

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): October 27, 2021 (October 27, 2021)

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, \$.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 October 27, 2021, Westinghouse Air Brake Technologies Corporation (the “Company”) issued a press release reporting, among other things, the Company’s 2021 third 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 third quarter of 2021 (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.

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 October 27, 2021, the Company issued a press release which, among other things, provided earnings guidance for fiscal year 2021. A copy of the press release is attached to this report as Exhibit 99.1 and the paragraph under the heading “2021 Financial Guidance” which discusses 2021 guidance is incorporated into this Item 7.01 by reference. The Company also furnished a Presentation relating to its third quarter of 2021, 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	Press release dated October 27, 2021
99.2	Wabtec Earnings Presentation, Third Quarter 2021
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 acquisition by Wabtec of GE Transportation (the “GE Transportation merger”), 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 from the GE Transportation merger; 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) unexpected costs, charges or expenses resulting from acquisitions, including the GE Transportation merger; (2) uncertainty of Wabtec’s expected financial performance; (3) failure to realize the anticipated benefits of acquisitions, including the GE Transportation merger, including as a result of integrating acquired targets into Wabtec; (4) Wabtec’s ability to implement its business strategy; (5)

difficulties and delays in achieving revenue and cost synergies; (6) inability to retain and hire key personnel; (7) evolving legal, regulatory and tax regimes; (8) changes in general economic and/or industry specific conditions, including the impacts of tax and tariff programs, supply chain disruptions, industry consolidation and changes in the financial condition or operating strategies of our customers; (9) changes in the expected timing of projects; (10) a decrease in freight or passenger rail traffic; (11) an increase in manufacturing costs; (12) actions by third parties, including government agencies; (13) 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, and (14) 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, periodic 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.

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: October 27, 2021

Wabtec Reports Strong 3rd Quarter 2021 Results

- Third Quarter Reported GAAP Earnings Per Share of \$0.69; Adjusted Earnings Per Share Up 20.0% to \$1.14
- Sales Growth of 2.2% to \$1.91 Billion; GAAP Operating Margin of 11.4%; Adjusted Operating Margin +130 bps to 17.0%
- Year-to-Date Cash Flow from Operations up 66% to \$759 Million; 103% Year-to-Date Cash Conversion
- Achieved \$250 Million of Run-Rate Synergies One Year Earlier Than Forecasted
- Repurchased 2.3 Million Shares During the Third Quarter for \$199 Million

PITTSBURGH, October 27, 2021 – [Wabtec Corporation](#) (NYSE: WAB) today reported third quarter 2021 earnings per diluted share of \$0.69, up 3.0% versus the third quarter of 2020. Adjusted earnings per diluted share were \$1.14, up 20.0% versus the same quarter a year ago. Total sales were \$1.91 billion and cash from operations was strong at \$244 million.

“Our team delivered strong execution in the third quarter and strengthened our financial position, despite growing global supply chain disruptions and rising costs,” said Rafael Santana, Wabtec’s President and CEO. “Our team is taking aggressive actions to mitigate these significant challenges, as demonstrated by our ability to deliver \$250 million of run-rate synergies a full year earlier than originally forecasted. Based on our strong year-to-date results, and in consideration of the volatile cost and supply chain environment, we are narrowing Wabtec’s full-year revenue and earnings per share guidance. We are confident we will continue to position the company for long-term profitable growth.”

2021 Third Quarter Consolidated Results

- Sales were \$1.91 billion versus \$1.87 billion in the same period a year ago. The increase compared to the year-ago quarter was primarily driven by higher sales in Freight Services and Freight Components, along with the acquisition of Nordco in the second quarter of 2021 and favorable foreign currency exchange. During the quarter, we estimate that sales results were adversely impacted by 2 to 3 percent due to supply chain disruptions.
- Income from operations was \$217 million, up 5.0 percent versus prior year. Adjusted income from operations was \$325 million, up 10.6 percent from last year as result of improved mix and strong productivity, partially offset by \$15 to \$20 million in escalating costs associated with metals, transportation and labor.

2021 Third Quarter Freight Segment Results

- Freight segment sales of \$1.30 billion increased by 4.7 percent from the year-ago quarter. Freight segment sales benefited from higher demand for Services and increased Components sales, along with the acquisition of Nordco. This growth was partially offset by lower deliveries of locomotives in North America and higher supply chain inputs.
- Freight segment income from operations was \$195 million, up 21.8 percent versus the prior year quarter. Adjusted income from operations of \$266 million, up 13.7 percent versus the same quarter a year ago. The increase was primarily driven by favorable mix and operational efficiencies, partially offset by higher costs.



News Release

2021 Third Quarter Transit Segment Results

- Transit segment sales of \$612 million decreased by 2.5 percent versus the same quarter last year. Transit segment sales were down versus last year due primarily to supply chain issues and COVID-related disruptions.
- Transit segment income from operations was \$44 million, down 31.5 percent due to restructuring expenses incurred during the quarter. Adjusted income from operations was \$77 million, up 1.9 percent versus last year primarily driven by strong productivity gains, partially offset by higher costs.

Backlog

At September 30, 2021 the multi-year backlog was \$21.84 billion which was \$314 million higher than June 30, 2021 due in most part from increased orders in Freight Services. Wabtec's 12-month backlog was \$5.71 billion at September 30, 2021.

Cash Flow and Liquidity Summary

- During the third quarter, the company generated cash from operations of \$244 million versus \$230 million in the same period a year ago. Year-to-date the company generated strong cash from operations of \$759 million resulting in 103% cash conversion for the year.
- At the end of the quarter, the company had cash, cash equivalents and restricted cash of \$456 million and total debt of \$4.07 billion. At September 30, 2021 the company's total available liquidity, which includes cash and cash equivalents plus \$1.19 billion available under current credit facilities, was \$1.62 billion.
- During the third quarter, the company repurchased 2.3 million shares for \$199 million.

2021 Financial Guidance

- Wabtec tightened its 2021 sales guidance to a range of \$7.90 billion to \$8.05 billion, GAAP earnings per diluted share guidance to between \$2.87 to \$2.97 and adjusted earnings per diluted share to between \$4.20 to \$4.30.
- Wabtec expects higher commodity costs and shortages of component, chip and labor to create a more challenging sales and cost environment in the fourth quarter and into 2022. Wabtec is working to mitigate these pressures through price escalation, surcharges, and accelerated cost actions.
- For full year 2021, Wabtec expects strong cash flow generation with operating cash flow of about \$1 billion.

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 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: 10160751).

