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

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2026
or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission File Number: 001-36733

AXALTA COATING SYSTEMS LTD.

(Exact name of registrant as specified in its charter)

Bermuda
(State or other jurisdiction of
incorporation or organization)

2851
(Primary Standard Industrial
Classification Code Number)

98-1073028
(I.R.S. Employer
Identification No.)

1050 Constitution Avenue
Philadelphia, Pennsylvania 19112
(855) 547-1461

(Address, including zip code, and telephone number, including area code, of the registrant's principal executive offices)

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

Common Shares, \$1.00 par value
(Title of class)

AXTA
(Trading symbol)

New York Stock Exchange
(Exchange on which registered)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. Large accelerated filer Non-accelerated filer Accelerated filer

Smaller reporting company 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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of April 23, 2026, there were 214,018,768 shares of the registrant's common shares outstanding.

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PART I FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)**

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

	Three Months Ended March 31,	
	2026	2025
Net sales	\$ 1,254	\$ 1,262
Cost of goods sold	838	829
Selling, general and administrative expenses	200	202
Other operating charges	26	14
Research and development expenses	18	17
Amortization of acquired intangibles	26	24
Income from operations	146	176
Interest expense, net	38	44
Other expense, net	3	3
Income before income taxes	105	129
Provision for income taxes	14	30
Net income	91	99
Less: Net income attributable to noncontrolling interests	1	—
Net income attributable to common shareholders	\$ 90	\$ 99
Basic net income per share	\$ 0.42	\$ 0.45
Diluted net income per share	\$ 0.42	\$ 0.45

The accompanying notes are an integral part of these condensed consolidated financial statements.

AXALTA COATING SYSTEMS LTD.
Condensed Consolidated Statements of Comprehensive Income (Unaudited)
(In millions)

	Three Months Ended March 31,	
	2026	2025
Net income	\$ 91	\$ 99
Other comprehensive (loss) income, before tax:		
Foreign currency translation adjustments	(20)	62
Unrealized gain on derivatives	1	—
Unrealized gain on pension and other benefit plan obligations	1	1
Other comprehensive (loss) income, before tax	(18)	63
Income tax expense (benefit) related to items of other comprehensive income	—	(1)
Other comprehensive (loss) income, net of tax	(18)	64
Comprehensive income	73	163
Less: Comprehensive (loss) income attributable to noncontrolling interests	(1)	2
Comprehensive income attributable to common shareholders	\$ 74	\$ 161

The accompanying notes are an integral part of these condensed consolidated financial statements.

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

	March 31, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	\$ 608	\$ 657
Restricted cash	3	3
Accounts and notes receivable, net	1,261	1,229
Inventories	770	756
Prepaid expenses and other current assets	185	170
Total current assets	<u>2,827</u>	<u>2,815</u>
Property, plant and equipment, net	1,293	1,299
Goodwill	1,772	1,795
Identifiable intangibles, net	1,114	1,147
Other assets	552	543
Total assets	<u>\$ 7,558</u>	<u>\$ 7,599</u>
Liabilities, Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 723	\$ 637
Current portion of borrowings	20	20
Other accrued liabilities	605	712
Total current liabilities	<u>1,348</u>	<u>1,369</u>
Long-term borrowings	3,127	3,179
Accrued pensions	228	238
Deferred income taxes	175	171
Other liabilities	213	249
Total liabilities	<u>5,091</u>	<u>5,206</u>
Commitments and contingent liabilities (Note 5)		
Shareholders' equity:		
Common shares, \$1.00 par, 1,000.0 shares authorized, 255.7 and 255.1 shares issued at March 31, 2026 and December 31, 2025, respectively	256	255
Capital in excess of par	1,621	1,621
Retained earnings	2,145	2,055
Treasury shares, at cost, 41.7 shares at March 31, 2026 and December 31, 2025	(1,202)	(1,202)
Accumulated other comprehensive loss	(399)	(383)
Total Axalta shareholders' equity	<u>2,421</u>	<u>2,346</u>
Noncontrolling interests	46	47
Total shareholders' equity	<u>2,467</u>	<u>2,393</u>
Total liabilities and shareholders' equity	<u>\$ 7,558</u>	<u>\$ 7,599</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

AXALTA COATING SYSTEMS LTD.
Condensed Consolidated Statements of Changes in Shareholders' Equity (Unaudited)
(In millions)

	Common Stock				Treasury Shares, at cost	Accumulated Other Comprehensive Loss	Non controlling Interests	Total
	Number of Shares	Par/Stated Value	Capital In Excess Of Par	Retained Earnings				
Balance at December 31, 2025	213.4	\$ 255	\$ 1,621	\$ 2,055	\$ (1,202)	\$ (383)	\$ 47	\$ 2,393
Comprehensive income:								
Net income:	—	—	—	90	—	—	1	91
Net realized and unrealized gain on derivatives, net of tax of \$0 million	—	—	—	—	—	1	—	1
Long-term employee benefit plans, net of tax of \$0 million	—	—	—	—	—	1	—	1
Foreign currency translation, net of tax of \$0 million	—	—	—	—	—	(18)	(2)	(20)
Total comprehensive income	—	—	—	90	—	(16)	(1)	73
Recognition of stock-based compensation	—	—	7	—	—	—	—	7
Shares issued under compensation plans	0.6	1	(7)	—	—	—	—	(6)
Balance at March 31, 2026	214.0	\$ 256	\$ 1,621	\$ 2,145	\$ (1,202)	\$ (399)	\$ 46	\$ 2,467
	Common Stock				Treasury Shares, at cost	Accumulated Other Comprehensive Loss	Non controlling Interests	Total
	Number of Shares	Par/Stated Value	Capital In Excess Of Par	Retained Earnings				
Balance at December 31, 2024	218.1	\$ 255	\$ 1,599	\$ 1,677	\$ (1,037)	\$ (582)	\$ 44	\$ 1,956
Comprehensive income:								
Net income	—	—	—	99	—	—	—	99
Long-term employee benefit plans, net of tax of \$0 million	—	—	—	—	—	1	—	1
Foreign currency translation, net of tax benefit of \$1 million	—	—	—	—	—	61	2	63
Total comprehensive income	—	—	—	99	—	62	2	163
Recognition of stock-based compensation	—	—	5	—	—	—	—	5
Shares issued under compensation plans	0.5	—	(2)	—	—	—	—	(2)
Balance at March 31, 2025	218.6	\$ 255	\$ 1,602	\$ 1,776	\$ (1,037)	\$ (520)	\$ 46	\$ 2,122

The accompanying notes are an integral part of these condensed consolidated financial statements.

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

	Three Months Ended March 31,	
	2026	2025
Operating activities:		
Net income	\$ 91	\$ 99
Adjustment to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	76	70
Amortization of deferred financing costs and original issue discount	2	2
Deferred income taxes	11	8
Realized and unrealized foreign exchange (gains) losses, net	(4)	8
Stock-based compensation	7	5
Interest income on swaps designated as net investment hedges	(3)	(3)
Other non-cash, net	2	(1)
Changes in operating assets and liabilities:		
Trade accounts and notes receivable	(32)	(18)
Inventories	(20)	(37)
Prepaid expenses and other assets	(27)	(59)
Accounts payable	90	66
Other accrued liabilities	(96)	(106)
Other liabilities	(29)	(8)
Cash provided by operating activities	<u>68</u>	<u>26</u>
Investing activities:		
Acquisitions, net of cash acquired	(8)	(6)
Purchase of property, plant and equipment	(50)	(43)
Interest proceeds on swaps designated as net investment hedges	3	3
Proceeds received on loans to customers	4	1
Other investing activities, net	(2)	1
Cash used for investing activities	<u>(53)</u>	<u>(44)</u>
Financing activities:		
Payments on long-term borrowings	(55)	(5)
Net cash flows associated with stock-based awards	(6)	(2)
Other financing activities, net	—	(1)
Cash used for financing activities	<u>(61)</u>	<u>(8)</u>
Decrease in cash	(46)	(26)
Effect of exchange rate changes on cash	(3)	8
Cash at beginning of period	660	596
Cash at end of period	<u>\$ 611</u>	<u>\$ 578</u>
Cash at end of period reconciliation:		
Cash and cash equivalents	\$ 608	\$ 575
Restricted cash	3	3
Cash at end of period	<u>\$ 611</u>	<u>\$ 578</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

Notes to Condensed Consolidated Financial Statements (Unaudited)
(In millions, unless otherwise noted)

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Notes to Condensed Consolidated Financial Statements (Unaudited)
(In millions, unless otherwise noted)

(1) BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The interim condensed consolidated financial statements included herein are unaudited. In the opinion of management, these statements include all adjustments, consisting only of normal, recurring adjustments, necessary for a fair statement of the financial position and shareholders' equity of Axalta Coating Systems Ltd., a Bermuda exempted company limited by shares, and its consolidated subsidiaries ("Axalta," the "Company," "we," "our" and "us") at March 31, 2026, the results of operations, comprehensive income, changes in shareholders' equity and cash flows for the three months ended March 31, 2026 and 2025. All intercompany balances and transactions have been eliminated.

These interim unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025. The year-end condensed consolidated balance sheet data was derived from audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States of America ("GAAP").

The interim unaudited condensed consolidated financial statements include the accounts of Axalta and its subsidiaries, and entities in which a controlling interest is maintained. Certain of our entities are accounted for on a one-month lag basis, the effect of which is not material.

The results of operations for the three months ended March 31, 2026 are not necessarily indicative of the results to be expected for the full year ended December 31, 2026 or any future period(s).

Proposed Merger with Akzo Nobel N.V.

During November 2025, we entered into a Merger Agreement (the "Merger Agreement") with Akzo Nobel N.V., a public company with limited liability incorporated under the laws of the Netherlands ("AkzoNobel"), providing for the combination of the Company and AkzoNobel in an all-stock merger (the "Merger"). The combined company will be dual-headquartered in Amsterdam, the Netherlands and Philadelphia, Pennsylvania. The obligations of the Company and AkzoNobel to consummate the Merger are conditioned on the satisfaction or waiver of certain conditions, including regulatory and shareholder approval for both companies. The Company expects the transaction to close in late 2026 to early 2027.

Subject to the terms and conditions set forth in the Merger Agreement, at the effective time of the Merger, each outstanding and issued ordinary share of the Company, par value \$1.00 per share (other than any shares owned by the Company as treasury shares and any shares owned by AkzoNobel or any direct or indirect wholly owned subsidiary of AkzoNobel), will be automatically converted into the right to receive 0.6539 AkzoNobel ordinary shares, par value of €0.50 per share.

In the event of a termination of the Merger Agreement by the Company, the Company may be required to pay AkzoNobel a termination fee equal to €150 million. In the event of a termination of the Merger Agreement by AkzoNobel, AkzoNobel may be required to pay the Company a termination fee equal to €150 million.

Summary of Significant Accounting Policies Updates

Accounting Guidance and Disclosure Rules Issued But Not Yet Adopted

In November 2024, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40)*, to improve disclosures about a public business entity's expenses and require more detailed information about the types of expenses in commonly presented expense captions, such as cost of sales, selling general and administrative expense and research and development. The new standard is effective for fiscal years beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. We are currently evaluating the impact of ASU 2024-03 on our financial statements.

In September 2025, the FASB issued ASU 2025-06, *Intangibles Goodwill and Other Internal-Use Software (Subtopic 350-40)*, to enhance guidance for recognizing and measuring capitalizable costs associated with the development of internal-use software. The new standard is effective for fiscal years beginning after December 15, 2027, with early adoption permitted. We are currently evaluating the impact of ASU 2025-06 on our financial statements.

(2) REVENUE

Consideration for products in which control has transferred to our customers that is conditional on something other than the passage of time is recorded as a contract asset within prepaid expenses and other current assets in the condensed consolidated balance sheets. The contract asset balances at March 31, 2026 and December 31, 2025 were \$43 million and \$40 million, respectively.

Notes to Condensed Consolidated Financial Statements (Unaudited)
(In millions, unless otherwise noted)

We provide certain customers with incremental up-front consideration, subject to clawback provisions, including Business Incentive Plan assets (“BIPs”), which is capitalized as a component of other assets and amortized over the estimated life of the contractual arrangement as a reduction of net sales. We do not receive a distinct service or good in return for these BIPs, but rather receive volume commitments and/or sole supplier status from our customers over the life of the contractual arrangements, which approximates a five-year weighted average useful life. The termination clauses in these contractual arrangements generally include standard clawback provisions that are designed to enable us to collect monetary damages in the event of a customer’s failure to meet its commitments under the relevant contract. At March 31, 2026 and December 31, 2025, the total carrying values of BIPs were \$200 million and \$191 million, respectively, and are presented within other assets in the condensed consolidated balance sheets. For the three months ended March 31, 2026 and 2025, \$17 million and \$15 million, respectively, was amortized net of clawbacks and reflected as reductions of net sales in the condensed consolidated statements of operations.

See Note 17 for disaggregated net sales by end-market.

(3) GOODWILL AND IDENTIFIABLE INTANGIBLE ASSETS

During the three months ended March 31, 2026, we completed two acquisitions in our Performance Coatings segment. These acquisitions were accounted for as business combinations with consolidated aggregate consideration of \$13 million, of which \$8 million was paid, net of \$1 million of cash acquired, during the three months ended March 31, 2026. The overall impacts to our unaudited condensed consolidated financial statements were not considered to be material. The fair value attributable to identifiable intangible assets was \$6 million, comprised of customer relationship assets, which will be amortized over a weighted average term of approximately 10 years.

Goodwill

The following table shows changes in the carrying amount of goodwill from December 31, 2025 to March 31, 2026 by reportable segment:

	Performance Coatings	Mobility Coatings	Total
Balance at December 31, 2025	\$ 1,714	\$ 81	\$ 1,795
Goodwill from acquisitions	6	—	6
Foreign currency translation	(28)	(1)	(29)
Balance at March 31, 2026	<u>\$ 1,692</u>	<u>\$ 80</u>	<u>\$ 1,772</u>

Identifiable Intangible Assets

The following tables summarize the gross carrying amounts and accumulated amortization of identifiable intangible assets by major class:

March 31, 2026	Gross Carrying Amount	Accumulated Amortization	Net Book Value	Weighted average amortization periods (years)
Technology	\$ 153	\$ (106)	\$ 47	11.1
Trademarks—indefinite-lived	270	—	270	Indefinite
Trademarks—definite-lived	162	(88)	74	14.1
Customer relationships	1,370	(647)	723	18.8
Total	<u>\$ 1,955</u>	<u>\$ (841)</u>	<u>\$ 1,114</u>	

December 31, 2025	Gross Carrying Amount	Accumulated Amortization	Net Book Value	Weighted average amortization periods (years)
Technology	\$ 154	\$ (103)	\$ 51	11.1
Trademarks—indefinite-lived	275	—	275	Indefinite
Trademarks—definite-lived	164	(87)	77	14.1
Customer relationships	1,375	(631)	744	18.9
Total	<u>\$ 1,968</u>	<u>\$ (821)</u>	<u>\$ 1,147</u>	

Notes to Condensed Consolidated Financial Statements (Unaudited)
(In millions, unless otherwise noted)

The estimated amortization expense related to the fair value of acquired intangible assets for the remainder of 2026 and each of the succeeding five years is:

Remainder of 2026	\$	77
2027		101
2028		87
2029		83
2030		83
2031		78

(4) RESTRUCTURING

In accordance with the applicable guidance for Accounting Standards Codification ("ASC") 712, *Nonretirement Postemployment Benefits*, we accounted for termination benefits and recognized liabilities when the loss was considered probable that employees were entitled to benefits and the amounts could be reasonably estimated.

During the three months ended March 31, 2026 and 2025, we incurred costs of \$4 million and \$11 million, respectively, for termination benefits, net of changes in estimates. The majority of our termination benefits are recorded within other operating charges in the condensed consolidated statements of operations. The remaining payments associated with these actions are expected to be substantially completed within 12 months from March 31, 2026.

