

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): August 5, 2022 (August 5, 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 August 5, 2022, Westinghouse Air Brake Technologies Corporation (the “Company”) issued a press release reporting, among other things, the Company’s 2022 second 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 second 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](http://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 August 5, 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	<a href="#">Press release dated August 5, 2022</a>
99.2	<a href="#">Wabtec Earnings Presentation, Second Quarter 2022</a>
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.

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**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: August 5, 2022



## ***Wabtec Reports Strong 2<sup>nd</sup> Quarter 2022 Results***

- **Total Backlog of \$23.23 Billion, Up \$1.70 Billion and Up \$2.27 Billion on Constant Currency Basis; Provides Strong Multi-Year Momentum**
- **Second Quarter Reported GAAP Earnings Per Share of \$0.91; Adjusted Earnings Per Share of \$1.23, Up 16.0%**
- **Sales Growth of 1.8% to \$2.05 Billion; GAAP Operating Margin of 12.9%; Adjusted Operating Margin of 16.7%, Up 1.5 pts**
- **Closed Two Strategic Bolt-on Acquisitions and Repurchased \$103 Million Shares During the Second Quarter**

**PITTSBURGH, August 5, 2022** – [Wabtec Corporation](#) (NYSE: WAB) today reported second quarter 2022 GAAP earnings per diluted share of \$0.91, up 37.9% versus the second quarter of 2021. Adjusted earnings per diluted share were \$1.23, up 16.0% versus the same quarter a year ago. Second quarter sales were \$2.05 billion and cash from operations was \$263 million.

"The Wabtec team executed a strong quarter by delivering profitable growth, continued margin expansion and significant increase in backlog" said Rafael Santana, Wabtec's President and CEO. "The strength of the business and our team's relentless focus on disciplined execution was evident in the quarterly financial results despite rising costs, continued supply chain challenges and significant unfavorable foreign currency exchange.

"We continued to progress against our long-term strategy as is evidenced by the 8% year-over-year growth in our backlog driven by strategic multi-year orders for modernizations, new locomotives and digital solutions. Looking forward, the Wabtec team is focused on delivering for our customers, executing against our value creation framework and is well-positioned to drive profitable growth. The breadth and unique capability of the Wabtec products and technologies, combined with our installed base and multi-year backlog, provides us with increasing momentum in 2022 and beyond."

### **2022 Second Quarter Consolidated Results**

\$ in millions except earnings per share and percentages; margin change in percentage points (pts)	Second Quarter		
	2022	2021	Change
Net Sales	\$ 2,048	\$ 2,012	1.8%
<i>GAAP Gross Margin</i>	<i>31.5%</i>	<i>28.8%</i>	<i>2.7 pts</i>
<i>Adjusted Gross Margin</i>	<i>31.6%</i>	<i>29.9%</i>	<i>1.7 pts</i>
<i>GAAP Operating Margin</i>	<i>12.9%</i>	<i>10.1%</i>	<i>2.8 pts</i>
<i>Adjusted Operating Margin</i>	<i>16.7%</i>	<i>15.2%</i>	<i>1.5 pts</i>

GAAP Diluted EPS	\$0.91	\$0.66	37.9%
Adjusted Diluted EPS	\$1.23	\$1.06	16.0%
Cash Flow from Operations	\$ 263	\$ 223	17.9%
<i>Operating Cash Flow Conversion</i>	<i>92%</i>	<i>89%</i>	

- Sales increased compared to the year-ago quarter driven by higher Freight segment sales, partially offset by lower Transit segment sales. On a constant currency basis sales were up 5.6%.
- Both GAAP and adjusted operating margin increased from last year as a result of higher sales, increased pricing, improved mix and strong productivity, partially offset by escalating costs associated with metals, transportation and labor.
- GAAP and adjusted EPS increased from the year-ago quarter primarily due to higher sales and increased operating margins. GAAP EPS further benefited from lower restructuring and transaction costs.

**2022 Second Quarter Freight Segment Results**

Net sales \$ in millions; margin change in percentage points (pts)	Second Quarter		
	2022	2021	Change
Net Sales	\$ 1,490	\$ 1,336	11.5%
<i>GAAP Gross Margin</i>	<i>33.0%</i>	<i>30.9%</i>	<i>2.1 pts</i>
<i>Adjusted Gross Margin</i>	<i>33.2%</i>	<i>31.2%</i>	<i>2.0 pts</i>
<i>GAAP Operating Margin</i>	<i>15.7%</i>	<i>13.0%</i>	<i>2.7 pts</i>
<i>Adjusted Operating Margin</i>	<i>20.3%</i>	<i>18.5%</i>	<i>1.8 pts</i>

- Freight Segment sales for the second quarter were up across all product lines, with very strong growth in Equipment and Services.
- Both GAAP and adjusted operating margin benefited from higher sales, favorable mix/price and operational efficiencies, partially offset by higher costs. GAAP operating margin also improved year-over-year as a result of lower restructuring and transaction costs.

**2022 Second Quarter Transit Segment Results**

Net sales \$ in millions; margin change in percentage points (pts)	Second Quarter		
	2022	2021	Change
Net Sales	\$ 558	\$ 676	(17.5%)
<i>GAAP Gross Margin</i>	<i>27.4%</i>	<i>24.6%</i>	<i>2.8 pts</i>
<i>Adjusted Gross Margin</i>	<i>27.5%</i>	<i>27.3%</i>	<i>0.2 pts</i>
<i>GAAP Operating Margin</i>	<i>9.0%</i>	<i>6.7%</i>	<i>2.3 pts</i>
<i>Adjusted Operating Margin</i>	<i>10.3%</i>	<i>10.8%</i>	<i>(0.5 pts)</i>

- Transit segment sales for the second quarter were down versus last year primarily due to unfavorable foreign currency exchange and supply chain disruptions.
- GAAP operating margin was up significantly as a result of lower restructuring and transaction costs, while adjusted operating margin was down modestly as a result of increased input costs and lower fixed cost absorption.

**Backlog**

Backlog \$ in millions	June 30,		
	2022	2021	Change
12-Month Backlog	\$ 6,566	\$ 5,823	12.8%
Total Backlog	\$ 23,227	\$ 21,530	7.9%

At June 30, 2022 the multi-year backlog was \$1.70 billion higher than June 30, 2021 due primarily to increased orders for the Freight segment. Unfavorable foreign exchange adversely impacted the total backlog by \$568 million.

**Cash Flow and Liquidity Summary**

- During the second quarter, the Company generated cash from operations of \$263 million versus \$223 million in the year ago period behind increased net income.
- At the end of the quarter, the Company had cash and cash equivalents of \$501 million and total debt of \$4.21 billion. At June 30, 2022 the Company's total available liquidity was \$1.48 billion, which includes cash and cash equivalents plus \$0.98 billion available under current credit facilities.
- During the second quarter, the Company completed the acquisitions of Beena Vision and ARINC for \$69 million, as well as repurchased \$103 million of Wabtec shares.

