



**SECOND QUARTER 2023**

# Wabtec Financial Results and Company Highlights

# Forward looking statements & non-GAAP financial information

This communication contains “forward-looking” statements as that term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995 including statements regarding the impact of acquisitions by Wabtec, statements regarding Wabtec’s expectations about future sales and earnings and statements about the impact of evolving global conditions on Wabtec’s business. All statements, other than historical facts, including statements regarding synergies and other expected benefits from acquisitions; statements regarding Wabtec’s plans, objectives, expectations and intentions; and statements regarding macro-economic conditions and evolving production and demand conditions; and any assumptions underlying any of the foregoing, are forward-looking statements. Forward looking statements include statements regarding: Wabtec’s plans, objectives and intention; Wabtec’s expectations about future sales, earnings and cash conversion; Wabtec’s projected expenses and cost savings associated with its Integration 2.0 initiative; Wabtec’s 5-year outlook (established in March 2022); Wabtec’s expectations for evolving global industry, market and macro-economic conditions and their impact on Wabtec’s business; synergies and other expected benefits from Wabtec’s acquisitions; Wabtec’s expectations for production and demand conditions; and any assumptions underlying any of the foregoing. Forward-looking statements concern future circumstances and results and other statements that are not historical facts and are sometimes identified by the words “may,” “will,” “should,” “potential,” “intend,” “expect,” “endeavor,” “seek,” “anticipate,” “estimate,” “overestimate,” “underestimate,” “believe,” “could,” “project,” “predict,” “continue,” “target” or other similar words or expressions. Forward-looking statements are based upon current plans, estimates and expectations that are subject to risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements. The inclusion of such statements should not be regarded as a representation that such plans, estimates or expectations will be achieved. Important factors that could cause actual results to differ materially from such plans, estimates or expectations include, among others, (1) changes in general economic and/or industry specific conditions, including the impacts of tax and tariff programs, inflation, supply chain disruptions, foreign currency exchange, and industry consolidation; (2) changes in the financial condition or operating strategies of Wabtec’s customers; (3) unexpected costs, charges or expenses resulting from acquisitions and potential failure to realize synergies and other anticipated benefits of acquisitions, including as a result of integrating acquired targets into Wabtec; (4) inability to retain and hire key personnel; (5) evolving legal, regulatory and tax regimes; (6) changes in the expected timing of projects; (7) a decrease in freight or passenger rail traffic; (8) an increase in manufacturing costs; (9) actions by third parties, including government agencies; (10) the severity and duration of the evolving COVID-19 pandemic and the resulting impact on the global economy and, in particular, our customers, suppliers and end-markets, (11) potential disruptions, instability, and volatility in global markets from the imposition of economic sanctions on Russia resulting from the invasion of Ukraine; (12) cybersecurity and data protection risks and (13) other risk factors as detailed from time to time in Wabtec’s reports filed with the SEC, including Wabtec’s annual report on Form 10-K, periodic quarterly reports on Form 10-Q, current reports on Form 8-K and other documents filed with the SEC. The foregoing list of important factors is not exclusive. Any forward-looking statements speak only as of the date of this communication. Wabtec does not undertake any obligation to update any forward-looking statements, whether as a result of new information or development, future events or otherwise, except as required by law. Readers are cautioned not to place undue reliance on any of these forward-looking statements.

This presentation as well as Wabtec’s earnings release and 2023 financial guidance mention certain non-GAAP financial performance measures, including adjusted gross profit, adjusted operating expenses, adjusted income from operations, adjusted interest and other expense, adjusted operating margin, adjusted income tax expense, adjusted effective tax rate, adjusted earnings per diluted share, EBITDA and adjusted EBITDA, net debt and operating cash flow conversion rate. Wabtec defines EBITDA as earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA is further adjusted for restructuring costs. Wabtec defines operating cash flow conversion as net cash provided by operating activities divided by net income plus depreciation and amortization including deferred debt cost amortization. While Wabtec believes these are useful supplemental measures for investors, they are not presented in accordance with GAAP. Investors should not consider non-GAAP measures in isolation or as a substitute for net income, cash flows from operations, or any other items calculated in accordance with GAAP. In addition, the non-GAAP financial measures included in this presentation have inherent material limitations as performance measures because they add back certain expenses incurred by the company to GAAP financial measures, resulting in those expenses not being taken into account in the applicable non-GAAP financial measure. Because not all companies use identical calculations, Wabtec’s presentation of non-GAAP financial measures may not be comparable to other similarly titled measures of other companies. Included in this presentation are reconciliation tables that provide details about how adjusted results relate to GAAP results. Wabtec is not presenting a quantitative reconciliation of its forecasted GAAP earnings per diluted share to forecasted adjusted earnings per diluted share as it is unable to predict with reasonable certainty and without unreasonable effort the impact and timing of restructuring-related and other charges, including acquisition-related expenses and the outcome of certain regulatory, legal and tax matters; the financial impact of these items is uncertain and is dependent on various factors, including the timing, and could be material to Wabtec’s Consolidated Statement of Earnings.



# Today's participants



**RAFAEL SANTANA**

*President and Chief  
Executive Officer*



**JOHN OLIN**

*Executive Vice President  
and Chief Financial Officer*



**KRISTINE KUBACKI**

*Vice President,  
Investor Relations*

## 2Q 2023 overview

## 2Q 2023 HIGHLIGHTS

SALES	<b>\$2.41B</b>	Up 17.5% YoY	Increased sales were driven by strong growth across the Freight and Transit segments
OPERATING MARGIN	<b>12.9%</b> GAAP	<b>16.4%</b> Adjusted <sup>(2)</sup>	Operating margin benefited from higher sales growth and lower SG&A as a percentage of sales, offset by mix
EARNINGS PER SHARE	<b>\$1.06</b> GAAP	<b>\$1.41</b> Adjusted <sup>(2)</sup>	GAAP EPS up 16.5% YoY ... Adjusted EPS up 14.6% YoY from higher Freight and Transit sales
CASH FLOW FROM OPERATIONS <sup>(1)</sup>	<b>\$115M</b>		Operating cash flow driven by higher net income ... tempered by higher working capital to support strong sales growth across the portfolio
MULTI-YEAR BACKLOG	<b>\$22.43B</b>		Backlog provides improved multi-year visibility ... 12-month backlog up 10.0% to \$7.2 billion

