

# Driving Cleaner Performance



# Westport Fuel Systems

## Disclaimer and Forward-Looking Statements

This presentation contains forward-looking statements, including statements regarding, future revenue expectations, future growth in markets, future of our development programs (including those relating to HPDI and Hydrogen), the demand for our products, the future success of our business and technology strategies, the future role of HPDI in internal combustion engines, intentions of partners and potential customers, the performance and competitiveness of Westport Fuel Systems' products, future market opportunities as well as Westport Fuel Systems management's response to any of the aforementioned factors. 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, uncertainties and assumptions include those related to our revenue growth, operating results, industry and products, the general economy including impacts due to inflation, conditions of and access to the capital and debt markets, access to required semiconductors, solvency, governmental policies, sanctions and regulation, technology innovations, fluctuations in foreign exchange rates, operating expenses, continued reduction in expenses, ability to successfully commercialize new products, the performance of our joint ventures, the availability and price of natural gas, government incentive programs and new environmental regulations, 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 our most recent Annual Information Form and other filings 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 press release are not incorporated by reference herein.

# Speaking Today...



**Dan Sceli**  
Chief Executive Officer

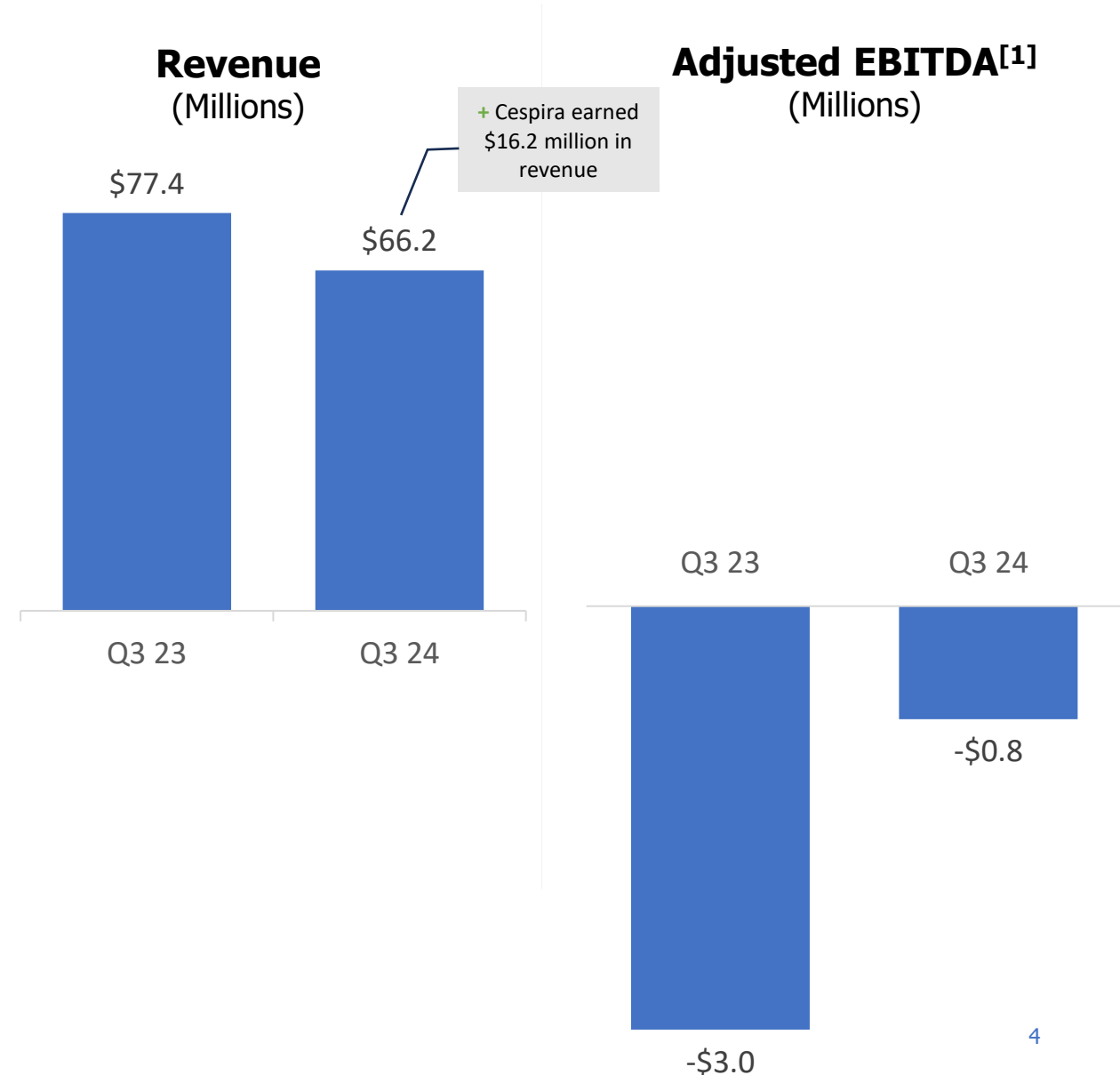


**Bill Larkin**  
Chief Financial Officer

# YoY Gross Margin & Adj. EBITDA Wins

## Highlights:

- 3Q24 revenue of \$66.2 million, a 14% decrease over the \$77.4 million reported in 3Q23, primarily driven by the transition of Heavy-duty OEM assets into the HPDI JV (that generated \$16.2 million of revenue in 3Q24)
- Gross margin of \$14.5 million (22% of revenue), as compared to \$13.2 million in the same quarter of the prior year (17% of revenue)
- 3Q24 Adj. EBITDA loss of \$0.8 million, an improvement as compared to the Adj. EBITDA loss of \$3.0 million in 3Q23
