

Wabtec 1st Quarter 2021

Financial Results & Company Highlights

April 29, 2021



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 acquisitions, including the GE Transportation merger; (2) uncertainty of Wabtec’s expected financial performance; (3) failure to realize the anticipated benefits of acquisitions, including as a result of integrating acquired targets into Wabtec; (4) Wabtec’s ability to implement its business strategy; (5) difficulties and delays in achieving revenue 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 2021 financial guidance mention certain non-GAAP financial performance measures, including adjusted gross profit, adjusted operating expenses, adjusted income from operations, adjusted interest and other expense, adjusted operating margin, adjusted income tax expense, adjusted effective tax rate, adjusted earnings per diluted share, EBITDA and adjusted EBITDA, net debt, cash conversion rate and book-to-bill ratio. Wabtec defines EBITDA as earnings before interest, taxes, depreciation and amortization. Wabtec defines book-to-bill ratio as new orders divided by sales. While Wabtec believes these are useful supplemental measures for investors, they are not presented in accordance with GAAP. Investors should not consider non-GAAP measures in isolation or as a substitute for net income, cash flows from operations, or any other items calculated in accordance with GAAP. In addition, the non-GAAP financial measures included in this presentation have inherent material limitations as performance measures because they add back certain expenses incurred by the company to GAAP financial measures, resulting in those expenses not being taken into account in the applicable non-GAAP financial measure. Because not all companies use identical calculations, Wabtec’s presentation of non-GAAP financial measures may not be comparable to other similarly titled measures of other companies. Included in this presentation are reconciliation tables that provide details about how adjusted results relate to GAAP results.

1Q 2021 highlights

- **Global Freight and Transit continuing to recover** ... strong order pipeline of international locos; continued investment in global transit infrastructure
- **Expanded into maintenance of way market** with strategic acquisition of Nordco ... immediately accretive; significant international growth opportunities
- **Key technology wins** ... completed FLXdrive test in revenue service; Class I modernization order & service agreements; Transit brakes/ doors orders
- **Delivering on integration and cost actions** ... synergies from GET merger on-track to deliver \$250M run-rate in '21
- **Strong cash generation** ... driven by focused cash management & improved working capital
- **Multi-year backlog** ... still working through North American trough

