

# Wabtec 2nd Quarter 2021

Financial Results & Company Highlights

July 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.

# Today's participants

## PRESENTERS



**Rafael Santana**

President & Chief  
Executive Officer



**Pat Dugan**

Chief Financial Officer &  
Executive Vice President



**Eric Gebhardt**

Chief Technology Officer &  
Executive Vice President

## INVESTOR RELATIONS



**Kristine Kubacki**

Vice President,  
Investor Relations

# 2Q 2021 overview

<b>SALES</b>	<b>\$2.0B</b>
<b>ADJUSTED OPERATING MARGIN</b>	<b>15.2%</b> GAAP: 10.1%
<b>ADJUSTED EARNINGS PER SHARE</b>	<b>\$1.06</b> GAAP: \$0.66
<b>CASH FROM OPERATIONS <sup>(1)</sup></b>	<b>\$223M</b>
<b>BACKLOG</b>	<b>\$21.5B</b>

## 2Q 2021 HIGHLIGHTS

- Recovery continues across portfolio
- Organic sales growth in Transit, Freight Services and Components, offset by lower locomotive deliveries
- On track to achieve \$250M synergy run-rate in 2021 ... continued focus on Lean initiatives
- Robust cash generation ... year-to-date cash from operations >\$0.5B
- Year-to-date book-to-bill >1... strong order pipeline for international locomotives

Proven execution driving growth through the recovery

(1) 2<sup>nd</sup> quarter cash from operations was negatively impacted by securitization of accounts receivable of \$11M.

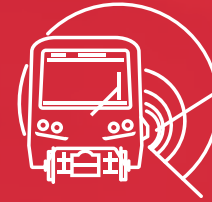
# 2Q 2021 wins

# CSX

Locomotive modernizations

Trip Optimizer  
Zero-to-Zero

FDL Advantage  
engine upgrade



International PTC  
order with Rumo

International  
locomotive order

Transit brakes,  
doors, HVAC orders

€500M green bond



Strategic  
collaboration

Battery technology

Hydrogen fuel cells

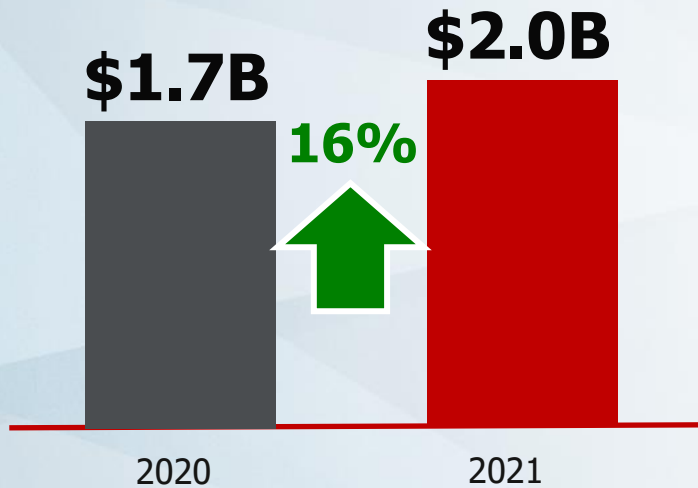
Recognized for continued commitment to innovation

