
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) November 4, 2019

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))

Securities registered pursuant to Section 12(b) of the Act:

Common Shares, \$1.00 par value	AXTA	New York Stock Exchange
(Title of class)	(Trading symbol)	(Exchange on which registered)

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 November 4, 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	Fourth Quarter 2019 Investor Presentation
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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: November 4, 2019

By: /s/ Sean M. Lannon

Sean M. Lannon

Senior Vice President and Chief Financial Officer



Investor Presentation
Fourth 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 financial projections, which include net sales, net sales excluding FX, Adjusted EBIT, depreciation and amortization, Adjusted EBITDA, interest expense, tax rate, as adjusted, Adjusted EPS, free cash flow, capital expenditures, diluted shares outstanding, impacts from acquisitions and divestitures, FX impacts, pricing actions 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, our previously announced review of strategic alternatives, 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 and in our Quarterly Report on Form 10-Q for the quarters ended March 31, 2019, June 30, 2019 and September 30, 2019.

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, Adjusted EPS, EBITDA, Adjusted EBITDA, EBIT, Adjusted EBIT, Free Cash Flow, tax rate, as adjusted, Net Debt, Net Operating Profit After Tax (NOPAT), and Return on Invested Capital (ROIC). 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 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, Adjusted EPS, EBITDA, Adjusted EBITDA, EBIT, Adjusted EBIT, Free Cash Flow, tax rate, as adjusted, Net Debt, NOPAT, and ROIC may differ from that of others in our industry. Net sales excluding FX, Adjusted Net Income, 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, Adjusted EPS, EBITDA, Adjusted EBITDA, EBIT, Adjusted EBIT, Free Cash Flow, tax rate, as adjusted, Net Debt, NOPAT, and ROIC 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 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 EBIT, 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.

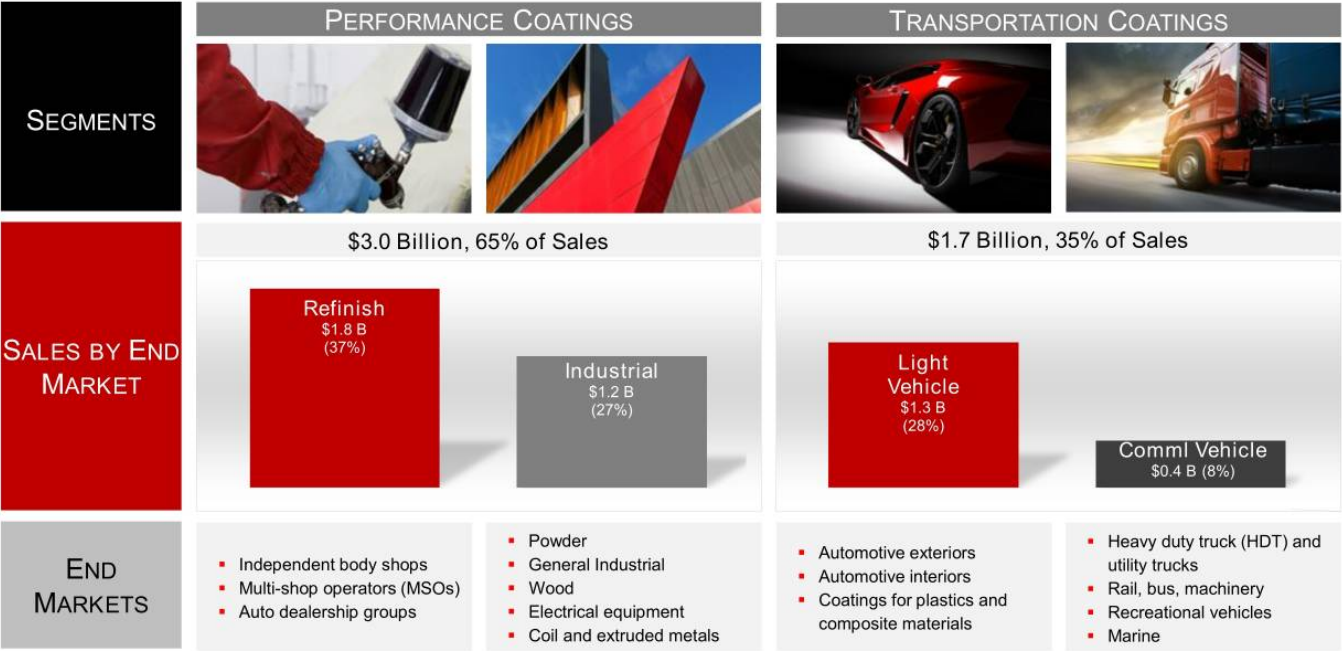
Defined Terms

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, as revised to reclassify other revenue into net sales for all historical periods

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">✓ 21 deals finalized from 2016 through Q3 2019	<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
People

47
Manufacturing Sites

47
Customer Training
Facilities

4
Technology Centers

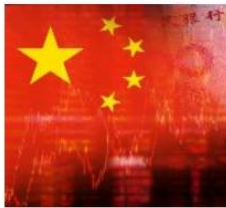
Over 130
Countries We Sell Into



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

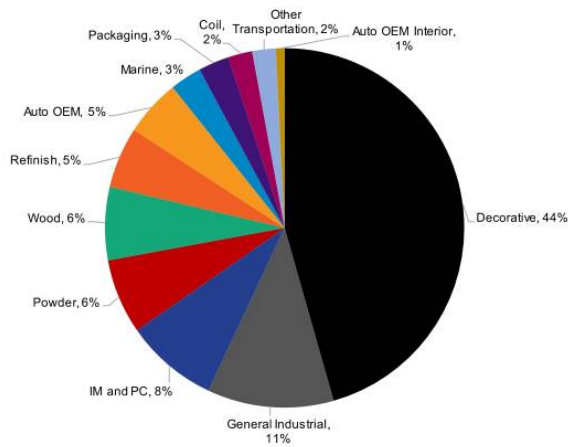


ROIC Growth
Focus,
Shareholder
Value Alignment

We are Focused on Structurally Attractive Coatings End-Markets

A \$160 Billion Global Coatings Market

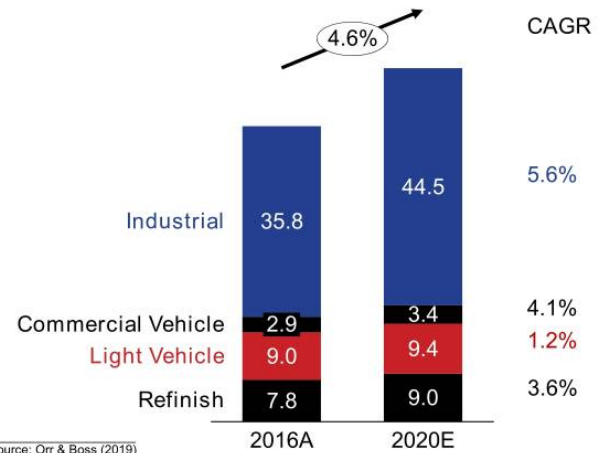
Coatings Industry Sales



Source: Orr & Boss (2019)

Axalta's Coatings Markets

Coatings Industry Sales (\$ Billions)



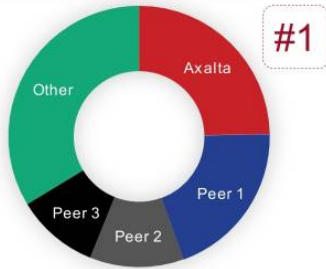
Source: Orr & Boss (2019)

Long Term Alignment With Global Growth

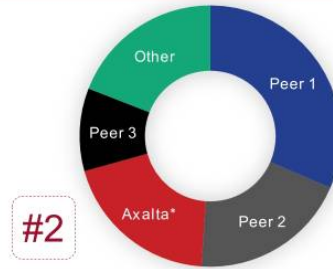
Axalta is a Global Leader in Many of Our Markets...



