

# Wabtec 3rd Quarter 2021

Financial Results & Company Highlights

October 27, 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, supply chain disruptions, 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



**John Olin**

Executive Vice President &  
Chief Financial Officer

## INVESTOR RELATIONS



**Kristine Kubacki**

Vice President,  
Investor Relations

# 3Q 2021 overview

<b>SALES</b>	<b>\$1.91B</b> Up 2.2% YoY
<b>ADJUSTED OPERATING MARGIN</b>	<b>17.0%</b> GAAP: 11.4%
<b>ADJUSTED EARNINGS PER SHARE</b>	<b>\$1.14</b> GAAP: \$0.69
<b>CASH FROM OPERATIONS <sup>(1)</sup></b>	<b>\$244M</b>
<b>BACKLOG</b>	<b>\$21.84B</b>

## 3Q 2021 HIGHLIGHTS

### Positive momentum ... executing on long-term strategy

- Delivered 130 bps of adj. margin expansion ... improvement across both segments despite significant increase in costs
- Achieved \$250M synergy run-rate ... continued focus on lean & cost initiatives to help mitigate broad based inflation
- Robust YTD cash flow from operations of \$759M ... 103% cash conversion
- Returning capital to shareholders ... executed \$199M share buyback & \$23M in dividends
- Strong backlog provides visibility

**Solid execution ... margin expansion & strong cash flow**

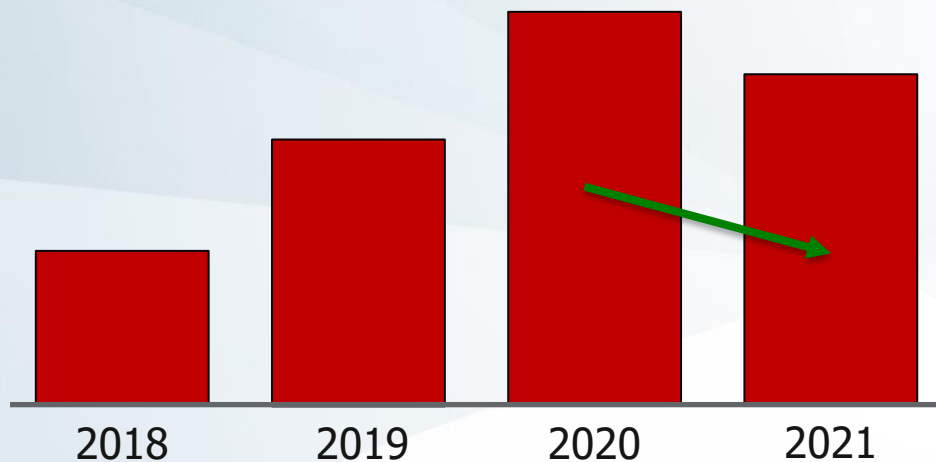
(1) 3<sup>rd</sup> quarter cash from operations was positively impacted by securitization of accounts receivable of \$2M.

# Market outlook

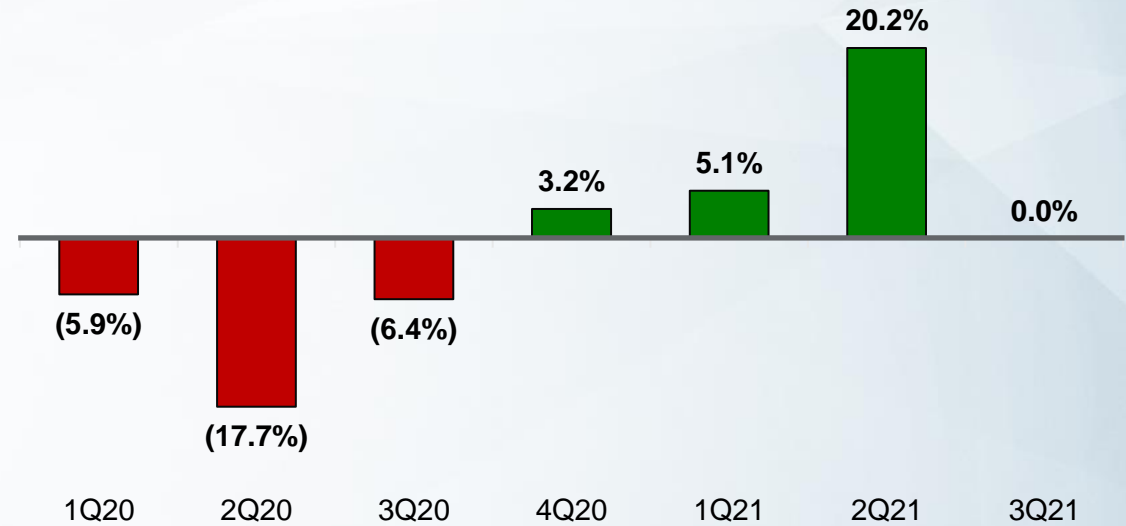
## Key Assumptions

FREIGHT		
NA carloads		↗
Locomotive & railcar parkings		↘
International freight volumes		↗
NA railcar production		↘
Mining commodities		↗
TRANSIT		
Infrastructure investment		↗
Global ridership		↔