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

Information about non-GAAP Financial Information and Forward-Looking Statements

Wabtec's earnings release and 2021 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 book-to-bill ratio. Wabtec defines EBITDA as earnings before interest, taxes, depreciation and amortization. Wabtec defines book-to-bill ratio, for which there is no comparable GAAP financial measure, as orders divided by sales. 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 acquisition by Wabtec of GE Transportation (the "GE Transportation merger"), 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 from the GE Transportation merger; 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) unexpected costs, charges or expenses resulting from acquisitions, including the GE Transportation merger; (2) uncertainty of Wabtec's expected financial performance; (3) failure to realize the anticipated benefits of acquisitions, including the GE Transportation merger, including as a result of integrating acquired targets into Wabtec; (4) Wabtec's ability to implement its business strategy; (5) difficulties and delays in achieving revenue and cost synergies; (6) inability to retain and hire key personnel; (7) evolving legal, regulatory and tax regimes; (8) changes in general economic and/or industry specific conditions, including the impacts of tax and tariff programs, supply chain disruptions, industry consolidation and changes in the financial condition or operating strategies of our customers; (9) changes in the expected timing of projects; (10) a decrease in freight or passenger rail traffic; (11) an increase in manufacturing costs; (12) actions by third parties, including government agencies; (13) 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, and (14) 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, periodic current reports on Form 8-K and other documents filed with the SEC. The foregoing list of important factors is not exclusive. Any forward-



News Release

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WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020
(AMOUNTS IN MILLIONS EXCEPT PER SHARE DATA)
(UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net sales	\$ 1,906.9	\$ 1,865.1	\$ 5,749.4	\$ 5,532.4
Cost of sales	(1,304.6)	(1,298.9)	(4,032.8)	(3,900.8)
Gross profit	602.3	566.2	1,716.6	1,631.6
<i>Gross profit as a % of Net Sales</i>	31.6 %	30.4 %	29.9 %	29.5 %
Selling, general and administrative expenses	(269.0)	(252.7)	(766.5)	(712.9)
Engineering expenses	(43.8)	(36.5)	(123.5)	(123.7)
Amortization expense	(72.5)	(70.3)	(214.7)	(211.6)
Total operating expenses	(385.3)	(359.5)	(1,104.7)	(1,048.2)
<i>Operating expenses as a % of Net Sales</i>	20.2 %	19.3 %	19.2 %	18.9 %
Income from operations	217.0	206.7	611.9	583.4
<i>Income from operations as a % of Net Sales</i>	11.4 %	11.1 %	10.6 %	10.5 %
Interest expense, net	(42.2)	(45.6)	(134.7)	(150.3)
Other income, net	0.5	14.3	25.0	5.8
Income before income taxes	175.3	175.4	502.2	438.9
Income tax expense	(43.5)	(46.9)	(130.5)	(113.4)
<i>Effective tax rate</i>	24.8 %	26.7 %	26.0 %	25.8 %
Net income	131.8	128.5	371.7	325.5
Less: Net (income) loss attributable to noncontrolling interest	(1.2)	(0.4)	(3.9)	1.0
Net income attributable to Wabtec shareholders	\$ 130.6	\$ 128.1	\$ 367.8	\$ 326.5
Earnings Per Common Share				
	Basic			
Net income attributable to Wabtec shareholders	\$ 0.69	\$ 0.67	\$ 1.95	\$ 1.71
	Diluted			
Net income attributable to Wabtec shareholders	\$ 0.69	\$ 0.67	\$ 1.95	\$ 1.71
Weighted average shares outstanding				
Basic	187.6	189.8	188.2	190.1
Diluted	188.0	190.2	188.6	190.6

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020
(AMOUNTS IN MILLIONS EXCEPT PER SHARE DATA)
(UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Segment Information				
Freight Net Sales	\$ 1,295.0	\$ 1,237.3	\$ 3,814.2	\$ 3,743.0
Freight Income from Operations	\$ 195.2	\$ 160.2	\$ 510.2	\$ 463.4
Freight Operating Margin	15.1 %	12.9 %	13.4 %	12.4 %
Transit Net Sales	\$ 611.9	\$ 627.8	\$ 1,935.2	\$ 1,789.4
Transit Income from Operations	\$ 43.9	\$ 64.1	\$ 159.3	\$ 172.9
Transit Operating Margin	7.2 %	10.2 %	8.2 %	9.7 %
Backlog Information (Note: 12-month is a sub-set of total)				
	September 30, 2021	June 30, 2021		
Freight Total	\$ 18,211.0	\$ 17,836.3		
Transit Total	3,632.5	3,693.3		
Wabtec Total	\$ 21,843.5	\$ 21,529.6		
Freight 12-Month	\$ 4,060.2	\$ 4,098.1		
Transit 12-Month	1,647.5	1,724.8		
Wabtec 12-Month	\$ 5,707.7	\$ 5,822.9		

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

	September 30, 2021	December 31, 2020
<i>In millions</i>		
Cash, cash equivalents and restricted cash	\$ 456.4	\$ 598.7
Receivables, net	1,367.0	1,412.5
Inventories	1,689.6	1,642.1
Other current assets	247.1	226.5
Total current assets	3,760.1	3,879.8
Property, plant and equipment, net	1,509.0	1,601.6
Goodwill	8,604.7	8,485.2
Other intangible assets, net	3,779.8	3,869.2
Other noncurrent assets	698.3	618.7
Total assets	\$ 18,351.9	\$ 18,454.5
Current liabilities	\$ 2,811.6	\$ 3,226.3
Long-term debt	4,067.2	3,792.2
Long-term liabilities - other	1,281.9	1,283.3
Total liabilities	8,160.7	8,301.8
Shareholders' equity	10,156.6	10,122.3
Noncontrolling interest	34.6	30.4
Total shareholders' equity	10,191.2	10,152.7
Total Liabilities and Shareholders' Equity	\$ 18,351.9	\$ 18,454.5

