



Grand Opening

Axalta Coating Systems

WE ATTENDED THE OPENING OF AXALTA'S NEW MULTI-FUNCTIONAL FACILITY IN WESTERN SYDNEY, AND THEN SAT DOWN WITH CEO ROBERT BRYANT, REGIONAL PRESIDENT SOBERS SETHI AND AUSTRALIAN MANAGING DIRECTOR STEVEN BRETT.

Steven Brett, Managing Director Australia and New Zealand welcomed the special guests and staff to the event. The first order of the day was the introduction of local Indigenous Elders of the Darug people who entertained us with a traditional smoking ceremony, traditional music and dance and, of course, a formal

Welcome to Country.

Brett then introduced CEO Robert Bryant, who spoke about Axalta's focus on helping customers help their customers, a focus on flawless execution, \$US200m investment in innovation, their commitment to sustainability and, of course, their investment in infrastructure. The

Marsden Park facility is yet another in the long list of investment across the Asia Pacific region in recent years.

The new Australia and New Zealand 5,300 square metre multi-functional facility will enable higher quality and faster service for customers throughout the region, greater access to Axalta's broad selection of advanced coating technologies and products, and more efficient supply chain solutions for customers.

"This new facility is a significant milestone for Axalta and all of our customers in the region," said Bryant. "It demonstrates our confidence in the growing Australian and New Zealand markets and creates an important opportunity to be closer to our customers under one roof. Customers will benefit because of the greater access to new products, faster customer service and the unique training opportunities offered at our new facility. In addition, the expanded presence in ANZ enhances the capacity we need to meet our long-term growth plans in the region, which is an integral part of our continued global growth."

The facility includes a regional distribution warehouse, service centre and state-of-the-art customer training facility and gives customers faster service, greater access to advanced coatings and unparalleled training services. Each of Axalta's business segments – Refinish, Industrial, and Transportation – will be represented in



The Opening Ceremony.



Axalta Facility.

Continued page 22

A “fireside chat” with Robert Bryant, Sobers Sethi and Steven Brett

By way of introduction, Robert Bryant expands on his extensive experience, citing several years in private equity with Texas Pacific Group, on the management side rather than the finance side, and several years with Grupo Industrial Saltillo, a Tier 1 automotive supplier of engine blocks and other auto parts, as particularly relevant to his role at Axalta. He makes specific mention of the relevance to the Refinish business, which is roughly 40 percent of Axalta’s global sales. “The combination of my automotive, distribution and consumer, and international experience, together with my background in private equity was really a perfect match for me to come to Axalta. I am very happy with the move as it really brings together all my experience in one global company.”

Bryant goes on to clarify that during his time with Texas Pacific his area was in portfolio operations, which was all about assisting the various companies to execute operationally, strategically and organisationally. “Essentially, my group directed management after we bought the company and worked with them to create the most value in the time that we had, depending on the investment. My involvement with private equity was actually more general management focussed, rather than financial.” He was also instrumental in The Carlyle Group’s acquisition of Axalta and reinforces their strategic outlook. “Carlyle tends to have a longer-term perspective on shareholder value than most private equity firms, and actually supported many investments where the payback was most likely not going to occur during the time that they owned the company.”

Axalta, it should be remembered, was initially a “carve-out” from Dupont, which was a monumental achievement. Then, four years ago came IPO, of which Bryant was a key architect, which was also a very successful event. “We are all extremely happy with the success of the company, underpinned by the investment by Warren Buffet’s Berkshire

Hathaway Group. We are very happy with the growth in our profitability and even more excited about what the future holds. We call this ‘taking the company from good to great.’”

Notwithstanding some disruption during the past 18 months, which included discussions with both AkzoNobel and Nippon Paint, Axalta continues to focus on both organic growth and bolt-on acquisitions. “We think there will be further consolidation in the coatings industry and would like to continue to be a protagonist and a consolidator within the space. Therefore, in addition to organic growth and bolt-on acquisitions, we are continuing to focus on more transformational transactions to make Axalta one of the largest companies in the industry. We believe we have an exceptionally strong management team with the capacity to execute such transformational moves.”

