

**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) April 25, 2022

**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.)

**50 Applied Bank Blvd, Suite 300, Glen Mills, Pennsylvania 19342**  
(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  
(Title of class)

AXTA  
(Trading symbol)

New York Stock Exchange  
(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 2.02. Results of Operations and Financial Condition.**

On April 25, 2022, Axalta Coating Systems Ltd. (“Axalta”) issued a press release and posted an earnings call presentation to its website reporting its financial results for the first quarter ended March 31, 2022. Copies of the press release and the earnings call presentation are furnished as Exhibit 99.1 and Exhibit 99.2, respectively, to this Current Report on Form 8-K and are incorporated herein by reference. The information furnished with this Item 2.02, including Exhibits 99.1 and 99.2, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any other filing under the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such a filing.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	<a href="#">Press Release dated April 25, 2022</a>
99.2	<a href="#">First Quarter ended March 31, 2022 Earnings Call Presentation</a>
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: April 25, 2022

By: /s/ Sean M. Lannon

Sean M. Lannon

Senior Vice President and Chief Financial Officer

**News Release**

**Axalta Coating Systems**  
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**Immediate Release****Axalta Releases First Quarter 2022 Results**

*Robust Double-Digit Sales Growth Led by Accelerating Pricing Gains; Achieved Adjusted EBIT at the Top-End of Guidance Range*

GLEN MILLS, PA, April 25, 2022 - Axalta Coating Systems Ltd. (NYSE:AXTA) ("Axalta"), a leading global coatings company, announced its financial results for the first quarter ended March 31, 2022.

**First Quarter 2022 Highlights:**

- Net sales increased 10.4% year-over-year (13.4% ex FX) led by accelerating pricing gains in every end-market and a solid global demand profile, except in Light Vehicle due to continued auto OEM production constraints
- Price-mix increased 8.8% with strong contributions across all end-markets; Industrial Coatings mid-teens price-mix growth led all end-markets; expect continued sequential pricing gains company-wide
- Income from operations of \$86.3 million versus \$52.6 million in Q1 2021; Adjusted EBIT of \$119.5 million compared with \$182.8 million in Q1 2021
- Diluted EPS of \$0.18 versus \$0.06 in Q1 2021; Adjusted diluted EPS of \$0.31 versus \$0.50 in Q1 2021
- Completed share repurchases of \$175.1 million reflecting the repurchase of 6.4 million shares during Q1 2022

**First Quarter 2022 Consolidated Financial Results**

First quarter net sales of \$1,174.1 million increased 10.4% year-over-year, including a 3.0% foreign currency offset. The strong year-over-year growth was driven by 8.8% higher average price-mix, a 3.6% M&A benefit, and 1.0% better volumes. Performance Coatings Q1 net sales increased 15.1% year-over-year, including mid-teen sales growth in both the Industrial and Refinish end-markets. Mobility Coatings net sales increased 1.0% led by 4.9% higher price-mix and solid volume growth from Commercial Vehicle, given supportive demand and customer production rates despite moderate supply issues. This was partially offset by foreign currency translation and lower volumes in Light Vehicle stemming from customer production constraints as a result of ongoing semiconductor chip and other supply chain shortages.

Income from operations for Q1 2022 totaled \$86.3 million versus \$52.6 million in Q1 2021. Net income to common shareholders was \$41.5 million for the quarter compared with \$15.2 million in Q1 2021, and diluted earnings per share was \$0.18 compared with \$0.06 in Q1 2021. The first quarter benefited from robust sales growth, including significant realized pricing gains; however, operating income was negatively impacted by continued variable cost inflation, and elevated logistics, labor, and energy expenses. Q1 2022 net income to common shareholders also benefited from the absence of the operational matter which had resulted in a charge of \$71.5 million, net of tax, in Q1 2021.

Robert W. Bryant, Axalta's President and CEO, commented, "Axalta's first quarter results demonstrated solid execution in a still challenging global operating environment. I am proud of the team for delivering better than anticipated results despite unresolved supply chain challenges and a number of significant unforeseen global headwinds. Specifically I want to recognize the actions of our teams in China who have been able to safely operate and serve our customers during the ongoing lockdowns. We are proving every day that we have a dedicated and resilient organization committed to delivering on our strategic growth imperative."

"Despite the unprecedented breadth and rate of cost inflation, we are increasing prices aggressively and working hard to ensure we are fully sourced to support our customers' needs. Raw material availability remains challenged with the potential for areas of trade flow concerns if China COVID-19 lockdowns persist deeper into Q2. As a consequence of the Russia-Ukraine conflict energy surcharges are becoming more prevalent and impactful, particularly when sourcing materials from Europe. Nonetheless, we have responded quickly to offset a significant portion of the cumulative impact, especially in Performance Coatings. I am encouraged by the rate of price execution and remain confident that we will return to pre-pandemic margins over time."

Mr. Bryant continued, “Even in this dynamic environment we are delivering above-market growth rates across the portfolio, demonstrating the benefits of our leading technology platforms and myriad of new product launches. I expect us to continue to drive strong organic sales growth even as markets are slow to fully recover. Looking beyond the near-term, I am encouraged by the degree of pent-up consumer demand, low channel inventory levels, and successful pricing execution supporting a significant long-term growth potential for Axalta as end-markets normalize toward pre-pandemic levels of activity.” Mr. Bryant concluded, “We see tremendous opportunity in the realization of our strategy and remain committed to the execution of our plans.”

#### **Performance Coatings Results**

Performance Coatings first quarter net sales were \$814.4 million, an increase of 15.1% year-over-year. Organic constant currency net sales increased 13.2% in the period as both end-markets provided strong contributions to a 10.7% price and product mix benefit while Refinish drove the majority of the 2.5% segment volume growth. Foreign exchange in the first quarter was a 3.5% year-over-year headwind led by a weaker Euro and Lira.

Refinish net sales increased 15.6% year-over-year to \$461.4 million in Q1 2022, including a 4.0% increase in volume versus the prior year and an 8.1% contribution from M&A, partially offset by a foreign exchange headwind of 4.1%. Average price and product mix increased high-single digits in the period offsetting the impact of continued variable cost inflation. The industry recovery is steadily progressing driven by a return to in-person work, higher-miles driven, and increasing traffic congestion though supply chain constraints and customer labor availability headwinds persist.

Industrial net sales increased 14.5% to \$353.0 million, driven by the 14.8% increase in average price and product mix. In response to the challenging variable cost environment, a number of pricing actions were executed in the late stages of the quarter, which should sustain positive pricing momentum into the second half of the year. Volume growth of 0.6% includes a high-single digit percent drag from supply chain constraints, which limited our ability to serve a healthy demand environment. Growth was led by stronger activity in North America, particularly in the Building Products and General Industrial businesses.

The Performance Coatings segment generated Adjusted EBIT of \$94.6 million in the first quarter compared with \$117.2 million in Q1 2021, with associated margins of 11.6% and 16.6%, respectively. The contributions from substantial organic sales growth was more than offset by a significant increase in raw material, logistics, labor, and energy expenses versus the prior-year period.

#### **Mobility Coatings Results**

Mobility Coatings net sales were \$359.7 million in Q1 2022, an increase of 1.0% year-over-year. Constant currency net sales increased 3.0% year-over-year, driven by a 4.9% price-mix tailwind, which included mid-single-digit higher price and slightly negative mix, offset by 1.9% lower volumes.

Light Vehicle net sales decreased 1.2% to \$275.6 million year-over-year, but improved 8.1% sequentially versus Q4 2021 driven by pricing gains and above-market volume growth. Better year-over-year and sequential price realization resulted from a combination of newly negotiated pricing agreements to offset variable cost inflation and the catch-up of raw material linked index pricing in select customer contracts. Volume declined 3.5% year-over-year but exceeded global auto production rates, which declined 4.5% to 19.7 million in Q1 2022 driven by continued global supply constraints. On a sequential basis volume growth was 6.7% vs. a global production decline of 6.8% enabled by customer wins and regional mix weighted to seasonal growth in the Americas and EMEA.