FAST COMPANY

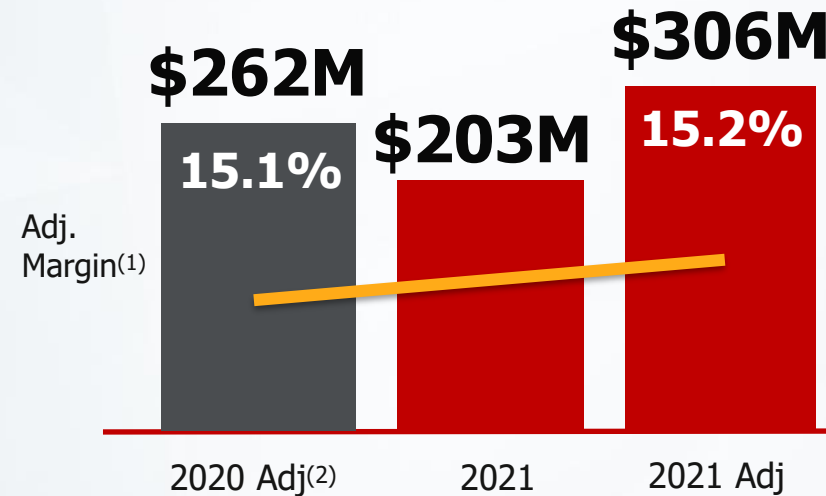


# 2Q 2021 financial summary

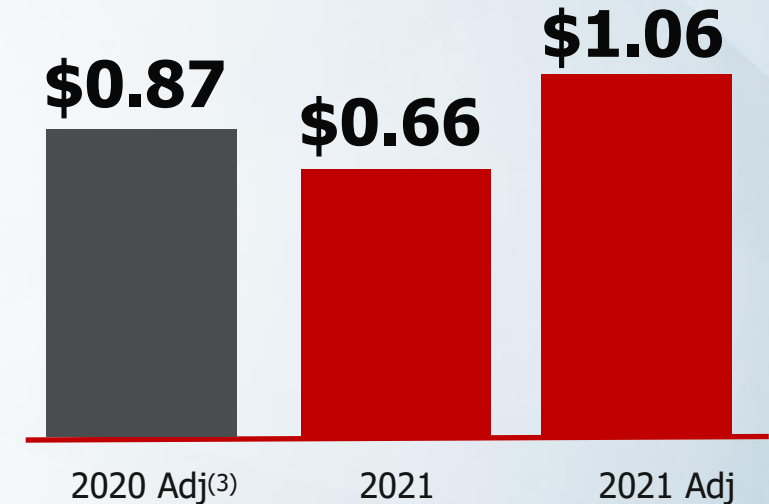
## SALES



## OPERATING INCOME



## EPS



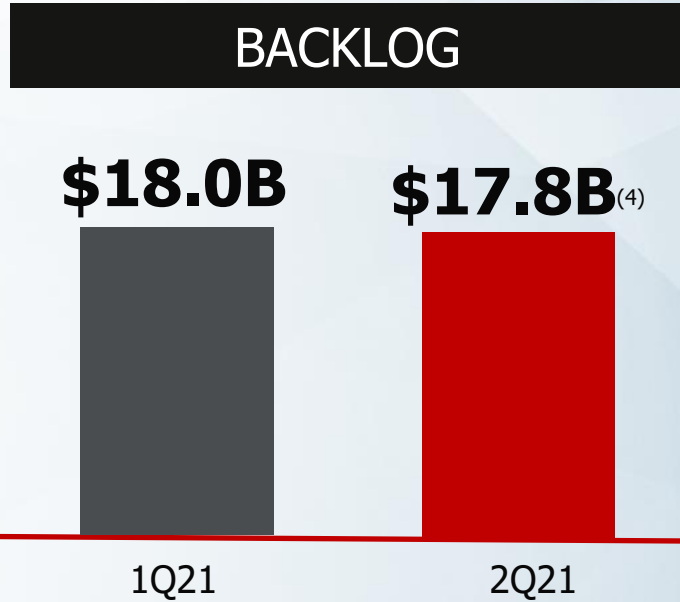
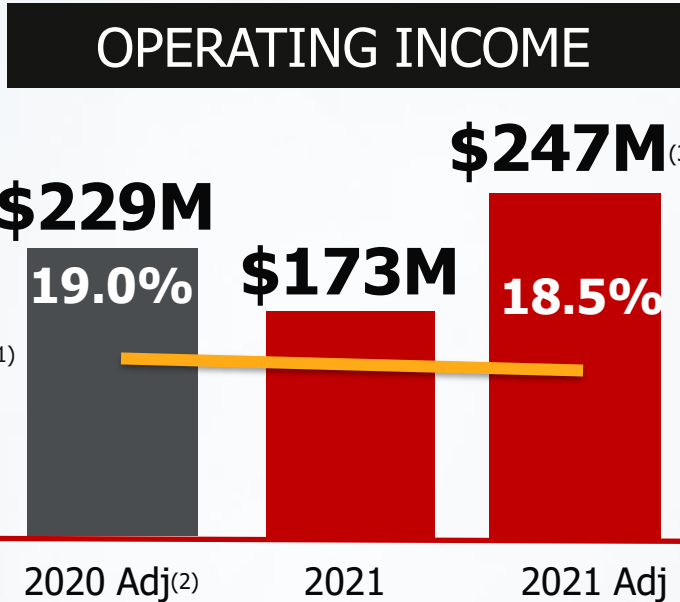
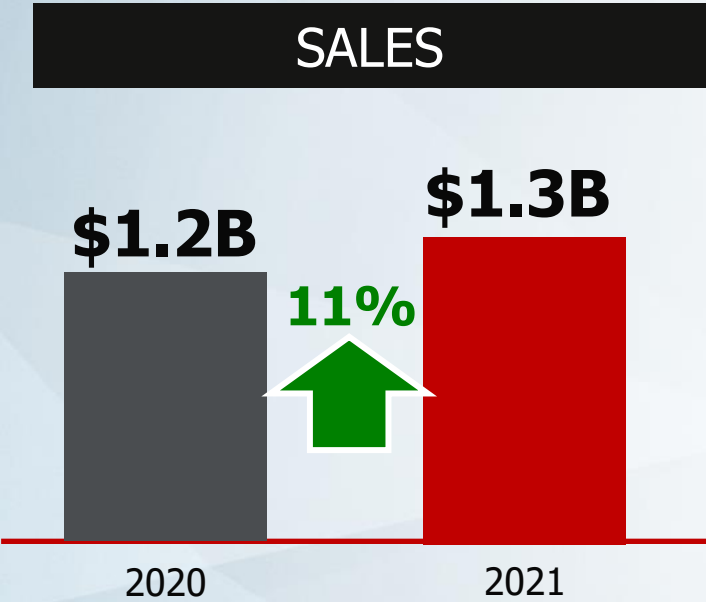
Solid execution drove sales growth and margin expansion

(1) 2Q 2020 GAAP margin was 9.2% and 2Q 2021 GAAP operating margin was 10.1%.

(2) 2Q 2020 GAAP operating income was \$159.4 million.

(3) 2Q 2020 GAAP EPS was \$0.46

# 2Q 2021 Freight segment performance

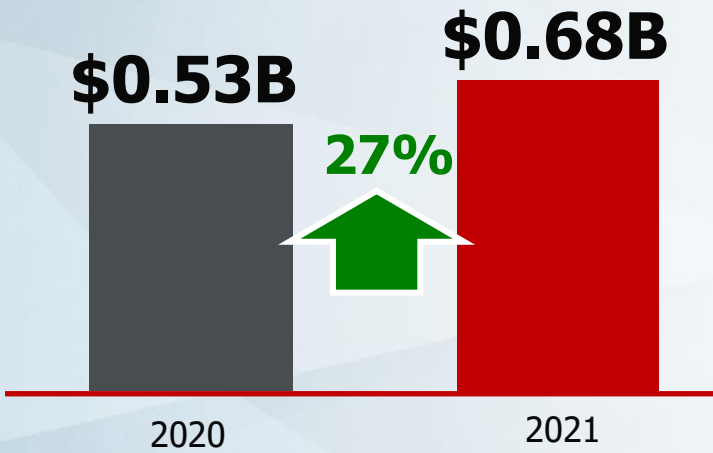


PRODUCT LINE	YoY	
Equipment	(2%)	Lower loco deliveries driven by NA; Mining in recovery
Components	15%	Improving aftermarket & industrial offset by 19% decline in NA OE railcar build
Services	22%	Improving YoY freight trends drove unparking of locos ... Nordco acquisition
Digital Electronics	(2%)	Order momentum book-to-bill >1 ... continued international expansion of PTC; constrained NA capex spend

