

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): July 28, 2020 (July 28, 2020)

WESTINGHOUSE AIR BRAKE TECHNOLOGIES
CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or other Jurisdiction
of Incorporation)

033-90866
(Commission
File No.)

25-1615902
(I.R.S. Employer
Identification No.)

30 Isabella Street
Pittsburgh, Pennsylvania
(Address of Principal Executive Offices)

15212
(Zip Code)

(412) 825-1000
(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, 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:

Title of Class	Trading Symbol(s)	Name of Exchange on which registered
Common Stock, par value \$0.01 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 July 28, 2020, Westinghouse Air Brake Technologies Corporation (the “Company”) issued a press release reporting, among other things, the Company’s 2020 second quarter results. A copy of this press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated into this Item 2.02 by reference. The Company is also furnishing an investor presentation relating to its second quarter of 2020 (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 July 28, 2020, the Company issued a press release which, among other things, provided adjusted earnings guidance for fiscal year 2020. A copy of the press release is attached to this report as Exhibit 99.1 and the paragraph under the heading “2020 Financial Guidance” which discusses 2020 guidance is incorporated into this Item 7.01 by reference. The Company also furnished a Presentation relating to its second quarter of 2020, 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 July 28, 2020
99.2	Wabtec Earnings Presentation, Second Quarter 2020
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 the GE Transportation merger; (2) uncertainty of Wabtec’s expected financial performance; (3) failure to realize the anticipated benefits of the GE Transportation merger, including as a result of integrating GE Transportation 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, 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.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WESTINGHOUSE AIR BRAKE
TECHNOLOGIES CORPORATION

By: /s/ Patrick D. Dugan

Patrick D. Dugan
Executive Vice President and Chief Financial
Officer

Date: July 28, 2020

*Wabtec Reports Second Quarter 2020 Results; Provides Guidance for 2020*

- **Delivered Strong GAAP Cash Flow from Operations of \$311 Million**
- **Second Quarter Reported GAAP Earnings Per Share of \$0.46; Adjusted EPS of \$0.87**
- **Second Quarter Reported GAAP Income from Operations of \$159 Million (9.2% Margin); Adjusted Income from Operations of \$262 Million (15.1% Margin)**
- **Over \$70 Million in Net Synergies Realized Year-To-Date; On-track to deliver \$150 Million Net Synergies in 2020**

Pittsburgh, PA, July 28, 2020 – Wabtec Corporation (NYSE: WAB) today reported second quarter 2020 earnings per diluted share of \$0.46 and adjusted earnings per diluted share of \$0.87, versus earnings per diluted share of \$0.54 and adjusted earnings per diluted share of \$1.33 a year ago. Wabtec also provided full-year guidance for sales in a range of \$7.3 billion to \$7.6 billion, adjusted earnings per diluted share to between \$3.50 and \$3.80 and strong cash conversion of greater than 90 percent.

Rafael Santana, Wabtec's president and chief executive officer, said: "Wabtec delivered a strong operational quarter despite a difficult and dynamic environment as a result of the COVID-19 pandemic. Against a backdrop of uncertainty and unprecedented challenges, our teams drove strong cash flow from operations, allowing us to further strengthen our financial position. We also continue to make significant progress on our cost and synergy plans, giving us confidence that we will deliver on our synergy targets for 2020, as well as exceed our \$250 million synergy run rate ahead of schedule.

"Wabtec will continue to take prudent action to navigate the evolving environment and we remain confident in the long-term fundamentals and strategy for the company. Our strong backlog, recurring service revenues, aftermarket reach, significant installed base, technology differentiation, international footprint and globally diverse business model position the company to deliver long-term sustainable value for our customers, shareholders and employees."

2020 Financial Guidance

- Although significant uncertainty remains surrounding the impact of the COVID-19 pandemic, based upon the Company's operational experience during the first six months of 2020, we have determined to provide certain annual guidance at this time. 2020 financial guidance assumes that there are not material escalations in the severity or duration of the COVID-19 pandemic nor the restrictive measures implemented in response to the pandemic.

- Wabtec provided 2020 sales guidance to a range of \$7.3 billion to \$7.6 billion, GAAP earnings per diluted share guidance to between \$2.05 to \$2.35 and adjusted earnings per diluted share to between \$3.50 to \$3.80. The adjusted guidance excludes estimated expenses for restructuring, transaction and amortization expenses.
- With aggressive cost actions and synergies stemming from the Wabtec and GE Transportation merger on-track, we expect to see a net synergy benefit of over \$150 million in 2020. For full year 2020, Wabtec expects cash flow conversion to be greater than 90 percent including over \$130 million of cash outflows related to prior restructuring, transaction and litigation costs. Wabtec defines cash conversion as GAAP cash flow from operations divided by GAAP net income plus depreciation and amortization.

2020 Second Quarter Consolidated Results

- Sales were \$1.7 billion versus \$2.2 billion in the same period a year ago. The decrease compared to the year-ago quarter was primarily driven by lower sales in Freight Equipment, Services, Components and Transit sales, along with unfavorable changes in foreign currency exchange rates.
- Income from operations was \$159 million (9.2 percent of sales) and adjusted income from operations was \$262 million (15.1 percent of sales), which was unfavorably impacted by lower sales in Freight and Transit primarily due to COVID-19 pandemic disruptions. Adjusted income from operations excluded pre-tax expenses of \$103 million, of which \$72 million is for non-cash amortization expense and \$31 million is for restructuring and transaction costs (see reconciliation table).
- Net interest expense was \$51 million and other income (expense) was \$6 million of income.
- The reported and adjusted effective tax rate for the quarter was 24.9 percent.
- Earnings per diluted share were \$0.46 and adjusted earnings per diluted share were \$0.87 (see reconciliation table). Adjusted earnings per diluted share excluded after-tax expenses of \$0.41 as follows: \$0.29 for non-cash amortization expense; and \$0.12 for transaction and restructuring (see reconciliation table).
- EBITDA, which Wabtec defines as earnings before interest, taxes, depreciation and amortization was \$282 million and adjusted EBITDA was \$313 million. Adjusted EBITDA excluded pre-tax expenses of \$31 million for transaction and restructuring costs (see reconciliation table).

