

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of Earliest Event Reported): February 18, 2021 (February 18, 2021)

WESTINGHOUSE AIR BRAKE TECHNOLOGIES
CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or other Jurisdiction
of Incorporation)

033-90866
(Commission
File No.)

25-1615902
(I.R.S. Employer
Identification No.)

30 Isabella Street
Pittsburgh, Pennsylvania
(Address of Principal Executive Offices)

15212
(Zip Code)

(412) 825-1000
(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of Class	Trading Symbol(s)	Name of Exchange on which registered
Common Stock, par value \$0.01 per share	WAB	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On February 18, 2021, Westinghouse Air Brake Technologies Corporation (the “Company”) issued a press release reporting, among other things, the Company’s 2020 fourth quarter results. A copy of this press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated into this Item 2.02 by reference. The Company is also furnishing an investor presentation relating to its fourth quarter of 2020 (the “Presentation”), which will be used by the management team for presentations to investors and others. A copy of the Presentation is attached hereto as Exhibit 99.2 and incorporated into this Item 2.02 by reference. The Presentation is also available on the Company’s website at www.wabteccorp.com.

In accordance with General Instruction B.2 of Form 8-K, the information furnished pursuant to this Item 2.02 in this Current Report on Form 8-K, including Exhibits 99.1 and 99.2, shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

Item 7.01. Regulation FD Disclosure.

On February 18, 2021, the Company issued a press release which, among other things, provided earnings guidance for fiscal year 2021. A copy of the press release is attached to this report as Exhibit 99.1 and the paragraph under the heading “2021 Financial Guidance” which discusses 2021 guidance is incorporated into this Item 7.01 by reference. The Company also furnished a Presentation relating to its fourth quarter of 2020, which is incorporated into this Item 7.01 by reference. A copy of the Presentation is attached to this report as Exhibit 99.2.

In accordance with General Instruction B.2 of Form 8-K, the information furnished pursuant to this Item 7.01 in this Current Report on Form 8-K, including Exhibits 99.1 and 99.2, shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

Item 8.01. Other Events

On February 11, 2021, the Board of Directors of the Company authorized an increase of the amount available under its existing share repurchase program such that \$500 million is available to purchase outstanding shares of the Company’s common stock. Under the share repurchase program, the Company intends to repurchase shares through the open market or otherwise, including, without limitation, through an accelerated share repurchase, pursuant to the terms of a Rule 10b5-1 plan, in privately negotiated transactions and round lot or block transactions. A copy of the press release announcing this authorization is attached as Exhibit 99.1 to this Current Report on Form 8-K and the paragraph under the heading “2021 Financial Guidance” which discusses share buyback authorization is incorporated into this Item 8.01 by reference.

In accordance with General Instruction B.2 of Form 8-K, the information furnished pursuant to this Item 8.01 in this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

The following exhibits are furnished with this report on Form 8-K:

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release dated February 18, 2021
99.2	Wabtec 4th Quarter 2020, Financial Results & Company Highlights
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

Caution Concerning Forward-Looking Statements

This communication contains "forward-looking" statements as that term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995, including statements regarding the acquisition by Wabtec of GE Transportation (the "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 regarding 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.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WESTINGHOUSE AIR BRAKE
TECHNOLOGIES CORPORATION

By: /s/ Patrick D. Dugan

Patrick D. Dugan
Executive Vice President and Chief Financial
Officer

Date: February 18, 2021



Wabtec Reports Fourth Quarter and Full-Year 2020 Results; Issues 2021 Financial Guidance

- **Delivered Strong Cash Flow from Operations of \$784 Million for 2020 Including ~\$220 Million of One Time Cash Impacts; Returned ~\$300 Million to Shareholders**
- **Fourth Quarter Reported GAAP Earnings Per Share of \$0.46; Adjusted EPS of \$0.98; Full Year GAAP Earnings Per Share of \$2.17; Adjusted EPS of \$3.79**
- **Transit Adjusted Margin Ahead of Plan in 2020; Delivered 200 bps of Improvement**
- **On-track to Deliver \$250 Million Run-Rate of Synergies in 2021**
- **Book-to-Bill Strengthening with Key Orders for International Locomotives, Modernizations and Service Agreements**
- **Reauthorized Up to \$500 Million of Share Buyback**

PITTSBURGH, February 18, 2021 – [Wabtec Corporation](#) (NYSE: WAB) today reported fourth quarter and full year 2020 results and issued financial guidance.

“Wabtec delivered strong operational performance during a year of unprecedented global challenges,” said Rafael Santana, Wabtec’s president and chief executive officer. “I am proud of how our team responded to the crisis in 2020. We quickly protected our teams, kept our operations delivering for customers, and focused on liquidity, cost management, and execution to strengthen our financial position while returning significant capital to shareholders. We also never lost sight on future growth, investing in new sustainable rail technologies that will transform the future of transportation – making it cleaner, greener, safer, and more efficient.”

“We enter 2021 with positive momentum, as our end-markets continue to show signs of recovery. Global freight volumes and equipment utilization have sequentially improved over the last two quarters, North American OE markets are transitioning through trough, and sustainable investment in global transit remains. I’m confident we’re well-positioned for growth and will continue to perform for our shareowners, our customers, and our employees in the short- and long-term.”

Fourth Quarter and Full Year 2020 Financial Summary

In the fourth quarter of 2020, Wabtec had cash from operations of \$326 million, sales of \$2.0 billion and GAAP earnings per diluted share of \$0.46. Adjusted earnings per diluted share were \$0.98 and excluded after-tax expenses of \$0.20 for restructuring and transaction costs, \$0.29 for non-cash amortization expense and \$0.03 for tax on transactions costs (see reconciliation table).

For the full year of 2020, Wabtec had cash from operations of \$784 million including approximately \$220 million in one-time cost impacts related to restructuring, transaction and litigation costs, sales of \$7.6 billion and GAAP earnings per diluted share of \$2.17. Adjusted earnings per diluted share were \$3.79 and excluded after-tax expenses of \$0.45 for restructuring and transaction costs, \$1.11 for non-cash amortization expense, \$0.03 for foreign exchange loss and \$0.03 for tax on transaction costs. (see reconciliation table).

Backlog remains strong, despite a challenging market. At December 31, 2020, Wabtec's total, multi-year backlog was \$21.6 billion, which was higher than at September 30 as OEM and after-market orders increased in both Freight and Transit. At December 31, 2020 the 12-month backlog was \$5.5 billion.

