

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): March 17, 2023

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Delaware  
(State or other Jurisdiction of Incorporation)

033-90866  
(Commission File No.)

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

30 Isabella Street  
Pittsburgh, Pennsylvania  
(Address of Principal Executive Offices)

15212  
(Zip Code)

(412) 825-1000  
(Registrant's Telephone Number, Including Area Code)

Not Applicable  
(Former Name or Former Address, 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.):

- 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 Exchange Act:

Title of Each Class	Trading Symbol	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 7.01. Regulation FD Disclosure**

On March 17, 2023, Westinghouse Air Brake Technologies Corporation (the “Company”) posted an investor presentation (the “Investor Presentation”) to its website at <https://ir.wabteccorp.com/investor-relations>. A copy of the Investor Presentation is attached as Exhibit 99.1 to this Current Report on Form 8-K.

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 Exhibit 99.1, 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

<b>Exhibit No.</b>	<b>Description</b>
<a href="#">99.1</a>	Investor Presentation dated March 17, 2023
104	Cover Page Interactive Data File 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; statements regarding macro-economic conditions and evolving production and demand conditions and statements regarding carbon emissions reduction and other sustainability targets and goals; 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.

**SIGNATURE**

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

WESTINGHOUSE AIR BRAKE  
TECHNOLOGIES CORPORATION

By: /s/ John A. Olin

**John A. Olin**  
Executive Vice President and Chief Financial Officer

Date: March 17, 2023

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# Wabtec

## Investor Presentation

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### 2023





# Forward-looking statements & non-GAAP financial information

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This presentation mentions certain non-GAAP financial performance measures, including adjusted operating margin, adjusted EBITDA, net debt, return on invested capital [ROIC] 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. Wabtec defines net debt to mean total debt minus cash, restricted cash, and cash equivalents. Wabtec defines ROIC as net operating profit after tax as percentage of total invested capital. 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 adjusted operating margin, leverage ratio or operating cash flow conversion, 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.

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# 1

Company profile & key  
growth drivers

WE ARE  
WABTEC

WABTEC

# Wabtec operates its business in two segments

**50+** COUNTRIES

**~27K** EMPLOYEES

**FREIGHT: 72%**

**TRANSIT: 28%**

**34%**  
Services

**18%**  
Equipment

**11%**  
Components

**9%**  
Digital Intelligence

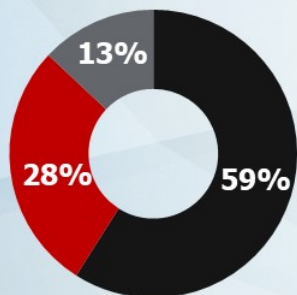


**28%**  
Transit

**GLOBAL LEADER IN FREIGHT AND TRANSIT RAIL TECHNOLOGIES**

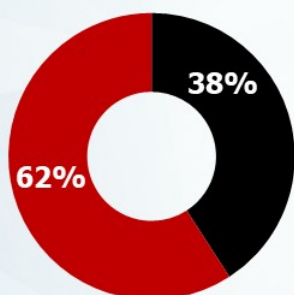
# Attractive revenue profile

**ATTRACTIVE  
END MARKETS**



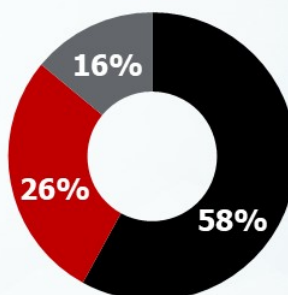
- Freight
- Transit
- All Other (Industrial and Mining)

**ROBUST AFTERMARKET  
PORTFOLIO**



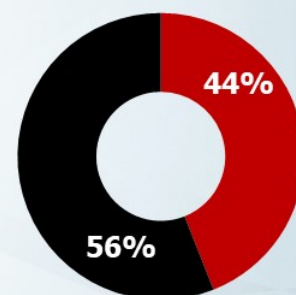
- OE
- Aftermarket

**BROAD SCALE IN  
GLOBAL MARKETS**



- Americas (45% in U.S.)
- EMEA
- APAC

**STRONG MIX OF  
RECURRING REVENUES**



- Non-Recurring
- Recurring

\* 2022 FY results

**STRONG GLOBAL INDUSTRIAL PORTFOLIO WITH TRACK RECORD OF INNOVATION AND SIGNIFICANT RECURRING REVENUE**

# Primary growth drivers<sup>(1)</sup>

- 1** Rail cycle recovery
- 2** International expansion / share gains
- 3** Increase customer productivity, capacity and safety
  - Locomotive fleet renewal
  - Innovative digital technology
  - Lead decarbonization of rail
- 4** Integration 2.0
- 5** Strategic M&A

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

## 5-YEAR GROWTH EXPECTATIONS

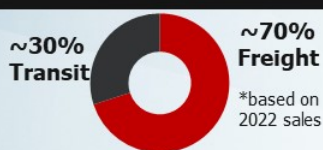


Equipment  
Digital Intelligence  
Services  
Transit  
Components



# Resilient portfolio through the cycle

## Favorable end-markets



### FREIGHT

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

### TRANSIT

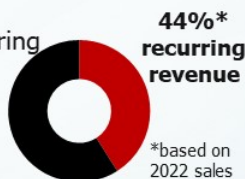
- + Increased global investment in infrastructure
- + Mega trends favor increasing ridership

## Robust backlog & recurring revenue



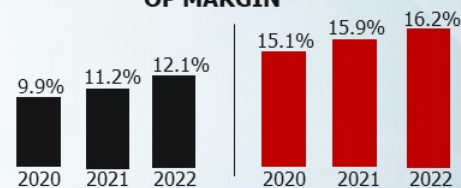
- Strong 12-month and multi-year backlog provides resiliency and visibility despite macro volatility

- Significant recurring revenue base drives ~60% of profits



## Demonstrated execution

### OP MARGIN<sup>(1)</sup>



### GAAP

### Adjusted

- 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



# 2

## Why Wabtec?

WE ARE  
WABTEC



# Wabtec is well-positioned to lead the industry and deliver shareholder value

WHERE WE HAVE BEEN

WHERE WE ARE GOING



WHERE WE ARE

WABTEC

# Value creation framework for delivering the future of rail

Extending the lead as  
**#1 rail technology**  
company in the world

## DRIVERS OF PORTFOLIO OPTIMIZATION AND GROWTH

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

WABTEC

#1 Accelerate innovation of scalable technologies

~6-7%

target annual organic investment in technology as % of sales



ENHANCE EXISTING PRODUCTS

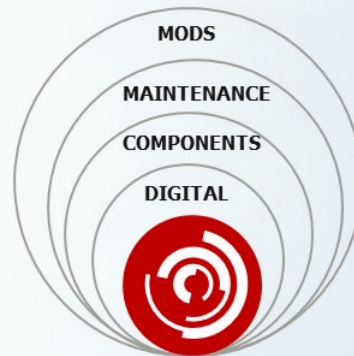


INVENT, TEST AND SCALE FUTURE TECHNOLOGIES

# #2 Grow and refresh expansive global installed base

## LOCOMOTIVE MARKET

	IB	Age (years)	WAB%	2023-2026
NORTH AMERICA	31K	20	51%	→
APAC	20K	16	9%	↑
CIS/EU	47K	22	3%	↑
LATAM	3K	19	61%	→
SUB-SAHARAN AFRICA	4K	17	28%	↔



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



### TRANSIT

- ✓ Opportunity for pantograph pull through on FLXdrive
- ✓ High-margin friction products

### DIGITAL INTELLIGENCE

- ✓ Pull-through content of up to \$250K per new loco
- ✓ Recurring software services

