

WABTEC  
2022 **INVESTOR  
CONFERENCE**



# Forward-looking statements & non-GAAP financial information

This communication contains “forward-looking” statements as that term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995, including statements regarding the impact of acquisitions by Wabtec, including the acquisition of GE Transportation (the “GE Transportation merger”) and Nordco, 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 synergies and other 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) unexpected costs, charges or expenses resulting from acquisitions, including the GE Transportation merger; (2) uncertainty of Wabtec’s expected financial performance; (3) failure to realize the anticipated benefits of acquisitions, including as a result of integrating acquired targets into Wabtec; (4) Wabtec’s ability to implement its business strategy; (5) difficulties and delays in achieving revenue and cost synergies; (6) inability to retain and hire key personnel; (7) evolving legal, regulatory and tax regimes; (8) changes in general economic and/or industry specific conditions, including the impacts of tax and tariff programs, supply chain disruptions, industry consolidation and changes in the financial condition or operating strategies of our customers; (9) changes in the expected timing of projects; (10) a decrease in freight or passenger rail traffic; (11) an increase in manufacturing costs; (12) actions by third parties, including government agencies; (13) 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; (14) the imposition of economic sanctions on Russia resulting from the invasion of Ukraine could lead to disruption, instability, and volatility in global markets and negatively impact our operations and financial performance; and (15) 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, periodic current reports on Form 8-K and other documents filed with the SEC. The foregoing list of important factors is not exclusive. Any forward-looking statements speak only as of the date of this communication. Wabtec does not undertake any obligation to update any forward-looking statements, whether as a result of new information or development, future events or otherwise, except as required by law. Readers are cautioned not to place undue reliance on any of these forward-looking statements.

This presentation mentions certain non-GAAP financial performance measures, including adjusted gross profit, adjusted operating expenses, adjusted income from operations, adjusted interest and other expense, adjusted operating margin, adjusted income tax expense, adjusted effective tax rate, adjusted earnings per diluted share, EBITDA and adjusted EBITDA, net debt and operating cash flow conversion rate. Wabtec defines EBITDA as earnings before interest, taxes, depreciation and amortization. Wabtec defines operating cash flow conversion as net cash provided by operating activities divided by net income plus depreciation and amortization including deferred debt cost amortization. While Wabtec believes these are useful supplemental measures for investors, they are not presented in accordance with GAAP. Investors should not consider non-GAAP measures in isolation or as a substitute for net income, cash flows from operations, or any other items calculated in accordance with GAAP. In addition, the non-GAAP financial measures included in this presentation have inherent material limitations as performance measures because they add back certain expenses incurred by the company to GAAP financial measures, resulting in those expenses not being taken into account in the applicable non-GAAP financial measure. Because not all companies use identical calculations, Wabtec’s presentation of non-GAAP financial measures may not be comparable to other similarly titled measures of other companies. Included in this presentation are reconciliation tables that provide details about how adjusted results relate to GAAP results. Wabtec is not presenting a quantitative reconciliation of its forecasted GAAP earnings per diluted share to forecasted adjusted earnings per diluted share as it is unable to predict with reasonable certainty and without unreasonable effort the impact and timing 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**

# Our agenda

## Wabtec Overview & Our Path Forward

### Wabtec Overview & Our Path Forward

Rafael Santana  
*President & CEO*

## Portfolio Spotlights

### Technology

Eric Gebhardt  
*Chief Technology Officer*

### Unleashing Further Growth

Gina Trombley  
*Executive Vice President & Chief Commercial Officer – Americas*

### Global Operations

Greg Sbrocco  
*Executive Vice President, Global Operations*

## Market-Led Growth Drivers

### Segment Overview

Rafael Santana  
*President & CEO*

### Equipment

Rogério Mendonça  
*President, Equipment*

### Services

Pascal Schweitzer  
*President, Services*

### Components

Mike Fetsko  
*President, Components*

### Digital Electronics

Nalin Jain  
*President, Digital Electronics*

### Transit

Lilian Leroux  
*President, Transit*

## Disciplined Value Creation

### Disciplined Value Creation

John Olin  
*Chief Financial Officer*

### Closing Comments

Rafael Santana  
*President & CEO*

### Q&A

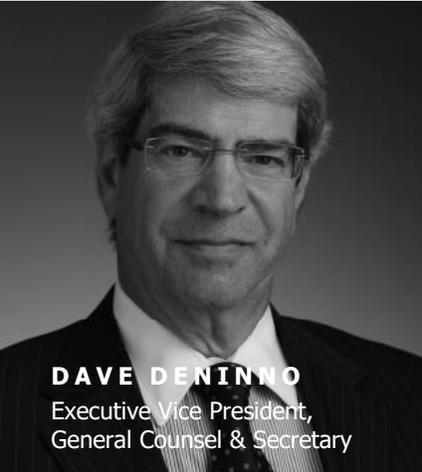
WABTEC

# What you will hear today

- 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 business fundamentals driving long-term value creation for shareholders

WABTEC

# Leadership team



**DAVE DENINNO**  
Executive Vice President,  
General Counsel & Secretary



**MIKE FETSKO**  
President, Components



**ERIC GEBHARDT**  
Executive Vice President & Chief  
Technology Officer



**NALIN JAIN**  
President, Digital Electronics



**LILIAN LEROUX**  
President, Transit



**ROGERIO MENDONCA**  
President, Equipment



**JOHN OLIN**  
Executive Vice President  
Finance & Chief Financial Officer



**RAFAEL SANTANA**  
President & Chief Executive  
Officer



**GREG SBROCCO**  
Executive Vice President,  
Global Operations



**PASCAL SCHWEITZER**  
President, Services



**NICOLE THEOPHILUS**  
Executive Vice President & Chief  
Human Resources Officer



**GINA TROMBLEY**  
Executive Vice President, & Chief  
Commercial Officer – Americas

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OUR PURPOSE IS CLEAR

Move and improve  
the world

WE ARE CLEAR

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WABTEC

# We're committed to creating a more sustainable future

SUSTAINABILITY PRINCIPLES

## Innovating with Purpose

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

SUSTAINABILITY PRINCIPLES

## Driving Responsible Operations

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

SUSTAINABILITY PRINCIPLES

## Empowering People and Communities

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

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# Delivering strong financial performance

PROGRESS SINCE  
GE TRANSPORTATION  
MERGER

**\$250M**

GE Transportation synergy run-rate achieved 15 months ahead of schedule

**310BPS**

Transit margin increase

**~\$500M**

Investment in strategic M&A...  
Nordco, Relco, MASU

**6-7%**

Annual investment in technology (% of rev.)

**2.5x**

Adjusted net debt EBITDA leverage ratio (down from 3.0 post-merger)<sup>(1)</sup>

**~\$800M**

Share repurchases and dividends returned to shareholders

**~\$3B**

Cash generated for an average cash conversion of over 100%

Net debt is defined as total debt minus cash and cash equivalents; adjusted leverage is defined as net debt divided by adjusted EBITDA

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# Building a solid foundation for growth

## INTEGRATION OF 3 RAIL LEADERS

- ✓ Merged 3 market-leading rail companies
- ✓ Delivered on \$250M synergies 15 months ahead schedule

## CULTURAL TRANSFORMATION

- ✓ Strengthened Company leadership
- ✓ Meritocracy... pay for performance
- ✓ Strengthened talent framework
- ✓ Focus on diversity and inclusion

## NAVIGATED THROUGH THE TROUGH OF THE MARKET

- ✓ Covid-19, global supply chain, and labor disruptions
- ✓ Reduced capital budgets by railroads / PSR
- ✓ Zero locomotive orders in NAM
- ✓ Freight carloads down... storage up
- ✓ Transit ridership declines

## INVESTED IN THE FUTURE OF RAIL

- ✓ Modernization business scaled
- ✓ International expansion / execution
- ✓ Digital and energy management
- ✓ ESG focus and acceleration

**WELL-POSITIONED TO GROW, LEVERAGE COMPANY'S INFRASTRUCTURE, DRIVE PRODUCTIVITY AND GENERATE CASH**

WABTEC

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

WHERE WE HAVE BEEN

**2019-2021**  
Lay the foundation

**2022-2023**  
Lead the recovery

**2024+**  
Deliver the future of sustainable rail

WHERE WE ARE

WHERE WE ARE GOING



## 2022-2023 OUTLOOK

# Where we are... leading the recovery

## MARKET CONDITIONS

- + Strong international pipeline... Australia, Brazil, Egypt, CIS
- + Reduced parking of locos and freight car build recovery in NAM
- + Transit operating levels improving in high speed, regional/metro
- + Continued global infrastructure spending on sustainable rail
- Significant inflationary pressures and labor shortages
- Continued customer CapEx / OpEx constraints... orders continue to push out
- COVID volatility remains... ridership volumes and budget constraints pressuring Transit

## KEY ASSUMPTIONS

|                       | 2021 | 2022-2023 |
|-----------------------|------|-----------|
| Locos                 | --   | ++        |
| # Parkings            | +    | +         |
| Mods                  | ++   | ++        |
| NAM Freight Car Build | -    | +         |
| Transit Rolling Stock | -    | +         |
| Mining Wheels         | ++   | ++        |

2024+ OUTLOOK

# Where we are going... lead the future of sustainable rail

**CUSTOMER GOALS:  
PRODUCTIVITY, GROWTH, SUSTAINABILITY**



**ENABLING CUSTOMER  
PRODUCTIVITY**



**RENEWING AGING FLEETS**



**TACKLING DECARBONIZATION**



## CUSTOMER OUTCOMES

**LOWER OPERATING RATIO**

**+**

**CO<sub>2</sub> REDUCTION**



**OPPORTUNITY TO GROW REVENUE AND EARNINGS  
FASTER THAN INDUSTRY VOLUMES**

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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*

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# **1** Accelerate innovation of scalable technologies

~ **6-7%**

target annual organic investment in technology as % of sales



**ENHANCE EXISTING PRODUCTS**



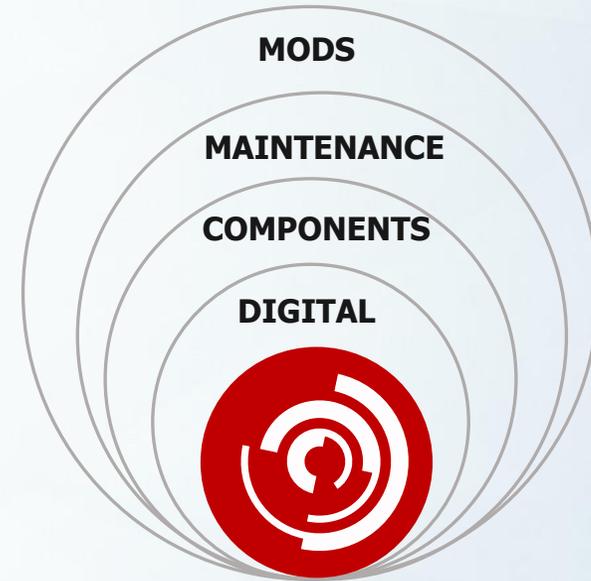
**INVENT, TEST AND SCALE FUTURE TECHNOLOGIES**

WABTEC

## #2 Grow and refresh expansive global installed base

### LOCOMOTIVE MARKET

|                    | IB  | Age (years) | WAB% | 2022-2026 |
|--------------------|-----|-------------|------|-----------|
| NORTH AMERICA      | 31K | 20          | 51%  | →         |
| APAC               | 20K | 16          | 9%   | ↑         |
| RUSSIA/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 ELECTRONICS

- ✓ 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
- ✓ High market share 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

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

## Decarbonization drives strong customer returns

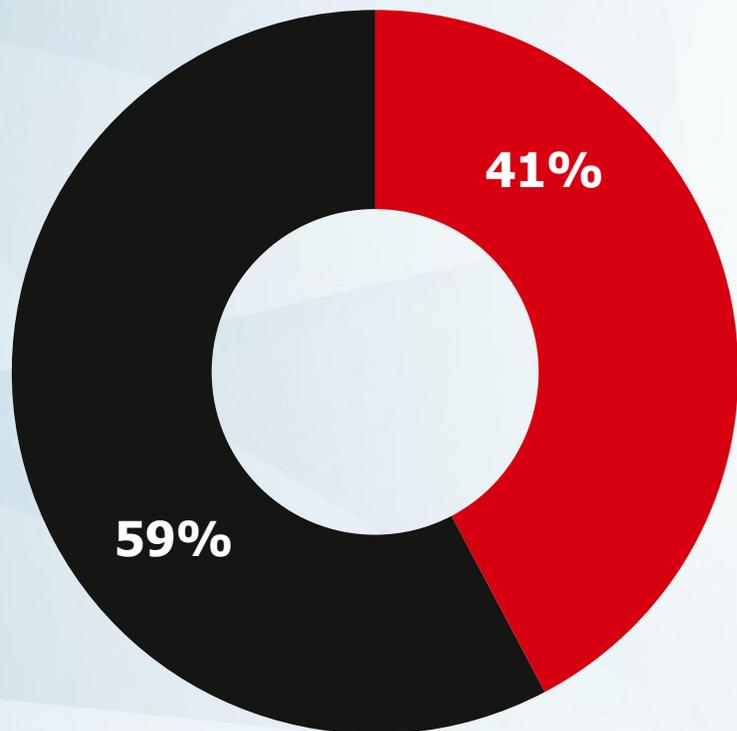
### FLXdrive

Price 2-3x vs. T4

ROI Double-digit returns

Sources: AAR sustainability Fact Sheet, Wabtec internal data

# #4 Expand high-margin recurring revenue streams



— Recurring Revenues

## 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

\* 2021 FY results

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

WABTEC

# #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

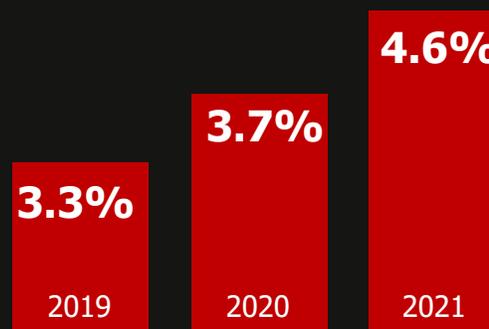
"Should cost" analysis & competitive product benchmarking

## CAPITAL EFFICIENCY METRICS

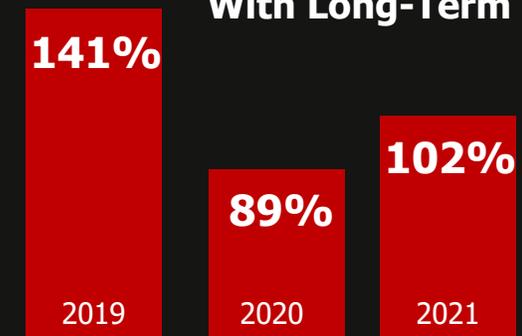
### Continual Focus on Fixed Asset Productivity



### Improve ROIC



### Cash Conversion in Line With Long-Term Targets



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

# Operational rigor underpins financial performance

STRATEGY DEPLOYMENT



# Continued disciplined capital deployment

## CAPITAL DEPLOYMENT PRIORITIES

**Maintain Strong Balance Sheet**  
*Maintain investment-grade rating*

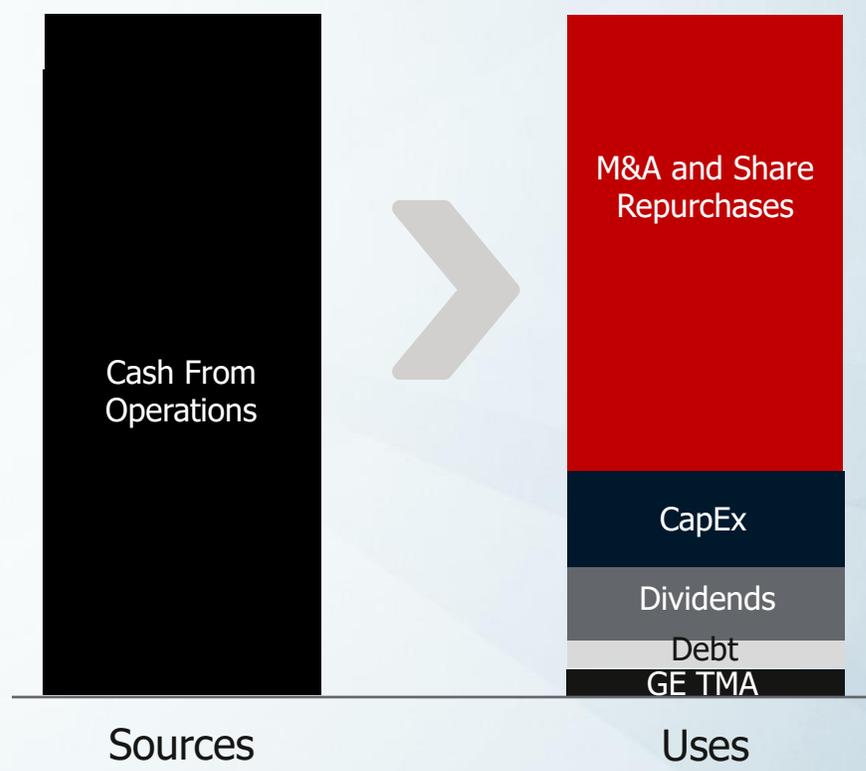
**Invest In Sustainable Growth**  
*R&D and CapEx*

**Increase Dividends**  
*\$0.03 quarterly dividend increase in Q1 '22*

**Supplement Organic Growth with M&A**  
*Portfolio optimization; accretive investments*

**Repurchase Shares**  
*Return excess cash through repurchases*

## CAPITAL DEPLOYMENT PLAN (2022-2026)



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**WABTEC**

# Attractive long-term financial profile

Resiliency tested and validated over past 5 years; 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

**MSD CORE ORGANIC  
GROWTH CAGR**

**+**

**250-300 BPS MARGIN  
EXPANSION**

**+**

**DISCIPLINED CAPITAL  
DEPLOYMENT**

**=**

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

# Key takeaways

**Attractive long-term investment** with a clear profitable growth model

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**Strong organic growth profile** driven by our industry-leading installed base and services

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Relentless focus on **innovation, customer productivity, efficiency and safety**

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Unwavering focus on and **commitment to execution**

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Demonstrated ability to deliver **strong cash flow generation and margin expansion**

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**Disciplined capital allocation** with strategic alignment to our core capabilities

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ERIC GEBHARDT

# Technology



## TECHNOLOGY

## Global technology leadership and scale



**4,000+**  
Engineers

**25+**  
Years Avg. Experience  
(leadership team)

**7,000+**  
Patents\*

## LEGACY OF ONGOING INVENTION ... FROM FOUNDERS TO TODAY

**1869**

Westinghouse  
Air Brake  
Company  
founded

**1880**

Thomas Edison  
conducts first test  
of the electrified  
railway

**1923**

Faiveley  
introduced  
pantograph

**1995**

Introduced AC  
electric drive  
system for  
mining trucks

**2004**

Introduced  
Electronic Train  
Management  
System (ETMS)