**2022 Financial Guidance**

- Wabtec updated its 2022 financial guidance with sales to be in a range of \$8.30 billion to \$8.60 billion and adjusted earnings per diluted share to be in a range of \$4.70 to \$5.00 versus previous guidance of \$4.65 to \$5.05.
- For full year 2022, Wabtec expects strong cash flow generation with operating cash flow conversion of 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](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 1-412-317-0088 (access code: 3578102).

**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)

**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

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**Wabtec Investor Contact**

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

Appendix A

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net sales	\$ 2,048	\$ 2,012	\$ 3,975	\$ 3,842
Cost of sales	(1,403)	(1,432)	(2,735)	(2,728)
Gross profit	645	580	1,240	1,114
<i>Gross profit as a % of Net Sales</i>	31.5%	28.8%	31.2%	29.0%
Selling, general and administrative expenses	(259)	(263)	(497)	(497)
Engineering expenses	(50)	(42)	(95)	(80)
Amortization expense	(72)	(72)	(145)	(142)
Total operating expenses	(381)	(377)	(737)	(719)
<i>Operating expenses as a % of Net Sales</i>	18.6%	18.7%	18.5%	18.7%
Income from operations	264	203	503	395
<i>Income from operations as a % of Net Sales</i>	12.9%	10.1%	12.7%	10.3%
Interest expense, net	(44)	(45)	(87)	(93)
Other income, net	7	11	11	25
Income before income taxes	227	169	427	327
Income tax expense	(58)	(44)	(108)	(87)
<i>Effective tax rate</i>	25.5%	25.8%	25.3%	26.6%
Net income	169	125	319	240
Less: Net income attributable to noncontrolling interest	(3)	-	(4)	(3)
Net income attributable to Wabtec shareholders	\$ 166	\$ 125	\$ 315	\$ 237
<b>Earnings Per Common Share</b>				
<b>Basic</b>				
Net income attributable to Wabtec shareholders	\$ 0.91	\$ 0.66	\$ 1.71	\$ 1.25
<b>Diluted</b>				
Net income attributable to Wabtec shareholders	\$ 0.91	\$ 0.66	\$ 1.71	\$ 1.25
<b>Segment Information</b>				
Freight Net Sales	\$ 1,490	\$ 1,336	\$ 2,812	\$ 2,519
Freight Income from Operations	\$ 233	\$ 173	\$ 422	\$ 315
Freight Operating Margin	15.7%	13.0%	15.0%	12.5%
Transit Net Sales	\$ 558	\$ 676	\$ 1,163	\$ 1,323
Transit Income from Operations	\$ 50	\$ 45	\$ 115	\$ 115
Transit Operating Margin	9.0%	6.7%	9.9%	8.7%
<b>Backlog Information (Note: 12-month is a sub-set of total)</b>				
	<b>June 30, 2022</b>	<b>March 31, 2022</b>	<b>June 30, 2021</b>	
Freight Total	\$ 19,679	\$ 19,024	\$ 17,837	
Transit Total	3,548	3,735	3,693	
Wabtec Total	\$ 23,227	\$ 22,759	\$ 21,530	
Freight 12-Month	\$ 4,821	\$ 4,812	\$ 4,098	
Transit 12-Month	1,745	1,819	1,725	
Wabtec 12-Month	\$ 6,566	\$ 6,631	\$ 5,823	

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

Appendix B

<i>In millions</i>	<u>June 30, 2022</u>	<u>December 31, 2021</u>
Cash and cash equivalents	\$ 501	\$ 473
Receivables, net	1,422	1,477
Inventories	1,918	1,689
Other current assets	<u>205</u>	<u>193</u>
<b>Total current assets</b>	4,046	3,832
Property, plant and equipment, net	1,428	1,497
Goodwill	8,459	8,587
Other intangible assets, net	3,531	3,705
Other noncurrent assets	<u>869</u>	<u>833</u>
<b>Total assets</b>	<u>\$ 18,333</u>	<u>\$ 18,454</u>
Current liabilities	\$ 3,190	\$ 2,910
Long-term debt	3,987	4,056
Long-term liabilities - other	<u>1,209</u>	<u>1,249</u>
<b>Total liabilities</b>	8,386	8,215
Shareholders' equity	9,905	10,201
Noncontrolling interest	<u>42</u>	<u>38</u>
<b>Total shareholders' equity</b>	<u>9,947</u>	<u>10,239</u>
<b>Total Liabilities and Shareholders' Equity</b>	<u>\$ 18,333</u>	<u>\$ 18,454</u>

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

Appendix C

<i>In millions</i>	Six Months Ended June 30,	
	<u>2022</u>	<u>2021</u>
<i>Operating activities</i>		
Net income	\$ 319	\$ 240
Non-cash expense	238	253
Receivables	45	(29)
Inventories	(256)	8
Accounts Payable	185	82
Other assets and liabilities	(107)	(39)
<b>Net cash provided by operating activities</b>	<b>424</b>	<b>515</b>
<b>Net cash used for investing activities</b>	<b>(117)</b>	<b>(452)</b>
<b>Net cash used for financing activities</b>	<b>(256)</b>	<b>(213)</b>
Effect of changes in currency exchange rates	(23)	5
Increase (decrease) in cash	28	(145)
Cash and cash equivalents, beginning of period	473	599
Cash and cash equivalents, end of period	<u>\$ 501</u>	<u>\$ 454</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										
Reconciliation of Reported Results to Adjusted Results										
(in millions)										
	Second Quarter 2022 Actual Results									
	<u>Net Sales</u>	<u>Gross Profit</u>	<u>Operating Expenses</u>	<u>Income from Operations</u>	<u>Interest &amp; Other Exp</u>	<u>Tax</u>	<u>Net Income</u>	<u>Noncontrolling Interest</u>	<u>Wabtec Net Income</u>	<u>EPS</u>
<b>Reported Results</b>	\$ 2,048	\$ 645	\$ (381)	\$ 264	\$ (37)	\$ (58)	\$ 169	\$ (3)	\$ 166	\$ 0.91
Restructuring & Transaction costs	-	2	2	4	-	(1)	3	-	3	\$ 0.02
Non-cash Amortization expense	-	-	72	72	-	(18)	54	-	54	\$ 0.30
<b>Adjusted Results</b>	<b>\$ 2,048</b>	<b>\$ 647</b>	<b>\$ (307)</b>	<b>\$ 340</b>	<b>\$ (37)</b>	<b>\$ (77)</b>	<b>\$ 226</b>	<b>\$ (3)</b>	<b>\$ 223</b>	<b>\$ 1.23</b>
<b>Fully Diluted Shares Outstanding</b>										<b>182.4</b>