**STRONG UNDERLYING MOMENTUM ACROSS THE BUSINESS**



# 2023 Market Expectations

## FREIGHT

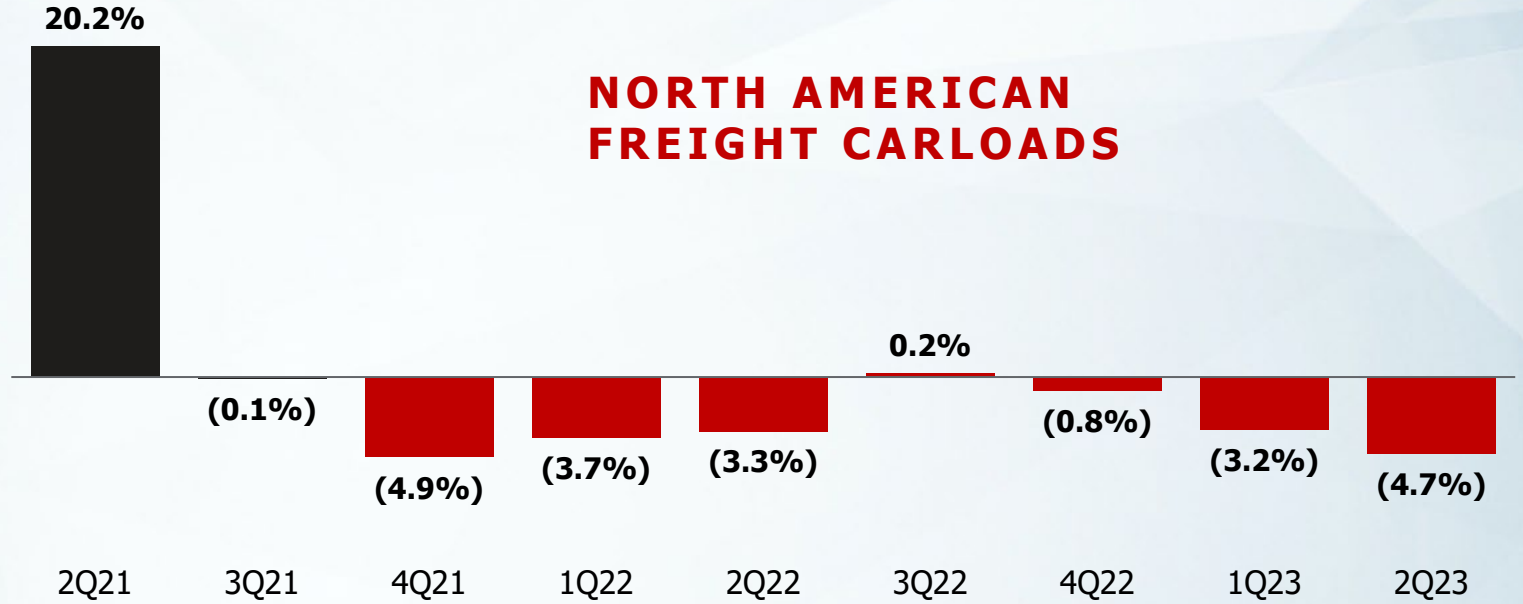
FAVORABLE / UNFAVORABLE

NA Carloads	-
Locomotive and Railcars Parkings	↔ / -
International Freight Volumes	+
NA Railcar Deliveries	+
Mining Commodities	↔

## TRANSIT

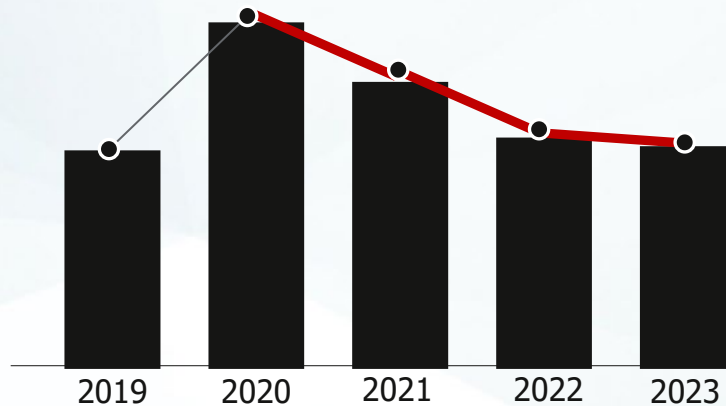
Infrastructure Investment	+
Global Ridership	+ / ↔

## NORTH AMERICAN FREIGHT CARLOADS



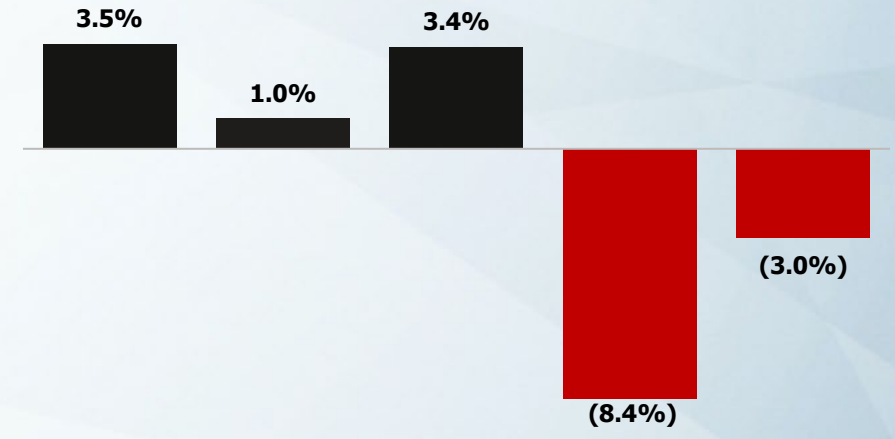
Source: Association of American Railroads

## AVG NORTH AMERICAN PARKED LOCOMOTIVES



Source: Wabtec

## 2023 FREIGHT VOLUMES



Sources: China, Kazakhstan, India Ministry of Railways, Brazil: ANTT, South Africa

WABTEC

# Executing on our value creation framework



## DRIVERS OF PORTFOLIO GROWTH

- » Accelerate innovation of scalable technologies
- » Grow and refresh expansive global installed base
- » Lead decarbonization of rail
- » Expand high-margin recurring revenue streams
- » Drive continuous operational improvement

## RECENT WINS

Won strategic order for 30 new locomotives in North America

Won largest Certified Pre-owned program order of 69 locomotives from Genesee & Wyoming

60 modernization order with Canadian National in 3<sup>rd</sup> quarter

Strategic order in Australia for 17 narrow gauge locomotives





Secured order from Vale for 3 FLXdrive locomotives

Won contract to supply pantograph and PIS systems for up to 504 Stadler cars

Completed strategic acquisition of L&M Radiator ... expands heat transfer portfolio and global installed base in mining

# Wabtec is the best technology partner for the industry

## KEY CUSTOMER CHALLENGES

- 
**Age of Fleets**
  - 16K locomotives
  - 25+ years old
- 
**NA carloads vs '22**
  - Overall (4%)
  - Intermodal (10%)
- 
**Regulation**
  - FRA ... Safety
  - STB ... Service
  - EPA/CARB ... Emissions
- 
**Price pressure**
  - Intermodal back to 2018 levels driven by truck competition