- Further evolved the “Cespira” joint venture with Volvo Group, to jointly accelerate the commercialization and global adoption of the HPDI™ fuel system technology for long-haul and off-road applications
- Light-Duty segment continues to innovate, enabling customer to access lower-emission, lower-cost fuels
- Repaid \$7.0 million of debt in 3Q24



<sup>1</sup> Adjusted earnings before interest, taxes and depreciation is a non-GAAP measure. Please refer to GAAP and NON-GAAP FINANCIAL MEASURES in Westport's Management Discussion and Analysis for the reconciliation.

# Cespira

Westport's HPDI Joint Venture with Volvo Group



**Cespira** is accelerating the decarbonization of heavy transport. With carbon neutral fuels like **hydrogen** and **natural gas** as the propellants, the **HPDI™ fuel system technology** is proof that **internal combustion engines** have a long future in on and off-road heavy transport.

# Executing Against Our Priorities

## 1 *Driving Success via the HPDI Joint Venture*

Accelerating the commercialization of Westport's HPDI fuel system technology; reducing CO<sub>2</sub> emissions from long-haul and off-road applications.

- ✓ Closed the HPDI joint venture transaction in June of 2024
- ✓ Introduced the joint venture with Volvo Group to the market as **Cespira**

# Executing Against Our Priorities

## 2

### ***Improving Operational Excellence***

Pursue operational excellence, embarking on bold initiatives to streamline processes, enhance efficiency, and reduce costs.

- ✓ Restructured executive team, resulting in annual G&A savings of ~\$3 million
- ✓ Closed the amended Westport Minda JV in 2Q24; broader restructuring in India is expected to transition business to generate positive cash flow
- ✓ Delivered gross margin expansion in 3Q24 to 22% of revenue, versus 17% in 3Q23
- Decreasing our reliance on external consultants, signaling a shift towards internal expertise and resource optimization
- Continue to initiate changes on our production lines to increase efficiency and optimize manufacturing cost reductions

# Executing Against Our Priorities

## 3 *Reimagining an Alternative Fueled Future*

Positioning Westport at the forefront of the transformative shift towards a hydrogen future.