2021 Financial Guidance

- Wabtec issued its 2021 sales guidance to a range of \$7.6 billion to \$7.9 billion, GAAP earnings per diluted share guidance to between \$2.65 to \$3.05 and adjusted earnings per diluted share to between \$3.90 to \$4.30. The adjusted guidance excludes estimated expenses for restructuring and amortization expenses.
- With cost actions and synergies stemming from the Wabtec and GE Transportation merger on-track, we expect to achieve a run rate savings of \$250 million in 2021, driving improved margins. For full year 2021, Wabtec expects strong cash flow generation with operating cash flow conversion of greater than 90%.
- The company also announced it renewed its share buyback authorization up to \$500 million.

2020 Fourth Quarter Consolidated Results

- Sales were \$2.0 billion versus \$2.4 billion in the same period a year ago. The decrease compared to the year-ago quarter was primarily driven by lower sales in Freight Equipment, Components, Digital Electronics, and Transit Aftermarket sales.
- Income from operations was \$161 million (8.0 percent of sales) and adjusted income from operations was \$283 million (14.0 percent of sales), which was unfavorably impacted by lower sales in Freight and Transit primarily due to COVID-19 pandemic disruptions. Adjusted income from operations excluded pre-tax expenses of \$122 million, of which \$71 million is for non-cash amortization expense and \$51 million is for restructuring and transaction costs (see reconciliation table).
- Net interest expense was \$49 million and other income was \$6 million.
- The reported and adjusted effective tax rates for the quarter were 26.6 percent and 22.6 percent, respectively.
- Earnings per diluted share were \$0.46 and adjusted earnings per diluted share were \$0.98 (see reconciliation table). Adjusted earnings per diluted share excluded after-tax expenses of \$0.52 as follows: \$0.29 for non-cash amortization expense, \$0.20 for transaction and restructuring and \$0.03 for tax on transaction costs. (see reconciliation table).
- EBITDA, which Wabtec defines as earnings before interest, taxes, depreciation and amortization was \$285 million and adjusted EBITDA was \$337 million. Adjusted EBITDA excluded pre-tax expenses of \$51 million for transaction and restructuring costs (see reconciliation table).

2020 Fourth Quarter Freight Segment Results

- Freight segment sales of \$1.3 billion decreased by 20 percent from the year-ago quarter. The decrease was due to lower organic sales of \$327 million and unfavorable changes in foreign currency exchange rates of \$11 million, offset somewhat by \$10 million of sales from acquisitions. Freight segment sales were primarily impacted by disruption due to the COVID-19 pandemic resulting from lower deliveries of locomotives, lower demand for new freight car components and lower Digital Electronics sales.
- Freight segment income from operations was \$121 million (9.0 percent of segment sales) and adjusted income from operations of \$218 million (16.3 percent of segment sales). Freight segment adjusted income from operations decreased 31 percent from the year-ago quarter primarily driven by mix of sales, lower absorption of fixed costs due to decreased locomotive deliveries offset somewhat by synergies and lower operating costs. During the quarter, we took further actions to aggressively adjust operational costs to current volume levels.

2020 Fourth Quarter Transit Segment Results

- Transit segment sales of \$684 million decreased by 2 percent from the year-ago quarter. The decrease was due to lower organic sales of \$54 million, offset somewhat by favorable changes in foreign currency exchange rates of \$37 million. Transit segment sales were negatively impacted by lower after-market sales primarily related to the disruption caused by the COVID-19 pandemic.
- Transit segment income from operations was \$57 million (8.3 percent of segment sales) and adjusted income from operations was \$77 million (11.3 percent of segment sales). Transit segment adjusted income from operations increased from the year-ago quarter by 40 percent as a result of continued improvement in operational performance, improved risk management and cost actions, offset somewhat by lower volumes as a result of the COVID-19 pandemic.

Cash Flow and Liquidity Summary

- The company generated cash from operations of \$326 million for the fourth quarter compared to cash from operations of \$448 million in the year-ago quarter.
- For the full year 2020, the company generated cash from operation of \$784 million, which included approximately \$220 million of one-time impacts related to restructuring and transactions costs.
- The company repaid \$190 million in debt during 2020. At year end, the company had cash and cash equivalents of \$599 million and debt of \$4.2 billion. At the quarter end, the company's total available liquidity, which includes \$599 million in cash and cash equivalents plus \$1.3 billion available under current credit facilities, was \$1.9 billion.

Conference Call Information

Wabtec will host a call with analysts and investors at 8:30 a.m., ET, today. To listen via webcast, go to Wabtec's new website at www.WabtecCorp.com and click on "Events & Presentations" in the "Investor Relations" section. Also, an audio replay of the call will be available by calling 1-877-344-7529 or 1-412-317-0088 (access code: 10150903).

About Wabtec Corporation

Wabtec Corporation is a leading global provider of equipment, systems, digital solutions and value-added services for freight and transit rail. Drawing on nearly four centuries of collective experience across Wabtec, GE Transportation and Faiveley Transport, the company has unmatched digital expertise, technological innovation, and world-class manufacturing and services, enabling the digital-rail-and-transit ecosystems. Wabtec is focused on performance that drives progress, creating transportation solutions that move and improve the world. The freight portfolio features a comprehensive line of locomotives, software applications and a broad selection of mission-critical controls systems, including Positive Train Control (PTC). The transit portfolio provides highly engineered systems and services to virtually every major rail transit system around the world, supplying an integrated series of components for buses and all train-related market segments that deliver safety, efficiency and passenger comfort. Along with its industry-leading portfolio of products and solutions for the rail and transit industries, Wabtec is a leader in mining, marine, and industrial solutions. Based in Pittsburgh, PA, Visit: www.WabtecCorp.com

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

Wabtec's earnings release and 2021 financial guidance mentions certain non-GAAP financial performance measures, including adjusted gross profit, adjusted operating expenses, adjusted operating margin, EBITDA, adjusted EBITDA, adjusted effective tax rate, adjusted income tax expense, adjusted income from operations, adjusted interest, other expense and adjusted earnings per diluted share. Wabtec defines EBITDA as 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 release have inherent material limitations as performance measures because they add back certain expenses incurred by the company to GAAP financial measures, resulting in those expenses not being taken into account in the applicable non-GAAP financial measure. Because not all companies use identical calculations, Wabtec's presentation of non-GAAP financial measures may not be comparable to other similarly titled measures of other companies. Included in this release are reconciliation tables that provide details about how adjusted results relate to GAAP results.

This communication contains "forward-looking" statements as that term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995, including statements regarding the acquisition by Wabtec of GE Transportation (the "GE Transportation merger"), 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 regarding 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.

