

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

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

	<u>Reported</u>	<u>Adjusted⁽¹⁾</u>	<u>YoY⁽²⁾</u>
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

	<u>Sales</u>	<u>YoY</u>
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

	<u>Reported</u>	<u>Adjusted⁽¹⁾</u>	<u>YoY⁽²⁾</u>
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

	<u>Sales</u>	<u>YoY</u>
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



Wabtec

CORPORATION

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 <u>2020</u>	Three Months ended June <u>2019</u>	For the Six Months <u>2020</u>	For the Six Months <u>2019</u>
Net sales	\$ 1,737.4	\$ 2,236.3	\$ 3,667.3	\$ 3,829.9
Cost of sales	<u>(1,250.7)</u>	<u>(1,621.6)</u>	<u>(2,601.9)</u>	<u>(2,826.2)</u>
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	<u>(72.3)</u>	<u>(66.0)</u>	<u>(141.3)</u>	<u>(93.4)</u>
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	<u>6.3</u>	<u>2.1</u>	<u>(8.5)</u>	<u>(6.1)</u>
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	<u>1.0</u>	<u>1.4</u>	<u>1.4</u>	<u>0.9</u>
Net income attributable to Wabtec shareholders	<u>\$ 86.8</u>	<u>\$ 104.1</u>	<u>\$ 198.4</u>	<u>\$ 99.7</u>
Earnings Per Common Share				
Basic				
Net income attributable to Wabtec shareholders	<u>\$ 0.46</u>	<u>\$ 0.58</u>	<u>\$ 1.04</u>	<u>\$ 0.66</u>
Diluted				
Net income attributable to Wabtec shareholders	<u>\$ 0.46</u>	<u>\$ 0.54</u>	<u>\$ 1.04</u>	<u>\$ 0.61</u>
Basic	<u>189.8</u>	<u>177.3</u>	<u>190.3</u>	<u>149.6</u>
Diluted	<u>190.2</u>	<u>191.5</u>	<u>190.8</u>	<u>162.2</u>

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><u>In millions</u></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	<u>172.0</u>	<u>150.9</u>
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	<u>638.0</u>	<u>631.7</u>
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	<u>1,332.9</u>	<u>1,359.0</u>
Total liabilities	8,584.8	8,950.6
Shareholders' equity	9,845.6	9,956.5
Non-controlling interest	<u>35.0</u>	<u>37.1</u>
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)**

	Six Months Ended June 30,	
	<u>2020</u>	<u>2019</u>
<i><u>In millions</u></i>		
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	<u>(23.2)</u>	<u>(10.6)</u>
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><u>\$ 587.9</u></u>	<u><u>\$ 461.3</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)										
Second 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	\$ 1,737.4	\$ 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										
	<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	\$ 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

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Wabtec Corporation										
Reconciliation of Reported Results to Adjusted Results										
(in millions)										
	Second Quarter 2019 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	\$ 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)										
	Q2 Year-to-Date 2019 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	\$ 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

Sales by product line

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

<i><u>In millions</u></i>	Three Months Ended June 30,	
	<u>2020</u>	<u>2019</u>
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><u>In millions</u></i>	Six Months Ended June 30,	
	<u>2020</u>	<u>2019</u>
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>

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,	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
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>	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	<u>\$ 188.7</u>	<u>\$ 328.5</u>	<u>\$ 281.5</u>	<u>\$ 314.1</u>	<u>\$ 1,112.8</u>
<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	<u>\$ 65.7</u>	<u>\$ 69.6</u>	<u>\$ 62.0</u>	<u>\$ 55.2</u>	<u>\$ 252.5</u>
<i>Transit Segment Adjusted Margin</i>	9.7%	9.8%	9.3%	7.9%	9.2%