FISCAL YEAR 2017 FIRST QUARTER EARNINGS PRESENTATION

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Forward-Looking Statements

This presentation contains statements relating to future results of the company (including certain projections and business trends) that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are typically identified by words or phrases such as "believe," "expect," "anticipate," "estimate," "should," "are likely to be," "will" and similar expressions. Actual results may differ materially from those projected as a result of certain risks and uncertainties, including but not limited to reliance on major OEM customers and possible negative outcomes from contract negotiations with our major customers, including failure to negotiate acceptable terms in contract renewal negotiations and our ability to obtain new customers; the outcome of actual and potential product liability, warranty and recall claims; our ability to successfully manage rapidly changing volumes in the commercial truck markets and work with our customers to manage demand expectations in view of rapid changes in production levels; global economic and market cycles and conditions; availability and sharply rising costs of raw materials, including steel, and our ability to manage or recover such costs; our ability to manage possible adverse effects on our European operations, or financing arrangements related thereto following the United Kingdom's decision to exit the European Union or, in the event one or more other countries exit the European monetary union; risks inherent in operating abroad (including foreign currency exchange rates, restrictive government actions regarding trade, implications of foreign regulations relating to pensions and potential disruption of production and supply due to terrorist attacks or acts of aggression); risks related to our joint ventures; rising costs of pension and other postemployment benefits; the ability to achieve the expected benefits of strategic initiatives and restructuring actions; the demand for commercial and specialty vehicles for which we supply products; whether our liquidity will be affected by declining vehicle productions in the future; OEM program delays; demand for and market acceptance of new and existing products; successful development and launch of new products; labor relations of our company, our suppliers and customers, including potential disruptions in supply of parts to our facilities or demand for our products due to work stoppages; the financial condition of our suppliers and customers, including potential bankruptcies; possible adverse effects of any future suspension of normal trade credit terms by our suppliers; potential difficulties competing with companies that have avoided their existing contracts in bankruptcy and reorganization proceedings; potential impairment of long-lived assets, including goodwill; potential adjustment of the value of deferred tax assets; competitive product and pricing pressures; the amount of our debt; our ability to continue to comply with covenants in our financing agreements; our ability to access capital markets; credit ratings of our debt; the outcome of existing and any future legal proceedings, including any litigation with respect to environmental, asbestos-related, or other matters; possible changes in accounting rules; ineffective internal controls; and other substantial costs, risks and uncertainties, including but not limited to those detailed herein and from time to time in other filings of the company with the SEC. See also the following portions of our Annual Report on Form 10-K for the year ended September 30, 2016, as amended: Item 1. Business, "Customers; Sales and Marketing"; "Competition"; "Raw Materials and Supplies"; "Employees"; "Environmental Matters"; "International Operations"; and "Seasonality; Cyclicality"; Item 1A. Risk Factors; Item 3. Legal Proceedings; and Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations. These forward-looking statements are made only as of the date hereof, and the company undertakes no obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise, except as otherwise required by law.

All earnings per share amounts are on a diluted basis. The company's fiscal year ends on the Sunday nearest Sept. 30, and its fiscal quarters end on the Sundays nearest Dec. 31, March 31 and June 30. All year and quarter references relate to the company's fiscal year and fiscal quarters, unless otherwise stated.

First Quarter 2017 Financial Highlights

Financial Performance[1][2]

- Sales of $699M
- Adjusted EBITDA margin of 9.2%
- Adjusted Diluted EPS from Continuing Operations of $0.25

