UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE

SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) July 26, 2022

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.)**

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	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 Rule12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

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

Item 2.02. Results of Operations and Financial Condition.

On July 26, 2022, Axalta Coating Systems Ltd. (the "Company") issued a press release and posted an earnings call presentation to its website reporting its financial results for the second quarter ended June 30, 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.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Departure of Robert Bryant as Chief Executive Officer and President

On July 26, 2022, the Company announced that Robert Bryant will step down from his position as Chief Executive Officer and President ("CEO") of the Company, effective as of August 31, 2022. Mr. Bryant will also step down from the Company's Board of Directors (the "Board") on such date. These actions were not related to any disagreement on any matter relating to the Company's operations, policies or practices.

The Company and Mr. Bryant have entered into a separation and release agreement, dated July 25, 2022 (the "Separation Agreement"). Pursuant to the Separation Agreement, Mr. Bryant will receive, subject to his execution and non-revocation of a general release of claims, (1) a cash severance payment in the amount of $4,840,000, payable over 24 months in regular installments, under the terms of the Third Amended and Restated Executive Restrictive Covenant and Severance Agreement, dated as of December 10, 2018 (the "Executive Agreement"), by and among Mr. Bryant, the Company and Axalta Coating Systems, LLC, and (2) certain other benefits under the terms of the Executive Agreement, including a lump sum cash payment in an aggregate amount equal to 24 months of the applicable monthly premium cost that Mr. Bryant would be required to pay to continue qualifying health coverage under COBRA. Following the effective date of his departure, Mr. Bryant will be bound by the non-competition and other restrictive covenants in the Executive Agreement.

Appointment of Rakesh Sachdev as Interim Chief Executive Officer and President

The Board has appointed Rakesh Sachdev, currently an independent member of the Board, to serve as Interim Chief Executive Officer and President ("Interim CEO") of the Company, effective as of August 31, 2022, while the Board undertakes a search to identify the Company's next Chief Executive Officer and President.

On July 25, 2022, the Company and Mr. Sachdev entered into a letter agreement (the "Interim CEO Letter Agreement") to memorialize the terms of his appointment as Interim CEO. Pursuant to the Interim CEO Letter Agreement, effective as of August 31, 2022, Mr. Sachdev will receive an annual base salary of $1,100,000 and an award of restricted stock units ("RSUs") with a grant date value of $6,000,000 under the Company's Amended and Restated 2014 Incentive Award Plan. There are no transactions involving Mr. Sachdev that would require disclosure pursuant to Item 404(a) of Regulation S-K.

Information regarding Mr. Sachdev's business experience and qualifications is disclosed under "Proposal No. 1: Election of Nine Directors to Serve Until the 2023 Annual General Meeting of Members – Rakesh Sachdev" in the Company's definitive Proxy Statement for its 2022 Annual General Meeting of Members, which was filed with the Securities and Exchange Commission on April 22, 2022, and is incorporated herein by reference. There is no arrangement or understanding between Mr. Sachdev and another other person pursuant to which Mr. Sachdev was selected as an officer, and there are no family relationships between Mr. Sachdev and any of the Company's directors or executive officers.

Retention Award

On July 25, 2022, the Company also entered into a retention agreement (the "Retention Agreement") with Sean Lannon, Senior Vice President and Chief Financial Officer of the Company. Pursuant to the Retention Agreement, the Company will pay a cash retention award of $3,500,000 to Mr. Lannon, subject to Mr. Lannon's continued employment with the Company for 24 months after the date of the Retention Agreement (the "Retention Period"). The entire amount of such retention award is subject to clawback or recoupment if (1) Mr. Lannon resigns without good reason or his employment is terminated for cause during the Retention Period, or (2) Mr. Lannon breaches non-competition and certain other restrictive covenants.

The foregoing descriptions of the Separation Agreement, the Interim CEO Letter Agreement and the Retention Agreement in this Current Report on Form 8-K do not purport to be complete and are qualified in their entirety by reference to the full terms and conditions of the Separation Agreement, the Interim CEO Letter Agreement and the Retention Agreement, as applicable, which are filed with this Current Report on Form 8-K as Exhibit 10.1, Exhibit 10.2 and Exhibit 10.3, respectively, and are incorporated in this Item 5.02 by reference.

Item 7.01. Regulation FD Disclosure.

On July 26, 2022, the Company issued a press release announcing the departure of Mr. Bryant as CEO and the appointment of Mr. Sachdev as Interim CEO. A copy of the press release is furnished as Exhibit 99.3 to this Current Report on Form 8-K and is incorporated herein by reference.

The information furnished with Items 2.02 and 7.01, including Exhibits 99.1, 99.2 and 99.3, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), 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 or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
10.1	Separation and Release Agreement, dated as of July 25, 2022, between Axalta Coating Systems Ltd. and Robert Bryant
10.2	Letter Agreement, dated as of July 25, 2022, between Axalta Coating Systems Ltd. and Rakesh Sachdev
10.3	Letter Agreement, dated as of July 25, 2022, between Axalta Coating Systems Ltd. and Sean Lannon
99.1	Press Release Announcing Earnings Results for the Second Quarter ended June 30, 2022, dated July 26, 2022
99.2	Second Quarter ended June 30, 2022 Earnings Call Presentation
99.3	Press Release Announcing CEO Transition, dated July 26, 2022
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:	July 26, 2022	By:	/s/ Sean M. Lannon
			Sean M. Lannon Senior Vice President and Chief Financial Officer

Separation and Release Agreement

This Separation and Release Agreement ("Agreement") is made by and between Robert W. Bryant ("Executive") and Axalta Coating Systems Ltd., a Bermuda exempted limited liability company (the "Company" and as the context requires the Company shall include the Company's subsidiaries) (collectively, referred to as the "Parties" or individually referred to as a "Party"). Capitalized terms used but not defined in this Agreement shall have the meanings set forth in the Executive Agreement (as defined below).

WHEREAS, the Parties, together with Axalta Coating Systems, LLC, have previously entered into that certain Third Amended and Restated Executive Restrictive Covenant and Severance Agreement, effective as of December 10, 2018 (the "Executive Agreement"); and

WHEREAS, in connection with Executive's termination of employment with the Company, the Parties wish to resolve any and all disputes, claims, complaints, grievances, charges, actions, petitions, and demands that Executive may have against the Company and any of the Releasees as defined below, including, but not limited to, any and all claims arising out of or in any way related to Executive's employment with or separation from the Company or its subsidiaries or affiliates but, for the avoidance of doubt, nothing herein will be deemed to release any rights or remedies in connection with Executive's ownership of vested equity securities of the Company or Executive's right to indemnification by the Company or any of its affiliates pursuant to contract or applicable law (collectively, the "Retained Claims").

NOW, THEREFORE, in consideration of the mutual promises made herein, the Company and Executive hereby agree as follows:

1. Termination Date; Continuing Obligations; Transition Assistance. Effective as of 12:01 am EDT on August 31, 2022 (or such other date as may be agreed to by the Parties) (the "Termination Date"), Executive shall cease to serve as the Company's Chief Executive Officer and President, shall resign as a member of the Board of Directors of the Company (the "Board") and shall resign from every other office, directorship or other position held with the Company or any of its affiliates. In addition, Executive shall execute resignation letters or other documents reasonably requested by the Company to memorialize the foregoing. After the Termination Date, Executive will have no employment relationship with, or authority to represent or act on behalf of, the Company. Between the date this Agreement is executed and the Termination Date, Executive will continue to receive his current base salary and will continue to participate as an active employee in the benefit plans and programs in which he currently participates, but will not be eligible for any annual bonus payment with respect to the 2022 fiscal year or be granted any new long-term or equity incentive awards but shall, for the avoidance of doubt, retain all rights and entitlements, and be subject to all obligations, contained in his Equity Awards (as defined below), pursuant to and in accordance with the terms and conditions thereof. During such period, Executive will continue to have a duty of loyalty to the Company, will continue to be subject to the same policies as other active employees, will be expected to conduct himself in accordance with the Company's policies during that time, and will be expected to continue to comply with the terms of this Agreement, the Executive Agreement, and any other written agreement he may have signed regarding intellectual property, confidentiality, non-competition, non-solicitation of customers or employees, or the protection of trade secrets or proprietary information. Additionally, between the date this Agreement is executed and the Termination Date, Executive agrees to reasonably coordinate with the Board, any committees of the Board directed to conduct a search process for a new chief executive officer of the Company and others acting at the Board's or such committee's direction regarding the transition of Executive's responsibilities to others, and to reasonably cooperate in the orderly transition of Executive's responsibilities as a Company executive (the "Transition Assistance").

2. Severance Payments. Notwithstanding anything in this Agreement, the Parties agree that, subject to Executive's compliance with the terms of this Agreement, the termination of Executive's employment on the Termination Date will constitute a Qualifying Termination for purposes of the Executive Agreement. Accordingly, if Executive complies with the terms of this Agreement, executes and does not revoke this Agreement and, on or within 30 days after the Termination Date, executes and does not revoke the Final Release attached hereto as Appendix A, which is incorporated herein by reference and made a part hereof, the Company will provide Executive with the severance payments and benefits described in Sections 2(a)(ii), (iii) and (iv) of the Executive Agreement, payable at the times set forth in, and subject to the terms and conditions of, the Executive Agreement. To the extent not already paid, and subject to the terms and conditions of the Executive Agreement, upon the Termination Date, the Company shall pay or provide to Executive all other payments or benefits described in Section 2(a)(i) and Section 11(k) of the Executive Agreement, subject to and in accordance with the terms thereof. For the avoidance of doubt, the Parties agree that the Pre-Change in Control Cash Severance Pay shall equal $4,840,000, and the lump sum payment described in Section 2(a)(iv) of the Executive Agreement shall equal $52,092.72. Upon the Termination Date, Executive shall also be paid for his accrued but unused vacation days. For purposes of those certain Stock Option Award Agreements, by and between Executive and the Company, with a Grant Date (as defined therein) on each of February 6, 2017, February 5, 2018 and February 25, 2019 (collectively, the "Options"), those certain Restricted Stock Unit Agreements, by and between Executive and the Company, with a Grant Date (as defined therein) on each of February 19, 2020, March 3, 2021 and February 15, 2022 (collectively, the "RSUs"), and those certain Performance Share Unit Agreements, by and between Executive and the Company, with a Grant Date (as defined therein) on each of February 19, 2020, March 3, 2021 and February 15, 2022 (collectively, the "PSUs" and, together with the Options and the RSUs, the "Equity Awards"), the Parties hereto acknowledge and agree that the termination of Executive's employment on the Termination Date will constitute a "Termination of Service" other than for "Cause", each as defined in the Axalta Coating Systems Ltd. 2014 Incentive Award Plan (the "Plan").

3. Release of Claims by Executive. Executive agrees that, other than with respect to the Retained Claims, the foregoing consideration in Section 2 of this Agreement represents settlement in full of all outstanding obligations owed to Executive by the Company and any of its Affiliates, and any of their current and former officers, directors, equity holders, managers, employees, agents, investors, attorneys, shareholders, members, administrators, affiliates, benefit plans, plan administrators, insurers, trustees, divisions, and subsidiaries and predecessor and successor corporations and assigns (collectively, the "Releasees"). Executive, on his own behalf and on behalf of any of Executive's affiliated companies or entities and any of their respective heirs, family members, executors, agents, and assigns, other than with respect to the Retained Claims, hereby and forever releases the Releasees from, and agrees not to sue concerning, or in any manner to institute, prosecute, or pursue, any claim, complaint, charge, duty, obligation, or cause of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that Executive may possess against any of the Releasees arising from any omissions, acts, facts, or damages that have occurred up until and including the date Executive signs this Agreement, including, without limitation:

(a) any and all claims relating to or arising from Executive's employment or service relationship with the Company or any of its direct or indirect subsidiaries or affiliates and the termination of that relationship;

(b) any and all claims relating to, or arising from, Executive's right to purchase, or actual purchase of any common shares or other equity interests of the Company or any of its affiliates, including, without limitation, any claims for fraud, misrepresentation, breach of fiduciary duty, breach of duty under applicable state corporate law, and securities fraud under any state or federal law, other than any claims relating to the treatment of the Equity Awards as provided herein;

(c) any and all claims for wrongful discharge of employment; termination in violation of public policy; discrimination; harassment; retaliation; breach of contract, both express and implied; breach of the covenant of good faith and fair dealing, both express and implied; promissory estoppel; negligent or intentional infliction of emotional distress; fraud; negligent or intentional misrepresentation; negligent or intentional interference with contract or prospective economic advantage; unfair business practices; defamation; libel; slander; negligence; personal injury; assault; battery; invasion of privacy; false imprisonment; conversion; and disability benefits;

(d) any and all claims for violation of any federal, state, or municipal statute, including, but not limited to, Title VII of the Civil Rights Act of 1964; the Civil Rights Act of 1991; the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Equal Pay Act; the Fair Credit Reporting Act; the Age Discrimination in Employment Act of 1967; the Older Workers Benefit Protection Act; the Employee Retirement Income Security Act of 1974; the Worker Adjustment and Retraining Notification Act; the Family and Medical Leave Act; the Sarbanes-Oxley Act of 2002;

(e) any and all claims for violation of the federal or any state constitution;

(f) any and all claims arising out of any other laws and regulations relating to employment or employment discrimination;

(g) any claim for any loss, cost, damage, or expense arising out of any dispute over the non-withholding or other tax treatment of any of the proceeds received by Executive as a result of this Agreement; and

(h) any and all claims for attorneys' fees and costs.