Wabtec Corporation										
Reconciliation of Reported Results to Adjusted Results										
(in millions)										
	Second 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 &amp; Other Exp</u>	<u>Tax</u>	<u>Net Income</u>	<u>Noncontrolling Interest</u>	<u>Wabtec Net Income</u>	<u>EPS</u>
<b>Reported Results</b>	\$ 3,975	\$ 1,240	\$ (737)	\$ 503	\$ (76)	\$ (108)	\$ 319	\$ (4)	\$ 315	\$ 1.71
Restructuring & Transaction costs	-	7	4	11	-	(3)	8	-	8	\$ 0.05
Non-cash Amortization expense	-	-	145	145	-	(36)	109	-	109	\$ 0.59
<b>Adjusted Results</b>	<b>\$ 3,975</b>	<b>\$ 1,247</b>	<b>\$ (588)</b>	<b>\$ 659</b>	<b>\$ (76)</b>	<b>\$ (147)</b>	<b>\$ 436</b>	<b>\$ (4)</b>	<b>\$ 432</b>	<b>\$ 2.35</b>
<b>Fully Diluted Shares Outstanding</b>										<b>183.7</b>



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 Q2 EBITDA Reconciliation (in millions)										
	<u>Reported Income from Operations</u>	+	<u>Other Income (Expense)</u>	+	<u>Depreciation &amp; Amortization</u>	= <u>EBITDA</u>	+	<u>Restructuring &amp; Transaction Costs</u>	=	<u>Adjusted EBITDA</u>
Consolidated Results	\$264		\$7		\$116	\$387		\$4		\$391

Wabtec Corporation 2022 Q2 YTD EBITDA Reconciliation (in millions)										
	<u>Reported Income from Operations</u>	+	<u>Other Income (Expense)</u>	+	<u>Depreciation &amp; Amortization</u>	= <u>EBITDA</u>	+	<u>Restructuring &amp; Transaction Costs</u>	=	<u>Adjusted EBITDA</u>
Consolidated Results	\$503		\$11		\$237	\$751		\$11		\$762

Wabtec Corporation 2021 Q2 EBITDA Reconciliation (in millions)										
	<u>Reported Income from Operations</u>	+	<u>Other Income (Expense)</u>	+	<u>Depreciation &amp; Amortization</u>	= <u>EBITDA</u>	+	<u>Restructuring &amp; Transaction Costs</u>	=	<u>Adjusted EBITDA</u>
Consolidated Results	\$203		\$11		\$124	\$338		\$30		\$368

Wabtec Corporation 2021 Q2 YTD EBITDA Reconciliation (in millions)										
	<u>Reported Income from Operations</u>	+	<u>Other Income (Expense)</u>	+	<u>Depreciation &amp; Amortization</u>	= <u>EBITDA</u>	+	<u>Restructuring &amp; Transaction Costs</u>	=	<u>Adjusted EBITDA</u>
Consolidated Results	\$395		\$25		\$243	\$663		\$45		\$708





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

Appendix G

<i>In millions</i>	Three Months Ended June 30,				Six Months Ended June 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
<b>Freight Segment Reported Results</b>	<b>\$ 493</b>	<b>\$ 233</b>	<b>\$ 414</b>	<b>\$ 173</b>	<b>\$ 917</b>	<b>\$ 422</b>	<b>\$ 770</b>	<b>\$ 315</b>
<i>Freight Segment Reported Margin</i>	33.0%	15.7%	30.9%	13.0%	32.6%	15.0%	30.6%	12.5%
Restructuring & Transaction costs	1	1	4	7	3	3	5	14
Non-cash Amortization expense	-	67	-	67	-	135	-	132
<b>Freight Segment Adjusted Results</b>	<b>\$ 494</b>	<b>\$ 301</b>	<b>\$ 418</b>	<b>\$ 247</b>	<b>\$ 920</b>	<b>\$ 560</b>	<b>\$ 775</b>	<b>\$ 461</b>
<i>Freight Segment Adjusted Margin</i>	33.2%	20.3%	31.2%	18.5%	32.7%	20.0%	30.6%	18.3%
<b>Transit Segment Reported Results</b>	<b>\$ 152</b>	<b>\$ 50</b>	<b>\$ 166</b>	<b>\$ 45</b>	<b>\$ 323</b>	<b>\$ 115</b>	<b>\$ 344</b>	<b>\$ 115</b>
<i>Transit Segment Reported Margin</i>	27.4%	9.0%	24.6%	6.7%	27.7%	9.9%	26.0%	8.7%
Restructuring & Transaction costs	1	3	17	23	4	7	20	27
Non-cash Amortization expense	-	5	-	5	-	10	-	10
<b>Transit Segment Adjusted Results</b>	<b>\$ 153</b>	<b>\$ 58</b>	<b>\$ 183</b>	<b>\$ 73</b>	<b>\$ 327</b>	<b>\$ 132</b>	<b>\$ 364</b>	<b>\$ 152</b>
<i>Transit Segment Adjusted Margin</i>	27.5%	10.3%	27.3%	10.8%	28.1%	11.4%	27.6%	11.5%

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

Appendix H

<i>In millions</i>	Three Months Ended June 30,		
	Freight	Transit	Consolidated
<b>2021 Net Sales</b>	\$ 1,336	\$ 676	\$ 2,012
Acquisitions	5	1	6
Foreign Exchange	(16)	(60)	(76)
Organic	165	(59)	106
<b>2022 Net Sales</b>	<u>\$ 1,490</u>	<u>\$ 558</u>	<u>\$ 2,048</u>
Change (\$)	154	(118)	36
Change (%)	11.5%	-17.5%	1.8%
	Six Months Ended June 30,		
	Freight	Transit	Consolidated
<b>2021 Net Sales</b>	\$ 2,519	\$ 1,323	\$ 3,842
Acquisitions	44	2	46
Foreign Exchange	(20)	(93)	(113)
Organic	269	(69)	200
<b>2022 Net Sales</b>	<u>\$ 2,812</u>	<u>\$ 1,163</u>	<u>\$ 3,975</u>
Change (\$)	293	(160)	133
Change (%)	11.6%	-12.1%	3.5%

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 Q2 Cash Conversion Calculation (in millions)					
	<u>Reported Cash from Operations</u>	÷	<u>(Net Income</u>	+ <u>Depreciation &amp; Amortization)</u>	= <u>Cash Conversion</u>
Consolidated Results	\$263		\$169	\$118	92%

Wabtec Corporation 2022 Q2 YTD Cash Conversion Calculation (in millions)					
	<u>Reported Cash from Operations</u>	÷	<u>(Net Income</u>	+ <u>Depreciation &amp; Amortization)</u>	= <u>Cash Conversion</u>
Consolidated Results	\$424		\$319	\$240	76%