Performance Coatings: Refinish



Transportation Coatings: Light Vehicle



*Tied with peer

Performance Coatings: Industrial

#2

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

Transportation Coatings: Commercial Vehicle

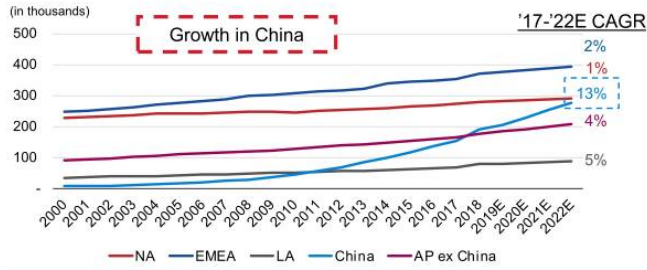


~90% of Sales from Markets Where Axalta Has #1 or #2 Global Share

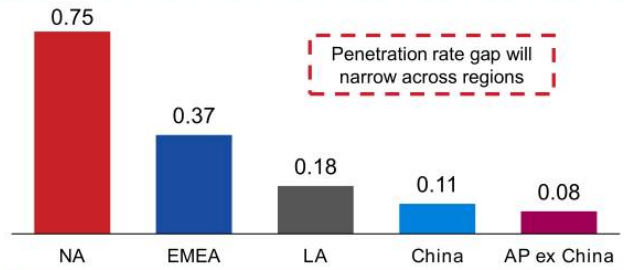
Source: Orr & Boss (2019), Axalta estimates

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

Refinish – Regional Car Parc Growth

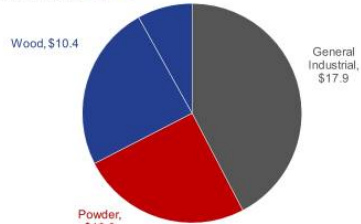


Light Vehicle – Cars Per Capita



Industrial – Market Opportunities

(Market Size in \$ Billions)

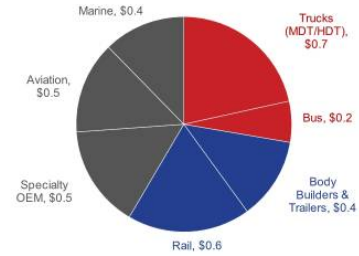


Significant white space for growth

Source: LMC, Orr & Boss (2019), IRFAB, Global Market Insights, Axalta Estimates

Commercial Vehicle – Market Opportunities

(\$ Billions)



China Represents a Huge Growth Opportunity

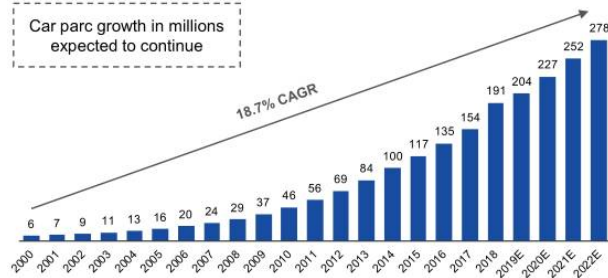
Refinish

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

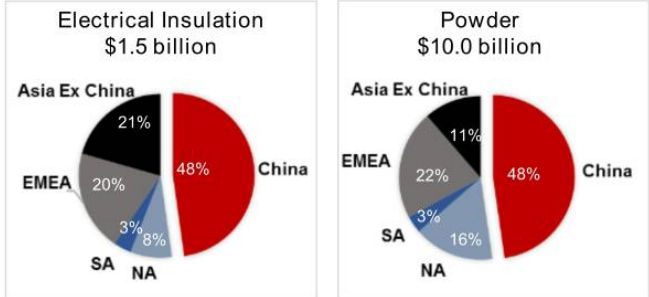
Industrial

- 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

Car Parc Growth



Global Coatings Consumption



Performance Coatings

Source: LMC Automotive, 2019 Estimates

China Represents a Huge Growth Opportunity, Cont'd

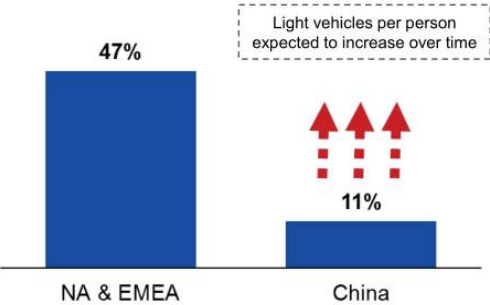
Light Vehicle

- Adding business with domestic OEMs
- Automotive fleet penetration per capita drives market growth
- Target customer shift to interior cities requires new plants

Commercial Vehicle

- Huge truck market >1 million vehicles per year production
- Modernization of fleet drives demand for quality coatings
- Train and bus represent growth markets

Penetration Gap



Growing and New Partners

DAIMLER

PACCAR

KENWORTH

MAN

SCANIA

VOLVO TRUCKS

Transportation Coatings

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 achieved▪ Axalta 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, MI▪ Global 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 relationships▪ New 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 systems▪ Large 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

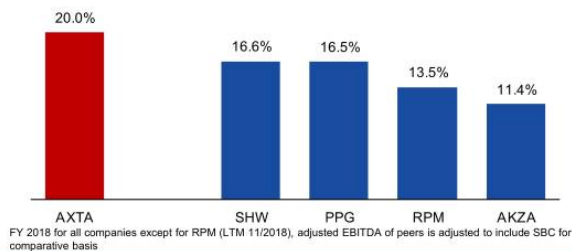


Target	End-Market	Geography	Closed	Company Overview
 DuWest Performance Coatings	Refinish	Latin America	2015	Leading manufacturer/distributor of refinish and architectural coating products in Central America
 ChemSpec North America	Refinish	North America	2015	Ohio-based refinish manufacturer focused on mainstream and economy market segments
 High Performance Coatings	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
 Industrial Wood Coatings	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 Systems Limited	Industrial	EMEA	2017	Leading supplier of thermoplastic coatings
21 deals finalized from 2016 through Q3 2019				

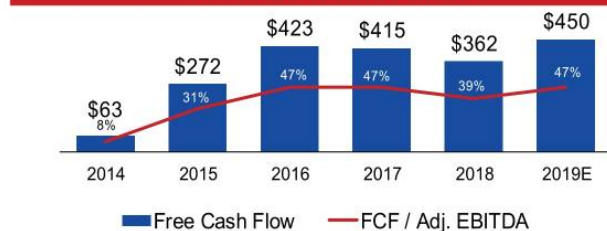
Axalta Generates Strong Free Cash Flow; Disciplined Allocation



