

WABASH™

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Fourth Quarter 2022 Earnings Release

Changing How the World Reaches You®

February 2, 2023

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 the highly cyclical nature of our business, uncertain economic conditions including the possibility that customer demand may not meet our expectations, our backlog may not reflect future sales of our products, 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, costs of indebtedness, and our ability to execute on our long-term strategic plan. 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. Adjusted operating income margin is calculated by dividing adjusted operating income by total net sales. 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.

Information reconciling any forward-looking Operating EBITDA, Operating EBITDA Margin, Adjusted Operating Income, Adjusted Operating Income Margin, Free Cash Flow, Adjusted EBITDA Margin, and Adjusted EPS to GAAP financial measures is unavailable to us without unreasonable effort. We cannot provide reconciliations of the above noted forward looking non-GAAP measures to GAAP financial measures because certain items required for such reconciliations are outside of our control and/or cannot be reasonably predicted. Preparation of such reconciliations would require a forward-looking balance sheet, statement of income and statement of cash flows, prepared in accordance with GAAP, and such forward-looking financial statements are unavailable to us without unreasonable effort.

CEO Highlights

- 1 Strategic & Organizational Journey Positioned Us to Generate Record Financial Performance in 2022**
- 2 Booked Long-Term Agreement with J.B. Hunt - takes strategic relationship to a new level**
- 3 10-Year Supply Agreement with Ryerson Supports Production with Supply Surety**
- 4 Exceptional Q4 Financial Performance with New Quarterly Revenue, Operating Income, and EPS records**
- 5 Total Backlog of \$3.4B; Next 12 Month Backlog of \$2.8B; Implies \$600M of 2024 Orders**
- 6 Initiating 2023 EPS Outlook with range of \$2.70 to \$3.00**

Changing How the World Reaches You®

Q4 2022 Consolidated Financial Performance

Revenue	\$657M
Operating Income	\$57.7M
Operating Margin	8.8%
Net Income Attributable to Common Stockholders	\$41.5M
Diluted EPS Attributable to Common Stockholders	\$0.84

New Shipments



13,310 Trailers



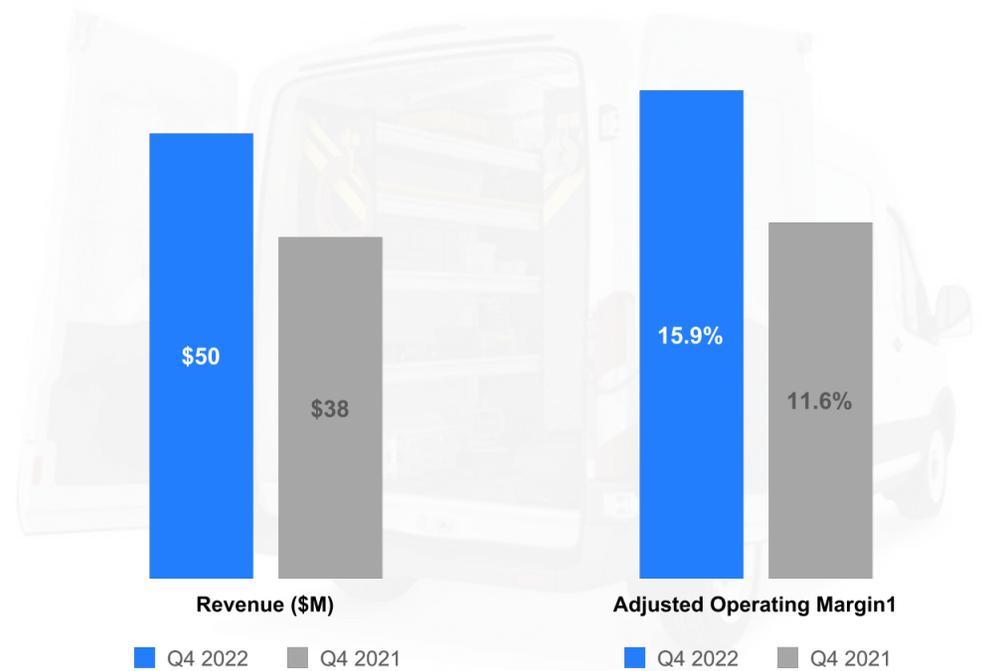
3,250 Truck Bodies

Q4 2022 Segment Financial Performance

Transportation Solutions



Parts & Services



¹ Q4 2021 adjusted for non-cash impairment of trade names and trademarks.