1Q 2021

\$1.8B
Sales

10.5% **15.1%**
GAAP Adj.
Operating Margin

\$292M⁽¹⁾
Cash from Operations

\$0.59 **\$0.89**
GAAP Adj.
EPS

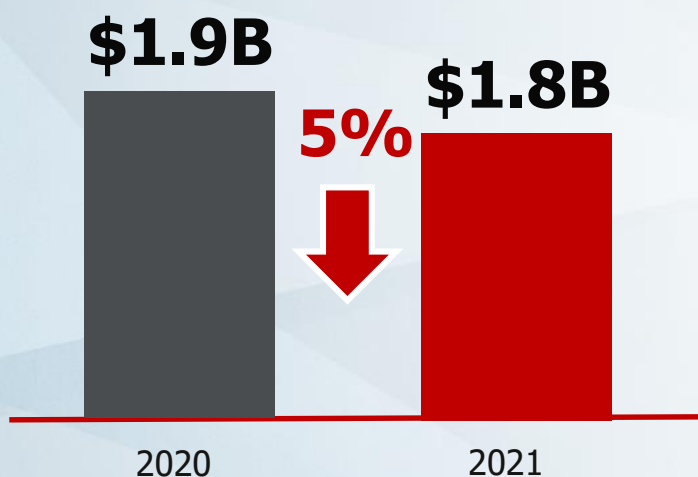
\$21.7B
Backlog

Continued focus on execution ... well positioned for recovery

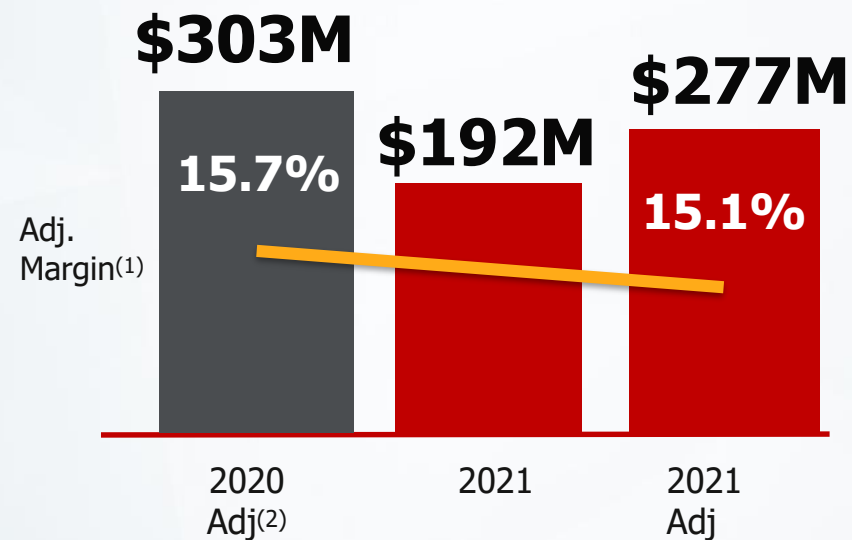
(1) 1st quarter cash flow from operations benefited from securitization of accounts receivable of \$93M.

1Q 2021 financial summary

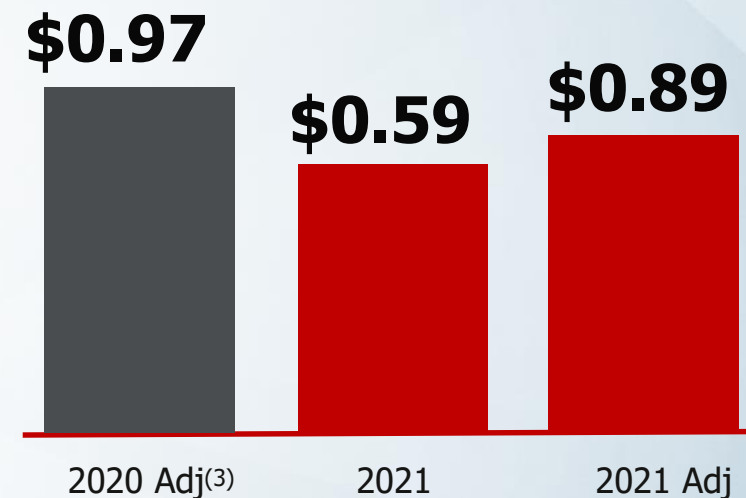
SALES



OPERATING INCOME



EPS



Solid first quarter ... delivering on our strategic plan

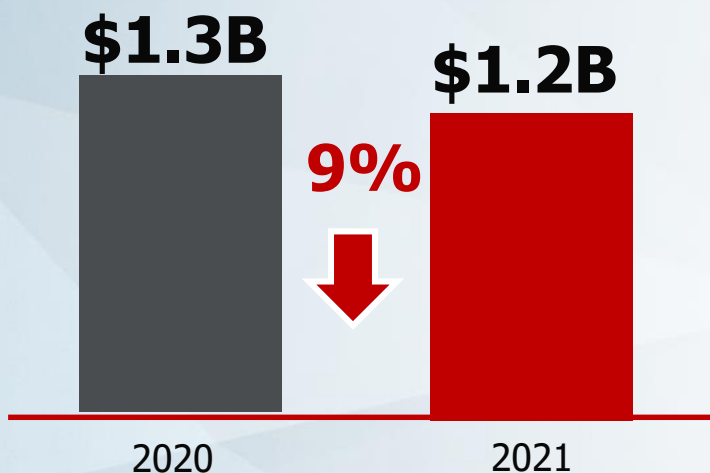
(1) 1Q 2020 GAAP margin was 11.3% and 1Q 2021 GAAP operating margin was 10.5%.

(2) 1Q 2020 GAAP operating income was \$217.3 million.