Strong Adjusted EBITDA Margins



Free Cash Flow Growth

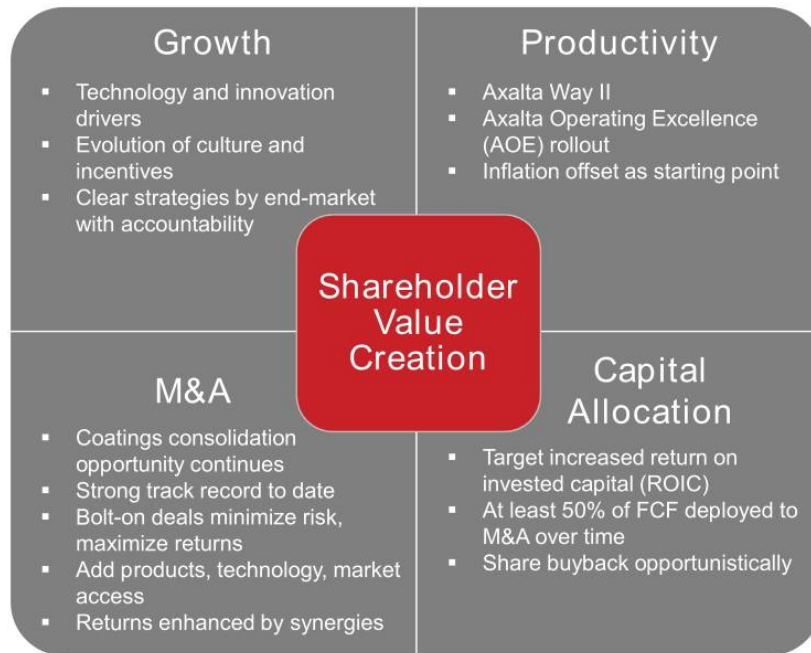


A Sound Capital Allocation Process

- 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
- 21 M&A transactions have been completed for over \$800 million of capital since 2015
- We have repurchased over \$414 million of our common shares to date
- We have invested over \$600 million in capex projects since 2015 with strong assumed IRRs
- 2018 and 2019 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



ISS ESG Ratings	
Governance and E&S scores as of August 8 th , 2019 and July 23 rd , 2019 respectively	
Environment	1
Social	2
Lower Governance Risk = 1 Higher Governance Risk = 10 Higher E&S Disclosures = 1 Lower E&S Disclosures = 10	

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

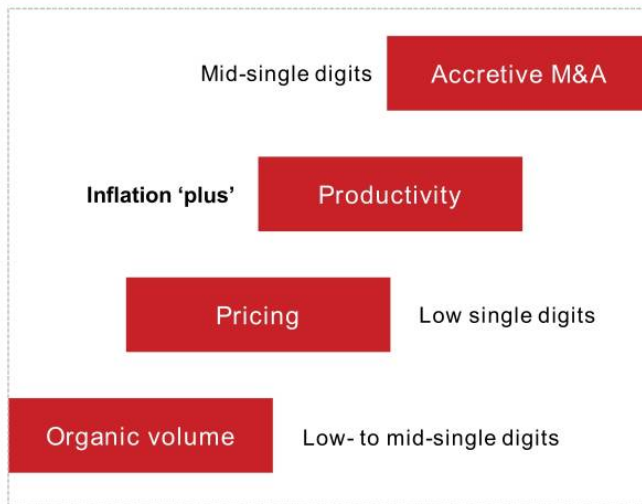


Financial Overview

Axalta's Growth Algorithm



Multiple Steps Support Results



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

- Capex of \$143 million and R&D of ~\$190 million¹ 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

- Refinish market share increased by ~500 basis points 2013-2018
- Strong headway in multiple other coatings verticals

Emerging Markets Focus for Long Term Growth

- 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

- 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

Q3 Consolidated Results



Financial Performance

(\$ in millions, except per share data)	Q3		% Change	
	2019	2018	Incl. F/X	Excl. F/X
Performance	724	756	(4.3)%	(2.0)%
Transportation	383	390	(1.7)%	—%
Net Sales	1,107	1,146	(3.4)%	(1.4)%
Income from ops	123	48		
Adjusted EBIT	191	163	17.0%	
Diluted EPS	0.28	(0.05)	660.0%	
Adjusted EPS	0.52	0.40	30.0%	

Net Sales Variance

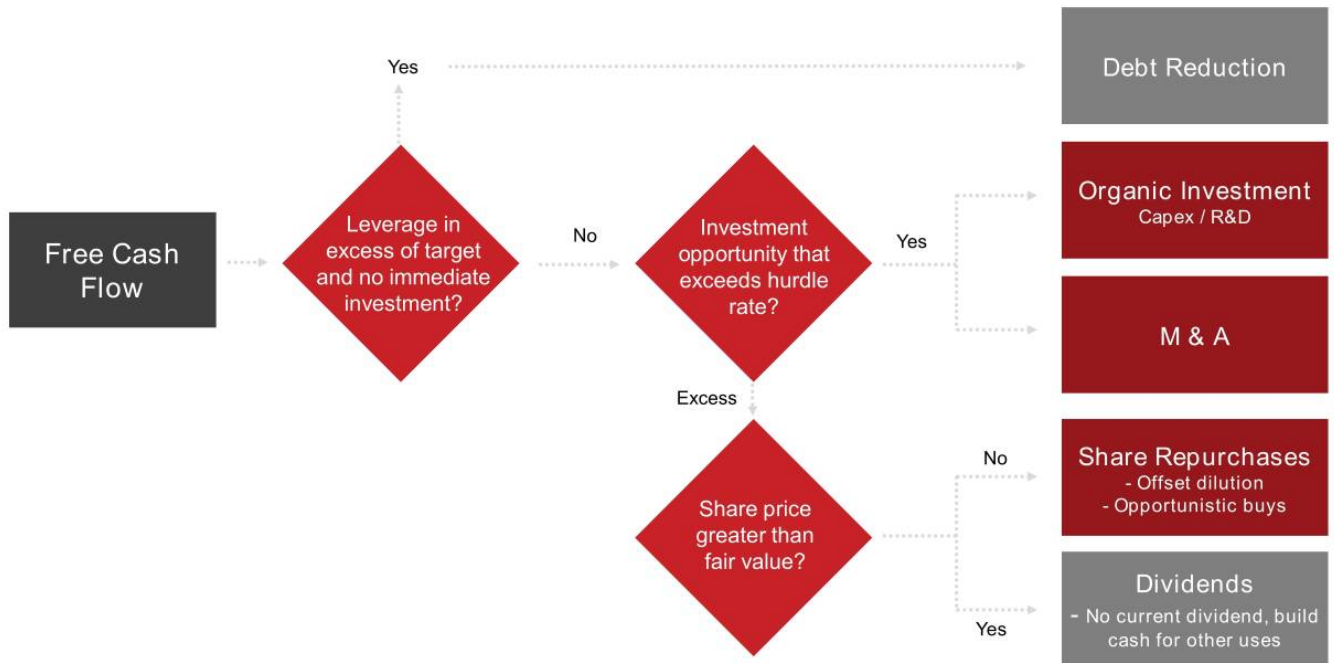


Commentary

Net sales flat excluding FX and China JV sale - continued strong price-mix

- Commercial Vehicle solid volume growth from most regions, offset by lower Light Vehicle volumes from lower global production rates; mid-single digit volume decline in Performance Coatings from both end-markets
- Price momentum remained strong across Performance Coatings in mid-single digits; continued price recapture in Light Vehicle while Commercial Vehicle included negative mix elements
- Unfavorable currency impact driven by the Euro, Renminbi, Pound, and Argentine Peso
- Net sales negatively impacted by China powder JV disposition