### FREIGHT SERVICES

- ✓ 120+ service events over asset life
- ✓ >1,000 Mod units in operation
- ✓ Strong position with Class I customers

### FREIGHT CAR COMPONENTS

- ✓ Average \$6K+ on freight car
- ✓ Opportunity to pull through new deliveries, manufacturing & aftermarket sales

WABTEC

# #3 Lead the decarbonization of rail

## GROWING DEMAND

# 2x

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

## TODAY



### CARBON REDUCTION

75% reduction in carbon emissions per ton-mile than trucking



### SAFER

22x fewer deaths and injuries per year than trucking



### MORE EFFICIENT

3-4x more fuel efficient than trucking

## ENVIRONMENTAL IMPACT

# ~300M TONS

**Enable Annual CO<sub>2</sub> Reduction Globally**

## Decarbonization drives strong customer returns

### FLXdrive

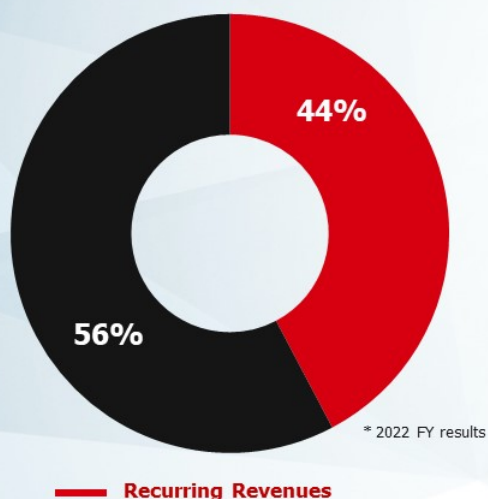
Price 2-3x vs. T4

ROI Double-digit returns

Sources: AAR sustainability FactSheet, Wabtec internal data



## #4 Expand high-margin recurring revenue streams



### RECURRING REVENUES

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

**~60% OF COMPANY PROFIT DRIVEN BY RECURRING REVENUES**



# #5 Drive continuous operational improvement

## ACCELERATE LEAN

Deliver best-in-class manufacturing cost productivity and material cost deflation

>90% on-time delivery

Engineering productivity focus; yr/yr cost improvement

>20% flexible workforce capacity

Achieve over-the-cycle working capital cycle improvement

## DRIVE COST COMPETITIVENESS

~135 manufacturing sites... drive best cost footprint

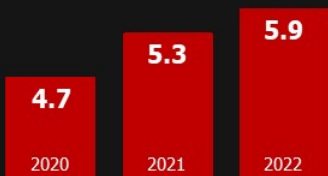
>25% sites in best-cost countries

>30% of engineers in best-cost countries

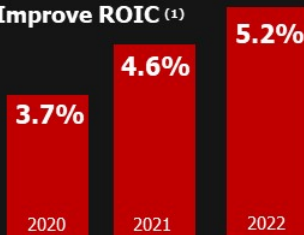
"Should cost" analysis & competitive product benchmarking

### CAPITAL EFFICIENCY METRICS

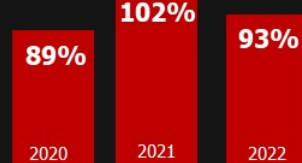
#### Continual Focus on Fixed Asset Productivity



#### Improve ROIC <sup>(1)</sup>



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



Total net sales/property, plant, and equipment, net

<sup>(1)</sup> Represents a non-GAAP financial measure. See appendix for details and reconciliation

# Wabtec operating model... operational excellence

STRATEGY DEVELOPMENT



## CULTURE

Of shared values and mindset of problem solving and continuous improvement

## CADENCE

Operating reviews monitoring pulse.... Site and division level

CORE OF COMMON KPI

WABTEC MANAGEMENT SYSTEM

# We're committed to creating a more sustainable future

SUSTAINABILITY PRINCIPLES

## Innovating with Purpose

We are committed to developing responsible and sustainable products that minimize the impact on the planet

SUSTAINABILITY PRINCIPLES

## Driving Responsible Operations

We are committed to providing safe work environments and products that enable productive and efficient use of resources

SUSTAINABILITY PRINCIPLES

## Empowering People and Communities

We are committed to driving a diverse and inclusive culture and investing in the communities where our teams live and work

# 3

Global rail fundamentals  
are attractive

WE ARE  
WABTEC

# Market for rail continues to expand

## KEY TRENDS INFLUENCING GROWTH

Increased **focus on environmental sustainability and decarbonization**

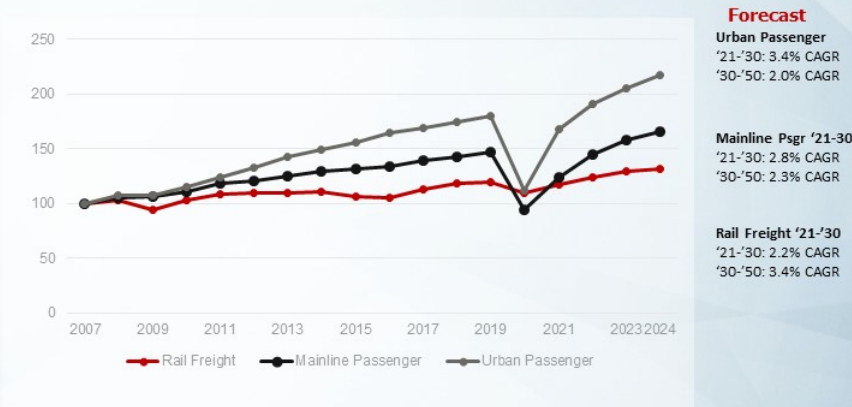
**Improved rail infrastructure** ... enabling economic growth in developing regions. In NA, increased government funding and Class I CAPEX

**Digitization and automation** driving improvements in productivity and efficiency

**Continued urbanization and globalization** driving greater overall demand for freight and passenger transportation

## GLOBAL RAIL FORECAST

Consistent, positive outlook ahead for next 15+ years.



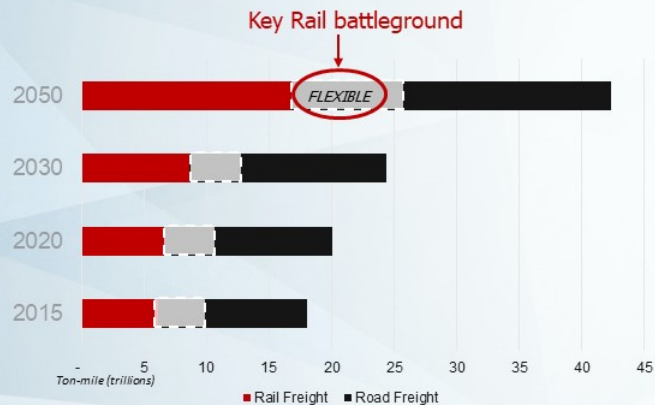
Source: Worldbank.org, SCI 2020 Worldwide Market for Railway Industries ; UNIFE World Market for Rail Supply, ITF (2021), ITF Transport Outlook 2021, OECD Publishing, Paris

**RAIL FREIGHT & PASSENGER TRAFFIC EXPECTED TO DOUBLE BY 2050 ... LED BY INCREASED INFRASTRUCTURE INVESTMENT & FOCUS ON ESG**



# Railroads well-positioned to expand share vs. truck

## GLOBAL RAIL VS. ROAD OUTLOOK



## CUSTOMER INITIATIVES TO GAIN SHARE

**Sustain existing share and focus on customer needs** to capture flexible freight commodities

Create a **diversified supply chain and railcar visibility** to help shippers handle variability in demand