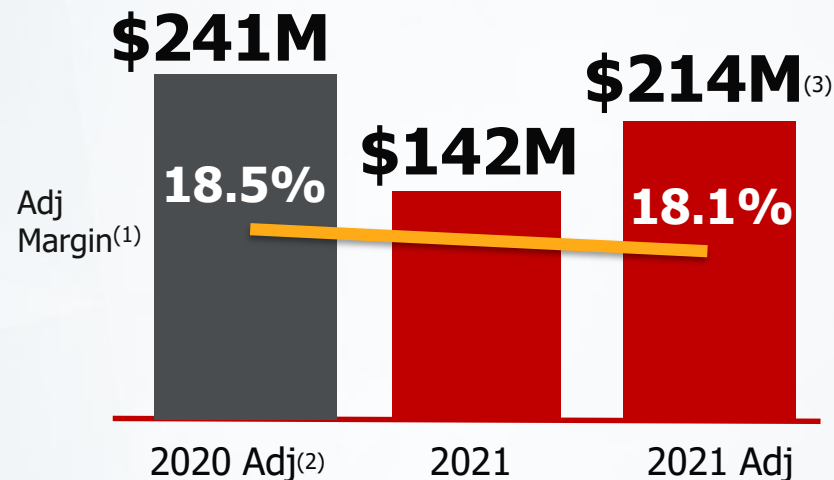
(3) 1Q 2020 GAAP EPS was \$0.58

1Q 2021 Freight segment performance

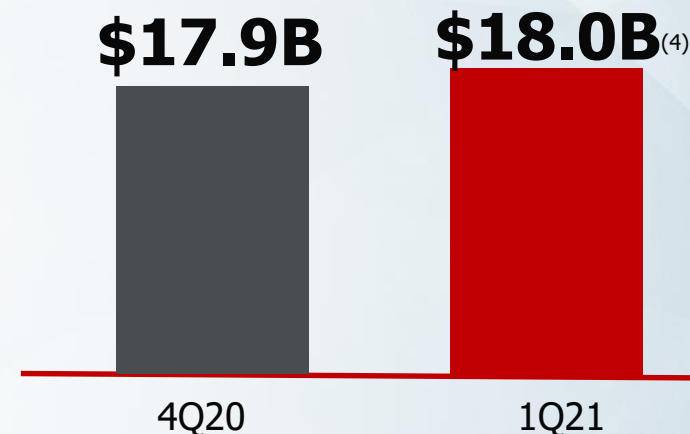
SALES



OPERATING INCOME



BACKLOG



PRODUCT LINE	YoY	
Equipment	(36%)	Lower loco deliveries (-48% YoY) driven by NA; Mining in recovery (units up >10% YoY)
Components	(8%)	Improving aftermarket offset by 45% decline in NA OE railcar build
Services	13%	Improving YoY freight trends & weather drove unparking of locos ... strong MODs demand
Digital Electronics	(10%)	Order momentum book-to-bill >1 ... continued international expansion of PTC; constrained NA capex spend

(1) 1Q 2020 Freight segment margin was 12.4% and 1Q 2021 Freight segment margin was 12.0%.

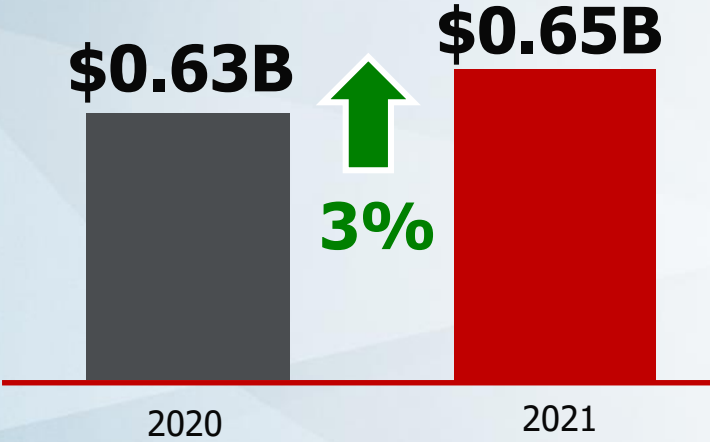
(2) 1Q 2020 Freight segment operating income was \$161.7 million.

(3) Freight segment income from operations was positively impacted by below market intangible amortization of \$13 million. Freight segment income was adjusted by the following expenses: \$8 million for restructuring and transaction and \$65 million for amortization expenses.