Focus on Capital Allocation

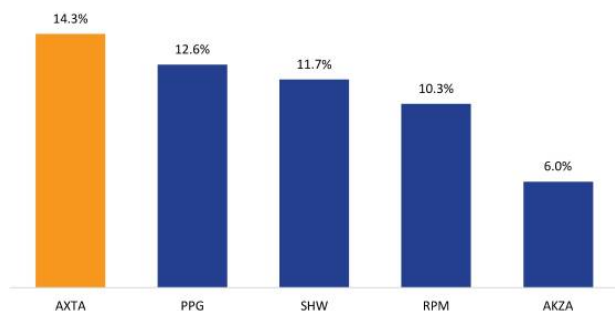


Effective Capital Allocation Should Drive Improved Returns



Return on Invested Capital (ROIC)

NOPAT ROIC (LTM)

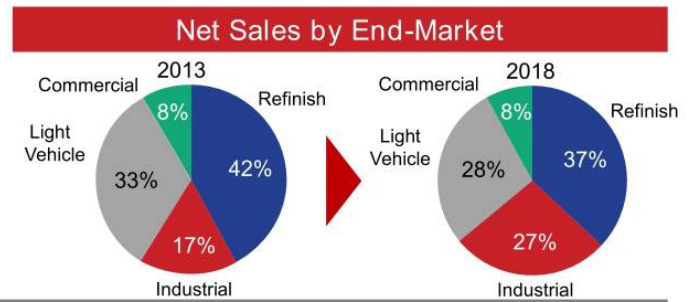
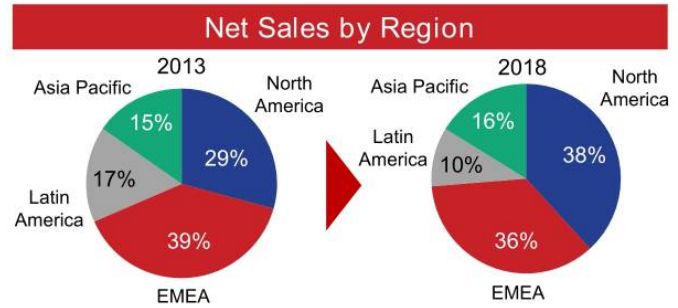
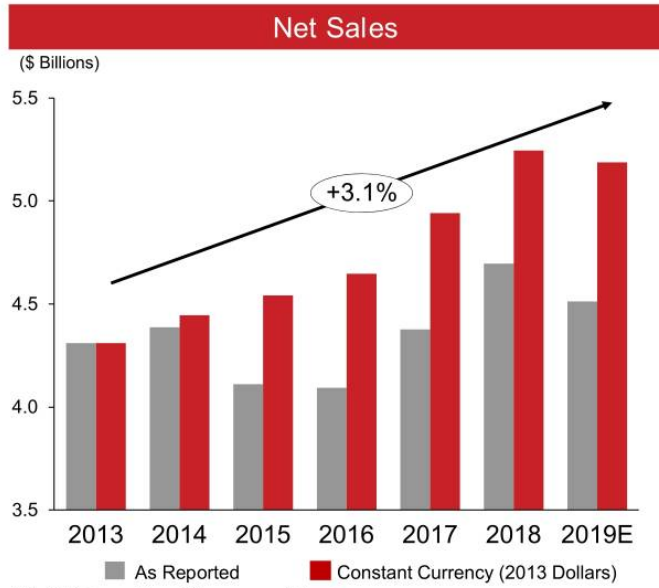


Commentary

- Axalta's total capital in the ROIC excludes \$259 million PP&E "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

Notes: 1) ROIC = Net Operating Profit After Tax (NOPAT) / (Total Debt + Minority Interest + Equity); 2) AXTA ROIC = Net Operating Profit After Tax (NOPAT) / (Total Debt + Minority Interest + Equity - Identifiable Intangible Assets - PP&E balance remaining from LBO step up); 3) Data as of 9/2019 for all companies except RPM (8/2019); 4) Book taxes have been adjusted to exclude impact from US Tax reform for AXTA, PPG, & SHW; 5) AXTA NOPAT represents Adj. EBIT - Taxes as reported

Net Sales to Date Show Solid Growth and Portfolio Diversification

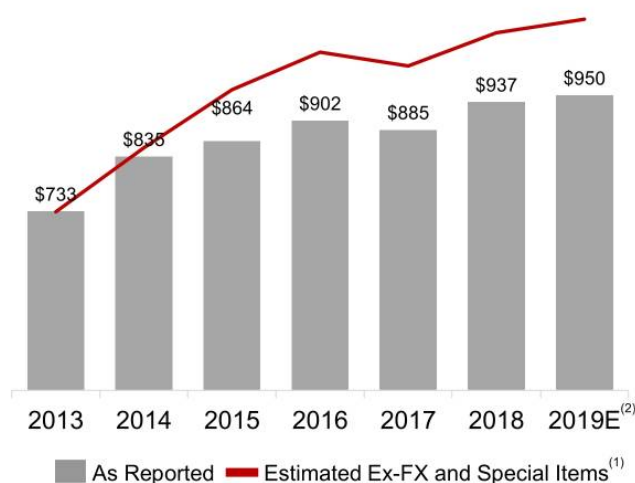


Constant Currency Sales Progression Has Been Strong

Adjusted EBITDA Results to Date Show Strong Core Progress



Adjusted EBITDA



Growth Drivers

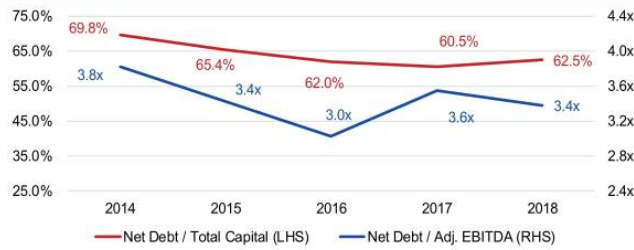
- Adjusted EBITDA margins increased from 17.2% in 2013 to 20.1% in 2018
- Pricing actions positively contributed to margin expansion
- Volume growth and share gain provided operating leverage over fixed costs
- Acquisition contribution mainly in Industrial complemented organic growth
- Axalta Way created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

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

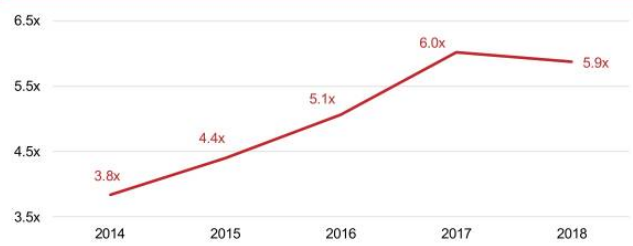
(1) Estimated Adjusted EBITDA Ex-FX and Special Items excludes the impact of FX, Venezuela results (deconsolidated 2017), North America Refinish distributor adjustments (2017), natural disaster impacts (2017); (2) 2019E is midpoint of guidance

Debt and Liquidity Summary

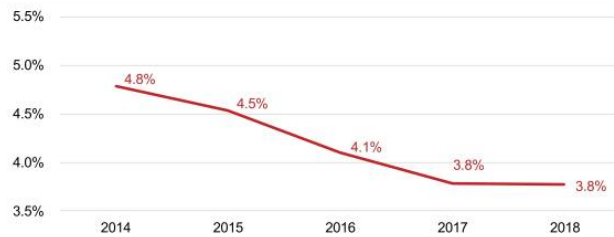
Leverage Trends



Interest Coverage (Adj. EBITDA)