**2009**

Launched  
Trip Optimizer™  
and Movement  
Planner

**2020**

Introduced  
advanced  
Metroflexx  
braking  
system

**2021**

Launched first long-  
haul battery-electric  
diesel locomotive

\* Includes issued and non-issued patents

**TECHNOLOGY**

Focused on making customers more productive while achieving sustainability goals

**EQUIPMENT**

*Objective*

Reliability

Power / haulability

Fuel efficiency

Carbon reduction

**CUSTOMER OUTCOMES**

**LOWER  
OPERATING RATIO**

+

**CO<sub>2</sub> REDUCTION**

**TRAIN OPERATIONS**

*Objective*

Automation

Smart train & network optimization

Improved train handling

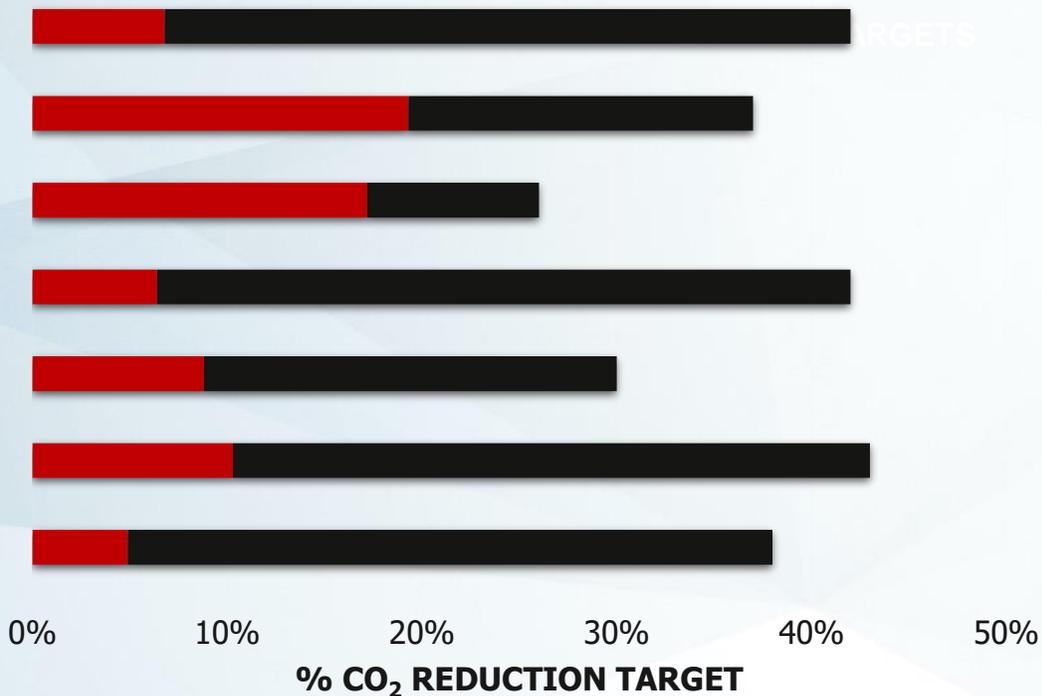


**ECONOMIC PATHS TO REDUCE CO<sub>2</sub> ARE CRITICAL FOR CUSTOMERS**

TECHNOLOGY

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

CLASS 1 CUSTOMERS



■ 2021 Achievement to Date  
■ Remaining to Target

## 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         | +++                     | -/+          |

TECHNOLOGY

# Digital solutions

## IMPACT

### UP TO ~30%

Reduction in diesel emissions and fuel utilization

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

## PRODUCTS INTEGRATED FUEL OPTIMIZATION

Movement Planner  
 LOCOTROL  
 Trip Optimizer Platform



## CAPABILITY EVOLUTION

### 3% → 4%

FUEL SAVINGS ACROSS THE ENTERPRISE NETWORK

**MOVEMENT PLANNER**  
 Optimizes the use of slack time to reduce overall fuel consumption

### 4% → 6%

FUEL SAVINGS ON DISTRIBUTED POWER TRAINS

**LOCOTROL**  
 Optimizes the distribution of power to reduce total horsepower required

### 15% → 22%

FUEL SAVINGS PER LOCOMOTIVE

**TRIP OPTIMIZER SUITE**  
 Plans the most fuel efficient way to arrive on time

\* Non-EPA certified reductions reflect current estimates

TECHNOLOGY

# Engine advantage



## **FDL - ADVANTAGE**

>5% fuel savings  
Leverage high-pressure common rail  
Available now

## **EVO - ADVANTAGE**

>5% fuel savings  
Harvest exhaust energy  
Available 2023-25

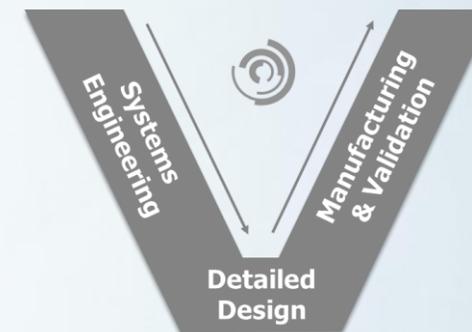
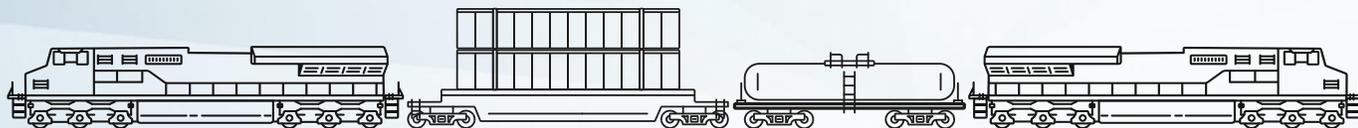
\* Fuel reductions reflect current estimates

## TECHNOLOGY

# Systems focus ... the Wabtec differentiator

## WABTEC VS THE COMPETITION

|        | ENERGY MGT | HAULAGE | RELIABILITY | NA FREIGHT UNITS |
|--------|------------|---------|-------------|------------------|
| Tier 4 | +++        | +       | ++          | >1,000 vs <100   |
| Mods   | +++        | ++      | +++         | ~1,200 vs ~100   |



### PRODUCTS OPTIMIZED FOR

Safety & reliability

Fleet integration

Performance & efficiency

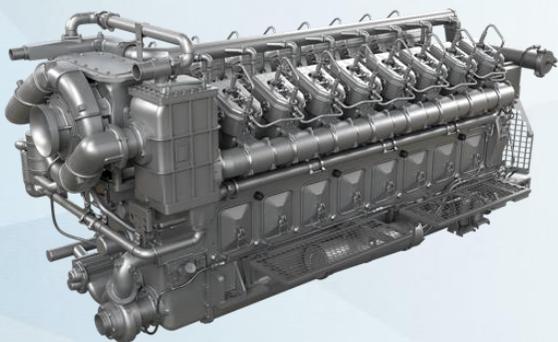
Overall life cycle cost

**WORLD-CLASS SYSTEMS OPTIMIZATION DRIVING MARKET ADVANTAGE**

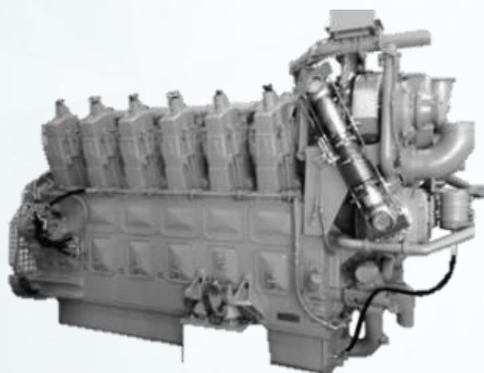
TECHNOLOGY

# Bio/renewable diesel

## FULL WABTEC ENGINE PORTFOLIO BIODIESEL DEVELOPMENT PLAN



**FDL Fleet**



**EVO Fleet**

**TEST  
PARTNERS**



**BIODIESEL**

**B5 / R30 TODAY**



**20% BIODIESEL**

**55%+ HDRD**

Industry partnership to validate performance, durability, and emissions impact

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

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

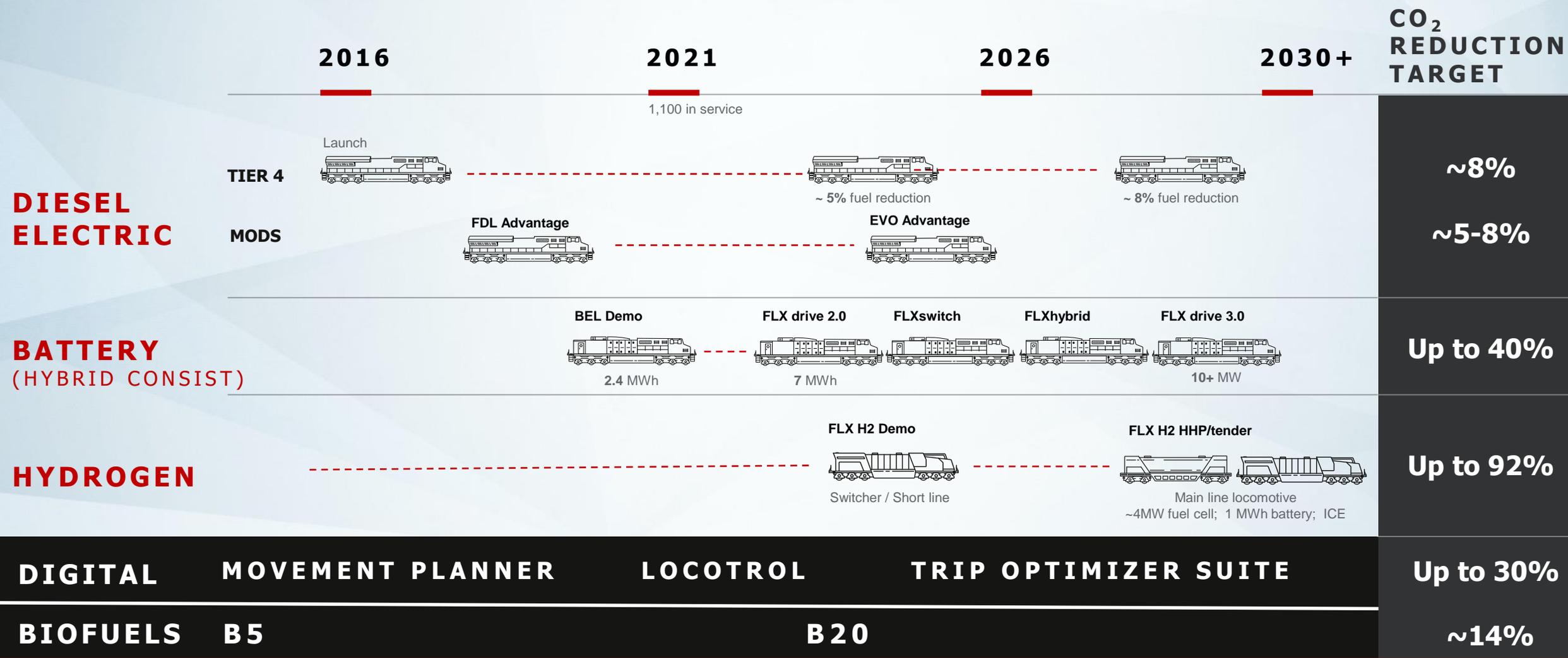
Longer range option for low/zero emissions

Fuel generation cost ↓ through public & private investment

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

TECHNOLOGY

# Locomotive technology road map for sustainability



**FLEXIBLE PORTFOLIO TO SUPPORT CUSTOMER SUSTAINABILITY GOALS**

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GINA TROMBLEY

# Unlocking further growth



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# Market for rail continues to expand

## KEY TRENDS INFLUENCING GROWTH

Increased **focus on environmental sustainability and decarbonization**

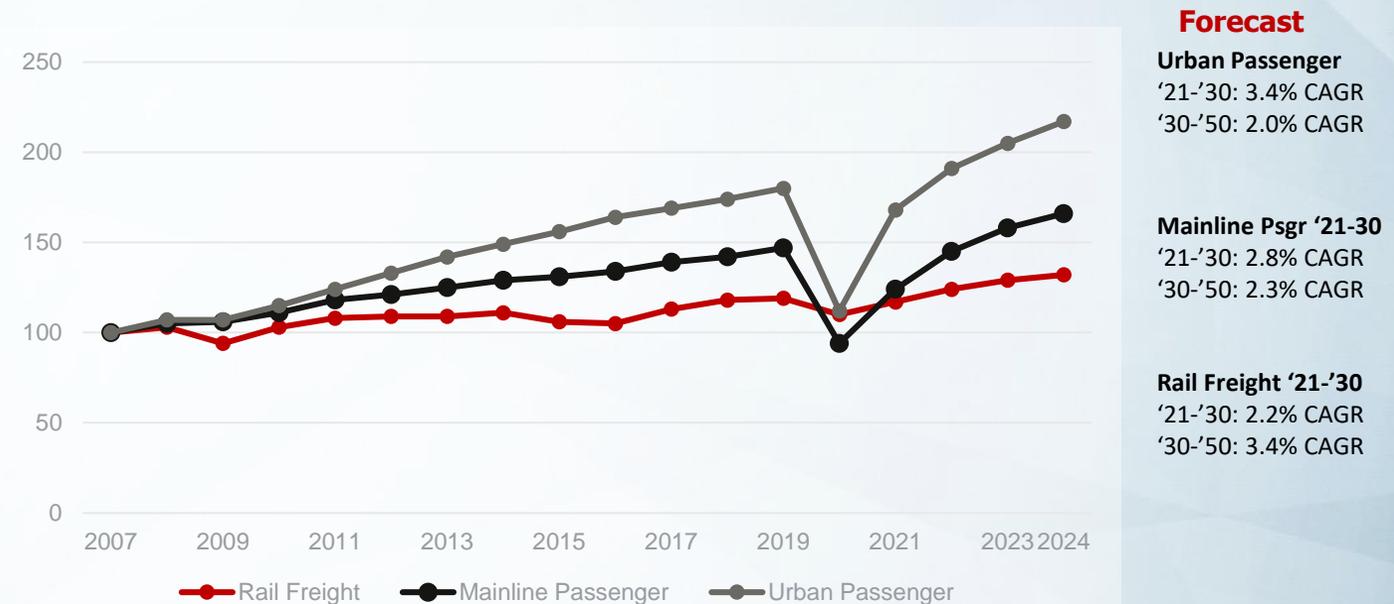
**Improved rail infrastructure** ... enabling economic growth in developing regions. In NA, increased government funding and Class I CAPEX

**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.



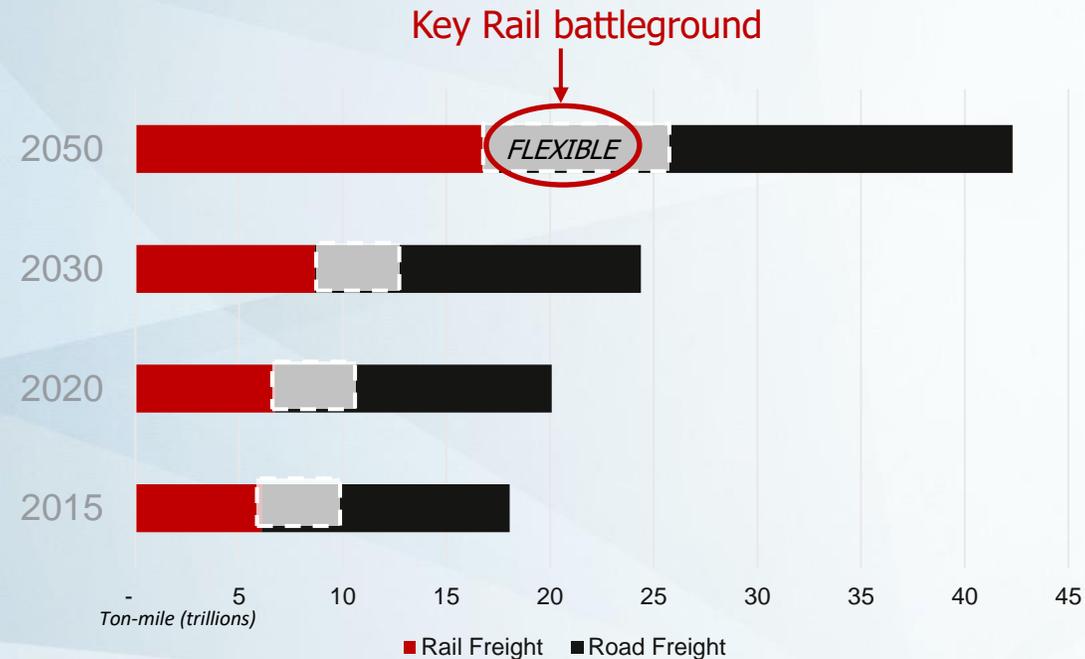
Source: Worldbank.org, SCI 2020 Worldwide Market for Railway Industries ; UNIFE World Market for Rail Supply, ITF (2021), *ITF Transport Outlook 2021*, OECD Publishing, Paris

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

WABTEC

# Railroads well-positioned to expand share vs. truck

## GLOBAL RAIL VS. ROAD OUTLOOK



**Flexible share represents  
~50M carloads, ~\$400B revenue**

## 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 scope 3 emissions**

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

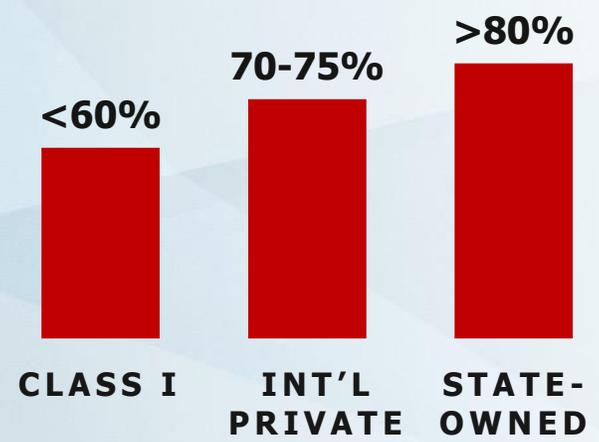
Graph sources: ITF (2021), *ITF Transport Outlook 2021*, OECD Publishing, Paris  
Assumed Class I Rail operations to calculate these metrics

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

# Freight railroad imperatives

## 1 PRODUCTIVITY

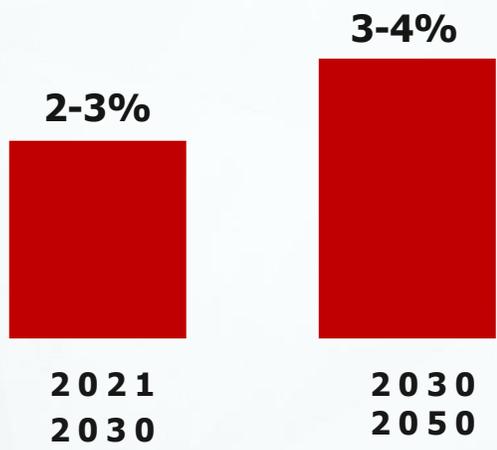
OPERATING RATIO%



- Safety and productivity
- Asset utilization
- Fuel efficiency

## 2 GROWTH

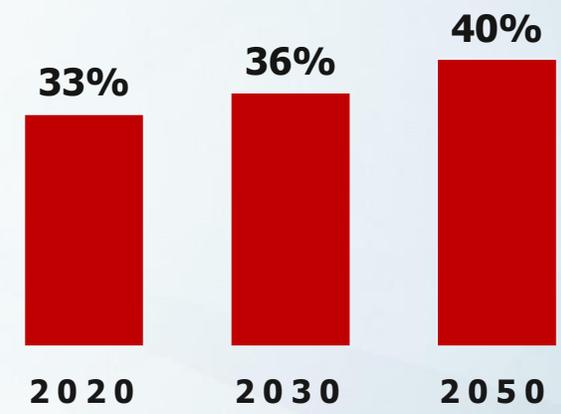
PROJECTED FREIGHT CAGR% GLOBAL TON-KM



- Improved visibility/reliability
- Supply chain integration/resilience
- Asset/network optimization to unlock latent capacity

## 3 SUSTAINABILITY

PROJECTED MODAL SHIFT RAIL VS ROAD



- Rail more energy efficient
- Reduce road congestion
- Economically attractive alternative power

Sources: Customer Annual Reports, ITF (2021), ITF Transport Outlook 2021, OECD Publishing, Paris