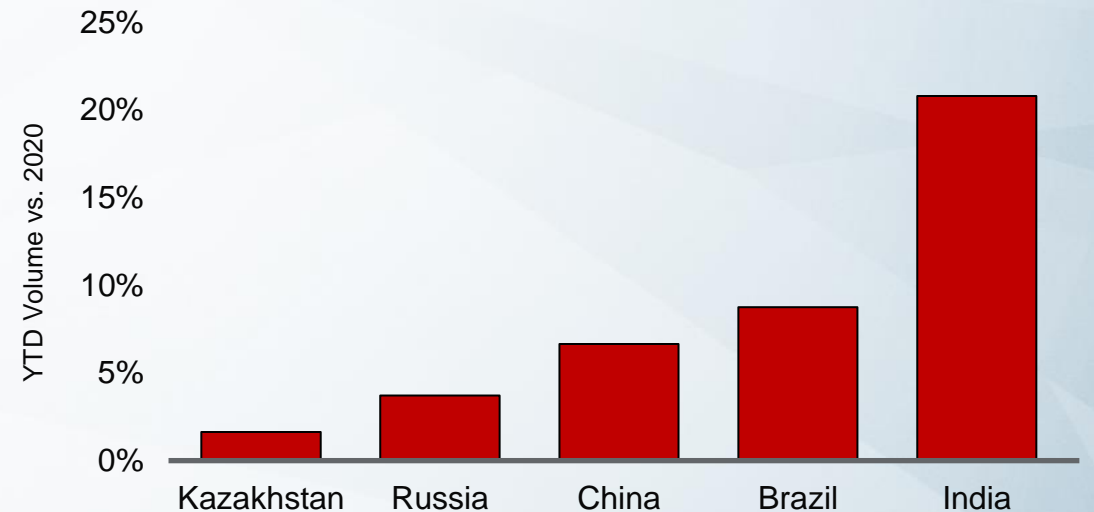
## Average North American Parked Locomotives



## YoY North American Rail Volumes



## YTD Global Freight Volumes



# Leading decarbonization and enhanced utilization of rail

## Customer needs



Reduction in fuel & emissions



Network velocity and automation



Energy management / charging solutions



Weight reduction



Dust reduction

Driving the transition to a more efficient, utilized, zero-emission rail network

## Our next generation rail solutions

### World's 1<sup>st</sup> heavy-haul battery-electric locomotive

7+MWh ... Up to 30% ↓ fuel and emissions

### Trip Optimizer ... intelligent cruise control

500K tons of CO<sub>2</sub> emission ↓ per year

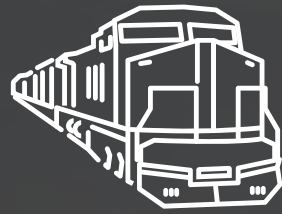
### Greener HVAC systems

Up to 30% ↓ energy use on train

### Improved friction braking systems

90% ↓ particle emissions on metro trains

# 3Q 2021 wins



## FREIGHT

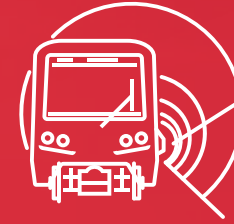
Strategic orders for FLXdrive

North American mods orders

International locomotive kits

Class I long-term service agreement

International Digital order ...  
LOCOTROL, Trip Optimizer, GoLINC



## TRANSIT

Power collection order for ~600  
metro cars in Germany

HVAC order for ~400 metro cars in  
Switzerland

Services contract for ~700 metro  
cars in UK

Capturing profitable, growing demand for rail solutions

# Executing in a dynamic environment – supply chain disruptions, escalating costs and labor shortages

## 3Q Impacts

- Revenue impacted 2-3%
- Costs up \$15-20M

## Future Impacts

Costs expected to increase over next few quarters as costs fully flow through inventory & purchase contracts

### **SUPPLY DISRUPTIONS IMPACTING REVENUE**

- Component shortages
- Chip shortages
- Labor availability

### **RISING COSTS IMPACTING MARGINS**

- Broad-based inflation
- Escalating metals/commodities costs
- Sharply rising transportation & logistics costs
- Labor costs increasing
- Lower manufacturing efficiencies

### **MITIGATING ACTIONS**

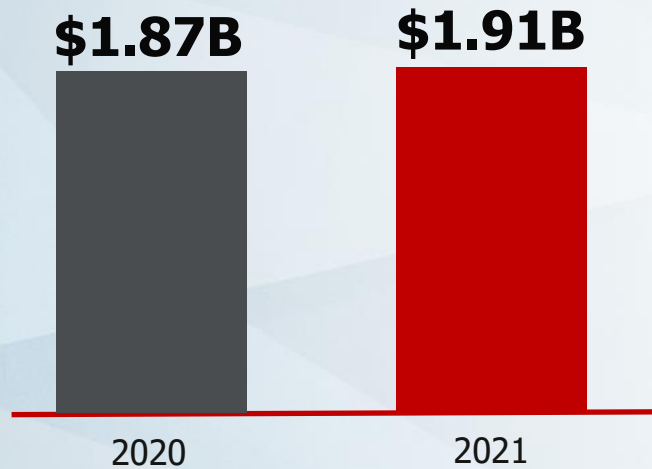
- Triggering price escalations in long-term contracts
- Implementing price surcharges
- Driving operational productivity
  - Lean actions
  - Sourcing-led cost mitigation
  - Adjusting sourcing locations
  - Discretionary spend management
  - Flexible hiring & retention practices
- Accelerating integration synergies where possible