Commercial Vehicle net sales increased 8.7% to \$84.1 million versus Q1 2021 (a 10.0% increase excluding foreign currency offsets), driven by ongoing global production rate recovery versus the prior year quarter, excluding China, and supported by strong continued global demand across most vehicle end-businesses served. Americas and Western Europe heavy-duty and medium-duty truck order backlog is 11-months and 8-months, respectively, reflecting historically strong demand in a challenging supply chain environment.

The Mobility Coatings segment generated Adjusted EBIT of \$0.5 million in Q1 2022 compared with Adjusted EBIT of \$39.2 million in Q1 2021, driven by higher variable costs against the prior year period given persistent inflation coupled with global volume headwinds in Light Vehicle, offset partly by tailwinds of higher price.

## Balance Sheet and Cash Flow Highlights

Axalta ended the first quarter with cash and cash equivalents of \$576.2 million and total liquidity of over \$1.1 billion. Our net debt to trailing twelve month ("LTM") Adjusted EBITDA ratio increased to 4.1x at quarter end versus 3.5x as of December 31, 2021, reflecting decreased cash balances driven by \$175.1 million of Q1 share repurchases, a modest seasonal use of free cash flow, as well as moderately lower year-over-year LTM Adjusted EBITDA. Axalta ended the first quarter with an Adjusted EBITDA to interest expense coverage ratio of 5.9x. Total net leverage is anticipated to decline through the year given the typical second-half weighted distribution of operating cash flow and a favorable outlook for sequential earnings growth.

First quarter total operating cash flow use was \$43.9 million versus an inflow of \$39.6 million in Q1 2021 largely impacted by inflationary and pricing impacts in working capital. Free cash flow totaled a use of \$80.2 million compared with an inflow of \$11.3 million in Q1 2021, including higher capital expenditures in the period totaling \$42.5 million versus \$31.8 million in the prior-year quarter. We repurchased 6.4 million shares of our common stock during the first quarter for total consideration of \$175.1 million and an average price of \$27.24 per share.

Sean Lannon, Axalta's Chief Financial Officer, commented, "Though Axalta faced material incremental headwinds during the quarter we are pleased that operating results met or exceeded our guidance. Our teams made excellent progress this quarter delivering on pricing execution with improving realization across every end-market. Volume growth continued for the fifth consecutive quarter in three of four end-markets as customer activity begins the process of normalization from pandemic effects. Yet, margin recovery remains among our highest priorities in this inflationary period. We are determined to offset cost inflation and accelerate a return to strong profitability. In the meantime, given the strength in our liquidity position, we will look to create further value for our shareholders through balanced capital allocation among opportunistic share repurchases, organic growth investments, and an active M&A pipeline."

## Q2 2022 Financial Guidance

- Net Sales: ~+11-13%, including, ~(4)% foreign currency impact and ~+4% acquisition benefit; pricing expected to be low double-digits higher year-over-year
- Adjusted EBIT: \$135-\$165 million
- Adjusted Diluted EPS: \$0.35-0.45; including a \$0.02 foreign currency headwind
- Interest Expense: ~\$34 million
- Diluted Shares: ~222 million
- Adjusted Tax Rate: ~21-22%
- D&A: ~\$80 million; including \$24 million step-up D&A
- Expect raw material inflation in the high twenties versus Q2 2021
- Guidance assumes COVID-19 lockdowns in China begin to moderate in May and no further geopolitical escalation stemming from the Russia-Ukraine conflict; includes a 2%-3% year-over-year Net Sales and \$0.03 EPS impact

## Conference Call Information

As previously announced, Axalta will hold a conference call to discuss its first quarter 2022 financial results on April 26, 2022 at 8:00 a.m. ET. The dial-in phone number for the conference call is +1-201-689-8560. A live webcast of the conference call will also be available online at [www.axalta.com/investorcall](http://www.axalta.com/investorcall). For those unable to participate, a replay will be available through May 3, with a dial-in number of +1-412-317-6671 and pin: 13728799.

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

This release may contain certain forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 regarding Axalta and its subsidiaries including our outlook and/or guidance, which includes net sales growth, currency effects, acquisition or divestment impacts, Adjusted EBIT, Adjusted diluted EPS, interest expense, income tax rate, as adjusted, free cash flow, capital expenditures, depreciation and amortization, diluted shares outstanding, and raw material inflation, the effects of COVID-19 on Axalta's business and financial results, our and our customers' supply chain constraints and our ability to offset the impacts of such constraints, the timing and amount of any future share repurchases, contributions from our prior acquisitions and our ability to successfully make future acquisitions. Axalta has identified some of these forward-looking statements with words such as "anticipated," "assumes," "believe," "expect," "estimates," "likely," "outlook," "project," "may," "will," "plans," "guidance," "could," "looking," "we see," "strategy," "should," and "potential" and the negative of these words or other comparable or similar terminology. All of these statements are based on management's expectations as well as estimates and assumptions prepared by management that, although they believe to be reasonable, are inherently uncertain. These statements involve risks and uncertainties, including, but not limited to, economic, competitive, governmental, geopolitical and technological factors outside of Axalta's control, including the effects of COVID-19, that may cause its business, industry, strategy, financing activities or actual results to differ materially. The impact and duration of COVID-19 on our business and operations is uncertain. Factors that will influence the impact on our business and operations include the duration and extent of COVID-19, the extent of imposed or recommended containment and mitigation measures, and the general economic consequences of COVID-19. More information on potential factors that could affect Axalta's financial results is available in "Forward-Looking Statements," "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" within Axalta's most recent Annual Report on Form 10-K, and in other documents that we have filed with, or furnished to, the U.S. Securities and Exchange Commission. Axalta undertakes no obligation to update or revise any of the forward-looking statements contained herein, whether as a result of new information, future events or otherwise.

### ***Non-GAAP Financial Measures***

The historical financial information included in this presentation includes financial information that is not presented in accordance with generally accepted accounting principles in the United States (“GAAP”), including constant currency net sales growth, income tax rate, as adjusted, EBIT, Adjusted EBIT, EBITDA, Adjusted EBITDA, Adjusted diluted EPS, free cash flow, net debt, Adjusted net income, Adjusted EBITDA to interest expense coverage ratio, net debt to Adjusted EBITDA ratio and Adjusted EBIT margin. 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 diluted 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 (loss) attributable to controlling interests after removing the items that are determined by management to be items that we do not consider indicative of our ongoing operating performance or unusual or nonrecurring in nature. Our use of the terms constant currency net sales growth, income tax rate, as adjusted, EBIT, Adjusted EBIT, EBITDA, Adjusted EBITDA, Adjusted diluted EPS, free cash flow, net debt, Adjusted net income, Adjusted EBITDA to interest expense coverage ratio, net debt to Adjusted EBITDA ratio and Adjusted EBIT margin may differ from that of others in our industry. Constant currency net sales growth, income tax rate, as adjusted, EBIT, Adjusted EBIT, EBITDA, Adjusted EBITDA, Adjusted diluted EPS, free cash flow, net debt, Adjusted net income, Adjusted EBITDA to interest expense coverage ratio, net debt to Adjusted EBITDA ratio and Adjusted EBIT margin should not be considered as alternatives to net sales, net income (loss), income (loss) before operations or any other performance measures derived in accordance with GAAP as measures of operating performance or operating cash flows or as measures of liquidity. Constant currency net sales growth, income tax rate, as adjusted, EBIT, Adjusted EBIT, EBITDA, Adjusted EBITDA, Adjusted diluted EPS, free cash flow, net debt, Adjusted net income, Adjusted EBITDA to interest expense coverage ratio, net debt to Adjusted EBITDA ratio and Adjusted EBIT margin 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 release includes a reconciliation of certain non-GAAP financial measures with the most directly comparable financial measures calculated in accordance with GAAP. Axalta does not provide a reconciliation for non-GAAP estimates for constant currency net sales growth, Adjusted EBIT, Adjusted EBITDA, Adjusted diluted EPS, income tax rate, as adjusted, or free cash flow on a forward-looking basis because the information necessary to calculate a meaningful or accurate estimation of reconciling items is not available without unreasonable effort. For example, such reconciling items include the impact of foreign currency exchange gains or losses, gains or losses that are unusual or nonrecurring in nature, as well as discrete taxable events. We cannot estimate or project these items and they may have a substantial and unpredictable impact on our US GAAP results.

