

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

FORM 8-K

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

Date of Report (Date of Earliest Event Reported): November 1, 2022 (November 1, 2022)

WESTINGHOUSE AIR BRAKE TECHNOLOGIES
CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

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

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

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

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

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

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

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

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

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

Emerging growth company

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

Item 2.02 Results of Operations and Financial Condition

On November 1, 2022, Westinghouse Air Brake Technologies Corporation (the “Company”) issued a press release reporting, among other things, the Company’s 2022 third quarter results. A copy of this press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated into this Item 2.02 by reference. The Company is also furnishing an investor presentation relating to its third quarter of 2022 (the “Presentation”), which will be used by the management team for presentations to investors and others. A copy of the Presentation is attached hereto as Exhibit 99.2 and incorporated into this Item 2.02 by reference. The Presentation is also available on the Company’s web site at www.wabteccorp.com.

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

Item 7.01 Regulation FD Disclosure

On November 1, 2022, the Company issued a press release which, among other things, provided earnings guidance for fiscal year 2022. A copy of the press release is attached to this report as Exhibit 99.1 and the paragraph under the heading “2022 Financial Guidance” which discusses 2022 guidance is incorporated into this Item 7.01 by reference. The Company also furnished a Presentation relating to its first quarter of 2022, which is incorporated into this Item 7.01 by reference. A copy of the Presentation is attached to this report as Exhibit 99.2.

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

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

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

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release dated November 1, 2022
99.2	Wabtec Earnings Presentation, Third Quarter 2022
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

Caution Concerning Forward-Looking Statements

This communication contains “forward-looking” statements as that term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995, including statements regarding the impact of acquisitions by Wabtec, statements regarding Wabtec’s expectations about future sales and earnings, and statements about the impact of evolving global conditions on Wabtec’s business. All statements, other than historical facts, including statements regarding synergies and other expected benefits from acquisitions; statements regarding Wabtec’s plans, objectives, expectations and intentions; and statements regarding macro-economic conditions and evolving production and demand conditions; and any assumptions underlying any of the foregoing, are forward-looking statements. Forward-looking statements concern future circumstances and results and other statements that are not historical facts and are sometimes identified by the words “may,” “will,” “should,” “potential,” “intend,” “expect,” “endeavor,” “seek,” “anticipate,” “estimate,” “overestimate,” “underestimate,” “believe,” “could,” “project,” “predict,” “continue,” “target” or other similar words or expressions. Forward-looking statements are based upon current plans, estimates and expectations that are subject to risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements. The inclusion of such statements should not be regarded as a representation that such plans, estimates or expectations will be achieved. Important factors that could cause actual results to differ materially from such plans, estimates or expectations include, among others, (1) changes in general economic and/or industry specific conditions, including the impacts of tax and tariff programs, inflation, supply chain disruptions, foreign currency exchange, and industry consolidation; (2) changes in the financial condition or operating strategies of Wabtec’s customers; (3) unexpected costs, charges or expenses resulting from acquisitions and potential failure to realize synergies and other anticipated benefits of

acquisitions, including as a result of integrating acquired targets into Wabtec; (4) inability to retain and hire key personnel; (5) evolving legal, regulatory and tax regimes; (6) changes in the expected timing of projects; (7) a decrease in freight or passenger rail traffic; (8) an increase in manufacturing costs; (9) actions by third parties, including government agencies; (10) the severity and duration of the evolving COVID-19 pandemic and the resulting impact on the global economy and, in particular, our customers, suppliers and end-markets, (11) potential disruptions, instability, and volatility in global markets from the imposition of economic sanctions on Russia resulting from the invasion of Ukraine; (12) cybersecurity and data protection risks; and (13) other risk factors as detailed from time to time in Wabtec's reports filed with the SEC, including Wabtec's annual report on Form 10-K, periodic quarterly reports on Form 10-Q, current reports on Form 8-K and other documents filed with the SEC. The foregoing list of important factors is not exclusive. Any forward-looking statements speak only as of the date of this communication. Wabtec does not undertake any obligation to update any forward-looking statements, whether as a result of new information or development, future events or otherwise, except as required by law. Readers are cautioned not to place undue reliance on any of these forward-looking statements.

SIGNATURES

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

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION

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

(Duly Authorized Officer and Principal Financial Officer)

DATE: November 1, 2022

Wabtec Reports Strong Third Quarter 2022 Results

- **Sales Growth of 9.1% to \$2.08 Billion; Sales Up 14.3% Excluding Impacts of Foreign Currency Exchange**
- **Operating Margin of 12.5%, Up 1.1 Percentage Points; Strong Third Quarter Adjusted Operating Margin of 16.4%**
- **Third Quarter Reported GAAP Earnings Per Share of \$0.88; Adjusted Earnings Per Share of \$1.22**
- **Total Backlog of \$22.61 Billion, Up \$ 0.77 Billion and Up \$1.52 Billion Year-Over-Year on Constant Currency Basis; Provides Strong Multi-Year Momentum**

PITTSBURGH, November 1, 2022 – [Wabtec Corporation](#) (NYSE: WAB) today reported third quarter 2022 GAAP earnings per diluted share of \$0.88, up 27.5% versus the third quarter of 2021. Adjusted earnings per diluted share were \$1.22, up 7.0% versus the same quarter a year ago. Third quarter sales were \$2.08 billion, and cash from operations was \$204 million.

“The Wabtec team delivered a strong quarterly performance as evidenced by the growth in sales and earnings,” said Rafael Santana, Wabtec’s President and CEO. “The team’s disciplined execution and the strength of the underlying business enabled us to navigate a volatile and dynamic environment that included significant headwinds from negative foreign currency exchange, supply chain constraints, and high input costs.

“Looking forward, Wabtec is well-positioned to drive long-term profitable growth as the team continues to deliver for our customers and execute against our value creation framework. Our technologically differentiated portfolio of products and solutions, combined with our global installed base and multi-year backlog will allow us to capitalize on growth opportunities while remaining highly resilient.”

2022 Third Quarter Consolidated Results

\$ in millions except earnings per share and percentages; margin change in percentage points (pts)	Third Quarter		
	2022	2021	Change
Net Sales	\$ 2,081	\$ 1,907	9.1%
<i>GAAP Gross Margin</i>	<i>31.1%</i>	<i>31.6%</i>	<i>(0.5 pts)</i>
<i>Adjusted Gross Margin</i>	<i>31.4%</i>	<i>32.8%</i>	<i>(1.4 pts)</i>
<i>GAAP Operating Margin</i>	<i>12.5%</i>	<i>11.4%</i>	<i>1.1 pts</i>
<i>Adjusted Operating Margin</i>	<i>16.4%</i>	<i>17.0%</i>	<i>(0.6 pts)</i>
GAAP Diluted EPS	\$0.88	\$0.69	27.5%

Adjusted Diluted EPS	\$1.22	\$1.14	7.0%
Cash Flow from Operations	\$ 204	\$ 244	(16.4%)
<i>Operating Cash Flow Conversion</i>	<i>72%</i>	<i>96%</i>	

- Sales increased 9.1% compared to the year-ago quarter driven by significantly higher Freight segment sales, partially offset by lower Transit segment sales. On a constant currency basis, consolidated sales were up 14.3%.
- GAAP operating margin was up 1.1 percentage points behind lower restructuring and transaction costs. Adjusted operating margin was lower due to a less rich mix of sales from significantly higher locomotive sales in the quarter.
- GAAP and adjusted EPS increased from the year-ago quarter primarily due to higher sales and disciplined cost management. GAAP EPS further benefited from lower restructuring and transaction costs.

