

A long-exposure photograph of a high-speed train track, showing two trains moving in opposite directions, creating significant motion blur. The tracks are flanked by gravel and concrete, with overhead power lines visible in the distance.

# WABTEC TO ACQUIRE EVIDENT'S INSPECTION TECHNOLOGIES DIVISION

*LEADING DIGITAL SOLUTIONS FOR MISSION CRITICAL EQUIPMENT & SERVICES*



# Forward Looking Statements & Non-GAAP Financial Information

This communication contains “forward-looking” statements within the meaning of the U.S. securities laws. All statements, other than historical facts, including statements regarding Wabtec’s proposed acquisition of Evident’s Inspection Technologies division, Inspection Technologies performance and the timing of completion, Wabtec’s plans, objectives, expectations and intentions; Wabtec’s expectations about future sales, earnings and cash conversion; Wabtec’s projected expenses and cost savings 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, are forward looking statements. 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 impacts of epidemics, pandemics or similar public health crises on the global economy and, in particular, our customers, suppliers and end-markets; (11) potential disruptions, instability and volatility in global markets as a result of global military action, acts of terrorism or armed conflict, including from the imposition of economic sanctions on Russia resulting from the invasion of Ukraine; (12) cybersecurity and data protection risks; (13) the risk that the proposed transaction may not be completed in the time frame expected by Wabtec or at all; (14) the potential for unexpected costs, charges or expenses resulting from the proposed transaction; (15) uncertainty of the expected financial performance of Evident’s Inspection Technologies Division and the combined company following completion of the proposed transaction; (16) risks associated with the integration of Evident’s Inspection Technologies division and the potential for failure to realize the anticipated benefits and synergies of the proposed transaction; (17) the ability of the combined company to implement its business strategy; (18) inability to retain key personnel and (19) other risk factors as detailed from time to time in Wabtec’s reports 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.

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# Today's Participants



**RAFAEL  
SANTANA**

President &  
Chief Executive Officer



**JOHN  
OLIN**

Executive Vice President &  
Chief Financial Officer



**KYRA  
YATES**

Vice President,  
Investor Relations



**NALIN  
JAIN**

President, Digital  
Intelligence



**ERIC  
GEBHARDT**

Executive Vice President &  
Chief Technology Officer



# Highly Attractive Acquisition Aligned With Wabtec's Strategic And Financial Objectives

1

Attractive upfront purchase multiple of **approximately 12.0x<sup>1</sup> 2025 projected adjusted EBITDA**, supported by a high single-digit revenue growth outlook, **accretive adjusted EBIT margins and accretive ROIC**

2

**Expands offerings with existing customers** in rail, mining and industrial sectors by integrating advanced inspection technologies into Wabtec's Digital portfolio

3

**Accelerates the growth of Digital Intelligence into adjacent business lines** by leveraging scalable technologies that drive customer productivity, reliability and safety

4

**Expands Wabtec's Digital Intelligence Total Addressable Market by \$8 billion** with an industry-leading portfolio of advanced diagnostic technologies that ensure the health and reliability of mission critical assets, infrastructure and supply chains globally

## VALUE CREATION FRAMEWORK

**WABTEC VALUE CREATION FRAMEWORK FOR DELIVERING THE FUTURE OF RAIL**

**DRIVERS OF PORTFOLIO OPTIMIZATION AND GROWTH**

- 1 Accelerate innovation of scalable technologies  
*Build high-margin, innovative and scalable products to increase customer productivity, automation, utilization, and capacity*
- 2 Grow and refresh expansive global installed base  
*Increase share across asset lifecycle (Locos/Mining, Freight Cars & Trolleys)*
- 3 Lead decarbonization of rail  
*Drive the industry in innovative, low-carbon technologies and transformative solutions*
- 4 Expand high-margin recurring revenue streams  
*Increase revenues and expand margins while reducing exposure to economic cycles*
- 5 Drive continuous operational improvement  
*Accelerate sales, drive cost competitiveness, deploy capital efficiently; Build a stronger, better value*

