



Q4-2017 EARNINGS RELEASE

FEBRUARY 16, 2018

JACQUES ESCULIER
Chairman & Chief Executive Officer

ALEXANDER DE BOCK
Interim Chief Financial Officer



FORWARD LOOKING STATEMENTS AND NON-GAAP FINANCIAL MEASURES

Comments in this document contain certain forward-looking statements, which are based on management's good faith expectations and beliefs concerning future developments. Actual results may differ materially from these expectations as a result of many factors. These factors include, but are not limited to, the risks and uncertainties described in the "Risk Factors" section and the "Forward Looking Statements" section of WABCO's Form 10-K, as well as in the "Management's Discussion and Analysis of Financial Condition and Results of Operations - Information Concerning Forward Looking Statements" section of WABCO's Form 10-K Report. WABCO does not undertake any obligation to update such forward-looking statements. All market and industry data are based on Company estimates.

This presentation contains certain non-GAAP financial measures as that term is defined by the SEC. Sales, gross profit, operating expenses and operating income, which are adjusted to exclude the effects of foreign exchange and are denoted by the word "adjusted" in the line item, as well as EBIT and pre-tax income attributable to company, are non-GAAP financial measures. Additionally, gross profit, operating expenses, operating income, operating income margin, EBIT, tax rate, pre-tax income attributable to company, net income attributable to company and net income attributable to company per diluted share on a "performance basis" are non-GAAP financial measures that exclude items for separation, streamlining, acquisitions, discrete and one-time tax items, and other items that management believes may mask the underlying operating results of the company, as applicable. Our tax rate guidance for the full year is presented only on a performance basis as reconciliation to an expected tax rate on a reported basis would not be meaningful due to the complex nature of such an estimate. Management believes that presenting these non-GAAP measures is useful to shareholders because it enhances their understanding of how management assesses the operating performance of the Company's business.

Free cash flow presents our net cash provided by operating activities less net purchases of property, plant, equipment and computer software. Performance free cash flow presents our net cash provided by operating activities less net purchases of property, plant, equipment and computer software; and excludes streamlining, separation and acquisition related payments. Management believes that presenting free cash flow and performance free cash flow is useful to shareholders because it demonstrates our ability to generate cash and the health of our business. Free cash flow and performance free cash flow does not represent residual cash flow available for discretionary purposes since it may not include a deduction for mandatory debt service requirements and other non-discretionary expenditures.

All of the Non-GAAP financial measures presented herein should be considered in addition to, not as a substitute for, GAAP measures. These measures may not be comparable to similar measures of other companies as not all companies calculate these measures in the same manner. Certain non-GAAP measures may be used, in part, to determine incentive compensation for current employees. Reconciliations of the non-GAAP financial measures to the most comparable GAAP measures are included herein and are available in WABCO's quarterly results presentations posted on the company's website.



Q4 AND FY 2017 PERFORMANCE SUMMARY

Fourth Quarter 2017

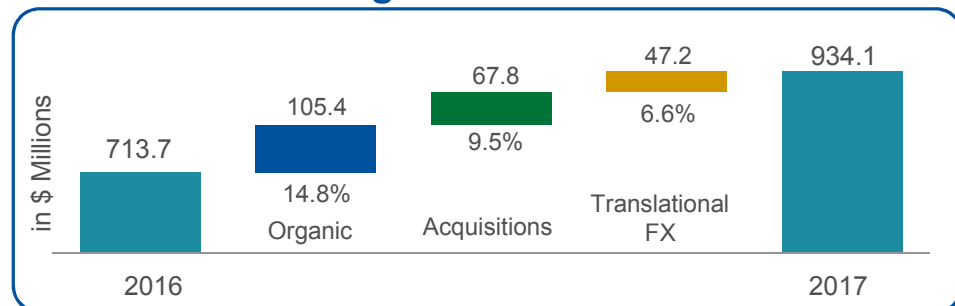
- Sales of \$934.1M up 24.3% in local currencies; Up 30.9% reported
- Performance operating income⁽¹⁾ of \$144.2M vs. \$105.7M in Q4'16; Reported operating income of \$124.9M vs. \$97.7M in Q4'16
- Performance EPS⁽²⁾ of \$2.00 vs. \$1.47 in Q4'16; Reported EPS of \$3.12 vs. \$1.15 in Q4'16

Full Year 2017

- Sales of \$3,304.2M; Up 16.0% in local currencies; Up 17.6% reported
- Performance operating income⁽¹⁾ of \$492.1M vs. \$411.7M in '16; Reported operating income of \$435.0M vs. \$381.9M in '16
- Performance EPS⁽²⁾ of \$6.86 vs. \$5.80 in '16; Reported EPS of \$7.50 vs. \$3.98 in '16
- Performance Free Cash Flow⁽⁶⁾ of \$361M equivalent to 97% conversion rate
- Strategic acquisitions supporting the technology path to autonomous driving and strengthening market position in North America and Africa

Q4 2017 SALES & TRUCK AND BUS MARKET OUTPERFORMANCE

Q4 2017 Sales Bridge



Q4 2017 YoY Sales Growth ⁽⁴⁾ By Channel

OE	37%	<ul style="list-style-type: none"> T&B markets very strong in all key regions Strong content per vehicle growth Acquisitions contributing 18%
Aftermarket	19%	<ul style="list-style-type: none"> Double-digit growth in APAC, CEE and India Continued market headwinds from Middle East Acquisitions contributing 15%