2022 Third Quarter Freight Segment Results

Net sales \$ in millions; margin change in percentage points (pts)	Third Quarter		
	2022	2021	Change
Net Sales	\$ 1,531	\$ 1,295	18.2%
<i>GAAP Gross Margin</i>	<i>32.5%</i>	<i>34.3%</i>	<i>(1.8 pts)</i>
<i>Adjusted Gross Margin</i>	<i>32.7%</i>	<i>34.3%</i>	<i>(1.6 pts)</i>
<i>GAAP Operating Margin</i>	<i>15.2%</i>	<i>15.1%</i>	<i>0.1 pts</i>
<i>Adjusted Operating Margin</i>	<i>19.9%</i>	<i>20.6%</i>	<i>(0.7 pts)</i>

- Freight segment sales for the third quarter were up across all product groups, with very strong growth in Equipment, Digital Electronics, and Services. On a constant currency basis sales were up 19.8%.
- GAAP operating margins were nearly flat to prior year and adjusted operating margin was lower as a result of significantly higher sales of locomotives during the quarter, partially offset by operational efficiencies and disciplined cost management.

2022 Third Quarter Transit Segment Results

Net sales \$ in millions; margin change in percentage points (pts)	Third Quarter		
	2022	2021	Change
Net Sales	\$ 550	\$ 612	(10.1%)
<i>GAAP Gross Margin</i>	<i>27.4%</i>	<i>25.9%</i>	<i>1.5 pts</i>
<i>Adjusted Gross Margin</i>	<i>27.5%</i>	<i>29.6%</i>	<i>(2.1 pts)</i>
<i>GAAP Operating Margin</i>	<i>9.6%</i>	<i>7.2%</i>	<i>2.4 pts</i>
<i>Adjusted Operating Margin</i>	<i>11.0%</i>	<i>12.5%</i>	<i>(1.5 pts)</i>

- Transit segment sales for the third quarter were down versus last year due to unfavorable foreign currency exchange and the carryover effects from the previously announced cyber incident in the second quarter. On a constant currency basis sales were up 2.6%.
- GAAP operating margin was up significantly as a result of lower restructuring and transaction costs, while adjusted operating margin was down as a result of costs associated with the cyber incident.

Backlog

Backlog \$ in millions	September 30,		
	2022	2021	Change
12-Month Backlog	\$ 6,267	\$ 5,708	9.8%
Total Backlog	\$ 22,610	\$ 21,844	3.5%

At September 30, 2022 the multi-year backlog was \$0.77 billion higher than September 30, 2021. Excluding unfavorable foreign currency exchange, the multi-year backlog was up \$1.52 billion, up 7.0%.

Cash Flow and Liquidity Summary

- During the third quarter, the Company generated cash from operations of \$204 million versus \$244 million in the year ago period. Cash from operations was lower driven by higher inventories, partially offset by increased net income.
- At the end of the quarter, the Company had cash and cash equivalents of \$514 million and total debt of \$4.08 billion. At September 30, 2022 the Company's total available liquidity was \$2.14 billion, which includes cash and cash equivalents plus \$1.63 billion available under current credit facilities.

2022 Financial Guidance

- Wabtec updated its 2022 financial guidance with sales expected to be in a range of \$8.15 billion to \$8.35 billion versus previous guidance of \$8.3 billion to \$8.6 billion. The reduction reflects the expected impacts from unfavorable foreign currency exchange in the second half of the year. Adjusted earnings per diluted share is expected to be in a range of \$4.75 to \$4.95 versus previous guidance of \$4.70 to \$5.00.
- For full year 2022, Wabtec expects strong cash flow generation with operating cash flow conversion greater than 90 percent.

Conference Call Information

Wabtec will host a call with analysts and investors at 8:30 a.m., ET, today. To listen via webcast, go to Wabtec's new website at www.WabtecCorp.com and click on "Events & Presentations" in the "Investor Relations" section. Also, an audio replay of the call will be available by calling 1-877-344-7529 or 1-412-317-0088 (access code: 2053871).



About Wabtec Corporation

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

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

Wabtec's earnings release and 2022 financial guidance mentions certain non-GAAP financial performance measures, including adjusted gross profit, adjusted operating expenses, adjusted operating margin, EBITDA, adjusted EBITDA, adjusted effective tax rate, adjusted income tax expense, adjusted income from operations, adjusted interest and other expense, adjusted earnings per diluted share and operating cash flow conversion. Wabtec is not presenting a quantitative reconciliation of our forecasted GAAP earnings per diluted share to forecasted adjusted earnings per diluted share as we are unable to predict with reasonable certainty and without unreasonable effort the impact and timing of restructuring-related and other charges, including acquisition-related expenses and the outcome of certain regulatory, legal and tax matters. The financial impact of these items is uncertain and is dependent on various factors, including timing, and could be material to our Consolidated Statements of Earnings. Wabtec defines EBITDA as earnings before interest, taxes, depreciation and amortization. Wabtec defines operating cash flow conversion as net cash provided by operating activities divided by net income plus depreciation and amortization including deferred debt cost amortization. While Wabtec believes these are useful supplemental measures for investors, they are not presented in accordance with GAAP. Investors should not consider non-GAAP measures in isolation or as a substitute for net income, cash flows from operations, or any other items calculated in accordance with GAAP. In addition, the non-GAAP financial measures included in this release have inherent material limitations as performance measures because they add back certain expenses incurred by the Company to GAAP financial measures, resulting in those expenses not being taken into account in the applicable non-GAAP financial measure. Because not all companies use identical calculations, Wabtec's presentation of non-GAAP financial measures may not be comparable to other similarly titled measures of other companies. Included in this release are reconciliation tables that provide details about how adjusted results relate to GAAP results.

This communication contains "forward-looking" statements as that term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995, including statements regarding the impact of acquisitions by Wabtec, statements regarding Wabtec's expectations about future sales and earnings, and statements about the impact of evolving global conditions on Wabtec's business. All statements, other than historical facts, including statements regarding synergies and other expected benefits from acquisitions; statements

