
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 27, 2019

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 27, 2019, 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, 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	First Quarter 2019 Investor 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: February 27, 2019

By: /s/ Sean M. Lannon

Sean M. Lannon

Senior Vice President and Chief Financial Officer



Investor Presentation
First Quarter 2019

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 2019 goals and financial projections, which include net sales, net sales excluding FX, Adjusted EBIT, Diluted adjusted EPS, depreciation and amortization, Adjusted EBITDA, interest expense, tax rate, as adjusted, diluted shares outstanding, capital expenditures, free cash flow and related assumptions including contributions from acquisitions, FX impacts, cost savings, pricing actions, raw material inflation and product launches. 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, 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, Diluted adjusted EPS, EBITDA, Adjusted EBITDA, EBIT, Adjusted EBIT, 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, Adjusted EBIT and Diluted adjusted EPS consist of EBITDA, EBIT and Diluted EPS, respectively, adjusted for (i) certain non-cash items included within net income, (ii) certain items Axalta does not believe are indicative of ongoing operating performance or (iii) certain nonrecurring, unusual or infrequent items that have not occurred within the last 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 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, Diluted adjusted EPS, EBITDA, Adjusted EBITDA, EBIT, Adjusted EBIT, 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, Diluted adjusted EPS, EBITDA, Adjusted EBITDA, EBIT, Adjusted EBIT 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, Diluted adjusted EPS, EBITDA, Adjusted EBITDA, EBIT, Adjusted EBIT, 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, Diluted adjusted EPS, Adjusted EBITDA, Adjusted EBIT, Free Cash Flow or tax rate, as adjusted, 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 GAAP results.

Constant Currency

Constant currency or ex-FX percentages are calculated by excluding the change in average exchange rates between the current and comparable period by currency denomination exposure of the comparable period amount.

Segment Financial Measures

Our primary measure of segment operating performance, as determined in accordance with GAAP, 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. A reconciliation of this non-GAAP financial measure with the most directly comparable financial measure calculated in accordance with GAAP is not required.

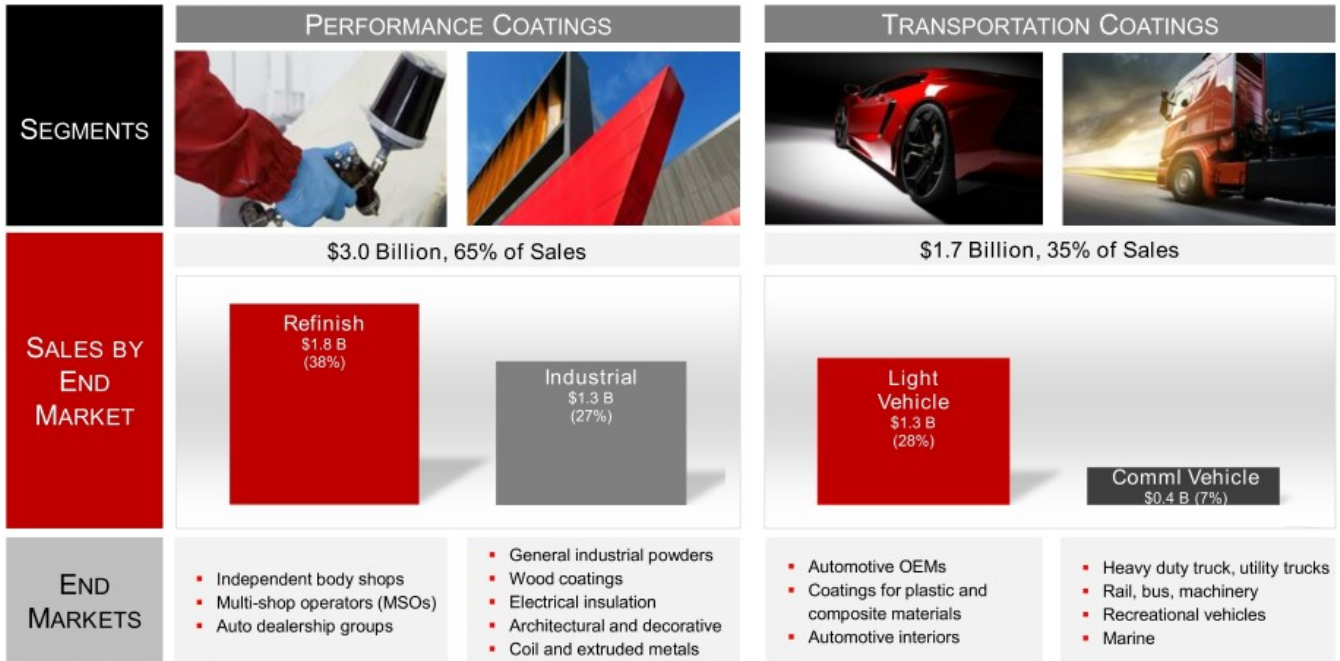
Defined Terms

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

Rounding

Due to rounding the tables presented may not foot.

Axalta's Customer Focused Organization



1. Financials for FY 2018, all sales data refers to Net Sales

Axalta is Focused on Shareholder Value Creation

Significant Progress...	...with More to Come
A Transformation Story	Axalta's Value Creation Model
<ul style="list-style-type: none">▪ Cultural shift; incentive alignment<ul style="list-style-type: none">✓ Performance-based long-term compensation▪ Organizational restructuring tightens accountability<ul style="list-style-type: none">✓ Matrix structure, Americas consolidation▪ Refining focus on growth<ul style="list-style-type: none">✓ Net sales CAGR 3.9% 2013-18 ex-FX▪ Substantial ongoing productivity improvement<ul style="list-style-type: none">✓ \$200 million Axalta Way savings▪ M&A transactions change business mix<ul style="list-style-type: none">✓ 7 deals finalized in 2018	<ul style="list-style-type: none">▪ Drive profitable growth with innovation, customer focus and solid core market drivers<ul style="list-style-type: none">✓ Mid-single digit organic net sales growth target▪ Operating excellence and cost structure refinement<ul style="list-style-type: none">✓ \$200 million Axalta Way II target▪ Capital allocation with shareholder value focus<ul style="list-style-type: none">✓ IRRs typically target 20% or better▪ Substantial coatings consolidation opportunity<ul style="list-style-type: none">✓ Robust pipeline of bolt-on targets
Axalta Continues to Evolve and Leverage Structurally Attractive Coatings Markets	

Axalta's Global Presence

14,000
Employees

50
Manufacturing Sites

47
Customer Training
Facilities

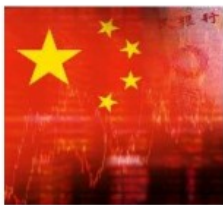
4
Technology Centers

130
Countries We Sell Into





Why Invest in Axalta Today?



Focused End-Markets, Structural Volume Growth

Significant China Growth Opportunity

Axalta Way Driving Productivity

Consolidation Opportunity with Proven M&A Strategy

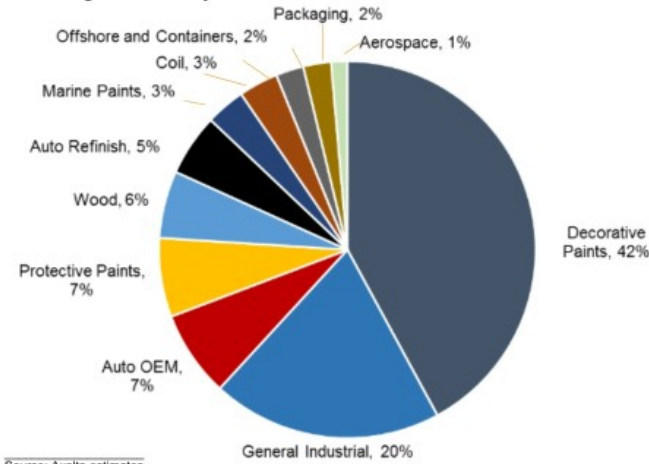
Strong Free Cash Flow Generation and Allocation Process

ROIC Growth Focus, Shareholder Value Alignment

We are Focused on Structurally Attractive Coatings End-Markets

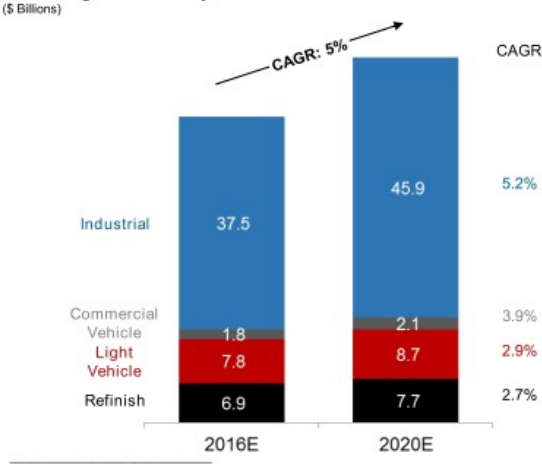
A \$130 Billion Global Coatings Market

Coatings Industry Sales



Axalta's Coatings Markets

Coatings Industry Sales



Long Term Alignment With Global Growth

Axalta is a Global Leader in Many of Our Markets...