- ✓ Westport's clean mobility solutions are engineered for a diverse set of zero-emission vehicles (ZEVs) with hydrogen fuel systems and components for both internal combustion engines (ICE) and fuel cell applications
  - H2 HPDI <sup>TM</sup> fuel system
  - Engine management systems for spark ignited engines
  - Hydrogen components for fuel pressure management and regulation
  
- ✓ High-Pressure Controls and Systems segment in early-stage development programs that could translate into \$70 million in additional revenue by the end of the decade

# More Innovation from the Light Duty Segment

## Introduced the Kia Niro Tri-Fuel in Italy – Innovation Meets Efficiency!

- Born from Westport's partnership with Kia Italia
- First-ever OEM hybrid vehicle powered by HEV and LPG technologies
- Offers 3 fuel sources—petrol, electric, and LPG
- Delivers over 1,600 km on a full tank with reduced emissions and uncompromised performance



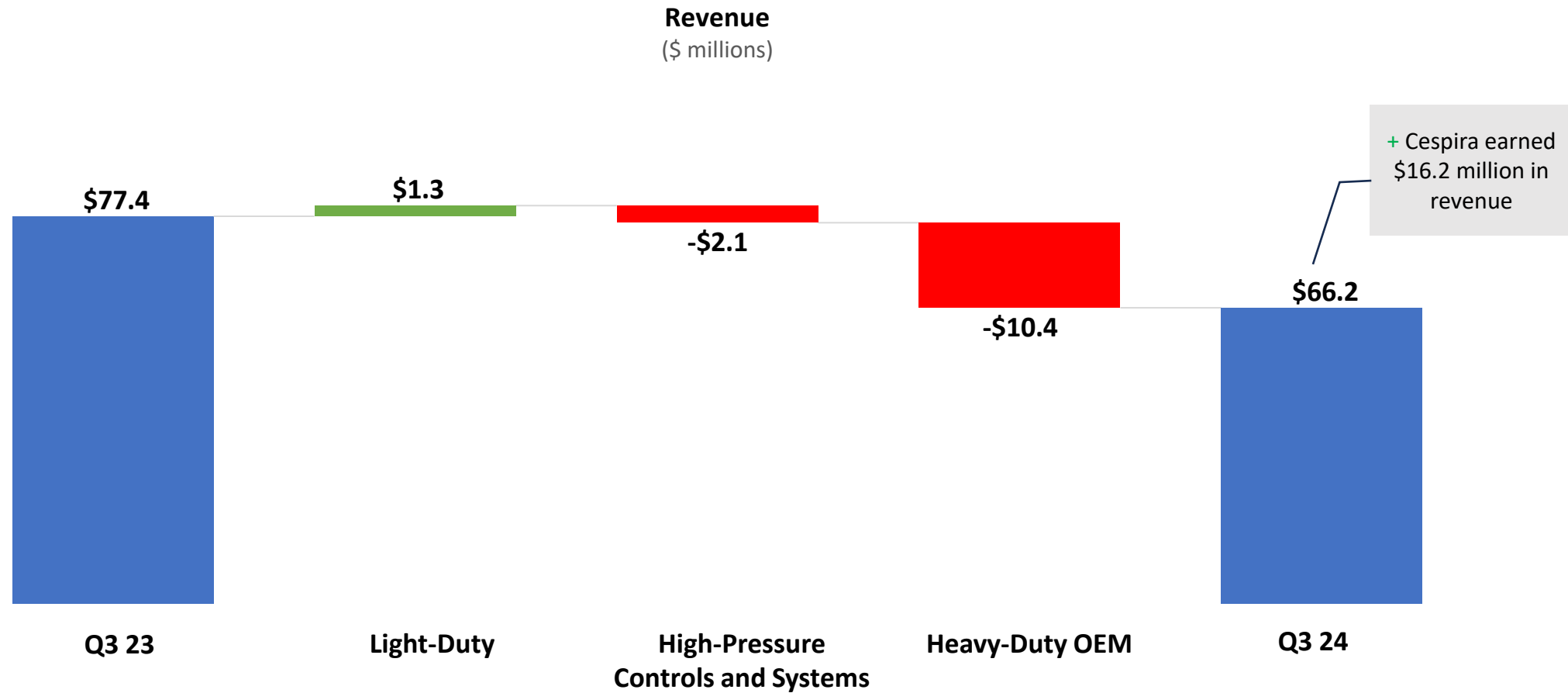
## Globally Available Prins VSI-3 DI LPG System for the RAM 1500 Hurricane 3.0 DI Twin Turbo Engine