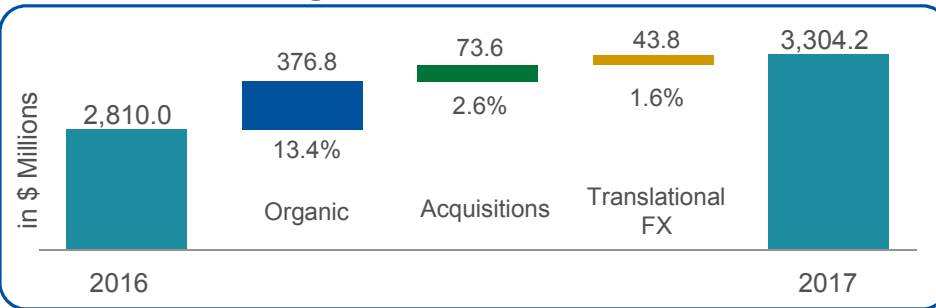
2017 YoY T&B Sales Growth ⁽⁴⁾ vs. Estimated Production Growth by Region

	WABCO	Est. Production	Comments
Europe	11%	13%	• Europe: Phase-out of prior generation AMT at major gearbox supplier
North America	107%	21%	• N. America: Increasing content per vehicle from AMT and ESC; Acquisitions contributing 64%
South America	40%	28%	• S. America: Increased penetration of AMT and Tristop
Japan/Thailand/Korea	19%	3%	• Japan: Further ramp up of recent product launches including EBS and ADB at key customers
China	25%	11%	• China: Penetration increase of ABS, ECAS, EBS and ADB
India	40%	26%	• India: Increased content per vehicle and gain in market share

Refer to Slide #16 for Footnotes

2017 SALES & TRUCK AND BUS MARKET OUTPERFORMANCE

2017 Sales Bridge



2017 YoY Sales Growth ⁽⁴⁾ By Channel

OE	20%	<ul style="list-style-type: none"> Strong sales growth in all customer segments T&B markets solidly up Acquisitions contributing 5%
Aftermarket	9%	<ul style="list-style-type: none"> Double-digit growth in emerging markets, strong market headwinds from Middle East partially offset by one-time replacement of competitor products Acquisitions contributing 4%
Sales to JVs	(6)%	<ul style="list-style-type: none"> Completed buy out of Meritor WABCO

2017 YoY T&B Sales Growth ⁽⁴⁾ vs. Estimated Production Growth by Region

Region	WABCO	Est. Production	Comments
Europe	6%	8%	• Europe: Phase-out of prior generation AMT at major gearbox supplier
North America	33%	9%	• N. America: Increasing content per vehicle from AMT and ESC; Acquisitions contributing 15%
South America	27%	25%	• S. America: Increased penetration of AMT and Tristop
Japan/Thailand/Korea	14%	9%	• Japan/Korea: Various product launches in Japan and favorable vehicle model mix in Korea
China	45%	37%	• China: Benefits from ABS mandate on LD & MD trucks and SOM gain for Air Compressors
India	13%	1%	• India: Increased content per vehicle and gain in market share

Refer to Slide #16 for Footnotes

Q4 2017 FINANCIAL PERFORMANCE

(\$ Millions, except per share data)

Profit and Loss Statement Highlights

	Q4 Reported	^{(1),(2)} Q4 Performance	⁽⁵⁾ Performance vs. 2016 in local curr.	Performance Drivers
Sales	\$934.1	\$934.1	24.3%	<ul style="list-style-type: none"> • Sales 13.4% vs. Q3'17 • Price erosion \$(12.8) or (1.5)%
Gross Profit	276.6 29.6%	286.1 30.6%	19.4% (125) bps	<ul style="list-style-type: none"> • Volume, mix and absorption \$27.7 • Materials productivity \$11.8 (5.6% gross, 4.1% net) • Conversion productivity \$9.1 (8.0%) • Labor inflation \$(7.6) • Net R&D and other investments \$0.3 • Unfavorable transactional FX \$(8.5) • Recent acquisitions contributing \$23.9 Gross Profit and \$(9.5) OPEX
OPEX & Other	(151.7) (16.2%)	(141.9) (15.2%)	11.0% 181 bps	
Operating Income	\$124.9 13.4%	\$144.2 15.4%	28.9% 56 bps	
Equity Income Non-controlling Int. Exp.	(0.1) (4.4)	(0.1) (4.4)		<ul style="list-style-type: none"> • Equity Income down from \$5.9 in Q4'16 after the buy-out of US JV • Non-controlling Interest decreased from \$(14.7) in Q4'16
EBIT	\$358.7 38.4%	\$131.3 14.1%		<ul style="list-style-type: none"> • Streamlining \$(3.5) vs. \$(5.3) in Q4'16 • Separation & other performance adj. \$(4.8) vs. \$(0.7) in Q4'16 • \$243 gain from purchase of Meritor Inc. stake in Meritor WABCO JV
Taxes	(186.1)	(19.3)		<ul style="list-style-type: none"> • 15.2% Performance tax rate, down from 20.1% in Q4'16 • One-time impact from US and Belgium Tax reform of \$(81)
Net Income*	\$168.3	\$107.7		<ul style="list-style-type: none"> • Performance Net Income up from \$80.9 in Q4'16
EPS	\$3.12	\$2.00		<ul style="list-style-type: none"> • Vs. Q4'16 reported EPS of \$1.15 and performance EPS of \$1.47

