

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2019 AND 2018
(AMOUNTS IN THOUSANDS EXCEPT PER SHARE DATA)
(UNAUDITED)

	First Quarter <u>2019</u>	First Quarter <u>2018</u>
Net sales	\$ 1,593,617	\$ 1,056,177
Cost of sales	<u>(1,204,600)</u>	<u>(745,296)</u>
Gross profit	389,017	310,881
<i>Gross profit as a % of Net Sales</i>	24.4%	29.4%
Selling, general and administrative expenses	(259,723)	(147,201)
Engineering expenses	(34,545)	(22,049)
Amortization expense	<u>(27,442)</u>	<u>(10,352)</u>
Total operating expenses	(321,710)	(179,602)
<i>Operating expenses as a % of Net Sales</i>	20.2%	17.0%
Income from operations	67,307	131,279
<i>Income from operations as a % of Net Sales</i>	4.2%	12.4%
Interest expense, net	(44,569)	(20,284)
Other (expense) income, net	<u>(8,228)</u>	<u>2,586</u>
Income from operations before income taxes	14,510	113,581
Income tax expense	(18,523)	(26,124)
<i>Effective tax rate</i>	127.7%	23.0%
Net (loss) income	(4,013)	87,457
Less: Net (gain) loss attributable to noncontrolling interest	<u>(459)</u>	<u>909</u>
Net (loss) income attributable to Wabtec shareholders	<u>\$ (4,472)</u>	<u>\$ 88,366</u>
Earnings Per Common Share		
Basic		
Net (loss) income attributable to Wabtec shareholders	<u>\$ (0.04)</u>	<u>\$ 0.92</u>
Diluted		
Net (loss) income attributable to Wabtec shareholders	<u>\$ (0.04)</u>	<u>\$ 0.92</u>
Basic	<u>121,226</u>	<u>95,810</u>
Diluted	<u>121,226</u>	<u>96,371</u>
Segment Information		
Freight Net Sales	\$ 876,434	\$ 379,554
Freight Income from Operations	\$ 75,210	\$ 69,623
Freight Operating Margin	8.6%	18.3%
Transit Net Sales	\$ 717,183	\$ 676,623
Transit Income from Operations	\$ 58,933	\$ 68,084
Transit Operating Margin	8.2%	10.1%
Backlog Information (Note: 12-month is a sub-set of total)		
	<u>March 31, 2019</u>	<u>December 31, 2018</u>
Freight Total	\$ 19,466,111	\$ 664,656
Transit Total	<u>3,795,200</u>	<u>3,816,925</u>
Wabtec Total	<u>\$ 23,261,311</u>	<u>\$ 4,481,581</u>
Freight 12-Month	\$ 4,061,260	\$ 503,528
Transit 12-Month	<u>2,048,707</u>	<u>1,954,573</u>
Wabtec 12-Month	<u>\$ 6,109,967</u>	<u>\$ 2,458,101</u>

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS

<i><u>In thousands</u></i>	<u>March 31, 2019</u>	<u>December 31, 2018</u>
Cash and cash equivalents	\$ 512,870	\$ 580,908
Restricted cash	-	1,761,446
Receivables, net	1,726,824	1,146,778
Inventories	1,947,220	844,886
Current assets - other	<u>194,223</u>	<u>115,649</u>
Total current assets	4,381,137	4,449,667
Property, plant and equipment, net	1,634,966	563,737
Goodwill	8,142,473	2,396,544
Other intangibles, net	4,364,021	1,129,880
Other long term assets	<u>555,308</u>	<u>109,406</u>
Total assets	<u>\$ 19,077,905</u>	<u>\$ 8,649,234</u>
Current liabilities	\$ 3,254,435	\$ 1,646,690
Long-term debt	4,641,286	3,792,774
Long-term liabilities - other	<u>1,401,738</u>	<u>340,695</u>
Total liabilities	9,297,459	5,780,159
Shareholders' equity	9,687,846	2,865,131
Non-controlling interest	<u>92,600</u>	<u>3,944</u>
Total shareholders' equity	<u>\$ 9,780,446</u>	<u>\$ 2,869,075</u>
Total Liabilities and Shareholders' Equity	<u>\$ 19,077,905</u>	<u>\$ 8,649,234</u>

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

<u><i>In thousands</i></u>	Three Months Ended March 31,	
	<u>2019</u>	<u>2018</u>
Net cash provided by operating activities	\$ 31,338	\$ 24,200
Net cash used for investing activities	(2,739,648)	(43,865)
Net cash provided by financing activities	882,990	28,668
Effect of changes in currency exchange rates	(4,164)	7,482
(Decrease) increase in cash	(1,829,484)	16,485
Cash, cash equivalents, and restricted cash, beginning of period	2,342,354	233,401
Cash, cash equivalents, and restricted cash, end of period	<u>\$ 512,870</u>	<u>\$ 249,886</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 2019 Q-1 EBITDA Reconciliation (in millions)	<u>Income from Operations</u>	<u>Depreciation</u>	<u>Amortization</u>	<u>EBITDA (Income from Operations plus Depreciation & Amortization)</u>
Consolidated Q1 Actual As Reported	\$ 67.3	\$ 27.2	\$ 28.7	\$ 123.2
Transaction and Restructuring Costs	58.9	-	-	58.9
One-time PPA Charges	80.0	-	-	80.0
Policy Harmonization	14.0	-	-	14.0
Adjusted Results	\$ 220.2	\$ 27.2	\$ 28.7	\$ 276.1

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	\$ 8.4	\$ 0.8	\$ 0.5	\$	1.3
Transaction and Restructuring Costs	-	0.1	-		0.1
One-time PPA Charges	-	0.2	-		0.2
Policy Harmonization	0.1	0.1	-		0.1
2019 Adjusted Guidance	\$ 8.4	\$ 1.2	\$ 0.5	\$	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 \$425 million to \$460 million, with an EPS range of \$2.40 to \$2.60. On an adjusted basis, Net Income is estimated to range from \$710 million to \$740 million, and EPS of \$4.00 to \$4.20.