



**FIRST 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 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. 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



**RAFAEL SANTANA**

*President and Chief  
Executive Officer*



**JOHN OLIN**

*Executive Vice President  
and Chief Financial Officer*



**KRISTINE KUBACKI**

*Vice President,  
Investor Relations*

## 1Q 2023 overview

## 1Q 2023 HIGHLIGHTS

SALES	<b>\$2.19B</b>	Up 13.9% YoY	Increased sales were driven by strong Freight segment growth ... excluding impacts of FX, sales were up 16.8% YoY
OPERATING MARGIN	<b>12.6%</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
EARNINGS PER SHARE	<b>\$0.93</b> GAAP	<b>\$1.28</b> Adjusted <sup>(2)</sup>	GAAP EPS up 16.3% ... Adjusted EPS up 13.3% YoY from higher Freight sales
CASH FLOW FROM OPERATIONS <sup>(1)</sup>	<b>(\$25M)</b>		Operating cash flow was impacted by seasonally low cash generation quarter and higher working capital
MULTI-YEAR BACKLOG	<b>\$22.33B</b>		Backlog provides improved multi-year visibility ... 12-month backlog up 4.4% to a new high of \$6.9 billion

**STRONG UNDERLYING MOMENTUM DESPITE MACRO VOLATILITY**

# 2023 Market Expectations

## FREIGHT

NA Carloads -/↔

Locomotive and Railcars Unparkings ↔/-

International Freight Volumes +

NA Railcar Deliveries +

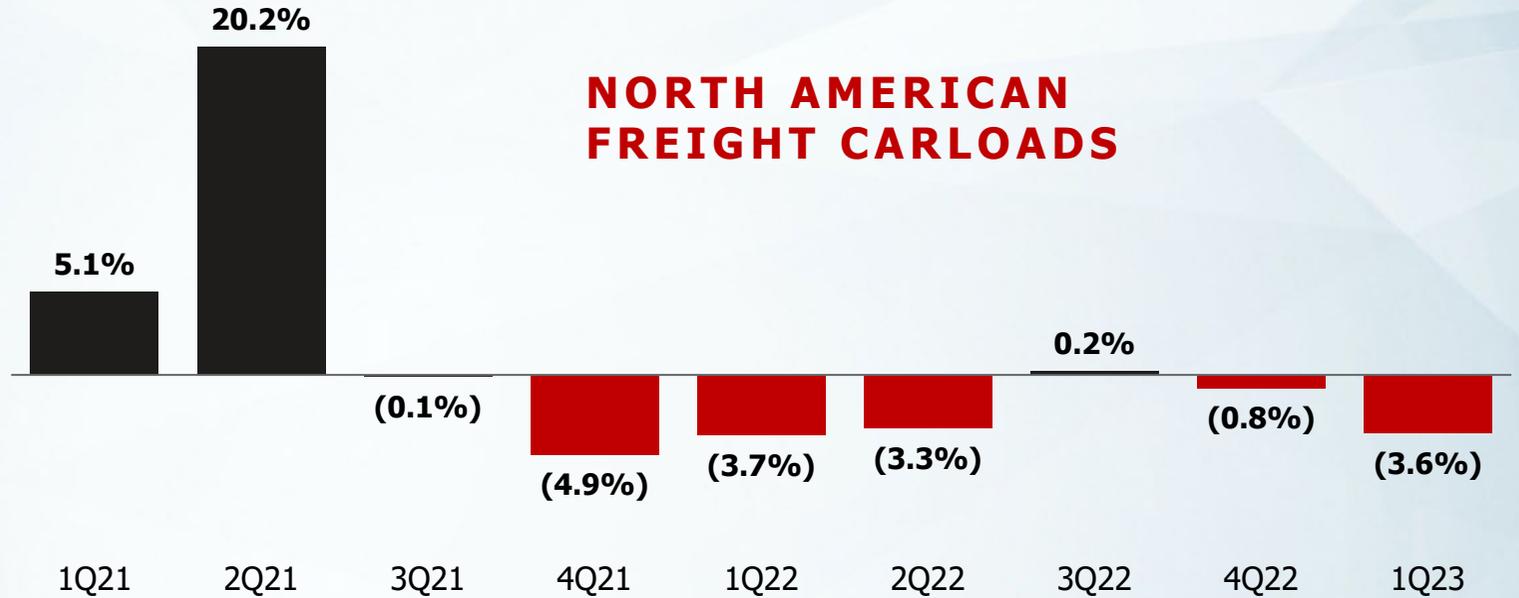
Mining Commodities ↔/-

## TRANSIT

Infrastructure Investment +

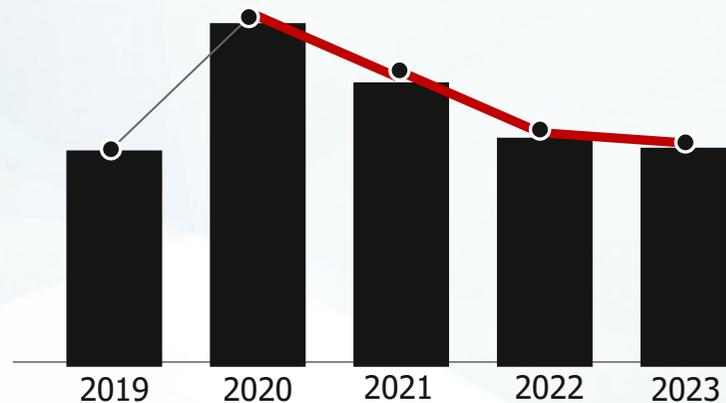
Global Ridership +/↔

## NORTH AMERICAN FREIGHT CARLOADS



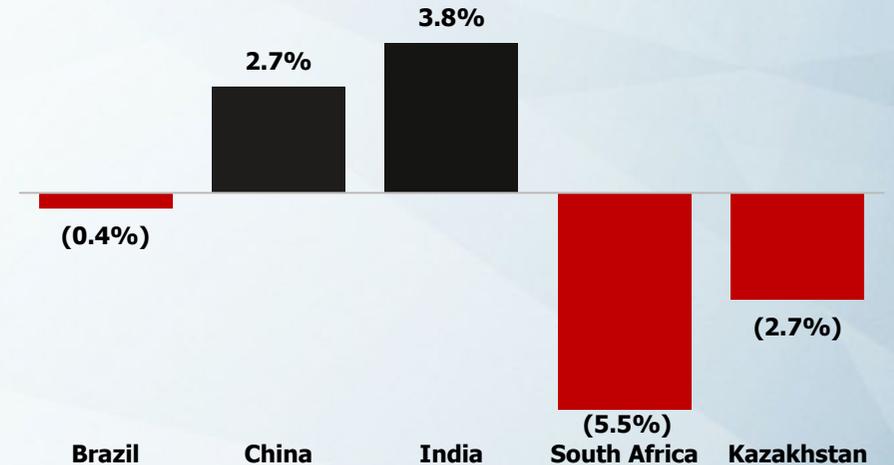
Source: Association of American Railroads

## AVG NORTH AMERICAN PARKED LOCOMOTIVES



Source: Wabtec

## 2023 FREIGHT VOLUMES



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

# 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 order with VLI in Brazil for new locomotives

Secured key order for mining drive systems in high altitude applications

Moody's upgrade of senior unsecured debt ... reflects resiliency of the business, balance sheet strength and strong cash generation

Delivered 500<sup>th</sup> locomotive to Indian Railways ... significant milestone in 10-year contract

