
WABASH™
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NYSE
Third Quarter 2022 Earnings Release
Changing How the World Reaches You®
October 26, 2022

Safe Harbor Statement & Non-GAAP Financial Measures

This presentation contains certain forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995. Forward-looking statements convey Wabash National Corporation's (the "Company") current expectations or forecasts of future events. All statements contained in this presentation other than statements of historical fact are forward-looking statements. These forward-looking statements include, among other things, all statements regarding the Company's outlook for trailer and truck body shipments, backlog, expectations regarding demand levels for trailers, truck bodies, non-trailer equipment and our other diversified product offerings, pricing, profitability and earnings, cash flow and liquidity, opportunity to capture higher margin sales, new product innovations, our growth and diversification strategies, our expectations for improved financial performance during the course of the year and our expectations with regards to capital allocation. These and the Company's other forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those implied by the forward-looking statements. Without limitation, these risks and uncertainties include a continued or prolonged shutdown or reduction of our operations, substantially reduced customer orders or sales volumes and supply disruptions due to the coronavirus (COVID-19) outbreak, the continued integration of Supreme into the Company's business, adverse reactions to the transaction by customers, suppliers or strategic partners, uncertain economic conditions including the possibility that customer demand may not meet our expectations, increased competition, reliance on certain customers and corporate partnerships, risks of customer pick-up delays, shortages and costs of raw materials including the impact of tariffs or other international trade developments, risks in implementing and sustaining improvements in the Company's manufacturing operations and cost containment, dependence on industry trends and timing, supplier constraints, labor costs and availability, customer acceptance of and reactions to pricing changes and costs of indebtedness. Readers should review and consider the various disclosures made by the Company in this presentation and in the Company's reports to its stockholders and periodic reports on Forms 10-K and 10-Q.

We cannot give assurance that the expectations reflected in our forward-looking statements will prove to be correct. Our actual results could differ materially from those anticipated in these forward-looking statements. All written and oral forward-looking statements attributable to us are expressly qualified in their entirety by the factors we disclose that could cause our actual results to differ materially from our expectations.

In addition to disclosing financial results calculated in accordance with United States generally accepted accounting principles (GAAP), the financial information included in this presentation contains non-GAAP financial measures, including operating EBITDA, free cash flow, adjusted operating income and margin, adjusted net income attributable to common stockholders, adjusted diluted earnings per share, adjusted segment EBITDA, and adjusted segment EBITDA margin. These non-GAAP measures should not be considered a substitute for, or superior to, financial measures and results calculated in accordance with GAAP, including net income, and reconciliations to GAAP financial statements should be carefully evaluated.

Operating EBITDA includes noncontrolling interest and is defined as earnings before interest, taxes, depreciation, amortization, stock-based compensation, debt transactions (including any loss on extinguishment charges), impairment and other, net, and other non-operating income and expense. Management believes providing operating EBITDA is useful for investors to understand the Company's performance and results of operations period to period with the exclusion of the items identified above. Management believes the presentation of operating EBITDA, when combined with the GAAP presentations of operating income and net income, is beneficial to an investor's understanding of the Company's operating performance. A reconciliation of operating EBITDA to net income, the most comparable GAAP financial measure, is included in the appendix to this presentation.

Free cash flow is defined as net cash provided by (used in) operating activities minus cash payments for capital expenditures. Management believes providing free cash flow is useful for investors to understand the Company's performance and results of cash generation period to period with the exclusion of the item identified above. Management believes the presentation of free cash flow, when combined with the GAAP presentations of cash provided by operating activities, is beneficial to an investor's understanding of the Company's operating performance. A reconciliation of free cash flow to cash used in operating activities, the most comparable GAAP financial measure, is included in the appendix to this presentation.

Adjusted operating income and margin, non-GAAP financial measures, exclude certain costs, expenses, other charges, gains or income that are included in the determination of operating income under U.S. GAAP, but that management would not consider important in evaluating the quality of the Company's operating results as they are not indicative of the Company's core operating results or may obscure trends useful in evaluating the Company's continuing activities. Accordingly, the Company presents adjusted operating income and margin excluding these special items to help investors evaluate our operating performance and trends in our business consistent with how management evaluates such performance and trends. Further, the Company presents adjusted operating income and margin to provide investors with a better understanding of the Company's view of our results as compared to prior periods. A reconciliation of adjusted operating income to operating income, the most comparable GAAP financial measure, is included in the appendix to this presentation.