Executive agrees that the release set forth in this Section shall be and remain in effect in all respects as a complete general release as to the matters released. This release does not release claims that cannot be released as a matter of law, including, but not limited to, Executive's right to file a charge with or participate in a charge by the Equal Employment Opportunity Commission, or any other local, state, or federal administrative body or government agency that is authorized to enforce or administer laws related to employment, against the Company (with the understanding that Executive's release of claims herein bars Executive from recovering such monetary relief from the Company or any Releasee), claims for unemployment compensation or any state disability insurance benefits pursuant to the terms of applicable state law, claims to continued participation in certain of the Company's group benefit plans pursuant to the terms and conditions of COBRA, claims to any benefit entitlements vested as the date of separation of Executive's employment, pursuant to written terms of any employee benefit plan of the Company or its affiliates and Executive's right under applicable law and any Retained Claims. This release further does not release claims for breach of Section 2(a) of the Executive Agreement or breach of this Agreement.

4. Acknowledgment of Waiver of Claims under ADEA. Executive understands and acknowledges that Executive is waiving and releasing any rights Executive may have under the Age Discrimination in Employment Act of 1967 ("ADEA"), and that this waiver and release is knowing and voluntary. Executive understands and agrees that this waiver and release does not apply to any rights or claims that may arise after the date of this Agreement. Executive understands and acknowledges that the consideration given for this waiver and release is in addition to anything of value to which Executive was already entitled. Executive further

understands and acknowledges that Executive has been advised by this writing that: (a) Executive should consult with an attorney prior to executing this Agreement; (b) Executive has 21 days within which to consider this Agreement; (c) Executive has seven days following Executive's execution of this Agreement to revoke this Agreement pursuant to written notice to the General Counsel of the Company in accordance with Section 12 of this Agreement; (d) this Agreement shall not be effective until after the revocation period has expired; and (e) nothing in this Agreement prevents or precludes Executive from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties, or costs for doing so, unless specifically authorized by federal law. In the event Executive signs this Agreement and returns it to the Company in less than the 21 day period identified above, Executive hereby acknowledges that Executive has freely and voluntarily chosen to waive the time period allotted for considering this Agreement

5. Confirmation of Forfeiture of Unvested Equity Awards and Continuing Obligations.

(a) Forfeiture of Unvested Equity Awards. Executive acknowledges that, consistent with the terms of the Equity Awards, all of Executive's equity awards that are unvested on the Termination Date will automatically be forfeited on the Termination Date.

(b) Restrictive Covenants. Executive acknowledges that Executive continues to be bound by Sections 2(g), 3, 4, 6, 7, 8, 9 and 11 of the Executive Agreement, and any other agreement governing the use of the Company's confidential information that Executive signed in connection with Executive's employment in accordance with the terms thereof.

(c) Nondisparagement. The Parties acknowledge and agree to comply at all times in the future with the nondisparagement obligations of Section 5 of the Executive Agreement. On July 26, 2022, or such other date as may be mutually agreed upon by the Parties in writing, the Company shall issue the press release attached hereto as Appendix B. The Parties agree that, unless otherwise required by applicable law, each Party shall refer to the termination of Executive's employment in a manner materially consistent with the press release attached hereto as Appendix B.

6. Whistleblower Provision. Notwithstanding anything to the contrary contained in this Agreement or any confidentiality and inventions assignment or similar agreement, (a) Executive will not be prevented from reporting possible violations of federal law or regulation to any United States governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934 or Section 806 of the Sarbanes-Oxley Act of 2002, or any other whistleblower protection provisions of state or federal law or regulation (including the right to receive an award for information provided to any such government agencies), and (b) Executive acknowledges that he will not be held criminally or civilly liable for (i) the disclosure of confidential or proprietary information that is made in confidence to a government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, or (ii) disclosure of confidential or proprietary information that is made in a complaint or other document filed in a lawsuit or other proceeding under seal or pursuant to court order.

7. Severability. In the event that any provision or any portion of any provision hereof or any surviving agreement made a part hereof becomes or is declared by a court of competent jurisdiction or arbitrator to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said provision or portion of provision.

8. No Oral Modification. This Agreement may only be amended in a writing signed by Executive and a duly authorized officer of the Company.

9. Governing Law; Dispute Resolution. This Agreement shall be subject to the provisions of Section 9 and Sections 11(d) and (e) of the Executive Agreement.

10. Withholding and other Deductions. All compensation payable or provided to Executive hereunder shall be subject to such tax withholding and other deductions as the Company is from time to time required to make pursuant to law, governmental regulation or order.

11. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, all of which together shall constitute one and the same instrument.

12. Revocation Period and Effective Date. Executive has seven days after he signs this Agreement to revoke it and this Agreement will become effective on the eighth day after Executive signed this Agreement, so long as it has been signed by the Parties and has not been revoked before that date. Executive understands that any revocation of this Agreement must be made in writing and delivered to Brian A. Berube, Senior Vice President, General Counsel and Corporate Secretary by email at [•] on or before the 7th day following the date Executive signs this Agreement and that this Agreement may not be revoked after the seven day revocation period has passed.

13. Incentive Compensation Recoupment Policy. All payments and benefits provided to Executive pursuant to Section 2 of this Agreement shall be subject to the terms of the Company's Incentive Compensation Recoupment Policy as if such payments and benefits were "Incentive Compensation" thereunder.

14. Voluntary Execution of Agreement. Executive understands and agrees that Executive executed this Agreement voluntarily, without any duress or undue influence on the part or behalf of the Company or any third party, with the full intent of releasing all of Executive's claims against the Company and any of the other Releasees. Executive acknowledges that: (a) Executive has read this Agreement; (b) Executive has not relied upon any representations or statements made by the Company that are not specifically set forth in this Agreement; (c) Executive has been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of his own choice or has elected not to retain legal counsel; (d) Executive understands the terms and consequences of this Agreement and of the releases it contains; and (e) Executive is fully aware of the legal and binding effect of this Agreement.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the respective dates set forth below.

Executive

By: ______________________________

Name: Robert W. Bryant

Dated: July 25, 2022

Axalta Coating Systems Ltd.

By: ______________________________

Name: William M. Cook

Title: Board Chair

Dated: July 25, 2022

<u>Appendix A</u>

Final Release

Pursuant to the Separation and Release Agreement (the "Agreement") that the undersigned ("Executive") signed with Axalta Coating Systems Ltd. (the "Company"), Executive agrees to the terms set forth in this Final Release (the "Final Release") as a pre-condition to Executive's entitlement to the payments and benefits set forth in Section 2 of the Agreement. Capitalized terms used but not defined in this Final Release shall have the meanings set forth in the Agreement.

1. <u>Release of Claims</u>. Executive agrees that, other than with respect to the Retained Claims, the consideration set forth in Section 2 of the Agreement represents settlement in full of all outstanding obligations owed to Executive by the Company and any of its Affiliates, and any of their current and former officers, directors, equity holders, managers, employees, agents, investors, attorneys, shareholders, members, administrators, affiliates, benefit plans, plan administrators, insurers, trustees, divisions, and subsidiaries and predecessor and successor corporations and assigns (collectively, the "Releasees"). Executive, on his own behalf and on behalf of any of Executive's affiliated companies or entities and any of their respective heirs, family members, executors, agents, and assigns, other than with respect to the Retained Claims, hereby and forever releases the Releasees from, and agrees not to sue concerning, or in any manner to institute, prosecute, or pursue, any claim, complaint, charge, duty, obligation, or cause of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that Executive may possess against any of the Releasees arising from any omissions, acts, facts, or damages that have occurred up until and including the date Executive signs this Final Release, including, without limitation:

(a) any and all claims relating to or arising from Executive's employment or service relationship with the Company or any of its direct or indirect subsidiaries or affiliates and the termination of that relationship;

(b) any and all claims relating to, or arising from, Executive's right to purchase, or actual purchase of any common shares or other equity interests of the Company or any of its affiliates, including, without limitation, any claims for fraud, misrepresentation, breach of fiduciary duty, breach of duty under applicable state corporate law, and securities fraud under any state or federal law, other than any claims relating to the treatment of the Equity Awards as provided in the Agreement;

(c) any and all claims for wrongful discharge of employment; termination in violation of public policy; discrimination; harassment; retaliation; breach of contract, both express and implied; breach of the covenant of good faith and fair dealing, both express and implied; promissory estoppel; negligent or intentional infliction of emotional distress; fraud; negligent or intentional misrepresentation; negligent or intentional interference with contract or prospective economic advantage; unfair business practices; defamation; libel; slander; negligence; personal injury; assault; battery; invasion of privacy; false imprisonment; conversion; and disability benefits;

(d) any and all claims for violation of any federal, state, or municipal statute, including, but not limited to, Title VII of the Civil Rights Act of 1964; the Civil Rights Act of 1991; the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Equal Pay Act; the Fair Credit Reporting Act; the Age Discrimination in Employment Act of 1967; the Older Workers Benefit Protection Act; the Employee Retirement Income Security Act of 1974; the Worker Adjustment and Retraining Notification Act; the Family and Medical Leave Act;

(e) any and all claims for violation of the federal or any state constitution;

(f) any and all claims arising out of any other laws and regulations relating to employment or employment discrimination;

(g) any claim for any loss, cost, damage, or expense arising out of any dispute over the non-withholding or other tax treatment of any of the proceeds received by Executive as a result of this Final Release; and

(h) any and all claims for attorneys' fees and costs.

Executive agrees that the release set forth in this Section shall be and remain in effect in all respects as a complete general release as to the matters released. This release does not release claims that cannot be released as a matter of law, including, but not limited to, Executive's right to file a charge with or participate in a charge by the Equal Employment Opportunity Commission, or any other local, state, or federal administrative body or government agency that is authorized to enforce or administer laws related to employment, against the Company (with the understanding that Executive's release of claims herein bars Executive from recovering such monetary relief from the Company or any Releasee), claims for unemployment compensation or any state disability insurance benefits pursuant to the terms of applicable state law, claims to continued participation in certain of the Company's group benefit plans pursuant to the terms and conditions of COBRA, claims to any benefit entitlements vested as the date of separation of Executive's employment, pursuant to written terms of any employee benefit plan of the Company or its affiliates and Executive's right under applicable law and any Retained Claims. This release further does not release claims for breach of Section 2(a) of the Executive Agreement or breach of the Agreement.

2. Acknowledgment of Waiver of Claims under ADEA. Executive understands and acknowledges that Executive is waiving and releasing any rights Executive may have under the Age Discrimination in Employment Act of 1967 ("ADEA"), and that this waiver and release is knowing and voluntary. Executive understands and agrees that this waiver and release does not apply to any rights or claims that may arise after the date of this Final Release. Executive understands and acknowledges that the consideration given for this waiver and release is in addition to anything of value to which Executive was already entitled. Executive further understands and acknowledges that Executive has been advised by this writing that: (a) Executive should consult with an attorney prior to executing this Final Release; (b) Executive has 21 days within which to consider this Final Release; (c) Executive has seven days following Executive's execution of this Final Release to revoke this Final Release pursuant to written notice to the General Counsel of the Company in accordance with Section 7 of this Final Release; (d) this Final Release shall not be effective until after the revocation period has expired; and (e) nothing in this Final Release prevents or precludes Executive from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties, or costs for doing so, unless specifically authorized by federal law. In the event Executive signs this Final Release and returns it to the Company in less than the 21 day period identified above, Executive hereby acknowledges that Executive has freely and voluntarily chosen to waive the time period allotted for considering this Final Release.

3. Severability. In the event that any provision or any portion of any provision hereof or any surviving agreement made a part hereof becomes or is declared by a court of competent jurisdiction or arbitrator to be illegal, unenforceable, or void, this Final Release shall continue in full force and effect without said provision or portion of provision.

