

Q4 and Fiscal 2017 Conference Call

March 23, 2018



2017: A TRANSFORMATIVE YEAR

- > Launched Westport HPDI 2.0™
- > Refocused portfolio and aligned resources
- > Strengthened financial position and cash

Transformative actions set the company on a sustainable path forward

WFS CONSOLIDATED RESULTS

> Continued execution towards stated goals

FOURTH QUARTER

(\$ in millions)	Q4 2017	Q4 2016	Better/(Worse)
Total Revenues	\$ 64.2	\$ 60.1	7%
Gross Margin	16.0	13.2	21%
GM%	25%	22%	-
Operating Expenses	32.6	44.4	27%
Net Income (Loss) from Continuing Operations*	(19.2)	(44.7)	57%
Adjusted EBITDA^	(3.5)	(10.6)	67%

SEQUENTIAL

Q1 2017	Q2 2017	Q3 2017	Q4 2017
\$ 60.0	\$ 62.1	\$ 60.8	\$ 64.2
17.5	15.8	14.8	16.0
29%	25%	24%	25%
29.5	32.1	34.9	32.6
(12.8)	(13.3)	(15.7)	(19.2)
(4.1)	(5.3)	(5.0)	(3.5)

AUTOMOTIVE SEGMENT

- > Full year Automotive revenue of \$239.4 million
- > 4Q17 helped by stronger Euro, higher OEM sales, and NAFTA shipments

FOURTH QUARTER

(\$ in millions)	Q4 2017	Q4 2016	Better/(Worse)
Total Revenues	\$ 62.2	\$ 59.1	5%
Gross Margin	15.1	12.4	22%
GM%	24%	20%	-
R&D	4.2	4.2	<i>Unchanged</i>
SG&A	9.3	8.9	(4%)
Adjusted EBITDA*	3.5	0.4	-
Adjusted EBITDA %*	5.6%	0.7%	490 bp

SEQUENTIAL

Q1 2017	Q2 2017	Q3 2017	Q4 2017
\$ 56.3	\$ 60.9	\$ 60.0	\$ 62.2
13.8	14.6	14.4	15.1
25%	24%	24%	24%
3.7	4.2	3.9	4.2
8.7	8.1	9.7	9.3
3.6	3.1	3.8	3.5
6.4%	5.1%	6.3%	5.6%

CUMMINS WESTPORT INC.

- > Continued strength in refuse and transit; pre-buy activity in Q4
- > Gross margin benefits from lower warranty costs; reduced R&D and SG&A spending
- > \$13.4 million deferred tax asset adjustment in Q4 2017

FOURTH QUARTER

(\$ in millions)	Q4 2017	Q4 2016	Better/(Worse)
Units	2,398	1,881	27%
Total Revenues	91.6	70.4	30%
Gross Margin*	31.3	17.6	78%
GM%*	34%	25%	-
R&D	5.3	8.3	36%
% of sales	6%	12%	-
SG&A	4.7	4.5	(4%)
% of sales	5%	6%	-
Net income**	(0.7)	2.4	(129%)
% of sales*	(1%)	3%	-

FULL YEAR

	2017	2016	Better/(Worse)
Units	7,955	7,232	10%
Total Revenues	317.3	276.5	15%
Gross Margin*	109.5	77.1	42%
GM%*	35%	28%	-
R&D	30.7	36.1	15%
% of sales	10%	13%	-
SG&A	20.8	24.2	14%
% of sales	7%	9%	-
Net income**	25.0	11.2	123%
% of sales*	8%	4%	-

CORPORATE & TECHNOLOGY SEGMENT

- > 2017 R&D and SG&A negatively affected by FX (CAD and Euro) impact
- > Q4 2017 R&D expenses lower due to launch of Westport HPDI 2.0™ program
- > Q4 2017 SG&A expenses higher due to performance-related bonus and legal fees