Demonstrated ability to navigate evolving cost and demand



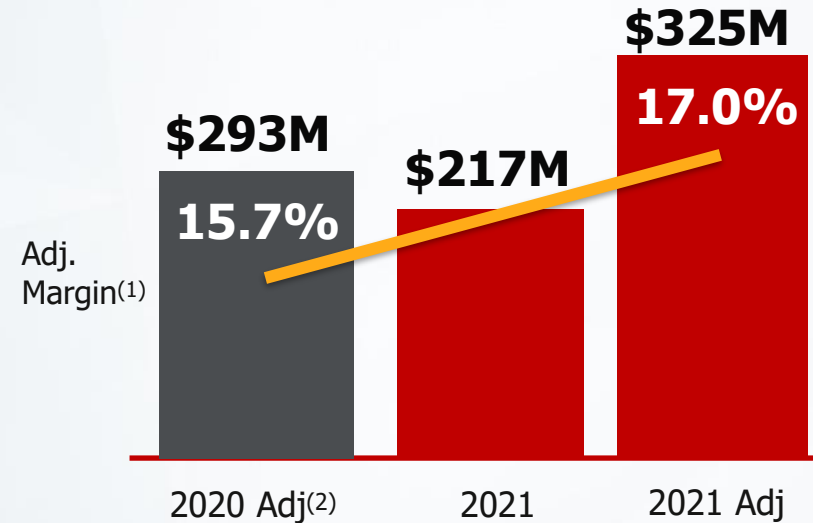
# 3Q 2021 financial summary

## SALES



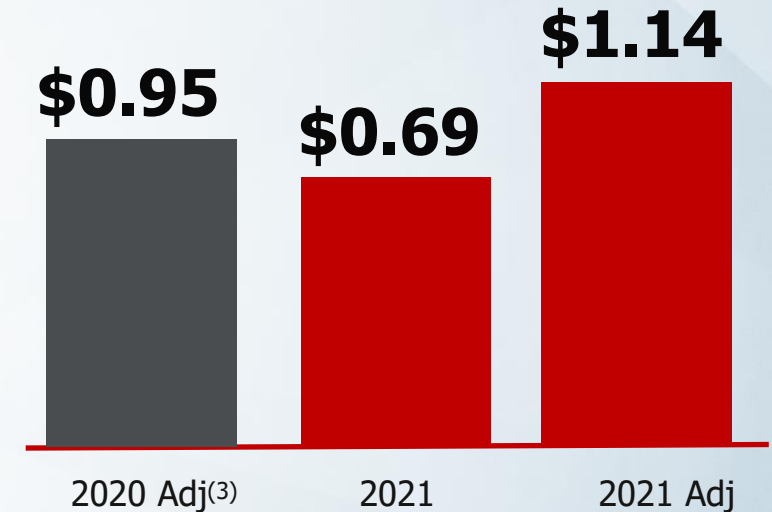
2.2% Increase

## OPERATING INCOME



1.3 pts of Margin Expansion

## EPS



20.0% Increase

Increased sales and margin expansion despite supply chain disruptions, rising costs and labor shortages

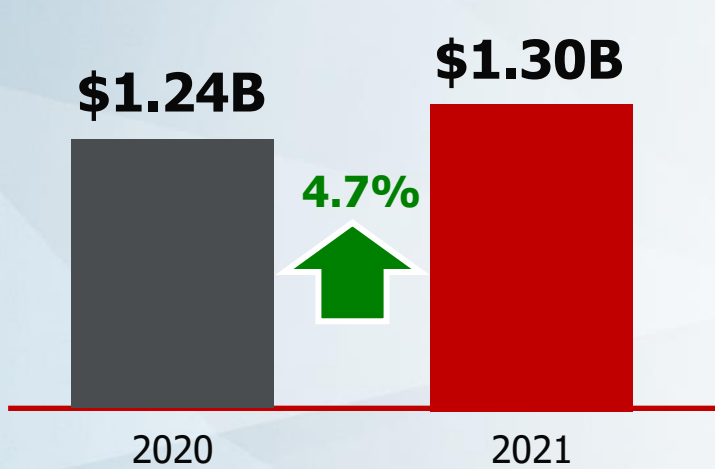
(1) 3Q 2020 GAAP operating margin was 11.1% and 3Q 2021 GAAP operating margin was 11.4%.

(2) 3Q 2020 GAAP operating income was \$206.7 million.

