

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of Earliest Event Reported): February 15, 2023 (February 15, 2023)

WESTINGHOUSE AIR BRAKE TECHNOLOGIES
CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

033-90866
(Commission
File No.)
30 Isabella Street
Pittsburgh, PA
(Address of principal executive offices)

25-1615902
(I.R.S. Employer
Identification No.)
15212
(Zip code)

412-825-1000
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value per share	WAB	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition

On February 15, 2023, Westinghouse Air Brake Technologies Corporation (the “Company”) issued a press release reporting, among other things, the Company’s 2022 fourth quarter results. A copy of this press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated into this Item 2.02 by reference. The Company is also furnishing an investor presentation relating to its fourth quarter of 2022 (the “Presentation”), which will be used by the management team for presentations to investors and others. A copy of the Presentation is attached hereto as Exhibit 99.2 and incorporated into this Item 2.02 by reference. The Presentation is also available on the Company’s web site at www.wabteccorp.com.

In accordance with General Instruction B.2 of Form 8-K, the information furnished pursuant to this Item 2.02 in this Current Report on Form 8-K, including Exhibits 99.1 and 99.2, shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

Item 7.01 Regulation FD Disclosure

On February 15, 2023, the Company issued a press release which, among other things, provided earnings guidance for fiscal year 2023. A copy of the press release is attached to this report as Exhibit 99.1 and the paragraph under the heading “2023 Financial Guidance” which discusses 2023 guidance is incorporated into this Item 7.01 by reference. The Company also furnished a Presentation relating to its fourth quarter of 2022, which is incorporated into this Item 7.01 by reference. A copy of the Presentation is attached to this report as Exhibit 99.2.

In accordance with General Instruction B.2 of Form 8-K, the information furnished pursuant to this Item 7.01 in this Current Report on Form 8-K, including Exhibits 99.1 and 99.2, shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

The following exhibits are furnished with this report on Form 8-K:

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release dated February 15, 2023
99.2	Wabtec Earnings Presentation, Fourth Quarter 2023
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

Caution Concerning Forward-Looking Statements

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.

SIGNATURES

Pursuant to the requirements of Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION

By: _____ /s/ JOHN A. OLIN
John A. Olin
Executive Vice President and
Chief Financial Officer

(Duly Authorized Officer and Principal Financial Officer)

DATE: February 15, 2023



Wabtec Reports Strong Fourth Quarter 2022 Results

- **Sales Growth of 11.2% to \$2.31 Billion; Sales Up 15.7% Excluding Impacts of Foreign Currency Exchange**
- **Fourth Quarter Reported GAAP Earnings Per Share of \$0.86; Adjusted Earnings Per Share of \$1.30**
- **Fourth Quarter Operating Cash Flow of \$410 Million; Full-Year Operating Cash Flow of \$1.04 Billion**
- **Announced \$750 Million Share Buyback Reauthorization and 13% Increase in Quarterly Dividend**
- **Strong Visibility From \$22.4 Billion Multi-Year Backlog**

PITTSBURGH, February 15, 2023 – [Wabtec Corporation](#) (NYSE: WAB) today reported fourth quarter 2022 GAAP earnings per diluted share of \$0.86, down 15.7% versus the fourth quarter of 2021. Adjusted earnings per diluted share were \$1.30, up 10.2% versus the same quarter a year ago. Fourth quarter sales were \$2.31 billion and cash from operations was \$410 million.

“The Wabtec team finished a strong 2022 as evidenced by higher sales, margin expansion and increased earnings,” said Rafael Santana, Wabtec’s President and CEO. “We remained resilient by focusing on operational excellence as we continued to deliver for our customers and shareholders. The team’s relentless focus on execution combined with underlying business momentum enabled us to deliver strong results despite a volatile environment that included significant headwinds from the impact of Russia sanctions, negative foreign currency exchange, supply chain constraints and higher input costs.”

“Looking ahead, Wabtec enters 2023 with momentum across the business and is well-positioned to drive profitable growth as the team continues to deliver for our customers and shareholders. Our differentiated portfolio of products and technologies, expansive global installed base, and multi-year backlog position us to remain highly resilient in an increasingly dynamic and challenging macro environment.”

2022 Fourth Quarter Consolidated Results

\$ in millions except earnings per share and percentages; margin change in percentage points (pts)	Fourth Quarter		
	2022	2021	Change
Net Sales	\$ 2,306	\$ 2,073	11.2%
GAAP Gross Margin	28.3%	31.5%	(3.2 pts)
Adjusted Gross Margin	29.6%	31.7%	(2.1 pts)

<i>GAAP Operating Margin</i>	10.7%	12.7%	(2.0 pts)
<i>Adjusted Operating Margin</i>	15.3%	16.1%	(0.8 pts)
GAAP Diluted EPS			
	\$0.86	\$1.02	(15.7%)
Adjusted Diluted EPS			
	\$1.30	\$1.18	10.2%
Cash Flow from Operations			
	\$ 410	\$ 314	30.6%
<i>Operating Cash Flow Conversion</i>	147%	99%	

- Sales increased 11.2% compared to the year-ago quarter driven by significantly higher Freight segment sales, partially offset by lower Transit segment sales. On a constant currency basis, consolidated sales were up 15.7%.
- GAAP operating margin was down 2.0 percentage points due to higher restructuring costs. Adjusted operating margin was lower due to unfavorable sales mix and increased technology spend in the quarter.
- GAAP EPS declined due to higher restructuring costs related to the Integration 2.0 program. Adjusted EPS increased from the year-ago quarter primarily due to higher sales and disciplined cost management.