2020 Second Quarter Segment Results

- Freight segment sales of \$1.2 billion decreased by 21 percent from the year-ago quarter or \$322 million. The decrease was due to lower organic sales of \$315 million and unfavorable changes in foreign currency exchange rates of \$26 million, offset somewhat by \$19 million of sales from acquisitions. Freight segment organic sales were primarily impacted by disruption due to the COVID-19 pandemic resulting in lower deliveries of locomotives and components for freight cars, offset somewhat by sales growth in Digital Electronics.
- Freight segment income from operations of \$142 million (or 11.7 percent of segment sales) decreased from the year-ago quarter by \$26 million primarily as a result of lower sales, offset somewhat by lower operating costs and SG&A expense. Excluding restructuring and transaction expenses of \$20 million and non-cash amortization expense of \$68 million, Freight segment adjusted income from operations as a percent of sales was 19.0 percent.

- Transit segment sales of \$533 million decreased by 25 percent from the year-ago quarter or \$177 million. The decrease was due to lower organic sales of \$160 million and unfavorable changes in foreign currency exchange rates of \$18 million. Transit segment sales were negatively impacted by lower original equipment and after-market sales primarily related to the disruption caused by the COVID-19 pandemic.
- Transit segment income from operations of \$40 million (or 7.5 percent of segment sales) decreased from the year-ago quarter by \$22 million as a result of lower volumes and disruption on operations due to the COVID-19 pandemic. Excluding restructuring and non-cash amortization expense of \$11 million, Transit segment adjusted income from operations as a percent of sales was 9.6 percent.

Cash Flow and Liquidity Summary

- The company generated cash from operations of \$311 million for the second quarter compared to cash provided by operations of \$413 million in the year-ago quarter, with the decrease primarily from changes in working capital.
- At quarter end, the company had cash and cash equivalents of \$588 million and debt of \$4.5 billion. At the quarter end, the company's total available liquidity, which includes \$588 million in cash and cash equivalents plus \$1.3 billion available under current credit facilities, was \$1.9 billion.

Backlog

At June 30, Wabtec's total, multi-year backlog was \$21.4 billion, down slightly from backlog at March 31, 2020 due in part to \$137 million of negative impacts from foreign currency exchange rates. The 12-month backlog was \$5.3 billion at June 30, 2020.

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: 10145576).

About Wabtec Corporation

Wabtec Corporation is a leading global provider of equipment, systems, digital solutions and value-added services for freight and transit rail. Drawing on nearly four centuries of collective experience across Wabtec, GE Transportation and Faiveley Transport, the company has unmatched digital expertise, technological innovation, and world-class manufacturing and services, enabling the digital-rail-and-transit ecosystems. Wabtec is focused on performance that drives progress, creating transportation solutions that move and improve the world. The freight portfolio features a comprehensive line of locomotives, software applications and a broad selection of mission-critical controls systems, including Positive Train Control (PTC). The transit portfolio provides highly engineered systems and services to virtually every major rail transit

system around the world, supplying an integrated series of components for buses and all train-related market segments that deliver safety, efficiency and passenger comfort. Along with its industry-leading portfolio of products and solutions for the rail and transit industries, Wabtec is a leader in mining, marine, and industrial solutions. Based in Pittsburgh, PA. Visit: www.WabtecCorp.com

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

Wabtec's earnings release and 2020 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, other expense and adjusted earnings per diluted share and cash conversion rate. Wabtec defines EBITDA as earnings before interest, taxes, depreciation and amortization. While Wabtec believes these are useful supplemental measures for investors, they are not presented in accordance with GAAP. Investors should not consider non-GAAP measures in isolation or as a substitute for net income, cash flows from operations, or any other items calculated in accordance with GAAP. In addition, the non-GAAP financial measures included in this presentation have inherent material limitations as performance measures because they add back certain expenses incurred by the company to GAAP financial measures, resulting in those expenses not being taken into account in the applicable non-GAAP financial measure. Because not all companies use identical calculations, Wabtec's presentation of non-GAAP financial measures may not be comparable to other similarly titled measures of other companies. Included in this 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 the GE Transportation merger; (2) uncertainty of Wabtec's expected financial performance; (3) failure to realize the anticipated benefits of the GE Transportation merger, including as a result of integrating GE Transportation 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, 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.

Wabtec Investor Contact

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Wabtec Media Contact

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WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2020 AND 2019
(AMOUNTS IN MILLIONS EXCEPT PER SHARE DATA)
(UNAUDITED)