regarding Wabtec's plans, objectives, expectations and intentions; and statements regarding macro-economic conditions and evolving production and demand conditions; and any assumptions underlying any of the foregoing, are forward-looking statements. Forward-looking statements concern future circumstances and results and other statements that are not historical facts and are sometimes identified by the words "may," "will," "should," "potential," "intend," "expect," "endeavor," "seek," "anticipate," "estimate," "overestimate," "underestimate," "believe," "could," "project," "predict," "continue," "target" or other similar words or expressions. Forward-looking statements are based upon current plans, estimates and expectations that are subject to risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements. The inclusion of such statements should not be regarded as a representation that such plans, estimates or expectations will be achieved. Important factors that could cause actual results to differ materially from such plans, estimates or expectations include, among others, (1) changes in general economic and/or industry specific conditions, including the impacts of tax and tariff programs, inflation, supply chain disruptions, foreign currency exchange, and industry consolidation; (2) changes in the financial condition or operating strategies of Wabtec's customers; (3) unexpected costs, charges or expenses resulting from acquisitions and potential failure to realize synergies and other anticipated benefits of acquisitions, including as a result of integrating acquired targets into Wabtec; (4) inability to retain and hire key personnel; (5) evolving legal, regulatory and tax regimes; (6) changes in the expected timing of projects; (7) a decrease in freight or passenger rail traffic; (8) an increase in manufacturing costs; (9) actions by third parties, including government agencies; (10) the severity and duration of the evolving COVID-19 pandemic and the resulting impact on the global economy and, in particular, our customers, suppliers and end-markets, (11) potential disruptions, instability, and volatility in global markets from the imposition of economic sanctions on Russia resulting from the invasion of Ukraine; (12) cybersecurity and data protection risks and (13) other risk factors as detailed from time to time in Wabtec's reports filed with the SEC, including Wabtec's annual report on Form 10-K, periodic quarterly reports on Form 10-Q, current reports on Form 8-K and other documents filed with the SEC. The foregoing list of important factors is not exclusive. Any forward-looking statements speak only as of the date of this communication. Wabtec does not undertake any obligation to update any forward-looking statements, whether as a result of new information or development, future events or otherwise, except as required by law. Readers are cautioned not to place undue reliance on any of these forward-looking statements.

Wabtec Investor Contact

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

Appendix A

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net sales	\$ 2,081	\$ 1,907	\$ 6,056	\$ 5,749
Cost of sales	(1,433)	(1,304)	(4,168)	(4,032)
Gross profit	648	603	1,888	1,717
<i>Gross profit as a % of Net Sales</i>	31.1%	31.6%	31.2%	29.9%
Selling, general and administrative expenses	(260)	(269)	(757)	(766)
Engineering expenses	(54)	(44)	(149)	(124)
Amortization expense	(73)	(73)	(218)	(215)
Total operating expenses	(387)	(386)	(1,124)	(1,105)
<i>Operating expenses as a % of Net Sales</i>	18.6%	20.2%	18.6%	19.2%
Income from operations	261	217	764	612
<i>Income from operations as a % of Net Sales</i>	12.5%	11.4%	12.6%	10.6%
Interest expense, net	(48)	(42)	(135)	(135)
Other income, net	4	-	15	25
Income before income taxes	217	175	644	502
Income tax expense	(54)	(43)	(162)	(130)
<i>Effective tax rate</i>	24.7%	24.8%	25.1%	26.0%
Net income	163	132	482	372
Less: Net income attributable to noncontrolling interest	(3)	(1)	(7)	(4)
Net income attributable to Wabtec shareholders	\$ 160	\$ 131	\$ 475	\$ 368
Earnings Per Common Share				
Basic				
Net income attributable to Wabtec shareholders	\$ 0.88	\$ 0.69	\$ 2.60	\$ 1.95
Diluted				
Net income attributable to Wabtec shareholders	\$ 0.88	\$ 0.69	\$ 2.59	\$ 1.95
Basic	181.3	187.6	182.6	188.2
Diluted	181.9	188.0	183.1	188.6
Segment Information				
Freight Net Sales	\$ 1,531	\$ 1,295	\$ 4,343	\$ 3,814
Freight Income from Operations	\$ 233	\$ 195	\$ 655	\$ 510
Freight Operating Margin	15.2%	15.1%	15.1%	13.4%
Transit Net Sales	\$ 550	\$ 612	\$ 1,713	\$ 1,935
Transit Income from Operations	\$ 53	\$ 44	\$ 168	\$ 159
Transit Operating Margin	9.6%	7.2%	9.8%	8.2%
Backlog Information (Note: 12-month is a sub-set of total)				
	September 30, 2022	June 30, 2022	September 30, 2021	
Freight Total	\$ 19,173	\$ 19,679	\$ 18,212	
Transit Total	3,437	3,548	3,632	
Wabtec Total	\$ 22,610	\$ 23,227	\$ 21,844	
Freight 12-Month	\$ 4,567	\$ 4,821	\$ 4,060	
Transit 12-Month	1,700	1,745	1,648	
Wabtec 12-Month	\$ 6,267	\$ 6,566	\$ 5,708	

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

Appendix B

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

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

Appendix C

<u>In millions</u>	Nine Months Ended September 30,	
	<u>2022</u>	<u>2021</u>
<i>Operating activities</i>		
Net income	\$ 482	\$ 372
Non-cash expense	355	373
Receivables	(39)	35
Inventories	(401)	(32)
Accounts Payable	232	41
Other assets and liabilities	(1)	(30)
Net cash provided by operating activities	628	759
Net cash used for investing activities	(149)	(475)
Net cash used for financing activities	(395)	(433)
Effect of changes in currency exchange rates	(43)	6
Increase (decrease) in cash	41	(143)
Cash and cash equivalents, beginning of period	473	599
Cash and cash equivalents, end of period	\$ 514	\$ 456

Set forth below is the calculation of the non-GAAP performance measures included in this press release. We believe that these measures provide useful supplemental information to assess our operating performance and to evaluate period-to-period comparisons. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, Wabtec's reported results prepared in accordance with GAAP.

Wabtec Corporation Reconciliation of Reported Results to Adjusted Results (in millions)										
	Third Quarter 2022 Actual Results									
	<u>Net Sales</u>	<u>Gross Profit</u>	<u>Operating Expenses</u>	<u>Income from Operations</u>	<u>Interest & Other Exp</u>	<u>Tax</u>	<u>Net Income</u>	<u>Noncontrolling Interest</u>	<u>Wabtec Net Income</u>	<u>EPS</u>
Reported Results	\$ 2,081	\$ 648	\$ (387)	\$ 261	\$ (44)	\$ (54)	\$ 163	\$ (3)	\$ 160	\$ 0.88
Restructuring & Transaction costs	-	5	4	9	-	(2)	7	-	7	\$ 0.04
Non-cash Amortization expense	-	-	73	73	-	(18)	55	-	55	\$ 0.30
Adjusted Results	\$ 2,081	\$ 653	\$ (310)	\$ 343	\$ (44)	\$ (74)	\$ 225	\$ (3)	\$ 222	\$ 1.22
Fully Diluted Shares Outstanding										181.9

Wabtec Corporation Reconciliation of Reported Results to Adjusted Results (in millions)										
	Third Quarter Year-to-Date 2022 Actual Results									
	<u>Net Sales</u>	<u>Gross Profit</u>	<u>Operating Expenses</u>	<u>Income from Operations</u>	<u>Interest & Other Exp</u>	<u>Tax</u>	<u>Net Income</u>	<u>Noncontrolling Interest</u>	<u>Wabtec Net Income</u>	<u>EPS</u>
Reported Results	\$ 6,056	\$ 1,888	\$ (1,124)	\$ 764	\$ (120)	\$ (162)	\$ 482	\$ (7)	\$ 475	\$ 2.59
Restructuring & Transaction costs	-	12	8	20	-	(5)	15	-	15	\$ 0.08
Non-cash Amortization expense	-	-	218	218	-	(54)	164	-	164	\$ 0.89
Adjusted Results	\$ 6,056	\$ 1,900	\$ (898)	\$ 1,002	\$ (120)	\$ (221)	\$ 661	\$ (7)	\$ 654	\$ 3.56
Fully Diluted Shares Outstanding										183.1

Set forth below is the calculation of the non-GAAP performance measures included in this press release. We believe that these measures provide useful supplemental information to assess our operating performance and to evaluate period-to-period comparisons. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, Wabtec's reported results prepared in accordance with GAAP.