2022 Fourth Quarter Freight Segment Results

Net sales \$ in millions; margin change in percentage points (pts)	Fourth Quarter		
	2022	2021	Change
Net Sales	\$ 1,669	\$ 1,425	17.1%
<i>GAAP Gross Margin</i>	28.9%	31.9%	(3.0 pts)
<i>Adjusted Gross Margin</i>	29.4%	32.1%	(2.7 pts)
<i>GAAP Operating Margin</i>	12.5%	14.5%	(2.0 pts)
<i>Adjusted Operating Margin</i>	17.0%	18.7%	(1.7 pts)

- Freight segment sales for the fourth quarter were up across all product groups, with very strong growth in Digital Electronics, Services, and Equipment. On a constant currency basis, sales were up 18.6%.
- GAAP operating margins and adjusted operating margin were lower as a result of unfavorable mix and increased technology spend during the quarter, partially offset by operational efficiencies and disciplined cost management.

2022 Fourth Quarter Transit Segment Results

Net sales \$ in millions; margin change in percentage points (pts)	Fourth Quarter		
	2022	2021	Change
Net Sales	\$ 637	\$ 648	(1.7%)
<i>GAAP Gross Margin</i>	26.7%	30.6%	(3.9 pts)
<i>Adjusted Gross Margin</i>	30.3%	30.9%	(0.6 pts)

<i>GAAP Operating Margin</i>	<i>9.9%</i>	<i>12.2%</i>	<i>(2.3 pts)</i>
<i>Adjusted Operating Margin</i>	<i>14.8%</i>	<i>13.6%</i>	<i>1.2 pts</i>

- Transit segment sales for the fourth quarter were down versus last year due to unfavorable foreign currency exchange. On a constant currency basis, sales were up 9.3%.
- GAAP operating margin was down as a result of higher restructuring costs, while adjusted operating margin benefited from increased productivity and a strong cost discipline.

Backlog

Backlog \$ in millions	December 31,		
	2022	2021	Change
12-Month Backlog	\$ 6,760	\$ 6,268	7.8%
Total Backlog	\$ 22,441	\$ 22,169	1.2%

At December 31, 2022 the multi-year backlog was \$272 million higher than December 31, 2021 and excluding unfavorable foreign currency exchange, the multi-year backlog increased \$680 million, up 3.1%.

Cash Flow and Liquidity Summary

- During the fourth quarter, the Company generated cash from operations of \$410 million versus \$314 million in the year ago period. Cash from operations was driven by favorable working capital changes.
- At the end of the quarter, the Company had cash, cash equivalents, and restricted cash of \$541 million and total debt of \$4.0 billion. At December 31, 2022, the Company's total available liquidity was \$2.29 billion, which includes cash, cash equivalents, and restricted cash plus \$1.75 billion available under current credit facilities.
- During the fourth quarter, the Company repurchased \$73 million of Wabtec shares, bringing the full year total to \$473 million.
- Wabtec's Board of Directors announced a \$750 million share buyback reauthorization and a 13% increase in the quarterly dividend to 17 cents per share. The Board of Directors also declared a regular quarterly common dividend of 17 cents per share, payable on March 10, 2023 to holders of record on February 24, 2023.

2023 Financial Guidance

- Wabtec issues 2023 financial guidance with sales expected to be in a range of \$8.7 billion to \$9.0 billion. Adjusted earnings per diluted share is expected to be in a range of \$5.15 to \$5.55.
- For full year 2023, Wabtec expects strong cash flow generation with operating cash flow conversion greater than 90 percent.

Conference Call Information

Wabtec will host a call with analysts and investors at 8:30 a.m., ET, today. To listen via webcast, go to Wabtec's new website at www.WabtecCorp.com and click on "Events &



Presentations" in the "Investor Relations" section. Also, an audio replay of the call will be available by calling 1-877-344-7529 or 1-412-317-0088 (access code: 9828578).

About Wabtec Corporation

Wabtec Corporation (NYSE: WAB) is focused on creating transportation solutions that move and improve the world. The Company is a leading global provider of equipment, systems, digital solutions and value-added services for the freight and transit rail industries, as well as the mining, marine and industrial markets. Wabtec has been a leader in the rail industry for over 150 years and has a vision to achieve a zero-emission rail system in the U.S. and worldwide. Visit Wabtec's website at: www.WabtecCorp.com

Information about non-GAAP Financial Information and Forward-Looking Statements

Wabtec's earnings release and 2023 financial guidance mentions certain non-GAAP financial performance measures, including adjusted gross profit, adjusted operating expenses, adjusted operating margin, EBITDA, adjusted EBITDA, adjusted effective tax rate, adjusted income tax expense, adjusted income from operations, adjusted interest and other expense, adjusted earnings per diluted share and operating cash flow conversion. Wabtec is not presenting a quantitative reconciliation of our forecasted GAAP earnings per diluted share to forecasted adjusted earnings per diluted share as we are 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 timing, and could be material to our Consolidated Statements of Earnings.

Wabtec defines EBITDA as earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA is further adjusted for restructuring and transaction 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 release 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 release are reconciliation tables that provide details about how adjusted results relate to GAAP results.

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. All statements, other than statements of historical facts, are forward-looking statements. Forward-looking statements include statements regarding: Wabtec's plans, objectives and intentions; Wabtec's expectations about future sales, earnings and cash conversion; Wabtec's expectations for evolving global industry, market and macro-economic conditions and their impact on Wabtec 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.



News Release

Wabtec Investor Contact

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Wabtec Media Contact

Tim Bader / tim.bader@wabtec.com / 682-319-7925



FOURTH QUARTER 2022

Wabtec Financial Results and Company Highlights



Forward looking statements & non-GAAP financial information

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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. 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 item 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.