Wabtec Investor Contact

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WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2020 AND 2019
(AMOUNTS IN MILLIONS EXCEPT PER SHARE DATA)
(UNAUDITED)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
Net sales	\$ 2,023.7	\$ 2,368.4	\$ 7,556.1	\$ 8,200.0
Cost of sales	(1,518.2)	(1,693.5)	(5,419.0)	(5,922.0)
Gross profit	505.5	674.9	2,137.1	2,278.0
Gross profit as a % of Net Sales	25.0%	28.5%	28.3%	27.8%
Selling, general and administrative expenses	(235.2)	(323.7)	(948.1)	(1,166.6)
Engineering expenses	(38.4)	(59.6)	(162.1)	(209.9)
Amortization expense	(70.8)	(65.5)	(282.4)	(238.4)
Total operating expenses	(344.4)	(448.8)	(1,392.6)	(1,614.9)
Operating expenses as a % of Net Sales	17.0%	18.9%	18.4%	19.7%
Income from operations	161.1	226.1	744.5	663.1
Income from operations as a % of Net Sales	8.0%	9.5%	9.9%	8.1%
Interest expense, net	(48.6)	(58.3)	(198.9)	(219.1)
Other income (expense), net	5.8	6.9	11.6	2.8
Income before income taxes	118.3	174.7	557.2	446.8
Income tax expense	(31.5)	(37.7)	(144.9)	(120.3)
Effective tax rate	26.6%	21.6%	26.0%	26.9%
Net income	86.8	137.0	412.3	326.5
Less: Net loss (income) attributable to noncontrolling interest	1.1	(1.3)	2.1	0.2
Net income attributable to Wabtec shareholders	\$ 87.9	\$ 135.7	\$ 414.4	\$ 326.7
Earnings Per Common Share				
Basic				
Net income attributable to Wabtec shareholders	\$ 0.46	\$ 0.71	\$ 2.18	\$ 1.91
Diluted				
Net income attributable to Wabtec shareholders	\$ 0.46	\$ 0.71	\$ 2.17	\$ 1.84
Basic	189.2	191.1	189.9	170.5
Diluted	189.7	191.6	190.4	177.3
Segment Information				
Freight Net Sales	\$ 1,339.3	\$ 1,667.1	\$ 5,082.3	\$ 5,441.4
Freight Income from Operations	\$ 120.5	\$ 239.2	\$ 583.9	\$ 642.9
Freight Operating Margin	9.0%	14.3%	11.5%	11.8%
Transit Net Sales	\$ 684.4	\$ 701.3	\$ 2,473.8	\$ 2,758.6
Transit Income from Operations	\$ 56.8	\$ 39.0	\$ 229.7	\$ 214.4
Transit Operating Margin	8.3%	5.6%	9.3%	7.8%
Backlog Information (Note: 12-month is a sub-set of total)				
	December 31, 2020	September 30, 2020		
Freight Total	\$ 17,887.1	\$ 17,840.5		
Transit Total	3,704.2	3,541.9		
Wabtec Total	\$ 21,591.3	\$ 21,382.4		
Freight 12-Month	\$ 3,586.3	\$ 3,626.7		
Transit 12-Month	1,934.4	1,557.6		
Wabtec 12-Month	\$ 5,520.7	\$ 5,184.3		

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

<i>In millions</i>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Cash and cash equivalents	\$ 598.7	\$ 604.2
Receivables, net	1,412.5	1,663.9
Inventories	1,642.1	1,773.1
Current assets - other	226.5	150.9
Total current assets	3,879.8	4,192.1
Property, plant and equipment, net	1,601.6	1,655.8
Goodwill	8,485.2	8,360.6
Other intangibles, net	3,869.2	4,104.0
Other long term assets	618.7	631.7
Total assets	\$ 18,454.5	\$ 18,944.2
Current liabilities	\$ 3,226.3	\$ 3,258.0
Long-term debt	3,792.2	4,333.6
Long-term liabilities - other	1,283.3	1,359.0
Total liabilities	8,301.8	8,950.6
Shareholders' equity	10,122.3	9,956.5
Non-controlling interest	30.4	37.1
Total shareholders' equity	10,152.7	9,993.6
Total Liabilities and Shareholders' Equity	\$ 18,454.5	\$ 18,944.2

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

<i>In millions</i>	Twelve Months Ended December 31,	
	2020	2019
Operating activities		
Net income	\$ 412.3	\$ 326.5
Non-cash expense	404.6	369.2
Receivables	315.0	(6.3)
Inventories	180.8	255.9
Accounts Payable	(269.0)	(144.3)
Other assets and liabilities	(260.0)	214.5
Net cash provided by operating activities	783.7	1,015.5
Net cash used for investing activities	(155.4)	(3,177.8)
Net cash (used for) provided by financing activities	(619.0)	461.5
Effect of changes in currency exchange rates	(14.8)	(37.3)
Decrease in cash	(5.5)	(1,738.1)
Cash, cash equivalents, and restricted cash, beginning of period	604.2	2,342.3
Cash and cash equivalents, end of period	<u>\$ 598.7</u>	<u>\$ 604.2</u>

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)

	Fourth Quarter-to-Date 2020 Actual Results									
	Net Sales	Gross Profit	Operating Expenses	Income from Operations	Interest & Other Exp	Tax	Net Income	Noncontrolling Interest	Wabtec Net Income	EPS
Reported Results	\$2,023.7	\$505.5	\$ (344.4)	\$ 161.1	\$ (42.8)	\$(31.5)	\$ 86.8	\$ 1.1	\$ 87.9	\$ 0.46
Restructuring & Transaction costs	—	21.1	30.3	51.4	—	(12.4)	39.0	—	39.0	\$ 0.20
Non-cash Amortization expense	—	—	70.8	70.8	—	(16.2)	54.6	—	54.6	\$ 0.29
Foreign Currency Loss	—	—	—	—	0.5	(0.2)	0.3	—	0.3	\$ —
Tax on Transaction Costs	—	—	—	—	—	5.7	5.7	—	5.7	\$ 0.03
Adjusted Results	\$2,023.7	\$526.6	\$ (243.3)	\$ 283.3	\$ (42.3)	\$(54.6)	\$ 186.4	\$ 1.1	\$ 187.5	\$ 0.98
Fully Diluted Shares Outstanding										189.7

Wabtec Corporation
Reconciliation of Reported Results to Adjusted Results

(in millions)