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

<i>In millions</i>	Nine Months Ended September 30,	
	2021	2020
<i>Operating activities</i>		
Net income	\$ 371.7	\$ 325.5
Non-cash expense	373.7	303.0
Receivables	34.9	245.2
Inventories	(32.3)	7.8
Accounts Payable	41.1	(203.4)
Other assets and liabilities	(29.8)	(220.0)
Net cash provided by operating activities	759.3	458.1
Net cash used for investing activities	(475.3)	(119.9)
Net cash used for financing activities	(433.3)	(360.8)
Effect of changes in currency exchange rates	7.0	(22.3)
Decrease in cash	(142.3)	(44.9)
Cash, cash equivalents and restricted cash, beginning of period	598.7	604.2
Cash, cash equivalents and restricted cash, end of period	<u>\$ 456.4</u>	<u>\$ 559.3</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)	Third 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
Reported Results	\$ 1,906.9	\$ 602.3	\$ (385.3)	\$ 217.0	\$ (41.7)	\$ (43.5)	\$ 131.8	\$ (1.2)	\$ 130.6	\$ 0.69
Restructuring & Transaction costs	—	23.2	11.9	35.1	—	(8.7)	26.4	—	26.4	\$ 0.14
Non-cash Amortization expense	—	—	72.5	72.5	—	(18.0)	54.5	—	54.5	\$ 0.29
Foreign Exchange Gain	—	—	—	—	3.5	(0.9)	2.6	—	2.6	\$ 0.02
Adjusted Results	\$ 1,906.9	\$ 625.5	\$ (300.9)	\$ 324.6	\$ (38.2)	\$ (71.1)	\$ 215.3	\$ (1.2)	\$ 214.1	\$ 1.14
Fully Diluted Shares Outstanding										188.0

Wabtec Corporation Reconciliation of Reported Results to Adjusted Results (in millions)	Third 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
Reported Results	\$ 5,749.4	\$ 1,716.6	\$ (1,104.7)	\$ 611.9	\$ (109.7)	\$ (130.5)	\$ 371.7	\$ (3.9)	\$ 367.8	\$ 1.95
Restructuring & Transaction costs	—	48.4	31.8	80.2	—	(19.4)	60.8	—	60.8	\$ 0.32
Non-cash Amortization expense	—	—	214.7	214.7	—	(55.8)	158.9	—	158.9	\$ 0.84
Foreign Exchange Gain	—	—	—	—	(7.4)	2.0	(5.4)	—	(5.4)	\$ (0.03)
Adjusted Results	\$ 5,749.4	\$ 1,765.0	\$ (858.2)	\$ 906.8	\$ (117.1)	\$ (203.7)	\$ 586.0	\$ (3.9)	\$ 582.1	\$ 3.08
Fully Diluted Shares Outstanding										188.6

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)	Third Quarter 2020 Actual Results									
	Net Sales	Gross Profit	Operating Expenses	Income from Operations	Interest & Other Exp	Tax	Net Income	Noncontrolling Interest	Wabtec Net Income	EPS
	Reported Results	\$ 1,865.1	\$ 566.2	\$ (359.5)	\$ 206.7	\$ (31.3)	\$ (46.9)	\$ 128.5	\$ (0.4)	\$ 128.1
Restructuring & Transaction costs	—	4.7	11.7	16.4	—	(4.4)	12.0	—	12.0	\$ 0.06
Non-cash Amortization expense	—	—	70.3	70.3	—	(18.8)	51.5	—	51.5	\$ 0.27
Foreign Exchange Gain	—	—	—	—	(12.8)	3.4	(9.4)	—	(9.4)	\$ (0.05)
Adjusted Results	\$ 1,865.1	\$ 570.9	\$ (277.5)	\$ 293.4	\$ (44.1)	\$ (66.7)	\$ 182.6	\$ (0.4)	\$ 182.2	\$ 0.95
Fully Diluted Shares Outstanding										190.2

Wabtec Corporation Reconciliation of Reported Results to Adjusted Results (in millions)	Third Quarter Year-to-Date 2020 Actual Results									
	Net Sales	Gross Profit	Operating Expenses	Income from Operations	Interest & Other Exp	Tax	Net Income	Noncontrolling Interest	Wabtec Net Income	EPS
	Reported Results	\$ 5,532.4	\$ 1,631.6	\$ (1,048.2)	\$ 583.4	\$ (144.5)	\$ (113.4)	\$ 325.5	\$ 1.0	\$ 326.5
Restructuring & Transaction costs	—	23.3	40.6	63.9	—	(16.4)	47.5	—	47.5	\$ 0.25
Non-cash Amortization expense	—	—	211.6	211.6	—	(54.4)	157.2	—	157.2	\$ 0.82
Foreign Exchange Gain	—	—	—	—	7.7	(1.9)	5.8	—	5.8	\$ 0.03
Adjusted Results	\$ 5,532.4	\$ 1,654.9	\$ (796.0)	\$ 858.9	\$ (136.8)	\$ (186.1)	\$ 536.0	\$ 1.0	\$ 537.0	\$ 2.81
Fully Diluted Shares Outstanding										190.6

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 2021 Q3 EBITDA Reconciliation (in millions)											
	Reported Income from Operations	+	Other Income (Expense)	+	Depreciation & Amortization	=	EBITDA	+	Restructuring & Transaction Costs	=	Adjusted EBITDA
Consolidated Results	\$ 217.0		\$ 0.5		\$ 120.9		\$ 338.4		\$ 35.1		\$ 373.5

Wabtec Corporation 2021 Q3 YTD EBITDA Reconciliation (in millions)											
	Reported Income from Operations	+	Other Income (Expense)	+	Depreciation & Amortization	=	EBITDA	+	Restructuring & Transaction Costs	=	Adjusted EBITDA
Consolidated Results	\$ 611.9		\$ 25.0		\$ 364.0		\$ 1,000.9		\$ 80.2		\$ 1,081.1

Wabtec Corporation 2020 Q3 EBITDA Reconciliation (in millions)											
	Reported Income from Operations	+	Other Income (Expense)	+	Depreciation & Amortization	=	EBITDA	+	Restructuring & Transaction Costs	=	Adjusted EBITDA
Consolidated Results	\$ 206.7		\$ 14.3		\$ 116.4		\$ 337.4		\$ 16.4		\$ 353.8

Wabtec Corporation 2020 Q3 YTD EBITDA Reconciliation (in millions)											
	Reported Income from Operations	+	Other Income (Expense)	+	Depreciation & Amortization	=	EBITDA	+	Restructuring & Transaction Costs	=	Adjusted EBITDA
Consolidated Results	\$ 583.4		\$ 5.8		\$ 347.2		\$ 936.4		\$ 63.9		\$ 1,000.3

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

<i>In millions</i>	Three Months Ended September 30,	
	2021	2020
Freight Segment		
Equipment	\$ 335.2	\$ 355.3
Components	222.1	208.2
Digital Electronics	155.2	161.0
Services	582.5	512.8
Total Freight Segment	\$ 1,295.0	\$ 1,237.3