Extending our position as a leader in rail technology around the world

**WABTEC #1 ACCELERATE INNOVATION OF SCALABLE TECHNOLOGIES**

**~6-7%** target annual organic investment in technology as % of sales

- ENHANCE EXISTING PRODUCTS
- INVENT, TEST AND SCALE FUTURE TECHNOLOGIES

**WABTEC #2 GROW AND REFRESH EXPANSIVE GLOBAL INSTALLED BASE**

**LOCOMOTIVE MARKET**

	IB	Age (years)	WAB%*	2024-2026
NORTH AMERICA	30K	22	53%	👆
APAC	20K	20	14%	👆
CEU/EU	26K	25	8%	👆
LATAM	3K	22	61%	👆
SUB-SAHARAN AFRICA	5K	19	26%	👆

Customers projected to spend 1-1.5X the original price of loco on service alone

**TRANSIT** | **DIGITAL INTELLIGENCE** | **FREIGHT SERVICES** | **FREIGHT CAR COMPONENTS**

- Opportunity for paragraph rail spend in 15-Miles
- High-margin friction products
- Full through content of up to 100% per new loco
- Recurring software services
- 10x+ service events over asset life
- >10,000 MTC units in operation being powered with Cab 1 customers
- Average \$6K on freight car
- Opportunity to run through near delivery, manufacturing & aftermarket sales

**WABTEC #3 LEAD DECARBONIZATION OF RAIL**

**2x** Global demand for transport growing fast... freight and passenger activity projected to grow more than double by 2050

**ENVIRONMENTAL IMPACT**

- CARBON REDUCTION**: 75% reduction in carbon emissions per ton-mile than trucking
- SAFER**: 20x fewer deaths and injuries per ton-mile than trucking
- MORE EFFICIENT**: 5.4x more fuel efficient than trucking

**~300M TONS** Enable Annual CO<sub>2</sub> Reduction Globally

Decarbonization drives strong customer returns

- FLKiting: 2-3x vs. T4
- ROI: Double-digit returns

**WABTEC #4 EXPAND HIGH-MARGIN RECURRING REVENUE STREAMS**

**62% OF COMPANY PROFIT IN 2023 DRIVEN BY RECURRING REVENUES**

46% Recurring Revenues

- Driven by expansive installed base of locomotives and significant content on transit / freight cars
- Includes service businesses, replacement parts, software licenses, digital services and consumables

**WABTEC #5 DRIVE CONTINUOUS OPERATIONAL IMPROVEMENT**

**ACCELERATE LEAN**: Deliver best-in-class manufacturing cost productivity and material cost deflation

- +18% on-line delivery
- Engineering productivity focus, 10% cost improvement
- +10% flexible work-force capacity
- Achieve over-the-cycle working capital cycle improvement

**DRIVE COST COMPETITIVENESS**

- >15% manufacturing sites, 10% best cost locations
- >25% sites in best-cost countries
- >30% of engineers in best-cost countries
- Thought cost reviews & competitive product benchmarking

**CAPITAL EFFICIENCY METRICS**

Operating Cash Conversion<sup>(1)</sup> in Line With Long-Term Targets

Year	5.3%	5.9%	6.5%
2021	4.6%	5.2%	6.4%
2022			
2023			

(1) EBITDA is adjusted for estimated transaction and separation costs as well as expected run-rate cost synergies; Purchase price is adjusted for estimated tax benefits