Wabtec Corporation 2021 Q2 Cash Conversion Calculation (in millions)					
	<u>Reported Cash from Operations</u>	÷	<u>(Net Income</u>	+ <u>Depreciation &amp; Amortization)</u>	= <u>Cash Conversion</u>
Consolidated Results	\$223		\$125	\$126	89%

Wabtec Corporation 2021 Q2 YTD Cash Conversion Calculation (in millions)					
	<u>Reported Cash from Operations</u>	÷	<u>(Net Income</u>	+ <u>Depreciation &amp; Amortization)</u>	= <u>Cash Conversion</u>
Consolidated Results	\$515		\$240	\$246	106%





SECOND QUARTER 2022

# Wabtec Financial Results & Company Highlights

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# 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 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; 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

## 2Q 2022 overview

### 2Q 2022 HIGHLIGHTS

SALES	<b>\$2.05B</b>	Up 1.8% YoY	Strong Freight Segment growth ... partially offset by lower Transit Segment revenue
ADJUSTED OPERATING MARGIN <sup>(2)</sup>	<b>16.7%</b>	GAAP: 12.9%	Delivered 1.5 pts of adjusted margin expansion ... driven by strong improvement in Freight segment
ADJUSTED EARNINGS PER SHARE <sup>(2)</sup>	<b>\$1.23</b>	GAAP: \$0.91	Adj. EPS up 16.0% YoY ... driven by strong margin expansion and positive mix ... partially offset by higher input costs
CASH FLOW FROM OPERATIONS <sup>(1)</sup>	<b>\$263M</b>		Returning capital to shareholders ... executed \$1 billion share buyback and paid \$27M in dividends
BACKLOG	<b>\$23.23B</b>		Backlog provides improved multi-year visibility ... up \$1.70B YoY and up \$2.27B excluding FX impacts

### MARGIN EXPANSION, ADJ EPS GROWTH AND GROWING BACKLOG

4 (1) Year-over-year benefit from securitization of accounts receivable was \$36 million  
(2) Adjusted numbers represent non-GAAP financial measures, see Appendix for additional details and reconciliation



# 2022 Market assumptions

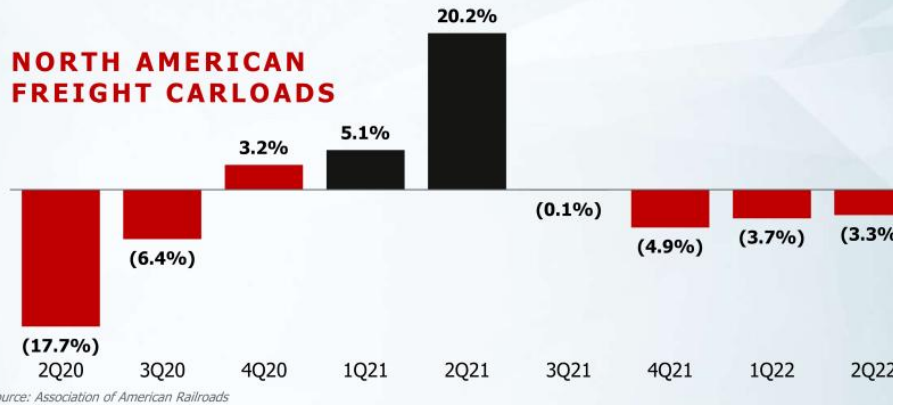
## FREIGHT

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

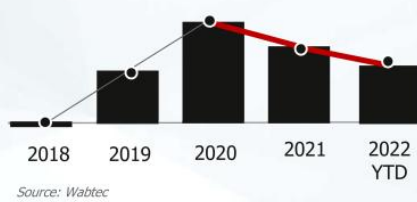
## TRANSIT

Infrastructure Investment	+
Global Ridership	+

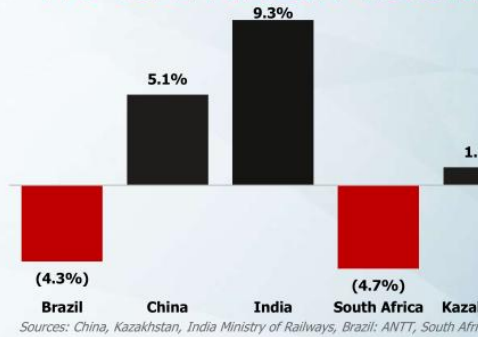
### NORTH AMERICAN FREIGHT CARLOADS



### AVG. NORTH AMERICAN PARKED LOCOMOTIVES



### YTD 2022 FREIGHT VOLUME



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# 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



Largest modernization order with Union Pacific  
600 units valued at more than \$1 billion



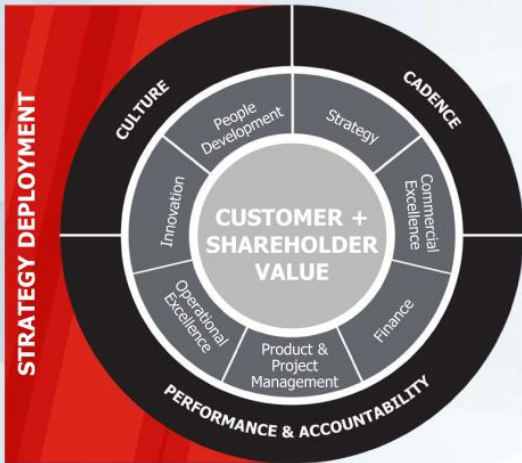
Strategic order for over 50 modernized and next-gen  
tier 4 units, and next-gen Precision Dispatch System

North America PTC upgrades

**STADLER**

Strategic HVAC order with Stadler ... first sub  
order with the car builder in the U.S.

# Focused on long-term goals



## NAVIGATING VOLATILITY

- Organizational agility & experienced leadership
- Broad portfolio of products & businesses ... large global installed base
- Focused on fundamentals ... continuous improvement, cost management, Integration 2.0

## IMPROVING CUSTOMER OUTCOMES

- Improved efficiency, durability, reliability, safety capacity
- Leading the decarbonization of rail & unmatched digital portfolio
- Strong IRR's for our customer's investment in the fleets

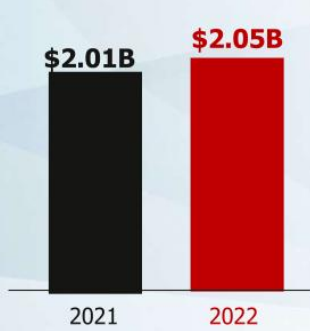
## STRONG FOUNDATION FOR THE FUTURE

- Growing high margin recurring revenue streams
- Invest in future growth ... innovative new product technologies
- Disciplined capital allocation