4. No Oral Modification. This Final Release may only be amended in a writing signed by Executive and a duly authorized officer of the Company.

5. Governing Law; Dispute Resolution. This Final Release shall be subject to the provisions of Section 9 and Sections 11(d) and (e) of the Executive Agreement.

6. Counterparts. This Final Release may be executed in one or more counterparts, each of which shall be deemed an original, all of which together shall constitute one and the same instrument.

7. Revocation Period and Effective Date. Executive has seven days after he signs this Final Release to revoke it and this Final Release will become effective on the eighth day after Executive signed this Final Release, so long as it has been signed by the Parties and has not been revoked before that date. Executive understands that any revocation of this Final Release must be made in writing and delivered to Brian A. Berube, Senior Vice President, General Counsel and Corporate Secretary by email at [•] on or before the 7th day following the date Executive signs this Final Release and that this Final Release may not be revoked after the seven day revocation period has passed.

8. Voluntary Execution of Agreement. Executive understands and agrees that Executive executed this Final Release voluntarily, without any duress or undue influence on the part or behalf of the Company or any third party, with the full intent of releasing all of Executive's claims against the Company and any of the other Releasees. Executive acknowledges that: (a) Executive has read this Final Release; (b) Executive has not relied upon any representations or statements made by the Company that are not specifically set forth in this Final Release; (c) Executive has been represented in the preparation, negotiation, and execution of this Final Release by legal counsel of his own choice or has elected not to retain legal counsel; (d) Executive understands the terms and consequences of this Final Release and of the releases it contains; and (e) Executive is fully aware of the legal and binding effect of this Final Release.

[*Signature Page Follows*]

In consideration of the good and valuable consideration set forth above and in the Agreement, and intending to be legally bound, Executive affixes his signature to express his acceptance of the terms of this Final Release.

ACCEPTED AND AGREED
BY THE UNDERSIGNED:

Dated: [●]

Executive

By: ______________________________

Name: Robert W. Bryant

Date delivered to Executive: [●]

Appendix B

July 25, 2022

Rakesh Sachdev

Dear Rakesh,

On behalf of the Board of Directors (the “Board”) of Axalta Coating Systems Ltd. (including, as the context requires, its affiliated legal entities, “Axalta” or the “Company”), I am pleased to offer you the position of Interim Chief Executive Officer and President (“Interim CEO”) of Axalta, reporting to the Board. Your anticipated start date is August 31, 2022.

Annual Base Salary

Your annual base salary will be $1,100,000, payable in accordance with Axalta’s normal payroll procedures. As Interim CEO, you will no longer be eligible for cash compensation pursuant to Axalta’s non-employee director compensation program.

Equity Compensation

You will receive a one-time equity award (the “Award”) pursuant to the Axalta Coating Systems Ltd. Amended and Restated 2014 Incentive Award Plan (the “Plan”) of restricted stock units (“RSUs”), which will be granted to you effective as of your start date, with the number of RSUs underlying the Award calculated by dividing $6,000,000 by the closing price of Axalta’s common shares on your start date, and rounding down to the nearest whole number of units. Subject to your continued employment as Interim CEO, a number of RSUs equal to 1/12th of the Award will vest on each monthly anniversary of your start date (each, a “Monthly Vesting”); provided, however, that, upon the Board’s appointment of a new Chief Executive Officer and President, if such date is prior to the eight (8) month anniversary of your start date, a number of RSUs shall vest equal to 8/12th of the number of RSUs comprising the Award, *less* the aggregate number of RSUs that have previously vested in each prior Monthly Vesting. For purposes of the foregoing, you will be entitled to each Monthly Vesting so long as you are employed as Interim CEO on or after the 15th day of the applicable month. If, following a Change in Control (as defined in the Plan), you are terminated by the Company without Cause (as defined in the Plan) or resign for Good Reason (as defined below), or upon your termination of employment due to your death or disability, all RSUs underlying the Award, to the extent unvested, will immediately vest in full. The terms and conditions of the Award, if approved, will be governed exclusively by the terms of the Plan and a separate award agreement that will be entered into between you and Axalta. Unless otherwise approved by the Board, you will not be eligible for any other equity or other long-term incentive compensation, including pursuant to Axalta’s non-employee director compensation program.

“*Good Reason*” means a material decrease in your authority or areas of responsibility as are commensurate with your title or position as Interim CEO without your written consent. You must provide written notice to the Company of the occurrence of such condition within ninety (90) days of the occurrence of such condition or the date upon which you reasonably became aware that such condition had occurred. The Company or any of its successors or affiliates shall have a period of thirty (30) days to cure such condition after receipt of your written notice of such condition. Any voluntary termination for “Good Reason” following such thirty (30) day cure period must occur no later than the date that is one (1) year following the date notice was provided by you.

Tax Matters; Settlement

All amounts provided pursuant to this offer letter shall be subject to reduction for applicable taxes required to be withheld by applicable law. To the extent any reimbursements constitute deferred compensation for purposes of Section 409A of the Internal Revenue Code, the reimbursements will be provided in a manner that complies with Treasury Regulation Section 1.409A-3(i)(1)(iv). Accordingly, (a) all such reimbursements will be made not later than the last day of the calendar year after the calendar year in which the expenses were incurred, (b) any right to such reimbursements will not be subject to liquidation or exchange for another benefit, and (c) the amount of the expenses eligible for reimbursement during any calendar year will not affect the amount of expenses eligible for reimbursement, or the in-kind benefits provided, in any other calendar year.

All RSUs that vest between (and including) the first Monthly Vesting and February 28, 2023, will be settled in a single installment of vested Company common shares within fifteen (15) days after the termination of your employment as Interim CEO (but no later than March 15, 2023), and any RSUs that remain unvested after such time and that vest thereafter in accordance with the terms of this letter agreement will be settled in a single installment of vested Company common shares within fifteen (15) days after the termination of your employment as Interim CEO (but in no event later than September 15, 2023).

Benefits

The Company offers a comprehensive benefits program, details of which will be provided under separate cover. Notwithstanding the foregoing, you will not participate in any annual or other short-term incentive program nor will you participate in any severance program of the Company.

Holidays; Vacation

You will be eligible for all Company paid holidays and for such vacation periods as approved by the Board.

Conditions of Employment

This offer is contingent upon:

- Acknowledging that you have received, read, and understand Axalta's U.S. EEO and Prohibited Harassment Policy.
- Presentation of necessary documents to complete the I-9 Employment Eligibility Verification and confirm that you are authorized to be employed in the U.S.

Your employment at Axalta is at-will, meaning that both you and the Company each have the right to terminate the employment relationship at any time. Without limiting the foregoing, you agree that you shall resign from the position of Interim CEO if so directed by the Board for any reason at any time.

This offer letter is governed by and construed in accordance with the laws of the United States and the Commonwealth of Pennsylvania, without regard to the conflicts of laws principles thereof. Any controversy, claim or dispute arising out of or relating to this offer letter shall be settled solely and exclusively by a binding arbitration process administered by JAMS/Endispute in Philadelphia, Pennsylvania. Such arbitration shall be conducted in accordance with the then-existing JAMS/Endispute Rules of Practice and Procedure.

The terms of this offer and final and binding and may not be amended or otherwise modified without your and the Company's express written consent.

Please note your acceptance of this offer by signing and emailing back to Brian A. Berube, Senior Vice President, General Counsel and Corporate Secretary by email at [•].

Sincerely,

William M. Cook
Board Chair

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, I accept this offer of employment under the terms outlined in this offer letter and subject to the conditions of employment set forth above.

____________________________ ____________________
Signature Date

July 25, 2022

Sean Lannon

Dear Sean:

As you know, the Board of Directors (the "Board") of Axalta Coating Systems, Ltd. ("Axalta") is wanting to ensure retention of certain key members of management. At this time, it is imperative that we retain employees, such as you, who are critical to achieving our business objectives. Axalta Coating Systems, LLC (the "Company"), therefore, is pleased to offer you this Retention Agreement.

1. Eligibility for Retention Bonus.

You have been selected as eligible to receive a retention bonus in the amount of $3,500,000.00 (the "Retention Bonus"). **To receive the Retention Bonus, we ask that you return an executed original of this Retention Agreement by [•].** The Retention Bonus will be paid to you, minus applicable tax withholdings, as soon as practicable and in no event more than 45 days after you return an executed version of this Retention Agreement. Except as otherwise set forth in section 3, to retain the Retention Bonus, you must remain continuously employed with the Company or, in the event of a Change in Control (as defined below), with an entity that is a party to the Change in Control (or an affiliate of such an entity) (a "Successor Employer") through the entire Retention Period (as hereinafter defined). For purposes of this Retention Agreement, you will be deemed continuously employed during any approved leave of absence. As described in sections 3 and 4 below, if you fail to satisfy this continuous employment condition, you may be required to repay all of the Retention Bonus.

2. Retention Period.

The "Retention Period" is 24 months, commencing as of the date hereof. For purposes of this Retention Agreement, the term "Change in Control" means (a) the acquisition by a person or entity of more than 50% of the total combined voting power of Axalta's voting securities outstanding immediately after such acquisition, (b) a change in the majority of the Board during any period of two consecutive years, whereby individuals who, at the beginning of such period, constitute the Board together with any new director(s) (other than a director designated by a person or entity that shall have entered into an agreement with Axalta to effect an acquisition, merger of similar transaction of or with Axalta) whose election by the Board or nomination for election by Axalta's shareholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the two-year period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof, (c) the consummation of (i) a merger, consolidation, reorganization, or business combination, (ii) a sale or other disposition of all or substantially all of Axalta's assets in any single transaction or series of related transactions or (iii) the acquisition of assets or stock of another entity, in each case other than a transaction: (A) immediately after which Axalta's shareholders continue to control the entity that, as a result of the transaction, controls, directly or indirectly, Axalta or owns, directly or indirectly, all or substantially all of Axalta's assets or otherwise succeeds to the business of Axalta (Axalta or such person, the "Successor Entity") directly or indirectly, and (B) after which no person or entity beneficially owns voting securities representing 50% or more of the combined voting power of the Successor Entity, or (d) a liquidation or dissolution of Axalta that has been approved by Axalta's shareholders.

3. Termination or Resignation During Retention Period.

a. *Termination without Cause*. You will be entitled to retain the entire Retention Bonus if your employment is terminated by the Company or a Successor Employer other than for Cause during the Retention Period, provided that you satisfy the Separation and Release Agreement Requirement described in section 3(f) below. For these purposes, a termination of employment will be deemed not to have occurred in connection with a Change in Control if you have continuous employment with the Company or a Successor Employer without any intervening period of unemployment. As used in this Retention Agreement, "Cause" shall have the meaning set forth in your Executive Restrictive Covenant and Severance Agreement, as in effect as of the date of this Retention Agreement.

b. *Resignation for Good Reason*. You will be entitled to retain the entire Retention Bonus if you terminate your employment with the Company or a Successor Employer for Good Reason during the Retention Period, provided that you satisfy the Separation and Release Agreement Requirement described in section 3(f) below. As used in this Retention Agreement, the term "Good Reason" shall have the meaning set forth in your Executive Restrictive Covenant and Severance Agreement, as in effect as of the date of this Retention Agreement.

c. *Termination for Cause or Resignation other than for Good Reason*. You will be required to repay your entire Retention Bonus in accordance with Section 4 below if, during the Retention Period (i) your employment is terminated for Cause or (ii) you resign from your position other than for Good Reason.

d. *Termination Due to Death*. If your employment terminates during the Retention Period due to your death, your heirs shall be entitled to retain the entire Retention Bonus.

e. *Termination Due to Disability*. If the Company or a Successor Employer terminates your employment during the Retention Period due to your Disability, provided that you satisfy the Separation and Release Agreement Requirement described in section 3(f) below, you shall be entitled to retain the entire Retention Bonus. As used in this Retention Agreement, "Disability" shall mean, at any time the Company, a Successor Employer or any of their affiliates sponsors a long-term disability plan in which you are a participant, "disability" (or words of similar import) as defined in such long-term disability plan for the purpose of determining a participant's eligibility for benefits, provided, however, if the long-term disability plan contains multiple definitions of disability, "Disability" shall refer to that definition of disability which, if you qualified for such disability benefits, would provide coverage for the longest period of time. The determination of whether you have a Disability shall be made by the person or persons required to make disability determinations under the long-term disability plan. At any time the Company, a Successor Employer or an affiliate does not sponsor a long-term disability plan in which you participate, Disability shall mean your inability to perform, with or without reasonable accommodation, the essential functions of your position for a total of three months during any six-month period as a result of incapacity due to mental or physical illness as determined by a physician selected by the Company or the Successor Employer or its insurers and reasonably acceptable to you or your legal representative, with such agreement as to acceptability not to be unreasonably withheld or delayed.

f. *Separation and Release Agreement Requirement.* If your employment terminates for a reason described in section 3(c) above, you will be required to repay the entire Retention Bonus in accordance with section 4 below. If your employment terminates for a reason described in sections 3(a), (b) or (e) above, to be entitled to retain the Retention Bonus, you must execute a Separation and Release Agreement provided to you by the Company or, if applicable, your Successor Employer, within the time period set forth in the Separation and Release Agreement and you must not revoke the Separation and Release Agreement. This requirement to execute and not revoke the Separation and Release Agreement is referred to in this Retention Agreement as the "Separation and Release Agreement Requirement." If you fail to satisfy the Separation and Release Agreement Requirement, you will be required to repay the entire Retention Bonus in accordance with section 4 below.

