

THIRD QUARTER 2022

# Wabtec Financial Results & Company Highlights

WABTEC

# 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 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 2022 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. 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 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

## PRESENTERS



**RAFAEL SANTANA**

*President & Chief  
Executive Officer*



**JOHN OLIN**

*Executive Vice President  
& Chief Financial Officer*

## INVESTOR RELATIONS



**KRISTINE KUBACKI**

*Vice President,  
Investor Relations*

## 3Q 2022 overview

## 3Q 2022 HIGHLIGHTS

## SALES

**\$2.08B** Up 9.1% YoY

Sales were up 14.3% excluding foreign currency exchange ... driven by strong Freight segment growth

ADJUSTED OPERATING MARGIN<sup>(2)</sup>**16.4%** GAAP: 12.5%

Higher sales growth and improved productivity ... offset by mix driven by higher locomotive sales

ADJUSTED EARNINGS PER SHARE<sup>(2)</sup>**\$1.22** GAAP: \$0.88

Adjusted EPS up 7.0% YoY ... driven by strong Freight segment sales

CASH FLOW FROM OPERATIONS<sup>(1)</sup>**\$204M**

YTD cash flow from operations of \$628M ... continue to invest for growth and maximize returns to shareholders

## BACKLOG

**\$22.61B**

Backlog provides improved multi-year visibility ... up \$0.77B YoY and up \$1.52B excluding FX impacts