Transit Segment		
Original Equipment Manufacturer	\$ 286.9	\$ 303.1
Aftermarket	325.0	324.7
Total Transit Segment	\$ 611.9	\$ 627.8

<i>In millions</i>	Nine Months Ended September 30,	
	2021	2020
Freight Segment		
Equipment	\$ 924.8	\$ 1,098.2
Components	648.9	624.1
Digital Electronics	473.5	500.1
Services	1,767.0	1,520.6
Total Freight Segment	\$ 3,814.2	\$ 3,743.0

Transit Segment		
Original Equipment Manufacturer	\$ 894.1	\$ 817.4
Aftermarket	1,041.1	972.0
Total Transit Segment	\$ 1,935.2	\$ 1,789.4

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

<i>In millions</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Freight Segment Reported Income from Operations	\$ 195.2	\$ 160.2	\$ 510.2	\$ 463.4
<i>Freight Segment Reported Margin</i>	15.1%	12.9%	13.4%	12.4%
Restructuring & Transaction costs	3.4	8.8	17.0	43.5
Non-cash Amortization expense	67.6	65.2	199.8	196.8
Freight Segment Adjusted Income from Operations	\$ 266.2	\$ 234.2	\$ 727.0	\$ 703.7
<i>Freight Segment Adjusted Margin</i>	20.6%	18.9%	19.1%	18.8%
Transit Segment Reported Income from Operations	\$ 43.9	\$ 64.1	\$ 159.3	\$ 172.9
<i>Transit Segment Reported Margin</i>	7.2%	10.2%	8.2%	9.7%
Restructuring & Transaction costs	27.7	5.9	54.4	13.3
Non-cash Amortization expense	4.9	5.1	14.9	14.8
Transit Segment Adjusted Income from Operations	\$ 76.5	\$ 75.1	\$ 228.6	\$ 201.0
<i>Transit Segment Adjusted Margin</i>	12.5%	12.0%	11.8%	11.2%

Wabtec 3rd Quarter 2021

Financial Results & Company Highlights

October 27, 2021



Forward looking statements & non-GAAP financial informa

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 Private Securities Litigation Reform Act of 1995, including statements regarding the acquisition by Wabtec of GE Transportation (the "GE Transportation merger"), 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 synergies from the GE Transportation merger; statements regarding Wabtec's plans, objectives, expectations and intentions; and statements regarding macro-economic conditions and evolving production and demand conditions; and any assumption 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 of 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) unexpected costs, charges or expenses resulting from acquisitions, including the GE Transportation merger; (2) uncertainty of Wabtec's expected financial performance; (3) failure to realize the anticipated benefits of acquisitions, including as a result of integrating acquired targets into Wabtec; (4) Wabtec's ability to implement its business strategy; (5) difficulties and delays in achieving revenue synergies; (6) inability to retain and hire key personnel; (7) evolving legal, regulatory and tax regimes; (8) changes in general economic and/or industry specific conditions, including the impacts of tax and tariff programs, supply chain disruptions, industry consolidation and changes in the financial condition or operating strategies of our customers; (9) changes in the expected timing of projects; (10) a decrease in freight passenger rail traffic; (11) an increase in manufacturing costs; (12) actions by third parties, including government agencies; (13) 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; and (14) 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, periodic 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 2021 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, cash conversion rate and book-to-bill ratio. Wabtec defines EBITDA as earnings before interest, taxes, depreciation and amortization. Wabtec defines book-to-bill ratio as new orders divided by sales. 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.

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

3Q 2021 overview

SALES	\$1.91B Up 2.2% YoY
ADJUSTED OPERATING MARGIN	17.0% GAAP: 11.4%
ADJUSTED EARNINGS PER SHARE	\$1.14 GAAP: \$0.69
CASH FROM OPERATIONS (1)	\$244M
BACKLOG	\$21.84B

3Q 2021 HIGHLIGHTS

Positive momentum ... executing on long-term strategy

- Delivered 130 bps of adj. margin expansion ... improved across both segments despite significant increase in input costs
- Achieved \$250M synergy run-rate ... continued focus on lean & cost initiatives to help mitigate broad based inflation
- Robust YTD cash flow from operations of \$759M ... strong cash conversion
- Returning capital to shareholders ... executed \$199M buyback & \$23M in dividends
- Strong backlog provides visibility

Solid execution ... margin expansion & strong cash flow

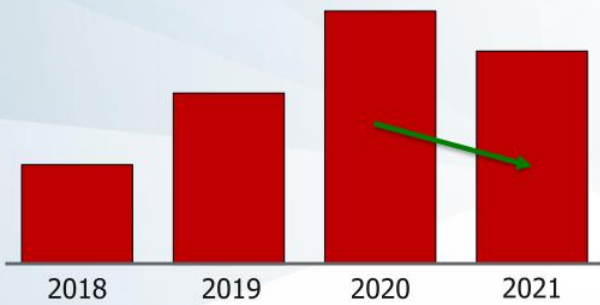
(1) 3rd quarter cash from operations was positively impacted by securitization of accounts receivable of \$2M.

Market outlook

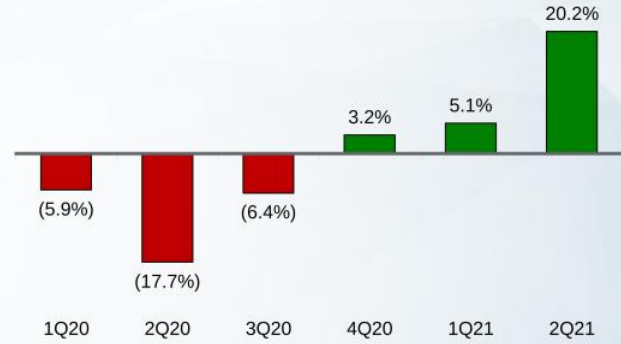
Key Assumptions

FREIGHT	
NA carloads	↗
Locomotive & railcar parkings	↘
International freight volumes	↗
NA railcar production	↘
Mining commodities	↗
TRANSIT	
Infrastructure investment	↗
Global ridership	↔

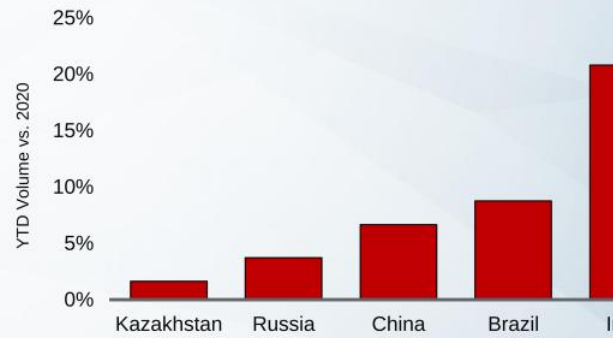
Average North American Parked Locomotives