# 1Q 2023 financial summary

**STRONG SALES GROWTH DESPITE DISRUPTIONS AND MACRO VOLATILITY**

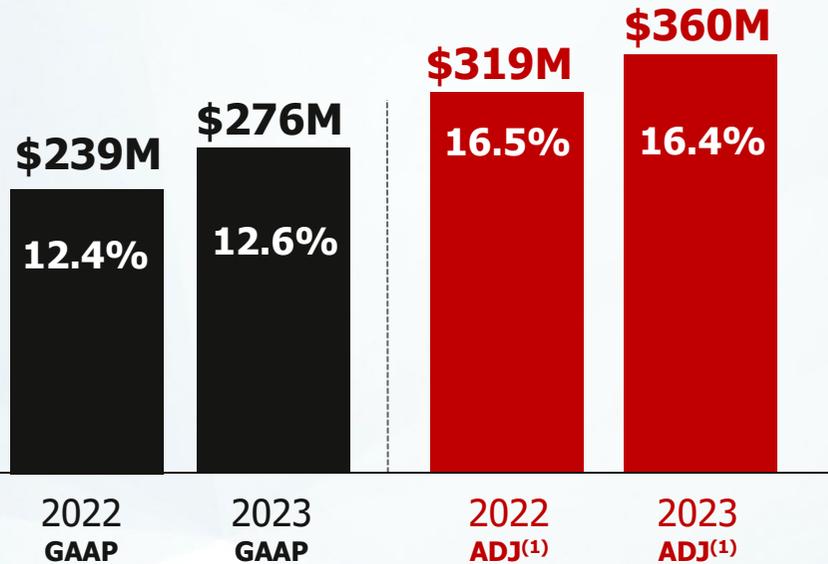
## SALES



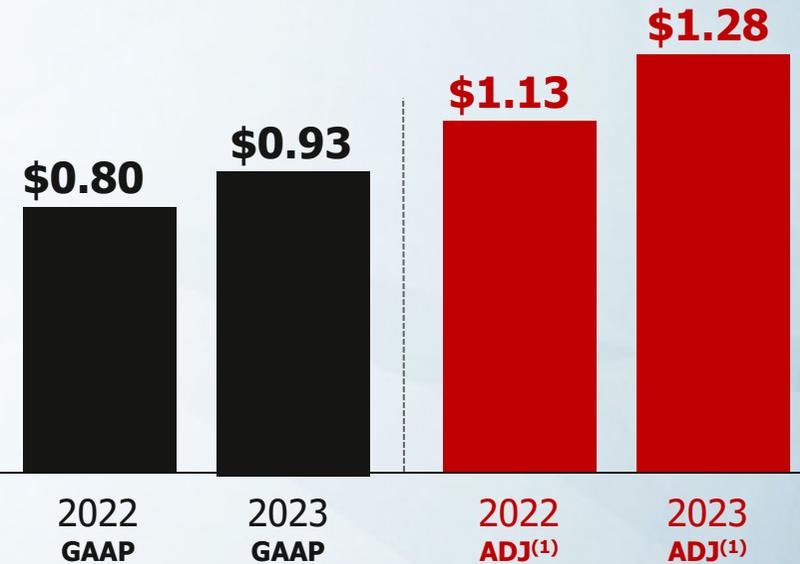
**13.9% INCREASE**

(16.8% INCREASE EX-CURRENCY)

## OP INCOME/OP MARGIN



## EPS



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

# 1Q 2023 sales



(\$ in millions)

<b>PRODUCT LINE</b>	<b>1Q23</b>	<b>YOY</b>
Equipment	\$393	43.4%
Components	\$279	21.8%
Digital Intelligence	\$187	22.2%
Services	\$707	6.2%
Freight Segment	\$1,566	18.5%
Transit Segment	\$628	3.8%
<b>TOTAL SALES</b>	<b>\$2,194</b>	<b>13.9%</b>

## 1Q KEY DRIVERS

### EQUIPMENT

Higher international locomotives sales

### COMPONENTS

Higher due to improving OE railcar build, more railcars in operation and increased demand for industrial products

### DIGITAL INTELLIGENCE

Higher demand for on-board locomotive and mining solutions, international PTC and acquisitions of Beena Vision and ARINC (10% YoY growth excluding acquisitions)

### SERVICES

Increased sales from larger active locomotive fleet

### TRANSIT

Strong aftermarket sales, partially offset by unfavorable foreign currency exchange ... sales up 9.6% on constant currency basis

# 1Q 2023 consolidated gross profit



(\$ in millions)	GAAP	Adjusted <sup>(1)</sup>
<b>2022 GROSS PROFIT</b>	<b>\$595</b>	<b>\$600</b>
<i>% Gross Profit Margin</i>	<i>30.9%</i>	<i>31.1%</i>
Volume	↑↑	↑↑
Mix/Pricing	↔	↔
Raw Materials	↔	↔
Currency	↓	↓
Manufacturing/Other	↓	↓
<b>2023 GROSS PROFIT</b>	<b>\$665</b>	<b>\$669</b>
<i>% Gross Profit Margin</i>	<i>30.3%</i>	<i>30.5%</i>

## 1Q KEY DRIVERS

### VOLUME

Freight segment sales growth of 18.5%

### MIX / PRICING

Less rich mix of products between business groups (Equipment and Services), offset by price

### RAW MATERIALS

Largely flat input costs

### CURRENCY

Unfavorable foreign exchange impacted gross profit \$14M (operating income negatively impacted by \$8M)