### ***Constant Currency***

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

### ***Organic Growth***

Organic growth or ex-M&A percentages are calculated by excluding the impact of recent acquisitions and divestitures.

### ***Segment Financial Measures***

The primary measure of segment operating performance 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. As we do not measure segment operating performance based on net income, a reconciliation of this non-GAAP financial measure with the most directly comparable financial measure calculated in accordance with GAAP is not available.



### **About Axalta Coating Systems**

Axalta is a global leader in the coatings industry, providing customers with innovative, colorful, beautiful and sustainable coatings solutions. From light vehicles, commercial vehicles and refinish applications to electric motors, building facades and other industrial applications, our coatings are designed to prevent corrosion, increase productivity and enhance durability. With more than 150 years of experience in the coatings industry, the global team at Axalta continues to find ways to serve our more than 100,000 customers in over 140 countries better every day with the finest coatings, application systems and technology. For more information visit [axalta.com](http://axalta.com) and follow us [@axalta](https://twitter.com/axalta) on Twitter.

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

	<b>Three Months Ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
Net sales	\$ 1,174.1	\$ 1,063.6
Cost of goods sold	837.4	684.5
Selling, general and administrative expenses	193.5	179.1
Other operating charges	7.7	102.8
Research and development expenses	16.4	15.6
Amortization of acquired intangibles	32.8	29.0
Income from operations	86.3	52.6
Interest expense, net	32.6	33.5
Other expense (income), net	1.8	(0.4)
Income before income taxes	51.9	19.5
Provision for income taxes	11.0	3.8
Net income	40.9	15.7
Less: Net (loss) income attributable to noncontrolling interests	(0.6)	0.5
Net income attributable to controlling interests	\$ 41.5	\$ 15.2
Basic net income per share	\$ 0.18	\$ 0.06
Diluted net income per share	\$ 0.18	\$ 0.06
Basic weighted average shares outstanding	224.7	233.9
Diluted weighted average shares outstanding	225.2	234.7

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

	March 31, 2022	December 31, 2021
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 576.2	\$ 840.6
Restricted cash	10.6	10.6
Accounts and notes receivable, net	1,029.8	937.5
Inventories	764.0	669.7
Prepaid expenses and other current assets	135.7	117.2
Total current assets	2,516.3	2,575.6
Property, plant and equipment, net	1,184.4	1,186.2
Goodwill	1,574.4	1,592.7
Identifiable intangibles, net	1,237.5	1,278.2
Other assets	568.9	584.5
Total assets	<u>\$ 7,081.5</u>	<u>\$ 7,217.2</u>
<b>Liabilities, Shareholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 748.0	\$ 657.4
Current portion of borrowings	76.1	79.7
Other accrued liabilities	520.9	597.8
Total current liabilities	1,345.0	1,334.9
Long-term borrowings	3,739.2	3,749.9
Accrued pensions	261.4	269.3
Deferred income taxes	165.5	174.7
Other liabilities	149.2	149.7
Total liabilities	5,660.3	5,678.5
Shareholders' equity:		
Common shares, \$1.00 par, 1,000.0 shares authorized, 252.2 and 251.8 shares issued at March 31, 2022 and December 31, 2021, respectively	252.2	251.8
Capital in excess of par	1,518.2	1,515.5
Retained earnings	868.7	827.2
Treasury shares, at cost, 30.8 and 24.4 shares at March 31, 2022 and December 31, 2021, respectively	(862.3)	(687.2)
Accumulated other comprehensive loss	(401.4)	(414.4)
Total Axalta shareholders' equity	1,375.4	1,492.9
Noncontrolling interests	45.8	45.8
Total shareholders' equity	1,421.2	1,538.7
Total liabilities and shareholders' equity	<u>\$ 7,081.5</u>	<u>\$ 7,217.2</u>

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

	Three Months Ended March 31,	
	2022	2021
Operating activities:		
Net income	\$ 40.9	\$ 15.7
Adjustment to reconcile net income to cash (used for) provided by operating activities:		
Depreciation and amortization	77.7	76.4
Amortization of deferred financing costs and original issue discount	2.4	2.2
Deferred income taxes	(2.7)	(18.3)
Realized and unrealized foreign exchange losses, net	2.4	8.6
Stock-based compensation	5.3	3.6
Interest income on swaps designated as net investment hedges	(6.2)	(3.5)
Other non-cash, net	(1.6)	1.4
Changes in operating assets and liabilities:		
Trade accounts and notes receivable	(86.2)	(52.6)
Inventories	(91.5)	(36.2)
Prepaid expenses and other assets	(32.9)	(18.0)
Accounts payable	120.4	33.4
Other accrued liabilities	(66.7)	30.7
Other liabilities	(5.2)	(3.8)
Cash (used for) provided by operating activities	(43.9)	39.6
Investing activities:		
Purchase of property, plant and equipment	(42.5)	(31.8)
Interest proceeds on swaps designated as net investment hedges	6.2	3.5
Settlement proceeds on swaps designated as net investment hedges	25.0	—
Other investing activities, net	1.0	0.5
Cash used for investing activities	(10.3)	(27.8)
Financing activities:		
Payments on short-term borrowings	(24.1)	(20.0)
Payments on long-term borrowings	(6.8)	(6.7)
Financing-related costs	—	(1.5)
Purchases of common stock	(175.1)	(63.7)
Net cash flows associated with stock-based awards	(1.9)	0.1
Other financing activities, net	(0.2)	(0.7)
Cash used for financing activities	(208.1)	(92.5)
Decrease in cash	(262.3)	(80.7)
Effect of exchange rate changes on cash	(2.1)	(13.5)
Cash at beginning of period	851.2	1,364.0
Cash at end of period	\$ 586.8	\$ 1,269.8
Cash at end of period reconciliation:		
Cash and cash equivalents	\$ 576.2	\$ 1,266.9
Restricted cash	10.6	2.9
Cash at end of period	\$ 586.8	\$ 1,269.8

The following table reconciles income from operations to adjusted EBIT and segment adjusted EBIT for the periods presented (in millions):

	Three Months Ended March 31,	
	2022	2021
Income from operations	\$ 86.3	\$ 52.6
Other expense (income), net	1.8	(0.4)
Total	84.5	53.0
Termination benefits and other employee related costs <sup>(a)</sup>	2.4	2.8
Strategic review and retention costs <sup>(b)</sup>	—	5.4
Acquisition and divestiture-related costs <sup>(c)</sup>	0.4	0.2
Impairment charges <sup>(d)</sup>	0.3	—
Accelerated depreciation and site closure costs <sup>(e)</sup>	1.3	0.6
Indemnity loss <sup>(f)</sup>	0.3	—
Operational matter <sup>(g)</sup>	0.1	94.4
Russia sanction-related impacts <sup>(h)</sup>	5.8	—
Step-up depreciation and amortization <sup>(i)</sup>	24.4	26.4
Adjusted EBIT	<u>\$ 119.5</u>	<u>\$ 182.8</u>
Segment Adjusted EBIT:		
Performance Coatings	\$ 94.6	\$ 117.2
Mobility Coatings	0.5	39.2
Total	95.1	156.4
Step-up depreciation and amortization <sup>(i)</sup>	24.4	26.4
Adjusted EBIT	<u>\$ 119.5</u>	<u>\$ 182.8</u>

- (a) Represents expenses and associated changes to estimates related to employee termination benefits and other employee-related costs. Employee termination benefits are primarily associated with Axalta Way initiatives. These amounts are not considered indicative of our ongoing operating performance.
- (b) Represents costs for legal, tax and other advisory fees pertaining to our review of strategic alternatives that was concluded in March 2020, as well as retention awards for certain employees, which were earned over a period of 18-24 months, which ended in September 2021. These amounts are not considered indicative of our ongoing performance.
- (c) Represents acquisition and divestiture-related expenses and integration activities associated with our business combinations, all of which are not considered indicative of our ongoing operating performance.
- (d) Represents impairment charges, which are not considered indicative of our ongoing performance.
- (e) Represents incremental depreciation expense resulting from truncated useful lives of the assets impacted by our manufacturing footprint assessments and costs related to the closure of certain manufacturing sites, which we do not consider indicative of our ongoing operating performance.
- (f) Represents indemnity loss associated with acquisitions, which we do not consider indicative of our ongoing operating performance.
- (g) Represents expenses, changes in estimates and insurance recoveries for probable liabilities related to an operational matter in the Mobility Coatings segment, which we do not consider indicative of our ongoing operating performance.
- (h) Represents expenses related to sanctions imposed on Russia in response to the conflict with Ukraine as a result of incremental reserves for accounts receivable and incremental inventory obsolescence, which we do not consider indicative of our ongoing operating performance.
- (i) 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.