YoY North American Rail Volumes



YTD Global Freight Volumes



Leading decarbonization and enhanced utilization of rail

Customer needs



Reduction in fuel & emissions



Network velocity and automation



Energy management / charging solutions



Weight reduction



Dust reduction

Driving the transition to a more efficient, utilized, zero-emission rail network

Our next generation rail solutions

World's 1st heavy-haul battery-electric locomotive

7+MWh ... Up to 30% ↓ fuel and emissions

Trip Optimizer ... intelligent cruise control

500K tons of CO₂ emission ↓ per year

Greener HVAC systems

Up to 30% ↓ energy use on train

Improved friction braking systems

90% ↓ particle emissions on metro trains

3Q 2021 wins



FREIGHT

Strategic orders for FLXdrive

North American mods orders

International locomotive kits

Class I long-term service agreement

International Digital order ...
LOCOTROL, Trip Optimizer, GoLINC



TRANSIT

Power collection order for ~6
metro cars in Germa

HVAC order for ~400 metro cars in
Switzerland

Services contract for ~700 metro
cars in UK

Capturing profitable, growing demand for rail solutions

Executing in a dynamic environment – supply chain disruptions, escalating costs and labor shortages

3Q Impacts

- Revenue impacted 2-3%
- Costs up \$15-20M

Future Impacts

Costs expected to increase over next few quarters as costs fully flow through inventory & purchase contracts

SUPPLY DISRUPTIONS IMPACTING REVENUE

- Component shortages
- Chip shortages
- Labor availability

RISING COSTS IMPACTING MARGINS

- Broad-based inflation
- Escalating metals/commodities costs
- Sharply rising transportation & logistics costs
- Labor costs increasing
- Lower manufacturing efficiencies

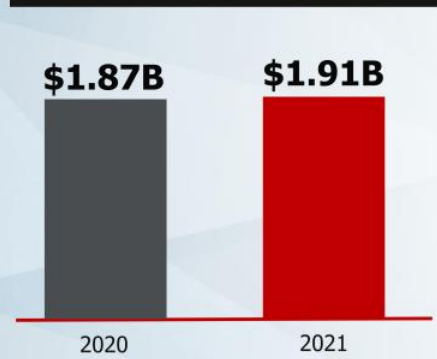
MITIGATING ACTION

- Triggering price escalator long-term contracts
- Implementing price surcharges
- Driving operational productivity
 - Lean actions
 - Sourcing-led cost mitigation
 - Adjusting sourcing locations
 - Discretionary spend management
 - Flexible hiring & retention practices
- Accelerating integration synergies where possible

Demonstrated ability to navigate evolving cost and demand

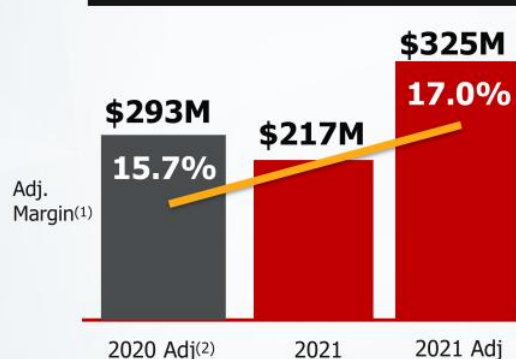
3Q 2021 financial summary

SALES



2.2% Increase

OPERATING INCOME



1.3 pts of Margin Expansion

EPS



20.0% Increase

Increased sales and margin expansion despite supply chain disruptions, rising costs and labor shortages

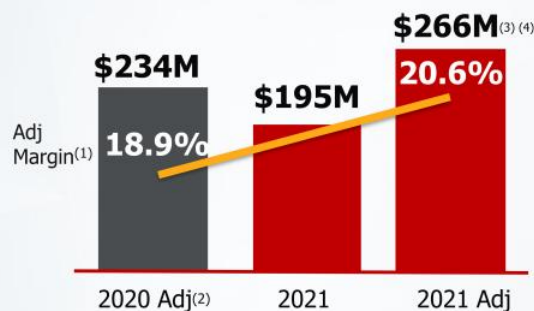
(1) 3Q 2020 GAAP operating margin was 11.1% and 3Q 2021 GAAP operating margin was 11.4%.
(2) 3Q 2020 GAAP operating income was \$206.7 million.
(3) 3Q 2020 GAAP EPS was \$0.67.

3Q 2021 Freight segment performance

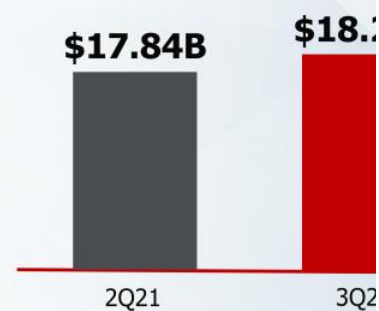
SALES



OPERATING INCOME



BACKLOG



PRODUCT LINE	YoY
Equipment	(5.7%)
Components	6.7%
Services	13.6%
Digital Electronics	(3.6%)

Lower deliveries of locomotives in NA, largely offset by higher mining sales

Increasing OE railcar & aftermarket demand ... improving industrial activity

Positive freight trends, unparking of locos ... Nordco acquisition

Gradual recovery in customer capex, offset by supply chain volatility

(1) 3Q 2020 Freight GAAP segment margin was 12.9% and 3Q 2021 Freight GAAP segment margin was 15.1%.