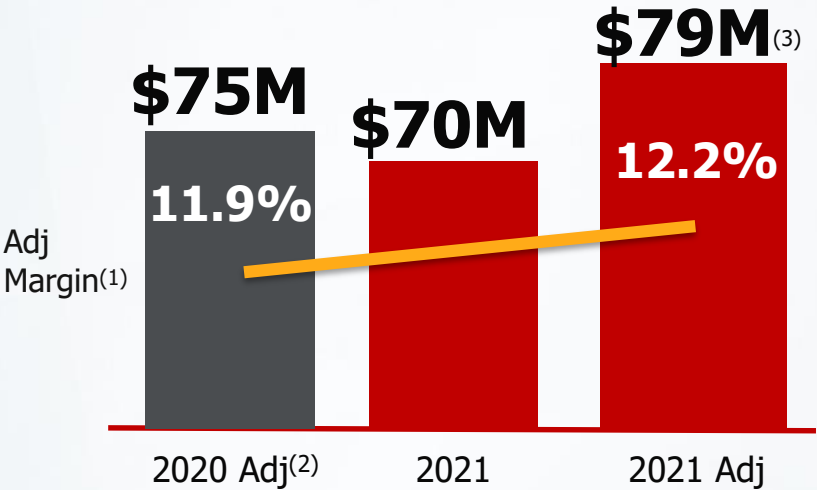
(4) Foreign exchange rates had negative \$85 million impact on the segment backlog.

1Q 2021 Transit segment performance

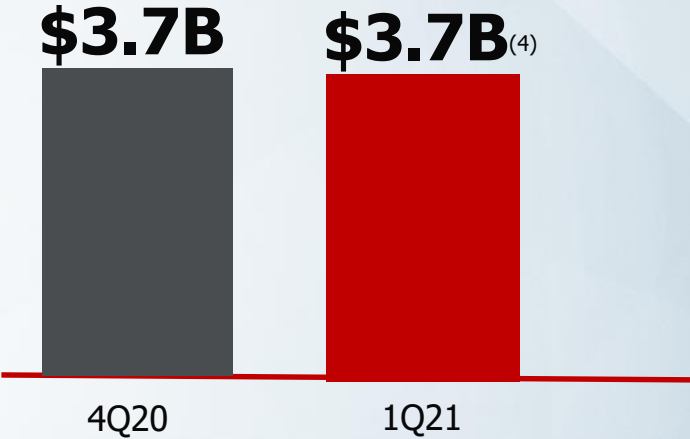
SALES



OPERATING INCOME



BACKLOG



PRODUCT LINE	YoY
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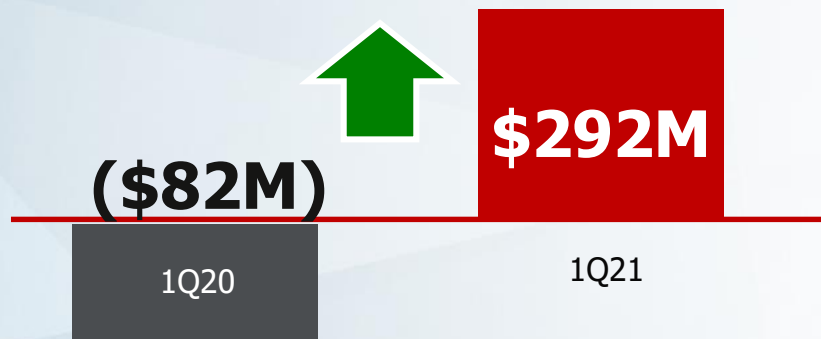
OE	-	Recovery in global transit spend on new projects
Aftermarket	5%	Aftermarket resilient despite COVID resurgence

(1) 1Q 2020 Transit segment margin was 10.9% and 1Q 2021 Transit segment margin was 10.8%.
 (2) 1Q 2020 Transit segment operating income was \$68.6 million.
 (3) Transit Segment income from operations was adjusted by \$4 million for restructuring expenses and \$5 million for amortization expenses.
 (4) Foreign exchange rates had a negative \$85 million impact on segment backlog.