The following table reconciles net income to adjusted net income for the periods presented (in millions, except per share data):

	Three Months Ended March 31,	
	2022	2021
Net income	\$ 40.9	\$ 15.7
Less: Net (loss) income attributable to noncontrolling interests	(0.6)	0.5
Net income attributable to controlling interests	41.5	15.2
Termination benefits and other employee related costs <sup>(a)</sup>	2.4	2.8
Strategic review and retention costs <sup>(b)</sup>	—	5.4
Acquisition and divestiture-related costs <sup>(c)</sup>	0.4	0.2
Impairment charges <sup>(d)</sup>	0.3	—
Accelerated depreciation and site closure costs <sup>(e)</sup>	1.3	0.6
Indemnity loss <sup>(f)</sup>	0.3	—
Operational matter <sup>(g)</sup>	0.1	94.4
Russia sanction-related impacts <sup>(h)</sup>	5.0	—
Step-up depreciation and amortization <sup>(i)</sup>	24.4	26.4
Total adjustments	34.2	129.8
Income tax provision impacts <sup>(i)</sup>	6.6	27.6
Adjusted net income	\$ 69.1	\$ 117.4
Diluted adjusted net income per share	\$ 0.31	\$ 0.50
Diluted weighted average shares outstanding	225.2	234.7

- (a) Represents expenses and associated changes to estimates related to employee termination benefits and other employee-related costs. Employee termination benefits are primarily associated with Axalta Way initiatives. These amounts are not considered indicative of our ongoing operating performance.
- (b) Represents costs for legal, tax and other advisory fees pertaining to our review of strategic alternatives that was concluded in March 2020, as well as retention awards for certain employees, which were earned over a period of 18-24 months, which ended in September 2021. These amounts are not considered indicative of our ongoing performance.
- (c) Represents acquisition and divestiture-related expenses and integration activities associated with our business combinations, all of which are not considered indicative of our ongoing operating performance.
- (d) Represents impairment charges, which are not considered indicative of our ongoing performance.
- (e) Represents incremental depreciation expense resulting from truncated useful lives of the assets impacted by our manufacturing footprint assessments and costs related to the closure of certain manufacturing sites, which we do not consider indicative of our ongoing operating performance.
- (f) Represents indemnity loss associated with acquisitions, which we do not consider indicative of our ongoing operating performance.
- (g) Represents expenses, changes in estimates and insurance recoveries for probable liabilities related to an operational matter in the Mobility Coatings segment, which we do not consider indicative of our ongoing operating performance.
- (h) Represents expenses related to sanctions imposed on Russia in response to the conflict with Ukraine as a result of incremental reserves for accounts receivable and incremental inventory obsolescence, which we do not consider indicative of our ongoing operating performance.
- (i) 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.
- (j) 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 expenses of \$0.7 million and \$1.7 million for the three months ended March 31, 2022 and 2021, respectively. The tax expenses for the three months ended March 31, 2022 and 2021 include the deferred tax benefit ratably amortized into our adjusted income tax rate as the tax attribute related to a January 1, 2020 intra-entity transfer of certain intellectual property rights is realized.

The following table reconciles cash (used for) provided by operating activities to free cash flow for the periods presented (in millions):

	Three Months Ended March 31,	
	2022	2021
Cash (used for) provided by operating activities	\$ (43.9)	\$ 39.6
Purchase of property, plant and equipment	(42.5)	(31.8)
Interest proceeds on swaps designated as net investment hedges	6.2	3.5
Free cash flow	<u>\$ (80.2)</u>	<u>\$ 11.3</u>

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

	Twelve Months Ended March 31, 2022	Three Months Ended March 31,		Year Ended December 31, 2021
		2022	2021	
Net income	\$ 289.6	\$ 40.9	\$ 15.7	\$ 264.4
Interest expense, net	133.3	32.6	33.5	134.2
Provision for income taxes	83.3	11.0	3.8	76.1
Depreciation and amortization	317.8	77.7	76.4	316.5
EBITDA	824.0	162.2	129.4	791.2
Debt extinguishment and refinancing related costs <sup>(a)</sup>	0.2	—	—	0.2
Termination benefits and other employee related costs <sup>(b)</sup>	36.0	1.9	2.8	36.9
Strategic review and retention costs <sup>(c)</sup>	4.3	—	5.4	9.7
Acquisition and divestiture-related costs <sup>(d)</sup>	16.5	0.4	0.2	16.3
Impairment charges <sup>(e)</sup>	1.1	0.3	—	0.8
Site closure costs <sup>(f)</sup>	1.2	0.6	—	0.6
Foreign exchange remeasurement losses <sup>(g)</sup>	3.1	2.6	1.8	2.3
Long-term employee benefit plan adjustments <sup>(h)</sup>	(0.4)	0.1	(0.2)	(0.7)
Stock-based compensation <sup>(i)</sup>	16.6	5.3	3.6	14.9
Dividends in respect of noncontrolling interest <sup>(j)</sup>	(0.1)	(0.1)	(0.7)	(0.7)
Operational matter <sup>(k)</sup>	(89.9)	0.1	94.4	4.4
Brazil indirect tax <sup>(l)</sup>	(8.3)	—	—	(8.3)
Gain on sale of facility <sup>(m)</sup>	(19.7)	—	—	(19.7)
Russia sanction-related impacts <sup>(n)</sup>	5.8	5.8	—	—
Other adjustments <sup>(o)</sup>	0.3	0.4	—	(0.1)
Adjusted EBITDA	\$ 790.7	\$ 179.6	\$ 236.7	\$ 847.8
Adjusted EBITDA to interest expense coverage ratio	5.9 x			

- (a) Represents expenses and associated changes to estimates related to the prepayment, 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 primarily associated with Axalta Way initiatives. These amounts are not considered indicative of our ongoing operating performance.
- (c) Represents costs for legal, tax and other advisory fees pertaining to our review of strategic alternatives that was concluded in March 2020, as well as retention awards for certain employees, which were earned over a period of 18-24 months, which ended in September 2021. These amounts are not considered indicative of our ongoing performance.
- (d) Represents acquisition and divestiture-related expenses and integration activities associated with our business combinations, all of which are not considered indicative of our ongoing operating performance.
- (e) Represents impairment charges, which are not considered indicative of our ongoing performance.
- (f) Represents costs related to the closure of certain manufacturing sites, which we do not consider indicative of our ongoing operating performance.
- (g) 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.
- (h) Eliminates the non-cash, non-service cost components of long-term employee benefit costs.
- (i) Represents non-cash impacts associated with stock-based compensation.
- (j) Represents the payment of dividends to our joint venture partners by our consolidated entities that are not 100% owned, which are reflected to show the cash operating performance of these entities on Axalta's financial statements.
- (k) Represents expenses, changes in estimates and insurance recoveries for probable liabilities related to an operational matter in the Mobility Coatings segment, which we do not consider indicative of our ongoing operating performance.
- (l) Represents non-recurring income related to a law change with respect to certain Brazilian indirect taxes which was recorded within other expense (income), net.
- (m) Represents non-recurring income related to the sale of a previously closed manufacturing facility.
- (n) Represents expenses related to sanctions imposed on Russia in response to the conflict with Ukraine as a result of incremental reserves for accounts receivable and incremental inventory obsolescence, which we do not consider indicative of our ongoing operating performance.
- (o) 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 and gains and losses from the remaining foreign currency derivative instruments.