Adjusted net income attributable to common stockholders and adjusted diluted earnings per share reflect adjustments for debt transactions and the impact of sales and divestitures, and the related tax effects of these adjustments. Management believes providing adjusted measures and excluding certain items facilitates comparisons to the Company's prior year periods and, when combined with the GAAP presentation of net income and diluted net income per share, is beneficial to an investor's understanding of the Company's performance. A reconciliation of adjusted net income attributable to common stockholders and adjusted diluted earnings per share to net income attributable to common stockholders and diluted earnings per share, the most comparable GAAP financial measures, are included in the appendix to this presentation.

Adjusted segment EBITDA, a non-GAAP financial measure, includes noncontrolling interest and is calculated by adding back segment depreciation and amortization expense to segment operating income, and excludes certain costs, expenses, other charges, gains or income that are included in the determination of operating income under GAAP, but that management would not consider important in evaluating the quality of the Company's segment operating results as they are not indicative of each segment's core operating results or may obscure trends useful in evaluating the segment's continuing activities. Adjusted segment EBITDA Margin is calculated by dividing Adjusted segment EBITDA by segment total net sales. A reconciliation of adjusted segment EBITDA to income from operations, the most comparable GAAP financial measure, is included in the appendix to this presentation.

CEO Highlights

1. Excellent progress against our strategy in Q3: New Dealers, New Product Line Brand, New Director
2. Record Revenue and EPS in Third Quarter
3. Q3 Operating Margin of 8.1% expanded 430 basis points year-over-year
4. Demand Conditions Remain Strong; Supply Chain Likely Still a Constraint in 2023
5. Record Third Quarter Backlog of $2.3B; Implies $1.7B of Orders for 2023
6. Increasing 2022 EPS Outlook to $2.15 from $1.90



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Q3 2022 Consolidated Financial Performance

Revenue	$655M
Operating Income	$52.9M
Operating Margin	8.1%
Net Income Attributable to Common Stockholders	$36.2M
Diluted EPS Attributable to Common Stockholders	$0.73