The following table summarizes the activity related to the termination benefit reserves and expenses from December 31, 2025 to March 31, 2026:

	2026 Activity	
Balance at December 31, 2025	\$	26
Expenses, net of changes to estimates		4
Payments made		(21)
Foreign currency translation		—
Balance at March 31, 2026	\$	9

(5) COMMITMENTS AND CONTINGENCIES

Guarantees

We guarantee certain of our customers' obligations to third parties, whereby any default by our customers on their obligations could force us to make payments to the applicable creditors ("Customer Obligation Guarantees"). At March 31, 2026 and December 31, 2025, we had outstanding Customer Obligation Guarantees of \$26 million and \$24 million, respectively, excluding certain outstanding Customer Obligation Guarantees secured by letters of credit under the Revolving Credit Facility discussed further in Note 15. Excluding Customer Obligation Guarantees secured by letters of credit under the Revolving Credit Facility, substantially all of our Customer Obligation Guarantees do not have specified expiration dates. We monitor the Customer Obligation Guarantees to evaluate whether we have a liability at the balance sheet date. We did not have any liabilities related to our outstanding Customer Obligation Guarantees recorded at either March 31, 2026 or December 31, 2025.

Other

We are subject to various pending lawsuits, legal proceedings and other claims in the ordinary course of business, including civil, regulatory and environmental matters. These matters may involve third-party indemnification obligations and/or insurance covering all or part of any potential damage incurred by us. All of these matters are subject to many uncertainties and, accordingly, we cannot determine the ultimate outcome of the proceedings and other claims at this time. The potential effects, if any, on our condensed consolidated financial statements will be recorded in the period in which these matters are probable and estimable. We believe that any sum we may be required to pay in connection with proceedings or claims in excess of the amounts recorded would likely not have a material adverse effect on our results of operations, financial condition or cash flows on a consolidated annual basis but could have a material adverse impact in a particular quarterly reporting period. However, there can be no assurance that any such sum would not have a material adverse effect on our results of operations, financial condition or cash flows on a consolidated annual basis.

Notes to Condensed Consolidated Financial Statements (Unaudited)
(In millions, unless otherwise noted)

We are involved in environmental remediation and ongoing compliance activities at several sites. The timing and duration of remediation and ongoing compliance activities are determined on a site by site basis depending on local regulations. The liabilities recorded represent our estimable future remediation costs and other anticipated environmental liabilities. We have not recorded liabilities at sites where a liability is probable but a range of loss is not reasonably estimable. We believe that any sum we may be required to pay in connection with environmental remediation matters in excess of the amounts recorded would likely occur over a period of time and would likely not have a material adverse effect upon our results of operations, financial condition or cash flows on a consolidated annual basis but could have a material adverse impact in a particular quarterly reporting period.

(6) LONG-TERM EMPLOYEE BENEFITS

Components of Net Periodic Benefit Cost

The following table sets forth the pre-tax components of net periodic benefit costs for our defined benefit plans for the three months ended March 31, 2026 and 2025:

	Three Months Ended March 31,	
	2026	2025
Components of net periodic benefit cost:		
Net periodic benefit cost:		
Service cost	\$ 2	\$ 1
Interest cost	6	4
Expected return on plan assets	(3)	(2)
Amortization of actuarial loss, net	1	1
Net periodic benefit cost	<u>\$ 6</u>	<u>\$ 4</u>

All non-service components of net periodic benefit cost are recorded in other expense, net within the accompanying condensed consolidated statements of operations.

(7) STOCK-BASED COMPENSATION

During the three months ended March 31, 2026 and 2025, we recognized \$7 million and \$5 million in stock-based compensation expense, respectively, which was allocated between cost of goods sold and selling, general and administrative expenses in the condensed consolidated statements of operations. We recognized tax benefits on stock-based compensation of \$1 million for both of the three months ended March 31, 2026 and 2025.

2026 Activity

Restricted Stock Units	Units (in millions)	Weighted Average Fair Value
Outstanding at January 1, 2026	0.9	\$ 32.91
Granted	0.9	\$ 31.69
Vested	(0.4)	\$ 32.56
Forfeited ⁽¹⁾	—	\$ 33.29
Outstanding at March 31, 2026	<u>1.4</u>	<u>\$ 32.23</u>

(1) Activity during the three months ended March 31, 2026 rounds to zero.

Tax benefits on the vesting of restricted stock units during the three months ended March 31, 2026 were immaterial.

Notes to Condensed Consolidated Financial Statements (Unaudited)
(In millions, unless otherwise noted)

At March 31, 2026, there was \$35 million of unamortized expense relating to unvested restricted stock units that is expected to be amortized over a weighted average period of 1.8 years.

Performance Share Units	Units (in millions)	Weighted Average Fair Value
Outstanding at January 1, 2026	1.0	\$ 37.94
Granted ⁽¹⁾	0.1	\$ 29.51
Vested	(0.4)	\$ 33.74
Forfeited	(0.1)	\$ 41.24
Outstanding at March 31, 2026	0.6	\$ 39.13

(1) Activity during the three months ended March 31, 2026 represents portions of performance share units that vested above 100% performance threshold.

Our performance share units allow for participants to vest in zero to 200% of the target number of shares granted. At March 31, 2026, there was \$10 million of unamortized expense relating to unvested performance share units that is expected to be amortized over a weighted average period of 1.6 years. Tax benefits on the vesting of performance share units during the three months ended March 31, 2026 were immaterial.

Stock Options

The Black-Scholes option pricing model was used to estimate the fair values for options as of their grant date. There have been no options granted since 2019. There are currently 0.1 million options outstanding, all of which are vested and exercisable, with an average exercise price of \$28.52, a weighted average contractual life of 2.1 years and an immaterial aggregate intrinsic value.

Cash received by the Company upon exercise of options during the three months ended March 31, 2026 was \$1 million. There were immaterial tax expenses on these exercises.

(8) OTHER EXPENSE, NET

	Three Months Ended March 31,	
	2026	2025
Foreign exchange losses, net	\$ 2	\$ 3
Other miscellaneous expense, net	1	—
Total	\$ 3	\$ 3

(9) INCOME TAXES

Our effective income tax rates for the three months ended March 31, 2026 and 2025 are as follows:

	Three Months Ended March 31,	
	2026	2025
Effective Tax Rate	13.7 %	23.0 %

The lower effective tax rate for the three months ended March 31, 2026 was primarily due to the release of unrecognized tax benefits resulting from ongoing discussions with tax authorities in jurisdictions where we have open audits.

The effective tax rate for the three months ended March 31, 2026 differs from the Bermuda statutory rate due to various items that impacted the effective rate both favorably and unfavorably, including net favorable adjustments for decreases in unrecognized tax benefits. These adjustments were primarily offset by unfavorable impacts for earnings in jurisdictions where the statutory rate is higher than the Bermuda statutory rate, changes in the valuation allowance, and non-deductible expenses and interest.

Notes to Condensed Consolidated Financial Statements (Unaudited)
(In millions, unless otherwise noted)

(10) NET INCOME PER COMMON SHARE

Basic net income per common share excludes the dilutive impact of potentially dilutive securities and is computed by dividing net income by the weighted average number of common shares outstanding for the period. Diluted net income per common share includes the effect of potential dilution from the hypothetical exercise of outstanding stock options and vesting of restricted stock units and performance share units. A reconciliation of our basic and diluted net income per common share is as follows:

(In millions, except per share data)	Three Months Ended March 31,			
	2026		2025	
Net income to common shareholders	\$	90	\$	99
Basic weighted average shares outstanding		213.6		218.3
Diluted weighted average shares outstanding		214.6		219.4
Net income per common share ⁽¹⁾ :				
Basic net income per share	\$	0.42	\$	0.45
Diluted net income per share	\$	0.42	\$	0.45

(1) Basic earnings per share and diluted earnings per share are calculated based on full precision. Figures in the table may not recalculate due to rounding.

The number of anti-dilutive shares that have been excluded in the computation of diluted net income per share for the three months ended March 31, 2026 were immaterial and for the three months ended March 31, 2025 were 0.1 million.

(11) ACCOUNTS AND NOTES RECEIVABLE, NET

Trade accounts receivable are stated at the amount we expect to collect. We maintain allowances for doubtful accounts for estimated losses by applying historical loss percentages, combined with reasonable and supportable forecasts of future losses, to respective aging categories. Management considers the following factors in developing its current estimate of expected credit losses: customer credit-worthiness, past transaction history with the customer, current economic industry trends, changes in market or regulatory matters, changes in geopolitical matters, changes in customer payment terms, and other macroeconomic factors.

	March 31, 2026		December 31, 2025	
Accounts receivable - trade, net ⁽¹⁾	\$	981	\$	1,014
Notes receivable		83		32
Other		197		183
Total	\$	1,261	\$	1,229

(1) Allowance for doubtful accounts was \$30 million and \$29 million at March 31, 2026 and December 31, 2025, respectively.

Bad debt expense of \$1 million and \$3 million was included within selling, general and administrative expenses for the three months ended March 31, 2026 and 2025, respectively.

(12) INVENTORIES

	March 31, 2026		December 31, 2025	
Finished products	\$	431	\$	431
Semi-finished products		125		122
Raw materials		179		168
Stores and supplies		35		35
Total	\$	770	\$	756

Inventory reserves were \$24 million and \$22 million at March 31, 2026 and December 31, 2025, respectively.

Notes to Condensed Consolidated Financial Statements (Unaudited)
(In millions, unless otherwise noted)

(13) PROPERTY, PLANT AND EQUIPMENT, NET

	March 31, 2026	December 31, 2025
Property, plant and equipment	\$ 2,734	\$ 2,731
Accumulated depreciation	(1,441)	(1,432)
Property, plant and equipment, net	<u>\$ 1,293</u>	<u>\$ 1,299</u>

Depreciation expense amounted to \$33 million and \$31 million for the three months ended March 31, 2026 and 2025, respectively.

(14) SUPPLIER FINANCE PROGRAMS

We maintain a voluntary supply chain financing (“SCF”) program with a global financial institution, which allows a select group of suppliers to sell their receivables to the participating financial institution at the discretion of both parties on terms that are negotiated between the supplier and the financial institution. The supplier invoices that have been confirmed as valid under the program are paid by us to the financial institution according to the terms we have with the supplier. Amounts outstanding under the SCF program were \$31 million and \$23 million at March 31, 2026 and December 31, 2025, respectively.

We also participate in a virtual card program with a global financial institution, in which we pay supplier invoices on the due date using a Virtual Card Account (“VCA”) and subsequently pay the balance in full 25 days after the billing statement date of the VCA. The program allows for suppliers to receive an accelerated payment for a fee at each supplier’s discretion. Fees paid by our suppliers are negotiated directly with the financial institution without our involvement. Amounts outstanding under the VCA program were \$7 million and \$6 million at March 31, 2026 and December 31, 2025, respectively.

The payment terms we have with our suppliers who participate in the SCF and VCA programs are consistent with the typical terms we have with our suppliers who do not participate. These financing arrangements are included in accounts payable within the condensed consolidated balance sheets and the associated payments are included in operating activities within the condensed consolidated statements of cash flows.

(15) BORROWINGS

Borrowings are summarized as follows:

	March 31, 2026	December 31, 2025
2029 Dollar Term Loans	\$ 1,421	\$ 1,475
2027 Dollar Senior Notes	500	500
2029 Dollar Senior Notes	700	700
2031 Dollar Senior Notes	500	500
Short-term and other borrowings	50	50
Unamortized original issue discount	(8)	(9)
Unamortized deferred financing costs	(16)	(17)
Total borrowings, net	<u>3,147</u>	<u>3,199</u>
Less:		
Short-term borrowings	3	3
Current portion of long-term borrowings	17	17
Long-term debt	<u>\$ 3,127</u>	<u>\$ 3,179</u>

Our senior secured credit facilities (the “Senior Secured Credit Facilities”) consist of a term loan due in 2029 (the “2029 Dollar Term Loans”) and a revolving credit facility that matures in 2029 (the “Revolving Credit Facility”) that are governed by a credit agreement (as amended, the “Credit Agreement”).

The Merger, if consummated, will constitute a “Change of Control” under the Credit Agreement. Pursuant to the Merger Agreement, AkzoNobel agreed to, in consultation with Axalta, use reasonable best efforts to obtain funds to, among other things, refinance the 2029 Dollar Term Loans prior to consummation of the Merger.

Notes to Condensed Consolidated Financial Statements (Unaudited)
(In millions, unless otherwise noted)

Revolving Credit Facility

At both March 31, 2026 and December 31, 2025, letters of credit issued under the Revolving Credit Facility totaled \$30 million which reduced the availability under the Revolving Credit Facility as of such dates. Availability under the Revolving Credit Facility was \$770 million at both March 31, 2026 and December 31, 2025. The letters of credit issued under the Revolving Credit Facility include \$14 million that secures Customer Obligation Guarantees at both March 31, 2026 and December 31, 2025.

Other Activity

During the three months ended March 31, 2026, we prepaid \$50 million of the outstanding principal amount of the 2029 Dollar Term Loans. As a result of these prepayments, we recorded an immaterial loss on extinguishment of debt for the three months ended March 31, 2026, which comprised the proportionate write-off of unamortized deferred financing costs and original issue discounts.

Future repayments

Below is a schedule of required future repayments of all borrowings outstanding at March 31, 2026.

Remainder of 2026	\$	15
2027		521
2028		21
2029		2,079
2030		5
Thereafter		530
Total borrowings		3,171
Unamortized original issue discount		(8)
Unamortized deferred financing costs		(16)
Total borrowings, net	\$	3,147

(16) FINANCIAL INSTRUMENTS, HEDGING ACTIVITIES AND FAIR VALUE MEASUREMENTS**Fair value of financial instruments**

Equity securities with readily determinable fair values - Balances of equity securities are recorded within other assets, with any changes in fair value recorded within other expense, net. The fair values of equity securities are based upon quoted market prices, which are considered Level 1 inputs.

Long-term borrowings - The estimated fair values of these borrowings are based on recent trades, as reported by a third-party pricing service. Due to the infrequency of trades, these inputs are considered to be Level 2 inputs.

Derivative instruments - The Company's interest rate swaps, cross-currency swaps and foreign currency forward contracts are valued using broker quotations or market transactions in either the listed or over-the-counter markets. As such, these derivative instruments are included in the Level 2 hierarchy.

Fair value of contingent consideration

Contingent consideration is valued using a probability-weighted expected payment method that considers the timing of expected future cash flows and the probability of whether key elements of the contingent event are completed. The fair value of contingent consideration is valued at each balance sheet date, until amounts become payable, with adjustments recorded within other operating charges in the condensed consolidated statements of operations. Due to the significant unobservable inputs used in the valuations, these liabilities are categorized within Level 3 of the fair value hierarchy.

Notes to Condensed Consolidated Financial Statements (Unaudited)
(In millions, unless otherwise noted)

The table below presents the fair values of our financial instruments measured on a recurring basis by level within the fair value hierarchy at March 31, 2026 and December 31, 2025.

	March 31, 2026				December 31, 2025			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets:								
Prepaid expenses and other current assets:								
Interest rate swaps ⁽¹⁾	\$ —	\$ 1	\$ —	\$ 1	\$ —	\$ —	\$ —	\$ —
Cross-currency swaps ⁽²⁾	—	6	—	6	—	5	—	5
Other assets:								
Investments in equity securities	1	—	—	1	1	—	—	1
Liabilities:								
Other accrued liabilities:								
Cross-currency swaps ⁽²⁾	—	36	—	36	—	51	—	51
Contingent consideration	—	—	8	8	—	—	6	6
Other liabilities:								
Cross-currency swaps ⁽²⁾	—	35	—	35	—	50	—	50
Long-term borrowings:								
2029 Dollar Term Loans	—	1,424	—	1,424	—	1,481	—	1,481
2027 Dollar Senior Notes	—	497	—	497	—	501	—	501
2029 Dollar Senior Notes	—	664	—	664	—	674	—	674
2031 Dollar Senior Notes	—	524	—	524	—	527	—	527

(1) Cash flow hedge

(2) Net investment hedge

The table below presents a roll forward of activity for the Level 3 liabilities for the three months ended March 31, 2026.