**STRONG MULTI-YEAR BACKLOG DRIVING PROFITABLE GROWTH**

# 2022 Market Expectations

## FREIGHT

NA Carloads ↔ / -

Locomotive and Railcars Unparkings +

International Freight Volumes +

NA Railcar Production ++

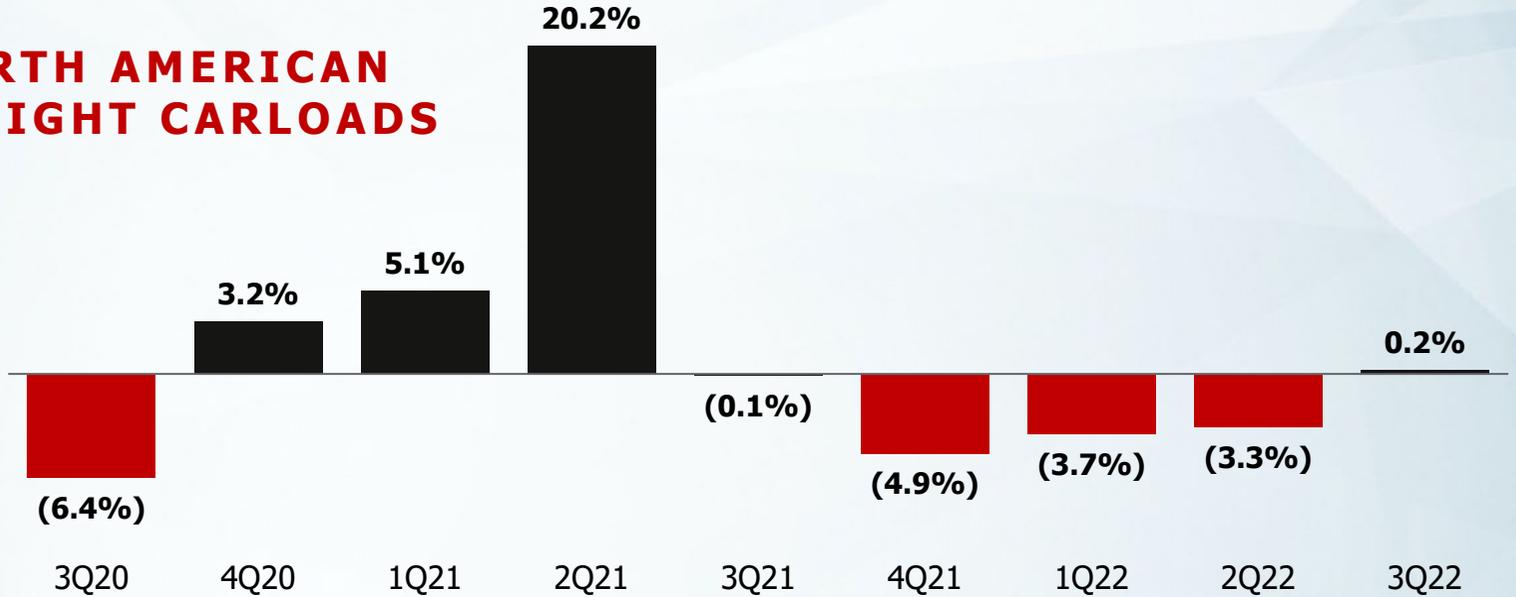
Mining Commodities + / ↔

## TRANSIT

Infrastructure Investment +

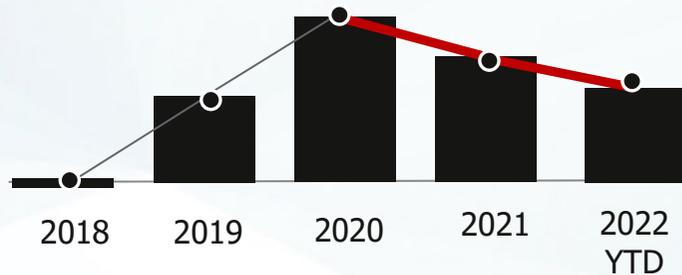
Global Ridership +

## NORTH AMERICAN FREIGHT CARLOADS



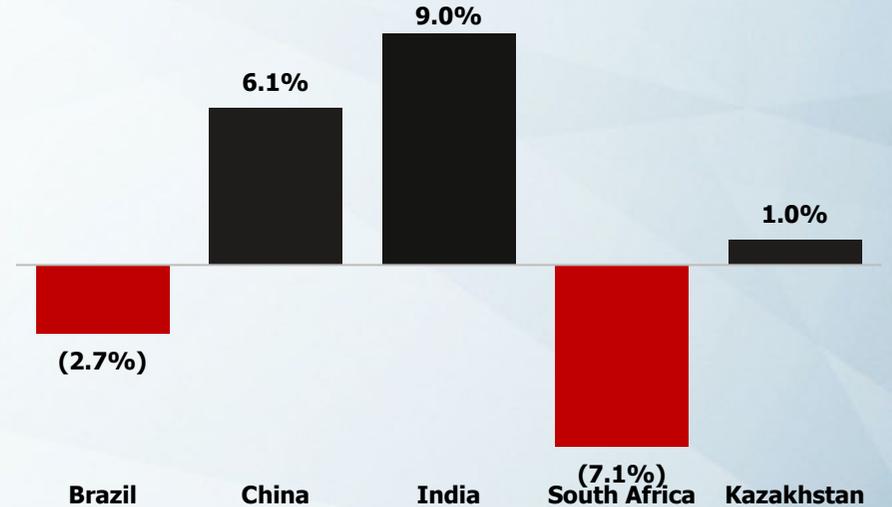
Source: Association of American Railroads

## AVG. NORTH AMERICAN PARKED LOCOMOTIVES



Source: Wabtec

## YTD 2022 FREIGHT VOLUMES



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

# 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

Signed strategic \$600 million MOU in Kazakhstan for 150 FLXdrive shunters, LNG kits and digital solutions

Signed key orders in Australia and Africa for kits and locomotives

300 platform door order in Central America

Signed 5-year European locomotive services contract with Akiem

# Resilient portfolio through the cycle

## Favorable end-markets



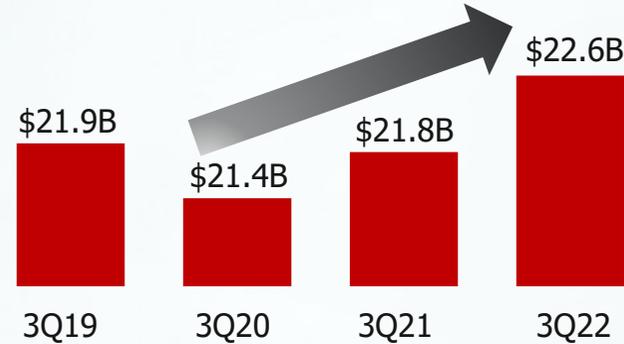
### FREIGHT

- + Accelerating investment in the fleet
- + Strong international order pipeline
- + Growing installed base

### TRANSIT

- + Increased global investment in infrastructure
- + Mega trends favor increasing ridership

## Robust backlog & recurring revenue



- Strong 12-month and multi-year backlog provides resiliency and visibility despite macro volatility

- Significant recurring revenue base drives ~60% of profits
- 
- 41%\* recurring revenue**
- \*based on 2021 sales

## Demonstrated execution

### ADJ EBIT MARGIN <sup>(1)</sup>



- Expanded margins despite higher input costs, supply chain disruptions and loss of business in Russia
- Aggressively managing costs and accelerating lean actions
- Launched Integration 2.0

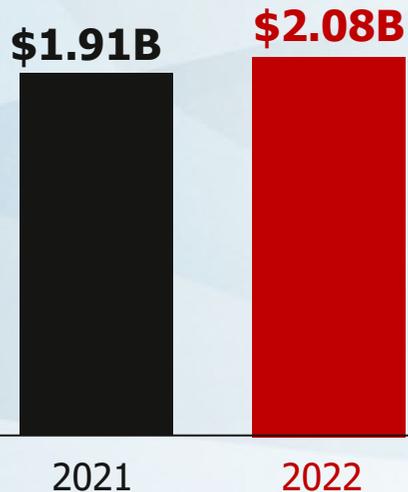
**STRONG OUTLOOK UNDERPINNED BY RESILIENT AND PREDICTABLE EARNINGS**

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

# 3Q 2022 financial summary

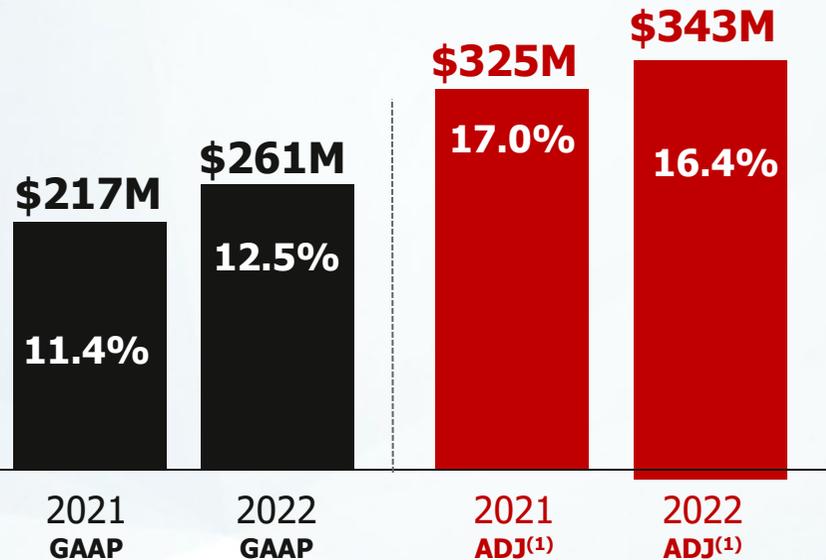
**STRONG SALES GROWTH AND INCREASED ADJ EPS DESPITE DISRUPTIONS AND MACRO VOLATILITY**

