

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): January 13, 2025

**WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION**

(Exact Name of Registrant as Specified in Its Charter)

Delaware  
(State or other Jurisdiction  
of Incorporation)

033-90866  
(Commission File No.)

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

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

15212  
(Zip Code)

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

Not Applicable  
(Former Name or Former Address, if Changed Since Last Report.)

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

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

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

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common Stock, \$0.01 par value per share	WAB	New York Stock Exchange

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

Emerging growth company

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

**Item 2.02. Results of Operations and Financial Condition.**

As discussed in Item 7.01 below, on January 14, 2025, Westinghouse Air Brake Technologies Corporation (the “Company”) published a presentation relating to the acquisition discussed in Item 8.01 below, which presentation is furnished as Exhibit 99.2.

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

**Item 7.01. Regulation FD Disclosure.**

On January 14, 2025, the Company published a press release relating to the acquisition discussed in Item 8.01 below. A copy of the press release is furnished as Exhibit 99.1. The Company is also furnishing a presentation relating to the acquisition, a copy of which is furnished as Exhibit 99.2.

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

**Item 8.01. Other Events.**

On January 14, 2025, the Company announced that it had entered into a definitive agreement, dated January 13, 2025, to acquire Evident Inspection Technologies (“Evident”), a business line of Evident Corporation. Evident is a global leader in Non-Destructive Testing, Remote Visual Inspection and Analytical Instruments solutions for mission critical assets. Recognized for its industry-leading brands and reference-standard technologies, Evident brings highly attractive and complementary technologies to Wabtec’s Digital Intelligence business. The acquisition of Evident significantly expands Wabtec’s capabilities, adding automated inspection capabilities, and augments Wabtec’s existing offerings in the rail, mining and industrial sectors while also broadening Wabtec’s reach into other complementary sectors.

Headquartered near Boston, Massachusetts, Evident serves its global customer base through four engineering and production facilities in North America and Japan with more than 1,300 team members.

The Company agreed to acquire Evident for \$1.78 billion, subject to customary adjustments. The transaction is subject to customary closing conditions and regulatory approvals, with the Company expecting to finalize the purchase of Evident in the first half of 2025.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

<b>Exhibit No.</b>	<b>Description</b>
<a href="#">99.1</a>	Press Release dated January 14, 2025
<a href="#">99.2</a>	Presentation dated January 14, 2025
104	Cover Page Interactive Data File within the Inline XBRL document.

**Caution Concerning Forward-Looking Statements**

This communication contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding the expected benefits of the acquisition, including anticipated synergies and the expected impact on Wabtec's operational and financial performance, and the expected timing of the transaction. Forward-looking statements concern future circumstances and results and other statements that are not historical facts and are sometimes identified by the words "anticipate," "estimate," "expect," "outlook," "position," "project," "recur," "strategy," and "will" or other similar words or expressions. Forward-looking statements are based upon current plans, assumptions, estimates and expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied. Important factors that could cause actual results to differ materially from such plans, estimates or expectations include, among others, (1) the risk that the proposed transaction may not be completed in the time frame expected by Wabtec or at all; (2) the potential for unexpected costs, charges or expenses resulting from the proposed transaction; (3) uncertainty of the expected financial performance of Evident and the combined company following completion of the proposed transaction; (4) risks associated with the integration of Evident and the potential for failure to realize the anticipated benefits and synergies of the proposed transaction; (5) the ability of the combined company to implement its business strategy; (6) inability to retain key personnel; (7) changes in general economic and/or industry specific conditions; and (7) other risk factors as detailed from time to time in Wabtec's reports filed with the Securities and Exchange Commission. The foregoing list of important factors is not exclusive.