WABTEC

# Wabtec enabling NAM railroads competitiveness

|                                  | 2000  | 2019<br>(PRE-COVID) | V %   |
|----------------------------------|-------|---------------------|-------|
| <b>REVENUE TON MILE (B)</b>      | 1,466 | 1,614               | +10%  |
| <b>FUEL GALLONS PER 1000 RTM</b> | 2.4   | 2.1                 | (16)% |
| <b>EMPLOYEE PER 1000 RTM</b>     | 114.8 | 86.7                | (25)% |

## GO-FORWARD OUTCOMES CLASS I LOCOMOTIVE ILLUSTRATIVE EXAMPLE

|    |                  |   |
|----|------------------|---|
| ↑↑ | <b>20%</b>       | Gross ton mile per locomotive for AC adoption     |
| ↓↓ | <b>~8%</b>       | Fuel consumption for T1 to T4 conversion          |
| ↓↓ | <b>up to 40%</b> | In carbon emissions through FLXdrive in a consist |
| ↑↑ | <b>36%</b>       | Longer trains driven by Class I AC adoption       |
| ↑↑ | <b>40%</b>       | Reliability improvement from modernization        |

**TECHNOLOGIES SUPPORTING SAFEST & MOST PRODUCTIVE RAIL OPERATION**

WABTEC

# Reimagining rail yards ... impacting rail communities

## THE YARD SOLUTION

**01** ELECTRIFY ASSETS

Tangible immediate **impact on emissions reduction**

**02** IMPROVE CAPACITY & ENHANCE SAFETY

Create capacity in yards to **handle variability in demand** & loads from trucks

**03** FOCUS ON EFFICIENCY & THROUGHPUT

Derive insights from operations to minimize waste & **enhance safety**

## LOCAL SOCIAL IMPACT (ILLUSTRATIVE EXAMPLE)

*Annual estimate for converting a yard with 20 Tier 1 Switchers*

**70%**  
REDUCTION IN  
LOCOMOTIVE NOISE

**10K**  
TONS OF CO2 ELIMINATED  
= 2K CARS OFF THE HIGHWAY

**4T / 190T**  
4 TONS OF PARTICULATE MATTER  
& 190 TONS OF NITROGEN OXIDES

**Local**  
PARTNER WITH COMMUNITIES  
TRADE SCHOOLS

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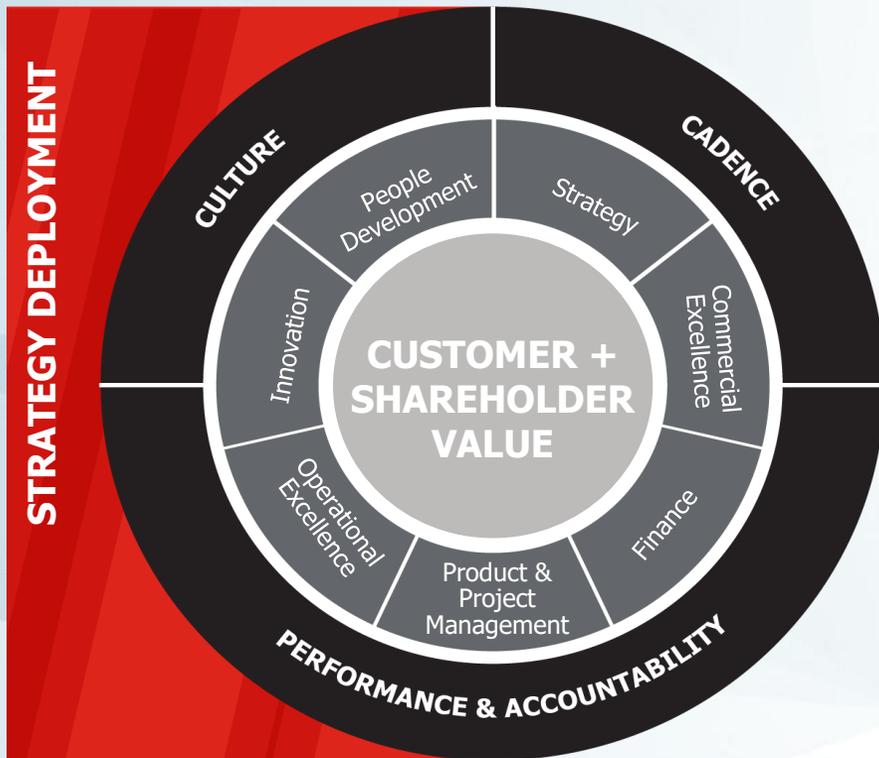
GREG SBROCCO

# Global Operations



## GLOBAL OPS

# Wabtec operating model



## AREA OF EXCELLENCE

## PROCESS RIGOR

### PEOPLE DEVELOPMENT

Talent reviews & succession planning  
Talent acquisition & leadership  
Employee learning & development

### STRATEGY

Strategic annual planning  
M&A

### INNOVATION

IP strategy & protection  
Technology incubation/disruption  
Investment in strong IRR projects & products

### COMMERCIAL EXCELLENCE

Strategic selling process  
Customer knowledge & relationships  
Commercial operations (bidding & contracting)

### OPERATIONAL EXCELLENCE



Strategic sourcing  
Productivity & footprint optimization  
Working capital efficiency

### FINANCE

Annual operating plan  
Safeguarding assets & asset utilization  
Balanced capital allocation and returns to shareholders

### PRODUCT & PROJECT MANAGEMENT

Rigorous tollgate process  
Multi-generational product plan  
Enterprise view

# Wabtec operating model... operational excellence

## STRATEGY DEVELOPMENT



GLOBAL OPS

# Responsible operations

Employee safety

Regulatory compliance excellence

Environmentally responsible manufacturing

Leadership development



## SAFETY AND SUSTAINABILITY 2021 RESULTS

**12** SAFETY  
YEARS OF INJURY RATE  
REDUCTIONS  
(12 OF 13 YEARS)

**12%** GHG  
REDUCTION IN GHG  
SCOPE 1&2 EMISSIONS  
2020 VS 2019

**18%** ENERGY  
INTENSITY  
REDUCTION IN ENERGY  
INTENSITY  
2020 VS 2019

\* Reduction goal reflects targeted safety, GHG, and energy intensity targets outlined in Wabtec's 2021 Sustainability Report

GLOBAL OPS

# Quality + reliability

## WHAT

## HOW

**Best in class quality performance**



Continuous improvement mindset  
Knowledge sharing

**Prevention & responsiveness**



Fleet performance monitoring + prognostics  
Commercial partnerships and risk-based commercial tollgates

**Minimizing waste & rework**



Continuous improvement and automation  
Leadership engagement, rigor and reviews  
Measure key process indicators

EXCEEDING CUSTOMER EXPECTATIONS BY

**20% ON 95%**

LOCO FLEET

**15%**

AVG COST OF QUALITY REDUCTION OVER LAST 3 YEARS

**DRIVING FOR CONTINUOUS CUSTOMER SATISFACTION...  
DELIVERING QUALITY AS A DIFFERENTIATOR**

# Customer commitments

## WHAT

## HOW

### Strategy and Planning



Strategic commodity evaluations (*geographic & sole/single source*)

Business planning/lean rigor (*forecasting, scheduling, inventory, labor planning excellence & tollgate adherence*)

### Risk Mitigation



Monitoring (*tools to proactively monitor supply base spend across risks: business continuity, geopolitical, financial health*)

"What if" planning (*mitigation activities of critical materials risks and shop disruptions*)

### Delivery



Customer focus (*on-time delivery to support our customers and enable future growth*)

---

# >90%

**HISTORICAL ON-TIME  
DELIVERY OF  
LOCOMOTIVES AND  
MODERNIZATIONS**

---

## GLOBAL OPS

# Cost optimization

## WHAT

## HOW

**Manufacturing competitiveness**



Lean/continuous improvement and industry 4.0  
Rooftop reductions, make vs. buy, local production

**Material cost reduction**



Should-cost analysis, total landed cost, low-cost country  
Supplier cost reduction ideas, long-term contracts with shared benefits

**Connected production cycle**  
(quote to delivery)



Rigorous planning and evaluation connected to sales through delivery  
3-D model-based engineering designs, connected systems to enable change management

**Value-add process enablement**



System and tools to eliminate/automate transactional work

# 3-5%

HISTORICAL AVERAGE  
MANUFACTURING  
VARIABLE COST  
PRODUCTIVITY / YEAR  
SINCE 2019

# 2-3%

HISTORICAL AVERAGE  
MATERIAL COST  
DEFLATION / YEAR SINCE  
2019 *(excl. commodities)*

# 30%

ROOFTOP REDUCTION  
SINCE GE  
TRANSPORTATION  
ACQUISITION

**PROVEN TRACK RECORD OF MARGIN EXPANSION THROUGH PROGRAMMATIC COST REDUCTION AND EFFICIENT EXECUTION**

GLOBAL OPS

# Spotlight on: Lean and continuous improvement

## Wabtec views Lean as the way:

We align on strategic deployment  
We unify the "One Wabtec Culture"  
We problem solve and eliminate waste  
We drive productivity  
We drive velocity in cycle and responsiveness

## Leader led... team ownership

**LEAN IS BEING EMBEDDED INTO  
WABTEC'S CULTURE AND FUNDAMENTAL  
TO HOW WE EXECUTE OUR STRATEGY**

## TRANSFORMATIONAL LEAN BY 2025

**90%**

**COGS COVERAGE**

---

## PROGRESS TO DATE

**33%**

**COGS COVERAGE**

**EXPANDING TRANSFORMATIONAL LEAN AND DRIVING  
CONTINUOUS IMPROVEMENT MINDSET**

GLOBAL OPS

# Spotlight on consolidation and integration

PROGRESS SINCE GE TRANSPORTATION ACQUISITION

## GE TRANSPORTATION SYNERGY PLAN

Consolidated operations...120 sites reduced  
Exited GE Services Agreement.....100+ workstreams  
Eliminated headcount redundancy  
Consolidated material/service buy  
Vertical integration of product lines

# \$250M

**DELIVERED 15 MONTHS  
AHEAD OF PLAN**

## INTEGRATION ENABLEMENT

Transit transformation initiated  
Intercompany transfer pricing  
ERP migration  
Common chart of accounts  
Outsourcing many back-office operations  
Deployment of manufacturing centers playbook  
Systems harmonization

**STRONG DELIVERY ON LONG-TERM BUSINESS OPTIMIZATION  
PLAN...INCREASING COMMITMENT TO DELIVER ADDITIONAL VALUE**

# Ready to embark on next phase of restructuring

## INTEGRATION 2.0

### CONSOLIDATE / STREAMLINE / SIMPLIFY

#### 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

**\$135-165M**

**EXPENSE\***

\$25M NON-CASH

**\$75-90M**

**ADDITIONAL BENEFIT  
TARGETED BY 2025**

\* Restructuring expense and one-time charges

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RAFAEL SANTANA

# Wabtec's business segments



WABTEC

Wabtec operates its business in two segments

50+ COUNTRIES

~25K EMPLOYEES

FREIGHT: 67%

TRANSIT: 33%

31% Services

17% Equipment

11% Components

8% Digital Electronics



33% Transit

WABTEC

Industry-leading  
scale across  
major rail  
segments

# 1

MARKET LEADER IN  
FREIGHT  
LOCOMOTIVES

BROADEST TRANSIT  
PRODUCT PORTFOLIO  
IN INDUSTRY

1<sup>st</sup> HEAVY-HAUL  
BATTERY-ELECTRIC LOCOMOTIVE

RAIL SUPPLIER TO CAR BUILDERS

LEADER IN FUEL EFFICIENCY  
AND ENERGY MANAGEMENT

LEADER IN LOCO  
MODERNIZATIONS

LEADER IN FRICTION PRODUCTS

WABTEC

# Wabtec has been a partner in rail innovation for over 150 years

## FREIGHT SEGMENT

## TRANSIT SEGMENT

EQUIPMENT

SERVICES

COMPONENTS

DIGITAL ELECTRONICS

TRANSIT

**~20%**

Of the world's rail freight is moved by a Wabtec locomotive

**~1.5B**

Miles traveled by Wabtec's fleet of locomotives in 2021

**~20%**

Of global freight cars have Wabtec products on them

**\$1.3B**

Of fuel savings achieved through Wabtec's digital solutions

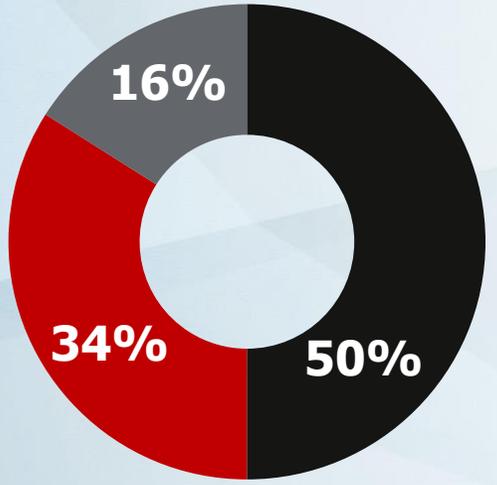
**>90%**

Provide equipment to nearly every major transit system in the world\*

\* In accessible transit markets  
Source: Internal Wabtec data

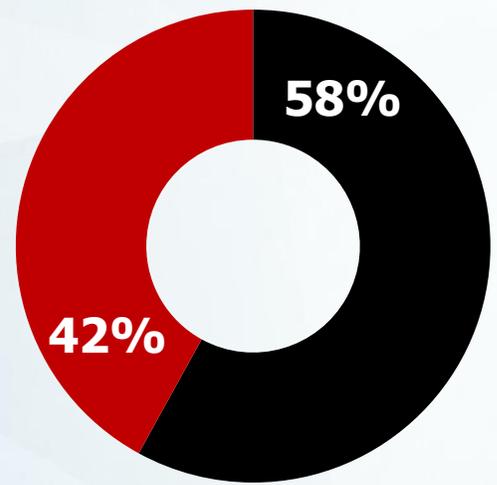
# Attractive revenue profile

### ATTRACTIVE END MARKETS



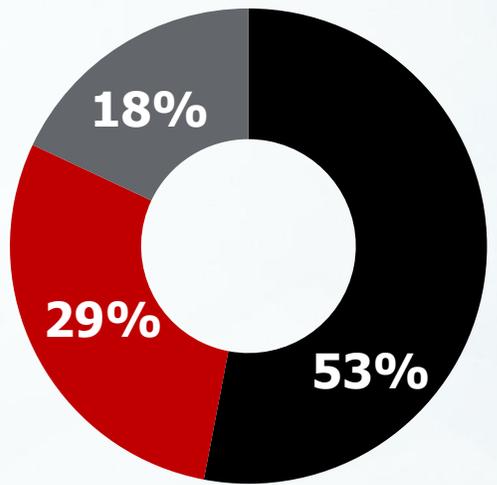
- Freight
- Transit
- All Other (Industrial and Mining)

### ROBUST AFTERMARKET PORTFOLIO



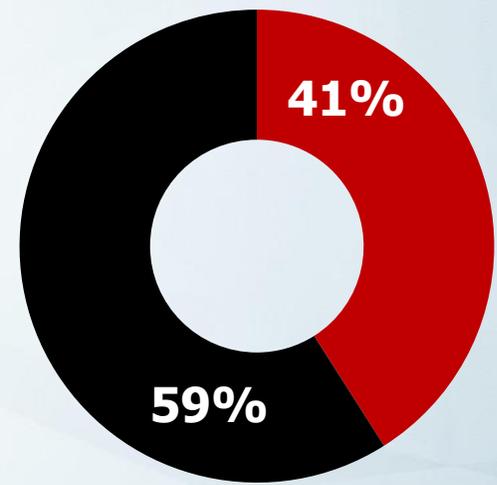
- Aftermarket
- OE

### BROAD SCALE IN GLOBAL MARKETS



- Americas (42% in U.S.)
- EMEA
- APAC

### STRONG MIX OF RECURRING REVENUES



- Non-Recurring
- Recurring

\* 2021 FY results

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

# Primary growth drivers

- 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

## 5-YEAR GROWTH EXPECTATIONS

Equipment  
Digital Electronics  
Services  
Transit  
Components



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ROGERIO MENDONCA

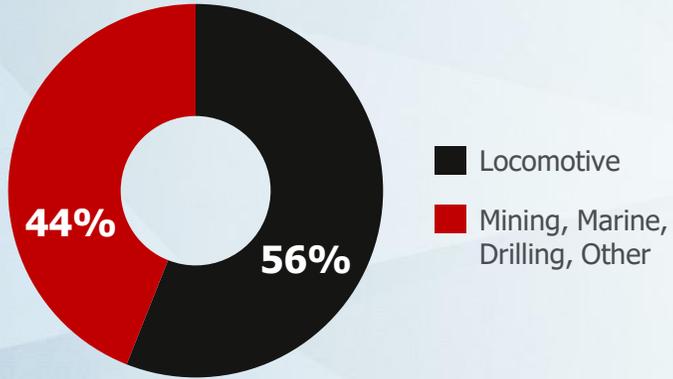
# Equipment



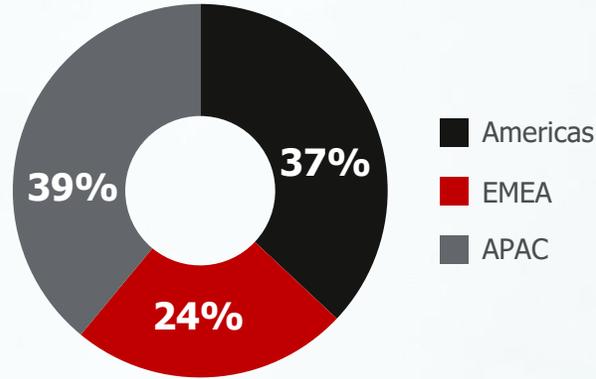
EQUIPMENT

# Diversified global base to drive growth

## REVENUE BY END MARKET

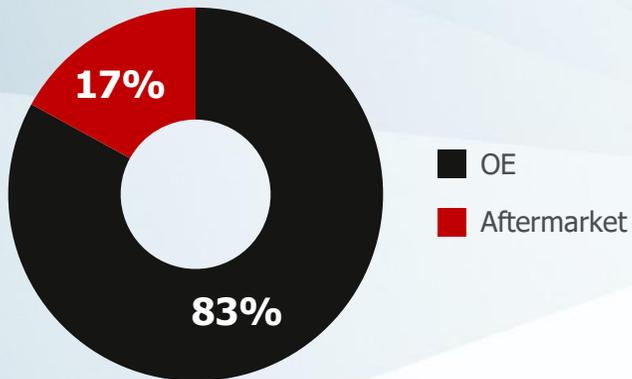


## REVENUE BY GEOGRAPHY

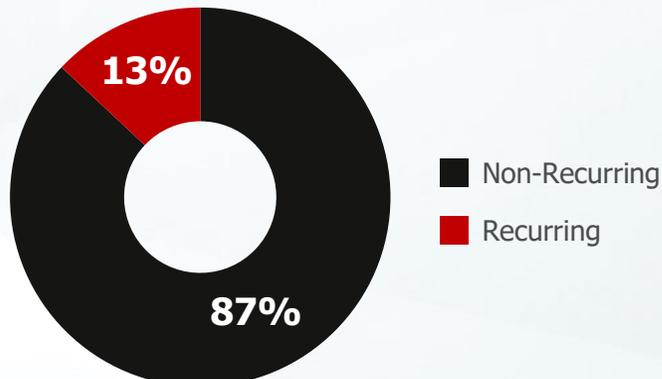


**\$1.3B**  
2021 REVENUE

## AFTERMARKET REVENUE



## RECURRING REVENUE



\* 2021 FY results

## KEY CUSTOMERS

rume



CP



BNSF



pacificnational



KOMATSU

BELAZ

**EQUIPMENT**

# Business dynamics

## INDUSTRY TRENDS

- Intermodal growth
- Decarbonization, sustainability, automation
- Government funding
- Mining electrification