	Q4 Year-to-Date 2020 Actual Results									
	Net Sales	Gross Profit	Operating Expenses	Income from Operations	Interest & Other Exp	Tax	Net Income	Noncontrolling Interest	Wabtec Net Income	EPS
Reported Results	\$7,556.1	\$2,137.1	\$(1,392.6)	\$ 744.5	\$ (187.3)	\$(144.9)	\$ 412.3	\$ 2.1	\$ 414.4	\$ 2.17
Restructuring & Transaction costs	—	44.4	70.9	115.3	—	(28.8)	86.5	—	86.5	\$ 0.45
Non-cash Amortization expense	—	—	282.4	282.4	—	(70.6)	211.8	—	211.8	\$ 1.11
Foreign Exchange Loss	—	—	—	—	8.2	(2.1)	6.1	—	6.1	\$ 0.03
Tax on Transaction Costs	—	—	—	—	—	5.7	5.7	—	5.7	\$ 0.03
Adjusted Results	\$7,556.1	\$2,181.5	\$(1,039.3)	\$ 1,142.2	\$ (179.1)	\$(240.7)	\$ 722.4	\$ 2.1	\$ 724.5	\$ 3.79
Fully Diluted Shares Outstanding										190.4

Set forth below is the calculation of the non-GAAP performance measures included in this press release. We believe that these measures provide useful supplemental information to assess our operating performance and to evaluate period-to-period comparisons. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, Wabtec's reported results prepared in accordance with GAAP.

Wabtec Corporation
2020 Q4 EBITDA Reconciliation
(in millions)

	Reported Income from Operations	+	Other Income (Expense)	+	Depreciation & Amortization	=	EBITDA	+	Restructuring & Transaction Costs	=	Adjusted EBITDA
Consolidated Results	<u>\$ 161.1</u>		<u>\$ 5.8</u>		<u>\$ 118.3</u>		<u>\$ 285.2</u>		<u>\$ 51.4</u>		<u>\$ 336.6</u>

Wabtec Corporation
2020 Q4 Year-to-Date EBITDA
Reconciliation
(in millions)

	Reported Income from Operations	+	Other Income (Expense)	+	Depreciation & Amortization	=	EBITDA	+	Restructuring & Transaction Costs	=	Adjusted EBITDA
Consolidated Results	<u>\$ 744.5</u>		<u>\$ 11.6</u>		<u>\$ 465.5</u>		<u>\$1,221.6</u>		<u>\$ 115.3</u>		<u>\$1,336.9</u>

Wabtec Corporation
2019 Q4 EBITDA Reconciliation
(in millions)

	Reported Income from Operations	+	Other Income (Expense)	+	Depreciation & Amortization	=	EBITDA	+	Restructuring & Transaction Costs	=	Adjusted EBITDA
Consolidated Results	<u>\$ 226.1</u>		<u>\$ 6.9</u>		<u>\$ 110.8</u>		<u>\$ 343.8</u>		<u>\$ 71.0</u>		<u>\$ 414.8</u>

Wabtec Corporation
2019 Q4 Year-to-Date
EBITDA Reconciliation
(in millions)

	Reported Income from Operations	+	Other Income (Expense)	+	Depreciation & Amortization	=	EBITDA	+	Restructuring & Transaction Costs	=	Adjusted EBITDA
Consolidated Results	<u>\$ 663.1</u>		<u>\$ 2.8</u>		<u>\$ 396.2</u>		<u>\$1,062.1</u>		<u>\$ 414.8</u>		<u>\$1,476.9</u>

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

<i>In millions</i>	Three Months Ended December 31,	
	2020	2019
Freight Segment		
Equipment	\$ 433.3	\$ 638.0
Components	194.6	250.1
Digital Electronics	163.9	210.8
Services	547.5	568.2
Total Freight Segment	<u>1,339.3</u>	<u>1,667.1</u>
Transit Segment		
Original Equipment Manufacturer	\$ 321.2	\$ 313.8
Aftermarket	363.2	387.5
Total Transit Segment	<u>684.4</u>	<u>701.3</u>
<i>In millions</i>	Twelve Months Ended December 31,	
	2020	2019
Freight Segment		
Equipment	\$ 1,531.5	\$ 1,699.7
Components	818.7	1,073.5
Digital Electronics	664.0	677.1
Services	2,068.1	1,991.1
Total Freight Segment	<u>5,082.3</u>	<u>5,441.4</u>
Transit Segment		
Original Equipment Manufacturer	\$ 1,138.6	\$ 1,286.6
Aftermarket	1,335.2	1,472.0
Total Transit Segment	<u>2,473.8</u>	<u>2,758.6</u>

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

<i>In millions</i>	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
Freight Segment Reported Income from Operations	\$ 120.5	\$ 239.2	\$ 583.9	\$ 642.9
<i>Freight Segment Reported Margin</i>	9.0%	14.3%	11.5%	11.8%
One-time PPA	—	—	—	185.0
Restructuring & Transaction costs	32.4	14.9	75.9	66.6
Non-cash Amortization expense	65.5	60.0	262.3	218.3
Freight Segment Adjusted Income from Operations	\$ 218.4	\$ 314.1	\$ 922.1	\$ 1,112.8
<i>Freight Segment Adjusted Margin</i>	16.3%	18.8%	18.1%	20.5%
Transit Segment Reported Income from Operations	\$ 56.8	\$ 39.0	\$ 229.7	\$ 214.4
<i>Transit Segment Reported Margin</i>	8.3%	5.6%	9.3%	7.8%
Restructuring & Transaction costs	15.0	10.7	28.3	18.0
Non-cash Amortization expense	5.3	5.5	20.1	20.1
Transit Segment Adjusted Income from Operations	\$ 77.1	\$ 55.2	\$ 278.1	\$ 252.5
<i>Transit Segment Adjusted Margin</i>	11.3%	7.9%	11.2%	9.2%

Wabtec 4th Quarter 2020

Financial Results & Company Highlights

February 18, 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 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 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 and cash conversion rate. 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.

