

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2019 AND 2018
(AMOUNTS IN MILLIONS EXCEPT PER SHARE DATA)
(UNAUDITED)

	Third Quarter <u>2019</u>	Third Quarter <u>2018</u>	For the Nine Months <u>2019</u>	For the Nine Months <u>2018</u>
Net sales	\$ 2,001.7	\$ 1,077.8	\$ 5,831.6	\$ 3,245.7
Cost of sales	(1,402.3)	(775.8)	(4,228.5)	(2,308.8)
Gross profit	<u>599.4</u>	<u>302.0</u>	<u>1,603.1</u>	<u>936.9</u>
<i>Gross profit as a % of Net Sales</i>	29.9%	28.0%	27.5%	28.9%
Selling, general and administrative expenses	(292.2)	(146.8)	(842.9)	(465.2)
Engineering expenses	(58.6)	(20.1)	(150.3)	(61.6)
Amortization expense	(79.5)	(9.9)	(172.9)	(30.1)
Total operating expenses	<u>(430.3)</u>	<u>(176.8)</u>	<u>(1,166.1)</u>	<u>(556.9)</u>
<i>Operating expenses as a % of Net Sales</i>	21.5%	16.4%	20.0%	17.2%
Income from operations	169.1	125.2	437.0	380.0
<i>Income from operations as a % of Net Sales</i>	8.4%	11.6%	7.5%	11.7%
Interest expense, net	(57.7)	(23.7)	(160.8)	(75.9)
Other income (expense), net	1.9	1.2	(4.1)	6.0
Income from operations before income taxes	<u>113.3</u>	<u>102.7</u>	<u>272.1</u>	<u>310.1</u>
Income tax expense	(22.7)	(16.6)	(82.6)	(53.2)
<i>Effective tax rate</i>	20.0%	16.2%	30.4%	17.2%
Net income	90.6	86.1	189.5	256.9
Less: Net loss attributable to noncontrolling interest	<u>0.5</u>	<u>1.6</u>	<u>1.5</u>	<u>3.7</u>
Net income attributable to Wabtec shareholders	<u>\$ 91.1</u>	<u>\$ 87.7</u>	<u>\$ 191.0</u>	<u>\$ 260.6</u>
Earnings Per Common Share				
Basic				
Net income attributable to Wabtec shareholders	<u>\$ 0.48</u>	<u>\$ 0.91</u>	<u>\$ 1.17</u>	<u>\$ 2.71</u>
Diluted				
Net income attributable to Wabtec shareholders	<u>\$ 0.48</u>	<u>\$ 0.91</u>	<u>\$ 1.11</u>	<u>\$ 2.70</u>
Basic	<u>189.6</u>	<u>96.2</u>	<u>163.2</u>	<u>95.9</u>
Diluted	<u>191.5</u>	<u>96.6</u>	<u>172.2</u>	<u>96.4</u>
Segment Information				
Freight Net Sales	\$ 1,295.7	\$ 391.6	\$ 3,666.1	\$ 1,183.4
Freight Income from Operations	\$ 148.1	\$ 79.4	\$ 375.3	\$ 233.4
Freight Operating Margin	11.4%	20.3%	10.2%	19.7%
Transit Net Sales	\$ 706.0	\$ 686.2	\$ 2,165.5	\$ 2,062.3
Transit Income from Operations	\$ 55.8	\$ 60.7	\$ 185.9	\$ 186.8
Transit Operating Margin	7.9%	8.8%	8.6%	9.1%
Backlog Information (Note: 12-month is a sub-set of total)				
	<u>September 30, 2019</u>	<u>June 30, 2019</u>		
Freight Total	\$ 18,257.6	\$ 18,765.5		
Transit Total	<u>3,672.9</u>	<u>3,847.8</u>		
Wabtec Total	<u>\$ 21,930.5</u>	<u>\$ 22,613.3</u>		
Freight 12-Month	\$ 3,914.2	\$ 3,793.9		
Transit 12-Month	<u>1,813.1</u>	<u>2,058.9</u>		
Wabtec 12-Month	<u>\$ 5,727.3</u>	<u>\$ 5,852.8</u>		