4. Repayment of the Retention Bonus. If your employment terminates and, pursuant to section 3, you are not entitled to retain the Retention Bonus, you agree to repay to the Company, or if applicable, your Successor Employer, the gross amount of the Retention Bonus within 60 days following the date your employment terminates.

5. At-Will Employment. Nothing in this Retention Agreement alters the at-will nature of your employment with the Company, and both you and the Company remain free to terminate the employment relationship between you and the Company at any time.

6. Assignment; Successors. This Retention Agreement may not be assigned by you, but may be assigned by the Company. This Retention Agreement shall be binding upon any successor to the Company, its assets, its businesses or its interest (whether as a result of the occurrence of a Change in Control or otherwise), in the same manner and to the same extent that the Company would be obligated under this Retention Agreement if no succession had taken place and, in such case, references in this Retention Agreement to the Company shall be read as references to the successor entity.

7. Tax Consequences. Nothing in this Retention Agreement shall be construed as a guarantee of any particular tax treatment to you. You shall be solely responsible for the tax consequences with respect to all amounts payable under this Retention Agreement.

8. Miscellaneous. This Retention Agreement constitutes the entire understanding and agreement between you and the Company regarding the Retention Bonus and shall supersede any prior or existing agreement or understanding regarding the same subject matter. The rights and obligations of

the parties hereunder shall be interpreted and enforced in accordance with the law of the Commonwealth of Pennsylvania, without giving effect to any choice-of-law rule that would require application of the law of a different jurisdiction.

9. Confidentiality. The contents of this Retention Agreement are confidential. You shall not disclose the contents of this Retention Agreement to anyone other than immediate family, a financial planner or an accountant, or the Company's Chief Executive Officer, General Counsel or Chief Human Resources Officer.

10. Recoupment Right. The Retention Bonus paid hereunder is subject to the Company's Incentive Compensation Recoupment Policy. Accordingly, notwithstanding anything in this Retention Agreement to the contrary, if you breach any non-competition, non- solicitation, non-disparagement, confidentiality, or assignment of inventions covenants contained in any agreement with the Company or an affiliate, the Company may require you to repay all or a portion of the Retention Bonus, in accordance with the terms of that Policy.

[*Signature Page Follows*]

To accept the Retention Agreement and express your intent to be legally bound to its terms and conditions, please sign and date in the spaces provided below for "Agreed and Accepted By." Please return a signed copy to [•] on or before [•].

Regards,

[•]

In consideration of the mutual promises set forth herein, and intending to be legally bound hereby, I agree to the terms and conditions of this Retention Agreement.

AGREED AND ACCEPTED BY:

______________________________ ______________________

Signature Date

____

Name (Please Print)

News Release

Axalta Coating Systems
50 Applied Bank Blvd
Suite 300
Glen Mills, PA 19342
USA

Investor Contact
Christopher Evans
D +1 484 724 4099
Christopher.Evans@axalta.com

Immediate Release

Axalta Releases Second Quarter 2022 Results

Record pricing and strong volume growth drove a solid quarterly performance above mid-point of expectations

GLEN MILLS, PA, July 26, 2022 - Axalta Coating Systems Ltd. (NYSE:AXTA) ("Axalta"), a leading global coatings company, announced its financial results for the second quarter ended June 30, 2022.

Second Quarter 2022 Highlights:

- Net sales increased 9.6% year-over-year (14.5% ex FX) led by record pricing and solid volume growth; Mobility Coatings delivered significant above-market sales performance
- Realized record 10.0% price-mix growth with double-digit year-over-year gains in Mobility and Industrial Coatings
- Volume increased 2.7% driven by 8.4% growth in North America and 14.8% in Latin America with strong contributions from both segments
- Income from operations of $103.6 million versus $190.4 million in Q2 2021; Adjusted EBIT of $150.6 million compared with $173.4 million in Q2 2021 despite $23 million of headwinds associated with the Russia-Ukraine conflict, China lockdowns, and FX
- Diluted EPS of $0.20 versus $0.54 in Q2 2021; Adjusted diluted EPS of $0.41 versus $0.48 in Q2 2021

Second Quarter 2022 Consolidated Financial Results

Second quarter net sales of $1,234.9 million increased 9.6% year-over-year, including a negative 4.9% foreign currency impact. The strong year-over-year growth was driven by 10.0% higher average price-mix, a 3.6% M&A benefit, and 2.7% better volumes. Performance Coatings Q2 net sales increased 6.2% year-over-year, including low double-digit constant currency growth in both the Industrial and Refinish end-markets. Mobility Coatings net sales increased 18.1% led by 11.6% higher price-mix and solid above-market volume growth of 8.9% in Light Vehicle and 12.7% for Commercial Vehicle.

Income from operations for Q2 2022 totaled $103.6 million versus $190.4 million in Q2 2021. Net income to common shareholders was $44.1 million for the quarter compared with $126.4 million in Q2 2021. Diluted earnings per share was $0.20 compared with $0.54 in Q2 2021. The prior year quarter included a benefit of $71.8 million related to the operational matter in our North America Mobility Coatings business and incremental restructuring charges of $20.0 million versus Q2 2022, while Q2 2022 included a $25.0 million charge related to a commercial agreement restructuring. The second quarter 2022 benefited from robust sales growth, including significant realized pricing gains; however, operating income was negatively impacted by continued variable cost inflation, foreign currency headwinds, and elevated logistics, labor, and energy expenses. The Russia-Ukraine conflict and COVID-19 lockdowns in China represented a combined $15 million headwind to income from operations in the quarter and was more impactful than expected given unanticipated extended lockdowns.

Robert W. Bryant, Axalta's President and CEO, commented, "The demand backdrop in the quarter was supportive, but uneven, as strong growth in the Americas and Asia Pacific excluding China was balanced against softness in pockets of EMEA stemming from the Russia-Ukraine conflict. Meanwhile, lockdowns in China paused most economic activity for the majority of Q2. Despite these headwinds, we were able to grow volumes 2.7% globally, including a meaningful contribution from share gains."

"Our second quarter results showcased our ability to deliver above-market growth across our end-markets. Mobility Coatings had an especially strong quarter with nearly double-digit volume growth despite global industry production declines in the period. In Industrial, we expanded into battery components with several new wins with large electric vehicle customers - highlighting our strong and growing offerings. In Refinish, the need for improved body shop productivity continues to advantage our industry-leading products and services, which led us to book 1,000 net body shop gains year-to-date. The success we are having today in developing new and stronger customer partnerships is a long-term benefit and speaks to the investments we have executed in our people, assets, and technology."

Mr. Bryant continued, “Operationally, we continue to manage through a challenging environment, but we are optimistic that the dynamic is finally beginning to stabilize. Supply availability remains tight, but is less volatile than in recent quarters, which is enabling better operational performance. Q2 2022 was our highest production volume quarter since the beginning of the pandemic. Similarly, our customers are generally more confident regarding the second-half of the year. While we experienced a sequential cost step-up in Q2 to reflect Q1 exit run-rates and tightness in categories like pigments and certain solvents used in gasoline blend stock, we are seeing variable costs begin to level off in certain areas. The situation however, remains dynamic, and pressure will likely continue in select areas into Q3.”

“The unprecedented rate of inflation over the past four-quarters has depressed company profitability and drove us to execute several rounds of price increases. Our teams are working constructively with our customers to get the price increases needed to offset inflation, and as a result we have achieved a record 10% price-mix realization in the second quarter, which very nearly offset 26% year-over-year inflation in the period. We should begin to recover lost profitability next quarter as pricing is expected to remain strong and the year-over-year cost comparisons moderate versus peak Q2 inflation rates.” Mr. Bryant concluded, “we have proven to be agile and assertive in these dynamic times. I believe that we are on track to offset cost inflation while driving strategic growth across the portfolio.”

Performance Coatings Results

Performance Coatings second quarter net sales were $855.8 million, an increase of 6.2% year-over-year. Organic constant currency net sales increased 9.3% in the period as both end-markets provided strong contributions to a 9.4% price and product mix benefit. Refinish volume growth offset lower volumes in Industrial, resulting in flat year-over-year segment volumes. Foreign exchange in the second quarter was a 5.6% year-over-year headwind led by a weaker Euro and Turkish Lira. In the quarter we incurred a $20 million non-cash charge associated with restructuring an existing customer sales agreement, which represented a 2.5% net sales headwind versus the prior year.

Refinish net sales increased 6.0% to $491.1 million (12.1% ex-FX) in Q2 2022, including a 2.6% increase in volume and an 8.4% contribution from M&A, partially offset by a foreign exchange headwind of 6.0% and the previously-mentioned one-time charge of 4.5%. Volume growth was very strong in the Americas and Asia Pacific excluding China as share gains continue to drive above-market performance. Price-mix was 5.5% higher, inclusive of a modest negative mix impact, and offset the impact of continued variable cost inflation. The market recovery is steadily progressing. Sequentially our Refinish volume grew 12.5% compared to Q1 2022, representing a significant potential driver of earnings upside on the expected normalization of global body shop activity over time.

Industrial net sales increased 6.4% to $364.7 million (11.4% ex-FX) driven by a 14.6% increase in average price-mix, inclusive of 2.3% of favorable mix. Volume declined 3.8% year-over-year, which includes a mid-single digit percent drag from supply chain constraints, which limited our ability to serve certain customer demand. Net sales growth was led by mid-twenties percent improvement in North America, particularly in the Building Products and General Industrial businesses. COVID-19 lockdowns in China impacted regional results as was the case for EMEA General Industrial as a consequence of the Russia-Ukraine conflict.

The Performance Coatings segment generated Adjusted EBIT of $125.2 million in the second quarter compared with $139.7 million in Q2 2021, with associated margins of 14.6% and 17.3%, respectively. The contributions from substantial organic and inorganic sales growth was more than offset by the significant increase in raw material, logistics, labor, and energy cost inflation as well as currency translation versus the prior-year period.

Mobility Coatings Results

Mobility Coatings net sales were $379.1 million in Q2 2022, an increase of 18.1% year-over-year. Constant currency net sales increased 21.4% year-over-year, driven by a 11.6% price-mix tailwind, which included high-single-digit higher price and positive mix, and 9.8% higher volumes.

Light Vehicle net sales increased 16.0% to $282.9 million (19.6% ex-FX) year-over-year driven by pricing gains and above-market volume growth. The 10.7% year-over-year and 2.7% higher sequential price-mix realization resulted from a combination of newly negotiated agreements to offset variable cost inflation and the catch-up of raw material linked index pricing in select customer contracts. Volume increased 8.9% year-over-year and far exceeded global auto production rates, which were flat year-over-year at 18.8 million in Q2 2022 given continued global supply constraints and curtailed production in China. New customer wins are driving the market out-performance year-to-date, particularly in China where Light Vehicle volume increased 15.5% versus local production declines of 6%.

Commercial Vehicle net sales increased 24.8% to $96.2 million versus Q2 2021 (27.2% ex-FX), driven by customer wins and return from constrained production rates. Volume growth of 12.7% exceeded Class 8 truck market growth, which declined by 1%. Demand is expected to continue to improve through 2022 and into 2023 as production ramps to meet pent up demand, as evidenced by the current 9-month industry backlog.

The Mobility Coatings segment generated Adjusted EBIT of $2.3 million in Q2 2022 compared with Adjusted EBIT of $5.7 million in Q2 2021, driven by higher variable costs coupled with under leveraged fixed assets given current Light Vehicle customer production constraints, offset partly by pricing tailwinds.