**Collaborate with the government on key policies** focused on decarbonization and automation

Invest in **cleaner energy, and digitalization** to improve transport efficiency and **reduce shipper emissions**

Accelerate the **adoption of automation technologies** to unlock **latent capacity, efficiency and cost gains**

Graph sources: ITF (2021), *ITF Transport Outlook 2021*, OECD Publishing, Paris  
Assumed Class I Rail operations to calculate these metrics

**PRODUCTIVITY, EFFICIENCY, & SUSTAINABILITY  
TO CAPTURE "FLEXIBLE SHARE"**

# 4

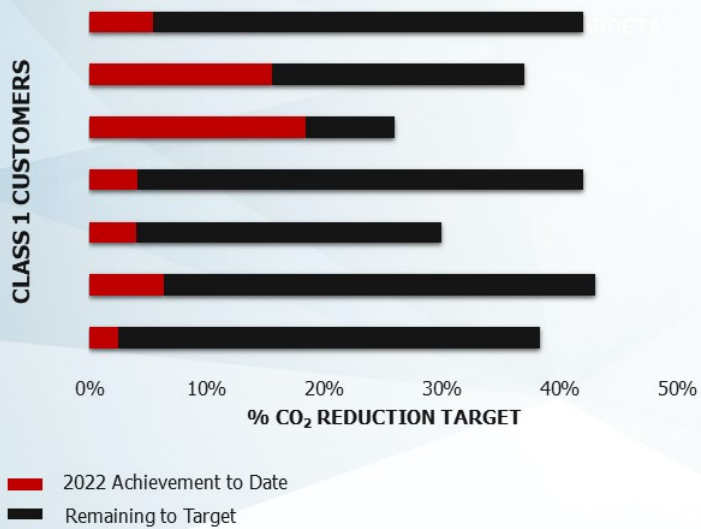
## Leading the decarbonization of rail

WE ARE  
WABTEC



TECHNOLOGY

# Customer science-based targets for CO<sub>2</sub> reduction



## TECHNOLOGY BENEFIT FOR CUSTOMERS

	TECHNOLOGY	CO <sub>2</sub> BENEFIT	COST BENEFIT
UPGRADE	Trip Optimizer	+	+++
	Engine Advantage	+	+++
OPERATIONAL	Biodiesel 20%	+	+
	Renewable Diesel	++	-
NEW ASSET	FLXdrive Consist	++	++
	Hydrogen	+++	-/+

# Technical solutions

## IMPACT

**UP TO ~30%**

Reduction in emissions and fuel utilization

- 22% efficiencies today ... 18% EPA certified

## PRODUCTS

### INTEGRATED FUEL OPTIMIZATION

- Movement Planner system
- Locotrol distributed power
- Trip Optimizer Platform



## CAPABILITY EVOLUTION

**3% → 4%**

FUEL SAVINGS ACROSS THE ENTERPRISE NETWORK

### MOVEMENT PLANNER DISPATCH SYSTEM

Optimizes the use of slack time to reduce overall fuel consumption

**4% → 6%**

FUEL SAVINGS ON DISTRIBUTED POWER TRAINS

### LOCOTROL DISTRIBUTED POWER SYSTEM

Optimizes the distribution of power to reduce total horsepower required

**15% → 22%**

FUEL SAVINGS PER LOCOMOTIVE

### TRIP OPTIMIZER ENERGY MANAGEMENT SYSTEM

Plans the most fuel efficient way to arrive on time

\* Non-EPA certified reductions reflect current estimates

TECHNOLOGY

# FLXdrive development progress



## FLXDRIVE 2.0 VS 1.0

<b>Energy Density</b>	<b>+++</b>
<b>Battery Life Cycle Cost</b>	<b>+++</b>
<b>Fuel &amp; CO<sub>2</sub> Reduction</b>	<b>+++</b>



### WABTEC + GM TECHNOLOGY DELIVERING BEST IN CLASS:

- Safety
- Overall system performance
- Reliability
- Locomotive layout & maintainability
- Ongoing product evolution
- Life cycle cost & recycling

**STRATEGIC INVESTMENTS ACCELERATING FLX PORTFOLIO COMPETITIVENESS**

TECHNOLOGY

# Alternative propulsion – hydrogen

## TECHNOLOGY OPTIONS



H<sub>2</sub> Fuel Cells



H<sub>2</sub> ICE Dual Fuel



## H<sub>2</sub> FOR FREIGHT

Longer range option for low/zero emissions

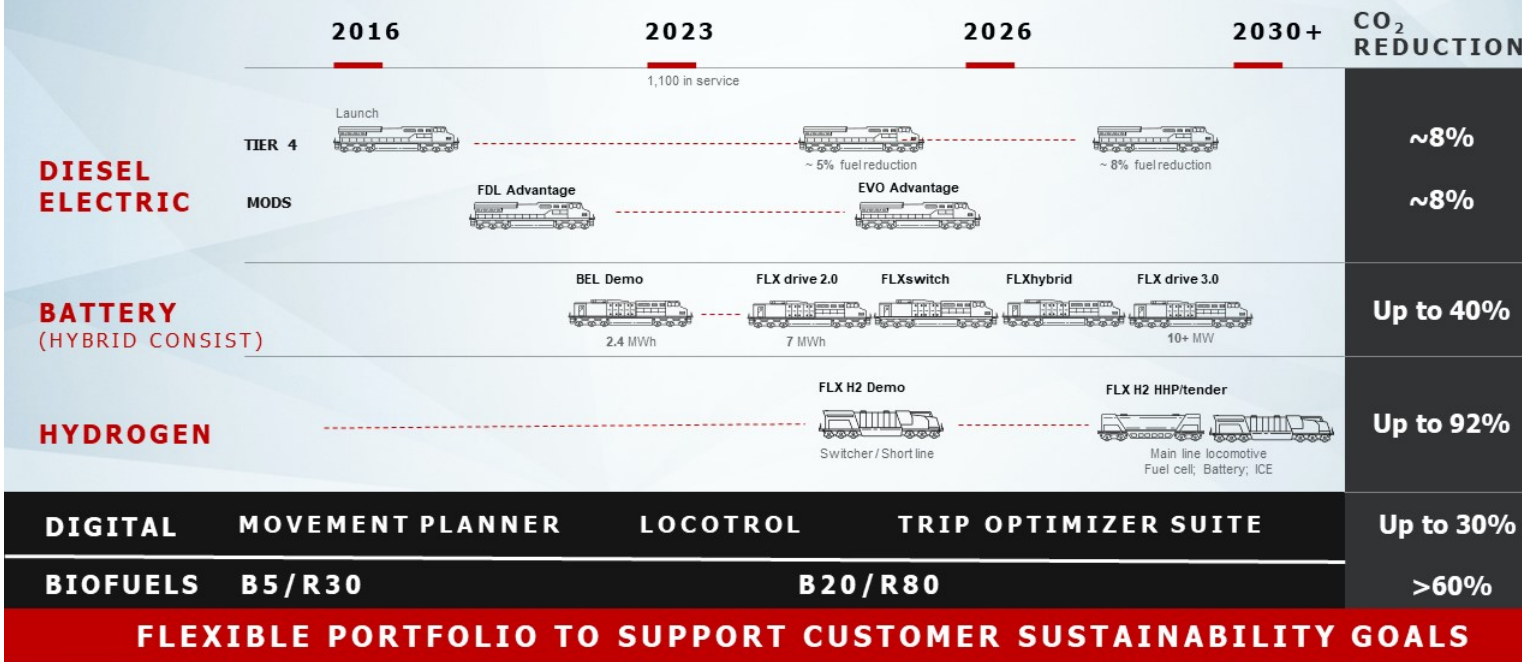
Fuel generation cost ↓ through public & private investment