New Shipments



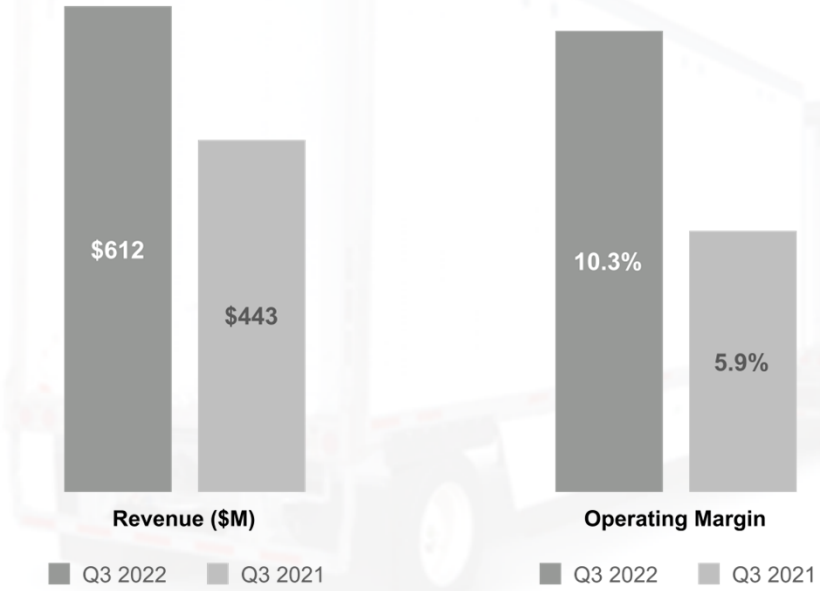
13,365 Trailers



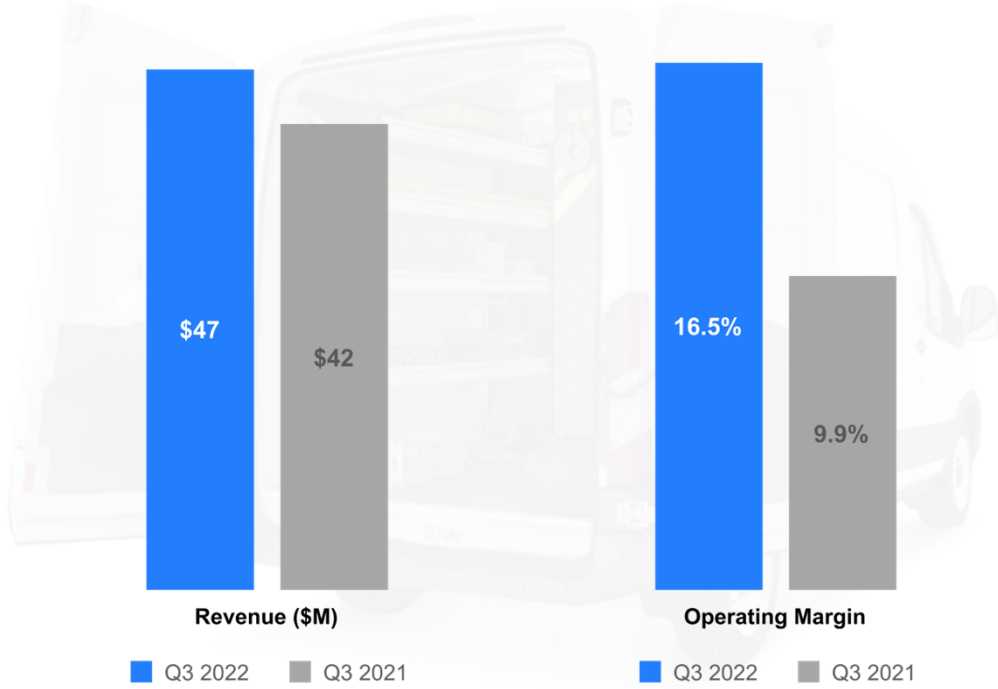
4,115 Truck Bodies

Q3 2022 Segment Financial Performance

Transportation Solutions



Parts & Services



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Cash Flow & Capital Allocation Summary

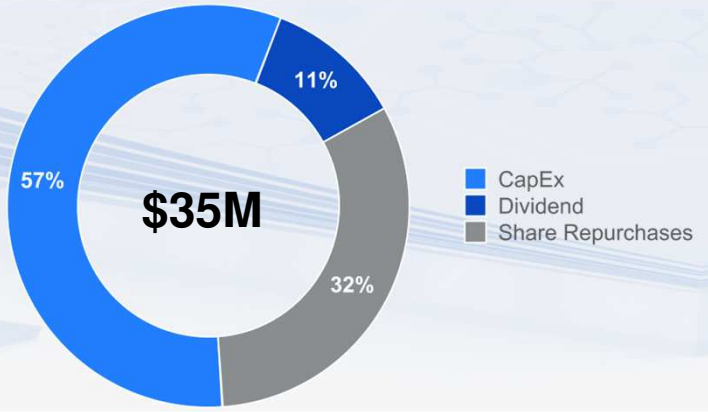
Cash Flow

- Supply chain environment and ramp to record revenues causing working capital expansion
- Ample opportunity to reduce working capital moving forward

($M)	Q3 2022	Q3 2021
Net cash provided by (used in) operating activities	$(11)	$(61)
Cash payments for capital expenditures	$(20)	$(9)
Free Cash Flow[1]	$(30)	$(70)

Q3 Capital Allocation

Capex	$20M
Share Repurchases	$11M
Dividend	$4M



1 Free cash flow is defined as net cash provided by (used in) operating activities minus cash payments for capital expenditures. A reconciliation of free cash flow to cash used in operating activities, the most comparable GAAP measure, is included in the appendix to this presentation.