Cash Flow & Capital Allocation Summary

Cash Flow

- Strong year-to-date Operating Cash Flow aided by efficient Q4 inventory levels
- Continued opportunity to reinvest in the business via Capex

(\$M)

Net cash provided by (used in) operating activities

Cash payments for capital expenditures

Free Cash Flow¹

Q4 2022

Q4 2021

\$52

\$67

(\$15)

(\$29)

\$37

\$38

Q4 Capital Allocation

Capex

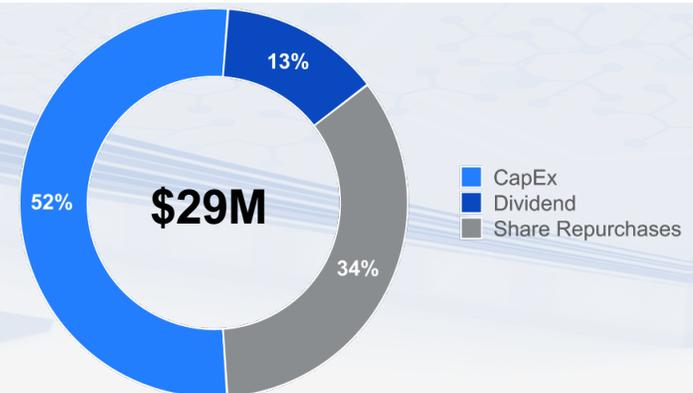
\$15M

Share Repurchases

\$10M

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.