# A UNIQUE OPPORTUNITY TO STRENGTHEN AND ACCELERATE WABTEC'S GROWTH IN DIGITAL INTELLIGENCE

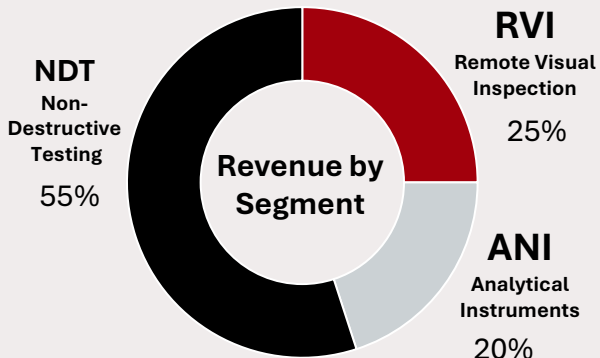


# Introduction To Inspection Technologies

Leading digital solutions for mission critical equipment & services

## COMPANY OVERVIEW

- Evident’s Inspection Technologies Division (Inspection Technologies), formerly part of the Scientific Solutions Division of Olympus Corporation, has the leading global position across mission critical solutions to ensure productivity, reliability and safety across critical assets, aging infrastructure and supply chains
- Inspection Technologies enables customers to meet regulation and safety standards while minimizing costly downtime
- Global footprint with 4 manufacturing locations and ~1,300 employees
- Global leader in NDT (flaw and thickness inspection), RVI (remote visual inspection) and ANI (material composition analysis)



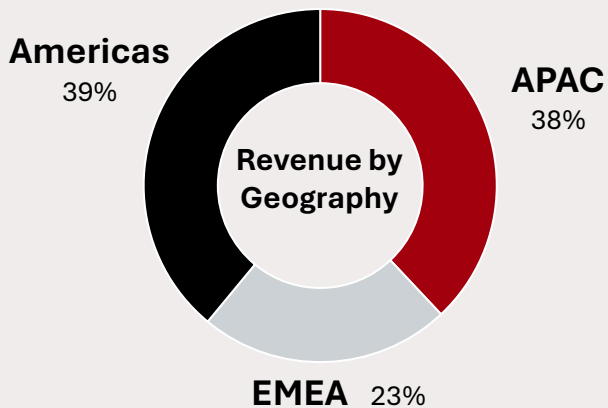
## FINANCIAL HIGHLIGHTS

**8%**  
'20 - '24E Revenue CAGR

**\$433M**  
'24E Revenue

**\$112M**  
'24E EBITDA

**25.9%**  
'24E EBITDA %

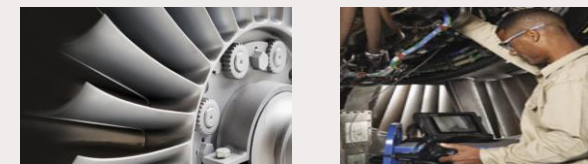


## TECHNOLOGIES AND END USERS <sup>1</sup>

**NDT** #1 global position across mission critical solutions to ensure productivity, reliability and safety across assets and infrastructure