Wabtec Corporation Reconciliation of Reported Results to Adjusted Results (in millions)										
	Third Quarter 2021 Actual Results									
	Net Sales	Gross Profit	Operating Expenses	Income from Operations	Interest & Other Exp	Tax	Net Income	Noncontrolling Interest	Wabtec Net Income	EPS
Reported Results	\$ 1,907	\$ 603	\$ (386)	\$ 217	\$ (42)	\$ (43)	\$ 132	\$ (1)	\$ 131	\$ 0.69
Restructuring & Transaction costs	-	23	12	35	-	(8)	27	-	27	\$ 0.14
Non-cash Amortization expense	-	-	73	73	-	(18)	55	-	55	\$ 0.29
Foreign Exchange Loss	-	-	-	-	3	(2)	1	-	1	\$ 0.02
Adjusted Results	\$ 1,907	\$ 626	\$ (301)	\$ 325	\$ (39)	\$ (71)	\$ 215	\$ (1)	\$ 214	\$ 1.14
Fully Diluted Shares Outstanding										<u>188.0</u>

Wabtec Corporation Reconciliation of Reported Results to Adjusted Results (in millions)										
	Third Quarter Year-to-Date 2021 Actual Results									
	Net Sales	Gross Profit	Operating Expenses	Income from Operations	Interest & Other Exp	Tax	Net Income	Noncontrolling Interest	Wabtec Net Income	EPS
Reported Results	\$ 5,749	\$ 1,717	\$ (1,105)	\$ 612	\$ (110)	\$ (130)	\$ 372	\$ (4)	\$ 368	\$ 1.95
Restructuring & Transaction costs	-	48	32	80	-	(19)	61	-	61	\$ 0.32
Non-cash Amortization expense	-	-	215	215	-	(56)	159	-	159	\$ 0.84
Foreign Exchange Gain	-	-	-	-	(8)	2	(6)	-	(6)	\$ (0.03)
Adjusted Results	\$ 5,749	\$ 1,765	\$ (858)	\$ 907	\$ (118)	\$ (203)	\$ 586	\$ (4)	\$ 582	\$ 3.08
Fully Diluted Shares Outstanding										<u>188.6</u>

Set forth below is the calculation of the non-GAAP performance measures included in this press release. We believe that these measures provide useful supplemental information to assess our operating performance and to evaluate period-to-period comparisons. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, Wabtec's reported results prepared in accordance with GAAP.

Wabtec Corporation 2022 Q3 EBITDA Reconciliation (in millions)										
	<u>Reported Income from Operations</u>	+	<u>Other Income (Expense)</u>	+	<u>Depreciation & Amortization</u>	= <u>EBITDA</u>	+	<u>Restructuring & Transaction Costs</u>	=	<u>Adjusted EBITDA</u>
Consolidated Results	\$261		\$4		\$117	\$382		\$9		\$391

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

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

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

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

Appendix G

In millions	Three Months Ended September 30,				Nine Months Ended September 30,			
	2022		2021		2022		2021	
	Gross Profit	Income from Operations	Gross Profit	Income from Operations	Gross Profit	Income from Operations	Gross Profit	Income from Operations
Freight Segment Reported Results	\$ 497	\$ 233	\$ 444	\$ 195	\$ 1,414	\$ 655	\$ 1,214	\$ 510
<i>Freight Segment Reported Margin</i>	32.5%	15.2%	34.3%	15.1%	32.6%	15.1%	31.8%	13.4%
Restructuring & Transaction costs	4	5	1	3	7	8	5	17
Non-cash Amortization expense	-	69	-	68	-	204	-	200
Freight Segment Adjusted Results	\$ 501	\$ 307	\$ 445	\$ 266	\$ 1,421	\$ 867	\$ 1,219	\$ 727
<i>Freight Segment Adjusted Margin</i>	32.7%	19.9%	34.3%	20.6%	32.7%	20.0%	31.8%	19.1%
Transit Segment Reported Results	\$ 151	\$ 53	\$ 159	\$ 44	\$ 474	\$ 168	\$ 503	\$ 159
<i>Transit Segment Reported Margin</i>	27.4%	9.6%	25.9%	7.2%	27.6%	9.8%	26.0%	8.2%
Restructuring & Transaction costs	1	3	22	28	5	10	43	54
Non-cash Amortization expense	-	4	-	5	-	14	-	15
Transit Segment Adjusted Results	\$ 152	\$ 60	\$ 181	\$ 77	\$ 479	\$ 192	\$ 546	\$ 229
<i>Transit Segment Adjusted Margin</i>	27.5%	11.0%	29.6%	12.5%	27.9%	11.2%	28.2%	11.8%

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

Appendix H

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

Set forth below is the calculation of the non-GAAP performance measures included in this press release. We believe that these measures provide useful supplemental information to assess our operating performance and to evaluate period-to-period comparisons. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, Wabtec's reported results prepared in accordance with GAAP.

Wabtec Corporation 2022 Q3 Cash Conversion Calculation (in millions)					
	<u>Reported Cash from Operations</u>	÷	<u>(Net Income</u>	+ <u>Depreciation & Amortization)</u>	= <u>Cash Conversion</u>
Consolidated Results	\$204		\$163	\$119	72%

Wabtec Corporation 2022 Q3 YTD Cash Conversion Calculation (in millions)					
	<u>Reported Cash from Operations</u>	÷	<u>(Net Income</u>	+ <u>Depreciation & Amortization)</u>	= <u>Cash Conversion</u>
Consolidated Results	\$628		\$482	\$359	75%

Wabtec Corporation 2021 Q3 Cash Conversion Calculation (in millions)					
	<u>Reported Cash from Operations</u>	÷	<u>(Net Income</u>	+ <u>Depreciation & Amortization)</u>	= <u>Cash Conversion</u>
Consolidated Results	\$244		\$132	\$122	96%

Wabtec Corporation 2021 Q3 YTD Cash Conversion Calculation (in millions)					
	<u>Reported Cash from Operations</u>	÷	<u>(Net Income</u>	+ <u>Depreciation & Amortization)</u>	= <u>Cash Conversion</u>
Consolidated Results	\$759		\$372	\$368	103%