## STRATEGY IN ACTION

- Best-in-class Tier 4 technology
- Alternative fuels for internal combustion
- FLXdrive locomotives leading decarbonization
- Mining truck systems flexibility to alternative power sources
- Integration with Digital portfolio

## ROAD AHEAD

- Continue strong international orders
- North American fleet upgrade
- Accelerate FLXdrive adoption
- Hybrid solutions for ICE locomotive
- Mining truck renewal and growth
- Hydrogen solutions ... ICE, fuel cell

## 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

Strategic partnership for light weight applications

Expand battery electric mainline & switcher

Drive supply chain productivity through regional footprint

## GROWTH DRIVERS

### AUSTRALIA

Mining growth  
Decarbonization targets

### BRAZIL

New concessions  
Agriculture growth

### INDIA

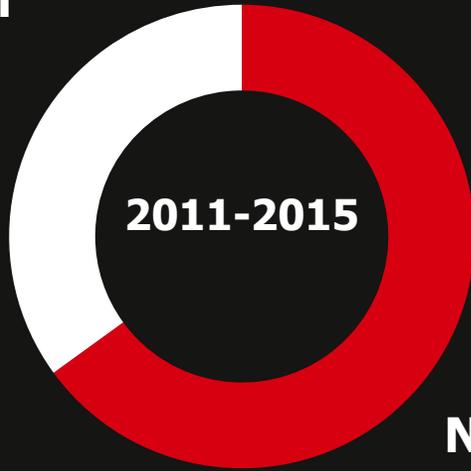
Economic growth  
Dedicated freight corridors

### CIS

Gateway Asia → Europe  
Fleet renewal & efficiency

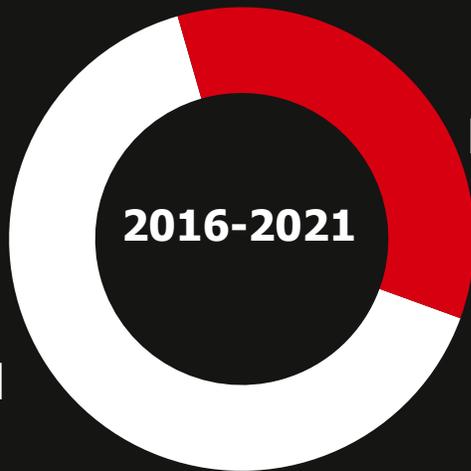
## REVENUE PROFILE

Intl



NAM

Intl



NAM

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

**EQUIPMENT**

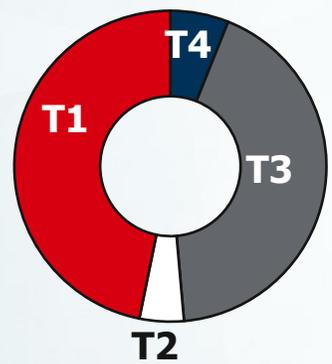
# North America fleet renewal opportunity

## FLEET PROFILE

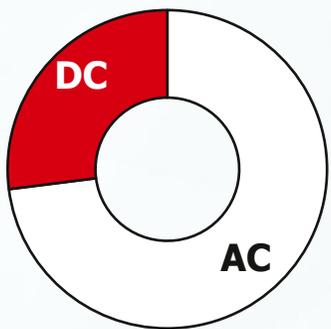
**20 YRS**  
AVERAGE

**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

Leverage regulation & subsidies

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

**EQUIPMENT**

# Growth driven by fleet renewal & technology mix

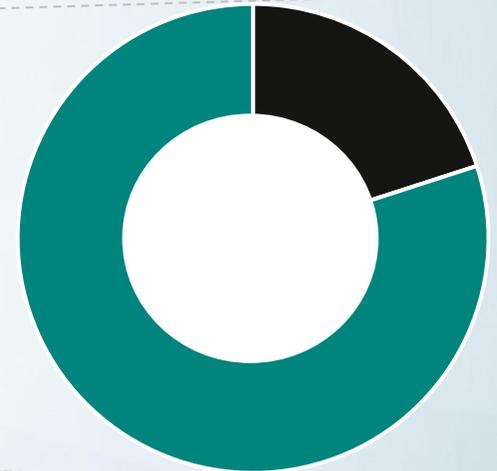
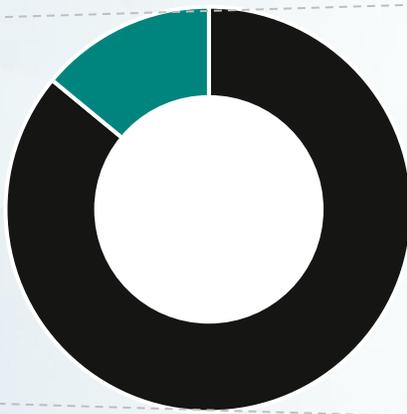
**2030**

**2040**

**2050**

**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

## EQUIPMENT

## Commercialization of FLXdrive 2.0

2018-2021

2020-2023

2024+

SUCCESSFUL CARB DEMO

COMMERCIAL LAUNCH

EXPAND PORTFOLIO &amp; PARTNERS

**FLXdrive 1.0****2.4  
MWh***10%+ fuel &  
emissions savings***FLXdrive pilot**Spanned >13,000 miles  
6,000 gallons of fuel saved  
0 major failures**FLXdrive 2.0****7-8  
MWh***20-30% fuel &  
emissions savings***FLXswitch****2-4  
MWh***Local yard emissions***Hybrid Transit****700  
kWh***Fuel & emissions***FLXdrive 3.0****FLXswitch 4 axle***Industrial and short lines***Tier 4 Hybrid***Diesel hybrid***Integrated  
charging  
solutions***Wabtec FLX Smart  
Control Interface  
Moving AC Charging  
Option***SOLUTIONS TO HELP ACHIEVE CUSTOMER DECARBONIZATION GOALS**

## EQUIPMENT

# FLX value proposition

## WABTEC DIFFERENCE

### RAIL PURPOSE BATTERY

1

**Reliability & serviceability...** designed for heavy haul application

**Safety...** battery thermal management pack and design

**Future Proof...** modular design

### TRAIN PERFORMANCE & AUTOMATION

2

**FLX optimizer...** train-level energy management

**Modular Control Architecture...** next gen micro-processing with over-the-air capability

**PTC...** #1 train safety

### FLX360 ECOSYSTEM

3

**Up to 40% fuel savings on battery consist ...** “zero cost fuel” through regenerative braking

**Recharging solutions...** smart control interface and moving charging

**Sustainability...** battery pack remanufacturing, renewable electricity, battery recycling

**EQUIPMENT**

# Comprehensive locomotive portfolio... short & long term

|                         | <b>DIESEL ELECTRIC</b>                         | <b>ALTERNATIVE FUELS</b>                                  | <b>BATTERY ELECTRIC</b>                                 | <b>FUEL CELL ELECTRIC</b>                                      |
|-------------------------|--|---|---|--|
| <b>TECHNOLOGY</b>       | DIESEL, HYBRID OPTION                          | BIO, HDRD, LNG  | REGEN, PLUG-IN  | HYDROGEN   |
| <b>KEY METRICS</b>      | Fuel efficiency<br>Reliability<br>Availability | Emissions & sustainability<br>Reliability<br>Availability | Safety & energy optimization<br>Operational flexibility | Performance<br>Reliability<br>H2 fuel price & carbon intensity |
| <b>OUTCOME</b>          | <b>FUEL ECONOMY &amp; GHG REDUCTION</b>        | <b>SHORT-MEDIUM TERM GHG ↓</b>                            | <b>ZERO-EMISSION &amp; SAVE ENERGY</b>                  | <b>ZERO-EMISSION &amp; RANGE</b>                               |
| <b>EXTERNAL FACTORS</b> | <b>POLICY &amp; INCENTIVES</b>                 | <b>INVESTMENTS &amp; CAPACITY</b>                         | <b>PARTNERSHIPS &amp; ECOSYSTEM</b>                     |  |

**INVESTING IN BALANCED PORTFOLIO TO PROVIDE CUSTOMER PRODUCTIVITY AND DECARBONIZATION**

## EQUIPMENT

# Mining truck propulsion path to electrification

| PRIME MOVER                     | DIESEL POWER  | HYBRID POWERED   | ELECTRIC POWERED   |
|---------------------------------|---|--|--|
|                                 | <i>DIESEL ENGINE ONLY</i>   | <i>DIESEL ENGINE &amp; BATTERY</i>   | <i>TROLLEY ASSIST, BATTERY, FUEL CELL</i>  |
| PROPULSION                      | <b>ELECTRIC, MECHANICAL</b>   | <b>ELECTRIC</b>  | <b>ELECTRIC-POWER AGNOSTIC</b>   |
| <b>ELECTRIC DRIVE ADVANTAGE</b> | <ul style="list-style-type: none"> <li>Fuel efficiency</li> <li>Lower maintenance</li> <li>Better traction, 4-wheel drive</li> <li>Supports automation</li> </ul> | <ul style="list-style-type: none"> <li>Recapture energy</li> <li>Lower emissions</li> <li>Boost or auxiliary power from battery</li> </ul> | <ul style="list-style-type: none"> <li>Easy transition to zero emissions</li> <li>Lower noise</li> <li>Lower life cycle cost</li> <li>Higher productivity</li> </ul> |

## EQUIPMENT

# Key takeaways



**01** Globally positioned for locomotive and mining growth, fleet renewal and supply chain productivity

**02** Introducing new technologies to accelerate customer transition to cleaner power

**03** Proven technologies that deliver safety, reliability, productivity and reduced emissions

**04** Leverage partnerships to accelerate technology development

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PASCAL SCHWEITZER

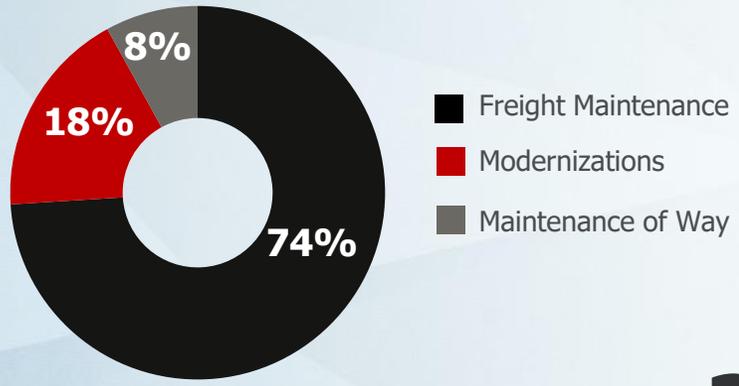
# Services



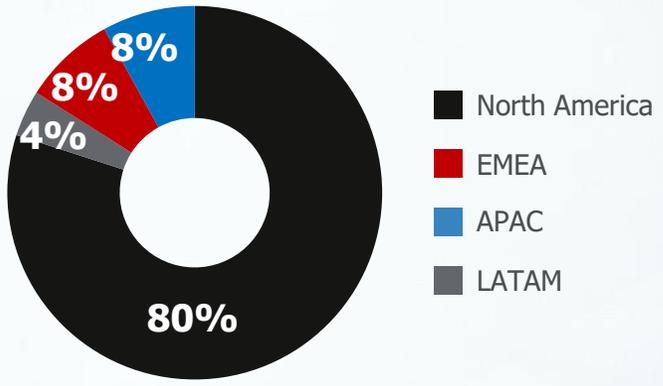
SERVICES

# Accelerating growth across Services

### REVENUE BY END MARKET

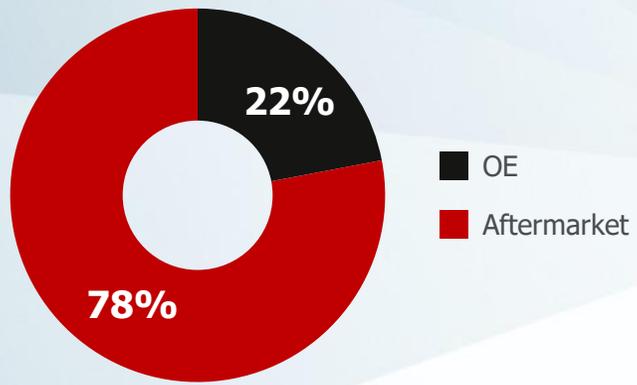


### REVENUE BY GEOGRAPHY

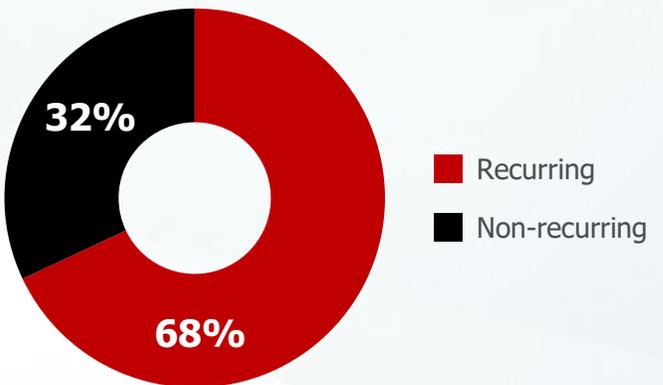


## \$2.4B 2021 REVENUE

### AFTERMARKET REVENUE



### RECURRING REVENUE



### KEY CUSTOMERS



TRANSNET



RioTinto



VALE

\* 2021 FY results

**SERVICES**

# Business dynamics

## INDUSTRY TRENDS

- Relentless focus on safety, cost, and productivity
- ESG fast becoming top priority for customers
- Improving intermodal product to drive road to rail

## STRATEGY IN ACTION

- Leverage technology to achieve targeted outcomes ... partner with customers around comprehensive fleet strategies
- Grow MoW to enable productivity gains in engineering
- LEAN and cost reduction

## ROAD AHEAD

- Introduce new solutions targeting younger fleets
- Leverage data analytics and new tools to invent the services of the future
- Leverage fleet growth to continue international expansion -- Egypt, India, CIS

**A UNIQUE SERVICE FRANCHISE**

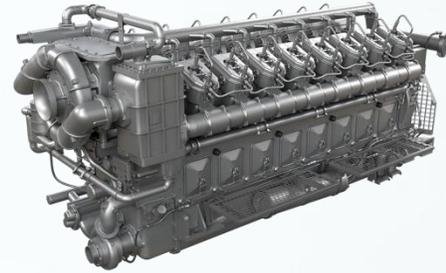
## SERVICES

# Primary growth drivers



## MODERNIZATIONS

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



## PERFORMANCE UPGRADES

Leveraging technology to deliver on fuel 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 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 & carbon

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, fuel cell

## SERVICES

# Leading rail technical innovation

Developing solutions that align with our customers' desired outcomes, with a focus on operating ratio savings – fuel, asset availability, and labor

## PRIME MOVER

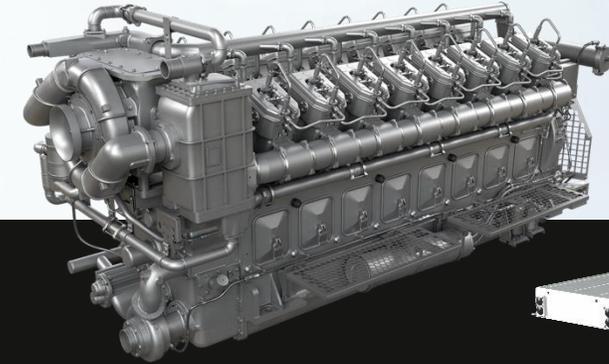
T4 engine family with best reliability and no aftertreatment  
FDL Advantage offering 5-8% fuel efficiency  
Safe batteries and fuel cells

## PROPULSION

AC traction  
Individual axle control and high tractive effort software  
Improved gearcase with no oil leakage

## CONTROLS

MCA  
Digital suite of solutions



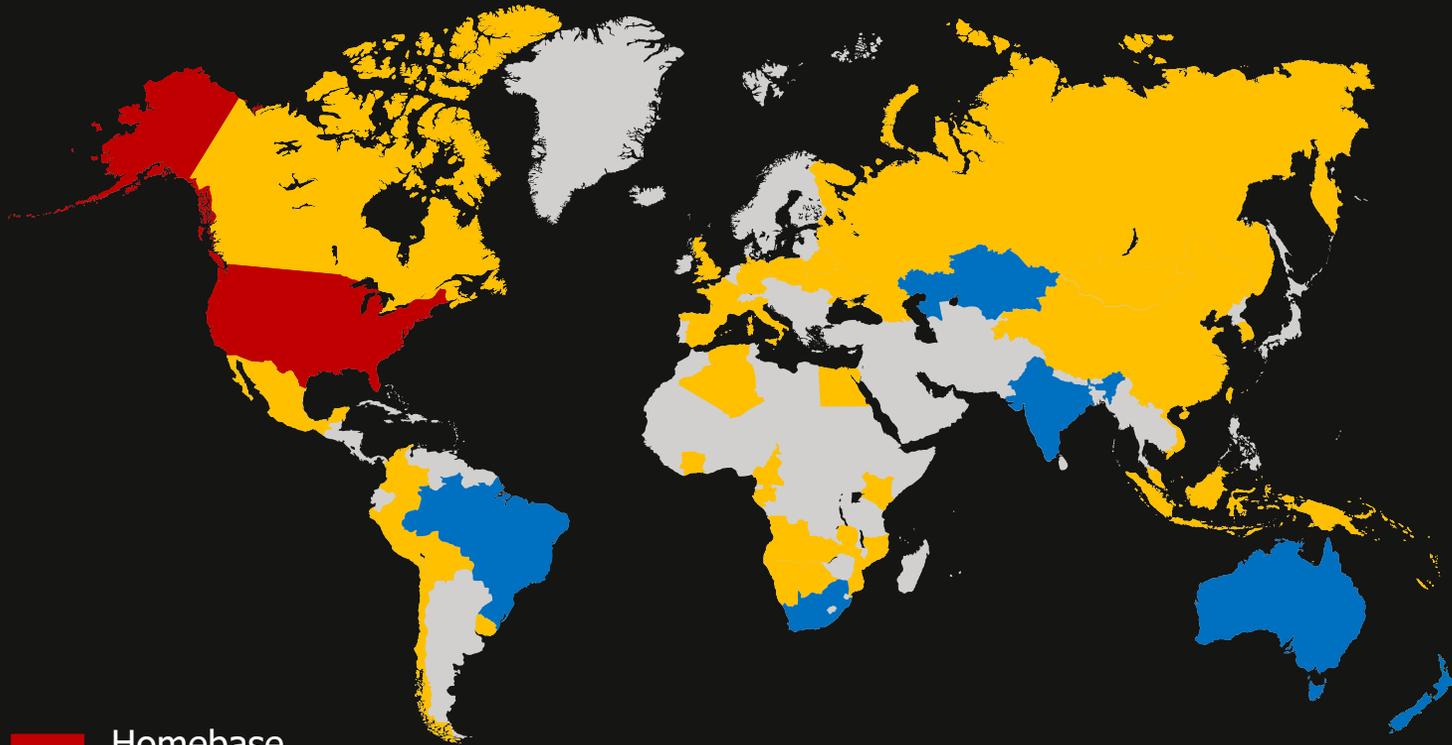
## RELIABILITY AND AVAILABILITY

Predictive maintenance  
Work scopes customized at asset level; 50% less shop dwell  
Locomotive allocation to priority trains

## SERVICES

# International expansion

Organized territory coverage supporting fleet expansion while leveraging scale



■ Homebase

■ Execution center capabilities: commercial and customer support; application engineering; parts distribution; remanufacturing