Complementary to FLX technology... hybrid unit + hybrid consist

**PATH TO A ZERO-EMISSION RAIL NETWORK**

TECHNOLOGY

# Locomotive technology road map for sustainability



# 5

Diverse portfolio with  
unique strategies to  
drive growth

WE ARE  
WABTEC



# Equipment primary growth drivers



- 1 INTERNATIONAL DIESEL ELECTRIC GROWTH**
  - Commodities and global trade
  - Leverage local partnerships
- 2 NORTH AMERICA FLEET UPGRADE**
  - Intermodal growth
  - Aging fleet
  - Higher haulage and efficiency needs
- 3 EXPAND FLXDRIVE WINS - CAPITALIZE ON GHG GOALS**
  - Product design fit for application, energy & power needs
  - Investor oversight to progress on decarbonization
  - Successful deployment of FLXdrive launch orders
- 4 CAPTURE GROWTH IN NEW SEGMENTS**
  - Leverage FLX technology for shunting applications
  - Zero emissions opens door to Europe
  - Government & local funding
- 5 SURFACE MINING TRUCK ELECTRIFICATION & FLEET RENEWAL... VOLUME UP**
  - Trolley assist & power agnostic propulsion
  - Sustained copper & iron ore production growth



EQUIPMENT

# Locomotive international markets

## STRATEGY IN ACTION

International fleet renewal & upgrades with EVO technology

Expand battery electric mainline & switcher

Drive supply chain productivity through regional footprint

## GROWTH DRIVERS

### AUSTRALIA

Mining growth  
Decarbonization targets

### BRAZIL

New multi-year driven by concessions  
Agriculture growth

### INDIA

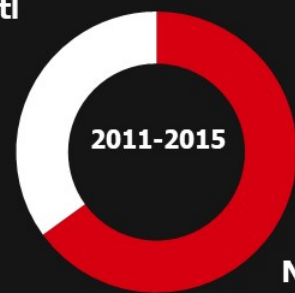
Economic growth  
Dedicated freight corridors

### CIS

Gateway Asia → Europe  
Fleet renewal & efficiency

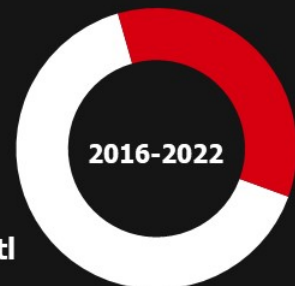
## REVENUE PROFILE

Intl



NAM

Intl



NAM

**INTERNATIONAL FLEETS GROWING 5% CAGR SINCE 2016... WELL-POSITIONED TO CAPITALIZE ON CONTINUED GROWTH**

31

WABTEC

# Increasing visibility into 2023 and beyond

## WABTEC NORTH AMERICA LOCOMOTIVES NEW & MODERNIZATIONS DELIVERIES

The bar chart displays annual delivery volumes. The period from 2008 to 2017 is labeled as '>500 units per year', and the period from 2018 to 2022 is labeled as '<300 units per year'. A green arrow points to the 2023-2025 period, indicating a projected increase in deliveries.

Year	Deliveries (Units)
2008	~550
2009	~450
2010	~350
2011	~450
2012	~500
2013	~450
2014	~550
2015	~650
2016	~550
2017	~500
2018	~250
2019	~300
2020	~450
2021	~350
2022	~300
2023-2025	~450

## NORTH AMERICA LONG-TERM LOCOMOTIVE FLEET RENEWAL

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

Expected life of locomotive **~25 years**

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

EQUIPMENT

# North America fleet renewal opportunity

## FLEET PROFILE

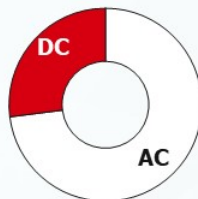
**20 YRS**  
AVERAGE

**6K UNITS**  
> 20YRS

FLEET BY EMISSION



FLEET BY TRACTION



## CUSTOMER OUTCOMES

- 1 PRODUCTIVITY**  
AC traction  
Reliability
- 2 FUEL EFFICIENCY**  
Engine improvements  
Digital solutions
- 3 SUSTAINABILITY**  
Alternative fuel  
New technology

## STRATEGY IN ACTION

Enable & support alternative fuels

Continue to invest in fuel improvement technologies

Hybrid battery upgrade for additional fuel & GHG reduction

Enabling locomotive automation with Modular control architecture

Navigate regulation & pursue subsidies

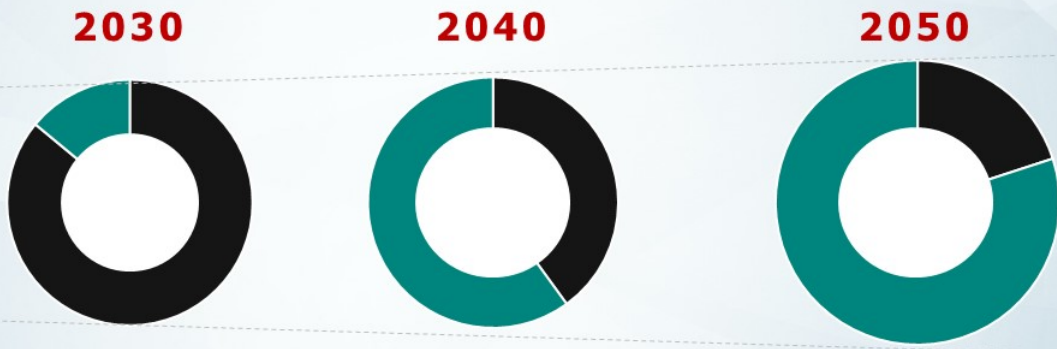
**CONTINUE TO INVEST/GROW THE CORE DIESEL ELECTRIC**

EQUIPMENT

# Growth driven by fleet renewal & technology mix

## FLEET RENEWAL MAINLINE & SWITCHER

- ALTERNATIVE TECH (INCL. BATTERY + HYDROGEN)
- DIESEL



## DRIVERS

- Efficiency w/ AC
- Fuel economy
- GHG SBTi targets
- Low impact to operations

- Operational flexibility
- 20% GHG ↓
- Technology readiness
- Fleet productivity

- Net zero commitments
- Technology maturity
- Infrastructure availability

**TRANSITION TO MORE EFFICIENT AND SUSTAINABLE FLEET**

# Services primary growth drivers



## MODERNIZATIONS

Fleet transformation (haulage, reliability, fuel, & emissions) through modernizations to help customers achieve operational outcomes



## PERFORMANCE UPGRADES

Leveraging technology to deliver on fuel & emissions efficiency and reliability

## MAINTENANCE TECHNOLOGIES

Asset management, material management, remote monitoring and technical advisory capabilities



## MAINTENANCE OF WAY

Diverse portfolio of maintenance equipment and material movers to support the rail industry

## GLOBAL REMANUFACTURING

20+ global remanufacturing locations for critical components including engines & traction motors



## INTERNATIONAL EXPANSION

Accelerating portfolio footprint and product penetration specifically across APAC & CIS regions



SERVICES

# Modernizations

Maximize asset value and fleet performance by transforming 20+ year old locomotives to extend life and step-change their performance.

Solutions jointly defined with each customer based on modular technology building blocks.

Enabling structural changes in railroad dispatch strategies.