2023 Financial Outlook



Revenue



Operating
Margin



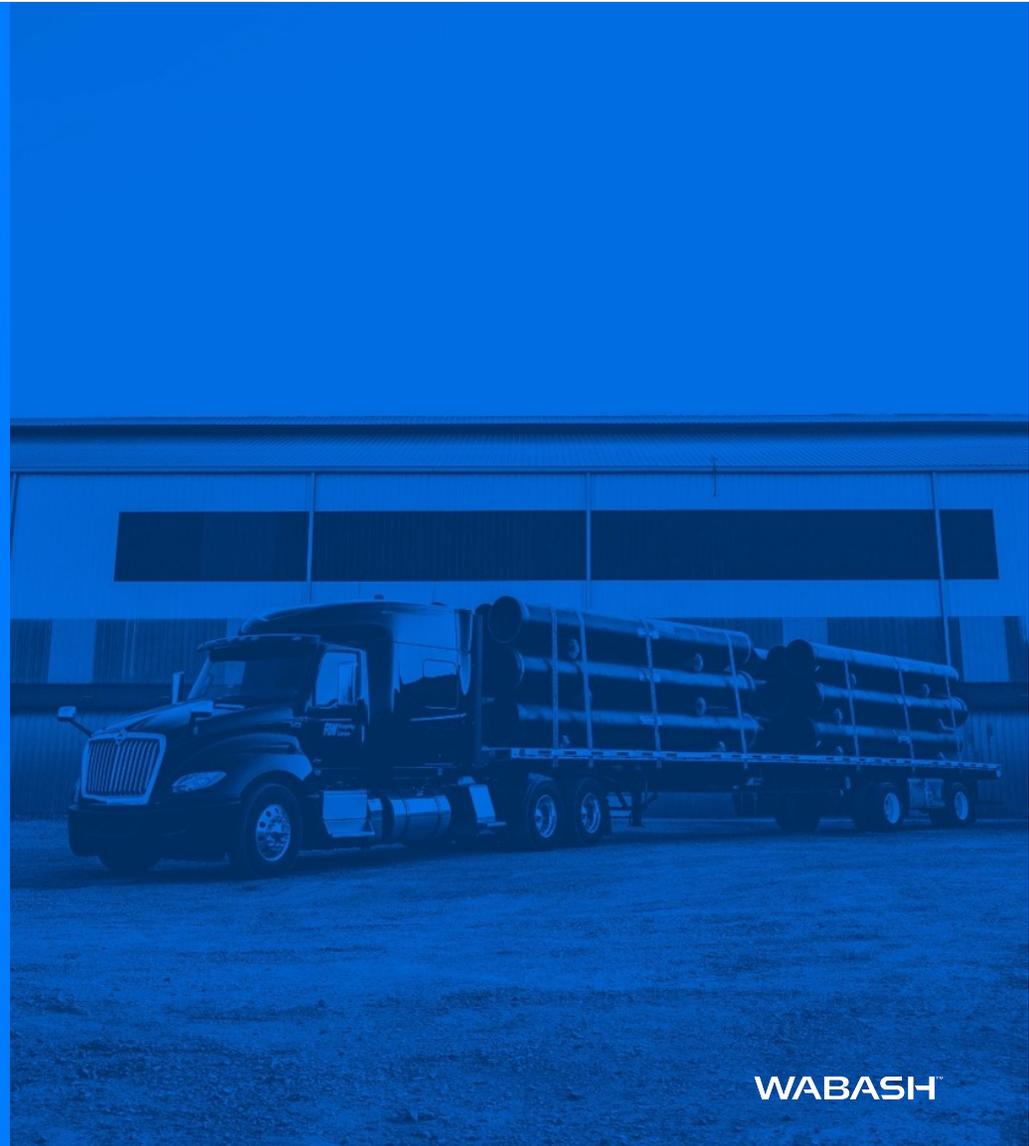
EPS

OTHER KEY METRICS

- SG&A: ~5% of Sales
- Intangible Amortization: \$13M
- Interest Expense: \$24M
- Capex: \$90-100M
- Tax Rate: 26.5%

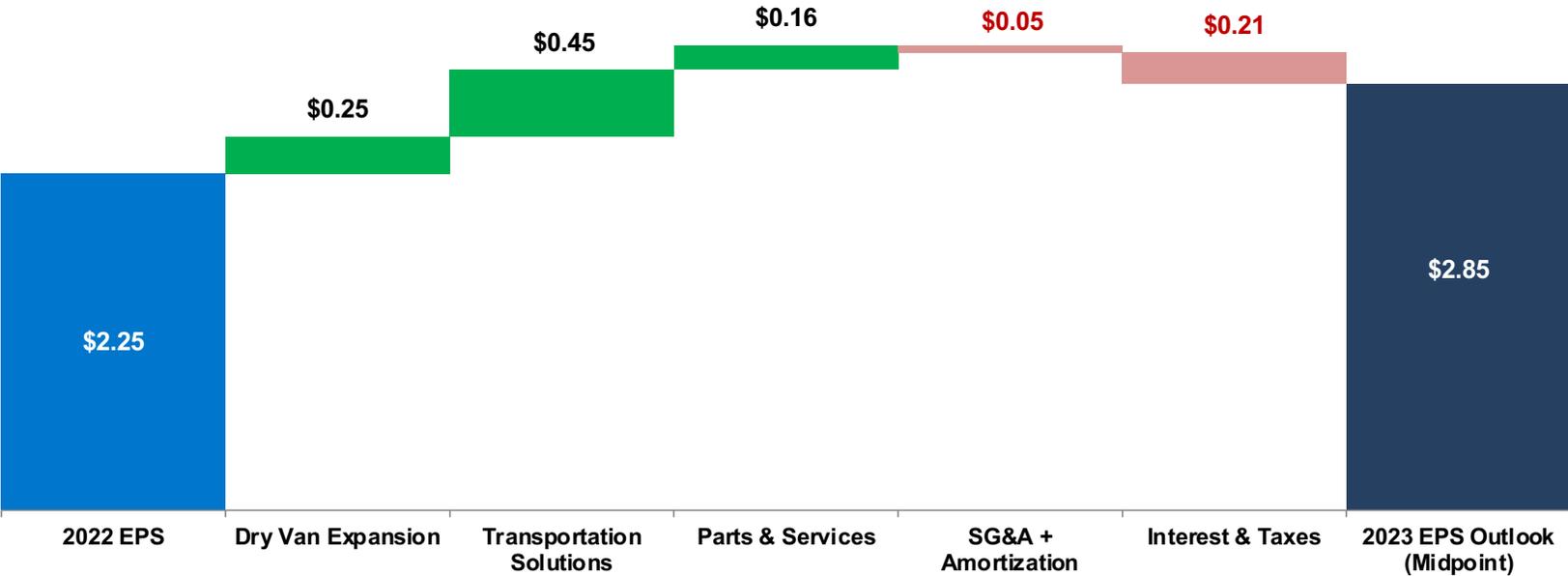
Raising the Bar on Financial Performance