# 2Q 2022 financial summary

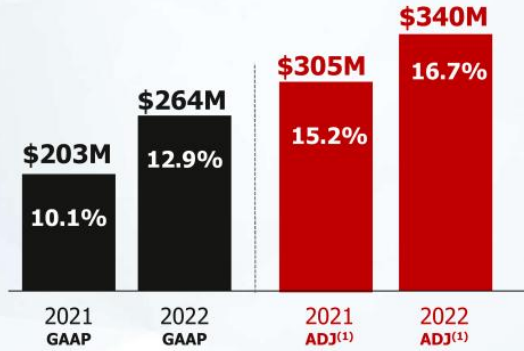
**EXPANDED MARGINS AND INCREASED ADJ EPS DESP DISRUPTIONS AND VOLATILITY**

**SALES**



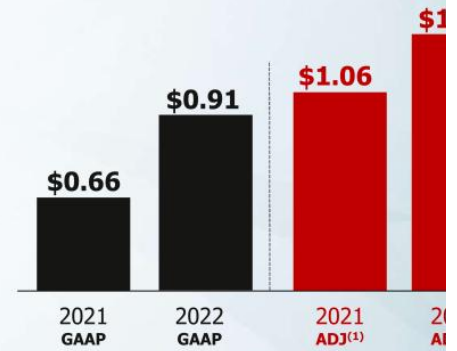
**1.8% INCREASE**

**OPERATING INCOME/ OPERATING MARGIN**



**1.5 PTS OF ADJ MARGIN EXPANSION**

**EPS**



**16.0% ADJ EPS INCREASE**

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

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## 2Q 2022 sales



(\$ in millions)

<b>PRODUCT LINE</b>	<b>2Q22</b>	<b>YOY</b>
Equipment	\$381	16.2%
Components	\$234	4.5%
Digital Electronics	\$164	1.2%
Services	\$711	14.3%
Freight Segment	\$1,490	11.5%
Transit Segment	\$558	(17.5%)
<b>TOTAL SALES</b>	<b>\$2,048</b>	<b>1.8%</b>

### 2Q KEY DRIVERS

#### EQUIPMENT

Increased international locomotives deliveries and growth from higher mining sales

#### COMPONENTS

Higher due to improving OE railcar build, railcars coming out of storage and growth in industrial end-markets

#### DIGITAL ELECTRONICS

Higher demand for on-board locomotive products & acquisition; offset partially from ongoing chip shortage

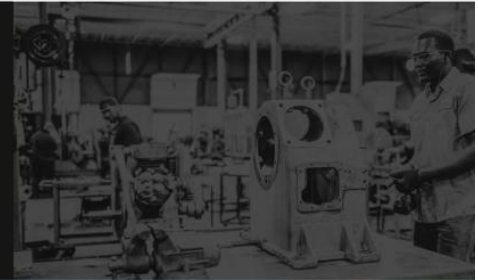
#### SERVICES

Higher modernization sales and continued unparking of locomotives

#### TRANSIT

Decreased primarily as a result of unfavorable foreign currency exchange

# 2Q 2022 consolidated adjusted gross profit



(\$ in millions)

2Q <sup>(1) (2)</sup>

**2021 ADJ GROSS PROFIT** **\$601**

*% of Sales* *29.9%*

Volume ↑

Mix/Pricing ↑↑

Raw Materials ↓↓

Currency ↓

Manufacturing/Other ↑

**2022 ADJ GROSS PROFIT** **\$647**

*% of Sales* *31.6%*

## 2Q KEY DRIVERS

### MIX/PRICING

Favorable mix between business groups and segments ... higher pricing escalations

### RAW MATERIALS

Costs pressures from higher metals and fuel

### CURRENCY

Unfavorable foreign exchange impacted gross profit by \$15M

### 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) 2Q 2021 GAAP gross profit was \$580M (GAAP gross profit margin of 28.8%). 2Q 2022 GAAP gross profit was \$645M (GAAP gross profit margin of 31.5%)

## 2Q 2022 consolidated adjusted operating income

(\$ in millions)	2Q <sup>(1)(2)</sup>
<b>2021 ADJ OP INCOME</b>	<b>\$305</b>
<i>% of Sales</i>	<i>15.2%</i>
Adj Gross Profit	46
Adj SG&A	(3)
Engineering	(8)
<b>2022 ADJ OP INCOME</b>	<b>\$340</b>
<i>% of Sales</i>	<i>16.7%</i>

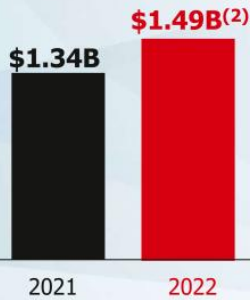
**ADJ OPERATING INCOME UP YEAR-OVER-YEAR ON HIGHER GROSS MARGIN PARTIALLY OFFSET BY INCREASED ENGINEERING AND SG&A EXPENSES**

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

(2) 2Q 2021 GAAP operating income was \$203M (GAAP operating margin of 10.1%). 2Q 2022 GAAP operating income was \$264M (GAAP operating margin of 12.9%)