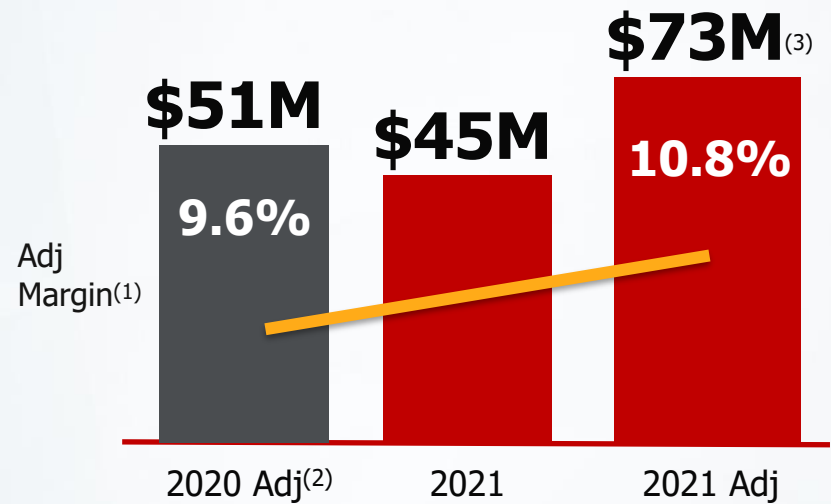
(1) 2Q 2020 Freight segment margin was 11.7% and 2Q 2021 Freight segment margin was 13.0%.  
 (2) 2Q 2020 Freight segment operating income was \$141.5 million.  
 (3) Freight segment income from operations was positively impacted by below market intangible amortization of \$7 million. Freight segment income was adjusted by the following expenses: \$6 million for restructuring and transaction costs and \$68 million for amortization expenses.  
 (4) Foreign exchange rates had a positive \$81 million impact on the segment backlog.

# 2Q 2021 Transit segment performance

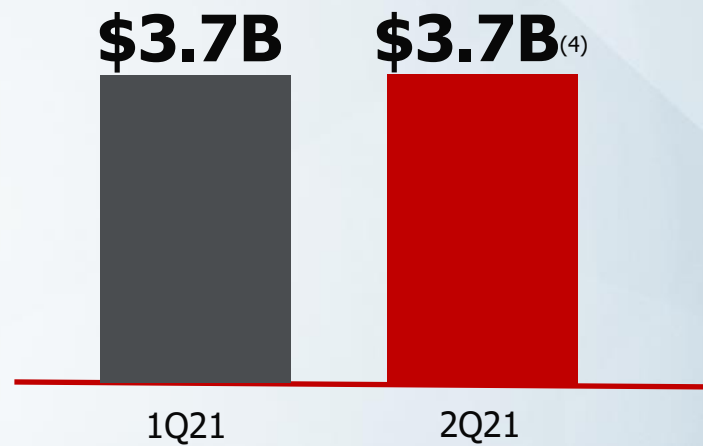
## SALES



## OPERATING INCOME



## BACKLOG



PRODUCT LINE	YoY
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<b>OE</b>	41%	Recovery in global transit spend on new projects
<b>Aftermarket</b>	17%	Aftermarket resilient despite COVID resurgence

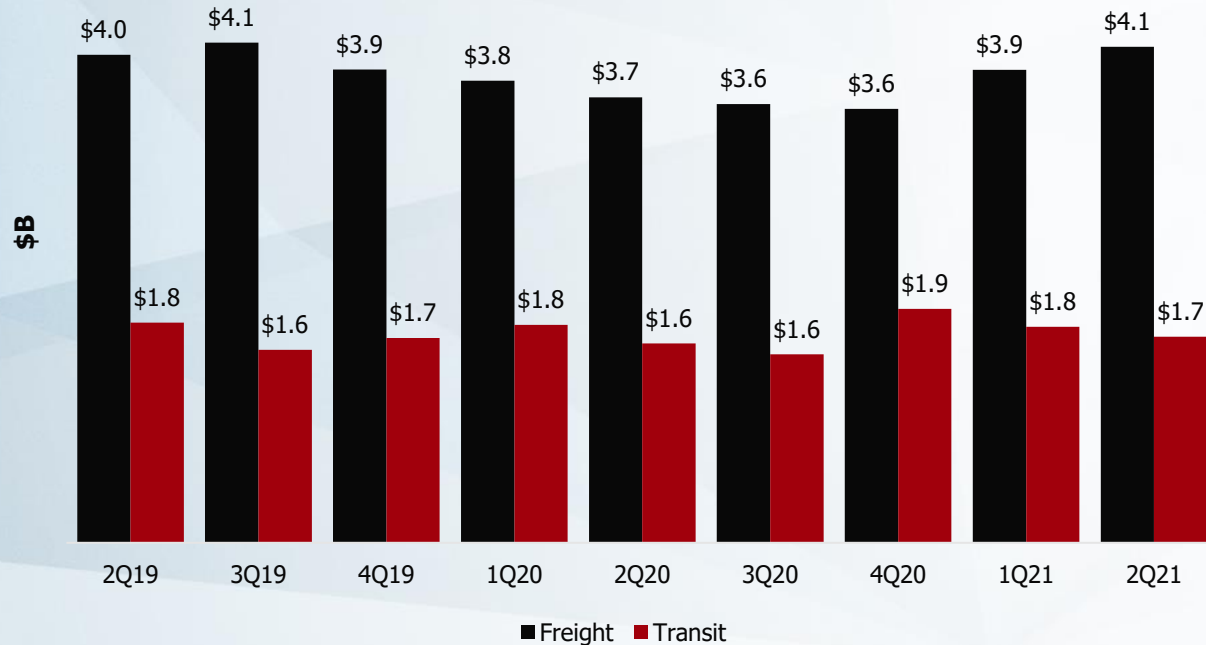
(1) 2Q 2020 Transit segment margin was 7.5% and 2Q 2021 Transit segment margin was 6.7%.  
 (2) 2Q 2020 Transit segment operating income was \$40.2 million.  
 (3) Transit Segment income from operations was adjusted by \$23 million for restructuring expenses and \$5 million for amortization expenses.  
 (4) Foreign exchange rates had a positive \$21 million impact on segment backlog.