## SALES



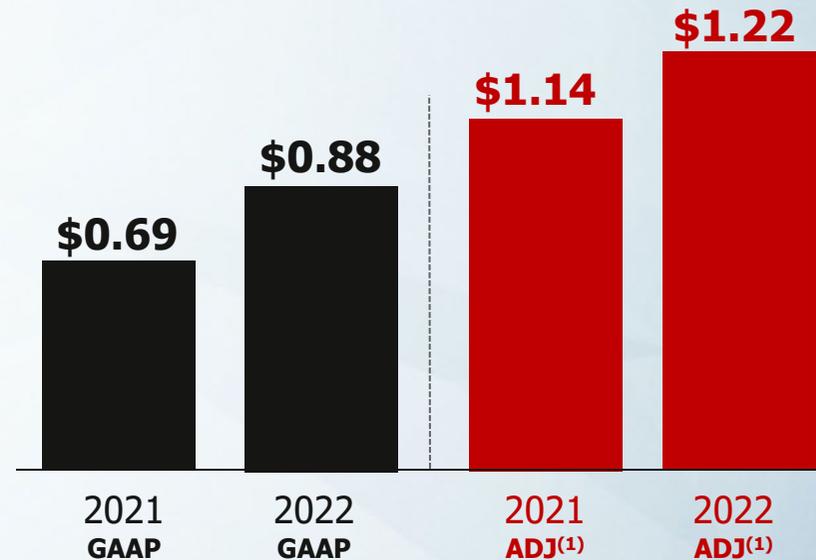
**9.1% INCREASE**  
(UP 14.3% YoY EX-CURRENCY)

## OPERATING INCOME/ OPERATING MARGIN



**0.6 PTS OF ADJ MARGIN DECLINE**

## EPS



**7.0% ADJ EPS INCREASE**

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

# 3Q 2022 sales



(\$ in millions)

PRODUCT LINE	3Q22	YOY
Equipment	\$443	32.2%
Components	\$232	4.5%
Digital Electronics	\$187	20.6%
Services	\$669	14.8%
Freight Segment	\$1,531	18.2%
Transit Segment	\$550	(10.1%)
<b>TOTAL SALES</b>	<b>\$2,081</b>	<b>9.1%</b>

## 3Q KEY DRIVERS

### EQUIPMENT

Significantly higher international locomotives deliveries

### COMPONENTS

Higher due to improving OE railcar build and increased railcars in operation ... partially offset by supply chain disruptions

### DIGITAL ELECTRONICS

Higher demand for on-board locomotive products, software upgrades and acquisitions ... partially offset by ongoing chip shortage

### SERVICES

Higher active locomotive fleet and increased modernizations

### TRANSIT

Decreased primarily as a result of unfavorable foreign currency exchange ... sales up 2.6% on constant currency basis

# 3Q 2022 consolidated adjusted gross profit



(\$ in millions)

3Q <sup>(1) (2)</sup>

**2021 ADJ GROSS PROFIT**

**\$626**

*% Adj Gross Profit Margin*

*32.8%*

Volume

↑↑

Mix/Pricing

↑

Raw Materials

↓

Currency

↓

Manufacturing/Other

↑

**2022 ADJ GROSS PROFIT**

**\$653**

*% Adj Gross Profit Margin*

*31.4%*

## 3Q KEY DRIVERS

### VOLUME

Freight segment sales growth of 18.2%

### MIX / PRICING

Higher pricing partially offset by a less rich mix of products between business groups

### RAW MATERIALS

Costs pressures from higher metals and fuel

### CURRENCY

Unfavorable foreign exchange impacted gross profit \$20M (adjusted operating income negatively impacted by \$6M)

### MANUFACTURING / OTHER

Productivity gains, largely offset by higher transportation and logistics costs

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

(2) 3Q 2021 GAAP gross profit was \$603M (GAAP gross profit margin of 31.6%). 3Q 2022 GAAP gross profit was \$648M (GAAP gross profit margin of 31.1%)

# 3Q 2022 consolidated adjusted operating income

(\$ in millions)	3Q <sup>(1) (2)</sup>
<b>2021 ADJ OP INCOME</b>	<b>\$325</b>
<i>% Adj Operating Margin</i>	<i>17.0%</i>
Adj Gross Profit	27
Adj SG&A	1
Engineering	(10)
<b>2022 ADJ OP INCOME</b>	<b>\$343</b>
<i>% Adj Operating Margin</i>	<i>16.4%</i>