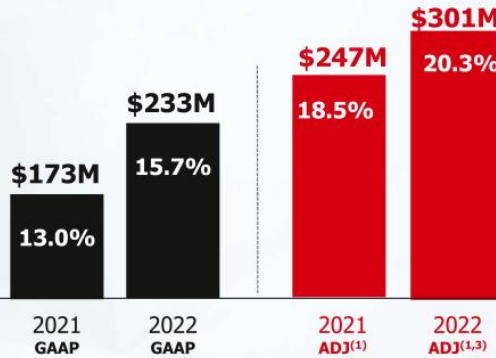
# 2Q 2022 Freight segment performance

## SALES



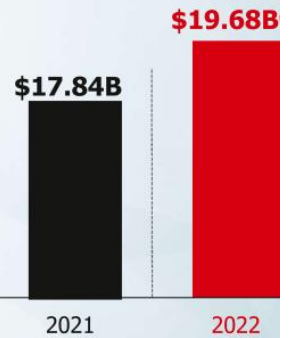
**11.5% INCREASE**

## OPERATING INCOME/ OPERATING MARGIN



**1.8 PTS OF ADJ MARGIN EXPANSION**

## BACKLOG

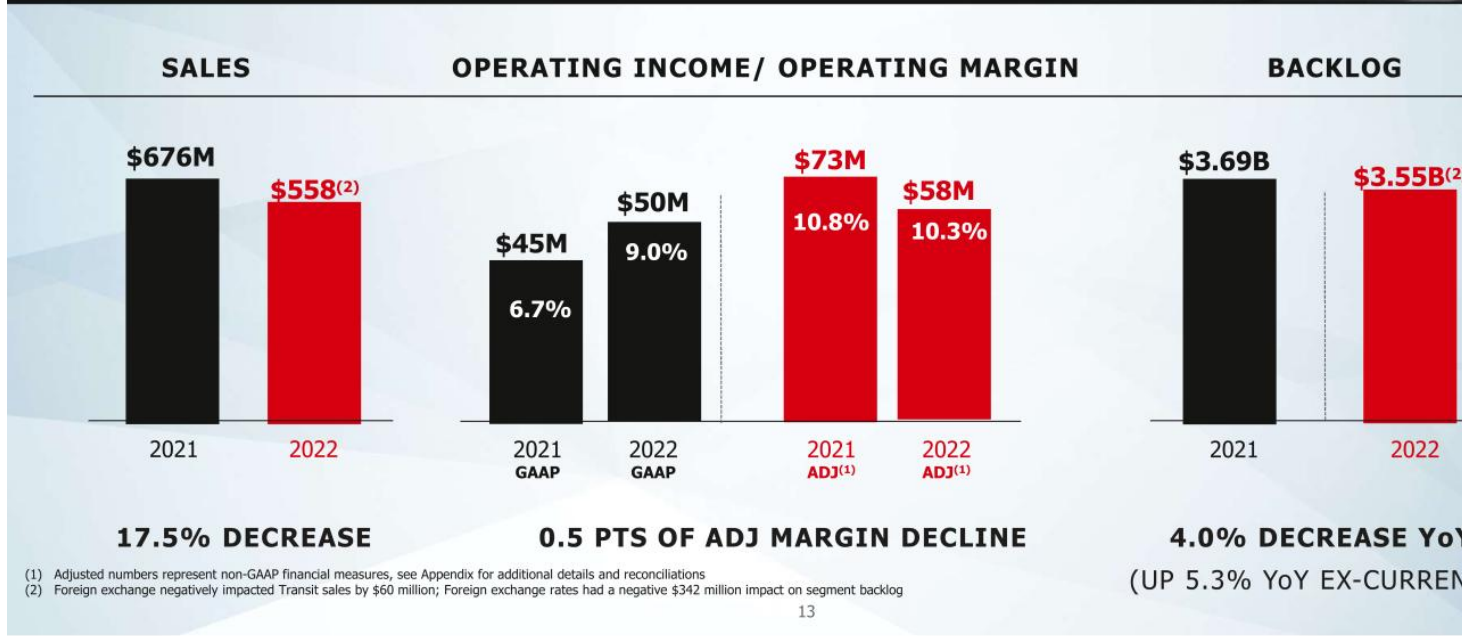


**10.3% INCREASE YoY**  
(UP 11.6% YoY EX-CURREN)

(1) Adjusted numbers represent non-GAAP financial measures, see Appendix for additional details and reconciliations  
 (2) Foreign exchange rates negatively impacted Freight sales by \$16 million; Foreign exchange rates had a negative \$226 million impact on segment backlog  
 (3) Freight segment operating income was positively impacted by below-market intangible amortization of \$13 million, up \$6 million from 2Q 2021



# 2Q 2022 Transit segment performance



# Resilient business allows for execution on financial priorities

## FOCUSED ON CASH CONVERSION CASH FROM OPS



**2Q cash conv of 92%** ... full-year cash generation expected to be **>90%**

**1H22 cash generation** impacted by proactive inventory build

## STRONG FINANCIAL POSITION ADJ LEVERAGE



**Adjusted net leverage** <sup>(2)</sup> **improved** ... committed to maintaining investment grade ratings

**Strengthening balance sheet** ... strong liquidity of \$1.48B <sup>(3)</sup>

## RETURN CAPITAL TO SHAREHOLDERS



**Deploying capital** to execute on strategic priorities. Acquired two digital businesses (Beena Vision & ARINC)

Returning capital to shareholders... **executed share repurchases of \$103M during 2Q**

## 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 June 30, 2022 the Company's total available liquidity was \$1.48 billion, which includes cash and cash equivalents of \$0.50 billion plus \$0.98 billion available under current credit facilities

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# 2022 outlook and guidance

REVENUES

**\$8.3B to \$8.6B**

ADJUSTED EPS

**\$4.70 to \$5.00**

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

**>90%**

## BROAD-BASED RECOVERY ACROSS PORTFOLIO

### EQUIPMENT

Significantly higher deliveries of international locos & favorable mining fundamentals

### COMPONENTS

Railcars coming out of storage ... higher railcar build ... improved industrial end-market

### SERVICES

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

### DIGITAL ELECTRONICS

Growth driven by international expansion & product upgrades

### 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 & unfavorable FX
- SG&A as % of sales down
- Engineering as % of sales up

Tax rate ~26%

Capex ~2% of sales

(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

# Key takeaways



- 01** Portfolio positioned to drive long-term profitable growth
- 02** Innovative, sustainable technologies expanding Wabtec's market share
- 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

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

Appendix A ( 1 of 2)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2022	2021	2022	2021
Net sales	\$ 2,048	\$ 2,012	\$ 3,975	\$ 3,842
Cost of sales	(1,403)	(1,432)	(2,735)	(2,728)
Gross profit	645	580	1,240	1,114
<i>Gross profit as a % of Net Sales</i>	31.5%	28.8%	31.2%	29.0%
Selling, general and administrative expenses	(259)	(263)	(497)	(497)
Engineering expenses	(50)	(42)	(95)	(80)
Amortization expense	(72)	(72)	(145)	(142)
Total operating expenses	(381)	(377)	(737)	(719)
<i>Operating expenses as a % of Net Sales</i>	18.6%	18.7%	18.5%	18.7%
Income from operations	264	203	503	395
<i>Income from operations as a % of Net Sales</i>	12.9%	10.1%	12.7%	10.3%
Interest expense, net	(44)	(45)	(87)	(93)
Other income, net	7	11	11	25
Income before income taxes	227	169	427	327
Income tax expense	(58)	(44)	(108)	(87)
<i>Effective tax rate</i>	25.5%	25.8%	25.3%	26.6%
Net income	169	125	319	240
Less: Net income attributable to noncontrolling interest	(3)	-	(4)	(3)
Net income attributable to Wabtec shareholders	\$ 166	\$ 125	\$ 315	\$ 237
<b>Earnings Per Common Share</b>				
<b>Basic</b>				
Net income attributable to Wabtec shareholders	\$ 0.91	\$ 0.66	\$ 1.71	\$ 1.25
<b>Diluted</b>				
Net income attributable to Wabtec shareholders	\$ 0.91	\$ 0.66	\$ 1.71	\$ 1.25
Basic	181.9	188.6	183.2	188.5
Diluted	182.4	188.9	183.7	188.9