# 2Q 2021 orders and backlog

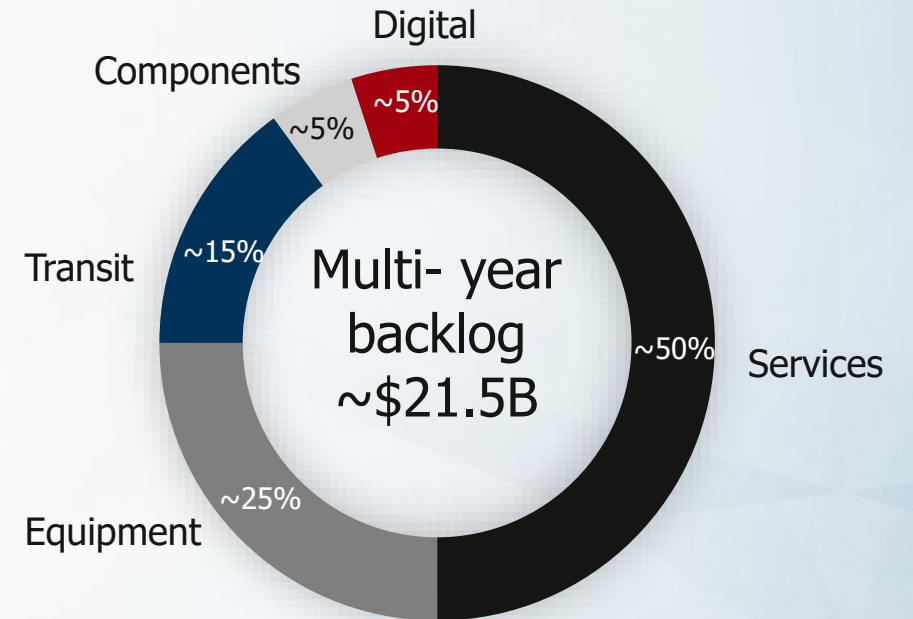
## 12-MONTH BACKLOG

**Freight 12-month backlog up 14% from 4Q20 ...**  
highest level since 3Q19



## TOTAL BACKLOG

**YTD book-to-bill >1** ... driven by broad based order activity across the portfolio

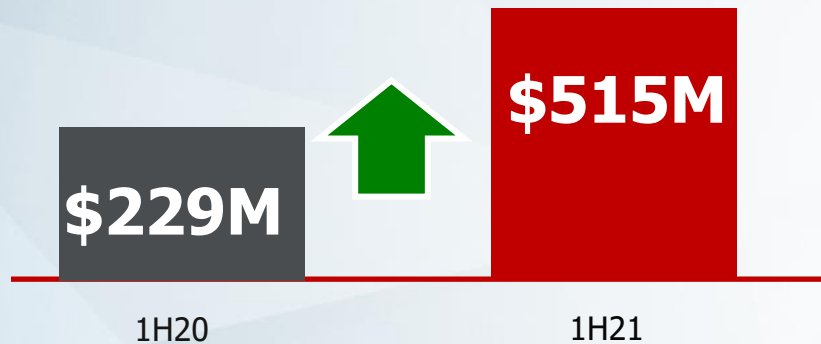


Backlog provides increased long-term visibility

# Resilient business allows for execution on financial priorities

## FOCUSED ON CASH CONVERSION

### Cash from Ops



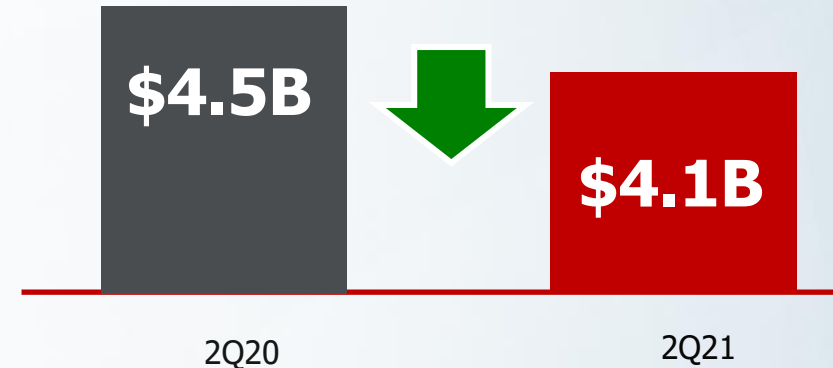
**Strong cash generation** ... solid cash conversion of net income