## **Q1 2022 Financial Results**

### **April 25, 2022**

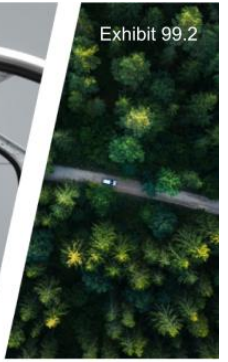


Exhibit 99.2

## Legal Notices

### Forward-Looking Statements

This presentation and the oral remarks made in connection herewith may contain certain forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 regarding Axalta and its subsidiaries including our outlook and/or guidance, which includes net sales growth, currency effects, acquisition or divestment impacts, Adjusted EBIT, Adjusted diluted EPS, interest expense, income tax rate, as adjusted, free cash flow, capital expenditures, depreciation and amortization, diluted shares outstanding, raw material inflation and various assumptions noted in the presentation, the effects of COVID-19 on Axalta's business and financial results, our and our customers' supply chain constraints and our ability to offset the impacts of such constraints, the timing or amount of any future share repurchases, contributions from our prior acquisitions and our ability to make future acquisitions. Axalta has identified some of these forward-looking statements with words "believe," "expect," "assume," "estimation," "likely," "outlook," "forecast," "may," "will," "should," "plans," "guidance," "to be," "goal," "could," "anticipate," "assumptions," "looking ahead," "look," "ambition," "view," "assessment," "towards," "can," "future," "estimate," "eventually," "commitment," "we will see," "project," "projection" and the negative of these words or other comparable or similar terminology. All of these statements are based on management's expectations as well as estimates and assumptions prepared by management that, although they believe to be reasonable, are inherently uncertain. These statements involve risks and uncertainties, including, but not limited to, economic, competitive, governmental and technological factors outside of Axalta's control, including the effects of COVID-19, that may cause its business, industry, strategy, financing activities or actual results to differ materially. The impact and duration of COVID-19 on our business and operations is uncertain. Factors that will influence the impact on our business and operations include the duration and extent of COVID-19, the extent of imposed or recommended containment and mitigation measures, and the general economic consequences of COVID-19. More information on potential factors that could affect Axalta's financial results is available in "Forward-Looking Statements," "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" within Axalta's most recent Annual Report on Form 10-K, and in other documents that we have filed with, or furnished to, the U.S. Securities and Exchange Commission. Axalta undertakes no obligation to update or revise any of the forward-looking statements contained herein, whether as a result of new information, future events or otherwise.

### Non-GAAP Financial Measures

The historical financial information included in this presentation includes financial information that is not presented in accordance with generally accepted accounting principles in the United States ("GAAP"), including constant currency net sales growth, income tax rate, as adjusted, EBIT, Adjusted EBIT, EBITDA, Adjusted EBITDA, Adjusted diluted EPS, free cash flow, net debt, Adjusted net income, Adjusted EBITDA to interest expense coverage ratio, Adjusted EBIT margin and net leverage. 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 diluted 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 (loss) attributable to controlling interests after removing the items that are determined by management to be items that we do not consider indicative of our ongoing operating performance or unusual or nonrecurring in nature. Our use of the terms constant currency net sales growth, income tax rate, as adjusted, EBIT, Adjusted EBIT, EBITDA, Adjusted EBITDA, Adjusted diluted EPS, free cash flow, net debt, Adjusted net income, Adjusted EBITDA to interest expense coverage ratio, Adjusted EBIT margin and net leverage may differ from that of others in our industry. Constant currency net sales growth, income tax rate, as adjusted, EBIT, Adjusted EBIT, EBITDA, Adjusted EBITDA, Adjusted diluted EPS, free cash flow, net debt, Adjusted net income, Adjusted EBITDA to interest expense coverage ratio, Adjusted EBIT margin and net leverage should not be considered as alternatives to net sales, net income, income before operations or any other performance measures derived in accordance with GAAP as measures of operating performance or operating cash flows or as measures of liquidity. Constant currency net sales growth, income tax rate, as adjusted, EBIT, Adjusted EBIT, EBITDA, Adjusted EBITDA, Adjusted diluted EPS, free cash flow, net debt, Adjusted net income, Adjusted EBITDA to interest expense coverage ratio, Adjusted EBIT margin and net leverage have important limitations as analytical tools and should be considered in conjunction with, and not as substitutes for, our results as reported under GAAP. This presentation includes a reconciliation of certain non-GAAP financial measures with the most directly comparable financial measures calculated in accordance with GAAP. Axalta does not provide a reconciliation for non-GAAP estimates for constant currency net sales growth, Adjusted EBIT, Adjusted EBITDA, Adjusted diluted EPS, income tax rate, as adjusted, or free cash flow on a forward-looking basis because the information necessary to calculate a meaningful or accurate estimation of reconciling items is not available without unreasonable effort. For example, such reconciling items include the impact of foreign currency exchange gains or losses, gains or losses that are unusual or nonrecurring in nature, as well as discrete taxable events. We cannot estimate or project these items and they may have a substantial and unpredictable impact on our US GAAP results.

### Constant Currency

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

### Organic Growth

Organic growth or ex-M&A percentages are calculated by excluding the impact of recent acquisitions and divestitures.

### Segment Financial Measures

The primary measure of segment operating performance 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. As we do not measure segment operating performance based on net income, a reconciliation of this non-GAAP financial measure with the most directly comparable financial measure calculated in accordance with GAAP is not available.

### Defined Terms

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

### Rounding

Due to rounding the tables presented may not foot.

## Q1 2022 Key Highlights

1

**Volume growth continued across three of four end-markets** despite supply chain constraints; Light Vehicle volumes outpaced global auto production

2

**Realized 9% price-mix growth** with double-digit gains in Performance Coatings and momentum building in Mobility Coatings

3

**Executed well in a challenging environment** through proactive management of supply chain issues and prioritizing margin recovery

4

**Results met and exceeded guidance** for Adjusted EBIT and Adjusted Diluted EPS, respectively, following stronger-than-expected 13% constant-currency net sales growth

5

**Returned \$175 million to shareholders** this quarter reflecting the repurchase of 6.4 million shares

**Focused on driving secular growth and a return to normalized profitability**

## Strategic Growth and Innovation

### Growth Actions



Expanded our leadership position in the premium, mainstream & economy markets; U-POL commercial synergies gaining traction



Organic growth in a constrained environment with rapid pricing actions closing the price-cost gap



Secured record pricing gains; volumes outperformed global auto production



Outpacing strong HDT and MDT market with industry leading offerings

### Opportunities through Innovation

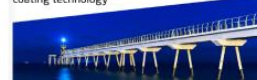
12 new product offerings under the **Raptor®** aerosol line



Multiple new launches to expand environmentally friendly offerings

Abcite® 2060

Anticorrosion single-layer solution for Flame Spray coating technology



Launched **AquaEC™ 6000** e-coat in LV offering superior corrosion protection combined with improved efficiency



Developed **Imron™ Elite Hypercure** to reduce curing temperature and lower customer CO2 emissions



4





## Performance Coatings Demand Environment

### Refinish

- The global refinish market showed overall stability with only modest headwinds to our business from ongoing China COVID-19 lockdowns and Russia sanction impacts
  - U.S. miles driven have nearly recovered to pre-pandemic 2019 levels; Refinish body shop activity improved month-by-month during Q1 ending with a strong March; body shop activity remains in the mid-80s% relative to 2019
  - Monitoring favorable changes in US office occupancy rates as a potential indicator of market recovery activity
  - Europe miles driven softened slightly from Q4 though remained above 2019 levels; body shop activity stayed in the low-90s% relative to 2019
  - Body shop activity is being constrained by labor and parts availability creating a growing backlog

