

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 31, 2019 (October 31, 2019)

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)

1001 Air Brake Avenue, Wilmerding, Pennsylvania 15148  
(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 October 31, 2019, Westinghouse Air Brake Technologies Corporation (the "Company") issued a press release reporting, among other things, the Company's 2019 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 2019 (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](http://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 31, 2019, the Company issued a press release which, among other things, updated previously provided adjusted earnings guidance for fiscal year 2019. A copy of the press release is attached to this report as Exhibit 99.1 and the paragraph under the heading "2019 Financial Guidance" which discusses 2019 guidance is incorporated into this Item 7.01 by reference. The Company also furnished a Presentation relating to its third quarter of 2019, 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	<a href="#">Press release dated October 31, 2019</a>
99.2	<a href="#">Wabtec Earnings Presentation, Third Quarter 2019</a>
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 "transaction") and statements regarding Wabtec's expectations about future sales and earnings. All statements, other than historical facts, including statements regarding the expected benefits of the transaction, including future financial and operating results, the tax consequences of the transaction, and the combined company's plans, objectives, expectations and intentions; legal, economic and regulatory 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 transaction; (2) uncertainty of the expected financial performance of the combined company following completion of the transaction; (3) failure to realize the anticipated benefits of the transaction, including as a result of integrating GE Transportation into Wabtec; (4) the ability of the combined company to implement its business strategy; (5) difficulties and delays in achieving revenue and cost synergies of the combined company; (6) inability to retain and hire key personnel; (7) the risk that shareholder litigation in connection with the transaction or other settlements or investigations may result in significant costs of defense, indemnification and liability; (8) evolving legal, regulatory and tax regimes; (9) 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; (10) changes in the expected timing of projects; (11) a decrease in freight or passenger rail traffic; (12) an increase in manufacturing costs; (13) actions by third parties, including government agencies; 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: October 31, 2019



***Wabtec Reports 3Q Results, Updates Guidance; Affirms 2019 GAAP Cash from Operations Target***

**Pittsburgh, PA, October 31, 2019** – Wabtec Corporation (NYSE: WAB) today reported earnings per diluted share of \$0.48 and adjusted earnings per diluted share of \$1.03 in the 2019 third quarter (see reconciliation table). The company generated GAAP cash from operations of \$124 million for the quarter and affirmed its 2019 GAAP cash from operations guidance of about \$900 million. Wabtec also updated its full-year guidance for adjusted sales of about \$8.2 billion and adjusted earnings per diluted share to between \$4.15 to \$4.20.

Rafael Santana, Wabtec’s president and chief executive officer, said: “We delivered a solid operational performance in the third quarter and we remain on track to achieve our full year adjusted earnings and cash flow guidance, despite challenging conditions in the North American freight market. Growth in our aftermarket and services revenues demonstrate the importance of our significant installed base across both freight and transit and the resilience of our business model.

“In addition, as we focus on controlling what we can, we have made significant progress in our integration initiatives and execution of our synergy activities. We have accelerated our cost and synergy actions, giving us strong confidence that we will exceed our synergy target of \$250 million before 2022.”

**2019 Third Quarter Consolidated Results**

- GAAP sales were \$2.0 billion; adjusted sales were \$2.1 billion including accounting policy harmonization. The increase compared to the year-ago quarter resulted mainly from sales from GE Transportation and higher transit sales partially offset by lower sales in freight components, electronics and unfavorable foreign exchange rates.
- Income from operations was \$169 million (8.4% of GAAP sales) and adjusted income from operations was \$317 million (15.4% of adjusted sales) which was favorably impacted by original equipment (OE) mix, timing of policy harmonization and seasonality in the locomotive services. Adjusted income from operations included \$63 million for non-cash, accounting policy harmonization and excluded pre-tax expenses of \$85 million as follows: \$69 million for transaction, restructuring and litigation costs, as well as \$16 million for one-time, non-cash purchase price accounting charges (see reconciliation table).
- The company also had pre-tax expense of \$71 million for non-cash, recurring purchase price accounting charges related to the GE Transportation merger which is not added back to adjusted income from operations.
- Net interest expense was \$58 million, with adjusted net interest expense of \$54 million.
- Income tax expense was \$23 million for an effective tax rate of 20%. Excluding the net tax benefit from restructuring, transaction costs related to the GE Transportation merger and litigation costs adjusted income tax expense was \$67 million for an adjusted effective tax rate of about 25%.