**ADJ OPERATING INCOME UP YEAR-OVER-YEAR ON HIGHER GROSS PROFIT, PARTIALLY OFFSET BY INCREASED ENGINEERING INVESTMENT**

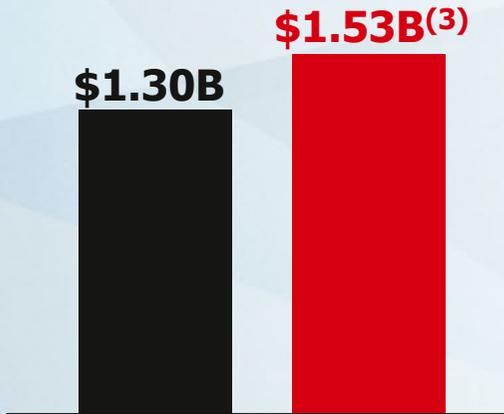
(1) Adjusted numbers represent non-GAAP financial measures. See Appendix for additional details and reconciliations

(2) 3Q 2021 GAAP operating income was \$217M (GAAP operating margin of 11.4%). 3Q 2022 GAAP operating income was \$261M (GAAP operating margin of 12.5%)

# 3Q 2022 Freight segment performance

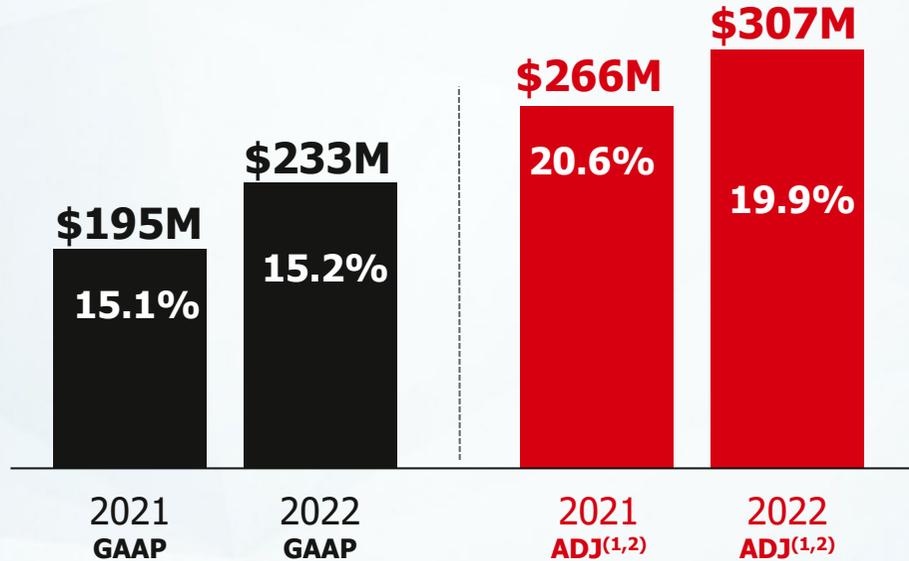


## SALES



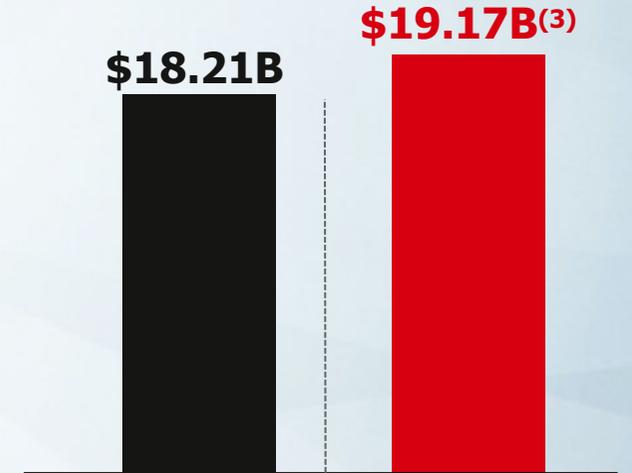
**18.2% INCREASE**  
(UP 19.8% YoY EX-CURRENCY)

## OPERATING INCOME/ OPERATING MARGIN



**0.7 PTS OF ADJ MARGIN DECLINE**

## BACKLOG

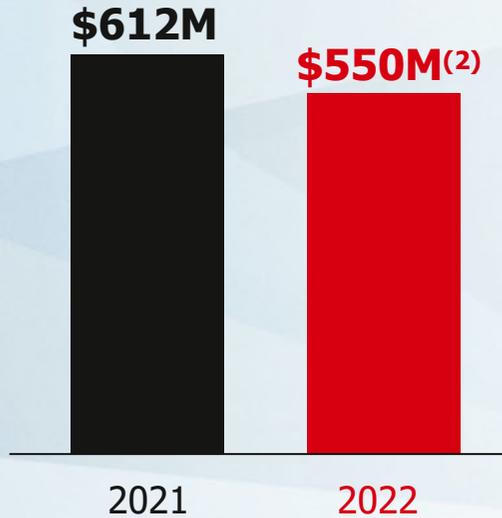


**5.3% INCREASE YoY**  
(UP 6.9% YoY EX-CURRENCY)

(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, down \$2 million from 3Q 2021  
 (3) Foreign exchange negatively impacted Freight sales by \$21 million; Foreign exchange rates had a negative \$298 million impact on segment backlog