## WABTEC PORTFOLIO ALIGNED TO KEY CUSTOMER PRIORITIES



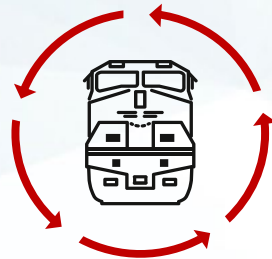
### LOCOMOTIVES

- Tier 4 in U.S.
- New international locomotives
- Modernizations (NA & international expansion)



### LOW & ZERO EMISSION CAPABILITIES

- Bio/renewable fuel
- FLXdrive
- FLXswitch
- Hybrid
- Hydrogen



### DIGITAL PORTFOLIO

- Train level (TO, SmartHPT, Locotrol, etc)
- Network (PTC, Movement Planner, Yard Planner, etc)

## NEXT GEN SOLUTIONS AND TECHNOLOGIES IMPACT



- **Reliability**
  - Up to 40%+ improvement with modernization



- **Power/haulage-ability**
  - 20% gross ton mile per loco for AC adoption



- **Fuel efficiency**
  - Up to 30% benefit with Trip Optimizer suite



- **Carbon emissions**
  - 30% -to- 100% ... battery electric and hydrogen



# 2Q 2023 financial summary

**STRONG SALES AND EPS GROWTH DESPITE MACRO UNCERTAINTY**

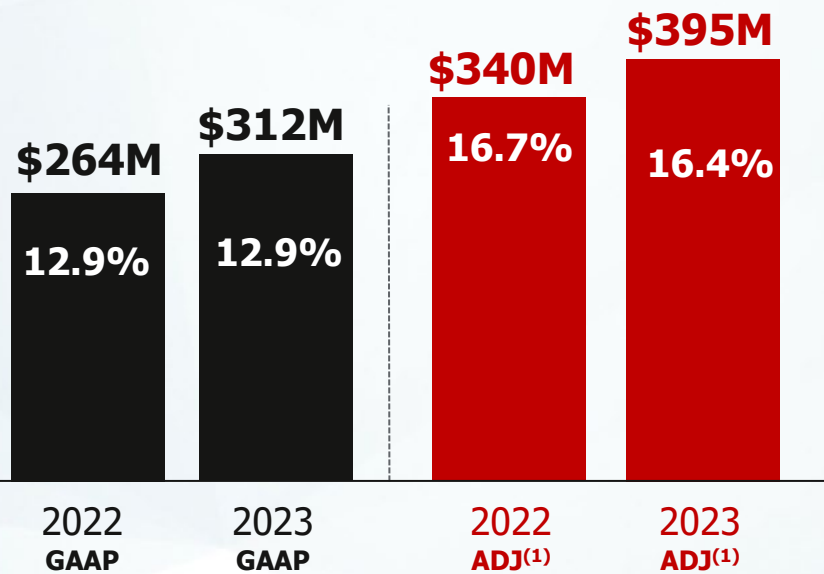
## SALES



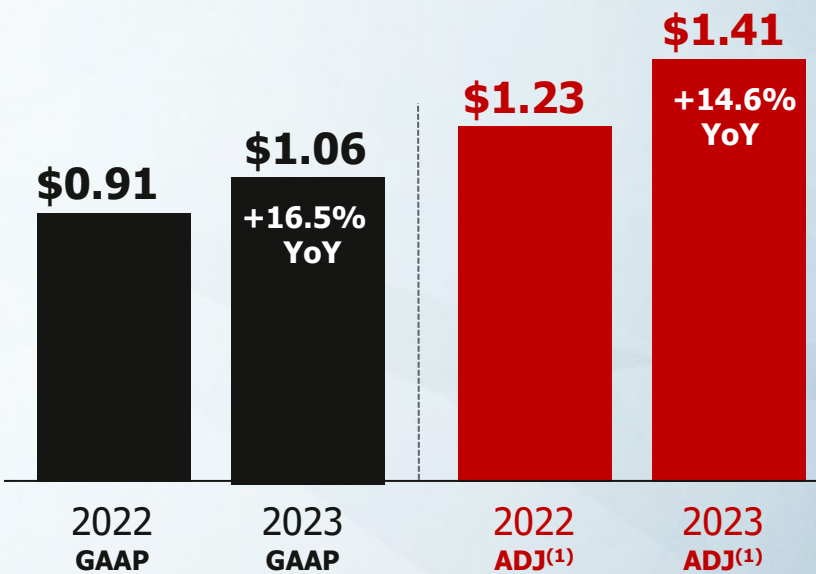
**17.5% INCREASE**

(17.9% INCREASE EX-CURRENCY)

## OP INCOME/OP MARGIN



## EPS



(1) Adjusted numbers represent non-GAAP financial measures. See Appendix for additional details and reconciliations

# 2Q 2023 sales



(\$ in millions)

PRODUCT LINE	2Q23	YOY
Equipment	\$415	8.9%
Components	\$288	23.1%
Digital Intelligence	\$195	18.9%
Services	\$810	13.9%
Freight Segment	\$1,708	14.6%
Transit Segment	\$699	25.3%
<b>TOTAL SALES</b>	<b>\$2,407</b>	<b>17.5%</b>

## 2Q KEY DRIVERS

### EQUIPMENT

Higher international locomotives sales

### COMPONENTS

Higher due to improving OE railcar build and increased demand for industrial products

### DIGITAL INTELLIGENCE

Higher demand for next-gen on-board locomotive hardware, KinetiX systems, mining solutions, international PTC and acquisitions (12% YoY growth excluding acquisitions)

### SERVICES

Increased sales from higher mods deliveries and increased parts sales

### TRANSIT

Strong OE and aftermarket sales ... sales up 24.9% on constant currency basis

# 2Q 2023 consolidated gross profit



(\$ in millions)	GAAP	Adjusted <sup>(1)</sup>
<b>2022 GROSS PROFIT</b>	<b>\$645</b>	<b>\$647</b>
<i>% Gross Profit Margin</i>	<i>31.5%</i>	<i>31.6%</i>
Volume	↑↑	↑↑
Mix/Pricing	↓	↓
Raw Materials	↔	↔
Currency	↓	↓
Manufacturing/Other	↓	↓
<b>2023 GROSS PROFIT</b>	<b>\$723</b>	<b>\$731</b>
<i>% Gross Profit Margin</i>	<i>30.1%</i>	<i>30.4%</i>

## 2Q KEY DRIVERS

### VOLUME

Higher Freight and Transit segment sales

### MIX / PRICING

Less rich mix of products between and within segments, partially offset by price

### RAW MATERIALS

Largely flat input costs

### CURRENCY

Unfavorable foreign exchange impacted gross profit \$2M (operating income negatively impacted by \$2M)

### MANUFACTURING / OTHER

Favorable fixed cost absorption and benefits of Integration 2.0 offset by manufacturing inefficiencies (Erie facility)