- Earnings per diluted share were \$0.48 and adjusted earnings per diluted share were \$1.03 (see reconciliation table). Adjusted earnings per diluted share included \$0.25 for after-tax non-cash policy harmonization and excluded after-tax expenses of \$0.30 as follows: \$0.06 for one-time, non-cash purchase price accounting charges; \$0.28 for transaction, restructuring and litigation costs, offset by \$0.04 from increased tax expense for non-deductible transaction costs (see reconciliation table).
- In addition to the expenses noted above, the company also had after-tax expense of \$0.28 per diluted share for non-cash, recurring purchase price accounting charges which is not added back to adjusted earnings per diluted share.
- EBITDA, which Wabtec defines as income from operations plus depreciation and amortization, was \$292 million and adjusted EBITDA was \$440 million. Adjusted EBITDA included \$63 million for policy harmonization and excluded pre-tax expenses of \$85 million as follows: \$16 million for one-time, non-cash purchase price accounting charges and \$69 million for transaction, restructuring and litigation costs (see reconciliation table).

**2019 Third Quarter Segment Results**

- Freight segment sales of \$1.3 billion increased by 231% from the year-ago quarter or \$904 million; the increase resulted from acquisitions of \$954 million which was partially offset by an organic decrease of \$45 million and unfavorable changes in foreign currency exchange rates of \$5 million. Freight segment organic sales were negatively impacted by lower sales in freight car components and electronics.
- Freight segment income from operations of \$148 million (or 11.4% of segment sales) increased from the year-ago quarter by \$69 million mainly as a result of acquisitions. Freight segment income from operations was reduced by \$108 million due to the policy harmonization, merger-related and restructuring expenses noted. Excluding those items, Freight segment income from operations as a percent of adjusted sales was 19.0%. Adjusted Freight segment income from operations benefited from seasonality of services and lower mix of OE locomotives due to timing of deliveries.
- Transit segment sales of \$706 million increased by 3% from the year-ago quarter or \$20 million. The increase resulted from organic sales growth of \$44 million and acquisitions of \$2 million, which was partially offset by unfavorable changes in foreign currency exchange rates of \$26 million. Transit segment sales were positively impacted by growth in both OE and aftermarket components.
- Transit segment income from operations of \$56 million (or 7.9% of segment sales) decreased from the year-ago quarter by \$5 million as a result of higher restructuring expenses, offset somewhat by higher volume. Excluding restructuring charges of \$11 million, Transit segment income from operations as a percent of sales was 9.4%. Adjusted segment income from operations benefited from leverage of higher volume.

**Cash Flow Summary**

- The company generated cash from operations of \$124 million for the third quarter compared to cash used for operations of \$30 million in the year-ago quarter, with the increase resulting from higher financial results (net income plus net add-back for non-cash transactions in earnings) and improved working capital performance. In the 2019 third quarter, cash from operations was reduced by about \$40 million as a result of costs related to the GE Transportation merger.

- At September 30, the company had cash and cash equivalents of \$587 million and debt of \$4.7 billion.

**Backlog**

- At September 30, Wabtec's total, multi-year backlog was \$21.9 billion, and its 12-month backlog was \$5.7 billion, slightly lower than at June 30 as increased aftermarket orders were more than offset by the timing of OEM orders and changes in foreign currency exchange rates.

**2019 Financial Guidance**

- Wabtec updated 2019 GAAP sales guidance of about \$8.1 billion, GAAP income from operations guidance of about \$725 million and GAAP earnings per diluted share guidance to between \$2.05 to \$2.10 due to refined estimates for purchase price accounting charges and transaction and restructuring costs. Wabtec updated guidance for EBITDA, which Wabtec defines as income from operations plus depreciation and amortization, of about \$1.2 billion.
- Wabtec updated 2019 adjusted sales guidance of about \$8.2 billion and affirmed guidance for adjusted EBITDA of about \$1.6 billion, and adjusted income from operations of about \$1.2 billion. Wabtec also updated its guidance for adjusted earnings per diluted share to between \$4.15 to \$4.20. The adjusted guidance excludes estimated expenses for the GE Transportation merger for transaction and restructuring costs, one-time purchase price accounting charges, and non-cash accounting policy harmonization. Excluding these expenses, the company's adjusted operating margin target for the full year is about 14% and its adjusted effective tax rate for the full year is expected to be about 24%. This guidance also includes a net synergy benefit of about \$20 million for 2019.
- In addition to the expenses noted above, the company also expects after-tax expense of about \$0.88 per diluted share for non-cash, recurring purchase price accounting charges which are not added back to adjusted earnings per share.
- For the year, Wabtec expects GAAP cash flow from operations to be about \$900 million including expenses of about \$100 million related to the GE Transportation merger.

**Conference Call Information**

Wabtec will host a call with analysts and investors at 10 a.m., ET, today. To listen via webcast, go to Wabtec's new website at [www.WabtecCorp.com](http://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 412-317-0088 (passcode: 466#).