Resilient business allows for execution on financial priorities

FOCUSED ON CASH CONVERSION

Cash from Ops



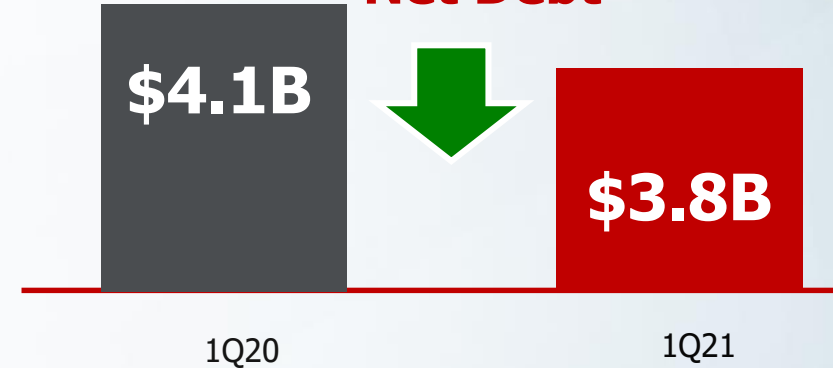
Strong cash generation ... solid cash conversion of net income

Focused working capital management ... benefit from A/R securitization

Executing on synergy goals ... on track to deliver \$250M run-rate in '21

STRONG FINANCIAL POSITION

Net Debt



Durable and consistent cash flows ... strong balance sheet

Adj. leverage at ~2.7x ... Committed to maintain investment grade ratings

Deploying capital to execute on strategic priorities

Robust cash generation ... investing in high-return opportunities to grow shareholder value

Market update

FREIGHT

- + Locos & railcars gradually coming out of storage ... continued recovery in aftermarket
- + Multi-year international locomotive pipeline; mining improving
- Expected NA OE railcar build of <30K; NA loco deliveries at zero; constrained Class I capex; timing of international orders
- +/- Digital Electronics book-to-bill >1 ... order convertibility is multi-year

TRANSIT

- + Continued infrastructure spending support for green initiatives
- + Diverse end-market exposure
- Some order timing delayed due to pandemic
- COVID-19 impacts on ridership; strained operating budgets across sector

2021 GUIDANCE

\$7.7B to \$7.9B

REVENUES

\$2.80 to \$3.05

GAAP EPS

\$4.05 to \$4.30

ADJUSTED EPS

>90%

CASH CONVERSION⁽¹⁾

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

Solid foundation for growth and increased shareholder value

Investing in **high return opportunities** ... leveraging installed base ... profitable growth via **new products & innovative technologies**

Driving continuous **operational improvement** and **margin expansion** ... delivering on synergies ... advancing lean culture

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

Strategy execution accelerating with purpose-driven culture
on sustainability and accountability



Wabtec
CORPORATION

Appendix

Income statement

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020
(AMOUNTS IN MILLIONS EXCEPT PER SHARE DATA)
(UNAUDITED)

Appendix A (1 of 2)

	Three Months Ended March 31,	
	2021	2020
Net sales	\$ 1,830.2	\$ 1,929.9
Cost of sales	<u>(1,296.0)</u>	<u>(1,351.2)</u>
Gross profit	534.2	578.7
<i>Gross profit as a % of Net Sales</i>	29.2%	30.0%
Selling, general and administrative expenses	(235.4)	(243.4)
Engineering expenses	(37.7)	(49.0)
Amortization expense	<u>(69.5)</u>	<u>(69.0)</u>
Total operating expenses	(342.6)	(361.4)
<i>Operating expenses as a % of Net Sales</i>	18.7%	18.7%
Income from operations	191.6	217.3
<i>Income from operations as a % of Net Sales</i>	10.5%	11.3%
Interest expense, net	(47.6)	(53.3)
Other income (expense), net	<u>14.2</u>	<u>(14.8)</u>
Income before income taxes	158.2	149.2
Income tax expense	(43.5)	(38.0)
<i>Effective tax rate</i>	27.5%	25.5%
Net income	114.7	111.2
Less: Net (income) loss attributable to noncontrolling interest	<u>(2.3)</u>	<u>0.4</u>
Net income attributable to Wabtec shareholders	<u>\$ 112.4</u>	<u>\$ 111.6</u>
Earnings Per Common Share		
Basic		
Net income attributable to Wabtec shareholders	<u>\$ 0.59</u>	<u>\$ 0.58</u>
Diluted		
Net income attributable to Wabtec shareholders	<u>\$ 0.59</u>	<u>\$ 0.58</u>
Basic	<u>188.5</u>	<u>190.8</u>
Diluted	<u>188.9</u>	<u>191.4</u>

Income statement (cont.)