(1) Adjusted numbers represent non-GAAP financial measures. See Appendix for additional details and reconciliations



# 2Q 2023 consolidated operating income

(\$ in millions)	GAAP	Adjusted <sup>(1)</sup>
<b>2022 OP INCOME</b>	<b>\$264</b>	<b>\$340</b>
<i>% Operating Margin</i>	<i>12.9%</i>	<i>16.7%</i>
Gross Profit	78	84
SG&A	(26)	(26)
Engineering	(3)	(3)
Amortization	(1)	-
<b>2023 OP INCOME</b>	<b>\$312</b>	<b>\$395</b>
<i>% Operating Margin</i>	<i>12.9%</i>	<i>16.4%</i>

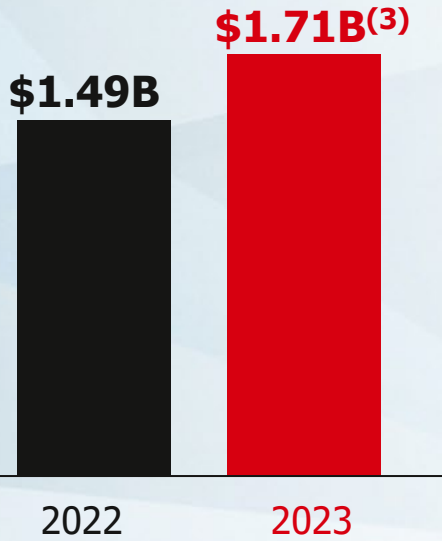
**OP MARGIN BENEFITED FROM HIGHER SALES AND LOWER SG&A AS PERCENTAGE OF SALES**

(1) Adjusted numbers represent non-GAAP financial measures. See Appendix for additional details and reconciliations

# 2Q 2023 Freight segment performance

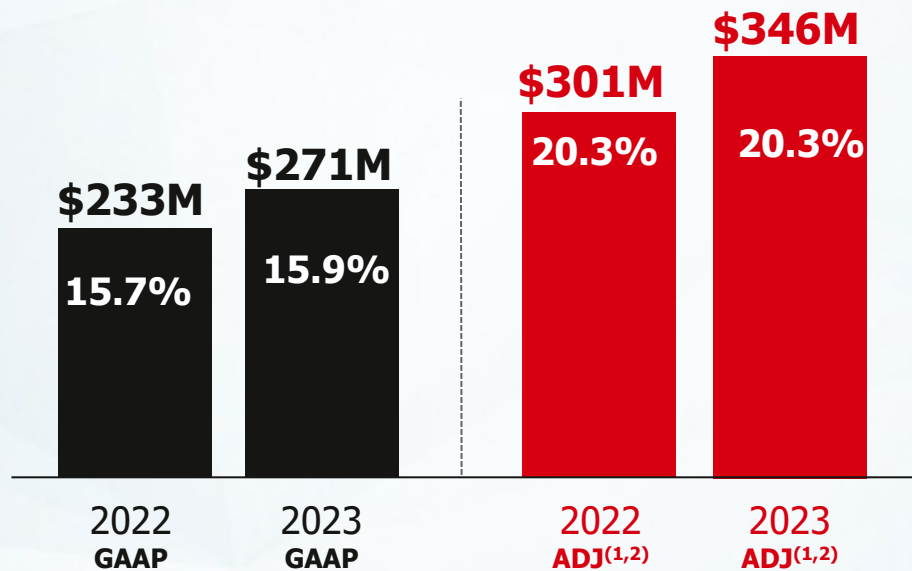


## SALES

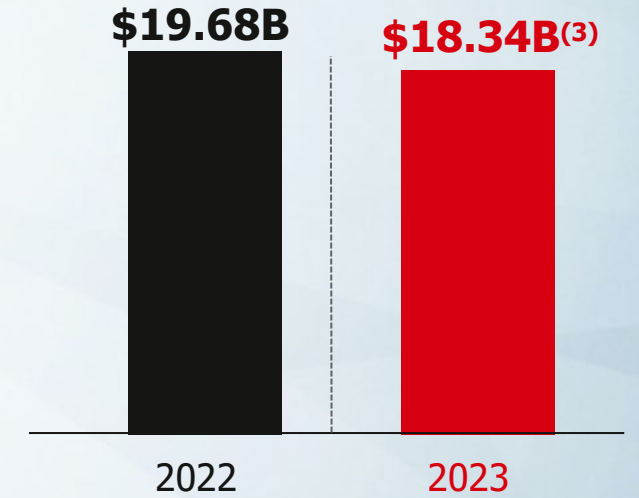


**14.6% INCREASE**  
(15.2% INCREASE EX-CURRENCY)

## OP INCOME/OP MARGIN



## MULTI-YEAR BACKLOG



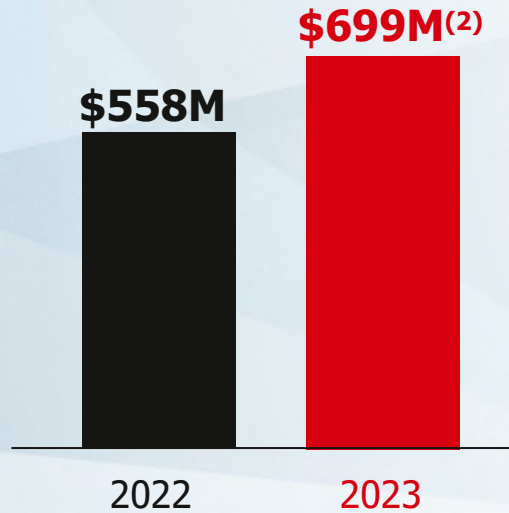
**6.8% DECREASE YoY**

**10.3% INCREASE**  
**12-MONTH BACKLOG YoY**

(1) Adjusted numbers represent non-GAAP financial measures. See Appendix for additional details and reconciliations  
 (2) Freight segment operating income was positively impacted by below-market intangible amortization of \$14 million; up \$1 million versus 2<sup>nd</sup> quarter 2022  
 (3) Foreign exchange negatively impacted Freight sales by \$9 million; Foreign exchange rates had a positive \$82 million impact on segment multi-year backlog