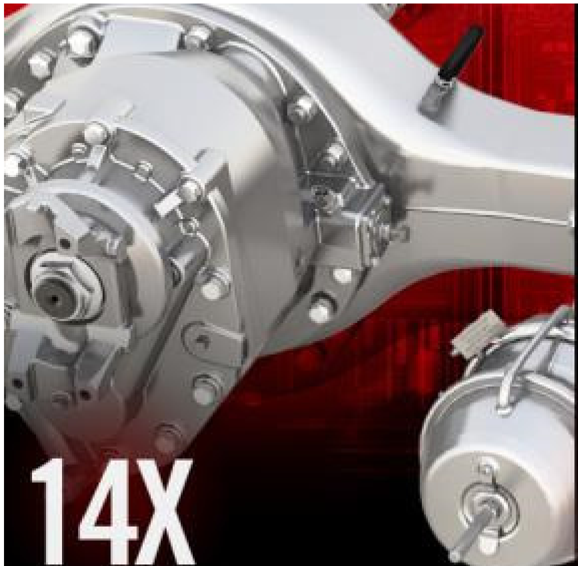
Reaffirming FY17 Guidance

Driving Toward M2019 Targets

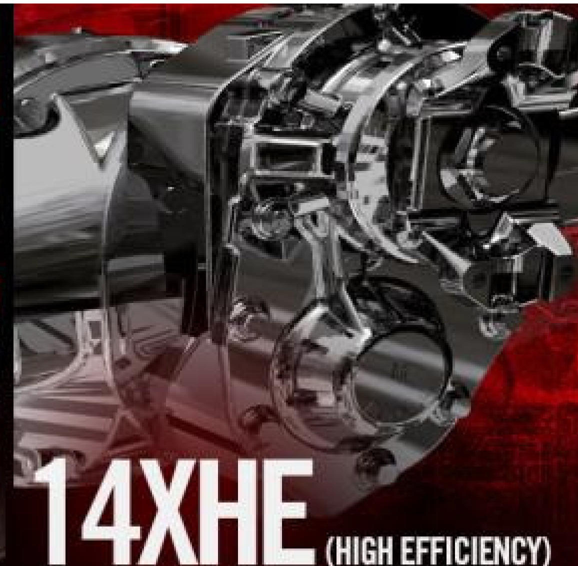
- Sustaining operational performance
- Continuing to invest in new products and technologies

1. See Appendix – "Non-GAAP Financial Information."
2. GAAP net income attributable to Meritor, Inc. was $15 million for Q1 FY17 and $26 million for Q1 FY16. GAAP income from continuing operations attributable to Meritor, Inc. was $15 million for Q1 FY17 and $28 million for Q1 FY16. GAAP diluted earnings per share from continuing operations attributable to Meritor, Inc. was $0.17 for Q1 FY17 and $0.30 for Q1 FY16.

Evolution of Leading Drivetrain Technology



Leading linehaul tandem axle in North America.



Next evolution of the most successful 40K axle in the market. Available in February 2017.

Electric drivetrain design aimed at minimizing the payback period of hybrid systems. Concepts for trucks and buses leverage proven solutions.