- Enabling customers to benefit from lower emissions and fuel costs
- Prins is the first to deliver the System for the Standard Output (420HP) and High Output (540HP) engines
- Extra driving range by combining 2 LPG tanks



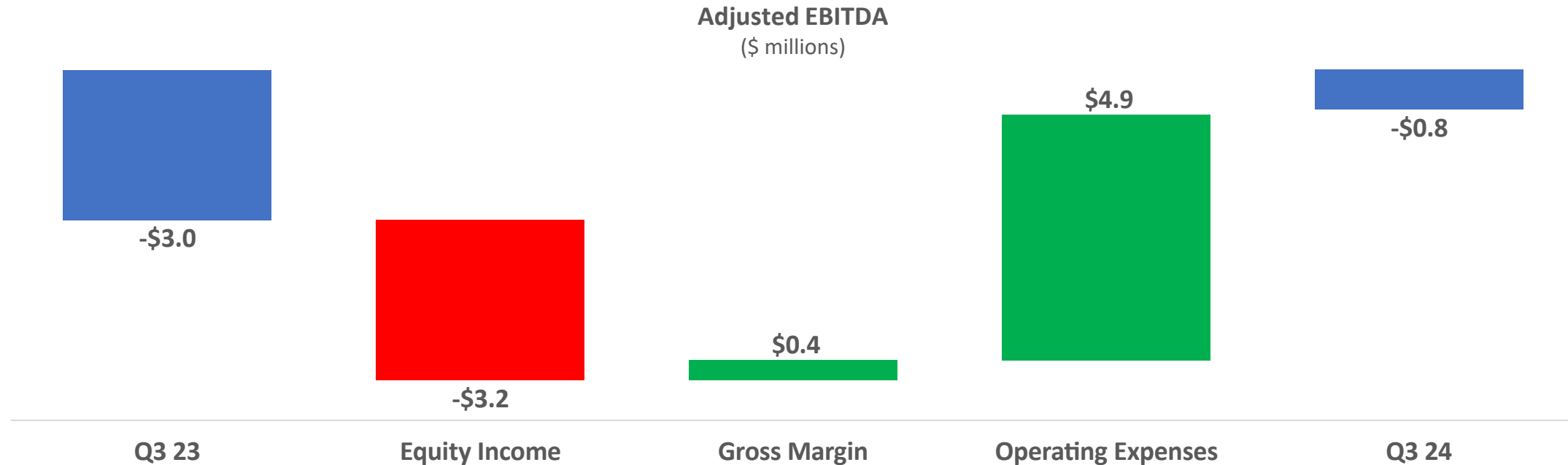
# Revenue Story: Stability via Cespira

Cespira HPDI JV earned \$16.2 million in Q3 2024



- + Increase in sales in the IAM business
- + Euro 6 Light-Duty business gains more than offset the temporary OEM dip due to excess customer inventory
- Continuation of the Heavy-Duty OEM business in the HPDI JV
- Decrease in sales in fuel storage, OEM and electronics businesses
- Slowdown in hydrogen infrastructure development

# Adjusted EBITDA<sup>(1)</sup> Year Over Year



## Pluses:

- + \$2.2 million improvement in Adj. EBITDA
- + Gross margin improvement
- + Significant progress made to reduce expenses and/or shift costs to the Cespira JV