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**SIGNATURE**

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

WESTINGHOUSE AIR BRAKE  
TECHNOLOGIES CORPORATION

By: /s/ David L. DeNinno  
**David L. DeNinno**  
Executive Vice President, General  
Counsel and Secretary

Date: January 14, 2025

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#### **Wabtec to Acquire Evident's Inspection Technologies Division**

- *Attractive purchase multiple of 12.0x 2025 Projected Adj. EBITDA supported by high single-digit revenue growth outlook, accretive Adj. EBIT margins and accretive ROIC*
- *Accelerates the growth of Digital Intelligence by leveraging scalable technologies that drive customer productivity, reliability and safety*
- *Expands offerings with Wabtec's existing customers in rail, mining & industrial sectors*

**PITTSBURGH**, January 14, 2025 – Wabtec Corporation (NYSE: WAB) announced a definitive agreement to acquire Evident's Inspection Technologies division (Inspection Technologies), formerly part of the Scientific Solutions Division of Olympus Corporation, a global leader in Non-Destructive Testing, Remote Visual Inspection and Analytical Instruments solutions for mission critical assets. Recognized for its industry-leading brands and reference-standard technologies, Inspection Technologies brings highly attractive and complementary technologies to Wabtec's Digital Intelligence business. This acquisition positions Wabtec for accelerated, profitable growth while reinforcing its strong commitment to enhancing customer productivity, reliability and safety.

With a 50-year legacy of innovation and commitment in advancing mission-critical applications, Inspection Technologies serves its global customer base through a geographically distributed sales force and four engineering and production facilities in North America and Japan with more than 1,300 team members.

"The addition of Inspection Technologies aligns with our growth strategy to accelerate the innovation of scalable technologies, increase our installed base, expand high margin recurring revenues and continuously drive operational performance," said Rafael Santana, President and CEO of Wabtec.

"I am incredibly excited to partner with Evident's talented Inspection Technologies team to further enhance our presence in key markets and applications. Together, we will drive profitable growth, lead in customer value and innovation, and maximize value creation. Inspection Technologies will augment our existing offerings in the rail, mining and industrial sectors while broadening our reach into other high growth, high margin complementary sectors," said Nalin Jain, President of Wabtec's Digital Intelligence Group.

Inspection Technologies' leading industry presence and innovative product portfolio will significantly expand Wabtec's capabilities, adding advanced automated inspection capabilities, driving technology in a space where data acquisition, analytics and automation are critical. Moreover, the integration of Inspection Technologies into Wabtec will leverage Wabtec's extensive software development expertise, engineering depth and focus on operational excellence to deliver superior solutions to customers.

"Our deep expertise, shared commitment to innovation and strong customer relationships will unlock significant value. The combination of our two skilled teams and complementary portfolios will accelerate the development of first-class, intelligent monitoring solutions to meet the changing needs of the industries we serve," said Karen Smith, Executive Vice President of Evident Inspection Technologies.

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Headquartered near Boston, MA, Evident's Inspection Technologies division is expected to achieve approximately \$433 million in revenue for calendar year 2024, with EBITDA of approximately \$112 million, translating to a margin of 25.9%. Beyond its strong financial performance, Inspection Technologies adds a highly stable and predictable revenue base, bolstered by a recurring revenue stream of approximately 68%.

This acquisition expands Wabtec's Digital Intelligence business growth opportunities, effectively doubling the size of its total addressable market (TAM) from approximately \$8 billion to \$16 billion, while enhancing its ability to deliver innovative solutions to a broader range of customers.

Wabtec agreed to acquire Evident's Inspection Technologies division for \$1.78 billion (~\$1.68 billion after tax benefits), subject to customary adjustments. The transaction is anticipated to provide immediate shareholder value with a high single-digit revenue growth outlook, accretive Adjusted EBIT margins and accretive return on invested capital (ROIC) over time. Additionally, the acquisition is projected to be slightly accretive to Adjusted EPS in the first year of ownership. The purchase price reflects an estimated multiple of 12.0x projected 2025 EBITDA adjusted for transaction and separation costs, anticipated tax benefits, and projected run-rate cost synergies of \$25 million. The transaction is subject to customary closing conditions and regulatory approvals, with the Company expecting to finalize the purchase of Inspection Technologies by the end of the first half of 2025.

This strategic acquisition strengthens Wabtec's portfolio, accelerates its penetration into high growth industrial markets and aligns with the Company's long-term vision of driving innovation, productivity, safety and reliability, ensuring the integrity of mission critical assets, infrastructure and supply chains on a global scale.