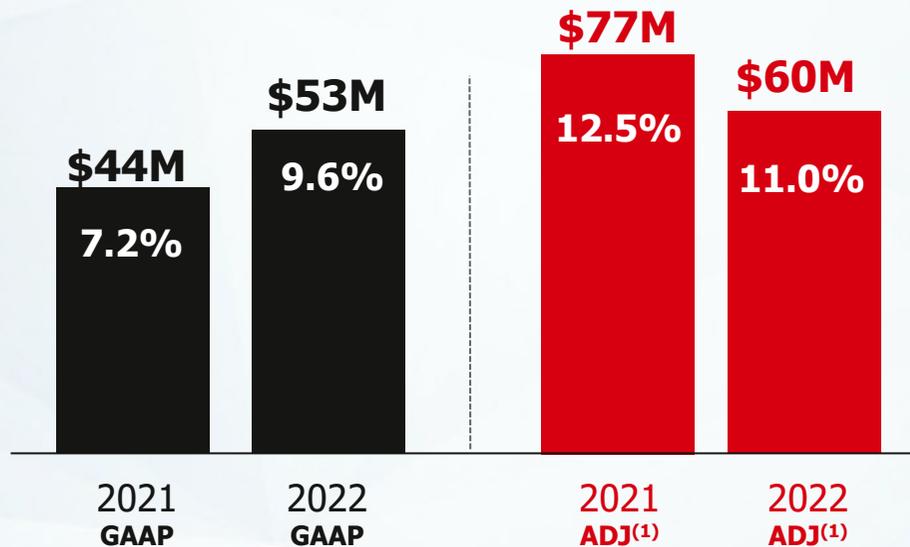
# 3Q 2022 Transit segment performance

## SALES



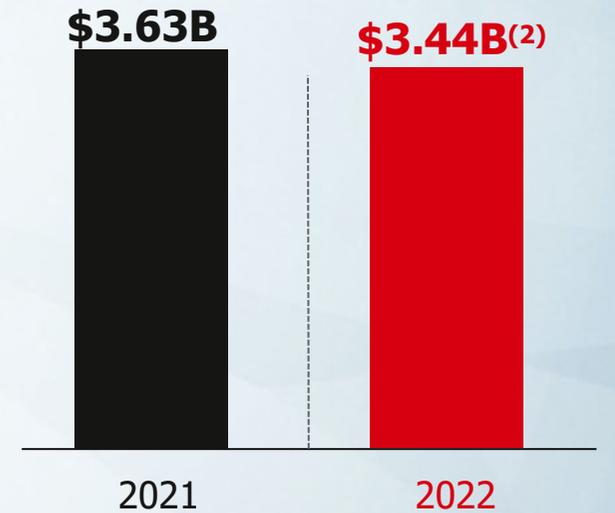
**10.1% DECREASE**  
(UP 2.6% YoY EX-CURRENCY)

## OPERATING INCOME/ OPERATING MARGIN



**1.5 PTS OF ADJ MARGIN DECLINE**

## BACKLOG



**5.4% DECREASE YoY**  
(UP 7.2% YoY EX-CURRENCY)

(1) Adjusted numbers represent non-GAAP financial measures, see Appendix for additional details and reconciliations  
 (2) Foreign exchange negatively impacted transit sales by \$78 million; Foreign exchange rates had a negative \$458 million impact on segment backlog

# Resilient business allows for execution on financial priorities

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



**3Q cash conv of 72%** ... full-year cash generation expected to be **>90%**

**YTD cash generation** impacted by proactive inventory build ahead of higher sales and managing supply chain disruptions of critical parts

## STRONG FINANCIAL POSITION ADJ LEVERAGE



**Adjusted net leverage** <sup>(2)</sup> improved ... committed to maintaining investment grade ratings

**Strengthening balance sheet** ... strong liquidity of \$2.14B <sup>(3)</sup>

## RETURN CAPITAL TO SHAREHOLDERS



Returning capital to shareholders... **YTD share repurchases of \$400M and \$83M in dividends**

## STRONG FINANCIAL POSITION; INVESTING IN HIGH-RETURN OPPORTUNITIES FOR GROWTH

(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) Net debt is defined as total debt minus cash and cash equivalents; adjusted leverage is defined as net debt divided by trailing 12-month adjusted EBITDA  
 (3) At September 30, 2022, the Company's total available liquidity was \$2.14 billion, which includes cash and cash equivalents of \$0.51 billion plus \$1.63 billion available under current credit facilities

WABTEC

# 2022 outlook and guidance

REVENUES

**\$8.15B** to **\$8.35B**

ADJUSTED EPS

**\$4.75** to **\$4.95**

CASH CONVERSION <sup>(1)</sup>

**>90%**

## BROAD-BASED RECOVERY ACROSS PORTFOLIO

### EQUIPMENT

Significantly higher deliveries of international locomotives and improved demand for mining equipment

### COMPONENTS

Railcars coming out of storage ... higher railcar build

### SERVICES

Increased demand for reliable, efficient power ... unparking of locos and higher MODs

### DIGITAL ELECTRONICS

Growth driven by international expansion, product upgrades and M&A

### TRANSIT

Increased global infrastructure investment ... FX headwinds and supply chain challenges

### KEY ASSUMPTIONS

Adjusted operating margin up

- Favorable productivity/absorption, offset by mix, cost inflation and unfavorable FX
- SG&A as % of sales down
- Engineering as % of sales up

Tax rate ~25% (vs prior ~26%)

Capex ~1.75% of sales (vs prior ~2%)

(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

# Key takeaways



- 01** Significant global installed base combined with multi-year backlog provides resilient and predictable earnings
- 02** Innovative, sustainable technologies to expand Wabtec's market-share and drive long-term profitable growth
- 03** Growth strategy driving strong cash flow and margin expansion
- 04** Strong long-term business fundamentals driving long-term value creation for shareholders