Driving leading axle technology in the commercial and industrial sectors

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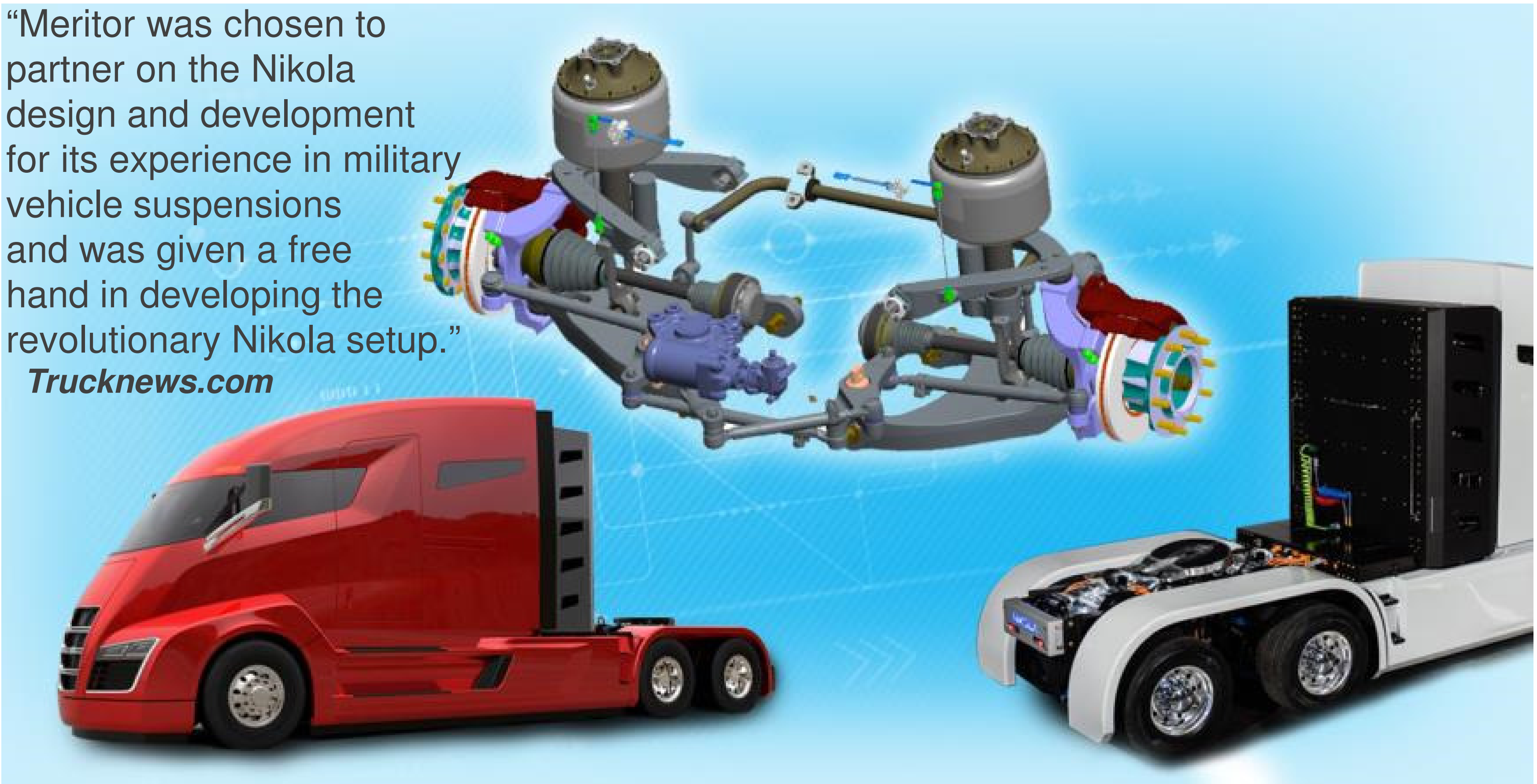
Nikola Alliance – Electric Semi-Truck

"Meritor was chosen to partner on the Nikola design and development for its experience in military vehicle suspensions and was given a free hand in developing the revolutionary Nikola setup."

Trucknews.com



Further demonstrating capabilities in advanced technology solutions

Fiscal Year 2017 Global Market Outlook[1] (units in 000s)

North America

Production	FY17 Outlook	Prior Outlook
Heavy Duty (Class 8)	190-210	190-210
Medium Duty (Class 5-7)	230-250	230-250
U.S. Trailers	240-260	240-260

- Inventory levels declining but still remain elevated
- Stable market conditions
- Aftermarket expected to be flat in FY17

Lower Class 8 Market in FY17

Western Europe

Production	FY17 Outlook	Prior Outlook
Medium and Heavy Duty	430-450	430-450

- Stable trend in truck registrations
- Mixed economic indicators

Solid Market

China

	FY17 Outlook	Prior Outlook
Revenue (Including exports)	~$100M	~$100M

- Construction market up slightly in Q1
- Stable bus and coach market

Flat Market

India

Production	FY17 Outlook	Prior Outlook
Medium and Heavy Duty	330-350	330-350

- Solid GDP growth
- Strong first half production
- Demonetization impact uncertain

Moderate Growth in FY17

South America

Production	FY17 Outlook	Prior Outlook
Medium and Heavy Duty	60-70	60-70

- Slight GDP growth expected in FY17
- Inflation beginning to decline

Slight Recovery in FY17

1. Prior and FY17 Outlooks based on Meritor estimates. Actual results may differ materially from projections as a result of risk and uncertainties. Please see “Forward Looking Statements”.