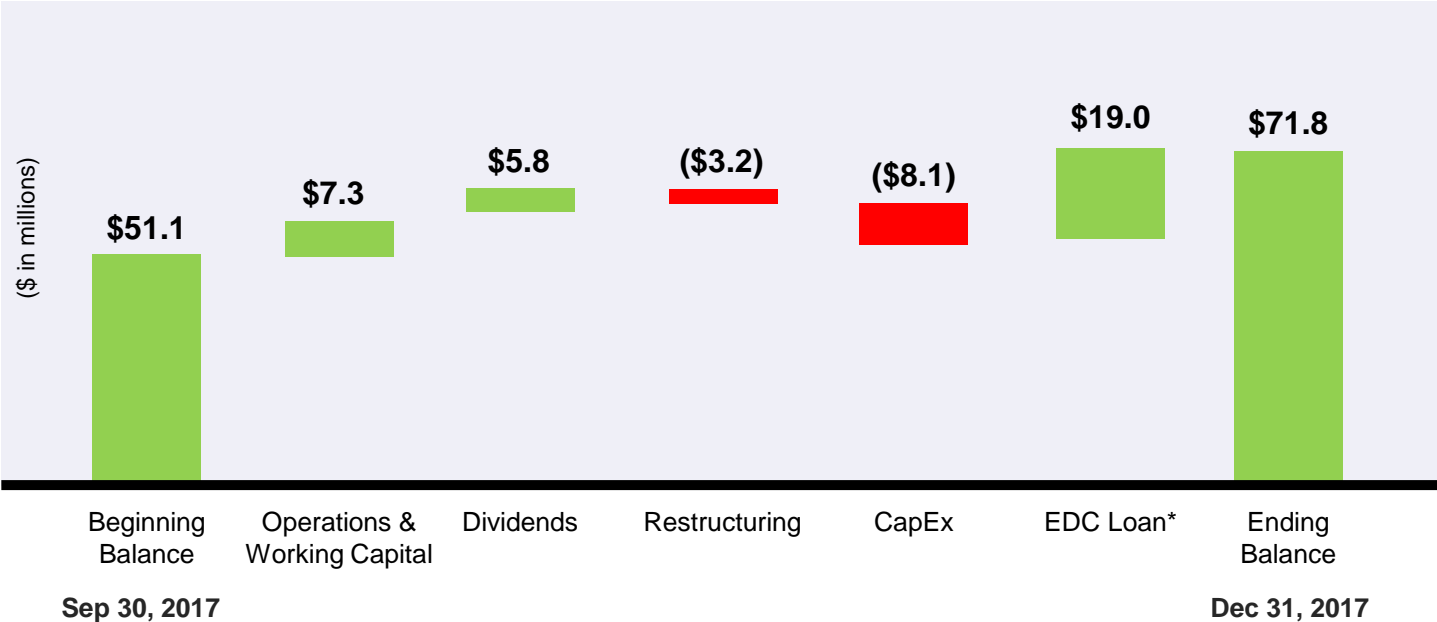
FOURTH QUARTER

(\$ in millions)	Q4 2017	Q4 2016	Better/(Worse)
R&D	7.7	10.5	27%
SG&A	8.0	5.7	(40%)
Total	15.7	16.2	4%

FULL YEAR

2017	2016	Better/(Worse)
35.1	39.8	12%
28.7	35.0	18%
63.8	74.8	15%

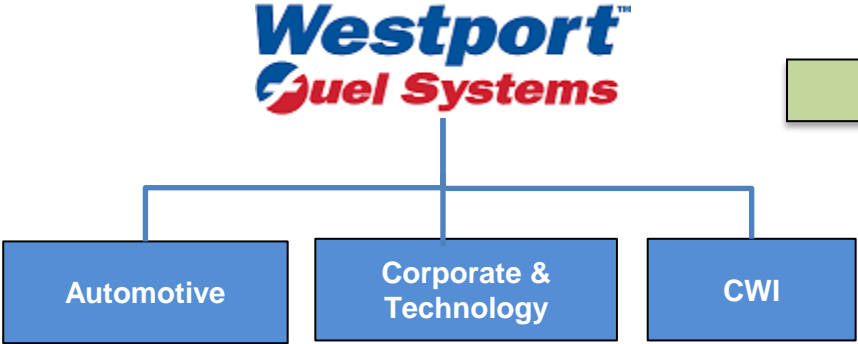
Q4 2017 CASH WALK



*Note: Gross proceeds were \$20.0M

NEW REPORTING STRUCTURE

> 2017



> Effective January 2018



STRATEGIC FOCUS

- > Advance technology leadership and solutions
- > Focus on market and customer demand
- > Streamline operations and drive efficiency
- > Leverage critical partnerships
- > Broaden product offering
- > Deploy market-ready solutions
- > Continue to focus on cash management
- > Increase engagement with key OEMs and industry partners

MARKET-READY SOLUTIONS, INNOVATION,
AND AGILITY DRIVE CUSTOMER
EXCELLENCE

CRITICAL INITIATIVES WILL ADVANCE THE
WESTPORT FUEL SYSTEMS MARKET
LEADERSHIP POSITION

2018: DELIVERY & EXECUTION

- > Secure global leadership of alternative fuel solutions, systems and components
- > Strengthen financial position
- > Focus on the customer

Move Westport Fuel Systems on a path to long-term value creation



Q&A

CAUTIONARY NOTE

Forward Looking Statements

- > This presentation contains forward-looking statements, including statements regarding Westport Fuel Systems' business, revenue, liquidity and cash usage expectations, future of our development programs, future sales of products and gross margin, the demand for and future availability of our products, the future success of our business and technology strategies, the performance and competitiveness of Westport Fuel Systems products and expansion of product coverage and future market opportunities. These statements are neither promises nor guarantees, but involve known and unknown risks and uncertainties and are based on both the views of management and assumptions that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activities, performance or achievements expressed in or implied by these forward looking statements. These risks and uncertainties include risks and assumptions related to our revenue growth, operating results, costs and recoveries of ongoing regulatory investigations, industry and products, the general economy, conditions of and access to the capital and debt markets, governmental policies, regulation and approvals, technology innovations, fluctuations in foreign exchange rates, operating expenses, the availability and price of natural gas, global government stimulus packages, the acceptance of and shift to natural gas vehicles, the relaxation or waiver of fuel emission standards, the inability of fleets to access capital or government funding to purchase natural gas vehicles, the development of competing technologies, our ability to adequately develop and deploy our technology, the actions and determinations of our joint venture and development partners, as well as other risk factors and assumptions that may affect our actual results, performance or achievements or financial position discussed in Westport Fuel Systems most recent Annual Information Form and Annual Report on Form 40-F for the year ended December 31, 2017 and other filings made by Westport Fuel Systems with securities regulators. Readers should not place undue reliance on any such forward-looking statements, which speak only as of the date they were made. We disclaim any obligation to publicly update or revise such statements to reflect any change in our expectations or in events, conditions or circumstances on which any such statements may be based, or that may affect the likelihood that actual results will differ from those set forth in these forward looking statements except as required by National Instrument 51-102. The contents of any website, RSS feed or twitter account referenced in this presentation are not incorporated by reference herein.
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