Refer to Slide #16 for Footnotes and #17 for additional pension disclosure

2017 FINANCIAL PERFORMANCE

(\$ Millions, except per share data)

Profit and Loss Statement Highlights

	FY Reported	^{(1),(2)} FY Performance	⁽⁵⁾ Performance vs. 2016 in local curr.	Performance Drivers
Sales	\$3,304.2	\$3,304.2	16.0%	<ul style="list-style-type: none"> Price erosion \$(51.6) or (1.6)%
Gross Profit	1,013.8 30.7%	1,028.9 31.1%	13.8% (61) bps	<ul style="list-style-type: none"> Volume, mix and absorption \$110.4 Materials productivity \$46.9 (5.3% gross, 4.3% net) Conversion productivity \$36.3 (8.1%) Labor inflation \$(28.1) Net R&D and other investments \$(25.5) Unfavorable transactional FX \$(15.4) Recent acquisitions contributing \$24.8 Gross Profit and \$(9.9) OPEX
OPEX & Other	(578.8) (17.5%)	(536.8) (16.2%)	10.2% 86 bps	
Operating Income	435.0 13.2%	492.1 14.9%	18.0% 25 bps	
Equity Income	23.1	23.1		<ul style="list-style-type: none"> Equity Income down from \$24.8 in 2016
Non-controlling Int. Exp.	(16.8)	(16.8)		<ul style="list-style-type: none"> Non-controlling Interest decreased from \$(24.3) in 2016
EBIT	\$651.8 19.7%	\$464.7 14.1%		<ul style="list-style-type: none"> Non-cash pension expense up \$13.0 from 2016 Streamlining \$(11.9) vs. \$(15.8) in 2016 Separation & other performance adj. \$(20.2) vs. \$(4.0) in 2016 \$243 gain from purchase of Meritor Inc. stake in Meritor WABCO JV
Taxes	(229.7)	(77.1)		<ul style="list-style-type: none"> 17.2% Performance tax rate, up from 16.9% in 2016 One-time impact from US and Belgium Tax reform of \$(81)
Net Income*	\$406.1	\$371.6		<ul style="list-style-type: none"> Performance Net Income up from \$324.6 in 2016
EPS	\$7.50	\$6.86		<ul style="list-style-type: none"> Vs. 2016 reported EPS of \$3.98 and performance EPS of \$5.80

Refer to Slide #16 for Footnotes and #17 for additional pension disclosure

CASH FLOW SUMMARY 2017

Free Cash Flow (in \$ Millions)

Cash Provided by Operating Activities:

• Net Income including non-controlling interest	422.9
• Depreciation & amortization	107.1
• Working capital	(74.9)
• Changes in other assets & liabilities	(33.6)

Net Cash Provided by Operating Activities	421.5
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Net Purchases of PP&E, Tooling & Computer Software	(110.5)
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Free Cash Flow⁽³⁾ reported	311.0
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Streamlining, separation & acquisition related payments	49.5
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Performance Free Cash Flow⁽⁶⁾	360.5
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- Converting 97% of performance net income into cash
- Working capital increase below sales growth
- Share buyback on hold in second half of 2017 after two strategic acquisitions; intend to restart in Q1 2018
- Capex investments maintained just above depreciation despite volume increase

Refer to Slide #16 for Footnotes

TAX REFORMS IN US AND BELGIUM

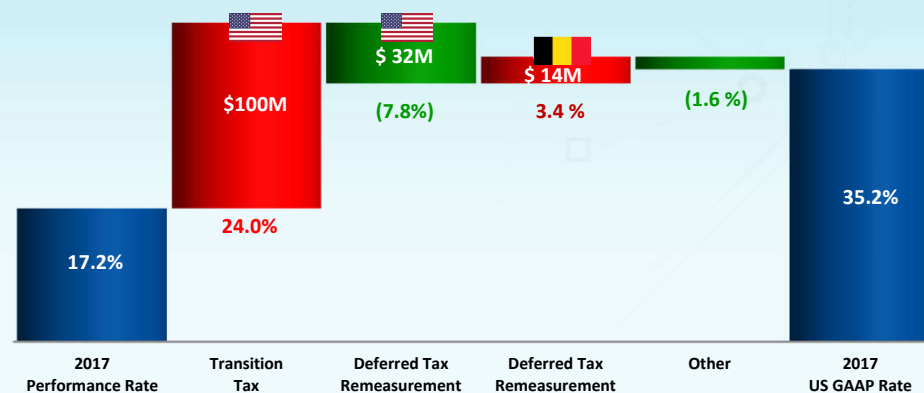
2017



- Transition tax of \$196M offset by \$96M accrued in prior years
- Reduction of deferred tax liability on the gain of our share of the former Meritor WABCO JV



- Belgium tax rate down from 34% to 30% in 2018 and 25% in 2020
- Reduction of deferred tax asset reflecting future tax rate decrease



FUTURE

- Expecting 20% GAAP and performance tax rate in 2018
- 2018 cash tax will be impacted by \$31M of transition tax payments
- Global tax environment (BEPS) is expected to lead to further upward pressure on the rate to mid twenties in medium term

MARKET DYNAMICS SHOWING POSITIVE TREND



Europe

56% 52% 18%

- New registrations of EU heavy trucks up 1% in Q4 and 1% for FY vs. 2016
- Total Europe Q4 '17 T&B production up 13%; FY up 8% vs. 2016
- 2018 EU new registrations expected to be flattish; Expected continued increase in exports
- **2018 production outlook flat to +5%**