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020
(AMOUNTS IN MILLIONS EXCEPT PER SHARE DATA)
(UNAUDITED)

	Three Months Ended March 31,	
	2021	2020
Segment Information		
Freight Net Sales	\$ 1,183.3	\$ 1,301.0
Freight Income from Operations	\$ 141.8	\$ 161.7
Freight Operating Margin	12.0%	12.4%
Transit Net Sales	\$ 646.9	\$ 628.9
Transit Income from Operations	\$ 70.1	\$ 68.6
Transit Operating Margin	10.8%	10.9%
Backlog Information (Note: 12-month is a sub-set of total)		
	March 31, 2021	December 31, 2020
Freight Total	\$ 18,005.5	\$ 17,887.1
Transit Total	3,666.0	3,704.2
Wabtec Total	\$ 21,671.5	\$ 21,591.3
Freight 12-Month	\$ 3,910.2	\$ 3,586.3
Transit 12-Month	1,796.0	1,934.4
Wabtec 12-Month	\$ 5,706.2	\$ 5,520.7

Balance sheet

Appendix B

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

<u><i>In millions</i></u>	<u>March 31, 2021</u>	<u>December 31, 2020</u>
Cash and cash equivalents	\$ 483.5	\$ 598.7
Receivables, net	1,403.0	1,412.5
Inventories	1,671.5	1,642.1
Other current assets	<u>221.0</u>	<u>226.5</u>
Total current assets	3,779.0	3,879.8
Property, plant and equipment, net	1,575.5	1,601.6
Goodwill	8,625.7	8,485.2
Other intangible assets, net	3,927.2	3,869.2
Other noncurrent assets	<u>635.8</u>	<u>618.7</u>
Total assets	<u>\$ 18,543.2</u>	<u>\$ 18,454.5</u>
Current liabilities	\$ 3,168.9	\$ 3,226.3
Long-term debt	3,923.3	3,792.2
Long-term liabilities - other	<u>1,273.9</u>	<u>1,283.3</u>
Total liabilities	8,366.1	8,301.8
Shareholders' equity	10,144.1	10,122.3
Noncontrolling interest	<u>33.0</u>	<u>30.4</u>
Total shareholders' equity	<u>10,177.1</u>	<u>10,152.7</u>
Total Liabilities and Shareholders' Equity	<u>\$ 18,543.2</u>	<u>\$ 18,454.5</u>

Cash flow

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

	Three Months Ended March 31,	
	<u>2021</u>	<u>2020</u>
<i><u>In millions</u></i>		
<i>Operating activities</i>		
Net income	\$ 114.7	\$ 111.2
Non-cash expense	115.6	85.5
Receivables	9.3	(22.6)
Inventories	(11.2)	(23.5)
Accounts Payable	47.0	(60.2)
Other assets and liabilities	16.8	(172.3)
Net cash provided by (used for) operating activities	<u>292.2</u>	<u>(81.9)</u>
Net cash used for investing activities	(422.0)	(62.6)
Net cash provided by financing activities	7.7	183.5
Effect of changes in currency exchange rates	6.9	(27.3)
(Decrease) increase in cash	(115.2)	11.7
Cash and cash equivalents, beginning of period	<u>598.7</u>	<u>604.2</u>
Cash and cash equivalents, end of period	<u><u>\$ 483.5</u></u>	<u><u>\$ 615.9</u></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)										
	First Quarter 2021 Actual Results									
	<u>Net Sales</u>	<u>Gross Profit</u>	<u>Operating Expenses</u>	<u>Income from Operations</u>	<u>Interest & Other Exp</u>	<u>Tax</u>	<u>Net Income</u>	<u>Noncontrolling Interest</u>	<u>Wabtec Net Income</u>	<u>EPS</u>
Reported Results	\$ 1,830.2	\$ 534.2	\$ (342.6)	\$ 191.6	\$ (33.4)	\$ (43.5)	\$ 114.7	\$ (2.3)	\$ 112.4	\$ 0.59
Restructuring & Transaction costs	-	4.1	11.4	15.5	-	(4.3)	11.2	-	11.2	\$ 0.06
Non-cash Amortization expense	-	-	69.5	69.5	-	(19.1)	50.4	-	50.4	\$ 0.27
Foreign Exchange Gain	-	-	-	-	(8.6)	2.4	(6.2)	-	(6.2)	\$ (0.03)
Adjusted Results	\$ 1,830.2	\$ 538.3	\$ (261.7)	\$ 276.6	\$ (42.0)	\$ (64.5)	\$ 170.1	\$ (2.3)	\$ 167.8	\$ 0.89
Fully Diluted Shares Outstanding										188.9