**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, Wabtec has approximately 27,000 employees in facilities throughout the world. Visit: [www.WabtecCorp.com](http://www.WabtecCorp.com)

**Information about non-GAAP 2019 Financial Information and Forward-Looking Statements**

Wabtec's earnings release and 2019 financial guidance mention certain non-GAAP financial performance measures, including adjusted sales, adjusted operating margin, EBITDA, adjusted EBITDA, adjusted income from operations and adjusted earnings per diluted share. Wabtec defines EBITDA as income from operations plus 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") and statements regarding Wabtec's expectations about future sales and earnings. All statements, other than historical facts, including statements regarding the expected benefits of the transaction, including future financial and operating results, the tax consequences of the GE Transportation merger, and Wabtec's plans, objectives, expectations and intentions; legal, economic and regulatory 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 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; and (13) 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**

Kristine Kubacki, CFA / [Kristine.Kubacki@wabtec.com](mailto:Kristine.Kubacki@wabtec.com) / 412-450-2033

**Wabtec Media Contact**

Deia Campanelli / [Deia.Campanelli@wabtec.com](mailto:Deia.Campanelli@wabtec.com) / 773-297-0482

**WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENT OF INCOME**  
**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2019 AND 2018**  
**(AMOUNTS IN MILLIONS EXCEPT PER SHARE DATA)**  
**(UNAUDITED)**

	Third Quarter 2019	Third Quarter 2018	For the Nine Months 2019	For the Nine Months 2018
Net sales	\$ 2,001.7	\$ 1,077.8	\$ 5,831.6	\$ 3,245.7
Cost of sales	(1,402.3)	(775.8)	(4,228.5)	(2,308.8)
Gross profit	599.4	302.0	1,603.1	936.9
<i>Gross profit as a % of Net Sales</i>	29.9%	28.0%	27.5%	28.9%
Selling, general and administrative expenses	(292.2)	(146.8)	(842.9)	(465.2)
Engineering expenses	(58.6)	(20.1)	(150.3)	(61.6)
Amortization expense	(79.5)	(9.9)	(172.9)	(30.1)
Total operating expenses	(430.3)	(176.8)	(1,166.1)	(556.9)
<i>Operating expenses as a % of Net Sales</i>	21.5%	16.4%	20.0%	17.2%
Income from operations	169.1	125.2	437.0	380.0
<i>Income from operations as a % of Net Sales</i>	8.4%	11.6%	7.5%	11.7%
Interest expense, net	(57.7)	(23.7)	(160.8)	(75.9)
Other income (expense), net	1.9	1.2	(4.1)	6.0
Income from operations before income taxes	113.3	102.7	272.1	310.1
Income tax expense	(22.7)	(16.6)	(82.6)	(53.2)
<i>Effective tax rate</i>	20.0%	16.2%	30.4%	17.2%
Net income	90.6	86.1	189.5	256.9
Less: Net loss attributable to noncontrolling interest	0.5	1.6	1.5	3.7
Net income attributable to Wabtec shareholders	\$ 91.1	\$ 87.7	\$ 191.0	\$ 260.6
<b>Earnings Per Common Share</b>				
<b>Basic</b>				
Net income attributable to Wabtec shareholders	\$ 0.48	\$ 0.91	\$ 1.17	\$ 2.71
<b>Diluted</b>				
Net income attributable to Wabtec shareholders	\$ 0.48	\$ 0.91	\$ 1.11	\$ 2.70
Basic	189.6	96.2	163.2	95.9
Diluted	191.5	96.6	172.2	96.4
<b>Segment Information</b>				
Freight Net Sales	\$ 1,295.7	\$ 391.6	\$ 3,666.1	\$ 1,183.4
Freight Income from Operations	\$ 148.1	\$ 79.4	\$ 375.3	\$ 233.4
Freight Operating Margin	11.4%	20.3%	10.2%	19.7%
Transit Net Sales	\$ 706.0	\$ 686.2	\$ 2,165.5	\$ 2,062.3
Transit Income from Operations	\$ 55.8	\$ 60.7	\$ 185.9	\$ 186.8
Transit Operating Margin	7.9%	8.8%	8.6%	9.1%
<b>Backlog Information (Note: 12-month is a sub-set of total)</b>				
	<b>September 30, 2019</b>	<b>June 30, 2019</b>		
Freight Total	\$ 18,257.6	\$ 18,765.5		
Transit Total	3,672.9	3,847.8		
Wabtec Total	\$ 21,930.5	\$ 22,613.3		
Freight 12-Month	\$ 3,914.2	\$ 3,793.9		
Transit 12-Month	1,813.1	2,058.9		
Wabtec 12-Month	\$ 5,727.3	\$ 5,852.8		

**WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

<i><b>In millions</b></i>	Unaudited September 30, 2019	December 31, 2018
Cash and cash equivalents	\$ 587.4	\$ 580.9
Restricted cash	—	1,761.4
Receivables, net	1,673.3	1,146.8
Inventories	1,957.3	844.9
Current assets - other	192.4	115.6
<b>Total current assets</b>	<b>4,410.4</b>	<b>4,449.6</b>
Property, plant and equipment, net	1,622.7	563.8
Goodwill	8,103.2	2,396.5
Other intangibles, net	4,207.0	1,129.9
Other long term assets	557.6	109.4
<b>Total assets</b>	<b>\$ 18,900.9</b>	<b>\$ 8,649.2</b>
Current liabilities	\$ 3,198.9	\$ 1,646.6
Long-term debt	4,633.5	3,792.8
Long-term liabilities - other	1,339.1	340.7
<b>Total liabilities</b>	<b>9,171.5</b>	<b>5,780.1</b>
Shareholders' equity	9,696.4	2,865.2
Non-controlling interest	33.0	3.9
<b>Total shareholders' equity</b>	<b>9,729.4</b>	<b>2,869.1</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 18,900.9</b>	<b>\$ 8,649.2</b>

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>In millions</i>	Unaudited	
	Nine Months Ended 2019	September 30, 2018
Net cash provided by operating activities	\$ 567.7	\$ 38.0
Net cash used for investing activities	(3,109.8)	(104.2)
Net cash provided by financing activities	817.1	1,995.3
Effect of changes in currency exchange rates	(29.9)	(27.1)
(Decrease) increase in cash	(1,754.9)	1,902.0
Cash, cash equivalents, and restricted cash, beginning of period	2,342.3	233.4
Cash, cash equivalents, and restricted cash, end of period	\$ 587.4	\$ 2,135.4

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 2019 Actual Results									
	Net Sales	Gross Profit	Operating Expenses	Income from Operations	Interest & Other Exp	Tax	Net Income	Minority Interest	Wabtec Net Income	EPS
<b>Reported Results</b>	<b>\$2,001.7</b>	<b>\$ 599.4</b>	<b>\$ (430.3)</b>	<b>\$ 169.1</b>	<b>\$ (55.8)</b>	<b>\$ (22.7)</b>	<b>\$ 90.6</b>	<b>\$ 0.5</b>	<b>\$ 91.1</b>	<b>\$ 0.48</b>
Restructuring, Transaction, & Litigation costs	—	28.4	40.1	68.5	3.6	(17.4)	54.7	—	54.7	\$ 0.28
One-time PPA	—	16.0	—	16.0	—	(3.9)	12.1	—	12.1	\$ 0.06
Policy Harmonization	51.0	55.0	8.0	63.0	—	(15.2)	47.8	—	47.8	\$ 0.25
Tax on Transaction Costs	—	—	—	—	—	(7.7)	(7.7)	—	(7.7)	\$(0.04)
<b>Adjusted Results</b>	<b>\$2,052.7</b>	<b>\$ 698.8</b>	<b>\$ (382.2)</b>	<b>\$ 316.6</b>	<b>\$ (52.2)</b>	<b>\$ (67.0)</b>	<b>\$ 197.4</b>	<b>\$ 0.5</b>	<b>\$ 197.9</b>	<b>\$ 1.03</b>
<b>Fully Diluted Shares Outstanding</b>										<b>191.5</b>

**Wabtec Corporation**

**Reconciliation of Reported Results to Adjusted Results**

(in millions)

	Year-to-Date 2019 Actual Results									
	Net Sales	Gross Profit	Operating Expenses	Income from Operations	Interest & Other Exp	Tax	Net Income	Minority Interest	Wabtec Net Income	EPS
<b>Reported Results</b>	<b>\$5,831.6</b>	<b>\$1,603.1</b>	<b>\$(1,166.1)</b>	<b>\$ 437.0</b>	<b>\$ (164.9)</b>	<b>\$ (82.6)</b>	<b>\$ 189.5</b>	<b>\$ 1.5</b>	<b>\$ 191.0</b>	<b>\$ 1.11</b>
Restructuring, Transaction, & Litigation costs	—	28.4	130.4	158.8	21.5	(43.6)	136.7	—	136.7	\$ 0.79
One-time PPA	—	185.0	—	185.0	—	(44.8)	140.2	—	140.2	\$ 0.81
Policy Harmonization	115.0	59.0	17.0	76.0	—	(18.4)	57.6	—	57.6	\$ 0.33
Tax on Transaction Costs	—	—	—	—	—	16.0	16.0	—	16.0	\$ 0.09
<b>Adjusted Results</b>	<b>\$5,946.6</b>	<b>\$1,875.5</b>	<b>\$(1,018.7)</b>	<b>\$ 856.8</b>	<b>\$ (143.4)</b>	<b>\$(173.4)</b>	<b>\$ 540.0</b>	<b>\$ 1.5</b>	<b>\$ 541.5</b>	<b>\$ 3.14</b>
<b>Fully Diluted Shares Outstanding</b>										<b>172.2</b>

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**  
**2019 Q3 EBITDA Reconciliation**  
(in millions)