North America

15% 18% 15%

- Production up 21% in Q4 vs. a weak Q4 '16
- Total year 2017 production was up 9% with Heavy Duty up 12%
- Further acceleration of GDP growth expected
- **2018 production outlook +8% to +13% with stronger growth in Class 8**

China

10% 12% 45%

- Q4 '17 production up 11% vs. a strong Q4 '16
- Total year 2017 production up 37% vs. 2016
- Growth supported by enforcement of overloading regulation and strength in the economy
- **2018 production outlook -25% to -15%**

India

7% 7% 11%

- Q4 '17 T&B production up 26% vs. Q4 '16
- Total year 2017 production up 1% vs. 2016
- Strong second half 2017 due to enforcement of load restrictions as well as increased demand from construction and mining
- **2018 production outlook +5% to +10%**

MARKET DYNAMICS SHOWING POSITIVE TREND



6% 6% 8% **Japan & Korea**

- Q4 '17 T&B production up 3% vs. Q4 '16
- Full year 2017 up 9% vs. 2016
- Weak production in Q4 in Korea following production shutdowns driven by low demand and labour dispute
- **2018 production outlook -5% to flat**

3% 3% 3% **Brazil**

- Q4 '17 T&B production up 28% vs. Q4 '16
- Total year 2017 production up 25% vs. 2016
- Market continues to recover thanks to higher export and agriculture business
- **2018 production outlook +10% to +20%**

26% 24% **Aftermarket**

- Q4 '17 up 4% vs. Q4 '16 excluding impact of acquisitions
- Full year 2017 up 5% excluding impact of acquisitions
- Strong sales growth around the globe contracted by severe market depression in Middle East
- **2018 outlook +6% excluding impact of acquisitions**

10% 9% **Trailers**

- Q4 '17 global production down 3% vs. Q4 '16 following production drop in China
- Total year 2017 production up 6% YoY driven by China and Europe
- **2018 production outlook -5% to flat**

FOCUSING ON CORE STRATEGIES



New Technologies & Products



- **\$10 Million Strategic Investment in Nikola Motor, a Leader in Hydrogen-Electric Vehicles and Systems and Electric Vehicle Drivetrains:** Agreed also to jointly develop safety technologies for electric commercial vehicles.
- **New WABCO OnSide™ Advanced Blind Spot Detection System for Trucks and Trailers:** When used with OnLaneASSIST™ lane keeping assist system, OnSide has capability to enable active collision avoidance.
- **New Intelligent Brake Interlock Technology for Special Tank Trailers:** Advanced electronic brake interlock system that improves the safety of tank trailers that haul hazardous materials or have deep-freeze equipment.

Globalization



- **New Long-Term Agreement to Supply Automated Manual Transmission Valve Technology:** Sole supplier for a global OEM based in Europe, supporting their future series production primarily in Europe and South America.
- **Extended and Expanded Strategic Partnership with Dongfeng Liuzhou Motor, One of China's Major Truck Makers:** New products and systems will upgrade technology adoption to enhance vehicle efficiency and safety.
- **Acquisition of Remaining Interest in WABCO's South African Partnership:** Creates wholly owned WABCO South Africa, extending WABCO's global portfolio to the African market, enabling continued growth region-wide.

Execution



- **WABCO's R.H. Sheppard Received the PACCAR Supplier Performance Management Achiever Award:** Global OEM PACCAR recognizes Sheppard for delivery performance and reliability of its steering technologies.
- **WABCO India Wins Two Awards:** Mahindra World City plant wins "Future Ready Factory Award" at 2017 India Manufacturing Excellence Awards; WABCO India receives "Export Excellence Award" from Indian government.
- **WABCO Operating System Continued to Deliver Robust Results in 2017:**
 - Delivered productivity gain of \$83.2 million
 - Generated gross materials productivity of 5.3%, another robust result
 - Generated conversion productivity of 8.1% in our factories, an annual record



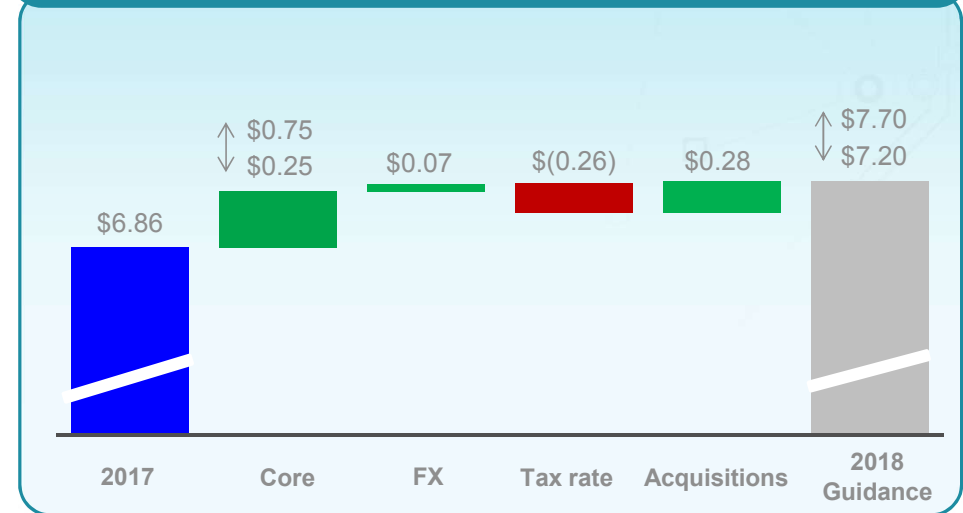
FULL-YEAR 2018 GUIDANCE

(\$ Millions, except per share data)