4Q and full-year 2020 highlights

Strong execution

Delivered results in face of disruptive environment ... global transportation markets recovering

Growth through technology & solutions

World-class technology (FLXDrive, Zero-to-Zero) while leveraging installed base (key int'l loco & service agreements orders)

Strengthened financial position

Strong cost management; paid down \$190M in debt; improvements in working capital; returned capital to shareholders

Aggressive cost actions

EBIT driven by cost controls, LEAN actions, execution on synergies and ~200 bps adj margin improvement in Transit

Delivering on integration

On-track to deliver full run-rate of \$250M in synergies in '21

FULL-YEAR 2020 PERFORMANCE

\$7.6B

SALES

15.1%^{ADJUSTED}
(9.9% GAAP)

OPERATING MARGIN

\$784M

(Including ~\$220M in 1x costs)

CASH FROM OPS

~90%

CASH CONVERSION

\$3.79^{ADJUSTED}

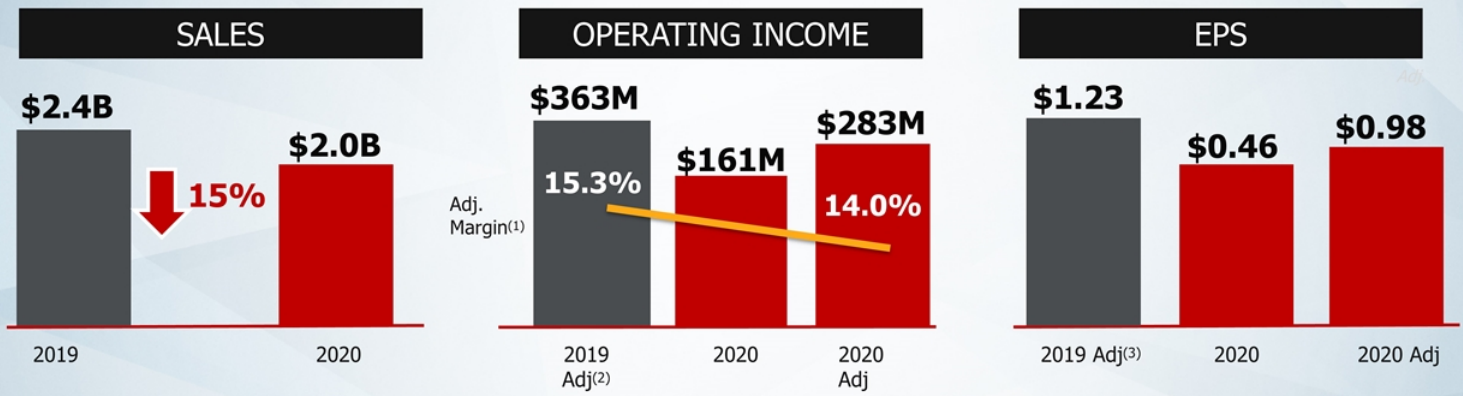
(\$2.17 GAAP)

EPS

\$21.6B

TOTAL BACKLOG

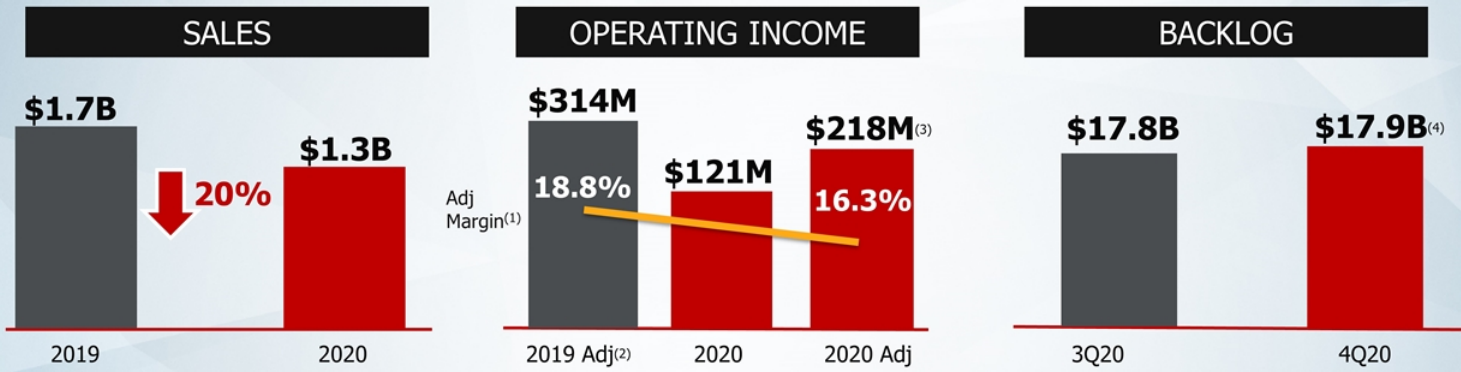
4Q 2020 financial summary



Focused execution as end markets recover

(1) 4Q 2019 GAAP margin was 9.5% and 4Q 2020 GAAP operating margin was 8.0%.
(2) 4Q 2019 GAAP operating income was \$226 million.
(3) 4Q 2019 GAAP EPS was \$0.71

4Q 2020 Freight segment performance



PRODUCT LINE	YoY	
Equipment	(32%)	Timing of locomotive deliveries
Components	(22%)	Improving sequential aftermarket offset by lower NA OE railcar build
Services	(4%)	Improving YoY freight trends offset by high loco parkings; overhaul timing delayed
Digital Electronics	(22%)	Strong demand for distributed power products; lower PTC sales; order momentum

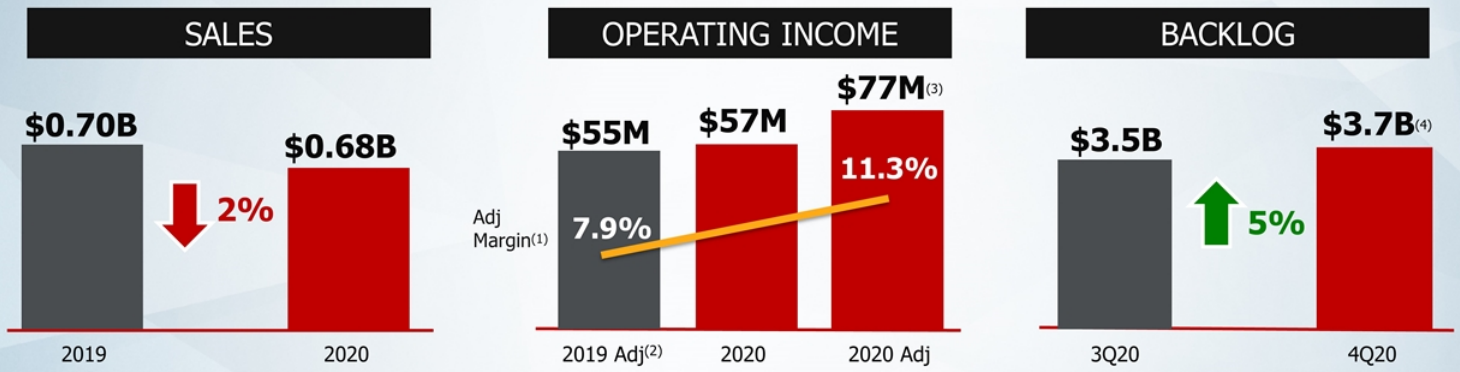
(1) 4th quarter 2019 Freight segment margin was 14.3% and 4th quarter 2020 Freight segment margin was 9.0%.