**Focused working capital management** ... YTD benefit from A/R securitization of \$82M

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

## STRONG FINANCIAL POSITION

### Total Debt



**Strong balance sheet** ... successfully completed €500M Green bond

**Adj. net leverage declined to ~2.6x** ... committed to maintain investment grade ratings

**Deploying capital** to execute on strategic priorities

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

# Market outlook and guidance

## 2021 Market Outlook

(vs 2020)

### FREIGHT

NA carloads



Locomotive & railcar parkings



International freight volumes



NA railcar production



Mining commodities



### TRANSIT

Infrastructure investment



Global ridership



	Prior 2021 Guidance (as of 1Q21 earnings call)	Updated 2021 Guidance
REVENUES	\$7.7B to \$7.9B	<b>\$7.9B to \$8.2B</b>
GAAP EPS	\$2.80 to \$3.05	<b>\$2.87 to \$3.07</b>
ADJUSTED EPS	\$4.05 to \$4.30	<b>\$4.15 to \$4.35</b>
CASH CONVERSION <sup>(1)</sup>	>90%	<b>&gt;90%</b>

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

# WORLD'S FIRST BATTERY ELECTRIC LOCOMOTIVE

## FLXdrive



FLXDRIVE 1.0  
DEMONSTRATION

**13,320**  
MILES

**6,207**  
GALLONS OF FUEL SAVED

**11%**  
REDUCTION IN EMISSIONS

**0**  
MAJOR FAILURES

### FLXdrive 1.0

LOCO SAFETY/DURABILITY

2.4 MWh

416KLBS / 73'

4 POWERED AXLES

DEDICATED CONSIST

### FLXdrive 2.0

LOCO SAFETY/DURABILITY

7+ MWh

432KLBS / 76'