Guidance as of February 16, 2018

	2018
Sales Growth ⁽⁴⁾	10.0% - 15.0% (in local currencies)
Reported Sales	\$3,820 - \$3,980 1 Euro = 1.22 USD
Performance Op Margin ⁽¹⁾	14.5% - 14.9%
Performance EPS ⁽²⁾	\$7.20 - \$7.70
Performance Free Cash Flow ⁽⁶⁾	80% - 90%

2018 Performance EPS⁽²⁾ Guidance Bridge



2018 Performance EPS⁽²⁾ Guidance Range

- Acquisitions contributing ~\$200M sales growth
- Annual price erosion in line with 2017
- Raw material inflation of ~0.8% (unfavorable)
- Conversion productivity remaining at record level
- Transactional FX vs 2017 rates negatively affecting pre-tax profits by ~\$20M YoY
- Performance tax rate ~20%
- Average diluted shares ~53.4M

Refer to Slide #16 for Footnotes

WABCO DELIVERS RECORD YEAR

- Continues to strongly outperform a growing global Truck and Bus market
- WABCO Operating System generates record productivity gains
- Record Performance EPS⁽²⁾ of \$6.86
- Generated \$361M of Performance Free Cash Flow⁽⁶⁾ representing 97% conversion
- Strategic acquisitions supporting the technology path to autonomous driving and strengthening WBC's market position in North America
- Share Buyback to be restarted in Q1 2018





APPENDIX

RECONCILIATIONS OF NON-GAAP MEASURES TO GAAP MEASURES

FOOTNOTES, TABLES & DEFINITIONS

Footnotes

1. Adjusted for streamlining, separation costs and acquisition related costs
2. Adjusted for streamlining, separation, one-time tax & discrete tax items and acquisition related costs
3. Net cash provided by operating activities less net purchases of property, plant, equipment and computer software
4. Adjusted for currency translation
5. Adjusted for currency translation, streamlining and separation costs and acquisition related costs
6. Free Cash Flow⁽³⁾ excluding streamlining, separation and acquisition related payments

Tables

The tables that follow provide the reconciliations of the non-GAAP financial measures to the most comparable US GAAP measures.

Definitions

- **Separation costs** include all the incremental costs to establish WABCO as a stand-alone separate independent company. It also includes the costs associated with certain liabilities, including contingent liabilities, that have been assumed by WABCO from Trane, formerly American Standard, in the separation but are not related to the Vehicle Controls Business. These costs would include the (i) periodic adjustments to the carrying values of the liability, (ii) interest on certain liabilities and (iii) costs to defend certain of these assumed liabilities.
- **Streamlining costs** are those costs that help adjust the company's workforce and other resources to changing market requirements.
- **Acquisition related costs** cover costs related to acquisitions and non-cash expenses associated with purchase accounting including amortization of identifiable intangible assets.

ASU 2017-07 ADOPTION - COMPENSATION RETIREMENT BENEFITS

(\$ Millions)

Table below indicates how the adoption of the new accounting standard affects income statement

<i>In \$ millions</i>	Retrospectivel y revised per ASU 2017-07		Per ASU 2017-07	\$ Change vs 2016	Retrospectivel y revised per ASU 2017-07		Per ASU 2017-07	\$ Change vs 2016
	As reported	As reported			As reported	As reported		
	Q1 2016	Q1 2016	Q1 2017		Q2 2016	Q2 2016	Q2 2017	
Cost of Sales	3.5	2.3	2.4	0.1	3.6	2.4	2.4	
Operating Expenses	6.1	1.7	2.7	1.0	7.6	1.8	2.8	1.0
Operating Income	9.6	4.0	5.1	1.1	11.2	4.2	5.2	1.0
Other Non-Operating Expenses	-	5.6	10.8*	5.2*	-	7.0	8.2	1.2
Reported Pre-Tax Income	9.6	9.6	15.9	6.3	11.2	11.2	13.4	2.2
Separation Adjustments	(0.9)	(0.9)	(1.0)	(0.1)	(0.9)	(0.9)	(1.0)	(0.1)
Performance Pre-Tax Income	8.7	8.7	14.9	6.2	10.3	10.3	12.4	2.1
	Q3 2016	Q3 2016	Q3 2017		Q4 2016	Q4 2016	Q4 2017	
Cost of Sales	3.7	2.4	2.7	0.3	3.9	2.6	3.2	0.6
Operating Expenses	7.4	1.8	2.8	1.0	8.4	3.1	2.7	(0.4)
Operating Income	11.1	4.2	5.5	1.3	12.3	5.7	5.9	0.2
Other Non-Operating Expenses	-	6.9	8.6	1.7	-	6.6	8.2	1.6
Reported Pre-Tax Income	11.1	11.1	14.1	3.0	12.3	12.3	14.1	1.8
Separation Adjustments	(0.9)	(0.9)	(1.0)	(0.1)	(1.0)	(1.0)	(1.0)	-
Performance Pre-Tax Income	10.2	10.2	13.1	2.9	11.3	11.3	13.1	1.8

