



# STEPHENS NON-DEAL ROADSHOW PREP PACKET

**Westinghouse Air Brake Technologies Corporation (WAB)**

June 22 - 23, 2022

# Westinghouse Air Brake Technologies Corporation (WAB)

## Potential Questions / Topics of Discussion:

- Do rail service headwinds create an upside opportunity for your freight services business in the quarters ahead? And on the flip side, once rail service improves, is there downside risk for your freight services business?
- How has the number of N.A. locomotives in storage trended over the course of this year? Where do you think this number normalizes?
- Are you seeing any inquiries for new locomotives in N.A.? When could orders for this market return?
- Where do you expect your international locomotive deliveries to be this year vs. what you view as a normalized level? Are the fears of a recession slowing down the pace/magnitude of international locomotive inquiries/orders?
- Is there risk to cancellations in your backlog if we go into a recession? How much of the backlog is protected with cancellation penalties?
- What do you see as the addressable market for battery-electric locomotives in both the next several years and longer term?
- You've said battery electric locomotives are 2-3x more revenue per unit vs. diesel, but is that price point sustainable? What about diesel vs. battery-electric margins? And how could the shift to battery electric locomotives impact your services business?
- What is the addressable market for PTC in international markets? What are the geographies where you see the biggest opportunity?
- What is your view on the locomotive modernization market longer-term? Where are we today (2022) vs. normalized levels?
- Do you think the labor shortages we're seeing in the rail sector could expedite the pace of technology adoption? And if that's the case, what are the areas of your business (products) that could see an acceleration in demand?
- How would you expect your transit business to perform in a recession? What's the resiliency of transit aftermarket vs. transit OE?
- In the five year outlook, what are you assuming for the exit rate on locomotive deliveries and the mix of diesel vs. battery electric units?
- The cash generation of the business over the next five years should be significant. How are you thinking about the mix of capital allocation towards acquisitions vs. buybacks? Are you only looking at tuck-in acquisitions, or would you consider something bigger?
- John, as you've stepped into the CFO role (effective Oct. 2021) and looked at this business with a fresh set of eyes, could you talk about where you see the most opportunity going forward? What are your primary focal points headed into the back half of 2022 and into 2023?

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[1Q22 In Line & Guidance Reiterated; Better Than Feared Given Russian Exposure](#)  
[Investor Day: Aligning With Rail Themes of Growth, Technology & Sustainability](#)

## **Stephens WAB Model:**

[Click Here To View The Model](#)

Stephens Inc. working model and published research report attached.  
For current disclosures on this company, please access the attached research report.

## OTHER DISCLOSURES

Note: The purpose of this document is to suggest questions investors might like to ask company management and to help investors develop their own questions. This document is not intended to express any opinion or investment recommendation.

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