6 POWERED AXLES

LEAD CAPABLE

LEVERAGING DIGITAL SOLUTIONS TO DELIVER SUPERIOR ENERGY MANAGEMENT

~ 30% TRAIN LEVEL FUEL SAVINGS; ~ 30T NOX REMOVED/YR; ~ 3,000T CO2 REMOVED/YR

# ROADMAP TO Carbon-Zero Locomotives

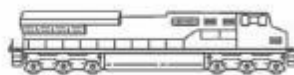
HYDROGEN AVAILABILITY

GREY H2

BLUE H2

GREEN H2

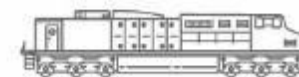
TODAY



**Diesel-Electric**  
(Bio-Diesel and  
Renewable Diesel)



**Battery-Electric**  
Operating In Consist

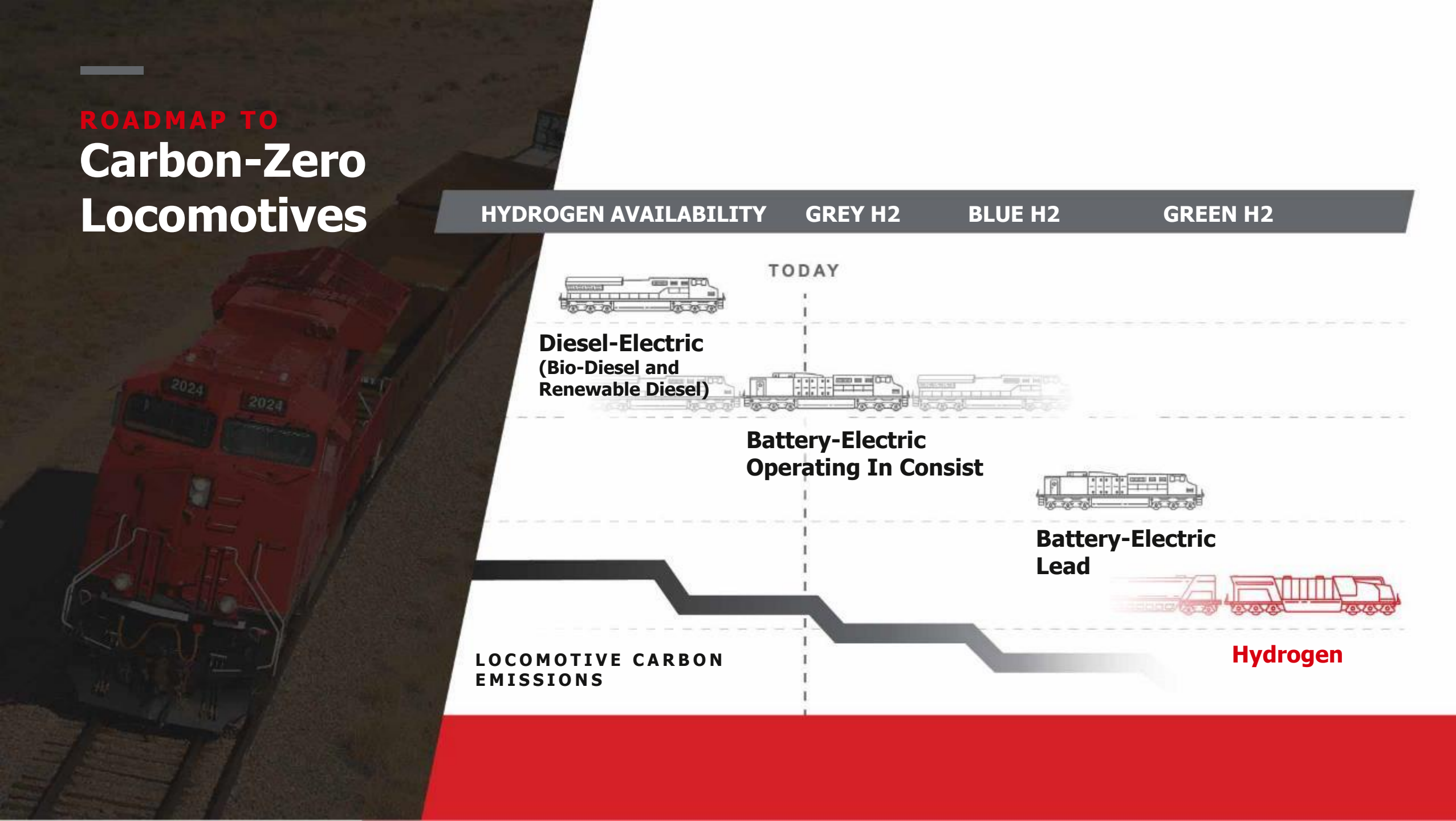


**Battery-Electric**  
Lead



LOCOMOTIVE CARBON  
EMISSIONS

**Hydrogen**



# Solid foundation for growth and increased shareholder value



## PROFITABLE GROWTH

Innovators of scalable technologies. Leveraging robust installed base and scale to drive connected products and software, as well as recurring and service revenue streams.



## MARGIN EXPANSION

Lean culture, operational excellence, flexible cost structure. Focus on improved project execution, productivity, and cost actions across Transit. Delivering on \$250M synergy run rate in '21.



## CASH FLOW GENERATION

Disciplined capital allocation to grow shareholder value. Executing on strategic priorities supported by strong balance sheet. Generating strong cash flow.



***Wabtec***  
CORPORATION

# Appendix



# Income statement

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net sales	\$ 2,012.3	\$ 1,737.4	\$ 3,842.5	\$ 3,667.3
Cost of sales	(1,432.2)	(1,250.7)	(2,728.2)	(2,601.9)
Gross profit	580.1	486.7	1,114.3	1,065.4
<i>Gross profit as a % of Net Sales</i>	28.8%	28.0%	29.0%	29.1%
Selling, general and administrative expenses	(262.1)	(216.8)	(497.5)	(460.2)
Engineering expenses	(42.0)	(38.2)	(79.7)	(87.2)
Amortization expense	(72.7)	(72.3)	(142.2)	(141.3)
Total operating expenses	(376.8)	(327.3)	(719.4)	(688.7)
<i>Operating expenses as a % of Net Sales</i>	18.7%	18.8%	18.7%	18.8%
Income from operations	203.3	159.4	394.9	376.7
<i>Income from operations as a % of Net Sales</i>	10.1%	9.2%	10.3%	10.3%
Interest expense, net	(44.9)	(51.4)	(92.5)	(104.7)
Other income (expense), net	10.3	6.3	24.5	(8.5)
Income before income taxes	168.7	114.3	326.9	263.5
Income tax expense	(43.5)	(28.5)	(87.0)	(66.5)
<i>Effective tax rate</i>	25.8%	24.9%	26.6%	25.2%
Net income	125.2	85.8	239.9	197.0
Less: Net (income) loss attributable to noncontrolling interest	(0.4)	1.0	(2.7)	1.4
Net income attributable to Wabtec shareholders	\$ 124.8	\$ 86.8	\$ 237.2	\$ 198.4
<b>Earnings Per Common Share</b>				
<b>Basic</b>				
Net income attributable to Wabtec shareholders	\$ 0.66	\$ 0.46	\$ 1.25	\$ 1.04
<b>Diluted</b>				
Net income attributable to Wabtec shareholders	\$ 0.66	\$ 0.46	\$ 1.25	\$ 1.04
Basic	<u>188.6</u>	<u>189.8</u>	<u>188.5</u>	<u>190.3</u>
Diluted	<u>188.9</u>	<u>190.2</u>	<u>188.9</u>	<u>190.8</u>

# Income statement (cont.)

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
<b>Segment Information</b>				
Freight Net Sales	\$ 1,335.9	\$ 1,204.7	\$ 2,519.2	\$ 2,505.7
Freight Income from Operations	\$ 173.2	\$ 141.5	\$ 315.0	\$ 303.2
Freight Operating Margin	13.0%	11.7%	12.5%	12.1%
Transit Net Sales	\$ 676.4	\$ 532.7	\$ 1,323.3	\$ 1,161.6
Transit Income from Operations	\$ 45.3	\$ 40.2	\$ 115.4	\$ 108.8
Transit Operating Margin	6.7%	7.5%	8.7%	9.4%
<b>Backlog Information (Note: 12-month is a sub-set of total)</b>				
	<b><u>June 30, 2021</u></b>	<b><u>March 31, 2021</u></b>		
Freight Total	\$ 17,836.3	\$ 18,005.5		
Transit Total	3,693.3	3,666.0		
Wabtec Total	<u>\$ 21,529.6</u>	<u>\$ 21,671.5</u>		
Freight 12-Month	\$ 4,098.1	\$ 3,910.2		
Transit 12-Month	1,724.8	1,796.0		
Wabtec 12-Month	<u>\$ 5,822.9</u>	<u>\$ 5,706.2</u>		