First Quarter 2017 Income Statement

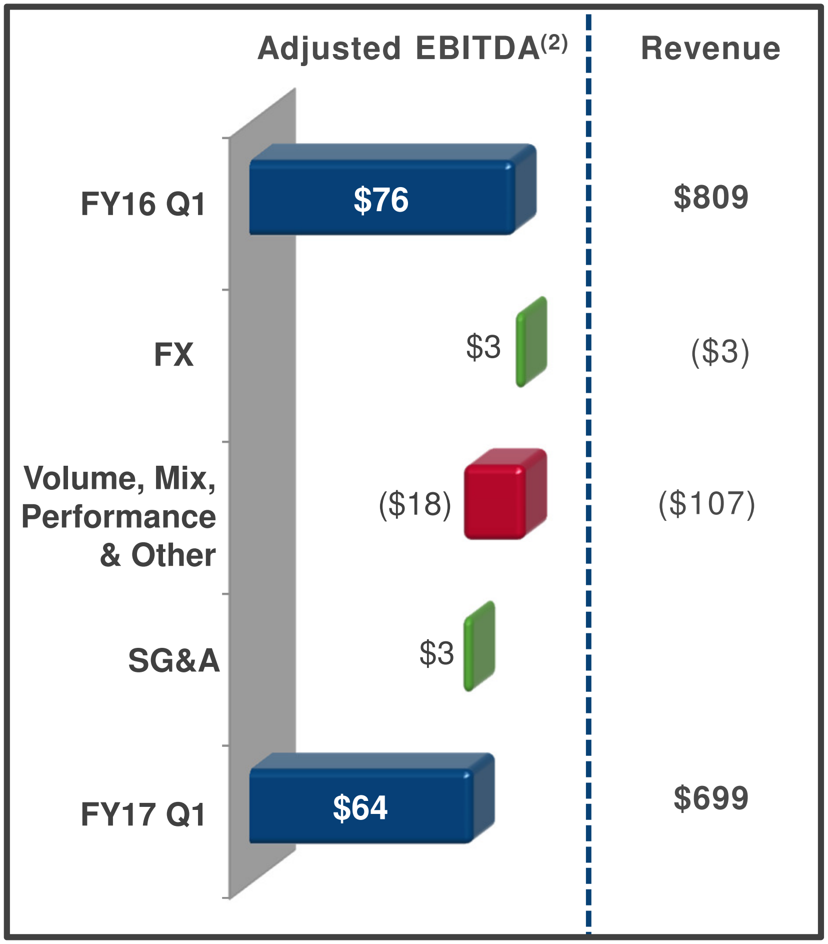
(in millions, except per share amounts)	Three Months Ended December 31, 2016	2015	Change
Sales	$ 699	$ 809	$ (110)
Gross Margin	89	104	(15)
SG&A	(53)	(56)	3
Restructuring Costs	-	(1)	1
Other Operating Expense	(3)	-	(3)
Operating Income	33	47	(14)
Equity in Earnings of Affiliates	10	10	-
Interest Expense, net	(21)	(22)	1
Other Income	-	1	(1)
Income Before Income Taxes	22	36	(14)
Provision for Income Taxes	(6)	(7)	1
Net Income from Continuing Operations	$ 16	$ 29	$ (13)
Noncontrolling Interests	(1)	(1)	-
Net Income from Continuing Operations Attributable to Meritor, Inc.	$ 15	$ 28	$ (13)
Total adjustments[1]	7	3	4
Adjusted Income From Continuing Operations Attributable to the Company[1]	$ 22	$ 31	$ (9)
Adjusted Diluted Earnings Per Share From Continuing Operations[1][2]	**$ 0.25**	**$ 0.33**	$ (0.08)

1. See Appendix -- "Non-GAAP Financial information."
2. GAAP diluted earnings per share from continuing operations attributable to Meritor, Inc. was $0.17 for Q1 FY17 and $0.30 for Q1 FY16.