	<u>Income from Operations</u>	<u>Depreciation</u>	<u>Amortization</u>	<u>EBITDA (Income from Operations plus Depreciation &amp; Amortization)</u>
<b>Consolidated Q3 Actual As Reported</b>	<b>\$ 169.1</b>	<b>\$ 43.4</b>	<b>\$ 79.5</b>	<b>\$ 292.0</b>
Restructuring, Transaction, & Litigation costs	68.5	—	—	68.5
One-time PPA Charges	16.0	—	—	16.0
Policy Harmonization	63.0	—	—	63.0
<b>Adjusted Results</b>	<b>\$ 316.6</b>	<b>\$ 43.4</b>	<b>\$ 79.5</b>	<b>\$ 439.5</b>

Set forth below is a reconciliation of the 2019 guidance to the adjusted guidance included in this press release. We believe that the adjusted guidance provides useful supplemental information to assess our forecasted results. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, Wabtec's guidance presented in accordance with GAAP.

**Wabtec Corporation**  
**Reconciliation of Guidance to Adjusted Guidance \***  
(in billions)

	<u>Revenue</u>	<u>Income from Operations</u>	<u>Depreciation &amp; Amortization</u>	<u>EBITDA (Income from Operations plus Depreciation &amp; Amortization)</u>
<b>2019 Guidance</b>	<b>\$ 8.1</b>	<b>\$ 0.7</b>	<b>\$ 0.4</b>	<b>\$ 1.2</b>
Restructuring, Transaction, & Litigation costs	—	0.2	—	0.2
One-time PPA Charges	—	0.2	—	0.2
Policy Harmonization	0.1	0.1	—	0.1
<b>2019 Adjusted Guidance</b>	<b>\$ 8.2</b>	<b>\$ 1.2</b>	<b>\$ 0.4</b>	<b>\$ 1.6</b>

\* Net Income and Earnings Per Diluted Share ("EPS") will be impacted by a variety of uncertainties including revisions to purchase price accounting, final transaction costs, and mix of operations affecting accounting harmonization. The Company does not further reconcile Income from Operations to Net Income due to the inherent difficulty, without unreasonable efforts, in forecasting and quantifying with reasonable accuracy the foregoing significant items required for the reconciliation. On a GAAP basis, Net Income is estimated to range from \$362 million to \$372 million, with an EPS range of \$2.05 to \$2.10. On an adjusted basis, Net Income is estimated to range from \$735 million to \$745 million, and EPS of \$4.15 to \$4.20.



# Wabtec 3<sup>rd</sup> Quarter 2019

Financial Results & Company Highlights  
October 31, 2019



# 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") and statements regarding Wabtec's expectations about future sales and earnings. All statements, other than historical facts, including statements regarding the expected benefits of the transaction, including future financial and operating results, the tax consequences of the GE Transportation merger, and Wabtec's plans, objectives, expectations and intentions; legal, economic and regulatory 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 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; and (13) 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 2019 financial guidance mention certain non-GAAP financial performance measures, including adjusted sales, adjusted operating margin, EBITDA, adjusted EBITDA, adjusted income from operations and adjusted earnings per diluted share. Wabtec defines EBITDA as income from operations plus 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.

# Executive summary

**Solid third quarter, on-track & well positioned to deliver for the year**

- 3Q sales of ~\$2.0B and EPS of \$0.48
- 3Q adjusted sales of ~\$2.1B and adjusted EPS of \$1.03
- YTD cash flow from operations of \$568M

**Diversified portfolio yielding ability to manage market headwinds**

- Services growth driven by significant global installed base offsetting North America freight market softness

**Integration on-track & synergies delivering ahead of plan**

- \$250M synergies to be achieved before 2022

**Narrowing full-year adjusted guidance; reiterating 2019 GAAP Cash from operations guidance**

- GAAP EPS guidance to between \$2.05 to \$2.10
- Adjusted EPS guidance to between \$4.15 and \$4.20
- Affirming cash flow from operations guidance at ~\$900M

# 3Q 2019 performance

	<b>Reported</b>	<b>Adjusted</b>	<b>Adjusted y/y</b>
Sales	\$2,002 M	\$2,053 M	90%
EBITDA	\$292M	\$440M	
Income from ops	\$169M	\$317M	133%
Profit margin	8.4%	15.4%	2.8 pts
EPS	\$0.48	\$1.03	
Cash from ops	\$124M		
Backlog	\$22B		

	<b>Reported</b>	<b>Adjusted<sup>(1)</sup></b>	<b>Adjusted y/y</b>
<b>Freight</b>			
Sales	\$1,296M	\$1,347M	244%
Income from ops	\$148M	\$256M	221%
Profit margin %	11.4%	19.0%	(1.4 pts)
Backlog	\$18B		
<b>Transit</b>			
Sales	\$706M	\$706M	3%
Income from ops	\$56M	\$67M	5%
Profit margin %	7.9%	9.4%	0.2 pts
Backlog	\$4B		

(1) Freight Segment sales were adjusted by \$51 million due to policy harmonization; Income from operations was adjusted by \$108 million due to the policy harmonization, merger-related and restructuring expenses noted.