Executing on the Way to Our Longer-Term Financial Goals

	2022 Outlook (May '22)	2022 Outlook (Oct '22)	2025 Goals
Revenue	$2.5B	$2.5B	**$3.0B**
Recurring Revenue[1]	$200M	$200M	**$300M**
Operating Margin	6.0%	6.5%	**9%**
Operating EBITDA[2]	$205M	$221M	**$330M**
Operating EBITDA Margin[2]	~8%	~9%	**11%**
EPS	$1.90	$2.15	**$3.50**

1 Recurring revenue reflects the Parts & Services reportable segment revenue.

2 Operating EBITDA is defined as earnings before interest, taxes, depreciation, amortization, stock-based compensation, debt transactions (including losses on debt extinguishment and debt issuance costs expensed), impairment and other, net, and other non-operating income and expense. Operating EBITDA Margin is calculated by dividing Operating EBITDA by total net sales.

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2022 Financial Outlook



OTHER KEY METRICS

- SG&A: 5.5 - 6.0% of Sales
- Intangible Amortization: ≈$15M
- Interest Expense: ≈$21M
- Capex: $80-90M
- Tax Rate: ≈25%

A Meaningful Step Forward in Financial Results

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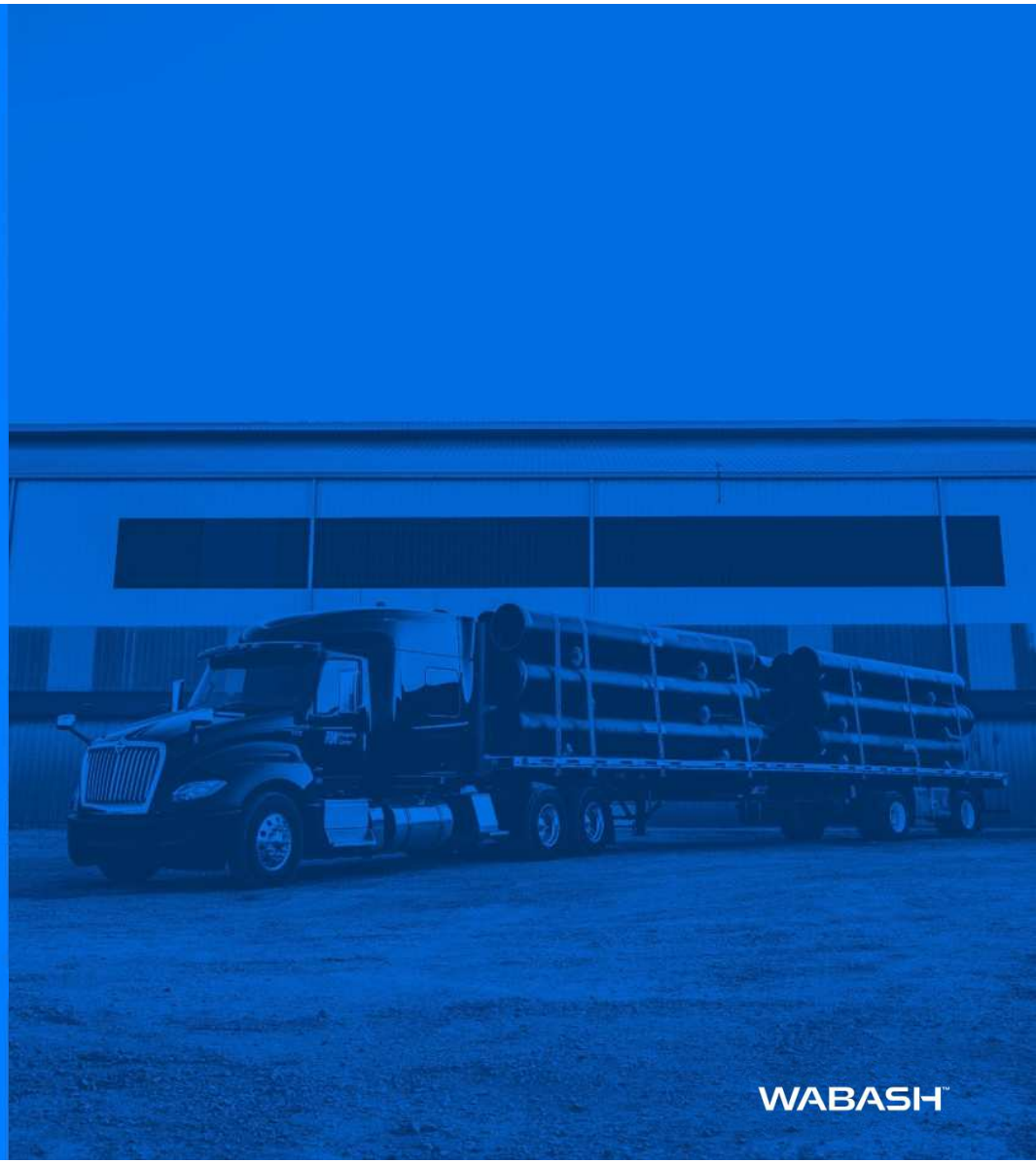
Appendix