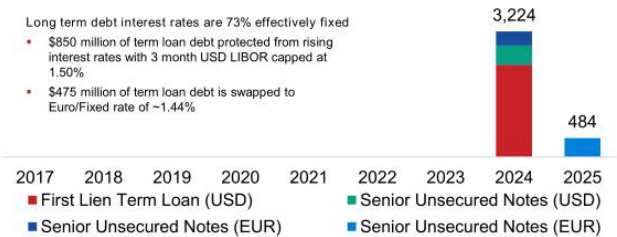
Cost of Debt



Debt Maturity Profile

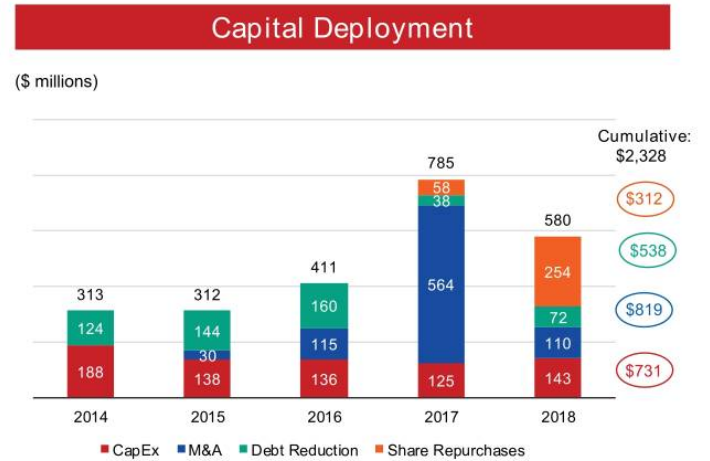
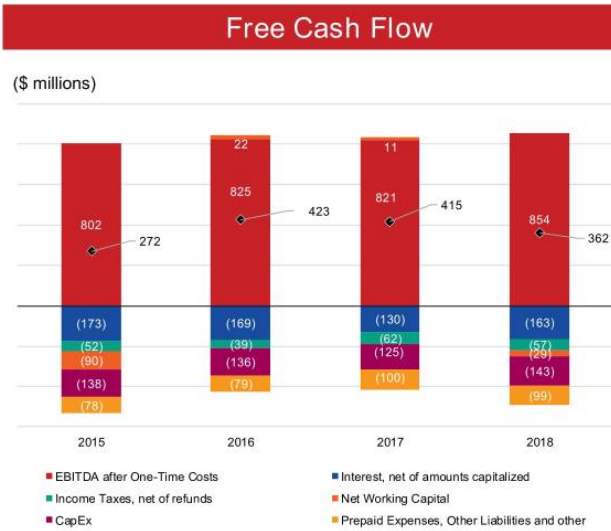
Long term debt interest rates are 73% effectively fixed

- \$850 million of term loan debt protected from rising interest rates with 3 month USD LIBOR capped at 1.50%
- \$475 million of term loan debt is swapped to Euro/Fixed rate of ~1.44%



Note: Balances reported on a US GAAP basis as of 6/30/2019

Free Cash Flow Strong and Improving; Deployment Accelerating



Cash Flow is Supporting Increased Capital Deployment and Returns

Full Year 2019 Guidance



(\$ millions, except per share data)	Jul. Guide	2019E
Net Sales	~(2%)	~(4%)
Net Sales, ex FX ¹	~0%	~(1%)
Adjusted EBIT	\$675-725	\$675-725
Adjusted EPS	\$1.70-1.90	\$1.70-1.90
D&A	~\$365	~\$360
Adjusted EBITDA	\$950-975	\$940-960
Interest Expense	~\$165	~\$165
Tax Rate, As Adjusted	20-22%	20-22%
Diluted Shares (millions)	~236	~236
Capex	~\$160	~\$130
Free Cash Flow	\$430-470	\$430-470

1. Includes partial year impact of China JV sale in May

Comments
<ul style="list-style-type: none"> Net sales guidance reflects May disposition of China JV with ~1% full year impact and minor Adjusted EBIT impact; net sales also reflects lower global auto production rates and customer strike impacts in NA FX headwind of ~3% versus ~2% seen in July Adjusted EBIT and Adjusted EPS guidance exclude ~\$115 million of pre-tax (~\$90 million after-tax) incremental step-up D&A associated with the 2013 acquisition of DuPont Performance Coatings by Axalta Accelerated depreciation of ~\$22 million in 2019 from Belgium plant closure No incremental share repurchases assumed in full year 2019 diluted share guidance Revised capex forecast due to timing of projects



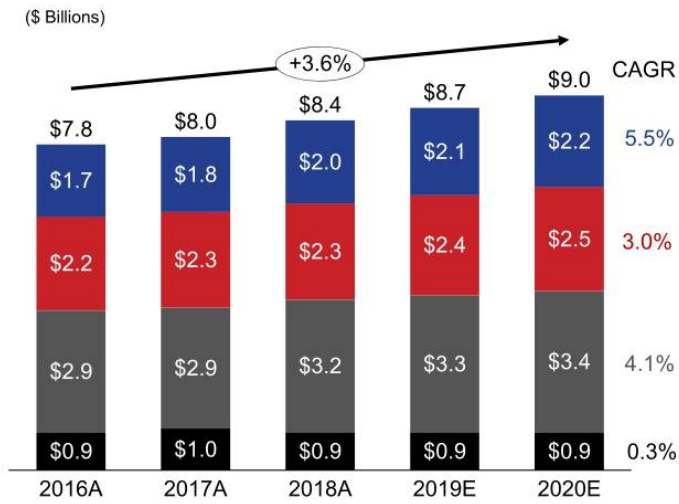
Performance Coatings: Refinish

- 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

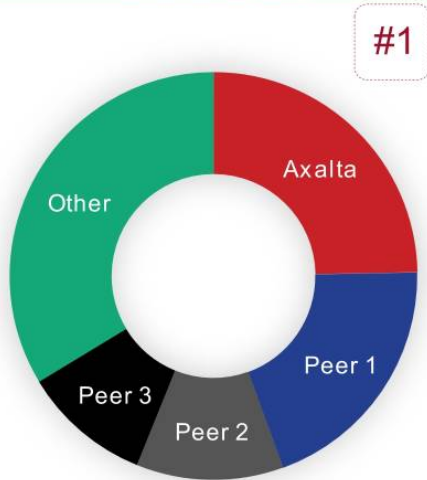
- Color requirements continue to increase
- Productivity demands innovation
- Targeted channel strategies aligned to market growth
- Field service addresses training challenges

Source: Orr & Boss

Axalta is The Leader in Global Refinish Coatings



Refinish Market Share \$8.1 Billion Total Sales



Leading a Growing Industry

- Leading market share position; industry sales estimated to grow at ~4% 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

Source: Orr & Boss (2019)
Excludes Refinish DIY Market

Our Strength can be Measured in Each Region

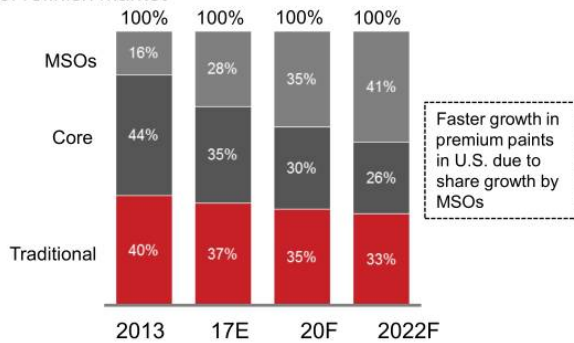
North America	EMEA	Asia Pacific	Latin America
<ul style="list-style-type: none"> As the leading provider to MSOs, Axalta benefits from continued consolidation Opportunity for growth in value product lines provides additional potential for growth Leading VOC-compliant products meet environmental regulation 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, 32% share</p>	 <p>#1, 28% share</p>	 <p>#3, 14% share</p>	 <p>#2, 18% share</p>