When asked how a Bryant-led team will make its mark on the organisation, Bryant brings both Steven Brett and Sobers Sethi into the conversation.

Referring to the Australian business, Brett reinforces their focus on “being the best”, not just with the fundamentals today, but also in the future. “The recent structural changes – closing the plant, importing the products and bringing warehouse and distribution in-house and the investment in the new facility – is about providing the best solutions for our customers, now and in the future. We will ensure we have the best people for the business as we, our customers, and the market evolve.” Sethi reinforces this message and suggests they will leverage Axalta’s global experience with consolidators, such as Calibre and Service King, in the Australian market to ensure they are a bigger player in this segment.

Sethi then turned his attention to the Emerging Markets of Asia Pacific, which has 40 percent of the global population, half of them below the age of 30. Although the region is



Steven Brett, Robert Bryant and Sobers Sethi.

fragmented, the potential is enormous. Axalta has invested heavily in this region in recent years to support the markets that are a critical part of tomorrow’s success. “Now that these investments are complete, it’s time to do bolt-on acquisitions and implement more innovative go-to-market models as these emerging markets evolve. We are at the point where we are now carefully and strategically deciding into which segments and which countries we will invest and grow to further develop our No.1 position in Refinish in the emerging markets region.”

Bryant reinforces that Axalta is the undisputed No.1 player in Refinish passenger vehicles, with the most productive products, exceptional technical service, outstanding research and development and exceptionally good people. He highlights that this is not just in Refinish but across all their businesses. “Our goal is to be the No.1 player in each region and each market in the world. We’ve seen a lot of changes in the Australian market in recent years, but we’ve seen all this before in other markets. We have the experience and the talent in Axalta to help our customers be the most successful in the market place. So, in the ‘Bryant regime’ we will have two areas of focus: people and innovation, which includes products, services, digital technology and how we go to market.”

Bryant concludes the discussion with a key message to the Australian market. “Essentially, our vision in Axalta is to be a true partner to our customers who are seeking the most innovative products and solutions, differentiating ourselves in the areas of innovation, speed and agility. To that end, you will see Axalta being innovative and aggressive, not only in Australia and emerging markets, but around the world.”

5 Minutes with ...



Scott Launer
Capricorn Society

When did you join the industry?
1998

What was your first job in the industry?
Packing and despatch operator

What do you do now?
Capricorn Area Manager South Australia

What do you like about the industry?
Great, like-minded passionate people who stay in this industry for many years. Also, the way technology in cars is continually changing the industry

What don't you like about the industry?
Lack of Australian manufactured parts.

What music do you like?
Anything, Top 40, Rock

Your Favourite Artist?
Green Day

Your favourite food?
Steak, Pizza

Your favourite drink?
Beer

Your hobbies?
Dirt bike riding on a sidecar, football

Who in the world would you most like to meet?
Chad Reed

Continued from page 20



The Indigenous Dance Troupe.



The Huge Warehouse.

the new facility to serve its customers.

The facility will, of course, use the company's latest coating technologies, industry-leading training techniques and advanced digital tools to enable its customers to deliver the highest quality refinish solutions to the end-user, while increasing their productivity and profitability. Axalta Refinish customers will also gain in-depth knowledge of the latest spraying application systems that use less energy and reduce waste, have fast-drying finish and use superior colour matching technologies. The new training facility is expected to be fully operational within the next three months.

"Axalta is the world leader in Refinish and consistently invests in enhancing our capabilities, facilities and training to help customers grow their businesses," added Brett. "We provide our customers with access to

the latest products and innovations in the industry and offer the best training available. We are excited about our new training capabilities in the region, and that we can now offer the most efficient warehousing and distribution methods from this terrific new facility."

Bryant, Sethi and Brett then announced the facility open-for-business with a traditional ribbon-cutting ceremony.

The local staff took us on a tour of the impressive facility, which includes over 3,500 pallet bays, a fully integrated SAP system and an impressive array of solar panels that takes the facility "off the grid". When fully operational, it will no doubt be a landmark investment in our industry and a reflection of Axalta's confidence in their future here in Australia.

PROUDLY SPONSORED BY