Performance Coatings: Refinish



Transportation Coatings: Light Vehicle



Performance Coatings: Industrial

#2

- in Powder coatings globally
- in Industrial Wood coatings (North America)
- in Energy Solutions coatings globally
- in Industrial E-coat globally

Transportation Coatings: Commercial Vehicle

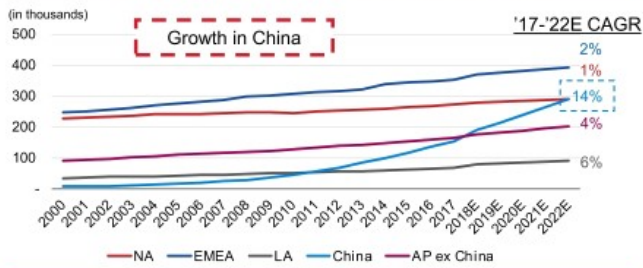


~90% of Sales from Markets Where Axalta Has #1 or #2 Global Share

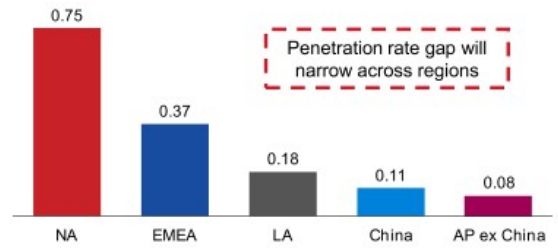
Source: Orr & Boss, Axalta estimates (2017)

...But We also have Substantial White Space Growth Opportunities

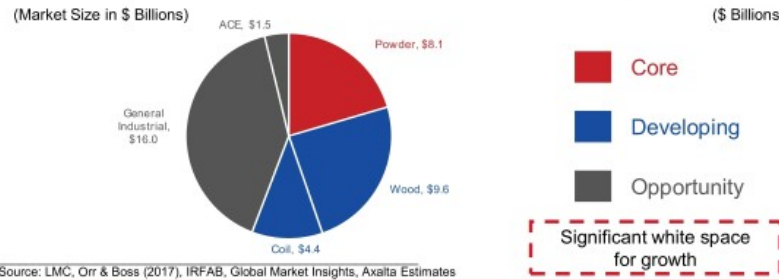
Refinish – Regional Car Parc Growth



Light Vehicle – Cars Per Capita

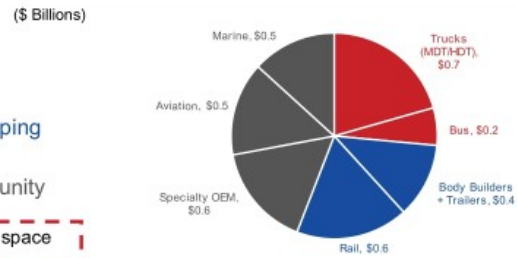


Industrial – Market Opportunities



Source: LMC, Orr & Boss (2017), IRFAB, Global Market Insights, Axalta Estimates

Commercial Vehicle – Market Opportunities

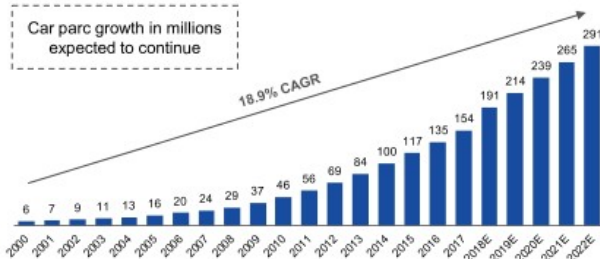


China Represents a Huge Growth Opportunity

Refinish

- Car parc growth
- Mainstream and economy segment growth
- Follow market to Tier 2-4 cities
- Growth through M&A

Car Parc Growth

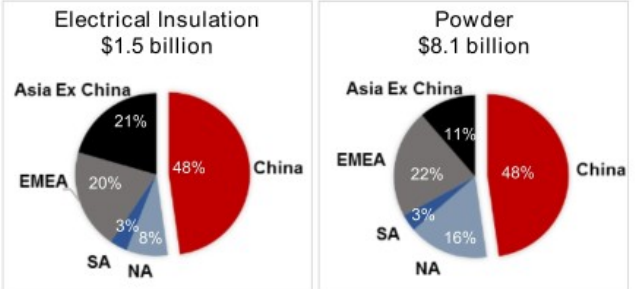


Source: LMC Automotive, 2019 Estimates

Industrial

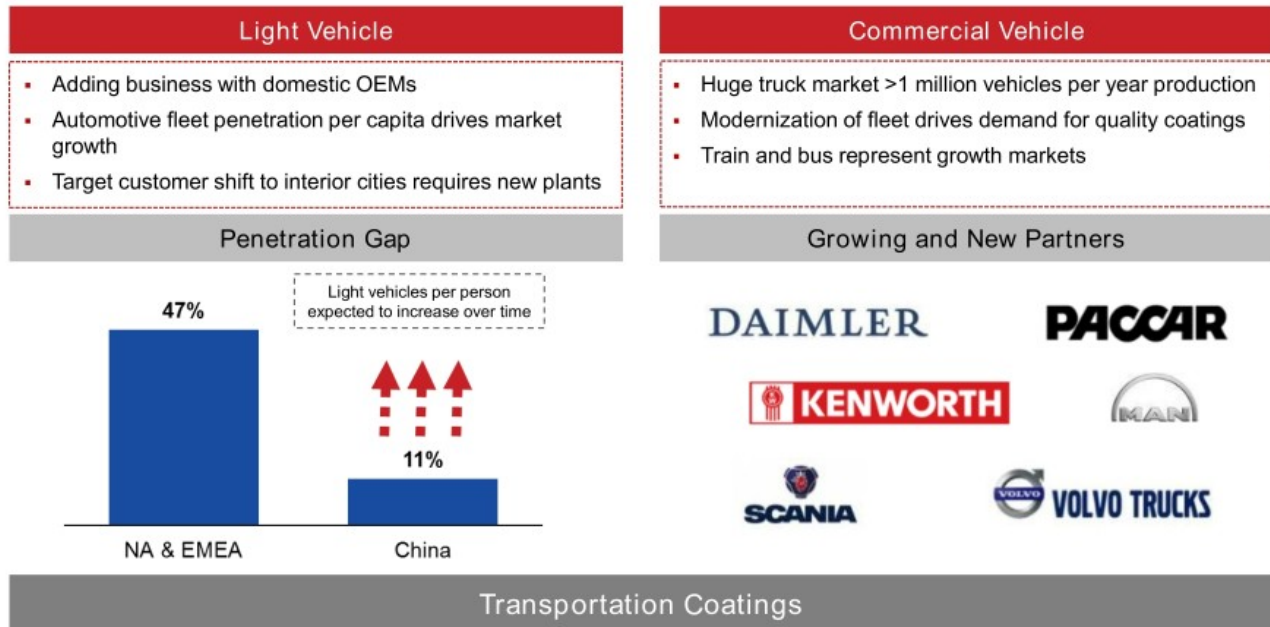
- China consumes >40% of global industrial coatings today
- Shift from export end users to domestic consumers
- Importance of local production and supply
- Enhanced portfolio - mainstream and acquired products

Global Coatings Consumption



Performance Coatings

China Represents a Huge Growth Opportunity, Cont'd



Source: LMC Automotive Q4, 2017 Estimates

Focus on Operating Excellence, Axalta Way Savings Continue with Phase II



Axalta Way II	<ul style="list-style-type: none">Achieved Phase I \$200 million target achievedAxalta Way II target: \$200 million from 2018 through 2021
Axalta Operating Excellence (AOE)	<ul style="list-style-type: none">Lean implementation in Wuppertal, Germany and Mt. Clemens, MIGlobal rollout to drive substantial productivity improvement over time
Innovation Investment	<ul style="list-style-type: none">~\$190 million annual innovation investment (>4% of net sales)>250 new products per year drive our organic growth
Salesforce Investment	<ul style="list-style-type: none">New tools to manage customer relationshipsNew leadership aligned key incentives to results
Enhanced IT Tools	<ul style="list-style-type: none">S4 Hana project to globally align financial and supply chain systemsLarge majority of our Enterprise Data is now stored in the cloud