First Quarter 2017 Financial Results

(in millions, except per share amounts)	Three Months Ended December 31, 2016		Three Months Ended December 31, 2015	
Sales				
Commercial Truck & Industrial	$	539	$	633
Aftermarket & Trailer		184		203
Intersegment Sales		(24)		(27)
Total Sales	**$**	**699**	**$**	**809**
EBITDA				
Commercial Truck & Industrial	$	42	$	52
Aftermarket & Trailer		22		20
Segment EBITDA[(1)]	**$**	**64**	**$**	**72**
Unallocated legacy and corporate costs, net		-		4
Adjusted EBITDA[(2)]	**$**	**64**	**$**	**76**
Adjusted EBITDA Margin[(2)]		**9.2%**		**9.4%**
Adjusted Diluted Earnings Per Share[(2)]	**$**	**0.25**	**$**	**0.33**

FY17 Q1 vs. FY16 Q1



1. Meritor uses Segment EBITDA as the primary basis for the Chief Operating Decision Maker to evaluate the performance of each of the company's reportable segments.
2. See Appendix – "Non-GAAP Financial Information."

First Quarter 2017 Segment Results

(in millions)

Commercial Truck and Industrial

	Three Months Ended December 31, 2016	2015	Better/(Worse) $	%
Sales	$539	$633	($94)	(15%)
Segment EBITDA[1]	$42	$52	($10)	(19%)
% of Sales[2]	7.8%	8.2%	(0.4 pts)	

Performance Drivers

Sales Decrease:

- Primarily driven by lower Class 8 truck production in North America

EBITDA Margin Decrease:

- Primarily driven by lower sales, partially offset by strong material, labor and burden performance

Aftermarket and Trailer

	Three Months Ended December 31, 2016	2015	Better/(Worse) $	%
Sales	$184	$203	($19)	(9%)
Segment EBITDA[1]	$22	$20	$2	10%
% of Sales[2]	12.0%	9.9%	2.1 pts	

Performance Drivers

Sales Decrease:

- Primarily driven by lower volumes across the segment

EBITDA Margin Increase:

- Primarily driven by material, labor and burden performance. The company also incurred costs in the prior year associated with the launch of a new warehouse system.

1. Meritor uses Segment EBITDA as the primary basis for the chief operating decision maker to evaluate the performance of each of the company's reportable segments.
2. Segment EBITDA margin is defined as Segment EBITDA divided by consolidated segment sales.

First Quarter 2017 Free Cash Flow

(in millions)	Three Months Ended December 31, 2016		Three Months Ended December 31, 2015	
Income From Continuing Operations	$	16	$	29
Net Capital Spending (D&A less Capital Expenditures)		-		(7)
Pension and Retiree Medical, net of expense		(6)		(8)
Performance Working Capital[2]		(1)		(18)
Asbestos Insurance Settlement Proceeds		-		12
Incentive Compensation, net of expense		(29)		(24)
Other		(11)		(11)
Free Cash Flow[1]	**$**	**(31)**	**$**	**(27)**
Memo: Cash Used for Operating Activities	*$*	*(14)*	*$*	*(5)*

1. See Appendix – "Non-GAAP Financial Information."
2. Change in payables less changes in receivables and inventory. Also includes changes in off-balance sheet accounts receivable securitization and factoring.

Fiscal Year 2017 Outlook

	FY17 Outlook[1]
Sales (in billions)	\$3.0 - \$3.1
Adjusted EBITDA Margin[2]	9.6% - 10.0%
Adjusted Diluted EPS from Continuing Operations[2]	\$1.25 - \$1.40
Free Cash Flow[2][3] (in millions)	\$50 - \$70

Reaffirming full year guidance

1. Based on management's planning assumptions and other factors. Actual results may differ materially from projections as a result of risks and uncertainties. Please see "Forward Looking Statements."
2. See Appendix – "Non-GAAP Financial Information."
3. Free Cash Flow includes operating cash flows provided by (used for) discontinued operations.