	Fair Value Using Significant Unobservable Inputs (Level 3)
Beginning balance at December 31, 2025	\$ 6
Contingent consideration from business acquisitions	2
Ending balance at March 31, 2026	\$ 8

Derivative Financial Instruments

We selectively use derivative instruments to reduce market risk associated with changes in foreign currency exchange rates and interest rates. The use of derivatives is intended for hedging purposes only, and we do not enter into derivative instruments for speculative purposes.

Derivative Instruments Qualifying and Designated as Cash Flow and Net Investment Hedges

The following table sets forth the locations and amounts recognized during the three months ended March 31, 2026 and 2025 for the Company's cash flow and net investment hedges.

Derivatives in Cash Flow and Net Investment Hedges	Location of (Gain) Loss Recognized in Income on Derivatives	Three Months Ended March 31,			
		2026		2025	
		Net Amount of Gain Recognized in OCI on Derivatives	Amount of Gain Recognized in Income	Net Amount of Loss Recognized in OCI on Derivatives	Amount of Gain Recognized in Income
Interest rate swaps	Interest expense, net	\$ (1)	\$ —	\$ —	\$ —
Cross-currency swaps	Interest expense, net	(34)	(4)	20	(5)

Over the next 12 months, we expect a gain of \$1 million pertaining to cash flow hedges to be reclassified from AOCI into earnings, related to our interest rate swaps.

Notes to Condensed Consolidated Financial Statements (Unaudited)
(In millions, unless otherwise noted)

Derivative Instruments Not Designated as Cash Flow or Net Investment Hedges

We periodically enter into foreign currency forward and option contracts to reduce market risk and hedge our balance sheet exposures and cash flows for subsidiaries with exposures denominated in currencies different from the functional currency of the relevant subsidiary. These contracts have not been designated as hedges and all gains and losses are marked to market through other expense, net in the condensed consolidated statements of operations.

Fair value gains and losses of derivative contracts, as determined using Level 2 inputs, that have not been designated for hedge accounting treatment are recorded in earnings as follows:

Derivatives Not Designated as Hedging Instruments under ASC 815	Location of Loss (Gain) Recognized in Income on Derivatives	Three Months Ended March 31,	
		2026	2025
Foreign currency forward contracts	Other expense, net	\$ 6	\$ (5)

(17) SEGMENTS

The Company identifies an operating segment as a component: (i) that engages in business activities from which it may earn revenues and incur expenses; (ii) whose operating results are regularly reviewed by the Chief Operating Decision Maker (“CODM”) to make decisions about resources to be allocated to the segment and assess its performance; and (iii) that has available discrete financial information.

We have two operating segments, which are also our reportable segments: Performance Coatings and Mobility Coatings. The CODM reviews financial information at the operating segment level to allocate resources and to assess the operating results and financial performance for each operating segment. Our CODM is identified as the Chief Executive Officer because he has final authority over performance assessment and resource allocation decisions. Our segments are based on the type and concentration of customers served, service requirements, methods of distribution and major product lines.

Through our Performance Coatings segment, we provide high-quality liquid and powder coatings solutions to both large regional and global customers and to a fragmented and local customer base. These customers comprise independent or multi-shop operator body shops as well as a wide variety of industrial manufacturers. We are one of only a few suppliers with the technology to provide precise color matching and highly durable coatings systems. The end-markets and reporting units within this segment are refinish and industrial.

Through our Mobility Coatings segment, we provide coatings technologies for light vehicle and commercial vehicle original equipment manufacturers (“OEMs”). These global customers are faced with evolving megatrends in electrification, sustainability, personalization and autonomous driving that require a high level of technical expertise. The OEMs require efficient, environmentally responsible coatings systems that can be applied with a high degree of precision, consistency and speed. The end-markets and reporting units within this segment are light vehicle and commercial vehicle.

Notes to Condensed Consolidated Financial Statements (Unaudited)
(In millions, unless otherwise noted)

Segment Adjusted EBITDA is the primary measure used by our CODM to evaluate financial performance of the operating segments and allocate resources and is therefore our measure of segment profitability in accordance with GAAP under ASC 280, *Segment Reporting*. Asset information is not reviewed or included with our internal management reporting. Therefore, we have not disclosed asset information for each reportable segment. The following tables present relevant information of our reportable segments.

	Three Months Ended March 31,	
	2026	2025
Net sales ⁽¹⁾ :		
Refinish	\$ 498	\$ 511
Industrial	304	311
Total Net sales Performance Coatings	802	822
Light Vehicle	349	340
Commercial Vehicle	103	100
Total Net sales Mobility Coatings	452	440
Total Net sales	\$ 1,254	\$ 1,262
Segment Adjusted EBITDA:		
Performance Coatings	180	197
Mobility Coatings	79	73
Total	\$ 259	\$ 270
	March 31, 2026	December 31, 2025
Investment in unconsolidated affiliates:		
Performance Coatings	\$ 2	\$ 2
Mobility Coatings	10	10
Total	\$ 12	\$ 12

(1) The Company has no intercompany sales between segments.

Notes to Condensed Consolidated Financial Statements (Unaudited)
(In millions, unless otherwise noted)

The following tables reconcile net sales to Segment Adjusted EBITDA for the periods presented:

	Three Months Ended March 31, 2026		
	Performance Coatings	Mobility Coatings	Total
Net sales	\$ 802	\$ 452	\$ 1,254
Segment cost of goods sold ⁽¹⁾	445	290	735
Other segment items ⁽²⁾	177	83	260
Segment Adjusted EBITDA	<u>\$ 180</u>	<u>\$ 79</u>	<u>\$ 259</u>

	Three Months Ended March 31, 2025		
	Performance Coatings	Mobility Coatings	Total
Net sales	\$ 822	\$ 440	\$ 1,262
Segment cost of goods sold ⁽¹⁾	440	288	728
Other segment items ⁽²⁾	185	79	264
Segment Adjusted EBITDA	<u>\$ 197</u>	<u>\$ 73</u>	<u>\$ 270</u>

(1) Certain amounts included in cost of goods sold on the consolidated statements of operations are excluded from Segment cost of goods sold regularly provided to the CODM.

(2) Other segment items for both segments include certain cost of goods sold not regularly provided to the CODM, selling, general and administrative expenses, other operating charges, research and development expenses, and other expense, net. Certain amounts included in Segment cost of goods sold, including depreciation, are excluded from Segment Adjusted EBITDA and are adjusted for in other segment items.

Notes to Condensed Consolidated Financial Statements (Unaudited)
(In millions, unless otherwise noted)

The following table reconciles Segment Adjusted EBITDA to income before income taxes for the periods presented:

	Three Months Ended March 31,	
	2026	2025
Segment Adjusted EBITDA ⁽¹⁾ :		
Performance Coatings	\$ 180	\$ 197
Mobility Coatings	79	73
Total	259	270
Interest expense, net	38	44
Depreciation and amortization	76	70
Termination benefits and other employee-related costs ^(a)	4	11
Merger and acquisition-related costs ^(b)	22	2
Site closure costs ^(c)	—	3
Foreign exchange remeasurement losses ^(d)	2	3
Long-term employee benefit plan adjustments ^(e)	4	3
Stock-based compensation ^(f)	7	5
Other adjustments ^(g)	1	—
Income before income taxes	<u>\$ 105</u>	<u>\$ 129</u>

(1) The primary measure of segment operating performance is Segment Adjusted EBITDA, which is defined as net income before interest, taxes, depreciation, amortization and select other items impacting operating results. These other items impacting operating results are items that management has concluded are (i) non-cash items included within net income, (ii) items the Company does not believe are indicative of ongoing operating performance or (iii) non-recurring, unusual or infrequent items that have not occurred within the last two years or the Company believes are not reasonably likely to recur within the next two years. Segment Adjusted EBITDA 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 the Company's core operating performance, which represents Segment EBITDA adjusted for the select items referred to above.

- (a) Represents expenses and associated changes to estimates related to employee termination benefits, consulting, legal and other employee-related costs associated with restructuring programs and other employee-related costs. We do not consider these amounts indicative of our ongoing operating performance.
- (b) Represents merger and acquisition-related expenses, including costs related to financial, tax and legal advisory services, associated with both consummated and unconsummated transactions, all of which we do not consider indicative of our ongoing operating performance.
- (c) Represents costs related to the closure of certain manufacturing sites, which we do not consider indicative of our ongoing operating performance.
- (d) Represents 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.
- (e) Represents the non-cash, non-service cost components of long-term employee benefit costs.
- (f) Represents non-cash impacts associated with stock-based compensation.
- (g) Represents costs for certain non-operational or non-cash losses, net, unrelated to our core business and which we do not consider indicative of our ongoing operating performance.

Notes to Condensed Consolidated Financial Statements (Unaudited)
(In millions, unless otherwise noted)

Geographic Area Information:

The following tables provide disaggregated information related to our net sales and long-lived assets.

Net sales by region were as follows:

	Three Months Ended March 31,			
	2026		2025	
North America	\$	400	\$	458
EMEA		488		446
Asia Pacific		212		215
Latin America ⁽¹⁾		154		143
Total ⁽²⁾	\$	1,254	\$	1,262

Net long-lived assets by region were as follows:

	March 31, 2026	December 31, 2025
North America	\$ 556	\$ 561
EMEA	416	420
Asia Pacific	185	185
Latin America ⁽¹⁾	136	133
Total ⁽³⁾	\$ 1,293	\$ 1,299

(1) Includes Mexico.

(2) Net sales are attributed to countries based on the customer's location. Net sales to customers in China represented approximately 11% and 12% of the total net sales for the three months ended March 31, 2026 and 2025, respectively. Germany represented approximately 8% and 7% of the total for the three months ended March 31, 2026 and 2025, respectively. Mexico represented approximately 6% of the total for the three months ended March 31, 2026 and 2025. Brazil represented approximately 5% and 4% of the total net sales for the three months ended March 31, 2026 and 2025, respectively. Canada, which is included in the North America region, represented approximately 3% and 4% of the total for the three months ended March 31, 2026 and 2025, respectively.

(3) Long-lived assets consist of property, plant and equipment, net. Germany long-lived assets amounted to approximately \$229 million and \$230 million at March 31, 2026 and December 31, 2025, respectively. China long-lived assets amounted to approximately \$157 million and \$156 million at March 31, 2026 and December 31, 2025, respectively. Mexico long-lived assets amounted to approximately \$94 million and \$92 million at March 31, 2026 and December 31, 2025, respectively. Canada long-lived assets, which are included in the North America region, amounted to approximately \$6 million at both March 31, 2026 and December 31, 2025.

(18) ACCUMULATED OTHER COMPREHENSIVE LOSS

	Unrealized Currency Translation Adjustments	Pension Plan Adjustments	Unrealized (Loss) Gain on Derivatives	Accumulated Other Comprehensive Loss
Balance, December 31, 2025	\$ (312)	\$ (71)	\$ —	\$ (383)
Current year deferrals to AOCI	(14)	—	1	(13)
Reclassifications from AOCI to Net income	(4)	1	—	(3)
Net Change	(18)	1	1	(16)
Balance, March 31, 2026	\$ (330)	\$ (70)	\$ 1	\$ (399)

The cumulative income tax expense related to the adjustments for foreign exchange at March 31, 2026 was \$1 million. The cumulative income tax benefit related to the adjustments for pension benefits at March 31, 2026 was \$29 million. The cumulative income tax expense related to the adjustments for the unrealized gain on derivatives at March 31, 2026 was immaterial. See Note 16 for classification within the condensed consolidated statements of operations of the gains and losses on derivatives reclassified from AOCI.

Notes to Condensed Consolidated Financial Statements (Unaudited)
(In millions, unless otherwise noted)

	Unrealized Currency Translation Adjustments	Pension Plan Adjustments	Unrealized Loss on Derivatives	Accumulated Other Comprehensive Loss
Balance, December 31, 2024	\$ (517)	\$ (64)	\$ (1)	\$ (582)
Current year deferrals to AOCI	66	—	—	66
Reclassifications from AOCI to Net income	(5)	1	—	(4)
Net Change	61	1	—	62
Balance, March 31, 2025	\$ (456)	\$ (63)	\$ (1)	\$ (520)

The cumulative income tax expense related to the adjustments for foreign exchange at March 31, 2025 was immaterial. The cumulative income tax benefit related to the adjustments for pension benefits at March 31, 2025 was \$27 million. The cumulative income tax expense related to the adjustments for the unrealized loss on derivatives at March 31, 2025 was immaterial. See Note 16 for classification within the condensed consolidated statements of operations of the gains and losses on derivatives reclassified from AOCI.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the interim unaudited condensed consolidated financial statements and the condensed notes thereto included elsewhere in this Quarterly Report on Form 10-Q, as well as the Company's Annual Report on Form 10-K for the year ended December 31, 2025.

FORWARD-LOOKING STATEMENTS

Many statements made in the following discussion and analysis of our financial condition and results of operations and elsewhere in this Quarterly Report on Form 10-Q that are not statements of historical fact, including statements about our beliefs and expectations, are “forward-looking statements” within the meaning of federal securities laws and should be evaluated as such. Forward-looking statements include information concerning possible or assumed future results of operations, including descriptions of our business plan, strategies and capital structure. These statements often include words such as “expect,” “expects,” “expected,” “believe,” “intended,” “estimate,” “estimated,” “designed to,” “likely,” “could,” “would,” “may,” “will,” “future” and “plans,” and the negative of these words or other comparable or similar terminology. We base these forward-looking statements or projections on our current expectations, plans and assumptions that we have made in light of our experience in the industry, as well as our perceptions of historical trends, current conditions, expected future developments and other factors we believe are appropriate under the circumstances and at such time. As you read and consider this Quarterly Report on Form 10-Q, you should understand that these statements are not guarantees of performance or results. The forward-looking statements and projections are subject to and involve risks and uncertainties, including, but not limited to, economic, competitive, governmental, including related to any new or existing tariffs imposed by the U.S. and any retaliatory actions from other countries, geopolitical (including the current conflict in the Middle East and related effects on commodity prices) and technological factors outside of our control, as well as risks related to the proposed Merger with AkzoNobel (including our ability to consummate the Merger and realize the anticipated benefits thereof), execution of, and assumptions underlying, our tariff mitigation strategies, capital allocation strategy and future share repurchases (if any), our previously-announced global transformation initiative (the “2024 Transformation Initiative”), and our previously-announced three-year 2024-2026 strategy, that may cause our business, industry, strategy, financing activities or actual results to differ materially. More information on potential factors that could affect our financial results is available in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2025 as well as “Risk Factors” in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2025 and in other documents that we have filed with, or furnished to, the U.S. Securities and Exchange Commission (the “SEC”), and you should not place undue reliance on these forward-looking statements or projections. Although we believe that these forward-looking statements and projections are based on reasonable assumptions at the time they are made, you should be aware that many factors, including, but not limited to, those described in “Risk Factors” in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2025, could affect our actual financial results or results of operations and could cause actual results to differ materially from those expressed in the forward-looking statements and projections.

These forward-looking statements should not be construed by you to be exhaustive and are made only as of the date of this Quarterly Report on Form 10-Q. We undertake 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.

We use our investor relations page at ir.axalta.com as a means of disclosing material information to the public in a broad, non-exclusionary manner for purposes of the SEC’s Regulation Fair Disclosure (or Reg. FD). Investors should routinely monitor that site, in addition to our press releases, SEC filings and public conference calls and webcasts, as information posted on that page could be deemed to be material information.