Condensed Consolidated Balance Sheets

Unaudited - dollars in thousands	September 30, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 81,478	$ 71,778
Accounts receivable, net	248,086	176,511
Inventories, net	309,701	237,621
Prepaid expenses and other	35,251	43,795
Total current assets	674,516	529,705
Property, plant, and equipment, net	252,383	232,425
Goodwill	188,441	188,443
Intangible assets, net	102,415	114,441
Other assets	51,560	42,057
Total assets	$ 1,269,315	$ 1,107,071
Liabilities and Stockholders' Equity		
Current liabilities:		
Current portion of long-term debt	$ —	$ —
Current portion of finance lease obligations	—	59
Accounts payable	239,049	173,950
Other accrued liabilities	158,315	115,316
Total current liabilities	397,364	289,325
Long-term debt	443,662	428,315
Deferred income taxes	33,100	36,019
Other non-current liabilities	34,714	27,873
Total liabilities	908,840	781,532
Commitments and contingencies		
Noncontrolling interest	373	—
Total Wabash National Corporation stockholders' equity	360,102	325,539
Total liabilities, noncontrolling interest, and equity	$ 1,269,315	$ 1,107,071

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Condensed Consolidated Statements of Operations

Unaudited - dollars in thousands	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net sales	$ 655,150	$ 482,566	$ 1,844,680	$ 1,323,991
Cost of sales	563,145	431,521	1,616,586	1,170,172
Gross profit	92,005	51,045	228,094	153,819
General and administrative expenses	27,845	20,966	85,121	66,740
Selling expenses	7,752	5,590	21,337	18,320
Amortization of intangible assets	3,184	5,631	12,026	17,228
Impairment and other, net	349	595	692	(631)
Income from operations	52,875	18,263	108,918	52,162
Other income (expense):				
Interest expense	(5,210)	(5,847)	(15,341)	(18,031)
Other, net	(179)	232	(577)	(195)
Other expense, net	(5,389)	(5,615)	(15,918)	(18,226)
Income before income tax expense	47,486	12,648	93,000	33,936
Income tax expense	11,130	1,640	21,831	7,459
Net income	36,356	11,008	71,169	26,477
Net income attributable to noncontrolling interest	186	—	373	—
Net income attributable to common stockholders	$ 36,170	$ 11,008	$ 70,796	$ 26,477
Net income attributable to common stockholders per share:				
Basic	$ 0.75	$ 0.22	$ 1.45	$ 0.52
Diluted	$ 0.73	$ 0.22	$ 1.43	$ 0.51
Weighted average common shares outstanding (in thousands):				
Basic	48,515	49,974	48,849	51,116
Diluted	49,402	50,581	49,651	51,785
Dividends declared per share	$ 0.08	$ 0.08	$ 0.24	$ 0.24