WABTEC

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*

WABTEC

4Q 2022 overview

SALES	\$2.31B	Up 11.2% YoY
OPERATING MARGIN	10.7% GAAP	15.3% Adjusted ⁽²⁾
EARNINGS PER SHARE	\$0.86 GAAP	\$1.30 Adjusted ⁽²⁾
CASH FLOW FROM OPERATIONS⁽¹⁾	\$410M	
MULTI-YEAR BACKLOG	\$22.44B	

4Q 2022 HIGHLIGHTS

Increased sales were driven by strong Freight segment growth ... excluding impacts of FX, sales were up 15.7% YoY

Op margin lower despite higher sales growth ... increased productivity ... offset by unfavorable and higher input costs

GAAP EPS down 15.7% YoY on higher restructuring charges ... adjusted EPS up 10.2% YoY from Freight sales

Full-year cash flow from operations of \$1.04B strong cash generation enabling investment for future growth and maximizing shareholder return

Backlog provides improved multi-year visibility \$272M YoY and up \$680M excluding FX impact

STRONG UNDERLYING MOMENTUM INTO 2023

4 (1) Year-over-year 4th quarter cash flow impact from securitization of accounts receivable was unfavorable \$8 million
 (2) Adjusted numbers represent non-GAAP financial measures. See Appendix for additional details and reconciliations

2023 Market Expectations

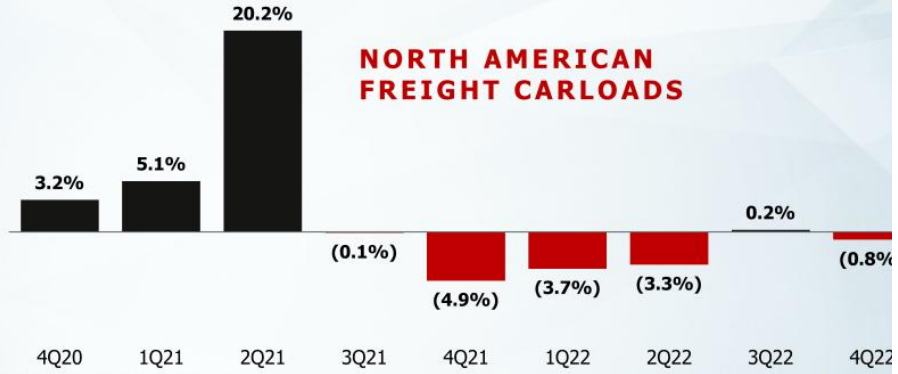
FREIGHT

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

TRANSIT

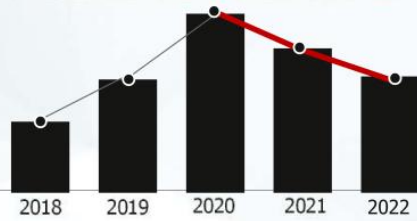
Infrastructure Investment	+
Global Ridership	+ / ↔

NORTH AMERICAN FREIGHT CARLOADS



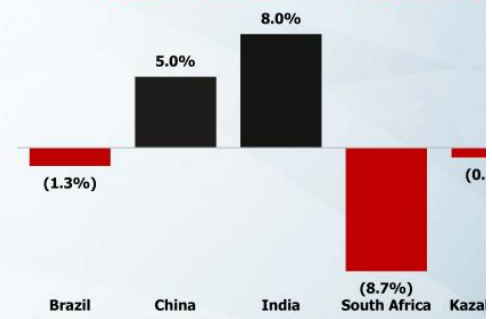
Source: Association of American Railroads

AVG. NORTH AMERICAN PARKED LOCOMOTIVES



Source: Wabtec

2022 FREIGHT VOLUMES



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

WABTEC

Executing on our value creation framework

S&P Global
Commodity Insights
Platts
Global Energy
Awards



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

RECEIVED AWARDS

Secured additional tier 4 new locomotive orders in North America now totaling over 100 units delivery in 2023 and 2024

Signed key international orders for locomotives and kits

Signed multi-year international locomotive service contracts (South America and Kazakhstan)

FLXdrive locomotive recognized for advanced sustainable technology by S&P Global and Business Intelligence Group