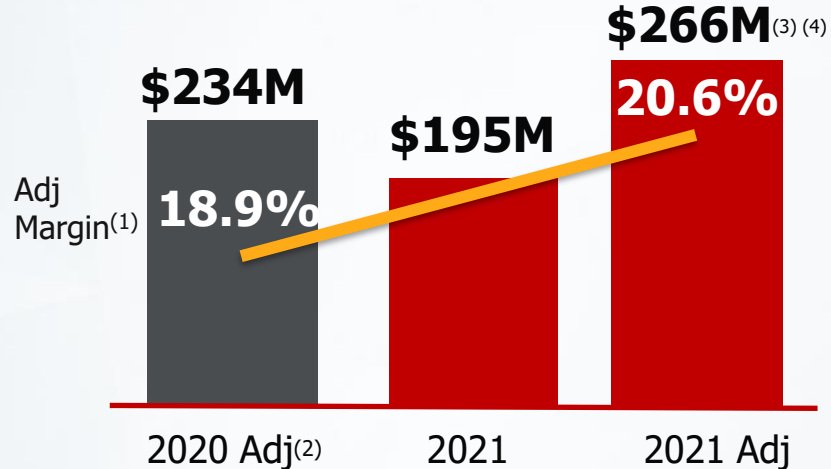
(3) 3Q 2020 GAAP EPS was \$0.67.

# 3Q 2021 Freight segment performance

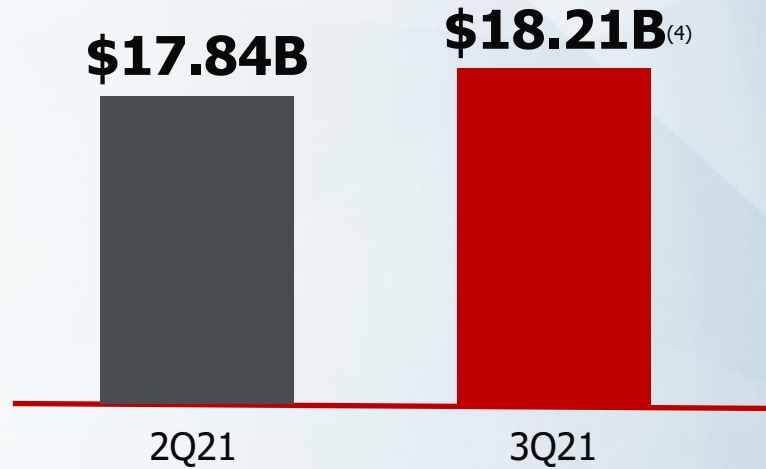
## SALES



## OPERATING INCOME



## BACKLOG

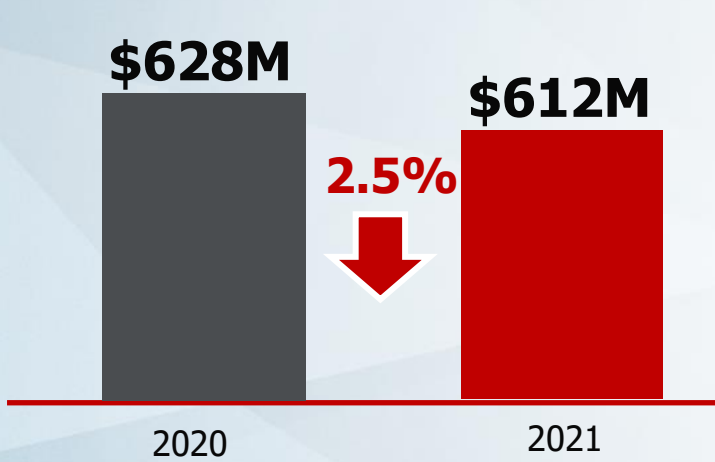


PRODUCT LINE	YoY	
Equipment	(5.7%)	Lower deliveries of locomotives in NA, largely offset by higher mining sales
Components	6.7%	Increasing OE railcar & aftermarket demand ... improving industrial activity
Services	13.6%	Positive freight trends, unparking of locos ... Nordco acquisition
Digital Electronics	(3.6%)	Gradual recovery in customer capex, offset by supply chain volatility

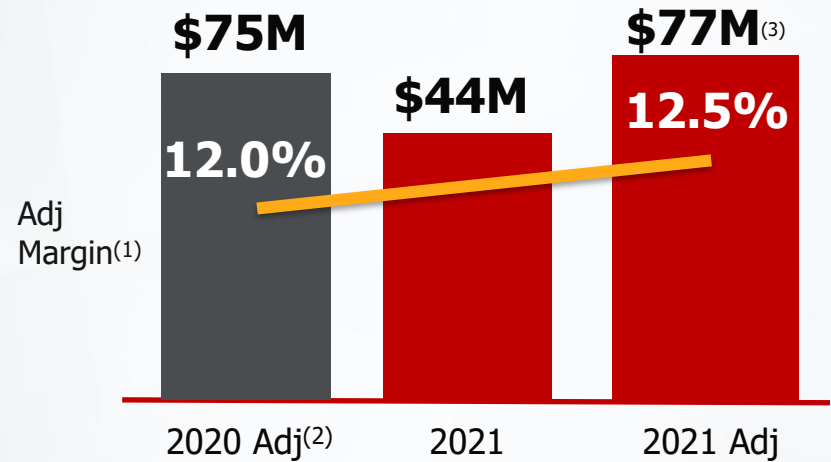
(1) 3Q 2020 Freight GAAP segment margin was 12.9% and 3Q 2021 Freight GAAP segment margin was 15.1%.  
 (2) 3Q 2020 Freight GAAP segment operating income was \$160.2 million.  
 (3) Freight segment income was adjusted by the following expenses: \$3.4 million for restructuring and transaction costs and \$67.6 million for amortization expenses.  
 (4) Freight segment operating income was positively impacted by below market intangible amortization of \$16.3 million, up \$3.8 million from 3Q 2020.  
 (5) Foreign exchange rates positively impacted Freight sales by \$7.5 million. Foreign exchange rates had a negative \$21.1 million impact on segment backlog.