OVERVIEW

We are a leading global manufacturer, marketer and distributor of high-performance coatings systems and products. We have over a 150-year heritage in the coatings industry and are known for manufacturing high-quality products with well-recognized brands supported by market-leading technology and customer service. Our diverse global footprint of 42 manufacturing facilities, four technology centers, 50 customer training centers and approximately 12,300 team members allows us to meet the needs of customers in over 140 countries. We serve our customer base through an extensive sales force and technical support organization, as well as through over 5,000 independent, locally based distributors.

We operate our business in two operating segments, Performance Coatings and Mobility Coatings. Our segments are based on the type and concentration of customers served, service requirements, methods of distribution and major product lines.

Through our Performance Coatings segment, we provide high-quality sustainable liquid and powder coating solutions to both large regional and global customers and to a fragmented and local customer base. These customers comprise, among others, independent or multi-shop operator body shops as well as a wide variety of industrial manufacturers. We are one of only a few suppliers with the technology to provide precise color matching and highly durable coatings systems. The end-markets within this segment are refinish and industrial.

Through our Mobility Coatings segment, we provide coatings technologies for light vehicle and commercial vehicle OEMs. These global customers are faced with evolving megatrends in electrification, sustainability, personalization and autonomous driving that require a high level of technical expertise. The OEMs require efficient, environmentally responsible coatings systems that can be applied with a high degree of precision, consistency and speed. The end-markets within this segment are light vehicle and commercial vehicle.

BUSINESS HIGHLIGHTS

General Business Highlights

Our net sales decreased 0.6%, including a 5.7% benefit from favorable foreign currency translation, for the three months ended March 31, 2026 compared with the three months ended March 31, 2025. The decreased net sales were driven by lower sales volumes of 6.2%, furthered by lower average selling prices and unfavorable product mix of 1.1%, partially offset by contributions of 1.0% from acquisitions completed during 2025 and 2026 in the Performance Coatings segment (the “Recent Acquisitions”). The following trends impacted our segment net sales performance for the three months ended March 31, 2026:

- *Performance Coatings:* Net sales decreased 2.4% for the three months ended March 31, 2026 compared with the three months ended March 31, 2025. The decreased net sales were driven by lower sales volumes of 7.9%, furthered by lower average selling prices and unfavorable product mix of 1.8%, partially offset by contributions of 1.6% from the Recent Acquisitions and favorable foreign currency translation of 5.7% driven by fluctuations of the Euro and Mexican Peso, in each case compared to the U.S. Dollar.
- *Mobility Coatings:* Net sales increased 2.8% for the three months ended March 31, 2026 compared with the three months ended March 31, 2025. The increased net sales were driven by favorable foreign currency translation of 5.8% driven by fluctuations of the Euro, Mexican Peso, Chinese Yuan and Brazilian Real, in each case compared to the U.S. Dollar, and furthered by higher average selling prices and favorable product mix of 0.1%, partially offset by lower sales volumes of 3.1%.

Our business serves four end-markets globally with net sales for the three months ended March 31, 2026 and 2025, as follows:

(In millions)	Three Months Ended March 31,		2026 vs 2025
	2026	2025	% change
Performance Coatings			
Refinish	\$ 498	\$ 511	(2.7)%
Industrial	304	311	(2.0)%
Total Net sales Performance Coatings	802	822	(2.4)%
Mobility Coatings			
Light Vehicle	349	340	2.9 %
Commercial Vehicle	103	100	2.5 %
Total Net sales Mobility Coatings	452	440	2.8 %
Total Net sales	\$ 1,254	\$ 1,262	(0.6)%

Proposed Merger with Akzo Nobel N.V.

During November 2025, we entered into a Merger Agreement with AkzoNobel, providing for the combination of the Company and AkzoNobel in an all-stock merger. See Note 1 to the condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for additional information.

Middle East Conflict

The conflict in the Middle East within Iran has increased the level of economic and political uncertainty globally. While our operations in the Middle East region do not constitute a material portion of our business, a significant escalation or expansion of economic disruption, countries subject to sanctions or the conflict's current scope, or a prolonged continuation of the conflict's current scope, could have a material adverse effect on our results of operations, financial condition and cash flows. We are actively monitoring the broader global economic impact on commodities from the current conflict, including the price and supply of raw materials, transportation costs and utilities, among others.

Capital and Liquidity Highlights

During the three months ended March 31, 2026, we prepaid \$50 million of the outstanding principal amount of the 2029 Dollar Term Loans. See Note 15 to the unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for additional information.

FACTORS AFFECTING OUR OPERATING RESULTS

There have been no changes in the factors affecting our operating results previously disclosed under such heading in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2025.

RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the information contained in the accompanying unaudited condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q. Our historical results of operations summarized and analyzed below may not necessarily reflect what will occur in the future.

Net sales

	Three Months Ended March 31,		2026 vs 2025	
	2026	2025	\$ Change	% Change
Net sales	\$ 1,254	\$ 1,262	\$ (8)	(0.6)%
Volume effect				(6.2)%
Price/Mix effect				(1.1)%
Exchange rate effect				5.7 %
Impact of the Recent Acquisitions				1.0 %

Three months ended March 31, 2026 compared to the three months ended March 31, 2025

Net sales decreased primarily due to the following:

- Lower sales volumes driven primarily by North America Performance Coatings
- Lower average selling prices and unfavorable product mix primarily in Performance Coatings

Partially offset by:

- Favorable impacts of currency translation driven by fluctuations of the Euro, Mexican Peso, Chinese Yuan and Brazilian Real, in each case compared to the U.S. Dollar
- Contributions from the Recent Acquisitions

Cost of sales

	Three Months Ended March 31,		2026 vs 2025	
	2026	2025	\$ Change	% Change
Cost of sales	\$ 838	\$ 829	\$ 9	1.1 %
% of net sales	66.8 %	65.7 %		

Three months ended March 31, 2026 compared to the three months ended March 31, 2025

Cost of sales increased primarily due to the following:

- Unfavorable impacts of currency translation of 5.3% driven by fluctuations of the Euro, Mexican Peso, Chinese Yuan and Brazilian Real, in each case compared to the U.S. Dollar
- Contributions from the Recent Acquisitions
- Increased freight costs

Partially offset by:

- Lower sales volumes driven primarily by North America Performance Coatings
- Lower variable input costs

Cost of sales as a percentage of net sales increased primarily due to the following:

- Lower average selling prices and unfavorable product mix primarily in Performance Coatings
- Increased freight costs

Partially offset by:

- Lower variable input costs

Selling, general and administrative expenses

	Three Months Ended March 31,		2026 vs 2025	
	2026	2025	\$ Change	% Change
Selling, general and administrative expenses	\$ 200	\$ 202	\$ (2)	(1.0)%

Three months ended March 31, 2026 compared to the three months ended March 31, 2025

Selling, general and administrative expenses decreased primarily due to the following:

- Lower operating expenses, inclusive of contributions from savings initiatives

Partially offset by:

- Unfavorable impacts of currency translation of 5.4% due primarily to fluctuations of the Euro, Mexican Peso and Chinese Yuan, in each case compared to the U.S. Dollar
- Contributions from the recent acquisitions

Other operating charges

	Three Months Ended March 31,		2026 vs 2025	
	2026	2025	\$ Change	% Change
Other operating charges	\$ 26	\$ 14	\$ 12	85.7 %

Three months ended March 31, 2026 compared to the three months ended March 31, 2025

Other operating charges increased primarily due to the following:

- Increase of \$20 million in merger and acquisition-related costs, primarily driven by the Merger with AkzoNobel

Partially offset by:

- Decrease of \$7 million in termination benefits and other employee-related costs primarily as a result of significantly higher costs associated with the 2024 Transformation Initiative in the prior year period

Research and development expenses

	Three Months Ended March 31,		2026 vs 2025	
	2026	2025	\$ Change	% Change
Research and development expenses	\$ 18	\$ 17	\$ 1	5.9 %

Three months ended March 31, 2026 compared to the three months ended March 31, 2025

- Research and development expenses remained generally consistent and impacts of currency translation were immaterial compared to the prior year period

Amortization of acquired intangibles

	Three Months Ended March 31,		2026 vs 2025	
	2026	2025	\$ Change	% Change
Amortization of acquired intangibles	\$ 26	\$ 24	\$ 2	8.3 %

Three months ended March 31, 2026 compared to the three months ended March 31, 2025

Amortization of acquired intangibles increased primarily due to the following:

- Increased amortization of \$1 million associated with assets acquired in the past 12 months
- Unfavorable impacts of currency translation of 4.2% due primarily to fluctuations of the Euro, compared to the U.S. Dollar

Interest expense, net

	Three Months Ended March 31,		2026 vs 2025	
	2026	2025	\$ Change	% Change
Interest expense, net	\$ 38	\$ 44	\$ (6)	(13.6)%

Three months ended March 31, 2026 compared to the three months ended March 31, 2025

Interest expense, net decreased primarily due to the following:

- Favorable impact attributable to lower principal and decreased variable interest rate on our 2029 Dollar Term Loans

Other expense, net

	Three Months Ended March 31,		2026 vs 2025	
	2026	2025	\$ Change	% Change
Other expense, net	\$ 3	\$ 3	\$ —	—%

Three months ended March 31, 2026 compared to the three months ended March 31, 2025

- Other expense, net remained generally consistent and impacts of currency translation were immaterial when compared to the prior year period.

Provision for income taxes

	Three Months Ended March 31,	
	2026	2025
Income before income taxes	\$ 105	\$ 129
Provision for income taxes	14	30
Statutory income tax rate	15.0 %	15.0 %
Effective tax rate	13.7 %	23.0 %
Effective tax rate vs. statutory income tax rate	(1.3)%	8.0 %

Items impacting the effective tax rate vs. statutory income tax rate	(Favorable) Unfavorable Impact Three Months Ended March 31,	
	2026	2025
	Earnings generated in jurisdictions where the income tax rate is different from the statutory rate ⁽¹⁾	\$ 3
Changes in valuation allowance ⁽²⁾	4	8
Foreign exchange losses, net	(2)	(1)
Non-deductible expenses and interest	7	1
Changes in unrecognized tax benefits ⁽³⁾	(14)	(1)

(1) For the three months ended March 31, 2026, earnings generated in jurisdictions where the statutory rate is different from the Bermuda rate is primarily related to earnings in Brazil, Germany, and the United States. For the three months ended March 31, 2025, earnings generated in jurisdictions where the statutory rate is different from the Bermuda statutory tax rate is primarily related to earnings in the United States and Switzerland.

(2) Changes in valuation allowance primarily relate to operations in Luxembourg, the Netherlands, and the United Kingdom.

(3) During the three months ended March 31, 2026, the Company recorded a tax benefit of \$15 million related to the release of unrecognized tax benefits resulting from ongoing discussions with tax authorities in jurisdictions where we have open audits.

SEGMENT RESULTS

The Company's products and operations are managed and reported in two operating segments: Performance Coatings and Mobility Coatings. See Note 17 to the unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for additional information.

Performance Coatings Segment

	Three Months Ended March 31,		2026 vs 2025	
	2026	2025	\$ Change	% Change
Net sales	\$ 802	\$ 822	\$ (20)	(2.4)%
Volume effect				(7.9)%
Price/Mix effect				(1.8)%
Exchange rate effect				5.7 %
Impact of the Recent Acquisitions				1.6 %
Adjusted EBITDA	\$ 180	\$ 197	\$ (17)	(9.3)%
Adjusted EBITDA Margin	22.4 %	24.1 %		

Three months ended March 31, 2026 compared to the three months ended March 31, 2025

Net sales decreased primarily due to the following:

- Lower sales volumes across both end-markets due primarily to unfavorable macro trends in North America
- Lower average selling prices and product mix in the refinish end-market

Partially offset by:

- Favorable impacts of currency translation due primarily to fluctuations of the Euro and Mexican Peso, in each case, compared to the U.S. Dollar
- Contributions from the Recent Acquisitions

Adjusted EBITDA and Adjusted EBITDA margin decreased primarily due to the following:

- Lower sales volumes across both end-markets due primarily to unfavorable macro trends in North America
- Lower average selling prices and product mix in the refinish end-market

Partially offset by:

- Favorable impacts of currency translation due primarily to fluctuations of the Euro, Mexican Peso and Swiss Franc, in each case, compared with the U.S. Dollar
- Contributions from the Recent Acquisitions
- Lower operating expenses, inclusive of contributions from savings initiatives
- Lower variable input costs

Mobility Coatings Segment

	Three Months Ended March 31,		2026 vs 2025	
	2026	2025	\$ Change	% Change
Net sales	\$ 452	\$ 440	\$ 12	2.8 %
Exchange rate effect				5.8 %
Price/Mix effect				0.1 %
Volume effect				(3.1)%
Adjusted EBITDA	\$ 79	\$ 73	\$ 6	9.0 %
Adjusted EBITDA Margin	17.5 %	16.5 %		

Three months ended March 31, 2026 compared to the three months ended March 31, 2025

Net sales increased primarily due to the following:

- Favorable impacts of currency translation driven by fluctuations of the Euro, Mexican Peso, Chinese Yuan and Brazilian Real, in each case compared to the U.S. Dollar

Partially offset by:

- Lower sales volumes across both end-markets

Adjusted EBITDA and Adjusted EBITDA margin increased primarily due to the following:

- Lower variable input costs
- Favorable impacts of currency translation driven by fluctuations of the Euro, Mexican Peso, Chinese Yuan and Brazilian Real, in each case compared to the U.S. Dollar
- Lower operating expenses, inclusive of contributions from cost savings initiatives

Partially offset by:

- Lower sales volumes across both end-markets

LIQUIDITY AND CAPITAL RESOURCES

Our primary sources of liquidity are cash on hand, net cash provided by operating activities and available borrowing capacity under our Senior Secured Credit Facilities.

At March 31, 2026, availability under the Revolving Credit Facility was \$770 million, net of \$30 million of letters of credit outstanding. All such availability may be utilized without violating any covenants under the Credit Agreement or the indentures governing our senior notes (the “Senior Notes”). Our remaining available borrowing capacity under other lines of credit in certain non-U.S. jurisdictions totaled \$63 million at March 31, 2026.

We, or our affiliates, at any time and from time to time, may purchase shares of our common stock or the Senior Notes, and may prepay our 2029 Dollar Term Loans or other indebtedness. Any such purchases of our common stock or Senior Notes may be made through the open market or privately negotiated transactions with third parties or pursuant to one or more redemptions, tender or exchange offers or otherwise, upon such terms and at such prices, as well as with such consideration, as we, or any of our affiliates, may determine. Our 2027 Dollar Senior Notes have a principal amount of \$500 million, bear interest at 4.750% and are due on June 15, 2027. Considering current market interest rates and the proposed merger with AkzoNobel, we may intentionally not repay or refinance these Senior Notes prior to June 15, 2026 which would require these 2027 Dollar Senior Notes to be classified as current liabilities on our condensed consolidated balance sheets beginning with the period ending June 30, 2026. Regardless of this decision, we expect to repay or refinance the 2027 Dollar Senior Notes prior to or on their maturity date.