Resilient portfolio through the cycle

Favorable end-markets



FREIGHT

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

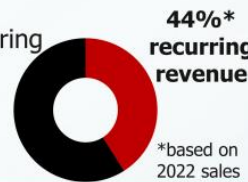
TRANSIT

- + 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



Demonstrated execution

OP MARGIN ⁽¹⁾



GAAP

Adjusted

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

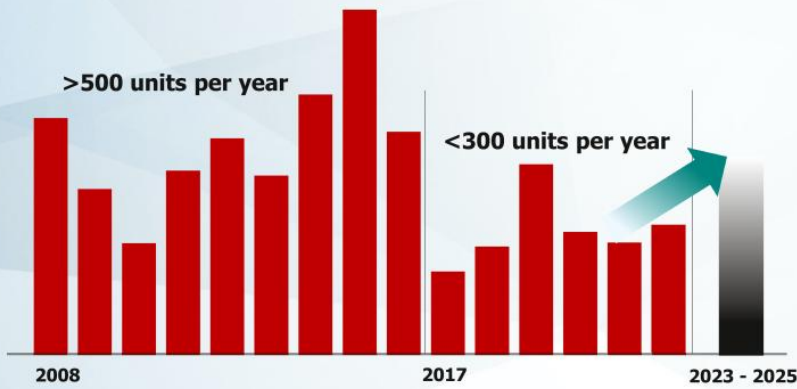
STRONG OUTLOOK UNDERPINNED BY RESILIENT AND PREDICTABLE EARNINGS

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

Increasing visibility into 2023 and beyond



WABTEC NORTH AMERICA LOCOMOTIVES NEW & MODERNIZATIONS DELIVERIES



NORTH AMERICA LONG-TERM LOCOMOTIVE FLEET RENEWAL

Current active main-line locomotive fleet size **~16K**

Expected life of locomotive **~25 ye**

Expected industry average annual replacement rate **>600 lo**

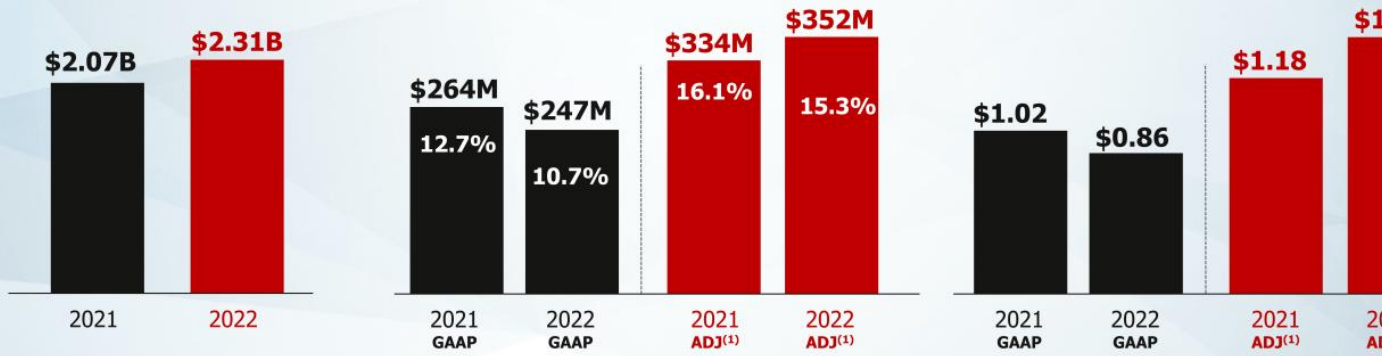
4Q 2022 financial summary

STRONG SALES GROWTH DESPITE DISRUPTIONS AND MACRO VOLATILITY

SALES

OP INCOME/OP MARGIN

EPS



11.2% INCREASE
(UP 15.7% YoY EX-CURRENCY)

(1) Adjusted numbers represent non-GAAP financial measures. See Appendix for additional details and reconciliations 9

WABTEC

4Q 2022 sales



(\$ in millions)

PRODUCT LINE	4Q22	YOY
Equipment	\$430	14.1%
Components	\$241	10.6%
Digital Electronics	\$225	34.7%
Services	\$773	16.6%
Freight Segment	\$1,669	17.1%
Transit Segment	\$637	(1.7%)
TOTAL SALES	\$2,306	11.2%

4Q KEY DRIVERS

EQUIPMENT

Significantly higher international locomotives sales

COMPONENTS

Higher due to improving OE railcar build and increased railcars operation

DIGITAL ELECTRONICS

Higher demand for on-board locomotive products, software upgrades and acquisitions of Beena Vision and ARINC (22% Yo growth excluding acquisitions)

SERVICES

Larger active locomotive fleet and higher sales of MODs

TRANSIT

Decreased as a result of unfavorable foreign currency exchange sales up 9.3% on constant currency basis

4Q 2022 consolidated gross profit



(\$ in millions)	GAAP	Adjusted ⁽¹⁾
2021 GROSS PROFIT	\$652	\$657
<i>% Gross Profit Margin</i>	<i>31.5%</i>	<i>31.7%</i>
Volume	↑↑	↑↑
Mix/Pricing	↑	↑
Raw Materials	↓	↓
Currency	↓	↓
Manufacturing/Other	↑	↑
2022 GROSS PROFIT	\$652	\$683
<i>% Gross Profit Margin</i>	<i>28.3%</i>	<i>29.6%</i>

4Q KEY DRIVERS

VOLUME

Freight segment sales growth of 17.1%

MIX/PRICING

Higher pricing partially offset by a less rich mix of products within business groups (Equipment and Services)

RAW MATERIALS

Cost pressures from higher input costs

CURRENCY

Unfavorable foreign exchange impacted gross profit \$21M (operating income negatively impacted by \$6M)

MANUFACTURING/OTHER

Productivity and absorption gains partially offset by higher transportation costs

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

4Q 2022 consolidated operating income

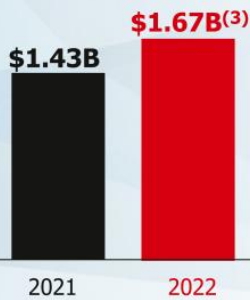
(\$ in millions)	GAAP	Adjusted ⁽¹⁾
2021 OP INCOME	\$264	\$334
<i>% Operating Margin</i>	<i>12.7%</i>	<i>16.1%</i>
Gross Profit	-	26
SG&A	(8)	-
Engineering	(8)	(8)
Amortization	(1)	-
2022 OP INCOME	\$247	\$352
<i>% Operating Margin</i>	<i>10.7%</i>	<i>15.3%</i>

AS EXPECTED, LOWER OPERATING MARGIN DRIVEN BY INCREASED TECHNOLOGY AND INTEGRATION 2.0 INITIATIVES

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

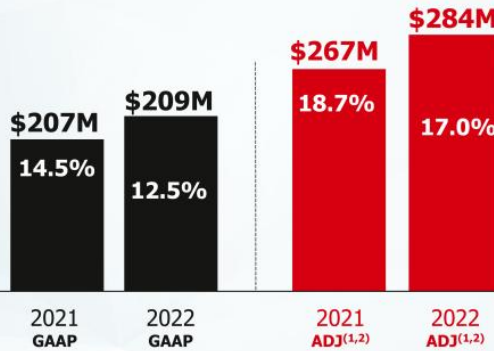
4Q 2022 Freight segment performance

SALES

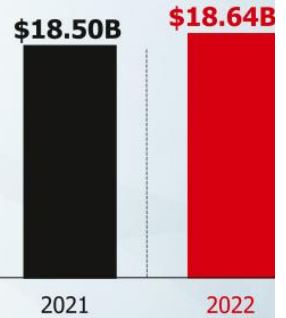


17.1% INCREASE
(UP 18.6% YoY EX-CURRENCY)