	Three Months ended June 2020	Three Months ended June 2019	For the Six Months 2020	For the Six Months 2019
Net sales	\$ 1,737.4	\$ 2,236.3	\$ 3,667.3	\$ 3,829.9
Cost of sales	(1,250.7)	(1,621.6)	(2,601.9)	(2,826.2)
Gross profit	486.7	614.7	1,065.4	1,003.7
<i>Gross profit as a % of Net Sales</i>	28.0%	27.5%	29.1%	26.2%
Selling, general and administrative expenses	(216.8)	(290.9)	(460.2)	(550.7)
Engineering expenses	(38.2)	(57.2)	(87.2)	(91.7)
Amortization expense	(72.3)	(66.0)	(141.3)	(93.4)
Total operating expenses	(327.3)	(414.1)	(688.7)	(735.8)
<i>Operating expenses as a % of Net Sales</i>	18.8%	18.5%	18.8%	19.2%
Income from operations	159.4	200.6	376.7	267.9
<i>Income from operations as a % of Net Sales</i>	9.2%	9.0%	10.3%	7.0%
Interest expense, net	(51.4)	(58.5)	(104.7)	(103.0)
Other income (expense), net	6.3	2.1	(8.5)	(6.1)
Income from operations before income taxes	114.3	144.2	263.5	158.8
Income tax expense	(28.5)	(41.5)	(66.5)	(60.0)
<i>Effective tax rate</i>	24.9%	28.7%	25.2%	37.7%
Net income	85.8	102.7	197.0	98.8
Less: Net loss attributable to noncontrolling interest	1.0	1.4	1.4	0.9
Net income attributable to Wabtec shareholders	\$ 86.8	\$ 104.1	\$ 198.4	\$ 99.7
Earnings Per Common Share Basic				
Net income attributable to Wabtec shareholders	\$ 0.46	\$ 0.58	\$ 1.04	\$ 0.66
Diluted				
Net income attributable to Wabtec shareholders	\$ 0.46	\$ 0.54	\$ 1.04	\$ 0.61
Basic	189.8	177.3	190.3	149.6
Diluted	190.2	191.5	190.8	162.2
Segment Information				
Freight Net Sales	\$ 1,204.7	\$ 1,526.3	\$ 2,505.7	\$ 2,441.8
Freight Income from Operations	\$ 141.5	\$ 167.5	\$ 303.2	\$ 248.4
Freight Operating Margin	11.7%	11.0%	12.1%	10.2%
Transit Net Sales	\$ 532.7	\$ 710.0	\$ 1,161.6	\$ 1,388.1
Transit Income from Operations	\$ 40.2	\$ 62.6	\$ 108.8	\$ 122.5
Transit Operating Margin	7.5%	8.8%	9.4%	8.8%
Backlog Information (Note: 12-month is a sub-set of total)				
	June 30, 2020	March 31, 2020		
Freight Total	\$ 17,969.8	\$ 18,099.6		
Transit Total	3,432.8	3,431.3		
Wabtec Total	\$ 21,402.6	\$ 21,530.9		
Freight 12-Month	\$ 3,681.8	\$ 3,819.0		
Transit 12-Month	1,648.9	1,801.0		
Wabtec 12-Month	\$ 5,330.7	\$ 5,620.0		

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

<i>In millions</i>	June 30, 2020	December 31, 2019
Cash and cash equivalents	\$ 587.9	\$ 604.2
Receivables, net	1,410.3	1,663.9
Inventories	1,799.5	1,773.1
Current assets - other	172.0	150.9
Total current assets	3,969.7	4,192.1
Property, plant and equipment, net	1,612.4	1,655.8
Goodwill	8,309.9	8,360.6
Other intangibles, net	3,935.4	4,104.0
Other long term assets	638.0	631.7
Total assets	\$ 18,465.4	\$ 18,944.2
Current liabilities	\$ 3,483.2	\$ 3,258.0
Long-term debt	3,768.7	4,333.6
Long-term liabilities - other	1,332.9	1,359.0
Total liabilities	8,584.8	8,950.6
Shareholders' equity	9,845.6	9,956.5
Non-controlling interest	35.0	37.1
Total shareholders' equity	9,880.6	9,993.6
Total Liabilities and Shareholders' Equity	\$ 18,465.4	\$ 18,944.2

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

<i>In millions</i>	Six Months Ended June 30,	
	2020	2019
Net cash provided by operating activities	\$ 228.6	\$ 443.8
Net cash used for investing activities	(98.2)	(3,040.4)
Net cash (used for) provided by financing activities	(123.5)	726.1
Effect of changes in currency exchange rates	(23.2)	(10.6)
Decrease in cash	(16.3)	(1,881.1)
Cash, cash equivalents, and restricted cash, beginning of period	604.2	2,342.4
Cash and cash equivalents, end of period	<u>\$ 587.9</u>	<u>\$ 461.3</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)

	Second 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	\$ 1,737.4	\$ 486.7	\$ (327.3)	\$ 159.4	\$ (45.1)	\$ (28.5)	\$ 85.8	\$ 1.0	\$ 86.8	\$ 0.46
Restructuring & Transaction costs	—	17.2	13.4	30.6	—	(7.7)	22.9	—	22.9	\$ 0.12
Non-cash Amortization expense	—	—	72.3	72.3	—	(18.0)	54.3	—	54.3	\$ 0.29
Foreign Exchange Loss	—	—	—	—	0.3	(0.1)	0.2	—	0.2	\$ —
Adjusted Results	\$ 1,737.4	\$ 503.9	\$ (241.6)	\$ 262.3	\$ (44.8)	\$ (54.3)	\$ 163.2	\$ 1.0	\$ 164.2	\$ 0.87
Fully Diluted Shares Outstanding										190.2

Wabtec Corporation
Reconciliation of Reported Results to Adjusted Results
(in millions)

	Q2 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	\$ 3,667.3	\$ 1,065.4	\$ (688.7)	\$ 376.7	\$ (113.2)	\$ (66.5)	\$ 197.0	\$ 1.4	\$ 198.4	\$ 1.04
Restructuring & Transaction costs	—	18.6	28.9	47.5	—	(12.0)	35.5	—	35.5	\$ 0.19
Non-cash Amortization expense	—	—	141.3	141.3	—	(35.6)	105.7	—	105.7	\$ 0.55
Foreign Exchange Loss	—	—	—	—	14.1	(3.6)	10.5	—	10.5	\$ 0.05
Adjusted Results	\$ 3,667.3	\$ 1,084.0	\$ (518.5)	\$ 565.5	\$ (99.1)	\$ (117.7)	\$ 348.7	\$ 1.4	\$ 350.1	\$ 1.83
Fully Diluted Shares Outstanding										190.8