Axalta Continues to Focus on Organizational Optimization

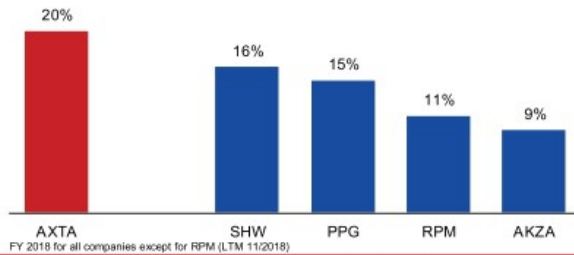
M&A: Leveraging a Consolidating Coatings Sector

Target	End-Market	Geography	Closed	Company Overview
 DuWest Performance Coatings	Refinish	Latin America	2015	Leading manufacturer/distributor of refinish and architectural coating products in Central America
 ChemSpec North America	Refinish	North America	2015	Ohio-based refinish manufacturer focused on mainstream and economy market segments
 HIPIC	Refinish	Asia Pacific	2016	Producer of refinish coatings in Malaysia and Indonesia
 United Paint (division)	Light Vehicle	North America	2016	Automotive interior coatings with strong position with North American OEM's
 Dura Coat Products	Industrial	North America	2016	Leading independent supplier of coil coatings
 Ellis Paint Company	Industrial	North America	2017	Leading independent supplier of industrial paint
 Century Industrial Coatings	Industrial	North America	2017	Leading supplier of custom industrial coatings
 Valspar Wood	Industrial	North America	2017	Leading supplier of industrial wood coatings
 Spencer Coatings Group	Industrial	EMEA	2017	Leading supplier of industrial liquid coatings for drums/towers, ACE, pipelines, flooring & architectural
 Plascoat	Industrial	EMEA	2017	Leading supplier of thermoplastic coatings

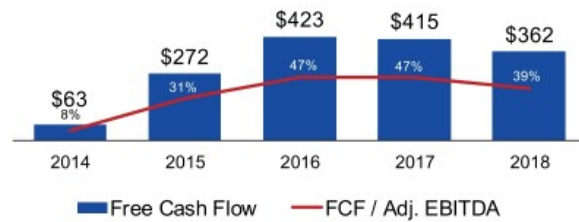
We also completed seven acquisitions in 2018, primarily in the Refinish end-market

Axalta Generates Strong Free Cash Flow; Disciplined Allocation

Strong Adjusted EBITDA Margins



Free Cash Flow Growth

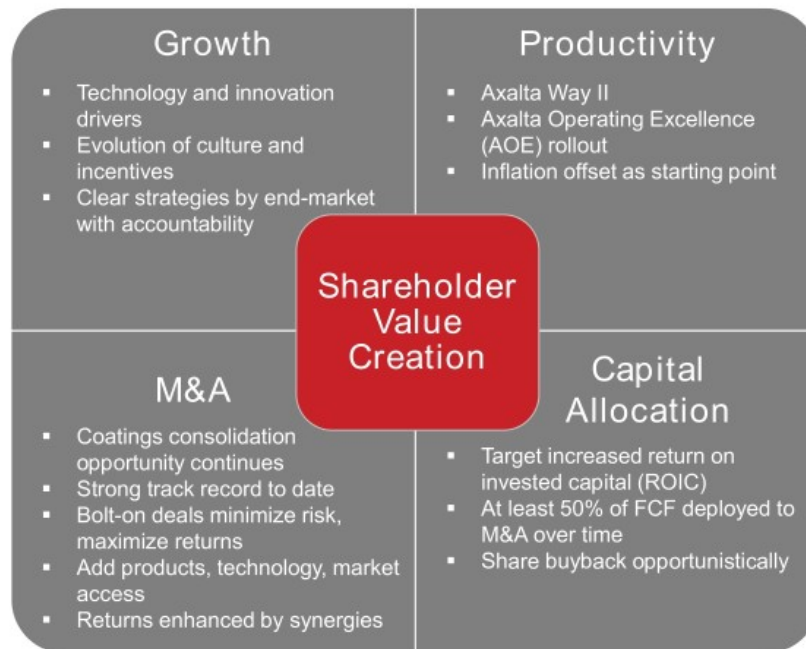


A Sound Capital Allocation Process

- Axalta is the margin leader and generates substantial free cash flow
- We have organic and inorganic investment opportunities that we expect will enhance overall returns on capital
- We have completed 21 M&A transactions with total allocated capital of ~\$819 million since 2016
- We have repurchased over \$300 million of our common shares to date
- We have invested over \$500 million in capex projects since 2015 with strong assumed IRRs
- 2018 free cash flow includes upfront customer investments with attractive long-term commitments

Strong and Sustainable Cash Flows Drive Value

Axalta is Squarely Focused on Shareholder Value Creation



Environment



- Environment, Health & Safety policies well defined
- Responsible Care® RC (ISO) 14001 certification
- Next generation health & safety training introduced
- Production localization strategy reduces risk, cost and environmental impact
- Targeting reduced environmental impact across multiple categories with specific goals in place
- Product sustainability benefits from low-to-no VOC or HAPs formulations and from new application technologies

Social



- Supply chain initiatives including Supplier Code of Conduct and Supplier Sustainability Risk Management Program
- Enhancing product stewardship systems
- Employee engagement
 - ✓ Development and recruitment programs
 - ✓ Communications with Inside Axalta intranet
 - ✓ Volunteerism supported
 - ✓ Employee diversity supported with Axalta Women's Network
- Corporate social responsibility programs
 - ✓ STEM education
 - ✓ Environmental stewardship

Governance

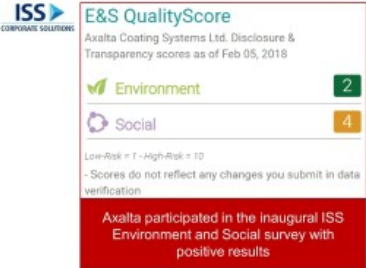


- Environment, Health, Safety & Sustainability Committee of the Board
- Created sustainability function and team
- Material issues and goal setting
- Ethics & integrity compliance program
- Cybersecurity initiatives
- Bi-annual sustainability reporting cycle
- Engage OEM procurement sustainability teams

Awards and Recognition by Customers and Rating Bodies



Axalta received the EcoVadis Gold Star award given to the top 5% of surveyed companies based on environmental, social, labor and fair business practices





Key Objectives for Growth and Value Creation

Outgrow Our End-Markets

Axalta Way II Execution

Incremental Cost Actions

Drive Product Innovation

Disciplined Capital
Allocation

- Continued organic net sales growth
- Ongoing savings from optimizing our organization
- Closing any price-cost gap with focused actions
- Over 250 new product launches
- M&A, share buybacks, ongoing internal projects

**Axalta's
Vision**

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



Financial Overview

Axalta's Growth Algorithm



- Improving Returns Over Time
- Mid-single digit core growth includes market growth, modest share capture and incremental pricing in key businesses
 - Free cash flow allocation is primarily directed to M&A and opportunistic share buybacks
 - We expect to improve ROIC with strong capital allocation in internal investment, M&A and maximizing productivity
 - M&A: Seek above market average returns from bolt-on deals

Organic Growth + FCF Deployment = Strong Topline Growth

Axalta's Growth Drivers are Diverse

Value Creation From Multiple Sources and Disciplined Process	
Growth Supported by Clear Strategies, Greater Resources	<ul style="list-style-type: none">▪ Capex of \$143 million and R&D of ~\$190¹ million in 2018 provided support for maintenance and strategic growth▪ Growth strategies in place for each business and each region
Market Share Gains in Core Markets From Innovation, Service Execution	<ul style="list-style-type: none">▪ Refinish market share increased by ~500 basis points 2013-2018▪ Strong headway in multiple other coatings verticals
Emerging Markets Focus for Long Term Growth	<ul style="list-style-type: none">▪ Axalta has substantially expanded in Asia Pacific ex-China, Middle East and Africa since inception▪ We are levered to EM growth across most businesses
Globalizing Existing Products to Reach Underserved Markets	<ul style="list-style-type: none">▪ Migrating industrial products from Europe to Asia; globalizing Syrox mainstream technology; leveraging Wood from N.A. to new regions; E-coat technology in EMEA marketed successfully to global OEM customers