We have various supplier finance programs in place around the world. We partner with large banking institutions and utilize these programs to enhance our liquidity profile. Depending on the program, the liabilities under the program are classified either as accounts payable or current portion of borrowings on our unaudited condensed consolidated balance sheets. Our supplier finance programs are more fully described in Note 14 to the unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

Cash Flows

(In millions)	Three Months Ended March 31,	
	2026	2025
Net cash provided by (used for):		
Operating activities:		
Net income	\$ 91	\$ 99
Depreciation and amortization	76	70
Amortization of deferred financing costs and original issue discount	2	2
Deferred income taxes	11	8
Realized and unrealized foreign exchange (gains) losses, net	(4)	8
Stock-based compensation	7	5
Interest income on swaps designated as net investment hedges	(3)	(3)
Other non-cash, net	2	(1)
Net income adjusted for non-cash items	182	188
Changes in operating assets and liabilities	(114)	(162)
Operating activities	68	26
Investing activities	(53)	(44)
Financing activities	(61)	(8)
Effect of exchange rate changes on cash	(3)	8
Net decrease in cash	\$ (49)	\$ (18)

Three months ended March 31, 2026
Net Cash Provided by Operating Activities

Net cash provided by operating activities for the three months ended March 31, 2026 was \$68 million. Net income before deducting depreciation, amortization and other non-cash items generated cash of \$182 million. This was partially offset by changes in operating assets and liabilities of \$114 million, for which the most significant drivers were decreases in other accrued liabilities of \$96 million as well as increases in accounts and notes receivable, prepaid expenses and other assets and inventories of \$32 million, \$27 million and \$20 million, respectively. These outflows were driven primarily by seasonal cash payments for variable incentive compensation, payments of BIPs and rebates, timing of collections from customers and decreased sales volumes. These outflows were partially offset by increases in accounts payable of \$90 million driven by the timing of payments to vendors.

Net Cash Used for Investing Activities

Net cash used for investing activities for the three months ended March 31, 2026 was \$53 million. The primary uses were for purchases of property, plant and equipment of \$50 million and business acquisitions of \$8 million, partially offset by \$4 million of payments received on customer loans and \$3 million from interest proceeds from swaps designated as net investment hedges, which are discussed further in Note 16 to the unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

Net Cash Used for Financing Activities

Net cash used for financing activities for the three months ended March 31, 2026 was \$61 million. The primary use was for prepayments of \$50 million of the outstanding principal amount of the 2029 Dollar Term Loans, cash outflows of \$6 million primarily due to stock-based compensation withholding tax settlements and contractual debt repayments of \$5 million.

Other Impacts on Cash

Currency exchange impacts on cash for the three months ended March 31, 2026 were unfavorable by \$3 million, which was driven primarily by fluctuations of the Euro and Indian Rupee, partially offset by fluctuations in the Brazilian Real, in each case compared to the U.S. Dollar.

Three months ended March 31, 2025

Net Cash Provided by Operating Activities

Net cash provided by operating activities for the three months ended March 31, 2025 was \$26 million. Net income before deducting depreciation, amortization and other non-cash items generated cash of \$188 million. This was partially offset by changes in operating assets and liabilities of \$162 million, for which the most significant drivers were decreases in other accrued liabilities of \$106 million, as well as increases in prepaid expenses and other assets, inventories and accounts and notes receivable of \$59 million, \$37 million and \$18 million, respectively. These outflows were driven primarily by seasonal cash payments for variable incentive compensation, payments of BIPs and rebates, increased production and timing of collections from customers. These outflows were partially offset by increases in accounts payable of \$66 million driven by the timing of payments to vendors.

Net Cash Used for Investing Activities

Net cash used for investing activities for the three months ended March 31, 2025 was \$44 million. The primary uses were for purchases of property, plant and equipment of \$43 million and a business acquisition of \$6 million, partially offset by proceeds of \$3 million from interest proceeds from swaps designated as net investment hedges.

Net Cash Used for Financing Activities

Net cash used for financing activities for the three months ended March 31, 2025 was \$8 million. The primary use was for contractual debt repayments of \$5 million.

Other Impacts on Cash

Currency exchange impacts on cash for the three months ended March 31, 2025 were favorable by \$8 million, which was driven primarily by the fluctuations of the Euro and Brazilian Real, in each case compared to the U.S. Dollar.

Financial Condition

We had cash and cash equivalents at March 31, 2026 and December 31, 2025 of \$608 million and \$657 million, respectively. Of these balances, \$489 million and \$555 million were maintained in non-U.S. jurisdictions as of March 31, 2026 and December 31, 2025, respectively. We believe at this time our organizational structure allows us the necessary flexibility to move funds throughout our subsidiaries to meet our operational and working capital needs.

Our business may not generate sufficient cash flow from operations and future borrowings may not be available under our Senior Secured Credit Facilities in an amount sufficient to enable us to pay our indebtedness, or to fund our other liquidity needs, including planned capital expenditures. In such circumstances, we may need to refinance all or a portion of our indebtedness on or before maturity. We may not be able to refinance any of our indebtedness on commercially reasonable terms or at all. If we cannot service our indebtedness, we may have to take actions such as selling assets, selling additional equity or reducing or delaying capital expenditures, strategic acquisitions, investments and alliances. Our primary sources of liquidity are cash on hand, cash flow from operations and available borrowing capacity under our Senior Secured Credit Facilities. Based on our forecasts, we believe that cash flow from operations, available cash on hand and available borrowing capacity under our Senior Secured Credit Facilities and other existing lines of credit will be adequate to service debt, fund our cost saving initiatives, meet liquidity needs and fund necessary capital expenditures for the next twelve months.

Our ability to make scheduled or pre-payments of principal or interest on, or to refinance, our indebtedness or to fund working capital requirements, capital expenditures and other current obligations will depend on our ability to generate cash from operations and is subject to restrictions in the Merger Agreement. Such cash generation is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control.

If required, our ability to raise additional financing and our borrowing costs may be impacted by short and long-term debt ratings assigned by independent rating agencies, which are based, in significant part, on our performance as measured by certain credit metrics such as interest coverage and leverage ratios. Our highly leveraged nature may limit our ability to procure additional financing in the future and elevated interest rate environments may increase our interest expense and weaken our financial condition.

Our indebtedness, including the Senior Secured Credit Facilities, Senior Notes and short-term borrowings, is more fully described in Note 15 to the unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q and in Note 18 to the audited consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2025.

We believe that we continue to maintain sufficient liquidity to meet our cash requirements, including our debt service obligations as well as our working capital needs. Availability under the Revolving Credit Facility was \$770 million at both March 31, 2026 and December 31, 2025, all of which may be borrowed by us without violating any covenants under the Credit Agreement or the indentures governing the Senior Notes.

Contractual Obligations

Information related to our material contractual obligations and cash requirements can be found in Note 6 and Note 18 to the audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2025. There have been no material changes in the Company's contractual obligations and cash requirements as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2025.

Off-Balance Sheet Arrangements

See Note 5 to the unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for disclosure of our guarantees of certain customers' obligations to third parties.

Recent Accounting Guidance

See Note 1 to the unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for a summary of recent accounting guidance.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

An accounting policy is deemed to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made, and if different estimates that reasonably could have been used, or changes in the accounting estimates that are reasonably likely to occur periodically, could materially impact the financial statements. The preparation of our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q requires us to make estimates and judgments that affect the amounts reported in the financial statements. We base our estimates and judgments on historical experiences and assumptions believed to be reasonable under the circumstances and re-evaluate them on an ongoing basis. Actual results could differ from our estimates under different assumptions or conditions. There have been no material changes to our critical accounting policies and estimates previously disclosed under "Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Policies and Estimates" in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2025.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in the market risks previously disclosed in Part II, Item 7A of the Company's Annual Report on Form 10-K for the year ended December 31, 2025.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of disclosure controls and procedures

As required by Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934 (the "Exchange Act"), the Company carried out an evaluation, under the supervision and with the participation of management, including its Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures. No matter how well designed and operated, disclosure controls and procedures can provide only reasonable, rather than absolute, assurance of achieving the desired control objectives. Based on the foregoing, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of March 31, 2026.

Changes in internal control over financial reporting

There were no changes in the Company's internal control over financial reporting that occurred during the three months ended March 31, 2026 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are from time to time party to legal proceedings that arise in the ordinary course of business. We are not involved in any litigation other than that which has arisen in the ordinary course of business. We do not expect that any currently pending lawsuits will have a material adverse effect on us as discussed in Note 5 to the unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

SEC regulations require disclosure of certain environmental matters when a governmental authority is a party to the proceedings and such proceedings involve potential monetary sanctions that the Company reasonably believes will exceed a specified threshold. Consistent with SEC rules, we use a threshold of \$1 million for such proceedings. At this time, the Company is not aware of any matters that exceed this threshold and that meet the other conditions for disclosure pursuant to this requirement.

ITEM 1A. RISK FACTORS

There have been no material changes in our risk factors from those previously disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2025.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

(a) None.

(b) None.

(c) During the three months ended March 31, 2026, no director or “officer” of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408 of Regulation S-K.

ITEM 6. EXHIBITS

EXHIBIT NO.	DESCRIPTION OF EXHIBITS
10.1 [^]	Form of Restricted Stock Unit Award Agreement for U.S. Employees
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1 [†]	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2 [†]	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101	INS - Inline XBRL Instance Document. The document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document
101	SCH - Inline XBRL Taxonomy Extension Schema Document
101	CAL - Inline XBRL Taxonomy Extension Calculation Linkbase Document
101	DEF - Inline XBRL Taxonomy Extension Definition Linkbase Document
101	LAB - Inline XBRL Taxonomy Extension Label Linkbase Document
101	PRE - Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)
[^]	Denotes management contract or compensatory plan or arrangement.
[†]	This certificate is being furnished solely to accompany the report pursuant to 18 U.S.C. Section 1350 and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

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 duly authorized.

AXALTA COATING SYSTEMS LTD.

Date: April 30, 2026

By: /s/ Chris Villavarayan
Chris Villavarayan
Chief Executive Officer and President
(Principal Executive Officer)

Date: April 30, 2026

By: /s/ Carl D. Anderson II
Carl D. Anderson II
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

Date: April 30, 2026

By: /s/ Anthony Massey
Anthony Massey
Vice President, Finance and Chief Accounting Officer
(Principal Accounting Officer)

EXHIBIT A
TO RESTRICTED STOCK UNIT GRANT NOTICE
RESTRICTED STOCK UNIT AGREEMENT

Pursuant to the Grant Notice to which this Agreement is attached, the Company has granted to Participant the number of RSUs set forth in the Grant Notice.

ARTICLE I.

GENERAL

1.1 Defined Terms. Capitalized terms not specifically defined herein shall have the meanings specified in the Plan or the Grant Notice.

1.2 Incorporation of Terms of Plan. The RSUs and the shares of Common Stock (“Shares”) issued to Participant hereunder are subject to the terms and conditions set forth in this Agreement and the Plan, which is incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control, except with respect to the definition of Change in Control as defined in this Agreement.

ARTICLE II.

AWARD OF RESTRICTED STOCK UNITS AND DIVIDEND EQUIVALENTS

2.1 Award of RSUs and Dividend Equivalents.

(a) In consideration of Participant’s past and/or continued employment with or service to the Company or a Subsidiary and for other good and valuable consideration, effective as of the grant date set forth in the Grant Notice (the “Grant Date”), the Company has granted to Participant the number of RSUs set forth in the Grant Notice, upon the terms and conditions set forth in the Grant Notice, the Plan and this Agreement, subject to adjustment as provided in Section 13.2 of the Plan. Each RSU represents the right to receive one Share or, at the option of the Company, an amount of cash as set forth in Section 2.3(b), in either case, at the times and subject to the conditions set forth herein. However, unless and until the RSUs have vested, Participant will have no right to the payment of any Shares subject thereto. Prior to the actual delivery of any Shares, the RSUs will represent an unsecured obligation of the Company, payable only from the general assets of the Company.

(b) The Company hereby grants to Participant an Award of Dividend Equivalents with respect to each RSU granted pursuant to the Grant Notice for all ordinary cash dividends which are paid to all or substantially all holders of the outstanding Shares between the Grant Date and the date when the applicable RSU is distributed or paid to Participant or is forfeited or expires. The Dividend Equivalents for each RSU shall be equal to the amount of cash which is paid as a dividend on one share of Common Stock. All such Dividend Equivalents shall be credited to Participant and paid in cash at the same time as the distribution or payment is made of the RSU to which such Dividend Equivalent relates in accordance with Section 2.3 below. Any Dividend Equivalents that relate to RSUs that are forfeited shall likewise be forfeited without consideration.

2.2 Vesting of RSUs and Dividend Equivalents.

(a) Subject to Participant’s continued employment with or service to the Company or a Subsidiary on each applicable vesting date and subject to the terms of this Agreement, the RSUs shall vest as follows: three equal installments occurring on the first, second and third anniversaries of the Grant Date. Each additional RSU which results from deemed reinvestments of Dividend Equivalents pursuant to Section 2.1(b) hereof shall vest whenever the underlying RSU to which such additional RSU relates

vests. In the event of Participant's Termination of Service (i) by the Company without Cause within two (2) years after a Change in Control (subject to Section 2.2(c)), (ii) by the Company by reason of Participant's Disability or (iii) by reason of death, any unvested RSUs shall immediately vest in full and be settled; provided, that if Participant is party to a severance or employment agreement with the Company or any of its affiliates or is a participant in a severance policy of the Company or any of its affiliates, in either case, that provides greater vesting protection to Participant, the RSUs shall be treated in accordance with the applicable terms of such agreement or policy.

(b) In the event Participant incurs a Termination of Service, except as may be otherwise provided by the Administrator or as set forth in a written agreement between Participant and the Company, Participant shall immediately forfeit any and all RSUs and Dividend Equivalents granted under this Agreement which have not vested or do not vest on or prior to the date on which such Termination of Service occurs, and Participant's rights in any such RSUs and Dividend Equivalents which are not so vested shall lapse and expire.

(c) As a condition to any accelerated vesting of the RSUs due to Participant's Termination of Service by the Company without Cause within two (2) years after a Change in Control as set forth in Section 2.2(a), Participant shall, within the thirty (30) day period following the date of Participant's Termination of Service, execute and not revoke a general release of all claims, including all known and unknown and current and potential claims, in favor of the Company and its affiliates in either (A) a form provided to Participant by the Company or (B) if Participant is party to a severance or employment agreement with the Company or any of its affiliates or is a participant in a severance policy of the Company or any of its affiliates, the form of release of claims applicable to Participant under such agreement or policy.

2.3 Distribution or Payment of RSUs.

(a) Participant's RSUs shall be distributed in Shares (either in book-entry form or otherwise) or, at the option of the Company, paid in an amount of cash as set forth in Section 2.3(b), in either case, as soon as administratively practicable following the vesting of the applicable RSU pursuant to Section 2.2, and, in any event, within sixty (60) days following such vesting. Notwithstanding the foregoing, the Company may delay a distribution or payment in settlement of RSUs if it reasonably determines that such payment or distribution will violate federal securities laws or any other Applicable Law, *provided* that such distribution or payment shall be made at the earliest date at which the Company reasonably determines that the making of such distribution or payment will not cause such violation, as required by Treasury Regulation Section 1.409A-2(b)(7)(ii), and *provided further* that no payment or distribution shall be delayed under this Section 2.3(a) if such delay will result in a violation of Section 409A of the Code.

(b) In the event that the Company elects to make payment of Participant's RSUs in cash, the amount of cash payable with respect to each RSU shall be equal to the Fair Market Value of a Share on the day immediately preceding the applicable distribution or payment date set forth in Section 2.3(a). All distributions made in Shares shall be made by the Company in the form of whole Shares, and any fractional share shall be distributed in cash in an amount equal to the value of such fractional share determined based on the Fair Market Value as of the date immediately preceding the date of such distribution.

2.4 Conditions to Issuance of Certificates. The Company shall not be required to issue or deliver any certificate or certificates for any Shares prior to the fulfillment of all of the following conditions: (A) the admission of the Shares to listing on all stock exchanges on which such Shares are then listed, (B) the completion of any registration or other qualification of the Shares under any state or federal law or under rulings or regulations of the Securities and Exchange Commission or other governmental regulatory body, which the Administrator shall, in its absolute discretion, deem necessary or advisable, (C) the obtaining of any approval or other clearance from any state or federal governmental agency that the Administrator shall, in its absolute discretion, determine to be necessary or advisable, and (D) the receipt of full payment of any applicable withholding tax in accordance with Section 2.5 by the Company or its Subsidiary with respect to which the applicable withholding obligation arises.