■ Other markets with locomotives in service



## INDIA

Introducing world-class fleet maintenance

2 fully designed, staffed and operated maintenance sheds

Dedicated remote monitoring and diagnostics center ... reliability team delivering world-class performance



## AUSTRALIA

Leveraging technology to decarbonize mining fleet



## KAZAKHSTAN

Full-fledged maintenance and engineering capabilities

Parts distribution

Engine overhauls

**SERVICES**

# FLXdrive will accelerate Services growth

Accelerated growth of battery locomotive fleet presents Services with a sizeable growth opportunity

Integrated system designed for safety, reliability, performance, and maintainability ... proprietary spares

Service support key to the successful launch and early performance

Battery lifecycle economics attractive to customer and Wabtec

Total lifecycle cost (including fuel) lower than diesel-electric locomotive ... higher lifecycle service revenue

Opportunity to leverage battery technology for next generation of Modernization ... 70% of DC-to-AC content reusable



**POSITIONED AS PREFERRED SERVICE PROVIDER FOR BATTERY TECHNOLOGY**

SERVICES

# Maintenance of way... path to accelerate growth

## ROADWAY WORK EQUIPMENT



## INDUSTRIAL



## INSPECTION TECHNOLOGIES



## GROWTH STREAMS



01

### INNOVATION

New Product Introduction

Electrification – decarbonization

Automation – labor & productivity

02

### EXPANSION

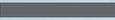
Leverage Wabtec relationships & footprint to increase penetration with Class 1 & international customers

03

### M&A

Acquire technology that complements existing portfolio

**NORDCO IS A STRONG PLATFORM FOR GROWTH THROUGH  
WORLD-CLASS PRODUCTS AND ENGINEERING**

  
**SERVICES**

# Key takeaways



**01** Fast-growing, high-quality recurring revenues through cycles

**02** Clear path for further growth: leveraging the fleet; continued innovation; international expansion

**03** Nordco is a strong foundation to grow in maintenance of way

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MIKE FETSKO

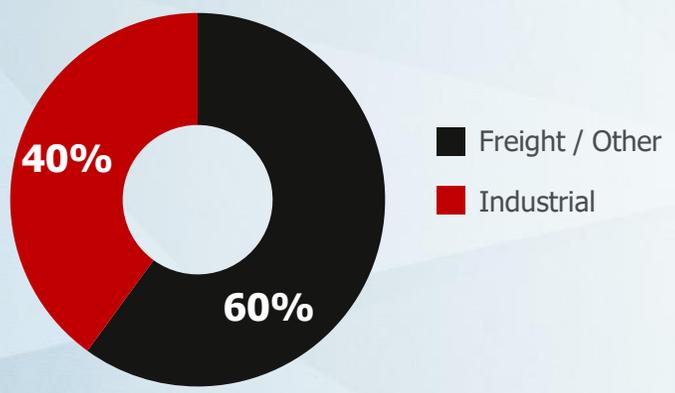
# Components



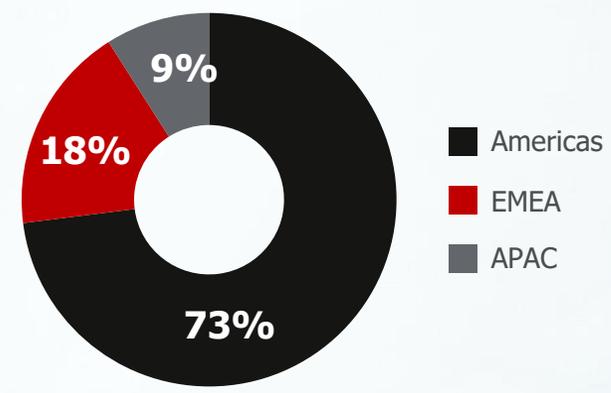
COMPONENTS

# Diversified portfolio brings new growth

### REVENUE BY END MARKET

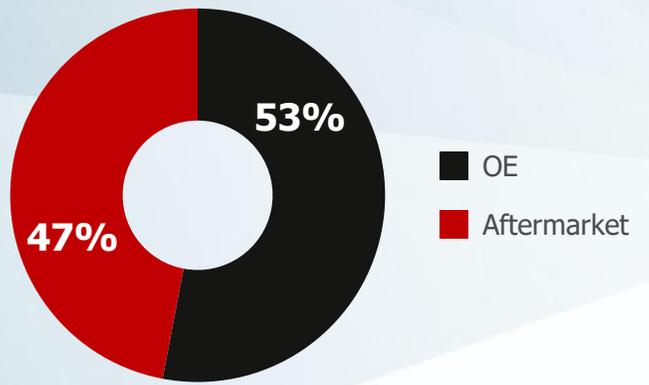


### REVENUE BY GEOGRAPHY

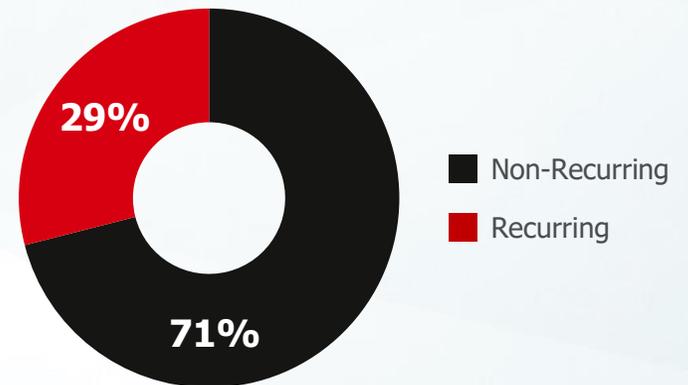


## \$0.9B 2021 REVENUE

### AFTERMARKET REVENUE



### RECURRING REVENUE



\* 2021 FY results

### KEY CUSTOMERS



2024

2024

NATIONAL STEEL CAR



FREIGHTCAR AMERICA

KOHLER



MIDREX

**COMPONENTS**

# Business dynamics

## INDUSTRY TRENDS

- Recovering demand for freight cars and locomotive builds
- Strong industrial end markets
- International expansion & market growth ... APAC, LATAM, INDIA, EMEA
- Increasing demand for clean energy solutions

## STRATEGY IN ACTION

- Leverage Wabtec products to expand North American freight car market share
- Expand content pull-through on locomotives
- Drive innovation into new products and solutions
- Extend core competencies and technologies into new industrial applications/products
- Increase international market share of freight and industrial components

## ROAD AHEAD

- Market demand and penetration driving profitable freight and locomotive products growth
- Developing technologies to drive profitable growth in existing and new industrial markets
- Continued focus on operational improvement & portfolio rationalization
- M&A focused on extending reach and acquiring new technology

**DELIVERING RESULTS FOR CUSTOMERS ACROSS DIVERSE FREIGHT & INDUSTRIAL PRODUCT PORTFOLIO**

**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

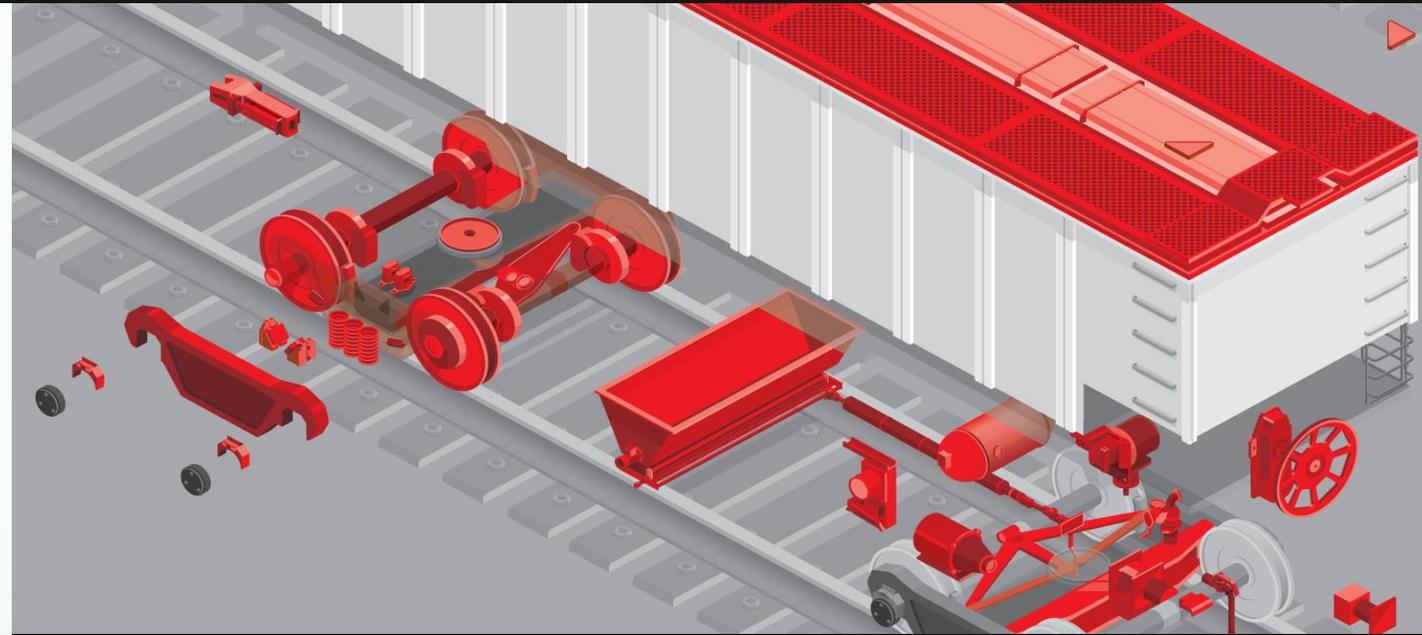
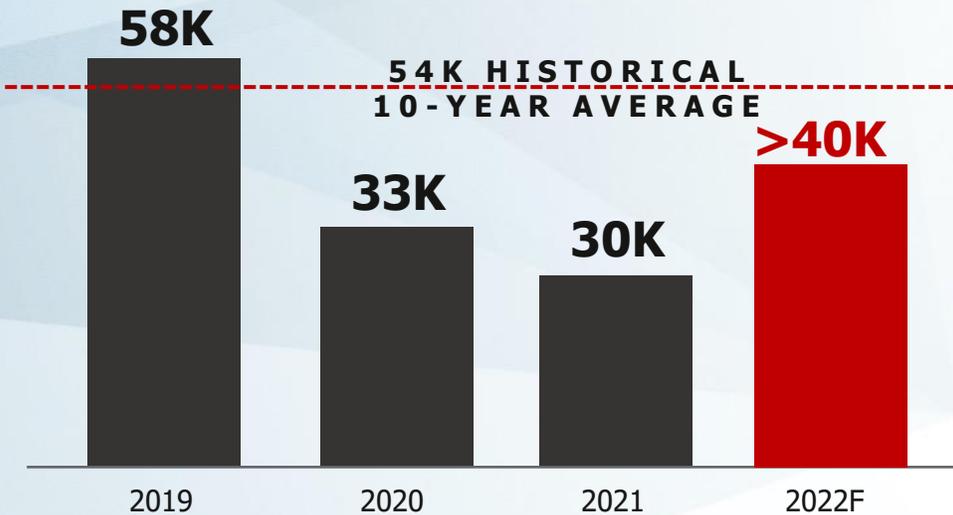
Rationalize and simplify structure to drive profitability

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

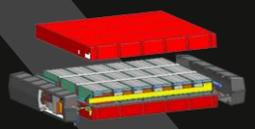
**REVENUE GROWTH  
AND  
MARGIN ACCRETION**

**COMPONENTS**

# The power of one Wabtec



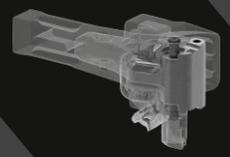
**BATTERY  
PACK**



**AIR  
COMPRESSOR**



**COUPLERS**



**HVAC**



**CONTROL  
SYSTEM**



**POWER  
SUPPLY**



**BOGIE BRAKE  
EQUIPMENT**



**AIR BRAKE**



**COMPONENTS**

# Industrial growth opportunities

**MARKET TRENDS**

Global shift to renewable energy sources to drive decarbonization

Growing demand for data centers & power generation

Industry transition to advanced material technology for engine cooling

Product innovation & productivity for next-gen turbochargers

**WABTEC STRATEGY**

Capture market share ... leveraging bundled product packages

Capitalize renewables growth with new / existing products

Displace competition with aluminum brazing technology

Enhance strategic partnerships with selective end-customers

Launch new products to facilitate customer productivity

**CAPITALIZING ON MARKET GROWTH WITH  
FOCUSED INDUSTRIAL STRATEGY**

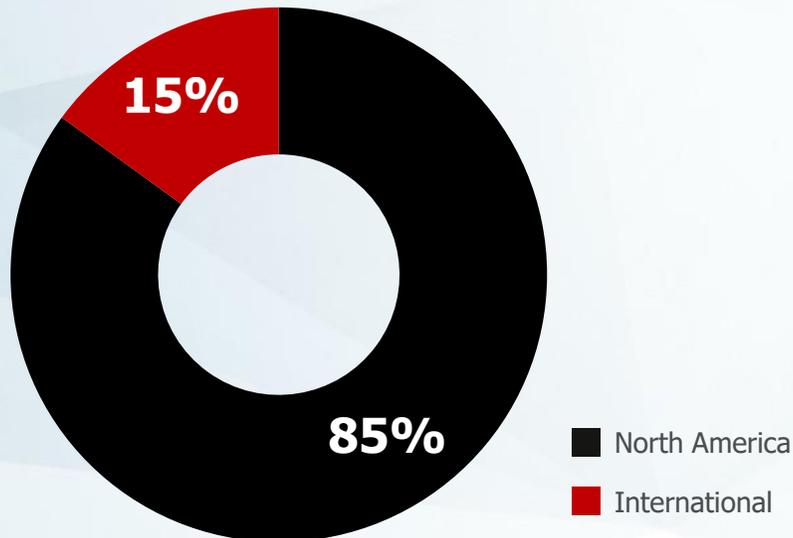
## COMPONENTS

# International growth opportunities

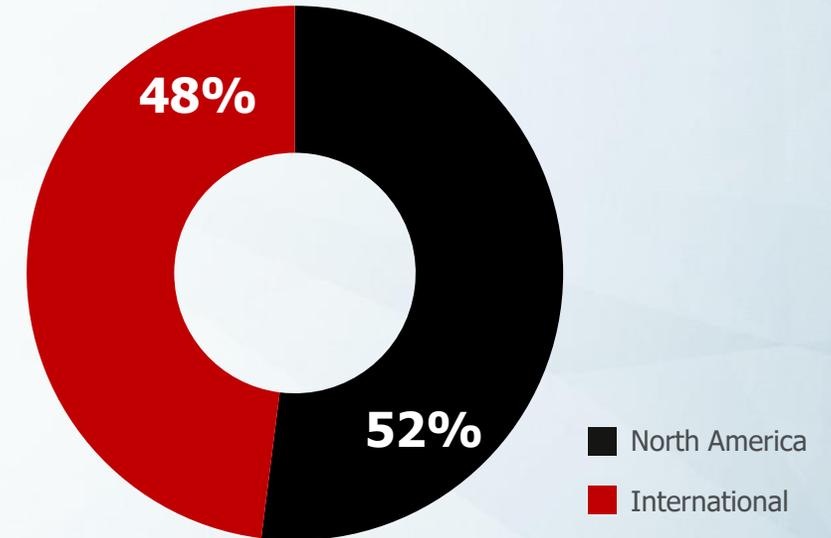
## FREIGHT AND INDUSTRIAL

- Growing international opportunities in APAC, LATAM, India, and EMEA
- Leveraging one Wabtec to scale across the globe
- Develop strategic partnerships to win international share

**FREIGHT  
REVENUE BY  
GEOGRAPHY**



**INDUSTRIAL  
REVENUE BY  
GEOGRAPHY**



\* 2021 FY results

**FOCUSED ON INTERNATIONAL GROWTH**

**COMPONENTS**

# Key takeaways



- 01** Well-positioned to drive profitable growth over growing freight & locomotive demand globally
- 02** Leverage consolidated industrial go-to-market strategy to grow share in traditional and emerging end markets in domestic and international regions
- 03** Push our strong innovative product development pipeline to help customers improve safety and operational efficiency with cost-efficient solutions
- 04** Grow profitability through continuous improvement culture by driving Lean and cost-out

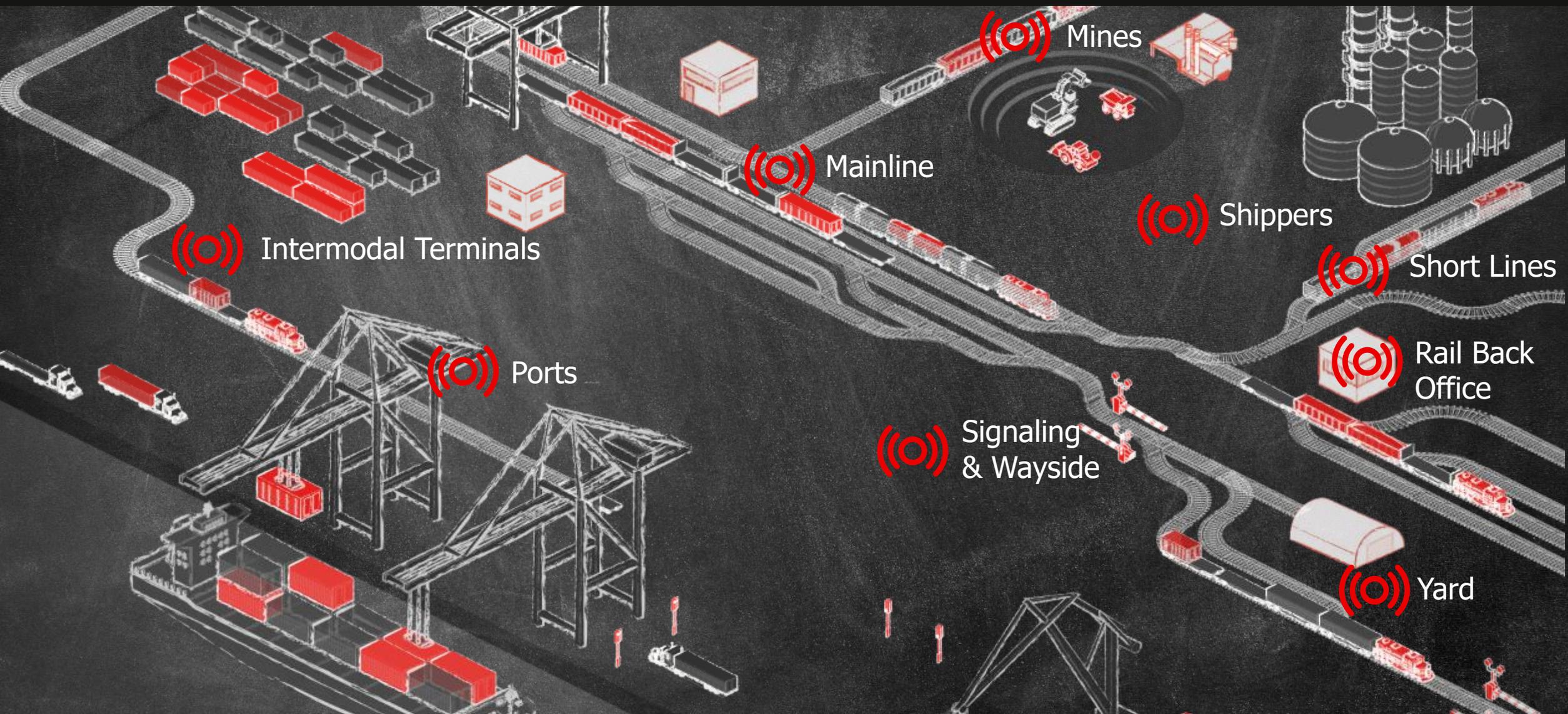
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NALIN JAIN