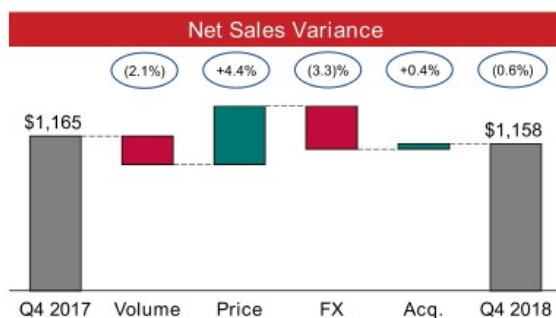
1) Total R&D includes Selling Technical Expense as well as Technology Functional costs

Q4 Consolidated Results



Financial Performance				
(\$ in million)	Q4		% Change	
	2018	2017	Incl. FX	Excl. FX
Performance	758	732	3.4%	6.4%
Transportation	401	433	(7.4%)	(3.7%)
Net Sales	1,158	1,165	(0.6%)	2.7%
Net Income (loss) ⁽¹⁾	75	(62)		
Adjusted EBITDA	235	245	(4.3%)	

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

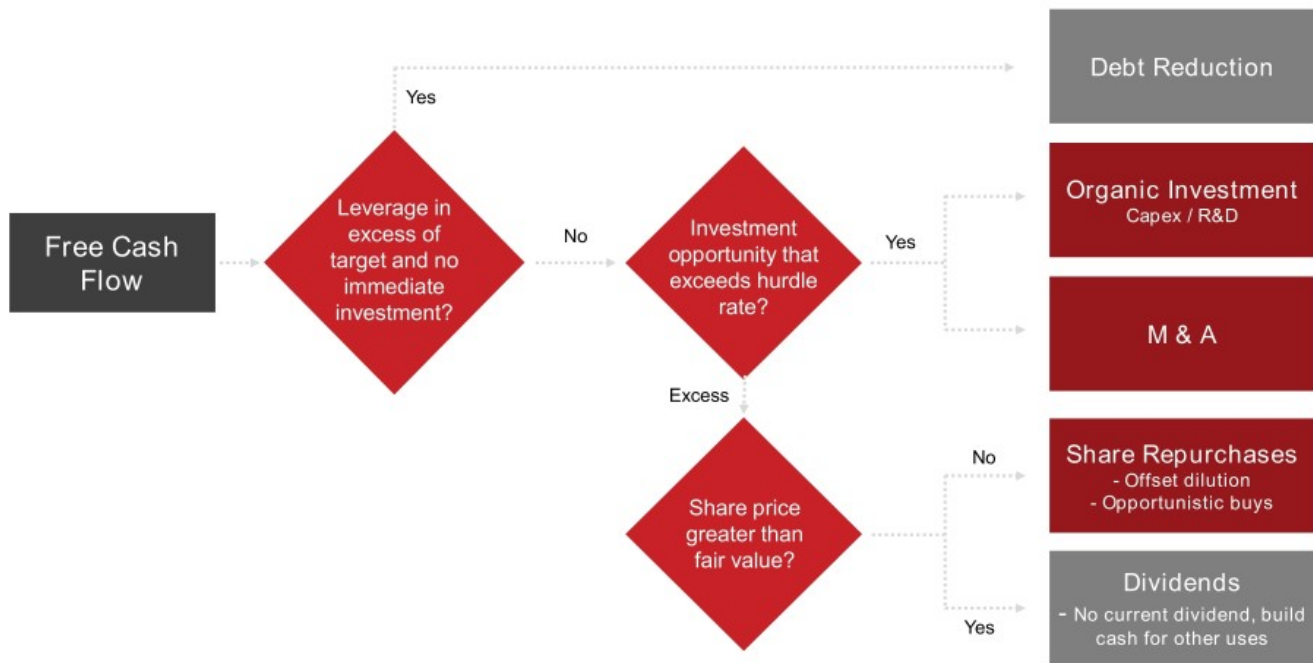


Commentary

Low single-digit ex-FX net sales growth driven by solid price-mix gains

- Continued price momentum in Refinish and Industrial; Light Vehicle pricing beginning to see early evidence of improvement with more expected in 2019
- Modest benefits from acquisitions
- Volume declines in Transportation and Refinish offset partly by ongoing Industrial growth
- Unfavorable currency impact driven by Euro and emerging markets currencies

Focus on Capital Allocation



Effective Capital Allocation Should Drive Improved Returns



Return on Invested Capital (ROIC)

NOPAT ROIC (LTM)

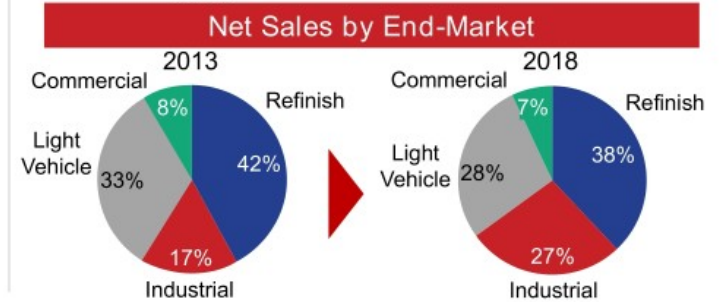
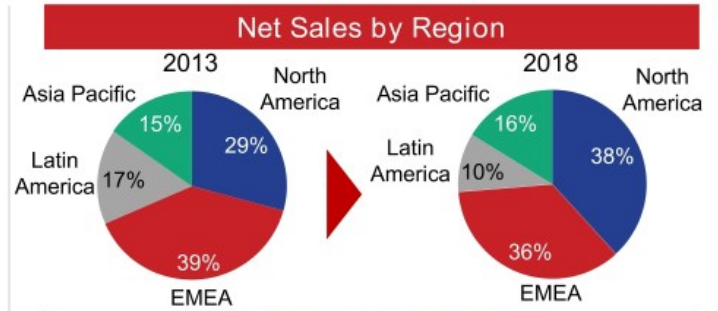
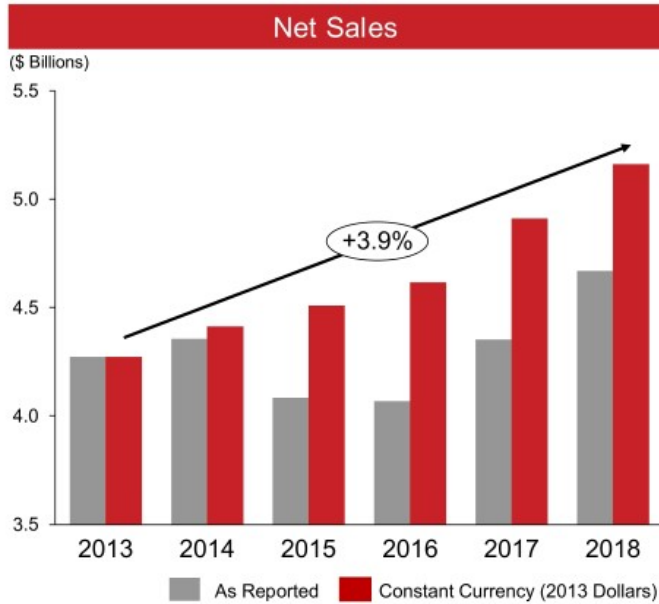


Notes: 1) ROIC = Net Operating Profit After Tax (NOPAT) / (Total Debt + Preferred Stock + Minority Interest + Equity); 2) AXTA total capital excludes identifiable intangible assets; 3) Data as of 12/2018 for all companies except RPM (11/2018); 4) Book taxes have been adjusted to exclude impact from US Tax reform for AXTA, PPG, & SHW

Commentary

- Axalta's ROIC includes ~\$3 billion asset "step up" from the 2013 LBO under purchase price accounting
- Drivers of ROIC upside:
 - ✓ NOPAT growth from ongoing business execution
 - ✓ Capital allocation: Organic investments, return-accretive M&A, and focus on asset efficiency
- Axalta remains committed to improving ROIC over time through consistent execution of our current strategy

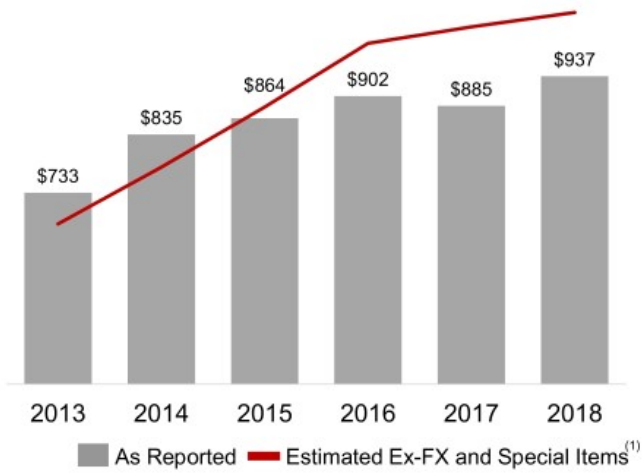
Net Sales to Date Show Solid Growth and Portfolio Diversification