2.5 Tax Withholding. Notwithstanding any other provision of this Agreement:

(a) Participant shall be required to remit to the Company or the applicable Subsidiary, an amount sufficient to satisfy applicable federal, state, local and foreign taxes (including the employee portion of any FICA obligation) required by law to be withheld with respect to any taxable event arising pursuant to this Agreement. Unless Participant makes an advance election pursuant to this Section 2.5(a), the Company shall instruct any brokerage firm determined acceptable to the Company for such purpose to sell on Participant's behalf a whole number of shares from those Shares then issuable to Participant pursuant to the RSUs as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy the tax withholding obligation and to remit the proceeds of such sale to the Company or the Subsidiary with respect to which the withholding obligation arises. Participant's acceptance of this Award constitutes Participant's instruction and authorization to the Company and such brokerage firm to complete the transactions described in this Section 2.5(a), including the transactions described in the previous sentence, as applicable. Alternatively, Participant may elect to satisfy such tax withholding obligations in one or more of the forms specified below, provided such election is made in accordance with any advance notice requirements that the Company may establish for this purpose:

(i) by cash or check made payable to the Company or the Subsidiary with respect to which the withholding obligation arises;

(ii) with respect to any withholding taxes arising in connection with the distribution of the RSUs, unless otherwise determined by the Administrator, by requesting that the Company and its Subsidiaries withhold a net number of vested Shares otherwise issuable pursuant to the RSUs having a then current Fair Market Value not exceeding the amount necessary to satisfy the withholding obligation of the Company and its Subsidiaries based on the minimum applicable statutory withholding rates for federal, state, local and foreign income tax and payroll tax purposes (or, if the Administrator determines that it would be consistent with Applicable Law and would not result in adverse accounting consequences, such greater amount as the Administrator may designate, up to the maximum statutory withholding rate);

(iii) with respect to any withholding taxes arising in connection with the distribution of the RSUs, unless otherwise determined by the Administrator, by tendering to the Company vested Shares having a then current Fair Market Value not exceeding the amount necessary to satisfy the withholding obligation of the Company and its Subsidiaries based on the minimum applicable statutory withholding rates for federal, state, local and foreign income tax and payroll tax purposes (or, if the Administrator determines that it would be consistent with Applicable Law and would not result in adverse accounting consequences, such greater amount as the Administrator may designate, up to the maximum statutory withholding rate); or

(iv) in any combination of the foregoing.

(b) With respect to any withholding taxes arising in connection with the RSUs, in the event Participant fails to provide timely payment of all sums required pursuant to Section 2.5(a), the Company shall have the right and option, but not the obligation, to (i) deduct such amounts from other compensation payable to Participant and/or (ii) treat such failure as an election by Participant to satisfy all or any portion of Participant's required payment obligation pursuant to Section 2.5(a) above. The Company shall not be obligated to deliver any certificate representing Shares issuable with respect to the RSUs to Participant or his or her legal representative unless and until Participant or his or her legal representative shall have paid or otherwise satisfied in full the amount of all federal, state, local and foreign taxes applicable with respect to the taxable income of Participant resulting from the vesting or settlement of the RSUs or any other taxable event related to the RSUs. The Company may refuse to issue any Shares in settlement of the RSUs to Participant until the foregoing tax withholding obligations are satisfied, *provided* that no payment shall be delayed under this Section 2.5 if such delay will result in a violation of Section 409A of the Code.

(c) Participant is ultimately liable and responsible for all taxes owed in connection with the RSUs, regardless of any action the Company or any Subsidiary takes with respect to any tax withholding obligations that arise in connection with the RSUs. Neither the Company nor any Subsidiary

makes any representation or undertaking regarding the treatment of any tax withholding in connection with the awarding, vesting or payment of the RSUs or the subsequent sale of Shares. The Company and the Subsidiaries do not commit and are under no obligation to structure the RSUs to reduce or eliminate Participant's tax liability.

2.6 Rights as Shareholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a shareholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares (which may be in book-entry form) will have been issued and recorded on the records of the Company or its transfer agents or registrars, and delivered to Participant (including through electronic delivery to a brokerage account). Except as otherwise provided herein, after such issuance, recordation and delivery, Participant will have all the rights of a shareholder of the Company with respect to such Shares, including, without limitation, the right to receipt of dividends and distributions on such Shares.

ARTICLE III. OTHER PROVISIONS

3.1 Administration. The Administrator shall have the exclusive power to interpret the Plan, the Grant Notice and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan, the Grant Notice and this Agreement as are consistent therewith and to interpret, amend or revoke any such rules. All actions taken and all interpretations and determinations made by the Administrator will be final and binding upon Participant, the Company and all other interested persons. To the extent allowable pursuant to Applicable Law, no member of the Committee or the Board will be personally liable for any action, determination or interpretation made with respect to the Plan, the Grant Notice or this Agreement.

3.2 RSUs Not Transferable. The RSUs may not be sold, pledged, assigned or transferred in any manner other than by will or the laws of descent and distribution, unless and until the Shares underlying the RSUs have been issued, and all restrictions applicable to such Shares have lapsed. No RSUs or any interest or right therein or part thereof shall be liable for the debts, contracts or engagements of Participant or his or her successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect, except to the extent that such disposition is permitted by the preceding sentence.

3.3 Adjustments. The Administrator may accelerate the vesting of all or a portion of the RSUs in such circumstances as it, in its sole discretion, may determine. Participant acknowledges that the RSUs and the Shares subject to the RSUs are subject to adjustment, modification and termination in certain events as provided in this Agreement and the Plan, including Section 13.2 of the Plan.

3.4 Notices. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of the Chief Human Resources Officer of the Company at the Company's principal office, and any notice to be given to Participant shall be addressed to Participant at Participant's last address reflected on the Company's records. By a notice given pursuant to this Section 3.4, either party may hereafter designate a different address for notices to be given to that party. Any notice shall be deemed duly given when sent via email (if to Participant) or when sent by certified mail (return receipt requested) and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

3.5 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

3.6 Governing Law. The laws of the State of Delaware shall govern the interpretation, validity, administration, enforcement and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws.

3.7 Conformity to Securities Laws. Participant acknowledges that the Plan, the Grant Notice and this Agreement are intended to conform to the extent necessary with all Applicable Laws, including, without limitation, the provisions of the Securities Act and the Exchange Act, and any and all regulations and rules promulgated thereunder by the Securities and Exchange Commission, and state securities laws and regulations. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the RSUs are granted, only in such a manner as to conform to Applicable Law. To the extent permitted by Applicable Law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to Applicable Law.

3.8 Amendment, Suspension and Termination. To the extent permitted by the Plan, this Agreement may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Administrator or the Board, *provided* that, except as may otherwise be provided by the Plan, no amendment, modification, suspension or termination of this Agreement shall adversely affect the RSUs in any material way without the prior written consent of Participant.

3.9 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in Section 3.2 and the Plan, this Agreement shall be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

3.10 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if Participant is subject to Section 16 of the Exchange Act, the Plan, the RSUs (including RSUs which result from the deemed reinvestment of Dividend Equivalents), the Dividend Equivalents, the Grant Notice and this Agreement shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by Applicable Law, this Agreement shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

3.11 Not a Contract of Employment. Nothing in this Agreement or in the Plan shall confer upon Participant any right to continue to serve as an employee or other service provider of the Company or any Subsidiary or shall interfere with or restrict in any way the rights of the Company and its Subsidiaries, which rights are hereby expressly reserved, to discharge or terminate the services of Participant at any time for any reason whatsoever, with or without cause, except to the extent expressly provided otherwise in a written agreement between the Company or a Subsidiary and Participant.

3.12 Entire Agreement. The Plan, the Grant Notice and this Agreement (including any exhibit or appendix hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof; provided, however, that (i) if Participant is party to a severance or employment agreement with the Company or any of its affiliates or is a participant in a severance policy of the Company or any of its affiliates, in either case, that provides greater vesting protection to Participant, then the RSUs shall be treated in accordance with the applicable terms of such agreement or policy; and (ii) if Participant is party to the Company's Executive Restrictive Covenant and Severance Agreement or other severance, non-compete, employment or similar agreement with the Company or any of its affiliates that includes the same or similar restrictive covenants as those in Appendix 1, then Appendix 1 shall not apply to Participant. For the avoidance of doubt, the Company's Restrictive Covenant and Severance Policy (as may be amended, restated, or otherwise modified from time to time) and any Participation Agreement entered into by Participant in connection with the Company's Restrictive Covenant and Severance Policy do not constitute agreements with the same or similar covenants as Appendix 1.

3.13 Section 409A. This Award is not intended to constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code (together with any Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the date hereof, "Section 409A"). However, notwithstanding any other provision of the Plan, the Grant Notice or this Agreement, if at any time the Administrator determines that this Award (or any portion thereof) may be subject to Section 409A, the

Administrator shall have the right in its sole discretion (without any obligation to do so or to indemnify Participant or any other person for failure to do so) to adopt such amendments to the Plan, the Grant Notice or this Agreement, or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, as the Administrator determines are necessary or appropriate for this Award either to be exempt from the application of Section 409A or to comply with the requirements of Section 409A.

3.14 Agreement Severable. In the event that any provision of the Grant Notice or this Agreement is held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of the Grant Notice or this Agreement.

3.15 Limitation on Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and shall not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. Participant shall have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the RSUs and Dividend Equivalents.

3.16 Counterparts. The Grant Notice may be executed in one or more counterparts, including by way of any electronic signature, subject to Applicable Law, each of which shall be deemed an original and all of which together shall constitute one instrument.

3.17 Broker-Assisted Sales. In the event of any broker-assisted sale of Shares in connection with the payment of withholding taxes as provided in Section 2.5(a): (A) any Shares to be sold through a broker-assisted sale will be sold on the day the tax withholding obligation arises or as soon thereafter as practicable; (B) such Shares may be sold as part of a block trade with other participants in the Plan in which all participants receive an average price; (C) Participant will be responsible for all broker's fees and other costs of sale, and Participant agrees to indemnify and hold the Company harmless from any losses, costs, damages, or expenses relating to any such sale; (D) to the extent the proceeds of such sale exceed the applicable tax withholding obligation, the Company agrees to pay such excess in cash to Participant as soon as reasonably practicable; (E) Participant acknowledges that the Company or its designee is under no obligation to arrange for such sale at any particular price, and that the proceeds of any such sale may not be sufficient to satisfy the applicable tax withholding obligation; and (F) in the event the proceeds of such sale are insufficient to satisfy the applicable tax withholding obligation, Participant agrees to pay immediately upon demand to the Company or its Subsidiary with respect to which the withholding obligation arises an amount in cash sufficient to satisfy any remaining portion of the Company's or the applicable Subsidiary's withholding obligation.

3.18 Recoupment. Notwithstanding any other provision of the Agreement to the contrary, Participant acknowledges and agrees that all Shares acquired pursuant to the Plan, under this Agreement or otherwise, shall be and remain subject to any incentive compensation recoupment policy of the Company currently in effect or as may be adopted by the Company and, in each case, as may be amended from time to time. No such policy adoption or amendment shall require Participant's prior consent. For purposes of the foregoing, Participant expressly and explicitly authorizes the Company to issue instructions, on Participant's behalf, to any brokerage firm and/or third party administrator engaged by the Company to hold Participant's Shares, and other amounts acquired under the Plan to re-convey, transfer or otherwise return such Shares and/or other amounts to the Company.

3.19 Definitions. Notwithstanding anything to the contrary in the Plan, for purposes of this Agreement:

(a) "Change in Control" shall mean and includes each of the following: (i) a transaction or series of transactions occurring after the Grant Date whereby any "person" or related "group" of "persons" (as such terms are used in Sections 13(d) and 14(d)(2) of the Exchange Act) (other than the Company, any of its Subsidiaries, an employee benefit plan maintained by the Company or any of its Subsidiaries or a "person" that, prior to such transaction, directly or indirectly controls, is controlled by, or is under common control with, the Company) directly or indirectly acquires beneficial ownership

(within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company possessing 30% or more of the total combined voting power of the Company's securities outstanding immediately after such transaction; (ii) during any 12 month period, individuals who, at the beginning of such period, constitute the Board together with any new members of the Board whose election by the Board or nomination for election by the Company's members was approved by a vote of at least two-thirds of the members of the Board then still in office who either were members of the Board at the beginning of the one-year period or whose election or nomination for election was previously so approved (other than (x) an individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of the directors of the Company, as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act, and (y) any member of the Board whose initial assumption of office during such 12 month period in connection with a transaction described in clause (iii)(x) below that occurs with a non-affiliate third party), cease for any reason to constitute a majority thereof; or (iii) the consummation by the Company (whether directly involving the Company or indirectly involving the Company through one or more intermediaries) after the Grant Date of (x) a merger, consolidation, reorganization, or business combination, (y) a sale, lease, exchange or other transfer (in one transaction or a series of transactions contemplated or arranged by any party as a single plan) of all or substantially all of the Company's assets or (z) the acquisition of assets or stock of another entity, other than a transaction:

(i) in the case of clauses (i) and (iii), which results in the Company's voting securities outstanding immediately before the transaction continuing to represent (either by remaining outstanding or by being converted into voting securities of the Company or the person that, as a result of the transaction, controls, directly or indirectly, the Company or owns, directly or indirectly, all or substantially all of the Company's assets or otherwise succeeds to the business of the Company (the Company or such person, the "Successor Entity")) directly or indirectly, more than seventy percent (70%) of the combined voting power of the Successor Entity's outstanding voting securities immediately after the transaction, and

(ii) in the case of clause (iii), after which no person or group beneficially owns voting securities representing 30% or more of the combined voting power of the Successor Entity; provided, however, that no person or group shall be treated for purposes of this clause (b) as beneficially owning 30% or more of combined voting power of the Successor Entity solely as a result of the voting power held in the Company prior to the consummation of the transaction.

(b) "Disability" shall mean the following: (a) if Participant is a party to an employment, severance or similar agreement with the Company or any of its affiliates in which "disability" or term of like import is defined, "Disability" or term of like import as defined in such agreement and (b) if no such agreement exists, at any time the Company or any of its affiliates sponsors a long-term disability plan for the Company's employees, "disability" 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 Participant qualified for such disability benefits, would provide coverage for the longest period of time. The determination of whether Participant has 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 does not sponsor a long-term disability plan for its employees, Disability shall mean Participant's inability to perform, with or without reasonable accommodation, the essential functions of Participant's 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 its insurers and acceptable to Participant or Participant's legal representative, with such agreement as to acceptability not to be unreasonably withheld or delayed.

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**APPENDIX 1
TO RESTRICTED STOCK UNIT AGREEMENT**

CONFIDENTIALITY AND BUSINESS PROTECTION AGREEMENT

Capitalized terms used but not defined in this Appendix 1 shall have the respective meanings ascribed to such terms in the Agreement, the Grant Notice or the Plan, as applicable.