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
2020 Q2 EBITDA Reconciliation
(in millions)

	Reported Income from Operations	+	Other Income (Expense)	+	Depreciation & Amortization	=	EBITDA	+	Restructuring & Transaction Costs	=	Adjusted EBITDA
Consolidated Results	<u>\$ 159.4</u>		<u>\$ 6.3</u>		<u>\$ 116.4</u>		<u>\$ 282.1</u>		<u>\$ 30.6</u>		<u>\$ 312.7</u>

Wabtec Corporation
2020 Q2 Year-to-Date EBITDA Reconciliation
(in millions)

	Reported Income from Operations	+	Other Income (Expense)	+	Depreciation & Amortization	=	EBITDA	+	Restructuring & Transaction Costs	=	Adjusted EBITDA
Consolidated Results	<u>\$ 376.7</u>		<u>(\$ 8.5)</u>		<u>\$ 230.8</u>		<u>\$ 599.0</u>		<u>\$ 47.5</u>		<u>\$ 646.5</u>

Wabtec Corporation
2019 Q2 EBITDA Reconciliation
(in millions)

	Reported Income from Operations	+	Other Income (Expense)	+	Depreciation & Amortization	=	EBITDA	+	Restructuring & Transaction Costs	=	Adjusted EBITDA
Consolidated Results	<u>\$ 200.6</u>		<u>\$ 2.1</u>		<u>\$ 107.9</u>		<u>\$ 310.6</u>		<u>\$ 120.6</u>		<u>\$ 431.2</u>

Wabtec Corporation
2019 Q2 Year-to-Date EBITDA Reconciliation
(in millions)

	Reported Income from Operations	+	Other Income (Expense)	+	Depreciation & Amortization	=	EBITDA	+	Restructuring & Transaction Costs	=	Adjusted EBITDA
Consolidated Results	<u>\$ 267.9</u>		<u>(\$ 6.1)</u>		<u>\$ 162.5</u>		<u>\$ 424.3</u>		<u>\$ 259.3</u>		<u>\$ 683.6</u>

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

<i>In millions</i>	Three Months Ended June 30,	
	2020	2019
Freight Segment		
Equipment	\$ 334.9	\$ 531.4
Components	195.5	279.5
Digital Electronics	165.5	159.0
Services	508.8	556.4
Total Freight Segment	<u>1,204.7</u>	<u>1,526.3</u>
Transit Segment		
Original Equipment Manufacturer	\$ 227.3	\$ 335.6
Aftermarket	305.4	374.4
Total Transit Segment	<u>532.7</u>	<u>710.0</u>
<i>In millions</i>	Six Months Ended June 30,	
	2020	2019
Freight Segment		
Equipment	\$ 742.9	\$ 798.5
Components	415.9	574.7
Digital Electronics	339.1	280.8
Services	1,007.8	787.8
Total Freight Segment	<u>2,505.7</u>	<u>2,441.8</u>
Transit Segment		
Original Equipment Manufacturer	\$ 514.3	\$ 662.9
Aftermarket	647.3	725.2
Total Transit Segment	<u>1,161.6</u>	<u>1,388.1</u>

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

<i>In millions</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Freight Segment Reported Income from Operations	\$ 141.5	\$ 167.5	\$ 303.2	\$ 248.4
<i>Freight Segment Reported Margin</i>	11.7%	11.0%	12.1%	10.2%
One-time PPA	—	89.0	—	169.0
Restructuring & Transaction costs	19.9	11.0	34.7	16.2
Non-cash Amortization expense	67.5	61.0	131.6	83.6
Freight Segment Adjusted Income from Operations	\$ 228.9	\$ 328.5	\$ 469.5	\$ 517.2
<i>Freight Segment Adjusted Margin</i>	19.0%	21.5%	18.7%	21.2%
Transit Segment Reported Income from Operations	\$ 40.2	\$ 62.6	\$ 108.8	\$ 122.5
<i>Transit Segment Reported Margin</i>	7.5%	8.8%	9.4%	8.8%
Restructuring & Transaction costs	6.3	2.0	7.4	3.0
Non-cash Amortization expense	4.8	5.0	9.7	9.8
Transit Segment Adjusted Income from Operations	\$ 51.3	\$ 69.6	\$ 125.9	\$ 135.3
<i>Transit Segment Adjusted Margin</i>	9.6%	9.8%	10.8%	9.7%

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

<i>In millions</i>	First Quarter	Second Quarter	2019 Third Quarter	Fourth Quarter	Full Year
Freight Segment Reported Income from Operations	\$ 80.9	\$ 167.5	\$ 155.3	\$ 239.2	\$ 642.9
<i>Freight Segment Reported Margin</i>	8.8%	11.0%	11.7%	14.3%	11.8%
One-time PPA	80.0	89.0	16.0	—	185.0
Restructuring & Transaction costs	5.2	11.0	35.5	14.9	66.6
Non-cash Amortization expense	22.6	61.0	74.7	60.0	218.3
Freight Segment Adjusted Income from Operations	\$ 188.7	\$ 328.5	\$ 281.5	\$ 314.1	\$ 1,112.8
<i>Freight Segment Adjusted Margin</i>	20.6%	21.5%	21.1%	18.8%	20.5%
Transit Segment Reported Income from Operations	\$ 59.9	\$ 62.6	\$ 52.9	\$ 39.0	\$ 214.4
<i>Transit Segment Reported Margin</i>	8.8%	8.8%	7.9%	5.6%	7.8%
Restructuring & Transaction costs	1.0	2.0	4.3	10.7	18.0
Non-cash Amortization expense	4.8	5.0	4.8	5.5	20.1
Transit Segment Adjusted Income from Operations	\$ 65.7	\$ 69.6	\$ 62.0	\$ 55.2	\$ 252.5
<i>Transit Segment Adjusted Margin</i>	9.7%	9.8%	9.3%	7.9%	9.2%

Wabtec 2nd Quarter 2020

Financial Results & Company Highlights

July 28, 2020

Forward looking statements & non-GAAP financial information

This communication contains "forward-looking" statements as that term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995, including statements regarding the 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 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 the GE Transportation merger; (2) uncertainty of Wabtec's expected financial performance; (3) failure to realize the anticipated benefits of the GE Transportation merger, including as a result of integrating GE Transportation 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, 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.

