

# Q4 2018 Conference Call

March 19, 2019



# WFS CONSOLIDATED RESULTS

> Third consecutive quarter of positive adjusted EBITDA

## FOURTH QUARTER

(\$ in millions)	Q4 2018	Q4 2017	Better/(Worse)
<b>Total Revenues</b>	<b>\$60.5</b>	<b>\$57.5</b>	<b>5%</b>
Gross Margin	12.3	14.0	(12%)
GM%	20%	24%	-
Operating Expenses	27.3	32.1	15%
Net Loss from Continuing Operations	(10.4)	(20.8)	50%
Adjusted EBITDA <sup>^</sup>	0.2	(4.9)	104%

## YEAR TO DATE

	2018	2017	Better/(Worse)
	<b>\$270.3</b>	<b>\$229.8</b>	<b>18%</b>
	64.2	60.3	6%
	24%	26%	-
	116.9	127.0	8%
	(40.8)	(62.9)	35%
	9.7	(19.7)	149%

# TRANSPORTATION SEGMENT

- > Year-over-year revenue increase driven by strong sales in the aftermarket and OEM businesses, including shipments of the Westport HPDI 2.0™ product and FX impact

## FOURTH QUARTER

(\$ in millions)	Q4 2018	Q4 2017	Better/(Worse)
<b>Total Revenues</b>	<b>\$60.5</b>	<b>\$57.5</b>	<b>5%</b>
Gross Margin	12.3	14.0	14%
GM%	20%	24%	-
R&D	6.6	11.0	40%
SG&A	9.3	11.9	2%
Adjusted EBITDA <sup>^</sup>	(3.1)	(5.4)	43%
Adjusted EBITDA % <sup>^</sup>	(5%)	(9%)	-

## SEQUENTIAL

Q1 2018	Q2 2018	Q3 2018	Q4 2018
<b>\$63.8</b>	<b>\$80.5</b>	<b>\$65.5</b>	<b>\$60.5</b>
14.6	21.7	15.6	12.3
23%	27%	24%	20%
8.4	7.2	7.4	6.6
8.8	10.0	8.7	9.3
(0.7)	7.4	1.8	(3.1)
(1%)	9%	3%	(5%)

# CUMMINS WESTPORT INC.

- > Revenue increased primarily driven by higher shipments for near-zero emissions products
- > Gross margin impacted by product mix and unfavourable net warranty adjustments in Q4 2018

## FOURTH QUARTER

(\$ in millions)	Q4 2018	Q4 2017	Better/(Worse)
<b>Units</b>	<b>2,362</b>	<b>2,398</b>	<b>(2%)</b>
<b>Total Revenues</b>	<b>94.1</b>	<b>\$91.6</b>	<b>3%</b>
Gross Margin	20.9	31.3	(33%)
GM%	22%	34%	-
R&D	3.3	5.3	38%
% of sales	4%	6%	-
SG&A	5.7	4.7	(21%)
% of sales	6%	5%	-
Net income	11.5	(0.7)	N/A
% of sales	12%	(1%)	-

## SEQUENTIAL

Q1 2018	Q2 2018	Q3 2018	Q4 2018
<b>819</b>	<b>2,124</b>	<b>2,090</b>	<b>2,362</b>
<b>\$52.2</b>	<b>\$86.9</b>	<b>86.2</b>	<b>94.1</b>
13.2	29.5	27.3	20.9
25%	34%	32%	22%
6.1	4.4	4.2	3.3
12%	5%	5%	4%
4.0	4.6	2.5	5.7
8%	5%	3%	6%
3.0	15.5	15.4	11.5
6%	18%	18%	12%

# CORPORATE SEGMENT

- > SG&A expenses impacted by SEC legal costs of \$3.1M, net of expected D&O insurance recoveries