THIRD QUARTER 2022

Wabtec Financial Results & Company Highlights

Forward looking statements & non-GAAP financial information

This communication contains "forward-looking" statements as that term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995, including statements regarding the impact of acquisitions by Wabtec, statements regarding Wabtec's expectations about future sales and earnings and statements about the impact of evolving global conditions on Wabtec's business. All statements, other than historical facts, including statements regarding synergies and other expected benefits from acquisitions; statements regarding Wabtec's plans, objectives, expectations and intentions; and statements regarding macro-economic conditions and evolving production and demand conditions; and any assumptions underlying any of the foregoing, are forward-looking statements. Forward-looking statements concern future circumstances and results and other statements that are not historical facts and are sometimes identified by the words "may," "will," "should," "potential," "intend," "expect," "endeavor," "seek," "anticipate," "estimate," "overestimate," "underestimate," "believe," "could," "project," "predict," "continue," "target" or other similar words or expressions. Forward-looking statements are based upon current plans, estimates and expectations that are subject to risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements. The inclusion of such statements should not be regarded as a representation that such plans, estimates or expectations will be achieved. Important factors that could cause actual results to differ materially from such plans, estimates or expectations include, among others, (1) changes in general economic and/or industry specific conditions, including the impacts of tax and tariff programs, inflation, supply chain disruptions, foreign currency exchange, and industry consolidation; (2) changes in the financial condition or operating strategies of Wabtec's customers; (3) unexpected costs, charges or expenses resulting from acquisitions and potential failure to realize synergies and other anticipated benefits of acquisitions, including as a result of integrating acquired targets into Wabtec; (4) inability to retain and hire key personnel; (5) evolving legal, regulatory and tax regimes; (6) changes in the expected timing of projects; (7) a decrease in freight or passenger rail traffic; (8) an increase in manufacturing costs; (9) actions by third parties, including government agencies; (10) the severity and duration of the evolving COVID-19 pandemic and the resulting impact on the global economy and, in particular, our customers, suppliers and end-markets, (11) potential disruptions, instability, and volatility in global markets from the imposition of economic sanctions on Russia resulting from the invasion of Ukraine; (12) cybersecurity and data protection risks and (13) other risk factors as detailed from time to time in Wabtec's reports filed with the SEC, including Wabtec's annual report on Form 10-K, periodic quarterly reports on Form 10-Q, current reports on Form 8-K and other documents filed with the SEC. The foregoing list of important factors is not exclusive. Any forward-looking statements speak only as of the date of this communication. Wabtec does not undertake any obligation to update any forward-looking statements, whether as a result of new information or development, future events or otherwise, except as required by law. Readers are cautioned not to place undue reliance on any of these forward-looking statements.

This presentation as well as Wabtec's earnings release and 2022 financial guidance mention certain non-GAAP financial performance measures, including adjusted gross profit, adjusted operating expenses, adjusted income from operations, adjusted interest and other expense, adjusted operating margin, adjusted income tax expense, adjusted effective tax rate, adjusted earnings per diluted share, EBITDA and adjusted EBITDA, net debt and operating cash flow conversion rate. Wabtec defines EBITDA as earnings before interest, taxes, depreciation and amortization. Wabtec defines operating cash flow conversion as net cash provided by operating activities divided by net income plus depreciation and amortization including deferred debt cost amortization. While Wabtec believes these are useful supplemental measures for investors, they are not presented in accordance with GAAP. Investors should not consider non-GAAP measures in isolation or as a substitute for net income, cash flows from operations, or any other items calculated in accordance with GAAP. In addition, the non-GAAP financial measures included in this presentation have inherent material limitations as performance measures because they add back certain expenses incurred by the company to GAAP financial measures, resulting in those expenses not being taken into account in the applicable non-GAAP financial measure. Because not all companies use identical calculations, Wabtec's presentation of non-GAAP financial measures may not be comparable to other similarly titled measures of other companies. Included in this presentation are reconciliation tables that provide details about how adjusted results relate to GAAP results. Wabtec is not presenting a quantitative reconciliation of its forecasted GAAP earnings per diluted share to forecasted adjusted earnings per diluted share as it is unable to predict with reasonable certainty and without unreasonable effort the impact and timing of restructuring-related expenses and the outcome of certain regulatory, legal and tax matters; the financial impact of these items is uncertain and is dependent on various factors, including the timing, and could be material to Wabtec's Consolidated Statement of Earnings.

Today's participants

PRESENTERS



RAFAEL SANTANA

*President & Chief
Executive Officer*



JOHN OLIN

*Executive Vice President
& Chief Financial Officer*

INVESTOR RELATIONS



KRISTINE KUBACKI

*Vice President,
Investor Relations*

WABTEC

3Q 2022 overview

3Q 2022 HIGHLIGHTS

SALES	\$2.08B	Up 9.1% YoY	Sales were up 14.3% excluding foreign currency exchange ... driven by strong Freight segment growth
ADJUSTED OPERATING MARGIN ⁽²⁾	16.4%	GAAP: 12.5%	Higher sales growth and improved productivity ... by mix driven by higher locomotive sales
ADJUSTED EARNINGS PER SHARE ⁽²⁾	\$1.22	GAAP: \$0.88	Adjusted EPS up 7.0% YoY ... driven by strong Freight segment sales
CASH FLOW FROM OPERATIONS ⁽¹⁾	\$204M		YTD cash flow from operations of \$628M ... continue to invest for growth and maximize returns to shareholders
BACKLOG	\$22.61B		Backlog provides improved multi-year visibility ... up \$0.77B YoY and up \$1.52B excluding FX impacts

STRONG MULTI-YEAR BACKLOG DRIVING PROFITABLE GROWTH

4 (1) Quarterly benefit from securitization of accounts receivable was \$25 million
(2) Adjusted numbers represent non-GAAP financial measures, see Appendix for additional details and reconciliation

WABTEC

2022 Market Expectations

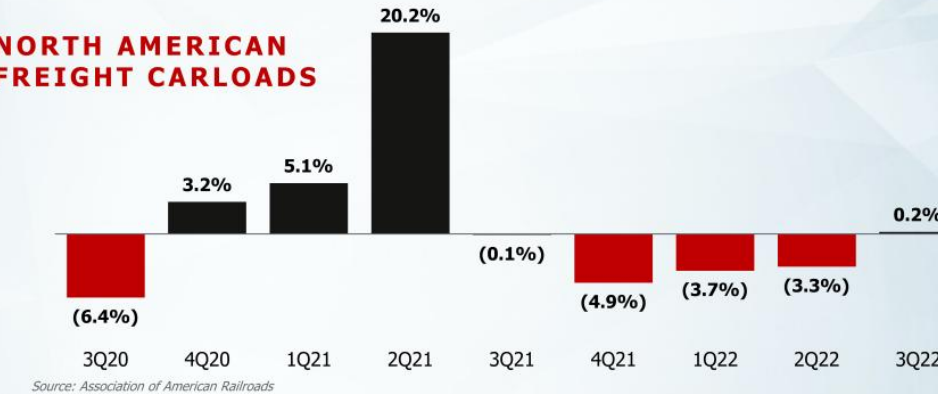
FREIGHT

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

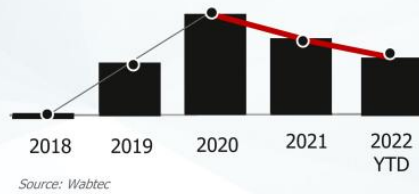
TRANSIT

Infrastructure Investment	+
Global Ridership	+

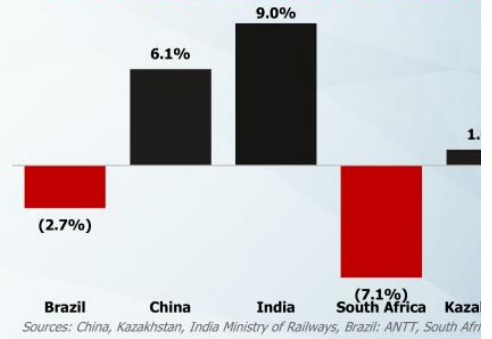
NORTH AMERICAN FREIGHT CARLOADS



AVG. NORTH AMERICAN PARKED LOCOMOTIVES



YTD 2022 FREIGHT VOLUME



Executing on our value creation framework



DRIVERS OF PORTFOLIO GROWTH

- » Accelerate innovation of scalable technologies
- » Grow and refresh expansive global installed base
- » Lead decarbonization of rail
- » Expand high-margin recurring revenue streams
- » Drive continuous operational improvement