This presentation as well as Wabtec's earnings release and 2020 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 net income,] adjusted earnings per diluted share, EBITDA and adjusted EBITDA, net debt and cash conversion. Wabtec defines EBITDA earnings before interest, taxes, depreciation and amortization. While Wabtec believes these are useful supplemental measures for investors, they are not presented in accordance with GAAP. Investors should not consider non-GAAP measures in isolation or as a substitute for net income, cash flows from operations, or any other items calculated in accordance with GAAP. In addition, the non-GAAP financial measures included in this presentation have inherent material limitations as performance measures because they add back certain expenses incurred by the company to GAAP financial measures, resulting in those expenses not being taken into account in the applicable non-GAAP financial measure. Because not all companies use identical calculations, Wabtec's presentation of non-GAAP financial measures may not be comparable to other similarly titled measures of other companies. Included in this presentation are reconciliation tables that provide details about how adjusted results relate to GAAP results.

This presentation also presents a leverage ratio of Debt to EBITDA [Net Debt to Adjusted EBITDA] for purposes of tracking compliance with the covenants in Wabtec's Credit Agreement, which requires Wabtec to comply with a leverage ratio based on substantially similar performance metrics. Management uses this specific performance metric to measure Wabtec's reduction in debt and other balance sheet liabilities and to assist in the appropriate allocation of capital. Net debt is defined as total debt less unrestricted cash and cash equivalents. See the reconciliations included in the Appendix for this presentation for a reconciliation of Adjusted EBITDA to the most directly comparable GAAP measure.

2nd quarter highlights

1. Strong execution in a difficult environment

- Sales of \$1.7B, EPS of \$0.46 and adjusted EPS of \$0.87
- Operating margin of 9.2%; Adj. operating margin of 15.1%
- Strong cash conversion ... cash flow from ops \$311M

2. Delivering on synergies & cost actions

- >\$70M in synergies YTD ... net expected synergies on-track for \$150M for '20
- Lowered headcount by more than 10% YoY

3. Further strengthened financial position

- Increased liquidity at end of 2Q20 to ~\$1.9B
- Balanced maturity profile augmented by successful bond offering



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

2020 outlook

\$7.3B to \$7.6B

REVENUES

\$2.05 to \$2.35

GAAP EPS

\$3.50 to \$3.80

ADJUSTED EPS

>90%

CASH CONVERSION⁽¹⁾

Market and segment dynamics

Freight

- + North American freight volumes expected to gradually recover from 2Q lows; international freight volumes more resilient
- + 2Q expected peak in storage of locomotives and freight cars
- + Significant installed base and improving carloads support recovery in services & aftermarket
- + Significant international locomotive pipeline
- Expected North American railcar build of <30K; lower OE demand across sector

Transit

- + Major transit networks resuming services; ridership in slow recovery
- + Operators deploying equipment for sanitization and social distancing
- + Continued infrastructure spending support for green initiatives
- + Diverse end-market exposure
- Transit ridership at record lows due to pandemic
- Strained operating budgets across sector

Large installed base and diverse global business portfolio yield resilient business



Freight Services: Navigating complex markets

Maintain business continuity and strong operational performance ... focus on safety, parts availability, fleet reliability

Capture aftermarket opportunity ... prioritized dispatch of Wabtec fleet, increased locomotive utilization, new long-term contracts

Deliver outcomes ... improving fleet reliability, extending asset life with mods, launching new products (FDL advantage)

Continue to manage costs aggressively ... aligning supply chain to volume in post-COVID world, synergies driving SG&A reduction

2Q 2020 performance

	Reported	Adjusted	YoY⁽¹⁾
Sales	\$1,737M		(22)%
Income from ops	\$159M	\$262M	(32)%*
Profit margin	9.2%	15.1%	(2.2) pts*
EPS	\$0.46	\$0.87	(35)%*
Cash from ops	\$311M		
Backlog	\$21.4B		

(backlog negatively impacted by \$137M due to FX)

(1) Year-over-year comparison shown is shown as (*) for Adjusted.

Highlights

- Sales decline driven by COVID-19 disruption across Freight & Transit
- Strong operational performance driven by cost actions and realization of synergies
- Strong cash flow conversion
- Multi-year backlog provides visibility

Freight segment performance

Freight

	Reported	Adjusted ⁽¹⁾	YoY ⁽²⁾
Sales	\$1,205M		(21)%
Income from ops	\$142M	\$229M	(30)%*
Profit margin %	11.7%	19.0%	(2.5) pts*

Backlog \$18.0B

(Backlog negatively impacted by \$58M due to FX)

Product Line

	Sales	YoY
Equipment	\$335M	(37)%
Components	\$195M	(30)%
Services	\$509M	(9)%
Digital Electronics	\$166M	4%

Strong execution in a dynamic and challenging market

- (1) Freight Segment income from operations was adjusted by the following expenses: \$20 million for restructuring and transaction and \$68 million for amortization expenses.
(2) Year-over-year comparison shown is shown as (*) for Adjusted