Condensed Consolidated Statements of Cash Flows

Unaudited - dollars in thousands	Nine Months Ended September 30,	
	2022	2021
Cash flows from operating activities		
Net income	$ 71,169	$ 26,477
Adjustments to reconcile net income to net cash provided by (used in) operating activities		
Depreciation	25,239	19,593
Amortization of intangibles	12,026	17,228
Net gain on sale of property, plant and equipment and business divestiture	(635)	(1,447)
Loss on debt extinguishment	—	452
Deferred income taxes	(178)	(1,756)
Stock-based compensation	7,367	5,889
Impairment	1,339	817
Non-cash interest expense	644	882
Accounts receivable	(71,575)	(118,176)
Inventories	(72,080)	(96,818)
Prepaid expenses and other	(716)	1,054
Accounts payable and accrued liabilities	101,101	65,424
Other, net	(1,545)	6,152
Net cash provided by (used in) operating activities	72,156	(74,229)
Cash flows from investing activities		
Cash payments for capital expenditures	(42,304)	(20,192)
Proceeds from the sale of assets	1,445	21,967
Net cash (used in) provided by investing activities	(40,859)	1,775
Cash flows from financing activities		
Net cash used in financing activities	(21,597)	(95,849)
Net increase (decrease) in cash, cash equivalents, and restricted cash	9,700	(168,303)
Cash, cash equivalents, and restricted cash at beginning of period	71,778	217,677
Cash, cash equivalents, and restricted cash at end of period	$ 81,478	$ 49,374

Q3 QTD Segment Information

(Unaudited - dollars in thousands)	Wabash National Corporation	
Three Months Ended September 30,	**2022**	**2021**
Units Shipped		
New trailers	13,365	12,455
New truck bodies	4,115	3,780
Used trailers	20	15

Three Months Ended September 30,	**Transportation Solutions**	**Parts & Services**	**Corporate and Eliminations**	**Consolidated**
2022				
New trailers	$ 529,659	$ 1,150	$ (301)	$ 530,508
Used trailers	—	693	—	693
Components, parts and service	—	34,171	—	34,171
Equipment and other	82,120	10,714	(3,056)	89,778
Total net external sales	$ 611,779	$ 46,728	$ (3,357)	$ 655,150
Gross profit	$ 80,779	$ 11,226	$ —	$ 92,005
Income (loss) from operations	$ 63,274	$ 7,732	$ (18,131)	$ 52,875
Adjusted income (loss) from operations[1]	$ 63,274	$ 7,732	$ (18,131)	$ 52,875
2021				
New trailers	$ 375,430	$ —	$ —	$ 375,430
Used trailers	—	465	—	465
Components, parts and service	—	31,974	—	31,974
Equipment and other	67,206	9,464	(1,973)	74,697
Total net external sales	$ 442,636	$ 41,903	$ (1,973)	$ 482,566
Gross profit	$ 44,705	$ 8,268	$ (1,928)	$ 51,045
Income (loss) from operations	$ 25,970	$ 4,148	$ (11,855)	$ 18,263
Adjusted income (loss) from operations[1]	$ 25,970	$ 4,148	$ (11,855)	$ 18,263

[1] Adjusted operating income (loss), a non-GAAP financial measure, excludes certain costs, expenses, other charges, gains or income that are included in the determination of operating income (loss) under U.S. GAAP, but that management would not consider important in evaluating the quality of the Company's operating results as they are not indicative of the Company's core operating results or may obscure trends useful in evaluating the Company's continuing activities. Accordingly, the Company presents adjusted operating income (loss) excluding these special items to help investors evaluate our operating performance and trends in our business consistent with how management evaluates such performance and trends. Further, the Company presents adjusted operating income (loss) to provide investors with a better understanding of the Company's view of our results as compared to prior periods.

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Q3 YTD Segment Information

(Unaudited - dollars in thousands)

Nine Months Ended September 30,	Wabash National Corporation 2022	2021
Units Shipped		
New trailers	38,910	33,710
New truck bodies	11,550	13,330
Used trailers	80	70