# Income statement

**WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021**  
**(AMOUNTS IN MILLIONS EXCEPT PER SHARE DATA)**  
**(UNAUDITED)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net sales	\$ 2,081	\$ 1,907	\$ 6,056	\$ 5,749
Cost of sales	(1,433)	(1,304)	(4,168)	(4,032)
Gross profit	648	603	1,888	1,717
<i>Gross profit as a % of Net Sales</i>	31.1%	31.6%	31.2%	29.9%
Selling, general and administrative expenses	(260)	(269)	(757)	(766)
Engineering expenses	(54)	(44)	(149)	(124)
Amortization expense	(73)	(73)	(218)	(215)
Total operating expenses	(387)	(386)	(1,124)	(1,105)
<i>Operating expenses as a % of Net Sales</i>	18.6%	20.2%	18.6%	19.2%
Income from operations	261	217	764	612
<i>Income from operations as a % of Net Sales</i>	12.5%	11.4%	12.6%	10.6%
Interest expense, net	(48)	(42)	(135)	(135)
Other income, net	4	-	15	25
Income before income taxes	217	175	644	502
Income tax expense	(54)	(43)	(162)	(130)
<i>Effective tax rate</i>	24.7%	24.8%	25.1%	26.0%
Net income	163	132	482	372
Less: Net income attributable to noncontrolling interest	(3)	(1)	(7)	(4)
Net income attributable to Wabtec shareholders	<u>\$ 160</u>	<u>\$ 131</u>	<u>\$ 475</u>	<u>\$ 368</u>
<b>Earnings Per Common Share</b>				
<b>Basic</b>				
Net income attributable to Wabtec shareholders	<u>\$ 0.88</u>	<u>\$ 0.69</u>	<u>\$ 2.60</u>	<u>\$ 1.95</u>
<b>Diluted</b>				
Net income attributable to Wabtec shareholders	<u>\$ 0.88</u>	<u>\$ 0.69</u>	<u>\$ 2.59</u>	<u>\$ 1.95</u>
Basic	<u>181.3</u>	<u>187.6</u>	<u>182.6</u>	<u>188.2</u>
Diluted	<u>181.9</u>	<u>188.0</u>	<u>183.1</u>	<u>188.6</u>

# Income statement (cont.)

**WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021**  
**(AMOUNTS IN MILLIONS EXCEPT PER SHARE DATA)**  
**(UNAUDITED)**

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Segment Information</b>				
Freight Net Sales	\$ 1,531	\$ 1,295	\$ 4,343	\$ 3,814
Freight Income from Operations	\$ 233	\$ 195	\$ 655	\$ 510
Freight Operating Margin	15.2%	15.1%	15.1%	13.4%
Transit Net Sales	\$ 550	\$ 612	\$ 1,713	\$ 1,935
Transit Income from Operations	\$ 53	\$ 44	\$ 168	\$ 159
Transit Operating Margin	9.6%	7.2%	9.8%	8.2%
<b>Backlog Information (Note: 12-month is a sub-set of total)</b>				
	<b><u>September 30,</u></b>	<b><u>June 30, 2022</u></b>	<b><u>September 30, 2021</u></b>	
	<b><u>2022</u></b>			
Freight Total	\$ 19,173	\$ 19,679	\$ 18,212	
Transit Total	3,437	3,548	3,632	
Wabtec Total	<u>\$ 22,610</u>	<u>\$ 23,227</u>	<u>\$ 21,844</u>	
Freight 12-Month	\$ 4,567	\$ 4,821	\$ 4,060	
Transit 12-Month	1,700	1,745	1,648	
Wabtec 12-Month	<u>\$ 6,267</u>	<u>\$ 6,566</u>	<u>\$ 5,708</u>	

# Balance sheet

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

	<u>September 30, 2022</u>	<u>December 31, 2021</u>
<i>In millions</i>		
Cash and cash equivalents	\$ 514	\$ 473
Receivables, net	1,462	1,477
Inventories	2,023	1,689
Other current assets	<u>200</u>	<u>193</u>
<b>Total current assets</b>	4,199	3,832
Property, plant and equipment, net	1,402	1,497
Goodwill	8,361	8,587
Other intangible assets, net	3,410	3,705
Other noncurrent assets	<u>890</u>	<u>833</u>
<b>Total assets</b>	<u>\$ 18,262</u>	<u>\$ 18,454</u>
Current liabilities	\$ 3,328	\$ 2,910
Long-term debt	3,824	4,056
Long-term liabilities - other	<u>1,185</u>	<u>1,249</u>
<b>Total liabilities</b>	8,337	8,215
Shareholders' equity	9,881	10,201
Noncontrolling interest	<u>44</u>	<u>38</u>
<b>Total shareholders' equity</b>	<u>9,925</u>	<u>10,239</u>
<b>Total Liabilities and Shareholders' Equity</b>	<u>\$ 18,262</u>	<u>\$ 18,454</u>