## CUSTOMER OUTCOMES\*

- 50% more tractive effort
- 25% less fuel & emissions
- 40% more reliability

## WABTEC IMPACT

- Developed and scaled Mods business
- Turning underutilized assets into preferred fleet
- Significant content pull-through
- Customer partner of choice

## LOOKING AHEAD

- 15,000+ available market | <10% penetration
- Install Wabtec T4 engine on competitor's switcher
- Alternative fuels
- Alternative energy: battery, hydrogen internal combustion engine, fuel cell

\* Source: Internal Wabtec data and based on customer product configuration



# Components primary growth drivers

## **STRENGTHEN OUR CORE IN NORTH AMERICA**

Package freight car product offerings with car builders  
Leverage full Wabtec portfolio in aftermarket  
Consolidate industrial go-to-market approach

## **DRIVE INNOVATION INTO NEW PRODUCTS & SOLUTIONS**

Sensing/digitalization to improve product performance  
Health monitoring to reduce maintenance cycles  
Apply advanced material technology to engine cooling

## **INTERNATIONAL EXPANSION USING ONE WABTEC NETWORK**

Freight and loco opportunities in LATAM, APAC, India, and EMEA  
Industrial expansion and global partnerships to support ESG  
Scaling and developing new products for wind, grid solutions, carbon reduction, and energy storage

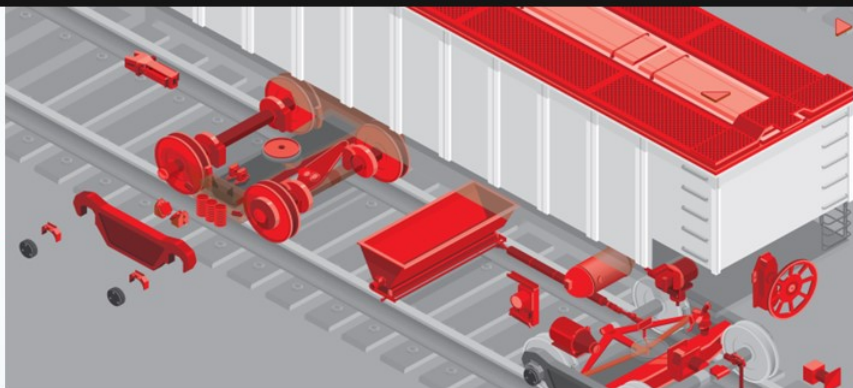
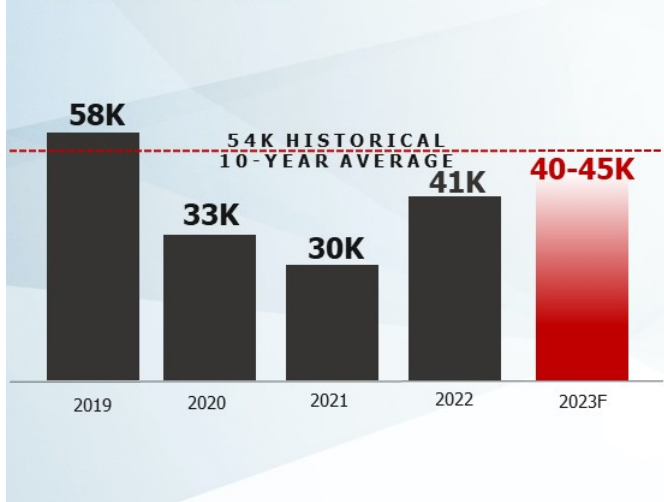
## **CONTINUOUS OPERATIONAL IMPROVEMENT**

Leverage best-cost country sources  
Rationalize and simplify structure to drive profitability  
Footprint consolidation to drive out duplication

COMPONENTS

# Well-positioned to capitalize on increasing North American car build volume

## NORTH AMERICAN CAR BUILD VOLUME



Increasing railcar build  
+  
Strong share position  
+  
Operating leverage

**REVENUE GROWTH  
AND  
MARGIN ACCRETION**

# Primary Growth Drivers



## EVOLUTION OF I-ETMS

PTC 2.0, precision reference, moving block; NAM upgrades & international expansion



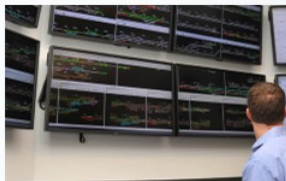
## EXPAND TRIP OPTIMIZER SUITE

Zero-to-Zero & Smart Horse Power/Ton (SHPT); TO on non-Wabtec locos, FLXDrive, Alt fuels



## EVOLVE LOCOTROL PLATFORM

Locotrol Expanded Architecture (LXA); Road Remote Control Locomotive (RoadRCL) system; Autonomous Drone Trains



## NEXT-GEN NETWORK SOLUTIONS

Precision Dispatch 2.0, migrate to Cloud Pacing, Yard Planner system, & Service Design



## INTERNATIONAL MARKETS

Expand digital capabilities across Latin America, Europe, and Asia Pacific



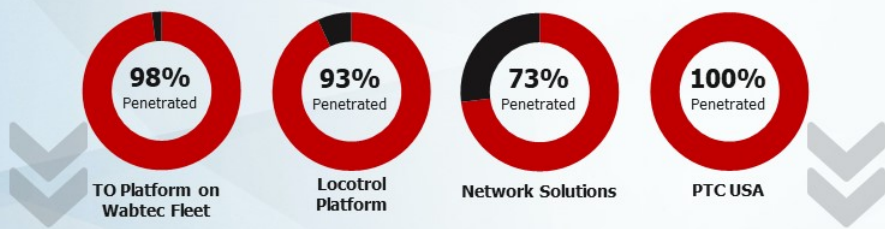
## KEY ADJACENCIES

Expand reach in digital mining; logistics, KinetiX, asset management & analytics

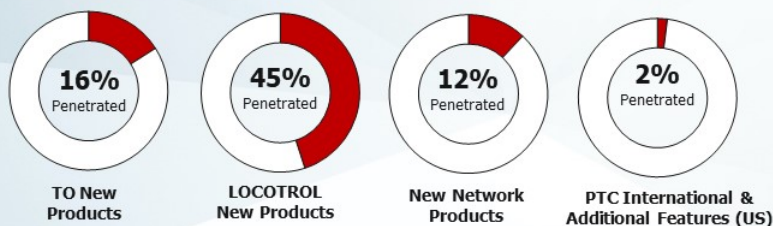
DIGITAL INTELLIGENCE

# Pillar apps are foundation for 2-3x industry growth

## STRONG NORTH AMERICA PRODUCT PENETRATION



## NEW PRODUCT PENETRATION OPPORTUNITIES



## KEY PRODUCT AREAS

**FUEL EFFICIENCY**  
Energy Management

**TERMINAL DWELL**  
Remote Control Locomotive

**LABOR OPTIMIZATION**  
Drone Control, Remote Control Locomotive, Energy Management, PTC

**ASSET UTILIZATION**  
Distributed Power



# New technology will unlock the next generation of PSR



Collectively:

## 25%

REDUCTION IN TRAIN DELAYS

## 50%

POTENTIAL PRODUCTIVITY SAVINGS

## 75%

REDUCTION IN ACCIDENTS DUE TO HUMAN ERRORS

## 30%

FUEL EFFICIENCY IMPROVEMENT

# Transit primary growth drivers

- 1 GOVERNMENT FUNDING ... FUELING TRANSIT TRANSPORT**  
Investment in rail technologies to decarbonize transport and reduce congestion
- 2 INNOVATION AND SCALABLE TECHNOLOGIES**  
Enhancing train performance; maintenance optimization through digitization for transit operators
- 3 SHIFT TO GREEN ... SUSTAINABILITY AND ESG**  
Suite of energy management, pollution/CO2 reduction, charging, and electrification solutions
- 4 SERVICES**  
Leveraging a significant install base and wide geographic footprint to help transit operators gain efficiencies, reliability, and productivity