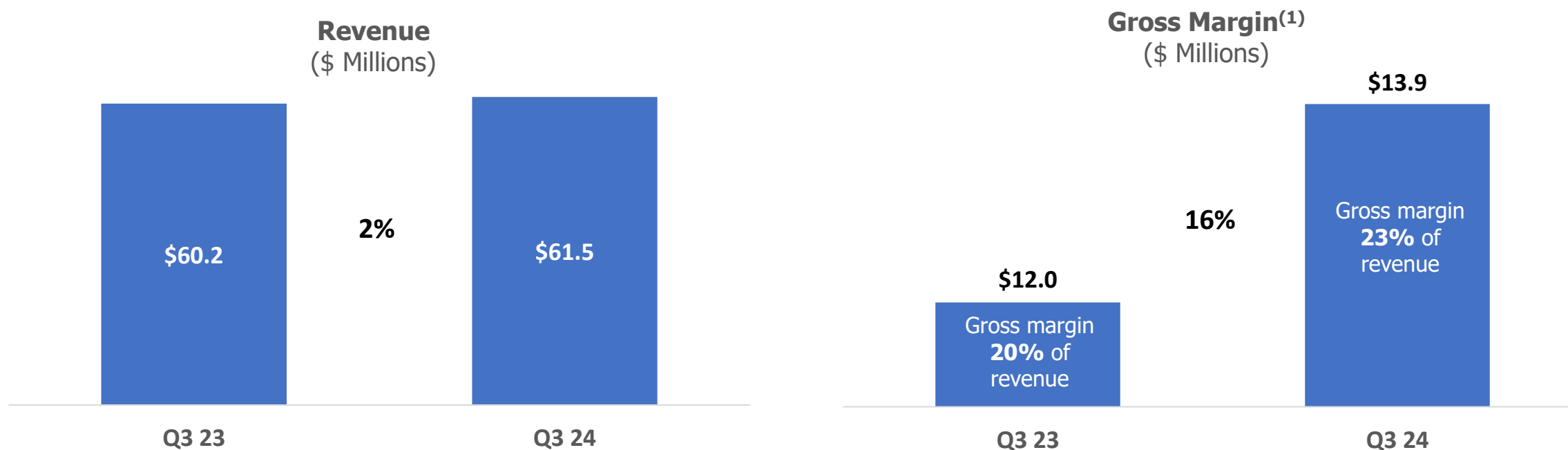
## Minuses:

- Negative equity income was driven by a net loss in Cespira and reduction in equity income from the Minda JV due to a reduction in Westport's ownership interest

<sup>1</sup> Adjusted earnings before interest, taxes and depreciation is a non-GAAP measure. Please refer to GAAP and NON-GAAP FINANCIAL MEASURES in Westport's Management Discussion and Analysis for the reconciliation.

<sup>2</sup> Gross margin is a non-GAAP measure. Please refer to GAAP and NON-GAAP FINANCIAL MEASURES in Westport's Management Discussion and Analysis for the reconciliation

# Financial Performance – Light-Duty



## Revenue:

- Increase in sales in our light-duty OEM and IAM businesses
- Partially offset by our decrease in sales in our fuel storage, DOEM and electronics business

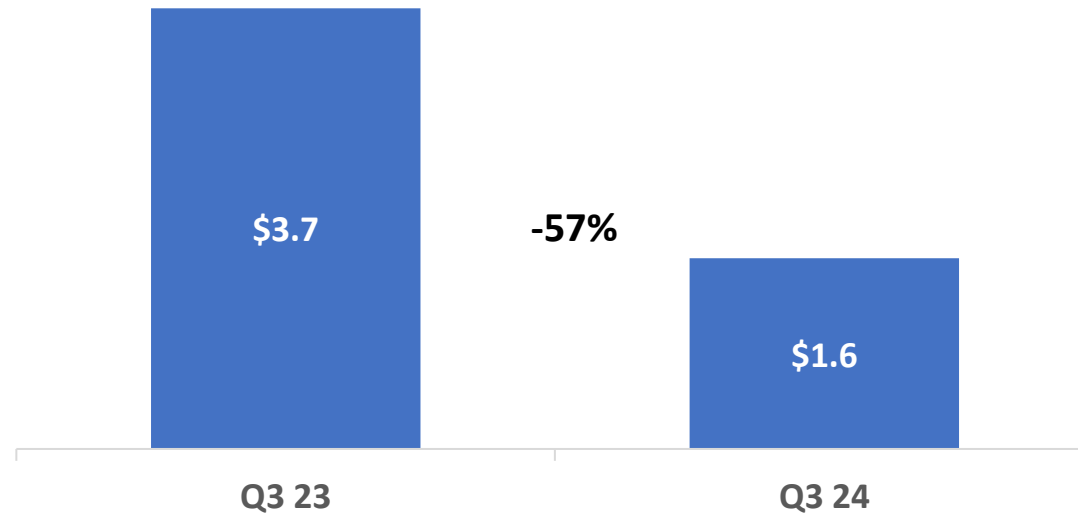
## Gross Margin:

- Change in sales mix with an increase in sales to European customers and a reduction in sales to developing regions
- Slight increase in sales volumes

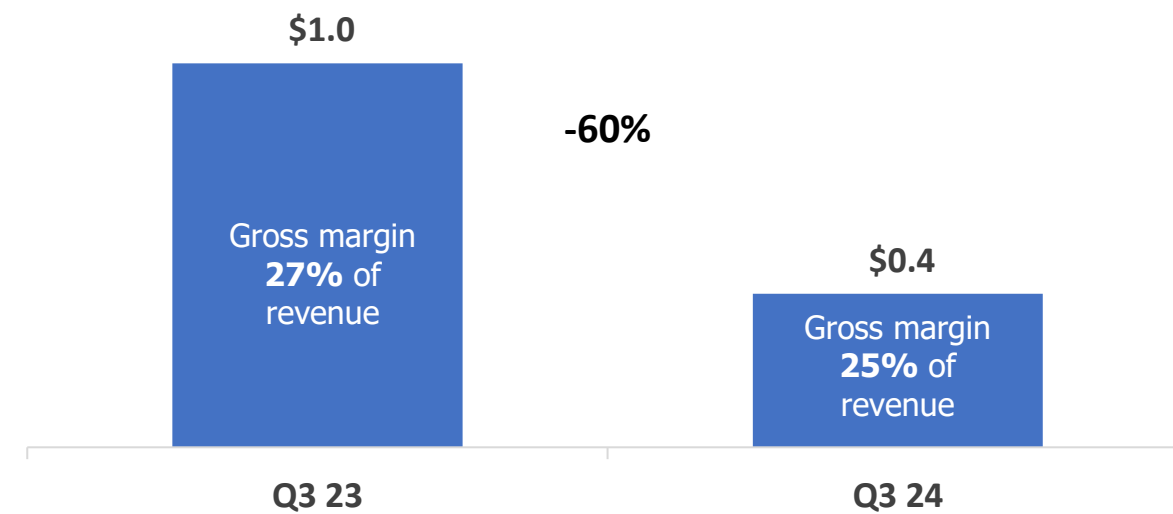
# Financial Performance

## High-Pressure Controls and Systems

**Revenue**  
(\$ Millions)



**Gross Margin<sup>(1)</sup>**  
(\$ Millions)



**Revenue:**

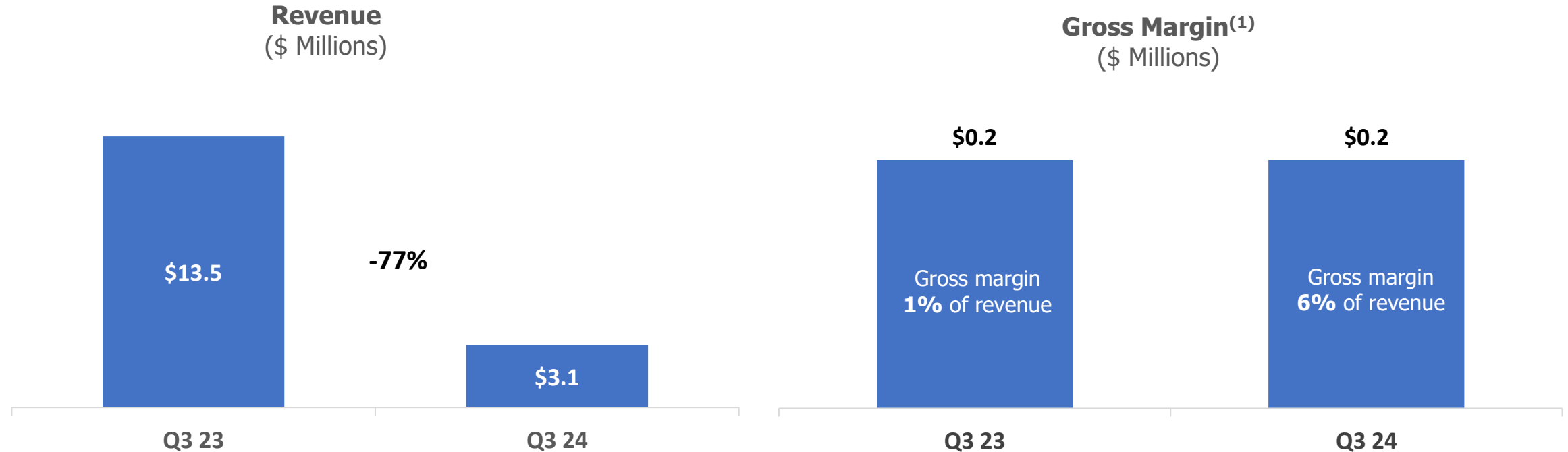
- General slowdown in the hydrogen infrastructure development