# Cash flow

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

	<b>Nine Months Ended September 30,</b>	
<u><i>In millions</i></u>	<u><b>2022</b></u>	<u><b>2021</b></u>
<i>Operating activities</i>		
Net income	\$ 482	\$ 372
Non-cash expense	355	373
Receivables	(39)	35
Inventories	(401)	(32)
Accounts Payable	232	41
Other assets and liabilities	(1)	(30)
<b>Net cash provided by operating activities</b>	<b>628</b>	<b>759</b>
<b>Net cash used for investing activities</b>	<b>(149)</b>	<b>(475)</b>
<b>Net cash used for financing activities</b>	<b>(395)</b>	<b>(433)</b>
Effect of changes in currency exchange rates	(43)	6
Increase (decrease) in cash	41	(143)
Cash and cash equivalents, beginning of period	473	599
Cash and cash equivalents, end of period	<u>\$ 514</u>	<u>\$ 456</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)										
Third 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>	\$ 2,081	\$ 648	\$ (387)	\$ 261	\$ (44)	\$ (54)	\$ 163	\$ (3)	\$ 160	\$ 0.88
Restructuring & Transaction costs	-	5	4	9	-	(2)	7	-	7	\$ 0.04
Non-cash Amortization expense	-	-	73	73	-	(18)	55	-	55	\$ 0.30
<b>Adjusted Results</b>	<b>\$ 2,081</b>	<b>\$ 653</b>	<b>\$ (310)</b>	<b>\$ 343</b>	<b>\$ (44)</b>	<b>\$ (74)</b>	<b>\$ 225</b>	<b>\$ (3)</b>	<b>\$ 222</b>	<b>\$ 1.22</b>
<b>Fully Diluted Shares Outstanding</b>										<b>181.9</b>

Wabtec Corporation										
Reconciliation of Reported Results to Adjusted Results										
(in millions)										
Third 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>	\$ 6,056	\$ 1,888	\$ (1,124)	\$ 764	\$ (120)	\$ (162)	\$ 482	\$ (7)	\$ 475	\$ 2.59
Restructuring & Transaction costs	-	12	8	20	-	(5)	15	-	15	\$ 0.08
Non-cash Amortization expense	-	-	218	218	-	(54)	164	-	164	\$ 0.89
<b>Adjusted Results</b>	<b>\$ 6,056</b>	<b>\$ 1,900</b>	<b>\$ (898)</b>	<b>\$ 1,002</b>	<b>\$ (120)</b>	<b>\$ (221)</b>	<b>\$ 661</b>	<b>\$ (7)</b>	<b>\$ 654</b>	<b>\$ 3.56</b>
<b>Fully Diluted Shares Outstanding</b>										<b>183.1</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)										
Third Quarter 2021 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>	\$ 1,907	\$ 603	\$ (386)	\$ 217	\$ (42)	\$ (43)	\$ 132	\$ (1)	\$ 131	\$ 0.69
Restructuring & Transaction costs	-	23	12	35	-	(8)	27	-	27	\$ 0.14
Non-cash Amortization expense	-	-	73	73	-	(18)	55	-	55	\$ 0.29
Foreign Exchange Loss	-	-	-	-	3	(2)	1	-	1	\$ 0.02
<b>Adjusted Results</b>	<b>\$ 1,907</b>	<b>\$ 626</b>	<b>\$ (301)</b>	<b>\$ 325</b>	<b>\$ (39)</b>	<b>\$ (71)</b>	<b>\$ 215</b>	<b>\$ (1)</b>	<b>\$ 214</b>	<b>\$ 1.14</b>
<b>Fully Diluted Shares Outstanding</b>										<b>188.0</b>

Wabtec Corporation Reconciliation of Reported Results to Adjusted Results (in millions)										
Third Quarter Year-to-Date 2021 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>	\$ 5,749	\$ 1,717	\$ (1,105)	\$ 612	\$ (110)	\$ (130)	\$ 372	\$ (4)	\$ 368	\$ 1.95
Restructuring & Transaction costs	-	48	32	80	-	(19)	61	-	61	\$ 0.32
Non-cash Amortization expense	-	-	215	215	-	(56)	159	-	159	\$ 0.84
Foreign Exchange Gain	-	-	-	-	(8)	2	(6)	-	(6)	\$ (0.03)
<b>Adjusted Results</b>	<b>\$ 5,749</b>	<b>\$ 1,765</b>	<b>\$ (858)</b>	<b>\$ 907</b>	<b>\$ (118)</b>	<b>\$ (203)</b>	<b>\$ 586</b>	<b>\$ (4)</b>	<b>\$ 582</b>	<b>\$ 3.08</b>
<b>Fully Diluted Shares Outstanding</b>										<b>188.6</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 2022 Q3 EBITDA Reconciliation (in millions)										
	<u>Reported Income from Operations</u>	+	<u>Other Income (Expense)</u>	+	<u>Depreciation &amp; Amortization</u>	= <u>EBITDA</u>	+	<u>Restructuring &amp; Transaction Costs</u>	=	<u>Adjusted EBITDA</u>
Consolidated Results	\$261		\$4		\$117	\$382		\$9		\$391

Wabtec Corporation 2022 Q3 YTD EBITDA Reconciliation (in millions)										
	<u>Reported Income from Operations</u>	+	<u>Other Income (Expense)</u>	+	<u>Depreciation &amp; Amortization</u>	= <u>EBITDA</u>	+	<u>Restructuring &amp; Transaction Costs</u>	=	<u>Adjusted EBITDA</u>
Consolidated Results	\$764		\$15		\$354	\$1,133		\$20		\$1,153

Wabtec Corporation 2021 Q3 EBITDA Reconciliation (in millions)										
	<u>Reported Income from Operations</u>	+	<u>Other Income (Expense)</u>	+	<u>Depreciation &amp; Amortization</u>	= <u>EBITDA</u>	+	<u>Restructuring &amp; Transaction Costs</u>	=	<u>Adjusted EBITDA</u>
Consolidated Results	\$217		\$0		\$121	\$338		\$35		\$373