Note: Guidance for fiscal year 2017 on a GAAP basis as follows: Net income attributable to Meritor to be approximately \$80 to \$85 million. Diluted earnings per share to be approximately \$0.90 to \$0.95. Net income from continuing operations attributable to Meritor to be approximately \$80 to \$85 million. Diluted earnings per share from continuing operations to be approximately \$0.90 to \$0.95. Operating cash flow to be approximately \$140 million to \$160 million.

M2019 DRIVE! 125

Driving Toward M2019

Grow Revenue[1]	Improve Profit[1][2]	Allocate Capital[1][2][3]
>20% above market (cumulative)	$2.84 Adjusted Diluted EPS in Fiscal Year 2019	<1.5x Net Debt to Adjusted EBITDA in Fiscal Year 2019

Sufficient operating leverage to drive earnings expansion from new business wins and end-market recovery

1. Based on management's current planning assumptions and other factors. Actual results may differ materially from projections as a result of risks and uncertainties. See slide "Forward Looking Statements."
2. See Appendix – "Non-GAAP Financial Information."
3. Net Debt to Adjusted EBITDA Ratio: (Total debt – Cash and cash equivalents) / Adjusted EBITDA.

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Appendix

FY17 Planning Assumptions - Unchanged

(in millions) ***Continuing Operations***	**FY17 Estimate[(1)]**
Capital Expenditures	~$90
Interest Expense	$75 - $85
Cash Interest	$65 - $75
Cash Taxes	~$25

1. Based on management's planning assumptions and other factors. Actual results may differ materially from projections as a result of risks and uncertainties. Please see slide "Forward Looking Statements."

Non-GAAP Financial Information

In addition to the results reported in accordance with accounting principles generally accepted in the United States ("GAAP"), we have provided information regarding non-GAAP financial measures. These non-GAAP financial measures include Adjusted income (loss) from continuing operations attributable to the company, Adjusted diluted earnings (loss) per share from continuing operations, Adjusted EBITDA, Adjusted EBITDA margin, Free cash flow and Net Debt.

Adjusted income (loss) from continuing operations attributable to the company and Adjusted diluted earnings (loss) per share from continuing operations are defined as reported income (loss) from continuing operations and reported diluted earnings (loss) per share from continuing operations before restructuring expenses, asset impairment charges, non-cash tax expense related to the use of deferred tax assets in jurisdictions with net operating loss carry forwards, and other special items as determined by management. Adjusted EBITDA is defined as income (loss) from continuing operations before interest, income taxes, depreciation and amortization, non-controlling interests in consolidated joint ventures, loss on sale of receivables, restructuring expenses, asset impairment charges and other special items as determined by management. Adjusted EBITDA margin is defined as Adjusted EBITDA divided by consolidated sales from continuing operations. Free cash flow is defined as cash flows provided by (used for) operating activities less capital expenditures. Net Debt is defined as total debt less cash and cash equivalents.

Management believes these non-GAAP financial measures are useful to both management and investors in their analysis of the company's financial position and results of operations. In particular, management believes that Adjusted EBITDA, Adjusted EBITDA margin and Adjusted diluted earnings (loss) per share from continuing operations are meaningful measures of performance as they are commonly utilized by management and the investment community to analyze financial performance in our industry. Further, management uses these non-GAAP financial measures for planning and forecasting future periods. Management believes that Free cash flow is useful in analyzing our ability to service and repay debt and return value directly to shareholders. Net Debt divided by Adjusted EBITDA is a specific financial measure which is part of our three-year plan, M2019, to reduce net debt as a proportion of Adjusted EBITDA.

Adjusted income (loss) from continuing operations attributable to the company, Adjusted diluted earnings (loss) per share from continuing operations and Adjusted EBITDA should not be considered a substitute for the reported results prepared in accordance with GAAP and should not be considered as an alternative to net income as an indicator of our financial performance. Free cash flow should not be considered a substitute for cash provided by (used for) operating activities, or other cash flow statement data prepared in accordance with GAAP, or as a measure of financial position or liquidity. In addition, this non-GAAP cash flow measure does not reflect cash used to repay debt or cash received from the divestitures of businesses or sales of other assets and thus do not reflect funds available for investment or other discretionary uses. These non-GAAP financial measures, as determined and presented by the company, may not be comparable to related or similarly titled measures reported by other companies. Set forth below are reconciliations of these non-GAAP financial measures to the most directly comparable financial measures calculated in accordance with GAAP. Net debt should not be considered a substitute for total debt as reported on the balance sheet.