RECENT WINS

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

Signed key orders in Australia and Africa for kits and locomotives

300 platform door order in Central America

Signed 5-year European locomotive services contract with Akiem

Resilient portfolio through the cycle

Favorable end-markets



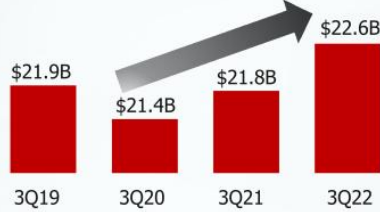
FREIGHT

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

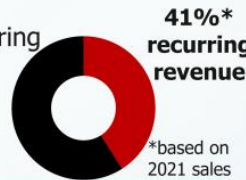
TRANSIT

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

Robust backlog & recurring revenue



- Strong 12-month and multi-year backlog provides resiliency and visibility despite macro volatility
- Significant recurring revenue base drives ~60% of profits



Demonstrated execution

ADJ EBIT MARGIN ⁽¹⁾



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

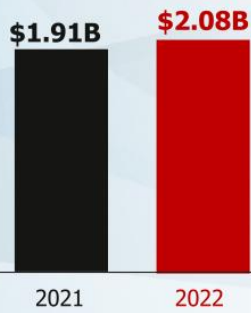
STRONG OUTLOOK UNDERPINNED BY RESILIENT AND PREDICTABLE EARNINGS

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

3Q 2022 financial summary

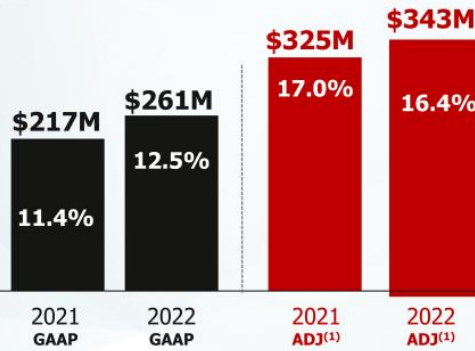
STRONG SALES GROWTH AND INCREASED ADJ EPS DESPITE DISRUPTIONS AND MACRO VOLATILITY

SALES



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

OPERATING INCOME/ OPERATING MARGIN



0.6 PTS OF ADJ MARGIN DECLINE

EPS



7.0% ADJ EPS INCREASE

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

WABTEC

3Q 2022 sales



(\$ in millions)

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

3Q KEY DRIVERS

EQUIPMENT

Significantly higher international locomotives deliveries

COMPONENTS

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

DIGITAL ELECTRONICS

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

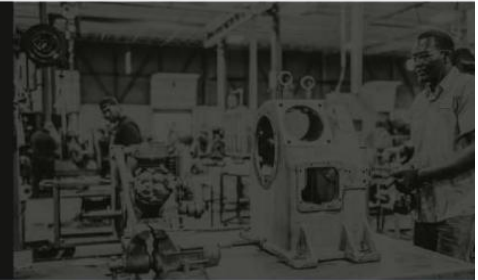
SERVICES

Higher active locomotive fleet and increased modernizations

TRANSIT

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

3Q 2022 consolidated adjusted gross profit



(\$ in millions)

3Q ^{(1) (2)}

2021 ADJ GROSS PROFIT **\$626**

% Adj Gross Profit Margin *32.8%*

Volume ↑↑

Mix/Pricing ↑

Raw Materials ↓

Currency ↓

Manufacturing/Other ↑

2022 ADJ GROSS PROFIT **\$653**

% Adj Gross Profit Margin *31.4%*

3Q KEY DRIVERS

VOLUME

Freight segment sales growth of 18.2%

MIX/PRICING

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

RAW MATERIALS

Costs pressures from higher metals and fuel

CURRENCY

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

MANUFACTURING/OTHER

Productivity gains, largely offset by higher transportation and logistics costs

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

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

3Q 2022 consolidated adjusted operating income

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

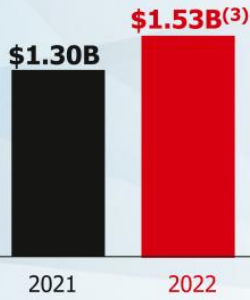
ADJ OPERATING INCOME UP YEAR-OVER-YEAR ON HIGHER GROSS PROFIT PARTIALLY OFFSET BY INCREASED ENGINEERING INVESTMENT

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

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

3Q 2022 Freight segment performance

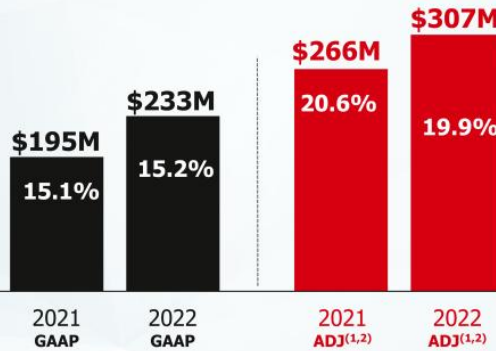
SALES



18.2% INCREASE

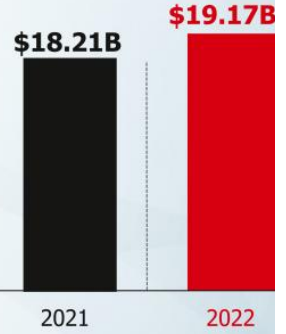
(UP 19.8% YoY EX-CURRENCY)