#### **Conference Call Information**

Wabtec will host a call with analysts and investors at 8:30 a.m., Eastern, today to discuss the acquisition. To listen via webcast, go to Wabtec's website at [www.WabtecCorp.com](http://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 412-317-0088 (access code 9130208).

#### **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](http://www.wabteccorp.com).

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**About Evident Inspection Technologies Division**

Evident's Inspection Technologies and Microscopy divisions were established in 2022 when Olympus Corporation spun off its Scientific Solutions Division to form a new company. Evident's Inspection Technologies division delivers solutions that solve complex challenges, inspecting mission-critical assets and infrastructure with nondestructive testing, remote visual inspection, and analytical instruments for maintenance, manufacturing, and environmental applications. Visit Evident's website at [www.evidentscientific.com](http://www.evidentscientific.com).

**Forward-Looking Statements**

This press release contains forward-looking statements within the meaning of the U.S. securities laws, including statements regarding the expected benefits of the Evident's Inspection Technologies division acquisition, including anticipated synergies and the expected impact on Wabtec's operational and financial performance. These statements, the expected timing of the transaction and certain projected financial results of Inspection Technologies constitute forward-looking statements concern future circumstances and results and other statements that are not historical facts and are sometimes identified by the words "anticipate," "estimate," "expect," "outlook," "position," "project," "recur," "strategy," and "will" or other similar words or expressions. Forward-looking statements are based upon current plans, assumptions, estimates and expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied. For more information on these risks, please refer to Wabtec's filings with the SEC. Important factors that could cause actual results to differ materially from such plans, estimates or expectations include, among others, (1) the risk that the proposed transaction may not be completed in the time frame expected by Wabtec or at all; (2) the potential for unexpected costs, charges or expenses resulting from the proposed transaction; (3) uncertainty of the expected financial performance of Inspection Technologies and the combined company following completion of the proposed transaction; (4) risks associated with the integration of Inspection Technologies and the potential for failure to realize the anticipated benefits and synergies of the proposed transaction; (5) the ability of the combined company to implement its business strategy; (6) inability to retain key personnel; (7) changes in general economic and/or industry specific conditions; and (8) other risk factors as detailed from time to time in Wabtec's reports filed with the Securities and Exchange Commission. The foregoing list of important factors is not exclusive.

This press release also contains certain non-GAAP measures. Non-GAAP measures should not be considered as a substitute for items calculated in accordance with GAAP, as they are subject to inherent material limitations.

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**Media Contact:**

Tim Bader  
682-319-7925 or [Tim.Bader@wabtec.com](mailto:Tim.Bader@wabtec.com)

**Investors Contact:**

Kyra Yates  
817-349-2735 or [Kyra.Yates@wabtec.com](mailto:Kyra.Yates@wabtec.com)

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A photograph of high-speed train tracks with blurred trains in motion, creating a sense of speed and technology. The tracks recede into the distance under a clear sky.