Constant Currency Sales Progression Has Been Strong

Adjusted EBITDA Results to Date Show Strong Core Progress

Adjusted EBITDA



Growth Drivers

- Adjusted EBITDA margins increased from 17.2% in 2013 to 20.1% in 2018
- Pricing actions positively contributed to margin expansion
- Volume growth and share gain provided operating leverage over fixed costs
- Acquisition contribution mainly in Industrial complemented organic growth
- Axalta Way created culture of cost discipline
- Procurement strategies mitigated rising costs

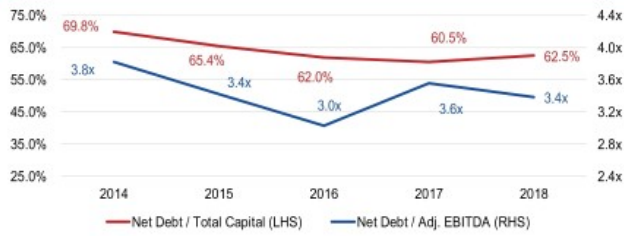
Strong Margin Progress, Upside From Volume Growth and Productivity Expected Over Time

Note:

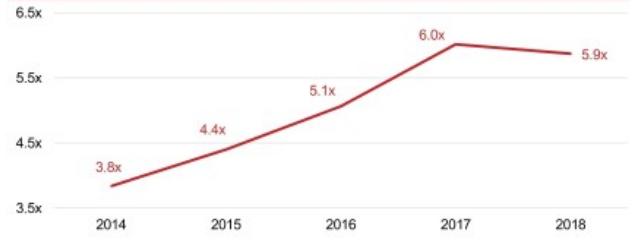
(1) Estimated Adjusted EBITDA Ex-FX and Special Items excludes the impact of FX, Venezuela results (deconsolidated 2017), North America Refinish distributor adjustments (2017), natural disaster impacts (2017)

Debt and Liquidity Summary

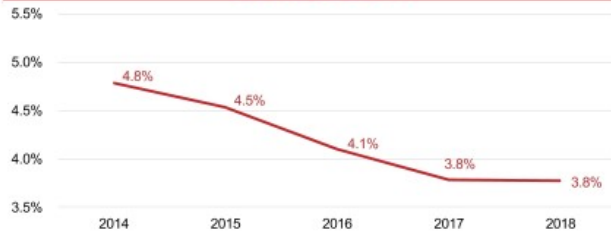
Leverage Trends



Interest Coverage (Adj. EBITDA)



Cost of Debt



Debt Maturity Profile

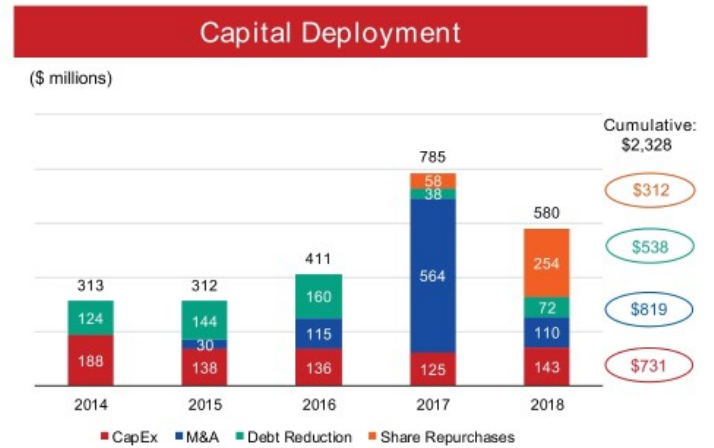
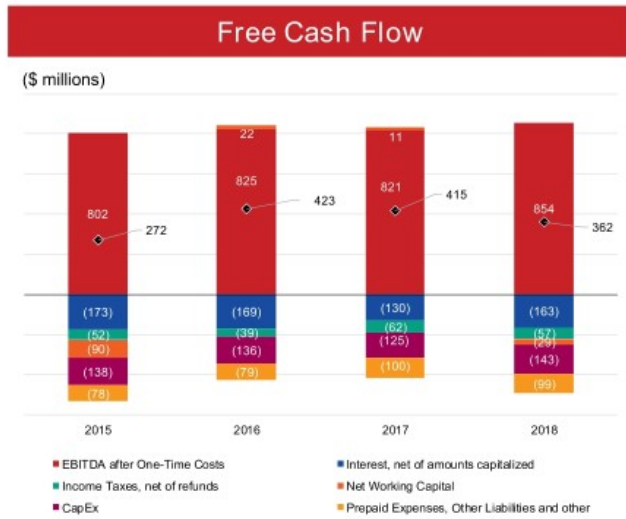
Long term debt interest rates are 73% effectively fixed

- \$850 million of term loan debt protected from rising interest rates with 3 month USD LIBOR capped at 1.50% Extinguished EUR Term Loan
- \$475 million of term loan debt is swapped to Euro/Fixed rate of ~1.95%



Note: Balances reported on a US GAAP basis as of 12/31/2018

Free Cash Flow Strong and Improving; Deployment Accelerating



Cash Flow is Supporting Increased Capital Deployment and Returns

Full Year 2019 Guidance

(\$ millions)	2018A	Guidance
Net Sales	+7.3%	~1-2%
Net Sales, ex FX	+6.7%	~2-3%
Adjusted EBIT	\$534	\$560-610
Diluted Adjusted EPS	\$1.28	\$1.30-1.50
D&A	\$369	~\$375
Adjusted EBITDA	\$937	\$950-1,000
Interest Expense	\$160	~\$165
Tax Rate, As Adjusted	17.3%	20-22%
Diluted Shares (millions)	243	~239
Capex	\$143	~\$160
Free Cash Flow	\$362	\$430-470

Comments
<ul style="list-style-type: none"> Net sales growth largely in Performance Coatings, improved price-mix across all end-markets 2018 net sales included 3.5% acquisition contribution while minimal assumed in 2019 FX headwind of ~1-2% anticipated Accelerated depreciation of ~\$25 million from Belgian plant closure increasing depreciation in 2019 Adjusted EBITDA growth from organic volume growth and improved price/mix No share repurchases assumed in 2019 diluted share guidance Tax rate (as adjusted) up due to earnings mix, incremental impact of US tax reform; excludes more favorable stock-based compensation benefits which impacted 2018 by ~200 Bps Free Cash Flow improvement due to earnings growth and reduced customer investments



Performance Coatings: Refinish

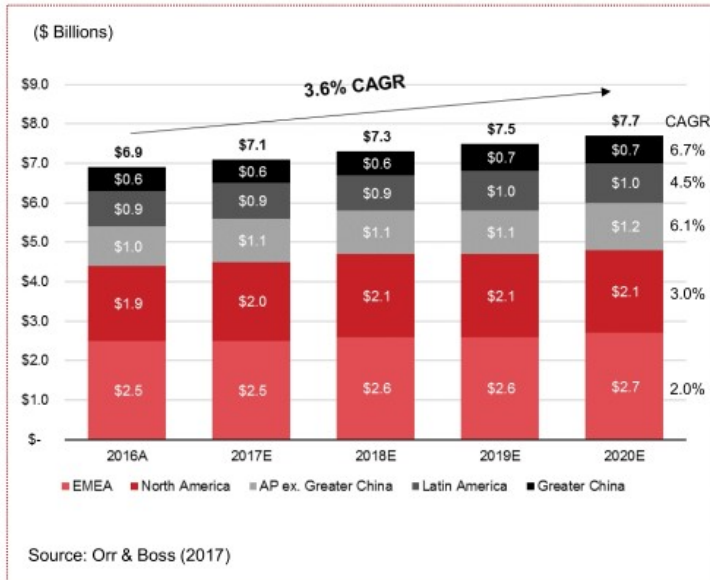
Axalta Refinish Investment Thesis

- The global automotive refinish market is stable, consolidated and growing
 - ✓ Refinish is highly stable, linked to global miles driven and accident rates
 - ✓ The top four Refinish players hold two-thirds of the global market
 - ✓ End-market growth ~3-4% per year expected
- Axalta leads with the broadest and deepest technology and market reach
 - ✓ We lead the global market with 25% share; higher share in developed regions
 - ✓ Our deep portfolio of next-generation technology addresses wide-ranging customer needs
 - ✓ Axalta has broad market reach across product and customer types globally
- Axalta continues to grow through an aggressive and disciplined strategy
 - ✓ Organic and inorganic product introductions to increase reach and competitiveness
 - ✓ Benefiting from consolidation and professionalization of body shop market
 - ✓ Tailwind from growing car parc, especially in emerging markets
 - ✓ Adding technology and services to solidify competitive moat and customer relationships