WHEREAS, the Company operates in a highly competitive business environment and has a legitimate interest in protecting its valuable assets, including its confidential information, trade secrets, and intellectual property; its Goodwill (as defined below) and reputation; the business relationships it has developed with its clients and vendors; and the training and development of its employees;

WHEREAS, Participant's employment and responsibilities with the Company have permitted and will in the future permit Participant to have access to competitively sensitive and highly confidential business information and trade secrets of the Company and to derive and enjoy the benefit of the Company's relationships with its customers and business partners, which have been developed by the Company's employees and/or as a result of the innovative products and technologies that the Company has brought or will bring to its customers ("Goodwill");

WHEREAS, the Company's customers are located across the United States and around the world; the market for the Company's products, processes, and services is national and international in scope; the Company sells and markets the same or similar products, processes, and services across state and national boundaries; and the Company's market expands or contracts over time based on the growth of the Company's business and the demand for the Company's products, processes, and services;

WHEREAS, the Company desires to ensure that its confidential information, trade secrets, intellectual property, Goodwill, reputation, business relationships, and investment in training and developing employees are adequately protected and are not used or disclosed without proper authorization by the Company; and

WHEREAS, Participant's eligibility to receive the RSUs are conditioned upon Participant's timely acceptance of the obligations and other terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of Participant's eligibility for the RSUs, and as a condition of Participant's continued access to the Company's confidential information and trade secrets and the benefit of the Company's Goodwill and customer relationships, the Company and Participant agree as follows:

1. Access to Confidential Information. In the course of Participant's employment, the Company will provide Participant with access to certain Confidential Information, which is not in the public domain, is highly valuable and competitively sensitive and which, if acquired by the Company's competitors, would cause irreparable harm to the Company. As used in this Agreement, "Confidential Information" means all information that Participant acquires from the Company which is not publicly known outside of the Company, and which concerns any of the following: the methods, processes, or know-how used or developed by the Company to design, manufacture, distribute, market, or sell its products, processes, or services; the research, development, or design of the Company's products or processes; the Company's plans or strategies for sales, marketing, or distribution; the Company's supply and distribution processes or arrangements; research initiatives or projects; results of tests or experiments; information on financial performance, pricing, margins, or profits or production, labor, or other costs; market or sales data; existing or planned merger, acquisition, or divestiture activities; proposals or terms of contracts with customers, suppliers, distributors, or others; the identity and skills of other the Company

employees; and information provided to the Company by its customers, suppliers, or third parties pursuant to a confidentiality obligation or an expectation of confidentiality.

2. Covenants to Protect Confidential Information. Participant covenants, promises, and agrees that she/he will not, directly or indirectly, use Confidential Information (or cause or permit it to be used) for any purpose other than the good-faith performance of her/his duties as a Company employee. In addition, subject to the Permitted Disclosures referenced below, Participant covenants, promises, and agrees that she/he will not, directly or indirectly, disclose Confidential Information (or cause or permit it to be disclosed) to any individual or person other than employees, consultants, contractors, suppliers, vendors, or teammates authorized by the Company to receive such information and having a need to know such information in connection with the good-faith support of the Company's business activities. Participant further covenants, promises, and agrees (a) not to remove from the Company's premises (including the Company's computer systems, servers, and networks) any Confidential Information in any form, except as required in the performance of his or her duties as an the Company employee, and (b) to return to the Company any and all records containing Confidential Information immediately upon termination of the employment relationship between Participant and the Company. Furthermore, Participant covenants, promises, and agrees not to accept employment with any employer that manufactures, markets, or sells products, processes, or services that are similar to or competitive with products, processes, or services manufactured, marketed, or sold by the Company, where such employment would involve duties the performance of which would inevitably cause Participant to use or disclose Confidential Information of the Company for the benefit of a third party in violation of this Agreement. The covenants and promises set forth in this section shall continue both during and after Participant's employment with the Company and, notwithstanding any other provision of this Agreement, in all cases shall be subject to the Permitted Disclosures referenced below.

3. Covenant to Protect Goodwill and Customer Relationships. Participant acknowledges that the Goodwill of the Company shall belong to the Company and not be used for the benefit of Participant, a future employer, or any other third party. In recognition of the value and importance of the Goodwill to the Company, Participant covenants, promises, and agrees that, during the Restricted Period (as defined below), Participant will refrain from directly or indirectly soliciting or attempting to solicit business from a Customer¹ or a Prospective Customer,² where a purpose of such solicitation is to induce the Customer or Prospective Customer to reduce or alter its business relationship with the Company or to purchase or acquire from a third party any product, process, or service that is competitive with any product, process, or service that the Company offers to its customers. As used in this Agreement, the Restricted Period shall consist of the continuous period of twelve (12) consecutive months immediately following Participant's separation from service with the Company, provided, however, that this twelve (12)-month period may be extended by any period of Participant's noncompliance with the covenants and promises set forth in this Agreement.

4. Covenant Not to Solicit Employees. In recognition of the Company's investment in recruiting, training, and developing its employees, Participant covenants, promises, and agrees that, during employment by the Company and during the Restricted Period, she/he shall not solicit or

¹ "Customer" refers to any person or entity (a) to which Axalta sells any of its products, processes, or services during Participant's employment with Axalta, and (b) with which Participant has one or more business contacts or as to which Participant receives or acquires any Confidential Information at any time in the course of the final 24 months of Participant's employment with Axalta.

² "Prospective Customer" refers to any person or entity with respect to which, at any time in the course of the final 24 months of Participant's employment with Axalta, Participant is involved in seeking to market, sell, or develop opportunities for the sale of any of Axalta's products, processes, or services.

encourage any employee of the Company to resign from or cease employment with the Company, or to accept a position as an employee or consultant for any other entity or person that manufactures, sells, or markets products, processes, or services that are similar to or competitive with products, processes, or services manufactured, sold, or marketed by the Company. This Section 4 does not apply to the solicitation of any Company employee who is not employed by the Company until after the date on which Participant's Termination of Service occurs.

5. Covenants Not to Compete.

a. Establishment or Leadership of a Competitive Business. During Participant's employment with the Company, and during the Restricted Period, Participant covenants, promises, and agrees that she/he shall not, within the Geographic Territory, either (i) directly or indirectly own, establish, or control (other than through ownership of less than two percent (2%) of the shares of publicly traded stock) or (ii) serve as an officer, director, principal, or partner of a business that manufactures, develops, markets, or sells products, processes, or services that are similar to or competitive with the products, processes, or services that are manufactured, marketed, sold, or being developed by the Company during the final twenty-four (24) months of Participant's employment with the Company. As used herein, the "Geographic Territory," is defined to include all states of the United States in which the Company manufactures, distributes, sells, or markets its products, processes, or services during the twenty-four (24) months immediately preceding the start of the Restricted Period, and all countries in which the Company manufactures, distributes, sells, or markets its products, processes, or services during the twenty-four (24) months immediately preceding the start of the Restricted Period. The Geographic Territory does not include any state or country in which the Company does not maintain operations or commence sales or marketing until after the start of the Restricted Period.

b. Prohibited Positions with Competitors. During Participant's employment with the Company and during the Restricted Period, Participant covenants, promises, and agrees that she/he shall not directly or indirectly engage in, have any equity interest in, interview for a potential employment or consulting relationship with or manage, provide services to or operate any person, firm, corporation, partnership or business (whether as director, officer, employee, agent, representative, partner, security holder, consultant or otherwise) that engages in any business which competes with any portion of the Business (as defined below) of the Company. The term "Business" refers to the business of the Company and shall include the manufacturing and sale of automotive and industrial paints, coatings and related products, as such business may be expanded or altered by the Company during the term of Participant's employment with the Company. This Agreement shall not be construed to bar any attorney from engaging in the practice of law as an attorney for any third party; provided that he or she otherwise complies with his or her obligations under this Agreement and under the applicable rules of professional conduct.

6. Nature and Timing of Separation. The obligations set forth in this Agreement shall apply regardless of the voluntary or involuntary nature of the termination of the employment relationship between the Company and Participant, the duration of that relationship, or any other circumstances under which the relationship terminates.

7. Injunctive Relief. Participant specifically acknowledges and agrees that Participant's violation of any obligation under the preceding sections of this Agreement will cause irreparable harm to

the Company's legitimate business interests, and that such harm cannot be measured by any specific amount of money or adequately remedied by the award of any sum of monetary damages. Therefore, Participant specifically agrees and understands that the Company will be entitled to specific performance and injunctive and other equitable relief in case of any breach or attempted breach of the preceding sections and agrees not to assert as a defense that the Company has an adequate remedy at law. Any injunctive relief shall be in addition to, and not in lieu of, any other remedies available to the Company.

8. Conformance and Severability. It is the intent of the Parties that each of the covenants and promises set forth above is divisible and severable from the other covenants and promises in those sections. The Parties further intend that this Agreement be enforceable to the maximum extent possible and that, if a court of competent jurisdiction determines that any term or clause renders some or all of this Agreement invalid or unenforceable, then, such term or clause should be modified to the extent necessary to make the Agreement legal and enforceable while preserving as much as possible of the intent of such term or clause. Where a court of competent jurisdiction determines that any term or clause renders some or all of this Agreement invalid or unenforceable, and such modification is not feasible, it is the intent of the Parties that the offending term or clause should be substituted with another term or clause that is enforceable and most nearly achieves the same objectives. Where a court determines that neither modification nor substitution of such term or clause is feasible under the circumstances, only then shall the offending term or clause be severed and stricken from the Agreement, but only to the extent that the term or clause is invalid or unenforceable, and the remaining provisions of the Agreement shall be enforced in accordance with their terms and entitled to full force and effect.

9. Permitted Disclosures. Notwithstanding any other provision of this Agreement, Participant will not be held civilly or criminally liable under any federal or state trade secret law for disclosing a trade secret of the Company in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney representing or advising Participant concerning such disclosure, if the disclosure (a) is made solely for the purpose of reporting or investigating a suspected violation of law or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, as long as such filing is made under seal. In addition, if Participant files a lawsuit against the Company for retaliation for reporting a suspected violation of law, Participant may disclose trade secrets of the Company to the attorney representing him/her and may use the trade secret information in the court proceeding, only if any document containing the trade secret is filed under seal, and Participant does not disclose the trade secret except as specifically directed or authorized by a court order. In addition, nothing in this Agreement should be construed (i) to impede or interfere with Participant's right to respond truthfully and completely to any request for information regarding the Company's activities where disclosure is required by legal process, or (ii) to prevent Participant from communicating directly with, responding to any inquiry from, or providing truthful testimony or information to, any regulatory or law enforcement agency of the United States, the U.S. Congress, an Inspector General, or a state government agency in the course of a lawful investigation or proceeding. Participant is not required to contact the Company as a precondition to any of the foregoing, provided, however, that Participant cannot, without the written approval of the Company's General Counsel, disclose the substance of communications between the Company personnel and the Company's legal counsel which are protected by the Company's attorney-client privilege.

10. General.

a. Notwithstanding anything to the contrary herein, if Participant resides or lives in a state listed in Exhibit A, the provisions set forth in Exhibit A for such state will be applicable to this Agreement and will govern to the extent such provisions conflict with the terms of this Agreement.

b. With the exception of modification or substitution of terms by a court of competent jurisdiction under the Conformance and Severability section above, no modification or waiver of any provision of this Agreement shall be valid unless in writing signed by both Parties and specifically referring to this Agreement by name.

c. Participant acknowledges that the services to be rendered by Participant are personal and that Participant may not assign any of her/his duties or obligations under this Agreement. The Company may assign the Agreement to any successor or transferee. This Agreement shall be valid and binding upon all heirs, successors and assigns of the Parties.

d. No delay or omission in enforcing any provision of this Agreement or in exercising any right or remedy set forth in this Agreement shall operate as a waiver of any right or remedy or preclude enforcement or specific performance of such provision or the exercise of any right or remedy.

e. The Parties acknowledge that they have each read this Agreement in its entirety, understand it, agree to be bound by its terms and conditions, and intend that the Agreement be interpreted as if drafted equally by both Parties.

f. Participant agrees that the Company may, in its sole discretion, share all or part of this Agreement with any future or prospective employer to the extent reasonably necessary to ensure Participant's compliance. In addition, Participant agrees to provide the Company, upon its request, with the name, address, and contact information of any new employer or third party whose relationship with Participant may violate the provisions of this Agreement.

EXHIBIT A

STATE APPENDIX TO CONFIDENTIALITY AND CONFIDENTIAL BUSINESS PROTECTION AGREEMENT (THE “AGREEMENT”)

State	Provision
California	<p>Applicability: This Section applies to any Employee who primarily resides and works in the State of California.</p> <p>Non-Competition and Non-Solicitation Void. In accordance with Cal. Bus. & prof. Code §16600, §16600.1 and §16600.5, the Company acknowledges that any provision in this Agreement that restrains Employee from engaging in any lawful profession, trade, or business is void and unenforceable.</p> <p>Protection of Trade Secrets and Customer Relationships: Notwithstanding the above, Employee remains bound by the confidentiality and trade secret protections in this Agreement. In accordance with the California Uniform Trade Secrets Act (CUTSA), Employee shall not use the Company’s Trade Secrets to engage in unfair competition or to solicit Customers.</p> <p>For purposes of this section, “trade secrets” and “confidential information” have the meanings provided under the California Uniform Trade Secrets Act and other applicable law, and this section is intended to be no broader than necessary to prevent misappropriation or unauthorized use of such information and to comply with California Business and Professions Code sections 16600–16600.5.</p> <p>Governing Law and Venue. This Agreement shall be governed by the laws of the State of California. Any dispute arising out of this Agreement shall be adjudicated exclusively in the state or federal courts located within California. Any provision in this Agreement requiring the application of another state’s law or a non-California venue is void.</p>

Colorado	<p>Applicability: This Section applies to any Employee who primarily resides and works in the State of Colorado.</p> <p>Compensation Thresholds: The restrictive covenants in the Agreement are only enforceable if the Employee's "annualized cash compensation" meets the following thresholds at both the time of signing and the time of enforcement:</p> <ul style="list-style-type: none"> a) Non-Competition: Void unless Employee earns at least 100% of the Highly Compensated Employee ("HCE") threshold per the annual Pay Calc Order; b) Customer Non-Solicitation: Void unless Employee earns at least 60% of the HCE threshold. <p>Trade Secret Requirement. Employee acknowledges that any non-competition or non-solicitation covenant is intended solely to protect the Company's Trade Secrets (as defined by CUTSA) and is no broader than is reasonably necessary to protect those secrets.</p> <p>Mandatory Notice and Separate Document. Employee acknowledges that:</p> <ul style="list-style-type: none"> a) They received a separate, stand-alone notice of these covenants before accepting their offer (if a new hire) or at least fourteen (14) days before the covenants became effective (if a current employee). b) Such notice specifically identified the sections of the Master Agreement containing the restrictive covenants. <p>Governing Law and Venue. This Agreement shall be governed by Colorado law, and any dispute shall be adjudicated exclusively in the state or federal courts of Colorado.</p>
Idaho	<p>Applicability. This Section applies to any Employee who primarily resides and works in Idaho.</p> <p>Key Employee Status. In accordance with Idaho Code § 44-2701, the non-competition and non-solicitation covenants shall only apply to "Key Employees".</p> <ul style="list-style-type: none"> a) Highest-Paid Presumption: Pursuant to § 44-2704(5), if Employee is among the highest-paid five percent (5%) of the Company's workforce, they are presumed to be a "Key Employee." b) Access Presumption: If Employee does not meet the 5% threshold, they shall still be deemed a "Key Employee" if their role provides them with access to technologies, intellectual property, business plans, or trade secrets that give them the ability to harm the Company's legitimate business interests. <p>Governing Law and Venue. This Agreement shall be governed by Idaho law, and any dispute shall be adjudicated exclusively in the state or federal courts of Idaho.</p>

Illinois	<p>Applicability. This Section applies to any Employee who primarily resides and works in Illinois.</p> <p>Compensation Thresholds. In accordance with applicable law, the restrictive covenants in this Agreement are only enforceable if the Employee's "actual or expected annualized rate of earnings" exceeds the statutory threshold in effect at the time the Agreement is entered into.</p> <p>Consideration & 14-Day Review. Employee acknowledges that:</p> <ul style="list-style-type: none"> a) This Agreement is supported by independent consideration, including but not limited to initial employment, continued access to the Company's confidential information, and participation in the company's bonus and incentive compensation programs as applicable. a) Employee acknowledges that they have been presented with this Agreement at least fourteen (14) days before the commencement of Employee's employment or, if they are already employed by Company, has been provided at least fourteen (14) calendar days to review this Agreement. Employee is advised to consult with an attorney, at Employee's sole expenses, before entering into this Agreement. <p>Governing Law and Venue. This Agreement shall be governed by Illinois law, and any dispute shall be adjudicated exclusively in the state or federal courts of Illinois.</p>
Louisiana	<p>Applicability. This Section applies to any Employee who primarily resides and works in Louisiana.</p> <p>Non-Competition. Employee agrees that, during Employee's employment with the Company and for a period of one year following the termination of such employment for any reason, Employee shall not, directly or indirectly, engage in or become employed by, or have any ownership interest in, any business that competes with the Company's business, or from soliciting customers of the Company of within the Parish where Employee resides. This restriction applies only to the extent the Company carries on a like business within those parishes during Employee's employment. Employee acknowledges that if they become employed by a competing business, they may be deemed to be carrying on or engaging in a business similar to that of the Company.</p>

Maine	<p>Applicability. This Section applies to any Employee who primarily resides and works in Maine.</p> <p>Wage Threshold Exemption. The non-compete provisions of this Agreement shall only be applicable if Employee’s annual compensation exceeds 400% of the federal poverty level. If Employee’s annualized earnings fall at or below 400% of then current federal poverty level, at the time of enforcement, any non-competition covenant in the Agreement shall be void and unenforceable.</p> <p>Effective Date. The effective date of any non-competition covenant in the Agreement shall not take effect until the later of:</p> <ul style="list-style-type: none"> a) One (1) year after the Employee’s first day of employment; or b) Six (6) months after the date the Agreement was signed. <p>Mandatory Advance Notice. Employee acknowledges that:</p> <ul style="list-style-type: none"> a) The Company disclosed that a non-compete would be required prior to making the formal offer of employment; and b) The Company provided a copy of this Agreement to the Employee at least three (3) business days before the Employee was required to sign it. <p>Non-Solicitation and Confidentiality. The Parties agree that the term “non-compete agreement” does not include (i) non-disclosure/confidentiality agreements; or (ii) non-solicitation agreements. Consequently, the wage thresholds and delayed effective dates described above do not apply to the non-solicitation of customers or employees.</p>
Maryland	<p>Applicability. This Section applies to any Employee who primarily resides and works in Maryland.</p> <p>Wage Threshold. Any non-competition or conflict of interest provision in this Agreement is void and unenforceable if Employee earns equal to or less than 150% of Maryland’s minimum wage.</p>

Massachusetts

Applicability. This Section applies to any exempt Employee who resides in or is employed in the Commonwealth of Massachusetts at the time of their termination.