### MANUFACTURING / OTHER

Favorable productivity/absorption and benefits of Integration 2.0 offset by higher digital development costs

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

# 1Q 2023 consolidated operating income

(\$ in millions)	GAAP	Adjusted <sup>(1)</sup>
<b>2022 OP INCOME</b>	<b>\$239</b>	<b>\$319</b>
<i>% Operating Margin</i>	<i>12.4%</i>	<i>16.5%</i>
Gross Profit	70	69
SG&A	(25)	(22)
Engineering	(6)	(6)
Amortization	(2)	-
<b>2023 OP INCOME</b>	<b>\$276</b>	<b>\$360</b>
<i>% Operating Margin</i>	<i>12.6%</i>	<i>16.4%</i>

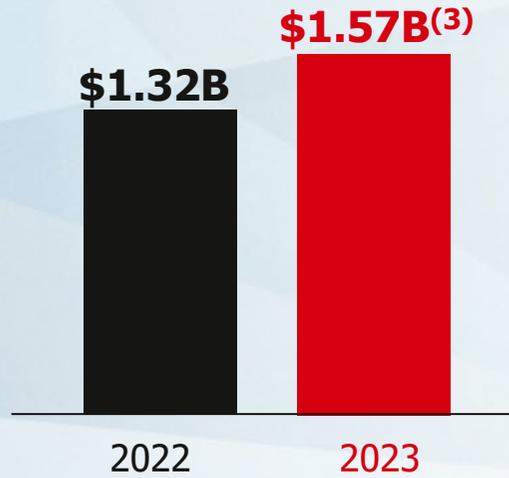
**OP MARGIN BENEFITED FROM HIGHER SALES AND LOWER SG&A AS PERCENTAGE OF SALES**

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