# WABTEC TO ACQUIRE EVIDENT'S INSPECTION TECHNOLOGIES DIVISION

*LEADING DIGITAL SOLUTIONS FOR MISSION CRITICAL EQUIPMENT & SERVICES*





# Forward Looking Statements & Non-GAAP Financial Information

This communication contains “forward-looking” statements within the meaning of the U.S. securities laws. All statements, other than historical facts, including statements regarding acquisition of Evident’s Inspection Technologies division, Inspection Technologies performance and the timing of completion, Wabtec’s plans, objectives, expectations and intentions; Wabtec’s outlook for future sales, earnings and cash conversion; Wabtec’s projected expenses and cost savings Wabtec’s 5-year outlook (established in March 2022); Wabtec’s expectations for evolving global and macro-economic conditions and their impact on Wabtec’s business; synergies and other expected benefits from Wabtec’s acquisitions; Wabtec’s expectations for production and delivery; 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 and are sometimes identified by the words “may,” “will,” “should,” “potential,” “intend,” “expect,” “endeavor,” “seek,” “anticipate,” “estimate,” “overestimate,” “underestimate,” “believe,” “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 and uncertainties. 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 expected in these 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 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 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 and hire key personnel; (4) evolving legal, regulatory and tax regimes; (5) changes in the expected timing of projects; (6) a decrease in freight or passenger rail traffic; (7) an increase in market volatility and actions by third parties, including government agencies; (8) the impacts of epidemics, pandemics or similar public health crises on the global economy and, in particular, our customer markets; (9) potential disruptions, instability and volatility in global markets as a result of global military action, acts of terrorism or armed conflict, including from the imposition of economic sanctions resulting from the invasion of Ukraine; (10) cybersecurity and data protection risks; (11) the risk that the proposed transaction may not be completed in the time frame expected by Wabtec; (12) potential for unexpected costs, charges or expenses resulting from the proposed transaction; (13) uncertainty of the expected financial performance of Evident’s Inspection Technologies combined company following completion of the proposed transaction; (14) risks associated with the integration of Evident’s Inspection Technologies division and the potential for failure to realize the benefits and synergies of the proposed transaction; (15) the ability of the combined company to implement its business strategy; (16) inability to retain key personnel and (17) other risk factors that may be identified from time to time in Wabtec’s reports 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 and Wabtec undertakes no 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 should 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 operating expense, adjusted net income, adjusted operating margin, adjusted gross margin, adjusted income tax expense, adjusted effective tax rate, adjusted earnings per diluted share, EBITDA and debt and operating cash flow conversion rate. Wabtec defines EBITDA as earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA is further adjusted for restructuring charges and 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 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 GAAP measures. Wabtec’s presentation of non-GAAP financial measures may not be comparable to other similarly titled measures of other companies 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 presentation. 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. Reconciliation tables that provide details about how adjusted results relate to GAAP results.



# Today's Participants



**RAFAEL  
SANTANA**

President &  
Chief Executive Officer



**JOHN  
OLIN**

Executive Vice President &  
Chief Financial Officer



**KYRA  
YATES**

Vice President,  
Investor Relations



**NALIN  
JAIN**

President, Digital  
Intelligence



**GE**

Executiv  
Chief Te



# Highly Attractive Acquisition Aligned With Wabtec's Strategic And Financial Objectives

**1** Attractive upfront purchase multiple of **approximately 12.0x<sup>(1)</sup> 2025 projected adjusted EBITDA**, supported by a high single-digit revenue growth outlook, **accretive adjusted EBIT margins and accretive ROIC**

**2** Expands offerings with **existing customers** in rail, mining and industrial sectors by integrating advanced inspection technologies into Wabtec's Digital portfolio

**3** Accelerates the growth of **Digital Intelligence into adjacent business lines** by leveraging scalable technologies that drive customer productivity, reliability and safety

**4** Expands Wabtec's **Digital Intelligence Total Addressable Market by \$8 billion** with an industry-leading portfolio of advanced diagnostic technologies that ensure the health and reliability of mission critical assets, infrastructure and supply chains globally

## VALUE CREATION FRAMEWORK

**VALUE CREATION FRAMEWORK FOR DELIVERING THE FUTURE OF RAIL**

Extending our position as a leader in rail technology around the world

**DRIVERS OF PORTFOLIO OPTIMIZATION AND GROWTH**

- 1 Accelerate innovation of scalable technologies that drive productivity, reliability and safety
- 2 Grow and refresh expansive global installed base through data science and digital intelligence, digital tools & solutions
- 3 Lead decarbonization of rail through advanced inspection technologies and predictive analytics
- 4 Expand high-margin recurring revenue streams through advanced diagnostic technologies, digital tools, software, data science and consulting
- 5 Drive continuous operational improvement through advanced diagnostic technologies, digital tools, software, data science and consulting

**#1 ACCELERATE INNOVATION SCALABLE TECHNOLOGIES**

~6-7% target annual organic investment in technology as % of sales

**#2 GROW AND REFRESH EXPANSIVE GLOBAL INSTALLED BASE**

REGION	NO. OF RAILROADS	MARKET SHARE	2024-2028 CAGR
NORTH AMERICA	236	27%	1.2%
EMEA	238	26%	1.4%
ASIA/PAC	254	23%	3%
AMERICAS	35	22%	10%
AFRICA	10	1%	10%