Balance Sheet and Cash Flow Highlights

Axalta ended the second quarter with cash and cash equivalents of $500.2 million and total liquidity of over $1.0 billion. Our net debt to trailing twelve month ("LTM") Adjusted EBITDA ratio was 4.2x at quarter end versus 4.1x as of March 31, 2022, reflecting decreased cash balances driven by continued inflationary pressures as well as moderately lower LTM Adjusted EBITDA and $25 million of share repurchases in the quarter. Axalta ended the second quarter with an Adjusted EBITDA to interest expense coverage ratio of 5.8x. Total net leverage is anticipated to decline throughout the year given the typical second-half weighted distribution of operating cash flow and a favorable outlook for earnings growth in the second half of 2022.

Second quarter total operating cash flow was $12.2 million versus $107.5 million in Q2 2021. Working capital was a use of cash in the period following inflationary pressures while accounts receivable has increased reflecting stronger volumes and pricing inputs. Free cash flow totaled a use of $13.5 million compared with an inflow of $82.6 million in Q2 2021. We repurchased 1.0 million shares of our common stock during the second quarter for total consideration of $25.0 million at an average price of $25.24 per share.

Sean Lannon, Axalta's Chief Financial Officer, commented, “we are pleased that second quarter operating results were in line with our expectations given the degree of macro and geopolitical uncertainty we faced in the quarter. We see first-half momentum building into the second-half of the year supported by signs of stabilization in the variable cost environment. This increases the likelihood that we will be able to recover the majority of the cumulative price-cost gap by year-end. As we move into the second half of the year, we should grow earnings and deliver free cash flow that should together drive net leverage into the mid 3x range, assuming no major capital allocation actions.”

“We believe that Axalta is well positioned to drive growth and generate cash across a range of economic scenarios. Our Q3 2022 guidance framework assumes a continuation of Q2 trends. At present we see little evidence of economic slowdown in our core markets, but in such a scenario we believe that we are well prepared and positioned. We have resilient business models in durable areas like Refinish and Energy Solutions. There is pent up demand in Mobility Coatings and Building Products plus a need to restock most sales channels given depleted inventory levels. We are closely monitoring our markets and customers, and if needed, we have a proven track record to quickly reduce costs.”

Q3 2022 Financial Guidance

- Net Sales: ~+15-17%, including, ~(6)% foreign currency impact and ~+2% acquisition benefit; pricing and volume expected to be up high single-digits year-over-year
- Adjusted EBIT: $140-165 million
- Adjusted Diluted EPS: $0.37-0.45; including a $0.05 year-over-year headwind from foreign currency and the Russia-Ukraine conflict
- Interest Expense: ~$35 million
- Diluted Shares: ~221 million
- Adjusted Tax Rate: ~22%-23%
- D&A: ~$78 million; including $23 million step-up D&A
- Expect raw material inflation in the high teens versus Q3 2021

CEO Transition

Axalta announced today that Robert Bryant will step down as President and Chief Executive Officer to pursue other opportunities, effective August 31, 2022. He will also step down as a member of the Board of Directors at such time. Rakesh Sachdev, an independent director and former Chief Executive Officer of Platform Specialty Products Corporation (now renamed Element Solutions Inc.) and Sigma-Aldrich Corporation, will assume the role of interim Chief Executive Officer at that time. The Board has initiated a comprehensive search process to identify a new CEO. The press release announcing the CEO transition can be accessed on the News portion of axalta.com.

Conference Call Information

As previously announced, Axalta will hold a conference call to discuss its second quarter 2022 financial results on July 27, 2022 at 8:00 a.m. ET. A live webcast of the conference call will be available online at www.axalta.com/investorcall. A replay of the webcast will be posted shortly after the call and will remain accessible through July 27, 2023. The dial-in phone number for the conference call is +1-201-689-8560. For those unable to participate, a replay will be available through August 3, 2022. The replay dial-in number is +1-412-317-6671. The replay passcode is 13731360.

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," "will," "guidance," "could," "we see," "should," "are optimistic" 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 and follow us @axalta on Twitter.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net sales	$ 1,234.9	$ 1,126.8	$ 2,409.0	$ 2,190.4
Cost of goods sold	886.4	752.8	1,723.8	1,437.3
Selling, general and administrative expenses	191.7	184.2	385.2	363.3
Other operating charges	4.8	(45.7)	12.5	57.1
Research and development expenses	16.7	15.8	33.1	31.4
Amortization of acquired intangibles	31.7	29.3	64.5	58.3
Income from operations	103.6	190.4	189.9	243.0
Interest expense, net	33.5	33.4	66.1	66.9
Other expense (income), net	7.2	(8.1)	9.0	(8.5)
Income before income taxes	62.9	165.1	114.8	184.6
Provision for income taxes	18.8	38.7	29.8	42.5
Net income	44.1	126.4	85.0	142.1
Less: Net (loss) income attributable to noncontrolling interests	—	—	(0.6)	0.5
Net income attributable to controlling interests	$ 44.1	$ 126.4	$ 85.6	$ 141.6
Basic net income per share	$ 0.20	$ 0.54	$ 0.38	$ 0.61
Diluted net income per share	$ 0.20	$ 0.54	$ 0.38	$ 0.60
Basic weighted average shares outstanding	221.0	232.5	222.8	233.2
Diluted weighted average shares outstanding	221.4	233.5	223.3	234.1

AXALTA COATING SYSTEMS LTD.

Condensed Consolidated Balance Sheets (Unaudited)

(In millions, except per share data)

	June 30, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 500.2	$ 840.6
Restricted cash	10.0	10.6
Accounts and notes receivable, net	1,100.6	937.5
Inventories	799.5	669.7
Prepaid expenses and other current assets	167.7	117.2
Total current assets	2,578.0	2,575.6
Property, plant and equipment, net	1,152.9	1,186.2
Goodwill	1,498.1	1,592.7
Identifiable intangibles, net	1,172.9	1,278.2
Other assets	540.7	584.5
Total assets	$ 6,942.6	$ 7,217.2
Liabilities, Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 746.8	$ 657.4
Current portion of borrowings	61.5	79.7
Other accrued liabilities	525.1	597.8
Total current liabilities	1,333.4	1,334.9
Long-term borrowings	3,706.7	3,749.9
Accrued pensions	246.4	269.3
Deferred income taxes	157.5	174.7
Other liabilities	125.8	149.7
Total liabilities	5,569.8	5,678.5
Shareholders' equity:		
Common shares, $1.00 par, 1,000.0 shares authorized, 252.3 and 251.8 shares issued at June 30, 2022 and December 31, 2021, respectively	252.3	251.8
Capital in excess of par	1,521.6	1,515.5
Retained earnings	912.8	827.2
Treasury shares, at cost, 31.8 and 24.4 shares at June 30, 2022 and December 31, 2021, respectively	(887.3)	(687.2)
Accumulated other comprehensive loss	(473.2)	(414.4)
Total Axalta shareholders' equity	1,326.2	1,492.9
Noncontrolling interests	46.6	45.8
Total shareholders' equity	1,372.8	1,538.7
Total liabilities and shareholders' equity	$ 6,942.6	$ 7,217.2

AXALTA COATING SYSTEMS LTD.

Condensed Consolidated Statements of Cash Flows (Unaudited)

(In millions)

	Six Months Ended June 30,	
	2022	2021
Operating activities:		
Net income	$ 85.0	$ 142.1
Adjustment to reconcile net income to cash (used for) provided by operating activities:		
Depreciation and amortization	155.0	155.4
Amortization of deferred financing costs and original issue discount	4.8	4.2
Deferred income taxes	2.0	5.2
Realized and unrealized foreign exchange losses, net	4.9	9.4
Stock-based compensation	9.0	7.8
Interest income on swaps designated as net investment hedges	(10.0)	(7.1)
Commercial agreement restructuring charge	25.0	—
Other non-cash, net	(6.6)	9.4
Changes in operating assets and liabilities:		
Trade accounts and notes receivable	(190.1)	(154.2)
Inventories	(151.4)	(59.1)
Prepaid expenses and other assets	(58.9)	(53.4)
Accounts payable	147.5	60.0
Other accrued liabilities	(39.4)	24.5
Other liabilities	(8.5)	2.9
Cash (used for) provided by operating activities	(31.7)	147.1
Investing activities:		
Acquisitions, net of cash acquired	—	(37.6)
Purchase of property, plant and equipment	(72.0)	(60.3)
Interest proceeds on swaps designated as net investment hedges	10.0	7.1
Settlement proceeds on swaps designated as net investment hedges	25.0	—
Other investing activities, net	(1.1)	(0.5)
Cash used for investing activities	(38.1)	(91.3)
Financing activities:		
Payments on short-term borrowings	(44.0)	(41.1)
Payments on long-term borrowings	(13.7)	(14.2)
Financing-related costs	(0.1)	(2.5)
Purchases of common stock	(200.1)	(123.7)
Net cash flows associated with stock-based awards	(2.1)	12.8
Other financing activities, net	(0.2)	(1.2)
Cash used for financing activities	(260.2)	(169.9)
Decrease in cash	(330.0)	(114.1)
Effect of exchange rate changes on cash	(11.0)	(8.4)
Cash at beginning of period	851.2	1,364.0
Cash at end of period	$ 510.2	$ 1,241.5
Cash at end of period reconciliation:		
Cash and cash equivalents	$ 500.2	$ 1,230.9
Restricted cash	10.0	10.6
Cash at end of period	$ 510.2	$ 1,241.5

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Income from operations	$ 103.6	$ 190.4	$ 189.9	$ 243.0
Other expense (income), net	7.2	(8.1)	9.0	(8.5)
Total	96.4	198.5	180.9	251.5
Termination benefits and other employee related costs [a]	2.7	22.7	5.1	25.5
Strategic review and retention costs [b]	—	2.2	—	7.6
Acquisition and divestiture-related costs [c]	2.2	1.5	2.6	1.7
Accelerated depreciation and site closure costs [d]	1.8	0.5	3.1	1.1
Operational matter [e]	0.1	(71.8)	0.2	22.6
Brazil indirect tax [f]	—	(8.3)	—	(8.3)
Russia sanction-related impacts [g]	0.3	—	6.1	—
Commercial agreement restructuring impacts [h]	25.0	—	25.0	—
Other adjustments [i]	(1.0)	0.1	(0.4)	0.1
Step-up depreciation and amortization [j]	23.1	28.0	47.5	54.4
Adjusted EBIT	$ 150.6	$ 173.4	$ 270.1	$ 356.2
Segment Adjusted EBIT:				
Performance Coatings	$ 125.2	$ 139.7	$ 219.8	$ 256.9
Mobility Coatings	2.3	5.7	2.8	44.9
Total	127.5	145.4	222.6	301.8
Step-up depreciation and amortization [j]	23.1	28.0	47.5	54.4
Adjusted EBIT	$ 150.6	$ 173.4	$ 270.1	$ 356.2

(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 that 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 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.

(e) 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.

(f) Represents non-recurring income related to a law change with respect to certain Brazilian indirect taxes which was recorded within other expense (income), net.

(g) Represents expenses related to sanctions imposed on Russia in response to the conflict with Ukraine as a result of incremental reserves for accounts receivable, incremental inventory obsolescence and business incentive payments, which we do not consider indicative of our ongoing operating performance.

(h) Represents a forgiveness of a portion of up-front customer incentives with repayment features, contingent upon our customer completing a recapitalization and restructuring of its indebtedness and the execution of a new long-term exclusive sales agreement with us. These amounts are not considered to be indicative of our ongoing operating performance.

(i) Represents costs for certain non-operational or non-cash (gains) and losses, unrelated to our core business and which we do not consider indicative of ongoing operations.

(j) 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 June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net income	$ 44.1	$ 126.4	$ 85.0	$ 142.1
Less: Net (loss) income attributable to noncontrolling interests	—	—	(0.6)	0.5
Net income attributable to controlling interests	44.1	126.4	85.6	141.6
Termination benefits and other employee related costs [(a)]	2.7	22.7	5.1	25.5
Strategic review and retention costs [(b)]	—	2.2	—	7.6
Acquisition and divestiture-related costs [(c)]	2.2	1.5	2.6	1.7
Accelerated depreciation and site closure costs [(d)]	1.8	0.5	3.1	1.1
Operational matter [(e)]	0.1	(71.8)	0.2	22.6
Brazil indirect tax [(f)]	—	(8.3)	—	(8.3)
Russia sanction-related impacts [(g)]	0.2	—	5.2	—
Commercial agreement restructuring impacts [(h)]	25.0	—	25.0	—
Other adjustments [(i)]	(1.0)	0.1	(0.4)	0.1
Step-up depreciation and amortization [(j)]	23.1	28.0	47.5	54.4
Total adjustments	54.1	(25.1)	88.3	104.7
Income tax provision impacts [(k)]	7.9	(10.8)	14.5	16.8
Adjusted net income	$ 90.3	$ 112.1	$ 159.4	$ 229.5
Diluted adjusted net income per share	$ 0.41	$ 0.48	$ 0.71	$ 0.98
Diluted weighted average shares outstanding	221.4	233.5	223.3	234.1

(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 that 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 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.