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS

<i>In millions</i>	Unaudited September 30, 2019	December 31, 2018
Cash and cash equivalents	\$ 587.4	\$ 580.9
Restricted cash	-	1,761.4
Receivables, net	1,673.3	1,146.8
Inventories	1,957.3	844.9
Current assets - other	<u>192.4</u>	<u>115.6</u>
Total current assets	4,410.4	4,449.6
Property, plant and equipment, net	1,622.7	563.8
Goodwill	8,103.2	2,396.5
Other intangibles, net	4,207.0	1,129.9
Other long term assets	<u>557.6</u>	<u>109.4</u>
Total assets	<u>\$ 18,900.9</u>	<u>\$ 8,649.2</u>
Current liabilities	\$ 3,198.9	\$ 1,646.6
Long-term debt	4,633.5	3,792.8
Long-term liabilities - other	<u>1,339.1</u>	<u>340.7</u>
Total liabilities	9,171.5	5,780.1
Shareholders' equity	9,696.4	2,865.2
Non-controlling interest	<u>33.0</u>	<u>3.9</u>
Total shareholders' equity	<u>9,729.4</u>	<u>2,869.1</u>
Total Liabilities and Shareholders' Equity	<u>\$ 18,900.9</u>	<u>\$ 8,649.2</u>

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Unaudited
Nine Months Ended September 30,
2019 2018

In millions

Net cash provided by operating activities	\$ 567.7	\$ 38.0
Net cash used for investing activities	(3,109.8)	(104.2)
Net cash provided by financing activities	817.1	1,995.3
Effect of changes in currency exchange rates	<u>(29.9)</u>	<u>(27.1)</u>
(Decrease) increase in cash	(1,754.9)	1,902.0
Cash, cash equivalents, and restricted cash, beginning of period	<u>2,342.3</u>	<u>233.4</u>
Cash, cash equivalents, and restricted cash, end of period	<u><u>\$ 587.4</u></u>	<u><u>\$ 2,135.4</u></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					EBITDA (Income from
2019 Q3 EBITDA Reconciliation	<u>Income from</u>	<u>Depreciation</u>	<u>Amortization</u>	<u>Operations plus Depreciation</u>	
(in millions)	<u>Operations</u>	<u>Depreciation</u>	<u>Amortization</u>	<u>& Amortization</u>	
Consolidated Q3 Actual As Reported	\$ 169.1	\$ 43.4	\$ 79.5	\$	292.0
Restructuring, Transaction, & Litigation costs	68.5	-	-		68.5
One-time PPA Charges	16.0	-	-		16.0
Policy Harmonization	63.0	-	-		63.0
Adjusted Results	\$ 316.6	\$ 43.4	\$ 79.5	\$	439.5

Set forth below is a reconciliation of the 2019 guidance to the adjusted guidance included in this press release. We believe that the adjusted guidance provides useful supplemental information to assess our forecasted results. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, Wabtec's guidance presented in accordance with GAAP.

Wabtec Corporation						
Reconciliation of Guidance to Adjusted Guidance *						
(in billions)						
	<u>Revenue</u>	<u>Income from Operations</u>	<u>Depreciation & Amortization</u>	<u>EBITDA (Income from Operations plus Depreciation & Amortization)</u>		
2019 Guidance	\$ 8.1	\$ 0.7	\$ 0.4	\$ 1.2		
Restructuring, Transaction, & Litigation costs	-	0.2	-	0.2		
One-time PPA Charges	-	0.2	-	0.2		
Policy Harmonization	0.1	0.1	-	0.1		
2019 Adjusted Guidance	\$ 8.2	\$ 1.2	\$ 0.4	\$ 1.6		

* Net Income and Earnings Per Diluted Share ("EPS") will be impacted by a variety of uncertainties including revisions to purchase price accounting, final transaction costs, and mix of operations affecting accounting harmonization. The Company does not further reconcile Income from Operations to Net Income due to the inherent difficulty, without unreasonable efforts, in forecasting and quantifying with reasonable accuracy the foregoing significant items required for the reconciliation. On a GAAP basis, Net Income is estimated to range from \$362 million to \$372 million, with an EPS range of \$2.05 to \$2.10. On an adjusted basis, Net Income is estimated to range from \$735 million to \$745 million, and EPS of \$4.15 to \$4.20.