Appendix



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EPS Outlook Bridge



Consolidated Balance Sheets

Unaudited - dollars in thousands	December 31, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 58,245	\$ 71,778
Accounts receivable, net	255,577	176,511
Inventories	243,870	237,621
Prepaid expenses and other	34,927	43,795
Total current assets	592,619	529,705
Property, plant, and equipment, net	271,116	232,425
Goodwill	188,434	188,443
Intangible assets, net	99,231	114,441
Other assets	52,123	42,057
Total assets	\$ 1,203,523	\$ 1,107,071
Liabilities and Stockholders' Equity		
Current liabilities:		
Current portion of long-term debt	\$ —	\$ —
Current portion of finance lease obligations	—	59
Accounts payable	189,141	173,950
Other accrued liabilities	158,327	115,316
Total current liabilities	347,468	289,325
Long-term debt	395,818	428,315
Deferred income taxes	27,758	36,019
Other non-current liabilities	34,354	27,873
Total liabilities	805,398	781,532
Commitments and contingencies		
Noncontrolling interest	512	—
Total Wabash National Corporation stockholders' equity	397,613	325,539
Total liabilities, noncontrolling interest, and equity	\$ 1,203,523	\$ 1,107,071

Consolidated Statements of Operations

Unaudited - dollars in thousands	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
Net sales	\$ 657,449	\$ 479,277	\$ 2,502,129	\$ 1,803,268
Cost of sales	562,852	436,629	2,179,438	1,606,801
Gross profit	94,597	42,648	322,691	196,467
General and administrative expenses	27,962	22,067	113,083	88,807
Selling expenses	5,733	5,371	27,070	23,691
Amortization of intangible assets	3,185	5,630	15,211	22,858
Impairment and other, net	(7)	28,200	685	27,569
Income (loss) from operations	57,724	(18,620)	166,642	33,542
Other income (expense):				
Interest expense	(5,184)	(5,097)	(20,525)	(23,128)
Other, net	895	(8,929)	318	(9,124)
Other expense, net	(4,289)	(14,026)	(20,207)	(32,252)
Income (loss) before income tax	53,435	(32,646)	146,435	1,290
Income tax expense (benefit)	11,834	(7,333)	33,665	126
Net income (loss)	41,601	(25,313)	112,770	1,164
Net income attributable to noncontrolling interest	139	—	512	—
Net income (loss) attributable to common stockholders	\$ 41,462	\$ (25,313)	\$ 112,258	\$ 1,164
Net income (loss) attributable to common stockholders per share:				
Basic	\$ 0.86	\$ (0.51)	\$ 2.31	\$ 0.02
Diluted	\$ 0.84	\$ (0.51)	\$ 2.25	\$ 0.02
Weighted average common shares outstanding (in thousands):				
Basic	47,964	49,400	48,626	50,684
Diluted	49,550	49,400	49,881	51,608
Dividends declared per share	\$ 0.08	\$ 0.08	\$ 0.32	\$ 0.32

Consolidated Statements of Cash Flows

Unaudited - dollars in thousands	Year Ended December 31,	
	2022	2021
Cash flows from operating activities:		
Net income	\$ 112,770	\$ 1,164
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	31,758	25,984
Amortization of intangibles	15,211	22,858
Net gain on sale of property, plant and equipment and business divestiture	(635)	(1,594)
Loss on debt extinguishment	—	9,504
Deferred income taxes	(7,614)	(8,147)
Stock-based compensation	9,746	7,059
Non-cash interest expense	868	1,082
Impairment	1,339	29,163
Accounts receivable	(79,066)	(80,879)
Inventories	(6,249)	(74,804)
Prepaid expenses and other	1,069	8,570
Accounts payable and accrued liabilities	46,085	54,862
Other, net	(1,198)	(2,292)
Net cash provided by (used in) operating activities	124,084	(7,470)
Cash flows from investing activities:		
Cash payments for capital expenditures	(57,086)	(49,105)
Proceeds from sale of assets and business divestiture	1,781	22,029
Net cash used in investing activities	(55,305)	(27,076)
Cash flows from financing activities:		
Net cash used in financing activities	(82,312)	(111,353)
Net decrease in cash, cash equivalents, and restricted cash	(13,533)	(145,899)
Cash, cash equivalents, and restricted cash at beginning of period	71,778	217,677
Cash, cash equivalents, and restricted cash at end of period	\$ 58,245	\$ 71,778

Q4 QTD Segment Information

(Unaudited - dollars in thousands)