**RVI** #2 global position for portfolio of critical inspection products for difficult to access areas



**ANI** #2 global player in handheld scanner technology to determine material composition

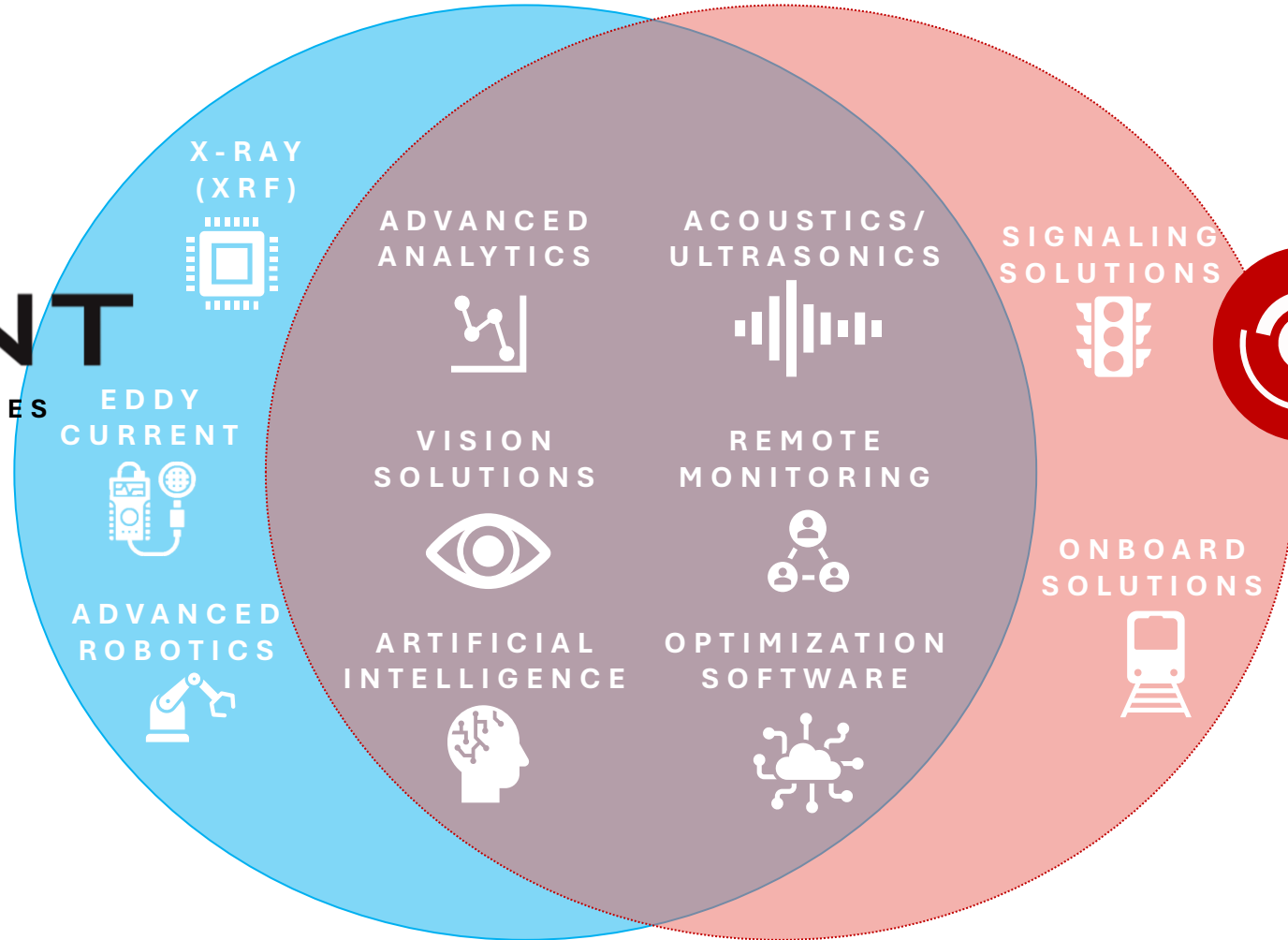


(1) Market positions are based on third party consulting study and company data



# Inspection Technologies Offers Attractive Complementary Technology To Wabtec's Digital Intelligence Business

**EVIDENT**  
INSPECTION TECHNOLOGIES  
DIVISION



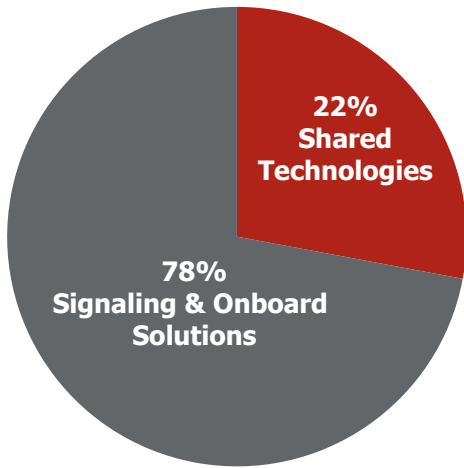
**Wabtec's  
Digital  
Intelligence**

**ADVANCED TECHNOLOGY ENABLING PRODUCTIVITY, RELIABILITY AND SAFETY  
FOR OUR CUSTOMER'S MISSION-CRITICAL ASSETS & INFRASTRUCTURE**