The Global Refinish Market is Attractive and Dynamic

Refinish Industry Sales by Region



Industry Trends Align With Core Competencies

- Growing eco-regulations require innovations
- Performance needs drive technology improvements
- Consolidation trend supported by field sales model
- Distribution expertise allows for agility across regions

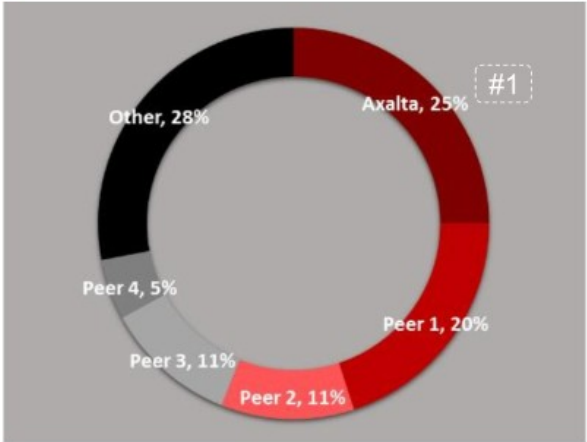
Market Requires Innovation to Drive Growth

- Color requirements continue to increase
- Productivity demands innovation
- Targeted channel strategies aligned to market growth
- Field service addresses training challenges

Axalta is The Leader in Global Refinish Coatings

Refinish Market Share

\$6.9 Billion Total Sales







Source: Orr & Boss (2017)

Leading a Growing Industry

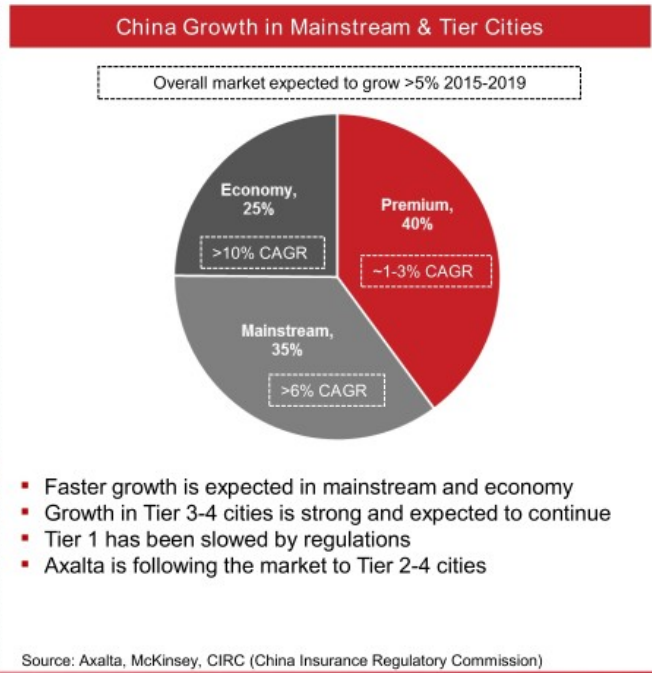
- Leading market share position; industry sales estimated to grow at ~3% CAGR through 2020
- We are the Refinish technology leader, driving productivity and value for our customers
- Broad and diverse brand presence that fits customer needs across the value spectrum
- Strong global presence drives diverse growth opportunities
- Segment, market and competitive forces support favorable profit dynamic

Our Strength can be Measured in Each Region

North America	EMEA	Asia Pacific	Latin America
<ul style="list-style-type: none"> As the leading provider to MSOs, Axalta benefits from continued consolidation Opportunity for growth in value product lines provides additional potential for growth Leading VOC-compliant products meet environmental regulation shifts 	<ul style="list-style-type: none"> Strong market access through leading brands and distributors Products to support a diverse region with both mature and developing markets Underpenetrated in select countries Environmental regulations driving waterborne adoption 	<ul style="list-style-type: none"> Growth driven primarily by expansion of the Chinese car parc Axalta's broad presence in automotive coatings assists with the significant OEM influence in collision repair and insurance industry Opportunity for growth in value product lines through recent and future acquisitions 	<ul style="list-style-type: none"> Well positioned in Mexico and Brazil – the largest Latin America markets Agility in price increases help offset inflation and currency devaluation Opportunity for growth in value product lines, continued segmentation and focus on a cost to compete
 <p>#1, 31% share</p>	 <p>#1, 27% share</p>	 <p>#2, 16% share</p>	 <p>#1, 17% share</p>

Source: Orr & Boss for share data

Refinish Growth Drivers Globally





Performance Coatings: Industrial



2013



2016 - 2018



valspar wood



Industrial sales

2x

since 2013

1960 - 2013

Nap-Gard® FBE Powder Coatings

Alesta® Powder Coatings

Voltatex® Imron®

2014 - 2018

Alesta®
The Global Color Collection



Alesta®
Zero Zinc Primers



Alesta®
Heavy Sol-Bond - Volatex®



Our Industrial Business Today



Wood Coatings

- Kitchen cabinets
- Building products
- Flooring
- Furniture



Powder Coatings

- Auto metal parts
- Appliances
- Architectural extrusions
- Furniture
- General Industrial



Coil Coatings

- Metal building products
- Architectural extrusions
- Lighting
- Appliances



Energy Solutions

- Power tools
- E-mobility
- Wind turbines
- Power generation



Industrial Coating Systems

- ACE
- Oil and gas
- Structural steel
- Storage tanks
- Helmets
- Fences

13K

Customers

27

Dedicated
Manufacturing Plants

12

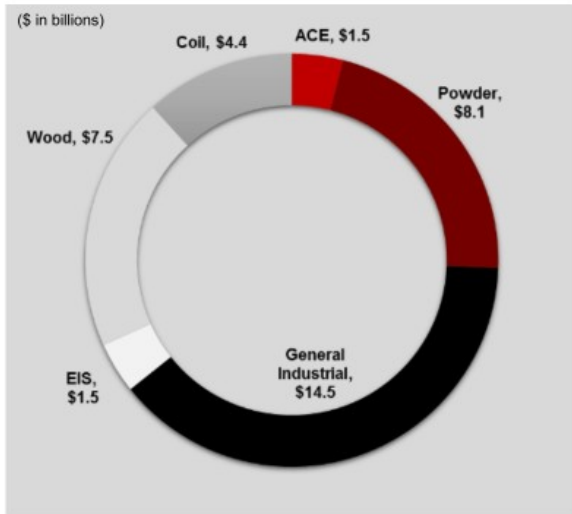
Shared
Manufacturing Plants

60

Countries

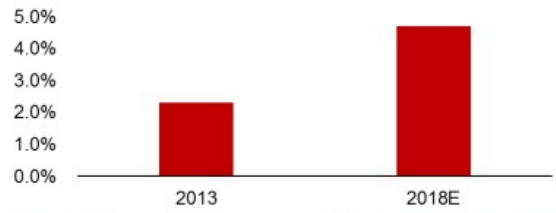
Industrial Coatings: A \$38 Billion Market Opportunity for Axalta

Industrial Coatings



Source: Coatings World, APA, Axalta estimates

Market Share Doubled in 5 Years



- Market growth of 5.4% CAGR (2013-20e)
- Growth driven by global GDP and industrial production
- Building and construction markets strong
- Global infrastructure growth is driving demand
- China drives >40% of global industrial coatings consumption