(e) 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.

(f) Represents non-recurring income related to a law change with respect to certain Brazilian indirect taxes which was recorded within other expense (income), net.

(g) Represents expenses related to sanctions imposed on Russia in response to the conflict with Ukraine as a result of incremental reserves for accounts receivable, incremental inventory obsolescence and business incentive payments, which we do not consider indicative of our ongoing operating performance.

(h) Represents a forgiveness of a portion of up-front customer incentives with repayment features, contingent upon our customer completing a recapitalization and restructuring of its indebtedness and the execution of a new long-term exclusive sales agreement with us. These amounts are not considered to be indicative of our ongoing operating performance.

(i) Represents costs for certain non-operational or non-cash (gains) and losses, unrelated to our core business and which we do not consider indicative of ongoing operations.

(j) 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.

(k) 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 $4.3 million, $5.0 million, $2.1 million and $3.8 million for the three and six months months ended June 30, 2022 and 2021, respectively. The tax adjustments for the three and six months months ended June 30, 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,		Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021	2022	2021
Cash (used for) provided by operating activities	$ (43.9)	$ 39.6	$ 12.2	$ 107.5	$ (31.7)	$ 147.1
Purchase of property, plant and equipment	(42.5)	(31.8)	(29.5)	(28.5)	(72.0)	(60.3)
Interest proceeds on swaps designated as net investment hedges	6.2	3.5	3.8	3.6	10.0	7.1
Free cash flow	$ (80.2)	$ 11.3	$ (13.5)	$ 82.6	$ (93.7)	$ 93.9

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

	Three Months Ended June 30,		Twelve Months Ended June 30,	Six Months Ended June 30,		Year Ended December 31, 2021
	2022	2021	2022	2022	2021	
Net income	$ 44.1	$ 126.4	$ 207.3	$ 85.0	$ 142.1	$ 264.4
Interest expense, net	33.5	33.4	133.4	66.1	66.9	134.2
Provision for income taxes	18.8	38.7	63.4	29.8	42.5	76.1
Depreciation and amortization	77.3	79.0	316.1	155.0	155.4	316.5
EBITDA	173.7	277.5	720.2	335.9	406.9	791.2
Termination benefits and other employee related costs [(a)]	2.7	22.7	16.0	4.6	25.5	36.9
Strategic review and retention costs [(b)]	—	2.2	2.1	—	7.6	9.7
Acquisition and divestiture-related costs [(c)]	2.2	1.5	17.2	2.6	1.7	16.3
Site closure costs [(d)]	1.1	(0.1)	2.4	1.7	(0.1)	0.6
Foreign exchange remeasurement losses [(e)]	4.9	1.8	6.2	7.5	3.6	2.3
Long-term employee benefit plan adjustments [(f)]	0.1	(0.3)	—	0.2	(0.5)	(0.7)
Stock-based compensation [(g)]	3.7	4.2	16.1	9.0	7.8	14.9
Dividends in respect of noncontrolling interest [(h)]	—	—	(0.1)	(0.1)	(0.7)	(0.7)
Operational matter [(i)]	0.1	(71.8)	(18.0)	0.2	22.6	4.4
Brazil indirect tax [(j)]	—	(8.3)	—	—	(8.3)	(8.3)
Gain on sale of facility [(k)]	—	—	(19.7)	—	—	(19.7)
Russia sanction-related impacts [(l)]	0.3	—	6.1	6.1	—	—
Commercial agreement restructuring impacts [(m)]	25.0	—	25.0	25.0	—	—
Other adjustments [(n)]	(1.1)	0.3	0.2	(0.4)	0.3	0.9
Adjusted EBITDA	$ 212.7	$ 229.7	$ 773.7	$ 392.3	$ 466.4	$ 847.8
Adjusted EBITDA to interest expense coverage ratio			5.8 x			

(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 that 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 costs related to the closure of certain manufacturing sites, which we do not consider indicative of our ongoing operating performance.

(e) 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.

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

(g) Represents non-cash impacts associated with stock-based compensation.

(h) 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.

(i) 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.

(j) Represents non-recurring income related to a law change with respect to certain Brazilian indirect taxes which was recorded within other expense (income), net.

(k) Represents non-recurring income related to the sale of a previously closed manufacturing facility.

(l) Represents expenses related to sanctions imposed on Russia in response to the conflict with Ukraine as a result of incremental reserves for accounts receivable, incremental inventory obsolescence and business incentive payments, which we do not consider indicative of our ongoing operating performance.

(m) Represents a forgiveness of a portion of up-front customer incentives with repayment features, contingent upon our customer completing a recapitalization and restructuring of its indebtedness and the execution of a new long-term exclusive sales agreement with us. These amounts are not considered to be indicative of our ongoing operating performance.

(n) Represents costs for certain non-operational or non-cash (gains) and losses, unrelated to our core business and which we do not consider indicative of ongoing operations.

Exhibit 99.2

Q2 2022 Financial Results

July 26, 2022

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," "likely," "outlook," "forecast," "may," "will," "should," "guidance," "to be," "could," "anticipate," "assumptions," "assessment," "future," "estimate," "projected," "continues," "to," "opportunity," "potential," "upside," "optimistic" and "we see" 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.

Q2 2022 Key Messages

1. **Adjusted earnings above midpoint of expectations** with 15% ex-FX net sales growth despite Russia-Ukraine impact, extended COVID-19 lockdowns in China, and supply constraints

2. **Strong volume growth** across three of four end-markets; significant above-market performance in Light Vehicle driven by new customer wins

3. **Realized record 10% price-mix growth** with double-digit YOY gains in Mobility & Industrial Coatings; notable sequential gains across the portfolio from recent actions

4. **Expect to recover the majority of existing price-cost gap** by year-end as variable cost environment stabilizes and pricing progress continues

5. **Axalta is well positioned** to drive growth and generate cash across a range of economic scenarios

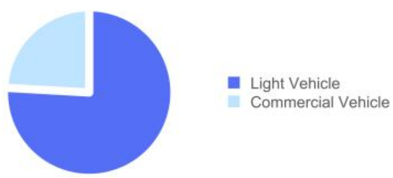
Focused on driving secular growth and a return to normalized profitability

Q2 Volume Trends

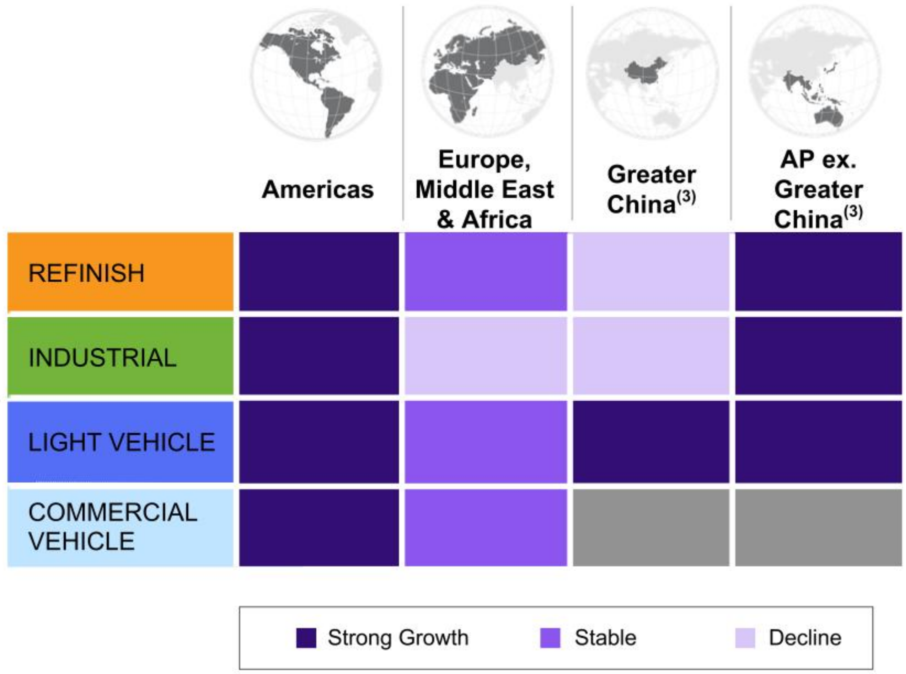
PERFORMANCE COATINGS

$3.2B in Net Sales(1)

MOBILITY COATINGS



$1.4B in Net Sales(1)



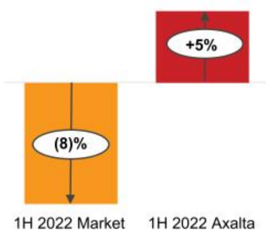
(1) Q2 2022 LTM
(2) Heat map reflects Q2 2022 vs. Q2 2021 change in organic volume
(3) Commercial Vehicle exposure immaterial in region

Refinish Business Review

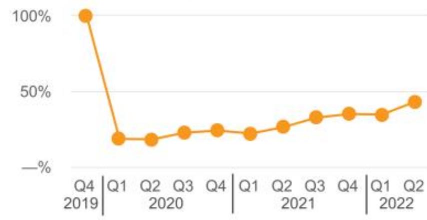
MARKET RECOVERY AND SUSTAINED SHARE GAINS TO DRIVE CONTINUED GROWTH

- Successfully pricing in real-time to offset impacts of raw material and logistics inflation
- U-POL acquisition provided largest profit contribution to date since acquisition closed
- Continuing to drive share gains across premium, mainstream/economy, and accessory markets
  - *1H 2022 Axalta volume increased 5% versus pre-pandemic 2019 as compared with an estimated global industry decline of approximately 8% over this period*
- The Refinish industry remains in recovery with substantial upside potential on normalization
  - *Average office occupancy in the U.S. improved to 43% in Q2 2022 versus 35% in Q1 2022*
  - *Q2 2022 U.S. miles driven remained largely stable at ~4% below pre-pandemic 2019*
  - *Europe miles driven improved from Q1 2022 and are now high teens percent above 2019 levels*

AXALTA OUTPACING MARKET(1)
(relative to pre-pandemic level)



U.S. OFFICE OCCUPANCY(2)
(relative to pre-pandemic level)



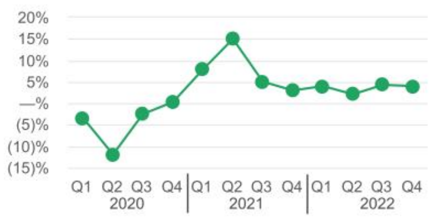
(1) Management estimates on market volume trends versus Axalta 1H 2022 organic volumes
(2) Source: Kastle Systems, represents quarterly average

Industrial Business Review

EXPANDING SALES PIPELINE ACROSS DIVERSIFIED GROWTH PLATFORM

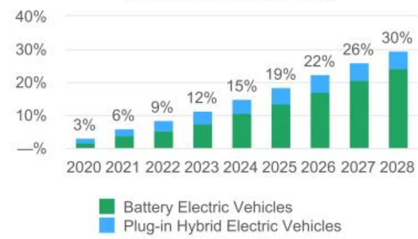
- Achieved 15% YOY price-mix improvement in Q2 2022; prioritizing pricing as profitability remains well below normal levels following significant variable cost inflation
- Building and Construction demand in the U.S. region remained strong, which largely offset volume impacts from China COVID-19 lockdowns and softness in EMEA General Industrial
- Strong Electric Vehicle growth resulted in higher sales of Voltatex™ line of electrical insulation product; recent wins with several EV manufacturers gains us exposure to battery components
- Launched new suite of innovative anti-corrosion coatings, including thermoplastic and thermosetting powder coatings and waterborne e-coat
- Favorable growth outlook given positive trends in Electric Vehicle production and North American Building & Construction activity; global industrial production rates are constructive

INDUSTRIAL PRODUCTION GROWTH[1]



ELECTRIC VEHICLE PRODUCTION[2]

(% share of total auto production)



(1) Sources: 2020 data - S&P Global, 2021-2022 forecast - Oxford Economics
(2) Source: S&P Global industry forecast from June 2022