(2) 4th quarter 2019 Freight segment operating income was \$239 million.

(3) Freight segment income from operations was positively impacted by below market intangible amortization of \$20 million. Freight segment income was adjusted by the following expenses: \$32 million for restructuring and transaction and \$66 million for amortization expenses.

(4) Foreign exchange rates had positive \$100 million impact on the segment backlog.

4Q 2020 Transit segment performance



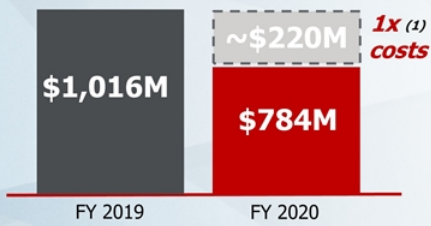
PRODUCT LINE	YoY	Notes
OE	2%	Sequential recovery from COVID disruption in OE projects
Aftermarket	(6%)	Aftermarket resilient despite COVID resurgence

(1) 4th quarter 2019 Transit segment margin was 5.6% and 4th quarter 2020 Transit segment margin was 8.3%.
 (2) 4th quarter 2019 Transit segment operating income was \$39 million.
 (3) Transit Segment income from operations was adjusted by \$15 million for restructuring expenses and \$5 million for amortization expenses.
 (4) Foreign exchange rates had a positive \$165 million impact on segment backlog.

Resilient business allows for execution on financial priorities

FOCUSED ON CASH CONVERSION

Cash from Ops

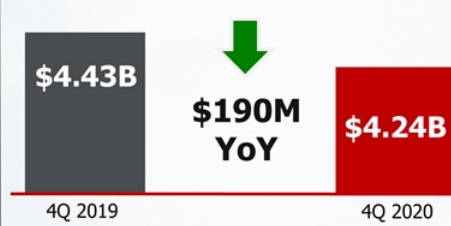


Substantial cash generation ... strong cash conversion & working capital management

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

STRENGTHENED BALANCE SHEET

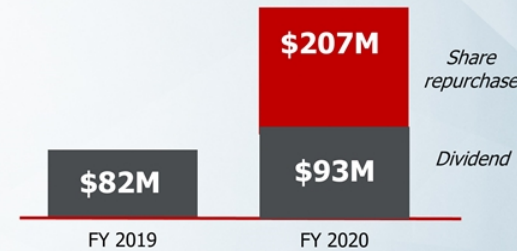
Total Debt



Solid financial position ... paid down \$190M in debt in '20; paid down \$723M since GET merger in Feb '19

First payment of tax matters agreement ... paid GE ~\$115M

RETURNED CAPITAL TO SHAREHOLDERS







Returning capital to shareholders ... >35% of '20 cash flow from operations paid in dividends & share repurchase

Strong financial position ... executing on strategic plan



(1) One time cash outflows of ~\$220M related to transaction, restructuring and litigation expenses in 2020.

2021 outlook and guidance

Freight

- Equipment** 
 - Challenging NA loco market, somewhat offset by international deliveries
 - Strong Int'l pipeline ... order momentum building
- Components** 
 - Uncertain outlook for new railcar builds ... expected to be ~25K
 - Industrial end markets stabilizing ... improving aftermarket
- Services** 
 - Continued growth in modernizations & international aftermarket sales
 - Lower parkings ... higher service intensity per loco as active fleet runs harder via PSR
- Digital Electronics** 
 - Constrained NA capex budgets
 - Leverage PTC installed base to increase efficiency; grow PTC internationally

Transit

- Transit OE** 
 - Continue to deliver on backlog
 - Supportive fiscal environment and stimulus expected to support Transit end markets
- Transit AM** 
 - Trains in operation increasing as economies recover ... watching new COVID impacts
 - Increase transit services drives aftermarket

2021 GUIDANCE

\$7.6B to \$7.9B

REVENUES

\$2.65 to \$3.05

GAAP EPS

\$3.90 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

ESG commitment and defined targets to drive progress

Innovate with purpose

Products . Services . Solutions . Reman.

We are committed to developing responsible and sustainable products that minimize the impact on the planet.

By 2030 **30%**

of net sales to be driven by Wabtec's eco-efficient portfolio



1st 100% battery-electric locomotive

10-30% fuel & emissions savings

Responsible operations

Safe operations . Climate . Resource efficiency

We are committed to providing safe work environments and products that enable productive and efficient use of resources.

By 2030 **30%**

of all GHG emissions intensity and energy intensity to be reduced

100% By 2025, Hosur, India plant to be 100% energy self-sufficient

13M gallons of rain water harvested

3T solar panels eliminated 3T of CO₂

Empower people & communities

People . Community . Integrity

We are committed to a diverse & inclusive culture grounded in integrity, and focused investing in our communities.

By 2030 **30%**

of workforce to be people of color; 25% to be female



70% Marhowrah, India workforce from local community

25% workforce is female

Solid foundation for growth and increased shareholder value

2021

Leading in **decarbonization and automation** technology ... leveraging installed base ... profitable growth via new products

~**6-7%**

organic investment in technology as % of sales

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

\$250MM

total run-rate synergies to be delivered

Generating **strong cash flow** with **disciplined capital allocation**

>90%

cash from operations conversion

Building stronger Wabtec with purpose-driven culture on sustainability and accountability



Appendix



Income statement

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2020 AND 2019
(AMOUNTS IN MILLIONS EXCEPT PER SHARE DATA)
(UNAUDITED)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
Net sales	\$ 2,023.7	\$ 2,388.4	\$ 7,556.1	\$ 8,200.0
Cost of sales	(1,518.2)	(1,693.5)	(5,419.0)	(5,922.0)
Gross profit	505.5	674.9	2,137.1	2,278.0
<i>Gross profit as a % of Net Sales</i>	25.0%	28.5%	28.3%	27.8%
Selling, general and administrative expenses	(235.2)	(323.7)	(948.1)	(1,166.6)
Engineering expenses	(38.4)	(59.6)	(162.1)	(209.9)
Amortization expense	(70.8)	(65.5)	(282.4)	(238.4)
Total operating expenses	(344.4)	(448.8)	(1,392.6)	(1,614.9)
<i>Operating expenses as a % of Net Sales</i>	17.0%	18.9%	18.4%	19.7%
Income from operations	161.1	226.1	744.5	663.1
<i>Income from operations as a % of Net Sales</i>	8.0%	9.5%	9.9%	8.1%
Interest expense, net	(48.6)	(58.3)	(198.9)	(219.1)
Other income (expense), net	5.8	6.9	11.6	2.8
Income before income taxes	118.3	174.7	557.2	446.8
Income tax expense	(31.5)	(37.7)	(144.9)	(120.3)
<i>Effective tax rate</i>	26.6%	21.6%	26.0%	26.9%
Net income	86.8	137.0	412.3	326.5
Less: Net loss (income) attributable to noncontrolling interest	1.1	(1.3)	2.1	0.2
Net income attributable to Wabtec shareholders	\$ 87.9	\$ 135.7	\$ 414.4	\$ 326.7
Earnings Per Common Share				
Basic				
Net income attributable to Wabtec shareholders	\$ 0.46	\$ 0.71	\$ 2.18	\$ 1.91
Diluted				
Net income attributable to Wabtec shareholders	\$ 0.46	\$ 0.71	\$ 2.17	\$ 1.84
Basic	189.2	191.1	189.9	170.5
Diluted	189.7	191.6	190.4	177.3



Income statement (cont.)