Source: Orr & Boss for share data

Refinish Growth Drivers Globally

U.S. Body Shop Consolidation

Body shop paint sales
% of refinish market



Europe Growth in CEE

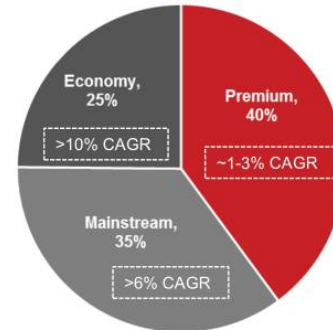


- 3% growth expected from 2017-2022
- ~2.2% car parc growth, faster than W Europe
- Higher GDP growth
- Highly fragmented body shop market

Source: Axalta, McKinsey

China Growth in Mainstream & Tier Cities

Overall market expected to grow >5% 2015-2019



- Faster growth is expected in mainstream and economy
- Growth in Tier 3-4 cities is strong and expected to continue
- Tier 1 has been slowed by regulations
- Axalta is following the market to Tier 2-4 cities

Source: Axalta, McKinsey, CIRC (China Insurance Regulatory Commission)



Performance Coatings: Industrial

AXALTA COATING SYSTEMS

2013



2016 - 2018



Industrial sales

2x

since 2013

1960 - 2013



2014 - 2018



Our Industrial Business Today



Wood Coatings

- Kitchen cabinets
- Building products
- Flooring
- Furniture



Powder Coatings

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



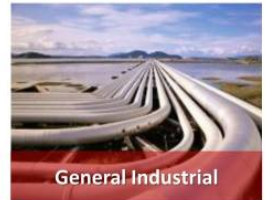
Coil Coatings

- Commercial / residential siding
- Garage doors
- Gutters, downspouts, lighting housings
- Appliances



Energy Solutions

- Electrical vehicles
- Wind energy equipment
- Electrical equipment (motors, transformers, coils)
- Heavy voltage



General Industrial

- ACE
- Oil and gas
- Structural steel
- Metal components
- Protective storage
- Automotive components

13K

Customers

24

Dedicated Manufacturing
Plants

12

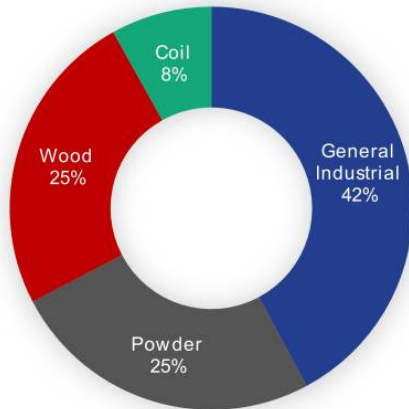
Shared
Manufacturing Plants

60

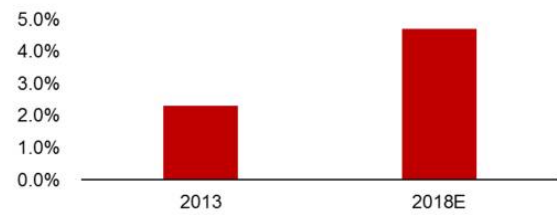
Countries

Industrial Coatings: A \$45 Billion Market Opportunity for Axalta

Industrial Coatings



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

Source: Orr & Boss (2019)