### Industrial

- US housing and remodeling market remains healthy; construction markets show continued YOY growth
- New electric vehicle market remains strong; new projects beginning to ramp up in oil and gas market
- Supply chain constraints hindered further sales upside in Q1 in Building Products and General Industrial; regional growth impacted by COVID-19 restrictions, consequences of the Russia-Ukraine conflict and severe weather in Asia Pacific



## Mobility Coatings Demand Environment

### Light Vehicle

- Light Vehicle market recovery continues to be constrained by the semiconductor chip shortage
  - Light Vehicle volume declined 3.5% year-over-year but exceeded global auto production rates, which declined 4.5% to 19.7 million in Q1 2022
  - On a sequential basis, Light Vehicle volume grew 6.7% vs. a global production decline of 6.8%
  - Axalta expects global LV builds of approximately 19 million and 80 million for Q2 and full-year 2022, respectively
  - The expected normalization of global auto production rates in 2022 has been impacted by the Russia-Ukraine conflict and China COVID-19 lockdowns with downward revisions of earlier-year estimates
  - Global auto inventory levels at historic lows; remain well-below pre-pandemic levels supporting multi-year demand recovery

### Commercial Vehicle

- North America and EMEA truck markets remain very healthy
  - Americas and Western Europe heavy-duty and medium-duty truck order backlog is 11-months and 8-months, respectively, reflecting historically strong demand in a challenging supply chain environment
  - Commercial Vehicle growth of 3.7% outperformed ex-China Global CV production, which increased 0.8% YOY in Q1; industry forecasts project 4.2% annual global growth in 2022, excluding China



## Prioritizing Margin Recovery

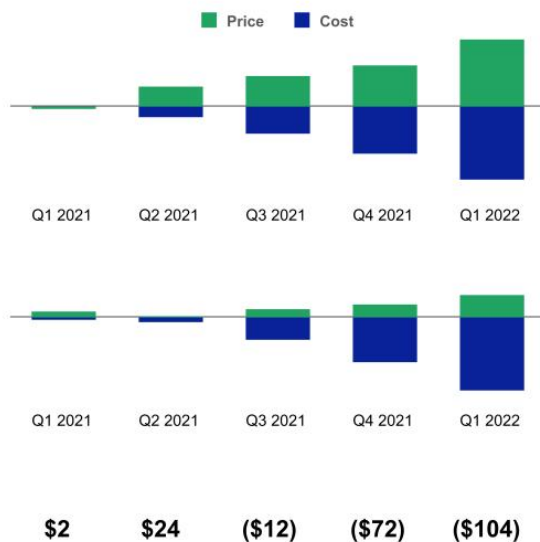
(\$ in millions)

### Performance Coatings

### Mobility Coatings

### Cumulative Price-Cost Gap

#### Cumulative Price-Cost<sup>(1)</sup>



#### Accelerating Price to Offset Cost

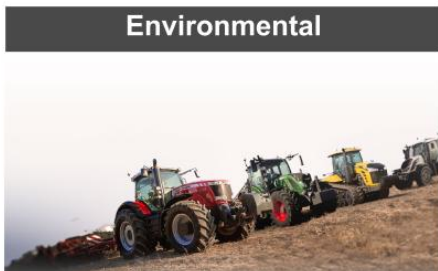
- Every business is focused on margin recovery; pricing expected to more than offset cost inflation in Q2 2022
- Q1 raw material and energy inflation of 29% year-over-year
- Axalta has a successful history of quickly recovering lost profitability through pricing power
- We are rapidly making progress towards offsetting the cumulative cost impact, especially in Performance Coatings

**Expect to recover the majority of existing price-cost gaps and offset any incremental headwinds by Q4 2022**

(1) Cumulative year-over-year price-mix vs. raw material, energy, and logistics EBIT impacts beginning Q1 2021

## ESG Highlights

### Environmental



- Launched new **Imron® Industrial topcoat and primer** – offers low VOC emissions and increased spraying efficiency for the agricultural, construction, and earthmoving (ACE) equipment markets
- Launched **AquaEC Flex™**, a broad-bake e-coat that reduces CO<sub>2</sub> emissions for Mobility customers by lowering curing temperatures for EVs

### Social



- Introduced **Aspire**, a digital platform for all employees globally to access learning and development resources
- Axalta Mexico participated in the **Women Economic Forum Iberoamerica** event, a prestigious forum that promotes the leadership and empowerment of women
- Continued investments in our local communities via **Axalta Bright Futures**, such as annual sponsorship of the community free day at the Michigan Science Center

### Governance



- Continue to work on the achievement of our **2030 ESG goals** announced in January
- Engaged with customers and other stakeholders about our new goals



## Q1 Consolidated Results

### Financial Performance

(\$ in millions, except per share data)	Q1		% Change	
	2022	2021	Incl. F/X	Excl. F/X
Performance Coatings	814	707	15.1 %	18.6 %
Mobility Coatings	360	356	1.0 %	3.0 %
Net Sales	1,174	1,064	10.4 %	13.4 %
Income (loss) from ops	86	53	64.1 %	
Adjusted EBIT	120	183	(34.6)%	
% margin	10.2 %	17.2 %		
Diluted EPS	0.18	0.06	200.0 %	
Adjusted EPS	0.31	0.50	(38.0)%	

### Net Sales Variance



### Commentary

#### Strong Net sales growth driven by pricing actions and M&A contributions

- Benefited from realization of 2021 pricing efforts; incremental actions taken in Q1 2022 to offset cost
- M&A contribution driven by two 2021 acquisitions within our Performance Coatings segment
- Q1 volumes grew YOY across all end-markets except Light Vehicle; despite volume decline Light Vehicle outpaced constrained global auto market growth
- FX headwinds driven by the Euro and Turkish Lira

#### Rapid cost inflation drove YOY Adjusted EBIT reduction for the first quarter

## Q1 Performance Coatings Results

### Financial Performance

(\$ in millions)	Q1		% Change	
	2022	2021	Incl. F/X	Excl. F/X
Refinish	461	399	15.6 %	19.7 %
Industrial	353	308	14.5 %	17.3 %
Net Sales	814	707	15.1 %	18.6 %
Adjusted EBIT	95	117	(19.3)%	
% margin	11.6 %	16.6 %		

### Net Sales Variance



### Commentary

#### Net sales growth driven by pricing actions, M&A contribution, and increased volumes, offset partly by FX headwinds

- Volumes grew YOY despite supply chain constraints, driven by share gains and market recovery in Refinish as well as continued strong demand within Industrial
- Strong price-mix momentum with 15% YOY growth in Industrial and 8% in Refinish as a result of pricing actions
- Continued M&A contribution from 2021 acquisitions
- FX headwinds driven by the Euro and Turkish Lira

#### YOY Adjusted EBIT decline driven by variable cost headwinds and incremental fixed-costs

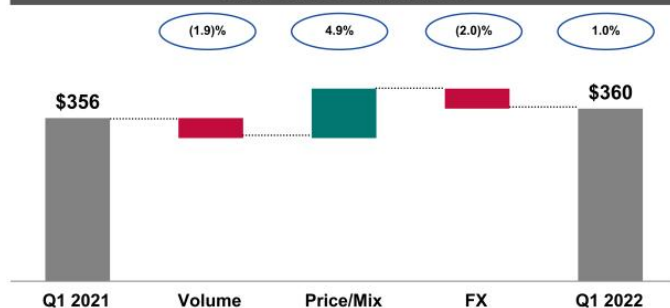
- Strong price-mix contribution more than offset sequential cost headwinds

## Q1 Mobility Coatings Results

### Financial Performance

(\$ in millions)	Q1		% Change	
	2022	2021	Incl. F/X	Excl. F/X
Light Vehicle	276	279	(1.2)%	1.0 %
Commercial Vehicle	84	77	8.7 %	10.0 %
Net Sales	360	356	1.0 %	3.0 %
Adjusted EBIT	1	39	(98.7)%	
% margin	0.1 %	11.0 %		