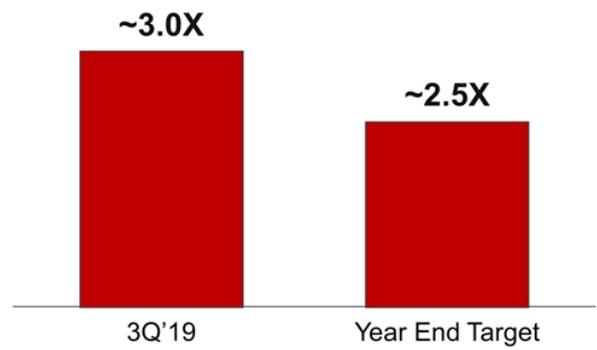
(2) Transit Segment income from operations was adjusted by \$11 million due to restructuring charges.

# Liquidity & leverage

## GAAP cash from ops



## Net debt / Adj. EBITDA<sup>(3)</sup>



Strong cash flow generation to de-lever the balance sheet ... long-term target leverage ~2-2.5X

<sup>(3)</sup> Wabtec uses a leverage ratio of Net Debt to Adj. EBITDA for purposes of tracking compliance with the covenants in our 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.

# 2019 guidance

## Sales

GAAP: ~\$8.1B  
Adjusted: ~\$8.2B

## EBITDA

GAAP: ~\$1.2B  
Adjusted: ~\$1.6B

## EPS

GAAP: \$2.05 to \$2.10  
Adjusted: \$4.15 to \$4.20

## Cash from operations

GAAP: ~\$900M

- SG&A ~\$1.1B
- Depreciation ~\$155M
- Amortization ~\$245M
- Interest ~\$55M per quarter
- Adjusted tax rate at ~24%<sup>(4)</sup>
- Capex of ~\$200M
- ~\$0.88 after-tax EPS impact from non-cash recurring PPA charges (not added back to Adjusted EPS)
- Shares outstanding at the end of 2019 ~192M
- Policy harmonization to be excluded from 2020 adjustments

Well-positioned to deliver through the cycle

<sup>(4)</sup> Adjusted tax rate excludes estimated expenses for the GE Transportation merger for transaction, restructuring and litigation costs, one-time purchase accounting charges, and non-cash accounting policy harmonization. 6

# Focused strategy, positioned for long-term growth

- 3Q performance on track ... well positioned to deliver on '19 financial guidance
- Significant installed base across Freight and Transit ... resilient business model
- Cost reductions on track ... strong confidence we will meet synergy target of \$250M before '22
- Strong cash generation ... affirming cash flow guidance for '19 of ~\$900M
- Updated GAAP EPS guidance to between \$2.05 to \$2.10 and adjusted EPS guidance to between \$4.15 to \$4.20

Globally diverse business model provides strong foundation for long-term growth

# Questions?



# Appendix



# Income statement

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION  
CONDENSED CONSOLIDATED STATEMENT OF INCOME  
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2019 AND 2018  
(AMOUNTS IN MILLIONS EXCEPT PER SHARE DATA)  
(UNAUDITED)

	Third Quarter 2019	Third Quarter 2018	For the Nine Months 2019	For the Nine Months 2018
Net sales	\$ 2,001.7	\$ 1,077.8	\$ 5,831.6	\$ 3,245.7
Cost of sales	(1,402.3)	(775.8)	(4,228.5)	(2,308.8)
Gross profit	599.4	302.0	1,603.1	936.9
<i>Gross profit as a % of Net Sales</i>	29.9%	28.0%	27.5%	28.9%
Selling, general and administrative expenses	(292.2)	(146.8)	(842.9)	(465.2)
Engineering expenses	(58.6)	(20.1)	(150.3)	(61.6)
Amortization expense	(79.5)	(9.9)	(172.9)	(30.1)
Total operating expenses	(430.3)	(176.8)	(1,166.1)	(556.9)
<i>Operating expenses as a % of Net Sales</i>	21.5%	16.4%	20.0%	17.2%
Income from operations	169.1	125.2	437.0	380.0
<i>Income from operations as a % of Net Sales</i>	8.4%	11.6%	7.5%	11.7%
Interest expense, net	(57.7)	(23.7)	(160.8)	(75.9)
Other income (expense), net	1.9	1.2	(4.1)	6.0
Income from operations before income taxes	113.3	102.7	272.1	310.1
Income tax expense	(22.7)	(16.6)	(82.6)	(53.2)
<i>Effective tax rate</i>	20.0%	16.2%	30.4%	17.2%
Net income	90.6	86.1	189.5	256.9
Less: Net loss attributable to noncontrolling interest	0.5	1.6	1.5	3.7
Net income attributable to Wabtec shareholders	\$ 91.1	\$ 87.7	\$ 191.0	\$ 260.6
<b>Earnings Per Common Share</b>				
<b>Basic</b>				
Net income attributable to Wabtec shareholders	\$ 0.48	\$ 0.91	\$ 1.17	\$ 2.71
<b>Diluted</b>				
Net income attributable to Wabtec shareholders	\$ 0.48	\$ 0.91	\$ 1.11	\$ 2.70
Basic	189.6	96.2	163.2	95.9
Diluted	191.5	96.6	172.2	96.4