Transit segment performance

Transit

	Reported	Adjusted ⁽¹⁾	YoY ⁽²⁾
Sales	\$533M		(25)%
Income from ops	\$40M	\$51M	(26)%*
Profit margin %	7.5%	9.6%	(0.2) pts*

Backlog \$3.4B

(Backlog negatively impacted by \$79M due to FX)

Product Line

	Sales	YoY
OE	\$227M	(32)%
Aftermarket	\$305M	(18)%

Expect to drive margin improvement through the rest of the year

- (1) Transit Segment income from operations was adjusted by \$6 million for restructuring expenses and \$5 million for amortization expenses.
(2) Year-over-year comparison shown is shown as (*) for Adjusted



Financial position

	<u>2Q20</u>	<u>1Q20</u>
Cash	\$588M	\$616M
Total Debt	\$4.47B	\$4.75B
Net Debt/Adj EBITDA	2.7X	2.6X
Total Liquidity⁽¹⁾	~\$1.9B	~\$1.2B

(1) Total liquidity at end of 2Q20 includes \$588 million in cash and cash equivalents plus \$1.3 billion availability under current credit facilities. Total liquidity at end of 1Q20 includes \$616 million in cash and cash equivalents plus \$598 million under credit facilities.



2Q20 GAAP cash flow from operations

- Strong 2Q 2020 cash performance
- Solid working capital management
- Includes ~\$40M negative impact of prior charges

Strong financial position

- Improved liquidity by ~\$700M at end of 2Q20
- Successful \$500M debt offering ... restoring an overall balanced maturity profile
- Strengthening balance sheet improves financial flexibility to execute strategic plan

Summary

Solid execution in 2Q despite unprecedented environment ... leveraging **international footprint, significant installed base, scale and diversity of portfolio**

Exceeding **synergy and cost actions** across the business ... reducing structural costs

Strong financial position ... delivered strong cash flow, disciplined capital allocation, reduced debt; positioned to deliver long-term shareholder value

Strong company fundamentals are a testament to Wabtec's long-term strength





Appendix



Income statement

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2020 AND 2019
(AMOUNTS IN MILLIONS EXCEPT PER SHARE DATA)
(UNAUDITED)

Appendix A (1 of 2)

	Three Months ended June 2020	Three Months ended June 2019	For the Six Months 2020	For the Six Months 2019
Net sales	\$ 1,737.4	\$ 2,236.3	\$ 3,667.3	\$ 3,829.9
Cost of sales	(1,250.7)	(1,621.6)	(2,601.9)	(2,826.2)
Gross profit	486.7	614.7	1,065.4	1,003.7
<i>Gross profit as a % of Net Sales</i>	28.0%	27.5%	29.1%	26.2%
Selling, general and administrative expenses	(216.8)	(290.9)	(460.2)	(550.7)
Engineering expenses	(38.2)	(57.2)	(87.2)	(91.7)
Amortization expense	(72.3)	(66.0)	(141.3)	(93.4)
Total operating expenses	(327.3)	(414.1)	(688.7)	(735.8)
<i>Operating expenses as a % of Net Sales</i>	18.8%	18.5%	18.8%	19.2%
Income from operations	159.4	200.6	376.7	267.9
<i>Income from operations as a % of Net Sales</i>	9.2%	9.0%	10.3%	7.0%
Interest expense, net	(51.4)	(58.5)	(104.7)	(103.0)
Other income (expense), net	6.3	2.1	(8.5)	(6.1)
Income from operations before income taxes	114.3	144.2	263.5	158.8
Income tax expense	(28.5)	(41.5)	(66.5)	(60.0)
<i>Effective tax rate</i>	24.9%	28.7%	25.2%	37.7%
Net income	85.8	102.7	197.0	98.8
Less: Net loss attributable to noncontrolling interest	1.0	1.4	1.4	0.9
Net income attributable to Wabtec shareholders	\$ 86.8	\$ 104.1	\$ 198.4	\$ 99.7
Earnings Per Common Share				
Basic				
Net income attributable to Wabtec shareholders	\$ 0.46	\$ 0.58	\$ 1.04	\$ 0.66
Diluted				
Net income attributable to Wabtec shareholders	\$ 0.46	\$ 0.54	\$ 1.04	\$ 0.61
Basic	189.8	177.3	190.3	149.6
Diluted	190.2	191.5	190.8	162.2



Income statement (cont.)

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2020 AND 2019
(AMOUNTS IN MILLIONS EXCEPT PER SHARE DATA)
(UNAUDITED)

	Three Months ended June <u>2020</u>	Three Months ended June <u>2019</u>	For the Six Months <u>2020</u>	For the Six Months <u>2019</u>
Segment Information				
Freight Net Sales	\$ 1,204.7	\$ 1,526.3	\$ 2,505.7	\$ 2,441.8
Freight Income from Operations	\$ 141.5	\$ 167.5	\$ 303.2	\$ 248.4
Freight Operating Margin	11.7%	11.0%	12.1%	10.2%
Transit Net Sales	\$ 532.7	\$ 710.0	\$ 1,161.6	\$ 1,388.1
Transit Income from Operations	\$ 40.2	\$ 62.6	\$ 108.8	\$ 122.5
Transit Operating Margin	7.5%	8.8%	9.4%	8.8%
Backlog Information (Note: 12-month is a sub-set of total)				
	<u>June 30, 2020</u>	<u>March 31, 2020</u>		
Freight Total	\$ 17,969.8	\$ 18,099.6		
Transit Total	3,432.8	3,431.3		
Wabtec Total	<u>\$ 21,402.6</u>	<u>\$ 21,530.9</u>		
Freight 12-Month	\$ 3,681.8	\$ 3,819.0		
Transit 12-Month	1,648.9	1,801.0		
Wabtec 12-Month	<u>\$ 5,330.7</u>	<u>\$ 5,620.0</u>		