OP INCOME/OP MARGIN



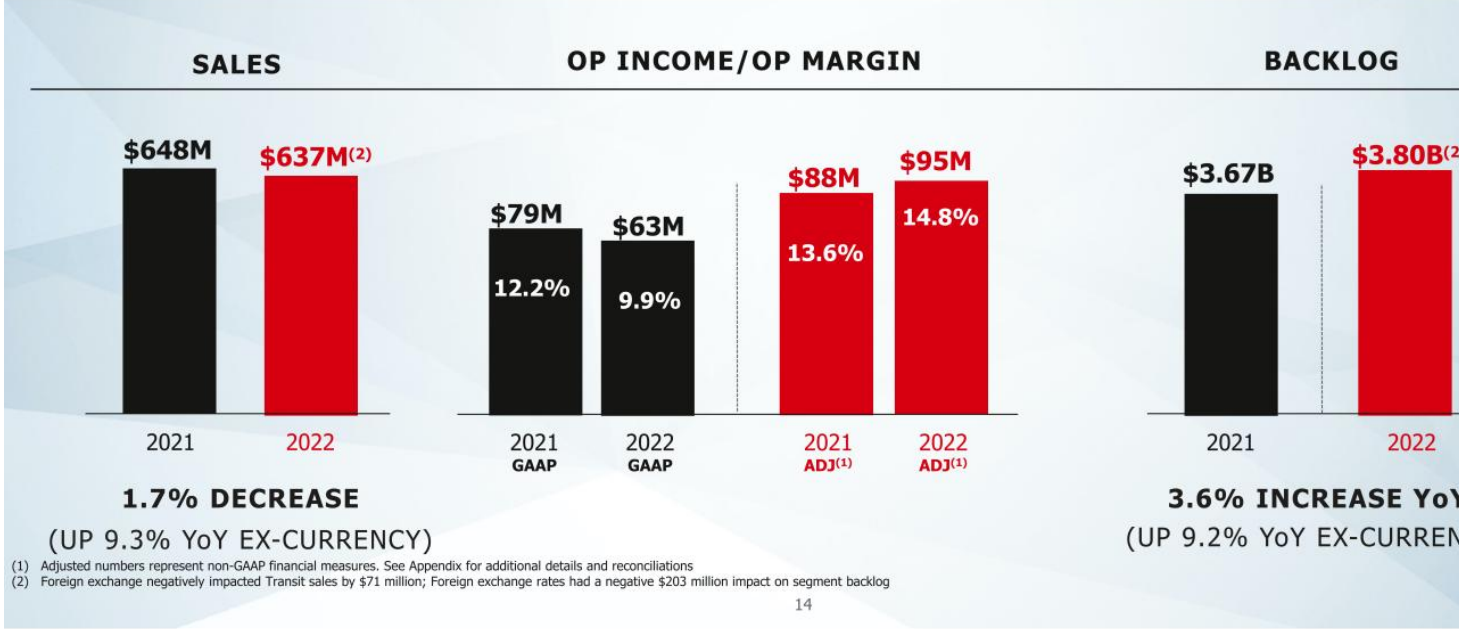
BACKLOG



0.8% INCREASE YoY
(UP 1.9% 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; flat versus 4th quarter 2021
 (3) Foreign exchange negatively impacted Freight sales by \$21 million; Foreign exchange rates had a negative \$205 million impact on segment backlog

4Q 2022 Transit segment performance



WABTEC

Integration 2.0 on track to deliver savings by 2025

CONSOLIDATE FOOTPRINT

15+ facilities
Headcount redundancy
Office/facility rationalization

STREAMLINE MANUFACTURING

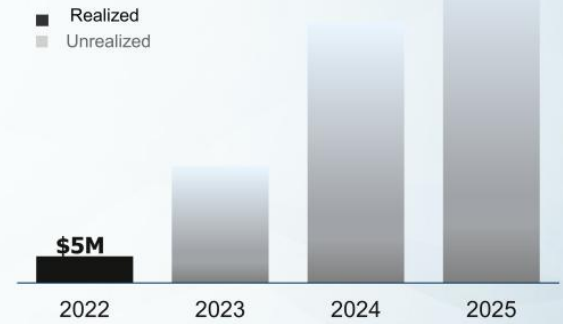
Restructure NAM distribution
Reman localization
Best-cost-country capacity expansion

SIMPLIFY THROUGH SYSTEMS ENABLEMENT

Rewire indirect source-to-pay
Data/process simplification

Cumulative savings⁽²⁾

\$75-90M BY 2025



Restructuring charges ⁽¹⁾	\$46M	Expected total \$135-165M thru 2024
--------------------------------------	-------	-------------------------------------

(1) Restructuring expense and restructuring related one-time charges
(2) Savings include Bochum restructuring announced in the 4th quarter 2021 with a \$23 million charge

Resilient business allows for execution on financial priorities

FOCUSED ON CASH CONVERSION⁽¹⁾ CASH FROM OPS



4Q cash generation of \$410M ...
cash conv of 147%

YoY cash conversion impacted by proactive inventory build ahead of higher sales and managing supply chain disruptions of critical parts

STRONG FINANCIAL POSITION LEVERAGE



Debt leverage⁽²⁾ improved ...
committed to maintaining investment grade ratings

Strengthening balance sheet ...
strong liquidity of \$2.29B⁽³⁾

RETURN CAPITAL TO SHAREHOLDERS



Returning capital to shareholders ...
\$584M returned through share repurchases and dividends