Customer installed base of \$1.2B (the market split of \$1.2B in service value)

**#3 LEAD DECARBONIZATION OF RAIL**

2x Global demand for transport growing fast... freight and passenger activity projected to grow more than double by 2050

**#4 EXPAND HIGH-MARGIN RECURRING REVENUE STREAMS**

62% OF COMPANY PROFIT IN 2023 DRIVEN BY RECURRING REVENUES

- Driven by expansive installed base of locomotives and passenger coaches in service & freight cars
- Includes other business, inspection tools, software licenses, data science and consulting

**#5 DRIVE CONTINUOUS OPERATIONAL IMPROVEMENT**

ACCELERATE LEAN

CAPITAL EFFICIENT

(1) EBITDA is adjusted for estimated transaction and separation costs as well as expected run-rate cost synergies; Purchase price is adjusted for estimated tax benefits



**A UNIQUE OPPORTUNITY TO STRENGTHEN AND ACCELERATE WABTEC'S GROWTH IN DIGITAL INTELLIGENCE**

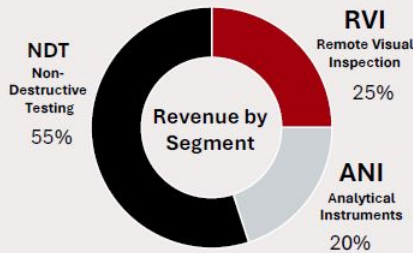


# Introduction To Inspection Technologies

Leading digital solutions for mission critical equipment & services

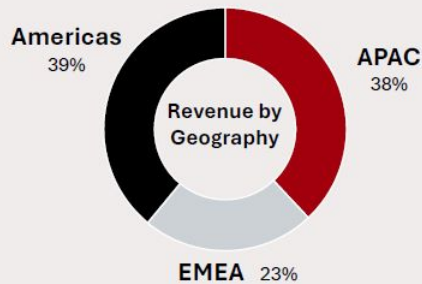
## COMPANY OVERVIEW

- Evident's Inspection Technologies Division (Inspection Technologies), formerly part of the Scientific Solutions Division of Olympus Corporation, has the leading global position across mission critical solutions to ensure productivity, reliability and safety across critical assets, aging infrastructure and supply chains
- Inspection Technologies enables customers to meet regulation and safety standards while minimizing costly downtime
- Global footprint with 4 manufacturing locations and ~1,300 employees
- Global leader in NDT (flaw and thickness inspection), RVI (remote visual inspection) and ANI (material composition analysis)