Balance sheet

Appendix B

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

	<u>June 30, 2020</u>	<u>December 31, 2019</u>
<i>In millions</i>		
Cash and cash equivalents	\$ 587.9	\$ 604.2
Receivables, net	1,410.3	1,663.9
Inventories	1,799.5	1,773.1
Current assets - other	172.0	150.9
Total current assets	<u>3,969.7</u>	<u>4,192.1</u>
Property, plant and equipment, net	1,612.4	1,655.8
Goodwill	8,309.9	8,360.6
Other intangibles, net	3,935.4	4,104.0
Other long term assets	638.0	631.7
Total assets	<u>\$ 18,465.4</u>	<u>\$ 18,944.2</u>
Current liabilities	\$ 3,483.2	\$ 3,258.0
Long-term debt	3,768.7	4,333.6
Long-term liabilities - other	1,332.9	1,359.0
Total liabilities	<u>8,584.8</u>	<u>8,950.6</u>
Shareholders' equity	9,845.6	9,956.5
Non-controlling interest	35.0	37.1
Total shareholders' equity	<u>9,880.6</u>	<u>9,993.6</u>
Total Liabilities and Shareholders' Equity	<u>\$ 18,465.4</u>	<u>\$ 18,944.2</u>



Cash flow

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

<i>In millions</i>	Six Months Ended June 30,	
	<u>2020</u>	<u>2019</u>
Net cash provided by operating activities	\$ 228.6	\$ 443.8
Net cash used for investing activities	(98.2)	(3,040.4)
Net cash (used for) provided by financing activities	(123.5)	726.1
Effect of changes in currency exchange rates	(23.2)	(10.6)
Decrease in cash	(16.3)	(1,881.1)
Cash, cash equivalents, and restricted cash, beginning of period	<u>604.2</u>	<u>2,342.4</u>
Cash and cash equivalents, end of period	<u>\$ 587.9</u>	<u>\$ 461.3</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 GAAP.

Wabtec Corporation										
Reconciliation of Reported Results to Adjusted Results										
(in millions)										
Second 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	\$ 1,737.4	\$ 486.7	\$ (327.3)	\$ 159.4	\$ (45.1)	\$ (28.5)	\$ 85.8	\$ 1.0	\$ 86.8	\$ 0.46
Restructuring & Transaction costs	-	17.2	13.4	30.6	-	(7.7)	22.9	-	22.9	\$ 0.12
Non-cash Amortization expense	-	-	72.3	72.3	-	(18.0)	54.3	-	54.3	\$ 0.29
Foreign Exchange Loss	-	-	-	-	0.3	(0.1)	0.2	-	0.2	\$ -
Adjusted Results	\$ 1,737.4	\$ 503.9	\$ (241.6)	\$ 262.3	\$ (44.8)	\$ (54.3)	\$ 163.2	\$ 1.0	\$ 164.2	\$ 0.87
Fully Diluted Shares Outstanding										190.2

Wabtec Corporation										
Reconciliation of Reported Results to Adjusted Results										
(in millions)										
Q2 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	\$ 3,667.3	\$ 1,065.4	\$ (688.7)	\$ 376.7	\$ (113.2)	\$ (66.5)	\$ 197.0	\$ 1.4	\$ 198.4	\$ 1.04
Restructuring & Transaction costs	-	18.6	28.9	47.5	-	(12.0)	35.5	-	35.5	\$ 0.19
Non-cash Amortization expense	-	-	141.3	141.3	-	(35.6)	105.7	-	105.7	\$ 0.55
Foreign Exchange Loss	-	-	-	-	14.1	(3.6)	10.5	-	10.5	\$ 0.05
Adjusted Results	\$ 3,667.3	\$ 1,084.0	\$ (518.5)	\$ 565.5	\$ (99.1)	\$ (117.7)	\$ 348.7	\$ 1.4	\$ 350.1	\$ 1.83
Fully Diluted Shares Outstanding										190.8



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)										
Reported Results	Second Quarter 2019 Actual Results									
	Net Sales	Gross Profit	Operating Expenses	Income from Operations	Interest & Other Exp	Tax	Net Income	Noncontrolling Interest	Wabtec Net Income	EPS
	\$ 2,236.3	\$ 614.7	\$ (414.1)	\$ 200.6	\$ (56.4)	\$ (41.5)	\$ 102.7	\$ 1.4	\$ 104.1	\$ 0.54
Restructuring & Transaction costs	-	-	31.6	31.6	3.5	(8.5)	26.6	-	26.6	\$ 0.14
Non-cash Amortization expense	-	-	66.0	66.0	-	(16.0)	50.0	-	50.0	\$ 0.26
One-time PPA	-	89.0	-	89.0	-	(21.5)	67.5	-	67.5	\$ 0.35
Foreign Exchange Loss	-	-	-	-	1.2	(0.2)	1.0	-	1.0	\$ 0.01
Tax on Transaction Costs	-	-	-	-	-	5.7	5.7	-	5.7	\$ 0.03
Adjusted Results	\$ 2,236.3	\$ 703.7	\$ (316.5)	\$ 387.2	\$ (51.7)	\$ (82.0)	\$ 253.5	\$ 1.4	\$ 254.9	\$ 1.33
Fully Diluted Shares Outstanding										191.5