# 1Q 2023 Freight segment performance

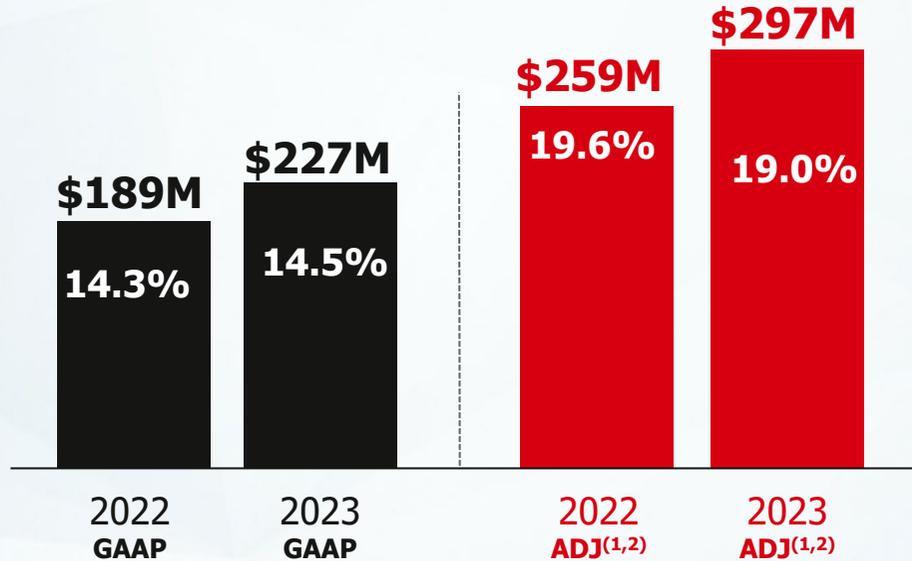


## SALES

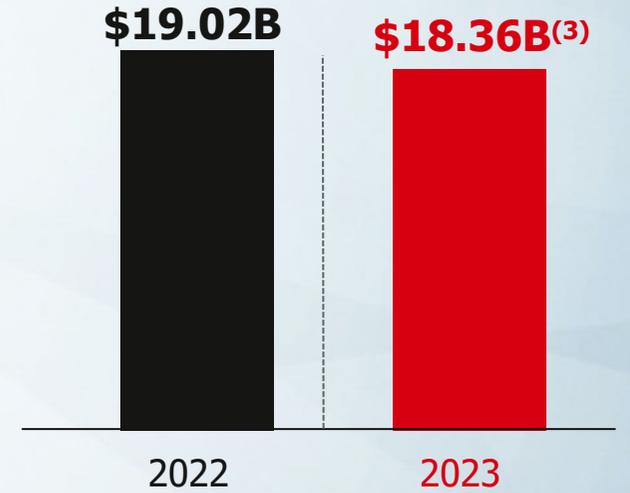


**18.5% INCREASE**  
(20.0% INCREASE EX-CURRENCY)

## OP INCOME/OP MARGIN



## BACKLOG

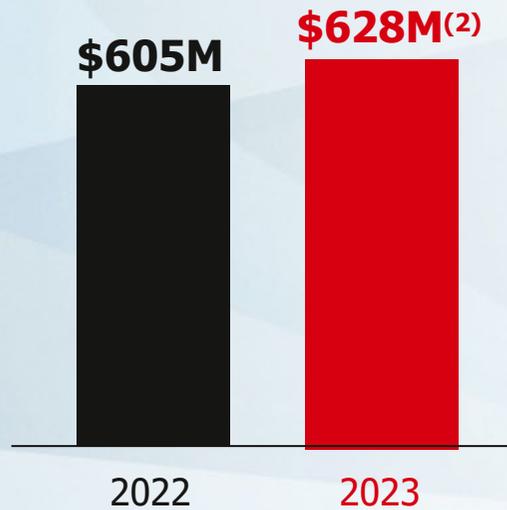


**3.5% DECREASE YoY**  
(2.3% DECREASE EX-CURRENCY)

(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 \$12 million; flat versus 1<sup>st</sup> quarter 2022  
 (3) Foreign exchange negatively impacted Freight sales by \$21 million; Foreign exchange rates had a negative \$215 million impact on segment backlog

# 1Q 2023 Transit segment performance

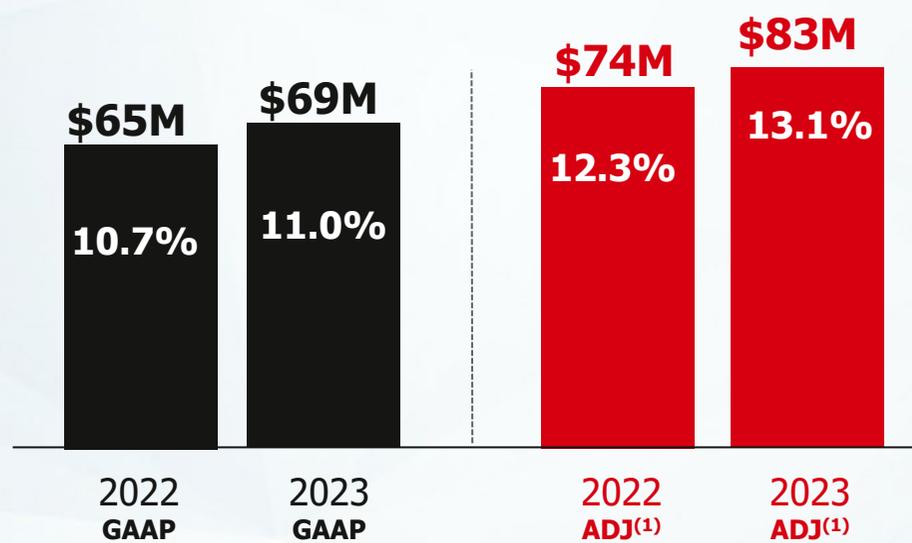
## SALES



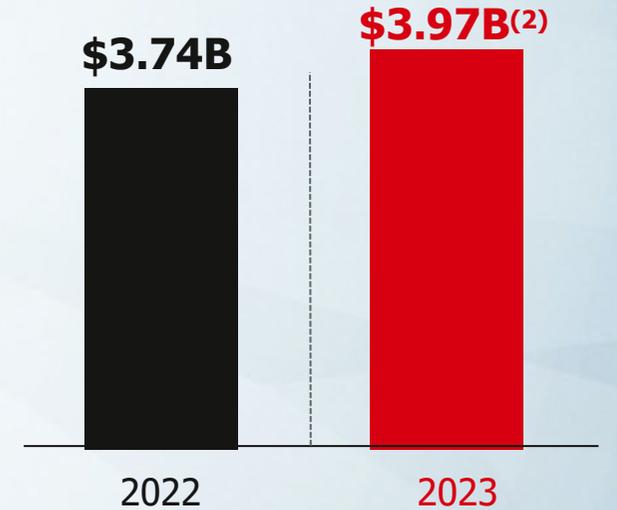
**3.8% INCREASE**

(9.6% INCREASE EX-CURRENCY)