Three Months Ended December 31,	Wabash National Corporation			
	2022	2021		
Units Shipped				
New trailers	13,310	11,655		
New truck bodies	3,250	3,230		
Used trailers	15	25		
Financial Performance				
Three Months Ended December 31,	Transportation Solutions	Parts & Services	Corporate and Eliminations	Consolidated
2022				
New trailers	\$ 536,376	\$ 330	\$ (313)	\$ 536,393
Used trailers	—	523	—	523
Components, parts and service	—	34,554	—	34,554
Equipment and other	74,712	14,238	(2,971)	85,979
Total net external sales	\$ 611,088	\$ 49,645	\$ (3,284)	\$ 657,449
Gross profit	\$ 83,326	\$ 11,271	\$ —	\$ 94,597
Income (loss) from operations	\$ 66,998	\$ 7,899	\$ (17,173)	\$ 57,724
Adjusted income (loss) from operations ¹	\$ 66,998	\$ 7,899	\$ (17,173)	\$ 57,724
2021				
New trailers	\$ 388,182	\$ 179	\$ (181)	\$ 388,180
Used trailers	—	659	—	659
Components, parts and service	—	30,182	—	30,182
Equipment and other	54,964	7,123	(1,831)	60,256
Total net external sales	\$ 443,146	\$ 38,143	\$ (2,012)	\$ 479,277
Gross profit	\$ 36,854	\$ 7,958	\$ (2,164)	\$ 42,648
Income (loss) from operations	\$ (7,623)	\$ 1,692	\$ (12,689)	\$ (18,620)
Adjusted income (loss) from operations ¹	\$ 17,996	\$ 4,419	\$ (12,689)	\$ 9,726

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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Q4 YTD Segment Information

(Unaudited - dollars in thousands)

Twelve Months Ended December 31,	Wabash National Corporation			
	2022	2021		
Units Shipped				
New trailers	52,035	45,365		
New truck bodies	14,800	16,560		
Used trailers	95	95		
Twelve Months Ended December 31,	Transportation Solutions	Parts & Services	Corporate and Eliminations	Consolidated
2022				
New trailers	\$ 2,012,428	\$ 1,722	\$ (1,286)	\$ 2,012,864
Used trailers	—	2,905	—	2,905
Components, parts and service	—	139,762	—	139,762
Equipment and other	308,486	49,087	(10,975)	346,598
Total net external sales	\$ 2,320,914	\$ 193,476	\$ (12,261)	\$ 2,502,129
Gross profit	\$ 277,842	\$ 44,849	\$ —	\$ 322,691
Income (loss) from operations	\$ 209,942	\$ 30,558	\$ (73,858)	\$ 166,642
Adjusted income (loss) from operations ¹	\$ 209,942	\$ 30,558	\$ (73,858)	\$ 166,642
2021				
New trailers	\$ 1,354,375	\$ 179	\$ (181)	\$ 1,354,373
Used trailers	165	2,349	—	2,514
Components, parts and service	—	131,929	—	131,929
Equipment and other	278,779	42,709	(7,036)	314,452
Total net external sales	\$ 1,633,319	\$ 177,166	\$ (7,217)	\$ 1,803,268
Gross profit	\$ 166,630	\$ 36,870	\$ (7,033)	\$ 196,467
Income (loss) from operations	\$ 61,869	\$ 20,201	\$ (48,528)	\$ 33,542
Adjusted income (loss) from operations ¹	\$ 87,488	\$ 21,054	\$ (48,528)	\$ 60,014

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.

Reconciliation of Adjusted Segment Operating Income¹

Unaudited - dollars in thousands	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
Transportation Solutions				
Income (loss) from operations	\$ 66,998	\$ (7,623)	\$ 209,942	\$ 61,869
Adjustments:				
Trade names & trademarks impairment	—	25,619	—	25,619
Adjusted operating income	66,998	17,996	209,942	87,488
Adjusted operating income margin	11.0%	4.1%	9.0%	5.4%
Parts & Services				
Income from operations	7,899	1,692	30,558	20,201
Adjustments:				
Trade names & trademarks impairment	—	2,727	—	2,727
Gain on divestiture of Extract Technology	—	—	—	(1,874)
Adjusted operating income	7,899	4,419	30,558	21,054
Adjusted operating income margin	15.9%	11.6%	15.8%	11.9%
Corporate				
Loss from operations	(17,173)	(12,689)	(73,858)	(48,528)
Adjustments:				
N/A	—	—	—	—
Adjusted operating loss	(17,173)	(12,689)	(73,858)	(48,528)
Consolidated				
Income (loss) from operations	57,724	(18,620)	166,642	33,542
Adjustments:				
Trade names & trademarks impairment	—	28,346	—	28,346
Gain on divestiture of Extract Technology	—	—	—	(1,874)
Adjusted operating income	\$ 57,724	\$ 9,726	\$ 166,642	\$ 60,014
Adjusted operating income margin	8.8%	2.0%	6.7%	3.3%

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. Adjusted operating income margin is calculated by dividing adjusted operating income by total net sales.