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

#4*

Global Electrical
Insulation Supplier



Industrial Coating
Systems

#2

Global Industrial
E-Coat Supplier

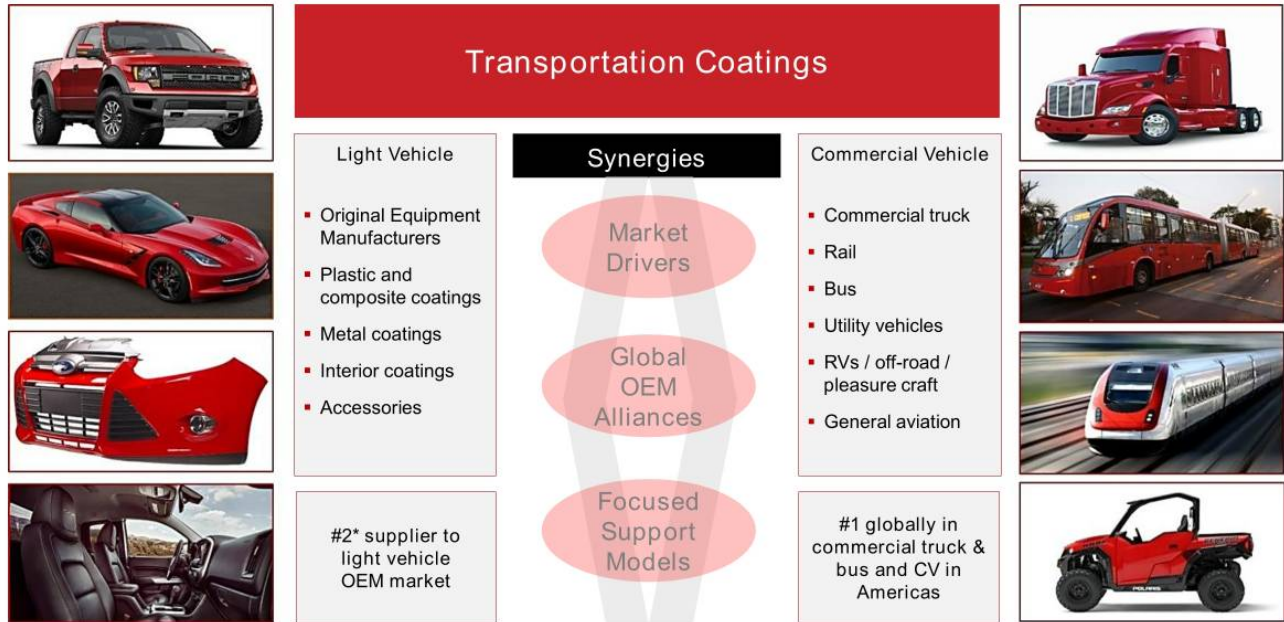


*Tied with peer



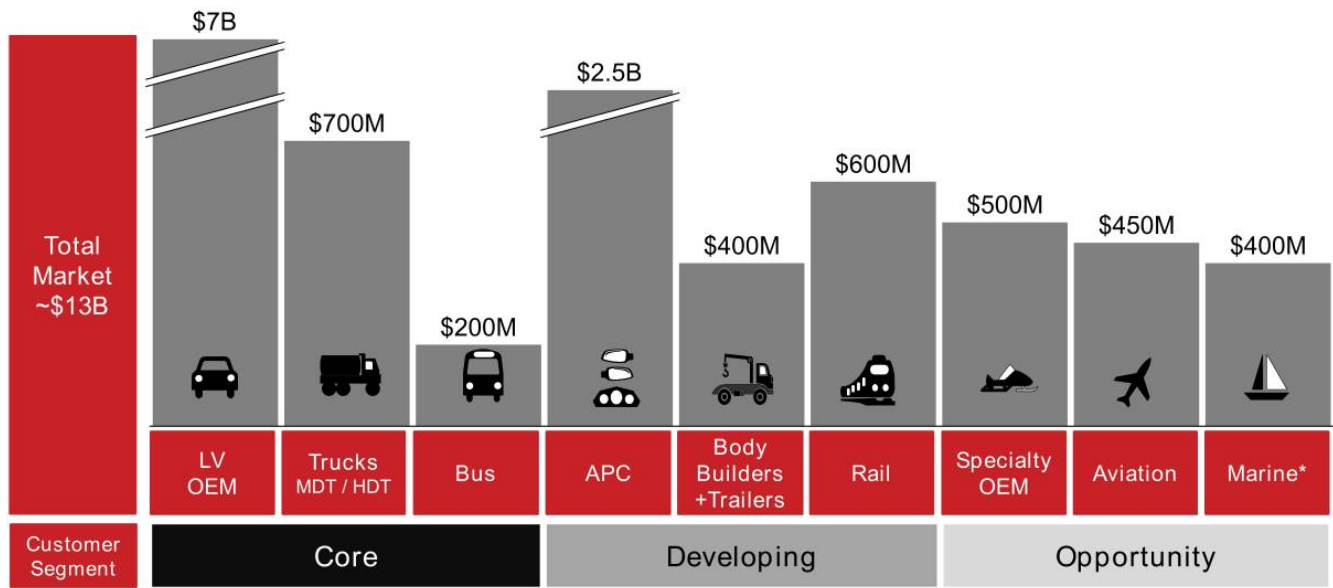
Transportation Coatings

AXALTA COATING SYSTEMS



*Tied with peer

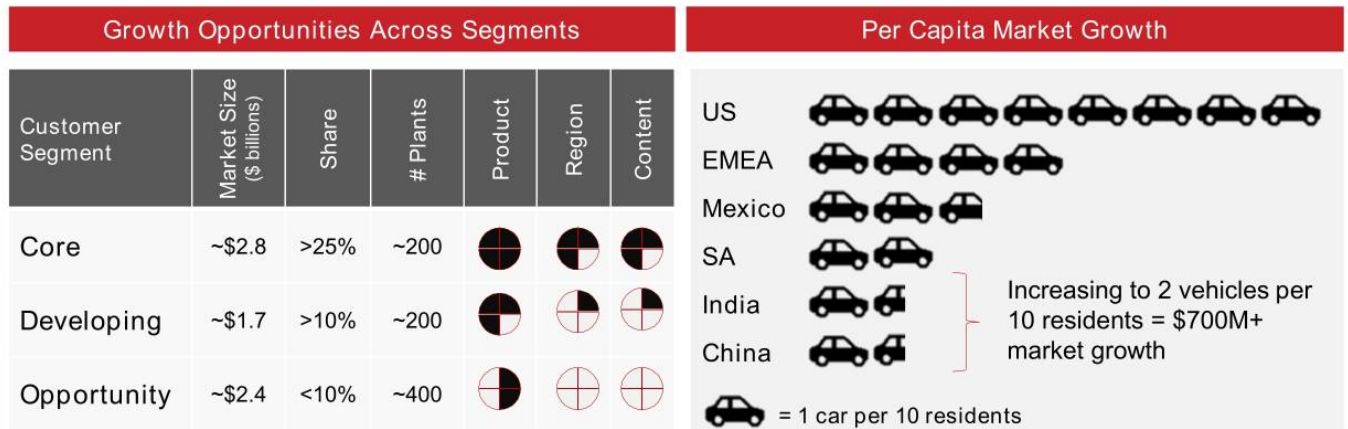
Transportation | Significant White Space Provides Growth Opportunities



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

* Excluding commercial, container, military and off-shore

Light Vehicle | Growing with a Strong Global Market

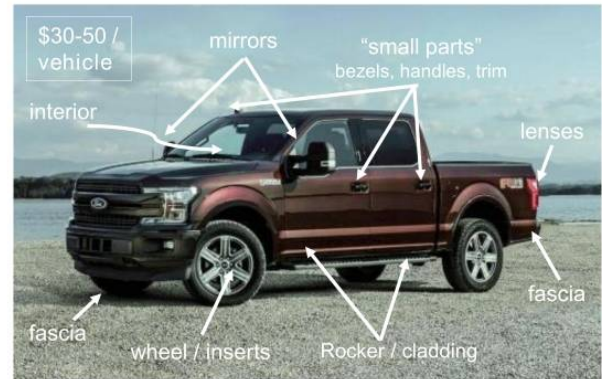


Achieving 20% Global Share Represents More Than \$500M in Growth Potential

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



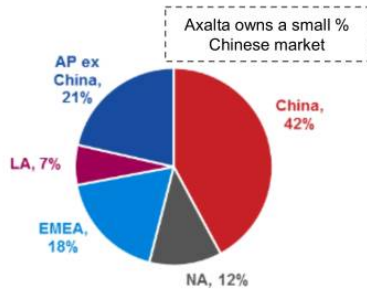
Content Opportunity Represents > \$250 Million in Growth Potential

Our Commercial Vehicle Business is Growing and Diverse

Market White Space

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

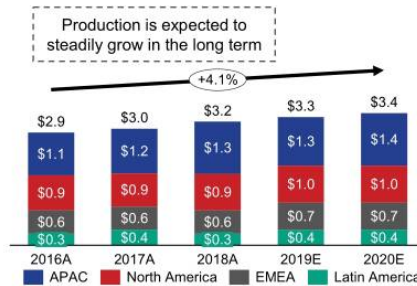
HDT & MDT Builds by Geography



Share Gain

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

HDT & MDT Builds Growth



Technology

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

Superior Products



IMRON™

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

Strong Momentum Driven by Customer-Centric Approach

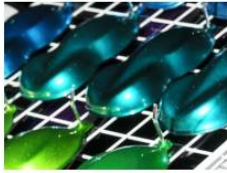
Source: LMC Automotive Q4, 2017 Estimates, Orr & Boss (2019)

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:

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2018 Adjusted EBIT Reconciliation

(\$ in millions)	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018
Income from operations	\$ 120	\$ 147	\$ 48	\$ 128	442
Other (income) expense, net	(2)	8	6	4	15
Total	\$ 122	\$ 138	\$ 42	\$ 124	427
A Debt extinguishment and refinancing related costs	—	8	—	1	10
B Termination benefits and other employee related costs	(1)	(1)	82	2	82
C Offering and transactional costs	—	0	1	0	1
D Accelerated depreciation	—	—	4	6	10
E Indemnity losses	—	1	—	3	4
F Change in fair value of equity investments	0	0	—	0	1
G Step-up depreciation and amortization	38	35	34	34	140
Adjusted EBIT	\$ 159	\$ 182	\$ 163	\$ 171	675
Segment Adjusted EBIT:					
Performance Coatings	\$ 76	\$ 109	\$ 104	\$ 111	400
Transportation Coatings	45	38	26	26	135
Total	\$ 121	\$ 147	\$ 130	\$ 137	534
G Step-up depreciation and amortization	38	35	34	34	140
Adjusted EBIT	\$ 159	\$ 182	\$ 163	\$ 171	675

- A. Represents expenses associated with the restructuring and refinancing of our indebtedness, which are not considered indicative of our ongoing operating performance.
- 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.
- C. Represents acquisition and divestiture-related expenses, all of which are not considered indicative of our ongoing operating performance.
- 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.
- E. Represents indemnity losses associated with the acquisition by Axalta of the DuPont Performance Coatings business.
- F. Represents mark to market impacts of our equity investments, which we do not consider to be indicative of our ongoing operating performance.
- G. Represents the incremental step-up depreciation and amortization expense associated with the acquisition of DuPont Performance Coatings by Axalta. We believe this will assist investors in performing meaningful comparisons of past, present and future operating results and better highlight the results of our ongoing operating performance.