Announced 13% dividend increase
from \$0.15 to \$0.17 per quarter

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 December 31, 2022, the Company's total available liquidity was \$2.29 billion, which includes cash, cash equivalents and restricted cash of \$0.54 billion plus \$1.75 billion available under current credit facilities

2022 overview

SALES	\$8.36B	Up 6.9% YoY
OPERATING MARGIN	12.1% GAAP	16.2% Adjusted ⁽²⁾
EARNINGS PER SHARE	\$3.46 GAAP	\$4.86 Adjusted ⁽²⁾
CASH FLOW FROM OPERATIONS ⁽¹⁾	\$1.04B	

2022 HIGHLIGHTS

Increased sales were driven by strong Freight segment growth ... excluding impacts of FX, sales were up 10.8%

Op margin up from higher sales growth and improved productivity ... partially offset by unfavorable mix and higher input costs

EPS driven by strong Freight segment sales ... EPS up 16.9% and adjusted EPS up 14.1% YoY

Strong cash generation enabling investment for future growth and maximizing shareholder return

STRONG EXECUTION IN HIGHLY VOLATILE ENVIRONMENT

WABTEC

2023 outlook and guidance

REVENUES

\$8.7B to \$9.0B

ADJUSTED EPS

\$5.15 to \$5.55

CASH CONVERSION ⁽¹⁾

>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 ... partial 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 c
GAAP net income plus depreciation and amortization including deferred debt cost ;

Key takeaways

5-YEAR OUTLOOK⁽¹⁾

MSD CORE ORGANIC
GROWTH CAGR

+

250-300 BPS MARGIN
EXPANSION

+

DISCIPLINED CAPITAL
DEPLOYMENT

=

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

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

- 01** Revenue and margin growth in 2022 ... delivering on our full-year financial commitments despite geopolitical and macro challenges
- 02** Continuous cost improvement combined with initial realization of Integration 2.0 savings driving margin expansion
- 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, maximizing long-term value creation for shareholders

Income statement

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2022 AND 2021
(AMOUNTS IN MILLIONS EXCEPT PER SHARE DATA)
(UNAUDITED)

Appendix A (1 of 2)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
Net sales	\$ 2,306	\$ 2,073	\$ 8,362	\$ 7,822
Cost of sales	(1,654)	(1,421)	(5,822)	(5,453)
Gross profit	652	652	2,540	2,369
<i>Gross profit as a % of Net Sales</i>	28.3%	31.5%	30.4%	30.3%
Selling, general and administrative expenses	(272)	(264)	(1,029)	(1,030)
Engineering expenses	(60)	(52)	(209)	(176)
Amortization expense	(73)	(72)	(291)	(287)
Total operating expenses	(405)	(388)	(1,529)	(1,493)
<i>Operating expenses as a % of Net Sales</i>	17.5%	18.7%	18.3%	19.1%
Income from operations	247	264	1,011	876
<i>Income from operations as a % of Net Sales</i>	10.7%	12.7%	12.1%	11.2%
Interest expense, net	(51)	(42)	(186)	(177)
Other income, net	14	13	29	38
Income before income taxes	210	235	854	737
Income tax expense	(51)	(42)	(213)	(172)
<i>Effective tax rate</i>	24.3%	17.4%	25.0%	23.2%
Net income	159	193	641	565
Less: Net income attributable to noncontrolling interest	(1)	(3)	(8)	(7)
Net income attributable to Wabtec shareholders	\$ 158	\$ 190	\$ 633	\$ 558
Earnings Per Common Share				
Basic				
Net income attributable to Wabtec shareholders	\$ 0.87	\$ 1.02	\$ 3.46	\$ 2.96
Diluted				
Net income attributable to Wabtec shareholders	\$ 0.86	\$ 1.02	\$ 3.46	\$ 2.96
Basic	181.0	186.0	182.2	187.7
Diluted	181.7	186.5	182.8	188.1



Income statement (cont.)

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2022 AND 2021
(AMOUNTS IN MILLIONS EXCEPT PER SHARE DATA)
(UNAUDITED)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
Segment Information				
Freight Net Sales	\$ 1,669	\$ 1,425	\$ 6,012	\$ 5,239
Freight Income from Operations	\$ 209	\$ 207	\$ 864	\$ 717
Freight Operating Margin	12.5%	14.5%	14.4%	13.7%
Transit Net Sales	\$ 637	\$ 648	\$ 2,350	\$ 2,583
Transit Income from Operations	\$ 63	\$ 79	\$ 231	\$ 238
Transit Operating Margin	9.9%	12.2%	9.8%	9.2%
Backlog Information (Note: 12-month is a sub-set of total)				
	December 31, 2022	September 30, 2022	December 31, 2021	
Freight Total	\$ 18,641	\$ 19,173	\$ 18,502	
Transit Total	3,800	3,437	3,667	
Wabtec Total	<u>\$ 22,441</u>	<u>\$ 22,610</u>	<u>\$ 22,169</u>	
Freight 12-Month	\$ 4,901	\$ 4,567	\$ 4,520	
Transit 12-Month	1,859	1,700	1,748	
Wabtec 12-Month	<u>\$ 6,760</u>	<u>\$ 6,267</u>	<u>\$ 6,268</u>	



Balance sheet

Appendix B

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

<i>In millions</i>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash, cash equivalents and restricted cash	\$ 541	\$ 473
Receivables, net	1,519	1,477
Inventories	2,034	1,689
Other current assets	233	193
Total current assets	4,327	3,832
Property, plant and equipment, net	1,429	1,497
Goodwill	8,508	8,587
Other intangible assets, net	3,402	3,705
Other noncurrent assets	850	833
Total assets	\$ 18,516	\$ 18,454
Current liabilities	\$ 3,467	\$ 2,910
Long-term debt	3,751	4,056
Long-term liabilities - other	1,151	1,249
Total liabilities	8,369	8,215
Shareholders' equity	10,102	10,201
Noncontrolling interest	45	38
Total shareholders' equity	10,147	10,239
Total Liabilities and Shareholders' Equity	\$ 18,516	\$ 18,454