# 3Q 2021 Transit segment performance

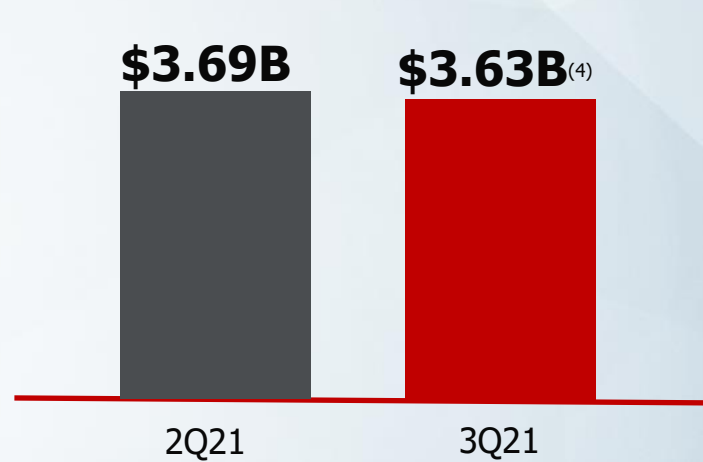
## SALES



## OPERATING INCOME



## BACKLOG



PRODUCT LINE	YoY
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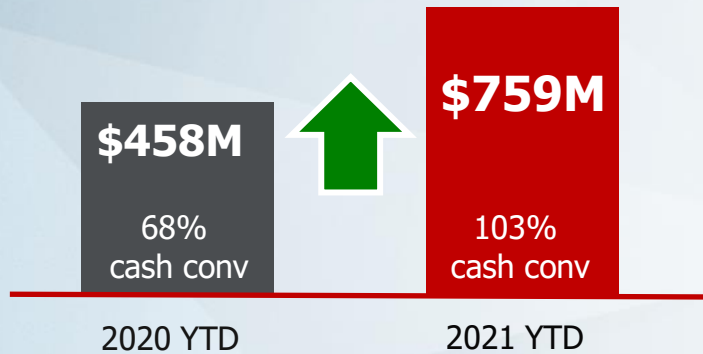
<b>OE</b>	(5.3%)	Delayed spending due to COVID
<b>Aftermarket</b>	0.1%	Positive ridership trends, but still below pre-COVID levels

(1) 3Q 2020 Transit GAAP segment margin was 10.2% and 3Q 2021 Transit GAAP segment margin was 7.2%.  
 (2) 3Q 2020 Transit GAAP segment operating income was \$64.1 million.  
 (3) Transit Segment operating income was adjusted by \$27.7 million for restructuring expenses and \$4.9 million for amortization expenses.  
 (4) Foreign exchange positively impacted Transit sales by \$15.1 million. Foreign exchange rates had a negative \$59.3 million impact on segment backlog.

# Resilient business allows for execution on financial priorities

## FOCUSED ON CASH CONVERSION<sup>(1)</sup>

### Cash from Ops

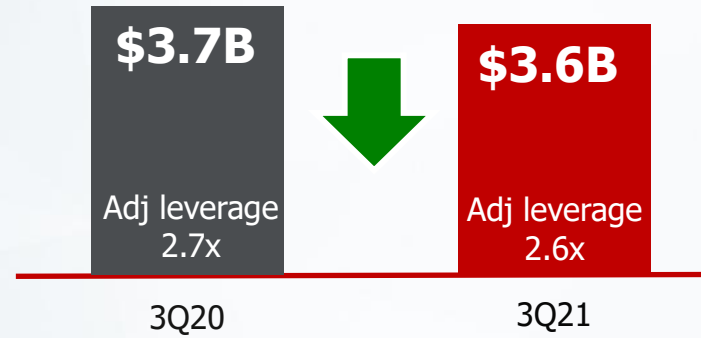


**Strong cash generation...**  
improving cash conversion YTD

**Capex of \$23M in 3Q ...**  
\$79M year-to-date

## STRONG FINANCIAL POSITION

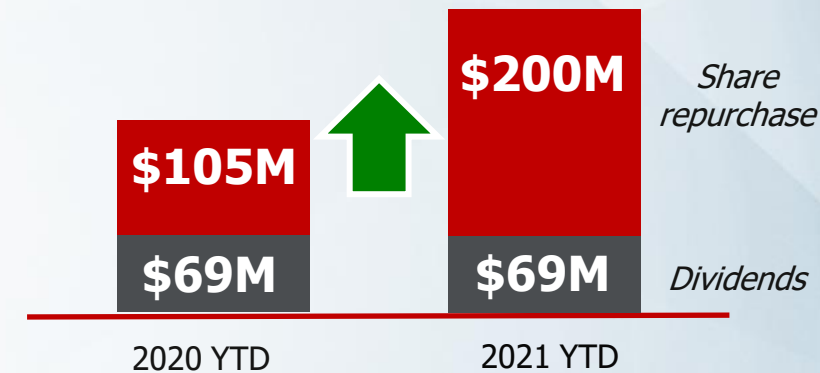
### Net Debt



**Adjusted net leverage improved...** committed to maintaining investment grade ratings

**Strengthening balance sheet...**  
strong liquidity of \$1.62B

## RETURN CAPITAL TO SHAREHOLDERS



**Deploying capital** to execute on strategic priorities

Returning capital to shareholders ...  
**repurchased \$199M shares in 3Q & paid dividends of \$23M**

**Robust cash generation; investing in high-return opportunities to drive growth**

(1) Cash from Operations conversion % is defined as GAAP Cash from Operations divided by GAAP Net Income plus depreciation & amortization.