### Net Sales Variance



### Commentary

**Net sales increase driven by pricing actions partly offset by customer production constraints within Light Vehicle and FX headwinds**

- Light Vehicle volumes impacted by customer parts shortages and supply chain issues while Commercial Vehicle continues to show positive volume growth
- Pricing improved versus prior year as both end-markets improved by mid-single digits
- FX headwinds driven by the Euro and Turkish Lira

**YOY Adjusted EBIT decline as constrained customer demand continues to impact fixed-cost absorption**

- Making progress on price realization to offset price-cost gap from prior four quarters of variable cost inflation
- Strong price-mix contribution in Q1 significantly offset sequential cost headwinds

## Debt and Liquidity Summary

### Capitalization

(\$ in millions)	Interest	@ 3/31/2022	Maturity
Cash and Cash Equivalents		\$ 576	
<b>Debt:</b>			
Revolver (\$550 million capacity) <sup>(1)</sup>	Variable	—	2026 <sup>(2)</sup>
First Lien Term Loan (USD)	Variable	2,023	2024
<b>Total Senior Secured Debt</b>		<b>\$ 2,023</b>	
Senior Unsecured Notes (EUR) <sup>(3)</sup>	Fixed	498	2025
Senior Unsecured Notes (USD)	Fixed	494	2027
Senior Unsecured Notes (USD)	Fixed	691	2029
Finance Leases		62	
Other Borrowings		47	
<b>Total Debt</b>		<b>\$ 3,815</b>	
<b>Total Net Debt <sup>(4)</sup></b>		<b>\$ 3,239</b>	
LTM Adjusted EBITDA		791	
<b>Total Net Leverage <sup>(5)</sup></b>		<b>4.1x</b>	
<b>Interest Coverage Ratio <sup>(6)</sup></b>		<b>5.9x</b>	

(1) \$528 million available on our undrawn revolver net of letters of credit

(2) Maturity will be accelerated to 2024 in certain circumstances as set forth in Amendment No. 10

(3) Assumes exchange rate of \$1.1151 USD/Euro

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

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

(6) Interest Coverage Ratio = LTM Adjusted EBITDA / LTM Interest Expense

### Commentary

- Over \$1.1 billion in available liquidity at March 31, 2022; includes \$576 million of cash and cash equivalents on the balance sheet, and \$528 million of available capacity in our undrawn revolver
- Total net leverage of 4.1x at March 31, 2022 increased from 3.5x at December 31, 2021, reflecting decreased cash driven by FCF use in Q1 2022, share repurchase activity, and decreased LTM Adjusted EBITDA
- Weighted average cost of debt of 3.09% at March 31, 2022
- Long-term debt interest rates are effectively 83% fixed
  - \$1.375 billion of term loan debt fixed with interest rate swaps at weighted average of 1.84%

## Financial Guidance Update

### Q2 2022 Guidance

- Net Sales: ~+11-13% including:
  - Anticipate double-digit better price
  - ~+4% from acquisitions
  - ~(4)% from FX
- Adjusted EBIT: \$135-165 million
- Adjusted Diluted EPS: \$0.35-0.45; including \$0.02 FX headwind and \$0.03 headwind from COVID-19 disruptions and the Russia-Ukraine conflict
- Interest Expense: ~\$34 million
- Tax Rate: ~21%-22%
- Diluted Shares: ~222 million
- D&A: ~\$80 million; including \$24 million step-up D&A
- Expect raw material inflation in the high twenties versus Q2 2021

### FY 2022 Assumptions

- Market recovery and modest relief from supply chain constraints support a healthy demand environment
- Strong double-digit organic growth expected in Performance Coatings and Mobility Coatings
- Light Vehicle volume growth to exceed global auto production growth for 2022
- Expect price-cost to be caught up by Q4; Performance Coatings to cover the cumulative price-cost gap within 2022; Mobility Coatings to narrow the gap with some carry over into 2023
- No contributions from our operations in Russia, which is less than 1% of sales
- 2% net sales headwind from FX, driven largely by the Euro and Turkish Lira
- Typical second half phasing of operating cash flow



## Appendix

AXALTA COATING SYSTEMS



## Q2 and Full Year 2022 Assumptions

### Macroeconomic Assumptions

- Global GDP growth of ~4.0% for Q2 2022 and ~4.0% for FY 2022
- Global industrial production growth of ~3.8% for Q2 2022 and ~4.4% for FY 2022
- Global auto build change to be at ~2.0% for Q2 2022 and ~4.4% for FY 2022
- Global truck production increase of ~5.0% for Q2 2022 and ~4.2% for FY 2022, excluding China
- Inflation is still trending up as escalated energy costs have added further pressure to an already elevated raw materials pricing
- Moderate improvement in the supply for commodities versus prior quarters while pigment availability has worsened
- Inflationary trend expected in 1H'22 driven by higher input costs (feedstock, energy), tight market situation for pigments and specialty materials as well as elevated logistics costs

### Q2 2022 Currency Assumptions

Currency	Q2 2021 % Axalta Net Sales	Q2 2021 Average Rate	Q2 2022 Average Rate Assumption	USD % Impact of FX Rate Change
US\$ per Euro	~30%	1.21	1.11	(7.9%)
Chinese Yuan per US\$	~9%	6.46	6.38	1.2%
Brazilian Real per US\$	~3%	5.30	5.20	1.8%
US\$ per British Pound	~2%	1.40	1.33	(4.9%)
Mexican Peso per US\$	~2%	20.02	20.50	(2.4%)
Swedish Krona per US\$	~1%	8.41	9.40	(10.5%)
Indian Rupee per US\$	~1%	73.79	76.54	(3.6%)
Turkish Lira per US\$	~1%	8.40	15.00	(44.0%)
Other	~51%	NA	NA	(1.2%)

## Adjusted EBIT Reconciliation

(\$ in millions)	Q1 2022		Q1 2021	
Income from operations	\$	86.3	\$	52.6
Other expense (income), net		1.8		(0.4)
Total	\$	84.5	\$	53.0
<b>A</b> Termination benefits and other employee related costs		2.4		2.8
<b>B</b> Strategic review and retention costs		—		5.4
<b>C</b> Acquisition and divestiture-related costs		0.4		0.2
<b>D</b> Impairment charges		0.3		—
<b>E</b> Accelerated depreciation and site closure costs		1.3		0.6
<b>F</b> Indemnity loss		0.3		—
<b>G</b> Operational matter		0.1		94.4
<b>H</b> Russia sanction-related impacts		5.8		—
<b>I</b> Step-up depreciation and amortization		24.4		26.4
<b>Adjusted EBIT</b>	\$	119.5	\$	182.8
Segment Adjusted EBIT:				
Performance Coatings	\$	94.6	\$	117.2
Mobility Coatings		0.5		39.2
Total	\$	95.1	\$	156.4
<b>I</b> Step-up depreciation and amortization		24.4		26.4
<b>Adjusted EBIT</b>	\$	119.5	\$	182.8



## Adjusted EBIT Reconciliation (cont'd)

- A** Represents expenses and associated changes to estimates related to employee termination benefits and other employee-related costs. Employee termination benefits are primarily associated with Axalta Way initiatives. These amounts are not considered indicative of our ongoing operating performance.
- B** Represents costs for legal, tax and other advisory fees pertaining to our review of strategic alternatives that was concluded in March 2020, as well as retention awards for certain employees, which were earned over a period of 18-24 months, which ended in September 2021. These amounts are not considered indicative of our ongoing performance.
- C** Represents acquisition and divestiture-related expenses and integration activities associated with our business combinations, all of which are not considered indicative of our ongoing operating performance.
- D** Represents impairment charges, which are not considered indicative of our ongoing performance.
- E** Represents incremental depreciation expense resulting from truncated useful lives of the assets impacted by our manufacturing footprint assessments and costs related to the closure of certain manufacturing sites, which we do not consider indicative of our ongoing operating performance.
- F** Represents indemnity loss associated with acquisitions, which we do not consider indicative of our ongoing operating performance.
- G** Represents expenses, changes in estimates and insurance recoveries for probable liabilities related to an operational matter in the Mobility Coatings segment, which we do not consider indicative of our ongoing operating performance.
- H** Represents expenses related to sanctions imposed on Russia in response to the conflict with Ukraine as a result of incremental reserves for accounts receivable and incremental inventory obsolescence, which we do not consider indicative of our ongoing operating performance.
- I** 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 Net Income Reconciliation