# Income statement (cont.)

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION  
CONDENSED CONSOLIDATED STATEMENT OF INCOME  
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2019 AND 2018  
(AMOUNTS IN MILLIONS EXCEPT PER SHARE DATA)  
(UNAUDITED)

	Third Quarter <u>2019</u>	Third Quarter <u>2018</u>	For the Nine Months <u>2019</u>	For the Nine Months <u>2018</u>
<b>Segment Information</b>				
Freight Net Sales	\$ 1,295.7	\$ 391.6	\$ 3,666.1	\$ 1,183.4
Freight Income from Operations	\$ 148.1	\$ 79.4	\$ 375.3	\$ 233.4
Freight Operating Margin	11.4%	20.3%	10.2%	19.7%
Transit Net Sales	\$ 706.0	\$ 686.2	\$ 2,165.5	\$ 2,062.3
Transit Income from Operations	\$ 55.8	\$ 60.7	\$ 185.9	\$ 186.8
Transit Operating Margin	7.9%	8.8%	8.6%	9.1%
<b>Backlog Information (Note: 12-month is a sub-set of total)</b>				
	<b><u>September 30, 2019</u></b>	<b><u>June 30, 2019</u></b>		
Freight Total	\$ 18,257.6	\$ 18,765.5		
Transit Total	3,672.9	3,847.8		
Wabtec Total	<u>\$ 21,930.5</u>	<u>\$ 22,613.3</u>		
Freight 12-Month	\$ 3,914.2	\$ 3,793.9		
Transit 12-Month	1,813.1	2,058.9		
Wabtec 12-Month	<u>\$ 5,727.3</u>	<u>\$ 5,852.8</u>		



# Balance sheet

## WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION CONDENSED CONSOLIDATED BALANCE SHEETS

<i>In millions</i>	Unaudited	
	September 30, 2019	December 31, 2018
Cash and cash equivalents	\$ 587.4	\$ 580.9
Restricted cash	-	1,761.4
Receivables, net	1,673.3	1,146.8
Inventories	1,957.3	844.9
Current assets - other	192.4	115.6
<b>Total current assets</b>	<b>4,410.4</b>	<b>4,449.6</b>
Property, plant and equipment, net	1,622.7	563.8
Goodwill	8,103.2	2,396.5
Other intangibles, net	4,207.0	1,129.9
Other long term assets	557.6	109.4
<b>Total assets</b>	<b>\$ 18,900.9</b>	<b>\$ 8,649.2</b>
Current liabilities	\$ 3,198.9	\$ 1,646.6
Long-term debt	4,633.5	3,792.8
Long-term liabilities - other	1,339.1	340.7
<b>Total liabilities</b>	<b>9,171.5</b>	<b>5,780.1</b>
Shareholders' equity	9,696.4	2,865.2
Non-controlling interest	33.0	3.9
<b>Total shareholders' equity</b>	<b>9,729.4</b>	<b>2,869.1</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 18,900.9</b>	<b>\$ 8,649.2</b>



# Cash flow

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>In millions</i>	Unaudited	
	Nine Months Ended September 30, 2019	2018
Net cash provided by operating activities	\$ 567.7	\$ 38.0
Net cash used for investing activities	(3,109.8)	(104.2)
Net cash provided by financing activities	817.1	1,995.3
Effect of changes in currency exchange rates	(29.9)	(27.1)
(Decrease) increase in cash	(1,754.9)	1,902.0
Cash, cash equivalents, and restricted cash, beginning of period	2,342.3	233.4
Cash, cash equivalents, and restricted cash, end of period	\$ 587.4	\$ 2,135.4