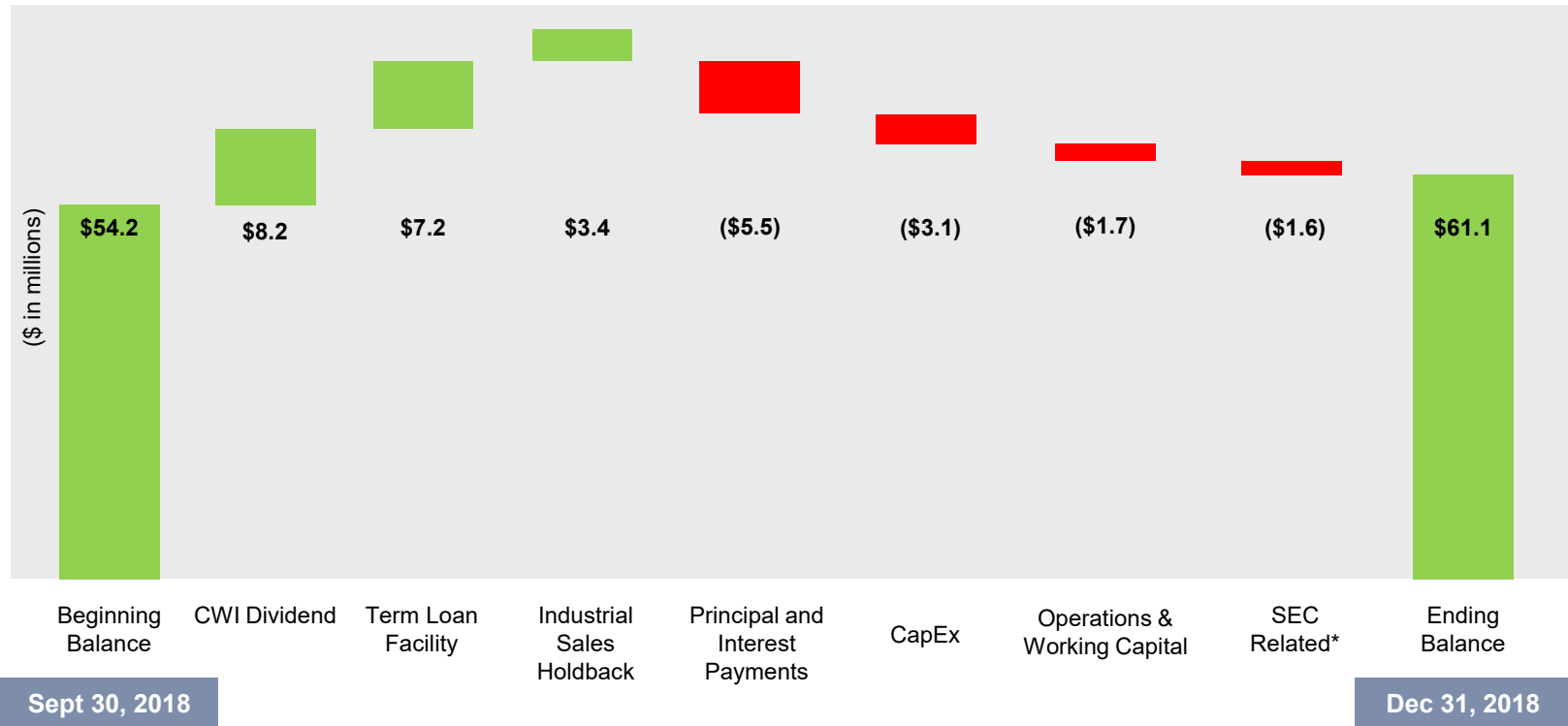
## FOURTH QUARTER

(\$ in millions)	Q4 2018	Q4 2017	Better/(Worse)
R&D	0.2	0.6	67%
SG&A	6.9	4.8	(44%)
<b>Total</b>	<b>7.1</b>	<b>5.4</b>	<b>(31%)</b>

## SEQUENTIAL

Q1 2018	Q2 2018	Q3 2018	Q4 2018
0.2	0.2	0.4	0.2
5.3	8.3	9.7	6.9
<b>5.5</b>	<b>8.5</b>	<b>10.1</b>	<b>7.1</b>

# Q4 CASH WALK



# GUIDANCE

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- > Providing 2019 revenue guidance range of \$265 - \$295 million

Q&A

**Westport**<sup>™</sup>  
**Fuel Systems**



# 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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