# 2Q 2023 Transit segment performance

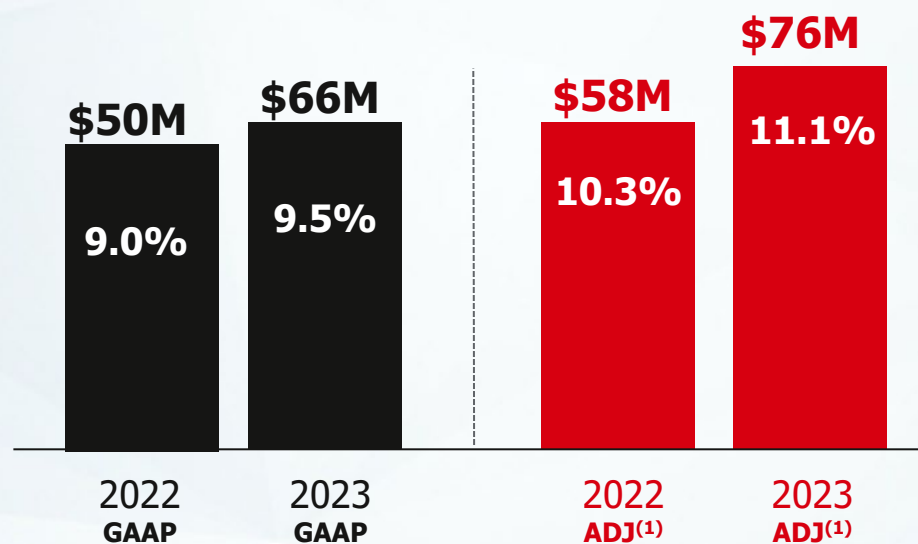
## SALES



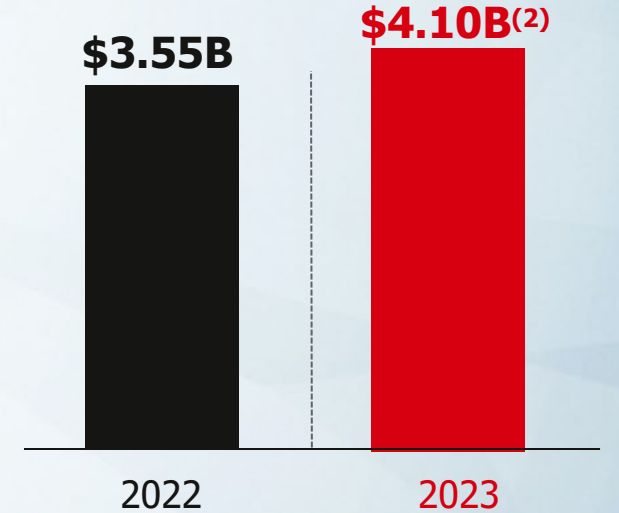
**25.3% INCREASE**

(24.9% INCREASE EX-CURRENCY)

## OP INCOME/OP MARGIN



## MULTI-YEAR BACKLOG



**15.4% INCREASE YoY**

9.0% INCREASE  
12-MONTH BACKLOG YoY

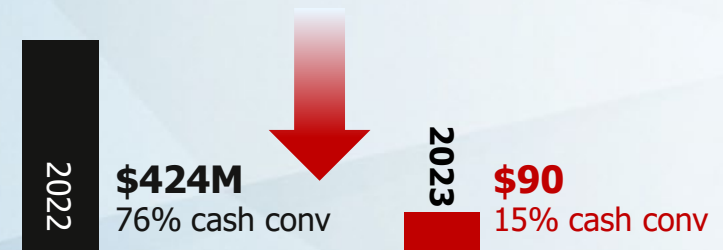
(1) Adjusted numbers represent non-GAAP financial measures. See Appendix for additional details and reconciliations

(2) Foreign exchange positively impacted Transit sales by \$2 million; Foreign exchange rates had a positive \$87 million impact on segment multi-year backlog



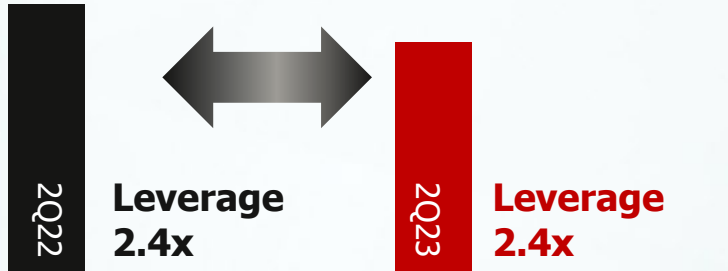
# Resilient business allows for execution on financial priorities

## FOCUSED ON CASH CONVERSION<sup>(1)</sup> YTD CASH FROM OPS



**YoY cash generation** impacted by higher working capital investment ... in particular, higher receivables and inventory

## STRONG FINANCIAL POSITION LEVERAGE

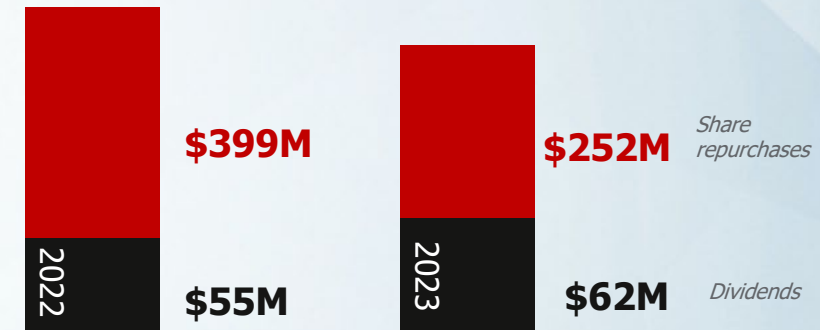


**Debt leverage** <sup>(2)</sup> within target range of 2.0 to 2.5x

**Bolt-on acquisition of L&M** ... strategic addition to mining portfolio

**Strong balance sheet** ... liquidity of \$1.75B<sup>(3)</sup>

## RETURN CAPITAL TO SHAREHOLDERS



Returning capital to shareholders ... **\$314M returned through share repurchases and dividends**

# STRONG FINANCIAL POSITION; INVESTING IN FUTURE GROWTH AND MAXIMIZING SHAREHOLDER RETURNS

(1) Cash from Operations conversion % is defined as GAAP Cash from Operations divided by GAAP net income plus depreciation and amortization including deferred debt cost amortization

(2) Leverage is defined as net debt divided by trailing 12-month adjusted EBITDA. Net debt is defined as total debt minus cash, restricted cash and cash equivalents

(3) At June 30, 2023, the Company's total available liquidity was \$1.75 billion, which includes cash and cash equivalents of \$0.364 billion, excluding restricted cash of \$7 million, plus \$1.38 billion available under current credit facilities

# 2023 updated financial guidance<sup>(1)</sup>

## PRIOR GUIDANCE

### REVENUES

**\$8.7B to \$9.0B**

### ADJUSTED EPS

**\$5.15 to \$5.55**

### CASH CONVERSION <sup>(2)</sup>

**>90%**



## UPDATED GUIDANCE

### REVENUES

**\$9.25B to \$9.50B**

### ADJUSTED EPS

**\$5.50 to \$5.80**

### CASH CONVERSION <sup>(2)</sup>

**>90%**

## KEY ASSUMPTIONS

- Adjusted operating margin up
  - Favorable productivity/absorption offset by mix
  - SG&A as % of sales down
  - Engineering as % of sales flat