# 2021 financial guidance

	<b>Prior 2021 Guidance</b> (as of 2Q21 earnings call)	<b>Updated 2021 Guidance</b>
<b>REVENUES</b>	\$7.90B to \$8.20B	<b>\$7.90B to \$8.05B</b>
<b>GAAP EPS</b>	\$2.87 to \$3.07	<b>\$2.87 to \$2.97</b>
<b>ADJUSTED EPS</b>	\$4.15 to \$4.35	<b>\$4.20 to \$4.30</b>
<b>CASH CONVERSION<sub>(1)</sub></b>	>90%	<b>&gt;90%</b>

## Key assumptions

- Adjusted SG&A ~12.25%
- Depreciation ~\$205M
- Amortization ~\$290M
- Interest ~\$180M
- Tax rate ~26%
- Capex ~\$120M

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

# What you've heard

Creating value for customers ... **leading decarbonization and utilization of rail** through innovative, low-carbon technologies

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Leveraging **significant installed base** ... resilient business model

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Navigating dynamic **supply chain and cost environment**

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Driving **margin expansion** ... **accelerated realization of synergies** ...but cautious as we close out 2021

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

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Strong execution ... strong foundation for growth and increased shareholder value



***Wabtec***  
CORPORATION

# Appendix



# Income statement

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

Appendix A ( 1 of 2)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net sales	\$ 1,906.9	\$ 1,865.1	\$ 5,749.4	\$ 5,532.4
Cost of sales	(1,304.6)	(1,298.9)	(4,032.8)	(3,900.8)
Gross profit	602.3	566.2	1,716.6	1,631.6
<i>Gross profit as a % of Net Sales</i>	31.6%	30.4%	29.9%	29.5%
Selling, general and administrative expenses	(269.0)	(252.7)	(766.5)	(712.9)
Engineering expenses	(43.8)	(36.5)	(123.5)	(123.7)
Amortization expense	(72.5)	(70.3)	(214.7)	(211.6)
Total operating expenses	(385.3)	(359.5)	(1,104.7)	(1,048.2)
<i>Operating expenses as a % of Net Sales</i>	20.2%	19.3%	19.2%	18.9%
Income from operations	217.0	206.7	611.9	583.4
<i>Income from operations as a % of Net Sales</i>	11.4%	11.1%	10.6%	10.5%
Interest expense, net	(42.2)	(45.6)	(134.7)	(150.3)
Other income (expense), net	0.5	14.3	25.0	5.8
Income before income taxes	175.3	175.4	502.2	438.9
Income tax expense	(43.5)	(46.9)	(130.5)	(113.4)
<i>Effective tax rate</i>	24.8%	26.7%	26.0%	25.8%
Net income	131.8	128.5	371.7	325.5
Less: Net (income) loss attributable to noncontrolling interest	(1.2)	(0.4)	(3.9)	1.0
Net income attributable to Wabtec shareholders	\$ 130.6	\$ 128.1	\$ 367.8	\$ 326.5
<b>Earnings Per Common Share</b>				
<b>Basic</b>				
Net income attributable to Wabtec shareholders	\$ 0.69	\$ 0.67	\$ 1.95	\$ 1.71
<b>Diluted</b>				
Net income attributable to Wabtec shareholders	\$ 0.69	\$ 0.67	\$ 1.95	\$ 1.71
Basic	187.6	189.8	188.2	190.1
Diluted	188.0	190.2	188.6	190.6

# Income statement (cont.)

**CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020  
(AMOUNTS IN MILLIONS EXCEPT PER SHARE DATA)  
(UNAUDITED)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
<b>Segment Information</b>				
Freight Net Sales	\$ 1,295.0	\$ 1,237.3	\$ 3,814.2	\$ 3,743.0
Freight Income from Operations	\$ 195.2	\$ 160.2	\$ 510.2	\$ 463.4
Freight Operating Margin	15.1%	12.9%	13.4%	12.4%
Transit Net Sales	\$ 611.9	\$ 627.8	\$ 1,935.2	\$ 1,789.4
Transit Income from Operations	\$ 43.9	\$ 64.1	\$ 159.3	\$ 172.9
Transit Operating Margin	7.2%	10.2%	8.2%	9.7%
<b>Backlog Information (Note: 12-month is a sub-set of total)</b>				
	<b><u>September 30, 2021</u></b>	<b><u>June 30, 2021</u></b>		
Freight Total	\$ 18,211.0	\$ 17,836.3		
Transit Total	3,632.5	3,693.3		
Wabtec Total	<u>\$ 21,843.5</u>	<u>\$ 21,529.6</u>		
Freight 12-Month	\$ 4,060.2	\$ 4,098.1		
Transit 12-Month	1,647.5	1,724.8		
Wabtec 12-Month	<u>\$ 5,707.7</u>	<u>\$ 5,822.9</u>		