# Balance sheet

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

<i><u>In millions</u></i>	<u>June 30, 2021</u>	<u>December 31, 2020</u>
Cash and cash equivalents	\$ 453.5	\$ 598.7
Receivables, net	1,452.6	1,412.5
Inventories	1,661.2	1,642.1
Other current assets	240.9	226.5
<b>Total current assets</b>	<b>3,808.2</b>	<b>3,879.8</b>
Property, plant and equipment, net	1,544.3	1,601.6
Goodwill	8,653.2	8,485.2
Other intangible assets, net	3,876.0	3,869.2
Other noncurrent assets	630.7	618.7
<b>Total assets</b>	<b>\$ 18,512.4</b>	<b>\$ 18,454.5</b>
Current liabilities	\$ 2,844.7	\$ 3,226.3
Long-term debt	4,079.6	3,792.2
Long-term liabilities - other	1,260.3	1,283.3
<b>Total liabilities</b>	<b>8,184.6</b>	<b>8,301.8</b>
Shareholders' equity	10,294.4	10,122.3
Noncontrolling interest	33.4	30.4
<b>Total shareholders' equity</b>	<b>10,327.8</b>	<b>10,152.7</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 18,512.4</b>	<b>\$ 18,454.5</b>

# Cash flow

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

<i>In millions</i>	<b>Six Months Ended June 30,</b>	
	<b><u>2021</u></b>	<b><u>2020</u></b>
<i>Operating activities</i>		
Net income	\$ 239.9	\$ 197.0
Non-cash expense	250.6	184.0
Receivables	(28.8)	246.1
Inventories	7.8	(30.3)
Accounts Payable	82.4	(148.5)
Other assets and liabilities	(36.5)	(219.7)
<b>Net cash provided by operating activities</b>	<b>515.4</b>	<b>228.6</b>
<b>Net cash used for investing activities</b>	<b>(452.4)</b>	<b>(98.2)</b>
<b>Net cash used for financing activities</b>	<b>(212.5)</b>	<b>(123.5)</b>
Effect of changes in currency exchange rates	4.3	(23.2)
Decrease in cash	(145.2)	(16.3)
Cash and cash equivalents, beginning of period	598.7	604.2
Cash and cash equivalents, end of period	<u>\$ 453.5</u>	<u>\$ 587.9</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 2021 Actual Results									
	<u>Net Sales</u>	<u>Gross Profit</u>	<u>Operating Expenses</u>	<u>Income from Operations</u>	<u>Interest &amp; Other Exp</u>	<u>Tax</u>	<u>Net Income</u>	<u>Noncontrolling Interest</u>	<u>Wabtec Net Income</u>	<u>EPS</u>
<b>Reported Results</b>	\$ 2,012.3	\$ 580.1	\$ (376.8)	\$ 203.3	\$ (34.6)	\$ (43.5)	\$ 125.2	\$ (0.4)	\$ 124.8	\$ 0.66
Restructuring & Transaction costs	-	21.1	8.5	29.6	-	(6.4)	23.2	-	\$ 23.2	\$ 0.12
Non-cash Amortization expense	-	-	72.7	72.7	-	(18.8)	54.0	-	54.0	\$ 0.29
Foreign Exchange Gain	-	-	-	-	(2.3)	0.6	(1.8)	-	(1.8)	\$ (0.01)
<b>Adjusted Results</b>	<b>\$ 2,012.3</b>	<b>\$ 601.2</b>	<b>\$ (295.6)</b>	<b>\$ 305.6</b>	<b>\$ (36.9)</b>	<b>\$ (68.1)</b>	<b>\$ 200.6</b>	<b>\$ (0.4)</b>	<b>\$ 200.2</b>	<b>\$ 1.06</b>
<b>Fully Diluted Shares Outstanding</b>										<b>188.9</b>

Wabtec Corporation										
Reconciliation of Reported Results to Adjusted Results										
(in millions)										
	Second Quarter Year-to-Date 2021 Actual Results									
	<u>Net Sales</u>	<u>Gross Profit</u>	<u>Operating Expenses</u>	<u>Income from Operations</u>	<u>Interest &amp; Other Exp</u>	<u>Tax</u>	<u>Net Income</u>	<u>Noncontrolling Interest</u>	<u>Wabtec Net Income</u>	<u>EPS</u>
<b>Reported Results</b>	\$ 3,842.5	\$ 1,114.3	\$ (719.4)	\$ 394.9	\$ (68.0)	\$ (87.0)	\$ 239.9	\$ (2.7)	\$ 237.2	\$ 1.25
Restructuring & Transaction costs	-	25.2	19.9	45.1	-	(10.7)	34.4	-	\$ 34.4	\$ 0.18
Non-cash Amortization expense	-	-	142.2	142.2	-	(37.8)	104.4	-	104.4	\$ 0.55
Foreign Exchange Gain	-	-	-	-	(10.9)	2.9	(8.0)	-	(8.0)	\$ (0.04)
<b>Adjusted Results</b>	<b>\$ 3,842.5</b>	<b>\$ 1,139.5</b>	<b>\$ (557.3)</b>	<b>\$ 582.2</b>	<b>\$ (78.9)</b>	<b>\$ (132.6)</b>	<b>\$ 370.7</b>	<b>\$ (2.7)</b>	<b>\$ 368.0</b>	<b>\$ 1.94</b>
<b>Fully Diluted Shares Outstanding</b>										<b>188.9</b>

# 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 &amp; Other Exp</u>	<u>Tax</u>	<u>Net Income</u>	<u>Noncontrolling Interest</u>	<u>Wabtec Net Income</u>	<u>EPS</u>
<b>Reported Results</b>	\$ 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 Gain	-	-	-	-	0.3	(0.1)	0.2	-	0.2	\$ -
<b>Adjusted Results</b>	<b>\$ 1,737.4</b>	<b>\$ 503.9</b>	<b>\$ (241.6)</b>	<b>\$ 262.3</b>	<b>\$ (44.8)</b>	<b>\$ (54.3)</b>	<b>\$ 163.2</b>	<b>\$ 1.0</b>	<b>\$ 164.2</b>	<b>\$ 0.87</b>
<b>Fully Diluted Shares Outstanding</b>										<b>190.2</b>