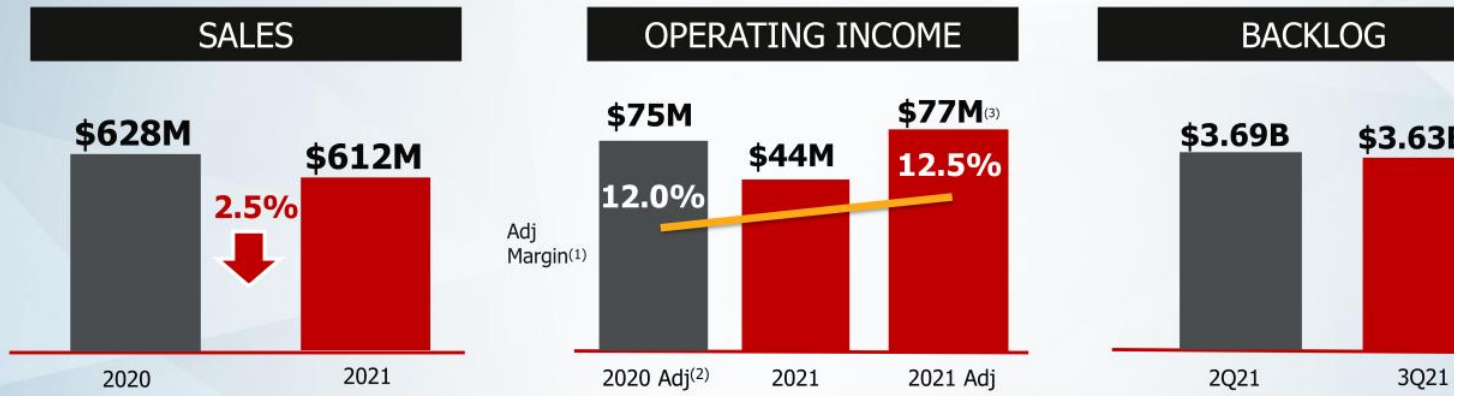
(2) 3Q 2020 Freight GAAP segment operating income was \$160.2 million.

(3) Freight segment income was adjusted by the following expenses: \$3.4 million for restructuring and transaction costs and \$67.6 million for amortization expenses.

(4) Freight segment operating income was positively impacted by below market intangible amortization of \$16.3 million, up \$3.8 million from 3Q 2020.

(5) Foreign exchange rates positively impacted Freight sales by \$7.5 million. Foreign exchange rates had a negative \$21.1 million impact on segment backlog.

3Q 2021 Transit segment performance



PRODUCT LINE	YoY
--------------	-----

OE	(5.3%)	Delayed spending due to COVID
Aftermarket	0.1%	Positive ridership trends, but still below pre-COVID levels

(1) 3Q 2020 Transit GAAP segment margin was 10.2% and 3Q 2021 Transit GAAP segment margin was 7.2%.
 (2) 3Q 2020 Transit GAAP segment operating income was \$64.1 million.
 (3) Transit Segment operating income was adjusted by \$27.7 million for restructuring expenses and \$4.9 million for amortization expenses.
 (4) Foreign exchange positively impacted Transit sales by \$15.1 million. Foreign exchange rates had a negative \$59.3 million impact on segment backlog.

Resilient business allows for execution on financial priorities

FOCUSED ON CASH CONVERSION⁽¹⁾

Cash from Ops



Strong cash generation...
improving cash conversion YTD

Capex of \$23M in 3Q ...
\$79M year-to-date

STRONG FINANCIAL POSITION

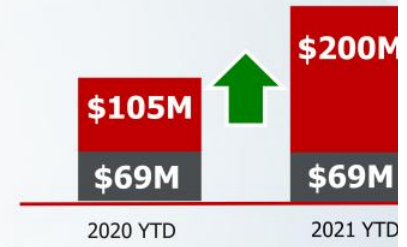
Net Debt



Adjusted net leverage improved... committed to maintaining investment grade ratings

Strengthening balance sheet...
strong liquidity of \$1.62B

RETURN CAPITAL TO SHAREHOLDERS



Deploying capital to execute strategic priorities

Returning capital to shareholders
repurchased \$199M shares 3Q & paid dividends of \$23M

Robust cash generation; investing in high-return opportunities to drive growth

(1) Cash from Operations conversion % is defined as GAAP Cash from Operations divided by GAAP Net Income plus depreciation & amortization.

2021 financial guidance

	Prior 2021 Guidance (as of 2Q21 earnings call)	Updated 2021 Guidance
REVENUES	\$7.90B to \$8.20B	\$7.90B to \$8.05B
GAAP EPS	\$2.87 to \$3.07	\$2.87 to \$2.97
ADJUSTED EPS	\$4.15 to \$4.35	\$4.20 to \$4.30
CASH CONVERSION⁽¹⁾	>90%	>90%

Key assumption

- Adjusted SG&A ~12
- Depreciation ~\$205
- Amortization ~\$290
- Interest ~\$180M
- Tax rate ~26%
- Capex ~\$120M

(1) Cash from Operations conversion % is defined as GAAP Cash from Operations divided by GAAP Net Income plus depreciation & amortization

What you've heard

Creating value for customers ... **leading decarbonization utilization of rail** through innovative, low-carbon technology

Leveraging **significant installed base** ... resilient business

Navigating dynamic **supply chain and cost environment**

Driving **margin expansion** ... **accelerated realization of synergies** ...but cautious as we close out 2021

Generating **strong cash flow** with **disciplined capital allocation** ... improving ROIC and shareholder returns

Strong execution ... strong foundation for growth and increased shareholder value



Appendix



Income statement

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020
(AMOUNTS IN MILLIONS EXCEPT PER SHARE DATA)
(UNAUDITED)

Appendix A (1 of 2)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net sales	\$ 1,906.9	\$ 1,865.1	\$ 5,749.4	\$ 5,532.4
Cost of sales	(1,304.6)	(1,298.9)	(4,032.8)	(3,900.8)
Gross profit	602.3	566.2	1,716.6	1,631.6
<i>Gross profit as a % of Net Sales</i>	31.6%	30.4%	29.9%	29.5%
Selling, general and administrative expenses	(269.0)	(252.7)	(766.5)	(712.9)
Engineering expenses	(43.8)	(36.5)	(123.5)	(123.7)
Amortization expense	(72.5)	(70.3)	(214.7)	(211.6)
Total operating expenses	(385.3)	(359.5)	(1,104.7)	(1,048.2)
<i>Operating expenses as a % of Net Sales</i>	20.2%	19.3%	19.2%	18.9%
Income from operations	217.0	206.7	611.9	583.4
<i>Income from operations as a % of Net Sales</i>	11.4%	11.1%	10.6%	10.5%
Interest expense, net	(42.2)	(45.6)	(134.7)	(150.3)
Other income (expense), net	0.5	14.3	25.0	5.8
Income before income taxes	175.3	175.4	502.2	438.9
Income tax expense	(43.5)	(46.9)	(130.5)	(113.4)
<i>Effective tax rate</i>	24.8%	26.7%	26.0%	25.8%
Net income	131.8	128.5	371.7	325.5
Less: Net (income) loss attributable to noncontrolling interest	(1.2)	(0.4)	(3.9)	1.0
Net income attributable to Wabtec shareholders	\$ 130.6	\$ 128.1	\$ 367.8	\$ 326.5
Earnings Per Common Share				
Basic				
Net income attributable to Wabtec shareholders	\$ 0.69	\$ 0.67	\$ 1.95	\$ 1.71
Diluted				
Net income attributable to Wabtec shareholders	\$ 0.69	\$ 0.67	\$ 1.95	\$ 1.71
Basic	187.6	189.8	188.2	190.1
Diluted	188.0	190.2	188.6	190.6



Income statement (cont.)