Nine Months Ended September 30,	Transportation Solutions	Parts & Services	Corporate and Eliminations	Consolidated
2022				
New Trailers	$ 1,476,052	$ 1,392	$ (973)	$ 1,476,471
Used Trailers	—	2,382	—	2,382
Components, parts and service	—	105,208	—	105,208
Equipment and other	233,774	34,849	(8,004)	260,619
Total net external sales	$ 1,709,826	$ 143,831	$ (8,977)	$ 1,844,680
Gross profit	$ 194,516	$ 33,578	$ —	$ 228,094
Income (loss) from operations	$ 142,944	$ 22,659	$ (56,685)	$ 108,918
Adjusted income (loss) from operations[1]	$ 142,944	$ 22,659	$ (56,685)	$ 108,918
2021				
New Trailers	$ 966,193	$ —	$ —	$ 966,193
Used Trailers	165	1,690	—	1,855
Components, parts and service	—	101,747	—	101,747
Equipment and other	223,815	35,586	(5,205)	254,196
Total net external sales	$ 1,190,173	$ 139,023	$ (5,205)	$ 1,323,991
Gross profit	$ 129,776	$ 28,912	$ (4,869)	$ 153,819
Income (loss) from operations	$ 69,492	$ 18,509	$ (35,839)	$ 52,162
Adjusted income (loss) from operations[1]	$ 69,492	$ 16,635	$ (35,839)	$ 50,288

[1] Adjusted operating income (loss), a non-GAAP financial measure, excludes certain costs, expenses, other charges, gains or income that are included in the determination of operating income (loss) under U.S. GAAP, but that management would not consider important in evaluating the quality of the Company's operating results as they are not indicative of the Company's core operating results or may obscure trends useful in evaluating the Company's continuing activities. Accordingly, the Company presents adjusted operating income (loss) excluding these special items to help investors evaluate our operating performance and trends in our business consistent with how management evaluates such performance and trends. Further, the Company presents adjusted operating income (loss) to provide investors with a better understanding of the Company's view of our results as compared to prior periods.

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Reconciliation of Adjusted Segment Operating Income[1]

Unaudited - dollars in thousands	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Transportation Solutions				
Income from operations	$ 63,274	$ 25,970	$ 142,944	$ 69,492
Adjustments:				
N/A	—	—	—	—
Adjusted operating income	63,274	25,970	142,944	69,492
Parts & Services				
Income from operations	7,732	4,148	22,659	18,509
Adjustments:				
Gain on divestiture of Extract Technology	—	—	—	(1,874)
Adjusted operating income	7,732	4,148	22,659	16,635
Corporate				
Loss from operations	(18,131)	(11,855)	(56,685)	(35,839)
Adjustments:				
N/A	—	—	—	—
Adjusted operating loss	(18,131)	(11,855)	(56,685)	(35,839)
Consolidated				
Income from operations	52,875	18,263	108,918	52,162
Adjustments:				
Gain on divestiture of Extract Technology	—	—	—	(1,874)
Adjusted operating income	$ 52,875	$ 18,263	$ 108,918	$ 50,288

[1] Adjusted operating income, a non-GAAP financial measure, excludes certain costs, expenses, other charges, gains or income that are included in the determination of operating income under U.S. GAAP, but that management would not consider important in evaluating the quality of the Company's operating results as they are not indicative of the Company's core operating results or may obscure trends useful in evaluating the Company's continuing activities. Accordingly, the Company presents adjusted operating income excluding these special items to help investors evaluate our operating performance and trends in our business consistent with how management evaluates such performance and trends. Further, the Company presents adjusted operating income to provide investors with a better understanding of the Company's view of our results as compared to prior periods.

Reconciliation of Adjusted Net Income Attributable to Common Stockholders and Adjusted Diluted EPS

Unaudited - dollars in thousands

Adjusted Net Income Attributable to Common Stockholders[1]:	**Three Months Ended September 30,**		**Nine Months Ended September 30,**	
	2022	**2021**	**2022**	**2021**
Net income attributable to common stockholders	$ 36,170	$ 11,008	$ 70,796	$ 26,477
Adjustments:				
Loss on debt extinguishment	—	—	—	452
Gain on divestiture of Extract Technology	—	—	—	(1,874)
Tax effect of aforementioned items	—	—	—	327
Adjusted net income attributable to common stockholders	$ 36,170	$ 11,008	$ 70,796	$ 25,382

Adjusted Diluted Earnings Per Share[1]:	**Three Months Ended September 30,**		**Nine Months Ended September 30,**	
	2022	**2021**	**2022**	**2021**
Diluted earnings per share	$ 0.73	$ 0.22	$ 1.43	$ 0.51
Adjustments:				
Loss on debt extinguishment	—	—	—	0.01
Gain on divestiture of Extract Technology	—	—	—	(0.04)
Tax effect of aforementioned items	—	—	—	0.01
Adjusted diluted earnings per share	$ 0.73	$ 0.22	$ 1.43	$ 0.49
Weighted average diluted shares outstanding (in thousands)	49,402	50,581	49,651	51,785

1 Adjusted net income attributable to common stockholders and adjusted diluted earnings per share reflect adjustments for debt transactions and the impact of sales and divestitures, and the related tax effects of these adjustments.