# Government funding, decarbonizing passenger transport

## TAILWIND TO TRANSIT SYSTEMS PORTFOLIO



**U.S.**  
\$109B over 5 years  
for passenger



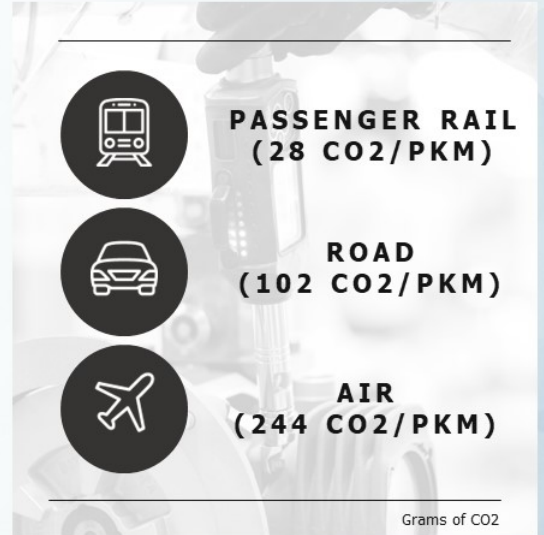
**EUROPEAN UNION**  
\$63B in 2021-2026  
for rail



**GERMANY**  
\$95B in 2020-2030  
for rail



**INDIA**  
\$330B in 2021-2051  
for passenger



**UNIQUELY POSITIONED TO CAPTURE GROWTH ACROSS VAST PORTFOLIO AND GEOGRAPHICAL REACH**

# 6

## Disciplined value creation

WE ARE  
WABTEC

# Path to the future... maximize shareholder value

## DRIVERS



### INVEST IN THE BUSINESS

Driving long-term profitable growth

- Deploy proven strategies / exploit growth drivers
- Execute on increasing backlog
- Mix headwinds driven by fleet renewal
- Invest in innovative technologies that drive profitable growth
- Best-in-class productivity & integration



### INVEST IN THE FUTURE

Through M&A with strategic fit & accretive returns

- M&A as core competency
- Strategic markets... bolt-ons, adjacencies
- Attractive assets / end markets that drive growth
- Valuations that are accretive to earnings and ROIC



### RETURN VALUE TO SHAREHOLDERS

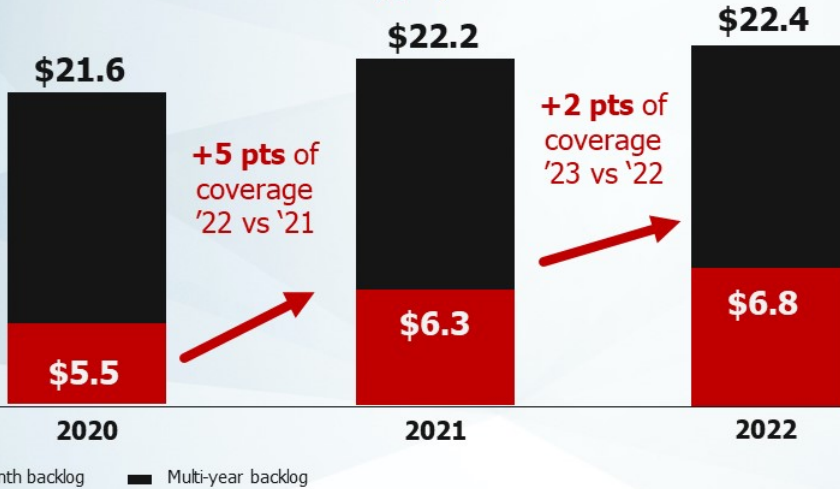
Through disciplined capital allocation

- Capital allocation priorities
- Increasing asset productivity
- Improving ROIC
- Robust cash generation and cash flow



# Expanding long-term backlog while converting near-term orders

## 2020 - 2022 BACKLOG (\$B)



## 2022 BACKLOG DYNAMICS

\$9.0B in orders in 2022 ... strong order intake across both Freight and Transit segments

7.8% increase in 12-month backlog

76% of 2023 midpoint revenue guidance covered in backlog... 2 points higher than 2022

**MULTI-YEAR BACKLOG PROVIDES STABILITY AND VISIBILITY**

# Mix dynamics changing as industry renews aging locomotive fleet

## PRODUCT MIX

### Margin Drivers

- Digital Intelligence
- Services
- Components
- Equipment
- Transit

## MARGIN ACCRETION



## 5-YEAR GROWTH EXPECTATIONS<sup>(1)</sup>

- Equipment
- Digital Intelligence
- Services
- Transit
- Components



### Sensitivity to the cycle

- High
- Medium
- Low
- Low
- High

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

**EQUIPMENT + DIGITAL TO GROW FASTER THAN AVERAGE ACROSS WABTEC PORTFOLIO**

# Attractive long-term financial profile

Resiliency tested and validated ... proven track record of delivering growth

Attractive end markets... building momentum, renewal of locomotive fleets, strong and growing backlog

Leading market position and innovative, customer-focused solutions across major rail and industrial segments

Exceptional quality and reliability delivering leading market shares

Disciplined capital deployment generating strong returns

## 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%+)**

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



# Future revenue growth target

## ANNUAL REVENUE GROWTH EXPECTATIONS:

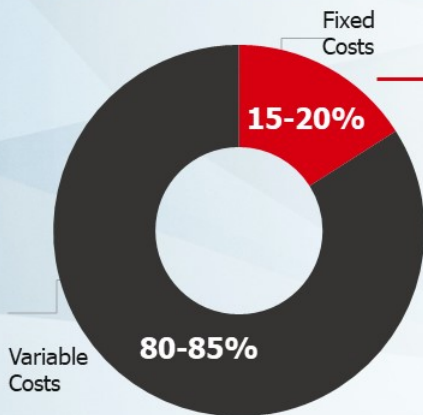
### MID-SINGLE DIGITS<sup>(1)</sup>



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

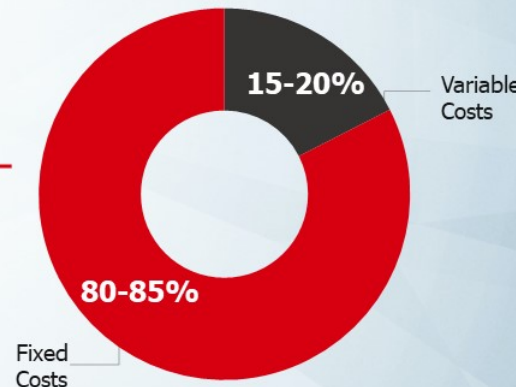
# Sales growth<sup>(1)</sup> expected to drive incremental margins of 25-30% based on Wabtec's fixed-cost structure

## COST OF GOODS SOLD



**82% OF TOTAL COSTS**

## SG&A



**18% OF TOTAL COSTS**

15-20%  
FIXED MANUFACTURING

80-85%  
FIXED SG&A

25-30%  
INCREMENTAL MARGIN

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

# Growing sales and aggressive cost management expected to expand adjusted margins

## 5-YEAR ADJUSTED MARGIN IMPROVEMENT

**250 – 300 BPS<sup>(1)</sup>**

**+150 TO 200 BPS**

**+60 BPS**

**+40 BPS**

### CAPITAL & TECHNOLOGY INVESTMENT

Strong IRR capital projects  
Technology to expand margins

### REVENUE GROWTH

MSD annual growth CAGR  
Opportunistic pricing  
International expansion

### COST IMPROVEMENT

Continuous improvement, lean  
Integration 2.0 savings of \$75-\$90M  
Manufacturing fixed cost absorption