# Digital Electronics



# Connecting the physical + digital rail logistics network

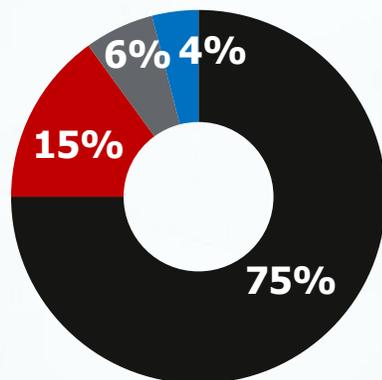


DIGITAL ELECTRONICS

# Well-positioned for growth

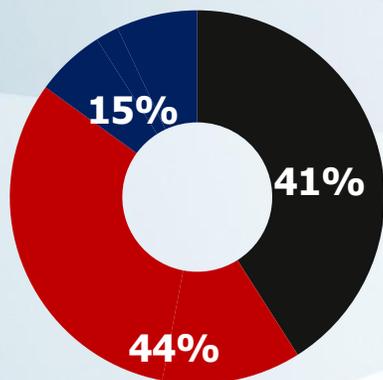
## \$0.6B 2021 REVENUE

### REVENUE BY GEOGRAPHY



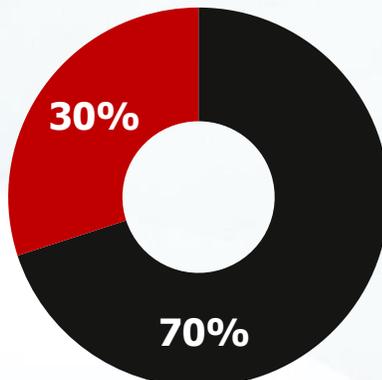
- North America
- ANZ
- LATAM
- Rest of World

### REVENUE BY END MARKET



- Train Automation
- Offboard, Back Office
- Adjacencies

### RECURRING REVENUE



- Non-Recurring
- Recurring

### KEY CUSTOMERS



\* 2021 FY results

# Business dynamics

## INDUSTRY TRENDS

- Continued productivity
- Focus on sustainability
- Changing mix...  
increasing role of Intermodal
- Continued investment on  
safety
- Growing investment around  
asset management... rolling  
stock, track

## STRATEGY IN ACTION

- Leveraging installed base to expand  
recurring revenues (SaaS and  
subscription models)
- Next-gen products & enhancements  
driving growth
- Grow in international markets
- Expand portfolio offering and grow in  
adjacent markets

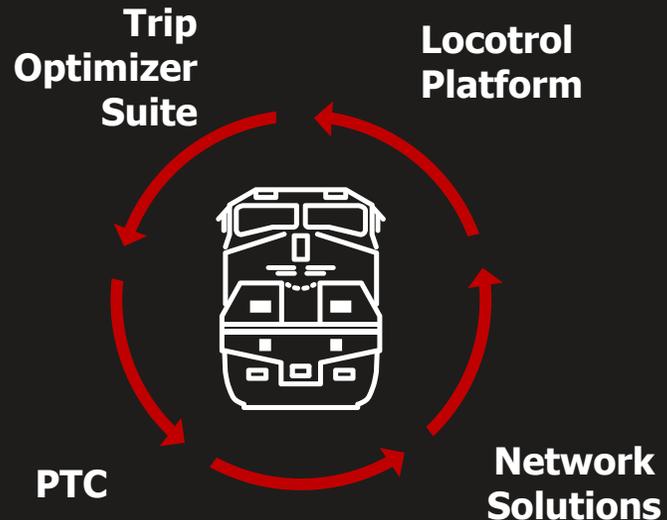
## ROAD AHEAD

- Continued R&D investment in  
Automation
- International focus on LATAM,  
APAC, Europe
- Growth in asset management  
and logistics solutions
- Bolt-on M&A ... drive increased  
customer value

**UNPARALLELED PORTFOLIO OF DIGITAL PRODUCTS AND SOLUTIONS  
ENABLING PRODUCTIVITY AND SUSTAINABILITY FOR CUSTOMERS**

# Digital solutions impact operations and fuel emissions

## INTEGRATED PRODUCT SUITE



## FUEL OPTIMIZATION



## ESG IMPACT

**UP TO ~30%**

Reduction in diesel emissions  
and fuel utilization  
CO<sub>2</sub>/NO<sub>x</sub>/PM



## PRODUCTIVITY IMPACT

Asset utilization  
Fuel savings  
Crew utilization

# Primary growth drivers



## LEVERAGE PTC

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



## EXPAND TRIP OPTIMIZER

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); Drone Trains



## NEXT-GEN NETWORK SOLUTIONS

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



## INTERNATIONAL MARKETS

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



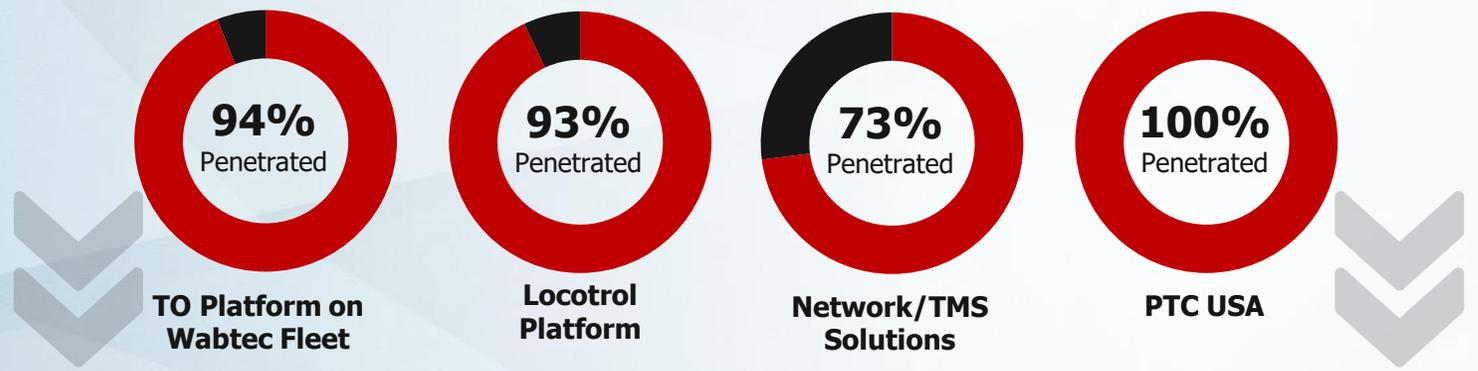
## KEY ADJACENCIES

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

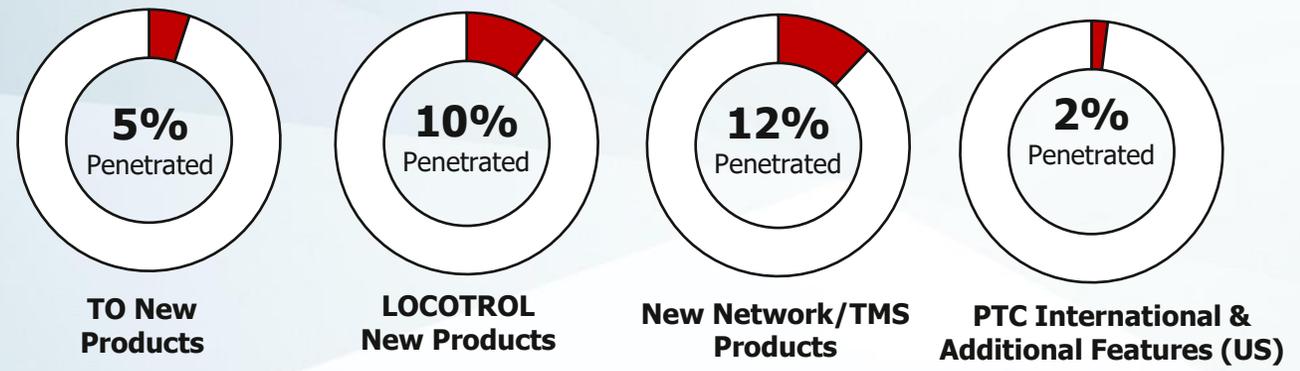
DIGITAL ELECTRONICS

# 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

DIGITAL ELECTRONICS

# Automation will unlock the next generation of PSR

☑ **Technology Foundation**

PTC  
Trip Optimizer  
Distributed Power  
Movement Planner

☑ **Attended Automation**

PTC + Trip Optimizer  
Zero-to-Zero  
SmartHPT  
Pacing

**Path To Crew Efficiencies**

Advanced Dispatch  
Road RCL-Drone Train  
Vital Standalone PTC  
Yard Automation  
5G Communication

**Full Automation**

Full Situational Awareness  
High Availability Systems

Up to:

**25%**

REDUCTION IN  
TRAIN DELAYS

**50%**

POTENTIAL  
PRODUCTIVITY SAVINGS

**75%**

REDUCTION IN  
ACCIDENTS DUE TO  
HUMAN ERRORS

**30%**

FUEL EFFICIENCY  
IMPROVEMENT

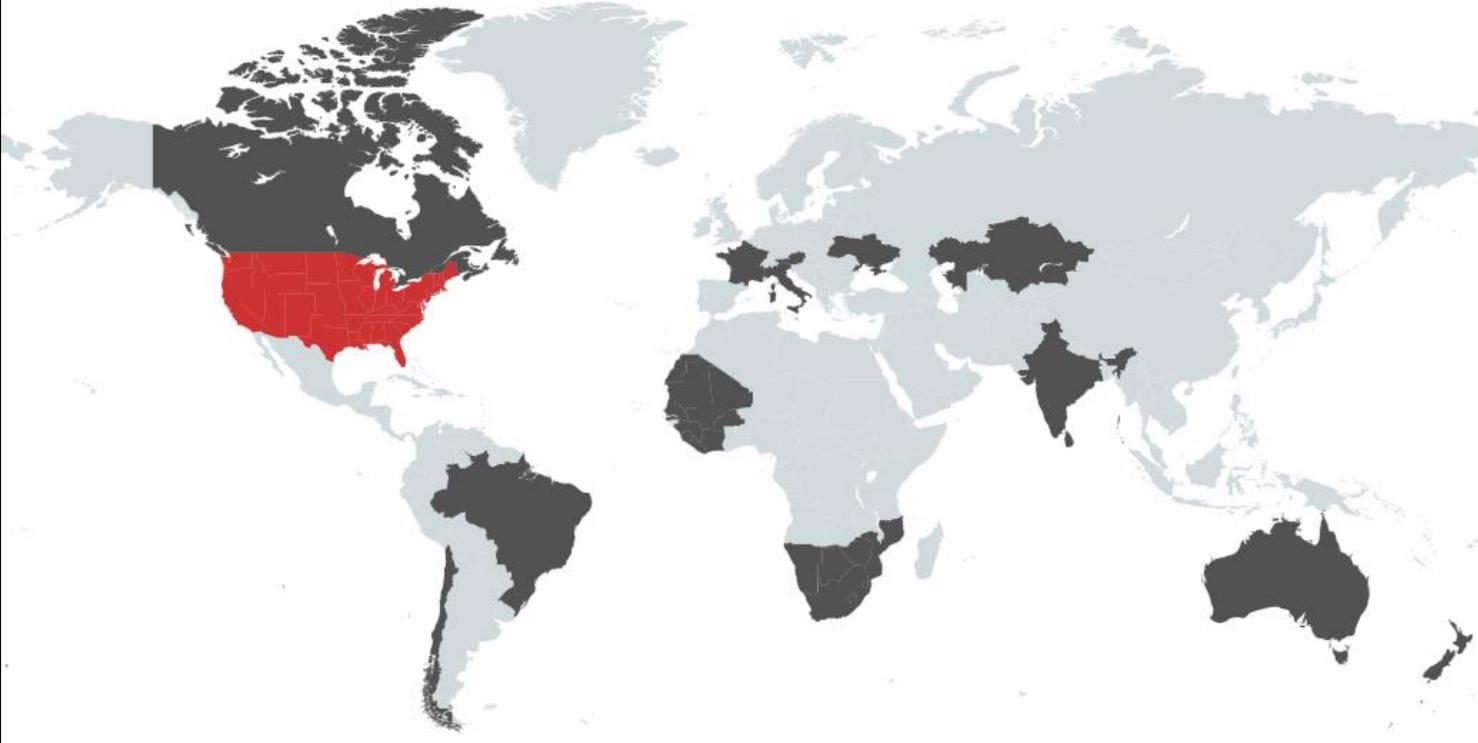
DIGITAL ELECTRONICS

# Leveraging PTC, TO and Track IQ to drive international expansion

GROWING DEMAND

# 2x

On track toward goal of increasing international sales 2X over 5 years



Market-leading position... long-term service agreements driving recurring revenues



International market opportunity to expand PTC and other Digital technologies

# Key takeaways



- 01** Digital expected to grow 2-3X the industry growth rate
- 02** Leverage digital pillar-apps and enhancements to drive recurring revenues
- 03** International expansion led by PTC, Trip Optimizer and Track IQ
- 04** Bolt-on M&As to drive increased customer value

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LILIAN LEROUX

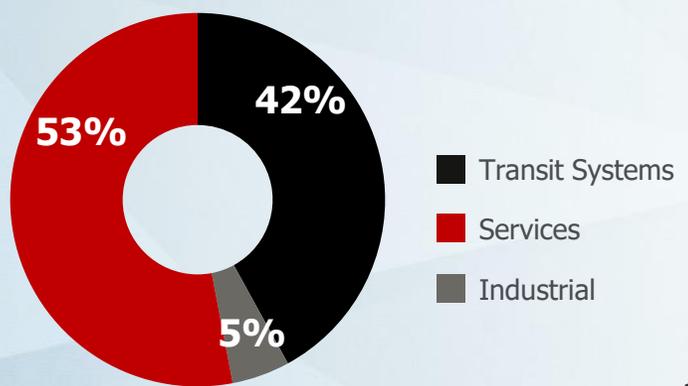
# Transit



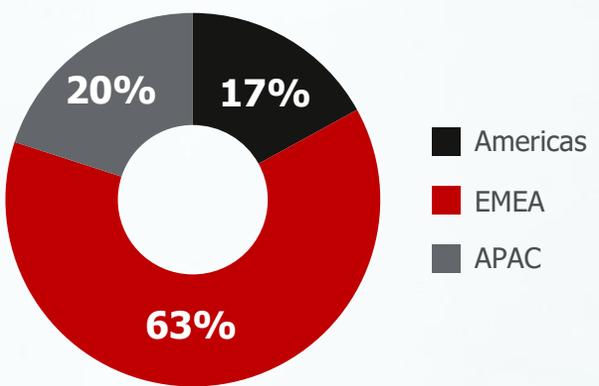
TRANSIT

# Safety, efficiency & passenger comfort

### REVENUE BY END MARKET

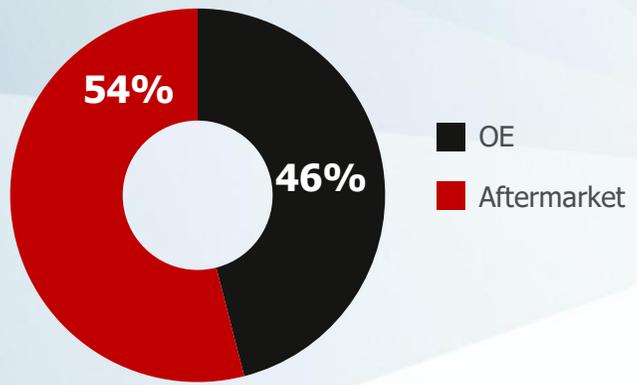


### REVENUE BY GEOGRAPHY

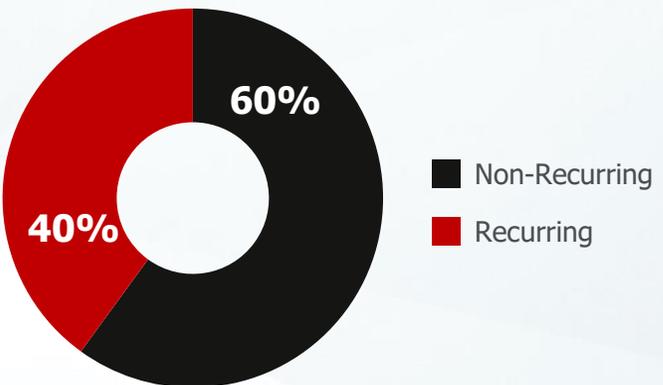


## \$2.6B 2021 REVENUE

### AFTERMARKET REVENUE



### RECURRING REVENUE



\* 2021 FY results

### KEY CUSTOMERS



# Business dynamics

## INDUSTRY TRENDS

- Beneficiary of worldwide climate economic policies
- Rail digitization and train automation
- Transit operators and car builders seeking efficiencies and OPEX optimization
- Ridership expected to increase in post-Covid era

## STRATEGY IN ACTION

- Lead innovation:
  - Breakthrough sustainable solutions
  - Productivity gains to transit operators
- Journey to automation and digitization
- Drive productivity through lean culture and integration 2.0

## ROAD AHEAD

- Product development focused on sustainability
- Digitalization of operations, digital asset management, and solutions for automated trains
- Journey to mid-teens adjusted EBIT