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 December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
Net income (loss) attributable to common stockholders	\$ 41,462	\$ (25,313)	\$ 112,258	\$ 1,164
Adjustments:				
Trade names & trademarks impairment	—	28,346	—	28,346
Gain on divestiture of Extract Technology	—	—	—	(1,874)
Debt transactions ²	—	9,052	—	9,504
Tax effect of aforementioned items	—	(8,415)	—	(8,087)
Adjusted net income attributable to common stockholders	\$ 41,462	\$ 3,670	\$ 112,258	\$ 29,053
Adjusted Diluted Earnings Per Share¹:				
Diluted earnings per share	\$ 0.84	\$ (0.51)	\$ 2.25	\$ 0.02
Adjustments:				
Trade names & trademarks impairment	—	0.57	—	0.56
Gain on divestiture of Extract Technology	—	—	—	(0.04)
Debt transactions ²	—	0.18	—	0.18
Tax effect of aforementioned items	—	(0.17)	—	(0.16)
Adjusted diluted earnings per share	\$ 0.84	\$ 0.07	\$ 2.25	\$ 0.56
Weighted average diluted shares outstanding	49,550	50,436	49,881	51,608

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

2 Debt transactions include losses on debt extinguishment.

Reconciliation of Operating EBITDA and Free Cash Flow

Unaudited - dollars in thousands

Operating EBITDA ¹ :	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
Net income (loss)	\$ 41,601	\$ (25,313)	\$ 112,770	\$ 1,164
Income tax expense (benefit)	11,834	(7,333)	33,665	126
Interest expense	5,184	5,097	20,525	23,128
Depreciation and amortization	9,704	12,021	46,969	48,842
Stock-based compensation	2,379	1,170	9,746	7,059
Debt transactions ¹	—	9,052	—	9,504
Impairment and other, net	(7)	28,200	685	27,569
Other, net	(895)	(123)	(318)	(380)
Operating EBITDA	<u>\$ 69,800</u>	<u>\$ 22,771</u>	<u>\$ 224,042</u>	<u>\$ 117,012</u>

Free Cash Flow ² :	Twelve Months Ended December 31,	
	2022	2021
Net cash provided by (used in) operating activities	\$ 124,084	\$ (7,470)
Cash payments for capital expenditures	(57,086)	(49,105)
Free cash flow	<u>\$ 66,998</u>	<u>\$ (56,575)</u>

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- 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.

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Reconciliation of Adjusted Segment EBITDA¹ and Adjusted Segment EBITDA Margin¹

Unaudited - dollars in thousands

Three Months Ended December 31	Transportation Solutions		Parts & Services	
	2022	2021	2022	2021
Income (loss) from operations	\$ 66,998	\$ (7,623)	\$ 7,899	\$ 1,692
Depreciation and amortization	8,458	10,364	480	1,107
Impairment and other, net	(1)	25,619	(5)	2,585
Adjusted segment EBITDA	<u>\$ 75,455</u>	<u>\$ 28,360</u>	<u>\$ 8,374</u>	<u>\$ 5,384</u>
Adjusted segment EBITDA margin	12.3 %	6.4 %	16.9 %	14.1 %

Unaudited - dollars in thousands

Twelve Months Ended December 31	Transportation Solutions		Parts & Services	
	2022	2021	2022	2021
Income from operations	\$ 209,942	\$ 61,869	\$ 30,558	\$ 20,201
Depreciation and amortization	41,187	41,819	2,717	4,781
Impairment and other, net	(361)	26,554	—	1,025
Adjusted segment EBITDA	<u>\$ 250,768</u>	<u>\$ 130,242</u>	<u>\$ 33,275</u>	<u>\$ 26,007</u>
Adjusted segment EBITDA Margin	10.8 %	8.0 %	17.2 %	14.7 %

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.