# Income statement (cont.)

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
<b>Segment Information</b>				
Freight Net Sales	\$ 1,490	\$ 1,336	\$ 2,812	\$ 2,519
Freight Income from Operations	\$ 233	\$ 173	\$ 422	\$ 315
Freight Operating Margin	15.7%	13.0%	15.0%	12.5%
Transit Net Sales	\$ 558	\$ 676	\$ 1,163	\$ 1,323
Transit Income from Operations	\$ 50	\$ 45	\$ 115	\$ 115
Transit Operating Margin	9.0%	6.7%	9.9%	8.7%
<b>Backlog Information (Note: 12-month is a sub-set of total)</b>				
	<b>June 30, 2022</b>	<b>March 31, 2022</b>	<b>June 30, 2021</b>	
Freight Total	\$ 19,679	\$ 19,024	\$ 17,837	
Transit Total	3,548	3,735	3,693	
Wabtec Total	<u>\$ 23,227</u>	<u>\$ 22,759</u>	<u>\$ 21,530</u>	
Freight 12-Month	\$ 4,821	\$ 4,812	\$ 4,098	
Transit 12-Month	1,745	1,819	1,725	
Wabtec 12-Month	<u>\$ 6,566</u>	<u>\$ 6,631</u>	<u>\$ 5,823</u>	



# Balance sheet

Appendix B

## CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
<i>In millions</i>		
Cash and cash equivalents	\$ 501	\$ 473
Receivables, net	1,422	1,477
Inventories	1,918	1,689
Other current assets	205	193
<b>Total current assets</b>	<b>4,046</b>	<b>3,832</b>
Property, plant and equipment, net	1,428	1,497
Goodwill	8,459	8,587
Other intangible assets, net	3,531	3,705
Other noncurrent assets	869	833
<b>Total assets</b>	<b>\$ 18,333</b>	<b>\$ 18,454</b>
Current liabilities	\$ 3,190	\$ 2,910
Long-term debt	3,987	4,056
Long-term liabilities - other	1,209	1,249
<b>Total liabilities</b>	<b>8,386</b>	<b>8,215</b>
Shareholders' equity	9,905	10,201
Noncontrolling interest	42	38
<b>Total shareholders' equity</b>	<b>9,947</b>	<b>10,239</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 18,333</b>	<b>\$ 18,454</b>



# Cash flow

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

<i>In millions</i>	Six Months Ended June 30,	
	<u>2022</u>	<u>2021</u>
<i>Operating activities</i>		
Net income	\$ 319	\$ 240
Non-cash expense	238	253
Receivables	45	(29)
Inventories	(256)	8
Accounts Payable	185	82
Other assets and liabilities	(107)	(39)
<b>Net cash provided by operating activities</b>	<b>424</b>	<b>515</b>
<b>Net cash used for investing activities</b>	<b>(117)</b>	<b>(452)</b>
<b>Net cash used for financing activities</b>	<b>(256)</b>	<b>(213)</b>
Effect of changes in currency exchange rates	(23)	5
Increase (decrease) in cash	28	(145)
Cash and cash equivalents, beginning of period	473	599
Cash and cash equivalents, end of period	<u>\$ 501</u>	<u>\$ 454</u>





# EPS and non-GAAP Reconciliation

Set forth below is the calculation of the non-GAAP performance measures included in this press release. We believe that these measures provide useful supplemental information to assess our operating performance and 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 GAA

Wabtec Corporation Reconciliation of Reported Results to Adjusted Results (in millions)										
Second Quarter 2022 Actual Results										
	Net Sales	Gross Profit	Operating Expenses	Income from Operations	Interest & Other Exp	Tax	Net Income	Noncontrolling Interest	Wabtec Net Income	EPS
<b>Reported Results</b>	\$ 2,048	\$ 645	\$ (381)	\$ 264	\$ (37)	\$ (58)	\$ 169	\$ (3)	\$ 166	\$ 0.
Restructuring & Transaction costs	-	2	2	4	-	(1)	3	-	3	\$ 0.
Non-cash Amortization expense	-	-	72	72	-	(18)	54	-	54	\$ 0.
<b>Adjusted Results</b>	<b>\$ 2,048</b>	<b>\$ 647</b>	<b>\$ (307)</b>	<b>\$ 340</b>	<b>\$ (37)</b>	<b>\$ (77)</b>	<b>\$ 226</b>	<b>\$ (3)</b>	<b>\$ 223</b>	<b>\$ 1.</b>
Fully Diluted Shares Outstanding										18

Wabtec Corporation Reconciliation of Reported Results to Adjusted Results (in millions)										
Second 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	EPS
<b>Reported Results</b>	\$ 3,975	\$ 1,240	\$ (737)	\$ 503	\$ (76)	\$ (108)	\$ 319	\$ (4)	\$ 315	\$ 1.
Restructuring & Transaction costs	-	7	4	11	-	(3)	8	-	8	\$ 0.
Non-cash Amortization expense	-	-	145	145	-	(36)	109	-	109	\$ 0.
<b>Adjusted Results</b>	<b>\$ 3,975</b>	<b>\$ 1,247</b>	<b>\$ (588)</b>	<b>\$ 659</b>	<b>\$ (76)</b>	<b>\$ (147)</b>	<b>\$ 436</b>	<b>\$ (4)</b>	<b>\$ 432</b>	<b>\$ 2.</b>
Fully Diluted Shares Outstanding										18



# EPS and non-GAAP Reconciliation

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

Wabtec Corporation Reconciliation of Reported Results to Adjusted Results (in millions)										
	Second 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
<b>Reported Results</b>	\$ 2,012	\$ 580	\$ (377)	\$ 203	\$ (34)	\$ (44)	\$ 125	\$ -	\$ 125	\$ 0.66
Restructuring & Transaction costs	-	21	9	30	-	(7)	23	-	23	\$ 0.12
Non-cash Amortization expense	-	-	72	72	-	(19)	53	-	53	\$ 0.29
Foreign Exchange Gain	-	-	-	-	(2)	1	(1)	-	(1)	\$ (0.01)
<b>Adjusted Results</b>	<b>\$ 2,012</b>	<b>\$ 601</b>	<b>\$ (296)</b>	<b>\$ 305</b>	<b>\$ (36)</b>	<b>\$ (69)</b>	<b>\$ 200</b>	<b>\$ -</b>	<b>\$ 200</b>	<b>\$ 1.06</b>
Fully Diluted Shares Outstanding										188.9

Wabtec Corporation Reconciliation of Reported Results to Adjusted Results (in millions)										
	Second 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
<b>Reported Results</b>	\$ 3,842	\$ 1,114	\$ (719)	\$ 395	\$ (68)	\$ (87)	\$ 240	\$ (3)	\$ 237	\$ 1.25
Restructuring & Transaction costs	-	25	20	45	-	(11)	34	-	34	\$ 0.18
Non-cash Amortization expense	-	-	142	142	-	(38)	104	-	104	\$ 0.55
Foreign Exchange Gain	-	-	-	-	(11)	4	(7)	-	(7)	\$ (0.04)
<b>Adjusted Results</b>	<b>\$ 3,842</b>	<b>\$ 1,139</b>	<b>\$ (557)</b>	<b>\$ 582</b>	<b>\$ (79)</b>	<b>\$ (132)</b>	<b>\$ 371</b>	<b>\$ (3)</b>	<b>\$ 368</b>	<b>\$ 1.94</b>
Fully Diluted Shares Outstanding										188.9