Wabtec Corporation Reconciliation of Reported Results to Adjusted Results (in millions)										
Reported Results	Q2 Year-to-Date 2019 Actual Results									
	Net Sales	Gross Profit	Operating Expenses	Income from Operations	Interest & Other Exp	Tax	Net Income	Noncontrolling Interest	Wabtec Net Income	EPS
	\$ 3,829.9	\$ 1,003.7	\$ (735.8)	\$ 267.9	\$ (109.1)	\$ (60.0)	\$ 98.8	\$ 0.9	\$ 99.7	\$ 0.61
Restructuring & Transaction costs	-	-	90.3	90.3	17.9	(26.2)	82.0	-	82.0	\$ 0.50
Non-cash Amortization expense	-	-	93.4	93.4	-	(22.6)	70.8	-	70.8	\$ 0.44
One-time PPA	-	169.0	-	169.0	-	(40.9)	128.1	-	128.1	\$ 0.79
Foreign Exchange Loss	-	-	-	-	13.8	(3.3)	10.5	-	10.5	\$ 0.06
Tax on Transaction Costs	-	-	-	-	-	23.7	23.7	-	23.7	\$ 0.15
Adjusted Results	\$ 3,829.9	\$ 1,172.7	\$ (552.1)	\$ 620.6	\$ (77.4)	\$ (129.3)	\$ 413.9	\$ 0.9	\$ 414.8	\$ 2.55
Fully Diluted Shares Outstanding										162.2



EBITDA reconciliation

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

Wabtec Corporation 2020 Q2 EBITDA Reconciliation (in millions)						
	<u>Reported Income from Operations</u>	<u>Other Income (Expense)</u>	<u>Depreciation & Amortization</u>	= <u>EBITDA</u>	<u>Restructuring & Transaction Costs</u>	= <u>Adjusted EBITDA</u>
Consolidated Results	\$159.4	\$6.3	\$116.4	\$282.1	\$30.6	\$312.7

Wabtec Corporation 2020 Q2 Year-to-Date EBITDA Reconciliation (in millions)						
	<u>Reported Income from Operations</u>	<u>Other Income (Expense)</u>	<u>Depreciation & Amortization</u>	= <u>EBITDA</u>	<u>Restructuring & Transaction Costs</u>	= <u>Adjusted EBITDA</u>
Consolidated Results	\$376.7	(\$8.5)	\$230.8	\$599.0	\$47.5	\$646.5

Wabtec Corporation 2019 Q2 EBITDA Reconciliation (in millions)						
	<u>Reported Income from Operations</u>	<u>Other Income (Expense)</u>	<u>Depreciation & Amortization</u>	= <u>EBITDA</u>	<u>Restructuring & Transaction Costs</u>	= <u>Adjusted EBITDA</u>
Consolidated Results	\$200.6	\$2.1	\$107.9	\$310.6	\$120.6	\$431.2

Wabtec Corporation 2019 Q2 Year-to-Date EBITDA Reconciliation (in millions)						
	<u>Reported Income from Operations</u>	<u>Other Income (Expense)</u>	<u>Depreciation & Amortization</u>	= <u>EBITDA</u>	<u>Restructuring & Transaction Costs</u>	= <u>Adjusted EBITDA</u>
Consolidated Results	\$267.9	(\$6.1)	\$162.5	\$424.3	\$259.3	\$683.6



Segment reconciliation

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

<i>In millions</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Freight Segment Reported Income from Operations	\$ 141.5	\$ 167.5	\$ 303.2	\$ 248.4
<i>Freight Segment Reported Margin</i>	11.7%	11.0%	12.1%	10.2%
One-time PPA	-	89.0	-	169.0
Restructuring & Transaction costs	19.9	11.0	34.7	16.2
Non-cash Amortization expense	67.5	61.0	131.6	83.6
Freight Segment Adjusted Income from Operations	\$ 228.9	\$ 328.5	\$ 469.5	\$ 517.2
<i>Freight Segment Adjusted Margin</i>	19.0%	21.5%	18.7%	21.2%
Transit Segment Reported Income from Operations	\$ 40.2	\$ 62.6	\$ 108.8	\$ 122.5
<i>Transit Segment Reported Margin</i>	7.5%	8.8%	9.4%	8.8%
Restructuring & Transaction costs	6.3	2.0	7.4	3.0
Non-cash Amortization expense	4.8	5.0	9.7	9.8
Transit Segment Adjusted Income from Operations	\$ 51.3	\$ 69.6	\$ 125.9	\$ 135.3
<i>Transit Segment Adjusted Margin</i>	9.6%	9.8%	10.8%	9.7%



Segment reconciliation (cont.)

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

<i>In millions</i>	2019				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
Freight Segment Reported Income from Operations	\$ 80.9	\$ 167.5	\$ 155.3	\$ 239.2	\$ 642.9
<i>Freight Segment Reported Margin</i>	8.8%	11.0%	11.7%	14.3%	11.8%
One-time PPA	80.0	89.0	16.0	-	185.0
Restructuring & Transaction costs	5.2	11.0	35.5	14.9	66.6
Non-cash Amortization expense	22.6	61.0	74.7	60.0	218.3
Freight Segment Adjusted Income from Operations	\$ 188.7	\$ 328.5	\$ 281.5	\$ 314.1	\$ 1,112.8
<i>Freight Segment Adjusted Margin</i>	20.6%	21.5%	21.1%	18.8%	20.5%
Transit Segment Reported Income from Operations	\$ 59.9	\$ 62.6	\$ 52.9	\$ 39.0	\$ 214.4
<i>Transit Segment Reported Margin</i>	8.8%	8.8%	7.9%	5.6%	7.8%
Restructuring & Transaction costs	1.0	2.0	4.3	10.7	18.0
Non-cash Amortization expense	4.8	5.0	4.8	5.5	20.1
Transit Segment Adjusted Income from Operations	\$ 65.7	\$ 69.6	\$ 62.0	\$ 55.2	\$ 252.5
<i>Transit Segment Adjusted Margin</i>	9.7%	9.8%	9.3%	7.9%	9.2%