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020
(AMOUNTS IN MILLIONS EXCEPT PER SHARE DATA)
(UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Segment Information				
Freight Net Sales	\$ 1,295.0	\$ 1,237.3	\$ 3,814.2	\$ 3,740.0
Freight Income from Operations	\$ 195.2	\$ 160.2	\$ 510.2	\$ 410.0
Freight Operating Margin	15.1%	12.9%	13.4%	11.0%
Transit Net Sales	\$ 611.9	\$ 627.8	\$ 1,935.2	\$ 1,710.0
Transit Income from Operations	\$ 43.9	\$ 64.1	\$ 159.3	\$ 170.0
Transit Operating Margin	7.2%	10.2%	8.2%	10.0%
Backlog Information (Note: 12-month is a sub-set of total)				
	<u>September 30, 2021</u>		<u>June 30, 2021</u>	
Freight Total	\$ 18,211.0	\$ 17,836.3		
Transit Total	3,632.5	3,693.3		
Wabtec Total	<u>\$ 21,843.5</u>	<u>\$ 21,529.6</u>		
Freight 12-Month	\$ 4,060.2	\$ 4,098.1		
Transit 12-Month	1,647.5	1,724.8		
Wabtec 12-Month	<u>\$ 5,707.7</u>	<u>\$ 5,822.9</u>		



Balance sheet

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

<u>In millions</u>	<u>September 30, 2021</u>	<u>December 31, 2020</u>
Cash, cash equivalents and restricted cash	\$ 456.4	\$ 598.7
Receivables, net	1,367.0	1,412.5
Inventories	1,689.6	1,642.1
Other current assets	<u>247.1</u>	<u>226.5</u>
Total current assets	3,760.1	3,879.8
Property, plant and equipment, net	1,509.0	1,601.6
Goodwill	8,604.7	8,485.2
Other intangible assets, net	3,779.8	3,869.2
Other noncurrent assets	<u>698.3</u>	<u>618.7</u>
Total assets	<u>\$ 18,351.9</u>	<u>\$ 18,454.5</u>
Current liabilities	\$ 2,811.6	\$ 3,226.3
Long-term debt	4,067.2	3,792.2
Long-term liabilities - other	<u>1,281.9</u>	<u>1,283.3</u>
Total liabilities	8,160.7	8,301.8
Shareholders' equity	10,156.6	10,122.3
Noncontrolling interest	<u>34.6</u>	<u>30.4</u>
Total shareholders' equity	<u>10,191.2</u>	<u>10,152.7</u>
Total Liabilities and Shareholders' Equity	<u>\$ 18,351.9</u>	<u>\$ 18,454.5</u>



Cash flow

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

	Nine Months Ended September 30,	
	<u>2021</u>	<u>2020</u>
<u>In millions</u>		
Operating activities		
Net income	\$ 371.7	\$ 325.5
Non-cash expense	373.7	303.0
Receivables	34.9	245.2
Inventories	(32.3)	7.8
Accounts Payable	41.1	(203.4)
Other assets and liabilities	(29.8)	(220.0)
Net cash provided by operating activities	759.3	458.1
Net cash used for investing activities	(475.3)	(119.9)
Net cash used for financing activities	(433.3)	(360.8)
Effect of changes in currency exchange rates	7.0	(22.3)
Decrease in cash	(142.3)	(44.9)
Cash and cash equivalents, beginning of period	598.7	604.2
Cash, cash equivalents and restricted cash, end of period	<u>\$ 456.4</u>	<u>\$ 559.3</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

Wabtec Corporation Reconciliation of Reported Results to Adjusted Results (in millions)		Third Quarter 2021 Actual Results							
		<u>Net Sales</u>	<u>Gross Profit</u>	<u>Operating Expenses</u>	<u>Income from Operations</u>	<u>Interest & Other Exp</u>	<u>Tax</u>	<u>Net Income</u>	<u>Noncontrolling Interest</u>
Reported Results	\$ 1,906.9	\$ 602.3	\$ (385.3)	\$ 217.0	\$ (41.7)	\$ (43.5)	\$ 131.8	\$ (1.2)	\$ 130.6
Restructuring & Transaction costs	-	23.2	11.9	35.1	-	(8.7)	26.4	-	\$ 26.4
Non-cash Amortization expense	-	-	72.5	72.5	-	(18.0)	54.5	-	54.5
Foreign Exchange Loss	-	-	-	-	3.5	(0.9)	2.6	-	2.6
Adjusted Results	<u>\$ 1,906.9</u>	<u>\$ 625.5</u>	<u>\$ (300.9)</u>	<u>\$ 324.6</u>	<u>\$ (38.2)</u>	<u>\$ (71.1)</u>	<u>\$ 215.3</u>	<u>\$ (1.2)</u>	<u>\$ 214.1</u>
Fully Diluted Shares Outstanding									—

Wabtec Corporation Reconciliation of Reported Results to Adjusted Results (in millions)		Third Quarter Year-to-Date 2021 Actual Results							
		<u>Net Sales</u>	<u>Gross Profit</u>	<u>Operating Expenses</u>	<u>Income from Operations</u>	<u>Interest & Other Exp</u>	<u>Tax</u>	<u>Net Income</u>	<u>Noncontrolling Interest</u>
Reported Results	\$ 5,749.4	\$ 1,716.6	\$ (1,104.7)	\$ 611.9	\$ (109.7)	\$ (130.5)	\$ 371.7	\$ (3.9)	\$ 367.8
Restructuring & Transaction costs	-	48.4	31.8	80.2	-	(19.4)	60.8	-	\$ 60.8
Non-cash Amortization expense	-	-	214.7	214.7	-	(55.8)	158.9	-	158.9
Foreign Exchange Gain	-	-	-	-	(7.4)	2.0	(5.4)	-	(5.4)
Adjusted Results	<u>\$ 5,749.4</u>	<u>\$ 1,765.0</u>	<u>\$ (858.2)</u>	<u>\$ 906.8</u>	<u>\$ (117.1)</u>	<u>\$ (203.7)</u>	<u>\$ 586.0</u>	<u>\$ (3.9)</u>	<u>\$ 582.1</u>
Fully Diluted Shares Outstanding									—