Wabtec Corporation 2021 Q3 YTD EBITDA Reconciliation (in millions)										
	<u>Reported Income from Operations</u>	+	<u>Other Income (Expense)</u>	+	<u>Depreciation &amp; Amortization</u>	= <u>EBITDA</u>	+	<u>Restructuring &amp; Transaction Costs</u>	=	<u>Adjusted EBITDA</u>
Consolidated Results	\$612		\$25		\$364	\$1,001		\$80		\$1,081

# Sales by product line

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

<i><u>In millions</u></i>	<b>Three Months Ended September 30,</b>	
	<b><u>2022</u></b>	<b><u>2021</u></b>
Freight Segment		
Equipment	\$ 443	\$ 335
Components	232	222
Digital Electronics	187	155
Services	669	583
Total Freight Segment	<u>\$ 1,531</u>	<u>\$ 1,295</u>
Transit Segment		
Original Equipment Manufacturer	\$ 264	\$ 287
Aftermarket	286	325
Total Transit Segment	<u>\$ 550</u>	<u>\$ 612</u>
<i><u>In millions</u></i>	<b>Nine Months Ended September 30,</b>	
	<b><u>2022</u></b>	<b><u>2021</u></b>
Freight Segment		
Equipment	\$ 1,098	\$ 925
Components	695	649
Digital Electronics	504	473
Services	2,046	1,767
Total Freight Segment	<u>\$ 4,343</u>	<u>\$ 3,814</u>
Transit Segment		
Original Equipment Manufacturer	\$ 815	\$ 894
Aftermarket	898	1,041
Total Transit Segment	<u>\$ 1,713</u>	<u>\$ 1,935</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 September 30,				Nine Months Ended September 30,			
	2022		2021		2022		2021	
	<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>	\$ 497	\$ 233	\$ 444	\$ 195	\$ 1,414	\$ 655	\$ 1,214	\$ 510
<i>Freight Segment Reported Margin</i>	32.5%	15.2%	34.3%	15.1%	32.6%	15.1%	31.8%	13.4%
Restructuring & Transaction costs	4	5	1	3	7	8	5	17
Non-cash Amortization expense	-	69	-	68	-	204	-	200
<b>Freight Segment Adjusted Results</b>	<u>\$ 501</u>	<u>\$ 307</u>	<u>\$ 445</u>	<u>\$ 266</u>	<u>\$ 1,421</u>	<u>\$ 867</u>	<u>\$ 1,219</u>	<u>\$ 727</u>
<i>Freight Segment Adjusted Margin</i>	32.7%	19.9%	34.3%	20.6%	32.7%	20.0%	31.8%	19.1%
<b>Transit Segment Reported Results</b>	\$ 151	\$ 53	\$ 159	\$ 44	\$ 474	\$ 168	\$ 503	\$ 159
<i>Transit Segment Reported Margin</i>	27.4%	9.6%	25.9%	7.2%	27.6%	9.8%	26.0%	8.2%
Restructuring & Transaction costs	1	3	22	28	5	10	43	54
Non-cash Amortization expense	-	4	-	5	-	14	-	15
<b>Transit Segment Adjusted Results</b>	<u>\$ 152</u>	<u>\$ 60</u>	<u>\$ 181</u>	<u>\$ 77</u>	<u>\$ 479</u>	<u>\$ 192</u>	<u>\$ 546</u>	<u>\$ 229</u>
<i>Transit Segment Adjusted Margin</i>	27.5%	11.0%	29.6%	12.5%	27.9%	11.2%	28.2%	11.8%

# Segment sales reconciliation

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

<i>In millions</i>	Three Months Ended September 30,		
	<u>Freight</u>	<u>Transit</u>	<u>Consolidated</u>
<b>2021 Net Sales</b>	\$ 1,295	\$ 612	\$ 1,907
Acquisitions	18	1	19
Foreign Exchange	(21)	(78)	(99)
Organic	239	15	254
<b>2022 Net Sales</b>	<u>\$ 1,531</u>	<u>\$ 550</u>	<u>\$ 2,081</u>
<i>Change (\$)</i>	236	(62)	174
<i>Change (%)</i>	18.2%	-10.1%	9.1%
	Nine Months Ended September 30,		
	<u>Freight</u>	<u>Transit</u>	<u>Consolidated</u>
<b>2021 Net Sales</b>	\$ 3,814	\$ 1,935	\$ 5,749
Acquisitions	62	3	65
Foreign Exchange	(41)	(171)	(212)
Organic	508	(54)	454
<b>2022 Net Sales</b>	<u>\$ 4,343</u>	<u>\$ 1,713</u>	<u>\$ 6,056</u>
<i>Change (\$)</i>	529	(222)	307
<i>Change (%)</i>	13.9%	-11.5%	5.3%

# 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 2022 Q3 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	<u>\$204</u>		<u>\$163</u>	<u>\$119</u>	<u>72%</u>

Wabtec Corporation 2022 Q3 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	<u>\$628</u>		<u>\$482</u>	<u>\$359</u>	<u>75%</u>

Wabtec Corporation 2021 Q3 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	<u>\$244</u>		<u>\$132</u>	<u>\$122</u>	<u>96%</u>

Wabtec Corporation 2021 Q3 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	<u>\$759</u>		<u>\$372</u>	<u>\$368</u>	<u>103%</u>