(1) Market positions are based on third party consulting study and company data

## FINANCIAL HIGHLIGHTS



## TECHNOLOGIES END USE

**NDT** #1 global position across solutions to ensure product safety across assets and infrastructure



**RVI** #2 global position for portfolio products for difficult to access areas



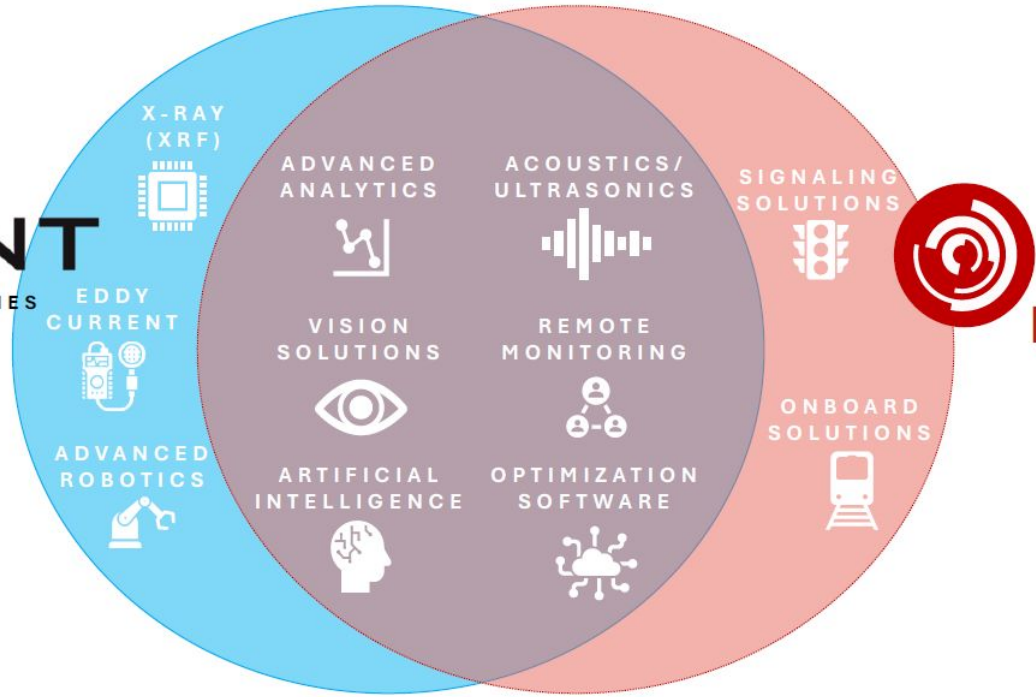
**ANI** #2 global player in handheld solutions to determine material composition





# Inspection Technologies Offers Attractive Complex Technology To Wabtec's Digital Intelligence Business

**EVIDENT**  
INSPECTION TECHNOLOGIES  
DIVISION



Wabtec  
Digital  
Intelligence

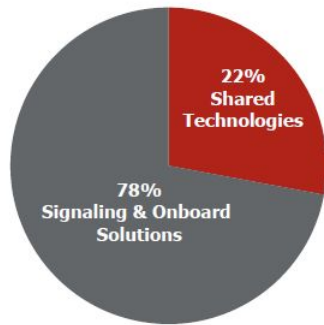
**Wabtec**

**ADVANCED TECHNOLOGY ENABLING PRODUCTIVITY, RELIABILITY AND SAFETY FOR OUR CUSTOMER'S MISSION-CRITICAL ASSETS & INFRASTRUCTURE**

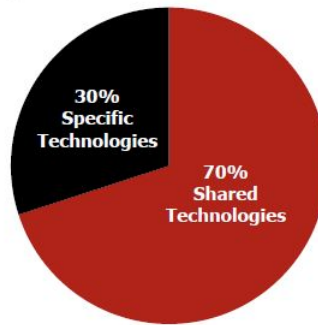


# Inspection Technologies Expands Digital's Techno Capabilities, Growth Profile And Recurring Revenue

## Digital Intelligence



## Inspection Technologies<sup>1</sup>



## Proforma Digital



+

=

**Estimated TAM<sup>5</sup>**

**~ \$8 Billion<sup>2</sup>**

**~ \$8 Billion<sup>3</sup>**

**~ \$16 Bil**

2024 Est Revenue

\$0.79B

\$0.43B

\$1.22B

4-yr. Growth CAGR ('20-'24)

Mid Single Digits

High Single Digits

High Single Digits

Recurring Revenue

~28%

~68%<sup>4</sup>

~42%

(1) Inspection Technologies financials annualized to December year-end, (2) Wabtec internal estimate, (3) Based on third-party consulting analysis for year ending 2023, (4) Based on Inspection Technologies re-occurring consumable sales and instrumentation sales that are tied to ongoing and required maintenance, (5) TAM = Total Addressable Market



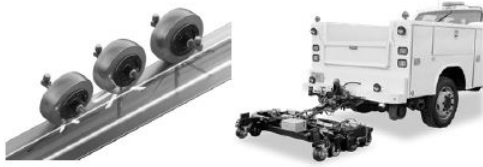
**ATTRACTIVE GROWTH PROSPECTS UNDERPINNED BY LONG-TERM MEGA TRENDS INCLUDING AGING ASSET INFRASTRUCTURE, INCREASING SAFETY, TIGHTENING REGULATORY LANDSCAPE AND EMERGING AI & AUTOMATION**



