venezuelan subsidiary of $71 million as well as non-cash impairment charges related to a manufacturing facility previously announced for closure of $3 million and an abandoned research and development asset of $1 million. In connection with the manufacturing facilities announced for closure, we recorded accelerated depreciation of $2 million in Q2 2017. We do not consider these to be indicative of our ongoing operating performance.
H. Represents costs for non-cash fair value inventory adjustments associated with our business combinations, which are not considered indicative of our ongoing operating performance.
I. The income tax impacts are determined using the applicable rates in the taxing jurisdictions in which expense or income occurred and includes both current and deferred income tax expense (benefit) based on the nature of the non-GAAP performance measure.

Thank you

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AXALTA COATING SYSTEMS