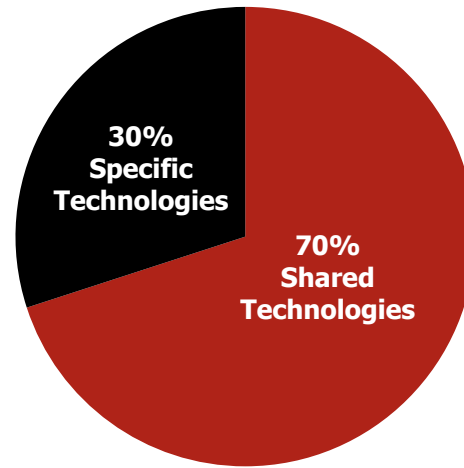


# Inspection Technologies Expands Digital's Technology Capabilities, Growth Profile And Recurring Revenues

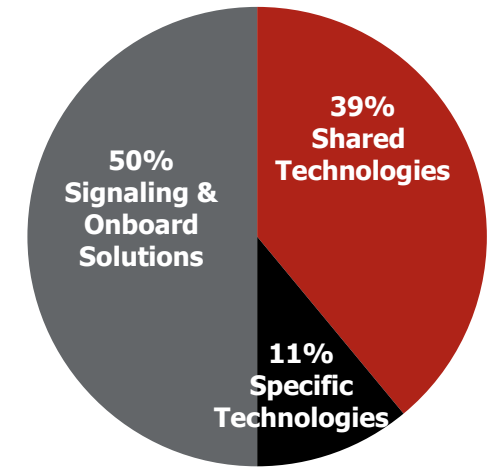
## Digital Intelligence



## Inspection Technologies<sup>1</sup>



## Proforma Digital Intelligence



**Estimated TAM<sup>5</sup>**

**~ \$8 Billion<sup>2</sup>**

**~ \$8 Billion<sup>3</sup>**

**~ \$16 Billion**

2024 Est Revenue

\$0.79B

\$0.43B

\$1.22B

4-yr. Growth CAGR ('20-'24)

Mid Single Digits

High Single Digits

High Single Digits

Recurring Revenue

~28%

~68%<sup>4</sup>

~42%

(1) Inspection Technologies financials annualized to December year-end, (2) Wabtec internal estimate, (3) Based on third-party consulting analysis for year ending 2023, (4) Based on Inspection Technologies re-occurring consumable sales and instrumentation sales that are tied to ongoing and required maintenance, (5) TAM = Total Addressable Market

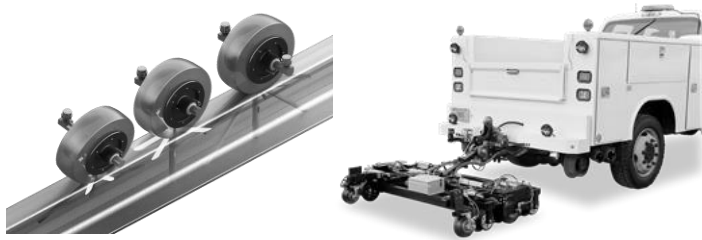
**ATTRACTIVE GROWTH PROSPECTS UNDERPINNED BY LONG-TERM MEGA TRENDS INCLUDING AGING ASSET INFRASTRUCTURE, INCREASING SAFETY, TIGHTENING REGULATORY LANDSCAPE AND EMERGING AI & AUTOMATION**



# Inspection Technologies Expands Wabtec's Offering In Rail And Mining Segments

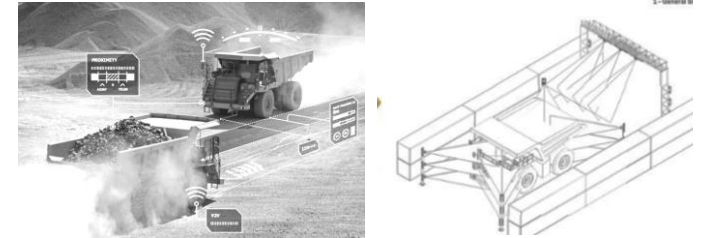
## Rail Track Inspection

Ultrasonic inspection solutions in both manual and semi-automated use cases to prevent derailments and improve rail safety