*includes a \$3.0 million one-time charge to reflect a mortality update to one of our plans

WABCO HOLDINGS INC. AND SUBSIDIARIES
Three Months Ended December 31, 2017 Data Supplement Sheet (Unaudited)

	Three Months Ended December 31,					
	2017	% of Sales/ Adj Sales	2016	% of Sales/ Adj Sales	Chg vs. 2016	% Chg vs. 2016
(Amounts in millions, except per share data)						
Sales						
Reported	\$ 934.1		\$ 713.7		\$ 220.4	30.9%
Foreign exchange translational effects	(47.2)		-		(47.2)	
Adjusted Sales	<u>\$ 886.9</u>		<u>\$ 713.7</u>		<u>\$ 173.2</u>	24.3%
Gross Profit						
Reported	\$ 276.6	29.6%	\$ 219.1	30.7%	\$ 57.5	26.2%
Streamlining costs	2.0		7.0		(5.0)	
Acquisition related costs	7.5		-		7.5	
Performance Gross Profit	\$ 286.1	30.6%	\$ 226.1	31.7%	\$ 60.0	26.5%
Foreign exchange translational effects	(16.2)		-		(16.2)	
Adjusted Gross Profit	<u>\$ 269.9</u>	30.4%	<u>\$ 226.1</u>	31.7%	<u>\$ 43.8</u>	19.4%
Operating Expenses						
Reported	\$ 151.7	16.2%	\$ 121.5	17.0%	\$ 30.2	24.9%
Streamlining costs	(1.5)		1.7		(3.2)	
Separation costs	(3.9)		0.4		(4.3)	
Acquisition related costs	(4.4)		(3.1)		(1.3)	
Performance Operating Expenses	\$ 141.9	15.2%	\$ 120.5	16.9%	\$ 21.4	17.8%
Foreign exchange translational effects	(8.2)		-		(8.2)	
Adjusted Operating Expenses	<u>\$ 133.7</u>	15.1%	<u>\$ 120.5</u>	16.9%	<u>\$ 13.2</u>	11.0%
Operating Income						
Reported	\$ 124.9	13.4%	\$ 97.7	13.7%	\$ 27.2	27.8%
Streamlining costs	3.5		5.3		(1.8)	
Separation costs	3.9		(0.4)		4.3	
Acquisition related costs	11.9		3.1		8.8	
Performance Operating Income	\$ 144.2	15.4%	\$ 105.7	14.8%	\$ 38.5	36.4%
Foreign exchange translational effects	(8.0)		-		(8.0)	
Adjusted Operating Income	<u>\$ 136.2</u>	15.4%	<u>\$ 105.7</u>	14.8%	<u>\$ 30.5</u>	28.9%

Note: The presentation of the performance measures above are not in conformity with generally accepted accounting principles (GAAP). These measures may not be comparable to similar measures of other companies as not all companies calculate these measures in the same manner.

WABCO HOLDINGS INC. AND SUBSIDIARIES
Three Months Ended December 31, 2017 Data Supplement Sheet (Unaudited)

	Three Months Ended December 31,					
	2017	% of Sales/ Adj Sales	2016	% of Sales/ Adj Sales	Chg vs. 2016	% Chg vs. 2016
(Amounts in millions, except per share data)						
EBIT (Earnings Before Interest and Taxes)						
Reported Net Income Attributable to Company	\$ 168.3		\$ 63.1		\$ 105.2	166.7%
Income tax expense	186.1		16.7		169.4	
Interest expense, net	4.3		3.6		0.7	
EBIT	<u>\$ 358.7</u>	38.4%	<u>\$ 83.4</u>	11.7%	<u>\$ 275.3</u>	330.1%
Streamlining costs	3.5		5.3		(1.8)	
Separation costs	4.8		0.7		4.1	
Acquisition related costs	(235.7)		3.1		(238.8)	
Out-of-period noncontrolling interest correction	-		12.3		(12.3)	
Performance EBIT (Earnings Before Interest and Taxes)	<u>\$ 131.3</u>	14.1%	<u>\$ 104.8</u>	14.7%	<u>\$ 26.5</u>	25.3%
Pre-Tax Income						
Reported Net Income Attributable to Company	\$ 168.3		\$ 63.1		\$ 105.2	
Income tax expense	186.1		16.7		169.4	
Pre-Tax Income Attributable to Company	<u>\$ 354.4</u>		<u>\$ 79.8</u>		<u>\$ 274.6</u>	
Streamlining costs	3.5		5.3		(1.8)	
Separation costs	4.8		0.7		4.1	
Acquisition related costs	(235.7)		3.1		(238.8)	
Out-of-period noncontrolling interest correction	-		12.3		(12.3)	
Performance Pre-Tax Income Attributable to Company	<u>\$ 127.0</u>		<u>\$ 101.2</u>		<u>\$ 25.8</u>	
Tax rate on a reported basis	51.9%		17.7%			
Tax rate on a performance basis	15.2%		20.1%			
Net Income Attributable to Company						
Reported Net Income Attributable to Company	\$ 168.3		\$ 63.1		\$ 105.2	
Streamlining costs	3.5		5.3		(1.8)	
Separation costs	4.8		0.7		4.1	
Acquisition related costs	(235.7)		3.1		(238.8)	
Out-of-period noncontrolling interest correction	-		12.3		(12.3)	
Tax items (1)	166.8		(3.6)		170.4	
Performance Net Income Attributable to Company	<u>\$ 107.7</u>		<u>\$ 80.9</u>		<u>\$ 26.8</u>	
Net Income Attributable to Company per Diluted Common Share	\$ 3.12		\$ 1.15			
Performance Net Income Attributable to Company per Diluted Common Share	\$ 2.00		\$ 1.47			
Common Shares Outstanding - Diluted	53.9		55.1			