(\$ in millions, except per share data)		Q1 2022	Q1 2021
	Net income	\$ 40.9	\$ 15.7
	Less: Net income attributable to noncontrolling interests	(0.6)	0.5
	Net income attributable to controlling interests	\$ 41.5	\$ 15.2
A	Termination benefits and other employee related costs	2.4	2.8
B	Strategic review and retention costs	—	5.4
C	Acquisition and divestiture-related costs	0.4	0.2
D	Impairment charges	0.3	—
E	Accelerated depreciation and site closure costs	1.3	0.6
F	Indemnity loss	0.3	—
G	Operational matter	0.1	94.4
H	Russia sanction-related impacts	5.0	—
I	Step-up depreciation and amortization	24.4	26.4
	Total adjustments	\$ 34.2	\$ 129.8
J	Income tax provision impacts	6.6	27.6
	<b>Adjusted net income</b>	<b>\$ 69.1</b>	<b>\$ 117.4</b>
	<b>Diluted adjusted net income per share</b>	<b>\$ 0.31</b>	<b>\$ 0.50</b>
	<b>Diluted weighted average shares outstanding</b>	<b>225.2</b>	<b>234.7</b>

## Adjusted Net Income Reconciliation (cont'd)

- A** Represents expenses and associated changes to estimates related to employee termination benefits and other employee-related costs. Employee termination benefits are primarily associated with Axalta Way initiatives. These amounts are not considered indicative of our ongoing operating performance.
- B** Represents costs for legal, tax and other advisory fees pertaining to our review of strategic alternatives that was concluded in March 2020, as well as retention awards for certain employees, which were earned over a period of 18-24 months, which ended in September 2021. These amounts are not considered indicative of our ongoing performance.
- C** Represents acquisition and divestiture-related expenses and integration activities associated with our business combinations, all of which are not considered indicative of our ongoing operating performance.
- D** Represents impairment charges, which are not considered indicative of our ongoing performance.
- E** Represents incremental depreciation expense resulting from truncated useful lives of the assets impacted by our manufacturing footprint assessments and costs related to the closure of certain manufacturing sites, which we do not consider indicative of our ongoing operating performance.
- F** Represents indemnity loss associated with acquisitions, which we do not consider indicative of our ongoing operating performance.
- G** Represents expenses, changes in estimates and insurance recoveries for probable liabilities related to an operational matter in the Mobility Coatings segment, which we do not consider indicative of our ongoing operating performance.
- H** Represents expenses related to sanctions imposed on Russia in response to the conflict with Ukraine as a result of incremental reserves for accounts receivable and incremental inventory obsolescence, which we do not consider indicative of our ongoing operating performance.
- I** 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.
- J** 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 expenses of \$0.7 million and \$1.7 million for the three months ended March 31, 2022 and 2021, respectively. The tax expenses for the three months ended March 31, 2022 and 2021 include the deferred tax benefit ratably amortized into our adjusted income tax rate as the tax attribute related to a January 1, 2020 intra-entity transfer of certain intellectual property rights is realized.

## Free Cash Flow Reconciliation

(\$ in millions)	Q1 2022	Q1 2021
Cash (used for) provided by operating activities	\$ (43.9)	\$ 39.6
Purchase of property, plant and equipment	(42.5)	(31.8)
Interest proceeds on swaps designated as net investment hedges	6.2	3.5
Free cash flow	\$ (80.2)	\$ 11.3

## Adjusted EBITDA Reconciliation

(\$ in millions)	LTM		Q1 2022		Q1 2021	FY 2021
	3/31/2022					
Net income	\$ 289.6	\$	40.9	\$	15.7	\$ 264.4
Interest expense, net	133.3		32.6		33.5	134.2
Provision for income taxes	83.3		11.0		3.8	76.1
Depreciation and amortization	317.8		77.7		76.4	316.5
<b>EBITDA</b>	<b>\$ 824.0</b>	<b>\$</b>	<b>162.2</b>	<b>\$</b>	<b>129.4</b>	<b>\$ 791.2</b>
<b>A</b> Debt extinguishment and refinancing related costs	0.2		—		—	0.2
<b>B</b> Termination benefits and other employee related costs	36.0		1.9		2.8	36.9
<b>C</b> Strategic review and retention costs	4.3		—		5.4	9.7
<b>D</b> Acquisition and divestiture-related costs	16.5		0.4		0.2	16.3
<b>E</b> Impairment charges	1.1		0.3		—	0.8
<b>F</b> Site closure costs	1.2		0.6		—	0.6
<b>G</b> Foreign exchange remeasurement losses	3.1		2.6		1.8	2.3
<b>H</b> Long-term employee benefit plan adjustments	(0.4)		0.1		(0.2)	(0.7)
<b>I</b> Stock-based compensation	16.6		5.3		3.6	14.9
<b>J</b> Dividends in respect of noncontrolling interest	(0.1)		(0.1)		(0.7)	(0.7)
<b>K</b> Operational matter	(89.9)		0.1		94.4	4.4
<b>L</b> Brazil indirect tax	(8.3)		—		—	(8.3)
<b>M</b> Gain on sale of facility	(19.7)		—		—	(19.7)
<b>N</b> Russia sanction-related impacts	5.8		5.8		—	—
<b>O</b> Other adjustments	0.3		0.4		—	(0.1)
Total adjustments	\$ (33.3)	\$	17.4	\$	107.3	\$ 56.6
<b>Adjusted EBITDA</b>	<b>\$ 790.7</b>	<b>\$</b>	<b>179.6</b>	<b>\$</b>	<b>236.7</b>	<b>\$ 847.8</b>

## Adjusted EBITDA Reconciliation (cont'd)

- A** Represents expenses and associated changes to estimates related to the prepayment, 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 primarily associated with Axalta Way initiatives. These amounts are not considered indicative of our ongoing operating performance.
- C** Represents costs for legal, tax and other advisory fees pertaining to our review of strategic alternatives that was concluded in March 2020, as well as retention awards for certain employees, which were earned over a period of 18-24 months, which ended in September 2021. These amounts are not considered indicative of our ongoing performance.
- D** Represents acquisition and divestiture-related expenses and integration activities associated with our business combinations, all of which are not considered indicative of our ongoing operating performance.
- E** Represents impairment charges, which are not considered indicative of our ongoing performance.
- F** Represents costs related to the closure of certain manufacturing sites, which we do not consider indicative of our ongoing operating performance.
- G** 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.
- H** Eliminates the non-cash, non-service cost components of long-term employee benefit costs.
- I** Represents non-cash impacts associated with stock-based compensation.
- J** Represents the payment of dividends to our joint venture partners by our consolidated entities that are not 100% owned, which are reflected to show the cash operating performance of these entities on Axalta's financial statements.
- K** Represents expenses, changes in estimates and insurance recoveries for probable liabilities related to an operational matter in the Mobility Coatings segment, which we do not consider indicative of our ongoing operating performance.
- L** Represents non-recurring income related to a law change with respect to certain Brazilian indirect taxes which was recorded within other expense (income), net.
- M** Represents non-recurring income related to the sale of a previously closed manufacturing facility.
- N** Represents expenses related to sanctions imposed on Russia in response to the conflict with Ukraine as a result of incremental reserves for accounts receivable and incremental inventory obsolescence, which we do not consider indicative of our ongoing operating performance.
- O** 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 and gains and losses from the remaining foreign currency derivative instruments.



**Thank you**

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**AXALTA COATING SYSTEMS**

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