OPERATING INCOME/ OPERATING MARGIN



0.7 PTS OF ADJ MARGIN DECLINE

BACKLOG

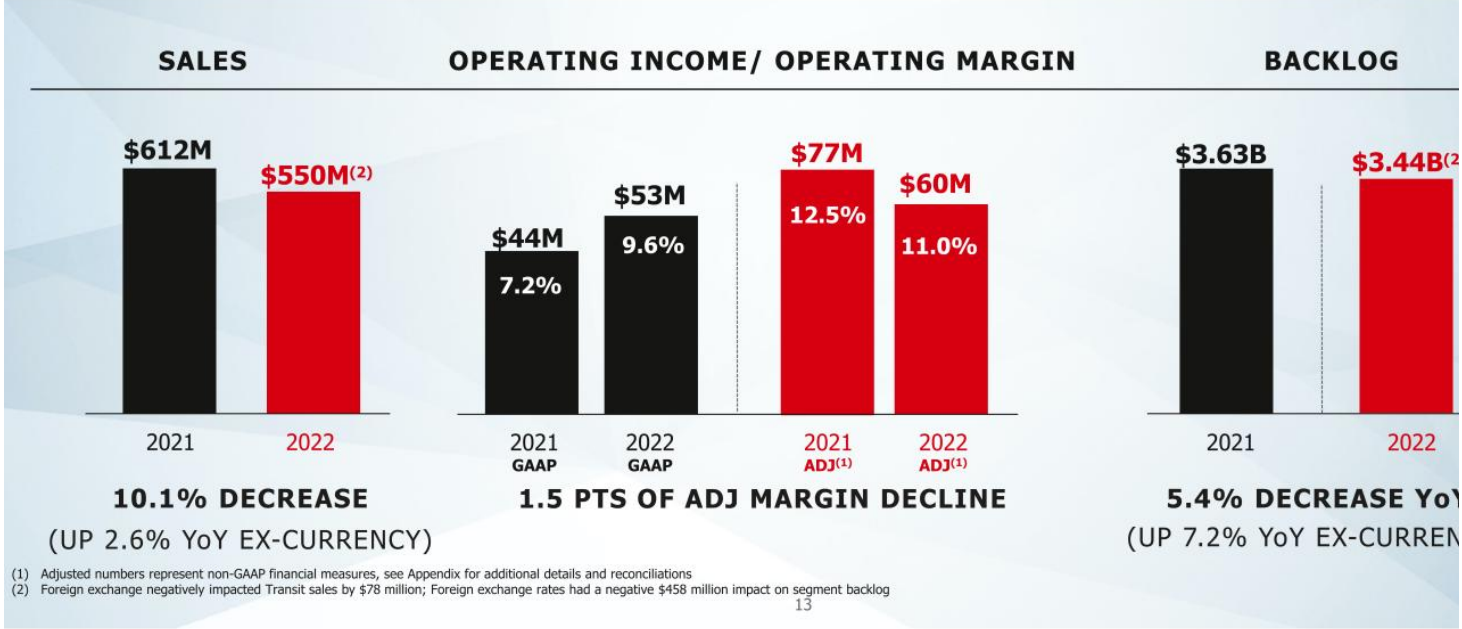


5.3% INCREASE YoY

(UP 6.9% YoY EX-CURRENCY)

(1) Adjusted numbers represent non-GAAP financial measures, see Appendix for additional details and reconciliations
 (2) Freight segment operating income was positively impacted by below-market intangible amortization of \$14 million, down \$2 million from 3Q 2021
 (3) Foreign exchange negatively impacted Freight sales by \$21 million; Foreign exchange rates had a negative \$298 million impact on segment backlog

3Q 2022 Transit segment performance



Resilient business allows for execution on financial priorities

FOCUSED ON CASH CONVERSION CASH FROM OPS ⁽¹⁾



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

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

STRONG FINANCIAL POSITION ADJ LEVERAGE



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

Strengthening balance sheet ... strong liquidity of \$2.14B ⁽³⁾

RETURN CAPITAL TO SHAREHOLDERS



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

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

(1) Cash from Operations conversion % is defined as GAAP Cash from Operations divided by GAAP net income plus depreciation and amortization including deferred debt cost amortization
 (2) Net debt is defined as total debt minus cash and cash equivalents; adjusted leverage is defined as net debt divided by trailing 12-month adjusted EBITDA
 (3) At September 30, 2022, the Company's total available liquidity was \$2.14 billion, which includes cash and cash equivalents of \$0.51 billion plus \$1.63 billion available under current credit facilities

WABTEC

2022 outlook and guidance

REVENUES

\$8.15B to \$8.35B

ADJUSTED EPS

\$4.75 to \$4.95

CASH CONVERSION ⁽¹⁾

>90%

BROAD-BASED RECOVERY ACROSS PORTFOLIO

EQUIPMENT

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

COMPONENTS

Railcars coming out of storage ... higher railcar build

SERVICES

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

DIGITAL ELECTRONICS

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

TRANSIT

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

KEY ASSUMPTIONS

Adjusted operating margin up

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

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

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

(1) Cash from operations conversion % is defined as cash from operations divided by GAAP net income plus depreciation and amortization including deferred debt cost amortization

Key takeaways



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

Income statement

Appendix A (1 of 2)

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

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



Income statement (cont.)

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

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



Balance sheet

Appendix B

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

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



Cash flow

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

<i><u>In millions</u></i>	Nine Months Ended September 30,	
	<u>2022</u>	<u>2021</u>
<i>Operating activities</i>		
Net income	\$ 482	\$ 372
Non-cash expense	355	373
Receivables	(39)	35
Inventories	(401)	(32)
Accounts Payable	232	41
Other assets and liabilities	(1)	(30)
Net cash provided by operating activities	628	759
Net cash used for investing activities	(149)	(475)
Net cash used for financing activities	(395)	(433)
Effect of changes in currency exchange rates	(43)	6
Increase (decrease) in cash	41	(143)
Cash and cash equivalents, beginning of period	473	599
Cash and cash equivalents, end of period	\$ 514	\$ 456



EPS

and non-GAAP Reconciliation

Set forth below is the calculation of the non-GAAP performance measures included in this press release. We believe that these measures provide useful supplemental information to assess our operating performance and evaluate period-to-period comparisons. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, Wabtec's reported results prepared in accordance with GAAP.

Wabtec Corporation Reconciliation of Reported Results to Adjusted Results (in millions)		Third Quarter 2022 Actual Results								
		Net Sales	Gross Profit	Operating Expenses	Income from Operations	Interest & Other Exp	Tax	Net Income	Noncontrolling Interest	Wabtec Net Income
Reported Results	\$ 2,081	\$ 648	\$ (387)	\$ 261	\$ (44)	\$ (54)	\$ 163	\$ (3)	\$ 160	
Restructuring & Transaction costs	-	5	4	9	-	(2)	7	-	7	
Non-cash Amortization expense	-	-	73	73	-	(18)	55	-	55	
Adjusted Results	\$ 2,081	\$ 653	\$ (310)	\$ 343	\$ (44)	\$ (74)	\$ 225	\$ (3)	\$ 222	
Fully Diluted Shares Outstanding										

Wabtec Corporation Reconciliation of Reported Results to Adjusted Results (in millions)		Third Quarter Year-to-Date 2022 Actual Results								
		Net Sales	Gross Profit	Operating Expenses	Income from Operations	Interest & Other Exp	Tax	Net Income	Noncontrolling Interest	Wabtec Net Income
Reported Results	\$ 6,056	\$ 1,888	\$ (1,124)	\$ 764	\$ (120)	\$ (162)	\$ 482	\$ (7)	\$ 475	
Restructuring & Transaction costs	-	12	8	20	-	(5)	15	-	15	
Non-cash Amortization expense	-	-	218	218	-	(54)	164	-	164	
Adjusted Results	\$ 6,056	\$ 1,900	\$ (898)	\$ 1,002	\$ (120)	\$ (221)	\$ 661	\$ (7)	\$ 654	
Fully Diluted Shares Outstanding										



EPS and non-GAAP Reconciliation

Set forth below is the calculation of the non-GAAP performance measures included in this press release. We believe that these measures provide useful supplemental information to assess our operating performance and evaluate period-to-period comparisons. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, Wabtec's reported results prepared in accordance with GAAP.