Tax rate ~25.5%  
Capex ~2% of sales

(1) See Forward looking statements and non-GAAP financial information

(2) Cash from operations conversion % is defined as GAAP cash from operations divided by GAAP net income plus depreciation and amortization including deferred debt cost amortization

**STRONG MOMENTUM ACROSS THE PORTFOLIO**

# Key takeaways

## 5-YEAR OUTLOOK<sup>(1)</sup>

**MSD CORE ORGANIC  
GROWTH CAGR**

**+**

**250-300 BPS MARGIN  
EXPANSION**

**+**

**DISCIPLINED CAPITAL  
DEPLOYMENT**

**=**

**DOUBLE-DIGIT EPS  
GROWTH WITH STRONG  
OPERATING CASH FLOW  
CONVERSION  
(90%+)**

- 01** Strong performance in first half of 2023 despite significant macro uncertainty and volatility
- 02** Productivity driven by continuous cost improvement combined with initial realization of Integration 2.0 savings
- 03** Growing momentum across the portfolio and strengthening order pipeline increases multi-year visibility
- 04** Wabtec is well-positioned to drive higher returns and create significant long-term value for shareholders

(1) Long-term guidance as of March 9, 2022



# Income statement

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION  
CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023 AND 2022  
(AMOUNTS IN MILLIONS EXCEPT PER SHARE DATA)  
(UNAUDITED)

Appendix A ( 1 of 2)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net sales	\$ 2,407	\$ 2,048	\$ 4,601	\$ 3,975
Cost of sales	(1,684)	(1,403)	(3,213)	(2,735)
Gross profit	723	645	1,388	1,240
<i>Gross profit as a % of Net Sales</i>	30.1%	31.5%	30.2%	31.2%
Selling, general and administrative expenses	(285)	(259)	(548)	(497)
Engineering expenses	(53)	(50)	(104)	(95)
Amortization expense	(73)	(72)	(148)	(145)
Total operating expenses	(411)	(381)	(800)	(737)
<i>Operating expenses as a % of Net Sales</i>	17.1%	18.6%	17.4%	18.5%
Income from operations	312	264	588	503
<i>Income from operations as a % of Net Sales</i>	12.9%	12.9%	12.8%	12.7%
Interest expense, net	(55)	(44)	(103)	(87)
Other income, net	2	7	7	11
Income before income taxes	259	227	492	427
Income tax expense	(66)	(58)	(126)	(108)
<i>Effective tax rate</i>	25.5%	25.5%	25.5%	25.3%
Net income	193	169	366	319
Less: Net income attributable to noncontrolling interest	(2)	(3)	(6)	(4)
Net income attributable to Wabtec shareholders	\$ 191	\$ 166	\$ 360	\$ 315
<b>Earnings Per Common Share</b>				
<b>Basic</b>				
Net income attributable to Wabtec shareholders	\$ 1.06	\$ 0.91	\$ 2.00	\$ 1.71
<b>Diluted</b>				
Net income attributable to Wabtec shareholders	\$ 1.06	\$ 0.91	\$ 2.00	\$ 1.71
Basic	178.9	181.9	179.4	183.2
Diluted	179.4	182.4	180.0	183.7

# Income statement (cont.)

**WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023 AND 2022**  
**(AMOUNTS IN MILLIONS EXCEPT PER SHARE DATA)**  
**(UNAUDITED)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
<b>Segment Information</b>				
Freight Net Sales	\$ 1,708	\$ 1,490	\$ 3,274	\$ 2,812
Freight Income from Operations	\$ 271	\$ 233	\$ 498	\$ 422
Freight Operating Margin	15.9%	15.7%	15.2%	15.0%
Transit Net Sales	\$ 699	\$ 558	\$ 1,327	\$ 1,163
Transit Income from Operations	\$ 66	\$ 50	\$ 135	\$ 115
Transit Operating Margin	9.5%	9.0%	10.2%	9.9%
<b>Backlog Information (Note: 12-month is a sub-set of total)</b>				
	<b>June 30, 2023</b>	<b>March 31, 2023</b>	<b>June 30, 2022</b>	
Freight Total	\$ 18,336	\$ 18,362	\$ 19,679	
Transit Total	4,095	3,972	3,548	
Wabtec Total	<u>\$ 22,431</u>	<u>\$ 22,334</u>	<u>\$ 23,227</u>	
Freight 12-Month	\$ 5,318	\$ 4,978	\$ 4,821	
Transit 12-Month	1,902	1,947	1,745	
Wabtec 12-Month	<u>\$ 7,220</u>	<u>\$ 6,925</u>	<u>\$ 6,566</u>	

# Balance sheet

Appendix B

**WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**(UNAUDITED)**

	<u>June 30, 2023</u>	<u>December 31, 2022</u>
<i>In millions</i>		
Cash, cash equivalents and restricted cash	\$ 371	\$ 541
Receivables, net	1,698	1,519
Inventories	2,317	2,034
Other current assets	<u>277</u>	<u>233</u>
<b>Total current assets</b>	4,663	4,327
Property, plant and equipment, net	1,443	1,429
Goodwill	8,657	8,508
Other intangible assets, net	3,359	3,402
Other noncurrent assets	<u>863</u>	<u>850</u>
<b>Total assets</b>	<u>\$ 18,985</u>	<u>\$ 18,516</u>
Current liabilities	\$ 4,173	\$ 3,467
Long-term debt	3,401	3,751
Long-term liabilities - other	<u>1,184</u>	<u>1,151</u>
<b>Total liabilities</b>	8,758	8,369
Shareholders' equity	10,188	10,102
Noncontrolling interest	<u>39</u>	<u>45</u>
<b>Total shareholders' equity</b>	<u>10,227</u>	<u>10,147</u>
<b>Total Liabilities and Shareholders' Equity</b>	<u>\$ 18,985</u>	<u>\$ 18,516</u>

# Cash flow

**WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

	<b>Six Months Ended June 30,</b>	
	<b><u>2023</u></b>	<b><u>2022</u></b>
<i>In millions</i>		
<i>Operating activities</i>		
Net income	\$ 366	\$ 319
Non-cash expense	245	238
Receivables	(150)	45
Inventories	(248)	(256)
Accounts Payable	(5)	185
Other assets and liabilities	(118)	(107)
<b>Net cash provided by operating activities</b>	<b>90</b>	<b>424</b>
<b>Net cash used for investing activities</b>	<b>(293)</b>	<b>(117)</b>
<b>Net cash provided by (used for) financing activities</b>	<b>30</b>	<b>(256)</b>
Effect of changes in currency exchange rates	3	(23)
(Decrease) increase in cash	(170)	28
Cash, cash equivalents and restricted cash, beginning of period	541	473
Cash, cash equivalents and restricted cash, end of period	<u>\$ 371</u>	<u>\$ 501</u>



# EPS and non-GAAP Reconciliation

Set forth below is the calculation of the non-GAAP performance measures included in this press release. We believe that these measures provide useful supplemental information to assess our operating performance and to evaluate period-to-period comparisons. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, Wabtec's reported results prepared in accordance with GAAP.