Incremental Gross Profit and Operating Income Margin	Gross Profit	Operating Income
Increase in adjusted sales from '16	173.2	173.2
Increase in adjusted income from '16	43.8	30.5
Incremental Income as a % of Sales	25.3%	17.6%
Less: YoY Transactional Foreign Exchange (FX) Impact		8.5
Increase in adjusted income from '16 excluding transactional FX impact		39.0
Incremental income excluding transactional FX as a % of Sales		22.5%

Note: The presentation of the performance measures above are not in conformity with generally accepted accounting principles (GAAP). These measures may not be comparable to similar measures of other companies as not all companies calculate these measures in the same manner.

(1) The tax impacts calculated are based on the statutory tax rate applicable to the item being adjusted for the jurisdiction from which the adjustment arises.

WABCO HOLDINGS INC. AND SUBSIDIARIES
Twelve months Ended December 31, 2017 Data Supplement Sheet (Unaudited)

	Twelve months Ended December 31,					
	2017	% of Sales/ Adj Sales	2016	% of Sales/ Adj Sales	Chg vs. 2016	% Chg vs. 2016
<i>(Amounts in millions, except per share data)</i>						
Sales						
Reported	\$ 3,304.2		\$ 2,810.0		\$ 494.2	17.6%
Foreign exchange translational effects	(43.8)		-		(43.8)	
Adjusted Sales	<u>\$ 3,260.4</u>		<u>\$ 2,810.0</u>		<u>\$ 450.4</u>	16.0%
Gross Profit						
Reported	\$ 1,013.8	30.7%	\$ 879.0	31.3%	\$ 134.8	15.3%
Streamlining costs	7.6		12.0		(4.4)	
Acquisition related costs	7.5		0.9		6.6	
Performance Gross Profit	<u>\$ 1,028.9</u>	<u>31.1%</u>	<u>\$ 891.9</u>	<u>31.7%</u>	<u>\$ 137.0</u>	<u>15.4%</u>
Foreign exchange translational effects	(14.0)		-		(14.0)	
Adjusted Gross Profit	<u>\$ 1,014.9</u>	<u>31.1%</u>	<u>\$ 891.9</u>	<u>31.7%</u>	<u>\$ 123.0</u>	<u>13.8%</u>
Operating Expenses						
Reported	\$ 578.8	17.5%	\$ 497.1	17.7%	\$ 81.7	16.4%
Streamlining costs	(4.3)		(3.8)		(0.5)	
Separation costs	(16.8)		(0.3)		(16.5)	
Acquisition related costs	(20.9)		(12.8)		(8.1)	
Performance Operating Expenses	<u>\$ 536.8</u>	<u>16.2%</u>	<u>\$ 480.2</u>	<u>17.1%</u>	<u>\$ 56.6</u>	<u>11.8%</u>
Foreign exchange translational effects	(7.6)		-		(7.6)	
Adjusted Operating Expenses	<u>\$ 529.2</u>	<u>16.2%</u>	<u>\$ 480.2</u>	<u>17.1%</u>	<u>\$ 49.0</u>	<u>10.2%</u>
Operating Income						
Reported	\$ 435.0	13.2%	\$ 381.9	13.6%	\$ 53.1	13.9%
Streamlining costs	11.9		15.8		(3.9)	
Separation costs	16.8		0.3		16.5	
Acquisition related costs	28.4		13.7		14.7	
Performance Operating Income	<u>\$ 492.1</u>	<u>14.9%</u>	<u>\$ 411.7</u>	<u>14.7%</u>	<u>\$ 80.4</u>	<u>19.5%</u>
Foreign exchange translational effects	(6.4)		-		(6.4)	
Adjusted Operating Income	<u>\$ 485.7</u>	<u>14.9%</u>	<u>\$ 411.7</u>	<u>14.7%</u>	<u>\$ 74.0</u>	<u>18.0%</u>

Note: The presentation of the performance measures above are not in conformity with generally accepted accounting principles (GAAP). These measures may not be comparable to similar measures of other companies as not all companies calculate these measures in the same manner.

WABCO HOLDINGS INC. AND SUBSIDIARIES
Twelve months Ended December 31, 2017 Data Supplement Sheet (Unaudited)