Consideration for Current Employees. Employee acknowledges that if this Agreement is being entered into after the commencement of employment but not in connection with the separation of employment, the restrictive covenants contained herein are supported by "fair and reasonable consideration" independent of the continuation of employment, specifically, the right of Employee to continue having access to the Company's confidential information, the Employee's continued participation in the Company's Global Annual Bonus Plan, and/or the Employee's participation in the Company's Incentive Award Plan. Employee acknowledges that the right to participate in said Bonus Program and/or Incentive Award Plan constitutes a material benefit and "fair and reasonable consideration" for the restrictive covenants contained herein. Employee further waives any argument that such consideration is inadequate under Massachusetts law.

Notice Period. Employee acknowledges that they were provided with this Agreement at least ten (10) business days before the Agreement is to be effective.

Right to Counsel. Employee is hereby advised in writing of their right to consult with counsel prior to signing this Agreement.

Garden Leave. If the Company elects to enforce the non-competition provisions of the Agreement, the Company shall, during the restricted period, pay the Employee on a pro-rata basis at least fifty percent (50%) of the Employee's highest annualized base salary paid by the Company within the two (2) years immediately preceding the Employee's termination.

Governing Law. Notwithstanding any other "Choice of Law" provision in this Agreement to the contrary, this Agreement and any disputes arising out of or relating to the restrictive covenants herein shall be governed by, and construed in accordance with, the laws of the Commonwealth of Massachusetts, without regard to conflict of laws principles.

Venue. Notwithstanding any other "Venue" provision in this Agreement to the contrary the parties hereby agree that any and all civil actions relating to the this Agreement shall be brought exclusively in: (a) the county in Massachusetts where the Employee resides; OR (b) Suffolk County, Massachusetts, specifically the Superior Court Business Litigation Session (BLS), to which both the Company and the Employee hereby mutually agree and consent to personal jurisdiction and venue.

Minnesota	<p>Applicability. This Section applies to any Employee who primarily resides and works in Minnesota.</p> <p>Non-Compete Voidance. Any provision in the Agreement that restricts the Employee, after termination of employment, from performing work for another employer for a specified period of time, in a specified geographical area, or in a capacity that is similar to the Employee's work for the Company, is hereby declared void and unenforceable.</p> <p>Survival of Other Covenants. Notwithstanding the voidance of the non-competition covenant, all other restrictive covenants in the Agreement shall remain in full force and effect, including but not limited to:</p> <ul style="list-style-type: none"> a) Non-Solicitation of Customers: Restrictions on soliciting or providing services to Company clients. b) Non-Solicitation of Employees: Restrictions on recruiting or hiring Company personnel. c) Confidentiality: Obligations regarding trade secrets and proprietary information. <p>Governing Law and Venue. Notwithstanding any provision in the Agreement to the contrary, this Agreement and any disputes arising out of or relating to the restrictive covenants herein shall be governed by, and construed in accordance with, the laws of the State of Minnesota, without regard to conflict of laws principles. Any dispute, claim, or controversy arising out of or relating to this Agreement shall be adjudicated exclusively in the state or federal courts located within the State of Minnesota.</p> <p>Non-Solicitation of Customers. The parties acknowledge that the Agreement contains a non-solicitation covenant. For purposes of Employee's service in Minnesota, that covenant is interpreted as follows:</p> <ul style="list-style-type: none"> (a) Defined Customers: "Customer" and "Prospective Customer" shall be limited to those entities or individuals with whom Employee had material contact or about whom Employee received Confidential Information or Trade Secrets during the twenty-four (24) months prior to Employee's separation from the Company. (b) No Extension of Restricted Period: Notwithstanding any language in the Agreement to the contrary, the Restricted Period shall be strictly limited to twelve (12) months following the separation date. Any provision allowing for the "tolling" or "extension" of this period during litigation is hereby struck for Minnesota-based employees. (c) Non-interference vs. Non-compete: This provision shall be construed solely as a protection of the Company's Goodwill and shall not be enforced in a manner that prohibits the Employee from accepting employment with a competitor, provided the Employee does not engage in the prohibited solicitation defined herein.
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Nebraska	<p>Applicability. This Section applies to any Employee who primarily resides and works in the State of Nebraska.</p> <p>Limited Scope of Non-Solicitation. Notwithstanding any broader definition in the Master Agreement, the restrictions on soliciting "Customers" and "Prospective Customers" are hereby limited to only those customers or prospective customers:</p> <ul style="list-style-type: none"> a) with whom the Employee had personal contact; AND b) for whom the Employee actually performed services or solicited business on behalf of the Company during the twelve (12) months prior to the Employee's separation. Any provision in the Master Agreement prohibiting the solicitation of the Company's entire customer base is hereby struck and replaced with this limited definition.
Nevada	<p>Applicability. This Section applies to any Employee who primarily resides and works in the State of Nevada.</p> <p>Exclusion of Hourly Employees. The non-competition covenants in this Agreement do not apply to any Employee who is paid solely on an hourly wage basis, exclusive of any tips or gratuities. If Employee is an hourly worker, the non-competition provisions are void, though confidentiality and non-solicitation obligations remain in effect.</p> <p>Limitation on Customer "Service" Restrictions. Notwithstanding any language in this Agreement to the contrary, the Company shall not prohibit Employee from providing services to a former customer or client if:</p> <ul style="list-style-type: none"> a) The Employee did not solicit the former customer or client; b) The customer or client voluntarily chose to leave the Company and seek services from the Employee; and c) The Employee is otherwise complying with the reasonable time and distance restrictions of the Agreement.

New Hampshire	<p>Applicability. This Section applies to any Employee who primarily resides and works in the State of New Hampshire.</p> <p>Mandatory Prior Disclosure. In accordance with NH RSA 275:70, Employee acknowledges that a copy of this Agreement was provided to them:</p> <ul style="list-style-type: none"> a) For New Hires: Prior to or concurrent with the making of an offer of employment; OR b) For Current Employees: Prior to or concurrent with an offer of a change in job classification or an offer of additional consideration as described in the Agreement. Any agreement not provided in accordance with these timing requirements is void and unenforceable. <p>Low-Wage Employee Exemption. The non-competition provisions of this Agreement shall not apply if Employee is a "low-wage employee," defined as an employee who earns an hourly rate less than or equal to 200% of the federal minimum wage (currently \$14.50/hour based on a \$7.25 federal minimum) or as the definition of "low-wage employee" is amended. If the Employee's compensation falls below the then-current statutory threshold in the Employee's primary state of employment, the affected restrictive covenant shall be deemed suspended and unenforceable for the period during which the Employee's compensation is below said threshold. This suspension shall not affect the enforceability of other provisions, such as confidentiality or trade secret protections, which are not subject to wage thresholds.</p>
North Carolina	<p>Applicability. This Section applies to any Employee who primarily resides and works in North Carolina.</p> <p>Sufficient Consideration for Current Employees. Employee acknowledges that if this Agreement is entered into after the commencement of employment, in accordance with North Carolina law, Employee acknowledges that "continued employment" is not sufficient consideration for this Agreement. As a condition of signing, the Company is providing, as new and independent consideration, continued access to Company's Confidential Information, continued participation in the Company's Global Annual Bonus Plan, and if eligible, participation in the Company's Incentive Award Plan. Employee acknowledges that the right to participate in said Plans constitutes a material benefit and "fair and reasonable consideration" for the restrictive covenants contained herein. Employee further waives any argument that such consideration is inadequate under North Carolina law</p> <p>Non-Solicitation. The non-solicitation of Customers is hereby limited to only those Customers or Prospective Customers with whom the Employee had personal contact or for whom the Employee had supervisory responsibility during the twelve (12) months prior to termination.</p> <p>Governing Law and Venue. Notwithstanding any provisions in this Agreement to the contrary, this Agreement shall be governed by the laws of North Carolina. Any legal action must be brought in the county where the Employee primarily works or resides.</p>

North Dakota	<p>Applicability. This section applies to any Employee who primarily resides and works in North Dakota.</p> <p>Non-Competition and Non-Solicitation. Any provision in this Agreement that prohibits Employee from competing with Company or soliciting Company’s customers following termination is hereby void and unenforceable.</p> <p>Protection of Trade Secrets. Employee expressly acknowledges that North Dakota law permits the protection of Trade Secrets under the North Dakota Uniform Trade Secrets Act (N.D.C.C. ch. 47-25.1). Employee expressly agrees that (a) Employee is strictly prohibited from using the Company’s Trade Secrets (including proprietary customer lists, pricing data, and specialized processes) to gain an unfair advantage in such competition; and (b) The parties agree that any “solicitation” of customers achieved through the misappropriation of Company’s Trade Secrets remains actionable as a violation of North Dakota law.</p> <p>Governing Law and Venue. Notwithstanding any provisions in this Agreement to the contrary, This Agreement shall be governed by the laws of North Dakota, and any dispute shall be adjudicated exclusively in the state or federal courts located within North Dakota.</p>
Oklahoma	<p>Applicability. This Section applies to any Employee who primarily resides and works in Oklahoma.</p> <p>Non-Competition Provision Voided. In accordance with Oklahoma law, any provision in this Agreement prohibiting Employee from “competing” or “working for a competitor” is hereby void and unenforceable. Notwithstanding the foregoing, Employee agrees that for the duration of the Restricted Period, Employee shall not directly solicit the sale of goods, services, or a combination of both from established customers of the Company or from directly or indirectly, actively or inactively, soliciting the Company’s employees to become employees for another business.</p>
Oregon	<p>Applicability. This Section applies to any Employee who primarily resides and works in Oregon.</p> <p>Earnings Threshold. In accordance with applicable law, the non-competition provisions of the Agreement shall only apply if the Employee’s total annual gross salary and commissions at the time of termination exceed the threshold set by the Oregon Bureau of Labor and Industries (BOLI).</p> <p>Mandatory Notice Acknowledgement. Employee acknowledges that:</p> <ul style="list-style-type: none"> a) New Hires: They received a written offer of employment at least fourteen (14) days before their first day of work, which explicitly stated that a non-competition agreement was a condition of employment; OR b) (b) Current Employees: This Agreement was entered into in connection with a bona fide advancement (promotion) with the Company.

Rhode Island	<p>Applicability. This Section applies to any Employee who primarily resides and works in Rhode Island.</p> <p>Non-Compete Exemption. The non-competition provisions of this Agreement are void and unenforceable if Employee is classified as a non-exempt worker or is a “low-wage employee” (an individual earning not more than 250% of the federal poverty level) at the time of termination.</p>
Virginia	<p>Applicability. This Section applies to any Employee who primarily resides and works in the Commonwealth of Virginia.</p> <p>Low-Wage Employee Exemption. In accordance with Va. Code § 40.1-28.7:8, the non-competition and employee non-solicitation provisions of the Agreement are void and unenforceable if Employee is a "low-wage employee" at the time of termination as defined by applicable law or is classified as “non-exempt” by the Fair Labor standards Act. The Low Wage Employee Exemption shall not apply if such employee’s earnings are derived, in whole or in predominant part, from sales commissions, incentives, or bonuses.</p>
Washington	<p>Applicability. This Section only applies to any Employee who primarily resides and works in Washington.</p> <p>Earnings Threshold. The non-competition and customer non-solicitation provisions shall only be enforceable if Employee’s annualized earnings from Company exceed the statutory threshold applicable in the State of Washington as of the date of Employee’s separation from Company. If Employee earns less than this amount, the restrictive covenants are void.</p> <p>Governing Law and Venue. This agreement shall be governed by the laws of the State of Washington and any dispute shall be adjudicated exclusively in the state or federal courts located within Washington.</p>
Washington, D.C.	<p>Applicability. This Section only applies to any Employee who primarily resides and works in Washington, D.C.</p> <p>Earnings Threshold. The non-compete provisions of this Agreement are only applicable if Employee is a highly compensated employee as defined by Washington, D.C. law.</p> <p>Required Notice. Employee acknowledges that the Employee has been given at least 14 days to review the non-compete provisions of this Agreement but that Employee may choose to execute this Agreement within that 14 day period. Further, the Company hereby provides the following notice as required by applicable law:</p> <p style="padding-left: 40px;">The District’s ban on Non-Compete Agreements Amendment Act of 2020 limits the use of non-compete agreements. It allows employers to require non-compete agreements from highly compensated employees, as that term is defined in the Ban on Non-Compete Agreements Amendment Act of 2020, under certain conditions. Axalta Coating Systems has determined that you are a highly compensated employee. For more information about the Ban on Non-Compete Agreements Amendment Act of 2020, contact the District of Columbia Department of Employment Services (DOES).</p>

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Chris Villavarayan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Axalta Coating Systems Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 30, 2026

By: /s/ Chris Villavarayan
Name: Chris Villavarayan
Title: Chief Executive Officer and President

**Certification of CEO Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

I, Chris Villavarayan, Chief Executive Officer and President of Axalta Coating Systems Ltd. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to the best of my knowledge:

- (1) The Quarterly Report on Form 10-Q of the Company for the quarterly period ended March 31, 2026 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 30, 2026

By: /s/ Chris Villavarayan
Name: Chris Villavarayan
Title: Chief Executive Officer and President

This certification accompanies this report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended or otherwise subject to liability pursuant to that section. The certification shall not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**Certification of CFO Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

I, Carl D. Anderson II, Senior Vice President and Chief Financial Officer of Axalta Coating Systems Ltd. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to the best of my knowledge:

- (1) The Quarterly Report on Form 10-Q of the Company for the quarterly period ended March 31, 2026 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 30, 2026

By: /s/ Carl D. Anderson II
Name: Carl D. Anderson II
Title: Senior Vice President and Chief Financial Officer

This certification accompanies this report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended or otherwise subject to liability pursuant to that section. The certification shall not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.