Wabtec Corporation										
Reconciliation of Reported Results to Adjusted Results										
(in millions)										
	First Quarter 2020 Actual Results									
	<u>Net Sales</u>	<u>Gross Profit</u>	<u>Operating Expenses</u>	<u>Income from Operations</u>	<u>Interest & Other Exp</u>	<u>Tax</u>	<u>Net Income</u>	<u>Noncontrolling Interest</u>	<u>Wabtec Net Income</u>	<u>EPS</u>
Reported Results	\$ 1,929.9	\$ 578.7	\$ (361.4)	\$ 217.3	\$ (68.1)	\$ (38.0)	\$ 111.2	\$ 0.4	\$ 111.6	\$ 0.58
Restructuring, Transaction, & Litigation costs	-	1.4	15.5	16.9	-	(4.3)	12.6	-	12.6	\$ 0.07
Non-cash Amortization expense	-	-	69.0	69.0	-	(17.6)	51.4	-	51.4	\$ 0.27
Foreign Exchange Loss	-	-	-	-	13.8	(3.5)	10.3	-	10.3	\$ 0.05
Adjusted Results	\$ 1,929.9	\$ 580.1	\$ (276.9)	\$ 303.2	\$ (54.3)	\$ (63.4)	\$ 185.5	\$ 0.4	\$ 185.9	\$ 0.97
Fully Diluted Shares Outstanding										191.4

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										
2021 Q1 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	\$191.6		\$14.2		\$118.3	\$324.1		\$15.5		\$339.6

Wabtec Corporation										
2020 Q1 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	\$217.3		(\$14.8)		\$114.4	\$316.9		\$16.9		\$333.8

Sales by product line

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

<i>In millions</i>	Three Months Ended March 31,	
	<u>2021</u>	<u>2020</u>
Freight Segment		
Equipment	\$ 261.8	\$ 408.0
Components	202.5	220.4
Digital Electronics	156.5	173.6
Services	562.5	499.0
Total Freight Segment	<u>1,183.3</u>	<u>1,301.0</u>
Transit Segment		
Original Equipment Manufacturer	\$ 286.8	\$ 287.0
Aftermarket	360.1	341.9
Total Transit Segment	<u>646.9</u>	<u>628.9</u>

Segment reconciliation

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

<i>In millions</i>	Three Months Ended March 31,	
	<u>2021</u>	<u>2020</u>
Freight Segment Reported Income from Operations	\$ 141.8	\$ 161.7
<i>Freight Segment Reported Margin</i>	12.0%	12.4%
Restructuring & Transaction costs	7.8	14.8
Non-cash Amortization expense	64.5	64.1
Freight Segment Adjusted Income from Operations	\$ 214.1	\$ 240.6
<i>Freight Segment Adjusted Margin</i>	18.1%	18.5%
Transit Segment Reported Income from Operations	\$ 70.1	\$ 68.6
<i>Transit Segment Reported Margin</i>	10.8%	10.9%
Restructuring & Transaction costs	3.8	1.1
Non-cash Amortization expense	5.0	4.9
Transit Segment Adjusted Income from Operations	\$ 78.9	\$ 74.6
<i>Transit Segment Adjusted Margin</i>	12.2%	11.9%