## OP INCOME/OP MARGIN



## BACKLOG



**6.3% INCREASE YoY**

(9.3% INCREASE 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 \$35 million; Foreign exchange rates had a negative \$109 million impact on segment backlog

# Resilient business allows for execution on financial priorities

## FOCUSED ON CASH CONVERSION<sup>(1)</sup> 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> improved ... Upgraded by Moody's

Strengthening balance sheet ... strong liquidity of \$2.01B<sup>(3)</sup>

## RETURN CAPITAL TO SHAREHOLDERS



Returning capital to shareholders ... **\$209M 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 March 31, 2023, the Company's total available liquidity was \$2.01 billion, which includes cash, cash equivalents and restricted cash of \$0.42 billion plus \$1.59 billion available under current credit facilities

# 2023 outlook and guidance

## REVENUES

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

## ADJUSTED EPS

**\$5.15** to **\$5.55**

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

**>90%**

## STRONG MOMENTUM ACROSS THE PORTFOLIO

### EQUIPMENT

Higher deliveries of locomotives

### COMPONENTS

Higher railcar build and improved demand for industrial components

### SERVICES

Continued demand for reliable, efficient power and higher deliveries of MODs ... partially offset by uptick in locomotive parkings

### DIGITAL ELECTRONICS

Growth driven by next gen technologies, international expansion and 2022 acquisitions

### TRANSIT

Increased global infrastructure investment

### 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) 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

## 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 to start the year despite significant macro volatility

**02** Productivity driven by continuous cost improvement combined with initial realization of Integration 2.0 savings

**03** Well-positioned to drive profitable growth with strong momentum across the portfolio and increased multi-year visibility

**04** Strong long-term business fundamentals driving higher returns and maximizing long-term value creation for shareholders

# Income statement

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION  
CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022  
(AMOUNTS IN MILLIONS EXCEPT PER SHARE DATA)  
(UNAUDITED)

Appendix A ( 1 of 2)

	Three Months Ended March 31,	
	2023	2022
Net sales	\$ 2,194	\$ 1,927
Cost of sales	(1,529)	(1,332)
Gross profit	665	595
<i>Gross profit as a % of Net Sales</i>	30.3%	30.9%
Selling, general and administrative expenses	(263)	(238)
Engineering expenses	(51)	(45)
Amortization expense	(75)	(73)
Total operating expenses	(389)	(356)
<i>Operating expenses as a % of Net Sales</i>	17.7%	18.4%
Income from operations	276	239
<i>Income from operations as a % of Net Sales</i>	12.6%	12.4%
Interest expense, net	(48)	(43)
Other income, net	5	4
Income before income taxes	233	200
Income tax expense	(60)	(50)
<i>Effective tax rate</i>	25.5%	25.1%
Net income	173	150
Less: Net income attributable to noncontrolling interest	(4)	(1)
Net income attributable to Wabtec shareholders	<u>\$ 169</u>	<u>\$ 149</u>
<b>Earnings Per Common Share</b>		
<b>Basic</b>		
Net income attributable to Wabtec shareholders	<u>\$ 0.94</u>	<u>\$ 0.80</u>
<b>Diluted</b>		
Net income attributable to Wabtec shareholders	<u>\$ 0.93</u>	<u>\$ 0.80</u>
Basic	<u>179.9</u>	<u>184.5</u>
Diluted	<u>180.6</u>	<u>185.0</u>

# Income statement (cont.)

**WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022**  
**(AMOUNTS IN MILLIONS EXCEPT PER SHARE DATA)**  
**(UNAUDITED)**