Cash flow

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

<i>In millions</i>	Twelve Months Ended December 31,	
	<u>2022</u>	<u>2021</u>
<i>Operating activities</i>		
Net income	\$ 641	\$ 565
Non-cash expense	506	571
Receivables	(52)	(76)
Inventories	(368)	(41)
Accounts Payable	306	109
Other assets and liabilities	5	(55)
Net cash provided by operating activities	1,038	1,073
Net cash used for investing activities	(235)	(540)
Net cash used for financing activities	(708)	(653)
Effect of changes in currency exchange rates	(27)	(6)
Increase (decrease) in cash	68	(126)
Cash, cash equivalents and restricted cash, beginning of period	473	599
Cash, cash equivalents and restricted cash, end of period	<u>\$ 541</u>	<u>\$ 473</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 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)									
	Fourth Quarter 2022 Actual Results								
	Net Sales	Gross Profit	Operating Expenses	Income from Operations	Interest & Other Exp	Tax	Net Income	Noncontrolling Interest	Wabtec Net Income
Reported Results	\$ 2,306	\$ 652	\$ (405)	\$ 247	\$ (37)	\$ (51)	\$ 159	\$ (1)	\$ 158
Restructuring costs	-	31	1	32	-	(8)	24	-	24
Non-cash Amortization expense	-	-	73	73	-	(19)	54	-	54
Adjusted Results	\$ 2,306	\$ 683	\$ (331)	\$ 352	\$ (37)	\$ (78)	\$ 237	\$ (1)	\$ 236
Fully Diluted Shares Outstanding	-								

Wabtec Corporation Reconciliation of Reported Results to Adjusted Results (in millions)									
	Fourth Quarter Year-to-Date 2022 Actual Results								
	Net Sales	Gross Profit	Operating Expenses	Income from Operations	Interest & Other Exp	Tax	Net Income	Noncontrolling Interest	Wabtec Net Income
Reported Results	\$ 8,362	\$ 2,540	\$ (1,529)	\$ 1,011	\$ (157)	\$ (213)	\$ 641	\$ (8)	\$ 633
Restructuring costs	-	43	9	52	-	(13)	39	-	39
Non-cash Amortization expense	-	-	291	291	-	(73)	218	-	218
Adjusted Results	\$ 8,362	\$ 2,583	\$ (1,229)	\$ 1,354	\$ (157)	\$ (299)	\$ 898	\$ (8)	\$ 890
Fully Diluted Shares Outstanding	-								



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)	Fourth Quarter 2021 Actual Results									
	Net Sales	Gross Profit	Operating Expenses	Income from Operations	Interest & Other Exp	Tax	Net Income	Noncontrolling Interest	Wabtec Net Income	EPS
Reported Results	\$ 2,073	\$ 652	\$ (388)	\$ 264	\$ (29)	\$ (42)	\$ 193	\$ (3)	\$ 190	\$ 1.02
Restructuring costs	-	5	(7)	(2)	-	5	3	-	3	\$ 0.01
Non-cash Amortization expense	-	-	72	72	-	(18)	54	-	54	\$ 0.29
Foreign Exchange Gain	-	-	-	-	(1)	-	(1)	-	(1)	\$ (0.01)
Amended Return, net	-	-	-	-	-	(25)	(25)	-	(25)	\$ (0.13)
Adjusted Results	\$ 2,073	\$ 657	\$ (323)	\$ 334	\$ (30)	\$ (80)	\$ 224	\$ (3)	\$ 221	\$ 1.18
Fully Diluted Shares Outstanding										186.5

Wabtec Corporation Reconciliation of Reported Results to Adjusted Results (in millions)	Fourth Quarter Year-to-Date 2021 Actual Results									
	Net Sales	Gross Profit	Operating Expenses	Income from Operations	Interest & Other Exp	Tax	Net Income	Noncontrolling Interest	Wabtec Net Income	EPS
Reported Results	\$ 7,822	\$ 2,369	\$ (1,493)	\$ 876	\$ (139)	\$ (172)	\$ 565	\$ (7)	\$ 558	\$ 2.96
Restructuring costs	-	53	25	78	-	(15)	63	-	63	\$ 0.33
Non-cash Amortization expense	-	-	287	287	-	(74)	213	-	213	\$ 1.13
Foreign Exchange Gain	-	-	-	-	(8)	2	(6)	-	(6)	\$ (0.03)
Amended Return, net	-	-	-	-	-	(25)	(25)	-	(25)	\$ (0.13)
Adjusted Results	\$ 7,822	\$ 2,422	\$ (1,181)	\$ 1,241	\$ (147)	\$ (284)	\$ 810	\$ (7)	\$ 803	\$ 4.26
Fully Diluted Shares Outstanding										188.1



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 Q4 EBITDA Reconciliation (in millions)						
	Reported Income from Operations	+ Other Income (Expense)	+ Depreciation & Amortization	= EBITDA	+ Restructuring Costs	= Adjusted EBITDA
Consolidated Results	\$247	\$14	\$119	\$380	\$29	\$409

Wabtec Corporation 2022 Q4 YTD EBITDA Reconciliation (in millions)						
	Reported Income from Operations	+ Other Income (Expense)	+ Depreciation & Amortization	= EBITDA	+ Restructuring Costs	= Adjusted EBITDA
Consolidated Results	\$1,011	\$29	\$473	\$1,513	\$49	\$1,562