Wabtec Corporation Reconciliation of Reported Results to Adjusted Results (in millions)										
Second Quarter Year-to-Date 2020 Actual Results										
	<u>Net Sales</u>	<u>Gross Profit</u>	<u>Operating Expenses</u>	<u>Income from Operations</u>	<u>Interest &amp; Other Exp</u>	<u>Tax</u>	<u>Net Income</u>	<u>Noncontrolling Interest</u>	<u>Wabtec Net Income</u>	<u>EPS</u>
<b>Reported Results</b>	\$ 3,667.3	\$ 1,065.4	\$ (688.7)	\$ 376.7	\$ (113.2)	\$ (66.5)	\$ 197.0	\$ 1.4	\$ 198.4	\$ 1.04
Restructuring, Transaction, & Litigation 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
<b>Adjusted Results</b>	<b>\$ 3,667.3</b>	<b>\$ 1,084.0</b>	<b>\$ (518.5)</b>	<b>\$ 565.5</b>	<b>\$ (99.1)</b>	<b>\$ (117.7)</b>	<b>\$ 348.7</b>	<b>\$ 1.4</b>	<b>\$ 350.1</b>	<b>\$ 1.83</b>
<b>Fully Diluted Shares Outstanding</b>										<b>190.8</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 2021 Q2 EBITDA Reconciliation (in millions)						
	<u>Reported Income from Operations</u>	+ <u>Other Income (Expense)</u>	+ <u>Depreciation &amp; Amortization</u>	= <u>EBITDA</u>	+ <u>Restructuring &amp; Transaction Costs</u>	= <u>Adjusted EBITDA</u>
Consolidated Results	<u>\$203.3</u>	<u>\$10.3</u>	<u>\$124.8</u>	<u>\$338.4</u>	<u>\$29.6</u>	<u>\$368.0</u>

Wabtec Corporation 2021 Q2 YTD EBITDA Reconciliation (in millions)						
	<u>Reported Income from Operations</u>	+ <u>Other Income (Expense)</u>	+ <u>Depreciation &amp; Amortization</u>	= <u>EBITDA</u>	+ <u>Restructuring &amp; Transaction Costs</u>	= <u>Adjusted EBITDA</u>
Consolidated Results	<u>\$394.9</u>	<u>\$24.5</u>	<u>\$243.1</u>	<u>\$662.5</u>	<u>\$45.1</u>	<u>\$707.6</u>

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

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

# Sales by product line

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

<i><u>In millions</u></i>	<b>Three Months Ended June 30,</b>	
	<b><u>2021</u></b>	<b><u>2020</u></b>
Freight Segment		
Equipment	\$ 327.8	\$ 334.9
Components	224.3	195.5
Digital Electronics	161.8	165.5
Services	622.0	508.8
Total Freight Segment	<u>1,335.9</u>	<u>1,204.7</u>
Transit Segment		
Original Equipment Manufacturer	\$ 320.4	\$ 227.3
Aftermarket	356.0	305.4
Total Transit Segment	<u>676.4</u>	<u>532.7</u>
<i><u>In millions</u></i>	<b>Six Months Ended June 30,</b>	
	<b><u>2021</u></b>	<b><u>2020</u></b>
Freight Segment		
Equipment	\$ 589.6	\$ 742.9
Components	426.8	415.9
Digital Electronics	318.3	339.1
Services	1,184.5	1,007.8
Total Freight Segment	<u>2,519.2</u>	<u>2,505.7</u>
Transit Segment		
Original Equipment Manufacturer	\$ 607.2	\$ 514.3
Aftermarket	716.1	647.3
Total Transit Segment	<u>1,323.3</u>	<u>1,161.6</u>



# Segment reconciliation

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

<i>In millions</i>	<u>Three Months Ended June 30,</u> <u>2021</u>		<u>2020</u>		<u>Six Months Ended June 30,</u> <u>2021</u>		<u>2020</u>	
<b>Freight Segment Reported Income from Operations</b>	<b>\$</b>	<b>173.2</b>	<b>\$</b>	<b>141.5</b>	<b>\$</b>	<b>315.0</b>	<b>\$</b>	<b>303.2</b>
<i>Freight Segment Reported Margin</i>		13.0%		11.7%		12.5%		12.1%
Restructuring & Transaction costs		5.8		19.9		13.6		34.7
Non-cash Amortization expense		67.7		67.5		132.2		131.6
<b>Freight Segment Adjusted Income from Operations</b>	<b>\$</b>	<b>246.7</b>	<b>\$</b>	<b>228.9</b>	<b>\$</b>	<b>460.8</b>	<b>\$</b>	<b>469.5</b>
<i>Freight Segment Adjusted Margin</i>		18.5%		19.0%		18.3%		18.7%
<b>Transit Segment Reported Income from Operations</b>	<b>\$</b>	<b>45.3</b>	<b>\$</b>	<b>40.2</b>	<b>\$</b>	<b>115.4</b>	<b>\$</b>	<b>108.8</b>
<i>Transit Segment Reported Margin</i>		6.7%		7.5%		8.7%		9.4%
Restructuring & Transaction costs		22.9		6.3		26.7		7.4
Non-cash Amortization expense		5.0		4.8		10.0		9.7
<b>Transit Segment Adjusted Income from Operations</b>	<b>\$</b>	<b>73.2</b>	<b>\$</b>	<b>51.3</b>	<b>\$</b>	<b>152.1</b>	<b>\$</b>	<b>125.9</b>
<i>Transit Segment Adjusted Margin</i>		10.8%		9.6%		11.5%		10.8%