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2020 AND 2019
(AMOUNTS IN MILLIONS EXCEPT PER SHARE DATA)
(UNAUDITED)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
Segment Information				
Freight Net Sales	\$ 1,339.3	\$ 1,667.1	\$ 5,082.3	\$ 5,441.4
Freight Income from Operations	\$ 120.5	\$ 239.2	\$ 583.9	\$ 642.9
Freight Operating Margin	9.0%	14.3%	11.5%	11.8%
Transit Net Sales	\$ 684.4	\$ 701.3	\$ 2,473.8	\$ 2,758.6
Transit Income from Operations	\$ 56.8	\$ 39.0	\$ 229.7	\$ 214.4
Transit Operating Margin	8.3%	5.6%	9.3%	7.8%
Backlog Information (Note: 12-month is a sub-set of total)				
	<u>December 31, 2020</u>	<u>September 30, 2020</u>		
Freight Total	\$ 17,887.1	\$ 17,840.5		
Transit Total	3,704.2	3,541.9		
Wabtec Total	<u>\$ 21,591.3</u>	<u>\$ 21,382.4</u>		
Freight 12-Month	\$ 3,586.3	\$ 3,626.7		
Transit 12-Month	1,934.4	1,557.6		
Wabtec 12-Month	<u>\$ 5,520.7</u>	<u>\$ 5,184.3</u>		



Balance sheet

Appendix B

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

<i>In millions</i>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Cash and cash equivalents	\$ 598.7	\$ 604.2
Receivables, net	1,412.5	1,663.9
Inventories	1,642.1	1,773.1
Current assets - other	<u>226.5</u>	<u>150.9</u>
Total current assets	3,879.8	4,192.1
Property, plant and equipment, net	1,601.6	1,655.8
Goodwill	8,485.2	8,360.6
Other intangibles, net	3,869.2	4,104.0
Other long term assets	<u>618.7</u>	<u>631.7</u>
Total assets	\$ 18,454.5	\$ 18,944.2
Current liabilities	\$ 3,226.3	\$ 3,258.0
Long-term debt	3,792.2	4,333.6
Long-term liabilities - other	<u>1,283.3</u>	<u>1,359.0</u>
Total liabilities	8,301.8	8,950.6
Shareholders' equity	10,122.3	9,956.5
Non-controlling interest	<u>30.4</u>	<u>37.1</u>
Total shareholders' equity	10,152.7	9,993.6
Total Liabilities and Shareholders' Equity	\$ 18,454.5	\$ 18,944.2



Cash flow

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

	Twelve Months Ended December 31,	
	<u>2020</u>	<u>2019</u>
<i>In millions</i>		
<i>Operating activities</i>		
Net income	\$ 412.3	\$ 326.5
Non-cash expense	404.6	369.2
Receivables	315.0	(6.3)
Inventories	180.8	255.9
Accounts Payable	(269.0)	(144.3)
Other assets and liabilities	(260.0)	214.5
Net cash provided by operating activities	783.7	1,015.5
Net cash used for investing activities	(155.4)	(3,177.8)
Net cash (used for) provided by financing activities	(619.0)	461.5
Effect of changes in currency exchange rates	(14.8)	(37.3)
Decrease in cash	(5.5)	(1,738.1)
Cash, cash equivalents, and restricted cash, beginning of period	604.2	2,342.3
Cash and cash equivalents, end of period	<u>\$ 598.7</u>	<u>\$ 604.2</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)										
	Fourth Quarter-to-Date 2020 Actual Results									
	Net Sales	Gross Profit	Operating Expenses	Income from Operations	Interest & Other Exp	Tax	Net Income	Noncontrolling Interest	Wabtec Net Income	EPS
Reported Results	\$ 2,023.7	\$ 505.5	\$ (344.4)	\$ 161.1	\$ (42.8)	\$ (31.5)	\$ 86.8	\$ 1.1	\$ 87.9	\$ 0.46
Restructuring & Transaction costs	-	21.1	30.3	51.4	-	(12.4)	39.0	-	39.0	\$ 0.20
Non-cash Amortization expense	-	-	70.8	70.8	-	(16.2)	54.6	-	54.6	\$ 0.29
Foreign Currency Loss	-	-	-	-	0.5	(0.2)	0.3	-	0.3	\$ -
Tax on Transaction Costs	-	-	-	-	-	5.7	5.7	-	5.7	\$ 0.03
Adjusted Results	\$ 2,023.7	\$ 526.6	\$ (243.3)	\$ 283.3	\$ (42.3)	\$ (54.6)	\$ 186.4	\$ 1.1	\$ 187.5	\$ 0.98
Fully Diluted Shares Outstanding										189.7

Wabtec Corporation Reconciliation of Reported Results to Adjusted Results (in millions)										
	Q4 Year-to-Date 2020 Actual Results									
	Net Sales	Gross Profit	Operating Expenses	Income from Operations	Interest & Other Exp	Tax	Net Income	Noncontrolling Interest	Wabtec Net Income	EPS
Reported Results	\$ 7,556.1	\$ 2,137.1	\$ (1,392.6)	\$ 744.5	\$ (187.3)	\$ (144.9)	\$ 412.3	\$ 2.1	\$ 414.4	\$ 2.17
Restructuring & Transaction costs	-	44.4	70.9	115.3	-	(28.8)	86.5	-	86.5	\$ 0.45
Non-cash Amortization expense	-	-	282.4	282.4	-	(70.6)	211.8	-	211.8	\$ 1.11
Foreign Exchange Loss	-	-	-	-	8.2	(2.1)	6.1	-	6.1	\$ 0.03
Tax on Transaction Costs	-	-	-	-	-	5.7	5.7	-	5.7	\$ 0.03
Adjusted Results	\$ 7,556.1	\$ 2,181.5	\$ (1,039.3)	\$ 1,142.2	\$ (179.1)	\$ (240.7)	\$ 722.4	\$ 2.1	\$ 724.5	\$ 3.79
Fully Diluted Shares Outstanding										190.4



EPS

and non-GAAP
Reconciliation

Set forth below is the calculation of the non-GAAP performance measures included in this press release. We believe that these measures provide useful supplemental information to assess our operating performance and to evaluate period-to-period comparisons. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, Wabtec's reported results prepared in accordance with GAAP.