	Twelve months Ended December 31,					
	2017	% of Sales/ Adj Sales	2016	% of Sales/ Adj Sales	Chg vs. 2016	% Chg vs. 2016
EBIT (Earnings Before Interest and Taxes)						
Reported Net Income Attributable to Company	\$ 406.1		\$ 223.0		\$ 183.1	82.1%
Income tax expense	229.7		121.8		107.9	
Interest expense, net	16.0		12.7		3.3	
EBIT	\$ 651.8	19.7%	\$ 357.5	12.7%	\$ 294.3	82.3%
Streamlining costs	11.9		15.8		(3.9)	
Separation costs	20.2		4.0		16.2	
Acquisition related costs	(219.2)		13.7		(232.9)	
Out-of-period noncontrolling interest correction	-		12.3		(12.3)	
Performance EBIT (Earnings Before Interest and Taxes)	\$ 464.7	14.1%	\$ 403.3	14.4%	\$ 61.4	15.2%
Pre-Tax Income						
Reported Net Income Attributable to Company	\$ 406.1		\$ 223.0		\$ 183.1	
Income tax expense	229.7		121.8		107.9	
Pre-Tax Income Attributable to Company	\$ 635.8		\$ 344.8		\$ 291.0	
Streamlining costs	11.9		15.8		(3.9)	
Separation costs	20.2		4.0		16.2	
Acquisition related costs	(219.2)		13.7		(232.9)	
Out-of-period noncontrolling interest correction	-		12.3		(12.3)	
Performance Pre-Tax Income	\$ 448.7		\$ 390.6		\$ 58.1	
Tax rate on a reported basis	35.2%		33.0%			
Tax rate on a performance basis	17.2%		16.9%			
Net Income Attributable to Company						
Reported Net Income Attributable to Company	\$ 406.1		\$ 223.0		\$ 183.1	
Streamlining cost	11.9		15.8		(3.9)	
Separation costs	20.2		4.0		16.2	
Acquisition related costs	(219.2)		13.7		(232.9)	
Out-of-period noncontrolling interest correction	-		12.3		(12.3)	
Tax items (1)	152.6		55.8		96.8	
Performance Net Income Attributable to Company	\$ 371.6		\$ 324.6		\$ 47.0	
Net Income Attributable to Company per Diluted Common Share	\$ 7.50		\$ 3.98			
Performance Net Income Attributable to Company per Diluted Common Share	\$ 6.86		\$ 5.80			
Common Shares Outstanding - Diluted	54.1		56.0			

Incremental Gross Profit and Operating Income Margin	Gross Profit	Operating Income
Increase in adjusted sales from '16	450.4	450.4
Increase in adjusted income from '16	123.0	74.0
Incremental Income as a % of Sales	27.3%	16.4%
Less: YoY Transactional Foreign Exchange (FX) Impact		15.4
Increase in adjusted income from '16 excluding transactional FX impact		89.4
Incremental income excluding transactional FX as a % of Sales		19.8%

Note: The presentation of the performance measures above are not in conformity with generally accepted accounting principles (GAAP). These measures may not be comparable to similar measures of other companies as not all companies calculate these measures in the same manner.

(1) The tax impacts calculated are based on the statutory tax rate applicable to the item being adjusted for the jurisdiction from which the adjustment arises.

WABCO HOLDINGS INC.
Reconciliation of Net Cash Provided
By Operating Activities to Free Cash Flow
(Unaudited)

(Amounts in millions)	Three Months Ended December 31,		Twelve months Ended December 31,	
	2017	2016	2017	2016
Net Cash Provided by Operating Activities	\$ 194.9	\$ 116.8	\$ 421.5	\$ 405.4
Deductions or Additions to Reconcile to Free Cash Flow:				
Net purchases of property, plant, equipment and computer software	(48.8)	(31.9)	(110.5)	(107.0)
Free Cash Flow	\$ 146.1	\$ 84.9	\$ 311.0	\$ 298.4
Less: Streamlining & separation payments	(7.4)	(10.9)	(40.7)	(33.4)
Less: Acquisition related payments	(7.4)	4.5	(8.8)	3.4
Performance Free Cash Flow	\$ 160.9	\$ 91.3	\$ 360.5	\$ 328.4

Note: This statement reconciles net cash provided by operating activities to free cash flow. Management believes that presenting free cash flow and performance free cash flow is useful to shareholders because it demonstrates our ability to generate cash and the health of our business. Free cash flow is also one of the several measures used to determine incentive compensation for certain employees.

WABCO HOLDINGS INC. AND SUBSIDIARIES
Reconciliation of GAAP to Non-GAAP Financial Measures for Full Year 2018 Guidance
(Unaudited)

(Amounts in millions, except per share data)

	Full Year 2018 Guidance	
<u>Sales</u>		
Reported Sales	\$3,820.0 - \$3,980.0 <i>(1 Euro = 1.22 USD)</i>	
<u>Operating Income</u>		
Reported Operating Income Margin	13.8% - 14.2%	
Streamlining cost, impact to margin	0.2%	
Separation costs, impact to margin	0.1%	
Acquisition related items, impact to margin	0.4%	
Performance Operating Income Margin	14.5% - 14.9%	
<u>Net Income Attributable to Company</u>		
Reported Net Income Attributable to Company	\$361.2 - \$387.9	
Streamlining cost	7.0	
Separation costs	5.0	
Acquisition related items	17.0	
Tax items ⁽¹⁾	(5.8)	
Performance Net Income Attributable to Company	\$384.5 - \$411.2	
Reported Net Income Attributable to Company per Diluted Common Share ⁽²⁾	\$6.76	- \$7.26
Performance Net Income Attributable to Company per Diluted Common Share	\$7.20	- \$7.70
Diluted common shares outstanding	~ 53	

⁽¹⁾ Includes the tax impacts of the above items, calculated based on the statutory tax rates applicable to each adjustment for the jurisdiction from which the adjustment arises.

Note: The presentation of performance operating income margin, performance net income and performance net income per diluted common share is not in conformity with generally accepted accounting principles (GAAP). These measures may not be comparable to similar measures of other companies as not all companies calculate these measures in the same manner.

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