## 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



TRANSIT

# 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



**PASSENGER RAIL**  
(28 CO<sub>2</sub>/PKM)



**ROAD**  
(102 CO<sub>2</sub>/PKM)



**AIR**  
(244 CO<sub>2</sub>/PKM)

Grams of CO<sub>2</sub>

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

TRANSIT

# Enhancing train performance

**LATEST PORTFOLIO OF RAIL TECHNOLOGIES  
DELIVERS SIGNIFICANT IMPROVEMENTS**

**12%**

**PRODUCT WEIGHT REDUCTION... 3 TONS  
PER TRAIN**

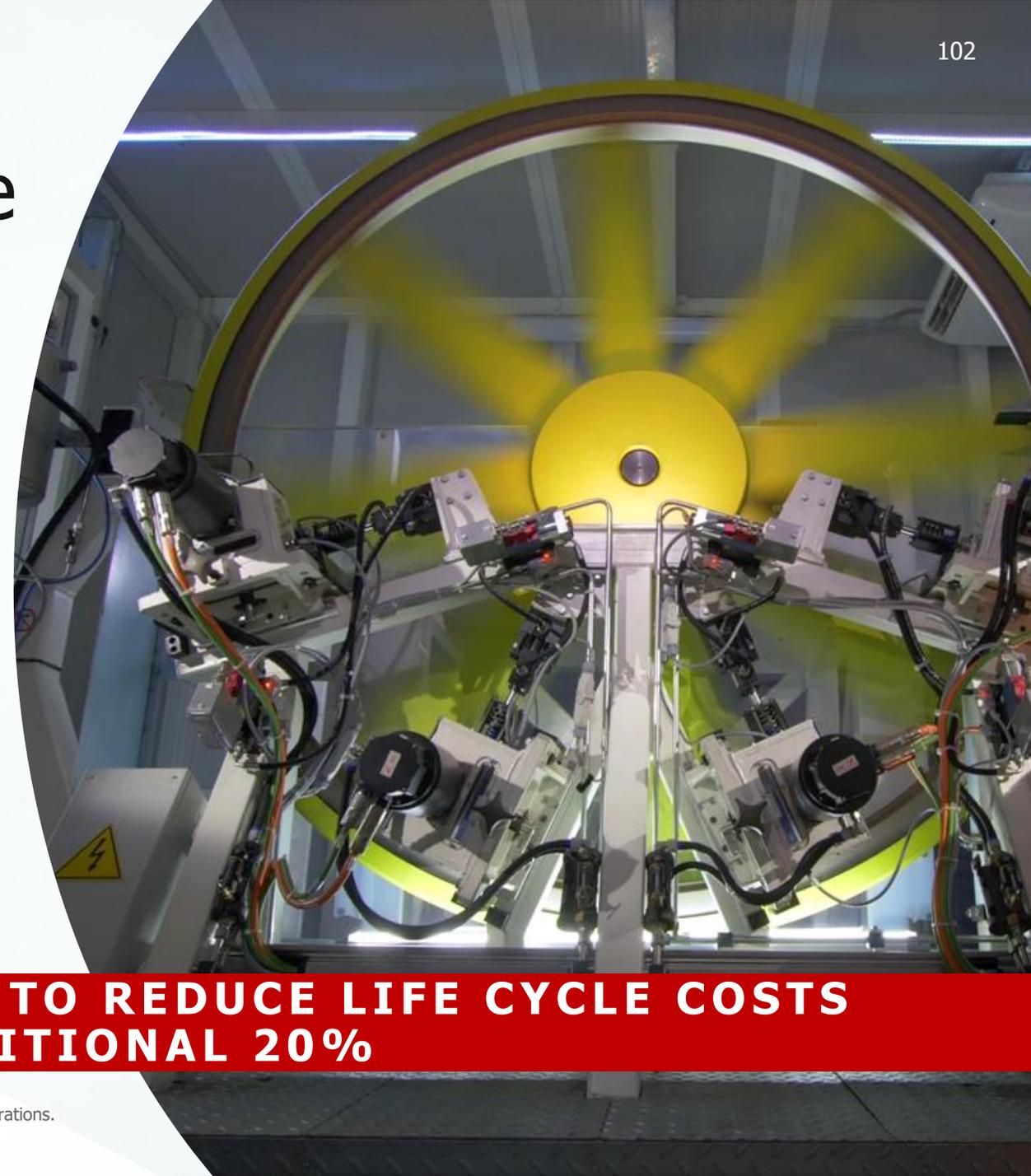
**20-25%**

**LIFECYCLE COST REDUCTION**

**15%**

**ENERGY REDUCTION**

**DIGITALIZATION EXPECTED TO REDUCE LIFE CYCLE COSTS  
BY AN ADDITIONAL 20%**



# Innovations supporting a more attractive commute

## GREEN FRICTION

Reduce brake dust and emissions by up to 90%

## METROFLEXX & REGIOFLEXX

Industry's most advanced braking system ... 50% less weight, 95% recyclability, greater performance

## GREEN AIR

1st air conditioning system using natural R290 refrigerant

## BLUEFILTER

Removes more than 99.9% of contaminants in minutes



**REDUCE  
EMISSIONS**



**REDUCE  
WEIGHT & SIZE**



**INCREASE  
RECYCLABILITY**



**REDUCE  
ENERGY CONSUMPTION**

## TRANSIT

# Redefining braking distance to improve performance, reduce cost and prepare for automation

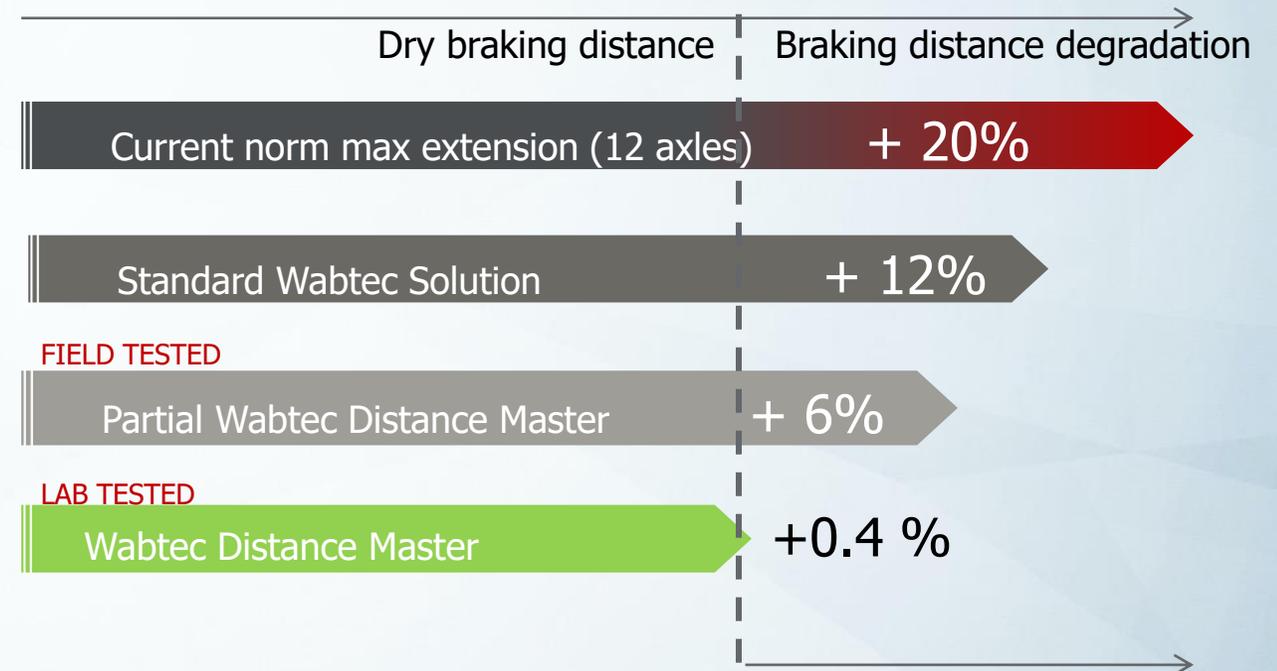
## PRODUCTIVITY GAINS

### Wabtec Distance Master

- Breakthrough braking performance in fall and winter conditions
- 90% reduction in braking distance degradation
- 50% reduction in costs generated by wheel sliding
- Improve train availability, punctuality, and assets utilization for transit operators



## WITH BRAKING DISTANCE REDUCTION\*



\*Results evaluated in low conditions adhesion (0,05-0,08) according to EN15595

## TRANSIT

# Spotlight on adjacent opportunities: charging and electrification solutions

## PASSENGER BUS



## MARINE



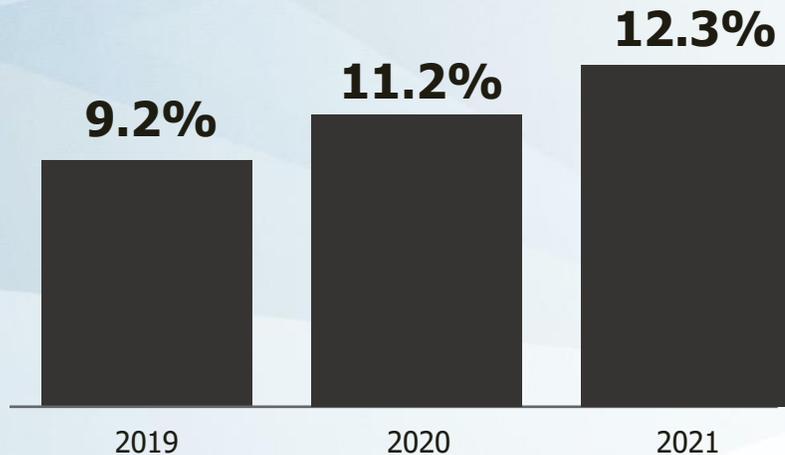
## MINING



## TRANSIT

# Successfully turned around business and continuing journey to mid-teens adjusted EBIT margins

## ADJUSTED EBIT MARGIN



Adjusted numbers represent non-GAAP financial metrics, see appendix for additional details and reconciliations

- Backlog margin ↑
- Project execution ↑
- Engineering in best-cost countries ↑
- Cost of poor quality ↓
- Lean and integration 2.0 ↑

---

TRANSIT

# Key takeaways



**01** Driving lean culture to continuously improve operations and competitiveness

**02** Transit rail is benefitting from government transport policies

**03** Sustainability and productivity... new technology as differentiator to win share

**04** Leveraging installed base and footprint to capture attractive and profitable growth

---

JOHN OLIN

# Disciplined value creation



---

**WABTEC**

# Attractive long-term financial profile

Resiliency tested and validated over past 5 years; 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

**MSD CORE ORGANIC  
GROWTH CAGR**

**+**

**250-300 BPS MARGIN  
EXPANSION**

**+**

**DISCIPLINED CAPITAL  
DEPLOYMENT**

**=**

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

# Path to the future... maximize shareholder value



## INVEST IN THE BUSINESS

Driving long-term profitable growth

### DRIVERS

- 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

WABTEC

# Delivering profitable growth

## STRATEGY DEPLOYMENT

Accelerate innovation of scalable technology

Grow & refresh expansive installed base

Lead decarbonization of rail

Expand high-margin recurring revenue streams

Drive continuous operational improvement

## GROWTH DRIVERS

Rail cycle recovery

Increase customer productivity, capacity and safety

- ✓ Locomotive fleet renewal
- ✓ Innovative digital technology
- ✓ Lead decarbonization of rail

International expansion / share gains

Best-in-class productivity

Integration 2.0



**REVENUE  
GROWTH**



**MARGIN  
EXPANSION**



**CASH  
GENERATION**

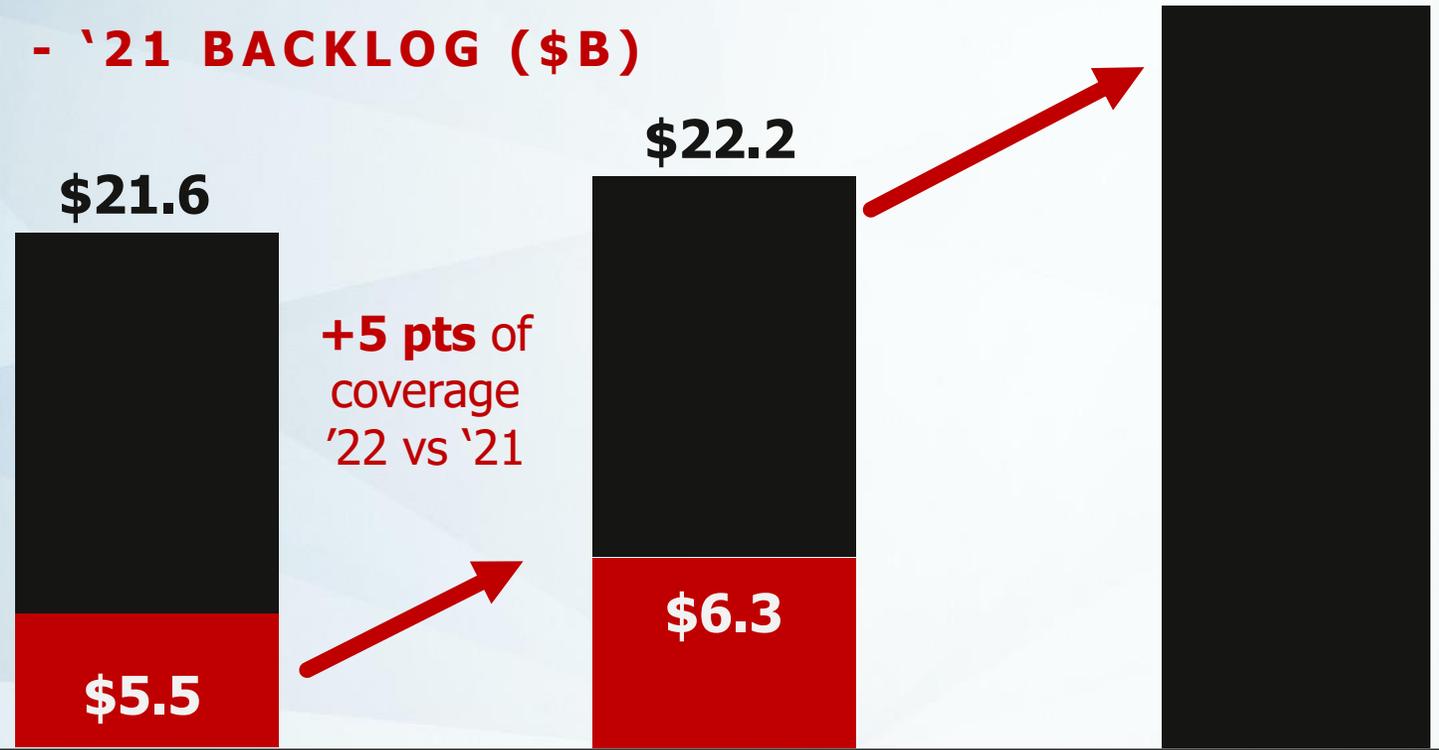


**IMPROVED  
ROIC**

**DEPLOYING PROVEN STRATEGIES WHILE EXECUTING ON GROWTH DRIVERS**

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

## '20 - '21 BACKLOG (\$B)



+5 pts of coverage '22 vs '21

## '22 BACKLOG DYNAMICS

\$8.7B in orders in 2021... \$5.9B in Freight and \$2.8B in Transit

13.5% increase in 12-month backlog

75% of 2022 midpoint revenue guidance covered in backlog... 5 points higher than 2021

Next 12 months    12 months +

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

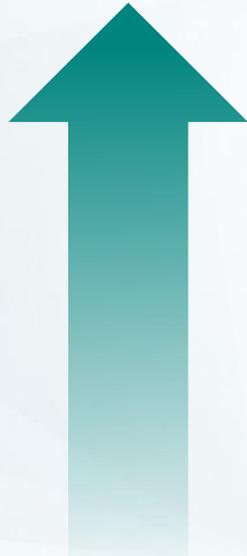
# Mix dynamics changing as industry renews aging locomotive fleet

## PRODUCT MIX

### Margin Drivers

- Digital Electronics
- Services
- Components
- Equipment
- Transit

## MARGIN ACCRETION



## 5-YEAR GROWTH EXPECTATIONS

- Equipment
- Digital Electronics
- Services
- Transit
- Components



### Sensitivity to the cycle

- High
- Medium
- Low
- Low
- High

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

---

**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**

WABTEC

# Best-in-class productivity and aggressive cost management

## CONTINUOUS IMPROVEMENT

**Objective:** Cover normal cost inflation and drive sustainable margin expansion

### Manufacturing productivity

Continuous improvement & lean initiatives  
Best cost country  
Quality improvement

### Manufacturing absorption

### Supply chain & deflation projects

Purchasing efficiencies  
"Should" cost  
Low-cost sourcing

### Non-manufacturing cost reductions

Engineering efficiencies  
Office productivity

## CONSOLIDATION & INTEGRATION

**Objective:** Drive sustainable margin expansion

### GE Transportation synergies

Achieved \$250M of run-rate synergies 15-months ahead of schedule

### Integration 2.0

Target benefit of \$75-90M by 2025  
Consolidate footprint  
Streamline manufacturing  
Simplify through systems enablement



**INFLATION  
MITIGATION**



**MARGIN  
EXPANSION**

# Future revenue growth target

**ANNUAL REVENUE GROWTH EXPECTATIONS:**

**MID-SINGLE DIGITS**



**ACCELERATED GROWTH**

- Share gains in portfolio
- International expansion
- Technology-driven growth
- Digital revenue growth 2-3X industry

**LONG-TERM LOCO FLEET RENEWAL**

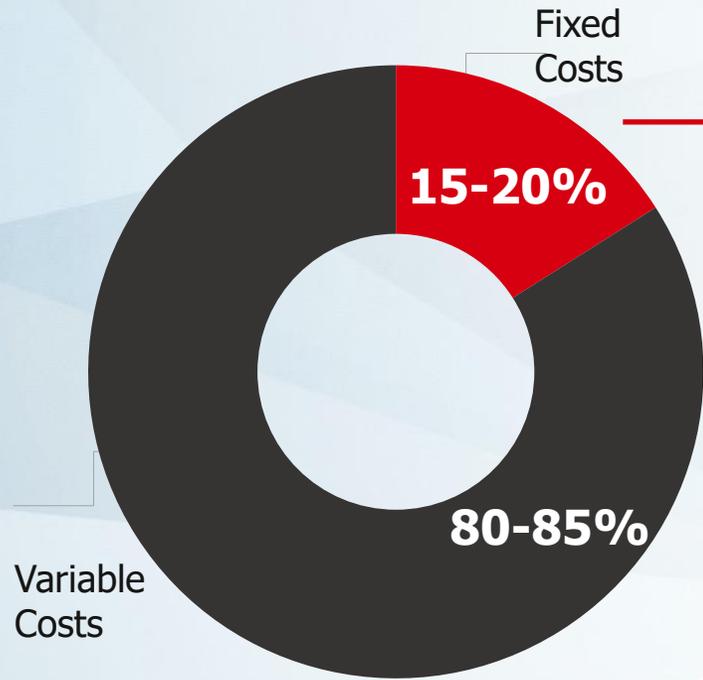
- Mods
- Tier 4
- Alternative fuels
- Battery electric

**UNDERLYING RAIL INDUSTRY GROWTH TRENDS**

- Freight carloads
- Railcar build
- Passenger ridership
- Economic strength (GDP)

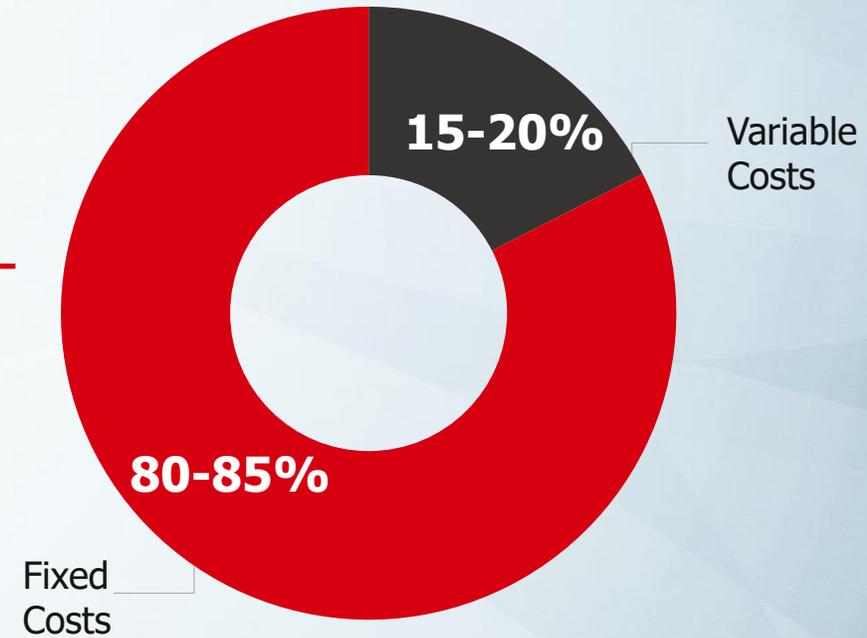
# Sales growth expected to drive incremental margins of 25-30% based on Wabtec's fixed-cost structure

## 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

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Growing sales and aggressive cost management expected to expand adjusted margins

**5-YEAR ADJUSTED MARGIN  
IMPROVEMENT**  
**250 – 300 BPS**

**+150 TO 200 BPS**

**COST IMPROVEMENT**

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

**+60 BPS**

**REVENUE GROWTH**

MSD annual growth CAGR  
Opportunistic pricing  
International expansion

**+40 BPS**

**CAPITAL & TECHNOLOGY  
INVESTMENT**

Strong IRR capital projects  
Technology to expand margins

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# Path to the future ... maximize shareholder value