Wabtec Corporation										
Reconciliation of Reported Results to Adjusted Results										
(in millions)										
	Second Quarter 2023 Actual Results									
	<u>Net Sales</u>	<u>Gross Profit</u>	<u>Operating Expenses</u>	<u>Income from Operations</u>	<u>Interest &amp; Other Exp</u>	<u>Tax</u>	<u>Net Income</u>	<u>Noncontrolling Interest</u>	<u>Wabtec Net Income</u>	<u>EPS</u>
<b>Reported Results</b>	\$ 2,407	\$ 723	\$ (411)	\$ 312	\$ (53)	\$ (66)	\$ 193	\$ (2)	\$ 191	\$ 1.06
Restructuring costs	-	8	2	10	-	(3)	7	-	7	\$ 0.04
Non-cash Amortization expense	-	-	73	73	-	(17)	56	-	56	\$ 0.31
<b>Adjusted Results</b>	<b>\$ 2,407</b>	<b>\$ 731</b>	<b>\$ (336)</b>	<b>\$ 395</b>	<b>\$ (53)</b>	<b>\$ (86)</b>	<b>\$ 256</b>	<b>\$ (2)</b>	<b>\$ 254</b>	<b>\$ 1.41</b>
<b>Fully Diluted Shares Outstanding</b>										<b>179.4</b>

Wabtec Corporation										
Reconciliation of Reported Results to Adjusted Results										
(in millions)										
	Second Quarter Year-to-Date 2023 Actual Results									
	<u>Net Sales</u>	<u>Gross Profit</u>	<u>Operating Expenses</u>	<u>Income from Operations</u>	<u>Interest &amp; Other Exp</u>	<u>Tax</u>	<u>Net Income</u>	<u>Noncontrolling Interest</u>	<u>Wabtec Net Income</u>	<u>EPS</u>
<b>Reported Results</b>	\$ 4,601	\$ 1,388	\$ (800)	\$ 588	\$ (96)	\$ (126)	\$ 366	\$ (6)	\$ 360	\$ 2.00
Restructuring costs	-	12	7	19	-	(5)	14	-	14	\$ 0.08
Non-cash Amortization expense	-	-	148	148	-	(37)	111	-	111	\$ 0.61
<b>Adjusted Results</b>	<b>\$ 4,601</b>	<b>\$ 1,400</b>	<b>\$ (645)</b>	<b>\$ 755</b>	<b>\$ (96)</b>	<b>\$ (168)</b>	<b>\$ 491</b>	<b>\$ (6)</b>	<b>\$ 485</b>	<b>\$ 2.69</b>
<b>Fully Diluted Shares Outstanding</b>										<b>180.0</b>

# EPS and non-GAAP Reconciliation

Set forth below is the calculation of the non-GAAP performance measures included in this press release. We believe that these measures provide useful supplemental information to assess our operating performance and to evaluate period-to-period comparisons. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, Wabtec's reported results prepared in accordance with GAAP.

Wabtec Corporation Reconciliation of Reported Results to Adjusted Results (in millions)										
	Second Quarter 2022 Actual Results									
	<u>Net Sales</u>	<u>Gross Profit</u>	<u>Operating Expenses</u>	<u>Income from Operations</u>	<u>Interest &amp; Other Exp</u>	<u>Tax</u>	<u>Net Income</u>	<u>Noncontrolling Interest</u>	<u>Wabtec Net Income</u>	<u>EPS</u>
<b>Reported Results</b>	\$ 2,048	\$ 645	\$ (381)	\$ 264	\$ (37)	\$ (58)	\$ 169	\$ (3)	\$ 166	\$ 0.91
Restructuring costs	-	2	2	4	-	(1)	3	-	3	\$ 0.02
Non-cash Amortization expense	-	-	72	72	-	(18)	54	-	54	\$ 0.30
<b>Adjusted Results</b>	\$ 2,048	\$ 647	\$ (307)	\$ 340	\$ (37)	\$ (77)	\$ 226	\$ (3)	\$ 223	\$ 1.23
<b>Fully Diluted Shares Outstanding</b>										<b>182.4</b>

Wabtec Corporation Reconciliation of Reported Results to Adjusted Results (in millions)										
	Second Quarter Year-to-Date 2022 Actual Results									
	<u>Net Sales</u>	<u>Gross Profit</u>	<u>Operating Expenses</u>	<u>Income from Operations</u>	<u>Interest &amp; Other Exp</u>	<u>Tax</u>	<u>Net Income</u>	<u>Noncontrolling Interest</u>	<u>Wabtec Net Income</u>	<u>EPS</u>
<b>Reported Results</b>	\$ 3,975	\$ 1,240	\$ (737)	\$ 503	\$ (76)	\$ (108)	\$ 319	\$ (4)	\$ 315	\$ 1.71
Restructuring costs	-	7	4	11	-	(3)	8	-	8	\$ 0.05
Non-cash Amortization expense	-	-	145	145	-	(36)	109	-	109	\$ 0.59
<b>Adjusted Results</b>	\$ 3,975	\$ 1,247	\$ (588)	\$ 659	\$ (76)	\$ (147)	\$ 436	\$ (4)	\$ 432	\$ 2.35
<b>Fully Diluted Shares Outstanding</b>										<b>183.7</b>

# EBITDA reconciliation

Set forth below is the calculation of the non-GAAP performance measures included in this press release. We believe that these measures provide useful supplemental information to assess our operating performance and to evaluate period-to-period comparisons. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, Wabtec's reported results prepared in accordance with GAAP.

Wabtec Corporation 2023 Q2 EBITDA Reconciliation (in millions)						
	<u>Reported Income from Operations</u>	+ Other Income (Expense)	+ Depreciation & Amortization	= <u>EBITDA</u>	+ Restructuring Costs	= Adjusted EBITDA
Consolidated Results	\$312	\$2	\$122	\$436	\$8	\$444

Wabtec Corporation 2023 Q2 YTD EBITDA Reconciliation (in millions)						
	<u>Reported Income from Operations</u>	+ Other Income (Expense)	+ Depreciation & Amortization	= <u>EBITDA</u>	+ Restructuring Costs	= Adjusted EBITDA
Consolidated Results	\$588	\$7	\$243	\$838	\$14	\$852

Wabtec Corporation 2022 Q2 EBITDA Reconciliation (in millions)						
	<u>Reported Income from Operations</u>	+ Other Income (Expense)	+ Depreciation & Amortization	= <u>EBITDA</u>	+ Restructuring Costs	= Adjusted EBITDA
Consolidated Results	\$264	\$7	\$116	\$387	\$4	\$391