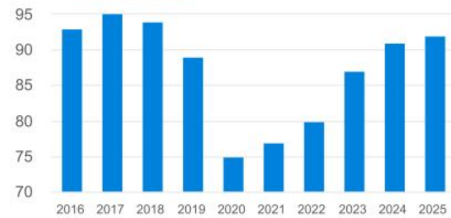
Mobility Business Review

PENT UP DEMAND TO SUPPORT MARKET RECOVERY AS PRODUCTION CONSTRAINTS ALLEVIATE

LIGHT VEHICLE

- Q2 volume growth of 9% surpassed global production, which was flat versus Q2 2022
- Q2 price-mix growth stepped-up to 11% YOY from 5% YOY in Q1
- Expect strong earnings leverage to projected auto OEM production growth
- Global inventory was ~16M units, or 60 inventory days; ~6M units lower than pre-pandemic levels

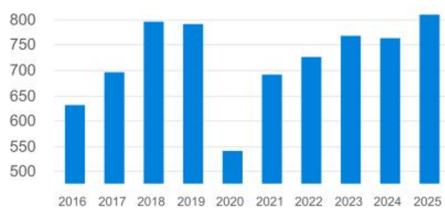
2016-2025 GLOBAL LV BUILDS[1]



COMMERCIAL VEHICLE

- Q2 volume growth of 13% exceeded Class 8 truck market production, which declined by 1%[2]
- Q2 price-mix growth stepped-up to 15% YOY from 6% YOY in Q1
- Truck order backlog at 9 months with 2023 builds expected to grow ~6% in the Americas and Western Europe
- 12th consecutive Masters of Quality from Daimler Truck North America

2016-2025 HDT BUILDS - CLASS 8[2]



(1) Source: S&P Global industry forecasts
(2) Global Class 8 builds ex. Eastern Europe and Asia-Pacific due to limited exposure; Source: LMC industry forecasts

Prioritizing Margin Recovery

($ in millions)

Cumulative Price-Cost(1)

Performance Coatings

Mobility Coatings

Cumulative Price-Cost Gap	**$2**	**$24**	**($12)**	**($72)**	**($104)**	**($114)**

Accelerating Price to Offset Cost

- Pricing momentum continued with 2% improvement from Q1 2022 resulting in record year-over-year price-mix growth of 10%
- Strong Performance Coatings pricing offset raw material and logistics inflation in the period
  - Refinish has been able to fully neutralize the impact of inflation in real-time
  - Industrial Coatings is on pace to largely offset existing cumulative price-cost gap by year-end
- Light Vehicle and Commercial Vehicle pricing stepped up considerably in Q2 vs. Q1, but the price-cost gap widened in the quarter, as was expected
- 25% year-over-year variable cost inflation is expected to represent the high-point for 2022 as the variable cost environment largely stabilizes
- Expect pricing to more than offset cost inflation in Q3 2022 and reiterate expectation to recover the majority of cumulative price-cost gap by year-end in a stable cost environment

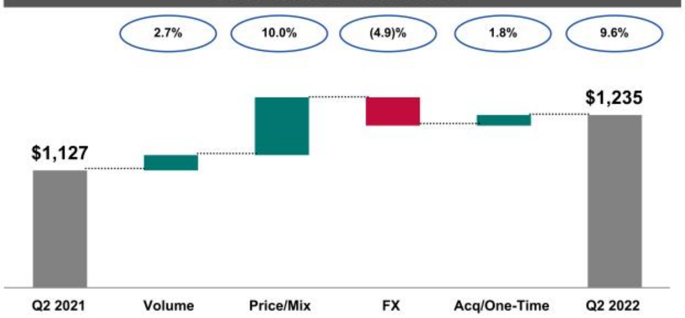
(1) Cumulative year-over-year price-mix vs. raw material, energy, and logistics EBIT impacts beginning Q1 2021

Q2 Consolidated Results

Financial Performance

($ in millions, except per share data)	Q2 2022	Q2 2021	% Change Incl. F/X	% Change Excl. F/X
Performance Coatings	856	806	6.2 %	11.8 %
Mobility Coatings	379	321	18.1 %	21.4 %
Net Sales	1,235	1,127	9.6 %	14.5 %
Income from ops	104	190	(45.6)%	
Adjusted EBIT	151	173	(13.1)%	
% margin	*12.2 %*	*15.4 %*		
Diluted EPS	0.20	0.54	(63.0)%	
Adjusted EPS	0.41	0.48	(14.6)%	

Net Sales Variance



Commentary

Strong Net Sales growth despite FX headwinds driven by pricing actions, Mobility volumes, and M&A

- Strongest price-mix in company history from realization of 2021 pricing efforts and actions in 2022 to offset cost
- M&A contribution driven by two 2021 acquisitions within our Performance Coatings segment
- Volumes grew despite China lockdowns and Russia-Ukraine impacts as Mobility and Refinish volumes fully offset reductions within Industrial
- FX headwinds driven by the Euro and Turkish Lira
- $20 million non-cash charge in Net Sales associated with restructuring an existing customer sales agreement

YOY Adjusted EBIT reduction as sequential price-cost improvement not enough to offset demand impact on fixed-cost absorption

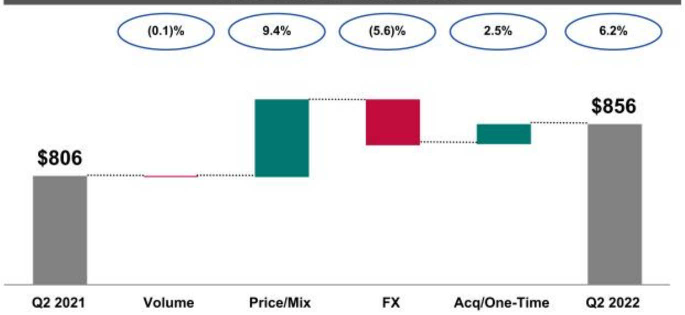
- Strongest in-quarter price-cost since Q2 2021
- $23 million of headwinds associated with the Russia-Ukraine conflict, China lockdowns and FX

Q2 Performance Coatings Results

Financial Performance

($ in millions)	Q2 2022	Q2 2021	% Change Incl. F/X	% Change Excl. F/X
Refinish	491	463	6.0 %	12.1 %
Industrial	365	343	6.4 %	11.4 %
Net Sales	856	806	6.2 %	11.8 %
Adjusted EBIT	125	140	(10.4)%	
% margin	*14.6 %*	*17.3 %*		

Net Sales Variance



Commentary

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

- Price-mix momentum continues with 15% YOY growth in Industrial and 6% in Refinish
- Volumes remained flat as market recovery within Refinish was fully offset by tempered Industrial volumes given China lockdowns and Russia-Ukraine conflict
- M&A contribution from 2021 acquisitions were offset slightly by a non-cash $20M adjustment related to the restructuring of a long-term exclusive sales agreement
- FX headwinds driven by the Euro and Turkish Lira

YOY Adjusted EBIT decline driven by incremental fixed costs and FX headwinds

- Price-cost gap was flat during Q2 2022 as pricing actions fully offset raw material and logistics inflation

AXALTA

Q2 Mobility Coatings Results

Financial Performance

($ in millions)	Q2 2022	Q2 2021	% Change Incl. F/X	% Change Excl. F/X
Light Vehicle	283	244	16.0 %	19.6 %
Commercial Vehicle	96	77	24.8 %	27.2 %
Net Sales	379	321	18.1 %	21.4 %
Adjusted EBIT	2	6	(59.6)%	
% margin	*0.6 %*	*1.8 %*		

Net Sales Variance

Commentary

Strong net sales growth driven by pricing actions and volume growth across both end-markets as share gains come to fruition

- Despite market contraction from constrained supply chains, volumes grew across both end-markets given new wins within Light Vehicle and a strong backlog within Commercial Vehicle
- Pricing realization accelerated as both Light Vehicle and Commercial Vehicle improved by double digits YOY
- FX headwinds driven by the Euro and Turkish Lira partly offset by the Brazilian Real

Price-cost headwinds as well as incremental fixed costs drove YOY Adjusted EBIT reduction

- Improved price-cost dynamic given smallest in quarter price-cost gap since Q1 2021

Debt and Liquidity Summary

Capitalization

($ in millions)	Interest	@ 6/30/2022	Maturity
Cash and Cash Equivalents		$ 500	
Revolver ($550 million capacity)	Variable	—	2026
First Lien Term Loan (USD)	Variable	2,018	2024
Total Senior Secured Debt		**$ 2,018**	
Senior Unsecured Notes (EUR)	Fixed	470	2025
Senior Unsecured Notes (USD)	Fixed	494	2027
Senior Unsecured Notes (USD)	Fixed	691	2029
Other Borrowings and Finance Leases		95	
Total Debt		**$ 3,768**	
Total Net Debt (1)		**$ 3,268**	
LTM Adjusted EBITDA		774	
Total Net Leverage (2)		**4.2x**	
Interest Coverage Ratio (3)		**5.8x**	

Share Repurchase History

Commentary

- Over $1.0 billion in available liquidity at June 30, 2022:
  - $500 million of cash and cash equivalents
  - $529 million of available capacity under our undrawn revolver
- Total net leverage of 4.2x at June 30, 2022 increased from 4.1x at March 31, 2022, reflecting decreased cash driven by FCF use in Q2 2022, further share repurchases, and decreased LTM Adjusted EBITDA
- Weighted average cost of debt of 3.22% at June 30, 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% over LIBOR
- ~2% annual share count reduction from 2017
- Year-to-date share repurchases of $200 million with $25 million in Q2

(1) Total Net Debt = Total Debt minus Cash and Cash Equivalents
(2) Total Net Leverage = Total Net Debt / LTM Adjusted EBITDA
(3) Interest Coverage Ratio = LTM Adjusted EBITDA / LTM Interest Expense

AXALTA

Financial Guidance Update

Q3 2022 Guidance

- Net Sales: ~+15-17% including:
  - Anticipate high single-digit growth from price and volume
  - ~+2% from acquisitions
  - ~(6)% from FX
- Adjusted EBIT: $140-165 million
- Adjusted Diluted EPS: $0.37-0.45; inclusive of $0.05 year-over-year headwinds from FX and the Russia-Ukraine conflict
- Interest Expense: ~$35 million
- Tax Rate: ~22%-23%
- Diluted Shares: ~221 million
- D&A: ~$78 million; including $23 million step-up D&A
- Expect raw material inflation in the high teens versus Q3 2021

Perspective on Market Dynamics

- Ongoing COVID-19 recovery expected to support stronger volumes in a durable Refinish market
- Pent-up demand projected to drive resilience to possible economic downturn, particularly in production constrained Light Vehicle and Commercial Vehicle markets
- Low inventory levels throughout sales channels
- Stabilization of raw material environment expected

FY 2022 Commentary

- Driving share gains across the portfolio
- Demand recovering in China following Q2 COVID-19 lockdowns; however, we remain somewhat cautious
- FX headwinds driven by the Euro and Turkish Lira

Appendix

Q3 and Full Year 2022 Assumptions

Macroeconomic Assumptions

- Global GDP growth of ~2.9% for Q3 2022 and ~3.1% for FY 2022
- Global industrial production growth of ~4.3% for Q3 2022 and ~3.6% for FY 2022
- Global auto build growth to be at ~21.2% for Q3 2022 and ~4.7% for FY 2022
- Global truck production increase of ~21.7% for Q3 2022 and ~5.0% for FY 2022, excluding Asia Pacific and Eastern Europe
- Raw material and logistics availability improved throughout the Q2 and we continue to see improvement in raw material availability during Q3
- 2H 2022 includes a mix of improved supply, commodity price deflation, and price pressure remaining on specialties

Q3 2022 Currency Assumptions

Currency	Q3 2021 % Axalta Net Sales	Q3 2021 Average Rate	Q2 2022 Average Rate	Q3 2022 Average Rate Assumption	USD % Impact of YOY FX Rate Change
US$ per Euro	~26%	1.18	1.06	1.02	(13.6%)
Chinese Yuan per US$	~10%	6.47	6.62	6.75	(4.1%)
Brazilian Real per US$	~3%	5.23	4.91	5.30	(1.3%)
US$ per British Pound	~3%	1.38	1.26	1.22	(11.6%)
Mexican Peso per US$	~2%	20.03	20.03	20.17	(0.7%)
Swedish Krona per US$	~1%	8.65	9.84	10.19	(15.1%)
Indian Rupee per US$	~1%	74.09	77.19	79.00	(6.2%)
Turkish Lira per US$	~1%	8.54	15.76	18.00	(52.6%)
Other	~53%	NA	NA	NA	(0.7%)

Adjusted EBIT Reconciliation

	($ in millions)		Q2 2022		Q2 2021
	Income from operations	$	103.6	$	190.4
	Other expense (income), net		7.2		(8.1)
	Total	$	96.4	$	198.5
A	Termination benefits and other employee related costs		2.7		22.7
B	Strategic review and retention costs		—		2.2
C	Acquisition and divestiture-related costs		2.2		1.5
D	Accelerated depreciation and site closure costs		1.8		0.5
E	Operational matter		0.1		(71.8)
F	Brazil indirect tax		—		(8.3)
G	Russia sanction-related impacts		0.3		—
H	Commercial agreement restructuring impacts		25.0		—
I	Other adjustments		(1.0)		0.1
J	Step-up depreciation and amortization		23.1		28.0
	Adjusted EBIT	$	150.6	$	173.4
	Segment Adjusted EBIT:				
	Performance Coatings	$	125.2	$	139.7
	Mobility Coatings		2.3		5.7
	Total	$	127.5	$	145.4
J	Step-up depreciation and amortization		23.1		28.0
	Adjusted EBIT	$	150.6	$	173.4

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 that 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 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.