	<b>Three Months Ended</b>		
	<b>March 31,</b>		
	<b>2023</b>	<b>2022</b>	
<b>Segment Information</b>			
Freight Net Sales	\$ 1,566	\$ 1,322	
Freight Income from Operations	\$ 227	\$ 189	
Freight Operating Margin	14.5%	14.3%	
Transit Net Sales	\$ 628	\$ 605	
Transit Income from Operations	\$ 69	\$ 65	
Transit Operating Margin	11.0%	10.7%	
<b>Backlog Information (Note: 12-month is a sub-set of total)</b>			
	<b><u>March 31, 2023</u></b>	<b><u>December 31, 2022</u></b>	<b><u>March 31, 2022</u></b>
Freight Total	\$ 18,362	\$ 18,641	\$ 19,024
Transit Total	3,972	3,800	3,735
Wabtec Total	<u>\$ 22,334</u>	<u>\$ 22,441</u>	<u>\$ 22,759</u>
Freight 12-Month	\$ 4,978	\$ 4,901	\$ 4,812
Transit 12-Month	1,947	1,859	1,819
Wabtec 12-Month	<u>\$ 6,925</u>	<u>\$ 6,760</u>	<u>\$ 6,631</u>

# Balance sheet

Appendix B

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

<i><u>In millions</u></i>	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Cash, cash equivalents and restricted cash	\$ 417	\$ 541
Receivables, net	1,576	1,519
Inventories	2,228	2,034
Other current assets	<u>275</u>	<u>233</u>
<b>Total current assets</b>	4,496	4,327
Property, plant and equipment, net	1,422	1,429
Goodwill	8,540	8,508
Other intangible assets, net	3,333	3,402
Other noncurrent assets	<u>878</u>	<u>850</u>
<b>Total assets</b>	<u>\$ 18,669</u>	<u>\$ 18,516</u>
Current liabilities	\$ 4,165	\$ 3,467
Long-term debt	3,189	3,751
Long-term liabilities - other	<u>1,181</u>	<u>1,151</u>
<b>Total liabilities</b>	8,535	8,369
Shareholders' equity	10,085	10,102
Noncontrolling interest	<u>49</u>	<u>45</u>
<b>Total shareholders' equity</b>	<u>10,134</u>	<u>10,147</u>
<b>Total Liabilities and Shareholders' Equity</b>	<u>\$ 18,669</u>	<u>\$ 18,516</u>

# Cash flow

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

	<b>Three Months Ended March 31,</b>	
<u><i>In millions</i></u>	<u><b>2023</b></u>	<u><b>2022</b></u>
<i>Operating activities</i>		
Net income	\$ 173	\$ 150
Non-cash expense	124	122
Receivables	(51)	93
Inventories	(188)	(137)
Accounts Payable	47	48
Other assets and liabilities	(130)	(115)
<b>Net cash (used for) provided by operating activities</b>	<b>(25)</b>	<b>161</b>
<b>Net cash used for investing activities</b>	<b>(32)</b>	<b>(18)</b>
<b>Net cash used for financing activities</b>	<b>(72)</b>	<b>(133)</b>
Effect of changes in currency exchange rates	5	5
(Decrease) increase in cash	(124)	15
Cash, cash equivalents and restricted cash, beginning of period	541	473
Cash, cash equivalents and restricted cash, end of period	<u>\$ 417</u>	<u>\$ 488</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)										
	First 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>	\$ 2,194	\$ 665	\$ (389)	\$ 276	\$ (43)	\$ (60)	\$ 173	\$ (4)	\$ 169	\$ 0.93
Restructuring costs	-	4	5	9	-	(2)	7	-	7	\$ 0.04
Non-cash Amortization expense	-	-	75	75	-	(20)	55	-	55	\$ 0.31
<b>Adjusted Results</b>	<b>\$ 2,194</b>	<b>\$ 669</b>	<b>\$ (309)</b>	<b>\$ 360</b>	<b>\$ (43)</b>	<b>\$ (82)</b>	<b>\$ 235</b>	<b>\$ (4)</b>	<b>\$ 231</b>	<b>\$ 1.28</b>
<b>Fully Diluted Shares Outstanding</b>										<b>180.6</b>

Wabtec Corporation										
Reconciliation of Reported Results to Adjusted Results										
(in millions)										
	First 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>	\$ 1,927	\$ 595	\$ (356)	\$ 239	\$ (39)	\$ (50)	\$ 150	\$ (1)	\$ 149	\$ 0.80
Restructuring costs	-	5	2	7	-	(2)	5	-	5	\$ 0.03
Non-cash Amortization expense	-	-	73	73	-	(18)	55	-	55	\$ 0.30
<b>Adjusted Results</b>	<b>\$ 1,927</b>	<b>\$ 600</b>	<b>\$ (281)</b>	<b>\$ 319</b>	<b>\$ (39)</b>	<b>\$ (70)</b>	<b>\$ 210</b>	<b>\$ (1)</b>	<b>\$ 209</b>	<b>\$ 1.13</b>
<b>Fully Diluted Shares Outstanding</b>										<b>185.0</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.