Wabtec Corporation 2022 Q2 YTD EBITDA Reconciliation (in millions)						
	<u>Reported Income from Operations</u>	+ Other Income (Expense)	+ Depreciation & Amortization	= <u>EBITDA</u>	+ Restructuring Costs	= Adjusted EBITDA
Consolidated Results	\$503	\$11	\$237	\$751	\$11	\$762

# Sales by product line

## WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION SALES BY PRODUCT LINE (UNAUDITED)

<u><i>In millions</i></u>	<b>Three Months Ended June 30,</b>	
	<b><u>2023</u></b>	<b><u>2022</u></b>
Freight Segment		
Equipment	\$ 415	\$ 381
Components	288	234
Digital Intelligence	195	164
Services	810	711
Total Freight Segment	<u>\$ 1,708</u>	<u>\$ 1,490</u>
Transit Segment		
Original Equipment Manufacturer	\$ 325	\$ 259
Aftermarket	374	299
Total Transit Segment	<u>\$ 699</u>	<u>\$ 558</u>
<u><i>In millions</i></u>	<b>Six Months Ended June 30,</b>	
	<b><u>2023</u></b>	<b><u>2022</u></b>
Freight Segment		
Equipment	\$ 808	\$ 655
Components	567	463
Digital Intelligence	382	317
Services	1,517	1,377
Total Freight Segment	<u>\$ 3,274</u>	<u>\$ 2,812</u>
Transit Segment		
Original Equipment Manufacturer	\$ 607	\$ 551
Aftermarket	720	612
Total Transit Segment	<u>\$ 1,327</u>	<u>\$ 1,163</u>



# Segment gross margin & operating margin reconciliation

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION  
RECONCILIATION OF REPORTED RESULTS TO ADJUSTED RESULTS - BY SEGMENT  
(UNAUDITED)

<i>In millions</i>	Three Months Ended June 30,				Six Months Ended June 30,			
	2023		2022		2023		2022	
	<u>Gross Profit</u>	<u>Income from Operations</u>	<u>Gross Profit</u>	<u>Income from Operations</u>	<u>Gross Profit</u>	<u>Income from Operations</u>	<u>Gross Profit</u>	<u>Income from Operations</u>
<b>Freight Segment Reported Results</b>	\$ 541	\$ 271	\$ 493	\$ 233	\$ 1,021	\$ 498	\$ 917	\$ 422
<i>Freight Segment Reported Margin</i>	31.7%	15.9%	33.0%	15.7%	31.2%	15.2%	32.6%	15.0%
Restructuring costs	5	6	1	1	6	8	3	3
Non-cash Amortization expense	-	69	-	67	-	137	-	135
<b>Freight Segment Adjusted Results</b>	<b>\$ 546</b>	<b>\$ 346</b>	<b>\$ 494</b>	<b>\$ 301</b>	<b>\$ 1,027</b>	<b>\$ 643</b>	<b>\$ 920</b>	<b>\$ 560</b>
<i>Freight Segment Adjusted Margin</i>	32.0%	20.3%	33.2%	20.3%	31.4%	19.6%	32.7%	20.0%
<b>Transit Segment Reported Results</b>	\$ 182	\$ 66	\$ 152	\$ 50	\$ 367	\$ 135	\$ 323	\$ 115
<i>Transit Segment Reported Margin</i>	26.0%	9.5%	27.4%	9.0%	27.7%	10.2%	27.7%	9.9%
Restructuring costs	3	6	1	3	6	11	4	7
Non-cash Amortization expense	-	4	-	5	-	11	-	10
<b>Transit Segment Adjusted Results</b>	<b>\$ 185</b>	<b>\$ 76</b>	<b>\$ 153</b>	<b>\$ 58</b>	<b>\$ 373</b>	<b>\$ 157</b>	<b>\$ 327</b>	<b>\$ 132</b>
<i>Transit Segment Adjusted Margin</i>	26.5%	11.1%	27.5%	10.3%	28.1%	11.9%	28.1%	11.4%

# Segment sales reconciliation

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION  
RECONCILIATION OF CHANGES IN NET SALES - BY SEGMENT  
(UNAUDITED)

<i>In millions</i>	Three Months Ended June 30,		
	<u>Freight</u>	<u>Transit</u>	<u>Consolidated</u>
<b>2022 Net Sales</b>	\$ 1,490	\$ 558	\$ 2,048
Acquisitions	11	-	11
Foreign Exchange	(9)	2	(7)
Organic	216	139	355
<b>2023 Net Sales</b>	<u>\$ 1,708</u>	<u>\$ 699</u>	<u>\$ 2,407</u>
<i>Change (\$)</i>	218	141	359
<i>Change (%)</i>	14.6%	25.3%	17.5%
	Six Months Ended June 30,		
	<u>Freight</u>	<u>Transit</u>	<u>Consolidated</u>
<b>2022 Net Sales</b>	\$ 2,812	\$ 1,163	\$ 3,975
Acquisitions	32	-	32
Foreign Exchange	(30)	(33)	(63)
Organic	460	197	657
<b>2023 Net Sales</b>	<u>\$ 3,274</u>	<u>\$ 1,327</u>	<u>\$ 4,601</u>
<i>Change (\$)</i>	462	164	626
<i>Change (%)</i>	16.4%	14.1%	15.7%

# Cash conversion reconciliation

Set forth below is the calculation of the non-GAAP performance measures included in this press release. We believe that these measures provide useful supplemental information to assess our operating performance and to evaluate period-to-period comparisons. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, Wabtec's reported results prepared in accordance with GAAP.

Wabtec Corporation 2023 Q2 Cash Conversion Calculation (in millions)					
	<u>Reported Cash from Operations</u>	÷	<u>(Net Income</u>	+ <u>Depreciation &amp; Amortization)</u>	= <u>Cash Conversion</u>
Consolidated Results	\$115		\$193	\$123	36%

Wabtec Corporation 2023 Q2 YTD Cash Conversion Calculation (in millions)					
	<u>Reported Cash from Operations</u>	÷	<u>(Net Income</u>	+ <u>Depreciation &amp; Amortization)</u>	= <u>Cash Conversion</u>
Consolidated Results	\$90		\$366	\$246	15%

Wabtec Corporation 2022 Q2 Cash Conversion Calculation (in millions)					
	<u>Reported Cash from Operations</u>	÷	<u>(Net Income</u>	+ <u>Depreciation &amp; Amortization)</u>	= <u>Cash Conversion</u>
Consolidated Results	\$263		\$169	\$118	92%

Wabtec Corporation 2022 Q2 YTD Cash Conversion Calculation (in millions)					
	<u>Reported Cash from Operations</u>	÷	<u>(Net Income</u>	+ <u>Depreciation &amp; Amortization)</u>	= <u>Cash Conversion</u>
Consolidated Results	\$424		\$319	\$240	76%