# 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 2019 Actual Results									
	Net Sales	Gross Profit	Operating Expenses	Income from Operations	Interest & Other Exp	Tax	Net Income	Minority Interest	Wabtec Net Income	EPS
<b>Reported Results</b>	\$ 2,001.7	\$ 599.4	\$ (430.3)	\$ 169.1	\$ (55.8)	\$ (22.7)	\$ 90.6	\$ 0.5	\$ 91.1	\$ 0.48
Restructuring, Transaction, & Litigation costs	-	28.4	40.1	68.5	3.6	(17.4)	54.7	-	54.7	\$ 0.28
One-time PPA	-	16.0	-	16.0	-	(3.9)	12.1	-	12.1	\$ 0.06
Policy Harmonization	51.0	55.0	8.0	63.0	-	(15.2)	47.8	-	47.8	\$ 0.25
Tax on Transaction Costs	-	-	-	-	-	(7.7)	(7.7)	-	(7.7)	\$ (0.04)
<b>Adjusted Results</b>	<b>\$ 2,052.7</b>	<b>\$ 698.8</b>	<b>\$ (382.2)</b>	<b>\$ 316.6</b>	<b>\$ (52.2)</b>	<b>\$ (67.0)</b>	<b>\$ 197.4</b>	<b>\$ 0.5</b>	<b>\$ 197.9</b>	<b>\$ 1.03</b>
<b>Fully Diluted Shares Outstanding</b>										<b>191.5</b>

Wabtec Corporation Reconciliation of Reported Results to Adjusted Results (in millions)										
	Year-to-Date 2019 Actual Results									
	Net Sales	Gross Profit	Operating Expenses	Income from Operations	Interest & Other Exp	Tax	Net Income	Minority Interest	Wabtec Net Income	EPS
<b>Reported Results</b>	\$ 5,831.6	\$ 1,603.1	\$ (1,166.1)	\$ 437.0	\$ (164.9)	\$ (82.6)	\$ 189.5	\$ 1.5	\$ 191.0	\$ 1.11
Restructuring, Transaction, & Litigation costs	-	28.4	130.4	158.8	21.5	(43.6)	136.7	-	136.7	\$ 0.79
One-time PPA	-	185.0	-	185.0	-	(44.8)	140.2	-	140.2	\$ 0.81
Policy Harmonization	115.0	59.0	17.0	76.0	-	(18.4)	57.6	-	57.6	\$ 0.33
Tax on Transaction Costs	-	-	-	-	-	16.0	16.0	-	16.0	\$ 0.09
<b>Adjusted Results</b>	<b>\$ 5,946.6</b>	<b>\$ 1,875.5</b>	<b>\$ (1,018.7)</b>	<b>\$ 856.8</b>	<b>\$ (143.4)</b>	<b>\$ (173.4)</b>	<b>\$ 540.0</b>	<b>\$ 1.5</b>	<b>\$ 541.5</b>	<b>\$ 3.14</b>
<b>Fully Diluted Shares Outstanding</b>										<b>172.2</b>



# 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 2019 Q3 EBITDA Reconciliation (in millions)	Income from Operations	Depreciation	Amortization	EBITDA (Income from Operations plus Depreciation & Amortization)
<b>Consolidated Q3 Actual As Reported</b>	<b>\$ 169.1</b>	<b>\$ 43.4</b>	<b>\$ 79.5</b>	<b>\$ 292.0</b>
Restructuring, Transaction, & Litigation costs	68.5	-	-	68.5
One-time PPA Charges	16.0	-	-	16.0
Policy Harmonization	63.0	-	-	63.0
<b>Adjusted Results</b>	<b>\$ 316.6</b>	<b>\$ 43.4</b>	<b>\$ 79.5</b>	<b>\$ 439.5</b>



# EBITDA reconciliation guidance

Set forth below is a reconciliation of the 2019 guidance to the adjusted guidance included in this press release. We believe that the adjusted guidance provides useful supplemental information to assess our forecasted results. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, Wabtec's guidance presented in accordance with GAAP.

Wabtec Corporation Reconciliation of Guidance to Adjusted Guidance * (in billions)						
	Revenue	Income from Operations	Depreciation & Amortization	EBITDA (Income from Operations plus Depreciation & Amortization)		
<b>2019 Guidance</b>	\$ 8.1	\$ 0.7	\$ 0.4	\$ 1.2		
Restructuring, Transaction, & Litigation costs	-	0.2	-	0.2		
One-time PPA Charges	-	0.2	-	0.2		
Policy Harmonization	0.1	0.1	-	0.1		
<b>2019 Adjusted Guidance</b>	<b>\$ 8.2</b>	<b>\$ 1.2</b>	<b>\$ 0.4</b>	<b>\$ 1.6</b>		

\* Net Income and Earnings Per Diluted Share ("EPS") will be impacted by a variety of uncertainties including revisions to purchase price accounting, final transaction costs, and mix of operations affecting accounting harmonization. The Company does not further reconcile Income from Operations to Net Income due to the inherent difficulty, without unreasonable efforts, in forecasting and quantifying with reasonable accuracy the foregoing significant items required for the reconciliation. On a GAAP basis, Net Income is estimated to range from \$362 million to \$372 million, with an EPS range of \$2.05 to \$2.10. On an adjusted basis, Net Income is estimated to range from \$735 million to \$745 million, and EPS of \$4.15 to \$4.20.