<b>Wabtec Corporation</b>						
<b>2023 Q1 EBITDA Reconciliation</b>						
<b>(in millions)</b>						
	<u>Reported Income from Operations</u>	+ <u>Other Income (Expense)</u>	+ <u>Depreciation &amp; Amortization</u>	= <u>EBITDA</u>	+ <u>Restructuring Costs</u>	= <u>Adjusted EBITDA</u>
<b>Consolidated Results</b>	<b>\$276</b>	<b>\$5</b>	<b>\$121</b>	<b>\$402</b>	<b>\$6</b>	<b>\$408</b>

<b>Wabtec Corporation</b>						
<b>2022 Q1 EBITDA Reconciliation</b>						
<b>(in millions)</b>						
	<u>Reported Income from Operations</u>	+ <u>Other Income (Expense)</u>	+ <u>Depreciation &amp; Amortization</u>	= <u>EBITDA</u>	+ <u>Restructuring Costs</u>	= <u>Adjusted EBITDA</u>
<b>Consolidated Results</b>	<b>\$239</b>	<b>\$4</b>	<b>\$121</b>	<b>\$364</b>	<b>\$7</b>	<b>\$371</b>

# Sales by product line

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

<i><u>In millions</u></i>	<b>Three Months Ended March 31,</b>	
	<b><u>2023</u></b>	<b><u>2022</u></b>
Freight Segment		
Equipment	\$ 393	\$ 274
Components	279	229
Digital Intelligence	187	153
Services	707	666
Total Freight Segment	<u>\$ 1,566</u>	<u>\$ 1,322</u>
Transit Segment		
Original Equipment Manufacturer	\$ 282	\$ 292
Aftermarket	346	313
Total Transit Segment	<u>\$ 628</u>	<u>\$ 605</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 March 31,			
	2023		2022	
	<u>Gross Profit</u>	<u>Income from Operations</u>	<u>Gross Profit</u>	<u>Income from Operations</u>
<b>Freight Segment Reported Results</b>	<b>\$ 480</b>	<b>\$ 227</b>	<b>\$ 424</b>	<b>\$ 189</b>
<i>Freight Segment Reported Margin</i>	30.6%	14.5%	32.1%	14.3%
Restructuring costs	1	2	2	2
Non-cash Amortization expense	-	68	-	68
<b>Freight Segment Adjusted Results</b>	<b>\$ 481</b>	<b>\$ 297</b>	<b>\$ 426</b>	<b>\$ 259</b>
<i>Freight Segment Adjusted Margin</i>	30.7%	19.0%	32.2%	19.6%
<b>Transit Segment Reported Results</b>	<b>\$ 185</b>	<b>\$ 69</b>	<b>\$ 171</b>	<b>\$ 65</b>
<i>Transit Segment Reported Margin</i>	29.5%	11.0%	28.2%	10.7%
Restructuring costs	3	7	3	4
Non-cash Amortization expense	-	7	-	5
<b>Transit Segment Adjusted Results</b>	<b>\$ 188</b>	<b>\$ 83</b>	<b>\$ 174</b>	<b>\$ 74</b>
<i>Transit Segment Adjusted Margin</i>	29.9%	13.1%	28.7%	12.3%

# Segment sales reconciliation

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

	Three Months Ended March 31,		
	<u>Freight</u>	<u>Transit</u>	<u>Consolidated</u>
<b>2022 Net Sales</b>	\$ 1,322	\$ 605	\$ 1,927
Acquisitions	21	-	21
Foreign Exchange	(21)	(35)	(56)
Organic	244	58	302
<b>2023 Net Sales</b>	<u>\$ 1,566</u>	<u>\$ 628</u>	<u>\$ 2,194</u>
<i>Change (\$)</i>	244	23	267
<i>Change (%)</i>	18.5%	3.8%	13.9%

# 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 Q1 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>(\$25)</u>		<u>\$173</u>	<u>\$123</u>	<u>(8%)</u>

Wabtec Corporation 2022 Q1 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>\$161</u>		<u>\$150</u>	<u>\$122</u>	<u>59%</u>