Wabtec Corporation 2021 Q4 EBITDA Reconciliation (in millions)						
	Reported Income from Operations	+ Other Income (Expense)	+ Depreciation & Amortization	= EBITDA	+ Restructuring Costs	= Adjusted EBITDA
Consolidated Results	\$264	\$13	\$121	\$398	(\$2)	\$396

Wabtec Corporation 2021 Q4 YTD EBITDA Reconciliation (in millions)						
	Reported Income from Operations	+ Other Income (Expense)	+ Depreciation & Amortization	= EBITDA	+ Restructuring Costs	= Adjusted EBITDA
Consolidated Results	\$876	\$38	\$485	\$1,399	\$78	\$1,477



Sales by product line

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

<i>In millions</i>	Three Months Ended December 31,	
	2022	2021
Freight Segment		
Equipment	\$ 430	\$ 377
Components	241	218
Digital Electronics	225	167
Services	773	663
Total Freight Segment	<u>\$ 1,669</u>	<u>\$ 1,425</u>
Transit Segment		
Original Equipment Manufacturer	\$ 280	\$ 299
Aftermarket	357	349
Total Transit Segment	<u>\$ 637</u>	<u>\$ 648</u>
<i>In millions</i>	Twelve Months Ended December 31,	
	2022	2021
Freight Segment		
Equipment	\$ 1,528	\$ 1,302
Components	936	867
Digital Electronics	729	640
Services	2,819	2,430
Total Freight Segment	<u>\$ 6,012</u>	<u>\$ 5,239</u>
Transit Segment		
Original Equipment Manufacturer	\$ 1,095	\$ 1,193
Aftermarket	1,255	1,390
Total Transit Segment	<u>\$ 2,350</u>	<u>\$ 2,583</u>



Segment gross margin & operating margin reconciliation

Appen

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

In millions	Three Months Ended December 31,				Twelve Months Ended December 31,			
	2022		2021		2022		2021	
	Gross Profit	Income from Operations	Gross Profit	Income from Operations	Gross Profit	Income from Operations	Gross Profit	Income from Operations
Freight Segment Reported Results	\$ 482	\$ 209	\$ 454	\$ 207	\$ 1,896	\$ 864	\$ 1,667	\$
<i>Freight Segment Reported Margin</i>	28.9%	12.5%	31.9%	14.5%	31.5%	14.4%	31.8%	31.8%
Restructuring costs	8	7	3	(7)	15	15	8	
Non-cash Amortization expense	-	68	-	67	-	272	-	
Freight Segment Adjusted Results	\$ 490	\$ 284	\$ 457	\$ 267	\$ 1,911	\$ 1,151	\$ 1,675	\$
<i>Freight Segment Adjusted Margin</i>	29.4%	17.0%	32.1%	18.7%	31.8%	19.1%	32.0%	32.0%
Transit Segment Reported Results	\$ 170	\$ 63	\$ 198	\$ 79	\$ 644	\$ 231	\$ 702	\$
<i>Transit Segment Reported Margin</i>	26.7%	9.9%	30.6%	12.2%	27.3%	9.8%	27.2%	27.2%
Restructuring costs	23	27	2	4	28	37	45	
Non-cash Amortization expense	-	5	-	5	-	19	-	
Transit Segment Adjusted Results	\$ 193	\$ 95	\$ 200	\$ 88	\$ 672	\$ 287	\$ 747	\$
<i>Transit Segment Adjusted Margin</i>	30.3%	14.6%	30.9%	13.6%	28.6%	12.2%	28.9%	28.9%



Segment sales reconciliation

Appen

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

<i>In millions</i>	Three Months Ended December 31,		
	Freight	Transit	Consolidated
2021 Net Sales	\$ 1,425	\$ 648	\$ 2,073
Acquisitions	21	1	22
Foreign Exchange	(21)	(71)	(92)
Organic	244	59	303
2022 Net Sales	\$ 1,669	\$ 637	\$ 2,306
Change (\$)	244	(11)	233
Change (%)	17.1%	-1.7%	11.2%
	Twelve Months Ended December 31,		
	Freight	Transit	Consolidated
2021 Net Sales	\$ 5,239	\$ 2,583	\$ 7,822
Acquisitions	83	4	87
Foreign Exchange	(62)	(242)	(304)
Organic	752	5	757
2022 Net Sales	\$ 6,012	\$ 2,350	\$ 8,362
Change (\$)	773	(233)	540
Change (%)	14.8%	-9.0%	6.9%



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 2022 Q4 Cash Conversion Calculation (in millions)					
	<u>Reported Cash from Operations</u>	÷	<u>(Net Income</u>	+ <u>Depreciation & Amortization)</u>	= <u>Cash Conversion</u>
Consolidated Results	\$410		\$159	\$120	147%

Wabtec Corporation 2022 Q4 YTD Cash Conversion Calculation (in millions)					
	<u>Reported Cash from Operations</u>	÷	<u>(Net Income</u>	+ <u>Depreciation & Amortization)</u>	= <u>Cash Conversion</u>
Consolidated Results	\$1,038		\$641	\$479	93%

Wabtec Corporation 2021 Q4 Cash Conversion Calculation (in millions)					
	<u>Reported Cash from Operations</u>	÷	<u>(Net Income</u>	+ <u>Depreciation & Amortization)</u>	= <u>Cash Conversion</u>
Consolidated Results	\$314		\$193	\$123	99%

Wabtec Corporation 2021 Q4 YTD Cash Conversion Calculation (in millions)					
	<u>Reported Cash from Operations</u>	÷	<u>(Net Income</u>	+ <u>Depreciation & Amortization)</u>	= <u>Cash Conversion</u>
Consolidated Results	\$1,073		\$565	\$491	102%