Wabtec Corporation Reconciliation of Reported Results to Adjusted Results (in millions)										
Fourth Quarter-to-Date 2019 Actual Results										
	Net Sales	Gross Profit	Operating Expenses	Income from Operations	Interest & Other Exp	Tax	Net Income	Noncontrolling Interest	Wabtec Net Income	EPS
Reported Results	\$ 2,368.4	\$ 674.9	\$ (448.8)	\$ 226.1	\$ (51.4)	\$ (37.7)	\$ 137.0	\$ (1.3)	\$ 135.7	\$ 0.71
Restructuring, Transaction, & Litigation costs	-	9.9	61.1	71.0	3.5	(18.0)	56.5	-	56.5	\$ 0.29
Non-cash Amortization expense	-	-	65.5	65.5	-	(15.9)	49.6	-	49.6	\$ 0.26
One-time PPA	-	-	-	-	-	-	-	-	-	\$ -
Foreign Exchange Loss	-	-	-	-	(2.7)	0.7	(2.0)	-	(2.0)	\$ (0.01)
Tax on Transaction Costs	-	-	-	-	-	(3.5)	(3.5)	-	(3.5)	\$ (0.02)
Adjusted Results	\$ 2,368.4	\$ 684.8	\$ (322.2)	\$ 362.6	\$ (60.7)	\$ (74.4)	\$ 237.6	\$ (1.3)	\$ 236.3	\$ 1.23
Fully Diluted Shares Outstanding										191.6

Wabtec Corporation Reconciliation of Reported Results to Adjusted Results (in millions)										
Q4 Year-to-Date 2019 Actual Results										
	Net Sales	Gross Profit	Operating Expenses	Income from Operations	Interest & Other Exp	Tax	Net Income	Noncontrolling Interest	Wabtec Net Income	EPS
Reported Results	\$ 8,200.0	\$ 2,278.0	\$ (1,614.9)	\$ 663.1	\$ (216.3)	\$ (120.3)	\$ 326.5	\$ 0.2	\$ 326.7	\$ 1.84
Restructuring, Transaction, & Litigation costs	-	38.3	191.5	229.8	25.0	(61.6)	193.2	-	193.2	\$ 1.08
Non-cash Amortization expense	-	-	238.4	238.4	-	(57.7)	180.7	-	180.7	\$ 1.02
One-time PPA	-	185.0	-	185.0	-	(44.8)	140.2	-	140.2	\$ 0.79
Foreign Exchange Loss	-	-	-	-	13.5	(3.2)	10.3	-	10.3	\$ 0.06
Tax on Transaction Costs	-	-	-	-	-	12.5	12.5	-	12.5	\$ 0.07
Adjusted Results	\$ 8,200.0	\$ 2,501.3	\$ (1,185.0)	\$ 1,316.3	\$ (177.8)	\$ (275.1)	\$ 663.4	\$ 0.2	\$ 663.6	\$ 4.86
Fully Diluted Shares Outstanding										177.3



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 Q4 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	\$161.1		\$5.8		\$118.3	\$285.2		\$51.4	\$336.6

Wabtec Corporation 2020 Q4 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	\$744.5		\$11.6		\$465.5	\$1,221.6		\$115.3	\$1,336.9

Wabtec Corporation 2019 Q4 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	\$226.1		\$6.9		\$110.8	\$343.8		\$71.0	\$414.8

Wabtec Corporation 2019 Q4 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	\$663.1		\$2.8		\$396.2	\$1,062.1		\$414.8	\$1,476.9



Sales by product line

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

<i>In millions</i>	Three Months Ended December 31,	
	<u>2020</u>	<u>2019</u>
Freight Segment		
Equipment	\$ 433.3	\$ 638.0
Components	194.6	250.1
Digital Electronics	163.9	210.8
Services	547.5	568.2
Total Freight Segment	<u>1,339.3</u>	<u>1,667.1</u>
Transit Segment		
Original Equipment Manufacturer	\$ 321.2	\$ 313.8
Aftermarket	363.2	387.5
Total Transit Segment	<u>684.4</u>	<u>701.3</u>
<i>In millions</i>	Twelve Months Ended December 31,	
	<u>2020</u>	<u>2019</u>
Freight Segment		
Equipment	\$ 1,531.5	\$ 1,699.7
Components	818.7	1,073.5
Digital Electronics	664.0	677.1
Services	2,068.1	1,991.1
Total Freight Segment	<u>5,082.3</u>	<u>5,441.4</u>
Transit Segment		
Original Equipment Manufacturer	\$ 1,138.6	\$ 1,286.6
Aftermarket	1,335.2	1,472.0
Total Transit Segment	<u>2,473.8</u>	<u>2,758.6</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 December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
Freight Segment Reported Income from Operations	\$ 120.5	\$ 239.2	\$ 583.9	\$ 642.9
<i>Freight Segment Reported Margin</i>	9.0%	14.3%	11.5%	11.8%
One-time PPA	-	-	-	185.0
Restructuring & Transaction costs	32.4	14.9	75.9	66.6
Non-cash Amortization expense	65.5	60.0	262.3	218.3
Freight Segment Adjusted Income from Operations	<u>\$ 218.4</u>	<u>\$ 314.1</u>	<u>\$ 922.1</u>	<u>\$ 1,112.8</u>
<i>Freight Segment Adjusted Margin</i>	16.3%	18.8%	18.1%	20.5%
Transit Segment Reported Income from Operations	\$ 56.8	\$ 39.0	\$ 229.7	\$ 214.4
<i>Transit Segment Reported Margin</i>	8.3%	5.6%	9.3%	7.8%
Restructuring & Transaction costs	15.0	10.7	28.3	18.0
Non-cash Amortization expense	5.3	5.5	20.1	20.1
Transit Segment Adjusted Income from Operations	<u>\$ 77.1</u>	<u>\$ 55.2</u>	<u>\$ 278.1</u>	<u>\$ 252.5</u>
<i>Transit Segment Adjusted Margin</i>	11.3%	7.9%	11.2%	9.2%