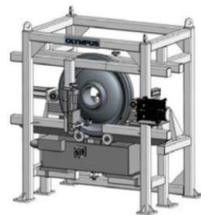
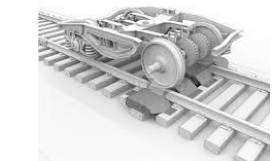


## Mining Equipment Inspection

Non-Destructive Testing solutions for components of mining equipment, including power and drive systems, bolts and conveyor belts



EPOCH 650



Ultrasonic, Eddy Current and Remote Visual Inspection technologies integrated into manufacturing control and ongoing rail operations



Inspection of mining commodities using Ultrasonic technologies and X-Ray Fluorescence to determine material composition, flaws and measurements

## Wheel Set Inspection

## Mining Ore Inspection





# Wabtec Executing On It's Value Creation Framework

## WABTEC'S DRIVERS OF PORTFOLIO GROWTH

- 1 Accelerate innovation of scalable technologies
- 2 Grow and refresh expansive global installed base
- 3 Drive innovative fuel efficiencies & propulsion technologies
- 4 Expand high-margin recurring revenue streams
- 5 Drive continuous operational improvement

## INVESTMENT FOCUS ON DIGITAL INTELLIGENCE

MOST PROFITABLE, FAST-GROWING SEGMENT

	5 yr. Growth Expectations	Margin Accretion
Equipment	+++	+
Services	++	++
Digital + Inspection Technologies	+++	+++
Components	+	++
Transit	++	+

## INSPECTION TECHNOLOGIES ACQUISITION

“Wabtec is poised to drive accelerated profitable growth through a strong focus on boosting customer productivity, reliability and safety by enhancing predictive maintenance and integrating advance analytics, sensors, IoT and AI technology.

Our solutions are designed to meet the evolving demands of the sectors we serve, with a focus on asset safety, reliability, regulatory compliance and productivity. They are aimed at mitigating the risks of failures and severe accidents, ensuring safer and more sustainable operations.

Inspection Technologies will augment our existing offerings in the rail, mining and industrial sectors while broadening our reach into other high-growth, high-margin complementary segments.”

Rafael Santana  
President and CEO

# Transaction Highlights

## Valuation

- \$1.78 billion purchase price in cash, subject to customary adjustments
- Represents **12.0x projected 2025 EBITDA multiple** when adjusting for estimated transaction & separation costs, estimated tax benefits of ~\$95 million and expected run-rate cost synergies of \$25 million

## Financing

- Financed with cash-on-hand, Company's credit revolver and incremental term loan
- Pro Forma **net leverage of ~2.5x at time of acquisition**; within Wabtec's targeted range of 2.0-2.5x. Expect to maintain investment-grade ratings

## Financial Impact

- Expected to be immediately accretive to underlying growth profile and adjusted EBIT % and **slightly accretive to adjusted EPS in the first year of ownership**
- Expect **\$25 million run-rate cost synergies** to be realized by end of year 3, with an estimated one-time cost of \$5 million
- In addition, revenue synergies expected, providing upside to investment profile
- Anticipate **accretive ROIC** to be realized over time; IRR into the **double-digits**

## Timeline

- Subject to the satisfaction of customary closing conditions
- Transaction expected to close by the end of the first half of 2025

**Strategic  
Transaction to  
Strengthen and  
Accelerate  
Wabtec's Growth  
in Digital  
Intelligence**



# Concluding Thoughts

- 1** Attractive upfront purchase multiple of **approximately 12.0x<sup>1</sup> 2025 projected adjusted EBITDA**, supported by a high single-digit revenue growth outlook, **accretive adjusted EBIT margins and accretive ROIC**
- 2** **Expands offerings with existing customers** in rail, mining and industrial sectors by integrating advanced inspection technologies into Wabtec's Digital portfolio
- 3** **Accelerates the growth of Digital Intelligence into adjacent business lines** by leveraging scalable technologies that drive customer productivity, reliability and safety
- 4** **Expands Wabtec's Digital Intelligence Total Addressable Market by \$8 billion** with an industry-leading portfolio of advanced diagnostic technologies that ensure the health and reliability of mission critical assets, infrastructure and supply chains globally



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