# Balance sheet

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

	<u>September 30, 2021</u>	<u>December 31, 2020</u>
<i>In millions</i>		
Cash, cash equivalents and restricted cash	\$ 456.4	\$ 598.7
Receivables, net	1,367.0	1,412.5
Inventories	1,689.6	1,642.1
Other current assets	<u>247.1</u>	<u>226.5</u>
<b>Total current assets</b>	3,760.1	3,879.8
Property, plant and equipment, net	1,509.0	1,601.6
Goodwill	8,604.7	8,485.2
Other intangible assets, net	3,779.8	3,869.2
Other noncurrent assets	<u>698.3</u>	<u>618.7</u>
<b>Total assets</b>	<u>\$ 18,351.9</u>	<u>\$ 18,454.5</u>
Current liabilities	\$ 2,811.6	\$ 3,226.3
Long-term debt	4,067.2	3,792.2
Long-term liabilities - other	<u>1,281.9</u>	<u>1,283.3</u>
<b>Total liabilities</b>	8,160.7	8,301.8
Shareholders' equity	10,156.6	10,122.3
Noncontrolling interest	<u>34.6</u>	<u>30.4</u>
<b>Total shareholders' equity</b>	<u>10,191.2</u>	<u>10,152.7</u>
<b>Total Liabilities and Shareholders' Equity</b>	<u>\$ 18,351.9</u>	<u>\$ 18,454.5</u>

# Cash flow

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

	<b>Nine Months Ended September 30,</b>	
	<b><u>2021</u></b>	<b><u>2020</u></b>
<i><u>In millions</u></i>		
<i>Operating activities</i>		
Net income	\$ 371.7	\$ 325.5
Non-cash expense	373.7	303.0
Receivables	34.9	245.2
Inventories	(32.3)	7.8
Accounts Payable	41.1	(203.4)
Other assets and liabilities	(29.8)	(220.0)
<b>Net cash provided by operating activities</b>	<b>759.3</b>	<b>458.1</b>
<b>Net cash used for investing activities</b>	<b>(475.3)</b>	<b>(119.9)</b>
<b>Net cash used for financing activities</b>	<b>(433.3)</b>	<b>(360.8)</b>
Effect of changes in currency exchange rates	7.0	(22.3)
Decrease in cash	(142.3)	(44.9)
Cash and cash equivalents, beginning of period	598.7	604.2
Cash, cash equivalents and restricted cash, end of period	\$ 456.4	\$ 559.3

# 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 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>	\$ 1,906.9	\$ 602.3	\$ (385.3)	\$ 217.0	\$ (41.7)	\$ (43.5)	\$ 131.8	\$ (1.2)	\$ 130.6	\$ 0.69
Restructuring & Transaction costs	-	23.2	11.9	35.1	-	(8.7)	26.4	-	\$ 26.4	\$ 0.14
Non-cash Amortization expense	-	-	72.5	72.5	-	(18.0)	54.5	-	54.5	\$ 0.29
Foreign Exchange Loss	-	-	-	-	3.5	(0.9)	2.6	-	2.6	\$ 0.02
<b>Adjusted Results</b>	<b>\$ 1,906.9</b>	<b>\$ 625.5</b>	<b>\$ (300.9)</b>	<b>\$ 324.6</b>	<b>\$ (38.2)</b>	<b>\$ (71.1)</b>	<b>\$ 215.3</b>	<b>\$ (1.2)</b>	<b>\$ 214.1</b>	<b>\$ 1.14</b>
<b>Fully Diluted Shares Outstanding</b>										<b>188.0</b>

Wabtec Corporation Reconciliation of Reported Results to Adjusted Results (in millions)										
	Third 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>	\$ 5,749.4	\$ 1,716.6	\$ (1,104.7)	\$ 611.9	\$ (109.7)	\$ (130.5)	\$ 371.7	\$ (3.9)	\$ 367.8	\$ 1.95
Restructuring & Transaction costs	-	48.4	31.8	80.2	-	(19.4)	60.8	-	\$ 60.8	\$ 0.32
Non-cash Amortization expense	-	-	214.7	214.7	-	(55.8)	158.9	-	158.9	\$ 0.84
Foreign Exchange Gain	-	-	-	-	(7.4)	2.0	(5.4)	-	(5.4)	\$ (0.03)
<b>Adjusted Results</b>	<b>\$ 5,749.4</b>	<b>\$ 1,765.0</b>	<b>\$ (858.2)</b>	<b>\$ 906.8</b>	<b>\$ (117.1)</b>	<b>\$ (203.7)</b>	<b>\$ 586.0</b>	<b>\$ (3.9)</b>	<b>\$ 582.1</b>	<b>\$ 3.08</b>
<b>Fully Diluted Shares Outstanding</b>										<b>188.6</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)										
Third 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>	\$ 1,865.1	\$ 566.2	\$ (359.5)	\$ 206.7	\$ (31.3)	\$ (46.9)	\$ 128.5	\$ (0.4)	\$ 128.1	\$ 0.67
Restructuring & Transaction costs	-	4.7	11.7	16.4	-	(4.4)	12.0	-	12.0	\$ 0.06
Non-cash Amortization expense	-	-	70.3	70.3	-	(18.8)	51.5	-	51.5	\$ 0.27
Foreign Currency and Interest Gain	-	-	-	-	(12.8)	3.4	(9.4)	-	(9.4)	\$ (0.05)
<b>Adjusted Results</b>	<b>\$ 1,865.1</b>	<b>\$ 570.9</b>	<b>\$ (277.5)</b>	<b>\$ 293.4</b>	<b>\$ (44.1)</b>	<b>\$ (66.7)</b>	<b>\$ 182.6</b>	<b>\$ (0.4)</b>	<b>\$ 182.2</b>	<b>\$ 0.95</b>
<b>Fully Diluted Shares Outstanding</b>										<b>190.2</b>