Non-GAAP Financial Information

(In millions)	Three Months Ended December 31, 2016	2015
Net Income Attributable to Meritor, Inc.	$15	$26
Loss from Discontinued Operations	-	2
Income From Continuing Operations Attributable to Meritor, Inc.	$15	$28
Interest Expense, Net	21	22
Provision for Income Taxes	6	7
Depreciation and Amortization	17	15
Noncontrolling Interests	1	1
Loss on Sale of Receivables	1	2
Restructuring Costs	-	1
Asset Impairment Charges[2]	3	-
Adjusted EBITDA	$64	$76
Adjusted EBITDA Margin[1]	9.2%	9.4%

1. Adjusted EBITDA margin equals Adjusted EBITDA divided by consolidated sales from continuing operations.
2. Relates to the impairment of an asset group held for sale because the carrying value exceeds the fair value.

Non-GAAP Financial Information

Income from Continuing Operations Reconciliation

(in millions, except per share amounts)

	Three Months Ended December 31, 2016	Three Months Ended December 31, 2015
Adjusted Income From Continuing Operations Attributable to the Company	$ 22	$ 31
Adjustments:		
Restructuring costs	-	(1)
Non-cash tax expense[1]	(5)	(2)
Asset impairment charges, net of noncontrolling interests[2]	(2)	-
Income from Continuing Operations Attributable to the Company	$ 15	$ 28
Adjusted Diluted Earnings Per Share From Continuing Operations	$ 0.17	$ 0.30
Impact of Adjustments on Diluted Earnings Per Share	0.08	0.03
Diluted Earnings Per Share From Continuing Operations	$ 0.25	$ 0.33
Diluted Shares Outstanding	88.5	94.3

1. Represents tax expense related to the use of deferred tax assets in jurisdictions with net operating loss carry forwards.
2. Relates to the impairment of an asset group held for sale because the carrying value exceeds the fair value.

Non-GAAP Financial Information

Free Cash Flow Reconciliation

(in millions)

	Three Months Ended December 31, 2016		Three Months Ended December 31, 2015	
Cash used for operating activities	$	(14)	$	(5)
Capital expenditures		(17)		(22)
Free cash flow	$	(31)	$	(27)

Non-GAAP Financial Information

(In millions, except per share amounts)	Fiscal Year 2017 Outlook[1][2]
Net Income attributable to Meritor, Inc.	$ 80 - 85
Loss from Discontinued Operations	-
Income from Continuing Operations Attributable to Meritor, Inc.	$ 80 - 85
Interest Expense, Net	~80
Provision for Income Taxes	50 - 60
Depreciation and Amortization	65 - 70
Restructuring	~5
Other (noncontrolling interests, loss on sale of receivables, etc.)	~10
Adjusted EBITDA	$ 290 - 310
Sales	$ 3,000 - 3,100
Adjusted EBITDA Margin[1]	9.6% - 10.0%
Diluted earnings per share from Continuing Operations	$ 0.90 - 0.95
Adjustments:	
Restructuring Costs	~$0.05
Non-Cash tax expense	0.30 - 0.40
Adjusted diluted earnings per share from Continuing Operations	$ 1.25 - 1.40
Diluted average common shares outstanding	~89

1. Amounts are approximate
2. Based on management's planning assumptions and other factors. Actual results may differ materially from projections as a result of risks and uncertainties. Please see "Forward Looking Statements."

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Non-GAAP Financial Information

(In millions)	Fiscal Year 2017 Outlook[1][2]
Free Cash Flow:	
Cash provided by operating activities	$ 140 - 160
Capital expenditures	~(90)
Free cash flow	$ 50 - 70

1. Amounts are approximate.
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