

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORP  
Form 10-Q  
July 31, 2018

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

FORM 10-Q

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

For the quarterly period ended June 30, 2018

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission file number: 033-90866

WESTINGHOUSE AIR BRAKE TECHNOLOGIES  
CORPORATION  
(Exact name of registrant as specified in its charter)

Delaware 25-1615902  
(State or other jurisdiction (I.R.S. Employer  
of incorporation or organization) Identification No.)

1001 Air Brake Avenue 15148  
Wilmerding, PA  
(Address of principal executive offices) (Zip code)

412-825-1000  
(Registrant's telephone number, including area code)

N/A  
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  "Non-accelerated filer" smaller reporting company  (Do not check if reporting company)

Emerging growth company  Smaller reporting 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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at July 25, 2018
Common Stock, \$.01 par value per share	96,386,379

WESTINGHOUSE AIR BRAKE  
TECHNOLOGIES CORPORATION  
June 30, 2018  
FORM 10-Q  
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## PART I—FINANCIAL INFORMATION

## Item 1. FINANCIAL STATEMENTS

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION  
CONDENSED CONSOLIDATED BALANCE SHEETS

In thousands, except shares and par value	Unaudited	
	June 30, 2018	December 31, 2017
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$245,574	\$ 233,401
Accounts receivable	835,150	800,619
Unbilled accounts receivable	378,084	366,168
Inventories	863,793	742,634
Other current assets	124,286	122,291
Total current assets	2,446,887	2,265,113
Property, plant and equipment	1,009,198	1,026,046
Accumulated depreciation	(453,364)	(452,074)
Property, plant and equipment, net	555,834	573,972
<b>Other Assets</b>		
Goodwill	2,428,591	2,460,103
Other intangibles, net	1,174,400	1,204,432
Other noncurrent assets	71,894	76,360
Total other assets	3,674,885	3,740,895
Total Assets	\$6,677,606	\$ 6,579,980
<b>Liabilities and Shareholders' Equity</b>		
<b>Current Liabilities</b>		
Accounts payable	\$615,677	\$ 552,525
Customer deposits	390,126	369,716
Accrued compensation	163,580	164,210
Accrued warranty	137,064	137,542
Current portion of long-term debt	27,115	47,225
Other accrued liabilities	272,906	302,112
Total current liabilities	1,606,468	1,573,330
Long-term debt	1,857,806	1,823,303
Accrued postretirement and pension benefits	98,742	103,734
Deferred income taxes	155,611	175,902
Accrued warranty	16,778	15,521
Other long-term liabilities	67,573	59,658
Total Liabilities	3,802,978	3,751,448
<b>Commitments and contingencies (Note 15)</b>		
<b>Equity</b>		
Preferred stock, 1,000,000 shares authorized, no shares issued	—	—
Common stock, \$0.01 par value; 200,000,000 shares authorized: 132,349,534 shares issued and 96,386,379 and 96,034,352 outstanding at June 30, 2018 and December 31, 2017, respectively	1,323	1,323
Additional paid-in capital	910,350	906,616
Treasury stock, at cost, 35,963,155 and 36,315,182 shares, at June 30, 2018 and December 31, 2017, respectively	(821,178)	(827,379)
Retained earnings	2,922,986	2,773,300

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Accumulated other comprehensive loss	(156,201 )	(44,992 )
Total Westinghouse Air Brake Technologies Corporation shareholders' equity	2,857,280	2,808,868
Noncontrolling interest	17,348	19,664
Total Equity	2,874,628	2,828,532
Total Liabilities and Equity	\$6,677,606	\$ 6,579,980

The accompanying notes are an integral part of these statements.

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WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION  
 CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Unaudited		Unaudited	
	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
In thousands, except per share data	2018	2017	2018	2017
Net sales	\$1,111,680	\$932,253	\$2,167,857	\$1,848,287
Cost of sales	(787,713 )	(658,290 )	(1,533,009 )	(1,304,617 )
Gross profit	323,967	273,963		