Reconciliation of Operating EBITDA and Free Cash Flow

Unaudited - dollars in thousands

Operating EBITDA[1]:	**Three Months Ended September 30,**		**Nine Months Ended September 30,**	
	2022	**2021**	**2022**	**2021**
Net income	$ 36,356	$ 11,008	$ 71,169	$ 26,477
Income tax expense	11,130	1,640	21,831	7,459
Interest expense	5,210	5,847	15,341	18,031
Depreciation and amortization	11,941	12,343	37,265	36,821
Stock-based compensation	2,720	1,673	7,367	5,889
Impairment and other, net	349	595	692	(631)
Other, net	179	(232)	577	195
Operating EBITDA	$ 67,885	$ 32,874	$ 154,242	$ 94,241

Free Cash Flow[2]:	**Three Months Ended September 30,**		**Nine Months Ended September 30,**	
	2022	**2021**	**2022**	**2021**
Net cash provided by (used in) operating activities	$ (10,518)	$ (61,143)	$ 72,156	$ (74,229)
Cash payments for capital expenditures	(19,935)	(9,129)	(42,304)	(20,192)
Free cash flow	$ (30,453)	$ (70,272)	$ 29,852	$ (94,421)

Free Cash Flow[2]:	**Twelve Months Ended December 31,**	
	2021	**2020**
Net cash (used in) provided by operating activities	$ (7,470)	$ 124,134
Cash payments for capital expenditures	(49,105)	(20,131)
Free cash flow	$ (56,575)	$ 104,003

1 Operating EBITDA includes noncontrolling interest and is defined as earnings before interest, taxes, depreciation, amortization, stock-based compensation, debt transactions (including any losses on debt extinguishment), impairment and other, net, and other non-operating income and expense.

2 Free cash flow is defined as net cash provided by (used in) operating activities minus cash payments for capital expenditures.

Reconciliation of Adjusted Segment EBITDA[1] and Adjusted Segment EBITDA Margin[1]

Unaudited - dollars in thousands

	Transportation Solutions		Parts & Services	
Three Months Ended September 30,	**2022**	**2021**	**2022**	**2021**
Income from operations	$ 63,274	$ 25,970	$ 7,732	$ 4,148
Depreciation and amortization	10,491	10,617	559	1,062
Impairment and other, net	258	109	15	492
Adjusted segment EBITDA	$ 74,023	$ 36,696	$ 8,306	$ 5,702
Adjusted segment EBITDA margin	12.1 %	8.3 %	17.8 %	13.6 %

Unaudited - dollars in thousands

	Transportation Solutions		Parts & Services	
Nine Months Ended September 30,	**2022**	**2021**	**2022**	**2021**
Income from operations	$ 142,944	$ 69,492	$ 22,659	$ 18,509
Depreciation and amortization	32,729	31,455	2,237	3,674
Impairment and other, net	(360)	935	5	(1,560)
Adjusted segment EBITDA	$ 175,313	$ 101,882	$ 24,901	$ 20,623
Adjusted segment EBITDA margin	10.3 %	8.6 %	17.3 %	14.8 %

1 Adjusted segment EBITDA, a non-GAAP financial measure, includes noncontrolling interest and is calculated by adding back segment depreciation and amortization expense to segment operating income, and excludes certain costs, expenses, other charges, gains or income that are included in the determination of operating income under GAAP, but that management would not consider important in evaluating the quality of the Company's segment operating results as they are not indicative of each segment's core operating results or may obscure trends useful in evaluating the segment's continuing activities. Adjusted segment EBITDA margin is calculated by dividing Adjusted segment EBITDA by segment total net sales.