**Gross margin:**

- Lower sales volume in the quarter

<sup>[1]</sup>Gross margin is a non-GAAP measure. Please refer to GAAP and NON-GAAP FINANCIAL MEASURES in Westport's Management Discussion and Analysis for the reconciliation.

# Financial Performance – Heavy-Duty OEM



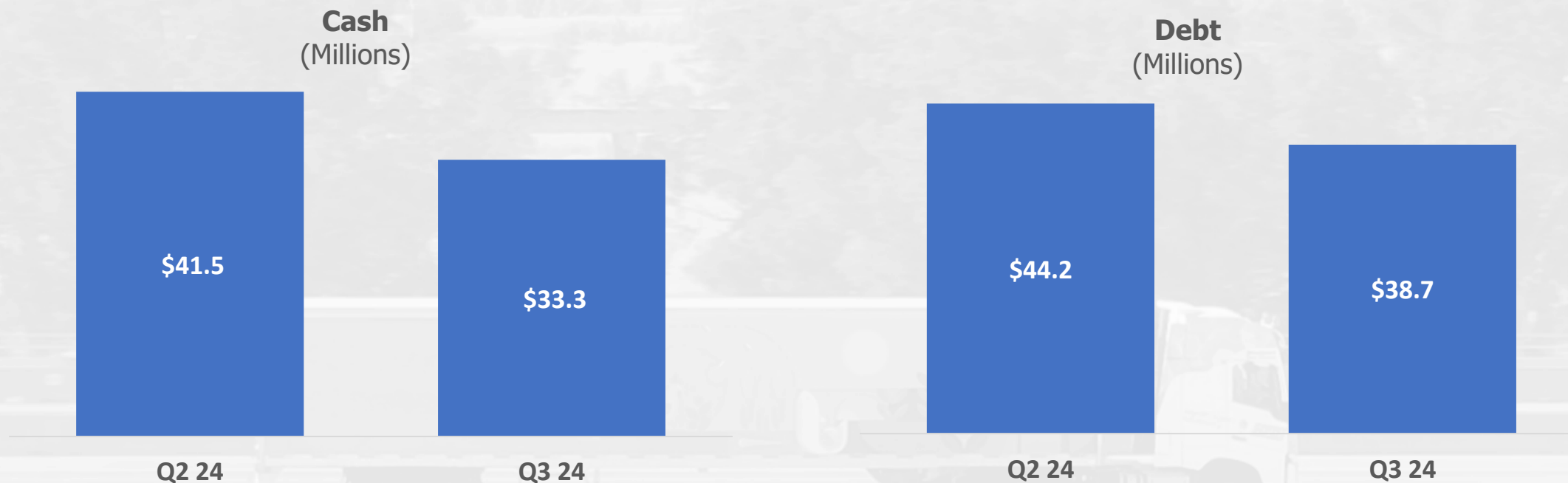
**Revenue:**

- Continuation of the business transitioned to Cespira (which earned revenue of \$16.2 million in 3Q24)
- Ongoing revenue related to amounts earned under a Transitional Services Agreement with Cespira

<sup>[1]</sup>Gross margin is a non-GAAP measure. Please refer to GAAP and NON-GAAP FINANCIAL MEASURES in Westport's Management Discussion and Analysis for the reconciliation.

