



Wabtec to Acquire Nordco

March 23, 2021

Strategic Combination to Drive Shareholder Value by Accelerating Global Growth in Rail Maintenance of Way

PITTSBURGH--(BUSINESS WIRE)--Mar. 23, 2021-- [Wabtec Corporation](#) (NYSE: WAB) announced today it has signed a definitive agreement to acquire Nordco, a leading North American supplier of new, rebuilt and used maintenance of way equipment with a broad product and service portfolio including mobile railcar movers and ultrasonic rail flaw detection technologies, from Greenbriar Equity Group LP. Through the acquisition, Wabtec will expand its installed base and accelerate growth across Nordco's innovative product portfolio both domestically and internationally, while driving increased value creation for customers and shareholders. The acquisition has received necessary regulatory approvals and is subject to customary closing conditions.

"Nordco is a strategic addition to the Wabtec portfolio with an attractive pipeline of vertical solutions and strong aftermarket demand that will only be strengthened by our vast global footprint," said Rafael Santana, Wabtec President and CEO. "This acquisition aligns with our growth strategy, is supported by a strong recurring revenue model, technology that complements our business, and is projected to deliver over \$10 million in cost synergies for our shareholders over the next three years."

In recent years, Greenbriar partnered with Nordco to invest in innovation, new product development and customer relationships, helping create a leader in rail maintenance of way equipment, products and services.

Nordco is expected to have full year 2021 sales of more than \$175 million and EBITDA of about \$40 million and will join Wabtec as part of its Freight Services group. Wabtec is acquiring Nordco for \$400 million in cash, financed through cash on hand and a revolving credit facility. Wabtec expects Nordco to be immediately accretive to EBITDA margin, EPS and cash flow in 2021 after adjusting for one-time costs.

The Nordco family of companies provides an extensive selection of products and services that enable rail-related industries to build, improve, maintain and inspect their track infrastructure and reposition rolling stock. Nordco's equipment and services support the North American Class I railroads, short-line and transit authorities, equipment leasing companies and leading industrial customers.

Pascal Schweitzer, President of Wabtec's Freight Services group, said: "We are excited to welcome Nordco to Wabtec in an acquisition that accelerates our long-term profitable growth strategy. This deal will significantly increase our presence in the maintenance of way segment and give us a strong position in the growing railcar mover market. Our combination provides an attractive offer for customers and opens further opportunities for international expansion."

Baird served as financial advisor to Nordco. Jones Day provided legal services to Wabtec and Hughes Hubbard & Reed LLP provided legal services to Nordco.

For more information on the acquisition, please visit www.WabtecCorp.com and click on the "Investor Relations" section.

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 busses 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 Wilmerding, PA, Wabtec has approximately 27,000 employees in facilities throughout the world.

About Nordco

[Nordco](#) is a leading North American provider of highly-engineered equipment, parts and services to the railroad maintenance-of-way, railcar moving and rail flaw detection sectors. Headquartered in Oak Creek, WI, Nordco employs approximately 400 people and operates out of several facilities across the United States.

About Greenbriar Equity Group

Greenbriar is a private equity firm focused on investments in market leading services and manufacturing businesses with proven management teams capitalizing on strong long-term growth prospects that can benefit from its deep sectoral expertise and strategic insight alongside its operating capabilities and network of senior executive relationships. Greenbriar has managed over \$6 billion of total committed capital across five investment funds since 2001. www.greenbriarequity.com

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

This press release mentions EBITDA, which is a non-GAAP financial performance measure. Wabtec defines EBITDA as earnings before interest, taxes, depreciation and amortization. While Wabtec believes EBITDA is a useful metric for investors, it is not presented in accordance with GAAP.

Investors should not consider this non-GAAP measure in isolation or as a substitute for net income. EBITDA has inherent material limitations as a performance measure because it adds back certain expenses incurred by the company to GAAP net income, resulting in those expenses not being taken into account in the applicable non-GAAP financial measure. EBITDA, as used by Wabtec, may not be comparable to other similarly titled measures of other companies.

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. All statements, other than historical facts, including statements regarding the acquisition by Wabtec of Nordco, synergies from the transaction, Nordco’s anticipated performance for 2021, Nordco’s expected contribution to Wabtec, and Wabtec’s plans, objectives, expectations and intentions as well as 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) that one or more closing conditions to the transaction may not be satisfied or waived, on a timely basis or otherwise; (2) the risk that the proposed transaction may not be completed on the terms or in the time frame expected by Wabtec, or at all; (3) unexpected costs, charges or expenses resulting from the proposed transaction; (4) uncertainty of the expected financial performance of Nordco, or its contribution to Wabtec, following completion of the proposed transaction; (5) failure to realize the anticipated benefits of the proposed transaction; (6) difficulties and delays in achieving synergies; (7) changes in general economic and/or industry specific conditions; and (8) 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.

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