# Inspection Technologies Expands Wabtec's Offering In Rail And Mining Segments

## Rail Track Inspection

Ultrasonic inspection solutions in both manual and semi-automated use cases to prevent derailments and improve rail safety



## Mining Equipment

Non-Destructive Testing solutions for components of mining equipment, including power and drive systems, bolts and belts



Ultrasonic, Eddy Current and Remote Visual Inspection technologies integrated into manufacturing control and ongoing rail operations



Inspection of mining commodities using Ultrasonic technology and X-Ray Fluorescence to determine material composition, for measurements

## Wheel Set Inspection

## Mining Ore Ins



# Wabtec Executing On It's Value Creation Framework

## WABTEC'S DRIVERS OF PORTFOLIO GROWTH

- 1 Accelerate innovation of scalable technologies
- 2 Grow and refresh expansive global installed base
- 3 Drive innovative fuel efficiencies & propulsion technologies
- 4 Expand high-margin recurring revenue streams
- 5 Drive continuous operational improvement

## INVESTMENT FOCUS ON DIGITAL INTELLIGENCE

MOST PROFITABLE, FAST-GROWING SEGMENT

	5 yr. Growth Expectations	Margin Accretion
Equipment	+++	+
Services	++	++
Digital + Inspection Technologies	+++	+++
Components	+	++
Transit	++	+

## INSPECTION TECH ACQUISITION

"Wabtec is poised to drive profitable growth through a focus on asset safety, reliability and productivity by enhancing predictive maintenance technology."

Our solutions are designed to meet the demands of the sectors we serve on asset safety, reliability, compliance and productivity, mitigating the risks of failure accidents, ensuring safer and more efficient operations.

Inspection Technologies will complement existing offerings in the rail, mining and transit sectors while broadening our high-growth, high-margin segments."

Rafael Santana  
President and CEO



# Transaction Highlights

## Valuation

- \$1.78 billion purchase price in cash, subject to customary adjustments
- Represents **12.0x projected 2025 EBITDA multiple** when adjusting for estimated transaction & separation costs, estimated tax benefits of ~\$95 million and expected run-rate cost synergies of \$25 million

## Financing

- Financed with cash-on-hand, Company's credit revolver and incremental term loan
- Pro Forma **net leverage of ~2.5x at time of acquisition**; within Wabtec's targeted range of 2.0-2.5x. Expect to maintain investment-grade ratings

## Financial Impact

- Expected to be immediately accretive to underlying growth profile and adjusted EBIT % and **slightly accretive to adjusted EPS in the first year of ownership**
- Expect **\$25 million run-rate cost synergies** to be realized by end of year 3, with an estimated one-time cost of \$5 million
- In addition, revenue synergies expected, providing upside to investment profile
- Anticipate **accretive ROIC** to be realized over time; IRR into the **double-digits**

## Timeline

- Subject to the satisfaction of customary closing conditions
- Transaction expected to close by the end of the first half of 2025

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Transac  
Strength  
Accel  
Wabtec's  
in Dig  
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# Concluding Thoughts

- 1** Attractive upfront purchase multiple of **approximately 12.0x<sup>1</sup> 2025 projected adjusted EBITDA**, supported by a high single-digit revenue growth outlook, **accretive adjusted EBIT margins and accretive ROIC**
- 2** Expands offerings with existing customers in rail, mining and industrial sectors by integrating advanced inspection technologies into Wabtec's Digital portfolio
- 3** Accelerates the growth of Digital Intelligence into adjacent business lines by leveraging scalable technologies that drive customer productivity, reliability and safety
- 4** Expands Wabtec's Digital Intelligence Total Addressable Market by **\$8 billion** with an industry-leading portfolio of advanced diagnostic technologies that ensure the health and reliability of mission critical assets, infrastructure and supply chains globally



(1) EBITDA is adjusted for estimated transaction and separation costs as well as expected run-rate cost synergies; Purchase price is adjusted for estimated tax benefits

**Wabtec**

**A UNIQUE OPPORTUNITY TO STRENGTHEN AND ACCELERATE  
WABTEC'S GROWTH IN DIGITAL INTELLIGENCE**