# Liquidity

## Debt Repayments & Inventory Optimization



- Cash used in operating activities of \$9.9 million, primarily from an increase in working capital of \$11.4 million
- Proceeds from sale of investments of \$9.6 million
- \$2.1 million purchase of capital assets

- Debt repayments of \$7.0 million



# In Closing...

## Enhancing Company Value By:

- 1 Driving Success via the Cespira Joint Venture
- 2 Improving Operational Excellence and Reducing Costs
- 3 Reimagining an Alternative Fueled Future

**Delivering practical applications today,  
to help lead the energy transition in  
transport**

# Appendix – Recast Historical Segment Results

## Historical Segment Results

(expressed in millions of U.S. dollars)

Three months ended

|                                             | 1Q22     | 2Q22     | 3Q22     | 4Q22     | 1Q23    | 2Q23    | 3Q23    | 4Q23     | 1Q24     | 2Q24    | 3Q24    |
|---------------------------------------------|----------|----------|----------|----------|---------|---------|---------|----------|----------|---------|---------|
| <b>Light-Duty</b>                           |          |          |          |          |         |         |         |          |          |         |         |
| Revenue                                     | \$ 62.0  | \$ 63.8  | \$ 57.5  | \$ 64.0  | \$ 66.4 | \$ 73.7 | \$ 60.2 | \$ 63.4  | \$ 63.2  | \$ 69.5 | \$ 61.5 |
| Gross margin                                | \$ 10.5  | \$ 11.6  | \$ 11.4  | \$ 9.0   | \$ 12.3 | \$ 12.7 | \$ 12.0 | \$ 12.1  | \$ 12.4  | \$ 15.1 | \$ 13.9 |
| Gross margin %                              | 16.9%    | 18.2%    | 19.8%    | 14.1%    | 18.5%   | 17.2%   | 19.9%   | 19.1%    | 19.6%    | 21.7%   | 22.6%   |
| <b>High-Pressure Controls &amp; Systems</b> |          |          |          |          |         |         |         |          |          |         |         |
| Revenue                                     | \$ 2.0   | \$ 4.4   | \$ 3.5   | \$ 4.7   | \$ 2.9  | \$ 2.8  | \$ 3.7  | \$ 2.5   | \$ 2.4   | \$ 3.4  | \$ 1.6  |
| Gross margin                                | \$ 0.2   | \$ 1.2   | \$ 1.0   | \$ 1.3   | \$ 0.8  | \$ 0.6  | \$ 1.0  | \$ 0.4   | \$ 0.4   | \$ 0.7  | \$ 0.4  |
| Gross margin %                              | 10.0%    | 27.3%    | 28.6%    | 27.7%    | 27.6%   | 21.4%   | 27.0%   | 16.0%    | 16.7%    | 20.6%   | 25.0%   |
| <b>Heavy-Duty OEM</b>                       |          |          |          |          |         |         |         |          |          |         |         |
| Revenue                                     | \$ 12.5  | \$ 11.8  | \$ 10.2  | \$ 9.3   | \$ 12.9 | \$ 8.5  | \$ 13.5 | \$ 21.3  | \$ 12.0  | \$ 10.5 | \$ 3.1  |
| Gross margin                                | \$ (0.8) | \$ (2.3) | \$ (1.1) | \$ (5.8) | \$ 0.2  | \$ 1.1  | \$ 0.2  | \$ (4.5) | \$ (1.1) | \$ 1.3  | \$ 0.2  |
| Gross margin %                              | -6.4%    | -19.5%   | -10.8%   | -62.4%   | 1.6%    | 12.9%   | 1.5%    | -21.1%   | -9.2%    | 12.4%   | 6.5%    |