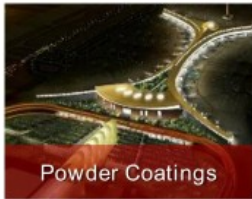
Our Place in the Market



Wood Coatings

#2

North American
Wood Coatings
Supplier



Powder Coatings

#2

Global Powder
Coatings Supplier



Coil Coatings

#4

North American
Coil Coatings
Supplier



Energy Solutions

#2

Global Electrical
Insulation Supplier



Industrial Coating
Systems

#2

Global Industrial
E-Coat Supplier

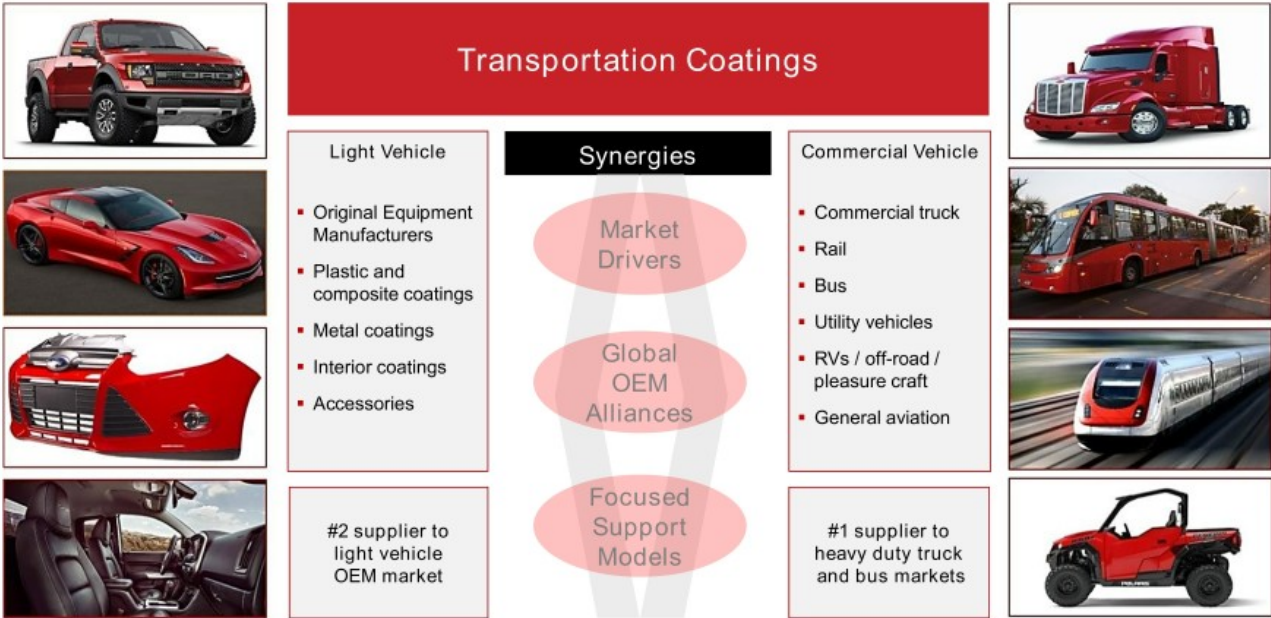




Transportation Coatings

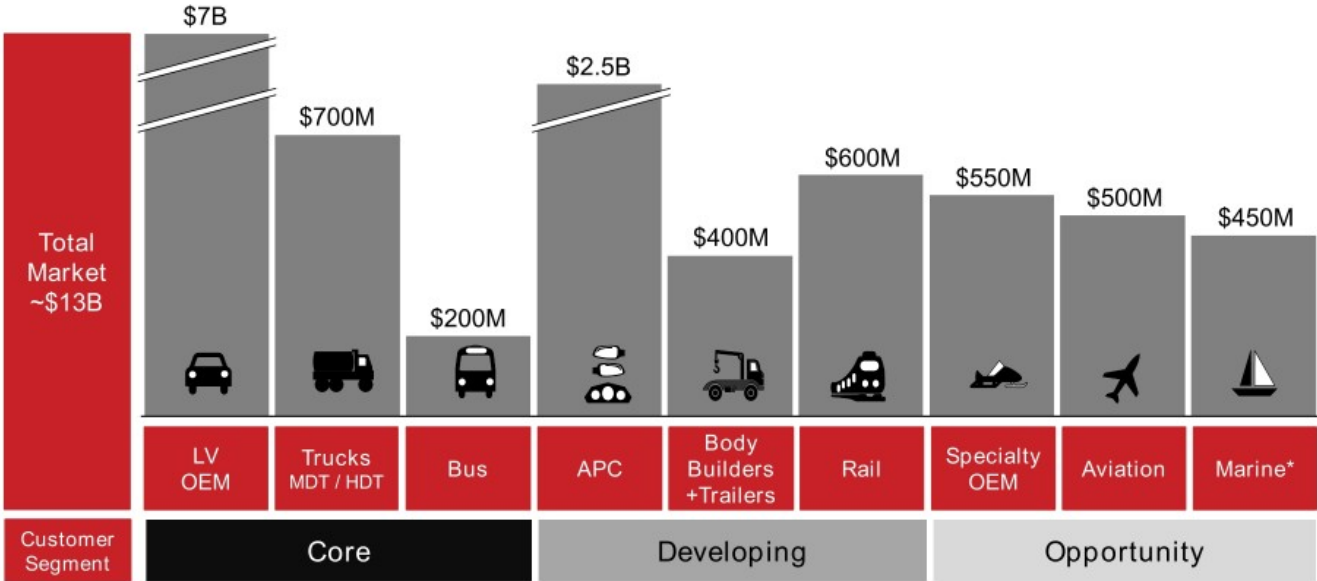
AXALTA COATING SYSTEMS

Transportation Coatings | Segment Overview





Transportation | Significant White Space Provides Growth Opportunities

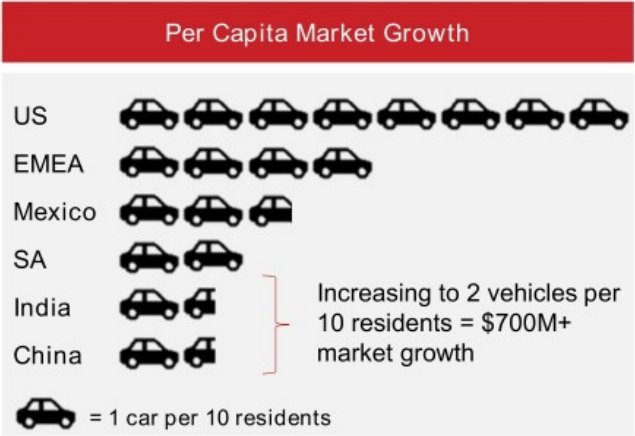


SOURCE: Orr & Boss, IRFAB, Global Market Insights, Axalta estimates

* Excluding commercial, container, military and off-shore

Light Vehicle | Growing with a Strong Global Market

Growth Opportunities Across Segments						
Customer Segment	Market Size (\$ billions)	Share	# Plants	Product	Region	Content
Core	~\$3.0	>25%	~200			
Developing	~\$1.5	>10%	~200			
Opportunity	~\$2.5	<10%	~400			



Achieving 20% Global Share Represents More Than \$500M in Growth Potential

Light Vehicle | Increasing Content Per Vehicle with Components

White Space in Exteriors and Interiors

- Focus markets with global leadership and strategy
- Exterior / APC a top 5 "customer"
 - ✓ Adjacent to core products
 - ✓ Relationships with paint engineering critical
 - ✓ Technology focus a differentiator
- Interior coatings added in 2016
 - ✓ OEM focus area for differentiation leading to enriched content
 - ✓ Future vehicles increase cabin size and focus on interiors
 - ✓ Driving excellence in small batch systems and support



REHAU



MAGNA



Summit Polymers



Content Opportunity Represents > \$250 Million in Growth Potential

Our Commercial Vehicle Business is Growing and Diverse

Market White Space

- Growth opportunities:
 - ✓ Underpenetrated geographies (China)
 - ✓ Adjacent markets (eg. Marine, Protective)

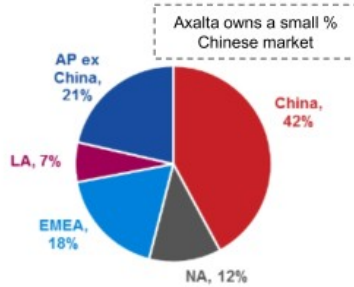
Share Gain

- Share of wallet opportunity in existing markets
 - ✓ Vehicles per customer
 - ✓ Content per vehicle

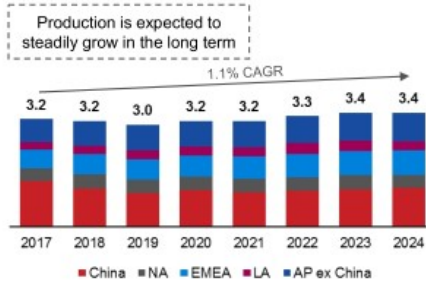
Technology

- We have leading technology to expand our business
 - ✓ Bus
 - ✓ Aviation
 - ✓ Marine
 - ✓ Rail
 - ✓ Recreational Vehicles