E 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.

F Represents non-recurring income related to a law change with respect to certain Brazilian indirect taxes which was recorded within other expense (income), net.

G Represents expenses related to sanctions imposed on Russia in response to the conflict with Ukraine as a result of incremental reserves for accounts receivable, incremental inventory obsolescence and business incentive payments, which we do not consider indicative of our ongoing operating performance.

H Represents a forgiveness of a portion of up-front customer incentives with repayment features, contingent upon our customer completing a recapitalization and restructuring of its indebtedness and the execution of a new long-term exclusive sales agreement with us. These amounts are not considered to be indicative of our ongoing operating performance.

I Represents costs for certain non-operational or non-cash (gains) and losses, unrelated to our core business and which we do not consider indicative of ongoing operations.

J 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)		Q2 2022		Q2 2021
	Net income	$	44.1	$	126.4
	Less: Net income attributable to noncontrolling interests		—		—
	Net income attributable to controlling interests	$	44.1	$	126.4
A	Termination benefits and other employee related costs		2.7		22.7
B	Strategic review and retention costs		—		2.2
C	Acquisition and divestiture-related costs		2.2		1.5
D	Accelerated depreciation and site closure costs		1.8		0.5
E	Operational matter		0.1		(71.8)
F	Brazil indirect tax		—		(8.3)
G	Russia sanction-related impacts		0.2		—
H	Commercial agreement restructuring impacts		25.0		—
I	Other adjustments		(1.0)		0.1
J	Step-up depreciation and amortization		23.1		28.0
	Total adjustments	$	54.1	$	(25.1)
K	Income tax provision impacts		7.9		(10.8)
	Adjusted net income	$	90.3	$	112.1
	Diluted adjusted net income per share	$	0.41	$	0.48
	Diluted weighted average shares outstanding		221.4		233.5

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 that 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 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.

E 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.

F Represents non-recurring income related to a law change with respect to certain Brazilian indirect taxes which was recorded within other expense (income), net.

G Represents expenses related to sanctions imposed on Russia in response to the conflict with Ukraine as a result of incremental reserves for accounts receivable, incremental inventory obsolescence and business incentive payments, which we do not consider indicative of our ongoing operating performance.

H Represents a forgiveness of a portion of up-front customer incentives with repayment features, contingent upon our customer completing a recapitalization and restructuring of its indebtedness and the execution of a new long-term exclusive sales agreement with us. These amounts are not considered to be indicative of our ongoing operating performance.

I Represents costs for certain non-operational or non-cash (gains) and losses, unrelated to our core business and which we do not consider indicative of ongoing operations.

J 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.

K 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 $4.3 million, $5.0 million, $2.1 million and $3.8 million for the three and six months months ended June 30, 2022 and 2021, respectively. The tax adjustments for the three and six months months ended June 30, 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)	Q2 2022	Q1 2022	YTD 2022	Q2 2021	Q1 2021	YTD 2021
Cash provided by (used for) operating activities	$ 12.2	$ (43.9)	$ (31.7)	$ 107.5	$ 39.6	$ 147.1
Purchase of property, plant and equipment	(29.5)	(42.5)	(72.0)	(28.5)	(31.8)	(60.3)
Interest proceeds on swaps designated as net investment hedges	3.8	6.2	10.0	3.6	3.5	7.1
Free cash flow	$ (13.5)	$ (80.2)	$ (93.7)	$ 82.6	$ 11.3	$ 93.9

Adjusted EBITDA Reconciliation

	($ in millions)	LTM 6/30/2022	Q2 2022	Q1 2022	Q2 2021	Q1 2021	FY 2021
	Net income	$ 207.3	$ 44.1	$ 40.9	$ 126.4	$ 15.7	$ 264.4
	Interest expense, net	133.4	33.5	32.6	33.4	33.5	134.2
	Provision for income taxes	63.4	18.8	11.0	38.7	3.8	76.1
	Depreciation and amortization	316.1	77.3	77.7	79.0	76.4	316.5
	EBITDA	**$ 720.2**	**$ 173.7**	**$ 162.2**	**$ 277.5**	**$ 129.4**	**$ 791.2**
A	Termination benefits and other employee related costs	16.0	2.7	1.9	22.7	2.8	36.9
B	Strategic review and retention costs	2.1	—	—	2.2	5.4	9.7
C	Acquisition and divestiture-related costs	17.2	2.2	0.4	1.5	0.2	16.3
D	Site closure costs	2.4	1.1	0.6	(0.1)	—	0.6
E	Foreign exchange remeasurement losses	6.2	4.9	2.6	1.8	1.8	2.3
F	Long-term employee benefit plan adjustments	—	0.1	0.1	(0.3)	(0.2)	(0.7)
G	Stock-based compensation	16.1	3.7	5.3	4.2	3.6	14.9
H	Dividends in respect of noncontrolling interest	(0.1)	—	(0.1)	—	(0.7)	(0.7)
I	Operational matter	(18.0)	0.1	0.1	(71.8)	94.4	4.4
J	Brazil indirect tax	—	—	—	(8.3)	—	(8.3)
K	Gain on sale of facility	(19.7)	—	—	—	—	(19.7)
L	Russia sanction-related impacts	6.1	0.3	5.8	—	—	—
M	Commercial agreement restructuring impacts	25.0	25.0	—	—	—	—
N	Other adjustments	0.2	(1.1)	0.7	0.3	—	0.9
	Total adjustments	$ 53.5	$ 39.0	$ 17.4	$ (47.8)	$ 107.3	$ 56.6
	Adjusted EBITDA	**$ 773.7**	**$ 212.7**	**$ 179.6**	**$ 229.7**	**$ 236.7**	**$ 847.8**

Adjusted EBITDA 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 that 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 costs related to the closure of certain manufacturing sites, which we do not consider indicative of our ongoing operating performance.

E 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.

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

G Represents non-cash impacts associated with stock-based compensation.

H 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.

I 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.

J Represents non-recurring income related to a law change with respect to certain Brazilian indirect taxes which was recorded within other expense (income), net.

K Represents non-recurring income related to the sale of a previously closed manufacturing facility.

L Represents expenses related to sanctions imposed on Russia in response to the conflict with Ukraine as a result of incremental reserves for accounts receivable, incremental inventory obsolescence and business incentive payments, which we do not consider indicative of our ongoing operating performance.

M Represents a forgiveness of a portion of up-front customer incentives with repayment features, contingent upon our customer completing a recapitalization and restructuring of its indebtedness and the execution of a new long-term exclusive sales agreement with us. These amounts are not considered to be indicative of our ongoing operating performance.

N Represents costs for certain non-operational or non-cash (gains) and losses, unrelated to our core business and which we do not consider indicative of ongoing operations.

Thank you

Investor Relations Contact:
Chris Evans
Christopher.Evans@axalta.com
484-724-4099

News Release

Axalta Coating Systems
50 Applied Bank Blvd
Suite 300
Glen Mills, PA 19342
USA

Investor Contact
Christopher Evans
D +1 484 724 4099
Christopher.Evans@axalta.com

Media Contact
Robert Donohoe
D +1 267 756 3803
Robert.Donohoe@axalta.com

For Immediate Release

Axalta Announces CEO Transition

Current Independent Director and Chemical & Life Sciences Industry Veteran Rakesh Sachdev Appointed Interim Chief Executive Officer

Robert Bryant to Step Down as President and Chief Executive Officer

GLEN MILLS, PA, July 26, 2022 — Axalta Coating Systems Ltd. (NYSE:AXTA) ("Axalta"), a leading global coatings company, today announced that Robert Bryant will step down as President and Chief Executive Officer to pursue other opportunities, effective August 31, 2022. He will also step down as a member of the Board of Directors at such time. Rakesh Sachdev, an independent director and former Chief Executive Officer of Platform Specialty Products Corporation (now renamed Element Solutions Inc.) and Sigma-Aldrich Corporation, will assume the role of interim Chief Executive Officer at that time. The Board has initiated a comprehensive search process to identify a new CEO.

Bill Cook, Axalta's Board Chair, said, "On behalf of the Board of Directors, I would like to thank Robert for his leadership and dedication to Axalta. Robert joined the company as CFO in 2013 when it was first carved out of DuPont and played a key role in Axalta's successful IPO and listing on the NYSE in 2014. Since being appointed President, CEO and Director in 2018, Robert has built a strong leadership team and spearheaded our transition to a business-centric operational model that has allowed us to be more customer focused, while also advancing our innovation and human capital programs. I'd like to extend a special thanks for his leadership during the unprecedented challenges we've faced over the past few years related to the COVID-19 pandemic and global supply chain issues. We wish Robert continued success in his next endeavors."

Cook continued, "Our Board remains committed to continuing the acceleration of Axalta's performance and unlocking long-term value for our shareholders and enhanced opportunities for our employees. With more than three decades of experience in the management of public and private chemical, life sciences and industrial businesses, Rakesh is a proven leader and the right choice to serve as Axalta's interim CEO. The Board has tremendous confidence in Axalta's leadership team and is focused on ensuring the team's continuity during this transition."

Sachdev commented, "Axalta is an industry leader with clear priorities and paths to achieve secular growth and market share gains by leveraging our technology platforms and continuing to launch new and innovative products. During this transitionary period, I look forward to partnering with Axalta's deep bench of senior leaders to drive further growth as end-markets normalize over time and to execute flawlessly on our strategy to significantly enhance value for all our stakeholders."

Bryant said, "It has been an honor and a privilege to lead such a talented team across the globe. I am proud of the tremendous progress our company has made during my tenure. I want to thank our leadership team and employees for their tireless commitment to the company and our customers around the world. I look forward to watching Axalta realize its full potential."

About Rakesh Sachdev

Rakesh Sachdev has served as an independent director of Axalta since August 2020. Mr. Sachdev is currently Chairman of the Board of Regal Rexnord Corporation and serves as a board member of Edgewell Personal Care Company and Herc Holdings. He is also a senior advisor at New Mountain Capital. Mr. Sachdev has deep experience in the chemical, industrial and life sciences industries and brings significant global expertise in strategy, finance, operations and M&A. He most recently served as CEO of Platform Specialty Products Corporation, a leading global specialty chemicals company, from 2016 to 2019. Prior to that, he led Sigma-Aldrich Corporation, a leading S&P 500 global life sciences and technology company, as its President and CEO from 2010 until 2015, when it was acquired by Merck KGaA. Mr. Sachdev previously held executive positions at Meritor, Inc., a global supplier of automotive systems and components, and Cummins Inc., a global engine and power systems manufacturer. Mr. Sachdev received his B.S. in Mechanical Engineering from the Indian Institute of Technology, Delhi, his M.S. in Mechanical Engineering from the University of Illinois at Urbana-Champaign, and his M.B.A. from Indiana University.

Second Quarter 2022 Earnings Conference Call

Axalta announced today its financial results for the second quarter ended June 30, 2022. The press release and supporting materials can be accessed on the Investor Relations portion of axalta.com.

The company will host a conference call at 8 a.m. ET on Wednesday, July 27, 2022. Robert W. Bryant, Chief Executive Officer, Rakesh Sachdev, incoming interim Chief Executive Officer, and Sean Lannon, Chief Financial Officer, will review the Company's financial performance for the period. A live webcast of the conference call will be available online at www.axalta.com/investorcall. A replay of the webcast will be posted shortly after the call and will remain accessible through July 27, 2023.

The dial-in phone number for the conference call is 201-689-8560. For those unable to participate, a replay of the call will be available through August 3, 2022. The replay dial-in number is 412-317-6671. The replay passcode is 13731360.

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 and follow us @axalta on Twitter.

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. 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,” “potential,” “continue,” “growth,” and “look forward” 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 and risks and uncertainties associated with a transition in leadership of Axalta, that may cause its business, industry, strategy, financing activities or actual results to differ materially. More information on potential factors that could affect Axalta’s financial results is available in “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.