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

WABTEC

# Investing in the core business

## CAPITAL

Funding business model with capex of ~2% of revenue

Managing working capital investment below 20% of sales

## TECHNOLOGY

Continue to invest in engineering & technology at ~6-7% of sales

Invest-in-the-future technology breakthroughs

Product innovation

Engineering as a competitive advantage



**HIGH RETURNS ON CAPITAL DEPLOYMENT**



**LONG-TERM PROFITABLE GROWTH**

**DRIVING STRONG RETURNS ON CAPITAL AND TECHNOLOGY INVESTMENTS**

# Invest in the future through strategic M&A

## STRATEGIC MARKETS

Bolt-ons/adjacencies focused on:

- Highly engineered products
- Rail & industrial services
- Digital technologies & solutions

Secular growth profile/sustainable end-markets

Geographic reach

High aftermarket & recurring revenue streams

Complimentary customer base & technologies

## COMPELLING VALUATIONS

Accretive earnings within 2 years

ROIC enhancing (ROIC > WACC)

Above-average synergies (% of revenue)

Similar capital intensity / working capital requirements to core business

## ATTRACTIVE ASSETS

Complements Wabtec's strategic plan

Revenue growth and/or margin enhancement

Highly competitive market position

- Product leadership
- Technology & engineering leadership
- Leading market shares

Operating cash conversion strength and/or opportunities

**FOCUSED ON ACQUISITIONS THAT ARE A STRATEGIC FIT AND DRIVE ATTRACTIVE RETURNS**

# Capital allocation priorities

PRIORITIES	OBJECTIVES	ACTIONS
Maintain strong balance sheet to manage through economic cycles & world crises	Debt leverage <sup>(1)</sup> ratio of 2.0 to 2.5x. Maintain investment-grade ratings	Current leverage ratio at 2.2x <sup>(1)</sup>
Appropriately invest in the business for revenue & profit growth	CAPEX ~2% of sales Working capital ~20% of sales Tech spend ~6-7% of sales	Execute 2023-2026 plan
Increase dividends	Target dividend payout ratio of 10-15% of adjusted net income Grow dividends in-line with earnings over time	Increased Q1 '23 dividend to \$0.17/share... \$0.68 annually
Supplement organic growth with M&A	Optimize portfolio through bolt-ons and adjacencies, as well as divestitures	Execute accretive M&A... manage pipeline of opportunities
Return excess FCF after dividends and M&A through share repurchases	Offset incentive plan dilution and supplement EPS growth	Reauthorized \$750M share repurchase program in Q1 '23

(1) 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; represents a non-GAAP financial measure. See Appendix for additional details and reconciliation



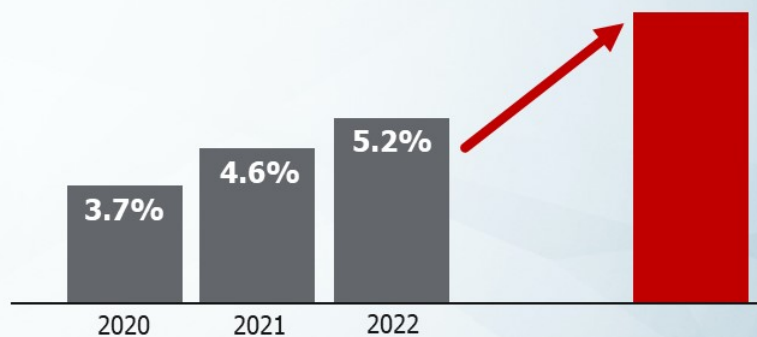
WABTEC

# Improving returns on invested capital

## DRIVERS

Revenue growth  
Margin expansion  
Cash efficiencies  
Working capital improvement  
Capital utilization  
Accretive M&A  
Return of cash to shareholders through dividends and share repurchases

## RETURN ON INVESTED CAPITAL



**OBJECTIVE: INCREASE ROIC TO DOUBLE-DIGIT RETURNS**

# Continued disciplined capital deployment

## CAPITAL DEPLOYMENT PRIORITIES

### Maintain Strong Balance Sheet

*Maintain investment-grade rating*

### Invest In Sustainable Growth

*R&D and CapEx*

### Increase Dividends

*\$0.02 quarterly dividend increase in Q1 '23*

### Supplement Organic Growth with M&A

*Portfolio optimization; accretive investments*

### Repurchase Shares

*Return excess cash through repurchases*

## CAPITAL DEPLOYMENT PLAN (2023-2026)



**ACCRETIVE EARNINGS → STRONG CASH FLOW CONVERSION → REINVEST & RETURN**

# Key investment highlights



- 01** Portfolio positioned to drive long-term profitable growth
- 02** Innovative, sustainable technologies expanding Wabtec's market size
- 03** Growth strategy driving strong cash flow and margin expansion
- 04** Strong long-term business fundamentals driving long-term value creation for shareholders