Wabtec Corporation Reconciliation of Reported Results to Adjusted Results (in millions)										
Third 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>	\$ 5,532.4	\$ 1,631.6	\$ (1,048.2)	\$ 583.4	\$ (144.5)	\$ (113.4)	\$ 325.5	\$ 1.0	\$ 326.5	\$ 1.71
Restructuring & Transaction costs	-	23.3	40.6	63.9	-	(16.4)	47.5	-	47.5	\$ 0.25
Non-cash Amortization expense	-	-	211.6	211.6	-	(54.4)	157.2	-	157.2	\$ 0.82
Foreign Exchange Loss	-	-	-	-	7.7	(1.9)	5.8	-	5.8	\$ 0.03
<b>Adjusted Results</b>	<b>\$ 5,532.4</b>	<b>\$ 1,654.9</b>	<b>\$ (796.0)</b>	<b>\$ 858.9</b>	<b>\$ (136.8)</b>	<b>\$ (186.1)</b>	<b>\$ 536.0</b>	<b>\$ 1.0</b>	<b>\$ 537.0</b>	<b>\$ 2.81</b>
<b>Fully Diluted Shares Outstanding</b>										<b>190.6</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 Q3 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	\$217.0		\$0.5		\$120.9	\$338.4		\$35.1		\$373.5

Wabtec Corporation 2021 Q3 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	\$611.9		\$25.0		\$364.0	\$1,000.9		\$80.2		\$1,081.1

Wabtec Corporation 2020 Q3 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	\$206.7		\$14.3		\$116.4	\$337.4		\$16.4		\$353.8

Wabtec Corporation 2020 Q3 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	\$583.4		\$5.8		\$347.2	\$936.4		\$63.9		\$1,000.3

# Sales by product line

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

<i><u>In millions</u></i>	Three Months Ended September 30,	
	<u>2021</u>	<u>2020</u>
Freight Segment		
Equipment	\$ 335.2	\$ 355.3
Components	222.1	208.2
Digital Electronics	155.2	161.0
Services	582.5	512.8
Total Freight Segment	<u>1,295.0</u>	<u>1,237.3</u>
Transit Segment		
Original Equipment Manufacturer	\$ 286.9	\$ 303.1
Aftermarket	325.0	324.7
Total Transit Segment	<u>611.9</u>	<u>627.8</u>
<i><u>In millions</u></i>	Nine Months Ended September 30,	
	<u>2021</u>	<u>2020</u>
Freight Segment		
Equipment	\$ 924.8	\$ 1,098.2
Components	648.9	624.1
Digital Electronics	473.5	500.1
Services	1,767.0	1,520.6
Total Freight Segment	<u>3,814.2</u>	<u>3,743.0</u>
Transit Segment		
Original Equipment Manufacturer	\$ 894.1	\$ 817.4
Aftermarket	1,041.1	972.0
Total Transit Segment	<u>1,935.2</u>	<u>1,789.4</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 September 30,		Nine Months Ended September 30,	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Freight Segment Reported Income from Operations</b>	\$ 195.2	\$ 160.2	\$ 510.2	\$ 463.4
<i>Freight Segment Reported Margin</i>	15.1%	12.9%	13.4%	12.4%
Restructuring & Transaction costs	3.4	8.8	17.0	43.5
Non-cash Amortization expense	67.6	65.2	199.8	196.8
<b>Freight Segment Adjusted Income from Operations</b>	<u>\$ 266.2</u>	<u>\$ 234.2</u>	<u>\$ 727.0</u>	<u>\$ 703.7</u>
<i>Freight Segment Adjusted Margin</i>	20.6%	18.9%	19.1%	18.8%
<b>Transit Segment Reported Income from Operations</b>	\$ 43.9	\$ 64.1	\$ 159.3	\$ 172.9
<i>Transit Segment Reported Margin</i>	7.2%	10.2%	8.2%	9.7%
Restructuring & Transaction costs	27.7	5.9	54.4	13.3
Non-cash Amortization expense	4.9	5.1	14.9	14.8
<b>Transit Segment Adjusted Income from Operations</b>	<u>\$ 76.5</u>	<u>\$ 75.1</u>	<u>\$ 228.6</u>	<u>\$ 201.0</u>
<i>Transit Segment Adjusted Margin</i>	12.5%	12.0%	11.8%	11.2%