Wabtec Corporation Reconciliation of Reported Results to Adjusted Results (in millions)										
	Third Quarter 2021 Actual Results									
	Net Sales	Gross Profit	Operating Expenses	Income from Operations	Interest & Other Exp	Tax	Net Income	Noncontrolling Interest	Wabtec Net Income	EPS
Reported Results	\$ 1,907	\$ 603	\$ (386)	\$ 217	\$ (42)	\$ (43)	\$ 132	\$ (1)	\$ 131	\$ (
Restructuring & Transaction costs	-	23	12	35	-	(8)	27	-	27	\$ (
Non-cash Amortization expense	-	-	73	73	-	(18)	55	-	55	\$ (
Foreign Exchange Loss	-	-	-	-	3	(2)	1	-	1	\$ (
Adjusted Results	\$ 1,907	\$ 626	\$ (301)	\$ 325	\$ (39)	\$ (71)	\$ 215	\$ (1)	\$ 214	\$ 1
Fully Diluted Shares Outstanding	18									

Wabtec Corporation Reconciliation of Reported Results to Adjusted Results (in millions)										
	Third Quarter Year-to-Date 2021 Actual Results									
	Net Sales	Gross Profit	Operating Expenses	Income from Operations	Interest & Other Exp	Tax	Net Income	Noncontrolling Interest	Wabtec Net Income	EPS
Reported Results	\$ 5,749	\$ 1,717	\$ (1,105)	\$ 612	\$ (110)	\$ (130)	\$ 372	\$ (4)	\$ 368	\$ 1
Restructuring & Transaction costs	-	48	32	80	-	(19)	61	-	61	\$ (
Non-cash Amortization expense	-	-	215	215	-	(56)	159	-	159	\$ (
Foreign Exchange Gain	-	-	-	-	(8)	2	(6)	-	(6)	\$ (
Adjusted Results	\$ 5,749	\$ 1,765	\$ (858)	\$ 907	\$ (118)	\$ (203)	\$ 586	\$ (4)	\$ 582	\$ 1
Fully Diluted Shares Outstanding	18									



EBITDA reconciliation

Set forth below is the calculation of the non-GAAP performance measures included in this press release. We believe that these measures provide useful supplemental information to assess our operating performance and to evaluate period-to-period comparisons. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, Wabtec's reported results prepared in accordance with GAAP.

Wabtec Corporation 2022 Q3 EBITDA Reconciliation (in millions)						
	Reported Income from Operations	+ Other Income (Expense)	+ Depreciation & Amortization	= EBITDA	+ Restructuring & Transaction Costs	= Adjusted EBITDA
Consolidated Results	\$261	\$4	\$117	\$382	\$9	\$391

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

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

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



Sales by product line

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

<i>In millions</i>	Three Months Ended September 30,	
	<u>2022</u>	<u>2021</u>
Freight Segment		
Equipment	\$ 443	\$ 335
Components	232	222
Digital Electronics	187	155
Services	669	583
Total Freight Segment	<u>\$ 1,531</u>	<u>\$ 1,295</u>
Transit Segment		
Original Equipment Manufacturer	\$ 264	\$ 287
Aftermarket	286	325
Total Transit Segment	<u>\$ 550</u>	<u>\$ 612</u>
<i>In millions</i>	Nine Months Ended September 30,	
	<u>2022</u>	<u>2021</u>
Freight Segment		
Equipment	\$ 1,098	\$ 925
Components	695	649
Digital Electronics	504	473
Services	2,046	1,767
Total Freight Segment	<u>\$ 4,343</u>	<u>\$ 3,814</u>
Transit Segment		
Original Equipment Manufacturer	\$ 815	\$ 894
Aftermarket	898	1,041
Total Transit Segment	<u>\$ 1,713</u>	<u>\$ 1,935</u>



Segment gross margin & operating margin reconciliation

Appen

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

In millions	Three Months Ended September 30,				Nine Months Ended September 30,			
	2022		2021		2022		2021	
	Gross Profit	Income from Operations	Gross Profit	Income from Operations	Gross Profit	Income from Operations	Gross Profit	Income from Operations
Freight Segment Reported Results	\$ 497	\$ 233	\$ 444	\$ 195	\$ 1,414	\$ 655	\$ 1,214	\$ 567
<i>Freight Segment Reported Margin</i>	32.5%	15.2%	34.3%	15.1%	32.6%	15.1%	31.8%	15.1%
Restructuring & Transaction costs	4	5	1	3	7	8	5	3
Non-cash Amortization expense	-	69	-	68	-	204	-	197
Freight Segment Adjusted Results	\$ 501	\$ 307	\$ 445	\$ 266	\$ 1,421	\$ 867	\$ 1,219	\$ 767
<i>Freight Segment Adjusted Margin</i>	32.7%	19.9%	34.3%	20.6%	32.7%	20.0%	31.8%	20.6%
Transit Segment Reported Results	\$ 151	\$ 53	\$ 159	\$ 44	\$ 474	\$ 168	\$ 503	\$ 168
<i>Transit Segment Reported Margin</i>	27.4%	9.6%	25.9%	7.2%	27.6%	9.8%	26.0%	9.8%
Restructuring & Transaction costs	1	3	22	28	5	10	43	10
Non-cash Amortization expense	-	4	-	5	-	14	-	14
Transit Segment Adjusted Results	\$ 152	\$ 60	\$ 181	\$ 77	\$ 479	\$ 192	\$ 546	\$ 192
<i>Transit Segment Adjusted Margin</i>	27.5%	11.0%	29.6%	12.5%	27.9%	11.2%	28.2%	11.2%



Segment sales reconciliation

Appen

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

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



Cash conversion reconciliation

Set forth below is the calculation of the non-GAAP performance measures included in this press release. We believe that these measures provide useful supplemental information to assess our operating performance and to evaluate period-to-period comparisons. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, Wabtec's reported results prepared in accordance with GAAP.

Wabtec Corporation 2022 Q3 Cash Conversion Calculation (in millions)					
	<u>Reported Cash from Operations</u>	÷	<u>(Net Income</u>	+ <u>Depreciation & Amortization)</u>	= <u>Cash Conversion</u>
Consolidated Results	\$204		\$163	\$119	72%

Wabtec Corporation 2022 Q3 YTD Cash Conversion Calculation (in millions)					
	<u>Reported Cash from Operations</u>	÷	<u>(Net Income</u>	+ <u>Depreciation & Amortization)</u>	= <u>Cash Conversion</u>
Consolidated Results	\$628		\$482	\$359	75%

Wabtec Corporation 2021 Q3 Cash Conversion Calculation (in millions)					
	<u>Reported Cash from Operations</u>	÷	<u>(Net Income</u>	+ <u>Depreciation & Amortization)</u>	= <u>Cash Conversion</u>
Consolidated Results	\$244		\$132	\$122	96%

Wabtec Corporation 2021 Q3 YTD Cash Conversion Calculation (in millions)					
	<u>Reported Cash from Operations</u>	÷	<u>(Net Income</u>	+ <u>Depreciation & Amortization)</u>	= <u>Cash Conversion</u>
Consolidated Results	\$759		\$372	\$368	103%