# 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 Q2 EBITDA Reconciliation (in millions)										
	<u>Reported Income from Operations</u>	+	<u>Other Income (Expense)</u>	+	<u>Depreciation &amp; Amortization</u>	= <u>EBITDA</u>	+	<u>Restructuring &amp; Transaction Costs</u>	=	<u>Adjusted EBITDA</u>
Consolidated Results	\$264		\$7		\$116	\$387		\$4		\$391

Wabtec Corporation 2022 Q2 YTD EBITDA Reconciliation (in millions)										
	<u>Reported Income from Operations</u>	+	<u>Other Income (Expense)</u>	+	<u>Depreciation &amp; Amortization</u>	= <u>EBITDA</u>	+	<u>Restructuring &amp; Transaction Costs</u>	=	<u>Adjusted EBITDA</u>
Consolidated Results	\$503		\$11		\$237	\$751		\$11		\$762

Wabtec Corporation 2021 Q2 EBITDA Reconciliation (in millions)										
	<u>Reported Income from Operations</u>	+	<u>Other Income (Expense)</u>	+	<u>Depreciation &amp; Amortization</u>	= <u>EBITDA</u>	+	<u>Restructuring &amp; Transaction Costs</u>	=	<u>Adjusted EBITDA</u>
Consolidated Results	\$203		\$11		\$124	\$338		\$30		\$368

Wabtec Corporation 2021 Q2 YTD EBITDA Reconciliation (in millions)										
	<u>Reported Income from Operations</u>	+	<u>Other Income (Expense)</u>	+	<u>Depreciation &amp; Amortization</u>	= <u>EBITDA</u>	+	<u>Restructuring &amp; Transaction Costs</u>	=	<u>Adjusted EBITDA</u>
Consolidated Results	\$395		\$25		\$243	\$663		\$45		\$708



# Sales by product line

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

<i>In millions</i>	Three Months Ended June 30,	
	2022	2021
Freight Segment		
Equipment	\$ 381	\$ 328
Components	234	224
Digital Electronics	164	162
Services	711	622
Total Freight Segment	<u>\$ 1,490</u>	<u>\$ 1,336</u>
Transit Segment		
Original Equipment Manufacturer	\$ 259	\$ 320
Aftermarket	299	356
Total Transit Segment	<u>\$ 558</u>	<u>\$ 676</u>
<i>In millions</i>	Six Months Ended June 30,	
	2022	2021
Freight Segment		
Equipment	\$ 655	\$ 590
Components	463	427
Digital Electronics	317	318
Services	1,377	1,184
Total Freight Segment	<u>\$ 2,812</u>	<u>\$ 2,519</u>
Transit Segment		
Original Equipment Manufacturer	\$ 551	\$ 607
Aftermarket	612	716
Total Transit Segment	<u>\$ 1,163</u>	<u>\$ 1,323</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 June 30,				Six Months Ended June 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
<b>Freight Segment Reported Results</b>	\$ 493	\$ 233	\$ 414	\$ 173	\$ 917	\$ 422	\$ 770	\$
<i>Freight Segment Reported Margin</i>	33.0%	15.7%	30.9%	13.0%	32.6%	15.0%	30.6%	
Restructuring & Transaction costs	1	1	4	7	3	3	5	
Non-cash Amortization expense	-	67	-	67	-	135	-	
<b>Freight Segment Adjusted Results</b>	\$ 494	\$ 301	\$ 418	\$ 247	\$ 920	\$ 560	\$ 775	\$
<i>Freight Segment Adjusted Margin</i>	33.2%	20.3%	31.2%	18.5%	32.7%	20.0%	30.6%	
<b>Transit Segment Reported Results</b>	\$ 152	\$ 50	\$ 166	\$ 45	\$ 323	\$ 115	\$ 344	\$
<i>Transit Segment Reported Margin</i>	27.4%	9.0%	24.6%	6.7%	27.7%	9.9%	26.0%	
Restructuring & Transaction costs	1	3	17	23	4	7	20	
Non-cash Amortization expense	-	5	-	5	-	10	-	
<b>Transit Segment Adjusted Results</b>	\$ 153	\$ 58	\$ 183	\$ 73	\$ 327	\$ 132	\$ 364	\$
<i>Transit Segment Adjusted Margin</i>	27.5%	10.3%	27.3%	10.8%	28.1%	11.4%	27.6%	



# 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 June 30,		
	Freight	Transit	Consolidated
<b>2021 Net Sales</b>	\$ 1,336	\$ 676	\$ 2,012
Acquisitions	5	1	6
Foreign Exchange	(16)	(60)	(76)
Organic	165	(59)	106
<b>2022 Net Sales</b>	<b>\$ 1,490</b>	<b>\$ 558</b>	<b>\$ 2,048</b>
Change (\$)	154	(118)	36
Change (%)	11.5%	-17.5%	1.8%
	Six Months Ended June 30,		
	Freight	Transit	Consolidated
<b>2021 Net Sales</b>	\$ 2,519	\$ 1,323	\$ 3,842
Acquisitions	44	2	46
Foreign Exchange	(20)	(93)	(113)
Organic	269	(69)	200
<b>2022 Net Sales</b>	<b>\$ 2,812</b>	<b>\$ 1,163</b>	<b>\$ 3,975</b>
Change (\$)	293	(160)	133
Change (%)	11.6%	-12.1%	3.5%



# 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 Q2 Cash Conversion Calculation (in millions)				
	<u>Reported Cash from Operations</u>	÷	<u>(Net Income</u> + <u>Depreciation &amp; Amortization)</u>	= <u>Cash Conversion</u>
Consolidated Results	\$263		\$169 + \$118	92%

Wabtec Corporation 2022 Q2 YTD Cash Conversion Calculation (in millions)				
	<u>Reported Cash from Operations</u>	÷	<u>(Net Income</u> + <u>Depreciation &amp; Amortization)</u>	= <u>Cash Conversion</u>
Consolidated Results	\$424		\$319 + \$240	76%

Wabtec Corporation 2021 Q2 Cash Conversion Calculation (in millions)				
	<u>Reported Cash from Operations</u>	÷	<u>(Net Income</u> + <u>Depreciation &amp; Amortization)</u>	= <u>Cash Conversion</u>
Consolidated Results	\$223		\$125 + \$126	89%

Wabtec Corporation 2021 Q2 YTD Cash Conversion Calculation (in millions)				
	<u>Reported Cash from Operations</u>	÷	<u>(Net Income</u> + <u>Depreciation &amp; Amortization)</u>	= <u>Cash Conversion</u>
Consolidated Results	\$515		\$240 + \$246	106%