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)	Third Quarter 2020 Actual Results								
	<u>Net Sales</u>	<u>Gross Profit</u>	<u>Operating Expenses</u>	<u>Income from Operations</u>	<u>Interest & Other Exp</u>	<u>Tax</u>	<u>Net Income</u>	<u>Noncontrolling Interest</u>	<u>Wabtec Net Income</u>
	Reported Results	\$ 1,865.1	\$ 566.2	\$ (359.5)	\$ 206.7	\$ (31.3)	\$ (46.9)	\$ 128.5	\$ (0.4)
Restructuring & Transaction costs	-	4.7	11.7	16.4	-	(4.4)	12.0	-	12.0
Non-cash Amortization expense	-	-	70.3	70.3	-	(18.8)	51.5	-	51.5
Foreign Currency and Interest Gain	-	-	-	-	(12.8)	3.4	(9.4)	-	(9.4)
Adjusted Results	\$ 1,865.1	\$ 570.9	\$ (277.5)	\$ 293.4	\$ (44.1)	\$ (66.7)	\$ 182.6	\$ (0.4)	\$ 182.2
Fully Diluted Shares Outstanding	=								

Wabtec Corporation Reconciliation of Reported Results to Adjusted Results (in millions)	Third Quarter Year-to-Date 2020 Actual Results								
	<u>Net Sales</u>	<u>Gross Profit</u>	<u>Operating Expenses</u>	<u>Income from Operations</u>	<u>Interest & Other Exp</u>	<u>Tax</u>	<u>Net Income</u>	<u>Noncontrolling Interest</u>	<u>Wabtec Net Income</u>
	Reported Results	\$ 5,532.4	\$ 1,631.6	\$ (1,048.2)	\$ 583.4	\$ (144.5)	\$ (113.4)	\$ 325.5	\$ 1.0
Restructuring & Transaction costs	-	23.3	40.6	63.9	-	(16.4)	47.5	-	47.5
Non-cash Amortization expense	-	-	211.6	211.6	-	(54.4)	157.2	-	157.2
Foreign Exchange Loss	-	-	-	-	7.7	(1.9)	5.8	-	5.8
Adjusted Results	\$ 5,532.4	\$ 1,654.9	\$ (796.0)	\$ 858.9	\$ (136.8)	\$ (186.1)	\$ 536.0	\$ 1.0	\$ 537.0
Fully Diluted Shares Outstanding	=								



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 supplementary information to assess our operating performance and to evaluate period-to-period comparisons. Non-GAAP financial measures should be viewed in addition to, and an alternative for, Wabtec's reported results prepared in accordance with GAAP.

Wabtec Corporation 2021 Q3 EBITDA Reconciliation (in millions)						
	Reported Income from Operations	+ Other Income (Expense)	+ Depreciation & Amortization	= EBITDA	+ Restructuring & Transaction Costs	= Ad EE
Consolidated Results	\$217.0	\$0.5	\$120.9	\$338.4	\$35.1	\$373.5

Wabtec Corporation 2021 Q3 YTD EBITDA Reconciliation (in millions)						
	Reported Income from Operations	+ Other Income (Expense)	+ Depreciation & Amortization	= EBITDA	+ Restructuring & Transaction Costs	= Ad EE
Consolidated Results	\$611.9	\$25.0	\$364.0	\$1,000.9	\$80.2	\$1,081.1

Wabtec Corporation 2020 Q3 EBITDA Reconciliation (in millions)						
	Reported Income from Operations	+ Other Income (Expense)	+ Depreciation & Amortization	= EBITDA	+ Restructuring & Transaction Costs	= Ad EE
Consolidated Results	\$206.7	\$14.3	\$116.4	\$337.4	\$16.4	\$353.8

Wabtec Corporation 2020 Q3 YTD EBITDA Reconciliation (in millions)						
	Reported Income from Operations	+ Other Income (Expense)	+ Depreciation & Amortization	= EBITDA	+ Restructuring & Transaction Costs	= Ad EE
Consolidated Results	\$583.4	\$5.8	\$347.2	\$936.4	\$63.9	\$1,000.3



Sales by product line

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

<u>In millions</u>	Three Months Ended September 30,	
	<u>2021</u>	<u>2020</u>
Freight Segment		
Equipment	\$ 335.2	\$ 355.3
Components	222.1	208.2
Digital Electronics	155.2	161.0
Services	582.5	512.8
Total Freight Segment	<u>1,295.0</u>	<u>1,237.3</u>
Transit Segment		
Original Equipment Manufacturer	\$ 286.9	\$ 303.1
Aftermarket	325.0	324.7
Total Transit Segment	<u>611.9</u>	<u>627.8</u>
<u>In millions</u>	Nine Months Ended September 30,	
	<u>2021</u>	<u>2020</u>
Freight Segment		
Equipment	\$ 924.8	\$ 1,098.2
Components	648.9	624.1
Digital Electronics	473.5	500.1
Services	1,767.0	1,520.6
Total Freight Segment	<u>3,814.2</u>	<u>3,743.0</u>
Transit Segment		
Original Equipment Manufacturer	\$ 894.1	\$ 817.4
Aftermarket	1,041.1	972.0
Total Transit Segment	<u>1,935.2</u>	<u>1,789.4</u>



Segment reconciliation

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

In millions	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Freight Segment Reported Income from Operations	\$ 195.2	\$ 160.2	\$ 510.2	\$ 450.2
Freight Segment Reported Margin	15.1%	12.9%	13.4%	11.8%
Restructuring & Transaction costs	3.4	8.8	17.0	17.0
Non-cash Amortization expense	67.6	65.2	199.8	199.8
Freight Segment Adjusted Income from Operations	\$ 266.2	\$ 234.2	\$ 727.0	\$ 667.0
Freight Segment Adjusted Margin	20.6%	18.9%	19.1%	17.5%
Transit Segment Reported Income from Operations	\$ 43.9	\$ 64.1	\$ 159.3	\$ 159.3
Transit Segment Reported Margin	7.2%	10.2%	8.2%	10.2%
Restructuring & Transaction costs	27.7	5.9	54.4	54.4
Non-cash Amortization expense	4.9	5.1	14.9	14.9
Transit Segment Adjusted Income from Operations	\$ 76.5	\$ 75.1	\$ 228.6	\$ 228.6
Transit Segment Adjusted Margin	12.5%	12.0%	11.8%	14.2%