# 7

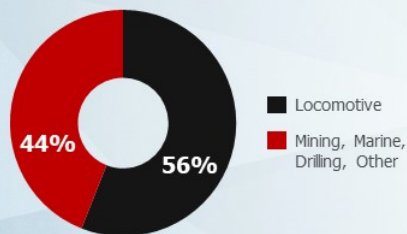
## Wabtec's business segments in detail

WE ARE  
WABTEC

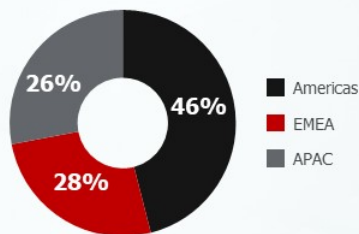
DIVERSIFIED GLOBAL BASE TO DRIVE GROWTH

# Equipment

## REVENUE BY END MARKET

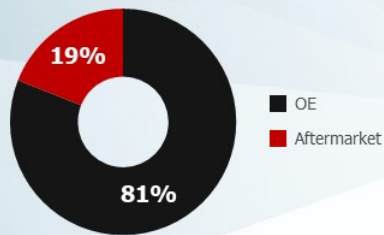


## REVENUE BY GEOGRAPHY

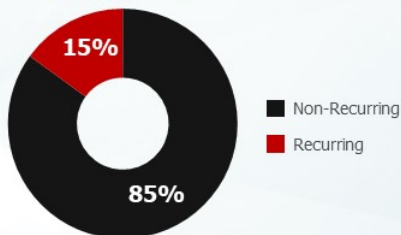


**\$1.5B**  
2022 REVENUE

## AFTERMARKET REVENUE



## RECURRING REVENUE



## KEY CUSTOMERS

rume



CP



BNSF



pacificnational



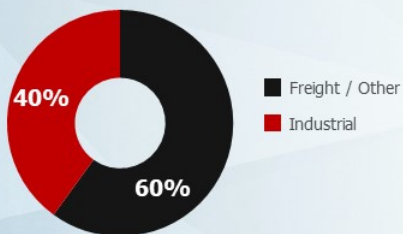
KOMATSU



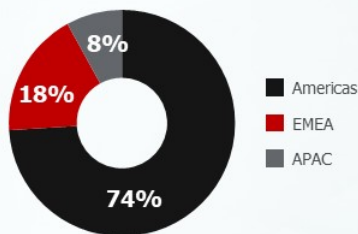
DIVERSIFIED PORTFOLIO BRINGS NEW GROWTH

# Components

## REVENUE BY END MARKET

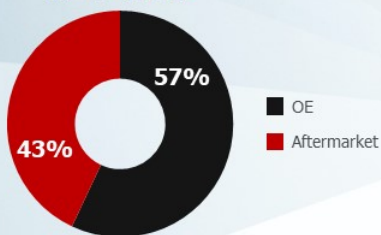


## REVENUE BY GEOGRAPHY

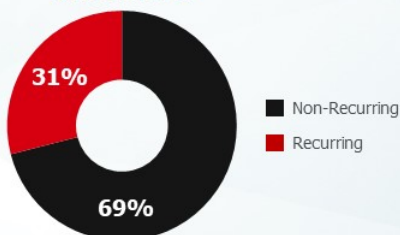


**\$0.9B**  
2022 REVENUE

## AFTERMARKET REVENUE



## RECURRING REVENUE



## KEY CUSTOMERS

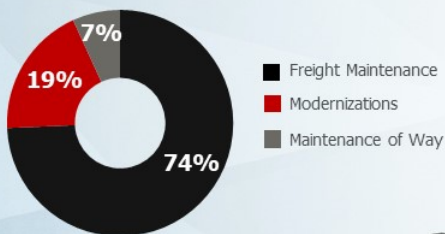




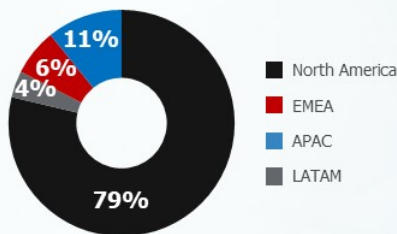
ACCELERATING GROWTH ACROSS THE PORTFOLIO

# Services

## REVENUE BY END MARKET

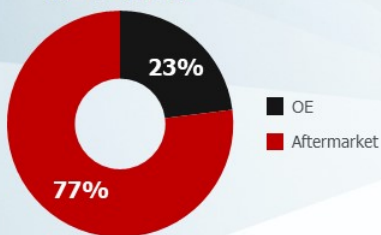


## REVENUE BY GEOGRAPHY

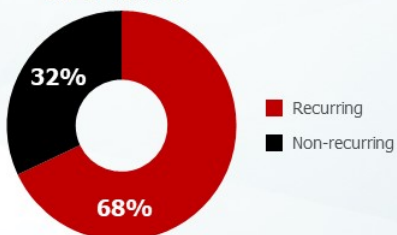


**\$2.8B**  
2022 REVENUE

## AFTERMARKET REVENUE



## RECURRING REVENUE



## KEY CUSTOMERS

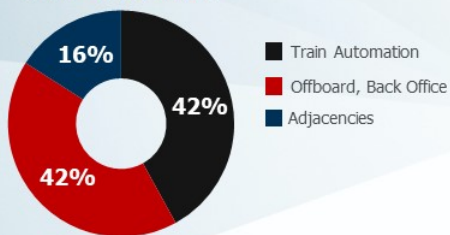


WELL-POSITIONED FOR GROWTH

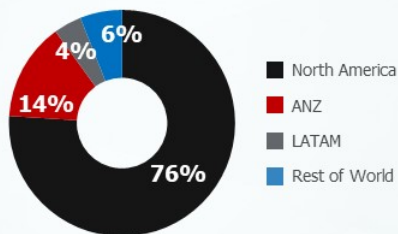
# Digital Intelligence

## \$0.7B 2022 REVENUE

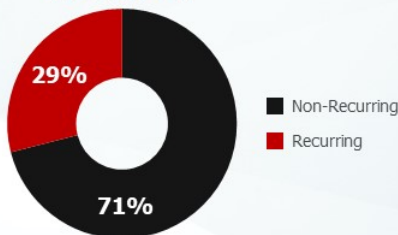
### REVENUE BY END MARKET



### REVENUE BY GEOGRAPHY



### RECURRING REVENUE



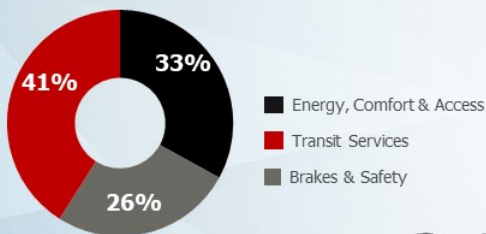
### KEY CUSTOMERS



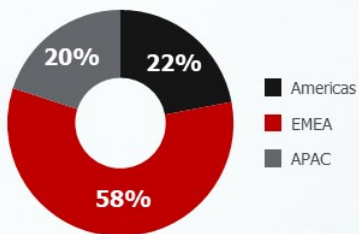
SAFETY, EFFICIENCY & PASSENGER COMFORT

# Transit

## REVENUE BY END MARKET

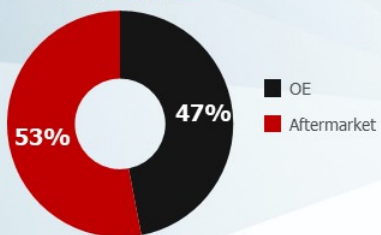


## REVENUE BY GEOGRAPHY

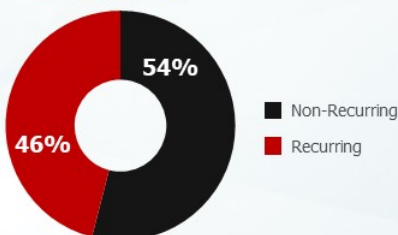


**\$2.4B**  
2022 REVENUE

## AFTERMARKET REVENUE



## RECURRING REVENUE



### KEY CUSTOMERS



ALSTOM

SIEMENS



Keolis



HITACHI



# Appendix



# 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 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	\$1,038		\$641	\$479	93%

Wabtec Corporation 2021 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	\$1,073		\$565	\$491	102%

Wabtec Corporation 2020 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	\$784		\$412	\$473	89%

# Operating margin reconciliation

## WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION RECONCILIATION OF REPORTED RESULTS TO ADJUSTED RESULTS

<i>In millions</i>	Twelve Months Ended December 31,		
	2020	2021	2022
<b>Reported Income from Operations</b>	<b>\$ 745</b>	<b>\$ 876</b>	<b>\$ 1,011</b>
<i>Reported Margin</i>	9.9%	11.2%	12.1%
Restructuring costs	116	78	52
Non-cash Amortization expense	282	287	291
<b>Adjusted Income from Operations</b>	<b>\$ 1,143</b>	<b>\$ 1,241</b>	<b>\$ 1,354</b>
<i>Adjusted Margin</i>	15.1%	15.9%	16.2%



# Return on invested capital 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.

	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Income from operations</b>	\$ 745	\$ 876	\$ 1,011
<b>Annual effective tax rate</b>	<u>26.0%</u>	<u>23.2%</u>	<u>25.0%</u>
<b>Net operating profit after tax</b>	\$ 551	\$ 673	\$ 758
<b>Total debt</b>	\$ 4,239	\$ 4,058	\$ 4,002
<b>Operating lease liability</b>	295	318	334
<b>Wabtec equity</b>	10,123	10,201	10,102
<b>Noncontrolling interest</b>	30	38	45
<b>Allowance for doubtful accounts</b>	37	32	28
<b>Net pension liabilities</b>	<u>87</u>	<u>48</u>	<u>33</u>
<b>Total Invested Capital</b>	\$ 14,811	\$ 14,695	\$ 14,544
<b>Return on Invested Capital</b>	3.7%	4.6%	5.2%

# Leverage

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 Leverage Reconciliation**  
 (\$ in millions)

Total Debt	\$4,002
Less: Cash, cash equivalents and restricted cash	\$541
<b>Net Debt</b>	<b>\$3,461</b>

<b>Net Debt</b>	÷	<b>Adjusted EBITDA</b>	=	<b>Net Leverage</b>
\$3,461		\$1,562		2.2x

Income from Operations	\$1,011
Other Income (expense)	\$29
Depreciation & Amortization	\$473
EBITDA	\$1,513
Restructuring Costs	\$49
<b>Adjusted EBITDA</b>	<b>\$1,562</b>