## INVEST IN THE BUSINESS

Driving long-term profitable growth

### DRIVERS

- 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

# 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

Cash conversion strength and/or  
opportunities

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

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# Spotlight on acquisitions



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**\$400M**  
TRANSACTION

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- 01** **Significant levers to drive profitable growth...** adjacent MOW & railcar movers markets, international expansion with leading technology portfolio
- 02** **Large installed base...** mission critical products and services... 58% aftermarket revenues
- 03** **Sizeable cost synergy opportunity...** >\$10M+ run-rate within 3-years with limited integration risk
- 04** **Compelling financial profile...** accretive to EBITDA % margin, EPS & cash flow in 2022

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# Path to the future... maximize shareholder value



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Driving long-term profitable growth

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## RETURN VALUE TO SHAREHOLDERS

Through disciplined capital allocation

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# Return value to shareholders through disciplined capital allocation

**PRIORITY #1****MAINTAIN  
STRONG  
BALANCE  
SHEET****01****PRIORITY #2****CONTINUE  
TO INVEST  
IN THE  
BUSINESS****02****PRIORITY #3****INCREASE  
DIVIDENDS****03****PRIORITY #4****SUPPLEMENT  
ORGANIC  
GROWTH  
WITH M&A****04****PRIORITY #5****RETURN  
EXCESS CASH  
THROUGH  
SHARE  
REPURCHASES****05**

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# Capital allocation priorities

| PRIORITIES   | OBJECTIVES  | ACTIONS   |
|--|---|---|
| Maintain strong balance sheet to manage through economic cycles & world crises | Adjusted net debt leverage ratio of 2.0 to 2.5x. Maintain investment-grade ratings                              | Current ratio at 2.5x... hold debt levels in 2022 as we grow EBITDA |
| Appropriately invest in the business for revenue & profit growth               | CAPEX ~2% of sales<br>Working capital ~20% of sales<br>Tech spend ~6-7% of sales                                | Execute 2022-2026 plan  |
| Increase dividends   | Target dividend payout ratio of 10-15% of adjusted net income<br>Grow dividends in-line with earnings over time | Increased Q1 '22 dividend to \$0.15/share... \$0.60 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  | Authorized \$750M share repurchase program in Q1 '22                |

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# Disciplined capital allocation highlighted by improving productivity

## DRIVERS

Revenue growth

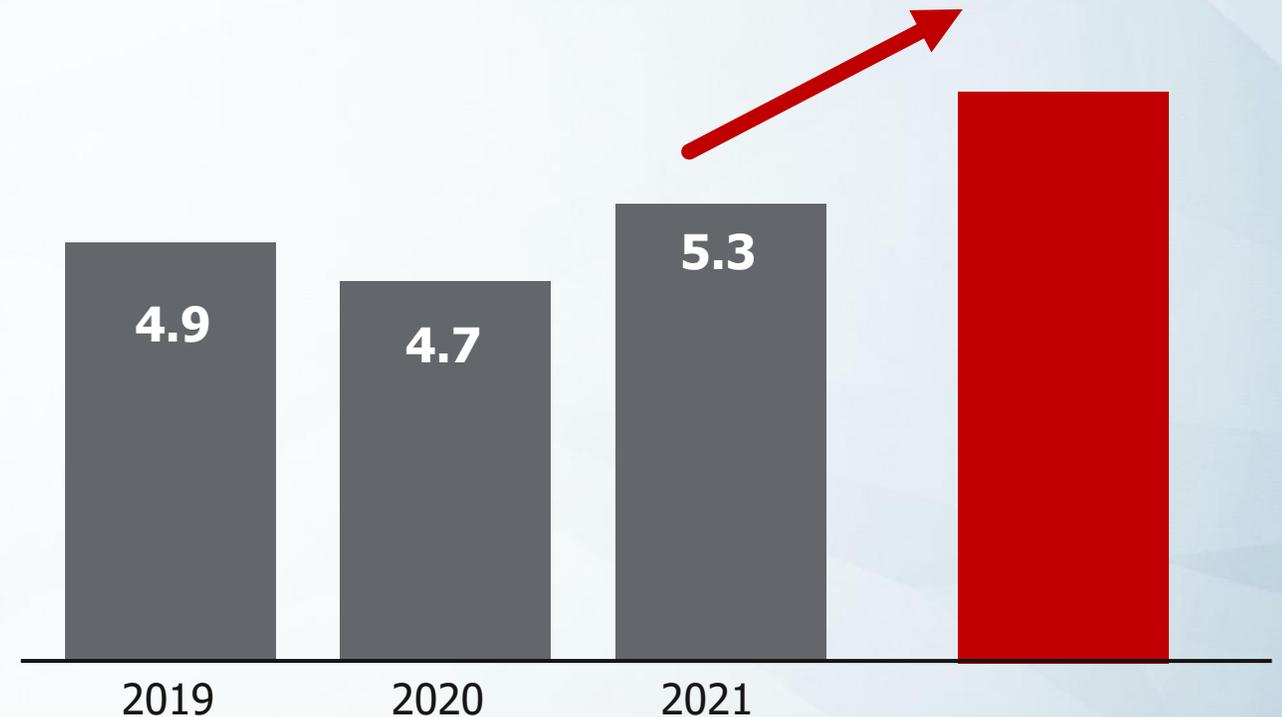
Growth capex = higher return, faster payback, low risk growth projects

Capacity utilization

Disciplined capex  
(capex  $\leq$  depreciation)

Maintain low-cost operating model

## FIXED ASSET PRODUCTIVITY



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

**OBJECTIVE: INCREASE REVENUE PER EVERY DOLLAR OF FIXED ASSETS INVESTED**

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# Improving returns on invested capital

## DRIVERS

Revenue growth

Margin expansion

Cash efficiencies

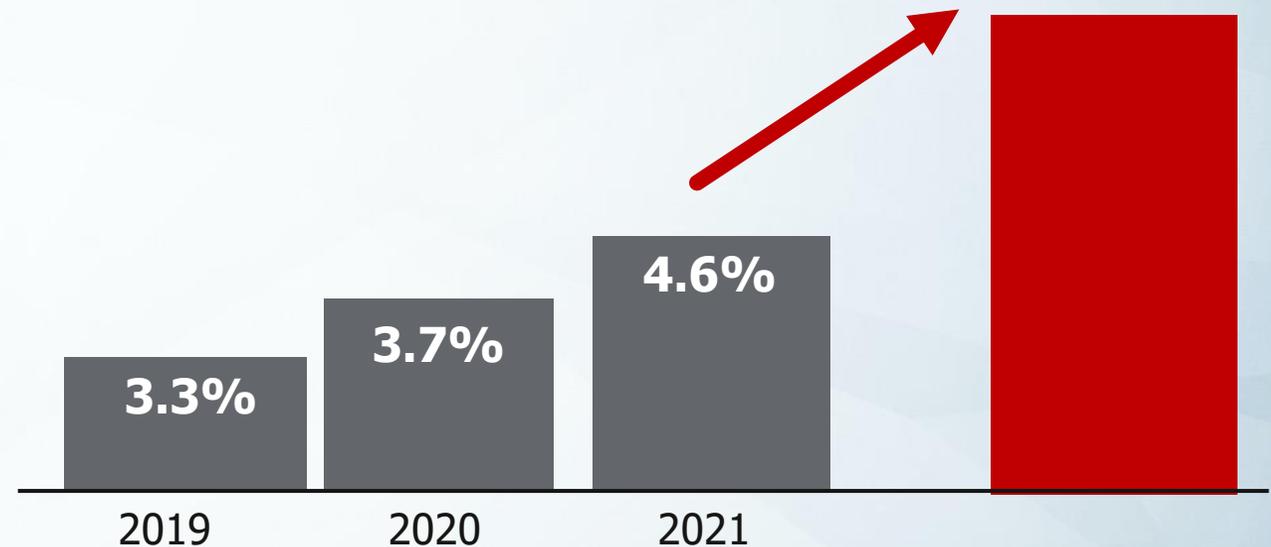
Working capital improvement

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**

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# Spotlight on cash tax benefits ... \$1.1 billion value

AS OF FEBRUARY 2019

~\$**150M**

AVG. CASH TAX BENEFIT  
OVER 15 YEARS

Tax step-up associated with the GET transaction drives average annual cash tax benefit of ~\$150M through 2034

AS OF DECEMBER 2021

~\$**150M**

AVERAGE CASH TAX  
BENEFIT OVER 13 YEARS

~\$**470M**

INITIAL BENEFIT TO  
BE PAID TO GE

First \$470M of gross cash tax benefits to be paid to GE by Wabtec (expected to be realized during first 4-5 years)

~\$**256M**

REMAINING BENEFIT  
TO BE PAID TO GE

~\$**1.1B**  
NPV BENEFIT  
TO WABTEC

Remaining cash tax benefits accrue to Wabtec

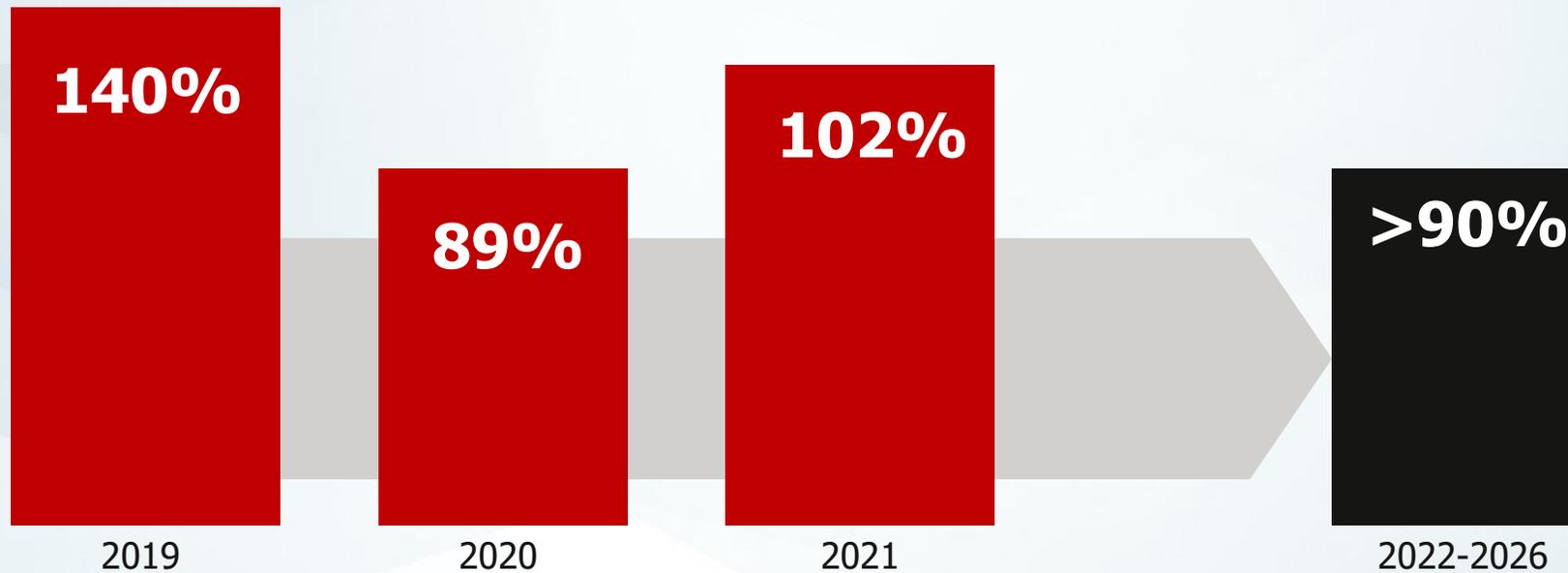
~\$**1.1B**  
NPV BENEFIT  
TO WABTEC

**SIGNIFICANT VALUE CREATION**

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# Strong returns are coupled with strong focus on cash generation

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



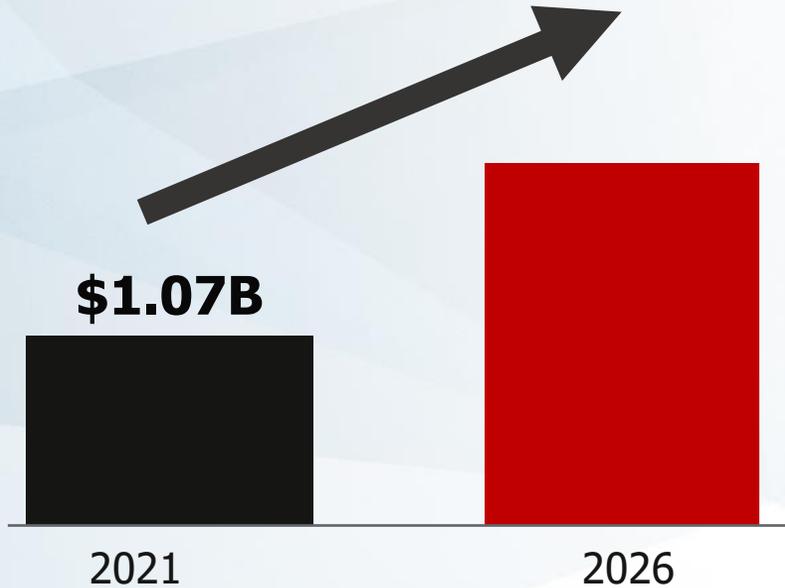
(1) Cash from operations conversion % is defined as GAAP cash from operations divided by GAAP net income plus depreciation & amortization

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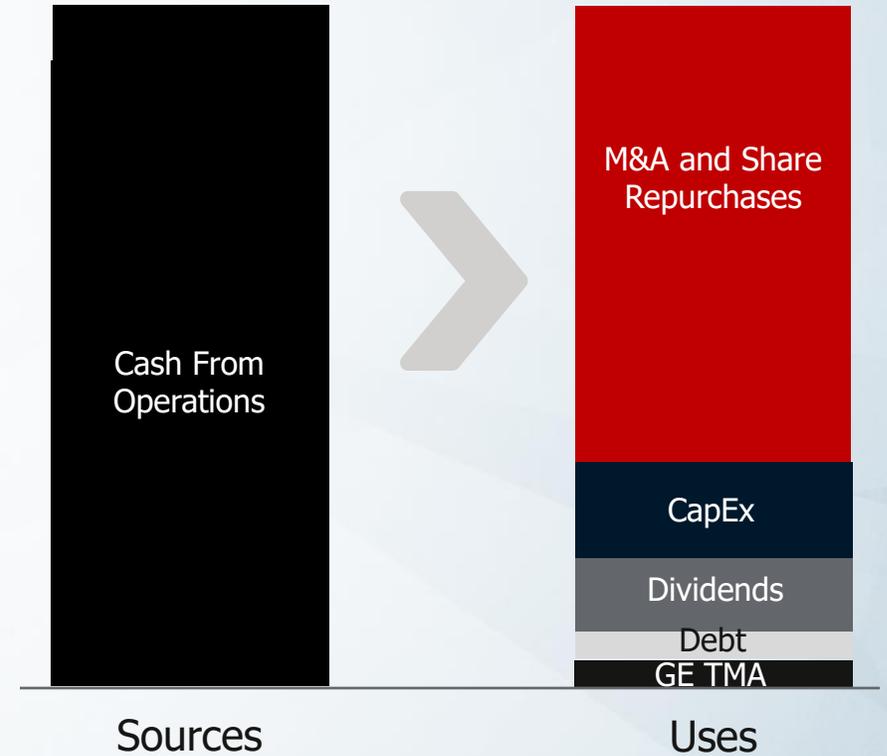
# Future cash flows

EXPECTED TO BE INVESTED IN THE BUSINESS, INVESTED IN THE FUTURE, AND RETURNED TO SHAREHOLDERS

## ANNUAL CASH GENERATION



## CAPITAL DEPLOYMENT PLAN (2022-2026)



ACCRETIVE EARNINGS → STRONG CASH FLOW CONVERSION → REINVEST & RETURN

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RAFAEL SANTANA

# Closing comments



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# Attractive long-term financial profile

Resiliency tested and validated over past 5 years; 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

**MSD CORE ORGANIC  
GROWTH CAGR**

**+**

**250-300 BPS MARGIN  
EXPANSION**

**+**

**DISCIPLINED CAPITAL  
DEPLOYMENT**

**=**

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

The logo for WABTEC, consisting of the letters 'WABTEC' in a bold, red, sans-serif font.

# Key takeaways



**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

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2022 **INVESTOR  
CONFERENCE**



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# Appendix



# Transit segment operating margin reconciliation

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

| <i>In millions</i>                     | <u>2019</u>   | <u>2020</u>   | <u>2021</u>   |
|--|---------------|---------------|---------------|
| <b>Reported Income from Operations</b> | \$ 214        | \$ 230        | \$ 238        |
| <i>Reported Margin</i>                 | 7.8%          | 9.3%          | 9.2%          |
| Restructuring & Transaction costs      | 48            | 27            | 59            |
| Non-cash Amortization expense          | 19            | 20            | 20            |
| <b>Adjusted Income from Operations</b> | <u>\$ 281</u> | <u>\$ 277</u> | <u>\$ 317</u> |
| <i>Adjusted Margin</i>                 | 9.2%          | 11.2%         | 12.3%         |

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# 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<br>2021 Cash Conversion Calculation<br>(in millions) |  |   |                    |   |                          |
|---|--|---|--------------------|---|--------------------------|
|   | <u>Reported Cash<br/>from Operations</u> | ÷ | <u>(Net Income</u> | + <u>Depreciation &amp;<br/>Amortization)</u> | = <u>Cash Conversion</u> |
| Consolidated Results  | <u>\$1,073</u>                           |   | <u>\$565</u>       | <u>\$491</u>                                  | <u>102%</u>              |

| Wabtec Corporation<br>2020 Cash Conversion Calculation<br>(in millions) |  |   |                    |   |                          |
|---|--|---|--------------------|---|--------------------------|
|   | <u>Reported Cash<br/>from Operations</u> | ÷ | <u>(Net Income</u> | + <u>Depreciation &amp;<br/>Amortization)</u> | = <u>Cash Conversion</u> |
| Consolidated Results  | <u>\$784</u>                             |   | <u>\$412</u>       | <u>\$473</u>                                  | <u>89%</u>               |

| Wabtec Corporation<br>2019 Cash Conversion Calculation<br>(in millions) |  |   |                    |   |                          |
|---|--|---|--------------------|---|--------------------------|
|   | <u>Reported Cash<br/>from Operations</u> | ÷ | <u>(Net Income</u> | + <u>Depreciation &amp;<br/>Amortization)</u> | = <u>Cash Conversion</u> |
| Consolidated Results  | <u>\$1,016</u>                           |   | <u>\$327</u>       | <u>\$401</u>                                  | <u>140%</u>              |

# 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.

## Wabtec Corporation

### Return on invested capital calculation

(in millions)

|  | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|--|-------------|-------------|-------------|
| <b>Income from operations</b>          | \$ 663      | \$ 745      | \$ 876      |
| <b>Annual effective tax rate</b>       | 26.9%       | 26.0%       | 23.2%       |
| <b>Net operating profit after tax</b>  | \$ 485      | \$ 551      | \$ 673      |
| <b>Total Debt</b>                      | \$ 4,429    | \$ 4,239    | \$ 4,058    |
| <b>Operating lease liability</b>       | 273         | 295         | 318         |
| <b>Wabtec Equity</b>                   | 9,957       | 10,123      | 10,201      |
| <b>Noncontrolling interest</b>         | 37          | 30          | 38          |
| <b>Allowance for doubtful accounts</b> | 20          | 37          | 32          |
| <b>Net pension liabilities</b>         | 84          | 87          | 48          |
| <b>Total Invested Capital</b>          | \$ 14,800   | \$ 14,811   | \$ 14,695   |
| <b>Return on Invested Capital</b>      | <b>3.3%</b> | <b>3.7%</b> | <b>4.6%</b> |