Adjusted EBIT Reconciliation

(\$ in millions)	Q3 2019		Q3 2018	
Income from operations	\$	123	\$	48
Other (income) expense, net		(2)		6
Total	\$	125	\$	42
A Termination benefits and other employee related costs		29		82
B Consulting and advisory		3		—
C Offering and transactional costs		—		1
D (Gain) loss on divestiture		(1)		—
E Accelerated depreciation		5		4
F Step-up depreciation and amortization		29		34
Adjusted EBIT	\$	191	\$	163
Segment Adjusted EBIT:				
Performance Coatings	\$	125	\$	104
Transportation Coatings		37		26
Total	\$	162	\$	130
F Step-up depreciation and amortization		29		34
Adjusted EBIT	\$	191	\$	163

- A. Represents expenses and associated changes to estimates related to employee termination benefits and other employee-related costs. Employee termination benefits are associated with Axalta Way initiatives. These amounts are not considered indicative of our ongoing operating performance.
- B. Represents legal and advisory fees pertaining to our previously announced comprehensive review of strategic alternatives. These amounts are not considered indicative of our ongoing performance.
- C. Represents acquisition and divestiture-related expenses, all of which are not considered indicative of our ongoing operating performance.
- D. Represents the impacts recognized on the sale of our interest in a joint venture business, which is not considered indicative of our ongoing operating performance.
- E. Represents the 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.
- F. Represents incremental step-up depreciation and amortization expense associated with the acquisition of DuPont Performance Coatings by Axalta. We believe this will assist investors in performing meaningful comparisons of past, present and future operating results and better highlight the results of our ongoing operating performance.

Adjusted Net Income Reconciliation



(\$ in millions, except per share data)	Q3 2019		Q3 2018	
Net Income (loss)	\$	66	\$	(12)
Less: Net income attributable to noncontrolling interests		1		2
Net income (loss) attributable to controlling interests		65		(13)
A Termination benefits and other employee related costs		29		82
B Consulting and advisory		3		—
C Offering and transactional costs		—		1
D (Gain) loss on divestiture		(1)		—
E Accelerated depreciation		5		4
F Step-up depreciation and amortization		29		34
Total adjustments	\$	66	\$	121
G Income tax provision impacts		10		10
Adjusted net income	\$	122	\$	98
Adjusted earnings per share	\$	0.52	\$	0.40
Diluted weighted average shares outstanding ⁽¹⁾		236		242

1) For the three months ended September 30, 2018, the diluted weighted average shares outstanding represents the diluted share count if the period had been in a net income position, compared to 239 million diluted shares reported.

A. Represents expenses and associated changes to estimates related to employee termination benefits and other employee-related costs. Employee termination benefits are associated with Axalta Way initiatives. These amounts are not considered indicative of our ongoing operating performance.

B. Represents legal and advisory fees pertaining to our previously announced comprehensive review of strategic alternatives. These amounts are not considered indicative of our ongoing performance.

C. Represents acquisition and divestiture-related expenses, all of which are not considered indicative of our ongoing operating performance.

D. Represents the impacts recognized on the sale of our interest in a joint venture business, which is not considered indicative of our ongoing operating performance.

E. Represents the 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.

F. Represents incremental step-up depreciation and amortization expense associated with the acquisition of DuPont Performance Coatings by Axalta. We believe this will assist investors in performing meaningful comparisons of past, present and future operating results and better highlight the results of our ongoing operating performance.

G. 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 tax benefits of \$1.0 million and \$9.6 million for the three months ended September 30, 2019 and 2018, respectively.

Adjusted EBITDA Reconciliation



(\$ in millions)	LTM 9/30/2019	Q3 2019	Q2 2019	Q1 2019	Q3 2018	Q2 2018	Q1 2018	FY 2018
Net income (loss)	\$ 287	\$ 66	\$ 100	\$ 44	\$ (12)	\$ 77	\$ 71	213
Interest expense, net	164	40	41	41	40	39	39	160
Provision for income taxes	56	18	18	14	14	22	12	54
Depreciation and amortization	362	87	89	92	93	90	92	369
EBITDA	\$ 869	\$ 212	\$ 248	\$ 191	\$ 135	\$ 229	\$ 214	796
A Debt extinguishment and refinancing related costs	2	—	—	—	—	8	—	10
B Termination benefits and other employee related costs	35	29	3	1	82	(1)	(1)	82
C Consulting and advisory	4	3	1	—	—	—	—	—
D Offering and transactional costs	1	—	—	1	1	—	—	1
E (Gain) loss on divestiture	3	(1)	(1)	5	—	—	—	—
F Foreign exchange remeasurement losses	5	1	2	2	7	2	—	9
G Long-term employee benefit plan adjustments	—	—	—	—	—	(1)	(1)	(2)
H Stock-based compensation	20	4	(1)	7	9	10	8	37
I Dividends in respect of noncontrolling interest	(1)	—	—	(1)	—	—	(1)	(1)
J Other adjustments	4	—	—	—	—	1	—	5
Total Adjustments	\$ 73	\$ 37	\$ 4	\$ 15	\$ 100	\$ 19	\$ 6	141
Adjusted EBITDA	\$ 941	\$ 249	\$ 251	\$ 207	\$ 235	\$ 248	\$ 220	937

Note: Numbers might not foot due to rounding.

Adjusted EBITDA Reconciliation (cont'd)



- A. Represents expenses associated with the restructuring and refinancing of our indebtedness, which are not considered indicative of our ongoing operating performance.
- B. Represents expenses and associated changes to estimates related to employee termination benefits and other employee-related costs. Employee termination benefits are associated with our Axalta Way initiatives. These amounts are not considered indicative of our ongoing operating performance.
- C. Represents legal and advisory fees pertaining to our previously announced comprehensive review of strategic alternatives. These amounts are not considered indicative of our ongoing performance.
- D. Represents acquisition and divestiture-related expenses, all of which are not considered indicative of our ongoing operating performance.
- E. Represents the impacts recognized on the sale of our interest in a joint venture business, which is not considered indicative of our ongoing operating performance.
- F. 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.
- G. Eliminates the non-cash, non-service cost components of long-term employee benefit costs.
- H. Represents non-cash impacts associated with stock-based compensation.
- I. 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.
- J. 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 (income) 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, gains and losses from the remaining foreign currency derivative instruments and from non-cash fair value inventory adjustments associated with our business combinations.

Free Cash Flow Reconciliation



(\$ in millions)	Q3 2019	Q2 2019	Q1 2019	Q3 2018	Q2 2018	Q1 2018
Cash provided by (used in) operating activities	\$ 221	\$ 127	\$ (58)	\$ 125	\$ 142	\$ (21)
Purchase of property, plant and equipment	(27)	(27)	(21)	(35)	(35)	(40)
Interest proceeds on swaps designated as net investment hedges	4	4	4	6	—	—
Free cash flow	\$ 198	\$ 104	\$ (75)	\$ 96	\$ 107	\$ (61)



Thank You!