HDT & MDT Builds by Geography



HDT & MDT Builds Growth



Superior Products



IMRON™

Leveraging our highly productive technology from truck to other vehicle markets globally

Strong Momentum Driven by Customer-Centric Approach

Source: LMC Automotive Q4, 2017 Estimates

No Matter Where the Market Goes, Coatings Play a Key Role



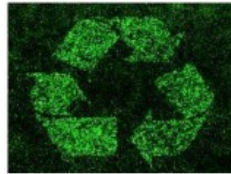
Emerging OEMs and Geographies

- New entrants
- Rising JVs
- Emerging OEMs



Design & Consumer Preferences

- Styling trends
- Consumer choice
- Personalization



Sustainability

- Environmental requirements
- Advanced substrates
- Vehicle light-weighting



Advanced Manufacturing

- Big data, line service
- Enhanced productivity
- New technology applications



Future Mobility

- Autonomous driving
- Ride sharing
- Changing ownership and use patterns



Investor Contact:

Chris Mecray - VP, Investor Relations, Treasury & Strategy
christopher.mecray@axalta.com
(215) 255-7970

Adjusted EBITDA Reconciliation

	Successor	Successor	Successor	Successor	Successor	Successor	Predecessor	Combined
(\$ in millions)	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	Jan 1 - Jan 31, 2013	FY 2013
Net Income (loss)	\$213	\$48	\$45	\$96	\$32	(222)	\$9	(213)
Interest Expense, net	160	147	178	197	218	215	-	215
Provision (Benefit) for Income Taxes	54	142	38	62	-	(46)	7	(39)
Depreciation & Amortization	369	347	322	308	309	301	10	311
Reported EBITDA	\$796	\$684	\$583	\$662	\$559	\$248	\$26	\$274
A Debt extinguishment and refinancing related costs	10	14	98	3	6	25	-	25
B Foreign exchange remeasurement losses	9	7	31	94	81	49	5	54
C Long-term employee benefit plan adjustments	(2)	1	2	-	(1)	10	2	12
D Termination benefits and other employee related costs	82	35	62	37	18	148	-	148
E Consulting and advisory fees	-	(1)	10	24	36	55	-	55
F Transition-related costs	-	8	-	(3)	102	29	-	29
G Offering and transactional costs	1	18	6	(2)	22	-	-	-
H Stock-based compensation	37	39	41	30	8	7	-	7
I Other adjustments	5	4	5	(6)	6	130	-	130
J Dividends in respect of noncontrolling interest	(1)	(3)	(3)	(5)	(2)	(5)	-	(5)
K Deconsolidation impacts and impairments	-	79	68	31	-	-	-	-
L Allocated corporate and standalone costs, net	-	-	-	-	-	-	6	6
Total Adjustments	\$141	\$201	\$319	\$202	\$276	\$448	\$13	\$460
Adjusted EBITDA	\$937	\$885	\$902	\$864	\$835	\$695	\$38	\$733

Note: Numbers might not foot due to rounding.

Adjusted EBITDA Reconciliation (cont'd)

- A. During FY 2018, 2017, 2016 and 2014 we refinanced our indebtedness, resulting in losses of \$10 million \$13 million, \$88 million and \$3 million respectively. During 2017, 2016, 2015 and 2014 we prepaid outstanding principal on our term loans, resulting in non-cash extinguishment losses of \$1 million, \$10 million, \$3 million and \$3 million, respectively. Also during 2013, upon the issuance of the Senior Notes and the entry into the Senior Secured Credit Facilities, we expensed commitment fees related to a terminated Bridge Facility of \$25 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. Exchange effects included the remeasurement of our Venezuelan subsidiary prior to deconsolidation in 2017 as well as a \$19.4 million loss related to the Acquisition date settlement of a foreign currency contract used to hedge the variability of Euro-based financing.
- C. Eliminates the non-cash, non-service components of long-term employee benefit costs including the elimination of a pension curtailment gain of \$7 million during 2014.
- D. Represents expenses and associated adjustments to estimates primarily related to employee termination benefits and other employee-related costs associated with our Axalta Way and Fit for Growth cost-saving initiatives, which are not considered indicative of our ongoing operating performance.
- E. Represents expenses and associated true-ups to estimates for professional services primarily related to our Axalta Way and Fit for Growth initiatives, which are not considered indicative of our ongoing operating performance. Amounts incurred during 2013 and 2014 relate to services rendered in conjunction with our transition from DuPont to a standalone entity.
- F. During 2013, 2014 and 2015 we recorded charges associated with the transition from DuPont to a standalone entity, including branding and marketing, information technology related costs, and facility transition costs. Charges and associated adjustments to estimates during 2017 and 2018 represent integration costs related to the acquisition of the Industrial Wood business that was a carve-out business from Valspar. All charges 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 2017 and costs associated with the IPO and secondary offerings of our common shares by Carlyle. Included in the 2014 charges was a \$13.4 million pre-tax charge associated with the termination of the management agreement with Carlyle Investment Management, L.L.C., an affiliate of Carlyle, upon the completion of the IPO. All amounts discussed are not considered indicative of our ongoing operating performance.
- H. Represents non-cash costs associated with stock-based compensation, including \$8 million of expense during 2015 attributable to the accelerated vesting of all issued and outstanding stock options issued under the Axalta Coating Systems Bermuda Co., Ltd 2013 Equity Incentive Plan (the "2013 Plan") as a result of Carlyle's interest falling below 50% and triggering a liquidity event.
- 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. During 2013 we recorded non-cash fair value inventory adjustments and merger and acquisition charges associated with the Acquisition from DuPont for \$104 million and \$28 million, respectively.
- 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 cash operating performance of these entities on Axalta's financial statements.
- K. During 2017, we recorded a loss in conjunction with the deconsolidation of our Venezuelan subsidiary of \$71 million. During 2016, we recorded non-cash impairments at our Venezuela subsidiary of \$68 million associated with our operational long-lived assets and a real estate investment. Additionally, during 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.
- L. Represents (1) the add-back of corporate allocations from DuPont to DPC for the usage of DuPont's facilities, functions and services; costs for administrative functions and services performed on behalf of DPC by centralized staff groups within DuPont; a portion of DuPont's general corporate expenses; and certain pension and other long-term employee benefit costs, in each case because we believe these costs are not indicative of costs we would have incurred as a standalone company net, of (2) estimated standalone costs based on a corporate function resource analysis that included a standalone executive office, the costs associated with supporting a standalone information technology infrastructure, corporate functions such as legal, finance, treasury, procurement and human resources and certain costs related to facilities management. This resource analysis included anticipated headcount and the associated overhead costs of running these functions effectively as a standalone company of our size and complexity. This estimate is provided for additional information and analysis only, as we believe that it facilitates enhanced comparability between Predecessor and Successor periods. It represents the difference between the costs that were allocated to our predecessor by its parent and the costs that we believe would be incurred if it operated as a standalone entity.

Free Cash Flow Reconciliation



(\$ in millions)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Cash provided by operating activities	\$ 251	\$ 410	\$ 559	\$ 540	\$ 496
Purchase of property, plant and equipment	(188)	(138)	(136)	(125)	(143)
Interest proceeds on swaps designated as net investment hedges	—	—	—	—	9
Free cash flow	\$ 63	\$ 272	\$ 423	\$ 415	\$ 362

Adjusted EBIT Reconciliation



(\$ in millions)	FY 2018
Net income	\$ 213
Interest expense, net	160
Provision for income taxes	54
Reported EBIT	\$ 427
A Debt extinguishment and refinancing related costs	10
B Termination benefits and other employee related costs	82
C Offering and transactional costs	1
D Accelerated depreciation	10
E Indemnity losses	4
Adjusted EBIT	\$ 534
<p>A. During the year ended December 31, 2018 we restructured and refinanced our indebtedness resulting in losses of \$10 million. We do not consider these items to be indicative of our ongoing operating performance.</p> <p>B. Represents expenses and associated changes to estimates related to employee termination benefits and other employee-related costs, which includes Axalta CEO recruitment fees. Employee termination benefits are associated with Axalta Way initiatives. These amounts are not considered indicative of our ongoing operating performance.</p> <p>C. Represents acquisition-related expenses, including changes in the fair value of contingent consideration, all of which are not considered indicative of our ongoing operating performance.</p> <p>D. Represents incremental depreciation expense resulting from truncated useful lives of the assets impacted by our manufacturing footprint assessments, which we do not consider indicative of our ongoing operating performance.</p> <p>E. 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.</p>	

Note: Numbers might not foot due to rounding.



Thank You!

